



Purpose Objectives Values

Addressing Future

A low-angle, upward-looking photograph of green grass blades against a clear, bright blue sky. The grass is in sharp focus in the foreground, with some blades showing small water droplets. The background is a soft, out-of-focus blue sky with some distant grass stalks visible.

AF Gruppen ASA

Phone +47 22 89 11 00

afgruppen.com

6 **Purpose**

Vision

Mission

12 **Objectives**

Owners

Employees

Customers

Suppliers

Society

Health, safety and environment (HSE)

18 **Values**

Reliability

Freedom to exercise entrepreneurship and discipline in relation to goals and requirements

Thoroughness and hard work

Persistence in achieving profitable growth

Management through presence and involvement



AF Gruppen is a leading contracting and industrial group. The purpose of our business is to create value for our customers, owners, employees, suppliers and society. Our attractiveness is demonstrated by how we create and manage our values.

«Purpose, objectives and values» are intended to provide a brief outline of who we are, what we stand for and what we want to achieve. To achieve our objectives, all our employees must have a clear understanding of what is expected from their work. The objectives set out in this booklet are therefore the basis for all the subsidiary objectives developed at every level of the group.

The history of AF Gruppen is one of a value-based corporate culture. Our core values have their roots in the period before AF Gruppen was founded in 1985 and have changed little over the years. They represent the bedrock of our business and we expect all our employees to identify and comply with them.

Our «purpose, objectives and values» shall provide inspiration, motivation and guidance on how we can jointly continue to develop AF Gruppen in the future. If we steer our organisation towards challenging tasks and objectives which are based on clear basic values, our business will, over time, retain and improve its position on the market.

Corporate Management Team

Purpose





Clearing up the past...

Clearing up the past

In focusing on the environment, energy and recycling, we properly remove and eliminate materials, land and energy solutions that are harmful to the environment.

...*building for the future*

Building for the future

Through the use of architecture, materials and energy solutions which help to create a better environment, AF Gruppen reduces waste and the consumption of non-renewable sources of energy.

Mission

***AF Gruppen
is an industrial group
delivering value by creating
tomorrow's environment.
We deliver building and
construction solutions
as well as energy and
environmental services,
based on unwavering safety
and ethical standards.***

Industry group

AF Gruppen has a portfolio of related businesses and is a supplier of project-oriented operations.

We take on complete responsibility from concept development to products, services and solutions.

Creating value

AF Gruppen creates value for its owners, employees and society by focusing on achieving profitable growth.

Shaping the future

AF Gruppen creates solutions that are designed for the future and help to improve the environment by means of its innovative constructions, environments, buildings, property, energy and offshore operations.

Safety and ethics

AF Gruppen has a fundamental understanding and acceptance of the necessity to avoid personal injury, damage to equipment and to create a positive working environment.

AF Gruppen's business and employees must be distinguished by good ethical conduct in all communities and markets in which we operate.

Objectives



Owners

Objectives

- To create continuous value growth that makes us attractive to shareholders and investors and gives us freedom of action in our business
- To achieve an operating margin and a return on invested capital that is higher than the average for our listed natural competition
- To seek opportunities, as well as organising and conducting our business in such a way as to render the value we create visible

Measurement parameters and figures

- **EVA** (Economic Value Added)
= earnings before tax
+ interest expenses
- group's cost of capital
- **EBIT** (Earnings Before Interest and Tax)
= Earnings Before Interest and Tax

Employees

Objectives

- AF Gruppen must be a preferred employer among comparable companies
- We shall recruit and develop employees with the ability and independence to
 - identify with our core values and follow our code of conduct
 - analyse
 - see business opportunities
 - lead and inspire
 - make decisions and implement them
- We must focus on internal recruitment
- We must train and develop our employees by means of development programmes consistent with our objectives and values
- Employees must be given competitive terms.
We must have a performance-based pay system

Measurement parameters and figures

- All employees must be evaluated at least once a year
- All employees must have an appraisal interview at least once a year
- Sick leave < 3%
- Accident frequency rate = 0 (no injuries resulting in sick leave)

Customers

Objectives

- We must work systematically and purposefully in order to identify and satisfy customer requirements and needs
- We shall deliver our products and services with the agreed quality, on the agreed date and at the agreed price
- We must establish and develop long-term relationships with selected customers

Measurement parameters

- Customer relationships are evaluated for profitability, customer satisfaction and safety (accident frequency rate)

Suppliers

Objective

- Our suppliers must contribute to effective value creation in our projects by supplying products and services in accordance with current requirements and at the agreed time and price
- We must use the combined buying power of the group and the international market to increase competitiveness and ensure available capacity
- We must develop professional long-term relationships with selected suppliers with a view to improve productivity

Measurement parameters and figures

- Annual evaluation of relationship with selected suppliers

Society

Objectives

- We must create competitiveness by developing our business in accordance with the resource-related and environmental requirements placed on us by society

Measurement parameters and figures

- Impeccable reputation

Health, safety and environment (HSE)

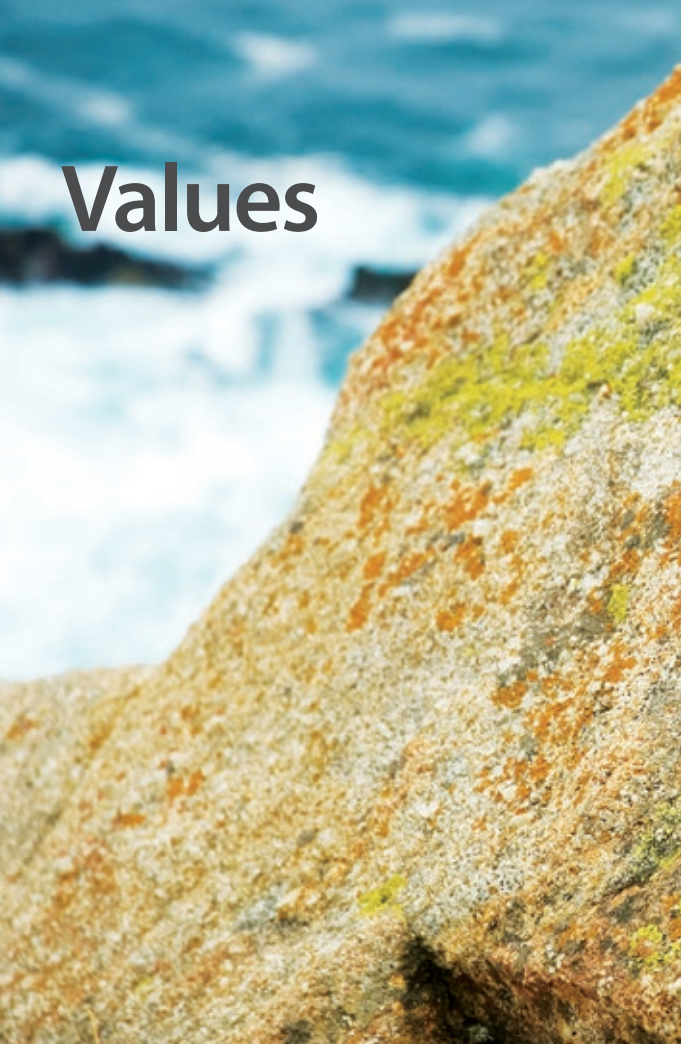
Objectives

- All planning and implementation must be based on a fundamental understanding and acceptance of the fact that:
 - Undesirable incidents have a cause and can be avoided
 - Burdens on the environment must be kept to a minimum
- Experience gained from undesirable incidents and circumstances must be used in preventative HSE work
- HSE work must be carried out systematically, ceaselessly and with constant improvement
- All employees must conduct themselves in a manner that sets a good example and ensures positive attitudes to HSE
- Responsibility for HSE must rest with the line organisation.
- AF Gruppen must have good contingency measures in order to minimise injuries and losses

Measurement parameters and figures

- Avoidance of personal injuries and damage to the working environment and equipment
- Accident frequency rate = 0 (no injuries resulting in sick leave)
- Avoidance of sick leave caused by the workplace
- Total sick leave < 3 %
- Better sorting of waste than other comparable companies
- AF aims to comply with the ISO 14001 environmental standard

Values





Reliability

***Freedom to exercise
entrepreneurial spirit and
discipline in relation to goals
and requirements***

Thoroughness and hard work

***Persistence in achieving
profitable growth***

***Management through
presence and involvement***

Reliability

- The morality and conscience of the business are represented by its employees and the management in particular
- Morality and conscience are a consequence of the maturity produced by the social influence of managers, employees and others
- All employees have a right and duty to take part in discussions to do with issues and processes in the business. Once decisions have been taken, they must be implemented quickly, loyally and effectively

Freedom to exercise entrepreneurship, and discipline in relation to goals and requirements

- Our operations must be decentralised
- We must give scope to employees who recognise and grasp opportunities that enable us to achieve our objectives
- We must reward employees who increase our value growth through initiative, creativity and daring
- We must exercise discipline in relation to goals and requirements. Nonconformities must be dealt with, and corrective and preventive action taken
- There must be a good balance between freedom and discipline

Thoroughness and hard work

- Thoroughness and preparation are primary factors in the success of a job
- Perseverance ensures thorough preparation, clear, complete decision making, full implementation and reliable documentation
- Risk taking demands flexible employees who can go the extra mile when the situation requires hard work
- Responsibility is an obligation to meet objectives and requirements

Persistence in achieving profitable growth

- We must achieve continuous value growth through profitable growth in turnover
- We must be businesslike in all our dealings
- We must improve our ability to achieve growth by developing and increasing our ability and capacity to run an expanding organisation
- We must invest in new business areas where we can achieve competitive advantages
- We can merge with or take over a business that will bring us value growth if the other party is positive

Management through presence and involvement

- Taking the lead is the most important normative element with regard to management
- We must concentrate our resources on a small number of prioritised and defined tasks. Prioritisation is about selecting – and rejecting
- Managers have a duty to properly inform and instruct their subordinates
- Correction is a necessary element of the management role. Supervision is part of correction and preparation

