STRABAG
SOCIETAS EUROPAEA

ANNUAL AND SUSTAINABILITY REPORT

2023

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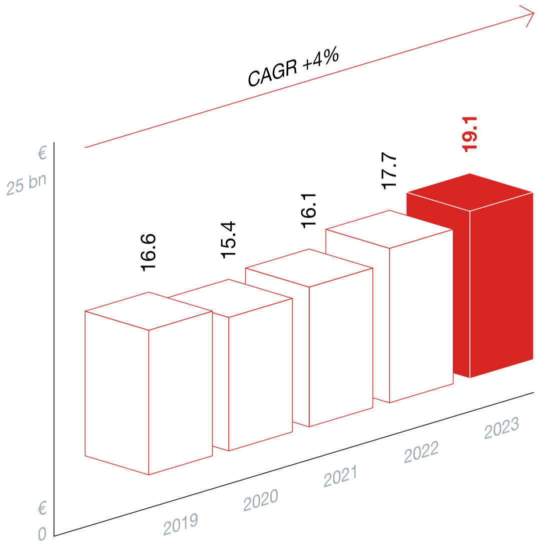
Group Management Report, Consolidated Financial Statements & Notes

Intro

2023

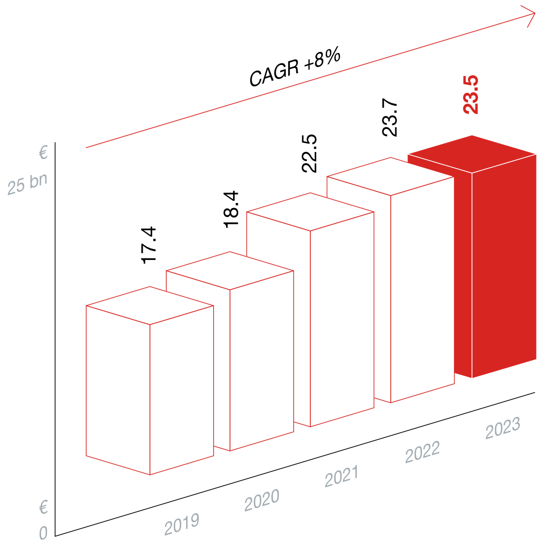
2023 in numbers

Output volume



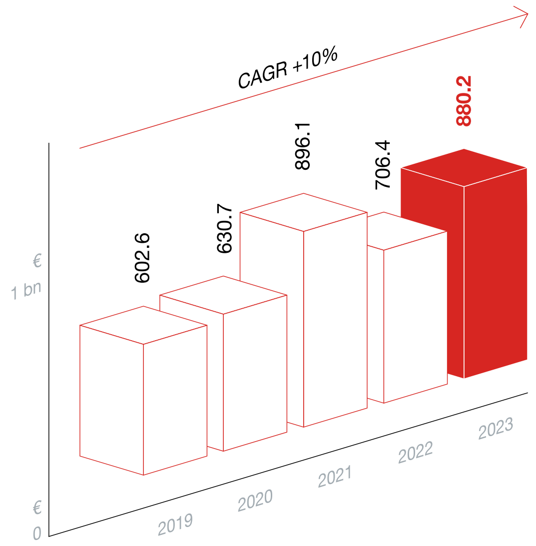
STRABAG SE generated a new record output volume in 2023, thanks in part to growth in nearly all of the Group's key markets.

Order backlog



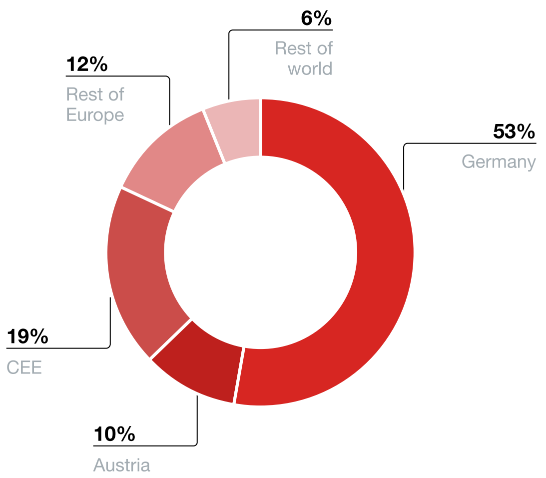
Despite sharp declines on the residential construction market, the order backlog at the end of 2023 remained nearly stable at a very high level.

EBIT



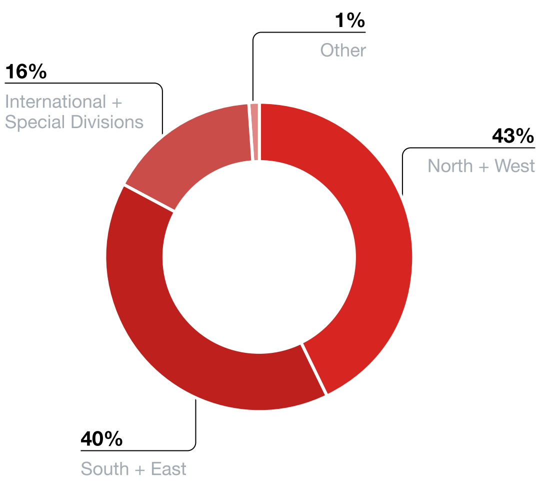
The EBIT margin showed significant growth, reaching 5.0% (2022: 4.2%) as a result of positive earnings contributions from the North + West segment.

Order backlog by region



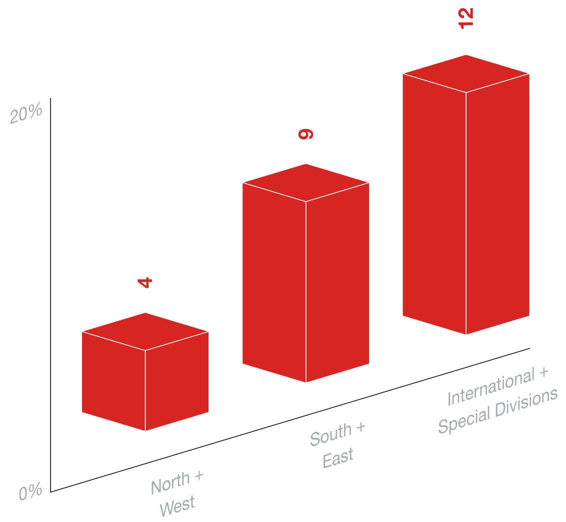
STRABAG operates in more than 50 countries around the world. The geographical distribution of the order backlog reflects the company's strong roots in Central and Eastern Europe.

Output volume by segment



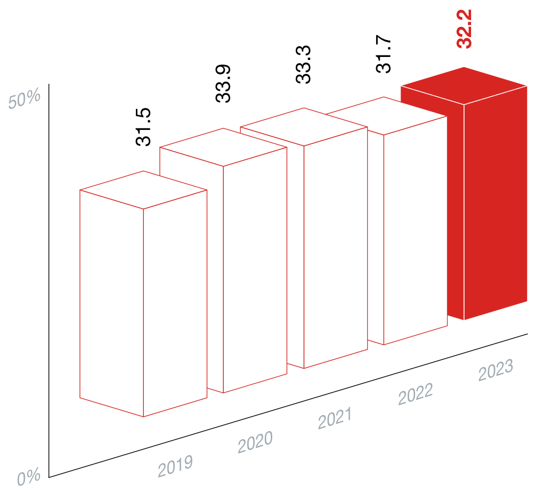
Our business activities are divided into three operating segments: North + West, South + East and International + Special Divisions. The segment Other encompasses the Group's central divisions and central staff divisions.

Output growth by segment



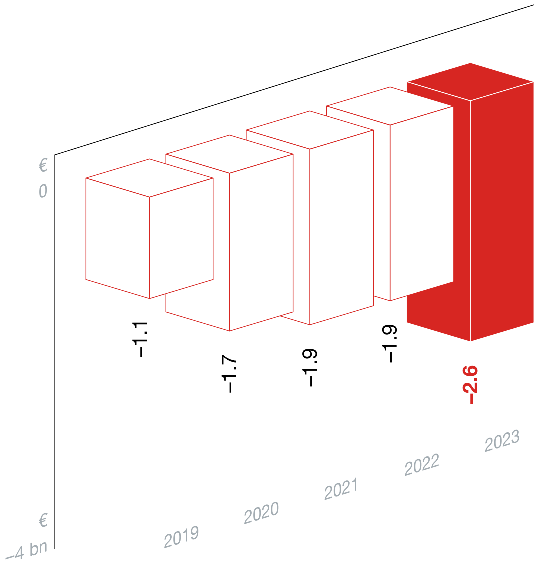
Significant growth was achieved in all three operating segments during the 2023 reporting year. The fulfilment of large and mega projects had an especially positive impact on this figure in the International + Special Divisions segment.

Equity ratio



The equity ratio of STRABAG SE remained noticeably above the 30% mark as at 31 December 2023, clearly exceeding our target of at least 25%.

Net debt



Another net cash position was reported for 31 December 2023 – with a noticeable increase due primarily to higher cash and cash equivalents and a further reduction in financial liabilities.

Key figures in detail

Key financial figures

	2019	2020	2021	2022	Δ %	**2023**
Output volume (€ mn)	16,617.97	15,446.61	16,128.92	17,735.47	8	19,139.14
Order backlog (€ mn)	17,411.48	18,369.02	22,500.85	23,738.84	-1	23,466.13
Employees (FTE)	76,919	74,340	73,606	73,740	5	77,136

Key earnings figures

	2019	2020	2021	2022	Δ %	**2023**
Revenue (€ mn)	15,668.57	14,749.74	15,298.54	17,025.85	4	17,666.54
EBITDA (€ mn)	1,113.30	1,174.45	1,445.72	1,257.21	13	1,418.31
EBITDA margin (% of revenue)	7.1	8.0	9.5	7.4		8.0
EBIT (€ mn)	602.58	630.65	896.11	706.40	25	880.20
EBIT margin (% of revenue)	3.8	4.3	5.9	4.2		5.0
EBT (€ mn)	577.24	610.05	883.54	717.07	29	924.32
Net income (€ mn)	378.56	399.06	596.40	480.13	32	633.39
Net income after minorities (€ mn)	371.70	395.22	585.71	472.45	33	630.51
Earnings per share (€)	3.62	3.85	5.71	4.60	37	6.30
ROCE (%)	7.5	7.5	10.9	9.2		12.2

Key balance sheet figures

	2019	2020	2021	2022	Δ %	**2023**
Equity (€ mn)	3,855.90	4,108.22	4,071.82	4,025.24	10	4,409.36
Equity ratio (%)	31.5	33.9	33.3	31.7		32.2
Net debt (€ mn)	-1,143.53	-1,747.23	-1,937.18	-1,927.70	-37	-2,643.24
Balance sheet total (€ mn)	12,250.81	12,134.44	12,225.77	12,683.76	8	13,706.21

Cash flow

	2019	2020	2021	2022	Δ %	**2023**
Cash flow from operating activities (€ mn)	1,075.94	1,279.66	1,220.56	812.86	>100	1,816.51
Cash flow from investing activities (€ mn)	-593.30	-349.60	-377.56	-560.42	-17	-654.87
Investments in property, plant and equipment, and in intangible assets (€ mn)	647.44	450.96	456.34	630.52	-14	540.97
Depreciation and amortisation expense (€ mn)	510.72	543.80	549.61	550.81	-2	538.12
Cash flow from financing activities (€ mn)	-411.62	-495.90	-743.90	-503.66	15	-430.58

Key share indicators and rating

	2019	2020	2021	2022	Δ %	**2023**[1]
Closing price at year's end (€)	31.00	28.45	36.65	39.10	6 / -	41.40 / 41.40
Year's high (€)	32.30	31.50	43.20	43.75	-4 / -	41.90 / 42.00
Year's low (€)	26.85	16.02	27.90	32.75	10 / -	36.00 / 36.00
Outstanding bearer shares at year's end (shares)	102,599,997	102,599,997	102,599,997	102,599,997		40,112,066 / 62,487,931
Market capitalisation at year's end (€ bn)	3.2	2.9	3.8	4.0		1.7 / 2.6
Dividend per share (€)	0.90	6.90	2.00	2.00	10	2.20[2]
Dividend payout ratio (%)	25	179	35	43		41[3]
S&P Rating	BBB	BBB	BBB	BBB		BBB

1 STRABAG shares AT000000STR1 / AT0000A36HH9

2 Dividend proposal by the Management Board of € 2.20 per dividend-bearing share

3 Based on the dividend proposal by the Management Board of € 2.20 and in relation to the increased share capital of 118,221,982 shares

Reporting profile

For the 2023 financial year, STRABAG SE has drafted a combined annual and sustainability report reflecting the situation of the Group as at 31 December 2023. This report was published on 25 April 2024.

Reporting structure and external audit

The **online annual and sustainability report 2023** of STRABAG SE can be found at report.strabag.com

Find out more

Financial and non-financial information provide insight into the fundamental economic, environmental, social/societal and corporate governance consequences of our business activity. The present report is also available in its entirety online at report.strabag.com.

In the **intro** to our combined annual and sustainability report, we present some of our key figures as well as information on the Group's corporate structure, business model and corporate strategy. This is followed by capital market information on the performance of our share and the company's ownership structure. The **consolidated corporate governance report** outlines the rules, structures and processes that STRABAG SE has implemented in the interests of good corporate governance and is an expression of our unreserved commitment to the Austrian Code of Corporate Governance (ÖCGK).

The STRABAG SE **sustainability report** (Consolidated Non-Financial Report) was prepared in accordance with the standards of the Global Reporting Initiative (GRI). It fulfils the requirements laid down in Section 267a of the Austrian Commercial Code (UGB) and consequently meets the provisions of the Austrian Sustainability and Diversity Improvement Act (NaDiVeG). In the EU Taxonomy and Appendix section of the sustainability report, STRABAG discloses its share of Taxonomy-eligible and Taxonomy-aligned economic activities with regard to turnover (revenue), capital expenditures (CapEx) and operating expenditures (OpEx) as well as its compliance with minimum social safeguards. A detailed GRI content index is also provided in this section. The sustainability report was subjected to a voluntary limited assurance engagement conducted by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz.

The **Group management report**, the **consolidated financial statements** and the **notes** to the consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS), taking into account Section 245a of the Austrian Commercial Code (UGB). These sections of the report were audited by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz, and awarded an unqualified audit opinion.

Service

The financial calendar for the 2024 financial year, the glossary and contact information for STRABAG SE Corporate Communications and Investor Relations can be found at the end of this report.

CEO's review

Klemens Haselsteiner

Dear shareholders, associates and friends of STRABAG SE

You've probably already noticed: everyone is talking about the crisis in the construction industry these days. And indeed, the general framework has shifted significantly since 2022. Factors such as high inflation, the completely changed interest rate landscape and stricter mortgage lending criteria are not at all favourable for construction companies. In this respect, 2023 signalled a clear slowdown of the construction industry after years of zero and negative interest rate policies.

But we're pleased to say: STRABAG held up extremely well even in this challenging environment. For the first time ever, we grew our **output volume** to **more than € 19 billion**, specifically to **€ 19.1 billion**.We maintained our high **order backlog**, which amounted to **€ 23.5 billion** at the end of 2023 and extends all the way into 2025. And on the earnings side, we can report significant growth as a result of positive developments in the North + West segment: earnings before interest and taxes (EBIT) was up by 25% to € 880.20 million, which corresponds to an **EBIT margin** of **5.0%** (2022: 4.2%).

This is a good time for us to leverage the strengths of our business model.

Why is that so? Because STRABAG's business model allows it to leverage its strengths especially in challenging times. Our critical size and broad positioning by country and segment have enabled us to more than compensate for declines in residential construction with new projects in commercial and industrial construction and in building construction for the public sector. Our business activities in transportation infrastructures also remain solid. The foundation for our success is our strong balance sheet. At the end of the year, we continue to report a net cash position and an equity ratio of 32.2%. These factors have also earned us external recognition, with S&P confirming our investment grade rating of BBB with stable outlook.

We are also making progress in the areas of sustainability and digitalisation. CDP recently upgraded STRABAG to a “B” score in the category of Climate Change and our EcoVadis score of 67 out of a possible 100 points is also impressive in comparison with our peers. We have also initiated numerous change processes involving innovative digitalisation initiatives. You are bearing witness to one of these changes at this very moment: the 2023 STRABAG Annual and Sustainability Report, which for the first time has been made fully accessible in an electronic format.

It is our intention to share the success of 2023 with you, our valued shareholders, by proposing a **dividend** of **€ 2.20 per share**, at the Annual General Meeting on 14 June 2024. Based on the average share price in 2023, this translates to a **dividend yield** of **5.7%.** As a result, STRABAG continues to rank among those companies in Austria with the highest dividend yield.

Apart from the achievements in the operating business, we took an important step to avert disadvantages and risks for our company by enacting a series of capital measures to reduce the stake held in STRABAG by MKAO “Rasperia Trading Limited”. With entry of the ordinary non-cash capital increase in the commercial register on 21 March 2024, the volume of shares held by MKAO “Rasperia Trading Limited” was reduced from 27.8% to 24.1%.

We are in a good position to benefit from the increased demand for refurbishment works and projects related to the energy transition.

In conclusion, a look into the future: Buoyed by last year’s strong performance, we expect to be able to confirm our record output in 2024. We are planning for an **output volume** of **around € 19.4 billion** and an **EBIT margin** of **at least 4%**. I am also convinced that our Group Strategy 2030 People. Planet. Progress. puts us in a good position to benefit from the increased demand for refurbishment works and projects related to the energy transition.

These accomplishments would not be possible without the hard work and dedication of our 86,000 staff worldwide. On behalf of my colleagues on the Management Board, I would therefore like to extend a sincere word of thanks to all our employees, customers, partners and, of course, shareholders.

Yours,

Klemens Haselsteiner
CEO

STRABAG at a glance

AN EUROPEAN KEY PLAYER IN CONSTRUCTION, INNOVATION & FINANCIAL STRENGTH

19.1
Output volume (€ bn)

23.5
Order backlog (€ bn)

5.0%
EBIT margin

~ 86,000
Employees

32.2%
Equity ratio

> 2,400
Locations

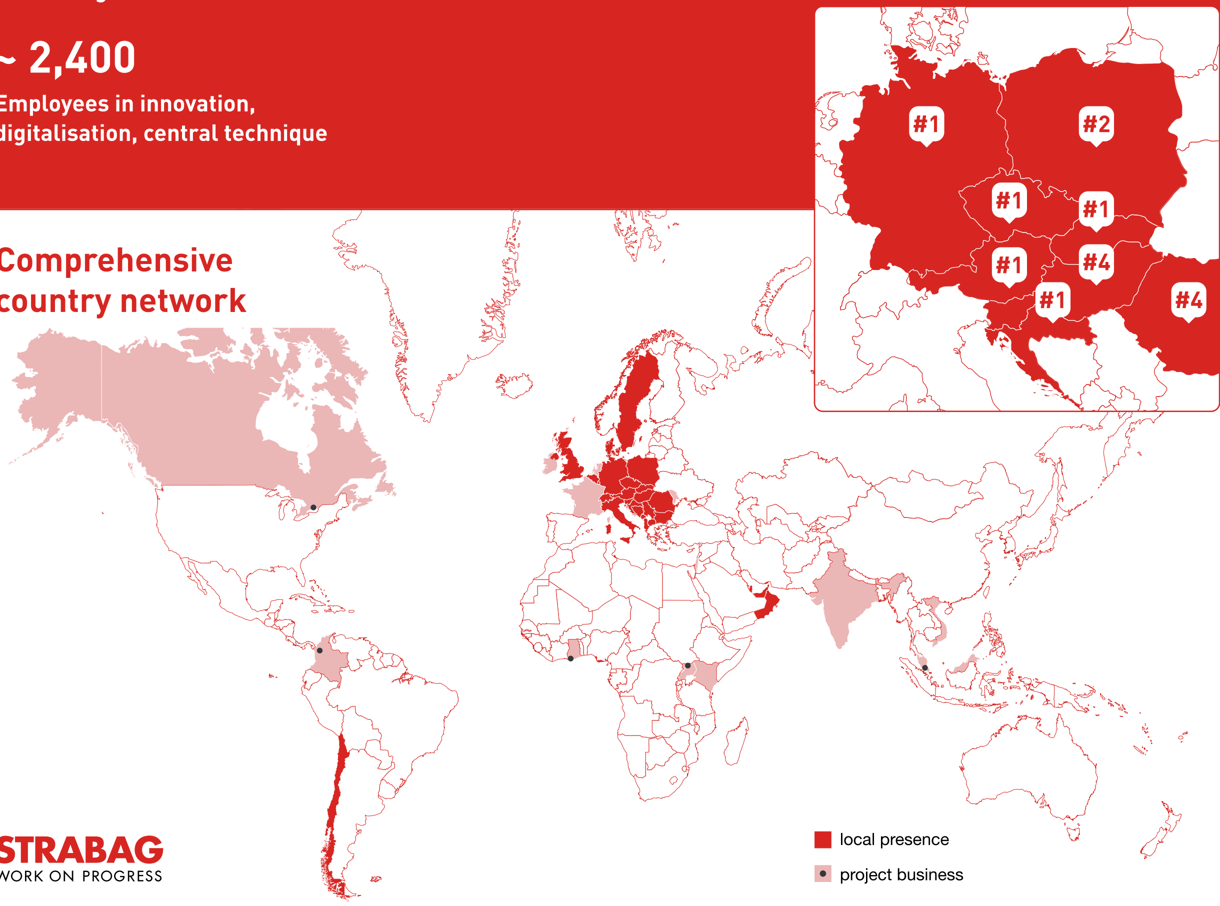
BBB, stable
S&P rating

> 50
Countries

~ 2,400
Employees in innovation, digitalisation, central technique

Market leading positions in core markets

Comprehensive country network



STRABAG
WORK ON PROGRESS

Our vision and values

STRABAG is the strongest force for building a better future.

STRABAG SE is an European-based technology group for construction services, a leader in innovation and financial strength. Our activities span all areas of the construction industry and cover the entire construction value chain. We create added value for our clients by taking an end-to-end view of construction over the entire life cycle – from planning and design to construction, operation and facility management to redevelopment or demolition. In all of our work, we accept responsibility for people and the environment: We are shaping the future of construction and are making significant investments in our portfolio of more than 250 innovation and 400 sustainability projects. Through the hard work and dedication of our approximately 86,000 employees, we generate an annual output volume of around € 19 billion.

Our dense network of subsidiaries in various European countries and on other continents extends our area of operation far beyond the borders of Austria and Germany.

Working together with strong partners, we are pursuing a clear goal: to design, build and operate construction projects in a way that protects the climate and conserves resources.

Our values in detail

Find out more

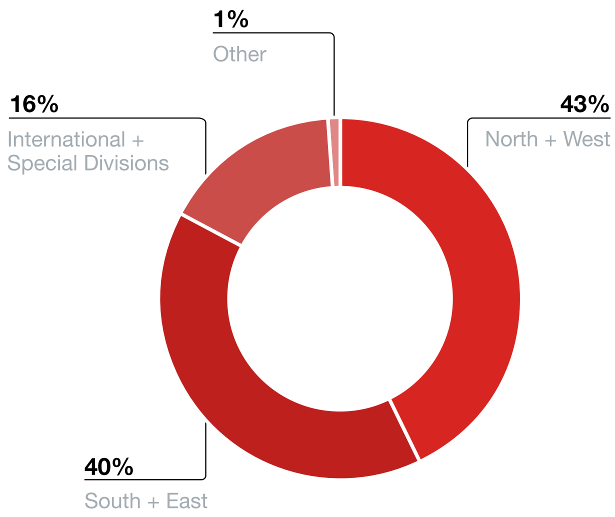
Our values

Solidarity
Respect
Reliability
Commitment
Innovative spirit
Trust
Modesty
Sustainability
Partnership

Segments

We provide our services in four segments:

Group output volume by segment 2023



North + West

The North + West segment executes construction services of nearly any kind and size with a focus on Germany, Switzerland, the Benelux countries and Scandinavia. Ground engineering can also be found in this segment.

Effective 1 January 2023, Switzerland was moved to the North + West segment, Poland to South + East. The previous year's figures have been adjusted accordingly.

€ mn	**2023**	2022
Revenue	7,280.19	7,157.26
EBIT	644.82	456.53
EBIT margin (% of revenue)	8.9	6.4
Employees (FTE)	22,136	21,683

South + East

The geographic focus of the segment South + East is on Austria, Poland, the Czech Republic, Slovakia, Hungary as well as on the region South-East Europe. The environmental technology and construction materials activities are also handled within this segment.

Effective 1 January 2023, Switzerland was moved to the North + West segment, Poland to South + East. The construction materials business, previously reported as part of International + Special Divisions, was integrated into the South + East segment with retroactive effect from 1 January 2023. The previous year's figures have been adjusted accordingly.

€ mn	**2023**	2022
Revenue	7,344.06	6,788.98
EBIT	392.57	236.89
EBIT margin (% of revenue)	5.3	3.5
Employees (FTE)	27,057	27,514

International + Special Divisions

The International + Special Divisions segment comprises the majority of STRABAG SE's non-European business in addition to its global tunnelling activities. The segment also encompasses infrastructure development, real estate development, and property and facility services, irrespective of where these are performed.

The construction materials business, previously reported as part of International + Special Divisions, was integrated into the South + East segment with retroactive effect from 1 January 2023. The previous year's figures have been adjusted accordingly.

€ mn	**2023**	2022
Revenue	2,984.48	3,061.97
EBIT	-132.10	44.81
EBIT margin (% of revenue)	-4.4	1.5
Employees (FTE)	20,360	17,526

Other

This segment contains the intra-company Central Divisions and Central Staff Divisions.

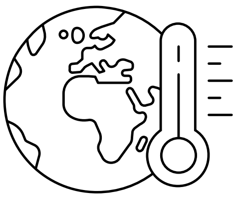
€ mn	**2023**	2022
Revenue	57.81	17.64
EBIT	3.30	1.00
EBIT margin (% of revenue)	5.7	5.7
Employees (FTE)	7,583	7,017

Business model

From global to local, from micro to mega, from public to private, the broad positioning of our business model has always been a source of strength and will ensure that we remain successful in the future.

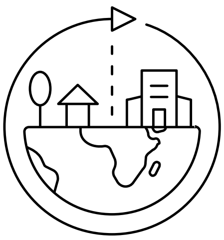
Megatrends

Buildings today are built to have a long service life, to be resource-efficient throughout their operation, and to be able to be repurposed or dismantled at the end of their life cycle. This requires forward-looking and end-to-end planning, thinking and acting. It therefore seems reasonable to conclude that the industry will continue to be of interest to long-term investors in the future and that the fundamental demand for construction services is unlikely to dry up. On the contrary, the construction sector will play a key role in the transition to climate-neutral buildings and climate-neutral infrastructure. And you don't even have to look centuries into the future here – the following megatrends are already making the construction sector an attractive option for the current decade:



Megatrend climate change

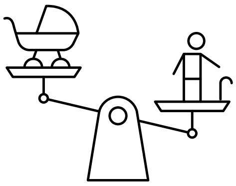
The European Green Deal aims at making Europe's building stock climate neutral by 2050. As a first step, the plan foresees a reduction of at least 55% in greenhouse gas emissions compared to 1990 levels by 2030. Much of Europe's building stock is old; at the same time, buildings account for 37% of global carbon emissions. This makes the construction industry an important lever for a better future. European and national regulations, combined with substantial financial resources, will result in the increased conversion of existing buildings for greater energy efficiency and lower emissions during operation. Europe will only achieve its climate targets if the rate of building renovation can be significantly increased.



Megatrend urbanisation

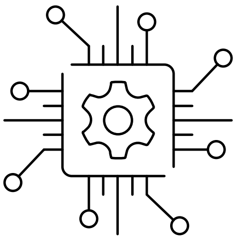
The United Nations (UN) estimates that 68% of the world's population will be living in cities by the year 2050 – this represents an increase of the urban population by 2.4 billion people. Accompanying this growth is a higher demand for infrastructure and housing. At the same time, urban space is limited, and further soil sealing should be avoided. To conserve resources and space, the field of reconstruction, conversion and refurbishment is set to play an increasingly important role in the future. The growth in population will also require more efficient infrastructure to be built. In Germany alone, a total of € 270 billion is to be invested in road and rail by 2030 as part of the Federal Transport Infrastructure Plan.

Megatrend demographics



In 2040, with the retirement of baby boomer generation, we will have a shortfall of workers by more than 10% of today's working population in our core markets. New, creative approaches will become necessary to fill this gap, especially in the construction sector. The focus will therefore be on recruiting, training, integrating and retaining international skilled labour – especially from countries with opposite demographic trends. At the same time, the demographic trend will promote and accelerate innovation in the construction industry. New methods and new ways of working will be required in order to realise future growth. Concepts such as prefabrication or modular construction – to name just two examples – will play a key role in this process.

Megatrend technology



In contrast to sectors like the automotive industry, the degree of digitalisation in the construction sector remains relatively low. Experience has shown, however, that the digitalisation and networking of data generated during the life cycle of a building holds advantages for most of the parties involved in a project – be it during the design, build or operate phases of the building. The systematic development and use of data can, for example, support risk management by using algorithms to minimise the financial risk of a construction project. Other examples include generative design, which can be used to generate countless design proposals at the touch of a button; drones, which can provide support during surveying; and weather data, as the basis for crane deployment planning. Standardisation, digital processes and automation all promise significant productivity gains for the construction industry.

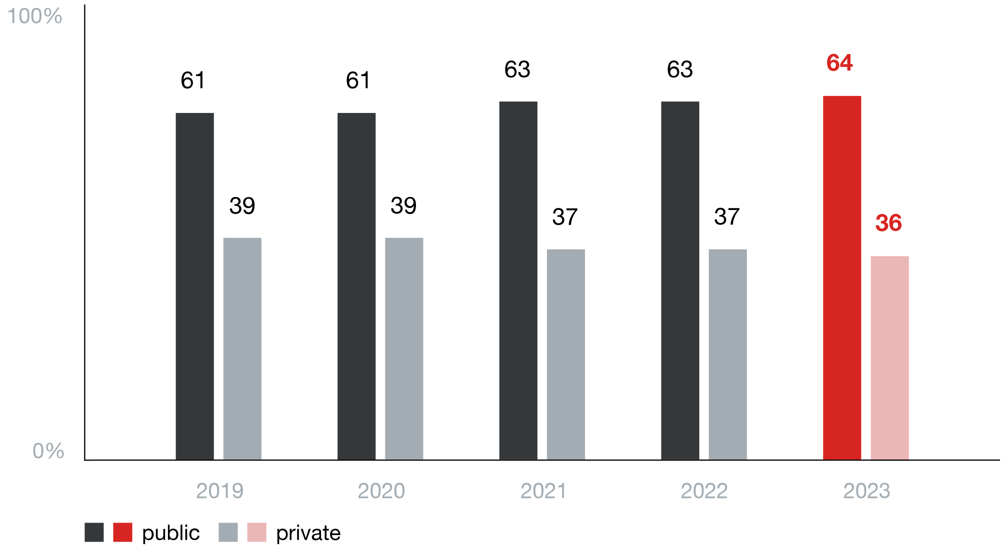
Clients

While price is usually the decisive criterion for public-sector clients, private clients often look for the best offer – and this need not always be the lowest bid. The costs over the entire life cycle are considered, including the building's operating costs. Additional criteria play a role as well: As every building is unique, clients must be able to trust the abilities of the construction company. During tender processes, we are often asked about comparable projects that we have successfully completed in the past. Just as important are the experience and expertise of the construction company's staff and the innovative solutions which may save the client money and time across the entire building life cycle.

In some parts of the public sector, the **best bidder principle** is beginning to gain a foothold. This principle entails public-sector contracts not being automatically awarded to the company with the lowest monetary bid, but also taking social, environmental and sustainability criteria into account. From an overall perspective, the best bidder principle is better for the population and for the national economy than choosing what at first glance appears to be the most favourable bid.

Every building is unique. Unlike in industries with standardised products, therefore, it is not possible in the construction sector to perform sensitivity analyses showing the influence of changes to a dominant production factor on a company's key performance indicator. Our business is not determined by just one driving factor; rather, the margins are influenced by several factors. These include certain business realities, such as the risk management system or the know-how of our employees, as well as external influences, such as economic growth (GDP) and demographic trends or the level of public infrastructure spending. An euro invested in construction leads to demand in other sectors, with the result that the positive impact is multiplied in production and employment.

Our client structure



Key aspects of the business model

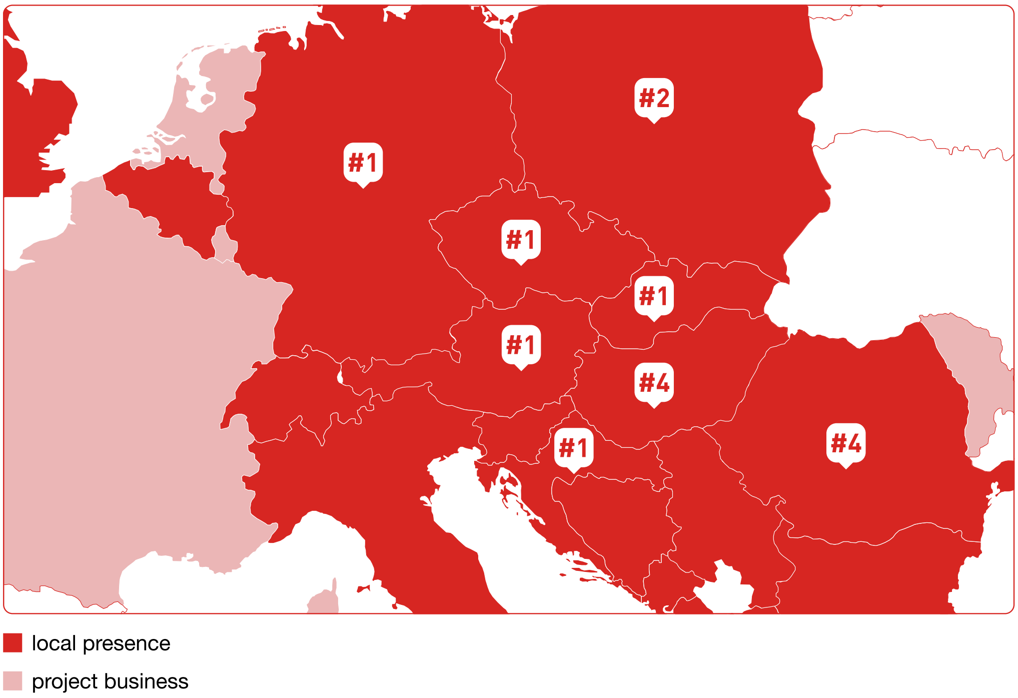
The STRABAG Group has a strong track record of sustained earnings growth over the past decade. Even when faced with a challenging economic environment, we have been able to steadily expand our earnings base – all thanks to our business model, which is characterised by the following six pillars:

- Critical size and market position
- Diversification and resilience
- Flexibility and vertical integration
- Financial strength and risk management
- Sustainability and climate neutrality
- Digitalisation and innovation

Critical size and market position

STRABAG SE is the largest construction company in Central and Eastern Europe. We are the **market leader** or one of the **largest construction companies** in each of our eight core markets of Germany, Austria, Poland, the Czech Republic, Slovakia, Hungary, Croatia and Romania. A strong market position is of crucial importance, as construction companies need a critical mass and sufficient financial resources, especially in more mature markets, in order to successfully bid for and prefinance large projects. This also makes it possible to take advantage of economies of scale. Size is further associated with qualities such as reliability and stability – and this, together with our references, creates trust among our clients.

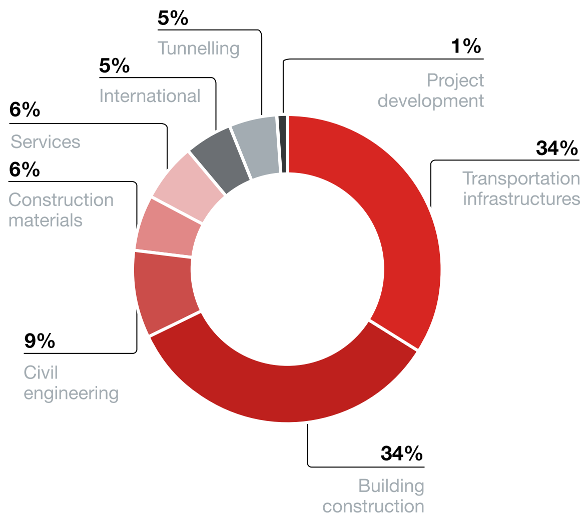
Market positions in core markets



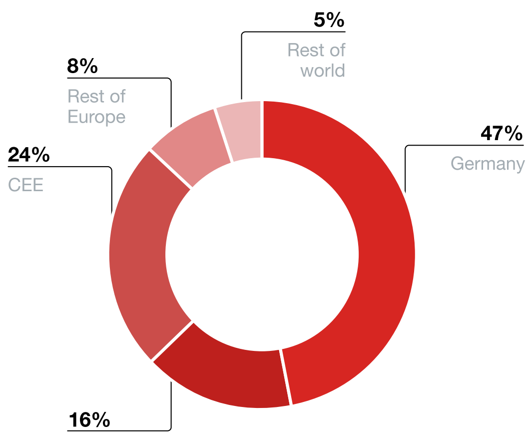
Diversification and resilience

The Group's broad positioning has proven to be one of our key success factors over the years, contributing significantly to STRABAG's resilient development. We began to focus on diversification at an early stage – **by country** and **by construction segment**. Today, STRABAG is active in **over 50 countries** and offers **services along the entire construction value chain**. This allows us to spread our risk and enables us to balance out cyclical and seasonal effects, as each construction segment follows its own cycle: In economically difficult times, for example, the public sector invests more in infrastructure as a way of stimulating the economy, and the transportation infrastructures segment booms. Lower interest rates, on the other hand, are of benefit especially in building construction.

Output volume by segment 2023



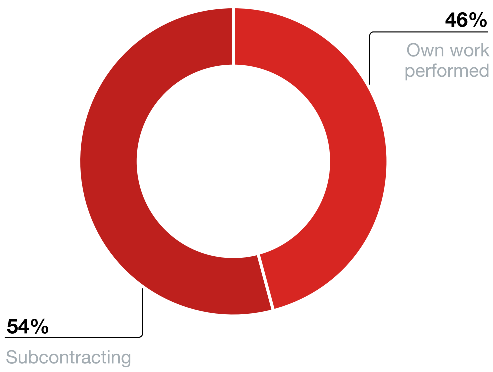
Output volume by region 2023



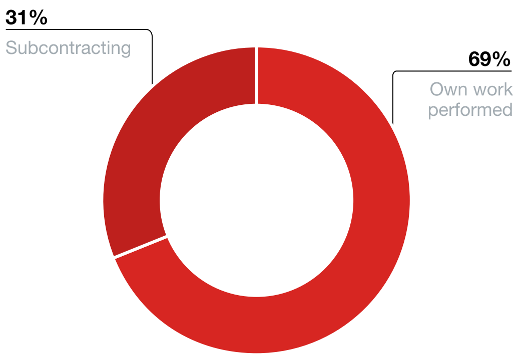
Flexibility and vertical integration

We are pursuing a flexible business model as a way to react quickly to changes in the market environment. We consider this principle to be a key competitive advantage. Our flexibility is supported in part by our **diversified portfolio**, **which extends far beyond traditional construction activities** to include areas such as building materials or property and facility services. STRABAG began to focus on vertical integration at an early stage – a strategy that has shown its worth: In times of stressed supply chains, for example, our dense network of building materials operations ensures the availability of the materials we need while balancing out the dynamic price developments. We also outsource certain trades – more so in building construction and civil engineering than in transportation infrastructures – to **subcontractors**, **which allows us to adapt our capacities to the prevailing market environment**.

Subcontracting building construction and civil engineering



Subcontracting transportation infrastructures

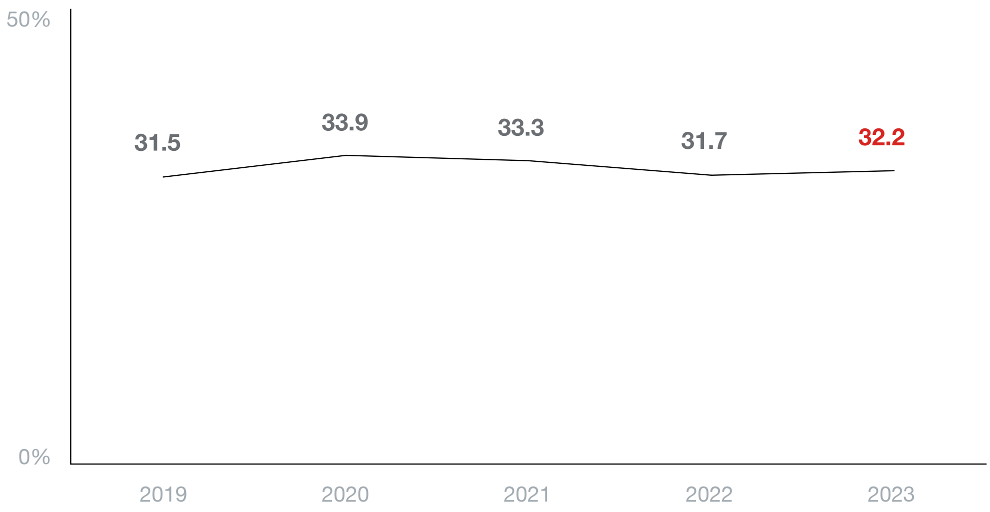


Financial strength and risk management

Financial strength is the basic prerequisite for having our bid considered. It also allows us to take advantage of business opportunities in a flexible manner, such as participating in concession projects or realising acquisitions. Maintaining our financial strength is a strategic priority for us, and we are committed to maintaining an **equity ratio of at least 25%**. Our financial strength – currently expressed by an equity ratio of 32.2% and a net cash position of € 2,643.24 million – is independently attested to and reflected by a **Standard & Poor's investment grade rating of BBB with stable outlook**, last confirmed in October 2023.

At least as important for a construction company as its financial resources is its risk management. After all, the large number of projects – each of which is unique in its own right – entails an increased risk potential. Keeping this under control requires a consistently focused organisational structure with clearly defined responsibilities and effective instruments for **active risk and opportunity management**. A system like this can only be established over the long term and therefore represents a significant competitive advantage that is difficult for the competition to copy.

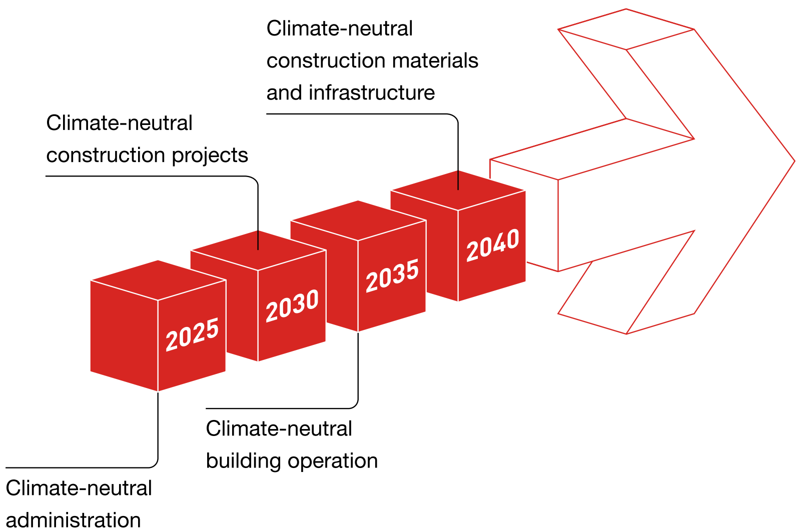
Development of the equity ratio



Sustainability and climate neutrality

The construction and operation of buildings are commonly acknowledged as carbon-intensive activities. But this also means that changing just one thing results in many other changes elsewhere. This is precisely the progress we are working on – with **over 400 sustainability projects** across the Group. Our sustainability activities are based on our sustainability strategy, which is part of our long-term corporate strategy. The focus here is on activities in the four main action areas: CO_2 emissions, materials and waste, supply chain, and construction life cycle. As part of our sustainability strategy, we have set ourselves the ambitious goal of **becoming climate neutral** along the entire value chain **by 2040**, thereby clearly recognising our responsibility as one of Europe's leading technology companies for construction services.

Our path to becoming climate neutral



Innovation and digitalisation

Today, STRABAG is no longer just a construction company, but a leading construction technology group. In 2020, a new central division, STRABAG Innovation & Digitalisation (SID), was established in part to reflect our commitment to **technology leadership**. SID, which reports directly to the CEO, is driving forward STRABAG's **digital transformation** while handling over 250 innovation projects with 425 experts at more than ten locations across the Group. The aim is to increase our productivity, counteract the labour shortage, reduce CO_2 emissions and ensure STRABAG's competitiveness in the long term. Specific ways in which we are doing this include standardisation (e.g. prefabrication or modular construction), digital processes (e.g. BIM 5D® or GIS data) and automation (e.g. construction robotics).

Strategy

We aim for profitability, but we also intend to create value for people and the planet. In keeping with this aim, our strategy focuses on three aspects: **People. Planet. Progress.** These are our guideposts pointing us in the right direction.

Successful, sustainable management does not mean looking only one-dimensionally into the future. We want to achieve more.

Klemens Haselsteiner
CEO STRABAG SE

WORK ON PROGRESS

Video on the 2030 strategy

STRABAG is the strongest force to build a better future. We want more:

For people. For the planet. For progress.

On this basis, we have defined the following six key strategic topics:

Focus on employees

Global-local presence

Circular economy

Expertise in energy sector

Technology leadership

Depth of value creation

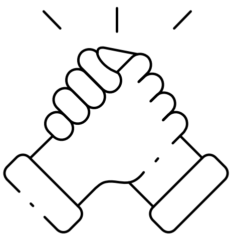
We have set ourselves ambitious targets for the current strategy period:

We are convinced that People. Planet. Progress. also makes us more successful economically. With this in mind, we are aiming for an EBIT margin of 6% by 2030.

PEOPLE

More for people.

We build for people and with people. Each project creates added value for our colleagues and for society. In the first pillar of our Strategy 2030 – People. – we are focussing on the following core topics:



Focus on employees

We are taking an integrated approach to recruiting, training and rewarding our colleagues. We are committed to diversity, firmly convinced that more diverse teams perform better. We are also establishing an overarching learning culture and want to promote the efficient use of internal knowledge.

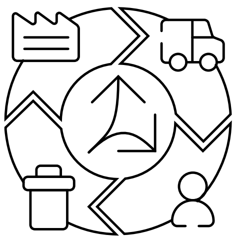
Global-local presence

We see expansion into international markets and consolidation as strong factors driving growth. For this reason, we promote decision-making competence at the local level so we can precisely understand the circumstances of the individual markets and manage them profitably.

PLANET

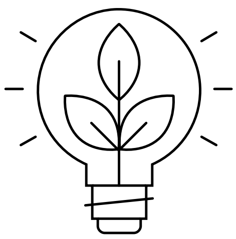
More for the planet.

We are working to combat climate change – guided by our intention to make our projects climate neutral by 2040 and to intensify construction in the energy sector. The second pillar of our Strategy 2030 – Planet. – focuses on the following core topics:



Circular economy

We are expanding our expertise in the procurement and handling of construction materials as well as in deconstruction and recycling. This allows us to increase our resource efficiency continuously.



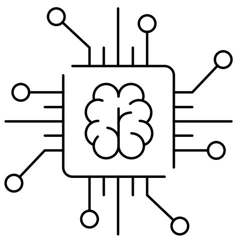
Expertise in energy sector

By cutting emissions associated with construction materials, processes and equipment from end to end, we are reducing our negative impacts on the environment. We are also implementing projects in the energy sector in order to profitably participate in the energy transition and build up the corresponding expertise.

PROGRESS

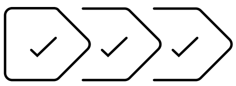
More for progress.

We are a technology pioneer in construction. We think ahead, we engage in data-driven decision-making and we question the status quo in order to continuously develop new expertise. In the third pillar of our Strategy 2030 – Progress. – we are working on the following core topics:



Technology leadership

We are shaping the future of construction by employing new technologies. We develop in-house innovations to the point of market readiness, pursue partnerships and acquisitions, and strengthen our skills across the Group, especially in the field of data.



Depth of value creation

We strengthening our capabilities across the entire life cycle of our buildings, from design and construction to facility management and operation to demolition and deconstruction. Through earlier involvement, longstanding relationships and a wide range of services, we are continuously deepening our own value creation.

Investor relations

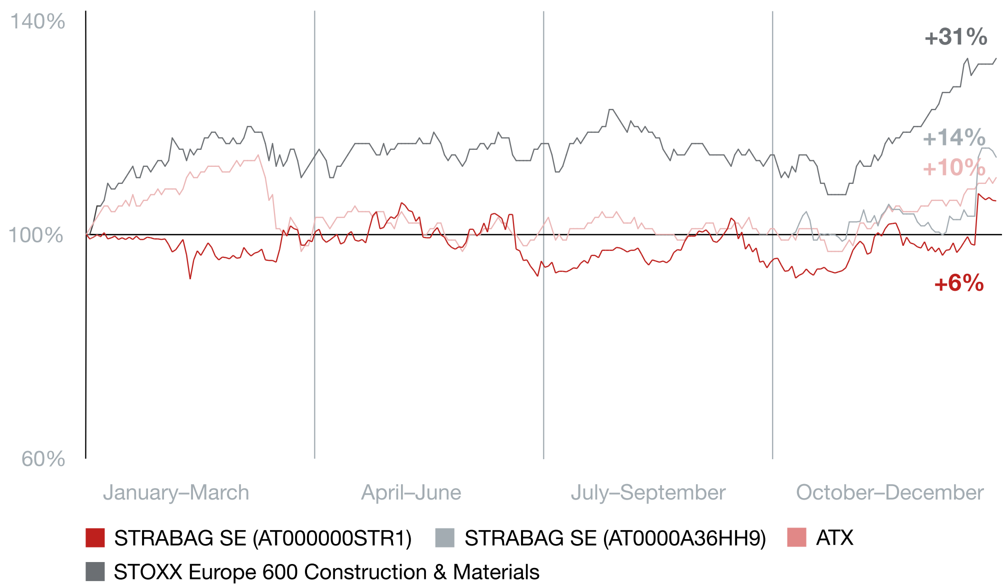
STRABAG SE has been listed in the Vienna Stock Exchange's top Prime Market segment since 2007. Represented in the ATX Top Dividend price index, STRABAG SE's shares are among the ATX Prime's top stocks with the highest dividend yield.

STRABAG SE shares

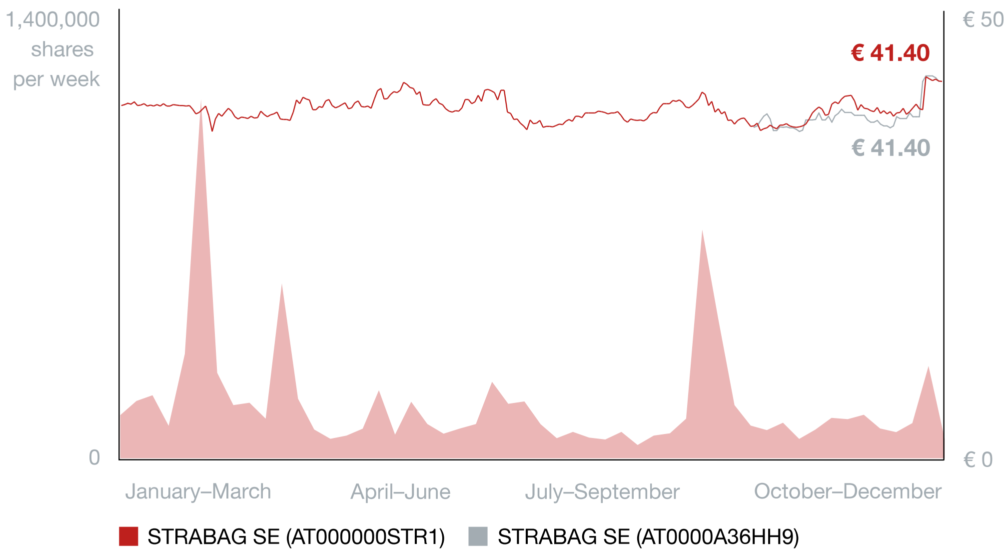
From an investor perspective, the 2023 stock market year was positive overall. This trend emerged in the first two months of the year, before the collapse of three regional US banks in March triggered a short-term correction on the capital market. After a prolonged phase of price volatility, hopes of a trend reversal in key interest rates and an easing of inflationary pressure provided fresh momentum on the markets in the fourth quarter. Overall, most stock markets saw extremely positive price performance in 2023, reflected in the strong 22% rise in the **MSCI World** global stock market index. Germany's **DAX** index (+20%) and the **Dow Jones** index of blue-chip industrial stocks (+14%) both reached new all-time highs in the past year. The pan-European **EURO STOXX 50** share index was similarly strong, posting an increase of 19%. The UK's leading index, the **FTSE 100**, ended the year somewhat behind, but still with comparatively slight growth of 4%.

The Vienna Stock Exchange also benefited from the positive trend on the global stock markets. Although the country's benchmark **ATX** index was barely able to pick up speed after the first quarter, it ended up closing the year with a plus of 10% thanks to a successful final spurt in the fourth quarter. The sector index **STOXX Europe 600 Construction & Materials** performed significantly better, recording growth of 31% in the same period.

STRABAG SE share price vs. benchmark indexes 2023



Trade volume of STRABAG SE shares vs. share price 2023



In September 2023, STRABAG SE began to gradually implement the capital measures that had been unanimously approved at the company's 19th Annual General Meeting with the aim of reducing the shareholding interest in STRABAG held by MKAO "Rasperia Trading Limited" – a company controlled by the sanctioned Russian citizen Oleg Deripaska – from 27.8% to less than 25%. This essentially involved a conditional distribution from the reserves of STRABAG SE, with each shareholder given the option of receiving the distribution in the form of new shares or in cash. The share option required those existing shares for which the option was exercised to be temporarily assigned a new ISIN AT0000A36HH9. For this reason, we are providing key share figures below for both the regular STRABAG SE stock (ISIN AT0000STR1) as well as the STRABAG SE share variant (ISIN AT0000A36HH9). The final step of the capital measures was an ordinary non-cash capital increase caried out in March 2024 through the issue of around 15.6 million new shares, with the effect of reducing the stake held by MKAO "Rasperia Trading Limited" in STRABAG SE to 24.1%. The newly issued shares will be listed on the Vienna Stock Exchange under their own ISIN AT0000A36HJ5 until further notice. The shares that had been temporarily assigned ISIN AT0000A36HH9 were reassigned back to the regular ISIN AT000000STR1 following implementation of the ordinary non-cash capital increase.

€ 41.40

STRABAG SE share price at year's end 2023

STRABAG SE shares (ISIN AT0000STR1) closed the year at € 41.40 with a performance of +6%. The shares reached their lowest value of € 36.00 on 9 February 2023 before continuing their dynamic performance over the rest of the year. In December, Raiffeisen Bank International AG announced its intention to acquire the 27.8% stake in STRABAG SE held by MKAO "Rasperia Trading Limited" via its Russian subsidiary. The announcement gave STRABAG SE shares a significant boost. As a result, the regular STRABAG SE shares reached a high of € 41.90 on 20 December 2023. Price growth was also observed for the temporary shares (ISIN AT0000A36HH9), which, following their high of € 42.00, ended 2023 in line with the closing price of the regular STRABAG SE shares.

Key share indicators

	2019	2020	2021	2022	**2023**
STRABAG share AT000000STR1					
Closing price at year's end (€)	31.00	28.45	36.65	39.10	41.40
Year's high (€)	32.30	31.50	43.20	43.75	41.90
Year's low (€)	26.85	16.02	27.90	32.75	36.00
Year's average (€)	29.84	26.18	35.19	38.56	38.39
Outstanding bearer shares at year's end (shares)	102,599,997	102,599,997	102,599,997	102,599,997	40,112,066
Average trade volume per day (€ mn)[1]	0.6	0.8	1.4	2.0	1.3
Number of STRABAG SE shares traded (shares)[1]	4,774,282	8,008,702	10,162,508	13,220,734	8,581,074
Volume of STRABAG SE shares traded (€ bn)[1]	0.1	0.2	0.4	0.5	0.3
STRABAG share AT0000A36HH9					
Closing price at year's end (€)					41.40
Year's high (€)					42.00
Year's low (€)					36.00
Year's average (€)					37.75
Outstanding bearer shares at year's end (shares)					62,487,931
Average trade volume per day (€ mn)[1]					0.1
Number of STRABAG SE shares traded (shares)[1]					90,092
Volume of STRABAG SE shares traded (€ mn)[1]					3.5
STRABAG shares AT000000STR1 & AT0000A36HH9					
P/E ratio on 31 December	9	7	6	9	7
Earnings per share (€)	3.62	3.85	5.71	4.60	6.30
Book value per share (€)	37.3	39.8	39.4	39.0	42.8
Outstanding bearer shares at year's end (shares)	102,599,997	102,599,997	102,599,997	102,599,997	102,599,997
Market capitalisation at year's end (€ bn)	3.2	2.9	3.8	4.0	4.3
Dividend per share (€)	0.90	6.90	2.00	2.00	2,20[2]
Dividend payout ratio (%)	25	179	35	43	41[3]
Dividend yield (%)[4]	3.0	26.4	5.7	5.2	5.7
Share capital (€ mn)	110	110	103	103	103

1 Double count

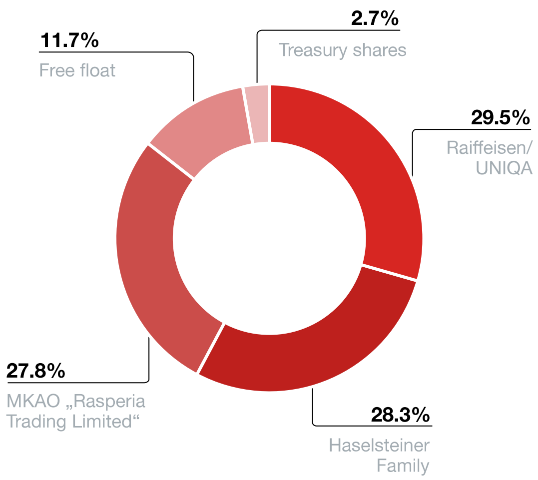
2 Dividend proposal by the Management Board of € 2.20 per dividend-bearing share

3 Based on the dividend proposal by the Management Board of € 2.20 and in relation to the increased share capital of 118,221,982 shares

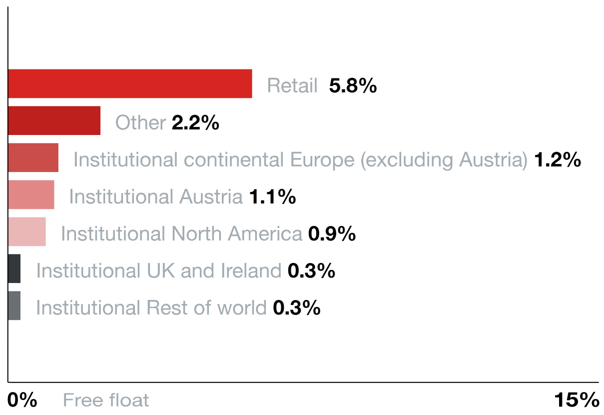
4 Calculated on the basis of the year's average share price of the STRABAG share AT0000STR1

Shareholder structure

Shareholder structure as at 31 Dec. 2023



Distribution of free float as at January 2024



The **shareholder structure** of STRABAG SE changed slightly in the 2023 financial year. The shareholdings of the Haselsteiner family, Raiffeisen Group, UNIQA Group and MKAO “Rasperia Trading Limited” remained unchanged. A total of 2,779,006 STRABAG SE shares (2.7% of the share capital) tendered by the Austrian core shareholders in an anticipatory mandatory offer were acquired by STRABAG SE and are held as treasury shares on the balance sheet. The free float of STRABAG SE shares therefore decreased from 14.4% to 11.7%. To our knowledge, no investor other than the core shareholders holds more than 5% of the company.

With the implementation of the ordinary non-cash capital increase in March 2024, the increased share capital of € 118,221,982 now results in the following shareholder structure:

- Haselsteiner family: 30.7%
- Raiffeisen/UNIQA: 31.9%
- MKAO “Rasperia Trading Limited”: 24.1%
- Free float: 10.9%
- Treasury stock: 2.4%

In January 2024, we commissioned a **shareholder ID** to determine the composition of the **free float**. The percentage of retail investors declined slightly to 5.8% (2022: 6.0%). Compared to the previous year, the percentage of institutional investors fell from 5.2% to 3.8%. Several large shareholders, predominantly from North America, tendered blocks of shares as part of the anticipatory mandatory offer made by the Austrian core shareholders. As a result, the regional focus shifted to continental Europe (1.2%), followed by Austria (1.1%) and North America (0.9%). Investors from the UK and Ireland continued to play a subordinate role, accounting for 0.3%.

Oleg Deripaska was added to the EU sanctions list on 8 April 2022 and is subject to Council Regulation (EU) No 269/2014 of 17 March 2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine (EU Sanctions Regulation). As a consequence, all funds and economic resources belonging to, owned, held or controlled by Oleg Deripaska or by natural or legal persons associated with him are to be frozen (“asset freeze”). This asset freeze must also be ensured with regard to the STRABAG SE shares held by MKAO “Rasperia Trading Limited”, which is controlled by Oleg Deripaska.

MKAO “Rasperia Trading Limited” has therefore since 8 April 2022 been excluded from exercising control (voting rights, right to information, right to participate, right to propose resolutions) and asset rights (e.g. dividend distribution) in connection with the shares of STRABAG SE until the sanctions cease to apply.

On 19 December 2023, the Management Board of STRABAG SE was informed by the Russian joint stock corporation Iliadis JSC and Oleg Deripaska, by means of a major holdings notification pursuant to Sections 130ff of the Austrian Stock Exchange Act (BörseG), that Iliadis JSC on 14 December 2023 concluded a purchase agreement for 100% of the shares in MKAO “Rasperia Trading Limited”. On the same day, the Management Board of STRABAG SE was informed that Raiffeisenbank International AG wants to acquire the 28,500,000 shares in STRABAG SE held by MKAO “Rasperia Trading Limited”. On 26 March 2024, the company was informed by means of major holdings notifications pursuant to Sections 130ff of the Austrian Stock Exchange Act (BörseG) that the transaction in Russia that had been announced in December 2023 had been completed and that MKAO “Rasperia Trading Limited” had been transferred to Iliadis JSC. According to these notifications, MKAO “Rasperia Trading Limited”, with its 24.1% stake in STRABAG SE, is now controlled by Iliadis JSC, and Oleg Deripaska has relinquished his previous (indirect) control. The company has no further information regarding the transaction that has now been completed as announced in the major holdings notifications. It is therefore currently not possible to carry out a sanctions review, so that the company continues to assume that the STRABAG shares held by MKAO “Rasperia Trading Limited” remain frozen in accordance with the EU Sanctions Regulation. The company had no concrete information on the implementation status of the intended acquisition by Raiffeisenbank International AG at the time of the audit opinion.

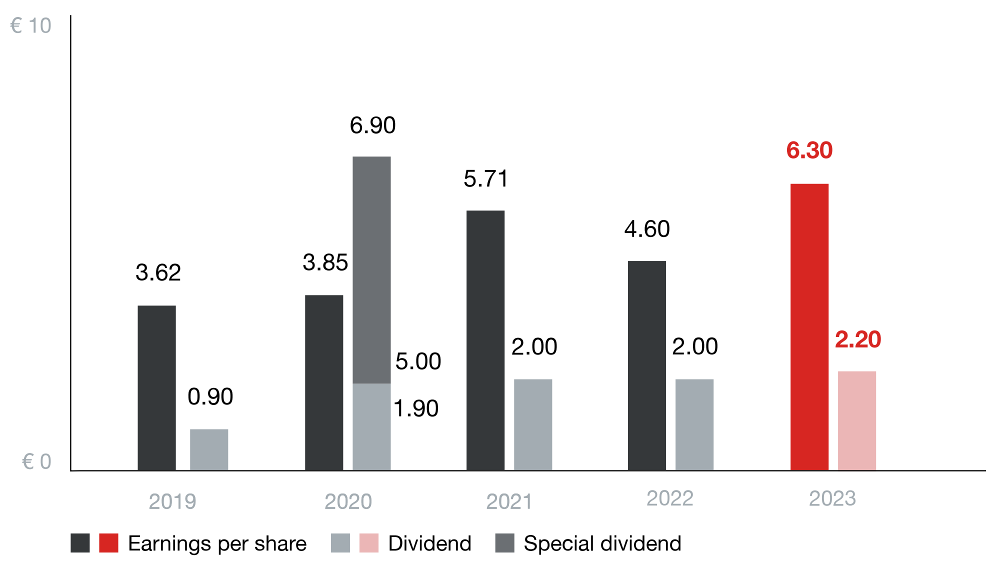
Further details can be found in the management report under “Disclosures pursuant to Section 243a Para 1 UGB”.

Dividend

€ 2.20 per share
Proposed dividend

STRABAG places great value on a constant **dividend policy**. The Management Board is keeping to its goal of paying out 30–50% of the net income after minorities to company shareholders in the form of a dividend once a year. The exact payout ratio is determined by the general development of the business as well as by the Group’s opportunities for growth. Accordingly, the Management Board will propose to the Annual General Meeting on 14 June 2024 a dividend of € 2.20 per dividend-bearing share for the 2023 financial year. In view of the increased share capital of 118,221,982 shares, this brings the payout ratio to 41%. The dividend yield is 5.7% based on the average price of the STRABAG SE shares.

Earnings per share and dividend



Annual General Meeting 2023

The agenda of the 19th Annual General Meeting held on 16 June 2023 contained seven items for resolution. With a majority of the votes cast, the Annual General Meeting approved the actions of the Management Board and of the Supervisory Board, resolved to pay a dividend of € 2.00 per no-par share and selected the auditor for the 2023 financial year. The remuneration report on the principles for remuneration of the members of the Management Board and the Supervisory Board was also presented to the Annual General Meeting.

The capital measures proposed by the Management Board to the Annual General Meeting to reduce Rasperia's shareholding to below 25% were unanimously approved. MKAO "Rasperia Trading Limited" contested the resolutions passed by the 19th Annual General Meeting in this regard, although the action was dismissed by the Regional Court of Klagenfurt. The ruling is not yet final, however. An action brought by MKAO "Rasperia Trading Limited" against the resolutions of the 18th Annual General Meeting of 24 June 2022 was dismissed by both the Regional Court of Klagenfurt and by the Higher Regional Court in Graz. These proceedings have not yet been finalised. Another action brought by MKAO "Rasperia Trading Limited" against the resolutions of the Extraordinary General Meeting of 5 May 2022 was also dismissed by both the Regional Court of Klagenfurt and the Higher Regional Court of Graz. These proceedings have not yet been finalised either.

Annual General Meeting 2024

The next Annual General Meeting will be held on 14 June 2024. The record date for confirmation of shareholding is 4 June 2024. Details regarding the correct procedure can be found on the website of STRABAG SE.

Corporate credit rating

BBB, stable
S&P confirms corporate credit rating in 2023

STRABAG SE and any bonds it issues are regularly rated by the international ratings agency Standard & Poor's (S&P). In November 2007, S&P raised the corporate credit rating for STRABAG SE from BB+ to BBB-, thus elevating STRABAG SE to "investment grade". In June 2015, S&P raised the credit rating another level to BBB with stable outlook. The rating was last confirmed in October 2023. The key indicators that had led to the ratings increase continued to develop well, according to S&P. STRABAG SE's strengths and opportunities are seen above all in the stable margins in an otherwise quite cyclical market environment, the strategic access to raw materials, the strong market positions and the very good reputation in the credit markets.

Investor relations

In addition to the mandatory semi-annual reporting and the trading statements for the first and third quarters, we informed 72 capital market participants (2022: 57) in 38 one-on-ones (2022: 28) and in group talks last year. We took part in three (2023: six) **roadshows and investor conferences** organised by Erste Group, Raiffeisen Bank International and the Vienna Stock Exchange.

On 7 September 2023, we held a Capital Markets Day for analysts and investors in Vienna titled "Strategic Update 2030". Approximately 50 participants attended the event in person and via livestream. CEO Klemens Haselsteiner and experts from STRABAG presented the new 2030 corporate strategy "People. Planet. Progress." An ESG update rounded off the event.

Our corporate calendar contains all the dates for upcoming earnings announcements and the Annual General Meeting. The calendar is available on the website of STRABAG SE.

Current analyst assessments of the STRABAG SE share

Find out more

Analyst research provides current as well as potential shareholders with a first indication of the assessment of STRABAG SE. At this time, STRABAG SE is regularly analysed by four banks, which issue target prices and recommendations for our stock:

- Erste Group, Vienna (Michael Marschallinger)
- Kepler Cheuvreux, Vienna (Patrick Steiner)
- LBBW, Stuttgart (Jens Münstermann)
- Raiffeisen Bank International, Vienna (Markus Remis)

Information about STRABAG SE

STRABAG SE's Investor Relations department reports directly to the CEO and sees itself as the service department for existing and potential private shareholders, institutional investors and analysts, as well as the point of contact for capital market issues for the Group's operating units. For us, quick response times, comprehensive information and a constant dialogue with the capital market and the general public are a matter of course. We place great importance on informing all shareholder groups quickly and simultaneously. Our aim is to keep our investor relations activities strong with a steady flow of information and to support the analysts in correctly evaluating the STRABAG SE shares. If you would like to receive investor information from us as well, please register for the **Investor Relations newsletter** on the website of STRABAG SE or give us a call.

STRABAG SE
Investor Relations

Marco Reiter
Head of Investor Relations

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Corporate Governance

2023

Consolidated corporate governance report

2023

General principles

STRABAG SE is fully committed to the Austrian Code of Corporate Governance and has implemented a comprehensive set of rules, structures and processes to ensure a well-functioning governance.

Consolidated report

The present report is a consolidated corporate governance report as defined by Sec 267b UGB (Austrian Commercial Code) which also covers the corporate governance report as defined by Sec 243c UGB.

Commitment to the Austrian Code of Corporate Governance

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

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

Formal Obligation and Evaluation to the Austrian Code of Corporate Governance

Find out more

The Austrian Code of Corporate Governance defines three categories of rules: L-Rules refer to legal requirements with mandatory compliance on the part of publicly listed companies in Austria. Deviation from C-Rules (comply or explain) must be explained publicly and the reasons stated. R-Rules are recommendations requiring neither disclosure nor explanation. The version of the Code that was valid for the 2023 financial year is the January 2023 version. It is available for download from the website of the Austrian Working Group for Corporate Governance and from the website of STRABAG SE.

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

Non-compliance with the Austrian Code of Corporate Governance

January 2023 version

C-Rule 2

On the basis of a resolution passed by the Annual General Meeting, the shares of STRABAG SE include two special registered shares with an associated right to nominate one member of the Supervisory Board each. Registered share No. 1 is held by Klemens Peter Haselsteiner and No. 2 by MKAO "Rasperia Trading Limited". As MKAO "Rasperia Trading Limited" is subject to EU sanctions, its right to nominate a member of the Supervisory Board is currently suspended. The right to nominate associated with registered share No. 1 binds a significant shareholder group more strongly to the company and guarantees the availability of know-how for Supervisory Board. This is in the interest of good corporate governance and represents a long-term advantage for STRABAG SE, which further benefits especially from the commitment, expertise and experience of the respective Supervisory Board member.

C-Rule 27

It is a key concern for STRABAG SE that the remuneration of the Management Board members be made according to measurable criteria in a way that is transparent and easily comprehensible. The remuneration of the Management Board is based on the specific tasks and responsibilities as well as the size and the economic situation of the company. Another factor that is considered is the competitiveness of the remuneration on the market. The variable component of the remuneration takes into account the shareholders' interest in a positive development of the company and increases the motivation of the Management Board to take measures that sustainably improve the net income in the long term. The variable remuneration is measured on the basis of financial indicators that best reflect the long-term success and economic situation of the company. Non-financial performance criteria that can be applied across the Group are being evaluated, but currently still pose a significant challenge in terms of defining, measuring and controlling corresponding target values (key performance indicators). A differentiated and separate definition of non-financial performance criteria for each division would be detrimental to transparency and ease of understanding. As a result of thorough debate in the Executive Committee of the STRABAG SE Supervisory Board, the decision was made not to use non-financial criteria to calculate the remuneration of the members of the Management Board.

Boards

The Management Board of STRABAG SE brings together business management and engineering expertise with many years of experience. Its members are responsible for maintaining the financial balance and strategic objectives of the Group.

Management Board

From left to right: Alfred Watzl, Jörg Rösler, Klemens Haselsteiner (CEO), Siegfried Wanker, Christian Harder

Klemens Haselsteiner, BBA, BF
CEO

Year of birth	**1980**
Citizen of	**Austria**
Appointment	**1 January 2020**

Klemens Haselsteiner completed a bachelor's degree in business administration at DePaul University in Chicago and the Advanced Management Program at the Wharton School of the University of Pennsylvania before starting his career in 2004 at the auditing firm KPMG in Austria. After completing his civil service and gathering work experience at a Russian industrial group, he joined the STRABAG Group in Russia in 2011, where he worked as a commercial project manager, among other things. From 2015, he was employed at the Stuttgart subdivision of the German STRABAG Group company Ed. Züblin AG – initially as commercial business unit manager for turnkey construction, as of 2018 as commercial subdivision manager. Klemens Haselsteiner has been a member of the Management Board of STRABAG SE since 1 January 2020 with responsibility for the areas of innovation, digitalisation and sustainability. Since 1 January 2023, he has been entrusted with the function of CEO of STRABAG SE.

Responsible for
Central Staff Divisions and Central Divisions BMTI, CML, SID, TPA and ZT, Winding up Russia

Start of current period of office
1 January 2023

End of current period of office
31 December 2026

Supervisory board mandates or similar functions in national or foreign companies not included in the consolidated financial statements
None

Management and supervisory tasks at important[1] subsidiaries
Ed. Züblin AG, Germany (Member of the Supervisory Board until 30 August 2023)
STRABAG AG, Germany (Member of the Supervisory Board until 30 August 2023)
STRABAG AG, Austria (Member of the Supervisory Board)
STRABAG Property and Facility Services GmbH, Germany (Member of the Supervisory Board until 30 August 2023)
STRABAG Property and Facility Services GmbH, Austria (Member of the Supervisory Board)
Böhm Stadtbaumeister & Gebäudetechnik GmbH, Austria (Member of the Supervisory Board)

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

Mag. Christian Harder
CFO

Year of birth	**1968**
Citizen of	**Austria**
Appointment	**1 January 2013**

Christian Harder completed a degree in applied business administration at the University of Klagenfurt before joining the STRABAG Group through its predecessor Bau Holding Group in 1994. He advanced to director of accounting, to head of financial accounting and, finally, to central division director of Bau-, Rechen- und Verwaltungszentrum Gesellschaft m.b.H. (today STRABAG BRVZ GmbH). From 2008, he held the position of chairman of the central division management of BRVZ. He was appointed CFO of STRABAG SE effective 1 January 2013.

Responsible for
Central Division BRVZ

Start of current period of office
1 January 2023

End of current period of office
31 December 2026

Supervisory board mandates or similar functions in national or foreign companies not included in the consolidated financial statements
Syrena Immobilien Holding AG (Chairman of the Supervisory Board since 3 March 2023)

Management and supervisory tasks at important[1] subsidiaries
Ed. Züblin AG, Germany (Member of the Supervisory Board until 30 August 2023)
STRABAG AG, Germany (Member of the Supervisory Board until 30 August 2023)
STRABAG AG, Austria (Vice Chairman of the Supervisory Board)
STRABAG Property and Facility Services GmbH, Germany (Member of the Supervisory Board until 30 August 2023)
STRABAG Property and Facility Services GmbH, Austria (Member of the Supervisory Board)
Böhm Baumeister & Gebäudetechnik GmbH, Austria (Member of the Supervisory Board)
AKA Alföld Koncessziós Autópálya Zártkörüen Müködo Részvénytársaság, Hungary (Member of the Supervisory Board)
STRABAG Sp. z o.o., Poland (Member of the Supervisory Board since 10 March 2023)

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

Dipl.-Ing. (FH) Jörg Rösler
Member of the Management Board

Year of birth	**1964**
Citizen of	**Germany**
Appointment	**1 January 2023**

Jörg Rösler studied civil engineering at Bauhaus University in Weimar and at the Engineering School for Construction in Gotha. He started his career in 1988 as a construction foreman at a local municipal agency for road construction in the Erfurt district. From 1991 to 2000, he deepened his professional experience in management positions at Hochtief AG in Thuringia and Saxony. Rösler joined the STRABAG Group in 2001, where he was entrusted with various management positions. In 2011, he advanced to become a member of the Management Board of the German subsidiary STRABAG AG. Effective 1 January 2023, Rösler was appointed to the Management Board of STRABAG SE, where he is responsible for the segment North + West.

Responsible for
Segment North + West:
Germany, Switzerland, Benelux, Scandinavia, Ground Engineering

Start of current period of office
1 January 2023

End of current period of office
31 December 2026

Supervisory board mandates or similar functions in national or foreign companies not included in the consolidated financial statements
None

Management and supervisory tasks at important[1] subsidiaries
Ed. Züblin AG, Germany (Chairman of the Supervisory Board)
STRABAG AG, Germany (Chairman of the Supervisory Board)
STRABAG AG, Austria (Member of the Supervisory Board)
STRABAG Property and Facility Services GmbH, Germany (Member of the Supervisory Board)
STRABAG AG, Switzerland (Member of the Board of Directors)
STRABAG Property and Facility Services GmbH, Austria (Member of the Supervisory Board)
Böhm Baumeister & Gebäudetechnik GmbH, Austria (Member of the Supervisory Board)

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

Dipl.-Ing. Siegfried Wanker
Member of the Management Board

Year of birth	**1968**
Citizen of	**Austria**
Appointment	**1 January 2011**

Siegfried Wanker studied civil engineering at Graz University of Technology before joining the STRABAG Group as site manager in 1994. Between 2001 and 2004, he held the position of managing director at several engineering service providers before rejoining the STRABAG Group in 2005. As a member of the Management Board of STRABAG AG, Austria, he was initially in charge of the international building construction business, then for corporate development and services, and finally for infrastructure project development. Siegfried Wanker has been a member of the Management Board of STRABAG SE since 1 January 2011.

Responsible for
Segment International + Special Divisions:
Tunnelling, International, Infrastructure Development, Real Estate Development, Services, Construction Materials (until 30 June 2023)

Start of current period of office
1 January 2023

End of current period of office
31 December 2026

Supervisory board mandates or similar functions in national or foreign companies not included in the consolidated financial statements
None

Management and supervisory tasks at important[1] subsidiaries
Ed. Züblin AG, Germany (Member of the Supervisory Board)
STRABAG AG, Germany (Member of the Supervisory Board)
STRABAG AG, Austria (Member of the Supervisory Board)
STRABAG Property and Facility Services GmbH, Germany (Chairman of the Supervisory Board since 5 September 2023)
STRABAG Sp. z o.o., Poland (Member of the Supervisory Board)
STRABAG Property and Facility Services GmbH, Austria (Member of the Supervisory Board)
Böhm Stadtbaumeister & Gebäudetechnik GmbH, Austria (Member of the Supervisory Board)
AKA Alföld Koncessziós Autópálya Zártkörüen Müködo Részvénytársaság, Hungary (Chairman of the Supervisory Board)

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

Dipl.-Ing. (FH) Alfred Watzl
Member of the Management Board

Year of birth	**1970**
Citizen of	**Germany**
Appointment	**1 January 2019**

Alfred Watzl studied civil engineering at the Deggendorf Institute of Technology before beginning his professional career as site manager for STRABAG Sp. z o.o., Poland, in 1999. After several different management positions at the Polish subsidiary – including technical subdivision manager for Building Construction and Civil Engineering – he was a member of the Management Board of STRABAG Sp. z o.o. with responsibility for the Group's Polish activities from 2013 to 2018. Alfred Watzl has been a member of the Management Board of STRABAG SE since 1 January 2019.

Responsible for
Segment South + East:
Austria, Poland, Hungary, Czech Republic, Slovakia, Adriatic, Rest of Europe, Environmental Technology, Construction Materials (since 1 July 2023)

Start of current period of office
1 January 2023

End of current period of office
31 December 2026

Supervisory board mandates or similar functions in national or foreign companies not included in the consolidated financial statements
None

Management and supervisory tasks at important[1] subsidiaries
Ed. Züblin AG, Germany (Member of the Supervisory Board until 30 August 2023)
STRABAG AG, Germany (Member of the Supervisory Board until 30 August 2023)
STRABAG AG, Austria (Member of the Supervisory Board)
STRABAG a.s., Czech Republic (Chairman of the Supervisory Board)
STRABAG INFRASTRUKTURA POLUDNIE Sp. z o.o., Poland (Member of the Supervisory Board)
STRABAG Property and Facility Services GmbH, Germany (Member of the Supervisory Board until 30 August 2023)
STRABAG Sp. z o.o., Poland (Chairman of the Supervisory Board since 10 March 2023)
STRABAG Property and Facility Services GmbH, Austria (Member of the Supervisory Board)
Böhm Stadtbaumeister & Gebäudetechnik GmbH, Austria (Member of the Supervisory Board)

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

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

Open exchange in meetings usually every two weeks

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

– the Management Board regularly and extensively informs the Supervisory Board as to all relevant matters concerning the development of the company's business, including the risk situation and risk management in the company and the important Group entities;
– a regular exchange of information and opinions takes place between the CEO and the Chairman of the Supervisory Board concerning strategy, the development of the business, risk management and important business transactions, particularly acquisitions and disposals; the Management Board also involves the Supervisory Board in the development and implementation of sustainability aspects of the corporate strategy;
– the Chairman of the Supervisory Board is informed immediately of any important occurrences;
– the Management Board reports to the Supervisory Board at least once a year on the provisions taken to fight corruption.

The Management Board of STRABAG SE and its individual members conduct their business in accordance with the prevailing laws and legislation, the Articles of Association, and the Management Board's Rules of Procedure as approved by the Supervisory Board. The Rules of Procedure obligate the Management Board and its individual members to provide extensive information and reporting to the Supervisory Board. The Rules of Procedure also define an extensive catalogue of measures and legal transactions requiring approval by the Supervisory Board in addition to the legally prescribed measures. Coordination within the Management Board occurs during regular meetings held approximately every two weeks as well as in the form of the daily informal exchange of information.

Focus on business, strategy and sustainability

Matters discussed at the **Management Board meetings** include the current operations and the long-term company strategies, with a particular focus on sustainability. Sustainability issues – especially with regard to circularity and energy – hold a key position within the Group's Strategy 2030 that was adopted last year. The Management Board regularly discusses the implications of climate change and the changing regulatory landscape for the business model and what STRABAG can do to address these factors. Also coordinated at the Management Board meetings are any current or outstanding management measures to be implemented by the relevant Management Board members.

Supervisory Board

Shareholder representatives

Mag. Kerstin Gelbmann

Chairwoman of the Supervisory Board (since 1 January 2024)

Year of birth	**1974**
Citizen of	**Austria**
Appointment	**18 June 2010**

Kerstin Gelbmann graduated from the Vienna University of Economics and Business Administration and then spent five years working in auditing and tax consulting at Auditor Wirtschaftsprüfungs- und Steuerberatungsgesellschaft mbH (initially a representative of Arthur Andersen in Vienna, then a full member of Deloitte). After passing her tax consultant exam, she joined the Dr. Erhard F. Grossnigg group of companies in 2002 with initial responsibility for various areas such as restructuring consulting, M&A, etc. She has been managing director of grosso holding Gesellschaft mbH since 2007. In 2010, she was also appointed to the Management Board of Austro Holding AG, where she has built up and continued to expand an SME investment portfolio. At the Supervisory Board meeting on 19 December 2023, Kerstin Gelbmann was unanimously elected as the new Chairwoman of the Supervisory Board of STRABAG SE with effect from 1 January 2024.

Start of current period of office
24 June 2022

End of current period of office
Until 2028 Annual General Meeting

Other supervisory board mandates or similar functions in national or foreign listed companies
Binder+Co AG, Austria (Chairwoman)

Independent pursuant to Rule 53 ÖCGK
Yes

Dr. Alfred Gusenbauer
Chairman of the Supervisory Board (until 31 December 2023)

Year of birth	**1960**
Citizen of	**Austria**
Appointment	**18 June 2010**

Alfred Gusenbauer studied law, philosophy, political science and economy at the University of Vienna, completing his doctorate in 1987. In 1991, he became a member of the Austrian senate, two years later a member of parliament. From 2000 to 2008, Alfred Gusenbauer was President of the Social Democratic Party of Austria, serving as Federal Chancellor of the Republic of Austria and member of the European Council from 2007 to 2008. In addition to his current activities at Brown University and Columbia University, Alfred Gusenbauer is President of the Austrian-Spanish Chamber of Commerce. Alfred Gusenbauer has been a member of the Supervisory Board since 2010. In 2022, he was delegated to the Supervisory Board of STRABAG SE for an indefinite period of time by the authorised holder of registered share number 1. Alfred Gusenbauer was appointed to the Supervisory Board of STRABAG SE in 2022 by the holder of registered share number 1 for an indefinite period of time. At the Supervisory Board meeting on 19 December 2023, he announced his resignation from the Supervisory Board with effect from 31 December 2023.

Start of current period of office
Indefinite from 24 June 2022; resigned with effect from 31 December 2023

End of current period of office
Indefinite from 24 June 2022; resigned with effect from 31 December 2023

Other supervisory board mandates or similar functions in national or foreign listed companies
None

Independent pursuant to Rule 53 ÖCGK
Yes

Mag. Erwin Hameseder
Vice Chairman of the Supervisory Board

Year of birth	**1956**
Citizen of	**Austria**
Appointment	**10 September 1998**

Erwin Hameseder received a master of law degree from the University of Vienna. From 1975 to 1987, he served as an officer in the Austrian Armed Forces, where he achieved the rank of colonel in the directorship services in 2002 and of brigadier in 2006. In 2017, he was promoted to major general in the militia of the Austrian Armed Forces. In 1987, he joined the legal department of RAIFFEISENLANDESBANK NIEDERÖSTERREICH-WIEN reg.Gen.m.b.H. From 1988 to 1994, he was responsible for investment management, from 1991 as head of the department. He was managing director of RAIFFEISENLANDESBANK NIEDERÖSTERREICH-WIEN reg.Gen.m.b.H. from 1994 to 2001 and director-general of RAIFFEISENHOLDING NIEDERÖSTERREICH-WIEN reg. Gen.m.b.H (a spin-off from RAIFFEISENLANDESBANK NIEDERÖSTERREICH-WIEN AG) from 2001 to 2012. From 2007 to 2012, Erwin Hameseder also assumed the position of Chairman of the Management Board of RAIFFEISENLANDESBANK NIEDERÖSTERREICH-WIEN AG. He has been chairman of RAIFFEISENHOLDING NIEDERÖSTERREICH-WIEN reg. Gen.m.b.H. since 4 May 2012 and was elected Advocate General of the Austrian Raiffeisen Association on 30 June 2022. Erwin Hameseder, who has been a member of the Supervisory Board since 1998, was elected to the Supervisory Board of STRABAG SE at the Annual General Meeting of 24 June 2022 with a term in office until the end of the Annual General Meeting that resolves on formally approving the actions of the Supervisory Board for the 2027 financial year. Pursuant to Annex 1 of the Austrian Code of Corporate Governance 2021, Supervisory Board members who are shareholders with a direct investment in the company or represent the interests of such a shareholder, are still deemed as independent after a period of 15 years on the Supervisory Board.

Start of current period of office
24 June 2022

End of current period of office
Until 2028 Annual General Meeting

Other supervisory board mandates or similar functions in national or foreign listed companies
AGRANA Beteiligungs-AG, Austria (Chairman)
Raiffeisen Bank International AG, Austria (Chairman)
Südzucker AG, Germany (2nd Vice Chairman)

Independent pursuant to Rule 53 ÖCGK
Yes

Dr. Andreas Brandstetter
Member of the Supervisory Board

Year of birth	**1969**
Citizen of	**Austria**
Appointment	**15 June 2018**

Andreas Brandstetter has been CEO of UNIQA Insurance Group AG since 2011. Before entering the insurance business in 1997, where he has held various leadership positions, he was head of the EU office of Österreichischer Raiffeisenverband. From 1993 to 1995, he was active in politics. Andreas Brandstetter graduated from the University of Vienna in 1994 with a doctorate degree in political science, also holds an Executive MBA from the California State University, Hayward, and completed further courses at the Stanford Graduate School of Business and the Harvard Business School. From 2018 to mid-2024, he served as president of Insurance Europe, the European insurance and reinsurance federation in Brussels.

Start of current period of office
24 June 2022

End of current period of office
Until 2028 Annual General Meeting

Other supervisory board mandates or similar functions in national or foreign listed companies
None

Independent pursuant to Rule 53 ÖCGK
Yes

Dr. Valerie Hackl
Member of the Supervisory Board

Year of birth	**1982**
Citizen of	**Austria**
Appointment	**25 January 2024**

Valerie Hackl has been managing director of Austro Control GmbH since 2019. From 2015 to 2018, she served on the board of ÖBB-Personenverkehr AG, having previously held several positions within the ÖBB Group, including Head of Strategy and Corporate Development at ÖBB-Holding AG. From 2005 to 2011, she was a consultant for the international strategy consultancy Bain & Company in Munich. Valerie Hackl studied business administration at the Vienna University of Economics and Business and the University of British Columbia. She completed her doctoral studies at the University of St. Gallen. In 2024, Valerie Hackl was delegated to the Supervisory Board of STRABAG SE for an indefinite period of time by the authorised holder of registered share number 1.

Start of current period of office
Indefinite from 25 January 2024

End of current period of office
Indefinite from 25 January 2024

Other supervisory board mandates or similar functions in national or foreign listed companies
None

Independent pursuant to Rule 53 ÖCGK
Yes

Mag. Gabriele Schallegger
Member of the Supervisory Board

Year of birth	**1972**
Citizen of	**Austria**
Appointment	**24 June 2022**

Gabriele Schallegger studied business administration at the University of Graz and the University of Exeter and has completed an executive management course in St. Gallen. She started her career in auditing and tax consulting before moving on to commercial management positions at international companies such as Baxter, Orkla ASA, Semperit, Mondi PLC and Mayr-Melnhof Karton AG. Schallegger has been CFO of CMBlu Energy since the end of 2023. With its organic solid-flow batteries, CMBlu is the world’s leading company in the development of large electrochemical-based energy storage systems and an important German battery manufacturer based in the Rhine-Main region.

Start of current period of office
24 June 2022

End of current period of office
Until 2028 Annual General Meeting

Other supervisory board mandates or similar functions in national or foreign listed companies
None

Independent pursuant to Rule 53 ÖCGK
Yes

Delegated by the works council

Dipl.-Ing. Andreas Batke
Member of the Supervisory Board

Year of birth	**1962**
Citizen of	**Germany**
Appointment	**1 October 2009**

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

First appointment
1 October 2009

End of current period of office
Indefinite

Other supervisory board mandates or similar functions in national or foreign listed companies
None

Independent pursuant to Rule 53 ÖCGK
Yes

Magdolna P. Gyulainé
Member of the Supervisory Board

Year of birth	**1962**
Citizen of	**Hungary**
Appointment	**1 October 2009**

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

First appointment
1 October 2009

End of current period of office
Indefinite

Other supervisory board mandates or similar functions in national or foreign listed companies
None

Independent pursuant to Rule 53 ÖCGK
Yes

Georg Hinterschuster
Member of the Supervisory Board

Year of birth	**1968**
Citizen of	**Austria**
Appointment	**13 October 2014**

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

First appointment
13 October 2014

End of current period of office
Indefinite

Other supervisory board mandates or similar functions in national or foreign listed companies
None

Independent pursuant to Rule 53 ÖCGK
Yes

Wolfgang Kreis
Member of the Supervisory Board

Year of birth	**1957**
Citizen of	**Germany**
Appointment	**1 October 2009**

Wolfgang Kreis joined Ed. Züblin AG as a commercial clerk in 1979. He was elected to the works council in 1987 and is currently a member of the Supervisory Board of STRABAG AG in Germany and Vice Chairman of the STRABAG SE works council.

First appointment
1 October 2009

End of current period of office
Indefinite

Other supervisory board mandates or similar functions in national or foreign listed companies
None

Independent pursuant to Rule 53 ÖCGK
Yes

Independence of the Supervisory Board

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

All members of the Supervisory Board of STRABAG SE and its committees are independent in accordance with the conditions contained within the Austrian Code of Corporate Governance (see also the information on the website of STRABAG SE) and have declared in writing explicitly to adhere to all conditions of the Austrian Code of Corporate Governance. New members of the Supervisory Board receive detailed information regarding the avoidance of conflicts of interest upon assumption of their activities. The independence of the Supervisory Board members is defined by the following guidelines (excerpt from the Rules of Procedure for the Supervisory Board as amended on 5 May 2022):

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

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

- The Supervisory Board member shall not have served as a member of the Management Board or as a manager of the company or one of its subsidiaries in the past five years.
- The Supervisory Board member shall not maintain or have maintained in the past year any business relations with the company or one of its subsidiaries to an extent of significance for the Supervisory Board member. This shall also apply to relationships with companies in which the Supervisory Board member has a considerable economic interest, but not for the performance of board functions within the Group. The approval of individual transactions by the Supervisory Board according to L-Rule 48 does not automatically mean the person is qualified as not independent.
- The Supervisory Board member shall not have been auditor of the company or have owned a share in the auditing company or have worked there as an employee in the past three years.
- The Supervisory Board member shall not be a member of the Management Board of another company, in which a Management Board member of the company is a Supervisory Board member.
- The Supervisory Board member shall not be a member of the Supervisory Board for more than 15 years. This does not apply to Supervisory Board members who are shareholders with a direct investment in the company or who represent the interests of such a shareholder.
- The Supervisory Board member shall not be a close relative (direct offspring, spouse, partner, parent, uncle, aunt, sibling, niece, nephew) of a Management Board member or of persons in one of the aforementioned positions.

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

In the period under report, no contracts subject to approval by the Supervisory Board were concluded by the company with members of the Supervisory Board (L-Rule 48 of the Austrian Code of Corporate Governance).

Supervisory board report

Find out more

Working methods of the Supervisory Board

In the 2023 financial year, the Supervisory Board diligently performed the duties incumbent upon it under Austrian law, the Articles of Association, the Austrian Code of Corporate Governance (ÖCGK), and the Rules of Procedure. It met for a total of five meetings last year and so complied with the Code's minimum requirement to meet at least once every three months (C-Rule 36). All members personally attended at least half of the meetings during their period in office (C-Rule 58). Besides these regular meetings, there is a constant open discourse and exchange of opinion among the individual members of the Supervisory Board as well as between the individual members of the Supervisory Board and the Management Board.

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

There were four meetings of the Audit Committee and no meetings of the Presidential and Nomination Committee or the Executive Committee.

In accord with its tasks and obligations, the Audit Committee dedicated itself to monitoring the accounting procedures (including the preparation of the consolidated financial statements) and the work of the auditor (including the audit of the consolidated financial statements). During the review of the effectiveness of the internal control system and the risk management system, the Audit Committee focused on specific selected projects. Also reviewed and monitored were the function of the audit system and the qualification and independence of the auditor (group financial auditor), especially with respect to the additional services provided to the company being audited. The internal audit department informed the Audit Committee of the auditing plan and of material findings pursuant to C-Rule 18 of the Austrian Code of Corporate Governance. The Audit Committee further conducted a selection procedure in accordance with Article 16 of the EU Audit Regulation for the recommendation of an auditor to be appointed for the annual and consolidated financial statements as at 31 December 2024.

Composition of the Committees of the Supervisory Board

Committee	Members	Tasks
Executive Committee	Mag. Kerstin Gelbmann (as of 1 Jan. 2024) Dr. Alfred Gusenbauer (until 31 Dec. 2023) Mag. Erwin Hameseder	The Executive Committee deals with all matters affecting the relations between the company and the members of the Management Board, especially matters relating to the remuneration of Management Board members but excluding decisions regarding the appointment or removal of a Management Board member or regarding the granting of stock options.
Presidential and Nomination Committee	Mag. Kerstin Gelbmann (as of 1 Jan. 2024) Dr. Alfred Gusenbauer (until 31 Dec. 2023) Mag. Erwin Hameseder Wolfgang Kreis	The Presidential and Nomination Committee submits proposals to the Supervisory Board for filling new mandates or ones that become free on the Management Board, deals with issues relating to successor planning and makes decisions in urgent cases. In addition, it is authorised to give its consent to the disposal of registered shares in accordance with Sec 4 Para 4 of the Articles of Association.
Audit Committee	Mag. Kerstin Gelbmann (as of 1 Jan. 2024) Dr. Alfred Gusenbauer (until 31 Dec. 2023) Mag. Erwin Hameseder Dr. Andreas Brandstetter Andreas Batke Georg Hinterschuster	The responsibilities of the Audit Committee include the tasks assigned to it under Sec 92 Para 4a (4) of the Austrian Stock Corporation Act (AktG) as well as by Regulation (EU) No. 537/2014, namely: 1. monitoring the accounting procedures, as well as making recommendations or proposals to ensure their reliability 2. monitoring the effectiveness of the internal control system, the internal audit system and the risk management system of the company, in particular through consideration of the report of the auditor on the efficacy of the risk management system 3. monitoring the statutory audit and the audit of the consolidated financial statements and incorporating findings and conclusions in reports to be published by the Audit Oversight Body in accordance with Sec 4 Para 2 (12) of the Austrian Audit Oversight Act (APAG) 4. assessing and monitoring the independence of the auditor (group financial auditor); in particular, the Audit Committee accepts the annual report of the Management Board on the non-audit-related services actually provided following its prior approval 5. reporting to the Supervisory Board on the audit findings with a description of how the audit has contributed to the reliability of the financial reporting and of the role of the Audit Committee 6. assessing the annual financial statements and preparing their approval, assessing the proposal for the appropriation of net income, of the management report and of the corporate governance report, as well as reporting on the audit findings to the Supervisory Board 7. assessing the consolidated financial statements and the group management report, the Consolidated Corporate Governance Report as well as reporting on the audit findings to the Supervisory Board 8. preparing the procedure to select the auditor (group financial auditor) in consideration of the adequacy of the fee as well as recommending the choice to the Supervisory Board 9. assessing the report on specific requirements regarding statutory audits under Article 11 of Regulation (EU) No. 537/2014; 10. in accordance with C-Rule 81a of the Austrian Code of Corporate Governance, defining a mode of mutual communication during a meeting with the auditor

Annual general meeting and shareholders

Chapter Investor Relations

Find out more

The shareholders, as owners of the company, exercise their rights by vote at the Annual General Meeting. More information about the Annual General Meeting and the shareholder structure is available in the chapter “Investor Relations”.

In the interest of an open communication with shareholders, creditors, clients, analysts, employees and the interested public, transparency is of great importance to STRABAG SE. Important elements of this open communication are the quarterly reporting of STRABAG SE, ongoing direct investor and analyst contacts, the participation in roadshows and conferences as well as publications and disclosures online and especially on the company website. More details about the company’s extensive information activities in this regard is available in the chapter “Investor Relations”.

Conflicts of interest

Both the Management Board and the Supervisory Board are required to disclose conflicts of interest. The members of the Management Board must immediately disclose to the Supervisory Board any material personal interests in transactions of the company and group companies as well as any other conflicts of interest. Furthermore, they must also inform the other members of the Management Board of this. Members of the Management Board who hold management positions at other companies must work towards a fair balance of interests of the companies involved. Supervisory Board members who find themselves in a conflict of interest must immediately disclose this to the Chairperson of the Supervisory Board. If the Chairperson of the Supervisory Board finds himself or herself in a conflict of interest, he or she must immediately disclose this to their deputy. The conclusion of contracts with members of the Supervisory Board in which such members are committed to the performance of a service outside of their activities on the Supervisory Board for the company or a subsidiary for a remuneration not of minor value requires the consent of the Supervisory Board. This also applies to contracts with companies in which a member of the Supervisory Board holds a considerable economic interest.

Directors’ dealings

Director’s Dealings disclosures in 2023

Find out more

Proprietary transactions with STRABAG SE shares and/or bonds by members of the company’s boards, by persons or companies who maintain a close relationship to the board members, and by other management-level employees with corporate-wide responsibilities are reported as required by law and continually posted on the website of STRABAG SE.

In connection with the capital measures to reduce the shareholding of MKAO “Rasperia Trading Limited” in STRABAG SE, eight directors’ dealings disclosures were made in 2023. The subject of these disclosures was the exercise of subscription rights – by members of the aforementioned group of persons – to elect a distribution in the form of shares. Following the registration of the capital increase in the commercial register, the distribution in the form of shares took place in the course of an ordinary non-cash capital increase in March 2024, based on the resolutions of the 19th Annual General Meeting of STRABAG SE that was held on 16 June 2023.

Equality, diversity and inclusion

STRABAG employs around 86,000 people from more than 155 nations representing every generation, various religions and world views, and having different genders, sexual orientations and gender identities.

Dimensions of diversity

STRABAG utilises and actively promotes diversity as a source of strength. The more diverse a team, the more diverse its perspectives and experiences. Diversity is a key advantage enabling our teams to find more innovative solutions to the construction industry's most pressing challenges.

The promotion of **equality, diversity and inclusion (EDI)** ensures a safe and respectful working environment in which all employees can realise their full potential and contribute their best to the company's success. In this respect, STRABAG focuses on **three dimensions of diversity**:

We focus on three dimensions of diversity

- **Gender diversity**
  Advancement of women and increased gender diversity (male/female/non-binary)
- **Generation diversity**
  Focus on creating an environment of mutual respect across different generations and rejuvenating the age structure (counter to the societal trend)
- **Ethnic diversity**
  Focus on creating an environment of mutual respect between different ethnic groups

EDI Strategy 2030

The STRABAG Management Board adopted its first EDI strategy in 2023. The strategy defines three clear objectives, which were also communicated to employees and published on the company's website. The **goals of the EDI Strategy 2030** are:

- Annual increase of 6% in the proportion of women in management
- Gender pay gap of 0
- Mandatory leadership training on equality, diversity and inclusion

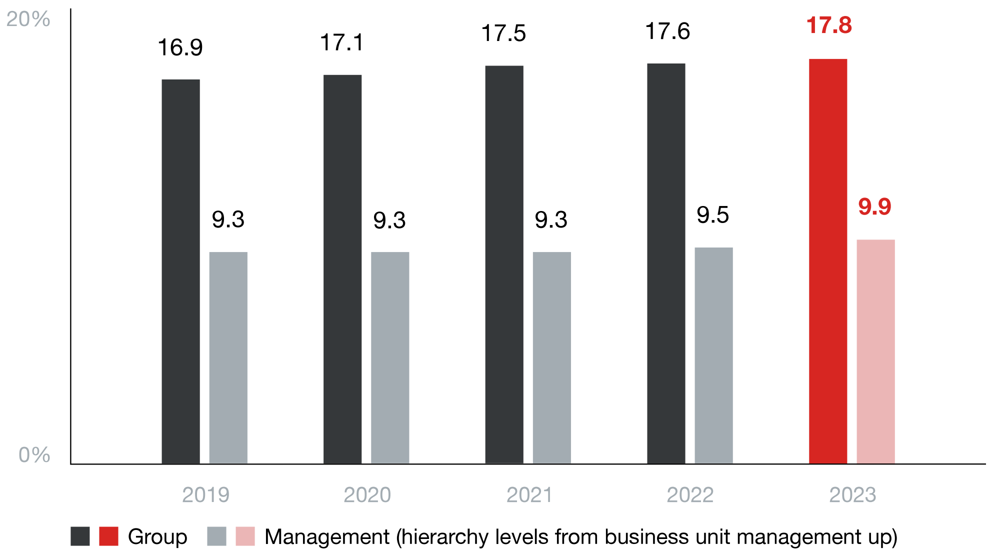
In July 2023, an **EDI coordinator** joined the People & Culture team with the exclusive task of implementing and refining the EDI strategy. An EDI project team, including a member of the Management Board, also meets six times a year to discuss additional ideas and action on the subject of EDI and bring them to the attention of the Management Board.

Diversity concept

Construction industry traditionally male-dominated

Construction is a traditionally male-dominated industry, making it particularly challenging for STRABAG to achieve a balanced gender ratio among its employees. This is true in all areas, from the workers on the constuction site to the salaried office employees and our management levels. In 2023, women accounted for 17.8% (2022: 17.6%) of the Group's total workforce. Group management – i.e. persons with a managerial position as defined by Section 80 of the Austrian Stock Corporation Act (AktG) – is 9.9% female (2022: 9.5%).

Share of women in the Group



There are currently no women on the **Management Board of STRABAG SE**. The members of the Management Board are between 43 and 59 years of age and come from Germany or Austria. Each has many years of management experience in different areas and countries of the Group.

At the end of 2023, the nine-person **STRABAG SE Supervisory Board** comprised three female members: Kerstin Gelbmann, Gabriele Schallegger and Magdolna P. Gyulainé. Women thus accounted for 33% of all Supervisory Board members at the reporting date and 25% of those members who were delegated by the employee council. After Alfred Gusenbauer's departure from the Supervisory Board on 31 December 2023 and Valerie Hackl's appointment to the Supervisory Board on 25 January 2024, the nine-member STRABAG SE Supervisory Board now includes four women. This raised the percentage of women on the Supervisory Board to 44%, while the proportion of members delegated by the employee council remains at 25%. As the proportion of women in both STRABAG SE and the Group is below 20%, a mandatory gender quota on the Supervisory Board as set out in Section 86 Para 7 of the Austrian Stock Corporation Act (AktG) is not applicable. The members of the Supervisory Board represent three nations and were between 49 and 67 years old on the reporting date. With the appointment of Valerie Hackl, the age range on the Supervisory Board changed to between 41 and 67 years.

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

- The registered shares No. 1 and No. 2 are each associated with the right to nominate one person to the Supervisory Board of STRABAG SE. Council Implementing Regulation (EU) 2022/581 of 8 April 2022 implementing Regulation (EU) 269/2014 of 17 March 2014 added Oleg Deripaska to the EU sanctions list. As Oleg Deripaska controls MKAO "Rasperia Trading Limited", its rights as a holder of registered share No. 2 are currently suspended.

- Due to the sanctions against Oleg Deripaska, a situation that has already been described here several times, the company for the time being assumes that this right will remain suspended due to the share freeze (irrespective of the most recent major holdings notification from Iliadis JSC).
- Four further members are elected per vote by the Annual General Meeting. They are usually proposed by shareholders' representatives to the Supervisory Board, which in turn passes a draft resolution to the Annual General Meeting.
- The employee representatives delegate up to five persons to the Supervisory Board, depending on the number of shareholders' representatives.

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

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

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

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

The Supervisory Board supports the efforts being made by the Group to raise the percentage of women in the company and in management and endeavours to increase the percentage of women on the Supervisory Board. With the election of Gabriele Schalleger, the medium-term goal of at least three women on the Supervisory Board has been achieved. With the posting of Valerie Hackl, the Supervisory Board of STRABAG SE has included a total of four women since January 2024.

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

Measures for the advancement of women

Percentage of women to be gradually increased

One of STRABAG's declared goals is to gradually increase the proportion of women in management from within its own ranks. By signing the UN Women's Empowerment Principles, STRABAG emphasised this ambition already back in 2013. STRABAG is taking several steps to achieve this objective.

Targeted communication

STRABAG endeavours to use gender-appropriate and inclusive wording in all of its communication while also ensuring that the visual material is as diverse as possible. The description of the company in job postings was revised in 2023 and now includes a clear commitment to diversity and inclusion. The career paths of women in the Group are regularly highlighted in our external communication and employer branding using testimonials from female employees. The aim is to specifically address women, particularly those working in the industrial sector or graduates of technical degree programmes.

Transparent communication

The Group's online presence now includes a dedicated EDI landing page featuring the objectives of the EDI strategy, a clear commitment from the Management Board, success stories from within the Group and the relevant contact person. The company's job site also reflects our focus on diverse teams.

Compatibility of career and family

STRABAG offers flexible working time models wherever possible to help employees reconcile their work with family life. A work-from-home guideline was established and rolled out across the Group for this purpose. We also offer part-time working arrangements and are trialling a job-sharing model. A return-to-work programme supports employees returning to their jobs following parental leave.

Career promotion

Our potential management programme as well as the mentoring programme set up in 2018 focus especially on the appropriate representation of women. The EDI strategy calls for an annual increase of 6% in the percentage of women in management, in particular through internal promotion. STRABAG hopes to achieve this goal through the expansion of the Group's internal potential management programme, among other things. The aim is for the proportion of women in this programme to correspond to the proportion of women in the respective subdivision. Key figures are collected and managed internally. STRABAG has also defined targets for the promotion of women at different hierarchical levels.

The Group Academy also offers seminars designed especially for women. Among the trade-specific training offers for all employees, those on technology and IT registered an above-average participation by women. Coaching also plays an important role, with women in management positions being able to choose between personal coaching and mentoring as well as so-called eBusiness coaching in order to explore career prospects. As networking helps boost career opportunities, an internal STRABAG site offers female employees the opportunity to network with each other. By the end of 2023, 1,065 people had communicated with each other on the new platform (2022: 741).

Sustainability

As a leading technology group for construction services, we take responsibility for the impact our business activities have on the environment and strive to contribute to achieving the global climate targets.

Climate neutrality along the value chain by 2040

Sustainability Report

Find out more

In the Group-wide **sustainability strategy** adopted in 2021, STRABAG commits to climate neutrality along the entire value chain by 2040. In recent years, we have developed a data basis to measure our emissions. For a company of our size with its extensive diversification, both regionally and by construction sector, this is a complex task, as it requires compiling, consolidating, evaluating and analysing an immense amount of data from different countries, different production facilities and individual construction sites.

Sustainability Management is part of the STRABAG Innovation & Digitalisation (SID) central division under the responsibility of CEO Klemens Haselsteiner and is responsible for the Group's overarching sustainability management. The tasks range from the further development of sustainability governance to the support and implementation of pilot projects and sustainability reporting in accordance with legal requirements. Since 2023, Sustainability Management has also been responsible for the establishment and further development of a social compliance management system in order to check our corporate sphere of influence for human rights risks, among other things.

STRABAG SE’s sustainability management is based on globally recognised rules and frameworks, the Sustainable Development Goals (SDGs) and the principles of the UN Global Compact. At the heart of our sustainability management is the materiality analysis, which we use to identify the greatest levers for targeted sustainability performance.

Under the leadership of our Sustainability Management, a four-tier corporate-wide **governance structure** involving all management levels from the Management Board to site management was established in 2022. In addition to the Management Board and the division and central divisions, the Sustainability Steering Committee steers the corporate-wide sustainability management while monitoring the achievement of both the strategic sustainability goal and the sub-goals. The sustainability network offers, among other things, the opportunity for an overarching exchange and the definition of best practices. These committees meet at regular intervals to discuss their activities and take new steps. At the same time, the exchange enables any negative effects to be identified at an early stage.

New proposals for strategic topics as well as associated indicators, targets and risks are developed by the specialist managers, supported by Sustainability Management, and then discussed, revised if necessary and approved by the STRABAG SE Management Board. Strategically critical events are brought to the attention of the Management Board meetings on an ad hoc basis.

The Group’s clear commitment to climate-neutral business practices keeps us competitive and aligns our portfolio of services to future demands and developments on the market. At the same time, the company remains alert to innovative solutions outside the Group that could create fresh forward momentum in the core business.

Continuous development of the corporate governance system

STRABAG is committed to continuously improving its corporate governance system in the interests of the company and all stakeholders.

STRABAG strives to constantly improve its corporate governance system in the interests of the company and all stakeholders. In the year under review, the Supervisory Board again performed a self-evaluation of its activity pursuant to C-Rule 36 of the Austrian Code of Corporate Governance. At its meeting on 19 December 2023, the Supervisory Board examined in detail the efficiency of its work, especially of its organisation and working methods, which were largely evaluated as positively as in the years before. The evaluation corresponded in many areas with the one from the previous year. The board again seized the opportunity to make concrete proposals on how to raise efficiency.

Risk management and audit

Risk management is a core management task at STRABAG SE. A corporate governance model with three lines of defence ensures a functional and efficient control and monitoring system.

Risk management

Group Management Report > Chapter Risk management

Find out more

The STRABAG Group is subject to a number of different risks in the course of its business activities. These risks are systematically identified and assessed using an active risk management system and dealt with using an appropriate risk policy. More information is available in the Management Report.

Internal audit report

Internal audit as part of risk management

The STRABAG Group's internal audit department is a neutral and independent authority which again conducted approximately 170 internal audits in all corporate divisions worldwide in the 2023 financial year. In accordance with the rules of the Austrian Code of Corporate Governance, the internal audit department is set up as a staff unit of the Management Board of STRABAG SE and so enjoys the greatest possible amount of independence.

The internal audit department – after planning the audits independently and making continual adaptations to risk assessment – conducts process-independent and neutral audits across all of the Group's divisions and regions both nationally and abroad. Given its technical and commercial competence, the internal audit department is an important element of the Group's internal control systems. The internal audits serve to monitor the effectiveness of the risk management and controls, and to evaluate the management and monitoring processes. The comprehensive approach, the use of uniform auditing standards and the neutral reporting further contribute to the standardisation of processes and structures.

The routine and special audits serve to recognise and avoid risks, to reveal opportunities, and to constantly monitor proper conduct and compliance with the Group's value and business compliance system. In 2023, the internal audit department again audited both individual projects as well as entire organisational units. The audits covered the Group's subdivisions as well as the most important contracts and orders of the year.

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

Financial audit

The Annual General Meeting of STRABAG SE on 16 June 2023, upon proposal of the Supervisory Board, designated KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz, as auditor of the financial statements and of the consolidated financial statements for the 2023 financial year. The expenses for KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft in the 2023 financial year amounted to T€ 863 excl. VAT (2022: T€ 799 excl. VAT) for the auditing of the separate and consolidated financial statements as well as T€ 790 excl. VAT (2022: T€ 707 excl. VAT). for the auditing of financial statements at subsidiaries of STRABAG SE. For additional consulting services, it received a fee of T€ 173 excl. VAT (2022: T€ 178 excl. VAT).

External evaluation

Formal Obligation and Evaluation to the Austrian Code of Corporate Governance

Find out more

In keeping with C-Rule 62 of the Austrian Code of Corporate Governance, STRABAG SE regularly subjects its compliance with the Code to an external evaluation every three years.

The last evaluation, for the 2022 financial year, was performed in 2023 by THALER.legal Rechtsanwalts GmbH, Vienna. The evaluation revealed no indications that the declarations provided by the Management and Supervisory Board members regarding observation of and compliance with the C-Rules of the Austrian Code of Corporate Governance were untrue. The C-Rules of the Code were complied with – inasmuch as these were included in the formal obligation of STRABAG SE. Some rules did not apply to STRABAG SE during the evaluation period. The complete report including the results of the evaluation is available on the website of STRABAG SE. The next external evaluation will be conducted in 2026 for the 2025 financial year.

Corporate governance reports of publicly listed subsidiaries

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

Villach, 4 April 2024

The Management Board

Klemens Haselsteiner, BBA, BF
CEO
Central Staff Divisions and
Central Divisions BMTI, CML, SID, TPA and
ZT, Winding up Russia

Mag. Christian Harder
CFO
Central Division BRVZ

Dipl.-Ing. (FH) Jörg Rösler
Member of the Management Board
Segment North + West

Dipl.-Ing. Siegfried Wanker
Member of the Management Board
Segment International + Special Divisions

Dipl.-Ing. (FH) Alfred Watzl
Member of the Management Board
Segment South + East

Supervisory board report

2023

Supervisory board report

Mag. Kerstin Gelbmann

Dear shareholders, associates and friends of STRABAG SE!

In 2023, price pressure eased for key input factors such as energy and building materials, but inflation remained at a high level. The central banks responded with further increases in the key interest rates. STRABAG SE nevertheless performed well in this environment, using its broad positioning to balance out the mixed developments in its end markets.

STRABAG SE also adopted a set of capital measures in 2023 to reduce the shareholding of MKAO “Rasperia Trading Limited” – a company controlled by the sanctioned Russian citizen Oleg Deripaska – to further reduce disadvantages and risks for the company. On behalf of the Supervisory Board, I would like to thank the shareholders for their unanimous approval of these capital measures.

Open exchange of information and opinion in the Supervisory Board meetings

In the 2023 financial year, the Supervisory Board duly fulfilled the responsibilities assigned to it by law, by the Articles of Association, by the Austrian Code of Corporate Governance (ÖCGK) and by the Rules of Procedure. It fulfilled its supervisory duty primarily during the regular board and committee meetings. An exchange of information also took place between the Management Board and the Supervisory Board, in particular with the Chairman of the Supervisory Board, outside of the regular board and committee meetings.

During the Supervisory Board meetings, the Management Board regularly and extensively informed the Supervisory Board as to the market situation, the business development and the company’s situation.

Open discussions in each session further enhanced the extensive exchange of information and opinions. As a result, the Supervisory Board was constantly informed about STRABAG's strategic direction, its cash flows and financial performance, the personnel situation, the investment and project development plans, and large-scale projects, and it had a complete overview of the business development. The Supervisory Board monitored and questioned the corporate planning and its foundations and also analysed unplanned developments together with the Management Board. The Supervisory Board also examined in detail with the Management Board's Group and sustainability strategy.

The Management Board always obtained consent from the Supervisory Board for important business transactions.

The members of the Supervisory Board were duly represented at the respective board and committee meetings. All members of the Supervisory Board act and make decisions independently as stipulated by the Austrian Code of Corporate Governance.

Key activities of the Supervisory Board and the committees in 2023

The following agenda items of the meetings of the Supervisory Board and its committees are particularly noteworthy:

Supervisory board (plenary meeting)

The Supervisory Board held five meetings in the 2023 financial year. The Supervisory Board advised the Management Board in its management function, reviewed and monitored the management agendas and dealt with measures requiring approval.

The Supervisory Board dealt in detail with the annual financial statements, the management report, the consolidated corporate governance report, the consolidated non-financial report, the consolidated report on payments to governments, the consolidated financial statements, and the group management report of STRABAG SE for 2022.

On 26 April 2023, the Supervisory Board acknowledged completion of the annual financial statements for 2022 and passed a resolution on the appropriation of net income.

One item on the agenda of the Supervisory Board was the draft resolution for the (final) appointment of KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz, as auditor of the financial statements and of the consolidated financial statements for the 2023 financial year. In several meetings, the Supervisory Board discussed the selection procedure carried out by the Audit Committee in accordance with Article 16 of the EU Audit Regulation for the selection of the auditor of the financial statements and of the consolidated financial statements as at 31 December 2023, acknowledged the final recommendation of the Audit Committee from 14 July 2023, and submitted the draft resolution to the 20th Annual General Meeting.

Also discussed and approved were the report of the Supervisory Board to the Annual General Meeting as well as the agenda and proposed resolutions for the 19th Annual General Meeting. The Supervisory Board also approved the remuneration report for the Management Board and Supervisory Board for the 2022 financial year.

In several meetings, the Supervisory Board dealt with the current financial situation, the short- and medium-term planning, and the investment plan of the company. Discussions also took place on the strategic orientation of the company, in particular with regard to the Group's sustainability and digitalisation strategies.

The Supervisory Board continued to deal with the Austrian cartel case in the 2023 financial year and took note of the report as to the precautions to be taken to combat corruption in the company as well as on occupational safety. The Supervisory Board approved several projects requiring approval and also dealt with selected (large-scale) projects in detail.

The Supervisory Board also dealt with the actions of MKAO "Rasperia Trading Limited" and Thomas Bull against the resolutions of the Extraordinary General Meeting held on 5 May 2022 and the Annual General Meeting of 24 June 2022. It dealt intensively with the capital measures to reduce the shareholding of MKAO "Rasperia Trading Limited", which were proposed to the Annual General Meeting on 16 June 2023, and subsequently dealt with a lawsuit filed by MKAO "Rasperia Trading Limited" against the resolutions adopted by the Annual General Meeting.

The self-evaluation of the Supervisory Board was carried out in the last meeting of 2023 with the support of an external lawyer.

During the Supervisory Board meeting on 19 December 2023, the previous Chairman of the Supervisory Board, Dr. Alfred Gusenbauer, announced his resignation from the Supervisory Board with effect from 31 December 2023. At this meeting, long-standing Supervisory Board member Kerstin Gelbmann was unanimously elected as the new Chairwoman of the Supervisory Board of STRABAG SE with effect from 1 January 2024.

Audit committee

The Audit Committee met for four sessions in 2023 and in the spring of 2023 performed its duties with regard to the audit of the annual financial statements, the consolidated financial statements, the management reports and the consolidated corporate governance report, each for the 2022 financial year. It also prepared the draft resolution on the appropriation of net income and on the appointment of KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz, as auditor of the financial statements and of the consolidated financial statements for the 2022 financial year.

The Audit Committee also reported to the Supervisory Board on the results of the financial audit for the 2022 financial year in accordance with Sec 92 Para 4a (4) lit e) of the Austrian Stock Corporation Act (AktG) and presented the degree to which the financial audit contributed to the reliability of the financial reporting and the role played by the Audit Committee in the process. There were no objections to the audit by the financial auditor and all questions of the Audit Committee could be answered satisfactorily.

In another meeting, the Audit Committee dealt with the report by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz, on the evaluation of the risk management system and heard the report from the internal audit department. The committee also adopted a resolution on the audit approach of the financial statements as at 31 December 2023 and took note of the IFRS Management Board reporting.

In accordance with C-Rule 18 of the Austrian Code of Corporate Governance, the internal audit department reported to the Audit Committee on the auditing plan and on any material findings. The Audit Committee also monitored the accounting procedures (including Group accounting) and the financial audit and convinced itself of the effectiveness of the internal control system, the risk management system and the audit system. The Audit Committee also reviewed and monitored the independence of the auditor of the financial statements (and of the consolidated financial statements), especially as regards the additional services provided to the audited company.

In several meetings, the Audit Committee was engaged in a selection process for proposing an auditor to the Annual General Meeting in 2024, as the appointment of KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft as auditor of STRABAG SE was permissible for the last time for the 2023 financial year. At its meeting on 14 July 2023, the Audit Committee issued its selection recommendation to the Supervisory Board for the corresponding draft resolution to be presented to the Annual General Meeting in 2024.

Due to the EU's directive on corporate sustainability reporting (CSRD) adopted in December 2022, an external limited assurance audit is likely to be required for the sustainability reporting for the 2024 financial year. At its meeting on 23 April 2024, the Audit Committee therefore recommended to the Supervisory Board that PwC Wirtschaftsprüfungs GmbH, Vienna, be proposed to the Annual General Meeting as the auditor for sustainability reporting.

Presidential and nomination committee

The Presidential and Nomination Committee held no meetings in the 2023 financial year.

Executive committee

The Executive Committee also did not meet in 2023.

Consolidated financial statements awarded unqualified audit opinion

KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz, audited the annual financial statements and the management report of STRABAG SE for the 2023 financial year. The findings of the audit did not give rise to any issues of concern and the financial auditor awarded an unqualified audit opinion.

The consolidated financial statements and the group management report of STRABAG SE for the 2023 financial year were prepared by the Management Board under application of Sec 245a of the Austrian Commercial Code (UGB) in compliance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) that were applicable at the end of the reporting period. These were reviewed by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz, and awarded an unqualified audit opinion.

The audit reports of the auditor of the financial statements and of the consolidated financial statements were presented to the Supervisory Board. In the presence of the financial auditor, the Audit Committee thereupon reviewed the 2023 annual financial statements and the management report including the proposal for the appropriation of net income and the consolidated corporate governance report as well as the additional report of the financial auditor to the Audit Committee as required by Article 11 of Regulation (EU) No. 537/2014, and prepared the approval of the annual financial statements as well as the acknowledgement of the 2023 consolidated financial statements and group management report by the Supervisory Board. The Audit Committee also duly performed its obligations in accordance with Sec 92 Para 4a (4) lit e) of the Austrian Stock Corporation Act (AktG) and reported to the Supervisory Board on the result of the financial audit. The report presented the degree to which the financial audit contributed to the reliability of the financial reporting and the role played by the Audit Committee in the process.

The consolidated corporate governance report was audited externally by Mag. Christian Thaler (THALER.legal Rechtsanwalts GmbH), Vienna. This audit did not give rise to any issues of concern. This was taken note of by the Audit Committee and the Supervisory Board.

The Supervisory Board reviewed all documents as well as the report by the Audit Committee. In its meeting of 23 April 2024 the board declared its agreement with the 2023 annual financial statements and consolidated financial statements and approved – and so adopted – the 2023 annual financial statements. The Management Board and the Supervisory Board have agreed on an identical proposal for appropriation of net income. The Supervisory Board proposed appointing PwC Wirtschaftsprüfungs GmbH, Vienna, as auditor of the financial statements and of the consolidated financial statements for the 2024 financial year, in accordance with the recommendation made by the Audit Committee. Also presented at the meeting of 23 April 2024 were the consolidated report on payments to governments pursuant to Sec 267c of the Austrian Commercial Code (UGB) in connection with Sec 243d UGB, consolidated non-financial report pursuant to Sec 267a UGB (sustainability report) and the report on the non-audit-related services provided by the financial auditor. The reports were reviewed by the Supervisory Board and taken note of without cause for complaint.

Word of thanks to the Management Board and all employees

The Supervisory Board thanks the entire Management Board of STRABAG SE and all employees for their valuable contribution in the past financial year.

Chairwoman of the Supervisory Board of STRABAG SE,

Mag. Kerstin Gelbmann
Vienna, 23 April 2024

Sustainability Report

2023

Sustainability management

2023

Our path to becoming climate neutral

In 2021, STRABAG adopted a sustainability strategy with the goal of achieving climate neutrality along the value chain for the entire Group by the year 2040.

STRABAG SE operates primarily in Europe, but also on other continents, and offers services along the entire construction value chain. The impacts of our business activities are therefore many. But we are committed to taking responsibility for these impacts. By taking into account the needs of people, the environment and society in our strategic decisions, we also ensure the long-term continuity of our company.

The **climate crisis** is one of the most pressing challenges of our time. Not only does the construction industry contribute significantly to global greenhouse gas emissions, it is also responsible for a large volume of waste and has relatively high energy and material requirements. As a leading construction technology group, we take responsibility and create awareness by making an effective contribution to climate protection and **combating climate change**. For this reason, STRABAG in 2021 adopted a sustainability strategy that sets the goal for the entire Group to become climate neutral along the value chain by 2040. Our own processes will be designed in such a way that they no longer have a negative impact on the climate in their entirety. Our aim is to become climate neutral by 2040 – just like our home market of Austria.

Five subgoals on the way to becoming climate neutral

In recent years, we have developed a robust data basis to measure and manage our CO_2e emissions – Initial Scope 1 and Scope 2. The calculation of Scope 3 emissions currently represents a key aspect of this activity. This is a major challenge for a group of our size and high degree of diversification, as it requires compiling, consolidating, evaluating and verifying an immense amount of data from various countries, a multitude of construction sites, different production facilities and our suppliers. This data is necessary to develop pathways for reducing our emissions and to design our own processes in such a way that they do not have a negative impact on the climate in their entirety. We have divided our path to zero emissions into **five subgoals**:

2025 – Climate-neutral administration

This subgoal covers all our stationary administrative locations. Main sources of emissions here include working electricity, energy for heating and cooling as well as fuel for the vehicle fleet.

As this target is to be met within the next two years, we are implementing a comprehensive set of measures to achieve climate neutrality in our administration. Corresponding projects were compiled as part of a workshop series to develop roadmaps at the corporate and central division level. A solid data foundation is essential for progress reports on target fulfilment. The findings will be disclosed in the coming reporting year.

2030 – Climate-neutral construction project

The climate-neutral construction project refers to the construction process of structures, i.e., of buildings as well as infrastructure projects. In addition to fuels and electrical energy for the construction site vehicle fleet, construction machinery and equipment, the operating energy consumption of portable container offices is also included.

2035 – Climate-neutral building operation

The high importance of this subgoal is reflected in the fact that building operation is responsible for around 28% of all carbon emissions in the world. We assume responsibility for the buildings we construct and for the emissions they cause during their use. In the future, we resolve as much as possible to hand over buildings to our customers with the option of climate-neutral operation.

2040 – Climate-neutral construction materials

This subgoal encompasses all sourced materials for the construction of buildings – materials from our own production facilities as well as those from subcontractors and suppliers. This means that all building materials sourced by us will become climate neutral.

2040 – Climate-neutral infrastructure

Analogous to the subgoal of climate-neutral building operation by 2035, we have set the same goal for infrastructure for 2040. We want to hand over the infrastructure we have built to our customers in such a way that it can be operated in a climate-neutral manner.

Outlook

In line with our mission to "Work On Progress", we are publicly committed to our customers, to our employees and to society to become climate neutral along our entire value chain by 2040. Implementing our sustainability strategy requires the support of all corporate and central divisions as well as every single employee.

Chapter: Energy and Emissions

Find out more

In addition to numerous successfully implemented projects, we are also working on a **corporate-wide roadmap**. The actions to effectively decarbonise the entire value chain have been prioritised. STRABAG will regularly inform its stakeholders about progress and goals achieved.

Our sustainability management

Sustainability Management, a separate entity established in 2020, manages and coordinates the central sustainability activities at STRABAG.

The key factor to becoming climate neutral by 2040 and to achieving the subgoals on our path to zero emissions is to anchor sustainability in STRABAG's core business. Given the STRABAG Group's decentralised structure and the international dimension of its business activities, this is a complex task. This chapter describes our corporate-wide sustainability management as well as the most important methodological pillars on which our activities are based: the Group-wide governance structure, our stakeholder management and the materiality analysis.

Sustainability Management reports directly to the CEO as a hub for all Group stakeholders. In 2023, Sustainability Management oversaw the pursuit of the following **priority issues**:

- establishment and continued development of a social compliance management system
- implementation of all preparatory work to fulfil the requirements of the EU's CSR Directive (Directive (EU) 2022/2464 on corporate sustainability reporting), essentially comprising the establishment and ongoing development of ESG risk management and structural data collection
- initiation and implementation of strategic projects to become climate neutral by 2040, including but not limited to the establishment of a project with Management Board involvement to advance the energy transition across the Group
- development of a Group-wide funding model for innovative and sustainable projects

Positive results in 2023 ESG ratings

STRABAG is an active participant in **sustainability ratings** and is assessed by various rating agencies.

CDP (Disclosure. Insight. Action., formerly known as the Carbon Disclosure Project) awarded STRABAG SE a score of **B** in the category of Climate Change. The progress made in our governance structure and in our initiatives to reduce emissions were decisive factors in the decision to raise our score from a B- in the previous year to a B in the year under report. With this score, the Group remains in **Management level** (B/B-) on CDP's rating scale.

In the year under review, STRABAG received its first **BBB** rating from **Morgan Stanley Capital International (MSCI)**. MSCI rates companies based on their exposure to industry-specific ESG risks and their ability to manage these risks in comparison to other companies. MSCI uses a scale ranging from leader (AAA) to laggard (CCC).

STRABAG also participated in the **EcoVadis** ratings during the reporting year, achieving an overall score of **67** out of a possible **100** points.

The last assessment by **Sustainalytics** took place in 2022. STRABAG continues to actively participate in ratings to confirm its sustainability performance.

As a participating organisation in the **United Nations Global Compact**, STRABAG also reports on its progress with respect to the Ten Principles of the UN Global Compact in the areas of human rights, labour, environment and climate, and anti-corruption in an annual Communication on Progress (CoP).

Our ESG commitment

WE SUPPORT UN Global Compact · In support of WOMEN'S EMPOWERMENT PRINCIPLES Established by UN Women and the UN Global Compact Office · SUSTAINABLE DEVELOPMENT GOALS · Stiftung KlimaWirtschaft

Our ESG ratings

CDP Disclosure 2023 · Rated Morningstar Sustainalytics · MSCI ESG Ratings BBB (CCC B BB BBB A AA AAA)

Governance structure

Group-wide four-tier governance structure

The inclusion of representatives from different areas of the company creates a participatory and active working environment that promotes the strategic orientation of the Group towards sustainable business practices. Involving the Management Board, the middle management and the operating entities results in a corporate-wide **governance structure** which

– creates a clear organisational framework for the implementation of the sustainability strategy
– establishes short communication and decision-making paths, and
– involves representatives with key competencies for achieving the strategic goals

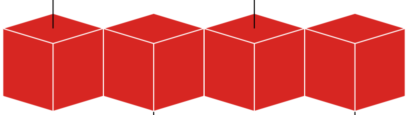
Four-tier governance structure

Management Board:
Focus on strategic decisions

- Setting the strategic framework for the Group
- Decisions on implementation of large-scale projects
- Adoption of Group directives and policies

Sustainability Network:
Focus on exchange of information

- Exchange and definition of best practices
- Development of new ideas and generation of projects
- Steering of individual measures and projects



Sustainability Steering Committee:
Focus on steering

- Steering of the corporate-wide sustainability management
- Monitoring achievement of goals/targets and roadmaps
- Development of general framework, e.g. position papers

Divisions and Central Divisions:
Focus on operationalisation and implementation

- Development and implementation of policy packages and initiatives
- Implementation of projects to pursue the sustainability strategy

The members of these **four groups** meet regularly to discuss their respective activities and establish the next steps. At the same time, the exchange enables any potential negative impacts to be identified in the early phases. Among other things, these committees determine which issues and decisions are to be passed on to other committees or decision-making bodies for the purpose of involvement, cooperation or further decision-making. This promotes interdepartmental work, helps to develop measures for dealing with identified impacts, and ultimately strengthens cooperation across the Group to achieve the sustainability goals. Experts regularly inform the Management Board of current relevant aspects of sustainability during board presentations, project presentations and events with internal and external stakeholders. In addition, we are also actively anchoring and expanding the sustainability management within the Group in order to identify and avoid at an early stage any actual or potential negative impacts of our business activities on the economy, environment and people.

Stakeholder engagement

In addition to engaging our internal stakeholders via the governance structure described above, we also seek an active dialogue with other stakeholder groups. These are above all our employees, clients, investors and suppliers. We also maintain contact with universities, the media and political institutions, and with the people living in direct proximity to our projects. Various engagement formats are used to promote the dialogue between STRABAG and our stakeholder groups.

Maintaining a proactive dialogue with stakeholders

At our **Strategic Update 2030**, held in Vienna in September 2023, Sustainability Management outlined our strategic goals to STRABAG's investors and analysts. The presentations provided updates on both the **Group strategy** and on STRABAG's ongoing sustainability endeavours. A particular focus was the increased use of renewable energies along the value chain in order to achieve the target of becoming climate neutral. An outlook on future strategic sustainability goals was also provided.

STRABAG informed analysts and investors about the Group strategy and its sustainability endeavours at the Strategic Update 2030 presentation in Vienna.

STRABAG is not only an organiser of but also a participant in events that offer a platform for debate for people interested in sustainability. These include specialist conferences and trade fairs as a way to engage with peers and experts. Special mention should be made here of **Stiftung KlimaWirtschaft**, a German non-profit climate and economy alliance that STRABAG joined as a sponsor in early 2023. At the foundation's 8th annual conference in November 2023, titled "Giant Leaps/Small Steps", STRABAG CEO Klemens Haselsteiner pointed out the urgency and the potential of circularity for the construction sector. Participants at the conference included representatives from business, politics and society.

With regard to strategic human resource development, our participation in career fairs and university events offers a valuable opportunity to position STRABAG as an attractive employer while learning more about how young people see the future.

Work On Progress website

Find out more

With the launch of our **Work On Progress** mission, sustainability and innovation were prioritised as two strategic pillars of STRABAG's core business. A campaign was started on social media, in the traditional press and on billboards in public spaces in September 2022 to ensure a wide reach. Detailed information about the sustainability strategy and selected lighthouse projects along with goals and measures of the mission are provided on a dedicated website. Enquiries, comments and criticism are received and processed by experts within the Group in order to reflect the strong interest in maintaining an active exchange of information.

Projects and initiatives supported

Find out more

We are aware of and strive to fulfil our responsibility to society. For this reason, we support selected initiatives on a long-term basis in order to make a lasting and effective contribution. One of the indicators we use to measure our commitment is the amount we spend on these initiatives. In 2023, this amounted to € 6.16 million (2022: € 4.86 million).

Clients as key stakeholders

To ensure STRABAG's long-term, sustainable success, the demands and expectations of our clients are at the heart of each and every project.

The satisfaction of our clients has a decisive influence on our opportunities and is ultimately reflected in our order backlog. We systematically counter risks – such as those arising from nonfulfillment of our clients' expectations – within the framework of our **STRABAG Management System** and its measures for quality assurance, environmental protection and project risk management. This enables us to prevent potentially negative impacts from our business activities.

The aim of our **TEAMCONCEPT** partnering model is for client and contractor to form a team already during the design and planning phase. The scheme incorporates the interests of all project participants right from the start and establishes a clear framework for project realisation. This creates security for everyone involved in the project, promotes a spirit of trust and cooperation, and facilitates the joint control of costs.

Following completion of a construction project, it is important to systematically measure and evaluate client satisfaction. The process for measuring client satisfaction is laid out in STRABAG's internal **common project standards** for construction projects. The officers for the management system coordinate the uniform measuring and reporting at the Group level. At country level, implementation is monitored by the officers as part of internal audits. Additional procedures for measuring client satisfaction can be implemented by the operating units.

Client satisfaction is measured using a uniform corporate standard. An online questionnaire is sent to clients in all Group countries asking them to rate the following aspects on a project-specific or contract-related basis:

- organisational efficiency and technical realisation
- professional competence as well as communication and collaboration in and with our team
- responsible and sustainable handling of people and resources

The online survey with 18 questions on these aspects also takes into account issues of occupational safety, the environment and energy, and the clients' perceptions of STRABAG's core values.

Results of the client survey

Aspects	Index 2023
Organisational efficiency and technical realisation	4.3
Responsible and sustainable handling of people and resources	4.3
Team: professional competence as well as communication and cooperation	4.6
Total	**4.4**

With an average response rate of 41%, the survey can be considered highly representative. There is still potential with regard to the number of mailings, however, which amounted to 1,564 in 2023. A higher number of mailings would further improve the data situation.

Degree of fulfilment of expectations according to clients' assessment: 0 = not fulfilled; 1 = barely fulfilled; 2 = partly fulfilled; 3 = mostly fulfilled; 4 = fulfilled; 5 = exceeded

In addition to managing the client survey process, the Group's in-house STRAthek application provides comprehensive information on client feedback at the project level, along with a dashboard that paints a meaningful picture of current client satisfaction at any organisational level as a way to identify potential for improvement in the process.

Another important way for us to engage with our stakeholders is the **Stakeholder Dialogue**, which STRABAG has hosted twice to date. The aim of the event is to bring together representatives of our most important external stakeholder groups with our Management Board in order to discuss and prioritise issues of strategic relevance to STRABAG. The dialogue opens up new perspectives, which we then incorporate into our strategic considerations in order to add to our list of the most pressing topics for the future. A third Stakeholder Dialogue is already being planned.

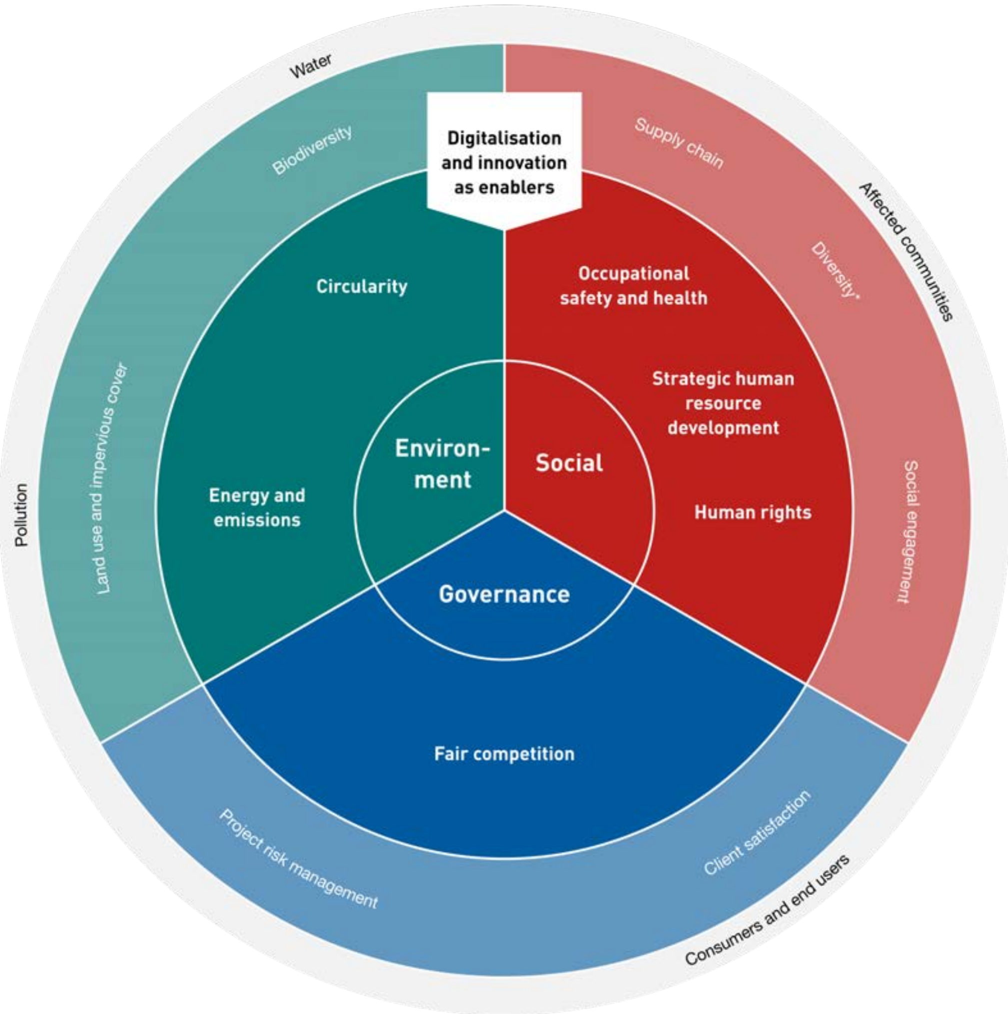
Materiality analysis

We use the materiality analysis to systematically identify the most important sustainability topics for our business activities. We then work on these topics and present them in our reporting. The materiality analysis thus forms the basis of our sound sustainability management.

The materiality analysis is updated every year in order to identify and prioritise the impacts associated with our business activities. For the 2023 financial year, we aligned ourselves with the **ESRS principles** (European Sustainability Reporting Standards), subjecting additional topics to a materiality analysis. Besides STRABAG's impact on the environment, society and the economy, we also identified impacts that affect STRABAG itself. The materiality analysis was coordinated by Sustainability Management and carried out together with experts within the Group. The results were shared and discussed at several internal events and finally approved by the Management Board.

The figure below shows the various topics that were considered for the materiality analysis in 2023. By prioritising and aggregating the impacts, we arrive at our **material topics**.

Results of the 2023 materiality analysis



* Formerly: Equal treatment of women and men

In the 2022 financial year, the topics “Contribution to the local economy”, “Capital market appeal” and “Building design” were analysed for materiality as well. In 2023, these three areas were incorporated into the topics listed above and were therefore not assessed for materiality as separate topics.

The **innermost ring** lists those topics that are **material** for STRABAG and which are prioritised both in the sustainability reporting and within the Group. The results of the materiality analysis have shown that there are some especially relevant impacts relating to these topics – in terms of both risk and opportunity. For these seven material topics, the Management Board has appointed experts responsible for reporting on each topic. The reporting clarifies our approach to the material topics and shows how we determine responsibilities and fulfil our due diligence obligations. It also sets out key figures and targets as well as measures and activities to be taken. The material topic of digitalisation and innovation serves as an enabler for topics in the three sustainability dimensions of environment, social and governance, with particular potential available for tackling environmental challenges.

The **middle ring** contains those topics that that were not recognised as material by the materiality analysis but were recognised as **important** for the 2023 reporting year. There currently is no comprehensive reporting on these material topics in line with the GRI standards, but information on them can be found in the following paragraphs. Looking ahead, new challenges addressed during the year under report in particular included **biodiversity** and the closely related dimension of **land use and impervious cover**, human rights risks in our own business activities and in the **supply chain**, and **diversity**.

Position paper on biodiversity

Find out more

The Management Board of STRABAG SE last year adopted a position paper on **biodiversity** that sets out our understanding of biodiversity and presents possible measures for its conservation and promotion. Appropriate competences and resources are being built up at STRABAG to strategically deal with this issue at the Group level and to ensure comprehensive reporting in the future.

Chapter: Human Rights

Find out more

With the gradual extension of the social compliance management system, the Group took a more differentiated view of human rights in the reporting year in order to avoid social risks in our own business activities and in the **supply chain** and to develop suitable preventive and remedial measures.

Chapter: Diversity Concept

Find out more

The topic of **diversity** was also assigned new Group-wide relevance with the appointment of a Group EDI coordinator (equality, diversity, inclusion) and the publication of an EDI strategy.

Information on the important topics of client satisfaction, project risk management and social engagement can also be found in this report.

The **outer ring** in the figure shows those topics that are **not currently of material relevance** to STRABAG, which is why the **2023 Annual and Sustainability Report** does not contain any reporting on these topics. In the course of our reporting, these topics are reviewed annually for their materiality and an appropriate approach is derived accordingly. This is also necessary because the climate crisis causes and exacerbates other environmental and social challenges.

Presentation of the material topics in the report

The Sustainability Report includes a separate chapter for each of the seven material topics while taking into account the GRI standards. The annual report also provides information on topics with medium priority.

More information on STRABAG's performance with regard to the respective topics can be found in the "Sustainability Progress" section and in the Data Appendix. In addition, we comply with the reporting requirements laid down in the **EU Taxonomy Regulation** and publish the required information in a separate chapter.

Material topics and concerns specified by the Sustainability and Diversity Improvement Act (NaDiVeG)

Mandatory disclosures according to NaDiVeG and EU Taxonomy	
Environmental concerns ▪ Energy and emissions ▪ Circularity ▪ Digitalisation and innovation	**Social and employee concerns** ▪ Strategic human resource development ▪ Occupational safety and health
Respect for human rights ▪ Human rights	**Fight against corruption and bribery** ▪ Fair competition
Diversity[1]	**EU taxonomy**

[1] Topic is reported in the Corporate Governance Report as a NaDiVeG concern.

Outlook

The key activities described will remain relevant beyond the 2023 reporting year, as they entail structural and permanent changes for the Group.

The CSR Directive and other disclosure requirements demand increased transparency from companies, which we will fulfil. The **continued expansion of the data basis** plays a crucial role here, as it forms the foundation for ESG risk management, the setting of ambitious targets and ultimately the development of measures to achieve these targets. Climate change will also mean that issues such as **biodiversity** and **water** will become increasingly relevant. STRABAG is aware of these developments and has proactively drawn up an initial position paper on biodiversity that expresses the relevance of this topic.

STRABAG also faces numerous new areas of action in terms of **social issues**. The global upstream supply chains add additional complexity to these action areas.

Dealing with these topics over the long term and in a lasting manner requires a strong governance structure and the continuous development of expertise and knowledge. For this reason, an already piloted **basic training programme** on sustainability is now to be rolled out across the Group.

Sustainability progress

Positive development | Negative development | No change | New indicator | Development not assessable

Topic	Indicator	Unit	2021	2022	**2023**	Development compared to the previous year
Energy and emissions						
	Carbon footprint Scope 1	t CO_2e	771,799	813,242	819,934	Negative development
	Carbon footprint Scope 2, market-based	t CO_2e	125,723	148,454	143,010	Positive development
	CO_2e intensity (Scope 1+2)	t CO_2e/T€	n. a.	n. a.	0.055	New indicator
	Energy consumption	MWh	3,274,577	3,467,402	3,477,822	Negative development
	Energy intensity	MWh/T€	n. a.	n. a.	0.197	New indicator
	Green electricity	MWh	100.837	96,366	114,510	Positive development
Circularity						
	Percentage of recycled asphalt used in the production of asphalt mixture	%	34 (DE)	35 (DE)	34 (DE)	Negative development
			7 (PL)[1]	6 (PL)[1]	7 (PL)	Positive development
			15 (AT)[1]	15 (AT)[1]	16 (AT)	Positive development
Human rights						
	Reports of potential human rights violations	Number	27	16	44[2]	Development not assessable
	Number of cases of discrimination	Number	12	13	33	Development not assessable
	Number of cases identified in the category human rights and working conditions	Number	3	3	11	Development not assessable
Occupational safety						
	Lost-time accident rate[3]	%	0.26	0.24	0.23	Positive development
	Accident incident rate[4]	%	15.6	14.8	14.2	Positive development
	Lost-time illness rate[5]	%	5.8	6.1	5.5	Positive development
Strategic human resource development						
	Number of appraisal interviews held versus number of employees	%	56.19	71.73	78.65	Positive development
	Training days per employee	%	0.84	1.31	1.18	Negative development
Diversity						
	Diversity on the Management Board[6] (Women/Men)	%	0/100	0/100	0/100	No change
	Diversity in management[7] (Women/Men)	%	9.3/90.7	9.5/90.5	9.9/90.1	No change
	Diversity among employees (Women/Men)	%	17.5/82.5	17.6/82.4	17.8/82.2	No change

Topic	Indicator	Unit	2021	2022	**2023**	Development compared to the previous year
Fair competition						
	Training Anti-Corruption and BCMS	%	81	86	92	
	Training Cartel Law	%	90	89	91	
	E-learning course Business Compliance Training	%	92	94	90	
	Confirmed incidents of corruption	Number	1	0	0	

[1] Values were adjusted retroactively due to a change in the calculation method.

[2] The increased use of the whistleblower system is attributed to its increased communication via the intranet, at training courses and online on the Group website.

[3] Number of working hours lost to accidents versus productive working hours

[4] Number of accidents at work per 1 million productive working hours

[5] Ratio of sick leave days to working days

[6] Employee numbers expressed as head count as at 31 December 2023

[7] Hierarchy levels from business unit management up

Environment

2023

Energy and emissions

The construction industry has a significant impact on the environment, so finding an efficient solution to the world's energy and emissions challenges is of central importance to STRABAG. Around 37% of global greenhouse gas emissions and 34% of global final energy demand are attributable to the construction and operation of buildings (Global Alliance for Buildings and Construction, 2023). This makes it essential that we expand the use of renewable energies and reduce the overall energy consumption if we want to achieve our ambitious goal of becoming climate neutral by 2040.

Against this background, STRABAG has, among other things, acquired a stake in battery manufacturer CMBlu Energy as a way to invest in the development and production of safe and sustainable energy storage solutions. Through the combination of technology and construction expertise, it is our aim to further advance the energy transition both within the Group and beyond.

Due to the ongoing international geopolitical crises, STRABAG again faced a high degree of volatility in energy and raw materials prices in the year under report. Total energy costs in 2023 amounted to € 413.91 million (2022: € 406.83 million). Despite a sharp increase in output of 8%, however, our total energy consumption and our CO_2e emissions remained almost constant. Total energy consumption amounted to 3,477,822 MWh, with a reduction in our fuel and gas consumption accompanied by an increase in the proportion of green electricity. CO_2e emissions in 2023 totalled 962,944 t CO_2e: Scope 1 emissions amounted to 819,934 t CO_2e (2022: 813,242 t CO_2e), while our Scope 2 emissions fell by almost 4% to 143,010 t CO_2e (2022: 148,453 t CO_2e) in the market-based calculation.

Rules, responsibilities and due diligence

Forward-looking environmental and energy policy

The environmental and energy policy updated in the year under report was expanded to include the two aspects of **expertise in the energy sector** and **optimisation of the environmental and energy data basis**. By increasing our expertise in the development of renewable energy infrastructures, we aim to actively advance the energy transition and reduce emissions from construction materials, building processes and the equipment fleet. With the help of measurable and specific key figures, the goal is to effectively manage improvement measures and ensure consistent climate reporting.

To better manage and optimise our energy consumption, we are working to expand the **ISO 50001** certification of our corporate entities. In 2023, ISO 50001 had been rolled out in corporate entities responsible for around 77% (2022: 69%) of the output volume. Additional local measures and audits for energy management cover a further approximately 6% of the output in the countries where we operate. An environmental management system certified to the international **ISO 14001** standard has been introduced in almost all Group countries. Certification here covers nearly 93% of the Group measured by output. Energy experts and specialists from STRABAG's energy management team ensure that a continuous improvement process is documented and reviewed in the course of standardised audits.

The establishment of various internal bodies ensures that all of the Group's organisational units are involved in the flow of information on environmental and energy issues. These bodies exist at the corporate, management and country level, led by the **Steering Committee on Energy and the Environment**. The committee meets at intervals of several weeks to exchange information on current or proposed projects and on environmental and energy-related topics for Group reporting. By involving experts from various organisational units, the steering committee brings together specialist knowledge in order to develop specific measures to optimise energy consumption while taking into account the legal and regulatory framework.

Objectives and indicators

The energy and CO_2e data for the Group are systematically captured and analysed using **CarbonTracker**, a software that was developed in-house and has been used and regularly updated since. The main aspects of the data collection process were revised during the 2023 financial year to allow the data basis to be updated throughout the year in line with the Group's aim of continuously improving data quality.

Fuel as a significant source of energy

Based on the information obtained from CarbonTracker, we are developing concepts to reduce the use of fossil energy sources and lower the resulting greenhouse gas emissions in the long term through more efficient conventional or innovative machines. The Group's most important energy source is fuel, which accounts for about 57% of the total energy costs and therefore holds the greatest potential for savings for the Group. **FuelTracker**, which was developed analogously to CarbonTracker, allows us to analyse the fuel use of the STRABAG passenger car and commercial vehicles fleet.

Energy use within the Group[1]

Form of energy	Unit	2019	2020	2021	2022	**2023**
Fuel	MWh	1,986,883	1,732,783	1,754,901	1,961,591	1,959,920
Gas	MWh	430,143	332,625	428,683	416,171	396,746
Heating oil	MWh	165,764	142,857	151,406	153,519	159,970
Pulverised lignite	MWh	481,235	500,732	503,083	475,975	497,900
District heating	MWh	48,826	42,665	41,645	42,806	41,011
Conventional electricity	MWh	432,755	384,741	294,022	320,974	307,765
Total energy consumption from non-renewable sources	**MWh**	**3,545,607**	**3,136,403**	**3,173,740**	**3,371,036**	**3,363,312**
Green electricity[2]	MWh	n. a.	26,700	100,837	96,366	114,510
Total energy consumption	**MWh**	**3,545,607**	**3,163,103**	**3,274,577**	**3,467,402**	**3,477,822**

1 With the exception of pulverised lignite, energy consumption is determined by cost. Energy costs are converted into quantities using average prices for specific energy sources and countries, based on invoice amounts. The energy units are converted to MWh (analogue to calorific value) using conversion factors from the following sources: For fuels and heating oil, the German Federal Ministry for Economic Affairs and Climate Action (BMWK). For pulverised lignite, the calculation is based on the quantities and calorific values provided by the supplier.

2 This concerns the purchase of green electricity in Austria and Germany within the framework agreements (approx. 80% of the total electricity consumption in the respective countries).

The CO_2e footprint in the Group

Carbon footprint: calculation method

The CO_2e footprint for the 2023 financial year refers to the Group's full scope of consolidation and includes the CO_2e emissions caused in 60 countries. The emissions are reported in **Scope 1** and **Scope 2** in accordance with the definition of the Greenhouse Gas Protocol, with the greenhouse gases CO_2, CH_4 and N_2O included in STRABAG's calculations since 2020. Scope 1 emissions are calculated based on the standard unit of calorific value (kWh) using the conversion factors from the IPCC 2006 Guidelines for National Greenhouse Gas Inventories. For pulverised lignite, factors from the local suppliers were additionally used.

Scope 2 emissions for electricity and district heating have been reported separately since 2020 using market-based and location-based methods (see Data Appendix). Where district heating data was not available for a certain country, the Group average value derived from the available data was used. For the market-based calculation, CO_2e emission factors from our local electricity tariffs are used. If market-based factors are not available, location-based factors are used. These factors are based on the International Energy Agency emissions database from 2020. A changeover to the latest version of the database is planned for the 2024 financial year.

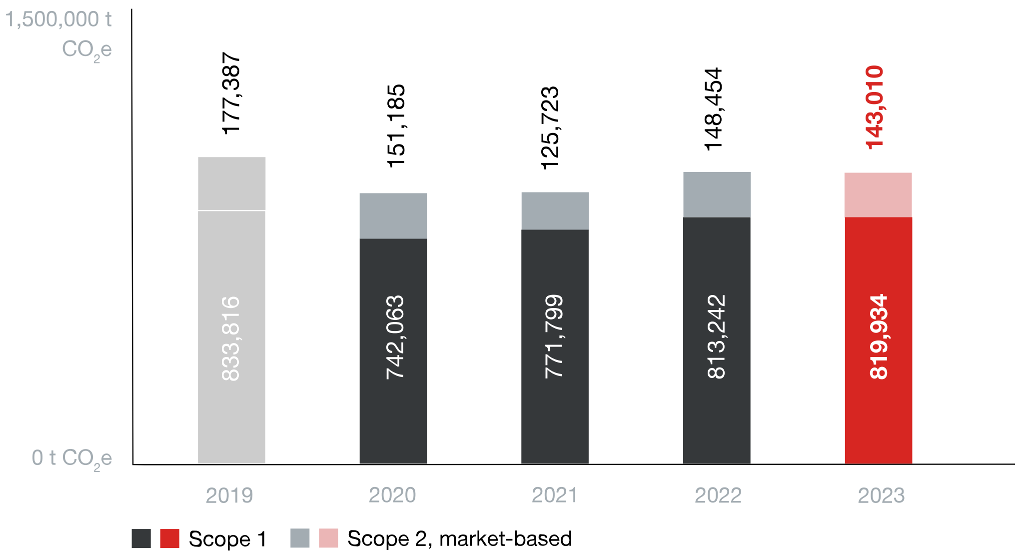
Calculating the STRABAG Group's emissions is the fundamental basis for developing measures to reduce emissions along the value chain. Specially established **task groups** address specific issues in this context, such as possible energy-saving measures at our construction sites or the development of an uniform CO_2e calculation standard to enable the calculation of emissions from construction projects in the early bidding phase.

In the year under report, we continued to work on the calculation of **Scope 3** emissions by comprehensively testing the ERP system for Scope 3 calculation requirements. Based on the findings, it was decided to extensively adapt the ERP system to be able to calculate valid Scope 3 emissions along the entire value chain. The reporting of Scope 3 emissions is therefore being established step by step.

Carbon footprint: assessment results

Within the Group, a total of 819,934 t CO_2e were emitted directly by the company in the year under report (Scope 1), with an additional 143,010 t CO_2e attributable to electricity and district heating use (Scope 2). The calculation was made using the market-based method. Scope 2 emissions using the location-based approach amount to 183,908 t CO_2e.

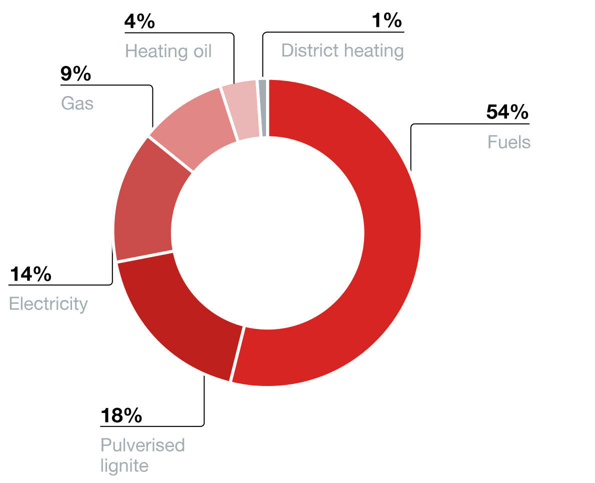
Emissions of the STRABAG Group



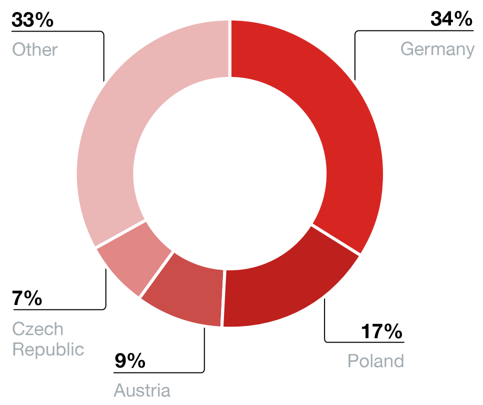
The figures for the 2019 reporting year only include CO_2 emissions.
Since 2020, STRABAG's calculations include the greenhouse gases CO_2, CH_4 and N_2O.

Slightly more than half of the CO_2e emissions in the Group result from the use of fuels, mainly diesel. Around 18% is attributable to pulverised lignite and around 14% to electricity (market-based). Germany, Poland, Austria and the Czech Republic together are responsible for the greatest share of these emissions (approximately 67%). With 74%, these countries also accounted for the greatest share of the Group's output volume in 2023.

CO_2e emissions by energy source in 2023

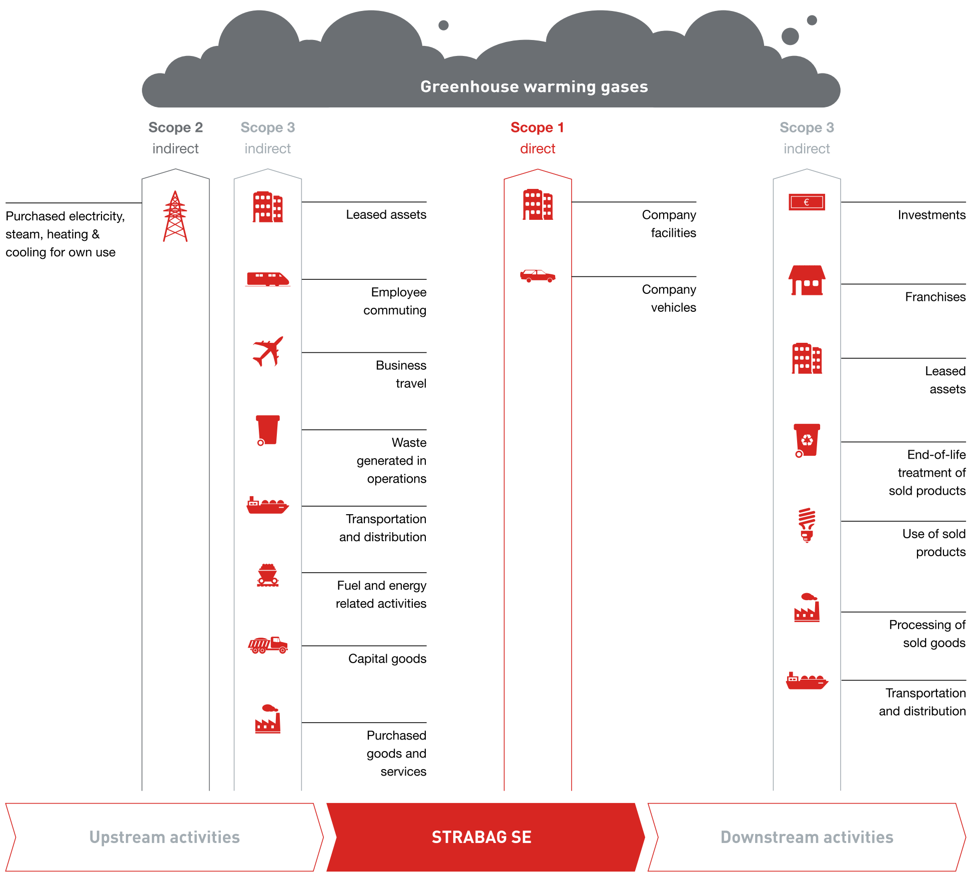


CO_2e emissions (market-based) by country in 2023



Asphalt mixing plants are another significant source of energy consumption at STRABAG. In 2023, the energy consumption and emissions at our asphalt mixing plants in Germany amounted to 93.6 kWh per tonne of asphalt mixture produced (2022: 92.6 kWh/t) and 29.6 kg CO_2e per tonne of asphalt mixture produced (2022: 29.8 kg CO_2e/t). The increase in specific energy consumption is due to comparatively low production volumes at a number of production sites.

Three scopes



Projects and initiatives

Reducing emissions is a key component of STRABAG's sustainability strategy, reflected in various projects and initiatives that extend across the entire life cycle of STRABAG's business activities. The expansion of our expertise and knowledge is another key factor in this context. A number of training courses were offered in the 2023 financial year, including courses on the energy-saving operation of construction machinery or the promotion of alternative energy systems at STRABAG's various divisions.

Roadmap to climate neutrality

With our roadmap to becoming climate neutral by 2040, we are working together with STRABAG's operating units and central divisions to develop a concrete path to reducing our emissions, taking into account the development, evaluation and planning of emission-reducing measures.

The decarbonisation measures were developed in joint workshops for each division and included an extensive preparation and follow-up phase. The CO_2e reduction potential of the planned measures is currently being assessed. These will then be consolidated and summarised in a Group-wide quantified roadmap to be adopted in the second quarter of 2024 and updated and expanded annually.

Energy transformation

A special working group was set up under the leadership of Management Board member Siegfried Wanker to address the transformation of the energy sector. The aim is to pool all relevant expertise on the topic of energy, to present energy consumption in a transparent manner, to create and continuously update an energy target profile, and to initiate and manage projects on the topics of increasing efficiency, substituting fossil fuels and expanding and storing renewable energies.

Photovoltaic initiative

The aim of our photovoltaic initiative is to assess the photovoltaic potential of all buildings and land owned by the company from an economic, environmental and regulatory perspective. The results of this assessment will be used to derive a strategic framework for the Group-wide expansion of low-emission photovoltaic power generation. All properties owned by the Group in four countries have now been analysed for the feasibility of installing rooftop or ground-mounted systems. Around 50 installations with a total photovoltaic surface of approximately 28,000 m^2 and a nominal output of nearly 5,100 kWp have already been realised to date. Over 100 further systems are in planning or under construction.

Pilot projects

Fossil fuels, especially fuels such as diesel and petrol for our construction machinery, currently make up the largest part of our energy mix. To help us achieve our goal of becoming climate neutral by 2040, we are working to reduce our use of fossil fuels and are testing low-emission alternatives in various settings:

Substitution with HVO

Hydrotreated vegetable oil (HVO) is a sustainable biofuel alternative made from waste oils or residual products such as tall oil. We see HVO as an important component of our Group's future diverse energy mix. In our German entities, suitable road construction machinery is currently being converted for HVO use for initial test purposes. The aim of the pilot project is to investigate the suitability and behaviour of HVO as a fuel, including its long-term availability.

Feasibility studies on green hydrogen

Several feasibility studies are being carried out to analyse the use of green hydrogen at our asphalt mixing plants and quarries. The studies are also looking into the possibility of fuelling commercial vehicles with green hydrogen and of producing green hydrogen in-house at our production sites.

Hydrogen-powered wheel loaders

The search for alternatives to diesel is a major challenge, especially where heavy construction machinery is concerned. Several pilot projects are testing the operation of wheel loaders using green hydrogen to assess their handling, usability and reliability under various operating parameters.

Climate-neutral site container

The Container of the Future project, which involves analysing the energy consumption of mobile site containers, has a potential impact on the Climate-Neutral Construction Project subgoal. The results of the project will serve as a basis to define minimum standards for the energy-efficient design and operation of site containers.

Sustainable business travel

The central division STRABAG Innovation & Digitalisation (SID) in 2023 started a sustainable business travel project. Over a period of 18 months, the project team, with the continuous involvement of the division's employees, is investigating which incentive systems and framework conditions are required to gradually make business travel more sustainable and convenient.

Outlook

In the coming year, we aim to implement **measurement methods and analysis tools** to more precisely quantify the energy and emissions reduction potential for our projects. At the same time, we are focusing on **improving data quality** to allow us to set well-grounded targets and make decisions in the area of sustainable business practice.

Sources – Chapter: Energy and Emissions

Global Alliance for Building and Construction, 2023: 2022 Global Status Report for Buildings and Construction, accessed on 1 February 2024

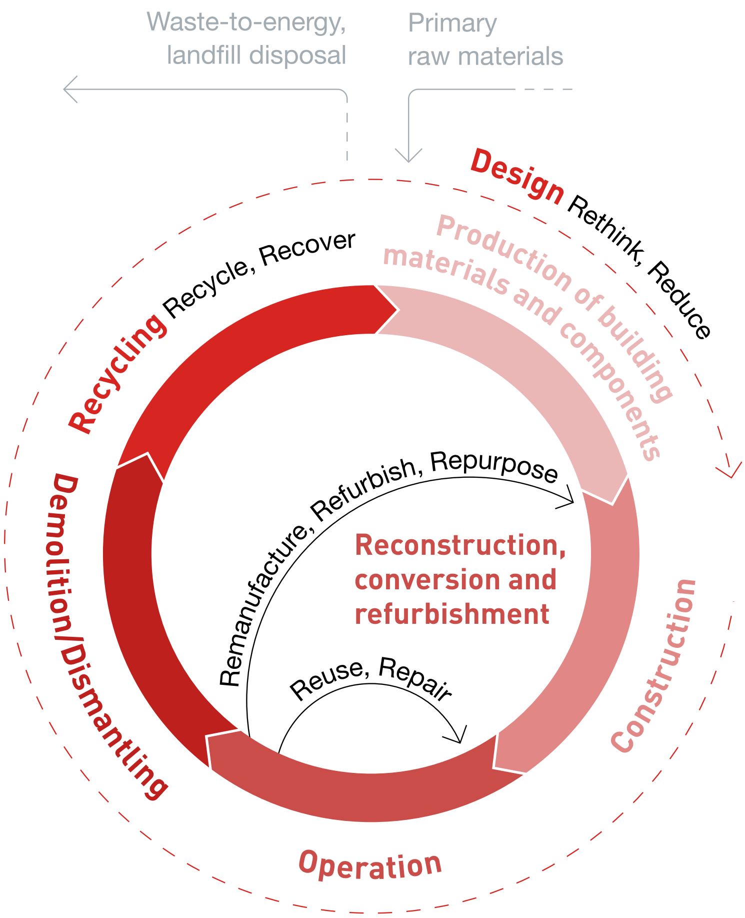
Circularity

The construction industry is one of the most resource-intensive sectors in the world. The most important raw materials in construction, non-metallic mineral resources, account for nearly half of the global raw material demand (Circle Economy, 2023). At the same time, the construction industry generates more than one third of all waste in the EU. The current system of material extraction, use and subsequent disposal is known as the **linear economy.**

The raw materials we use are limited, however. And renewables can only cover part of the demand, as more resources are consumed than can be sustainably produced (Circle Economy, 2023). At the same time, the world's natural deposits of non-renewable raw materials are being continuously depleted. Sand, one of the most important materials in the construction industry, is the second most consumed raw material globally after water (bvse, 2020). And as more and more raw materials reach the end of their useful life, Europe's dwindling landfill capacities are increasingly becoming a problem. The result: higher costs for both the purchase of materials and for disposal services.

Solving the challenges of the linear economy and ensuring the availability of sufficient raw materials in the future requires a successful transition to a **circular economy**. In a circular economy, the life cycle of materials and products is extended by keeping them in the economic cycle and at the highest possible quality for as long as possible, even after the end of their regular service life. This also avoids the generation of waste.

Circularity in the construction industry



STRABAG, having recognised the potential of the circular economy, has responded by setting goals and developing business models that cover the entire value chain. This includes aligning ourselves with the **9R framework** of circularity: **Rethink, Reduce, Reuse, Repair, Refurbish, Remanufacture, Repurpose, Recycle and Recover.**

This broad spectrum is also an advantage for our clients, as the high level of vertical integration within our Group helps to counter the risks of raw material shortages, price peaks for building materials and bottlenecks in waste disposal services.

Increasing product and material efficiency

Rethink and Reduce

Improved design and alternative construction methods can significantly optimise a building's material efficiency and environmental footprint. Modular construction, using the highest possible degree of prefabrication, also ensures that less waste is generated during production while also reducing construction times and simplifying the deconstruction process. Optimised construction planning using LEAN methods and specific analysis tools allows us to continuously examine how construction sites can be designed more efficiently and how materials can be used as economically and as intelligently as possible.

We are also conducting research into alternative building materials with increased resource efficiency and a more favourable environmental impact (see Projects and initiatives). STRABAG also produces its own building materials and operates quarries as well as asphalt and concrete mixing plants where new building materials can be tested under normal production conditions..

Extending the useful life of our products

Reuse, Repair, Refurbish, Remanufacture and Repurpose

Using buildings for as long as possible, refurbishing or modernising them instead of tearing them down, is the resource-saving alternative to the construction of entirely new buildings. To support our clients in this endeavour, we are continuing to expand our expertise in the field of reconstruction, conversion and refurbishment. The increased refurbishment of existing buildings and infrastructure also helps to ensure that less land is sealed through paving and the construction of new buildings. This keeps existing ecosystems intact.

In cases where deconstruction may be required, it is best if these works are already taken into consideration during the design and planning phase. This makes it easier to reuse parts of buildings following the end of their useful life. Prefabricated concrete elements are particularly suitable for this purpose. Staircases and elevator shafts are produced in one piece, are very durable and have standardised dimensions, so they can usually be removed and reused with little effort.

Building with recycling in mind and closing material cycles

Recycle and Recover

True recycling means keeping materials in the cycle in as consistent a quality as possible instead of disposing of them. This systematically reduces the consumption of primary raw materials and lowers energy costs. When realising new construction projects, the aim must therefore be to use secondary raw materials as much as possible. One of the ways in which we are optimising our material flows is to connect our construction sites and improve the data basis for material use and waste generation.

An important key to the successful use of secondary raw materials is urban mining. This means viewing densely populated areas – especially large cities – as enormous raw material repositories. Long-lived goods in particular, such as concrete or asphalt, aren't demolished and hauled off for disposal, but recycled on site and reused as new secondary material. Information on some of the strategic partnerships between STRABAG and start-ups in the field of urban mining can be found in the Projects and Initiatives section.

Wherever waste is generated, it should be reused in the highest quality possible. For this reason, STRABAG has its own entities that specialise in the recycling and disposal of waste. One of these is the recycling and processing centre for mineral construction waste currently being established in the German city of Bremen. Plans for these so-called C3 centres at other locations are already underway. We also remediate and operate landfill sites specifically for our customers. Our range of services further includes the reutilisation of waste from waste treatment, the remediation of contaminated soils and the treatment of groundwater and construction site water. In this way, we contribute to the downstream utilisation of waste and the conservation of natural water resources.

Rules, responsibilities and due diligence

The central staff division Business Compliance & Management Systems is in charge of the Group's environmental management system, which is regularly audited both internally and externally. Around 93% of STRABAG's entities are certified to ISO 14001 or EMAS. Compliance with environmental protection is assessed during audits at our various facilities and construction sites.

In accordance with the respective regulatory requirements, waste management officers and waste disposal officers have been appointed at our facilities and specialised waste management operations. They are responsible for the implementation of the national laws and regulations regarding the handling of waste and hazardous substances and the use of secondary raw materials. Here, too, legal conformity is regularly reviewed both internally and externally through audits in accordance with the applicable management systems.

Opportunities and risks with regard to circularity are also reviewed and assessed as part of the reporting process. The aim is to monitor challenges and seize opportunities at an early stage. In the 2023 financial year, we began to focus more on circularity and on reconstruction, conversion and refurbishment with the establishment of specialised entities as a way to further expand circular construction methods and business models within the Group.

Objectives

Circularity is one of six key strategic topics that has been firmly anchored in our **Strategy 2030**. We want to expand our expertise in the procurement and handling of building materials, as well as in dismantling and recycling, in order to continuously increase our resource efficiency.

Group-wide environmental and energy policy

The Group-wide **environmental and energy policy** was also revised during the 2023 financial year. Our environmental and energy policy forms the foundation for environmental management at STRABAG and specifies the overarching goal of circularity: to promote and advance the transition to a circular economy, in particular through methods of circular construction. To do so, we must minimise the consumption of energy and of primary raw materials and avoid waste. The following **measures** should help us realise these goals:

– We consider buildings over their entire life cycle. Using building-specific life cycle assessments and the evaluation of circularity, we identify potential for improvement and demonstrate the ecological added value of building variants to our clients.
– We develop end-to-end material and waste concepts and are introducing a Group-wide waste management system that also includes the handling of hazardous waste.
– We are continuously increasing the percentage of recycled materials in our products and are investigating the use of alternative, renewable building materials. We also strive to continuously reduce water consumption in our company processes.
– During the design and build phases of our projects, we consider not only the origin of the materials used, but also their possible uses at the end of their service life. The materials and components used should be removable, separable and reusable or recyclable.

Indicators

We report the six largest material flows by volume, showing materials that are used to manufacture our products and provide our services.

Materials used[1]

Material	Unit	2019	2020	2021	2022	**2023**
Stone/gravel	thousands of tonnes	70,410	69,960	64,790	59,991	56,626
Asphalt	thousands of tonnes	13,270	12,745	12,715	12,056	11,850
Concrete	thousands of m^3	5,519	5,089	4,775	5,154	4,576
Cement	thousands of tonnes	1,642	1,739	1,555	1,239	1,200
Structural steel	thousands of tonnes	477	447	445	464	455

1 The volumes were calculated from the average prices.

Shown below is the percentage of recycled asphalt added during production of asphalt mixtures in Germany, Austria and Poland (share of Group output approx. 69%). The previous year's figures (2022) for Poland and Austria were adjusted retrospectively due to a change in the calculation method.

- Germany: 34% out of a total asphalt mixture production of 3,306 thousand tonnes (2022: 35% out of 3,036 thousand tonnes)
- Poland: 7% out of a total asphalt mixture production of 2,525 thousand tonnes (2022: 6% out of 2,268 thousand tonnes)
- Austria: 16% out of a total asphalt mixture production of 954 thousand tonnes (2022: 15% out of 1.077 thousand tonnes)

Mineral construction waste as largest waste stream

The largest waste streams in the Group result from **mineral construction waste**. Waste from production and administrative sites as well as non-mineral construction waste passed on to certified specialist waste management companies play a subordinate role. This is typical for the construction sector and distinguishes it from other branches of industry. The total amount of waste depends on the size and type of the construction project (e.g. buildings, transportation infrastructure, dismantling work, excavations, recycling activities) and on quality specifications. Since these specifications are determined by third parties, STRABAG has only limited influence on them. In this management approach, the total quantity is therefore not defined as a controllable variable. In the future, we will measure the waste targets stated above using the indicators listed in the following tables.

Handled waste includes mineral waste that STRABAG accepts/processes in the course of its project business and in its own waste and recycling management centres and processing sites and feeds into the various streams of preparation for reuse, recycling or other processes for recovery and disposal.

Disposal refers to all processes that do not involve recovery.

Mineral waste that is **diverted from disposal** includes waste that is prepared for reuse, recycled and entered into other recovery processes.

Preparation for reuse includes mineral waste that is prepared for reuse with the same purpose as originally intended – e.g. through washing, screening or sorting.

Recycling refers to the reprocessing of mineral waste in order to obtain new materials and return them to the production cycle.

Other recovery processes comprise all other recycling methods.

On site describes waste that is recycled or disposed of by waste management companies belonging to the Group.

Off site describes waste that is recycled or disposed of by external waste management companies.

Total handled waste by composition (t)

	Total handled waste (input)	Waste diverted from disposal	Waste directed to disposal
Total waste	9,279,999	3,989,724	4,344,627
Non-hazardous waste	8,840,369	3,801,681	4,060,780
Hazardous waste	439,630	188,043	283,847

Waste diverted from disposal (t)

	Total	Onsite	Offsite
Total waste	3,989,724	1,761,562	2,228,163
Non-hazardous waste	3,801,681	1,576,373	2,225,308
Preparation for reuse	232,208	8,550	223,658
Recycling	238,174	238,174	0
Other recovery operations	3,331,299	1,329,649	2,001,650
Hazardous waste	188,043	185,189	2,855
Preparation for reuse	2,855	0	2,855
Recycling	0	0	0
Other recovery operations	185,189	185,189	0

Waste forwarded for disposal (t)

	Total	Onsite	Offsite
Total waste	4,344,627	338,224	4,006,402
Non-hazardous waste	4,060,780	329,071	3,731,709
Hazardous waste	283,847	9,154	274,693

The data in the tables comprise the values from the corporate entities in Austria and from projects and orders in Germany which the Environmental Technology and Building Materials/ Recycling subdivisions were responsible for in the reporting year. Local legislation requires these entities to report their waste streams. Data collection was extended to other companies at the beginning of 2024. A new structure for waste and recycling management postings was created within STRABAG's ERP system for this purpose. Mandatory quantity reporting also applies to postings in the relevant categories.

Projects and initiatives

As part of our commitment to circularity, STRABAG focuses not only on its **in-house implementation** concepts for recycling, but also on **strategic partnerships**.

Building resource passport

One of these partners is Concular. STRABAG has been working with the Berlin start-up since 2022 to develop a circular building resource passport. Enabling circular construction and keeping the raw materials used in the cycle at a high level of quality and for as long as possible requires information: Which resources and materials are used, in what quantity and quality, at what point in the building process, and in what way? The aim of the digital resource passport for buildings is to fulfil this information-gathering function. That makes it a central building block for a functioning circular economy. Concular is a market leader for material passports and the reintroduction of materials. STRABAG contributes the necessary construction industry expertise.

Circular deconstruction

In addition to the building resource passport, STRABAG is also making use of Concular's solutions for the circular deconstruction of buildings. At the ZÜBLIN campus in Stuttgart, for example, the refurbishment of the Group's Z2 building – represented by the technology experts from STRABAG BRVZ – offers a wide range of potential for collaboration. Following an assessment, evaluation and digital documentation of the existing material, a total of over 350 materials from Z2 were expertly removed, made available for further use by Concular and reintroduced into the cycle. Modular partition walls and fire doors, for example, have already found new uses in Europe's largest makerspace and in the Kulturhaus Chemnitz cultural centre.

Esslingen district government office

The new Esslingen District Government Office shows how circular planning and design can be applied to all phases of a building's life cycle. Before the project got started, a so-called material flow balance sheet was drawn up as the basis for a waste concept prioritising high-quality recycling and short transport paths. Through selective deconstruction and waste sorting, more than 90% of the materials recovered from the old building can be kept in the cycle and reused. The approximately 31,500 tonnes of concrete waste are crushed and screened directly on site for reuse as aggregate in resource-saving concrete (R concrete). These building materials containing a high percentage of secondary raw materials are later used in the construction of the new building, while cradle-to-cradle certified products are used in the fit-out. During operation, the building adapts to different requirements thanks to a flexible, modular space concept. Even the end of the building's service life was taken into account during planning: A catalogue of ecologically sound building components and a special demolition concept are being drawn up for the new administration building. In the event of the building's future deconstruction, the materials that were used can be easily located, separated and sorted.

Outlook

Strategy 2030 aims to minimise the wastage of raw materials and to reduce negative environmental impacts. Several working groups have been established for the strategic action areas of **reconstruction, conversion and refurbishment**, **sustainable building materials** and **value stream management**. The flow of information between the various initiatives is ensured by the corporate sustainability network and Group-wide project teams.

The working group on value stream management has been tasked with the collection of material and waste data, among other things. A standardised system for recording waste data developed during the 2023 financial year will be applied across the Group starting in 2024. The first step is to improve the data basis. In a next step, this data should help us to better manage our recyclable materials and anchor the principle of circularity even more firmly at STRABAG.

Sources – Chapter: Circularity

Circle Economy, 2023: The Circularity Gap Report 2023, accessed on 25 January 2024

bsve (Bundesverband Sekundärrohstoffe und Entsorgung e. V.), 2020: Statusbericht der deutschen Kreislaufwirtschaft [Status Report on the German Circular Economy], accessed on 25 January 2024

Digitalisation and innovation

STRABAG aspires to be the leading technology partner for the construction of tomorrow. To achieve this goal, we are pursuing specific digitalisation targets. At the same time, the sorts of social and environmental challenges that the European Union is addressing with the Green Deal require innovative responses from business and industry. The **digital transformation** enables us to create comfortable living space at low cost, manage infrastructure intelligently, use resources effectively and reduce emissions.

The expansion of the digital infrastructure within the Group does increase the risk of cyberattacks and unauthorised data access. To counter this risk, STRABAG is continuing to expand its existing IT security infrastructure and carries out regular awareness campaigns throughout the Group to improve our digital capabilities and establish a security-focused data culture.

Rules, responsibilities and due diligence

Separate entity for innovation and digitalisation

Since the establishment of the central division **STRABAG Innovation & Digitalisation**, the Group has had its own organisational entity dedicated exclusively to innovation and digitalisation topics. SID leads the way in initiating developments, providing expert support while establishing a comprehensive overview of the corporate-wide innovation activities. We are also working on robotics and automated applications to increase our productivity.

A **key account management** system has been set up to align SID's activities with the strategic needs of the divisions and central divisions. Digital tools and technologies are to be provided quickly so they can fulfil their role as enablers of sustainable construction activities. An internal key account network meeting was held in the 2023 reporting year to strengthen the ties between the **digitalisation officers** from the divisions and central divisions and to promote the exchange of expertise. With the establishment of the **SID2Site** function, the aim is to bring digital developments and innovations from SID to the construction sites and so create greater acceptance for innovations within the construction site teams.

Reporting directly to the CEO, the SID management team aims to ensure intense internal communication within the Group, with strategically important topics brought directly to the Management Board. Fundamental strategies, processes and objectives are jointly defined and continuously developed. These include the overarching strategies on digitalisation and sustainability, as well as topics such as data, robotics, BIM and geographic information systems (GIS). The rules and responsibilities as well as the organisational structure and workflow management were further strengthened and consolidated to promote the necessary STRABAG innovation and digitalisation initiatives in the long term. At the same time, the specifications that were defined for the systematic evaluation, prioritisation, coordination and processing of ideas and projects were refined and enhanced.

Strategy 2030

The strategies for sustainability and digitalisation are also anchored in our Strategy 2030 adopted in 2023 under the heading of "People. Planet. Progress." The Group's strengths in digitalisation and innovation make a particular contribution to all three cornerstones of the strategy.

Objectives and indicators

Promoting the digital transformation in construction

STRABAG is actively driving forward the digital transformation of the construction industry. The aim is to increasingly support our processes and our workflows with digital methods. Another focus is on the further development of efficient and collaborative, digitally supported working methods with customers and partner companies. At the same time, we are investing in the continuous qualification of our employees and are strengthening our teams with the right specialists.

Further **objectives** include:

- **BIM 5D® workstations:** STRABAG is gradually upgrading its CAD workstations for use with BIM 5D® technology in building construction and civil engineering as well as in transportation and infrastructure projects. The number of BIM-capable workstations has been growing continually and in 2023 reached 2,643 (2022: 2,435). That corresponds to a year-on-year increase of 9%.
  Objective: double-digit growth
- **Expenditure on research, development and innovation activities:** approx. € 17 million (2022: approx. € 16 million)
  Objective: maintain at least the previous year's level
- **Number of development projects with funding:** 32
  Objective: maintain the funding rate at the previous year's level

Projects and initiatives

Work On Progress website

Find out more

The SID central division helped realise over 200 development projects covering the entire value chain throughout the STRABAG Group in 2023. The following sections present an excerpt of individual innovative projects. Further projects can be viewed at any time on STRABAG's Work On Progress website.

Climate-neutral quarry in Eigenrieden

The Eigenrieden Quarry in Thuringia has been part of the STRABAG Group since 2009. The limestone quarry has served as the setting for various pilot projects and trials to gather experience and insights into the climate-neutral operation of our extraction operations.

Applying an end-to-end view of the quarry and using innovative technologies, the aim is to create a forward-looking, climate-neutral opencast mine. This is also the main goal of the ELMAR research project, of which STRABAG Mineral Baustoffe GmbH is involved as part of a consortium. Alongside measures aimed at restructuring the internal transport, the project also aims to set up a fully electric processing plant. The new facility was successfully put into (trial) operation in 2023 following a total construction period of just 13 months. A large-scale photovoltaic installation with energy storage to ensure the quarry's power supply is scheduled to go into operation in 2024.

Decarbonisation of buildings using generative design

The potential for reducing carbon emissions and costs is greatest in the design and planning phase. Using an interactive design tool, the CO_2 emissions and costs of building construction projects along the entire life cycle are examined and evaluated already during the early concept phase in order to present the clients with a number of different building variants. The analysis compares different building systems, such as timber versus reinforced concrete, as well as corresponding carbon emission and cost values. The consultants can either configure the building manually or display optimised variants using evolutionary algorithms.

In order to utilise the high potential of generative design (GD) to transform the construction industry, it is also important to use interfaces and synergies with other design methods such as BIM. Experts from the two central divisions SID and Zentrale Technik in November received the BIM Award from the BIM Cluster Baden-Württemberg for their article **"BIM Meets GD. Making BIM smarter with Generative Design"**.

Generative design is currently being used in the Z2 construction project at the ZÜBLIN campus in Stuttgart, among other places. The refurbishment of the existing building offers numerous opportunities for using digital tools. The building was parametrically modelled and its energy efficiency assessed even before construction work began. The building's potential PV yield was also generated using the stored geographical data (GIS) and compared with the primary energy specifications in accordance with the Buildings Energy Act.

BIM2be

BIM has emerged as a key method in the construction industry for exploiting the potential of circularity in general and the principle of resource efficiency in particular. BIM2be was launched as an extension of this method. The project follows STRABAG's BIM strategy and forms the foundation for future BIM developments with the aim of improving data integration in BIM projects. The tools and products developed during the BIM2be subprojects are to be integrated into existing processes to support BIM managers. In 2023, the existing technology was further developed using various third-party models and piloted at several of our organisational entities. The aim in 2024 is to increase the maturity of BIM2be products, expand their use and increase their acceptance within the Group.

Idea management – ideas@strabag

The gradual roll-out of ideas@strabag enables new ideas, improvements and innovative solutions to be centrally and transparently bundled, evaluated, refined and ultimately implemented. On the one hand, the degree of problem solving is used as an evaluation criterion, and on the other hand, the ideas are checked for economic viability. The further establishment of the ideas management platform will enable the corporate-wide exchange of ideas. The aim is to facilitate an increased exchange between the corporate entities, to avoid redundancies and to give employees the opportunity to contribute their ideas and solutions to the Group as a way of promoting promotes innovation and increasing our future viability.

The **Strategic Innovation Management** project was initiated on the basis of ideas@strabag in 2023. The focus of the project is on the improved allocation of resources for innovation projects and an optimised innovation process that takes into account the phases from idea generation to market launch. Another goal is to clearly define the roles and responsibilities involved in the process.

The first step in 2023 was to define the innovation process along with the roles and responsibilities. At the same time, the right software was chosen to carry out the process.

adASTRA – intrapreneurship programme

The aim of the adASTRA intrapreneurship programme is to promote entrepreneurial thinking and action among our employees, to meet future challenges with new business models and to support start-ups from within the company. A special focus is placed on sustainable business models. For this reason, the Carbon Free OSB and Ennagy business ideas were taken to the next level in 2023 in order to reach market maturity. Carbon Free OSB uses hemp as a renewable, environmentally friendly alternative to wood in the production of oriented strand boards (OSB). Ennagy aims to develop a multi-sided trading platform for green energy offering decentralised renewable energy production as a peer-to-peer model without any major cost risks.

Outlook

The innovation process defined in the Strategic Innovation Management project is to be launched in the coming year to further strengthen STRABAG's capacity for innovation. This will restructure the innovation process. The project also comprises the development of new KPIs to better manage our innovation, sustainability and digitalisation activities.

Strategy 2030 places an even stronger focus on innovation and sustainability. The path to achieving the strategy's goals involves making investments, and an **internal Group funding model** was developed for this purpose in 2023. By combining internally provided funds with external funding, the aim is to realise as many projects as possible, including development projects, pilot projects and investments. To assess a project's eligibility for funding, our Group experts examine the degree of innovation, external eligibility for funding and eligibility for industrial property rights as well as the fulfilment of the ESG criteria of the respective project.

The **establishment of external networks and partnerships** with universities, think tanks and research institutes as well as the successful continuation of research and development projects such as BIM2be remain important milestones on our way to becoming a technology leader in the construction industry.

Social

2023

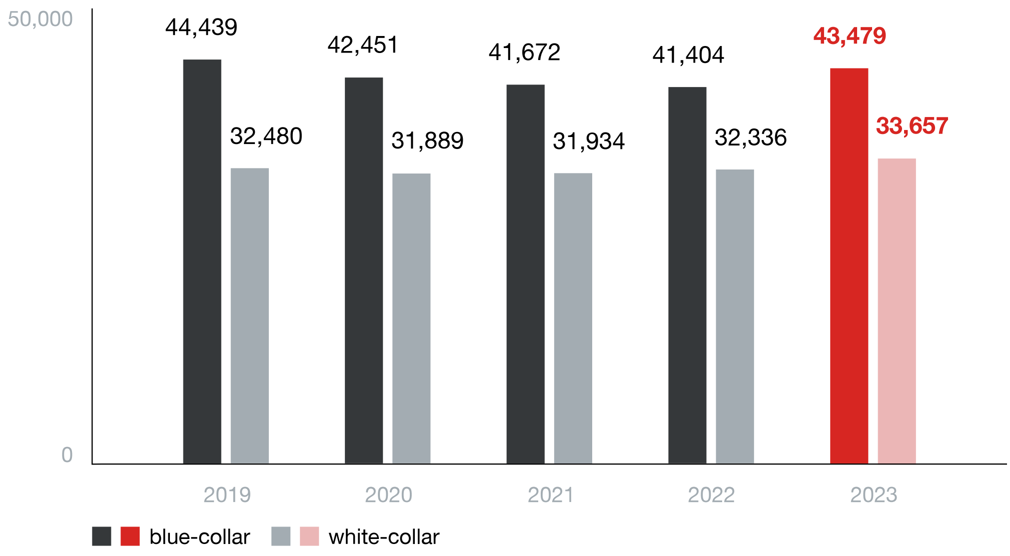
General employment figures

STRABAG employs 86,000 people worldwide

STRABAG's approximately **86,000 employees** (roughly 77,000 FTE) put their expertise and skill into practice at over **2,400 locations** worldwide. Their combined effort and commitment help us to complete our projects on time and in the desired quality. For this task to succeed day after day, STRABAG, in its function as employer, must ensure fair and equitable employment conditions by guaranteeing occupational safety and health, promoting the equal treatment of women and men, and observing human rights at all locations.

In 2023, the total number of employees increased by **4.6%** from 73,740 to 77,136 FTE. The employee numbers shown in this chapter were determined by including all associated Group companies and represent annual average values.

Development of employment numbers (FTE)



In line with the higher output, increases were recorded above all in Germany, the Americas and the United Kingdom, which more than offset the slight declines in Croatia. The distribution of the total employment figures by segment, country and age can be seen in the following table and charts.

Number of employees (FTE) in 2023 by segment and country

	North + West	South + East	International + Special Divisions	Other	**Group**
Germany	20,597	1,044	6,894	3,113	31,648
Austria	130	8,605	1,612	1,443	11,790
Poland	12	4,906	549	680	6,147
Americas	0	1	6,042	9	6,052
Czech Republic	1	3,647	40	434	4,122
Hungary	1	2,471	2	374	2,848
Romania	163	1,546	9	224	1,942
Middle East	7	13	1,762	7	1,789
Slovakia	0	1,237	116	207	1,560
United Kingdom	61	10	1,291	47	1,409
Croatia	0	1,181	0	194	1,375
Serbia	0	1,120	0	210	1,330
Asia	0	1	1,250	6	1,257
Rest of Europe	44	729	92	369	1,234
Switzerland	616	6	5	82	709
Africa	1	31	555	0	587
Bulgaria	0	327	4	79	410
Benelux	232	1	27	44	304
Sweden	229	0	12	7	248
Slovenia	0	157	2	21	180
Italy	1	24	92	24	141
Denmark	41	0	4	9	54
Total	**22,136**	**27,057**	**20,360**	**7,583**	**77,136**

Data Appendix

Find out more

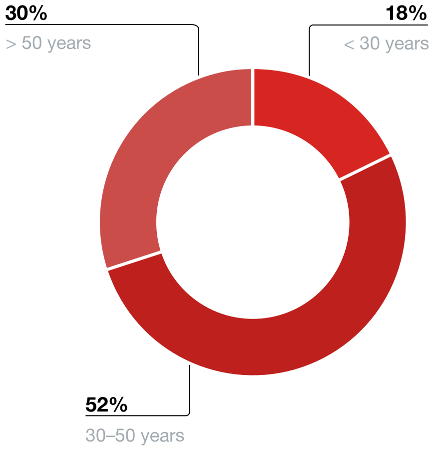
Detailed **employment figures** can be found in the Data Appendix (Social Indicators).

Corporate Governance Report > Diversity, Equality, Inclusion

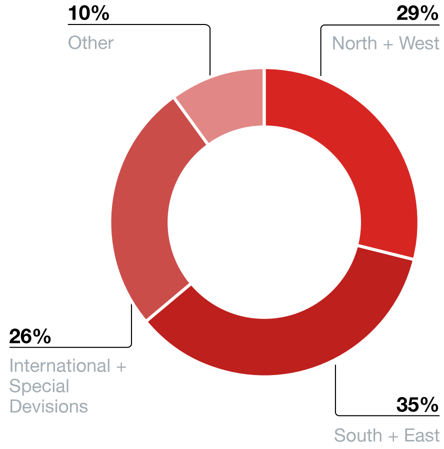
Find out more

Further information on the topic of **diversity** can be found in the Corporate Governance Report in the section on diversity, equality and inclusion.

Employees (head count) in 2023 by age



Employees (FTE) in 2023 by segment



STRABAG Employment and Social Fund Private Foundation

In 2001, the STRABAG Group set up the Employment and Social Fund Private Foundation to support employees experiencing great **financial hardship through no fault of their own**, e.g. as a result of accident, illness, severe weather events or flooding. As at 31 December 2023, the foundation’s equity capital amounted to € 11.5 million (31 December 2022: € 11.4 million). The foundation’s board is composed of four employer and four employee representatives and is chaired by an employee representative.

An application for financial assistance from the foundation can be submitted by the affected employees themselves, by their supervisors or by an employee representative.

These applications are reviewed by the foundation's board on the basis of the facts presented, including a statement of current income and expenses for the employee or their family, whereby the board is guided in its decision-making by the respective social context. Financial assistance is primarily provided in the form of monthly payments to employees or their dependants, but it may also take the form of one-off payments earmarked for a specific purpose.

Human rights

As an international technology group for construction services, we respect and support the protection of human rights within our sphere of influence. STRABAG is especially committed to the **International Labour Organization's Declaration on Fundamental Principles and Rights at Work** and the **United Nations Universal Declaration of Human Rights**. STRABAG also is a signatory to the **UN Women's Empowerment Principles**. As a member of the **United Nations Global Compact**, STRABAG submits an annual progress report on its activities to comply with the ten global principles in the areas of human rights, labour, environment and anti-corruption. These internationally applicable standards are included as key principles in our Code of Conduct and other Group guidelines.

By providing construction services in structurally weak regions, we are making an important contribution to infrastructure expansion and job creation in those places. Inclusive and sustainable construction methods contribute to the increased well-being of building users, thereby creating added value for society. Our Strategy 2030 reflects this with its focus on people as one of three core areas.

At the same time, the small scale and complex nature of supply and value chains in our field of activity gives rise to risks that must be dealt with proactively. For this reason, we focus especially on creating transparency and on raising awareness among our suppliers with regard to the protection of human rights.

Rules, responsibilities and due diligence

Additional human resources were established within our Sustainability Management team during the 2023 reporting year to reinforce the topic of human rights across the Group and avoid human rights risks. The new team, headed by the corporate **Human Rights Officer**, deals specifically with the topics of human rights, labour standards and social responsibility, taking into consideration the needs of our own employees, of workers in the supply chain and the impact that our value chain and business activities have on society.

In the 2023 reporting year, the role of the Human Rights Officer was refilled with a modified and expanded set of duties and responsibilities. The Human Rights Officer is responsible for monitoring the **Social Compliance Management System** for its effectiveness and consults with the Management Board, which is responsible for the fulfilment of human rights due diligence obligations. Sustainability Management works closely with the various central and corporate divisions of STRABAG to implement the Social Compliance Management System.

STRABAG's commitment to the prohibition of slavery, human trafficking and child labour is anchored in our sustainability policy. Our corporate-wide **Policy on Employment Conditions and Human Rights** was published as an annex to the STRABAG SE Management Manual in 2023 as a way of highlighting our commitment to the respect of human rights and fundamental labour principles.

Specifically, we are committed to the prohibition of:

- discrimination and harassment in the workplace
- modern slavery and forced labour, human trafficking and torture
- child labour
- unlawful evictions and property seizure

We also respect and support:

- the rights of minorities and of indigenous peoples
- the maintenance and continuous improvement of our occupational safety and health standards
- fair and transparent recruitment and hiring practices
- fair working conditions (including fair pay and working hours)
- freedom of assembly and union affiliation
- privacy and personality rights
- the development of society through our contribution to the local economy
- the communication of our values in the value chain

The STRABAG SE Code of Conduct precisely defines the system of values to which the company and all its employees are committed. We expect our suppliers, subcontractors and business partners to show the same commitment to human rights and the fundamental labour principles. For this reason, these fundamental values form an integral part of our STRABAG Supplier Code of Conduct.

In accordance with the UK and Australian Modern Slavery Act, we publish an annual statement underlining the relevance of human rights risks in our business activities and supply chain. In line with the German Supply Chain Duty of Care Act, we also publish a policy statement and an annual report for our Group companies affected by this law in Germany.

STRABAG online whistleblower platform

Find out more

Potential human rights violations, such as discrimination at the workplace, can be reported by employees and external persons via an **online whistleblower platform** or directly to the stated contact person (**ombudsperson**). A detailed explanation of how whistleblower reports are handled and how we guarantee the privacy and anonymity of whistleblowers or other persons involved is ensured can be found in the internally and externally accessible functional description and in an FAQ. Corrective action and disciplinary measures – from warnings to dismissals – are taken by the management representative in charge in order to respond appropriately to the identified offences and to counteract any future violations.

Implementation of the STRABAG Social Compliance Management System

The concept for a management system that emerged from the completed Group project sustainability in the supply chain was further developed into a Social Compliance Management System in the 2023 reporting year. The Social Compliance Management System maps our due diligence processes for **human rights and environmental risks**. It aims to identify, prevent and minimise human rights and environmental risks in our own business activities and in the supply chain and to put an end to violations. Implementation in the divisions began in 2023.

Work is underway to implement and continuously improve our Social Compliance Management System throughout the Group. In the year under report, the effectiveness of the implementation steps that have already been completed was scrutinised and the findings taken into account in the further development of the system. The central due diligence processes of the Social Compliance Management System are regular risk analyses, the derivation of suitable preventive and remedial measures, our complaints procedure, as well as documentation and reporting.

Chapter: Occupational Safety and Health

Find out more

A methodology was developed to analyse human rights and environmental risks in the company's own business activities and in the supply chain in order to identify potential negative impacts on people and their natural livelihoods as a result of country and segment risks. The prioritised human rights and environmental risks are compared with measures already in place at the various STRABAG Group divisions. These are very diverse and lie in different areas of responsibility.

Chapter: Strategic Human Resource Development

Find out more

Chapter: Fair Competition

Find out more

The STRABAG Group protects the health of its employees through extensive occupational safety and health measures defined by the central staff division Health Safety Wellbeing. STRABAG's employees are given ongoing training in their skills and competencies by the organisational units of People & Culture Development. Ethical behaviour that complies with the rules forms the framework for socially responsible action.

To provide information and raise awareness of human rights risks in our supply chain, purchasers were given training on social responsibility and the implementation of due diligence obligations in the purchasing process. There are plans to extend the training programme to other process participants and throughout the Group. Awareness-raising measures are also in place for our suppliers. In the year under report, pilot supplier audits were carried out with a comprehensive audit checklist on the topics of human rights and working conditions, occupational safety and health, the environment and procurement. When designing processes and risk-based measures, we work closely with the purchasing managers of the divisions to achieve the long-term goal of a socially and environmentally sustainable supply chain.

Objectives and indicators

STRABAG takes compliance with the fundamental labour principles and human rights seriously and aims to minimise risks, prevent violations and take remedial action in this regard. The grievance system is a core element of this commitment.

We used the following **indicators** to assess the situation in the year under report:

- Number of cases identified in the category discrimination in the reporting year (cases are assigned to the year in which they were conclusively discovered): 33
- Number of cases identified in the category human rights and working conditions in the reporting year (cases are assigned to the year in which they were conclusively discovered): 11

With a total of 44 reported cases in 2023, significantly more incidents were identified than in the previous year (2022: 16 reported cases). The increased use of the whistleblower system is attributed to its increased communication via the intranet, at training courses and online on the Group website. Of the 44 reports, 33 could be assigned to the category discrimination and eleven to the category human rights and working conditions. In eleven of the 33 cases, the conflict was resolved amicably. In three cases, the employee was dismissed, while disciplinary action was taken in eight other cases. Twelve reports were not substantiated. Three cases were withdrawn. In three cases, the whistleblowers could no longer be contacted for further clarification. The incidents involved were isolated cases in which the behaviour of employees or managers deviated from company guidelines.

The whistleblower system also recorded reports that were not submitted directly to the whistleblower platform but by telephone or e-mail to the ombudsperson (in 18 of 44 cases). The effectiveness of the system is reviewed annually. Especially important are measures to make the platform and the ombudsperson’s contact information easier to find and to raise awareness of the system’s existence, for example through mention in training courses.

Outlook

Awareness for the topic of human rights is to be enhanced through the expansion of training programmes and via other Group-wide information channels. We are also working on reviewing the effectiveness of those measures that have already been implemented in order to create a continuous process of improvement. We are defining **new indicators** and setting **new targets** to measure our success and improve our management.

Occupational safety and health

STRABAG's success is built on the hard work and dedication of a committed workforce. For this reason, occupational safety and the health of all our employees, whether on the construction site or at the office, is a fundamental part of and a top priority in our corporate culture. Health and safety in the workplace, together with a safe working environment that helps to prevent accidents and work-related illnesses, are important prerequisites for the performance of our employees so they can continue to contribute to the productivity of the Group and to the quality of our services. As part of our corporate-wide initiative **1>2>3 Choose Safety**, we have set ourselves the goal of **Vision Zero – Zero Accidents**. Due to constant changes in the working environment, high levels of physical and mental stress, and unpredictable weather conditions, workers in the construction sector are exposed to a particularly high risk of accidents and health hazards compared to other sectors of the economy.

Rules, responsibilities and due diligence

To help us manage this complex topic in an even more focused and effective manner, the Management Board of STRABAG SE decided to establish a new central staff division reporting directly to the CEO with effect from 1 January 2023. The new entity, **Health Safety Wellbeing & Management Systems (HSW | MS)**, brings together the areas of safety, health and health promotion and links them even more closely together than before. On 1 January 2024, the Management Systems (MS) subdivision and the Business Compliance central staff division were merged to create a joint central staff division.

Group-wide standards for occupational safety and health

The STRABAG Group is certified to **ISO 45001** (Occupational Health and Safety Management Systems) and is regularly audited internally and externally in this regard. An obligation to comply with these standards is laid down in a group directive that applies to all employees within the Group as well as to our external contractors. The directive, which was revised on the basis of the new organisational structure and will be rolled out in 2024, defines corporate-wide minimum standards for occupational safety and health, including the standardisation of organisational structures, accident reporting processes, accident investigations and personal protective equipment, among other things.

Protective measures, rescue concepts, and training and instruction needs with regard to health, safety and wellbeing are derived from the respective risk assessment of each specific area of work. This evaluation is carried out for employees at all levels. Our own employees as well as employees from external companies are treated equally and are jointly required to implement the derived protective measures in their own area of work. The 1>2>3 safety campaign also sets safety priorities and provides instructions based on the HSW calendar, which is updated on a monthly basis with relevant hazard and safety topics.

Serious accidents are analysed using lessons learned, with appropriate measures derived in cooperation with the national HSW representatives. For 2023, for example, corporate-wide measures were defined concerning safety in the handling of construction machinery. The standardised inspection apps were expanded to include a key question to ensure a focus on the safe use of autonomous equipment and large machinery. In 2023, 41,164 inspections were carried out in this regard.

Health protection measures to prevent work-related illnesses are also derived from the anonymised indicators provided by the accident insurance institutions. Recognised occupational illnesses include skin diseases, back pain, hearing loss and asbestosis. Climate change is intensifying the strain of working on construction sites, which is why the accident insurance institutions' indicators are also used to derive protective measures for work in hot weather, for example to prevent heat stroke or sunburn.

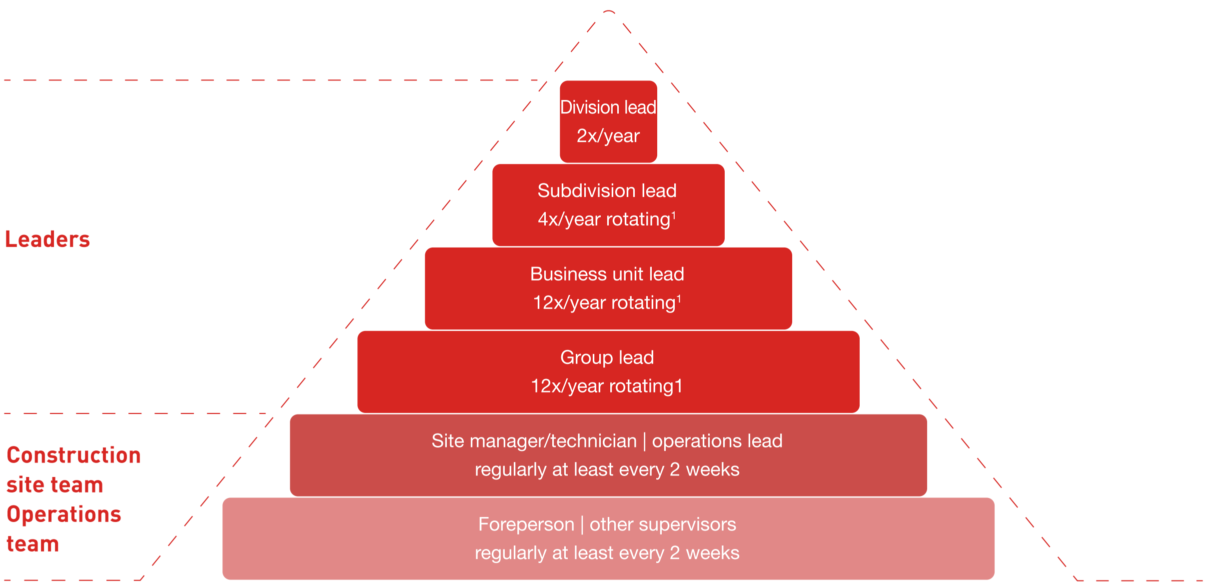
The following **committees** have been set up to advise on issues of safety, health protection, health promotion and human-centred work design:

- HSW Group Committee (once a year)
- HSW National Committee (once a year in each country)
- Subdivision Occupational Safety Committee (at least once a year)
- Knowledge sharing with the HSW national representatives (once a month)

The **safety committees** consist of employer representatives and prevention experts as well as employees from various corporate levels. Country-specific requirements regarding the composition or frequency of meetings are taken into account with regard to the committees' work in each respective country. The management is responsible for convening and conducting the meetings.

The **HSW inspection pyramid** commits our leaders at all levels to monitor compliance with the protective measures. The goal is to achieve zero tolerance for non-compliance with specified safety regulations. The inspection form for leaders is to be used by division leads, subdivision leads, business unit leads and group leads as documentation of the regular HSW inspections. The construction site team, which includes site managers, technicians, plant managers, forepersons and other supervisors, uses a separate and more detailed form for this purpose.

Minimum number of documented inspections



[1] Rotating means: inspections carried out at different construction sites/workplaces.
[2] Other supervisors can be: crew leaders, leading hands, charge hands, managers etc.

Occupational health services are ensured in accordance with the respective legal requirements in the EU countries where we operate. Compliance with the EU's OSH Framework Directive 89/391/EEC is precisely defined, as are the requirements and basic principles for prevention measures and risk assessment, and the occupational safety and health obligations of employers and employees. To ensure and continuously improve the quality and effectiveness of the occupational protection management system, certified occupational safety and health management systems (ISO 45001, Safety Certificate Contractors) are implemented and certified throughout the Group.

Objectives and indicators

STF hazards (slips, trips and falls) are the most common cause of accidents at work, responsible for around 25% of all incidents. Our primary goal is therefore to continuously reduce the number of STF accidents on our construction sites. To help us measure the effectiveness of our safety efforts, we attach great importance to the exact determination of the lost time accident rate and the accident incident rate (= lost time injury frequency).

The **lost-time accident rate** – calculated as the number of working hours lost to accidents versus productive working hours – decreased to 0.23% in 2023 compared to the previous year, with 0.36% among blue-collar (wage-earning) and 0.05% among white-collar (salaried) workers (2022: 0.24% in the Group, 0.37% among blue-collar, 0.05% among white-collar workers).

Lost-time accident rate[1]

	2019	2020	2021	2022	**2023**
Blue-collar	0.37	0.41	0.40	0.37	0.36
White-collar	0.05	0.07	0.07	0.05	0.05
Total	**0.24**	**0.27**	**0.26**	**0.24**	**0.23**

[1] Productive working hours 2023: blue-collar: 78,638,119; white-collar: 60,156,298

Since 2022, an additional focus has been placed on lost time injuries with severe consequences. This focus considers occupational accidents that lead to 43 or more days of lost time due to broken bones, multiple injuries, burns, poisoning or electrocution.

The **accident incident rate (LTIF)** – calculated as the number of accidents at work per 1 million productive working hours – decreased in 2023 compared to previous years to 14.2 accidents per 1 million productive working hours across the Group (2022: 14.8; 22.6 among blue-collar and 4.1 among white-collar workers). Unfortunately, six fatal occupational accidents were recorded in 2023. To better reflect the broad positioning of the STRABAG SE Group and its regional differentiation, an accident incident rate under 35 was declared as the absolute upper limit for all subdivision and corporate entities.

Accident incident rate[2]

	2019	2020	2021	2022	**2023**
Blue-collar	23.9	24.1	23.9	22.6	22.2
White-collar	4.3	4.9	4.4	4.1	3.9
Total	**15.9**	**15.9**	**15.6**	**14.8**	**14.2**

[2] The figures include accidents at work (excluding accidents occuring on the way to or from work as well as occupational illness) with lost time at least one calendar day, counted from the day after the accident incident.

The **lost time illness rate** is calculated from the ratio of sick leave days to working days. In 2023, this indicator fell to 5.5 (2022: 6.1).

Lost time illness rate

	2019	2020[3]	2021	2022	**2023**
Blue-collar	5.8	6.7	7.5	7.6	7.0
White-collar	3.6	3.4	3.5	4.1	3.5
Total	**4.9**	**5.3**	**5.8**	**6.1**	**5.5**

[3] Values were adjusted retroactively due to a change in the calculation method.

Projects and initiatives

Safety Campaign 1>2>3 Safe!

Find out more

With the relaunch of our corporate-wide safety campaign **1>2>3 Safe!**, we set ourselves the goal of raising awareness for occupational safety and health among everyone involved. **Take Care!** is the message that our employees' family and friends are sending out to their loved ones. Supported by a personal message from CEO Klemens Haselsteiner, all of our staff are made equally responsible for contributing their share to occupational safety.

STF hazards continued to be a focus of our occupational safety activities in 2023. As part of our endeavour to adapt the safety shoes required on construction sites, a wear-and-tear field test was rolled out internationally in 2023. As a result of the positive evaluation by the testers, the modified shoes will be introduced throughout the Group in 2024.

Ongoing **preventive healthcare** measures include counselling and workshops focused on exercise, nutrition, addiction and stress prevention. We also offer spinal, heart and mobility screenings, strength, stress and balance tests as well as personalised campaigns on ergonomics, healthy drinking habits and mental health for specific target groups.

The **Health Mobile**, a concept that has been used successfully in previous years to carry out the above-mentioned screenings directly on construction sites, was again well received by our workers in 2023. The Health Mobile reached 966 mainly blue-collar workers at 78 construction sites, carrying out a total of almost 2,200 health screenings.

Outlook

In addition to rolling out the modified safety shoes, the decision was made to centralise the purchasing of **personal protective equipment (PPE)** to a greater extent in the future in order to ensure the standardised quality of the protective gear within the Group.

As part of our digitalisation activities, the Group approved the development of a **corporate-wide HSW platform**, a software solution for the structured and corporate-wide recording and evaluation of relevant data. The platform will serve as a key management tool in the area of occupational safety and health by keeping documentation obligations, such as compliance with processes or control mechanisms, simple and transparent. The aim is to test the digital platform in Germany, Austria and Switzerland in 2024 in preparation for a wider roll-out.

In addition, a joint pilot project was initiated with Corporate Communications and STRABAG Innovation & Digitalisation (SID) to test the use of **AI-supported avatar videos**. The correct use of ladders was chosen as a test topic and a corresponding instruction video was created in several languages. The AI enables the video content to be easily scaled into other languages, breaking down language barriers on the construction site. The solution makes it possible to communicate important occupational safety content in an accessible manner. The video is currently being tested for quality and usability with the operating staff on the construction site.

Strategic human resource development

The construction sector is a human-resource-intensive industry in which the commitment shown by our workers has a significant influence on business success – not least because, in light of shortages of skilled personnel and seasonal bottlenecks, they represent a critical factor. But increasing digitalisation and the lack of qualified applicants are also seen as an opportunity to implement strategic HR planning and to promote the targeted training and development of our employees. When designing and revising processes around HR development topics, an agile approach is pursued wherever possible and necessary, characterised by iterative loops and the gathering of feedback from relevant stakeholders. Our processes contribute significantly to the Group's goal of **employee retention** and to supporting our most important asset: people.

Rules, responsibilities and due diligence

People & Culture Development (P&C DEV) is a corporate-wide organisational entity tasked with supporting STRABAG's strategy and objectives in human resource matters. To ensure the successful implementation of the human resource development strategy, the central division elaborates and implements guidelines and standards for the search, selection, qualification, promotion and development of leaders and employees.

The **responsibilities and duties** are governed by a group directive for the P&C employees. Their tasks are primarily divided into two areas:

– employer branding and recruiting
– people and organisational development

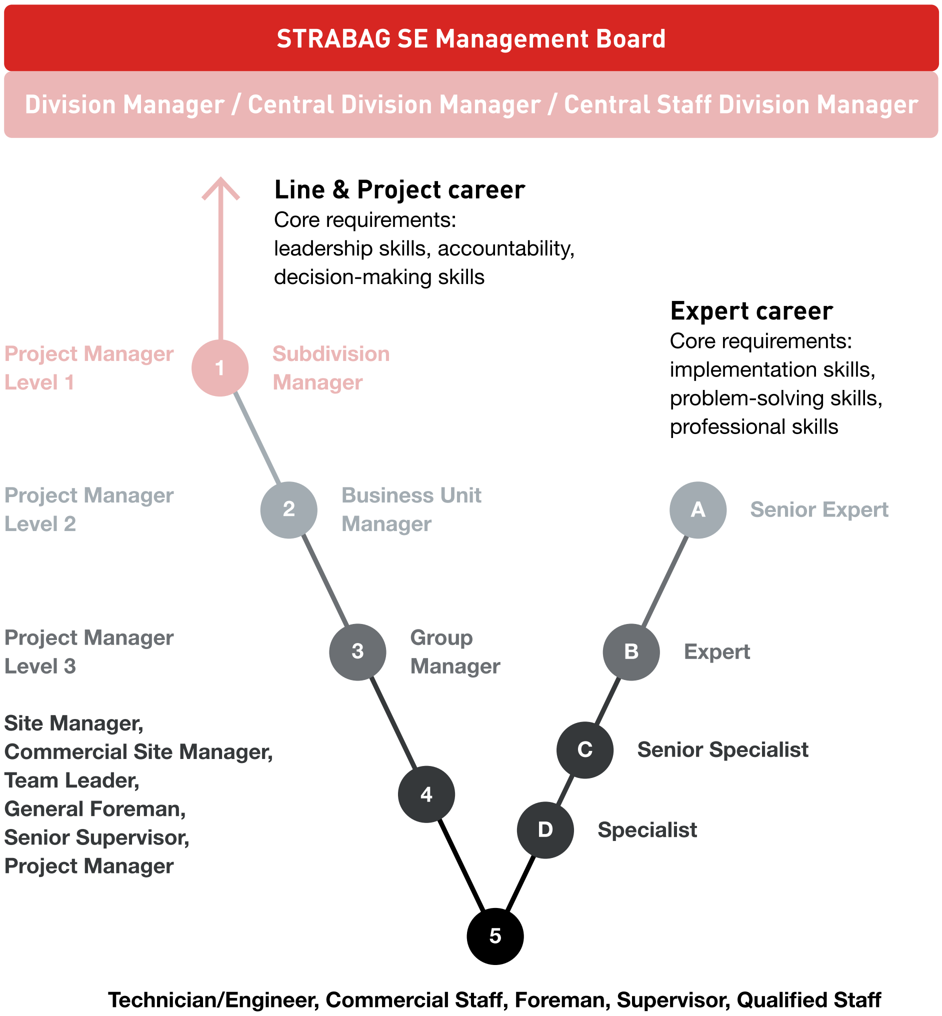
P&C partners are the first point of contact for all HR development and certain decentralised HR administration tasks within the divisions. The partners advise employees on career opportunities within the Group or recommend training programmes for further development in consultation with their supervisors.

Development of high-potential employees

The purpose of talent management is to recognise, develop and bind high-performers and high-potential employees in the interest of filling (key) positions with young talent possessing the best possible qualifications from within our own ranks. Based on our **career model**, internal parameters are applied to identify high-potential employees, provide them with individual support, and deploy them in the right positions. Besides the management ladder, which focuses on general management tasks, two other career paths are available: the expert careers are characterised by a high degree of technical expertise in a specialty field; project managers can fall back on their years of experience in the field of project management and are responsible for complex construction projects.

Individual activities such as a development centre, special training programmes or job rotation schemes are offered to help develop the recognised potential. Coaching and mentoring are also increasingly included in talented employees' individual development plans.

Career model



Last updated: 1 January 2024

Ahead of a possible termination, the P&C partners offer outplacement counselling with external support to assist the employees in their reorientation on the labour market. Staff who decide to leave the company of their own accord are also offered exit interviews. The insights gained from these talks are used to derive measures to improve human resource development processes.

Objectives and indicators

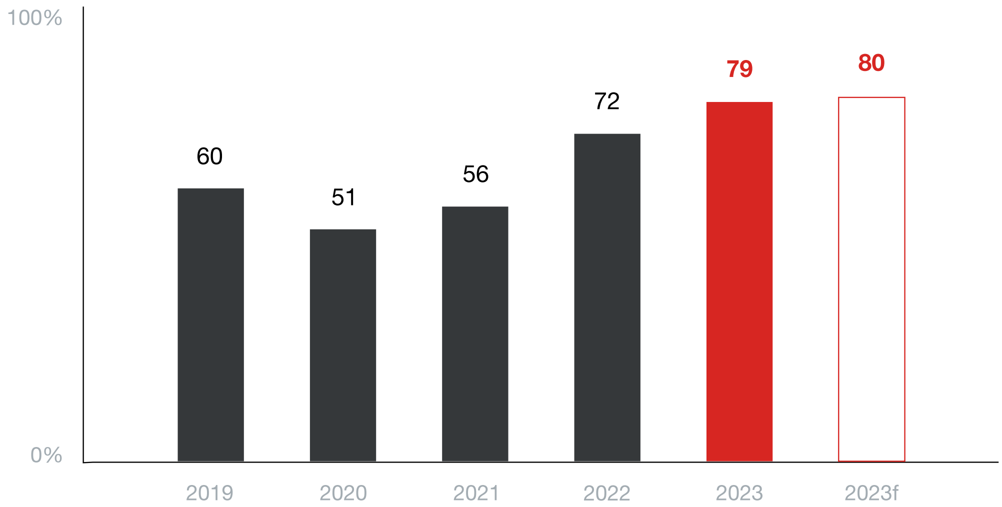
STRABAG has set itself the clear goal of being a **top employer** in its sector. To counter the lack of skilled labour, we aim to promote and optimise the needs-oriented professional and personal development and qualification of our employees. In this way, we can guarantee our clients the on-time, professional realisation of their projects.

Appraisal interviews as essential employee management tool

Training needs are primarily ascertained in employee **appraisal interviews**, which are to be conducted annually and provide an opportunity for mutual feedback. The appraisal interviews support leadership and employees in

- strengthening their personal identification with the tasks and with the company
- intensifying cooperation through a culture of open dialogue
- discussing and recognising the performance of the past period
- defining future tasks and goals as well as development steps together

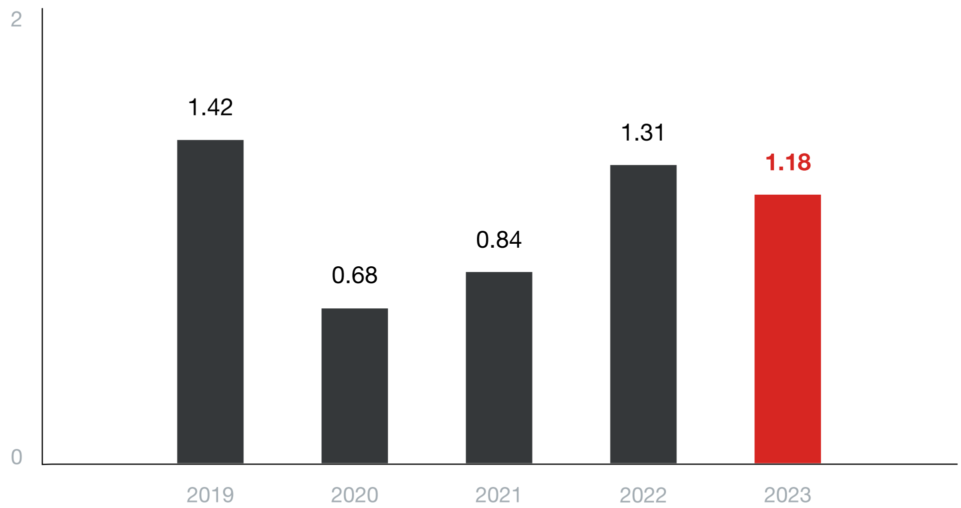
Appraisal interviews among salaried employees



Training and further development

In 2023, structured employee appraisal interviews were held with 78.7% of all employees throughout the Group (2022: 71.7%), including 78.6% of men and 78.7% of women. The target value of 80% was therefore almost reached in 2023. However, the significant year-on-year increase shows that the measures taken are having an effect.

Training days per salaried employee

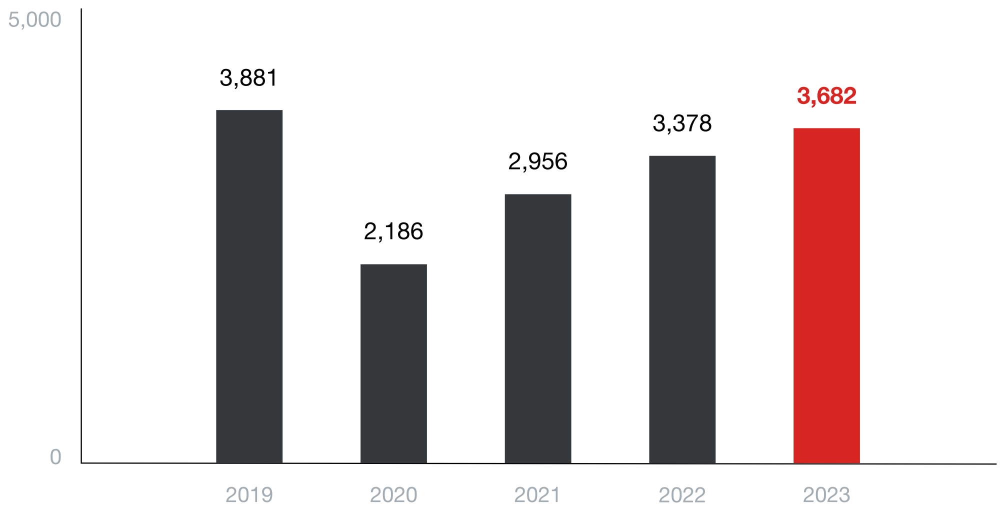


Hybrid learning formats, with attention paid to finding the right balance between face-to-face and online training, have become established since the restrictions on in-person training during the Covid-19 pandemic. In the reporting period, there were 1.18 training days per salaried (white-collar) employee (2022: 1.31). Separated by gender, the number of training days amounted to 1.17 for women and 1.18 for men.

Internal training at STRABAG Group Academy

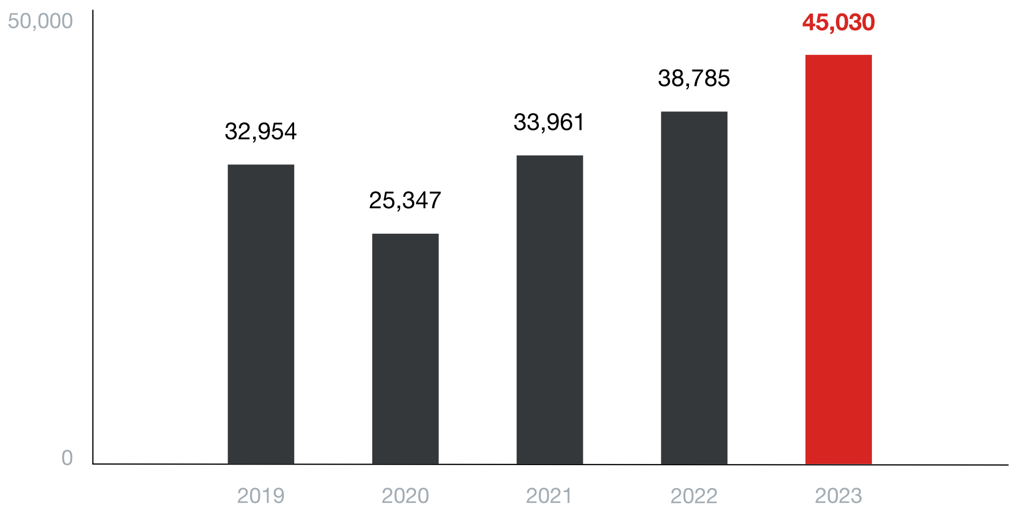
The **STRABAG Group Academy** offers internal further education options for all wage-earning (blue-collar) and salaried (white-collar) workers in the Group. The planning and systematic use of training and educational measures is the responsibility of the respective organisational unit. Together with their supervisors, employees can choose from among the various qualification offerings.

Number of training sessions



The Group Academy offers further training in the categories of technology, law, business management, IT, personality and leadership. The trainers are internal and external experts who pass on their expertise to the participants. In 2023, we offered 3,682 training and further education sessions (2022: 3,378) attended by 45,030 employees (2022: 38,785). 59,396 (2022: 56,684) people successfully completed a mandatory e-learning course, for example on the subjects of business compliance, occupational safety, IT security and data protection. Since autumn 2019, we have also offered our employees access to **over 18,000 German or English language courses** from external content provider LinkedIn Learning. The goal is to provide a varied, web-based and easily accessible learning offer to support the motivation for further training. The combination of existing training programmes and mobile extras promotes a dynamic learning culture. The Group Academy also offers regular modular qualifications to reinforce and deepen the training of people in key positions.

Number of participants in training courses



Increase in training rate planned

To counter the shortage of skilled labour, STRABAG invests in the training and education of its **apprentices and trainees**. For dedicated young people who have completed an apprenticeship, the door to a career at STRABAG is wide open.

Our main apprenticeship careers in Austria are bricklayer, ground engineering specialist, formwork carpenter and paver. But we also offer training as construction plant mechanic, electrical engineering technician, facilities and building technician, mechatronics technician, metal technician, sheet metal worker as well as plasterer and drywall finisher to complement our team. In Austria, STRABAG continually offers apprenticeship placements at around 50 locations nationwide. Since October 2021, we have been training around 250 apprentices every year at the **STRABAG Camp[us] Ybbs** in Lower Austria. The Camp[us] offers our junior staff future-oriented training with a focus on new working methods and modern construction technology.

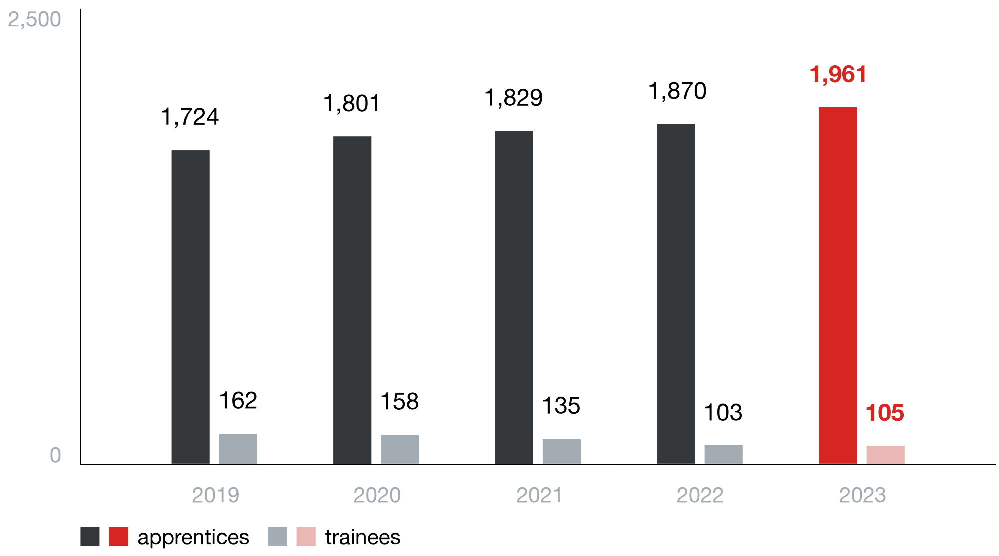
In Germany, STRABAG and its construction equipment subsidiary STRABAG BMTI are pursuing the selective training of young talents at the **Group Training Workshop in Bebra**, where the focus is on the commercial and technical fields. In Bebra, our apprentices for the professions of road worker, ground engineering worker and construction equipment operator receive top-quality vocational training and individual attention. The aim is to secure an efficient knowledge transfer under aspects of quality and time away from the daily working routine.

669 new apprentices in Germany, Austria and Switzerland

In Germany, Austria and Switzerland, a total of **669 blue-collar apprentices** were taken on in 2023 (2022: 605). A significant increase of the apprentice and trainee numbers is planned in Germany and in Austria in the years to come. More information about the apprentice professions and work placement positions is available on the STRABAG career website.

In the competition for the best employees, STRABAG offers a practical familiarisation programme for graduates with little professional experience holding selected bachelor's and/ or master's degrees from academic universities as well as from universities of applied sciences. The aim of our trainee programmes is to best prepare the graduates for the requirements of their future position in the Group. In 2023, the STRABAG Group had 68 technical and 37 commercial **trainees** (FTE), of which 70 were men and 35 women.

Number of apprentices and trainees (FTE)



Trainees have their own **personal schedule** as a way of allowing flexible entry times. The commercial trainee programme lasts between eleven and 13 months, the technical programme varies between twelve and 15 months, including a period of three months abroad. Both the commercial as well as the technical programme include mandatory sessions, for example on the construction site. At the beginning of the programme, trainees meet with a mentor to design the trainee schedule according to the specific professional and personal requirements of the target position. This experienced mentor is available to the trainee throughout the entire training period. Regular feedback interviews help focus on the trainee's individual development. With instruction from experienced specialists and management employees, the trainees pass through different organisational divisions and are introduced to various areas of business and responsibility.

Projects and initiatives

Employer branding

We are constantly working to position the Group as an attractive employer on the labour market in order to make a sustained contribution to covering the future demand for skilled experts and leadership employees. We increased our use of social media channels last year in order to reach different target groups with our employer branding campaigns. The focus in these campaigns is on our employees: In so-called career stories, we let the employees speak for themselves as they provide insights into their profession. As part of the Work On Progress campaign, our employees present their contribution to achieving STRABAG's goal of becoming climate neutral by 2040.

In order to reach the next generation of prospective employees, we participate in job fairs, present our company at educational institutions, organise company tours, offer internships and work placement, and sponsor bachelor's and master's theses. In 2023, we successfully partnered with more than 170 educational institutions. We are continuing to work on increasing our accessibility via STRABAG's social media profiles at Facebook, Instagram, LinkedIn, Xing and YouTube, among other places, and are developing our own online formats to reach a broader audience with audience-specific content.

Award-winning employer branding

We also actively participate in employer certification programmes aimed at graduates, trainees and apprentices to help us ascertain possibilities for improvement. In 2023, we were again awarded the Fair Training and Fair Trainee Programme certification from the HR consultancy Trendence, while the employer branding service provider Universum voted us one of the "Most Attractive Employers for Students in 2023". The certification is awarded on the basis of employee or student surveys regarding specific factors of workplace quality. The company must then fulfil certain criteria to receive the recognition. We were also recognised for our recruiting process in the year under report. Every year, Best Recruiters analyses more than 1,200 employers in Germany, Austria and Switzerland and evaluates the contact points along the candidate journey. In 2023, STRABAG was awarded the Golden Seal by Best Recruiters as the industry winner in the construction/timber category for its recruiting performance in Germany, Austria and Switzerland.

Recruiting

The recruiting and subsequent onboarding of human resources is designed to systematically, professionally and quickly cover the human resource demand at the individual organisational units with qualified new employees. In addition to filling key positions in the Group, we further expanded our central Active Sourcing team. The goal is to directly address potential candidates in the largest career networks and to draw their attention to interesting positions within the STRABAG Group. In the future, we also plant to measure the onboarding experience in order to further improve the process and increase employee retention.

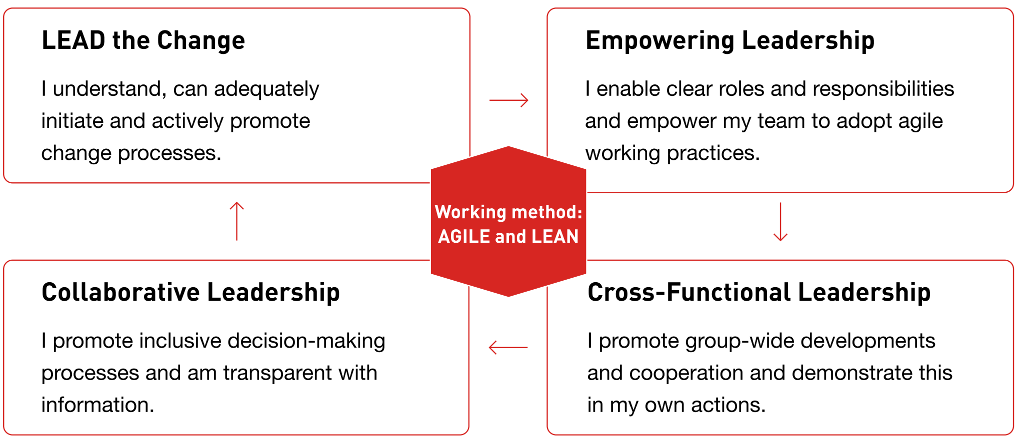
Leadership@STRABAG

The corporate-wide training programme Leadership@STRABAG – Leading in Dynamic Times, which was rolled out in 2021, is aimed at leadership employees at STRABAG, consists of four modules and has a duration of approximately twelve months. The programme is available in German and English as well as eight other languages.

Participants learn in a mix of classroom and online events and also work in peer groups. Important aspects include the exchange with other leadership employees and the opportunity to provide feedback. Both the subject matter of the programme as well as its organisation are informed by the agile working method.

The content of the programme is derived from the current corporate strategy and provides participants with in-depth and practice-oriented knowledge on the topics of change management, cross-silo cooperation process optimisation and agile leadership. The programme aims to promote and further develop the following core competencies:

Leadership@STRABAG training programme



As at 31 December 2023, a total of 467 managers were enrolled in the Leadership@STRABAG training programme. Feedback from participants is recorded on an ongoing basis and the programme is continuously improved accordingly.

Outlook

Corporate Governance Report > Chapter: Diversity, Equality and Inclusion

Find our more

In 2024, we will focus on **developing the skills of leadership employees at levels 3 and 4**, offering modular hybrid management training and providing support through digital learning formats on recruiting and onboarding as well as on the topics of equality, diversity and inclusion (EDI). Based on our EDI strategy, leaders familiarise themselves with the strategy in detail and learn interesting facts about and the strategies for dealing with unconscious bias.

Governance

2023

Fair competition

We see the avoidance of corruption and anti-competitive behaviour as an essential management task. The potential damage that a company may incur as a result of corrupt or anti-competitive behaviour on the part of individual employees can be significant.

The construction sector is not immune to corrupt or anti-competitive behaviour by individual persons. Complex accounting processes and the necessity for a great number of contractual relationships during a construction project can make it difficult to fully resolve non-compliant behaviour.

Even if STRABAG generates much of its revenue in countries with a low risk of corruption, the international nature of its business means that some activities are also performed in countries with a higher corruption risk, as measured by the Corruption Perceptions Index. Transparent procedures to minimise risk are therefore required in all regions, especially during contract award or in negotiations with partner companies and subcontractors.

Ethics and Business Compliance System firmly anchored in the Group

STRABAG implemented an **Ethics and Business Compliance System** in 2008 and has been continuously developing the system ever since. The system is designed to avoid violations of the law and any resulting material and immaterial damage and to maintain STRABAG's good reputation as a business partner, contractor and employer. With extensive measures for employees and leadership, STRABAG is working to promote compliant and ethical behaviour and to create a strong corporate culture based on **partnership and trust**.

Rules, responsibilities and due diligence

Chief Business Compliance Officer reports directly to CEO

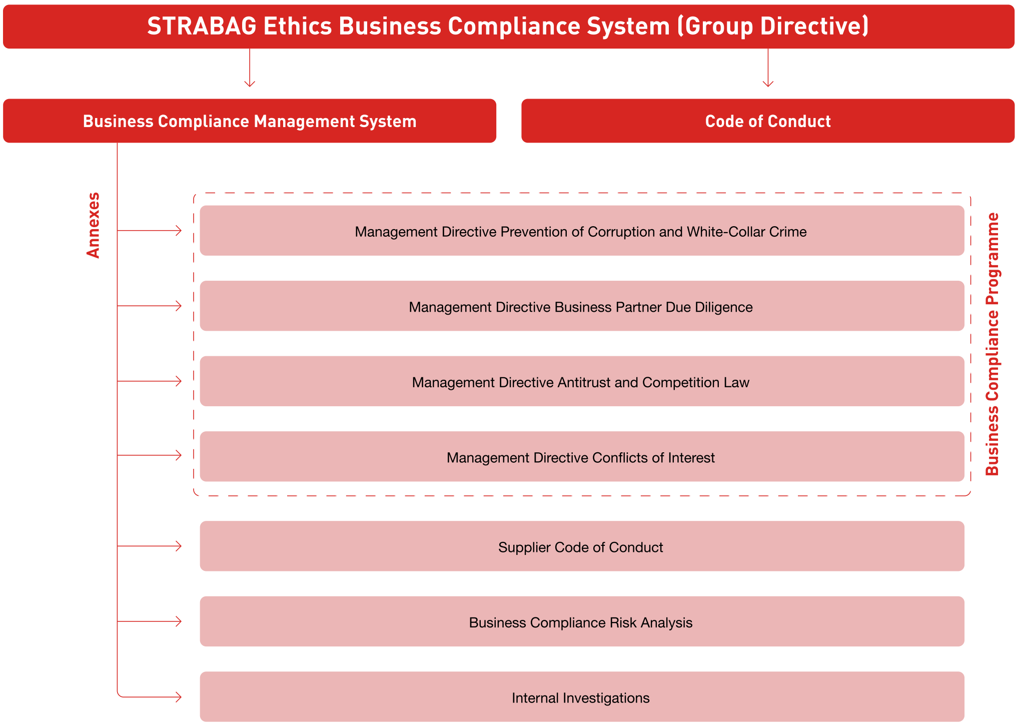
The **Chief Business Compliance Officer**, as the central contact person for all business compliance matters, reports directly to the CEO. The Chief Business Compliance Officer is currently supported by eleven Business Compliance Officers. Another 50 Business Compliance Partners are responsible for performing the business partner reviews. This system ensures that business compliance is not only operated centrally but is also firmly anchored at the operating entities.

The **Business Compliance Committee** fulfils another function within the central staff division Business Compliance & Management Systems. The committee, which consists of the heads of the central division Contract Management and Legal (CML), the central staff division Internal Audit and the Chief Business Compliance Officer, deals with proposals drawn up by the Business Compliance organisation for improving the Business Compliance Management System and reviews suspected cases of serious business compliance violations.

Ethics and Business Compliance System

The Ethics and Business Compliance System is firmly anchored in the Group as a group directive. It consists of the **Business Compliance Management System (BCMS)** and the **Code of Conduct**, which sets out the Group's fundamental ethical values.

Structure of the Ethics and Business Compliance System

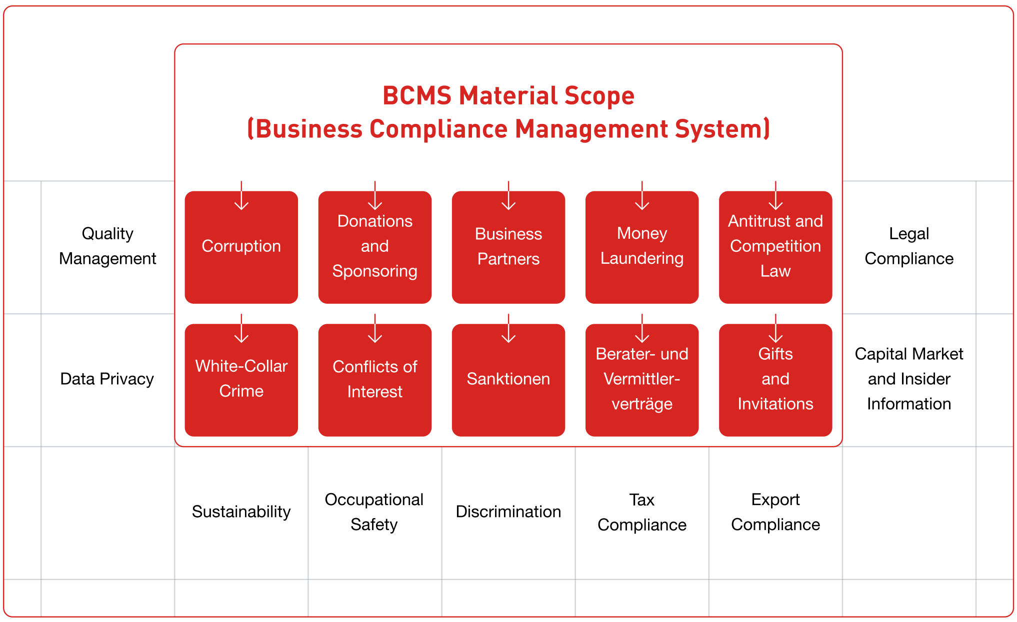


The Code of Conduct, which was last updated in 2022, is aimed equally at all STRABAG employees, business partners and other stakeholders such as supervisory and government authorities and shareholders.

The STRABAG BCMS fulfils the requirements of ISO 37001 (Anti-Corruption Management Systems) and ISO 37301 (Compliance Management Systems).

The management directives serve as an annex to the BCMS and set out clear rules of conduct for the entire management and all Group employees.

Topics addressed by the Business Compliance Management System



BCMS management directives

The management directive on the **prevention of corruption and white-collar crime** covers STRABAG's policy on invitations and gifts. Taking into account the increased risk associated with donations and sponsorships, the directive sets out clear rules and processes to prevent their misuse. The management directive on **business partner due diligence** addresses the risk-based approach to business partner screenings. These reviews determine which measures are to be applied for which risk. The management directive on **antitrust and competition law** governs the correct behaviour required to ensure fair competition. The management directive on **conflicts of interest** requires STRABAG employees to disclose potential conflicts of interest. In addition to avoiding conflicts of interest, the focus of this directive is also on dealing transparently with conflicts of interest that cannot be avoided.

The **Supplier Code of Conduct** summarises the principles of our business activities, which STRABAG also expects its suppliers and subcontractors to comply with. As a rule, the Supplier Code of Conduct is anchored in the General Terms and Conditions.

A new management directive, the management directive on **internal investigations**, was added in the reporting year. The new directive governs the internal procedure from the time a compliance violation is identified to the final report. The final report contains proposals for measures and, if necessary, for improvements, including improvement to the Business Compliance Management System. Depending on the severity of the violation, the report is sent to the responsible organisational entity, the Management Board and/or the Supervisory Board.

Assessing, analysing and avoiding risks

The risk assessment procedure is described in the **Business Compliance Risk Analysis**. The definition of the risk areas is based on the business activities of STRABAG as an internationally active construction group and is confirmed by many years of experience and knowledge of the industry. In this way, specific situations that could represent a risk for STRABAG were determined with the support of the central staff division Internal Audit. In line with STRABAG's international orientation and its organisation in operating segments, the risk analysis is not based on the location of operations or branch offices, but on organisational entities. These can be structured geographically or according to business areas. The identification and assessment of corruption risks is therefore consistently done in organisational units, whereby the extent of corruption risks can vary greatly from one organisational unit to the other.

The process of **risk analysis** is divided into the identification of risks (risk inventory), the analysis in the narrower sense based on potential damage and the probability of occurrence, and the final risk assessment. This is used to derive measures to reduce or avoid risks. STRABAG uses the deductive method to identify risks. In this process, relevant information within the scope of STRABAG's activities are assigned to individual risks in 19 risk categories and assessed. Circumstances that increase risks are also taken into account. Based on an assessment of both the possible damage and the probability of occurrence, the identified risks are subsequently classified into the categories "low", "medium" and "high".

As part of the risk analysis, all divisions, central divisions and central staff divisions were subjected to a review of the corruption risk, among other things.

The risk analysis is reviewed annually at a previously determined point in time and adapted or broadened if necessary. The Business Compliance organisation obtains information from the operating units for this purpose. To date, this has been done using risk workshops and, since 2021, on the basis of an annual **Management Business Compliance Reporting**. Through this mandatory reporting, the assessment of corruption risks is updated annually and continuously improved. The risks recognised in the course of the assessment are incorporated into improvements to the system. In addition, experience and knowledge from employee questions to the Business Compliance organisation, reports from the whistleblower system, findings from violations as well as information from the group's internal audit department are included in the annual evaluation.

STRABAG online whistleblower platform

Find out more

Potential compliance violations, such as collusion, bribery, fraud or corruption, can be reported to the Group's Business Compliance department via STRABAG's **corporate-wide whistleblower system**. Employees, as well as subcontractors and other third parties, have the possibility to anonymously pass on relevant information via the online STRABAG whistleblower platform as well as by phone or by e-mail. STRABAG actively calls upon anyone with relevant information to come forward so we can quickly identify misconduct, respond appropriately and avoid any possible damage. In the event of violations of the legal regulations or of the conduct guidelines applicable within the company, the company will take the requisite disciplinary and legal measures.

Objectives and indicators

The following indicators, among others, were defined for the central staff division Business Compliance in the reporting year:

– **Training rate:** number of employees trained (cumulative) as part of all classroom and e-learning courses in the area of business compliance
– **Special training:** number of employees who voluntarily participated in a training course
– **Business compliance partners:** average number of business compliance partners per operating division
– **Business partner screenings:** total number of business partners reviewed for risks

The target and actual values as at 31 December 2023 are as follows

Business compliance indicators

	Target	Actual
Training rate	0.9	0.9
Special training	>= 150	454
Business compliance partners	>= 2.5	2.9
Business partner screenings	2,900	3,948

We are pleased to report that the Business Compliance organisation was able to achieve all target values.

Business compliance training

A key factor for ensuring fair competition is to provide employees with comprehensive knowledge about correct behaviour in their day-to-day business dealings, especially about the negative consequences of non-compliant behaviour. For this reason, STRABAG in 2013 implemented a comprehensive **training concept** to communicate to employees the guidelines and procedures for combating corruption and anti-competitive behaviour.

Comprehensive training concept for all employees

Immediately after joining the group, all STRABAG employees receive instruction in the rules for ensuring fair competition in the form of mandatory e-learning training sessions that must be repeated once every two years. As the management of STRABAG is exposed to a greater risk of corruption, the members of this group of employees are obliged to participate in special training courses on the avoidance of corruption and anti-competitive behaviour in addition to completing the regular e-learning training. These training sessions must be completed by members of the management every three years.

Training concept

Title	Target group	Content	Type of training	Duration	Frequency
Business Compliance Training	all employees	STRABAG Ethics and Business Compliance Management System	e-learning course	approx. 40 min.	immediately after entry and every two years thereafter
	entire management	Anti-corruption and the STRABAG Business Compliance Management System	classroom training	½ day	upon attainment of a management function
Cartel Law	entire management	Anti-competitive practices, abuse of dominant market position and merger control	classroom training	approx. 3 h	upon attainment of a management function
Business Compliance Refresher Course	entire management	Review and consolidation of the content from the Anti-Corruption and BCMS and the Cartel Law training courses	classroom training	½ day	every three years

The e-learning course Business Compliance Training, which was developed on the basis of the STRABAG BCMS, was rolled out across the Group in February and March 2021 and as at 31 December 2023 had a compliance rate of 90%.

In the reporting period, over 40 classroom training sessions were held on the topics of anti-corruption, antitrust law and the internal business compliance management system. Over 400 people were reached across the Group. The **training rates** for classroom training for managers were as follows in 2023:

- Anti-Corruption and BCMS: 92%
- Cartel Law: 91%
- Business Compliance refresher course: 88%

Now that all managers from the business unit level onwards are required to complete classroom training, the focus was expanded in 2023 to include the next management level. Group leads were identified as risk-relevant because of their role in acquisitions and their often decentralised activities. Due to the large number of people – over 3,000 in the Group – a separate online training course was developed specifically for this level in 2023. The roll-out is planned for 2024.

Over 20 special training sessions addressing more than 400 people were also held in 2023. The special training sessions not only covered the management level, but also the hierarchical levels below management.

Training rate by region

		Anti-Corruption and BCMS		Cartel Law		Business Compliance refresher course		
Region	Managers for whom training is mandatory	Completed	Completion rate %	Completed	Completion rate %	Managers for whom training is mandatory	Completed	Completion rate %
Austria	337	327	97	324	96	207	201	97
Germany	610	569	93	578	95	337	307	91
Poland	110	101	92	104	95	77	69	90
Czech Republic	97	96	99	89	92	61	55	90
Hungary	54	47	87	49	91	25	21	84
Other Countries	163	115	71	98	60	71	33	46
Total	**1,371**	**1,255**	**92**	**1,242**	**91**	**778**	**686**	**88**

Incidents and responses

No convictions for corruption were finalised in the 2023 reporting period. However, four offences committed by employees were identified within the Group. Appropriate organisational measures were taken. STRABAG did not have to explicitly dismiss or admonish any employees for corrupt behaviour in the year under report. Similarly, no relationships with business partners had to be terminated due to corruption-related offences. Our whistleblower platform did not receive a single case that would have to be reported to the Management Board on account of the subject matter involved.

In the year under review, two public law proceedings were initiated against STRABAG and former employees in connection with corruption. A total of ten legal proceedings were pending due to anti-competitive behaviour, cartel and monopoly formation. One of the proceedings was concluded in the reporting year.

STRABAG SE was not required to pay any fines in the reporting period. A settlement agreement was concluded with the Latvian antitrust authorities, however.

Two cases will be explained here in detail:

In **Austria**: The antitrust proceedings against STRABAG AG Austria and F. Lang und K. Menhofer Baugesellschaft m.b.H & Co. KG was concluded in 2021 with a fine of € 45.37 million. On 22 July 2022, the Federal Competition Authority submitted a motion to the Vienna Higher Regional Court to review the decision.

The Vienna Higher Regional Court rejected the Federal Competition Authority’s motion as inadmissible in a decision dated 20 October 2022. On 25 May 2023, however, the Austrian Supreme Court upheld the Federal Competition Authority’s appeal dated 22 November 2022 on the grounds that a formal rejection without a substantive examination was not permissible. The Vienna Higher Regional Court will now have to decide whether the substance of the motion for review is justified.

A criminal investigation is running in parallel, whereby it remains unclear when the first charges will be brought against STRABAG AG.

In **Latvia**: STRABAG SIA of Milzkalne, Latvia, concluded an ongoing investigation under a settlement agreement with the Latvian antitrust authority. The case stems from an investigation into antitrust violations by a former member of STRABAG SIA’s management in connection with four Latvian road construction projects involving STRABAG in 2016 and 2017. According to the findings of the antitrust authority in the settlement, the managing director was involved in an unauthorised exchange of information with a competitor to the detriment of STRABAG SIA. STRABAG SIA co-operated with the authorities as much possible before agreeing to a settlement. Neither the internal investigations conducted nor the investigations by the antitrust authorities have identified any misconduct by other STRABAG employees. The settlement provides for the payment of a fine in the amount of € 504,533.98.

Projects and initiatives

Group certification to ISO 37001 and ISO 37301

Following award of ISO 37001 (Anti-Corruption) and ISO 37301 (Business Compliance Management Systems) certification to STRABAG SE and all majority-owned Austrian and German companies in 2022, certification was extended to the entire STRABAG Group in 2023. All STRABAG companies worldwide held with an interest of more than 50% have been certified to the two standards as proof to clients, financial institutions, authorities and other stakeholders of an established and functioning compliance management system. This makes STRABAG the first globally active Austrian company with overall certification in this regard.

Memberships

In 2023, STRABAG was again a member of the compliance working group of the Association of Industrial Construction Companies in Austria (VIBÖ). The VIBÖ Collective Action Pact for fair competition and good conduct in the construction industry provides for a regular exchange of experience between colleagues on compliance processes in the member companies.

Raising awareness for business compliance

At the Group Meeting in March 2023, the Chief Compliance Officer reported on the new training concept, the training rates and the evaluation results from the whistleblower platform. At the Group Meeting in November 2023, the Chief Compliance Officer's report again focused on the topics of awareness-raising and management responsibility with regard to business compliance violations. The central staff division Business Compliance also attended and gave presentations at numerous meetings at the division, management and business unit level.

Strengthening collaboration across the Group

Close collaboration between the various central staff divisions under the leadership of Business Compliance is required to properly implement and manage the BCMS. In 2023, the central staff division **Internal Audit** again provided significant support to Business Compliance in enforcing the business compliance rules. Furthermore, at the request of the Business Compliance organisation, Internal Audit conducts special audits, sometimes in coordination with the relevant division management but also, depending on the case in question, only at the request of the central staff division Business Compliance, in order to as best and as carefully as possible examine the information received on suspected compliance violations.

Conspicuous invoices that do not comply with the BCMS approval processes are submitted to the central staff division Business Compliance by a business compliance monitoring system set up by BRVZ in all countries administered by BRVZ. In the year under report, several audits were carried out as a result of the BRVZ monitoring.

Raising awareness of business partner screenings

In addition to the training concept described above, the central staff division Business Compliance also pursues event-driven measures to raise awareness of compliance issues, above all business partner due diligence. Immediately following Russia's invasion of Ukraine, business partner screenings were tightened even further. In March 2022, an in-house communication on the sanctions list review of business partners was sent to the heads of all divisions and central divisions. The rule stipulates that every business partner who falls under the parameters must be reviewed for inclusion on the relevant sanctions lists by a Business Compliance Partner before a contract can be concluded.

Outlook

Corporate governance with integrity forms the foundation for ensuring fair competition. The principles of anti-corruption and fair competition remain firmly anchored within the Group and we are continuing our awareness-raising efforts among employees in this regard.

Sources – Fair Competition

Transparency International, 2023: Corruption Perceptions Index, accessed on 30 January 2024

EU Taxonomy and Appendix

2023

EU Taxonomy

Regulation (EU) 2020/852 ("Taxonomy Regulation"), which entered into force on 12 July 2020, establishes the criteria for determining whether an economic activity qualifies as environmentally sustainable. It provides the legal basis for sustainable investments as a way to swiftly implement the European Green Deal. The aim of the regulation is to introduce a uniform classification system ("EU Taxonomy") in order to steer capital flows into environmentally sustainable sectors.

For this purpose, the Taxonomy identifies economic activities that have a significant impact on the EU's environmental objectives.

These six environmental objectives are:

1. climate change mitigation (CCM)
2. climate change adaptation (CCA)
3. the sustainable use and protection of water and marine resources (WTR)
4. the transition to a circular economy (CE)
5. pollution prevention and control (PPC)
6. the protection and restoration of biodiversity and ecosystems (BIO)

For each of these environmental objectives, economic activities and technical screening criteria are defined by means of EU Delegated Regulations.

If one of our business activities falls under the definition of the respective economic activity, it is a Taxonomy-eligible activity; if not, it is a Taxonomy-non-eligible activity. Many of the STRABAG Group's business activities, in particular new road construction, infrastructure project development, building materials production, and property and facility services, are currently not defined as Taxonomy-eligible, i.e., they are not an economic activity as defined by the EU Taxonomy.

Based on this classification of economic activities into those that are Taxonomy-eligible and those that are Taxonomy-non-eligible, the degree to which the activities are environmentally sustainable is assessed on the basis of the technical screening criteria. An economic activity is considered environmentally sustainable if it contributes substantially to one or more environmental objectives, causes no significant harm to any of the other environmental objectives, and is carried out in compliance with certain minimum safeguards. Whether an economic activity makes a substantial contribution or causes no significant harm (DNSH) to an environmental objective is determined on the basis of the technical screening criteria specified in detail by the European Commission.

The criteria and requirements must all be fulfilled **cumulatively**.

Article 8 of Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 requires non-financial undertakings to disclose information on the following in their sustainability report:

- proportion and absolute value of the Taxonomy-aligned, the Taxonomy-eligible but not Taxonomy-aligned, and the Taxonomy-non-eligible turnover (revenue) related to products or services associated with environmentally sustainable economic activities
- proportion and absolute value of the Taxonomy-aligned, the Taxonomy-eligible but not Taxonomy-aligned, and the Taxonomy-non-eligible capital expenditures and operating expenditures related to assets or processes associated with environmentally sustainable economic activities

The detailed calculation of these individual values is described below in the sections on turnover, capital expenditures and operating expenditures.

Applicable provisions for the 2023 financial year

The economic activities and the technical screening criteria for determining Taxonomy alignment for the first two environmental objectives – climate change mitigation and climate change adaptation – were established in Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 and amended on 27 June 2023.

In the 2023 financial year, the economic activities defined in these two environmental objectives had to be reviewed for Taxonomy alignment using the defined criteria; the Taxonomy-eligible and Taxonomy-aligned proportion of turnover, capital expenditures and operating expenditures also had to be reported.

The economic activities and the technical screening criteria for determining Taxonomy alignment for the other four environmental objectives – sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems – were established in Commission Delegated Regulation (EU) 2023/3851 of 27 June 2023.

Due to the transitional provisions, only the Taxonomy-eligible proportion of turnover, capital expenditures and operating expenditures had to be disclosed for these four environmental objectives in the 2023 financial year. An assessment of Taxonomy alignment is only mandatory starting from the 2024 financial year.

The EU Taxonomy Regulation and the delegated acts issued in this regard contain formulations and terms that are still subject to considerable uncertainties regarding their interpretation and for which clarifications have not always been published. STRABAG SE's interpretation of these terms is set out in the following explanations.

Management approach

Assessment of Taxonomy eligibility

The mapping of turnover to the economic activities detailed in the EU Taxonomy is based on the business activities and types of works included in the central controlling system. When an order is placed, the project is assigned to a certain business activity with opening of the cost centre. This ensures a clear classification of the economic activity and avoids double recognition as Taxonomy-eligible turnover.

STRABAG's Taxonomy-eligible economic activities in relation to the environmental objectives of climate change mitigation, climate change adaption, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems are listed below. The environmental objectives and the numbering of the respective delegated regulation are given in brackets.

1. Electricity generation using solar photovoltaic technology (CCM 4.1)
2. Electricity generation from wind power (CCM 4.3)
3. Electricity generation from hydropower (CCM 4.5)
4. Electricity generation from geothermal energy (CCM 4.6)
5. Electricity generation from biogas (CCM 4.7)
6. Electricity generation from bioenergy (CCM 4.8)
7. Transmission and distribution of electricity (CCM 4.9)
8. District heating/cooling distribution (CCM 4.15)
9. Construction and extension of water supply systems (CCM 5.1 / WTR 2.1)
10. Construction and extension of waste water collection and treatment (CCM 5.3 / WTR 2.2)
11. Infrastructure for personal mobility, cycle logistics (CCM 6.13)
12. Infrastructure for rail transport (CCM 6.14)
13. Construction of new buildings (as general contractor) (CCM 7.1 / CE 3.1)

14. Renovation of existing buildings (CCM 7.2 / CE 3.2)
15. Flood risk prevention and protection infrastructure (CCA 14.12)
16. Sustainable urban drainage systems (WTR 2.3)
17. Sorting and material recovery of non-hazardous wastes (CE 2.7)
18. Demolition and wrecking of buildings and other structures (CE 3.3)
19. Maintenance of roads and motorways (CE 3.4)
20. Use of concrete in civil engineering (CE 3.5)

The economic activities related to energy (1 through 8) and to water supply and waste water management (9 and 10) are included as Taxonomy-eligible because the construction of such facilities and systems is included in the respective definitions. As a rule, STRABAG Group is only active in the construction of these facilities but does not operate them. In individual cases, such facilities are operated as part of the project development business.

This also applies to the economic activities related to transport (11 and 12). The definition includes the construction of infrastructure for rail transport and for personal mobility carried out by the STRABAG Group.

As the construction of new buildings (13) is defined as the development of building projects for residential and non-residential buildings and the construction of complete residential or non-residential buildings on contract basis, only those building construction projects in which the STRABAG Group acts as general contractor or erects entire buildings as part of a project development are included under this activity.

The renovation of existing buildings (14) is defined in the EU Taxonomy as construction and civil engineering works or preparation thereof, which is why the STRABAG Group's renovation and conversion activities in building construction are recorded here.

The maintenance of roads and motorways (19) as defined by the EU Taxonomy includes routine maintenance, preventive maintenance and rehabilitation of asphalt and concrete roads. The maintenance operation mainly concerns the binder course, surface course and concrete slabs. STRABAG's road construction activities, which include maintenance and rehabilitation as types of work, are covered by this definition.

The economic activity "Use of concrete in civil engineering" (20) encompasses the use of concrete for new construction, reconstruction or maintenance of civil engineering objects, except concrete road surfaces and maintenance services that are already covered by "Maintenance of roads and motorways" (19). The projects of the business areas concerned, in which concrete, reinforced concrete or prestressed concrete is used as the main construction material, fall under this economic activity.

Assessment of Taxonomy alignment

As the STRABAG Group's revenue (turnover) stems from a large number of very different individual projects, the examination of the technical criteria of the Taxonomy-eligible economic activities cannot be carried out at the level of the activity itself but only at the individual project level. In the 2023 financial year, only those economic activities relating to the environmental objectives of climate change mitigation and climate change adaptation had to be reviewed. With regard to these two environmental objectives, approximately 4,300 projects were Taxonomy-eligible in the 2023 financial year. The assessment requires a considerable administrative effort due to the extensive and detailed criteria involved. In addition, a wide variety of technical screening criteria were defined for each economic activity within the framework of the delegated regulations. For this reason, the detailed assessment for Taxonomy alignment is carried out per individual project for the three economic activities with the highest turnover: construction of new buildings (as general contractor), renovation of existing buildings, and infrastructure for rail transport. These three economic activities account for 85% of the total Taxonomy-eligible turnover of the two above-mentioned environmental objectives and comprise more than 2,400 individual projects, which is why only projects with an annual output volume of more than € 5 million were examined in detail.

For the economic activities not examined at the individual project level, an analysis of the technical screening criteria was carried out using typified construction site organisations and structures.

Especially with regard to electricity generation facilities and water supply and sewerage systems, the technical screening criteria relate to operation or the equipment used. STRABAG has no information in this regard, as the equipment is not included in STRABAG's scope of services.

As data for reviewing Taxonomy alignment is not available for these projects, these projects were recognised as Taxonomy-eligible but not Taxonomy-aligned in accordance with question 13 of the FAQs published in December 2022.

STRABAG SE is a leading European technology group for construction services. These services are provided on the basis of public tenders or specifications from private clients. Sustainable solutions are offered. STRABAG has an influence on the ecological design of buildings only in rare cases or within the scope of its own project developments. In public tenders in particular, the company is usually only commissioned to carry out the construction work.

The review of the individual projects has shown that many criteria specified by the EU Taxonomy are not yet taken into account as standard practice in construction projects. We expect that an increasing number of tenders will meet the EU Taxonomy criteria in the future.

Turnover (revenue)

Determination of the denominator according to Article 8 Annex 1:

The turnover comprises revenue that was recognised in accordance with IAS 1.82(a), determined on the basis of IFRS 15. It includes revenue from construction contracts, revenue from construction materials, revenue from facility management, revenue from project developments and other revenue.

Determination of the numerator according to Article 8 Annex 1:

In line with the management approach described above, the Taxonomy-eligible projects were assessed at the individual project level or through analytical reviews for Taxonomy alignment.

As the individual economic activities can be Taxonomy-aligned or Taxonomy-eligible with regard to several environmental objectives, care must be taken to avoid redundancies when determining the Taxonomy-aligned or Taxonomy-eligible turnover.

The turnover is as follows:

A detailed presentation by economic activity in accordance with the reporting templates from Annex II is available in the Notes.

Turnover (revenue)

	2023		2022	
	€ mln.	**%**	€ mln.	%
Turnover related to environmentally sustainable activities (Taxonomy-aligned) (A.1)	1,277.60	7.23	1,088.55	6.39
Turnover related to Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)	11,561.45	65.44	5,306.38	31.17
Total (A.1 + A.2)	**12,839.05**	**72.67**	**6,394.93**	**37.56**
Turnover related to Taxonomy-non-eligible activities (B)	4,827.49	27.33	10,630.92	62.44
Total (A+B)	**17,666.54**	**100.00**	**17,025.85**	**100.00**

The increase in Taxonomy-eligible turnover is attributable to the inclusion of the additional environmental objectives, which has resulted in more of the STRABAG SE Group's business activities being recognised as Taxonomy-eligible economic activities.

All turnover reported in the numerator relate to revenue in accordance with IFRS 15 and are reported as revenue in the consolidated financial statements of STRABAG SE.

The result shows that 27.33% of the STRABAG Group's business activities are not covered by the EU Taxonomy. This applies in particular to property and facility services, building materials production and the new road construction. As a result, there are no technical screening criteria laid out in the regulation to assess their degree of sustainability.

A large proportion of building construction also does not fall under the Taxonomy-eligible economic activities, as the definition is aimed at the construction of complete residential and non-residential buildings. In many cases, however, STRABAG is only responsible for individual parts of buildings. When constructing parts of buildings, STRABAG does not have the necessary data for assessing the sustainability of this activity against the screening criteria.

Nevertheless, sustainable solutions in essential business activities are key for a successful transition to a sustainable economy. STRABAG relies on relevant standards in this area and pursues a comprehensive sustainability strategy. Detailed information can be found elsewhere in this Sustainability Report.

The EU Taxonomy is constantly evolving. An adaptation and expansion of the economic activities and the screening criteria is to be expected.

Capital expenditures (CapEx)

Determination of the denominator according to Article 8 Annex 1:

Capital expenditures as defined by the EU Taxonomy include additions to tangible and intangible fixed assets, including business combinations. Also included are additions to right-of-use assets in accordance with IFRS 16. The disclosures are made before depreciation, amortisation, impairment or other changes in value. The total capital expenditures in intangible and tangible assets reported in the IFRS consolidated financial statements form the starting point for determining the investments.

Determination of the numerator according to Article 8 Annex 1:

Taxonomy-eligible and Taxonomy-aligned expenditures can be divided into three categories:

- Capital expenditures related to assets that are associated with Taxonomy-eligible or Taxonomy-aligned economic activities

– Acquisition of assets related to Taxonomy-eligible or Taxonomy-aligned economic activities or individual measures that reduce greenhouse gas emissions
– Capital expenditures incurred as part of a plan to expand Taxonomy-aligned economic activities or to allow Taxonomy-eligible economic activities to become Taxonomy-aligned (CapEx plan)

Capital expenditures related to assets that are associated with Taxonomy-eligible or Taxonomy-aligned economic activities

The STRABAG Group has a central equipment management function that controls the procurement, servicing, maintenance, repair, deployment and utilisation of construction machinery, mechanical equipment and vehicles throughout the Group.

A clear allocation of construction equipment and the vehicle fleet to individual projects and thus to economic activities is not possible. In the case of mixed-use assets, these are assigned to Taxonomy-eligible or Taxonomy-aligned economic activities by means of a suitable classification key. STRABAG assigns technical equipment, machinery, the vehicle fleet, and operating and office equipment to this category. The acquisition of these assets through business combinations is also included here.

The equipment intensity in construction projects varies greatly; especially in projects with a high level of subcontractor services, equipment use differs considerably compared to services performed using the company's own personnel.

The allocation of capital expenditures is therefore carried out in the ratio of equipment costs recorded in the management reporting on projects with Taxonomy-eligible or Taxonomy-aligned turnover in relation to the total equipment costs according to the management reporting.

Acquisition of assets related to Taxonomy-eligible or Taxonomy-aligned economic activities or individual measures that reduce greenhouse gas emissions

Buildings and photovoltaic systems constructed by STRABAG for its own use are recognised as Taxonomy-eligible economic activities. Any real estate or photovoltaic array that was acquired or built in-house in a certain financial year will be reviewed for compliance with the technical screening criteria and thus for Taxonomy alignment. The acquisition or construction of these buildings is reported in the Consolidated Statement of Fixed Assets under "Properties and buildings" or "Facilities under construction".

The acquisition of vehicles also represents an acquisition of assets related to a Taxonomy-eligible economic activity. Capital expenditures for passenger cars that are not directly attributable to the provision of services are therefore included under this item. When assessing Taxonomy alignment, the technical screening criteria must be verified by the manufacturer or supplier. This evidence has not yet been provided to the STRABAG Group for vehicle investments in the 2023 financial year, which is why only Taxonomy-eligible investments are shown here.

Capital expenditures incurred as part of a plan to expand Taxonomy-aligned economic activities or to allow Taxonomy-eligible economic activities to become Taxonomy-aligned (CapEx plan)

STRABAG is rethinking the future of construction. With numerous innovation and sustainability projects, the Group is working to reduce CO_2 emissions in administration and construction projects in order to achieve the goal of becoming climate neutral in 2040. The circular economy, or circularity, was also defined as one of the six key strategic topics of our Strategy 2030. Detailed information can be found elsewhere in this Sustainability Report.

Whether and to what extent an economic activity can be classified as Taxonomy-aligned is to be assessed on the basis of the screening criteria for the individual construction projects. Since STRABAG essentially provides construction services on the basis of public tenders or specifications from clients, Taxonomy-aligned economic activities can only be expanded together with the clients. Therefore, no investment plans currently exist in this regard. The same applies to specific investment projects to meet the technical screening criteria for climate change adaptation.

It should be noted that capital expenditures to expand Taxonomy-aligned turnover are to be reported in this category. Since the technical screening criteria usually refer to the building and not to the construction process, there is no direct connection between capital expenditures and Taxonomy-aligned turnover.

Capital expenditures for Taxonomy-non-eligible economic activities

This category comprises capital expenditures that cannot be allocated to Taxonomy-eligible economic activities. The right-of-use assets from leases involve a large number of real estate leases for office locations. These are not broken down on the basis of equipment costs but are allocated in their entirety to capital expenditures related to economic activities that are not covered by the Taxonomy. The calculation is based on the total additions to intangible assets and to property, plant and equipment according to the IFRS consolidated financial statements. First, the capital expenditures for the acquisition of assets related to Taxonomy-eligible or Taxonomy-aligned economic activities as well as the Taxonomy-non-eligible expenditures are determined. The remaining expenditures are allocated on the basis of the Taxonomy-aligned and Taxonomy-eligible turnover, thus avoiding double counting of expenditures related to several Taxonomy-eligible or Taxonomy-aligned economic activities.

The total capital expenditures are as follows:

A detailed presentation by economic activity in accordance with the reporting templates from Annex II is available in the Notes.

CapEx

		2023		2022
	€ mln.	**%**	€ mln.	%
CapEx related to environmentally sustainable activities (Taxonomy-aligned) (A.1)	29.38	4.15	22.27	2.87
CapEx related to Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	356.30	50.28	269.00	34.63
Total (A.1 + A.2)	**385.67**	**54.43**	**291.27**	**37.50**
CapEx related to Taxonomy-non-eligible activities (B)	322.89	45.57	485.50	62.50
Total (A+B)	**708.57**	**100.00**	**776.77**	**100.00**

The Taxonomy-aligned capital expenditures include € 12.15 million (previous year: € 10.41 million) related to technical equipment and machinery; € 13.51 million (previous year: € 8.01 million) related to other facilities, furniture and fixtures and office equipment; € 1.23 million (previous year: € 3.55 million) related to facilities under construction; and € 5.68 million (previous year: € 0.30 million) related to business combinations. The capital expenditures are shown in the statement of fixed assets.

Operating expenditures (OpEx)

Determination of the denominator according to Article 8 Annex 1:

Operating expenditures as defined by the EU Taxonomy are, in addition to non-capitalisable research and development activities, all maintenance and repair expenditures as well as short-term leasing expenses, building renovation activities and other directly attributable costs relevant to the ongoing maintenance and preservation of the functionality of intangible and tangible assets.

Determination of the numerator according to Article 8 Annex 1:

Analogous to the procedure for capital expenditures, the repair and maintenance costs for technical equipment, machinery, the vehicle fleet, and furniture and fixtures are allocated to Taxonomy-aligned, Taxonomy-eligible and Taxonomy-non-eligible operating expenditures in proportion to the equipment costs.

The maintenance expenses for real estate can be partially allocated to the economic activity "Renovation of existing buildings" or to "Maintenance and repair of energy efficiency equipment". These individual measures are therefore Taxonomy-eligible and, if the screening criteria are met, Taxonomy-aligned operating expenditures.

A detailed examination of the maintenance of real estate with regard to the technical screening criteria is only carried out, however, if the individual measure exceeds the expenditure of € 3 million. In the 2023 financial year, this value was not exceeded, which is why the entire allocation was made under Taxonomy-non-eligible operating expenditures.

Double recognition is avoided because the individual measures are initially subtracted from the total and only then is the remainder allocated using the equipment costs as a basis.

The basis for determining the operating expenditures are the respective expense items according to the IFRS consolidated balance sheet. The operating expenditures are as follows:

A detailed presentation by economic activity in accordance with the reporting templates from Annex II is available in the Notes.

OpEx

		2023		2022
	€ mln.	**%**	€ mln.	%
OpEx related to environmentally sustainable activities (Taxonomy-aligned) (A.1)	16.87	5.34	12.13	4.09
OpEx related to Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	166.36	52.65	56.86	19.19
Total (A.1 + A.2)	**183.23**	**57.99**	**68.99**	**23.28**
OpEx of Taxonomy-non-eligible activities (B)	132.74	42.01	227.41	76.72
Total (A+B)	**315.97**	**100.00**	**296.40**	**100.00**

The Taxonomy-aligned operating expenditures include € 13.08 million (previous year: € 9.56 million) related to maintenance of construction equipment and € 3.79 million (previous year: € 2.57 million) related to maintenance of the vehicle fleet. Recognition in the IFRS consolidated financial statements is made under the item "Other services used".

The STRABAG SE Group is not active in the economic activities 4.26 through 4.31 of the Delegated Regulation with regard to the environmental objectives of climate change mitigation and climate change adaptation, which is why the reporting forms relating to nuclear energy and fossil gas activities only contain blank reports.

Minimum safeguards

Assessing Taxonomy alignment in accordance with Articles 3 and 18 of the EU Taxonomy Regulation (EU 2020/852) also requires compliance with minimum social safeguards. The EU Taxonomy thus combines economic, environmental and social criteria for classifying sustainable economic activities. The minimum safeguards included in the EU Taxonomy are there to ensure that companies, when carrying out their economic activities, have procedures in place that protect human and workers' rights and which guarantee compliance with standards relating to taxation and fair competition. The safeguards are also designed to prevent serious offences with regard to these issues. An economic activity is carried out in alignment with the minimum safeguards if the following minimum social standards are followed in its implementation:

- OECD Guidelines for Multinational Enterprises
- United Nations (UN) Guiding Principles on Business and Human Rights
- Core Conventions of the International Labour Organization (ILO)

These international frameworks comprise principles and guidelines for corporate responsibility in relation to the four previously mentioned topics of human rights, corruption, taxation and fair competition.

A number of group directives and policies are in place to implement the requirements for STRABAG arising from the minimum safeguards and from applicable legislation.

The following table provides an overview of the most important group directives and policies that were analysed:

Topic	STRABAG group directives, processes and policies
Human rights	Code of Conduct, Sustainability Policy, Supplier Code of Conduct, Health and Safety Policy, ombudspersons, Employment Conditions and Human Rights Policy
Corruption	Code of Conduct, Business Compliance Management System, online whistleblower platform, Supplier Code of Conduct
Taxation	Directives and technical instructions based on national legislation
Fair competition	Business Compliance Management System, online whistleblower platform

The following observations can be made in relation to the items presented in the table above: The Code of Conduct and the Sustainability Policy (formerly Corporate Responsibility Policy), which was updated during the 2023 reporting year, form part of the Management Manual und are based on the principles set out in the Universal Declaration of Human Rights, the ILO Fundamental Conventions, the OECD Guidelines for Multinational Enterprises and the Ten Principles of the UN Global Compact.

The **Code of Conduct** and the **Sustainability Policy** are binding for all employees of STRABAG SE and all its subsidiaries at home and abroad. Both documents are available in all Group languages and can be accessed on the intranet. The Code of Conduct is also published on the website of STRABAG SE and – as far as possible under national law – forms part of the employment contracts.

The corporate-wide **Policy on Employment Conditions and Human Rights** was approved by the Management Board in the 2023 reporting year as a commitment to compliance with human rights and international labour standards and adopted in all Group languages. The management of STRABAG is called upon to ensure compliance with principles relating to these topics through appropriate measures within the scope of their respective area of responsibility. Any negative impacts of STRABAG's business activities are identified, evaluated and appropriate measures are taken to avoid or reduce them through due diligence, risk management and the annual materiality analysis.

Chapter: Human Rights

Find out more

This is supported by the continued development and preparation of the corporate-wide roll-out of a **Social Compliance Management System** in the 2023 reporting year. The core element of the management system is the risk management with regard to human rights and environmental risks with defined responsibilities and the definition of relevant measures for compliance with our due diligence processes.

The **STRABAG Supplier Code of Conduct** sets out requirements for suppliers, subcontractors and other business partners on the topics of business compliance, human rights, working conditions and the environment. It applies to all STRABAG suppliers and subcontractors, including their boards and committees, employees, representatives and subcontractors. STRABAG suppliers and subcontractors must implement these principles and requirements with appropriate care and are required to pass on the information contained therein to relevant employees and subcontractors.

Chapter: Fair Competition

Find out more

Another instrument to ensure alignment with the minimum safeguards, particularly with regard to corruption and fair competition, is STRABAG's certified **Business Compliance Management System (BCMS)**. Together with the Code of Conduct, the BCMS forms part of the corporate-wide Ethics and Business Compliance System.

STRABAG counters risks in occupational health and safety with its corporate-wide occupational health and safety management system (ISO 45001) and the establishment of a corporate-wide occupational health management system. Our principles on occupational health and safety and their implementation are laid down in our **Health and Safety Policy** and apply to all employees in the Group, including those at contracted external companies.

Another relevant group of topics in relation to the minimum safeguards concerns the safeguarding of employee interests. STRABAG respects the principle of freedom of assembly and free participation in trade unions and works councils in accordance with local legislation and expects the same from its suppliers and subcontractors. STRABAG SE has a group works council, represented on the Supervisory Board of STRABAG SE, which campaigns for the interests of employees. National and company-specific works councils also exist in addition to the group works council. 94% of STRABAG's employees are covered by collective agreements, with corresponding national requirements observed at all subsidiaries.

The principles of STRABAG's tax policy call for compliance with all applicable tax laws and other relevant regulations internationally. Numerous directives, organisational instructions and controls have been implemented in the individual countries to ensure appropriate taxation and compliance with the relevant regulations.

STRABAG online whistleblower platform

Find out more

Non-compliance with the minimum safeguards by STRABAG, but also by companies in the supply chain, can be reported by any STRABAG employee, as well as by direct and indirect suppliers and other stakeholders, via an **online whistleblower platform** or to the designated contact persons (**ombudspersons**). The information or questions received via the whistleblower platform are treated confidentially and will only be passed on to third parties on a need-to-know basis. The whistleblowers can disclose their identity or choose to remain anonymous. In either case, the identity of the whistleblower will be protected from public disclosure.

The ombudsperson system gets involved if the matter received is a justified case and non-compliance with one of the safeguards seems plausible. To ensure an appropriate response to the violation, the responsible management level takes appropriate organisational and disciplinary action.

The previous discussions show that STRABAG has implemented a comprehensive, corporate-wide set of instruments to follow the EU Taxonomy's minimum safeguards.

Reporting sheet: Proportion of turnover derived from goods or services associated with Taxonomy-aligned economic activities – Disclosure for the year 2023

Business year 2023			Year	Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic activities (1)	Code (2)	Absolute Turnover (3)	Proportion of Turnover 2023 (4)	Climate Change Mitigation (CCM) (5)	Climate Change Adaptation (CCA (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate Change Mitigation (CCM) (11)	Climate Change Adaptation (CCA) (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of taxonomy aligned (A.1.) or eligible (A.2.) Turnover, year 2022 (18)	Category "enabling activities" (19)	Category "transitional activities" (20)
		T€	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Infrastructure for rail transport	CCM 6.14	954,893.43	5.41	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	5.70	E	
Construction of new buildings (as general contractor)	CCM 7.1	313,552.41	1.77	Y	N/EL	N/EL	N/EL	N	N/EL	Y	Y	Y	Y	Y	Y	Y	0.69		
Renovation of existing buildings	CCM 7.2	9,154.23	0.05	Y	N/EL	N/EL	N/EL	N	N/EL	Y	Y	Y	Y	Y	Y	Y	0.00		T
Turnover related to environmentally sustainable activities (Taxonomy-aligned) (A.1)		**1,277,600.07**	**7.23**	**7.23**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**								**6.39**		
Of which Enabling		954,893.43	5.41	5.41	0.00	0.00	0.00	0.00	0.00	Y	Y	Y	Y	Y	Y	Y	5.70	E	
Of which Transitional		9,154.23	0.05	0.05						Y	Y	Y	Y	Y	Y	Y	0.00		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Electricity generation using solar photovoltaic technology	CCM 4.1	30,471.99	0.17	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.04		
Electricity generation from wind power	CCM 4.3	98,130.46	0.56	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.26		
Electricity generation from hydropower	CCM 4.5	29,952.68	0.17	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.24		
Electricity generation from geothermal energy	CCM 4.6	1,624.86	0.01	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.25		
Electricity generation from renewable non-fossil gaseous and liquid fuels	CCM 4.7	19,232.14	0.11	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.04		
Electricity generation from bioenergy	CCM 4.8	13,648.45	0.08	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.12		
Transmission and distribution of electricity	CCM 4.9	24,404.80	0.14	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.05		
District heating/cooling distribution	CCM 4.15	90,305.43	0.51	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.11		
Construction and extension of water supply systems	CCM 5.1/ WTR 2.1	179,245.58	1.01	EL	N/EL	EL	N/EL	N/EL	N/EL								1.14		
Construction and extension of waste water collection and treatment	CCM 5.3/ WTR 2.2	323,387.30	1.83	EL	N/EL	EL	N/EL	N/EL	N/EL								2.06		
Infrastructure for personal mobility, cycle logistics	CCM 6.13	199,613.32	1.13	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.98		
Infrastructure for rail transport	CCM 6.14	742,666.67	4.20	EL	N/EL	N/EL	N/EL	N/EL	N/EL								3.82		

Construction of new buildings (as general contractor)	CCM 7.1/ CE 3.1	3,445,338.07	19.50	EL	N/EL	N/EL	N/EL	EL	N/EL	18.12
Renovation of existing buildings	CCM 7.2 /CE 3.2	810,469.89	4.59	EL	N/EL	N/EL	N/EL	EL	N/EL	3.94
Flood risk prevention and protection infrastructure	CCA 14.12	129,394.19	0.73	N/EL	EL	N/EL	N/EL	N/EL	N/EL	n.a.
Sustainable urban drainage systems	WTR 2.3	19,177.52	0.11	N/EL	N/EL	EL	N/EL	N/EL	N/EL	n.a.
Sorting and material recovery of non-hazardous waste	CE 2.7	223,890.38	1.27	N/EL	N/EL	N/EL	N/EL	EL	N/EL	n.a.
Construction of new buildings	CE 3.1	197,498.53	1.12	N/EL	N/EL	N/EL	N/EL	EL	N/EL	n.a.
Renovation of existing buildings	CE 3.2	125,705.36	0.71	N/EL	N/EL	N/EL	N/EL	EL	N/EL	n.a.
Demolition and wrecking of buildings and other structures	CE 3.3	14,430.02	0.08	N/EL	N/EL	N/EL	N/EL	EL	N/EL	n.a.
Maintenance of roads and motorways	CE 3.4	2,776,933.20	15.72	N/EL	N/EL	N/EL	N/EL	EL	N/EL	n.a.
Use of concrete in civil engineering	CE 3.5	2,065,927.73	11.69	N/EL	N/EL	N/EL	N/EL	EL	N/EL	n.a.
Turnover related to Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**11,561,448.59**	**65.44**							**31.17**
A. Turnover of Taxonomy eligible activities (A.1+A.2)		**12,839,048.65**	**72.67**							**37.56**
B. Taxonomy-non-eligible activities										
Turnover related to Taxonomy non-eligible activities		4,827,491.40	27.33							
Total		**17,666,540.05**	**100.00**							

Reporting sheet: Proportion of CapEx derived from goods or services associated with Taxonomy-aligned economic activities – Disclosure for the year 2023

Business year 2023			Year	Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic activities (1)	Code (2)	Absolute CapEx (3)	Proportion of CapEx, Year 2023 (4)	Climate Change Mitigation (CCM) (5)	Climate Change Adaptation (CCA) (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate Change Mitigation (CCM) (11)	Climate Change Adaptation (CCA) (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year 2022 (18)	Category "enabling activities" (19)	Category "transitional activities" (20)
		T€	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Infrastructure for rail transport	CCM 6.14	19,971.84	2.82	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	2.73	E	
Construction of new buildings (as general contractor)	CCM 7.1	9,386.43	1.32	Y	N/EL	N/EL	N/EL	N	N/EL	Y	Y	Y	Y	Y	Y	Y	0.14		
Renovation of existing buildings	CCM 7.2.	17.09	0.00	Y	N/EL	N/EL	N/EL	N	N/EL	Y	Y	Y	Y	Y	Y	Y	0.00		T
CapEx related to environmentally sustainable activities (Taxonomy-aligned) (A.1)		**29,375.36**	**4.15**	**4.15**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**								**2.87**		
Of which Enabling		19,971.84	2.82	2,82	0.00	0.00	0.00	0.00	0.00	Y	Y	Y	Y	Y	Y	Y	2.73	E	
Of which Transitional		17.09	0.00	0.00						Y	Y	Y	Y	Y	Y	Y	0.00		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Electricity generation using solar photovoltaic technology	CCM 4.1	160.46	0.02	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.00		
Electricity generation from wind power	CCM 4.3	1,668.51	0.24	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.19		
Electricity generation from hydropower	CCM 4.5	1,030.07	0.15	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.14		
Electricity generation from geothermal energy	CCM 4.6	7.15	0.00	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.22		
Electricity generation from renewable non-fossil gaseous and liquid fuels	CCM 4.7	155.53	0.02	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.00		
Electricity generation from bioenergy	CCM 4.8	347.78	0.05	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.01		
Transmission and distribution of electricity	CCM 4.9	862.24	0.12	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.02		
District heating/cooling distribution	CCM 4.15	2,919.56	0.41	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.09		
Construction and extension of water supply systems	CCM 5.1/ WTR 2.1	5,756.20	0.81	EL	N/EL	EL	N/EL	N/EL	N/EL								0.82		
Construction and extension of waste water collection and treatment	CCM 5.3/ WTR 2.2	12,973.01	1.83	EL	N/EL	EL	N/EL	N/EL	N/EL								1.93		
Infrastructure for personal mobility, cycle logistics	CCM 6.13	5,337.25	0.75	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.67		
Infrastructure for rail transport	CCM 6.14	21,102.13	2.98	EL	N/EL	N/EL	N/EL	N/EL	N/EL								2.33		
Construction of new buildings (as general contractor)	CCM 7.1/ CE 3.1	27,745.23	3.92	EL	N/EL	N/EL	N/EL	EL	N/EL								3.74		

Renovation of existing buildings	CCM 7.2 /CE 3.2	8,272.80	1.17	EL	N/EL	N/EL	N/EL	EL	N/EL	0.85
Flood risk prevention and protection infrastructure	CCA 14.12	6,005.40	0.85	N/EL	EL	N/EL	N/EL	N/EL	N/EL	n.a.
Sustainable urban drainage systems	WTR 2.3	243.70	0.03	N/EL	N/EL	EL	N/EL	N/EL	N/EL	n.a.
Sorting and material recovery of non-hazardous waste	CE 2.7	5,189.37	0.73	N/EL	N/EL	N/EL	N/EL	EL	N/EL	n.a.
Construction of new buildings (as general contractor)	CE 3.1	37,300.54	5.26	N/EL	N/EL	N/EL	N/EL	EL	N/EL	n.a.
Renovation of existing buildings	CE 3.2	9,932.38	1.40	N/EL	N/EL	N/EL	N/EL	EL	N/EL	n.a.
Demolition and wrecking of buildings and other structures	CE 3.3	188.84	0.03	N/EL	N/EL	N/EL	N/EL	EL	N/EL	n.a.
Maintenance of roads and motorways	CE 3.4	70,811.08	9.99	N/EL	N/EL	N/EL	N/EL	EL	N/EL	n.a.
Use of concrete in civil engineering	CE 3.5	54,467.41	7.69	N/EL	N/EL	N/EL	N/EL	EL	N/EL	n.a.
Acquisition and ownership of buildings	CCM 7.7	69,539.41	9.81	EL	N/EL	N/EL	N/EL	N/EL	N/EL	22.87
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	14,280.65	2.02	EL	N/EL	N/EL	N/EL	N/EL	N/EL	0.75
CapEx related to Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**356,296.70**	**50.28**							**34.63**
A. CapEx of Taxonomy eligible activities (A.1+A.2)		**385,672.06**	**54.43**							**37.50**
B. Taxonomy-non-eligible activities										
CapEx related to Taxonomy non-eligible activities		322,894.70	45.57							
Total		**708,566.76**	**100.00**							

Reporting sheet: Proportion of OpEx derived from goods or services associated with Taxonomy-aligned economic activities – Disclosure for the year 2023

Business year 2023			Jahr	Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic activities (1)	Code (2)	Absolute OpEx (3)	Pro-portion of OpEx, Year 2023 (4)	Climate Change Mitigation (CCM) (5)	Climate Change Adaptation (CCA (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate Change Mitigation (CCM) (11)	Climate Change Adaptation (CCA) (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year 2022 (18)	Category "enabling activities" (19)	Category "transitional activities" (20)
		T€	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Infrastructure for rail transport	CCM 6.14	11,470.27	3.63	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	3.89	E	
Construction of new buildings (as general contractor)	CCM 7.1	5,390.83	1.71	Y	N/EL	N/EL	N/EL	N	N/EL	Y	Y	Y	Y	Y	Y	Y	0.20		
Renovation of existing buildings	CCM 7.2.	9.82	0.00	Y	N/EL	N/EL	N/EL	N	N/EL	Y	Y	Y	Y	Y	Y	Y	0.00		T
OpEx related to environmentally sustainable activities (Taxonomy-aligned) (A.1)		**16,870.92**	**5.34**	**5.34**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**								**4.09**		
Of which Enabling		11,470.27	3.63	3.63	0.00	0.00	0.00	0.00	0.00	Y	Y	Y	Y	Y	Y	Y	3.89	E	
Of which Transitional		9.82	0.00	0.00						Y	Y	Y	Y	Y	Y	Y	0.00		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Electricity generation using solar photovoltaic technology	CCM 4.1	92.16	0.03	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.00		
Electricity generation from wind power	CCM 4.3	958.26	0.30	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.27		
Electricity generation from hydropower	CCM 4.5	591.59	0.19	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.21		
Electricity generation from geothermal energy	CCM 4.6	4.11	0.00	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.31		
Electricity generation from renewable non-fossil gaseous and liquid fuels	CCM 4.7	89.33	0.03	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.00		
Electricity generation from bioenergy	CCM 4.8	199.74	0.06	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.02		
Transmission and distribution of electricity	CCM 4.9	495.20	0.16	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.03		
District heating/cooling distribution	CCM 4.15	1,676.77	0.53	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.13		
Construction and extension of water supply systems	CCM 5.1/ WTR 2.1	3,305.91	1.05	EL	N/EL	EL	N/EL	N/EL	N/EL								1.16		
Construction and extension of waste water collection and treatment	CCM 5.3/ WTR 2.2	7,450.69	2.36	EL	N/EL	EL	N/EL	N/EL	N/EL								2.76		
Infrastructure for personal mobility, cycle logistics	CCM 6.13	3,065.30	0.97	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.96		
Infrastructure for rail transport	CCM 6.14	12,119.42	3.84	EL	N/EL	N/EL	N/EL	N/EL	N/EL								3.32		
Construction of new buildings (as general contractor)	CCM 7.1/ CE 3.1	15,934.70	5.04	EL	N/EL	N/EL	N/EL	EL	N/EL								5.34		

Renovation of existing buildings	CCM 7.2 /CE 3.2	4,751.25	1.50	EL	N/EL	N/EL	N/EL	EL	N/EL	1.21
Flood risk prevention and protection infrastructure	CCA 14.12	3,449.03	1.09	N/EL	EL	N/EL	N/EL	N/EL	N/EL	n.a.
Sustainable urban drainage systems	WTR 2.3	139.96	0.04	N/EL	N/EL	EL	N/EL	N/EL	N/EL	n.a.
Sorting and material recovery of non-hazardous waste	CE 2.7	2,980.37	0.94	N/EL	N/EL	N/EL	N/EL	EL	N/EL	n.a.
Construction of new buildings (as general contractor)	CE 3.1	21,422.53	6.78	N/EL	N/EL	N/EL	N/EL	EL	N/EL	n.a.
Renovation of existing buildings	CE 3.2	5,704.39	1.81	N/EL	N/EL	N/EL	N/EL	EL	N/EL	n.a.
Demolition and wrecking of buildings and other structures	CE 3.3	108.45	0.03	N/EL	N/EL	N/EL	N/EL	EL	N/EL	n.a.
Maintenance of roads and motorways	CE 3.4	40,668.37	12.87	N/EL	N/EL	N/EL	N/EL	EL	N/EL	n.a.
Use of concrete in civil engineering	CE 3.5	31,281.84	9.90	N/EL	N/EL	N/EL	N/EL	EL	N/EL	n.a.
Acquisition and ownership of buildings	CCM 7.7	7,423.10	2.35	EL	N/EL	N/EL	N/EL	N/EL	N/EL	2.67
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	2,449.81	0.78	EL	N/EL	N/EL	N/EL	N/EL	N/EL	0.80
OpEx related to Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**166,362.28**	**52.65**							**19.19**
A. OpEx of Taxonomy eligible activities (A.1+A.2)		**183,233.20**	**57.99**							**23.28**
B. Taxonomy-non-eligible activities										
OpEx related to Taxonomy non-eligible activities		132,741.64	42.01							
Total		**315,974.84**	**100%**							

Overview

Proportion of turnover / Total turnover

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	7.23	41.24
CCA	0.00	0.73
WTR	0.00	2.95
CE	0.00	56.46
PPC	0.00	0.00
BIO	0.00	0.00

Proportion of CapEx / Total CapEx

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	4.15	28.44
CCA	0.00	0.85
WTR	0.00	2.68
CE	0.00	30.19
PPC	0.00	0.00
BIO	0.00	0.00

Proportion of OpEx / Total OpEx

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	5.34	24.52
CCA	0.00	1.09
WTR	0.00	3.45
CE	0.00	38.87
PPC	0.00	0.00
BIO	0.00	0.00

Template 1: Nuclear and fossil gas related activities

	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO

	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Data Appendix

Environmental indicators

Topic	Indicator	Unit	GRI-Standard	2019	2020	2021	2022	**2023**
Energy and emissions								
	Total energy consumption	**MWh**	**302-1**	**3,545,606**	**3,163,103**	**3,274,577**	**3,467,402**	**3,477,822**
	Green electricity	MWh	302-1	n. a.	26,700	100,837	96,366	114,510
	Total energy consumption from non-renewable sources[1]	**MWh**	**302-1**	**3,545,607**	**3,136,403**	**3,173,740**	**3,371,036**	**3,363,312**
	Conventional electricity	MWh	302-1	432,755	384,741	294,022	320,974	307,765
	Fuel	MWh	302-1	1,986,883	1,732,783	1,754,901	1,961,591	1,959,920
	Gas	MWh	302-1	430,143	332,625	428,683	416,171	396,746
	Heating oil	MWh	302-1	165,764	142,857	151,406	153,519	159,970
	Pulverised lignite	MWh	302-1	481,235	500,732	503,083	475,975	497,900
	District heating	MWh	302-1	48,826	42,665	41,645	42,806	41,011
	Energy intensity[2]	**MWh/T€**	**302-3**	**n. a.**	**n. a.**	**n. a.**	**n. a.**	**0.197**
	Energy costs	**€ mln.**		**281**	**242**	**283**	**407**	**414**
	Share of fuel in energy costs	%		65	61	64	67	57
	CO_2e emissions							
	Carbon footprint Scope 1	t CO_2e	305-1	n. a.[3]	742,063	771,799	813,242	819,934
	Carbon footprint Scope 2, location-based	t CO_2e	305-2	n. a.[3]	171,353	165,711	175,191	183,908
	Carbon footprint Scope 2, market-based	t CO_2e	305-2	n. a.[3]	151,185	125,723	148,454	143,010
	CO_2e intensity[4]	**t CO_2e/T€**	**305-4**	**n. a.**	**n. a.**	**n. a.**	**n. a.**	**0.055**
	CO_2e emissions by energy source[5]	**%**	**305-1**	**100**	**100**	**100**	**100**	**100**
	Fuel	%	305-1	52	51	50	53	54
	Pulverised lignite	%	305-1	17	19	18	16	18
	Electricity	%	305-1	16	18	17	17	14
	Gas	%	305-1	9	7	9	9	9
	Heating oil	%	305-1	4	4	4	4	4
	District heating	%	305-1	1	1	1	1	1
	CO_2e emissions by country (market-based)	**%**	**305-1**	**100**	**100**	**100**	**100**	**100**
	Germany	%	305-1	36	37	36	33	34
	Poland	%	305-1	15	17	16	15	17
	Austria	%	305-1	8	9	8	11	9
	Czech Republic	%	305-1	8	8	10	8	7
	Other	%	305-1	33	29	30	33	33
	Asphalt mix produced in-house in Germany	kWh/t		93.0	93.0	97.6	92.6	93.6
		kg CO_2e/t		31.8	31.0	31.2	29.8	29.6

Topic	Indicator	Unit	GRI-Standard	2019	2020	2021	2022	**2023**
Circularity								
	Materials used							
	Stone/Gravel	thousands of tonnes	301-1	70,410	69,960	64,790	59,991	56,626
	Asphalt	thousands of tonnes	301-1	13,270	12,745	12,715	12,056	11,850
	Concrete	thousands of m³	301-1	5,519	5,089	4,775	5,154	4,576
	Cement	thousands of tonnes	301-1	1,642	1,739	1,555	1,239	1,200
	Structural steel	thousands of tonnes	301-1	477	447	445	464	455
	Handled waste[6]							
	Total waste	tonnes	306-3	n. a.	n. a.	n. a.	8,774,276	9,279,999
	Non-hazardous waste	tonnes	306-3	n. a.	n. a.	n. a.	8,284,035	8,840,369
	Hazardous waste	tonnes	306-3	n. a.	n. a.	n. a.	490,241	439,630
	Waste diverted from disposal[7]							
	Total waste	**tonnes**	**306-3**	**n. a.**	**n. a.**	**n. a.**	**4,844,419**	**3,989,724**
	Non-hazardous waste	**tonnes**	**306-3**	**n. a.**	**n. a.**	**n. a.**	**4,661,418**	**3,801,681**
	Preparation for reuse[8]	tonnes	306-3	n. a.	n. a.	n. a.	219,525	232,208
	On site[9]	tonnes	306-3	n. a.	n. a.	n. a.	0	8,550
	Off site[9]	tonnes	306-3	n. a.	n. a.	n. a.	219,525	223,658
	Recycling[11]	tonnes	306-3	n. a.	n. a.	n. a.	164,581	238,174
	On site	tonnes	306-3	n. a.	n. a.	n. a.	163,264	238,174
	Off site	tonnes	306-3	n. a.	n. a.	n. a.	1,317	0
	Other recovery processes[12]	tonnes	306-3	n. a.	n. a.	n. a.	4,277,312	3,331,299
	On site	tonnes	306-3	n. a.	n. a.	n. a.	2,207,887	1,329,649
	Off site	tonnes	306-3	n. a.	n. a.	n. a.	2,069,425	2,001,650
	Hazardous waste	**tonnes**	**306-3**	**n. a.**	**n. a.**	**n. a.**	**183,001**	**188,043**
	Preparation for reuse	tonnes	306-3	n. a.	n. a.	n. a.	0	2,855
	On site	tonnes	306-3	n. a.	n. a.	n. a.	0	0
	Off site	tonnes	306-3	n. a.	n. a.	n. a.	0	2,855
	Recycling	tonnes	306-3	n. a.	n. a.	n. a.	2,501	0
	On site	tonnes	306-3	n. a.	n. a.	n. a.	2,501	0
	Off site	tonnes	306-3	n. a.	n. a.	n. a.	0	0
	Other recovery processes	tonnes	306-3	n. a.	n. a.	n. a.	180,500	185,189
	On site	tonnes	306-3	n. a.	n. a.	n. a.	178,909	185,189
	Off site	tonnes	306-3	n. a.	n. a.	n. a.	1,591	0
	Waste forwarded for disposal[13]							
	Total waste	**tonnes**	**306-3**	**n. a.**	**n. a.**	**n. a.**	**4,662,750**	**4,344,627**
	Non-hazardous waste	**tonnes**	**306-3**	**n. a.**	**n. a.**	**n. a.**	**4,314,987**	**4,060,780**
	On site	tonnes	306-3	n. a.	n. a.	n. a.	62,360	329,071
	Off site	tonnes	306-3	n. a.	n. a.	n. a.	4,252,627	3,731,709
	Hazardous waste	**tonnes**	**306-3**	**n. a.**	**n. a.**	**n. a.**	**347,763**	**283,847**
	On site	tonnes	306-3	n. a.	n. a.	n. a.	2,441	9,154

Topic	Indicator	Unit	GRI-Standard	2019	2020	2021	2022	**2023**
	Off site	tonnes	306-3	n. a.	n. a.	n. a.	345,322	274,693
	Percentage of recycled asphalt used in the production of asphalt mixture							
	Germany	% (of total thousand t)	301-2	34 (3,140)	33 (3,303)	34 (3,076)	35 (3,036)	34 (3,306)
	Poland	% (of total thousand t)	301-2	7 (2,280)[14]	7 (2,391)[14]	7 (2,513)[14]	6 (2,268)[14]	7 (2,525)
	Austria	% (of total thousand t)	301-2	13 (1,248)[14]	14 (1,287)[14]	15 (1,360)[14]	15 (1,077)[14]	16 (954)
Digitalisation and innovation								
	BIM 5D® workstations	Number		1,560	1,908	2,165	2,435	2,643
	Expenditure on research, development and innovation activities	€ mln.		approx. 17	approx. 17	approx. 16	approx. 16	approx. 17
	Development projects with funding	Number		n. a.	n. a.	24	25	32

1 Composed of fuel, gas, heating oil and pulverised lignite.

2 The 2023 financial year is the first year for which this indicator is being reported. The numerator draws on the energy consumption within the organisation. Group revenue serves as the denominator.

3 Since 2020, STRABAG's calculations have included the greenhouse gases CO_2, CH_4 and N_2O. The Energy and Emissions chapter shows STRABAG's emissions for 2019 in tonnes of CO_2.

4 The 2023 financial year is the first year for which this indicator is being reported. The numerator draws on the Scope 1 and Scope 2 emissions (market-based). Group revenue serves as the denominator.

5 The numbers are based on the location-based calculation method. Up to and including 2019, market-based emissions were used.

6 Handled waste includes mineral waste that STRABAG accepts/processes in the course of its project business and in its own waste and recycling management centres and processing sites and feeds into the various streams of preparation for reuse, recycling or other processes for recovery and disposal. The key waste figures were first reported for the 2022 financial year and comprise the values from the corporate entities in Austria and from projects and orders in Germany which the Environmental Technology and Building Materials/Recycling subdivisions were responsible for in the reporting year.

7 Mineral waste that is diverted from disposal includes waste that is prepared for reuse, recycled and entered into other recovery processes.

8 Preparation for reuse includes mineral waste that is prepared for reuse with the same purpose as originally intended – e.g. through washing, screening or sorting.

9 On site describes waste that is recycled or disposed of by waste management companies belonging to the Group.

10 Off site describes waste that is recycled or disposed of by external waste management companies.

11 Recycling refers to the reprocessing of mineral waste in order to obtain new materials and return them to the production cycle.

12 Other recovery processes include recovery processes that are not referred to as recycling or reuse.

13 Disposal refers to all processes that do not involve recovery.

14 The values were adjusted retroactively due to a change in the calculation method.

Social indicators

Topic	Indicator	Unit	GRI Standard	2019	2020	2021	2022	**2023**
Human rights								
	Reports of potential human rights violations to the ombudspersons	Number		12	17	27	16	44[15]
	Number of confirmed cases of discrimination	Number	406-1	1	3	12	13	33
	Number of cases identified in the category human rights and working conditions[16]	Number	406-1	n. a.	n. a.	3	3	11
Occupational safety and health								
	Lost-time accident rate[17]	**%**	**403-9**	**0.24**	**0.27**	**0.26**	**0.24**	**0.23**
	White-collar	%	403-9	0.05	0.07	0.07	0.05	0.05
	Blue-collar	%	403-9	0.37	0.41	0.40	0.37	0.36
	Accident incident rate[18]	**Number**	**403-9**	**15.9**	**15.9**	**15.6**	**14.8**	**14.2**
	White-collar	Number	403-9	4.3	4.9	4.4	4.1	3.9
	Blue-collar	Number	403-9	23.9	24.1	23.9	22.6	22.2
	Occupational accidents	**Number**	**403-9**	**2,326**	**2,227**	**2,177**	**2,018**	**1,966**
	Occupational accidents with serious injuries[19]	Number	403-9	n. a.	n. a.	n. a.	12	8
	Fatalities through workplace accidents	Number	403-9	5	0	0	2	6
	Lost-time illness rate[20]	**%**		**4.9**	**5.3**	**5.8**	**6.1**	**5.5**
	White-collar	%		3.6	3.4	3.5	4.1	3.5
	Blue-collar	%		5.8	6.7	7.5	7.6	7.0
Strategic human resource development								
	Number of appraisal interviews held versus number of employees	**%**	**404-3**	**60.00**	**51.10**	**56.19**	**71.73**	**78.65**
	Women	%	404-3	n. a.	54.57	58.74	72.09	78.71
	Men	%	404-3	n. a.	49.70	55.13	71.57	78.62
	Training days per employee	**Number**	**404-1**	**1.42**	**0.68**	**0.84**	**1.31**	**1.18**
	Women	Number	404-1	n. a.	0.72	0.91	1.24	1.17
	Men	Number	404-1	n. a.	0.66	0.81	1.34	1.18
	Training and further education sessions	**Number**		**3,881**	**2,186**	**2,956**	**3,378**	**3,682**
	Participants	Number		32,954	25,347	33,961	38,785	45,030
	Managers in the Leadership@STRABAG programme[21]	Number		n. a.	n. a.	412	515	467
	Apprentices	**FTE**		**1,724**	**1,801**	**1,829**	**1,870**	**1,961**
	Blue-collar apprentices	FTE		517	507	505	605	669
	Trainees	**FTE**		**162**	**158**	**135**	**103**	**105**
	Women	FTE		46	58	52	32	35
	Men	FTE		116	100	83	71	70
	Commercial trainees	FTE		28	39	32	30	37
	Technical Trainees	FTE		134	119	103	73	68

Topic	Indicator	Unit	GRI Standard	2019	2020	2021	2022	**2023**
Social engagement								
	Contribution to projects and initiatives	€ mln.		4.12	3.28	3.90	4.86	6.16

[15] The increased use of the whistleblower system is attributed to its increased communication via the intranet, at training courses and online on the Group website.

[16] Category was introduced in 2021

[17] Number of working hours lost to accidents versus productive working hours (blue-collar: 78,638,119 hours, white-collar: 60,156,298 hours)

[18] Number of accidents at work per 1 million productive working hours (blue-collar: 78,638,119 hours, white-collar: 60,156,298 hours)

[19] Indicator was being reported for the first time in the 2022 financial year. STRABAG considers occupational accidents with serious injuries to be occupational accidents that lead to 43 or more days of absence and that can be assigned to the injury types of broken bones, multiple injuries, burns, poisoning or electrocution. In 2022, there were no serious accidents due to poisoning or electrocution.

[20] Ratio of sick leave days to working days; values for 2020 were adjusted retroactively due to a change in the calculation method.

[21] The Leadership@STRABAG programme was introduced in 2021.

Employment figures

Topic	Indicator	Unit	GRI Standard	2019	2020	2021	2022	**2023**
General Employment Figures[22]								
	Number of employees	**FTE**	**2-7**	**76,919**	**74,340**	**73,606**	**73,740**	**77,136**
	White-collar	FTE		32,480	31,889	31,934	32,336	33,657
	Blue-collar	FTE		44,439	42,451	41,672	41,404	43,479
	Women	Head count %	2-7	16.9	17.1	17.5	17.6	17.8
	Men	Head count %	2-7	83.1	82.8	82.5	82.4	82.2
	Age group	Head count %	405-1	19	19	17	18	18
	Age group 30–50 years	Head count %	405-1	50	50	52	52	52
	Age group >50 years	Head count %	405-1	31	31	31	30	30
	Segment (North + West)	FTE (%)	2-7	25,386 (33)	25,801 (35)	25,430 (35)	25,693 (35)	22,136 (29)
	Segment (South + East)	FTE (%)	2-7	19,850 (26)	20,512 (27)	20,685 (28)	20,625 (28)	27,057 (35)
	Segment (International + Special Divisions)	FTE (%)	2-7	25,219 (33)	21,339 (29)	20,610 (28)	20,405 (28)	20,360 (26)
	Other	FTE (%)	2-7	6,464 (8)	6,688 (9)	6,881 (9)	7,017 (9)	7,853 (10)
	Germany	FTE	2-7	29,132	28,150	28,131	28,887	31,648
	Austria	FTE	2-7	11,524	11,514	11,515	11,606	11,790
	Poland	FTE	2-7	7,613	6,497	5,786	5,595	6,147
	Americas	FTE	2-7	6,186	6,428	6,340	6,135	6,052
	Czech Republic	FTE	2-7	3,916	4,097	4,187	4,155	4,122
	Hungary	FTE	2-7	2,890	2,880	2,921	2,978	2,848
	Romania	FTE	2-7	1,831	1,745	1,671	1,602	1,942
	Middle East	FTE	2-7	1,524	1,739	1,743	1,768	1,789
	Slovakia	FTE	2-7	2,704	1,553	1,621	1,709	1,560
	United Kingdom	FTE	2-7	1,392	1,452	1,346	1,343	1,409
	Croatia	FTE	2-7	1,078	1,275	1,477	1,484	1,375
	Serbia	FTE	2-7	1,528	1,123	987	923	1,330

Topic	Indicator	Unit	GRI Standard	2019	2020	2021	2022	**2023**
	Asia	FTE	2-7	935	960	796	906	1,257
	Rest of Europe	FTE	2-7	880	822	749	690	1,234
	Switzerland	FTE	2-7	1,063	816	1,022	818	709
	Africa	FTE	2-7	660	644	569	529	587
	Bulgaria	FTE	2-7	n. a.	610	932	1,148	410
	Benelux	FTE	2-7	602	538	381	330	304
	Sweden	FTE	2-7	401	491	596	498	248
	Slovenia	FTE	2-7	436	370	319	292	180
	Italy	FTE	2-7	294	276	199	108	141
	Denmark	FTE	2-7	171	212	176	98	54
	Number of nationalities within the Group	**Number**		**120**	**139**	**147**	**154**	**155**
	Percentage of women in the Group and in management							
	Women in the Group	Head count %	405-1	16.9	17.1	17.5	17.6	17.8
	Women in management[23]	Head count %	405-1	9.3	9.3	9.3	9.5	9.9
	Women on the Supervisory Board[24]	Head count %	405-1	18	27	18	33	33
	Women on the Management Board	Head count %	405-1	0	0	0	0	0
	Age structures in the Management Board and Supervisory Board							
	Management Board							
	Age group <30 years	Head count %	405-1	0	0	0	0	0
	Age group 30–50 years	Head count %	405-1	20	33	17	17	20
	Age group >50 years	Head count %	405-1	80	67	83	83	80
	Supervisory Board							
	Age group <30 years	Head count %	405-1	0	0	0	0	0
	Age group 30–50 years	Head count %	405-1	18	18	9	9	11
	Age group >50 years	Head count %	405-1	82	82	91	91	89
Detailed employment information								
	An explanation of how the data have been compiled, including any assumptions made	The information required for the GRI disclosures was taken from the HR master data of the ERP system at the group headquarters as well as from group organisational units with other ERP systems through standardised monthly reporting.						
	Total number of employees by employment contract (permanent and temporary), by gender							
	Total permanent	Head count (%)	2-7	70,645 (86)	68,672 (86)	68,458 (87)	68,834 (87)	74,269 (87)
	Total temporary	Head count (%)	2-7	11,668 (14)	10,756 (14)	9,954 (13)	10,618 (13)	11,457 (13)
	Women permanent	Head count (%)	2-7	11,664 (84)	68,672 (86)	11,877 (87)	11,892 (85)	12,921 (85)
	Women temporary	Head count (%)	2-7	2,212 (16)	2,099 (15)	1,808 (13)	2,052 (15)	2,313 (15)
	Men permanent	Head count (%)	2-7	58,981 (86)	57,174 (87)	56,581 (87)	56,942 (87)	61,348 (87)
	Men temporary	Head count (%)	2-7	9,456 (14)	8,657 (13)	8,146 (13)	8,566 (13)	9,144 (13)
	Total number of employees by employment contract (permanent and temporary), by region							

Topic	Indicator	Unit	GRI Standard	2019	2020	2021	2022	**2023**
	Germany permanent	Head count (%)	2-7	28,839 (88)	27,664 (87)	28,001 (89)	28,516 (88)	32,793 (87)
	Austria permanent	Head count (%)	2-7	12,119 (99)	12,095 (99)	11,792 (97)	12,196 (95)	12,619 (95)
	CEE permanent	Head count (%)	2-7	16,219 (80)	16,963 (80)	17,477 (82)	16,992 (81)	17,193 (82)
	Rest of Europe permanent	Head count (%)	2-7	3,682 (92)	3,515 (86)	3,393 (88)	3,183 (86)	3,643 (86)
	Rest of World permanent	Head count (%)	2-7	9,786 (76)	8,435 (83)	7,795 (83)	7,947 (86)	8,021 (82)
	Germany temporary	Head count (%)	2-7	4,066 (12)	4,033 (13)	3,562 (11)	4,089 (12)	4,740 (13)
	Austria temporary	Head count (%)	2-7	101 (1)	101 (1)	420 (3)	614 (5)	611 (5)
	CEE temporary	Head count (%)	2-7	4,058 (20)	4,304 (20)	3,874 (18)	4,099 (19)	3,773 (18)
	Rest of Europe temporary	Head count (%)	2-7	310 (8)	582 (14)	447 (12)	525 (14)	588 (14)
	Rest of World temporary	Head count (%)	2-7	3,133 (24)	1,736 (17)	1,651 (18)	1,291 (14)	1,745 (18)
	Total number of employees by employment type (full-time and part-time), by region							
	Germany full-time	Head count (%)	2-7	26.769 (81)	25.861 (82)	25.853 (82)	26,712 (82)	30,590 (82)
	Austria full-time	Head count (%)	2-7	10.842 (89)	10.830 (89)	10.840 (89)	11,211 (87)	11,490 (87)
	CEE full-time	Head count (%)	2-7	19.843 (98)	20.690 (97)	20.794 (97)	20,656 (98)	20,538 (98)
	Rest of Europe full-time	Head count (%)	2-7	3.631 (91)	3.830 (93)	3.636 (95)	3,493 (94)	3,974 (94)
	Rest of World full-time	Head count (%)	2-7	12.704 (98)	10.009 (98)	9.336 (99)	9,147 (99)	9,734 (99)
	Germany part-time	Head count (%)	2-7	6.136 (19)	5.836 (18)	5.710 (18)	5,893 (18)	6,943 (18)
	Austria part-time	Head count (%)	2-7	1.378 (11)	1.366 (11)	1.372 (11)	1,599 (13)	1,740 (13)
	CEE part-time	Head count (%)	2-7	434 (2)	577 (3)	557 (3)	435 (2)	428 (2)
	Rest of Europe part-time	Head count (%)	2-7	361 (9)	267 (7)	204 (5)	215 (6)	257 (6)
	Rest of World part-time	Head count (%)	2-7	215 (2)	162 (2)	110 (1)	91 (1)	32 (1)
	Total number of employees by employment type (full-time and part-time), by gender							
	Total full-time	Head count (%)	2-7	73,789 (90)	71,220 (90)	70,459 (90)	71,219 (90)	76,326 (89)
	Total part-time	Head count (%)	2-7	8,524 (10)	8,208 (10)	7,953 (10)	8,233 (10)	9,400 (11)
	Women full-time	Head count (%)	2-7	8,863 (64)	8,740 (64)	8,907 (65)	9,017 (65)	9,947 (65)
	Women part-time	Head count (%)	2-7	5,013 (36)	4,857 (36)	4,778 (35)	4,927 (35)	5,287 (35)
	Men full-time	Head count (%)	2-7	64,926 (95)	62,480 (95)	61,552 (95)	62,202 (95)	66,379 (94)
	Men part-time	Head count (%)	2-7	3,511 (5)	3,351 (5)	3,175 (5)	3,306 (5)	4,113 (6)
	Any significant variations in the numbers reported in disclosure 2-7	No significant variations in the number of employees could be determined.						

Topic	Indicator	Unit	GRI Standard	2019	2020	2021	2022	**2023**
	Percentage of total employees covered by collective bargaining[25] greements	Head count (%)	2-30	96	94	94	94	94
	New hires (without temporary employment contracts)							
	Women	Head count	401-1	808	623	719	934	954
	Men	Head count	401-1	3,558	3,041	3,619	4,741	4,140
	Age group <30 years	Head count	401-1	1,390	1,120	1,297	1,639	1,521
	Age group 30–50 years	Head count	401-1	2,298	1,985	2,392	3,204	2,782
	Age group >50 years	Head count	401-1	678	559	649	832	791
	Germany	**Head count (Employee hire rate %)**		**1,567 (5.4)**	**1,194 (4.3)**	**1,322 (4.7)**	**1,786 (6.3)**	**1,918 (5.8)**
	Women age group <30 years	Head count	401-1	110	75	81	129	157
	Men age group <30 years	Head count	401-1	370	287	328	424	438
	Women age group 30–50 years	Head count	401-1	145	110	129	169	203
	Men age group 30–50 years	Head count	401-1	639	515	558	750	790
	Women age group >50 years	Head count	401-1	52	29	39	53	56
	Men age group >50 years	Head count	401-1	251	178	187	261	274
	Austria	**Head count (Employee hire rate %)**	**401-1**	**1,282 (10.6)**	**1,087 (9.0)**	**1,102 (9.3)**	**1,288 (10.6)**	**1,276 (10.1)**
	Women age group <30 years	Head count		82	59	59	98	107
	Men age group <30 years	Head count	401-1	435	360	329	353	356
	Women age group 30–50 years	Head count	401-1	151	128	129	162	167
	Men age group 30–50 years	Head count	401-1	478	415	434	491	483
	Women age group >50 years	Head count	401-1	34	31	45	63	54
	Men age group >50 years	Head count	401-1	102	94	106	121	109
	CEE	**Head count (Employee hire rate %)**	**401-1**	**773 (4.8)**	**556 (3.3)**	**604 (3.5)**	**534 (3.1)**	**437 (2.5)**
	Women age group <30 years	Head count	401-1	54	30	46	30	29
	Men age group <30 years	Head count	401-1	147	103	134	107	91
	Women age group 30–50 years	Head count	401-1	88	68	60	71	68
	Men age group 30–50 years	Head count	401-1	363	266	264	243	182
	Women age group >50 years	Head count	401-1	11	7	10	15	6
	Men age group >50 years	Head count	401-1	110	82	90	68	61
	Rest of Europe	**Head count (Employee hire rate %)**	**401-1**	**290 (7.9)**	**342 (9.7)**	**327 (9.6)**	**371 (11.7)**	**370 (10.2)**
	Women age group <30 years	Head count	401-1	18	16	19	21	17
	Men age group <30 years	Head count	401-1	72	76	57	96	85
	Women age group 30–50 years	Head count	401-1	20	35	48	32	22
	Men age group 30–50 years	Head count	401-1	129	153	146	159	170
	Women age group >50 years	Head count	401-1	5	11	10	10	12
	Men age group >50 years	Head count	401-1	46	51	47	53	64

Topic	Indicator	Unit	GRI Standard	2019	2020	2021	2022	2023
	Rest of World	**Head count (Employee hire rate %)**	**401-1**	**454 (4.6)**	**485 (5.7)**	**983 (12.6)**	**1,696 (21.3)**	**1,093 (13.6)**
	Women age group <30 years	Head count		15	8	13	28	25
	Men age group <30 years	Head count	401-1	87	106	231	353	216
	Women age group 30–50 years	Head count	401-1	20	14	28	43	25
	Men age group 30–50 years	Head count	401-1	265	281	596	1,084	672
	Women age group >50 years	Head count	401-1	3	2	3	10	6
	Men age group >50 years	Head count	401-1	64	74	112	178	149
	Departures (without temporary employment contracts)							
	Women	Head count	401-1	801	790	806	880	1,049
	Men	Head count	401-1	4,234	4,243	4,159	4,270	4,819
	Age group <30 years	Head count	401-1	955	799	849	1,006	1,118
	Age group 30–50 years	Head count	401-1	2,575	2,649	2,623	2,699	3,085
	Age group >50 years	Head count	401-1	1,505	1,585	1,493	1,445	1,665
	Germany	**Head count (Employee hire rate %)**	**401-1**	**1,487 (5.2)**	**1,437 (5.2)**	**1,419 (5.1)**	**1,541 (5.4)**	**1,854 (5.7)**
	Women age group <30 years	Head count	401-1	62	47	48	65	92
	Men age group <30 years	Head count	401-1	229	215	218	254	326
	Women age group 30–50 years	Head count	401-1	160	158	154	146	188
	Men age group 30–50 years	Head count	401-1	452	454	463	551	608
	Women age group >50 years	Head count	401-1	124	128	115	101	136
	Men age group >50 years	Head count	401-1	460	435	421	424	504
	Austria	**Head count (Employee hire rate %)**	**401-1**	**775 (6.4)**	**724 (6.0)**	**911 (7.7)**	**1.033 (8.5)**	**1,063 (8.4)**
	Women age group <30 years	Head count		33	36	42	62	58
	Men age group <30 years	Head count	401-1	167	129	178	221	220
	Women age group 30–50 years	Head count	401-1	123	107	108	148	151
	Men age group 30–50 years	Head count	401-1	231	218	302	318	353
	Women age group >50 years	Head count	401-1	60	62	69	80	88
	Men age group >50 years	Head count	401-1	161	172	212	204	193
	CEE	**Head count (Employee hire rate %)**	**401-1**	**742 (4.6)**	**733 (4.3)**	**806 (4.6)**	**966 (5.7)**	**991 (5.8)**
	Women age group <30 years	Head count	401-1	21	19	28	27	26
	Men age group <30 years	Head count	401-1	101	64	99	118	120
	Women age group 30–50 years	Head count	401-1	82	73	91	101	110
	Men age group 30–50 years	Head count	401-1	287	280	317	396	397
	Women age group >50 years	Head count	401-1	30	43	33	39	47
	Men age group >50 years	Head count	401-1	221	254	238	285	291
	Rest of Europe	**Head count (Employee hire rate %)**	**401-1**	**332 (9.0)**	**315 (9.0)**	**378 (11.1)**	**255 (8.0)**	**383 (10.5)**
	Women age group <30 years	Head count	401-1	12	6	7	9	14

Topic	Indicator	Unit	GRI Standard	2019	2020	2021	2022	**2023**
	Men age group <30 years	Head count	401-1	55	47	55	49	40
	Women age group 30–50 years	Head count	401-1	27	28	28	20	47
	Men age group 30–50 years	Head count	401-1	132	133	175	104	159
	Women age group >50 years	Head count	401-1	18	10	11	11	23
	Men age group >50 years	Head count	401-1	88	91	102	62	100
	Rest of World	**Head count (Employee hire rate %)**	**401-1**	**1,699 (17.4)**	**1,824 (21.6)**	**1,451 (18.6)**	**1,355 (17.1)**	**1,577 (19.7)**
	Women age group <30 years	Head count	401-1	11	17	14	14	26
	Men age group <30 years	Head count	401-1	264	219	160	187	196
	Women age group 30–50 years	Head count	401-1	29	40	45	40	34
	Men age group 30–50 years	Head count	401-1	1,052	1,158	940	875	1,038
	Women age group >50 years	Head count	401-1	9	16	13	17	9
	Men age group >50 years	Head count	401-1	334	374	279	222	274

[22] All employee figures were determined by including all associated group companies and represent annual average values.

[23] Hierarchy levels from business unit management up

[24] As at 31 December 2023

[25] The national requirements are kept at all subsidiaries.

Governance indicators

Topic	Indicator	Unit	GRI Standard	2019	2020	2021	2022	**2023**
Fair competition								
	Confirmed incidents of corruption	**Number**	**205-3**	**2**	**5**	**1**	**0**	**0**
	Business partner screening[26]	**Number**		**n. a.**	**n. a.**	**n. a.**	**n. a.**	**3,948**
	Business compliance partners[26]	**%**		**n. a.**	**n. a.**	**n. a.**	**n. a.**	**2.9**
	Training rate[26]	**%**		**n. a.**	**n. a.**	**n. a.**	**n. a.**	**90**
	Special training[26]	**Number**		**n. a.**	**n. a.**	**n. a.**	**n. a.**	**454**
	Training Anti-Corruption and BCMS (management)[27]	**%**	**205-2**	**90**	**81**	**81**	**86**	**92**
	Austria	Number of participants (%)	205-2	n. a.	n. a.	n. a.	307 (93)	327 (97)
	Germany	Number of participants (%)	205-2	n. a.	n. a.	n. a.	509 (86)	569 (93)
	Poland	Number of participants (%)	205-2	n. a.	n. a.	n. a.	104 (92)	101 (92)
	Czech Republic	Number of participants (%)	205-2	n. a.	n. a.	n. a.	91 (95)	96 (99)
	Hungary	Number of participants (%)	205-2	n. a.	n. a.	n. a.	30 (57)	47 (87)
	Rest of World	Number of participants (%)	205-2	n. a.	n. a.	n. a.	105 (52)	115 (71)
	Training Cartel Law (management)[27]	**Number of participants (%)**	**205-2**	**90**	**83**	**90**	**89**	**91**
	Austria	Number of participants (%)	205-2	n. a.	n. a.	n. a.	309 (93)	324 (96)

Topic	Indicator	Unit	GRI Standard	2019	2020	2021	2022	**2023**
	Germany	Number of participants (%)	205-2	n. a.	n. a.	n. a.	555 (94)	578 (95)
	Poland	Number of participants (%)	205-2	n. a.	n. a.	n. a.	100 (88)	104 (95)
	Czech Republic	Number of participants (%)	205-2	n. a.	n. a.	n. a.	93 (97)	89 (92)
	Hungary	Number of participants (%)	205-2	n. a.	n. a.	n. a.	33 (62)	49 (91)
	Rest of World	Number of participants (%)	205-2	n. a.	n. a.	n. a.	12 (50)	98 (60)
	Refresher course Business Compliance (management)[27]	**Number of participants (%)**	**205-2**	**n. a.[28]**	**22**	**19**	**64**	**88**
	Austria	Number of participants (%)	205-2	n. a.	n. a.	n. a.	203 (94)	201 (97)
	Germany	Number of participants (%)	205-2	n. a.	n. a.	n. a.	237 (68)	307 (91)
	Poland	Number of participants (%)	205-2	n. a.	n. a.	n. a.	0 (0)[29]	69 (90)
	Czech Republic	Number of participants (%)	205-2	n. a.	n. a.	n. a.	60 (87)	55 (90)
	Hungary	Number of participants (%)	205-2	n. a.	n. a.	n. a.	0 (0)[30]	21 (84)
	Rest of World	Number of participants (%)	205-2	n. a.	n. a.	n. a.	26 (11)	33 (46)
	E-learning course Business Compliance Training (management and employees)[31]	**%**	**205-2**	**n. a.**	**n. a.**	**92**	**94**	**90**
Communication of critical concern[32]								
	Number of critical concerns that were communicated to the highest governance body	Number	2-16	n. a.	n. a.	n. a.	n. a.	0
Key compensation figures								
	Ratio of annual total compensation[33]	**Factor**	**2-21**	**n. a.**	**n. a.**	**n. a.**	**53.1**	**55.0**
	Percentage increase in annual total compensation[34]	Factor	2-21	n. a.	n. a.	n. a.	n. a.	1.8
	Ratio of basic salary and remuneration of women to men[35]	Factor	405-2	n. a.	n. a.	n. a.	n. a.	0.85
Client satisfaction								
	Client satisfaction index	**Index**		**1.87[36]**	**1.87[36]**	**n. a.[37]**	**4.4[38]**	**4.4[38]**
	Organisational efficiency and technical realisation	Index		n. a.	n. a.	n. a.	4.3	4.3
	Responsible and sustainable handling of people and resources	Index		n. a.	n. a.	n. a.	4.3	4.3
	Team: professional competence as well as communication and cooperation	Index		n. a.	n. a.	n. a.	4.5	4.6

[26] Indicator is being reported for the first time in the 2023 financial year.

[27] The breakdown of training participants and rate by region is being reported for the first time in the financial year 2022. A different regional breakdown will be used from the 2023 reporting year onwards.

[28] 2019 not available due to changes to training courses

[29] The training concept was rolled out in 2023.

[30] The training concept was rolled out in 2023.

[31] Training was first implemented in 2021.

[32] The 2023 financial year is the first year for which this indicator is being reported. Critical concerns are defined as reports from the whistleblower platform that were communicated to the Management Board during the reporting year.

[33] The factor is calculated from the ratio of the annual total compensation for the highest-paid individual to the median annual total compensation for all employees. The median annual employee compensation was calculated on the basis of the HR master data taken from the ERP system at Group headquarters, taking into account those employees who were employed for at least six months in the calendar year. Compensation was extrapolated into an annual amount for employees who were with the company for less than 12 months in the year and to a full-time amount in the case of part-time employment.

[34] The 2023 financial year is the first year for which this indicator is being reported. The factor is calculated from the ratio of the percentage increase in the total annual remuneration of the highest-paid person in the organisation and the average percentage increase in the total annual remuneration of all employees with the exception of the highest-paid person.

[35] The 2023 financial year is the first year for which the indicator is being reported. The gender pay gap was calculated as an average across all employees in the Group, independent of their respective role. The figure is influenced, among other things, by the limited proportion of women in technical professions and management positions in the industry. Our internal analyses have shown that we are already successfully implementing equal pay for the same job in most job categories. At the same time, we use this analysis to specifically address any unequal treatment.

[36] 1 (pos.)–6 (neg.)

[37] Due to changes in the way data are collected

[38] 1 (neg.)–5 (pos.)

GRI content index

Statement of use	STRABAG has reported in accordance with the GRI Standards for the period 1.1.2023 - 31.12.2023.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	No sector standard applicable.

GRI-Standard	Disclosure Number and Title		Reference	Omission / Notes / External link
General Disclosures				
GRI: General Disclosures 2021	2-1	Organizational details	STRABAG at a glance Company information	Locations
	2-2	Entities included in the organization's sustainability reporting	Consolidation The consolidated group List of investments	
	2-3	Reporting period, frequency and contact point	Reporting profile Financial calender Company information	
	2-4	Restatements of information	Materiality analysis	Specific changes from the previous year in relation to key figures, for example due to a change in the method of data collection, are documented in footnotes in the appropriate areas.
	2-5	External assurance	Reporting profile Independent assurance report	
	2-6	Activities, value chain and other business relationships	STRABAG at a glance Strategy	Activities Our Brands
	2-7	Employees	General employment figures Social indicators	2-7-b-iii is not applicable because all STRABAG employment contracts have a fixed number of working hours.
	2-8	Workers who are not employees		This information is currently incomplete. Temporary workers are deployed at the operating entities to meet peak demand. The deployment of temporary workers is organised and managed by subcontractors, which is why STRABAG does not have access to the relevant data.
	2-9	Governance structure and composition	Boards	
	2-10	Nomination and selection of the highest governance body	Appointments to the Management Board and Supervisory Board	
	2-11	Chair of the highest governance body	Boards	
	2-12	Role of the highest governance body in overseeing the management of impacts	Working method of the Management Board	
	2-13	Delegation of responsibility for managing impacts	Working method of the Management Board	Information on the management of topic-specific impacts can be found in the respective chapters of the sustainability report.
	2-14	Role of the highest governance body in sustainability reporting	Materiality analysis	
	2-15	Conflicts of interest	Conflicts of interest Boards	

GRI-Standard	Disclosure Number and Title		Reference	Omission / Notes / External link
	2-16	Communication of critical concerns	Working method of the Management Board Sustainability Governance indicators	
	2-17	Collective knowledge of the highest governance body	Governance structure	
	2-18	Evaluation of the performance of the highest governance body	Sustainability Governance structure	
	2-19	Remuneration policies		Remuneration policy for the Management Board Remuneration policy for the Supervisory Board
	2-20	Process to determine remuneration		Remuneration policy for the Management Board Remuneration policy for the Supervisory Board
	2-21	Annual total compensation ratio	Governance indicators	
	2-22	Statement on sustainable development strategy	CEO's review	
	2-23	Policy commitments	Governance structure Minimum safeguards Human rights Fair competition	
	2-24	Embedding policy commitments	Working method of the Management Board Minimum safeguards Human rights Fair competition	
	2-25	Processes to remediate negative impacts	Minimum safeguards Human rights Fair competition	
	2-26	Mechanisms for seeking advice and raising concerns	Human rights	
	2-27	Compliance with laws and regulations	Fair competition	Significant violations of laws and regulations in the reporting year occurred only in the areas of corruption and antitrust law. These are reported under the indicators GRI 205: Anti-Corruption 2015 and GRI 206: Anti-Competitive Behaviour.
	2-28	Membership associations	Stakeholder engagement Fair competition	
	2-29	Approach to stakeholder engagement	Stakeholder engagement	
	2-30	Collective bargaining agreements	Social indicators	

GRI-Standard	Disclosure Number and Title		Reference	Omission / Notes / External link
Material topics				
GRI 3: Material topics 2021	3-1	Process to determine material topics	Materiality analysis	
	3-2	List of material topics	Materiality analysis	
	3-3	Management of material topics	Materiality analysis	
Energy and emissions				
GRI 3: Material topics 2021	3-3	Management of material topics	Energy and emissions	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Energy and emissions Environmental indicators	This information is currently incomplete. Separate disclosure of steam (included in district heating) and cooling (included in electricity) is currently not possible.
	302-2	Energy consumption outside of the organization	Energy and emissions Environmental indicators	This information is currently incomplete. Energy consumption data from outside the organisation are included in the calculations of Scope 3 emissions. Separate disclosure of the consumption data is not possible, however, as this is collected on a cost basis.
	302-3	Energy intensity	Energy and emissions Environmental indicators	
	302-4	Reduction of energy consumption	Energy and emissions Environmental indicators	This information is currently unavailable. The developments in energy consumption for fuel, electricity, gas and pulverised lignite are currently being mapped. Data collection for other energy sources is being successively expanded. Decarbonisation measures, including energy efficiency measures, are being evaluated as part of the Group project “Roadmap to climate neutrality 2040”.
	302-5	Reductions in energy requirements of products and services		This indicator is not applicable at STRABAG because of the non-standard nature of our products and services.
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Energy and emissions Environmental indicators	Indicator 305-1-d is not applicable. In the course of the reporting in accordance with CSRD, a base year will be defined and published beginning with the 2024 financial year.
	305-2	Energy indirect (Scope 2) GHG emissions	Energy and emissions Environmental indicators	Indicator 305-2-d is not applicable. In the course of reporting in accordance with CSRD, a base year will be defined and published beginning with the 2024 financial year.
	305-3	Other indirect (Scope 3) GHG emissions	Energy and emissions	This information is currently incomplete. STRABAG has set up an internal working group to continue to collect and calculate data from Scope 3 emissions. The information is to be disclosed in the coming reporting year.
	305-4	GHG emissions intensity	Energy and emissions Environmental indicators	

GRI-Standard	Disclosure Number and Title	Reference	Omission / Notes / External link
	305-5 Reduction of GHG emissions	Energy and emissions	This information is currently not available. The disclosure of the actual reduction for the CO_2e emissions from Scope 1–3 and the determination of a base year will be prepared for the coming reporting years.
	305-6 Emissions of ozone-depleting substances (ODS)		This information is currently not available. STRABAG greenhouse gas accounting is currently limited to CO_2, N_2O und CH_4. Work is underway to improve data quality and to publish emissions from ozone-depleting substances (ODS) in the coming reporting years.
	305-7 Nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions		This information is currently not available. STRABAG greenhouse gas accounting is currently limited to CO_2, N_2O und CH_4. Work is underway to improve data quality and to publish emissions from NO_x, SO_x and other significant emissions in the future.

Circularity

GRI-Standard	Disclosure Number and Title	Reference	Omission / Notes / External link
GRI 3: Material topics 2021	3-3 Management of material topics	Circularity	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Circularity Environmental indicators	
	301-2 Recycled input materials used	Circularity Environmental indicators	
	301-3 Reclaimed products and their packaging materials		This indicator is not applicable to the core business of STRABAG SE.
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Circularity	
	306-2 Management of significant waste-related impacts	Circularity	
	306-3 Waste generated	Circularity Environmental indicators	This information is currently incomplete. STRABAG is working on expanding the collection of waste-related data. So far, the Group collects data for handled waste, i.e., waste that STRABAG receives or processes as part of its project business. For individual Group entities, waste directed to disposal and waste diverted from disposal (including preparation for reuse, recycling and other recovery processes) are quantified. The total volume of waste depends on the size and type of construction contracts (e.g., buildings, road demolition and removal, excavations or recycling activities) and on quality specifications. Since these specifications are determined by third parties, STRABAG has only limited influence on them. The total quantity is therefore not defined as a controllable variable.
	306-4 Waste diverted from disposal	Circularity Environmental indicators	
	306-5 Waste directed to disposal	Circularity Environmental indicators	

GRI-Standard	Disclosure Number and Title		Reference	Omission / Notes / External link
Digitalisation and innovation				
GRI 3: Material topics 2021	3-3	Management of material topics	Digitalisation and innovation	
		BIM 5D® workstations	Digitalisation and innovation Environmental indicators	
		Expenditure on research, development and innovation activities	Digitalisation and innovation Environmental indicators	
		Development projects with funding	Digitalisation and innovation Environmental indicators	
Human rights				
GRI 3: Material topics 2021	3-3	Management of material topics	Human rights	
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Human rights Social indicators	
Occupational safety and health				
GRI 3: Material topics 2021	3-3	Management of material topics	Occupational safety and health	
GRI 403: Occupational Health and Safety 2018	403-1 - 403-7	Disclosures on management approach to occupational safety	Occupational safety and health	
	403-8	Workers covered by an occupational health and safety management system	Occupational safety and health	
	403-9	Work-related injuries	Occupational safety and health Social indicators	This information is currently incomplete. At present, figures are collected for STRABAG employees only. As part of the further development of the HSW platform, structural data collection is to be extended to subcontractors.
	403-10	Work-related ill health	Occupational safety and health Social indicators	This information is not available as it is personal data subject to privacy laws. Based on an evaluation of sick leave reports from health insurance funds and employers' liability insurance associations, it is only possible to provide generic information on work-related illnesses.

GRI-Standard	Disclosure Number and Title		Reference	Omission / Notes / External link
Strategic human resource development				
GRI 3: Material topics 2021	3-3	Management of material topics	Strategic human resource development	
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Strategic human resource development Social indicators	This information is currently incomplete. A clear commitment exists to the establishment of structured human resource development for blue-collar employees. As the IT requirements for the use of Group systems by blue-collar employees could not yet be implemented in 2023, structured HR development for these employees has been delayed.
	404-2	Programs for upgrading employee skills and transition assistance programs	Strategic human resource development	
	404-3	Percentage of employees receiving regular performance and career development reviews	Strategic human resource development Social indicators	This information is currently incomplete. The disclosure currently covers only white-collar workers, but not blue-collar workers.
Fair competition				
GRI 3: Material topics 2021	3-3	Management of material topics	Fair competition	
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Fair competition	At STRABAG, the risk analysis described in the chapter is not carried out for individual locations of operation, but for corporate, central and Group staff divisions. These are organisational units that are structured geographically or by business segment. The key risks also determine the focus of the Business Compliance Management System and the training concept.
	205-2	Communication and training about anti-corruption policies and procedures	Fair competition Governance indicators Working method of the Management Board Minimum safeguards	Indicator 205-2-c is not applicable. The Supplier Code of Conduct is part of the GTCs between STRABAG and its suppliers and subcontractors. A survey of the number of all business partner contracts is not carried out. Indicator 205-2-d is not applicable. The Business Compliance Training Concept approved by the Management Board pursues a risk-based approach and is aimed primarily at STRABAG management. Structured and regular reporting on business compliance issues is provided to the Management Board and Supervisory Board. Indicator 205-2-e is not fully available. A geographical breakdown of employee training is not reported, as the training rate can only be analysed at the level of the divisions that operate across national borders.
	205-3	Confirmed incidents of corruption and actions taken	Fair competition Governance indicators	
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Fair competition	

GRI-Standard	Disclosure Number and Title		Reference	Omission / Notes / External link

Additional Sustainability Topics

New hires and departures

GRI-Standard	Disclosure Number and Title		Reference	Omission / Notes / External link
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Social indicators	

Diversity

GRI-Standard	Disclosure Number and Title		Reference	Omission / Notes / External link
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Social indicators	
	405-2	Ratio of basic salary and remuneration of women to men	Governance indicators	Due to the considerable level of data complexity, the gender pay gap is not reported by job category. A breakdown of the gender pay gap by meaningful job categories is to be evaluated as part of CSRD.

Villach, 4 April 2024

The Management Board

Klemens Haselsteiner, BBA, BF
CEO
Central Staff Divisions and
Central Divisions BMTI, CML, SID, TPA and
ZT, Winding up Russia

Mag. Christian Harder
CFO
Central Division BRVZ

Dipl.-Ing. (FH) Jörg Rösler
Member of the Management Board
Segment North + West

Dipl.-Ing. Siegfried Wanker
Member of the Management Board
Segment International + Special Divisions

Dipl.-Ing. (FH) Alfred Watzl
Member of the Management Board
Segment South + East

Independent Assurance Report on the Non-financial Reporting according to § 267a UGB

We have performed an independent limited assurance engagement on the consolidated non-financial report according to § 267a UGB ("NFI report") for the financial year 2023, which has been published as consolidated Sustainability Report 2023 of

STRABAG SE,
Villach, Austria

(referred to as "STRABAG" or "the Company").

Conclusion

Based on the procedures performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the NFI Report of the Company is not in accordance with the legal requirements of the Austrian Sustainability and Diversity Improvement Act 267a UGB), the provisions of Article 8 of the Regulation (EU) 2020/852 as amended and the supplementing delegated Regulation (EU) 2021/2178 (hereafter "EU Taxonomy Regulation") and the sustainability reporting guidelines of the Global Reporting Initiative (GRI Standards) (Option "in accordance with") in all material respects.

Management's Responsibility

The Company's management is responsible for the proper preparation of the NFI Report in accordance with the reporting criteria. The Company applies the legal requirements of the Austrian Sustainability and Diversity Improvement Act (§ 267a UGB) and the sustainability reporting guidelines of the Global Reporting Initiative (GRI Standards) (Option "in accordance with") as reporting criteria. In addition, the company prepares disclosures in accordance with the EU Taxonomy Regulation, which are published as part of sustainability reporting.

The Company's management is responsible for the selection and application of appropriate methods for sustainability reporting (especially the selection of significant matters) as well as the use of appropriate assumptions and estimates for individual sustainability disclosures, given the circumstances. Furthermore, their responsibilities include the design, implementation and maintenance of systems, processes and internal controls that are relevant for the preparation of the sustainability report in a way that is free of material misstatements – whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to state whether, based on our procedures performed and the evidence we have obtained, anything has come to our attention that causes us to believe that the Company's NFI Report is not in accordance with the legal requirements of the Austrian Sustainability and Diversity Improvement Act (§ 267a UGB), the legal requirements of the EU Taxonomy Regulation and the sustainability reporting guidelines of the Global Reporting Initiative (GRI Standards) (Option "in accordance with") in all material respects.

Our engagement was conducted in conformity with the International Standard on Assurance Engagements (ISAE 3000) applicable to such engagements. These standards require us to comply with our professional requirements including independence requirements, and to plan and perform the engagement to enable us to express a conclusion with limited assurance, taking into account materiality.

An independent assurance engagement with the purpose of expressing a conclusion with limited assurance (“limited assurance engagement”) is substantially less in scope than an independent assurance engagement with the purpose of expressing a conclusion with reasonable assurance (“reasonable assurance engagement”), thus providing reduced assurance. Despite diligent engagement planning and execution, it cannot be ruled out that material misstatements, illegal acts or irregularities within the Sustainability Report will remain undetected.

The procedures selected depend on the auditor's judgment and included the following procedures in particular:

– Inquiries of personnel at the group level, who are responsible for the materiality analysis, in order to gain an understanding of the processes for determining material sustainability topics and respective reporting thresholds of the Company;
– A risk assessment, including a media analysis, on relevant information on the Company’s sustainability performance in the reporting period;
– Evaluation of the design and implementation of the systems and processes for the collection, processing and monitoring of disclosures on environmental, social and employees matters, respect for human rights, anti-corruption as well as bribery and also includes the consolidation of data;
– Inquiries of personnel at the group level, who are responsible for providing, consolidating and implementing internal control procedures relating to the disclosure of concepts, risks, due diligence processes, results and performance indicators;
– Inspection of selected internal and external documents, in order to determine whether qualitative and quantitative information is supported by sufficient evidence and presented in an accurate and balanced manner;
– Assessment of the processes for local data collection, validation and reporting, as well as the reliability of the reported data through a sample survey for the Division 2C;
– Analytical evaluation of the data and trend of quantitative disclosures regarding the GRI Standards listed in the GRI-Index, submitted by all locations for consolidation at the group level;
– Evaluation of the consistency of the of the Austrian Sustainability and Diversity Improvement Act (§ 267a UGB), the EU Taxonomy Regulation and the GRI Standards, Option “in accordance with” to disclosures and indicators of the NFI Report, which apply to the Company;
– Evaluation of the overall presentation of the disclosures by critically reading the NFI Report.

The procedures that we performed do not constitute an audit or a review. Our engagement did not focus on revealing and clarifying of illegal acts (such as fraud), nor did it focus on assessing the efficiency of management. Furthermore, it is not part of our engagement to audit future-related disclosures, prior year figures, statements from external sources of information, expert opinions or references to more extensive external reporting formats of the Company.

Restriction on use

Because our report will be prepared solely on behalf of and for the benefit of the principal, its contents may not be relied upon by any third party, and consequently, we shall not be liable for any third party claims. We agree to the publication of our assurance certificate and NFI Report. However, publication may only be performed in its entirety and as a version has been certified by us.

General Conditions of Contract

Our responsibility and liability towards the Company and any third party is subject to paragraph 7 of the General Conditions of Contract for the Public Accounting Professions.

Linz
4 April 2024

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft
qualified electronically signed:
Mag. Gerold Stelzmüller
Wirtschaftsprüfer (Austrian Chartered Accountant)

This document was signed with a qualified electronic signature and only this electronic version is valid.

Group Management Report, Consolidated Financial Statements & Notes

2023

Group management report

2023

Important events

STRABAG commissioned to build more roads in Oman

February 2023 | Segment International + Special Divisions

STRABAG is developing new markets in the Middle East.
© STRABAG

STRABAG, together with its joint venture partner Al-Rosan, was awarded a contract to construct further roads in Oman by the country's Public Authority for Special Economic Zones and Free Zones. The contract value for STRABAG amounts to approximately € 130 million.

The highways with a total length of around 51 km will connect Duqm Airport with the Ras Markaz region. Work began in February 2023, with the roads scheduled to be opened to traffic in mid-2025. STRABAG has been active in road construction in Oman since 1971 and employs a total of around 1,800 people in the Middle East region.

STRABAG subsidiary building office property with green building status in Berlin

March 2023 | Segment North + West

Green building with campus
© ZÜBLIN

The STRABAG subsidiary ZÜBLIN was awarded a contract worth € 76.8 million for the construction of a pioneering office property with green building status in Berlin. The project, known as Inspire Neukölln, will be energy-efficient and can be operated without fossil fuels, making it entirely carbon-neutral. Inspire Neukölln, which is aiming for platinum certification by the German Sustainable Building Council (DGNB), is being prepared for certification by WELL, BREEAM and LEED. Completion is scheduled for August 2025.

STRABAG building the foundations for Latin America's largest wind farm

March 2023 | Segment International + Special Divisions

STRABAG is utilising the opportunities offered by alternative energy sources.
© STRABAG

STRABAG is focusing increasingly on projects associated with the energy transition. In recent years, the Group has already built foundations for 140 wind turbines with a total capacity of 850 MW in the Atacama Desert of Chile for customers Colbún and Engie. In 2023, the company obtained another order from Engie worth € 100 million for 55 wind turbines, including the construction of the foundations and all earthworks. In northern Chile, wind farms and photovoltaic facilities are planned to secure the energy supply for the national mining industry in the future. Chile also wants to become the main producer of green hydrogen in the next few years.

STRABAG building steelworks for Cognor S.A. in Poland

May 2023 | Segment South + East

Modern steelworks built using BIM 5D
© STRABAG

STRABAG is building a production and storage facility for a rolling mill of steel manufacturer Cognor S.A. in the southern Polish city of Siemianowice Śląskie. The contract has a value of € 69.7 million. The project is being realised using the BIM 5D, which creates a digital twin of the object to be built.

A particular challenge is the dismantling and demolition of the foundations of the old tube rolling mill and the reinforced concrete construction for the new rolling mill. The work is scheduled for completion in December 2024.

STRABAG Group receives ISO certification for business compliance

May 2023 | STRABAG SE

STRABAG SE was certified by Austrian Standards to ISO 37001 (Anti-Bribery Management Systems) and ISO 37301 (Compliance Management Systems). The certification is valid for all fully consolidated companies.

This makes STRABAG the first globally active Austrian company to achieve such an overall certification. Further audits will follow in the coming years to maintain the certification.

STRABAG subsidiary commissioned with general renovation of Cologne Central Library

August 2023 | Segment North + West

STRABAG makes reconstruction, conversion and refurbishment a priority.
© ZÜBLIN

On behalf of the City of Cologne, STRABAG subsidiary ZÜBLIN is carrying out the general renovation of the city's main public library. The contract volume for ZÜBLIN amounts to € 67.2 million. The construction marks a milestone in the City of Cologne's sustainable urban development plans.

Preserving the building while optimising its technical systems helps to conserve resources and reduce carbon emissions. Thermal renovation and the optimisation of energy concepts enable the building to be operated in an energy-efficient manner. Completion is scheduled for 2027.

STRABAG building Germany's most modern underground metro in Hamburg

August 2023 | Segment North + West

The next construction section for the U5 underground line in Hamburg was awarded to STRABAG.
© Hamburger Hochbahn AG

ZÜBLIN, in a joint venture with Wayss & Freytag Ingenieurbau AG, was commissioned to carry out the structural work on the second construction section for the new U5 underground line in Hamburg (lot 2) with a contract value of € 581.5 million. The contract for the structural work on lot 1 was awarded to the same joint venture in December 2022.

The two lots, which form the first, eastern section of the new metro line, include the construction of five stations as well the excavation of 4.5 km of tunnel through shield tunnelling and 1.5 km of tunnel using the cut-and-cover method.

New strategy "People. Planet. Progress." presented at Capital Markets Day

September 2023 | STRABAG SE

STRABAG CEO Klemens Haselsteiner presents the new corporate strategy.
© STRABAG

As part of a strategic update, CEO Klemens Haselsteiner and a group of specially chosen experts presented the new corporate strategy for 2030, "People. Planet. Progress.", to Austrian and international capital market participants. The focus until 2030 will be on the following six key strategic topics: employee focus, global-local presence, circularity, expertise in the energy sector, technology leadership and depth of value creation.

"We plan to grow profitably and achieve real added value for people and the environment. We want to be a pioneer in climate-friendly construction, actively shape the energy transition and sustainably reinforce our technology leadership. We are convinced that we will be able to build on our previous achievements and have set ourselves the ambitious goal of attaining an EBIT margin of 6% by 2030," says Klemens Haselsteiner. The event was attended by around 50 investors and analysts in Vienna and via livestream.

STRABAG building third longest bridge in Poland

September 2023 | Segment South + East

STRABAG demonstrates its expertise in bridge construction
© Photo and Rendering: Trasal Sp. z o.o.

STRABAG was awarded the € 66.3 million contract to build a new bridge over the river San near the Polish city of Stalowa Wola. The bridge, with a total length of 1,760 metres, forms part of the road construction works between Zaklików and Stalowa Wola and when completed will be the third longest bridge in Poland.

The contract includes not only the construction of the bridge, but also the construction of a new and the expansion of an existing section of road.

ZÜBLIN commissioned to construct university building for Ruhr University Bochum

September 2023 | Segment North + West

Turnkey construction of new replacement building for physics, astronomy and neuroinformatics
© ZÜBLIN, Rendering Gerber Architekten

STRABAG subsidiary ZÜBLIN was awarded the contract for the turnkey construction of a new replacement building for Ruhr University Bochum with a contract volume of around € 269.5 million. The project consists of a 14-storey building with two adjoining five- to six-storey low-rise buildings. The main user will be the Faculty of Physics and Astronomy at Ruhr University Bochum. Completion is scheduled for November 2027.

STRABAG building new development with headquarters for Raiffeisen-Landesbank Tirol

October 2023 | Segment South + East

Making the impossible possible by building within the built environment
© Toni Rappersberger

STRABAG is erecting the structural works of a new urban development for Raiffeisen-Landesbank Tirol in Innsbruck, which will also be home to the bank's headquarters in the future. STRABAG's approach beginning during the planning stages was to reuse as many parts of the existing building as possible. This meant carefully dismantling the building down to its reinforced concrete skeleton even as work on the new building was already underway.

The contract covers all works on the project with a total usable area of around 23,000 m² up to completion of the structural works in the summer of 2024, accounting for around one third of the total construction volume. When completed, the nine-storey building will be almost entirely energy self-sufficient thanks to geothermal energy and photovoltaics. Wood is being used as a building material from the fourth floor upwards. The timber construction concept was awarded first place in the Build the (Im)Possible architecture competition.

STRABAG building microtunnel for Ostsee LNG pipeline in Baltic Sea

October 2023 | Segment International + Special Divisions

Offshore pipeline to link Mukran with Lubmin
© STRABAG

STRABAG has been commissioned by RWE and GASCADE Gastransport GmbH to build two trenchless shore crossings for the Ostsee Anbindungsleitung (OAL) pipeline in Mecklenburg-Vorpommern with a length of 755 metres and 353 metres, respectively, and a contract value of € 44 million. The diameter of the two microtunnels is exactly two metres.

The offshore pipeline will connect the planned liquefied natural gas (LNG) terminal in the port of Mukran with the German pipeline network in Lubmin. Large transport capacities exist in Lubmin to transport the gas from the coast in the north-east to the main centres of demand in Germany and in Central and South-East Europe.

STRABAG awarded contract to modernise Masaryk Railway Station in Prague

December 2023 | Segment South + East

Greened pedestrian platform will enable barrier-free access to the railway tracks.
© Správa železnic

STRABAG, through its Czech subsidiary STRABAG Rail a.s., is realising the renovation and upgrade of the historic Masaryk Railway Station in the heart of Prague. The project, commissioned by the Czech railway administration Správa železnic and worth € 137 million, includes the modernisation and expansion of the railway tracks as well as the construction of a distinctive pedestrian platform over the tracks as an architectural link to the surrounding area. The work is expected to take around 44 months in total, construction began in January 2024. STRABAG Rail a.s. will be executing the construction works in a joint venture with STRABAG s.r.o.

Capital market information

since May 2023 | STRABAG SE

In May, STRABAG SE announced capital measures to reduce the shareholding interest of MKAO "Rasperia Trading Limited" – a company controlled by the sanctioned Russian citizen Oleg Deripaska – in STRABAG from 27.8% to less than 25%. This move was designed to reduce significant disadvantages and risks for STRABAG SE. The capital measures were unanimously approved by the shareholders at the 19th Annual General Meeting in June. MKAO "Rasperia Trading Limited" contested the resolutions passed by the Annual General Meeting in this regard, although the action was dismissed by the Regional Court of Klagenfurt. The ruling is not yet final, however.

The measure involves a conditional distribution to be made from the reserves of STRABAG SE, with shareholders given the option of receiving the distribution in the form of new shares or in cash. Shareholders representing a total of 87.6% of the eligible shares chose the share-based option. This corresponds to 60.9% company's share capital.

The implementation of the ordinary non-cash capital increase was entered into the commercial register of the Regional Court of Klagenfurt on 21 March 2024. The company's share capital increased from € 102,600,000 to € 118,221,982, reducing the stake held by MKAO "Rasperia Trading Limited" from 27.8% to 24.1%.

In December, the Management Board of STRABAG SE was informed by the Russian joint stock corporation Iliadis JSC and Oleg Deripaska, by means of a major holdings notification pursuant to Sections 130ff of the Austrian Stock Exchange Act (BörseG), that Iliadis JSC on 14 December 2023 had concluded a purchase agreement for 100% of the shares in MKAO "Rasperia Trading Limited". According to the shareholding notification, MKAO "Rasperia Trading Limited" would no longer be (indirectly) controlled by Oleg Deripaska once the purchase agreement is executed. Also in December, the Management Board of STRABAG SE was informed that Raiffeisenbank International AG was interested in acquiring the 28,500,000 shares in STRABAG SE held by MKAO "Rasperia Trading Limited". According to the announcement by Raiffeisenbank International AG, the multiple-step transaction – further details of which were not known to STRABAG SE – is subject to various reviews, approvals and other conditions, including a sanctions review.

On 26 March 2024, the company was informed by means of major holdings notifications pursuant to Sections 130ff of the Austrian Stock Exchange Act (BörseG) that the transaction in Russia that had been announced in December 2023 had been completed and that MKAO "Rasperia Trading Limited" had been transferred to Iliadis JSC. According to these notifications, MKAO "Rasperia Trading Limited", with its 24.1% stake in STRABAG SE, is now controlled by Iliadis JSC, and Oleg Deripaska has relinquished his previous (indirect) control.

The company has no further information regarding the transaction that has now been completed as announced in the major holdings notifications. It is therefore currently not possible to carry out a sanctions review, so that the company continues to assume that the

STRABAG shares held by MKAO “Rasperia Trading Limited” remain frozen in accordance with the EU Sanctions Regulation. The company had no concrete information on the implementation status of the intended acquisition by Raiffeisenbank International AG at the time of the audit opinion.

An action brought by MKAO “Rasperia Trading Limited” against the resolutions of the 18th Annual General Meeting of 24 June 2022 was dismissed by both the Regional Court of Klagenfurt and by the Higher Regional Court in Graz. These proceedings have not yet been finalised. Another action brought by MKAO “Rasperia Trading Limited” against the resolutions of the Extraordinary General Meeting of 5 May 2022 was also dismissed by both the Regional Court of Klagenfurt and the Higher Regional Court of Graz. These proceedings have not yet been finalised either.

Country report

Country risk

STRABAG operates in over 50 countries, thereby diversifying its country risk

STRABAG sees itself as a European technology group for construction services with a strong focus on Central and Eastern Europe. To diversify the country risk even further, however, and to profit from market opportunities, STRABAG operates on other continents as well. On the one hand, it is a tradition for the company to follow its clients into new markets; on the other hand, the existing country network and established organisational structures make it easier to export and use the technology in new regions with little expense.

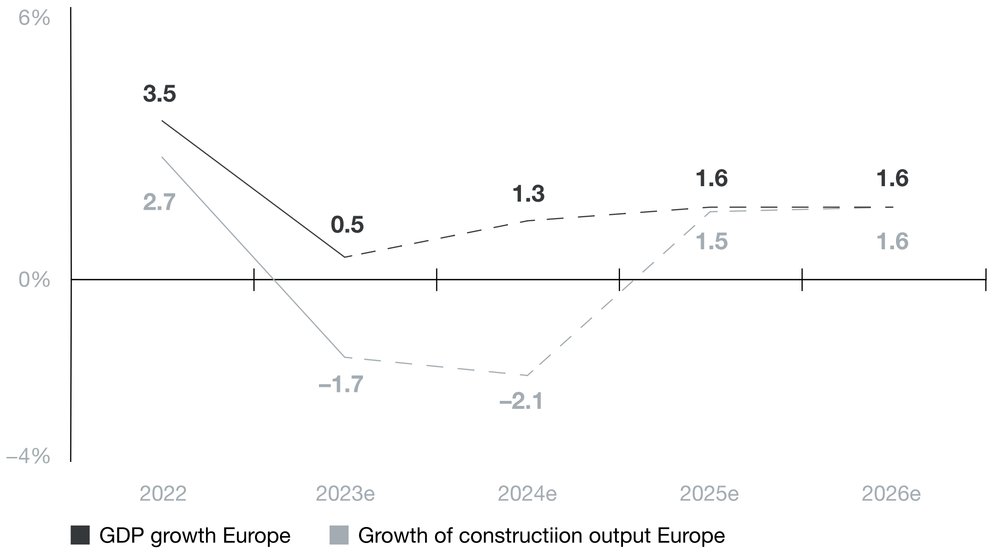
The STRABAG SE Group boosted its **output volume** by 8% to € 19,139.14 million in the 2023 financial year, setting a new record for this figure. Growth in almost all of the Group's key markets contributed to this development, with the largest increases in output recorded in Germany and Romania as well as in transportation infrastructures in Poland. In the Czech Republic, output declined, as expected, after a selective approach was taken in response to increased competition in transportation infrastructures. Apart from this, only smaller markets such as Sweden and Denmark recorded a decline in output.

Output volume by country

€ mn	**2023**	**% of total output volume 2023**	2022	% of total output volume 2022	Δ %	Δ absolute
Germany	9,045	47	8,347	47	8	698
Austria	3,070	16	2,935	17	5	135
Poland	1,329	7	1,126	6	18	203
Czech Republic	999	5	1,093	6	-9	-94
Hungary	808	4	688	4	17	120
United Kingdom	672	4	578	3	16	94
Americas	564	3	558	3	1	6
Romania	519	3	315	2	65	204
Slovakia	410	2	351	2	17	59
Croatia	242	1	238	1	2	4
Switzerland	226	1	197	1	15	29
Middle East	219	1	252	1	-13	-33
Benelux	190	1	176	1	8	14
Rest of Europe	155	1	169	1	-8	-14
Asia	150	1	136	1	10	14
Serbia	139	1	146	1	-5	-7
Slovenia	118	1	81	0	46	37
Sweden	106	1	152	1	-30	-46
Bulgaria	65	0	68	0	-4	-3
Italy	62	0	21	0	195	41
Africa	31	0	47	0	-34	-16
Denmark	20	0	61	0	-67	-41
Total	**19,139**	**100**	**17,735**	**100**	**8**	**1,404**

Global economy

Growth comparison construction vs GDP Europe



Slower growth

Global economic growth in 2023 weakened slightly for the second year in a row. This development is mainly due to the impacts from the tight monetary policy to curb persistently high inflation, restrictive lending conditions and the resulting lower level of investment. In addition to the Russian war of aggression against Ukraine, the latest conflict in the Middle East is increasing the geopolitical risks. An escalation of the conflict could lead to a rise in energy prices, which in turn could have an impact on global economic activity and inflation. Other risks include weaker than expected growth in China and a further fragmentation of the retail sector. At the same time, the financial impact of climate change is also becoming more noticeable in the individual economies. There is widespread agreement that measures for an energy transition away from fossil fuels are indispensable and that corresponding investments are urgently needed.

The World Bank expects the global economy to grow by 2.6% in 2023 and by 2.4% in 2024. The current phase of low growth is likely to continue, as prices are expected to remain high for the foreseeable future. The World Bank puts the global rate of inflation at 6.9% in 2023, with a slight decline to 5.8% in 2024.

The OECD estimates the European Union’s economic growth at 0.6% in 2023. The gross domestic product of the 19 Euroconstruct countries (EC-19) rose by 0.5% in 2023. The growth rates of the individual countries vary only slightly, ranging between -0.8% and +2.3%. GDP growth of 1.3% is expected for the EC-19 region in 2024, followed by 1.6% in both 2025 and 2026.

All growth forecasts as well as the particular national construction volumes are taken from the Euroconstruct and EECFA (Eastern European Construction Forecasting Association) winter 2023 reports. The indicated market share data are based on the data from the year 2023 and 2023 estimates from Euroconstruct and EECFA.

The construction industry

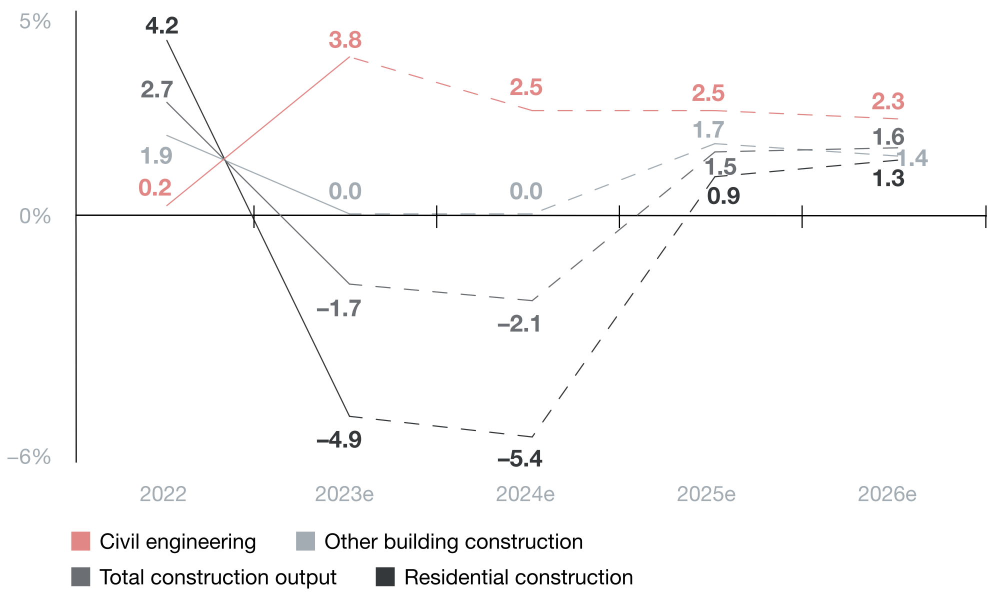
Diverging trends in the construction sector

The construction industry in the 19 Euroconstruct countries recorded a decline of 1.7% in 2023 (2022: +2.7%). The repeated increase in key interest rates in Europe, combined with national budget bottlenecks and higher construction costs, led to several project launches being postponed. Offsetting this, however, were the positive impacts from public funding, particularly for the climate-related renovation and refurbishment of existing buildings. Despite the tight financing conditions and subdued domestic and foreign demand, however, growth is expected to stabilise rapidly as soon as inflation begins to ease and the global upturn starts to gain traction.

In a sector-by-sector comparison, civil engineering proved resilient in 2023 and performed best with an increase of 3.8%. Non-residential construction stagnated (0%), while residential construction suffered a significant downturn of -4.9% due to the general market environment. The strongest growth was recorded by the Irish construction industry with an increase of 3.2%, followed by Spain with +2.8% and Poland with +2.2%. Sweden brought up the rear with -10.6%, followed by Finland (-10.1%) and Hungary (-8.0%). Construction growth in the 19 Euroconstruct countries will continue to decline in 2024 at -2.1%. An increase of 1.5% and 1.6% is expected again in 2025 and 2026 respectively.

Construction sectors

Growth comparison of construction sectors in Europe



Civil engineering resilient, residential construction in sharp decline

Residential construction, which continues to account for almost half of total European construction output, declined by 4.9% in 2023 with a volume of € 1,001.9 billion. In absolute figures, Germany achieved the highest construction volume in residential construction ahead of Italy, followed by France and the United Kingdom. Euroconstruct predicts a further decline in construction output of 5.4% in this segment in 2024. The trend will return to positive territory in 2025 at +0.9%, with +1.3% forecast for 2026.

Non-residential construction, which accounts for 30% of the European construction volume, stagnated in 2023 (0%). Germany is the largest market for this segment, followed by the United Kingdom, France and Italy. The highest growth rates were recorded in the Czech Republic and Italy, followed by Ireland and Spain, while the weakest growth in non-residential construction was registered in Denmark, Slovakia, Hungary and Sweden. Euroconstruct forecasts further stagnation for the segment in 2024 (0%), with growth of 1.7% and 1.4% expected for 2025 and 2026 respectively.

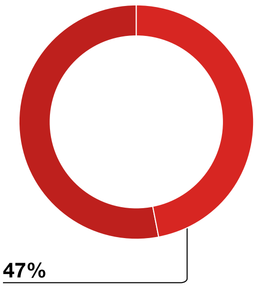
Civil engineering, which contributes around 20% to European construction output, proved to be the fastest-growing segment in 2023 at +3.8%. Developments in the individual countries varied greatly. In absolute figures, Germany was ahead of Italy, the United Kingdom and France. The strongest growth, meanwhile, was recorded in Italy, Slovakia, Poland and Spain, with the largest decline in Finland. The growth rate for European civil engineering is expected to be 2.5% in both 2024 and 2025, with an increase of 2.3% expected for 2026. More than half of European civil engineering investments are channelled into road and rail networks, followed by energy and water supply projects.

STRABAG delivers the bulk of its services in the infrastructure sector, with a focus on transportation infrastructure projects. More than 60% of our customers are in the public sector. Public-sector demand in the area of infrastructure in particular has a stabilising effect. Residential construction accounts for less than 10% of Group output.

Developments in the core markets of STRABAG SE

Below we present the development of the national economies and of the respective construction industries in STRABAG SE's eight core markets during the past year. These countries accounted for 85% of Group output in 2023 and their development is therefore of particular importance to STRABAG.

Germany



	Contribution to the Group output volume (%)	Overall construction volume (€ bn)	GDP growth (%)		Construction growth (%)	
	2023	2023	2023e	2024e	2023e	2024e
Germany	47	461.4	-0.5	1.0	-2.3	-2.2

The German economy recorded a GDP decline of 0.5% in 2023. After more than a decade of low interest rate policies, the economy is now preparing for noticeably higher interest rates once again. Energy prices remained high by international standards, accompanied by persistently high inflation. At the same time, companies were faced with considerable challenges from national and European regulations with regard to climate protection measures. Nevertheless, Euroconstruct expects slight growth of 1.0% again as early as 2024. In the medium term, the growth rate is likely to stabilise between 1.0% and 1.5% a year.

The German construction industry recorded a 2.3% decline in construction output in 2023 – due primarily to the situation in building construction and, in particular, residential construction. Construction companies with diversified service portfolios continue to benefit from well-filled order books. In addition to the ECB's interest rate turnaround, the construction sector also had to deal with a shortage of skilled labour, a significant rise in construction costs and continued high inflation. Encouraging signs for the future come from the federal government's financing commitments for railway expansion and the continuing high demand for infrastructure. Euroconstruct is forecasting a decline of 2.2% for the sector in 2024, followed by a decline of 0.9% in 2025 and 0.6% in 2026.

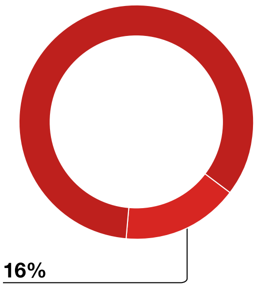
In **residential construction**, the construction volume fell by 3.1% in 2023. Against the backdrop of significantly higher mortgage interest rates, lower public subsidies and higher construction prices, both private clients and residential construction companies refrained from new construction projects. On the other hand, the sector received a boost from government subsidies for renovations and the thermal refurbishment of buildings. Euroconstruct expects the residential construction sector to reach a temporary low of -4.5% in 2024, with a smaller downturn of 2.5% and 1.3% per year forecast for 2025 and 2026 respectively.

Non-residential construction, which shrank by 2.4% in 2023, suffered from the economic uncertainty and partial investment restraint on the part of companies and the public sector, especially at the local level. Despite this, Euroconstruct expects the sector to continue to grow by 0.1% and 0.9% in 2024 and 2025 respectively, with the trend turning slightly negative at -0.1% in 2026.

The **civil engineering** sector recorded slight growth of 0.3% in 2023. The long-term government investment programmes in rail and road infrastructure continue to have a positive effect. Investments in energy transition projects are giving the sector a new tailwind. Local governments, on the other hand, remained cautious in some cases due to higher construction prices for road and hydraulic engineering projects. Civil engineering is expected to grow by 1.7% in 2024, followed per year by 1.2% in 2025 and 0.5% in 2026.

The STRABAG Group has a market share of 2.0% of the total construction market in Germany. Its 12.9% share of the German road construction sector is significantly higher than that of the market as a whole. With € 9,045.59 million, around 47% of STRABAG's total Group output volume was generated in Germany in 2023 (2022: 47%). Most of the output is allocated to the North + West segment, while the property and facility services provided in Germany are allocated to International + Special Divisions.

Austria



	Contribution to the Group output volume (%)	Overall construction volume (€ bn)	GDP growth (%)		Construction growth (%)	
	2023	2023	2023e	2024e	2023e	2024e
Austria	16	53.1	-0.8	1.2	-2.7	-4.1

With a GDP decline of 0.8%, the Austrian economy experienced a mild recession in 2023. The energy price shocks of the previous year and a sharp reduction in inventories led to an industrial recession in Europe in 2023 that affected Austria as well. At 7.7%, inflation remained above the EU average. The increased workforce retention during the downturn nevertheless ensured a robust labour market. Euroconstruct forecasts growth of 1.2% for 2024, 1.6% for 2025 and 1.7% for 2026.

The Austrian construction industry experienced a decline of 2.7% in 2023. Construction investment – especially in building construction – was noticeably dampened by the European Central Bank's interest rate hikes. The rise in construction costs also impacted real growth in the construction industry. The introduction of stricter lending guidelines for residential construction loans (Regulation on Real Estate Financing Measures in Credit Institutions – KIM-VO) was a source of additional pressure. In this environment, Euroconstruct continues to expect a significant decline of 4.1% for 2024. Positive momentum is forecast again for 2025 and 2026, with growth rates of 0.4% and 1.9% respectively.

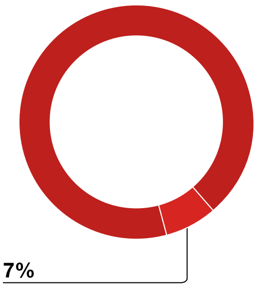
Among the individual construction sectors, **residential construction** saw the sharpest decline in 2023 at 4.7%, as expected. In Austria, the impact is even more pronounced than in other European countries due to a combination of persistently high inflation, higher mortgage interest rates and stricter lending guidelines. New construction suffered the greatest losses, while renovation still showed slight growth due to ecological and energy-related factors. Overall, a further sharp decline of 6.0% is forecast for residential construction in 2024. The downward development will continue in 2025 at 0.5%. The trend is not expected to turn positive again until 2026 with slight growth of 1.4%.

The construction volume in **non-residential construction** in 2023, which was negatively impacted by the combination of the economic downturn, higher construction costs and rising interest rates, fell by 2.1%. While high order backlogs from the previous year were still being fulfilled in the industrial sector, some of the planned investments in office and commercial buildings were postponed for the time being. Euroconstruct expects the downturn to intensify in 2024 with a decline of 3.7% before investment recovers in 2025 with an increase of 1.7%, followed by a return to strong growth of 3.9% in 2026.

Civil engineering showed a clearly positive trend of 2.8% in 2023 due to strong government investment in infrastructure programmes. The further expansion of the road and, in particular, the rail network was a fixed item in the Austrian budget. Investments in the energy sector for the expansion of renewable energy sources and investments in the telecommunications sector for a nationwide broadband network are becoming increasingly important. Growth of 0.9% is expected in 2024, followed by a plus of 0.2% in 2025 before the trend turns slightly negative with -1.0% in 2026.

The STRABAG Group generated 16% of the total Group output volume in its home market of Austria in 2023 (2022: 17%). Austria thus continues to be one of the Group's top three markets along with Germany and Poland. The output reached a volume of € 3,069.61 million in 2023. This gives STRABAG a 5.8% share of the construction volume in the overall market in Austria. In road construction, the market share stands at 47.3%.

Poland



	Contribution to the Group output volume (%)	Overall construction volume (€ bn)	GDP growth (%)		Construction growth (%)	
	2023	2023	2023e	2024e	2023e	2024e
Poland	7	66.7	0.3	2.9	2.2	2.5

Following the strong economic growth in 2022, which was mainly due to post-Covid-19 effects, GDP growth in Poland weakened to +0.3% in the reporting year. Factors contributing to this development included the high inflation of 11.1%, higher interest rates and the associated weaker demand from the private sector. Uncertainties in connection with the Russian war of aggression in neighbouring Ukraine and the delayed impacts from supply chain disruptions also dampened growth. Government investments, anti-crisis programmes and net exports in particular had a positive effect. Euroconstruct is forecasting GDP growth of 2.9% for 2024, followed by 3.5% in 2025 and 3.0% in 2026.

The Polish construction industry grew by 2.2% in 2023, slightly outpacing GDP growth, but weaker than in the two previous years. Construction-specific products were less available and supply chains were disrupted, while the shortage of skilled labour remained high. In recent years, construction activity in Poland has been stimulated by government programmes, particularly for public buildings and facilities as well as infrastructure. Euroconstruct expects the Polish construction industry to grow by 2.5% in 2024, with growth of 3.4% and 3.5% respectively in the two following years.

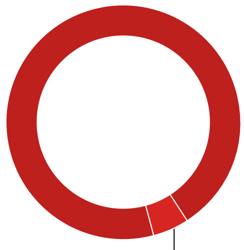
Residential construction, with a decline of 3.1%, proved to be the weakest sector of the Polish construction industry in 2023. Contributing to this situation were rising loan instalments, stricter procurement rules and higher construction costs. Stability measures and government stimulus programmes have helped to slow the trend. Euroconstruct forecasts a further 2.0% decline in residential construction output for 2024. In 2025 and 2026, however, the expected reduction in lending rates should lead to growth of 3.0% and 1.5% respectively.

Non-residential construction in Poland grew by 1.0% in 2023, with the momentum almost exclusively due to the strong increase in public investments. High costs for building materials, wages, electricity and fuel hit this segment hard as well. The market for office and commercial buildings was the weakest, while growth was recorded among industrial, warehouse and agricultural buildings. Large companies in particular invested heavily in 2023. Euroconstruct expects non-residential construction to grow by 3.0% in 2024 and by 2.4% and 2.5% in the following two years.

Civil engineering, with growth of 7.6%, proved to be the strongest segment of the Polish construction industry in 2023. This performance was driven by the momentum of infrastructure projects, which are closely linked to Poland's economic policy and the European Union's climate policy. Road construction, which grew by 11.4%, and energy supply exhibited particularly strong growth. Further growth drivers include the government's long-term programmes for the period until 2030, such as the new national road programme and the national railway programme. The election of a new government also increases the chances of previously withheld EU funds being released. In the field of energy supply, the planned construction of two nuclear power plants should provide further growth momentum. Euroconstruct is forecasting growth of 5.2% for Polish civil engineering in 2024, followed by a plus of 4.6% in 2025 and 5.6% in 2026.

As the number two in the construction sector in Poland, STRABAG realised a construction volume of € 1,328.83 million here in 2023, representing 7% of the Group's total output volume (2022: 6%). Poland thus represents the third-largest market of the STRABAG Group. Its market share in the entire Polish construction market was 2.0% and its share of road construction was 8.7%.

Czech Republic



5%
Contribution to the Group output volume

	Contribution to the Group output volume (%)	Overall construction volume (€ bn)	GDP growth (%)		Construction growth (%)	
	2023	2023	2023e	2024e	2023e	2024e
Czech Republic	5	32.4	-0.3	2.0	-1.8	0.2

The Czech economy in 2023 was seriously affected by higher interest rates and by the impact from the high rate of inflation of around 11.0% on both businesses and households. Despite high government spending and strategic investments, GDP was slightly negative at -0.3%. There are plans to gradually consolidate public budgets, which will also affect private households. By contrast, EU investments, particularly from the 2021–2027 programming period, as well as the Modernisation Fund and the EU's recovery plan, are having a positive effect. Other contributing factors include the continued rise in exports, the stable import situation and low unemployment compared to the rest of the EU. Euroconstruct estimates that inflation will fall to between 2% and 3% as early as 2024, enabling GDP growth of 2.0% this year. An increase of 2.6% and 2.3% is then forecast for 2025 and 2026 respectively.

The output of the Czech construction industry fell by 1.8% in 2023. The ongoing shortage of skilled labour as well as price increases for materials, energy, fuel and loans posed major challenges for the sector. On the other hand, the government stimulated renovation projects with subsidies to increase energy efficiency. The construction industry also benefited from funding under several EU programmes. Euroconstruct expects a slight increase of 0.2% for the sector in 2024, with higher growth of 3.5% and 6.4% expected in the following two years.

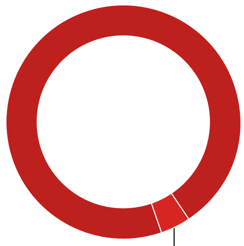
Residential construction fell by 9.6% in the reporting year, having been particularly hard hit by persistently high loan instalments. Real estate prices fell in many regions of the country, and a massive decline was recorded in the volume of real estate loans. The market for renovations, in contrast, remained stable. Euroconstruct is therefore forecasting only a slight decline of 1.2% in residential construction for 2024, followed by strong growth of 6.2% and 10.1% for 2025 and 2026 respectively.

After several years of negative growth, **non-residential construction** experienced a significant plus of 4.5% in the Czech Republic in 2023. This development was mainly due to industrial and logistics buildings, which were positively influenced by the booming business of online retail. The public sector is also encouraging construction related to schools, universities and hospitals. The market for office buildings, on the other hand, remains weak. Non-residential construction is expected to grow only slightly by 1.1% in 2024, followed by stronger growth of 3.9% in both 2025 and 2026.

Output in the Czech Republic's **civil engineering** segment remained stable in 2023 (+0.9%), mainly due to ongoing investments in the national and local transport infrastructure. Driving this development were railway systems, telecommunications and energy suppliers. The largest transportation infrastructure project is a new metro line in Prague. Civil engineering is also set to benefit from public funding and subsidies from the EU and from the European Investment Bank (EIB) in the future, not least with regard to the energy transition. For 2024 and 2025, Euroconstruct expects output in this segment to remain stable at +0.8% and 0.0% respectively, before strong growth of 5.1% in 2026.

STRABAG is the number one on the market in the Czech Republic. With an output volume of € 998.65 million in 2023, around 5% of the Group's total output (2022: 6%) was generated in the country. The market share in the entire construction market is 3.1% and in road construction amounts to 13.3%.

Hungary



4%
Contribution to the Group output volume

	Contribution to the Group output volume (%)	Overall construction volume (€ bn)	GDP growth (%)		Construction growth (%)	
	2023	2023	2023e	2024e	2023e	2024e
Hungary	4	19.3	0.0	3.5	-8.0	-3.8

The Hungarian economy stagnated in 2023 with GDP growth of 0.0%. The main factors behind this development were the high inflation, rising consumer prices, high interest rates and the government's investment freeze. Euroconstruct expects an increase in wages as well as consumption and, as a result, a return to growth in the coming years. The employment rate, already high, looks set to increase even slightly further. The government is also showing increasing budgetary discipline. The GDP is therefore forecast to grow by 3.5% in both 2024 and 2025 and by 3.6% in 2026.

The output of the Hungarian construction industry decreased by 8.0% in 2023. After several years of strong stimulus from the government, its investment freeze affected almost the entire sector. The situation could change if the resources from the EU funds, which are currently still being blocked, were to be released. The government has announced a ten-year development plan to be presented mid-2024. Euroconstruct is forecasting a decline of 3.8% for the Hungarian construction industry in 2024, with a trend reversal expected starting in 2025 (+4.9%) and growth of 5.4% forecast for 2026.

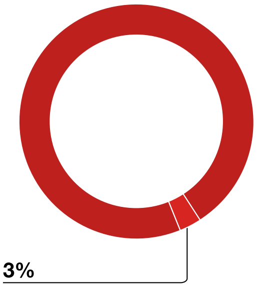
The sharp downturn in Hungarian **residential construction** (2023: -17.2%) is particularly dramatic, with the decline in new residential construction being the main contributing factor. The high construction costs, sharply rising interest rates and low sales prices gave developers little incentive to invest. Government subsidies and a recommended annual interest rate cap of 8.5% provide some relief. The market for renovations also declined in 2023, though it could recover as early as 2024, whereas new construction is not expected to pick up again until 2025. Accordingly, Euroconstruct is forecasting a decline of 3.6% for Hungarian residential construction in 2024, with the segment expected to grow by 4.0% again from 2025 and by as much as 5.5% in 2026.

Non-residential construction in Hungary fell by 4.8% in the reporting year. The government's investment freeze had a significant impact here as well. The goal of creating a comprehensive ecosystem for e-mobility in Hungary could, however, positively stimulate the market for industrial and logistics buildings. Euroconstruct anticipates a further decline of 4.8% in this segment in 2024, with an increase of 2.7% and 2.8% expected for 2025 and 2026 respectively.

The Hungarian **civil engineering** segment, including road construction and other transport infrastructure projects, declined by 3.8% in 2023. In contrast, intensified reindustrialisation had a positive effect, with a plus in energy and water supply projects. In the short term, however, the trend in civil engineering will continue to be curbed by the suspension of state investments and the postponement of planned renovation work on the road network during modification of the road concessions. The freezing of EU funds is continuing to have a negative impact as well. The Euroconstruct forecast therefore predicts a further decline of 2.4% in this segment in 2024, before a strong recovery sets in again in 2025 and 2026, with growth of 9.2% and 9.1% respectively.

The STRABAG Group generated € 807.74 million, or 4% of its output, in Hungary in 2023 (2022: 4%). This puts STRABAG in fourth place in the Hungarian construction market. Its share of the total market reached 4.2%, that in road construction 12.5%.

Romania



3%
Contribution to the Group output volume

	Contribution to the Group output volume (%)	Overall construction volume (€ bn)	GDP growth (%)		Construction growth (%)	
	2023	2023	2023e	2024e	2023e	2024e
Romania	3	32.5	2.0	3.4	-1.9	-6.4

The Romanian economy grew by 2.0% in 2023, less strongly than in the two previous years. The outlook remains positive, albeit subdued. The increase in consumer prices (8.8%) is expected to slow significantly from 2024 onwards, although lending rates will remain high for longer. EECFA is forecasting GDP growth of 3.4% and 4.2% for 2024 and 2025 respectively.

In contrast to the development of the economy as a whole, output in the Romanian construction industry fell by 1.9% in the reporting year. High energy prices and construction costs, partly due to higher personnel expenses, affected all segments. The budget available from Romania’s National Recovery and Resilience Plan (NRRP) decreased, which had a significant impact on the healthcare and energy sectors. The decline in the energy sector, however, is more than offset by the European Union’s REPowerEU plan. In the 2024 election year, with elections at local, national and EU level, the focus will be more on local and socially impactful projects – at the expense of longer-term projects. According to EECFA calculations, construction output in Romania will fall by a further 6.4% in 2024 before recovering slightly (+1.9%) in 2025.

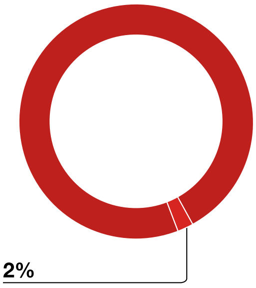
The Romanian **residential construction** sector suffered a significant slump in 2023 (-8.6%), as high inflation and expensive lending rates as well as increased construction costs dampened both supply and demand. Building permits and the amount of usable space fell by almost a fifth, particularly in the Bucharest region (-36%) and the west of the country. EECFA expects a further downward correction for residential construction in 2024 (-7.6%). In 2025, a return to slight growth of 1.8% is expected for the segment thanks to falling inflation and lower lending rates.

The development of the **non-residential construction** segment in Romania was very mixed in 2023, with a slight decline of 0.8% overall. Sharp declines were recorded due to lower demand and changing trends in the market for office buildings. By contrast, healthcare buildings and educational facilities increased by 12.1% in 2023 due to co-financing from the previous EU programming period. The recovery of private consumption was reflected in an upturn in retail and wholesale properties. Industrial buildings and warehouses also remained on a growth path. EECFA is forecasting a decline of 4.0% for the segment in 2024, followed by a return to growth of 2.9% in 2025.

Civil engineering, with growth of 7.3%, proved to be the strongest segment of the Romanian construction industry in 2023. On the one hand, projects from the 2014–2020 EU programming period were still being completed; on the other hand, investments from the NRRP were already underway. The focus was on transportation infrastructures as well as on structures in the energy and pipeline sectors. The switch to the new EU programme along with greater budget discipline will lead to a decline in construction output, however. EECFA is forecasting a decline of 6.5% for the Romanian civil engineering segment in 2024, followed by a slight recovery of 1.2% in 2025.

With an output of € 519.26 million in 2023, the STRABAG Group holds a 1.6% share in the entire Romanian construction market. In road construction, the share of the market stands 4.6%.

Slovakia



2%
Contribution to the Group output volume

	Contribution to the Group output volume (%)	Overall construction volume (€ bn)	GDP growth (%)		Construction growth (%)	
	2023	2023	2023e	2024e	2023e	2024e
Slovakia	2	8.8	1.5	2.7	0.1	2.9

The Slovakian economy grew by 1.5% in the reporting year. Key economic indicators, such as private and public consumption as well as imports and exports declined, however. The inflation rate in 2023 stood at just over 10%. The shortage of labour was particularly evident in industry and construction. The automotive industry, on the other hand, was able to compensate for the decline in private consumption. EU programmes and funds, which provided stimulus in the fields of transport, the environment, digitalisation, science and research, had a positive effect. Euroconstruct expects Slovakia's GDP to grow by 2.7% in 2024, 3.4% in 2025 and 2.1% in 2026.

The Slovakian construction industry generated slight growth of 0.1% in 2023. High material and labour costs and rising lending rates led to a gradual decline in construction investments. As expected, the number of projects in transportation infrastructures fell significantly before the elections in autumn. Following the elections, the number of projects put out to tender is expected to increase once again. Euroconstruct is forecasting a reduction in public investment from the state budget. The development of construction output in the coming years will therefore depend on how effectively the funds from the EU's recovery plan and the new EU programming period are used. Euroconstruct predicts growth of 2.9% for the Slovakian construction industry in 2024, followed by a plus of 0.7% and 3.9% respectively in the following years.

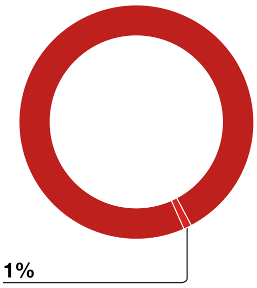
Slovakia's **residential construction** output fell by 2.6% in 2023. High lending interest and high construction prices dampened demand from developers and smaller investors alike. Funds from the European recovery plan are to be used in the future primarily to promote renovations aimed at increasing energy efficiency. The demand for flats in Bratislava and other larger cities is also continuing. After a further slight decline in 2024 (-0.3%), Euroconstruct expects residential construction to grow again in 2025 and 2026 with a plus of 3.3% and 5.6% respectively.

Output in **non-residential construction** fell significantly in 2023 (-5.5%). The market for office buildings was especially hard hit, while growth was reported for educational facilities and healthcare buildings. The automotive industry remains the largest private investor in the country. Euroconstruct expects the greatest input for the segment to come from the European recovery plan, particularly in the healthcare sector. Non-residential construction is expected to pick up significantly in 2024 with an increase of 6.3%, while growth of 3.8% and 2.7% is expected for the following two years.

Slovakia's **civil engineering** sector, with a plus of 14.5%, proved to be by far the strongest segment in the reporting year, mainly due to the end of the EU programming period. The frontrunner was transportation infrastructures – with motorways, expressways and city bypasses as well as maintenance and renovation work. The expansion of the bicycle network was also driven forward. The rail, water and wastewater, and renewable energy sectors will receive additional funding from the European recovery plan. Euroconstruct expects a further increase of 4.7% for the segment in 2024, followed by a decline of 7.9% in 2025 and a further increase of 2.1% in 2026.

With a market share of 4.7% and an output volume of € 410.26 million in 2023, STRABAG is the leader in Slovakia. In road construction, STRABAG's share is 18.9%. In 2023, Slovakia contributed 2% to the Group's total output volume (2022: 2%).

Croatia



	Contribution to the Group output volume (%)	Overall construction volume (€ bn)	GDP growth (%)		Construction growth (%)	
	2023	2023	2023e	2024e	2023e	2024e
Croatia	1	6.7	2.6	2.5	9.1	1.6

The Croatian economy grew by 2.6% in the reporting year. A key factor contributing to this development was Croatia's entry into the Schengen area and the eurozone at the beginning of the year. The high-tech sector continued to perform strongly, and tourism also delivered very good results once again. Croatia also became more successful in acquiring and quickly utilising EU funds, especially for the National Recovery and Resilience Plan (NRRP), as well as funds from international financial institutions. Inflation stood at 8.1% in 2023. EECFA expects further GDP growth of 2.5% and 2.8% for 2024 and 2025 respectively.

With strong growth of 9.1%, the Croatian construction industry performed much better than the economy as a whole in 2023. This was true for all segments. Construction growth is expected to weaken significantly again in the coming years, however, among other things due to rising real estate prices and more difficult financing conditions. EECFA forecasts an increase in construction output of 1.6% for the segment in both 2024 and 2025.

The Croatian **residential construction** sector grew more strongly than expected in 2023, with a plus of 6.5%. Domestic demand was up as many young families are looking for new and larger living space. Foreign demand also increased, despite the recession in Austria and Germany. A downward correction in residential construction output is expected in the following years, mainly due to rising real estate prices and the high level of inflation. For 2024 and 2025, EECFA is forecasting declines of 5.6% and 4.1% respectively.

Non-residential construction recorded a strong increase of 8.0% in the reporting year. The market for office buildings grew particularly strongly (+13.7%). Renovations with the aim of building energy-efficient and environmentally friendly offices are being driven by the NRRP. The healthcare and educational buildings sector (+11.5%) is also booming thanks to EU and other international funds being channelled into this segment. The market for industrial buildings, warehouses and hotels also developed very promisingly. EECFA forecasts growth of 3.1% for non-residential construction in Croatia in 2024, followed by a slight decline of 0.5% in 2025.

With growth of 13.3% in the reporting year, **civil engineering** proved to be the strongest segment of the Croatian construction industry. This growth was driven in particular by complex large-scale construction projects at industrial locations and in transportation infrastructures. Croatia was able to convince the EU to extend two core network corridors of the European transport network TEN-T to the country. The expansion of the railway network, which is in need of renovation, is also planned for the next decade. Investments in the electricity grid and the expansion of renewable energies are expected to provide new stimulus as well. EECFA's forecasts are correspondingly positive, with Croatia's civil engineering segment expected to grow by 9.1% in 2024 and by 8.8% in 2025.

With an output of € 241.63 million in 2023, the STRABAG Group holds a 3.6% share in the entire Croatian construction market. In Croatian road construction, the share of the market stands 7.8%.

Further countries and regions

	Contribution to the Group output volume (%)	Overall construction volume (€ bn)	GDP growth (%)		Construction growth (%)	
	2023	2023	2023e	2024e	2023e	2024e
United Kingdom	4	264.1	0.4	0.3	-1.6	-2.1
Switzerland	1	69.8	0.8	1.9	-1.1	1.6
Sweden	< 1	55.6	-0.6	1.0	-10.6	-5.7
Serbia	< 1	5.7	2.5	3.5	9.0	-1.9
Slovenia	< 1	5.0	1.6	2.8	4.1	-0.9
Bulgaria	< 1	11.1	2.0	1.8	3.4	2.0
Denmark	< 1	43.7	1.5	1.3	-6.1	-4.9
Italy	< 1	280.8	0.8	0.8	-0.7	-7.3

STRABAG is also active in the Americas, the Middle East, Africa and Asia as well as in Benelux and other European countries. These regions account for 7% of Group revenue (2022: 8%).

Order backlog

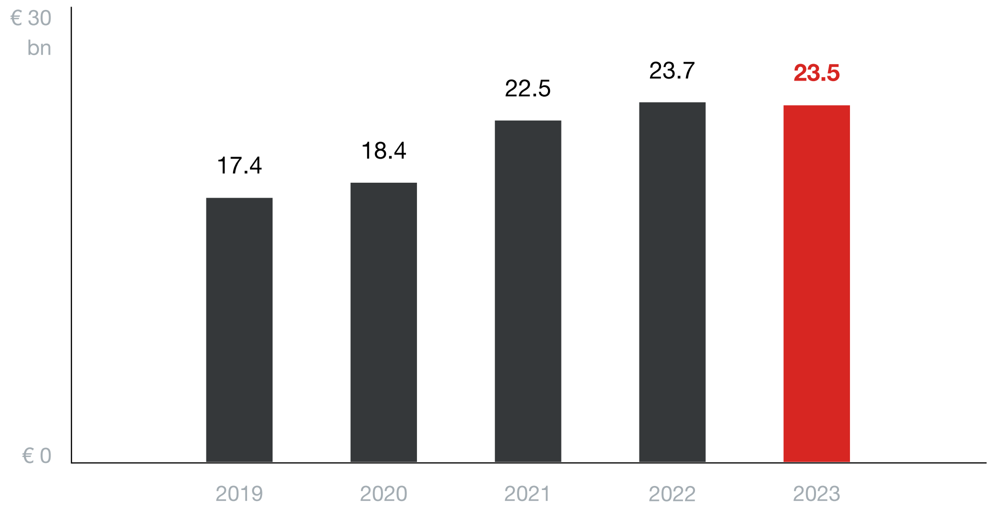
Order Backlog by segment as at 31 December 2023

€ mn	**Total 2023**	**North + West**	**South + East**	**Inter-national + Special Divisions**	**Other**	Total 2022	Δ Total %	Δ Total absolute
Germany	12,544	10,750	432	1,341	21	11,154	12	1,390
Austria	2,360	48	2,026	286	0	2,992	-21	-632
Poland	1,944	1	1,906	37	0	1,634	19	310
United Kingdom	1,794	7	5	1,782	0	2,216	-19	-422
Czech Republic	939	0	935	3	1	993	-5	-54
Americas	614	0	0	614	0	883	-30	-269
Romania	496	13	479	4	0	567	-13	-71
Middle East	462	0	27	435	0	256	80	206
Italy	459	0	2	457	0	374	23	85
Hungary	348	0	348	0	0	719	-52	-371
Croatia	323	0	323	0	0	408	-21	-85
Slovakia	232	0	225	7	0	320	-28	-88
Rest of Europe	192	0	182	7	3	270	-29	-78
Asia	175	0	12	163	0	253	-31	-78
Benelux	158	147	0	11	0	220	-28	-62
Switzerland	111	104	5	2	0	101	10	10
Sweden	108	108	0	0	0	98	10	10
Slovenia	59	0	59	0	0	95	-38	-36
Africa	53	0	43	10	0	72	-26	-19
Serbia	49	0	49	0	0	67	-27	-18
Denmark	29	29	0	0	0	16	81	13
Bulgaria	17	0	16	1	0	31	-45	-14
Total	**23,466**	**11,207**	**7,074**	**5,160**	**25**	**23,739**	**-1**	**-273**

€ 23.5 billion
Order backlog

Despite sharp declines on the residential construction market, the **order backlog** remained more or less stable at a very high level of € 23,466.13 million (-1% compared to 31 December 2022). The order backlog grew in Germany, primarily in building construction and civil engineering, in Poland, and in the Middle East, among other regions. As a result of the current interest rate level and the stricter lending guidelines for mortgage loans compared to the rest of Europe, the order backlog in Austria remained below the above-average level of the previous year. The decline in the United Kingdom and in the Americas can be explained by the gradual completion of major projects in those regions.

Development of order backlog



Additions to the order backlog in Germany include the expansion of the U5 subway lines in Hamburg and Munich, the turnkey construction of a replacement building for Ruhr University in Bochum, and the construction of the sustainable office building Inspire Neukölln in Berlin. In the Middle East, infrastructure and building construction projects worth around € 383 million were acquired in the United Arab Emirates, Oman and Qatar. In the Czech Republic, the Group was awarded the contract to modernise the Masaryk railroad station in Prague, while in Poland STRABAG is constructing a production and logistics building for Cognor S. A. and building the country's third longest bridge over the river San near the city of Stalowa Wola.

Construction sites included in the order backlog as at 31 December 2023

Category	Number of construction sites	Number of construction sites as % of total	Order backlog € mn	Order backlog as % of total
Small orders (€ 0–1 mn)	10,184	79	2,028	9
Medium-sized orders (€ 1–15 mn)	2,153	17	3,734	16
Large orders (€ 15–50 mn)	321	3	4,258	18
Very large orders (>€ 50 mn)	171	1	13,446	57
Total	**12,828**	**100**	**23,466**	**100**

The total order backlog is comprised of **12,828 individual projects**. More than 10,100 of these, or 79%, involve small orders with a volume of up to € 1 million each; the remaining proportion of 21% covers medium-sized to very large orders with contract volumes of € 1 million and up. A total of merely 171 projects have a volume above € 50 million. The high number of individual contracts guarantees that the risk involved with one project does not, as far as possible, threaten the group success as a whole. The ten largest projects in the order backlog as at 31 December 2023 added up to 21% of the order backlog.

Selected large projects in the order backlog as at 31 December 2023

Country	Project	Order backlog € mn	As % of total Group order backlog
United Kingdom	HS2 high-speed rail line	1,176	5.0
Germany	US hospital, Weilerbach	627	2.7
Germany	Bayerische Versorgungskammer	595	2.5
United Kingdom	Woodsmith Project	592	2.5
Germany	U5 East, Hamburg	580	2.5
Germany	Central Business Tower	393	1.7
Germany	Stuttgart 21, underground railway station	283	1.2
Germany	Replacement building, Ruhr University Bochum	270	1.2
Canada	Scarborough Subway Extension Line 2	268	1.1
Germany	Friedrichspark Berlin	171	0.7
Total		**4,955**	**21.1**

Financial performance

The consolidated **Group revenue** for the 2023 financial year amounted to € 17,666.54 million. As many of the acquisitions involved large-scale projects realised under a joint venture arrangement, the revenue growth, at 4%, was less pronounced than the 8% growth in output. This effect is also reflected in the ratio of revenue to output, which fell year-on-year from 96% to 92%. The operating segments North + West contributed 41%, South + East 42% and International + Special Divisions 17% to the revenue.

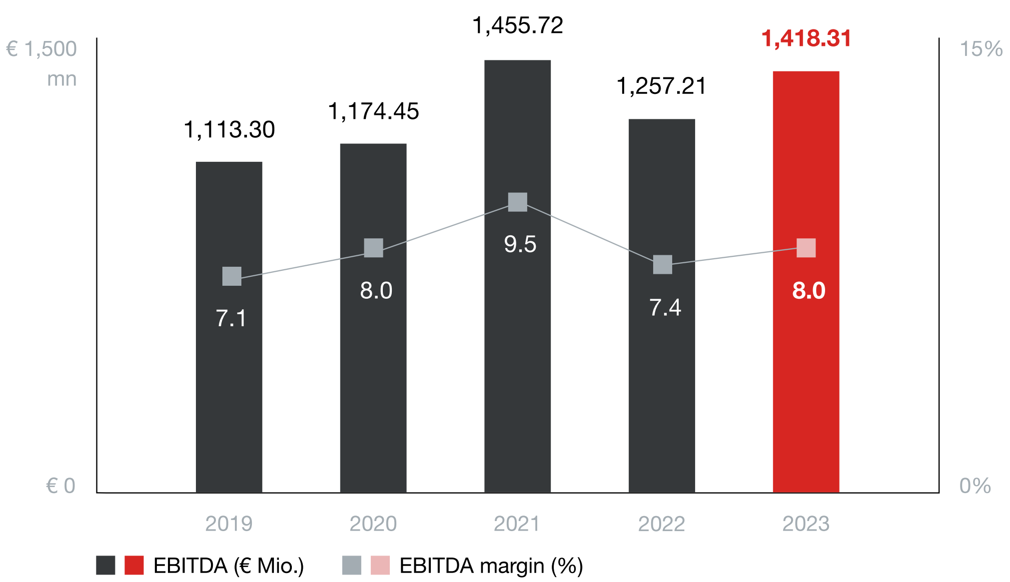
The **changes in inventories** mainly involve real estate project developments. Successful sales were more than compensated for by new projects. The **own work capitalised** fell at a low level due to the completion of several corporate locations. The total of **expenses for construction materials, consumables and services used** and **employee expense**, expressed in relation to the revenue, remained almost constant at 90% (2022: 89%) – despite the at times high inflation.

Expenses

€ mn	**2023**	2022	Δ %
Construction materials, consumables and services used	11,275.08	10,988.65	3
Employee benefits expense	4,540.90	4,133.73	10
Other operating expenses	1,086.60	1,013.28	7
Depreciation and amortisation expense	538.12	550.81	-2

The **earnings from equity-accounted investments** increased significantly to € 144.13 million in the reporting period, mainly thanks to higher earnings from joint ventures. The **net income from investments**, which comprises the dividends and expenses of many smaller companies and financial investments, fell slightly compared to the previous year.

Development of EBITDA and EBITDA margin



In total, the **earnings before interest, taxes, depreciation and amortisation (EBITDA)** increased by 13% to € 1,418.31 million, continuing the trend of exceeding the € 1.0 billion mark established in recent years. As a result, the **EBITDA margin** showed a year-on-year increase from 7.4% to 8.0%. The depreciation and amortisation expense fell slightly by 2.3% to € 538.12 million.

The **earnings before interest and taxes (EBIT)** increased significantly by 25% to € 880.20 million in 2023. The EBIT margin grew to 5.0% (2022: 4.2%), thus exceeding the original forecast. This development is due to positive earnings effects resulting from the strong market positions in the North + West segment.

The **net interest income** increased to € 44.13 million (2022: € 10.7 million). The strong year-on-year growth is primarily due to higher interest income – caused by the higher interest rate level and STRABAG SE's net cash position. The exchange rate result included in this figure turned negative in 2023 at € -15.90 million (2022: € 3.20 million) due to negative exchange rate differences.

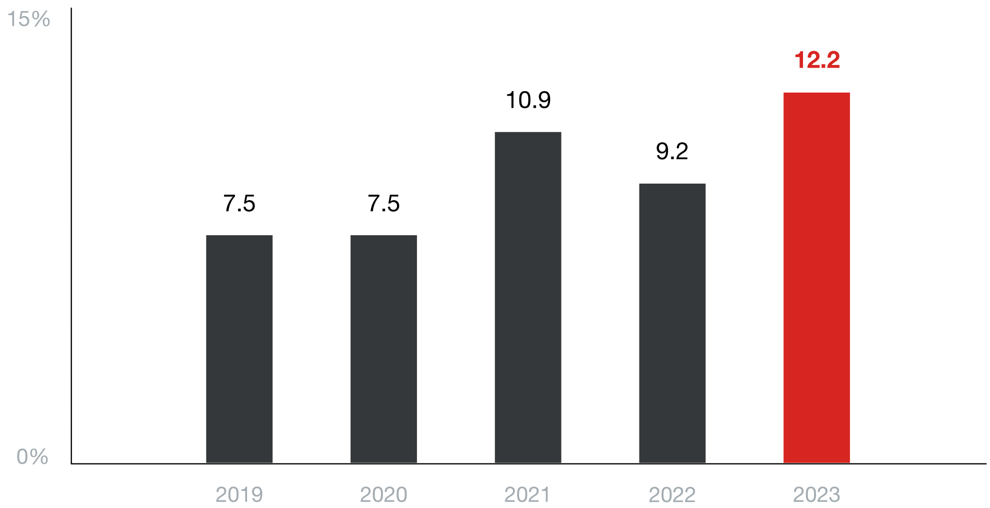
31.5%
Effective tax rate

On balance, the **earnings before taxes** totalled € 924.32 million. The **income tax rate**, at 31.5%, was slightly lower than in the previous year. The **net income** amounted to € 633.39 million, which corresponds to an increase of 32% compared to 2022.

€ 6.30
Earnings per share

The earnings owed to minority shareholders totalled € 2.89 million, compared to € 7.68 million in the previous year. The **net income after minorities** increased by 33% to € 630.51 million, the highest figure in the history of STRABAG SE. The **earnings per share** amounted to € 6.30 (2022: € 4.60).

Development of ROCE



The **return on capital employed (ROCE)** rose from 9.2% in the previous year to 12.2%. This is the highest value in the history of STRABAG SE.

Financial position and cash flows

Balance sheet

€ mn	31.12.2023	% of balance sheet total	31.12.2022	% of balance sheet total
Non-current assets	5,477	40	5,292	42
Current assets	8,229	60	7,392	58
Equity	4,409	32	4,025	32
Non-current liabilities	2,228	16	2,194	17
Current liabilities	7,069	52	6,465	51
Total	**13,706**	**100**	**12,684**	**100**

The **total of assets and liabilities** increased year-on-year from € 12,683.76 million to € 13,706.21 million mainly due to the increase in cash and cash equivalents and inventories. A decline was recorded in other financial assets.

32.2%
Equity ratio

The **equity** as at 31 December 2023 was up to € 4,409.36 million. The previous buyback obligation for own shares in the amount of a maximum of 10% of the share capital was to be deducted directly from retained earnings as at 31 December 2022 as part of the mandatory anticipatory offer at the time. As only 2.7% of own shares were ultimately purchased, the difference of € 291.31 million was transferred back to retained earnings in 2023. This was offset by capital reductions of € 337.87 million from the capital measures implemented starting in September 2023 to reduce the stake held by MKAO “Rasperia Trading Limited”. The capital reductions implemented as part of these measures changed the ratio of free reserves to appropriated reserves. The **equity ratio** increased to 32.2% (31 December 2022: 31.7%).

Key balance sheet figures

	31.12.2019	31.12.2020	31.12.2021	31.12.2022	31.12.2023
Equity ratio (%)	31.5	33.9	33.3	31.7	32.2
Net debt (€ mn)	-1,143.53	-1,747.23	-1,937.18	-1,927.70	-2,643.24
Gearing ratio (%)	-29.7	-42.5	-47.6	-47.9	-59.9
Capital employed (€ mn)	5,838.71	5,815.14	5,750.63	5,407.37	5,726.41

€ 2.6 billion
Net cash position

Another **net cash position** was reported for 31 December 2023 – with a noticeable increase to € 2,643.24 million due primarily to higher cash and cash equivalents and a further reduction in financial liabilities.

Calculation of net debt[1]

€ mn	31.12.2019	31.12.2020	31.12.2021	31.12.2022	**31.12.2023**
Financial liabilities	1,422.21	1,156.01	1,193.62	957.20	898.93
Severance provisions	124.68	122.55	108.36	91.38	98.27
Pension provisions	435.92	428.36	376.83	333.55	319.85
Non-recourse debt	-665.53	-597.20	-652.74	-607.97	-509.67
Cash and cash equivalents	-2,460.81	-2,856.95	-2,963.25	-2,701.85	-3,450.62
Total	**-1,143.53**	**-1,747.23**	**-1,937.18**	**-1,927.70**	**-2,643.24**

[1] The non-recourse liabilities that were considered are related to three major projects. Non-recourse liabilities from other PPP projects had, based on their amount, only an immaterial impact and are therefore not subtracted in the calculation of net debt.

The **cash flow from operating activities** increased significantly year-on-year from € 812.86 million to € 1,816.51 million. This development is due to an increase in cash flow from earnings on the one hand and an unexpected reduction in working capital on the other. The forecast reduction in advance payments as a result of higher interest rates did not materialise for the time being.

The **cash flow from investing activities** was more negative, as expected, particularly due to higher investments in financial assets and enterprise acquisitions, including acquisitions in facility services, energy and building services management, and amounted to € -654.87 million (2022: € -560.42 million).

The **cash flow from financing activities** was less negative at € -430.58 million (2022: € -503.66 million). The repayment of a bond in the amount of € 200 million in the previous year resulted in an effect that more than compensated for the acquisition of own shares tendered as part of an anticipatory mandatory offer by the Austrian core shareholders.

Report on own shares

The company held 2,779,006 treasury shares (2.7% of the share capital) as at 31 December 2023. Following entry of the ordinary non-cash capital increase in the commercial register on 21 March 2024, the volume of own shares held as a percentage of the share capital fell to 2.4%.

Further details can be found in the management report under Disclosures under Sec 243a Para 1 UGB.

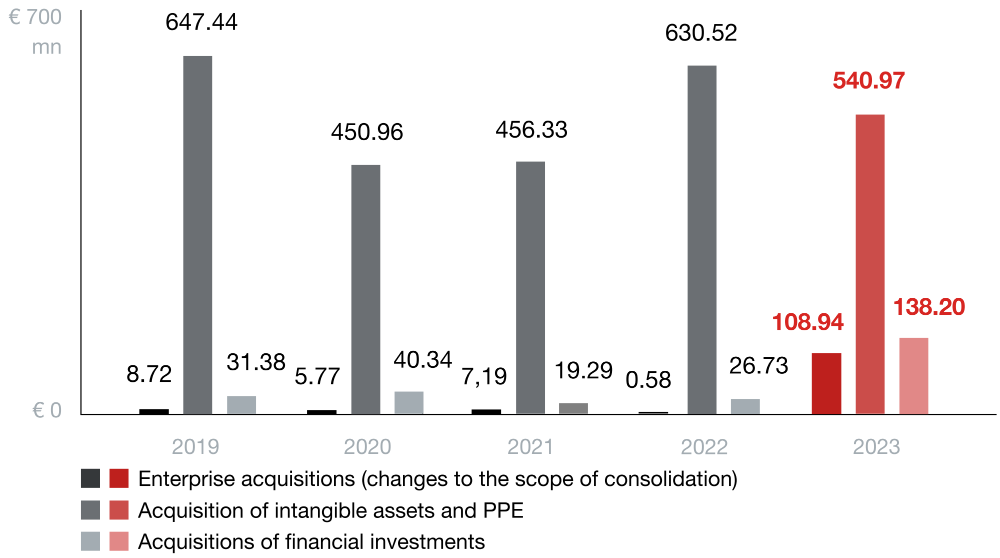
Capital expenditures

€ 655 million

Net investments

STRABAG had forecast **net investments** (cash flow from investing activities) of up to € 700 million for the 2023 financial year. In the end, they amounted € 654.87 million.

Composition of CapEx



The **gross investments (CapEx)** before subtraction of proceeds from asset disposals stood at € 788.11 million. This figure includes expenditures on intangible assets and on property, plant and equipment not including the non-cash additions to right-of-use assets of € 540.97 million, the purchase of financial assets in the amount of € 138.20 million and € 108.94 million from changes to the scope of consolidation

Particularly significant investments include maintenance expenditures at our permanent establishments in the core markets of Germany, Austria and Poland as well as additional investments in the construction materials network in several different countries. The latter mainly involve investments in modern asphalt and concrete mixing plants to promote circularity within the Group. Investments were also made in tunnelling as part of several ongoing large-scale projects in the United Kingdom and the Americas.

Expenditures on intangible assets and on property, plant and equipment during the year under report must be seen against the depreciation and amortisation expense in the amount of € 549.16 million. At € 7.45 million, goodwill impairment was slightly higher than the previous year's value of € 6.70 million. This was offset by write-ups from investment property totalling € 18.5 million.

Financing and treasury

Key figures treasury

	2019	2020	2021	2022	**2023**
Interest and other income (€ mn)	30.97	27.89	26.96	50.74	119.19
Interest and other expense (€ mn)	-56.32	-48.49	-39.53	-40.07	-75.07
EBIT/net interest income (x)	-23.8	-30.6	-71.3	66.2	19.9
Net debt/EBITDA (x)	-1.0	-1.5	-1.3	-1.5	-1.9

The number one objective for the treasury management of STRABAG SE is assuring the continued existence of the company through the maintenance of constant solvency. This objective is to be reached through the provision of sufficient short-term, medium-term and long-term liquidity. Liquidity for STRABAG SE means not only solvency in the strict sense but also the availability of guarantees. The activity of building requires the constant availability of bid, contract fulfilment, advance payment and warranty guarantees and/or sureties. The financial scope of action is thus defined by sufficient cash and cash credit lines, on the one hand, and by sufficient surety credit lines on the other.

The management of **liquidity risks** has become a central element of the corporate management at STRABAG. In practice, liquidity risks come in various forms:

- In the short term, all daily payment obligations must be covered in time and/or in their entirety.
- In the medium term, liquidity levels must be sufficient so that no transactions or projects become impossible due to a lack of sufficient financial means or guarantees or that they cannot be executed at the desired pace.
- In the long term, there should be sufficient financial means available to be able to pursue the strategic development targets.

In the past, STRABAG has always oriented its financing decisions according to the risk aspects outlined above and has organised the maturity structure of the financial liabilities in such a way as to avoid a refinancing risk. In this way, the company has been able to maintain a great scope for action, which is of particular importance in a difficult market environment. The respective liquidity needed is determined by targeted liquidity planning. Based on this, liquidity assurance measures are made, and a liquidity reserve is defined for the entire Group. The liquidity situation is continuously monitored by treasury management, managed via a corporate-wide cash pooling system and supported at project level by strict working capital management.

€ 3.5 billion
Cash and cash equivalents

The existing **liquidity** of € 3.5 billion assures the coverage of the Group's liquidity needs. STRABAG SE has a total credit line for cash and surety loans in the amount of € 8.5 billion. The credit lines include a syndicated surety credit line in the amount of € 2.0 billion and a revolving syndicated cash credit line of € 0.4 billion, each with a term to maturity until 2026. The Group also has bilateral credit lines with banks. With a high degree of diversification regarding its surety and cash credit, STRABAG creates an adequate risk spread in the provision of the credit lines and secures its comfortable liquidity position.

BBB, stable
S&P corporate credit rating

In June 2015, Standard & Poor's (S&P) raised STRABAG SE's **investment grade rating** by one level from BBB-, outlook stable, to BBB, outlook stable. This rating was again confirmed in October 2023. S&P sees STRABAG SE's strengths and opportunities above all in the stable margins in an otherwise quite cyclical market environment, the strategic access to construction materials, the strong market positions and the high reputation in the credit markets.

Payment obligations

€ mn	**Book value 31.12.2023**	Book value 31.12.2022
Bank borrowings	534.71	624.76
Lease liabilities	364.22	332.44
Total	**898.93**	**957.20**

Segment report

Overview of the four segments within the group

The business of STRABAG SE was divided into four segments in 2023, of which there are three operating segments, North + West, South + East and International + Special Divisions, and the segment Other, which encompasses the Group's central divisions and central staff divisions. In 2023, the segments were comprised as follows:

North + West

Management Board responsibility: Jörg Rösler
Germany, Switzerland, Benelux (until 31 December 2023), Scandinavia, Ground Engineering

Management Board responsibility: Klemens Haselsteiner
Benelux (since 1 January 2024)

South + East

Management Board responsibility: Alfred Watzl
Austria, Poland, Czech Republic, Slovakia, Hungary, South-East Europe, Environmental Technology, Construction Materials (since 1 July 2023)

International + Special Divisions

Management Board responsibility: Siegfried Wanker
Tunnelling, International, Infrastructure Development, Real Estate Development, Services, Construction Materials (until 30 June 2023)

Other

Management Board responsibility: Klemens Haselsteiner and Christian Harder
Central Divisions, Central Staff Divisions

Construction projects are assigned to one of the segments (see chart below). Of course, projects may also be assigned to more than one segment. This is the case, for example, with PPP projects in which the construction part is assigned to its respective geographic segment, but the concession part is assigned to the concessions unit of International + Special Divisions. In projects which span more than one segment, the commercial and technical responsibility is generally assigned to that segment which has the higher share of the overall project value.

Segments are primarily categorised according to geographical aspects. Specialities in particular – e.g. tunnelling – are naturally in demand worldwide. Such business fields are shown in the International + Special Divisions segment. At the same time, the North + West and South + East segments sometimes include international business fields such as environmental technology.

Certain services may be performed in more than one segment. The activities below have been assigned to those segments in which the most significant portion of the services was provided. Details are available in the table.

With only a few exceptions, STRABAG offers its services in all areas of the construction industry in the individual European markets in which it operates and covers the entire construction value chain.

Range of services offered

	North + West	South + East	International + Special Divisions
Residential Construction	√	√	√
Commercial and Industrial Facilities	√	√	√
Public Buildings	√	√	√
Engineering Ground Works	√	√	√
Bridge Construction	√	√	√
Power Plants	√	√	√
Roads, Earthworks	√	√	√
Protective Structures	√	√	√
Sewerage Systems	√	√	√
Production of Construction Materials	√	√	√
Railway Construction	√	√	
Waterway Construction, Embankments	√	√	
Landscape Architecture and Development, Paving, Large-Area Works	√	√	
Sports and Recreation Facilities	√	√	
Ground Engineering	√		
Environmental Technology		√	
Production of Prefabricated Elements		√	
Tunnelling			√
Real Estate Development			√
Infrastructure Development			√
Renewable Energy Development			√
Operation/Maintenance/Marketing of PPP and Renewable Energy Projects			√
Property and Facility Services			√

Segment North + West

The North + West segment delivers construction services of nearly any kind and size with a focus on Germany, Switzerland, the Benelux countries and Scandinavia. Ground engineering can also be found in this segment.

With effect from 1 January 2023, Switzerland was added to the North + West segment, Poland to the South + East segment. The previous year's figures have been adjusted accordingly.

€ mn	**2023**	2022	Δ 2022-2023 %	Δ 2022-2023 absolute
Output volume	8,216.66	7,865.46	4	351
Revenue	7,280.19	7,157.26	2	123
Order backlog	11,207.13	10,337.38	8	870
EBIT	644.82	456.53	41	188
EBIT margin (% of revenue)	8.9	6.4		
Employees (FTE)	22,136	21,683	2	453

Output volume – North + West segment

€ mn	**2023**	2022	Δ 2022-2023 %	Δ 2022-2023 absolute
Germany	7,614	7,206	6	408
Switzerland	216	190	14	26
Benelux	172	143	20	29
Sweden	95	121	-21	-26
Austria	36	50	-28	-14
United Kingdom	29	48	-40	-19
Romania	26	26	0	0
Denmark	20	56	-64	-36
Rest of Europe	6	18	-67	-12
Hungary	1	5	-80	-4
Poland	1	1	0	0
Middle East	1	1	0	0
Total	**8,217**	**7,865**	**4**	**352**

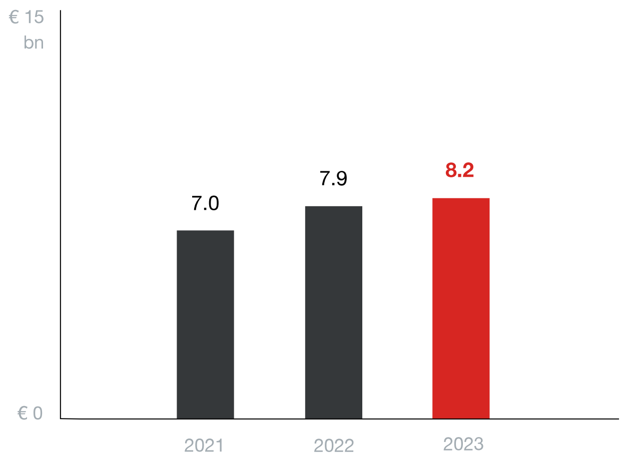
Output, revenue and EBIT

Germany as a driver of higher output

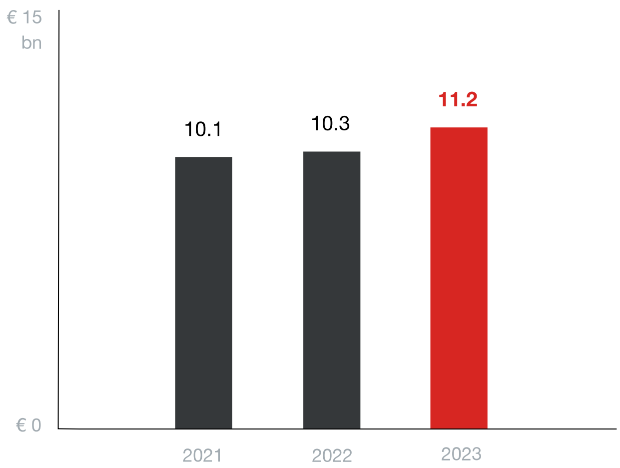
The North + West segment recorded a 4% year-on-year increase in **output volume** to € 8,216.66 million in 2023. This was attributable in particular to the home market of Germany, both in building construction and civil engineering as well as in transportation infrastructures, and to a lesser extent to the Benelux countries and Switzerland. This growth was contrasted by declines in Denmark and Sweden.

Revenue grew by 2% to € 7,280.19 million. The **EBIT** increased sharply by 41% to € 644.82 million, resulting in a very high EBIT margin of 8.9%. This development is due on the one hand to the absence of negative earnings effects from large-scale projects in Denmark and the Netherlands. On the other hand, cost inflation in Germany weakened and follow-up negotiations for large infrastructure projects were successfully concluded. The latter, however, does not represent a regularly recurring earnings component.

Output volume



Order backlog



Order backlog

Order backlog expanded at high level

The **order backlog** as at 31 December 2023 grew by 8% from an already very high level to € 11,207.13 million, mainly due to growth in the home market of Germany. Notable additions to the order backlog in Germany include the extension of the U5 underground lines in Hamburg and Munich, the turnkey construction of a replacement building for Ruhr University Bochum and the construction of the sustainable office property Inspire Neukölln in Berlin.

Employees

The **number of employees** in the North + West segment in 2023 was up by 2% to 22,136 FTEs. In line with the strong output growth, the largest staff increase was recorded in the home market of Germany. Declines were registered on a smaller scale in Denmark, the Benelux countries and Sweden.

Outlook

Slight output growth expected

Based on the continuing high order backlog, STRABAG expects slight output growth in the North + West segment in 2024 despite the challenging conditions.

In **Germany**, material prices are showing signs of normalising and stabilising, while energy prices remain at a comparatively high level. We are compensating for the decline in demand in residential and office construction caused by the current interest rate situation with projects in infrastructure and industrial construction. A slight shift from private to public clients is evident here. In the German transportation infrastructure business, the current volume of orders forms a solid basis for a similar output level as in the previous year. Increased demand and new projects are increasingly being observed in projects relating to the energy transition.

Predatory pricing remains a serious concern in the **Benelux** countries. Here the Group will continue to pursue its chosen path of consolidation and stabilisation together with a highly selective bidding strategy. In the Netherlands and Belgium, opportunities are likely to arise in industrial construction, particularly in projects relating to the energy transition.

The consolidation and stabilisation that was initiated in **Scandinavia** will be continued here as well. The focus will be on medium-sized projects, primarily in commercial and industrial construction.

The demand for construction services in **Switzerland** remains stable. Following a period of successful consolidation, we are continuing on our growth path. The necessary investments have already been made.

Selected projects – North + West segment

Country	Project	Order backlog in € mn	As % of total Group order backlog
Germany	US hospital, Weilerbach	627	2.7
Germany	Bayerische Versorgungskammer	577	2.5
Germany	U5 East, Hamburg	406	1.7
Germany	Central Business Tower	393	1.7
Germany	Stuttgart 21, underground railway station	283	1.2

Segment South + East

The geographic focus of the South + East segment is on Austria, Poland, the Czech Republic, Slovakia, Hungary and South-East Europe. The environmental technology and construction materials activities are also handled within this segment.

With effect from 1 January 2023, Switzerland was added to the North + West segment, Poland to the South + East segment. The construction materials business, previously reported as part of International + Special Divisions, was integrated into the South + East segment with retroactive effect from 1 January 2023. The previous year's figures have been adjusted accordingly.

€ mn	**2023**	2022	Δ 2022-2023 %	Δ 2022-2023 absolute
Output volume	7,741.90	7,087.08	9	655
Revenue	7,344.06	6,788.98	8	555
Order backlog	7,074.25	7,969.32	-11	-895
EBIT	392.57	236.89	66	156
EBIT margin (% of revenue)	5.3	3.5		
Employees (FTE)	27,057	27,514	-2	-457

Output volume – South + East segment

€ mn	**2023**	2022	Δ 2022-2023 %	Δ 2022-2023 absolute
Austria	2,722	2,616	4	106
Poland	1,262	1,065	19	197
Czech Republic	981	1,073	-9	-92
Hungary	784	656	20	128
Romania	486	280	74	206

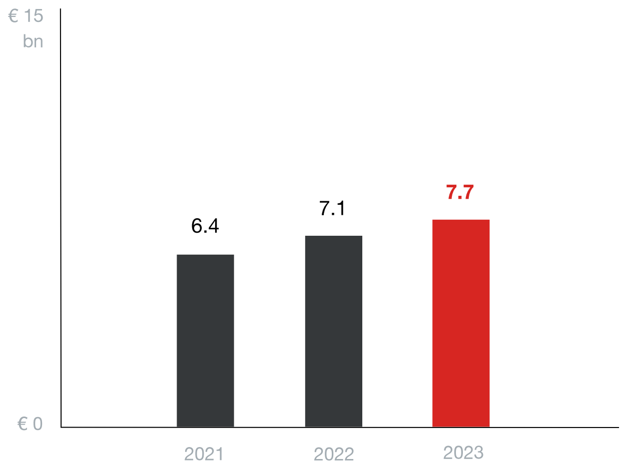
€ mn	**2023**	2022	Δ 2022-2023 %	Δ 2022-2023 absolute
Germany	423	354	19	69
Slovakia	398	341	17	57
Croatia	241	238	1	3
Serbia	137	145	-6	-8
Slovenia	117	79	48	38
Rest of Europe	93	154	-40	-61
Bulgaria	59	51	16	8
Africa	16	9	78	7
Italy	9	11	-18	-2
United Kingdom	7	7	0	0
Middle East	6	1	> 100	5
Switzerland	3	3	0	0
Asia	-2	4	n.a.	-6
Total	**7,742**	**7,087**	**9**	**655**

Output, revenue and EBIT

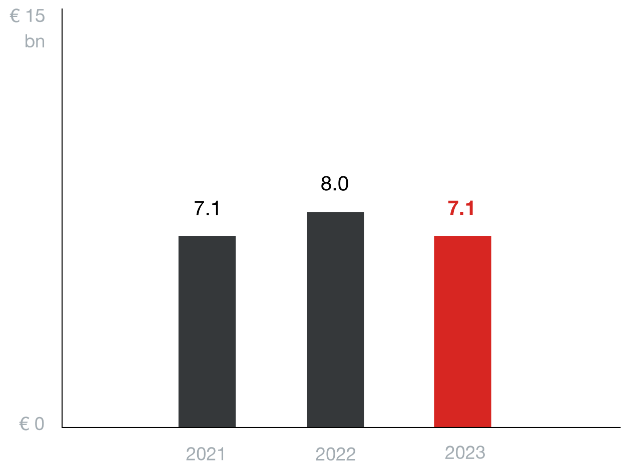
Strong output growth in Romania and Poland

The **output volume** in the South + East segment grew significantly by 9% to € 7,741.90 million in the 2023 financial year. The largest output growth in absolute terms was generated in Romania, followed by Poland and Hungary. With the exception of the Czech Republic, output also increased in the home market of Austria and in the remaining countries of Central and Eastern European. **Revenue** increased in line with output, growing by 8% to € 7,344.06 million. Earnings improvements in the markets of Eastern and South-East Europe led to a significant 66% increase in the EBIT to € 392.57 million. At 5.3%, the **EBIT** margin for the South + East segment was above the Group average in 2023.

Output volume



Order backlog



Order backlog

Sharp decline in residential construction in Austria

The **order backlog** fell by 11% year-on-year to € 7,074.25 million. As a result of the current interest rate level and the stricter lending guidelines for mortgage loans compared to the rest of Europe, the order backlog remained below the above-average level of the previous year, particularly in Austria. In Hungary, the order backlog declined due to the government investment freeze and the withholding of EU funds. In contrast, growth was generated in Poland. Notable new orders here include the construction of a production and logistics building for Cognor S. A. and the construction of the country's third-longest bridge over the river San near the town of Stalowa Wola.

Employees

The **number of employees** fell by 2% to 27,057 FTEs in 2023. Declining figures were recorded in Croatia, Hungary and Bulgaria, among others. In line with the higher output, staff numbers grew in Romania.

Outlook

Stable output at a high level

The outlook in the South + East segment is expected to remain stable at a high level in 2024.

In **Austria**, the significant decline in demand for residential construction persists due to the interest rate situation and tighter lending standards. Now that the European Central Bank's cycle of interest rate hikes has presumably come to an end, market participants are beginning to adjust to the new framework. The stimulus measures announced by the Austrian government should also have a positive effect. In other building construction, demand for commercial and industrial construction and for public building construction is having a positive impact. Transportation infrastructures and infrastructure construction are generally stable, although high inflation is restricting the public sector's budgetary leeway. The expected reduction in energy, material and subcontractor costs could have a positive effect on earnings.

In **Poland**, tenders for transportation infrastructure projects recently fell off due to the change of government and the upcoming local elections. EU structural funding means that new investments are expected, particularly in railway construction and relating to the energy transition. Residential construction is also developing more favourably again. In other building construction, a positive trend is emerging with industrial projects.

The situation in **Hungary** remains challenging. The significant decline in the construction volume is due in particular to the withholding of EU funds. On the positive side, however, there are increasing orders from the automotive industry and from automotive suppliers manufacturing in the country.

The **Czech transportation infrastructures** sector remains dominated by predatory pricing for large-scale projects. The high demand for special infrastructure in tunnelling, ground engineering and hydraulic engineering is being met through internal collaboration within the Group. In railway construction, a new large-scale project was acquired at the beginning of the year with the modernisation of the Masaryk railway station in Prague. Private investors remain inhibited in building construction by the high interest rates. Industrial and office construction recorded a sharp decline, and the residential construction market is also at a lower level than in the same period of the previous year.

In **Slovakia**, the number of projects put out to tender in transportation infrastructures is expected to increase again after the parliamentary elections in 2023. In building construction, private investors are being adversely affected by the interest rate situation. In contrast, positive trends are emerging in public building construction.

The development of demand in the markets of **South-East Europe** is mixed. In Croatia and Slovenia, the focus is on transportation infrastructures and the construction of industrial facilities. In Romania, contract awards may be delayed in general due to upcoming local elections. Romania's public building construction sector is showing positive trends, despite the increasing competition from outside of Europe.

The **building materials and environmental technology** activities that are bundled in the South + East segment are showing a satisfactory trend overall. These activities are of key importance for the action areas of circularity and expertise in the energy sector in our Strategy 2030.

Selected projects – South + East segment

Country	Project	Order backlog in € mn	As % of total Group order backlog
Czech Republic	D1 Řikovice–Přerov	157	0.7
Austria	Medical rehabilitation centre, Vienna	138	0.6
Czech Republic	Modernisation of Masaryk Railway Station, Prague	137	0.6
Romania	Mihail Kogălniceanu Airport	136	0.6
Poland	A2 Siedlce Zachód–Malinowiec	126	0.5
Czech Republic	Pankrác–Olbrachtova underground line	120	0.5

Segment International + Special Divisions

The International + Special Divisions segment comprises the majority of STRABAG SE's non-European business in addition to its global tunnelling activities. The segment also encompasses infrastructure development, real estate development, and property and facility services, irrespective of where these are performed.

The construction materials business, previously reported as part of the International + Special Divisions segment, was integrated into the South + East segment with retroactive effect from 1 January 2023. The previous year's figures have been adjusted accordingly.

€ mn	**2023**	2022	Δ 2022-2023 %	Δ 2022-2023 absolute
Output volume	2,957.27	2,644.81	12	312
Revenue	2,984.48	3,061.97	-3	-77
Order backlog	5,159.42	5,412.72	-5	-253
EBIT	-132.10	44.81	n.a.	-177
EBIT margin (% of revenue)	-4.4	1.5		
Employees (FTE)	20,360	17,526	16	2,834

Output volume – International + Special Divisions segment

€ mn	**2023**	2022	Δ 2022-2023 %	Δ 2022-2023 absolute
Germany	953	754	26	199
United Kingdom	635	523	21	112
Americas	562	556	1	6
Austria	262	244	7	18
Middle East	211	250	-16	-39
Asia	152	132	15	20

€ mn	2023	2022	Δ 2022-2023 %	Δ 2022-2023 absolute
Italy	53	10	>100	43
Poland	51	46	11	5
Benelux	17	33	-48	-16
Africa	15	38	-61	-23
Slovakia	11	9	22	2
Rest of Europe	11	-6	n.a.	17
Sweden	10	29	-66	-19
Czech Republic	6	7	-14	-1
Romania	4	7	-43	-3
Switzerland	3	2	50	1
Slovenia	1	2	-50	-1
Denmark	0	5	-100	-5
Hungary	0	2	-100	-2
Bulgaria	0	2	-100	-2
Total	**2,957**	**2,645**	**12**	**312**

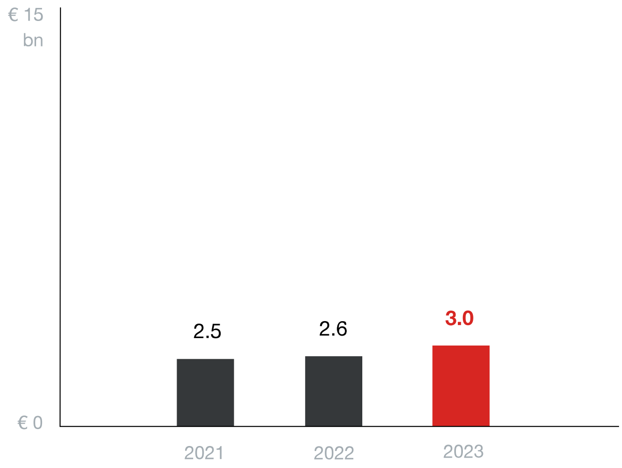
Output, revenue and EBIT

Significant output growth

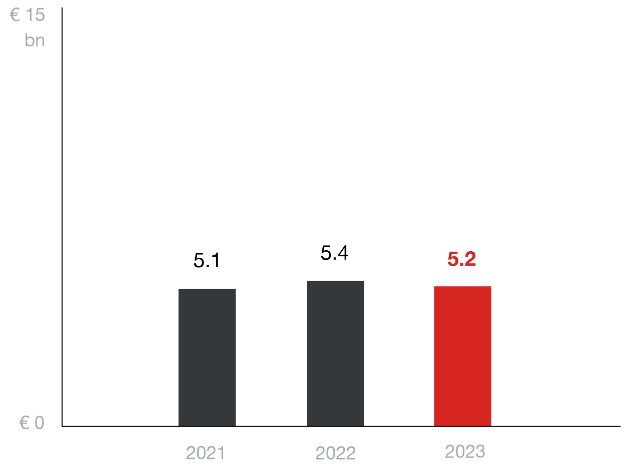
The International + Special Divisions segment generated a 12% higher **output volume** of € 2,957.27 million in 2023. The strongest output growth was registered in Germany, primarily due to an acquisition in the Property & Facility Services division. The completion of several large-scale projects in the United Kingdom as well as road construction and road maintenance projects in Italy also contributed to the significant increase in this figure.

In contrast to output, **revenue** fell by 3% to € 2,984.48 million, reflecting the change in the revenue-to-output ratio from 116% to 101%. The segment is subject to regular fluctuations due to the presence of large-scale and mega-sized projects. Higher earnings contributions were achieved in property and facility services and in infrastructure development, among others. The real estate development business also performed robustly despite the challenging environment, making a positive contribution to earnings. These developments were more than offset by provisions for two major international projects, however, resulting in a negative **EBIT** of € -132.10 million (2022: € 44.81 million).

Output volume



Order backlog



Order backlog

Order backlog down due to ongoing fulfilment of megaprojects

The **order backlog** as at 31 December 2023 was down 5% year-on-year to € 5,159.42 million. Notable declines were recorded in the Americas and in the United Kingdom, where several megaprojects in tunnelling, including Line 2 of the Toronto subway or the HS2 high-speed rail line between London and Birmingham, are in the process of being fulfilled. In contrast, strong order growth was registered in Germany, and tunnelling and road construction orders were successfully acquired in Italy and the Middle East.

Employees

Given the relative size of the individual projects within the International + Special Divisions segment, the **number of employees** in the various countries varies greatly. Overall, the headcount increased by 16% to 20,360 FTEs. In line with the output trend, staff numbers were up year-on-year, particularly in Germany and the Americas, but also in Asia.

Outlook

Noticeable increase in output expected

For 2024 as a whole, the International + Special Divisions segment is expected to achieve a noticeably higher output volume than in the previous year, supported especially by the order situation in tunnelling.

Due to the size of the projects, the **tunnelling business** is subject to constant volatility. The low market volume in tunnelling and increased price competition in Austria were more than compensated for by large infrastructure projects in Germany. Despite the gradual fulfilment of large-scale projects in the United Kingdom, Chile and Canada, the order backlog was maintained at a high level following a number of successful acquisitions.

The **international business**, with its focus on established markets in the Middle East, is developing at an above-average rate. Internationally, STRABAG is a successful provider of specialised construction services, for example in test track construction and asphalt hydraulic engineering. New orders for intelligent transport systems in India are having a positive impact on output. In Chile, opportunities in the renewable energy sector continue to present themselves following the successful realisation of several projects in this field.

Stable development, combined with opportunities for organic growth, is expected in the **property and facility services** business in 2024. Following the successful integration of facility management service provider Bockholdt GmbH & Co. KG in Germany, the focus will be on services for the decarbonisation of properties. At the same time, the expansion of MEP and energy management services is to be further accelerated, organically as well as through acquisitions.

In **infrastructure development**, the situation remains challenging for large-scale projects in the European core markets, although a few tenders are expected in road construction. In South America, an increase in new tenders is expected in the infrastructure sector. In line with the Group Strategy 2030, STRABAG is focussing increasingly on the development of renewable energy projects in its core markets.

Real estate development is being adversely affected in particular by the interest rate turnaround and the bleak economic environment. At the same time, there are signs of a supply gap, particularly for sustainable properties. With expectations of interest rate cuts, the environment for property developers should gradually stabilise starting in the second half of the year. STRABAG Real Estate's prudent acquisition policy and conservative project valuation have so far proved robust, however. The strong development and implementation competence with regard to sophisticated sustainability and new work concepts could give STRABAG a competitive edge in the future.

Selected projects – International + Special Divisions segment

Country	Project	Order backlog in € mn	As % of total Group order backlog
United Kingdom	HS2 high-speed rail line	1,176	5.0
United Kingdom	Woodsmith Project	588	2.5
Canada	Scarborough Subway Extension Line 2	268	1.1
Germany	U5 East, Hamburg	174	0.7
United Arab Emirates	twofour54 Studios	151	0.6

Segment Other

Service companies and central staff divisions

This segment encompasses the Group's internal central divisions and central staff divisions.

€ mn	**2023**	2022	Δ 2022-2023 %	Δ 2022-2023 absolute
Output volume	223.31	138.12	62	85
Revenue	57.81	17.64	>100	40
Order backlog	25.33	19.42	30	6
EBIT	3.30	1.00	>100	2
EBIT margin (% of revenue)	5.7	5.7		
Employees (FTE)	7,583	7,017	8	566

Risk management

The STRABAG Group encounters many different risks and opportunities in the course of its business activities. These risks are systematically identified and assessed using a proactive risk management system and managed in a consistent and goal-oriented manner through an appropriate risk management policy. This risk management policy is an integral part of the management system and describes a set of fixed principles and responsibilities for risk management and how to deal with the material risk categories.

Risk management as a core management task

Risk management is a **core task of the management**. Risk identification and risk assessment are the responsibility of the respective management level. Our risk management process involves our integrated management system, supporting central divisions and central staff divisions with technical, legal and administrative service and consulting activities and the internal audit department as a neutral and independent auditing entity.

Responsibility for implementation of the **project risk management systems** in the divisions has been assigned to the commercial division managers. The central division Project Risk Management System/System Development/International BRVZ Coordination handles the continuous improvement and development of the risk management system for the procurement and execution of construction projects.

All STRABAG leadership employees, within the scope of their duties and responsibilities, and in accordance with the Rules of Procedure and relevant **company regulations**, are obliged to

- work with the employees to set risk identification measures,
- monitor the risks,
- introduce countermeasures, and
- pass on relevant information about risks to other units or levels within the company. This requirement especially applies to all employees of the STRABAG Group.

The STRABAG SE Management Board prohibits engaging in business transactions whose realisation could endanger the company’s existence.

Risk categories

The Group’s internal risk reporting defines the following central risk categories:

Risk management using defined risk groups

- External risks
- Operating and technical risks
- Financial risks
- Ethical risks
- Human resource risks
- IT risks
- Investment risks
- Legal risks
- Political risks

Additional risks exist with regard to work safety, environmental protection, quality, business continuity and supply chain.

Following ISO 31000 and the Committee of Sponsoring Organisations of the Treadway Commission (COSO), our risk management system forms part of our integrated management system. We deal with the risks identified by us as follows:

External risks

External risks countered through diversification

The entire construction industry is subject to **cyclical fluctuations** and reacts to varying degrees depending on region and sector. Overall economic growth, development of the construction markets, the competitive situation, the conditions on the capital markets and technological changes in construction can all result in risks. These risks are continually observed and monitored by the central departments and operating units. Changes in external risks lead to adjustments in STRABAG's organisation, its market presence and its range of services and to the adaptation of its strategic and operational planning. STRABAG further counters market risk through geographic and product- related diversification in order to minimise the influence of an individual market or the demand for certain services on the success of the company.

Operating and technical risks

Operating and technical risks reduced through binding minimum standards

These risks primarily include the complex risks associated with project selection and execution along with the technical risks that need to be assessed for each project, such as subsoil, geology, construction methods, technology, building materials, equipment, design, work planning, etc. An integral part of the project risk management system are minimum standards with corporate-wide validity for the procurement and execution of construction projects (common project standards). These comprise clearly defined criteria for the evaluation of new projects, a standardised process for the preparation and submission of bids, and integrated internal control systems serving as a filter to avoid loss-making projects. Business transactions requiring approval are reviewed and approved in accordance with the internal rules of procedure.

Depending on the risk profile, bids must be analysed by **internal commissions** and reviewed for their technical and economic feasibility. The construction and project teams can contact the experts at the central divisions BMTI, TPA, ZT and SID for assistance in assessing the technical risks and working out innovative solutions to technical problems. Project execution, monitored by **monthly target/performance comparisons**, is managed by the construction or project team on-site using documented procedures. At the same time, our central controlling department provides constant back-office support for the project, ensuring that risks of individual projects do not jeopardise the continued existence of the company.

Financial risks

Active liquidity and receivables management

Under financial risks, STRABAG understands risks in financial matters and in accounting, including instances of manipulation. Special attention is paid to the **liquidity and receivables management**, which is secured through continuous financial planning and daily status reports. Compliance with internal commercial guidelines is ensured by the central accounting and controlling departments, which are also responsible for internal reporting and the periodic planning process. Risks from possible instances of manipulation (acceptance of advantages, fraud, deception or other infringements of the law) are monitored by the central divisions in general and the **internal audit department** in particular.

STRABAG is subject to interest, currency, credit and liquidity risks with regard to its assets, liabilities and planned transactions. The goal of financial risk management is to minimise these risks through ongoing financial activities. The basic principles of the financial policy are determined by the Management Board and monitored by the Supervisory Board. The implementation of the financial policy and responsibility for the ongoing risk management are the domain of the Group's treasury department. Detailed information can be found in the Notes under item 35 Financial Instruments.

Ethical risks

Ethical risks countered with an ethics and business compliance system

Given the risk of corruption and anti-competitive behaviour in the construction industry, STRABAG has implemented a set of tools that have proven effective in combating these problems. The rules for proper business behaviour are conveyed by the **STRABAG Ethics Business Compliance System**. These have corporate-wide validity. The STRABAG business compliance model is based on the Business Compliance Management System (BCMS) along with supplementary management directives, the Code of Conduct and the personnel structure defined for enforcement, consisting of the Chief Compliance Officer, the Corporate Business Compliance Officers and the Regional Business Compliance Officers as well as the internal ombudspersons and the STRABAG online whistleblower platform. Details on the ethical risks are available in the sustainability report pursuant to Sec 267a of the Austrian Commercial Code (UGB).

Human resource risks

Countermeasures with central human resource management and needs-oriented human resource development

Material human resource risks, such as recruiting bottlenecks, skilled labour shortages, fluctuation and labour law risks, are countered with a **central human resource administration** and **long-term, needs-oriented human resource development**. Human resource risks are to be reduced to a large extent through targeted recruiting of qualified specialists and leaders, extensive training activities, performance-based remuneration under compliance with labour law, and early succession planning. Additionally, systematic potential management is in place to ensure the development and career planning of company employees. Complementary initiatives to promote employee health, improve employment conditions and raise employee satisfaction further contribute to the company's appeal and prestige. Details on the human resource risks are available in the sustainability report pursuant to Sec 267a UGB.

IT risks

IT usage guidelines and continuous review of security concepts to counter cybercrime

With the increasing threat of IT risks, different measures are being implemented in the form of multistep security and anti-virus concepts, user access rights, password-controlled access, expedient data backups and independent power supply. The Group is also working together with professional **specialty service providers** to ensure an efficient defence against cybercrime and is constantly reviewing its security concepts. By issuing IT usage guidelines and repeatedly informing on the necessity of risk awareness when working with information and communication technologies, we aim to ensure the security, availability, performance and compliance of the IT systems. Project ideas to improve and develop IT-related processes and control systems are evaluated and prepared through cooperation between the central divisions SID and BRVZ Information Technology.

Investment risks

Strategic minority holdings

The shares in mixing companies typically involve **sector-typical minority interests**. With these companies, economies of scope are at the fore.

As part of the Group Strategy 2030, STRABAG intends to build more in the energy sector, among other things. The focus is on renewable energy and heat generation and storage. Against this backdrop, STRABAG has held a minority stake in the battery storage manufacturer CMBlu Energy since 2023.

Legal risks

Legal risks avoided through extensive risk analysis

The central division CML Construction Services supports the risk management of the operating entities in matters of construction management and construction operation in all project phases **(Contract Management)** and provides, organises and coordinates legal advice **(Legal Services)** in this regard. Its most important tasks include comprehensive reviews and consultation in project acquisition – e.g., analysis and clarification of tender conditions, performance specifications, pre-contract agreements, tender documents, draft contracts and framework conditions – as well as support in project management.

Political risks

Interruptions and expropriations conceivable

The Group also operates in countries experiencing political instability. Interruptions of construction activity, restrictions on ownership by foreign investors, and even expropriations are among the possible consequences of political changes which could have an impact on the Group's financial structure. These risks are analysed during the tendering phase and assessed by **internal commissions**.

Occupational safety

Management system for occupational safety and health protection

In order to control the risks related to employee safety and health, STRABAG has implemented a work safety and health management system in accordance with **ISO 45001** and/or **SCC**. Moreover, the company works to maintain this system and ensures a suitable emergency organisation. Specially appointed officers and representatives ensure that the corporate-wide work safety standards are followed. In 2020 and 2021, the country-specific safety and hygiene regulations in connection with Covid-19 had to be implemented in particular. The infection figures could be kept at a very low level in most of the Group countries due to the strict implementation. The aspects of work safety and health also form part of the evaluation of subcontractors and suppliers. Details on the risks related to employee safety and health are available in the sustainability report pursuant to Sec 267a UGB.

Environmental protection

Certified environmental and energy management system desired

STRABAG undertakes to avoid negative environmental impacts as far as possible within its own sphere of influence - insofar as this is technically feasible and economically justifiable. It also does its part to reduce negative impacts along the supply chain. STRABAG operates an effective environmental and energy management system based on **ISO 14001** or **EMAS, ISO 50001** or equivalent and seeks – wherever possible – to minimise the use of natural resources, avoid waste and promote recycling. Details on the environmental risks are available in the sustainability report pursuant to Sec 267a UGB. Risks from the effects of climate change are presented in the Notes.

Quality

Quality management as a component of the integrated management system

In accordance with its vision and values, it is the Group's aim to **realise construction projects on schedule, of the best quality and at the best price**. This quality of the company's processes, services and products must therefore be ensured at all times. To achieve this goal, quality management forms an integral component of an integrated management system. This system is documented in the Management Manual, in Group directives and in subordinated provisions.

Business continuity

Rigorous inclusion of central divisions

The failure of equipment and production facilities, subcontractors and suppliers, human resources, the IT system or office buildings and accommodation must not be allowed to jeopardise the continued existence of the company. For this reason, precautions are taken under a business continuity management system to ensure that incidents or **disasters only temporarily interrupt business activity** – if at all. This includes the consistent involvement of the Group's own specialised central divisions, which can, for example, procure equipment, accommodation, IT systems or staff on short notice, build up long-term strategic partnerships with selected subcontractors and suppliers, and arrange for the audit of emergency scenarios in IT.

Supply chain

Evaluation of partner companies to reduce risks in the supply chain

In the interest of quality and efficiency, STRABAG not only taps its own skills and resources to work off its orders, but also relies on the support of proven subcontractors and suppliers. The company focuses on long-term partnerships, a clear, transparent and complete description of the services and products to be procured, and an agreement on acceptance criteria for the products and services. STRABAG also systematically **evaluates subcontractors, service providers and suppliers** as part of its **decision-making** foundation for **future orders**.

A review of the current risk situation reveals that there were no risks which jeopardised the company's existence, nor were there any visible future risks.

Report on key features of the internal control and risk management system in relation to the financial reporting process

Introduction

The control structure as defined by COSO (Committee of Sponsoring Organisations of the Treadway Commission) provides the basis for describing the key features of the internal control and risk management systems with regard to the financial reporting process in the management report. The COSO framework consists of five interrelated components: control environment, risk assessment, information and communication, control activities and monitoring activities. On this basis, the STRABAG Group has set up a corporate-wide risk management system in accordance with generally accepted principles. The aim of the internal control system is to support the management in such a way that it is able to ensure internal controls with regard to financial reporting which are effective and which are improved on an ongoing basis. The system is geared to the compliance with rules and regulations and to creating conditions which are conducive to performing specific controls in key accounting processes.

Control environment

Internal audit report

Find out more

The corporate culture determines the control environment in which management and employees operate. STRABAG is constantly working to improve its communication and to convey its corporate values as defined in its Code of Conduct and its Business Compliance Management System (BCMS) in order to ensure moral standards, ethics and integrity within the company and in its dealings with others. The implementation of the internal control system with regard to the financial reporting process is based on internal rules and regulations. Responsibilities for internal control have been adapted to fit the corporate organisation. The internal audit department carries out periodic reviews – announced as well as unannounced – of all relevant business units as part of its responsibility for monitoring compliance with the law and corporate guidelines in the technical and commercial areas. The internal audit department also monitors the effectiveness of business compliance. During these reviews, the internal audit department analyses the legality and correctness of individual actions. The department also conducts regular, independent reviews of compliance with internal guidelines in the area of accounting. The head of the internal audit department reports directly to the CEO. The effectiveness of the work of the internal audit department is reviewed periodically by the financial auditor. The last review was carried out at the end of the 2023 financial year.

Risk assessment

The management identifies and monitors risks relating to the financial reporting process, with a focus on those risks that are typically considered to be material.

The preparation of the financial statements requires regular forecasts, with the inherent risk that the actual future development will deviate from the expectation. This especially affects the following matters/items of the Consolidated Financial Statements: assessment of unfinished construction projects, recognition and measurement of provisions (including social capital), the outcome of legal disputes, the collectability of receivables as well as the recoverability of investments and goodwill. In individual cases, external experts are called in or publicly available sources are considered in order to minimise the risk of a false assessment.

Control activities

All control activities are applied in the ongoing business process to ensure that errors or deviations in financial reporting are avoided or detected and subsequently corrected. The control activities range from a review of the period results to the specific monitoring of accounts and cost centres to the analysis of ongoing accounting processes. It is the responsibility of the Management Board to design the levels of hierarchy in such a way that an activity and the control of that activity are not performed by the same person **(four-eyes principle).** This separation of functions encompasses a separation between decision-making, implementation, review and reporting. The organisational units of the BRZV central division support the Management Board in this task.

Processes which are relevant to financial reporting are increasingly automated. IT security control activities therefore represent a cornerstone of the internal control system. The separation of sensitive activities, for example, is supported by a restrictive allocation of IT authorisations. For its accounting and financial reporting, the company mainly uses self-developed software which reflects the unique features of the construction sector. The effectiveness of the financial reporting system is further assured through automated IT controls included in the system.

Information and communication

The management regularly updates the rules and regulations for financial reporting and communicates them to all employees concerned. In addition, regular discussions regarding the financial reporting and the rules and regulations in this context take place in various committees. These committees are composed of the corporate **management** as well as the **department head** and **senior staff from the accounting department.** The committees' work aims, among other things, to ensure compliance with accounting rules and regulations and to identify and communicate weak points and potential areas for improvement in the financial reporting process. Furthermore, accounting employees receive regular training with regard to innovations in national and international financial reporting in order to identify risks of unintended misreporting at an early stage.

Monitoring

The Management and Supervisory Boards bear responsibility for the ongoing company-wide monitoring. Additionally, the remaining management levels are responsible for the monitoring of their respective areas of responsibility. Controls and plausibility checks are carried out at regular intervals. The internal audit department is also involved in the monitoring process. The top management receives monthly summarised financial reports on the development of the output volume and earnings of the respective segments and countries and of the liquidity. Financial statements to be published are reviewed internally by several instances within management, receiving a final appraisal by the senior accounting staff and the Chief Financial Officer before being passed on to the Audit Committee of the Supervisory Board.

Research and development

Technology leadership is a central component of STRABAG SE's Group Strategy 2030. Besides using new technologies, the Group initiates forward-looking projects, brings its in-house innovations to market maturity and pursues research partnerships, thereby consolidating its expertise across the entire Group. STRABAG spent a total of around € 17 million on research, development and innovation activities in the 2023 financial year (2022: approx. € 16 million).

Innovation and digitalisation concentrated in SID

Digitalisation and sustainability are the overriding themes these days in all segments of the construction industry. On the way to becoming a data-driven organisation, STRABAG is therefore focusing on cloud-based data storage, breaking down data silos and encouraging regular communication and exchange. The Group is committed to the ongoing advancement of the BIM 5D® digital working method, construction-specific applications for sensor technology, the Internet of Things (IoT) and artificial intelligence (AI). It is also helping to drive the advance of automation through robotic applications and semi-autonomous machines. At the same time, STRABAG is putting enormous effort into strategic innovation projects in the area of environmental sustainability. Central topics here are the circular economy and sustainable thinking with regard to energy, engineering and materials development.

Since 2020, **STRABAG Innovation & Digitalisation (SID)** – with 425 employees at over 15 locations – has taken the lead in initiating developments and providing expert support while maintaining a full overview of corporate-wide innovation activities and their measurable results. Numerous research and development projects are realised in close collaboration between the various operating divisions and the central divisions BMTI, TPA and Zentrale Technik. A large portion of the development work is triggered by the construction projects themselves. Certain issues also require medium-term collaboration with research institutions and partner companies.

Projects in Transportation Infrastructures

Top priorities in **transportation infrastructures** are the digitalisation and automation of construction processes as well as the development of sustainable production and paving methods. The quarry operated by STRABAG subsidiary Mineral Baustoff GmbH in Eigenrieden in Thuringia, for example, is currently being transformed into STRABAG's **first climate-neutral quarry** through digital planning, semi-autonomous machine technology and the use of renewable forms of energy.

In 2023, **EFKON** – a STRABAG subsidiary active in the field of traffic telematics systems – focused on the development of a new vehicle identification system for road monitoring vehicles. These vehicles are used to monitor the correct behaviour of road users in a toll system. The EFKON sensor platform uses laser sensors, image recording systems and communication technologies to correctly identify the relevant vehicle data and analyse hazardous materials signs on vehicles, among other things.

The Process Stability in Road Construction group at **TPA** succeeded in acquiring its first EU research project. The primary aim of the project, known as **InfraROB**, is to significantly increase road safety for both road users and construction site personnel. The project also aims at significantly reducing costs and minimising disruptions to traffic.

STRABAG AG and **TPA** launched an air-purifying and noise-reducing **multifunctional asphalt surface course called ClAir®** in 2023, showing how in-house developments can be successfully established on the market. During the reporting year, a total of 11,000 m² of ClAir® asphalt was installed, while a further project with an area of 12,000 m² is already planned for 2024 in Wuppertal.

The **EMili** project is also focused on road solutions as a driver of innovation. **Inductive charging** coils are being installed in asphalt and concrete roads on a trial basis to test how to charge electric vehicles while driving. The trial will generate new insights into the reliable integration of this technology while laying the foundations for potential future business areas.

Projects in Building Construction & Civil Engineering

In the **building construction and civil engineering segment**, rapid progress is being made in the development of **generative design**. By combining human expertise with artificial intelligence, this model-based design method offers building planners various possibilities for designing sustainable buildings across all specialist disciplines.

Mischek Systembau GmbH completed its **Push Over** research project in 2023. The aim of the project was to investigate the behaviour of the coursing joint and bend-resistant corners in framed solid precast walls in the event of an earthquake. The research results are a significant contribution to improved earthquake safety as well as providing additional application options for solid precast walls with lower material consumption.

Projects in Artificial Intelligence (AI)

STRABAG also made further progress in the area of **AI** in 2023. The Group is using machine learning models in conjunction with language models to generate **data-driven risk assessments** for construction projects both at the time of tender submission and during the execution phase. The high accuracy of these models has been verified and reviewed for plausibility by means of human expertise.

The **Off-Highway Twins** project uses **AI** to derive models of infrastructure objects and their surroundings in real time by merging geodata with machine-derived sensor and telemetry data.

Building Information Modelling in Broadband Expansion

In the expansion of broadband networks, STRABAG is using Building Information Modelling to develop concepts for the digital support of authorisation procedures, approval processes and coordination proceedings.

Website Corporate Governance Report

Consolidated Corporate Governance Report

Find out more

The Consolidated Corporate Governance Report is available on the STRABAG SE website.

Disclosures under Section 243a Para 1 UGB

One Share – One Vote

1. The share capital of STRABAG SE as at 31 December 2023 amounted to € 102,600,000 and consisted of 102,600,000 fully paid-in, no-par value shares with a pro rata value of € 1 per share of the share capital. 102,599,997 shares were bearer shares and were traded in the Prime Market segment of the Vienna Stock Exchange. Three shares were and are registered shares. Each bearer share and each registered share accounts for one vote (one share – one vote). The nomination rights associated with registered shares No. 1 and No. 2 are described in more detail under item 9.

2. The following resolutions on capital measures were passed at the company's Annual General Meeting on 16 June 2023:

   a. resolution concerning the increase of the share capital of the company from company funds through conversion of a portion of the committed reserves in the amount of € 1,900,000,000.00 shown in the annual financial statements as at 31 December 2022 into share capital without the issue of new shares (capital adjustment pursuant to Section 1 et seq. of the Austrian Capital Adjustment Act (Kapitalberichtigungsgesetz, or “KapBG”);
   b. resolution concerning the ordinary reduction of the share capital of the company by € 996,620,004.30 pursuant to Section 175 et seq. of the Austrian Stock Corporation Act (Aktiengesetz, or “AktG”) for the purpose of allocation to non-committed reserves with reduction of the pro rata amount of the share capital attributable to each no-par value share (without consolidation of shares);
   c. resolution concerning the reduction of the share capital of the company by € 903,379,995.70 in accordance with the provisions on ordinary capital reductions pursuant to Section 175 et seq. AktG for the purpose of repayment of part of the share capital with reduction of the pro rata amount of the share capital attributable to each no-par value share (without consolidation of shares);
   d. resolution concerning the ordinary increase of the share capital of the company pursuant to Section 150 et seq. AktG by up to € 24,995,248.00 through the issue of up to 24,995,248 new no-par value bearer shares with contributions in kind to be raised by way of shareholder waiver of distribution claims from the capital reduction (item c).

   The aforementioned resolutions were subject to certain conditions. To begin with, the resolutions on items a), b) and c) and the resolution on the ordinary non-cash capital increase under item d) were entered in the commercial register. The shareholders entitled to dividends were therefore granted the right to choose whether they wish to receive the dividend entitlement under item c) in cash or in the form of new shares as part of a subscription offer. Shareholders of 62,487,931 shares, corresponding to 60.90% of the share capital, opted for the distribution in the form of new shares.

   After the reporting period, the implementation of the ordinary non-cash capital increase was entered in the commercial register on 21 March 2024. As a consequence, 15,621,982 new shares were issued. The share capital of STRABAG SE has therefore been increased from € 102,600,000.00 by € 15,621,982.00 to € 118,221,982.00 and now consists of 118,221,982 fully paid-in, no-par value shares with a pro rata value of the share capital of € 1 per share. 118,221,979 shares are bearer shares and can be traded in the Prime Market segment of the Vienna Stock Exchange. Three shares are (still) registered shares. Each bearer share and each registered share is entitled to one vote.

3. Oleg Deripaska was added to the EU sanctions list on 8 April 2022 and is subject to Council Regulation (EU) No 269/2014 of 17 March 2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine (EU Sanctions Regulation). As a consequence, all funds and economic resources belonging to, owned, held or controlled by Oleg Deripaska or by natural or legal persons associated with him are to be frozen ("asset freeze"). This asset freeze must also be ensured with regard to the STRABAG SE shares held by MKAO "Rasperia Trading Limited", which is controlled by Oleg Deripaska (or at least was controlled by him at that time). MKAO "Rasperia Trading Limited" has therefore, since 8 April 2022, been excluded from exercising control (voting rights, right to information, right to participate, right to propose resolutions) and asset rights (e.g. dividend distribution) in connection with the shares of STRABAG SE until the sanctions cease to apply.

4. The syndicate agreement concluded in 2007 between Haselsteiner Group (Haselsteiner Familien-Privatstiftung, Dr. Hans Peter Haselsteiner, Klemens Peter Haselsteiner), the Raiffeisen Group (RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN reg. Gen.m.b.H., BLR-Baubeteiligungs GmbH), the UNIQA Group (UNIQA Insurance Group AG, UNIQA Beteiligungs-Holding GmbH, UNIQA Österreich Versicherungen AG, UNIQA Erwerb von Beteiligungen Gesellschaft m.b.H.) and MKAO "Rasperia Trading Limited" (controlled by Oleg Deripaska) was terminated with effect from 31 December 2022. Despite termination of the syndicate established in 2007, the right of first refusal of the Haselsteiner Group, the Raiffeisen Group, the UNIQA Group and MKAO "Rasperia Trading Limited" remain valid as long as each holds at least 8.5% of the share capital of STRABAG SE. Since – as explained – the EU Sanctions Regulation applies to MKAO "Rasperia Trading Limited", it is not entitled to sell the shares it holds in STRABAG SE or to acquire the shares of the other parties and therefore, in the long term and in accordance with the EU Sanctions Regulation, the right of first refusal with respect to MKAO "Rasperia Trading Limited" does not apply.

5. Haselsteiner Familien-Privatstiftung, Dr. Hans Peter Haselsteiner and Klemens Peter Haselsteiner, RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN registrierte Genossenschaft mit beschränkter Haftung and Group company, and UNIQA Insurance Group AG and Group companies on 18 August 2022 concluded a new syndicate agreement that requires them to exercise their voting rights from syndicated shares unanimously at the Annual General Meeting of STRABAG SE. This syndicate agreement governs rights of first refusal and recourse, a minimum shareholding obligation, and nomination rights regarding the Supervisory Board. According to the agreement, the Haselsteiner Group has the right to nominate two members of the Supervisory Board, while the Raiffeisen Group and UNIQA Group each have the right to nominate one member of the Supervisory Board. With the new syndicate agreement, the parties continue their controlling interest in STRABAG SE.

6. As at 31 December 2023, the company held 2,779,006 own shares (2.7% of the share capital), which it acquired as part of a share purchase agreement concluded with Haselsteiner Familien Privatstiftung, RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN reg. Gen.m.b.H. and UNIQA Österreich Versicherungen AG on the occasion of their mandatory takeover bid on the basis of the authorisation granted by the Annual General Meeting on 24 June 2022 pursuant to Section 65 Para 1 No 8 AktG (see item 12). The rights from these 2,779,006 no-par value shares are therefore now suspended in accordance with Section 65 Para 5 AktG.

7. To the knowledge of STRABAG SE, the following shareholders held a direct or indirect interest of at least 10.0% of the share capital of STRABAG SE on 31 December 2023:
   – Haselsteiner Group: 28.3%
   – Raiffeisen Group: 14.2%
   – UNIQA Group: 15.3%
   – MKAO "Rasperia Trading Limited": 27.8%

   Following implementation of the non-cash capital increase of STRABAG SE on 21 March 2024 as described in item 2, the following shareholders will, to the knowledge of STRABAG SE hold a direct or indirect interest of at least 10.0% of the share capital of STRABAG SE:
   – Haselsteiner Group: 30.7%
   – Raiffeisen Group: 15.4%

– UNIQA Group: 16.6%
– MKAO “Rasperia Trading Limited”: 24.1%

Following the reporting period, the company on 26 March 2024 received major holdings notifications pursuant to Sections 130ff of the Austrian Stock Exchange Act (BörseG) of 2018 stating that MKAO “Rasperia Trading Limited” had been transferred to Iliadis JSC. According to these notifications, MKAO “Rasperia Trading Limited”, with its 24.1% stake in STRABAG SE, is now controlled by Iliadis JSC, and Oleg Deripaska has relinquished his previous (indirect) control. As the company has no further information regarding this transaction, it is unable to carry out a final (sanctions) review. The company therefore continues to assume that the STRABAG shares held by MKAO “Rasperia Trading Limited” remain frozen in accordance with the EU Sanctions Regulation and that MKAO “Rasperia Trading Limited” cannot exercise the rights associated with these shares. As far as the company is aware, the acquisition of 28,500,000 STRABAG shares by Raiffeisenbank International AG as announced in the major holdings notification pursuant to Sections 130ff BörseG 2018 has not yet been completed.

8. As outlined in item 6, the company held 2,779,006 own shares as at 31 December 2023, corresponding to 2.7% of the share capital. The remaining shares in the share capital of STRABAG SE, totalling around 11.7%, were in free float as at 31 December 2023. Since implementation of the increase in the company’s share capital on 21 March 2024 as described in item 2, the 2,779,006 treasury shares correspond to around 2.4% of the share capital and the free float to around 10.9%.

9. Three shares of STRABAG SE are – as mentioned in item 1 – registered shares. Registered shares No. 1 and No. 2 allow their bearers to nominate a member each to the Supervisory Board of STRABAG SE; disposition of these registered shares, including their full or partial sale and pledging, requires the consent of the Supervisory Board. Registered share No. 1 is held by Klemens Peter Haselsteiner. As at 31 December 2023, registered share No. 2 is held by MKAO “Rasperia Trading Limited”. Since – as explained in items 3 and 7 – the EU Sanctions Regulation applies to MKAO “Rasperia Trading Limited”, its right from registered share No. 2 to nominate a member of the Supervisory Board is currently suspended.

10. No employee stock option programmes exist.

11. No further regulations exist beyond the aforementioned items regarding the nomination and recall of members of the Management and Supervisory Boards or regarding changes to the Articles of Association which are not a direct result of relevant law and legislation.

12. The Management Board of STRABAG SE was authorised by resolution of the 18th Annual General Meeting on 24 June 2022 (i) to acquire own shares, in accordance with Section 65 Para 1 No 8 as well as Para 1a and 1b of the Austrian Stock Corporation Act (AktG), on the stock exchange, by public tender or in any other manner to the extent of up to 10% of the share capital, excluding any proportionate selling rights that may accompany such an acquisition (reverse exclusion of subscription rights), (ii) to reduce the share capital by withdrawing own shares acquired without a further resolution by the General Meeting, and (iii) to sell or assign own shares, in accordance with Section 65b Para 1 AktG, in a manner other than on the stock market or through a public tender, even to the exclusion of the shareholders’ buyback rights (subscription rights).

13. With the exception of the agreements over a syndicated surety loan and a syndicated cash credit line, there exist no significant agreements to which STRABAG SE is party and which would become effective, change or end due to a change of control in STRABAG SE following a takeover offer.

14. No compensation agreements exist between STRABAG SE and its Management and Supervisory Board members or employees in the event of a public takeover offer.

Related parties

Business transactions with related parties are described in item 38 of the Notes.

Outlook

Based on the continuing high order backlog, which already extends into 2025, the Management Board expects the **output volume** to increase slightly from its already high level. Specifically, this figure is forecast to reach around € 19.4 billion in the 2024 financial year, with contributions coming especially from the two operating segments North + West and South + East.

Due to the economic challenges in the construction industry, the earnings for 2023 do not change anything about the target of generating an **EBIT margin** of at least 4% in the 2024 financial year.

Net investment (cash flow from investing activities) in 2024 is not expected to exceed € 750 million.

Events after the reporting period

The material events after the reporting period are described in item 41 of the Notes.

Villach, 4 April 2024

The Management Board

Klemens Haselsteiner, BBA, BF
CEO
Central Staff Divisions and Central Divisions BMTI, CML, SID, TPA and ZT, Winding up Russia

Mag. Christian Harder
CFO
Central Division BRVZ

Dipl.-Ing. (FH) Jörg Rösler
Member of the Management Board
Segment North + West

Dipl.-Ing. Siegfried Wanker
Member of the Management Board
Segment International + Special Divisions

Dipl.-Ing. (FH) Alfred Watzl
Member of the Management Board
Segment South + East

Consolidated financial statements as at 31 December 2023

2023

Contents of the Consolidated financial statements

Consolidated income statement

T€	Notes	2023	2022
Revenue	(1)	17,666,540	17,025,847
Changes in inventories		151,938	-4,851
Own work capitalised		9,747	15,865
Other operating income	(2)	302,314	236,760
Construction materials, consumables and services used	(3)	-11,275,080	-10,988,654
Employee benefits expense	(4)	-4,540,895	-4,133,734
Other operating expense	(5)	-1,086,601	-1,013,283
Share of profit or loss of equity-accounted investments	(6)	144,132	60,887
Net income from investments	(7)	46,218	58,369
EBITDA		**1,418,313**	**1,257,206**
Depreciation and amortisation expense	(8)	-538,116	-550,809
EBIT		**880,197**	**706,397**
Interest and similar income		119,194	50,742
Interest expense and similar charges		-75,068	-40,066
Net interest income	**(9)**	**44,126**	**10,676**
EBT		**924,323**	**717,073**
Income tax expense	(10)	-290,929	-236,944
Net income		**633,394**	**480,129**
attributable to: non-controlling interests		2,886	7,675
attributable to: equity holders of the parent (consolidated profit)		630,508	472,454
Basic earnings per share (€)	**(11)**	**6.30**	**4.60**

Statement of comprehensive income

T€	Notes	2023	2022
Net income		**633,394**	**480,129**
Differences arising from currency translation		5,760	1,095
Recycling of differences arising from currency translation		-2,115	673
Change in interest rate swaps		-1,604	66,508
Recycling of interest rate swaps		-14,158	5,297
Deferred tax relating to other comprehensive income	(10)	4,647	-19,468
Share of other comprehensive income of equity-accounted investments		-2,657	9,438
Total of items that will be subsequently reclassified to profit or loss (“recycled”)		**-10,127**	**63,543**
Change in actuarial gains/losses		17,269	34,661
Deferred tax relating to other comprehensive income	(10)	-3,401	-10,707
Share of other comprehensive income of equity-accounted investments		-82	164
Total of items that will not be subsequently reclassified to profit or loss (“recycled”)		**13,786**	**24,118**
Other comprehensive income		**3,659**	**87,661**
Total comprehensive income		**637,053**	**567,790**
attributable to: non-controlling interests		2,790	7,721
attributable to: equity holders of the parent		634,263	560,069

Consolidated balance sheet

T€	Notes	**31.12.2023**	31.12.2022
Goodwill	(13)	490,738	442,396
Rights from concession arrangements	(14)	452,850	473,155
Other intangible assets	(15)	33,227	24,847
Property, plant and equipment	(16)	2,884,391	2,743,463
Equity-accounted investments	(17)	541,026	411,172
Other investments	(18)	218,580	198,001
Receivables from concession arrangements	(21)	427,630	482,874
Other financial assets	(24)	319,152	405,653
Deferred tax	(19)	109,730	110,536
Non-current assets		**5,477,324**	**5,292,097**
Inventories	(20)	1,256,039	1,068,707
Receivables from concession arrangements	(21)	53,855	49,754
Contract assets	(22)	1,283,504	1,357,741
Trade receivables	(23)	1,693,301	1,680,994
Non-financial assets		166,481	193,916
Income tax receivables		64,306	85,632
Other financial assets	(24)	260,773	253,069
Cash and cash equivalents	(25)	3,450,622	2,701,849
Current assets		**8,228,881**	**7,391,662**
Assets		**13,706,205**	**12,683,759**
Share capital		102,600	102,600
Capital reserves		1,747,941	2,085,806
Retained earnings and other reserves		2,540,376	1,814,445
Non-controlling interests		18,443	22,392
Equity	**(26)**	**4,409,360**	**4,025,243**
Provisions	(27)	1,336,797	1,278,791
Financial liabilities[1]	(28)	626,208	656,332
Other financial liabilities	(30)	28,074	83,818
Deferred tax	(19)	236,666	174,821
Non-current liabilities		**2,227,745**	**2,193,762**
Provisions	(27)	1,156,902	1,129,106
Financial liabilities[2]	(28)	272,722	300,869
Contract liabilities	(22)	1,335,837	1,144,676
Trade payables	(29)	2,790,761	2,569,042
Non-financial liabilities		622,358	540,572
Income tax liabilities		102,719	58,192
Other financial liabilities	(30)	787,801	722,297
Current liabilities		**7,069,100**	**6,464,754**
Equity and liabilities		**13,706,205**	**12,683,759**

[1] Thereof non-recourse bank debt from concession arrangements in the amount of T€ 325,628 (2022: T€ 372,859)

[2] Thereof non-recourse bank debt from concession arrangements in the amount of T€ 184,040 (2022: T€ 235,115)

Consolidated cash flow statement

T€	Notes	2023	2022
Net income		633,394	480,129
Income tax expense		290,929	236,944
Net interest		-79,362	-14,460
Income from investments		-60,264	-63,979
Non-cash effective results from change in the consolidated group		-1,659	-2,265
Non-cash income/expense attributable to equity-accounted investments		-8,530	27,343
Other non-cash income/expense		24,197	-12,788
Depreciations/reversal of impairment losses		540,110	560,571
Change in non-current provisions		43,846	48,149
Gains/losses on disposal of non-current assets		-53,200	-51,179
Interest received		106,126	42,383
Interest paid		-21,099	-27,480
Dividends received		54,619	65,804
Taxes paid		-163,947	-227,587
Cash flow from earnings		**1,305,160**	**1,061,585**
Change in inventories		-185,807	-132,452
Change in receivables from concession arrangements, contract assets and trade receivables		141,133	-292,350
Change in non-financial assets		26,761	-50,548
Change in income tax receivables/liabilities		-2,050	-1,180
Change in other financial assets		47,212	4,662
Change in current provisions		29,700	64,156
Change in contract liabilities and trade payables		392,128	173,358
Change in non-financial liabilities		81,185	3,668
Change in other financial liabilities		-18,914	-18,042
Cash flow from operating activities[1]	**(34)**	**1,816,508**	**812,857**
Purchase of financial assets		-138,201	-26,726
Purchase of property, plant, equipment and intangible assets		-540,971	-630,523
Proceeds from asset disposals		86,235	81,681
Payments from other financing receivables		-500	-2,333
Proceeds from other financing receivables		47,505	18,063
Cash outflow from changes in the consolidated group[2]		-109,148	-1,300
Cash inflow from changes in the consolidated group[2]		210	715
Cash flow from investing activities		**-654,870**	**-560,423**
Proceeds from bank borrowings		12,631	34,458
Repayment of bank borrowings		-96,630	-97,046
Repayment of bonds		0	-200,000
Payments from lease liabilities		-63,052	-62,522
Proceeds from other financing liabilities		0	415
Repayment of other financing liabilities		-13,504	-5,440
Change in the consolidated group/due to acquisition of non-controlling interests		0	-151
Acquisition of own shares		-108,214	0
Distribution of dividends		-161,812	-173,369
Cash flow from financing activities	**(34)**	**-430,581**	**-503,655**
Net change in cash and cash equivalents		**731,057**	**-251,221**
Cash and cash equivalents at the beginning of the period		2,701,699	2,963,101
Effect of exchange rate changes on cash and cash equivalents		17,716	-10,181
Cash and cash equivalents at the end of the period	**(34)**	**3,450,472**	**2,701,699**

1 Disclosure of interest, dividend and income tax payments was integrated into the consolidated cash flow statement during the financial year; the previous year's presentation was adjusted accordingly.

2 See notes on the scope of consolidation.

Statement of changes in equity

T€	Share capital	Capital reserves	Retained earnings	IAS 19 reserves	Hedging reserves	Foreign currency translation reserves	**Group equity**	Non-controlling interests	**Total equity**
Balance as at 1.1.2023	**102,600**	**2,085,806**	**1,935,488**	**-79,326**	**18,260**	**-59,977**	**4,002,851**	**22,392**	**4,025,243**
Net income	**–**	**–**	**630,508**	**–**	**–**	**–**	**630,508**	**2,886**	**633,394**
Differences arising from currency translation	–	–	–	–	–	3,706	3,706	-61	3,645
Change in equity-accounted investments	–	–	–	-82	-7,260	4,603	-2,739	–	-2,739
Change in actuarial gains and losses	–	–	–	17,314	–	–	17,314	-45	17,269
Change in interest rate swap	–	–	–	–	-15,762	–	-15,762	–	-15,762
Deferred tax relating to other comprehensive income	–	–	–	-3,411	4,647	–	1,236	10	1,246
Other comprehensive income	**–**	**–**	**–**	**13,821**	**-18,375**	**8,309**	**3,755**	**-96**	**3,659**
Total comprehensive income	**–**	**–**	**630,508**	**13,821**	**-18,375**	**8,309**	**634,263**	**2,790**	**637,053**
Transfers due to changes in the consolidated group	–	–	177	-177	–	–	0	–	0
Reverse entry of the purchase obligation for own shares[1]	–	–	291,310	–	–	–	291,310	–	291,310
Distribution of dividends[2]	–	–	-199,642	–	–	–	-199,642	-3,495	-203,137
Capital adjustment[1]	1,900,000	-1,900,000	–	–	–	–	0	–	0
Capital reduction[1]	-1,900,000	996,620	–	–	–	–	-903,380	–	-903,380
Capital increase[1]	–	565,515	–	–	–	–	565,515	–	565,515
Transactions concerning non-controlling interests due to changes in the consolidated group	–	–	–	–	–	–	–	-3,244	-3,244
Balance as at 31.12.2023	**102,600**	**1,747,941**	**2,657,841**	**-65,682**	**-115**	**-51,668**	**4,390,917**	**18,443**	**4,409,360**

1 See also the comments under item (26) Equity.

2 The total dividend payment of T€ 199,642 corresponds to a dividend per share of € 2.00 based on 99,820,994 shares.

T€	Share capital	Capital reserves	Retained earnings	IAS 19 reserves	Hedging reserves	Foreign currency translation reserves	Group equity	Non-controlling interests	Total equity
Balance as at 1.1.2022	**102,600**	**2,085,806**	**2,067,758**	**-103,399**	**-47,209**	**-58,050**	**4,047,506**	**24,316**	**4,071,822**
Net income	**–**	**–**	**472,454**	**–**	**–**	**–**	**472,454**	**7,675**	**480,129**
Differences arising from currency translation	–	–	–	–	–	1,767	1,767	1	1,768
Change in equity-accounted investments	–	–	–	164	13,132	-3,694	9,602	–	9,602
Change in actuarial gains and losses	–	–	–	34,600	–	–	34,600	61	34,661
Change in interest rate swap	–	–	–	–	71,805	–	71,805	–	71,805
Deferred tax relating to other comprehensive income	–	–	–	-10,691	-19,468	–	-30,159	-16	-30,175
Other comprehensive income	**–**	**–**	**–**	**24,073**	**65,469**	**-1,927**	**87,615**	**46**	**87,661**
Total comprehensive income	**–**	**–**	**472,454**	**24,073**	**65,469**	**-1,927**	**560,069**	**7,721**	**567,790**
Transactions concerning non-controlling interests due to changes in the consolidated group	–	–	–	–	–	–	0	-151	-151
Buyback obligation for own shares[1]	–	–	-399,524	–	–	–	-399,524	–	-399,524
Distribution of dividends[2]	–	–	-205,200	–	–	–	-205,200	-9,494	-214,694
Balance as at 31.12.2022	**102,600**	**2,085,806**	**1,935,488**	**-79,326**	**18,260**	**-59,977**	**4,002,851**	**22,392**	**4,025,243**

[1] See also the comments under item (26) Equity.

[2] The total dividend payment of T€ 205,200 corresponds to a dividend per share of € 2.00 based on 102,600,000 shares.

Notes to the consolidated financial statements

2023

Basic principles

The STRABAG SE Group is a leading European technology group for construction services. STRABAG SE has its headquarters in Triglavstraße 9, 9500 Villach, Austria. STRABAG SE is the ultimate parent company of the group. From its core markets of Austria and Germany, STRABAG is present via its numerous subsidiaries in all countries of Eastern and South-East Europe, in selected markets in North and Western Europe and the Arabian Peninsula, as well as in the project business in Africa, Asia and the Americas. STRABAG's activities span the entire construction industry (Building Construction & Civil Engineering, Transportation Infrastructures, Tunnelling, construction-related services) and cover the entire value-added chain in the field of construction.

The consolidated financial statements of STRABAG SE, at the reporting date 31 December 2023, were drawn up under application of Section 245a Paragraph 2 of the Austrian Commercial Code (UGB) in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), including the interpretations of the International Financial Reporting Interpretations Committee (IFRIC).

Applied were exclusively those standards and interpretations adopted by the European Commission before the reporting deadline and published in the Official Journal of the European Union. Further reporting requirements of Section 245a Paragraph 1 of the Austrian Commercial Code (UGB) were fulfilled as well.

In addition to a statement of total comprehensive income and the consolidated balance sheet, the financial statements include a cash flow statement in accordance with IAS 7 and a statement of changes in equity (IAS 1). The disclosures in the Notes also contain a segment reporting section in accordance with IFRS 8.

In order to improve the clarity of the representation, various items in the balance sheet and the income statement have been combined. These items have been shown separately and are explained in the Notes. The income statement has been drawn up in accordance with the nature of expense method.

There have been no changes in accounting policies during the financial year.

The preparation of the consolidated financial statements was based on the assumption that the company will continue as a going concern.

The consolidated financial statements were prepared in T€. The presentation in T€ may result in rounding differences.

Changes in accounting policies

New and revised standards and interpretations that are effective for the 2023 financial year

The IASB has made the following amendments to the existing IFRS and passed several new IFRS and IFRIC, which have also been adopted by the European Commission. Application thus became mandatory on 1 January 2023.

	Application for financial years which begin on or after (according to IASB)	Application for financial years which begin on or after (according to EU endorsement)
IFRS 17 Insurance Contracts	1.1.2023	1.1.2023
IFRS 17 Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information	1.1.2023	1.1.2023
Amendments to IAS 1 – Disclosure of Accounting Policies	1.1.2023	1.1.2023
Amendments to IAS 8 – Definition of Accounting Estimates	1.1.2023	1.1.2023
Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1.1.2023	1.1.2023
Amendments to IAS 12 – International Tax Reform - Pillar Two Model Rules	1.1.2023	1.1.2023

The first-time adoption of the IFRS standards had no impact on the consolidated financial statements as at 31 December 2023.

Future changes of financial reporting standards

The IASB and the IFRIC approved further standards and interpretations. However, these were neither required to be applied in the 2023 financial year nor adopted by the European Commission. The amendments affect the following standards and interpretations:

	Application for financial years which begin on or after (according to IASB)	Application for financial years which begin on or after (according to EU endorsement)	Impact on the consolidated financial statements
Amendments to IAS 1 – Classification of Liabilities as Current or Non-Current – Defferal of Effective Date and Non-Current Liabilities with Covenants	1.1.2024	n. a.[1]	is being analysed
Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback	1.1.2024	n. a.[1]	minor
Amendments to IAS 7/IFRS 7 – Supplier Finance with Arrangements	1.1.2024	n. a.[1]	minor
Amendments to IAS 21 – Lack of Exchangeability	1.1.2025	n. a.[1]	minor

[1] n. a. – endorsement process is still in progress

Early application of the new standards and interpretations is not planned.

Consolidation

The financial statements of the domestic and foreign companies included in the consolidated group are drawn up in accordance with uniform methods of accounting and valuation. The annual financial statements of the domestic and foreign Group companies are adapted accordingly.

Subsidiaries

Entities whose financial and operating policies are controlled by the Group constitute subsidiaries.

The consolidated financial statements include the financial statements of the parent and entities (including structured entities) over which the Group has control. An entity is considered to be under control if the following criteria are met:

- The parent has power over the investee.
- The parent is exposed to variable returns on the investment.
- The parent has the ability to affect the returns from the investment through its power over the investee.

Control over an entity is reassessed if facts and circumstances indicate that there are changes to one or more of the three elements of control discussed above.

Owning a majority of the voting rights is not always necessary to have power and control over an investee. Control can be achieved through other rights or contractual agreements which give the parent the possibility to affect the returns of the investee.

A subsidiary is included in the consolidated financial statements from the date on which the parent acquired control. Conversely, the entity is deconsolidated when control ends.

Capital consolidation is performed in accordance with IFRS 3 using the acquisition method. The acquisition costs of the subsidiary are measured as the sum of the fair values of assets given, equity instruments issued and liabilities assumed. Contingent considerations are also measured at their fair value from the date of the business combination. Later deviations from this value are recognised in profit or loss. Transaction costs are also recognised immediately in profit or loss.

Non-controlling interests are recognised based on their proportional interest in the net assets of the acquired entity (partial goodwill method). The option of recognising non-controlling interests at fair value is not used.

In business combinations achieved in stages (step acquisitions), the existing equity interest of the entity is remeasured at fair value from the date of acquisition. The resulting profit or loss is recognised in the income statement.

The acquisition costs, contingent considerations, existing equity interests and non-controlling interests are to be compared with all identifiable assets and liabilities of the subsidiary measured at fair value. Any remaining difference on the assets side is classified as goodwill. Differences arising from the capital consolidation on the liabilities side are recognised immediately in profit or loss following another review. Goodwill is subjected to impairment testing in accordance with IAS 36 at least once a year.

In the 2023 financial year, T€ 53,258 (2022: T€ 0) in goodwill arising from capital consolidation was recognised as assets. Impairment losses on goodwill in the amount of T€ 7,454 (2022: T€ 6,700) were recognised.

Transactions with non-controlling interests that do not result in loss of control

Differences arising from the acquisition or disposal of investments in affiliated entities without acquisition or loss of control are recognised in full in equity outside profit or loss.

Disposal of subsidiaries

When control over a subsidiary is lost, the assets and liabilities of the former subsidiary are derecognised. The resulting profit or loss attributable to the former controlling interest is recognised in profit or loss. The amounts recognised in other comprehensive income are reclassified to the income statement or recognised directly against profit or loss brought forward. The profit or loss from deconsolidation is recognised as an amount in other operating income or expense.

When control over a subsidiary is lost, any remaining investment is remeasured at fair value. The difference to the existing carrying amounts is recognised in profit or loss. Associates, joint arrangements or financial assets are initially recognised at this fair value. All previous amounts recognised to date in other income are accounted for as if the assets and liabilities of the affected entities had been sold directly.

When a real estate project company is deconsolidated and sold under a share deal in the course of the project development business, the disposal profit is not presented as a deconsolidation gain but - from an economic point of view - as gross revenue and expenses from the project development. This ensures that asset deals and share deals are presented in the same way in the project development business.

Structured entities

Structured entities are entities that are not controlled by voting rights, but mainly through contractual arrangements for a specific business purpose. The business purpose is usually restricted to a narrow field of activity. Structured entities typically have little equity capital and rely on owner financing. There are no structured entities within the STRABAG SE Group.

Associates

Entities in which the Group exercises significant influence constitute associates. This is generally the case with a holding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method and recognised in the item equity-accounted investments. The acquired investment is initially measured at cost. Any differences that arise are treated according to the principles of consolidation. In subsequent years, the carrying amount of the investment increases or decreases in proportion to the share of profit or loss and/or the investee’s other income. Distributions reduce the carrying amount of the investment. As soon as the Group’s share of losses equals or exceeds the interest in the associate, no further losses are recognised unless the Group is liable for the associate’s losses.

At the end of every accounting period, the Group determines whether there are any indications for an impairment of the investment in the associate. If there are, then the difference between the carrying amount and the recoverable amount is recognised as an impairment expense in the income statement.

In the year under review, the initial equity measurement of newly acquired entities resulted in goodwill in the amount of T€ 84,030 (2022: T€ 0), which is reported under equity-accounted investments.

Joint arrangements

Joint ventures are entities over which the Group exercises joint control together with a third entity. Joint control exists when the determination of the financial and operating policies requires the unanimous consent of all parties to the joint control. STRABAG accounts for joint ventures using the equity method and these are recognised in the item equity-accounted investments.

Consortia are quite common in the construction industry in Austria and Germany. According to the Institute of Public Auditors in Germany (IDW) and a statement by the Austrian Financial Reporting and Auditing Committee (AFRAC), the typical German and Austrian construction consortium meets the requirements to be classified as a joint venture. Earnings from construction consortia are presented proportionately under share of profit or loss of equity-accounted investments. The receivables from and payables to construction consortia include mainly in- and outflows of cash, charges resulting from services as well as proportional contract results and are recorded under trade receivables and trade payables.

Joint arrangements for the execution of construction work in the remaining countries are accounted for either as joint ventures or as joint operations depending on the substance of the arrangement.

Other investments

In accordance with IFRS 9, investments which do not constitute subsidiaries, joint ventures or associates are recognised at fair value through profit or loss and are stated under other investments.

Subsidiaries, joint ventures and associates which, being immaterial, are not consolidated or accounted for using the equity method are measured at amortised cost and reported under other investments.

Consolidation procedures

As part of the consolidation of intercompany balances, any trade receivables, loans and other receivables existing within the Group are set off against the corresponding liabilities and provisions of the subsidiaries included in the consolidated financial statements.

Expenses and revenues from intra-group transactions are eliminated. Results incurred from intra-group transactions that are recognised in the non-current and current assets are eliminated if they are material. Non-controlling interests are taken into consideration during the elimination of intra-group profits or losses.

Unrealised profits from transactions between Group entities and associates are eliminated in proportion to the Group's share in the associate.

Non-controlling interests in equity and profits of companies controlled by the parent are shown separately in the consolidated financial statements.

The necessary tax deferrals are made for consolidation procedures.

The consolidated group

The consolidated financial statements as at 31 December 2023 include STRABAG SE as well as all major domestic and foreign subsidiaries over which STRABAG SE either directly or indirectly has control. Associates and joint ventures are reported in the balance sheet using the equity method (equity-accounted investments).

Group companies which are of minor importance for the purpose of giving a true and fair view of the financial position, financial performance and cash flows of the Group are not consolidated. The decision to include an entity in the consolidated group is based on quantitative and qualitative considerations.

Subsidiaries and equity-accounted investments included in the 2023 consolidated financial statements are given in the list of investments.

The financial year for all consolidated and associated companies, with the exception of the following companies that are included in the consolidated group on the basis of an interim report effective 31 December 2023, is identical with the calendar year.

Companies	Reporting date	Method of inclusion
EFKON INDIA Pvt. Ltd., Mumbai	31.3.	consolidation
Thüringer Straßenwartungs- und Instandhaltungsgesellschaft mbH & Co. KG, Apfelstädt	30.9.	equity-accounted investment

The number of consolidated companies changed in the 2022 and 2023 financial years as follows:

	Consolidation	Equity method
Balance as at 31.12.2021	**266**	**22**
First-time inclusions in the reporting period	10	0
First-time inclusions in the reporting period due to merger/accrual of assets	3	0
Merger/Accrual of assets in the reporting period	-4	0
Exclusions in the reporting period	-9	0
Balance as at 31.12.2022	**266**	**22**
First-time inclusions in the reporting period	19	2
First-time inclusions in the reporting period due to merger/accrual of assets	8	0
Merger/Accrual of assets in the reporting period	-17	0
Exclusions in the reporting period	-15	-1
Balance as at 31.12.2023	**261**	**23**

Additions to the consolidated group

The following companies formed part of the consolidated group for the first time in the reporting period:

Consolidation	Direct stake %	Date of acquisition or foundation
Adolf List Bauunternehmung GmbH & Co. KG, Reutlingen	100.00	29.6.2023
Aspern Manufactory Projektentwicklung GmbH & Co KG, Vienna	100.00	1.1.2023[1]
Aspern Manufactory Projektentwicklung GmbH, Vienna	100.00	1.1.2023[1]
Bockholdt GmbH & Co. KG, Lübeck	100.00	28.2.2023
D+B Holding und Beteiligungs GmbH, Salzburg	100.00	8.8.2023
Hans Lohr Gesellschaft m.b.H., Vienna	100.00	20.1.2023
Obermayr Holzkonstruktionen Gesellschaft m.b.H., Schwanenstadt	100.00	27.9.2023
P&T Immobilière S.à r.l., Luxembourg	100.00	9.10.2023
SITEC Verkehrstechnik GmbH, Liebenfels	100.00	8.8.2023
STRABAG Invest HoldCo GmbH, Vienna	100.00	1.1.2023[1]
STRABAG Vorrat Vierzehn GmbH & Co KG, Vienna	100.00	1.1.2023[1]
STRABAG Vorrat Vierzehn GmbH, Vienna	100.00	1.1.2023[1]
STRABAG Vorrat Fünfzehn GmbH & Co KG, Vienna	100.00	1.1.2023[1]
STRABAG Vorrat Fünfzehn GmbH, Vienna	100.00	1.1.2023[1]
STRABAG Vorrat Sechzehn GmbH & Co KG, Vienna	100.00	1.1.2023[1]
STRABAG Vorrat Sechzehn GmbH, Vienna	100.00	1.1.2023[1]
STRABAG Vorrat Siebzehn GmbH & Co KG, Vienna	100.00	22.2.2023
STRABAG Vorrat Siebzehn GmbH, Vienna	100.00	22.2.2023
Wieser Verkehrssicherheit GmbH, Wals-Siezenheim	100.00	8.8.2023

Merger/Accrual of assets	Direct stake %	Date of Merger/ Accrual of assets
AWB Asphaltmischwerk Büttelborn GmbH & Co. KG, Büttelborn	100.00	19.9.2023[2]
AWB Asphaltmischwerk Büttelborn Verwaltungs-GmbH, Büttelborn	100.00	19.9.2023[2]
BSB Betonexpress Verwaltungs-GmbH, Berlin	100.00	17.8.2023[2]
Palaoro Elektrotechnik GmbH, Vienna	100.00	14.9.2023[2]
Rhein-Regio Neuenburg Projektentwicklung GmbH, Neuenburg am Rhein	100.00	30.8.2023[2]
Slabihoud GmbH, Vienna	100.00	19.9.2023[2]
SRE Erste Vermögensverwaltung GmbH, Cologne	100.00	22.8.2023[2]
STRABAG Beton GmbH & Co. KG, Berlin	100.00	21.9.2023[2]

Equity-accounted investments		
Innsbrucker Nordkettenbahnen Betriebs GmbH, Innsbruck	51.00	1.1.2023[3]
CMBlu Energy AG, Alzenau	14.71	23.10.2023[4]

1 Due to its increased business volumes, the company was included in the consolidated group for the first time effective 1 January. The foundation/acquisition of the company occurred before 1 January 2023.

2 The companies listed under Merger/Accrual of assets were merged with/accrued on already consolidated companies and as such are simultaneously represented as additions to and removals from the consolidated group.

3 There are deviating contractual provisions concerning this joint venture.

4 Possibilities to exert influence exist that may differ from the ownership interest.

Companies included for the first time were consolidated at the date of acquisition or the next reporting date, provided this had no significant difference to an inclusion at the date of acquisition.

With the purchase agreement from 21 December 2022, STRABAG acquired 100% of northern German cleaning services provider **Bockholdt GmbH & Co. KG, Lübeck**. After obtaining the necessary official approvals, the closing took place on 28 February 2023. The acquisition of the Bockholdt Group is aimed at reinforcing STRABAG's services in infrastructural facility management in northern Germany. In addition to maintenance cleaning, the portfolio of the acquired companies also includes innovative services in the field of industrial cleaning, robot-assisted cleaning of ventilation systems, and the environmentally friendly cleaning of solar and wind power plants, provided by the company's own industrial climbers. Professional pest control as well as operating room and hospital cleaning are also among the special features of the service portfolio. The goodwill results primarily from the market expansion in northern Germany.

Additions to assets and liabilities from the first-time consolidation of Bockholdt GmbH & Co. KG are comprised as follows:

T€	First-time consolidation
Assets and liabilities acquired	
Goodwill	29,029
Other non-current assets	20,032
Current assets	15,826
Non-current liabilities	-1,810
Current liabilities	-21,408
Consideration (purchase price)	**41,669**
Cash and cash equivalents	-9
Net cash outflow from acquisition	**41,660**

STRABAG SE acquired the following **medium-sized companies in Austria** during the 2023 financial year.

The closing of the acquisition of 100% of the shares in Slabihoud GmbH, Hans Lohr GmbH as well as Palaoro Elektrotechnik GmbH, all based in Vienna, took place in January 2023. With this acquisition, STRABAG is expanding its M&E (mechanical and electrical) competencies in Austria to include further business areas. Technical building equipment (including heating and cooling systems as well as electrical installations) is an important factor for ensuring sustainable building operations.

The acquisition of 100% of the shares in Wieser Verkehrssicherheit GmbH, Wals-Siezenheim, and the acquisition of 100% of the shares in SITEC Verkehrstechnik GmbH, Liebenfels, were closed in August 2023. Both companies are active in the field of traffic safety technology.

STRABAG acquired 100% of Obermayr Holzkonstruktionen GmbH, Schwanenstadt, by way of an assignment agreement dated 13 July 2023. The acquisition strengthens the company's expertise in timber construction. The closing took place in September 2023.

The goodwill arising from the acquisitions is attributable to the expansion of expertise and business areas.

Additions to assets and liabilities from the first-time consolidations in Austria are comprised as follows:

T€	First-time consolidation
Assets and liabilities acquired	
Goodwill	22,599
Other non-current assets	12,713
Current assets	28,325
Non-current liabilities	-5,697
Current liabilities	-14,261
Consideration (purchase price)	**43,679**
Non-cash effective purchase price component	-35
Cash and cash equivalents acquired	-5,463
Net cash outflow from acquisition	**38,181**

Under a purchase and assignment agreement from March 2023, the STRABAG SE Group acquired 100% of the shares in **Adolf List Bauunternehmung GmbH & Co. KG, Reutlingen**. Antitrust approval was granted in June 2023. The company is active in the fields of road construction and ground engineering as well as in building construction and civil engineering for public and private customers and has around 110 employees.

Additions to assets and liabilities from the first-time consolidation of Adolf List Bauunternehmung GmbH & Co. KG are comprised as follows:

T€	First-time consolidation
Assets and liabilities acquired	
Goodwill	1,630
Other non-current assets	17,226
Current assets	11,349
Non-current liabilities	-1,570
Current liabilities	-6,140
Consideration (purchase price)	**22,495**
Cash and cash equivalents acquired	-2,394
Net cash outflow from acquisition	**20,101**

The other first-time consolidations had only an insignificant impact on assets and liabilities.

All companies which were consolidated for the first time in 2023 contributed T€ 122,409 (2022: T€ 17,469) to revenue and with a profit of T€ 3,548 (2022: profit T€ 4,121) to net income after minorities.

Assuming a theoretical first-time consolidation on 1 January 2023 for all new acquisitions, they would contribute T€ 173,136 (2022: T€ 17,469) to consolidated revenue and a profit of T€ 4,881 (2022: T€ 4,121) to net income.

Disposals from the consolidated group

As at 31 December 2023, the following companies were no longer included in the consolidated group:

Disposals from the consolidated group	
BITUNOVA Romania SRL, Bucharest	Fell below material level
Dywidag Saudi Arabia Co. Ltd., Jubail	Fell below material level
EVOLUTION TWO Sp. z o.o., Warsaw	Fell below material level
I.C.S. "STRABAG" S.R.L., Chisinau	Fell below material level
Innsbrucker Nordkettenbahnen Betriebs GmbH, Innsbruck	Loss of control
Mitterhofer Projekt GmbH & Co. KG, Cologne	Fell below material level
Na Belidle s.r.o., Prague	Fell below material level
Ranita OOO, Moscow	Winding up Russia
STRABAG Bau GmbH, Vienna	Fell below material level
STRABAG BRVZ OOO, Moscow	Winding up Russia
STRABAG Development Belgium NV, Antwerp	Fell below material level
STRABAG Projektutveckling AB, Stockholm	Fell below material level
STRABAG REAL ESTATE EOOD, Sofia	Fell below material level
STRABAG SIA, Milzkalne	Fell below material level
Züblin Holding GesmbH, Vienna	Fell below material level

Merger/Accrual of assets[1]	
AWB Asphaltmischwerk Büttelborn GmbH & Co. KG, Büttelborn	Accrual of assets
AWB Asphaltmischwerk Büttelborn Verwaltungs-GmbH, Büttelborn	Merger
BSB Betonexpress Verwaltungs-GmbH, Berlin	Merger
LIMET Beteiligungs GmbH & Co. Objekt Köln KG, Cologne	Accrual of assets
Palaoro Elektrotechnik GmbH, Vienna	Merger
Rhein-Regio Neuenburg Projektentwicklung GmbH, Neuenburg am Rhein	Merger
SAT Sp. z o.o., Olawa	Merger
Slabihoud GmbH, Vienna	Merger
SRE Erste Vermögensverwaltung GmbH, Cologne	Merger
STRABAG Beton GmbH & Co. KG, Berlin	Accrual of assets
STRABAG Building and Industrial Services GmbH, Stuttgart	Merger
STRABAG System Dienstleistungen GmbH, Fürstenfeldbruck	Merger
Z. Brückenbau Immobiliengesellschaft mbH & Co. KG, Cologne	Accrual of assets
Z. Holzbau Immobiliengesellschaft mbH & Co. KG, Cologne	Accrual of assets
Z. Immobiliengesellschaft mbH & Co. KG, Cologne	Accrual of assets
Z. Sander Immobiliengesellschaft mbH & Co. KG, Cologne	Accrual of assets
Z. Stahlbau Immobiliengesellschaft mbH & Co. KG, Cologne	Accrual of assets

Equity-accounted investments	
SeniVita Social Estate AG, Bayreuth	Fell below material level

[1] The companies listed under Merger/Accrual of assets were merged with already consolidated companies or, as a result of accrual of assets, formed part of consolidated companies.

The disposals of assets and liabilities from deconsolidations are composed as follows:

T€	Disposals from the consolidated group
Assets and liabilities disposed of	
Other non-current assets	6,813
Current assets	40,585
Non-current liabilities	-854
Current liabilities	-31,467
Profit on deconsolidations recognised in profit or loss	374
Non-controlling interests	-3,244
Consideration received (purchase price)	**12,207**
Non-cash effective purchase price component	-12,207
Cash and cash equivalents disposed of	9,206
Net cash outflow from deconsolidation	**9,206**

Resulting profit in the amount of T€ 7,600 (2022: T€ 1,111) and losses in the amount of T€ 7,226 (2022: T€ 334) are recognised in profit or loss under other operating income or other operating expense. The deconsolidation earnings of companies whose functional currency differs from the euro also includes the recycled earnings of the currency translation differences recognised directly in equity up to the date of deconsolidation.

One of the STRABAG SE Group's business fields is real estate project development. When project developments are sold as share deals, the disposal profit is not presented as a deconsolidation gain but - from an economic point of view - is recognised as revenues from the project development. No project companies were sold in 2023. In the previous year, revenues from project development in the amount of T€ 52,253 and corresponding expenses in the amount of T€ 40,673 were recognised gross.

There were no significant restrictions on the use of assets or risks related to structured entities at the end of the reporting period.

Winding up Russia

Starting with the 2022 financial year, only those orders in Russia that had been in place before the start of the war in Ukraine continued to be fulfilled. New orders are no longer accepted.

Due to the decision to withdraw from Russia, existing sites and buildings in the amount of T€ 8,987 as well as the real estate project in Moscow recognised in inventories in the amount of T€ 20,529 were written off in full in the 2022 financial year as well. A provision in the amount of T€ 9,131 was made for the cost of severance payments to existing staff.

Existing orders were completed or sold in the 2023 financial year. This did not result in any significant impact on earnings. As at 31 December 2023, only a small order backlog of T€ 3,547 remained in Russia.

A presentation of the activities in Russia as discontinued operations as defined by IFRS 5 is not possible as these activities were not discontinued immediately. The impact on earnings from the discontinuation is therefore recognised in the relevant items of the income statement.

Non-controlling interests

As at 31 December 2023, the amount of the non-controlling interests stood at T€ 18,443 (2022: T€ 22,392) in the STRABAG SE Group and is thus immaterial. The non-controlling interests comprise numerous subsidiaries and mainly affect the project development companies.

Besides the above-mentioned investments, the ownership interests in subsidiaries in the financial year changed only insignificantly or had insignificant impact. The changes are represented in the list of investments, which is included in the annual financial report.

Currency translation

The items contained in the financial statements of each Group entity are measured on the basis of the currency corresponding to the currency of the primary economic environment in which the entity operates (functional currency).

The functional currency of STRABAG's subsidiaries is the respective local currency, with the exception of the following companies, whose functional currency is the euro:

- AKA Zrt., Budapest
- AMFI HOLDING Kft., Budapest
- BHK KRAKÓW JOINT VENTURE Sp. z o.o., Warsaw
- EXP HOLDING Kft., Budapest

The consolidated financial statements are prepared in euro, STRABAG's reporting currency.

Foreign currency transactions are translated into the functional currency at the foreign exchange rate on the day of the transaction. On the reporting date, monetary items are translated at the closing rate, while non-monetary items are translated at the rate on the day of the transaction. Exchange differences are recognised in profit or loss.

Assets and liabilities of Group entities whose functional currency is not the euro are translated from the respective local currency into euro at the average exchange rate on the reporting date. As well as the corresponding profit for the period, the income statements of foreign Group entities whose functional currency is not the euro are translated at the average exchange rate for the reporting period. The differences resulting from the use of both rates are reported outside profit or loss.

Monetary items in form of receivables or payables which settlement is neither planned nor likely to occur in the foreseeable future are, in substance, a part of an entity's net investment in a foreign operation. Currency translation differences arising on such monetary items are initially recognised in other comprehensive income and reclassified from equity to profit and loss on disposal of the net investment.

The most important currencies, including their average exchange rates, are listed under item (35) Financial instruments. Currency translation differences of T€ 3,645 (2022: T€ 1,768) were recognised directly in equity in the financial year.

Consolidated companies and equity accounted associates and joint ventures

The following list shows the consolidated companies included in the consolidated financial statements:

Company Consolidated companies	Residence	Country	Direct stake %
"A-WAY Infrastrukturprojektentwicklungs- und -betriebs GmbH"	Spittal an der Drau	Austria	100.00
"SBS Strabag Bau Holding Service GmbH"	Spittal an der Drau	Austria	100.00
"Wiener Heim" Wohnbaugesellschaft m.b.H.	Vienna	Austria	100.00
ABR Abfall Behandlung und Recycling GmbH	Schwadorf	Austria	100.00
Aspern Manufactory Projektentwicklung GmbH	Vienna	Austria	100.00
Aspern Manufactory Projektentwicklung Gmbh & Co KG	Vienna	Austria	100.00
Asphalt & Beton GmbH	Spittal an der Drau	Austria	100.00
AUSTRIA ASPHALT GmbH & Co OG	Spittal an der Drau	Austria	100.00
Bau Holding Beteiligungs GmbH	Spittal an der Drau	Austria	100.00
Bitumen Handelsgesellschaft m.b.H. & Co KG	St. Pölten	Austria	100.00
BITUNOVA Baustofftechnik Gesellschaft m.b.H.	Spittal an der Drau	Austria	100.00
Böhm Stadtbaumeister & Gebäudetechnik GmbH	Vienna	Austria	100.00
BrennerRast GmbH	Vienna	Austria	100.00
D+B Holding und Beteiligungs GmbH	Salzburg	Austria	100.00
DC1 Immo GmbH	Vienna	Austria	100.00
Diabaswerk Saalfelden Gesellschaft m.b.H.	Saalfelden	Austria	100.00
EFKON GmbH	Raaba	Austria	100.00
Erdberger Mais GmbH & Co KG	Vienna	Austria	100.00
F. Lang u. K. Menhofer Baugesellschaft m.b.H. & Co. KG	Wiener Neustadt	Austria	100.00
Goldeck Bergbahnen GmbH	Spittal an der Drau	Austria	100.00
Hans Lohr Gesellschaft m.b.H.	Vienna	Austria	100.00
Ilbau Liegenschaftsverwaltung GmbH	Spittal an der Drau	Austria	100.00
KAB Straßensanierung GmbH & Co KG	Spittal an der Drau	Austria	50.60
Kanzelsteinbruch Gratkorn GmbH	Gratkorn	Austria	100.00
Krems Sunside Living Projektentwicklung GmbH	Vienna	Austria	100.00
Leystraße 122-126 Komplementär GmbH	Vienna	Austria	100.00
Leystraße 122-126 Projektentwicklung GmbH & Co KG	Vienna	Austria	100.00
M5 Beteiligungs GmbH	Vienna	Austria	100.00
M5 Holding GmbH	Vienna	Austria	100.00
Meischlgasse 28-32 Komplementär GmbH	Vienna	Austria	100.00
Meischlgasse 28-32 Projektentwicklung GmbH & Co KG	Vienna	Austria	100.00
Metallica Stahl- und Fassadentechnik GmbH	Vienna	Austria	100.00
Mineral Abbau GmbH	Spittal an der Drau	Austria	100.00
Mischek Bauträger Service GmbH	Vienna	Austria	100.00
Mischek Systembau GmbH	Vienna	Austria	100.00
MOBIL Baustoffe GmbH	Spittal an der Drau	Austria	100.00

Company Consolidated companies	Residence	Country	Direct stake %	
Nottendorfer Gasse 13 Kom GmbH	Vienna	Austria	100.00	
OAT - Bohr- und Fugentechnik Gesellschaft m.b.H.	Spittal an der Drau	Austria	51.00	
Obermayr Holzkonstruktionen Gesellschaft m.b.H.	Schwanenstadt	Austria	100.00	
Osttiroler Asphalt Hoch- und Tiefbauunternehmung GmbH	Lavant i. Osttirol	Austria	80.00	
Q4a Immobilien GmbH	Graz	Austria	60.00	
Raststation A 3 GmbH	Vienna	Austria	100.00	
RBS Rohrbau-Schweißtechnik Gesellschaft m.b.H.	Marchtrenk	Austria	100.00	
RE Beteiligungsholding GmbH	Vienna	Austria	100.00	
RE Wohnraum GmbH	Vienna	Austria	100.00	
RE Wohnungseigentumserrichtungs GmbH	Vienna	Austria	100.00	
SF Bau vier GmbH	Vienna	Austria	100.00	
SILO DREI Beteiligungsverwaltungs GmbH & Co KG	Vienna	Austria	100.00	
SILO DREI next LBG 57 Liegenschaftsverwertung GmbH & Co KG	Vienna	Austria	100.00	
SITEC Verkehrstechnik GmbH	Liebenfels	Austria	100.00	
STRABAG AG	Spittal an der Drau	Austria	100.00	
STRABAG Beteiligungen GmbH	Spittal an der Drau	Austria	100.00	
STRABAG BMTI GmbH	Vienna	Austria	100.00	
STRABAG BRVZ GmbH	Spittal an der Drau	Austria	100.00	
STRABAG Holding GmbH	Vienna	Austria	100.00	
STRABAG Infrastructure & Safety Solutions GmbH	Vienna	Austria	100.00	
STRABAG Invest HoldCo GmbH	Vienna	Austria	100.00	
Strabag Liegenschaftsverwaltung GmbH	Linz	Austria	100.00	
STRABAG Property and Facility Services GmbH	Vienna	Austria	100.00	
STRABAG Real Estate GmbH	Vienna	Austria	100.00	
STRABAG SE	Villach	Austria	100.00	
STRABAG Vorrat Fünfzehn GmbH	Vienna	Austria	100.00	
STRABAG Vorrat Fünfzehn GmbH & Co KG	Vienna	Austria	100.00	
STRABAG Vorrat Sechzehn GmbH	Vienna	Austria	100.00	
STRABAG Vorrat Sechzehn GmbH & Co KG	Vienna	Austria	100.00	
STRABAG Vorrat Siebzehn GmbH	Vienna	Austria	100.00	
STRABAG Vorrat Siebzehn GmbH & Co KG	Vienna	Austria	100.00	
STRABAG Vorrat Vierzehn GmbH	Vienna	Austria	100.00	
STRABAG Vorrat Vierzehn GmbH & Co KG	Vienna	Austria	100.00	
TECH GATE VIENNA Wissenschafts- und Technologiepark GmbH	Vienna	Austria	100.00	
TPA Gesellschaft für Qualitätssicherung und Innovation GmbH	Trumau	Austria	100.00	
Wieser Verkehrssicherheit GmbH	Wals-Siezenheim	Austria	100.00	
Wohnquartier Reininghausstraße GmbH	Graz	Austria	60.00	
Züblin Spezialtiefbau Ges.m.b.H.	Vienna	Austria	100.00	
Adolf List Bauunternehmung GmbH & Co. KG	Reutlingen	Germany	100.00	[1]
Alpines Hartschotterwerk GmbH	Leinfelden-Echterdingen	Germany	100.00	[1]
Baumann & Burmeister GmbH	Halle/Saale	Germany	100.00	[1]
BHG Bitumenhandelsgesellschaft mbH	Hamburg	Germany	100.00	[1]
BITUNOVA GmbH	Duesseldorf	Germany	100.00	[1]

Company Consolidated companies	Residence	Country	Direct stake %
Blees-Kölling-Bau GmbH	Cologne	Germany	100.00 [1]
Blutenburg Projekt GmbH	Cologne	Germany	100.00 [1]
Bockholdt GmbH & Co. KG	Lübeck	Germany	100.00 [1]
CML Construction Services GmbH	Cologne	Germany	100.00
Deutsche Asphalt GmbH	Cologne	Germany	100.00 [1]
DYWIDAG International GmbH	Cologne	Germany	100.00 [1]
DYWIDAG-Holding GmbH	Cologne	Germany	100.00 [1]
Ed. Züblin AG	Stuttgart	Germany	100.00 [1]
Eraproject GmbH	Cologne	Germany	100.00 [1]
F 101 Projekt GmbH & Co. KG	Cologne	Germany	100.00
F. Kirchhoff GmbH	Leinfelden-Echterdingen	Germany	100.00 [1]
F.K. SYSTEMBAU GmbH	Münsingen	Germany	100.00 [1]
Fahrleitungsbau GmbH	Essen	Germany	100.00 [1]
Gaul GmbH	Sprendlingen	Germany	100.00
GBS Gesellschaft für Bau und Sanierung mbH	Leuna	Germany	100.00
Hexagon Projekt GmbH & Co. KG	Cologne	Germany	100.00 [1]
HUMMEL Komplementär GmbH	Frickenhausen	Germany	100.00 [1]
HUMMEL Systemhaus GmbH & Co. KG	Frickenhausen	Germany	100.00 [1]
Ilbau GmbH Deutschland	Berlin	Germany	100.00
Kuhwald 55 Projekt GmbH & Co. KG	Cologne	Germany	100.00 [1]
LIMET Beteiligungs GmbH	Cologne	Germany	100.00 [1]
MAV Kelheim GmbH	Kelheim	Germany	100.00
MAV Krefeld GmbH	Krefeld	Germany	50.00 [3]
MAV Lünen GmbH	Lünen	Germany	100.00
Metallica Stahl- und Fassadentechnik GmbH	Stuttgart	Germany	100.00 [1]
Mineral Baustoff GmbH	Cologne	Germany	100.00 [1]
MOBIL Baustoffe GmbH	Munich	Germany	100.00 [1]
NE Sander Immobilien GmbH	Sande	Germany	100.00 [1]
PANSUEVIA GmbH & Co. KG	Jettingen-Scheppach	Germany	100.00 [1]
Pyhrn Concession Holding GmbH	Cologne	Germany	100.00 [1]
REPASS-SANIERUNGSTECHNIK GMBH Korrosionsschutz und Betoninstandsetzung	Munderkingen	Germany	100.00 [1]
RM Asphalt GmbH & Co. KG	Sprendlingen	Germany	80.00 [1]
ROBA Transportbeton GmbH	Berlin	Germany	100.00 [1]
SAT Straßensanierung GmbH	Cologne	Germany	100.00 [1]
SF-Ausbau GmbH	Freiberg	Germany	100.00 [1]
STRABAG AG	Cologne	Germany	100.00 [1]
STRABAG Aircraft Services GmbH	Stuttgart	Germany	100.00 [1]
STRABAG BMTI GmbH & Co. KG	Cologne	Germany	100.00 [1]
STRABAG BRVZ GmbH & Co. KG	Cologne	Germany	100.00 [1]
STRABAG Facility Management GmbH	Berlin	Germany	100.00 [1]
STRABAG GmbH	Bad Hersfeld	Germany	100.00 [1]
STRABAG Großprojekte GmbH	Munich	Germany	100.00 [1]

Company Consolidated companies	Residence	Country	Direct stake %
STRABAG Infrastructure & Safety Solutions GmbH	Cologne	Germany	100.00 [1]
STRABAG Infrastrukturprojekt GmbH	Bad Hersfeld	Germany	100.00 [1]
STRABAG International GmbH	Cologne	Germany	100.00 [1]
STRABAG Kieserling Flooring Systems GmbH	Hamburg	Germany	100.00 [1]
STRABAG Mechanical Engineering GmbH	Stuttgart	Germany	100.00 [1]
STRABAG Projektentwicklung GmbH	Cologne	Germany	100.00 [1]
STRABAG Property and Facility Services GmbH	Frankfurt am Main	Germany	100.00 [1]
STRABAG Rail Fahrleitungen GmbH	Berlin	Germany	100.00 [1]
STRABAG Rail GmbH	Lauda-Königshofen	Germany	100.00 [1]
STRABAG Real Estate GmbH	Cologne	Germany	94.90
STRABAG Real Estate Invest GmbH	Cologne	Germany	100.00 [1]
STRABAG Sportstättenbau GmbH	Dortmund	Germany	100.00 [1]
STRABAG Umwelttechnik GmbH	Duesseldorf	Germany	100.00 [1]
STRABAG Wasserbau GmbH	Hamburg	Germany	100.00
Torkret GmbH	Stuttgart	Germany	100.00 [1]
TPA GmbH	Cologne	Germany	100.00
Turm am Mailänder Platz GmbH & Co. KG	Stuttgart	Germany	100.00 [1]
Wolfer & Goebel Bau GmbH	Stuttgart	Germany	100.00 [1]
ZDE Sechste Vermögensverwaltung GmbH	Cologne	Germany	100.00
Züblin Chimney and Refractory GmbH	Cologne	Germany	100.00 [1]
ZÜBLIN Haustechnik Mainz GmbH	Mainz	Germany	100.00 [1]
Züblin Hoch- und Brückenbau GmbH	Bad Hersfeld	Germany	100.00 [1]
Züblin International GmbH	Cologne	Germany	100.00 [1]
Züblin Projektentwicklung GmbH	Stuttgart	Germany	94.88 [1]
Züblin Spezialtiefbau GmbH	Stuttgart	Germany	100.00 [1]
Züblin Stahlbau GmbH	Hosena	Germany	100.00 [1]
ZÜBLIN Timber Gaildorf GmbH	Gaildorf	Germany	100.00 [1]
ZÜBLIN Timber GmbH	Aichach	Germany	100.00 [1]
Züblin Umwelttechnik GmbH	Stuttgart	Germany	100.00 [1]
Trema Engineering 2 sh p.k.	Tirana	Albania	100.00
N.V. STRABAG Belgium S.A.	Antwerpen	Belgium	100.00
STRABAG d.o.o. Sarajevo	Sarajevo	Bosnia und Herzegovina	100.00
STRABAG EAD	Sofia	Bulgaria	100.00
Strabag SpA	Santiago de Chile	Chile	100.00
STRABAG-EDILMAC Desarrollos Verticales SpA	Santiago de Chile	Chile	80.00
Züblin International GmbH Chile SpA	Santiago de Chile	Chile	100.00
KMG - KLIPLEV MOTORWAY GROUP A/S	Aarhus	Denmark	100.00
Züblin A/S	Aarhus	Denmark	100.00
STRABAG UK LIMITED	London	Großbritannien	100.00
EFKON INDIA Pvt. Ltd.	Haryana	India	100.00
STRABAG S.p.A.	Bozen	Italiy	100.00
STRABAG INC.	Toronto	Canada	100.00
STRABAG SCARBOROUGH PROJECT INC.	Mississauga, Ontario	Canada	100.00

Company Consolidated companies	Residence	Country	Direct stake %
STRABAG S.A.S.	Bogotá, D.C.	Colombia	100.00
MINERAL IGM d.o.o.	Zapuzane	Croatia	100.00
POMGRAD INZENJERING d.o.o.	Split	Croatia	100.00
STRABAG BRVZ d.o.o.	Zagreb	Croatia	100.00
STRABAG d.o.o.	Zagreb	Croatia	100.00
TPA odrzavanje kvaliteta i inovacija d.o.o.	Zagreb	Croatia	100.00
SRE Lux 1 Immobilière S.à r.l.	Luxembourg	Luxembourg	100.00
SRE Lux Projekt SQM 27E S.à r.l.	Belvaux	Luxembourg	100.00
SRE Real Estate Luxembourg S.à r.l.	Belvaux	Luxembourg	100.00
ZUBLIN PRECAST INDUSTRIES SDN. BHD.	Johor	Malaysia	100.00
"Crnagoraput" AD, Podgorica	Podgorica	Montenegro	95.32
"Strabag" d.o.o. Podgorica	Podgorica	Montenegro	100.00
STRABAG B.V.	Breda	The Netherlands	100.00
Züblin Nederland B.V.	Breda	The Netherlands	100.00
STRABAG OMAN L.L.C.	Maskat	Oman	100.00
BHG Sp. z o.o.	Pruszkow	Poland	100.00
BHK KRAKÓW JOINT VENTURE Sp. z o.o.	Warsaw	Poland	100.00
BITUNOVA Sp. z o.o.	Warsaw	Poland	100.00
Mineral Polska Sp. z o.o.	Czarny Bor	Poland	100.00
POLSKI ASFALT Sp. z o.o.	Krakow	Poland	100.00
STRABAG BMTI Sp. z o.o.	Pruszkow	Poland	100.00
STRABAG BRVZ Sp. z o.o.	Pruszkow	Poland	100.00
STRABAG INFRASTRUKTURA POLUDNIE Sp. z o.o.	Wroclaw	Poland	100.00
STRABAG PFS Sp. z o.o.	Warsaw	Poland	100.00
STRABAG Sp. z o.o.	Pruszkow	Poland	100.00
TPA Sp. z o.o.	Pruszkow	Poland	100.00
ANTREPRIZA DE REPARATII SI LUCRARI A R L CLUJ SA	Cluj-Napoca	Romania	98.59
CENTRUM BUCHAREST DEVELOPMENT SRL	Bucharest	Romania	100.00
DISTRICT DEVELOPMENT SRL	Bucharest	Romania	100.00
MINERAL ROM SRL	Brasov	Romania	100.00
STRABAG SRL	Bucharest	Romania	100.00
ZUBLIN ROMANIA SRL	Bucharest	Romania	100.00
STRABAG AO	Moscow	Russia	100.00
Nimab Entreprenad AB	Sjöbo	Sweden	100.00
STRABAG AB	Stockholm	Sweden	100.00
STRABAG BRVZ AB	Kumla	Sweden	100.00
STRABAG Sverige AB	Stockholm	Sweden	100.00
Züblin Scandinavia AB	Stockholm	Sweden	100.00
STRABAG AG	Schlieren	Switzerland	100.00
STRABAG BMTI GmbH	Erstfeld	Switzerland	100.00
STRABAG BRVZ AG	Erstfeld	Switzerland	100.00
STRABAG d.o.o.	Novi Beograd	Serbia	100.00
TPA za obezbedenje kvaliteta i inovacije d.o.o. Beograd	Novi Beograd	Serbia	100.00

Company Consolidated companies	Residence	Country	Direct stake %
BITUNOVA spol. s r.o.	Zvolen	Slovakia	100.00
ERRICHTUNGSGESELLSCHAFT STRABAG SLOVENSKO s.r.o.	Bratislava	Slovakia	100.00
KSR - Kamenolomy SR, s.r.o.	Zvolen	Slovakia	100.00
STRABAG BRVZ s.r.o.	Bratislava	Slovakia	100.00
STRABAG Pozemne a inzinierske stavitel'stvo s. r. o.	Bratislava	Slovakia	100.00
STRABAG PS s.r.o.	Bratislava	Slovakia	100.00
STRABAG Real Estate s.r.o.	Bratislava	Slovakia	100.00
STRABAG s.r.o.	Bratislava	Slovakia	100.00
TPA Spolocnost pre zabezpecenie kvality a inovacie s.r.o.	Bratislava	Slovakia	100.00
STRABAG BRVZ d.o.o.	Ljubljana	Slovenia	100.00
STRABAG gradbene storitve d.o.o.	Ljubljana	Slovenia	100.00
BHG CZ s.r.o.	Ceske Budejovice	Czech Republic	100.00
BITUNOVA spol. s r.o.	Jihlava	Czech Republic	100.00
FRISCHBETON s.r.o.	Prague	Czech Republic	100.00
KAMENOLOMY CR s.r.o.	Ostrava	Czech Republic	100.00
Rezidence Herálecká s.r.o.	Prague	Czech Republic	100.00
SAT s.r.o.	Prague	Czech Republic	100.00
STRABAG a.s.	Prague	Czech Republic	100.00
STRABAG Asfalt s.r.o.	Sobeslav	Czech Republic	100.00
STRABAG BMTI s.r.o.	Brno	Czech Republic	100.00
STRABAG BRVZ s.r.o.	Prague	Czech Republic	100.00
STRABAG Pozemnì a inzenyrskè stavitelstvì s.r.o.	Prague	Czech Republic	100.00
STRABAG Property and Facility Services a.s.	Prague	Czech Republic	100.00
STRABAG Rail a.s.	Usti nad Labem	Czech Republic	100.00
TPA CR, s.r.o.	Ceske Budejovice	Czech Republic	100.00
AKA Zrt.	Budapest	Hungary	100.00
AMFI HOLDING Kft.	Budapest	Hungary	100.00
ASIA Center Kft.	Budapest	Hungary	100.00
Bitunova Kft.	Budapest	Hungary	100.00
EXP HOLDING Kft.	Budapest	Hungary	100.00 [2]
First-Immo Hungary Kft.	Budapest	Hungary	100.00
Frissbeton Kft.	Budapest	Hungary	100.00
Generál Mély- és Magasépitö Zrt.	Budapest	Hungary	100.00
KÖKA Kft.	Budapest	Hungary	100.00
STR Holding Generál Kft.	Budapest	Hungary	100.00
STR Holding MML Kft.	Budapest	Hungary	100.00
STR Mély- és Magasépítö Kft	Budapest	Hungary	100.00
STRABAG Általános Építö Kft.	Budapest	Hungary	100.00
STRABAG Aszfalt Kft.	Budapest	Hungary	100.00
STRABAG BMTI Kft.	Budapest	Hungary	100.00
STRABAG BRVZ Kft.	Budapest	Hungary	100.00
STRABAG Építö Kft.	Budapest	Hungary	100.00
STRABAG Építöipari Zrt.	Budapest	Hungary	100.00

Company Consolidated companies	Residence	Country	Direct stake %	
STRABAG Generálépitö Kft.	Budapest	Hungary	100.00	
STRABAG Rail Kft.	Budapest	Hungary	100.00	
STRABAG Real Estate Kft.	Budapest	Hungary	100.00	
STRABAG Vasútépítö Kft.	Budapest	Hungary	100.00	
STRABAG-MML Kft.	Budapest	Hungary	100.00	
TPA HU Kft.	Budapest	Hungary	100.00	
Treuhandbeteiligung H		Hungary	100.00	2
Züblin Kft.	Budapest	Hungary	100.00	
STRABAG Dubai LLC	Dubai	United Arab Emirates	100.00	
Zublin Construction L.L.C.	Abu Dhabi	United Arab Emirates	100.00	
BONDENO INVESTMENTS LTD	Limassol	Cyprus	100.00	

1 For these companies, the option allowed by Sec 264 Para 3 or by Sec 264b of the German Commercial Code (HGB) was exercised.

2 The presentation of interest is done using the economic approach, the interest as defined by civil law may deviate from this presentation.

3 The voting rights according to the contract of association amount to 50% plus one vote.

The following list shows the equity accounted associates included in the consolidated financial statement:

Company Equity accounted associate	Residence	Country	Direct stake %
Holcim Cement CE Holding GmbH	Vienna	Austria	30.00
Bayerische Asphaltmischwerke GmbH & Co. Kommanditgesellschaft für Straßenbaustoffe	Hofolding	Germany	48.33
Bodensee - Moränekies Gesellschaft mit beschränkter Haftung & Co. Kommanditgesellschaft Tettnang	Tettnang	Germany	33.33
CMBlu Energy AG	Alzenau	Germany	14.71
Natursteinwerke im Nordschwarzwald NSN GmbH & Co. KG	Mühlacker	Germany	25.00
DESARROLLO VIAL AL MAR S.A.S.	Medellín	Colombia	37.50
A-Lanes A15 Holding B.V.	Nieuwegein	The Netherlands	24.00
Züblin International Qatar LLC	Doha	Qatar	49.00
SOCIETATEA COMPANIILOR HOTELIERE GRAND SRL	Bucharest	Romania	35.32
MAK Mecsek Autopalya Koncesszios Zrt.	Budapest	Hungary	50.00

The following list shows the equity accounted joint ventures included in the consolidated financial statement:

Company Equity accounted joint venture	Residence	Country	Direct stake %
Innsbrucker Nordkettenbahnen Betriebs GmbH	Innsbruck	Austria	51.00 [4]
A 49 Autobahngesellschaft mbH & Co. KG	Schwalmstadt	Germany	50.00
AMB Asphaltmischwerke Bodensee GmbH & Co. KG	Singen Hohentwiel	Germany	50.00
FLARE Living GmbH & Co. KG	Cologne	Germany	50.00
Kieswerke Schray GmbH & Co. KG	Steißlingen	Germany	50.00
Messe City Köln GmbH & Co. KG	Hamburg	Germany	50.00
NWM Nordwestdeutsche Mischwerke GmbH & Co. KG	Großenkneten	Germany	50.00
PANSUEVIA Service GmbH & Co. KG	Jettingen-Scheppach	Germany	50.00
Silenos Energy Geothermie Garching a.d. Alz GmbH & Co. KG	Garching a.d.Alz	Germany	50.00
SRE-ECE-JV Generalübernehmer GmbH & Co. KG	Oststeinbek	Germany	50.00
Thüringer Straßenwartungs- und Instandhaltungsgesellschaft mbH & Co. KG	Apfelstädt	Germany	50.00
Autocesta Zagreb-Macelj d.o.o.	Zagreb	Croatia	51.00 [4]
A2 ROUTE Sp. z o.o.	Pruszkow	Poland	50.00

[4] There are deviating contractual provisions concerning this joint venture.

Accounting policies

Goodwill

Goodwill from a business combination is initially measured at cost. This is calculated as the excess of the consideration transferred over the identifiable assets acquired and liabilities assumed. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised, rather, it is subjected to annual impairment testing in accordance with IAS 36. The Group conducts its annual test for goodwill impairment at year's end. Testing is also performed if events or circumstances indicate that the figure could be impaired. For the purpose of the impairment testing, goodwill is assigned to one or more of the Group's cash-generating units that should benefit from the synergy effects of the combination. The recoverability of goodwill is determined by comparing the carrying amount of the respective cash-generating unit (CGU) or units with the recoverable amount. If the goodwill is impaired, an impairment loss is recognised. A reversal of impairment losses once the reasons for the impairment no longer apply is not foreseen for goodwill.

Rights from concession arrangements

Service concession arrangements between the STRABAG SE Group and the public sector to build, operate, maintain and finance infrastructure facilities are treated in accordance with the requirements of IFRIC 12.

A right from a concession arrangement is recognised if the consideration does not represent an enforceable right to payment, but instead a right to charge a usage fee is granted.

The right from the concession arrangement is accounted for at the fair value of the consideration and subsequently recognised less depreciation over the period of the concession and impairment losses. If the reasons for the previously recognised impairment loss no longer apply, these assets are written back through profit or loss. The amount may not exceed the carrying amount that would have resulted if no impairment loss had been recognised in previous periods.

Other intangible assets

Acquired intangible assets are recognised at their initial costs less amortisation and impairment losses if applicable.

Development costs for an internally generated intangible asset are capitalised if the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for internal use or sale and if it can demonstrate the intent to complete the intangible asset and use or sell it. The Group must also demonstrate that the intangible asset will generate probable future economic benefits, that it has adequate resources to complete the asset and that it is able to reliably measure the expense attributable to the asset during its development. The construction costs for these assets comprise all construction costs directly attributable to the construction process as well as production-related overheads. Borrowing costs are capitalised for qualified assets. Research costs which do not fulfil these criteria are recognised as an expense in the period in which they are incurred. Costs that have already been recognised as an expense are not capitalised in a subsequent period.

The subsequent measurement of intangible assets with definite useful lives is performed at cost less accumulated amortisation and impairment losses. Within the Group, there are no intangible assets with indefinite useful lives.

The following useful lives were assumed for intangible assets for amortisation using the straight-line method:

Intangible assets	Useful life in years
Property rights, utilisation rights and other rights	3–50
Software	2–5
Patents and licences	3–10

Property, plant and equipment

Property, plant and equipment is initially recognised at cost. STRABAG performs subsequent measurements using the cost model – cost less accumulated depreciation and impairment losses. If the reasons for a previously recognised impairment loss no longer apply, these assets are written back through profit or loss. The amount may not exceed the carrying amount that would have resulted if no impairment loss had been recognised in the previous periods.

Subsequent acquisition costs are capitalised if it is probable that future economic benefits will flow to the Group and if the costs can be reliably determined. Repair and maintenance costs which do not constitute significant maintenance expense is recognised as expenses in the period in which they are incurred.

Depreciable property, plant and equipment is generally depreciated using the straight-line method over the expected useful life. In individual cases, output-based depreciation is applied. If there is an indication that an asset may be impaired and if the present values of the future cash inflow surpluses are below the carrying amounts, the amount is revalued to the lower recoverable amount in accordance with IAS 36.

The following useful lives were assumed for property, plant and equipment:

Property, plant and equipment	Useful life in years
Buildings	10–50
Investments in third-party buildings	5–40
Machinery	3–15
Office equipment/furniture and fixtures	3–10
Vehicles	4–9

Investment property

Investment property is property held to earn rental income or for the purpose of capital gains. Investment property is initially measured at cost. STRABAG uses the cost model for subsequent measurements, i.e. the measurement is performed at cost less accumulated depreciation and impairment losses. If the present values of the future cash inflow surpluses are below the carrying amounts, the amount is revalued to the lower recoverable amount in accordance with IAS 36. The fair value of this investment property is disclosed separately. The fair value is determined using recognised methods such as derivation from the current market price of comparable properties or the discounted cash flow method.

The useful life of investment property varies between 10 and 35 years. Investment property is depreciated using the straight-line method.

The presentation in the balance sheet is under property, plant and equipment.

Leases

A lease is a contractual arrangement in which the lessor (owner) grants the lessee (user) the right to control an identified asset for a specified period of time in exchange for a consideration.

The STRABAG SE Group is a **lessee** of real estate properties (offices, storage spaces, etc.). A large number of the contracts are stand-alone contracts with comparatively low annual rental payments, of both limited and unlimited duration and with ordinary termination rights.

Leases are to be presented as a right-of-use asset and a corresponding lease liability in the balance sheet. The lease payments are split into a financing and a principal component. The finance costs are recognised in profit or loss over the term of the lease, resulting in a constant periodic interest rate on the remaining amount of the liability for each period. The right-of-use asset is amortised on a straight-line basis over the shorter of the two periods of useful life or term of lease.

Lease payments are made at the Group's incremental borrowing rate, i.e. the rate of interest that the Group would have to pay to borrow the funds necessary to obtain an asset of a similar value and at similar terms in a similar economic environment.

Payments for short-term leases and leases for which the underlying asset is of low value are recognised as an expense. Short-term leases are leases with a term of up to twelve months.

To a minor extent, the Group also acts as a **lessor**. This essentially involves office space, in particular the TECH GATE VIENNA in Vienna. These leases are to be classified as operating leases. Rental income from these leases is shown in other operating income.

Government grants

Government subsidies and investment grants are offset against the cost of the assets and amortised in proportion to their useful lives. A government grant is recognised when there is reasonable assurance that the grant will be received, and the Group complies with the necessary conditions for receiving the grant.

A total of T€ 3,127 (2022: T€ 2,297) of the investment promotion bonus ("Investitionsförderungprämie") was utilised, of which T€ 2,110 (2022: T€ 1,280) still remains outstanding as at the reporting date.

Additional energy cost subsidies totalling T€ 5,347 were granted in Austria and Germany. These are recognised in profit or loss.

Borrowing costs

Borrowing costs that are directly attributable to the acquisition or production of a qualifying asset are recognised as part of the cost of that asset. Qualifying assets are assets that necessarily take a substantial period of time (over six months) to get ready for their intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Impairment of non financial assets

Assets that are subject to depreciation or amortisation, as well as other investments and associates, are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may no longer be recoverable. Assets that have an indefinite useful life, such as goodwill or intangible assets not yet available for use, are tested for impairment annually as such assets are not subject to depreciation or amortisation.

To identify the need for an impairment loss, the recoverable amount is determined. The recoverable amount is the higher of fair value of the asset less costs to sell and value in use. If it is not possible to determine the recoverable amount for an individual asset, then the recoverable amount is determined for the smallest identifiable group of assets (cash-generating unit) to which the asset in question can be assigned.

Considering that, as a rule, market prices are not available for individual units, the present value of net cash inflows is used to determine the fair value less costs to sell. The forecast of the cash flows is based on STRABAG's latest planning, with a planning horizon of at least four years. The last detailed planning year forms the basis for calculating the perpetuity if applicable legislation and legal requirements do not limit the usability of the cash-generating unit to a shorter period of time.

For the purpose of determining the fair value less costs to sell, the cash-generating unit is measured from the viewpoint of an independent market participant. In calculating the value in use of an asset, on the other hand, the cash flows are considered based on the previous use. For the net cash inflows beyond the detailed planning period, individual growth rates derived from market information are determined based on long-term business expectations in both methods of calculation.

Net cash inflows are discounted at the cost of capital, which is calculated as the weighted average cost of equity and debt. Consideration is given to the different yield and risk profiles of STRABAG's various areas of expertise by determining the individual costs of capital using comparison companies. The cost of equity corresponds to the required rate of return for investors, while the cost of debt is based on the long-term financing conditions available to comparison companies. Both components are derived from capital market information.

The following table shows the parameters growth rate and cost of capital for impairment testing:

%	**2023**	2022
Growth rate	0.0–0.5	0.0–0.5
Cost of capital (after tax)	8.1–11.8	7.6–12.2
Cost of capital (before tax)	9.5–13.9	10.5–14.6

The Management Board has calculated the budgeted gross margin based on past developments and on expectations for future market development.

If the recoverable amount of an asset is lower than the carrying amount, an impairment loss is recognised immediately in profit or loss. In the case of impairment losses related to cash-generating units which contain goodwill, existing goodwill is initially reduced. If the impairment loss exceeds the carrying amount of the goodwill, the difference is generally apportioned proportionally over the remaining non-current assets of the cash-generating unit.

With the exception of goodwill, non-financial assets for which an impairment loss was charged in the past are reviewed at every balance sheet date to determine whether the impairment loss should be reversed.

Financial assets

Financial assets are recognised in the consolidated balance sheet if STRABAG has a contractual right to receive cash or other financial assets from another party. Regular way purchases and sales of financial assets are recognised using settlement date; the trade date is used for derivatives.

Financial assets that are not measured at fair value through profit or loss are initially recognised at fair value plus transaction costs which are directly attributable to the acquisition.

Transaction costs which arise upon the acquisition of financial assets measured at fair value through profit or loss are immediately recognised as an expense.

Receivables bearing no interest or interest below the market rate are initially recognised at the present value of the expected future cash flows.

For purposes of subsequent measurement, financial assets are classified in one of the following categories in accordance with IFRS 9, with each category having its own measurement requirements. The classification is determined at initial recognition.

For measurement and accounting purposes, financial assets are to be assigned to one of the following categories:

- Financial assets measured at amortised cost (AC)
- Financial assets measured at fair value through profit or loss (FVPL)
- Financial assets, classified as equity instruments under IAS 32, measured at fair value through other comprehensive income (FVOCI-equity)
- Financial assets, classified as debt instruments under IAS 32, measured at fair value through other comprehensive income (FVOCI-debt)

Financial assets measured at amortised cost

Financial assets in this category are measured at amortised cost if the objective of the business model is to hold the financial asset to collect the contractual cash flows, and the contractual terms of the instrument give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. These are classified as current financial assets if they mature within twelve months after the reporting date or within the usual business cycle. Otherwise they are classified as non-current financial assets. As part of the subsequent measurement, financial assets measured at amortised cost are valued using the effective interest method. When applying the effective interest method, all directly attributable fees, fees paid or received, transaction costs and other premiums or discounts included in the calculation of the effective interest rate are amortised over the expected life of the financial instrument. Interest income from the application of the effective interest method is recognised through profit or loss under interest income from financial instruments.

Trade receivables, receivables from consortia, receivables from subsidiaries and receivables from participation companies, as well as other financial assets, are measured at amortised cost less impairment allowances for expected credit losses.

Trade receivables

Trade receivables also include receivables from consortia and advances paid to subcontractors.

Trade receivables and receivables from consortia are recognised in the consolidated balance sheet if STRABAG has a contractual right to receive cash or other financial assets from another party. Recognition is made on the settlement date.

Receivables bearing no interest or interest below the market rate are initially recognised at the present value of the expected future cash flows.

Subsequent measurement of trade receivables and receivables from consortia is at amortised cost less impairment losses for expected credit losses (see the section “Impairment of financial assets and contract assets”).

These are classified as current financial assets if they mature within twelve months after the reporting date or within the usual business cycle. Otherwise, they are classified as non-current financial assets.

Financial assets measured at fair value through profit or loss

A financial asset that is to be classified as a debt instrument under IAS 32 is measured at fair value through profit or loss if it is held for trading purposes, the cash flow criteria are not met, or it is designated as at FVPL at initial recognition. A financial asset at STRABAG is assigned to this category if it was principally acquired with an intention to sell in the short term. Derivatives also belong to this category if they do not qualify as hedging instruments. Assets in this category are recognised as current assets if the asset is expected to be realised within twelve months. All other assets are classified as non-current. Value changes of financial assets measured at fair value through profit or loss are recognised through profit or loss.

This category includes securities reported under non-current financial assets and securities reported under cash and cash equivalents.

The fair value option may be elected for financial assets which, based on the underlying business model and the contractual cash flows, are classified as measured at amortised cost if doing so eliminates or significantly reduces a measurement or recognition inconsistency. The fair value option is not elected at STRABAG.

Financial assets which represent equity instruments under IAS 32 are also measured at fair value through profit or loss. Value changes are recognised through profit or loss in the income statement.

This category contains mainly investments below 20% that are held under other investments.

Upon initial recognition of equity instruments measured at fair value, there exists an irrevocable option to recognise value changes in other comprehensive income rather than in the income statement, provided the equity instrument is not held for trading purposes. Equity investments recognised in the other comprehensive income may not be later reclassified to the income statement. The option is not exercised at STRABAG.

Impairment of financial assets and contract assets

For the recognition of impairment losses, STRABAG allows for expected credit losses under IFRS 9. The expected loss impairment model is used for debt instruments for which subsequent measurement is made at amortised cost. The impairment requirements under IFRS 9 are also applied to non-financial contract assets.

Equity instruments measured at fair value through profit or loss or through other comprehensive income are not within the scope of the IFRS 9 impairment requirements.

IFRS 9 outlines a three-stage model to determine the scope of the risk provision, requiring expected credit losses to be measured from initial recognition at an amount equal to the twelve-month expected credit losses or, if the credit risk has worsened significantly, the full expected credit losses over the remaining life of the financial instrument. The general impairment model (general approach) is used for receivables from concession arrangements and for current and non-current other financial assets in the Group. Besides the general impairment model, the simplified impairment model (simplified approach) is used for trade receivables and for contract assets under IFRS 15. The simplified impairment model requires a risk provision equal to the expected losses over the full remaining life of the financial instrument to be recognised for trade receivables or contract assets regardless of the respective credit quality.

Application of the 30-days-past-due criterion is not useful in the construction sector, on the one hand because of incomplete performance recognition, and on the other hand because contracts are often fulfilled for public-sector clients, whose internal processes to release payment may be lengthy but usually result in full and complete payment.

To determine the expected credit losses, trade receivables and contract assets are grouped into different portfolios with similar risk characteristics. In establishing the portfolios, STRABAG also considers the underlying country risk and the creditworthiness.

During the initial recognition of financial assets, STRABAG takes into consideration the probability of defaults and continually monitors the development of the credit risk in each reporting period, taking into account all reasonable and supportable information and forecasts. This includes especially the following indicators:

- internal estimate of creditworthiness by the client
- external information on creditworthiness based on the corresponding country risk

Macroeconomic information (such as market interest rates) and other forecasts are included in the assessment of the credit risk.

Besides the application of the general and the simplified impairment approach, financial assets are considered impaired if there is objective evidence of credit default indicators. STRABAG recognises such impairments if the debtor has significant financial difficulty; if there is a high probability that insolvency proceedings will be commenced against the debtor; if a breach of contract and payment default has occurred; or if the issuer’s technological, economic, legal and market environment changes substantially.

Impairment losses lower the carrying amount of the financial assets. If the reasons for the previously recognised impairment loss no longer apply, these assets are written back through profit or loss. The impairment losses or reversals of impairment losses resulting from the application of the impairment requirements is recognised through profit or loss in the other operating expense or income.

A financial asset defaults if bankruptcy proceedings have been started or it is highly probable that there is no reasonable expectation for repayment. These financial assets are then derecognised. When derecognising financial assets, STRABAG continues to undertake enforcement measures to attempt to recover the receivables that are due.

During the reporting period, there were no changes with regard to the impairment approaches and criteria that were applied.

Derecognition of a financial asset

Financial assets are derecognised when the contractual rights to receive payment from the financial assets no longer exist or if the financial assets are transferred along with all substantial risks and rewards. An asset is also derecognised if the substantial risks and rewards of ownership of the asset are neither transferred nor retained but control is relinquished. If control is retained, such transferred financial assets are recognised to the extent of the continuing involvement.

Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when there is a legally enforceable right to offset the recognised amounts and the settlement is on a net basis. This concerns, to a minor extent, the settlement of trade receivables and payables.

Derivative financial instruments and hedging

Derivative financial instruments are employed exclusively to mitigate risks arising from movements in currency exchange rates and interest rates. The utilisation of financial derivatives is subject to internal guidelines and controls.

Derivative financial instruments are classified as financial assets measured at fair value through profit and loss or as derivatives used for hedging purposes at the date of contract conclusion. Derivative financial instruments are initially recognised at cost and measured at fair value in subsequent periods. Unrealised gains or losses on the measurement are recognised in the income statement if the conditions for hedge accounting under IFRS 9 are not met. Derivative financial instruments are stated under other financial assets or other financial liabilities.

Derivative financial instruments are measured based on observable market data (interest and exchange rates) and non-observable market data (the counterparty’s credit rating). The fair value is determined using generally accepted methods of mathematical finance.

On application of the hedge accounting requirements, the Group designates derivative financial instruments as hedging instruments to either:

- hedge the exposure to changes in the fair value of a recognised asset or liability (fair value hedge), or to
- hedge the exposure to variability in cash flows (cash flow hedge).

In the case of fair value hedge accounting, the change in the fair value of the hedged item that is attributable to the hedged risk and the change in the fair value of the hedging derivative are recognised in the income statement. Fair value hedging is not used in the STRABAG SE Group.

If, however, a derivative financial instrument is used as a hedging instrument in a cash flow hedge, the effective unrealised gains or losses from the hedging instrument are initially accounted for under other comprehensive income. They are reclassified to profit or loss when the hedged item affects profit or loss. Any changes resulting from the ineffectiveness of these financial instruments are recognised immediately in profit or loss in the income statement.

When concluding a hedging transaction, STRABAG documents the clear hedging relationship between the hedging instrument and the hedged item, the objective of its risk management, and the underlying strategy. It is also established that there exists an economic relationship between the hedged item and the hedging instrument and that credit risk does not dominate the resulting value changes. The hedging relationship's hedging ratio reflects the ratio between the designated nominal amount of the hedged item actually used by STRABAG and the designated nominal amount actually designated by STRABAG to hedge the nominal amount of the hedged item. An assessment is made at the beginning of the hedging relationship, with documentation provided continually thereafter, of whether the derivatives used in the hedge are effective or not in offsetting the changes in fair value or cash flow of the hedged item. Hedging relationships are adjusted when there are changes in the hedged item.

The critical term match method is used to determine the prospective hedge effectiveness. The retrospective determination of hedge ineffectiveness is made on the basis of the dollar offset method.

Receivables from concession arrangements

Service concession arrangements between the STRABAG SE Group and the public sector to build, operate, maintain and finance infrastructure facilities are treated in accordance with the requirements of IFRIC 12.

Service concession agreements which provide an absolute contractual right to receive payment are recognised as financial assets. All receivables from concession arrangements are accounted for under the special balance sheet item receivables from concession arrangements. The receivables are carried at the present value of the payments to be made. The accumulation amount calculated annually using the effective interest method is recognised in revenue. Impairment allowances are made for expected credit losses.

Current and deferred income taxes

The income tax payables and receivables contain mainly rights and obligations regarding domestic and foreign income taxes. These comprise the rights and obligations from the current year as well as possible rights and obligations from previous years. The receivables/payables are calculated based on the tax regulations in the respective countries.

Deferred tax is measured using the balance sheet liability method for all temporary differences between the valuation of the balance sheet items in the IFRS financial statements and the existing tax value at the individual companies. Furthermore, any realisable tax advantage from existing losses carried forward will be included in the calculation. Exceptions to this comprehensive tax deferral are balances from non-tax-deductible goodwill.

Deferred tax assets may only be recognised if the associated tax advantage is likely to be realisable. The calculation of the tax deferral is based on the usual income tax rate in the respective country at the point of the predicted reversal.

Recognition is made of deferred tax liabilities arising from temporary differences in relation to investments in subsidiaries and associates unless the timing of the reversal of the temporary differences in the Group can be determined and the temporary differences are unlikely to reverse in response to this influence in the foreseeable future.

Inventories

Inventory costs include cost of purchase and production and are required to be stated at the lower of cost and net realisable value.

This item mainly includes undeveloped land as well as finished and unfinished buildings sold in the course of the project development business but for which there is not yet a specific investor.

Production costs include all direct costs as well as appropriate parts of overhead arising in the production. Distribution costs, as well as costs for general administration, are not included in the production costs. Borrowing costs related to production are recognised for inventories which are to be classified as qualifying assets.

Contract assets and contract liabilities

Regarding **construction contracts with customers**, revenue is recognised over time as required by IFRS 15, as the construction projects are built on the customers' properties and the customers thus always control the assets that are created or enhanced.

Construction is performed based on stand-alone contracts. The allocation of the transaction price to each performance obligation is made on the basis of the work estimate for the respective stand-alone item. If significant integration services are provided, a separate performance obligation is assumed. Transaction prices for construction contracts in the STRABAG SE Group are determined on the basis of the contract value agreed with the customer. Contractual penalties or bonus payments during the construction period may lead to amendments of the transaction price. These are carried with the most probable value by reason and amount on the basis of the project controlling.

Revenue recognition over time is made using the output-oriented method on the basis of the work performed. The actual work performed, and the corresponding revenue are determined at the level of the individual item according to the work estimate. Because of unforeseen deviations in the budgeted costs, the best indicator here is the percentage of completion as derived directly from the actual work performed. The performance completed to date, one of the key corporate governance figures, must be directly determined by the construction site team on a monthly basis.

The contract asset represents the Group's right to consideration from construction contracts with customers. If the value of a contract asset of a construction contract exceeds the payments received for it, then this is shown on the assets side under contract assets. In the opposite case, the figure is reported on the equity and liabilities side under contract liabilities.

Payments for construction contracts are usually made parallel to the performance on the basis of regular invoicing. Payments of advance consideration before the actual performance are common practice, especially in building construction. Agreements covering extended terms of payment or staggered invoicing of performance completed are made only on a case-by-case basis with special approval by the Management Board of STRABAG SE.

If it is probable that the costs exceed the recoverable proceeds, an onerous contract provision is recognised in accordance with IAS 37. Any costs directly attributable to the contract are taken into account to determine the costs. The onerous contract provision, considered individually, is recognised at the amount that is required for the completion of the obligation from the construction contract. Up to the value of the contract asset, an impairment loss is recognised. If the value of the respective contract asset is exceeded, an onerous contract provision is recognised on the equity and liabilities side under the current provisions.

With regard to impairment losses, see the section "Impairment of financial assets and contract assets".

Inventories that have not yet been used in the construction process but are already present on the construction sites are no longer accounted for as a separate asset but are instead assigned to the respective contract and recognised as a contract asset.

Claims and variation orders in connection with construction contracts involve any modification or change (actual construction progress) to the contractually agreed scope of work (agreed specifications). Due to the existing contractual agreements, these modifications to the work to be performed cannot be invoiced until the client approves the changes or agrees to their invoiceability.

Modifications or changes to the work to be performed include agreed changes to the work to be performed as well as disputed claims for additional costs due to disruption or due to changes in the scope of work.

In the event of agreed changes to the work to be performed, the client actively intervenes in the construction process and changes the scope of work. Changes to the work to be performed are regularly commissioned by the contractor before execution. In this case, a contract modification as defined by IFRS 15.18 exists in which all parties to the contract have agreed to the change in the scope of work and/or price. As a rule, the contract modification is accounted for as part of the original contract in accordance with IFRS 15.21(b), as the changes in the work to be performed are not distinct from the order before contract modification and the contract remains a single performance obligation.

Claims for additional costs arising from disruption are incurred when adjustments must be made to the construction process due to disruptions that lie within the client's sphere of influence. Claims for additional costs also arise in the case of changes ordered by the client who believes these do not result in additional costs, due e.g. to guarantees for completeness, but which, in the opinion of the contractor, are not included in the scope of the contract. The complexity of construction contracts often leads to different legal views regarding the existence of a legal claim between the client and the contractor, which often results in protracted legal disputes.

In accordance with IFRS 15.19, the disputed claims for additional costs involve contract modifications for which the parties to the contract have not yet reached a final agreement with regard to the scope and/or price of the contract. The variable consideration from these contract modifications is therefore estimated in accordance with the provisions of IFRS 15.50–59 and recognised as revenue as part of the original contract in accordance with IFRS 15.21(b).

The estimate is based on qualitative and quantitative criteria. The large number of individual claims and variation orders in a construction project, the uncertainty over a long period of time, the individuality of the circumstances, the legal enforceability of the claim and the quality of the documentation are taken into account when estimating the variable consideration. The variable consideration is measured in such a way that there is no reversal of previously recognised revenue in subsequent periods.

The corresponding expense is recognised in profit or loss immediately when it is incurred.

The consideration for **revenue from project developments** which, on the basis of the work performed by the reporting date, are realised over time, is recorded under contract assets. The contract asset represents the Group's right to considerations from project developments.

Revenue is recognised over time if a contractual agreement excludes the possibility of any alternative use and there exists a right to payment including a profit margin on the work performed. These conditions are always met if real estate projects are already sold prior to their completion.

In these cases, the revenue is recognised pro rata based on the degree of completion of the work. If the real estate projects are only partially sold, for example, in the case of owner-occupied flats, the revenue is recognised pro rata only for those parts already sold. The project is then presented pro rata under contract assets. Unsold portions are held as inventories measured at cost.

The advances received are offset against the cost of the contract asset. If the advances received exceed the value of the contract asset, presentation is made on the equity and liabilities side under contract liabilities.

The notes on construction contracts with customers apply by analogy.

Cash and cash equivalents

The cash and cash equivalents include all liquid financial assets which at the date of acquisition or investment have a remaining term of less than three months. This comprises bank deposits, time deposits and cash on hand. Cash and cash equivalents are measured at amortised cost.

Cash and cash equivalents where availability is restricted by foreign exchange restrictions or other legal constraints are not part of the cash and cash equivalents for the cash flow statement.

Provisions

The following defined benefit plans for which provisions must be recognised exist within the Group.

The company's obligation relating to defined benefit plans consists in fulfilling the promised benefits to current and former employees.

Defined contribution plans in the form of financing through third-party support funds exist for employees of Austrian subsidiaries whose employment began after 1 January 2003. The severance payments obligations are funded by the regular payment of contributions into the employee provident fund.

Provisions for severance payments

The Group is legally required to provide an one-off severance payment to employees of Austrian subsidiaries in the case of termination or at the date of retirement if their employment began before 1 January 2003. The level of this payment depends on the number of years at the company and amount due at the date of severance and comes to between two and twelve monthly salaries. A provision is made for this obligation.

Additionally, the severance payment rights in other countries in the case of termination or retirement amount from one to three monthly salaries. Due to the relatively insignificant amounts involved, provisions for severance payments arising from these obligations are determined using financial mathematical methods.

Pension Provisions

The provisions for pensions are formed for obligations from the right to future pension payments and current payments to present and past employees and their dependents. The Group's pension promises in **Germany, Austria and the Netherlands** exist on the basis of individual contracts or internal labour-management agreements. The obligations are based on a number of different pension arrangements. The number of different employee benefit plans is the result of the Group's enterprise acquisitions in Germany. New agreements are not concluded within the Group.

As a rule, the pension promises foresee the granting of monthly old age, invalidity and survivors' benefits. With some promises, the pension arrangement foresees benefits to be paid in the form of a capital payment.

The benefit plans exist in various designs. The range of plan structures includes specified benefit systems (e.g. specified amount per year of employment), dynamic systems (e.g. % per year of employment) and benefit promises (e.g. specified promise). Plans also exist with or without survivors' benefits.

In **Switzerland**, the legal regulations governing pension plans require payments to be made into pension foundations. One half of the contributions are made by the employer, the other half by the employee. The employee contributions depend on the amount of insured income as well as on age and are treated as reduction of the service cost. At retirement, employees can choose to receive an one-off severance payment, regular monthly pension payments or a hybrid of the two options.

As restructuring contributions are required if the pension foundation has insufficient funds for coverage, the promises are categorised as defined benefit plans in accordance with IAS 19.

Within the STRABAG SE Group, the obligations of the pension funds are reinsured.

Measurement of severance and pension provisions

The Group's obligations relating to defined benefit plans are determined separately for each plan using actuarial principles in accordance with the projected unit credit method. The projected unit credit method is used to determine the discounted pension entitlements acquired up to the end of the accounting period. The existing plan assets measured at their fair value are subtracted from the defined benefit obligations. This yields the defined benefit liability (asset) to be recognised.

Determination of the net defined benefit liability at the end of the reporting year is based on an actuarial report from a certified actuarial analyst.

The rate used to discount severance and pension provisions is determined on the basis of market yields at the end of the respective reporting period on high-quality fixed-interest industrial bonds with a comparable term.

The assumptions relating to discounting, pay rises and fluctuation that are used to calculate the severance and pension provisions vary in proportion to the economic situation of each specific country. Life expectancy is calculated according to the respective country's mortality tables.

Actuarial gains and losses are recognised in equity outside profit or loss. The service cost is stated in employee benefits expense, while the interest component of the allocation to the provision is reported in the net interest income.

If the present value of a defined benefit obligation changes in response to plan amendments, the resulting effects are recognised in profit or loss as past service cost in the year of the amendment. Any income resulting from a settlement is also recognised directly in the income statement.

The company is exposed to various risks in relation to the defined contribution severance and pension plans. Besides the general actuarial risks such as the longevity risk and the interest rate risk, the Group is also exposed to currency risk as well as to capital market risk or investment risk.

More information concerning the risks is available in the sensitivity analysis under item (27) Provisions.

Other provisions

The other provisions take into consideration all realisable risks and uncertain obligations. They are recognised at the respective amount which, according to commercial judgement, is necessary at the balance sheet date to cover future payment obligations of the Group. Hereby the respective amount which arises as the most probable on careful examination of the facts is recognised.

Long-term provisions are, as far as they are not immaterial, entered into the accounts at their discounted discharge amount as at the balance sheet date. The discharge amount also includes the cost increases to be considered on the reporting date. Provisions which arise from the obligation to recultivate gravel sites are allocated according to the rate of utilisation.

Non-financial liabilities

Non-financial liabilities are carried at the repayment amount. Contract liabilities under IFRS 15 are qualified as non-financial liabilities.

Financial liabilities

The financial liabilities at STRABAG comprise non-derivative liabilities and derivatives with a negative fair value on the reporting date.

For measurement and accounting purposes, financial liabilities are to be assigned to one of the following categories:

- Financial liabilities measured at amortised cost (FlaC)
- Financial liabilities measured at fair value through profit or loss (FVPL)

Non-derivative financial liabilities are recognised in the consolidated balance sheet if STRABAG has a contractual obligation to transfer cash or other financial assets to another party. Initial recognition of non-derivative financial liabilities is made at fair value. Financial liabilities that are not measured at fair value through profit or loss are initially recognised at fair value plus transaction costs, which are directly attributable to the acquisition.

A financial liability is classified as **current** provided the company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

During subsequent measurement of non-derivative financial liabilities carried at amortised cost, any premiums or discounts between the amount received and the repayment amount are spread over the financing term using the effective interest method and recognised in interest expense on an accrual basis.

A financial liability is only measured at fair value through profit or loss if it is held for trading purposes or designated as such at initial recognition. Derivatives with negative market value also belong to this category if they are not designated as hedging instruments.

Transaction costs which arise upon the acquisition of financial liabilities measured at fair value through profit or loss are immediately recognised as an expense.

The **fair value option** was not exercised for financial liabilities.

Financial liabilities are derecognised if the contractual obligations are discharged, cancelled or have expired. Costs related to the issue of corporate bonds are offset over the term using the effective interest method.

Trade payables

Trade payables also include payables from consortia. For measurement and accounting purposes, these are classified as financial liabilities measured at amortised cost.

Non-derivative financial liabilities are recognised in the consolidated balance sheet if STRABAG has a contractual obligation to transfer cash or other financial assets to another party. Initial recognition of non-derivative financial liabilities is made at fair value.

Trade payables are classified as **current** provided the company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period or within the normal business cycle.

Contingent liabilities

Contingent liabilities are present or possible future obligations for which an outflow of resources is not probable. They are – as long as IFRS 3 does not require recognition on acquisition – not reflected in the balance sheet.

Financial guarantees

STRABAG only provides financial guarantees for the benefit of third parties in the case of payables from its own subsidiaries or associates for which no commissions are agreed. If utilisation of the guarantee is not to be expected, no separate valuation is made in the balance sheet.

Contingent assets

Contingent assets are assets whose actual occurrence depends on future uncertain events that are not under the company's control. These must be disclosed in the notes if an inflow of economic benefits is not unlikely. Recognition in the financial statements is not permitted as this would result in the recognition of income that may never be realised.

Revenue recognition

The revenue within the STRABAG SE Group comprises revenue from construction contracts with customers, which regularly account for more than 80% of the total revenue, revenue from project developments, revenue from construction materials, revenue from facility management and other revenue.

The **revenue from construction contracts with customers** is recognised over time as required by IFRS 15. Revenue recognition over time is made using the output-oriented method on the basis of the work performed at the reporting date.

For further information, please see the notes on contract assets.

The recognition of revenue from construction contracts performed in consortia is made over time corresponding to the actual work performed by the reporting date. Impending losses arising from further construction work are accounted for by means of appropriate depreciation.

The **revenue from project developments** is recognised at a point in time after the performance obligation is satisfied by the STRABAG SE Group and after the customer assumes control and has the opportunity to derive benefit from the project.

Alternatively, the revenue is recognised over time on the basis of the work performed by the reporting date if a contractual agreement for the STRABAG SE Group excludes the possibility of any alternative use and the contractual agreement foresees a right to payment including the profit margin on the work performed.

For real estate projects that are sold already prior to their completion, the revenue is therefore recognised pro rata and the right to payment including the profit margin is presented under the contract assets.

For further information, please see the notes on contract assets.

The **revenue from construction materials, the revenue from the facility management, and the other revenue** are recognised with satisfaction of the performance obligation upon obtainment of control by the customer.

Interest income is recognised as it accrues using the effective interest method. Interest related to concession models and default interest are part of the transaction price of contracts with customers and are therefore recognised under revenue.

Other income, such as rental income or expenses passed through, is stated on the basis of the amount accrued in accordance with the respective agreements.

The revenue from dividends and the share of profits from investments are recognised if a legal right to payment exists.

Net interest income

Net interest income includes interest income and interest expense as well as foreign exchange gains and losses on financing, as these are not part of the operating business. Changes in value as well as gains and losses on disposals of securities are also included in net interest income.

Notes on macroeconomic developments

The price increases for energy and construction materials triggered by the Ukraine war pose major challenges for the construction industry as well. Fuel for the vehicle and construction equipment fleet accounts for a large part of energy costs.

After some very dynamic cost development in the first few months after the start of the war, prices began to stabilise to a certain extent, although at a high level – where they are likely to remain for the long term.

The availability of construction materials improved over the course of the year, and the main supply chains are again intact. The management is addressing supply chain risks with a high degree of decentralisation, the long-term procurement of raw materials, in-house production of construction materials and a proactive pricing policy.

The high construction prices and increased interest rates are bound to have an impact on demand. The Group's broad diversification, however, will cushion these effects. The shift from private to public contracts is expected to continue in the short term. STRABAG is well positioned in this respect, as over 60% of its customers are in the public sector. In addition, the Group has a diversified portfolio in building construction and positive trends were recognisable in commercial and industrial construction. Residential construction activities account for less than 10% of the Group's total output.

The increase in long-term interest rates for the calculation of personnel provisions is offset by the increase in salary and pension trends, with the result that there is no material impact on the equity of the STRABAG SE Group.

Impact of climate change

The climate crisis is one of the most pressing challenges of our time, bringing with it increasing economic impacts and risks for businesses in the future.

The STRABAG SE Group is heavily dependent on fossil fuels. Stricter regulations and higher prices resulting from CO_2 pricing present the risk of volatile and higher energy and commodity prices that cannot be fully passed on to customers.

Stricter environmental protection regulations and additional expenses for climate-friendly business processes are expected to lead to cost increases and a further rise in construction prices.

The risk exists that fewer contracts will be awarded, particularly for the construction of new roads, due to a change in public investment habits and stricter zoning laws, which will have to be compensated for by contracts in other business areas.

Demand is set to increase for sustainable buildings that take life-cycle considerations into account as well as for reconstruction, conversion and refurbishment work on existing buildings and the circularity of the built environment. Public sector clients are starting to issue tenders that include sustainability as an evaluation criterion. This will lead to an increased demand for sustainable building materials, which, however, do not yet exist or are not yet available in sufficient quantities.

The increase in extreme weather events will lead to construction delays and increased insurance costs.

The property and facility services business will increasingly offer green services using sustainable cleaning agents and environmentally friendly equipment in the future. The higher average temperatures are expected to result in an increased need for refurbishment and modernisation at IT locations for telecommunications and at data centres.

In the field of project development services, more projects related to renewable energies will be put out to tender in the future.

When preparing the consolidated financial statements, possible risks from climate change must be taken into account, especially in the valuation of goodwill, property, plant and equipment, inventories and provisions.

Significant goodwill at the STRABAG SE Group is reported under item (13) Goodwill. Even if an additional risk premium is applied for possible delays or the non-awarding of individual construction projects, especially in road construction, no impairment of goodwill is required. The sensitivity analyses carried out for this purpose show that the changes to the key assumptions considered possible by management do not require an impairment to be made.

Property, plant and equipment consists largely of construction equipment, machinery and the vehicle fleet, which are utilised on a decentralised basis for a wide variety of construction projects. Temperature increases or severe weather will not have any significant impact on property, plant and equipment in the future. The future need for environmentally friendly technology and equipment was taken into account when determining the useful life and residual values. STRABAG is looking closely at alternative powertrain systems for its construction machinery and vehicle fleet. At present, however, it is not yet possible to equip most of the equipment and vehicle fleet with such alternatives.

In the case of inventories, particularly real estate projects without an investor, relevant environmental aspects such as energy efficiency, EU Taxonomy alignment, etc. were taken into account when determining the net sales proceeds. Risks here include but are not limited to the fact that ongoing changes to laws and regulations at the time of sale have resulted in new requirements that had not yet been foreseeable in the planning phase. These aspects are taken into account in the measurement. This also applies to the formation of provisions.

This does not, however, give rise to any risks that could jeopardise the continuation of the company as a going concern.

On the contrary, the construction sector, as a result of the construction and technology measures required to adapt to climate change, will make a significant contribution to protecting ourselves against the expected impacts.

The increasing demand for climate-resilient construction and refurbishment as well as the development of new business models for the generation and use of renewable energy sources are seen as key opportunities in this regard.

As part of the sustainability strategy adopted in the 2021 financial year, STRABAG has set itself the goal of achieving climate neutrality along the entire value chain by the year 2040. When designing and building construction projects, the company focuses on ecologically compatible, sustainable construction methods as well as on the efficient use of resources and their recycling in order to limit any negative impact of construction on the environment as far as possible.

Estimates

The preparation of financial statements in conformity with IFRS requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities and the reported amounts of revenue and expenses.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Recoverability of goodwill

The Group conducts an annual test to determine whether its goodwill is impaired in accordance with the accounting policies described in the section “Impairment of non-financial assets”. The recoverable amount of the CGUs was determined using fair value less costs of disposal. These calculations are based on assumptions about the expected business development and the recoverable margin. Estimates about the expected business development are based on the facts and circumstances prevailing at the time of preparation of the consolidated financial statements as well as on realistic assumptions about the future development of the global and industry-specific environment. In response to changes in these underlying conditions which deviate from the assumptions and are beyond the Management Board’s control, actual values may deviate from the estimated values.

All other things remaining equal, an annual 5% decrease of the free cash flow used to calculate the recoverable amount would result in a total impairment loss of all goodwill of T€ 1,818 (2022: T€ 592), while an isolated increase of the cost of capital by 1 percentage point would lead to an impairment of goodwill of T€ 7,219 (2022: T€ 2,940). These two effects together would trigger an impairment loss of T€ 9,275 (2022: T€ 6,681).

An extended sensitivity analysis was performed due to the current uncertainties in the economic environment. Due to the large number of different types of orders and the fact that a large part of the work included in the planning has not yet been commissioned, a worst-case scenario was determined with regard to the achievable cash flows. An annual and sustained decrease of 15% in the recoverable free cash flows and a simultaneous increase of 3 percentage points in the weighted average cost of capital would result in an impairment loss of T€ 26,939 (2022: T€ 12,916).

The write-offs would affect Czech companies in the materials and concrete production business within the South + East segment in the amount of T€ 7,209 (2022: T€ 7,391), several German construction companies in the North + West segment in the amount of T€ 2,064 (2022: T€ 5,525), several Austrian construction companies in the South + East segment in the amount of T€ 9,436 (2022: T€ 0), as well as German companies in the facility management business in the International + Special Divisions segment in the amount of T€ 8,230 (2022: T€ 0).

(b) Other non-current financial assets / provisions

Other non-current financial assets include US dollar receivables from a Chilean project company. One part of this receivable, Lien 1, carries a fixed interest rate. The second part of this receivable, Lien 2, bears a fixed interest rate and is subject to additional variable components and a possible final conversion into shares. Lien 1 is serviced before Lien 2. Lien 1 is measured at amortised cost. Lien 2 is serviced subject to available cash. The subsequent measurement of Lien 2 is therefore at fair value.

The carrying amounts of non-current receivables, which arose from the financial restructuring of a supplier credit from a large Chilean project (power plant), were recognised at fair value on completion of the project. The measurement was made on the basis of the cash flows that can be generated in the future using planned data from the project company, taking into account generally available data on electricity price and hydrological developments as well as the current interest rate environment.

In December 2022 and in the course of the 2023 financial year, tunnel collapses were reported, the cause of which remain unclear. The incidents led to a temporary shutdown of the power plant in 2023. The resulting loss of production necessitated corresponding impairments and fair value adjustments in 2022. Clean-up following the collapses is ongoing and it remains unclear when the power plant can be put back into operation.

Further impairments were therefore recognised on non-current receivables in the 2023 financial year.

Due to the complex economic environment, the long terms to maturity, the dependence on the development of electricity prices, and the local climatic conditions, the actual returns may differ significantly from the estimated values.

On top of this, the project company is asserting claims against STRABAG due to the alleged failure to complete the project on time. Depending on the cause of the tunnel collapses, it is not possible to rule out that STRABAG may have to bear the costs of remediation. A final clarification of the circumstances was not foreseeable at the time of preparation of this report. For this reason, further provisions were formed in the 2023 financial year and the payment that was made on the performance bond – which STRABAG believes was drawn improperly – in November 2023 was recognised as an expense.

Due to the unclear cause of the damages and the complex legal circumstances, the actual claim may deviate from the value provided for.

(c) Recognition of revenue from construction contracts with customers and project developments

The revenue from construction contracts with customers is recognised over time. The Group estimates the work performed by the reporting date as a percentage of the total volume of the order backlog as well as the remaining contract cost to be incurred. If it is probable that the production costs will exceed the recoverable proceeds, an impairment is recognised up to the value of the contract asset; if the value of the respective contract asset is exceeded, an onerous contract provision is recognised. Technically complex and demanding projects, in particular, involve the risk that the estimate of the total cost deviates considerably from the actual cost incurred.

In the event of changes to the contract's scope and/or price that remain disputed between the parties to the contract (claims and variation orders), revenue from claims and variation orders is estimated in accordance with the provisions on variable consideration under IFRS 15.50ff for the respective project. The estimate is based on qualitative and quantitative criteria.

The following factors must be taken into account when estimating the variable consideration:

- The amount of consideration is susceptible to external factors such as the actions of third parties or court rulings.
- There are different legal views regarding the contractually agreed claims.
- The uncertainty about the amount of consideration remains over a longer period of time.
- The company's experience from similar construction projects is limited by the individual nature of the projects.
- Due to the large number of individual claims and variation orders in a construction project, a contract will have a broad range of possible consideration amounts.

The actual claims arising from claims and variation orders may therefore differ from the estimated amount, especially in the case of complex construction projects with a large number of different claims and variation orders as well as counterclaims of the client.

The above also applies to over-time recognition of revenue from project developments.

(d) Equity-accounted investments

The Group holds a 30% investment in **Holcim Cement CE Holding GmbH**. Holcim operates cement works in Austria, Hungary, the Czech Republic and Slovenia. The carrying amount of the investment amounted to T€ 201,980 on 31 December 2023 (2022: T€ 201,974). As earnings developed according to plan and because of the ongoing distributions, an impairment test was not required.

Deviations from the expected business development as well as developments in the economic environment that are beyond the Management Board's control may influence the value of the investment.

(e) Income taxes

STRABAG has to calculate the actual income tax expected for each taxable entity and must assess the temporary differences arising from the different treatment of certain balance sheet items in the IFRS consolidated financial statements and the statutory financial statements required for tax purposes. The existence of temporary differences usually results in the recognition of deferred tax assets and liabilities in the consolidated financial statements.

The management must make assessments in the calculation of current and deferred tax. Deferred tax assets are recognised to the extent that their use is probable. The use of deferred tax assets depends on the possibility of realising sufficient taxable income under the respective tax type and jurisdiction under consideration of any possible legal restrictions regarding the maximum loss carry forward period. A number of different factors are used to assess the probability of the future usability of deferred tax assets, such as the past financial performance, operational planning, loss carry forward periods and tax planning strategies. If the actual results deviate from these estimates, or if these estimates must be adjusted in future periods, this could have a negative impact on the financial position, financial performance and cash flows. In the event of a changed assessment of the recoverability of deferred tax assets, the deferred tax assets which have been recognised are written down in profit or loss or, depending on their original formation, outside profit or loss; impaired deferred tax assets are similarly recognised either in profit or loss or outside profit or loss.

(f) Fair value of derivatives and other financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using suitable valuation techniques selected from among a number of different methods. The assumptions used are mainly based on market conditions existing at the balance sheet date. The Group uses present value techniques to determine the fair value of a number of financial assets that are not traded in an active market.

(g) Rights from leases and lease liabilities

Within the STRABAG SE Group, a large number of the contracts are lease contracts with comparatively low annual rental expenses, of both limited and indefinite duration and with ordinary termination rights. The lease liability is determined by estimating the most likely duration in consideration of extension options and termination rights. All economic aspects for exercising or not exercising the options are taken into account. Deviations between the actual lease terms and these assumptions have an impact on the respective carrying amounts. The risk is reduced by the large number of stand-alone contracts, however.

(h) Severance and pension provisions

The present value of the severance and pension obligations depends on a number of different factors based on actuarial assumptions. One of the assumptions used to determine the net expenses or income for pensions is the discount rate. Any change to these assumptions will influence the carrying amount of the pension obligation.

The Group determines the appropriate discount rate at the end of every year. The discount rate is the interest rate used to determine the present value of future cash flows required to settle the obligation. For the purpose of determining the discount rate, the Group employs the interest rate of highest-grade industrial bonds in the same currency in which the benefits are paid and which have terms to maturity equivalent to those of the pension obligations.

Additional substantial assumptions relating to severance and pension obligations are based in part on market conditions. Further information and sensitivity analyses can be found in item (27) Provisions.

(i) Other provisions

Other construction-related provisions, in particular, involve the risk that in individual cases the actual costs for warranty obligations or remaining performance obligations will turn out higher or lower than expected. The balance sheet item other construction-related provisions is composed of several individual projects together, however, as a result of which the risk is reduced to the individual consideration of the projects.

Group companies STRABAG AG and F. Lang u. K. Menhofer Baugesellschaft m.b.H. & Co. KG issued an acknowledgement as part of a settlement in the antitrust proceedings against them in Austria. Subsequently, the Federal Competition Authority (BWB) in July 2021 filed an application with the Cartel Court for a fine against the two companies in the amount of € 45.37 million.

The settlement is being made against the background of a criminal and antitrust investigation that was opened in spring 2017 against STRABAG AG and F. Lang u. K. Menhofer Baugesellschaft m.b.H. & Co. KG, along with several other construction companies, regarding allegations of anti-competitive agreements for construction projects in Austria in the period from 2002 to 2017. Both group companies cooperated fully with the Federal Competition Authority from the outset and ultimately issued an acknowledgement as part of a settlement. Their cooperation had a corresponding positive effect on the amount of the fine. In October 2021, the Cartel Court imposed the fine of € 45.37 million, thus confirming the amount requested by the Federal Competition Authority. The ruling was made public on 3 February 2022. Claims for damages by the contracting parties are now to be expected.

In July 2022, the Federal Competition Authority requested a review of the Cartel Court's final decision regarding the imposed fine. In its decision from October 2022, the Cartel Court rejected the Federal Competition Authority's application as inadmissible and upheld the view of STRABAG AG. The Federal Competition Authority appealed against this decision to the Austrian Supreme Court (OGH), which granted the appeal in a decision on 25 May 2023 on the grounds that the formal rejection of the Federal Competition Authority's application without a substantive review by the Higher Regional Court was inadmissible.

In this context, it must be pointed out that the decision does not deprive STRABAG AG of its state's witness status. Rather, the Supreme Court, referring to its previous rulings, clarified that the decision of the Federal Competition Authority to apply the state's witness rule was made autonomously by the Federal Competition Authority and that the courts have no competence to review this decision.

Now it is up to the Higher Regional Court to review the merits of the Federal Competition Authority's request. This means that the court must take the relevant evidence and consider both sides of the argument. The relevant proceedings before the Higher Regional Court are currently underway and a decision is not expected until Q4/2024 at the earliest.

The Management Board is firmly convinced that the petition is unfounded. STRABAG SE cooperated fully and thoroughly with the Federal Competition Authority under the terms of the state's witness programme. This cooperation made a significant contribution to clarifying the matter. In addition, STRABAG has since enhanced its compliance system through corporate-wide certification and has implemented a new type of monitoring system.

Corresponding provisions were made in the consolidated financial statements for damage control and possible claims resulting from the cartel violations. The provision – with the exception of the time value of money – remained largely unchanged in the 2023 financial year. Given the complexity of the matter (long period of time, large number of projects, very different clients, heterogeneous structures, etc.), it is extremely difficult to estimate the final extent to which STRABAG will be negatively impacted as a result. The actual amounts may therefore deviate from the amount provided for.

Provisions for ongoing and pending legal proceedings are formed on the basis of current assessments. The outcome of these legal proceedings cannot be determined or is subject to uncertainties. The actual claims from the legal proceedings may therefore differ from the provision amounts.

Notes on the items of the consolidated income statement

1 Revenue

Revenue is represented as follows:

Revenue 2023

T€	North + West	South + East	International + Special Divisions	Other	**Group**
Business					
Construction	**6,983,509**	**6,568,486**	**1,763,042**	**38,574**	**15,353,611**
Germany	6,525,689	225,476	72,108	0	6,823,273
Austria	29,146	2,427,186	38,341	0	2,494,673
Poland	0	1,129,359	0	0	1,129,359
Czech Republic	0	801,718	0	0	801,718
Great Britain	28,793	6,924	711,797	0	747,514
Hungary	0	587,054	0	0	587,054
Romania	24,681	445,098	271	0	470,050
Chile	0	0	454,060	0	454,060
Other countries, each below € 400 million	375,200	945,671	486,465	38,574	1,845,910
Construction materials	**185,195**	**634,454**	**2,247**	**0**	**821,896**
Facility management	**0**	**0**	**735,722**	**0**	**735,722**
Project development	**0**	**0**	**377,177**	**0**	**377,177**
Other	**111,483**	**141,123**	**106,290**	**19,238**	**378,134**
Total	**7,280,187**	**7,344,063**	**2,984,478**	**57,812**	**17,666,540**

Revenue 2022

Effective 1 January 2023, the construction activities in Switzerland were moved from South + East to the North + West segment, the construction activities in Poland were moved from North + West to the South + East segment and the building materials activities were moved from International + Special Divisions to the South + East segment. The previous year's figures have been restated with regard to segment allocation for better comparability.

T€	North + West	South + East	International + Special Divisions	Other	Group
Business					
Construction	**6,905,938**	**6,072,845**	**1,797,837**	**0**	**14,776,620**
Germany	6,377,878	149,566	97,070	0	6,624,514
Austria	36,455	2,249,462	29,117	0	2,315,034
Poland	1,321	994,523	8,177	0	1,004,021
Czech Republic	0	904,454	14,615	0	919,069
Great Britain	44,133	0	632,780	0	676,913
Hungary	0	519,942	2,124	0	522,066
Slovakia	0	434,430	4,904	0	439,334
Chile	0	0	365,947	0	365,947
Other countries, each below € 300 million	446,151	820,468	643,103	0	1,909,722
Construction materials	**160,353**	**589,940**	**1,663**	**0**	**751,956**
Facility management	**0**	**0**	**561,968**	**0**	**561,968**
Project development	**0**	**0**	**581,306**	**0**	**581,306**
Other	**90,970**	**126,191**	**119,199**	**17,637**	**353,997**
Total	**7,157,261**	**6,788,976**	**3,061,973**	**17,637**	**17,025,847**

Service concession arrangements to develop, design, build, operate and finance infrastructure facilities are part of the operating business of STRABAG SE. Interest income from these concession arrangements is therefore recognised in revenue from project development amounting to T€ 63,482 (2022: T€ 58,099).

The interest income is calculated using the effective interest method.

All values presented under revenue involve revenue from contracts with customers.

In the 2023 financial year, revenue from approved claims in the amount of T€ 240,242 (2022: T€ 211,698) was recognised. The costs were already recognised in profit or loss in previous periods. This involves a large number of individual projects. Due to the complexity of construction projects, there can be numerous claims, some of which are approved during the construction process while others are negotiated only after project completion. During the execution of a construction project, therefore, new claims may arise on an ongoing basis while existing claims from previous periods may be approved. Up to 100 individual claims are quite common in a medium-sized construction project. It is therefore not possible to clearly allocate the costs to the approved claims, so that assumptions must be made when determining the value.

Revenue provides only an incomplete picture of the output volume achieved in the financial year. Output volume is an usual concept in the construction industry and at the STRABAG SE Group comprises the value of the produced goods and services. The total output volume of the Group also includes the proportional output of consortia and associates and is presented in detail in the management report.

2 Other operating income

Other operating income includes insurance compensation and indemnification in the amount of T€ 66,749 (2022: T€ 49,788), exchange rate gains from currency fluctuations in the amount of T€ 16,452 (2022: T€ 15,019) as well as gains from the disposal of fixed assets without financial assets in the amount of T€ 59,898 (2022: T€ 57,200).

3 Construction materials, consumables and services used

T€	**2023**	2022
Construction materials, consumables	3,457,162	3,727,990
Services used	7,817,918	7,260,664
Construction materials, consumables and services used	**11,275,080**	**10,988,654**

Services used are mainly attributed to services of subcontractors and professional craftsmen as well as planning services, short-term rentals for equipment and third-party repairs. The change of provisions for onerous contracts arising from construction contracts is included in this item.

4 Employee benefits expense

T€	**2023**	2022
Wages	1,650,392	1,486,644
Salaries	2,095,948	1,921,033
Social security and related costs	721,632	657,761
Expenses for severance payments and contributions to employee provident fund	22,926	21,087
Expenses for pensions and similar obligations	6,055	9,236
Other social expense	43,942	37,973
Employee benefits expense	**4,540,895**	**4,133,734**

The expenses for severance payments and contributions to the employee provident fund and expenses for pensions and similar obligations include the expenses for service costs and indemnity claims resulting from old age part-time claims in the business year. The proportions of interest included in the expenses for severance payments as well as for pensions and similar obligations are recognised in the item net interest income.

Expenses from defined contribution plans amounted to T€ 17,117 (2022: T€ 16,888).

The average number of employees with the proportional inclusion of all participation companies is as follows:

Average number of employees (FTE)	**2023**	2022
White-collar workers	33,657	32,336
Blue-collar workers	43,479	41,404
Total	**77,136**	**73,740**

5 Other operating expense

Other operating expense of T€ 1,086,601 (2022: T€ 1,013,283) mainly includes general administrative costs, travel and advertising costs, insurance premiums, impairment of receivables, the balance of allocations to and utilisation of provisions, legal and advisory costs, rental and lease costs, interest expense from concession projects and losses on the disposal of assets (excluding financial assets). Other taxes amounting to T€ 71,545 (2022: T€ 68,941) are included.

Other operating expense includes losses from exchange rate differences from currency fluctuations in the amount of T€ 16,832 (2022: T€ 11,368).

The other operating expense in the financial year still includes impairments, losses and reversals of impairment losses on receivables in the amount of T€ 100,882 (2022: T€ 71,137). The changes in the impairments for expected credit losses under IFRS 9 in the financial year in the amount of T€ 486 as income (2022: expense T€ 2,157) are included in other operating expense.

Spending on research and development arose in various special technical proposals, in connection with concrete competitive projects and in the introduction of building processes and products into the market and was therefore recognised in full in the income statement.

6 Share of profit or loss of equity-accounted investments

T€	**2023**	2022
Income from equity-accounted investments	53,681	29,985
Expenses arising from equity-accounted investments	-7,634	-17,140
Profit from construction consortia	169,037	134,115
Losses from construction consortia	-70,952	-86,073
Share of profit or loss of equity-accounted investments	**144,132**	**60,887**

7 Income from investments

T€	**2023**	2022
Income from investments	63,950	74,024
Expenses arising from investments	-21,117	-9,877
Gains on the disposal of investments	5,635	4,073
Impairment losses and reversal of impairment losses on investments	-1,993	-9,762
Losses on the disposal of investments	-257	-89
Net income from investments	**46,218**	**58,369**

8 Depreciation and amortisation expense

Amortisation and depreciation, including the amortisation of rights from concession arrangements, amounted to T€ 543,278 in the financial year (2022: T€ 533,960). In the reporting period impairments on intangible assets and on property, plant and equipment to the amount of T€ 5,884 (2022: T€ 10,149) and reversal of impairment losses in the amount of T€ 18,500 (2022: T€ 0) were made. Impairment on goodwill amounts to T€ 7,454 (2022: T€ 6,700). For goodwill impairments we refer to the details under item (13) Goodwill.

Depreciation and amortisation expense of intangible and tangible assets includes depreciation and amortisation of right-of-use assets for leases in the amount of T€ 68,474 (2022: T€ 65,082).

9 Net interest income

T€	2023	2022
Interest and similar income	119,194	50,742
Interest expense and similar charges	-75,068	-40,066
Net interest income	**44,126**	**10,676**

Included in interest and similar income are exchange rate gains amounting to T€ 2,259 (2022: T€ 9,074) and interest portions from the plan assets for pension provisions in the amount of T€ 3,752 (2022: T€ 835).

Included in interest expense and similar charges are interest components from the allocation of severance payment and pension provisions amounting to T€ 18,733 (2022: T€ 5,102) as well as currency losses of T€ 18,166 (2022: T€ 5,877).

Interest from leases in the amount of T€ 7,630 (2022: T€ 7,326) is included in the interest expense and similar charges.

10 Income tax expense

Income tax includes taxes paid in the individual companies or owed on income, as well as deferred tax and the payments of additional tax payments resulting from tax audits:

T€	2023	2022
Current tax	231,088	201,923
Deferred tax	59,841	35,021
Income tax expense	**290,929**	**236,944**

The following tax components are recognised directly in equity in the statement of total comprehensive income:

T€	2023	2022
Change in hedging reserves	4,647	-19,468
Actuarial gains/losses	-3,401	-10,707
Total	**1,246**	**-30,175**

The reasons for the difference between the Austrian corporate income tax rate of 24% (2022: 25%) valid in 2023 and the actual consolidated tax rate are as follows:

T€	**2023**	2022
EBT	**924,323**	**717,073**
Theoretical tax expense 24% (2022: 25%)	221,837	179,268
Differences against foreign tax rates	2,166	4,639
Changes in tax rates	-482	4,276
Non-tax-deductible expense	16,729	30,254
Tax-free income	-39,826	-30,844
Additional tax payments/tax refunds	-17,708	11,970
Change in valuation allowances on deferred tax assets	105,893	36,733
Other	2,320	648
Recognised income tax expense	**290,929**	**236,944**

11 Earnings per share

The basic earnings per share is calculated by dividing the consolidated profit or loss by the weighted average number of ordinary shares. As there are no stock options at the STRABAG SE Group, the diluted earnings per share equal the basic earnings per share.

	2023	2022
Number of ordinary shares	102,600,000	102,600,000
Number of shares bought back	-2,779,006	0
Number of shares outstanding as at 31.12.	**99,820,994**	**102,600,000**
Profit or loss attributable to equity holders of the parent (consolidated profit/loss) T€	630,508	472,454
Weighted number of shares outstanding during the year	100,125,543	102,600,000
Earnings per share €	**6.30**	**4.60**

Notes on the items in the consolidated balance sheet

12 Consolidated statement of changes in fixed assets

Consolidated statement of changes in fixed assets as at 31 December 2023

	Acquisition and production cost							
T€	Balance as at 1.1.2023	Additions to the consolidated group	Disposals from the consolidated group	Currency translation	Additions	Transfers	Disposals	**Balance as at 31.12.2023**
I. Goodwill	**690,200**	**53,258**	**3,316**	**1,938**	**0**	**0**	**0**	**742,080**
II. Rights from concession arrangements	**551,793**	**0**	**0**	**0**	**0**	**0**	**0**	**551,793**
III. Other intangible assets								
1. Concessions, software, licences, rights	138,733	19,481	2,629	331	1,760	-111	9,794	147,771
2. Advances paid	299	0	0	0	22	111	0	432
Total	**139,032**	**19,481**	**2,629**	**331**	**1,782**	**0**	**9,794**	**148,203**
IV. Property, plant and equipment								
1. Land and buildings	1,700,659	10,120	6,904	3,649	42,359	87,198	23,548	1,813,533
2. Right-of-use assets	537,944	7,907	412	1,613	110,371	0	50,691	606,732
3. Technical equipment and machinery	3,159,667	20,771	9,609	5,623	216,888	69,658	171,021	3,291,977
4. Other facilities, furniture and fixtures and office equipment	1,450,276	12,154	6,363	3,558	225,299	1,396	121,040	1,565,280
5. Advances paid and assets under construction	192,764	50	34	179	54,528	-158,252	393	88,842
6. Investment property	137,445	0	0	-38	15,773	0	0	153,180
Total	**7,178,755**	**51,002**	**23,322**	**14,584**	**665,218**	**0**	**366,693**	**7,519,544**

	Accumulated depreciation, amortisation and impairment									
T€	Balance as at 1.1.2023	Additions to the consolidated group	Disposals from the consolidated group	Currency translation	Additions	Transfers	Disposals	**Balance as at 31.12.2023**	**Carrying amount as at 31.12.2023**	Carrying amount as at 31.12.2022
I.	**247,804**	**0**	**3,316**	**-600**	**7,454**	**0**	**0**	**251,342**	**490,738**	**442,396**
II.	**78,638**	**0**	**0**	**0**	**20,305**	**0**	**0**	**98,943**	**452,850**	**473,155**
III.										
1.	114,185	4,859	2,627	154	6,709	0	8,304	114,976	32,795	24,548
2.	0	0	0	0	0	0	0	0	432	299
III.	**114,185**	**4,859**	**2,627**	**154**	**6,709**	**0**	**8,304**	**114,976**	**33,227**	**24,847**
IV.										
1.	748,784	1,886	2,944	827	43,356	1	16,354	775,556	1,037,977	951,875
2.	185,550	0	284	460	68,474	0	26,331	227,869	378,863	352,394
3.	2,414,425	13,628	8,796	4,118	258,326	-3	163,154	2,518,544	773,433	745,242
4.	951,921	8,544	5,413	2,207	151,878	2	112,181	996,958	568,322	498,355
5.	0	0	0	0	0	0	0	0	88,842	192,764
6.	134,612	0	0	0	-18,386	0	0	116,226	36,954	2,833
	4,435,292	**24,058**	**17,437**	**7,612**	**503,648**	**0**	**318,020**	**4,635,153**	**2,884,391**	**2,743,463**

Impairment losses totalling T€ 13,338 and reversal of impairment losses of T€ 18,500 were recognised in 2023.

Consolidated statement of changes in fixed assets as at 31 December 2022

	Acquisition and production cost							
T€	Balance as at 1.1.2022	Additions to the consolidated group	Disposals from the consolidated group	Currency translation	Additions	Transfers	Disposals	Balance as at 31.12.2022
I. Goodwill	**688,161**	**0**	**0**	**2,039**	**0**	**0**	**0**	**690,200**
II. Rights from concession arrangements	**551,793**	**0**	**0**	**0**	**0**	**0**	**0**	**551,793**
III. Other intangible assets								
1. Concessions, software, licences, rights	140,763	669	3	-46	2,406	2	5,058	138,733
2. Advances paid	2	0	0	0	299	-2	0	299
Total	**140,765**	**669**	**3**	**-46**	**2,705**	**0**	**5,058**	**139,032**
IV. Property, plant and equipment								
1. Land and buildings	1,560,602	4,548	0	2,336	134,241	17,074	18,142	1,700,659
2. Right-of-use assets	476,015	0	0	412	106,788	0	45,271	537,944
3. Technical equipment and machinery	3,046,390	805	104	13,416	230,343	16,261	147,444	3,159,667
4. Other facilities, furniture and fixtures and office equipment	1,375,303	312	76	958	172,682	-3,108	95,795	1,450,276
5. Advances paid and assets under construction	99,635	0	0	123	123,541	-30,217	318	192,764
6. Investment property	137,389	0	0	46	138	-10	118	137,445
Total	**6,695,334**	**5,665**	**180**	**17,291**	**767,733**	**0**	**307,088**	**7,178,755**

	Accumulated depreciation, amortisation and impairment									
T€	Balance as at 1.1.2022	Additions to the consolidated group	Disposals from the consolidated group	Currency translation	Additions	Transfers	Disposals	Balance as at 31.12.2022	Carrying amount as at 31.12.2022	Carrying amount as at 31.12.2021
I.	**240,482**	**0**	**0**	**622**	**6,700**	**0**	**0**	**247,804**	**442,396**	**447,679**
II.	**58,964**	**0**	**0**	**0**	**19,674**	**0**	**0**	**78,638**	**473,155**	**492,829**
III.										
1.	112,370	644	3	-16	6,001	0	4,811	114,185	24,548	28,393
2.	0	0	0	0	0	0	0	0	299	2
III.	**112,370**	**644**	**3**	**-16**	**6,001**	**0**	**4,811**	**114,185**	**24,847**	**28,395**
IV.										
1.	706,585	1,884	0	1,540	47,581	0	8,806	748,784	951,875	854,017
2.	147,772	0	0	196	65,081	0	27,499	185,550	352,394	328,243
3.	2,290,818	661	104	13,358	249,740	0	140,048	2,414,425	745,242	755,572
4.	882,440	305	76	1,203	155,913	0	87,864	951,921	498,355	492,863
5.	0	0	0	0	0	0	0	0	192,764	99,635
6.	134,603	0	0	0	119	0	110	134,612	2,833	2,786
	4,162,218	**2,850**	**180**	**16,297**	**518,434**	**0**	**264,327**	**4,435,292**	**2,743,463**	**2,533,116**

Impairment losses totalling T€ 16,849 were recognised in 2022.

13 Goodwill

The composition of and changes in goodwill is shown under item (12) consolidated statement of changes in fixed assets.

The goodwill at the balance sheet date is composed as follows:

T€	**31.12.2023**	31.12.2022
STRABAG Cologne (N+W)	131,118	131,118
STRABAG Cologne (S+E)	61,105	61,105
Czech Republic (S+E)	73,580	75,435
STRABAG Poland (S+E)	60,560	56,144
STRABAG PFS Germany (I+S)	39,650	39,650
Bockholdt GmbH & Co. KG (I+S)	29,029	0
Germany (various CGUs; N+W)	22,679	28,429
Austria (various CGUs; S+E)	22,599	0
Ed. Züblin AG (N+W)	17,057	17,057
STRABAG PFS International (I+S)	12,173	12,198
Construction materials (various CGUs; S+E)	9,209	9,466
Other	11,979	11,794
Total goodwill	**490,738**	**442,396**

The comparison of the carrying amounts with the recoverable amounts of the cash-generating units determined by the annual impairment testing showed a need to recognise an impairment loss of T€ 7,454 (2022: T€ 6,700) on goodwill. This figure is shown under depreciation and amortisation. The depreciation and amortisation in the financial year related to two companies in the North + West segment, one of which is active in the refractory business, the other in the energy and systems technology sector. The recoverable amount of the impaired cash-generating units amounts to T€ 13,724 (2022: T€ 11,581).

The recoverable amount of these cash-generating units (CGUs) corresponds to their fair value less cost to sell. The necessary impairments of the cash-generating units exclusively affected goodwill; impairment was not necessary for other assets of the CGUs.

The methods of measurement are explained in the section “Accounting policies” (Impairment of non-financial assets). The method applied here is a Level 3 measurement.

Regarding the sensitivity analysis of goodwill, we refer to our notes under “Estimates - (a) Recoverability of goodwill”.

The following table presents the **key assumptions** used in calculating the recoverable amount for **significant goodwill**.

There were no intangible assets with indefinite useful lives allocated to the CGUs listed below.

T€	**Carrying amount** **31.12.2023**	Methodology 31.12.2023	Detailed planning period 31.12.2023	Growth rate 31.12.2023	Discount rate after tax 31.12.2023
STRABAG Cologne (N+W)	131,118	FV less cost of disposal (Level 3) [2022: FV less cost of disposal (Level 3)]	4 (2022: 4)	0 (2022: 0)	9.25% (2022: 9.77%)
STRABAG Cologne (S+E)	61,105	FV less cost of disposal (Level 3) [2022: FV less cost of disposal (Level 3)]	4 (2022: 4)	0 (2022: 0)	9.89% (2022: 10.17%)
Czech Republic (S+E)	73,580	FV less cost of disposal (Level 3) [2022: FV less cost of disposal (Level 3)]	4 (2022: 4)	0 (2022: 0)	10.20% (2022: 10.46%)
STRABAG Poland (S+E)	60,560	FV less cost of disposal (Level 3) [2022: FV less cost of disposal (Level 3)]	4 (2022: 4)	0 (2022: 0)	11.01% (2022: 11.26%)
STRABAG PFS Germany (I+S)	39,650	FV less cost of disposal (Level 3) [2022: FV less cost of disposal (Level 3)]	4 (2022: 4)	0 (2022: 0)	9.25% (2022: 9.54%)

The method used is a discounted cash flow model based on recognised valuation techniques, with the forecast of the cash flows calculated by the management on the basis of experience. The key assumptions used to determine the recoverable amount were future cash flows and the cost of capital. Management does not consider that any reasonably possible change in the key assumptions would cause the carrying amount of the CGU which contains the above-mentioned goodwill to exceed its recoverable amount.

The sensitivity analyses described in the section “Estimates – (a) Recoverability of goodwill” did not lead to an impairment loss of the above-mentioned significant goodwill in any of the analysed cases.

14 Rights from concession arrangements

STRABAG has held 100% of PANSUEVIA GmbH & Co. KG, Jettingen-Scheppach, since 28 September 2018.

The company concluded a concession arrangement with the Federal Republic of Germany to design, build and finance a section of the A8 motorway and to maintain and operate a section of the A8 motorway between Ulm and Augsburg.

In exchange, PANSUEVIA receives the right to charge trucks an uniform toll rate per kilometre on an approx. 57 km long concession section. The toll may be adapted annually. The term of the concession arrangement is set at 30 years and ends on 30 June 2041.

The development of the concession right can be found under item (12) Consolidated statement of changes in fixed assets. The concession right is amortised over the term of 30 years on the basis of the use of the concession section. The annual income from the toll collections is recognised as revenue.

The right from the concession arrangement is offset by variable and fixed interest rate non-recourse financing in the amount of T€ 339,847 (2022: T€ 353,412) classified either as a current or non-current liability depending on the term to maturity. The resulting interest expense is recognised under other operating expense. The interest risk based on variable interest was hedged through the conclusion of interest rate swap agreements that satisfy the requirements for presentation as a cash flow hedge. The changes in the value of the interest rate swap are therefore recognised in the other comprehensive income.

15 Other intangible assets

The composition of and changes in other intangible assets are shown under item
(12) Consolidated statement of changes in fixed assets.

No borrowing costs were capitalised for other intangible assets in the reporting period.

A total of T€ 17,135 (2022: T€ 15,769) in research and development costs incurred in the 2023 financial year were recorded as expenses.

16 Property, plant and equipment

The composition of and changes in property, plant and equipment are shown under item
(12) Consolidated statement of changes in fixed assets.

No borrowing costs were capitalised for property, plant and equipment in the reporting period.

Leases

Lessee

The development of right-of-use assets from leases is shown under item
(12) Consolidated statement of changes in fixed assets.

The cash outflows from leases in the 2023 financial year break down as follows:

T€	**31.12.2023**	31.12.2022
Interest expense on lease liabilities	7,630	7,326
Repayment of lease liabilities	63,052	62,522
Variable lease payments	7,485	6,394
Payments for short-term leases	7,605	8,435
Total lease payments	**85,772**	**84,677**

Additionally, expenses for short-term equipment rentals that do not meet the leasing criteria in the amount of T€ 203,805 (2022: T€ 207,529) were incurred in the financial year.

To a minor extent, the STRABAG SE Group also rents office space to third parties and thus acts as a **lessor**. This particularly involves the TECH GATE VIENNA in Vienna. The annual rental income amounts to T€ 2,445 (2022: T€ 2,363) and is shown in other operating income.

The carrying amount of this building as at 31 December 2023 is T€ 62,088 (2022: T€ 64,230) and is recorded under property, plant and equipment (properties and buildings). Rental income in the next year and the following five years will remain roughly constant. All leases are classified as operating leases.

Restrictions on property, plant and equipment/purchase obligations

As at the balance sheet date there was T€ 85,769 (2022: T€ 106,684) in contractual commitments for acquisition of property, plant and equipment which were not considered in the consolidated financial statements.

Restrictions exist for non-current assets in the amount of T€ 0 (2022: T€ 0).

Investment property

The development of investment property is shown under item (12) Consolidated statement of changes in fixed assets.

In the 2023 financial year, the decision was made to implement a real estate hold investment strategy. This will close a gap in the value chain by holding properties while covering the full life cycle of buildings. The plan is to build up a property portfolio that retains or increases in value in an attractive market environment.

A project previously reported under inventories was therefore reclassified to investment property at the end of 2023. Initial recognition was carried at cost.

The fair value of investment property as at 31 December 2023 amounts to T€ 45,467 (2022: T€ 2,833). The fair value was determined using internal valuation reports or by employing the fair value of development land at market prices.

The internal valuations are considered Level 3 measurements as they are not based on observable market data.

The rental income from investment property in the 2023 financial year amounted to T€ 10,700 (2022: T€ 6,573) and direct operating expenses totalled T€ 8,491 (2022: T€ 8,267). Due to implementation of the real estate hold investment strategy, rental income will increase in the next year and in the following five years; rental income from existing projects will remain more or less constant.

In the financial year, as in the year before, no direct expenses were incurred from unlet investment property. Additionally, gains from asset disposals and payments from contract extensions in the amount of T€ 0 (2022: T€ 991) and losses from asset disposals in the amount of T€ 0 (2022: T€ 9) were achieved.

A reversal of impairment losses in the amount of T€ 18,500 was made in the 2023 financial year (2022: T€ 0).

17 Equity-accounted investments

T€	**2023**	2022
Carrying amount as at 1.1.	**411,172**	**403,163**
Changes in the consolidated group	2,104	0
Acquisitions/contributions	120,050	16,954
Income and expenses from equity-accounted investments	46,047	12,845
Distributions received	-37,518	-40,188
Repayments of capital	-3,000	0
Share of other comprehensive income	-2,739	9,602
Adjustment for expenses not covered by the carrying amount	4,910	8,796
Carrying amount as at 31.12.	**541,026**	**411,172**

As at 31 December 2023, provisions for equity-accounted investments amounting to T€ 9,044 (2022: T€ 11,244) are reported under other current provisions. Changes in provisions recognised in profit or loss are reported under income or expenses from equity-accounted investments.

Notes on associates

Holcim Cement CE Holding GmbH, Vienna, is a significant associate. The group's share of the capital and voting rights amounts to 30%. The company is accounted for using the equity method. We also refer to item (38) Notes on related parties.

The following financial information concerns the consolidated financial statements prepared in accordance with IFRS.

T€	**2023**	2022
Revenue	308,075	299,723
Net income from continuing operations	42,328	24,635
Other comprehensive income	-13,945	-8,005
Total comprehensive income	**28,383**	**16,630**
attributable to: non-controlling interests	-69	8
attributable to: equity holders of the parent	28,452	16,622
	31.12.2023	31.12.2022
Non-current assets	551,205	564,252
Current assets	128,722	109,632
Non-current liabilities	-148,165	-149,750
Current liabilities	-144,764	-137,090
Net assets	**386,998**	**387,044**
attributable to: non-controlling interests	4,008	4,077
attributable to: equity holders of the parent	382,990	382,967

The financial information presented here can be transferred to the equity carrying amount of the Holcim Cement CE Holding GmbH in the consolidated financial statements as follows:

T€	**2023**	2022
Group's share of net assets as at 1.1.	**114,890**	**123,403**
Group's share of net income from continuing operations	12,538	7,273
Group's share of other comprehensive income	-4,003	-2,286
Group's share of total comprehensive income	8,535	4,987
Dividends received	-8,529	-13,500
Group's share of net assets as at 31.12.	**114,896**	**114,890**
Goodwill	87,084	87,084
Equity-method carrying amount as at 31.12.	**201,980**	**201,974**

Another significant associate is **CMBlu Energy AG**, Alzenau. The STRABAG SE Group acquired 14.71% of the company in the 2023 financial year. The shares are classified as those of an associate because STRABAG has the right to appoint a member to the company's Supervisory Board.

The following financial information concerns the consolidated financial statements prepared in accordance with IFRS.

T€	**2023**
Net income from continuing operations	-31,795
Other comprehensive income	24
Total comprehensive income	**-31,771**
attributable to: non-controlling interests	0
attributable to: equity holders of the parent	-31,771
	31.12.2023
Non-current assets	9,674
Current assets	106,809
Non-current liabilities	-8,747
Current liabilities	-4,473
Net assets	**103,263**
attributable to: non-controlling interests	0
attributable to: equity holders of the parent	103,263

The financial information presented here can be transferred to the equity carrying amount of CMBlu Energy AG in the consolidated financial statements as follows:

T€	**2023**
Group's share of net assets as at 1.1.	**15,969**
Group's share of net income from continuing operations	-779
Group's share of other comprehensive income	0
Group's share of total comprehensive income	-779
Dividends received	0
Group's share of net assets as at 31.12.	**15,190**
Goodwill	84,030
Equity-method carrying amount as at 31.12.	**99,220**

The following table arranges in aggregate form the carrying amount and the group's share of the profit and other comprehensive income from associates that would be immaterial by themselves:

T€	**2023**	2022
Total of equity-method carrying amounts as at 31.12.	104,566	94,578
Group's share of net income from continuing operations	30,602	7,700
Group's share of other comprehensive income	1,837	5,535
Group's share of total comprehensive income	32,439	13,235

Notes on joint ventures

The following table arranges in aggregate form the carrying amount and the group's share of the profit and other comprehensive income from joint ventures that would be immaterial by themselves:

T€	**2023**	2022
Total of equity-method carrying amounts as at 31.12.	135,260	114,620
Group's share of net income from continuing operations	3,686	-2,128
Group's share of other comprehensive income	-573	6,353
Group's share of total comprehensive income	3,113	4,225

Notes on accumulated losses from equity-accounted investments

Proportionate losses from equity-accounted investments in the amount of T€ 4,845 (2022: T€ 7,801) were not recognised in profit or loss, as the carrying amounts of these investments already are T€ 0.

Notes on consortia

The group classifies construction consortia as joint ventures and records their earnings under share of profit or loss of equity-accounted investments. The following table shows the group's ten most important consortia with regard to the output volume in the 2023 financial year.

Construction consortia	Stake in %
ARGE A1 DAMMER BERGE, Germany (DAM)	50.00
ARGE ALLIANZ CAMPUS STUTTGART VAIHINGEN, Germany (CAMP)	50.00
ARGE FLUGHAFENTUNNEL, Germany (FHT)	65.00
ARGE NB JVA WILLICH I, Germany (JVA)	50.00
ARGE SCHULNEUBAU ALLEE DER KOSMONAUTEN, Germany (KOS)	70.00
ARGE TUNNEL IBBENBÜREN, Germany (IBBE)	50.00
ARGE U2 17-21, Austria (U2)	50.00
ARGE US-KLINIK WEILERBACH, Germany (WEIL)	75.00
BAU-ARGE ÖPP BAB A49 SLW, Germany (A49)	50.00
COMBINATIE HEREPOORT VOF, the Netherlands (HER)	39.48

The financial information in the 2023 financial year on these consortia is presented 100% and before consolidation and valuation approaches deviating from the consortia balance sheet if applicable.

T€	Revenue	Non-current assets	Current assets	thereof cash and cash equivalents	Current liabilities
A49	199,983	5,229	645,654	90,479	650,883
WEIL	130,743	41	35,568	7,148	35,609
CAMP	127,944	0	39,043	27,125	39,043
DAM	125,986	2,666	431	20	3,097
U2	98,831	12,604	23,867	1,184	36,471
KOS	96,555	0	123,760	25,391	123,760
FHT	94,537	6,602	382,733	18,316	389,335
HER	81,529	187	833	3,114	1,020
JVA	53,883	325	29,154	29,025	29,479
IBBE	49,759	14,084	7,835	54	21,919

In the 2023 financial year, the share of profit or loss of equity-accounted investments recorded for the above-mentioned consortia included T€ 41,862 in profits from consortia and T€ 37,623 in losses from consortia including impending losses.

The financial information in the 2022 financial year on these consortia is presented 100% and before consolidation and valuation approaches deviating from the consortia balance sheet if applicable.

T€	Revenue	Non-current assets	Current assets	thereof cash and cash equivalents	Current liabilities
A49	176,087	6,521	432,625	67,114	439,146
WEIL	32,911	0	49,861	14,696	49,861
CAMP	76,323	0	36,267	31,921	36,267
DAM	93,939	5,052	7,242	262	12,294
U2	89,173	6,665	18,224	5,864	24,889
KOS	36,772	0	61,292	23,370	61,292
FHT	114,892	8,813	298,918	28,376	307,731
HER	107,150	394	18,050	1,245	18,444
JVA	60,217	373	39,632	38,495	40,005
IBBE	28,369	3,889	6,487	5,318	10,376

In the 2022 financial year, the share of profit or loss of equity-accounted investments recorded for the above-mentioned consortia included T€ 27,700 in profits from consortia and T€ 55,591 in losses from consortia including impending losses.

The business transactions with the consortia in the financial year can be presented as follows:

T€	**2023**	2022
Work and services performed	1,025,947	958,228
Work and services received	31,441	13,751
Receivables as at 31.12.	389,333	409,721
Liabilities as at 31.12.	325,912	330,158

18 Other investments

The other investments in companies include investments in subsidiaries, associated companies, joint ventures and other investments which, being immaterial, are reported as not consolidated and are not included at equity in the consolidated financial statements. Detailed information on the group's investments (shares of more than 20%) can be found in the list of investments, which is included in the annual financial report.

The development of the other investments in the financial year was as follows:

T€	Balance as at 1.1.2023	Currency translation	Changes in the consoli-dated group	Additions	Transfers	Disposals	Impair-ment losses/ Reversal of impairment losses	**Balance as at 31.12.2023**
Investments in subsidiaries	92,929	-827	11,605	6,380	0	-10,274	-3,383	96,430
Investments	105,072	498	4,118	11,771	0	-699	1,390	122,150
Other investments	**198,001**	**-329**	**15,723**	**18,151**	**0**	**-10,973**	**-1,993**	**218,580**

The development of the other investments in the previous financial year was as follows:

T€	Balance as at 1.1.2022	Currency translation	Changes in the consoli-dated group	Additions	Transfers	Disposals	Impair-ment losses/ Reversal of impair-ment losses	Balance as at 31.12.2022
Investments in subsidiaries	90,224	-10	-4,273	15,985	19	-2,458	-6,558	92,929
Investments	105,164	362	-8	5,448	-19	-2,671	-3,204	105,072
Other investments	**195,388**	**352**	**-4,281**	**21,433**	**0**	**-5,129**	**-9,762**	**198,001**

19 Deferred tax

Tax accruals and deferrals recognised in the balance sheet on temporary differences between the amounts stated in the IFRS financial statements and the respective tax amounts as well as on losses carried forward developed as follows:

T€	Balance as at 1.1.2023	Currency translation	Changes in the consoli-dated group	Other changes	**Balance as at 31.12.2023**
Intangible assets and property, plant and equipment	50,875	354	-105	25,952	77,076
Financial assets	1,893	4	0	11,511	13,408
Inventories	27,493	114	0	11,374	38,981
Receivables and other assets	66,924	-466	-17	34,045	100,486
Provisions	160,553	65	599	59,233	220,450
Liabilities	22,165	1,329	-397	-6,678	16,419
Tax loss carryforwards	73,238	0	0	-10,353	62,885
Deferred tax assets	**403,141**	**1,400**	**80**	**125,084**	**529,705**
Offsetting of deferred tax assets and liabilities relating to the same taxation authority	-292,605	0	0	-127,370	-419,975
Deferred tax assets offset	**110,536**	**1,400**	**80**	**-2,286**	**109,730**
Intangible assets and property, plant and equipment	-81,505	323	-205	-20,565	-101,952
Financial assets	-11,685	0	-6,891	4,274	-14,302
Inventories	-27,025	-566	0	-23,225	-50,816
Receivables and other assets	-297,023	1,709	97	-124,733	-419,950
Provisions	-2,265	-243	0	-3,061	-5,569
Liabilities	-47,923	4	0	-16,133	-64,052
Deferred tax liabilities	**-467,426**	**1,227**	**-6,999**	**-183,443**	**-656,641**
Offsetting of deferred tax assets and liabilities relating to the same taxation authority	292,605	0	0	127,370	419,975
Deferred tax liabilities offset	**-174,821**	**1,227**	**-6,999**	**-56,073**	**-236,666**

Deferred tax on losses carried forward was capitalised as these can probably be offset with future taxable profits. The planning period is limited to five years.

For the STRABAG SE tax group, Austria, deferred tax was capitalised despite tax losses in the previous years as well as in the reporting period. The recognised deferred tax for losses carried forward amounted to T€ 52,469 (2022: T€ 62,691) for the STRABAG SE tax group. This contains deferred tax assets on open amortisation over seven years in the amount of T€ 52,469 (2022: T€ 62,691). The Austrian Corporate Income Tax Act (Körperschaftsteuergesetz) requires a tax-effective impairment of investments to be claimed over a period of seven years.

The losses of the ongoing year and of the past were strongly influenced by negative special items. To avoid such negative projects, the Group has continuously expanded and improved its opportunity and risk management and implemented organisational and strategic improvements. The tax planning for the STRABAG SE tax group for the next five years documents the usability of the tax loss carryforwards.

As at 31 December 2023, there were differences of T€ 1,086,560 (2022: T€ 1,135,051) between the carrying amount and the equity of subsidiaries recognised in the Group. No deferred taxes were recognised as STRABAG determines the disposal and dividend policy of the subsidiaries. STRABAG can therefore control the timing of the reversal of the temporary differences. The Management Board assumes that there will be no reversals in the foreseeable future.

In January 2022, a gradual reduction of the corporate income tax rate from 25% to 23% was decided in Austria. The tax rate was lowered to 24% in 2023 and will be lowered to 23% in 2024. An adjustment of the existing deferred taxes to the tax rate of the reversal was already made in 2022. The resulting tax expense in the amount of T€ 4,213 was recognised in profit or loss. The existing deferred taxes in Austria as at 31 December 2023 are recognised at 23%.

Based on the rules developed by the OECD for the introduction of a global minimum tax, the EU on 22 December 2022 adopted a directive on a global minimum level of taxation. The individual member states had until 31 December 2023 to transpose the directive into national legislation. As a result, the OECD's so-called Pillar II rules become applicable for accounting periods starting with the 2024 financial year. The basic idea of the rather complex rules is that in jurisdictions in which the effective tax rate determined in accordance with Pillar II is below 15%, additional taxes must be levied either in that jurisdiction itself or at the level of the highest parent company.

With Hungary, Bulgaria, Montenegro, Bosnia and the United Arab Emirates, the STRABAG SE Group operates in countries with a nominal tax rate below 15%, meaning that additional tax expense is to be expected for the 2024 financial year as a result of the Pillar II rules. As the majority of the operating business is conducted in countries with higher tax rates (in particular Germany and Austria), however, the additional tax expense will not be of any material significance. In accordance with the provisions of IAS 12, the exemption from recognising deferred taxes due to Pillar II is applied.

With regard to deferred taxes, these can only be taken into account for Pillar II purposes provided that the deferred tax assets and liabilities in the financial accounts of all business entities in a tax jurisdiction for the transition year have been demonstrably recognised or disclosed in financial statements.

The following table therefore shows all unrecognised deferred taxes on losses carried forward and temporary differences. In the absence of a reversal of deferred taxes in the next five years, an impairment was made with regard to these losses carried forward and temporary differences in the consolidated financial statements. Determination of the impairment took into account the fact that losses carried forward exist in project companies with only limited business activities in subsequent years and that losses carried forward are recognised multiple times in the investment chain due to tax-effective investment write-downs and that their use would lead to tax-effective write-ups.

Of the non-capitalised losses carried forward, T€ 3,004,650 (2022: T€ 3,144,913) have unrestricted use. Non-capitalised losses carried forward in the amount of T€ 260,625 (2022: T€ 117,980) can theoretically be used for up to 20 years (2022: 20 years).

The unrecognised deferred taxes are as follows:

	31.12.2023					31.12.2022				
	not recognised in the future due to lack of usability									
T€	**Losses carried forward**	**Deferred tax**	**Temporary differences**	**Deferred tax**	**Deferred tax total**	Losses carried forward	Deferred tax	Temporary differences	Deferred tax	Deferred tax total
Austria	1,231,924	283,342	0	0	283,342	1,244,206	286,167	0	0	286,167
Austria - open amortisation over seven years	372,542	85,685	0	0	85,685	296,000	68,080	0	0	68,080
Chile	424,840	114,706	119,642	32,304	147,010	300,032	81,009	160,360	43,297	124,306
Netherlands	211,760	54,633	26,878	6,934	61,567	222,335	57,362	45,760	11,806	69,169
Sweden	159,562	32,870	6,267	1,291	34,161	233,396	48,079	3,232	666	48,745
Denmark	138,226	30,410	53,001	11,660	42,070	128,993	28,378	59,183	13,020	41,399
Germany	113,751	18,001	34,828	10,736	28,737	131,705	20,744	23,748	7,320	28,064
Germany - German trade tax (Gewerbesteuer)	87,333	13,100	0	0	13,100	107,483	16,203	0	0	16,203
Hungary	103,732	9,336	104,141	9,373	18,709	104,932	9,444	96,172	8,655	18,099
Canada	84,388	22,363	55,873	14,806	37,169	17,989	4,767	0	0	4,767
Switzerland	80,241	14,443	0	0	14,443	82,254	14,806	18	3	14,809
Slovakia	68,550	14,396	20,434	4,291	18,687	74,126	15,567	23,426	4,919	20,486
Italy	53,996	12,959	71,668	17,200	30,159	48,748	11,700	77,606	18,625	30,325
Belgium	50,311	12,578	5,590	1,398	13,976	65,541	16,385	5,960	1,490	17,875
Russia	39,863	7,973	16,791	3,358	11,331	89,803	17,961	45,693	9,139	27,099
Great Britain	15,505	3,876	0	0	3,876	40,546	10,136	0	0	10,136
Other	28,751	5,307	350,627	67,982	73,289	74,804	13,478	165,257	31,956	45,434
	3,265,275	**735,978**	**865,740**	**181,333**	**917,311**	**3,262,893**	**720,266**	**706,416**	**150,898**	**871,164**

20 Inventories

T€	**31.12.2023**	31.12.2022
Construction materials, auxiliary supplies and fuel	264,494	280,687
Finished buildings	167,644	122,647
Unfinished buildings	341,019	187,303
Undeveloped land	421,005	400,905
Finished goods and work in progress	27,643	22,230
Advances paid	34,234	54,935
Inventories	**1,256,039**	**1,068,707**

For qualifying assets, interest on borrowings was recognised in the amount of T€ 694 (2022: T€ 121).

21 Receivables from concession arrangements

STRABAG has a 100% interest in the Hungarian M5 motorway concession company, AKA Alföld Koncessziós Autópálya Zrt., Budapest (AKA).

In the concession arrangement with the Hungarian state, AKA committed to develop, plan and finance and to build and operate the M5 motorway. The motorway itself is the property of the state; all vehicles and equipment necessary for motorway operation are to be transferred to the state free of charge following the end of the concession period.

In exchange, AKA will regularly receive an availability fee, independent of transit volume, from the Hungarian state for making the motorway available to the public. AKA bears the operator's risk of motorway closure and non-compliance of contractually agreed roadway criteria.

The route totals 156.5 km and was built in three phases. The concession period runs until 2031. A one-time extension for up to 17.5 years is possible.

All services provided under this concession arrangement are accounted for under the separate balance sheet item receivables from concession arrangements. The receivables are carried at the present value of the payment to be made by the state. The annual accumulation amount is recognised in revenue.

The contract also includes interest adjustment payments to be made by the Hungarian state. As a result, the state bears the interest risk from the financing of AKA. These interest adjustment payments represent a separate hedging transaction. Presentation is made as a cash flow hedge; as a result, changes in the fair value of the interest rate swap are recognised in other comprehensive income.

The market value of the interest rate swap in the amount of T€ 174 (2022: T€ 377) is recognised under short-term receivables (2022: long-term receivables) from concession arrangements.

Recognisable receivables from concession arrangements are offset by non-recourse financing in the amount of T€ 32,933 (2022: T€ 98,489), which are included in current liabilities according to their term to maturity. The resulting interest expense is recognised in other operating expense.

22 Contract assets and contract liabilities

The contract assets comprise the right to payment from construction contracts with customers as well as from project developments for the work performed by the reporting date. If the advances received exceed the payment rights, presentation is made under contract liabilities.

The **contractual balances** are comprised as follows:

T€	**31.12.2023**	31.12.2022
Contract assets (gross)	7,643,852	8,094,379
Advances received	-6,360,348	-6,736,638
Contract assets	**1,283,504**	**1,357,741**
Contract liabilities (gross)	-8,379,871	-7,327,361
Advances received	9,715,708	8,472,037
Contract liabilities	**1,335,837**	**1,144,676**

In the 2023 financial year, revenue was recognised in the amount of T€ 1,101,805 (2022: T€ 1,053,684) that had been included under contract liabilities at the beginning of the financial year.

As at 31 December 2023, there are unsatisfied performance obligations from construction contracts with customers and project developments (order backlog) in the amount of T€ 18,938,369 (2022: T€ 19,814,930). The recognition of revenue from these performance obligations is expected with T€ 9,968,076 (2022: T€ 11,080,832) in the following financial year and with T€ 8,970,293 (2022: T€ 8,734,098) in the next four financial years.

In the reporting period, no costs of contract initiation or contract satisfaction were capitalised as separate assets.

As is customary in the industry, the customer has the contractual right to retain part of the total amount of the invoice. As a rule, however, these retentions are redeemed by collateral (bank or group guarantees).

With regard to the contract assets and liabilities, we refer to our notes in the section “Estimates - (c) Recognition of revenue from construction contracts with customers and project developments”.

23 Trade receivables

Trade receivables are comprised as follows:

		31.12.2023		31.12.2022
T€	**Total**	**thereof current**	Total	thereof current
Trade receivables	1,365,315	1,365,315	1,314,939	1,314,939
Receivables from consortia	255,712	255,712	262,899	262,899
Advances paid to subcontractors	72,274	72,274	103,156	103,156
Trade receivables	**1,693,301**	**1,693,301**	**1,680,994**	**1,680,994**

24 Other financial assets

Other financial assets are comprised as follows:

			31.12.2023			31.12.2022
T€	**Total**	**thereof current**	**thereof non-current**	Total	thereof current	thereof non-current
Securities	27,359	0	27,359	26,018	0	26,018
Receivables from subsidiaries	110,663	107,343	3,320	95,300	91,173	4,127
Receivables from participation companies	135,099	71,095	64,004	146,664	74,512	72,152
Other financial assets	306,804	82,335	224,469	390,740	87,384	303,356
Other financial assets	**579,925**	**260,773**	**319,152**	**658,722**	**253,069**	**405,653**

25 Cash and cash equivalents

T€	**31.12.2023**	31.12.2022
Securities	26	10
Cash on hand	945	1,332
Bank deposits	3,449,651	2,700,507
Cash and cash equivalents	**3,450,622**	**2,701,849**

26 Equity

Details as to the development of the equity of STRABAG SE are represented in the statement of changes in equity.

The fully paid-in share capital as at 31 December 2023 amounts to € 102,600,000.00 and is divided into 102,599,997 no-par bearer shares and three registered shares.

Mandatory offer by core shareholders

On 18 August 2022 Haselsteiner Familien-Privatstiftung, RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN registrierte Genossenschaft mit beschränkter Haftung and UNIQA Österreich Versicherungen AG informed STRABAG SE of their intention, as bidders, to make a mandatory (anticipatory) public offer pursuant to Section 22 et seq of the Austrian Takeover Act (ÜbG) for the acquisition of all outstanding no-par value bearer shares of STRABAG SE (ISIN AT0000STR1) not held by the bidders or by legal entities acting in concert with the bidders, with an offer price of € 38.94 per STRABAG share.

The offer was also intended to remove the restriction on voting rights of the bidders (and the legal entities acting jointly with them) that existed at the time to a total of 26%, which arose due to a passive acquisition of control because of the European sanction restrictions on MKAO “Rasperia Trading Limited”.

STRABAG SE agreed with the bidders of the mandatory offer to acquire, as own shares, up to 10,260,000 of the shares tendered into the offer, representing up to 10% of the share capital, at the same price as the offer price (€ 38.94). This required a current financial liability in the amount of the maximum theoretical purchase obligation of T€ 399,524 to be deducted directly from retained earnings effective 31 December 2022.

With the share purchase agreement dated 9 February 2023, STRABAG SE acquired 2,779,006 own shares (2.7% of the share capital) in the amount of T€ 108,214 on the basis of this arrangement. The theoretical purchase obligation of T€ 291,310 deducted directly from equity effective 31 December 2022 was therefore reversed with no effect on profit or loss.

Various capital measures were approved at the **Annual General Meeting of STRABAG SE held on 16 June 2023**. These resolutions are summarised as follows:

a) Resolution concerning the capital adjustment from company funds

The share capital of the Company of currently € 102,600,000.00 shall be increased by € 1,900,000,000.00 to € 2,002,600,000.00 from company funds through conversion of the corresponding portion of the committed capital reserves reported in the annual financial statements for the year ending 31 December 2022 pursuant to Section 1 et seq. KapBG with retroactive effect to the beginning of the current financial year without the issue of new shares.

b) Resolution concerning the ordinary reduction of the share capital of the Company for the purpose of allocation to non-committed reserves

The share capital of the Company shall be reduced in accordance with the provisions on ordinary capital reductions pursuant to Section 175 et seq. AktG from the amount of the share capital after the capital adjustment of € 2,002,600,000.00 by € 996,620,004.30 to € 1,005,979,995.70 for the purpose of allocation to non-committed reserves of the Company, whereby the reduction of the share capital of the Company shall be effected by reducing the pro-rata amount of the share capital of the Company attributable to the individual no-par share without reverse stock split (“capital reduction for allocation to non-committed reserves”).

c) Resolution concerning the ordinary reduction of the share capital of the Company for the purpose of distribution to the shareholders

The share capital of the Company shall be reduced in accordance with the provisions on ordinary capital reductions pursuant to Section 175 et seq. AktG from the amount of the share capital after the ordinary capital reduction for allocation to non-committed reserves in the amount of € 1,005,979,995.70 by € 903,379,995.70 to € 102,600,000.00 for the purpose of repaying the reduction amount to the shareholders of the Company ("capital reduction for the purpose of distribution") according to the following specifications and under the following conditions:

(i) The reduction of the share capital of the Company shall be effected by reducing the pro-rata amount of the share capital attributable to each no-par share to the minimum amount of € 1.00 pursuant to Section 8 Para 3 AktG without reverse stock split.

(ii) The distribution entitlement resulting from the capital reduction in accordance with the conditions set out in this resolution in the amount of € 9.05 per no-par share entitled to distribution ("distribution entitlement") shall be paid in cash or, at the option of each shareholder, in new shares of the Company issued in connection with the non-cash capital increase to be resolved under item d).

(iii) For the distribution entitlement and its payment, the following conditions apply:

a. The condition precedent of the fulfilment of the legal payment requirements pursuant to Section 178 Para 2 AktG.

b. The condition precedent that shareholders of the Company, in respect of shares entitled to distribution that together represent at least approximately 57.78% of the share capital of the Company, have elected the payment of the distribution from the capital reduction in new shares of the Company and the contribution in kind determined in the resolution concerning the ordinary capital increase (item d)) is raised through waiver of the distribution entitlements for these shares within the determined implementation period.

c. The resolutory condition if the implementation of the non-cash increase of the share capital (item d)) is not entered in the commercial register pursuant to Section 156 AktG by 31 March 2024 at the latest.

If one of the conditions precedent (a. or b.) does not occur, no distribution entitlement arises and no payment can be made and, accordingly, the distribution entitlement cannot be used to raise the non-cash contribution of the ordinary capital increase (item d)). In these cases, the alternative purpose of the ordinary capital reduction shall be to transfer the amount of the capital reduction to non-committed reserves of the Company.

If the resolutory condition (c.) occurs, the distribution entitlement from the capital reduction shall lapse accordingly and no payment can be made and the alternative purpose of the ordinary capital reduction shall be to transfer the amount of the capital reduction to non-committed reserves of the Company. This purpose shall then also apply to that amount of distribution entitlements already waived to raise the non-cash contribution of the ordinary capital increase (item d)).

d) Resolution concerning the ordinary non-cash increase of the share capital of the Company

The share capital of the Company shall be increased by up to € 24,955,248.00 through the issue of up to 24,955,248 new no-par bearer shares (ordinary shares), each with a pro-rata amount of the share capital of € 1.00 (hereinafter "new shares"), against non-cash contributions through the waiver of distribution entitlements from the ordinary capital reduction for the purpose of distribution (item c)) according to the following specifications and under the following conditions:

(i) The new shares shall be issued at an issue price of € 1.00 per share (minimum issue price pursuant to Section 8 Para 3 AktG), thus at a total issue price of up to € 24,955,248.00.

(ii) The new shares shall participate in the profits from the beginning of the financial year, for which, at the time of the issue of the new shares, no resolution has yet been passed on the appropriation of the balance sheet profit.

(iii) The shareholders shall be granted the legal subscription rights. The subscription ratio shall be set at 1:4 (1 new share for 4 existing shares) ("subscription ratio") and the subscription price per new share at € 36.20 ("subscription price"). The contribution in kind to be made for the subscription of each new share will therefore comprise 4 distribution entitlements in the nominal amount of € 9.05 per share entitled to distribution. The subscription price and the subscription ratio are based on an business value of the Company with a valuation date of 16 June 2023 (date of the Annual General Meeting of the Company), from which a pro-rata business value per share of the Company of € 36.22 is derived as of 16 June 2023 ("reference price"), taking into account the distribution entitlement from the ordinary capital reduction for the purpose of the distribution of € 9.05. The subscription ratio is calculated as the ratio of the result of dividing the reference price by the nominal amount of a distribution entitlement (€ 9.05) rounded down to two decimal places after the decimal point. The subscription price shall correspond to the subscription ratio multiplied by the nominal amount of a distribution entitlement (€ 9.05).

The minority shareholder MKAO "Rasperia Trading Limited" is controlled by Russian businessman Oleg Deripaska, who was added to the sanctions lists in the following jurisdictions: Canada (on 6 March 2022), United Kingdom (on 10 March 2022), Australia (on 18 March 2022), European Union (on 8 April 2022), Switzerland (on 13 April 2022) and Poland (on 26 April 2022).

Due to the EU sanctions against Oleg Deripaska, the shares of MKAO “Rasperia Trading Limited” in STRABAG SE and all rights associated with these shares, including voting rights and dividend entitlements, are frozen. Consequently, MKAO “Rasperia Trading Limited” is not entitled to a rights offer for new shares in respect of its 28,500,001 ordinary shares.

The aim of the capital measures was to reduce the stake of minority shareholder MKAO “Rasperia Trading Limited” from 27.8% to below 25%.

The full text of the resolutions is available on the website of STRABAG SE at www.strabag.com.

The subscription period for choosing the share option ended on 29 September 2023. As contractually agreed in advance, the core shareholders – the Haselsteiner family, UNIQA and Raiffeisen – chose to exercise the share-based option. Additionally, 26.4% of STRABAG SE’s free float shareholders also opted to receive new shares, thereby supporting the goal of the ongoing capital measures to reduce the shareholding interest held by MKAO “Rasperia Trading Limited”.

As a result, shareholders representing 87.6% of the eligible shares chose the share-based option. This corresponds to 60.9% of the company’s share capital and therefore met the acceptance quota as one of the conditions precedent for the distribution.

15,621,982 new shares were therefore issued as part of the ordinary non-cash capital increase in March 2024, increasing the share capital by 15.2% from € 102,600,000.00 to € 118,221,982.00. The share capital increase was entered into the commercial register on 21 March 2024. The stake held by minority shareholder MKAO “Rasperia Trading Limited” was thus reduced from 27.8% to 24.1%.

Consequently, only the capital reduction amount of T€ 337,864 attributable to the distribution option is represented as a decrease in equity and other current financial liabilities in the consolidated financial statements as at 31 December 2023. The first payment of the dividend from the capital decrease to the free float will be made on 15 April 2024; the amount attributable to the minority shareholder MKAO “Rasperia Trading Limited” has been frozen due to the sanctions provisions.

MKAO “Rasperia Trading Limited” contested the resolutions passed by the Annual General Meeting, although the action was dismissed by the Regional Court of Klagenfurt. The ruling is not yet final, however.

Other Notes

Long-term economic success, within the context of responsibility to our shareholders, customers, employees, suppliers, subcontractors and the company itself, is the primary entrepreneurial objective of the STRABAG SE Group. Working to pursue these goals, recognising opportunities and risks before and as they arise, and responsibly taking these into consideration safeguards the continuity of the Group and protects the interests of the shareholders.

To guarantee the continuity of the company, the management and responsible employees assure that there is a balanced relationship between opportunities and risks during the selection of projects and assess the individual risks against the background of the overall company risk.

The group equity ratio target was defined at between 20% and 25% during the IPO of STRABAG SE in October 2007. The equity ratio is calculated from the carrying amount of the equity as at 31 December divided by the balance sheet total as at 31 December. The equity contains all parts of the equity according to the balance sheet: share capital, capital reserves, retained earnings and other reserves and non-controlling interests.

The group equity ratio as at 31 December 2023 amounted to 32.2% (2022: 31.7%). With this equity base, the STRABAG SE Group will be able to participate increasingly in tenders for Public-Private Partnership (PPP) projects. This means that the necessary funds for a participation in equity capital are available and that the related change in the balance sheet total will be manageable.

If the Group is awarded the tender for large-scale projects, or if a strategically suitable acquisition is made, the equity ratio could briefly fall below the set minimum. In this case, the company reserves the right to adjust the dividend payments to the shareholders or to issue new shares.

27 Provisions

T€	Balance as at 1.1.2023	Currency translation	Changes in the consoli-dated group	Added	Used	**Balance as at 31.12.2023**
Provisions for severance payments	91,382	-126	738	6,274	0	98,268
Provisions for pensions	333,547	0	1,958	0	15,651	319,854
Construction-related provisions	476,344	7,086	2,438	88,916	27,408	547,376
Personnel-related provisions	5,608	-90	-53	1,741	53	7,153
Other provisions	371,910	429	0	10,987	19,180	364,146
Non-current provisions	**1,278,791**	**7,299**	**5,081**	**107,918**	**62,292**	**1,336,797**
Construction-related provisions	623,464	6,287	-1,807	693,673	628,376	693,241
Personnel-related provisions	227,893	-1,293	-3,100	224,255	224,636	223,119
Other provisions	277,749	-399	-1,572	241,345	276,581	240,542
Current provisions	**1,129,106**	**4,595**	**-6,479**	**1,159,273**	**1,129,593**	**1,156,902**
Total	**2,407,897**	**11,894**	**-1,398**	**1,267,191**	**1,191,885**	**2,493,699**

The **actuarial assumptions as at 31 December 2023** used to calculate provisions for severance payments and pensions are represented as follows:

	Severance payments	Pension obligation Austria	Pension obligation Germany	Pension obligation Switzerland	Pension obligation Netherlands
Biometric tables	AVÖ 2018-P	AVÖ 2018-P	Dr. Klaus Heubeck 2018G	BVG 2020G	Prognosetafel AG2022
Discount rate (%)	3.20	3.20	3.20	1.52	3.20
	(2022: 3.78)	(2022: 3.78)	(2022: 3.78)	(2022: 2.25)	(2022: 3.20)
Salary increase (%)	3.00	0.00	0.00	2.00	0.00
	(2022: 3.00)	(2022: 0.00)	(2022: 0.00)	(2022: 2.40)	(2022: 0.00)
Future pension increase (%)		dependent on contractual	3.00	0.25	3.00
	n. a.	adjustment	(2022: 3.95)	(2022: 0.25)	(2022: 2.60)
Retirement age for men	62	65	63–67	65	65
	(2022: 62)	(2022: 65)	(2022: 63–67)	(2022: 65)	(2022: 65)
Retirement age for women	62	60	63–67	65	65
	(2022: 62)	(2022: 60)	(2022: 63–67)	(2022: 65)	(2022: 65)

Sensitivity analysis

All other parameters remaining equal, a change in the discount rate by +/- 0.5 percentage points, a change in the salary increase by + 1.0 percentage points as well as a change in the pension increase by + 1.0 percentage points would have the following impact on the amount of the provisions for severance payments and pension obligations as at 31 December 2023:

T€	Change in discount rate		Change in salary increase	Change in future pension increase
Change[1]	-0.5 %-points	+0.5 %-points	+1.0 %-points	+1.0 %-points
Severance payments	-3,086	2,911	-6,307	n.a.
Pension obligations	-28,841	26,044	-1,488	-40,268

[1] Sign: - increase in obligation, + decrease in obligation

Provisions for severance payments show the following development:

T€	**2023**	2022
Present value of the defined benefit obligation as at 1.1.	**91,382**	**108,361**
Changes in the consolidated group/currency translation	612	410
Current service cost	2,629	1,272
Interest cost	2,786	849
Severance payments	-6,259	-9,444
Actuarial gains/losses arising from experience adjustments	3,897	940
Actuarial gains/losses arising from change in the discount rate	3,221	-11,006
Present value of the defined benefit obligation as at 31.12.	**98,268**	**91,382**

The **development of the provisions for pensions** is shown below:

T€	**2023**	2022
Present value of the defined benefit obligation as at 1.1.	**488,793**	**566,229**
Changes in the consolidated group/currency translation	10,590	8,101
Current service cost	4,770	9,516
Interest cost	15,947	4,253
Pension payments	-34,702	-34,548
Actuarial gains/losses arising from experience adjustments	670	7,707
Actuarial gains/losses arising from change in the discount rate	10,142	-72,312
Actuarial gains/losses arising from demographic changes	1,195	-153
Present value of the defined benefit obligation as at 31.12.	**497,405**	**488,793**

The **plan assets for pension provisions** developed as follows in the reporting period:

T€	**2023**	2022
Fair value of the plan assets as at 1.1.	**155,246**	**189,404**
Changes in the consolidated group/currency translation	8,632	8,349
Return on plan assets	3,752	835
Contributions	7,195	9,312
Pension payments	-12,141	-12,491
Actuarial gains/losses	6,364	-14,406
Assets not included according to IFRIC 14	30,030	-25,757
Reclassification assets	-21,527	0
Fair value of the plan assets as at 31.12.	**177,551**	**155,246**

The **plan assets** consist of the following risk groups:

T€	**31.12.2023**	31.12.2022
Shares[1]	30,294	25,519
Bonds[1]	44,678	42,157
Cash	1,805	1,766
Investment funds	11,515	10,698
Real estate	19,525	20,396
Liability insurance	67,774	64,309
Other assets	38,835	32,135
Assets not included according to IFRIC 14	-15,348	-41,734
thereof reclassified assets	-21,527	0
Total	**177,551**	**155,246**

1 All shares and bonds are traded in an active market.

The plan assets involve almost exclusively the assets of the pension foundation of STRABAG AG, Switzerland. Any investments in this regard are subject to the applicable laws and regulations governing the supervision of foundations. Capital investments are to be chosen by trained experts in such a way as to guarantee the investment goal of revenue-generating and risk-minimising asset management while taking into consideration security, risk distribution, returns and the liquidity to fulfil the pension purposes. The investment strategy can be adjusted on an annual basis in order to reflect market changes. Currently the split is 50% in nominal value assets and 50% in tangible assets.

In the 2023 financial year, STRABAG AG, Switzerland, had a surplus of plan assets over the pension liability in the amount of T€ 21,527 (2022: T€ 0). This surplus is reported under other non-current financial assets.

The expected contributions to pension foundations in the following year will amount to T€ 3,767 (2022: T€ 3,218).

Asset-liability matching strategy

Pension payments in Switzerland are provided by pension foundations with funds dedicated to this purpose, while payments in Austria and in Germany are covered by readily available cash and cash equivalents as well as securities.

The actual income from plan assets amounted to T€ 9,471 in the 2023 financial year (2022: expenses of T€ 11,644).

The following amounts for pension and severance provisions were recognised in the **income statement**:

T€	**2023**	2022
Current service cost	7,399	10,788
Interest cost	18,733	5,102
Return on plan assets	3,752	835

The **development of the net defined benefit obligation** for pension and severance provisions was as follows:

T€	**31.12.2023**	31.12.2022
Net obligation for severance provisions	98,268	91,382
Present value of the defined benefit obligation (pension provisions)	497,405	488,793
Fair value of plan assets (pension provisions)	-177,551	-155,246
Net obligation for pension provisions	319,854	333,547
Net obligation total	**418,122**	**424,929**

The **maturity profile** of the benefit payments from the net defined benefit liability as at 31 December 2023 was as follows:

T€	< 1 year	1–5 years	6–10 years	11–20 years	> 20 years
Provisions for severance payments	10,105	36,058	32,332	31,091	842
Provisions for pensions	29,090	120,691	99,556	131,743	91,143

The **maturity profile** of the benefit payments from the net defined benefit liability as at 31 December 2022 was as follows:

T€	< 1 year	1–5 years	6–10 years	11–20 years	> 20 years
Provisions for severance payments	9,407	32,795	31,293	30,511	743
Provisions for pensions	28,511	123,450	108,723	154,569	123,215

The **durations** (weighted average term) are shown in the following table.

Years	**31.12.2023**	31.12.2022
Severance payments Austria	7.55	7.65
Pension obligations Austria	5.56	5.69
Pension obligations Germany	9.79	10.16
Pension obligations Switzerland	13.60	12.40
Pension obligations the Netherlands	14.92	15.39

Other provisions

The construction-related provisions include warranty obligations, costs of the contract execution and subsequent costs of invoiced contracts, as well as impending losses from projects pending which are not accounted for elsewhere. The personnel-related provisions essentially include bonus obligations and premiums, service anniversary bonuses, contributions to occupational funds as well as costs of the old age part-time scheme and expenses for personnel downsizing measures. Other provisions especially include provisions for damages and litigations.

28 Financial liabilities

	31.12.2023			31.12.2022		
T€	**Total**	**thereof current**	**thereof non-current**	Total	thereof current	thereof non-current
Bank borrowings	534,707	209,032	325,675	624,763	241,757	383,006
Lease liabilities	364,223	63,690	300,533	332,438	59,112	273,326
Financial liabilities	**898,930**	**272,722**	**626,208**	**957,201**	**300,869**	**656,332**

Physical securities (mainly mortgages) were established to cover liabilities to banks in the amount of T€ 18,042 (2022: T€ 7,087).

The bank borrowings involve non-recourse liabilities in the amount of T€ 509,668 (thereof non-current: T€ 325,628). This value amounted to T€ 607,974 (thereof non-current: T€ 372,859) in the previous year.

The lease liabilities are presented less the rental deposits of T€ 23,970 (2022: T€ 27,861).

29 Trade payables

	31.12.2023		31.12.2022	
T€	**Total**	**thereof current**	Total	thereof current
Trade payables	2,528,944	2,528,944	2,326,851	2,326,851
Liabilities from construction consortia	261,817	261,817	242,191	242,191
Trade payables	**2,790,761**	**2,790,761**	**2,569,042**	**2,569,042**

30 Other financial liabilities

T€	31.12.2023 Total	thereof current	thereof non-current	31.12.2022 Total	thereof current	thereof non-current
Payables to subsidiaries	114,109	114,109	0	91,884	91,884	0
Payables to participation companies	17,388	17,388	0	10,839	10,839	0
Other financial liabilities	684,378	656,304	28,074	703,392	619,574	83,818
Other financial liabilities	**815,875**	**787,801**	**28,074**	**806,115**	**722,297**	**83,818**

The other current financial liabilities include the capital reduction amount of T€ 337,864 attributable to the distribution option. As at 31 December 2022, the liability from the existing purchase obligation for treasury shares was included in the amount of T€ 399,524. See also the comments under item (26) Equity.

The dividend entitlements of MKAO "Rasperia Trading Limited" in the amount of T€ 82,650 (2022: T€ 41,325), which are frozen due to the sanctions imposed on Oleg Deripaska, are also recognised in other current financial liabilities.

31 Contingent assets

On 29 June 2020, the tribunal in STRABAG SE v Libya (ICSID Case No. ARB (AF)/15/1) issued its award holding Libya in breach of the agreement between the Republic of Austria and the State of Libya for the promotion and protection of investments. The tribunal consequently awarded STRABAG SE damages of € 75 million plus interest, and ordered Libya to reimburse STRABAG 75% of its legal costs and expenses, and to bear 75% of the costs of the arbitration.

STRABAG commenced its activities in Libya – the construction of infrastructure – in 2006. The operations were interrupted in 2011 by the conflict in the country. In the arbitration proceedings, STRABAG claimed compensation for losses and damages suffered during the conflict and for work it had already performed on the various construction projects.

A motion filed by Libya with the competent courts in the United States to set aside the arbitration award was dismissed by final decision after passing through several instances.

It remains uncertain whether Libya will honour the award. STRABAG is examining all possibilities of enforcing the arbitration award and has initiated recognition and enforcement proceedings. These proceedings are moving along very slowly and have not yet led to any additional findings. Because of the existing uncertainties no receivable was recognised.

32 Contingent liabilities

The company has accepted the following **guarantees**:

T€	**31.12.2023**	31.12.2022
Guarantees without financial guarantees	20	20

33 Off balance sheet transactions

In the construction industry, it is customary and necessary to provide various types of guarantees to secure the contractual obligations. These guarantees are usually issued by banks or credit insurers and most commonly comprise bid, contract performance, prepayment and warranty guarantees. In the event these guarantees are called upon, the relevant banks have a contractual right of recourse against the Group. The risk that such guarantees are utilised and that a right of recourse arises materialises only if the primary contractual obligations are not properly performed.

Obligations and possible risks from such guarantees are recognised in the balance sheet as liabilities or provisions.

Not included in the balance sheet or the contingent liabilities as at 31 December 2023 are performance bonds in the amount of € 2.8 billion (2022: € 3.0 billion) of which an outflow of resources is unlikely.

Contract fulfilment guarantees issued by the Group for nonconsolidated subsidiaries or investees are to be classified as insurance contracts in accordance with IFRS 17. No fee is charged for these guarantees. As at 31 December 2023, guarantees amounting to T€ 9,945 (2022: T€ 474) had been issued for which an outflow of resources is unlikely.

As is customary in the industry, STRABAG SE shares liability with the other partners of consortia in which companies of the STRABAG SE Group hold a share interest.

34 Notes to the consolidated cash flow statement

The representation of the cash flow statement was made according to the indirect method and separated into the cash flows classified by operating, investing and financing activities. The cash and cash equivalents include exclusively cash on hand, bank deposits and short-term securities. Any effects from changes in the consolidated group were eliminated and represented in the cash flow from investing activities.

The **cash and cash equivalents** are composed as follows:

T€	**31.12.2023**	31.12.2022
Securities	26	10
Cash on hand	945	1,332
Bank deposits	3,449,651	2,700,507
Pledged cash and cash equivalents	-150	-150
Cash and cash equivalents	**3,450,472**	**2,701,699**

Moreover, in construction projects executed through consortia there are cash and cash equivalents whose use can only be determined jointly with other partner companies.

The **cash flow from financing activities** for the financial year 2023 can be derived from the balance sheet items as follows:

T€	Bank borrowings	Other financial liabilities[1]	Lease liabilities	**Total**
Balance as at 1.1.2023	**624,763**	**65,471**	**332,438**	**1,022,672**
Proceeds	12,631	0	0	12,631
Repayments	-96,630	0	0	-96,630
Increase (+)/decrease (-) in financing	0	-13,504	-63,052	-76,556
Total cash flows from financing activities	**-83,999**	**-13,504**	**-63,052**	**-160,555**
Currency translation	-2,152	39	972	-1,141
Changes in the consolidated group	-3,905	0	7,786	3,881
Other changes	0	386,533	86,079	472,612
Total non-cash changes	**-6,057**	**386,572**	**94,837**	**475,352**
Balance as at 31.12.2023	**534,707**	**438,539**	**364,223**	**1,337,469**

[1] The recognition in the balance sheet was made under current and non-current other financial liabilities.

The other changes relate mainly to non-cash changes in other financial liabilities (see under item (30) Other financial liabilities).

The cash flow from financing activities can be derived as follows:

T€	**Inflow (+) Outflow (-)**
Cash flows from financing activities	-160,555
Acquisition of own shares	-108,214
Distribution of dividends	-161,812
Cash flow from financing activities	**-430,581**

The **cash flow from financing activities** for the financial year 2022 can be derived from the balance sheet items as follows:

T€	Bonds	Bank borrowings	Other financial liabilities[1]	Lease liabilities	Total
Balance as at 1.1.2022	**200,000**	**687,764**	**29,073**	**305,851**	**1,222,688**
Proceeds	0	34,458	0	0	34,458
Repayments	-200,000	-97,046	0	0	-297,046
Increase (+)/decrease (-) in financing	0	0	-5,025	-62,522	-67,547
Total cash flows from financing activities	**-200,000**	**-62,588**	**-5,025**	**-62,522**	**-330,135**
Currency translation	0	-413	-65	274	-204
Other changes	0	0	41,488	88,835	130,323
Total non-cash changes	**0**	**-413**	**41,423**	**89,109**	**130,119**
Balance as at 31.12.2022	**0**	**624,763**	**65,471**	**332,438**	**1,022,672**

[1] The recognition in the balance sheet was made under current and non-current other financial liabilities.

The cash flow from financing activities can be derived as follows:

T€	Inflow (+) Outflow (-)
Cash flows from financing activities	-330,135
Change due to acquisition of non-controlling interests	-151
Distribution of dividends	-173,369
Cash flow from financing activities	**-503,655**

Notes on financial instruments

35 Financial instruments

A financial instrument is a contract that results in a financial asset at one enterprise and a financial liability or equity instrument at another. Financial assets include especially cash and cash equivalents, trade receivables and other receivables and derivatives. Financial liabilities are obligations to pay cash or other financial assets on a regular basis. These include especially financial liabilities such as bank borrowings, bonds, lease liabilities and trade payables.

Financial instruments overview

The **financial instruments** as at the balance sheet date were as follows:

		31.12.2023			31.12.2022	
T€	**Measurement category according to IFRS 9**	**Carrying amount**	**Fair value**	Measurement category according to IFRS 9	Carrying amount	Fair value
Assets						
Investments below 20% (other investments)	FVPL	56,147	56,147	FVPL	48,351	48,351
Trade receivables	AC	1,621,027	1,621,027	AC	1,577,838	1,577,838
Receivables from concession arrangements	AC	481,311	474,487	AC	532,251	513,740
Other non-current financial assets	AC	237,061	231,542	AC	328,869	322,190
Other current financial assets	AC	260,773	260,773	AC	253,069	253,069
Cash and cash equivalents	AC	3,450,596	3,450,596	AC	2,701,839	2,701,839
Securities	FVPL	27,359	27,359	FVPL	26,018	26,018
Cash and cash equivalents (securities)	FVPL	26	26	FVPL	10	10
Derivatives held for hedging purposes (receivables from concession arrangements)	Derivatives	174	174	Derivatives	377	377
Derivatives held for hedging purposes (other financial assets)	Derivatives	33,231	33,231	Derivatives	50,766	50,766
Liabilities						
Financial liabilities	FLaC	-898,930	-883,666	FLaC	-957,201	-939,856
Trade payables	FLaC	-2,790,761	-2,790,761	FLaC	-2,569,042	-2,569,042
Other non-current financial liabilities	FLaC	-28,074	-28,074	FLaC	-75,403	-75,403
Other current financial liabilities	FLaC	-780,666	-780,666	FLaC	-711,956	-711,956
Derivatives other (other financial liabilities)	FVPL	-7,135	-7,135	FVPL	-18,756	-18,756
	Measurement category according to IFRS 9			Measurement category according to IFRS 9		
	AC	6,050,768	6,038,425	AC	5,393,866	5,368,676
	FVPL	76,397	76,397	FVPL	55,623	55,623
	FLaC	-4,498,431	-4,483,167	FLaC	-4,313,602	-4,296,257
	Derivatives	33,405	33,405	Derivatives	51,143	51,143
	Total	**1,662,139**	**1,665,060**	**Total**	**1,187,030**	**1,179,185**

Cash and cash equivalents, trade receivables and other receivables have for the most part short remaining terms. Accordingly, their carrying amounts on the balance sheet date approximate their fair value. The fair value of non-current financial assets corresponds to the present value of the related payments under consideration of the prevailing market parameters to the extent that market values were not available.

Trade payables and other financial liabilities typically have short terms; their carrying amounts approximate the fair value. The fair value of bank borrowings and lease liabilities are measured at the present value of the payments associated with them and under consideration of the relevant applicable market parameters to the extent that market values were not available. The fair value of the financial liabilities would qualify entirely as a Level 2 measurement at T€ 883,666 (2022: T€ 939,856).

T€ 150 (2022: T€ 150) of cash and cash equivalents, T€ 815 (2022: T€ 790) of securities and T€ 2,097 (2022: T€ 1,974) of other financial instruments were pledged as collateral for liabilities.

The non-recourse liabilities in the amount of T€ 509,668 (2022: T€ 607,974) are secured with the return flows from the respective project.

There was no reclassification between the valuation categories in the 2023 financial year.

The **net income effects of the financial instruments** according to valuation categories are as follows:

				2023				2022
T€	**AC**	**FVPL**	**FLaC**	**Derivatives (Hedge accounting)**	AC	FVPL	FLaC	Derivatives (Hedge accounting)
Interest	110,420	0	-32,102	0	39,617	0	-25,890	0
Interest from concession arrangements	63,482	0	-10,985	-1,854	58,099	0	-14,230	-3,140
Result from securities and investments	0	10,380	0	0	0	6,905	0	0
Credit losses, impairment losses and reversal of impairment losses	-85,226	0	0	0	-67,654	0	0	0
Payments of derecognised receivables and income from derecognition of liabilities	495	0	56,379	0	25	0	6,643	0
Net income from other derivatives	0	11,621	0	0	0	-11,950	0	0
Net income recognised in profit or loss	**89,171**	**22,001**	**13,292**	**-1,854**	**30,087**	**-5,045**	**-33,477**	**-3,140**
Value changes recognised directly in equity	0	0	0	-15,762	0	0	0	71,805
Net income	**89,171**	**22,001**	**13,292**	**-17,616**	**30,087**	**-5,045**	**-33,477**	**68,665**

Interest from financial assets and financial liabilities is reported in net interest income, with the exception of interest from concession arrangements. Concession arrangements are part of the operating business, which is why interest income from concession arrangements is recognised in revenue and interest expense from concession arrangements is recognised in other operating expense.

Impairments, credit losses and reversals of impairment losses on financial assets and liabilities – excluding investments of less than 20% as well as securities – are reported under other operating expense or other operating income. Gains and losses on the disposal of financial receivables and liabilities are also recognised in other operating income or other operating expense.

Income from the derecognition of liabilities as well as payments received on derecognised receivables are reported under other operating income.

Income, expenses, impairment losses and reversals of impairment losses as well as disposal gains and losses on investments of less than 20% are recognised in net income from investments.

Income, expenses, impairment losses and reversals of impairment losses as well as disposal gains and losses on securities are recognised in net interest income.

Changes in other derivatives measured through profit or loss are recognised in net interest income.

Financial instruments measured at fair value

The **fair values as at 31 December 2023** for financial instruments measured at fair value in the balance sheet were determined as follows:

T€	Level 1	Level 2	Level 3	**Total**
Assets				
Investments below 20% (other investments)			56,147	56,147
Securities	27,359			27,359
Cash and cash equivalents (securities)	26			26
Derivatives held for hedging purposes		33,405		33,405
Total	**27,385**	**33,405**	**56,147**	**116,937**
Liabilities				
Derivatives other		-7,135		-7,135
Total	**0**	**-7,135**	**0**	**-7,135**

The **fair values as at 31 December 2022** for financial instruments measured at fair value in the balance sheet were determined as follows:

T€	Level 1	Level 2	Level 3	Total
Assets				
Investments below 20% (other investments)			48,351	48,351
Securities	26,018			26,018
Cash and cash equivalents (securities)	10			10
Derivatives held for hedging purposes		51,143		51,143
Total	**26,028**	**51,143**	**48,351**	**125,522**
Liabilities				
Derivatives other		-18,756		-18,756
Total	**0**	**-18,756**	**0**	**-18,756**

STRABAG records regroupings between the different fair-value-hierarchy levels at the end of the reporting period in which the regrouping took place.

During the financial years 2023 and 2022, there were no transfers between the levels.

Financial instruments in Level 1

The fair value is determined on the basis of quoted prices in an active market. An active market exists if the prices are regularly established and readily available to the market participants. The quoted market price for the financial instruments presented in Level 1 corresponds to the bid price at the balance sheet date.

Financial instruments in Level 2

These financial instruments are not traded in an active market. They involve exclusively derivatives held for hedging purposes and other derivatives. The fair value expresses the expected realisable value of the transaction on the balance sheet date. It is determined using recognised and standard financial methods of measurement on the basis of observable market data. Specifically, measurement is made using interest yield and currency curves in proportion to the term of the derivative. The methods of measurement used also take into account fees, market risk, credit risk, ratings and exchange rate risks.

Financial instruments in Level 3

These financial instruments involve exclusively a large number of smaller investments below 20% that are not traded on an active market. Their fair value is determined on the basis of simplified company valuations.

The carrying amount of investments below 20% developed as follows:

	2023	2022
Carrying amount as at 1.1.	**48,351**	**48,511**
Currency translation/Transfers	397	292
Changes in the consolidated group	36	0
Additions	5,502	3,350
Disposals	-146	-1,207
Depreciation	-138	-700
Changes in fair value	2,145	-1,895
Carrying amount as at 31.12.	**56,147**	**48,351**

Due to the broad diversification of the investments, no major fluctuations in value are expected in the future.

The **derivatives** are comprised as follows:

T€			**31.12.2023**			31.12.2022
Bank	**Assets**	**Liabilities**	**Total**	Assets	Liabilities	Total
Republic of Hungary	174	0	174	377	0	377
National Bank of Canada	2,889	0	2,889	5,253	0	5,253
SMBC Capital Markets	2,864	0	2,864	5,202	0	5,202
KfW IPEX-Bank	7,116	0	7,116	10,488	0	10,488
Norddeutsche Landesbank	6,652	0	6,652	9,925	0	9,925
SEB AG	6,902	0	6,902	9,797	0	9,797
Société Générale	6,808	0	6,808	10,101	0	10,101
Total derivatives held for hedging purposes	**33,405**	**0**	**33,405**	**51,143**	**0**	**51,143**
Bayerische Landesbank	0	-1,883	-1,883	0	-2,178	-2,178
Crédit Agricole Corp. & Investment	0	0	0	0	-4,985	-4,985
Raiffeisenbank International AG[1]	0	-1,679	-1,679	0	-7,388	-7,388
UniCredit Bank Austria AG	0	-3,573	-3,573	0	-4,205	-4,205
Total other derivatives	**0**	**-7,135**	**-7,135**	**0**	**-18,756**	**-18,756**
Total	**33,405**	**-7,135**	**26,270**	**51,143**	**-18,756**	**32,387**

1 Can be offset in the event of insolvency.

Hedge accounting is not applied to other derivatives, but they are part of economic hedging relationships.

Principles of risk management

The STRABAG SE Group is subject to credit, market and liquidity risks related to its financial assets, financial liabilities and planned transactions. The goal of financial risk management is to minimise these risks through ongoing financially-oriented activities.

The basics of the financial policy are set by the Management Board and monitored by the Supervisory Board. The implementation of the financial policy and responsibility for the risk management are the domain of the group treasury. Certain transactions require prior approval by the Management Board, which is regularly informed as to the scope and amount of the current risk exposure.

The Group assesses concentrations of risk with regard to interest rate risk, currency risk and credit risk as low because customers are located in different countries, belong to different industries and operate in largely independent markets.

The Group's business activities are subject to market price risks that are customary in the industry. These risks are not hedged through derivatives or financial instruments but through other hedging activities including but not limited to contractual agreements.

Further explanations on risk management can be found in the group management report from 31 December 2023.

Interest rate risk

The receivables from concession arrangements in the amount of T€ 481,311 (2022: T€ 532,251) and the non-current other financial assets in the amount of T€ 319,152 (2022: T€ 405,653) are mostly at fixed interest rates. Bank deposits, on the other hand, are mainly at variable interest rates. Investments with fixed interest rates are concluded for a maximum of three months. The risk of financial instruments on the assets side consists of falling interest rates. The increase in interest rates in the main Group countries in the 2023 financial year had a positive impact on net interest income due to the Group's net cash position.

The most important bank borrowings involve non-recourse financing from projects in the amount of T€ 509,668 (2022: T€ 607,974), which are either at fixed interest rates or hedged against interest rate changes by means of interest rate swaps. The risk of the variable interest-bearing financial instruments on the liabilities side consists of rising interest rates on expenses resulting from an unfavourable change in market interest rates.

The interest rate risk is managed by concluding fixed interest rate agreements or through hedging with interest rate swaps for significant financing liabilities. In the case of bank deposits, investments are constantly adjusted to the changed market conditions by continuously monitoring the interest rate environment.

The amount of bank deposits and bank borrowings according to currency – giving the average interest rate at the balance sheet date – is represented as follows:

Bank deposits

Currency	**Carrying amount 31.12.2023 T€**	**Weighted average interest rate 2023 %**
EUR	2,203,359	3.58
PLN	488,568	3.62
CZK	279,730	4.65
HUF	181,854	6.53
GBP	48,874	1.01
Other	247,266	3.15
Total	**3,449,651**	**3.77**

Currency	Carrying amount 31.12.2022 T€	Weighted average interest rate 2022 %
EUR	1,816,484	1.59
PLN	209,402	5.47
HUF	139,148	15.22
CZK	249,085	4.46
GBP	90,810	0.53
CAD	22,636	2.05
Other	172,942	1.46
Total	**2,700,507**	**2.82**

Bank borrowings

Currency	Carrying amount 31.12.2023 T€	Weighted average interest rate 2023 %
EUR	393,387	4.04
CAD	136,939	6.41
Other	4,381	1.29
Total	**534,707**	**4.62**

Currency	Carrying amount 31.12.2022 T€	Weighted average interest rate 2022 %
EUR	468,486	2.61
CAD	156,074	5.42
Other	203	9.25
Total	**624,763**	**3.32**

Had the interest rate level at 31 December 2023 been higher by 100 basis points, then the EBT would have been higher by T€ 28,110 (2022: T€ 19,713) and the equity at 31 December 2023 would have been higher by T€ 47,567 (2022: T€ 40,847). Had the interest rate level been lower by 100 basis points, this would have meant a correspondingly lower equity and EBT. The calculation is made based on the level of interest-bearing financial assets and liabilities as at 31 December. Tax effects from interest rate changes were not considered.

Currency risk

Due to the decentralised structure of the Group, characterised by local companies in the respective countries, mainly closed currency positions appear in the balance sheet. Receivables and liabilities from business activities mainly offset each other in the same currency.

Internal hedging is performed for construction contracts where there are no closed currency positions (e.g. construction contracts that are not concluded in functional currency). As part of corporate-wide treasury management, these positions are then combined, and external hedging is performed if necessary.

The internal financing of companies within the Group using different functional currencies resulted in an earnings-relevant currency risk. Derivative financial instruments are transacted to limit this risk. The market values of these hedging transactions in the amount of T€ -7,135 (2022: T€ -18,756) are recognised in profit or loss in the income statement. The hedging transactions are reported under other financial assets or other financial liabilities.

In addition to the bank deposits and bank borrowings in foreign currencies (see “Interest rate risk”), the other non-current financial assets still include carrying amounts of T€ 21,554 (2022: T€ 128,795) in foreign currencies.

Development of the important **currencies in the Group:**

Currency	**Closing rate 31.12.2023: 1 € =**	**Average rate 2023: 1 € =**	Closing rate 31.12.2022: 1 € =	Average rate 2022: 1 € =
HUF	382.8000	382.1354	400.8700	391.2708
CZK	24.7240	23.9821	24.1160	24.5624
PLN	4.3395	4.5355	4.6808	4.6799
CHF	0.9260	0.9727	0.9847	1.0041
CLP	979.4000	911.9477	916.9100	919.7438
USD	1.1050	1.0816	1.0666	1.0563
GBP	0.8691	0.8702	0.8869	0.8537
RON	4.9756	4.9513	4.9495	4.9352
CAD	1.4642	1.4606	1.4440	1.3757

The following table shows the hypothetical changes in EBT and equity if the euro had been appreciated or depreciated by 10% in relation to another currency in the year **2023**:

	Appreciation of the euro by 10%		**Depreciation of the euro by 10%**	
T€ Currency	**Change in EBT**	**Change in equity**	**Change in EBT**	**Change in equity**
PLN	4,127	-4,055	-5,044	4,956
HUF	-2,671	12,254	3,265	-14,978
CHF	-323	-9,159	395	11,194
CZK	755	2,573	-922	-3,145
GBP	23,231	23,231	-28,393	-28,393
USD	-1,715	-1,715	2,096	2,096
Other	-32,964	-32,964	40,290	40,290

The following table shows the hypothetical changes in EBT and equity if the euro had been appreciated or depreciated by 10% in relation to another currency in the year **2022**:

	Appreciation of the euro by 10%		Depreciation of the euro by 10%	
T€ Currency	Change in EBT	Change in equity	Change in EBT	Change in equity
PLN	146	146	-178	-178
HUF	4,179	16,652	-5,108	-20,352
CHF	-830	-9,139	1,014	11,169
CZK	1,147	6,601	-1,402	-8,068
GBP	13,149	13,149	-16,071	-16,071
USD	-2,866	-2,866	3,503	3,503
Other	-24,496	-26,899	29,939	32,877

The calculation is based on original and derivative foreign currency holdings in non-functional currency as at 31 December as well as underlying transactions for the next twelve months. The effect on tax resulting from changes in currency exchange rates was not taken into consideration. Currency effects from net investments in foreign operations are recognised in the change in equity. Currency differences recognised directly in equity from the translation of the different functional currencies into euros are not taken into account.

Cash flow hedges

Currency risks in the Group result when the currency of the order differs from the functional currency of the company. The planned proceeds are received in the currency of the order (for example, euro or US dollar), while a substantial part of the associated costs is incurred in the local currency.

The Group uses foreign exchange forwards to hedge against this risk. These contracts are classified as hedges against future payments and are presented as cash flow hedges. As in the previous year, there were no currency hedging instruments to be recognised as cash flow hedges in the 2023 financial year.

To **hedge against variable interest rate obligations**, interest rate swaps are used especially with financing obligations from concession arrangements. This serves to hedge the variability of future cash flows from variable interest rate payments. Interest rate swaps are presented as cash flow hedges. These involve derivatives that are settled net.

The Group determines the existence of an economic relationship between the hedging instrument and the hedged item for the purpose of assessing the effectiveness of the hedge based on the interest rate benchmarks, terms, repricing dates and maturities of the nominal amounts.

The amounts of the hedged items as at 31 December 2023 are as follows:

T€ Hedged item	**Value changes in the basis for effectiveness measurement**	**Hedging reserves**
Interest rate risk		
Interest AKA	25	-116
Interest PANSUEVIA	6,992	20,809
Interest Scarborough	-5,413	6,935
Total	**1,604**	**27,628**

The amounts of the hedged items as at 31 December 2022 are as follows:

T€ Hedged item	Value changes in the basis for effectiveness measurement	Hedging reserves
Interest rate risk		
Interest AKA	-6,344	262
Interest PANSUEVIA	-51,468	33,213
Interest Scarborough	-8,697	9,916
Total	**-66,509**	**43,391**

The hedging instruments as at 31 December 2023 were comprised as follows:

T€ Hedge	**Nominal value**	**Carrying amount**	Balance sheet item where the hedge is presented	**OCI change in value of the hedge**	**Recycling amount from hedging reserves**	P&L item where the recycling amount is recognised
Interest rate risk						
Interest rate swap AKA	32,933	174	Receivables from concession arrangements	-25	-353	Other operating expense
Interest rate swaps PANSUEVIA	228,002	27,478	Other financial assets	-6,992	-5,411	Other operating expense
Interest rate swaps Scarborough	175,445	5,753	Other financial assets	5,413	-8,394	Interest expense
Total	**436,380**	**33,405**		**-1,604**	**-14,158**	

Possible sources of ineffectiveness in these hedging relationships include:

- the effect of counterparty and own credit risk on the fair value of derivatives, which is not reflected in the change in the fair value of the hedged cash flows, and is attributable to interest rates changes
- differences in the repricing dates of the hedging instrument and the underlying transactions
- changes in the expected value of the cash flows from the underlying transaction being hedged and from the hedging instrument

In the 2023 financial year, a total of T€ 1,721 (2022: T€ 539) was recognised in the income statement under interest and similar income for the Scarborough interest rate swap due to ineffectiveness.

The hedging instruments as at 31 December 2022 were made up as follows:

T€ Hedge	Nominal value	Carrying amount	Balance sheet item where the hedge is presented	OCI change in value of the hedge	Recycling amount from hedging reserves	P&L item where the recycling amount is recognised
Interest rate risk						
Interest rate swap AKA	98,489	377	Receivables from concession arrangements	6,344	4,423	Other operating expense
Interest rate swaps PANSUEVIA	237,098	40,311	Other financial assets	51,467	2,269	Other operating expense
Interest rate swaps Scarborough	215,030	10,455	Other financial assets	8,697	-1,395	Interest expense
Total	**550,617**	**51,143**		**66,508**	**5,297**	

In the 2022 financial year, a total of T€ 539 was recognised in the income statement under interest and similar income for the Scarborough interest rate swap due to ineffectiveness.

On 31 December 2023, the Group held the following instruments for the purpose of hedging interest rate fluctuation:

			Maturity
	1–6 months	**6–12 months**	**> 1 year**
Interest rate swap			
Nominal amount in T€	37,750	180,177	218,453
Average fixed interest rate (%)	2.56	1.19	0.90

On 31 December 2022, the Group held the following instruments for the purpose of hedging interest rate fluctuation:

			Maturity
	1–6 months	6–12 months	> 1 year
Interest rate swap			
Nominal amount in T€	37,749	36,904	475,965
Average fixed interest rate (%)	2.58	2.56	1.17

The reconciliation of the equity components as at 31 December 2023 is as follows:

T€	**Hedging reserves**
As at 1.1.	**18,260**
Fair value changes	
Interest rate risk	-1,604
Recycling	
Interest rate risk	-14,158
Deferred tax	
Interest rate risk	4,647
Change in hedging reserves from equity-accounted investments	**-7,260**
As at 31.12.	**-115**

The reconciliation of the equity components as at 31 December 2022 is as follows:

T€	Hedging reserves
As at 1.1.	**-47,209**
Fair value changes	
Interest rate risk	66,508
Recycling	
Interest rate risk	5,297
Deferred tax	
Interest rate risk	-19,468
Change in hedging reserves from equity-accounted investments	**13,132**
As at 31.12.	**18,260**

Credit risk

Credit risks arise when contractual parties do not meet their payment obligations by the date of settlement. Such risks exist with regard to payments of receivables from the operating business as well as the contractual cash flows from debt instruments in the category of measured at amortised cost (AC). To manage the credit risk from the operating business, STRABAG established a credit risk management system in line with the market conditions and customers. In particular, due to the economic uncertainties, loans to and receivables from private clients are being monitored even more closely than in the past.

The maximum credit risk of trade receivables, contract assets and other financial assets corresponds to the carrying amounts presented in the balance sheet.

The risk for receivables from clients can be rated as low due to the wide dispersion, a constant creditworthiness check and the presence of the public sector as an important client. The performance of work for private customers is largely secured by ongoing partial payments.

The risk of default for other primary financial instruments shown on the assets side can also be regarded as low, as the contract partners are mainly financial institutions with the highest level of creditworthiness or the public sector and/or there is wide dispersion. In the case of other non-current financial assets, ongoing creditworthiness checks are also carried out individually on the basis of expected future cash flows.

STRABAG SE holds no non-financial assets as security collateral. Financial collateral is only of minor importance, as the large number of public-sector customers presents hardly any payment risk.

Impairments on trade receivables and on contract assets are determined using the simplified approach. The impairments are determined taking into consideration the country-specific risks and the creditworthiness of the customers. For public clients, the probability of default for any country is based on Moody’s national scale ratings for that country, while for private clients in the country in question, the probability of default is assumed to be two rating levels higher.

Impairments, considered individually, are also made on financial assets if the carrying amount of the financial asset is higher than the present value of the future cash flows. This can be triggered by financial difficulties, insolvency of the client, breach of contract or significant default of payment. These impairments are composed of many individual items.

The risk provision as at 31 December 2023 for trade receivables and for contract assets developed as follows during the financial year:

T€	Trade receivables	Contract assets
Gross carrying amount as at 31.12.2023	**1,676,144**	**1,289,512**
Lifetime ECL as at 1.1.	8,733	7,506
Exchange differences/changes in the consolidated group	-193	-55
Change due to change in volumes	213	-942
Change due to change in ratings	-54	-501
Lifetime ECL as at 31.12.	**8,699**	**6,008**
Impairment as at 1.1.	**50,270**	**0**
Exchange differences/changes in the consolidated group	-1,470	0
Added/used	-2,382	0
Impairment as at 31.12.	**46,418**	**0**
Net carrying amount as at 31.12.2023	**1,621,027**	**1,283,504**

In addition, ECL impairments on other financial assets amounting to T€ 4,056 (2022: T€ 3,144) exist as at 31 December 2023, as well as individual impairments amounting to T€ 260,451 (2022: T€ 143,857) for other non-current financial assets.

The risk provision as at 31 December 2022 for trade receivables and for contract assets developed as follows during the financial year:

T€	Trade receivables	Contract assets
Gross carrying amount as at 31.12.2022	**1,636,841**	**1,365,247**
Lifetime ECL as at 1.1.	7,144	6,633
Exchange differences/changes in the consolidated group	21	308
Change due to change in volumes	625	277
Change due to change in ratings	943	288
Lifetime ECL as at 31.12.	**8,733**	**7,506**
Impairment as at 1.1.	**56,578**	**0**
Exchange differences/changes in the consolidated group	450	0
Added/used	-6,758	0
Impairment as at 31.12.	**50,270**	**0**
Net carrying amount as at 31.12.2022	**1,577,838**	**1,357,741**

The following shows the gross carrying amounts of the financial assets by risk class for which the expected losses were recognised over the entire remaining term.

The risk classes were determined according to the probabilities of default depending on country risk and creditworthiness of the debtors. Below 0.55% is assumed to be low risk, between 0.55% and 1.2% medium risk and above 1.2% high risk.

The gross carrying amounts for the 2023 financial year are as follows:

T€	**Trade receivables**	**Contract assets**
Low risk	1,055,012	931,616
Medium risk	595,812	303,406
High risk	25,320	54,490
Gross carrying amount as at 31.12.2023	**1,676,144**	**1,289,512**

The gross carrying amounts for the 2022 financial year are as follows:

T€	Trade receivables	Contract assets
Low risk	758,429	740,232
Medium risk	859,105	601,472
High risk	19,307	23,543
Gross carrying amount as at 31.12.2022	**1,636,841**	**1,365,247**

Liquidity risk

Liquidity for the STRABAG SE Group means not only solvency in the strict sense but also the availability of the necessary financial margin for mainstay business through sufficient aval lines.

To guarantee financial flexibility, liquidity reserves are kept in the form of cash and credit lines for cash and aval loans. The STRABAG SE Group keeps bilateral credit lines with banks and syndicated cash and aval credit lines in the amount of € 0.4 billion (2022: € 0.4 billion) and € 2.0 billion (2022: € 2.0 billion) respectively. The overall line for cash and aval loan amounts to € 8.5 billion (2022: € 8.2 billion). The syndicated surety credit line contains covenants which were clearly fulfilled at the reporting date due to the Group's current financial and liquidity situation.

The STRABAG SE Group has sufficient liquidity reserves. Despite the uncertain economic situation, no significant changes in customers' payment behaviour could be detected. An increase in liquidity risk could not be identified in the 2023 financial year.

In addition to continuous monitoring of the liquidity situation by the Group Treasury, a corporate-wide cash pooling system and strict working capital management at project level are used to manage liquidity risk. Internal allowances and charges as well as regular reporting obligations ensure efficient receivables and accounts payable management at project level. Another liquidity management tool is the regular financial planning based on output, earnings and investment plans.

The following payment obligations arise from the **financial liabilities** (interest payments based on interest rate as at 31 December and redemption) for the subsequent years:

Payment obligations as at 31 December 2023

The **payment obligations from financial liabilities as at 31 December 2023** are comprised as follows:

T€	**Carrying amount 31.12.2023**	Cash flows 2024	Cash flows 2025–2028	Cash flows after 2028
Bank borrowings	534,707	237,286	114,748	324,436
Lease liabilities	364,223	78,272	233,540	173,650
Financial liabilities	**898,930**	**315,558**	**348,288**	**498,086**

The trade payables and the other liabilities without derivatives essentially lead to cash outflows in line with the maturity at the amount of the carrying amounts.

The payment obligations from leasing liabilities amount to T€ 72,134 for 2025, T€ 61,355 for 2026, T€ 51,862 for 2027 and T€ 48,189 for 2028.

The **payment obligations from derivatives as at 31 December 2023** are comprised as follows:

T€	**Carrying amount 31.12.2023**	Cash flows 2024	Cash flows 2025–2028
Derivatives held for hedging purposes	-33,405	0	0
Derivatives other	7,135	7,135	0
Derivatives	**-26,270**	**7,135**	**0**

The derivatives held for hedging purposes showed a positive market value as at the reporting date, which is why no payment obligations arise for them.

Payment obligations as at 31 December 2022

The **payment obligations from financial liabilities as at 31 December 2022** are comprised as follows:

T€	Carrying amount 31.12.2022	Cash flows 2023	Cash flows 2024–2027	Cash flows after 2027
Bank borrowings	624,763	263,436	139,538	336,219
Lease liabilities	332,438	69,831	219,759	172,203
Financial liabilities	**957,201**	**333,267**	**359,297**	**508,422**

The trade payables and the other liabilities without derivatives essentially lead to cash outflows in line with the maturity at the amount of the carrying amounts.

The payment obligations from leasing liabilities amount to T€ 65,120 for 2024, T€ 59,774 for 2025, T€ 51,012 for 2026 and T€ 43,853 for 2027.

The **payment obligations from derivatives as at 31 December 2022** are comprised as follows:

T€	Carrying amount 31.12.2022	Cash flows 2023	Cash flows 2024–2027
Derivatives held for hedging purposes	-51,143	0	0
Derivatives other	18,756	10,341	8,416
Derivatives	**-32,387**	**10,341**	**8,416**

Financial guarantees

STRABAG has issued financial guarantees to banks for the benefit of its own subsidiaries or associates. Based on the loan amount outstanding as at 31 December 2023, the maximum guarantee amount is T€ 74,557 (2022: T€ 71,343). As utilisation of the guarantees is unlikely, no provision has been made for them. Theoretically, these abstract guarantees can be utilised at any time, which would lead to a short-term outflow of liquidity.

Segment report

36 Segment reporting

The rules of IFRS 8 Operating Segments apply to the segment reporting. IFRS 8 prescribes defining the segments and reporting the earnings on the basis of the internal reporting (management approach). Segment assets are not disclosed as these do not form part of the regular internal reporting.

The internal reporting in the STRABAG SE Group is based on Management Board areas, which also represent the segments. The settlement between the single segments is made at arm's length prices.

The segment North + West bundles the construction activities in Germany, Switzerland, Benelux and Scandinavia as well as the ground engineering activities.

The segment South + East comprises the construction activities in Austria, Poland, Hungary, Czech Republic, Slovakia, Adriatic and Rest of Europe and the environmental engineering business. In July 2023, the construction materials business was allocated to this segment with effect from 1 January 2023.

The segment International + Special Divisions includes the international construction activities, tunnelling, services, real estate development and infrastructure development.

In addition, there are the Central Divisions and Central Staff Divisions, which handle services in the areas of accounting, group financing, technical development, digitalisation and innovation, machine management, quality management, logistics, legal affairs, contract management, etc. These services are included in the segment Other.

Segment reporting for the financial year 2023

T€	North + West	South + East	International + Special Divisions	Other	Reconciliation to IFRS financial statements	**Group**
Output volume[1]	**8,216,660**	**7,741,898**	**2,957,272**	**223,308**		**19,139,138**
Revenue	**7,280,187**	**7,344,063**	**2,984,478**	**57,812**	**0**	**17,666,540**
Inter-segment revenue	139,732	189,488	0	1,081,165		
EBIT	**644,823**	**392,570**	**-132,104**	**3,300**	**-28,392**	**880,197**
thereof share of profit or loss of equity-accounted investments	135,671	24,960	-16,466	-33	0	144,132
Interest and similar income	0	0	0	119,194	0	119,194
Interest expense and similar charges	0	0	0	-75,068	0	-75,068
EBT	**644,823**	**392,570**	**-132,104**	**47,426**	**-28,392**	**924,323**
Investments in property, plant and equipment and intangible assets	0	0	0	667,000	0	667,000
Depreciation, amortisation and impairment losses, reversals of impairment losses	7,454	0	20,305	510,357	0	538,116
thereof impairment losses and reversals of impairment losses	7,454	0	0	-12,616	0	-5,162

[1] Not an IFRS measure, therefore not audited

Effective 1 January 2023, the construction activities in Switzerland were moved from South + East to the North + West segment, the construction activities in Poland were moved from North + West to the South + East segment and the building materials activities were moved from International + Special Divisions to the South + East segment. The previous year's figures have been restated for better comparability.

Segment reporting for the financial year 2022

T€	North + West	South + East	International + Special Divisions	Other	Reconciliation to IFRS financial statements	Group
Output volume[1]	**7,865,465**	**7,087,077**	**2,644,807**	**138,122**		**17,735,471**
Revenue	**7,157,261**	**6,788,976**	**3,061,973**	**17,637**	**0**	**17,025,847**
Inter-segment revenue	99,568	231,762	0	1,004,606		
EBIT	**456,530**	**236,891**	**44,813**	**997**	**-32,834**	**706,397**
thereof share of profit or loss of equity-accounted investments	40,527	18,837	1,554	-31	0	60,887
Interest and similar income	0	0	0	50,742	0	50,742
Interest expense and similar charges	0	0	0	-40,066	0	-40,066
EBT	**456,530**	**236,891**	**44,813**	**11,673**	**-32,834**	**717,073**
Investments in property, plant and equipment and intangible assets	0	0	0	770,438	0	770,438
Depreciation, amortisation and impairment losses, reversals of impairment losses	6,700	0	19,674	524,435	0	550,809
thereof impairment losses	6,700	0	0	10,149	0	16,849

[1] Not an IFRS measure, therefore not audited

Reconciliation of the sum of the segment earnings to EBT according to IFRS financial statements

Income and expense in the internal reporting are essentially shown in accordance with IFRS. An exception is income taxes, including those applicable to deferred tax, which are not considered in the internal reporting.

The basis for the internal reporting is formed by all subsidiaries and participation companies. In the IFRS financial statements, earnings from companies which were not fully consolidated or reported using the equity method are only recognised in conformity with dividends, transfer of earnings and/or depreciation and amortisation. For this reason, the internal reporting does not conform with EBIT and EBT in the consolidated financial statements in terms of net income from investments.

Other minor differences result from entries in other consolidations.

Reconciliation of the internal reporting to IFRS financial statements is allocated as follows:

T€	**2023**	2022
Net income from investments	-25,513	-26,815
Other consolidation adjustments	-2,879	-6,019
Total	**-28,392**	**-32,834**

Breakdown of revenue by geographic region

T€	**2023**	2022
Germany	8,005,923	7,677,021
Austria	2,848,802	2,764,058
Rest of Europe	5,879,026	5,649,463
Rest of world	932,789	935,305
Revenue	**17,666,540**	**17,025,847**

Other notes

37 Notes on shareholder structure

The core shareholders of STRABAG SE are the Haselsteiner Group as well as the Raiffeisen Holding NÖ-Wien Group and the UNIQA Group. A syndicate agreement was concluded between the core shareholders on 18 August 2022.

The minority shareholder MKAO “Rasperia Trading Limited” was – at least until 22 March 2024 – controlled by Russian businessman Oleg Deripaska, who was added to the sanctions lists in the following jurisdictions: Canada (on 6 March 2022), United Kingdom (on 10 March 2022), Australia (on 18 March 2022), European Union (on 8 April 2022), Switzerland (on 13 April 2022) and Poland (on 26 April 2022). Due to the EU sanctions against Oleg Deripaska, the shares of MKAO “Rasperia Trading Limited” in STRABAG SE and all rights associated with these shares, including voting rights and dividend entitlements, are frozen. The joint control from MKAO “Rasperia Trading Limited” over STRABAG SE with the Austrian core shareholders, which had existed since 2007 on the basis of a syndicate agreement terminated by Haselsteiner Familien-Privatstiftung on 15 March 2022 with effect from 31 December 2022, thus also ended when the EU sanctions came into force on 8 April 2022. Irrespective of this, as a result of the EU sanctions against Oleg Deripaska there has been no significant influence since 8 April 2022, so that MKAO “Rasperia Trading Limited” no longer constitutes a related party.

A dividend of € 2.00 per share was approved at the Annual General Meeting of 16 June 2023. As the dividend claims from the shares held by MKAO “Rasperia Trading Limited” are frozen due to the sanctions imposed on Oleg Deripaska, the dividend attributable to MKAO “Rasperia Trading Limited” less capital gains tax in the amount of T€ 41,325 was, as in the previous year, not paid out. As at 31 December 2023, unpaid dividend claims amounting to T€ 82,650 (2022: T€ 41,325) are therefore reported as other current financial liabilities.

Several capital measures were approved at the 19th Annual General Meeting of STRABAG SE on 16 June 2023. See also the comments under item (26) Equity. With these measures, which were completed with entry of the capital increase into the commercial register on 21 March 2024, the stake held by MKAO “Rasperia Trading Limited” was reduced from 27.8% to 24.1%.

As the shares in STRABAG SE held by MKAO “Rasperia Trading Limited” and all rights associated with these shares, including voting rights and dividend entitlements, are frozen by the EU sanctions against Oleg Deripaska, MKAO “Rasperia Trading Limited” was not entitled to a rights offer for new shares in respect of its 28,500,001 ordinary shares in the company.

The distribution entitlement attributable to MKAO “Rasperia Trading Limited” from the capital reduction, amounting to T€ 257,925, is recognised as other current financial liabilities and will also be withheld due to the existing sanctions.

In the 2023 financial year, as in the previous year, there were no business relationships with companies attributable to Oleg Deripaska.

On 19 December 2023, the Management Board of STRABAG SE was informed by the Russian joint stock corporation Iliadis JSC and Oleg Deripaska, by means of a major holdings notification pursuant to Sections 130ff of the Austrian Stock Exchange Act (BörseG), that Iliadis JSC on 14 December 2023 concluded a purchase agreement for 100% of the shares in MKAO “Rasperia Trading Limited”, although this transaction had not yet been carried out.

The Management Board of STRABAG SE was then informed that Raiffeisenbank International AG wants to acquire the 28,500,000 shares in STRABAG SE held by MKAO “Rasperia Trading Limited”. According to the announcement by Raiffeisenbank International AG, the multiple-step transaction – further details of which were not known to STRABAG SE – is subject to various reviews, approvals and other conditions, including a sanctions review, and was expected to close in the first quarter of 2024.

On 26 March 2024, the company was informed by means of major holdings notifications pursuant to Sections 130ff of the Austrian Stock Exchange Act (BörseG) that the transaction in Russia that had been announced in December 2023 had been completed and that MKAO “Rasperia Trading Limited” had been transferred to Iliadis JSC. According to these notifications, MKAO “Rasperia Trading Limited”, with its 24.1% stake in STRABAG SE, is now controlled by Iliadis JSC, and Oleg Deripaska has relinquished his previous (indirect) control.

The company has no further information regarding the transaction that has now been completed as announced in the major holdings notifications. It is therefore currently not possible to carry out a sanctions review, so that the company continues to assume that the STRABAG shares held by MKAO “Rasperia Trading Limited” remain frozen in accordance with the EU Sanctions Regulation.

STRABAG has no information on the implementation status of the intended acquisition of STRABAG shares by Raiffeisenbank International AG.

38 Notes on related parties

Raiffeisen Holding NÖ-Wien / UNIQA Group

Arm’s-length finance and insurance transactions exist with the Raiffeisen Holding NÖ-Wien Group and the UNIQA Group. The receivables on 31 December 2023 to the Raiffeisen Group relating to current accounts and investments amounted to T€ 446,904 (2022: T€ 522,584), the payables on 31 December 2023 to the Raiffeisen Group relating to financing and current accounts amounted to T€ 1,507 (2022: T€ 4,050). The interest income in the 2023 financial year amounted to T€ 15,046 (2022: T€ 5,088), and the interest expense amounted to T€ 173 (2022: T€ 470).

Premiums for insurance contracts with the UNIQA Group were recognised as an expense in the amount of T€ 837 (2022: T€ 772).

Haselsteiner Group

With effect from 1 January 2023, Haselsteiner Familien-Privatstiftung withdrew from five real estate companies of the Züblin subgroup, of which it held 5.1% each, in return for compensation totalling T€ 2,380. The acquisition of the minority interests had an impact of T€ -858 on the Group’s earnings. The income from real estate companies attributable to the Haselsteiner Group is included in net interest income at T€ -116 in the previous year.

The Haselsteiner Group now holds 5.1% of each of the following: STRABAG Real Estate GmbH, Cologne, and Züblin Projektentwicklung GmbH. The earnings from these companies are reported under income attributable to non-controlling interests with an amount of T€ -5 (2022: T€ 959). In the 2023 financial year, the dividends from the above-mentioned companies amounted to T€ 22 (2022: T€ 114).

The business relations between STRABAG SE and the companies of the Haselsteiner Group during the financial year, including joint investments, mainly relate to construction services and are presented as below.

T€	**2023**	2022
Work and services performed	24,001	29,147
Work and services received	8,224	4,835
Receivables as at 31.12.	23,092	30,248
Liabilities as at 31.12.	1,355	858

IDAG

IDAG Immobilienbeteiligung u. -Development GmbH is entirely held by private foundations whose beneficiaries are the Haselsteiner Group and the Raiffeisen-Holding NÖ-Wien Group. It is the business purpose of IDAG Immobilienbeteiligung u. -Development GmbH to develop property and to participate in property projects.

STRABAG's headquarters in Vienna and office buildings in Graz are held in the real estate portfolio of subsidiaries of IDAG Immobilienbeteiligung u. -Development GmbH. The buildings are let to the STRABAG SE Group at the usual market conditions. Rental costs arising from both buildings in the 2023 financial year amounted to T€ 9,761 (2022: T€ 8,998). Under IFRS 16, these leases are recognised as right-of-use assets and lease liabilities. The consolidated financial statements as at 31 December 2023 show right-of-use assets of T€ 56,506 (2022: T€ 55,329) and lease liabilities of T€ 34,842 (2022: T€ 29,514). The lease liabilities are presented less the rental deposits of T€ 23,970 (2022: T€ 27,861). Other services in the amount of T€ 116 (2022: T€ 180) were obtained from the IDAG Group.

Furthermore, revenues of T€ 1,574 (2022: T€ 846) were made with the IDAG Group in the 2023 financial year. In the 2023 financial year, a dividend from an investment of the IDAG Group, in which the STRABAG SE Group holds a minority interest, in the amount of T€ 102 (2022: T€ 694) was recognised as investment income.

Investments in equity-accounted investments

Holcim Cement CE Holding GmbH bundles the cement activities of Holcim, a market leader in construction materials manufacturing, and STRABAG in the countries of Central Europe. The joint activities aim at maintaining a commensurate cement supply in the Group's core countries. In 2023, STRABAG procured cement services worth T€ 41,667 (2022: T€ 36,333). At the balance sheet date, there were liabilities to Holcim Cement CE Holding GmbH Group in the amount of T€ 842 (2022: T€ 1,123).

The business transactions with the other equity-accounted investments can be presented as follows:

T€	**2023**	2022
Work and services performed	148,936	119,612
Work and services received	77,259	65,674
Receivables as at 31.12.	21,496	45,902
Liabilities as at 31.12.	14,272	15,414
Financing receivables as at 31.12.	109,821	110,819

For information about consortia we refer to item (17) Notes on consortia.

Management

Concerning business transactions with the Management Board members and employees of the first management level (management in key positions) and with their family members and companies which are controlled by the management in key positions or decisively influenced by them in the reporting period, services worth T€ 452 (2022: T€ 860) were provided and services worth T€ 34 (2022: T€ 55) were procured. At the balance sheet dates, there were receivables in the amount of T€ 0 (2022: T€ 264) and liabilities in the amount of T€ 0 (2022: T€ 0) out of these business relations.

The total remuneration including any severance and pension payments, as well as other long-term payments for employees of the first management level, amounted to T€ 25,118 (2022: T€ 23,657) in the reporting period. Of this amount, T€ 24,867 (2022: T€ 23,399) is attributable to the current remuneration, which includes fixed and variable remuneration for the previous financial year, and T€ 251 (2022: T€ 258) to severance and pension payments. As at 31 December 2023, obligations from variable remuneration amounted to T€ 18,000 (2022: T€ 19,069). These include the provisions for profit-sharing for the financial year as well as retentions from variable remuneration.

39 Notes on the management and supervisory boards

Management Board

Klemens H a s e l s t e i n e r, BBA, BF (CEO since 1 January 2023)

Mag. Christian H a r d e r

Dipl.-Ing. (FH) Jörg R ö s l e r (since 1 January 2023)

Dipl.-Ing. Siegfried W a n k e r

Dipl.-Ing. (FH) Alfred W a t z l

Supervisory Board

Mag. Kerstin G e l b m a n n (Chairman since 1 January 2024)

Dr. Alfred G u s e n b a u e r (Chairman until 31 December 2023)

Mag. Erwin H a m e s e d e r (Vice Chairman)

Dr. Andreas B r a n d s t e t t e r

Dr. Valerie H a c k l (since 25 January 2024)

Mag. Gabriele S c h a l l e g g e r

Dipl.-Ing. Andreas B a t k e (works council)

Magdolna P. G y u l a i n é (works council)

Georg H i n t e r s c h u s t e r (works council)

Wolfgang K r e i s (works council)

The total salaries of the Management Board members in the financial year amount to T€ 9,953 (2022: T€ 9,815). The severance payments for Management Board members amount to T€ 166 (2022: T€ 111). As at 31 December 2023, obligations exist from variable remuneration amounted to T€ 6,687 (2022: T€ 9,631). These include the provisions for profit-sharing for the financial year as well as retentions from variable remuneration.

The remunerations for the Supervisory Board members in 2023 amounted to T€ 240 (2022: T€ 244). Neither the Management Board members nor the Supervisory Board members of STRABAG SE received advances or loans.

40 Expenses for the auditor

The expenses for the auditor, KPMG Austria GmbH, incurred in the financial year amount to T€ 1,826 (2022: T€ 1,684) of which T€ 1,653 (2022: T€ 1,506) were for the audit of the consolidated financial statements (including the audit of separate financial statements of group companies) and T€ 173 (2022: T€ 178) for other services.

41 Events after the balance sheet date

With entry of the increase in the share capital from € 102,600,000.00 to € 118,221,982.00 in the commercial register on 21 March 2024, the capital measures approved by the Annual General Meeting on 16 June 2023 to reduce the stake held by the minority shareholder MKAO "Rasperia Trading Limited" were completed. As of this date, the increase in the share capital can be recognised in the balance sheet. A detailed description of the capital measures can be found under item (26) Equity.

On 26 March 2024, STRABAG SE received major holdings notifications from Oleg Deripaska and Iliadis JSC indicating that MKAO "Rasperia Trading Limited" had been transferred to Iliadis JSC, thus completing the sale in Russia that had been announced in December 2023.

According to the notifications, MKAO "Rasperia Trading Limited", with its 24.1% stake in STRABAG SE, is now controlled by Iliadis JSC, and Oleg Deripaska has relinquished his previous (indirect) control.

STRABAG has no further information regarding the transaction that has now been completed in Russia as announced in the major holdings notifications. It is therefore currently not possible to carry out a sanctions review, so that STRABAG continues to assume that the STRABAG shares held by MKAO "Rasperia Trading Limited" remain frozen in accordance with the EU Sanctions Regulation.

42 Appropriation of net

The Management Board proposes to pay out a dividend in the amount of € 2.20 per dividend-bearing share for the 2023 financial year. Taking into account the increase in share capital on 21 March 2024 to 118,221,982 shares, the maximum distribution amount would be T€ 260,088, which corresponds to 41.3% of the net income after minorities of T€ 630,508.

43 Date of authorisation for issue

In Austrian companies organised as corporations limited by shares, the consolidated financial statements prepared by the Management Board are approved by the Supervisory Board. The STRABAG SE Supervisory Board meeting for the approval of the consolidated financial statements for the year ended 31 December 2023 will take place on 23 April 2024.

Villach, 4 April 2024

The Management Board

Klemens Haselsteiner, BBA, BF
CEO
Central Staff Divisions and
Central Divisions BMTI, CML, SID, TPA and
ZT, Winding up Russia

Mag. Christian Harder
CFO
Central Division BRVZ

Dipl.-Ing. (FH) Jörg Rösler
Member of the Management Board
Segment North + West

Dipl.-Ing. Siegfried Wanker
Member of the Management Board
Segment International + Special Divisions

Dipl.-Ing. (FH) Alfred Watzl
Member of the Management Board
Segment South + East

Statement of all legal representatives

We confirm to the best of our knowledge that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group as required by the applicable accounting standards and that the group management report gives a true and fair view of the development and performance of the business and the position of the group, together with a description of the principal risks and uncertainties the group faces.

We confirm to the best of our knowledge that the individual financial statements[1] give a true and fair view of the assets, liabilities, financial position and profit or loss of the parent company as required by the applicable accounting standards and that the management report gives a true and fair view of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties the company faces.

Villach, 4 April 2024

The Management Board

Klemens Haselsteiner, BBA, BF
CEO
Central Staff Divisions and
Central Divisions BMTI, CML, SID, TPA and
ZT, Winding up Russia

Mag. Christian Harder
CFO
Central Division BRVZ

Dipl.-Ing. (FH) Jörg Rösler
Member of the Management Board
Segment North + West

Dipl.-Ing. Siegfried Wanker
Member of the Management Board
Segment International + Special Divisions

Dipl.-Ing. (FH) Alfred Watzl
Member of the Management Board
Segment South + East

1 The individual financial statements are included in the annual financial report.

Auditor's Report

Report on the Consolidated Financial Statements

Audit Opinion

We have audited the consolidated financial statements of

STRABAG SE,
Villach, Austria,

and its subsidiaries ("the Group"), which comprise the consolidated Balance Sheet as at 31 December 2023, and the Consolidated Income Statement and Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and the Notes to the Consolidated Financial Statements.

In our opinion, the consolidated financial statements comply with the legal requirements and present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, and the additional requirements pursuant to Section 245a UGB (Austrian Commercial Code).

Basis for our Opinion

We conducted our audit in accordance with the EU Regulation 537/2014 ("Auditor Regulation") and Austrian Standards on Auditing. These standards require the audit to be conducted in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities" section of our report. We are independent of the audited Group in accordance with Austrian company law and professional regulations, and we have fulfilled our other responsibilities under those relevant ethical requirements. We believe that the audit evidence we have obtained up to the date of the auditor's report is sufficient and appropriate to provide a basis for our audit opinion on this date.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, however, we do not provide a separate opinion thereon.

Measurement of construction contracts and revenue and results from construction contracts

Refer to notes section (1), (17) and (22)

Risk for the Consolidated Financial Statements

Revenue recognized in the consolidated financial statements of STRABAG SE as of 31 December 2023 mainly consists of revenue from construction contracts, which is accounted for according to the stage of completion (over time recognition using an output-oriented method on the basis of the work already performed). Furthermore, the share of profit or loss of equity-accounted investments includes significant amounts of profit or loss from projects managed in joint arrangements, which are also recognized over time based on an output method.

The stage of completion for construction contracts, whether executed alone or in cooperation with partners, is updated on an ongoing basis by means of periodic reporting. Besides the services already performed and the order backlog, taking into account contract deviations and supplementary claims, periodic reporting also includes the costs incurred to date as well as remaining costs to be incurred. The data used in the measurement of construction contracts includes estimates regarding the progress and expected outcome of projects. Profit or loss is recognized according to the stage of completion of a project (over time recognition using an output-oriented method on the basis of the work already performed).

Especially technically complex and demanding projects involve risk that estimated total cost deviate considerably from actual cost incurred. Additionally, there is a risk of non-recoverable receivables from construction contracts and joint arrangements.

Our Response

We have evaluated the measurement of construction contracts and revenue and earnings from construction contracts as follows:

- Our audit procedures included the assessment of controls in connection with the recognition and measurement of construction contracts as well as a test of details for significant large projects and random samples of other projects.
- In the course of testing internal controls in respect of the accounting for projects, we critically analyzed the relevant controls and performed an assessment of their operating effectiveness. These controls include in particular automated IT-supported controls for the purpose of determining the relevant amounts respective in the financial statements as well as system test routines for identifying abnormalities.

The tests of details primarily included the following audit procedures:

- Systematic and detailed inquirie regarding selected significant construction contracts, in order to verify the accurate accounting particularly in respect of project risks
- Sample-based examination of contracts in respect of their components significant to the assessment
- Discussions with the Management Board and the operating management regarding individually significant projects in order to assess the planning assumptions
- A critical analysis of the internal project reporting, in order to evaluate whether all known information was taken into account in the preparation of the financial statements
- Sample-based assessment of the recoverability of accounts receivable from construction contracts (contract assets) and construction consortia
- Retrospective assessment of individually significant projects in connection with estimation uncertainties

Furthermore, we analyzed whether the required disclosures in the notes to the consolidated financial statements include all necessary explanations regarding to revenue recognized from construction contracts and construction consortia and whether they appropriately describe the significant estimation uncertainties.

Other Information

Management is responsible for other information. Other information is all information provided in the annual report, other than the consolidated financial statements, the group management report and the auditor's report.

Our opinion on the consolidated financial statements does not cover other information and we do not provide any kind of assurance thereon.

In conjunction with our audit, it is our responsibility to read this other information and to assess whether, based on knowledge gained during our audit, it contains any material inconsistencies with the consolidated financial statements or any apparent material misstatement of fact. If we conclude that there is a material misstatement of fact in other information, we must report that fact. We have nothing to report in this regard.

Responsibilities of Management and Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, the additional requirements pursuant to Section 245a UGB (Austrian Commercial Code) and for such internal controls as management determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Management is also responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intents to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our audit opinion. Reasonable assurance represents a high level of assurance, but provides no guarantee that an audit conducted in accordance with the Auditor Regulation and Austrian Standards on Auditing (and therefore ISAs), will always detect a material misstatement, if any. Misstatements may result from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Auditor Regulation and Austrian Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit.

Moreover:

- We identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, we design and perform audit procedures responsive to those risks and obtain sufficient and appropriate audit evidence to serve as a basis for our audit opinion. The risk of not detecting material misstatements resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- We conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the respective note in the consolidated financial statements. If such disclosures are not appropriate, we will modify our audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the consolidated financial statements, including the notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- We communicate with the audit committee regarding, amongst other matters, the planned scope and timing of our audit as well as significant findings, including any significant deficiencies in internal control that we identify during our audit.
- We communicate to the audit committee that we have complied with the relevant professional requirements in respect of our independence, that we will report any relationships and other events that could reasonably affect our independence and, where appropriate, the related safeguards.
- From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit i.e. key audit matters. We describe these key audit matters in our auditor's report unless laws or other legal regulations preclude public disclosure about the matter or when in very rare cases, we determine that a matter should not be included in our audit report because the negative consequences of doing so would reasonably be expected to outweigh the public benefits of such communication.

Report on Other Legal Requirements

Group Management Report

In accordance with Austrian company law, the group management report is to be audited as to whether it is consistent with the consolidated financial statements and prepared in accordance with legal requirements.

Management is responsible for the preparation of the group management report in accordance with Austrian company law.

We have conducted our audit in accordance with generally accepted standards on the audit of group management reports.

Opinion

In our opinion, the group management report is consistent with the consolidated financial statements and has been prepared in accordance with legal requirements. The disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

Statement

Based on our knowledge gained in the course of the audit of the consolidated financial statements and our understanding of the Group and its environment, we did not note any material misstatements in the group management report.

Additional Information in accordance with Article 10 Auditor Regulation

We were elected as auditors at the Annual General Meeting on 16 June 2023 and were appointed by the supervisory board on 16 June 2023 to audit the financial statements of Company for the financial year ending on 31 December 2023.

We have been auditors of the Company, without interruption, since the consolidated financial statements at 31 March 1999.

We declare that our opinion expressed in the "Report on the Consolidated Financial Statements" section of our report is consistent with our additional report to the Audit Committee, in accordance with Article 11 Auditor Regulation.

We declare that we have not provided any prohibited non-audit services (Article 5 Paragraph 1 Auditor Regulation) and that we have ensured our independence throughout the course of the audit, from the audited Group.

Engagement Partner

The engagement partner is Mr Mag. Gerold Stelzmüller.

Linz, 4 April 2024

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft
qualified electronically signed:
Mag. Gerold Stelzmüller
Wirtschaftsprüfer
(Austrian Chartered Accountant)

This report is a translation of the original report in German, which is solely valid. This document has been qualified electronically signed and is only valid in this version. The consolidated financial statements together with our auditor's opinion may only be published if the consolidated financial statements and the group management report are identical with the audited version attached to this report.
Section 281 Paragraph 2 UGB (Austrian Commercial Code) applies.

Financial calendar & contact

Financial calendar

2023 Annual Report

Thursday, 25 April 2024
Publication 7:00 a.m.
Press conference 10:00 a.m.
Investor and analyst conference call 3:00 p.m.

Trading Statement January–March 2024

Wednesday, 29 May 2024
Publication 7:00 a.m.

2024 Annual General Meeting

Tuesday, 4 June 2024
Record date for confirmation of shareholding

Friday, 14 June 2024
2024 Annual General Meeting
Begin 10:00 a.m.

Wednesday, 19 June 2024
Ex-dividend date

Thursday, 20 June 2024
Record date for dividend payment

Tuesday, 25 June 2024
Dividend payment date

2024 Semi-Annual Report

Friday, 30 August 2024
Publication 7:00 a.m.
Investor and analyst conference call 10:00 a.m.

Trading Statement January–September 2024

Thursday, 14 November 2024
Publication 7:00 a.m.

The above calendar is provisional. Dates are subject to change throughout the year. All times are Central European Time (CET) and/or Central European Summer Time (CEST).

The up-to-date financial calendar can be found on the website of STRABAG SE.

Contact

STRABAG SE

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Glossary

AFRAC	Austrian Financial Reporting Advisory Committee
AI	Artificial intelligence
AktG	Austrian Stock Corporation Act (Aktiengesetz)
APAG	Austrian Audit Oversight Act
ATX	Austrian Traded Index; the index of leading shares of the Vienna Stock Exchange (Wiener Börse)
BCMS	Business Compliance Management System
BIM	Building Information Modelling
BIO	Protection and restoration of biodiversity and ecosystems
BNB	Assessment System for Sustainable Building (Bewertungssystem Nachhaltiges Bauen)
Book value per share	Ratio of the book value of equity divided by the number of outstanding shares
BREEAM	Building Research Establishment Environmental Assessment Methodology; a rating system for environmental and social-cultural aspects of sustainable building
BRVZ	Bau- Rechen- und Verwaltungszentrum = STRABAG entity providing intercompany services in IT and administration
BWB	Austrian Federal Competition Authority (Bundeswettbewerbsbehörde)
CAD	Computer-aided design
CAGR	Compound annual growth rate
CapEx	Capital expenditure, investments; acquisition of financial assets + acquisition of intangible assets as well as property, plant and equipment + changes to the scope of consolidation
Capital employed	Total of group equity + interest-bearing debt
Carbon footprint	Measure of carbon emissions caused by an activity
Cash flow	Cash and cash equivalents being received and spent
CCA	Climate change adaption
CCM	Climate change mitigation
CDP	Carbon Disclosure Project, a global framework for investors, companies, cities, states and regions to measure and disclose their environmental impact
CE	Circular economy
CEE	Central and Eastern Europe (Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Serbia, Slovakia, Slovenia)
CEO	Chief Executive Officer
CEST	Central European Summer Time
CET	Central European Time
CFO	Chief Financial Officer
CGU	Cash Generating Units
CML	Contract Management & Legal Service
CO_2	Carbon dioxide (greenhouse gas)
CO_2e	CO_2 equivalent; unit of measurement used to compare the global warming potential of different greenhouse gases
Code of Conduct	Guidelines which reflect the company’s policy; compliance is mandatory for all employees, directors and officers
Compliance	Abidance with applicable laws and relevant regulations
Construction value chain	The individual steps and actions required to create a product or deliver a service in the construction industry
Corporate Governance	A code of conduct for publicly listed companies; corporate governance comprises all guidelines which maximise transparency and control in order to avoid conflicts of interest
COSO	Committee of Sponsoring Organizations of the Treadway Commission

COVID-19	Corona Virus Disease 2019
CPS	Common project standards
CSD	Central Staff Division
CSRD	Corporate Sustainability Reporting Directive
CTD	Central Technical Division
DCF method	Discounted cash flow method
DGNB	German Society for Sustainable Construction (Deutsche Gesellschaft für Nachhaltiges Bauen e.V.)
Directors' dealings	Transactions with company securities by company directors or officers
Dividend yield	Ratio of dividend to price per share at year's end in %
DNSH criteria	Do No Significant Harm criteria
Due diligence	Investigation and analysis carried out with reasonable care
Earnings per share	Net income after minorities divided by the weighted average number of shares
EBIT	Earnings before interest and taxes
EBIT margin	Ratio of EBIT to revenue in %
EBITDA	Earnings before interest, taxes, depreciation and amortisation
EBITDA margin	Ratio of EBITDA to revenue in %
EC-19	19 Euroconstruct countries
ECB	European Central Bank
EcoVadis	Ratings agency with a special focus on ESG and sustainable supplier management
EDI	Equality, Diversity and Inclusion
EECFA	Eastern European Construction Forecasting Association
EMAS	Eco-Management and Audit Scheme
Equity method	Method of consolidation of shares in associated companies and joint ventures; mostly companies in which STRABAG holds a stake between 20 % and 50 %
Equity ratio	Ratio of book value of equity to balance sheet total
ERP systems	Enterprise Resource Planning
ESG	Environmental, social and governance
ESRS	European Sustainability Reporting Standards
FAQ	Frequently Asked Questions
Four-eyes principle	Principle according to which an activity is carried out and monitored by different persons
FTE	Full-time equivalents
GD	Generative design
GDP	Gross Domestic Product
Gearing ratio	Net debt divided by total group equity
GHG	Greenhouse gases
GIS	Geographic Information System
GRI	Global Reporting Initiative
HRD	Human Resource Development
HSE	Health, safety, environment
IAS	International Accounting Standards
IASB	International Accounting Standards Board, issues the IFRS
ICS	Internal control system
IDW	Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer in Deutschland e.V.)
IFRIC	International Financial Reporting Interpretations Committee
IFRS	Financial reporting standards and interpretations adopted by the International Accounting Standards Board (IASB)

IoT	Internet of Things
IQM	Integrated Quality Management
ISIN	International Securities Identification Number
ISO	International Organization for Standardization
ISO 14001	International standard designed to help organisations establish environmental management systems
ISO 31000	International standard designed to help organisations set up a risk management system
ISO 37001	International standard designed to help organisations implement and maintain anti-bribery management systems
ISO 37301	International standard designed to help organisations implement and maintain compliance management systems
ISO 45001	International standard designed to help organisations maintain occupational health and safety management systems
ISO 50001	International standard designed to help organisations establish energy management systems
KPI	Key performance indicator
kWp	Kilowatt peak
LEED	Leadership in Energy and Environmental Design
M&A	Mergers and acquisitions
MSCI	Morgan Stanley Capital International
NaDiVeG	Sustainability and Diversity Improvement Act (Nachhaltigkeits- und Diversitätsverbesserungsgesetz)
Net debt	Financial liabilities - non-recourse debt + severance and pension provisions - cash and cash equivalents; called net cash in case of negative result
NFI	Non-financial information
NO_x	Nitrogen oxides
ÖCGK	Austrian Corporate Governance Code (Österreichischer Corporate Governance Kodex)
ODS	Ozone-depleting substances
OECD	Organisation for Economic Co-operation and Development
ÖGNI	Austrian Sustainable Building Council (Österreichische Gesellschaft für Nachhaltige Immobilienwirtschaft)
OpEx	Operating expenses
Order backlog	Future revenues from contracts signed to a specific date less work already accomplished
P&C DEV	People & Culture Development
p. a.	Per annum (per year)
P/E ratio	Price-earnings ratio
Payout ratio	Ratio of dividends to earnings per share in %
PMH	Project Management Hub; digital tool to support construction site management
PPC	Pollution Prevention and Control
PPP	Public-Private Partnership; project which is funded and operated through a partnership of private investors and public-sector institutions
Risk management	An approach to recognise potential risks to the company and develop strategies to manage these risks
RMS	Risk Management System
ROCE	Return on Capital Employed; (net income + interest on debt - interest tax shield (25 %))/(average group equity + interest-bearing debt)
S&P	Standard & Poor's
SAM	Smart Asset Manager; planning and billing software
SCC	Safety Certificate Contractors
SDG	Sustainable Development Goals
SE	Societas Europaea = a public company in the European Union and the European Economic Area registered in accordance with EU corporate law
SID	STRABAG Innovation & Digitalisation
SO_x	Sulphur oxides

SPS	Strategic Procurement Solution
SSO	Smart Site One; digital software for road construction
STF hazards	Slips, trips and falls
Sureties	Bank guarantees or surety bonds
Sustainalytics	ESG risk ratings
Task force	A unit temporarily established to work on a single defined activity
TPA	STRABAG entity for quality assurance and innovation
UGB	Austrian Commercial Code (Unternehmensgesetzbuch)
UN	United Nations
UNGC	United Nations Global Compact
WBI	Vienna Stock Exchange Share Index (Wiener Börse Index), made up of all companies listed on the Vienna Stock Exchange
WELL	WELL Building Standard
WHM	Workplace Health Management
WHO	World Health Organization
WTR	Sustainable use and protection of water and marine resources

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This report was prepared with the highest possible attention to detail. All information was verified. The possibility of rounding errors, printing errors or misprints, however, cannot be completely excluded. Rounding differences may occur due to the use of automated calculation aids. The report contains information and forecasts related to the future development of STRABAG SE. These forecasts represent estimates made on the basis of all available information at the time of publication. Should the assumptions underlying the forecasts fail to appear, the actual results could deviate from the expectations. Many of the projects contained in this report were carried out in joint ventures. We hereby extend a warm “thank you” to all our partners. This report is also available in German. In case of discrepancy, the German version prevails.

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