



Sustainability Report 2020



Fjordkraft is the largest end-user company for electricity in Norway. The Fjordkraft Group supplies electricity to 2.1 million people through approximately 1.1 million metering points in private homes, companies and the public sector in Norway, Sweden and Finland. Fjordkraft started offering mobile services in the consumer market in April 2017 and is now Norway's largest mobile service provider.

Fjordkraft offers services for the low-emission society and operates an alliance concept consisting of 30 smaller electricity companies that purchase services from Fjordkraft.

At the end of 2020, Fjordkraft had 330 permanent employees. Its head office is in Bergen. The company also has offices in Sortland, Hamar, Kongsvinger, Sandefjord, Trondheim, Oslo and Stavanger.

In November 2020, the Fjordkraft Group gained subsidiaries in Sweden and Finland through the acquisition of Switch Nordic Green AB. The company sells renewable energy through the Nordic Green Energy brand.

In Norway, the Fjordkraft Group includes the Fjordkraft, TrøndelagKraft, Eidsiva Marked and Gudbrandsdal Energi brands. From 1 April 2021, Eidsiva Marked AS will be merged into Fjordkraft AS, while Gudbrandsdal Energi will continue to operate as an independent limited company with offices in Vinstra.

The Fjordkraft Group's sales totalled NOK 4.215 billion in 2020. Fjordkraft Holding ASA became a publicly traded company on 21 March 2018.

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This year's reporting in brief

We are for the first time delivering a Sustainability Report in which the reporting is in line with relevant parts of the Global Reporting Initiative, the so-called GRI Standard, Core option. This is an internationally recognised standard for reporting on economic, environmental and social conditions. The Sustainability Report for 2021 will be independently reviewed by a third party.

A word from the CEO: A complete energy partner

2020 will forever be remembered as a very different year. Few, if any, companies were unaffected by the Covid-19 pandemic.

However, the need for electricity and mobile telephony remains, even when society shuts down. This means that Fjordkraft is resilient and has an even greater responsibility to maintain a steady course in its sustainability work.

Since we started requiring that our suppliers be climate neutral we have tightened the rules for quota purchases and launched Klimahub.no to increase transparency. In 2020, we asked the government for a national standard for climate accounts and set new, tougher targets for our own reduction in emissions. The idea is to identify and implement measures that have the greatest possible effect.

We are also doing this by playing an active role in the electrification of Norway. We are seeing increasing interest in generating

one's own electricity and smart electricity management in the consumer market, both easily available via the Fjordkraft app.

However, in order to ensure that the services we offer for the low-emission society make a real contribution to fighting climate change, we have to think even bigger and be a driving force behind the energy transition in the business market.

Fjordkraft does not just want to supply electricity. We want to be a complete energy partner that eliminates the barriers to establishment, offers services and provides advice that lowers both emissions and energy costs. In 2020, our business sales staff became sustainability certified and in 2021 their performance will not just be measured in terms of system numbers and consumption volumes, but also by cuts in emissions.

In the coming years, we believe that property managers will regard unused roof surfaces as a resource, perfect for locally sourced solar energy. With

Fjordkraft arranging the planning, financing, installation and operation of the system, it will be easy for our customers to make a difference.

Because there is no doubt that the importance of sustainability will only increase, for customers and for us. All of our stakeholder groups clearly expect us to think sustainability in everything we do. This was particularly noticeable in the investor market in 2020 and Fjordkraft was part of a green wave on the Oslo Stock Exchange.

In 2018, Fjordkraft won the UN Climate Action Award for its supplier requirement initiative, 'Klimanjaro' and was called a lighthouse in the fight to halt climate change. I hope the work described in this report can still inspire

and pledge that Fjordkraft will continue to improve bit by bit, year by year.



*Rolf Barmen,
CEO at Fjordkraft.
Photo: Fjordkraft*

Fjordkraft's climate pledge

Fjordkraft became a climate neutral business as early as 2007. We set requirements for our regular suppliers through our climate pledge, Klimanjaro:

“We promise that our regular suppliers will be climate neutral. Together, we are creating a climate-friendly value chain.”

We first achieved our climate pledge in 2019. That year, all of our regular suppliers had to produce climate accounts, draw up action plans for how they would cut their emissions and prove that they had purchased climate quotas to offset their remaining emissions in order to become climate neutral.

In 2020, we tightened the requirements related to buying climate quotas. We made it a requirement for our regular suppliers that a minimum of 80 per cent of their purchased climate quotas had to be EUAs. Many companies now only purchase EUAs, although CER quotas must account for a minimum of 20 per cent of purchases for those that also want to satisfy the conditions of UN Climate Neutral Now.

In the past few years, EUAs have resulted in major cuts to greenhouse gas emissions in Europe. EUAs have risen in price since 2017, although they fell heavily in price at the start of the Covid-19 crisis in March 2020. The price then rose again towards the end of the year. The price is expected to be even higher in 2021. Higher prices and fewer climate quotas on the market result in companies doing even more to cut their emissions.

Fjordkraft is not the climate police so we have, therefore, not scrutinised all of our suppliers in detail to check that

they are satisfying our requirement for climate neutrality. However, in October 2019 we launched the Klimahub.no web portal. Klimahub.no lets you check the climate footprint of Norwegian businesses. From 2020 onwards, Fjordkraft requires all of its regular suppliers to register their climate accounts and action plans here. This makes the figures more transparent. Here we can check each other's climate footprints and be inspired by each other's action plans for cutting emissions.

In 2020, we saw the domino effect we hope to create through our supplier

requirements gather pace. Many companies are finding that they have to submit documentation of their climate neutrality in tender competition processes. This is primarily a result of Fjordkraft setting requirements, but also partly a result of our suppliers starting to set requirements. In addition, more companies outside our supply chain are setting requirements for climate neutrality. Fjordkraft's climate pledge has had positive ripple effects in 2020.

Read more about Klimanjaro and Klimahub.no on page 22.





UN Sustainable Development Goals

We are committed to ensuring that our sustainability work has the greatest possible effect. The UN Sustainable Development Goals (SDGs) are used as important guiding stars in achieving this. We have chosen to particularly focus on nine of the SDGs, with SDG 13 (Climate action) being the most important.



This is Fjordkraft's prioritization of our chosen SDGs.



Good health and well-being

Fjordkraft is helping to promote good health and a better quality of life for everyone, regardless of age. We support both grassroots sports in local communities and elite sports nationally. We also facilitate physical activity for employees with both weekly exercise sessions and competitions aimed at encouraging physical activity.

We provide our customers with simple, affordable access to health services through Fjordkraft Helsefordel in our loyalty programme. We work with weCare, an app for families that cooperate to help senior citizens or those in need of care. Fjordkraft is exploring the possibility of being able to offer broader health services in the coming years. Good health is important for achieving all of the SDGs.

Read more about Fjordkraft - one of Norway's largest sponsors on page 32.



Gender equality

Fjordkraft is focusing on gender equality and strengthening women's position in society. We have a responsibility to address gender equality through raising awareness and clear goals in our own organisation. We

participate in the SHE Index, which provides us with fact-based knowledge as a means of change.

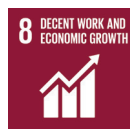
Read more about Fjordkraft as a workplace on page 30.



Affordable and clean energy

Fjordkraft is helping to ensure reliable and sustainable energy for all at an affordable price. We sell power agreements with guarantees of origin from renewable power sources. It is voluntary for the customers to buy these, although it ensures that the payment for the electricity goes to the generation of renewable power. Through our Klimanjaro initiative and Klimahub.no we are increasing the focus on clean energy and the importance of our suppliers and customers being aware of this.

Read more about Klimanjaro and Klimahub.no on page 22 and Products and services for the low-emission society on page 18.



Industry, innovation and infrastructure

Fjordkraft is constantly developing new services for the consumer and business markets. During 2020, climate-smart solutions were facilitated for housing cooperatives and the business sector through financing and infrastructure partners. We have also recently launched

the 'Markedsplass' marketplace in which we, among other things, facilitate trade in second-hand products.

Read more about Products and services for the low-emission society on page 18.



Sustainable cities and communities

We want to help make cities and communities inclusive, safe, resilient and sustainable. Here, we work with others such as the Church City Mission and what we call non-commercial sponsorships to achieve the SDG.

Read more about Fjordkraft - one of Norway's largest sponsors on page 32.



Responsible consumption and production

Fjordkraft wants to help ensure sustainable consumption and production patterns. We want to help our customers live more sustainably and run more sustainable businesses. We provide guidance on guarantees of origin for renewable electricity and tell our customers how they can make well-considered choices concerning their electricity consumption. We offer several sustainable services such as solar panels, heat pumps and home chargers for electric cars.

Read more about Products and services for the low-emission society on page 18.



Climate action

This is the SDG where we believe that Fjordkraft has the greatest opportunity to make a difference. We are interested in impact and through our Klimanjaro initiative and Klimahub.no web portal we are helping to contribute to major cuts in greenhouse gas emissions. We stipulate a requirement for climate neutrality, and we are enabling other companies to produce and publish their climate accounts in a web portal. The companies can also use it to publish their action plans for how they will cut emissions. This creates transparency and contributes to important information sharing where one can inspire other companies to make real cuts that reduce their climate footprints.

Read more about Klimanjaro and Klimahub.no on page 22.



Life below water

Fjordkraft is a #Plastsmart partner, which obligates us to map our own streams of plastics, implement internal measures, stipulate requirements for suppliers, facilitate increased recycling and recovery, and design for the circular economy. We generally offer intangible products and services, but we are reducing our use of plastic where we can and ensuring that it does not go astray.

We are also a proud sponsor of Statsraad Lehmkuhl. We have donated solar panels for the roof of the foundation's administration building on Bryggen in Bergen and we are supporting the ship's voyage of circumnavigation, 'One Ocean Expedition', which will set sail in September 2021. The sailing ship will function as a research vessel that will collect new data about the world's oceans.

Read more about Partners and certifications on page 17 Fjordkraft - one of Norway's largest sponsors on page 32.



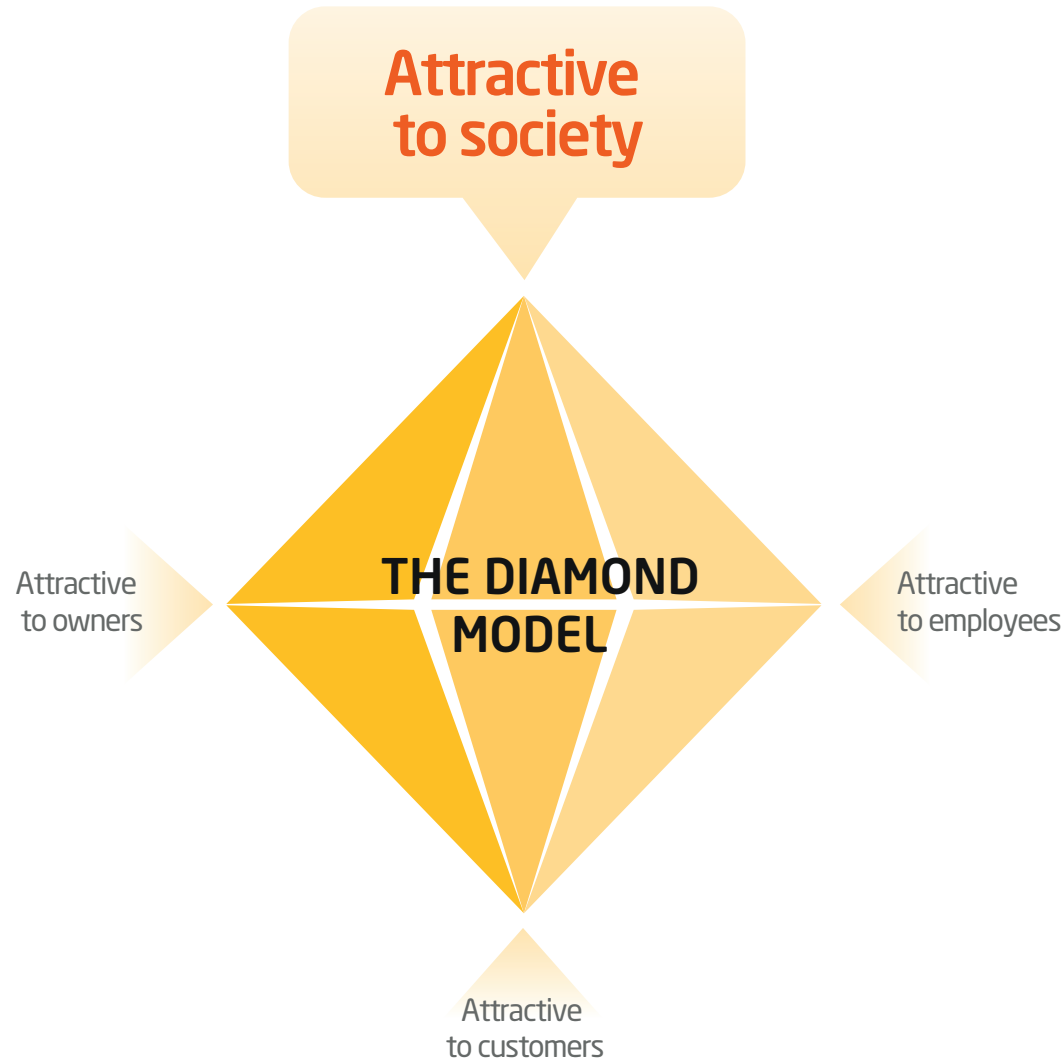
Partnerships for the goals

In 2018, we won the UN Climate Action Award. The UN called us a lighthouse for other companies when it comes to climate action. This obligates us. We, therefore, stipulate requirements for suppliers through the Klimanjaro initiative and make it possible for other companies to use the tools on Klimahub.no, free of charge, to become climate neutral. We also work with companies and organisations on sharing best practice so that together we can achieve the goals. Alone we can do a bit. Together we can do a lot.

Read more about Partners and certifications on page 17.



The right balance



To be the most attractive electricity retailer in Norway, Fjordkraft must balance the needs of its customers, employees, owners and society at large.

While we can concentrate on one particular group at times, over time our efforts must be wide-ranging. Therefore, the optimum approach is to take steps that benefit multiple stakeholder groups. In order to make the largest possible contribution to sustainable development, we must identify the measures that are socially beneficial and can support our business operations. It is, therefore, interesting to see that sustainability is the third most important driver behind a good reputation in the consumer market, just after price and information. It shows that the work on sustainability is becoming ever more important (ref. Energy Barometer Q4 2020).

Fjordkraft has first and foremost positioned itself in relation to sustainability by stipulating a requirement for all of our regular suppliers to be climate neutral. Here we are using our purchasing power to make a difference. 2020 proved that many of our suppliers, as well as companies outside our supply chain, are now in turn stipulating requirements for their suppliers. What is the result of this? We cut even more of our combined greenhouse gas emissions. The domino effect has started.

Our stakeholder group is broad and expectations within it differ, although we find that they share

a common wish, that is for Fjordkraft to operate its business as sustainably as possible.

Authorities

The authorities require transparent, ethical and active ownership. We must of course comply with laws and regulations. The government released a new climate plan in early 2021 and this provides guidelines for significant cuts in CO2 emissions in the years to come. It also plans for the electrification of large parts of society, which creates opportunities for us as an electricity retailer and service provider. We are also waiting for the EU's taxonomy, a classification system for sustainability that, among other things, should prevent greenwashing in business. The taxonomy will be introduced from 2022.

Owners and investors

Our owners and investors are interested in sustainable access to capital. We must also point to responsible purchasing and requirements are stipulated for the follow up of capital managers. More than ever before, in 2020 we experienced a demand for ESG reporting. Sustainability is therefore being implemented in every part of the company. We have also set ourselves a goal of helping our business customers cut their emissions.

Employees

Today's employees want to work in workplaces with diversity, equal opportunities, a good corporate culture, and a focus on the climate and environment. In other words, a sustainable workplace. This is not only obvious among current employees, but the HR department is also noticing it in recruitment processes for new employees. Many candidates are familiar with our requirement for our suppliers to be climate neutral and want to know more about our sustainability work. They want an employer that sets clear goals and makes a difference.

Customers

Even though sustainability scores high as a driver of a company's reputation in the Energy Barometer in 2020, our consumer market customers only gave us moderate scores on questions relating to sustainability in the Norwegian Sustainability Barometer, which was carried out by the Norwegian Customer Barometer in June 2020. The survey revealed that many consumers have trouble answering questions linked to sustainability. Many quite simply do not know what the companies do in this area. Therefore, the Norwegian Sustainability Barometer measures the subjective perceptions of sustainability of

companies' customers within three main dimensions: 1) economic sustainability, 2) environmental sustainability, and 3) social sustainability. This means that the results do not necessarily reflect how sustainable the companies are, rather they reflect the customers' perception of the companies.

The respondents believed that the electricity industry scores best on the environmental dimension of sustainability. In Fjordkraft, we score moderately on the social, economic and environmental dimensions of sustainability, compared with other electricity retailers. Here, we are either not good enough or the customers do not know enough about how we work on sustainability. We have put this on the agenda in order to achieve improvements.

The survey shows that sustainability has little influence on consumer market customers when it comes to loyalty to electricity retailers, although the Norwegian Sustainability Barometer writes that it is reasonable to assume that this impact will grow in the future. Therefore, it is important for us to focus on sustainability work in order to fight for both consumer market and business customers in the future.

Fjordkraft's targets in the period up to 2023:

- 100 per cent of the electricity we consume internally must be purchased with guarantees of origin.
- 100 per cent of our used IT equipment must be reused or undergo recovery.
- Our vehicle fleet will be fossil-free by the end of 2021.
- We will cut emissions from flights by 40 per cent per employee by the end of 2023 (datum point in 2019 due to the Covid-19 pandemic in 2020).
- 100 per cent of Fjordkraft's regular suppliers must be climate neutral.
- 100 per cent of Fjordkraft's regular suppliers must register on Klimahub.no.
- All employees in Fjordkraft must complete our digital Sustainability Academy.
- All employees in Fjordkraft must complete internal sustainability certification by the end of 2022.

A survey conducted by EPSI Rating, which has particular competence in measuring and analysing customer experiences in relation to companies and organisations, shows much the same as the surveys of consumer market customers. We score just below average on questions about whether the business customers believe we operate in line with sustainable economic principles, but we score above average when it comes to whether we communicate our sustainability work in a positive manner. As to the question of whether Fjordkraft takes environmental responsibility, we again score below average. Here, we have set ourselves a goal for 2021 and the years to come so that business customers can also see that we are working to become even better at sustainability.

We can also see that many consumer market customers are interested in their electricity retailer supporting the local community of which it is a part. Here, sponsorships are an important tool for Fjordkraft.

Local communities

Local communities often think about sustainability in a different way. They wonder how companies can help them create activity among young people and contribute to local engagement. Fjordkraft

supports several sports clubs in local communities in which we have offices. We support them with tracksuits for the athletes. We also took measures during the Covid-19 pandemic in Bergen. Together with Bergen cinema and Bergen parking we arranged film nights, stand-up shows, church services and breakfast seminars on the roof of Bygarasjen in Bergen, as well as in Vestlandshallen. This created engagement and made a difference to people's everyday lives, especially in Easter 2020. We also helped to arrange drive-in film nights in Trondheim and in Sortland.

Suppliers and business partners

We stipulate a requirement for our suppliers and business partners to be climate neutral although we are also seeing more requirements and expectations regarding sustainable operations coming the other way. Suppliers want us to report on various sustainability parameters and a good reputation is high on the agenda.

Industry organisations

Fjordkraft collaborates with many different industry organisations. In our experience, everyone is focusing on sustainability. Many organisations are also wondering how we can help them set requirements and resolve challenges surrounding sustainability that their

members have. Among other things, we are seeing greater interest in our climate portal, Klimahub.no.

One challenge for our industry is that what we sell is intangible for the customers. Whenever electricity is up for discussion, prices are often the main issue. How can we score higher on reputation in relation to sustainability if our customers are really most interested in price? Here we have an important job to do of teaching our customers that energy is a source of greenhouse gas emissions, which in turn leads to climate change. Therefore, we

tell our customers how they can reduce their emissions by using the right amount of electricity. It is also important that we can offer our customers renewable energy and the opportunity to generate their own clean energy.

We will continue to use our muscle in a positive manner. Not just in relation to the supply chain, but also for the benefit of our stakeholder group.



Morten Opdal, head of business controlling and investor relations, gives a presentation to owners and investors on Capital Markets Day. This year's CMD was held digitally due to the Covid-19 pandemic.

Photo: Fjordkraft

STAKEHOLDER ANALYSIS

Stakeholder groups	What are their concerns?	Arena for engagement
Authorities	Open, ethical and active ownership	Meetings
	Preventing financial crime	Submissions on public consultations
	Compliance with applicable laws and regulations	Letters/email
	Privacy	Reporting
	Competition	Industry association and submissions on public consultations
Owners/investors	Sustainable access to capital	Meetings and conversations
	Responsible purchasing and sponsorship	Quarterly and annual reporting
	Requirements and follow-up of capital managers	Conferences
	Reputation	Digital meetings and media
Employees	Employee satisfaction	Employee surveys
	Diversity, equal opportunities and culture	Cooperation committee
	Responsible purchasing and sponsorship	Guidelines and training
	IT security and privacy	Digital and physical meetings
	Reputation	General meetings and large meetings
	Sustainable operations	Workplace/intranet
Customers	Price	Customer service, digital media
	Responsible and sustainable advice	Customer surveys
	Practical matters related to customer relationships	Quarterly and annual reporting
	Digital solutions	Social media
	Loyalty to local communities	Sponsorship and support for local environmental initiatives
	Sustainability	Business network
	Reputation	
Local communities	Financial support	Digital media
	Sustainability	Meetings and conversations
	Reputation	Social media/the media
		Sustainability reporting
Suppliers and business partners	Conduct in purchasing	Meetings and conversations
	Ability and willingness to pay	Customer service emails and conversations
	Sustainable operations	Agreements
	Reputation	Social media
		The media
		Business network
Industry organisations	Reputation	Meetings and conversations
	Conduct	Emails
	Competition	Formulation of guidelines
	Innovation	Conferences
		Publications

Climate risk

Risk categorisation	Risk assessment	Conclusion
<p>Physical risk <i>Costs associated with physical damage to assets due to climate change.</i></p>	<p>Fjordkraft has very few assets that could be physically damaged due to climate change.</p> <p>The increased frequency of extreme weather events may result in major damage to the grid companies' infrastructure, which might affect Fjordkraft's reputation in the event of prolonged power cuts. Society's tolerance for interruptions to the electricity supply is low.</p> <p>Global warming may result in lower electricity consumption for heating in the long term.</p> <p>Increasing weather variation suggests increased fluctuations in electricity prices, which could represent a reputational risk. Society's tolerance for higher electricity prices is low. At the same time, variation is advantageous with respect to the demand for hedging products, and Fjordkraft manages volatility better than its competitors, especially the small electricity retailers.</p>	<p>Low risk</p>
<p>Transition risk</p> <ul style="list-style-type: none"> • Technology • Market • Policy <p><i>Economic risks and opportunities associated with the transition to the low-emission society.</i></p>	<p>The transition to the low-emission society will create business opportunities for Fjordkraft due to greater electrification and demand for products closely associated with Fjordkraft's core operations.</p> <p>Solar energy provides opportunities in the short term, but is a threat in the long term due to the development of batteries or storage technology that make customers more self-sufficient.</p> <p>Energy management tools, etc. also provide opportunities in the short term, although energy efficiency represents volume risk in the long term.</p> <p>Fjordkraft was an early advocate of setting climate requirements and not waiting for government requirements.</p> <p>The EU's new classification requirements for sustainability will take effect from 2022. What will be the conclusion for the assessment of Norwegian hydropower in the EU taxonomy will also affect the release of electricity and may affect the perception of hydropower's contribution to the green shift.</p>	<p>Low risk, more opportunities</p>
<p>Third party risk <i>Claims for damages related to decisions or a failure to make decisions that can somehow be linked to climate policy or climate change.</i></p>	<p>Through "Klimanjaro", and now also "Klimahub", Fjordkraft is helping to raise awareness about greenhouse gas emissions and cutting emissions in and outside our own value chain.</p> <p>"Klimanjaro" has been recognised by the UN as a practical, innovative and scalable climate measure that can be replicated across the world.</p> <p>Fjordkraft has assumed more responsibility for stopping climate change than is expected of comparable companies.</p>	<p>Low risk</p>

Climate risk assessments

Fjordkraft assesses climate risk as part of its annual strategy process. Risks and opportunities are identified by corporate management and their potential impact on realising Fjordkraft's strategy is assessed.

Technology and market regulation are the two factors that impact Fjordkraft the most. We have identified several opportunities associated with the transition to the low-emission society.

The EU will be launching a completely new classification systems for sustainability that could have a significant impact on us. The so-called taxonomy will come into force on 1 January 2022 and will have consequences for Norwegian business. The EU will issue a series of regulations aimed at encouraging the financial services sector to invest capital in sustainable investments. This is basically positive, but it is currently difficult for the electricity industry because the EU Commission's proposed criteria could result in parts of Norwegian hydropower not being considered sustainable.

The industry association Energy Norway has strongly objected to the EU Commission's initial proposals in its response to the consultation process.



Solar energy provides opportunities in the short term, but is a threat in the long term due to the development of batteries or storage technology that make customers more self-sufficient.
Photo: Fjordkraft

Among other things, it pointed out that hydropower in Europe does not face the same problems with methane emissions from water reservoirs as can be the case in warmer areas. Hydropower is also approved in line with the EU Water Framework Directive, which has recently been revised. Energy Norway also emphasised that none of the other renewable energy sources such as wind power and solar panels have been made subject to the same requirement and that this thus violates the requirement for technology neutrality. In addition, Norwegian hydropower producers are already subject to strict requirements regarding measures for ensuring the protection of natural habitats and species in order to obtain a development licence. Further clarifications regarding the taxonomy and hydropower are expected to come in 2021.

EU's taxonomy: New classification for sustainability

The taxonomy will define what sustainable activities are. An activity must satisfy the following criteria in order to be classified as sustainable:

1. The activity must significantly contribute to the fulfilment of at least one of the EU's six environmental objectives:
 - Climate change mitigation
 - Climate change adaptation
 - Sustainable use and protection of water and marine resources
 - Transition to a circular economy
 - Pollution prevention and control
 - Protection and restoration of biodiversity and ecosystems
2. The activity must not significantly hinder any of the other five environmental objectives.
3. The activity must meet minimum standards for social conditions and governance.

Internal climate and environmental measures

In our climate pledge, Klimanjaro, we promise that all of our regular suppliers will be climate neutral.

Here we have set a requirement for ourselves and our suppliers of climate neutrality. Fjordkraft has been climate neutral since 2007, although in order to cut more emissions than we could alone, we stipulated a requirement for our regular suppliers that they must be climate neutral in order to work with us. We fulfilled this

promise in 2019. We view this as the most important of our climate measures in Fjordkraft. Now that this has been met, we naturally want to do more.

We will remain a climate neutral company by reducing our own greenhouse gas emissions, purchasing electricity with guarantees of origin, and compensating for residual emissions by purchasing EUAs. We will also actively encourage our staff and customers to live more sustainably.

Openness about our own climate footprint is, therefore, very important. This means that we must dive deeper into our climate accounts, set new goals and cut more of the company's own emissions.

Among other things, we can see that we took many domestic flights prior to 2020. The Covid-19 pandemic has shown us that far more meetings than before can be conducted digitally. We have implemented a travel policy that focuses on cutting flights. We have also introduced new targets for flights from 2021. We will cut emissions from flights by 40 per cent per employee by the end of 2023. Because of the Covid-19 pandemic, 2019 was chosen as the datum point.

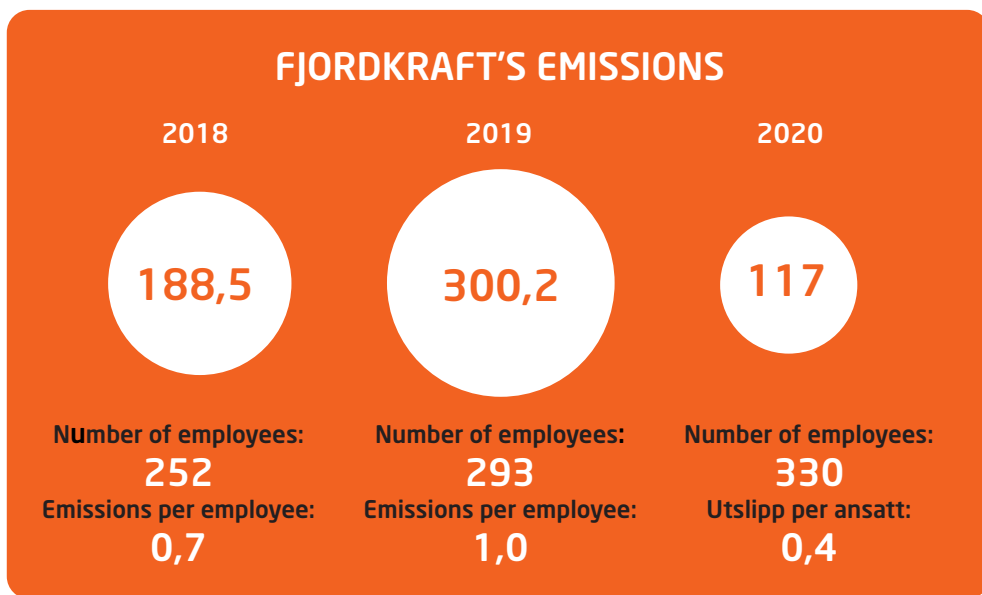
We will phase out fossil vehicles during 2021. These are five vehicles that will all be replaced with electric vehicles. We have also signed an agreement with Atea where we have set a goal of ensuring that all IT equipment that we are no longer using is either reused or undergoes recovery. We have also made a habit of buying second-hand office equipment for those working from home and for offices. In

Fjordkraft's residual emissions are offset by purchasing certified climate quotas. For 2020, we purchased European Emission Allowances (EUAs) equivalent to our entire residual emissions. We also purchased Certified Emission Reduction (CER) quotas in line with our obligations as a participant in the UN Climate Neutral Now Initiative.

2020, we also established our own digital Sustainability Academy and started the process of certifying our employees on sustainability.

We publish our climate accounts in Climate Partners Vestland's annual emissions report and in our own web portal, Klimahub.no. As far as the latter is concerned, one can view our climate accounts and updated measures for further cuts throughout the entire year. Klimahub.no is a climate portal in which one can check the climate footprint of Norwegian companies and use this information to make sustainable choices.

Fjordkraft is expanding in both Norway and the Nordic region. This means that our total climate footprint will increase in the coming years, not least because of the various premises across the whole of Norway, as well as the premises in the Nordic region. Our goal will, therefore, be to reduce our climate footprint per employee in the years to come.



Emissions in tonnes of CO2 equivalents.

Targets for greenhouse gas reductions:

100 per cent of Fjordkraft's regular suppliers must be climate neutral.
100 per cent of Fjordkraft's regular suppliers must register on Klimahub.no.
We will have 1,000 companies registered in Klimahub.no by the end of 2021.

ENERGY

100 per cent of the electricity we consume must be purchased with guarantees of origin.

TRANSPORT

We have drawn up a travel policy that states that employees must always consider the necessity of the travel from the perspective of the climate and costs.

Our vehicle fleet will be fossil-free by the end of 2021.

We will cut emissions from flights by 40 per cent per employee by the end of 2023 (datum point in 2019).

WASTE

100 per cent of our used IT equipment must be reused or undergo recovery.

We require landlords to source separate wastel

ANNEX

Our company's premises in Bergen, Trondheim and Sandefjord have been Eco-Lighthouse certified. In 2021, we will start the process of certifying our premises in Sortland and Oslo. The offices in Hamar and Kongsvinger, which Fjordkraft took over in connection with the acquisition of Eidsiva Marked AS in 2020, are also Eco-Lighthouse certified.

We use technology to streamline the communication between our locations. This has also become a completely natural thing to do in 2020, the year of Covid-19.

We have committed to reducing the use of plastics as a #Plastsmart partner.

Reuse must always be considered when purchasing products.

We encourage our employees to buy second-hand office furniture for use when working from home.

Employees who walk, cycle or travel by public transport to work receive financial compensation.

Employees can charge their electric car at work.

All employees in Fjordkraft must complete our digital Sustainability Academy.

All employees in Fjordkraft must complete internal sustainability certification by the end of 2022.



Climate Accounts 2020

CLIMATE ACCOUNTS (TONNES CO2E.)	2020	2019	2018	Difference 2019-2020
Fuel (vehicles and other consumption)	-	-	-	
Heating oil	-	-	-	
Process emissions	-	-	-	
Paraffin, propane and gas	15	-	-	
Total direct emissions (Scope 1)	15	-	-	
District heating/cooling	0	0,1	0,1	
Electricity market-based	0	0	0	
Total indirect emissions from purchased energy (Scope 2)	0	0,1	0,1	
Flights	56,6	230,6	144	-75 %
Mileage allowance	45	66,5	44,4	-32 %
Waste to recycling	0,4	3		-87 %
Total other indirect emissions (Scope 3)	102	300,1	188,4	-66 %
Total emissions	117	300,2	188,5	-61 %
Total offsetting	117	300,2	188,5	-61 %
Total emissions after offsetting	0	0	0	
KEY FIGURES				
Number of employees/FTEs	330	293	252	13%
Total energy consumption - MWh (fossil fuel + purchased energy)	492	646	540	-24%
Heated area (m2)	5444	5444	4182	0%
CLIMATE AND ENERGY DISCLOSURES				
Total emissions per unit sold (tCO2e/NOK million)	0,03	0,04	0,03	-25%
Total emissions per FTE excl. process emissions (tCO2e/FTE)	0,4	1	0,7	-60%
Energy consumption for heating premises (kWh/m2)	90,4	118,7	129,1	-24%

Fjordkraft's climate accounts are published every year in Klimapartnere Vestland's overall emissions report.

Guarantees of origin are purchased for electricity consumption and approved climate quotas for residual emissions. The climate accounts cover Fjordkraft and TrøndelagKraft. From 2021, other companies will also be included in the reporting.

Partners and certifications

Climate Partners Vestland

Fjordkraft is a member of the regional network project Climate Partners Vestland, which works to reduce greenhouse gas emissions and stimulate a green community and business development in the county. The network consists of more than 60 public and private enterprises. Climate Partners Vestland publishes an annual report on the members' total emissions.

Eco-Lighthouse

The Fjordkraft Group's three largest offices in Bergen, Trondheim, and Sandefjord were Eco-Lighthouse certified in the second half of 2017. The head office in Bergen was recertified in 2020, while the offices in Sandefjord and Trondheim will be recertified in 2021. Work on certifying the offices in Oslo and Sortland will also be carried out. The offices in Hamar and Kongsvinger, which Fjordkraft took over in connection with the acquisition of Eidsiva Marked AS in 2020, are also Eco-Lighthouse certified. Being an Eco-Lighthouse involves having to work

systematically on measures aimed at ensuring more eco-friendly operations and a good working environment. Each year Fjordkraft must produce a climate and environment report in which the effects of its actions are measured, and new targets are set. Eco-Lighthouse is recognised by the EU.

Climate Neutral Now

Fjordkraft participates in the UN Climate Neutral Now Initiative, launched in conjunction with the Paris Agreement in 2015. The purpose of the initiative is to encourage states, businesses, and private individuals to undertake climate action to achieve the objectives of the Paris Agreement. The Climate Neutral Now Initiative's three-step method for climate neutrality provides the basis for Fjordkraft's supplier requirement, Klimanjaro. Every year Fjordkraft reports its quota purchases and internal emission cutting measures to Climate Neutral Now.

#Plastsmart

#Plastsmart is an initiative from Progressio,



Top management meeting in Klimapartnere Vestland, January 2020. A time we could all still meet in person. Photo: Veronika Stuksrud

a cooperation forum involving senior managers from business, research, academia and municipalities in the Bergen region. The project takes a number of approaches and works on research into micro and nanoplastics, dissemination, better waste management in ports and the #Plastsmart Partner concept. The overall goal is to reduce plastic consumption and the extent of plastic waste. Fjordkraft is a #Plastsmart partner and is represented in #Plastsmart's steering group by our head of strategy, Arnstein Flaskerud.

Skift - Guide against greenwashing

The guide against greenwashing contains 10 principles designed to prevent companies from greenwashing their activities. The guide was produced by Skift, Zero, WWF and the Future in our hands.

Fjordkraft signed the guide in summer 2020 and with that announced that we would be doing our utmost to abide by the poster's principles in all of our marketing and communications. In early 2021, we also signed the Skift initiative's '10 common sense rules for green purchasing'.

Sustainability reporting to customers

Fjordkraft is not alone in setting requirements for its suppliers. In 2020, as the electricity retailer of a number of major Norwegian companies, we were required to implement various forms of sustainability reporting. This is a development we welcome. At the same time, we can see that the broad range of reporting services, which often have very different reporting and documentation requirements, makes this demanding work.

Products and services for the low-emission society

Greater awareness of climate change and the need for a green shift has resulted in greater demand for products and services for the low-emission society. In 2020, most of the attention was on further developing the Fjordkraft app and new climate solutions for the business market.

Fjordkraft app and the 'Markedsplass' marketplace

Fjordkraft has investigated how the company can create greater value for customers in digital surfaces. The project was split into two. One part gathered the best from Fjordkraft's service universe in

the **Fjordkraft app**, which in 2020 had more than 176,000 unique users.

The other part of the project investigated how Fjordkraft could offer customers relevant products without the company itself being left holding large amounts of stock. The solution became a platform called **Fjordkraft Markedsplass**, where climate neutral suppliers can sell products to Fjordkraft customers.

The products are closely related to Fjordkraft's core businesses, electricity and mobile telephony. Among other things, it offers second-hand mobile phones and smart products that can be controlled via

the Fjordkraft app. The marketplace was opened for test orders in the fourth quarter of 2020 and launched in January 2021.

Both the Fjordkraft app and the marketplace are constantly being updated with new features and new products and suppliers, respectively.

The preliminary overview of mobile data is the most used function in the app and the one which contributes to customers inviting family members to join the app, although the interest in smart electricity solutions is increasing. In addition to providing an overview of bills, weather data, the loyalty programme and historical and expected electricity consumption, the app can be used to control electricity for panel radiators, heat pumps and electric car chargers. The control of electric car charging was launched in the fourth quarter of 2020 for selected makes of car.

The app enables customers to see how electricity consumption is distributed in a typical home, a service that will be personalised and make it possible to compare one's own consumption with similar types of homes. The interest

in monitoring your own electricity consumption in real-time is increasing.

Fjordkraft has completed an Enova-backed pilot project for real-time metering called Fjordkraft Puls. In 2021, we will offer real-time meters through the marketplace. The real-time meters automatically connect to the customer's electricity meter and send data to the Fjordkraft app.

Solar panels for the consumer market

In collaboration with Solcellespesialisten, Fjordkraft offers a simple, informative online solution for ordering solar panels for private households. Since autumn 2020, it has also been possible to view and order solar panels in selected shops in the Power chain in Norway.

The online solution includes a sun map that shows which of a home's roof surfaces are suitable for solar panels and estimates how much of the home's energy consumption could be saved by self-produced solar energy. Customers can choose between panel types with different outputs, appearances and prices, and can also see



how much support they are eligible to receive from Enova.

'Plus Customers' (i.e. customers who at times produce more electricity than they use) can sell their surplus production to Fjordkraft. Up to February 2020, Fjordkraft paid the Plus Customers NOK 1 per kWh supplied to the electricity grid, up to 5,000 kWh. The fact that Fjordkraft paid a premium for their surplus production gave customers an extra incentive to invest in solar panels.

From February 2020, Plus Customers could choose between selling their surplus production immediately at the market price or using a Solar Account.

Solar Accounts work like a virtual battery in which customers can save an unlimited amount of kWh, which can be withdrawn at a later date. Since they are saving in kWh, customers can make a profit by storing surplus production from the summer months and using it when their production sinks and electricity prices rise in the winter months. Customers thereby avoid having to invest in physical batteries. The electricity stored in Sun Accounts has to be used within 18 months of being produced. Customers can administer withdrawals from the Fjordkraft app themselves.

Solar panels will continue to represent a substantial investment for private households. To make it easier to invest in solar panels, we launched **Green Loans** in January 2020 in collaboration with DNB. Customers can now see how much loan-financed solar panels will cost them per month during the ordering process and can also choose between loans with and without collateral.

Solar panels and climate-smart solutions for the business market

The goal of Fjordkraft's solar venture has been to contribute to the electrification of Norway by making it easier for people to generate their own renewable electricity. However, in order for solar energy to make a real contribution to fighting climate change in Norway, we have to think even bigger and play a role in the energy transition in the business market. That is why Fjordkraft launched solar panels for commercial buildings in 2020.

Fjordkraft arranges the planning, financing, installation and operation to eliminate establishment barriers for companies. Fjordkraft's solution, 'Energy as a Service', entails signing a long-term contract to purchase electricity from the system. The customers benefit from green power and predictable power prices



without having to invest themselves. Solar panel systems can also have a positive effect on a building's energy classification.

Fjordkraft's initiative will target the entire business market, with properties in the private and public sectors, developers and managers as important target groups. Smaller industry players can buy their own solar panel systems through Fjordkraft in the same way as consumer market.

A similar financing solution is available for heat pumps that can be connected to the 'Målbart' energy optimisation system. 'Målbart' gathers all of a building's energy data in a single user interface. With a full overview and control over all energy carriers in the building, the customer can expect energy savings of around 10 per cent plus reduced costs linked to administration and services, such as billing tenants. Fjordkraft also offers charging solutions for housing cooperatives and jointly owned properties.

The services have been named 'Soleklart', 'Energismart', 'Målbart' and 'Ladesmart' and have been gathered under the umbrella of climate-smart solutions.

Business customers are also offered guarantees of origin, advice, energy

labelling and energy surveys. All buildings over 1,000 m² must undergo energy labelling every 10 years and hold a valid energy certificate. This is mandatory for anyone selling or renting commercial buildings. Energy mapping involves more comprehensive mapping of a building's energy consumption and how to reduce it.

All business customers also have access to climate accounts that comply with the Greenhouse Gas Protocol standard.

Home chargers for electric cars

Fjordkraft offers private customers home chargers for electric cars and plugin hybrids. The Directorate for Civil Protection and Emergency Preparedness (DSB) recommends that owners of electric cars acquire an approved wall charger for charging at home. Using a normal wall socket for regular charging is not permitted



due to earthing faults and the fact that they are prone to overload. Nevertheless, regular charging via normal wall sockets is extremely widespread. In addition to facilitating the use of chargeable vehicles, Fjordkraft wants to make it easier for customers to charge their cars safely.

Ladestasjoner.no

Fjordkraft provides the service Ladestasjoner.no, which is available online and as a separate app. Using our charging map, which retrieves data from Nobil, you can easily find charging points nearby and get an overview of which charging points are suitable for the different types of cars. The charging map provides a list of more than 10,000 charging points in Norway and the Nordic countries. At Ladestasjoner.no, you will also find tips and advice on rapid charging and everything else you need to know about charging your electric car.

Guarantees of origin from Norwegian Hydropower

Guarantees of origin are a labelling scheme for electricity that is designed to show the electricity customer that a quantity of power was generated from a specified energy source. The scheme was introduced with the EU's first renewables directive in 2001 to give consumers a choice between renewable and non-renewable power.

Power producers that sell guarantees of origin may receive an extra income from their renewable power generation.

While purchasing electricity with guarantees of origin is widespread in the business market, demand in the consumer market has been limited. Fjordkraft has offered guarantees of origin from sources covered by the generic term renewable energy in selected electricity agreements.

In 2020, we launched a new solution for purchasing guarantees of origin in the consumer market called Norwegian Hydropower. Norwegian Hydropower is a voluntary service that can be combined with all of Fjordkraft's electricity contracts and costs NOK 1 per day regardless of electricity consumption.

Electricity customers can see an image of, and information about, their local hydropower plant in the Fjordkraft app or on their online account page. Following the launch of Norwegian Hydropower, we have seen an increase in the number of electricity customers in the consumer market purchasing guarantees of origin. This follows a trend in which we are seeing ever more consumers want to make simple, climate-friendly choices.

Ethics in Fjordkraft

In Fjordkraft we are committed to building a healthy corporate culture with high ethical standards. Our Code of Conduct provides guidance for everyone's ethical business conduct and our results must always be achieved in line with these guidelines.

All of Fjordkraft's employees must therefore sign a self-declaration in which they confirm they comply with Fjordkraft's Code of Conduct. This is repeated annually.

In 2020, we also carried out what we call dilemma training. Each department has considered situations that may be breaches of the Code of Conduct and discussed how they would deal with them.

You can read Fjordkraft's Code of Conduct at: investor.fjordkraft.no.

Fjordkraft sets stringent requirements within its own organisation regarding proper conduct in business and expects the company's suppliers to adhere to the same high standards.

Fjordkraft's suppliers are obliged to comply

with the eight fundamental ILO conventions on:

- freedom of association and protection of the right to organise (No. 87)
- right to organise and collective bargaining (No. 98)
- prohibition of forced labour (No. 29 and No. 105)
- prohibition of discrimination relating to the workplace and pay (No. 100 and No. 111)
- minimum age for starting employment (No. 138)
- prohibition of the worst forms of child labour (No. 182)

Our suppliers must also ensure that any sub-contractors they use directly to fulfil the contract with Fjordkraft also comply with these conventions.

Through its internal code of conduct, which is based on recognised national and international standards, Fjordkraft has adopted strict anti-corruption provisions.

Because Fjordkraft wants to send a clear signal that it will not accept corruption involving our suppliers either,



Sometimes you will inevitably find yourself at a crossroads. Fjordkraft's Code of Conduct provides all employees with guidance in ethical matters.

these regulations must also apply to our suppliers' employees and any subcontractors.

Fjordkraft is entitled to terminate the agreement with any supplier convicted of or fined for corruption. To qualify to compete in new tenders, it is a requirement

that suppliers have not been convicted of corruption, organised crime or similar in the past five years.

Fjordkraft also requires suppliers and subcontractors to offer pay and working conditions that comply with the applicable regulations.



Klimanjaro and Klimahub.no

In October 2020, our business developer John Kristian Frøisland was on stage at TEDx Sustainable Living in Bergen. He spoke passionately about Fjordkraft’s climate initiative, Klimanjaro, and how we have evolved it with the Klimahub.no climate portal.

Klimanjaro

Klimanjaro is a climate initiative whereby Fjordkraft requires the company’s regular suppliers to be climate neutral. Using simple market mechanisms, we want to create a climate neutral domino effect that results in substantial cuts to emissions in just a few years.

The name ‘Klimanjaro’ is a play on words that combines the name of Africa’s highest peak, Mount Kilimanjaro, and the

Norwegian word for climate, ‘klima’. With the right preparations, it is eminently possible to conquer Kilimanjaro. Likewise, Klimanjaro is a feasible climate initiative for all organisations willing to take responsibility for the climate. By taking inspiration from an African mountain, we are underscoring that the challenge we face is a global one.

2020 was the second year in which Fjordkraft’s regular suppliers had to keep climate accounts, cut emissions and compensate for their residual emissions by buying climate quotas. Klimanjaro is to a large extent based on trust. We have not reviewed every individual supplier’s climate accounts, but we do make it clear that we conduct spot checks. We want greater transparency. That is why we rolled out the Klimahub.no web portal in full in 2020.

Purchase of quotas:

The UN’s three-step method for climate neutrality means that residual emissions are compensated for by purchasing certified climate quotas: UN quotas (CER quotas) or EU quotas (EUAs). From 2020, Fjordkraft demanded that our permanent suppliers must purchase EUAs equivalent to their entire residual emissions, or 80 per cent EUAs and 20 per cent CER quotas. CER quotas are for companies that want to satisfy the conditions of the UN Climate Neutral Now initiative.

Klimahub.no

Klimahub.no is Norway’s new climate portal in which any company can create climate accounts for free and report what climate and environmental measures they have implemented or plan to implement. If the company already has climate accounts, it shares the total figures from Scopes 1, 2 and 3 to register itself. Klimahub.no is thus the portal that can be used to check the climate footprints of Norwegian companies.

Based on the climate accounts that are registered, the companies can receive offers of advice in order to reduce their climate impact. There is also the opportunity to offset remaining emissions by buying climate quotas to become a climate neutral business. One can also invite business partners and suppliers to

join Klimahub.no to create a climate neutral value chain.

Consumer market customers can use Klimahub.no to exercise their consumer power by choosing climate friendly companies, both for purchases and in a work context. By highlighting the companies’ climate footprint and offering easy access to climate accounts and advice, we hope Klimahub.no can provide greater transparency around climate accounts and action plans. The goal is for Klimahub.no to become a catalyst in efforts to reduce manmade climate impacts.

In 2021, we will be actively reaching out to gain more partners or owners of Klimahub.no. Cooperation makes us stronger, and it will make Klimahub.no grow faster. There is a desire to get as many companies as possible to register in the hub. At the end of the year, 150 companies had registered. The goal is to make Klimahub.no the climate accounts equivalent of Proff.no. We believe this will become a much demanded service when requests for climate accounts and reporting become more common.

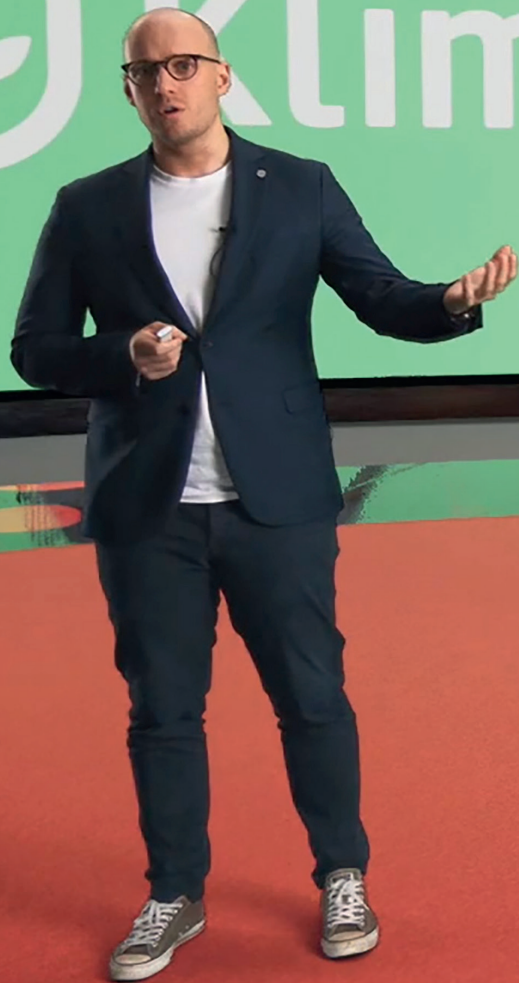


The goals for Klimanjaro and Klimahub.no:

- 100 per cent of Fjordkraft’s regular suppliers must be climate neutral.
- 100 per cent of Fjordkraft’s regular suppliers must register on Klimahub.no.
- We will have 1,000 companies registered in Klimahub.no by the end of 2021.



Klimahub



*Our business developer, John Kristian Frøisland, talking enthusiastically about Fjordkraft's sustainability work at TEDx Bærekraftige liv.
Photo: TEDx*



Welcome to Fjordkraft's Sustainability Academy



Internal Sustainability Academy

What does sustainability really mean? What are climate accounts and what does being climate neutral mean? These were questions we discussed in our digital Sustainability Academy, which was launched for all staff in spring 2020.

The Sustainability Academy was conducted through three sessions on various themes. We mostly expended internal resources on recording, editing and content, although we also included external speakers.

The first session dealt with the big picture. In this the staff got to hear more about why sustainability is high on Fjordkraft's

agenda. Helene Frihammer, head of Climate Partners Vestland, also gave a talk in which she spoke about the big themes: the Paris Agreement, the EU's Green Deal and, not least, the climate targets Norway has set itself.

In the second session, we looked more closely at the subject of climate accounts. This was presented by Inki Brown from Emisoft. Our staff then took over and spoke about Klimahub.no, about guarantees of origin and quotas, and finally about our climate-smart services that we offer business customers.

In the third session we took a closer look at ourselves. Which of the SDGs are we

making an extra effort on now and why? We were given a course in food rescue, inspiring all of our employees to make positive changes at home. Thereafter, we had ten employees that had recorded a video clip of themselves speaking about what they are doing in their everyday lives to live an eco-friendlier life.

We were inspired to establish our own Sustainability Academy by Atea. We would have preferred to have done so as a gathering attended by all of the staff in person. Since that was not possible in 2020, the digital academy was a good substitute.

For the staff of the business division, the

Sustainability Academy was extended by three new hours on certification. Here we organised into a few smaller groups that took a deep dive into the SDGs in Teams meetings, were drilled in climate accounts and had discussions about their thoughts surrounding sustainability. Finally, they had to use their knowledge of sustainability to create a 3-5-minute-long sales pitch. This was educational, challenging and created engagement.

GOAL:

All employees at Fjordkraft must complete internal sustainability certification by the end of 2022.



Petter Sevel is sales director for the private market. He rides his bike to work as often as possible and tries to motivate his family to take small, green steps in everyday life.

Photo: Famke Juvik Sevel



Toine Sannes works in sales at our office in Sortland. She is dedicated to reducing her private food waste and has her own compost bin in her backyard.

Photo: Fjordkraft

Communications advisor Frode Fjellstad was responsible for filming and editing the internal sustainability academy. Here he films Helene Frihammer, head of Klimapartnerne Vestland.
Photo: Fjordkraft



**Sammen skal vi skape
den mest attraktive
strømløseleverandøren i No**



The past year



The ministerial meeting:

In November, we held a talk for the Minister of Local Government and Modernisation Nikolai Astrup on the National Action Plans for the Sustainable Development Goals. Fjordkraft's most important input is that we need a Norwegian standard for climate accounts. It must ensure a correct basis for comparison. We believe that this is essential for the climate requirements to have a greater real impact on purchasing and tender competition processes.



The employee initiative:

Mads Totland has worked in Fjordkraft's customer service centre for 2 years. In 2020, he collected more than 100 pairs of shoes from colleagues at head office that are destined for a new life on Gambian feet. Mads's initiative was a contribution to a larger shoe campaign called 'Save a Sole', which was started by a professional basketball player, Karamo Jawara. Mads and Karamo were teammates in Frøya Basket.



The reuse:

Fjordkraft sponsored individual staff working from home to the tune of NOK 3,000 to purchase an office chair and/or desk. Staff were encouraged to purchase second-hand, which was warmly received. Staff shared tips on good second-hand deals on the company's intranet and inspired each other. One condition for the grant is that the office furniture must be passed on when it is no longer used for working from home.



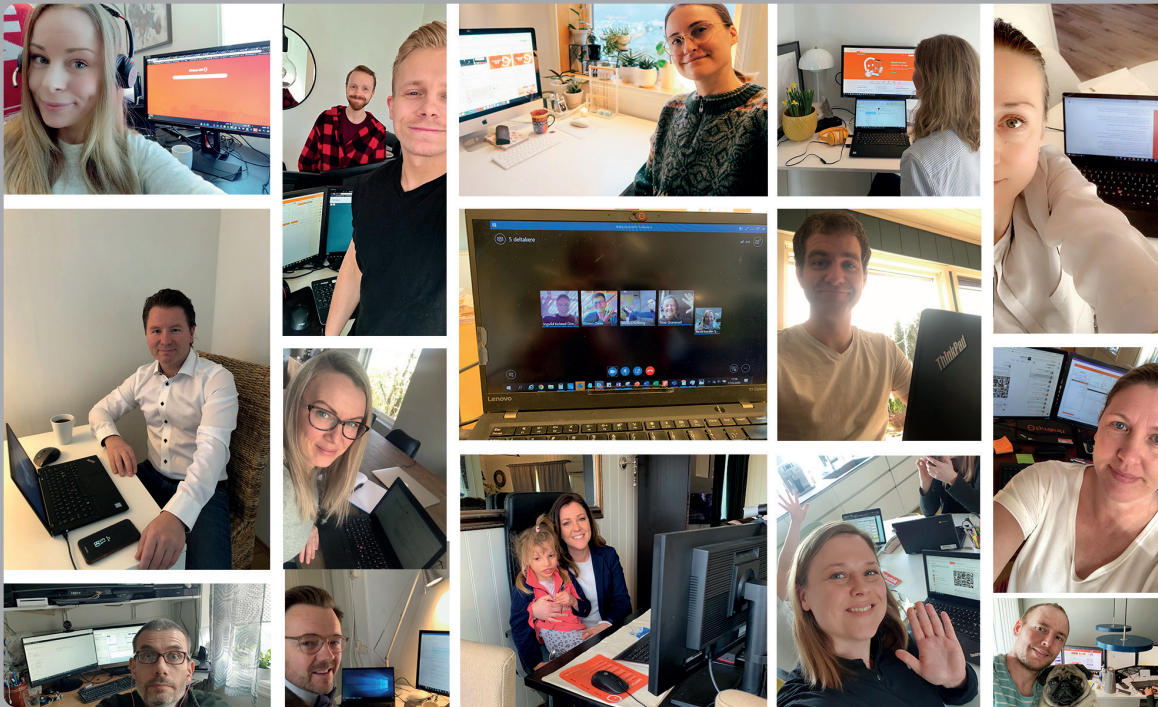
The innovation competition:

In October, we took part in an innovation competition, 'Bergen 20tretti', organised by StartUpLab. We organised our own Team-Fjordkraft with students and capable employees from other companies. Together we tried to resolve climate headaches in order to help Bergen achieve its goal of becoming fossil free by 2030. Lerøy Seafood won the competition with the idea of eco-friendly packaging.

The circumnavigation:

In August 2021, Statsraad Lehmkuhl will set sail on a voyage of circumnavigation, during which the sailing ship will function as a research ship and promote the UN Decade of Ocean Science. Fjordkraft is a partner of the 'One Ocean Expedition' because we have great faith in the model in which research communities, organisations and businesses join forces to share knowledge and raise awareness of important sustainability goals. Fjordkraft has previously built a solar panel system at Bradbenken, which supplies electricity to the Foundation Sailing Ship Statsraad Lehmkuhl and to the sailing ship when Statsraad Lehmkuhl is docked.





The shared endeavour:

When Norway shut down, customer service was quickly relocated to kitchens and living rooms, and at the end of 2020 Fjordkraft was still being run by staff working from home. Investor meetings and presentations were conducted digitally, travel between Fjordkraft's offices was reduced to an absolute minimum and Fjordkraft's annual 'Målting', a combined professional gathering and Christmas party, was conducted as a large Teams meeting. Fjordkraft has adhered to local and national guidelines and has asked staff to avoid using public transport to provide more space for those who rely on the use of bus and rail. Although 2020 proved that we can perform most tasks working from home, we look forward to meeting in the office again. Sustainable employee engagement is best created at work.



The countdown:

Fjordkraft has a tradition of making a donation to a fortunate customer and to a voluntary organisation every day of Advent. The Christmas calendar causes a lot of engagement in social media, especially when customers are asked to nominate relevant organisations. The customer drawn as the winner on Christmas Eve also gets to decide which organisation is awarded the main prize. In 2020, the NOK 20,000 main prize went to Norwegian Rescue Dogs, which decided to earmark the Christmas calendar money to look after the crews that took part in the rescue work after the Gjerdrum landslide.



The campaign:

Fjordkraft purchased 170 rainbow armbands for staff to support Pride and Amnesty Norway's 'Love is a Human Right' campaign. Fjordkraft also used the colours of the rainbow together with the company's logo in social media in connection with the campaign.



The competitive advantage:

The aquaculture company Lerøy Sjøtroll is interested in sustainability throughout its value chain. The company, therefore, wishes to purchase electricity with guarantees of origin from Fjordkraft. Lerøy Sjøtroll is, thereby, guaranteed that electricity is generated by a Norwegian hydropower plant matching the company's consumption. When the agreement was signed, Sigfrid Tangen, an environmental coordinator at Lerøy Sjøtroll, was handed 62 environmental certificates.

"A visible environmental certificate in the locations is something the visitors take note of and is a great opener for talking about our sustainability measures. We absolutely believe that this is a competitive edge," says Tangen.



The lifecycle:

Fjordkraft's IT department is now part of Atea's 100 per cent club. Together we will strive to achieve the goal of ensuring that all IT equipment is collected for reuse or to undergo recovery. We will also stipulate a requirement for sustainable handling from production to disposal.



The fundraising exercise:

In 2020, we arranged our internal exercise campaign as a fundraiser for Kvæfjord Volunteering Centre with the aim of encouraging staff to remain active during the pandemic. For each training session our staff registered, we gave NOK 10 to the volunteering centre. The final sum raised was NOK 36,500. The recipient of the funds was chosen by Fjordkraft's regional office in Northern Norway. The corporate sports team in Fjordkraft has plans to make the fundraising exercise an annual event and let the offices take turns choosing the recipient.



Fjordkraft as a workplace

Attractive to young people

The Fjordkraft Group is an attractive place to work for young people wishing to combine studying with part-time jobs in sales or customer service. Many of these go on to full-time positions or other positions in the company. Of the 57 new employees in 2020, 25 external candidates and 32 temporary staff were hired in permanent positions.

In 2020, Fjordkraft had three interns from BI Norwegian Business School, two of whom worked in the marketing department while the other worked in the finance department.

Fjordkraft's IT department maintains an ongoing dialogue with the Norwegian Labour and Welfare Administration (Nav), event organisers and upper secondary schools about providing job training. One employee who was on a job training scheme arranged by A2G in 2019 became a permanent employee of the IT department in January 2020.

Fjordkraft's department for IT development works with Experis Academy. This is a

programme in which recently graduated developers first complete a 3-month intensive course with the consultants Experis before spending 12 months working in actual consulting at one of Experis's partners with the possibility of a job when the contract ends. Fjordkraft hired three developers from summer 2020, and a further three from January 2021.

Working environment and well-being

Fjordkraft normally conducts two employee surveys a year. The target is a Human Capital Index (HCI) score of 25 or better. The general target for emotionally engaged employees is >24. The last time we conducted HCI, in February 2020, we scored 26.

The target for sick leave is a rate of less than 4.5 per cent. Total sick leave amounted to 5.1 per cent in 2020, compared with 4.9 per cent in 2019. The absences are not work-related. Fjordkraft has a corporate sports team that works to promote everyday activity and reduce sick leave through supporting exercise activities and the organisation of exercise campaigns.

2018 **252**
permanent employees

2019 **293**
permanent employees

2020 **330**
permanent employees

Including hired staff and consultants, there were

450 PEOPLE

working for Fjordkraft at the end of 2020. External sales channels are not counted.

Equal opportunities

In August 2019, Fjordkraft adopted the following goals for gender equality:

- The proportion of both women and of men in Fjordkraft AS should be in the range of 40-60 per cent.
- The proportion of women/men in executive positions should match the proportion of female/male employees.

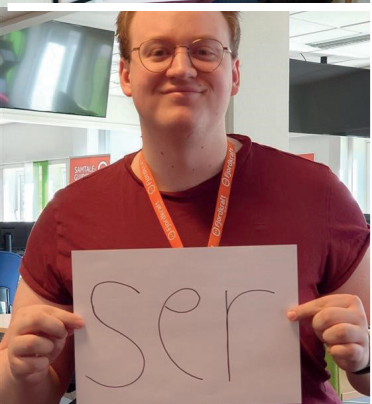
At the end of 2020, women accounted for 42 per cent of employees. 28.5 per cent of management positions with staff responsibilities were held by women. For the majority of 2020, the company's group management team was split 44/56 per cent between women and men. From 1 November, corporate management consists of a total of 10 people and the distribution between women and men is 40 per cent and 60 per cent, respectively. As a whole, the Board and corporate management have a 50/50 ratio of women and men.

Sales management is an essential part of Fjordkraft's activities, and it is especially in sales that there is a predominance of men with staff responsibilities. Efforts are being made in recruitment processes to find more female candidates.

Fjordkraft contributes to transparency on gender equality by participating in the SHE Index, which is prepared by EY. The SHE Index is a voluntary measure of how companies are performing on gender balance, equal opportunities policy and diversity and inclusion. The index is published annually.

In 2020, Fjordkraft maintained what the SHE Index characterises as a very high score with 81 out of 100 points. This qualified for 21st place out of 159 ranked companies.

The results for 2021 are already available and show that this year we score 77 out of 100 points.





Fjordkraft - one of Norway's largest sponsors

Sponsorship is an important tool for increasing familiarity and building the right associations with the Fjordkraft brands. Sponsorship agreements provide us with a unique opportunity to communicate both physically and digitally, build loyalty and promote sales.

Non-commercial sponsorships

However, Fjordkraft is expected to demonstrate a commitment that goes beyond mere commercial interests. A distinction is made between commercial and non-commercial sponsorships, so-called social sponsorships. The largest in the latter category is the partnership with the Church City Mission. In 2020, the partnership took a new form because of the Covid-19 pandemic. Some 100 scarves were knitted while working from home for the orange scarf campaign for a warmer and more inclusive society. The traditional distribution was put on hold and we instead wore the orange scarves in solidarity.

Fjordkraft also continued its financial support for Rein By, which employs people

who for various reasons have fallen out of the ordinary labour market, and for the Fyllingsdalen Theatre. The theatre is an important cultural institution for children and young people in Fyllingsdalen and has with its location right next to Fjordkraft's head office been used for professional gatherings. In addition to this, came the support for various environmental organisations and charitable initiatives, as well as the distribution of tracksuits to more than 100 clubs and associations.

Climate neutrality requirement

Fjordkraft has signed several new sponsorship agreements during the Covid-19 pandemic. In 2020, Fjordkraft took over as the sponsor of the men's elite ice hockey league. At the beginning of 2021, we have signed new agreements with the Birken races, Elverum Handball and Storhamar Hockey, and extended our agreement with the Stavanger Oilers ice hockey club. At the same time, we increased our focus on sustainability and the climate in our sponsorship work. All new and renegotiated agreements were signed with a requirement for

climate neutrality. This also includes the registration of climate accounts on Klimahub.no. A corresponding requirement will apply to all agreements in excess of NOK 100,000 in 2021.

Creative Covid-19 solutions

The pandemic limited how Fjordkraft could operationalise its commercial sponsorships in the stadiums, although we adapted quickly and became one of the most active sponsors digitally and at drive-in events around the country. Since the major sports events took place in front of empty stands, Fjordkraft found creative ways of offering Covid-19 free cultural experiences. In Easter 2020, Fjordkraft used the roof of Bygarasjen in Bergen to arrange drive-in film nights screenings, stand-up shows, church services and lectures in collaboration with Bergen Municipality and Bergen cinema. After Easter, drive-in film nights were arranged in Vestlandshallen. In Trondheim, we contributed by arranging drive-in film nights and, at Fjordkraft's office in Sortland, drive-in screenings of international football matches were arranged.



Employees in Sortland knitted for the Church City Mission and contributed to a warmer and more inclusive society. Photo: Fjordkraft



Fjordkraft was involved in arranging drive-in-cinemas in several cities. Here from Trondheim. Photo: Fjordkraft





Thoughts from the head of sustainability

2020 was a year in which everything was turned upside down and also one when we learned a lot. A year that became important for posterity because we were forced to live differently. A year one hopes can create lasting change.

In Fjordkraft, we spent 2020 delving deeper into our own climate accounts. We spent the year educating employees about sustainability and creating engagement internally. We also spent the year collaborating, sharing knowledge and calling for the authorities to issue a common standard for climate accounts.

It was clear from our climate accounts that we had to make some changes to the staff's travel habits. A travel policy was introduced first. Thereafter, we decided that we would cut emissions from flights by 40 per cent per employee by the end of 2023. We use the figures from 2019 as a starting point. The Covid-19 pandemic has taught us that we can interact in new ways. In Fjordkraft, we still like to meet customers, suppliers and colleagues in person. However, we have now learned that many of the meetings we travelled

for before can be conducted digitally. This saves us time, money and the world from greenhouse gas emissions.

We have spent time on our internal Sustainability Academy and sustainability certification. This has been an educational journey in which employees have learned from each other. Seeing the spark in the eyes of the B2B- consultants in Sortland when they are with customers and discussing sustainability and realising how much we in Fjordkraft are helping to make a difference, is a big thing. Or when one of the sellers in Bergen says that sustainability really interests them because they want children to grow up in a world that is a little better than the one they grew up in themselves. When we realise that through the Klimanjaro initiative we have influenced a great number of companies to cut emissions, we are proud and want to make an extra effort in our own workplace.

We work with many different players to achieve the 17 UN Sustainable Development Goals. We are an active partner in Climate Partner Vestland.



Mette Nygård Havre, head of sustainability at Fjordkraft, together with Elisabeth Nissen Eide, head of sustainability at Atea. We work together to stop climate change. Photo: Atea

We have signed an opinion piece directed at the Minister of Climate and Environment Sveinung Rotevatn in order to encourage the authorities to work on a set of common factors for calculating emissions. These must provide a basis for mandatory climate reporting for all enterprises above a certain size. We continue to fight for this.

There were few physical meetings in 2020, but we were able to take part in Atea's sustainability webinar in August. Here we spoke about Klimanjaro and Klimahub and how we must work together to influence, engage and motivate others to make positive changes. Together we can achieve great changes. Here we believe the climate portal Klimahub.no may become an important piece of the puzzle in the years to come.

In the coming years, we will work even harder to illustrate our customers' energy footprint. We will teach them how they can use electricity in a climate-smart manner. Our B2B-consultants will be measured in terms of how much they can cut customers' emissions. We have launched our own digital marketplace where we focus on, among other things, smart electricity management and reuse. We will continue to roll out Klimahub.no and we will take it to new heights together with ambitious owners and partners.

Sustainable operations are no longer an expectation, rather they are requirement. Not just of partners and the authorities, but also of our customers and own staff. We will continue to work together to stop climate change. Both internally and externally.

GRI - Core reporting

Fjordkraft reports on sustainability to the GRI content index. We report in line with the GRI Standard: Core 2020 is the first year we have reported in line with the GRI Standard.

Indicator	Summary	Comments	Page reference
GENERAL DISCLOSURES: ORGANISATIONAL PROFILE			
102-1	Name of the organisation	Fjordkraft AS	1,2
102-2	Activities, brands, products, and services		2
102-3	Location of headquarters	Fyllingsdalen, Bergen	2
102-4	Locations of operations	Norway, Sweden, Finland	2
102-5	Ownership and legal form		2
102-6	Markets served		2
102-7	Scale of the organisation		2
102-8	Information on employees and other workers		32
102-9	Supply chain	Info in the annual report	4
102-10	Significant changes to the organisation and its supply	Info in the annual report	
102-11	Precautionary principle or approach	Info in the annual report	
102-12	External initiatives		
102-13	Membership of associations		
GENERAL DISCLOSURES: STRATEGY			
102-14	Statement from senior decision-maker		3
GENERAL DISCLOSURES: ETHICS AND INTEGRITY			
102-18	Values, principles, standards, and norms of behaviour		21
GENERAL DISCLOSURES: GOVERNANCE			
102-18	Governance structure	Info in the annual report	
GENERAL DISCLOSURES: STAKEHOLDER ENGAGEMENT--			
102-40	List of stakeholder groups		8-11
102-41	Collective bargaining agreements		8-11
102-42	Identifying and selecting stakeholders		8-11
102-43	Approach to stakeholder engagement		8-11
102-44	Key topics and concerns raised		11
GENERAL DISCLOSURES: REPORTING PRACTICE			
102-45	Entities included in the consolidated financial statements	Info in the annual report	
102-46	Defining report content and topic Boundaries		8

Indicator	Summary	Comments	Page reference
102-47	List of material topics		2
102-48	Restatements of information	No changes	
102-49	Changes in reporting	GRI, Core from 2020	
102-50	Reporting period	2020	
102-51	Date of most recent report	2019 (not GRI)	
102-52	Reporting cycle	Annual	
GENERAL DISCLOSURES: REPORTING PRACTICE			
102-53	Contact point for questions regarding the report		
102-54	Claims of reporting in accordance with the GRI Standards	Core	
102-55	GRI content index	Present	
102-56	External assurance	No External assurance for CSR in 2020	
ECONOMIC DISCLOSURES: ECONOMIC PERFORMANCE			
103: 1-3	Management Approach	Info in the annual report	
201-1	Direct economic value generated and distributed		2
201-2	Financial implications and other risks and opportunities due to climate chang	Info in the annual report	
ENVIRONMENTAL DISCLOSURES: EMISSIONS			
305-1	Direct (Scope 1) GHG emissions		16
305-2	Energy indirect (Scope 2) GHG emissions		16
305-3	Other indirect (Scope 3) GHG emissions		16
SOCIAL DISCLOSURES: EMPLOYMENT			
401-1	New employee hires and employee turnover		32
SOCIAL DISCLOSURES: DIVERSITY AND EQUAL OPPORTUNITY			
405-1	Diversity of governance bodies and employees		32
SOCIAL DISCLOSURES: NON-DISCRIMINATION			
406-1	Incidents of discrimination and corrective actions taken	No cases	
SOCIAL DISCLOSURES: SOCIOECONOMIC COMPLIANCE			
419-1	Non-compliance with laws and regulations in the social and economic area	No non-compliance	



Is your company considering setting requirements for a climate neutral value chain?
www.klimanjaro.no



Find climate neutral suppliers and register your company on
www.klimahub.no



Together we can create a domino effect

