

SUSTAINABILITY REPORT 2005 - 2007

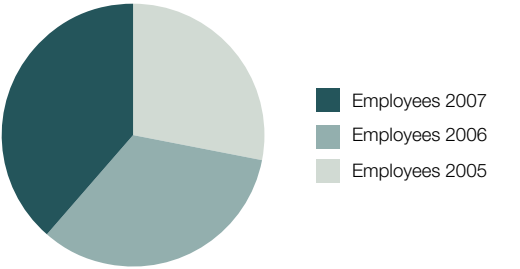
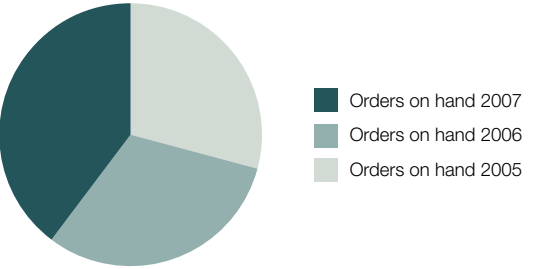
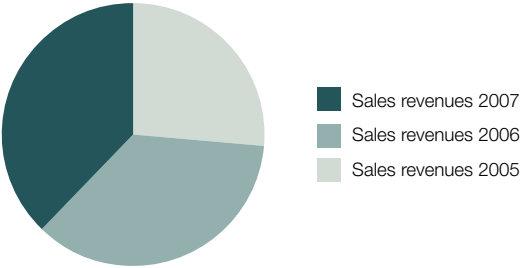
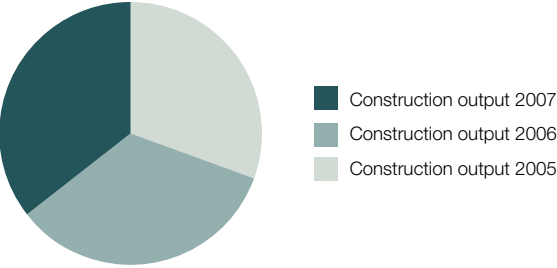
STRABAG
SOCIETAS EUROPAEA



KEY FIGURES 2005 - 2007

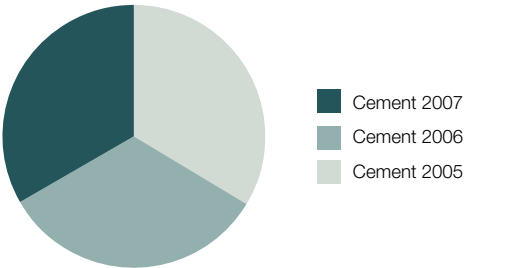
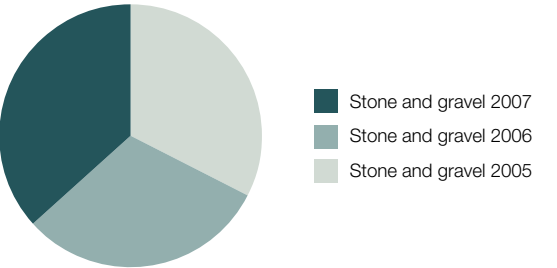
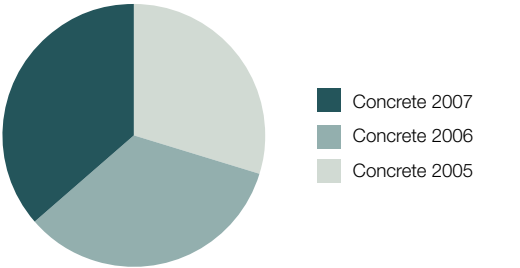
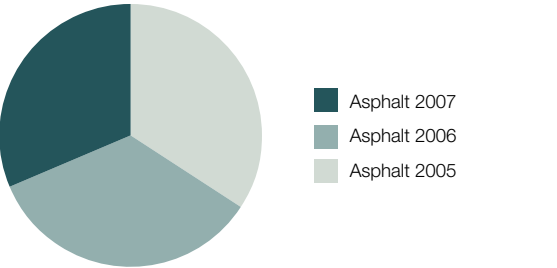
Key Figures Overview

	2005	2006	2007
Construction output in T€	9,314,847	10,385,111	10,746,223
Sales revenues in T€	6,955,797	9,430,621	9,878,600
Orders on hand in T€	7,927,000	8,505,614	10,742,287
Net income in T€	94,566	160,441	207,614
Total employees	44,513	52,971	61,125
Percentage of women	14.77 %	15.62 %	14.04 %



Raw Materials Produced

	2005	2006	2007
Asphalt in million tons	15.7	15.7	14.3
Concrete in million m³	2.8	3.15	3.4
Stone and gravel in million tons	21.0	19.9	23.5
Cement in tons	152,500	150,000	150,000



HIGHLIGHTS 2007 (EXTRACT)

January	March	April	May	June	
Takeover: Linde KCA, expansion of engineering division environmental	Building contract: Section of new railway link through the Alps in Switzerland	Acquisition: NCC Poland, expansion of road construction division Joint venture: Deutsche Bank and STRABAG, development of real estate and infrastructure projects in Russia New core shareholder: Rasperia takes an interest of 30% in STRABAG	Disposal: Real estate portfolio in Germany	Corporate loan: Proceeds of an issue of € 75 million for loan redemption and general business purposes	
Building contract: Underground railway in Delhi (India)					
July	August	September	October	November	December
Acquisition: Cestar d.o.o. Croatia, expansion of road construction division	Construction: Eurovea ITC Bratislava (Slovakia)	Construction: Road construction in Qatar Acquisition: Möbius AG (Germany), specialist waterway company for construction, expansion of civil engineering division	Joint venture: BaselCement and STRABAG, strengthening of raw materials position in Russia Stock market flotation: IPO in the Prime Market of the Vienna Stock Exchange	Construction: Section of M6 in Hungary Improvement S&P company rating to BBB- Construction: Long-term cooperation with Krakow (Poland)	Construction: Steel plants (Russia) Joint venture: Satellic, Siemens, STRABAG for toll systems in Russia Foundation of new holding in the Ukraine: STRABAG.Ukraine
Construction: Kurfürstenanlage administrative centre in Heidelberg as PPP (Germany)					



The full list can be found in the STRABAG SE Annual Report 2007.

CONTENTS

Foreword by the CEO	2
The Company	4
STRABAG – Dynamic Force on a Good Foundation	4
The Three Business Segments	6
Shareholder Structure	8
STRABAG on the Stock Exchange	9
Communication with Stakeholders	9
Sustainable Construction Corporation	10
First Sustainability Report	11
Building Industry and Environment – an Antagonism?	12
Interview with Josef Pröll and Hans Peter Haselsteiner	12
Vision, Strategy and Group Principles	16
Management Systems	18
Corporate Governance	18
Code of Ethics	18
Risk Management	19
Human Resources Management Systems	19
Environmental Management	20
Safety Management Systems	20
Economic Sustainability	21
Successful Business Year 2007	21
STRABAG Continues to Build on Growth	22
Building Stones of Success	22
Economic Targets	23
Climate Change as an Opportunity?	24
Interview with Claudia Kemfert	24
Environmental Commitment	28
Environmental Awareness of STRABAG	28
Environmental Management Systems	28
Building for the Environment	29
Environmental Engineering	29
Research and Development at STRABAG	31
Projects with Environmental Commitment	32
Environmental Targets	35
Personnel Development – Opportunity and Challenge	36
Interview with Xavier Prats Monne	36
Our Employees – Our Strength	40
Respectful Cooperation	40
Corporate Staff Structure	40
Staff Fluctuation	42
Training and Further Education	42
Social Support and Benefits	45
Safety as Primary Principle	45
STRABAG Partner Card	47
Social Targets	47
Promotion of Art - Prestige or Commitment?	48
Interview with Wilhelm Weiss and Anselm Glück	48
Social Accountability	50
STRABAG Art Forum	50
Sponsoring of Tyrolean Festival Erl	50
Social Project CONCORDIA	51
Partnerships with Schools	52
VinziRast Vienna	52
Selective Sponsoring of Regional Initiatives	52
Glossary	54
GRI Index	55
Imprint	56

FOREWORD BY THE CEO



Dear Ladies and Gentlemen,

The past years have been eventful and successful years for the STRABAG Group. We are the market leader in many of our core markets, and in some parts we are growing faster than the market. Successful acquisitions and continuous organic growth have turned us into the leading construction corporation in Central and Eastern Europe. We were able to generate additional funds for further development through our new Russian core shareholder Rasperia and the very successful stock market flotation in 2007. Not only our shareholders do benefit from our increasing commercial success, but also our clients and employees.

Now, our current size and internationality have moved us even more into the public focus of attention. For many years we have paid great attention to our responsibility, which goes beyond our entrepreneurial activity. With this Sustainability Report, we would like to document our performances in this area. The Sustainability Report supplements the Annual Report by describing the performances provided towards society and the environment more detailed. This report illustrates our activities in the reporting period from 2005 to 2007, as it is the first such Sustainability Report of STRABAG SE.

We have dedicated a comprehensive chapter to the topic of employees. Their commitment and competence are fundamental to the achievement of our corporate goals. Therefore, the personal and professional development of all employees is promoted by regular and open communication. The quality of cooperation between superiors, colleagues and employees is of significant importance. The fact that the fluctuation in Austria or Germany is very low, for example, indicates that we are on the right track.

Worth mentioning is also the longstanding engagement in fine arts. We promote young artists using the "STRABAG Art Award". We wish to go one step further and establish the "Art Award" in all major countries of the Group. In addition, we have erected a studio with connected apartments in the STRABAG building. Here, we give the award winners the opportunity to work creatively in STRABAG by means of scholarships. This engagement results in an encounter of the artists with our employees.

FOREWORD

THE COMPANY
BUILDING INDUSTRY AND ENVIRONMENT
VISION, STRATEGY AND GROUP PRINCIPLES
MANAGEMENT SYSTEMS
ECONOMIC SUSTAINABILITY
CLIMATE CHANGE AS AN OPPORTUNITY?
ENVIRONMENTAL COMMITMENT
EMPLOYEES
PROMOTION OF ART
SOCIAL ACCOUNTABILITY
GLOSSARY, GRI INDEX

Whether a challenging construction task will turn into a commercially successful property is decided already before the start of construction. This idea led us to develop the “Team Concept”, in which the client and the contractor cooperate on a partnership basis. Based on the joint controlling and the early integration of the contractor during a project’s planning phase, both parties can minimise their risk, and the safety of quality, costs and dates is increased. Within the scope of the STRABAG “Team Concept”, we aim to meet the requirements of greatest possible customer satisfaction:

Any building – in whatever way it is designed – represents an interference with nature, and also the building activity as such is an environmental factor per se. Transport takes a particularly high share in that. We are committed to minimising the negative impacts in every respect.

Currently, STRABAG is establishing an own central “Logistics and Transport” area in order to design transport routes more efficiently and thus environmentally friendlier. This way, we will be the first European building company to have an integrated logistics system – one of the important future tasks we have tackled already successfully. And we will realise numerous other visions. We face the coming challenges on the way to Europe’s leading construction corporation with responsibility and respect.



Dr. Hans Peter Haselsteiner

Chairman of the Management Board

Please accept that gender-specific wording has been omitted for reasons of better readability, it goes without saying that both genders are referred to in an equal manner.

THE COMPANY

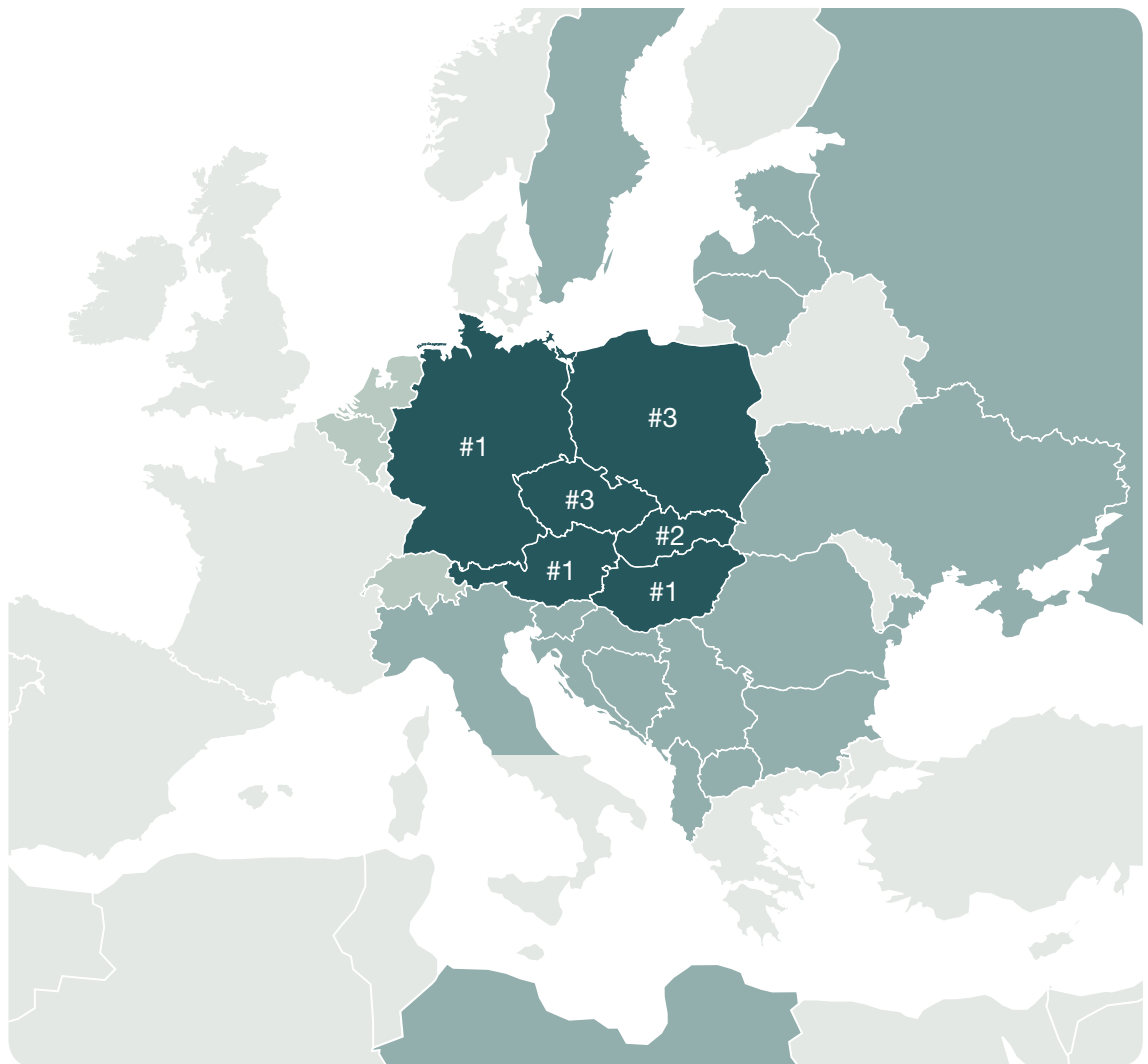
STRABAG – DYNAMIC FORCE ON A GOOD FOUNDATION

STRABAG SE is one of the leading European providers of construction services. From the core markets in Austria and Germany, STRABAG, through its numerous subsidiaries, is present in all countries of Eastern and Southeast Europe, on selected markets in Western Europe and on the Arabian Peninsula.

Entrepreneurial thinking is based on the multidivisional requirements of the national and international markets. The range of services provided by STRABAG SE reaches from tailor-made single services up to overall solutions from a single source – from small contracts up to spectacular major projects and “Public Private Partnership” projects (PPP).

The Group offers its services under the five main brands STRABAG, Dywidag, Heilit+Woerner, Möbius and Züblin.

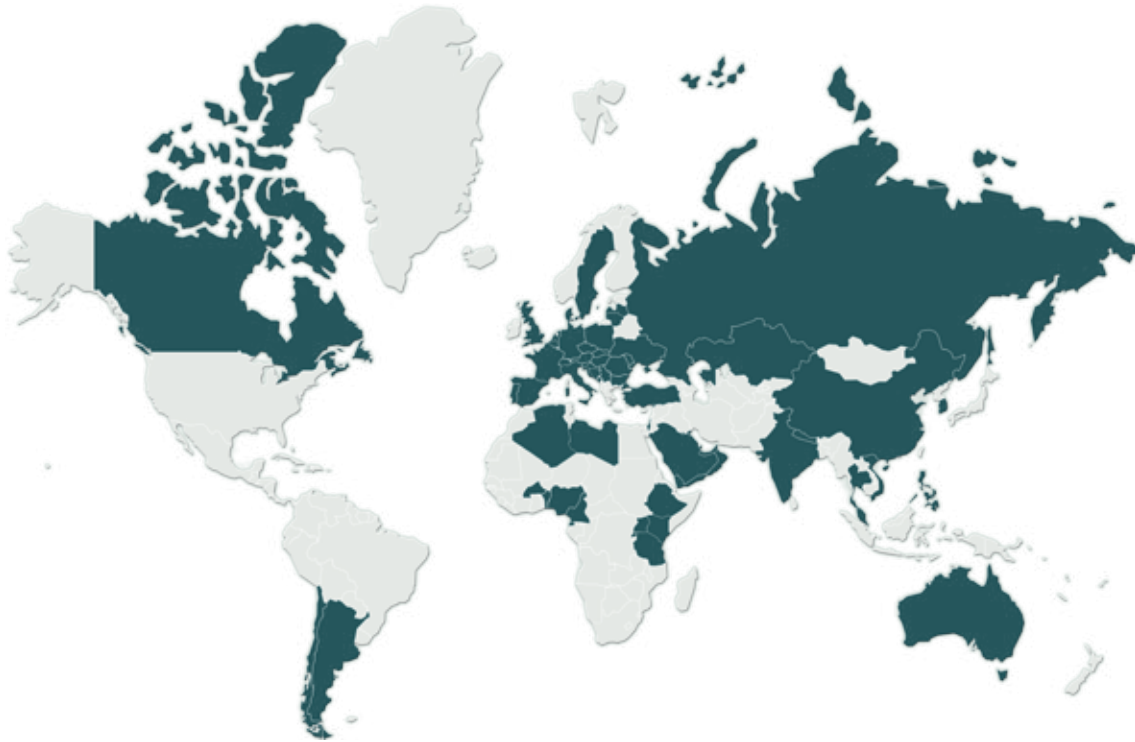
Core and Growth Markets



- Home and growth markets with top 3 market positions
- Growth markets
- West European markets with nationwide presence

#: Market positions as of 2007

International Project Business



Abu Dhabi
 Algeria
 Argentina
 Australia
 Austria
 Belgium
 Benin
 Bosnia/Herzegovina
 Bulgaria
 Burkina Faso
 Cameroon
 Canada
 Chile
 China
 Croatia
 Czech Republic
 Denmark
 Dubai
 Equatorial Guinea
 Ethiopia
 France
 Germany

Great Britain
 Hungary
 India
 Israel
 Italy
 Kazakhstan
 Kenya
 Kuwait
 Latvia
 Libya
 Lithuania
 Malaysia
 Montenegro
 Nigeria
 Nepal
 Netherlands
 Oman
 Philippines
 Poland
 Portugal
 Qatar
 Ras Al Khaimah

Republic of Korea
 Republic of Moldova
 Romania
 Russia
 Rwanda
 Saudi Arabia
 Serbia
 Singapore
 Slovakia
 Slovenia
 Spain
 Sweden
 Switzerland
 Tanzania
 Thailand
 Turkey
 Uganda
 Ukraine
 Vietnam
 Yemen

THE COMPANY

THE THREE BUSINESS SEGMENTS

The business activity is divided into three segments, which represent the main pillar of STRABAG SE: Building Construction and Civil Engineering, Transportation Infrastructures as well as Special Divisions & Concessions. These three areas cover the entire value-added chain in the construction industry.

The segment **Building Construction and Civil Engineering** comprises the construction of commercial and industrial buildings, office and administrative buildings, residential buildings as well as prefabricated production. Medium-sized and major projects – mainly from private clients – represent the core element of the business activity. In the area of civil engineering, STRABAG is engaged in the erection of complex infrastructure projects, the heavily growing business area power plant construction, major bridge construction, as well as environmental engineering.

Transportation Infrastructures includes the construction of both asphalt as well as concrete roads, as well as any building activities within the course of road construction works, such as for example earthworks, sewer construction, waterway and dike construction, paving works, the erection of sports and leisure facilities, securing and protective structures or bridge construction to a smaller extent. In recent years, the segments railway construction and waterway construction were also added as an area of competence.

The production of building materials such as asphalt, concrete and additives for the Group as well as for external clients also belongs to the area of responsibility of the segment Transportation Infrastructures.

The area **Special Divisions & Concessions** comprises tunnelling works, such as road and railway tunnels, as well as galleries and caverns. STRABAG possesses leading know-how in this area and is therefore operating on the world's largest building sites. This is a "direct export" business that is pursued worldwide. The segment also includes worldwide project development activities in building construction as well as the construction of transportation infrastructures. These include project-related services such as development, financing and operation. In addition to infrastructure projects in the area of transportation and energy, this division also develops office buildings for commercial utilisation, hotels, schools and medical institutions. Particularly licensing models such as PPP have increased heavily in the past few years.



CEO - Hans Peter Haselsteiner

Building Construction and Civil Engineering	Transportation Infrastructures	Special Divisions & Concessions
2 Members of the Board 9 Divisions	2 Members of the Board 10 Divisions	2 Members of the Board 5 Divisions

STRABAG



DYWIDAG

Service Companies



Central Staff Units

Central Technical
Department

Legal
Affairs

Contract
Management

Corporate
Communications

Audit
Department

¹⁾ BRVZ Bau-, Rechen- und Verwaltungszentrum ²⁾ BMTI Baumaschinentechnik International ³⁾ BLT Baulegistik und Transport ⁴⁾ TPA Gesellschaft für Qualitätssicherung und Innovation

MANAGEMENT BOARD OF STRABAG SE



from left:

Dr. Thomas BIRTEL – Commercial Responsibility Building Construction and Civil Engineering

DI Nematollah FARROKHNI – Technical Responsibility Building Construction and Civil Engineering

Ing. Fritz OBERLERCHNER – Vice-Chairman, Technical Responsibility Transportation Infrastructures

Dr. Hans Peter HASELSTEINER – Chairman of the Management Board, CEO

DI Roland JURECKA – Technical Responsibility Special Divisions & Concessions

Mag. Wolfgang MERKINGER – Commercial Responsibility Transportation Infrastructures

Mag. Hannes TRUNTSCHNIG – Commercial Responsibility Special Divisions & Concessions

SUPERVISORY BOARD

o.Univ.-Prof. DDr. Waldemar JUD – Chairman, Representative Diversified Holdings – Full Professor at the Faculty of Law at Karl-Franzens University of Graz

Mag. Erwin HAMESEDER – Vice-Chairman – CEO of Raiffeisen Landesbank Wien-NÖ

Dr. Gerhard GRIBKOWSKY – Member – Consultant

Dr. Gulzhan MOLDAZHANOVA – Member – CEO of Basic Element Ltd.

Ing. Siegfried WOLF – Member – CEO of Magna International Europe AG

Dr. Gottfried WANITSCHKE – Member – Member of the Management Board of Uniqa Versicherungen AG

Peter NIMMERVOLL – Member – delegated by the works council

Josef RADOSZTICS – Member – delegated by the works council

Gerhard SPRINGER – Member – delegated by the works council

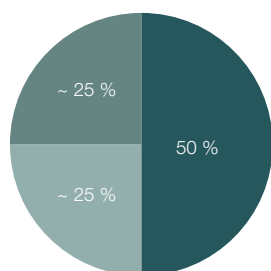
THE COMPANY

SHAREHOLDER STRUCTURE

In April 2007, the third strategic core shareholder of STRABAG SE was announced. Rasperia, a holding company owned by Russian industrialist Oleg Deripaska acquired a stake of 25 per cent plus one share in STRABAG SE. The shareholders' equity of STRABAG SE was increased by € 1.05 billion due to the investment of Rasperia. The proceeds from this capital increase will be used for further growth, investments in the area of raw materials and the opening of new markets.

Development of Shareholder Structure of STRABAG SE

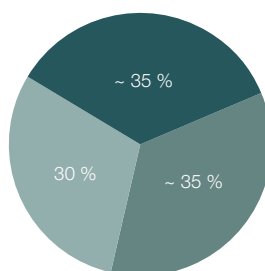
Before the entry of Rasperia
Trading Limited (April 2007)
Number of shares: 75,000,000



- 50 % + 1 share Haselsteiner Group
- ~ 25 % UNIQA Group
- ~ 25 % Raiffeisen NÖ-Wien Group

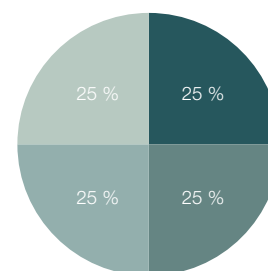
As of end of 2007

After the entry of Rasperia
Trading Limited (August 2007)
Number of shares: 95,000,000



- ~ 35 % Haselsteiner Group
- ~ 35 % Raiffeisen/UNIQA Group
- 30 % Rasperia Trading Ltd.

After the IPO
(October 2007)
Number of shares: 114,000,000



- 25 % - 3 shares Haselsteiner Group
- 25 % + 1 share Raiffeisen/UNIQA Group
- 25 % + 1 share Rasperia Trading Ltd.
- 25 % + 1 share diversified holdings

STRABAG ON THE STOCK EXCHANGE

On 19 October 2007, STRABAG SE launched its IPO in the Prime Market Segment of the Vienna Stock Exchange (Wiener Börse). The IPO consisted of 28,200,001 no-par shares, including 16,000,000 new shares from a capital increase, 9,200,001 shares floated by the pre-IPO shareholders and a Green Shoe of 3,000,000 new shares.

In many ways, this IPO was record-breaking: 100,000 private investors placed their confidence in the company, and the strong international demand led to a tenfold subscription of the issue. These figures also represent a record in the history of the Vienna Stock Exchange.

STRABAG plans to use the proceeds of the IPO to extend its market position in Eastern Europe, expand its raw materials base, strengthen the shareholders' equity base and continue the expansion in construction-related services.

COMMUNICATION WITH STAKEHOLDERS

Continuous dialogue with the various stakeholder groups is of uttermost importance to STRABAG. After all, the success of the construction corporation is closely linked with the confidence of the manifold interest groups: employees, customers, suppliers and business partners, shareholders, government and regulatory authorities, the media, research institutions and society in general.

As a rule, a constructive, transparent and open handling of matters based on respect and professionalism applies as the primary principle in the dialogue with all these stakeholders. STRABAG is in contact with its interest groups through the most varying means of communication and undertakes to communicate any information in full, in a fair manner, aptly, objectively, punctually and understandably. This Sustainability Report by STRABAG represents another enhancement to the communication with stakeholders.

	Employees	Customers	Suppliers	Shareholders	Government and Regulatory Authorities	Competitors/= Partners	Media	Research	Society
Code of Conduct	+	+	+	+	0	+	0	0	0
Annual Report	0	+	+	+	+	+	+	0	0
Press releases	+	+	0	+	0	0	+	0	0
Customer information	0	+	0			0		+	
Press conferences	0			0	0		+	0	+
Road shows				0			0		0
Internet appearance	+	+	+	+	+	+	+	0	+
Management manuals	0								
Internal meetings	+								
Employee information systems	+	0							
Memberships in lobbying groups	0	0	0	0	+	0	0	+	+
Cooperations	0	0	0	0	0	0	0	+	+
Art events	+	0	0	0	0	0	+	0	+

+ relevant 0 partially relevant



Diana Klein, Investor Relations, Austria

The Investor Relations department of STRABAG SE sees itself as the service department for existing and potential private shareholders, institutional investors and analysts, but also as the point of contact for capital market issues for the operative units of the Group. Quick response times, comprehensive information and a constant dialogue with the participants in the capital market and the public are a matter of course for us. Thereby, we pay special attention to the fact that all stakeholders are informed quickly and simultaneously.

THE COMPANY

The employees of STRABAG are informed constantly of activities, news and ongoing projects of the Group via “Stranet”, a cross-corporate information, communication and knowledge platform, as well as the magazine “Inform”, which appears periodically.

Policies related to the working area and workflow of the relevant employees are announced regularly and conveyed in particular by means of the Code of Ethics of STRABAG. This way, it is ensured that all employees are aware of the relevant laws and regulations. Further information on the Code of Ethics can be found on page 18.

The Group Principles, which were established newly in 2007, were transported to all employees, customers, suppliers and other important stakeholders using comprehensive communication measures.

In the first half-year of 2007, STRABAG started an extensive information campaign, which was designated to emphasise the core values of the company as well as the quality demand. This campaign was designed for a broad public audience and designated to illustrate the construction corporation’s holistic approach under the motto “Building Visions. Building Values. Building Europe”. In parallel thereto, an internal motivational and information campaign took place for the employees in more than 30 countries.

Principles of Stakeholder Communications

- STRABAG communicates openly, transparently and proactively
- It informs its employees prior to or simultaneously with the remaining stakeholders
- There are clearly defined speakers towards the media, investors and analysts
- As a rule, no information is provided with regard to customer relationships, on matters related to individual employees, on competitors or regarding ongoing investigations
- STRABAG does not comment any rumours

SUSTAINABLE CONSTRUCTION CORPORATION

As an internationally operating construction corporation with around 61,000 employees, more than 16,000 ongoing construction projects (as of 2007) and a multicultural orientation, STRABAG holds a great responsibility in the social, environmental and economical sector. Therefore, the company is clearly committed to a sustainable development of these three pillars. All employees are requested to integrate considerations related to environmental and social issues in the business activities. The same applies for the management of resources and the infrastructure.

Sustainability management of the STRABAG Group is carried out by Corporate Communications. All projects and activities related to the issue of sustainability are coordinated through the CSR official.



Sabine Vigne, Travel Office Employee, Austria

I work for STRABAG because I believe that I have a safe and promising workplace, which at the same time also takes account my role as a mother. One major advantage is the direct vicinity of the workplace to the specially erected Kindergarten. This way, I am able to design my working time more flexibly.

FIRST SUSTAINABILITY REPORT

In order to document the commitment and the sustainability process both internally as well as for the general public, a sustainability report is prepared in regular intervals by an external institution. All performances, developments and novelties related to the issue of sustainability are presented therein. The first sustainability report of STRABAG illustrates the period 2005/2006/2007. Reporting is based on the so-called GRI guidelines (Global Reporting Initiative), which provide indicators in relation to the three pillars of sustainability – economy, ecology and social issues. In accordance with these guidelines, the quality of the data survey is classified in so-called “Application Levels”. They demonstrate the scope and the quality of the indicators illustrated in three grades – level A, B and C. According to the GRI definition, the sustainability report by STRABAG corresponds with level C, since more than 10 key indicators are illustrated.



STRABAG Building, Vienna, Austria

BUILDING INDUSTRY AND ENVIRONMENT – AN ANTAGONISM?

INTERVIEW WITH JOSEF PRÖLL AND HANS PETER HASELSTEINER



DI Josef PRÖLL

Federal Minister of Agriculture,
Forestry, Environment and Water
Management, Austria

Dr. Hans Peter HASELSTEINER

Chairman of the Management Board
STRABAG SE

Dr. Haselsteiner, STRABAG is a company expanding on a global basis with branch offices throughout Europe, Asia, Africa and America and altogether more than 60,000 employees. What motivated you to prepare a sustainability report for the first time?

Hans Peter Haselsteiner: As a company quoted on the stock exchange, it is also our obligation to document and communicate our responsibility that goes beyond the mere entrepreneurial activity accordingly. This is important for the employees, but also for the external effect. One of the reasons why we decided for our first sustainability report is to emphasise and illustrate this responsibility.

Minister Pröll, in what way do you see the role of companies that take up the issue of sustainability and document their responsibility in this way?

Josef Pröll: In the environment department, we are naturally very much interested in incorporating the pillars of sustainability not only in environmental and social politics, but also to accept this responsibility together with companies, especially if they operate on a global basis. It is very welcomed that STRABAG is doing that. Of course, it has a key economic responsibility towards its shareholders. But for a company operating on an international level, this relates to more, namely also to environmental and social accountability. And it is becoming ever more important to document this responsibility not only for the own employees, but also towards the outside. This is a trend that will even increase.

Dr. Haselsteiner, can a high social commitment also be implemented within STRABAG, respectively how social can a company be at all?

Haselsteiner: I have always wondered why a major international enterprise should not be capable of having a social attitude. It is important for me to create a social balance. However, this cannot be found through individual social systems, but must rather more be carried out through Europeanization and globalisation. First of all, we want to create a social balance in Austria – this will look differently than in Romania, Poland or Russia. It is the company's responsibility to comply with the rules of fairness. In this respect, one of the most important principles is: same wage for the same performance at the same place.

Every now and then it is criticised that politics would like to shift a part of its social territorial responsibility onto enterprises. Is this argument justified in your opinion?

Pröll: I see this in the same way as Hans Peter Haselsteiner explained. Politics hold a key responsibility; they must create the social network in which those that are socially at risk are prevented from falling. But the social accountability that can be fulfilled by companies is absolutely essential. Politics cannot do what is done within companies and within the scope of their dynamics.

The building industry transports enormous amounts of raw materials – where is the environmental responsibility for a construction company to be found in this case, and how far does it reach?

Haselsteiner: Any building – in whatever way it is designed – represents an interference with nature, and also the building activity is an environmental factor per se. We make every effort to minimise the environmental impacts respectively the negative effects. However, it requires the cooperation of all parties involved – also planners, builders and future users.

BUILDING INDUSTRY AND ENVIRONMENT – AN ANTAGONISM?

Minister Pröll, the Life Ministry has taken various initiatives for the area of traffic, e.g. within the scope of klima:aktiv or the initiative “Fleet of the Future”. In which way could these initiatives be integrated as objectives in the catalogue of measures of STRABAG?

Pröll: Naturally, the transport of raw materials represents a central factor in the building industry. On the part of politics, we are considering two tracks intensively: one objective is the political one to achieve improvements in transport technology. A second objective is to increase efficiency in mobility management.

In this case, it is the plan to establish modern mobility concepts using the “Fleet of the Future” initiative. And we are very thankful if the economy accepts our invitation to cooperate, and joins these modern and efficient concepts.

Dr. Haselsteiner, how do you see the issue of climate change? After all, the building industry benefits from milder winters, in which the building activity does not have to be stopped, or from additional orders due to storm damages.

Haselsteiner: I see that in a very distinguished way. Although at some times the climate change is beneficial for the building industry, it is generally not a factor. The fact that the building industry is required to perform when major infrastructure measures are enforced is clear, be it due to an increased traffic volume or precisely due to natural hazards. But I would rather more prefer that we would not benefit from these and would thus not have the problems caused by the negative effects of the climate change. Otherwise, I have always been a supporter of environmentally friendly buildings. If it were for me, for example, I would shift everything that is disturbing, such as noise or exhausts underground, and – expressed in a slightly exaggerated way – up on the surface, we all just move around on bicycles.

Within the scope of the Kyoto Protocol for climate protection, Austria committed itself to reduce greenhouse gas emissions by 13% until 2012. In your opinion, is CO2 neutrality in companies a usable measure that also supports politics in achieving this objective?

Pröll: We will also have to introduce regulatory measures in the area of CO2 neutrality, but this requires intelligent plans for the future and the cooperation with civil society and the economy. There are already very good concepts regarding CO2 autonomy and CO2 neutrality, e.g. we are developing CO2 neutral regions, i.e. which regions can manage to be self-sufficient from local power production using energy-efficient measures. I can also imagine something similar for companies wishing to get involved on the subject of CO2 neutrality in order to design internal cycles more efficiently. The decisive issue is thereby whether, from an economic perspective, there will be a negative market for CO2 throughout Europe, or even on a global basis. There are clear signs in this direction, and those companies that are dealing with this issue at this stage already will have an advantage then.

Dr. Haselsteiner, you have been a committed promoter of contemporary art for nearly 15 years. What essentially are the reasons for your efforts?

Haselsteiner: I believe that major companies must accept responsibility in two major areas outside of the economic activity: one area is the social sector, which has been addressed already and where a few selected focuses can be set not only in-house, but also externally. The second area is the commitment towards art, where, among other things, we promote young, unknown artists using our STRABAG Art Award. We wish to go one step further and establish an award in all major countries of the Group. In addition, we plan to erect a studio with connected apartments in the STRABAG head office in Vienna, in order to provide the award winners with the opportunity of working creatively within STRABAG on the basis of a one-year scholarship. It is not only I who enjoys this commitment, but also my employees. Beyond that, however, it is also of importance to me to move the building industry away from the image of neither having a social conscience nor an understanding for art, but rather more just concrete in mind.

FOREWORD
THE COMPANY
BUILDING INDUSTRY AND ENVIRONMENT
VISION, STRATEGY AND GROUP PRINCIPLES
MANAGEMENT SYSTEMS
ECONOMIC SUSTAINABILITY
CLIMATE CHANGE AS AN OPPORTUNITY?
ENVIRONMENTAL COMMITMENT
EMPLOYEES
PROMOTION OF ART
SOCIAL ACCOUNTABILITY
GLOSSARY, GRI INDEX

VISION, STRATEGY AND GROUP PRINCIPLES

STRABAG is an important European construction company that developed from companies full of tradition and rooted in Europe, as well as the people thereof.

With the competence, innovative power and motivation of our employees as well as a streamlined and transparent organisational structure associated therewith, we are on the way to becoming Europe's leading construction service providers. The broadness and internationality of our fields of activity in conjunction with the depth of our know-how put us on a stable economic basis, on which we continue to grow dynamically.

Group Principles

Our Group Principles are the guideline derived from our vision that form the basis for our dealing with employees, customers, subcontractors as well as the society as a whole, and are therefore binding for the Management Board, the management and all employees.

Employees

The efficiency and competence of our employees, in conjunction with their capability and preparedness for interdisciplinary cooperation form a central element of our corporate success. We see ourselves as a "learning organisation", in which existing knowledge is not passed on between generations alone, but also where new knowledge is acquired and conveyed continuously. A high amount of self-responsibility of each individual employee is an essential basis of our leadership principles. We nurture open and honest dealing with each other on the basis of mutual respect and mutual trust, point out perspectives for personal development opportunities within the company and ensure a punctual and open information policy. We actively support preventive measures for maintenance of the health of employees as well as safety at work. Furthermore, we support our employees appropriately in uncaused situations of need.

Customers

Our performances are focused on satisfying our customers' warranted requirements and expectations, and offer them high added value as a result. We communicate openly and transparently with our customers within the meaning of partnership-based cooperation. This way, we build up long-term, trusting business relationships without neglecting the necessary amount of secrecy and discretion at the same time. We meet the needs of the market through customer proximity, professionalism, innovative orientation and good value.

Subcontractors and Suppliers

Aside from our own competences and resources, we also involve selected, tested subcontractors and suppliers in the processing of our contracts within the meaning of quality and profitability. Thereby, team-oriented cooperation on the basis of trust, openness, integrity and fairness is the guarantee for long-term, successful partnerships.

Economic Success

In order to fulfil the responsibility towards all our stakeholders (shareholders, customers, employees, subcontractors, authorities, competitors, media, the society as a whole), it is necessary to work profitably, maintain a strong financial basis and keep any risks at an appropriate level. Therefore, the continuous further development and consistent application of our instruments for early detection and prevention of economic risks (so-called “flop prevention”) during all phases of construction works represents a central objective for sustainable maintenance of profitability.

Social Accountability

For the realisation of this objective, we act responsibly in relation to our environment at all times and see our ethical standards (Code of Ethics) as an exemplary contribution towards a healthy development of the European market. Accordingly, we respect cultural differences, are committed to fair trade, observe the applicable laws and regulations and act with environmental awareness when dealing with energy, raw and waste materials, as well as emissions.

Moreover, we promote public welfare by supporting selected organisations and institutions with humanitarian, social, charitable, education-related or cultural objectives.

Sustainable Activity

Out of the responsibility towards humans, society and the environment, we conduct a sustainable economic activity with an eye on future generations, and take the aforementioned guiding principles into account in our commercial decisions. This is documented in regular intervals by an external institution in the form of a sustainability report.

MANAGEMENT SYSTEMS

In order to implement the Group Principles and the strategic targets, STRABAG has been using a uniform corporate management system since May 2002. This is manifested in a Management Manual in 13 languages that is uniform to all countries, and in the associated corporate regulations. The major structures, processes and regulations of the individual organisational units in the relevant countries are described and documented therein. Quality management, the aspects safety, health and environmental protection are integrated in the Management Manual, among other things.

CORPORATE GOVERNANCE

Within the course of the preparations for the stock market flotation, STRABAG implemented all regulations of the complete Austrian Codex of Corporate Governance (ÖCGK). STRABAG thereby not only plans to fulfil the minimum requirements, it has far more committed itself to “best practice”. This means that all so-called R rules (“comply or explain”) exceeding the legal requirements are fulfilled as well. As a company quoted on the Vienna Stock Exchange, STRABAG SE is obliged to issue internal Compliance Guideline in accordance with §12 of the Issuer Compliance Regulation of 2007, and to communicate the same to the members of the Supervisory Board, the members of the management, the employees and the persons working in classified areas on its behalf. The objective of the Compliance Guideline is to prevent any misuse or disclosure of insider information. For this purpose, the compliance organisation was defined, authorities and responsibilities of the compliance official were laid down, constant and occasional temporary classified areas were established, and the obligations related to the dealing with insider information within STRABAG SE as well as the procedures to be observed for the disclosure of insider information were regulated. Mandatory compliance trainings were performed throughout STRABAG SE for all management personnel up to the area manager level, as well for employees in classified areas.

CODE OF ETHICS

Compliance with legal stipulations and internal regulations is imperative for STRABAG. The success of the construction corporation is tightly connected with the confidence placed in the STRABAG Group by the stakeholders. In order to consolidate this confidence even more, a Code of Ethics was drawn up that ensures a common system of values for the management and all employees of STRABAG.

Due to the multicultural variety of the company with its global orientation, a common ethical basic orientation is important to the Group. The same defines clearly what represents an honest and ethically impeccable business practice. These values and principles are reflected in the guidelines and instructions by the companies and business areas of STRABAG. Compliance is expected from the members of the Management Board and the Supervisory Board, as well as the management and all employees.

Violations against laws, regulations, guidelines and the Code of Ethics can be reported to internal and external persons of trust, so that the appropriate actions can be taken. In the case of any non-observation of these values and principles, STRABAG SE will initiate the relevant steps, such as, for example, in the form of actions related to labour law. Also criminal prosecution cannot be ruled out.

RISK MANAGEMENT

The STRABAG Group is subjected to a large number of risks within the scope of its entrepreneurial activity. Based on an active risk management system, these risks are assessed, evaluated and managed using an adequate risk policy. Integrated in the risk control process are a certified quality management system, internal corporate policies for the workflow in the operative areas, a central Administration Department, Controlling, the Audit Department and Contract Management. Central risk groups were defined within the scope of inter-corporate risk reporting:

External risks are created by cyclical fluctuations in the building industry. The general economic development, the development of the construction markets, the competitive situation, but also the conditions on the capital markets and the technological changes in the construction industry can lead to creation of risks. These risks are monitored continuously. Changes lead to adjustments in the STRABAG organisation, market presence and supply range, as well as adaptation of the strategic or operative planning. STRABAG continues to face the market risk by geographical and product-related diversification, in order to keep the influence of an individual market on the corporate success as far as possible to a minimum. The operational risks include primarily the complex risks of order selection and order processing. Acquisition lists are kept in order to review the selection of orders. Business cases subject to mandatory approval are approved by the area and division managers or the Management Board in accordance with internal codes of procedure; from a contract volume of € 10 million, these bids must be analysed and checked by interdisciplinary committees. Thus, it is ensured that the risks of individual projects do not represent an impact endangering existence.

In the case of risks related to the finance business, particular attention is paid to liquidity and receivables management, which is ensured by permanent financial planning and daily status reports. Compliance with the internal commercial policies is ensured by the central specialist areas Accounting and Controlling.

In order to communicate the values and principles of STRABAG, the Code of Ethics and the internal Compliance Guideline were drawn up in 2007. Compliance with these values is expected from the members of the Management Board and the Supervisory Board, as well as the management and all employees, and ensures an honest and ethically impeccable business practice.

Organisational risks that may be created within the scope of qualitative and quantitative staffing are covered by the central human resources department using specialised databases. To counteract personnel risks, STRABAG uses qualification-related diagnostic analysis methods, among other things within the scope of management potential analyses.

HUMAN RESOURCES MANAGEMENT SYSTEMS

For secured evaluation of existing management potentials, STRABAG uses qualification-related diagnostic analysis methods, e.g. within the scope of management potential analyses. The Group leadership and management employees discuss the topics successor planning, motivation, company loyalty and social competence jointly in subsequent feedback sessions. The promotion and support of personal development by training and further education is performed in accordance with defined procedures.

MANAGEMENT SYSTEMS

ENVIRONMENTAL MANAGEMENT

Within STRABAG, the implementation of internal environmental protection measures respectively the planning and execution of construction projects in the area of environmental engineering is integrated in the two divisions Civil Engineering and Environmental Engineering. Within the scope of the integrated management systems, certified environmental management systems in accordance with ISO 14001 are introduced in parts and the maintenance and further development of these is confirmed by environmental audits and experts. In future, it is planned to introduce these environmental management systems in other countries in which STRABAG is operating as well.

SAFETY MANAGEMENT SYSTEMS

A modern working environment designed in an ergonomic and friendly manner enables STRABAG employees to perform their duties in a target-oriented way. In the area of building sites, great attention is paid to health & safety at work and accident prevention. In order to take care of health and safety in a preventive manner, health & safety equipment is provided, accident prevention seminars are carried out as well as safety representatives appointed and supported.

Besides certification in accordance with ISO 9001 (quality management), system certification in accordance with the international standards for safety, health and environmental management systems (SHE) is standardized in nearly all countries of the Group. These are supplemented by certifications and permits in accordance with industry-, customer- and project-related requirements. Currently, valid SHE and quality management systems exist in the countries Austria, Germany, the Benelux, Romania, the Czech Republic, Bulgaria, Slovakia and Hungary.

ECONOMIC SUSTAINABILITY

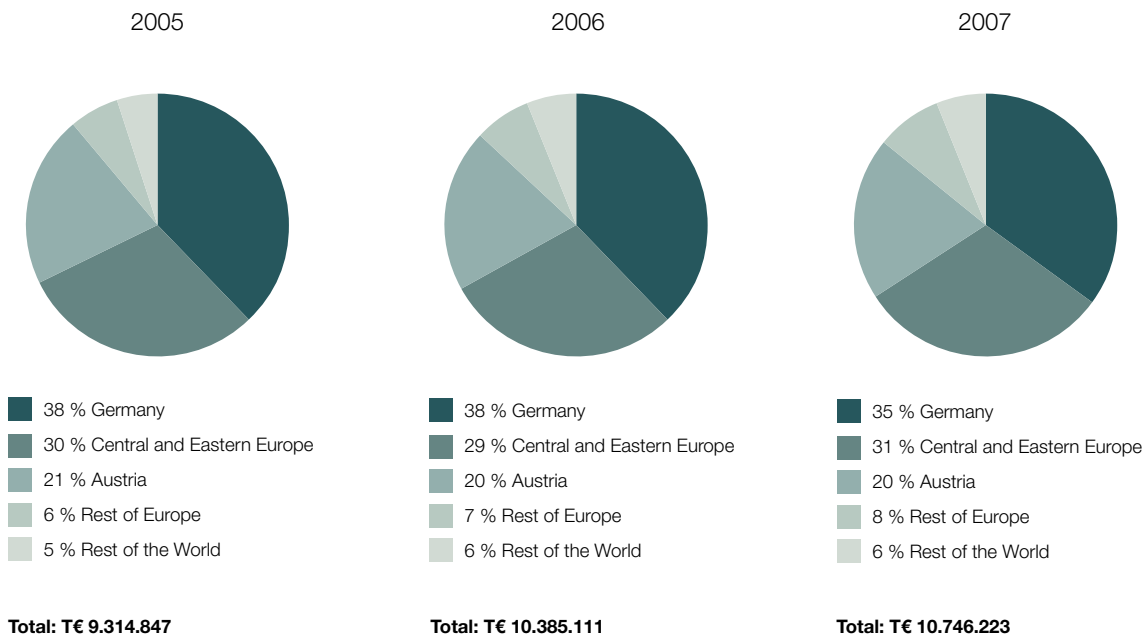
SUCCESSFUL BUSINESS YEAR 2007

The STRABAG Group grew heavily over the past years and, as a result, made its way into the top group of European construction corporations. Since 2004, the construction output of the company increased annually by an average of 22%. In 2007, the construction output was roughly € 10.7 billion, which is equivalent to an increase of 3.5% in comparison with 2006. The fact that the growth is rather moderate this year has a simple reason: 2007 was a year of consolidation, in which the focus was laid mainly on integration of the acquisitions made and improvement of the shareholders' equity situation.

Due to the entry of the strategically important partner Oleg Deripaska as additional core shareholder, the position on the important Russian growth market could be expanded. The subsequent stock market flotation in October 2007 creates an ownership structure that enables also further growth in the medium term.

The focus of the business activity is placed on the Eastern European markets, since in this area both the growth of the GDP, as well as the growth in the construction sector are significantly higher than on the Western European markets. STRABAG already makes 31% of the construction output in Central and Eastern Europe, and this percentage will rise even further next year. The Group plans to increase the construction output by roughly 15% in 2008, and thereby getting closer to its target of growing to € 20 billion by the year 2012.

Construction Output by Countries 2005-2007



ECONOMIC SUSTAINABILITY

STRABAG CONTINUES TO BUILD ON GROWTH

The STRABAG Group grew heavily over the past three decades and, as a result, made its way into the top group of European construction corporations. This is documented impressively by the increasing number of employees: in 2007, around 61,000 people worked within the Group, whilst 30 years ago, there were only 450 employees. Thus, in 2008 and in the following years it will continue dynamically. Average growth rates of 10 % to 15 % annually are the target. This way, the sound barrier of € 20 billion construction output could be broken in 2012.



Heidelinde Fiala, Procurement, Qatar

Qatar plans to become the largest exporter of natural gas worldwide by 2012. The centre of the gas industry is Ras Laffan Industrial City, which is located in the north, and where a large refinery is being erected. STRABAG is constructing a few buildings for this purpose. It is a great challenge to be able to assist in this interesting but also difficult project with a highly motivated procurement team.

BUILDING STONES OF SUCCESS

The clear strategic positioning includes the expansion of the own raw-material basis, which guarantees greater independence from the raw-material markets and price fluctuations. The plan is to ensure continuous flows of income with the expansion of PPP and licensing projects. Investments in value-enhancing acquisitions and strict cost, capital and risk management are an important element of the growth strategy. Within the scope of this orientation, STRABAG benefits from the leading position on the domestic markets Germany and Austria.

Strong Management Team

STRABAG benefits from a well-coordinated corporate management with a longstanding work experience in the building industry. Beyond that, the company has strong local management teams. These onsite teams play an important role in the decentralised organisation of STRABAG, as they allow the Group to adapt to the most varying local conditions. The dual leadership model with one technical and one commercial manager stretches across all management levels.

Leading Market Positions

The STRABAG Group is the market leader in Central and Eastern Europe and makes roughly 80 % of its construction output in countries, in which it holds one of the top 3 market positions. The strong market penetration in this region creates scale effects and enables capacity compensation across borders. The early arrival on the Eastern European markets makes it easier for the company to benefit from the strong growth and the demand in these countries. The market leadership in Germany is an important factor. As a result, the Group benefits on the one hand from the market recovery that is thus taking place, and on the other hand, Germany acts as a „goldfish pond“ for the best European engineers.

Supplier of Full Product Range

No other construction corporation in Europe is positioned as broadly as STRABAG, both geographically as well as technologically. This strategy makes the company less dependent from market fluctuations.



Sergej Gornujov, Project Manager Hotel Moscow, Russia

Russia is developing into the biggest growth market for STRABAG. The construction of the Hotel Moscow on the Red Square is a symbol for the sense of a new era dawning in this country. For me, it is an exciting task to take care of such a major project.

Own Raw-material Basis

STRABAG is provided with a clear competitive advantage by the access to own raw materials. With 112 quarries and gravel pits, 323 asphalt and 129 concrete mixing plants (as of 2007), the company has a far-reaching network that is continuously being expanded. Access to raw materials is also the greatest barrier to market entry for new market participants.

Central Business Units

The Group's organisational principle is based on the conviction that the operative construction business can be executed best if it is decentralised. Cross-divisional services, however, are executed centrally. This includes accounting, financing and IT, personnel administration, central research, procurement as well as plant and equipment management. They relieve the operative areas, so that these are able to focus entirely on their core business. A self-developed management information system ensures that the same standards apply in all regions processed by STRABAG. Clear evaluation criteria for new projects and control systems serve as a filter in order to prevent loss-bringing projects.

Successful Acquisitions

Over the past years, STRABAG successfully made more than 15 significant acquisitions, including the takeovers of Züblin, Dywidag, Heilit+Woerner, NCC Poland and Möbius. The newly acquired companies were integrated in the organisation and the Group-wide management systems by STRABAG within a few months.

STRABAG Team Concept

Roughly 80 % of all construction and operating costs can be influenced already during the projection and planning of a project. This idea led STRABAG to develop the "Team Concept", in which the client and the contractor cooperate on a partnership basis. Based on the joint controlling and the early integration of the contractor during a project's planning phase already, both parties can minimise their risk, and the safety of quality, costs and dates is increased.

ECONOMIC TARGETS

- Profitable growth with a focus on CE & EE countries, the construction output is increased by 15% p.a.
- Extension of the supply range in growth-oriented niches such as railway construction
- Extension of range of services in environmental engineering
- Enforcement of uniform purchasing conditions ("Europe price") in case of central procurement
- In future, sustainability activities of subsidiaries should be controlled through contact partners responsible for that purpose.

CLIMATE CHANGE AS AN OPPORTUNITY?

INTERVIEW WITH CLAUDIA KEMFERT



Prof. Dr. Claudia Kemfert

Head of Department Energy, Transport, Environment at the German Institute for Economic Research (DIW Berlin)
Chair for Environmental Economy at Humboldt University of Berlin

Dr. Kemfert, you say that the costs of the climate change could be roughly € 800 billion up to the year 2050 in Germany alone. The resource oil will only be available to cover the entire energy demand for another 15 years; the crude-oil price per barrel could reach the 200 dollar mark... In view of these scenarios, can an individual company still effectively be committed to climate protection at all – and if so, how?

Claudia Kemfert: I believe so. The scenarios mentioned here are possible scenarios, not specific forecasts. We point out such scenarios, so that politics can change directions in due time. In order to bring international politics on climate protection into the right direction, one that leads to a prevention of irreversible climate changes, all nations of the world must unite and pull the same strings. However, it is mainly up to the countries holding the main responsibility to accept their leading role and to show that it is possible: Economic growth and climate protection are compatible. The issue is not “low growth”, but rather more “low emissions growth”. On the one hand, the exploration of new technologies and successful introduction of these on the market plays an important role. On the other hand, energy conservation in all sectors, and in particular in the area of buildings will gain importance. Not only from a perspective of climate protection, but mainly due to high prices for fossil energy. Nowadays already, climate protection technology “made in Europe” is a sales hit and will become so even more in future. It is precisely the heavily growing national economies, such as China, India, but also Russia that will increasingly demand technologies for climate protection.

Slightly exaggerated but down to the point, you yourself expressed the consequences of climate change for the building industry this way: “Somebody will have to build the taller dykes and replace the bridges washed away”. In view of these profitable perspectives, why should a construction company be committed to climate protection at all?

Kemfert: It is true that the building industry will benefit twice: on the one hand, due to the reconstruction of buildings destroyed by extreme climatic events, although this should be prevented more and more by active climate protection. On the other hand and this is decisive, the building industry, more than any other one, can make a contribution towards energy conservation or the improvement of energy efficiency. The building of the future must not require any energy supplied from outside, but rather more produce and utilise energy itself. Heating and cooling systems will make use of renewable energies, such as the sun and geothermal heat, and at the same time insulate the buildings so well that heating and cooling requirements are met automatically. Moreover, future buildings must be constructed in a sufficiently stable and flexible way, particularly in areas at risk, in order to reduce or prevent possible damages due to climatic events. Therefore, the building industry will play a key role in future climate protection efforts; its contribution is absolutely necessary.

Construction companies can thus obviously combine climate protection and profitable growth by developing additional or newly created business areas?

Kemfert: If they read the signs of the times correctly, then yes. Unfortunately, even today, many buildings are still not designed with a sufficient standard of insulation. In addition, a sustainable energy supply providing widespread coverage is still not of a sufficiently big importance. Considering that new buildings are planned to be used for the next 50-100 years, this is not comprehensible. Within the scope of its “Energy and Climate Initiative”, Germany has defined precisely such insulation standards. The aim is to increase the share of renewal energies significantly and to improve energy efficiency significantly, particularly of old buildings. This makes sense from a point of view of the national economy and will set the correct and necessary signs for the building industry.

Can the „business” with climate protection, in your opinion, also have a significant impact on the labour market by creating additional jobs?

Kemfert: Certainly. If you look at the industry of renewable energies, you can see that many new jobs have been created in this area. However, there are also losers, and that is where jobs are lost. But in the medium to long term, it is worth the effort twice: climatic damages are prevented by climate protection, and in addition, new industries develop. This way, important jobs are created. After all, the issue is to combine economic growth and climate protection with each other.

With regard to the awareness for climate protection, you said in a newspaper interview that the economy was already ahead of politics. This is shown, for example, in the initiative “global roundtable on climate change”, which includes more than 100 international companies, NGOs and research institutes. Do you consider such initiatives on the part of the economy as a suitable measure to assist in the reduction of the climate change in an effective and acceleratory way?

Kemfert: Yes, quite certainly, because without the economy, this structural change will not be achievable. Understandably, those industries that will experience significant disadvantages are resisting climate protection. But in many cases, the political signals can also release unexpected reserves of strength and bring out new technologies on the market, which on the other hand can lead to competitive advantages. However, without clear political signals, the uncertainties are too big. For this reason, corporations caution politics to proceed more rapidly and, in particular, to ensure reliable planning. As experience shows, companies react very flexibly – and they have to, in a dynamic market economy. In many cases they are ahead of politics and, as frontrunners, set decisive sociopolitical impulses, also and especially in relation to climate protection.

CLIMATE CHANGE AS AN OPPORTUNITY?

Which contribution could a company operating on an international level, such as STRABAG, make beyond that?

Kemfert: A company like STRABAG can very specifically develop pilot construction projects, which have a signal effect: large buildings designed in a sustainable way, self-sufficient with regard to energy and no longer requiring external energy. More money could be invested in research and development for sustainable building. Only if it can demonstrate that climate protection and sustainable energy supply are compatible on the basis of specific research or also realised projects will a company appear credible with regard to its sustainability strategy.

The transport of construction materials represents a significant factor in the building industry. Which possibilities do you see for more climate-friendly solutions?

Kemfert: Transport should also be carried out as sustainable as possible. In practice however, it is restricted by tight limits due to logistical shortages or delivery deadlines, because in most cases, buildings are constructed within a narrow timeframe. Of course, it is important that routes are not unnecessary long and that use is made of a sustainable transport, if possible. In future, there will have to exist CO₂-free fuels anyhow, which do not produce pollutants.

How can the transport of goods be combined effectively and economically with the requirements for climate protection in a sustainable way?

Kemfert: First of all, the objective must be to optimise the logistics chains and avoid unnecessary transports. Moreover, the “pollutant balance” of transport should be prepared for a company and a strategy be developed, how the same can be improved. In general, it is better of course to shift more traffic from the road onto rails. In practice however, this is not that easy.

So from your point of view, which sustainable measures in the environmental sector should STRABAG, as a major corporation, not leave out under any circumstances?

Kemfert: Improvement of the energy efficiency of buildings, use of energy management systems, sustainable energy supply of buildings and infrastructures, if possible also pilot projects for the “buildings of the future” or the “city of the future”, including sustainable mobility. Certainly, a competition for the submission of ideas in cooperation with universities / colleges would also be an exciting and highly noticed venture.



Railway transport

FOREWORD
THE COMPANY
BUILDING INDUSTRY AND ENVIRONMENT
VISION, STRATEGY AND GROUP PRINCIPLES
MANAGEMENT SYSTEMS
ECONOMIC SUSTAINABILITY
CLIMATE CHANGE AS AN OPPORTUNITY?
ENVIRONMENTAL COMMITMENT
EMPLOYEES
PROMOTION OF ART
SOCIAL ACCOUNTABILITY
GLOSSARY, GRI INDEX

ENVIRONMENTAL COMMITMENT

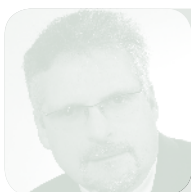
ENVIRONMENTAL AWARENESS OF STRABAG

Environmental protection and climate protection are issues that have shifted more and more into the centre of public attention in recent years. For STRABAG SE, it is beyond question being committed in these areas and taking up the responsibility both within the company as well as within the scope of the company's construction activity.

The compliance with environmentally-relevant laws, as well as regulations and official stipulations form the basis of the measures to be implemented; beyond that, STRABAG is committed to the continuous further development and improvement of environmental activities and aims to take up the role of a forerunner on the construction market with regard to environmental activity.

It is of importance to STRABAG that environmental protection is exercised by all employees. To raise the environmental awareness of employees, information is passed on regularly and trainings are held, which are aimed at intensifying the awareness-raising.

Within the scope of the integrated management systems, certified environmental management systems in accordance with ISO 14001 are introduced in parts and the maintenance and further development of these is confirmed by environmental audits and experts (see table). In future, it is planned to implement these management systems in other countries as well.



Reinhard Hagen, Site Manager Halensee Rainwater Filter, Germany

Urban greenbelt recreation zones are important areas for humans. With the construction of the rainwater filter, STRABAG is making a sustainable contribution to quality improvement of the water in Halensee lake.

ENVIRONMENTAL MANAGEMENT SYSTEMS

The following chart shows the status of certifications by quality standards and the most important countries. Certification does not cover the entire area in the case of environmental and safety management systems.

Country	ISO 9001	ISO 14001	OHSAS 18001	SGU/ SCC
Germany	x	x		x
Benelux	x	x		x
Austria	x	x		x
Hungary	x	x	x	
Poland	x			
Romania	x	x	x	
Slovakia	x	x	x	x
Croatia	x			
Switzerland	x			
Czech Republic	x	x	x	
Bulgaria	x	x	x	

BUILDING FOR THE ENVIRONMENT

In the case of major construction activities, it is not always easy to identify the environmental protection efforts behind a project, because building sites represent a clear interference in nature that is visible to everybody. Building sites cause dust, noise and change the landscape.

But that is only short-term thinking. In many cases, buildings or plants are created to help to protect and to revive a disturbed environment. With the construction of sewage plants, drinking water treatment plants, hydropower plants, undergrounds, railway connections, etc., and the introduction of new innovative technologies, STRABAG offers a broad range of services in this area.

ENVIRONMENTAL ENGINEERING

Within STRABAG, the implementation of internal environmental protection measures respectively the planning and execution of projects in the area of environmental engineering is integrated in the two divisions Civil Engineering and Environmental Engineering. The know-how of the two divisions was established in Austria and the plan is to extend it and pass it on to other countries in future.

The division **STRABAG Environmental Engineering** is divided into six areas and processes primarily the following five business areas: waste / biogas, disposal of harmful refuse, wastewater, water, plant operation and after-sale service. Aside from earthworks and disposal site construction, the range of services comprises surface recycling, disposal of harmful refuse and the construction and operation of waste treatment plants.

STRABAG wants to create a strong brand in the area of environmental engineering that will stand for competence and efficiency. **STRABAG Environmental Engineering** is a leading company in asbestos clean-up with numerous references related to major projects, as well as in disposal site construction and in retreating works respectively the clean-up of contaminated industrial sites and old disposal sites. In addition to the specialists, which operate inter-regionally, there are country organisations in Poland, Croatia, Serbia, Romania, Albania and Turkey.

The potential held within the area of environmental engineering is evident from looking at the preamble to the progress report by the European Union on the issue of environmental protection. It says there: "Protecting the environment is essential for the quality of life of current and future generations. The challenge is to combine environmental protection with sustainable economic growth in such a way that a sustainable development is achieved in the long term. The environmental policy of the European Union is based on the conviction that strict environmental standards stimulate innovation and business opportunities. Economic, social and environmental politics are closely linked." All states of the Community and also those that also wish to join are obliged to comply with these guiding principles. Especially for the East European countries, this means that there is still a lot to do. Out-of-date industrial plants with contaminated soils and improper waste dumps offer STRABAG a broad field of activity.

Environmental Protection during Construction Activities

STRABAG attempts to avoid and reduce environmentally harmful impacts in the implementation of construction projects as far as possible, insofar as they can be influenced by the company and the measures can be implemented at economically reasonable costs. In the preparation and execution of construction projects, STRABAG pays attention to a resource-saving utilisation of energy and raw materials and a reduction of emissions and waste materials. As a direct result of these efforts, the work on environmental measures also continues without interruption during the actual construction phase. This way, the dust and noise emissions have been reduced for quite a while already.

ENVIRONMENTAL COMMITMENT

In this connection the employees on the building sites hold a great responsibility, to which compliance with the changing project-specific environmental requirements represents a particular challenge.



Angela Klein, Site Manager Tunnelling, Germany

The objective of an environmentally friendly power production also includes power storage, as it is possible in the case of the pump storage power plant Kops II. Every day, I can experience in an impressive manner how one of the biggest rock cavities in the world is turned into a high-performance hydropower plant by the interaction of underground mining, reinforced concrete construction and mechanical engineering.

Materials Used

The business area Building Materials of STRABAG produces and comprises mainly asphalt, concrete, stone and gravel, as well as cement.

These products are both used on the in-house STRABAG building sites as well as sold to customers. The different types of building equipment and materials each require different arrangements and measures in the production, distribution and processing thereof, which STRABAG continuously aims to adjust and improve in order to keep the environmental burden as low as possible.

The following table illustrates the raw materials produced by STRABAG SE:

Raw materials produced	2005	2006	2007
Asphalt in million tons	15.7	15.7	14.3
Concrete in million m ³	2.8	3.2	3.4
Stone and gravel in million tons	21.0	19.9	23.5
Cement in tons	152,500	150,000	150,000

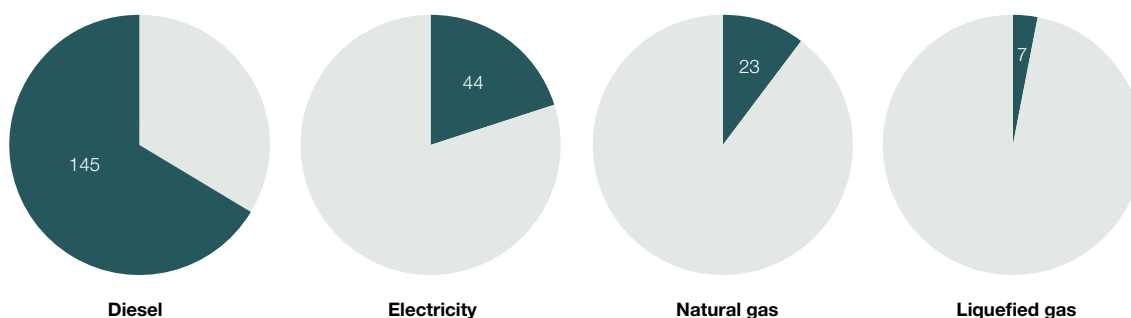
Impacts on the Environment

The construction sector is, to a high degree, environmentally-, waste-, resources- and health-relevant. Construction wastes (excavated earth, building rubble, road break-up, building site wastes) represent the biggest material flow. Many modern construction materials are non-recyclable and must be disposed of.

A significant part of energy conversions are combustion processes, and these produce emissions of climate-relevant gases, such as CO₂ and NO_x. Another environmentally-relevant factor is water consumption, which is as good as exclusively of relevance during the utilisation phase. These and other environmental impacts make it clear that environmental measures are of major importance in the construction area – naturally, also from a commercial perspective. This is illustrated by the key figures shown below, which represent the financial costs for the energy input by STRABAG.

Therefore, it is a major item to survey and reduce the waste quantities step by step. Since 2004, the percentage of waste by mass has been located under 4 % of the total waste, and has continued to decline since then. In order to ensure a reduction of waste also in future, STRABAG is performing differentiated waste logistics depending on the volume of the construction activity.

Energy Input 2007 in € million



RESEARCH AND DEVELOPMENT AT STRABAG

The STRABAG Group has a **Central Technical Department**, which is responsible for technical management within the Group. It is organised with nearly 400 highly qualified employees and reports directly to the Chief Executive Officer. The Central Technical Department provides onsite support in the areas planning, design and construction to all operative units.

The staff unit is actively engaged in national and international research and development projects. Its engineers develop new and innovative tools, systems and methods that can be used permanently onsite.

Aside from “engineering excellence” and the interdisciplinary exchange of knowledge, this system also promotes technical cooperation within the Group. The Central Technical Department also serves as a training centre for young engineers who work in the operative units of the Group as technical experts at a later stage.

In order to gain the interest of young engineers in STRABAG at an early stage already respectively to support their potential, a partnership-based cooperation exists between STRABAG and selected universities. TPA Cologne, for example, has been supporting two to four diploma theses annually for ten years, and was invited to assist in the conceptual design of the Master programme “Transport Construction” to be established newly at Münster University of Applied Sciences.

TPA Company for Quality Assurance and Innovations is the competence centre for quality assurance of the STRABAG Group and performs research and development related to construction material engineering, in particular for transportation infrastructures. It coordinates management systems, health and safety and environmental protection activities across the Group and is organised as a central business area with cross-corporate responsibilities and one of the leading construction material labs of the European building industry.

Targeted regional development works are required in particular with regard to different framework conditions (such as e.g. subsoil, availability of construction materials, climatic influences, etc.).

Transnational networking of knowledge and experiences within the Group represents one of the most important tasks of TPA. This way, several technical novelties were spread out within Europe and implemented successfully over the past years.

In the business year 2007, the STRABAG Group spent roughly € 4 million for research and development.

ENVIRONMENTAL COMMITMENT

Focuses of TPA Research

- Asphalt engineering, transportation infrastructures and airfield construction
- Asphalt for hydraulic engineering and disposal site construction
- Concrete engineering
- Technical mineralogy
- Cement
- Recycling construction methods and stabilisations
- Earthwork and soil engineering
- Environmental engineering and analyses
- Special engineering - chemistry
- Pavement engineering

PROJECTS WITH ENVIRONMENTAL COMMITMENT

Below are a few examples to illustrate the environmental commitment and broad field of activity of STRABAG. The projects come from different areas and show in a manifold way, what kind of possibilities there are to take ecological components into account in a construction project.

Chemicals Management on Building Sites

Nowadays, building sites can no longer be imagined without the use of chemicals. Heavy metals, solvents, softeners and biocides (additives to combat harmful organisms, such as e.g. mould) in paints, enamels, adhesives and pre-coatings are continuously in use. Especially solvents are precursory substances for surface ozone and therefore partly responsible for the greenhouse effect. HCFC (partly fluorinated hydrocarbons) and gases used to produce insulation slabs and foams in cans are classified as particularly climate-warming.

The avoidance of organic solvents in paints, enamels, adhesives and heavily climate-damaging HCFC is to the fore in "chemicals management on building sites". Altogether, around 2,000 tons of CO₂ equivalents are saved by STRABAG by the avoidance of solvents and HCFC. This is equivalent to the annual CO₂ emission of around 5,900 cars with an average mileage of 15,000 kilometres per year.

Due to the concomitant chemicals management, around 90% of the solvents potentially used and 100 % of the climate-damaging HCFC can be saved in building construction. This is tested by indoor air measurements and confirmed by the "IBO Ökopass" of the Austrian Institute for Healthy and Ecological Building (IBO).

Convation08 – Specialist Conference on the Subject of Sustainable Building

The subject of "Sustainable Building" is gaining more and more importance, not only within the industry. The interest in relation to ecologically compatible construction projects is also increasing within the general public. For this reason, Ed. Züblin AG, subsidiary of STRABAG SE, decided to place the Convation08 under this motto, jointly with BASF SE.

Convation (Construction meets Innovation) is an initiative conducted by BASF SE since 2006, which has the objective of bringing the representatives of the entire value-added and decision-maker chain of the building industry together, jointly with an external partner, and to identify the prospects of new products and services with them. During this year's event made up of a high-calibre audience, experts from all areas of the building industry discussed the prospects of sustainable building with representatives from the area of science and research, the media, raw-materials producers, investors, planners, employers, construction companies, etc.

Ed. Züblin AG pursues the goal of, on the one hand, promoting the better networking of all partners involved in the building process, and on the other hand, making the subject of "Sustainable Building" known to a wider public. At this stage, the Central Technical Department in particular, which has been responsible for the area "Sustainable Building" since 2008, takes up the role of a forerunner.

State Award for Transport

In 2007, STRABAG AG, a subsidiary of STRABAG SE, received the state award for transport in the category "Products/System Solutions used on the Market". The award was received for the project "RUMBA", a package of measures related to general environmental management on building sites, and in particular for efficient and ecological building site logistics. RUMBA halves the average number of transports per residential unit erected and minimises the mileage by 75 % in comparison with conventional building sites. This way, the excellent mobility management leads to a significant reduction of CO2 emissions.

RUMBA was used on the Viennese residential project Thürlnhof. For the jury, the fact that this project with its overall approach at a positive cost-utility ratio can make a significant contribution towards environmental relief by reducing building site traffic was decisive for the nomination as the winner of the state award 2007.

Lifecycle Engineering for Industrial Buildings

The aim of the Züblin project "Lifecycle Engineering for Industrial Buildings" is to prepare the implementation of sustainability principles in the planning, construction, utilisation and disposal of industrial structures. Aside from the economic and social aspects, this includes in particular environmentally-relevant issues such as the protection of resources (e.g. reduced consumption of space and surfaces, utilisation of natural resources) as well as the reduction of ecological burdens (e.g. CO2 reduction and avoidance/reduction of waste flows) and the improvement of qualities (e.g. design, esthetics, construction materials, etc.).

Alternative Energy Supply

Within the scope of the reduction of CO2 emissions aimed for, the use of sustainable forms of energy represents a central issue. The rising interest in the efficient use of energy within buildings underlines the demand for innovative heating-ventilation-air conditioning systems.

In order to be able to offer alternatives in the area of energy supply for the heating and cooling for large buildings also in the case of future projects, a pilot system was installed in the Group's head office in Vienna, in the case of which the energy supply is provided by a heat pump system. As a result, the employees of Facility Management can expand their knowledge in this area continuously and obtain the necessary competence. This way, figures of a real and operating system are used for future projects.

ENVIRONMENTAL COMMITMENT

Another advantage of the in-house pilot system is the fact that it can be equipped with a far more comprehensive building process control system than in the case of construction projects of any customer. This way the system is able to measure very accurately and determine operating points precisely. The effect and efficiency of the system is illustrated clearly using the monitoring system.

Offshore Wind Plants

Wind energy belongs to the renewable forms of energy and is generated by two different methods – onshore or offshore. The development in relation to the generation of wind energy on water (offshore) is more recent and promises high efficiency and development potentials due to the different wind conditions on the open sea.

Three construction types exist for the design of offshore power plants, which vary by the type of anchorage in the ground, or also called foundation system. The core competence of Ed. Züblin AG lies in the development and design of innovative foundation systems, which are laid out to pave the path for the transition from classical steel structures to reinforced concrete or prestressed concrete structures). With the same stress tolerance and functionality, these systems with flat concrete foundations provide an improved capability of retreating work compared to steel pile structures after the end of the service life, and therefore better environmental compatibility.

Currently, the “Offshore Windpark Arkona-Becken Southeast” with a rated output of 400 MW is being erected at a location 35 km off the coast of Rügen within the scope of a spectacular project. This output is roughly equivalent to the annual power consumption of 300,000 households. During the preparation phase, a measuring platform designed by Ed. Züblin AG provides data on wind forces, wind speeds and directions as well as flow conditions under water for a period of five years, which will serve as the basis for the technical design of the wind energy plants and their foundations as well as for prospective measurements, risk assessments and damage analyses.



Offshore Windpark Arkona, Baltic Sea, Germany

Use of Geothermics in Tunnelling

Tubbings are prefabricated units made of concrete or steel, which – positioned in the form of a ring – ensure the stability of a tunnel.

Within the scope of a Züblin trial project in cooperation with the company Rehau, the consortium Katzenberg Tunnel and DB Projektbau Karlsruhe, the generation of geothermal energy is being investigated in tunnel structures in which tubbings serve as the carriers of plastic conductor systems. By laying plastic absorber lines in the fresh concrete, through which a heat transfer medium will flow at a later stage, these surfaces can be activated thermally and used for heat exchanging purposes. Thereby, the heat originates from relatively minor depths in which large surfaces of the tunnel structure adjoin with the subsoil or rock.

Heat can be withdrawn from the hotter structure in winter, or waste heat be conducted into the cooler structure in summer.

ENVIRONMENTAL TARGETS

- Use of alternative energy supply systems in STRABAG buildings
- Installation of an intercorporate coordination office for environmental management
- Strengthening of environmental awareness in all employees by trainings and information campaigns
- Reduction of emissions and waste volumes on building sites and operating plants
- Extension of parameters of internal tendering criteria by environmental factors
- Inclusion of SA 8000 as mandatory element for pan-European tenders
- Reduction of power consumption in asphalt mixing plants
- Participation in “Fleet of the Future” project by the Federal Ministry of Agriculture, Forestry, Environment and Water Management
- Revision of STRABAG as a “climate-minded company”

PERSONNEL DEVELOPMENT – OPPORTUNITY AND CHALLENGE

INTERVIEW WITH XAVIER PRATS MONNÉ



Xavier Prats Monné

Director of Directorate D of the European Commission: Employment Policy, Lisbon Strategy, International Affairs

Mr. Prats Monné, as one of the directors of the European Commission's Directorate General for Employment, Social Policy and Equal Opportunities you have emphasised various times that Europe needed both an active employment policy with a flexible labour force as well as security of the workers' living and working standards. With regard to these demands, what are the most important social criteria for a sustainable company?

Xavier Prats Monné: I believe that the most important social criteria for a sustainable company are included in the concept of corporate social responsibility. In cooperation with their stakeholders, companies of all sizes can make a contribution towards joint coordination of economic, social and environmental ambitions based on corporate social responsibility. In this context, corporate social responsibility has become an increasingly more important concept, both worldwide as well as within the EU, and forms part of the debate on globalisation, competitiveness and sustainability. In Europe, the promotion of corporate social responsibility stands for the need to defend common values and enhance the feeling of solidarity and cohesion.

Illegal employment and corruption may generate a higher profit for building contractors in the short term. However, in the EU they cause economic damages amounting to billions. What does the EU expect from a company like STRABAG, not only in relation to measures against illegal employment and corruption, but also in relation to possible cooperations with the EU itself?

Prats Monné: Illicit work is still a significant issue in Europe that undermines the EU's capability of achieving its objectives for more and better workplaces and stronger growth. The shadow economy undermines the financing of social insurance systems, hampers the good economic policy and can lead to social dumping. There have in fact been a few successful initiatives to combat illicit work within a national context, however, we must intensify our approach and set more decisive measures across the EU. This way, the tax burden on labour was reduced only insignificantly in the EU. However, more regular jobs could be created by reducing bureaucracy and simplifying the registration. Minimum wages could also contribute to a reduction of the practice of so-called "envelope wages", whereas the higher taxation of overtime promotes these. The intensified cooperation between the tax and social security offices and the trade inspection authorities also plays a key role. Specific agreements between governments and the two sides of the industry have led to innovative solutions, such as e.g. the "Job Card" for construction workers. In general, we expect from companies like yours that they remain actively engaged in the fight against illicit work.

Mobility of the labour forces represents one of the top priorities for the EU, in order to create more and better workplaces and thereby increase productivity. What are the biggest challenges that result from the opening of the international/European labour market for companies, particularly in the building trade?

Prats Monné: Mobility of workers is one of the fundamental rights for EU citizens and at the same time a key instrument for the development of a European labour market. However, the mobility of workers in the EU remained relatively low, despite renewed growth. Today, only around 2 % of the working citizens of the 27 EU Member States live and work in a different Member State. Apart from the uncertainty on the advantages of being mobile, the citizens still have to expect a number of hurdles regarding mobility. These include among others: legal and administrative obstacles, costs and availability of residences, employment of spouses and partners, transferability of pensions, language barriers and the acceptance of qualifications in other Member States. According to a recent study, the two biggest obstacles preventing citizens from moving to a different European country are insufficient language skills (58 % of the persons questioned) and the search for a job (29 %). Companies wishing to employ somebody from a different Member State find themselves confronted with the challenges I have mentioned.

What do you consider to be the biggest opportunities?

Prats Monné: Companies can benefit from mobility, as it helps to coordinate employees and workplaces better. This way, shortages on the labour market are managed and more people can find a better job. However, in order for employees to be able to exploit the full benefit of mobility, we need more cooperation between the Member States and the stakeholders. Particularly for employers, it should be easier to manage the shortage in qualified workforces in a better way. We believe that the EU enlargements in 2004 and 2007 raised the possibilities of finding a job or workforces for employees and employers.

The effects of the EU enlargement on the building industry were discussed controversially in parts. After the EU enlargement, it turned out that the incentive to emigrate in the “old” EU States was not as big as expected for the workforces, as the building industry in Bulgaria, Poland or Romania, for example, was just at the beginning of an upswing. In your opinion, how was the labour market influenced by the EU enlargement in the end?

PERSONNEL DEVELOPMENT – OPPORTUNITY AND CHALLENGE

Prats Monné: The freedom of movement for workers is one of the fundamental freedoms of the EU. The movement of „free“ employees had no negative impacts on the labour markets of the “old Member States” after the enlargement. Quite the contrary: individual countries and Europe as a whole benefited from the enlargement. Employees from the new Member States contributed towards a reduction of shortages on the labour market and an improvement of the economic performance in Europe. For the EU as a whole, the flows of employees remained rather low. There were no signs of an increase in the number of employees or the expenses for social benefits following the enlargement in comparison with the previous two years.

In general, international companies can take a number of measures to fulfil their social accountability. Thereby, they should initiate not only internal measures, but also strategies for cooperation with the communities, as well as set reasonable standards in their subsidiary companies. What kind of sustainable trends can companies initiate in any case on the social sector?

Prats Monné: More than ever, leading companies in Europe find themselves in a process of searching, learning and creating innovations in relation to their governance and management, the stakeholder dialogue and product development. They turn company and product responsibility into a natural part of their daily business practice and competitiveness. Against the background of globalisation and the associated structural changes, companies undergo this change in the expectation that the other stakeholders will also be committed to the same and bear their share of the risks and opportunities in relation to responsibility and innovation. The dialogue with stakeholders helps companies to anticipate social and ecological matters that could influence the future competitiveness, and to cope with these.

Companies could be motivated best to get involved in processes exceeding the commercial interests if they are not guided merely by the ideas of fairness and justice, but also if they would identify a direct or indirect value for themselves.

In which regard could companies benefit from a stronger commitment within the EU, in order to continue the development of a social labour market?

Prats Monné: The European Commission supports the members of the business community, which establish the pre-requisites for a European alliance for corporate social responsibility. This is an open alliance for companies aiming for the same goal: turning Europe into a “Pole of Excellence” on the area of corporate social responsibility, as the support of a competitive and sustainable business and market economy. The essence of this initiative is partnership. This partnership is based on the agreement on the fact that the challenges of increasing global competition, demographic development and a sustainable future are addressed fully by the priorities of the European strategy for growth and employment.

FOREWORD
THE COMPANY
BUILDING INDUSTRY AND ENVIRONMENT
VISION, STRATEGY AND GROUP PRINCIPLES
MANAGEMENT SYSTEMS
ECONOMIC SUSTAINABILITY
CLIMATE CHANGE AS AN OPPORTUNITY?
ENVIRONMENTAL COMMITMENT
EMPLOYEES
PROMOTION OF ART
SOCIAL ACCOUNTABILITY
GLOSSARY, GRI INDEX

OUR EMPLOYEES – OUR STRENGTH

RESPECTFUL COOPERATION

The quality of the cooperation between superiors, colleagues and employees is of significant importance for the corporate success.

An impeccable conduct in dealing with each other characterised by respect and openness towards the relevant person and avoiding unfair behaviours ensures not only communication and the quality of the corporate culture, but also influences the image of the company towards the outside significantly. Such courses of conduct, which are guaranteed by suitable institutional measures, result in trust.

Therefore, we are committed to clarifying any disputes objectively, with respect and in recognition of the relevant individuals, building confidence and within the meaning of the Group Principles.

Fundamental Values

The relationship between employer and employee is based on the following fundamental values:

- compliance with ethical and legal standards in the course of business in the interest of the company and the employees
- an attractive working environment for qualified employees that supports these and conjoins them with the company
- a working environment without discrimination, harassment or reprisals
- an open-door policy that allows all employees access to the management
- a performance-oriented culture with a competitive remuneration system as well as objective and individual performance appraisals carried out periodically, which take individual contributions towards the achievement of targets and team work as well as compliance with the values and principles of the Code of Ethics into account



Alexandra Stoxreiter, Construction Saleswoman, Latvia

I always wanted to gain experiences abroad. STRABAG offers me the opportunity to work in an international environment.

CORPORATE STAFF STRUCTURE

Due to the winter breaks of the building industry, STRABAG has a fluctuating level of employees. Therefore and as usual in the building trade, the number of employees can only be stated as an average value. In general, STRABAG is undergoing an expansive phase; there are only isolated decreases in the number of employees.

Since 2004, the employee level has risen by roughly 22% per year. This is mainly due to the strong growth in Eastern Europe, where the human resources base was expanded significantly. In 2007, the average number of employees was 61,125, of which 39,612 were workers and 21,513 were salaried staff. In the previous business year, STRABAG employed 787 industrial and 160 salaried trainees. In 2007, STRABAG employed 712 employees with invalidity.

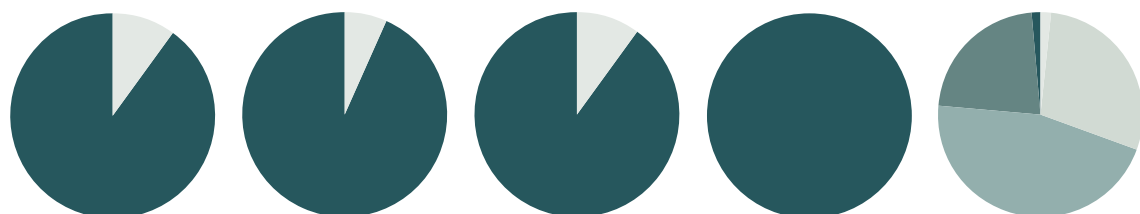
Staff Structure by Regions

Geographical breakdown	2005		Male	Female	Total
	Workers	Salaried staff			
Germany	7,911	6,757	12,321	2,347	14,668
Austria	6,725	3,006	8,855	876	9,731
Hungary	2,366	1,647	3,371	642	4,013
Czech Republic	2,378	1,364	3,256	486	3,742
CE & EE (incl. Russia)	3,777	2,614	5,241	1,150	6,391
Rest of Europe	1,278	313	1,305	286	1,591
Rest of world	3,690	686	3,588	788	4,376
Total	28,125	16,387	37,937	6,575	44,512

Geographical breakdown	2006		Male	Female	Total
	Workers	Salaried staff			
Germany	8,228	7,079	12,766	2,541	15,307
Austria	6,988	3,123	9,161	950	10,111
Hungary	2,403	1,673	3,436	640	4,076
Czech Republic	2,504	1,437	3,429	512	3,941
CE & EE (incl. Russia)	4,955	4,061	7,345	1,671	9,016
Rest of Europe	2,242	549	2,270	521	2,791
Rest of world	6,518	1,211	6,292	1,437	7,729
Total	33,838	19,133	44,699	8,272	52,971

Geographical breakdown	2007		Male	Female	Total
	Workers	Salaried staff			
Germany	8,549	7,408	13,503	2,454	15,957
Austria	7,378	3,251	9,667	962	10,629
Hungary	2,179	1,649	3,216	612	3,828
Czech Republic	2,653	1,533	3,633	553	4,186
CE & EE (incl. Russia)	7,002	5,302	10,519	1,785	12,304
Rest of Europe	2,239	835	2,481	593	3,074
Rest of world	9,612	1,535	9,525	1,622	11,147
Total	39,612	21,513	52,544	8,581	61,125

International Management Structure



Area Management
 Total: 781
 thereof women: 10 %

Directorate Heads
 Total: 251
 thereof women: 7 %

Division Management
 Total: 54
 thereof women: 5 %

Management Board
 Total: 6

Age structure
 <30
 30-39
 40-49
 50-60
 older

OUR EMPLOYEES – OUR STRENGTH

The building industry, as a category of occupation, is traditionally dominated by males. The average percentage of women at STRABAG is 16.4 %, both for workers as well as salaried staff. The management structure shows a similar picture: in this case, the average percentage of women at a leadership level is 9 %.

STAFF FLUCTUATION

The term of employment is influenced decisively by the relevant situation on the labour market. In Eastern Europe, for example, greater dynamics on the market thus cause a stronger fluctuation of staff within the Group. In Austria or Germany, however, the employees generally remain in the company longer. In Austria, the length of stay is very stable as of the fifth year of employment; a wave of retirements does not occur until after 20 to 25 years of employment with the company. After this phase, there are virtually no more retirements for reasons related to a change of company.

Average Term of Employment within the Group

Country	Salaried staff	Industrial workers	Country average
Austria	10.6	9.7	10.0
Benelux	9.9	9.0	9.3
Belgium	3.5	4.7	4.2
Switzerland	10.8	9.9	10.1
Czech Republic	9.4	10.1	9.8
Germany	11.0	13.8	12.4
Croatia	4.2	3.6	3.8
Hungary	9.4	10.8	10.2
Netherlands	9.0	-	9.0
Poland	3.1	2.2	2.6
Russia	2.3	0.9	1.7
Romania	4.1	5.4	4.9
Serbia	16.8	13.2	14.1
Slovenia	2.2	2.6	2.4
Slovakia	7.1	9.9	8.6
Total / average	9.4	10.3	9.9

TRAINING AND FURTHER EDUCATION

The promotion and support of personal development within the company by training and further education is performed in accordance with defined procedures and implemented in Poland, Slovakia, the Czech Republic, Hungary, Croatia, Germany and Austria. The official training programmes are adapted to the relevant country, the size of the site and the number of employees. Industrial trainings are documented in the operative units.

Once a year, personal one-to-one staff appraisals are held between employees at all levels and their superiors. Targets are defined and the working conditions discussed within the course of these talks. At this stage, the employee is given the opportunity to discuss personal career plans and point out any possible issues.

The STRABAG Academy

Within the scope of the STRABAG Academy, adequate trainings are developed in close cooperation with internal and external specialists, in order to support all employees in their tasks in the best possible way and convey additional technical and methodical know-how to them also in the future. The target group-oriented and comprehensive range of training is divided into basic, specialist and methodical training sessions and includes specific training measures in the areas engineering, law, economy, EDP, ethics, as well as methodical and social competence. The training contents are conveyed within the scope of attendance trainings onsite within own premises or in nearby conference centres.

Young Talents in the Trainee Programme

With the aim of discovering, supporting and binding suitable young talents to the company in the future as well, STRABAG introduced a largely uniform trainee programme for young specialists and management staff in all countries in which the company holds branch offices.

Aside from a transnational exchange of trainees, which takes the growing internationalisation of the company into account, the partnership-based cooperation with selected universities is expanded further – particularly in the Central and Eastern European countries – in order to identify young prospective management staff at an early stage.

Management Staff are supported

Leadership potentials and leadership resources of STRABAG are continuously identified and evaluated in an objective, neutral and professional manner using validated potential analysis instruments. This ensures a sustainable support and development of management staff. During the years 2004-2007, a management potential analysis (MPA) was carried out by an external employee counselling company including all management staff, from the Board up to area manager, as well as other potential junior managers. The results of these analyses form the basis of the STRABAG's management staff development programme.

Seminars/Seminar Participants by Countries (2005-2007)

Country	Seminars/participants 2005	Seminars/participants 2006	Seminars/participants 2007
Hungary	114/907	106/942	113/1,057
Czech Republic/Slovakia	138/1,345	93/1,073	206/1,416
Croatia	74/271	94/135	128/620
Poland	93/832	178/1,599	251/2,538
Austria	370/3,558	328/3,661	326/3,234
Germany	173/1,903	234/2,574	192/2,112

OUR EMPLOYEES – OUR STRENGTH

Project Engage

In cooperation with an external software company, a human resources management portal called “ENGAGE” is being developed and introduced within the Group gradually since the year 2005. After completion, ENGAGE illustrates all of the following staff processes in terms of IT technology and supports:

- **Applicant Management**

Staff procurement with workflow control of all downstream administrative processes.

This tool is being used successfully already in the countries Austria, Germany, Hungary and Croatia.

Other countries of the Group are still in the processing phase.

- **Training Management**

Seminar range in the form of a “training schedule” for all employees on the intranet, as well as workflow-supported control of all downstream administrative processes. This tool is being used in Austria by all employees since 2007. The introduction in other countries of the Group is in progress.

An expansion by the following applications is being planned:

- **Human Resources Database**

Information on qualification and knowledge of employees

- **Planning and Development of Prospective Management Staff:**

Systematic establishment of a pool of prospective management staff and documentation of existing as well as necessary knowledge and capabilities.



Wolfgang Frohnwieser, Site Foreman Eurovea, Slovakia

With EUROVEA, a whole new district is being created in Bratislava. I am proud to be involved in the currently biggest construction engineering project of Slovakia.



Conference Centre STRABAG Building, Vienna, Austria

SOCIAL SUPPORT AND BENEFITS

STRABAG offers a range of supplementary social benefits for the support of all employees, which are explained in more detail below and depend on the country organisation.

Company Pensions

The company pension models in STRABAG SE depend heavily on the conditions and systems within the individual countries. In total, approximately € 10 million in pension payments are paid out annually across the Group. Generally, STRABAG pursues the goal of establishing an external pension scheme for employees across the whole company, both on a labour contract level as well as a collective agreement level. Varying systems for a company pension scheme exist in Austria, Germany and Switzerland.

STRABAG Labour and Social Fund

The “STRABAG Arbeits- und Sozialfonds” Private Trust was called into life to alleviate cases of social hardship, in particular after accidents at work and during leisure time, longer diseases, cases of death, disasters and loss of the job.

With this trust, STRABAG wants to support employees in cases of need, or, in extreme cases, their survivors by means of monthly payments or one-off payments. This way, for example, under-age children of deceased employees receive a monthly sum from the interest yields of the trust fund. The trust itself is endowed with € 6 million to € 8 million, whereby basically any employee who has run into difficulties can file an application for support. The board of trustees decides on the granting of funds.

Cooperation with Johanniter Air Rescue Services

A global corporate agreement exists between STRABAG and the air rescue services of the Order of St. John. Accordingly, any employees working abroad are repatriated using the air ambulance, if necessary. In 2006, this agreement was drawn upon around 30 times.

SAFETY AS PRIMARY PRINCIPLE

In Austria and Germany, the activities of health & safety at work are monitored by company-internal safety committees. Corresponding safety committees exist in the CE & EE countries. Across the Group, trained experts on health & safety are responsible for the staff-related support of the relevant specialist areas. In Austria, a total of 37 courses were held in 2007 on the subject of safety at work, which were attended by 1,008 persons. With approximately 120 experts in eleven countries of the Group, STRABAG covers approx. 80 % of the total demand. In individual cases, external service providers are used.

In 2007, a uniform classification system was created in all countries of the Group for the collection and detailed evaluation of accidents at work. In future, this will enable an intercorporate comparison and make it easier for the management to plan focal points for accident prevention and preventive health care for their employees in a targeted manner.

OUR EMPLOYEES – OUR STRENGTH

Employees for Health & Safety and Environmental Protection

Country	Internal	External	Comment
Germany	39	7	The number of employees is proportionate to the country-specific requirements for the appointment and official nomination of specialists (health & safety experts, waste representatives, etc.)
Benelux	1		
Austria	27		
Switzerland	2		
Hungary	20		
Croatia	3		
Czech Republic	13	4	More than 2/3 of the employees are at the same time active in operative functions, as works council members or as QM representatives.
Slovakia	5	1	
Poland	3	18	
Romania	1		
Bulgaria	3		
Total	117	31	
equivalent to:	79.1 %	20.9 %	

As of October 2006

Separate action plans for occupational health & safety represent another important measure to limit the amount of accidents at work. These are related in particular to the subcontractors contracted mainly in construction engineering, in which case however, STRABAG has only limited influence on their occupational health & safety. Also in this case, the experts trained by STRABAG play an important role, as they are directly present on the building sites and able to point out shortcomings or hazardous situations also in the case of subcontractors. These can be influenced through the placement of orders, as each company is evaluated in the company database. Thus, it is not only the economical criteria that play an important role in the assessment, but precisely also health & safety and environmental protection.

Example: Management Strategy for Health & Safety in Germany

In Germany, a separate management strategy was drawn up for safety on building sites. The legal stipulations for building sites are implemented and checked by experts trained especially in occupational health & safety and environmental protection. Depending on the requirements of the individual building sites, the training lasts three to five days and is held within STRABAG. Further education is carried out at a regional level. The plan is to create an increased awareness for health & safety on building sites using this measure. Safety at work should be considered as something natural and not as something “annoying”. This way, the employees’ motivation to observe and implement the existing regulations is raised.



Alfred Obersberger, Worker Limerick, Ireland

To me, the safety precautions on our building sites prove that STRABAG is taking this issue seriously. Therefore, it is a good feeling to be working for this company.

Example: Campaign “Accident-free” Building Site Signs

With this campaign, STRABAG wants to make a contribution to greater safety awareness on building sites. The idea is to display publicly, for how many days the respective building site has remained without an accident using signs. This campaign is directed mainly towards the employees, who are thus demonstrated on a daily basis that health & safety represents a central factor on building sites. This way, it is planned to turn safety more and more into an issue of debate, whereby the target groups are not just workers, but also management staff. This project is currently being implemented in Austria, Germany and Belgium and is designed mainly for the area of construction engineering. The aim is to implement this project across the Group in 2008.



STRABAG PARTNER CARD

The prevention of illicit work and illegal employment is one of the key challenges, not only within STRABAG, but also in the case of subcontractors. For this purpose, the STRABAG Partner Card was developed, on the basis of which companies recognised as partners are awarded. As a rule, all workers are checked on a daily basis with regard to their work permit on all building sites. This is time-consuming and costly and not a legal duty.

The objective of the STRABAG Partner Card is to avoid the time-consuming and costly checks and relieve the building sites. Instead of comprehensive checks, the workers with work permits receive a Partner Card, which they have to present on request.

The STRABAG Partner Card was introduced in Austria in 2007 and is planned to be used in other countries of the Group step by step.

PROMOTION OF ART - PRESTIGE OR COMMITMENT?

INTERVIEW WITH WILHELM WEISS AND ANSELM GLÜCK



Wilhelm WEISS

Director STRABAG Art Forum

Anselm GLÜCK

Free-lance writer, artist and graphic designer

The STRABAG Art Forum was founded in 1994 by Hans Peter Haselsteiner and yourself. What motivated STRABAG to establish an art collection and be committed to the promotion of artists?

Wilhelm Weiss: The idea for the art collection and the promotion of art developed when we began to dislike the photographs of building sites in our offices. I suggested the acquisition of paintings by contemporary artists – that was the moment of birth of the STRABAG art collection.

“Economy is a part of culture, but culture is not a part of the economy.” Can this be expressed in such an apodictic way from the point of view of a creative artist?

Anselm Glück: Basically, that depends on how the definition of culture is understood. But from my point of view, it is a relatively one-sided disqualification method that cannot be put in that way.

Are artists at risk of being of instrumentalised due to the promotion of art by companies?

Glück: I don't see this danger. I see nothing bad about doing something for STRABAG occasionally in return for the support.

Weiss: I think it always also depends on the individual persons. But I prefer those artists who retain their direction and independence, like Anselm Glück, even if it is difficult at times to cope with the liberties of artists.

Are there any specific goals for STRABAG that it is pursuing with the art collection and the promotion of art?

Weiss: On the one hand, we consider our commitment in the art sector as an important addition to the government promotion of art. At this point, I see it as an important role in the future for companies to support art, as the government funds are heavily stagnating, if not even diminishing. And it is meant to be a contribution towards the improvement of our working environment, since the paintings are decorating our offices. Of course, not all of our employees like all of our acquisitions, but we consider it as positive, if a critical debate on the subject of art is triggered amongst the workforce.

Who decides on the acquisitions and the sponsoring in STRABAG, and how high is the budget?

Weiss: In my function as the director of STRABAG Art Forum, I have a budget for the acquisition of arts in the amount of approximately € 200,000 to € 300,000 annually at my disposal for young artists. The final decision lies with the Management Board. A jury decides on the nomination for the art award.

How important is it for an artist to obtain large companies for cooperations, of whatever nature?

Glück: Especially young artists, whose financial capacities are still very limited, can benefit extremely from co-operations with companies. In my opinion, the promotion of art should start where a lot of capital is accumulated, thus also in the case of major companies.



Art Lounge, STRABAG Building, Vienna, Austria

SOCIAL ACCOUNTABILITY

STRABAG wants to make an active contribution towards social balance, not only in Austria, but also in the other countries of the Group, step by step. This way, STRABAG would like to contribute to the maintenance of the social standards in Austria and Europe and even improve them in other countries. To pass on a part of the success to society is in accordance with the principle of fairness. Therefore, STRABAG supports selected organisations and institutions with humanitarian, social, charitable, education-related or cultural objectives, and is actively engaged in projects with a sustainable effect.

STRABAG ART FORUM

The STRABAG Art Forum was founded in 1994 on the initiative of Hans Peter Haselsteiner and the director of the STRABAG Art Forum, Wilhelm Weiss. Art, in conjunction with visions and the preparedness for innovations nurtures the communication and dialogue of visitors and employees, conveys values and is vivid inspiration. STRABAG SE therefore sees itself as an innovative transmitter of cultural values of today. In 2004, the activities of the STRABAG Art Forum were moved from Carinthia to the STRABAG Building at the location in Vienna Donau-City.

The commitment of the STRABAG Art Forum comprises the following areas:

- the ART AWARD: an annual art promotion award for young Austrian artists and the associated sponsoring in the form of acquisitions and exhibitions
- the ART COLLECTION: the collection consisting of more than 1,400 pieces of contemporary Austrian art at the office locations with the focal points Spittal/Drau and Vienna
- the ART LOUNGE: the gallery of the STRABAG Art Forum located in the attic storey of the STRABAG Building in Vienna
- the GIRONCOLI CRYSTAL: the multipurpose art and event hall adjoined to the Vienna STRABAG Building with a permanent exhibition of nine large sculptures by the Carinthian artist Bruno Gironcoli, as well as three bronze and aluminium castings on the company premises

SPONSORING OF TYROLEAN FESTIVAL ERL

STRABAG sponsors the innovative festival concept of the Tyrolean Festival Erl by Gustav Kuhn and his team.

The conductor Gustav Kuhn sees the Tyrolean Festival Erl founded by himself in 1997 near Kufstein as a “place of encounter”.

Right from the very beginning, Erl turned into a refuge for Wagner fans. In 2005, the ‘tour de force’, during which Wagner’s “Ring” was performed within 24 hours gained international attention and enthusiastic reviews. In 2006, Gustav Kuhn staged “Tristan and Isolde” and “Parsifal” with his very young ensemble.

SOCIAL PROJECT CONCORDIA

“Whoever saves one life saves the world entire!” Under this motto, Father Georg Sporschill has been giving abandoned children in Eastern Europe a new home since 1991 with his social project CONCORDIA. In 2004, CONCORDIA brought the concept of social work from Romania to Moldavia. In 2007, the activities were extended to Bulgaria.

The “City of Children” was erected by CONCORDIA in partnership with STRABAG and completed in December 2006. 300 children find a new home in Pirita, a rural community on the banks of the river Nistru in Moldavia.



City of Children, Pirita, Moldavia

SOCIAL ACCOUNTABILITY

PARTNERSHIPS WITH SCHOOLS

In April, another school partnership became effective between the Directorate DE, Area Cologne, and the secondary school Wuppertalerstraße in Cologne-Buchheim. The objectives of the partnership with the secondary school in Cologne are to enable the youths to visit building sites, make them familiar with the company and individual occupations, as well as prepare them for future training by means of practice-oriented learning subjects. Beyond that, STRABAG undertakes to provide the school with 10% of the approximately 40 training positions. Also in Austria, the close cooperation with local educational institutions has been of importance for a long time. The continuously recurring events include presentations at schools, for example, in order to be able to give the youths an idea of the future working life. But also job fairs and business presentations at universities of applied sciences, for example, are carried out by Human Resources Development in Spittal/Drau. In addition, there is an ongoing support of training centres, such as e.g. the Camillo Sitte College in Vienna respectively the Master Class Eastern Europe at Vienna University of Economics and Business Administration.

VINZIRAST VIENNA

The costs of VinziRast, a social institution for homeless people, respectively the pending expansion costing nearly € 1.5 million, were borne by STRABAG. To get an impression of the current conditions and the necessary development works, the CEO of STRABAG SE was invited for a tour through the home. This way, the future of the project VinziRast, where currently already up to 55 homeless people find an emergency shelter as well as a hot meal and a breakfast on a daily basis is ensured, so that those who are in need will continue to find a place of shelter, where they are accepted and treated with respect and their human dignity is maintained.

SELECTIVE SPONSORING OF REGIONAL INITIATIVES

Aside from large-scale and transnational initiatives, STRABAG also sponsors numerous regional projects. From a cross-corporate perspective, these activities constitute a minor share. However, they are of major importance for the respective region. STRABAG sponsors these initiatives in manifold ways - be it by sponsoring, partnerships or support by means of technical know-how.

In order to illustrate that, a few of these regional projects are listed as examples below.

- Julian Rachlin Dubrovnik Festival in Croatia
- the social project "Jugendwerk" of Sister Johanna Schwab in the Kosovo
- the NEPAL TRUST association for a hospital in the HUMLA district in Nepal
- the project "Gira Impuhwe" for victims (widows and orphans) of Aids and the genocide of 1994 in Rwanda
- the erection of a refugee camp in Kigali in Rwanda
- the flood victim aid for Austria and Eastern Germany
- sponsoring of the Austrian Private Trust for Breast Health
- and others

SOCIAL TARGETS

- Increase in the number of internal health & safety experts by up to 10%
- Assurance of equal training of health & safety experts across the Group
- Increase in safety on building sites by targeted trainings – reduction of the number of accidents per man-hours
- Improvement of the know-how transfer between individual countries of the Group – increase in mutual learning (knowledge management)
- Intensified cooperation with schools, universities and research institutions – creation of job opportunities
- Reduction of illicit work at subcontractors by extending the STRABAG Partner Card concept to other countries of the Group
- Continuation of cultural promotion - continuation of STRABAG Art Award for young Austrian artists
- Uniform quality standards for work clothing and protective gear across the Group

GLOSSARY

CO₂

Carbon dioxide, chemical compound out of carbon and oxygen, develops mainly during the combustion of fossil fuels

Compliance Guidelines

Recognition of the importance of and compliance with all relevant laws as well internal and external rules, regulations and standards

Corporate Governance

Codes of conduct of a company quoted on the stock exchange. It contains all the guidelines in order to maximise the transparency and control of a company and thereby prevent conflicts of interest

Corporate Social Responsibility

Rules for sustainability-oriented business management are followed on a voluntary basis

Code of Ethics

Position on values and principles that reflect the company policy and are complied with by the employees and the management

Global Reporting Initiative

International association that develops standardised guidelines for the preparation of sustainability reports

ISO 14001

International environmental management standard that defines globally recognised requirements for an environmental management system

ISO 9000 ff

International quality management standards that document the principles for measures related to quality management

SA 8000

Standard for Social Accountability, a standard that defines the social standards for companies

PPP

Private Public Partnership projects, which are implemented by the cooperation between private investors and public institutions

OHSAS 18001

Occupational Health and Safety Assessment Series, the currently best known standard of a health & safety management system worldwide

SHE/SCC

Safety, Health and Environmental Protection, a combined health & safety and environmental protection management system;

Safety Certificate Contractors (SCC)

GRI INDEX

FOREWORD
THE COMPANY
BUILDING INDUSTRY AND ENVIRONMENT
VISION, STRATEGY AND GROUP PRINCIPLES
MANAGEMENT SYSTEMS
ECONOMIC SUSTAINABILITY
CLIMATE CHANGE AS AN OPPORTUNITY?
ENVIRONMENTAL COMMITMENT
EMPLOYEES
PROMOTION OF ART
SOCIAL ACCOUNTABILITY
GLOSSARY, GRI INDEX

G3 Code	Contents	Covered by the report	Pages
Profile			
1.1, 1.2	Strategy and analysis	■	2f, 12ff
2.1-2.10	Organisational profile	■	4ff, 16f, GB
3.1-3.4	Report parameters	■	10f, flapper
3.5-3.11	Report scope and boundary	■	10
3.12	GRI Content Index	■	55
3.13	Assurance	■	
4.1-4.10	Corporate Governance	■	17
4.11-4.13	Commitments to external initiatives	■	9
4.14-4.17	Stakeholder engagement	■	9f, 16f, 33f
Economic performance indicators * AR			
EC1-EC4	Economic performance	■	20ff, 45
EC5-EC7	Market presence	■	20ff
EC8-EC9	Indirect economic impacts	■	20ff
Environmental performance indicators			
EN1-EN2	Materials	■	29f
EN3-EN7	Energy	■	30f
EN8-EN10	Water	■	
EN11-EN15	Biodiversity	■	
EN16-EN25	Emissions, effluents and waste	■	28ff
EN26-EN27	Products and services	■	28ff
EN28	Compliance with legal regulations	■	
EN29	Transport	■	28ff
EN30	Environmental protection expenditures and investments	■	
Social performance indicators			
Labour practice and labour quality			
LA1-LA3	Employment	■	41f
LA4-LA5	Labour/management relations	■	40
LA6-LA9	Occupational health & safety	■	45ff
LA10-LA12	Training and further education	■	42ff
LA13-LA14	Diversity and equal opportunity	■	18, 40
Human rights * CoE			
HR1-HR3	Investment and procurement practices	■	18
HR4	Non-discrimination	■	18
HR5	Freedom of association and collective bargaining	■	18
HR6	Child labour	■	18
HR7	Forced and compulsory labour	■	18
HR8	Security practices	■	
Society * CoE			
SO1	Relationships with the community	■	
SO2-SO4	Bribery and corruption	■	18
SO5-SO6	Political contributions	■	
SO7	Anti-competitive behaviour	■	
SO8	Compliance with legal regulations	■	
Product responsibility * CoE			
PR1-PR2	Customer health & safety	■	
PR3-PR5	Product and service labelling	■	30f
PR6-PR7	Marketing communications	■	10
PR8	Customer privacy	■	
PR9	Compliance with legal regulations	■	

Legend

Colour code for: comprehensive report ■
Colour code for: covered partially ■
Colour code for: no report ■

AR: see STRABAG Annual Report 2007
CoE: see STRABAG Code of Ethics

IMPRINT

www.strabag.com

Owner, Publisher and Editor:

STRABAG SE
A - 9500 Villach, Triglavstraße 9
Company Register No. FN 88983 h
Provincial Court Klagenfurt

Contact:

STRABAG SE
Corporate Communications
A - 1220 Wien, Donau-City-Straße 9
Phone: +43 (0)1 / 22 4 22 - 0
E-Mail: csr@strabag.com
Internet: www.strabag.com

This Sustainability Report is also available in German.

This Sustainability Report was prepared with the greatest possible caution and all data was revised. However, rounding, literal or printing errors cannot be ruled out.



Please contact our CSR department in case of any questions:

STRABAG SE
A - 1220 Vienna, Donau-City-Straße 9

E-Mail: csr@strabag.com
Internet: www.strabag.com