

# Supervisory board report

2023

# Supervisory board report



Mag. Kerstin Gelbmann

## Dear shareholders, associates and friends of STRABAG SE!

In 2023, price pressure eased for key input factors such as energy and building materials, but inflation remained at a high level. The central banks responded with further increases in the key interest rates. STRABAG SE nevertheless performed well in this environment, using its broad positioning to balance out the mixed developments in its end markets.

STRABAG SE also adopted a set of capital measures in 2023 to reduce the shareholding of MKAO “Rasperia Trading Limited” – a company controlled by the sanctioned Russian citizen Oleg Deripaska – to further reduce disadvantages and risks for the company. On behalf of the Supervisory Board, I would like to thank the shareholders for their unanimous approval of these capital measures.

## Open exchange of information and opinion in the Supervisory Board meetings

In the 2023 financial year, the Supervisory Board duly fulfilled the responsibilities assigned to it by law, by the Articles of Association, by the Austrian Code of Corporate Governance (ÖCGK) and by the Rules of Procedure. It fulfilled its supervisory duty primarily during the regular board and committee meetings. An exchange of information also took place between the Management Board and the Supervisory Board, in particular with the Chairman of the Supervisory Board, outside of the regular board and committee meetings.

During the Supervisory Board meetings, the Management Board regularly and extensively informed the Supervisory Board as to the market situation, the business development and the company’s situation.

Open discussions in each session further enhanced the extensive exchange of information and opinions. As a result, the Supervisory Board was constantly informed about STRABAG's strategic direction, its cash flows and financial performance, the personnel situation, the investment and project development plans, and large-scale projects, and it had a complete overview of the business development. The Supervisory Board monitored and questioned the corporate planning and its foundations and also analysed unplanned developments together with the Management Board. The Supervisory Board also examined in detail with the Management Board's Group and sustainability strategy.

The Management Board always obtained consent from the Supervisory Board for important business transactions.

The members of the Supervisory Board were duly represented at the respective board and committee meetings. All members of the Supervisory Board act and make decisions independently as stipulated by the Austrian Code of Corporate Governance.

## **Key activities of the Supervisory Board and the committees in 2023**

The following agenda items of the meetings of the Supervisory Board and its committees are particularly noteworthy:

### **Supervisory board (plenary meeting)**

The Supervisory Board held five meetings in the 2023 financial year. The Supervisory Board advised the Management Board in its management function, reviewed and monitored the management agendas and dealt with measures requiring approval.

The Supervisory Board dealt in detail with the annual financial statements, the management report, the consolidated corporate governance report, the consolidated non-financial report, the consolidated report on payments to governments, the consolidated financial statements, and the group management report of STRABAG SE for 2022.

On 26 April 2023, the Supervisory Board acknowledged completion of the annual financial statements for 2022 and passed a resolution on the appropriation of net income.

One item on the agenda of the Supervisory Board was the draft resolution for the (final) appointment of KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz, as auditor of the financial statements and of the consolidated financial statements for the 2023 financial year. In several meetings, the Supervisory Board discussed the selection procedure carried out by the Audit Committee in accordance with Article 16 of the EU Audit Regulation for the selection of the auditor of the financial statements and of the consolidated financial statements as at 31 December 2023, acknowledged the final recommendation of the Audit Committee from 14 July 2023, and submitted the draft resolution to the 20th Annual General Meeting.

Also discussed and approved were the report of the Supervisory Board to the Annual General Meeting as well as the agenda and proposed resolutions for the 19th Annual General Meeting. The Supervisory Board also approved the remuneration report for the Management Board and Supervisory Board for the 2022 financial year.

In several meetings, the Supervisory Board dealt with the current financial situation, the short- and medium-term planning, and the investment plan of the company. Discussions also took place on the strategic orientation of the company, in particular with regard to the Group's sustainability and digitalisation strategies.

The Supervisory Board continued to deal with the Austrian cartel case in the 2023 financial year and took note of the report as to the precautions to be taken to combat corruption in the company as well as on occupational safety. The Supervisory Board approved several projects requiring approval and also dealt with selected (large-scale) projects in detail.

The Supervisory Board also dealt with the actions of MKAO “Rasperia Trading Limited” and Thomas Bull against the resolutions of the Extraordinary General Meeting held on 5 May 2022 and the Annual General Meeting of 24 June 2022. It dealt intensively with the capital measures to reduce the shareholding of MKAO “Rasperia Trading Limited”, which were proposed to the Annual General Meeting on 16 June 2023, and subsequently dealt with a lawsuit filed by MKAO “Rasperia Trading Limited” against the resolutions adopted by the Annual General Meeting.

The self-evaluation of the Supervisory Board was carried out in the last meeting of 2023 with the support of an external lawyer.

During the Supervisory Board meeting on 19 December 2023, the previous Chairman of the Supervisory Board, Dr. Alfred Gusenbauer, announced his resignation from the Supervisory Board with effect from 31 December 2023. At this meeting, long-standing Supervisory Board member Kerstin Gelbmann was unanimously elected as the new Chairwoman of the Supervisory Board of STRABAG SE with effect from 1 January 2024.

### **Audit committee**

The Audit Committee met for four sessions in 2023 and in the spring of 2023 performed its duties with regard to the audit of the annual financial statements, the consolidated financial statements, the management reports and the consolidated corporate governance report, each for the 2022 financial year. It also prepared the draft resolution on the appropriation of net income and on the appointment of KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz, as auditor of the financial statements and of the consolidated financial statements for the 2022 financial year.

The Audit Committee also reported to the Supervisory Board on the results of the financial audit for the 2022 financial year in accordance with Sec 92 Para 4a (4) lit e) of the Austrian Stock Corporation Act (AktG) and presented the degree to which the financial audit contributed to the reliability of the financial reporting and the role played by the Audit Committee in the process. There were no objections to the audit by the financial auditor and all questions of the Audit Committee could be answered satisfactorily.

In another meeting, the Audit Committee dealt with the report by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz, on the evaluation of the risk management system and heard the report from the internal audit department. The committee also adopted a resolution on the audit approach of the financial statements as at 31 December 2023 and took note of the IFRS Management Board reporting.

In accordance with C-Rule 18 of the Austrian Code of Corporate Governance, the internal audit department reported to the Audit Committee on the auditing plan and on any material findings. The Audit Committee also monitored the accounting procedures (including Group accounting) and the financial audit and convinced itself of the effectiveness of the internal control system, the risk management system and the audit system. The Audit Committee also reviewed and monitored the independence of the auditor of the financial statements (and of the consolidated financial statements), especially as regards the additional services provided to the audited company.

In several meetings, the Audit Committee was engaged in a selection process for proposing an auditor to the Annual General Meeting in 2024, as the appointment of KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft as auditor of STRABAG SE was permissible for the last time for the 2023 financial year. At its meeting on 14 July 2023, the Audit Committee issued its selection recommendation to the Supervisory Board for the corresponding draft resolution to be presented to the Annual General Meeting in 2024.

Due to the EU’s directive on corporate sustainability reporting (CSRD) adopted in December 2022, an external limited assurance audit is likely to be required for the sustainability reporting for the 2024 financial year. At its meeting on 23 April 2024, the Audit Committee therefore recommended to the Supervisory Board that PwC Wirtschaftsprüfungs GmbH, Vienna, be proposed to the Annual General Meeting as the auditor for sustainability reporting.

## **Presidential and nomination committee**

The Presidential and Nomination Committee held no meetings in the 2023 financial year.

## **Executive committee**

The Executive Committee also did not meet in 2023.

## **Consolidated financial statements awarded unqualified audit opinion**

KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz, audited the annual financial statements and the management report of STRABAG SE for the 2023 financial year. The findings of the audit did not give rise to any issues of concern and the financial auditor awarded an unqualified audit opinion.

The consolidated financial statements and the group management report of STRABAG SE for the 2023 financial year were prepared by the Management Board under application of Sec 245a of the Austrian Commercial Code (UGB) in compliance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) that were applicable at the end of the reporting period. These were reviewed by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz, and awarded an unqualified audit opinion.

The audit reports of the auditor of the financial statements and of the consolidated financial statements were presented to the Supervisory Board. In the presence of the financial auditor, the Audit Committee thereupon reviewed the 2023 annual financial statements and the management report including the proposal for the appropriation of net income and the consolidated corporate governance report as well as the additional report of the financial auditor to the Audit Committee as required by Article 11 of Regulation (EU) No. 537/2014, and prepared the approval of the annual financial statements as well as the acknowledgement of the 2023 consolidated financial statements and group management report by the Supervisory Board. The Audit Committee also duly performed its obligations in accordance with Sec 92 Para 4a (4) lit e) of the Austrian Stock Corporation Act (AktG) and reported to the Supervisory Board on the result of the financial audit. The report presented the degree to which the financial audit contributed to the reliability of the financial reporting and the role played by the Audit Committee in the process.

The consolidated corporate governance report was audited externally by Mag. Christian Thaler (THALER.legal Rechtsanwälts GmbH), Vienna. This audit did not give rise to any issues of concern. This was taken note of by the Audit Committee and the Supervisory Board.

The Supervisory Board reviewed all documents as well as the report by the Audit Committee. In its meeting of 23 April 2024 the board declared its agreement with the 2023 annual financial statements and consolidated financial statements and approved – and so adopted – the 2023 annual financial statements. The Management Board and the Supervisory Board have agreed on an identical proposal for appropriation of net income. The Supervisory Board proposed appointing PwC Wirtschaftsprüfungs GmbH, Vienna, as auditor of the financial statements and of the consolidated financial statements for the 2024 financial year, in accordance with the recommendation made by the Audit Committee. Also presented at the meeting of 23 April 2024 were the consolidated report on payments to governments pursuant to Sec 267c of the Austrian Commercial Code (UGB) in connection with Sec 243d UGB, consolidated non-financial report pursuant to Sec 267a UGB (sustainability report) and the report on the non-audit-related services provided by the financial auditor. The reports were reviewed by the Supervisory Board and taken note of without cause for complaint.

## Word of thanks to the Management Board and all employees

The Supervisory Board thanks the entire Management Board of STRABAG SE and all employees for their valuable contribution in the past financial year.

Chairwoman of the Supervisory Board of STRABAG SE,

A handwritten signature in black ink, appearing to read 'K. Gelbmann', with a stylized flourish at the end.

Mag. Kerstin Gelbmann  
Vienna, 23 April 2024