

DIVERSITY, EQUITY AND INCLUSION

Elkjøp Nordic AS

2021



Diversity, Equity and Inclusion (DEI) at Elkjøp Nordic

Elkjøp Nordic has put DEI at the very top of our strategic agenda. In order to help everyone enjoy amazing technology, we need to reflect the diversity of our customers and society as a whole throughout our workforce. This means that we recognise that supporting diversity and active inclusion is not only the right thing to do, but also the right thing for our business. Our commitment is woven into our values and our belief that Elkjøp is strongest when we embrace the full spectrum of society, regardless of what we look like, where we come from, or who we love. That means both building a more diverse and inclusive workplace and promoting what we call a courageous engagement in our company and the communities we serve. Our commitment to DEI is to build a strong foundation for the entire Elkjøp Group across the Nordics (Elkjøp Nordic, Elkjøp, Elgiganten, Gigantti).

Elkjøp Nordic aims to have a diverse workforce at every level of the organisation and in all business units. We achieve this by working systematically with everything from goals, policies, regulations on how we recruit, develop, and retain diversity in our organization, and in building company culture.

- We have developed and adopted a Nordic policy for DEI. Our DEI policy applies to all Elkjøp Nordic employees, consultants, and partners. Ensuring a diverse, equal, and inclusive business is everyone's responsibility.
- The last three years we have been working on increasing gender balance.
- We have introduced ability tests as part of the initial screening method in our external recruitment process. The point of ability tests is to provide everyone with an equal and fair opportunity in the initial recruitment phase.
- We strive to increase female applicants in leading roles, one initiative has been to revise and use gender neutral language in external job advertisements.
- We have set clear goals to increase gender balance towards 2025 at Elkjøp Nordic (Increase female employees to 40 % in 2025, we are currently on 29 % as of October 1, 2021. Increase female managers to 30 % in 2025, we are currently on 29 % as of October 1, 2021. Increase female managers at executive management level to 40 % by 2025, we are currently on 38 % as of October 1, 2021).
- For the coming year we will broaden the DEI perspective and build awareness among our leaders on why this is important, provide the leaders with a toolbox (what can I do and how to be a good role model etc), build awareness on how to mirror our customers in the different areas of diversity, and how to build a culture where everyone belongs.

Gender balance and working conditions

Our gender balance per 1. October 2021 is:

Level 1: 33% women, 67% men

Level 2: 48% women, 52% men

Level 3: 29% women, 71% men

Level 4: 46% women, 54% men

Level 5: 38% women, 62% men

At Elkjøp Nordic AS we have sixty four percent female employees in temporary positions, five male employees, and one male employee on part-time employment contract.

Building an inclusive culture

At Elkjøp Nordic we strive to promote an inclusive culture where people are valued for their differences, recognised for their talent, and allowed to be themselves. This is not only a prerequisite for diversity, but



also provides value to us as a company, and is therefore a high priority. We aim to train our employees to recognise the value of diversity, and to actively contribute to developing an inclusive culture.

- In Q4, 2021 we launched e-learning for all leaders across the Elkjøp Group titled “Diversity, Equality and Inclusion in Elkjøp”. This e-learning will assist all managers in Elkjøp Group to better understand their role and how they can work towards creating a culture fostering DEI in the workplace.
- In Q1, 2022 we will launch a mandatory e-learning titled “Check Your Unconscious Biases”, with the aim of demystifying myths and increase knowledge on how we as individuals treat others.
- In Q1, 2022 we will incorporate mandatory diversity and unconscious bias training as part of our pre- and initial onboarding scheme for all new starters at Elkjøp Nordic.

Leaders have extended responsibility

At Elkjøp Nordic and in the Elkjøp Group, all managers/leaders have the responsibility of being good role models. Which means they shall respect and treat all employees in such a manner that everyone feels supported and inspired to perform their best. Our managers/leaders shall recognize the value of diversity, look for diverse talents, lead diverse teams, and create an inclusive culture where our amazing people can be themselves, belong, and grow.

Every April, we run a Nordic employee satisfaction survey in Elkjøp Group, giving our employees the opportunity to provide us with feedback linked to employee satisfaction. This gives us valuable insight into our company culture and helps us improve and continue our work to be a leading diverse workplace in the Nordics. When it comes to ethnicity, we know that Elkjøp Nordic and Elkjøp Group has a diverse workforce, however, due to GDPR and internal evaluations linked to sensitive people data we do not register nationality/ethnicity as part of our master data in our HR system. We acknowledge that the lack of data insight is a risk as it reduces our possibility to provide concrete insight into our ethnicity diversity.

Governance

- Our DEI Policy is made available for everyone at Elkjøp Group. Everyone is responsible for its implementation.
- HR owns the policy and will provide yearly updates to the Executive Management Group on development within the prioritized areas and specific targets set as part of our DEI agenda.
- DEI policy will be revised and updated as part of yearly update to Executive Management Group.
- Objectives, achievements, and developments will be transparently communicated to all employees consecutively throughout the year.

Channels for reporting concerns

Elkjøp emphasizes an open culture encouraging employees to notify on potentially censurable or critical circumstances within the company (whistleblowing), and on concerns related to the individual employee’s personal circumstances at work (grievance). This is important for the general working environment, and the well-being of the individual and company. Our business, like all others, will only succeed if our customers and colleagues trust us. Therefore, it is important that such matters are addressed and handled in a proper manner. This policy is in place to give employees an understanding of how to proceed in notifying Elkjøp about concerns related to malpractice or concerns related to employees own and others’ employment status. Our internal whistleblowing channel is available at <https://secure.ethicspoint.eu/domain/media/en/gui/107395/index.html>



Recruitment at Elkjøp Nordic

Recruiting is one of our most important processes. Finding the right person for the right role is key to our company's success, and it is therefore important that we use well documented methods and have a structured approach. In Elkjøp Group we use a competency-based recruitment process. By doing this we secure a less biased process where the final selection of who to hire is based on the competencies and skills we are looking for, rather than personal preferences and gut feeling. The competencies are used in all stages of the recruitment process, creating a "green line" from job analysis to potential hiring stage. By advertising, testing, screening, interviewing, and hiring with the competencies in focus it is always easier to compare candidates and explain to the candidates why they did not get the job if they question it. We always do a job analysis before we start the recruitment process. The purpose of the analysis is to identify the need and purpose of the role. By developing a clear description of the role, we also identify which competencies ideally is needed for that one role. As our recruitment process is competence-based, we use both personality and ability tests in the initial stage of the recruitment process. Tests are provided from AON and as a standard we choose between two-three tests for each role. We have a clearly defined recruitment process available for all leaders and employees in Elkjøp Group.

As part of our process, we have well defined steps linked to the interview, for example, all second interviews should be completed by two Elkjøp employees, this because we all perceive and emphasize things differently in recruitment processes, so to maintain a fair and structured hiring process we always make sure that candidates are met by more than just one Elkjøp employee. *"We nurture diversity and balance in our organization, and therefore encourage everyone to apply regardless of background, ethnicity, gender etc"*; this phrase is standard in all our job postings and enforces our ambition to attract and recruit a diverse workforce. We are very aware of wording in our job postings, making sure to appeal to both females and males, with diverse backgrounds, and will in Q1, 2022 analyse all wording used in our job advertisement templates to eliminate any negative or unbiased wording.

We acknowledge that our current recruitment process where managers and departments are solely responsible for their own process, might result in less diverse and non-bias recruitment when linked to physical interview. However, we do feel confident that our competence-based testing during initial application process assists us to attract fair and unbiased applicants. Our plan for 2022 will be to introduce an un-bias and diverse recruitment e-training for all leaders and recruitment specialists across the Nordics.

Salary and bonus at Elkjøp Nordic

Everyone who works at Elkjøp Nordic (and in the Elkjøp Group) have the same opportunities as their colleagues, whoever they are and wherever they are. This means fostering a work environment where employees feel that their background and lifestyle do not affect perceptions of them as professionals, or affect their opportunities for development, equal pay and promotion. As part of our internal salary and bonus mapping, we see that we have work to do when it comes to gender- and pay equality on management level, mid- and junior level. However, several measures have already been introduced (such as change in bonus level model in 2015 and increased involvement from HR in recruitment processes).

The gender balance at Elkjøp Nordic has been predominantly male dominated for several years, historically, we have recruited internally from the Elkjøp Group which has then continued the gender imbalance from Elkjøp Group to Elkjøp Nordic. By the end of FY20/21, the gender distribution in Elkjøp Group was 27 % women and 73 % men. However, over the past five years we have had an increase in female hires due to immense growth and increased gender balance focus in recruitment. We have increased the number of external hires compared to previous years, this through close collaboration with external head-hunters who shortlists candidates of both genders.



For our internal salary mapping we see a 7% pay gap on level two, 19% pay gap on level three, 20% pay gap on level four and 26% percent pay gap on level five. For bonus we have a difference of 31% on level one due to new hires not having received bonus as per date of analysis, 39% difference on level two, 52% difference on level three, 45% difference on level four and 27% difference on level five. The majority of these differences have been linked to one key fact linked to seniority at Elkjøp Nordic and Elkjøp Group. The longer the seniority, the higher the bonus potential you are eligible to receive. As a result, male employees with longer seniority at Elkjøp Nordic has a higher base pay and bonus potential level compared to female employees with lower seniority. Through in-depth analysis we are safe to say that the imbalance we see today is a natural occurrence linked to seniority. We strive to increase the gender balance and equal pay and bonus for all employees on all levels.

Organizational development and learning

At Elkjøp Nordic and throughout the Elkjøp Group, we enable business success by engaging our amazing people to grow. To move individuals and the organization in the right direction we are focusing on:

- How to increase and drive business by knowledge sharing.
- Creating engaged leaders who facilitate growth.
- Creating next level learning experience.
- Driving an inclusive culture where amazing people belong and grow.

Elkjøp Academy

Learning and development are a key driver for our company and is at the very core of our culture. In Elkjøp, we use a blended training approach to develop our employees. One of these methods is digital training, also known as e-learning. Our internal training platform is named “Academy”, which all employees in the organization have access to. In Academy we have over 400 e-learnings across numerous topics, as shown above. As a part of our onboarding program, mandatory training must be completed during the first two weeks of tenure. Our key training areas are sales training, customer interactions, product knowledge, system trainings, compliance guidelines, leadership, diversity equality & inclusion and unconscious bias.

Leadership programs

In Elkjøp we believe our leaders have a key role in facilitating growth, both in business, teams and individuals. We invest in leadership development, and we have relevant programs whether our employees are already a leader, want to become a leader, or in general want to develop their leadership skills, our leadership programs are: new as a leader, emerging leaders, leading others, leading leaders, leading functions.

In addition to our leadership programs, we also offer other development initiatives (such as processes for effective leadership teams) as well as coaching and support to our leaders.

Strength-based Leadership

One of the cornerstones in our leadership development is the focus on strength-based leadership. Strength-based leadership is the ability to identify and make the best use of our own, our team members, and the organizations’ strengths. By focusing on strengths, we can utilize the untapped talent in the organization, as well as increase job satisfaction and engagement, and help teams and departments to work even more efficient.



Development for Elkjøp Nordic AS staff

Our aim is to enable business success by engaging our amazing people to grow. In Elkjøp we do that by:

- Offering relevant trainings and development initiatives, to secure individual, team and organizational growth.
- Learning and sharing knowledge, between colleagues, in teams and between functions and business areas.
- Driving culture where people can be themselves and belong, and where there is openness for everyone to contribute with their ideas, knowledge and skills.
- Offering a solid onboarding to Elkjøp Nordic and Elkjøp Group.

We believe that a great focus on learning and development is the key to success and essential to be a market leader. Our leaders have a key role in providing learning and development possibilities for our employees - nevertheless, we are all responsible for our own development, as individuals, as part of a team and as a part of an organization.

Harassment (sexual or otherwise) and gender-based violence

At Elkjøp Nordic and through-out the Elkjøp Group, we have a zero-tolerance policy for discrimination, bullying or harassment, sexual or otherwise. We believe in being open, honest, and transparent. If colleagues witness, become aware of, or suspect someone of discrimination, harassment, or any other breach of our company zero tolerance policy, it is expected that the observant will report this to their immediate manager. If they do not feel comfortable discussing the matter with their immediate manager, or immediate manager is directly involved, the observer must contact HR directly or use our whistleblowing channel. Observers may also discuss and seek advice with our local personnel safety representative or OHS (Occupational Health Service). Outside of the normal whistleblowing channels, we are able through our yearly employee engagement survey and exit surveys to identify areas of risk.

Work-life-balance

We respect that everyone has different needs at different times, and as such, work-life-balance and flexibility is an important part of our Elkjøp Nordic culture. To accommodate our employees, we have enforced flexibility through flexible workhours and remote working guidelines, all closely accommodated by dialogue between employee and immediate manager. At Elkjøp Nordic we rely on frequent interaction between colleagues in our business, the guidelines and remote work policy is laid down to enable us to operate and lead efficiently, secure team alignment and engage in collaboration and innovation.

Our parental and maternity leave policy is based on rules and regulations in the National Insurance Act. Welfare leave is granted for a necessary time for all employees, usually up to one day with pay. Immediate managers process each individual application for welfare leave separately, which introduces flexibility based on each employee's circumstance. We offer welfare leave for (but not limited to):

- up to two days paid leave for habituation in kindergarten.
- up to one day paid leave for first day of school for first graders.
- up to one day paid leave to move/relocate.
- up to one day paid leave to attend one owns wedding (on the wedding day).
- up to one day paid leave in the event of death/funeral in immediate family.



During parental leave, Elkjøp Nordic employees is paid from Elkjøp and all pay generates- and qualifies for holiday pay the following year.

For 2021 we had 18% female and 9% male employees on level three on maternity leave, 67% female and 33% male on level four and 33% female and 67% male on level five. 69% of females on level three took on average 27.5 weeks of maternity leave, 31% of male employees took 12.3 weeks. 61% of females on level four took 32 weeks, 39% of male took 20.7 weeks. 83% of females on level five took 25 weeks and 17% of male took 5 weeks.

Work environment

Elkjøp Nordic and Elkjøp Group (including subsidiaries) are committed to providing a safe and healthy environment for everyone working in our business and all our customers. We aim to deliver our operations and services in a way that protects the health and safety of all the people impacted by the work that we do. We recognize that by having a sound health and safety framework, and simple standards and processes, we can deliver on our commitment to good health and safety practice and comply with the law. We believe that this contributes to a successful and sustainable business. A holistic perspective on the working environment includes physical, mental, social and organizational factors. A healthy work environment will contribute to safeguarding human capital in Elkjøp Nordic and Elkjøp Group. The working environment area thus has a natural interface with the areas of organizational development, leadership development, competence development, labour law and employment conditions. Our aim is for our policies and practices to comply with local law on occupational health and safety in all Nordic countries, and therefore we use three key principles to achieve best practice in our business, we care, we act, and we deliver.

Work environment and health and safety is on the agenda in management meetings, induction of new staff, and team meetings in stores and other units, to ensure awareness and knowledge of, and a focus on, health and safety. There is an open work environment with a healthy feedback culture that allows leaders and employees to speak up and report any violations of laws, regulations or policies that prevent us from offering a sound working environment for our colleagues and a safe customer experience for our customers in our stores. The business will offer safety training and equipment to prevent accidents and injuries and help create a safe and sound work environment for all employees. The business will have routines in place to ensure that employees are being taken care of not only during an incident or crisis, but also afterwards.

Elkjøp Nordic is proud "IA-bedrift", which means we abide to the "inclusive workplace" guidelines as part of our internal health and safety work. A concrete example is that we offer our employees 24 self-report sick-days during a 12-month period, with a maximum of 8 coherent days, compared to 12 days during a 12-month period with a maximum of three coherent days - laid down by the provisions of the Norwegian National Insurance Act.

What are our goals?

- Increase female employees to 40 % in 2025.
- Increase female managers to 30 % in 2025.
- Increase female managers at executive management level to 40 % by 2025.
- Digital recruitment un-bias training (will be launched in Q1, 2022) (minimum completion rate of 80 %).
- Digital DEI and un-bias training for leaders (launched Q4, 2021) (minimum completion rate of 80 %).
- Host first DEI seminar for all employees at Elkjøp Nordic.



- Set measurable goals within specific DEI areas to help assist in tracking improvement and ongoing DEI work across Elkjøp Nordic.
- Celebrate important DEI initiatives during work hours to develop and increase our inclusive culture.
- Finalise and activate DEI framework for Elkjøp Group.
- Perform yearly pay and bonus mapping to track and initiate deep-dives where needed to decrease differences on remuneration across Elkjøp Nordic AS:

