

Equality statement 2022

Activity and Reporting Duty (ARP)



Elkem has several thousand employees globally representing a wide variety of experiences, background and traditions. We appreciate and recognise that every individual is unique and should be respected for their individual attributes, abilities and contributions. We welcome, listen to, and respect the ideas of people from different backgrounds. Elkem will provide equal employment opportunities in an inclusive working environment and treat all our current and prospective employees fairly.

At Elkem we do not tolerate any direct or indirect discrimination or degrading treatment of colleagues or others impacted by our operations. Discrimination includes all unfair treatment, exclusion or preference based on ethnicity, gender, gender identity and gender expression, age, disability, sexual orientation, marital status, pregnancy, parental leave, care responsibilities, religion, philosophy of life, political views, national or ethnic origin, cultural background, social group, disability, or any other characteristic that results in compromising of the principle of equality.

This report consists of two sections and covers Elkem in Norway. Section one focuses on the actual state of gender equality in our company, while section two focuses on the work that we have done and are doing towards equality and addressing issues of discrimination.



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Section 1 State of gender equality

The following aspects of gender equality have been mapped:

- total gender balance
- temporary employees
- employees in part-time positions
- average number of weeks of parental leave for women and men

In addition, for 2022 we have also mapped:

- salary differences at different position levels
- total wage difference in the company
- gender distribution at different position levels
- employees who work involuntary part-time

In 2022 the total number of employees in Elkem in Norway was 1602, of which 23% were female. In temporary positions Elkem had 29% female employees. In part time positions the female share was 31%. In Elkem we strive for flexibility and work-life balance for our employees and all the part time positions are voluntary and by request of the employee himself/herself. Considering this current situation, we do not have a need to initiate any measures to end involuntary part-time work.

Women took on average 38 weeks of maternity leave, while the corresponding number for men was 18 weeks.

The overall female share in the company is unevenly distributed across role levels. In the management teams of plants and units globally, the female share is 30%, whereas, among all leaders with personnel responsibility the female share is 22%. Among the operators the female share in general is low and in Norway 12%.

Elkem has focused on increasing the female share for many years, but few female applicants to positions have limited the possibility to increase the share. Having said that, 24% of all applicants to vacant positions in Norway were female and the female share of new hires was 29% in 2022. Elkem always encourage female candidates – both internal and external – to apply and we are working on creating increased awareness and competency among the recruiters to avoid unconscious bias or any kind of discrimination in the recruitment and promotion processes.

For the mapping of female share and the first version of salary comparison mapping, we have used the following groups or standardised roles in the Norwegian organisation.

Please note that levels with less than 5 of each gender have been excluded:

Description of the level / group	Female share	Difference in base salary (female employee salary in % of male salary)
All employees in Norway	23%	109%
Corporate management	10%	N/A
Division management	30%	75%
Plant management	23%	87%
Team leader (projects and procurement)	25%	99%
Specialist (technology, R&D, IT)	28%	99%
Staff specialist (finance, HSE, HR)	46%	94%
Staff Lab	51%	101%
Operator	12%	95%

As this comparison was made for the first time in 2022, the above list is not conclusive. We will continue to develop the job levelling and standardised categorisation, aiming at including all the workforce in Norway. Thereafter we aim to break down the levels into functions e.g. HR, finance, IT, communications, supply chain, etc. in order to uncover whether functions that contribute with equal value to the company are paid as such.

Our analysis of specific role requirements and responsibilities as well as years of service (when relevant) show that the differences are justified by these factors. We plan to do more detailed analysis of the data and if any unjustified differences are found, work together with the employee representatives to take corrective actions.

Some general comments to the remuneration structure:

All operators in Elkem Norway are covered by a collective salary agreement. The remuneration is therefore the same for both genders.

The bonus agreements, both collective and individual, are regulated in corporate guidelines and thus equal for men and women. The collective bonus guidelines are annually discussed with the union representatives.

The analysis of overtime shows that 90% of all overtime hours in 2022 were worked by men. This is primarily explained by the high male share among the operators.

Section 2

In this section we describe how diversity, equality and inclusion are integrated into Elkem's governing and guiding principles, policies, procedures and standards and how we address both risk analysis and preventative actions.

Principles, procedures and standards for diversity, equality and inclusion

Diversity, Equality and Inclusion (DEI) are key pillars in our Corporate Human Resources Strategy, People Policy, underlying HR procedures and the code of conduct.

Elkem is committed to continuous improvement, and measurement gaps and risks. In 2022, we conducted our first ever Global Employee Engagement survey in order to give our employees a voice and understand where we can improve. The overall response indicated that Elkem employees are highly engaged and gave very positive feedback on purpose alignment and the leadership at all levels. Compared to peers within our industry globally, Elkem overperformed the industry benchmark. The least favorable responses were associated the efficiency of some internal processes and decision making as well as with workload and compensation. As a result, we have started working on a plan of action that will address these topics in 2023.

In 2022, we appointed a dedicated HRIS Manager in order to leverage our people data in our decisions. We are in the process of implementing a common global Learning Management System (LMS) in order to ensure equality by increasing accessibility of learning and development opportunities for all employees and to ensure full compliance with mandatory development activities.

In an effort to work more strategically with DEI, we have taken a more holistic approach, beginning with analysing the processes and procedures we currently have in place through a DEI lens. We reviewed and re-designed our HR People policies, procedures and supplementary material in light of our DEI policy, ensuring equal opportunities for all as well as committing to equity as an organisation. Our focus has been on wellbeing, flexibility and fairness in the workplace.

Furthermore, workshops to increase awareness and competency on DEI have been conducted with the Corporate Management of Elkem and are planned for the next levels in the organisation.

Recruitment

Currently, the constraint on available workforce, resulting in low levels of unemployment, has been described as one of the top 3 critical challenges in Norwegian organisations. However, there are still thousands of people that are unemployed in the Norwegian marketplace. Elkem in Kristiansand has sought to engage and employ people from this group as future employees through our “Support Employment” project. The goal of this project is to seek out potential candidates that would not be able to enter the workplace under “normal” pathways. Elkem seeks to provide this group with a second chance. This may include for example, candidates with disabilities, no formal qualifications, previous drug problems, asylum seekers and refugees. Under this programme, candidates are given the opportunity to work in Elkem for a period where they are coached and at the end of the period, they are assessed for suitability for permanent roles within Elkem.

In 2022, we conducted an extensive review and re-design of Elkem’s Recruitment procedure and accompanying supplementary material, in light of our DEI objectives. The goal of this project was to enforce Elkem’s zero tolerance for discrimination and our commitment towards equal opportunities. In addition, we created a checklist for recruitment agencies to ensure that they are also committed to presenting us with a diverse range of qualified candidates that will enrich our culture. We have also adjusted our standard job announcement template to reflect our commitment to DEI.

Combination of work/private life

Elkem recognises that a better work-life balance can improve employee performance, productivity and well-being. Therefore, we aim to support employees in achieving a better balance between work and other personal priorities such as: dependent care responsibilities, special leave needs, leisure activities, further learning and other interests.

Elkem actively encourages leaders to support employment flexibility and, where possible, facilitate an efficient working day for their employees. After Covid, there has been more opportunities to work from home for some groups of our employees, recognising the positive effects of balance between working from home, but still focusing on and emphasising the importance of participation and interacting with colleagues face-to-face both at our plant- and office environments. Elkem has implemented new guidelines to support flexibility by defining different types of working from home in Norway. These guidelines have been developed in line with the new home office regulations (“hjemmekontorskiften”) and have been functional since July 2022.

Development Opportunities

At Elkem, we understand that our leaders are role-models for capabilities and appropriate behaviors aligned to our corporate values, that drive success and productivity in the organisation. For this reason, in 2022, we developed a new in-house global standard programme: Leadership Essentials for our first line leaders. This programme aims to equip our leaders with the people skills needed to support their teams towards achieving success and creating a One Elkem culture.

DEI has been embedded throughout the programme including understanding self, unconscious bias, conscious inclusion, and inclusive leadership. We are currently in the progress of piloting the programme, with an aim to launch it across the global organisation in 2023. In conjunction with our next level Leadership program, we have also created a 360 Inclusive Leadership Feedback Assessment to allow our leaders to better understand themselves in key areas of their performance.

The ongoing implementation of the global Learning Management System will promote and enable transparency and accessibility of our learning and development offering for all our employees.

Promotion

Elkem aims to increase diverse representation, particularly in critical roles, by identifying potential candidates through the Critical Position Planning (CPP) process. Moving forward, we will continue to focus on leveraging several dimensions of diversity, not limited to gender, but also age and cultural diversity.

Compensation and benefits

Elkem aims to offer competitive, but not leading, salaries according to local standards. Surveys in selected locations, such as Norway, are conducted to review status and enhance equal pay.

Elkem has corporate guidelines for other compensation elements, such as short-term incentives to ensure fair and consistent handling of such matters without bias.

This is how we work to identify the risk of discrimination and prevent equality

All of our Human Resource related policies and procedures are regularly reviewed and, where relevant, discussed with local employee representatives. In all Elkem manufacturing plants in Norway there is a working environment committee and, at the corporate level, a corporate committee, where the management, together with the employee representatives engage in continuously improving the working conditions, evaluating any inequalities and identifying any health and safety risk and/or improvement areas. These committees meet several times per year.

Elkem is committed to continuous improvement in reducing discrimination and removing obstacles to equality. These risks of discrimination and obstacles to equality are described in the table below.

Recruitment

Risks	Measures	Status
<ul style="list-style-type: none"> → Potential for unconscious bias at different stages of the recruitment process 	<ul style="list-style-type: none"> → Unconscious bias & diversity recruitment awareness training for HR and Hiring Managers 	<ul style="list-style-type: none"> → In progress
<ul style="list-style-type: none"> → Organisation's procedures may not support diversity, equality, and inclusion 	<ul style="list-style-type: none"> → Review Recruitment procedure in light of DEI → Review supplementary material, including Interview guide, template for candidate evaluation, job description and reference interview guide, in light of DEI 	<ul style="list-style-type: none"> → Done → Done
<ul style="list-style-type: none"> → Risk of not being able to attract candidates from a diverse pool 	<ul style="list-style-type: none"> → Review and update Elkem's job ad template. Ensure the section describing the company reflects our commitment to DEI and use images that represent our cultural diversity → Give clear requirements and guidelines to ensure our partnering external recruitment agencies understand and mirror Elkem's commitment towards diversity, equality and inclusion → Increase focus on Employer branding <ul style="list-style-type: none"> Internal: Use intranet for promoting diversity within the organisation. Add and integrate DEI section in People & Organisation page External: Promote Elkem as an employer of choice for DEI through, social media, universities, high schools, appropriate conferences, and other arenas in local communities. Act as local sponsors in the communities we serve 	<ul style="list-style-type: none"> → Done → Done → In progress

Combination of work / private life

Risks	Measures	Status
→ Unrealistic expectations/ targets can result in too heavy workload and long working hours to achieve targets. This can result in high stress levels and poor physical and mental wellbeing	→ Elkem is a LEAN organisation, but to ensure good work life balance, the resource needs must be continuously evaluated	→ In progress
→ In today's climate, where resources are scarce, lack of opportunities to facilitate flexible working may result in limited access to best talent and imbalance between work and private life	→ Communicate our commitment towards flexibility in Elkem's policies and procedures. Ensure Elkem's dedication towards flexibility (both hybrid working and flexible working hours) are known to all leaders	→ Done

Work environment

Risks	Measures	Status
→ Executing repetitive tasks and manually heavy work, can result in physical strain leading to higher levels of sick leave and turnover. Such working conditions can also act as a deterrent in attracting diverse candidates, particularly women	<ul style="list-style-type: none"> → Continue the processes of automation and digitalisation in the plant operations → Evaluate, commit and practice more ergonomically effective working conditions e.g., job rotation to alleviate work strain 	<ul style="list-style-type: none"> → In progress → Done and to be continued
→ Lack of digitalised processes, tools and systems making workflows longer, less efficient and more prone to human error	→ Continue investing in digital tools across the organisation, like digitalisation within HR with global LMS	→ In progress
→ Risk of being a less attractive place to work as some areas in the plant can be viewed as dangerous	→ Continue automation focusing on removing people from the risk areas	→ In progress

Culture

Risks	Measures	Status
→ Risk of losing diverse top talent due to unsafe or exclusive work culture	→ Connect the Elkem values to defined value-based competencies and behaviors and include them in relevant HR processes (such as training, recruitment etc.)	
	→ Embed principles of psychological safety in people skills trainings e.g., leadership development training	→ Done
	→ Work more actively in analysing HR data and utilise leading indicators to identify risk areas.	
	→ Deliver diversity awareness training	

Promotion

Risks	Measures	Status
→ Bias towards minority groups in the promotion process	→ Continue to focus the Critical Position Planning framework on diversity sensitivity, focusing on various dimensions of diversity	→ In progress
	→ Design and implement mentorship and sponsorship programmes for minority groups to increase representation of diverse groups in critical roles	
→ The lack of diversity in some of our management teams could potentially limit our ability to problem solve and make optimal decisions	→ Identify potential candidates of diverse backgrounds for future leadership roles	
→ Some employees may be promoted to a leadership role without any specific leadership training or support	→ At Elkem we believe that our leaders are the drivers of our culture and should promote equality and non-discrimination. Therefore, investing in leadership training for all is key	→ In progress

Development

Risks	Measures	Status
→ Some employees may not be awarded equal learning and development opportunities from their leader	→ In order to promote transparency and equal learning opportunities through course offerings, we have made the decision to deploy a global LMS in 2023	→ In progress
	→ In 2022, we launched a new LEARN page on our global Intranet to promote visibility and accessibility of our most essential mandatory and optional trainings in Elkem	→ Done

Compensation

Risks	Measures	Status
→ There is a potential risk that there may be pay discrepancies	→ Conduct salary surveys in several locations	→ In progress

