



AARSLEFF

CSR REPORT 2019/20

OUR WORK WITH SUSTAINABILITY

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

CONTENTS

CSR report 2019/20	3	Society around us	29
		Our principles	29
		Activities in 2019/20	30
		Results achieved	33
Aarsleff profile	4		
One company	5		
How we work with CSR	8	External business partners	34
		Our principles	34
		Activities in 2019/20	35
		Results achieved	38
The 17 UN global goals	15		
Environment and climate	18	Equality and diversity	39
Our principles	18	Our principles	39
Activities in 2019/20	19	Activities in 2019/20	41
Results achieved	23	Results achieved	42
Employees	24	Policies	43
Our principles	24		
Activities in 2019/20	25	Role and scope of this report	50
Results achieved	28		
		Data definitions	52



We take responsibility
Taking corporate social responsibility and showing sustainable behaviour is not a choice – it's a matter of course. The transformation towards sustainability presents not only challenges, but also big opportunities.



How we work with CSR
We wish to support and accelerate positive development opportunities and at the same time reduce – and if possible eliminate – the adverse impact on our surroundings.



Job satisfaction is essential
Our wish is that our employees thrive at work. For this reason, we systematically measure employee satisfaction, which forms the basis for any improvement initiatives.



CSR REPORT 2019/20

Taking corporate social responsibility and showing sustainable behaviour is not a choice – it's a matter of course, and it increases our awareness of responsibility in our company and in the rest of the value chain. Although the transformation towards sustainability presents big challenges for companies, it also presents big opportunities.

In 2019/20, the Aarsleff Group played an important role in the Danish government's climate partnership for building and construction. In this way, we live up to our plan of contributing specific initiatives in this important area.

This was also the year when we established Aarsleff ECO Center which will launch ambitious sustainability projects – within the Group as well as in our projects.

At the end of the year, we decided to take the first step towards replacing traditional diesel oil for our vehicles and machines with renewable HVO diesel, which reduces the CO₂ emission with up to 90% per litre used.

The coronavirus pandemic has obviously affected our company. Fortunately, we have successfully avoided dismissals.

The UN global goals still form a central basis for our CSR efforts, and we focus our initiatives on seven out of the 17 goals.

Also this year, the report is structured in our five strategic main areas within CSR; Environment and climate, employees, society around us, external business partners as well as equality and diversity.

In the executive management of the Aarsleff Group, we consider it one of our most important responsibilities to provide a framework that inspires and motivates everyone in the organisation to achieve the goals.

The Executive Management
December 2020



Mogens Vedel Hestbæk
Group CFO

Jesper Kristian Jacobsen
CEO

Nicolai Schultz
Deputy CEO

AARSLEFF PROFILE

A leading civil engineering contractor in Denmark

Aarsleff carries out projects with a holistic approach from the design phase to the completion of the project. Our expertise is to plan and implement large projects within infrastructure, climate change adaptation, the environment, energy and building construction – from design to handing-over.

We have a strong position in Denmark and the Baltic Sea region, and we carry out projects in most parts of the world.

The Aarsleff Group comprises a number of companies, joint operations etc. An overview of the companies in the Aarsleff Group is found in our annual report 2019/20 on page 107.

Our expertise and business areas

Aarsleff is one of the few Danish companies that are able to handle the most complex engineering and contracting tasks, and our expertise lies in the business areas Construction, Pipe Technologies and Ground Engineering.

We execute many types of contracting tasks, from development-oriented infrastructure projects to major building projects and traditional civil engineering projects. Our wide range of specialist skills and synergies forms the basis for all our projects.

At the same time, we draw on a deep-rooted project culture – to the benefit of both ourselves and our customers. Our project culture ensures that we can complete projects of high quality, on time and within the defined framework.

Key figures for the group

million DKK

	2019/20	2018/19	2017/18	2016/17	2014/15 ¹
Revenue	13,295	13,453	12,108	11,188	10,254
Operating profit	553	503	475	380	484
Profit for the year	379	361	341	269	366
Total assets	8,595	8,171	7,853	7,025	5,990
Equity	3,311	3,114	2,899	2,695	2,265
Earnings per share (EPS) (DKK)	18.79	17.76	16.68	13.16	17.98
Employees (number)	7,215	6,838	6,499	6,203	4,932

¹ This year is the Aarsleff group's baseline in relation to the results in the CSR area.

We constantly optimise and improve our material consumption, work procedures and use of services. The key words to succeed are digital tools, industrial methods and modern building technology. To further develop this area, we've established the department Digital Business Development that focuses on the synergies we can achieve by using modern digital technologies.

This results in delivering projects with less consumption of time, resources and energy, and it reduces the CSR footprint in terms of material consumption, transportation, energy consumption, waste etc.

Read more about Aarsleff's business areas, value chain and impacts [here](#).

One Company

When we collaborate on projects across the Aarsleff Group, we call it One Company.

One Company means that we seek and exploit the synergies that develop when we combine our specialist contractor expertise to reach the best solution for the customer.

Aarsleff in figures

The Aarsleff Group is a public limited company listed on Nasdaq Copenhagen A/S. Our annual revenue amounts to DKK 13.2 billion, of which 32.4% comes from abroad. The Group employs 7,215 people in Denmark and abroad.



When everybody contributes to utilising synergies. A short video about One Company is available [here](#).



OUR 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.



OUR VISION

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



OUR VALUES

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

NEW AARSLEFF ECO CENTER WITH AMBITIONS

In the Aarsleff Group, we've always worked with responsibility, commitment and focus in our striving for improvement, renewal and sustainability. With the establishment of our new ECO Center, it's our goal that our initiatives become even more green and visible.

Sustainability is one of the Group's strategic areas, and we define our focus in the following way:



We want to contribute to the green transition of the construction business and

help to ensure that our Group has a common approach that brings benefits to our customers, employees and society. Our goal is to future-proof the Group and make a business of the green transition process.

We've appointed the management of the centre, and we've started the recruitment process to find the right specialists for the centre.

The tasks of Aarsleff ECO Center will cover a wide field and will include collaboration with clients, environmental certifications, reduction of energy consumption and CO₂ emission, waste management, environmental policies, project optimisation, green strategy and action plans, participation in green projects, green construction materials, skills development partnerships and collaboration, circular construction, green energy, environmental reporting and the future green construction site.

In the near future, we'll regularly communicate about the focus areas that we choose to work with – as well as the green advantages resulting from this.



GREEN TRANSITION

With Aarsleff ECO Center, we lead the way and contribute to the green transition which will future-proof the building and construction industry.



COLLABORA- TION

We want to ensure innovative, sustainable initiatives and working relationships across the Group – to the benefit of society, customers and employees.

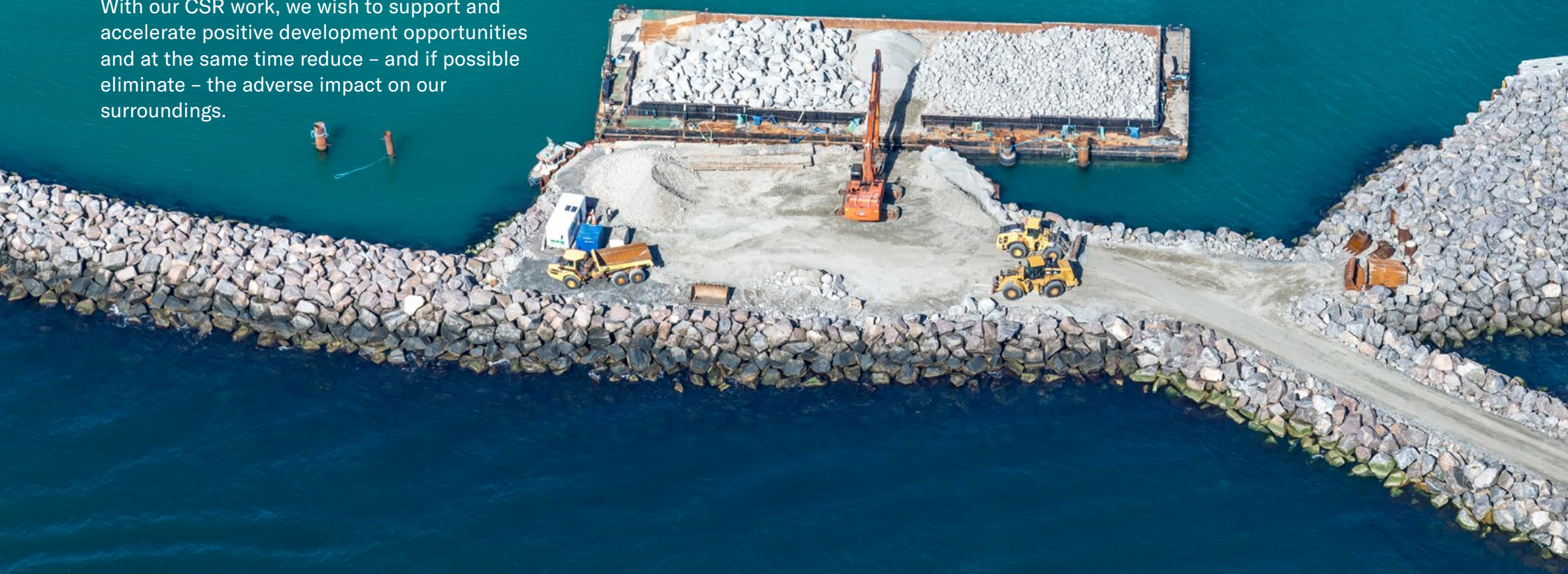


CO₂ REDUCTION

One of the objectives of Aarsleff ECO Center is to reduce our energy consumption and CO₂ emission.

HOW WE WORK WITH CSR

With our CSR work, we wish to support and accelerate positive development opportunities and at the same time reduce – and if possible eliminate – the adverse impact on our surroundings.



HOW WE WORK WITH CSR

Our goal is that our CSR work contributes to increase the total value created directly and indirectly from our business activities.

Our mission, vision and values are attached to all our activities in the CSR area – they form a role model for our CSR goals and actions.

We wish to support and accelerate positive development opportunities and at the same time reduce – and if possible eliminate – the adverse impact on our surroundings.

Corporate social responsibility has always been an important and integrated part of the Aarsleff Group.

Analysis of stakeholders and materiality

We carry out materiality analyses and stakeholder analyses to ensure that our CSR goals and actions create high value. The analyses are carried out regularly to ensure that our focus points have the right basis, and they're planned in accordance with the relevant guidelines and with best practice for this type of CSR analyses.

At the end of the financial year, we've made a specific plan for the next update of the analyses.

Stakeholder analysis

Our CSR work is based on a systematic stakeholder analysis, among other factors. It's important to have a true view of our internal and external CSR-related stakeholders, as it gives us the opportunity to target our goals and actions.

Our goals and actions cover the requirements and the requests of our internal and external stakeholders.

The analysis is based on in-house interviews, review of the stakeholders of other companies, media coverage of the Aarsleff Group and the business in general as well as input from employees and managers.

Our most important stakeholders from a CSR perspective.



Materiality analysis

The materiality analysis comprises a number of CSR issues that are more or less relevant to the Aarsleff Group. We've thoroughly described the issues and systematically organised them in order of priority with the assistance of the management and the specialists of our company.

The figure below lists the CSR issues that were identified in the last materiality analysis. The figure also shows how we prioritise the issues.

We've divided the issues into prioritised focus areas and other focus areas. The prioritised focus areas comprise issues that are the most important in our work with CSR in relation to their financial, environmental and social impact on our company, our surroundings and our primary stakeholders. This is where we allocate the most resources to create a positive development. This doesn't mean, however, that the issues placed in the other focus areas aren't important to us – they certainly are. We currently work on the main part of these issues, but in relation to CSR, we put more effort in the prioritised issues.

Financial, environmental and social impact on Aarsleff, our surroundings and our primary stakeholders

Prioritised focus areas

Further develop compliance	page 13
Maintain our Code of Conduct	page 13
Reduce CO ₂ emissions	page 19
Reduce the energy consumption of construction sites, factories and offices	page 20
Handle building waste	page 21
Further develop safe construction sites	page 25
Ensure employee skills development	page 26
Employ trainees and apprentices	page 30
Work carefully in environmentally sensitive areas	page 30
Counteract bribery and cartel agreements	page 31
Ensure recruitment	page 31
Handle collective agreements and social dumping	page 31
Support human rights	page 31
Avoid quality defects of the projects	page 36
Avoid environmental damage and emissions	page 44

Other focus areas

Reduce water consumption and wastewater
Reuse construction materials
Contribute to local communities
Employ persons at the edge of the labour market
Contribute to inclusion
Communicate CSR issues externally and internally
Participate in international CSR initiatives
Maintain whistleblower scheme
Maintain responsible taxation
Protect personal data
Address user satisfaction
Address facilitation payments
Exercise responsible supplier management
Ensure supplier competition
Set up CSR requirements for own equipment
Phasing out dangerous substances
Create jobs
Further develop good conditions at construction sites
Further develop employees' health

AARSLEFF DIGITAL CHALLENGE 2020

To support digital innovation in the entire Group, we've launched an ideas competition called Aarsleff Digital Challenge 2020.



The competition has been communicated via all our in-house channels, and all employees have been invited to submit their ideas. It has attracted a lot of attention, and we've received more than 300 good ideas for how we can improve our company. The ideas cover a wide field from climate/energy to process optimisation and increased project quality. Based on the first assessments as well as a semifinal and a final, we will choose the most innovative ideas to be carried out in practice. At present, we're in the selection process, so nobody knows who will win.

Jens V. G. Poulsen, Per Aarsleff A/S
Head of digital business development



300 IDEAS

Our ideas competition resulted in more than 300 good ideas for digital optimisation.



25

ideas selected for workshop

The 25 best ideas proceeded to phase 2, where the individual teams could further develop their ideas in a workshop. The ideas that didn't proceed, all received individual feedback and assessment on whether the ideas could be implemented otherwise.

RISKS FROM A CSR POINT OF VIEW

The table below shows a summary of the CSR-related risks in the Aarsleff Group.

We believe that our policies, organisation and controls will help prevent that risks develop unintentionally.



Environment and climate...

...unintentional development of energy consumption, CO₂ emission, consumption of materials, consumption of recycled materials, waste amounts or materials' footprint.

Read more on page **23**



Employees...

... unintentional development or handling of accidents, occupational health and safety, employee satisfaction or employee expertise.

Read more on page **28**



Society around us...

Involvement in corruption cases, breach of employee rules, problems with payment of tax, problems with collaboration with trade unions, too few apprentices, collaboration with dubious suppliers, poor handling of project stakeholders, poor handling of whistleblower cases.

Read more on page **33**



External business partners...

... unintentional development or handling of the quality of projects or customer satisfaction, low ethical standards, bad handling of stakeholders in general.

Read more on page **38**



Equality and diversity...

... unintentional development of equality in the board of directors, recruitments, promotions or dismissals that do not promote diversity, inappropriate handling of infringement cases.

Read more on page **42**

CSR ORGANISATION IN AARSLEFF

The management and the board of directors function as the Group's CSR committee and assess the opportunities and risks of all CSR efforts. The CSR committee decides on initiatives to be implemented.

The Aarsleff Group has policies addressing a number of issues in the CSR area. The policies form the basis for our specific development initiatives – in relation to make targeted developments and improvements as well as to address risks. Most of the policies apply to all companies of the Group, whereas some of them only apply to specific companies.

To ensure an efficient execution of the initiatives, they're conducted by managers and specialists with the right qualifications, and in this way they're best rooted, according to our experience.

Our policies cover e.g. anti-corruption, compliance with current competition laws, whistleblower scheme, the environment, occupational health and safety, quality, activities with customers and business partners, tax, trainees, apprentices, passenger cars, vans, sponsorship, climate and human rights.

In the CSR report, we've inserted direct links

The policies referred to in the CSR report are all described in the section Policies, from where we also link to the full versions of our most important policies (marked with underscore).

Our code of conduct

The main objective of our Code of Conduct is to describe good behavior for all managers and employees. We focus on the environment, employees, safety, working environment, child labour, laws, regulations, internal conventions, competition and anti-corruption. Our Code of Conduct is unchanged compared to last year.

Within their own fields of responsibility, the individual managers are responsible for ensuring that employees and business partners are informed about our Code of Conduct and the requirement for compliance. We use an e-learning module about our Code of Conduct which is mandatory for all employees. The e-learning module makes training and follow-up easier and more efficient in the entire Group.

We have the same requirements for our business partners and ourselves.

Management systems

We haven't had major changes to our management systems during the past year. They still form the basis for our continuous improvements and efforts to comply with customer requirements and regulatory requirements.

The purpose of our management systems within quality, the environment and occupational health and safety is to ensure that these are a natural part of all working processes. Processes and activities in the management systems are documented and they ensure operation and management of QE&OHS conditions, including handling of risks.

We apply OHSAS 18001¹ (occupational health and safety management), ISO 9001 (quality management), ISO 14001 (environmental management) and ISO 10006 (quality management of projects). Not all companies of the Group are certified.

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.

¹ Due to the coronavirus pandemic, the certification agency has postponed our transition from OHSAS 18001 to ISO 45001 until September 2021.

KEY FIGURES

The Aarsleff Group’s CSR report it not only an overview of our sustainable initiatives or a status on how far we’ve come in achieving our goals. The report is also our way to show how we deal with the environment, employees, customers, suppliers and other stakeholders.



553

The Aarsleff Group's EBIT for the financial year 2019/20 (million DKK)



13.7

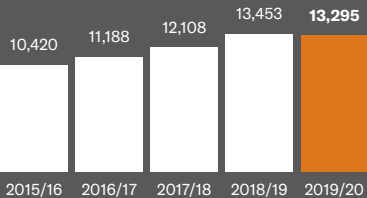
Accidents (target: max 5)
Number of accidents per 1 million working hours. An accident is defined as a suddenly occurred accident during working hours, which results in absence on the day of the accident and at least the day after.



7.6%

Apprentices (target: 10 %)
All employees employed on an apprentice contract are included regardless of field of work or type of training.

The Aarsleff Group's revenue in million DKK



3.5%

Sickness absence (target: max. 2.5%)
Our sickness absence is slightly increasing, but we maintain our target of 2.5%.



4.0%

Trainees (target: 5 %)
Proportions are reported as the number of headcounts in relation to the annual average number of salaried employees.

Vehicles and equipment of high energy classes acquired in the past year



100%

Passenger cars (target: 100 %)
CO₂ emission of new passenger cars acquired during the year must not exceed 160 g/km.



90%

Vans (target: 100%)
The vans acquired during the year must, as a minimum, comply with Euronorm 6.



92%

Construction machines (target: increase the share)
The construction machine acquired during the year must, as far as possible, comply with the EU Stage V Non-road emission standard.as far as possible, comply with the EU Stage V Non-road emission standard.

THE 17 UN GLOBAL GOALS

The Aarsleff Group supports the UN global goals, and we've arranged our CSR goals and activities in order to contribute to this important world agenda in the best possible way.



THE 17 UN GLOBAL GOALS

The Aarsleff Group supports the UN global goals, and we've arranged our CSR goals and activities in order to contribute to the goals in the best possible way. When possible and appropriate, we incorporate the goals in our business activities.

We regularly communicate how we contribute to the realisation of the goals. In the following, we describe how we contribute to seven selected global goals.



4 QUALITY EDUCATION



Goal 4 includes ensuring equal access to vocational education as well as eliminating gender inequality and economic inequality in order to ensure access to higher education of a high quality.

Diversity and equality for all employees are a central focus area in Aarsleff.

Further/supplementary training is an important part of Aarsleff's employee development, and through Aarsleff Academy, we support our employees' personal and professional development in line with our company strategy.

We have apprentices and trainees within the fields of civil engineering and administration, and we have specific targets for the number of apprentices and trainees employed with us.

Subsidiary goal 4.4 is particularly relevant to us.

8 DECENT WORK AND ECONOMIC GROWTH



... Goal 8 includes promoting sustainable economic growth by achieving higher levels of productivity and technological upgrading and innovation. This is obtained by safe and secure working environment and creation of new jobs.

Safe working conditions are always top priority in Aarsleff.

We prioritise tidiness and systematic fitting out of our workplaces, we continuously improve occupational health and safety, and we follow up on employee satisfaction.

We reduce noise, dust and odour, and we comply with the legislation on employee rights, collective agreements etc. This is ensured by active involvement from management and by Aarsleff Labour Service.

Subsidiary goals 8.5, 8.6 and 8.8 are particularly relevant to us.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



Goal 9 includes developing quality, reliable, sustainable and resilient infrastructure to support economic development and human well-being.

Quality in everything we do is essential to Aarsleff. Our quality policy states that we always comply with legislation, rules and agreements entered into, and we give a high priority to customer satisfaction.

Part of the Aarsleff Group is ISO certified in quality management and in quality management of projects which ensures a high quality of our work procedures and decisions.

Subsidiary goals 9.1 and 9.5 are particularly relevant to us.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Goal 12 includes creating sustainable management and efficient use of natural resources, creating a more responsible removal of waste and harmful substances, and reducing and recycling waste.

Aarsleff's environmental policy ensures that we take the environment and fuel efficiency into consideration when we purchase, operate and maintain our machinery; that we pay attention to correct handling of construction waste and other types of waste; and that we contribute to more recycling when possible and appropriate.

We focus on avoiding waste and errors, on separating waste correctly, and on reducing the risk of environmental accidents.

Subsidiary goals 12.4 and 12.5 are particularly relevant to us.

13 CLIMATE ACTION



Goal 13 includes adaption to and prevention of climate related hazards. The action comprises strategies and measures against climate changes as well as awareness-raising on climate changes.

Aarsleff's policies state that we shall use energy-saving and environmentally friendly machines, trucks and cars. We also want to convert our fuel consumption to more climate-friendly energy types when this is appropriate and possible – technically as well as financially.

Our annual environmental and energy survey report is used for identifying and implementing energy-optimisation.

Subsidiary goal 13.3 is particularly relevant to us.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS



Goal 16 includes reducing all types of corruption and bribery, including cartel agreements, and promoting human rights as a key element of a responsible development.

Aarsleff has policies for anti-corruption and competition law compliance. We do not allow any kind of corruption, price cooperation, cartel agreements, abuse of market dominance etc.

Our Code of Conduct and our policy on respect for human rights form the basis for good and fair behaviour for managers and employees.

Subsidiary goals 16.5 and 16.7 are particularly relevant to us.

17 PARTNERSHIPS FOR THE GOALS



Goal 17 includes creating and developing partnerships for sustainable development. Compliance with current policies and rules for sustainable development as well as correct payment of tax are also part of the goal.

The "Code of good management in the Aarsleff Group" states that our managers must show commitment, focus on the most essential matters, strive to improve and take holistic responsibility. These are important elements of creating a high degree of "compliance" in the entire Group. Responsible and correct payment of tax is part of this.

We participate actively in partnerships with the purpose of enhancing sustainability within our line of business.

Subsidiary goals 17.1 and 17.14 are particularly relevant to us.

Why don't we work with all 17 global goals?

When possible, and when it provides value to us and our surroundings, we incorporate the global goals in our business activities. We currently assess which global goals are important to work with.



ENVIRONMENT AND CLIMATE

IN 2019/20 WE HAVE...

- established Aarsleff ECO Center
- participated actively in one of the Danish government's 13 climate partnerships
- built an administration building on our own energy piles
- started a test period of using biodiesel instead of normal diesel.

Our principles

QE&OHS management system

Our QE&OHS management system describes our principles for e.g. energy savings, quality management, handling of waste, handling of environmental accidents and resource consumption.

Environment

This policy states that we want to reduce our environmental impacts to a minimum concerning waste, fuel, recycling, resource consumption, among other impacts.

Passenger cars, vans and machinery

In these policies, we have set up ambitious targets for e.g. energy consumption and CO₂ emissions applying to our entire fleet of vehicles and machinery.

Climate impact reduction

The policy states that we do what we can to reduce the climate gas emissions we cause or contribute to.

Read more about our principles under "Policies" on page 44.

ACTIVITIES IN 2019/20

Being part of the building and construction industry, we are responsible for contributing to a green transition. Buildings, bridges and roads represent 30% of Denmark's CO₂ emission – which we can and must reduce.

Good daily practice reduces energy consumption

The consumption of diesel fuel is often the biggest part of the total energy consumption of large contracting companies, and this is also the case in Aarsleff. It's important that we give a high priority to this area – in relation to our targets as well as to improvement initiatives.

As far as possible, we want to purchase new cars, vans, trucks and equipment with the highest possible energy classes. In the past year, we achieved our target in relation to cars and contracting machines, whereas the share of vans complying with the target has decreased slightly. The decrease is mainly due to specific requirements for vans used in certain types of projects. Read more about targets and figures on page 20.

The high energy classes contribute to the reduction of energy consumption, and furthermore, we implement current initiatives to obtain further reduction. For example, we have one-to-one training of new plant drivers in optimal operation of the machines, systematic training of our plant drivers, instruction on idle running of the machines, and communication to the employees on the construction sites via an app. We aim at reducing energy consumption by using the latest technologies and by affecting the

daily practice of our employees. In the past year, we've held a large number of meetings at the construction sites addressing subjects such as myths, prejudices and facts about optimal operation of the machines. In our pile factories, we've established committees with the purpose of influencing the colleagues to reduce energy consumption.

We currently communicate to our employees in the administrative functions on how to save electricity, heat etc. via Aarsleff's intranet and local departmental meetings.

The government's climate partnerships

Buildings, bridges and roads represent 30% of Denmark's CO₂ emission, and it comes from the buildings' energy consumption, the building process of new construction or renovation and from the production of construction materials. Being part of the building and construction industry, we're responsible for contributing to a reduction of the emission.

In the past year, we've participated actively in the climate partnership for building and construction – one of the government's 13 climate partnerships. The CEO of the Aarsleff Group is chairman of this climate partnership, and we also contribute with

expertise in the form of analyses and specific development proposals.

The report of the climate partnership points out "five green building blocks" which together can reduce Denmark's CO₂ emissions in 2030 by 5.8 million CO₂ per year. The five building blocks are: Introduction of intelligent control and energy renovation, transition from black to green heating, CO₂ reporting for construction sites, fossil-free construction sites and energy labelling of all buildings.

Our CO₂ emission must be reduced

The climate is strongly affected by man-made CO₂ emission, and in the Aarsleff Group, we take our responsibility seriously in relation to contribute with the right solutions.

During the past year, we've calculated our total energy consumption and emission. We've established a project group, carried out overview analyses and made a plan for how to obtain valid data – based on accepted international methods – as a basis for our own decisions and our external reporting. It's a complex task, as we – being a large contracting company – have many different business activities in the form of own projects as well as projects carried out with other contractors.

Climate partnership for building and construction:

Our CEO is chairman of one of the Danish government's 13 climate partnerships. We contribute with expertise in the form of analyses and specific development proposals for reduction of the business' climate footprint.

We have policies and certifications

Our efforts to control and optimise the environmental area is still anchored in the ISO 140001 environmental certifications of a number of our companies.

Technology helps to reduce energy consumption and CO₂ emission

We still have a great number of site huts with high-efficiency heat pumps. Furthermore, the operation of the Group's IT servers is outsourced to a large international service provider using the latest technologies and using exclusively renewable energy.

Our service provider includes energy efficiency in all relevant decisions and follows up continuously on the consumption. Based on this good experience, we've decided as a matter of principle that some of the other Group companies are to use an external service provider too, as this reduces energy consumption.

A new administration building is added to our pile factory in Sweden. The new building will get energy supply in the form of heating and cooling from 48 energy piles in the foundation. The energy piles use the geothermal heat, and advanced measuring and monitoring equipment is installed in the piles. In this way, we construct not only an energy-friendly building for ourselves, but also a showcase for the effective energy piles.

We want to drive green

In the past years, we've seen a rapid growth of electric cars, and our approx. 30 charging points for electric cars and plug-in hybrid cars are used frequently. We plan to install an additional number of charging points in the next couple of years.

In relation to plug-in hybrid cars, we've started systematic monitoring of the proportion between electricity and gas/diesel this year, and we've purchased another 8 fully electrical vans. One of our pile factories has made a survey of the energy consumption of each individual machine. In addition, we plan to convert the factory's internal product transportation from diesel to electrical operation. This gives us a good basis for further optimisation.

We have high requirements to equipment and materials

We're aware that new or newer equipment gives fewer breakdowns and less downtime as well as low energy consumption and CO₂ emission. Therefore, our principles are to replace or upgrade the equipment regularly.

Using new equipment in our projects in developing countries is one of our priorities, as breakdown in these types of projects is difficult and expensive to handle.

The table below shows that we have ambitious targets when it comes to the equipment's energy consumption, and it also shows that we achieve the targets to a great extent. Cars, trucks and machines

In the past year, we've purchased another 8 fully electrical vans.

Key figures

	2019/20	2018/19	2017/18	2016/17	2014/15 (baseline)
Vehicles and equipment divided into energy classes					
Passenger cars (target: 100%)	100%	100%	100% ¹	97% ¹	47% ¹
Vans (target: 100%)	90%	93%	98%	68%	29%
Construction machines (target: increase the share)	92%	88%	83%	81%	– ²

¹ These data are not fully comparable, as they're based on our target at that time.

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

are carefully selected based on the targets of our policies.

In order to make energy savings and operating economy go hand in hand, it's important that the equipment is adjusted in size and type according to the actual requirements of the projects – the equipment must be neither overdimensioned nor underdimensioned.

Focus on circularity and recycling of construction materials

To increase recycling and circularity of the materials used in our projects, it's important that construction waste is separated at source. This is our focus, and we inform new and current employees regularly about how we separate waste. To obtain a good quality of waste separation, we have clear signs at all construction sites, and waste separation is also a topic at the construction site meetings. This year, we've participated in a project with Aarhus Municipality about sorting of plastic.

At the large construction sites, we still use an IT system in collaboration with the waste carriers for automatic control of collection of waste. In this way, we optimise the frequency as well as the quality of waste collection.

In relation to paper and cardboard waste, we have agreements with approved waste carriers, who ensure that the waste fractions are removed and recycled in an optimal way. The carriers make statistics

of the waste amounts which we use in our current efforts to make improvements in this area.

Wherever possible, we use recycled raw materials in our in-house production of construction materials.

Optimised use of construction materials is value-creating

Reduced consumption of construction materials means reduced impact on the resources of the earth, less transportation and better project economy for the clients as well as for us.

As early as in the design phase of the project, we consider materials optimisation – because the project design controls the project execution. In the Aarsleff Group, we work systematically with optimisation during the execution process. For instance, we don't order the concrete until the hole in the ground is drilled or excavated, and the length of the steel reinforcement is currently adjusted according to the specific conditions. This helps to reduce the material consumption.

Insight into the products' environmental footprint

To make optimal improvements of our products, it's important that we know their full environmental footprint. Also our customers have started demanding this kind of insight into the products. Last year, we started calculating the environmental footprint from our standard foundation piles based on the LCA method (Life Cycle Assessment). The project has been completed now, and we make LCAs for all

products with specific environmental impact. This forms the basis for our optimisation of the piles' environmental footprint.

Chemicals and hazardous waste

We follow our detailed work procedures, and this year we started using a new IT system for risk assessment of chemical products and material safety data sheets.

Life Cycle Assessment

To make optimal improvements of our products, it's important that we know their full environmental footprint. We've made calculations for our standard foundation piles which form the basis for our optimisation of the piles' environmental footprint.



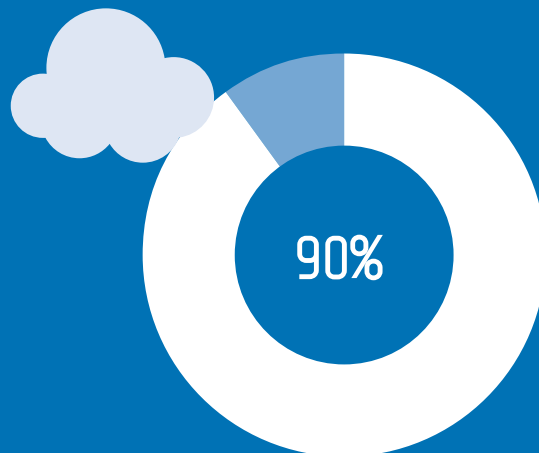
STANDARD DIESEL OIL IS REPLACED BY RENEWABLE BIODIESEL

We're always looking for optimisation possibilities, and for several years now, we've trained our plant drivers in how to drive in a fuel-saving and environmentally friendly way. At the end of last financial year, we decided to examine the possibility of replacing standard diesel oil for our machines and vehicles with HVO diesel.



We've decided to take the first step towards replacing traditional diesel oil for our vehicles and machines with renewable HVO diesel (Hydrogenated Vegetable Oil).

HVO diesel reduces the CO₂ emission from our consumption with up to 90%.



To begin with, we've started a test period for one year, and we'll purchase about 1 million litres of HVO diesel.



We want to ensure that the HVO product is distributed to relevant parts of our business areas.



HVO diesel has the same technical performance properties as standard diesel, and in addition, the emission of NO_x gasses is reduced by 7-10% and the particle pollution by up to 33%.



33%

Reduction of particle pollution

RESULTS ACHIEVED

In the past year, we've focused on promoting energy-saving behavior among our employees and on using the best and most energy efficient technologies. We believe that these initiatives have helped to reduce our total energy consumption.

Our reduced consumption has also resulted in reduced CO₂ emission. As previously described, we've started to measure and specify the total CO₂ emission of the Group, which will result in further reductions in future.

Our optimisation of waste handling, circularity and recycling of materials has increased our share of recycling and contributed to a lower resource consumption.

Risk approach

Our CSR organisation and CSR analyses have allowed us to act on risks at any time.

We assess that our principles and work procedures for risk management in this main area are efficient – read more in the section about our policies on page 44.

Our organisation and our QE&OHS management system provide a good basis for monitoring the development of energy consumption, emissions, recycle shares and waste amounts.



The bulldozer should have been painted green instead of yellow, because it's electric. The CO₂-friendly bulldozer is the first mass-produced bulldozer with diesel-electric transmission.



EMPLOYEES

IN 2019/20 WE HAVE...

- updated our OHS strategy
- held our first occupational health and safety week
- released the virtual computer game Play Safe about occupational health and safety conditions
- worked on knowledge sharing between the plant drivers about risk minimisation.

Our principles

Management framework

Code of good management in the Aarsleff Group comprises 11 important principles on how our managers lead by example.

Code of Conduct

Aarsleff's Code of Conduct describes good behaviour for all our managers and employees.

Occupational health and safety

Our policies explain our high ambitions and constant focus on good occupational health and safety – physical as well as mental.

Older employees

These principles outline that we want to provide opportunities for and motivate our older employees so they can remain a part of our workforce for as long as possible.

Read more about our principles under "Policies" on page 45.

ACTIVITIES IN 2019/20

A safe working environment is always our first priority, and our goal is to be the best in the business within occupational health and safety. When it comes to ensuring a good and safe working environment, it's important that hourly-paid and salaried employees take occupational health and safety seriously – each day.

Occupational health and safety is a top priority

The executive management takes occupational health and safety seriously, and it's always on the agenda at the status meetings with the organisation. In addition, occupational health and safety is always the first item on the agenda at the executive management meetings. The managements of the other Group companies have the same approach to occupational health and safety.

It's important to us that all employees and managers of the Aarsleff Group take occupational health and safety seriously. Building and construction activities involve a number of serious risks, which is why a safe working environment is particularly important in our line of business.

This year, we've updated our OHS strategy, so that our goals are even more clear: We want to be the best in the business within occupational health and safety; we want to have a safe and value-adding working environment; and a safe working environment has a higher priority than reasons of economy.

Organisation of our OHS efforts

Our OHS organisation consists of a central coordinating function as well as occupational health and

safety units placed in our different business units. In the central function, we've placed the responsibility for maintenance and further development of our cross-sectional management system on occupational health and safety, audits, improvement measures etc.

The local OHS units allow a local integration of the specific OHS initiatives, and they ensure that the initiatives match the local conditions. We believe that the local focus enhances the effect of the everyday preventive initiatives, and attention is directed to reporting of near-miss incidents. At least four meetings are held annually in the local OHS committees.

All of this helps to reduce the number of accidents.

Communication about occupational health and safety

Correct and quick information is important in order to control occupational health and safety in a big company like the Aarsleff Group. We still use our IT-based OHS system in our centralised as well as decentralised functions. The system contains all relevant registrations and it provides a fast and good insight in development trends, positive as well as negative. The IT system is a valuable tool for all managers in their continuous work of improving occupational health and safety.

Key figures

	2019/20	2018/19	2017/18	2016/17	2014/15 (baseline)
Accidents (target: max. 5)	13.7	16.9	15.9	18.8	– ¹
Days of absence due to accidents	11.9	12.1	12.6	9.3	– ¹
Sickness absence (target: max. 2.5%)	3.5%	3.0%	3.2%	3.1%	2.3% ²

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

² Data for 2014/15 applies only to Per Aarsleff A/S.

To reduce the risk that the same type of accident or near-miss incident happens again, we always inform the employees about accidents and immediate improvement notices from the Danish Working Environment Authority.

To build a closer relationship to and between the employees working on the sites, we use an app in some parts of the Group, which allows the employees to quickly report accidents and near-miss incidents.

Some risks of accidents are specifically related to the operation of the individual contracting machine. For machines involving the biggest risks, we ensure that knowledge about operation and risk minimisation is shared between the plant drivers. This helps reduce the risk levels.

In all the countries where we work, we've appointed a whole week as annual occupational health and safety week. This year, we've focused on risk assessments. During the week, we introduced e-learning for the salaried employees, we relaunched our risk check lists, we made a risk-spotting competition, we made presentations on the construction sites, we made a cartoon about unsafe conditions, and we released a virtual computer game called Play Safe about OHS conditions.

Job satisfaction is essential

We regularly carry out systematic measurement of employee satisfaction. The last employee satisfaction survey was carried out last year, and the next survey is scheduled for next year. Last year's survey

was used as a basis for a number of development initiatives in the recent year.

In some parts of the Group, we have targeted introduction courses for new employees, in other parts we have mentor schemes or we train our foremen in how to carry out introduction courses for new hourly-paid staff. This year, we've also focused on harassment in some parts of the Group.

The Aarsleff Group encourages and supports a great number of social activities financially. These activities mainly take place outside working hours, and they're important elements for a good working climate for all of us.

We want to train our employees and managers

Maintaining our employees' personal and professional skills is very important – to the individual employee as well as to the Aarsleff Group, and there are of course different needs.

Our job satisfaction and development interviews between employee and manager are still an important tool for a good personal and professional development for all employees. The interviews are carried out on a regular basis in the main part of the Group, and individual plans are made for the employees based on these interviews.

When possible, we actively support employees who want to continue their studies, for example a carpenter who wants to become a constructing architect. The employee can often get a traineeship with Aarsleff, and in many cases also a job after graduating.

Some years ago, we established Aarsleff Academy which offers training in management, project management, technical disciplines, safety, risk management, purchasing, budgetary control etc. As a part of Aarsleff Academy, we still hold a number of subject-specific courses, such as firefighting, first aid, defibrillator and work with high voltage.

Our employees are offered training and education through Aarsleff Academy as well as through other external providers.

New hourly-paid and salaried employees must participate in our occupational health and safety introduction course – regardless of their job function in the Group, and we hold a mandatory half-day course in occupational health and safety for new managers.

This year, we've introduced the course Lead Investigator. The course takes three days, and it's about making our occupational health and safety consultants even better at investigating accidents and identifying the reasons for the accidents.

The transition from work life to retirement

We want to contribute to the older employee's own planning of a positive transition from work life to retirement, and this is an important subject of our employee handbooks. For instance, we make agreements about stepping down or agreements about mentor schemes where partially retired employees spend some of their time teaching and supporting younger colleagues. This is a great success for both parties.

Job satisfaction and development interviews – a basis for development

We prioritise retention as well as personal and professional development of our employees. Our job satisfaction and development interviews between employees and managers are an important tool, and the annual interviews form the basis for specific individual plans.

JOB SATISFACTION IS ESSENTIAL

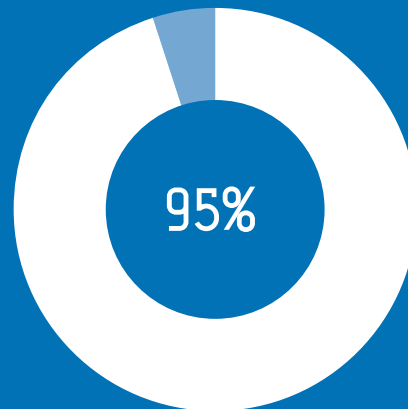
Our wish is that our employees thrive at work. For this reason, we carry out systematic measurement of employee satisfaction, which forms the basis for any improvement initiatives.

The last employee satisfaction survey was carried out in the fall of 2020, and the overall result showed that 95% of the employees, who responded, said that they were “satisfied” or “very satisfied” with their jobs in general. All employees, both salaried staff and hourly paid staff, were invited to participate.

The survey gives us the opportunity to react on any conditions that need to be corrected, thus creating an even better company for everybody.

Employee job satisfaction

Our last employee satisfaction survey showed that our employees thrive at work in general. It's our goal that 95% of all employees must thrive in their daily work.



52% THAT'S HOW MANY RESPONDED

As much as 79% of the employees participated in the employee satisfaction survey carried out in January 2019. This year, the response rate was only 52%. We will examine the reasons for the lower response rate, as a higher rate gives a more true view.

RESULTS ACHIEVED

Our Group management and other parts of our top management engage in occupational health and safety, in our centralised and decentralised OHS organisation, as well as in the specific actions carried out during the year. We believe that all this has a positive effect on the occupational health and safety in the Group.

Our total accident rate has decreased in 2019/20, however, the rate of 13.7 is still considerably higher than our target of 5. This is unsatisfactory, and all managers and employees of the Aarsleff Group focus strongly on making improvements in this area. As mentioned in this CSR report, we're regularly launching specific initiatives to reduce the number of accidents, and we will continue to focus on developing improved safety.

Absence due to accidents is 11.9 days per accident, which is almost the same level as last year. However, the level is still too high, and we focus on making improvements in this area. As mentioned previously in this report, we've launched a number of targeted development initiatives.

Unfortunately, sickness absence has increased compared to the past years and is higher than our target of maximum 2.5%. We maintain the target which will also form the basis for future improvement initiatives.

We believe that our offer about further/supplementary training, our support for social activities, our focus on job satisfaction, our approach to management etc. have all contributed to a high employee satisfaction.

Focus on our sickness absence

Compared to last year, our sickness absence has increased slightly. This is an area with strong focus, and in future years we will work on reducing sickness absence to our target of 2.5%.

Risk approach

Our CSR organisation and CSR analyses have allowed us to act on risks at any time.

We assess that our principles and work procedures for risk management remain efficient in this main area. Apart from minor adjustments, our principles and work procedures remain unchanged compared to previous years.

We have constant focus on the physical risks in our line of business, and we do what we can to reduce and handle the risks. Targeted and updated policies and guidelines are some of the

important tools that we use for handling the risks.

In relation to employee satisfaction, one of our important focus areas is a close and continuous dialogue between manager and employee based on the described guidelines.

Our management systems, specific work procedures and control methods are important in relation to reducing risks. In our everyday work, we focus on thorough planning, relevant training, quick and sufficient communication, constant behavioural impact etc.



SOCIETY AROUND US

In 2019/20 we have....

- launched Aarsleff Digital Challenge 2020
- dealt with the coronavirus pandemic through a Group task force
- completed a CSR information campaign in the Aarsleff Group

Our principles

Whistleblower

This policy serves as the basis for how internal and external stakeholders can report unacceptable matters to us.

Human rights

This policy ensures that we comply with regulations and standards governing interactions between companies and human rights.

Competition law

The guidelines outline our prohibition of price cooperation, cartel formation and abuse of market dominance.

Taxes

This policy clearly explains that we never use abnormal or non-transparent tax structures.

Anti-corruption

This policy explains our zero-tolerance approach to all aspects of corruption.

Apprentices and trainees

These policies explain that we want to contribute significantly to the training of the next generation.

Purchasing

This policy explains that our supplier responsibility requirements reflect our corporate responsibility requirements.

Sponsorships and donations

These principles explain why the Aarsleff Group in principle doesn't want to be involved in these types of contributions.

Communicating with our stakeholders

Communicating proactively with all our stakeholders is a crucial target for us.

Read more about our principles under "Policies" on page 46.

ACTIVITIES IN 2019/20

The projects we carry out will, to varying degrees, have an impact on both people and the environment. However, we're aware of this and look to reduce such impacts and to engage in good and early dialogue. We also like to suggest alternative ways of working, if this will allow us to minimise impacts on the project's neighbours and stakeholders.

We provide training programmes

Trainees have been a natural part of our everyday work life for many years now, and they're usually attached to our staff while working on their thesis. Trainees include engineering students and constructing architect students. To ensure the best possible trainee period for both parties, an experienced employee is usually assigned to each trainee throughout the trainee programme. In this way, the trainee receives ongoing support.

We often participate in educational fairs with a joint stand representing all our Group companies. This allows us to present the scope and opportunities of our expertise. And it's an efficient way of establishing contact between us and the students at vocational colleges, universities and other relevant educational institutions.

We see it as a natural part of our everyday work to continuously employ and train apprentices within our specialist fields of the Aarsleff Group. We often have a specific target for the number we want to achieve, as this actively affects our focus in this area. Most of our apprentices work according to a plan adapted to the individual apprenticeship.

Unfortunately, the proportion of apprentices and trainees has decreased slightly compared to last year. Some of the reasons for this are the composition of the projects we've completed throughout the year and the impact of the coronavirus crisis. We'll focus on and maintain our targets within this area.

Stakeholders near our projects

The projects we carry out will, to varying degrees, have an impact on both people and the environment near our projects. Such impacts include noise, dust, odour or traffic nuisances. We're aware of the importance of minimising such impacts and engaging in good and early dialogue with residents, neighbours and road users affected by our projects.

We work collaboratively with our clients to allow them to find the best possible solution in relation to minimising the impact on neighbours and other stakeholders. Likewise, we collaborate with our clients on finding the best technical and financial solution.

Our project managers and employees receive ongoing training in how best to deal with this type of tasks. Our ways of communicating include information meetings with neighbours, distribution of information to residents as well as information boards. A full-time employee is often assigned to major projects to deal with stakeholder management.

Key figures

	2019/20	2018/19	2017/18	2016/17	2014/15 (baseline)
Concerns reported to the whistleblower scheme ¹	1	4	1	4	– ¹
Apprentices, number / % (target: 10%)	213 / 7.6%	223 / 8.9%	199 / 7.9%	214 / 8.5%	77 / 7.9% ²
Trainees, number / % (target: 5%)	73 / 4.0%	76 / 4.4%	56 / 3.7%	55 / 3.8%	– ³

¹ The whistleblower scheme was established in 2015/16. The scheme was extended in 2019 and now covers all our Group companies. Previously, the scheme only covered our Danish companies.

² Data for 2014/15 applies only to Per Aarsleff A/S.

³ Owing to changed method of accounting, there are no comparable figures available for 2014/15.

We give young people with criminal records a second chance

When young people get in trouble with the law, it can be difficult for them to get their lives back on the right track. We often employ young people with this type of background, and we do all we can to help them to get a normal everyday work life. Over the years, several of our older foremen have been responsible for these employees and have helped them to be punctual and to perform their work in line with expectations. The results are good, and many of them end up with a regular employment with us. Moreover, we participate in training of prisoners and give lectures in prisons.

Focus on human rights

Over the past years, we've worked on outlining areas where we may have adverse impacts on human rights, and we've worked on developing management and work processes in our top priority areas. As part of this work, we've outlined our entire value chain based on the likelihood and relevance of our risk of violating human rights.

The right to equal pay for equal work, the right to a safe and healthy working environment and the right to rest and leisure time are some of the important focus areas we've worked on over the past years. To ensure that we comply with the rules of maximum working hours, we've instructed our foremen in careful planning of the employees' working hours.

Our whistleblower scheme

The scheme covers all Group companies in Denmark and abroad. We communicate in Danish and English to ensure everyone knows that the scheme exists.

The scheme allows employees, board members and other stakeholders of the Group to report concerns anonymously, if they have reasonable suspicion of unacceptable matters or illegal activities that may generate economic loss or damage our reputation. One concern has been reported to our whistleblower scheme this year. The concern relates to the working environment at a construction site and has been dealt with according to our established procedures.

Responsible taxation

We regularly evaluate our processes and controls to ensure that we comply with national and international rules relevant to the Aarsleff Group and as expressed in our tax policy. We've continued to communicate openly with tax authorities in Denmark and abroad over the past year, and requests from tax authorities and other stakeholders have been solved through dialogue.

Collaborating with trade unions

We established Aarsleff Labour Service a couple of years ago to ensure that the recruitment of employees is fully in line with legislation and with agreements between the labour market's parties. Liaising with trade unions and union representatives is very important to us, as it helps us to avoid issues such as social dumping. We believe that Aarsleff Labour Service contributes towards this.

In the Aarsleff Group, we've established collaboration committees concerning all relevant areas. These committees help to ensure smooth working relationships between employees and employers.

We work with responsible supplier management

We use a set of standard contract and agreement paradigms when we enter into agreements on subcontracts, product supplies and consultancy services. These paradigms are adapted specifically for use in our company and are aimed at ensuring the best management of the suppliers' responsibility profile concerning a number of issues such as requirements to the environment, occupational health and safety, employee rights, anti-corruption and human rights.

We've used our contract and agreement paradigms throughout the year, just as they've been used as part of our in-house project manager training programme. We regularly conduct visits to selected suppliers to make sure they comply with our requirements.

We'll continue to further develop our concepts and processes, partly because we were encouraged to improve some of our work procedures when we were audited by a third party.

Anti-corruption

The anti-corruption issue continues to be included in the contents of our tenders, contracts and other business documents whenever appropriate and is often also included in our in-house project manager training programme.

The management conducts specific follow-ups, approvals and controls on projects and in business areas where the risk of potentially violating our policies may be increased.

Aarsleff Labour Service

Liaising with trade unions and union representatives is very important to us, as it helps us to avoid issues such as social dumping. Aarsleff Labour Service contributes towards this, as the purpose of the service is to help ensure that the recruitment of employees is fully in line with legislation and agreements between the labour market's parties.

ALTHOUGH THE CORONA PANDEMIC HAS AFFECTED THE AARSLEFF GROUP, WE'VE BEEN ABLE TO AVOID DISMISSALS.



When the coronavirus pandemic started in March, we immediately established a task force consisting of five members from the management, HR, communications and our occupational health & safety department. This task force was authorised to make rapid decisions and to implement these immediately.

In the beginning, we met several times each day to coordinate and plan, and we've maintained the task force to continue dealing with corona-related issues.

We engaged and communicated with the entire company right from the start. We also developed guidelines, including guidelines on working from home practices and guidelines on implementing risk assessments at the construction sites.

Although the change in circumstances has meant that some of our employees haven't been able to participate in their projects or only partly and that we've had delays due to quarantined employees, we've avoided dismissals caused by the coronavirus pandemic.

Gregers Pedersen, Per Aarsleff A/S
HR Manager



Guidelines and instructions

Ever since the coronavirus pandemic struck Denmark in late March 2020, we've liaised with the authorities to protect our employees in the best possible way. Despite the change in circumstances for our hourly and salaried workers, we've been able to maintain the production on most of our projects.

38

news posted on AarsleffNet

We've communicated in various ways with our employees about the coronavirus pandemic. We've mainly used our company intranet, AarsleffNet, to post 38 corona-related news to our employees from 28 March to 30 September.



Coronavirus testing on our construction sites

As part of our measures to ensure safe working conditions for our employees, we've provided employees on large construction sites the opportunity to get coronavirus tested. Private companies carry out the testing at the construction sites and provide test results within a few hours.

RESULTS ACHIEVED

Several of our fully trained apprentices have subsequently been employed by us, and that benefits them, society and the Aarsleff Group.

There've been no cases linked to taxation, which we believe is due to our policy and the measures we've taken within this area.

Aarsleff Labour Service has helped us to comply with current rules and collective agreements.

Targeted communications with stakeholders have helped to ensure a high level of project satisfaction.

We've not seen any breach of our supplier responsibility requirements this past year. The paradigms, work procedures and controls we've used have all contributed to this.

Our efforts directed at anti-corruption and support of human rights – involving analyses, training programmes, communications and internal controls of workflows – have helped to reduce our risk of being involved in cases linked to violation of human rights, corruption and cartel formation.

Our whistleblower scheme has been key in achieving several of the results mentioned above.

Risk approach

The way we organise and analyse CSR issues has allowed us to act on risks at any time.

We assess that our principles and work procedures for risk management remain efficient in this main area. So apart from minor adjustments, our principles and work procedures remain unchanged compared to previous years.

Clear top management statements, specific policies, internal communications and training in and guidance on our rules are all key to reducing and counteracting our risk of being involved in corruption or cartel cases, our risk of potentially violating human rights and our risk of being involved in tax avoidance.

Using standardised paradigms and follow-up & control methods, we reduce our risk of cooperating with suppliers who breach our supplier responsibility requirements.

Aarsleff Labour Service helps us to reduce our risk of violating the legislation on employee rights and collective agreements, among other things. Internal communications and focus on training apprentices and trainees help us to comply with our policy within this area.

Our whistleblower scheme is an essential part of our general risk management.





EXTERNAL BUSINESS PARTNERS

IN 2019/20 WE HAVE...

- laid the foundations for undertaking environmental reporting of the entire Aarsleff Group in future
- delivered Denmark's biggest renovation project certified under the DGNB standard
- reduced material consumption and errors on major projects through systematic project coordination.

Our principles

Quality

This policy provides the ambitious framework of our approach to quality management internally and on our projects.

Activities with participation of customers and business partners

This is our specific guidelines on how to deal with activities involving entertainment and gifts, among other activities.

Communicating with our stakeholders

Communicating proactively with all our stakeholders is a crucial target for us.

Read more about our principles under "Policies" on page 48.

ACTIVITIES IN 2019/20

As one of Denmark's leading civil engineering contractors it's only natural that we contribute initiatives and participate in associations where we can create value for all parties involved. We set high standards for ourselves and our business partners, also when we operate in countries outside Denmark.

Participation in initiatives focusing on sustainability

We still find it important to participate in various initiatives and associations within the field of CSR. This is demonstrated in our participation in the climate partnership for building and construction, one of the Danish government's 13 climate partnerships, where the CEO of the Aarsleff Group has been the chairman in the past year.

In addition to this, we're member of the Danish Concrete Society's committee addressing CO₂ reductions, the Danish Water Technology Alliance, the Danish Association for Responsible Construction plus other local initiatives.

Dealing with our stakeholders

As described in the beginning of this CSR report, we've made an in-depth analysis of our stakeholder picture seen from a CSR point of view. The analysis e.g. forms the basis for the CSR course by which we want to steer the Aarsleff Group. That's why the analysis is a crucial element in the content and purpose of our policies, in the organisation of the

training we provide for employees and in the development of our CSR targets.

We believe it's important to listen to our stakeholders and to systematically collect the feedback given to us. Feedback will help to ensure that our employees create good relations to customers and suppliers. In this way, we gain a high level of customer satisfaction as well as successfully completed projects.

As part of our development initiatives in the new Aarsleff ECO Center, we'll undertake environmental reporting in future, covering the entire Aarsleff Group and all our projects. The environmental reporting will include data on energy, CO₂ emissions, water consumption, wastewater, waste and material consumption.

Collaborating with customers

A high level of customer satisfaction in all our market areas is of course very important to us. So, we regularly measure customer satisfaction. Methods, frequency and scope involved in the measuring pro-

cess depend on the type of customers and the size and type of projects. Results are incorporated in our ongoing development and improvement initiatives.

On some projects, we manage the customer satisfaction measuring ourselves, and on other projects we use external consultants specialised within this field. Most analyses are based on targeted questionnaires and on one-to-one dialogue addressing specific issues emerging during the project life cycle.

Engaging in dialogue on customer satisfaction often results in joint efforts of finding ways to improve the project completion. This can help to reduce material consumption, errors and energy consumption.

Our own project management methods

Based on our long track record of managing major projects, we've developed our own project model. This model focuses on interdisciplinary coordination of the many specialist disciplines involved in most of our projects. This includes projects delivered in what we call One Company, which simply means projects involving several segments of the

Aarsleff Group. Using this model helps us in our efforts to build personal relationships and to establish good communications between the employees participating in our projects.

In our efforts to deal with errors and find ways of preventing errors on projects, we use a uniform method. This method helps us to deal with errors already occurred and potential errors, and it helps us to identify root causes as to why the errors occur – we conduct so-called root cause analyses. We aim to reduce both the number of errors and their consequences.

Risk and quality management of projects

The certification schemes ISO 9001 (quality management) and ISO 10006 (quality management of projects) are used by some of the Group companies as part of the foundation for ongoing management processes. Certifications are based on well-defined work procedures, and relevant training is provided to ensure that the established work procedures are used in practice.

We have our own targeted risk management method which we often use for large-scale projects. The method is called ARMS, and it contains a number of concrete experiences gained from previous projects. Experience gained is used to successfully optimise and manage new projects and so ensure that a problem will occur only once.

Projects outside Denmark

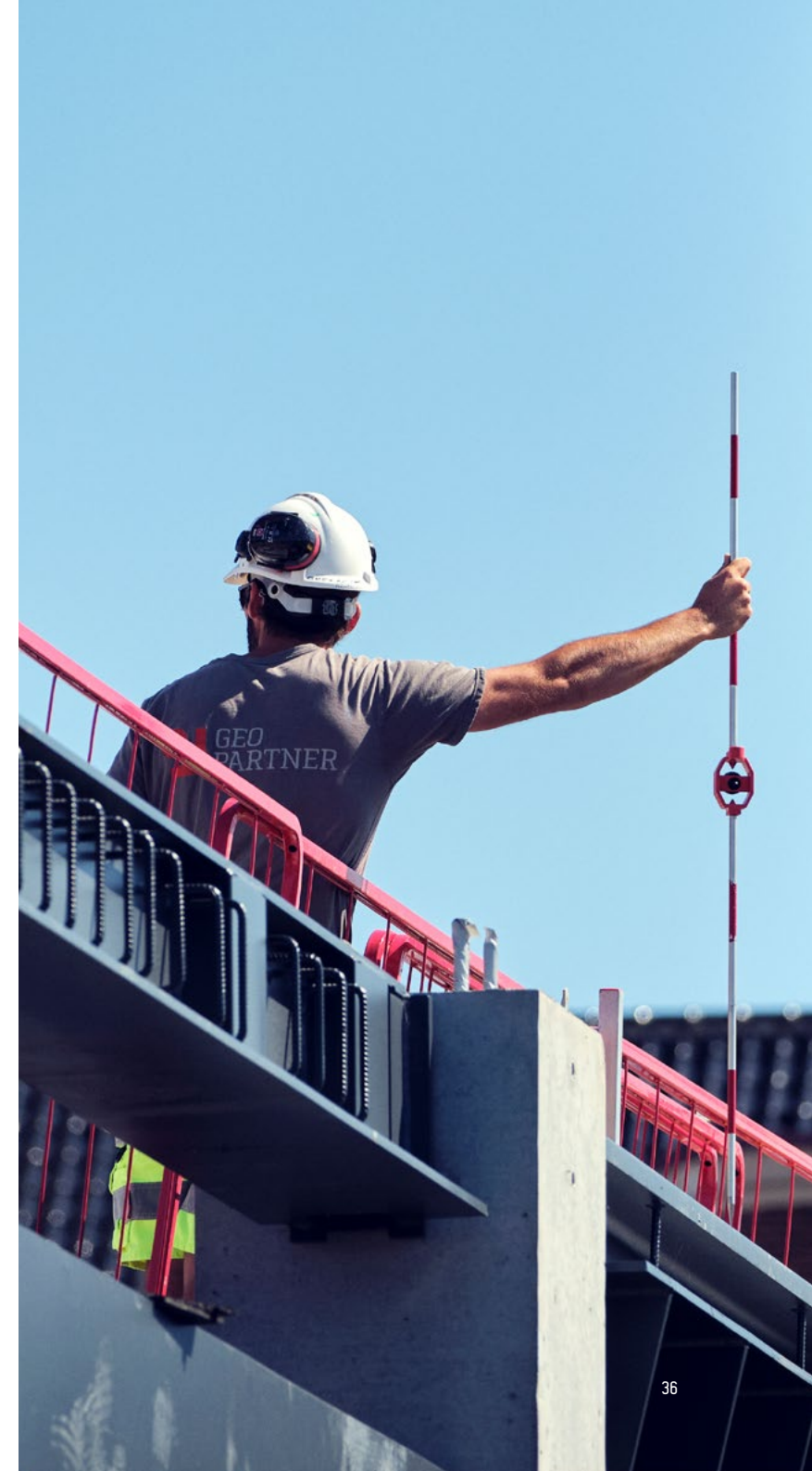
Operating abroad, we're often subject to conditions and set of rules that slightly differ from those in Denmark. Here, it's important to ensure that both customers and our other business partners are aware of the requirements we impose on them and ourselves.

That's why our policies and methods provide the basis for cooperation on all projects, including in relation to CSR issues. Issues that address environmental and climate conditions, human rights, ethics and anti-corruption.

We still focus on creating good communication with the local NGOs, schools, associations, local governments and unions when we operate in developing countries. This creates high value for the local communities we operate in, for the clients and for us as a contractor. Local value is created through our aim to hire local staff on projects whenever possible.

Strict rules on gifts and entertainment

We have strict rules on what services we can give and receive when cooperating with customers, suppliers and other business partners. We've specified the rules and provide guidance on their application through ongoing communications, training courses and e-learning to ensure that everyone knows what is acceptable and not acceptable. These rules include gifts, travel and meals.



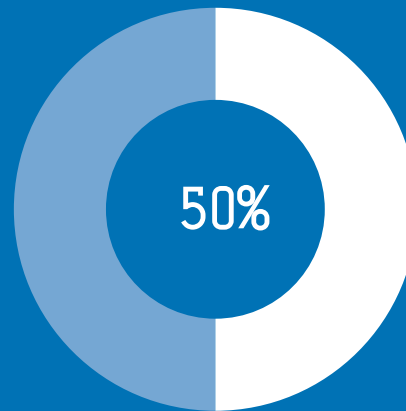
DENMARK'S BIGGEST DGNB CERTIFIED HOUSING RENOVATION PROJECT

Renovating the properties in the housing area Fyrreparcken in Odense is the first step towards an extensive renovation of the city district Vollsmose. Following the renovation of the 478 leases, the properties will be awarded a DGNB silver certification, demonstrating that they live up to the high requirements related to environmental, climate, social and ethical conditions.



Work includes facade and energy renovation, installation of elevators in several block of flats as well as an extensive renovation of kitchens, bathrooms and technical installations. The large, green outdoor spaces are also being renovated and made even more appealing. Plus, a new tenants' house is being built complete with stylish recreation rooms and laundry facilities.

Jimmi Steiner, Hansson & Knudsen A/S
Senior Project Manager



The final evaluation of a building project or the sustainability of an urban area is made according to an evaluation matrix. Evaluation points for each sub-criterion are entered in the evaluation matrix. Points are automatically converted into an overall score for the entire criterion. The score is shown as the percentage in proportion to the highest possible score. To be awarded a DGNB silver certification for a building project, the score must be 50% in total and at least 35% for each of the main categories.



51,353 M²

The renovation of the 478 leases in the housing area Fyrreparcken in Odense is the biggest housing project ever to be certified according to the Danish DGNB standard.



TRAINEE PROGRAMME ON CONSTRUCTION SITE

Working in full cooperation with the client – the housing association Fyns Almennyttige Boligselskab – and the employment initiative Build for Growth, we provide unemployed tenants the opportunity to work as trainees on our construction site. This will allow them to browse around the building industry and acquire skills that can help them get a job in this industry.

DGNB

– most used scheme

DGNB is the most used certification scheme in the Danish building industry. A DGNB certification is based on a number of criteria within five main areas: Environmental, financial, social and technical conditions as well as process quality.

RESULTS ACHIEVED

We've successfully created high-quality projects with a high customer and stakeholder satisfaction rate. We believe that our success is built through the entire management structure of the Aarsleff Group, including our certifications, our policies, our risk management and our guidelines.

Results are achieved through few errors, high efficiency on projects completed and our commitment to doing business ethically and with integrity.

Risk approach

As in previous years, we have continued this year to use the same fundamental principles and work procedures for risk management in this main area. We still believe that our work procedures and control principles are working smoothly.

The way we organise CSR, the ongoing reporting and the root cause analyses all help us to manage and reduce our risks within this area. The implemented CSR stakeholder analysis helps us to balance the CSR areas that we address.

Overall, our project and risk management models, our certifications and policies in this area significantly help us to achieve a balanced monitoring and management of both potential and current risks.





EQUALITY AND DIVERSITY

IN 2019/20 WE HAVE...

- based recruitments, promotions and reorganisations on our policy and guidelines for equality and diversity
- had several trainees and students of both genders attached to the staff
- aimed at ensuring that both genders are represented in the field of qualified candidates when recruiting.

Our principles

Equality and diversity

This policy comprises managers and employees of the Aarsleff Group and explains how we deal with equality and diversity.

Read more about our principles under “Policies” on page 49.

EQUALITY AND DIVERSITY

In the Aarsleff Group, we want to have a diverse staff mix among our managers and employees, and we keep our options open to welcome all employees regardless of age, gender, ethnicity, religion, disability, and sexual orientation.

Equality and a high level of diversity throughout our company help us to make good decisions and to deliver good results both on a short-term and a long-term basis.

It's our target to create equal opportunities for men and women and to increase diversity throughout the Aarsleff Group. Because it helps us to improve the physical and mental working environment, and it helps us to be more innovative and to generate better financial results.

Targets for our boards of directors

Board members are elected on the basis of our boards' qualification requirements, and our requirements for board members are the same regardless of gender.

We operate in a relatively male-dominated engineering business. Considering the opportunities in the engineering business, we find the board targets stated below ambitious and realistic.

Targets for Per Aarsleff Holding A/S

Our target is that there'll be no underrepresented gender on the board of directors by 30 September 2022 (defined as below 40% according to section 99 b of the Danish Financial Statements Act), and we find this target ambitious and realistic.

The proportion of the underrepresented gender

Financial ratios					
	2019/20	2018/19	2017/18	2016/17	2014/15 (baseline)
Proportion of the underrepresented gender on boards of directors:					
Per Aarsleff Holding A/S (target: 40%) ¹	20%	20%	25%	20%	0%
Per Aarsleff A/S (target: 25%)	33.3%	25%	25%	20%	0%
Wicotec Kirkebjerg A/S (target: 25%) ⁰	0%	0%	0%	0%	
Aarsleff Rail A/S (target: 25%)	0%	0%	0%	0%	0%
Hansson & Knudsen A/S (target: 25%)	0%	0%	0%	0%	0%
Proportion of the underrepresented gender on other management levels²	14.3%	10.7%	12.9%	12.7%	13.0% ³
Proportion of the underrepresented gender in proportion to all employees²	11.0%	11.9%	10.3%	9.7%	12.0% ³

¹ The target is to have no underrepresented gender on the board of directors – as defined in section 99 b of the Danish Financial Statements Act.

² Data includes the companies Per Aarsleff Holding A/S, Per Aarsleff A/S, Wicotec Kirkebjerg A/S, Aarsleff Rail A/S and Hansson & Knudsen A/S.

³ Owing to changes of the corporate structure of the Aarsleff Group, these proportions solely comprise Per Aarsleff A/S.

on the board of directors is 20% at 30 September 2020, which means that we haven't yet achieved our target. The gender distribution is not considered equal according to section 99 b of the Danish Financial Statements Act.

We'll aim at achieving equal gender distribution. The shareholder-elected board members consist of one woman and four men.

Targets for Per Aarsleff A/S, Wicotec Kirkebjerg A/S, Aarsleff Rail A/S and Hansson & Knudsen A/S

For each of these companies our target is that the proportion of the underrepresented gender consists of at least 25% of the shareholder-elected board members no later than at the end of the financial year of 2020/21. As we find all our targets ambitious and realistic, we'll maintain these.

The proportion of the underrepresented gender (in this case women) on our boards of directors as of 30 September 2020 appears from the chart on page 40.

The gender distribution for Per Aarsleff A/S is considered equal according to section 99 b of the Danish Financial Statements Act. The gender distribution for Wicotec Kirkebjerg A/S, Aarsleff Rail A/S and Hansson & Knudsen A/S is not considered equal according to section 99 b of the Danish Financial Statements Act.

Our targets haven't yet been achieved in all our Group companies owing to an insufficient number of best qualified female candidates.

We'll continue to work on achieving the targets for all Group companies in future.

ACTIVITIES IN 2019/20

Other management levels

In the Aarsleff Group, we want to have a diverse staff mix among our managers and employees, and we keep our options open to welcome all employees regardless of age, gender, ethnicity, religion, disability and sexual orientation.

Our policies and other guidelines

Activities such as recruitment, promotions, change of job content and reorganisations have in practice been founded on our policy and guidelines throughout the year. The policy applies to our ongoing decisions and activities related to staff, management, equality and diversity.

External recruitment activities

We still aim at ensuring that both genders are represented in the field of qualified candidates. Sometimes, however, this is not possible owing to a lack of qualified candidates of both genders. Our external recruiting consultants are always instructed to provide us with candidates of both genders.

We use the same principles, when we manage the recruiting process ourselves.

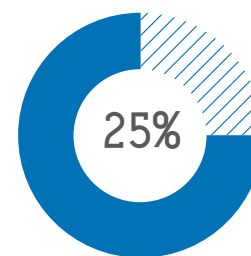
Internal appointments

Whenever possible, we make sure that both male and female employees are represented when we evaluate candidates for internal appointments.

Trainees and students

Trainees and students of both genders, for instance engineering students, have been attached to the staff throughout the year.

Opening our doors to trainees and students provides the Aarsleff Group and the industry in general with skilled employees and management potential of both genders.



For the board members of the companies Per Aarsleff A/S, Wicotec Kirkebjerg A/S, Aarsleff Rail and Hansson & Knudsen A/S, our target is that the proportion of the underrepresented gender consists of at least 25% of the shareholder-elected board members no later than at the end of the financial year 2021/22.

RESULTS ACHIEVED

We've applied our policy and other guidelines on equality and diversity throughout the year. We're pleased to see that the proportion of women in managing roles has increased compared to last year.

The current employees' or external applicants' race, ethnic or social background, gender, religion, sexual orientation or similar haven't influenced our decisions concerning recruitment, promotions and dismissals. Our decisions are always based on personal and professional qualifications.

We've achieved an increased gender equality on other management levels and a small decrease in the proportion of women in the Group compared to previous years. Comparing our proportion of female managers (14.3%) and our proportion of female employees in the Aarsleff Group (11.0%) with our biggest competitors, we can conclude that the proportions are alike this year as well.

Risk approach

We continue to have a systematic managerial focus on ensuring that our policies and guidelines are in fact applied within this area.

We regularly inform of developments, and we follow up on compliance throughout our Group.



POLICIES

We have a number of policies in the Aarsleff Group addressing a wide range of CSR issues, and our specific development initiatives are founded on these policies. The initiatives are conducted by the managers and specialists of the Group who have the right qualifications. All policies in this CSR report are outlined in the following section.



POLICIES WITHIN THE AREA "THE ENVIRONMENT AND CLIMATE"

QE&OHS management system

Our QE&OHS management system describes our principles for e.g. energy savings, quality management, waste management, handling of environmental accidents and resource consumption.

Our summary of [quality, environmental and occupational health and safety management \(QE&OHS\)](#)¹ states our targets and specific guidelines on how we deal with environmental issues. For instance, we save heat by closing windows, gates and doors, we turn off machines, equipment lights, computers and printers when these aren't in use, and we economise on fuel during work-related driving and transport by driving in an environmentally friendly way.

Other elements of our QE&OHS principles include reduction of waste by minimising wastage and errors, correct waste separation, reduction of the risk of environmental accidents by acting with precaution and consideration as well as reduction of impacts in case of environmental accidents.

The environment

This policy states that we want to reduce our environmental impacts such as waste, fuel, recycling and resource consumption.

We're aware of our impact on the environment and we look to prevent pollution and other adverse impacts. This is described in our [environmental policy](#)². Our environmental policy states that we'll take the environment and fuel efficiency into consideration when we purchase, operate and maintain our machinery and that we'll pay attention to correct waste management and recycling opportunities.

When delivering projects, we always aim at minimising our environmental impacts. So thorough, systematic planning and selection of methods are always important to us. In addition, we measure essential environmental parameters just as we always aim at reducing waste of resources.

Passenger cars, vans and machinery

In these policies, we've set up ambitious targets for e.g. energy consumption and CO₂ emissions applying to our entire fleet of vehicles and machinery.

We have two company vehicle policies (one policy for passenger cars and one for vehicles with yellow license plates). Both policies state that we focus on procuring energy-saving and environmentally friendly vehicles. From 2018/19, CO₂ emission of new passenger cars must not exceed 160 g/km.

The vans acquired during the year must, as a minimum, comply with Euronorm 6.

For new construction machinery, our target is to increase the number of machines that comply with the EU Stage V Non-road emission standard.

Climate impact reduction

This policy explains that we do what we can to reduce the climate gas emissions we cause or contribute to.

Our [policy on climate impact reduction](#) explains that we continuously aim at reducing our total consumption of fossil fuels, and that we work on an energy-efficient and climate-friendly use of energy within a realistic financial framework.

¹ We've linked to the QE&OHS management system of Per Aarsleff A/S, as this is representative of the systems in our other Group companies.

² We've linked to the environmental policy of Per Aarsleff A/S, as this is representative of the policies in our other Group companies.



POLICIES WITHIN THE AREA "EMPLOYEES"

Management framework

Code of good management in the Aarsleff Group comprises 11 important principles on how our managers lead by example.

The most important elements of good management in the Aarsleff group is summarised in our management framework "Code of good management in the Aarsleff Group – 11 principles" which explains that our managers must show commitment, focus on the most essential matters, strive to improve and renew as well as take holistic responsibility.

A safe working environment has a higher priority than reasons of economy, and we've set up specific targets for sickness absence, job satisfaction, accident rate and occupational diseases. These targets apply regardless of where we operate.

Code of Conduct

Aarsleff's Code of Conduct describes good behaviour for all our managers and employees.

Our [Code of Conduct](#) describes good behaviour for all our managers and employees. It addresses issues such as the environment, employees, safety, working environment, child labour, laws, regulations, international conventions, competition and anti-corruption.

Our requirements for business partners and suppliers reflect those we impose on ourselves.

Occupational health and safety

Our policies explain our high ambitions and constant focus on good occupational health and safety – physical as well as mental.

The occupational [health and safety policies](#)³ of the Group companies state that we want to offer attractive workplaces where occupational health and safety, job satisfaction and lifelong development are in focus. We don't accept accidents and we have a zero-accident target.

The Aarsleff Group wants to be the best in the business within occupational health and safety, and we've been certified in occupational health and safety for more than ten years. To achieve this target, we've developed policies, principles and working methods and incorporated these in the way we work.

It's important that our employees have a high market value. We want to contribute actively to the development and further training of our employees to make sure their qualifications always meet expectations.

Older employees

These principles outline that we want to provide opportunities for and motivate our older employees so they can remain a part of our workforce for as long as possible.

We wish to ensure that the transition from an active work life to early retirement or retirement takes place in consideration of the wishes, qualifications and physical capacity of the individual employee. We want to provide opportunities for our older employees and assist them in taking responsibility for planning a positive transition from their work life to early retirement or retirement.

That's why we attach importance to conducting interviews and developing plans for the employees approaching retirement age.

³ We've linked to the OHS policy of Per Aarsleff A/S, as this is representative of the policies in our other Group companies.



POLICIES WITHIN THE AREA "SOCIETY AROUND US"

Whistleblower

This policy serves as the basis for how internal and external stakeholders can report unacceptable matters to us.

Our [whistleblower policy](#) allows employees, managers, board members and all our other stakeholders to report concerns anonymously, if they have reasonable suspicion of unacceptable matters or illegal activities that may generate economic loss or damage the reputation of the Group. Concerns can be reported via our website.

Human rights

This policy ensures that we comply with regulations and standards governing interactions between companies and human rights.

We've set out a [policy on respect of human rights](#), based on the UN Guiding Principles on Business and Human Rights. This policy helps us to avoid adverse impacts on human rights and allows us to deal with any adverse impacts we may cause or contribute to.

Competition law

The guidelines outline our prohibition of price cooperation, cartel formation and abuse of market dominance.

Our guidelines for compliance with the competition law state that we prohibit entering into agreements or exchanging information that involve bid-rigging or sharing of markets and customers. In addition, we also prohibit entering into consortia or joint ventures that could limit competition.

Taxes

This policy clearly explains that we never use abnormal or non-transparent tax structures.

Our [tax policy](#) is rooted in our executive management and states that we don't use contrived or abnormal tax structures. We'll do our best to counteract tax avoidance and so ensure real commercial substance in all the activities we undertake or participate in. We want to have a transparent tax approach, and we'll clearly communicate our tax policy.

Anti-corruption

This policy explains our zero-tolerance approach to all aspects of corruption.

Our [anti-corruption policy](#) prohibits any transfer of money or assets. And our policy prohibits both direct and indirect bribery. Although we may allow so-called facilitation payments in certain cases, we prohibit any form of bribery.

Apprentices and trainees

These policies explain that we want to contribute significantly to the training of the next generation.

In the Aarsleff Group, we want to have apprentices and trainees in the civil engineering field and related fields such as administration and finance. We've established specific targets for the number of apprentices and trainees, and we offer trainee programmes aimed at engineering students, among others. Our approach is outlined in our policies on apprentices and trainees.

Purchasing

This policy explains that our supplier responsibility requirements reflect those we impose on ourselves.

Our purchasing policy explains that we want to collaborate with suppliers who live up to the same high ethical requirements we impose on ourselves. Our policy is supported by relevant guidelines, check-lists and controls.

Sponsorships and donations

These principles explain why the Aarsleff Group in principle doesn't want to be involved in these types of contributions.

In general, we neither provide sponsorships nor give contributions with marketing in mind. Although exceptions may be made in certain circumstances.

Our principles concerning sponsorship, contributions and donations for charity further elaborate on this.

Communicating with our stakeholders

Although we haven't set out a specific policy for this, communicating proactively with all our stakeholders is a crucial principle for us.

We do our best to counteract social dumping regardless of where we work. And we want to be a loyal part of applicable collective agreements. Moreover, we're aware that it's important that we live up to what the people near our projects expect from us.



POLICIES WITHIN THE AREA "EXTERNAL BUSINESS PARTNERS"

Quality

This policy provides the ambitious framework of our approach to quality management internally and on our projects.

Our **quality policy**⁴ lays the foundation for high-level quality management and so allows us to establish good and professional relations with customers and a high level of customer satisfaction, short term as well as long-term. We want this to be essential to all our activities.

We're committed to comply with laws, rules and contracts agreed with customers, colleagues in the business, employees and any other relations. We document our work according to existing rules and industry practices, we prioritise good planning and thorough preparation and we continuously look to achieve improvements through systematic knowledge acquisition and management of our activities.

Activities with participation of customers and business partners

This is our specific guidelines on how to deal with activities involving entertainment and gifts, among other things.

We are committed to acting professionally, loyally and with integrity in all business dealings with customers and other stakeholders. That's why we've defined a set of principles called Activities with customers and business partners. These principles provide our managers and employees with specific and practical rules related to gifts, lunches, dinners, study trips and training courses.

Communicating with our stakeholders

Please read more under "Society around us".

⁴ We've linked to the quality policy applying to Per Aarsleff A/S, as this is representative of the policies in our other Group companies.



POLICY WITHIN THE AREA OF “EQUALITY AND DIVERSITY”

Equality and diversity

This policy comprises managers and employees of the Aarsleff Group and explains how we deal with equality and diversity.

One of the purposes of [the policy](#) is to help to create equality and diversity and increase the proportion of the underrepresented gender throughout the Aarsleff Group. We want an open and unbiased culture that allows each individual employee to use his/her qualifications in the best possible way, regardless of gender. And we want all employment to be based on personal and professional qualifications.

The civil engineering business has always been and continues to be a relatively male-dominated business. This is significantly reflected in the existing number of male and female managers and employees as well as in the distribution of applicants for most types of advertised positions in the Aarsleff Group.

Another purpose of this policy is to increase the proportion of female managers and female employees in our company and within our line of business.

The background of the page is a close-up photograph of heavy industrial chains. Most of the chains are painted blue and show signs of wear and rust. On the left side, there is a section of a red chain and a red metal component, possibly a hook or a part of a crane. The chains are interlinked and fill the entire frame.

ROLE AND SCOPE OF THIS REPORT

The CSR report is a statement of the corporate social responsibility cf. section 99 a of the Danish Financial Statements Act and a statement of the gender composition of the management cf. section 99 b of the Danish Financial Statements Act applying to the Aarsleff Group for the financial year 2019/20.

ROLE AND SCOPE OF THIS REPORT

This corporate social responsibility report is included in the management's review of the company's annual report for 2019/20. The CSR report is a statement of the corporate social responsibility cf. section 99 a of the Danish Financial Statements Act and a statement of the gender composition of the management cf. section 99 b of the Danish Financial Statements Act applying to the Aarsleff Group for the financial year 2019/20.

Information and data are provided for the period from 1 October 2019 to 30 September 2020.

The CSR report comprises the Group companies and our other companies forming part of the consolidated financial statements of Per Aarsleff Holding A/S for 2019/20. A total list is provided on page 107 of the financial annual report for 2019/20.

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 Global Reporting Initiative (GRI) Standards but isn't in line with the "in accordance with" criteria of this standard.

Although the Aarsleff Group doesn't participate in the UN Global Compact, its ten principles serve as a significant inspiration for us when we identify, prioritise and set out our significant CSR issues, CSR stakeholders, CSR risks etc. And the principles are part of the foundation on which we base our goals and action plans.

Future amended provisions of section 99 a, section 99 d and section 107 d of the Danish Financial Statements Act have not been incorporated into the CSR report for 2019/20.

Wherever possible, we have stated comparative figures for the past three years and for 2014/15. The comparative figures stated for 2014/15 are our base-line figures, which means that 2014/15 is the fixed financial year with which we compare future figures.

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 accounting policies or to the basis and contents of data compared to previous years.

[Links to our policies](#)

We've inserted links to the policies and principles mentioned in this report to allow the reader to read these in full. Some of the links inserted are for policies and principles applying to the entire Group, whereas some links refer to policies and principles applying primarily to Per Aarsleff A/S. The reason for this is that the policies and principles applying to Per Aarsleff A/S are representative of the policies and principles in our other Group companies.

DATA DEFINITIONS

On the following pages, we outline the accounting principles we apply for the financial ratios stated in this report.

DATA DEFINITIONS

Below, we outline the accounting principles we apply for the financial ratios stated in this report.

Selected financial ratios for the Group

	Unit	Accounting principles
Revenue	Million DKK	Data is taken from the Group's financial annual reports.
Operating profit	Million DKK	
Profit for the year	Million DKK	The accounting principles appear from the financial annual reports.
Total assets	Million DKK	
Equity	Million DKK	
Earnings per share (EPS)	DKK	
Employees	Number	

Environment and climate

	Unit	Accounting principles
Passenger cars	%	Data includes vehicles and machines owned or leased on a long-term basis by Per Aarsleff A/S.
Vans	%	
Construction machinery	%	<p>The stated percentages show our acquisitions during the year that comply with our policies:</p> <ul style="list-style-type: none"> • CO₂ emission of new passenger cars acquired during the year must not exceed 160 g/km. (Up until 2017/18, the requirement was that passenger cars had to have energy mark A+++ to A). • The vans acquired during the year must, as a minimum, comply with Euronorm 6. • The construction machines acquired during the year must, as far as possible, comply with the EU Stage V Non road emission standard.

DATA DEFINITIONS (CONTINUED)

Employees

	Unit	Accounting principles
Work accidents	Frequency	<p>Number of accidents per 1 million working hours.</p> <p>An 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.</p> <p>Number of working hours (denominator) is defined as follows: Number of working hours performed in the year with deduction of accident absence.</p>
Absence due to accidents	Days	Average number of days of absence per accident until the employee starts working full-time or part-time again.
Sickness absence	%	<p>Number of sickness absence hours in proportion to the total number of working hours. The numerator includes own sickness absence, absence due to child's first day of sickness as well as short-term and long-term sickness. Absence due to chronic disease, maternity leave and other types of absence are not included.</p> <p>The denominator includes the total number of working hours incl. sickness absence with deduction of holidays, extra holidays, special holidays, care days, absence due to accident and salaried employees' overtime hours.</p>

Society around us

	Unit	Accounting principles
Concerns reported to the whistleblower scheme	Number	Total number of concerns reported through the scheme regardless of type and outcome.
Apprentices	Number/%	All employees employed on an apprentice contract are included regardless of field of work and type of training. Headcounts are included (i.e. not converted to full time equivalents).
Trainees	Number/%	<p>All employees undergoing training or attached to the staff as a trainee are included regardless of field of work and type of training. Headcounts are included (i.e. not converted to full time equivalents).</p> <p>Proportions are reported as the number of headcounts in relation to the annual average number of salaried employees.</p>

DATA DEFINITIONS (CONTINUED)

Equality and diversity

	Unit	Accounting principles
Proportion of the underrepresented gender on boards of directors	Number	Statements are made in line with the regulations of the Danish Financial Statements Act.
Proportion of the underrepresented gender on other management levels	%	In this case, the underrepresented gender is women.
Proportion of the underrepresented gender in proportion to all employees	%	<p>Other management levels:</p> <ul style="list-style-type: none"> • In Per Aarsleff Holding A/S and Per Aarsleff A/S, managing roles are included from the level of staff managers. In Wicotec Kirkebjerg A/S, Aarsleff Rail A/S and Hansson & Knudsen A/S, the upper management group is included. <p>All proportions are reported as headcount at year-end (i.e. not converted to full time equivalents).</p> <p>All employees are reported as the annual average number of salaried employees and hourly employees</p>

Please send comments
or questions to:
csr@aarsleff.com

Per Aarsleff Holding A/S
Hasselager Allé 5
8260 Viby J
Denmark

CVR no. 24 25 77 97

