

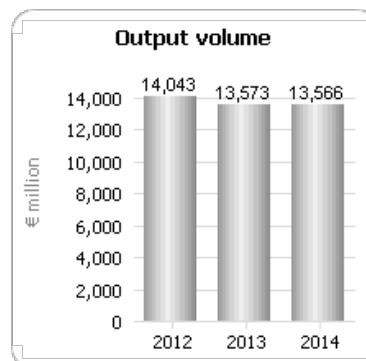
ONLINE SUSTAINABILITY REPORT

TEAMS WORK. Or: Success comes from working together.

With our team of more than 73,000 people, we offer a service that promises one thing above all: perfect coordination. The decisive factors for our success therefore are how these people communicate with each other, how they work together and, above all, how they come together as a strong whole. We work with the understanding that all STRABAG entities form a single team: the STRABAG Group.

STRABAG SE is a European-based technology group for construction services, a leader in innovation and financial strength. Our services span all areas of the construction industry and cover the entire construction value chain – from design to planning, from construction to property and facility services, from operation all the way to demolition. We create added value for our clients by our specialized entities integrating the most diverse services and assuming responsibility for them: We bring together people, materials and machinery at the right place and at the right time in order to realise even complex construction projects – on schedule, of the highest quality and at the best price. A dense network of numerous subsidiaries in many European countries and, increasingly, on other continents is helping to expand our area of operation far beyond the borders of Austria and Germany.

Share Graph



30 July 2015

STR (VSE)

| | |
|----------------------------|----------|
| Currency | € |
| Previous Close | 22.00 |
| Change (%) | -0.81 |
| Volume | 4,552 |
| Number of shares (million) | 114.00 |
| Market Cap (€ million) | 2,507.43 |

Key Figures

| € Mil. | 2012 | 2013 | 2014 |
|--------|------|------|------|
|--------|------|------|------|

Key Financial Figures

| | | | |
|---------------|-----------|-----------|-----------|
| Output Volume | 14,042.60 | 13,573.07 | 13,566.00 |
| Revenue | 12,983.23 | 12,475.65 | 12,475.67 |
| Order Backlog | 13,202.66 | 13,469.68 | 14,403.44 |
| Employees | 74,010 | 73,100 | 72,906 |

Key Earnings Figures

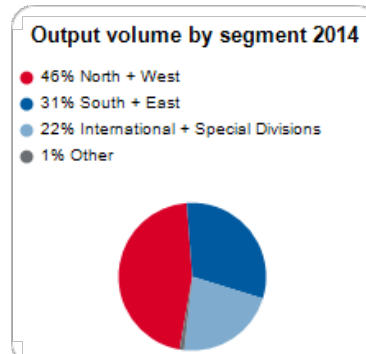
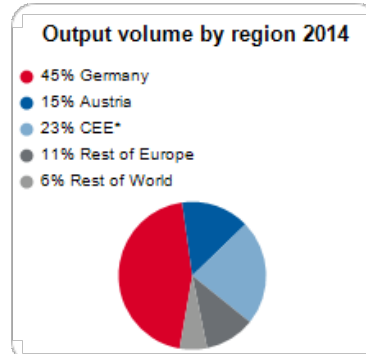
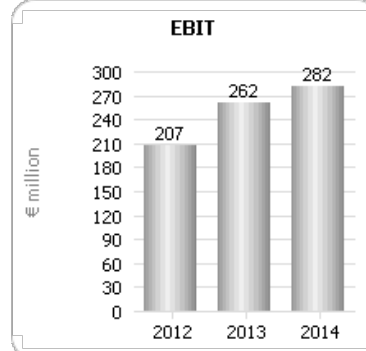
| | | | |
|-------------------------------------|--------|--------|--------|
| EBITDA | 608.35 | 694.91 | 719.94 |
| EBITDA margin % of revenue | 4.7 | 5.6 | 5.8 |
| EBIT | 207.19 | 261.58 | 281.96 |
| EBIT margin % of revenue | 1.6 | 2.1 | 2.3 |
| Profit before taxes | 156.46 | 230.04 | 147.50 |
| Net income | 110.04 | 156.26 | 239.29 |
| Earnings per share, € | 0.58 | 1.11 | 1.25 |
| Dividend per share, € | 0.20 | 0.45 | 0.50 |
| Cash flow from operating activities | 268.80 | 693.70 | 805.33 |
| ROCE in % | 4.0 | 4.6 | 4.3 |
| Investments in fixed assets | 458.28 | 387.36 | 346.49 |

Key Balance Sheet Figures

| | | | |
|------------------|-----------|-----------|-----------|
| Equity | 3,162.54 | 3,238.77 | 3,144.30 |
| Equity ratio % | 31.2 | 30.7 | 30.6 |
| Net debt | 154.55 | (73.73) | (249.11) |
| Gearing ratio % | 4.9 | (2.3) | (7.9) |
| Capital employed | 5,322.35 | 5,462.11 | 5,357.82 |
| Total | 10,137.69 | 10,560.79 | 10,275.54 |

Company Presentation

STRABAG SE is a European-based technology group for construction services, a leader in innovation and financial strength. Our services span all areas of the construction industry and cover the entire construction value chain – from design to planning, from construction to property and facility services, from operation all the way to demolition. We create added value for our clients by our specialized entities integrating the most diverse services and assuming responsibility for them: We bring together people, materials and machinery at the right place and at the right time in order to realise even the most complex construction projects – on schedule, of the highest quality and at the best price. A dense network of numerous subsidiaries in many European countries and, increasingly, on other continents is helping to expand our area of operation far beyond the borders of Austria and Germany.



* CEE – Central and Eastern Europe comprises the following countries: Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Russia and neighbouring countries, Serbia, Slovakia, Slovenia.

Company Contacts:

STRABAG SE
Donau-City-Str. 9
1220 Vienna, Austria

IR-Hotline: +43 800 880890
<http://strabag.com>

STRABAG
SOCIETAS EUROPAEA

Our Commitment to Sustainable Action

In the name of the company, the members of the management board as well as all management employees officially commit to sustainable action in accordance with the group principles:

“In light of our responsibility toward humankind, society and the environment, we conduct our business sustainably – with an eye on future generations – and take the aforementioned principles into account when making business decisions.”

Beyond this overriding commitment to sustainable development, the group principles include further, more specific guiding principles on the individual subjects.

We designed the CSR logo to visually highlight our commitment to sustainable development.



The logo symbolises the global dimension of the challenge.

It references the atmosphere, and water is represented as the fundamental resource of our blue planet.

The colour blue evokes attributes such as cleanliness and reliability; it is said to have a unifying and harmonious effect.

We associate blue with an environmentally conscious way of life.

STRABAG SE further committed itself to sustainable development in cooperation with other leading European construction companies. In the summer of 2011, CEO Dr. Hans Peter Haselsteiner formally testified to this commitment by signing the ENCORD SUSTAINABLE DEVELOPMENT CHARTER. By signing the charter, the company highlights its interest in accepting responsibility in the construction industry.

Signatories of the ENCORD Sustainable Development Charter include, in addition to STRABAG subsidiary Ed. Züblin AG, 20 other European construction companies which jointly commit to complying with some fundamental principles, such as compliance with ethical standards, an attractive workplace, transparency and sustainable development.

Our Way

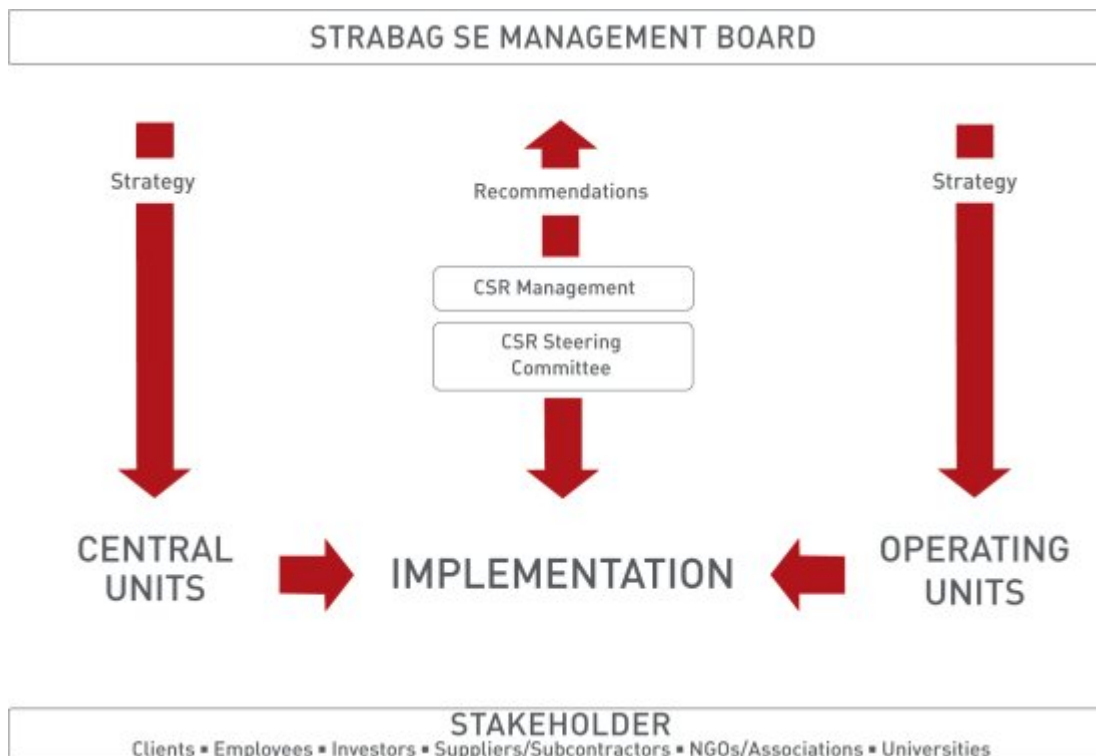
STRABAG SE's strategic objective is:

“To achieve and maintain market leadership in all defined markets and areas of business through cost leadership, employee quality, employee motivation and innovative strength.”

CSR is of increasing relevance in today's economic environment. This makes it vital to unite all steps necessary for the achievement of our strategic objective with new or more exacting demands, e.g. from our clients or in terms of environmental protection and human rights. For this reason, central CSR management was introduced to ensure the comprehensive implementation of STRABAG's CSR agenda.:

- Our CSR management is a central point for the bundling and coordination of the CSR activities within the STRABAG Group. Its tasks include:
- Coordination of the individual CSR activities within the group and between the individual group entities
- Support of the operating units in terms of sustainability and CSR, e.g. in the drafting of prequalification documents
- Early identification of new external developments, e.g. regarding the legal and normative framework for sustainability matters
- Annual assessment of energy and energy use and carbon emission
- Creation of concepts and tools together with other service companies for the reduction of energy use and of the carbon footprint
- Inventory of all activities in the individual company units and divisions related to the subject of sustainability
- Response to external queries e.g. from non-governmental organisations (NGOs)

The CSR management reports directly to the STRABAG SE management board. Together with the CSR steering committee, whose members include representatives from the central service companies and from the operating units, the CSR agenda is being implemented in line with the management board's strategic objectives.



A PART OF SOCIETY

Why is corporate citizenship so important to us? Because we are not only a part of society, we also work as a service provider to it. **Read more about the following activities:**

- [Clients](#)
- [Social Projects](#)
- [Cultural Projects](#)

Our business activities shape the built environment, which has a direct influence on our daily routine. The result is a complex interaction between construction and society. Only when society is successful can we also be successful. For this reason, we engage in daily contact with our stakeholders, investors, [clients](#), [employees](#), suppliers, subcontractors and non-governmental organisations (NGOs). We constantly listen to their interests, wishes and needs to ensure a valuable, long-term working relationship. How we reach our interest groups:

- Daily on-site talks with clients.
- Regular client surveys.
- Road shows and talks with investors and analysts (more information is available in our [Investor Relations](#) section).
- NGOs: response to enquiries, event visits and implementing ideas from different organisations. One example is the [Carbon Disclosure Project](#), to which we have been a signatory since 2009.
- Daily contact with our suppliers and subcontractors. It is important to be seen as a reliable partner. We not only show our suppliers that we are a worthy partner, we also subject our suppliers to a rigorous review and careful selection: as a rule, our suppliers undergo a prequalification process – a requirement of the demanding nature of our projects. (More information is available [here](#).)
- Regular contact with renowned universities and research institutes – important partners in the planning and implementation of cooperative research and development projects.
- Young talent: our future success depends on the qualification and motivation of our employees. We offer practical training with interesting tasks that provide learners with an insight into the construction sector and our activities. We also give university students the opportunity to write theses with a practical focus in cooperation with us.

Given our business success, we feel obliged to contribute to the healthy development of society as a whole. As well as supporting cultural projects, this also includes maintaining the social standards in Central Europe and improving them in other countries.

Clients

Every project has its own specific requirements. Every building is unique, needing careful planning and the constructive cooperation of all involved. It is not uncommon for new insights to be gained over the course of construction which require a change of plans and which influence the building design or the construction process. These changing conditions affect the complex planning process as well as the implementation of the project, and short decision-making paths and efficient problem-solving processes are often decisive for the successful realisation of a project. This makes it so important for us to maintain a true partnership with our clients.

Significantly raising the efficiency and profitability of construction projects through a constructive, open and trust-based working relationship among all project participants: that is the aim of the [STRABAG teamconcept](#), our successful partnering model for the past 15 years. With its clear contractual rules, the STRABAG teamconcept goes beyond conventional partnerships. The introduction of joint project controlling and the early inclusion of the contractor – if possible already during the project's planning phase – helps client and contractor to minimise their risk and ensures that projects are built to quality, within budget and on time. The modular STRABAG teamconcept is a successful business model that guarantees clients the greatest possible efficiency and security over the entire life cycle of the product.

As a construction service provider, it is our goal to be a reliable partner to our clients and to always offer quality solutions. We are constantly at work to grow our range of products and services and, with our broad range of innovations activities, we possess the comprehensive know-how necessary to ensure sustainable products and services for our clients – from initial planning to building operations to the auditing of sustainable buildings.

Social Projects

Concordia



Father Georg Sporschill SJ has been caring for abandoned children and orphans in Romania since 1991, when he opened his first children's home in Bucharest. Since then, he has extended his activities geographically to Moldova and Bulgaria and has expanded his range of services. In addition to the social centres and children's homes, Concordia offers learning workshops and assisted living communities for older orphans. STRABAG actively supported Concordia in building its City of Children in Ploiesti and continuously supports its activities. In 2007, we supported Concordia in the opening of social centres and soup kitchens for older people in need. Today, around 1,000 children live in Concordia's homes and living communities in Romania, Moldova and Bulgaria. For older people, there are 24 soup kitchens and ten social centres providing food to some 5,000 hungry people.

More information is available on the Concordia [website](#).



Father Sporschill SJ with one of his orphans

VinziRast-CortiHaus

VinziRast

STRABAG has supported the VinziRast-CortiHaus homeless shelter in Vienna from the beginning. VinziRast was opened in 2004 by the Vinzenzgemeinschaft St. Stephan and its chairwoman Cecily Corti. The goal was and is to offer homeless people emergency accommodation or a place in the halfway house. STRABAG helped to renovate the shelter in 2008 and has been one of the main sponsors ever since.

VinziRast-CortiHaus offers emergency accommodation for 55 people, including a bed, dinner and breakfast, plus 16 apartments where up to 29 people can find a home, make a new start or grow old with dignity.

More information is available on [website of the VinziRast-CortiHouses](#).



The VinziRast-CortiHaus residential community with its chairwoman Cecily Corti

Selective support of regional initiatives

In addition to large, international initiatives, STRABAG also supports a number of smaller regional projects. These activities may seem relatively small when compared to the size of the STRABAG Group, but they are of enormous importance for the regions in question. There are many ways in which STRABAG supports such initiatives: through sponsoring, via partnerships or by providing expert know-how. The following are just a few examples of such regional projects:

- CliniClowns in Austria
- Aktion Kinderherz in Austria
- Vertrieb mit behinderten Menschen in Germany
- Blood donations for children in hospices in Poland
- Support for the Child Development Society school in Kathmandu, Mahadev Besi, Nepal

Own Projects

Project: Mathematics on the Construction Site

“What does it cost to excavate 100 cubic metres of earth with a dredger?” The students participating in the partnership project of STRABAG AG’s Düren office and the local secondary school GHS Gürzenich in North Rhine-Westphalia use games and activities to learn how to perform mathematical calculations. [Read more ...](#)

Cultural Projects

Festspiele Erl



In 1998, conductor and musician Gustav Kuhn founded the Tiroler Festspiele Erl with the goal of promoting young musicians.

Since then, the festival has become an established event with international appeal. Today, the Tiroler Festspiele Erl is famed above all for its fantastic Wagner operas. STRABAG has supported the festival from the beginning. Gustav Kuhn, who directs and conducts the festival, offers his audience a varied programme of opera, concerts, musical evenings and children’s theatre.

More information is available on the [website of the Tiroler Festspiele Erl](#).



The Passion Playhouse in Erl, Tyrol

Komödienspiele Porcia



In 1960, a visit to Spittal an der Drau by Herbert Wochinz, Thomas Bernhard and Annemarie Siller led to the idea of hosting a theatre in the not yet renovated renaissance court of Porcia Castle.

Just one year later, the first works were performed by the ensemble of Vienna's Theater am Fleischmarkt. Since then, the small theatrical circle born under difficult conditions has become a major cultural event. Every summer, the theatre idealists tirelessly and consistently put on comedies from world literature as well as their own children's theatre.

More information is available on the [website of the Komödienspiele Porcia](#).



Good times at the Komödienspiele Porcia

STRABAG Kunstforum



The STRABAG Kunstforum opens up the world of contemporary art to employees and visitors at a number of locations in Austria and abroad, making STRABAG a forward-looking patron of the arts today.

More information on the STRABAG Kunstforum is available at www.strabag-kunstforum.at.



The Artstudios in the STRABAG Haus

RESPECT FOR NATURE

The construction industry traditionally is an energy- and resource-intensive sector. And every building is an intrusion into the natural environment. As a provider of construction services, we are well aware of this fact. For us, therefore, ecological responsibility begins with the planning of buildings and structures and continues through to their erection and related services. We have been involved in the development of certification systems in Germany and Austria from an early stage and are working to increase the number of high-quality buildings on the market.

Respect for nature is also important from a strategic point of view. Some current developments with far-reaching consequences – such as resource scarcity, climate change, the shortage of freshwater, and the problem of water distribution and quality – mean long-term changes for us too. The increasing scarcity of natural resources is expected to result in higher prices for fossil fuels, while the phenomenon of climate change will bring with it a changed legal framework. With its proposal to reduce carbon emissions by approximately 90 % by 2050, the European Union is already aiming above and beyond its current climate protection target of cutting emissions by 20 % by 2020 compared to 1990 levels. The growing relevance of all carbon emissions generated over a building's entire life-cycle will make the consequences much more apparent.

In order to prepare ourselves for these developments, we are making efforts to minimise carbon emissions and energy use at an early stage in our activities. This affects our process of value creation as well as our entire range of products. For this reason, we are shifting our focus toward new, innovative products, in particular within the field of renewable energy. Through the constant development of new technologies, it is our aim to steadily grow the STRABAG product portfolio. At the same time, we are working to develop and enhance the right methods and tools to control our impact on the environment.

Our range of services and instruments used includes:

- [Sustainable Buildings](#)
- [Renewable Energy](#)
- [Environmentally Friendly Products](#)
- [Methods and Tools](#)
- [Leading by example](#)
- [CO2 Figures](#)

Sustainable Real Estate

A paradigm shift is taking place in the construction industry against the backdrop of rising energy prices and the noticeable effects of climate change: buildings are no longer being built solely according to investment criteria, but are also being optimised with regard to their overall life-cycle costs. Quality and resource-efficiency are becoming more important.

The STRABAG Group possesses the technical skills and capabilities to audit buildings on the basis of established certification systems and to make the quality of buildings measurable and comparable. We assess and optimise buildings for sustainability over their entire life-cycle: sustainable buildings are economically efficient, environmentally friendly and save resources while fulfilling the highest demands in terms of functionality and design.

Our services are tailored to the needs of our clients and perfectly complement STRABAG's all-inclusive teamconcept. Additionally, the Technology Centre for Sustainable Construction is busy driving innovation to help us adopt new resource-friendly processes and technologies at an early stage. The aim is to support our group's building construction divisions as well as our external partners in the planning and realisation of resource-efficient buildings in order to implement the standards of sustainability being called for by public policy, private enterprise and society as a whole.

Our services in detail:

DGNB, BREEAM and LEED auditing

In addition to the usual auditing services, our range of services includes guidelines, quick and economical ad-hoc estimates, and detailed initial assessment of the planning or of the building itself, as well as guidelines for consultants and builders plus project management during the entire certification process.



breeam



Consultation, project steering and project management

Regardless of the certification, we consult our clients in all stages of planning, execution and operation with the aim of implementing sustainability and resource efficiency in the most optimal way.

Building life-cycle assessment

During the construction and utilisation phases of a building, we conduct a detailed assessment of the environmental impact (CO₂, greenhouse gases, etc.) arising from the construction materials used. Additionally, we develop concepts for the use and declaration of sustainable building materials.

Life-cycle costs

We calculate the expected total costs over the entire building life-cycle above and beyond the planning and construction phase, i.e. including and in addition to the investment costs. This includes both the projected costs for maintenance and repairs as well as for demolition and dismantling.

Assessment of user comfort

User comfort has taken on an increasingly important role in the past few years. At the same time, the growing energy efficiency requirements are demanding more technology in the building, which has an impact on air and noise emissions as a result. We analyse room qualities already during the planning phase using thermal and daylight simulations, make calculations for thermal bridges and acoustic emission control, and work on noise mitigation concepts.

Renewable Energy

Renewable energy is the key to reaching the climate protection targets. The transition to renewable energy and the related substitution of fossil fuels will help to increase independence from limited energy sources and achieve the urgently needed reduction of carbon emissions.

Our range of products and services includes the construction of biogas and biomass plants to generate gas, electricity and heat as well as the construction of hydroelectric and wind power plants. To enhance and enlarge our product portfolio, we are working on the development of offshore wind power plants and on the storage technology necessary for the use of renewable energy.



Environmentally Friendly Products

Our environmentally friendly products are buildings and facilities that make a positive contribution to protecting the environment. The following is a selection of our products in this field.

Water and wastewater

STRABAG Environmental Technology and STRABAG Umweltsanlagen GmbH have helped make us one of the world's leading companies in the field of water purification and wastewater treatment. In the past few years, we have designed and built over 600 plants for various requirements and needs. Our water purification services also include the tapping of water sources as well as the construction of pumping stations, reservoirs and pipelines. In the field of wastewater treatment, our services comprise the construction of sewer networks, pumping stations as well as industrial and municipal sewage treatment plants.

This product portfolio is complemented by the services of Züblin Umwelttechnik GmbH, with processes and plants for the purification of groundwater and construction site water.

More information can be found on the website of [STRABAG Environmental Technology](#) and [Züblin Umwelttechnik](#).

Water and wastewater references are available [here](#).

Flue gas treatment

As part of our flue gas treatment services, we offer clients multi-stage cleaning processes as a way of reducing the volume of pollutants from refineries in order to improve the quality of the exhaust air. Processes to remove sulphur dioxide, nitrogen oxides and particulate matter include filtering, absorption and adsorption as well as catalytic reduction. Our services can be divided into SCR DeNOx systems and multi-stage flue gas treatment. The focus of SCR systems lies on the retrofit of coal power plants and industrial processes. We offer individual, economical solutions for stationary sources of emissions. After determining the basic requirements, we work to develop an efficient action plan adapted to fit the specific situation.

Multi-stage flue gas treatment is the right choice for the removal of pollutants. The exhaust air is treated using the conditioned dry process, the semi-dry process or dual-stage wet scrubbing. Semi-dry and wet flue gas treatment is the right solution for separating acidic components from municipal and industrial waste material. For denitrification and desulfurisation systems operating with the SNOXTM process developed in cooperation with Haldor Topsøe A/S, we deliver both the engineering services as well as the necessary components.

Link to [STRABAG Flue Gas Treatment and References](#).

Waste Treatment

With years of experience in the construction of 70 waste treatment plants to date, we are a reliable partner for waste reduction, recycling and removal. There is a growing need and willingness to include waste in the value chain, with an increasingly larger amount of waste being used to generate heat, electricity and recycled materials. In this way, climate protection and profitability go hand in hand. Required for this development are highly developed processes adapted to the specific problem. In the mechanical-biological treatment of waste,

we are one of the leading companies in the field.

Our services include the construction of

- Solid waste landfills
- Sorting plants
- Composting and anaerobic digestion plants
- Mechanical-biological waste treatment plants
- Waste incineration plants

More information is available on the website of [STRABAG Environmental Technology](#).

Click here for the brochure "[Waste Treatment – Leading-Edge Technologies and Processes](#)".

An overview of our reference plants can be found [here](#).

Environmental remediation

The space available for living, playing and working is limited, making it that much more important to revitalise contaminated land using innovative technologies. Financing for environmental remediation and land recycling is available from regional and EU funds.

For over 25 years, it has been our aim to combine economic progress and environmental protection.

Interdisciplinary teams are constantly working on innovative products and services. The result: more than 2,000 projects completed worldwide.

Our services include:

- Asbestos removal
- Securing/dismantling/demolition of disused landfills and industrial sites
- Soil, soil air and groundwater remediation
- Land remediation and soil stabilisation facilities

More information is available on the websites of our subsidiary companies:

- [STRABAG Umwelttechnik](#)
- [HEILIT Umwelttechnik](#)
- [Züblin Umwelttechnik](#)

Railway construction

As a "partner in all things rail", our railway construction activities represent a contribution toward more climate friendly transport.

Our range of services includes:

- Consulting and project management as general contractor
- Construction of rail infrastructure
- Tramway systems
- Track welding
- Track-related ground engineering
- Railway-related civil engineering
- All types of level crossings
- Cable duct systems

- Platforms

More information is available on the STRABAG Rail website:

- [Services / Railway construction](#)
- [STRABAG Rail](#)
- [Kirchner](#)

Energy and carbon footprint report 2013

Energy management is an instrument with which it is possible to reduce energy use and, consequently, energy costs within the group over the long-term.

The energy costs for the companies within STRABAG SE's scope of consolidation amounted to nearly € 342.73 million in 2013 (2012: € 347.13 million). Without measures to increase energy efficiency, energy costs can be expected to rise in response to price hikes and legislative changes in the next few years. In 2012, therefore, the company launched a comprehensive energy management programme that made its first progress in 2013 with the reduction of energy use by 1.2 %. The following table shows the usage figures of the five main energy sources within the group.

ENERGY USE WITHIN THE GROUP¹⁾

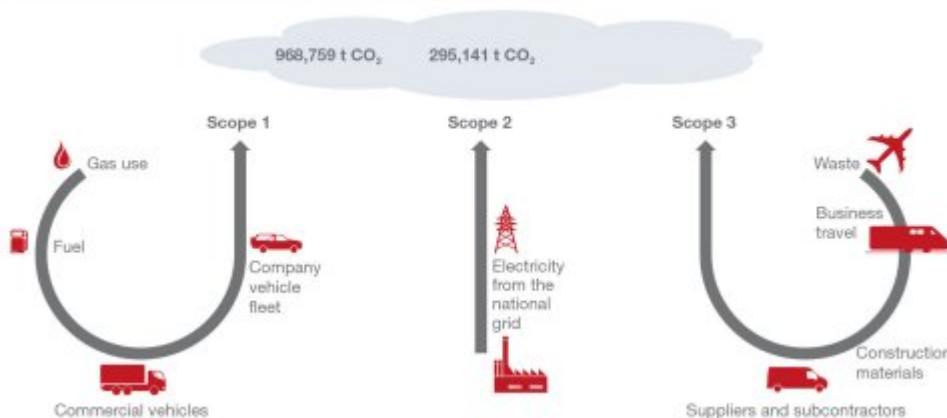
| | Unit | 2010 | 2011 | 2012 | 2013 |
|--------------------|----------------------|---------|---------|---------|---------|
| Electricity | MWh | 499,945 | 499,146 | 486,033 | 497,943 |
| Fuel | thousands of litres | 212,614 | 241,433 | 245,660 | 252,718 |
| Gas | heating value in MWh | 705,973 | 658,356 | 565,048 | 560,507 |
| Heating oil | thousands of litres | 25,836 | 21,644 | 17,790 | 16,053 |
| Pulverised lignite | tonnes | 51,452 | 84,318 | 79,107 | 69,602 |

¹⁾ Changes in the energy values over past publications result from the ongoing development of the system of data collection. The presentation deviates from the usual presentation of a five-year period as data are only available starting from the year 2010.

STRABAG's energy management includes the sum of all measures that are planned or are being implemented to guarantee a minimum use of energy for the required performance. Attempts are made to influence organisational and technical processes, and the group's employees are sensitised to the goal of improving energy efficiency. The positive results of such an energy management can be seen in the reduction of energy costs, the increased potential for tax savings, and the protection of the environment as a result of reduced emissions.

As in previous years, the carbon footprint for the 2013 financial year refers to the group's full scope of consolidation and includes emissions caused in 60 countries. Within the group, a total of 1,263,900 tonnes of CO₂ were emitted during the year under report. This represents a decline of 2 % or more than 24,400 tonnes of CO₂ in a year-on-year comparison. The emissions are reported separately for Scopes 1 and 2 as defined by the Greenhouse Gas Protocol.

EMISSIONS OF THE STRABAG GROUP FOR THE YEAR 2013



With 53 %, the highest proportion of CO₂ emissions – as in the previous year – resulted from the use of fuels, almost exclusively diesel, within the group. This was followed by electricity and pulverised

lignite with 23 % and 12 %, respectively.

Germany, Poland and Austria caused the greatest share of these emissions (54 %). This shows that energy consumption is proportional to the generated output volume: with 63 %, these countries are also responsible for the greatest share of the group's output volume in 2013.

CODE OF CONDUCT

STRABAG SE places great value on the ethically irreproachable behaviour of its employees and suppliers. The Code of Ethics from April 2011 was replaced by the Code of Conduct and was made available to all employees and other relevant groups of persons.

STRABAG supports the Construction Sector Transparency Initiative (CoST)



CoST is an international multi-stakeholder initiative designed to increase transparency and accountability in the construction sector supported by the Department for International Development (DFID) and the World Bank. CoST's aim is to enhance the accountability of procuring bodies and construction companies for the cost and quality of public-sector construction projects. The core concept is to 'get what you pay for'. The 'you' in this context applies equally to national governments, affected stakeholders and to the wider public. The main emphasis of CoST is on the period between contract award and the final build.

Please find our statement regarding CoST below: www.constructiontransparency.org

EMPLOYEES

At STRABAG, our employees form the foundation for the reliable and high-quality construction of buildings and structures. It is thanks to their highly dedicated work and enormous skill that we can look back on positive business developments. Our employees' capabilities, in combination with their interdisciplinary teamwork, form a central component of our business success. Our employees, as well as their health and safety, are important to us: as such, they represent a separate point on our CSR agenda.

External factors, such as the current demographic change in Central Europe or the issue of climate change, represent unique challenges as well. Because of the declining number of school leavers and university graduates, employee recruitment is of special significance. Demographic changes have also increased the average age of our workforce, making occupational health and safety management that much more important. Climate change requires change from all players in the construction industry. This affects the necessary skills and requirements of employees, giving constant further education and development a crucial role.

We consider the following issues to be of relevance:

- [Employee Figures](#)
- [Human Resource Development](#)
- [Promotion of Women](#)
- [Employment and Social Funds](#)
- [Internal Communication](#)
- [Occupational Safety and Health](#)
- [Training & Awareness](#)

Employee Figures

Employee numbers

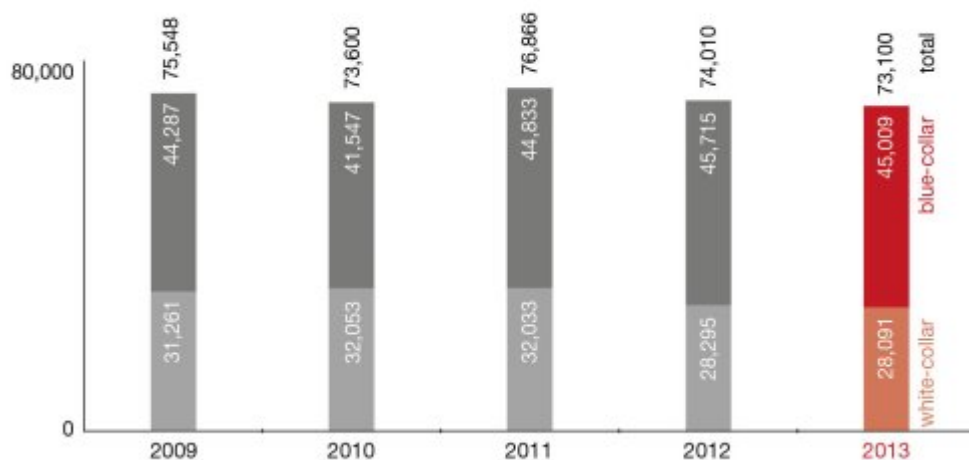
As a result of the typical winter break in construction, the STRABAG Group is subject to seasonal fluctuations in employee numbers. For this reason, the number of employees – as is usual in the industry – can only be stated as an annual average. 73,100 employees (45,009 blue-collar and 28,091 white-collar) worked for STRABAG in 2013. With -1 %, the number of employees was down only slightly. Large changes in several units almost completely balanced each other out in 2013: on the one hand, the workforce was reduced for market reasons in Poland; on the other hand, new largescale projects in non-European markets and in Germany resulted in a plus of nearly 1,600 jobs.

The company's strong international nature is reflected in the number of nationalities. In the 2013 financial year, STRABAG employed people from a total of 84 nations, compared to 82 in 2012.

During the past financial year, we had 1,118 blue-collar apprentices (2012: 1,129) and 255 white-collar trainees (2012: 259) in training with us.

Traditionally, the construction industry overwhelmingly employs men. Nevertheless, the percentage of women employed within the group in 2013 averaged 13.6 % (2012: 13.4 %). Within group management, the percentage of women was about 8.6 % (2012: 8.7 %). We therefore only partially met our goal of annually raising the percentage of women within the group.

DEVELOPMENT OF EMPLOYEE FIGURE



Occupational Accidents and Illnesses

We have launched a number of initiatives in recent years to help maintain and promote the long-term health of our employees. This helps to guarantee a uniform high standard of safety within the group.

The accident rate – calculated as the ratio of accident days to working days – remained unchanged at 0.5 % in the group, with 0.9 % among blue-collar and 0.1 % among white-collar workers (2012: 0.5 % in the group, 0.9 % among blue-collar and 0.1 % among white-collar workers).

Recruitment

Due to the constant growth of our group, personnel recruitment is no longer handled centrally, but instead relies on human resource representatives in the individual countries in which the group operates. The applicant database was adapted to the new realities in order to shorten the recruitment process and make it more efficient and targeted.

Our recruitment decisions are validated using an IT-supported aptitude diagnostics process. This so-called behaviour profile analysis assists us in predicting an applicant's most important behavioural characteristics at the workplace. An internal IT-supported alert system ensures that employees who are freed from their previous tasks are reported to the group's internal placement early on.

University graduates and trainees form the basis of our junior professional and management staff. We successfully engage qualified young people in the field of higher education and the vocational training sector and hope to convince them to work for us. In this regard, we offer special apprenticeship programmes and operate our own training centre.

More information on our job offers is available [here](#).

More information on our apprenticeship offer is available [here](#).

Integration of new employees

Through enterprise acquisitions, among other things, we have strongly increased our employee numbers in the past few years.

The acquisitions were aimed at expanding our know-how and extending our value chain in various niche segments of the construction sector in order to offer our customers a complete range of services from a single source. In addition to expanding our competences, top priority is given to the integration of new employees into the group. Our staff magazine "inform" and the group-wide Stranet intranet allow each and every employee to remain up-to-date with the latest information.

Our staff magazine "inform" is available [here](#).

Remuneration and employee benefits expense

Collective wage agreements apply for workers in Germany, Austria and some Eastern European countries. We abide by the minimum wage requirements in all countries in which we operate.

Our employees receive performance-based bonuses to increase motivation and reward good performance. These can take the form of monthly performance bonuses for blue-collar workers or annual bonuses for white-collar employees who reach certain targets.

Our group management employees also receive a remuneration comprised of a fixed and a performance-based

portion.

Measures for the promotion of women

Please find all information about Promotion of Women [here](#).

Occupational Health and Safety

"Health is more than the absence of disease; it is a complete state of physical and spiritual well-being ." (World Health Organization, WHO)

The health and safety of our employees is a matter of concern for us. At the construction site or in the office, our employees have the right to a safe workplace. For this reason, we have launched a number of additional initiatives in recent years to help maintain the long-term health of our employees.



The merger of new companies into the group and the related implementation of health and safety measures are the first building block of accident prevention. This helps our companies find their way around in the STRABAG world and makes possible the exchange across business segments.

One third of all units in Germany possess a certified occupational health and safety system such as SCC** or BS OHSAS. However, all group entities work in compliance with the requirements set by our Integrated Quality Management (IQM), i.e. successful certification requires only minimal adjustment. This helps to guarantee a uniform high standard of safety within the group.

If you have any questions, please contact our CSR department:

STRABAG SE

Corporate Social Responsibility

Donau-City-Str. 9, 1220 Vienna

Tel. +43 1 22422 0

E-Mail: csr@strabag.com

Internet: www.strabag.com