

Rainforest Foundation Norway Annual Report 2022

Political momentum for saving the rainforest has never been stronger. The real issue now is to make this materialize into changes on the ground.

2022 saw the election of presidents promoting increased rainforest protection in Brazil and Colombia and the re-introduction of Indonesia's bilateral forest agreement with Norway. DR Congo adopted its first indigenous peoples' law. The EU introduced a first-of-its-kind law to stop deforestation products from entering Europe, and investors continue to address deforestation and biodiversity risks in their investment portfolios. The global deal for nature lays the groundwork for more and better rainforest protection over the next couple of years.

These developments open new opportunities for improved rainforest management. In 2022 our on-the-ground projects saw improved local forest management grow with approximately 50 000 km², well more than the size of Denmark.

The large promises of international economic support for rainforest protection need to be tailored to domestic circumstances and needs. Therefore, Rainforest Foundation Norway started the development of an IPLC Forest Facility in DRC and provides support to program development by rainforest country organizations.

For the private sector, it is also important to go from commitments to action. With guidance from Rainforest Foundation Norway investors have joined forces to secure deforestation improvements in the automotive industry's supply chains.

Rainforest Foundation Norway is well equipped to continue to contribute to making the current momentum materialize on the ground, with the introduction of new and increased financial support, especially from the philanthropic community. Throughout 2022 the organization has also been further developed with a new organizational model to meet recent growth.

“Seeing the opportunities for the next few years gives hope, but also a great sense of responsibility. We must seize this moment in saving the rainforests.”

Tørris Jæger, Executive Director RFN Norway.

Spotlight: Global policy breakthroughs in 2022

Landmark EU Legislation

In 2022, the EU agreed to ban a long list of agricultural products (including palm oil, soy, meat and leather) produced on land deforested after 2020.

A major victory for RFN was that the EU included hides and leather products in the EU deforestation regulation. The regulation is, as referred to above, banning a list of products produced on lands deforested after 2020. Since 2021, RFN has documented that European imports of leather, in particular for the use in cars, is linked to deforestation in Brazil. It was

for long uncertain if the legislation would include leather products, but the systematic work from RFN and allies in Europe on this was successful. This is a major achievement.

RFN has also successfully engaged with private sector companies and Nordic investors on deforestation-related matters as a part of this program. Major achievements in 2022 were that three Nordic investors joined the Investor Working Group for a Deforestation-Free Automotive Industry, bringing together a group of dedicated responsible investors to do collaborative engagements with companies in the automotive supply chain

Global political momentum for rainforest conservation

2022 saw the momentum for forest conservation and restoration from COP26 continue, including the recognition of the special role of Indigenous Peoples and local communities (IPLCs). This culminated with the adoption of the Global Biodiversity Framework in Montreal in December, setting the goals and direction towards 2030 and 2050, aiming to halt and reverse biodiversity loss and protect 30% of the Earth's land and ocean by 2030.

Crucially, the agreement, also recognized the special role of IPLCs in conserving ecosystems and biodiversity and promised to mobilise \$200 billion in new funding from different sources, including \$30 billion from developed countries. The Global Biodiversity Framework (GBF) under the Convention of Biological Diversity (CBD) culminated several years of work by RFN and partners to secure a strong and ambitious international agreement on biodiversity.

Active participation by RFN partners, most of whom had participated in preparatory workshops organized by RFN, was an important factor in contributing to this outcome. The engagement of Indigenous organisations was particularly important in finding a good solution on how to include and support the recognition of Indigenous lands as part of the goal to put 30% of Earth's land and ocean under effective protection by 2030, which was a key challenge and objective of the negotiations.

Brazil

2022 was a particularly complex year in Brazil. It was marked by fierce polarization in society and intense contradictions in the run-up to the general election. Threats and pressures enabling deforestation remained practically unchanged from 2021, and in 2022 deforestation reached a staggering 11,568 km². This is the highest since satellite data collection began and a 60% rise compared to previous administrations.

With the general election in November 2022, a window of opportunity opened to the prospect of a substantial shift in governance. RFN partners continued their mobilisation and resistance to the hostile actions and decisions by the Bolsonaro government and the attempts to undermine socio-environmental legislation and the rise of violence and threats in the rainforests.

At the same time, they also devoted significant resources and energies to influence the agenda of the potential new national leadership. This proved to be energy well spent, as Lula was elected with a small majority, with a political prospect of ending deforestation in close collaboration with Brazil's Indigenous peoples.

Key results from Brazil in 2022:

Indigenous women take leading roles in new political era

RFN support to Brazil's indigenous movement and civil society has resulted in the political strengthening of indigenous and local community organizations, in particular the emergence of female Indigenous leaders. Two prominent examples are the first Minister for Indigenous Issues, Sônia Guajajara (previously head of RFN's partner APIB), and the President of the Brazil's Indigenous Affairs Agency (FUNAI), Joenia Wapichana.

Sustainable management plans

RFN and partners have focused on developing territorial sustainable management plans (PGTA) and intensified their implementation in 2022. RFN's partners FOIRN and ISA concluded the consultation protocol for the Rio Negro region, covering an area of approximately 130.000km², with the participation of the 23 indigenous peoples that inhabit the area. Protocols are important instruments to demand consultations, in accordance with the ILO convention 169, from companies and government advancing on their territories.

Influencing Brazil's environmental policy

RFN and partners contributed to set the agenda for rainforest conservation and indigenous peoples' rights in Brazil, through "Agenda Brazil 2045 Building an Environment Power", a collective effort led by partner OC drawing up emergency, short and long-term environmental actions (legal instruments and policies).

Peru

Peru has experienced a significant increase in deforestation, particularly due to coca cultivation, mining, and monocultures. The country is also facing a political crisis, which has led to impunity for environmental crimes. Economic proposals that threaten the Amazon and indigenous peoples' rights are being introduced. In 2022, at least seven environmental defenders, including six indigenous people, were killed.

However, Rainforest Foundation Norway (RFN) and its partners have made significant progress in strengthening indigenous territorial rights in the Amazon rainforest.

RFN has over many years supported nine indigenous nations in their establishment of autonomous territorial governments and gaining legitimate control over their territories.

RFN and partners CORPI and Perú Equidad together with the Achuar federation FENAP and the Wampis Autonomous Territorial Government have documented the ancestral territories of the nine peoples and developed their governance instruments and several management plans (output 1.1). By now, all but one people (The Kukama) have elected their autonomous governments. The documentation includes anthropological and cartographic studies and delimitation of the boundaries to their ancestral territories, mandatory information for any land rights claims by indigenous peoples in Peru. In 2022, the Wampis people enacted a territorial management plan covering 13,278 km² of rainforest.

Key results from Peru in 2022:

Strengthening indigenous partners and communities:

In 2022, the Wampis people enacted a territorial management plan covering 13,278 km² of rainforest, and developed a protocol for relations with the state, while the Achuar Nation strengthened their unity as an indigenous nation.

One of RFN's indigenous partners, the Eastern Indigenous Peoples' Regional Organization (ORPIO), and legal consultants, Instituto de Defensa Legal (IDL), won two important legal sentences against the Loreto regional government and the Ministry of Culture. Together, these sentences oblige the regional and national governments to apply their legal frameworks for the effective protection of isolated peoples and the rainforests they inhabit.

RFN and its partners in Peru have provided legal assistance and representation to indigenous communities facing land and resource rights issues. This has included support for community-led mapping of indigenous territories and the development of land titling processes that are in line with the free, prior and informed consent (FPIC) of indigenous peoples.

Supporting indigenous-led initiatives

RFN has also worked to promote the involvement of indigenous peoples in decision-making processes related to the management of natural resources in the Peruvian Amazon. This has included support for indigenous-led initiatives to monitor and report on the environmental and social impacts of extractive industries and other development projects in their territories.

DR Congo

In 2022, the Democratic Republic of Congo (DRC) continued to experience a decline in its vast tropical forests, losing 0.3% of its intact forest cover per year. Logging, mining, and large-scale agriculture remain significant contributors to deforestation, as they require new roads, infrastructure construction, and human settlements, which further threaten the forests.

Despite adopting an ambitious Strategic National Plan for Economic and Social Development, which includes industrial expansion and road infrastructure, the DRC government announced the auctioning of oil concessions in direct contradiction to the country's commitment to the preservation of forests agreed upon during COP 26 with the Central African Forest Initiative.

On the positive side, the DRC's President announced formalised rights of pygmy indigenous peoples, which marks an important step in securing their rights to land and resources and enabling them to continue their role as guardians of the forest. The revised version of the land tenure law adopted at the national assembly advances the recognition of the IPLC's tenure. Nevertheless, the province of North Kivu, one of the flagship provinces for community forestry, has been subject to increased armed conflict since 2021.

Key results from DR Congo in 2022:

In DRC, RFN and partners contributed, through advocacy, communication work and strategic alliance-building, to the improvement of 6 policies and legal frameworks. These are the

policies on land tenure, land use planning (LUP) and sustainable agriculture, the laws on land tenure and land use, and one of the land use implementation tools ("Methodological guide for the implementation of participatory zoning of village lands and territorial entities").

The national land tenure policy was validated in January 2022 by the Steering Committee of the National Land Reform Commission (CONAREF) after ten years of discussions following the launch of DRC's land reform in 2012. It recognizes the legitimacy of IPLC land rights and considers the adaptation of land legislation to the local socio-cultural contexts, thus improving the mechanism for the recognition of Indigenous pygmy peoples' land rights.

The LUP policy document was adopted by the Council of Ministers in 2022, although not yet promulgated by a decree from the Prime Minister. It responds to the need to preserve forests and fragile ecosystems and provides tools for securing IPLC lands such as the one mentioned above, which is the first LUP tool to be tested.

Papua New Guinea

2022 was a challenging year for Papua New Guinea (PNG). The national election spurred tribal conflicts, leading to internal displacement and unrest. Increased criminal activity and security concerns over logging sites hindered travel, legitimate protests, and the work of civil society. While PNG is hailed for a swift economic recovery after the pandemic, there is growing concern about how this growth is linked to escalating threats to the rainforests, such as increased export of palm oil.

However, 2022 also saw the PNG government developing policies, plans, and action on a new model of development, anti-corruption institutions (ICAC), and other key measures. Significant progress was made towards the protection of customary lands, such as the communities in Karamui uniting to create a Conservation Area.

The Parliament also adopted the National Sustainable Land Use Policy, which RFN's partners supported the drafting of, marking a complete shift from the old narrative of rainforests and customary land being seen as 'valueless and idle'. Progress in court cases against illegal timber concessions, along with commitments from commercial actors like Kina Bank working with RFN partners to halt rainforest destruction, are vital steps towards sustainable management of intact PNG rainforests.

Key results from Papua New-Guinea in 2022:

Legal victories

Legal progress has been made in several cases, aided by the work of RFN partners. With the aid of our partner CELCOR, the New Hanover court case is now at the National and Supreme Court, challenging the validity of an illegally issued logging concession. Without the efforts under this programme, it is likely that the company would be able to continue to operate with impunity. RFN's partners are following several ongoing legal matters addressing illegal logging, such as the Siassi Legal matter and the Sumkar Illegal Logging Case. If favourable, the decisions will be important contributions to support law enforcement against illegal logging and violations of IPLC's rights.

Influencing policies

The advocacy work of RFN's network, including our partner organizations ACT NOW! and CELCOR, has contributed to the PNG government reiterating their commitment to end the export of unprocessed round logs by 2025. CELCOR also helped draft The National Sustainable Land Use Policy, approved by the Parliament, as well as the legislation on Freedom of Information.

The effectiveness and implementation of these policies remains to be seen, and RFN will follow closely, focusing on openness and anti-corruption in particular. Although, several anti-corruption measures already taken by the government correspond to demands made by our partner organization ACT NOW!

Application to protect customary land

RFN's collaboration with Partners with Melanesians (PwM) resulted in 13 council wards in Karimui giving their consent and confirmed a conservation boundary for the protection of their customary land. The conservation application is awaiting endorsements from other stakeholders before final submission to Conservation and Environment Protection Authority (CEPA), planned for early 2023.

Banks avoid funding rainforest destruction Together with our partner ACT NOW! We work to influence financial institutions operating or enabling operations in PNG, leading to two banks, BSP and Kina, deciding to avoid investing in deforestation and human rights violations of Indigenous and local populations.

Two targeted banks (Bank South Pacific - BSP - and Kina bank) in 2022 *committed* to avoid funding the logging industry. Subsequently, these two banks and two additional investors (Asian Development Bank and International Finance Corporation) *acted* by reducing the number of logging industry clients, stopping financing to such clients and introducing policies that will avoid such financing in the future. The BSP bank took significant steps to exit almost all its forestry industry clients and committed to no longer provide lending, transactional services or bank guarantees to the sector.

In correspondence and meetings Kina Bank CEO confirmed the bank has reviewed all its remaining logging company transaction accounts with a view to closing any that do not meet FSC / PEFC standards This was achieved through correspondence and meetings by our partner Act Now! with the banks and investors, presenting them with information about their exposure to deforestation and violations of human rights of IPLCs and with advice on how to reduce deforestation risks and human rights violations in their investment and lending portfolios.

Indonesia

Deforestation declined in 2022, following a five-year trend. Palm oil concessions continue to be cancelled, and the overall expansion of industrial palm oil plantations dropped to the lowest level in 22 years.

2022 saw positive developments on climate financing. The bilateral agreement between Indonesia and Norway on REDD+ was renewed in 2022 after a two-year break in the collaboration. The Nusantara Fund was established by RFN partner the Alliance for Indigenous Peoples of the Archipelago (AMAN). The fund is established as a direct funding mechanism for indigenous and local communities (IPLC), although some barriers remain before the pledged funding reaches communities.

Indonesia issued a presidential regulation to follow the commitments in the Global Biodiversity Framework agreed in Montreal in December 2022, recognizing IPLC's rights and their vital role in forest and biodiversity protection. Another important acknowledgment for IPLCs came from the Supreme court establishing that IPLCs are stakeholders and should be recipients of income from the carbon market.

Key results from Indonesia in 2022:

Landmark year for social forestry

The first customary forest (*hutan adat*) in Indonesian Papua was recognized by the government in October 2022, considered the strongest form of forest protection with a rights-based perspective. RFN's partner organization HuMa has been involved in this process together with the organization Panah Papua since 2018. This recognition represents a big victory both for the IPLCs and organizations pushing this process forward, but also for the indigenous women champions who have been heavily involved in this process in their role as heads of villages.

Green Taxonomy guide

In 2022, the government issued a Green Taxonomy guide, categorizing economic activities based on environmental risk and management efforts, as well as mitigation and adaptation to climate change. RFN's partner organization TuK Indonesia was involved and consulted by the government in the process.

Establishment of forest villages

In 2022, indigenous peoples' rights-based rainforest management was recognized as a model, when village forests were established in West Sumatra. This was achieved after RFN's partner Warsi together with local government agencies established a working group for the acceleration of social forestry.

Colombia

Colombia is a country with abundant biodiversity and rainforests that face severe threats from deforestation, illegal logging, and violent conflict. However, the election of President Gustavo Petro and Vice President Francia Marquez generated high hopes for a greener and more just future.

Despite persistent challenges, there are positive signs of progress, with decreased deforestation in some regions and a shift towards working with civil society groups and local municipalities to combat deforestation.

Key results from Colombia in 2022:

Putting global funding into action

The new government has garnered international support, with commitments of USD 25 million from the United Kingdom, Germany, and Norway, as well as a pledge of 200 million dollars a year for 20 years from Colombia to save the Amazon rainforest. RFN partners have played a significant role in contributing to this progress through campaigning, advocacy, and providing critical information to authorities and the public about deforestation.

Important achievements include the contribution of FCDS to a Management Plan with the ASOCAPRICHOS farmers association for the use of non-timber forest products Seje and Asaí, generating significant income for local communities. Additionally, ONIC advocacy significantly contributed to the approval of 43 land formalization agreements, and Colombia's ratification of the Escazu agreement to ensure protection, information, participation, and justice for environmental defenders.

In 2022, RFN supported partners AAS and ONIC's work for the Escazu agreement.

Together with allies, RFN partners succeeded in positioning the Escazú agreement as an issue of national interest, leading to debates and votings in Congress where they lobbied actively. Later, once the Petro government took office, the Escazú Agreement was the first bill that completed the legislative process towards its ratification. In October 2022, Colombia's Congress finally approved a bill that allowed the country to ratify the Escazu agreement. On November 5th, 2022, Colombia's President Petro signed the agreement. With this, Colombia's environmental defenders' access to protection, information, participation, and justice in environmental matters became national law, empowering citizens defending nature

Through cooperation with local partners Gaia and Etnollano in Colombia, 14 Indigenous Councils were registered, managing an area of rainforest of 100,000 km² towards becoming Indigenous Municipalities. RFN's work in Colombia is essential for protecting the country's rainforests and promoting a sustainable and equitable future for all.

Supporting indigenous livelihoods and forest monitoring

RFN has worked with its local partners to promote sustainable land use practices and secure land tenure for indigenous communities in the Colombian Amazon. For example, RFN has supported the creation of indigenous reserves and the formalization of land ownership for indigenous peoples, which helps to protect their rights and their territories from encroachment by extractive industries.

RFN has focused on reducing deforestation and promoting sustainable forestry practices in the Colombian Amazon. This includes working with local communities to develop sustainable livelihoods based on non-timber forest products, such as rubber and fruits, and supporting community forestry initiatives that promote sustainable management of forest resources. Additionally, RFN has been involved in developing forest monitoring systems to track deforestation and forest degradation, as well as supporting law enforcement efforts to combat illegal logging and other environmental crimes.

Myanmar

Livelihoods and coping mechanisms continued to be severely strained in 2022, after the military coup the previous year. About 40 per cent of the population lives below the national poverty line in 2022. The military regime gained income through sales of teak and other precious hardwoods. Logs are sold to countries in Asia and the Pacific, and also to Western countries, in spite of Western sanctions.

A large number of the opposition and supporters of democracy and human rights have been imprisoned and prosecuted. Some have been killed. The prosecutions continued all through 2022, and a large number of people have fled the country or are in hiding.

In the Tanintharyi region, where RFN focuses our work, clashes continue between the indigenous Karen people and the junta.

Work continues despite conflict

In general, the RFN funded projects have managed to carry out work with their target communities and projects, with a few adaptations.

In Tanintharyi, the sustainable conservation activities have picked up in 2022, after a slower 2021.

Into 2022, the staff in partner organisations POINT, KESAN and TRIP NET have gained a better overview of risks, have developed risk mitigation methods and have become more confident and resilient. Yangon-based organization POINT held training sessions in the Naga region, and security training such as digital security training and psychosocial support.

Our partner KESAN kept up its support for the Karen community efforts to strengthen the governance of the Salween Peace Park in 2022.

Financial status

The financial statement for 2022 is based on the assumption of going concern. RFN's finances are to a large degree based on a limited number of grant agreements with public and private agencies, and a stable number of individual contributors. The public grants are generally multi-year agreements, which provide good predictability. Funding from private companies, foundations and funds are generally not based on long-term commitments but are nonetheless relatively predictable.

The work in 2022 was predominantly financed with support from the Norwegian government through the Ministry of Foreign Affairs and the Ministry of Climate and Environment (most of it managed by the Norwegian Agency for Development Cooperation, Norad) around 9,000 individual 'Rainforest Guardians' (Regnskogvoktere); private companies and foundations/funds.

The highest risks to RFN's financial income are related to possible significant changes in the access to public grants, or rapid changes in the income from private companies and

foundations, or from individuals. The access to public grants may change following policy changes or administrative changes in the relevant donor agencies.

RFN receive most of its funding in NOK and most of our contracts with partners are in local currencies, with the exception of the DRC, where US dollars is used. These local currencies give us a “natural pool” of currencies, which reduces risks for currency loss for RFN as a whole and for our partners. In addition, RFN limits its total contract obligations in NOK.

Covid19 has reduced the expenditures at program level and thereby reducing the administrative income. In addition, RFN has had reduced costs related to travels and program activities initiated from Norway.

Reduced travels and follow up visits of partners together with a high-risk environment due to Covid19 also implies increased risk for financial mismanagement.

Increasing funds

International institutional funding

After the recruitment of a full-time international fundraiser in August 2021, a systematic and intensive approach was developed to diversify funding and attract international funding. The institutional and philanthropic donor landscape was surveyed, analyzed, stored in a donor “library” and prioritized. Internal funding needs and ideas were mapped and developed into an attractive *RFN Solutions Booklet*, which was shared with targeted donors. It allowed RFN to articulate a clear upscaling ambition and credibly engage potential donors with concrete, implementable solutions co-designed in consultation with partners and in response to their priority needs.

RFN was more deliberate and systematic in positioning the relevance and unique added value of RFN to international donors through key international processes and events such as the New York Climate Week, COP27 or the CBD COP15 in Montreal.

This resulted in significantly increasing international funding, with the support of four new foundations (Sobrato Philanthropies, Climate Land Use Alliance with funds from Hewlett Foundation, Wildlife Conservation Society (WCS) with funds from Bezos Earth Fund and Climate Land Use Alliance with funds from Ballmer Group). These four combined helped RFN to secure an additional 44.5 million NOK per year in 2023, 2024 and 25 million NOK in 2025. This has allowed RFN to scale up strategic programmatic areas, such as an innovative funding mechanism for support to local organizations and initiatives in the DRC (the Intact Rainforest Facility, funded by WCS), an initiative to strengthen indigenous peoples and local communities' capacity to monitor and engage with emerging carbon markets and finance mechanisms in the Amazon (CLUA-Hewlett), support towards enhanced indigenous management and control of critical rainforest areas in Colombia and Indonesia (Sobrato Philanthropies) and general support towards RFN's work across the 6 rainforest countries, global policy and drivers of deforestation (CLUA-Ballmer).

International recruitment for a second full-time international fundraiser was successfully conducted to continue increasing the profile and relevance of RFN solutions and respond to a growing interest in rights-based rainforest protection solutions across the tropical belt.

Individual and corporate funding

In Norway, individual donations continued to grow but at a lower pace, due to a challenging environment for donations with rising inflation and the energy crisis, which impacted regular support from monthly donors through our Rainforest Guardians. Visibility efforts through content articles and campaigns helped to counter the downward trend in individual giving in Norway, and secure additional singular donations.

Corporate funding also suffered from these downward trends. But greater incentives for companies to take action on climate or nature have helped to cushion this decrease and maintain strategic and catalytic funding from leading, responsible corporate actors including (not limited to) Fortum, Norges Energi, REMA1000 or Bain & Company Norway.

Organisational development

Strategy management and organisational development

In 2022, RFN invested in further concretisation of the Strategy Implementation Plan for 2023-2027 (approved in late 2021) by developing 12 frameworks to steer efforts in different work areas, including country programmes, partnerships, international advocacy, communication, fundraising, and knowledge and learning. This was accompanied by organisational development in the form of updating both mandates for departments/teams and job descriptions. A new Organisational Development department was created, as well as an External Relations and Resource Mobilisation department. RFN also invested in leadership development and organisational systems to better guide strategic management of efforts to achieve RFN's long-term 2030 strategy. An example of this is RFN's *One Results Framework* (with Key Performance Indicators), adopted by the RFN Board, which will be used to analyse, learn about, and report progress towards fulfilling RFN's objectives.

One of the key components for delivering on the strategy is that RFN can build evidence, use knowledge, and learn to continuously innovate and improve our work. RFN's human resources, partners and allies constitute our knowledge base, and the *knowledge and learning* framework is designed to guide the strategic development of these resources in three thematic areas matching RFN's strategic objectives, with accompanying investments in RFN's learning environment (systems and culture).

The Openness Act

RFN is now working to put in place processes for updating strategies, procedures, regulations and contracts, both in relation to suppliers and partners, in order to comply with the Openness Act. As of 30 June, RFN will publish an update on the website to explain how efforts are being made to ensure that RFN complies with the Openness Act.

Social and environmental responsibility

RFN programmes are designed and implemented to contribute positively to social change, human rights, and environmental protection, through rights-based, sustainable rainforest management, together with partners and allies.

In addition to social and environmental progress being integral to RFN's goal, we safeguard against any harm resulting from our work. In 2022, an RFN Environment and Climate policy was adopted, aiming to reduce our environmental footprint and negative climate effects, to ensure both the organisation and operations are environmentally sustainable. This policy outlines how RFN will integrate the environment and climate as a cross-cutting issue in all areas of our work.

RFN thereby has cross-cutting policies on human rights, gender, anti-corruption and the environment and climate, and organisational policies on risk management and protection from sexual exploitation, abuse, and harassment. This provides a policy framework for RFN to integrate these topics in all areas of work, safeguard against any unintended negative effects ("do no harm") and contribute to positive changes.

Risk management

To strengthen the management of key risks, RFN conducted a review of staff security set-up with a focus on travel safety and security, and updated manuals for travel and critical incident management, as staff travel can go to high-risk areas and/or take place in situations of heightened risk. A risk and liability review was conducted for the DRC office set-up, as RFN's only direct country presence, and the procedures for handling of suspected financial irregularities were revised.

Working environment and human resources

In terms of sick leave, RFN remains on par with the national average. Overall, RFN's sick leave rate was 6,71%, slightly below the SSB average number for Norway 6,78% and a small decrease compared to 2021 where the sick leave rate was 6,96%. The self-declared sick leave rate was 1,54% compared to last year's 1,20%, and the sick leave rate for medical certificates was 5,18% compared to last year's 5,76%.

As of 2023, 60% of the staff members are organized in the union *Handel og Kontor* (Norwegian Union of Commerce and Office Employees). RFN is a member of the employers' organisation Virke (The Enterprise Federation of Norway).

RFN conducts the "Trust Index™, a research-backed employee experience survey each year, and is certified as a "great place to work." Feedback from the survey has been translated into an action plan, focusing on areas of improvement for the organisation in the year to come.

Gender equality

The gender balance in the organisation was 59 % female (39 women) and 41 % male (27 men) in 2022. At the end of the year, the senior management team consisted of two women and four men. Among our Team leaders, there are two men and seven women. The Board of Directors consisted of four women and five men.

RFN is committed to a fair system of salaries and benefits. RFN leadership developed an RFN salary policy and a new RFN salary system in close collaboration with the Handel & Kontor union (H&K). Mercer was hired to develop a position matrix assessing how to place different positions in RFN. Based on Mercer's assessment seven professional categories were developed: E (executive for the senior management team members and Country Directors), M

(Management for Team leaders) and P1-5 for non-leadership positions. The professional categories correspond to the salary levels in the organisation.

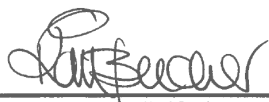
With regards to the gender aspect of the revised salary system, three women and three men were at Executive level (E), two men and seven women were at team leader level (M), six men and three women hold positions in the professional categories P4-P5, while 14 men and 29 women are in the P2-P3 category. There are no employees in the professional category P1.

RFN uses the Mercer NGO survey to benchmark salaries against other organisations.

All employees hold 100% positions apart from one employee working part-time, this is due to own request. RFN has five employees in temporary positions. No employees were on maternity or paternity leave during 2022.

Financial results and financial position

It is the Board of Directors' opinion that the 2022 financial statements with footnotes provide a correct picture of RFN's financial position at the end of the financial year. Total equity is NOK 91 861 962 in 2022 compared to NOK 93 532 356 in 2021. Total capital is NOK 225 234 763 in 2022 compared to NOK 178 914 055 in 2021. The deficit in 2022 decreases the operating fund with NOK 1 670 393. RFN has no mortgage debt and liquidity is good.



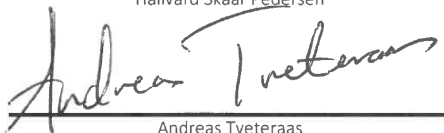
Kari Bucher
Chair of the board



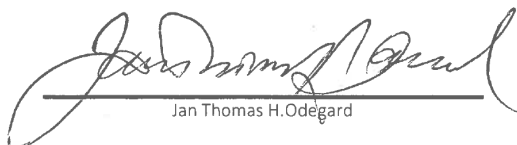
Tørris Jæger
Secretary General



Hallvard Skaar Pedersen



Andreas Tveteraas



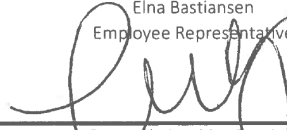
Jan Thomas H. Odégaard



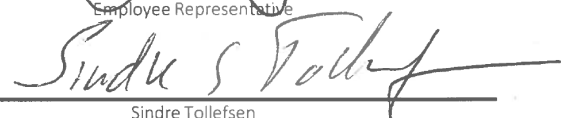
Dagfrid Forberg
Deputy chair of the board



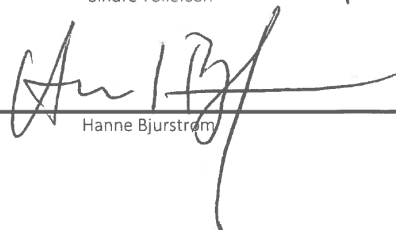
Elna Bastiansen
Employee Representative



Fernando Mathias Baptista
Employee Representative



Sindre Tollefsen



Hanne Bjurström