

Arendals Fossekompani

# Activity and reporting obligation 2021

Part of Annual report 2021



AFKs Activity and reporting obligation report

# Diversity and Equality in Arendals Fossekompani

*"At Arendals Fossekompani we value our employees, and we strongly believe that diversity makes us better. Our goal is to be a preferred employer with a motivated workforce. We believe that being part of a bigger purpose, working for a more sustainable world, brings more value and motivation to our employees"*

**Ingunn Ettestøl**  
Chief Sustainability Officer (CSO)



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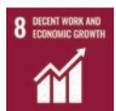
Arendals Fossekompani strives to be a great place to work. Our ambition is to preserve and continue to build an inclusive company culture with zero tolerance for discrimination. We believe that a workforce with a wide array of skills and backgrounds drive productivity and performance. Diversity brings new perspectives and helps us reach our long-term goals.

AFK 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

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



**SDG 8**  
Decent work and economic growth

AFK supports and contributes efforts to ensure that our employees and sub-contractors have decent work, equal opportunities, fair treatment and a safe work environment.

In our strategy we have set specific goals for gender equality. One of our KPIs is to measure the percentage of women in various parts of the organization. We currently have 30 % women on our Board of Directors and our ambition is to increase this number to 40% by 2023. The same targets apply to women in C-suite positions and in our total work force. In addition, we have KPIs for fundamental human and labour rights, health and safety and work-life balance. AFK participates in the She Index, with focus on diversity and inclusion in leadership and workforce, equal compensation and work life balance.



2021 has been another year where the pandemic has affected us, and it has been a priority to focus on the wellbeing of our employees. We have recruited great new colleagues and we are also happy to see a growth in the number of female employees. We have also hired an HR Manager who will support us in our work to professionalise the HR area. Last year we had to postpone the "Likestilt arbeidsliv" (Equal working life) certification, but we will continue this process in 2022. The work we have done with the activity and reporting obligations is a good start and we look forward to continuing our journey towards better inclusion and greater diversity.

**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.

In AFK parent company, we count 30 employees, but we have still decided to use the four-step working method in our work and 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).

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# State of gender equality

The statement is limited to AFK parent company and applies to the 2021 financial year as of 31.12.21. 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 16-6 b, have an obligation to publish a remuneration report for the Executive Management in AFK. This is published as a separate report.

TABLE 1: GENDER BALANCE

	Gender balance	Temporary Employees	(average number in weeks) Parental leave	Part time	Involuntary part time	Recruitment
Women	7	0	*	2	0	3
Men	23	0	*	0	0	1

\* 2 employees (one of each gender) in 2021 (too few to provide a statistical average)

TABLE 2: GENDER PAY

	Women	Men	Comments
<b>Total</b>	7	23	<ul style="list-style-type: none"> <li>We conducted a complete mapping of all employees in AFK.</li> <li>We compared the employees background, tasks, experience, tenure, and salary within each subcategory.</li> <li>We found no major systematic differences.</li> <li>The number in each subgroup is too small to publish the results and to provide a statistical average.</li> </ul>
<b>C-suite</b>	1	4	The remuneration report for 2021 provides an overview of remuneration of the Executive Management of AFK in 2021. The remuneration report is in accordance with the Norwegian Public Limited Liability Companies Act section 16-6 b.
<b>Production</b>	1	12	Less than five of each gender in the subgroup.
<b>Finance</b>	2	3	Less than five of each gender in the subgroup.
<b>Property</b>		1	Less than five of each gender in the subgroup.
<b>Business development</b>	3	3	Less than five of each gender in the subgroup.

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# Our work for equality and against discrimination

AFK 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 behavior.

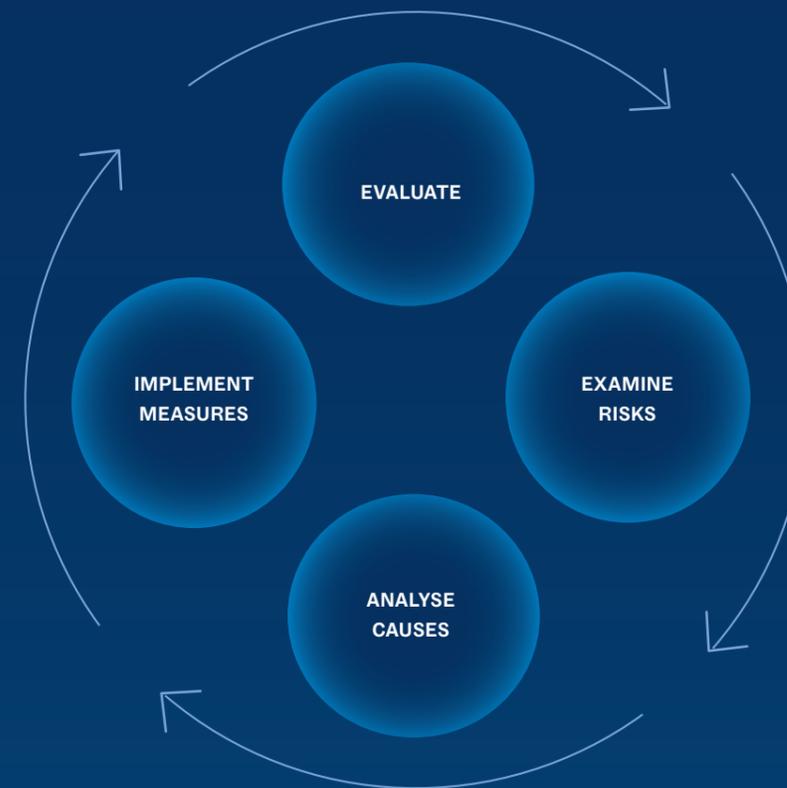
If employees are discriminated against, bullied, or harassed, AFK will take necessary and proportionate measures. The goals, obligations and follow up are rooted in our Code of Conduct that all employees must sign and comply with.

## The activity and reporting obligations- roles, responsibilities, and organisation

To ensure different perspectives and broad participation we established a group consisting of employee representatives from both the production and the administration building, HR, The Chief Sustainability Officer, and a trainee who supported us in this process. We prepared by collecting relevant information and documentation. The Finance department supported us with the numbers and salary overview. We had two meetings in the group to examine the risks, analyse causes and discuss measures. We also involved the management in our examination of equal pay and to prioritise measures. Going forward, the Board of Directors will ensure that we work on our activity and reporting obligations, and they will consider this report once a year.

## The four-step working method

In accordance with the method, 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. In time, we will evaluate the results and continue the process.



## We examined the general risk of discrimination in Arendals Fossekompani in the areas of

- Recruitment
- Accommodation
- Salary and working conditions
- Promotions and development
- The opportunity to combine work with family life

## Within each area we have considered these grounds of discrimination

- Gender
- Disability
- Sexual orientation
- Gender identity/ gender expression
- Religion/ belief
- Ethnicity
- Pregnancy and leave in connection with child-birth/ adoption/care responsibilities

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Results

RECRUITMENT

As preparation we read some of the job descriptions for the recent vacant positions in AFK. 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 that there are no female applicants for vacant positions. The reason could be that the recruitment base is quite small (education and experience). Trainees could be a great way to recruit, but we can't offer the necessary variations in tasks that are needed to fulfill the competence requirements. We will seek to identify other opportunities to recruit more women in production and will continue to professionalise the recruitment process to ensure the focus on diversity.

THE DUTY TO ACCOMMODATE

AFK strives to be a flexible employer, and we are able to adjust tasks, working hours etc. for a period of time for our employees when needed. In the physical environment we have some challenges in both locations. The administration is located in an old office building. Some areas are facilitated, but in other areas we would need to make adjustments. We are currently planning renovation of the entrance and we will also expand our office space. In this process we will plan for the best possible design in regards to accessibility. In the production site the office building 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 discuss topics like ergonomics and the work environment with the Occupational Health Service every two years. In addition, we have inspections with the Safety representatives every year.

SALARY AND WORKING CONDITIONS

For the activity and reporting obligations, HR mapped the salary of all employees and divided them into subgroups. In some cases, we interviewed the manager in questions regarding the employees' experience, salary level and salary development. We found no systematic differences, but we need to keep monitoring in order to prevent systematic gender differences in the future. In production they have a collective agreement. The bonus agreement is based on KPIs for the team and the employee.

Regarding working conditions, we have no involuntary part time in AFK, but we have two employees working part time by choice. In 2021 we only had two employees on parental leave and the number is too small to generate a statistical average.



PROMOTIONS AND DEVELOPMENT

All employees in AFK have the opportunity to, at least once a year, have an appraisal talk/ development discussion with their manager. We aim to improve on structure and career development. In production, the employees have job descriptions and regular training/ courses. 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 2021 is the nano learning on the Ethical framework of AFK. In 2021 we updated the internal whistle-blower routines. All employees got the updated version, but in 2022 we plan to offer employees even more training in different types of whistleblowing (internal, external etc).

THE OPPORTUNITY TO COMBINE WORK WITH FAMILY LIFE

In AFK, 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 we can work from home when needed and we plan our own time, travels etc to a large extent. In production workers follow a work schedule. The workload varies and if something unexpected happens at work everyone needs to contribute. The overall feedback is that the work-life balance is satisfactory.

Topic	Measures	Responsible	Timeframe
Recruitment	Professionalise the recruitment process and create check lists to ensure equality and diversity: - Job descriptions and requirements. - Ads, text, and pictures. - Interviews. Create templates for pre-, on- and offboarding.	HR	Q2
Accommodation	Plan for inclusive design and accessibility in renovation projects.	Administration	Q2
Salary and working conditions	Ensure that we have good structures for deciding salary and salary reviews to prevent systematic differences.	Management group	Q3
Development	Update job description for all employees. Structured development discussions. Provide learning sessions and information on different kinds of whistleblowing.	Management group/ HR	Q3
Equality	Continue the process for the "Likestilt arbeidsliv" (Equal working life) certification.	ESG team	Q4

