

Supply-Chain-Management-Policy

(Annex to the Management Manual of STRABAG SE)

Bases and Implementation

Principles

In the interest of quality and economic efficiency we involve proven subcontractors and suppliers in addition to our own competencies and resources during execution of our contracts.

Team-oriented cooperation based on honesty, openness, integrity and fairness is a guarantee for long-term successful partnerships.

The aim of our Supply Chain Management Policy is to ensure timely, economic and sustainable provision of products and services in the desired quality, as well as commitment of subcontractors, service providers and suppliers.

The operating units are responsible for procurement, supported by a central procurement management.

The following steps are adhered to and documented in order to ensure that we are successful and our clients are satisfied with our services:

- Clear, transparent and full descriptions of services and products to be procured
- Qualification and selection of subcontractors, service providers and suppliers
- Agreement on the acceptance criteria regarding the inspection of products and services for the recipient
- Systematic evaluation of subcontractors, service providers and suppliers as a decision support for future contract awards

Through documented processes, internal guidelines and manuals we ensure that these steps are implemented and audited, evaluated and improved on a regular basis.

Implementation

- Implementation of an efficient supply chain management into our integrated Management System
- Determination of responsibilities and authorisations as well as provision of the necessary resources in order to maintain, monitor and improve the supply chain management
- Contractual stipulation of our standards for the supply chain management with our subcontractors, service providers and suppliers
- Support and monitoring of our subcontractors, service providers and suppliers regarding the implementation of our standards

Responsible procurement and sustainable supply chain management

Principles

These principles of this Supply Chain Policy are derived from the sustainability requirements of the STRABAG Group, which are described in the Sustainability Strategy, the Code of Conduct, the Supplier Code of Conduct, the Sustainability Policy, the Group Directives on Sustainability, the Environmental and Energy Policy, the Policy on Employment Conditions and Human Rights, and the Health and Safety Policy, and specify these requirements in relation to procurement. The Supply Chain Policy thus also supplements the Common Project Standards and complies with the principles of KRL Business Compliance.

We consider buildings over their entire life cycle, identify potential for improvement and demonstrate the added value of sustainable construction variants to our customers. We fully integrate sustainability aspects into purchasing and the upstream supply chain and are gradually establishing a review of the downstream supply chain. In doing so, we take into account requirements from legal regulations, from our stakeholders, external certifications and our commitment to the ILO Core Conventions, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights and the International Bill of Human Rights with the UN Universal Declaration of Human Rights.

We set ourselves the goal to:

- identify environmental and human rights risks along our supply chain and derive appropriate measures to prevent them.
- fulfil human rights and environmental due diligence obligations and ensure their implementation along the supply chain.
- create transparency in our supply chains with regard to human rights and environmental protection in order to enable the traceability of the materials and services we procure.
- ensure compliance with fundamental human rights and ILO core labour standards in the supply chain and promote equal treatment and non-discrimination. Within the framework of the ILO core labour standards and the above-mentioned international standards, we are committed to respecting work safety and health protection, prohibiting child and forced labour and discrimination, promoting humane working conditions and equal treatment, and respecting the principles of freedom of association and the right to collective bargaining.
- to contribute to greater transparency with regard to forced labour along the supply chain. Within the scope of our business activities, no products which have been manufactured using forced labour shall be sold or purchased and no products shall be produced using forced labour.

- to make our contribution to minimising harmful environmental impacts along our upstream and downstream value chain. The habitats of humans and animals must be protected and biodiversity, air, water and soil quality must be maintained. Harmful emissions into the air, water and soil, as well as light and noise emissions, must be avoided. Responsible chemicals management is a prerequisite.
- to contribute to deforestation-free supply chains. Our business activities should not lead to deforestation or forest damage. As we use wood as an important construction material, we recognise the associated risks and accept responsibility.
- close cycles through the increased use of secondary raw materials and using natural resources efficiently, economically and responsibly. We examine ecologically sustainable, reusable or recyclable product offerings and encourage our suppliers to develop and offer appropriate alternatives.
- reduce CO2 emissions along the supply chain and avoid them where possible. In the context of procurement, this applies in particular to emissions from purchased goods, services, and work performed.
- Define criteria, processes and key figures for responsible procurement, especially for particularly risky raw materials and regions. This includes, in particular, conflict minerals, the management of hazardous waste and the procurement of goods and raw materials from conflict areas.
- fully integrate sustainability into estimation and purchasing processes and incorporate it as a criterion in purchasing decisions.
- report transparently and consistently on our sustainability efforts along the supply chain.

Implementation

We are establishing a system for responsible procurement and sustainable supply chain management, including software-supported processes, and integrating it firmly into existing procurement processes. In this context, we are implementing the following measures:

- Collection and evaluation of sustainability information and data at supplier and product level in order to create a basis for conscious sustainable purchasing decisions and to derive sustainability-related targets, processes and key figures.
- Definition of sustainability criteria and minimum requirements for
 - our suppliers, including subcontractors and other business partners. These are communicated via our Supplier Code of Conduct and applicable contract documents.
 - the goods and services we purchase. These include construction materials, other materials and working equipment that we require for the construction of our structures and execution of our contracts, as well as those we use internally, such as office supplies, IT equipment and personal safety equipment.
 - the use and procurement of high-risk products. These include products containing mercury and persistent organic pollutants.
- Regular and ad hoc risk analyses to identify environmental and human rights risks along our value chain. This involves assessing country-specific, industry-specific and product-specific risks and identifying high-risk product groups and suppliers.
- Awareness-raising and training measures for the employees concerned (e.g. in estimation and purchasing) and for suppliers.
- Control mechanisms: We rely on internationally recognised labels and product certifications as well as company certifications of our suppliers. Where necessary, we obtain further information directly from the supplier via self-disclosure forms and carry out audits in specific cases of suspicion.
- Integration of sustainability into supplier evaluation and annual reviews. We support our suppliers on their path to sustainability by providing them with information materials and training and jointly defining action plans with targets and measures to improve their sustainability performance.
- Definition of company-wide accountability and processes for sustainability-related supplier management, including monitoring the sustainability performance of our suppliers.

- Continuous dialogue with our stakeholders and with other parties in the value chain. Together with competitors, our suppliers and non-profit organisations, we develop industry solutions for sustainable value added and transparent supply chains, taking into account business compliance principles and fair competition.
- Establishing a Supplier Engagement Programme to work with suppliers to reduce emissions along the supply chain.

We encourage our suppliers to integrate sustainability into their procurement processes and to assess their own supply chains for human rights and environmental risks in order to take appropriate measures to counter these. Only through cooperation will we be able to improve sustainability in global value chains.

Violations of the above principles can be reported by Group employees, employees of suppliers and other third parties, also anonymously, via our whistle-blower system. Information can be reported directly to the ombudspersons or via the STRABAG whistleblower platform. The information or questions received via the STRABAG whistleblower platform are treated confidentially and only passed on to third parties within the boundaries of the 'need-to-know' principle. Whistleblowers may disclose their identity or remain anonymous. In any case, the identity of the whistleblower is granted special protection. The whistleblower platform contains rules of procedure that can be viewed by all whistleblowers. In addition to the exact mode of operation, it also contains information on anonymity, protection against reprisals and other topics.

Communication

We ensure that the policy described herein is understood, implemented and maintained at all levels of our organisation. In particular, we aim at supporting the above by means of regular systematic trainings and awareness-raising measures and to monitor it according to established auditing procedures.

We involve all parties involved and inform them about the criteria which are to be met for the purpose of this Supply Chain Management Policy. We make sure that this policy is distributed as required and that it is made available to any interested parties as well as to the public.

The Management Board