

# Sustainability Strategy





# Corporate strategy

## Our Vision

PORR - Home of Construction. To Build a Better World.

## Our Mission

We believe in a better world, in a home made possible by sustainable buildings. Those who build change the world. For more than 150 years, it has been in our DNA to be at the leading edge of the construction industry with new technologies. Our goal is to make the environment sustainable and foster innovation and growth. And thus to create a world worth living in for all people - today and tomorrow. We make this possible with holistic construction solutions from a single source, from planning to construction to operation, both in building construction and civil engineering, as well as in infrastructure construction.

Innovative, competent and reliable - **powered by PORR.**

# Sustainability Strategy

The construction industry as a people business with many different ethnic groups and a high consumption of energy and resources requires global and future-oriented thinking. In the decisions we make today in the areas of corporate governance, the environment and social issues, we have to focus already on tomorrow. Sustainable action is an essential part of our social responsibility and at the same time the basis of our success. Sustainability management is managed directly by the Group Executive Board and the Supervisory Board's Sustainability Committee. The annual Sustainability Report (non-financial Group report) provides detailed information on the achievement of the targets set out in the sustainability strategy and the progress of projects.

The EU Taxonomy Regulation as part of the European Green Deal represents a milestone for our sustainability management. The associated classification scheme for ecologically sustainable economic activities, which is closely linked to the six EU environmental goals and is binding for PORR to apply, increases the transparency of sustainability-specific information for third parties.

## Our ESG Vision

We want to harmonize ecology, economy and society.

## Environment

The company is clearly committed to environmental protection and focuses intensively on **research and development**. In this context, the **Green and Lean strategy** has also been pursued since August 2021, with the aim of increasingly driving forward operational environmental management:

**Green.** means one thing in particular: responsibility. After all, we are not only building for today and tomorrow, but also for the day after tomorrow. We want to become the market leader for **resource-conscious, recyclable construction**. Our goal is to integrate construction processes as far as possible in closed material cycles. We want to drive forward the share of sustainable projects and go climate-neutral. The aim is not only to absorb the considerable proportion of emissions that have already occurred, but also to reduce them using future technologies. That is why, through planning and design, in the construction process and in operation, as well as in revitalization, we are focusing on solutions that give shape to a climate-neutral future.

**And.** means more than just combining Green and Lean. After all, change can only succeed if we work together. That's why we rely on **partnering models** in the construction industry. In this way, we jointly enable integration in the various stages of the construction value chain and use the leverage effect: good and meaningful things are multiplied. The project is considered over its entire life cycle (planning, construction, operation and revitalization) and is then offered from a single source. The advantages are obvious: maximum risk minimization and high quality, schedule and cost reliability. We intend to apply this approach more intensively and more broadly in the future. This is our "And": partnerships between all project participants with common goals.

**Lean.** refers to the way our organization is set up. Lean is reflected in our management approaches and is practiced in the construction process with the help of LEAN Design and Construction. Lean sounds abstract, but it is already practiced at PORR - **a lean organization with short decision-making paths**. This also includes digital efficiency and smart innovations. They are the tools with which we will expand our technology leadership. Digitization of the value chain is more topical than ever. LEAN Design and Construction are our future in operational construction processes. This approach is to be understood as an integral, continuous process.

This shows: Green and Lean is more than a vision, it is a milestone toward the future. It is the foundation for future success and the basis on which we fulfill our social responsibility as a major company. After all, intelligent building not only connects people, it also shapes our future.

**Protect climate.** The construction industry accounts for a significant share of all CO<sub>2</sub> emissions worldwide. A clear strategy is needed to reverse this trend. Energy efficiency measures, the use of renewable energy sources and thus substitution of fossil fuels, as well as the development and use of sustainable products and services support us in reducing pollutant emissions. Other important measures include the gradual switch to green electricity and local energy generation using photovoltaic or geothermal systems. With the help of optimally networked and coordinated cooperation between client, contractor, cooperation partner and energy supplier, we aim to achieve a significant reduction in CO<sub>2</sub>. For more information on this topic, please refer to our climate strategy. With our own climate strategy, we aim to sustainably and effectively contain or avoid the greatest challenges of our time - climate change and its negative consequences. Climate-related risks are systematically analyzed and managed by risk management. In addition, we comply with the climate reporting recommendations for companies and investors of the **Task Force on**

**Climate-related Financial Disclosures (TCFD).** The topic is particularly relevant in view of the EU Taxonomy Regulation and the first two environmental goals of climate protection and adaptation to climate change.

**Protecting resources.** Due to its high consumption of raw materials, PORR takes waste-specific aspects into account in its corporate decisions and in the management of its resources and infrastructure. For example, the increasing scarcity of raw materials and the associated price increases are combated by means of resource-saving material consumption and recycling. Furthermore, **waste separation** is to be improved and the ideal handling of resources can be achieved by **implementing circular economy principles**. Against this background, it is also important for PORR to establish a relationship with water as a resource. After all, water is used in construction activities, demolition work and production facilities. This is why PORR has put **efficient water management** on its agenda. You can find more information on this topic in our **Water Policy**.

Both topics, i.e. material as well as water management, are directly related to the environmental objectives of the EU Taxonomy Regulation "Transition to a Circular Economy, Waste Prevention and Recycling" and "Sustainable Use and Protection of Water and Marine Resources".

**Environment protection.** PORR is committed to reducing environmental impact and continuously improving environmental protection measures. **Environment-related opportunities and risks** are mitigated, resulting effects are analyzed in detail and appropriate solutions or countermeasures are developed and introduced. For the current challenges, efforts are made in cooperation with in particular local partners to develop procedures with the greatest possible impact in the area of environmental protection. In this context, PORR relies, among other things, on investments in technological solutions and the transfer of knowledge between stakeholders.

Another important aspect is the construction, consumption and sealing of ground surfaces. As a construction company, PORR plays a major role in this respect and is accordingly committed to making living locations worth living in and to **protecting and promoting the biodiversity of animals and plants**. This is done, among other things, by greening roofs, facades and courtyards, recultivation and bee protection measures, as well as planting fallow land. These are all topics that are also addressed in the taxonomy ordinance goal "Protection and restoration of biological diversity and ecosystems".

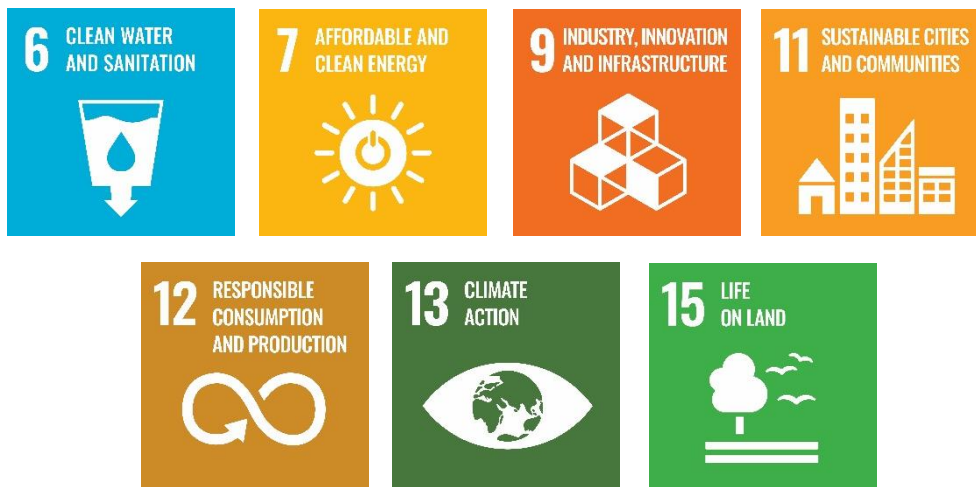
## Targets 2025

- Group-wide ISO50001:2018 certification
- Compliance with climate strategy with monitoring and progress report
- Reduction of pollutant fractions through further development of waste recycling processes
- Further improvement of waste separation in terms of optimizing recycling options
- Further increase in reuse and recycling of construction materials
- Focused risk analysis with regard to environmental impacts
- Increasing water efficiency in construction phase and in end use
- Water cycle management in construction material recycling, soil and gravel washing plants
- Increase proportion of sustainability-certified buildings in own use by 30 % on 2018 basis
- Mandatory environmental training for construction and project managers

## Targets 2030

- Reduction of specific primary energy demand by 35 % on a 2020 basis
- Reduction of specific GHG emissions by 55 % on the basis of 2020

- Increase the share of renewable energies to at least 40 %.
- Decarbonization of construction processes by 21 % on 2014 basis
- Intensify cooperation with stakeholders in the field of climate protection
- Increased focus on circular economy
- Project-dependent greening measures for all corporate real estate
- Treatment and increased use of precipitation and gray water



## Social

The permanent changes and challenges of our working world require a **modern, future-oriented corporate culture** that focuses on the well-being of each and every employee.

**Improving the world of work & shaping social coexistence.** The We@PORR diversity initiative was launched to integrate the topic of diversity into the corporate culture in the long term. The aim is to ensure **equal opportunities** and **equal treatment regardless** of skin color, nationality, social origin, any disabilities, sexual orientation, political or religious beliefs, gender, marital status or age across all levels and countries. The diversity of our approximately 20,000 colleagues from more than 80 nations is to be utilized to an even greater extent and conditions for a **better work-life balance** are to be created.

PORR focuses on promoting and implementing the potential of all employees. The wide range of **training and development opportunities** proves this. Targets, such as establishing a common understanding and corresponding behavior, customer orientation, environmental and safety awareness, as well as awareness of PORR's social responsibility towards society, are supported by sector-specific roadmaps.

In the area of **occupational health and safety**, we focus on a safe and healthy working environment as well as strict compliance with safety regulations and practices. Awareness campaigns and learnings from e.g. near accidents help to avoid or reduce the number of accident cases and strengthen the preventive effect of accident avoidance measures. The health and well-being of PORR employees are influenced by a variety of physical and mental stress in their daily work. The private life situation also has a positive or negative impact on the health of the individual. In addition, the changed economic circumstances demand more flexibility and efficiency from people in order to cope with everyday

life. Occupational health management is implemented as part of an integrated quality assurance system. Measures and activities in the areas of occupational safety and health are systematically anchored, thus enabling a process-controlled analysis.

PORR demonstrates **community** and **social commitment** by supporting selected organizations and institutions with humanitarian, social, charitable, educational or cultural objectives.

### Targets 2025

- Group-wide introduction of workplace health promotion.
- Group-wide penetration of the "Vision Zero" campaign: reduction of accident frequency <10
- Group-wide roll-out of occupational health management
- Group-wide awareness campaign
- Group-wide training campaign for standardized calculation and planning software
- Securing skilled labor through Group-wide apprentice management
- Expansion of the porr\_academy and the PORR Campus as a group-wide competence center also for industrial personnel
- Group-wide implementation of LEAN Construction trainings and safety trainings
- Implementation of holistic age and generation management
- Increase in the proportion of women in junior management training to 25%.
- Increase in the general proportion of women and the proportion of women in management in equal proportions



## Governance

Responsibility begins with us. PORR aims to be a responsible and reliable partner. We can achieve this by creating a culture of cooperation and ensuring that our actions follow our own guidelines, not just laws. Our corporate governance is an essential cornerstone of our corporate culture and involves all areas of our company.

**Responsible corporate governance & sustainably supply chain.** The PORR principles set out the corporate culture: **Reliability, Shoulder to Shoulder, Appreciation, Passion and Pioneering Spirit**. In addition, each and every employee is obliged to adhere to the corporate ethics set out in the **Code of Conduct for staff**. After all, trust counts. **Ethical, fair and transparent conduct** is not only in line with our corporate principles, but also means stability in times of change. It also represents the essence of responsible corporate governance. PORR gives the highest priority to conduct that complies with the law and is transparent. This is the only way to **build trust with stakeholders** and ensure responsible management. PORR is committed to the highest compliance standards and ethical conduct in everyday work. The following applies: **Corruption has no place in our company**. This is binding for all stakeholders. There are no exceptions, as unfair business practices can cause lasting damage to PORR's reputation and bring it into disrepute. Through regular site audits, internal and external strengthening of compliance awareness and other measures, we communicate our approach to the public and ensure compliance. PORR is also fully committed to **tax compliance**, which is embedded in the Code of Conduct and mandatory for all.

The topic of **risk management** - the early identification and control of performance-, environmental- and safety-related as well as financial risks - is trained through Group-wide information campaigns. In addition, top priority is given to stakeholders in the customer segment and their satisfaction. A central measure in this context is the Group-wide measurement of customer satisfaction. Customer-oriented action is expressed at PORR through quality of execution, adherence to deadlines, flexibility and the technical and economic fulfillment of targets. In the selection of its business partners, suppliers etc., as well as in the reduction of downstream risks in the value chain, PORR relies on complete compliance with the principles set out in the **Code of Conduct for Business Partners**, which is checked by means of supplier audits. PORR is in **constant contact with its business partners and service providers** in order to implement positive and sustainable changes throughout the entire value chain.

## Targets 2025

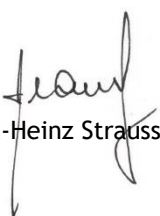
- Group-wide rollout of SAP MM and SAP ARIBA
- Implementing an energy database for purchasing
- Introduction of ISHAP with complete coverage (personnel documentation system)
- Update supplier evaluation system
- Group-wide implementation of price-trend database with focus on sustainability
- Sustainability training for lead buyers and local buyers
- Further strengthening compliance awareness
- Expanding training programme on anti-corruption and antitrust law in all of the Group's languages
- Increase spot checks at branch offices and sites by 35 %
- Certification of the management system to prevent money laundering and terrorist financing
- Leveraging economic benefits through resource efficiency
- Maintaining and optimising good sustainability ratings
- Stronger focus on regional purchasing and local cooperation

## Targets 2030

- Increase volume of sustainable materials purchased by 20 %
- Implementing a subcontractor database
- Closer checks on sustainability criteria when conducting supplier audits
- Consortia projects to automate construction site processes using robotics technology in the Center Construction Robotics
- Development projects to automate construction documentation and performance records
- Expanding public sustainability engagement




Vienna, 18 July 2022



Karl-Heinz Strauss, CEO



Klemens Eiter, CFO



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