

Consolidated Non-Financial Report

OUR PATH TO BECOMING CLIMATE NEUTRAL

STRABAG SE operates primarily in Europe, but also on the other continents, and offers services along the entire construction value chain. The impacts of our business activities are therefore many. But we are committed to taking responsibility for these impacts. By taking into account the needs of people, the environment and society in our strategic decisions, we also ensure the long-term continuity of our company.

The climate crisis is one of the most pressing challenges of our time. Not only does the construction industry contribute significantly to global greenhouse gas emissions, it is also responsible for a large volume of waste and has high energy and material requirements. As a leading construction technology group, we take responsibility and create awareness by making an effective contribution to climate protection and combating climate change. In 2021, STRABAG for the first time adopted a sustainability strategy that sets out the

goal of climate neutrality for the entire group by 2040. Our own processes will be designed in such a way that they no longer have a negative impact on the climate in their entirety. Our goal is to become climate neutral by 2040 – just like our home market of Austria.

In recent years, we have developed a robust data basis to measure our CO₂e emissions – Initial Scope 1 and Scope 2. This is a major challenge for a group of our size with a high degree of diversification, as it requires compiling, consolidating, evaluating and verifying an immense amount of data from different countries, different production facilities and individual construction sites. This database is necessary to develop pathways for reducing our emissions and to design our own processes in such a way that they do not have a negative impact on the climate in their entirety. We have divided our path to zero emissions into five subgoals:

2025 – Climate-neutral administration

This subgoal covers all our stationary administrative locations. Main sources of emissions here

include working electricity, energy for heating and cooling as well as fuel for the vehicle fleet.

2030 – Climate-neutral construction project

The climate-neutral construction project refers to the construction process of structures, i.e., of buildings as well as infrastructure projects. The calculation also includes services provided by us in relation to the construction process. In addition to fuels and electrical energy for the construction

site vehicle fleet, construction machinery and equipment, the operating energy consumption of portable container offices is also included. The transport to and from our suppliers and subcontractors forms part of the analysis as well.

2035 – Climate-neutral building operation

The high importance of this subgoal is reflected in the fact that building operation is responsible for around 28% of all carbon emissions in the world. We assume responsibility for the buildings we

construct and for the emissions they cause during their use. In the future, we resolve as much as possible to hand over buildings to our customers with the option of climate-neutral operation.

2040 – Climate-neutral construction materials

This subgoal encompasses all sourced materials for the construction of buildings – materials from our own production facilities as well as those from

subcontractors and suppliers. This means that all building materials sourced by us will become climate neutral.

2040 – Climate-neutral infrastructure

Analogous to the subgoal of climate-neutral building operation by 2035, we have set the same goal for infrastructure for 2040. We want to hand

Our sustainability management entity, assigned to the central division STRABAG Innovation & Digitalisation (SID) under the responsibility of CEO Klemens Haselsteiner, is responsible for corporate-wide sustainability management. Its tasks include the elaboration and development of the sustainability strategy as well as the governance of sustainability and the non-financial reporting in accordance with the legal requirements. One of the core tasks is data collection and reporting and subsequent analysis. The unit is responsible for initiating and implementing corporate-wide sustainability projects, e.g., in the areas of circularity and the circular economy, decarbonisation of building materials or sustainability in the supply chain.

STRABAG SE's sustainability management is based on globally recognised rules and frameworks, such as the Global Reporting Initiative (GRI), the Sustainable Development Goals (SDGs) and the principles of the UN Global Compact. It is based on a three-pillar model consisting of economic, environmental and social aspects. At the heart of our sustainability management is the materiality analysis, whereby the GRI requirements for the materiality analysis have increased significantly compared to the previous reporting period. The new methodology now additionally includes information on the scale, scope and irremediable character of an issue's impact on the environment,

over the infrastructure we have built to our customers in such a way that it can be operated in a climate-neutral manner.

on people and on the economy. More information can be found in the chapter "Our Sustainability Management". The materiality analysis is used to identify the greatest levers for targeted sustainability performance. The central instrument for raising potential in all three pillars and enabling a sustainable transformation is technology.

Implementing our sustainability strategy requires the support of all corporate and central divisions as well as every single employee. In addition to numerous successfully implemented projects, we are also working on a corporate-wide roadmap. The actions to effectively decarbonise the entire value chain have been prioritised. The roadmap covers the entire value chain and is divided into numerous clusters of actions, each of which impacts on the goals of the sustainability strategy.

In line with our mission to "Work On Progress", we are publicly committed to our customers, to our employees and to society to become climate neutral along our entire value chain by 2040.

Although we have already reached our first milestones with regard to our climate neutrality target, we still have a long way to go. STRABAG will pursue this path with determination and regularly inform its stakeholders about its progress and achieved goals.

OUR SUSTAINABILITY MANAGEMENT

The key factor to becoming climate neutral by 2040 and to achieving the subgoals on our path to zero emissions is to anchor sustainability in STRABAG's core business. Given the STRABAG Group's decentralised structure and the international dimension of its business activities, this is a complex task. This chapter describes the structure and organisation of our corporate-wide Sustainability Management as well as the most important methodological pillars on which our activities are based, namely stakeholder management and the identification and evaluation of material topics.



STRABAG Sustainability Management

The Sustainability Management team, established in 2020, forms a separate entity at STRABAG that manages and coordinates the central sustainability activities within the Group. Sustainability Management reports directly to the CEO as a hub for all Group stakeholders. Its activities focus on the initiation and successful implementation of strategic as well as practical sustainability projects with the goal of becoming climate neutral along the entire value chain by 2040. Sustainability Management is in charge of the corporate-wide exchange on sustainability as laid down in a defined governance structure.

In 2022, Sustainability Management oversaw the pursuit and implementation of the following priority issues:

- Strengthening the corporate-wide network as well as the sustainability-related topics and projects by establishing a governance structure involving all management levels from the Management Board down to site management.
- Initiation and implementation of projects to become climate neutral in 2040, e.g., through the

continuous expansion and promotion of alternative energy sources in production, on construction sites and in administration buildings.

- Positioning STRABAG as a sustainable construction group and communicating its sustainability performance externally through our Work On Progress mission, through ESG ratings and through sustainability-related networks, in addition to regular reporting.

In addition, Sustainability Management is continuously working on the increased integration of sustainability-related aspects into risk management and other strategic decisions that affect the entire Group. In the year under review, STRABAG was not only rated by EcoVadis, but also for the first time participated in the ESG ratings issued by Sustainalytics and CDP. While EcoVadis and Sustainalytics conduct an end-to-end review of the Group, CDP focuses on a specific issue, e.g., on climate-related indicators such as greenhouse gas emissions. A full range of data was collected and consolidated across the Group for the rating process. CDP confirmed our progress in sustainability management and gave STRABAG SE a rating of B- for climate change, which corresponds to "management level" (B-/B) on CDP's scoring scale. A decisive factor behind this rating was our progress made towards achieving our strategic goal of becoming climate neutral across the Group as well as the broad disclosure and verification of our greenhouse gas emissions.

The overall EcoVadis score for STRABAG increased from 58 to 70 points (out of a possible 100) in 2022. The decisive factor here was our improved score for environmental performance, labour and human rights, and sustainable procurement.

Governance structure

The inclusion of representatives from different areas of the company creates a participatory and active working environment that promotes the strategic orientation of the Group towards sustainable business practices. Involving the Management Board, the middle management and the operating entities results in a corporate-wide governance structure which

- creates a clear organisational framework for the implementation of the sustainability strategy,
- establishes short communication and decision-making paths, and
- involves representatives from different competence areas that are relevant to achieving the strategic goals.

Within the four-tier governance structure, the tasks and competences needed to achieve the sustainability goals are divided as follows:



The members of these four groups meet regularly to discuss their respective activities and establish the next steps. At the same time, the exchange enables any potential negative impacts to be identified in the early phases. Among other things, these committees determine which issues and decisions are to be passed on to other committees or decision-making bodies for the purpose of involvement, cooperation or further decision-making. This promotes interdepartmental work, helps to develop measures for dealing with identified impacts and ultimately strengthens cooperation

across the Group to achieve the sustainability goals. Experts regularly inform the Management Board of current relevant aspects of sustainability during board presentations, project presentations and events with internal and external stakeholders. In addition, we are also actively anchoring and expanding our sustainability management in order to identify and avoid at an early stage any actual or potential negative impacts of our business activities on the economy, environment and people.

Stakeholder engagement

Work On Progress

Partnership and trust are central values of the STRABAG Group. In keeping with these guiding principles, we constantly, and with transparent communication, attend to the concerns and needs of our stakeholders – those groups that are influenced by our services or who, for their part, influence the business activity of our company.

With the launch of our new Work On Progress mission, which highlights sustainability and innovative strength as strategic pillars of STRABAG's core business, we are helping to raise awareness for the topic of sustainability both within the company and among the general public. A wide reach was ensured with thematic campaigns in social media and traditional outlets as well as on billboards in public spaces. A user-friendly website

presents our sustainability strategy along with a selection of lighthouse projects as well as our goals and activities in this regard. Enquiries, comments and criticism are welcomed and processed by experts and specialists within the Group in order to meet the great interest in obtaining information and engaging in dialogue.

Another important pillar for engaging our stakeholders in an exchange of ideas and promoting this exchange in the long term is our **Stakeholder Dialogue**. The aim of this event is to bring together representatives of our most important external stakeholder groups with our Management Board in order to discuss and prioritise issues of strategic relevance to STRABAG. The dialogue offers us new ways of looking at things, which we incorporate

into our strategic considerations in order to add to our list of the most pressing topics for the future.

In 2021, we organised a Stakeholder Dialogue on Waste and Circularity with internal and external participants representing private and public clients as well as suppliers, environmental organisations and research institutions. The event, which was held in Cologne, focused on concrete solutions for the transformation to a circular construction industry. An alternation of different interactive dialogue formats such as lectures, workshops and Q&A sessions formed the basis for an open and trusting discussion. The positive feedback and the intense exchange of knowledge at eye level encourage us to continue the Stakeholder Dialogue in the future.

Information on the Stakeholder Dialogue

Our communication with stakeholders is founded on a **stakeholder analysis** that helps us to identify the most important stakeholder groups with regard to their level of influence by and on our organisation. These include our employees, clients, investors and suppliers. Furthermore, we maintain contacts to universities, the media and political institutions as well as to the people living in direct proximity to our projects. To promote the exchange between STRABAG and the identified stakeholder groups, we pursue various engagement formats.

This year, investors and analysts were given a financial market update on the CEO transition and

the sustainability strategy. Representing the customer side, Austrian motorway company ASFINAG highlighted its ambitious emission targets as well as the need for innovative solutions from the construction industry. The public, represented by the general media and trade press, was informed of our latest sustainability and innovation projects in the form of press events. Using the example of Austria's first 3D-printed house, a STRABAG office extension at Hausleiten, we explained and demonstrated the technology of 3D concrete printing. At the former oil harbour in Bremen, STRABAG Environmental Technology presented a large circular economy project that includes soil remediation works, the establishment of a building materials recycling centre and the construction of a competence centre for materials recycling.

STRABAG is not only an organiser of but also a participant in various events that aim to provide a discussion platform for stakeholders. These include specialist conferences and trade fairs as a way to engage with peers and a wide range of experts. Particularly with regard to strategic human resource development, participation in career fairs and university events offers a valuable opportunity to position STRABAG as an attractive employer.

Using a structured client survey (see chapter "Client Satisfaction"), we involve our clients and customers in this process along the entire project life cycle.

FINDING NEW WAYS TO COMMUNICATE WITH RESIDENTS

We work closely with our clients to inform the people who are directly affected by our construction activities. For the most part, this is still done in a low-key, analogue manner using public notices and billboards. In the Küsnacht pilot project in Switzerland, however, we were able to show that the data created in a BIM model during the design process is not only useful for clients or for the trades involved, but that local residents can benefit

from this as well. Using our proprietary development software STRABAG.Maps, built on the basis of geographic information systems (GIS), the residents of Schiedhaldensteig in Küsnacht were not only kept up to date with general information of the progress of the works but were also able to see when exactly they would be affected by traffic restrictions near their property.



Construction work in Küsnacht (CH) with digitally accessible resident communication updated on a daily basis.

Materiality analysis

We use the materiality analysis to systematically identify the most important sustainability topics and to evaluate them in terms of their relevance for STRABAG's business activities. We then work on these topics and present them in our reporting. The materiality analysis thus forms the basis of our sound sustainability management.

The methodology of the materiality analysis is based on the principles of the updated **GRI Standards 2021**, in which the actual and potential impacts of STRABAG's business activities on the economy, environment and people, including impacts on their human rights, are identified, assessed in terms of their materiality and prioritised based on their significance. The assessment of materiality was carried out on the basis of the three dimensions of scale, scope and irremediable character of the impacts.

For the 2022 financial year, the materiality analysis from the previous year was used and reviewed in terms of its relevance, completeness and plausibility. Changes in stakeholder expectations as well as current external developments, e.g., the energy crisis, the Covid-19 pandemic, extreme weather events in Europe and the increased supply chain due diligence requirements, were taken into account. Many of the material topics that were identified have thus gained in relevance compared to the previous year. The results of the updated materiality analysis were reviewed by internal experts and validated and approved by the Management Board. Overall, the impact of STRABAG's business activities on the economy, environment and people was assessed using the following 19 topics:

Environmental topics	Social topics	Economic topics
<ul style="list-style-type: none"> • Energy and emissions • Materials • Waste and circularity 	<ul style="list-style-type: none"> • Occupational safety • Strategic human resource development • Health protection 	<ul style="list-style-type: none"> • Digitalisation and innovation • Client satisfaction • Fair competition
MATERIALITY THRESHOLD		
<ul style="list-style-type: none"> • Water • Land use and impervious cover • Biodiversity 	<ul style="list-style-type: none"> • Supply chain • Human rights¹ • Equal treatment of women and men² 	<ul style="list-style-type: none"> • Contribution to local economy • Capital market appeal • Building design

For 2022, the assessment revealed nine key topics that are of material relevance for our competitiveness and long-term existence. Ranked according to their importance for STRABAG, these are

- Energy and emissions
- Materials
- Digitalisation and innovation
- Waste and circularity
- Client satisfaction
- Occupational safety
- Strategic human resource development
- Health protection
- Fair competition

For these nine topics, the Management Board has appointed experts responsible for reporting on each topic and for developing the relevant management approach while taking into account the GRI Standards. The management approach clarifies our approach to the material topics and how we determine relevant responsibilities and resources, define regulations and fulfil our duty of care. It also sets out the respective indicators and

targets as well as measures and activities to be taken. Targeted, measurable action serves both to maintain competitiveness and to reduce the negative impacts of the Group's business activities in the long term.

More information on STRABAG's performance with regard to the respective topics can be found in the "Sustainability Progress" section and in the Data Appendix.

Besides the nine identified material topics, we also report on the following:

- Project risk management
- Human rights
- Societal engagement
- Equal treatment of women and men (in Corporate Governance Report)

In addition, we comply with the reporting requirements laid down in the EU Taxonomy Regulation and publish the required information in a separate chapter.

Our material topics and the concerns specified by the Sustainability and Diversity Improvement Act (NaDiVeG) are related as follows:

¹ Topic is reported in the Non-Financial Report as a NaDiVeG concern

² Topic is reported in the Corporate Governance Report as a NaDiVeG concern

Mandatory disclosures according to NaDiVeG and EU Taxonomy	
Environmental concerns	Social and employee concerns
Energy and emissions	Strategic human resource development
Materials	Occupational safety
Waste and circularity	Health protection
Respect for human rights	Fight against corruption and bribery
Human rights	Fair competition
Equal treatment of women and men	EU taxonomy
Additional material topics for STRABAG	
Digitalisation and innovation	Client satisfaction
Additional disclosures	
Project risk management	Societal engagement

GENERAL EMPLOYMENT FIGURES

Around the world, approximately 79,000 people (approximately 74,000 FTE) are putting their expertise and skill into practice at our more than 700 workplaces and construction sites. Our employees work with combined effort and commitment to complete their projects on time and in the desired quality. For this task to succeed day after day, STRABAG, in its function as employer, must ensure fair and equitable employment conditions by guaranteeing occupational safety and health,

promoting the equal treatment of women and men, and observing human rights at all locations.

In 2022, the total number of employees increased slightly by 1.3% to 79,452 (73,740 FTE). In line with the higher output, increases were recorded in Germany and the UK, among other places, which more than offset the slight decreases in the Americas and in Poland.

Figures¹

NUMBER OF EMPLOYEES IN 2022 BY SEGMENT AND COUNTRY²

	North + West	South + East	International + Special Divisions	Other	Group
Germany	19,998	546	5,385	2,958	28,887
Austria	134	8,124	1,956	1,392	11,606
Poland	4,613	7	851	664	6,135
Americas	0	0	5,592	3	5,595
Czech Republic	6	3,049	672	428	4,155
Hungary	7	2,097	491	383	2,978
Romania	154	1,177	241	196	1,768
Middle East	1	6	1,695	7	1,709
Slovakia	0	1,043	353	206	1,602
Croatia	0	1,237	68	179	1,484
Serbia	0	1,116	41	186	1,343
United Kingdom	53	0	1,064	31	1,148
Rest of Europe	121	701	81	20	923
Asia	0	2	904	0	906
Africa	2	25	791	0	818
Switzerland	2	597	4	87	690
Russia ³	0	396	31	102	529
Bulgaria	0	378	46	74	498
Benelux	255	0	31	44	330
Sweden	249	0	36	7	292
Slovenia	0	102	17	19	138
Denmark	96	0	2	10	108
Italy	2	22	53	21	98
Total	25,693	20,625	20,405	7,017	73,740

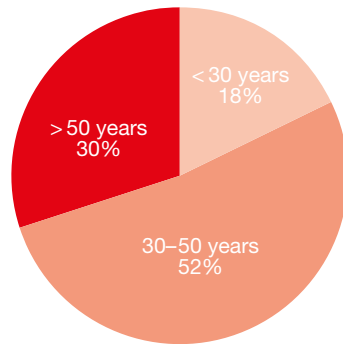
¹ The employee numbers shown in this chapter were determined by including all associated Group companies and represent annual average values.

² Employee numbers expressed as FTE

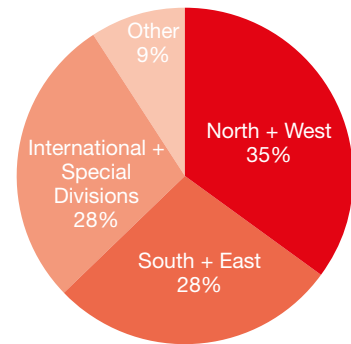
³ All activities in Russia are being wound up.

Balanced age structure

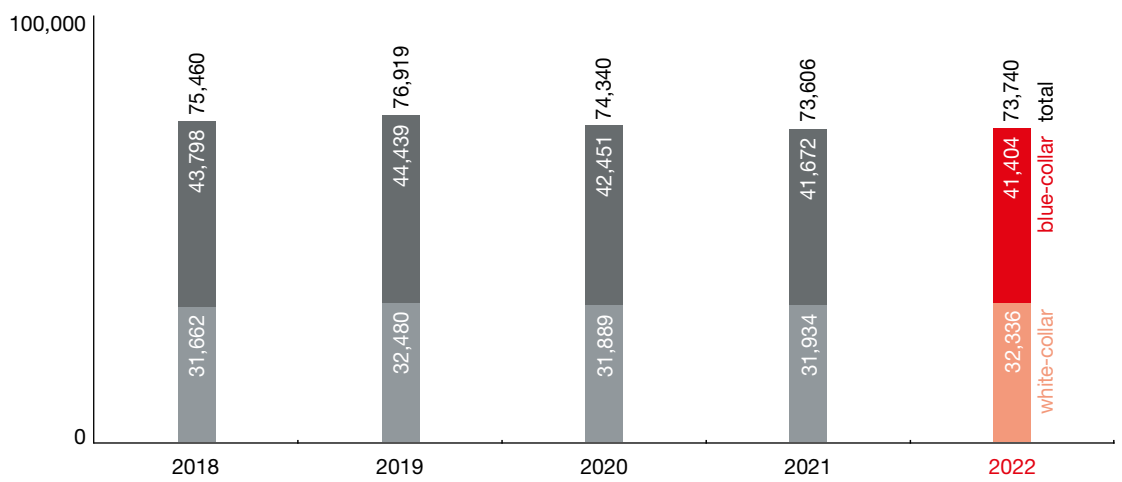
EMPLOYEE AGE STRUCTURE 2022¹



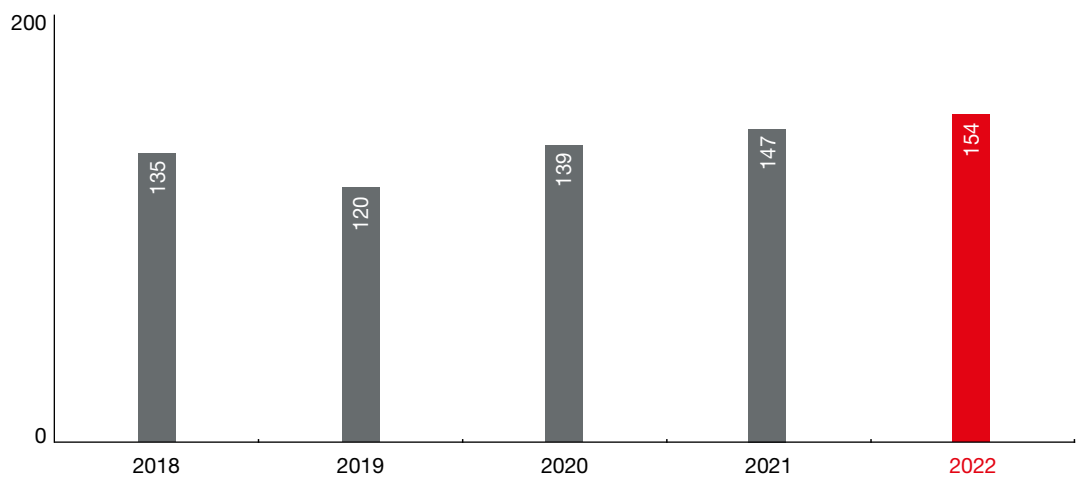
EMPLOYEES BY SEGMENT 2022²



DEVELOPMENT OF EMPLOYEE NUMBERS²

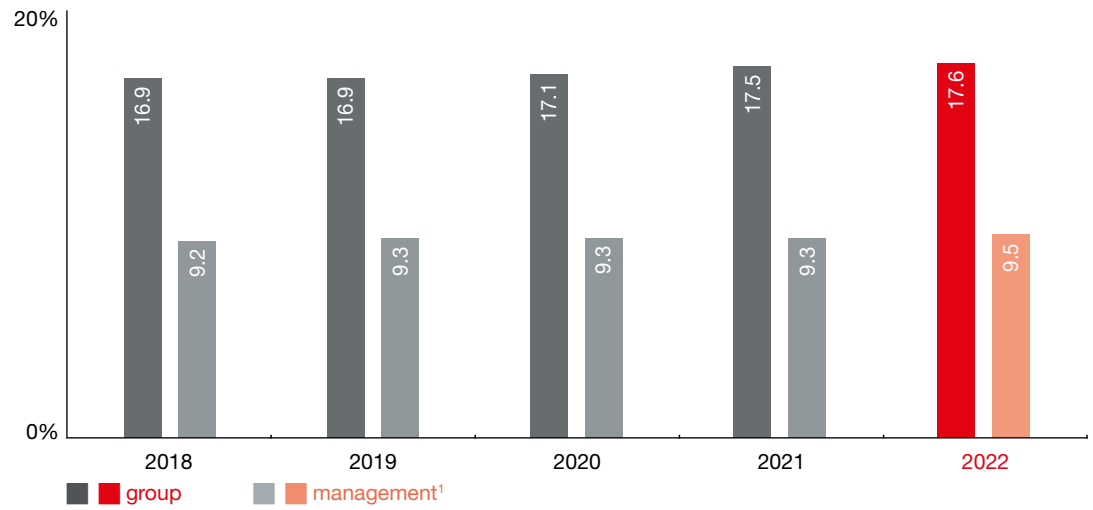


NUMBER OF NATIONALITIES WITHIN THE GROUP



1 Employee numbers expressed as head count
 2 Employee numbers expressed as FTE

PERCENTAGE OF WOMEN IN THE GROUP AND IN MANAGEMENT



STRABAG Employment and Social Fund Private Foundation

Around 20 years ago, the STRABAG Group set up the Employment and Social Fund Private Foundation to support employees experiencing **financial hardship through no fault of their own**, e.g., as a result of accidents, illness, natural disasters, flood, etc. As at 31 December 2022, the foundation's equity capital amounted to approximately € 11.4 million (31 December 2021: € 11.5 million). The foundation board is composed of four employer and four employee representatives under the chairmanship of an employee representative.

The application for financial assistance can be submitted by the affected employees, by their supervisors or by an employee representative. These applications are reviewed by the foundation's board on the basis of the facts presented, whereby the board is guided in its decision-making by the respective social context. Financial assistance is primarily provided in the form of monthly payments to employees or their dependants, but it may also take the form of one-off payments earmarked for a specific purpose.

1 Definition of management: hierarchy levels from business unit management up

CLIENT SATISFACTION

Long-term, sustainable success is our goal. This is why the demands and **expectations** of our **clients** are at the heart of each and every project. With specialised business units that integrate and take responsibility for a wide range of services, we create added value for our clients. Our intention is to bring people, materials and machinery together at the right place and at the right time in order to realise even complex construction projects – on schedule, of the highest quality and at the best price. Because **on-time delivery, quality and costs** are all decisive factors for the economic success of each individual project and for the company as a whole. It is not for nothing that reliability and partnership are two of our guiding values.

From prequalification and bidding to contract award to repeat orders and **long-term customer relationships**, the satisfaction of our clients has a decisive influence on our image, which substantially increases our opportunities and is ultimately reflected in our order backlog. We systematically counter risks – such as those arising from non-fulfilment of our clients' quality expectations or non-compliance with legal and normative requirements – within the framework of our STRABAG management system and its measures for **quality assurance, environmental protection and project risk management**. In this way, we aim to prevent the negative impacts our business activities may have on the safety of users, on the environment and, consequently, on our reputation.

Rules, responsibilities and due diligence

In the course of our efforts to increase client satisfaction, the management, as part of the operational corporate planning and assessment, defines, implements and evaluates specific targets, structures, tools and measures in the corporate entities, taking into account the relevant markets and business fields. The systematic measurement and evaluation of client satisfaction is laid out in the STRABAG Management Manual and in

STRABAG's common project standards for construction projects. The officers for the management system coordinate the uniform measuring and reporting at the Group level. At the country level, the respective officers monitor implementation as part of internal audits. Additional client satisfaction measurement procedures can be implemented by the operating units.

Objectives and indicators

The overarching objective defined by the Management Board is to increase client satisfaction in order to win and maintain the highest possible share of regular customers.

The measurement of client satisfaction via a **client survey** has been carried out for construction projects using a uniform corporate standard since 2005. This standard was amended in 2021 and again rolled out across the Group. An online questionnaire is sent to clients in all Group countries, asking for their project-specific or contract-related evaluation of the following aspects:

- organisational efficiency and technical realisation
- responsible and sustainable handling of people and resources

- professional competence as well as communication and cooperation in and with our team

The new online survey with 18 questions on the three aforementioned aspects also takes into account issues of occupational safety, the environment and energy, and the clients' perception of STRABAG's core values.

The questions themselves, as well as the structure and scope of the survey, also take into account the results of a study conducted among STRABAG clients and leaders together with the Graz University of Technology in 2018.

RESULTS OF THE CLIENT SURVEY

Aspects	Index 2022
Organisational efficiency and technical realisation	4.3
Responsible and sustainable handling of people and resources	4.3
Team: professional competence as well as communication and cooperation	4.5
Total	4.4

Degree of fulfilment of expectations according to clients' assessment:

0 = not fulfilled; 1 = barely fulfilled; 2 = partly fulfilled; 3 = mostly fulfilled; 4 = fulfilled; 5 = exceeded

With an average response rate of 42%, the survey can be considered highly representative. There is still potential with regard to the number of mailings, however, which amounted to 1,417 in 2022. A higher number of mailings would further improve the data situation.

The Covid-19 pandemic did not result in any significant changes regarding customer contact or client satisfaction measures.

Projects and initiatives

In addition to managing the client survey process, the Group's in-house **STRAthek** application has offered not only comprehensive information on client feedback at the project level since the second half of 2022, but also has a dashboard that paints a meaningful picture of current client satisfaction at any organisational level while identifying potential for improvement in the process.

At the same time, it is important to organise the partnering relationship with clients already during project preparation and implementation in such a way that corresponding positive assessments can be expected after project completion. Two important levers here are partnering models in the design of the working relationship as well as LEAN.Construction methods in the implementation.

Our **TEAMCONCEPT** partnering model has the clear goal of significantly increasing the efficiency and cost-effectiveness of construction projects through constructive, open and mutually trusting cooperation between all project participants. The model is especially suited for private clients who want to realise challenging or highly stressed road surfaces without sacrificing cost, schedule or quality assurance. Under the TEAMCONCEPT scheme, client and contractor form a team already during the design and planning phase – much earlier than in a classic construction project. Together, they incorporate the interests of all project participants right from the start, creating a clear framework, establishing a binding set of rules and defining common goals. This creates security and ensures that costs are kept under control. As more and more public clients are starting their projects under partnership-based contract models,

TEAMCONCEPT projects already accounted for 10.4% of STRABAG's output in the 2022 business year.

LEAN.Construction makes construction processes not only more economical, but also more sustainable. The more efficient use of available resources has a positive impact on value creation and on the satisfaction of our customers, construction partners and employees. To familiarise as many employees as possible with LEAN.Construction, STRABAG offers basic online training, which has already been completed by more than 28,000 people, throughout the Group. The company also has more than 400 LEAN experts in over 15 countries who have been trained as part of an internal qualification programme. These LEAN ambassadors support the construction teams in all LEAN-relevant aspects from design to construction. Different LEAN working methods are used to optimise the various processes. For example, takt time planning and control, combined with a last planner system, make it possible to optimally control all design and construction activities up to a project's completion date. Simultaneous time studies allow the actual status of a construction process to be precisely analysed as a solid basis for subsequent optimisations. At the same time, digital logistics solutions simplify the optimal supply of resources for construction production. The STRABAG Group sees LEAN.Construction as a leadership topic. To be able to determine and evaluate the current LEAN maturity of our organisational units, we are planning to roll out a LEAN maturity model in 2023 that will form the basis for continuously measurable improvement in the future.

DIGITALISATION AND INNOVATION



STRABAG strives to be the leading technology partner for the construction of tomorrow. Digitalisation is changing our world to an unprecedented extent, and STRABAG wants to move things along instead of being moved along by them. This can be achieved by pursuing concrete digitalisation goals and includes the removal of information silos, standardising and promoting digital business processes, and systematically automating and ensuring suitable digital equipment for all Group employees. At the same time, the sorts of societal and environmental challenges that the European Union is addressing with the Green Deal require innovative responses from companies as well.

STRABAG sees digitalisation as an essential tool to support people in their work. Advancing standardisation and automation within the Group reduces the number of repetitive tasks, relieves employees of unnecessary burden and noticeably increases efficiency. Digital solutions and tools enable faster knowledge transfer and more efficient and transparent collaboration. This leaves significantly more time for the truly important tasks.

STRABAG is helping to shape the digital transformation of the entire construction industry. This enables us to create comfortable living space at low cost, manage infrastructure intelligently, use resources effectively and reduce emissions. We are open to new forms of collaboration between external teams and internal divisions.

The pandemic has led to the digital transformation in the company being driven forward even

more decisively. We are therefore continuing to increase our focus on digital meetings and the digitalisation of workplaces. To live up to our vision, the IT development work in the STRABAG Group must be systematically organised and centralised. By actively shaping this process, the entire Group will benefit from innovations even more quickly than before. Digitalisation and the associated automation of certain processes will lead to the development of new job profiles. Supporting our colleagues in these processes and changes is an essential part of STRABAG's work. We use structured change activities to involve employees in the design processes and provide them with comprehensive information in advance. One example is a series of workshops organised at several office locations as part of the introduction of new office concepts with shared desks and workstations.

The transition to new digital working environments also creates new risk factors. We address the opportunities of digitalisation through ongoing training, but also train our employees to avoid stress-related risks that can arise, for example, through increased accessibility or the constant change of work content and processes.

STRABAG is aware of the risks associated with cyberattacks and unauthorised data access. In 2022, the company further expanded its existing IT security infrastructure and carried out regular awareness campaigns throughout the Group to improve digital capabilities and establish a security-focused data culture.

Rules, responsibilities and due diligence

On 1 January 2020, the topics of digitalisation, innovation and business development were concentrated at the Management Board level under the responsibility of the Chief Digital Officer (CDO), Klemens Haselsteiner, who assumed responsibility for the newly created central division STRABAG Innovation & Digitalisation (SID) in addition to the already established central division Zentrale Technik. These responsibilities remain with Klemens Haselsteiner following his appointment as CEO on 1 January 2023.

SID is leading the way in initiating developments and provides expert support while establishing a comprehensive overview of the corporate-wide innovation activities. Because digitalisation must

not be an end in itself, operating needs have priority and digital tools should be made available without delay. We are also working on robotics and automated applications to increase our productivity.

Two typical characteristics of our business activity – the project focus and our decentralised organisation – are proving to be an advantage for us. By involving as many stakeholders as possible in our future projects, we create new agile structures and methods. In this way, we not only promote knowledge and a wealth of ideas within the Group, but also strengthen the sense of personal responsibility and creativity of our employees. At the same time, we are intensifying our networking

activities to bring innovations and know-how to the entire company with the aim of creating added value.

We create structures, spaces and possibilities that enable agile work based on rapid iteration steps. With this in mind, we have established cross-functional departments, so-called functions, which are bundled in the following three subdivisions:

- **Transformation & Innovation (T&I)** supports the digital transformation process from idea generation to further development on different channels. The T&I functions reflect all services that are necessary for close cooperation between the units of the STRABAG Group.
- **Application Services & Data Science** covers the entire process chain for the implementation of software: from the collection of operational requirements to the identification, development and roll-out of applications.

- **BIM 5D®** uses a group-wide BIM strategy to bring together the activities of model-based work and develops them further in coordination with the operating needs.

Together with the CEO, the SID management team aims to ensure intense internal communication within the Group, with strategically important topics brought directly to the Management Board. Fundamental strategies, processes and objectives are jointly defined and continuously developed. These include the overarching strategies on digitalisation and sustainability, as well as topics such as data, robotics, BIM and geographic information systems (GIS). The rules and responsibilities as well as the organisational structure and workflow management, which were redefined in 2021, were further strengthened and consolidated to promote the necessary STRABAG innovation and digitalisation initiatives in the long term. At the same time, the specifications that were defined for the systematic evaluation, prioritisation, coordination and processing of ideas and projects were refined and enhanced.

GROUP STRATEGIES IN THE CONTEXT OF DIGITALISATION AND INNOVATION

Digital strategy

Together with the sustainability strategy, the digital strategy adopted in April 2021 forms one of two strategic pillars to position STRABAG as a leading technology partner for the construction of tomorrow. The implementation of the strategy is based on five specific cornerstones:

- removal of information silos
- standardisation of business processes and applied technologies
- further advancement of digital business processes
- consistent automation through new technologies
- ensuring the availability of suitable digital equipment

Important elements of the digital strategy are:

- understanding the needs of internal customers
- a stable traditional IT area combined with a new, flexible digital area for new processes and projects
- transformation of processes and innovations into business models and services
- targeted utilisation of the data available in the group
- an agile organisation with low response times and high adaptability

Robotics strategy

The robotics strategy sets clear goals as well as measures for implementation to ensure a technological lead in the core markets. The focus is on applications for the operating units in construction

site operations. This includes both semi-autonomous machines as well as the complete automation of individual tasks along the entire value chain.

Building Information Modelling: BIM 5D®

BIM 5D® is a digital way of working designed for the construction industry that makes it possible to plan the construction process at an early stage using a digital model. The method allows errors to be detected and corrected early on and information to be made available to all project participants simultaneously and in an up-to-date form.

BIM 5D® has been a key feature of the digital construction site for several years. Nevertheless, a targeted strategy is needed to ensure that the philosophy behind BIM 5D® not only reaches the people involved in construction, but also that the processes and projects on the construction sites benefit from it.

Objectives and indicators

STRABAG is actively driving forward the digital transformation of construction site processes and is also working on the resulting new digital business models. The focus is on client expectations and the more efficient design of existing processes. One focus of this process optimisation is the higher penetration of digital methods, while another is on the further development of efficient and collaborative, digitally supported working methods with customers and partner companies. At the same time, we are investing in the **continuous qualification** of our employees and are strengthening our teams with the right specialists. The indicators therefore refer to the digital penetration on the construction site and at the workplace. Digital transformation not only influences the construction project and everyone involved, it also changes the processes within the corporate organisation:

- **Collection and analysis of machine data since 2019:** Increasingly higher expectations are being placed on quality and performance documentation and on a more sustainable use of environmental resources. For this reason, we increased our use of telematics systems with key equipment in 2019 to record and analyse their movement and operation. In 2022, we already achieved a rate of 45% (2021: 44%). In addition, telematics systems were installed in 1,157 commercial vehicles and approximately 25,000 other devices were equipped with position recognition (beacons).

Objective: continued annual increase of this rate

- The share of pre-fitting of **machine control systems** in key equipment used for power control

and recording (with a simultaneous increase of approx. 10%) increased to 19% in 2022 (2021: 15%), while the share of machine control systems, at 15%, was higher than in the previous year.

- **BIM 5D® workstations:** STRABAG is gradually upgrading its CAD workstations for use with BIM 5D® technology in building construction and civil engineering as well as in transportation and infrastructure projects. The number of BIM-capable workstations has been growing continually and in 2022 reached 2,435 across the entire Group. That corresponds to a year-on-year increase of 12%.

Objective: double-digit growth in 2023

- **Mobile end devices for a more flexible work design:** Digitalisation is changing the work routine – for example, with a shift towards mobile working. Provided with end devices such as tablets, employees can benefit from the more flexible work design that digitalisation makes possible. The percentage of employees using tablets for work purposes in 2022 stood at 28% (2021: 25%).

The following further indicators, defined during the establishment of SID, help STRABAG to measure its innovation activities:

- Expenditure on research, development and innovation activities in the group: approx. € 16 million (2021: approx. € 16 million)

Objective: maintain at least the previous year's level

- Number of development projects with funding: 25

Objective: Maintain the funding rate at the previous year's level

- Ideas submitted to the ideas@strabag idea management system: 328

Objective: increase the number of ideas submitted

- Implementation rate of ideas submitted to the ideas@strabag idea management system: 18.9%

Objective: increase the rate over the previous year

Projects and initiatives

innovation.strabag.com

The central division SID has already helped realise more than 400 development projects throughout the STRABAG Group covering the entire value chain of the construction industry. The following

sections present an excerpt of individual innovative projects. Further current projects can be viewed at any time on the STRABAG innovation website innovation.strabag.com.

DATA-DRIVEN RISK ANALYSIS

As with the granting of bank loans to private individuals, a risk assessment is now also possible for construction projects on the basis of the master data, the work to be performed and the data gathered during the construction phase. An assessment model equipped with artificial intelligence (AI) estimates the commercial project risk on the

basis of the commercial data both when the bid is submitted and during the ongoing project. In order to make the text from the bill of quantities accessible to the model, an AI language model is connected upstream to standardise the project description.

CLIMATE-NEUTRAL QUARRY IN EIGENRIEDEN

The climate-neutral quarry in Eigenrieden is a pilot project designed to gain experience and knowledge on the sustainable operation of our quarrying operations. The limestone quarry, which has been part of the STRABAG Group since 2009, currently has a deposit of approx. 6 million tonnes of rock in the Lower Muschelkalk strata. The annual production volume of building material aggregates and crushed stone is around 220,000 tonnes.

With an end-to-end view of the quarry that takes into account effectiveness, efficiency, sustainability, environmental protection and connectivity, the aim is to use innovative technologies to create a forward-looking, climate-neutral opencast mine. A key piece on the way to becoming climate neutral is the introduction of electrically operated,

self-driving haul trucks for the raw materials transport. This is also the main goal of the ELMAR research project, of which STRABAG Mineral Baustoffe GmbH is involved as part of a consortium. The project's focus is on moving away from load-and-carry operations to load and autonomous electric haul and transitioning from diesel-powered mobile equipment to electric-powered processing plant technology. Three autonomous electric haul trucks will successively enter trial operation at Eigenrieden, the first as early as winter 2023. The sustainability plan for the quarry also includes a potential transition to climate-neutral fuels for construction machinery and the use of photovoltaics. This aim of the project is to show that it is possible to conduct quarrying operations in a climate-neutral manner in the long term.

GENERATIVE DESIGN CUTS CARBON EMISSIONS AND LOWERS COSTS

The potential for reducing carbon emissions and costs is greatest in the early design phase. The aim here is not to calculate precise values, but to create a wide range of building alternatives for clients as quickly as possible. Using an interactive design tool, the CO₂ emissions and costs of building construction projects along the entire life cycle

are examined and evaluated already during the early concept phase. The analysis compares different building systems, such as timber versus reinforced concrete, as well as corresponding carbon emission and cost values. The consultants can either configure the building manually or display optimised variants using evolutionary algorithms.

PAPER-FREE CONSTRUCTION SITE

What will builders, contractors and project owners think of digitalisation and BIM in the future? Is a paper-free construction site possible in road construction and civil engineering? What are the challenges and advantages for us as a design-and-build contractor? How can we use digitalisation and BIM 5D® in the future to successfully acquire projects and complete them in a cost-effective manner? A project in Switzerland is giving STRABAG some initial answers to these key questions.

A recent road repair project in the municipality of Küsnacht near Zurich was tendered, designed,

realised and operated entirely using BIM methodology. The project, executed digitally from end to end, is being carried out with more than ten different digital components, including GIS integration. Highlights include the model-based design, construction management and execution (design-and-build model in infrastructure construction), paper-free realisation and feedback (BIM-2Field/Field2BIM), the use of BIM 5D® in costing and execution as well as an as-built model for operation and maintenance management. With this project, STRABAG was able to gain valuable experience regarding the scalability and importance of BIM for the entire group.

COMPASS – CONSTRUCTION PARTS COMPASS

STRABAG specifies general standards that internal employees and external project partners should work with. The standards are reviewed and tested several times by independent bodies, but also by our STRABAG team of experts. So far, however, they have not been available anywhere in a collective form. We developed the STRABAG Construction

Parts Compass, or ConPass for short, to give our partners and employees access to all current STRABAG standards for them to rely on. The web application collects and makes available all standards for products, details and construction designs.

SAM – SMART ASSET MANAGER

The Smart Asset Manager (SAM) is intended to optimise the use of equipment and make charging and billing processes transparent. Its use is also intended to enable an end-to-end digital process in a single application as the sole communication channel without the production of paper documents.

The software, from Syniotec, is a planning and billing software with live tracking of construction equipment using geofencing in combination with telematics hardware and the transfer of billing data to the accounting system via a direct interface.

SMART SITE ONE – TAKT PLANNING AND CONTROL IN ASPHALT PAVING

Smart Site One (SSO) is an innovative logistics control system for digital road construction that minimises key risk factors and ensures a high-quality, stress-free asphalt paving process. With SSO, asphalt construction sites can be designed and documented quickly and easily by entering the relevant geometries. The software also

includes job site control through dynamic takt planning. The result is a constant on-site overview of the truck fleet, material flows, paving progress and outstanding deliveries. Through a direct connection to the asphalt mixing plant, everyone involved is linked by cloud and is given transparent insight into the paving progress.

PMH – PROJECT MANAGEMENT HUB

The aim of the Project Management Hub (PMH) is to support employees as a digital standard tool in construction site management – starting with small and micro-projects in transportation infrastructures. The primary goal of the hub is to increase efficiency and quality while simultaneously achieving STRABAG's digitalisation goals. The PMH provides a central project-based repository in the form of a document management system including project mailbox. Work is carried out automatically according to corporate standards. The

hub also makes standard templates available for legally compliant documentation, with file folders automatically created in accordance with group guidelines when a project is set up. Important data can be imported from the central STRABAG project database at the same time. A mobile app also enables forms to be entered offline. The PMH is available as a web and mobile application on iOS and Android and is being continuously refined within the Group as needed.

SPS – THE DIGITALISATION OF PURCHASING IN THE STRABAG GROUP

For STRABAG, close cooperation with suppliers, subcontractors and service providers is of crucial importance. The supplier processes in purchasing are digitally mapped using platform functionalities in the group project **Strategic Procurement Solution (SPS)**. In addition to the structured and GDPR-compliant recording of supplier, subcontractor and service provider data, SPS pursues the goal of simplifying the process for everyone

involved in purchasing and to provide a transparent view of the respective cooperation with STRABAG. The supplier and purchasing portal is already available today as the **STRABAG Portal for Suppliers** in Austria and Germany with portal functions up to the submission of offers and will gradually be completed into a digitally integrated source-to-pay process and introduced in the group regions.

IDEA MANAGEMENT – IDEAS@STRABAG

ideas@strabag has been made accessible to national and international corporate entities since 2021, first through a pilot project and, with the beginning of 2022, as part of a gradual roll-out. In this way, new ideas, improvements and innovative solutions can be bundled centrally and transparently, evaluated, refined and ultimately implemented. On the one hand, the degree of problem solving is used as evaluation criteria; on the other

hand, the ideas are checked for economic viability. The further establishment of the platform will facilitate the corporate-wide exchange of ideas. The aim is to promote an increased exchange between the corporate entities, to avoid redundancies, and to give employees the opportunity to contribute their ideas and solutions to the Group in order to promote innovation and increase our future viability.

INNOVATION DAY 22 – INNOVATION DAY DIGITAL

Innovation Day 22, held in the Polish city of Pruszków, illustrated the number of places, the many countries and the intensity with which research and innovative work is carried out within the STRABAG Group. The Innovation Day was also used as an opportunity to further communicate the new corporate mission Work On Progress and how innovative, sustainable and digital design-build-operate solutions will help us to achieve our goal of becoming climate neutral by 2040. In total, more than 70 innovation projects from the STRABAG Group were presented to over 1,400 visitors at 43 exhibition stands. The event gave visitors a chance to look beyond the horizons of their own departments, to make new

contacts and to exchange ideas with colleagues from across the Group. The event took into account the international background of the visitors by strictly focusing on English as the language of communication.

Employees who were unable to attend the Innovation Day in person could learn more about the innovative projects thanks to a special web-based forum. For our Innovation Day Digital, the participating divisions presented their projects online and answered questions from their colleagues from all over the world. The high level of employee participation demonstrated the success of the format.

adASTRA – INTRAPRENEURSHIP PROGRAMME

Encouraged by the success of our first adASTRA intrapreneurship programme in 2021, we launched a second round of the adASTRA programme in 2022. From more than 90 ideas submitted, 30 ideas were elaborated in a qualification phase by the ideators before the adASTRA board selected the six best ideas for the prototyping phase. The six teams then further elaborated their ideas until the end of the year with the support of external venture architects who helped the teams to turn

their business idea into a minimum viable product (MVP). The teams were introduced to the adASTRA board, to the mentors from the departments and to the audience present at the adASTRA Pitch Day in early December. The aim of the adASTRA intrapreneurship programme is to promote entrepreneurial thinking and action among our employees, to meet future challenges with new business models, and to support start-ups from within the company.

OUTLOOK

The focus in 2023 will be on the systematic refinement of the central division SID and the further establishment of the Project Management Office. The introduction and roll-out of digital tools onto construction sites and the reinforcement of agile working methods within the STRABAG Group remain a key priority. We will also continue to move forwards with implementing the innovation, sustainability and digitalisation processes that have already been initiated.

The development of external networks and partnerships with universities, think tanks and research institutes in the construction industry remains an important milestone on the way to becoming a technology leader in the construction industry.

We also aim to further increase target focus and efficiency with the introduction of key performance indicators in the implementation of our innovation, sustainability and digitalisation processes.

OCCUPATIONAL SAFETY



Occupational safety is a key concern for the company and an integral part of the corporate culture at STRABAG. The most important prerequisite for a satisfying working day – either on the construction site or at the office – is staying healthy and safe. For this reason, STRABAG took up the challenge of “Vision Zero – Zero Accidents” by launching the corporate initiative “1>2>3 Choose Safety”. “1>2>3 Choose Safety” sounds simple enough, but it is not always easy to put into practice in our day-to-day working routine. Due to constant changes in the working environment, high levels of physical stress and unpredictable weather conditions, workers in the construction sector are exposed to a particularly high risk of accidents and health hazards compared to other sectors of the economy.

In 2022, the Health, Safety and Environment (HSE) staff unit, which is responsible for occupational safety, decided to include the aspect of resource conservation in the procurement of personal protective equipment. Starting in 2023, a gradual transition will be made to the use of sustainable materials, such as recycled and reclaimed fibres and organic cotton fabrics, in the protective workwear. All future workwear must be made of organic cotton, recycled PET recovered by our waste management or PET Seaqual yarns from recycled ocean plastic.

In the spirit of waste avoidance, the packaging for our protective workwear has also been designed to be more environmentally friendly. With the replacement of plastic polybags by recycled cardboard sleeves, we managed to save around 1.5 tonnes of plastic in 2022 alone. Additionally, only recycled adhesive tape and recycled cardboard boxes were used for shipping.

Rules, responsibilities and due diligence

With the establishment of a separate **Health, Safety & Wellbeing central staff division** effective 1 January 2023, we are setting an important course for the future by giving even more weight to the topic of occupational safety and health.

The STRABAG Group is certified to ISO 45001 (occupational health and safety management systems) and is regularly audited internally and externally in this regard. An obligation to comply with these standards is laid down in a group directive that applies to all employees within the Group as well as to our external contractors.

The necessary protective measures, rescue concepts, and training and instruction needs with regard to health, safety and environment (HSE) are derived from the risk assessment of each construction site. HSE information and training is carried out at all levels and for all employees. In addition to the company’s in-house staff, all external contractors and their employees are also required to ensure a safe working environment. Everyone, including the external staff, must help to responsibly implement the protective measures in their own area of work. Additional activities as part of the 1>2>3 campaign include the regular setting of safety priorities as well as safety discussions held on the basis of the HSE calendar.

Serious accidents are processed from lessons learned, with appropriate measures derived in cooperation with the national HSE officers. For 2023, for example, corporate-wide measures were defined concerning safety in the handling of construction machinery.

For reasons of data privacy, it is not possible to show the lost time due to work-related illnesses of employees and subcontractors. Health protection measures are derived from the anonymised indicators provided by the accident insurance institutions. These include recognised occupational illnesses such as skin diseases, back pain, hearing loss and asbestosis. Protective measures are also derived from workers’ disregard of health precautions, for example regarding work in hot weather, heat stroke or sunburn.

The HSE group directive, which defines **corporate-wide minimum standards** for occupational safety, has already been rolled out in all Group countries. It includes the standardisation, among other things, of organisational structures, accident reporting processes, accident investigations and personal protective equipment. The effectiveness of the group directive was reviewed in 2022.

The following bodies are necessary to advise on the issues of safety, health protection, health promotion and human-centred work design:

- HSE Group Committee (once a year)
- State Labour Protection Committee (LASA) (once a year)
- Occupational Health and Safety Committee (at least once a year)

The safety committees consist of employer representatives, prevention experts and employees from different levels. Country-specific requirements regarding the composition or frequency of meetings are taken into account with regard to the committees' work in each respective country. The

management is responsible for convening and conducting the meetings.

The HSE inspection pyramid commits our leaders at all levels to perform monitoring activities, which in turn leads to the introduction of additional protective measures. The goal is to achieve **zero tolerance for non-compliance with specified safety regulations**. The inspection form for leaders is to be used by division leads, subdivision leads, business unit leads and group leads as documentation of the regular HSE inspections.

The construction site team, which includes site managers, technicians, plant managers, forepersons and other supervisors, uses a separate and more detailed form for this purpose.

MINIMUM NUMBER OF DOCUMENTED INSPECTIONS



Occupational health services are ensured in accordance with the respective legal requirements in the EU countries where we operate. Compliance with the EU's OSH Framework Directive 89/391/EEC is precisely defined, as are the requirements and basic principles for prevention measures and risk assessment, and the occupational

safety and health obligations of employers and employees. To ensure and continuously improve the quality and effectiveness of the occupational protection management system, certified occupational safety and health management systems (ISO 45001, Safety Certificate Contractors) are implemented and certified throughout the Group.

1 Rotating means: inspections carried out at different construction sites/workplaces.
 2 Other supervisors can be: crew leaders, leading hands, charge hands, managers etc.

Objectives and indicators

STF hazards (slips, trips and falls) are the most common cause of accidents at work, responsible for around 25% of all incidents. Our primary goal is therefore to continuously reduce the number of STF accidents on our construction sites. To help us measure the effectiveness of our safety efforts, we attach great importance to the exact determination of the lost time accident rate and the accident incident rate (= lost time injury frequency).

The **lost-time accident rate** – calculated as the number of working hours lost to accidents versus productive working hours – decreased to 0.24% in 2022 compared to the previous year, with 0.37% among blue-collar (wage-earning) and 0.05% among white-collar (salaried) workers (2021: 0.26% in the Group, 0.40% blue-collar, 0.07% white collar).

Since 2022, an additional focus has been placed on lost time injuries with severe consequences. This focus considers occupational accidents that lead to 43 or more days of lost time due to broken bones, multiple injuries, burns, poisoning or electrocution.

The **accident incident rate (LTIF)** – calculated as the number of accidents at work per 1 million productive working hours – decreased in 2022 compared to previous years to 14.8 accidents per 1 million productive working hours across the Group (2021: 15.6 in the Group, with 23.9 among blue-collar and 4.4 among white-collar workers). Unfortunately, two fatal occupational accidents were recorded in 2022. To better reflect the broad positioning of the STRABAG SE Group and its regional differentiation, an accident incident rate under 35 was last year declared as the absolute upper limit for all subdivision and corporate entities.

LOST-TIME ACCIDENT RATE¹

	2018	2019	2020	2021	2022
Blue-collar	0.33	0.37	0.41	0.40	0.37
White-collar	0.05	0.05	0.07	0.07	0.05
Total	0.22	0.24	0.27	0.26	0.24

ACCIDENT INCIDENT RATE²

	2018	2019	2020	2021	2022
Blue-collar	22.5	23.9	24.1	23.9	22.6
White-collar	5.8	4.3	4.9	4.4	4.1
Total	15.9	15.9	15.9	15.6	14.8

Projects and initiatives

As part of our ongoing corporate-wide initiative “1>2>3 Choose Safety”, we set ourselves the goal of raising awareness for occupational safety and health among all of our stakeholders and launched the message of “Vision Zero – Zero Accidents” with the aim for everyone involved to make a personal contribution to occupational safety. Safety and health at work, as well as a safe working environment that helps prevent accidents and work-related illnesses, are important prerequisites for the performance of our employees so they can remain committed to significantly contributing to our productivity and quality.

STF hazards continued to be a focus of our safety activities in 2022. One of the activities in this regard was a test of our safety shoes. Together with our supplier, we developed a new outsole for the shoes and, over a period of several weeks, subjected the product to a wear-and-tear field test in Austria. The results were evaluated in a written report as a basis for optimising the shoe. A more widespread test is to be rolled out across internationally in 2023.

¹ Productive working hours 2022: blue-collar: 78,960,602; white-collar: 58,647,904

² The figures include accidents at work (excluding accidents occurring on the way to or from work as well as occupational illness) with lost time of at least one calendar day, counted from the day after the accident incident.

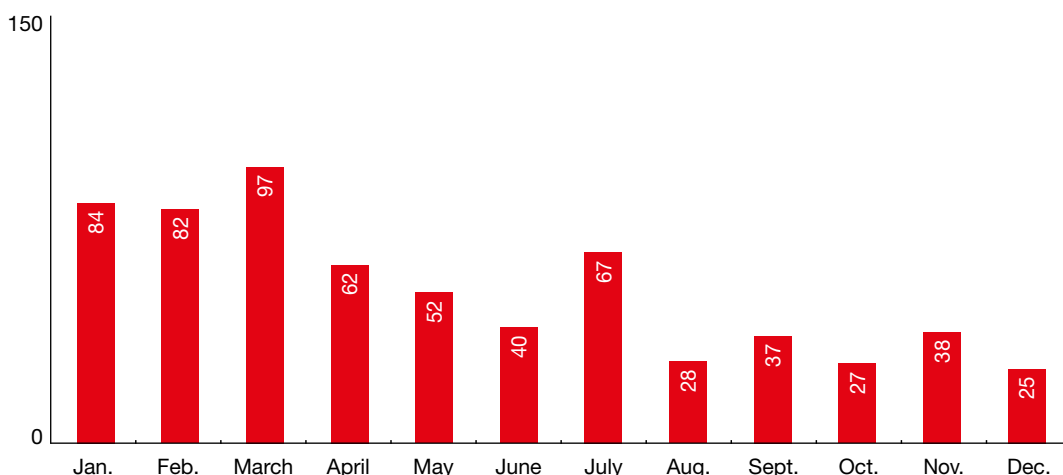
Because of the ongoing pandemic, the implementation and adaptation of Covid-19 protective measures also constituted another relevant field of activity for our HSE department. Due to the exemplary implementation of the defined and proven Covid-19 protective measures, work on the construction sites and at the workplaces could continue undiminished. The measures are regularly adapted or redefined on the basis of specific national rules and regulations and in line with the requirements of the national health authorities. These include, for example:

- Adaptation of the Covid-19 risk assessment for construction sites and office workplaces

- Adaptation of the guidelines for office locations and offices on construction sites
- Revision of the information on infection control and hygiene measures
- Implementation of opportunities for working from home
- Initiation of vaccination offerings
- Use of the Covid-19 app for site inspections

The following chart shows the number of Covid-19 inspections documented via the app per month (as of 31 December 2022).

NUMBER OF COVID-19 INSPECTIONS IN 2022



We are also looking at the development and implementation of a digital 1>2>3 HSE platform to allow us to record and evaluate relevant HSE data in a standardised manner throughout the Group. The platform should help to keep the corresponding HSE construction site processes simple and transparent and to derive any appropriate measures. In the future, the platform will serve as an essential management tool in the area of occupational safety.

The contents of the platform are currently divided into three work packages:

1. Risk assessment
2. Instruction and HSE training
3. Accident and incident management

The basic content and technical requirements are still being defined at this time with the aim of getting the development work off to a quick start.

In addition to the 1>2>3 HSE platform, STRABAG uses other digital tools to ensure occupational

safety within the Group. To further increase the quality of occupational safety among our subcontractors, for example, we ask that they upload accident indicators and occupational safety documents to the Group's purchasing platform using the **Strategic Procurement Solution (SPS)**. SPS is a tool developed by the STRABAG Group with which to query key data of commercial and management relevance from potential subcontractors.

Many more occupational safety projects were carried out across the Group in 2022. The national HSE officers remain called upon to work together with the management and the safety experts to continuously reinforce the "1>2>3 Choose Safety" initiative and to maintain awareness for its message among employees.

- The smartphone app for HSE site inspections that was introduced in 2018 was used more than 82,000 times in 2022 (as of 31 December 2022). In addition, the apps for the inspection of stationary plants and facilities such as mixing plants, quarries, etc. were rolled out for the construction site teams in seven more Group

countries: Poland, Slovakia, Slovenia, Romania, Croatia, Bulgaria and Serbia.

- A working group consisting of representatives from different countries in which the Group operates designed the 1>2>3 occupational safety instruction calendar for 2023 with a different topic every month. The calendar will again be translated into 16 languages.
- The protective workwear collection was expanded to include a new knitted sweater and polo shirts, in addition to improvements made to existing products. A separate women's collection was also established for the first time.

HEALTH PROTECTION



Maintaining the health and productivity of our employees is a central concern for us and inevitable for the long-term success of the company. Health is a state of individual well-being and subjectively felt productivity.

The general public usually associates construction sector work with hard physical labour. But psychological stress can also be an issue. In the construction sector, the main documented stress factors are time and price pressure, unwanted interruptions during work, and long working hours. Strengthening psychosocial health through stress prevention and stress management is an important field of action in **workplace health management (WHM)**. Our measures, initiatives and projects

always aim to prevent negative and to promote positive health outcomes among all employees – both on the construction site and in the office. Analytical approaches such as the stress-strain model are used to assess workloads and their health outcomes. Health models that take into account the interaction of health resources and factors of working conditions (biopsychosocial model, salutogenesis/resilience model) form the essential theoretical basis of workplace health management (WHM) and workplace health promotion (WHP). STRABAG's holistic, sustainable approach to health management is based on the equal consideration given to both behavioural and situational prevention.

Rules, responsibilities and due diligence

Our task is to systematically, specifically and sustainably promote the health of our employees and to firmly anchor WHM within the Group. Through management at the Group level, WHM is coordinated and systematically disseminated in the individual countries by national WHM coordinators and national WHM committees in each country consisting of management, occupational safety, HR consultants and employee representatives (Germany/Austria). The following countries each have a joint national committee: Czech Republic and Slovakia; Romania, Croatia and Bosnia-Herzegovina; Serbia, North Macedonia and Montenegro. The national committees meet twice a year, once in the spring and once in the autumn.

WHM is already established in Germany, Austria, Switzerland, Poland, Czech Republic, Slovakia, Croatia, Hungary, Serbia, Slovenia, Romania and Bulgaria and is being rolled-out in Montenegro, North Macedonia and Bosnia-Herzegovina. The first step in these last three countries was to set up occupational **medical examinations and health screenings at construction sites** and to organise a running event. These activities were implemented by committed colleagues together with the respective WHM coordinators.

Objectives and indicators

Our overriding objective is to maintain the health and productivity of our employees. The aim of the measures is to improve the working conditions and strengthen the personal workplace resources of all employees and members of the management. We use the **lost-time illness rate¹**, among

other things, to observe our progress in reaching this goal. In 2022, this figure stood at 6.1% in the Group, with 7.6% among blue-collar and 4.1% among white-collar workers (2022: 5.8% in the Group, 7.5% blue-collar, 3.5% white-collar).

¹ Ratio of sick leave days to working days

LOST-TIME ILLNESS RATE

	2018	2019	2020 ¹	2021	2022
Blue-collar	6.8	5.8	6.7	7.5	7.6
White-collar	3.7	3.6	3.4	3.5	4.1
Total	5.2	4.9	5.3	5.8	6.1

Projects and initiatives

The cooperation between WHM, occupational safety and the occupational health services foresees, among other things, the organisation and expansion of health campaigns at business locations and construction sites. Prevention measures, including hearing and vision exams, pulmonary function tests, and spinal, heart and mobility screenings, as well as custom health campaigns, expand the offer for our blue-collar workers. WHM also offers a broad range of targeted measures for our office locations. Besides eye, stress and preventive examinations, the offer also includes different health courses such as back training or yoga as well as lectures and workshops related to the main issues of exercise, nutrition and stress prevention.

Thanks to a full-scale evaluation using digital as well as analogue surveys, including open-answer fields for new suggestions and ideas, we always know what's going on with our employees. These ideas, along with employee initiatives, have already led to several lighthouse projects, such as Baggercards ("Excavator Card") or Water4Workers. The members of the respective national committees also have the opportunity to contribute suggestions for new projects or processes and to drive future developments.

We tailor our preventive health services to the needs of our employees and target groups. Our measures are evaluated at regular intervals to determine the need as precisely as possible. In the spirit of best practice, health projects that have proven their worth should be designed for international roll-out and implemented across all countries. Positive examples of this are the Employee Assistance Programmes (EAP), mobile

health solutions for construction sites and multilingual webinars on health topics. For these health projects, STRABAG was awarded the special prize of the Corporate Health Award in the category Target Group Specificity in Germany in 2022.

After our WHM controlling showed a significantly lower participation rate among blue-collar workers, we intensified our efforts for mobile health solutions at the construction sites and included their costs in our budgeting. The realisation that live webinars alone achieve only a relatively low degree of penetration led us to respond with multilingual offerings that are stored in a permanently accessible media library. Due to their high level of acceptance, these digital offerings will remain an essential part of the WHM portfolio even after the pandemic.

Another preventive measure in Germany is the so-called **Health Mobile**. The idea behind this service is to offer the same health check-ups provided at our office locations at the construction sites as well. The programme involved more than 1,340 participants at almost 300 construction sites, with more than 2,600 measurements taken with regard to back health, core stability, cardiovascular health, stress and fitness levels. The Health Mobile concept was also successfully rolled-out in Switzerland in 2022.

The STRABAG Employee Assistance Programme (EAP) was very well received in Germany. The focus of the counselling services was on topics such as anxiety, psychological strain, alcohol and addiction problems as well as stress. In 2022, a similar assistance programme was also implemented in Poland.

¹ Values were adjusted retroactively due to a change in the calculation method.

STRATEGIC HUMAN RESOURCE DEVELOPMENT



The construction sector is a human-resource-intensive industry in which the commitment shown by our workers has a significant influence on business success – not least because, in light of shortages of skilled personnel and seasonal bottlenecks, they represent a critical factor. But increasing digitalisation and the lack of qualified applicants are also seen as an opportunity to

implement strategic HR planning and to promote the targeted training and development of our employees. When designing and revising processes around HR development topics, an agile approach is pursued wherever possible and necessary, characterised by iterative loops and the gathering of feedback from relevant stakeholders.

Rules, responsibilities and due diligence

Human Resource Development (HRD) is a corporate-wide organisational unit tasked with providing the best possible support to all parts of the STRABAG Group in all matters of human resource development. For a successful human resource development strategy, the unit elaborates and implements guidelines and standards for the search, selection, qualification, promotion and development of leadership and employees. Our focus at STRABAG SE is on the individual employee and on a corporate culture that reflects our values. To highlight this fact, to further demonstrate our appreciation of current and future employees, and to continue to offer promising prospects and exciting career opportunities at our company, the decision was made to change the name to **People & Culture Development** effective 1 January 2023 (P&C Dev).

The responsibilities and tasks are governed by a group directive for the HRD employees. Their tasks include:

- HR marketing and recruiting
- HR consulting
- Training
- Talent management

A dialogue on development measures takes place between employees and leaders in a regular exchange, at least once a year in the **appraisal interview**. In addition, employees can always address their concerns to the higher-level manager, the responsible HR consultants or the ombudsperson's office.

Objectives and indicators

To counter the lack of skilled labour, we aim to promote and optimise the needs-oriented professional and personal development and qualification of our employees. In this way, we can guarantee our clients the on-time, professional realisation of their projects. Training needs are to be ascertained mainly during the appraisal interviews. This essential employee management tool, which is to be conducted by supervisors at least once annually, is an opportunity for **mutual feedback**. It supports leadership and employees in

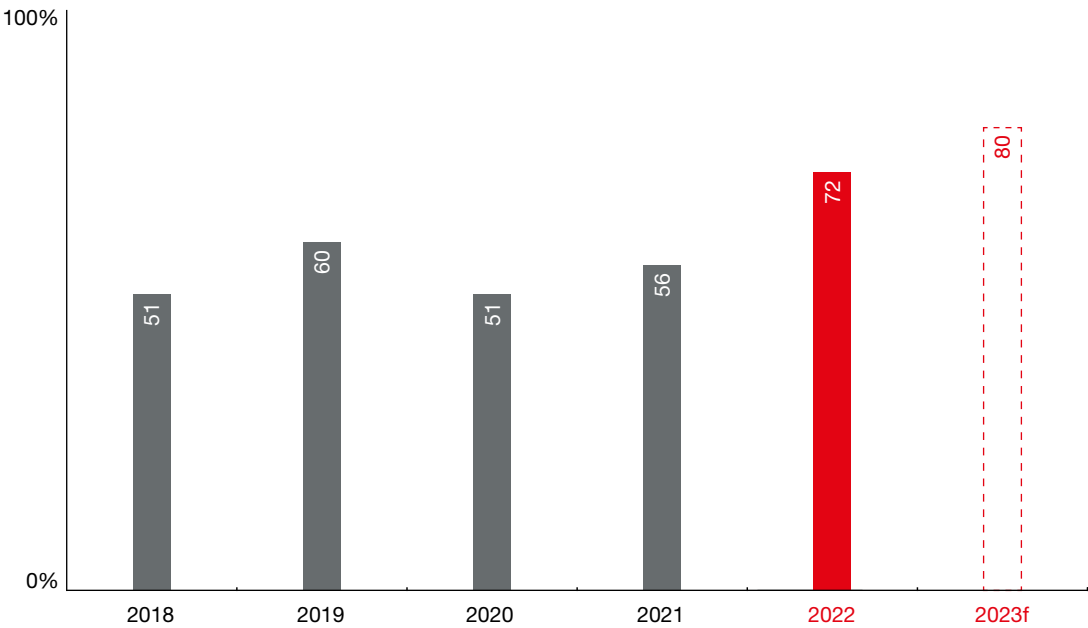
- strengthening their personal identification with the tasks and with the company,
- intensifying cooperation through a culture of open dialogue,
- discussing and recognising the performance of the past period, and
- defining future tasks and goals as well as development steps together.

The preparation and documentation of the interviews were digitised in 2019. The Group also offers leadership employees the possibility of a skills assessment as well as the creation of an individual development plan. In 2022, structured employee appraisal interviews were held with 71.7% of all employees (2021: 56.2%) including 71.6% of the men and 72.1% of the women in the Group. The target of 80 % was not reached in 2022. However, the significant year-on-year increase shows that the measures taken are effective. The training needs identified in the interviews are worked on individually in the form of seminars.

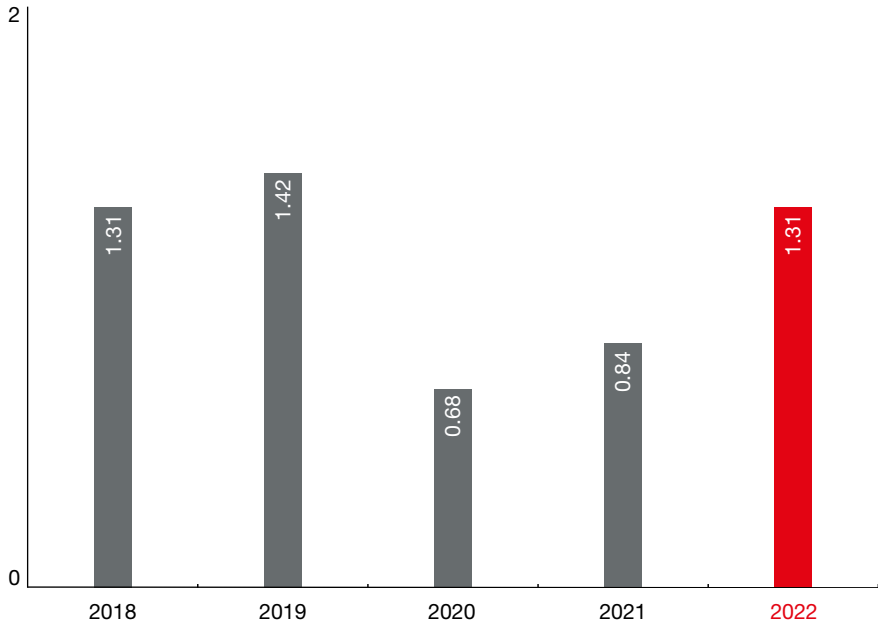
In the reporting period, there were 1.31 training days per salaried (white-collar) employee (2021: 0.84). Separated by gender, the number of training days amounted to 1.24 for women and 1.34 for men.

The restrictions on in-person training led to the establishment of **hybrid learning formats**, with attention paid to finding the right balance between face-to-face and online training. The successful switch to digital formats led to a significant increase in training days per salaried employee compared to the first year of the pandemic.

NUMBER OF APPRAISAL INTERVIEWS HELD AND RECORDED VERSUS NUMBER OF EMPLOYEES



TRAINING DAYS PER EMPLOYEE



Projects and initiatives

Measures and projects relating to the above-mentioned tasks are implemented on a continuous basis:

HR MARKETING

We are constantly working to position the Group as an attractive employer on the labour market to make a sustained contribution to covering the future demand for skilled experts and leadership employees. In addition to successfully implemented employer branding activities, such as the broad-based human resources campaign in the Transportation Infrastructures and the Building Construction and Civil Engineering divisions in Austria, and the Work On Progress campaign launched in 2022 we also strengthened our presence on social media in 2022.

Our brand ambassadors and advertising campaigns were increasingly visible in public spaces, for example on buses and trams or at high-profile construction sites. We also produced several **career stories** providing insight into the individual career paths.

In order to reach prospective employees, our human resource marketing activities include participating in job fairs, presenting our company at educational institutions, organising company tours, offering internships and work placement, and sponsoring bachelor's and master's theses.

RECRUITING

The recruiting and subsequent onboarding of human resources is designed to systematically, professionally and quickly cover the human resource demand at the individual organisational units with qualified new employees. In addition to filling key positions in the Group, we further

HR CONSULTING

HR consultants are the first points of contact for all human resource development and certain decentral human resource administration tasks at the divisions. They advise employees about career opportunities within the Group or coordinate with the employee supervisors to recommend training for their further development. For management, we have offered the Leadership@STRABAG training programme since 2021. The programme consists of four modules and has a duration of approximately twelve months. Participants learn in a mix of classroom and online events and also work in peer groups. The content of the programme is

We are proud of our successful partnerships with more than 170 educational institutions in 2022. After the pandemic-related decline, our in-person trade fair attendance and other out-of-house events was up in the reporting year. We are continuing to work on increasing our accessibility via STRABAG's **social media profiles** at Facebook, Instagram, LinkedIn, Xing and YouTube, among other places, and are developing our own online formats to reach a broader audience with audience-specific content.

We also actively participate in **employer certification** programmes aimed at graduates, trainees and apprentices to help us ascertain possibilities for improvement. In 2022, we were awarded the Fair Training and Fair Trainee Programme certification from the HR consultancy Trendence, while the employer branding service provider Universum voted us one of the "Most Attractive Employers for Students in 2022". The certification is awarded on the basis of employee or student surveys regarding specific factors of workplace quality. The company must then fulfil certain criteria to receive the recognition.

expanded our central Active Sourcing team in 2022. The goal is to directly address potential candidates in the largest career networks and to draw their attention to interesting positions within the STRABAG Group.

derived from the current corporate strategy and provides participants with in-depth and practice-oriented knowledge on the topics of change management, cross-silo cooperation, process optimisation and agile leadership. The programme is available in German and English as well as eight other languages.

Ahead of a possible termination, the HR consultants offer outplacement counselling with external support to assist the employees in their reorientation on the labour market. Staff who decide to leave the company of their own accord are also offered

exit interviews. The insights gained from these talks are used to derive measures to improve human resource development processes.

TRAINING

The STRABAG Group Academy offers internal further education options for all wage-earning (blue-collar) and salaried (white-collar) workers in the Group. The planning and systematic use of training and educational measures is the responsibility of the respective organisational unit. Together with their supervisors, employees can choose from among the various qualification offerings.

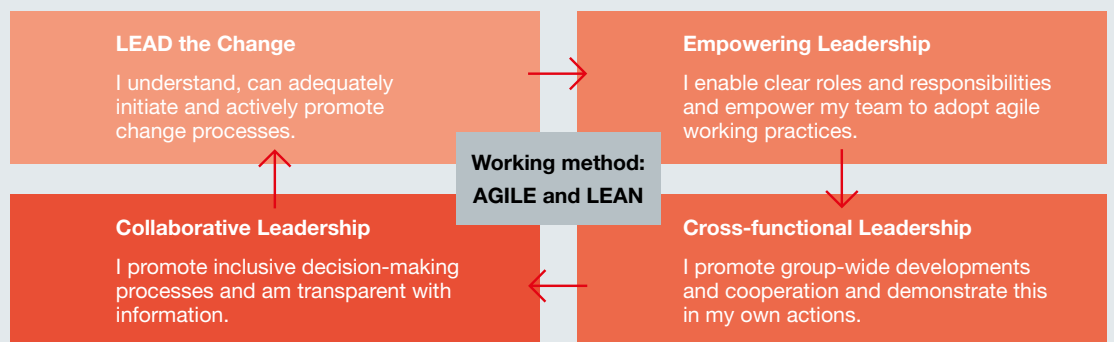
At the Group Academy, employees can find **specialty developed training offers** in the categories of technology, law, business management, IT, personality and leadership. The trainers are internal and external experts who pass on their expertise to the participants. In 2022, we offered 3,378 training and further education sessions (2021: 2,956) with 38,785 participants (2021: 33,961). More than 56,600 (2021: >66,200) people successfully completed a mandatory e-learning course, for example on the subjects of compliance, occupational safety, IT security and data

protection. Since autumn 2019, we have also offered our employees access to over 11,000 German or English language courses from external content provider LinkedIn Learning. The goal is to provide a varied, web-based and easily accessible learning offer to support the motivation for further training. The combination of existing training programmes and mobile extras promotes a dynamic learning culture and enables new formats such as **blended learning** – an integrated form of learning that combines traditional face-to-face training and modern e-learning. Additionally, all employees have the possibility to make proposals for new training offers using the internal knowledge management tool. Beyond the appraisal interview, they and their managers, depending on their position, also receive recommendations for a selection of seminar options. The Group Academy offers regular modular **qualifications** to reinforce and deepen the training of people in key positions.

STRABAG has set itself the clear goal of being a top employer. This means that we must support our existing staff during the process of digitalisation currently underway in the construction industry. Also, the current employee demographics in the company indicate a need for increased recruiting in the coming years, and we must therefore position ourselves on the labour market as an attractive employer for young talent. Both

goals can only be achieved with appropriately trained leaders.

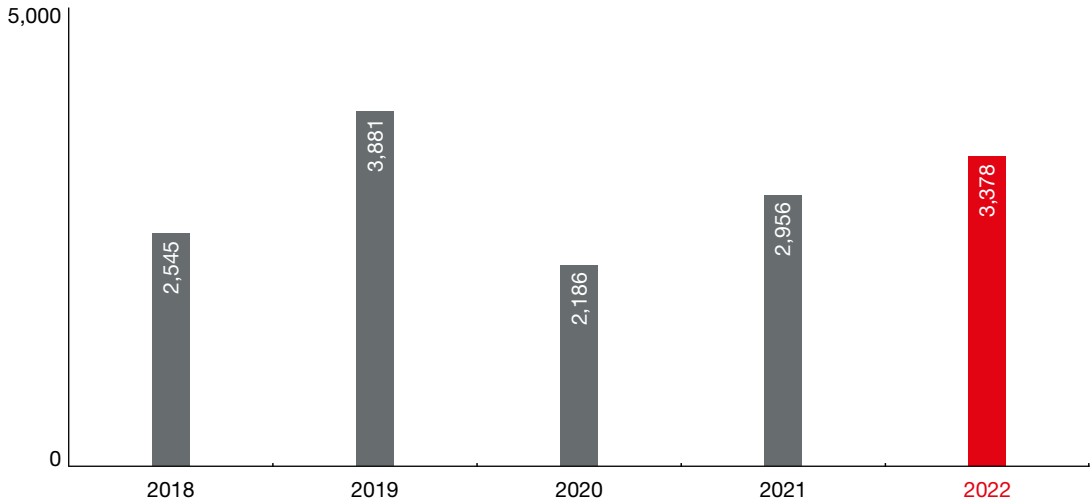
These considerations led to the creation of the comprehensive, corporate-wide training programme Leadership@STRABAG – Leading in Dynamic Times, which aims to promote and further develop the following core competencies:



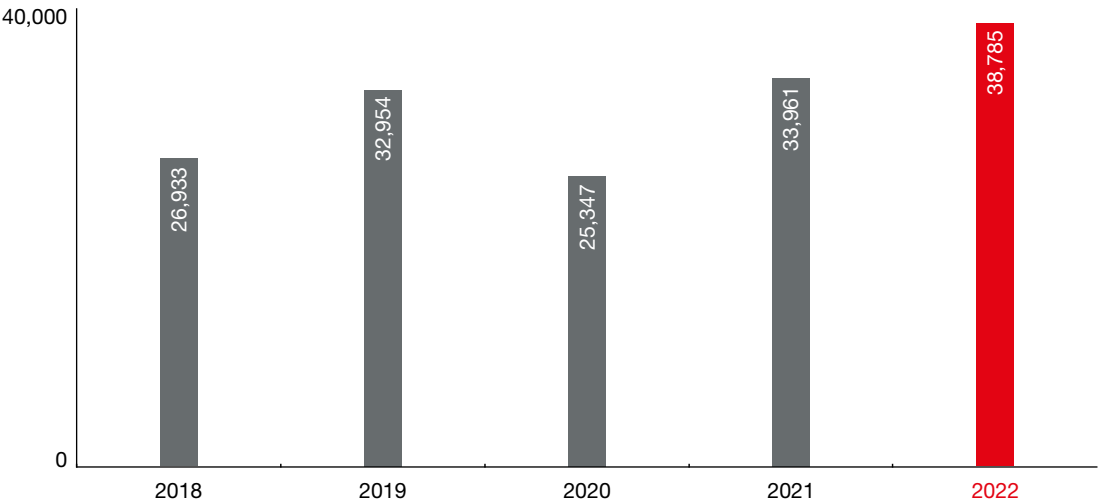
These competencies are developed in a hybrid training concept of digital and in-person formats. Important aspects include the exchange with other leadership employees and the opportunity to provide feedback. Both the subject matter of the programme as well as its organisation are informed by the agile working method.

The first two prototypes were launched in 2020, with international roll-out in the spring of 2021. As of 31 December 2022, there were a total of 515 managers in the Leadership@STRABAG programme. Feedback from participants is recorded on an ongoing basis and the programme is continuously improved accordingly.

NUMBER OF TRAINING SESSIONS



NUMBER OF PARTICIPANTS



Increase of apprentice and trainee numbers planned

To counter the shortage of skilled labour, STRABAG invests in the training and education of its **apprentices and trainees**.¹ For dedicated young people who have completed an apprenticeship, the door to a career at STRABAG is wide open.

Our main apprenticeship careers in **Austria** are bricklayer, ground engineering specialist, formwork carpenter and paver. But we also offer training as construction plant mechanic, electrical engineering technician, facilities and building technician, mechatronics technician, metal technician, sheet metal worker as well as plasterer and drywall finisher to complement our team. In Austria, STRABAG continually offers apprenticeship placements at around 50 locations nationwide. Since October 2021, we have been training around 250 apprentices every

year at the STRABAG Camp[us] Ybbs in Lower Austria. The Camp[us] offers our junior staff future-oriented training with a focus on new working methods and modern construction technology.

In **Germany**, STRABAG and its construction equipment subsidiary STRABAG BMTI are pursuing the selective training of young talents at the Group Training Workshop in Bebra, where the focus is on the commercial and technical fields. In Bebra, our apprentices for the professions of road worker, ground engineering worker and construction equipment operator receive top-quality vocational training and individual attention. The aim is to secure an efficient knowledge transfer under aspects of quality and time away from the daily working routine.

¹ Due to the differences in training systems from country to country, only the situation in the core markets of Austria and Germany is presented here.

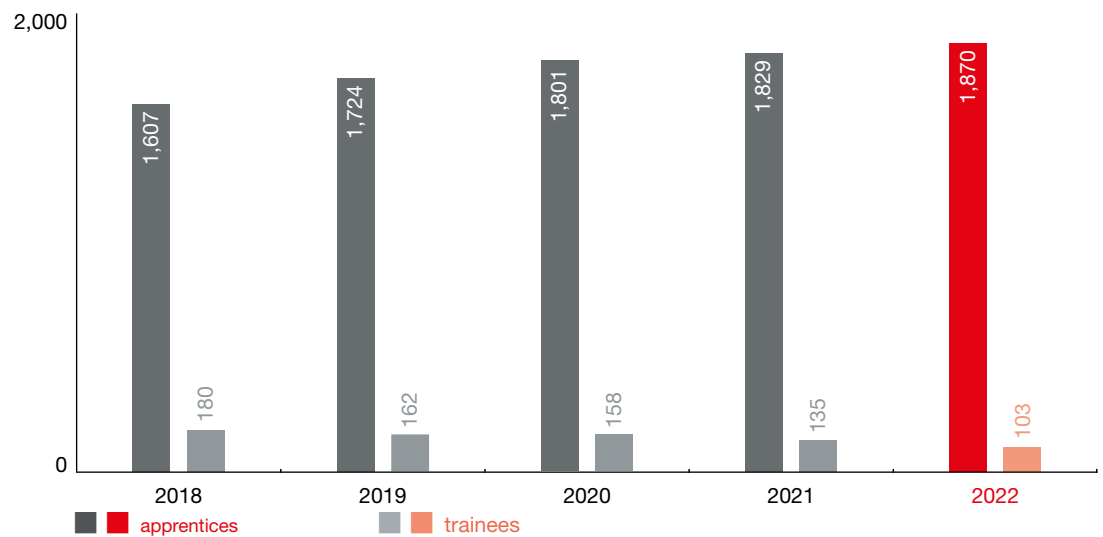
103 trainees at work for us

In Germany, Austria and Switzerland, a total of 605 blue-collar apprentices were taken on in 2022 (2021: 505). A significant increase of the apprentice and trainee numbers is planned in Germany and in Austria in the years to come. More information about the apprentice professions and work placement positions is available at karriere.strabag.com.

It is our aim to recognise, promote and develop young talents. In the competition for the best employees, STRABAG therefore offers a practical

familiarisation programme for graduates with little professional experience holding selected bachelor's and/or master's degrees from academic universities as well as from universities of applied sciences. The aim of our trainee programmes is to best prepare the graduates for the requirements of their future position in the Group. In 2022, the STRABAG Group had 73 technical and 30 commercial trainees (FTE), of which 71 were men and 32 women.

NUMBER OF APPRENTICES AND TRAINEES (FTE)



Trainees have their own personal schedule as a way of addressing individual wishes and needs and to offer flexible entry times. The commercial **trainee programme** lasts between eleven and 13 months, the technical programme varies between twelve and 15 months and both programmes include a period of three months abroad. At the beginning of the programme, trainees meet with a mentor to design the trainee schedule according to the specific professional and personal requirements of the target position. This experienced mentor is available to the trainee throughout the entire

training period. Regular feedback interviews help focus on the trainee's individual development. With instruction from experienced specialists and management employees, the trainees pass through different organisational divisions and are introduced to various areas of business and responsibility. Both the commercial as well as the technical programme include mandatory sessions, for example on the construction site. Specific training activities are used to develop the applicant's personal and professional skills. An individual training schedule is developed for each trainee.

TALENT MANAGEMENT

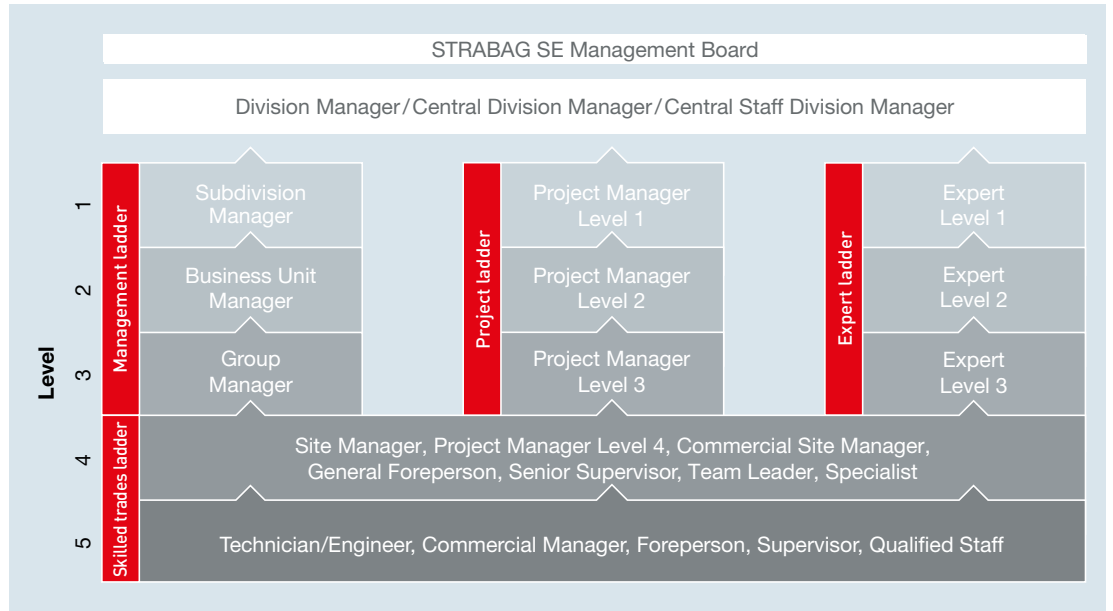
The purpose of talent management is to recognise, develop and bind **high-performers** and high-potential employees in the interest of filling (key) positions with young talent possessing the best possible qualifications from within our own ranks. Based on our career model, internal parameters are applied to identify high-potential employees, provide them with individual support, and deploy them in the right positions. Besides the management ladder, which focuses on general management tasks, two other career paths are available: The expert careers are characterised by a high degree of technical expertise in a specialty field.

Project managers can fall back on their years of experience in the field of project management and are responsible for complex construction projects. Individual activities such as a development centre, special training programmes or job rotation schemes are offered to help develop the recognised potential. **Coaching** – support from external professional consultants to successfully master professional challenges – and **mentoring** – the professional partnership between an experienced manager and a specialist or manager in training, characterised by the communication of experience and active feedback – are increasingly

included in the individual development plans of the talents. The goal-oriented recognition and promotion of high potential employees should

ultimately create a stronger bond to the company, which in the long term serves to ensure quality, continuity and performance within the group.

CAREER MODELS



FAIR COMPETITION



We see the avoidance of corruption and anti-competitive behaviour as an essential management task. The potential damage that a company may incur as a result of corrupt or anti-competitive behaviour on the part of individual employees can be significant.

The construction sector is not immune to corrupt or anti-competitive behaviour by individual persons. Complex accounting processes and the necessity for a great number of contractual relationships during a construction project often make it difficult to fully resolve non-compliant behaviour.

Even if STRABAG generates much of its revenue in countries with a low risk of corruption, the international nature of its business means that some activities are also performed in countries with a

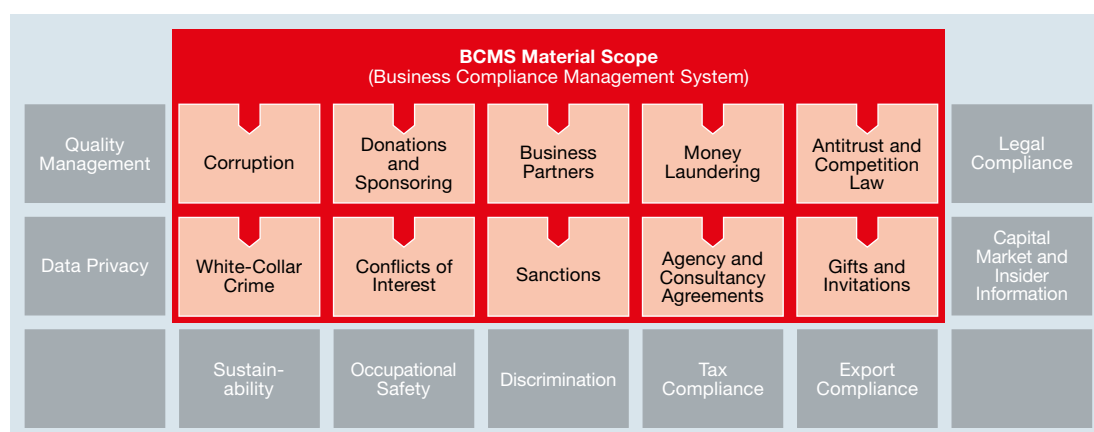
higher corruption risk, as measured, for example, by the Corruption Perceptions Index.¹ Transparent procedures to minimise risk are required in all regions, especially during contract award or in negotiations with partner companies and subcontractors.

STRABAG acted by implementing an **ethics business compliance system** in 2008 to avoid violations of the law and any resulting material and immaterial damage and to maintain the company's good reputation as a business partner, contractor and employer. The company has been continuously developing the system ever since. With extensive measures for employees and leadership, STRABAG is working to promote compliant and ethical behaviour and to create a strong corporate culture based on **partnership and trust**.

Rules, responsibilities and due diligence

The new STRABAG Business Compliance Management System (BCMS) came into force in 2020 as part of the STRABAG Ethics Business Compliance System, replacing the Business Compliance Guidelines and the Business Compliance Guidelines for Business Partners that were valid until that time.

As part of the new STRABAG BCMS, the topics shown in the following diagram are dealt with extensively in order to ensure fair competition.



¹ Transparency International, Corruption Perceptions Index 2022, <https://www.transparency.org/en/cpi/2022> (retrieved on 21 February 2023)

The STRABAG BCMS and the Code of Conduct, which lays out the basic ethical values of the group, together form the STRABAG Ethics Business Compliance System.

The Code of Conduct was written in 2015 and updated with a new version in 2022. The basic theme of taking responsibility has also been chosen as a common thread in the new Code of Conduct. The document is intended to have both an internal and an external impact and addresses employees, business partners and other stakeholders such as supervisory and government authorities as well as shareholders in equal measure. Graphic and editorial adjustments were made to bring the document up to date and make the content easier to read. The Principles of Employment Conditions and Human Rights, previously attached as a supplementary annex, are now directly addressed in the Code of Conduct itself.

The new STRABAG BCMS is based on the Compliance Readiness Check performed together with an external consulting firm throughout the group in 2017 and 2018 and meets the requirements of ISO 19600 (Compliance Management Systems) and ISO 37001 (Anti-Bribery Management Systems).

In addition to the BCMS description, clear rules of conduct for the entire management and all employees of the Group are defined in four management directives with the aim of ensuring fair competition. These management directives are accompanied by a Supplier Code of Conduct that summarises those principles of business conduct that STRABAG also expects its suppliers and subcontractors to adhere to.

The **risk assessment** procedure is described in the Business Compliance Risk Analysis. The definition of the risk areas is based on the business activities of STRABAG as an internationally active construction group and is confirmed by many years of experience and knowledge of the industry. In this way, specific situations that could represent a risk for STRABAG were determined with the support of the central staff division Internal Audit. The Compliance Readiness Check carried out in 2017 and 2018 was also taken into account. In line with STRABAG's international orientation and its organisation in operating segments, the risk analysis is not based on the location of operations or branch offices, but on organisational entities.

The process of **risk analysis** is divided into the identification of risks (risk inventory), the analysis in the narrower sense based on potential damage and the probability of occurrence, and the final risk assessment. This is used to derive measures to reduce or avoid risks. STRABAG uses the deductive method to identify risks. In this process, relevant information within the scope of

STRABAG's activities are assigned to individual risks. Circumstances that increase risk are also taken into account. Based on an assessment of both the possible damage and the probability of occurrence, the identified risks are subsequently classified into the categories "low", "medium" and "high".

The risk analysis is reviewed annually at a previously determined point in time and adapted or broadened if necessary. The Business Compliance organisation obtains information from the operating units for this purpose. To date, this has been done using risk workshops and, since 2021, on the basis of a newly established annual management business compliance reporting system. In addition, experience and knowledge from employee questions to the Business Compliance organisation, reports from the whistleblower system, findings from violations as well as information from the group's internal audit department are included in the annual evaluation.

The avoidance and handling of conflicts of interest are laid out in a separate management directive as an annex to the STRABAG BCMS. The directive places the focus not only on avoidance but also on the transparent management of often unavoidable conflicts of interest in order to ensure, among other things, fair competition through appropriate measures. All STRABAG employees are obliged to disclose potential conflicts of interest; another essential instrument for identifying potential conflicts of interest is the STRABAG whistleblower system. Taking into account the increased risk in connection with donations and sponsoring, the STRABAG BCMS establishes clear rules and processes to prevent the misuse of donations and sponsoring.

Immediately after joining the group, all STRABAG employees receive instruction in the rules for ensuring fair competition in the form of **mandatory e-learning training** sessions that must be repeated once every two years. As the management of STRABAG is exposed to a greater risk of corruption, the members of this group of employees are obliged to participate in special training courses on the avoidance of corruption and anti-competitive behaviour in addition to completing the regular e-learning training. These training sessions, which are usually held in the form of face-to-face events, must also be completed every two years.

The **Chief Business Compliance Officer**, as the central contact person for all business compliance matters, reports directly to the responsible member of the Management Board, the CEO. In line with the international orientation of the group, the Chief Business Compliance Officer is supported by Regional Business Compliance Officers.

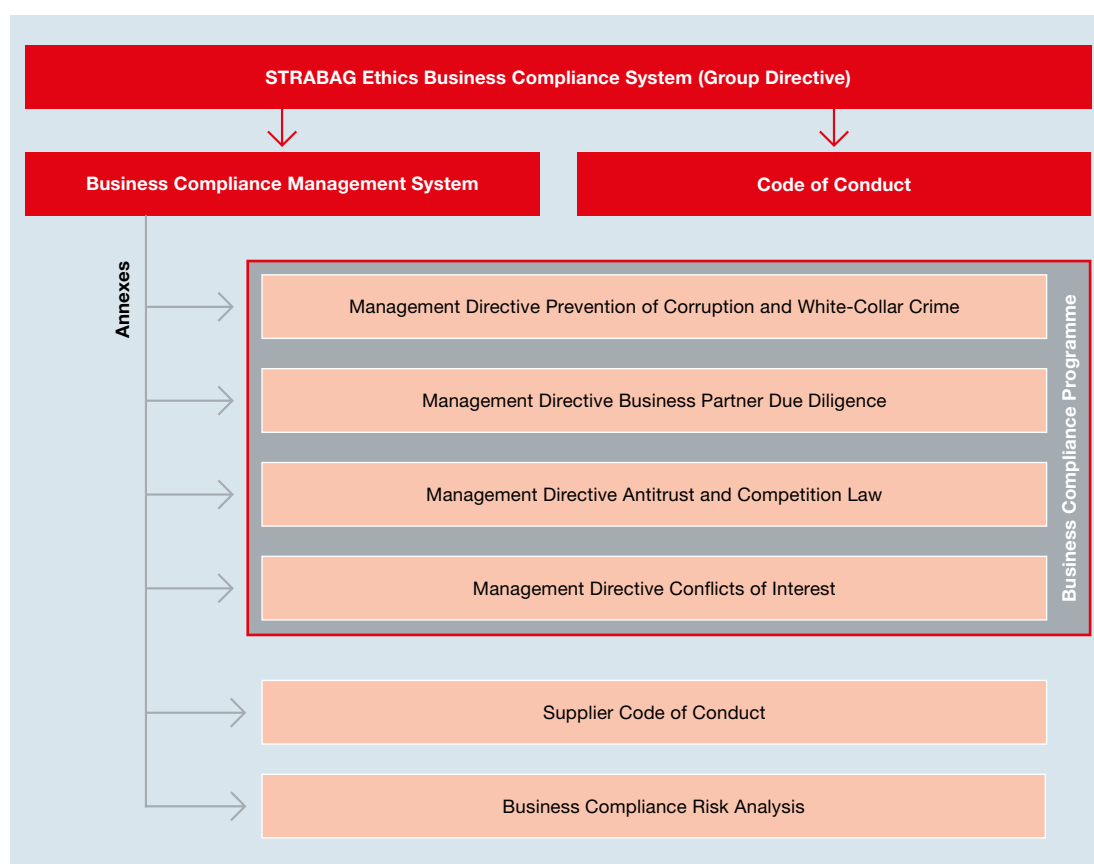
Further functions within the Business Compliance central staff division include

- Corporate Business Compliance Officers, who support the Chief Business Compliance Officer in his or her central tasks,
- Regional Business Compliance Officers, who are responsible for their respective countries,
- Business Compliance Partners, who are nominated by the operating units and support these in fulfilling the processes defined in the new BCMS, and
- a Business Compliance Committee, consisting of the heads of the central division Contract Management and Legal (CML), the Group's Internal Audit department and the Chief Business Compliance Officer. The committee deals with proposals developed by the Business Compliance

organisation to improve the BCMS as well as suspected cases of serious business compliance violations.

Potential compliance violations, such as bribery, fraud or corruption, can be reported to specially appointed contact persons (Regional Business Compliance Officers) via STRABAG's corporate-wide whistleblowing system. Employees, as well as subcontractors and other third parties, have the possibility to anonymously pass on relevant information via the online whistleblowing platform strabag.integrityplatform.org as well as by phone or by e-mail. STRABAG actively calls upon anyone with relevant information to come forward so we can quickly identify misconduct, respond appropriately and avoid any possible damage. In the event of violations of the legal regulations or of the conduct guidelines applicable within the company, the company will take the requisite disciplinary and legal (labour law) measures.

Online whistleblower platform: strabag.integrityplatform.org



The management directive on Prevention of Corruption and White-Collar Crime forms part of the STRABAG BCMS and was updated in 2021 in the item “Donations and Sponsoring”. The definition of donations and sponsoring was made more precise and the conditions for their admissibility were specified. Approval requirements have been added involving the Business Compliance organisation and, in certain cases, the Corporate Communications central staff division. The new regulations have been supplemented by a clear factsheet designed to make them easier to handle. In the 2022 reporting year, the rule was adapted to the current rules of procedure of STRABAG SE (item 31b).

This change reduced the value limits so that donations and sponsoring activities are now subject to stricter approval processes. In the future, donations and sponsoring activities will be reported to the central staff division Business Compliance as part of the management business compliance reporting introduced with the STRABAG BCMS.

A change in the definition of agencies and consultancies resulted in an extension of the approval requirement for agency and consultancy agreements by the Business Compliance organisation as laid down in the management directive on Business Partner Due Diligence.

Objectives and indicators

IDENTIFICATION OF CORRUPTION RISKS

In accordance with STRABAG’s business activities and organisational structure, locations of operation are generally not an adequate starting point for assessing corruption risks. STRABAG’s business activities are mapped in organisational units that can be structured geographically or according to business areas. The identification and assessment of corruption risks is therefore consistently done in organisational units, whereby the extent of corruption risks can vary greatly from one organisational unit to the other.

The “Compliance Readiness Check” conducted in 2017 and 2018 included a review of the corruption risk in all divisions, central divisions and central staff divisions. As a result of the Management Business Compliance Reporting, which became mandatory for all divisions, central divisions and central staff divisions for the first time in 2021 and must subsequently be carried out annually, the assessment of corruption risks is to be updated annually and continuously improved. The risks identified in the course of the investigation were taken into account accordingly in the design of the new STRABAG BCMS.

COMMUNICATION AND TRAINING ON ANTI-CORRUPTION POLICIES AND PROCEDURES

A key factor for ensuring fair competition is to provide employees with the most comprehensive knowledge possible about correct behaviour in their day-to-day business dealings, but also about the negative consequences of non-compliant behaviour. For this reason, STRABAG in 2013 implemented a comprehensive training concept to communicate to employees the guidelines

and procedures for combating corruption and anti-competitive behaviour.

The training concept for the avoidance of corruption and anti-competitive behaviour, which has been valid since 2020, is shown in the following table:

Title	Target group	Content	Type of training	Duration	Frequency
Business Compliance Training	all employees	STRABAG Ethics and Business Compliance Management System	e-learning course	approx. 40 min.	immediately after entry and every two years thereafter
Anti-Corruption and BCMS	entire management	Anti-corruption and the STRABAG Business Compliance Management System	classroom training	½ day	upon attainment of a management function
Cartel Law	entire management	Anti-competitive practices, abuse of dominant market position and merger control	classroom training	approx. 3 h	upon attainment of a management function
Business Compliance Refresher Course	entire management	Review and consolidation of the content from the Anti-Corruption and BCMS and the Cartel Law training courses	classroom training	½ day	every two years

The e-learning course “Business Compliance Training”, developed on the basis of the STRABAG BCMS valid since 2020, was rolled out across the group in February and March of 2021 and shows a course completion rate of 94% (as of 31 December 2022).

No physical classroom training took place due to the Covid-19 crisis in the 2020 reporting year. In 2021, the training courses were revised and for the first time held via Microsoft Teams in Austria and Germany. This made it possible to slightly

increase the training rate. The training rates reached the following values in 2022:

- Training course “Anti-Corruption and BCMS”: 86%
- Training course “Cartel Law”: 89%
- Refresher course “Business Compliance”: 64%

The target value for all these training courses is 95%.

TRAINING RATE BY REGIONS

Region	Managers for whom training is mandatory	Anti-Corruption and BCMS		Cartel Law		Business Compliance refresher course		
		Completed	Completion rate %	Completed	Completion rate %	Managers for whom training is mandatory	Completed	Completion rate %
Austria	331	307	93	309	93	215	203	94
Germany	590	509	86	555	94	349	237	68
CEE	380	319	84	320	84	248	86	35
Rest of Europe	35	15	43	14	40	10	0	0
Rest of World	3	0	0	0	0	0	- ¹	- ¹
Total	1,339	1,150	86	1,198	89	822	526	64

CONFIRMED INCIDENTS OF CORRUPTION AND ACTIONS TAKEN

- **Total number and nature of confirmed² incidents of corruption³:**

There were no confirmed incidents of corruption in the 2022 reporting year.

- **Total number of confirmed incidents in which employees were dismissed or disciplined for corruption:**

There were no confirmed incidents in which employees were dismissed or disciplined for corruption.

- **Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption:**

There were no confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption.

- **Public legal cases regarding corruption brought against STRABAG or its employees during the reporting period:**

There was one legal case brought against STRABAG in the 2022 reporting period. The person involved was no longer an employee of STRABAG at the time the legal case was brought. The accusations relate to an incident of fraud in connection with a bogus invoice from 2019. The proceedings were terminated at the beginning of 2023 after a settlement was reached between the accused and the public prosecutor's office.

¹ There currently are no managers in the “Rest of World” region who must attend the refresher training.

² “Confirmed” is understood to mean a final and binding conviction.

³ Corruption as defined by GRI 205 includes practices such as bribery, facilitation payments, fraud, extortion, collusion and money laundering. It also includes the offer or receipt of gifts, loans, fees, rewards or other advantages as an inducement to do something that is dishonest or illegal or represents a breach of trust. Corruption may also include embezzlement, trading in influence, abuse of function, illicit enrichment, concealment and obstructing justice.

LEGAL ACTIONS FOR ANTI-COMPETITIVE BEHAVIOUR, ANTI-TRUST, AND MONOPOLY PRACTICES

In the 2022 reporting year, there were nine legal proceedings pending due to anti-competitive behaviour, cartel violations and monopoly formation.

The latest investigations by the Public Prosecutor's Office for Economic Affairs and Corruption (WKStA) have prompted the Federal Competition Authority (BWB) to file an application with the Cartel Court for a reassessment of STRABAG's fine. The Cartel Court rejected the motion, and the BWB and the

Federal Cartel Prosecutor have appealed against the ruling. A decision by the Austrian Supreme Court (OGH) is pending.

Meanwhile, the WKStA is continuing its investigations in the criminal case, with the first criminal charges on certain matters expected in the first half of 2023. At the same time, criminal investigations into certain projects have been partially discontinued.

COMPLIANCE WITH LAWS AND REGULATIONS

- **Total number of significant instances of non-compliance with laws and regulations in the area of business compliance during the reporting period:**

There were eight significant instances of non-compliance with laws and regulations in the area of corruption and anti-trust violations during the reporting year. These are reported under the section "Legal actions for anti-competitive behaviour, anti-trust and monopoly practices".

For none of these instances were fines or non-monetary sanctions incurred.

- **Total number and the monetary value of fines that were paid during the reporting period:**

No fines for significant instances of non-compliance with laws and regulations in the area of

business compliance were paid in the reporting year.

- **Description of the significant instances of non-compliance:**

With the exception of one incident, the significant instances of non-compliance in the 2022 reporting year are listed in the section "Legal actions for anti-competitive behaviour, anti-trust and monopoly practices".

- **Description of how the significant instances of non-compliance were determined:**

Non-compliance is determined through internal as well as external investigations. The incidents cited are not final and binding. Some cases are expected to be concluded in 2023.

Projects and initiatives

Experience has shown that a functioning BCMS not only has a positive impact internally, but also yields great advantages externally. This is one of the reasons why STRABAG pursues a corporate-wide certification process. Fair competition is one important component in this process. STRABAG wants to raise awareness of the issue not only among top management, but also among decision-makers at other levels. The past has shown that group managers in particular have comparatively broad decision-making authority but receive less training on this topic than the management level. For this reason, a separate group manager training course will be rolled out in an online format in 2023.

The sanctions list review also proved to be of great importance in 2022, not only for ourselves but also for our external stakeholders. We sharpened our criteria for the stakeholder review (see item "Internal Memorandum"), which we believe sends

a positive message to these stakeholders. We also conducted a stakeholder analysis during the reporting period in order to identify and better understand the needs and expectations of a variety of different parties. The stakeholder analysis is based on the criteria set out in ISO 37301.

- **Monitoring audit in accordance with ISO 37001 and ISO 37301**

Following STRABAG AG Austria's successful certification by **Austrian Standards to ISO 37001 and ISO 37301** for the prevention of cartel and competition violations and for combating corruption, and confirmation of the effectiveness of the compliance management system in the monitoring audits, the first-ever monitoring audit for corporate-wide certification was carried out in July 2022. The certification is divided into the three country clusters of Austria, Germany and the remaining

Group countries. The monitoring audit for Austria was completed in summer 2022.

Certification was awarded to STRABAG SE and all Austrian companies. The scope of the **certification in accordance with ISO 37001 and ISO 37301** again includes the issues of anti-corruption and cartel law. STRABAG SE was able to demonstrate the effectiveness of the Business Compliance Management System (BCMS) in all Austrian companies in order to obtain the certification. In a second step, all of STRABAG SE's German companies were audited and certified during the fourth quarter of 2022.

In the first half of 2023, all other companies of STRABAG SE will be reviewed for the effectiveness of the BCMS, so that corporate-wide certification of STRABAG SE can be expected in the middle of 2023.

- **Voluntary monitoring**

The **external monitoring** that was introduced in 2021 for the purpose of a sustained and continuous improvement of the STRABAG BCMS in Austria was concluded at the end of 2022. Over a period of two years, a monitoring team set up under the leadership of former Austrian State Secretary Brigitte Ederer and supported by recognised experts from certifier Austrian Standards had worked to ensure that the STRABAG BCMS was appropriately developed, effectively implemented and complied with in practice.

For this purpose, the monitoring team reviewed all relevant documents and conducted numerous interviews with the central divisions, central staff divisions and operating units of STRABAG AG Austria and F. Lang u. K. Menhofer Baugesellschaft m.b.H. & Co. KG of Division 3D STRABAG Building Construction and Civil Engineering and Transportation Infrastructures in Austria. The focus of the monitoring is:

- Organisation as well as assignment of tasks and activities of the Business Compliance central staff division including the Business Compliance Partners
- Evaluation of the business compliance training
- Access to the whistleblower platform

- Compliance with business partner review processes and anti-trust and competition law aspects, especially in the asphalt mixing plant business
- Compliance-related aspects with interfaces to internal audit, contract management and legal, human resources development, management support and project risk management

As part of the monitoring, a total of 226 interviews were conducted and 11 subdivisions were assessed on site. The monitoring concludes with a final report including recommendations to the Business Compliance division and the management of Division 3D.

- **Internal memorandum on the sanctions list review of business partners**

Following Russia's invasion of Ukraine, the Management Board decided that the Business Compliance central staff division should intensify its sanctions-related monitoring activities. As many natural and legal persons were included in the various sanctions lists, the risk-based parameters according to Management Directive 02 for the **business partner review** had to be tightened to ensure that STRABAG does not do business with any sanctioned person or company. For this reason, an internal memorandum on the sanctions list review of business partners was sent to all division and central division managements in March 2022. Business partners who fall under the parameters must be reviewed for inclusion on the various sanctions lists by a business compliance partner before a contract can be concluded.

- **Compliance Conny**

To communicate the criteria that must be fulfilled for a business partner review in a more understandable way, the Business Compliance division developed an online guide to assist the operating units on when a review is required. The app, called Compliance Conny, was made available in all Group languages in December 2022. All employees can access Compliance Conny via the intranet and determine whether a business partner review is necessary or not by answering a set of predefined questions.

- **Memberships**

STRABAG is a member of the **compliance working group of the Association of Industrial Construction Companies in Austria (VIBÖ)**.

Within the framework of the VIBÖ Collective Action Pact for fair competition and good conduct in the construction industry, a collegial exchange of experience on compliance processes in the member companies is planned to take place.

ENERGY AND EMISSIONS



Around 35% of global energy consumption and approximately 38% of the associated greenhouse gas emissions are attributable to the construction sector – both during actual construction and in the usage phase.¹ This makes the expansion of renewable energies and the reduction of energy consumption key factors in achieving our ambitious goal of becoming climate neutral by 2040.

STRABAG was faced with new challenges in terms of its energy and raw materials supply in the reporting year due to Russia's war against Ukraine. The consequences from the military conflict have led to distortions on the markets and in the supply chains. For STRABAG, however, the energy supply was secured at all times in all markets during the year under review. The noticeable increase in energy costs is due to the significant rise in prices on the energy markets.

In addition to the volatility on the energy markets, political regulations such as carbon pricing have

also had a direct impact on business operations. The mechanism of a continuously rising CO₂ price as an economic incentive to improve energy efficiency and substitute fossil fuels with renewable energy sources was already implemented by law in Germany in 2021. In Austria, this step was taken in 2022.

In order to meet these challenges with specific measures, the development of a corporate-wide **energy strategy** was launched in the reporting year. This strategy includes a constant increase of energy efficiency at our business locations, production facilities and construction sites as well as the continuous substitution of fossil fuels through the consistent expansion and use of renewable energies.

Having a climate-neutral energy supply is a relevant competitive factor for STRABAG and central to becoming climate neutral along the entire value chain by 2040.

Rules, responsibilities and due diligence

The corporate-wide **environmental and energy policy**, updated in 2020, lays the foundation for low-emission energy consumption. Due diligence processes are used to identify opportunities and risks at an early stage and help to fulfil the legal requirements of the climate and energy policy.

STRABAG's energy management is based on a set of tools to determine energy consumption and greenhouse gas emissions, on the one hand, while also developing and managing measures to increase energy efficiency and decrease greenhouse gas emissions, on the other. In an annual meeting of the energy officers, current energy issues from individual Group countries are discussed in order to identify areas for action and to drive forward the necessary activities. The corporate-wide energy and emissions management system is coordinated by the **Energy**

Steering Committee, which determines the strategic orientation of the energy management and reports annually to the CEO. On the basis of the corporate-wide energy data, energy experts at individual corporate entities formulate recommendations to the steering committee. Accordingly, operational targets for energy consumption and CO₂ emissions are defined and relevant measures are set throughout the Group. An energy management system certified to the international standard ISO 50001 was rolled out at corporate entities responsible for around 69% of the output volume. Additional local measures and audits for energy management cover a further approximately 9% of the output volume in the Group countries. Driven by the energy efficiency legislation in our markets, we can reduce energy consumption and the associated greenhouse gas emissions and so achieve cost savings.

¹ UN Global Status Report for buildings and construction 2020 https://globalabc.org/sites/default/files/inline-files/2020%20Buildings%20GSR_FULL%20REPORT.pdf (retrieved on 21 February 2023)

Objectives and indicators

It is our explicit goal to reduce the negative impact of our business activity on the environment and so contribute to the transition towards a sustainable economy. To achieve this goal, we give priority to those issues that either promise the greatest potential for improvement or that we can influence most directly through our own actions. We are working to reduce fossil fuel consumption through the use of the best available technology. Production processes are planned, implemented and controlled in an energy-efficient manner.

The energy and CO₂ data for the Group are systematically captured and analysed using **CarbonTracker**. The software was developed in-house and has been used and regularly updated since

2012. Based on this information, we are developing concepts to reduce the use of fossil energy sources and lower the resulting greenhouse gas emissions in the long term through more efficient conventional or innovative machines.

The Group's most important energy source is fuel, which accounts for about 67% of the total energy costs and therefore holds the greatest potential for savings for the Group. **FuelTracker**, which was developed analogously to CarbonTracker, allows us to analyse the fuel use of the STRABAG passenger car and commercial vehicles fleet. The figures have served, among other things, as the basis for the fuel-saving challenge "Ready. ECO. Go!"

ENERGY USE WITHIN THE GROUP¹

Form of energy	Unit	2018	2019	2020	2021	2022
Fuel	MWh	1,976,423	1,986,883	1,732,783	1,754,901	1,961,591
Gas	MWh	497,899	430,143	332,625	428,683	416,171
Heating oil	MWh	172,550	165,764	142,857	151,406	153,519
Pulverised lignite	MWh	481,787	481,235	500,732	503,083	475,975
Total fuel consumption from non-renewable sources	MWh	3,128,659	3,064,026	2,708,997	2,838,073	3,007,256
Electricity	MWh	477,286	432,755	411,441	394,859	417,340
thereof green electricity ²	MWh (%)	n. a.	n. a.	26,700 (6)	100,837 (26)	96,366 (23)
District heating	MWh	44,802	48,826	42,665	41,645	42,806
Total	MWh	3,650,747	3,545,607	3,163,103	3,274,577	3,467,402

THE CARBON FOOTPRINT IN THE GROUP³

The carbon footprint for the 2022 financial year refers to the Group's full scope of consolidation and includes the emissions caused in 66 countries. Within the Group, a total of 809,104 t CO₂ (813,242 t CO₂e) were emitted directly by the company in the year under report (Scope 1), with an additional 174,419 t CO₂ (175,191 t CO₂e) attributable to electricity and district heating use (Scope 2)⁴.

In 2022, work was carried out on the calculation of the Scope 3 emissions by comprehensively testing the ERP system for Scope 3 calculation requirements. Based on the findings, it was decided to extensively adapt the ERP system to be able to calculate valid Scope 3 emissions along the entire value chain. The reporting of Scope 3 emissions is therefore being established step by step.

1 Currently, the energy data is derived from the prices taken from our internal accounting. Only the data for pulverised lignite is acquired on a volume basis. Energy costs are converted into quantities using the average prices from the following sources: Eurostat for electricity and natural gas; the European Commission's Weekly Oil Bulletin for diesel, petrol, heating oil/fuel oil and LPG. Prices are also taken directly from invoices. The energy units are converted to MWh (analogue to calorific value) using conversion factors from the following sources: German Federal Ministry for Economic Affairs and Climate Action (BMWK) for fuels and heating oil; supplier data for pulverised lignite.

2 This concerns the purchase of green electricity in Austria and Germany within the framework agreements (approx. 80% of the total electricity consumption in the respective countries).

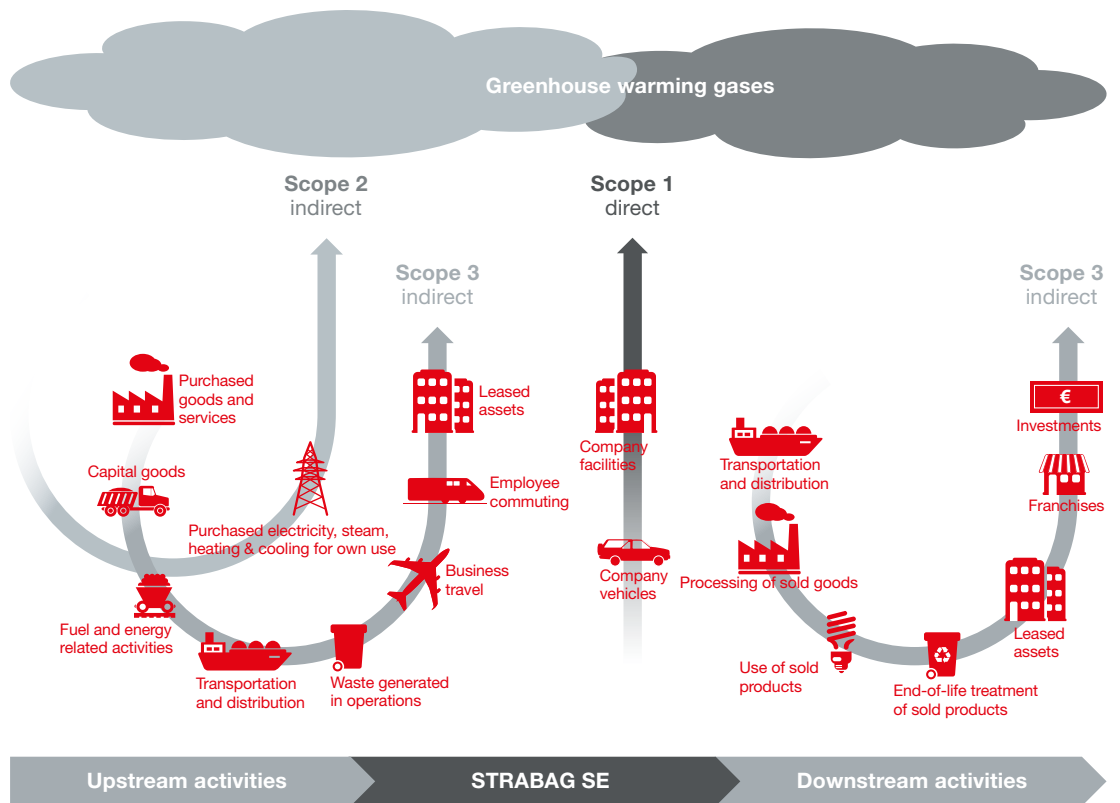
3 The emissions are reported in Scope 1 and Scope 2 in accordance with the definition of the Greenhouse Gas Protocol. Since 2020, emissions have been reported in the units CO₂ and CO₂ equivalent (CO₂e, includes CO₂, CH₄ and N₂O). Scope 1 emissions are calculated based on the standard unit of calorific value (kWh) using the conversion factors from the IPCC 2006 Guidelines for National Greenhouse Gas Inventories. For pulverised lignite, factors from the local suppliers were additionally used. Scope 2 emissions for electricity and district heating have been reported separately since 2020 using market-based and location-based methods. Where district heating data was not available for a certain country, the Group average value derived from the available data was used. For the market-based calculation, CO₂ emission factors from our local electricity tariffs are used. If market-based factors are not available, location-based factors are used.

4 The calculation is made using the location-based method. The Scope 2 emissions according to the market-based method amount to 147,120 t CO₂ (148,454 t CO₂e).

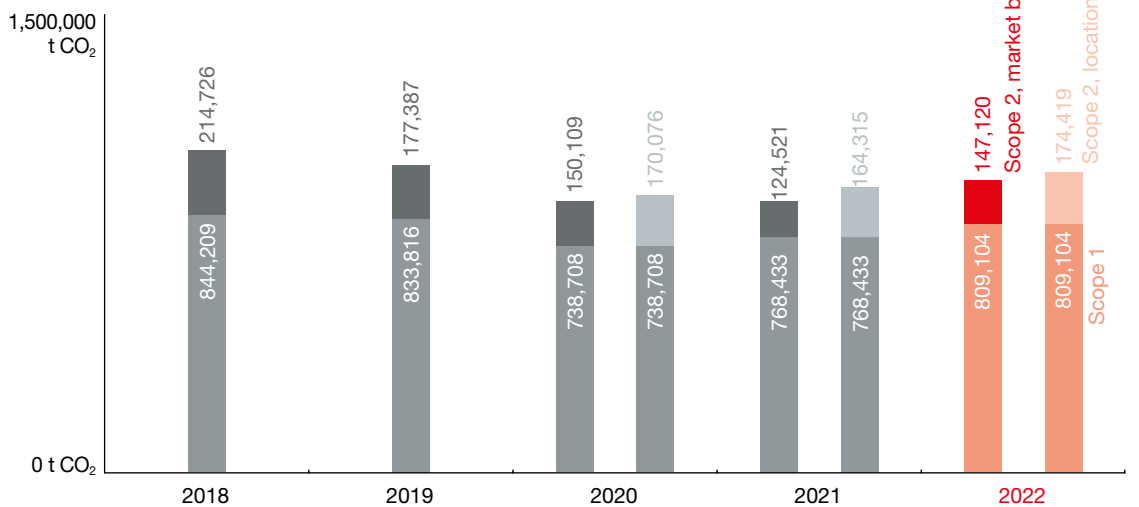
The increase in the absolute values of carbon emissions results from a strong increase in output. Measured in relation to output, however, CO₂ intensity continues to decline. Slightly more than half of the CO₂ emissions in the Group result from the use of fuels, mainly diesel. This is followed by pulverised lignite and electricity with 17% and

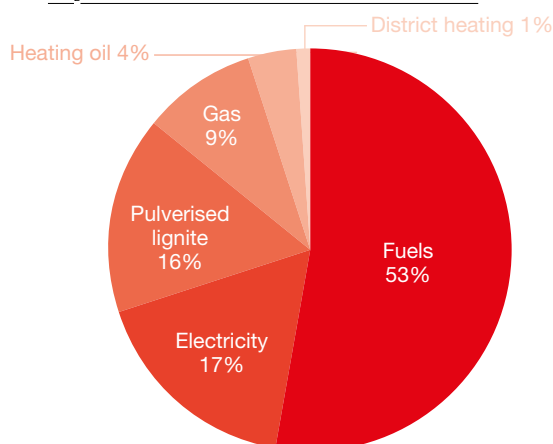
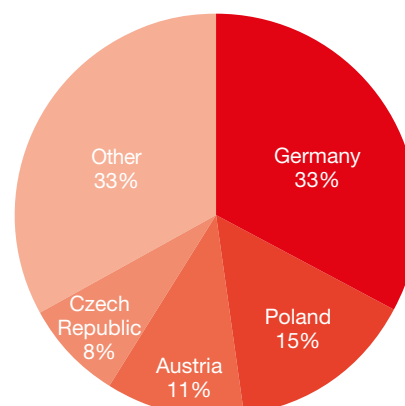
17%, respectively. Germany, Poland, Austria and the Czech Republic together are responsible for the greatest share of these emissions (approximately 67%). With 75%, these countries also accounted for the greatest share of the Group's output volume in 2022.

THREE SCOPES



EMISSIONS OF THE STRABAG GROUP



CO₂ EMISSIONS BY ENERGY SOURCE IN 2022CO₂ EMISSIONS BY COUNTRY IN 2022¹

Indicators

Energy consumption and CO₂ intensity in the relevant energy consumption categories

- Vehicle fleet²:
 - All diesel-powered passenger vehicles in Germany and Austria: 5.79 l/100 km (-2.29%) and 155 g CO₂/km (-2.29%)
 - All diesel-powered commercial vehicles in Germany and Austria: 9.16 l/100 km (-1.22%) and 245 g CO₂/km (-1.22%)

Objective: energy efficiency increase of at least 1% over the previous year

Note: The decrease in fleet consumption this year is the result of corporate-wide awareness-raising campaigns, including the “Ready. ECO. Go!” fuel-saving challenge.

- Asphalt mixing plants in Germany: 92.60 kWh per tonne of asphalt mixture produced (-5.12% year-on-year) and 29.80 kg CO₂ per tonne of asphalt mixture produced (-4.49% year-on-year)

Objective: energy efficiency increase of at least 1.3% over the previous year

Note: This year’s reduced consumption at the asphalt mixing plants is attributable to the more even utilisation of production capacities.

Projects and initiatives

For economic and environmental reasons, the topic of energy and the resulting greenhouse gas emissions are of great importance to STRABAG. In the 2022 financial year, the energy costs for the companies within STRABAG SE’s scope of consolidation amounted to € 406.83 million (2021: € 282.86 million). The increase in energy costs compared to the previous year results, among other things, from a not insignificant increase in output together with the disproportionate rise in energy prices.

Energy savings and emission reductions are achieved by increasing energy efficiency and using renewable energy sources. This includes, among other things, measures to optimise the

electricity consumption of buildings, construction sites and production plants as well as the evaluation of alternative fuel use in asphalt production.

To help improve employee involvement in sustainability matters, the company launched a fuel-saving initiative this year called “Ready. ECO. Go! The STRABAG Fuel Save Challenge”. Various divisions whose data quality in the FuelTracker makes it possible to measure their achievements and who have a minimum number of five passenger cars and/or commercial vehicles in their fleet, are taking part in this corporate-wide challenge. All company cars and commercial vehicles ≤3.5 t are taken into account. The year-on-year percentage savings in average fuel consumption are compared

¹ The graph was created using the location-based calculation method. Up to and including 2019, market-based emissions were used.
² Only diesel is taken into account, as petrol is used mostly to operate small equipment.

among the participants in the challenge. In the main competition, which ran from 1 May 2022 to 31 December 2022, the most successful fuel

savers received a portion of their cost savings to donate to a charitable or non-profit organisation of their choice.

SUSTAINABLE CONSTRUCTION

Rising energy prices, the increasingly noticeable impact of climate change, and rapid urban growth present the construction industry with new challenges. Buildings are no longer optimised solely according to investment criteria; instead, criteria relating to life cycle costs, quality and resource efficiency are becoming increasingly important as well.

Taking a building's entire life cycle into account, the proportion of **energy-related greenhouse gas emissions is highest in the operating phase.**¹ Against the backdrop of increasing energy standards leading to decreased emissions in the operating phase, however, the grey emissions generated during the production of building materials for the building's construction are also becoming increasingly important. Accordingly, STRABAG is working to develop methods for calculating an end-to-end carbon footprint that covers all project phases. Meanwhile, the business field Reconstruction, Conversion and Refurbishment is also becoming increasingly important, as a large part of the construction-related greenhouse gas emissions can already be avoided in this way.

We have the technical know-how and the necessary experience to design and construct sustainable buildings. In addition to consultation, planning and execution, we also conduct audits of new and existing buildings in accordance with the established certification systems and can fully cover all the necessary design-and-build services within the Group.

We base our assessments on both public certification systems such as the EU Taxonomy as well as private organisations such as **Leadership in Energy and Environmental Design (LEED)**, the **German Sustainable Building Council (DGNB)** and the **Austrian Sustainable Building Council (ÖGNI)**. In 2022, projects within the Group were monitored by seven certified internal DGNB auditors as well as additional external auditors.

The new STRABAG Innovation Center at Albstadtweg in Stuttgart was completed and occupied in 2022. Special attention was given to resource-saving building materials, energy-efficient technologies and digital construction processes.² In addition to the use of carbon-neutral in-situ concrete in the construction phase and the implementation of a comprehensive photovoltaic system on the roof, the entire building was laid with cradle-to-cradle certified carpet tiles.

¹ World Green Building Council: Bringing Embodied Carbon Upfront, <https://www.worldgbc.org/embodied-carbon> (retrieved on 29 November 2022)

² STRABAG – Innovation Center Stuttgart (2022) https://work-on-progress.strabag.com/site/sustainability/get/params_E-520843279_Dat-tachment/189768/Innovation_Center_EN_22_11_Web.pdf (retrieved on 22 January 2023)

MATERIALS



Economic growth, the global population increase and the necessary adaptations to climate change are stimulating the construction and maintenance of buildings and infrastructure. This requires considerable volumes of raw materials, such as **sand**, **gravel** or quarry **stone**. The annual demand for these natural aggregates in the construction industry amounts to approximately 2,105 million tonnes¹ in the European Union alone and represents the largest flow of raw materials in the EU.

Through the continuous mining of **primary raw materials** for the production of building materials and their disposal at the end of a building's usage phase, the construction sector strongly interferes with existing ecosystems. This type of interference can have long-term negative consequences that threaten our environment as well as STRABAG's business foundation.

Although intra-European production of mineral building materials almost completely covers the demand, their extraction may soon come up against environmental, social and economic limits. Increasing construction volumes, land competition, social conflicts and the potential for sand and gravel shortages in some parts of the world could quickly lead to economic bottlenecks in supply.¹ Increasing the resource efficiency of our building materials and of the buildings themselves, and exploiting the recycling potential of the building materials used, will reduce our material use and thus counteract the projected increase in demand for raw materials in the coming years.

At the end of a building's service life, we strive to reuse the materials in other buildings to the same extent and to exploit the **recycling potential of building materials** as much as possible. Research and development in the field of alternative materials is helping to drive the process of replacing scarce resources and environmentally harmful building materials in order to mitigate our environmental

impact – both in material extraction and material disposal. In addition, the environmental impact assessments carried out in connection with certain public and private construction projects are focusing increasingly on the issues of wildlife protection, biodiversity and environmentally compatible demolition planning.

By producing the relevant building materials in-house, STRABAG can minimise risks from volatile markets and offer customers a range of services that covers the entire value chain in the construction sector.

Our architecture business unit, our strategic focus and our innovative strength prepare us for the growing demand for resource-saving services and products. As a general contractor, one of our core competencies is to integrate various trades across different **stages of the life cycle**. As such, we are familiar with the entire value creation process of a construction project and can design and build across the life cycle. This allows us to promote the idea of sustainability with the best possible technical solutions and the early interconnection of all involved.

The Group's central division TPA organises an annual get-together to share experiences in construction technology, in which employees from the entire Group are invited to take a closer look at some of STRABAG's construction projects. The event helps to strengthen the exchange of information on planning and development and to promote new insights within the Group. Temporarily suspended in 2022, the STRABAG construction experience exchange took place for the 24th time in March of 2023.

STRABAG wants to become climate neutral along the entire value chain by 2040. Responsible handling and the use of innovative carbon-optimised materials play a key role in achieving this goal.

¹ European Commission – Study on the EU's list of Critical Raw Materials (2020); Non-Critical Raw Materials Factsheets, https://rmis.jrc.ec.europa.eu/uploads/CRM_2020_Factsheets_non-critical_Final.pdf (retrieved on 23 November 2022)

Rules, responsibilities and due diligence

The corporate-wide environmental and energy policy, updated in 2020, lays the foundation for resource-efficient action. Integrated due diligence processes help to identify opportunities and risks at an early stage and ensure compliance with legal requirements.

Within the Group, the subject of the environment is handled by the Integrated Quality Management (IQM) team. To properly address matters of the environment, an environmental management system certified to ISO 14001 has been introduced in nearly all Group countries.

These countries cover 88% of STRABAG's output volume. Regional experts monitor compliance with environmental protection requirements through on-site inspections and report to the responsible management level on environmentally relevant factors such as the use of materials and products with regard to orders and investments. The limited availability of selected materials and the associated potential price risks are evaluated and addressed on an ongoing basis as part of the project risk management.

Objectives and indicators

It is our declared goal to keep the negative impact that our business activity has on the environment as low as possible. To do so, we give priority to those issues that promise the greatest potential

for improvement and which we can directly influence through our own actions, such as the continued development of processes and technologies for resource- and energy-efficient structures.

Indicators

We report the five **largest material flows** by volume, showing materials that are used to produce our products and provide our services. The reported materials all come from non-renewable sources.

Data for renewable materials such as wood are currently not available. For this reason, no indicators can be presented for renewable materials at this time.

MATERIALS USED¹

Material	Unit	2018	2019	2020	2021	2022
Stone/gravel	thousands of tonnes	68,650	70,410	69,960	64,790	59,991
Asphalt	thousands of tonnes	13,985	13,270	12,745	12,715	12,056
Concrete	thousands of m ³	5,746	5,519	5,089	4,775	5,154
Cement	thousands of tonnes	1,669	1,642	1,739	1,555	1,239
Structural steel	tonnes	478,290	476,901	447,213	444,698	463,853

Percentage of recycled asphalt used in the production of asphalt mixture in Germany, Austria and Poland (combined share of group output approx. 70%):

- Germany: 35% of total asphalt mixture production of 3,036 thousand tonnes (2021: 34% of 3,076 thousand tonnes)
- Poland: 33% of total asphalt mixture production of 2,268 thousand tonnes (2021: 36% of 2,513 thousand tonnes)

- Austria: 20% of total asphalt mixture production of 1,077 thousand tonnes (2021: 19% of 1,360 thousand tonnes)

Objective: We aim to increase the recycling share in our materials and also follow client demands in the process.

The percentage of recycled products and their packaging materials in our products is not reported because it does not apply to STRABAG's business activities. As a general contractor in the construction industry, our products are structures, on the one hand, and the building materials with

¹ The volumes were calculated from the average prices.

which we build these structures on the other. These structures usually have a service life of several decades. Our services also include the renovation, demolition and dismantling of existing structures that were not originally built by STRABAG. The percentage of recycled products

and their packaging materials in our products sold within the reporting period is therefore neither significant nor meaningful enough to measure the degree of sustainability in relation to raw materials used.

Projects and initiatives

Our **3DLight OnSite** research project aims to advance 3D printing using lightweight concrete and to make the process more flexible. The 3D printing robots used in this project are mobile and can be synchronised with each other to print walls directly on the construction site using concrete variants that are more environmentally friendly than classic alternatives. The special lightweight construction method for 3D concrete printing works with structures similar to honeycombs and ensures significant savings in material use, as the printers inject the concrete only where it is structurally needed. As a result, additive manufacturing offers maximum stability despite the low amount of material used. These benefits can reduce the carbon footprint by up to 50% compared to conventional walls.¹ 3DLight OnSite is funded by the German Federal Ministry of Economics and Climate Protection (BMWK) and forms part of the Lightweight Construction Technology Transfer programme. Digital manufacturing methods, such as those used in 3DLight OnSite, enable the further recycling of building materials in the spirit of urban mining. The building materials are also easier to track, allowing them to be sustainably dismantled into their individual components for use as secondary raw materials in new projects.

Renewable raw materials are becoming increasingly important in the construction industry. Our subsidiary ZÜBLIN Timber recently demonstrated its expertise in sustainable construction with wood with a **new building at Witten/Herdecke University**, one of the most sustainable university buildings in Germany today. The new building, realised using the timber hybrid construction method, not only features wood as a renewable material,

but also has a flexible and changeable room layout. The project fully exploited the structural and engineering potential of the material. Every cubic metre of the 1,382 m³ of wood used in the construction comes from sustainable forestry sources and can bind one tonne of climate-warming carbon dioxide from the atmosphere.² The building was awarded BNB silver certification for sustainable construction by the German Federal Ministry for Housing, Urban Development and Building.²

The contribution to resource conservation made by the projects presented here is evaluated and guaranteed by environmental calculations carried out in parallel. We also want our own buildings to serve as an example of responsible material use and as a source of knowledge and expertise for our clients. In this context, the renovation of a corporate building on the **STRABAG Campus in Stuttgart** is an ideal opportunity to demonstrate sustainable materials management in conjunction with high-quality waste recycling. The office building is to be modernised and returned to use in accordance with the “Sustainable Building Quality Seal” awarded by the German Federal Ministry of Housing, Urban Development and Building. Concepts for the inventory and reuse of building components are currently being developed during the planning phase. If certain building components cannot be reused, recycled materials from other sources are to be employed wherever possible. The planning engineers are also taking into account the possibility of upcycling and reusing the materials at the end of their service life as a way of closing the material cycles and reducing the amount of material used.

1 STRABAG – 3DLight OnSite (2022); https://work-on-progress.strabag.com/site/sustainability/get/params_E-1170782889_Dattachment/180391/3DLight_OnSite_EN_22_11_Web.pdf (retrieved on 21 December 2022)

2 STRABAG – Witten/Herdecke University (2022); <https://work-on-progress.strabag.com/en/carbon-emissions/wittenherdecke-university> (retrieved on 21 December 2022)

WASTE AND CIRCULARITY

The construction industry is one of the most resource-intensive sectors in the world: Raw materials are mined, used in construction and, after their usage phase, largely disposed of in landfills. The volume of waste that is generated as well as the pollutants that are contained within that waste impact the environment in a variety of ways. Intensifying our waste avoidance measures is therefore a crucial element of STRABAG's waste management. Where possible, we give preference to quality treatment solutions such as preparation for reuse and recycling over other methods of recovery such as downcycling. We also ensure that any third parties we work with in our waste management are certified in accordance with the respective national standards.

As raw materials are a finite resource, it is particularly important in the construction sector to focus increasingly on **using secondary raw materials** to the extent that they are available. In this context, STRABAG is pursuing various approaches, based on the EU waste hierarchy,¹ to use our resources as efficiently as possible.

Mineral construction waste, such as excavated soil and stones, building rubble and road debris, accounts for the largest share of construction-related waste streams in terms of volume. Avoiding, or efficiently separating, collecting and reusing this waste, is the necessary response both to the increasing economic scarcity of resources and in terms of environmental protection. We are continuously stepping up the use of secondary raw materials and increasingly striving for a circular reuse of building materials. The ongoing networking of our construction sites with one another ensures a better match between supply and

demand for building materials, thus also reducing the volume of waste. Expanding our in-house **processing facilities** also gives STRABAG more control over our own material flows, enabling us to make better use of optimisation potential in material flow management.

The ongoing reduction of landfill capacities is leading to bottlenecks in the disposal of waste and at the same time increasing costs. We are countering this risk by expanding our **proprietary landfill capacities** and recycling waste in the aforementioned in-house processing facilities.

The more stringent waste legislation at the national and international level requires us to improve the documentation of our waste streams. The data basis this creates enables us to optimise waste separation in order to use even higher-quality waste treatment processes.

In addition to the more rigorous legal requirements, our clients are also increasingly demanding a sustainable approach to raw materials and waste streams. This development is reflected among public-sector clients, who are responding to the changed legal basis, and among private clients, as a result of the increased importance of circularity and the circular economy in the public discourse.

With these measures, STRABAG is doing its part to support the **EU's Circular Economy Action Plan**, which aims to promote the principle of circularity, including waste avoidance and the development of markets for secondary raw materials.

Rules, responsibilities and due diligence

STRABAG's business activities are highly varied, and the standards for handling waste and secondary raw materials are equally diverse. In general, we divide waste streams into the following categories: construction sites, production facilities, administrative buildings and specialised waste management operations. In terms of volume, construction sites rank well ahead of production facilities and administrative buildings. Since the

latter have very little potential for waste management, we are focusing on construction sites and specialised waste management operations for the acceptance and treatment of mineral waste. In each individual waste stream category, we comply with the respective national environmental regulations and implement internal group waste guidelines specific to each country in which we operate. In addition, STRABAG is pursuing

¹ European Commission – Waste Framework Directive (2023); https://environment.ec.europa.eu/topics/waste-and-recycling/waste-framework-directive_en (retrieved on 10 March 2023)

a **corporate-wide environmental and energy policy** based on the principles of minimising raw material use, avoiding waste and recycling.

The issue of waste is an integral part of STRABAG's environmental management system. This system is regularly reviewed and audited both internally and externally and around 96% of STRABAG's entities are certified to ISO 14001 or EMAS. In accordance with the respective regulatory requirements, waste management officers have been

appointed at our facilities and specialised waste management operations. These officers are responsible for the implementation of the national laws and regulations regarding the handling of waste and hazardous substances and the use of recycled and secondary raw materials. Here, too, compliance with the regulations and legal conformity is regularly reviewed both internally and externally through audits in accordance with the applicable management systems.

Objectives and indicators

The largest waste streams in the Group result from mineral construction waste. Waste from production and administrative sites as well as non-mineral construction waste passed on to certified specialist waste management companies play a subordinate role. This is due to the individual production that is typical in the construction sector, which distinguishes the sector from other branches of industry. The total amount of waste depends on the size and type of the construction project (e.g., buildings, transportation infrastructure, dismantling work, excavations, recycling activities) and on quality specifications. Since these specifications are determined by third parties, STRABAG has only limited influence on them. In this management approach, the total quantity is therefore not defined as a controllable variable. Instead, our goal is to direct the main waste streams towards avoidance or transitioning to a circular economy in the future. STRABAG's goal is to reduce the environmental impact associated with resource consumption and waste streams and to promote a resource-efficient circular economy. In the future, we will measure these aspects with the indicators listed in the table below:

- **Handled waste** includes mineral waste that STRABAG accepts/processes in the course of its project business and in its own waste and recycling management centres and processing sites and feeds into the various streams of preparation for reuse, recycling or other processes for recovery and disposal.
- **Disposal** includes all processes that do not serve recovery. Mineral waste that is diverted from disposal includes waste that is prepared for reuse, recycled and entered into other recovery processes.
- **Preparation for reuse** includes the use and treatment of mineral waste that is prepared for reuse with the same purpose as originally intended. This includes processes such as direct reuse or washing, screening and sorting.
- **Recycling** refers to the reprocessing of mineral waste in order to obtain new materials that are returned to the production cycle.
- **Other recovery processes** comprise all other recycling methods.

MAIN WASTE STREAMS IN 2022 (IN TONNES)¹

	Total handled waste (input)	Waste forwarded for disposal		Total	Waste diverted from disposal					
		On site	Off site		Preparation for reuse		Recycling		Other recovery processes	
Total waste	8,774,276	4,662,750		4,844,419	219,525		167,082		4,457,812	
Hazardous	490,241	347,763		183,001	0		2,501		180,500	
		On site	Off site		On site	Off site	On site	Off site	On site	Off site
		2,441	345,322		0	0	2,501	0	178,909	1,591
Non-hazardous	8,284,035	4,314,987		4,661,418	219,525		164,581		4,277,312	
		On site	Off site		On site	Off site	On site	Off site	On site	Off site
		62,360	4,252,627		0	219,525	163,264	1,317	2,207,887	2,069,425

The data in the table comprise the values from the corporate entities in Austria and from projects and orders in Germany which the Environmental Technology and Recycling subdivisions were responsible

for in the reporting year. Local legislation requires these entities to report their waste streams. Data collection and recording is to be extended to other Group entities in the future.

Projects and initiatives

The implementation of the idea of waste and circularity is based on the networking of our corporate entities and the digital documentation of our waste streams.

In order to promote the further exchange of secondary raw materials within the Group, a GIS application was developed on the basis of STRABAG.Maps with the aim of improving the **coordination of the construction sites with each other** and with various recycling and recovery points. The aim is to find a way for high-quality reuse or recycling of the accumulated mineral construction waste and residual materials or, if this is not possible, an optimal disposal route.

To help us avoid waste and to recycle used materials, we launched an initiative in 2021 to improve and continuously expand the database and to integrate additional countries in which we operate into the evaluation. This initiative was transferred into a project proposal in 2022 to create the necessary framework for the collection and management of waste streams. Networking our construction sites and material flows, including locations for quality recycling, should help minimise resource consumption while increasing the use of secondary raw materials.

To achieve STRABAG's strategic goal of becoming climate neutral along the entire value chain by 2040, and to conserve primary raw materials, STRABAG is planning to establish a **Circular Construction Center** in Bremen for the production of high-quality secondary raw materials. Already during site remediation, recyclable building materials will be selectively extracted from the existing waste for later use, for example as a base course at the site of the Circular Construction Center. A rainwater collection system will enable the construction waste processing and the sanitary facilities to be operated without additional water use. The goal of the facility is to recycle demolition materials and concrete for high-quality reuse in order to make the use of new raw materials obsolete. Another objective is to work with partners from research and the start-up scene to find new materials that have not previously been recycled and to achieve market maturity for even the finest grain sizes.² The aim is to create a fully-fledged substitute for gravel and primary raw materials that can be used in asphalt and concrete production. With these projects, STRABAG aims to establish important material cycles within the Group.

¹ Locations include all organisational units within STRABAG's area of responsibility, such as construction sites, handling centres and production sites

² STRABAG – Recycling, research and circular economy park (2022); <https://work-on-progress.strabag.com/en/materials-circularity/circular-construction-technology-center-bremen-c3> (retrieved on 24 November 2022)

RISK AND OPPORTUNITY MANAGEMENT – PROJECT RISK MANAGEMENT

Why manage risks and opportunities?

Look not only at the macroeconomic development, but also – and above all – at a construction company's risk management system!

The STRABAG Group encounters many different risks and opportunities in the course of its business activities. These risks are systematically identified and assessed using a proactive risk management system and managed in a consistent and goal-oriented manner through an appropriate risk management policy. This risk management policy is an integral part of the management system and describes a set of fixed principles and responsibilities for risk management and how to deal with the material risk categories.

When capital market participants or suppliers analyse and assess a company in the construction sector, the forecasts for the macroeconomic development of the individual markets are usually of great importance to them. Of course, our business is influenced by economic growth and public

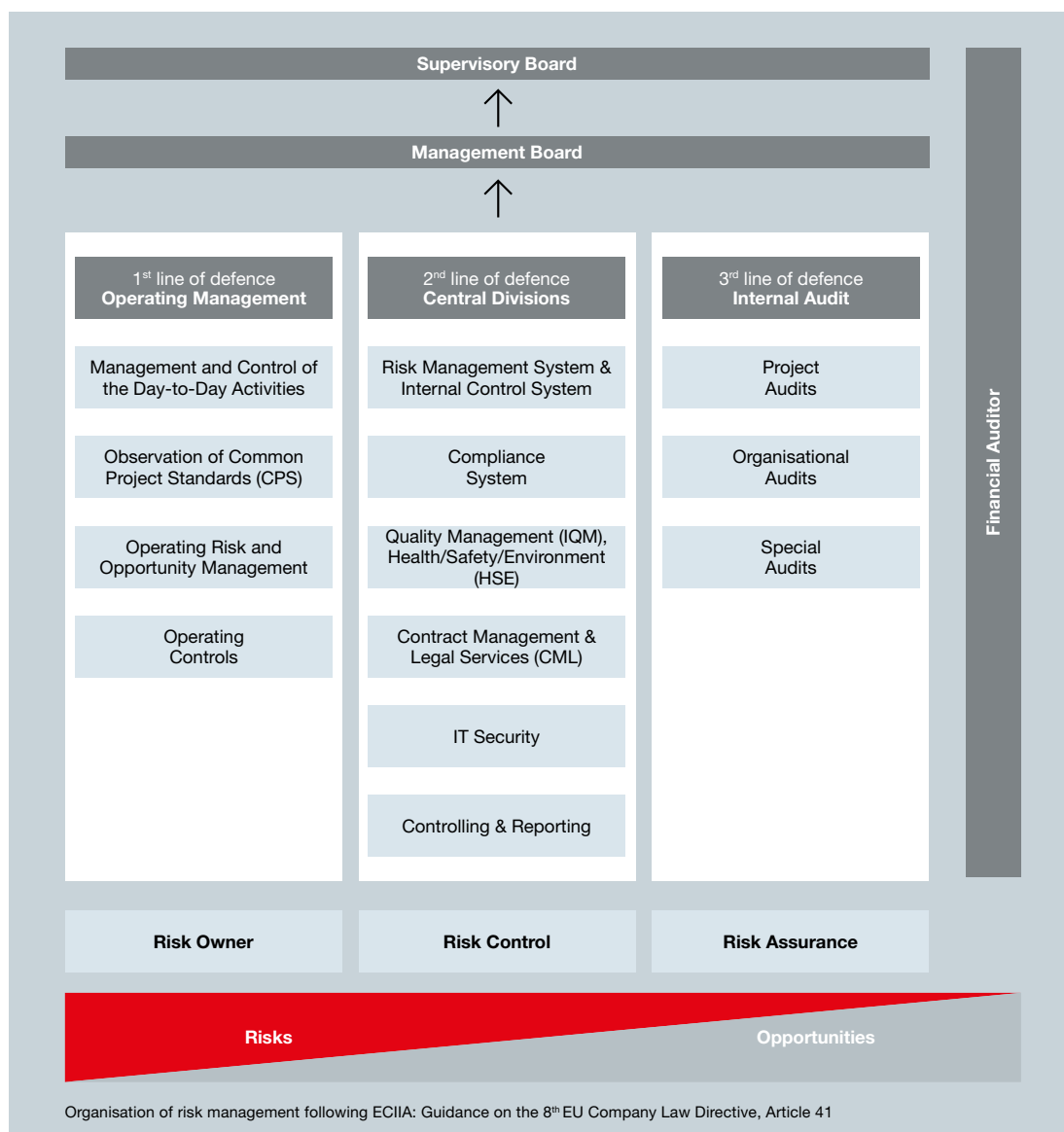
spending; at least as important, however, is a construction company's risk management. After all, the large number of unique projects translates into an increased risk potential. Keeping this under control requires a focused organisational structure with clearly defined responsibilities and effective instruments for an active risk and opportunity management. Such a system is also a competitive advantage that is difficult for the competition to copy – it can only be established over the long term.

Managing risks and opportunities is part of the daily work at STRABAG. Additional information can therefore be found in the Management Report under "Risk Management", "Financing/Treasury" and "Order Backlog" or in the Consolidated Corporate Governance Report.

Rules, responsibilities and due diligence

To ensure a responsible and proactive approach to risks and opportunities, we have integrated a comprehensive **risk management system (RMS)** with an **internal control system (ICS)** in our management system on the basis of the internationally recognised COSO Enterprise Risk Management Framework (COSO: Committee of Sponsoring Organizations of the Treadway Commission). Risk management is a **core task of the management** with responsibility at the respective

management level. The organisation and responsibilities for the risk management are determined according to the three lines of defence approach supported by the European Confederation of Institutes of Internal Auditing (ECIIA). This end-to-end corporate governance model applies to all disciplines of risk management and establishes clear roles and responsibilities for risk management to ensure a functioning and efficient control and monitoring framework.



The **first line of defence** is the operating management, which has responsibility for identifying, analysing, assessing, managing and monitoring risks and opportunities. As **risk owner**, the operating management is responsible for establishing preventive measures to avoid or mitigate risks, for taking advantage of opportunities that arise in the day-to-day business and for ensuring that all activities coincide with the company objectives.

The **second line of defence** supports the operating management in **risk control** as well as in further developing the risk management system and the internal control system. This includes the central functions for risk management, compliance, quality management, health/safety/environment (HSE), IT security, and controlling and reporting. The central divisions establish standards, methods and processes for the risk management along with related standards and guidelines, manage and monitor their implementation in the operating areas, report

periodically to the company management and review the level of sophistication and further development of the management system.

The **third line of defence** comprises the internal audit department as an objective and independent audit and consulting entity for **risk assurance**. The internal audit department supports the company management, the operating management and the monitoring entities in early risk recognition and reviews the effectiveness of the measures established to minimise or avoid risk.

Complementing the above, the **financial auditor**, as part of its annual audit activities, assesses the effectiveness and efficacy of the risk management system and the internal control system and so supports the ongoing monitoring of the efficiency of the three lines of defence. The essential success factors of our integrated governance system are explained below:

#1 – MANAGEMENT SYSTEM WITH ASSOCIATED POLICIES AND RULES

The management system of the STRABAG Group is described with the associated policies in the Management Manual and is documented with

superordinate and subordinate rules. The rules apply across the Group and have been translated and communicated in all relevant languages.

#2 – ORGANISATIONAL STRUCTURE WITH CENTRAL ENTITIES

The management of the risks and opportunities receives significant support from the Group's organisational structure. The uniformity of the organisation creates economies of scale and results in efficient controlling and reporting. Under the roof of the parent company STRABAG SE, a number of legally independent subsidiaries are active in their respective national markets. The top level of organisation are the segments North + West, South + East, International + Special Divisions and Other (central divisions and central staff divisions), each of which is headed by at least one member of the Management Board.

The STRABAG SE **Management Board** is the Group's top management body. It is responsible for maintaining the financial balance of the Group and determines its strategic goals. The Management Board regularly discusses matters of corporate responsibility and sustainability. During the execution of these tasks, the Management Board is supported by the **divisions** as well as by the central divisions and central staff divisions (service companies).

The division managers coordinate and steer their subdivisions and report directly to the member of the Management Board responsible for their division. They manage their business independently and on their own responsibility within the framework of the Group's business policy. It is their responsibility to reach the objectives laid out in the strategic and operational planning and to realise the specified individual measures.

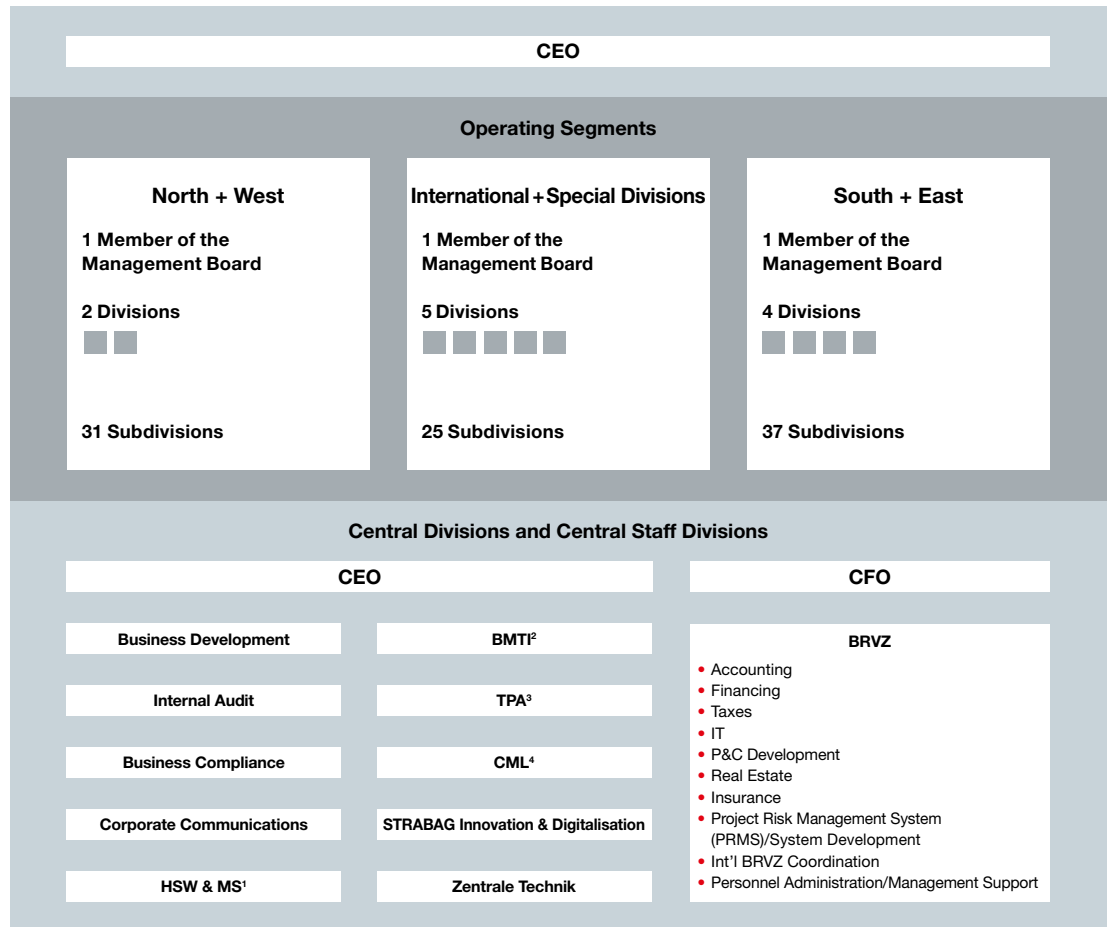
The operating business is managed by the **subdivisions**, which in turn are organised into individual business units. They are responsible for the greatest possible success in their regional markets or business fields and are managed by the superordinate division managers.

The **central divisions** handle the Group's internal services in areas such as accounting, financing, taxes, IT, people & culture development, real estate, insurance, project risk management and system development, international BRVZ coordination, personnel administration and management support, equipment and vehicle management, technical consultation, quality assurance, innovation management, health and safety, integrated management systems¹, prequalification, contract management and legal services, innovation and digitalisation, and business development². As competence centres, the central divisions support the operating units so these can concentrate on their core business and deliver their services to the clients in an efficient manner. The **central staff divisions**, which report directly to the CEO, are responsible for internal audit, corporate communications and business compliance.

While important decisions at the Management Board level are made during regular board meetings, the **four-eyes principle** applies at the levels below. For us, this dual management structure ensures efficient risk management and foresees that responsibility is largely assumed jointly by one technical and one commercial manager.

¹ As of 1 January 2023, activities in the field of health and safety and integrated management systems have been combined in the new central staff division Health Safety Wellbeing & Management Systems (HSW & MS)

² As of 1 January 2023, this subdivision reports directly to the CEO.



1 HSW & MS: health, safety & wellbeing, integrated management systems
 2 BMT: equipment and vehicle management
 3 TPA: technical consultation, quality assurance, innovation management
 4 CML: prequalification, contract management and legal services

Last updated: 1 January 2023

#3 – PROJECT SELECTION AND INTERNAL PRICE COMMISSIONS

Project risks often have their origin long before contract signing. In order to recognise significant risks and opportunities at an early stage, we select projects before participation in a prequalification phase or before the start of bid processing on the basis of defined criteria and disclosure thresholds. Especially with large projects, the management can set framework conditions for the further

bid processing and for the early inclusion of specialists from the central divisions and central staff divisions. When defined disclosure thresholds are exceeded, a bid, before it is submitted, must be closely reviewed and approved by internal **price commissions** composed of members from various hierarchy levels depending on the project size.

#4 – MANAGEMENT INFORMATION SYSTEM

Our management information system gives us an up-to-date overview of the financial status of all our projects with data that can be compared from country to country. In addition, evaluations are

analysed by the respective management and members of the STRABAG SE Management Board at regular intervals.

“ We apply the same standards for risk management across geographical boundaries. This is possible because STRABAG has its own management information system, developed and constantly refined in-house. Our system ensures that we apply clear criteria throughout the Group when assessing new projects and that we have a standardised process for the submission of bids with integrated control systems to avoid loss-making projects. ”

Klemens Haselsteiner,
CEO of STRABAG SE

Objectives and indicators

A primary objective is the **long-term existence of our company**, which we strive to ensure by maintaining our focus on cost efficiency and the

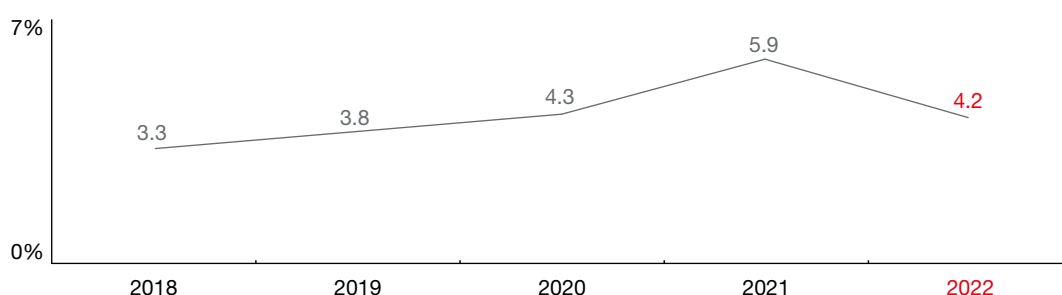
disciplined use of capital. To reach this overriding objective, we set ourselves the following specific goals:

REACH AND SUSTAIN THE DEFINED EBIT MARGIN TARGET

The **EBIT margin** is our **most important financial indicator**. The margin is especially crucial for our investors: Given our dividend policy of paying out 30–50% of the net income after minorities in

the form of a dividend, our investors are especially interested in seeing a sustained achievement of the EBIT margin target.

DEVELOPMENT OF EBIT MARGIN¹



Positive earnings contributions in all segments led to an extraordinarily high EBIT margin (EBIT/revenue) of 5.9% in 2021. As expected, a

normalisation began in 2022. The EBIT margin amounted 4.2%, bringing it in line with the goal of achieving at least 4% on a sustainable basis.

CONTINUALLY INCREASE THE EFFICIENCY OF THE PROJECT RISK MANAGEMENT SYSTEM

To maintain the EBIT margin at the level attained, and raise it if possible, we must consistently and sustainably reduce the flop rate by continually improving the efficiency of our project risk

management. We have implemented a risk management system (RMS) with an integrated internal control system (ICS) across the Group to help us in the early identification, accurate

¹ 2018 adjusted for a non-operating step-up profit in the amount of € 55.31 million

assessment, effective management, and transparent end-to-end monitoring of significant project risks and opportunities. We periodically review the efficiency and effectiveness of the systems, processes and controls for early recognition of all material risks and related countermeasures in order to deflect impending damage to the company and rule out any potential threat to its existence. Weak points that are identified in the process are transparently documented and immediately rectified.

For the monitoring of the overriding objective, several indicators are periodically measured and tracked on the basis of multi-year comparisons. These **indicators** include:

- Financial figures
- Project and organisational figures
- Economic and industry situation
- Market position and competition
- Client situation

- Services offered
- Management quality

However, the effectiveness and efficacy of the risk management system cannot be measured or assessed on the basis of an isolated observation of individual risk parameters. Many different indicators must be observed in the context of various influencing and correlating factors.

We are working on developing a more uniform, corporate-wide understanding of risk and a standardised, end-to-end method for the identification, categorisation, assessment and tracking of risks and opportunities. On this basis, the documented project risks and opportunities can be aggregated over the long term and the associated risk indicators can be ascertained. Using cause/effect analyses, we also evaluate the degree to which this allows us to derive correlations or dependencies that could serve as early-warning indicators to deliver important information for the management of risks and opportunities.

ENSURE COST EFFICIENCY AND DISCIPLINED USE OF CAPITAL

To achieve a sustainable EBIT margin of 4.0%, it will not be necessary for the market – i.e., the macroeconomic environment – to change. Besides our increased efforts to improve the project risk management, we are maintaining our focus on **cost efficiency and the disciplined use of**

capital, in particular with the help of innovation and digitalisation. We are currently working to consolidate the efficiency improvements achieved so far with regard to the organisational and strategic position of the Group.

Projects and initiatives

Based on the strategic principles for the management of risks and opportunities, the measures we are taking include the following:

MEASURES TO STRENGTHEN THE PROJECT RISK MANAGEMENT SYSTEM

The STRABAG Group's risk management system was improved through the following changes and enhancements in the 2022 financial year:

- Improvement of the decision-making foundations in the project procurement phase through further development of the standardised project presentations for prequalification, selection interview and price commission with mandatory application for large-scale and mega projects
- Further development of a tablet-optimised app for management with easy access to transparent and aggregated decision-making foundations for selection and price commission as well as an integrated task module for approval requirements
- Continued implementation of workshops and project-related plausibilisation talks for the application of the corporate-wide standardised catalogue of causes for the allocation of significant positive and negative earnings causes with an analysis of cause-and-effect relations

- Ongoing implementation and tracking of activities to measure penetration, acceptance and compliance with the common project standards (CPS)

In the 2022 financial year, we also continued the following developments which are either in the evaluation and conception phase or are finding implementation in subprojects:

- Continuous improvement of project data management in the areas of quality assurance, functionalities and interfaces for a more efficient selection and price commission in the context of project procurement as well as system-supported tracking and updating of project information in the course of project execution
- Rollout and further development of IT tools for end-to-end system documentation and tracking of risks and opportunities
- Gradual implementation of a modular controlling portal as a central entry point for project and organisational controlling
- Gradual extension of the standardised reporting to include project management tools for the early identification of opportunities and errors

- Development of dashboards with aggregated key figures for the management as well as the further development and enhancement of suitable organisational indicators as a decision-making foundation for sustained structural optimisations

- Improvement of system interfaces to avoid redundant data collection and to increase quality and transparency in data management and the determination of performance indicators

- Improvement and expansion of data management for the gradual development of a knowledge database with the addition of analysis and evaluation options to promote a demand-oriented exchange of experience between the project participants

An essential prerequisite for the improvement of our project risk management system is the active contribution of all employees with a clear commitment to an open error culture. This is where our values of partnership, sustainability and innovative spirit, based on honesty, fairness and mutual appreciation, are of particular importance, as they form the foundation for a learning organisation.

DIGITALISATION TO PROVIDE NEW TOOLS FOR THE REDUCTION OF CONSTRUCTION RISKS

The new tools being used in **BIM 5D**[®] processes facilitate, among other things, regular consistency reviews of the construction designs, a model-based quantity, cost and performance assessment as well as schedule planning, and, on this basis, an end-to-end rendering of the construction sequence with digitally linked processes and consistent data across the entire life cycle of a building. This can help uncover and correct errors at

an early stage, thus minimising the risks in a construction project, the roots of which are often found in the design phase. The digitally retrievable data can then be used for different analyses (including building analyses and simulations, sustainability studies or building certification). The digital tools also promote an efficient and transparent working relationship with clients, designers and partner companies.

Also see chapter
“Digitalisation and
Innovation”

HUMAN RIGHTS



By providing construction services in structurally weak regions, we are making an important contribution to infrastructure expansion and job creation in those places. In geographical terms, about 94% of our work is performed in Europe and some 6% outside of Europe. In this context, some of our projects are located in countries that are subject to international criticism for their human rights situation.

Different standards for the protection of human rights prevail in the various countries where we do business. This primarily concerns standards regarding the working environment as well as occupational health and safety, but also labour law issues and anti-discrimination.

The supply and value chains in the construction industry are small-scale and complex, which can increase the risk of non-transparency. When it comes to the protection of human rights, we are committed to raising awareness of this issue at all levels of our organisation and among our suppliers. The STRABAG Group adheres to all internationally applicable standards and, through

the Code of Conduct, updated in 2022, as well as other group directives and management directives, specifies a compliance framework that, among other things, rejects illegal employment relationships and guarantees minimum pay and occupational safety so that potential and actual risks regarding pay, working conditions and occupational accidents can be dealt with effectively and permanently. STRABAG ensures the country-specific, legally prescribed minimum wage or the collective wage in a certain trade through monitoring by the central human resources administration.

The issue of human rights is set to become even more relevant in the future. Against this background, we recognised the need for a corporate-wide social compliance management system. An initial concept for the organisational structure, workflow management and assignment of responsibilities was developed in the year under review. Implementation is planned for 2023 and will be associated with the recruitment of additional human resources.

Rules, responsibilities and due diligence

The STRABAG SE **Code of Conduct** precisely defines the system of values to which the company and all its employees are committed. It forms an integral part of the employment documents for all Group employees. In particular, the values of partnership, solidarity and respect, together with fairness, have created an environment that fosters interactions among STRABAG's employees and with business partners and other stakeholders that are in line with the respect for human rights. We take our responsibility for our employees very seriously and are committed to a broad set of principles in this regard, such as the equal treatment of the sexes, inclusion, mental and physical health, as well continuing education and further training.

STRABAG SE also expects its stakeholders – especially suppliers and subcontractors – to act in accordance with the Code of Conduct. These requirements are an integral part of the **STRABAG Supplier Code of Conduct**.

STRABAG is especially committed to the fundamental principles of the International Labour Organization (ILO) and the United Nations Universal

Declaration of Human Rights. STRABAG also is a signatory to the UN Women's Empowerment Principles. Since joining the United Nations Global Compact in the spring of 2021, STRABAG submits an annual progress report on its activities for compliance with the ten global principles in the areas of human rights, labour standards, environmental protection and anti-corruption.

STRABAG's commitment to the prohibition of slavery, human trafficking and child labour is firmly anchored in our updated **Corporate Responsibility Policy**. In accordance with the UK and Australian Modern Slavery Act, we also publish an annual statement underlining the relevance of human rights risks in our business activities and supply chain.

Potential human rights violations, such as discrimination at the workplace, can be reported by employees and external persons via an **online whistleblowing system** or to the stated contact persons (**ombudspersons**). A detailed explanation of how whistleblower reports are handled and how we guarantee the privacy and anonymity of whistleblowers and other persons involved can be

www.strabag.com >
Strategy > Strategic
Approach > Business
Compliance

See chapter
"Fair Competition"

Online whistleblower
platform: [strabag.
integrityplatform.org](http://strabag.integrityplatform.org)

found in an internal functional description or in the externally accessible FAQs.

Reports are initially examined for plausibility. If the case is justified, it is pursued accordingly by the responsible regional ombudspersons. Corrective

action and disciplinary measures – from warnings to dismissals – are taken by the management representative in charge in order to respond appropriately to the identified offences and to counteract any future violations.

Objectives and indicators

The creation and maintenance of employment conditions that are in compliance with the International Labour Organization's Declaration on Fundamental Principles and Rights at Work and with the United Nations' Universal Declaration of Human Rights are set out as fundamental principles in the STRABAG Group's Code of Conduct. Of particular relevance to STRABAG's business activities are:

- Prohibition of discrimination: Discrimination of any kind has no place at STRABAG. No STRABAG employee may discriminate or be discriminated against on the basis of skin colour, national origin, gender, sexual orientation, religion, disability or age.
- Prohibition of slavery and human trafficking: The management of STRABAG and all employees are fully committed to the prohibition of slavery and human trafficking. Work at STRABAG is performed under fair working conditions with fair pay.
- Prohibition of child labour: The management of STRABAG and employees with human resource responsibility must ensure anyone entering into an employment relationship with a STRABAG company is not younger than the age at which compulsory schooling ends and never younger than 15 years of age – unless the work is part of their education or training.

The following indicators are used to measure if an objective has been reached:

- number of cases identified in the category "discrimination" in the reporting year (cases are assigned to the year in which they were conclusively discovered): 13
- number of cases identified in the category "human rights and working conditions" in the reporting year (cases are assigned to the year in which they were conclusively discovered): 3

With a total of 16 reported cases, significantly fewer incidents were detected in 2022 (2021: 27 reported cases). Of the 16 reports, 13 could be assigned to the category "discrimination" and three to the category "human rights and working conditions". In six of the 16 cases, the conflict was resolved amicably. In one case, the employee was dismissed, while disciplinary action was taken in another case. Two reports were not substantiated. Six cases were withdrawn.

Since 2021, the whistleblower system has also recorded reports that were not submitted directly to the ombudspersons via the whistleblower platform but by telephone or e-mail (in eight of 16 cases). Furthermore, search terms were added to the intranet, which made it easier to find the whistleblower platform and the ombudspersons' contact information.

Projects and initiatives

Due to the broad range of construction services along the entire value chain, STRABAG is dependent on reliable, high-quality suppliers and subcontractors around the world. Only in this way can we offer quality products and services with the greatest possible benefit for our customers and for society.

In December 2022, the Group completed its Sustainability in the Supply Chain project after a two-year project period. The project involved the conception of a management and audit system for

sustainable supply chain management that will be implemented and further developed in the coming years.

The main results of the project include the development of a software solution for supplier self-disclosure in our supplier portal SPS as well as the conception of supplier audits with a comprehensive audit checklist on the topics of human rights and working conditions, occupational safety and health, as well as environment and procurement.

Regular information and awareness-raising measures were also carried out among the relevant decision-makers, while initial training measures for employees and suppliers were prepared for roll-out in 2023.

Another focus of the project team was the preparation for the German Supply Chain Duty of Care

Act. In this context, the team conceived a package of measures that are to be implemented in 2023 when the law comes into force.

The subject of the equal treatment of women and men is dealt with in the Consolidated Corporate Governance Report.

SOCIETAL ENGAGEMENT

Focus on cultural and social projects as well as on team sports

Our business activity – the business of building – directly shapes people’s living environment. The result is an interaction between construction and society: only in a successful society can we succeed. At STRABAG, we therefore feel obliged to contribute to the healthy development of society

as a whole. This means that we make contributions to maintain the social standards in Central Europe, to improve them in other countries, and that we support cultural projects as well as team sports to enhance team spirit.

Rules, responsibilities and due diligence

If and in which form we lend substantial support is decided by the STRABAG SE Management Board according to eligibility criteria such as:

- Can STRABAG, given the nature of its business, make a contribution to the project that companies in other industries could not?

- Is the project worth our long-term commitment?
- Does the project fit our strategy and our public image?



Objectives and indicators

We do not extend our social commitment indiscriminately, but instead support selected initiatives over the long term in order to make a lasting and effective contribution. One of the indicators we

use to measure our commitment is the contribution we make to the core projects and initiatives mentioned below. In 2022, this amounted to € 4.86 million (2021: € 3.90 million).

Projects and initiatives

CONCORDIA SOCIAL PROJECTS

In the social sphere, we are especially committed to helping children and youth in Eastern and South-East Europe by giving them an opportunity for an education and the chance for a better future. This also helps to secure the future of our

company in these markets. An important contribution is made to CONCORDIA.



CONCORDIA is an international organisation with a broad range of services that includes emergency aid, crisis centres, outreach work, alternative childcare and accommodation, as well as education and training to help disadvantaged children, youth and families in need. From its start in 1991 as a social project for street children in Bucharest, CONCORDIA has grown into an organisation which today helps more than 12,000 children, youth and families in Romania, Bulgaria, Moldova, Kosovo and Austria.

CONCORDIA's vision: For all children to lead an independent life, to become self-determined learners and to be fully included in their communities.

The organisation's most important goal is keeping families together. Parents are often forced to leave their home country in search of work. Sometimes, children are unable to stay with their families due to existential poverty or for other reasons. CONCORDIA helps with family-like children's homes, foster care and crisis centres for children – and sometimes also for mothers who have become victims of abuse – as well as with day centres for children and youth in precarious situations, supervised living facilities for young adults, and community work. Another focus is on educational projects, such as learning assistance or music instruction, a mainstreamed primary school and training facilities for skills such as cooking, baking or carpentry.

In Moldova, CONCORDIA also attends to the needs of around 7,000 people who live in extreme poverty. CONCORDIA's social centres and soup kitchens provide elderly people and children in need with the essentials they require every day.

The Russian invasion of Ukraine has further exacerbated the problem of poverty in Moldova. Moreover, the country is struggling with its greatest energy crisis in decades and only about 40% of the population has access to running water or sewage. Since the beginning of the war, CONCORDIA has helped refugees from Ukraine who make it to Moldova, Romania, Bulgaria and Austria, and the organisation has assisted many Ukrainians seeking temporary shelter with their children in the neighbouring country of Moldova. For its emergency relief efforts on behalf of tens of thousands of Ukrainian women, men and children in the village of Palanca near the Ukrainian border, CONCORDIA was awarded the Pax Christi International Peace Award in December 2022.

In response to the earthquakes in Syria and Turkey in February 2023, STRABAG set up a special fund for affected employees and their families.



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In Palanca (Moldova), CONCORDIA is helping tens of thousands of Ukrainian families who are seeking temporary shelter in the neighbouring country.

With STRABAG's support, CONCORDIA also provides assistance to children from low-income families in Austria and helps unaccompanied minor refugees take their first steps towards integration. Since 2016, an annual fundraising concert by Tyrolean Festival Erl on behalf of CONCORDIA's children's projects has been a regular part of the joint effort by STRABAG and CONCORDIA to help people in need.

Since the beginning of 2021, CONCORDIA has also been active with its own organisation in Kosovo. The CONCORDIA Transit Education Centre in Prizren in the south of the country offers a programme for early childhood education, learning support for school children, music lessons and an educational programme for young people. Transit is a drop-in centre for children from precarious backgrounds, some of whom have never attended school before. CONCORDIA actively reaches out to those families who are on the margins of society and live in extreme poverty.

More information: www.concordia.or.at

A hot meal at CONCORDIA Transit in Prizren (Kosovo). For some children, it is the only one of the day.

TYROLEAN FESTIVAL ERL

Tyrolean Festival Erl was founded in 1997 and has been held in the illustrious Passion Play town of Erl in Austria every year since 1998. STRABAG has been a supporting partner from the beginning. To guarantee the long-term viability of this important cultural venue, the foundation Tiroler Festspiele Erl Gemeinnützige Privatstiftung was established in 2017 with STRABAG SE as one of the foundation's sponsors.

Tyrolean Festival Erl has become a respected fixture in the cultural life of Tyrol and internationally. An attractive winter season programme was added to the summer programme in 2012. Further events were added to the festival programme in 2017 with the piano days and the Thanksgiving concert series. Together with the Summer and

Winter Festivals, these have since formed the four festival seasons at Erl.

The programme of rare operatic performances, symphonic concerts and chamber music events attracted around 19,000 visitors in the 2021/2022 festival season. Despite the pandemic-related restrictions, it was possible to hold all four seasons in 2022. The focus last year was on the continuation of Richard Wagner's operatic tetralogy *Der Ring des Nibelungen* in a production by Brigitte Fassbaender. All year round, the unique acoustics in the festival theatre also do justice to the works of Mozart, Bach as well as to Italian and international composers and bel canto.

More information: www.tiroler-festspiele.at



The festival theatre in Erl, Austria

ENSEMBLE PORCIA

Ensemble Porcia is the most important cultural institution in the small town of Spittal an der Drau in Upper Carinthia. Traditionally focused on French and German-language comedy, Porcia Castle welcomed around 14,000 visitors to its five productions with 93 performances in the castle's theatre and rehearsal stages. The Porcia Theatre Wagon also went on tour again with two productions delighting an audience of about 10,600 people with 102 performances at 58 venues in as many days between late May and the end of August. Ensemble Porcia has been pleasing crowds in the German-speaking world for decades, attracting visitors from all over Austria and beyond.

The pandemic presented the ensemble with various challenges this past year as well. For some performances, actors had to be recast and

stagehands replaced at short notice. All of this was only possible thanks to the unwavering commitment of the entire ensemble, which comprises over 40 persons from the artistic fields (acting, music, direction, set and costume design), 20 people in the technical and administrative fields (stage and event technology, wardrobe, make-up, back office and ticket sales) as well as 30 young assistants from the local area in audience services. The ensemble reached a total of around 24,600 people in this extraordinary summer with seven in-house productions, breaking its previous attendance records. The troupe also succeeded once more in drawing attention to culture in Carinthia and Spittal by getting people excited about the performing arts.

More information: www.ensemble-porcias.at

STRABAG KUNSTFORUM

STRABAG Kunstforum has long been in the service of arts patronage – as organiser of the STRABAG Artaward International, with the exhibitions at the STRABAG Artlounge and through the establishment and maintenance of the permanent collections at more than 60 offices throughout Europe. In 2022, the corporate locations in Bratislava (Slovakia), Stuttgart (Germany) and Prague (Czech Republic) were endowed with visual art from the STRABAG Artcollection. Further locations such as St. Pölten and Linz (Austria), Ljubljana (Slovenia) and Belgrade (Serbia) are in preparation.

With more than 4,000 works of art, the STRABAG Artcollection helps to inspire an engagement with art at the workplace. In addition, the temporary exhibitions at the STRABAG Artlounge in Vienna offer artists a platform to present their work to an interested public. The temporary exhibitions as well as the permanent installation of Bruno Gironcoli's work at the Gironcoli-Kristall in Vienna are open to employees and the general public during regular office hours. Admission is free. A key objective of the STRABAG Kunstforum is art education, and the exhibition at the Gironcoli-Kristall can be accompanied by a Hearonymus audio guide if desired. Employees, business partners and anyone interested in art are also cordially invited to take a guided tour of the STRABAG Artlounge, the entire collection and the Gironcoli-Kristall.

The STRABAG Artaward is the central element of STRABAG Kunstforum's activities. The award has been presented in Austria since 1994 (with an interruption in 2004 and 2005), since 2009 as an international art sponsorship award for artists in the fields of painting and drawing. Artists may apply for the STRABAG Artaward International via an online procedure.

A jury of international art experts, rotated every three years, selects the winners annually during an intense jury session in front of the original works. In addition to the prize money, artists receive the opportunity to present their works at an individual exhibition in the STRABAG Artlounge. STRABAG Kunstforum also gives artists access to the art studio at the STRABAG head office in Vienna in order to promote creativity as well as artistic productivity and exchange within the art scene. For the years 2021–2023, the award is open to artists from Austria, Poland, Slovakia, the Czech Republic and Hungary. Every year, the prominent members of the STRABAG Artaward International jury select a main prize and four recognition prizes from approximately 700 submissions. The prizes for 2022 went to Andreas Werner (Austria, main prize) and to Dániel Bernáth (Hungary), Ákos Ezer (Hungary), Marcin Jasik (Poland) and Georg Pinteritsch (Austria). The solo exhibitions were held from October 2022 to April 2023. Videos of the exhibitions can be seen on the STRABAG Kunstforum YouTube channel.



STRABAG Artlounge exhibition, Andreas Werner, *I Called the Force upon Time and Space*, 2022

As part of the Artlounge Special exhibition series, the gallery spaces of the STRABAG Artlounge regularly pay tribute to long-standing artists from the collection. The exhibition *Tranche de Vie*, with works by Franco Kappl, Farid Sabha and Gerlinde Thuma, opened in May 2022. This group exhibition celebrated three artists from the collection, all of whom are also former STRABAG Art Award winners. The selection of exhibits represents a “slice of life”, and the exhibition title – which at once is borrowed from early 20th century French theatre but also pays tribute to contemporary

anime and manga narratives – illustrates the concrete reference to the moment, to the here and now. The three Austrian artists with decades of success also provided an insight into their most recent work. They presented a snapshot, an essence of the everyday life of an artist – with end unknown. All three artists are represented in the collection with numerous works from many creative periods spanning the past three decades.

More information: www.strabag-kunstforum.at



STRABAG Artlounge exhibition, *Tranche de Vie*, (Artlounge Special), 2022



Opening of the exhibition *Tranche de Vie*. From left to right: Farid Sabha, keynote speaker Christine Wetzlinger-Grundnig (Director of the Museum of Modern Art of Carinthia), Gerlinde Thuma, Franco Kappl.

EU TAXONOMY

Regulation (EU) 2020/852 (“Taxonomy Regulation”), which entered into force on 12 July 2020, establishes the criteria for determining whether an economic activity qualifies as environmentally sustainable. It provides the legal basis for sustainable investments as a way to swiftly implement the European Green Deal. The aim of the regulation is to introduce a uniform classification system (“EU Taxonomy”) in order to steer capital flows into environmentally sustainable sectors.

For this purpose, the Taxonomy identifies economic activities that have a significant impact on the EU’s environmental objectives.

These six environmental objectives are:

1. climate change mitigation
2. climate change adaptation
3. the sustainable use and protection of water and marine resources
4. the transition to a circular economy
5. pollution prevention and control
6. the protection and restoration of biodiversity and ecosystems

For each of these environmental objectives, economic activities and technical screening criteria are defined by means of EU delegated regulations. At present, a definition of economic activities and technical screening criteria is only available for the first two environmental objectives of climate change mitigation and climate change adaptation.

If one of our business activities falls under the definition of the respective economic activity, it is a Taxonomy-eligible activity; if not, it is a Taxonomy-non-eligible activity. Many of the STRABAG Group’s business activities, in particular road construction, infrastructure project development, building materials production, and property and facility services, are currently not defined as

Taxonomy-eligible, i.e., they are not an economic activity as defined by the EU Taxonomy.

Based on this classification of economic activities into those that are Taxonomy-eligible and those that are Taxonomy-non-eligible, the degree to which the activities are environmentally sustainable is assessed on the basis of the technical screening criteria. An economic activity is considered environmentally sustainable if it contributes substantially to one or more environmental objectives, causes no significant harm to any of the other environmental objectives, and is carried out in compliance with certain minimum safeguards. Whether an economic activity makes a substantial contribution or causes no significant harm (DNSH) to an environmental objective is determined on the basis of the technical screening criteria specified in detail by the European Commission.

The criteria and requirements must all be fulfilled **cumulatively**.

Article 8 of Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 requires non-financial undertakings to disclose information on the following in their non-financial report:

- proportion and absolute value of the Taxonomy-aligned, the Taxonomy-eligible but not Taxonomy-aligned, and the Taxonomy-non-eligible turnover (revenue) related to products or services associated with environmentally sustainable economic activities
- proportion and absolute value of the Taxonomy-aligned, the Taxonomy-eligible but not Taxonomy-aligned, and the Taxonomy-non-eligible capital expenditures and operating expenditures related to assets or processes associated with environmentally sustainable economic activities

The detailed calculation of these individual values is described below in the sections on turnover, capital expenditures and operating expenditures.

Applicable provisions for the 2022 financial year

The economic activities and the technical screening criteria for determining Taxonomy alignment for the first two environmental objectives – climate change mitigation and climate change adaptation – were established in Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021.

In the 2022 financial year, the economic activities defined in these two environmental objectives had to be reviewed for Taxonomy alignment using the defined criteria; in addition to the Taxonomy-eligible

proportion¹ of turnover, capital expenditures and operating expenditures, the Taxonomy-aligned proportion then also had to be reported.

The EU Taxonomy Regulation and the delegated acts issued in this regard contain formulations and terms that are still subject to considerable uncertainties regarding their interpretation and for which clarifications have not always been published. STRABAG SE's interpretation of these terms is set out in the following explanations.

Management approach

ASSESSMENT OF TAXONOMY ELIGIBILITY

The mapping of turnover to the economic activities detailed in the EU Taxonomy is based on the business activities included in the central controlling system. When an order is placed, the project is assigned to a certain business activity with opening of the cost centre. This ensures a clear classification of the economic activity and avoids double recognition as Taxonomy-eligible turnover.

STRABAG is involved in the following economic activities related to the environmental objective of climate change mitigation (Taxonomy eligibility²):

- 4.1. Electricity generation using solar photovoltaic technology
- 4.3. Electricity generation from wind power
- 4.5. Electricity generation from hydropower
- 4.6. Electricity generation from geothermal energy
- 4.7. Electricity generation from biogas
- 4.8. Electricity generation from bioenergy
- 4.9. Transmission and distribution of electricity
- 4.15. District heating/cooling distribution
- 5.1. Construction and extension of water supply systems
- 5.3. Construction and extension of waste water collection and treatment

6.13. Infrastructure for personal mobility, cycle logistics

6.14. Infrastructure for rail transport

7.1. Construction of new buildings (as general contractor)

7.2. Renovation of existing buildings

The economic activities related to energy (4.1.–4.15.) and to water supply and waste water management (5.1. and 5.3.) are included as Taxonomy-eligible because the construction of such facilities and systems is included in the respective definitions. The STRABAG Group is only active in the construction of these facilities but does not operate them. In individual cases, such facilities are operated as part of the project development business within companies included at equity.

This also applies to the economic activities related to transport (6.13. and 6.14.). The definition includes the construction of infrastructure for rail transport and for personal mobility carried out by the STRABAG Group.

As the construction of new buildings is defined in item 7.1. of the EU Taxonomy as the development of building projects for residential and non-residential buildings and the construction of complete residential or non-residential buildings on contract basis, only those building construction projects in which the STRABAG Group acts as general contractor or erects entire buildings as

¹ Due to the applicable relief provisions, only the Taxonomy-eligible proportion of revenue, capital expenditures and operating expenditures had to be disclosed for the 2021 financial year.

² The categories and numbering were taken from Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021.

part of a project development are included under this activity.

The renovation of existing buildings (7.2.) is defined in the EU Taxonomy as construction and civil engineering works or preparation thereof, which is why the STRABAG Group's renovation and conversion activities in building construction are recorded here.

ASSESSMENT OF TAXONOMY ALIGNMENT

As the STRABAG Group's revenue (turnover) stems from a large number of very different individual projects, the examination of the technical criteria of the Taxonomy-eligible economic activities cannot be carried out at the level of the activity itself but only at the individual project level. The number of projects with Taxonomy-eligible turnover in the 2022 financial year amounts to around 4,000. The assessment requires a considerable administrative effort due to the extensive and detailed criteria involved. In addition, a wide variety of technical screening criteria were defined for each economic activity. For this reason, the detailed assessment for Taxonomy alignment is carried out per individual project for the three economic activities with the highest turnover: construction of new buildings (as general contractor), renovation of existing buildings, and infrastructure for rail transport. These three economic activities account for 85% of the total Taxonomy-eligible turnover and comprise more than 2,000 individual projects, which is why only projects with an annual output volume of more than € 5 million were examined in detail.

For the economic activities not examined at the individual project level, an analysis of the technical screening criteria was carried out using typified construction site organisations and structures. As

The economic activities listed are also included in the environmental objective of climate change adaptation. They do not constitute enabling activities as specified by the EU Taxonomy Regulation, however, so that turnover from these activities cannot be reported as Taxonomy-eligible or Taxonomy-aligned. A detailed examination with regard to the environmental objective of climate change adaptation was therefore not carried out.

the Taxonomy alignment for these projects cannot be fully ensured and demonstrated, these projects were identified as not Taxonomy-aligned.

Especially with regard to electricity generation facilities and water supply and sewerage systems, the technical screening criteria relate to operation or the equipment used. STRABAG has no information in this regard, as the equipment is not included in STRABAG's scope of services.

STRABAG SE is a leading European technology group for construction services. These services are provided on the basis of public tenders or specifications from private clients. Sustainable solutions are offered. STRABAG has an influence on the ecological design of buildings only in rare cases or within the scope of its own project developments. In public tenders in particular, the company is usually only commissioned to carry out the construction work.

The review of the individual projects has shown that many criteria specified by the EU Taxonomy are not yet taken into account as standard practice in construction projects. We expect that an increasing number of tenders will meet the EU Taxonomy criteria in the future.

Turnover (Revenue)

Determination of the denominator according to Article 8 Annex 1:

The turnover comprises revenue that was recognised in accordance with IAS 1.82(a), determined on the basis of IFRS 15. It includes revenue from construction contracts, revenue from construction materials, revenue from facility management, revenue from project developments and other revenue.

Determination of the numerator according to Article 8 Annex 1:

In line with the management approach described above, the Taxonomy-eligible projects were assessed at the individual project level or through analytical reviews for Taxonomy alignment.

The turnover is as follows:

A detailed presentation by economic activity in accordance with the reporting templates from Annex II is available in the Notes.

ENVIRONMENTAL OBJECTIVE OF CLIMATE CHANGE MITIGATION

	2022		2021	
	€ mln.	%	€ mln.	%
Turnover related to environmentally sustainable activities (Taxonomy-aligned) (A.1)	1,088.55	6.39	n. a.	n. a.
Turnover related to Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)	5,306.38	31.17	4,686.83	30.64
Total (A.1 + A.2)	6,394.93	37.56	4,686.83	30.64
Turnover related to Taxonomy-non-eligible activities (B)	10,630.92	62.44	10,611.71	69.36
Total (A+B)	17,025.85	100.00	15,298.54	100.00

All turnover reported in the numerator relate to revenue in accordance with IFRS 15 and are reported as revenue in the consolidated financial statements of STRABAG SE.

The result shows that a high proportion of the business activities of the STRABAG Group – economic activities such as road construction, civil engineering, building materials production, tunnelling, and property and facility services – are currently not covered by the EU Taxonomy. As a result, there are no technical screening criteria laid out in the regulation to assess their degree of sustainability. However, sustainable solutions in essential business activities are key for a successful transition to a sustainable economy. STRABAG relies on relevant standards in this area and pursues a comprehensive sustainability strategy.

Detailed information can be found elsewhere in this Consolidated Non-Financial Report.

A large proportion of building construction also does not fall under the Taxonomy-eligible economic activities, as the definition is aimed at the construction of complete residential and non-residential buildings. In many cases, however, STRABAG is only responsible for individual parts of buildings. When constructing parts of buildings, STRABAG does not have the necessary data for assessing the sustainability of this activity against the screening criteria.

The EU Taxonomy is constantly evolving. The inclusion of further economic activities under the remaining four environmental objectives and the adaptation and expansion of the screening criteria are to be expected.

Capital expenditures (CapEx)

Determination of the denominator according to Article 8 Annex 1:

Capital expenditures as defined by the EU Taxonomy include additions to tangible and intangible fixed assets, including business combinations. Also included are additions to right-of-use assets (excluding additions from value adjustments to contracts) in accordance with IFRS 16. The disclosures are made before depreciation, amortisation, impairment or other changes in value. The total capital expenditures in intangible and tangible assets reported in the IFRS consolidated financial statements form the starting point for determining the investments.

Determination of the numerator according to Article 8 Annex 1:

Taxonomy-eligible and Taxonomy-aligned expenditures can be divided into three categories.

- Capital expenditures related to assets that are associated with Taxonomy-eligible or Taxonomy-aligned economic activities
- Acquisition of assets related to Taxonomy-eligible or Taxonomy-aligned economic activities or individual measures that reduce greenhouse gas emissions
- Capital expenditures incurred as part of a plan to expand Taxonomy-aligned economic activities or to allow Taxonomy-eligible economic activities to become Taxonomy-aligned (CapEx plan)

CAPITAL EXPENDITURES RELATED TO ASSETS THAT ARE ASSOCIATED WITH TAXONOMY-ELIGIBLE OR TAXONOMY-ALIGNED ECONOMIC ACTIVITIES

The STRABAG Group has a central equipment management function that controls the procurement, servicing, maintenance, repair, deployment and utilisation of construction machinery, mechanical equipment and vehicles throughout the Group.

A clear allocation of construction equipment and the vehicle fleet to individual projects and thus to economic activities is not possible. In the case of mixed-use assets, these are assigned to Taxonomy-eligible or Taxonomy-aligned economic activities by means of a suitable classification key. STRABAG assigns technical equipment, machinery, the vehicle fleet, and operating and office equipment to this category. The acquisition of

these assets through business combinations is also included here.

The equipment intensity in construction projects varies greatly; especially in projects with a high level of subcontractor services, equipment use differs considerably compared to services performed using the company's own personnel.

The allocation of capital expenditures is therefore carried out in the ratio of equipment costs recorded in the management reporting on projects with Taxonomy-eligible or Taxonomy-aligned turnover in relation to the total equipment costs according to the management reporting.

ACQUISITION OF ASSETS RELATED TO TAXONOMY-ELIGIBLE OR TAXONOMY-ALIGNED ECONOMIC ACTIVITIES OR INDIVIDUAL MEASURES THAT REDUCE GREENHOUSE GAS EMISSIONS

Buildings constructed by STRABAG for its own use are recognised as Taxonomy-eligible economic activities. Any real estate that was acquired or built in-house in a certain financial year will be reviewed for compliance with the technical screening criteria and thus for Taxonomy alignment. The acquisition or construction of these buildings is reported in the Consolidated Statement of Fixed Assets under "Properties and buildings" or "Facilities under construction".

The acquisition of vehicles also represents an acquisition of assets related to a Taxonomy-eligible economic activity. Capital expenditures for passenger cars that are not directly attributable to the provision of services are therefore included under this item. When assessing Taxonomy alignment, the technical screening criteria must be verified by the manufacturer or supplier. This evidence has not yet been provided to the STRABAG Group for vehicle investments in the 2022 financial year, which is why only Taxonomy-eligible investments are shown here.

CAPITAL EXPENDITURES INCURRED AS PART OF A PLAN TO EXPAND TAXONOMY-ALIGNED ECONOMIC ACTIVITIES OR TO ALLOW TAXONOMY-ELIGIBLE ECONOMIC ACTIVITIES TO BECOME TAXONOMY-ALIGNED (CAPEX PLAN)

STRABAG is rethinking the future of construction. With numerous innovation and sustainability projects, the Group is working to reduce carbon emissions in administration and construction projects in order to achieve the goal of becoming climate neutral in 2040. Detailed information can be found in this Consolidated Non-Financial Report.

Whether and to what extent an economic activity can be classified as Taxonomy-aligned is to be assessed on the basis of the screening criteria for the individual construction projects. Since STRABAG essentially provides construction services on the basis of public tenders or specifications from

clients, Taxonomy-aligned economic activities can only be expanded together with the clients. Therefore, no investment plans currently exist in this regard. The same applies to specific investment projects to meet the technical screening criteria for climate change adaptation.

It should be noted that capital expenditures to expand Taxonomy-aligned turnover are to be reported in this category. Since the technical screening criteria usually refer to the building and not to the construction process, there is no direct connection between capital expenditures and Taxonomy-aligned turnover.

CAPITAL EXPENDITURES FOR TAXONOMY-NON-ELIGIBLE ECONOMIC ACTIVITIES

This category comprises capital expenditures that cannot be allocated to Taxonomy-eligible economic activities. The right-of-use assets from leases involve a large number of real estate leases for office locations. These are not broken down on the basis of equipment costs but are allocated in their entirety to capital expenditures related to economic activities that are not covered by the Taxonomy. The calculation is based on the total additions to intangible assets and to property, plant and equipment according to the IFRS consolidated financial statements. First, the capital expenditures for the acquisition of assets related to Taxonomy-eligible or Taxonomy-aligned economic

activities as well as the Taxonomy-non-eligible expenditures are determined. The remaining expenditures are allocated on the basis of the Taxonomy-aligned and Taxonomy-eligible turnover, thus avoiding double counting of expenditures related to several Taxonomy-eligible or Taxonomy-aligned economic activities.

The total capital expenditures are as follows:

A detailed presentation by economic activity in accordance with the reporting templates from Annex II is available in the Notes.

ENVIRONMENTAL OBJECTIVE OF CLIMATE CHANGE MITIGATION

	2022		2021	
	€ mln.	%	€ mln.	%
CapEx related to environmentally sustainable activities (Taxonomy-aligned) (A.1)	22.27	2.87	n. a.	n. a.
CapEx related to Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	269.00	34.63	141.90	26.56
Total (A.1 + A.2)	291.27	37.50	141.90	26.56
CapEx related to Taxonomy-non-eligible activities (B)	485.50	62.50	392.42	73.44
Total (A+B)	776.77	100.00	534.31	100.00

The Taxonomy-aligned capital expenditures include € 10.41 million related to technical equipment and machinery; € 8.01 million related to other facilities, furniture and fixtures and office equipment;

€ 3.55 million related to facilities under construction; and € 0.30 million related to business combinations and are shown accordingly in the statement of fixed assets.

Operating expenditures (OpEx)

Determination of the denominator according to Article 8 Annex 1:

Operating expenditures as defined by the EU Taxonomy are, in addition to non-capitalisable research and development activities, all maintenance and repair expenditures as well as short-term leasing expenses, building renovation activities and other directly attributable costs relevant to the ongoing maintenance and preservation of the functionality of intangible and tangible assets.

Determination of the numerator according to Article 8 Annex 1:

Analogous to the procedure for capital expenditures, the repair and maintenance costs for technical equipment, machinery, the vehicle fleet, and furniture and fixtures are allocated to

Taxonomy-aligned, Taxonomy-eligible and Taxonomy-non-eligible operating expenditures in proportion to the equipment costs.

The maintenance expenses for real estate can be partially allocated to the economic activity 7.2. renovation of existing buildings or 7.3. maintenance and repair of energy efficiency equipment. These individual measures are therefore Taxonomy-eligible and, if the screening criteria are met, Taxonomy-aligned operating expenditures.

A detailed examination of the maintenance of real estate with regard to the technical screening criteria is only carried out, however, if the individual measure exceeds the expenditure of € 3 million. In the 2022 financial year, this value was not exceeded, which is why the entire allocation was made under Taxonomy-non-eligible operating expenditures.

Double recognition is avoided because the individual measures are initially subtracted from the total and only then is the remainder allocated using the equipment costs as a basis.

The basis for determining the operating expenditures are the respective expense items according to the IFRS consolidated balance sheet.

The operating expenditures are as follows:

A detailed presentation by economic activity in accordance with the reporting templates from Annex II is available in the Notes.

ENVIRONMENTAL OBJECTIVE OF CLIMATE CHANGE MITIGATION

	2022		2021	
	€ mln.	%	€ mln.	%
OpEx related to environmentally sustainable activities (Taxonomy-aligned) (A.1)	12.13	4.09	n. a.	n. a.
OpEx related to Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	56.86	19.19	67.61	20.37
Total (A.1 + A.2)	68.99	23.28	67.61	20.37
OpEx of Taxonomy-non-eligible activities (B)	227.41	76.72	264.29	79.63
Total (A+B)	296.40	100.00	331.90	100.00

The Taxonomy-aligned operating expenditures include € 9.56 million related to maintenance of construction equipment and € 2.57 million related

to maintenance of the vehicle fleet. Recognition in the IFRS consolidated financial statements is made under the item "Other services used".

Minimum safeguards

Assessing Taxonomy alignment in accordance with Articles 3 and 18 of the EU Taxonomy Regulation (EU 2020/852) also requires compliance with minimum social safeguards. The EU Taxonomy thus combines economic, environmental and social criteria for classifying sustainable economic activities. The minimum safeguards included in the EU Taxonomy are there to ensure that a company carrying out an economic activity implements procedures that guarantee aspects of human and workers' rights. An economic activity is carried out in alignment with the minimum safeguards if the following minimum social standards are followed in its implementation:

- OECD Guidelines for Multinational Enterprises
- United Nations (UN) Guiding Principles on Business and Human Rights

- Core Conventions of the International Labour Organization (ILO)

These international frameworks comprise principles and guidelines for corporate responsibility in relation to four topics: human rights, corruption, taxation and fair competition.

In the 2022 financial year, STRABAG analysed its existing group directives, processes and management structures relevant to these four topics. The aim was to determine alignment with the required minimum standards in accordance with the EU Taxonomy. Many of the minimum safeguards are covered by legislation currently applicable to STRABAG and by group directives and policies. The following table provides an overview of the most important group directives and policies that were analysed:

Topic	STRABAG group directives, processes and policies
Human rights	Code of Conduct, Corporate Responsibility Policy, Supplier Code of Conduct, Health and Safety Policy, ombudspersons
Corruption	Code of Conduct, Business Compliance Management System, online whistleblower platform, Supplier Code of Conduct
Taxation	no internal company documents analysed – based on national laws
Fair competition	Business Compliance Management System, online whistleblower platform

A Social Policy is currently under development and should be adopted in 2023 following approval by the Management Board. The policy will set out STRABAG's commitments and measures with regard to various aspects of human rights and other related topics.

See chapter
"Occupational Safety"

The management of STRABAG is called upon to ensure compliance with principles relating to these topics through appropriate measures within the scope of their respective area of responsibility. Any negative impacts of STRABAG's business activities are identified, evaluated and appropriate measures are taken to avoid or reduce them through due diligence, risk management and the annual materiality analysis.

The following observations can be made in relation to the items presented in the table above: The **Code of Conduct**, which was updated in July 2022, as well as the **Corporate Responsibility Policy**, which forms part of the Management Manual, are based on the principles set out in the Universal Declaration of Human Rights, the ILO Fundamental Conventions, the OECD Guidelines for Multinational Enterprises and the Ten Principles of the UN Global Compact. The Code of Conduct and the Corporate Responsibility Policy are binding for all employees of STRABAG SE and all its subsidiaries at home and abroad. Both documents are available in all Group languages and can be accessed on the intranet. The Code of Conduct is also published on the website of STRABAG SE and – as far as possible under national law – forms part of the employment contracts.

See chapter
"Fair Competition"

Another instrument to ensure alignment with the minimum safeguards, particularly with regard to corruption and fair competition, is STRABAG's certified **Business Compliance Management System (BCMS)**. Together with the Code of Conduct, the BCMS forms part of the corporate-wide Ethics Business Compliance System.

See online whistleblower platform:
strabag.integrity-platform.org

The STRABAG **Supplier Code of Conduct** sets out requirements for suppliers, subcontractors and other business partners on the topics of business compliance, human rights, working conditions and the environment. It applies to all STRABAG suppliers and subcontractors, including their boards and committees, employees, representatives and subcontractors. STRABAG suppliers and subcontractors must implement these principles and requirements with appropriate care and are required to pass on the information contained therein to

relevant employees and subcontractors. In this regard, STRABAG also expects the implementation of appropriate processes and measures to prevent human rights violations in its own business and to reduce risks along its supply chains.

STRABAG counters risks in occupational health and safety with its corporate-wide occupational health and safety management system (ISO 45001) and the establishment of a corporate-wide occupational health management system. Our principles on occupational health and safety and their implementation are laid down in our **Health and Safety Policy** and apply to all employees in the Group, including those at contracted external companies.

Another relevant group of topics in relation to the minimum safeguards concerns the safeguarding of employee interests. STRABAG respects the principle of freedom of assembly and free participation in trade unions and works councils in accordance with local legislation and expects the same from its suppliers and subcontractors. STRABAG SE has a group works council, represented on the Supervisory Board of STRABAG SE, which campaigns for the interests of employees. National and company-specific works councils also exist in addition to the group works council. 94% of STRABAG's employees are covered by collective agreements, with corresponding national requirements observed at all subsidiaries.

The principles of STRABAG's tax policy call for compliance with all applicable tax laws and other relevant regulations internationally. Numerous directives, organisational instructions and controls have been implemented in the individual countries to ensure appropriate taxation and compliance with the relevant regulations.

Non-compliance with the minimum safeguards by STRABAG, but also by companies in the supply chain, can be reported by any STRABAG employee, as well as by direct and indirect suppliers and other stakeholders, via an **online whistleblower platform** or to the designated contact persons (**ombudspersons**). The information or questions received via the whistleblower platform are treated confidentially and will only be passed on to third parties on a need-to-know basis. The whistleblowers can disclose their identity or choose to remain anonymous. In either case, the identity of the whistleblower will be protected from public disclosure.

The ombudsperson system gets involved if the matter received is a justified case and non-compliance with one of the safeguards seems plausible. To ensure an appropriate response to the violation, the responsible management level takes appropriate organisational and disciplinary action.






The previous discussions show that STRABAG has implemented a comprehensive, corporate-wide set of instruments to follow the EU Taxonomy's minimum safeguards. Nevertheless, due to the scope of our services, the large number of direct suppliers and the global activities of the STRABAG SE companies, it is not entirely possible to rule out corresponding risks along our supply chains.

















Outlook

For the management, implementation and further development of our due diligence processes, a social compliance management system will be gradually implemented throughout the Group starting next year with the aim of firmly establishing the system and continuously improving it. The Social Policy described above is also part of this project. Key components of the social compliance management system include regular risk

analyses and the identification of appropriate preventive and remedial measures for the company's own business activities and its supply chain. This also covers contractual regulations as well as training measures and sustainability audits, both within the company and at our suppliers. Corresponding human resources, including a human rights officer, will be established in the course of the financial year.

SUSTAINABILITY PROGRESS

 Positive development
  Negative development
  No change
  New indicator
  Development not assessable

Topic	Indicator	Unit	2020	2021	2022	Development compared to the previous year
Client satisfaction¹						
	Client satisfaction index ²		1.87	Data not available ³	4.4	
	Organisational efficiency and technical realisation		n. a.	n. a.	4.3	
	Responsible and sustainable handling of people and resources		n. a.	n. a.	4.3	
	Team: professional competence as well as communication and cooperation		n. a.	n. a.	4.5	
Digitalisation and innovation¹						
	Collection and analysis of machine data	%	37	44	45	
	Key equipment with machine control systems	%	15	15	19	
	BIM 5D [®] workstations	Number	1,908	2,165	2,435	
	Percentage of employees using mobile end devices (tablets)	%	23	25	28	
	Expenditure on research, development and innovation activities	€ mln.	approx. 17	approx. 16	approx. 16	
	Number of development projects with funding	Number	n. a.	24	25	
	Ideas submitted to idea management system	Number	n. a.	153	328	
	Implementation rate in idea management	%	n. a.	29.4	18.9 ⁴	
Occupational safety¹						
	Lost-time accident rate ⁵	%	0.27	0.26	0.24	
	Accident incident rate ⁶	%	15.9	15.6	14.8	
	Occupational accidents with serious injuries ⁷	Number	n. a.	n. a.	12	
Health protection¹						
	Lost-time illness rate ⁸	%	5.3	5.8	6.1	

1 Material topic as defined by the GRI Standards

2 The customer satisfaction index is composed of the aspects "Organisational efficiency and technical realisation", "Responsible handling of people and resources" and "Team: professional competence as well as communication and cooperation".

3 Due to changes in the way data are collected






4 While the number of ideas submitted has more than doubled, the resources for implementing these ideas have not increased proportionally.
















5 Number of working hours lost to accidents versus productive working hours

6 Number of accidents at work per 1 million productive working hours

7 Indicator is being reported for the first time in the 2022 financial year. STRABAG considers occupational accidents with serious injuries to be occupational accidents that lead to 43 or more days of absence and that can be assigned to the injury types of broken bones, multiple injuries, burns, poisoning or electrocution. In 2022, there were no serious accidents due to poisoning or electrocution.






8 Ratio of sick leave days to working days; values for 2020 were adjusted retroactively due to a change in the calculation method.





 Positive development
  Negative development
  No change
  New indicator
  Development not assessable

Topic	Indicator	Unit	2020	2021	2022	Development compared to the previous year
Strategic human resource development¹						
	Number of appraisal interviews held versus number of employees	%	51.10	56.19	71.73	
	Training days per employee	%	0.68	0.84	1.31	
Equal treatment of women and men						
	Diversity on the Management Board ² (Women/Men)	%	0/100	0/100	0/100	
	Diversity on the Supervisory Board ² (Women/Men)	%	27/73	18/82	33/67	
	Diversity in management (Women/Men)	%	9.3/90.7	9.3/90.7	9.5/90.5	
	Diversity among employees (Women/Men)	%	17.1/82.9	17.5/82.5	17.6/82.4	
Fair competition¹						
	Training "Anti-Corruption and BCMS" (management)	%	81	81	86	
	Training "Cartel Law" (management)	%	83	90	89	
	E-learning course "Business Compliance Training" (management and employees)	%	n. a.	92	94	
	Confirmed incidents of corruption	Number	5	1	0	
Materials¹						
	Percentage of recycled asphalt used in the production of asphalt mixture	%	33 (DE) 40 (PL) 14 (AT)	34 (DE) 36 (PL) 19 (AT)	35 (DE) 33 (PL) 20 (AT)	
Energy and emissions¹						
	Vehicle fleet in Germany and Austria		5.97 160	5.90 158	5.79 155	
	Diesel-powered passenger cars	l/100 km g CO ₂ /km				
	Diesel-powered commercial vehicles	l/100 km g CO ₂ /km	9.3 249	9.28 248	9.16 245	
	Asphalt mix produced in-house in Germany	kWh/t kg CO ₂ /t	93.33 31.0	97.6 31.2	92.6 29.8	
Austrian Code of Corporate Governance (ÖCGK)						
	Compliance with C-Rules and R-Rules		All C-Rules and R-Rules were complied with	All C-Rules and R-Rules were complied with	All C-Rules and R-Rules were complied with	

¹ Material topic as defined by the GRI standards

² Employee numbers expressed as head count as at 31 December 2022

 Positive development
  Negative development
  No change
  New indicator
  Development not assessable

Topic	Indicator	Unit	2020	2021	2022	Development compared to the previous year
Human rights						
	Number of cases of discrimination	Number	3	12	13	
	Number of cases identified in the category "human rights and working conditions" ¹	Number	n. a.	3	3	
	Reports of potential human rights violations to the ombudspersons	Number	17	27	16	
Societal engagement						
	Expenditures for core projects and initiatives	€ mln.	3.3	3.9	4.9	

¹ Category was introduced in 2021

DATA APPENDIX

Topic	Indicator	Unit	GRI Standard	2019	2020	2021	2022
General Employment Figures¹							
Number of employees		FTE	2-7	76,919	74,340	73,606	73,740
White-collar		FTE		32,480	31,889	31,934	32,336
Blue-collar		FTE		44,439	42,451	41,672	41,404
Women		Head count %	2-7	16.9	17.1	17.5	17.6
Men		Head count %	2-7	83.1	82.8	82.5	82.4
Age group <30 years		Head count %	405-1	19	19	17	18
Age group 30–50 years		Head count %	405-1	50	50	52	52
Age group >50 years		Head count %	405-1	31	31	31	30
Segment (North + West)		FTE (%)	2-7	25,386 (33)	25,801 (35)	25,430 (35)	25,693 (35)
Segment (South + East)		FTE (%)	2-7	19,850 (26)	20,512 (27)	20,685 (28)	20,625 (28)
Segment (International + Special Divisions)		FTE (%)	2-7	25,219 (33)	21,339 (29)	20,610 (28)	20,405 (28)
Other		FTE (%)	2-7	6,464 (8)	6,688 (9)	6,881 (9)	7,017 (9)
Germany		FTE	2-7	29,132	28,150	28,131	28,887
Austria		FTE	2-7	11,524	11,514	11,515	11,606
Americas		FTE	2-7	7,613	6,497	5,786	5,595
Poland		FTE	2-7	6,186	6,428	6,340	6,135
Czech Republic		FTE	2-7	3,916	4,097	4,187	4,155
Hungary		FTE	2-7	2,890	2,880	2,921	2,978
Slovakia		FTE	2-7	1,831	1,745	1,671	1,602
Romania		FTE	2-7	1,524	1,739	1,743	1,768
Middle East		FTE	2-7	2,704	1,553	1,621	1,709
Serbia		FTE	2-7	1,392	1,452	1,346	1,343
Croatia		FTE	2-7	1,078	1,275	1,477	1,484
Rest of Europe		FTE	2-7	1,528	1,123	987	923
Asia		FTE	2-7	935	960	796	906
Switzerland		FTE	2-7	880	822	749	690
Africa		FTE	2-7	1,063	816	1,022	818
Russia ²		FTE	2-7	660	644	569	529
United Kingdom		FTE	2-7	n. a.	610	932	1,148
Benelux		FTE	2-7	602	538	381	330
Bulgaria		FTE	2-7	401	491	596	498
Sweden		FTE	2-7	436	370	319	292
Denmark		FTE	2-7	294	276	199	108
Italy		FTE	2-7	171	212	176	98
Slovenia		FTE	2-7	159	148	142	138
Number of nationalities within the Group		Number		120	139	147	154
Percentage of women in the Group and in management							
Women in the Group		Head count %	405-1	16.9	17.1	17.5	17.6
Women in management ³		Head count %	405-1	9.3	9.3	9.3	9.5
Women on the Supervisory Board ⁴		Head count %	405-1	18	27	18	33
Women on the Management Board		Head count %	405-1	0	0	0	0
Age structures in the Management Board and Supervisory Board							
Management Board							
Age group >30 years		Head count %	405-1	0	0	0	0

1 All employee figures were determined by including all associated group companies and represent annual average values.

2 STRABAG is in the process of winding up its activities in Russia.

3 Hierarchy levels from business unit management up

4 As at 31 December 2022

Topic	Indicator	Unit	GRI Standard	2019	2020	2021	2022
	Age group 30–50 years	Head count %	405-1	20	33	17	17
	Age group >50 years	Head count %	405-1	80	67	83	83
Supervisory Board							
	Age group >30 years	Head count %	405-1	0	0	0	0
	Age group 30–50 years	Head count %	405-1	18	18	9	9
	Age group >50 years	Head count %	405-1	82	82	91	91

Detailed employment information

Total number of employees by employment contract (permanent and temporary), by gender

Total permanent	Head count (%)	2-7	70,645 (86)	68,672 (86)	68,458 (87)	68,834 (87)
Total temporary	Head count (%)	2-7	11,668 (14)	10,756 (14)	9,954 (13)	10,618 (13)
Women permanent	Head count (%)	2-7	11,664 (84)	11,498 (85)	11,877 (87)	11,892 (85)
Women temporary	Head count (%)	2-7	2,212 (16)	2,099 (15)	1,808 (13)	2,052 (15)
Men permanent	Head count (%)	2-7	58,981 (86)	57,174 (87)	56,581 (87)	56,942 (87)
Men temporary	Head count (%)	2-7	9,456 (14)	8,657 (13)	8,146 (13)	8,566 (13)

Total number of employees by employment contract (permanent and temporary), by region

Germany permanent	Head count (%)	2-7	28,839 (88)	27,664 (87)	28,001 (89)	28,516 (88)
Austria permanent	Head count (%)	2-7	12,119 (99)	12,095 (99)	11,792 (97)	12,196 (95)
CEE permanent	Head count (%)	2-7	16,219 (80)	16,963 (80)	17,477 (82)	16,992 (81)
Rest of Europe permanent	Head count (%)	2-7	3,682 (92)	3,515 (86)	3,393 (88)	3,183 (86)
Rest of World permanent	Head count (%)	2-7	9,786 (76)	8,435 (83)	7,795 (83)	7,947 (86)
Germany temporary	Head count (%)	2-7	4,066 (12)	4,033 (13)	3,562 (11)	4,089 (12)
Austria temporary	Head count (%)	2-7	101 (1)	101 (1)	420 (3)	614 (5)
CEE temporary	Head count (%)	2-7	4,058 (20)	4,304 (20)	3,874 (18)	4,099 (19)
Rest of Europe temporary	Head count (%)	2-7	310 (8)	582 (14)	447 (12)	525 (14)
Rest of World temporary	Head count (%)	2-7	3,133 (24)	1,736 (17)	1,651 (18)	1,291 (14)

Total number of employees by employment type (full-time and part-time), by region¹

Germany full-time	Head count (%)	2-7	n. a.	n. a.	n. a.	26,712 (82)
Austria full-time	Head count (%)	2-7	n. a.	n. a.	n. a.	11,211 (87)
CEE full-time	Head count (%)	2-7	n. a.	n. a.	n. a.	20,656 (98)
Rest of Europe full-time	Head count (%)	2-7	n. a.	n. a.	n. a.	3,493 (94)
Rest of World full-time	Head count (%)	2-7	n. a.	n. a.	n. a.	9,147 (99)
Germany part-time	Head count (%)	2-7	n. a.	n. a.	n. a.	5,893 (18)
Austria part-time	Head count (%)	2-7	n. a.	n. a.	n. a.	1,599 (13)
CEE part-time	Head count (%)	2-7	n. a.	n. a.	n. a.	435 (2)
Rest of Europe part-time	Head count (%)	2-7	n. a.	n. a.	n. a.	215 (6)
Rest of World part-time	Head count (%)	2-7	n. a.	n. a.	n. a.	91 (1)

Total number of employees by employment type (full-time and part-time), by gender

Total full-time	Head count (%)	2-7	73,789 (90)	71,220 (90)	70,459 (90)	71,219 (90)
Total part-time	Head count (%)	2-7	8,524 (10)	8,208 (10)	7,953 (10)	8,233 (10)
Women full-time	Head count (%)	2-7	8,863 (64)	8,740 (64)	8,907 (65)	9,017 (65)
Women part-time	Head count (%)	2-7	5,013 (36)	4,857 (36)	4,778 (35)	4,927 (35)
Men full-time	Head count (%)	2-7	64,926 (95)	62,480 (95)	61,552 (95)	62,202 (95)
Men part-time	Head count (%)	2-7	3,511 (5)	3,351 (5)	3,175 (5)	3,306 (5)

Any significant variations in the numbers reported in disclosure 2-7

No significant variations in the number of employees could be determined.

An explanation of how the data have been compiled, including any assumptions made

The information required for the GRI disclosures was taken from the HR master data of the ERP system at the group headquarters as well as from group organisational units with other ERP systems through standardised monthly reporting.

¹ Indicator is being reported for the first time in 2022.

Topic	Indicator	Unit	GRI Standard	2019	2020	2021	2022
	Percentage of total employees covered by collective bargaining agreements¹	Head count (%)	2-30	96	94	94	94
	New hires (without temporary employment contracts)						
	Women	Head count	401-1	808	623	719	934
	Men	Head count	401-1	3,558	3,041	3,619	4,741
	Age group <30 years	Head count	401-1	1,390	1,120	1,297	1,639
	Age group 30–50 years	Head count	401-1	2,298	1,985	2,392	3,204
	Age group >50 years	Head count	401-1	678	559	649	832
	Germany	Head count (Employee hire rate %)	401-1	1,567 (5.4)	1,194 (4.3)	1,322 (4.7)	1,786 (6.3)
	Women age group <30 years	Head count	401-1	110	75	81	129
	Men age group <30 years	Head count	401-1	370	287	328	424
	Women age group 30–50 years	Head count	401-1	145	110	129	169
	Men age group 30–50 years	Head count	401-1	639	515	558	750
	Women age group >50 years	Head count	401-1	52	29	39	53
	Men age group >50 years	Head count	401-1	251	178	187	261
	Austria	Head count (Employee hire rate %)	401-1	1,282 (10.6)	1,087 (9.0)	1,102 (9.3)	1,288 (10.6)
	Women age group <30 years	Head count	401-1	82	59	59	98
	Men age group <30 years	Head count	401-1	435	360	329	353
	Women age group 30–50 years	Head count	401-1	151	128	129	162
	Men age group 30–50 years	Head count	401-1	478	415	434	491
	Women age group >50 years	Head count	401-1	34	31	45	63
	Men age group >50 years	Head count	401-1	102	94	106	121
	CEE	Head count (Employee hire rate %)	401-1	773 (4.8)	556 (3.3)	604 (3.5)	534 (3.1)
	Women age group <30 years	Head count	401-1	54	30	46	30
	Men age group <30 years	Head count	401-1	147	103	134	107
	Women age group 30–50 years	Head count	401-1	88	68	60	71
	Men age group 30–50 years	Head count	401-1	363	266	264	243
	Women age group >50 years	Head count	401-1	11	7	10	15
	Men age group >50 years	Head count	401-1	110	82	90	68
	Rest of Europe	Head count (Employee hire rate %)	401-1	290 (7.9)	342 (9.7)	327 (9.6)	371 (11.7)
	Women age group <30 years	Head count	401-1	18	16	19	21
	Men age group <30 years	Head count	401-1	72	76	57	96
	Women age group 30–50 years	Head count	401-1	20	35	48	32
	Men age group 30–50 years	Head count	401-1	129	153	146	159
	Women age group >50 years	Head count	401-1	5	11	10	10
	Men age group >50 years	Head count	401-1	46	51	47	53
	Rest of World	Head count (Employee hire rate %)	401-1	454 (4.6)	485 (5.7)	983 (12.6)	1,696 (21.3)
	Women age group <30 years	Head count	401-1	15	8	13	28
	Men age group <30 years	Head count	401-1	87	106	231	353
	Women age group 30–50 years	Head count	401-1	20	14	28	43
	Men age group 30–50 years	Head count	401-1	265	281	596	1,084
	Women age group >50 years	Head count	401-1	3	2	3	10
	Men age group >50 years	Head count	401-1	64	74	112	178

¹ The national requirements are kept at all subsidiaries.

Topic	Indicator	Unit	GRI Standard	2019	2020	2021	2022
Departures (without temporary employment contracts)							
	Women	Head count	401-1	801	790	806	880
	Men	Head count	401-1	4,234	4,243	4,159	4,270
	Age group <30 years	Head count	401-1	955	799	849	1,006
	Age group 30–50 years	Head count	401-1	2,575	2,649	2,623	2,699
	Age group >50 years	Head count	401-1	1,505	1,585	1,493	1,445
Germany		Head count (Employee departure rate %)	401-1	1,487 (5.2)	1,437 (5.2)	1,419 (5.1)	1,541 (5.4)
	Women age group <30 years	Head count	401-1	62	47	48	65
	Men age group <30 years	Head count	401-1	229	215	218	254
	Women age group 30–50 years	Head count	401-1	160	158	154	146
	Men age group 30–50 years	Head count	401-1	452	454	463	551
	Women age group >50 years	Head count	401-1	124	128	115	101
	Men age group >50 years	Head count	401-1	460	435	421	424
Austria		Head count (Employee departure rate %)	401-1	775 (6.4)	724 (6.0)	911 (7.7)	1,033 (8.5)
	Women age group <30 years	Head count	401-1	33	36	42	62
	Men age group <30 years	Head count	401-1	167	129	178	221
	Women age group 30–50 years	Head count	401-1	123	107	108	148
	Men age group 30–50 years	Head count	401-1	231	218	302	318
	Women age group >50 years	Head count	401-1	60	62	69	80
	Men age group >50 years	Head count	401-1	161	172	212	204
CEE		Head count (Employee departure rate %)	401-1	742 (4.6)	733 (4.3)	806 (4.6)	966 (5.7)
	Women age group <30 years	Head count	401-1	21	19	28	27
	Men age group <30 years	Head count	401-1	101	64	99	118
	Women age group 30–50 years	Head count	401-1	82	73	91	101
	Men age group 30–50 years	Head count	401-1	287	280	317	396
	Women age group >50 years	Head count	401-1	30	43	33	39
	Men age group >50 years	Head count	401-1	221	254	238	285
Rest of Europe		Head count (Employee departure rate %)	401-1	332 (9.0)	315 (9.0)	378 (11.1)	255 (8.0)
	Women age group <30 years	Head count	401-1	12	6	7	9
	Men age group <30 years	Head count	401-1	55	47	55	49
	Women age group 30–50 years	Head count	401-1	27	28	28	20
	Men age group 30–50 years	Head count	401-1	132	133	175	104
	Women age group >50 years	Head count	401-1	18	10	11	11
	Men age group >50 years	Head count	401-1	88	91	102	62
Rest of World		Head count (Employee departure rate %)	401-1	1,699 (17.4)	1,824 (21.6)	1,451 (18.6)	1,355 (17.1)
	Women age group <30 years	Head count	401-1	11	17	14	14
	Men age group <30 years	Head count	401-1	264	219	160	187
	Women age group 30–50 years	Head count	401-1	29	40	45	40
	Men age group 30–50 years	Head count	401-1	1,052	1,158	940	875
	Women age group >50 years	Head count	401-1	9	16	13	17
	Men age group >50 years	Head count	401-1	334	374	279	222

Topic	Indicator	Unit	GRI Standard	2019	2020	2021	2022
Key compensation figures							
	Ratio of annual total compensation ¹	Factor ²	2-21	n. a.	n. a.	n. a.	53.1
Client satisfaction							
	Client satisfaction index	Index		1.87 ³	1.87 ³	n. a. ⁴	4.4 ⁵
	Organisational efficiency and technical realisation	Index		n. a.	n. a.	n. a.	4.3
	Responsible and sustainable handling of people and resources	Index		n. a.	n. a.	n. a.	4.3
	Team: professional competence as well as communication and cooperation	Index		n. a.	n. a.	n. a.	4.5
Digitalisation and innovation							
	Collection and analysis of machine data	%		34	37	44	45
	Key equipment with machine control systems	%		12	15	15	19
	BIM 5D [®] workstations	Number		1,560	1,908	2,165	2,435
	Percentage of employees using mobile end devices (tablets)	%		18	23	25	28
	Expenditure on research, development and innovation activities	€ mln.		approx. 17	approx. 17	approx. 16	approx. 16
	Number of development projects with funding	Number		n. a.	n. a.	24	25
	Ideas submitted to idea management system	Number		n. a.	n. a.	153	328
	Implementation rate in idea management system	%		n. a.	n. a.	29.4	18.9
Occupational safety							
	Lost-time accident rate ⁶	%	403-9	0.24	0.27	0.26	0.24
	White-collar	%	403-9	0.05	0.07	0.07	0.05
	Blue-collar	%	403-9	0.37	0.41	0.40	0.37
	Accident incident rate ⁷	Number	403-9	15.9	15.9	15.6	14.8
	White-collar	Number	403-9	4.3	4.9	4.4	4.1
	Blue-collar	Number	403-9	23.9	24.1	23.9	22.6
	Occupational accidents with serious injuries ⁸	Number		n. a.	n. a.	n. a.	12
	Fatalities through workplace accidents	Number	403-9	5	0	0	2
Health protection							
	Lost-time illness rate ⁹	%		4.9	5.3	5.8	6.1

1 Indicator is being reported for the first time in 2022.

2 The factor is calculated from the ratio of the annual total compensation for the highest-paid individual to the median annual total compensation for all employees. The median annual employee compensation was calculated on the basis of the HR master data taken from the ERP system at Group headquarters, taking into account those employees who were employed for at least six months in the calendar year. Compensation was extrapolated into an annual amount for employees who were with the company for less than 12 months in the year and to a full-time amount in the case of part-time employment.

3 1 (pos.)–6 (neg.)

4 Due to changes in the way data are collected

5 1 (neg.)–5 (pos.)

6 Number of working hours lost to accidents versus productive working hours (blue-collar: 78,960,602 hours, white-collar: 58,647,904 hours)

7 Number of accidents at work per 1 million productive working hours (blue-collar: 78,960,602 hours, white-collar: 58,647,904 hours)

8 Indicator is being reported for the first time in the 2022 financial year. STRABAG considers occupational accidents with serious injuries to be occupational accidents that lead to 43 or more days of absence and that can be assigned to the injury types of broken bones, multiple injuries, burns, poisoning or electrocution. In 2022, there were no serious accidents due to poisoning or electrocution.

9 Ratio of sick leave days to working days; values for 2020 were adjusted retroactively due to a change in the calculation method.

Topic	Indicator	Unit	GRI Standard	2019	2020	2021	2022
	White-collar	%		3.6	3.4	3.5	4.1
	Blue-collar	%		5.8	6.7	7.5	7.6
Strategic human resource development							
	Number of appraisal interviews held versus number of employees	%	404-3	60.00	51.10	56.19	71.73
	Women	%	404-3	n. a.	54.57	58.74	72.09
	Men	%	404-3	n. a.	49.70	55.13	71.57
	Training days per employee	Number	404-1	1.42	0.68	0.84	1.31
	Women	Number	404-1	n. a.	0.72	0.91	1.24
	Men	Number	404-1	n. a.	0.66	0.81	1.34
	Training and further education sessions	Number		3,881	2,186	2,956	3,378
	Participants	Number		32,954	25,347	33,961	38,785
	Total number of apprentices	FTE		1,724	1,801	1,829	1,870
	Trainees	FTE		162	158	135	103
	Women	FTE		46	58	52	32
	Men	FTE		116	100	83	71
	Commercial trainees	FTE		28	39	32	30
	Technical Trainees	FTE		134	119	103	73
Fair competition¹							
	Training "Anti-Corruption and BCMS" (management)	%	205-2	90	81	81	86
	Germany	Number of participants (%)	205-2	n. a.	n. a.	n. a.	509 (86)
	Austria	Number of participants (%)	205-2	n. a.	n. a.	n. a.	307 (93)
	CEE	Number of participants (%)	205-2	n. a.	n. a.	n. a.	319 (84)
	Rest of Europe	Number of participants (%)	205-2	n. a.	n. a.	n. a.	15 (43)
	Rest of World	Number of participants (%)	205-2	n. a.	n. a.	n. a.	0 (0)
	Training "Cartel Law" (management)	%	205-2	90	83	90	89
	Germany	Number of participants (%)	205-2	n. a.	n. a.	n. a.	555 (94)
	Austria	Number of participants (%)	205-2	n. a.	n. a.	n. a.	309 (93)
	CEE	Number of participants (%)	205-2	n. a.	n. a.	n. a.	320 (84)
	Rest of Europe	Number of participants (%)	205-2	n. a.	n. a.	n. a.	14 (40)
	Rest of World	Number of participants (%)	205-2	n. a.	n. a.	n. a.	0 (0)
	Refresher course "Business Compliance" (management)	%	205-2	n. a. ²	22	19	64
	Germany	Number of participants (%)	205-2	n. a.	n. a.	n. a.	237 (68)

1 The breakdown of training participants and rate by region is being reported for the first time in the financial year 2022.

2 2019 not available due to changes to training courses

Topic	Indicator	Unit	GRI Standard	2019	2020	2021	2022
	Austria	Number of participants (%)	205-2	n. a.	n. a.	n. a.	203 (94)
	CEE	Number of participants (%)	205-2	n. a.	n. a.	n. a.	86 (35)
	Rest of Europe	Number of participants (%)	205-2	n. a.	n. a.	n. a.	0 (0)
	Rest of World	Number of participants (%)	205-2	n. a.	n. a.	n. a.	0 (0) ¹
	E-learning course "Business Compliance Training" (management and employees)²	%	205-2	n. a.	n. a.	92	94
	Confirmed incidents of corruption	Number	205-3	2	5	1	0

Materials

Percentage of recycled asphalt used in the production of asphalt mixture

Germany	% (of total thousand t)	301-2	34 (3,140)	33 (3,303)	34 (3,076)	35 (3,036)
Poland	% (of total thousand t)	301-2	41 (2,280)	40 (2,391)	36 (2,513)	33 (2,268)
Austria	% (of total thousand t)	301-2	13 (1,248)	18 (1,287)	19 (1,360)	20 (1,077)

Materials used

Stone/Gravel	thousands of tonnes	301-1	70,410	69,960	64,790	59,991
Asphalt	thousands of tonnes	301-1	13,270	12,745	12,715	12,056
Concrete	thousands of m ³	301-1	5,519	5,089	4,775	5,154
Cement	thousands of tonnes	301-1	1,642	1,739	1,555	1,239
Structural steel	tonnes	301-1	476,901	447,213	444,698	463,853

Energy and emissions

Vehicle fleet

Diesel-powered passenger cars in Germany and Austria ³	litre/100 km (g CO ₂ /km)		6.01 (161)	5.97 (160)	5.90 (158)	5.79 (155)
Diesel-powered commercial vehicles in Germany and Austria	litre/100 km (g CO ₂ /km)		9.18 (246)	9.33 (249)	9.28 (248)	9.16 (245)

Asphalt mix produced in-house in Germany

	kWh/t (kg CO ₂ /t)		93.0 (31.8)	93.0 (31.0)	97.6 (31.2)	92.6 (29.8)
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Energy costs

	€ mln.		281	242	283	407
Share of fuel in energy costs	%		65	61	64	67

Energy consumption

	MWh	302-1	3,545,606	3,163,103	3,274,577	3,467,402
Fuel consumption from non-renewable sources ⁴	MWh	302-1	3,064,026	2,708,997	2,838,073	3,007,256
Electricity	MWh	302-1	432,755	411,441	394,859	417,340
thereof green electricity	%		n. a.	6	26	23
Fuel	MWh	302-1	1,986,883	1,732,783	1,754,901	1,961,591
Gas	MWh	302-1	430,143	332,625	428,683	416,171
Heating oil	MWh	302-1	165,764	142,857	151,406	153,519
Pulverised lignite	MWh	302-1	481,235	500,732	503,083	475,975
District heating	MWh	302-1	48,826	42,665	41,645	42,806

CO₂ emissions

1 There currently are no managers in the "Rest of World" region who must attend the refresher training.

2 Training was first implemented in 2021.

3 Until 2019, the figure was reported including petrol-driven vehicles.

4 New indicator since 2021. Number is composed of fuel, gas, heating oil and pulverised lignite.

Topic	Indicator	Unit	GRI Standard	2019	2020	2021	2022
	Carbon footprint Scope 1	t CO ₂	305-1	833,816	738,708	768,433	809,104
	Carbon footprint Scope 1	t CO ₂ e	305-1	n. a.	742,063	771,799	813,242
	Carbon footprint Scope 2, location-based	t CO ₂ e	305-2	n. a.	171,353	165,711	175,191
	Carbon footprint Scope 2, location-based	t CO ₂	305-2	n. a.	170,076	164,315	174,419
	Carbon footprint Scope 2, market-based	t CO ₂ e	305-2	n. a.	151,185	125,723	148,454
	Carbon footprint Scope 2, market-based	t CO ₂	305-2	177,387	150,109	124,521	147,120
	CO₂ emissions by energy source¹	%	305-1	100	100	100	100
	Fuels	%	305-1	52	51	50	53
	Pulverised lignite	%	305-1	17	19	18	16
	Electricity	%	305-1	16	18	17	17
	Gas	%	305-1	9	7	9	9
	Heating oil	%	305-1	4	4	4	4
	District heating	%	305-1	1	1	1	1
	CO₂ emissions by country	%	305-1	100	100	100	100
	Germany	%	305-1	36	37	36	33
	Poland	%	305-1	15	17	16	15
	Austria	%	305-1	8	9	8	11
	Czech Republic	%	305-1	8	8	10	8
	Other	%	305-1	33	29	30	33
Risk and opportunity management – Project risk management							
	EBIT margin	%	201-1	3.8	4.3	5.9	4.9
Human rights							
	Number of confirmed cases of discrimination	Number	406-1	1	3	12	13
	Number of cases identified in the category “human rights and working conditions” ²	Number	406-1	n. a.	n. a.	3	3
	Reports of potential human rights violations to the ombudspersons	Number		12	17	27	16
Societal engagement							
	Expenditures for core projects and initiatives	€ mln.		4.2	3.3	3.9	4.9

1 The numbers are based on the location-based calculation method. Up to and including 2019, market-based emissions were used.

2 Category was introduced in 2021.

GRI CONTENT INDEX

Statement of use	STRABAG has reported in accordance with the GRI Standards for the period 1 January 2022–31 December 2022.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	No applicable sector standard

GRI Standard	Disclosure number and title	Page	Omission/ Notes
GENERAL DISCLOSURES			
	2-1 Organizational details	21–22; 27; 311	www.strabag.com > Locations
	2-2 Entities included in the organization's sustainability reporting	230–240	
	2-3 Reporting period, frequency and contact point	7; 308	www.strabag.com > Investor Relations > IR Contact & Service www.strabag.com > Investor Relations > Company Calendar
	2-4 Restatements of information	7; 73	
	2-5 External assurance	7; 166–168	
	2-6 Activities, value chain and other business relationships	21–22; 25–28; 30; 298	www.strabag.com > Activities www.strabag.com > STRABAG SE > Our Brands www.strabag.com > Strategy > Stakeholder Involvement
	2-7 Employees	76–78; 152–153	2-7-b-iii does not apply to STRABAG/is not applicable because all STRABAG employment contracts have a fixed number of working hours.
	2-8 Workers who are not employees		2-8 does not apply to STRABAG/is not applicable, as each employee has an employment relationship with STRABAG governed by a valid employment contract.
	2-9 Governance structure and composition	43–54	
	2-10 Nomination and selection of the highest governance body	55–56	
	2-11 Chair of the highest governance body	48–55	
	2-12 Role of the highest governance body in overseeing the management of impacts	55–56; 71	
	2-13 Delegation of responsibility for managing impacts	53; 74; 104	
	2-14 Role of the highest governance body in sustainability reporting	73	
GRI 2: General Disclosures 2021	2-15 Conflicts of interest	52; 54; 298	
	2-16 Communication of critical concerns	47; 59–60; 129	This information is currently incomplete. For the future disclosure of 2-16-b in the coming reporting period, a definition of "critical concerns" is being worked on.
	2-17 Collective knowledge of the highest governance body	70–71	
	2-18 Evaluation of the performance of the highest governance body	59–60	
	2-19 Remuneration policies		www.strabag.com > Investor Relations > Corporate Governance > Supervisory Board www.strabag.com > Investor Relations > Corporate Governance > Management Board
	2-20 Process to determine remuneration		www.strabag.com > Investor Relations > Corporate Governance > Supervisory Board www.strabag.com > Investor Relations > Corporate Governance > Management Board
	2-21 Annual total compensation ratio	155	2-21-b is not available, as indicator 2-21-a is being reported for the first time; as a result, a comparison with the previous year is not possible.
	2-22 Statement on sustainable development strategy	8–11	
	2-23 Policy commitments	103; 128–130; 142–144	
	2-24 Embedding policy commitments	103	
	2-25 Processes to remediate negative impacts	72; 103; 128–129	
	2-26 Mechanisms for seeking advice and raising concerns	104; 129	
	2-27 Compliance with laws and regulations	107	Significant violations of laws and regulations in the reporting year occurred only in the areas of corruption and antitrust law. These are reported under the indicators GRI 205: Anti-Corruption 2015 and GRI 206: Anti-Competitive Behaviour.

GRI Standard	Disclosure number and title	Page	Omission / Notes
GRI 2: General Disclosures 2021	2-28	Membership associations	www.strabag.com > Strategy > Strategic Approach (Download)
	2-29	Approach to stakeholder engagement	www.strabag.com > Strategy > Stakeholder Inclusion
	2-30	Collective bargaining agreements	
MATERIAL TOPICS			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	73–74
	3-2	List of material topics	74
	3-3	Management of material topics	74
Client satisfaction			
GRI 3: Material Topics 2021	3-3	Management of material topics	79–80
	Own indicator	Client satisfaction index	80; 148; 155–156
Digitalisation and innovation			
GRI 3: Material Topics 2021	3-3	Management of material topics	81–83
	Own indicator	Collection and analysis of machine data	83; 148; 156
		Key equipment with machine control systems	83; 148; 156
		BIM 5D® workstations	83; 148; 156
		Percentage of employees using mobile end devices (tablets)	83; 148; 156
		Expenditure on research, development and innovation activities	83; 148; 156
		Development projects with funding	84; 148; 156
		Ideas submitted to idea management system	84; 148; 156
		Implementation rate in idea management system	84; 148; 156
Occupational safety			
GRI 3: Material Topics 2021	3-3	Management of material topics	88–92
	403-1– 403-7	Disclosures on management approach to occupational safety	88–92
GRI 403: Occupational Health and Safety 2018	403-8	Workers covered by an occupational health and safety management system	88
	403-9	Work-related injuries	90; 148; 156
	403-10	Work-related ill health	
Health protection			
GRI 3: Material Topics 2021	3-3	Management of material topics	93–94
	Own indicator	Lost-time illness rate	93–94; 148; 156
Strategic human resource development			
GRI 3: Material Topics 2021	3-3	Management of material topics	95–101
	404-1	Average hours of training per year per employee	96; 149
GRI 404: Training and Education 2016	404-2	Programs for upgrading employee skills and transition assistance programs	97–101
	404-3	Percentage of employees receiving regular performance and career development reviews	95–96; 149; 156

GRI Standard	Disclosure number and title	Page	Omission/Notes
Fair competition			
GRI 3: Material Topics 2021	3-3	Management of material topics	102–109
	205-1	Operations assessed for risks related to corruption	This indicator is not applicable. In accordance with the business activities and organisational structure of STRABAG, operations are generally not an adequate starting point for assessing corruption risks. STRABAG's business activities are conducted in organisational units, which can be structured geographically or according to business segments. The identification and assessment of corruption risks is therefore consequently based on organisational units, whereby the extent of corruption risks can vary greatly in different organisational units.
	205-2	Communication and training about anti-corruption policies and procedures	105–106; 149; 157–158
GRI 205: Anti-Corruption 2016	205-3	Confirmed incidents of corruption and actions taken	106; 149; 158
	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	107
GRI 206: Anti-Competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	107
Energy and emissions			
GRI 3: Material Topics 2021	3-3	Management of material topics	110
	302-1	Energy consumption within the organization	111; 113; 158
	302-2	Energy consumption outside of the organization	This information is currently incomplete. The focus is currently on collecting data on Scope 3 emissions upstream and downstream of the value chain, rather than on energy consumption.
GRI 302: Energy 2016	302-3	Energy intensity	This information is currently incomplete. STRABAG currently publishes the CO ₂ intensity of relevant energy consumption categories. Work is underway to collect energy intensity data and to publish it in the coming reporting years.
	302-4	Reduction of energy consumption	This information is currently incomplete. We currently show the development of energy consumption for fuel, electricity, gas and pulverised lignite. Separate disclosure of steam (because included in district heating) and cooling (because included in electricity) is currently not possible.
	302-5	Reductions in energy requirements of products and services	This information is currently incomplete. STRABAG is currently collecting complex data required to calculate Scope 3 emissions and associated energy consumption and has set up a separate task group for this purpose. It is also planned to successively collect Scope 3 emissions and publish them in the coming reporting years.
	305-1	Direct (Scope 1) GHG emissions	111–112; 158
	305-2	Energy indirect (Scope 2) GHG emissions	111–112; 158
GRI 305: Emissions 2016	305-3	Other indirect (Scope 3) GHG emissions	111–112
	305-4	GHG emissions intensity	113; 149; 158
	305-5	Reduction of GHG emissions	This information is currently incomplete. STRABAG is currently collecting complex data required to calculate Scope 3 emissions and associated energy consumption and has set up a separate task group for this purpose. It is also planned to successively collect Scope 3 emissions and publish them in the coming reporting years.
	305-6	Emissions of ozone-depleting substances (ODS)	This information is currently not available. STRABAG greenhouse gas accounting is currently limited to CO ₂ , N ₂ O und CH ₄ . Work is underway to improve data quality and to publish emissions from ozone-depleting substances (ODS) in the coming reporting years.
	305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	This information is currently not available. STRABAG greenhouse gas accounting is currently limited to CO ₂ , N ₂ O und CH ₄ . Work is underway to improve data quality and to publish emissions from NO _x , SO _x and other significant emissions in the future.

GRI Standard	Disclosure number and title	Page	Omission/Notes
Materials			
GRI 3: Material Topics 2021	3-3	Management of material topics	115–117
	301-1	Materials used by weight or volume	93; 158
	301-2	Recycled input materials used	116; 149; 158
GRI 301: Materials 2016	301-3	Reclaimed products and their packaging materials	This indicator is not applicable to the core business of STRABAG SE.
Waste and circularity			
GRI 3: Material Topics 2021	3-3	Management of material topics	118–120
	306-1	Waste generation and significant waste-related impacts	118 This information is currently incomplete. The impacts of waste generation are currently incomplete and will be included in the development of risk management in the future.
	306-2	Management of significant waste-related impacts	118 This information is currently incomplete. The total volume of waste depends on the size and type of construction contracts (e.g., buildings, road demolition and removal, excavations or recycling activities) and on quality specifications. Since these specifications are determined by third parties, STRABAG has only limited influence on them.
	306-3	Waste generated	120 This information is currently incomplete. STRABAG is working on expanding the collection of waste-related data. So far, the Group collects data for handled waste, i.e., waste that STRABAG receives or processes as part of its project business. For individual Group entities, waste directed to disposal and waste diverted from disposal (including preparation for reuse, recycling and other recovery processes) are quantified. The total volume of waste depends on the size and type of construction contracts (e.g., buildings, road demolition and removal, excavations or recycling activities) and on quality specifications. Since these specifications are determined by third parties, STRABAG has only limited influence on them. The total quantity is therefore not defined as a controllable variable.
	306-4	Waste diverted from disposal	120
GRI 306: Waste 2020	306-5	Waste directed to disposal	120
ADDITIONAL SUSTAINABILITY TOPICS			
Human rights			
GRI 3: Material Topics 2021	3-3	Management of material topics	128–129
	406-1	Incidents of discrimination and corrective actions taken	129–130; 150; 159
GRI 406: Non-Discrimination 2016			
Societal engagement			
GRI 3: Material Topics 2021	3-3	Management of material topics	131–135
	Own indicator	Expenditures for core projects and initiatives	131; 150; 159
Equal treatment of women and men			
GRI 3: Material Topics 2021	3-3	Management of material topics	55–58
	405-1	Diversity of governance bodies and employees	43–52; 56; 149; 152–153
GRI 405: Diversity and Equal Opportunity 2016			

Villach, 6 April 2023

The Management Board



Klemens Haselsteiner, BBA, BF
 CEO
 Responsibility Central Staff Divisions and
 Central Divisions BMTI, CML, TPA,
 STRABAG Innovation & Digitalisation as well as
 Zentrale Technik, Winding up Russia



Mag. Christian Harder
 CFO
 Responsibility Central Division BRVZ



Dipl.-Ing. (FH) Jörg Rösler
 Responsibility Segment North + West



Dipl.-Ing. Siegfried Wanker
 Responsibility Segment
 International + Special Divisions



Dipl.-Ing. (FH) Alfred Watzl
 Responsibility Segment South + East

INDEPENDENT ASSURANCE REPORT ON THE NON-FINANCIAL REPORTING ACCORDING TO § 267A UGB

We have performed an independent limited assurance engagement on the consolidated nonfinancial report according to § 267a UGB ("NFI report") for the financial year 2022, which has been published as Non-financial Report of

**STRABAG SE,
Villach, Austria**

(referred to as "STRABAG" or "the Company").

Conclusion

Based on the procedures performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the NFI report of the Company is not in accordance with [the legal requirements of the Austrian Sustainability and Diversity Improvement Act (§ 267a UGB), the provisions of Article 8 of the Regulation (EU) 2020/852 as amended and the supplementing delegated Regulation (EU) 2021/2178 (hereafter "EU Taxonomy Regulation") and the sustainability reporting guidelines of the Global Reporting Initiative (GRI Standards) Option "in accordance with" in all material respects.

Management's Responsibility

The Company's management is responsible for the proper preparation of the NFI report in accordance with the reporting criteria. The Company applies [the legal requirements of the Austrian Sustainability and Diversity Improvement Act (§ 267a UGB) and the sustainability reporting guidelines of the Global Reporting Initiative (GRI Standards) Option "in accordance with" as reporting criteria. In addition, the company prepares disclosures in accordance with the EU Taxonomy Regulation, which are published as part of sustainability reporting.

The Company's management is responsible for the selection and application of appropriate methods for non-financial reporting (especially the selection of significant matters) as well as the use of appropriate assumptions and estimates for individual non-financial disclosures, given the circumstances. Furthermore, their responsibilities include the design, implementation and maintenance of systems, processes and internal controls that are relevant for the preparation of the sustainability report in a way that is free of material misstatements – whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to state whether, based on our procedures performed and the evidence we have obtained, anything has come to our attention that causes us to believe that the Company's NFI report is not in accordance with [the legal requirements of the Austrian Sustainability and Diversity Improvement Act (§ 267a UGB), the legal requirements of the EU Taxonomy Regulation and the sustainability reporting guidelines of the Global Reporting Initiative (GRI Standards) Option "in accordance with" in all material respects. The audit of the disclosures included in the NFI report in accordance with the EU Taxonomy Regulation is not part of our engagement

Our engagement was conducted in conformity with the International Standard on Assurance Engagements (ISAE 3000) applicable to such engagements. These standards require us to comply with our professional requirements including independence requirements, and to plan and perform the engagement to enable us to express a conclusion with limited assurance, taking into account materiality.

An independent assurance engagement with the purpose of expressing a conclusion with limited assurance ("limited assurance engagement") is substantially less in scope than an independent assurance engagement with the purpose of expressing a conclusion with reasonable assurance ("reasonable assurance engagement"), thus providing reduced assurance. Despite diligent engagement planning and execution, it cannot be ruled out that material misstatements, illegal acts or irregularities within the non-financial report will remain undetected.

The procedures selected depend on the auditor's judgment and included the following procedures in particular:

- Inquiries of personnel at the group level, who are responsible for the materiality analysis, in order to gain an understanding of the processes for determining material sustainability topics and respective reporting thresholds of the Company;
- A risk assessment, including a media analysis, on relevant information on the Company's sustainability performance in the reporting period;
- Evaluation of the design and implementation of the systems and processes for the collection, processing and monitoring of disclosures on environmental, social and employees matters, respect for human rights, anti-corruption as well as bribery and also includes the consolidation of data;
- Inquiries of personnel at the group level, who are responsible for providing, consolidating and implementing internal control procedures relating to the disclosure of concepts, risks, due diligence processes, results and performance indicators;
- Inspection of selected internal and external documents, in order to determine whether qualitative and quantitative information is supported by sufficient evidence and presented in an accurate and balanced manner;
- Assessment of the processes for local data collection, validation and reporting, as well as the reliability of the reported data through a (remotely conducted) survey performed on a sample basis;
- Analytical evaluation of the data and trend of quantitative disclosures regarding the GRI Standards listed in the GRI-Index, submitted by all locations for consolidation at the group level;
- Evaluation of the consistency of the of the Austrian Sustainability and Diversity Improvement Act (§ 267a UGB), the EU Taxonomy Regulation and the GRI Standards, Option "in accordance with" to disclosures and indicators of the NFI report, which apply to the Company;
- Evaluation of the overall presentation of the disclosures by critically reading the NFI report.

The procedures that we performed do not constitute an audit or a review. Our engagement did not focus on revealing and clarifying of illegal acts (such as fraud), nor did it focus on assessing the efficiency of management. Furthermore, it is not part of our engagement to audit future- related disclosures, prior year figures, statements from external sources of information, expert opinions or references to more extensive external reporting formats of the Company.

Restriction on use

Because our report will be prepared solely on behalf of and for the benefit of the principal, its contents may not be relied upon by any third party, and consequently, we shall not be liable for any third-party claims. We agree to the publication of our assurance certificate and NFI report. However, publication may only be performed in its entirety and as a version has been certified by us.

General Conditions of Contract

Our responsibility and liability towards the Company and any third party is subject to paragraph 7 of the General Conditions of Contract for the Public Accounting Professions.

Linz, 6 April 2023

KPMG Austria GmbH

Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

qualified electronically signed:

Mag. Gerold Stelzmüller

Wirtschaftsprüfer

(Austrian Chartered Accountant)