



**DIVERSITY
AND EQUALITY**

INTRODUCTION

“When we are able to harness the value of diversity, we gain more perspectives and make wiser decisions. We will ensure that everyone who works with us feels included and confident that they can be themselves, in order to create a culture of job satisfaction, community and performance”, says CEO Amund Tøftum.

AF Gruppen works actively to promote equality and prevent discrimination. Our ambition is to preserve and build an inclusive, safe and good working environment with zero tolerance for discrimination, a culture where violations have consequences and equal opportunities for all. Our defined strategic goals for equal treatment are that the recruitment share by gender shall reflect the recruitment pool, the relative share of promotions shall be equal for women and men, and that both men and women will thrive at work. In the long term, the goal is to increase the proportion of women among salaried employees to 40 per cent, and the total proportion of women to 20 per cent.

In 2023, 30.8 per cent of all newly hired salaried employees were women, an increase from 2022 (24.4 per cent). The proportion of female new hires is also consistently higher than historically in AF Gruppen. The increase in employment of female salaried employees applies across all AF Gruppen's business areas. Among skilled workers, the proportion of women remains low at 1.7 per cent (1.4 per cent), and the number of female apprentices remains at 10 per cent, while the total number of apprentices has increased by 22 per cent. The proportion of internal promotions shows no significant difference between men and women (8.6 per cent for women, 8.0 per cent for men in 2023). As of 31 December 2023, the percentage of female employees in AF Gruppen was 9.7 per cent (9.8 per cent). The proportion of female employees has increased most in the Offshore business area, but there has also been an increase in Betonmast, Energy and Environment, and Sweden, while it has remained stable in the rest of the organisation.

Everyone who works at AF should thrive, regardless of gender, age, nationality and seniority. We believe that diversity contributes to increased job satisfaction and strengthens our attractiveness as an employer. The Employee Satisfaction Survey (ESS), which was last conducted in 2023, shows that our employees are very satisfied with their work and with AF as employer. AF scored 5.2 on a scale from 1 to 6, where 6 is best. These results are in line with our strategic goal of achieving a score above 5 in the ESS. The survey shows no significant differences in job satisfaction between women and men. There are also no differences in the perceived career development opportunities for women and men who have recently taken parental leave or have young children. Compared with the ESS from 2021, the results for job satisfaction remain stable, and there is an improvement in some of the job satisfaction indicators for both women and men. At the same time, the survey shows variations in the perceived inclusion among our foreign employees, with a slightly lower score among our Polish employees, who consist of around 7.5 per cent of our workforce.

The strengthening of the Equality and Discrimination Act through new activity and reporting requirements helps to highlight our work to promote diversity and inclusion, and gives us the opportunity to share knowledge and experience with other actors in the Norwegian business and industry. If AF Gruppen is to be able to recruit, develop and retain the best talent, we need to recruit talent from a broader and more diverse range of candidates. AF believes that different perspectives lead to better decisions, and therefore diversity adds value and increases our competitiveness.

Part 1

GENDER EQUALITY STATUS

As part of the corporate strategy, AF Gruppen works actively to promote equality and prevent discrimination. A key part of this work includes collecting data, conducting analyses and following up with corrective measures where needed.

For many years, AF Gruppen has monitored and ensured that gender is not a factor that affects employees' annual salary increase for the same job grade/groups as part of the annual salary adjustment process. This is in order to uncover any discrepancies and implement follow-up measures. Comprehensive analyses are carried out annually and presented to the corporate management team and the Board. Each of AF Gruppen's subsidiaries has carried out and reported gender equality status in accordance with national legislation. For the Norwegian companies, the report has been enclosed with the annual report which is sent to the Brønnøysund Register Centre. AF Gruppen's Swedish companies have conducted similar equality surveys for several years, but are not subject to the same requirements for publication. However, findings are reported to management and if undesirable deviations are found, these are followed up with mitigation measures.

In the following section we share the key findings from the analyses carried out in AF Gruppen:

1. Number of employees, regardless of percentage of full-time equivalent, broken down by gender

The proportion of women in AF Gruppen as of 31 December 2023 was 9.8 per cent (9.0 per cent). There is an increased proportion of women among both salaried employees and skilled workers compared to 2022.

Women make up 19.5 per cent (18.7 per cent) of the salaried employees and 1.7 per cent (1.4 per cent) of the skilled workers in AF.

2. Number of employees with a time limited employment, regardless of percentage of full-time equivalent

Temporary employment contracts are rarely used at AF Gruppen, but can be used in connection with specific requirements. The proportion of temporary employees remains stable at less than 2 per cent. Apprentices are an important investment in AF's Group strategy, with a quantified target of having at least 7 per cent of skilled workers be apprentices. Apprentices, of whom 10 per cent are women, are not considered temporary workers.

3. Average number of weeks of leave of absence taken

AF Gruppen encourages all employees to take parental leave by having proper procedures in place for before, during, and after the period of leave. This is to instil confidence in the employees that they will be able to be at home with children in connection with birth or adoption without it affecting their further career prospects in AF. The average number of weeks of parental leave is reported in each company's equality reports. In AF Gruppen Norge AS, which is the largest operating company in the Group, the average parental leave per employee is 32 weeks for women and 15 weeks for men. These figures refer to employees who took full parental leave in the period 2022–2023.

4. Number of employees with an employment rate lower than 100 per cent – actual and unwanted part-time

Part-time employment is little used in AF Gruppen, and no involuntary part-time work has been recorded. Part-time employment contracts are used at the request of the individual employee or for specific requirements.

5. Wage disparities

In order to identify gender balance and wage disparities in detail AF Gruppen has, since 2018, used job grade groupings as a basis for internal analyses and measures, and these form the basis for the units'

equality reports. Further studies conducted per type of position (line management or staff) and age group contribute to a better understanding of the status of equality and the possible need for measures in cases of non-compliance. We continuously monitor wage disparities in connection with our regular wage adjustment processes, and at a minimum every two years in accordance with national legislation.

The job grade groupings take into account several requirements:

- to report on any wage disparities between women and men for the same work or for work of equal value.
- to provide an overview on a large enough scale, which safeguards privacy and makes it possible to take action as needed.

All positions in AF Gruppen's companies are grouped in up to 4 job grades, depending on the number of employees:

1. Senior managers and salaried employees with particularly high professional responsibility (Level 1)
2. Middle managers, project managers and experienced technical specialists (Level 2)
3. Other salaried employees (Level 3)
4. Skilled workers (Level 4)

Main findings from the analyses of equality and wage disparities by job group:

- 90 per cent (498 employees) of the female employees in AF Gruppen belong to the salaried employees group at job grades 1 to 3, while only 1.7 per cent of skilled workers are women (54 employees).
- Among salaried employees, the vast majority of women belong to job grade

level 3, with a lower number of women at grades 1 and 2.

- Women are overrepresented in staff positions calculated in relation to the share of the total population. Women are similarly underrepresented in line management positions.
- The average age for women in AF is 39 years compared to 42 years for men. For salaried employees, the average age is 40 years for women and 44 years for men. For line management positions, the following applies: In roles within the project engineering, women are on average 5 years younger than men; and 9 years younger with respect to roles within supervision and project management.
- Women have a higher average basic salary than men. The main explanation for this is that skilled workers, where 98.3 per cent are men, have a lower basic salary than salaried employees. If we limit the comparison to salaried employees, men have a higher average basic wage than women, which is attributed to longer average work experience among men and the fact that men are overrepresented in managerial and line management positions.
- Men have a higher total salary than women. The main explanation for this is that men, both absolutely and relatively speaking, more often than women have positions with responsibility for performance, and therefore to a greater extent have performance-based bonuses.
- No systematic wage disparity between the genders has been identified. Salaries mainly reflect expertise responsibility and experience.

Part 2

OUR WORK TO PROMOTE EQUALITY AND PREVENT DISCRIMINATION

PRINCIPLES, PROCEDURES AND STANDARDS TO PROMOTE EQUALITY AND PREVENT DISCRIMINATION

AF Gruppen seeks to be a workplace where there is no discrimination on grounds of ethnicity, nationality, gender, belief or sexual orientation. This applies, for example, to matters relating to pay and benefits, promotions, recruitment and general career development opportunities. AF Gruppen has written objectives and rules to promote a good working environment which values equality and is free from discrimination or harassment.

The goals and rules are laid down in AF Gruppen's Code of Conduct. When they are recruited, all employees in AF Gruppen must sign off that they have received AF Gruppen's 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, skin colour, language, religion or beliefs.

Diversity and equality in AF Gruppen is a line management responsibility. The work is based on systematic measurements and analyses internally in the organisation, as well as through dialogue with external centres of expertise. Through our initiative "Diversity and Inclusion", previously "The best people", we have established an advisory body which will help make AF a better place to work for all employees. This initiative brings together representatives from a large range of AF's activities, including representatives from the Corporate Management Team and operations. The initiative was evaluated in 2023, and the project approach was adapted based on the evaluation to ensure a closer link to AF's overall strategy and improve our communications to the project organisation where our main business takes place.

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

We ensure equality and non-discrimination in practice through several channels:

- Targets and measures are anchored in AF Gruppen's Board and management, and equality and discrimination are topics in all leadership development programmes. The training also includes practical tasks related to conscious and unconscious discrimination as well as specific tools for complying with values, principles, procedures and standards for equality and non-discrimination.
- The HR and HSE network across AF Gruppen's units is actively used in the implementation of procedures and measures. These resources are broadly and frequently in 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 allows for further follow-up and which measures to prioritise.
- AF Gruppen has established a whistleblowing committee which manages protected disclosures received through the whistleblowing portal at www.afgruppen.com/notification. The committee handles both internal and external disclosures.
- Since 2019, AF Gruppen has had a specialised Group initiative in place related to diversity and inclusion. The working group for this initiative has representatives reflecting the diversity of employees from different levels of our organisation, as well as representatives from the Corporate Management Team and employee representatives. The goal is to make AF a better workplace for all employees and several measures have been implemented in terms of recruitment, job adaptation and awareness campaigns.

AF Gruppen's work on gender equality and diversity is based on four success factors:

- A long-term perspective and clear objectives: Diversity and inclusion are stated explicitly in AF Gruppen's strategy with quantified goals for gender equality.
- Committed senior management: Two representatives from AF Gruppen's corporate management team are sponsors of the "Diversity and inclusion" initiative, where the CEO has the highest level of responsibility. Status is regularly reported to the Corporate Management Team and the Board of Directors.
- Continuous monitoring: Monitoring of the gender balance takes place continuously in quarterly reviews with the business units. Since 2018, a system has been adopted for measurement and follow-up of the gender balance and verification of gender equality at various job grades. In addition, AF Gruppen has conducted several surveys: The CORE survey on equality in Norwegian business and industry in 2021, employee satisfaction surveys in 2021 and 2023, and an evaluation of AF Gruppen's diversity initiative in 2023. These surveys all provide us with measurement parameters benchmarks to work with and help strengthen our equality programmes.
- A wide range of measures have been implemented to ensure equal opportunities for all, with a special emphasis 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 awareness initiatives.

HOW WE WORK TO IDENTIFY THE RISK OF DISCRIMINATION AND BARRIERS TO GENDER EQUALITY

AF Gruppen's toolkit for diversity and inclusion includes having comprehensive knowledge about the Group's own business, and is based on close dialogue with external stakeholders such as the industry network for equality and prevention of discrimination, Diversitas, #EqualityCheck and the CORE research group.

Key sources for identifying risks related to equality and discrimination in 2023 include:

- The Employee Satisfaction Survey: Risks related to equality and discrimination are identified through AF Gruppen's employee satisfaction survey, The survey measures

employee well-being and job satisfaction, their perception of development opportunities, the working environment and the organisation's compliance with AF Gruppen's values. Since 2019, the survey has been expanded from three to nine different languages in order to reach as many as possible. In 2021, specific questions related to our whistleblowing systems regarding discrimination, as well as questions related to diversity and inclusion. In 2023, the survey was also used to map workplace incidents and how the employees felt about the way in which incidents were handled. The results distinguish between gender and employee category (manager/employee, salaried/skilled worker) and give indications of any discrepancies and work areas. Several background variables were added, such as nationality, the use of leave of absence in the last 3 years and job grade, to identify any challenges with greater accuracy and to implement relevant measures. With 3,858 respondents in 2023, and a response rate of 75 per cent, AF Gruppen's employee survey is a credible and well-used analysis tool for understanding and improving the company's employee experience. Communicating and following up on the results of the survey in each unit has helped to shed light on the risk of discrimination at a detailed level. In addition to the follow-up work in each unit, the results from the employee satisfaction survey are discussed in AF Gruppen's strategic executive sessions.

- Participation in the CORE survey and especially the collaboration with the Institute for Social Research in 2021–2022 helped to shed light on equality issues in AF Gruppen. Over 500 of the salaried employees in AF Gruppen participated in the survey and shared their opinions and experiences. Regular dialogue with the research community increases our knowledge about the risks of discrimination. Several meetings were held with the authors of the report to discuss the findings and how to act on them. The findings from the CORE survey were presented in March 2023 at a public event organised by #EqualityCheck and were the subject of a panel discussion on effective measures for greater equality and diversity.
- In the spring of 2023, an evaluation of AF Gruppen's efforts for greater diversity and inclusion was carried out with the help of external consultants from Trigger, which

was used to improve the strategy for the initiative.

- Conducting systematic exit reviews and interviews allows HR to uncover reasons why employees have chosen to terminate their employment.
- Quarterly measurement and reporting of the percentage of women in all units is included in the ongoing reporting from the business units to the Corporate Management Team, as well as in the reporting to the Board and the market.
- Together with AF Gruppen's management, an annual review of salary levels between women and men at equal job grades / groups is carried out as part of the salary adjustment process in order 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 survey is aimed at uncovering risks associated with harassment and recommended follow-up measures.
- Universum surveys on ideal employers for students and employed people also provide insights into which company attributes women and men find most important in their choice of employer, and allow us to compare how AF Gruppen is perceived as an employer in relation to these attributes. We use this information to prioritise relevant measures to ensure that we consistently have a strong attractiveness as an employer for both women and men.

WE UNCOVERED THE FOLLOWING RISKS OF DISCRIMINATION AND BARRIERS FOR EQUALITY

Risks of discrimination and barriers for gender equality that have been identified apply in particular to recruitment, employee development and the working environment. We still have a lower percentage of women compared to our target. The risk of harassment can be identified through the occupational health survey and through AF Gruppen's whistleblowing channels. As of 2023, the employee satisfaction survey also includes questions about whether one has been subject to unacceptable incidents and the steps taken to address this. In the survey, 4.4 per cent responded that they had been subjected to discrimination, bullying, sexual harassment or other unacceptable incidents at the workplace in the past 12 months. This applies to 6.5

per cent of the skilled workers and 2.5 per cent of the salaried employees respectively; 4.1 per cent of the men and 7.2 per cent of the women. The groups that stand out are our Polish employees, where 10.3 per cent report that they have been subjected to unacceptable incidents during that period, and women under 30 years of age, where 11 per cent report that they have been subjected to sexual harassment. The analysis of the results is still ongoing and will form the basis for further action in 2024. The employee satisfaction survey also reported a lower degree of perceived inclusion among skilled workers compared salaried employees (at 76 out of 100, versus 86 for salaried employees). Among them, employees of Latvian, Polish or Portuguese nationality report the lowest perceived inclusion (at 69, 70 and 72 of 100 index points respectively). The degree of perceived inclusion is still high, but somewhat lower than the average for the total employee group. A lack of systematic mapping in AF Gruppen beyond gender, age, nationality and education/work experience may entail a risk that discrimination in some aspects of diversity remains unaddressed. AF Gruppen therefore continuously assesses whether there are more diversity aspects that should be included in the surveys.

WE IDENTIFIED THE FOLLOWING POSSIBLE CAUSES OF RISKS AND BARRIERS AND IMPLEMENTED MEASURES ACCORDINGLY

The historical profile of the industry is a possible explanation for gender imbalance in recruitment. The construction and civil engineering industry has long been dominated by men. Figures from Statistics Norway (the Labour Force Survey, 2023) show that the proportion of women in the industry is only 9.2 per cent. However, there is a positive increase in the proportion of women choosing vocational training in construction. The proportion of women applying for the construction and civil engineering education programme in secondary schools has increased from 7 per cent in 2019 to 11 per cent in 2022, and remained stable at 10 per cent in 2023. Unconscious discrimination in employment can also be an obstacle to equality.

AF Gruppen works actively to address these risks, both to attract a larger group of people who represent broader diversity for the industry and to strengthen the understanding of diversity and inclusion in

our recruitment processes. These measures include:

- Having a structured recruitment process in place involving the use of aptitude tests and having both genders in interview panels.
- Training managers to increase awareness of unconscious biases and discrimination (Equality Check courses).
- Using pictures of employees of both genders in job advertisements and other material.
- Quarterly assessment of appointments by gender and level.
- Ensuring clear communication related to diversity and inclusion in our college/university tours, as well as 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 management and leadership roles can be linked to AF Gruppen's strong tradition of promoting leaders internally. Although more women are being recruited among salaried employees, it will take time before this results in more female leaders and women in key roles. The age difference between women and men in key line management roles, where women are on average between 5 and 10 years younger than men, may explain wage disparities; and for vacant leadership roles, women often compete against men with more experience.
- Unconscious biases and discrimination as well as demanding working conditions, especially in projects out in the field, can negatively impact employee well-being and job satisfaction and be a barrier career development for employees in different phases of life and family situations.

Risks and barriers related to gender equality within AF Gruppen are prevented and combated through measures aimed at employee development, the working environment and awareness initiatives. These include, but are not limited to:

- Facilitation for employees with small children, including guidelines for bonuses during leaves of absence and a systematic approach to leave of absence interviews.
- Implementation of job roles that group positions with a corresponding qualification profile and job grades, in

order to highlight career development opportunities for employees and develop career paths.

- Integration of gender equality controls in internal processes related to salary adjustment and succession planning.
- Training of leaders in how to identify and avoid unconscious biases and discrimination through separate modules in management trainings, management meetings and project visits. We continuously evaluate and improve the content of management trainings on this topic. In 2023, we signed a contract with #EqualityCheck for providing e-learning courses for managers on the topics of "unconscious discrimination" and "diversity in recruitment".
- In addition to the management training programme, several digital guides and courses are available, for example for conversations before a leave of absence period to uncover the individual's expectations for their parental leave. AF Gruppen's Manager Guide has also been supplemented with additional guidance on gender equality.
- Further developing of the toolkit for equality and against discrimination in projects. Regular internal promotion of AF Gruppen's diversity initiatives internally on the Intranet and in the projects through seminars, information posters and the targeted model used in project launch courses. In all our communications, we convey a simple and clear message: "Here, everyone has equal worth."
- Diversity and inclusion events and campaigns. In connection with the World Mental Health Day we held an internal seminar on this topic, with contributions from project representatives, the occupational health services and corporate management.

Risks and barriers associated with discrimination of employees of different nationalities can be due to linguistic or intercultural challenges. AF Gruppen is actively working to address these risks, including by:

- Including the topic "Here, everyone has equal worth" in project launch courses for both AF Gruppen's employees and our partner companies at the construction site.
- Ensuring that information is available in multiple languages. For example, the AF Group's HMS Handbook is published in nine languages (English, Norwegian,

Swedish, Polish, Russian, Portuguese, Lithuanian, Latvian and Slovak), and e-security introduction courses in 24 languages and dialects. A management course in English has also been prepared, which will be implemented in 2024.

- Creating awareness on the topic “intercultural dialogue”. In September 2022, this topic was addressed at AF’s leadership symposium for 700 managers from all sectors of our organisation, and representatives with a multicultural background were involved in the evaluation of AF Gruppen’s diversity initiative in spring 2023 to find areas for improvement.

RESULTS

AF Gruppen carries out an employee satisfaction survey every two years. The 2023 survey shows that job satisfaction levels are high. AF achieved 5.2 on a scale from 1–6, where 6 is best, a result that exceeds our strategic goal of ESS > 5. The result is also well above average for comparable companies and without significant differences in the gender and age group criteria. A high degree of perceived inclusion was also reported, and further analyses showed an equal level of perceived career development between employees who took parental leave during the last three years and other employees. In 2024 AF will conduct systematic follow-ups of the employee satisfaction survey and implement action plans accordingly in all branches and units.

AF Gruppen has seen stable growth in the number of female salaried workers in recent years. In 2023 the total proportion of women salaried workers is 19.5 per cent, which is the highest recorded share in AF Gruppen’s history. Over time, we have observed a positive trend in the percentage of women among those we have recruited to AF Gruppen. In 2023, 30.8 per cent of all newly hired salaried employees were women, compared to 24.4 per cent in 2022.

The ongoing shortage of female skilled workers has long been an issue in the industry as a whole, but is currently showing a positive trend with an increase in female apprentices. This is reflected in our apprenticeship initiative, where 10 per cent of our 189 apprentices are women, and also reflects the demographics in the general vocational education field, with increased interest from female students in recent years. The proportion of women remains very low among skilled workers,

but increased from last year from 1.5 per cent to 1.7 per cent.

The CORE survey conducted an evaluation of our diversity initiatives in 2021. 500 respondents across the companies in AF Gruppen were asked to evaluate the impact of a long list of equality programmes. The respondents reported on to what extent they were aware of these initiatives in AF Gruppen, and whether they had used or participated in any of them. The survey showed that the initiatives with the greatest impact included:

- initiatives related to leaves of absence
- leadership development programmes
- transparency concerning internal promotion and job opportunities
- mentoring schemes

At the same time, the survey revealed a large variation in employees’ awareness of the initiatives that exist that AF Gruppen offers. The vast majority are aware of the leadership development programmes, but initiatives related to leaves of absence are little known. 1 in 5 are not familiar with the whistleblowing system. Follow-up measures that were initiated in 2022 have been continued in 2023, including improved communications around schemes concerning leaves of absence, new and improved equality-related content in the leadership development programmes, boosting the message that “Here, everyone has equal worth” in all management meetings and trainings, as well as a newly-designed leadership training and mentoring programme scheduled for completion in 2024.

In the spring of 2023, we carried out a new evaluation of AF’s work related to gender equality and diversity. Despite a number of well-founded initiatives and high job satisfaction levels among our employees, both women and men, the proportion of women has not increased as expected. Following the evaluation, the project approach has been adapted. Changes include more initiatives, new target audiences and the addition of more expertise and resources to the project.

AF Gruppen continuously reviews the Group’s initiatives for greater equality and improves them as needed. We aim to ensure equal opportunities for everyone and continue our efforts to reach out to a larger audience with further measures. AF Gruppen is convinced that these efforts will benefit the individual, AF and society at large.