

## An increasingly international workplace

**ÅF has changed rapidly in recent years. Today, ÅF is represented locally in around twenty countries, and is involved in assignments all over the world. Some 25 percent of the Group's 4,000 members of staff now work abroad. This increasing internationalisation is reflected in the activities aimed at the Group's employees.**

### **One ÅF**

"One ÅF" is a decentralised network which allows all ÅF consultants to communicate with each other. The underlying idea is that a joint systems platform and a shared bank of experience will facilitate the rapid start-up of new projects. When a client engages ÅF to solve a problem or develop a new solution, it is more than likely that ÅF's consultants will already have encountered a similar request somewhere else, at some other time.

In spring 2007, the "One ÅF" concept was unveiled to ÅF's Nordic consultants during a nationwide conference "road show" together with the ÅF career paths programme, "Five of Five Thousand".

### **Pathways to development**

ÅF aims to have 5,000 employees by 2010. To achieve this, ÅF must constantly develop in its role as an employer and offer its members of staff good opportunities for them to develop as well. "Five of Five Thousand" is the name of a programme that explains the career paths offered by ÅF. In this internal information campaign launched in 2007, five ÅF co-workers from different backgrounds and working in different roles describe their respective career paths.

ÅF offers three distinct career paths: project manager, specialist/expert and manager. Each of these pathways to development consists of a number of different levels.

In practice, there may be far more development routes than these: for example, with certain opportunities for international assignments and switching between different roles within the company. But these three main routes provide support in the creation of individual targets and action plans, not least in the annual personal development interviews between managers and staff.

### **ÅF Academy**

The ÅF Academy is ÅF's own training facilitator which provides support for the ÅF career paths. Launched in 2007, the ÅF Academy offers extensive basic courses for new consultants as well as highly specialised advanced courses and training that is tailored to meet individual requirements as part of the ÅF career paths concept. ÅF's views on business acumen and entrepreneurial skills – talents that, within the organisation, have become known under the heading of "businessmanship" – provide the foundation for all the courses on offer. In 2008, some 40 training exercises will be conducted, enlisting the aid of teachers and lecturers from within ÅF as well as outside the organisation.

### **Certification**

At the ÅF Academy, ÅF project managers undergo training to obtain certification in accordance with the European accreditation standard, IPMA. There are four levels of certification: A, B, C and D. For project managers involved in international projects, the certification process is conducted in English.

### **Variable remuneration and wages**

ÅF has adopted systems for variable remuneration that are both specific to the various divisions and group-wide. The remuneration paid under these systems reflects the results of the individual division and the Group respectively.

ÅF also has a system of variable wages, where up to 40 percent of an employee's salary may comprise a variable component that is directly linked to that employee's performance.

### Co-ownership

ÅF sees great value in involving employees as part-owners in the company. Employees have a financial stake in operations directly through their ownership of shares and convertibles, and indirectly through ÅFOND, the ÅF Group Trust. For 2007, SEK 13 million was transferred to ÅFOND (2006: SEK 7 million).

In 2008, a new profit-sharing system will be introduced that is adapted to the increasingly international nature of ÅF operations. The new profit-share foundation will invest in ÅF shares, creating a clear link between the efforts of the workforce and ÅF's commitment to generating a profit for its shareholders.

### An attractive place to work

In Universum's Career Barometer survey for 2007, ÅF came seventh among Sweden's most attractive employers, and number one among consulting companies. More than 5,000 engineering graduates and young professionals took part in the study.

ÅF maintains a regular presence at various careers fairs hosted by Sweden's technical universities, from Luleå in the north to Lund in the south. These give ÅF personnel an opportunity to meet thousands of technology students, among whom the general impression of ÅF seems to be an attractive employer able to offer a wide variety of stimulating career opportunities.

To intensify this work, ÅF has now appointed a Talent Manager tasked with marketing ÅF as an employer among universities and institutes of technology in Sweden and abroad.

### A workplace where individuals can develop

ÅF wants its staff to take pride in their work and the company, to feel confidence for their managers and to enjoy the company of their colleagues. This requires focused, long-term efforts at all levels within the company. It is important to provide employees with feedback on how they are performing in their work. This means regular personal development interviews between individuals and their managers – dialogues that also form the basis for individual development plans.

When a member of staff leaves ÅF, an exit interview is held. The purpose is to gather information on the person's impressions of the time spent at ÅF and to create a positive platform for any future relations.

Healthcare takes the form of both occupational healthcare and support for employees' personal preferences with regard to leisure activities.

Club ÅF is the collective name for the local staff clubs which are involved in activities aimed at promoting social interaction and meaningful leisure activities. The activities are open to all ÅF employees and also include a wide variety of cultural activities.



### Cottages for rent

All ÅF Group employees are entitled to rent one of the cottages or apartments owned, managed or leased by the Ångpanneföreningen Staff Foundation. A couple of hundred families take advantage of this opportunity every year.

### Other benefits

ÅF employees have access to a wide range of benefits. These vary from country to country, depending, for example, on the local tax regime. In Sweden, benefits include occupational pensions, attractive insurance options, access to company cars and various discounts.

### Policies

To make clear its position in a number of employee-related issues, the ÅF Group has formulated policies in key areas such as human resources, salaries, equal opportunities and the work environment.

### A workplace for both men and women

ÅF strives to be a workplace where both men and women can feel comfortable and enjoy the opportunity to develop. Traditionally, the engineering industry has been male-dominated, but ÅF's stated ambition to create a more balanced gender distribution is reflected in the organisation's recruitment activities. The first

stage towards this is to raise the proportion of female consultants to 20 percent of the total. The proportion of female consultants was 14 percent at the end of 2007 (2006: 15 percent). The proportion of female senior consultants was 9 percent (11 percent) and the overall proportion of female managers was 13 percent (12 percent). Female employees made up 18 percent (19 percent) of the total workforce. The decrease in the proportion of women is due to the gender distribution in companies acquired during the year.

### Female representation on the board

Three of the eight members of the board of Ångpanneföreningen (37 percent) elected by the Annual General Meeting are women, as is one of the four employee representatives on the board.

### Capacity utilisation

The ÅF Group's invoiced-time ratio – the proportion of time charged to clients relative to the total number of hours spent at work by all employees – was 75.1 percent (2006: 72.9 percent). Non-invoiced time includes marketing, training, technical development, management and administration activities. 92 percent of employees work mainly with invoiceable assignments for external clients, while the remaining 8 percent are employed in a purely administrative capacity.

#### YP Ideal Ranking Engineers 2007

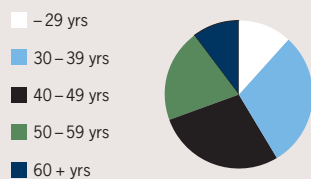
Volvo Group	1
Ericsson	2
Sony Ericsson	3
Volvo Car Corporation	4
IKEA	5
ABB	6
<b>ÅF</b>	<b>7</b>
Scania	8
SWECO	9
Saab Technologies	10

### ÅF best in class in Universum's Career Barometer survey

In a survey of 5,000 professional engineers, ÅF was ranked in seventh place among Sweden's most attractive employers.

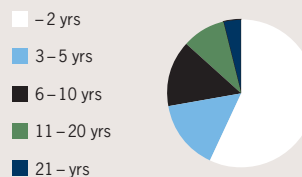
The Career Barometer is an annual attitude survey conducted by Universum Communications. All respondents are "young professionals", which means that they have a degree in engineering from a university or college of similar standing and between two and eight years of working experience in their specialist area.

### Age distribution, %



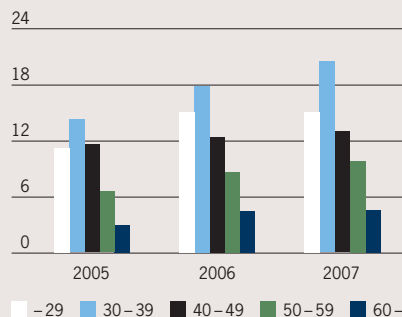
The average age was 43.5 years (2006: 43.1 years).

### Length of employment, %



Average length of employment was 4.6 years (2.8 years). Employees in newly acquired companies are considered new employees

### Staff turnover, %



Staff turnover based on resignations  
Total 2007: 14.1 percent

### Education, %



### Financial data

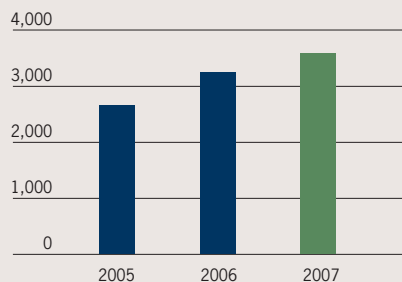
	SEK '000/year/FTE		
	2005	2006	2007
Net sales *	894	983	1,066
Profit **	33	46	90
Personnel costs	586	605	611
Value added ***	618	650	701

\*) Revenue excl. other operating income.

\*\*) Operating profit before net financial items, excluding participation in profit/loss of associated companies and other operating income.

\*\*\*) Salaries and social security contributions including profit/loss before net financial items excluding other operating income.

### Full-time equivalents (FTE's)



### Training and R&D

	SEK '000/year/FTE		
	2005	2006	2007
Training	9	14	17
Research & development	11	9	7
Total per FTE	20	23	24

Each employee receives an average of 49 hours of training per year.

## Meet Sanna Kallur

**You've now been with ÅF for a year. What are your impressions after the past twelve months?**

“Wow! There are so many. My first real meeting with ÅF and my new colleagues was during the ‘road show’ that senior management and I took part in last April. The diversity within the company and the huge range of skills and talents among my co-workers made a big impression on me. Since then I’ve had the chance to speak to all sorts of experts in their fields, which has confirmed my initial and highly positive impressions. I think it’s just great that there are so many different kinds of consultants at ÅF.”

**Has it been a positive experience for you, as a top-flight athlete, to work for such a large company with such a breadth of skills and experience?**

“It’s been great fun! And I’ve been highly privileged to get such a good insight into the business. In practice, I’ve been mostly closely involved with the company’s corporate information work. It’s been an exciting year that I’m sure will help provide me with a good platform on which to build a career after my time on the athletics track is over.”

**When you started at ÅF, you made a point of how positive it was that the company worked with environmental issues. Has this been confirmed during your first year with ÅF?**

“Most certainly! And it’s also made me want to learn more about these issues and dig a little deeper. I’m really passionate about the environment.”

**You've been able to discuss the situation in China with an ÅF consultant who has spent a lot of time there. Is this an opportunity that more athletes should be given?**

“Issues relating to China and the Olympics were hot news for a while and the heat will no doubt be turned up again as the Olympic Games approach. It’s a big advantage to be well-informed about the kind of issue journalists like to focus on, especially as this is a subject that most of us know relatively little about.”

**Are you still as positive about ÅF as you were when you were first employed with the company?**

“Yes. Without a doubt. In fact, I’m even more positive today, now that I have got to know the company and more of my co-workers so much better.”

