



**DIVERSITY
AND EQUALITY**

INTRODUCTION

In AF, our ambition to be the industry's most attractive employer, and we work with long-term measures that will increase the proportion of women and the diversity in the Group, as well as ensure equal career opportunities and an equally high level of well-being for all, says CEO Amund Tøftum.

AF Gruppen works in a structured and systematic manner to give all employees equal opportunities. The ambition is to preserve and build an inclusive, safe and good working environment with zero tolerance for discrimination and a clear culture of consequence thinking. In our new Group strategy, specific goals have been set for this work. Increasing the proportion of women and equal well-being among women and men are key. The same applies to the goal that gender shall reflect the recruitment basis, and the relative share of promotions shall be equal for women and men. We have a long-term goal of a 20 per cent female share in total for AF Gruppen's employees and a 40 per cent female share for officials.

The strengthening of the Equality and Discrimination Act through the new activity and reporting obligations helps to highlight our work within diversity and inclusion. This also contributes to better sharing of best practice in Norwegian business and industry. We are convinced that diversity is profitable and helps to strengthen our market position. If we are to recruit, retain and develop the best people, we must recruit talent from a broader base. More perspectives improve decision-making and increase competitiveness.

In 2020, AF Gruppen's efforts to promote equality and combat discrimination, were recognised by Norwegian and international analysts. This indicates that we are on the right track.

AF Gruppen did very well in the Diversity survey, conducted by the company Statista on behalf of the Financial Times.

In 2020, AF Gruppen was also awarded silver in the category "Diversity Award of the Year" in the Magnet Awards, which is conducted by Universum, Whydentity and ANFO. The award honours companies that have worked

to ensure increased diversity in their business, whether in terms of gender, ethnicity, age, orientation or other aspects of diversity.

In recent years, AF Gruppen has experienced stable growth in the number of female employees, and the latest employee survey points to an equal level of well-being in AF, among women and men. At the same time, we humbly acknowledge that we are at the beginning of an important journey towards greater diversity and better inclusion, and look forward to continuing to exert pressure in what we consider to be a long-term commitment.



THE DIVERSITY SURVEY

100,000 employees in 15,000 companies within 24 industries in 16 European countries have assessed diversity work at their workplace. The data has resulted in a ranking of the 850 best companies in Europe in diversity. AF Gruppen was awarded 6th place in the construction industry out of 94 companies in total. The participants were asked to what extent they believe the employer promotes diversity on a scale from 0 to 10. And they were also asked about the employer's attitude to the themes of gender, ethnicity, sexual orientation, age and disability among employees.

Part 1

STATE OF GENDER EQUALITY

In accordance with legislation, we have limited the statement to AF Gruppen's subsidiaries registered in Norway. The figures in this report apply to the 2020 financial year, and are as of 31 December 2020. This

year we have chosen to prioritise the annual requirements. Statistics on gender equality regarding salary, job grades/groups and involuntary part-time work will first be reported for the 2021 financial year. ►

1 / NUMBER OF EMPLOYEES, REGARDLESS OF PERCENTAGE OF FULL-TIME EQUIVALENT, BROKEN DOWN BY GENDER

	PERMANENT EMPLOYEES	
	Number of women (%)	Number of men (%)
Total for AF Gruppen	538 (9.8%)	4,972 (90.2%)
Of which AF Gruppen's Norwegian operations	455 (10.2%)	4,020 (89.8%)

2 / NUMBER OF EMPLOYEES WITH A TIME-LIMITED EMPLOYMENT, REGARDLESS OF PERCENTAGE OF FULL-TIME EQUIVALENT

	TEMPORARY EMPLOYEES	
	Number of women (% of total number of women)	Number of men (% of total number of men)
Total for AF Gruppen	4 (0.7%)	69 (1.4%)
Of which AF Gruppen's Norwegian operations	4 (0.9%)	66 (1.6%)

Temporary employment is not common in AF Gruppen. The overview does not include apprentices who are not considered temporary labour.

3 / AVERAGE NUMBER OF WEEKS LEAVE OF ABSENCE TAKEN IN 2020

PARENTAL LEAVE		
Avg. number of weeks for women	Avg. number of weeks for men	Observations
22	11	The actual number of weeks per employee is on average higher than reported, due to the standard of measurement used.

The overview of parental leave taken in 2020 is limited to AF Gruppen's Norwegian activities.

- The standard of measurement used follows the guidelines from Bufdir (the Norwegian Directorate for Children, Youth and Family Affairs), where the number of weeks of parental leave taken by women and men during the year is divided by the number of women and men who have taken parental leave.

This calculation method may show positive or negative trends from year to year. At the same time, it leads to an underreporting of the actual number of weeks of leave taken on average. A large proportion of employees take leave over several financial years. This results in a lower reporting of the actual number of weeks for one financial year.

For the 2021 financial year we will consider additional reporting that highlights the actual number of weeks of parental leave on average per gender. This will be achieved by limiting reporting to employees who took parental leave during the 2020 financial year, compared to the average number of weeks for men and women, across 2020 and 2021.

AF Gruppen encourages all our employees to take parental leave by having good routines before, during, and after the period of leave. This is so that they can spend this important time with their child and at the same time avoid worrying about their further career in AF.

4 / NUMBER OF EMPLOYEES WITH PERCENTAGE OF FULL-TIME EQUIVALENT LESS THAN 100 PER CENT

	PERMANENT EMPLOYEES	
	Number of women (%)	Number of men (%)
Total for AF Gruppen	23 (4.3%)	50 (1.0%)
Of which AF Gruppen's Norwegian operations	19 (4.2%)	49 (1.2%)

Part-time employment is not common in AF Gruppen.

Part 2

OUR WORK FOR GENDER EQUALITY AND AGAINST DISCRIMINATION

PRINCIPLES, PROCEDURES AND STANDARDS TO PROMOTE EQUALITY AND COMBAT DISCRIMINATION

AF Gruppen seeks to be a workplace where there is no discrimination on grounds of ethnicity, gender, religious belief or sexual orientation. This applies, for example, to matters relating to pay, promotion, recruitment and general career development. AF Gruppen has written objectives and rules to promote a good working environment with equality and without discrimination or harassment. The goals and rules are laid down in the Group's Code of Conduct.

When recruited, all employees in AF Gruppen must sign off that they have received the Code of Conduct and that they undertake to comply with it. The Code of Conduct addresses the objective of the Equality and Discrimination Act and includes guidelines aimed at preventing discrimination on the grounds of ethnicity, nationality, heritage, skin colour, language, religion or beliefs. AF's subsidiaries have their own ethical guidelines that are identical to, or in accordance with AF Gruppen's Code of Conduct.

Our work is based on systematic measurements and verifications carried out internally, and through dialogue with external research environments. Efforts to strengthen diversity and inclusion are organised through the initiative "The Best people". The initiative brings together representatives from a large range of AF's activities, including representatives from the Corporate Management Team and employee representatives.

HOW WE WORK TO ENSURE EQUALITY AND NON-DISCRIMINATION IN PRACTICE

To ensure equality and non-discrimination in practice, several channels are used:

- Goals and measures are anchored in the Group's senior management. Equality and discrimination are topics in all

leadership development. The training also includes practical tasks related to unconscious discrimination and specific tools for complying with values, principles, procedures and standards for equality and non-discrimination.

- The HR and HSE network across the Group's units is actively used in the implementation of procedures and measures. These resources have broad and frequent contact with large parts of the organisation in connection with recruitment, training and security inspections.
- Regular dialogue with the Occupational Health Service, employee representatives and safety representatives contribute to prioritisation and good follow-up of the measures.
- A whistleblowing committee has been established which manages notification of censurable conditions received through the whistleblowing portal at www.afgruppen.no/varsling. The whistleblowing system handles both internal and external inquiries.
- The project organisation that follows up the initiative "The best people" brings together representatives from all parts of AF Gruppen, including the Corporate Management Team and employee representatives. The project organisation is thus an important channel for involvement, anchoring and evaluation.

AF's toolbox is based on a study of its own activities and close dialogue with external leading environments within diversity and inclusion. AF has entered into binding collaborations with organisations such as #HunSpanderer and CORE. On this basis, our work within gender equality and diversity has been based on four success factors:

- A long-term perspective and clear objectives: Diversity and inclusion are stated explicitly in the Group strategy with quantified goals for gender equality. ►



- Committed senior management: Two representatives from the Corporate Management Team are sponsors of the initiative “The best people”, where the CEO is the overall party responsible. Status is regularly reported to the Corporate Management Team and the Board of Directors. The CEO himself is highly involved in the topic, and takes part in public exchange through various channels, including by attending industry forums.
- Continuous measurement: Monitoring of the gender balance takes place continuously in quarterly reviews with the business units. In collaboration with #HunSpannderer, a system has been in place since 2018 entailing annual measurement and follow-up of the gender balance and verification of gender equality at various job grades. Together with the development of a separate analysis tool, this contributes in particular to a strengthened follow-up of developments in gender equality.
- Measures that embrace everyone: A wide range of measures has been implemented to ensure equal opportunities for all. Special emphasis is placed on attitudes and structures. These are constantly evolving in line with identified risks and needs and already cover the areas of recruitment, employee development, the working environment and attitude-forming work.

How we work to identify the risk of discrimination and barriers to gender equality

In order to identify the risk of discrimination and barriers to gender equality, dialogue is regularly maintained with external environments such as the industry network for gender equality and anti-discrimination, Diversitas, #EqualityCheck and the CORE research group.

Important sources for identifying risks related to equality and discrimination in 2020 have been: ►

- An employee survey during November and December of 2019, combined with systematic follow-up from the first quarter of 2020. The survey measures employee well-being, their perception of development opportunities, the working environment and the organisation's compliance with AF Gruppen's values. The results distinguish between gender and employee category (manager/employee, official employee/skilled worker) and give indications of any discrepancies and work areas.
- Conducting final interviews under the auspices of HR to uncover reasons why employees choose to terminate their employment.
- Quarterly measurement and reporting of the proportion of women in all units is included in the formal business reporting. In addition, a verification of salary levels between women and men at equal job grades/groups is carried out as part of the annual salary adjustment process. This is to uncover any discrepancies and implement follow-up measures.
- Close dialogue with the Occupational Health Service and the whistleblowing committee together with an annual occupational health survey. This reveals risks associated with harassment and recommended follow-up.
- Exchange of experience through regular work meetings and knowledge sharing in the Diversitas industry network, and dialogue with #EqualityCheck and the CORE network.

Regular project meetings in "The best people" provide frequent feedback from the contact persons in various parts of AF Gruppen.

We uncovered the following risks of

discrimination and obstacles to equality

Risks of discrimination and obstacles to gender equality that have been identified through our survey apply in particular to recruitment, employee development and the working environment:

- The recruitment rate for women is approaching the proportion of women in the relevant fields of study. Although we have seen a positive trend in recruitment, we still have a lower percentage than the target at all levels. The

proportion of women is particularly low on the skilled worker side, and especially in line and management positions. On the other hand, no systematic pay differences were discovered between women and men in the same job group.

- AF Gruppen has a very high level of well-being compared with the industry average. However, a high workload has been highlighted as a possible risk factor. The same applies to the work/private life balance. The latter applies especially to employees in their 30s. There were no significant discrepancies in well-being between different employee groups, such as between salaried employees and skilled workers. The response rate was lower among skilled workers (63 per cent) compared with salaried employees (93 per cent).
- Cases of harassment were reported through the occupational health survey. An increase in the number (from 2 per cent to 6 per cent of respondents reporting that they have been subjected to harassment in the last 3 years), as well as over-representation of women in that group (17 per cent, versus 4 per cent of male respondents) indicate risk of gender-based discrimination.
- Inadequate mapping in AF Gruppen beyond gender, age, education and work experience, may entail a risk that discrimination in some aspects of diversity is unaddressed.

We found the following possible causes for risks and obstacles, and initiated the following measures

Several causes of gender imbalance were identified in recruitment.

The attractiveness of the industry is one possible explanation. The construction industry has long been dominated by men. Figures from Statistics Norway (Labour Force Survey, 2020) show that the industry has only 9.3 per cent women. Consultancies are still the most attractive employers for female engineers in the industry, while the trade subjects have a shortage of female candidates. Unconscious discrimination in employment can also be an obstacle to equality.

AF Gruppen works actively to address these risks, both to attract a greater diversity of profiles to the industry and to ►



strengthen the understanding of diversity and inclusion in our recruitment processes. The measures include:

- Structured recruitment process with the use of aptitude tests, having both genders present at interviews, and training of managers in unconscious discrimination.
- Pictures of employees of both sexes in job advertisements and other profiling material.
- Quarterly measurement of appointments by gender.
- Goal in the new Group strategy that the proportion of recruited women and men should reflect the recruitment basis.
- Getting the message across about diversity in our college/university tours and in our apprenticeship initiative.

Possible challenges related to gender equality internally can be explained from several perspectives:

- The imbalance between the number of women and men in line and leadership roles can be linked to AF Gruppen's strong tradition of cultivating leaders internally. Although the proportion of women is constantly increasing, especially among salaried employees, it will take time before this results in more female leaders and women in key roles.
- Unconscious discrimination and demanding working conditions, especially in the projects, can affect employee well-being and hinder career development for employees in different phases of life and family situations.

Risks and obstacles related to gender equality within AF Gruppen are prevented and combated through measures aimed at employee development, the working environment and attitude-forming work. These include, but are not limited to: ►

- Facilitation for employees with children in the toddler phase: guidelines for bonuses during leave of absence, systematisation of leave of absence interviews.
- Facilitation in projects and on construction sites with, for example, separate changing rooms for women.
- Implementation of job roles that group positions with a corresponding competence profile and job grades. This is to increase transparency in career development opportunities for employees and form the basis for career paths.
- Integration of gender equality verification in internal processes related to salary adjustment and succession planning.
- Training of leaders in unconscious discrimination through separate modules in management courses, management meetings and project visits.
- In addition to the management course programme, several digital modules and courses are available, for example for conversations before a leave of absence period to uncover the individual's expectations for their leave and the time afterwards.
- Reinforcement of toolbox against harassment in projects. Regular communication of our diversity commitment internally in AF Gruppen through our intranet.

Results of the work

The employee satisfaction survey is conducted every other year in AF Gruppen. In the survey conducted in 2019 and followed up in 2020, the results showed a high level of employee well-being. Well-being is well above average for comparable companies, without gender-based differences.

Among salaried employees, AF has had stable growth in the number of female employees in recent years. In 2020, the total proportion of women in AF Gruppen among salaried employees was 18.9 per cent. This is somewhat lower than in 2019 (when the proportion was 19.4 per cent), but higher than in 2018 when the proportion of women was 18.5 per cent. The decline from 2019 is possibly due to a lower number of appointments and a larger share of appointments to key roles in line management.

We have also observed a positive trend in our recruitment over time. Over 27 per cent of all newly hired salaried employees were women in 2019 (versus 17 per cent in 2016), while in 2020, 20 per cent of new employees were women. This may also be due to fewer recruitments. In large parts of the Norwegian organisation, the proportion of women in employment has remained high.

Access to female professionals has been a challenge throughout the industry.

Here we now see a slight positive trend, which is reflected in our apprenticeship initiative, where 7 per cent of our over 120 apprentices are women. The proportion of women among skilled workers was 1.6 per cent in 2020 and is slightly increasing compared with the proportions of 1.5 per cent in 2019 and 1.4 per cent in 2018.

An evaluation of the diversity work was carried out in November 2020 in a workshop with representatives from various parts of AF Gruppen. The results showed that the measures with the greatest effect included:

- The verification work in connection with the salary adjustment process to ensure equal pay for equal work regardless of gender.
- Leave of absence-oriented measures: leave of absence interview, bonus during leave of absence.
- External profiling, visibility of the investment in gender equality and collaboration with external parties such as #HunSpanderer.
- Clear ownership, credible commitment and involvement by management.
- Gradual change of focus from gender equality to a more complete diversity perspective through the initiative "The best people".
- Attitude-forming work and the use of role-playing in leadership meetings.

We continuously evaluate our measures and renew them as needed. Going forward, we will continue our attitude work and reach out to more target groups on our projects. We will expand our measures beyond gender equality. AF Gruppen will ensure equal opportunities for all. We are convinced that it is profitable for the individual, for the company and for society.