

Environmental and Energy Policy

(Annex to the Management Manual of STRABAG SE)

Principles

In line with our motto “Work On Progress”, we are constantly working to improve our energy and environmental performance. We are convinced that environmentally sustainable business practices are a prerequisite for future-proof business models and form the basis for adapting to climate change. We are committed to avoiding negative environmental impacts as far as technically feasible and economically viable within our sphere of influence, and we do our part to reduce negative impacts along our supply chain. In order to remain one of the leading construction technology groups in the future, also with regard to sustainability, we have drawn up this environmental and energy policy and demand its implementation in processes and structures at all levels.

The Environmental and Energy Policy provides the framework for defining, implementing, monitoring and regularly reviewing our environmental and climate targets, the associated key performance indicators and the measures for improving our energy and environmental performance.

Specifically, we have set ourselves the following strategic goals:

1. Decarbonisation:

Based on science-based targets, we will reduce our Scope 1 and 2 emissions by 42% and our Scope 3 emissions by 25% between 2023 and 2030. By 2040, we will reduce our Scope 1, 2 and 3 emissions in line with the 1.5 °C target to achieve climate neutrality along the value chain.

In this context, we are helping to shape the energy transition through technological solutions and innovations and reducing emissions from building materials, processes as well as our equipment and vehicle fleet.

2. Circular economy:

We are actively shaping the transition to a circular economy by reducing the consumption of primary raw materials and the generation of hazardous and non-hazardous waste, and by maintaining resources at a high level of quality. This involves increased use of reused and recycled materials. We want to use the resources that we absolutely need for construction projects effectively, increase their service life and intensity of use, and recycle them at the highest possible quality level.

3. Biodiversity and ecosystems:

We protect and promote biodiversity and ecosystems in all relevant areas of our business activities. Our goal is to reduce negative impacts on flora, fauna and fungi, strengthen biodiversity in all project phases and at sites in biodiversity-sensitive areas, raise awareness and train employees, and extract and use raw materials sustainably. In doing so, we act responsibly in our use of land and natural resources and preserve key ecosystem services.

STRABAG considers water to be a vital resource and is committed to ensuring its responsible use in all areas of its business activities. The aim is to minimize water risks, protect the quality and availability of water, and avoid negative impacts on aquatic ecosystems. Local conditions, international standards and water risks along the entire value chain are taken into account.

Implementation

Our Group-wide sustainability strategy sets out the most important strategic goals and areas of action for environmental issues. Our CEO is responsible for implementing the defined goals in the area of environment and energy. Senior management, represented by the CEO, is committed to providing the necessary human, financial and organisational resources and appropriate information to achieve the environmental and energy goals and to operate the management systems effectively.

All Divisions, Central Divisions and Central Staff Divisions actively contribute to the achievement of our sustainability goals by identifying, defining and implementing appropriate measures. The SID Function Sustainability | Environment & Energy supports the operational units as a central interface, advisor and driver in the operationalisation of the defined strategic goals in the areas of decarbonisation, circular economy, and biodiversity & ecosystems.

We implement the following measures and principles:

1. Decarbonisation

- **Action area cluster Scope 1: Electrification, fuel switch, energy efficiency improvement**
 - We identify the key areas of action within our corporate processes and derive specific Group-wide measures in order to achieve our decarbonisation goals.
 - Where technically and economically feasible, we are gradually replacing fossil fuels with renewable or alternative energy sources in all our business processes.
 - We continuously strive to use the best available technologies to ensure that our production processes are energy-efficient and sustainable.
 - We create uniform regulations and define minimum standards for fuel management. The operating units as well as the Central Divisions and Central Staff Divisions are enabled to effectively monitor fuel consumption.
 - By implementing an energy data management system, we identify energy-intensive areas and potential for improvement. We optimise our energy consumption by implementing energy efficiency measures.
 - The energy data collected serves as a basis for evaluating energy-related performance, deriving energy targets, and identifying and implementing measures for continuous improvement.

- **Action area cluster Scope 2: Generation and use of renewable energies**
 - We are reducing our consumption of electricity from fossil fuel sources and replacing it with electricity generated in-house or sourced from renewable sources.
 - When it comes to the electricity we generate ourselves, we attach great importance to a high degree of self-consumption by storing our energy portfolio in the best possible way and using it efficiently. Where economically feasible, we install PV systems at our own sites in order to further expand our own production.

- **Action area cluster Scope 3: Offering CO₂e-reduced and recyclable buildings, cooperation with suppliers, further development of the data basis**
 - Through customer engagement measures, we proactively inform building owners about low-carbon and circular options. In this way, we aim to promote demand for low-carbon and recyclable buildings.
 - Through supply chain engagement measures, we cooperate with relevant suppliers to jointly reduce emissions, resource consumption and other sustainability impacts along the value chain. This also includes monitoring the environmental performance of our suppliers to ensure the effectiveness of measures.
 - We are working to continuously improve the availability and quality of sustainability-related data for purchased goods and services.
 - We are committed to environmentally friendly and energy-saving travel management and are continuing to expand the use of digital alternatives for conferences and meetings. We also provide incentives for switching to more sustainable means of travel.
 - When procuring products, equipment and services, we consider their energy efficiency and their impact on our energy-related performance throughout their entire life cycle.

2. Circular economy

- **Action area: Circular planning**
 - The key decisions for ecological design are made during the planning phase. We offer the planning of recyclable buildings made from reused components, secondary raw materials and renewable raw materials, taking into account resource efficiency, dismantlability and flexibility.
 - We consider buildings over their entire life cycle and promote circular construction through proactive offers to our clients. On request, we identify potential for improvement through building-specific life cycle assessments and demonstrate the ecological added value of construction variants to our customers.

- **Action area: Circular building materials**
 - We produce and use building materials made from secondary raw materials and renewable raw materials, as well as building materials with high reuse and recycling potential. This means that negative impacts on the environment are avoided right from the start of the production process.

- **Action area: Zero waste construction site**
 - We are working to reduce waste on our construction sites through a high degree of prefabrication, take-back logistics and other measures.

- **Action area: Building renovation**
 - We offer a one-stop-shop solution for the recording, evaluation, repair, modernisation, redesign or extension of existing buildings. In this way, we promote the highest possible quality preservation of resources.
- **Action area: Deconstruction**
 - We focus on selective and non-destructive deconstruction to recover and reuse valuable materials and components.
- **Action area: Value stream management & recycling**
 - We improve the cross-site recording and control of value streams for the highest possible quality recycling and reduction of waste.
 - We offer comprehensive material and waste concepts, including for the handling of hazardous waste.
 - We are continuously working on technical solutions to increase the proportion of recycled materials in our products and are investigating the use of alternative, renewable building materials.

3. Biodiversity & ecosystems

Biodiversity cluster

STRABAG is continuously working on establishing a biodiversity management system to systematically promote biological diversity at all relevant sites. This enables biodiversity-related impacts, risks and opportunities to be managed in a targeted manner. In addition to cross-thematic measures, the following areas of action have been identified for effective biodiversity management:

- **Action area: Integration into the Environmental Management System**
 - We are integrating biodiversity as an additional environmental aspect into the existing Environmental Management System (ISO 14001) in order to utilise existing processes, responsibilities and structures.
 - Biodiversity aspects are systematically integrated into operational processes so that all relevant areas of the company can take them into account.
- **Action area: Detailed analysis of key locations**
 - We identify key locations and record existing measures in order to create a consolidated catalogue of measures.
 - We use site profiles to highlight existing activities and identify potential for additional biodiversity-promoting measures.
- **Action area: Data**
 - We expand the data basis for reporting in order to make biodiversity progress measurable.
 - Suitable key performance indicators and improved transparency enable systematic tracking of progress in biodiversity management.
- **Action area: Evaluating new business potential**
 - We promote sites through biodiversity-enhancing measures and develop concepts that strengthen ecological functions.

Water and water resources cluster

STRABAG is continuously working to establish a water management system to ensure the responsible use of water in all business activities. This enables water-related impacts, risks and opportunities to be managed in a targeted manner. In addition to cross-thematic measures, the following areas of action have been identified for effective water management:

- **Action area: Data**
 - We are continuing to develop our data base in order to deepen our knowledge of water withdrawal and consumption. In addition to the Group's own water data, we use site-specific risk analyses to identify water risk areas, develop quantitative targets and derive and implement measures across the Group and/or at specific sites.

- **Action area: Measures**
 - We strive to reduce water consumption, for example through water efficiency measures. We are also committed to preventing wastewater pollution by reducing both the volume of wastewater and improving its quality to ensure safe discharge. Negative impacts on all forms of water bodies and aquatic ecosystems should be avoided through protective measures.
- **Action area: Governance**
 - We are developing methods to incorporate water risks and consumption reduction targets into our business decisions. This applies to our own activities and products and, in the long term, to our supply chain as well.

4. Cross-cutting measures

- We are working across all topics to identify environmental and climate risks in our own business and in the supply chain and to counteract them with appropriate measures.
- We are also continuously improving our data basis in order to define measurable and specific key performance indicators for monitoring the achievement of targets, derive measures for continuous improvement and enable transparent and consistent environmental and climate reporting.
- Responsible people and representatives have been appointed to implement, maintain and further develop the Environmental and Energy Management System. We operate an effective Environmental and Energy Management System in accordance with ISO 14001 or EMAS, ISO 50001 or equivalent.
- We establish an effective management system for sustainable supply chains and also take into account the sustainability of products and services when procuring them. This includes, for example, the climate ambitions and CO₂e-footprint of suppliers, the emissions, energy efficiency and recyclability of products and services, as well as the environmental and energy management measures of the respective suppliers and partner companies.
- We are committed to ensuring that all legal, contractual and other environmental and energy-related requirements are met in the course of our business activities and, in this sense, we practise responsible chemical management. By avoiding dust emissions, we are committed to maintaining good air quality.
- We engage in continuous dialogue with our stakeholders. To this end, we hold regular stakeholder dialogues and participate in industry initiatives and associations.

As part of the Management Review of the Environmental and Energy Management System, the Environmental and Energy Policy is assessed at regular intervals in terms of its suitability and effectiveness. This involves reviewing the ongoing appropriateness of the Environmental and Energy Policy with regard to strategic orientation, energy-related performance, environmental performance and legal and other requirements, and adjusting it as necessary.

Communication

We ensure that the Environmental and Energy Policy and Management System described here are understood, implemented and maintained at all levels of our organisation. In particular, we have set ourselves the goal of supporting the system through regular systematic training and awareness-raising measures, monitoring it in accordance with established audit procedures and extending these measures to our supply chains.

We involve all stakeholders and inform them about the criteria to be followed in accordance with this Environmental and Energy Policy. We ensure that this Policy is distributed as required and made available to interested parties and the public.

The Management Board