



2021 AGDER ENERGI SUSTAINABILITY REPORT

The dam for the new Fennefoss power station being built near Evje will have pneumatically activated spillway gates, with large rubber air bladders that open and close the gates using pressurised air. These have the advantage over normal hydraulic gates of avoiding the risk of oil spills. If there is a leak, the only thing released is air.



SUSTAINABILITY REPORTING AT AGDER ENERGI

Each year, Agder Energi reports on its work on sustainability in accordance with the global reporting initiative GRI Standards. Some of this is reported in the annual report, which includes an overview and the most important information. The sustainability report itself contains more detailed information about the Group and its subsidiaries.

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 activities in relation to the areas of innovation and the business environment. 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.



For the competition to develop an offshore wind farm at Utsira Nord, Agder Energi has partnered with Green Investment Group, one of the world's largest investors in and developers of green infrastructure. Diagram: Envato Elements



TABLE OF CONTENT

Click on the text to get to the desired page number

Sustainability reporting at Agder Energi	2
Sustainability situation report	4
- Agder Energi	4
Sustainability at Agder Energi 2021	6
How is CSR important to Agder Energi	9
Stakeholders and Agder Energi	10
Employees	10
Shareholders	10
Customers	10
Capital markets	11
Advocacy organisations	11
Government authorities and the local community	11
Strategic partners	11
Agder Energi's supply chain	12
Analysis of material aspects	13
Anti-corruption	14
An attractive employer that supports professional development	14
Biodiversity	14
Breaches of laws and regulations	15
Health and safety	15
Greenhouse gas emissions	16
Climate risk	17
Working conditions and environmental impacts in supply chains	18
Diversity and equal opportunity	18
Economic impacts	18
Impacts on the local community	19
The electric power/renewable energy industry	19
Agder Energi Group	20
Agder Energi Vannkraft	23
Agder Energi Nett	27
Agder Energi Kraftforvaltning	30
Agder Energi Varme	32
Agder Energi	34
LOS	36
Entelios Nordic	38
Meventus	40
Latgales Energetika	41
GRI reporting at Agder Energi	42
Data quality	43
Changes in relation to the 2020 report	43
Changes in organisational structure	43
Updates to data reported in previous years	43
GRI INDEX	44
Mandatory disclosure items	44
GRI-indeX	46
Material topics and indicators	46
TCFD-Indeks	51



SUSTAINABILITY SITUATION REPORT – AGDER ENERGI

Anti corruption



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

Breaches of laws and regulations



No fines or other sanctions for breaches of laws and regulations

Health and safety



All employees are covered by the Group's health and safety system

An attractive employer that supports professional development



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

Biodiversity



Four species are monitored particularly closely to protect their habitats.

Greenhouse gas emissions



Direct emissions

- Scope 1: 6,636 tCO₂e

Indirect emissions

- Scope 2: Physical approach: 265 tCO₂e

- Scope 2: Market-based approach: 15 tCO₂e

- Scope 3: 2,660 tCO₂e

The energy/renewable energy industry



8,900 GWh net energy output

SUSTAINABILITY AT AGDER ENERGI 2021

Seven of the UN's 17 sustainability goals are the natural starting point for Agder Energy's continued work on the environment and sustainability.

<div data-bbox="130 501 272 638"> </div> <div data-bbox="296 595 403 631" data-label="Section-Header"> <h2>GOALS</h2> </div> <ul data-bbox="130 660 568 974" style="list-style-type: none"> • Our hydroelectric power stations shall be available to generate electricity 98 percent of the time. UN target 7.2. • At least 99 percent of our district heating energy shall come from renewable sources. UN target 7.2. 	<div data-bbox="885 595 1169 631" data-label="Section-Header"> <h2>CURRENT STATUS</h2> </div> <p data-bbox="582 660 1466 846">96.2 percent. This is below our goal, but an improvement over last year. Damage to the main bearing at Rygene power station and damage to the gates at Holen power station are the two single incidents that had the biggest negative impact on availability. In addition to Bjelland and Tryland power stations being out of service for extended periods due to repairs, there have also been interruptions to operation caused by projects and maintenance.</p> <ul data-bbox="582 884 1466 1008" style="list-style-type: none"> • 89 percent of district heating energy was renewable. This is below the goal, but in the summer of 2021, there was an explosion at the company's biggest supplier for district heating, Returkraft, which halted its deliveries and kept them off line for a period of half a year. mid-February 2021, will determine whether the goal has been met. 																																		
<div data-bbox="130 1064 272 1200"> </div> <div data-bbox="296 1167 403 1202" data-label="Section-Header"> <h2>GOALS</h2> </div> <ul data-bbox="130 1232 568 2060" style="list-style-type: none"> • We shall help to create the green jobs of the future. The Group shall create and distribute economic value, not just to its owners, but also to its employees, lenders and the public sector. UN target 8.2. • All employees at Agder Energi shall recognise the value of diversity to a forward-looking business and we shall work actively to promote diversity and equal opportunity. UN targets 8.5 and 8.8. • We shall have no workplace accidents or occupational sickness absence. We shall have a high level of job satisfaction and employees shall look after their own health. Our sickness absence rate shall be below 3 percent. UN target 8.8. 	<div data-bbox="598 1097 949 1444"> </div> <table data-bbox="606 1467 941 1601"> <tr> <td>Net amount the company</td> <td>2 300</td> </tr> <tr> <td>Net amount employees</td> <td>712</td> </tr> <tr> <td>Net amount lenders</td> <td>166</td> </tr> <tr> <td>Net amount the public sector</td> <td>2 628</td> </tr> <tr> <td>Net amount shareholders</td> <td>755</td> </tr> </table> <div data-bbox="981 1142 1244 1164" data-label="Section-Header"> <h3>AVAILABLE DISTRIBUTION</h3> </div> <table data-bbox="981 1187 1452 1601"> <thead> <tr> <th></th> <th>2021</th> <th>2020</th> <th>2019</th> </tr> </thead> <tbody> <tr> <td>Net amount the company</td> <td>35 %</td> <td>23 %</td> <td>27 %</td> </tr> <tr> <td>Net amount employees</td> <td>11 %</td> <td>22,5 %</td> <td>14 %</td> </tr> <tr> <td>Net amount lenders</td> <td>3 %</td> <td>7,1 %</td> <td>7 %</td> </tr> <tr> <td>Net amount the public sector</td> <td>40 %</td> <td>35,5 %</td> <td>52 %</td> </tr> <tr> <td>Net amount shareholders</td> <td>12,3 %</td> <td>12,3</td> <td>- %</td> </tr> </tbody> </table> <ul data-bbox="582 1646 1466 1937" style="list-style-type: none"> • This is an ongoing area of focus for Agder Energi, and in 2021 we renewed our certification under the Equality at Work scheme. • The sickness absence rate was 2.8 percent. Working from home because of the Covid-19 restrictions has been a challenge for some employees, and our areas of focus have included ergonomics, sleep, physical activity and general health. 	Net amount the company	2 300	Net amount employees	712	Net amount lenders	166	Net amount the public sector	2 628	Net amount shareholders	755		2021	2020	2019	Net amount the company	35 %	23 %	27 %	Net amount employees	11 %	22,5 %	14 %	Net amount lenders	3 %	7,1 %	7 %	Net amount the public sector	40 %	35,5 %	52 %	Net amount shareholders	12,3 %	12,3	- %
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GOALS

- The up-time of our power distribution network in Agder shall be at least 99.98 percent. UN target 9.1.
- Agder Energi Nett shall have a quick turnaround time for connecting new customers, and we shall build the right infrastructure at the right time and in the right place. UN targets 9.1 and 9.4.

CURRENT STATUS

- 99.981 percent up-time.

Agder Energi Nett has been receiving a growing number of requests for grid connection. In spite of this, the time taken from when a customer contacts us until they are physically connected was similar to in 2020. The number of requests for simple connections were 27 percent higher in 2021 than in 2020. For big business customers, the equivalent increase was 16 percent from 2020 to 2021.



GOALS

- By 2025, all suppliers shall adhere to our sustainability requirements, and we shall base our purchases on the 10 principles for green procurement established by Skift – The Business Community’s Climate Leaders. UN targets 12.6 and 12.7.
- By 2025, at least 95 percent of our procurement by value shall be from suppliers with environmental certification in accordance with ISO 14001 or Eco-Lighthouse, or with some equivalent environmental management system in place. UN targets 12.6 and 12.7.
- We shall ensure that all employees have relevant information about, and an awareness of, sustainability at all our business operations. We shall strive to reduce negative impacts on, and the risk of causing harm to, the environment, and shall help ensure the efficient use of resources. UN target 12.8.

CURRENT STATUS

- What we require and expect of our suppliers has been defined through our Guidelines on Corporate Social Responsibility and Ethics, which are included in our contractual documents. We are in the process of setting specific goals (principle 1 of the 10 principles for green procurement established by Skift) in consultation with individual companies in the Group. Agder Energi Vannkraft has reached furthest with this process, and we want to make use of their approach and experiences in the Group’s ongoing efforts to set clear, ambitious goals for sustainable procurement.
- 52 percent
- Agder Energi is constantly working to increase employees’ knowledge about, and awareness of, sustainability. In the Group’s employee satisfaction survey, on average employees rated their familiarity with Agder Energi’s sustainability goals as 8 on a scale of 1 to 10.



GOALS

- We shall reduce our own greenhouse gas emissions by an amount that is consistent with limiting global warming to 1.5 °C. We shall reduce them by at least 5% per year and by 50% by 2030. UN target 13.2.
- We review climate risk at the Group annually and report in accordance with the TCFD standards. UN target 13.3.
- By 2025, all new projects shall take into account climate risk, to avoid additional impacts from climate change, and we shall have new streams of revenues as a result of climate change. UN target 13.3

CURRENT STATUS

- Far off the goal of a 5% annual reduction. This was primarily due to Agder Energi Varme increasing its emissions by 542 tCO₂e to 5,575 tonnes in 2021, after an explosion at its supplier of waste heat Returkraft, which meant that the waste heat it previously supplied had to be replaced by oil-fired boilers for a period of half a year. For a more detailed description, see the section on Greenhouse gas emissions.
- We have reviewed climate risk at the Group; see Agder Energi's separate TCFD report for 2021. business areas.
- We have initiated a project that is working to ensure that climate risk is considered in all projects and in all areas of our corporate governance.



GOALS

- When building and operating our infrastructure, we shall take into account the need to protect vulnerable ecosystems and biodiversity on land and in our rivers. Our goal is to avoid all serious environmental incidents. UN target 13.3: 15.1 and 15.5

CURRENT STATUS

- No serious environmental incidents related to biodiversity.



GOALS

- The UN's Sustainable Development Goals can only be achieved through cooperation. In order to accelerate the green transition, we shall seek out new partnerships and alliances with companies that complement our areas of expertise. UN target 17.16.
- We shall help to test tomorrow's energy solutions for cities and communities through our participation in Electric Region Agder. UN target 17.17.

CURRENT STATUS

- Together with NOAH, Bellona and Arendal Municipality, we are establishing a value chain for batteries in conjunction with Morrow's planned Gigafactory in Southern Norway.

We are partnering with Vårgrønn and Green Investment Group in competitions to develop offshore wind power on the Norwegian continental shelf.
- Together with Siemens, the Norwegian Electrical Trade Association and Bellona, we picked Norway's most electrified municipality during Arendalsuka in 2021.

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 supply clean energy so society can prosper now and into 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.

We work proactively on the UN's 17 Sustainable Development Goals. In 2021 we revised the Group's sustainability goals to reflect the new corporate strategy. Seven of the 17 Sustainable Development Goals provide the foundation for the Group's sustainability goals, as well as for goals and action plans 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 actively supports the UN Global Compact. The UN Global Compact, the world's biggest business organisation focusing on CSR, is working to make CSR and sustainability a natural part of the strategy of its member companies.

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.

The overriding aim of the Group's strategy is to create profitable growth in a renewable future. In order to achieve this, the Group shall both build on its core business, by developing its renewable hydroelectric power and smart grid solutions, and invest further in energy management and trading, as well as in the customer interface.

A key element of the Group's strategy is that Agder Energi shall help to speed up the green transition. The Group shall help to build a society based on renewable energy and enable customers and partners to take part in the green transition. That involves developing new industries and businesses based on access to renewable energy. There is likely to be great potential in new green value chains in a society that is increasingly demanding products and services that have been produced sustainably.



Thanks to this box, Morten Fuglerud of Snarum Gartneri in Lier saved NOK 30,000 by disconnecting his electricity for 30 seconds. The technology, which is supplied by the Agder Energi subsidiary Enfo, ensures that power is disconnected totally automatically without any involvement from the end user. The ability to reduce consumption at critical moments will be an important tool for making best possible use of the grid. It can also help to avoid power outages during periods of high demand.

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 being trusted. 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 ones identified as important by the companies overall. 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 their needs for information about the Group’s efforts to integrate CSR and sustainability into its day-to-day operations.



EMPLOYEES

At the close of the year, the Group had 935 permanent and temporary employees. Meanwhile, the companies covered by this report had 710 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 at Work” (Norw.: Likestilt arbeidsliv). 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. This is an ongoing area of focus for Agder Energi, and in 2021 the Group renewed its certification under the Equality at Work scheme.



SHAREHOLDERS

Each year, the Group 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.



CAPITAL MARKETS

Agder Energi is dependent on capital markets to obtain access to capital and financing on good terms. Capital markets

look at financial results, climate risk, greenhouse gas emissions, environmental plans, diversity and good corporate governance.



ADVOCACY 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 Enter-

prise (NHO). Another organisation that Agder Energi is a member of is Eurelectric – The Association of the Electricity Industry in Europe.

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 goal is to lead the way in identifying new business opportunities on the road to a low-emission society.



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 develop-

ment 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.



STRATEGIC PARTNERS

One important development that is highlighted in the Group's corporate strategy is that new players and forms of collaboration are appearing in Agder Energi's

business areas. It is therefore important for the Group to establish partnerships and alliances with new entrants, in addition to those it has with its traditional partners

and regulators. The aim is to increase our ability to develop new business opportunities in order to fulfil the Group's strategic goals.

AGDER ENERGI'S SUPPLY CHAIN



Agder Energi's mission to supply clean energy so society can prosper now and into 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.



Each year, Agder Energi buys goods and services worth over NOK 2 billion. In 2019, around 40 percent of those purchases, worth roughly NOK 750 million, were made in the Agder region. One example of a project that is creating substantial indirect economic impacts for suppliers is the construction of a new dam at Langevatn in Åseral and the refurbishment of the tunnel to Nåvatn, which was affected by landslides. The project, which was completed in spring 2021, enables an increase in electricity generation equivalent to the consumption of around 2,600 households.



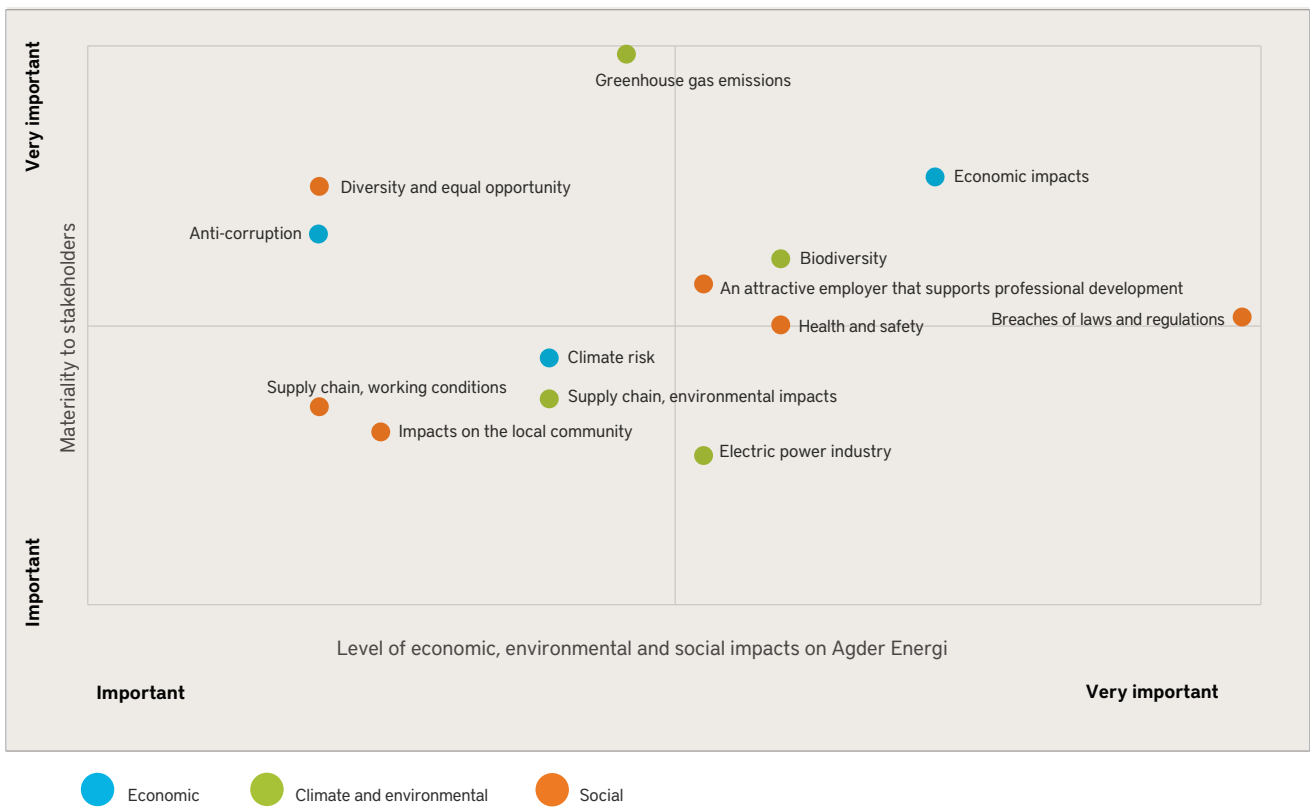
ANALYSIS OF MATERIAL ASPECTS



One of the key principles of the GRI Standards is that companies shall tailor their own sustainability reporting in light of the topics that are most material to their operations. A materiality assessment is a review of the opportunities and

risks facing a company, as well as of who the company's most important stakeholders are and what their priorities are. We carried out a materiality assessment in the autumn of 2020, which now forms the basis for Agder Energi's work on sustainability and CSR.

The figure below shows the most important and most material topics for our stakeholders in terms of our impact on the world around us.



The x axis shows the biggest risks and opportunities for Agder Energi in terms of economic, environmental and social impacts. The topics that are of most importance to the company's stakeholders, and that will affect their assessments and choices, are shown on the y axis.

We did not carry out a new assessment to identify material topics in 2021, but a judgement was made that the topics chosen in the autumn of 2020 were still the most material ones.



As a result of the materiality assessment, twelve topics were 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 executive 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 pre-

vent corruption. Preventive measures have been put in place, such as ethical guidelines, dilemma training and internal controls. All employees do an annual e-learning course on these topics. An 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 whistle-

blowing 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.



AN ATTRACTIVE EMPLOYER THAT SUPPORTS PROFESSIONAL DEVELOPMENT

Agder Energi considers its employees' skills to be an important resource. In order to be an attractive employer that supports professional development, the Group prioritises looking after the needs of its employees.

The Group's approach to training is informed by the innovation and business development activities set out in the Group's strategy, 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.

Agder Energi is continuously improving its skills base and capacity for change. This includes reinforcing our technical expertise and increasing our focus on talent management. As part of that strategy, we are putting the spotlight on trainees. Agder Energi's aim is to have, at all times, one trainee in each of its business areas, as well as one Group trainee. Through our involvement with Trainee Sør, we have had over 100 trainees working in many different parts of our business.

The Group is experiencing a growing need

to make use of 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 make every effort to provide opportunities for career development at the Group.



BIODIVERSITY

Biodiversity is important to the Group as a whole, but particularly so to Agder Energi Vannkraft and Agder Energi Nett. 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. At the companies covered in this report, Agder Energi has 52 part-owned and wholly-owned power stations including three power stations in 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 critically endangered. In 2021, the classifications of salmon and reindeer were raised from species of low concern to near-threatened species. These two species are also affected by the operation of our hydroelectric power stations.



BREACHES OF LAWS AND REGULATIONS

The Group considers it a priority to adhere to the requirements stipulated by 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 continuous reporting of breaches of laws and regulations.

The executive management is not aware of any unwanted incidents at the Group's subsidiaries in 2021, 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.

Our total injury frequency (number of injuries per million work hours) was 2.2 in 2021. The sickness absence rate was 2.8 percent.

Most of our companies have seen these numbers improve during the Covid-19 pandemic. We work proactively to detect potential long-term absence at an early stage and we closely follow up sickness absence at the Group.

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 threshold values. 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

For a Group whose business is based on the generation, distribution and sale of renewable energy, low greenhouse gas emissions provide a significant 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 in 2021 our targets were approved by the global Science Based Targets initiative. Our approved targets are: To reduce direct greenhouse gas emissions (Scope 1) and indirect emissions from energy consumption (Scope 2) by 50 percent by 2030, using 2019 as the base year. We shall also require our concrete suppliers to have established their own targets under the Science Based Targets Initiative by 2025; indirect emissions from purchases and materials (Scope 3).

Our GHG accounting is done using a software tool from CEMAsys. This tool is based on the international standard "A Corporate Accounting and Reporting Standard", developed by the "The Greenhouse Gas (GHG) Protocol Initiative". This is the world's most widely used method for measuring a company's greenhouse gas emissions, and the ISO 14064-1 standard 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 over which the organisation has operational control. This includes all use of fossil fuels to cover peak loads at district heating plants and for transport (owned and leased vehicles). It also includes direct process emissions of the insulating gas 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 24,714 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 2021, Agder Energi Nett's distribution losses amounted to approximately 320 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. In addition, the use of helicopter fuel for inspection flights by Agder Energi Nett is included.

Results measured against Science Based Targets in 2021:

Scope 1: The plan was to reduce our Scope 1 emissions by approximately 5 percent per year, but instead they rose significantly from 1,753 tCO2e in 2019 to 6,636 tCO2e in 2021. That is an increase of 279 percent. This was primarily due to an increase of 5,033 tCO2e at Agder Energi Varme, after an explosion at its supplier of waste heat

Returkraft, which meant that the waste heat it previously supplied had to be replaced by oil-fired boilers for a period of half a year. Emissions of SF6 gas were 51 tCO2e (10 percent) higher than in 2019, due to equipment failures at Agder Energi Nett. Some of the increase may also be due to better reporting procedures due to a growing focus on this greenhouse gas. In 2021, emissions from vehicles used at our sites were 513 tCO2e, which was a 28 percent reduction.

Scope 2: Indirect emissions from electricity consumption are reduced to zero under the market-based method by buying guarantees of origin for all consumption in Norway and Sweden. There are some emissions from district heating. Scope 2 emissions have been reduced by 65 percent from 42 tCO2e to 15 tCO2e.

Scope 3: We shall require our concrete suppliers to have established their own targets under the Science Based Targets Initiative by 2025. We do not yet have a system in place for measuring what proportion of our concrete comes from suppliers with their own targets under the Science Based Targets Initiative. However, we are actively reviewing our purchasing procedures for concrete and putting in place a system for measuring this.

We are also working on using low-carbon concrete for our construction and maintenance activities. By buying low-carbon concrete instead of normal concrete for certain projects, Agder Energi Vannkraft reduced its emissions by 432 tCO2e in 2021.



CLIMATE RISK

Historically, Agder Energi has always worked on emergency preparedness for extreme weather events, but without referring to this as “climate risk”. The recommendations of the G20 group of countries’ Task Force on Climate-Related Financial Disclosures (TCFD) have become the most recognised standard on how to analyse and report climate risk. The TCFD framework helps us to get an overall picture of climate risk, including both physical climate risks and transition risks.

Our work reflects UN Sustainable Development Goal 13, “Climate action”, which speaks of the need to improve one’s ability to

combat, adapt to and mitigate the consequences of climate change, and to build knowledge and awareness about this. Our biggest climate-related risks and opportunities are described below.

Physical climate risk

Agder Energi has infrastructure that is particularly vulnerable to extreme weather events, especially along river systems and in forests. Both an increase in extreme weather events and more intense precipitation will increase the risks associated with outages, expenses for fault resolution, rising insurance premiums and revenue loss.

Transition risk

Stricter licence terms and bans (or taxes) on raw materials used at our power plants and in our processes may result in a loss of revenues and higher costs.

Changes to markets and technology provide new opportunities for Agder Energi within green value chains, but they may also increase competition as new companies enter the market for renewable energy.

For more details about how the Group manages and responds to climate risk, please see Agder Energi’s TCFD report, which is available on our website [ae.no](#).



Normally, damming river systems helps to smooth out fluctuations in streamflow, and it can significantly mitigate flooding. The degree of mitigation depends on the amount of water that can be stored in relation to the size of the drainage basin. The picture is from the great flood in October 2017, when large amounts of water flowed out of the dam at Nomeland power plant in Iveland.



WORKING CONDITIONS AND ENVIRONMENTAL IMPACTS IN SUPPLY CHAINS

In its contracts, Agder Energi stipulates that suppliers shall comply with the Group's rules on working conditions and environmental impacts. With the help of an external supplier, the Group audited 87 companies in 2021, selected on the basis of an overall risk assessment. This includes two "follow-up" audits. A total of 127 suppliers have an up-to-date audit report registered with UNCE as of 15 February 2022.

Audits are based on recognised auditing standards and are performed in colla-

boration with the purchasing network Achilles. Some audits were performed remotely, but their quality met the necessary standards and the system continued to work in spite of the Covid-19 situation. Agder Energi has chosen to put the spotlight on high-risk industries, as well as on improving the quality of its audits and following up open items in audit reports.

Our goal is that by 2025 all suppliers shall adhere to our sustainability requirements, and at least 95 percent of our procurement

by value shall be from suppliers with environmental certification in accordance with ISO 14001 or Eco-Lighthouse, or with some equivalent environmental management system in place. As of 15 February 2021, 52 percent of our procurement by value comes from suppliers with environmental certification.



DIVERSITY AND EQUAL OPPORTUNITY

As part of a systematic approach to promoting diversity, Agder Energi is participating in the project "Equality at Work" (Norw.: Ligestilt arbeidsliv). The project is about equal opportunity in the widest possible sense. That means providing equal oppor-

tunity regardless of gender, religion, ethnicity, any disability and sexual orientation.

Agder Energi is continuously working on these issues, and in 2021 it renewed its certification based on the measurement

criteria for the Equality at Work project. Also see the separate report on Diversity and Equal Opportunity.



ECONOMIC IMPACTS

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. Reporting on our economic impacts is a way of highlighting how the Group creates and distributes economic value, not just to the shareholders but also to the employees, lenders, the public sector, and the company itself.

According to an analysis of indirect economic benefits carried out by PWC, based on figures for 2019, the NOK 2.1 billion of value added created by Agder Energi's employees gives rise to a further NOK 2.9 billion of value added outside our business. In addition, there are significant unquantifiable wider economic benefits. Moreover, the 669 Agder Energi employees who are resident in Agder create over 600 jobs

outside the Group. In other words, overall the Group helps to keep almost 1,300 in employment in the region. That also gives rise to substantial personal tax revenues for the municipalities in Agder.



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 those at Latgales Energetika, generated 8,900 GWh of electricity in 2021. 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 proportion of renewable energy in our district heating systems mainly reflects

our use of waste heat from Returkraft and Glencore Nikkelverk in Kristiansand. In Arendal, we burn sawdust from engineered wood manufacturers in Vennesla and Kragerø, while in Grimstad and at Sørlandsparken in Kristiansand 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 in Kristiansand also supplies district cooling to many of the biggest buildings in the town. Free cooling is 100 percent renewable, only using cold sea water from a depth of 150 metres to cool buildings.

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 continuous 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. The Group is also playing a leading role in the pilot project NorFlex, supported by Enova, which is a partnership with a number of other organisations in the energy industry to test various technologies to encourage customers to be more flexible in their electricity consumption.



AGDER ENERGI GROUP

Employees (refers to employees at companies covered by the sustainability report)	Unit	2021	2020	2019
Total number of permanent and temporary employees	number	710	757	776
Proportion of permanent employees	%	98 %	97 %	96 %
Proportion of temporary employees	%	2 %	4 %	4 %
Proportion of men*	%	75 %	75 %	74 %
Proportion of women*	%	25 %	25 %	26 %
Number of full-time equivalent permanent and temporary employees	number	699,9	735	757
Reaching retirement age within 5 years*	%	14 %	13 %	14 %
Reaching retirement age within 6-10 years*	%	18 %	17 %	17 %

* Of permanent employees

Biodiversity	Unit	2021	2020	2019
Number of critically endangered species affected by operations	number	2	1	1
Near-threatened species (on red list) affected by operations	number	2	1	1
Species of low concern (not on red list) affected by operations	number	0	2	2

Breaches of laws and regulations	Unit	2021	2020	2019
Recorded breaches of laws and regulations	number	0	1	1

Health and safety	Unit	2021	2020	2019
Personal injuries, own employees (lost time and non-lost time) per million work hours. (H2)**	H2 value	2,2	2,6	1,8
Sickness absence	%	2,8 %	2,6 %	3,1 %

** Excluding Latgales Energetika



Greenhouse gas emissions	Unit	2021	2020	2019
Direct emissions – Scope 1	tonnes of CO2e	6 636	1 192	1 753
Indirect emissions – Scope 2 Physical approach	tonnes of CO2e	265	289	228
Indirect emissions – Scope 2 Market-based approach	tonnes of CO2e	15	67	42
Indirect emissions – Scope 3	tonnes of CO2e	2 660	1 683	6 084

Electric power industry	Unit	2021	2020	2019
Net energy output	GWh	8 900	8 293	7 411
Number of power stations	number	52	57	57
Network reliability	%	99,98 %	99,98 %	99,98 %
Length of overhead power lines	km	13 576	13 619	13 712
Length of underground/underwater lines	km	8 942	8 641	8 424
Length of district heating pipes	km	70	69	67
Length of district cooling pipes	km	19	18	17

Economic performance – direct	Unit	2021	2020	2019
Available for distribution	NOK millions		2 652	3 162
The company	%		22,7 %	27,2 %
Employees	%		22,5 %	14,0 %
Lenders	%		7,1 %	6,6 %
The public sector	%		35,5 %	52,0 %
Shareholders	%		12,3 %	-



To make it safer and easier for salmon to reach their spawning grounds on the River Nidelva above the dam at Rygene, Agder Energi Vannkraft has built a new salmon ladder that is approximately 270 metres long.



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 percent of Norway's total energy needs. The company has 50 part-owned and wholly-owned power stations, which are located in Agder, as well as in southwest Vestfold og 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 the 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 Ryfylkeheiane 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 building salmon ladders, creating shelters and spawning grounds in rivers in order to increase fish production and putting out fish and roe. The terms of our licences specify the minimum flow needed to preserve recreation areas and to protect fish stocks in dammed rivers.

More salmon and more power generation in Mandalselva

Agder Energi Vannkraft and researchers at the Norwegian Institute for Water Research have completed the project "Environmental design in the River Mandalselva". The project has proposed several measures, which together will enable greater hydroelectric power generation on the stretches of the river with salmon, while also keeping the loss of salmon production to a minimum.

Amongst other things, the environmental design project has drawn up a plan for physical measures to increase salmon production and facilitate migration up and down the river past Laudal power station. The most recent counts at this power station show that the measures have had a positive impact on both the number of juvenile salmon and the migration of adult salmon.

Measures include Agder Energi Vannkraft building a fence to direct salmon smolts safely past the intake for Laudal power station on their way to the sea. The fence is designed to lead the fish away from the intake on the east side of the river, across to the safer west side and on down the river past the power station. It consists of floats with metal meshes below them. When the water flows through them, this creates small eddies in the water that lead the smolts along the fence.

The environmental design project has also come up with scientific proposals for the environmental design with respect to minimum flow past Laudal power station and releasing water past Bjelland power station. The gain from adjusting the flow past Laudal power station is greater than the loss from the proposed water release past Bjelland power station, which means that overall electricity generation on the Mandalselva river can be increased by 5-10 GWh.

So that it can implement the proposed changes at Laudal power station, Agder Energi Vannkraft has obtained permission from the Norwegian Water Resources and Energy Directorate (NVE) to deviate from the current rules for its dam at Laudal power station for the period 15 April 2021

to 15 April 2026. This permission has been granted pursuant to Section 8 of the Water Resources Act.

Helping salmon up the River Nidelva

So that salmon can easily, quickly and safely get up to the spawning grounds above the Rygene dam, in 2021 Agder Energi Vannkraft built a new 270 metre-long salmon ladder. The old ladder needed replacing because it had been observed that the salmon were spending too long migrating up past the dam.

Counts showed that over 1,400 salmon migrated up the new ladder in 2021. You can watch the salmon swim up the salmon ladder at skynordic.no. Select "Rygene" from the list of counting stations and download the period of your choice.

The project, which has cost around NOK 12 million, has received funding from the Bra Miljøval fund. Bra Miljøval is an eco-label for renewable energy run by the Swedish Society for Nature Conservation. Several of Agder Energi's power stations are certified with this eco-label. The scheme is based on a fund model, with the money being used for environmental protection measures in the river.

New dam and water transfer tunnel

At Lake Langevatn in Åseral, the construction of a new, modern embankment dam to replace an old concrete dam was completed in the autumn of 2020. The new dam is both wider and taller than the old one, which means that the water level in Langevatn has been raised by 10 metres.

A new water transfer tunnel, which was completed in the spring of 2021, was also



built from Langevatn to Nåvatn. The old tunnel was exposed to landslide risk, and any landslide would have resulted in the loss of large amounts of electricity generation. The new seven kilometre-long tunnel has been connected to five kilometres of the old one. This will ensure reliable, safe electricity generation for the future.

In combination, these projects will allow 42 GWh of renewable energy to be generated each year, equivalent to the electricity used by 2,100 households.

New power station on the River Otra

In recent years, Agder Energi Vannkraft has upgraded and expanded several hydroelectric power stations so that it can generate more clean, renewable energy. Several local contractors have been, and are, involved in the projects, which are thus creating significant wider economic benefits in the region, through employment and value creation. In addition, they are generating more business for other local service providers.

The construction of Fennefoss power

station on the River Otra near Evje is part of our efforts to increase hydroelectric power generation.

Site work started in 2020, and when the power station is completed in 2023, it will generate approximately 59 GWh per year, equivalent to the annual consumption of around 3,000 homes.

The area where the power station is being built had been negatively impacted by past mining activities. It is now being landscaped to create an attractive public green space. The public beach at Furuly is being upgraded, including by bringing in around 1,750 cubic metres of sand. The area towards the river at Odden camping will be raised, and the beach will be protected to ensure that the river does not wash away the sand.

Upgrades to Høgefoss power station

A new generator at Høgefoss power station in Nissedal Municipality will raise the amount of electricity generated from its current level, which is equivalent to the annual consumption of around 9,500 households, to a level that is enough for around 10,800 homes.

Høgefoss power station was commissioned in 1919. In 2017, Telemark county council decided to temporarily protect the whole power station as cultural heritage, but that decision was in due course reversed. Agder Energi Vannkraft has been consulting with the authorities in order to come up with a good solution that helps to preserve the power station when the new generator is installed in the old building. One generator from 1919 and one from 1936 will be kept. Once the installation of the new generator has been completed, this will give people a good sense of how the electric power industry has developed over the past 100 years.

More clean energy from the River Otra

Agder Energi Vannkraft has informed NVE that the company wishes to build Syrtveit power station in Evje og Hornnes Municipality. If the power station does get built, it will generate 120 GWh of clean renewable energy each year, enough for around 6,000 households.



The pandemic has affected how meetings are held, including for the project group for the construction of Fennefoss power station in Evje. Project Manager Lars Gunnar Jansen of Agder Energi Vannkraft leads the meeting from his site office, while project staff attend remotely through Teams.



AGDER ENERGI VANNKRAFT

Employees	Unit	2021	2020	2019
Total	number	140	144	145
Proportion of permanent employees	%	98 %	95 %	95 %
Proportion of temporary employees	%	2 %	5 %	5 %
Proportion of men	%	93 %	92 %	92 %
Proportion of women	%	7 %	8 %	8 %
Number of full-time equivalents	number	137.8	140.6	142.50
Reaching retirement age within 5 years	%	23 %	25 %	22 %
Reaching retirement age within 6-10 years	%	19 %	21 %	22 %

Biodiversity	Unit	2021	2020	2019
Number of critically endangered (on red list) species affected by operations	number	1	1	1
Near-threatened species (on red list) affected by operations		2	0	0
Species of low concern (not on red list) affected by operations	number	0	2	2

Breaches of laws and regulations	Unit	2021	2020	2019
Recorded breaches of laws and regulations	number	0	0	0

Health and safety	Unit	2021	2020	2019
Personal injuries, own employees (lost time and non-lost time) per million work hours. (H2)	H2 value	3,9	7,7	0
Sickness absence	%	3,3 %	4,3 %	2,0 %

Greenhouse gas emissions	Unit	2021	2020	2019
Direct emissions – Scope 1	tonnes of CO2e	351	471	551
Indirect emissions – Scope 2 Physical approach	tonnes of CO2e	87	67	58
Indirect emissions – Scope 2 Market-based approach	tonnes of CO2e	-	-	-
Indirect emissions – Scope 3	tonnes of CO2e	2 459	317	5122
SF6 emissions (included in Scope 1)	tonnes of CO2e	0	7	182

Electric power industry	Unit	2021	2020	2019
Net energy output	GWh	8 897	8 129	7 237
Number of wholly-owned and part-owned power stations	number	49	49	49

So that customers are not left without electricity while power grid maintenance is being performed, work is sometimes done without disconnecting the power. Before a technician does any work on a 132 kV power line, extensive safety procedures must be carried out. André Skjebstad, a technician at Otera, who is an expert at this kind of work, must wear a special suit made of a conductive material. All of the scaffolding and ropes are made of insulating materials.





AGDER ENERGI NETT



Agder Energi Nett owns and is responsible for operating the regional transmission and distribution networks in Agder, which include a total of 22,518 km of power lines and serve 210,381 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 scans the grid from the air using drones and helicopters. The aim is to map forest growth along its power lines, in order to allow more targeted line clearing based on the best possible data.

Agder Energi Nett works proactively to comply with the laws and regulations that apply to distribution system operators. This is part of the company's systematic quality management process. Agder Energi Nett reports to, and is supervised by, the Norwegian Directorate for Civil Protection (DSB) and the Norwegian Water Resources and Energy Directorate (NVE), who ensure that it is operating the electrical grid safely and reliably. Agder Energi Nett had 0 serious nonconformities resulting in a fine in 2021.

Drone inspections of the electrical grid

Each year, Agder Energi Nett inspects the grid in order to check where it is necessary to repair any damage to poles, lines and other infrastructure. In 2021, it started using drones for these inspections.

Agder Energi Nett had previously carried out an innovation project to test the possibility of using drones to inspect the power grid. Knowledge gained from that project has played an important role in the company's efforts to make its grid inspections safer and more environmentally friendly. This was also part of the reason why Agder Energi Nett entered into an agreement with KVS Technologies AS in 2021 to perform inspections using drones.

The amount of inspection required each year is significant. A photographic inspection needs to be carried out of up to 45,000 poles in Agder Energi Nett's 22-132 kV high-voltage grid. In addition, 4,000 km of overhead power lines, as well as the forest below and beside them, need to be scanned and documented photographically. These data and analyses form the basis for Agder Energi Nett's technical maintenance and its strategy for line-clearing along its high-voltage grid.

It is a priority for Agder Energi Nett to find sustainable ways of operating and maintaining the power grid. Using drones for inspections is one example of this.

Amongst other things, that helps to reduce

CO2 emissions compared with using a helicopter. In addition, it reduces the noise pollution that people and animals are exposed to as a result of the inspections, as well as reducing health and safety risks.

New substation with SF6-free 110 kV switchgear

In 2021, Agder Energi Nett commissioned the Austerdalen substation in Kvinesdal. The 110 kV switchgear in the new substation does not contain the potent greenhouse gas SF6. In 2022, a new substation at Evje will also be completed with an equivalent system.

For Agder Energi Nett, it is important for new substations to be as sustainable and environmentally friendly as possible. That's why we've chosen new 110 kV switchgear that does not use the greenhouse gas SF6. SF6, or sulfur hexafluoride, is a greenhouse gas that is often used in the switches in switchgear in the electrical grid. The gas acts as a circuit breaker and insulating material, and it is only if it leaks that it becomes an environmental problem and contributes to the greenhouse effect. In fact, SF6 has a global warming potential which is over 22,000 times as high as CO2 over a 100 year period. The use of SF6 is



Agder Energi Nett has started using drones to inspect its electrical grid. Compared with helicopters, drones help to reduce CO2 emissions, noise and health and safety risks.

highly regulated, and in Norway all owners of switchgear must report how much SF6 they use, and any emissions, to the Norwegian Environment Agency.

The company's goal is to avoid all environmental incidents. In 2021, it recorded 24.04 kg of SF6 emissions, mainly in conjunction with equipment failures. This amount represents 548 tonnes of CO2 equivalents. The increase over the previous year was largely due to better documentation of emissions/losses, which may have been under-reported in the past. We are working to build up expertise, both in-house and at our partners, with respect to work on components containing SF6, in order to avoid emissions during maintenance and in the event of failures, as well as working on certification. The blue GIS system, which doesn't contain fluorinated greenhouse gases, is also being tested. No oil spills were recorded in 2021.

Minimising environmental impacts

Within its work on biodiversity, Agder Energi Nett has implemented several measures to protect the Eurasian eagle-owl in Norway. 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 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. An effort is also made to avoid marshes when choosing routes for power lines.

Agder Energi Nett is currently testing a new foundation system for composite utility

masts on bedrock. The new method, which is called slot drilling, has a significantly smaller footprint than other traditional methods. In simple terms, the method involves drilling a slot in the bedrock using a large "hole cutter" drill bit fitted to a newly developed drill rig. The composite foundation can then be lowered into the slot and fixed to the bedrock.

Agder Energi Nett considers it important to assist and facilitate the electrification of society, and it is doing this by participating in a number of projects. It is constantly working on innovation and development projects to ensure a reliable electricity supply, while also striving to reduce peak loads. In 2021, the up-time of Agder Energi Nett's electrical grid was 99.981%.



A new foundation system for composite utility poles on bedrock has a significantly smaller footprint than other traditional methods.



AGDER ENERGI NETT

Employees	Unit	2021	2020	2019
Total	number	215	189	175
Proportion of permanent employees	%	96 %	95 %	96 %
Proportion of temporary employees	%	4 %	5 %	4 %
Proportion of men	%	79 %	79 %	81 %
Proportion of women	%	21 %	21 %	19 %
Number of full-time equivalents	number	212,1	183,8	172,4
Reaching retirement age within 5 years	%	16 %	18 %	20 %
Reaching retirement age within 10 years	%	20 %	22 %	21 %

Biodiversity	Unit	2021	2020	2019
Number of critically endangered species affected by operations	number	1	1	1
Near-threatened species (on red list) affected by operations			0	0

Breaches of laws and regulations	Unit	2021	2020	2019
Recorded breaches of laws and regulations	number	0	0	1

Health and Safety	Unit	2021	2020	2019
Injuries per million work hours	H2 value	6,6	0	5,9
Sickness absence	%	3,3 %	2,3 %	3,0 %

Greenhouse gas emissions	Unit	2021	2020	2019
Direct emissions – Scope 1	tonnes of CO2e	666	319	580
Indirect emissions – Scope 2 Physical approach	tonnes of CO2e	46	37	37
Indirect emissions – Scope 2 Market-based approach	tonnes of CO2e	-	-	-
Indirect emissions – Scope 3	tonnes of CO2e	144	152	282
SF6 emissions (included in Scope 1)	tonnes of CO2e	548	182	315

Electric power industry	Unit	2021	2020	2019
Number of customers	number	210 381	207 531	204 500
Network reliability	%	99,98 %	99,98 %	99,98 %
Length of overhead power lines	km	13 576	13 619	13 712
Length of underground/underwater lines	km	8 942	8 641	8 424

Data protection	Unit	2021	2020	2019
Complaints about data protection breaches	number	0	0	0



AGDER ENERGI KRAFTFORVALTNING

Agder Energi Kraftforvaltning manages the electricity generated by Agder Energi and carries out electricity trading in Norway, the other Nordic countries and the rest of Europe. The company is one of the leading players in electricity trading in the Nordic region. Its task is to maximise value for society through dispatch optimisation of our own hydroelectric power and through profitable trading in the open market.

Environmental considerations set clear constraints on the company's activities. Electricity generation in our own rivers shall take place in a way that protects the surrounding area and environment. Amongst other things, this means developing and improving models for estimating precipitation levels and water flow in our rivers. Agder Energi Kraftforvaltning shall generate electricity in a way that limits spilled water, ensures sufficient water flow for fish welfare and prevents flooding. When salmon smolts from the Mandalselva river system migrate out to sea, the company releases enough water to allow the fish to swim down the river's natural course.

The company's trading activities also benefit the environment, including by facilitating new investment in renewable energy production. Wind farms currently supply large quantities of non-dispatchable electricity

that is hard to sell in advance because it is unpredictable and depends on whether or not the wind is blowing. That makes investors and lenders reluctant to invest in wind farms.

Agder Energi Kraftforvaltning offers tailor-made electricity products that combine predictable electricity supply with intermittent wind power. That helps to create a larger and more stable market for wind power, which has higher value if the electricity supply can be guaranteed. Guaranteed revenues allow more wind power to be built to replace fossil fuel-based generation. In Norra Österbotten in Finland, a large wind farm was built in 2021. The investment decision was supported by Agder Energi Kraftforvaltning entering into a contract for the purchase of 500 GWh of wind power, which it will resell to industrial customers in Finland.

With non-dispatchable energy sources, such as wind and solar, occupying an increasing share of Europe's energy mix, the need for flexible energy solutions is growing. Through its subsidiary Entelios AG, Agder Energi Kraftforvaltning sells flexibility solutions to industrial customers and distribution system operators, enabling even more renewable electricity to be developed in Europe. In November 2021, that company was transferred to the Innovation business area, which is responsible for the Group's business activities relating to flexibility.

Agder Energi Kraftforvaltning's trading in guarantees of origin supports the market for renewable electricity in Europe. These guarantees are issued to companies that generate clean electricity, and the proceeds from their sale go to the generators. Customers are willing to pay them for the guarantees for various reasons, including wanting to document that they are using renewable energy. Some of the revenues from selling the guarantees go towards environmental improvements to dammed rivers. For example, in 2021 Agder Energi built a new fish ladder past the Rygene dam on the River Nidelva. It allows the fish to swim up the whole length of the ladder, without having to jump from pool to pool as is the case with traditional fish ladders. That makes it easier for the fish to climb up the ladder and means their migration is not delayed. The project was part-funded by the Swedish fund *Bra Miljöval*, which has been built up through Agder Energi's sale of certified clean energy in Norway and Sweden.



Mandalsvassdraget



AGDER ENERGI KRAFTFORVALTNING

Employees	Unit	2021	2020	2019
Total	number	76	58	59
Proportion of permanent employees	%	100 %	98 %	98 %
Proportion of temporary employees	%	0 %	2 %	2 %
Proportion of men	%	83 %	86 %	81 %
Proportion of women	%	17 %	14 %	19 %
Number of full-time equivalents	number	75,4	58	59
Reaching retirement age within 5 years	%	5 %	4 %	5 %
Reaching retirement age within 10 years	%	8 %	11 %	5 %

Breaches of laws and regulations	Unit	2021	2020	2019
Recorded breaches of laws and regulations	number			0

Health and safety	Unit	2021	2020	2019
Personal injuries per million work hours	H2 value	0	0	0
Sickness absence	%	1,3 %	1,8 %	2,6 %

Greenhouse gas emissions	Unit	2021	2020	2019
Direct emissions – Scope 1	tonnes of CO2e	-	-	-
Indirect emissions – Scope 2 Physical approach	tonnes of CO2e	-	-	-
Indirect emissions – Scope 2 Market-based approach	tonnes of CO2e	-	-	-
Indirect emissions – Scope 3	tonnes of CO2e	10,5	9	65



AGDER ENERGI VARME



Agder Energi Varme supplies green district heating and district cooling to urban areas in Agder. District heating and cooling are flexible energy systems that use water to transport energy from one place to another. District heating mainly makes use of local energy sources that would otherwise have gone to waste. Using this energy to heat buildings and produce hot water is an efficient use of resources. In addition, using local sources of heat frees up electricity for other important uses and reduces pressure on the electrical grid.

On cold winter days, the grid comes under a lot of strain. At those times, Agder Energi Varme supplies district heating equivalent to a third of the total electricity consumption in the grid in central Kristiansand. In a normal year, Agder Energi Varme supplies its customers with 176 GWh of district heating. That is equivalent to the electricity used by 11,000 homes with an annual consumption of 16,000 kWh each..

In Kristiansand city centre, the company also offers district cooling based on cold seawater. This is a climate-friendly and energy efficient way to cool buildings, and doesn't require any environmentally harmful refrigerants. District cooling helps to improve quality of life in the city centre, by eliminating the need for noisy and large cooling units on roofs and in back yards.

The company has been developing its district heating infrastructure for over 20 years. It currently supplies heating to schools, hospitals, other public buildings, commercial buildings and housing cooperatives/co-ownerships. Over the years, heat supplied by Agder Energi Varme has enabled many landlords to replace their oil-fired boilers with environmentally friendly district heating. District heating also replaces electric boilers, which frees up large quantities of electricity for other purposes.

In order to ensure a reliable, uninterrupted supply of heat energy to its customers, Agder Energi Varme must have backup

options in case one of its heat sources becomes unavailable. For this, it uses boilers fired by fossil fuels or biofuel, which can provide large amounts of energy at short notice.

In the summer of 2021, there was an explosion at the company's biggest supplier of waste heat, Returkraft, which interrupted its deliveries. When it became clear that Returkraft would be out of action for an extended period, Agder Energi Varme implemented various temporary measures to mitigate the impacts. The company started operating an old biomass burner at Gimle that had been decommissioned, and reached an agreement with Glencore Nikkelverk for it to supply more energy. These actions, together with the use of biofuel, helped to limit the use of fossil fuel heating oil.

For 2021, the company had a target of at least 99 percent of the energy for its district heating being renewable. In spite of its biggest supplier, Returkraft, halting its

operations for half a year, Agder Energi Varme still managed to get 89 percent of its energy from renewable sources in 2021.

District heating and district cooling for city centre locations is a form of urban energy that has a big positive impact on the environment. It allows more sustainable use of energy and power in densely populated areas. Agder Energi Varme is striving to become even better at exploiting the flexibility of a wider range of energy sources. The aim is to recover energy that would otherwise have been lost, store energy in the district heating network and coordinate with the electrical grid in order to optimise the use of the energy. Agder Energi Varme wants to help its customers to use energy more sustainably, and it aims to improve quality of life in urban areas. The company will continue to work on this in 2022 and over the coming years. Agder Energi Varme's ambition is to be 100 percent renewable in the future.



AGDER ENERGI VARME

Employees	Unit	2021	2020	2019
Total	number	11	13	14
Proportion of permanent employees	%	100 %	100 %	100 %
Proportion of temporary employees	%	0 %	0 %	0 %
Proportion of men	%	91 %	85 %	86 %
Proportion of women	%	9 %	15 %	14 %
Number of full-time equivalents	number	11	12,5	13,5
Reaching retirement age within 5 years	%	9 %	8 %	7 %
Reaching retirement age within 6-10 years	%	0 %	23 %	14 %

Breaches of laws and regulations	Unit	2021	2020	2019
Recorded breaches of laws and regulations	number	0	1	0

Health and safety	Unit	2021	2020	2019
Injuries per million work hours	H2 value	-	46	37
Sickness absence	%	4,20 %	3,3 %	0,9 %

Greenhouse gas emissions	Unit	2021	2020	2019
Direct emissions – Scope 1	tonnes of CO2e	5,592	337	688
Indirect emissions – Scope 2 Physical approach	tonnes of CO2e	93	146	91
Indirect emissions – Scope 2 Market-based approach	tonnes of CO2e	-	-	-
Indirect emissions – Scope 3	tonnes of CO2e	0,7	1	3

Electric power industry	Unit	2021	2020	2019
Net energy output	GWh	183	157	168
District heating production from waste heat	GWh	117	123	129
District heating production from biomass	GWh	38	19	30
District heating production from heating oil	GWh	20,1	1,1	2,0
Installed capacity	MW	135	133	133
Business customers	number	449	449	445
Domestic customers	number	20	20	20
Allocation of CO2 quotas	number of quotas	-	1,314	1,661
Length of district heating pipes	km	70	69	67
Length of district cooling pipes	km	19	18	17



AGDER ENERGI



Agder Energi AS is the parent company of the Group. The parent company performs administrative functions and provides support services to the group management team and to subsidiaries. The Technology department is responsible for technology development, IT support and maintenance, special projects and security and emergency planning. The Finance department is responsible for finance, risk management and purchasing.

The HR and Communication department is responsible for organisational matters, regulatory affairs, communication and property management.

Employees	Unit	2021	2020	2019
Total	number	150	166	183
Proportion of permanent employees	%	98 %	98 %	95 %
Proportion of temporary employees	%	2 %	2 %	5 %
Proportion of men	%	61 %	59 %	59 %
Proportion of women	%	39 %	41 %	41 %
Number of full-time equivalents	number	146,3	161,3	175,8
Reaching retirement age within 5 years	%	15 %	12 %	11 %
Reaching retirement age within 10 years	%	23 %	22 %	24 %

Breaches of laws and regulations	Unit	2021	2020	2019
Recorded breaches of laws and regulations	number	0	0	0

Health and safety	Unit	2021	2020	2019
Injuries per million work hours	H2 value	0	0	0
Sickness absence	%	2,4 %	1,9 %	3,5 %

Greenhouse gas emissions	Unit	2021	2020	2019
Direct emissions – Scope 1	tonnes of CO2e	10	12	1,7
Indirect emissions – Scope 2 Physical approach	tonnes of CO2e	37	9	2
Indirect emissions – Scope 2 Market-based approach	tonnes of CO2e	-	-	-
Indirect emissions – Scope 3	tonnes of CO2e	29	96	266

AGDER ENERGI

Energy consumption	Unit	2021	2020	2019
Electricity consumption	kWh	2 850 469	2 563 800	2 697 820
Electricity consumption with guarantees of origin	kWh	2 850 469	2 563 800	2 697 820
Energy consumption, district heating and cooling	kWh	1 194 229	1 110 348	1 088 410
Kraftsenteret (Kristiansand)				
Electricity consumption	kWh	2 392 088	2 098 454	2 185 800
Electricity generation from solar panels	kWh	24 257	26 656	35 579
District heating consumption	kWh	642 010	569 596	531 490
District cooling consumption	kWh	97 880	180 732	128 180
Office space leased out	m ²	14 719	14 078	15 323
Gross floor area used by companies in the Agder Energi Group	m ²	12 265	12 974	13 124
Energy consumption per m ²	kWh/m ²	92	86	101
Stoa (Arendal)				
Electricity consumption	kWh	458 381	465 346	512 020
District heating consumption	kWh	454 339	360 020	428 740
Energy consumption per m ²	kWh/m ²	145	133	182



Since 2018, Agder Energi has been certified under the Equality at Work scheme. In 2021 the Group renewed its certification for another three years. Chief Technology Officer Ingvill H. Mykland (left), Project Manager Kristi Lie and project team member Mette Wigstøl received a diploma and flowers during the formal certification ceremony.



LOS



LOS is one of Norway's biggest electricity retailers, and it supplies electricity and energy-related products and services to domestic customers all over Norway. LOS helps its customers to make climate-friendly choices in terms of their electricity consumption. The company is developing new products and solutions, together with both Norwegian and international partners, that are adapted to market opportunities and customer needs. LOS currently offers solutions for households that want to generate their own electricity from solar panels, for smart charging of electric vehicles and for home charging. The LOS app provides customers with clear and up-to-date information about their electricity consumption, shows daily price fluctuations so they can decide when to use electricity and contains other relevant information about their account.

LOS wants to help customers take complete control of their electricity consumption. Throughout 2021, the company has been working to develop a service to provide customers with real-time information about their electricity use. Several smart functions are being developed in the electricity app to enable customers to shift some of their electricity use to the times of the day when electricity and transmission prices are lowest. That reduces the customers' electricity bills, but it is also good for the environment, as it enables more efficient use of the grid and reduces the need to build new power lines.

LOS is participating in the pilot project NorFlex, which is looking at how domestic customers can shift their electricity consumption for the benefit of the environment, the grid and their own wallets, without any negative impact on their comfort.

Together with its partners, LOS acquires flexibility from EV chargers in people's homes and makes it available for purchase through the market platform NODES.

LOS is also helping more and more households to install solar panels on their homes. Several hundred LOS customers are already generating renewable solar power for their own homes and selling their surplus electricity to LOS. By having solar panels on the roof, the average family can expect to cut its annual electricity bill by around 20 percent.

LOS plays an active role in the local community, including by helping to ensure that children and adolescents in Agder have good conditions for growing up. Each year since 2004, LOS has distributed one million kroner for this work through the LOS fund. The company also supports

clubs, associations and other activities in the region through various sponsorship agreements. In 2021, the winner of the "dream final" was a young alpine skier from Setesdal, Jan Emil Sørensen, who received a significant contribution towards investing in his career.

In 2021, LOS renewed its certification as an Eco-Lighthouse, and it is carbon neutral. LOS offers its customers 100 percent renewable hydroelectric power, and it buys guarantees of origin from hydroelectric power plants in Agder.

Each year, in its Norwegian sustainability barometer, BI Norwegian Business School measures how sustainable Norwegian business are, viewed from the customer's perspective. In 2021 LOS came second amongst Norwegian energy companies.

Employees	Unit	2021	2020	2019
Total	number	44	38	40
Proportion of permanent employees	%	100 %	100 %	100 %
Proportion of temporary employees	%	0 %	0 %	0 %
Proportion of men	%	39 %	45 %	48 %
Proportion of women	%	61 %	55 %	53 %
Number of full-time equivalents	number	43,1	36,9	38,7
Reaching retirement age within 5 years	%	7 %	8 %	5 %
Reaching retirement age within 6-10 years	%	9 %	8 %	13 %

Breaches of laws and regulations	Unit	2021	2020	2019
Recorded breaches of laws and regulations	number		0	0



LOS

Health and safety	Unit	2021	2020	2019
Injuries per million work hours	H2 value	0	0	0
Sickness absence	%	3,8 %	4,0 %	3,7 %

Greenhouse gas emissions	Unit	2021	2020	2019
Direct emissions – Scope 1	tonnes of CO2e	-	-	-
Indirect emissions – Scope 2 Physical approach	tonnes of CO2e	-	-	-
Indirect emissions – Scope 2 Market-based approach	tonnes of CO2e	-	-	-
Indirect emissions – Scope 3	tonnes of CO2e	0,5	2	13

Data protection	Unit	2021	2020	2019
Complaints about data protection breaches	number	0	0	0



The 16-year-old alpine skier Jan Emil Sørensen came top of the LOS fund's dream final in 2021, winning NOK 150,000 in the process. That will help him to invest in his career, by funding new equipment and a new pair of skis, training camps and his fees at the Norwegian College of Elite Sport in Geilo. Gjert Ingebrigtsen handed out the prizes to the finalists together with the CEO of LOS, Margit Unander.

ENTElios NORDIC



Entelios Nordic is one of Norway's leading electricity retailers in the commercial market, and a growing player in the Nordic market. The company is using new technology to develop cost-effective solutions for its business customers, while also facilitating the electrification of society.

Entelios is an innovative energy partner that as well as supplying its business customers with electricity helps them to make long-term, sustainable choices that support the green transition.

One of its customers is Gorines AS, which makes food products for supermarkets all over Norway. In Lillesand, Gorines has built one of the country's most modern and

energy-efficient factories, where it produces quality foods. From Entelios, Gorines receives the help it needs to reduce its energy costs and environmental impact – and it also earns money on the energy it doesn't use itself. Through successful energy management, Gorines has more than halved its energy costs.

Entelios aims to help lead its customers

towards a more sustainable future. An environmental strategy is important if they want to achieve their goals. Here Entelios can provide advice, expertise and technology.

The company is a major player in the market for guarantees of origin sold by generators of wind, hydro and solar power, and through its involvement it helps to strengthen the market for renewable energy.



In this building, solar panels and geothermal wells help to ensure sustainable food production, and batteries enable Gorines to store any renewable energy they do not use themselves. That energy can be sold on when grid demand is high.



Employees	Unit	2021	2020	2019
Proportion of permanent employees	number	68	72	
Proportion of temporary employees	%	100 %	99 %	
Proportion of men	%	0 %	1 %	Not comparable due to changes to organisational structure
Proportion of women	%	69 %	72 %	
Number of full-time equivalents	%	31 %	38 %	
Reaching retirement age within 5 years	number	68	72	
Reaching retirement age within 10 years	%	4 %	7 %	
Reaching retirement age within 10 years	%	15 %	20 %	

Breaches of laws and regulations	Unit	2021	2020	2019
Recorded breaches of laws and regulations	antall	0	0	0

Health and Safety	Unit	2021	2020	2019
Injuries per million work hours	H2 value	0	0	0
Sickness absence	%	2.0 %	4.3 %	3.8 %

Greenhouse gas emissions	Unit	2021	2020	2019
Direct emissions – Scope 1	tonnes of CO2e	-	-	Not comparable due to changes to organisational structure
Indirect emissions – Scope 2 Physical approach	tonnes of CO2e	0,5	0,4	
Indirect emissions – Scope 2 Market-based approach	tonnes of CO2e	-	-	
Indirect emissions – Scope 3	tonnes of CO2e	15	14	



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 puts great emphasis 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.

The products and services that it chooses shall be based on developing and using renewable resources.

Employees	Unit	2021	2020	2019
Total	number		4	4
Proportion of permanent employees	%		100 %	100 %
Proportion of temporary employees	%		0 %	0 %
Proportion of men	%		75 %	75 %
Proportion of women	%		25 %	25 %
Number of full-time equivalents	number		400 %	400 %
Reaching retirement age within 5 years	%		0 %	0 %
Reaching retirement age within 10 years	%		25 %	25 %

Breaches of laws and regulations	Unit	2021	2020	2019
Recorded breaches of laws and regulations	number		0	0

Health and safety	Unit	2021	2020	2019
Injuries per million work hours	H2 value	0	0	0,00
Sickness absence	%	1,0 %	1,6 %	1,3 %

Greenhouse gas emissions	Unit	2021	2020	2019
Direct emissions – Scope 1	tonnes of CO2e	-	-	-
Indirect emissions – Scope 2 Physical approach	tonnes of CO2e	-	-	-
Indirect emissions – Scope 2 Market-based approach	tonnes of CO2e	-	-	-
Indirect emissions – Scope 3	tonnes of CO2e	0,8	3,1	4,3



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.

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.

Employees	Unit	2021	2020	2019
Total	number	6	6	6
Proportion of permanent employees	%	100 %	100 %	83 %
Proportion of temporary employees	%	0 %	0 %	17 %
Proportion of men	%	67 %	67 %	67 %
Proportion of women	%	33 %	33 %	33 %
Number of full-time equivalents	number	5	5	N/A
Reaching retirement age within 5 years	%	33 %	17 %	17 %
Reaching retirement age within 6-10 years	%	0	17 %	17 %

Breaches of laws and regulations	Unit	2021	2020	2019
Recorded breaches of laws and regulations	number	1	1	0

Greenhouse gas emissions	Unit	2021	2020	2019
Direct emissions – Scope 1	tonnes of CO ₂ e	17	6	Not comparable due to changes to methodology
Indirect emissions – Scope 2 Physical approach	tonnes of CO ₂ e	2	1	
Indirect emissions – Scope 2 Market-based approach	tonnes of CO ₂ e	4	4	
Indirect emissions – Scope 3	tonnes of CO ₂ e	1	1	

Electric power industry	Unit	2021	2020	2019
Net energy output	GWh	3.1	2.2	2.7
Number of power stations	number	3	3	3

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 Nordic comprises the companies Entelios AS and Entelios AB
- 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.



Renewable energy from Dynjanfoss power station allows Agder Energi to meet the electricity needs of approximately 8,000 households. The power station lies in Nissedal Municipality in the county of Vestfold og Telemark.



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 confirm 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 person for enquiries regarding the report is our CSR Director Unni Farestveit: unni.farestveit@ae.no.

CHANGES IN RELATION TO THE 2020 REPORT

CHANGES IN ORGANISATIONAL STRUCTURE



The 2021 report does not significantly deviate from the 2020 report in terms of organisational changes.

The German company Entelios AG has been incorporated into Agder Energi Invest and is no longer reported separately. Nordgröön and UAB Baltic Hydroenergy

have been sold and are no longer included in the report.

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 2021, 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			9	
102-5	Ownership and legal form			9	
102-6	Markets served			9	
102-7	Scale of the organisation			5	
102-8	Total number of employees by type of role, type of contract and region, broken down by gender		9		Not by region
102-9	Supply chain		11		
102-10	Significant changes to the organisation during the reporting period, such as to its scale, structure or ownership		44		
102-11	Use of the precautionary principle or approach in the organisation		12		
102-12	Externally-developed economic, environmental and social initiatives, charters or principles which the organisation endorses		8		
102-13	Membership of industry associations or other confederations, and national/international lobbying activities		10		
Strategy					
102-14	Statement from CEO			13	
Ethics and integrity					
102-16	The organisation's values, principles, standards, and norms of behaviour			11	
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			18	
102-23	Chair of the Board			37	



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		9-10		
102-41	Percentage of employees covered by collective bargaining agreements	64%			
102-42	Description of how the organisation identifies and selects stakeholders		9		
102-43	Approach to stakeholder engagement, including frequency of dialogue		9		
Reporting practice					
102-45	List of all entities included in the organisation's annual report and annual financial statements		42		
102-46	Description of the process for defining report content and topic boundaries, as well as for implementing the reporting principles		42		
102-47	List of topics identified as being material		12	126	
102-48	Restatements of information from previous reports		42		
102-49	Significant changes since previous report, including to scope, boundaries or measurement methods applied		42		
102-50	Reporting period	01.01.21 - 31.12.2021			
102-51	Publication date of previous report	26.03.2020			
102-52	Reporting frequency	Årlig			
102-53	Contact point for questions regarding the report and its contents	Unni Farestveit			
102-54	Reporting level	Core			
102-55	GRI index		43		
102-56	Practice for external assurance of reporting	Ingen			



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	12	127	
	103-2	Description of the management approach for material topics	12	127	
	103-3	Evaluation of the management approach	13	127	
Risks related to corruption	205-1	Economic values created and distributed	5	119	
Communication and training	205-2	Communication and training about anti-corruption policies and procedures	13	127	
Confirmed incidents of corruption	205-3	Total number of incidents of corruption and description of any court cases.	14	127	
An attractive employer that supports professional development					
Management approach	103-1	Explanation and boundaries of material topics			
	103-2	Description of the management approach for material topics	13	127	
	103-3	Evaluation of the management approach	13	127	
Regular performance and career development reviews	404-3	Percentage of total employees who received a regular performance and career development review, by gender and by employee category	13	127	
Biodiversity					
Management approach	103-1	Explanation and thresholds/ boundaries of material topics	13	127	
	103-2	Description of the management approach for material topics	13	127	
	103-3	Evaluation of the management approach	13	127	
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)	13	127	

GRI-INDEX

MATERIAL TOPICS AND INDICATORS

Indicator	GRI	Description	Sustainability report page number	Annual report page number	Partial reporting
Breaches of laws and regulations					
Management approach	103-1	Explanation and thresholds/ boundaries of material topics	14	128	
	103-2	Description of the management approach for material topics	14	128	
	103-3	Evaluation of the management approach	14	128	
Socioeconomic compliance	419-1	Non-compliance with laws in the socioeconomic area	14	128	
Environmental compliance	307-1	Non-compliance with environmental laws and regulations	14	128	
Health and safety					
Management approach	103-1	Explanation and thresholds/ boundaries of material topics	14	128	
	103-2	Description of the management approach for material topics	14	128	
	103-3	Evaluation of the management approach	14	128	
Work-related injuries	403-9	Information about deaths, injuries, or hazards that represent a risk and measures to eliminate them	14	128	
Greenhouse gas emissions					
Management approach	103-1	Explanation and thresholds/ boundaries of material topics	15	129	
	103-2	Description of the management approach for material topics	15	129	
	103-3	Evaluation of the management approach	15	129	
Direct and indirect GHG emissions and GHG emissions intensity	305-1	Reported in tonnes of CO ₂ e	4	129	



GRI-INDEX

MATERIAL TOPICS AND INDICATORS

Indicator	GRI	Description	Sustainability report page number	Annual report page number	Partial reporting
Climate Risk					
Management approach	103-1	Explanation and boundaries of material topics	16	130	
	103-2	Description of the management approach for material topics	16	130	
	103-3	Evaluation of the management approach	16	130	
Financial implications	201-2	Financial implications and other risks and opportunities due to climate change based on scenarios for future development	16	130	
Working conditions and environmental impacts in supply chains					
Management approach	308-1	Explanation and boundaries of material topics	17	131	
	103-2	Description of the management approach for material topics	17	131	
	103-3	Evaluation of the management approach	17	131	
Freedom of association and collective bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	17	131	
Child labour	408-1	Operations and suppliers at significant risk for incidents of child labour	17	131	
Forced labour	409-1	Operations and suppliers at significant risk for incidents of forced labour	17	131	
Environmental screening of suppliers	308-1	Percentage of new suppliers screened using environmental criteria	17	131	



GRI-INDEX

MATERIAL TOPICS AND INDICATORS

Indicator	GRI	Description	Sustainability report page number	Annual report page number	Partial reporting
Diversity and equal opportunity					
Management approach	103-1	Explanation and boundaries of material topics	17	131	
	103-2	Description of the management approach for material topics	17	131	
	103-3	Evaluation of the management approach	17	131	
Diversity of governance bodies and by employee categories	405-1	Breakdown of employees by gender and age group in governance bodies and by employee categories	17	131	
Economic performance (indirect)					
Management approach	103-1	Explanation and thresholds/ boundaries of material topics	17	131	
	103-2	Description of the management approach for material topics	17	131	
	103-3	Evaluation of the management approach	17	131	
Economic value created and distributed	201-1	Direct economic value generated and distributed on a regular basis	17	131	
Significant indirect economic impacts	203-3	Examples of significant identified indirect economic impacts of companies and their significance in the context of external benchmarks and stakeholder priorities	17	131	



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 boundaries of material topics	18	132	
	103-2	Description of the management approach for material topics	18	132	
	103-3	Evaluation of the management approach	18	132	
Electric power industry	EU-2	Net energy output	19	132	
Electric power industry	EU-4	Length of power lines	19		
Electric power industry	EU-15	Percentage of employees eligible to retire in the next 5 and 10 years	19		
Electric power industry	EU-28	Power outage frequency	19		
Activities affecting the local community					
Management approach	103-1	Explanation and boundaries of material topics	18	132	
	103-2	Description of the management approach for material topics	18	132	
	103-3	Evaluation of the management approach	18	132	
Activities with the local community, impact assessments and development programmes	413-1	Percentage of activities by group and stakeholders	18	132	

TCFD-INDEKS

TCFD Recommendations		Reference
Governance	Describe how the organization manages climate-related risks and opportunities	
	a) Description of the Board's oversight of climate-related risks and opportunities	TCFD report p. 4 Annual report p. 15, 19 og 22
	b) Description of management's role in assessing and managing climate-related risks and opportunities	TCFD report p. 4 Annual report p. 15, 19 og 22
Strategy	Describe relevant and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	
	a) Describe climate-related risks and opportunities the organization has identified over the short, medium, and long term	TCFD report p. 4 Annual report p. 13, 24 og 36-37
	b) Impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	TCFD report p. 6 Annual report p. 13 og 24
	c) Describe the potential impact of various scenarios, including a 2°C scenario, on the organization's businesses, strategy, and financial planning	TCFD report p. 6
Risk Management	Describe how the organization identifies, assesses and manages climate-related risks	
	a) Describe the processes used by the organization to identify and assess climate-related risks	TTCFD report p. 6 Annual report p. 19 og 22
	b) Describe the organization's processes for managing climate-related risks	TCFD report p. 7 Annual report p. 22, 24, 27, 30-31, 35 og 38
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	TCFD report p. 7 Annual report p. 19 og 22
Metrics and Targets	Report on the methods, metrics and targets used to assess and manage relevant climate-related risks and opportunities	
	a) Describe the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management processes	TCFD report p. 4 og 8 Annual report p. 22
	b) Organizations should report Scope 1, Scope 2 and, if relevant Scope 3 greenhouse gas emissions, as well as the related risk factors	Sustainability report p. 4, 15 og 19 TCFD report p. 4, 15 og 19 Annual report p. 4, 15 og 19 Website: ae.no*
	c) Describe the targets used by the organization to manage climate-related risks and opportunities, and performance against those targets	Sustainability report p. 5 og 7 TCFD report p. 9 Annual report p. 25, 120-122 og 134 Website: ae.no*

* Website: <https://www.ae.no/en/about-agder-energi/corporate-social-responsibility-csr/>

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