



# Sustainability Report 2019



*Fjordkraft supplies electricity to private customers and businesses throughout Norway. 1.4 million people are plugged into Fjordkraft electricity, distributed across approximately 622,000 metering points. In April 2017, Fjordkraft became a mobile telephony provider. Fjordkraft also supplies solar panels and home chargers for electric cars. In addition to this, Fjordkraft operates an alliance concept consisting of 30 small and medium-sized electricity companies that buy marketing services, system services, and billing and payment services from Fjordkraft.*

*Fjordkraft had 293 permanent employees at the end of 2019. Its head office is in Bergen, and the company also has branch offices in Sandefjord, Trondheim, Oslo, Stavanger and Sortland.*

*The Fjordkraft Group's sales totalled NOK 7.1 billion in 2019. Fjordkraft Holding ASA became a publicly traded company on 21 March 2018. The electricity retailer TrøndelagKraft is wholly owned by Fjordkraft.*

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# A word from the Chief Executive Officer: The road ahead

**2019 was the year the climate topped the social agenda thanks to a generation of children who, through school strikes and the 'Climate Roar', are demanding immediate action.**

2019 was also the year in which we formalised our assessment of Fjordkraft's climate risk. Climate change and climate action will impact everyone to a greater or lesser degree, although in our climate risk assessment we have primarily focused on opportunities.

We have said that the business sector cannot wait for the politicians. Businesses must set tougher climate requirements themselves, internally and for partners. With "Klimanjaro" we have shown how this can be done in practice.

The increased demand for climate-friendly solutions requires innovation, and Fjordkraft is well-positioned to contribute to the green shift. We can offer products

and services for the low-emission society that are closely linked to our core operations.

We believe this makes Fjordkraft well-equipped to meet climate change without it changing our obligations to limit this change. That is why in 2019 we took new steps to cut greenhouse gas emissions, both in and outside our own value chain, and to strengthen the competitive advantage of climate neutral actors.

From and including 2019, our suppliers have an obligation to be climate neutral based on the UN's methodology. This means that residual emissions must be compensated for by purchasing climate quotas, although the UN's own quotas have been controversial.

We have therefore decided to set an additional requirement for our suppliers from 2020: Residual emissions must be compensated for by purchasing EU quotas.



Rolf Barmen made an appeal at the 'Climate Roar' demonstration in Torgallmenningen in Bergen on 30 August 2019. Here with Helene Frihammer, head of Klimapartnere Vestland, and Dag Rune Olsen, Rector of the University of Bergen. Photo: Helene Frihammer.

We are doing this because there should be no questions about the value of being climate neutral, and to comply with the 'polluter pays' principle.

Besides this, in 2020 we will be launching a national database containing an overview of climate neutral companies. "Klimahub" will strengthen the competitive advantage

provided by being climate neutral through increased exposure and availability, and make it easier to monitor supplier requirements.

Fjordkraft stands in solidarity with young people, and we intend to demonstrate this in this report with specific examples.



## Why does Fjordkraft use the UN sustainable development goals?

The UN Sustainable Development Goals are the world's joint plan to eradicate poverty, combat inequality and halt climate change by 2030.

The Sustainable Development Goals were adopted by the United Nations General Assembly in September 2015 and succeed UN Millennium Development Goals (2000 – 2015). Whereas the Millennium Development Goals concentrated on developing countries, the new targets are global. All of the UN's 193 member states now agree on a total of 17 goals and 169 targets. Now the business world must take responsibility too.

Fjordkraft wants to ensure that its sustainability work has the greatest possible impact. We will achieve this by using market mechanisms and recognised international standards as a starting point for our initiatives. The 17 Sustainable Development Goals have proven to have a mobilising effect and are now the

standard for the green shift for companies, organisations and governments around the world.

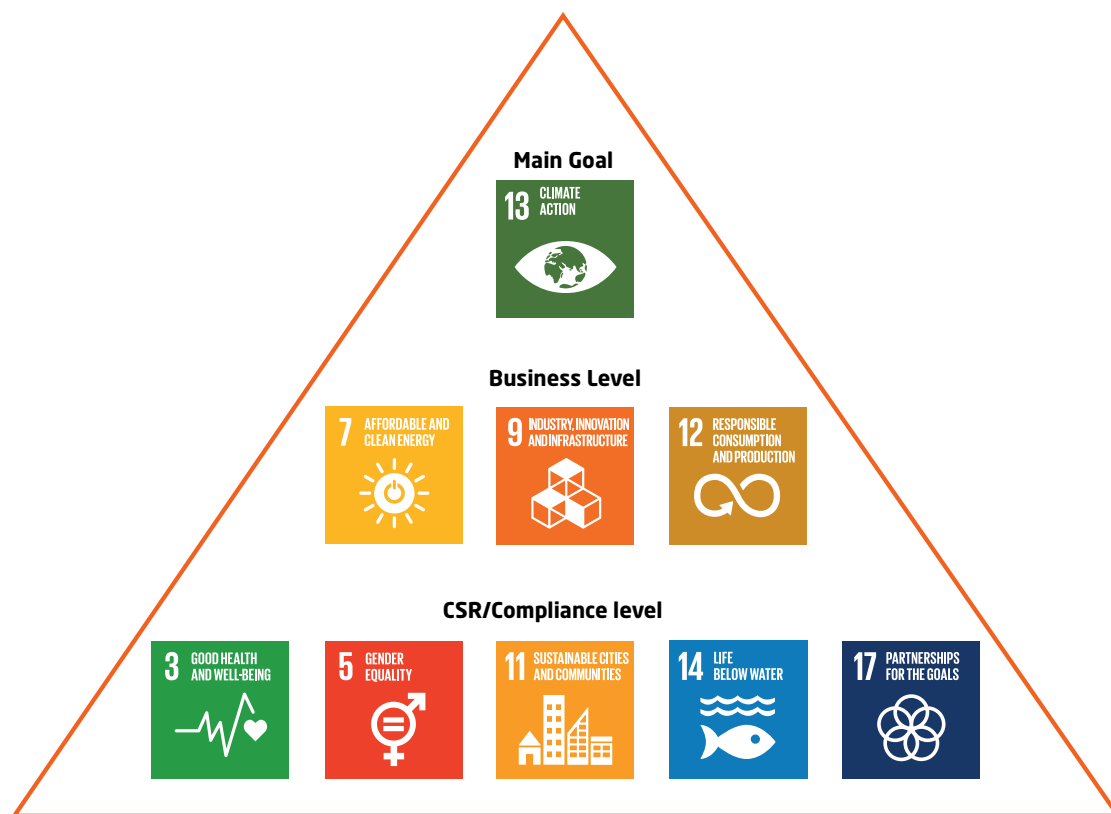
Fjordkraft is especially focusing on achieving goal number 13, climate action. It is here Fjordkraft can make a contribution that really makes a difference, with "Klimanjarø", "Klimahub" and other actions that are closely related to our operations as an electricity retailer.

At the same time, Fjordkraft is part of several initiatives that contribute to a number of different sustainability goals. We have therefore linked all of the measures described in this report to the relevant sustainability goals. We think this raises awareness with respect to what we can achieve through each measure.



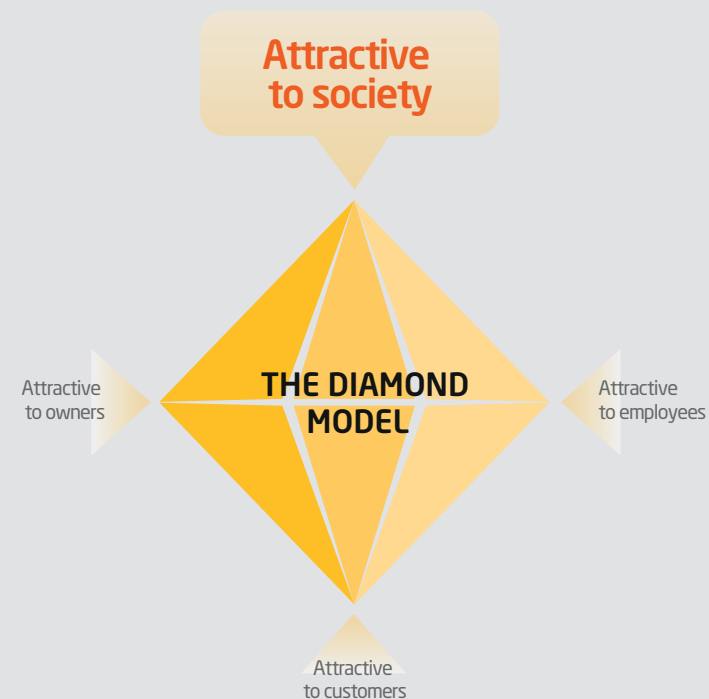
# Sustainable Development Goals in Fjordkraft

We prioritize our resources, projects and support in these areas.



## 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. Our social responsibility is largely founded on idealism, but there is a limit to how much can be done purely as charity. 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.





## Climate action in Fjordkraft

Fjordkraft has been climate neutral since 2007 and will remain a climate neutral company by reducing its own greenhouse gas emissions, purchasing electricity with guarantees of origin, and compensating for residual emissions by purchasing EUA climate quotas.

Fjordkraft wants to promote awareness of its own climate footprint and actively influence other businesses to do the same with its "Klimanjar" climate initiative. We have required our suppliers to be climate neutral since 2019. In 2020, suppliers will also have to publish their climate accounts in "Klimahub".

Each year, we publish Fjordkraft's climate accounts in Klimapartnere Hordaland's overall emissions report.

Fjordkraft is growing and this has an impact on our climate footprint. We are therefore implementing a number of internal climate and environmental initiatives.

- We use technology to streamline communication between our five locations and to reduce the need for travel. Our travel policy involves taking the environment into account, choosing

local venues for gatherings and avoiding taking flights for short meetings.

- Employees who walk, cycle or travel by public transport to work receive financial compensation.
- We enable employees to recharge their electric cars at work.
- We arrange exercise campaigns to encourage employees to walk or cycle to work.
- We source separate our waste.
- We are constantly working to reduce the use of non-degradable materials in giveaways and marketing materials, and have committed to working to reduce plastics as a #Plastsmart Partner.
- We have decided to introduce a 'Sustainability Academy' for employees in order to raise awareness and increase knowledge.

Fjordkraft's residual emissions are compensated for by purchasing certified climate quotas. For 2019, we purchased European Emission Allowance (EUA) quotas 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.





# Climate accounting

CLIMATE ACCOUNTS (TONNES CO2E.)	2019	2018	Change 2018-2019
Fuel (vehicles and other consumption)	-	-	-
Fuel oil	-	-	-
Process emissions	-	-	-
Paraffin, propane and gas	-	-	-
<b>Total direct emissions (Scope 1)</b>	<b>-</b>	<b>-</b>	<b>-</b>
District heating/cooling	0,1	0,1	0 %
Electricity market-based *	0	0	0 %
<b>Total indirect emissions from purchased energy (Scope 2)</b>	<b>0,1</b>	<b>0,1</b>	<b>0 %</b>
Flights	230,6	144,0	60,1 %
Mileage allowance	66,5	44,4	49,7 %
Waste for recycling	3,0	-	
<b>Total other indirect emissions (Scope 3)</b>	<b>300,1</b>	<b>188,4</b>	<b>59,3 %</b>
<b>Total emissions</b>	<b>300,2</b>	<b>188,5</b>	<b>59,3 %</b>
Total compensations/allowances	300,2	188,5	
<b>Emissions after compensation</b>	<b>0</b>	<b>0</b>	
<b>KEY FIGURES</b>			
Number of employees/annual Works	293	252	
Total energy consumption - MWh (fossil fuel + purchased energy)	646	540	
Heated area (m2)	5 444	4 182	
<b>CLIMATE AND ENERGY INDICATORS</b>			
Total emissions per unit sold (tCO2e/NOK million)	0,04	0,03	
Total emissions per FTE excl. process emissions (tCO2e/FTE)	1,0	0,7	
Energy consumption for heating premises (kWh/m2)	118,7	129,1	

\* Guarantees of Origin are purchased for all electricity consumption

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

## Partners and certifications

### Klimapartnere Vestland

Fjordkraft is a member of a regional network project, Klimapartnere Vestland (formerly Klimapartnere Hordaland), which works to cut greenhouse gas emissions and stimulate green communities and business development in the county. In 2019, the network consisted of around 40 public and private enterprises. Klimapartnere Vestland publishes an annual report on its members' overall emissions.

### #Plastsmart

#Plastsmart is an initiative in which business, academia, research and the government are working together to achieve smarter plastic use and avoid plastic waste. A #Plastsmart Partner receives advice and takes part in a network in order to improve its understanding and competence regarding specific actions. A #Plastsmart Partner reports annual measures and results to #Plastsmart. #Plastsmart involves three steps intended to help ensure the smarter use of plastics by enterprises. .

### Eco-Lighthouse

The Fjordkraft Group's three largest offices (in Bergen, Trondheim and Sandefjord) were Eco-Lighthouse-certified in the second half of 2017 and will be recertified in 2020. Being an Eco-Lighthouse involves having to work systematically on measures aimed at ensuring more environmentally 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 requirements in "Klimanjaro". Every

year Fjordkraft reports its quota purchases and internal emission cutting measures to Climate Neutral Now.

### Sustainability reporting to customers

Fjordkraft is not alone in setting requirements for its suppliers. In 2019, 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.



# Climate risk

Risk categorisation	Risk assessment	Conclusion
<b>Physical risk</b> <i>Costs associated with physical damage to assets due to climate change.</i>	<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>	<b>Low risk</b>
<b>Transition risk</b> <ul style="list-style-type: none"> <li>• Technology</li> <li>• Market</li> <li>• Policy</li> </ul> <i>Economic risks and opportunities associated with the transition to the low-emission society.</i>	<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>	<b>Low risk, more opportunities</b>
<b>Third party risk</b> <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>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>	<b>Low risk</b>





also



## 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.

So far, Fjordkraft has particularly focused on charging, energy efficiency and solar panels. In 2019, it was precisely Fjordkraft's focus on solar and the launch of a new Fjordkraft app that garnered the most attention.

### Solar panels

Since April 2019, Fjordkraft has, in collaboration with Solcellespesialisten, offered a simple, informative online solution for ordering solar panels for private households.

A sun map 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.

The goal is to contribute to the electrification of Norway by making it easier for people to produce their own renewable electricity.

'Plus Customers' (i.e. customers who at times produce more electricity than they use) can sell their surplus production to Fjordkraft. In 2019, Fjordkraft paid 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. Fjordkraft have modified this scheme from February 2020. Plus Customers are from that time able to choose between selling their surplus production immediately at the market price or using a Sun Account.

Sun 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



## Solar panels for Statsraad Lehmkuhl Foundation

Fjordkraft sponsors solar panels for Statsraad Lehmkuhl Foundation, which have been installed on the roof of the foundation's premises in Bryggen in Bergen. The 136 panels will meet around half of its annual onshore electricity consumption needs, and can also charge the batteries on board 'Statsraad Lehmkuhl' when the sailing ship is in port. The system in Bradbenken is owned by Fjordkraft and functions as a test system for new solutions. Fjordkraft is also one of the supporters of the foundation's preparations for Statsraad Lehmkuhl's first round the world voyage. The

voyage is called 'One Ocean' and is intended to help spread information about the importance of the oceans in sustainable development.



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.

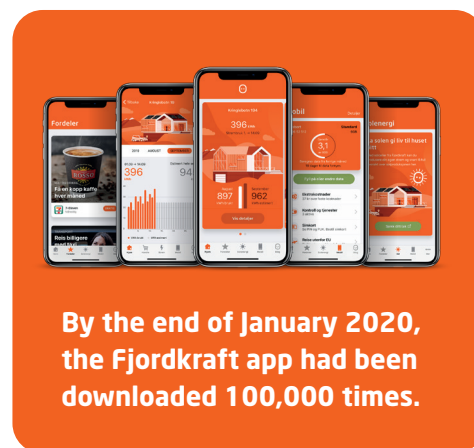
Thanks to the solar panel venture in the consumer market, we have noted a high demand for solar panels in the business market and will explore solutions for companies in 2020.

## Green Loans

Solar panels will remain 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.

## The Fjordkraft app

On 10 October 2019, Fjordkraft launched a new mobile phone app that provides an overview of a customer's electricity consumption history and estimated consumption for the rest of the month, and makes it easier to administer their customer relationship. Plus Customers can use the app to administer withdrawals from their Sun Account. Customers without solar



panels can investigate whether their roof is suitable for solar panels with the help of Fjordkraft's sun map. New functions will be launched on an ongoing basis in 2020. By the end of January 2020, the Fjordkraft app had been downloaded 100,000 times.

## Fjordkraft Pulse

In 2018, we invited 1,000 pilot customers to test Fjordkraft Pulse, an app that retrieves data from new smart meters (AMS) and enables customers to monitor their electricity consumption. Fjordkraft Pulse comes with a simple pulse meter that plugs into the AMS meter and a receiver that plugs into the customer's WiFi router. The pilot project has been a success and a full-scale rollout in the Fjordkraft app will take place in 2020. Fjordkraft Pulse was one of seven pilot projects selected

to receive support through Enova's AMS project.

## Home chargers for electric cars

Fjordkraft offers private customers home chargers for electric cars. The cost of the home charger is repaid in instalments added to the customer's electricity bill. The Directorate for Civil Protection and Emergency Preparedness (DSB) recommends that owners of electric cars or chargeable hybrids 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. In the fourth quarter of 2019, we also conducted a pilot project with chargers for companies.

## 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.

## Other products and service

In addition to electricity supply contracts, Fjordkraft provides consultancy and energy management tools for monitoring energy consumption, cost savings and environmental impact.

Business customers are offered energy labelling and energy mapping. All buildings over 1,000 m<sup>2</sup> must undergo energy labelling every ten 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. As an electricity retailer, Fjordkraft is obliged to purchase electricity certificates. Fjordkraft also offers guarantees of origin.





## Klimanjar

*The name, Klimanjar combines 'klima', the Norwegian word for climate, with the name of Africa's highest peak, Mount Kilimanjaro.*

*"Klimanjar" is a climate initiative whereby Fjordkraft requires the company's 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 "Klimanjar" 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, "Klimanjar" 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.*

*2019 was the first year in which Fjordkraft's suppliers had to keep climate accounts, cut emissions and compensate for their residual emissions by buying climate quotas. 2019 was also the year we saw the start of the domino effect when Sparebanken Vest set the same requirement for its suppliers to be climate neutral.*



## "Klimanjaro" - two steps forward

In 2019, Fjordkraft's suppliers were obliged to reduce their climate footprint by taking the following three simple steps. They had to:

- analyse their greenhouse gas emissions;
- cut greenhouse gas emissions by as much as possible; and
- compensate for any residual emissions by purchasing certified climate quotas.

The three steps must be repeated annually to ensure that the suppliers are climate neutral according to the UN definition, and thereby satisfy Fjordkraft's supplier requirements, "Klimanjaro".

Suppliers have a deadline of April 2020 by which they must purchase climate quotas and submit climate accounts for 2019.

### The goal

Fjordkraft believes the business world must lead the way and use market mechanisms to achieve rapid and substantial cuts in emissions. In line with the Paris Agreement, we are working to ensure that the global rise in temperature does not exceed 1.5 degrees Celsius.

"Klimanjaro" has been recognised by the UN

as a practical and scalable climate measure that can be implemented by any company or industry across the world. In addition to requiring our suppliers to be climate neutral, we are working to ensure that companies outside our value chain set the same requirements. In this way, we will create a domino effect and a market in which climate neutrality is the new standard. In 2019, Sparebanken Vest and Sparebanken Sogn og Fjordane set the same requirement for their suppliers to be climate neutral. Fjordkraft is encouraging private companies, NGOs and public

authorities to set the same requirements for their suppliers.

### New in 2019

"Klimanjaro" is to a large extent based on trust. Fjordkraft has not reviewed every individual supplier's climate accounts, reduction measures and quota purchases, but we do make it clear that we conduct spot checks.

From the very start, we have also been open about the fact that additional requirements may be set or that the

existing ones may be tightened. In 2019, we introduced two such requirements, which will apply from and including 2020.

### Purchase of EU quotas:

**For 2020, Fjordkraft's suppliers must compensate for their residual emissions by purchasing EU quotas (EUA: European Emission Allowance).**

Before Fjordkraft implemented "Klimanjaro", we spent time finding an internationally recognised methodology that could provide the starting point for our climate initiative. We didn't want to spend time on, or be a part of, a discussion on methods. The UN's three-step method for climate neutrality means that residual emissions are compensated for by purchasing certified climate quotas: UN quotas (CER) or EU quotas (EUA).

Although the methodology provides room for far more than just compensation for residual emissions, it is the purchase of quotas that has sparked debate. The reason for this is the surfeit of very cheap





UN quotas that have debatable climate effects.

The situation is different for EU quotas. Since a limited number of EUAs are available, increased demand raises the price per quota. It costs industries that have to buy quotas more to pollute, which in turn provides incentives for developing renewable energy sources and zero and low-emission technology.

Fjordkraft has therefore decided to implement the following additional requirement for climate neutrality: Residual emissions must be compensated for by purchasing EUAs, or by a combination of 80% EUAs and 20% CERs, from 2020. The latter solution is for suppliers who want

to fulfil the requirement to purchase UN quotas in the UN Climate Neutral Now Initiative.

The change is in line with Fjordkraft's stated goals of wanting to make it more expensive to pollute and implementing measures that have the greatest possible effect. "Klimanjar" will still be based on the UN's three-step method for climate neutrality.

**Public climate accounts:**  
In 2020, Fjordkraft's suppliers must register their climate accounts in [www.klimahub.no](http://www.klimahub.no).

"Klimahub" is a publicly accessible database in which public and private enterprises can easily find climate neutral suppliers. In addition to submitting climate accounts, companies can describe how they are cutting their greenhouse gas emissions and purchase climate quotas.

It will be possible to buy EU quotas or a package of 80% EU quotas and 20% UN quotas for companies that want to fulfil

the terms of the UN Climate Neutral Now Initiative.

A beta version of "Klimahub" was launched on UN Day on 24 October 2019, and the solution was opened to everyone in January 2020. "Klimahub" retrieves data from the Brønnøysund Register Centre and Statistics Norway, meaning that companies that have not registered their climate data will be shown with average figures for their industry based on their industry code. Companies that have uploaded their climate accounts, described measures for cutting emissions and compensated for residual emissions will be clearly marked as being climate neutral.

Registration in "Klimahub" will make it easier for Fjordkraft to monitor developments at its suppliers. It will also be a very useful tool for buyers interested in a more climate-friendly value chain.

Companies can upload their climate accounts for a number of past years, and can easily monitor the climate accounts and

statistics of companies that are registered as business partners. We believe that "Klimahub" will further strengthen the competitive advantage of climate neutral companies by making this information more easily accessible.

### The road ahead

In 2020, we will:

- open "Klimahub" to everyone;
- require residual emissions to be compensated for with EU quotas; and
- enable more companies outside Fjordkraft's value chain to require climate neutrality through sharing knowledge, talks and working meetings.

# The climate motivator

Mette Nygård Havre heads the grassroots movement, 'Spis opp maten' (which roughly translates as 'Clear your plate'), and runs her own company, Grønne Verdier. Since December 2019, she has been working as a climate motivator at Fjordkraft. The goal is to get more enterprises outside Fjordkraft's value chain to require climate neutrality.

## What does a climate motivator do?

My main mission is to spread the word about "Klimanjaro" and "Klimahub" to even more companies in order to turn the spotlight on the climate and becoming climate neutral. I also hope to use my knowledge to motivate Fjordkraft's employees to bear the climate in mind in everything they do.

## What has the interest and feedback been like?

The feedback has been overwhelmingly positive. Many companies need help to get started with keeping climate accounts, while others are thrilled about the opportunities "Klimanjaro" and "Klimahub" give them. Companies are curious and want to join in and contribute.

## What questions do the companies you visit ask about "Klimanjaro"?

They ask whether it takes a lot of time to join in. Does it require lots of resources? Can they use the climate accounts they already have? And what will it cost? Many also have questions about purchasing quotas. There are many who are unsure about this. For us, it is important that they first determine the cuts their company can make to its greenhouse gas emissions, and then Fjordkraft can use its expertise to guide them through the jungle of quota purchasing.

## Is becoming climate neutral very expensive for a company?

Each case is different. After all, the goal is to cut greenhouse gas emissions by as much as possible before having to buy any climate quotas to achieve net zero. Some have to make investments, although I would claim these are investments in the future. Other companies save money by becoming climate neutral because their focus on the issue means that they implement cuts at the same time as they streamline their business. Besides this, the companies can use the tools in "Klimanjaro" and "Klimahub"



Motivator: Mette Nygård Havre is working to get more enterprises outside Fjordkraft's value chain to require climate neutrality. Photo: Christin Eide

for free. That is a big help when you are starting down the road to becoming climate neutral.

## Who can/should require their suppliers to be climate neutral?

Absolutely everyone – both large and small companies. As more and more are requiring this, we are building up positive pressure that will result in change. I think that all companies will notice that they are being set more climate requirements in 2020. And I am cheering on that change. Something very good is happening here.

## What are the benefits for companies that choose to become climate neutral and require the same of their suppliers?

The benefit is first and foremost that they are helping to reduce greenhouse gas emissions and thus working to achieve the UN's climate goals. We are quite simply helping to make the world a better place. That's quite a claim, but it is a fact. When we set requirements for our suppliers and our suppliers do likewise, we actually achieve a domino effect. Besides this, another benefit is that climate neutral companies will become more attractive in the labour market. I think everyone wants to work in a climate neutral company!





## Fjordkraft gets #Plastsmart

As a pilot company in #Plastsmart Partner (formerly a #Plastsmart company), Fjordkraft follows a five-step method:

- 1: Analysing our plastic streams
- 2: Taking internal action
- 3: Setting requirements for partners and suppliers
- 4: Facilitating greater recycling and recovery
- 5: Designing for the circular economy

The first two steps are similar to the UN's three-step model for climate neutrality, although no solution is in place to compensate for plastic consumption that is not reduced. Instead, enterprises need to work together to increase the use of recycled plastic and find solutions that prevent plastic ending up as waste.

Fjordkraft generally offers intangible products and services. The potential for reducing plastic consumption is therefore greatest when purchasing goods, especially marketing merchandise.

The marketing department in Fjordkraft has introduced purchasing procedures that set requirements for packaging, product quality and transport. In practice, this means that, wherever possible, we choose local gift items that are not made of plastic and that can be reused. It is a requirement

that individual products not be packaged in plastic, unless the plastic is essential to prevent the product deteriorating.

One specific example is our marketing during the Fjordkraft Bergen City Marathon. In recent years we have eliminated balloons, rain ponchos and heat blankets, and replaced plastic carrier bags with bags made from eco-friendly materials.

In the space of just a few years, such plastic items have become a reputational risk due to an increasing number of consumers

and organisations becoming aware of the environmental challenges posed by plastic production and pollution.

The organisations involved in #Plastsmart Partner must report their status and results to #Plastsmart each year. In January 2020, it was decided that Fjordkraft would remain a #Plastsmart Partner after the pilot period. #Plastsmart Partner is working to fulfil Sustainable Development Goals Nos. 12: Responsible consumption and production; 13: Climate action; 14: Life below water; and 17: Partnerships for the goals.



Plastic on beaches is a symptom of a system that does not work, and in #Plastsmart we will share knowledge and find solutions to the system challenges, says Elisabeth Skage, Project Manager for #Plastsmart. Together with (from the left): Mona Liss Berg, responsible for purchasing profile articles in Fjordkraft, Fjordkrafts Strategy Director Arnstein Flaskerud and Morten Løtvedt, Sales Manager after a beach clearing.

## #plastsmart

*#Plastsmart is an initiative from Progressio, 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.*

*#Plastsmart is headed by Elisabeth Skage, who was on secondment from, and was being paid by, Fjordkraft until October. Skage is now employed by Bergen Chamber of Commerce. Fjordkraft is represented in #Plastsmart's steering group by our head of strategy, Arnstein Flaskerud, and is a pilot company in #Plastsmart Partner.*

*According to the Norwegian Climate Foundation, reducing plastic consumption will also lead to a reduction in greenhouse gas emissions. As with "Klimanjaro", the use of purchasing power will be essential for achieving results fast.*

## Ethics at Fjordkraft

Climate neutrality and reduced plastic consumption are just two of the requirements Fjordkraft sets for its suppliers. 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, 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.







ENGAGEMENT: the #oransjeskjerf campaign got people in every department in Fjordkraft involved. The employees knitted a total of 160 orange scarves.

## The Church City Mission

In January 2019, Fjordkraft entered into a partnership agreement with the Church City Mission. The goal is to make life easier for people experiencing hardship.

The Church City Mission is an open and inclusive non-profit organisation working in 50 towns and cities across Norway for people struggling with everyday life in various ways. Its vision is to ensure that every person is treated with respect, fairness and care.

When Fjordkraft became one of its strategic partners, it was with a shared understanding that together we could generate constructive engagement for people experiencing difficulties in their lives. The main aim of the partnership is to strengthen the socially beneficial and humanitarian initiatives the Church City Mission runs in Oslo, Bergen and Sandefjord. "As a major actor, we have our corporate social responsibilities and are interested in giving something back. Working together with a national organisation like the Church City Mission, we can create a warmer and more inclusive society. We can help those who are freezing, both literally

and metaphorically," says the head of sponsorship in Fjordkraft, Stian Madsen. The partnership has resulted in many different activities. One of the largest was the '#oransjeskjerf' campaign that got people in every department engaged. "In total, Fjordkraft employees in Bergen, Oslo, Sandefjord, Trondheim and Sortland knitted 160 orange scarves that were delivered to the Church City Mission. They were overwhelmed by the level of engagement," says Madsen.

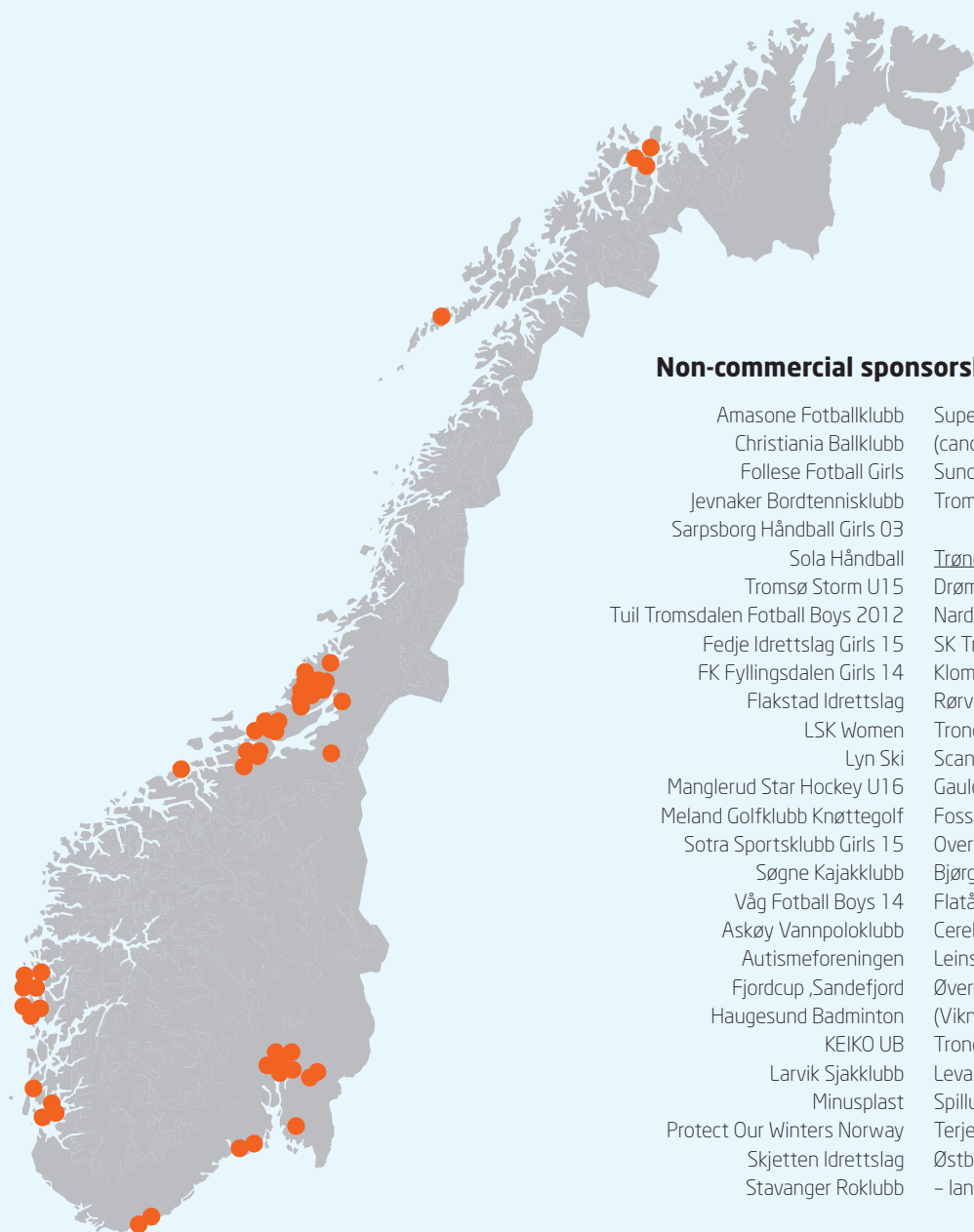
The Church City Mission has 1,800 employees in full and part-time positions, and engages 4,500 volunteers across the country. A close partnership with business and other social stakeholders is a key factor in the organisation's work to create a warmer society.

The benefits for both Fjordkraft and the Church City Mission are that both parties' interests are advanced by greater positive public exposure and profile raising in various arenas. The initial partnership is scheduled to last until 2021.

# Sponsorship/ good causes

We support local teams and associations throughout the whole of Norway. In 2019, Fjordkraft supported teams and associations across the country to the tune of NOK 1.5 million. This includes the sponsorship scheme in TrøndelagKraft, as well as Vesterålskraft Strøm, which became part of Fjordkraft in the second half of the year. Each applicant received up to NOK 20,000.

Sponsorship of teams and associations  
From 2020, sports teams can apply for outerwear bearing the Fjordkraft logo for the whole team. The background for this is that we want the programme to be more closely associated with corporate social responsibility and sustainability. The concept is based on the clubs briefly telling us how they are making a difference in the local community when they apply, and the clothing shall contribute to all members experiencing a sense of inclusion and team spirit.



## Non-commercial sponsorships 2019:

Amasone Fotballklubb	SuperSelma
Christiania Ballklubb	(cancer support association )
Follese Fotball Girls	Sunde IL
Jevnaker Bordtennisklubb	Tromsøstudentenes Idrettslag
Sarpsborg Håndball Girls 03	
Sola Håndball	<u>TrøndelagKraft:</u>
Tromsø Storm U15	Drømmeaften prizes
Tuil Tromsdalen Fotball Boys 2012	Nardo Boys 13
Fedje Idrettslag Girls 15	SK Trygg Lade
FK Fyllingsdalen Girls 14	Klompen Boys 11
Flakstad Idrettslag	Rørvik Svømmeklubb
LSK Women	Trondheim Pride
Lyn Ski	Scandia Cup sponsorship
Manglerud Star Hockey U16	Gauldal Fotballklubb
Meland Golfklubb Knøttgolf	Fossekallen Fiskeklubb
Sotra Sportsklubb Girls 15	Overlege Kindts Gate
Søgne Kajakklubb	Bjørgan Youth Club
Våg Fotball Boys 14	Flatåsen School Music Corps
Askøy Vannpoloklubb	Cerebral Parese Foreningen Trøndelag
Autismeforeningen	Leinstrand IL Skøyter
Fjordcup ,Sandefjord	Øvergården playground
Haugesund Badminton	(Vikna Municipality)
KEIKO UB	Trondheim Marathon prizes
Larvik Sjakklubb	Levanger Lower Secondary School
Minusplast	Spillum IL Fotballskole
Protect Our Winters Norway	Terje Nubdal
Skjetten Idrettslag	Østbyen Frivilligsentral
Stavanger Roklubb	- language cafe for women



## Charity Christmas calendar

Each year Fjordkraft has a Christmas calendar in which we combine prize drawings of NOK 5,000 for lucky customers with donations of similar amounts to a charitable organisation. The winning names are drawn every day, including Christmas Eve. On Christmas Eve, we draw a grand prize of NOK 50,000 for one of these organisations.

A similar Christmas calendar is arranged, with the same amounts, under the TrøndelagKraft brand. In 2019, the grand prize went to Sykehusklovnene (Fjordkraft) and the Trondheim Baseball Youth (TrøndelagKraft). Under the Fjordkraft brand we also ran 'Påskesnøtter' (a Norwegian quiz game for Easter) in 2019 following the same model, but without the grand prize.

## Other support

In 2019 Fjordkraft has maintained its support for Fyllingsdalen Theatre, located next to the company's headquarters. The theatre is an important cultural institution for children and young people in Bergen, but despite full houses and good reviews, it has been balancing on the edge of a cliff financially for several years.

# 2 000 000

In 2019, Fjordkraft allocated NOK 2 million to local initiatives and charities.

Fjordkraft signed a two-year contract with Rein By, who lost important sponsorship money after Telia dropped the Chess brand in Bergen. Rein By is a not-for-profit organisation founded to give drug addicts and others who have lost their job a second chance. As the name implies ("Clean City"), they perform an important service in keeping Bergen nice and clean.

In Sandefjord we supported the Bench Project, in which various community groups decorate benches that create a splash of colour in the city centre. The Salvation Army and the Church City Mission received a lump sum for their important work during the pre-Christmas period, and we also provided support for various environmental organisations and for plastic clean up in the archipelago.



The Bench Project we supported in Sandefjord.



Fyllingsdalen Theatre

## Fjordkraft as a workplace

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. As far as the 63 positions we advertised in 2019 are concerned, we hired 21 external candidates, 18 internal candidates, and 24 candidates who were already working as temporary employees in Fjordkraft.

In 2019, Fjordkraft's communication department had a student on work experience from the University of Bergen.

As in 2018, the IT Department had a person on work training organised by the action organiser A2G. The person concerned was hired in 2020. The department also had a pupil from Amalie Skram Upper Secondary School on work experience, and is in dialogue with the Norwegian Welfare and Labour Administration (NAV), A2G and Krokeide Upper Secondary School concerning work training and work experience places in 2020.

Krokeide Upper Secondary School offers vocational secondary education for people

Including hired staff and consultants, there were

# 416 PEOPLE

working for Fjordkraft at the end of 2019

with learning disabilities or mental/physical disabilities.

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

- The proportion of women and of men in Fjordkraft AS should be in the range of 40-60%.
- The proportion of women/men in senior positions should be relative to the proportion of female/male employees.

At the end of 2019, the gender distribution among employees in Fjordkraft was 43% women and 57% men. 28.3% of management positions with personnel responsibilities were held by women, while the proportion of women in the company's executive management team was 44% in 2019.

Following the annual general meeting, the proportion of women on the board of directors was 62.5% at the end of 2019.



2017 **215**  
permanent employees

2018 **252**  
permanent employees

2019 **293**  
permanent employees

At the end of 2019 Fjordkraft had 293 permanent employees.





Is your company considering setting requirements for a climate neutral value chain?  
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**Together we can create a domino effect**

