

# CONSOLIDATED CORPORATE GOVERNANCE REPORT 2020

## General principles

### CONSOLIDATED REPORT

The present report is a consolidated corporate governance report as defined by Sec 267b UGB (Austrian Commercial Code) which also covers

the corporate governance report as defined by Sec 243c UGB.

### COMMITMENT TO THE AUSTRIAN CODE OF CORPORATE GOVERNANCE

The consolidated corporate governance report explains the rules, structures and processes implemented by STRABAG SE in the interest of a well-functioning corporate governance system. We are fully and without exception committed to the Austrian Code of Corporate Governance (ÖCGK) and its aims and we see compliance with all the rules contained within the Code as a top priority. This commitment represents a self-obligation on the part of STRABAG SE with the aim to boost shareholder confidence and to constantly optimise our high internal legal, behavioural and ethical standards. We are further obligated to fulfil the standards of the Code due to the listing of our shares in the Prime Market segment of the Vienna Stock Exchange.

The Austrian Code of Corporate Governance is a set of rules for good corporate governance and control systems on the Austrian capital market. It was introduced in 2002 in line with international standards and has been revised several times since. The aim of the Code is to establish a responsible system of management and supervision of companies that is geared towards creating sustained, long-term value while ensuring a high level of transparency for all stakeholders. Investors and issuers therefore value the Code and recognise it as an indispensable part of the Austrian

system of corporate governance and of Austrian business life.

The Austrian Code of Corporate Governance defines three categories of rules: L-Rules refer to legal requirements with mandatory compliance on the part of publicly listed companies in Austria. Deviation from C-Rules (comply or explain) must be explained publicly and the reasons stated. R-Rules are recommendations requiring neither disclosure nor explanation. The version of the Code that was valid for the 2020 financial year is the January 2020 version. It is available for download from the website of the Austrian Working Group for Corporate Governance ([www.corporate-governance.at](http://www.corporate-governance.at)) and from STRABAG SE ([www.strabag.com](http://www.strabag.com) > Investor Relations > Corporate Governance > Formal Obligation and Evaluation).<sup>1</sup>

The Management Board and the Supervisory Board of STRABAG SE declare that STRABAG SE has complied with all L-Rules of the Austrian Code of Corporate Governance as well as all C-Rules with the exception of those rules stated and explained below. The company furthermore endeavours to abide not only by the minimum requirements but also by all of the Code's R-Rules without exception.

### NON-COMPLIANCE WITH THE AUSTRIAN CODE OF CORPORATE GOVERNANCE<sup>2</sup>

**C-Rule 2:** On the basis of a resolution passed by the Annual General Meeting, the shares of STRABAG SE include two special registered shares with an associated right to nominate one

member of the Supervisory Board each. The registered shares bind significant shareholder groups more strongly to the company and guarantee the availability of know-how from important

<sup>1</sup> In accordance with Sec 78c AktG, the remuneration report is prepared in a separate document and no longer forms part of the corporate governance report.

<sup>2</sup> January 2020 version

stakeholders for the Supervisory Board. This is in the interest of good corporate governance and represents a long-term advantage for STRABAG SE, which further benefits especially from the commitment, expertise and experience of the respective Supervisory Board member. It also significantly improves the contact and communication between the company and its shareholders and promotes the transparency of the shareholder structure.

**C-Rule 27:** It is a key concern for STRABAG SE that the remuneration of the Management Board members be made according to measurable criteria in a way that is transparent and easily comprehensible. The remuneration of the Management Board is based on the specific tasks and responsibilities as well as the size and the economic situation of the company. Another factor that is considered is the competitiveness of the

remuneration on the market. The variable component of the remuneration takes into account the shareholders' interest in a positive development of the company and increases the motivation of the Management Board to take measures that sustainably improve the net income in the long term. The variable remuneration is measured on the basis of the financial indicators. In contrast, general non-financial criteria do not say very much about the sustainable success and economic situation of the company. On the contrary, a differentiated definition of non-financial criteria for each business segment would be to the detriment of transparency and ease of understanding. As a result of thorough debate in the Executive Committee of the STRABAG SE Supervisory Board, the decision was made not to use non-financial criteria to calculate the remuneration of the members of the Management Board.

## Boards

### MANAGEMENT BOARD

#### Management Board composed of six members in 2020



From left to right: Klemens Haselsteiner, Alfred Watzl, Peter Krammer, Thomas Birtel, Christian Harder, Siegfried Wanker

Name	Year of birth	Citizen of	Position held	Responsible for	First appointment	End of current period of office	Supervisory board mandates or similar functions in national or foreign companies not included in the consolidated financial statements	Management and supervisory tasks at important <sup>1</sup> subsidiaries
Dr. Thomas Birtel	1954	Germany	CEO	Central Staff Divisions and Central Divisions BMTI, CML and TPA	1 January 2006 (Member of the Management Board) 15 June 2013 (CEO)	31 December 2022	Deutsche Bank AG, Germany (Member of the Advisory Board) HDI-Global SE, Germany (Member of the Advisory Board) VHV Allgemeine Versicherung AG, Germany (Member of the Supervisory Board) VHV Vereinigte Hannoversche Versicherung a.G., Germany (Member of the Supervisory Board) VHV Holding AG, Germany (Member of the Supervisory Board)	Ed. Züblin AG, Germany (Chairman of the Supervisory Board) STRABAG AG, Germany (Chairman of the Supervisory Board) STRABAG AG, Austria (Chairman of the Supervisory Board) STRABAG Property & Facility Services GmbH, Germany (Chairman of the Supervisory Board) STRABAG Sp. z o.o., Poland (Chairman of the Supervisory Board)
Mag. Christian Harder	1968	Austria	CFO	Central Division BRVZ	1 January 2013	31 December 2022	Syrena Immobilien Holding AG, Austria (Vice Chairman of the Supervisory Board) Kreditschutzverband von 1870 (Member of the Executive Board)	Ed. Züblin AG, Germany (Member of the Supervisory Board) STRABAG AG, Germany (Member of the Supervisory Board) STRABAG AG, Austria (Vice Chairman of the Supervisory Board) STRABAG Property & Facility Services GmbH, Germany (Member of the Supervisory Board)
Klemens Haselsteiner	1980	Austria	Member of the Management Board (Chief Digital Officer)	Central Divisions Zentrale Technik and STRABAG Innovation & Digitalisation Division 3L Russia	1 January 2020	31 December 2022	None	Ed. Züblin AG, Germany (Member of the Supervisory Board) STRABAG AG, Germany (Member of the Supervisory Board) STRABAG Property & Facility Services GmbH, Germany (Member of the Supervisory Board)
Dipl.-Ing. Dr. Peter Krammer	1966	Austria	Member of the Management Board	Segment South + East <sup>2</sup>	1 January 2010	31 December 2022	None	Ed. Züblin AG, Germany (Member of the Supervisory Board) STRABAG AG, Germany (Member of the Supervisory Board) STRABAG AG, Austria (Member of the Supervisory Board) STRABAG a.s., Czech Republic (Chairman of the Supervisory Board) STRABAG Property & Facility Services GmbH, Germany (Member of the Supervisory Board) STRABAG AG, Switzerland (Board of Directors)
Dipl.-Ing. Siegfried Wanker	1968	Austria	Member of the Management Board	Segment International + Special Divisions <sup>3</sup>	1 January 2011	31 December 2022	None	Ed. Züblin AG, Germany (Member of the Supervisory Board) STRABAG AG, Germany (Member of the Supervisory Board) STRABAG AG, Austria (Member of the Supervisory Board) STRABAG Property & Facility Services GmbH, Germany (Member of the Supervisory Board) STRABAG Sp. z o.o., Poland (Member of the Supervisory Board)
Dipl.-Ing. (FH) Alfred Watzl	1970	Germany	Member of the Management Board	Segment North + West <sup>4</sup>	1 January 2019	31 December 2022	None	Ed. Züblin AG, Germany (Member of the Supervisory Board) STRABAG AG, Germany (Member of the Supervisory Board) STRABAG AG, Austria (Member of the Supervisory Board) STRABAG INFRASTRUKTURA POLUDNIE Sp. z o.o., Poland (Member of the Supervisory Board) STRABAG Property & Facility Services GmbH, Germany (Member of the Supervisory Board) STRABAG Sp. z o.o., Poland (Member of the Supervisory Board)

1 € 10 million minimum average consolidated output volume over past two years

2 South + East: Austria, Switzerland, Hungary, Czech Republic, Slovakia, Adriatic, Rest of Europe, Environmental Technology

3 International + Special Divisions: Tunnelling, Construction Materials, Services, Real Estate Development, Infrastructure Development, Direct Export

4 North + West: Germany, Poland, Benelux, Scandinavia, Ground Engineering

**Dr. Thomas Birtel**

Thomas Birtel graduated with a doctorate degree in economics from Ruhr-University Bochum in 1982. He began his career in 1983 at the former German trading and industrial plant construction group Klöckner & Co, where he advanced to head of accounting for Klöckner Industrie-Anlagen GmbH. In 1989, he moved on to the managing director's position at Sweden's Frigoscandia Group. He

joined the STRABAG Group in 1996 as a member of the Management Board of STRABAG Hoch- und Ingenieurbau AG, was appointed to the Management Board of STRABAG AG, Germany, in 2002 and to the Management Board of STRABAG SE in 2006. Thomas Birtel has held the position of CEO of STRABAG SE since 15 June 2013.

**Mag. Christian Harder**

Christian Harder completed a degree in applied business administration at the University of Klagenfurt before joining the STRABAG Group through its predecessor Bau Holding Group in 1994. He advanced to director of accounting, to head of financial accounting and, finally, to central

division director of Bau-, Rechen- und Verwaltungszentrum Gesellschaft m.b.H. (today STRABAG BRVZ GmbH). From 2008, he held the position of chairman of the central division management of BRVZ. He was appointed CFO of STRABAG SE effective on 1 January 2013.

**Klemens Haselsteiner**

Klemens Haselsteiner completed a bachelor's degree in business administration from DePaul University, Chicago, before starting his career in 2004 at the auditing firm KPMG in Austria. After completing his civil service and gathering work experience at a Russian industrial group, he joined the STRABAG Group in Russia in 2011. There he was entrusted with central controlling,

among other things. From 2015, he was employed at the Stuttgart subdivision of the German STRABAG Group company Ed. Züblin AG – initially as commercial business unit manager for turnkey construction, as of 2018 as commercial subdivision manager. Klemens Haselsteiner has been a member of the Management Board of STRABAG SE since 1 January 2020.

**Dipl.-Ing. Dr. Peter Krammer**

Peter Krammer graduated with a doctorate degree in engineering sciences from the Faculty of Civil Engineering at TU Wien in 1995. He gained his first professional experience at Porr Technobau AG, STRABAG and Swietelsky Bau GesmbH before returning to STRABAG AG, Austria, in 2005. As a member of the Management Board of

STRABAG AG, he was in charge of building construction and civil engineering in Eastern Europe and of environmental engineering for the entire group. Peter Krammer has been a member of the Management Board of STRABAG SE since 1 January 2010.

**Dipl.-Ing. Siegfried Wanker**

Siegfried Wanker studied civil engineering at Graz University of Technology before joining the STRABAG Group as site manager in 1994. Between 2001 and 2004, he held the position of managing director at several engineering service providers before rejoining the STRABAG Group in 2005. As a member of the Management Board of

STRABAG AG, Austria, he was initially in charge of the international building construction business, then for corporate development and services, and finally for infrastructure project development. Siegfried Wanker has been a member of the Management Board of STRABAG SE since 1 January 2011.

**Dipl.-Ing. (FH) Alfred Watzl**

Alfred Watzl studied civil engineering at the Deggendorf Institute of Technology before beginning his professional career as site manager for STRABAG Sp. z o.o., Poland, in 1999. After

several different management positions at the Polish subsidiary – including technical subdivision manager for Building Construction and Civil Engineering – he was a member of the Management

Board of STRABAG Sp. z o.o. with responsibility for the group's Polish activities from 2013 to 2018. Alfred Watzl has been a member of the

Management Board of STRABAG SE since 1 January 2019.

**Working method of the Management Board: open exchange in meetings usually every two weeks**

The Management Board of STRABAG SE – like the Supervisory Board – sees it as a priority obligation and task to comply with all the rules of the Austrian Code of Corporate Governance and to continually optimise the high internal legal, behavioural and ethical standards of STRABAG SE. Collegiality, openness, a constant exchange of experience and short decision-making chains are among the main guiding principles. In line with the rules of the Code, the Management Board of STRABAG SE works closely together with the Supervisory Board. In particular,

- the Management Board regularly and extensively informs the Supervisory Board as to all relevant matters concerning the development of the company's business, including the risk situation and risk management in the company and the important group entities;
- a regular exchange of information and opinions takes place between the CEO and the Chairman of the Supervisory Board concerning strategy, the development of the business, risk management and important business transactions, particularly acquisitions and disposals;

- the Chairman of the Supervisory Board is informed immediately of any important occurrences;
- the Management Board reports to the Supervisory Board at least once a year on the provisions taken to fight corruption.

The Management Board of STRABAG SE and its individual members conduct their business in accordance with the prevailing laws and legislation, the Articles of Association, and the Management Board's Rules of Procedure as approved by the Supervisory Board. The Rules of Procedure obligate the Management Board and its individual members to provide extensive information and reporting to the Supervisory Board. The Rules of Procedure also define an extensive catalogue of measures and legal transactions requiring approval by the Supervisory Board in addition to the legally prescribed measures. Coordination within the Management Board occurs during regular meetings held approximately every two weeks as well as in the form of the daily informal exchange of information. Matters discussed at the Management Board meetings include the current operations and the long-term company strategies. Also coordinated are any current or outstanding management measures to be implemented by the relevant Management Board members.

## SUPERVISORY BOARD

### Supervisory Board composed of eleven members

Name	Year of birth	Citizen of	Position held	First appointment	End of current period of office	Other supervisory board mandates or similar functions in national or foreign listed companies	Independent pursuant to Rule 53 ÖCGK
<b>Shareholder representatives</b>							
Dr. Alfred Gusenbauer	1960	Austria	Chairman	18 June 2010	Ends with 2023 Annual General Meeting	Gabriel Resources Ltd., Canada (Member of the Supervisory Board until 9/2020)	Yes
Mag. Erwin Hameseder	1956	Austria	Vice Chairman	10 September 1998	Indefinite as of 17 August 2007	AGRANA Beteiligungs-AG, Austria (Chairman) Raiffeisen Bank International AG, Austria (Chairman) Südzucker AG, Germany (2 <sup>nd</sup> Vice Chairman)	Yes
Dr. Andreas Brandstetter	1969	Austria	Member	15 June 2018	Ends with 2023 Annual General Meeting	None	Yes
Thomas Bull	1964	Germany	Member	9 February 2017	Indefinite as of 9 February 2017	None	Yes
Mag. Kerstin Gelbmann	1974	Austria	Member	18 June 2010	Ends with 2023 Annual General Meeting	Binder+Co AG, Austria (Chairwoman)	Yes
Dr. Oleg Kotkov (until 19 June 2020)	1957	Russia	Member	15 June 2018	Until 19 June 2020	None	Yes
Ksenia Melnikova (since 19 June 2020)	1978	Russia	Member	19 June 2020	Ends with 2023 Annual General Meeting	None	Yes
<b>Delegated by the works council</b>							
Dipl.-Ing. Andreas Batke	1962	Germany	Member	1 October 2009	Indefinite	None	Yes
Miroslav Červený	1959	Czech Republic	Member	1 October 2009	Indefinite	None	Yes
Magdolna P. Gyulainé	1962	Hungary	Member	1 October 2009	Indefinite	None	Yes
Georg Hinterschuster	1968	Austria	Member	13 October 2014	Indefinite	None	Yes
Wolfgang Kreis	1957	Germany	Member	1 October 2009	Indefinite	None	Yes



## Shareholder representatives

### Dr. Alfred Gusenbauer

Chairman of the Supervisory Board



Alfred Gusenbauer studied law, philosophy, political science and economy at the University of Vienna, completing his doctorate in 1987. In 1991, he became a member of the Austrian senate, two years later a member of parliament. From 2000 to 2008, Alfred Gusenbauer was President of the Social Democratic Party of Austria, serving as Federal Chancellor of the Republic of Austria and member of the European Council from 2007 to 2008. In addition to his current activities at Brown University and Columbia University, Alfred Gusenbauer is President of the Austrian-Spanish Chamber of Commerce.

### Mag. Erwin Hameseder

Vice Chairman of the Supervisory Board



Erwin Hameseder received a master of law degree from the University of Vienna. From 1975 to 1987, he served as an officer in the Austrian Armed Forces, where he achieved the rank of colonel in the directorship services in 2002 and of brigadier in 2006. In 2017, he was promoted to major general in the militia of the Austrian Armed Forces. In 1987, he joined the legal department of RAIFFEISENLANDESBANK NIEDERÖSTERREICH-WIEN reg.Gen.m.b.H. From 1988 to 1994, he was responsible for investment management, from 1991 as head of the department. He was managing director of RAIFFEISENLANDESBANK NIEDERÖSTERREICH-WIEN reg.Gen.m.b.H. from 1994

to 2001 and director-general of RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN reg. Gen.m.b.H (a spin-off from RAIFFEISENLANDESBANK NIEDERÖSTERREICH-WIEN AG) from 2001 to 2012. From 2007 to 2012, Erwin Hameseder also assumed the position of Chairman of the Management Board of RAIFFEISENLANDESBANK NIEDERÖSTERREICH-WIEN AG. Since 4 May 2012, he has been chairman of RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN reg. Gen.m.b.H. Erwin Hameseder has been a member of the Supervisory Board since 1998. In 2007, he was delegated to the Supervisory Board of STRABAG SE for an indefinite period of time by the authorised holder of registered share number 1. *Annex 1 of the 2020 Austrian Code of Corporate Governance allows periods of office of more than 15 years for Supervisory Board members who are shareholders with a direct investment in the company or who represent the interests of such a shareholder.*

### Dr. Andreas Brandstetter



Andreas Brandstetter has been CEO of UNIQA Insurance Group AG since 2011. Before entering the insurance business in 1997, where he has held various leadership positions, he was head of the EU office of Österreichischer Raiffeisenverband. From 1993 to 1995, he was active in politics. Andreas Brandstetter graduated from the University of Vienna in 1994 with a doctorate degree in political science, also holds an Executive MBA from the California State University, Hayward, and completed further courses at the Stanford Graduate School of Business and the Harvard Business School. Since 2018, he has been the president of Insurance Europe, the European insurance and reinsurance federation.

**Thomas Bull**

Thomas Bull has 25 years of experience in international project management, M&A projects and corporate investment management in Russia, Central and Eastern Europe, and the United States. After graduating from Voronezh State University in Russia in 1987, he held various management positions at Hochtief, E.ON and Enel Russia, among others. From 2013 to 2014, he was Director of the Central Department for Construction Projects at OAO Sberbank. Since 2014, Thomas Bull has been a member of the Supervisory Board of engineering company NGI Group. He holds a Master of Business Administration from the University of Dresden.

**Mag. Kerstin Gelbmann**

Kerstin Gelbmann studied trade and commerce in Vienna. After graduating, she began her career at Auditor Wirtschaftsprüfungs- und Steuerberatungsgesellschaft mbH. Kerstin Gelbmann has worked for E.F. Grossnigg Finanzberatung und Treuhandgesellschaft m.b.H. since 2002, most recently as managing director, and for grosso holding Gesellschaft mbH since 2007. In January 2010, she assumed the additional position of managing director at Austro Holding GmbH.

**Ksenia Melnikova (since 19 June 2020)**

Ksenia Melnikova completed a master's degree in economics and is a member of the Association of Chartered Certified Accountants. She began her career in 1999 with a Russian audit firm and later worked at the Moscow offices of PricewaterhouseCoopers and Ernst&Young. In 2012 she moved to Gazprom Neft Trading GmbH in Vienna as financial manager. Since 2016 she has been Director of Internal Audit at a logistics company in Moscow.

**Dr. Oleg Kotkov (until 19 June 2020)**

Oleg G. Kotkov was a member of the Supervisory Board of PJSC Asian-Pacific Bank in Moscow, Russia, from 2016 to 2019 as well as adviser to the Chairman of the Supervisory Board of PJSC Asian-Pacific Bank. From 2013 to 2016, he was in charge of international projects at CJSC SPC Engineering Center for New Materials and Technologies in Moscow. From 2010 to 2013, he worked for Rusal Global Management B.V. as adviser to the International Projects Protection Department with responsibility for risk assessment and management in the International Alumina Division. From 2008 to 2010, he held the position of deputy head of the International Cooperation Directorate of the state corporation Russian Technologies. In the years from 2003 to 2007, he was military adviser at the Permanent Mission of the Russian Federation to the OSCE in Vienna, Austria. Oleg Kotkov is a graduate of the Ryazan Airborne Command Academy (1978) and the Russian Military Academy (1987). He completed 30 years of



military service as an officer, including overseas assignments, and retired with the rank of colonel. He received his doctorate degree in international economics in 2003.

**Delegated by the works council**

**Dipl.-Ing. Andreas Batke**



Andreas Batke joined STRABAG AG, Cologne, as a land surveyor in 1991. He has been a member of the works council since May 1998 and currently serves as chairman of the general works council and chairman of the group works council of STRABAG AG, Cologne, vice chairman of the STRABAG SE works council and member of the Supervisory Board of STRABAG AG, Cologne.

**Miroslav Červený**



Miroslav Červený joined a predecessor company of STRABAG in the Czech Republic in 1988 as a data processing specialist, is currently chairman of the employee representative organisation of the Czech group companies and works as a work safety expert.

**Magdolna P. Gyulainé**



Magdolna P. Gyulainé joined a predecessor company of STRABAG in Hungary as a bookkeeper in 1981 and is currently chairwoman of the employee representative organisation of the Hungarian group companies.

**Georg Hinterschuster**



Georg Hinterschuster completed an apprenticeship in commercial site management at STRABAG Bau GmbH from 1984 to 1987. He then worked as group commercial manager in the engineering ground works business in St. Valentin, Austria, before taking over a commercial management task for the Transportation Infrastructures and the Building Construction & Civil Engineering segments in the Czech Republic from 1997 to 2000. From 2000 to 2008, he worked as a commercial group manager in building construction and civil engineering in Upper Austria. Hinterschuster was elected to the works council in 1991 and is currently a member of the group and central works council of STRABAG in Austria as well as a member of the STRABAG SE works council.

**Wolfgang Kreis**

Wolfgang Kreis joined Ed. Züblin AG as a commercial clerk in 1979. He was elected to the works council in 1987 and is currently chairman of the works council for the Karlsruhe subdivision, chairman of the general works council of Ed. Züblin AG, chairman of the STRABAG SE works council and vice chairman of the Supervisory Board of Ed. Züblin AG.

### All members independent in accordance with the Austrian Code of Corporate Governance

All members of the Supervisory Board of STRABAG SE and its committees are independent in accordance with the conditions contained within the Austrian Code of Corporate Governance (see also [www.strabag.com](http://www.strabag.com) > Investor Relations > Corporate Governance > Supervisory Board > Independence of the Supervisory Board) and have declared in writing explicitly to adhere to all conditions of the Austrian Code of Corporate

Governance. New members of the Supervisory Board receive detailed information regarding the avoidance of conflicts of interest upon assumption of their activities. The independence of the Supervisory Board members is defined by the following guidelines (excerpt from the Rules of Procedure for the Supervisory Board as amended on 28 April 2014):

#### Guidelines for the independence of Supervisory Board members of STRABAG SE ("the company") in accordance with C-Rule 53 of the Austrian Code of Corporate Governance

A member of the Supervisory Board of the company shall be deemed independent if he or she has no business or personal relations with the company or its Management Board which would constitute a material conflict of interest and thus could influence the member's behaviour. Moreover, the members of the Supervisory Board shall comply with the following guidelines adapted from the Austrian Code of Corporate Governance:

- The Supervisory Board member shall not have served as a member of the Management Board or as a manager of the company or one of its subsidiaries in the past five years.
- The Supervisory Board member shall not maintain or have maintained in the past year any business relations with the company or one of its subsidiaries to an extent of significance for the Supervisory Board member. This shall also apply to relationships with companies in which the Supervisory Board member has a considerable economic interest. The approval of individual transactions by the Supervisory Board according to C-Rule 48 does not automatically mean the person is qualified as not independent.

- The Supervisory Board member shall not have been auditor of the company or have owned a share in the auditing company or have worked there as an employee in the past three years.
- The Supervisory Board member shall not be a member of the Management Board of another company, in which a Management Board member of the company is a Supervisory Board member.
- The Supervisory Board member shall not be a close relative (direct offspring, spouse, partner, parent, uncle, aunt, sibling, niece, nephew) of a Management Board member or of persons in one of the aforementioned positions.

It shall be the responsibility of each member of the Supervisory Board of the company elected by the Annual General Meeting or delegated by the shareholders to declare his or her independence according to the criteria defined.

According to C-Rule 54 of the Austrian Code of Corporate Governance, the Supervisory Board of the company shall include at least one independent member delegated by the shareholders who is not a shareholder with a share of more than 10 % or who represents such a shareholder's interests. The independence of Supervisory Board members shall be published in the Annual Report. The Supervisory Board shall judge whether it and its committees contain a sufficient number of independent members in accordance with the Austrian Code of Corporate Governance (C-Rules 39 and 53).

In the period under report, no contracts subject to approval by the Supervisory Board were concluded by the company with members of the Supervisory

Board (C-Rule 48 of the Austrian Code of Corporate Governance).

### Working methods of the Supervisory Board: Seven meetings in 2020

Details > Supervisory Board Report

In the 2020 financial year, the Supervisory Board diligently performed the duties incumbent upon it under Austrian law, the Articles of Association, the Austrian Code of Corporate Governance (ÖCGK), and the Rules of Procedure. It met for a total of seven meetings last year and so complied with

the Code's minimum requirement to meet at least once every three months (C-Rule 36). All members personally attended at least half of the meetings during their period in office, so no Supervisory Board member failed to attend more than half of the meetings (C-Rule 58). Furthermore, there

were three meetings of the Audit Committee, one meeting of the Presidential and Nomination Committee, and two meetings of the Executive Committee. Besides these regular meetings, there is a constant open discourse and exchange of opinion among the individual members of the Supervisory Board as well as between the individual members of the Supervisory Board and the Management Board.

In accord with its tasks and obligations, the Audit Committee dedicated itself to monitoring the accounting procedures (including the preparation of the consolidated financial statements) and the work of the auditor (including the audit of the consolidated financial statements). During the review of the effectiveness of the internal control system and the risk management system, the Audit

Committee focused on specific selected projects. Also reviewed and monitored were the function of the audit system and the qualification and independence of the auditor (group financial auditor), especially with respect to the additional services provided to the company being audited. The internal audit department informed the Audit Committee of the auditing plan and of material findings pursuant to C-Rule 18 of the Austrian Code of Corporate Governance.

The meeting of the Presidential and Nomination Committee was held to prepare the draft resolution to the Annual General Meeting regarding elections to the Supervisory Board. The meetings of the Executive Committee were dedicated to the remuneration policy for the Management Board.

**Committees: Executive Committee, Presidential and Nomination Committee, and Audit Committee**

Details > Supervisory Board Report

Committee decisions are made by a simple majority. In the event of a tie, the vote of the committee chair is the deciding vote. The individual committees have the following composition and tasks:

Committee	Members	Tasks
Executive Committee	<ul style="list-style-type: none"> <li>• Dr. Alfred Gusenbauer (Chairman)</li> <li>• Mag. Erwin Hameseder</li> <li>• Thomas Bull</li> </ul>	The Executive Committee deals with all matters affecting the relations between the company and the members of the Management Board, especially matters relating to the remuneration of Management Board members but excluding decisions regarding the appointment or removal of a Management Board member or regarding the granting of stock options.
Presidential and Nomination Committee	<ul style="list-style-type: none"> <li>• Dr. Alfred Gusenbauer (Chairman)</li> <li>• Mag. Erwin Hameseder</li> <li>• Thomas Bull</li> <li>• Georg Hinterschuster</li> <li>• Wolfgang Kreis</li> </ul>	The Presidential and Nomination Committee submits proposals to the Supervisory Board for filling new mandates or ones <u>that become free</u> on the Management Board, deals with issues relating to successor planning and makes decisions in urgent cases.
Audit Committee	<ul style="list-style-type: none"> <li>• Dr. Alfred Gusenbauer (Chairman)</li> <li>• Mag. Erwin Hameseder</li> <li>• Dr. Andreas Brandstetter</li> <li>• Thomas Bull</li> <li>• Dipl.-Ing. Andreas Batke</li> <li>• Georg Hinterschuster</li> <li>• Wolfgang Kreis</li> </ul>	<p>The responsibilities of the Audit Committee include the tasks assigned to it under Sec 92 Para 4a (4) of the Austrian Stock Corporation Act (AktG) as well as by Regulation (EU) No. 537/2014, namely:</p> <ol style="list-style-type: none"> <li>1. monitoring the accounting procedures, as well as making recommendations or proposals to ensure their reliability;</li> <li>2. monitoring the effectiveness of the internal control system, the internal audit system and the risk management system of the company, in particular through consideration of the report of the auditor on the efficacy of the risk management system;</li> <li>3. monitoring the statutory audit and the audit of the consolidated financial statements and incorporating findings and conclusions in reports to be published by the Audit Oversight Body in accordance with Sec 4 Para 2 (12) of the Austrian Audit Oversight Act (APAG);</li> <li>4. assessing and monitoring the independence of the auditor (group financial auditor); in particular, the Audit Committee accepts the annual report of the Management Board on the non-audit-related services actually provided following its prior approval;</li> <li>5. reporting to the Supervisory Board on the audit findings with a description of how the audit has contributed to the reliability of the financial reporting and of the role of the Audit Committee;</li> <li>6. assessing the annual financial statements and preparing their approval, assessing the proposal for the appropriation of net income, of the management report and of the corporate governance report, as well as reporting on the audit findings to the Supervisory Board;</li> <li>7. assessing the consolidated financial statements and the group management report, the Consolidated Corporate Governance Report as well as reporting on the audit findings to the Supervisory Board;</li> <li>8. preparing the procedure to select the auditor (group financial auditor) in consideration of the adequacy of the fee as well as recommending the choice to the Supervisory Board;</li> <li>9. assessing the report on specific requirements regarding statutory audits under Article 11 of Regulation (EU) No. 537/2014;</li> <li>10. in accordance with C-Rule 81a of the Austrian Code of Corporate Governance, defining a mode of mutual communication during a meeting with the auditor.</li> </ol>

## ANNUAL GENERAL MEETING AND SHAREHOLDERS

The shareholders, as owners of the company, exercise their rights by vote at the Annual General Meeting. More information about the Annual

General Meeting and the shareholder structure is available in the chapter “Shares, Bonds & Investor Relations”.

### Transparency through constant communication

In the interest of an open communication with shareholders, creditors, clients, analysts, employees and the interested public, transparency is of great importance to STRABAG SE. Important elements of this open communication are the quarterly reporting of STRABAG SE, ongoing direct investor and analyst contacts, the participation in roadshows

and conferences, which mostly took place virtually in 2020, as well as publications and disclosures online and especially on the company website. More details about the company’s extensive information activities in this regard is available in the chapter “Shares, Bonds & Investor Relations”.

## CONFLICTS OF INTEREST

Conflicts of interest must be reported immediately

Both the Management Board and the Supervisory Board are required to disclose conflicts of interest. The members of the Management Board must immediately disclose to the Supervisory Board any material personal interests in transactions of the company and group companies as well as any other conflicts of interest. Furthermore, they must also inform the other members of the Management Board of this. Members of the Management Board who hold management positions at other companies must work towards a fair balance of interests of the companies involved.

Supervisory Board members who find themselves in a conflict of interest must immediately disclose this to the Chairperson of the Supervisory Board. If the Chairperson of the Supervisory Board finds himself or herself in a conflict of interest, he or she must immediately disclose this to their deputy. The conclusion of contracts with members of the Supervisory Board in which such members are committed to the performance of a service outside of their activities on the Supervisory Board for the company or a subsidiary for a remuneration not of minor value requires the consent of the Supervisory Board. This also applies to contracts with companies in which a member of the Supervisory Board holds a considerable economic interest.

## DIRECTORS’ DEALINGS

No transactions subject to disclosure obligation in 2020

Proprietary transactions with STRABAG SE shares and/or bonds by members of the company’s boards, by persons or companies who maintain a close relationship to the board members, and by other management-level employees with group-wide responsibilities are reported as required by law and continually posted on the website of STRABAG SE ([www.strabag.com](http://www.strabag.com) > Investor Relations > Corporate Governance > Directors’

Dealings) as well as on the website of the Austrian Financial Market Authority ([www.fma.gv.at](http://www.fma.gv.at) > Companies > Issuers > Directors’ Dealings). In 2020, no proprietary transactions with STRABAG SE shares and/or bonds were made by members of the aforementioned group of people. The following persons from the aforementioned group held shares and/or bonds of STRABAG SE on 31 December 2020:

Person subject to disclosure obligation	Board member	Number of shares	Number of bonds
Haselsteiner Familien-Privatstiftung	Dr. Alfred Gusenbauer Mag. Christian Harder	29,017,451	0
Mag. Erwin Hameseder		210	0
Klemens Haselsteiner		1,200	0



## Diversity concept

Seeing and judging things from different perspectives helps to comprehensively identify the risks of a situation or decision. This is one reason why STRABAG is so interested in diversity with regard to **age, sex, and educational and professional background** especially – but not exclusively – among its directors and officers.

On 31 December 2020, the Supervisory Board included three women and six non-Austrian nationals. The members of the Supervisory Board were between 42 and 64 years old as of the reporting date. With their expertise, they cover the fields of law, business management, taxes, engineering, accounting, auditing and information technology. They also have experience working in various sectors of construction, industry, banking, insurance and public administration.

At the end of 2020, the Management Board of STRABAG SE consisted of men between 40 and 66 years of age of which two – including the CEO – are not Austrian. The members of the Management Board bring together managerial and engineering know-how and have many years of experience within the company, among the competition and in related industries.

Several mechanisms govern **appointments to the Supervisory Board**:

- The registered shares No. 1 and No. 2 are each associated with the right to nominate one person to the Supervisory Board of STRABAG SE.
- Four further members are elected per vote by the Annual General Meeting. They are usually proposed by shareholders' representatives to the Supervisory Board, which in turn passes a draft resolution to the Annual General Meeting.
- The employee representatives delegate five persons to the Supervisory Board.

The Supervisory Board is responsible for **appointments to the Management Board**. The Supervisory Board's Presidential and Nomination Committee makes proposals for filling vacant seats on the Management Board and deals with issues relating to successor planning. It submits a recommendation to the Supervisory Board after comparing the qualifications and experience of suitable candidates to a previously defined job description. The selection of a Management Board member is then made in the Supervisory Board.

Prerequisites for an appointment to the Management Board and Supervisory Board of STRABAG SE

include the right expertise and personal qualifications as well as sufficient years of experience in management positions. The Management Board can best fulfil its management function and the Supervisory Board its supervisory and consulting functions with the broadest possible spectrum of skills and experience. This is achieved through diversity in terms of internationalism, educational and professional background, the representation of both sexes to an appropriate degree, and the age structure.

The job profile for a position on the Management Board calls for a minimum of ten years of experience in the construction industry or a related sector and preferably at least five years of management experience within the group. The board should consist of a good balance of members from both technical and commercial backgrounds. New appointees may be no older than 65 years of age.

The current nomination process has so far effectively addressed these requirements, with the result of a certain level of diversity on the boards. Through its draft resolutions to the Annual General Meeting, and through its decisions based on Presidential and Nomination Committee recommendations, the Supervisory Board helps to maintain the diversity of the Supervisory Board and the Management Board. This contribution to diversity is considered separately on a case-by-case basis. To allow a review of the implementation of the diversity criteria, short CVs of the current members of the Management Board and Supervisory Board are published in the Consolidated Corporate Governance Report.

The Supervisory Board supports the efforts being made by the group to raise the **percentage of women** in the company and in management and endeavours to increase the percentage of women on the Supervisory Board. With the election of Ksenia Melnikova to the Supervisory Board of STRABAG SE, the medium-term target of at least three women on the Supervisory Board was achieved in 2020.

At this time, there still seems to be no point in imposing a voluntary self-obligation for a certain percentage of women on the Management Board: Management positions within the group are filled primarily internally, and currently women remain underrepresented in management. The Supervisory Board is convinced that, in the medium term, successful measures to promote women's careers will result in a higher percentage of women in management, which will end up being reflected at the higher hierarchy levels.

## Measures for the advancement of women<sup>1</sup>



The construction industry employs predominantly men in the technical professions. Women are therefore underrepresented at all hierarchy levels. Among other things the shortage of skilled personnel, however, requires the sector to build on female labour in the future more strongly than before. STRABAG SE is also convinced that diversity sustainably increases the success of the company. STRABAG SE understands diversity to include

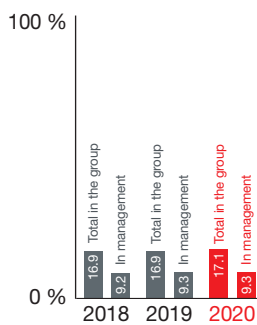
different nationalities, cultures and educational backgrounds, a balanced age structure and men and women working together. Diversity needs fertile ground in which to grow – a working environment that is free from discrimination, harassment and retaliation. STRABAG has in place a system of ombudspersons and actively takes measures to allow diversity to thrive, for example with respect to the promotion and inclusion of women.

### RULES, RESPONSIBILITIES AND DUE DILIGENCE

Since 2012, an internal team has been hard at work to elaborate and implement measures to promote women and their careers within the group. The team came together for two meetings in 2020. The working group achieved gender parity in 2019 when the number of members was

raised from four to six. The Management Board of STRABAG SE is aware that the company must continue existing initiatives and remain open to new ones in order to raise the percentage of women in higher qualified positions.

SHARE OF WOMEN IN THE GROUP



### OBJECTIVES AND INDICATORS

To maintain our competitiveness and to benefit from the diversity of different points of view, STRABAG in 2013 set itself the goal to annually increase the global percentage of women in the group – i.e. to ensure a higher level of representation of women in the group. By signing the UN Women’s Empowerment Principles, then-CEO of STRABAG SE Hans Peter Haselsteiner demonstrated the company’s commitment to this goal.

In 2020, the number of women as a percentage of employees within the entire group amounted to 17.1 % (2019: 16.9 %). Women make up 9.3 % (2019: 9.3 %) of the group management – i.e. persons with a management position as defined by

Sec 80 of the Austrian Stock Corporation Act (AktG). There are still no women on the – as of 2020 – six-member Management Board of STRABAG SE. It is noteworthy, however, that three women sit on the eleven-member Supervisory Board of the company: Kerstin Gelbmann, Magdolna P. Gyulainé and Ksenia Melnikova. Women therefore made up about 27 % of the Supervisory Board and accounted for 20 % of the members delegated by the works council. As the percentage of women both at STRABAG SE and within the group as a whole is under 20 %, a mandatory quota for the Supervisory Board as laid out in Sec 86 Para 7 of the Austrian Stock Corporation Act is not applicable.

### PROJECTS AND INITIATIVES

If we can interest more women in a career in construction and/or with STRABAG, then we will have laid the foundation for a higher representation of women at the management levels. The activities

to date to increase the number of female employees and to promote the careers of women within the STRABAG Group focus on three areas:

1 This section deals with the management approach to the issue of “Equal treatment of women and men”.

- **Targeted marketing:** STRABAG uses both the masculine and feminine forms in its texts and job announcements in order to target female students and graduates and so secure a higher percentage of female applicants especially from the technical universities. Student surveys testify to the effectiveness of these measures and that women with a technical education in particular rank STRABAG high up in the list of attractive employers. According to the Universum Student Survey for 2020 STRABAG ranked in 6<sup>th</sup> place (2019: 5<sup>th</sup>) among women and 14<sup>th</sup> (2019: 15<sup>th</sup>) among men studying in the engineering and IT fields in Austria. Some of our activities target potential female employees even earlier on, namely at school age: Several of the group’s organisational units in Germany and Austria regularly organise events on “Töchtertag” (“Take Your Daughter to Work Day”) or Girls’ Day.
- **Career opportunities:** There are no salary differences in the company between men and women who perform comparable work and have the same level of education. Based on the results of internal surveys, workshops and analyses, STRABAG is also working towards adequately considering women in promotion and further education by specifically focusing on qualifications and using gender-neutral job descriptions. Attention is therefore given to the adequate representation of women within the management of high potentials and in the mentoring programme that was established in 2018. Moreover, the results of all measures in this regard are constantly being evaluated. When it comes to developing management employees, STRABAG SE sees joint measures for men and women as the most promising way. In addition to the events organised for members of the high-potential management pool, which is already around 25 % female, the group supports its female employees especially in their career planning and in further education. The group academy, for example, also offers seminars designed especially for women. Among the trade-specific training offers for all employees, those on technology and IT registered an above-average participation by women. Coaching also plays an important role, with women in management positions being able to choose between personal coaching and mentoring as well as so-called eBusiness coaching in order to explore career prospects. As networking helps boost career opportunities, an internal STRABAG site offers female employees the opportunity to network with each other. In 2020, the site was migrated to a new technological platform. Almost without exception, all members accepted the invitation to accompany the move, so that by the end of the year there were already 330 people communicating with each other on the new platform (2019: 301).
- **Compatibility of career and family:** Especially with regard to high potentials and top performers, STRABAG is in competition with other construction companies for workers that are flexible and as mobile as possible. But if you want flexibility, you have to offer flexibility. STRABAG is therefore increasing its attractiveness as an employer through a better compatibility of family and career. Employees who are sent abroad, for example, have the possibility of taking their families with them. In 2014, a set of guidelines and a process were developed for parental leave, part-time work for parents and return management. The corresponding pilot project to put this family-friendly idea into practice was launched in Austria in 2015 and in Germany in 2016 before being rolled out across the corporate group and established in regular operations in 2020. Another way to promote the compatibility of career and family is mobile working (working from home). A framework in this regard was defined in a group directive in 2018. In 2020, this directive was revised and the framework was made more flexible.

Approx. 25 % women in the high-potential management pool

Group directive on working from home

As the goal to annually increase the percentage of female employees is a group goal, the above-stated applies to the group as a whole.

## Sustainability

Sustainability is one of the nine central corporate values and part of the corporate strategy. For STRABAG, responsible, sustainable management includes living the values it has defined, such as partnership. But taking responsibility also means responding to the diverse needs and requirements of our various stakeholders and taking into account the effects of our core business on the environment and on society. This integration of sustainability aspects into the management of the

group promotes social acceptance and ensures future viability.

This keeps the group competitive and enables it to constantly realign its portfolio of services to the demands and developments on the market. At the same time, the company remains alert to innovative solutions outside of the group that could create fresh forward momentum in the core business.

High priority, long-term perspective

The topic of sustainability and the *function* of Sustainability Management (formerly Corporate Responsibility Management) has been the responsibility of CDO Klemens Haselsteiner since 2020. This sends an important signal that sustainability at STRABAG has the support of senior management and is viewed from a long-term perspective. The six strategic fields reflect STRABAG's comprehensive understanding of responsibility. The Sustainability Management team, whose staff has been expanded this year, focuses its activities on the strategic field of environmental responsibility, with priority given to the topics of energy, materials, circularity and supply chain.

Sustainable management and entrepreneurial responsibility at STRABAG are integrated into the group strategy. Proposals for priority strategic issues as well as relevant indicators and objectives are drawn up by the responsible managers, with support from the internal sustainability management organisation and in coordination with the relevant board member and the CEO, and subsequently discussed by the STRABAG SE Management Board before being reworked if necessary and finally cleared for release. Strategically critical incidents are addressed ad hoc during the Management Board meetings.

## Continuous development of the corporate governance system

Self-evaluation of the Supervisory Board

STRABAG strives to constantly improve its corporate governance system in the interests of the company and all stakeholders. In the year under review, the Supervisory Board again performed a self-evaluation of its activity pursuant to C-Rule 36 of the Austrian Code of Corporate Governance. At its meeting on 21 December 2020, the Supervisory

Board examined in detail the efficiency of its work, especially of its organisation and working methods, which were largely evaluated as positively as in the years before. The evaluation corresponded in many areas with the one from the previous year. The board again seized the opportunity to make concrete proposals on how to raise efficiency.

## Risk management and audit

### RISK MANAGEMENT

The STRABAG Group is subject to a number of different risks in the course of its business activities. These risks are systematically identified and assessed using an active risk management system

and dealt with using an appropriate risk policy. More information is available in the Management Report.

### INTERNAL AUDIT REPORT



The STRABAG Group's internal audit department is a neutral and independent authority which again conducted approximately 170 (2019: approx. 180) internal audits in all group divisions worldwide in the 2020 financial year – only slightly less than in previous years despite the coronavirus-related travel restrictions. In accordance with the rules of the Austrian Code of Corporate Governance, the internal audit department is set up as a staff unit of the Management Board of STRABAG SE and so enjoys the greatest possible amount of independence.

group's divisions and regions both nationally and abroad. Given its technical and commercial competence, the internal audit department is an important element of the group's internal control systems. The internal audits serve to monitor the effectiveness of the risk management and control and to evaluate the management and monitoring processes. The comprehensive approach, the use of uniform auditing standards and the neutral reporting further contribute to the standardisation of processes and structures.

Internal audit as part of risk management

The internal audit department – after planning the audits independently and making continual adaptations to risk assessment – conducts process-independent and neutral audits across all of the

The routine and special audits serve to recognise and avoid risks, to reveal opportunities, and to constantly monitor proper conduct and compliance with the group's value and business compliance system. In 2020, the internal audit

department again audited both individual projects as well as entire organisational units. The audits covered the group's subdivisions as well as the most important contracts and orders of the year. The internal audit team also forms part of the company's task force looking into the suspicion of illegal price-fixing in construction projects in Austria.

The internal audit department reported regularly to the CEO and to the Audit Committee of the Supervisory Board regarding the audit plan and significant results of its work. The audit reports were sent to the audited operating units, to the division managers, and to the Management Board, and were also made available to the financial auditors.

#### FINANCIAL AUDIT

The Annual General Meeting of STRABAG SE on 19 June 2020, upon proposal of the Supervisory Board, designated KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz, as auditor of the financial statements and of the consolidated financial statements for the 2020 financial year. The expenses for KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft in the 2020 financial year

amounted to T€ 733 excl. VAT (2019: T€ 691 excl. VAT) for the auditing of the separate and consolidated financial statements as well as T€ 591 excl. VAT (2019: T€ 589 excl. VAT) for the auditing of financial statements at subsidiaries of STRABAG SE. For additional consulting services, it received a fee of T€ 127 excl. VAT (2019: T€ 78 excl. VAT).

#### EXTERNAL EVALUATION

Details as to the results of the evaluation are available at [www.strabag.com](http://www.strabag.com)

In keeping with C-Rule 62 of the Austrian Code of Corporate Governance, STRABAG SE regularly subjects its compliance with the Code to an external evaluation every three years. The last evaluation, for the 2019 financial year, was performed in 2020 by Schindler Rechtsanwälte GmbH, Vienna. The evaluation revealed no indications that the declarations provided by the Management and Supervisory Board members regarding observation of and compliance with the C-Rules of the Austrian Code of Corporate Governance were

untrue. The C-Rules of the Code were complied with – inasmuch as these were included in the formal obligation of STRABAG SE. Some rules did not apply to STRABAG SE during the evaluation period. The complete report including the results of the evaluation is available at [www.strabag.com](http://www.strabag.com) > Investor Relations > Corporate Governance > Formal Obligation and Evaluation. The next external evaluation will be conducted in 2023 for the 2022 financial year.

## Corporate governance reports of publicly listed subsidiaries

No subsidiaries were required to prepare and issue a corporate governance report during the year under report.



Villach, 8 April 2021

The Management Board



Dr. Thomas Birtel  
CEO  
Responsibility Central Staff Divisions and  
Central Divisions BMTI, CML as well as TPA



Mag. Christian Harder  
CFO  
Responsibility Central Division BRVZ



Klemens Haselsteiner  
Responsibility Central Divisions STRABAG  
Innovation & Digitalisation as well as Zentrale  
Technik, Subdivision NN Russia



Dipl.-Ing. Dr. Peter Krammer  
Responsibility Segment South + East  
(except Subdivision NN Russia)



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



Dipl.-Ing. (FH) Alfred Watzl  
Responsibility Segment North + West