



## QUESTIONS ON KEY ISSUES 2021

This year the Austrian investors' association IVA has again formulated 10 questions on key issues and is inviting the country's publicly listed companies to answer them. The responses are published online at [www.iva.or.at](http://www.iva.or.at).

1. **Internal control systems (ICS):** Investments to improve the ICS system in 2019 and 2020. What action has been taken? How high are the internal/external costs (consulting, lawyers, auditors)?

Investments to constantly improve the internal control systems (ICS) were made as part of the further development of the commercial ERP system and the merchandise management systems for construction materials production and above all the further development of the project risk management system. The projects and initiatives of the project risk management system are explained in the non-financial report on page 106ff of the 2020 Annual Report.

These are mainly in-house developments with immaterial external consulting costs and annual costs of around € 4 million for each of the reporting periods 2019 and 2020.

2. **Action to combat corruption:** What action (e.g. internal whistleblowing system) has been taken to combat corruption in 2020 (2019)? How high were the investments?

After the new STRABAG BCMS was approved by the Management Board of STRABAG SE in December 2019 and subsequently translated into 17 languages, the corporate-wide rollout of the new STRABAG BCMS took place in August 2020 to around 25,000 employees of the group.

The rollout was supported by a brief presentation of the new STRABAG BCMS in the form of a short e-learning training course as well as a video address by the CEO. As of 31 December 2020, around 88 % of employees had completed the e-learning course.



In the second half of the year, STRABAG developed a completely new e-learning training course together with an external software company to replace the previous course starting in 2021. With the aim of conveying essential principles for compliance with fair competition in a practical manner, the new e-learning training course specifically takes into account topics from STRABAG's areas of activity. The corporate-wide rollout of the new e-learning course took place in February and March 2021 in 18 languages.

In preparation for the rollout of the new Business Compliance e-learning course, the Management Board decided on a group-wide campaign to promote compliance awareness among STRABAG employees in autumn 2020. As part of this campaign, statements relating to the topic of fair competition were displayed on the mirrors in the washrooms of around 700 of corporate locations.

In August 2020, the first monitoring audit for the ONR 192050 and ISO 19600 certification that was granted in 2019 to the antitrust compliance management system took place for the Austrian subsidiaries STRABAG AG and F. Lang u. K. Menhofer Baugesellschaft m.b.H. & Co. KG. Due to the positive conclusion of the audit, the extension of certificates Y 000050 and Y 000051 was confirmed. In addition, certification of the anti-corruption management system to ISO 37001 in conjunction with ISO 19600 was sought for these companies in 2020. The basis for the certification was the new STRABAG Business Compliance Management System. The certification process was successfully completed in the 2020 reporting year with the award of the FAIR BUSINESS COMPLIANCE CERTIFICATE for both companies (Y 000055 and Y 000056).

The related costs amounted to approximately € 200,000.

- 3. Supervisory Board & Management Board:** How high are the ancillary costs for each, such as costs for travel, secretariat, consulting, meetings, further education? How high



are the unused holiday accruals of the members of the Management Board, insofar as they exceed an annual entitlement?

The ancillary costs related to the Supervisory Board amounted to approximately € 30,000 in 2020.

Due to contractual provisions, there is no holiday carryover for the members of the Management Board at the end of the year.

#### 4. Promotion of young talent

- How many interns are working in your company (2019, 2020)?
- How many interns are paid interns?
- Describe the age structure and educational background of the interns.

INTERNS	2020	2019	AGE	EDUCATIONAL BACKGROUND
Mandatory interns	108	134	17-27	Bachelor or master's degree
Trainees	158	162	23-30	Bachelor or master's degree

All mandatory interns and trainees are paid.

5. **The impact from the increased focus on corporate social responsibility (ESG).** How high are the reporting-related ESG costs in 2020 (external consultants, service providers, etc.)? How many employees are dedicated exclusively to these tasks? Will the company manage to comply with the UN PRI?

No external consulting costs were incurred for NFI reporting; € 36,000 was reimbursed for the limited assurance audit. The number of employees involved in NFI reporting can be estimated at around 1.5 FTE. The entire ESG topic is handled by the Sustainability Management team of around 12 people, though there are many other positions/units in the group dealing with certain topics that can be assigned to ESG, such as waste and recycling officers in the operating units or the coordinators for the energy management system.



## 6. Investor relations activities

- Roadshows, nationally and abroad
- Contact with institutional and private investors
- Expenditures for research and analyses
- Number of print copies of annual report and sustainability report (German & English, stated separately)
- Expenditures for publication of notices in *Wiener Zeitung*

Although conferences or roadshows were not possible in the usual form in 2020, the capital market quickly came up with the appropriate virtual solutions. In addition to the prescribed semi-annual report and the trading statements on the first and third quarters, we made use of the virtual options to inform 53 capital market participants (2019: 76) in 25 (2019: 46) one-on-ones and group talks last year. We took part in six (2019: seven) roadshows and investor conferences organised by Erste Group, Kepler Cheuvreux, Commerzbank and Raiffeisen Centrobank as well as by the Vienna Stock Exchange.

There was no financial expenditure for research and analyses.

The 2020 Annual Report was published exclusively in digital form.

The costs of publishing the notice and agenda for the Annual General Meeting amounted to around € 7,000. Publication costs for the financial statements (2020) amounted to around € 39,000.

## 7. Consulting expenses

- stated separately for legal/compliance,
- IT consulting/digitalisation,
- advertising, public relations,
- hiring, other

Consulting expenses in the STRABAG SE Group in 2019 are as follows:



Expenses for legal advice and court costs: € 35.0 million

Expenses for central advertising including employer branding: € 7.2 million

Expenses for recruiting advertisement: € 3.6 million

Other consulting expenses: € 17.6 million

Public relations work is carried out centrally by the company's own staff, with external support from consulting firms only on a case-by-case basis. The costs for IT consulting/digitalisation are not recorded separately.

8. **Tax payments in Austria in 2020** and in the three highest-revenue foreign markets (country, revenue, tax payment).

The actual tax expense reported in the 2020 financial year (excluding deferred taxes) in Austria and the highest-revenue foreign markets breaks down as follows:

Country	Revenue in € million	actual tax expense in € million
Austria	2,199	4
Germany	6,975	183
Poland	1,147	20
Czech Republic	855	19



In cooperation with the readers of *Börsen-Kurier*, two questions were selected for inclusion as *Börsen-Kurier* reader questions in the IVA Questions on Key Issues 2021:

9. **The subject of financial literacy**

- Do you see any opportunities to contribute to financial literacy in Austria?



- Do you take the financial literacy of your shareholders and stakeholders into account when designing and formulating your financial information?

Collaboration with IVA – provision of speakers as well as sponsorship of events and media with a focus on the capital markets.

**10. Start-ups:** Do you invest in start-ups or is there a budget for such investments? If so, what do you expect from such an investment in the medium and long term?

STRABAG invests in start-ups on an ad hoc and selective basis if their solutions have the potential to transform a subsegment of our business areas and if they are highly scalable. No separate budget is reserved for this purpose. STRABAG sees itself as a strategic partner with a focus on the operating interests. In this context, the use of an innovative product is an essential factor that creates added value.

STRABAG has set itself the goal of becoming the leading technology partner for the construction of tomorrow. The dynamic development of the markets through digital transformation and the industrialisation of production requires agility and innovative strength, and start-ups play an important role in this context. In order for STRABAG to benefit from these changes in the long term, active cooperation with such companies is essential.

Through the strategic partnerships with start-ups offering solutions which initiate radical transformation processes in our industry, we aim to leverage synergies as a strong partner to secure ourselves a competitive advantage in the long term.