

# DIVERSITY, EQUITY, INCLUSION, AND BELONGING

Activity and Reporting Duty (ARP)

Elkjøp Nordic AS

2024



# Content

Diversity, Equity, Inclusion, and Belonging (DEIB) at Elkjøp Nordic AS .....	3
Building an inclusive culture .....	4
Leaders have extended responsibility .....	4
Gender balance and working conditions .....	4
Temporary and part-time positions.....	5
Parental Leave .....	5
Compensation at Elkjøp Nordic.....	5
Salary .....	5
Bonus.....	6
Other benefits .....	7
Governance .....	7
Zero-Tolerance .....	7
Organizational development and learning .....	8
Elkjøp Academy .....	9
Leadership programs.....	9
Development for Elkjøp Nordic AS staff .....	9
CAMPUS.....	9

Attachment:  
Korn Ferry Hay Group grading

## Diversity, Equity, Inclusion, and Belonging (DEIB) at Elkjøp Nordic AS

To help everyone enjoy amazing technology, we need to reflect on 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.

*Elkjøp Group* 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, systematic recruitment processes and development. Furthermore, we retain diversity by increasing the sense of belonging, and by building company culture including *DEIB* values.

In 2024, Elkjøp Group are updating the Nordic Strategy for DEIB. This will continue to apply to *all Elkjøp Nordic AS* employees, consultants, and partners. This is to ensure that a diverse, equal, inclusive, and belonging business keeps being everyone's responsibility. Elkjøp Group are also reevaluating the companies' values during 2024. An important focus during this process will be to ensure that that our commitment to DEIB gets woven even more into our values.

One of the actions we have taken to ensure diversity, is that we introduced ability and work behaviour tests in 2013, as part of the initial screening method in Elkjøp Group's recruitment process. Coming summer 2024, we will have completed an evaluation process of the test system we are using. We will also have ensured that we are collaborating with a test provider which helps us continue securing equal and fair opportunities going forward at Elkjøp Group.

In preparation for the *EU Pay Transparency Directive*, starting with this year's Activity and Reporting Duty, we are fine-tuning our salary grading to make sure that we are more precise when it comes to reporting on jobs of equal size. The next steps will be implementing salary bands for all functions at Elkjøp Nordic AS by the end of the calendar year 2024. Starting from August 2024, we will expand salary bands to all our business units. We aim to be done with this process during 2025. Furthermore, we are implementing *SuccessFactors Performance & Goals* tool for all office-based staff. This tool will enable us to track our colleagues' performance and ultimately simplify reporting of the variable pay component.

Furthermore, Elkjøp Group are setting new goals for DEIB for the period 2024-2026 during the start of the fiscal year 24/25.

## Building an inclusive culture

At Elkjøp Group, 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 top priority. We aim to train our employees to recognise the value of diversity, and to actively contribute to developing a culture of inclusion and belonging.

## Leaders have extended responsibility

At Elkjøp Group, all leaders are responsible for being good role models. This means they shall respect and treat all employees in such a manner that everyone feels supported and inspired to perform their best. Our 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.

## Gender balance and working conditions

To categorise Elkjøp Nordic AS position grades, we follow the *Korn Ferry Hay Group* methodology which compares jobs on three main factors, as follows:

1. Know How required to do the job, including Management Knowledge and Communication and Influencing Skills as well as Technical and Business Knowledge.
2. Problem Solving complexity
3. Accountability for results, nature of impact and freedom to act to achieve the results

Elkjøp Nordic AS are using position grades from 10-25, and these are used to analyse the gender balance per October 1<sup>st</sup>, 2023, as shown in chart 1.0.

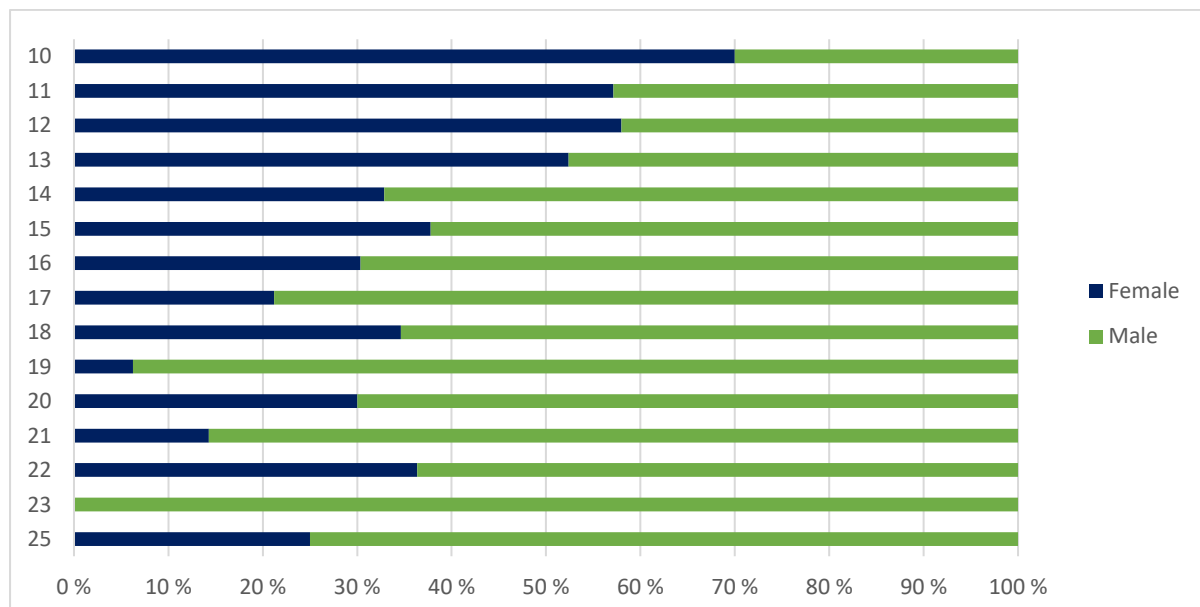


Chart 1.0: Gender balance

The current gender balance at Elkjøp Nordic AS is 36% female and 64% male. There is a strong tradition at Elkjøp group to recruit internally, to utilise our assets as best possible, and to continue to give our employees the opportunity for growth and development at the company. This partially accounts for the uneven gender balance, as Elkjøp Group historically has been a male-dominated company, with the most recent numbers from October 1st, 2023, report 27% female and 73% male employees. This number has been stable over the last few years. To help balance this trend in the future, we are implementing a new, common, DEIB strategy in the company. Furthermore, Elkjøp Group are taking concrete actions to increase the number of women by 2026. Some of the actions include making leadership trainings more DEIB-focused and evaluating our recruitment and onboarding processes.

## **Temporary and part-time positions**

The majority at Elkjøp Nordic AS are employed in full-time positions. However, we have two female and two male employees in temporary positions. They were hired to cover permanent employees who are out on parental leave and long-term sick leave. Moreover, one female employee is on a part-time employment contract. This is due to the level of need in the particular position.

## **Parental Leave**

At Elkjøp Nordic AS, 18 female and 14 male employees were on parental leave during 2023. Of these, the average leave among female staff was 20 weeks and among male staff it was 10 weeks.

## **Compensation at Elkjøp Nordic**

Everyone who works at Elkjøp Nordic AS (and in the Elkjøp Group) have the same opportunities. However, as part of our internal salary and bonus mapping, Elkjøp Nordic AS acknowledge that we have gaps in our gender- and pay equality at all levels which needs to be balanced. However, several measures have already been introduced, such as a change in the bonus level model in 2015 and increased involvement from HR in recruitment processes.

## **Salary**

To analyse the salary gap at Elkjøp Nordic, as previously mentioned, we use the Korn Farry Hay Group system where we have divided the position grades from 10-25. The salary gap as of October 1<sup>st</sup>, 2023, is presented in chart 2.0.

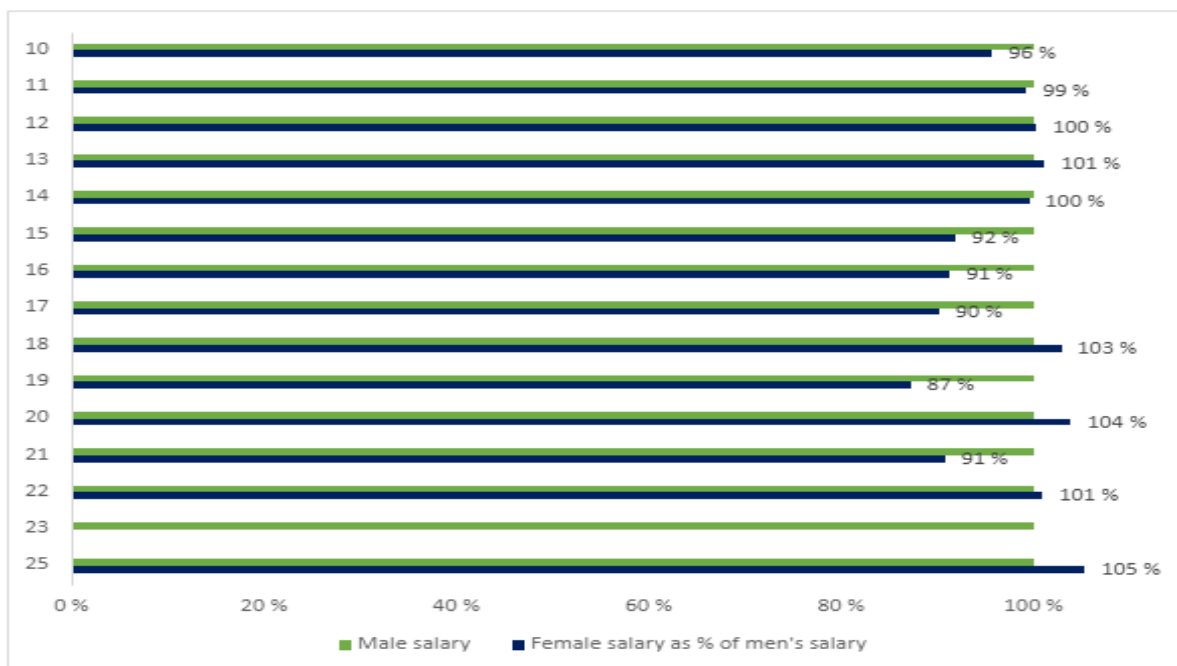


Chart 2.0: Female salary as % of men's salary (100%)

The differences in salary can be explained by one or more of the following reasons:

- Seniority and level of experience
- Competences and performance

During 2024's salary review, we will also run additional mapping to identify any deviations in the salary levels between female and male employees at the same grade.

## Bonus

Due to financial circumstances, Elkjøp Group did not reach the bonus targets in 2023. Therefore, there was no bonus payout in 2023 for anyone at Elkjøp Nordic AS.

The company had a need to ensure retention of key roles amongst management. To achieve this, an additional bonus program was set in place in 2020. The payouts of this bonus were completed during 2023. The distribution of the bonus was in accordance with Table 1.0.

Grade	Female	Male
18		1
19		5
20	1	3
21		4
22	2	5
23		3
25	1	3

Table 1.0: Number of managers who received a retention bonus in 2023

## Other benefits

At Elkjøp Nordic AS, we also offer other benefits as part of the compensation package. Amongst these are car allowance, company car, and long-term incentives. It is usually the highest manager levels in the company which receive these types of benefits as part of their total compensation. In special circumstances, this can also be a solution at lower levels in the company.

Table 2.0 shows the number of employees who receive a car allowance/company car divided into gender in each grade.

Grade	Female	Male
16	1	
17		1
19		1
21		2
22		1
25	1	1

Table 2.0: Number of employees who have a car allowance/company car

Furthermore, the Nordic Management Team and some employees from the Extended Management Team have also received long-term incentives in the form of share awards during 2021, 2022, and 2023. Table 3.0 shows the distribution of the share awards over the last three years.

Grade	Female	Male
18	1	
20	1	1
21	2	6
22	3	6
23		2
25	1	3

Chart 3.0: Distribution of share awards

## Governance

- Our DEIB Strategy is made available for everyone at Elkjøp Group, and everyone is responsible for its implementation
- HR owns the strategy and will provide annual updates to the Nordic Management Team on development within the prioritized areas and specific targets set as part of our DEIB agenda
- Objectives, achievements, and developments will be transparently communicated to all employees consecutively throughout the year

## Zero-Tolerance

At 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 observer will report this to their immediate manager. If they do not feel comfortable discussing the matter with their immediate manager, or the immediate manager is directly involved, the observer must contact HR directly or use our whistleblowing channel. Observers may also discuss and seek advice from our local personnel safety representative or OHS (Occupational Health Service). Outside of the normal whistleblowing channels, we identify areas of risk through our annual employee engagement survey *Safe@Work* and exit surveys.

Elkjøp Group emphasizes an open culture encouraging employees to report 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 the company. Our business 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

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. This results in ensuring that the final selection of who to hire is based on the competencies and skills we are looking for. The competencies are used in all stages of the recruitment process from job analysis to potential hiring stage. With this in focus, it makes it easier to compare candidates and to hire the right person. 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 are ideally needed for that specific role. To ensure this, 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. During winter 23/24, we will evaluate if AON provide the needed services to also ensure competence-based recruitment in the future.

We have a clearly defined recruitment process available for all leaders and employees in Elkjøp Group. This process includes one step linked to the second round of interviews with candidates. Here, the interviews should be conducted by two Elkjøp employees, to maintain a fair and structured hiring process.

The following phrase is standard in all our job postings, to enforce our ambition to attract and recruit a diverse workforce: "We nurture diversity and balance in our organization, and therefore encourage everyone to apply regardless of background, ethnicity, gender etc".

We acknowledge that our current recruitment process where managers and departments are solely responsible for their own process, might result in less diverse and more biased recruitment. Even though we feel confident that our competence-based testing assists us in shortlisting the right applicants, one of the goals towards 2026 is to reevaluate our recruitment process and training material for all managers.

## Organizational development and learning

Our aim is to enable business success by engaging our amazing people to grow. At Elkjøp Group 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 a 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 AS and Elkjøp Group

## Elkjøp Academy

Learning and development are key drivers for our company and is at the very core of our culture. At Elkjøp Group, 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 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 personal development. Gamification is one of our key pillars when developing training material and we strive to make digital training content engaging to our employees.

Beside digital trainings, a wide array of courses both digitally, physically, and blended is offered as part of learning activities. Being a trusted advisor towards our customers is very important to us, and we know thorough training is needed to realize our potential and meet our customers' expectations.

## Leadership programs

At Elkjøp Group, we believe our leaders have a key role in facilitating growth, both in business, teams, and as individuals. We invest in leadership development, and we have relevant programs whether our employees already are leaders, want to become leaders, or in general want to develop their leadership skills. Our leadership programs are: *Leading with impact*, *Leading Growth* and *Leading change*.

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

Moreover, we see a need to evaluate and develop the leadership training to have a stronger DEIB focus, and this is a goal towards 2026. This is to ensure that all leaders develop the required knowledge and skills to drive a culture of inclusion and belonging.

## Development for Elkjøp Nordic AS staff

We believe that a great focus on learning and development is the key to success and is 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. We have therefore implemented development initiatives such as Learning labs on key skills, a *Reverse Mentoring* program, and the self-development program *Leading Self*.

## CAMPUS

Our biggest learning arena is *CAMPUS*, where once a year, we invite around 1000 suppliers and almost 6000 Elkjøp coworkers for a large gathering at *Gardermoen* in Norway. Over a period of one month this makes up the largest consumer electronics trade fair in the Nordics. Here, coworkers get the chance to try out and learn about the latest in electronics before it hits the shelves. Since 2016, we have used this opportunity to educate our employees, forge relationships, and create engagement and knowledge. To ensure that our employees have a deep understanding of the products and services they are working with and selling, the main focus is on product knowledge. This also allows our employees to be more confident

and secure in their dialogue with customers. This contributes to a positive customer experience, which can lead to higher customer satisfaction and loyalty. During Campus we also have our annual *Leadership Summit*, where we gather all Store Managers and local back-office managers to reflect on our opportunities and to be a part of shaping our path forward.

## Work-life balance

In order to accommodate our employees work-life balance, we offer flexibility through flexible workhours and remote work, all closely accommodated by dialogue between employee and immediate manager. At Elkjøp Nordic AS, we rely on frequent interaction between colleagues in our business. The guidelines and remote work policy is established 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 AS employees are paid by Elkjøp. Moreover, all pay generates and qualifies for holiday pay the following year.

Elkjøp Nordic AS is proud to be an *IA-company*, 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 consecutive days, compared to 12 days during a 12-month period with a maximum of three consecutive days - laid down by the provisions of the *Norwegian National Insurance Act*.

Employees in Elkjøp Nordic AS, in an 80% position or higher as well as those who have been employed for more than 10 years regardless of position percentage, are automatically included in our health insurances through *Protector*. The insurance covers assessment and specialist treatment, hospital treatment with and without operations, day surgery, cancer treatment, physiotherapy/chiropractor, psychologist, and rehabilitation.

## Attachment: Korn Ferry Hay Group grading

Korn Ferry Hay Group methodology which compares jobs on three main factors, as follows:

1. Know How required to do the job, including Management Knowledge and Communication and Influencing Skills as well as Technical and Business Knowledge.
2. Problem Solving complexity
3. Accountability for results, nature of impact and freedom to act to achieve the results

Explanation of the grades:

Employee group	Grade	Description
Senior management / Executive	21-27	Performs practices requiring in depth specialization in a professional field or a broad understanding of relationships between different fields. Both are gained through deep and broad experience built on concepts and principles. These jobs require the ability to select, develop and assess the suitability of techniques, not just the application of those techniques. The level represents generalist and managerial skills. Final responsibility for supervision of functions. Controls a major function in a large organization or all functions in a small organization.
Middle management / Seasoned professional	17-20	Performs general practices in a specialized field with considerable freedom to achieve end results. Requires proficiency in a specialized field or broad understanding of relationships between different fields and an ability to assess the suitability of techniques. This will be an individual contributor or a manager of a team.
Supervisory / Junior professional	12-16	Performs standard work routines under general guidance. Requires authoritative knowledge of specialized methods acquired on the job or through professional qualification. May supervise a group of workers.
Clerical / Operations	4-11	Performs routine tasks, under supervision, which have specific objectives. Requires basic knowledge of work routines or simple machinery. Generally, tasks are repetitive in nature and training is acquired on the job.