



QUESTIONS ON KEY ISSUES 2024

As in previous years, Austria's publicly listed companies are invited to answer a series of questions on key issues elaborated by the Austrian investors' association IVA together with its partners *Börsen-Kurier* and TI AUSTRIA. The responses are published online at www.iva.or.at.

1) Impact of the global economy

- a. Was a new collective wage agreement reached for your company in 2023/2024? If so, what impact (in euros) does it have on EBIT/net income?

94% of the STRABAG SE Group's employees are covered by collective wage agreements in their respective countries. With the exception of Germany, collective wage agreements were concluded either at industry-wide or company level based on the inflation rate of the completed calendar year. In Germany, the collective agreement for the construction industry was concluded for the period from 1 July 2021 to 31 March 2024 based on the situation in 2021. The IG BAU trade union and the construction industry employers reached an agreement on a joint collective wage proposal. A final decision is still pending.

The increases resulting from the collective wage agreements are generally included in the calculation of the projects or are passed on to clients via price escalation clauses as far as possible.

- b. Impact of the war in Ukraine: Is your company directly financially affected by the war in Ukraine? If yes, in what amount and in which sector?

All activities in Russia are being wound up. STRABAG has no exposure to Ukraine. The impacts of Russia's war against Ukraine are many and varied and have so far manifested themselves, among other things, in significantly increased inflation rates, sharp rises in (mortgage) interest and in part strained supply chains. STRABAG has so far been able to weather this challenging environment quite well, among other things through our diversified business model by country and construction segment, decentralised supply chains, long-term procurement, in-house production of building materials and a proactive pricing policy.

- c. Is your company affected or restricted by the EU sanctions?

STRABAG SE and its subsidiaries are themselves not affected by any sanctions. In other respects, the STRABAG Group complies fully with the EU sanctions regulations.



- d. Would your company be affected by the conclusion of the Mercosur agreement? If so, what impact would this agreement have on your business?

The main aim of the agreement is to boost trade in agricultural products such as meat and sugar, chemicals such as pesticides, and combustion vehicles. It can therefore be assumed that the agreement will not have any significant impact on STRABAG as a European technology group for construction services.

- e. Did your company make any extraordinary price increases in 2023?

Various contract and price models are used in the construction industry. In the public sector, for example, price escalation clauses are common, which allow prices to be adjusted as needed. In the private sector, we already began reducing the number of fixed price models in 2018 and now rely on contract models that allow for price adjustments.

- f. What was the share of non-renewable energy sources in the costs and the volume of energy used (in any form, including indirect use, e.g. through natural gas generation) in the past financial year? What measures has the company taken and what measures is it taking to reduce the proportion of non-renewable energy sources?

One of the six key topics in our Strategy 2030 published in 2023 is “Expertise in the energy sector”. Important here is to reduce (fossil) energy consumption and expand the use of renewable energy sources. The increasing strategic focus on the topic of energy is reflected in various small and large-scale projects and investments implemented by the Group, ranging from the implementation of pilot projects for the sustainable operation of our plants and equipment to investments in energy companies such as CMBlu Energy.

With the aim of becoming climate neutral by 2040, a comprehensive roadmap is currently being developed to implement energy and emission-reducing measures in the individual STRABAG divisions. These measures are being evaluated for their reduction potential to prioritise and make adjustments to the roadmap.

Currently, some 80% of total electricity consumption within the framework agreements in Austria and Germany (63% of Group output) is covered by green electricity.

Around 95% of energy consumption is attributable to fossil fuels, with fuel for the vehicle fleet and construction equipment accounting for the largest share (57% of energy costs). This is where the Group has the greatest potential for savings, and appropriate measures are being evaluated as part of the roadmap.



2) Investments & ESG

- a. Investments in the collection of ESG-related data in 2021 and 2022: What were the internal/external costs incurred (consulting, lawyers, auditors, IT service providers)?

Costs

- Audit: approx. € 73,000
- Consulting: approx. € 71,000

- b. Investments in social media in 2023: What were the internal/external costs incurred (employees, media agency, strategy consulting, etc.)?

In the 2023 financial year, a total of 8 persons were employed full time to support the Group's social media activities. The Group continued and expanded the repositioning that was initiated in 2021 along with the Work On Progress campaign. Due to the ongoing shortage of skilled labour, employer branding activities were expanded through various campaigns aimed at specific target audiences. To strengthen our social media activities on corporate-wide channels, various measures were implemented to promote overarching collaboration.

- c. What were the costs of ESG reporting in 2022 (external consultants, service providers, etc.)? How many employees are assigned exclusively to these tasks?

ESG reporting costs in 2023:

- ESG ratings and memberships: approx. € 59,000
- Employees: 1.5 FTE

3) Supervisory Board and Management Board

- a. Supervisory Board: How high were the incidental costs such as travel expenses, secretarial services, consulting, off-site meetings, training, etc.?

The incidental costs for the Supervisory Board amounted to around € 22,000 in 2023.

- b. What was the average age of the capital representatives on the Supervisory Board in 2022 and 2023? What was the average age of the Management Board members in 2022 and 2023?

Supervisory Board

2022: The members of the Supervisory Board were between 48 and 66 years old on the reporting date.

2023: The members of the Supervisory Board were between 49 and 67 years old on the reporting date. With the appointment of Valerie Hackl in January 2024, the age range on the Supervisory Board changed to between 41 and 67.



Management Board

2022: The members of the Management Board were between 42 and 68 years old on the reporting date.

2023: The members of the Management Board were between 43 and 59 years old on the reporting date.

- c. What was the proportion of non-Austrian citizens on the Supervisory Board and Management Board in 2022 and 2023? Will the company pay Austrian taxes for these Supervisory Board members? If so, in what amount?

Management Board

2022: The proportion of non-Austrian citizens stood at 40% on the reporting date.

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Supervisory Board

2022: The proportion of non-Austrian citizens stood at 33% on the reporting date.

2023: The proportion of non-Austrian citizens stood at 33% on the reporting date.

No domestic taxes were assumed for foreign Supervisory Board members.

- d. Is the remuneration of the Management Board directly linked to the reduction of the company's carbon emissions?

The remuneration of the Management Board is based on the specific tasks and responsibilities as well as the size and the economic situation of the company. Another factor that is considered is the competitiveness of the remuneration on the market. The variable component of the remuneration takes into account the shareholders' interest in a positive development of the company and increases the motivation of the Management Board to take measures that sustainably improve the net income in the long term. The variable remuneration is measured on the basis of financial indicators that best reflect the long-term success and economic situation of the company. Non-financial performance criteria that can be applied across the Group are being evaluated, but currently still pose a significant challenge in terms of defining, measuring and controlling corresponding target values (key performance indicators). A differentiated and separate definition of non-financial performance criteria for each division would be detrimental to transparency and ease of understanding. As a result of thorough debate in the Executive Committee of the STRABAG SE Supervisory Board, the decision was made not to use non-financial criteria to calculate the remuneration of the members of the Management Board.

- e. Are there any ESG experts on the Supervisory Board?

The composition of the Supervisory Board ensures that ESG issues are represented at the Supervisory Board level.



4) Investor Relations activities

- a. Number of roadshows in Austria and abroad?

In addition to the mandatory semi-annual reporting and the trading statements for the first and third quarters, we informed 72 capital market participants (2022: 57) in 38 one-on-ones (2022: 28) and in group talks last year. We took part in three (2022: six) roadshows and investor conferences organised by Erste Group, Raiffeisen Bank International and the Vienna Stock Exchange.

- b. Number of contacts with institutional and private investors?

See answer to question 4a.

- c. Expenditure for research and analyses?

The STRABAG SE shares are covered by four investment firms. No costs were incurred for these research and analysis activities.

- d. Costs of publication of the Annual Report and the Sustainability Report?

The cost of the print run of the 2023 Annual and Sustainability Report totalled around € 8,000.

5) Taxes paid in 2023

- a. How high were the taxes paid in Austria and in the three foreign markets with the highest revenue (stated by country, revenue, amount)?

The actual tax expense recognised in the 2023 financial year for Austria and the highest-revenue foreign markets is as follows:

Country	Revenue in millions of €	actual tax expense in millions of €
Austria	4,119	3
Germany	9,042	146
Poland	1,488	27
Czech Republic	1,250	13

6) Promotion of young talent

- a. How many interns are working in your company (2023)?
b. How many interns are paid interns and what is the average level of pay?
c. Describe the age structure and educational background of the interns.



INTERNS	2023	2022	2021	AGE	EDUCATIONAL BACKGROUND
Mandatory interns	162	139	106	16–35	Higher Technical Institute (HTL) Bachelor or master's degree
Trainees	105	103	135	21–33	Bachelor or master's degree
All mandatory interns and trainees are paid.					

7) Young Shareholders Austria – Questions regarding the labour market and training

As the demand for skilled labour can hardly be met with workers resident in Austria at this time, there has been an enormous increase in leased workers from other EU countries.

- a. What specific measures are you taking so that future demand for skilled labour in your company can be met in the long term?

In 2040, with the retirement of the baby boomer generation, we will have a shortfall of workers by more than 10% of today's working population in our core markets. New, creative approaches will become necessary to fill this gap, especially in the construction sector. The focus will therefore be on recruiting, training, integrating and retaining international skilled labour – especially from countries with opposite demographic trends. At the same time, the demographic trend will promote and accelerate innovation in the construction industry. New methods and new ways of working will be required in order to realise future growth. Concepts such as prefabrication or modular construction – to name just two examples – will play a key role in this process.

To counteract the shortage of skilled labour, we are continuing to promote and optimise the needs-oriented professional and personal development and qualification of our employees. We also promote internal job placements with the help of development plans and targeted potential management. By strategically addressing target groups on our social media channels, we reach more potential candidates and are positioning ourselves as an attractive employer. A well-structured and measurable onboarding process leads to stronger employee retention.

- b. How many apprentices are there in the company?

Apprentices: 1,961

- c. How many leased workers are currently working for the company?

Leased tradespersons are employed to a minor extent to cover peak staffing needs.



- d. What were the expenses incurred for internal and external training and further education in total and per employee?

In the period from 1 January 2023 to 31 December 2023, approximately € 8 million were invested in internal training throughout the corporate group (travel costs, accommodation, etc. are not included).



In cooperation with the readers of *Börsen-Kurier*, two questions were selected for inclusion as *Börsen-Kurier* reader questions in the IVA Questions on Key Issues:

1) New standards in sustainability and ESG reporting:

- a. What challenges does this pose for your company and how well prepared do you think you are?

STRABAG has conducted its reporting in accordance with the Global Reporting Initiative (GRI) for several years and has the relevant expertise in the application of reporting standards as required by the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). This includes, for example, internal responsibilities for specific topics, processes for data collection and collaboration as well as an appropriate infrastructure for collating content.

Despite this good starting position, there are still challenges relating to data collection and quality, which in turn has an impact on the development of objectives and the measurement of progress. These challenges are prioritised and worked through step by step.

- b. To what extent do your shareholders expect more from you with regard to ESG?

Regulatory requirements alone mean that transparency requirements with regard to ESG are constantly increasing. Ratings and benchmarks in particular are playing an increasingly important role, especially for institutional investors. With this in mind, STRABAG is an active participant in sustainability ratings. An essential step for becoming climate neutral by 2040 is to anchor sustainability in the core business. STRABAG provides its shareholders with transparent information on key ESG issues in its combined annual and sustainability report, as well as through personal communication.



2) Austrian private investors

- a. How important are local private investors for Austria as a place of business?

In general, private investors can be highly relevant for a business location, in terms of both stocks and bonds. Unfortunately, the proportion of private investors on the Austrian capital market is (still) significantly underdeveloped in an international comparison. Since its IPO in 2007, STRABAG has had a relatively high and stable proportion of private investors. At the end of 2023, private investors accounted for around half of the free float.

- b. Are you taking or planning any activities to promote private share ownership in Austria?

STRABAG informs its shareholders in a timely, transparent and comprehensive manner through a variety of channels. In addition to the Investor Relations website, these also include channels specifically relevant to private shareholders, such as a free Investor Relations hotline and an Investor Relations newsletter. Since the 2023 financial year, the Group's combined annual and sustainability report has also been available as an online report. The company's continuous dividend policy also contributes to the promotion of private share ownership.



One topic was selected specifically in cooperation with the anti-corruption organisation Transparency International Austria:

1) AI and compliance

Artificial intelligence is seen as a positive technology for the development of the political and social order. At the same time, however, AI systems may have negative consequences in both the private and public sectors resulting from faulty algorithms or irresponsible implementation.

- a. What sort of regulations/instruments in your company's CMS ensure that AI is not misused within the company, e.g. when screening applicants?

The existing corporate guidelines allow only the use of tested and centrally procured software. Due to the lack of data privacy agreements, among other things, this does not apply to the countless freely accessible AI tools. In this respect, the use of certain AI tools is regulated.