



**AARSLEFF**

# CSR REPORT 2016/17

Statement of corporate social responsibility cf.  
section 99b of the Danish Financial Statements  
Act and statement of the gender composition  
of the management cf. section 99b of the  
Danish Financial Statements Act



# CSR REPORT 2016/17

For a number of years the Aarsleff Group has made an annual statement of corporate social responsibility as a part of the annual report. It is important to us that our external reports and other communication focus on all areas that our stakeholders consider central to the assessment of our company. Financial information is a part of this picture and we also want to inform about our work and results obtained within corporate social responsibility (CSR).

The Aarsleff Group currently works on identifying the CSR matters that are most important to us and to our stakeholders.

We deliberately work on the CSR matters that we believe create most value.

The purpose of this report is to provide insight into our general CSR focus points and explain how we most effectively put them into practice. We take responsibility for our business activities and we want to ensure a positive and clear coherence between the activities of the Group and a sustainable society.

This report is structured in four strategic main areas:

- Environment and climate
- Employees
- The society around us
- External business partners.

These areas will be the foundation of our CSR report in future years and will make it easy to follow our development.

Also in the future we will have ambitious goals for the CSR matters that create most value for us and our stakeholders.

The CSR report comprises the Group companies and other companies that are part of the consolidated financial statements of Per Aarsleff Holding A/S for 2016/17.

The report describes our policies, principles and strategies; our initiatives and obtained results; and our expected future results.

December 2017



**Ebbe Malte Iversen**  
General Manager



**Lars M. Carlsen**  
Deputy General Manager



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Deputy General Manager





# AARSLEFF PROFILE

## AARSLEFF IS A LEADING CIVIL ENGINEERING CONTRACTOR IN DENMARK

Since 1947, our expertise has been to plan and implement large projects within infrastructure, climate change adaptation, the environment, energy etc. – from design to handing-over. We have a strong position in Denmark and the Baltic Sea region, and we solve projects in most parts of the world.

The Aarsleff Group comprises a number of companies, joint operations etc. that carries out our activities. An overview of the companies in the Aarsleff Group is found in our annual report 2016/17.

## COMMUNITIES OF EXPERTISE

The Aarsleff Group focuses on combining the many contracting skills in design and build contracts and in this way use the synergy potentials between the different skills.

At the same time, we draw on a deeply rooted project culture – to the benefit of both ourselves and our customers.

Our work is based on our clear mission, vision and values.

## MISSION

The Aarsleff Group plans and completes large, complex projects within infrastructure, climate adaptation, the environment, energy and building construction. We lay the foundations of a sound financial development of society and create value for the Group's shareholders.

## VISION

The Aarsleff Group wants to be a preferred and significant building construction and civil engineering group with international scope, based in Denmark.

## VALUES

- Commitment to what we do
- Focus on essential matters
- Striving for improvement and renewal
- Overall responsibility

## INDUSTRIALISATION AND OPTIMISATION

Through a number of years, we have worked to improve the efficiency of uniform processes by industrialising a number of products and services. This means that we are able to carry out uniform projects faster, more cost efficient and with less consumption of natural resources and energy.

## BUSINESS AREAS

With the Aarsleff Group's many specialist skills and synergy potentials, we are able to handle different types of projects from development-oriented infrastructure projects to major building projects and traditional civil engineering projects. Some engineering and contracting projects are very complicated, and only few contracting companies are able to solve them – Aarsleff is one of them.

The Aarsleff Group's expertise is based on the business areas Construction, Pipe Technologies and Ground Engineering, and we seek and exploit synergies across the Group to offer our customers turn-key solutions with a high degree of own production. We refer to this as One Company.

The optimisation achieved gives us a higher quality and a reduced consumption of time and resources – and in this way, the projects' "footprints" in terms of material consumption, transportation, waste etc. are reduced.

Aarsleff's customers can always expect the same high level of commitment no matter the size of the projects and no matter whether they are carried out in One Company working relationships, in consortia with skilled collaboration partners, accord-

## KEY FIGURES FOR THE GROUP (million DKK)

	2016/17	2015/16	2014/15
Revenue	11,188	10,420	10,254
Operating profit	380	418	487
Profit for the year	269	304	366
Total assets	7,025	6,533	5,990
Equity	2,695	2,503	2,265
Earnings per share (EPS), DKK	13.16	14.84	17.98
Number of employees	6,203	5,902	4,932

ing to the principles of partnering or as traditional projects. We are able to offer our customers the best solutions thanks to our wide range of contracting and engineering disciplines which include extension of harbours, construction of tunnels, bridges, shell structures and buildings.

In the field of building construction, we are one of the few contractors in Denmark capable of carrying out a major part of the building activities in own production. The Aarsleff Group can take on any project from groundwater lowering, pile foundation, retaining walls, earthwork, pipe work, concrete work or technical installations.

We have constant focus on product and method development, and our engineers of Design & Engineering assist with specialist expertise at a high international level within soil engineering and construction design. This in-house expertise allows us

to develop new and alternative solutions for our customers – resulting e.g. in effective project processes that reduce consumption of materials, resources and energy.

In order to create the best solutions for our customers, we use VDC (Virtual Design and Construction) increasingly in our projects to simulate processes and structures. In this way, our customers can have a visualisation of the project, before we start our work. In addition, we are able to optimise the design, plan the execution, improve the processes and identify the risks even better in advance.

## AARSLEFF IN FIGURES

The Aarsleff Group is a public limited company listed on Nasdaq Copenhagen A/S. Our annual revenue amounts to DKK 11,2 billion – of which 29% comes from abroad. The Group employs 6,203 dedicated people in the Danish parent company and in the subsidiaries in Denmark and abroad.



# HOW WE WORK WITH CSR

In the Aarsleff Group, we would like that our CSR work helps create and increase the “shared value” based on the business opportunities of our value chain and based on the requirements and wishes from our stakeholders.

Corporate social responsibility has always been and will continue to be an important and integrated part of our company. Our current approach to CSR is the result of the way we have run our company since the beginning 70 years ago – development, efficiency and value creation have always been the bedrock of our company.

The development must of course be targeted and coordinated with the opportunities, qualifications and resources available.

## ORGANISATION OF CSR IN AARSLEFF

CSR is an important area of responsibility in the Aarsleff Group.

The management and the Board of Directors assess the risks of all areas and decide on initiatives to be implemented.

We have policies addressing a number of issues in the CSR area. For instance we have policies for anti-corruption, compliance with current competition laws, whistleblower scheme, environment, occupational health and safety, activities with customers and business partners, apprentices, trainees, company cars, sponsorship, climate and human rights.

The policies set the framework for specific development initiatives which are conducted by managers and specialists of the Group with the right qualifications.

The Aarsleff Group also focuses on involvement of the employees’ ideas and observations in the CSR work, and we also work systematically with involvement of and dialogue with our other stakeholders.

## MATERIALITY ANALYSIS CREATES FOCUS POINTS

We ensure that our CSR efforts have the optimum effect by currently assessing the subjects that are most important to us, our surroundings and our primary stakeholders. This allows us to target our efforts in areas that are of value to us, our shareholders and employees, and at the same time give benefit for society.

The materiality analysis shows that the most important CSR subjects to us are: fair competitive behaviour, anti-corruption, apprentices/trainees, safety at work, building waste, energy consumption, social dumping, noise/dust/smell/vibration, education/training of employees and support of human rights.

The materiality analysis is supported by interviews, knowledge acquisition from relevant sources, stakeholder analysis as well as analyses of CSR practice and CSR maturity of competitors and companies with a value chain similar to ours.



Management as well as selected employees have participated in the process.

In the future, we will carry out similar analyses regularly, as we want to work with CSR based on an updated and relevant picture, as we believe that this provides the basis for good risk management.

We have used the following basic method for the materiality analysis (table to the right).

**GOOD BEHAVIOUR IN AARSLEFF – OUR CODE OF CONDUCT**

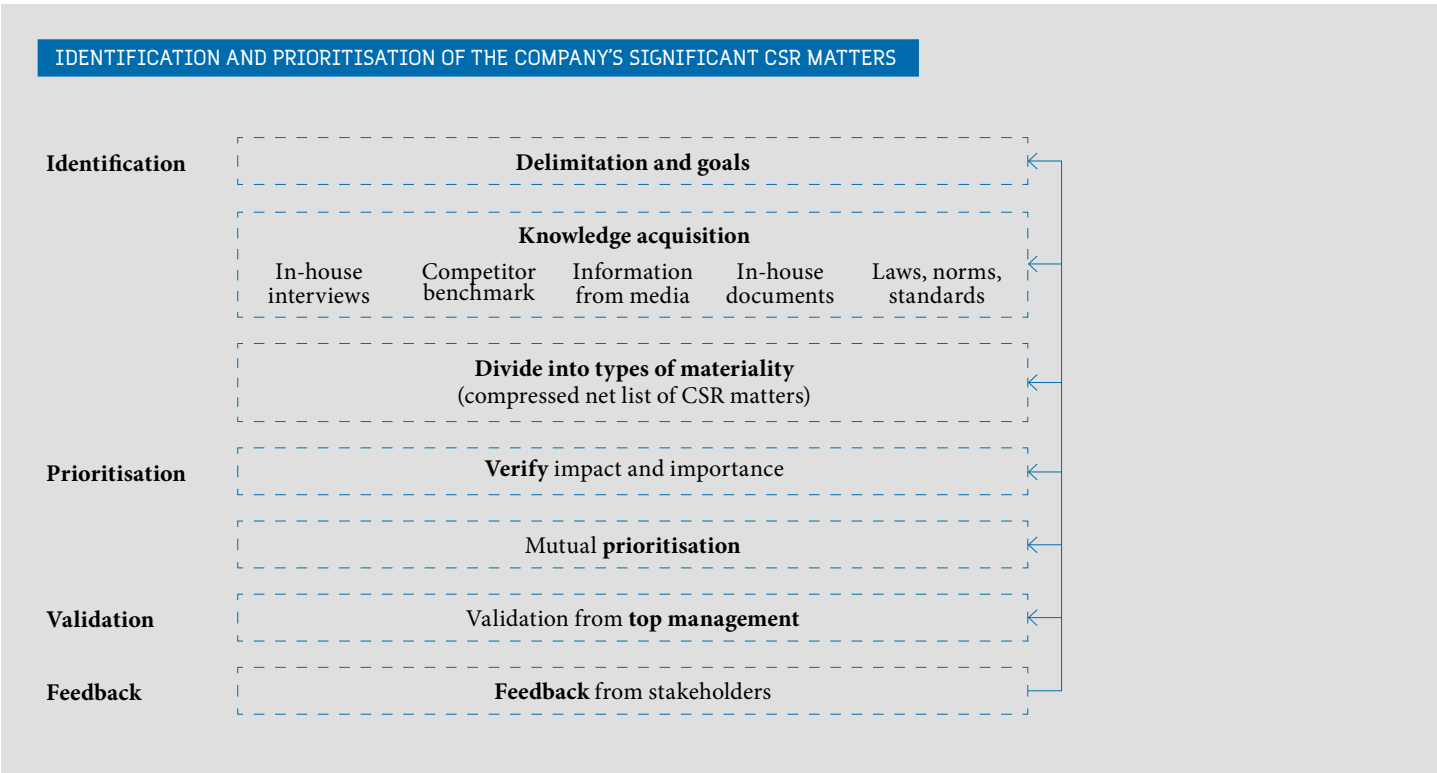
Our Code of Conduct describes good behaviour in Aarsleff – we focus on the environment, employees, safety, working environment, child labour, laws, regulations, international conventions, competitions and anti-corruption.

The individual managers are responsible within their fields of responsibility to ensure that employees and business partners are informed of Aarsleff’s Code of Conduct and the requirement to comply.

Employees at all levels of the organisation are required to comply with the Code of Conduct, from managers to individual employees. We have the same requirements to our business partners.

**OUR QE&OHS MANAGEMENT SYSTEMS**

The purpose of our management systems within quality, environment and occupational health and safety is to ensure that these are a natural part of all working processes in the company.



The management systems, including the certifications, provide a basis for our efforts to continuously improve and meet customer requirements and regulatory requirements.

Processes and activities in the management systems ensure operation and management of QE&OHS conditions, including how risks are handled. Processes and activities are documented.

The certification basis and regulatory requirements of the management systems are OHSAS 18001 (occupational health and

safety management), ISO 9001 (quality management), ISO 14001 (environmental management) and ISO 10006 (quality management of projects).

In Per Aarsleff A/S, the Group’s deputy general managers have the overall responsibility for the QE&OHS management systems. Our general managers and divisional managers have the responsibility and authority to ensure that current guidelines are complied with, and the process owners have the responsibility and authority to maintain and develop the guidelines.

# ENVIRONMENT AND CLIMATE

## OUR PRINCIPLES

The Aarsleff Group wants to comply with the environmental legislation and we have incorporated a number of policies, principles and working methods to protect the environment on a short-term and long-term basis.

One of the relevant policies is our environmental policy, which describes that we are aware of our influence on the environment, and we work to protect it and prevent pollution. We are committed to minimising our environmental impacts through planning, design and choice of method. We measure significant environmental parameters and we seek to minimise waste and excessive consumption of materials.

Our environmental policy also states that we will take the environment and fuel efficiency into consideration when we purchase, operate and maintain our machinery, and we will pay attention to correct handling of waste and contribute to more recycling.

Our company car policies state that we focus on energy-saving and environmentally friendly company cars when we purchase, operate and maintain machines and cars. New cars must have energy mark A+++ to A. As far as possible, all new vans shall comply with Euronorm 6, and for construction machines our target is to increase the share of machines with Euronorm 3A, 3B and 4.

We currently work on reducing our own energy consumption and we convert it to more climate-friendly energy types when appropriate.

Our policy on climate impact reduction states that we will currently strive towards an energy-efficient and climate-friendly

use of energy within a realistic financial framework. We also want to reduce our total consumption of fossil fuel.

The Aarsleff Group's management system for quality, environment and occupational health and safety (QE&OHS) provides guidelines for how we want to operate our company. By way of example, we want to economise on fuel during transportation and work-related driving by driving in an environmentally friendly way; turning off our machines and equipment when not in use; turning off lights, computers, printers, machines etc. when not in use; and saving heat by closing windows, gates, doors etc.

The QE&OHS system also states that we take care of each other and of nature by storing and handling chemicals safely and legally, sorting and disposing of waste correctly, and avoiding waste and errors. We want to reduce the risk of environmental accidents, e.g. by driving carefully, and we want to reduce the impacts in case of environmental accidents.

## ACTIVITIES IN 2016/17

We currently hold courses for our plant drivers, recognising that correct handling of our equipment is of great importance to the energy consumption as well as the lifetime of the machines. The courses are held externally and touch on subjects such as idle-running periods, efficient utilisation of the machines' torque and optimum times for start and stop.

In the future we would like a combination of external courses and own instructors, and during the past year we have started to develop courses with own instructors.

## IN 2016/17 WE HAVE...

- trained our plant drivers in economising on fuel consumption
- energy-optimised our new headquarters
- purchased fuel-efficient cars, lorries and machines
- taken an IT system into use for management of building waste

## TRAINING FOR PLANT DRIVERS

“ I have attended Aarsleff's course and learned among other things how to economise on fuel and how to tear less on the equipment by using the machines optimally. Even though I have many years of experience, I can learn a lot about e.g. idle running and noise reduction. So the course has been very useful to me, says Søren Kristensen, plant driver of a CAT336 excavator.

In addition, we work on assuring on-the-job training which means that our experienced plant drivers teach new drivers how to operate the machines. An important aspect of this type of training is that it takes place in the employee's own machine.

To help reduce the energy consumption, we have handed out leaflets to our employees on the construction sites, explaining how they can reduce energy consumption. For instance, the heating time for a construction machine is much shorter than earlier, so our employees do not have to start the machines in advance. We have focused on idle-running periods in a campaign using posters, stickers and leaflets, as well as posts on our app which we use for communication in some parts of the Group. In the past year, we have formulated a policy for measures to counter climate changes.

When constructing our new headquarters in Aarhus, we focused on energy-optimum solutions – e.g. by installing a solar cell system.

When we carry out projects in development countries, we often use new equipment; partly because it results in fewer breakdowns, and partly because new equipment has the lowest energy consumption.

During the past year we have adjusted our policies for cars and machines to the new 2018 EU standards.

When purchasing new cars, lorries and machines, we have adjusted the sizes and types in relation to our needs, in order to reduce CO2 emission and energy consumption.

In the past year, we have made sure that purchasing of cars, lorries and construction machines lives up to our targets for energy consumption and emission.

We still use speed-limiting devices up to 120 km/h, and if possible 90 km/h, when using tow bars on vehicles with yellow license plates. In addition, we use GPS tracking so we can document where the car has been driving.

We have started to use a new type of mobile refuelling system which our technicians can bring along when they visit the construction sites.

We continuously attend the courses in energy-efficient driving technique by the Danish Transport, Construction and Housing Authority.

Within the environmental field, we maintain and work in accordance with our ISO14001 certifications in the companies comprised by the certifications.

Waste separation at source is carried out in the company where it is possible and relevant.

In some parts of the company, we have introduced a new IT system for management and registration of our building waste. The system will be used for registration and management of the waste amounts of relevant construction projects. The system registers where the waste is collected and delivered, when there is need for collection of waste, and it registers the waste amounts per fraction. The system has integration to apps, and in this way e.g. emptying of a container can be ordered more easily and precisely.

As regards paper and cardboard waste, we have a service agreement with a purchaser ensuring a high degree of recycling and currently providing data about our amounts, which we use for reducing our waste amounts.

We always use local business partners to ensure a high amount of recycling of building waste and other waste from the projects. This often means that all our waste is recycled locally.





## RESULTS ACHIEVED

Purchasing of cars, vans and construction machines that live up to our targets for energy consumption and emission, measures of communication and training in better use of our equipment, and speed-limiting devices in our vehicles have reduced our energy consumption and CO2 emission.

We have reduced the heating time and idle-running time for our equipment, which has resulted in fewer repairs and less noise, of benefit to employees, neighbours and resource consumption.

Our new refuelling system saves a large amount of plastic packaging, provides better ergonomic conditions for our employees, and reduces smell and evaporation.

Our continued waste separation at source and our new IT system for construction waste provide a better fractioning of the waste amounts, as well as optimised sizes of e.g. containers and fewer kilometres driven by the carriers.

## RISK APPROACH

In a contracting group like Aarsleff, there is always a risk of pollution and other impact on our surroundings. Examples are oil spill; release of chemical substances; unintentional emission to air; noise, dust, smell; excessive energy consumption and non-optimal disposal of waste.

Our QE&OHS management system comprises a number of procedures for preventing and handling pollution and impacts when they occur – both in connection with our projects and within our own Group. Our employees are currently trained in these procedures.

## KEY RATIOS

	2016/17	2015/16	2014/15
<b>Vehicles and equipment divided into energy classes – purchased in 2016/17</b>			
Cars – (target: 100%)	97%	62%	47%
Vans – (target: increase the share) <sup>1</sup>	68%	30%	29%
Construction machines – (target: increase the share)	81%	75%	– <sup>2</sup>

### About data

Data includes owned and long-term leased vehicles and machines in Per Aarsleff A/S. The stated shares are the acquisitions during the year that comply with our policies: New cars must have energy mark A+++ to A. As far as possible, all new vans shall comply with Euronorm 6. For construction machines, our target is to increase the share of machines with Euronorm 3A, 4B and 4.

### Notes

<sup>1</sup>Our types of building construction and civil engineering projects require strong performance of the vans – e.g. in relation to the need of pulling other equipment. This means that we cannot exclusively purchase vans complying with Euronorm 6.

<sup>2</sup>Owing to changes of the corporate structure of the Aarsleff Group, there is no comparable data available for 2014/15.

We prepare an annual Environmental and Energy Survey report identifying and describing our risks. The report is part of our current risk management planning.

Our CSR organisation and analyses also make us able to currently act on risks.

# EMPLOYEES

## OUR PRINCIPLES

We wish to be the best in the business within occupational health and safety, and since 2009 we have been certified in occupational health and safety. To obtain our goals, we have a number of policies, principles and working methods all incorporated in our everyday work routines.

No matter where in the world we are working, we have ambitious goals and specific actions for occupational health and safety.

We have set up specific targets for sickness absence, job satisfaction, accident rate and occupational diseases.

Our occupational health and safety policy states that we want to offer attractive workplaces where occupational health and safety, job satisfaction and lifelong development are in focus. We do not accept accidents – and we have a zero accident target. A safe working environment has a higher priority than reasons of economy.

In the Aarsleff Group, we incorporate OHS aspects already in the design phase and in the selection of method; we prioritise order, tidiness and a systematic fitting out of our workplaces; and we continuously improve occupational health and safety.

We expect that all managers and employees take responsibility and learn from their own and others' experience, and in our daily work, we focus on improving individual operations. All employees of the Group are obliged to take action if they identify unacceptable conditions.

All our managers must make an active effort to ensure a good and safe working environment. Our code of good management in the Aarsleff Group states that our managers must show com-

mitment, focus on the most essential matters, strive to improve and renew, and take responsibility. Aarsleff's One Company approach and Code of Conduct are central bases for the code of good management.

Our OHS policy states that we want a sound and stimulating working environment which enhances job satisfaction. To ensure security, motivation and commitment, all employees must feel that there is room for an open and sincere dialogue.

We want to offer further training for developing our employees, and we expect that everybody takes an active part in ensuring that we are able to match the requirements and expectations.

## ACTIVITIES IN 2016/17

Occupational health and safety is top priority in the Aarsleff Group, and the executive management always addresses the subject at the biannual status meetings with the entire organisation, and in addition, occupational health and safety is always the first item on the agenda for the management meetings.

In recent years, our number of accidents has been higher than our goal, which is why we still take measures to reduce the number of accidents. For instance, we have launched a campaign focusing on access roads at our construction sites.

We currently perform analyses of the reasons for the accidents with the purpose of learning from these. We have a routine procedure for sharing information about accidents with our employees, in order to avoid that a similar accident or a near-miss accident happens again. Information must be given right after the accident, it must not exceed one page, and it often include photos. Communication is made according to the same principles, when the Group receives immediate improvement notices from the Danish Working Environment Authority.

## IN 2016/17 WE HAVE...

- a top management clearly engaged in further development of the working environment
- communicated quickly, briefly and with photos when accidents have happened or could have happened
- initiated focus on healthy food and exercise
- introduced Aarsleff Academy

Our newly purchased cars have extensive safety packages, and all our cars have first aid kits.

In some parts of the Group, we use an app which makes the employees able to communicate quickly with their colleagues about dangerous working conditions and near-miss accidents.

In the past year, we have worked on updating our workplace safety instructions in our common IT system, and we will continue the work in the year to come.



The annual mandatory theme day for foremen and OHS representatives on the sites had 130 participants this year. Among the subjects were good OHS conduct, chemistry, job satisfaction and statutory inspection.

All new hourly-paid and salaried employees of Per Aarsleff A/S must participate in our occupational health and safety introduction course – no matter their job function in the Group.

In the past year, we have made a plan for how we are going to follow up on the employees' job satisfaction in the future, and we have tested an app for current measurement of job satisfaction.

It is still standard practice that all managers currently receive an overview of the employees' sickness absence allowing them to spot employees with special needs.

We still participate in relevant activities in the framework of the National Research Centre for the Working Environment – and we benefit particularly from the toolbox seminars.

In 2016/17 we have mounted noise and dust reducing materials on the walls in some of our workshops, to the benefit of employees as well as neighbours. In addition, we sprinkle water on our construction sites and access roads to reduce dust.

In some parts of the organisation, we have a mentor scheme (we call it a "buddy") for new employees as well as a thorough introduction course, and in some parts of the Group we have trained our foremen in how to carry out introduction courses for new hourly-paid employees. For employees who are close to retirement age, we offer seminars about the third age, and some of our employees enter into a senior scheme.

We appreciate the many initiatives in the Group in the form of staff associations, clubs etc. and the company supports them with time and economy.

In a part of the Group, we have initiated a dietician programme informing the employees about eating healthy and exercising.

Agreements about further/supplementary training are a natural part of our job satisfaction and development interviews.

We have established Aarsleff Academy which supports our employees' personal and professional development in line with the company's strategy. The focus areas include management, project management, professional expertise and safety courses.

#### AARSLEFF'S OCCUPATIONAL HEALTH AND SAFETY AWARD

Again this year, the steering committee for OHS has presented the occupational health and safety award every quarter. The award is presented to a particularly good OHS initiative, based on the employees' nomination. The winners receive money for a social activity with the team, and the good idea is communicated in-house.

In the third quarter of the year, the award went to a special type of railing consisting of steel profiles welded directly to the sheet piles of the construction pit. This makes the railing very stable and saves time for maintenance. In addition, first aid kit, monitoring equipment, gas bottles or lighting can be mounted. These things may otherwise be difficult to mount near the workplace in a safe manner. When the project is completed, the railing is cut off and can be used on the next site.

*"Our team is very proud of winning the occupational health and safety award", say Stefan Jørgensen and Jesper Jørgensen of Aarsleff Ground Engineering.*

## RESULTS ACHIEVED

The clear involvement of the Group's executive management in the OHS matters has increased the attention, the behavioural impact and the motivation in the entire Group.

The communication about "incidents we must learn from", introduction of apps and the ongoing updating of the workplace safety instructions have contributed to further development of good OHS behaviour.

Unfortunately our accident rate is still considerably higher than our target. During 2016/17 we have reduced the accident rate as well as absence due to accidents, however we are aware that we must still carry out targeted and effective development measures with the purpose of reducing the number of accidents further.

The noise and dust reducing materials on the walls have improved the working environment for our employees and reduced the nuisance to our neighbours.

Our HR policy has contributed to job satisfaction among the employees, and the dietician programme has contributed to weight loss, strengthened mentality, better food habits etc. among the employees.

The opportunities of participating in further/supplementary training are of great importance to the employees and contribute to increase the employees' job satisfaction and to reduce the rate of employee turnover.

## RISK APPROACH

There will always be OHS risks, including risk of accidents, in the contracting business, as the projects involve heights, water, heavy lifts, sharp and rotating machines, etc.

## KEY RATIOS

	2016/17	2015/16	2014/15
Accidents (rate) – (target: Max 5)	18.8	21.0	– <sup>1</sup>
Accidents (absence)	9.3	11.4	– <sup>1</sup>
Sickness absence – (target: Max 2.5%)	3.1%	2.7%	2.3% <sup>2</sup>

### About data

*Accidents (rate): Number of accidents per 1 million working hours. Accident (numerator) is defined as follows: Accident suddenly occurred during working hours, which results in absence on the day of the accident and at least the day after. Number of working hours (denominator) is defined as follows: Number of hours performed during the year with deduction of absence due to accident.*

*Accidents (absence): Average number of days of absence per accident until the employee starts working full-time or part-time again.*

*Sickness absence: Number of hours with absence (numerator) in relation to the number of working hours (denominator). The numerator includes own sickness absence, absence due to child's first day of illness (absence due to chronic disease, maternity leave and other absence are not included), as well as short-term and long-term sickness. The denominator includes the total number of hours including sickness absence with deduction of holidays, extra holidays, special holidays, care days, absence due to accidents and salaried employees' overtime.*

### Notes

<sup>1</sup>Owing to changes of the corporate structure of the Aarsleff Group, there is no comparable data available for 2014/15.

<sup>2</sup>Data applies only to Per Aarsleff A/S

We make a targeted effort to eliminate and handle the risks through planning, training, behavioural impact, etc. Our QE&OHS management system comprises organisation and procedures for preventing and handling the OHS risks in the best possible way.

Our CSR organisation and analyses also make us able to currently act on risks.



# THE SOCIETY AROUND US

## OUR PRINCIPLES

We wish to contribute to a sound, democratic and competitive development of society. We wish to always comply with applicable competition legislation and to oppose all types of corruption, including blackmail and bribery, regardless of where in the world we operate.

The prohibition in our anti-corruption policy includes any transfer of values or assets and is not restricted to transfer of money. Kickbacks are also regarded as bribery, and it is considered bribery irrespectively of whether it is done directly or indirectly. In some cases, so-called facilitation payments may be allowed.

The prohibition against bribery applies without exception, also if our competitors use bribery. We are allowed to give and receive normal hospitality.

We do not allow any kind of price cooperation, cartel formation or abuse of market dominance. We have prepared a guideline for compliance with the competition legislation providing information on the prohibition against agreements or exchange of information that coordinate tenders or split up markets or customers. The prohibition also applies when entering into consortia or joint ventures that could restrict competition.

In cases when Aarsleff has a dominant market position, the competition legislation in particular stipulates that we must not abuse our dominant market position, and we are legally obliged to report certain types of collaborations.

As stated in our policy on respect for human rights, the Aarsleff Group wishes to avoid negative impacts on human rights, and

we actively handle any negative impacts we may have caused or contributed to. Our approach is based on the UN Guiding Principles on Business and Human Rights.

The Aarsleff Group's Danish companies have a whistleblower scheme, and through this scheme employees, board members and other Group stakeholders can submit anonymous reports about suspects of serious and unacceptable matters or illegal activities which may generate economic loss or damage the reputation of the Aarsleff Group. Information to the whistleblower scheme is reported electronically through our website and information is treated confidentially.

Actively entering into applicable collective agreements is a fundamental principle of the Aarsleff Group, and we do everything we can to counteract social dumping. And we apply this principle regardless of where in the world we operate.

As stated in our policy on sponsorships, contributions and donations to charity, we do not provide sponsorships and we do not give contributions with marketing in mind. However, exceptions may be made in special cases.

Our policies for apprentices and trainees are fundamental to the Aarsleff Group. We wish to have apprentices and trainees within the civil engineering field and related fields such as administration and finance, and we have established specific targets for the number of apprentices and trainees employed with us. Moreover, we strive to ensure that they continue working for us when they are fully trained.

Our trainee programme is targeted at both engineering students and students from other specialist fields.

## IN 2016/17 WE HAVE...

- established Aarsleff Labour Service to help improve the recruitment process of foreign employees
- completed a training programme of fair competitive behaviour for our managers
- updated our anti-corruption policy
- continued to have a high number of apprentices and trainees in the Aarsleff Group

Living up to expectations of our surroundings and neighbours wherever we operate is something we are very much aware of, so we actively communicate with stakeholders.

#### ACTIVITIES IN 2016/17

Throughout 2016/17, more than 400 of our managers completed a training programme of fair competitive behaviour. And in addition, we updated our anti-corruption policy.

We have always supported human rights, and this year we have established a separate policy on respect for human rights, and we have started planning appropriate initiatives.

During the past year, we have worked on a plan establishing how the Aarsleff Group can further improve the way we manage our suppliers' responsibility profiles in relation to requirements applying to the environment, occupational health and safety, employee rights, anti-corruption, human rights etc. We will continue to work on this in future.

This year, four concerns have been reported through our whistleblower scheme, and we have treated these in accordance with procedures established.

On some of our customer projects, we weekly report a number of information stating which employees are assigned to the projects. We do this to avoid being involved in social dumping.

With the aim of establishing contact to students, we have participated in education fairs and other relevant events. In

addition we constantly have a large number of students who are employed by us as trainees or while working on their thesis. Assigning one specialist Aarsleff employee to each student, we ensure high value for both the student and the Aarsleff Group throughout their involvement with us.

We have maintained our close contact with the vocational colleges. We always prepare a training plan for each apprentice or trainee so he/she is trained in relevant specialist fields. In some cases, the training programme involves training across our divisions and companies to ensure adequate training of the apprentice or trainee.

Also this year, a large number of the fully trained apprentices and trainees have continued working for us.

We still find it important to complete our projects with a high stakeholder satisfaction rate, and working together with our customers, we have communicated with neighbours etc. In addition, we inform residents affected by our work by distributing information to every household and using information boards etc. In cases involving sponsorship, we have used the same principles as previously.

#### SKILLS AWARD 2017

Building operative trainee Mille Christine Eriksen won the Danish National Championship in Skills within the building operative discipline. 3,000 spectators at the community centre Gigantium in Aalborg watched the Danish minister for education Merete Riisager presenting the Skills Award and certificate to Mille.

Prior to this, Mille and her work partner had spent a couple of intense days having had just 22 hours to construct a bridge deck. *"Especially Thursday and Friday were tough days. Having felt the pressure at the Danish Skills Award, I can draw strength from this when I take my apprenticeship test. It was extremely stressful but also exciting"*, tells Mille who in particular took advantage of her excellent skills of reinforcement work throughout the competition.



## RESULTS ACHIEVED

Our training programmes targeted at ensuring fair competitive behaviour, the updating of our anti-corruption policy, the established policy on respect for human rights, our policy on sponsorships and our whistleblower scheme have all helped to reduce our risks within these areas.

Having established the Aarsleff Labour Service, we can now better ensure compliance with current rules and collective agreements and avoid being involved in social dumping.

Having a large number of apprentices and trainees has helped us to gain new knowledge, ensure future labour to the industry and ourselves as well as to introduce young people to the labour market.

## RISK APPROACH

We address the risk of being involved in corruption or cartel cases through clear top management statements, specific policies and by providing consistent and appropriate training in and guidance on our rules to all employees who, because of their position, are exposed to such risks.

We address risks linked to any violation of human rights by having a clear policy and launching appropriate, forward-looking initiatives in line with international standards and with what is expected from us.

The way we manage the risks of violating employee legislation, collective agreements etc. includes a close and ongoing management involvement and the Aarsleff Labour Service initiative.

## AARSLEFF LABOUR SERVICE

The initiative was established this year to ensure improved recruitment management and transparency when we recruit foreign employees for our projects. The initiative helps us to comply with national and international legislation as well as collective agreements entered into with the Danish Construction Association and similar organisations.

*"We have entered into a collaborative agreement with a large, leading recruitment company in Poland who handles most of the recruitment process. Working closely together with this company, we ensure that rules are complied with and that we employ highly qualified employees",* tells Peter Nordheim, project manager of Per Aarsleff A/S.

## KEY RATIOS

	2016/17	2015/16	2014/15
Training programme of fair competitive behaviour	406	– <sup>1</sup>	– <sup>1</sup>
Concerns reported to the whistleblower scheme	4	0	– <sup>2</sup>
Apprentices (% and number) – (target: 10%)	8.5% / 214	8.0% / 190	7.9% / 77 <sup>3</sup>
Trainees (% and number) – (target: 5%)	5.3% / 76	5.1% / 69	7.2% / 54 <sup>3</sup>

### About data

*Training programme of fair competitive behavior: Number of managers having completed the training.*

*Concerns reported to the whistleblower scheme: Total number of reported concerns through the scheme regardless of type and outcome. The scheme comprises all the Danish companies of the Aarsleff Group.*

*Apprentices: Proportions are reported as headcount (i.e. not converted to full time equivalents) in relation to average number of hourly-paid employees in total.*

*Trainees: Proportions are reported as headcount (i.e. not converted to full time equivalents) in relation to average number of salaried employees in total.*

### Notes

<sup>1</sup>The training programme was established in 2016/17.

<sup>2</sup>The whistleblower scheme was established in 2015/16.

<sup>3</sup>Data applies only to Per Aarsleff A/S.

# EXTERNAL BUSINESS PARTNERS

## OUR PRINCIPLES

Quality in everything we do is essential to us. And as stated in our quality policy we comply with legislation, rules and agreements entered into, and customer satisfaction is an important quality parameter to us. We are committed to engaging in professional collaboration giving a high priority to customer satisfaction.

We are committed to conforming to agreed requirements and expectations in relation to clients and colleagues, and we document our work. Planning and preparation are essential to us, and we continuously seek to achieve improvements through systematic control, and in addition we deliberately seek to cultivate a culture of improvement that allows experience and creativity to be communicated and applied.

We wish to prevent the Aarsleff Group and each individual employee from facing situations where our impartiality or ability to act loyally or optimally can be questioned. So we have defined a set of principles applying to "Activities with customers and business partners" providing specific rules concerning gifts, lunches, dinners, study trips and training courses.

Actively creating collaborations and good stakeholder relations on our projects is a fundamental principle of the Aarsleff Group, as this benefits project implementation and increases stakeholder satisfaction. We apply this principle regardless of where in the world we operate.

## ACTIVITIES IN 2016/17

In terms of quality assurance, parts of the Aarsleff Group continue to be certified according to ISO 9001 (quality manage-

ment) and ISO 10006 (quality management of projects), and daily work flows are performed according to these.

Working on our customer projects throughout this year, we have collaborated with customers and business partners in varying ways on using more simple, improved and more cost-efficient methods and solutions. Many of these new solutions are small everyday improvements. However, in overall terms, these have a great impact. Increased knowledge sharing is a natural part of our customer and partner relationships and enhances the Aarsleff Group's value creation and that of our customers.

Our principles applying to "Activities with customers and business partners" have been used as one of the foundations for the way we conduct business with customers and business partners.

The Aarsleff Group continues to be a member of the Danish Association for Responsible Construction, and we have continuously supported and participated in activities and meetings of this association.

We find it highly important to establish good local community relations throughout the continuous operation of our projects in developing countries. This includes communicating with local authorities, trade unions, NGOs, schools, associations etc. We especially aim to hire local staff and to understand and collaborate with local communities.

## RESULTS ACHIEVED

Using the ISO certifications has allowed us to maintain our quality management at a high level and has helped us to make fewer mistakes and to increase customer satisfaction.

## IN 2016/17 WE HAVE...

- continued to consistently use processes and organisations in accordance with our certifications
- cooperated with the Danish Association for Responsible Construction
- created a number of small everyday improvements of solutions and methods together with customers and business partners – generating a great impact in overall terms.

Our membership of the Danish Association for Responsible Construction, our principles applying to "Activities with customers and business partners" and our focus on establishing good local community relations have all helped to maintain Aarsleff as a Group having high social responsibility principles and putting these into practice.

## RISK APPROACH

To control the risk of delivering projects with a lower quality than assumed, we consistently use processes and organisations in accordance with our certifications.

# EQUALITY

(STATEMENT IN ACCORDANCE WITH SECTION 99B OF THE DANISH FINANCIAL STATEMENT ACT)

In the Aarsleff Group we believe that equality helps us to generate better results, make wiser decisions, increase our innovation ability, improve our internal working environment and to make us an even more attractive employer.

Promoting equality, we are attending to our employees' diversities, skills and experience. We welcome all employees and we respect them regardless of age, gender, ethnicity, religion, disability, sexual orientation etc.

We wish to create a culture that provides employees with equal opportunities regardless of gender.

## Targets for the Board of Directors

We wish to ensure that the qualification requirements for board members are the same regardless of gender and that board members are elected on the basis of the qualification requirements of our boards.

### PER AARSLEFF HOLDING A/S

If the Board of Directors consists of four shareholder-elected members, the proportion of the underrepresented gender must no later than 30 September 2017 comprise 25% of the shareholder-elected board members. If the Board of Directors consists of five shareholder-elected members, the target is 20%. Considering the structure and opportunities of our relatively male-dominated engineering business, we find this to be an ambitious and realistic target.

The proportion of the underrepresented gender in the Board of Directors is 20% at 30 September 2017 so we have achieved our target. The shareholder-elected board members consist of one woman and four men.

### PER AARSLEFF A/S, WICOTEC KIRKEBJERG A/S, AARSLEFF RAIL A/S OG HANSSON & KNUDSEN A/S

For each of these companies the target is that, no later than at the end of the financial year 2019/20, the proportion of the underrepresented gender must consist of 20%, 25%, 25% and 25%, respectively, of the shareholder-elected board members. Considering the structure and opportunities of our relatively male-dominated engineering business, we find this to be an ambitious and realistic target.

The proportion of the underrepresented gender (in this case women) on our boards of directors as of 30 September 2017 appears from the chart below. Our targets have not yet been achieved in full owing to an insufficient number of best qualified female candidates.

We will in future continue to work on achieving the target.





## Policy for other management levels

### OUR PRINCIPLES

We have formulated a policy for the other management levels of the Aarsleff Group to create equality and increase the proportion of the underrepresented gender. Our policy is to have an open and unbiased culture allowing each individual employee to use his/her qualifications in the best possible way, regardless of gender. We wish that all employments are based on personal and professional qualifications.

The purpose of this policy is to increase the total potential for female managers in our company and within our line of business.

### ACTIVITIES IN 2016/17

Throughout this year, we have continued to use a set of guidelines defined for ongoing decisions and activities related to staff and management, including decisions and activities related to equality. However, we operate in a male-dominated industry, and this is significantly reflected in the number of male and female employees and applicants for advertised positions at all organisational levels.

When recruiting employees, our principle is to ensure that, at all management levels, both genders are represented in the field of qualified candidates. We ask our external recruiting consultants to use this principle in order to provide candidates of both genders, and we also use this principle when we handle the recruitment ourselves.

Wherever possible, we always include both genders when evaluating candidates for internal appointments.

### KEY RATIOS

	Target	2016/17	2015/16	2014/15
<b>The share of the underrepresented gender on boards of directors:</b>				
Per Aarsleff Holding A/S	20%	20%	0%	0%
Per Aarsleff A/S	20%	20%	0%	0%
Wicotec Kirkebjerg A/S	25%	0%	0%	0%
Aarsleff Rail A/S	25%	0%	0%	0%
Hansson & Knudsen A/S	25%	0%	0%	0%
<b>Per Aarsleff Holding A/S, Per Aarsleff A/S, Wicotec Kirkebjerg A/S, Aarsleff Rail A/S and Hansson &amp; Knudsen A/S:</b>				
The share of the underrepresented gender on other management levels	–	12.7%	12.1%	13% <sup>1</sup>
The share of the underrepresented gender in proportion to all employees	–	9.7%	9.1%	12% <sup>1</sup>

#### About data

Other management levels: Include a total of 63 managers in 2016/17. In Per Aarsleff Holding A/S and Per Aarsleff A/S managing roles are included from staff managers and in Wicotec Kirkebjerg A/S, Aarsleff Rail A/S and Hansson & Knudsen A/S the upper management group is included. Proportions are, at year-end, reported as headcount (i.e. not converted to full time equivalents).

#### Notes

<sup>1</sup>Owing to changes of the corporate structure of the Aarsleff Group, these shares solely comprise Per Aarsleff A/S.

We have continuously employed trainees of both genders from the engineering colleges, as this over time will provide the Aarsleff Group with skilled employees and management potential of both genders.

### RESULTS ACHIEVED

Throughout the year, we have used our equality guidelines when recruiting to ensure that decisions are based on personal and professional qualifications.

Consequently, all recruitments, promotions and dismissals have also in 2016/17 been based on personal and professional qualifications, and the applicant's race, ethnic or social background, gender, religion or similar have not influenced our decisions.

These principles have helped to increase gender equality on the other management levels of our company.

# ROLE AND SCOPE OF THIS REPORT

This corporate social responsibility report is included in the management's review of the company's annual report. The CSR report is a statement of the corporate social responsibility cf. section 99a of the Danish Financial Statement Act and a statement of the gender composition of the management cf. section 99b of the Danish Financial Statement Act applying to the Per Aarsleff Holding Group for the financial year 2016/17.

Information and data are provided for the period from 1 October 2016 to 30 September 2017.

The CSR report comprises the Group companies and other companies forming part of the consolidated financial statements of Per Aarsleff Holding A/S for 2016/17. A total list is provided on pages 80-82 of the financial report for 2016/17.

Data collection and statement for this report have been made in accordance with accepted practices for balance, clarity, accuracy, credibility, timeliness and comparability. In addition the structure and contents of the report are inspired by the GRI Standards.

Wherever possible, we have stated comparative figures for previous years.

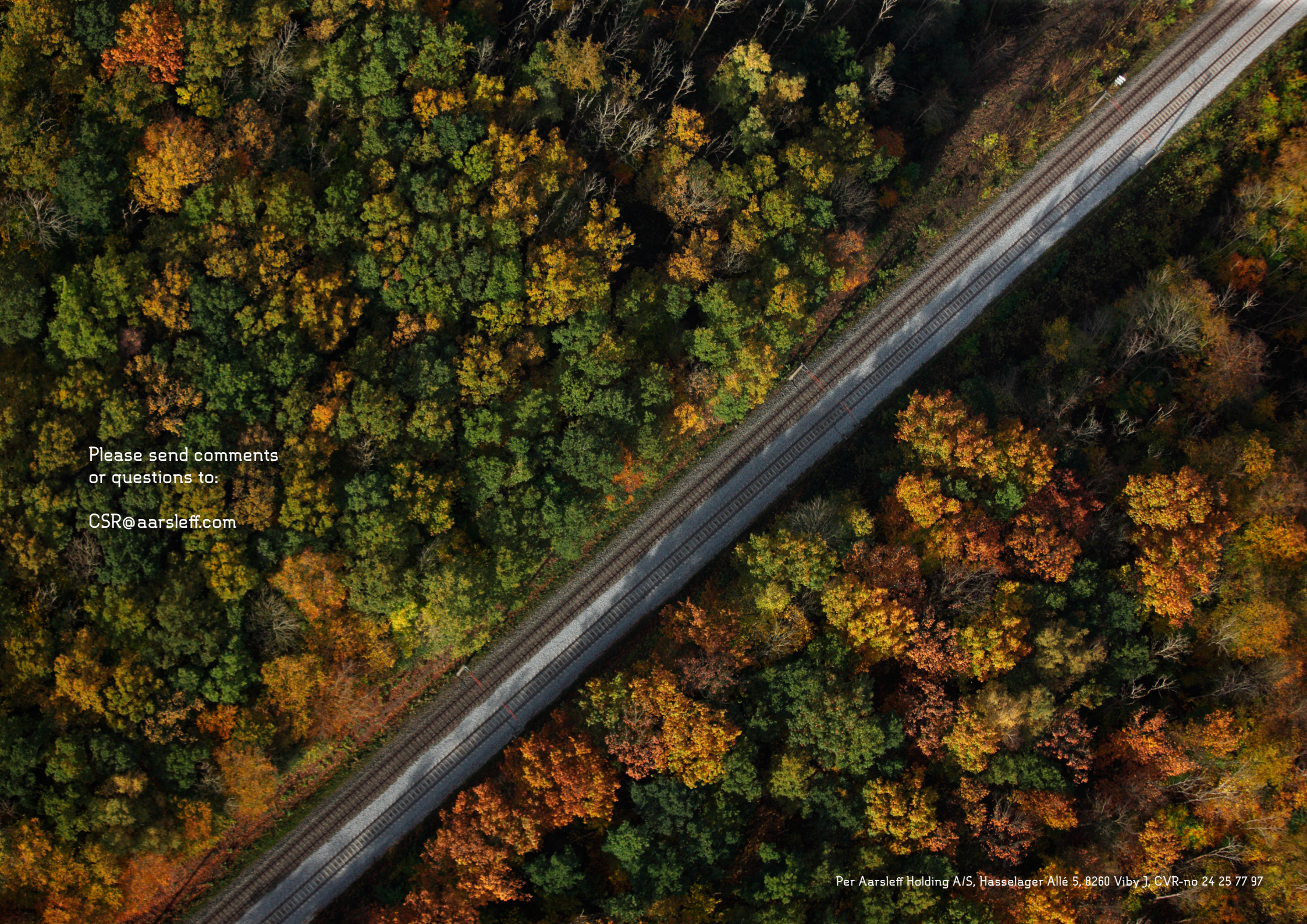
Figures are reported based on data from our IT systems, invoices, meter readings, continuous registrations etc. Data is subject to standard control procedures for quality assurance of data. Any estimates included in the statements are specified.

Unless otherwise stated, data figures of this report solely include the companies Per Aarsleff Holding A/S, Per Aarsleff A/S, Wicotec Kirkebjerg A/S, Aarsleff Rail A/S and Hansson & Knudsen A/S.

Explanation is provided for any material changes to the basis and contents of data compared to previous years.





An aerial photograph showing a railway track with two parallel rails and gravel bed, running diagonally from the bottom left towards the top right. The track is surrounded by a dense forest of trees with vibrant autumn foliage in shades of green, yellow, orange, and brown. The perspective is from directly above, looking down on the track and the surrounding woods.

Please send comments  
or questions to:

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