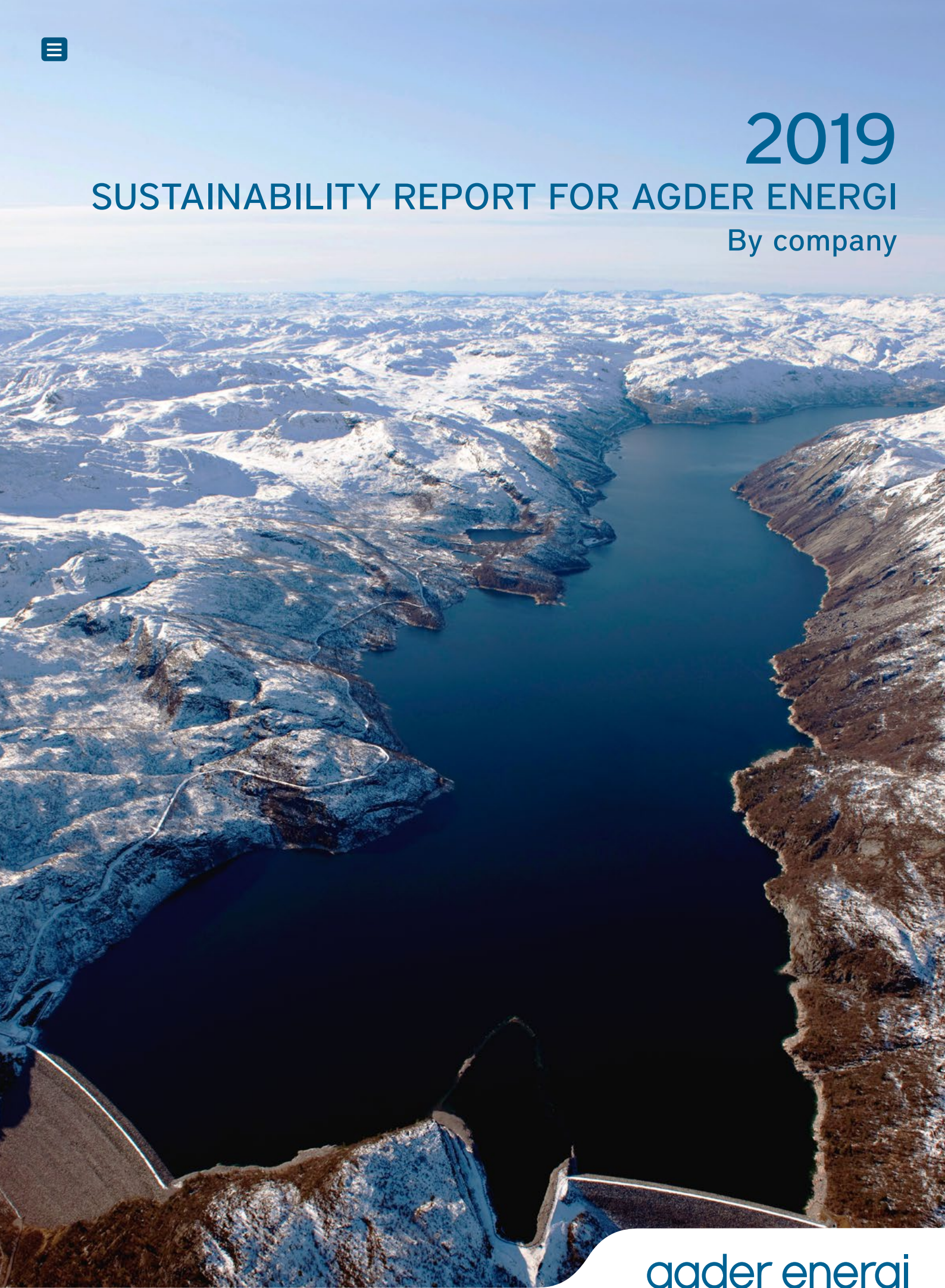
2019

SUSTAINABILITY REPORT FOR AGDER ENERGI

By company



agder energi

SUSTAINABILITY REPORTING AT AGDER ENERGI

Each year, Agder Energi reports on its work on sustainability in accordance with the Global Reporting Initiative standards. Some parameters are reported in the annual report, while additional information is available in this sustainability report. The most important general information at the Group level is presented in the annual report. More detailed information can be found in this sustainability report. When this sustainability report refers to "the Group", it refers to the companies presented under the heading "GRI reporting at Agder Energi".

The first part of the sustainability report contains information about the Group's activities in the areas of sustainability and Corporate Social Responsibility (CSR), as well as a more detailed explanation of the reporting process. This includes a description of our work with stakeholders and how the Group and individual companies assess the materiality of topics relating to sustainability. This part of the report also contains a description of the Group's supply chains and our work in the areas of innovation and regulatory frameworks. This is also where aggregated data for the whole Group are presented.

The second part of the sustainability report is specific for each individual reporting company. It includes a short introduction to the company in question, data for the sustainability topics that are reported by all of the companies in the Group, and data for the topics that are particularly relevant to the individual company.

Finally, the methodology used to collect data is presented, together with more technical information about the reporting process.

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KEY CSR FIGURES FOR THE AGDER ENERGI GROUP

Anti-corruption

All employees have received information and training on anti-corruption guidelines and procedures.

Breaches of laws and regulations

One fine for breaking the rules that restrict visitor access to power infrastructure.

Greenhouse Gas Emissions

Direct emissions – **Scope 1** 1,892 tCO2e
Indirect emissions – **Scope 2** Physical approach: 228 tCO2e
Indirect emissions – **Scope 2** Market-based approach: 76 tCO2e
Indirect emissions – **Scope 3** 6,084 tCO2e

Training

All employees are given regular feedback on, and reviews of, their performance and career development.

Third party health and safety

No incidents of non-compliance with laws and guidelines relating to health and safety.

Biodiversity

Four species are monitored particularly closely to protect their habitats.

Health and safety

All employees are covered by the Group's Health and Safety system.

The energy/renewable energy industry

7,405 GWh net energy output.

Data protection

No complaints of breaches of customers' or employees' data protection rights.

Direct economic value

NOK 3,296 MILLION for distribution.

HOW IS CSR IMPORTANT TO AGDER ENERGI

Society and the business community are closely intertwined and they influence one another. Businesses can only create value if there is a functioning, sustainable society, and society needs a healthy, responsible business community in order to function properly. CSR and sustainability don't just add value at a moral level, they also add it by generating growth and being profitable for both the company and its stakeholders.

Agder Energi's mission – "We provide clean energy for a sustainable society, now and in the future." – highlights the links between the Group and society. The Group also has a long, proud history of making an important contribution to society, and it sets high standards for fulfilling its mission in a responsible and sustainable way. The Group considers it important for entities to take responsibility above and beyond simply maximising their return on capital.

Climate change is a global challenge, and if we are to reach the more ambitious targets of the Paris Agreement, companies must promote positive change and mitigate negative impacts. Climate change is also becoming increasingly important to our stakeholders, who are imposing ever stricter requirements in relation to CSR and CSR reporting. That's why we publish a separate sustainability report each year.

Agder Energi has been seeking an overall framework for its work on the environment and sustainability. In 2019, informed by the 17 UN Sustainable Development Goals, we carried out an extensive analysis of both the parent company and subsidiaries to determine which areas it made most sense to prioritise going forwards. Six of the 17 goals were chosen, and based on them, goals and action plans have been formulated for Agder Energi's subsidiaries and business areas.

Agder Energi's work on CSR is based on our values, and sustainability permeates all aspects of our strategy, mandate and day-to-day operations. The UN Sustainable Development Goals are based on global challenges that require entities to work together. Frequently, many entities face the same issues in terms of how to act responsibly and use large amounts of resources to solve them individually. In view of that, Agder Energi has decided to play a key role in the Norwegian branch of the UN Global Compact. The UN Global Compact, the world's biggest business organisation focusing on CSR, is working to make CSR a natural part of the strategy of its member companies. We have a representative on the board of the organisation, highlighting Agder Energi's commitment to working with other business to make society more sustainable.

As well as taking part in the UN Global Compact, Agder Energi works closely with various other organisations that promote sustainable business development: Skift – The Business Community's Climate Leaders, ZERO and Klimapartnere. Agder Energi is also certified as an Eco-Lighthouse. Work on both CSR and sustainability shall play a significant role in meeting the group's strategic goals, and provide a route to achieving green, long-term profitability.

Six of the UN Sustainable Development Goals have been chosen, and based on them, goals and action plans have been formulated for Agder Energi's subsidiaries and business areas.

STAKEHOLDERS AND AGDER ENERGI

Agder Energi defines stakeholders as people or groups who are affected by, or who could affect, the Group's business activities. Cooperation with stakeholders is a high priority for Agder Energi, and as a publicly owned company we are dependent on having the trust of our stakeholders. Cooperation with stakeholders is therefore part of the Group's day-to-day activities.

Each company defines its most important stakeholders in its business plan, and the Group's most important stakeholders are the stakeholders that have been identified as important by the highest number of companies. The important stakeholders include employees, shareholders, customers, stakeholder organisations, government authorities, suppliers, lenders and other business partners.

Sustainability reporting is a key aspect of our communication with the Group's most important stakeholders, and the purpose of this reporting is to meet our stakeholders' needs for information about the Group's efforts to integrate social and environmental considerations into its day-to-day operations.

EMPLOYEES

At the close of the year, the Group had 1,020 permanent and temporary employees. Meanwhile, the companies covered by this report had 776 employees at the end of the year. Employee representatives and managers at Agder Energi have several regular, formal channels for discussing both strategic and operational issues. There are also a number of informal channels of communication. A working environment survey of the Group's employees is carried out every two years.

The Electrician and IT workers union, The Norwegian Society of Graduate Technical and Scientific Professionals (Tekna), The Norwegian Society of Engineers and Technologists (NITO) and Negotia each have a chief employee representative for the Group. They also have a joint chief representative for the Group. There are a number of channels through which employee representatives, the Group management and company managers can meet. The most important ones include the Group works council, Group meetings, working environment committees and company works councils.

As part of a systematic approach to promoting diversity, Agder Energi is participating in the project "Equality in the workplace". The project is about equal opportunity in the widest possible sense. That means providing equal opportunity regardless of gender, religion, ethnicity, any disability and sexual orientation. Agder Energi works continuously on these areas, and it aims to renew its certification under "Equality in the workplace" in 2021.

SHAREHOLDERS

Each year, the senior management team meets the shareholder municipalities at meetings with their executive boards or municipal councils. The municipal shareholders also hold regular shareholder meetings. The main topics for shareholder meetings are matters relating to the ownership of the Group, but other issues of concern to municipalities can also be raised, such as new power stations and grid reliability. Communication between the group management team and the Board of Directors takes place through formal channels that keep the owners informed of important events and allow them to have a say in major decisions.

CUSTOMERS

Customers are an important stakeholder group for the companies that operate in the domestic and business markets. LOS performs regular customer surveys, whose results are used to adapt the company's communication with the market and its customers. In addition to its own surveys, LOS also participates in a number of national surveys performed for the electric power industry, including the TNS Kantar working environment survey, BI's Norwegian Customer Satisfaction Barometer, and EPSI Rating Norge's customer satisfaction survey. In the 2019 edition of EPSI Rating Norge's survey, LOS came first in the retail market segment, while Entelios came out on top amongst business customers. Communicating with customers is also a priority for Agder Energi Nett, and in the summer of 2019 the company established a new call centre in Arendal for its domestic and business customers. In EPSI Rating Norge's customer satisfaction survey in 2019, Agder Energi Nett came second of the distribution system operators.

ORGANISATIONS

The big changes taking place in the energy industry make it vital to have the information that we need to position ourselves for the future. This is one of the reasons why the Group participates in a number of regional, national and international groups, councils and committees working on questions relating to the regulatory framework for the industry. These include both technical organisations and trade associations.

One of the most important ones is Energi Norge, the organisation which represents businesses in the energy sector affiliated to the Confederation of Norwegian Enterprise (NHO). Other organisations in which Agder Energi participates include Eurelectric – The Association of the Electricity Industry in Europe, NORWEA – the Norwegian Wind Energy Association, and NECS – the Norwegian Energy Certificate System.

The UN's Sustainable Development Goals provide an important platform for companies to achieve green, long-term profitability. Agder Energi is therefore playing an active part in the UN Global Compact. We also cooperate closely with other organisations on matters relating to sustainability and business development. One of the ways we do this is through a partnership agreement with the environmental organisation ZERO, which has been running since 2013. The Group is also actively involved in Klimapartnere, which is a partnership between academia and public and private enterprises. The members of Klimapartnere are striving to reduce their own greenhouse gas emissions and to promote a greener society and economy. Agder Energi is also a member of the business-driven climate network Skift. Skift's objective is to lead the way in identifying new business opportunities on the road to a low-emission society. The network changed its name from Norge 203040 to Skift in 2019.

GOVERNMENT AUTHORITIES AND THE LOCAL COMMUNITY

In conjunction with all power station projects, good communication with local authorities and other stakeholders in the local community is a priority. The issues that are typically of most interest to stakeholders include indirect economic impacts on local businesses and environmental questions. When a licence application is submitted, the Norwegian Water Resources and Energy Directorate organises stakeholder and public consultations. Agder Energi also wishes to support the development of the business community in southern Norway. One way it does this is through active involvement in projects to help achieve the ambition of making Agder the world's first fully electric region by 2030 – Electric Region Agder. The Group also holds the annual Agder Energi Conference. Since it was first held in 2015, the conference has grown into an important forum for the renewable energy industry, the business community, politicians and other stakeholders with an interest in questions related to energy, technology and both regional and national development.

AGDER ENERGI'S SUPPLY CHAIN

Agder Energi's mission to provide clean energy for a sustainable society, now and in the future, also sets the parameters for risk management throughout the value chain. So that it can make a positive contribution to society, the Group sets standards for all of its suppliers – from international suppliers of raw materials to local subcontractors. To demonstrate that ethical conduct gives a competitive advantage, Agder Energi takes into account transparency and responsible working conditions when selecting suppliers.

Agder Energi Nett and Agder Energi Varme are covered by the Norwegian Public Procurement Act. Suppliers to the distribution system operator must qualify through UNCE, which is a supplier register and pre-qualification system used by Scandinavian utilities. For major investment projects, the total value of goods and services purchased can be of the order of one billion Norwegian kroner. Purchases for these projects range from construction services to advanced technical components. Technical installations often involve subcontractors in a number of countries.

In its contracts, Agder Energi requires suppliers to comply with the Group's rules on CSR and occupational health and safety. In 2019 the Group carried out audits to check that selected suppliers are complying with these requirements. With the help of an external supplier, the Group audited 94 companies in 2019, selected on the basis of an overall risk assessment. 87 of these were located in Norway. In total, 165 of the Group's suppliers have now been audited. Audits are based on recognised auditing standards and are performed in collaboration with UNCE. Agder Energi has chosen to focus on high-risk industries, as well as on improving the quality of its audits and following up open items in audit reports.

Each year, Agder Energi spends large amounts of money on buying goods and services. Here work is being done on Kuli dam in Sirdal.

MATERIALITY ASSESSMENT

The Group has decided to follow the framework of the GRI Standards for its CSR reporting. This includes mandatory disclosure items, but it also makes it clear that users of the framework should report on any material topics. This means sustainability topics that are material to the company's operations, but also material to the company's stakeholders.

In the autumn of 2018, the Group put a lot of work into identifying the topics that are most material to the Group. In 2019 we carried out an extensive analysis of both the parent company and subsidiaries to determine which areas it made most sense to prioritise in conjunction with future work on the six selected Sustainable Development Goals. Consequently, no further analysis has been done to identify the topics that are material for the Group, but an overall assessment was made that the topics chosen in 2018 were still valid. The companies covered by the sustainability report themselves report on which topics are material to them. In addition, the Group aggregates data for the topics that are most material to Agder Energi as a whole.

Individual companies in the Group have also assessed the materiality of various other topics to their own operations, and those topics have then been assessed by the companies' respective stakeholders. This has enabled the Group to identify the material topics for the companies' own goals in relation to CSR and sustainability, as well as the topics that the companies' stakeholders need to be reported. This is the reason why the individual company reports in the sustainability report include some joint indicators, some indicators that are used by several companies and a few indicators that are only used by one company.

As a result of the materiality assessment, twelve topics have been selected as being particularly important:

ANTI-CORRUPTION

Like all businesses, Agder Energi faces risks associated with financial crime such as corruption, misconduct and illegal price fixing. The Board and management of Agder Energi are responsible for implementing a robust anti-corruption system, an important element of which is providing training to employees.

Within Agder Energi's ethical framework, all employees have a responsibility to prevent corruption. Preventive measures have been put in place, such as ethical guidelines, dilemma training and internal controls, and all employees do an annual e-learning course on these topics. Our anti-corruption handbook is available to all employees in Norway and at our international businesses.

Moreover, a new role has been created with the main aim of preventing corruption. Various internal and external whistleblowing channels have been established. Agder Energi has created an interdisciplinary ethics committee to deal with matters reported through the whistleblowing channels.

All of Agder Energi's employees have received information and training on the Group's anti-corruption guidelines and procedures.

BIODIVERSITY

Biodiversity is important to the Group as a whole, but particularly so to Agder Energi Vannkraft and Agder Energi Nett. All companies in the Group follow the Group CSR and Environmental Guidelines, which give the companies themselves responsibility for setting goals with respect to their environmental impacts. Agder Energi Vannkraft focuses on biodiversity in the watercourses where it operates, while the impact of power lines on vulnerable species is an important topic for Agder Energi Nett. The Group regularly assesses the need to make changes to its activities in relation to biodiversity.

Dams and power stations change the natural environment, but the Group's activities do not have a bigger impact on nature or society than is usual for this kind of business. Agder Energi has 57 part-owned and wholly owned power stations at the companies included in this report, located in Agder, Telemark, Lithuania and Latvia. Distribution system operation is not as such polluting, but power lines have an impact on the landscape, and there is a risk of birds colliding with them or suffering electric shocks. Agder Energi Nett's operations have a particularly big impact on one critically endangered species, the Eurasian eagle-owl. Agder Energi Vannkraft's operations affect eels, which are defined as vulnerable, as well as salmon and *bleke*, which are defined as being of least concern.

BREACHES OF LAWS AND REGULATIONS

It is a priority for the Group to adhere to relevant laws and regulations. Compliance is a line management responsibility implemented through organisational structures, procedures and systems. In order to assist line managers with this, a Group compliance function has been established.

Agder Energi's compliance system consists of functions to prevent, identify and respond to issues. The parent company and the biggest business areas have their own compliance officers.

Once a year, the subsidiaries in the Group give an update on compliance to the parent company. Currently there is no system in place for regular reporting of breaches of laws and regulations.

Unwanted incidents that occurred in 2019 are described in the section on the company in question. In 2019, Agder Energi Nett was fined for breaking the rules that restrict visitor access to power infrastructure. The company has since tightened up its procedures in accordance with the relevant regulations and guidelines. Agder Energi Nett has appealed against the details of the decision and its appeal is currently being reviewed by the Ministry of Petroleum and Energy. Apart from this case, the executive management is not aware of any unwanted incidents at subsidiaries in 2019, or of the authorities imposing fines or other sanctions on them.

HEALTH AND SAFETY

Health and safety is a priority area at all levels of our organisation. Our health and safety activities are regulated by legislation, company guidelines, instructions and procedures, as set out in the Group's health and safety management system.

We have a zero accident vision and we want all of our employees to experience job satisfaction. The health and safety figures for recent years show improvement. Health and safety has been prioritised throughout the organisation, and it is the first item on the agenda at management meetings at both the Group and company levels. Employees receive health and safety training that reflects their roles and certain companies, such as Agder Energi Vannkraft, have additional health and safety training programmes.

For the companies that reported on this metric, the average total injury frequency (number of injuries per million work hours) was 1.8 in 2019, while the lost time injury frequency (number of LTIs per million work hours) was 1.2.

Dedicated health and safety managers at power stations are responsible for reporting and facilitating improvements to health and safety procedures, as required and in response to defined trigger points. There is an occupational health and safety system with working environment committees covering all workers, who are given the opportunity to report dangerous situations and accidents. Employees participate in, and contribute to, health and safety activities through the working environment committees and safety representatives at individual companies, as well as through departmental safety and working environment surveys. We have also established a public, anonymous whistleblowing channel that our own employees, contractors and third parties can use to report any misconduct. In addition, all of the companies in the Group have a company health service.

Agder Energi has a range of risk assessment tools adapted to the activities and situations they are designed for. Broadly speaking, risk assessments are carried out for emergency planning, liability during projects, restructuring and operational issues. Risk managers at individual companies are responsible for keeping assessments up-to-date. For workplace operations, a Safe Job Analysis (SJA) is used, which is carried out by the person responsible for the work before starting. This covers local issues and is designed to deal with the risks associated with the task at hand. Risk assessments may lead to physical or organisational changes, which are implemented to ensure that the working environment is completely safe.

GREENHOUSE GAS EMISSIONS

Since our business is based on the generation, distribution and sale of renewable energy, low greenhouse gas emissions provide a key competitive advantage and are important to the Group's ability to add value. The Group is working to minimise its own greenhouse gas emissions and has chosen to sign up to the Science Based Targets initiative. Based on our involvement in this initiative, in 2020 we will set goals for our own emissions that reflect the targets in the Paris Agreement.

This year we have for the first time prepared our GHG accounts using a software tool created by CEMAsys, which is based on the international standard the "Greenhouse Gas Protocol Initiative". This is the world's most widely used method for measuring GHG emissions, and ISO 14064-I is based on it. As well as ensuring that up-to-date emission factors are used, the software tool makes it easier to analyse what areas make the biggest contributions to emissions.

This analysis is split into three separate scopes:

Scope 1: Mandatory reporting for all emission sources at assets which the organisation has operational control. This includes all use of fossil fuels by stationary and mobile activities (owned and leased vehicles, oil-fired boilers, etc.). It also includes direct process emissions of SF6 at Agder Energi Vannkraft and Agder Energi Nett where relevant.

Scope 2: Mandatory reporting of indirect emissions from purchased energy: electricity and district heating/cooling. The GHG Protocol requires electricity consumption to be reported in two ways. The physical approach (location-based method) uses emission factors based on actual emissions from electricity generation within a specific area. The market-based approach uses emission factors based on whether or not the enterprise chooses to buy guarantees of origin. In total, the companies in the Group have acquired guarantees of origin for all of their 24,881 MWh of consumption in Norway and Sweden. Agder Energi Nett's revenues are regulated by the government. The income cap takes little account of the need to buy guarantees of origin to cover distribution losses. In 2019, Agder Energi Nett's distribution losses amounted to approximately 298 GWh.

Scope 3: Voluntary reporting of indirect emissions related to purchased goods and services. These are emissions that can be indirectly attributed to the organisation's activities, but that are outside its control (hence indirect). Scope 3 reporting includes flights, travel by own cars and hire cars, and waste from the offices in Kristiansand and Arendal. We also report emissions arising from contractors' use of concrete and asphalt at Agder Energi Vannkraft's big projects. The use of helicopter fuel for inspection flights by Agder Energi Nett has also been included as of 2019.

The biggest direct emissions (scope 1) are from road transport, burning fossil fuels to meet peak loads on district heating systems and SF6 emissions from switchgear.

Indirect emissions from electricity consumption (scope 2) are reduced to zero under the market-based method by buying guarantees of origin for all consumption in Norway and Sweden.

The biggest contribution to other indirect emissions (scope 3) comes from the use of concrete and asphalt for the repair and construction of hydroelectric power stations. Business travel by air, employees' own cars and hire cars also contribute to indirect emissions.

Changes to reporting methods: In previous year, travel by own cars and hire cars and flights were reported under scope 1, direct emissions. To ensure that our GHG accounting better matches the recommendations of the GHG Protocol and the methodology used by CEMAsys's software tool, these emissions have been moved from Scope 1 to Scope 3 (indirect emissions) in our 2019 report. On account of these changes to the calculation of greenhouse gas emissions, the Group has chosen not to present comparative figures, since they wouldn't be directly comparable.

STAFF TRAINING

Agder Energi is very conscious that the expertise of its employees is one of its most important resources.

The Group's approach to training is informed by the innovation and business development activities set out in the Group's strategy to 2020, as well as by the need for digitalisation and adaptation to new technology. The Group is therefore working to establish a strong culture of continuous improvement, modernisation and innovation.

In order to develop today's managers, talented professionals and specialists, the Group has established a management development programme that is mandatory for all managers. Key learning goals include communication skills, interpersonal skills, dialogue skills, coordination and continuous improvement. This work is supported by a focus on teamwork and professional development.

The Group is experiencing a growing need to mobilise expertise across its companies, and internal mobility is increasing. The Group is therefore making increasing use of flexible working structures, which facilitate the sharing of expertise between companies without staff having to be transferred. We try hard to provide opportunities for career development at the Group.

All employees at the Group are given regular feedback and performance reviews, as well as support with career development.

DATA PROTECTION

In 2019, protecting the personal data of our customers and employees was once again an area of priority for Agder Energi. The introduction in 2018 of the GDPR – joint European rules on data protection – led to a lot of work with respect to preparing, documenting and establishing procedures for the Group's processing of all of our personal data. GDPR compliance should be seen as an ongoing process, which means that there were continuous updates to, and reviews of, documentation and processes relating to data processing in 2019. During the year, three employees requested access to their own personal data.

The Group has a dedicated data protection officer, and each company has appointed someone to be responsible for data protection. Privacy policies describe the way in which Agder Energi Nett and LOS process personal data in accordance with the GDPR.

The way in which the personal data of staff is processed in Workplace is set out in the Workplace Premium Privacy Policy.

THE ELECTRIC POWER/RENEWABLE ENERGY INDUSTRY

The renewable energy industry has an important social mission, but it also has the potential to have a positive or negative impact on the economy, environment, climate and society. Some of the topics that are important to energy companies in general are not as relevant to groups that base their activities on generating and distributing renewable hydroelectric power. Climate-friendly renewable energy generation is one of the most important ways in which we can combat climate change.

The way in which this work is conducted is part of Agder Energi's business strategy, and as one of Norway's largest energy utilities the Group plays an important role in society.

The Group's hydroelectric power stations, including UAB Baltic Hydroenergy and Latgales Energetika, generated 7,410 GWh of electricity in 2019. Agder Energi is building several hydroelectric power plants that will be completed over the coming years. The Group is also working on several major hydroelectric projects that may increase the Group's renewable energy generation in the future.

The high proportion of renewable energy in our district heating systems mainly reflects our use of waste heat from Returkraft's waste-to-energy plant and from Glencore Nikkelverk in Kristiansand. In Arendal, we burn sawdust from the engineered wood manufacturers in Vennesla and Kragerø, while in Grimstad and Sørlandsparken we burn sawdust briquettes from sawmills in Agder. This ensures that natural resources are fully utilised, which is both sustainable and good value for money. Agder Energi Varme's free cooling plant also supplies district cooling to many of the biggest buildings in Kristiansand. Free cooling is 100% renewable, only using cold sea water from a depth of 150 metres to cool buildings. In 2019 we expanded the capacity of our district cooling system, so that even more buildings can access this environmentally friendly source of cooling.

THIRD PARTY HEALTH AND SAFETY

Health and safety is the Agder Energi Group's top priority, and this also applies to third parties. Third parties are defined as people who come into contact with, or are affected by, the Group's activities in a variety of ways.

The Group's fundamental philosophy is that all accidents are avoidable, so it is continuously working on preventive and corrective actions to ensure the safety of its own employees, contractors and third parties, and a record is kept of the number of injuries to these groups. If an incident could have resulted in serious harm to people or the environment, regardless of whether or not it actually did, the Group tries to understand the circumstances that led to the incident by performing systematic root cause analysis. All companies in the Group work systematically to share their experiences of such incidents in order to enhance the quality of learning amongst their own employees and contractors.

Third party health and safety is particularly important in relation to big development projects, infrastructure and power lines. This is a particular priority at Agder Energi Nett, as the company considers itself to be partly responsible for the health and safety of its customers by providing them with a safe, reliable electricity supply. A modern society cannot function without this, so Agder Energi Nett is continuously working on improvements in areas such as clearing rights of way by overhead power lines.

The Group's big projects often take place in areas used by third parties. In order to ensure the safety of our own staff and of contractors, suppliers and subcontractors, the Group must ensure that it is safe for third parties to operate in and around the site. During the initial phase of big development projects, risk analyses are performed that cover the safety of third parties. The safety of third parties is ensured by having physical barriers, warning signs and in some cases guards at the construction site, but also by providing information through community meetings, the local press, public notices and dedicated websites.

Transport to and from the site is also a critical operation, with heavy goods vehicles often going through local communities with many pedestrians and cyclists. Agder Energi deals with this by providing information and training to our own drivers and those of our suppliers, imposing speed limits in and out of the site and limiting transport at times of day when there are lots of pedestrians and cyclists around.

When a commercial project is concluded, an assessment report is written, and where relevant this includes an evaluation of work on third party health and safety. The findings of the report are then used as a basis for potential improvements in the next project.

IMPACTS ON THE LOCAL COMMUNITY

The local community and the Agder Energi Group are symbiotic. Our modern society couldn't function without the electricity supplied by the Group, and without the local community, the Group would be unable to achieve its goals. That's why Agder Energi works to ensure the best possible relationship with the local communities in the areas where it operates.

Support for children and young people
Agder Energi's subsidiary LOS engages with the local community through the LOS fund, which each year provides NOK 1 million in grants to children under the age of 18 in southern Norway. Since 2004, the electricity retailer has supported more than 1,000 clubs, associations and individuals spread across all of the municipalities in southern Norway.

Business environment and innovation
In order to increase the value added by the Group, Agder Energi aims to be the industry leader with respect to understanding, exploiting and influencing the business environment. Market developments and relevant technology are closely monitored. This work informs our continual improvement processes, lobbying activities and policy positions.

Research and development
The Group's investment in R&D shall lay the foundations for long-term, profitable growth and promote development activities to increase the potential of the core business. Through our ownership interest in Teknova, an institute for applied R&D, we support the renewable energy research community in the region. Agder Energi Vannkraft participates in HydroCen, together with the trade organisation Energi Norge and other energy and industrial companies, as well as the Norwegian University of Science and Technology, NINA, SINTEF and other research institutes. HydroCen is a Centre for Environment-friendly Energy Research backed by the Research Council of Norway. The centre aims to provide the Norwegian hydropower sector with new knowledge and innovative solutions.

Innovation
In order to ensure that we are in a position to exploit the technologies and markets of the future, we are always on the look-out for new opportunities within and beyond our current core activities. These include a collaboration with the University of Agder on artificial intelligence at power stations and a project for smart grids in partnership with Microsoft.

In 2019 Agder Energi was awarded a grant by the state-backed energy fund Enova for the pilot project NorFlex. Over the next three years, the project, which is a partnership with a number of other organisations in the energy industry, will test various technologies to encourage customers to be more flexible in their electricity consumption.

Agder Energi's current strategy is to make better use of government support schemes (Enova, the Research Council of Norway, Skattefunn). All projects should evaluate the possibility of applying for external funding. The Skattefunn scheme, which is jointly administered by the Research Council of Norway and the Norwegian Tax Administration, is one scheme that Agder Energi has started making greater use of, and developed expertise on, in recent years.

ECONOMIC PERFORMANCE – DIRECT

A strong economic performance is a prerequisite for running the company and is of vital importance to our employees, shareholders and the Agder Energi Group. The value added statement, which is a reflection of how our financial performance benefits society, presents how value is created and distributed amongst employees, lenders, the public sector, shareholders and the company itself.

ECONOMIC PERFORMANCE – INDIRECT

Agder Energi is also very conscious of its indirect economic impacts. These may be generated by building infrastructure or providing district heating, for example. They are particularly significant in the case of companies like Agder Energi Varme, Agder Energi Nett and Agder Energi Vannkraft. Investments in infrastructure and the operation of our existing facilities provide work for local contractors. District heating reduces the energy costs of Agder Energi's customers, because it is cheaper than electricity, oil or biofuel. District heating also reduces pressure on the power grid, reducing the need for further investments.

Agder Energi Nett makes an important contribution to society by creating jobs and economic growth in Agder. The company is a significant customer for local suppliers in Agder, and it has established ties with 597 providers of goods and services. As such, Agder Energi Nett plays a big role in ensuring the health of the business community in Agder. All projects to build new facilities or refurbish existing ones, as well as operation and maintenance, involve buying services from local suppliers. As well as giving a financial boost to suppliers, this also enhances their expertise.

Employees (refers to employees at companies covered by the sustainability report)	Unit	2019	2018	2017
Total number of permanent and temporary employees	number	776	886	Not comparable due to changes in organisational structure
Proportion of permanent employees	%	96%	95.15%	
Proportion of temporary employees	%	4%	4.85%	
Proportion of men (of permanent employees)	%	74%	76.64%	
Proportion of women (of permanent employees)	%	26%	23.36%	
Number of full-time equivalents*	number	756.5	695.90	
Reaching retirement age within 5 years*	%	14%	11.06%	
Reaching retirement age within 6-10 years*	%	17%	15.24%	

* Of permanent employees

Biodiversity	Unit	2019	2018	2017
Number of critically endangered species affected by operations	number	1	1	N/A
Vulnerable species (on red list) affected by operations	number	1	1	N/A
Species of low concern (not on red list) affected by operations (e.g. eelgrass, salmon, bleke)	number	2	2	N/A

Breaches of laws and regulations	Unit	2019	2018	2017
Recorded breaches of laws and regulations	number	0	0	N/A

Health and safety	Unit	2019	2018	2017
Lost time injuries per million work hours**	H1 value	1.2	2.19	0.50
Injuries per million work hours**	H2 value	1.8	3.83	1.33
Sickness absence	%	2.60%	3.60%	3.54%

** Not incl. UAB Baltic Hydroenergy and Latgales Energetika

Greenhouse gas emissions	Unit	2019	2018	2017
Direct emissions – Scope 1	tonnes of CO2e	1,892	Not comparable due to changes in organisational structure and methodology	
Indirect emissions – Scope 2 Physical approach	tonnes of CO2e	228		
Indirect emissions – Scope 2 Market-based approach	tonnes of CO2e	76		
Indirect emissions – Scope 3	tonnes of CO2e	6,084		

Electric power industry	Unit	2019	2018	2017
Net energy output	GWh	7,410.75	8,859.77	8,971.26
Number of power stations	number	57	57	58
Network reliability	%	99.98%	99.94%	99.98%
Length of overhead power lines	km	13,712.00	13,746.00	13,766.00
Length of underground/underwater lines	km	8,424.00	8,193.00	8,010.00
Length of district heating pipes	km	67.00	65.00	64.00
Length of district cooling pipes	km	17.00	16.00	14.40

Data protection	Unit	2019	2018	2017
Complaints about data protection breaches	number	0	1	N/A

Economic performance – direct	Unit	2019	2018	2017
Available for distribution	NOK millions	3,296	3,612	3,325
The company	%	26.1%	14,50%	20.60%
Employees	%	17.1%	20.70%	21.40%
Lenders	%	6.5%	4.90%	5.10%
The public sector	%	50.3%	43.50%	34.60%
Shareholders	%	0.0%	16.40%	18.20%

AGDER ENERGI VANNKRAFT

Hydroelectric power is the most important renewable energy source in Norway, and Agder Energi Vannkraft is one of Norway's leading producers, generating enough electricity to meet around 5% of Norway's total energy needs. The company has 49 wholly-owned and part-owned power stations, 42 of which are operated by the company. The power stations are located in Agder and in southwestern Telemark. Generating electricity produces large profits, which are returned to society, in part through dividends paid to the company's public sector shareholders.

None of Agder Energi Vannkraft's power stations are located in protected areas or in protected river systems. Our power stations are supplied by more than 120 dams, most of which are situated in areas that are not specially protected. There are six power stations along the River Mandalselva, which is a national salmon river. In the Setesdal Vesthei Ryfylkeheiene protected landscape there are several reservoirs. Agder Energi Vannkraft strives to reduce the negative environmental impacts of generating electricity. One area of focus is ensuring that river environments allow salmon to complete their migration while maintaining the current level of electricity generation.

Within the framework of our existing licences, we are trying to reduce negative environmental impacts through various statutory and voluntary measures, such as releasing water to entice fish to swim up rivers and building salmon ladders, as well as putting out fish and roe in reservoirs. The terms of our licences specify the minimum flow needed to preserve recreation areas and to protect fish stocks in dammed rivers.

In the River Mandalselva there is a special environmental design project to minimise the negative impacts caused by power generation, while also increasing or maintaining the amount of electricity generated. In the Mandalselva, salmon are counted at Laudal power station, and Agder Energi Vannkraft records the density of juvenile salmon in the area during periods of minimum flow. Last year's counts show that the measures implemented have had a positive impact on both the number of juvenile salmon and the migration of adult salmon.

At Laudal power station, in 2019 work started on building Norway's largest salmon aquarium. This 300 square metre building is being developed by Mandalselva Villakssenter AS, and it will open on 6 June 2020. Agder Energi Vannkraft provided the site, and it wants to use the wild salmon centre to show that power stations and salmon can coexist in a river.

In the Arendal river system, Agder Energi Vannkraft has worked with NIVA to study the migration of smolts past Rygene power station. The aim is to reduce harm to smolts migrating downriver, as well as to come up with targeted actions that minimise the need to release more water than required by the rules on the operation of our dams. Adult salmon have also been tagged to study which measures are needed to facilitate their passage up the river past Rygene power station.

Syrtveit Fiskeanlegg is located by the waterfall Syrtveitsfossen on the River Otra, close to its outlet from Lake Byglandsfjorden. It was built by Otteraaens Brugseierforening in 1992 to comply with the requirement to release fish set out in the licence terms for developing the Otra river system.

For a number of years, work has been done to ensure that the bleke population is viable without the need for releases. Consequently, in 2019 only limited quantities of juvenile bleke and fertilised roe were released. The need to release trout is also falling, and in 2019 a total of around 20,000 juvenile trout were released into the Otra, Mandal and Finså river systems.

Agder Energi Vannkraft had two unwanted environmental incidents in 2019: in conjunction with the Åseral Nord project, there was a diesel leak from a pump. The incident was dealt with by the project, and the relevant authorities were notified. The incident has subsequently been investigated, and action has been taken to prevent equivalent incidents recurring.

In conjunction with tapping the upper reservoir at Rygene power station, the eel passage lost its water supply. The eels in the holding chamber died as a result of the incident, which was reported to the police. Agder Energi Vannkraft has described the sequence of events in a letter to the police, but it has not heard from the police or the environmental authorities since doing so.

Agder Energi Vannkraft has in recent years invested significant amounts in upgrading and expanding the company's power stations. This includes increasing generating capacity, but also involves upgrading reservoir and transfer capacity. In 2019, work continued on two major projects: Kuli dam on the Finså river system has been reinforced with a new concrete slab. At the Åseral Nord project, a new, bigger dam has been built across Langevatn reservoir and a new water transfer tunnel has been built to Lake Nåvatn. This project will generate as much as 42 GWh of renewable energy, equivalent to the electricity consumption of 2,100 households.

AGDER ENERGI VANNKRAFT

Employees	Unit	2019	2018	2017
Total	number	144	145	146
Proportion of permanent employees	%	95%	95%	96%
Proportion of temporary employees	%	5%	5%	4%
Proportion of men	%	92%	92%	92%
Proportion of women	%	8%	8%	8%
Number of full-time equivalents	number	140.6	142.50	N/A
Reaching retirement age within 5 years	%	25%	22%	23%
Reaching retirement age within 6-10 years	%	21%	22%	24%

Biodiversity	Unit	2019	2018	2017
Vulnerable species (on red list) affected by operations	number	1	1	N/A
Species of low concern (not on red list) affected by operations (e.g. eelgrass, salmon, bleke)	number	2	2	N/A

Breaches of laws and regulations	Unit	2019	2018	2017
Recorded breaches of laws and regulations	number	0	0	N/A

Health and safety	Unit	2019	2018	2017
Lost time injuries per million work hours	H1 value	0.0	3.54	12.80
Injuries per million work hours	H2 value	0.0	3.54	3.20
Sickness absence	%	2.0%	3.1%	2.10%

Greenhouse gas emissions	Unit	2019	2018	2017
Direct emissions – Scope 1	tonnes of CO2e	550.5	Not comparable due to changes to methodology	
Indirect emissions – Scope 2 Physical approach	tonnes of CO2e	57.5		
Indirect emissions – Scope 2 Market-based approach	tonnes of CO2e	0.0		
Indirect emissions – Scope 3	tonnes of CO2e	5,121.5		
SF6 emissions (included in Scope 1)	tonnes of CO2e	182.4		

Electric power industry	Unit	2019	2018	2017
Net energy output	GWh	7,237	8,680	8,792
Number of wholly-owned and part-owned power stations	number	49	49	49

AGDER ENERGI NETT

Agder Energi Nett owns and is responsible for operating the regional transmission and distribution networks in Agder, including a total of 22,100 km of power lines and serving 204,500 customers. The company shall provide and develop robust infrastructure, services and supplies in line with the expectations of society, and in compliance with laws and regulations.

A safe, reliable electricity supply is vital to a modern society, so Agder Energi Nett is continuously working to improve its procedures for clearing rights of way for high voltage overhead power lines. Each year, it uses helicopters to scan its electrical grid with the aim of mapping forest growth along its power lines, in order to allow more targeted line clearing based on the best possible data.

Agder Energi Nett also wants to find safer, more eco-friendly and more efficient ways to inspect its electrical grid. In 2019, the company established its first drone hangar at Gullknapp airport in Froland. The project received R&D funding from the Norwegian Water Resources and Energy Directorate (NVE), and it is testing how drones and new technology can be used for power line inspections. New technology creates new opportunities, and safer, more eco-friendly and more efficient inspections are just a few of the benefits of using drones.
In 2019, Agder Energi Nett introduced a subsidy of NOK 150/m3 for forest owners who cut down trees adjoining high voltage power lines. Initially, the scheme is limited to the use of pre-approved contractors who work with the forestry industry organisations. This is because work along high voltage power lines can be highly dangerous. The subsidy is given to forest owners who cut down trees through the organisations AT Skog and Nortømmer.

Within its work on biodiversity, Agder Energi Nett has implemented several measures to protect the Eurasian eagle-own in Norway. The company aims to minimise its negative impacts on the environment throughout the design stage, including in licence applications, in preliminary projects, and in the construction, operation and maintenance of its infrastructure. The company carries out risk and vulnerability assessments during the planning phase that take into account possible impacts on nature and the environment. The potential environmental impacts vary from project to project. Major environmental considerations such as protected areas are uncovered by the risk and vulnerability assessment or the underlying documentation for the assessment.

Potential environmental impacts must be discussed and assessed in planning applications. In collaboration with ornithologists and the County Governor of Agder, locations used by eagle-owls close to various high-risk towers have been identified, and measures to protect the birds against electric shocks are being implemented. The eagle-owl areas are also defined in the map of the company's grid used by the development department, which warns project teams where special care must be taken and special design solutions must be used. Areas where action has been taken are monitored by the ornithologists. That gives us continuous feedback on the efficacy of the measures and enables us to adjust them going forward in order to optimise tower designs and take other actions.

Employees	Unit	2019	2018	2017
Total	number	175	174	158
Proportion of permanent employees	%	96%	93%	89%
Proportion of temporary employees	%	4%	7%	11%
Proportion of men	%	81%	82%	80%
Proportion of women	%	19%	18%	20%
Number of full-time equivalents	number	172.4	169.6	N/A
Reaching retirement age within 5 years	%	20%	17%	19%
Reaching retirement age within 10 years	%	21%	24%	25%

Biodiversity	Unit	2019	2018	2017
Number of critically endangered species affected by operations	number	1	1	N/A

AGDER ENERGI NETT

Breaches of laws and regulations	Unit	2019	2018	2017
Recorded breaches of laws and regulations	number	1	0	N/A

Heath and Safety	Unit	2019	2018	2017
Lost time injuries per million work hours	H1 value	5.93	2.19	0
Injuries per million work hours	H2 value	5.93	3.03	0
Sickness absence	%	3.0%	3.2%	3.6%

Greenhouse gas emissions	Unit	2019	2018	2017
Direct emissions – Scope 1	tonnes of CO2e	580.2	Not comparable due to changes to methodology	
Indirect emissions – Scope 2 Physical approach	tonnes of CO2e	36.6		
Indirect emissions – Scope 2 Market-based approach	tonnes of CO2e	0.0		
Indirect emissions – Scope 3	tonnes of CO2e	282.0		
SF6 emissions (included in Scope 1)	tonnes of CO2e	314.6		

Electric power industry	Unit	2019	2018	2017
Number of customers	number	204,500	201,500	199,000
Network reliability	%	99.98%	99.94%	99.98%
Length of overhead power lines	km	13,712	13,746	13,766
Length of underground/underwater lines	km	8,424	8,193	8,010

Data protection	Unit	2019	2018	2017
Complaints about data protection breaches	number	0	0	N/A

AGDER ENERGI KRAFTFORVALTNING

Agder Energi Kraftforvaltning is responsible for managing and maximising the return on the electricity generated by the Group, on behalf of Agder Energi Vannkraft. It does this by trying to optimise scheduling and by managing market risks, taking into account hydrology, weather data and information about markets. The company is also responsible for the Group's trading portfolios.

Employees	Unit	2019	2018	2017
Total	number	59	60	53
Proportion of permanent employees	%	98%	98%	98%
Proportion of temporary employees	%	2%	2%	2%
Proportion of men	%	81%	87%	89%
Proportion of women	%	19%	12%	11%
Number of full-time equivalents	number	59	58.9	N/A
Reaching retirement age within 5 years	%	5%	5%	2%
Reaching retirement age within 10 years	%	5%	5%	9%

Breaches of laws and regulations	Unit	2019	2018	2017
Recorded breaches of laws and regulations	number	0	0	N/A

Health and safety	Unit	2019	2018	2017
Lost time injuries per million work hours	H1 value	0	0	0
Injuries per million work hours	H2 value	0	0	0
Sickness absence	%	2.6%	2.5%	4.8%

Greenhouse gas emissions	Unit	2019	2018	2017
Direct emissions – Scope 1	tonnes of CO2e	0.0	Not comparable due to changes to methodology	
Indirect emissions – Scope 2 Physical approach	tonnes of CO2e	0.0		
Indirect emissions – Scope 2 Market-based approach	tonnes of CO2e	0.0		
Indirect emissions – Scope 3	tonnes of CO2e	65.1		

AGDER ENERGI VARME

Agder Energi Varme delivers both district heating and cooling to urban areas in Agder. District heating and cooling make use of local energy sources and help to reduce greenhouse gas emissions. District heating is a flexible energy system that uses water to transport heat energy from one place to another.

The company has been developing its district heating infrastructure for the past 20 years. This has made it possible for many buildings to replace their oil-fired boilers with environmentally friendly district heating. Now district heating is also replacing electric boilers, freeing up electricity to be used for other purposes, such as charging electric cars.

In Kristiansand city centre, the company offers district cooling based on cold sea water. This is climate-friendly and energy efficient, and doesn't use any environmentally harmful refrigerants. District cooling improves quality of life in the city centre by eliminating air-con units from roofs and back yards. These spaces can then become green roofs and green lungs. Moreover, it is important for Agder Energi Varme to supply the right energy, at the right time and in the right way, so resources are used efficiently and to promote a sustainable future.

The company uses the concept of "Urban Energy", which is all about how the company uses and optimises local resources in areas with high energy consumption. This is a response to the fact that towns and cities are currently responsible for 70% of the world's CO2 emissions, and urban solutions are needed to reduce their emissions and enable sustainable urban development. Urban Energy is forward-looking, green and flexible.

Employees	Unit	2019	2018	2017
Total	number	14	14	14
Proportion of permanent employees	%	100%	64%	64%
Proportion of temporary employees	%	0%	36%	36%
Proportion of men	%	86%	86%	86%
Proportion of women	%	14%	14%	14%
Number of full-time equivalents	number	13.5	13.6	N/A
Reaching retirement age within 5 years	%	7%	14%	14%
Reaching retirement age within 6-10 years	%	14%	7%	7%

Breaches of laws and regulations	Unit	2019	2018	2017
Recorded breaches of laws and regulations	number	0	0	N/A

Health and safety	Unit	2019	2018	2017
Lost time injuries per million work hours	H1 value	-	-	-
Injuries per million work hours	H2 value	36.9	36.88	0.00
Sickness absence	%	0.9%	0.4%	0.6%

Greenhouse gas emissions	Unit	2019	2018	2017
Direct emissions – Scope 1	tonnes of CO2e	688.2	Not comparable due to changes to methodology	
Indirect emissions – Scope 2 Physical approach	tonnes of CO2e	90.5		
Indirect emissions – Scope 2 Market-based approach	tonnes of CO2e	0.0		
Indirect emissions – Scope 3	tonnes of CO2e	2.5		

AGDER ENERGI VARME

Electric power industry	Unit	2019	2018	2017
Net energy output	GWh	168.00	172.00	161.80
District heating production from waste heat	GWh	129.00	134.00	124.40
District heating production from biomass	GWh	30.00	28.00	24.90
District heating production from heating oil	GWh	2.00	2.00	1.90
Installed capacity	MW	133	133.00	N/A
Business customers	number	445	441	N/A
Retail customers	number	20	20	N/A
Allocation of CO2 quotas	number of quotas	1,661	2,021	N/A
Length of district heating pipes	km	67	65	64
Length of district cooling pipes	km	17	16	14

AGDER ENERGI

The parent company Agder Energi AS is responsible for the Group's administrative functions. The functions managed at the group level include HR, finance, CSR, projects, purchasing and technology.

Employees	Unit	2019	2018	2017
Total	number	183	170	162
Proportion of permanent employees	%	95%	94%	96%
Proportion of temporary employees	%	5%	6%	4%
Proportion of men	%	59%	55%	59%
Proportion of women	%	41%	38%	41%
Number of full-time equivalents	number	175.8	152.9	N/A
Reaching retirement age within 5 years	%	11%	12%	14%
Reaching retirement age within 10 years	%	24%	23%	16%

Breaches of laws and regulations	Unit	2019	2018	2017
Recorded breaches of laws and regulations	number	0	0	N/A

Health and safety	Unit	2019	2018	2017
Lost time injuries per million work hours	H1 value	0.0	0.0	0.0
Injuries per million work hours	H2 value	0,0	0,0	0.0
Sickness absence	%	3.50%	3.90%	4.10%

Greenhouse gas emissions	Unit	2019	2018	2017
Direct emissions – Scope 1	tonnes of CO2e	1.7	Not comparable due to changes to methodology	
Indirect emissions – Scope 2 Physical approach	tonnes of CO2e	2.3		
Indirect emissions – Scope 2 Market-based approach	tonnes of CO2e	2.3		
Indirect emissions – Scope 3	tonnes of CO2e	265.7		

AGDER ENERGI

Energy consumption	Unit	2019	2018	2017
Electricity consumption	kWh	3,225,571	2,450,525	4,250,000
Electricity consumption with guarantees of origin	kWh	3,225,571	2,450,525	4,250,000
Energy consumption, district heating and cooling	kWh	1,088,410	1,142,360	N/A
Kraftsenteret (Kristiansand)				
Electricity consumption	kWh	2,185,800	1,884,291	2,310,000
Electricity generation from solar panels	kWh	35,579	30,000	40,000
District heating consumption	kWh	531,490	585,140	590,000
District cooling consumption	kWh	128,180	149,250	500,000
Office space leased out	m2	15,323	14,298	14,387
Gross floor area used by companies in the Agder Energi Group	m2	13,124	11,957	12,152
Energy consumption per m2	kWh/m2	101	105.00	95.70
Stoa (Arendal)				
Electricity consumption	kWh	1,039,771	566,234	820,000
District heating consumption	kWh	428,740	407,970	N/A
Energy consumption per m2	kWh/m2	181.90	98.60	129.70

LOS

LOS is one of leading suppliers of electricity to domestic customers all over Norway, but the bulk of its customers are located in southern Norway. As well as being an electricity retailer, LOS wants to encourage its customers to make use of green and climate-friendly energy solutions that also make financial sense.

LOS is Eco-Lighthouse certified and it offers a 100% renewable energy guarantee to its customers. Its partnership with Otovo, Norway's leading supplier of photovoltaic systems, makes it easier for customers to install solar panels on the roofs of their houses and garages. Households with solar panels can cover part of their electricity consumption with clean solar energy, and they can make money by selling what they don't use themselves back to LOS. This is an example of how LOS is working on solutions that benefit customers, society and the company alike.

LOS regularly measures customer perceptions of its customer service. As well as its own internal surveys, each year LOS is compared with competing electricity retailers through the Norwegian Customer Satisfaction Barometer run by the Norwegian Business School in the spring, and through EPSI's customer service survey in the autumn. LOS has always been rated one of the top electricity retailers in terms of customer service and loyalty, and the 2019 Norwegian Customer Satisfaction Barometer named LOS as the company with the most loyal customers. In the 2019 edition of EPSI Rating Norge's survey, LOS came first for customer satisfaction. The survey found that LOS has a close relationship to its customers, keeps them well informed, and provides a better overall service than its biggest competitors.

Employees	Unit	2019	2018	2017
Total	number	40	47	48
Proportion of permanent employees	%	100%	100%	63%
Proportion of temporary employees	%	0%	0%	37%
Proportion of men	%	48%	45%	44%
Proportion of women	%	53%	55%	56%
Number of full-time equivalents	number	38.7	45.1	N/A
Reaching retirement age within 5 years	%	5%	2%	4%
Reaching retirement age within 6-10 years	%	13%	9%	6%

Breaches of laws and regulations	Unit	2019	2018	2017
Recorded breaches of laws and regulations	number	0	0	N/A

Health and safety	Unit	2019	2018	2017
Lost time injuries per million work hours	H1 value	0	0	0
Injuries per million work hours	H2 value	0	0	0
Sickness absence	%	3.7%	4.6%	4.8%

LOS

Greenhouse gas emissions	Unit	2019	2018	2017
Direct emissions – Scope 1	tonnes of CO2e	0.0	Not comparable due to changes to methodology	
Indirect emissions – Scope 2 Physical approach	tonnes of CO2e	1.50		
Indirect emissions – Scope 2 Market-based approach	tonnes of CO2e	0.0		
Indirect emissions – Scope 3	tonnes of CO2e	13.10		

Electric power industry	Unit	2019	2018	2017
Number of customers	number	155,000	145,000	N/A

Data protection	Unit	2019	2018	2017
Complaints about data protection breaches	number	0	0	N/A

ENTELIOS

Entelios offers clean energy, cutting-edge expertise and technology that enable industrial companies, big and small businesses and public enterprises to lead the way in terms of climate-friendly energy solutions.

Entelios specialises in managing and trading electricity in a market where energy from renewable sources such as hydro, wind and solar power are replacing fossil fuels. The core business of Entelios is managing and trading renewable energy in the Nordic and European electricity markets on behalf of its customers. Entelios is also a big player in the market for guarantees of origin for producers of wind, hydroelectric and solar power. In 2019, Entelios became certified to ISO 14001, the internationally recognised standard for environmental management. The purpose of the management system is to reduce the environmental footprint of the company's services and products.

Employees	Unit	2019	2018
Total	number	142	115
Proportion of permanent employees	%	96%	100%
Proportion of temporary employees	%	4%	0%
Proportion of men	%	71%	68%
Proportion of women	%	29%	27%
Number of full-time equivalents	number	137.5	108.3
Reaching retirement age within 5 years	%	4%	2%
Reaching retirement age within 10 years	%	6%	9%

Breaches of laws and regulations	Unit	2019	2018
Recorded breaches of laws and regulations	antall	0	0

Heath and Safety	Unit	2019	2018
Lost time injuries per million work hours	H1 value	0	0
Injuries per million work hours	H2 value	0	0
Sickness absence	%	4.3%	3.8%

Greenhouse gas emissions	Unit	2019	2018
Direct emissions – Scope 1	tonnes of CO2e	34.5	Not comparable due to changes to methodology
Indirect emissions – Scope 2 Physical approach	tonnes of CO2e	31.6	
Indirect emissions – Scope 2 Market-based approach	tonnes of CO2e	51.8	
Indirect emissions – Scope 3	tonnes of CO2e	328.2	

Electric power industry	Unit	2019	2018
Number of customers	antall	12,300	12,400

MEVENTUS

Meventus is a leading, independent supplier of wind power services and consultancy. Its product portfolio covers technical and commercial services for the whole life cycle of wind power projects, from screening and development through to construction and operation.

Meventus is an international company with its head office in Kristiansand, and with separate subsidiaries in Denmark and Sweden. The staff at Meventus are highly-skilled, with extensive experience of complex projects both in Norway and overseas.

Meventus focuses heavily on safety, the environment and sustainability by offering products and services that give top priority to the safety of all employees. It also strives to minimise the environmental footprint of its operational activities and to offer products and services that involve developing and using renewable resources.

Employees	Unit	2019	2018	2017
Total	number	4	5	6
Proportion of permanent employees	%	100%	100%	83%
Proportion of temporary employees	%	0%	0%	17%
Proportion of men	%	75%	80%	83%
Proportion of women	%	25%	20%	17%
Number of full-time equivalents	number	4	5	N/A
Reaching retirement age within 5 years	%	0%	0%	0%
Reaching retirement age within 10 years	%	25%	20%	17%

Breaches of laws and regulations	Unit	2019	2018	2017
Recorded breaches of laws and regulations	number	0	0	N/A

Health and safety	Unit	2019	2018	2017
Lost time injuries per million work hours	H1 value	0.0	0.0	0.0
Injuries per million work hours	H2 value	0.0	0.0	0.0
Sickness absence	%	1.3%	2.0%	4.0%

Greenhouse gas emissions	Unit	2019	2018	2017
Direct emissions – Scope 1	tonnes of CO2e	0.0	Not comparable due to changes to methodology	
Indirect emissions – Scope 2 Physical approach	tonnes of CO2e	0.0		
Indirect emissions – Scope 2 Market-based approach	tonnes of CO2e	0.0		
Indirect emissions – Scope 3	tonnes of CO2e	4.3		

Electric power industry	Unit	2019	2018	2017
Number of customers	number	100	80	N/A

Data protection	Unit	2019	2018	2017
Complaints about data protection breaches	number	0	0	N/A

LATGALES ENERGETIKA

Latgales Energetika generates hydroelectric power in Latvia, and is subject to rules on the minimum flow needed to preserve recreation areas and to protect fish stocks in dammed rivers. Water quality and ecosystems in its reservoirs and rivers are continuously monitored to ensure that its hydroelectric power stations aren't having any negative environmental impacts.

As the company relies on relatively old, artificial reservoirs, it is not required to install salmon ladders. However, other measures have been implemented to preserve biodiversity.

The terms of its licences specify the minimum flow needed to preserve recreation areas and to protect fish stocks in dammed rivers. No nonconformities with those rules were recorded in 2019.

Reservoir levels are strictly regulated and are monitored by the company's automatic dam gate control system. The aim is to keep the water level constant without affecting the ability of fish to migrate. In order to protect river systems and the quality of life of the species they are home to, the authorities measure the water level once a year. The company is also constantly maintaining its dams to ensure that residents can use surrounding areas for fishing, bathing and other leisure activities.

In 2019, Latvia's Ministry of Economy sent a warning to Latgales Energetika that copies of its insurance documents had been submitted after the relevant deadline. Latgales Energetika has requested an explanation, but has not yet received one. The company has not broken the law and it will not incur any sanctions as a result of this warning.

Employees	Unit	2019	2018	2017
Total	number	6	6	6
Proportion of permanent employees	%	100%	83%	N/A
Proportion of temporary employees	%	0%	17%	N/A
Proportion of men	%	67%	67%	67%
Proportion of women	%	33%	33%	33%
Number of full-time equivalents	number	5	N/A	N/A
Reaching retirement age within 5 years	%	17%	17%	33%
Reaching retirement age within 6-10 years	%	17%	17%	67%

Breaches of laws and regulations	Unit	2019	2018	2017
Recorded breaches of laws and regulations	number	1	0	N/A

Greenhouse gas emissions	Unit	2019	2018	2017
Direct emissions – Scope 1	tonnes of CO2e	5.7	Not comparable due to changes to methodology	
Indirect emissions – Scope 2 Physical approach	tonnes of CO2e	1.3		
Indirect emissions – Scope 2 Market-based approach	tonnes of CO2e	3.6		
Indirect emissions – Scope 3	tonnes of CO2e	0.8		

Electric power industry	Unit	2019	2018	2017
Net energy output	GWh	2.24	2.65	5.90
Number of power stations	number	3	3	3

UAB BALTIC HYDROENERGY

Baltic Hydroenergy generates hydroelectric power in Lithuania. In the same way as our operations in Norway, it is subject to minimum flow requirements to preserve recreation areas and protect fish stocks in dammed rivers. Water quality and ecosystems in its reservoirs and rivers are continuously monitored to ensure that its hydroelectric power stations aren't having any negative environmental impacts.

As the company relies on relatively old artificial reservoirs, it is not required to install salmon ladders, but other measures have been taken to preserve biodiversity.

Employees	Unit	2019	2018	2017
Total	number	9	9	9
Proportion of permanent employees	%	100%	89%	N/A
Proportion of temporary employees	%	0%	11%	N/A
Proportion of men	%	78%	78%	78%
Proportion of women	%	22%	22%	22%
Number of full-time equivalents	number	2	N/A	N/A
Reaching retirement age within 5 years	%	22%	11%	11%
Reaching retirement age within 6-10 years	%	22%	11%	22%

Breaches of laws and regulations	Unit	2019	2018	2017
Recorded breaches of laws and regulations	number	0	N/A	N/A

Greenhouse gas emissions	Unit	2019	2018	2017
Direct emissions – Scope 1	tonnes of CO2e	30.8	Not comparable due to changes to methodology	
Indirect emissions – Scope 2 Physical approach	tonnes of CO2e	6.6		
Indirect emissions – Scope 2 Market-based approach	tonnes of CO2e	18.7		
Indirect emissions – Scope 3	tonnes of CO2e	0.4		

Electric power industry	Unit	2019	2018	2017
Net energy output	GWh	3.47	5.09	11.50
Number of power stations	number	5	5	5

GRI REPORTING AT AGDER ENERGI

Our sustainability report covers the following companies:

- Agder Energi Vannkraft AS
- Agder Energi Nett AS
- Agder Energi Kraftforvaltning AS
- Agder Energi Varme AS
- Agder Energi AS
- LOS AS
- Entelios AS, AB, AG and GmbH
- Meventus AS
- UAB Baltic Hydroenergy
- Latgales Energetika

Between them, these companies represent the vast majority of the Group's operations. Based on a cost/benefit analysis, smaller companies have been excluded, but we do not believe that this significantly distorts the overall picture of the Group's impact on society and the environment.

Agder Energi Venture is included in Agder Energi's annual report, and an annual assessment is made as to whether it makes sense and is relevant to include the venture businesses in the sustainability report.

One change with respect to last year's report is that Otera AB, which has changed name to Craftor AB, is not included this year as it now reports in Sweden in accordance with Swedish guidelines.

DATA QUALITY

Every effort has been made to ensure accuracy in the collection of data for the report and their presentation. In so far as underlying data have been interpreted, the aim has been to give as accurate and relevant a picture as possible of the situation in question. The environmental data on which the report is based include data from direct measurements, self-declared aggregate figures for our companies and subcontractors, calculated averages and a few estimates. The level of precision of the data is therefore variable. Data are obtained from our own sources and from suppliers. The latest emission factors come from CEMAsys, the software tool used for GHG accounting.

The Group considers that this complies with the GRI Standards, Core. These principles help to ensure that the report contains verifiable data that are assumed to be relevant to stakeholders.

The report has not been externally verified to check that the figures collected meet the GRI Standards. The GRI index only relates to the items which the Group has chosen to report. Reference is only made to disclosure items in the General Standard Disclosures and Specific Standard Disclosures that are actually used in the report.

Full details of all of the Disclosure Items can be found on the website of the Global Reporting Initiative at https://www.globalreporting.org.

The contact point for enquiries regarding the report is our CSR Director Unni Farestveit: Unni.Farestveit@ae.no.

CHANGES IN RELATION TO THE 2018 REPORT

CHANGES IN ORGANISATIONAL STRUCTURE

The 2019 report does not significantly deviate from the 2018 report in terms of organisational changes. Agder Energi's new corporate structure, which was announced in December 2019, will only be applicable from 2020 onwards.

UPDATES TO DATA REPORTED IN PREVIOUS YEARS

Some changes have been made to previously reported data. These changes mainly relate to errors discovered when collecting data for 2019, and adjustments to previously reported figures. Where we consider them to be insignificant to the overall picture for the Group or the individual company, no further comment is made. The most important changes that are not made clear by the figures reported by each individual company are explained and highlighted.

In the company-specific reporting, in certain cases the company has no data to report. This is either because data is unavailable or because the disclosure item is irrelevant to the company. In both cases, NA for Not Available has been entered to indicate that these data have not been reported. Due to changes to data reported for previous years, the underlying data have changed. This, as well as the effect of companies being added to or removed from the report from year to year, means aggregated figures are not always directly comparable.

GRI INDEX

MANDATORY DISCLOSURE ITEMS

GRI	Explanation	GRI index	Sustainability report page number	Annual report page number	Partial reporting
Organisation					
102-1	Name of the organisation	Agder Energi AS			
102-2	Most important products and/or services			9	
102-3	Location of headquarters	Kristiansand			
102-4	Location of operations			8	
102-5	Ownership and legal form			9	
102-6	Markets served			9	
102-7	Scale of the organisation				
102-8	Total number of employees by type of role, type of contract and region, broken down by gender		6		Not by region
102-9	Supply chain		8		
102-10	Significant changes to the organisation during the reporting period, such as to its scale, structure or ownership		34		
102-11	Use of the precautionary principle or approach in the organisation		9		
102-12	Externally-developed economic, environmental and social initiatives, charters or principles which the organisation endorses		5		
102-13	Membership of industry associations or other confederations, and national/international lobbying activities		7		
Strategy					
102-14	Statement from CEO			13	
Ethics and integrity					
102-16	The organisation's values, principles, standards, and norms of behaviour			10	
102-17	Channels for reporting potential breaches of the ethical guidelines			19	
Governance					
102-18	The organisation's governance structure, including the highest governance body and committees responsible for decisions about economic, environmental and social topics			7	
102-20	Executive-level responsibility for economic, environmental, and social topics			6	
102-22	Composition of the Board and committees			16	
102-23	Chair of the Board			32	

GRI-INDEKS

MANDATORY DISCLOSURE ITEMS

GRI	Explanation	GRI index	Sustainability report page number	Annual report page number	Partial reporting
Stakeholder engagement					
102-40	Stakeholder groups the organisation communicates with		6		
102-41	Percentage of employees covered by collective bargaining agreements	64%			
102-42	Description of how the organisation identifies and selects stakeholders		6		
102-43	Approach to stakeholder engagement, including frequency of dialogue		6		
Reporting practice					
102-45	List of all entities included in the organisation's annual report and annual financial statements		32		
102-46	Description of the process for defining report content and topic boundaries, as well as for implementing the reporting principles		32		
102-47	List of topics identified as being material		4	119	
102-48	Restatements of information from previous reports		35		
102-49	Significant changes since previous report, including to scope, boundaries or measurement methods applied		34		
102-50	Reporting period	01.01.19 - 31.12.2019			
102-51	Publication date of previous report	12. April 2019			
102-52	Reporting frequency	Annually			
102-53	Contact point for questions regarding the report and its contents	Unni Farestveit			
102-54	Reporting level	Core			
102-55	GRI index		35		
102-56	Practice for external assurance of reporting	None			

GRI-INDEX

MATERIAL TOPICS AND INDICATORS

Indicator	GRI	Description	Sustainability report page number	Annual report page number	Partial reporting
Anti-corruption					
Management approach	103-1	Explanation and thresholds/ boundaries of material topics	9	119	
	103-2	Description of the management approach for material topics	9	119	
	103-3	Evaluation of the management approach	9	119	
Communication and training	205-2	Communication and training about anti-corruption policies and procedures	9	119	
Confirmed incidents of corruption	205-3	Total number of incidents of corruption and description of any court cases.	9	119	
Biodiversity					
Management approach	103-1	Explanation and thresholds/ boundaries of material topics	9	119	
	103-2	Description of the management approach for material topics	9	119	
	103-3	Evaluation of the management approach	9	119	
IUCN Red List species and national conservation list species with habitats in areas affected by operations	304-4	Total number of IUCN Red List species by level of threat (critically endangered, endangered, vulnerable, near threatened, low concern)	9		
Breaches of laws and regulations					
Management approach	103-1	Explanation and thresholds/ boundaries of material topics	10	119	
	103-2	Description of the management approach for material topics	10	119	
	103-3	Evaluation of the management approach	10	119	
Socioeconomic compliance	419-1	Non-compliance with laws in the socioeconomic area	10	119	
Environmental compliance	307-1	Non-compliance with environmental laws and regulations	10	119	

GRI-INDEX

MATERIAL TOPICS AND INDICATORS

Indicator	GRI	Description	Sustainability report page number	Annual report page number	Partial reporting
Health and safety					
Management approach	103-1	Explanation and thresholds/ boundaries of material topics	10	120	
	103-2	Description of the management approach for material topics	10	120	
	103-3	Evaluation of the management approach	10	120	
Work-related injuries	403-9	Information about deaths, injuries, or hazards that represent a risk and measures to eliminate them	10	120	
Greenhouse gas emissions					
Management approach	103-1	Explanation and thresholds/ boundaries of material topics	11	120	
	103-2	Description of the management approach for material topics	11	120	
	103-3	Evaluation of the management approach	11	120	
Direct and indirect GHG emissions and GHG emissions intensity	305-1	Reported in tonnes of CO2e	4	117	

GRI-INDEX

MATERIAL TOPICS AND INDICATORS

Indicator	GRI	Description	Sustainability report page number	Annual report page number	Partial reporting
Customer health and safety					
Management approach	103-1	Explanation and thresholds/ boundaries of material topics	13	121	
	103-2	Description of the management approach for material topics	13	121	
	103-3	Evaluation of the management approach	13	121	
Incidents of non-compliance concerning the health and safety impacts of products and services	416-2	Incidents of non-compliance with regulations resulting in a fine or penalty, warnings or voluntary guidelines	13	121	
Economic performance (direct)					
Management approach	103-1	Explanation and thresholds/ boundaries of material topics	14		
	103-2	Description of the management approach for material topics	14		
	103-3	Evaluation of the management approach	14		
Economic value created and distributed	201-1	Direct economic value generated and distributed on a regular basis	14	121	

GRI-INDEX

MATERIAL TOPICS AND INDICATORS

Indicator	GRI	Description	Sustainability report page number	Annual report page number	Partial reporting
Economic performance (indirect)					
Management approach	103-1	Explanation and thresholds/ boundaries of material topics	15		
	103-2	Description of the management approach for material topics	15		
	103-3	Evaluation of the management approach	15		
Significant indirect economic impacts	203-3	Examples of significant identified indirect economic impacts and the significance of these indirect impacts in the context of external benchmarks and stakeholder priorities.	15	121	
Staff training					
Management approach	103-1	Explanation and thresholds/ boundaries of material topics	12	120	
	103-2	Description of the management approach for material topics	12	120	
	103-3	Evaluation of the management approach	12	120	
Percentage of employees receiving regular performance and career development reviews	404-3	Percentage of employees who received a regular performance and career development review, by gender and by employee category	12	120	
Data protection					
Management approach	103-1	Explanation and thresholds/ boundaries of material topics	12	120	
	103-2	Description of the management approach for material topics	12	120	
	103-3	Evaluation of the management approach	12	120	
Complaints concerning breaches of customer privacy and losses of customer data	418-1	Total number of substantiated complaints received concerning breaches of customer privacy, categorised by complaints received from outside parties and by total number of identified thefts or losses of customer data	12	120	

GRI-INDEKS

MATERIAL TOPICS AND INDICATORS

Indicator	GRI	Description	Sustainability report page number	Annual report page number	Partial reporting
Specific areas for the electric power industry					
Management approach	103-1	Explanation and thresholds/ boundaries of material topics	13	121	
	103-2	Description of the management approach for material topics	13	121	
	103-3	Evaluation of the management approach	13	121	
Electric power industry	EU-2	Net energy output	13	117	
Electric power industry	EU-3	Number of customers	16		
Electric power industry	EU-4	Length of power lines	16		
Electric power industry	EU-15	Percentage of employees eligible to retire in the next 5 and 10 years	15		
Electric power industry	EU-28	Power outage frequency	16	116	
Activities affecting the local community					
Management approach	103-1	Explanation and thresholds/ boundaries of material topics	14	121	
	103-2	Description of the management approach for material topics	14	121	
	103-3	Evaluation of the management approach	14	121	
Activities with the local community, impact assessments and development programmes	413-1	Percentage of activities by group and stakeholders	14	121	

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