

# SUSTAINABILITY REPORT 2018/19



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## Imprint

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## Carbon-neutral production

X-FILES Druck-, Consulting- und Produktionsagentur GmbH has created the **carbon footprint** of its own company in cooperation with climate protection specialist **ClimatePartner**. This sustainability report has therefore been produced with net zero carbon footprint. To this end, unavoidable CO<sub>2</sub> emissions of printing operations are offset by investments in select climate protection projects.



## Carbon-neutral paper

Paper from the desistar brand was used in the making of this sustainability report. This carbon-neutral paper is made entirely from recycled paper.



# ABOUT THE REPORT

With this first group-wide sustainability report, Swietelsky AG is publishing information and data on the company's activities and services in the context of sustainable management in addition to its statutory reporting obligations in order to meet its accountability duties to our stakeholders – also with regard to non-financial information.

This sustainability report has been prepared in accordance with the GRI Standards (the “Core” option) of the Global Reporting Initiative (GRI), the world's most widely used and recognised framework for sustainability reporting. This report also refers to the Sustainable Development Goals (SDGs) adopted by the United Nations as part of the 2030 Agenda and describes to which of the global sustainability goals Swietelsky AG contributes by means of its CR strategy and through the company's sustainable orientation.

## THE LIMITS OF THE REPORT

Unless otherwise stated, the information, figures and facts disclosed in this report relate to all fully consolidated companies within the SWIETELSKY group. Those companies that were acquired in the financial year 2018/19 are only included with their number of employees. This applies to Terratop Hobmaier GmbH (full consolidation on 30/09/2018), JB Stavební s.r.o. (full consolidation on 30/09/2018), Ing. Baierl GmbH (full consolidation on 28/02/2019) and Detect Rail Technologies GmbH (full consolidation 31/03/2019). Impacts along the value chain that lie outside the company's direct sphere of influence are only partially addressed in this report.

## REPORT CONTENT

SWIETELSKY constantly and systematically addresses those issues relevant to the company in terms of sustainable development. The content and main topics covered in this sustainability report were chosen with the involvement of internal and external stakeholders (see introduction in chapter “Sustainability at SWIETELSKY”).

The available qualitative and quantitative information was collected using structured data collection processes and consolidated and checked for plausibility by the group's controlling department in accordance with the four-eyes principle and approved by the board of directors.

## REPORTING PERIOD

The financial year of Swietelsky AG runs from 1 April to 31 March. The reporting period for the key financial and non-financial figures covers the 2017/18 and 2018/19 financial years. Data for the 2017 and 2018 calendar years was collected for the waste figures and the occupational health and safety data. The breakdown of employees by gender, age, blue-collar and white-collar workers, etc. was based on the number of employees as of 31 March. In order to increase comparability and to make the development of the key figures visible over a longer period of time, the report shows at least the last two years, occasionally the last five.

## REPORTING CYCLE

This is Swietelsky AG's first group-wide sustainability report. It is the company's intention to publish a sustainability report every two years from now on.

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# BUILDING ON IDEAS

“Financial stability, organic growth and a responsibility towards business partners, employees, the country, society and the environment have unfailingly made up the pillars of our corporate philosophy. Today, these values are more in demand than ever before.”

A handwritten signature in white ink, appearing to read 'Grassner', with a stylized, cursive script.

Dr. Günther Grassner  
Chairman of the Supervisory Board



The board of directors from left to right:  
Dipl.-Ing. Walter Pertl, Adolf Scheuchenpflug, Dipl.-Ing. Karl Weidinger, Peter Gal

# FOREWORD BY THE BOARD OF DIRECTORS

Dear Sir or Madam,

Sustainability is undoubtedly one of the major issues of our time. SWIETELSKY takes pride in having discovered this complex topic not only in recent years. Sustainability has been a part of our corporate DNA for more than 80 years. We look at the term holistically and see it as nothing less than the requirement for long-term prosperity, which has always been the focus of our interest.

Important dimensions that make up this sustainability are the health, safety and satisfaction of our employees as well as their entrepreneurial thinking. This also includes consistent compliance with all laws and regulations and honesty when handling taxes and duties. Last but not least, we also understand sustainability to mean our commitment to having a modern, resource-saving infrastructure. It is obvious that we promote an environmentally conscious business policy in every respect. We do not primarily view environmental concerns as cost factors but as a business opportunity to develop innovative commercial models.

In this respect, we were able to achieve a lot in the last few years; nevertheless we must keep in mind that there is still much left to do. The purpose of this report is to shed light on our sustainability efforts, and we are hereby publishing it for the first time in accordance with the GRI Standards and beyond our statutory reporting obligations. Furthermore, we are clearly committed to the Sustainable Development Goals (SDGs) adopted by the United Nations as an integral part of the 2030 Agenda.

Further sustainability reports will follow at regular intervals because the key challenges facing our industry – such as modern personnel management amid a shortage of skilled workers, resource-saving construction in times of climate change and the digitalisation of construction processes – will continue to be of concern to us for the foreseeable future. We genuinely endeavour to courageously transform all these challenges into competitive advantages in the spirit of innovation. We invite all subcontractors and business partners along the value chain to join us to walk this road together.



Dipl.-Ing. Walter Pertl



Adolf Scheuchenpflug



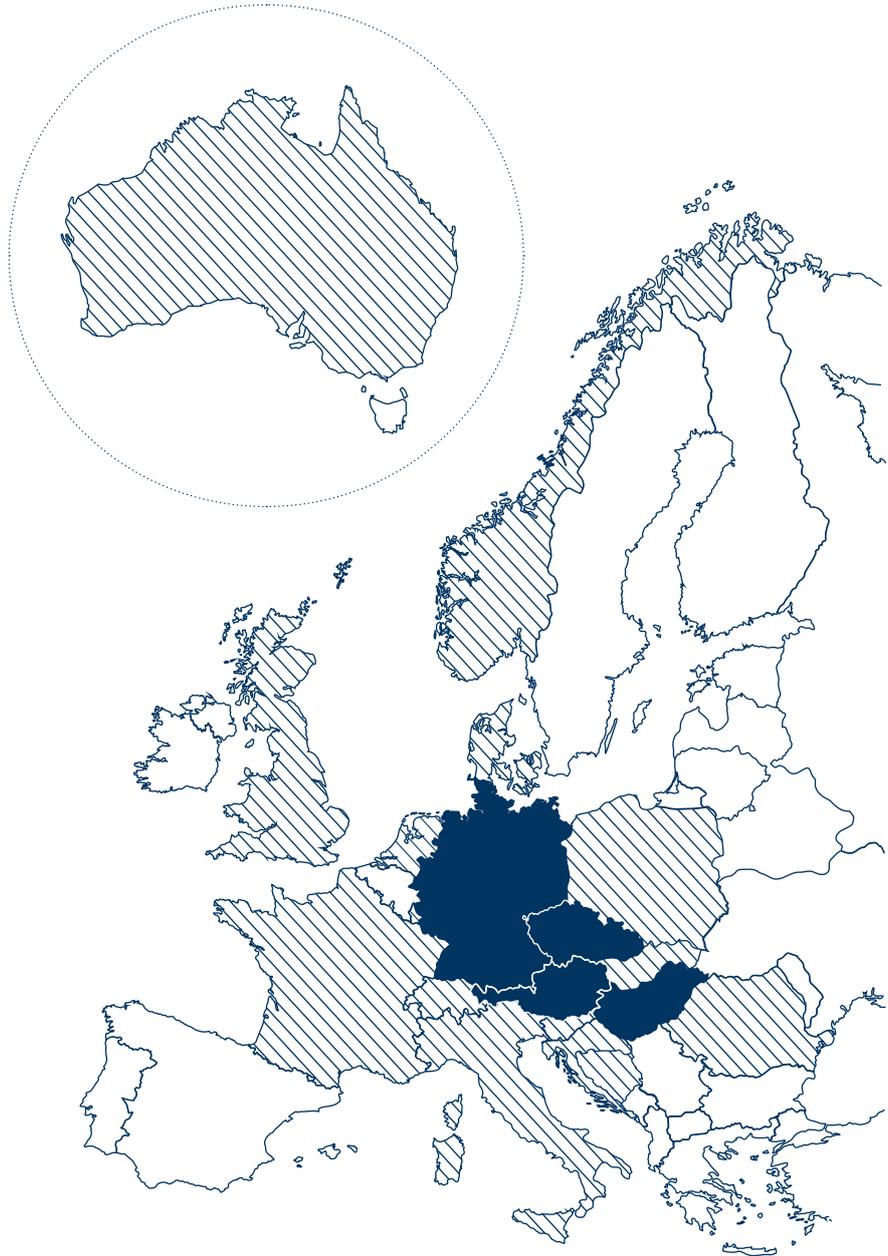
Dipl.-Ing. Karl Weidlinger



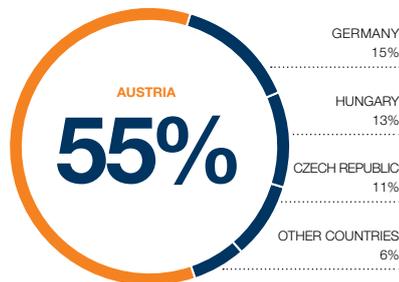
Peter Gal

# SWIETELSKY AT A GLANCE

The SWIETELSKY Group is a leading construction company in Central and Eastern Europe. With the driving force of around 10,000 employees, more than 2.8 billion euros in construction output, and a decentralised organisational structure, we operate internationally in all sectors of the construction industry.



## CONSTRUCTION OUTPUT BY MARKETS



## MARKETS

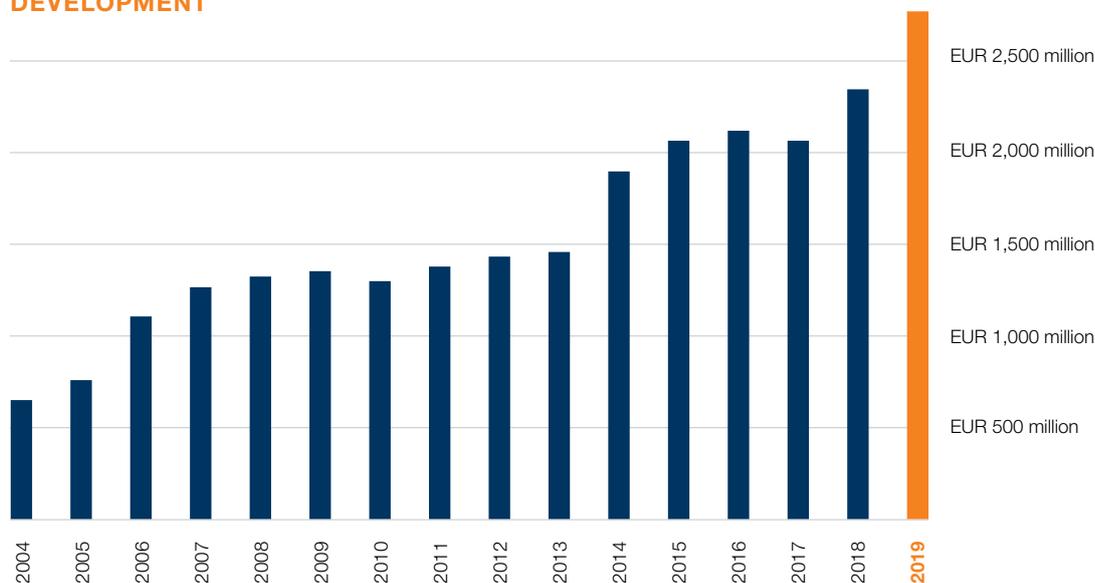
# 19 COUNTRIES

Establishments in four core countries (Austria, Germany, Hungary, Czech Republic) and 15 other countries (Australia, Bosnia and Herzegovina, Denmark, France, Great Britain, Italy, Croatia, Luxembourg, Netherlands, Norway, Poland, Romania, Switzerland, Slovakia, Slovenia)

- Core market
- Other countries

Number of operating locations across all business segments as of 31 March 2019: 145 compared to 141 in the previous year

**CONSTRUCTION OUTPUT  
DEVELOPMENT**



**CONSTRUCTION OUTPUT**

**YEAR-ON-YEAR**

**EUR 2,805,317,712**

**+18.0%**

**EBT**

**YEAR-ON-YEAR**

**EUR 107,431,173**

**+39.16%**

**ORDER BACKLOG**

**YEAR-ON-YEAR**

**EUR 3,116,309,013**

**-0.01%**

**AVERAGE NUMBER OF EMPLOYEES**

**YEAR-ON-YEAR**

**10,351**

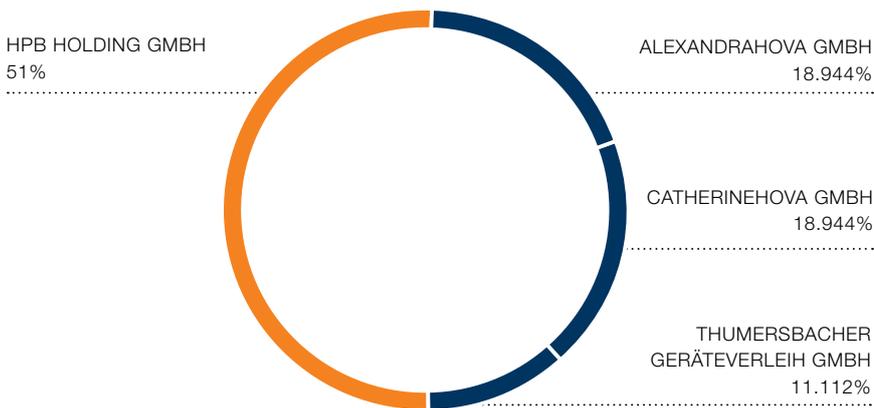
**+9.3%**

# OWNERSHIP AND GROUP STRUCTURE

The company benefits from the stability in its family based ownership as well as from the high continuity in management. Flat organisational structures, quick decision processes and decentralised profit centres are essential elements of SWIETELSKY's key success factors.

Swietelsky AG is a wholly privately owned company. Its shares are not listed on the stock exchange. The conversion of SWIETELSKY Baugesellschaft m.b.H. into Swietelsky AG on 31 March 2019 did not change the ownership structure.

## OWNERSHIP STRUCTURE



The following persons were members of the company's supervisory board in the financial year 2018/19:

Dr. Günther Grassner	(chairman since 01/04/2018)
Dr. Norbert Nagele	(deputy chairman since 01/04/2018)
Dipl. Ing. Werner Baier	(until 04/09/2018)
Dr. André Hovaguimian	(until 18/10/2018)
Ing. Franz Rohr	
Mag. Karl Schlögl	
Manuel Madurski	
Andrea Steinkellner	
Bruno Wyhs	

The following persons were appointed to the supervisory board on 24 September 2019:

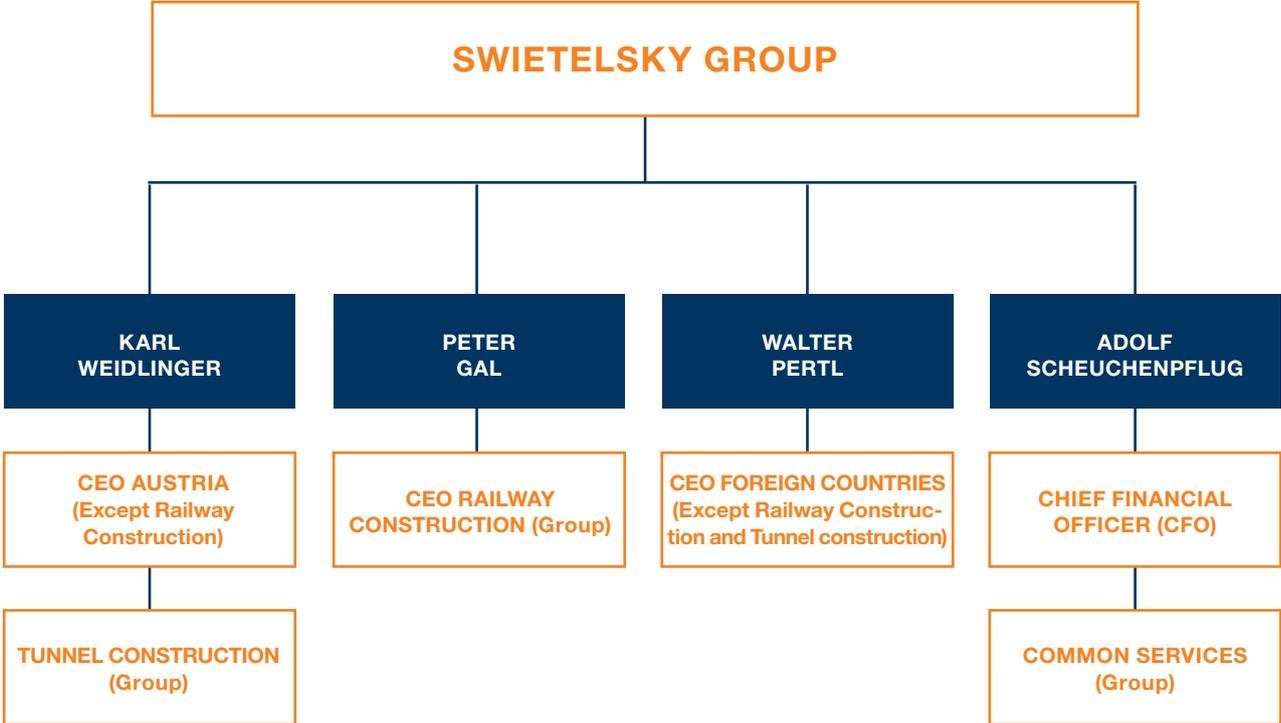
Prof. Dr. Werner Bick  
Dr. Stefan Ebner

The board of directors consists of four persons who are responsible for the below business segments. The conversion of Swietelsky Baugesellschaft m.b.H. into Swietelsky AG on 31 March 2019 did not change the management contracts.

Swietelsky AG's board of directors (until 31/03/2019 management of Swietelsky Baugesellschaft m.b.H.):

- Dipl.-Ing. Karl Weidlinger (chairman of the board)
- Peter Gal
- Dipl.-Ing. Walter Pertl
- Adolf Scheuchenpflug

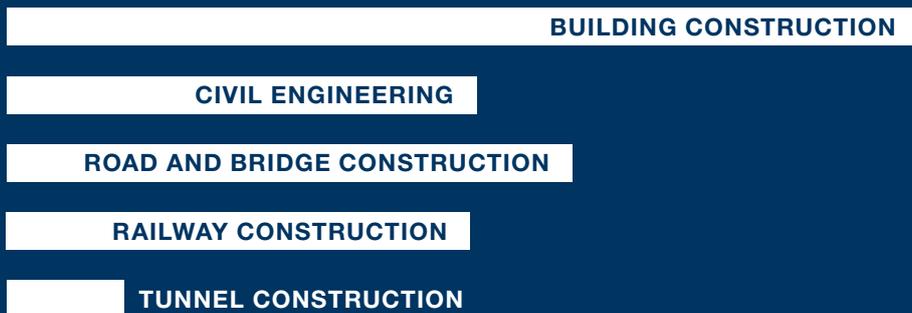
**GROUP STRUCTURE**



SWIETELSKY's organisational structure is based on delegated responsibility and profit-sharing. Our employees, who mostly work in decentralised profit centres, therefore see themselves as entrepreneurs within the company. Their strong motivation and personal commitment are crucial for our success.

The configuration of the profit centres stems from historical developments within the company on the one hand, such as foundations and acquisitions, and from regional and specialist aspects on the other hand. Our philosophy with regard to the organisational structure is becoming increasingly efficient as the company is growing in size and is an essential requirement for profitable and on-schedule SWIETELSKY construction project completions in 19 different countries.

**CONSTRUCTION OUTPUT BY DIVISION**



# RANGE OF SERVICES

SWIETELSKY's activities extend to all branches of the building industry: Building construction, civil engineering, road and bridge construction, railway construction, and tunnel construction.

The Group offers projects of any dimension with the highest quality and flexibility, while always adhering to schedules. A decentralised organisational structure and a variety of branches and subsidiaries with different orientations ensure maximum efficiency.



# BUILDING CONSTRUCTION

OFFICES/OFFICE COMPLEXES  
SINGLE-FAMILY HOUSING  
SHOPPING CENTRES  
HEALTH FACILITIES  
ALPINE CONSTRUCTION PROJECTS/MOUNTAIN HUTS  
HOTELS  
INDUSTRIAL BUILDINGS  
PUBLIC BUILDINGS  
REVITALISATIONS/CONVERSIONS  
STADIUMS  
RESIDENTIAL BUILDINGS/HOUSING DEVELOPMENTS

SWIETELSKY is able to efficiently realise construction projects of any size, making us a trustworthy partner in addressing various target groups such as families building their own homes, public clients, housing cooperatives, private investors, project developers, industrial companies, and many more.

**SWIETELSKY  
BUILDS  
WITH VISION**

The client can always rely on the fact that SWIETELSKY builds on solid values. Reliability and economic longevity are characteristics that our clients hold in high regard. The immense variety of projects proves just how flexible SWIETELSKY is in its role as either a construction manager or general contractor. Having considerable expertise - even in modern timber and hybrid construction - we see ourselves as a material-neutral builder able to meet any requirement.



Office building, GTC White House, Budapest, Hungary

**SWIETELSKY** builds on solid values: Reliability and economic longevity.



Student dormitory, Milestone, Budapest, Hungary



Residential building, Kreuzbergstraße, Feldkirch, Austria



Residential building, Luční jez, Czech Republic



Photo: KTM / Sebas Romero

Exhibition building, KTM Motohall, Mattighofen, Austria



Campus building of the Technical College, Steyr, Austria



Residential building, Althan Park, Vienna, Austria



Rendering: Residential building, Marina Tower, Vienna, Austria (start of construction 2018)

Photo: Zechner & Zechner ZT GmbH / Isochrom.com

Photo: SOPRAWIA / ZOOM VP.AT



Rendering: Office building, Austro Tower, Vienna, Austria (start of construction 2018)

### CONSTRUCTION OUTPUT FOR BUILDING CONSTRUCTION DIVISION

Figures in thousand EUR

2016/ 2017	792,925
2017/ 2018	946,925
2018/ 2019	1,014,245



## Timber Competence Centre Schlüsselberg, Austria

The new 3,900 sqm SWIETELSKY plant for timber and hybrid construction was made from prefabricated wall and roof elements with glulam double-tapered beams. The facade was made of glazed, rough-sawn spruce boards.

From the large number of different building construction projects in the financial year 2018/19, we would like to showcase one that is special due to the specific structural challenges it posed.



SWIEtimber is a product brand founded in 2019 by



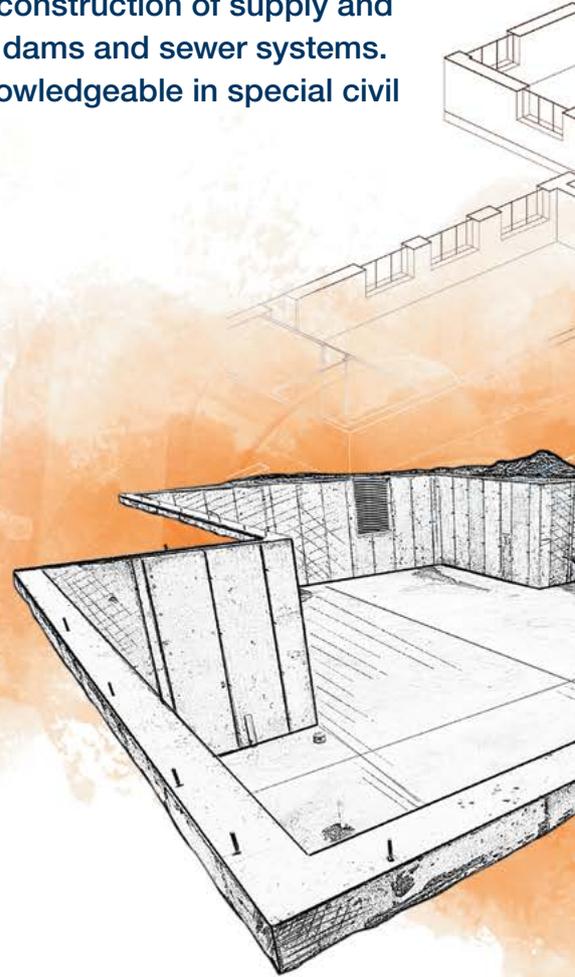
**SWIETELSKY  
DRAWS ON  
PROFOUND  
TECHNICAL  
KNOW-HOW**

In civil engineering, SWIETELSKY ensures that space and the environment are optimally used while protecting natural surroundings. We also specialise in complex construction projects in difficult terrain, such as in the mountains or underground.

Through the use of state-of-the-art technologies and interdisciplinary knowledge, we are able to offer innovative, economical, and ecologically sustainable solutions. This applies to earthworks, hydraulic engineering, and foundation engineering as well as the construction of supply and disposal networks, waterways, dams and sewer systems. SWIETELSKY is particularly knowledgeable in special civil and underground construction.

# CIVIL ENGINEERING

DEMOLITION WORKS  
OUTDOOR FACILITIES  
BIOGAS PLANTS  
LANDFILLS AND RECYCLING PLANTS (INCL. SEWAGE TREATMENT PLANTS)  
EARTH EXCAVATION  
SEWER STRUCTURES AND HYDRAULIC STRUCTURES  
POWER PLANTS  
NOISE PROTECTION  
PIPELINES  
SPECIAL COATING  
BLASTING OPERATIONS  
CABLE CARS, LIFTS, AVALANCHE BARRIERS AND GALLERIES  
TEST DRILLING AND BORING  
DEEP FOUNDATIONS, EXCAVATION PIT AND SLOPE STABILISATION





## Technology & know-how also for complex construction projects in difficult terrain.



Bicycle underpass, Längenfeld, Austria



Tennis court, Längenfeld, Austria



District heating power station, Klagenfurt, Austria



Outdoor facilities, Raiffeisenbank, Freistadt, Austria



Train platform, Landshut, Germany



Sewer construction, Innrain, Austria



Waterfront wall reconstruction, Lake Velence, Hungary



Civil engineering works, Mairtal Bridge, Austria



**CONSTRUCTION OUTPUT FOR CIVIL ENGINEERING DIVISION**  
 Figures in thousand EUR

2016/ 2017	<b>332,850</b>
2017/ 2018	<b>373,985</b>
2018/ 2019	<b>521,375</b>



## Pipeline construction for snow machines TITLIS, Engelberg, Switzerland

The SWIETELSKY subsidiary HTB Bau from Tyrol was commissioned with laying snow-making pipelines in the central Swiss mountains – yet not in the conventional way using a pipeline trench but by means of a “plaster installation” on the rock face. The prerequisites for project success were the experienced employees, the equipment perfected to an alpine environment, and the company’s logistical capabilities. Our number one priority was, of course, complying with all safety regulations.

From the large number of different civil engineering projects in the financial year 2018/19, we would like to showcase one that is special due to the specific structural challenges it posed.



# ROAD AND BRIDGE CONSTRUCTION

ASPHALT PRODUCTION  
VIEWING PLATFORMS  
MOTORWAYS AND ROADS  
BRIDGES  
ADVENTURE TRAILS  
AIRPORTS  
FOREST ROADS AND AGRICULTURAL ROADS  
SUSPENSION BRIDGES  
ELEVATED HIGHWAYS  
TOWN SQUARES  
CAR PARKS



When SWIETELSKY first started, individual mobility was nothing more than a bold vision for millions of Europeans. Road construction pioneer Hellmuth Swietelsky made this dream his own personal mission. More than 80 years later, we have often pushed our own limits and successfully mastered every project dimension in road and bridge construction.

As an experienced, flexible and absolute quality-driven partner of the public sector, we have helped build and continuously develop infrastructure. With requirements changing over time, SWIETELSKY has always been at the forefront of development. Now, we are therefore more in demand than ever before when it comes to implementing modern solutions for growing urban spaces.





Bridge construction, A94, Germany



Bridge construction, Gamperl Viaduct, Semmering, Austria

**SWIETELSKY is a pioneer and visionary in the construction and development of traffic routes.**



Bridge construction, Fehlbach Bridge, Erding, Germany



Bridge construction, pedestrian suspension bridge, Tartano, Italy



Hirschbichl Street, Berchtesgaden National Park Area, Germany



Road construction, Tyrol, Austria



Runway reconstruction, Klagenfurt, Austria

**CONSTRUCTION OUTPUT  
FOR ROAD AND BRIDGE  
CONSTRUCTION DIVISION**

Figures in thousand EUR

2016/ 2017	471,181
2017/ 2018	531,847
2018/ 2019	628,042



From the large number of different road and bridge construction projects in the financial year 2018/19, we would like to showcase one that is special due to the specific structural challenges it posed.



## Safety extension Voest Bridge Linz, Austria

The urban motorway bridge will have two additional bridges (“bypasses”). The aim is to separate traffic flow and reduce congestion. ASFINAG’s investment volume amounts to EUR 180 million.

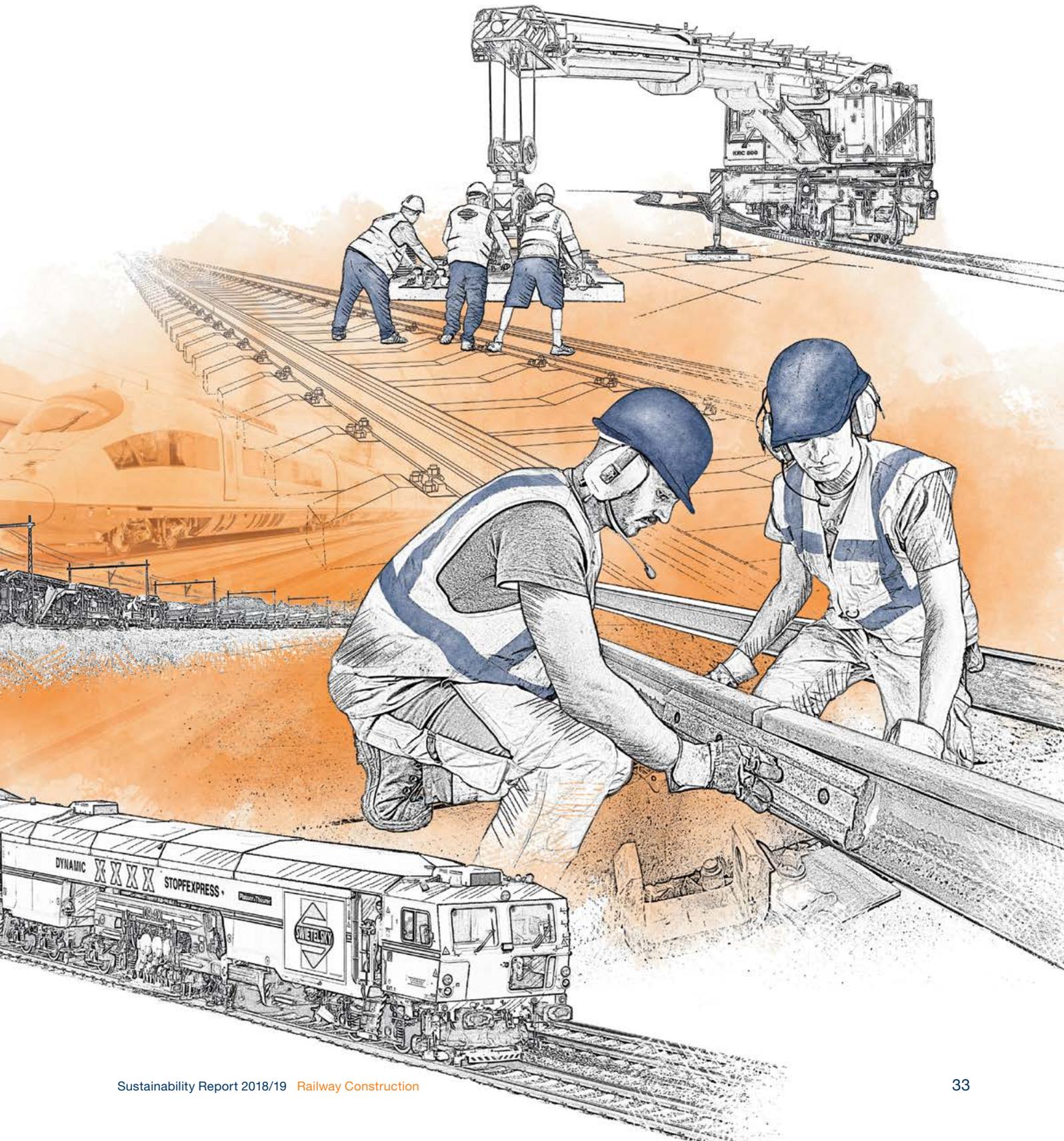
The principle of sustainability has shaped SWIETELSKY's thinking and activities throughout its history like no other. The founders already knew 80 years ago that without the railway as a means of transport, too much economic and ecological strain was going to be put on road traffic. Thus, the road construction pioneer became a railway construction pioneer.

In track construction, SWIETELSKY creates conditions so that people and goods can be transported quickly, cheaply, safely and comfortably. The company owes its state-of-the-art machinery and its own railway transport company to farsighted capital expenditures. By developing and using large machinery, SWIETELSKY has revolutionised railway construction in terms of efficiency and safety. Today, we are leading in Europe and also operating in Australia in this field.



# RAILWAY CONSTRUCTION

TRACK SYSTEMS FOR RAILWAYS, TRAMWAYS AND SUBWAYS  
SPECIAL EQUIPMENT AND SPECIAL SOLUTIONS  
CONSTRUCTION SITE LOGISTICS  
FREIGHT TRAFFIC AND SPECIAL TRANSPORTS



# Experience, know-how and technology for maximal flexibility in railway construction.



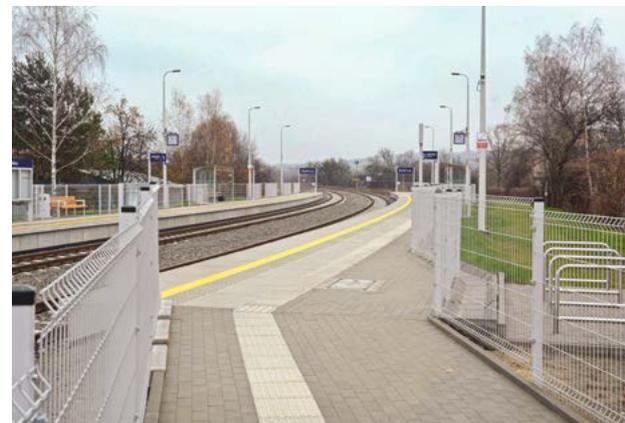
Guide rail repair, Vienna Airport, Austria



Track construction (RU 800 S), Wadden, Netherlands



Tamping operations, Zábřeh na Moravě, Tschechien



Track construction, railway station, Babica, Poland



Track construction, Railway Line 95, Poland



Track construction (RU 800 S), Obrnice – Čížkovice, Czech Republic



Railway station conversion, Čelákovice, Czech Republic

**CONSTRUCTION OUTPUT FOR RAILWAY CONSTRUCTION DIVISION**

Figures in thousand EUR

2016/ 2017	332,523
2017/ 2018	400,930
2018/ 2019	513,572

From the large number of different railway construction projects in the financial year 2018/19, we would like to showcase one that is special due to the specific structural challenges it posed.





## New railway section construction Wendlingen-Ulm

In December 2018, we reached a new milestone in the large-scale rail transport project in Baden-Württemberg when the 120-metre long rails were reloaded from freight trains to a special truck at Ulm Central Station. The truck transported the rails via the new section, with shell construction completed.

Photo: Rhombberg Bahntechnik

# TUNNEL CONSTRUCTION

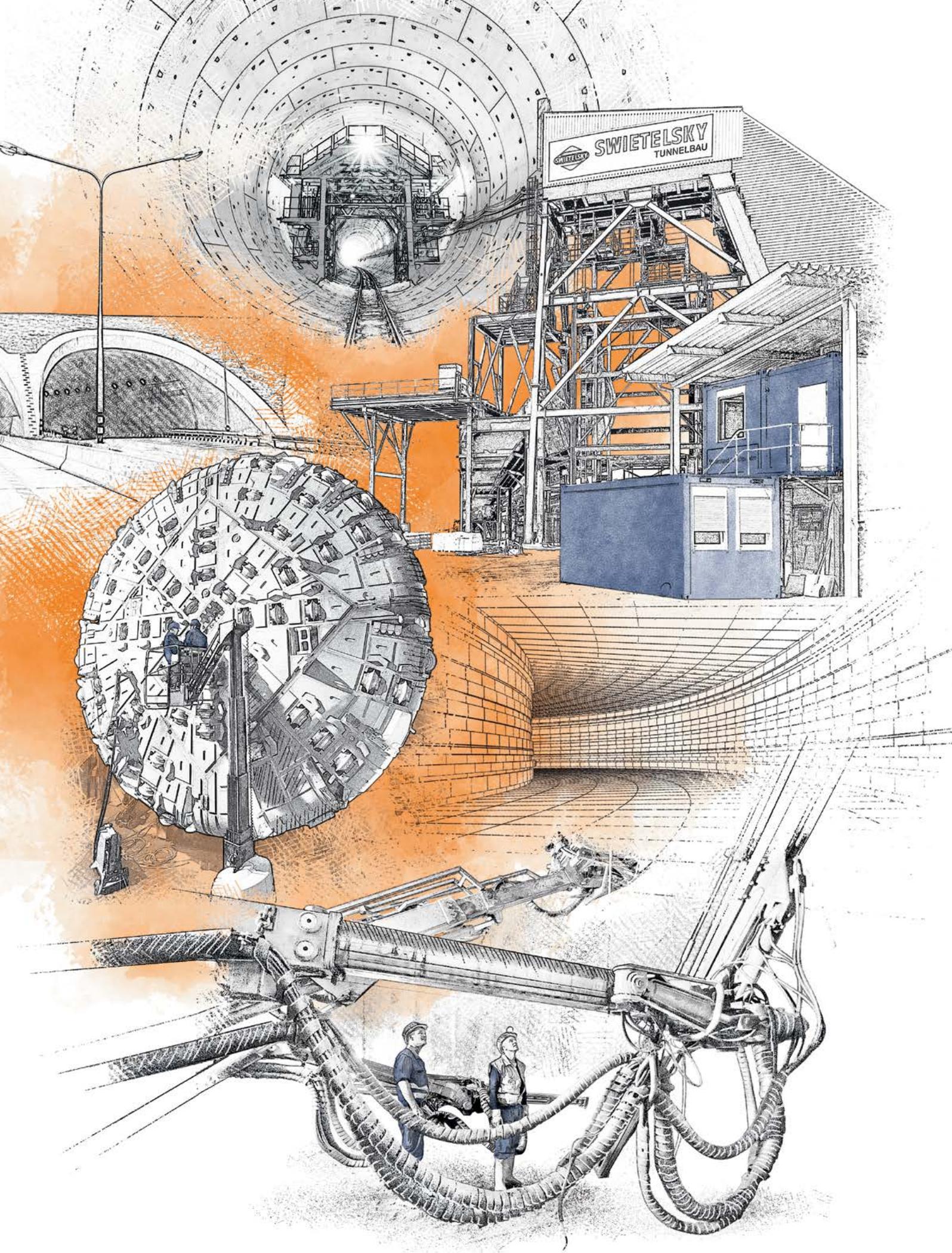
RAILWAY TUNNEL  
GALLERIES, CAVERNS, SHAFTS  
ROAD TUNNELS  
SUBWAY TUNNEL



**SWIETELSKY  
UNDERSTANDS  
BUILDING  
PROJECTS**

Railway and road tunnels do not only shorten distances but also make alpine zones more attractive as a habitat for humans and animals. Shifting traffic underground conserves natural resources and prevents noise development. In growing urban areas, underground tunnels guarantee environmentally friendly and efficient mobility.

As a pioneer in both road construction and railway construction, SWIETELSKY recognised the potential of tunnel construction early on. By participating in important infrastructure projects, the company was able to make its mark, becoming a leading specialist in this field as well. What distinguishes SWIETELSKY from its competitors is its decades of experience in dealing with geological characteristic, its skill in applying high-tech machines and processes, and its designers' engineering know-how.



**TUNNEL CONSTRUCTION  
PROJECTS 2018/19**



Steinbühl Tunnel, new section Wendlingen-Ulm, Germany



Karawanks Tunnel, Austria

# SWIETELSKY guarantees rapid driving and innovative building in tunnel construction.



Boßler Tunnel, new section Wendlingen-Ulm, Germany

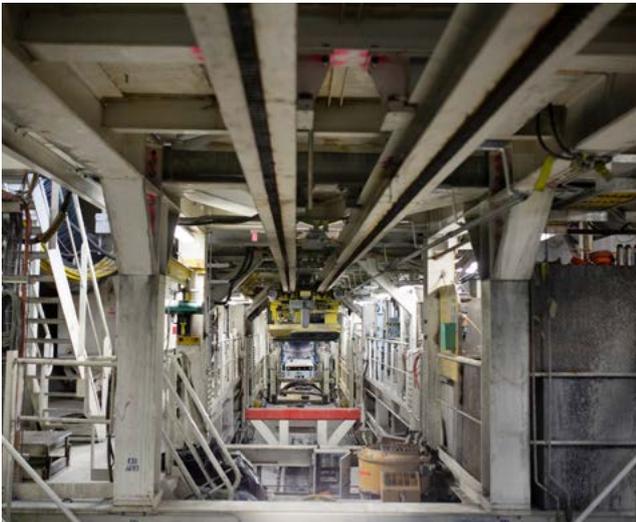
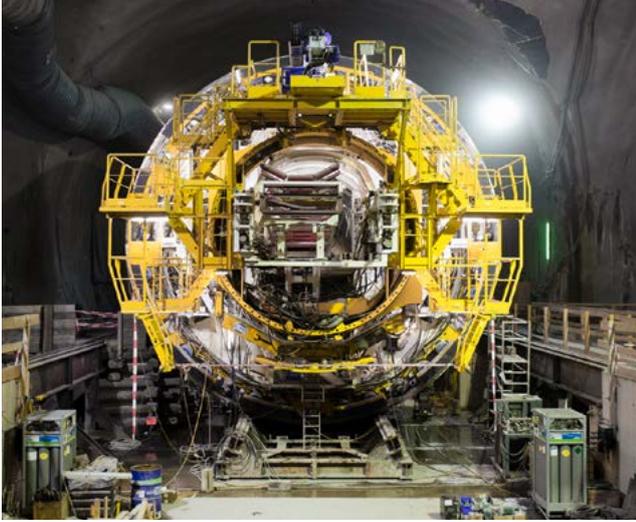


Filder Tunnel, Stuttgart 21 project, Germany

### CONSTRUCTION OUTPUT FOR TUNNEL CONSTRUCTION DIVISION

Figures in thousand EUR





## Semmering Base Tunnel (Fröschnitzgraben), Austria

With a length of around 13 kilometres, this section is the longest of the Semmering Base Tunnel. The complex logistics make this project a challenge, with the entire tunnel system being developed and supplied via two vertical shafts approximately 400 metres deep. Two 120-metre tunnel boring machines weighing 2,500 tons are used for driving the tunnel.



From the large number of different tunnel construction projects in the financial year 2018/19, we would like to showcase one that is special due to the specific structural challenges it posed.



# SPECIAL COMPETENCE

Tourism is an essential engine for the economy. In the alpine region, where SWIETELSKY has always felt at home, mountain and hiking tourism plays an important role alongside skiing. We are continuously faced with new constructional challenges when bringing tourists closer to the alpine region's impressive landscapes, fascinating nature and distinctive features. SWIETELSKY has the know-how to be up to the task and is able to master all mountainous logistical and technical challenges.

## ALPINE CON STRUC TION

## TIMBER AND HYBRID CON STRUC TION

While timber construction is becoming the standard of contemporary architecture, planners/designers and architects still have many unanswered questions. No one is better at addressing them than someone who has already completed countless timber construction projects ranging from new construction to conversion and hybrid construction. Under the SWIEtimber brand, SWIETELSKY has bundled the knowledge of more than one hundred experts with experience in timber construction. We are thus able to meet any challenge in this market segment and see ourselves as a building material-neutral partner for our customers in planning and implementation.

## REAL ESTATE DEVELOPMENT

For 35 years, the SWIETELSKY development team has represented high-quality residential property planning, construction and marketing. Every customer can rely on the construction quality for which the name SWIETELSKY is a guarantee. Competent and reliable contact persons with decades of experience make dreams of a home come true. With great attention to detail and comprehensive knowledge of the market, we do not only implement projects but create sustainable value as well.

SWIETELSKY has special competence in some market segments due to its developed structure or strategic intentions.

# METAL CONSTRUCTION

# CONSTRUCTION OF SPORTS AND LEISURE FACILITIES

Being physically active in our free time is becoming increasingly important in our society. With its many years of experience, SWIETELSKY provides for optimal planning and construction of sports facilities as well as for indoor and outdoor renovations. The three main services offered in sports venue construction are gyms, sports facilities, and swimming pools.

SWIETELSKY offers its customers extensive experience and special competence in metal construction, such as in large-scale facade manufacturing. We excel at demanding projects that pose a technological challenge and require traditional and precise production combined with a high degree of planning and professional project management. We also execute smaller orders with a keen eye for detail, such as customised windows, doors, gates, grilles, conservatories, and much more.

Our 80 years of experience as the SWIETELSKY Group and the combined strength of a financially strong international construction group result in the services that we can offer in general and full-service contracting. To ensure that big visions do not fail because of small details, we offer complete solutions from planning to project management and construction. Thus, the customer has one single point of contact until turnkey delivery – and beyond.

# FULL-SERVICE AND GENERAL CONTRACTOR FOR CONSTRUCTION

# ENVIRONMENTAL ENGINEERING

Keeping air, water and soil clean are the tasks of today. SWIETELSKY has comprehensive knowledge in contaminated site remediation and in land recycling, provides complete services in landfill and plant construction, and is an expert for environmental processes. The increasing demand for renewable energy has led to innovative technical developments that SWIETELSKY has mastered. The company is, of course, also certified in accordance with the current standards for quality, labour, environmental, and energy management.

# SUSTAINABILITY AT SWIETELSKY

# OUR SUSTAINABILITY APPROACH

The construction industry is an inherently energy-intensive and resource-intensive industry, with nature conservation, recycling and waste management concepts being the answers. SWIETELSKY strives to ensure the use of environmentally friendly processes and equipment throughout all project phases.

It is very important for us to continuously develop the environmental and quality awareness of our employees. We see their independent thinking and actions as the key to success. At the same time, our employees are our most valuable factor for success. Whenever making decisions, we consider the capability, motivation, health and safety of all our employees.

We constantly push to reduce the negative impact our business activities have on the environment and society while intensifying the positive effects. Thus, we are living up to our responsibility that we as a major international construction group have. We follow the principle of identifying risks and taking decisive actions while promoting opportunities.

## I. ORGANISATIONAL INTEGRATION

As the group is managed through a large number of decentralised profit centres, internal sustainability management must also be decentralised. Each individual manager is in charge of implementing increasingly complex operational measures for his area of responsibility. At group level, the board of directors is responsible for this.

In order to meet the constantly changing legal requirements, SWIETELSKY introduced a certified quality management system based on international standards nearly 20 years ago. We decided to develop and implement a user-friendly and efficient integrated management system (IMS). Employees can make use of the system as a supporting instrument to ensure that construction projects are carried out in accordance with the contract and the law. In addition

to quality (ISO 9001), the integrated management system headed by the IMS staff unit also includes occupational health and safety (OHSAS 18001) and environmental protection (ISO 14001). Through internal and external audits and the board of directors' annual management review, the implementation of the requirements and their application are ensured, evaluated and adjusted, if necessary.



**“We are determined to push forward all major sustainability issues within the group and to continuously improve our sustainability reporting in terms of transparency and effectiveness.”**

Manuel Dinghofer, MSc, Head of the Interdisciplinary Sustainability Team

We strive to firmly embed sustainability issues within the whole group. For this reason, an interdisciplinary sustainability team was set up in 2018 to promote relevant topics and reporting at group level. It is SWIETELSKY's goal to fully integrate the sustainability agendas into the IMS in the long term.

The first results of our efforts are this sustainability report together with an upstream materiality analysis and the implementation of an internal sustainability information management system. In this context, key figures represent an essential component of sustainability reporting and are highly relevant for internal control purposes. Over the next few years, we will continually refine data collection and data management.

## II. DIALOGUE WITH STAKEHOLDERS

An active dialogue with our internal and external stakeholders is essential for the company's long-term success. We consider it as very important to know their different perspectives and demands and to include them in our decisions. That is why we conducted a stakeholder analysis and survey in 2018 prior to preparing our sustainability report, from which we were able to derive some of the topics that went into our report. For SWIETELSKY, relevant stakeholder groups are those which have a direct relationship with the company and for which a reciprocal influence exists. The main stakeholders and their type of involvement and communication are described below.

### OUR STAKEHOLDERS

Group	Type of involvement	Frequency
Owners	Owners are involved by the delegates of the shareholder representatives in the supervisory board in accordance with the corresponding legal requirements.	4 times a year
Employees	Direct contact; staff appraisals and employee events; intranet; social media; relevant publications and presentations (mission statement, e-learning for onboarding new employees and training purposes, code of conduct)	regularly
Customers	Conferences; direct contact online and offline; events; trade fairs; sending relevant publications and presentations (performance presentations, reports, code of conduct)	depending on how current and long-term the business relationship is
Investors	Annual report (comprehensive and transparent information on business developments)	annually or as required by law
Financial service providers	Contacts in the context of service contracts	occasionally and regularly

## OUR STAKEHOLDERS

Group	Type of involvement	Frequency
Suppliers & subcontractors	Direct and personal contact during cooperation on subcontracts while strictly observing compliance regulations; information letters; relevant publications and presentations (code of conduct)	occasionally and regularly
Media representatives	Press releases; media events; personal support of media representatives through the marketing and PR department	occasionally and regularly
Politicians	Contact of management (in particular also in their role as industry representatives and lobbyists) with political decision-makers at state and federal level as well as at municipal level with strict consideration of compliance regulations; involvement as participant/sponsor, and providing speakers at business and local political events and forums (in particular for the construction industry) in strict observance of regulatory compliance.	occasionally and regularly
Academic circles	Case-by-case cooperation within the framework of academia/ practical cooperations and projects; gathering scientific expertise for specific purposes; contacts in the context of personnel marketing at vocational schools and universities	occasionally
Trade associations/ interest groups	Voluntary or obligatory memberships in interest groups such as the Chamber of Commerce and the Federation of Austrian Industry; active participation of management bodies in roles representing the industry; case-by-case involvement in conferences and congresses of trade associations and interest groups	regularly

### III. MATERIALITY ANALYSIS

SWIETELSKY carried out a materiality analysis in the reporting period to determine the content of the report and its focus of action. In the course of a multi-stage process, topics were identified that are important to internal and external stakeholders. Their significance results from the economic, ecological and social effects of the business activities and the underlying business relationships.

Moreover, the content of the report was determined keeping GRI principles in mind. These principles are as follows: Stakeholder inclusiveness, sustainability context, materiality, completeness.

#### *The process*

1. **identifying relevant topics within the GRI Standards**

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2. **first prioritisation via online survey (82 participants): significance for internal and external stakeholders (see table above)**

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3. **second prioritisation in collaboration with an external partner: evaluating and validating economic, ecological and social impacts**

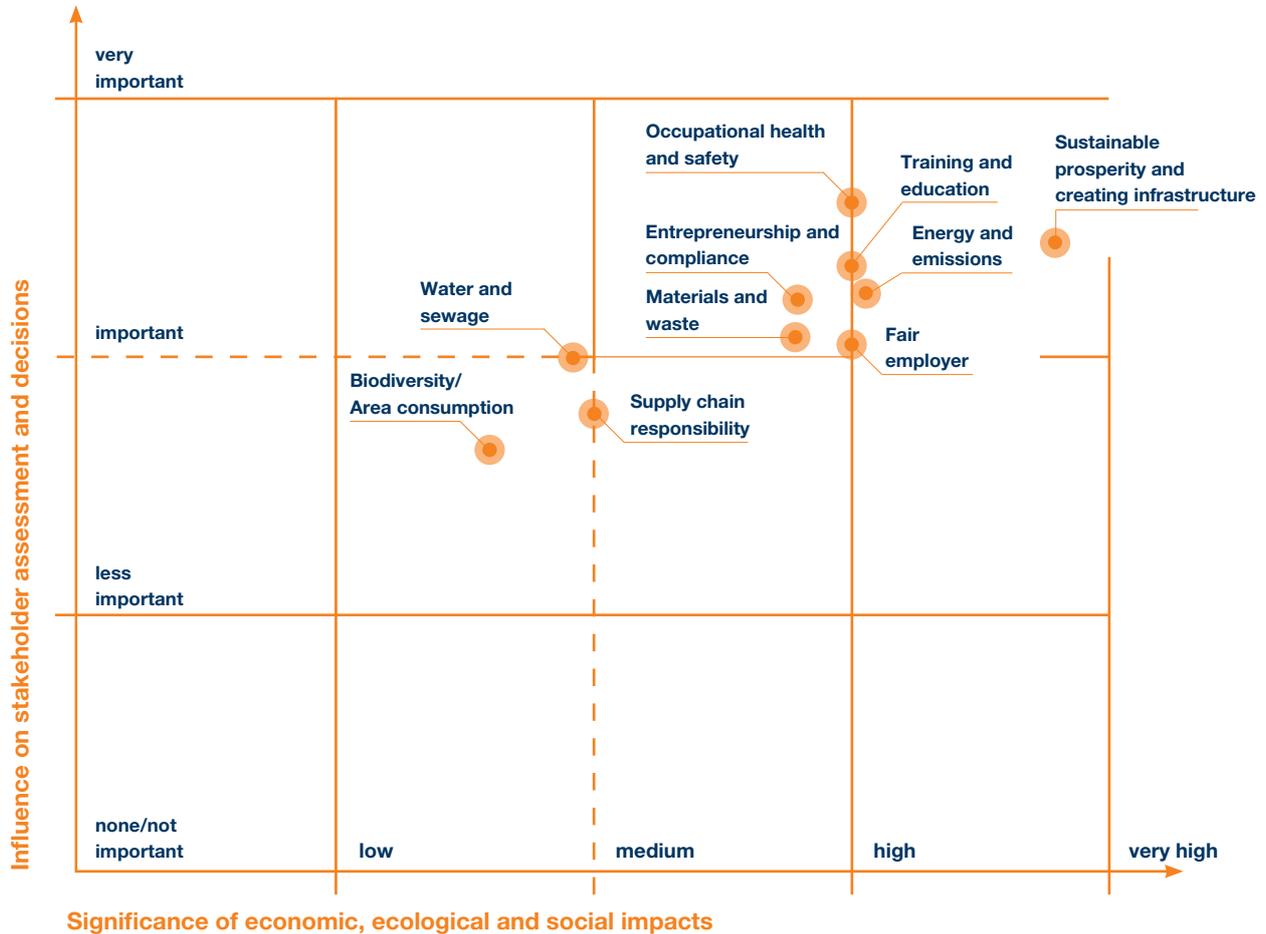
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4. **internal validation by sustainability project team and board of directors**

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5. **completion of the materiality matrix**

## Materiality matrix



Sustainable prosperity and creating infrastructure, occupational health and safety, energy and emissions, fair employer, and training and education are seen as highly relevant both in their importance for SWIETELSKY and with regard to the impact they have. In addition to these topics,

the company intends to devote more attention to the issues of “entrepreneurship and compliance” and “materials and waste” in the coming years. With the process that has been set in motion and the key issues that have been identified, we have embarked on an important first step in that direction.

## KEY ISSUES BY STAKEHOLDER GROUPS

Stakeholder groups/topics	Entrepreneurship and compliance	Occupational health and safety	Sustainable prosperity	Energy and emissions	Training and education	Fair employer
Owners			•	•	•	•
Management	•	•			•	•
Employees	•	•	•		•	
Financial service providers	•					
Suppliers & subcontractors		•		•		
Media representatives		•		•	•	•
Academic circles	•	•				•
Trade associations/ interest groups	•	•	•			

## IV. SUSTAINABLE DEVELOPMENT GOALS

SWIETELSKY is committed to the Sustainable Development Goals (SDGs) and will increasingly focus on prioritising and

communicating relevant sustainability goals in the coming reporting periods. In this way, we would like to better identify ways for the company to contribute to sustainable development and to focus on them operationally.



# OUR COMMITMENT

**SWIETELSKY is an important stimulus for the economy, society and the environment. The company's aim is to create lasting value. What that entails and how that is made possible is shown below.**

When Dipl.-Ing. Hellmuth Swietelsky founded a new construction company in Austria in 1936, he relied on his knowledge and a handful of good employees. Today, SWIETELSKY has establishments and subsidiaries mainly in Austria and neighbouring countries, several thousand qualified employees, and enjoys a good reputation as an innovative, efficient, and reliable construction company.

## **I. SUSTAINABLE PROSPERITY AND CREATING INFRASTRUCTURE**

More than anything else, it was the continuous expansion of the range of services and the employees' willingness to undergo further training in order to meet growing demands that were instrumental for the company's decades-long growth. The experience gained from countless construction projects is constantly incorporated into new projects and helps SWIETELSKY optimise its services. This continuous quality and innovation process is expanded to include our own development work and active participation in research projects.

Due to the nature of our business activities, SWIETELSKY contributes to a considerable increase in the quality of life in municipalities. The residential complexes, sports facilities or parks we build create new living space and a modern infrastructure. It is usually not SWIETELSKY who decides on the type of building but the respective client. Nevertheless, the company can contribute to user satisfaction through the quality of the construction, thereby generating social added value. This circumstance applies equally to all of the company's markets and business segments.

The construction industry generally has a relatively high personnel cost ratio. As an employer, SWIETELSKY therefore takes on an important role. By providing secure and qualified jobs, we not only create a livelihood for our employees but also significantly contribute to increasing purchasing power in the regions in which we operate.

Last but not least, these regions benefit from the taxes levied on employees and the company. Our employees also considerably contribute to social security and health insurance. As an international group, SWIETELSKY also recognises its tax obligations to the countries and regions in which it operates.

We value fair and respectful dealings with business partners, suppliers and subcontractors. They also significantly contribute to the company's success, on the basis of mutually beneficial cooperation. Our aim is to equally provide customers, employees, suppliers and business partners with the security necessary for building a trusting and sustainable business relationship.

SWIETELSKY always thinks long term. We don't focus on rapid expansion but on organic growth. Our decentralised organisational structure corresponds to this objective. It is based on a sense of personal responsibility and profit-sharing of the employees, who see themselves as entrepreneurs within the company and are highly motivated to be involved. See chapter "Ownership and Group Structure" on pages 10 and 11.

We want to create a viable living space and sustainable infrastructure. By pooling our expertise in timber construction under the SWIETimber brand, we aim to be a material-neutral advisor to our customers now more than ever.

With regard to the way we deal with each other in our daily work, our goal is to establish the newly developed employer model internationally in order to promote a corporate culture that is perceived as positive and can be felt throughout the group.

### Value added analysis

The purpose of SWIETELSKY's value added analysis is to illustrate the growth of its productive capacity and the extent to which public and private interest groups benefit from this.

IN THOUSAND EUR	2018/19	2017/18
<b>Sources of value added</b>		
Revenues and other operating income	2,666,829	2,257,046
Financial income	1,635	1,786
Expenses & depreciation	-1,965,812	-1,649,878
of which cost of materials and purchased service	-1,726,681	-1,454,727
of which other operating expenses	-187,540	-149,458
of which depreciations	-51,591	-45,693
Investment income	21,647	17,116
<b>Value added</b>	<b>724,299</b>	<b>626,070</b>
<b>Distribution of value added</b>		
to employees	612,876	543,444
to creditors	3,992	4,559
to shareholders	10,000	10,000
to hybrid capital owners	1,321	1,323
to the public sector	25,466	23,503
Remaining in the company (retained profits)	70,644	43,241

We were satisfied once more with the 2018/19 financial year and were able to exceed the already very good result of the previous year. At EUR 109.8 million, EBIT was significantly higher than the average of previous years. The decisive factors included construction output, which grew across all divisions and markets, and the increased return on sales. The national, regional and local economies in the company's core markets in particular also benefit from its economic performance. The value added analysis (according to GRI) shows the composition of financial value added at group level and the direct monetary added value created for internal and external stakeholders.

### Creditworthiness

SWIETELSKY is distinguished by financial solidity and sustainable prosperity. That is how we are able to offer our valued customers, employees, suppliers and business partners the greatest possible security, a fact that has been confirmed with the Creditreform certificate and the

KSV1870 credit assessment. As the largest credit agency and creditor protection organisation in Europe, Creditreform has awarded Swietelsky AG a solvency index of 132, which corresponds to the highest rating of "excellent creditworthiness". According to the KSV1870 rating of 248, the probability of default (Basel III) is also very low (0.07 percent), whereby the company rating is better than the industry average.

## Technology

Innovation in the context of digitalisation is undoubtedly the main driver of both the industry and of SWIETELSKY itself. In comparison to other industries, the construction industry still needs to catch up when it comes to digitising its processes. Integrating a circular economy and decoupling the associated economic growth from resource consumption are also becoming increasingly important.

Progress and new solutions are being developed at various levels within the company. Since June 2019, the Digital Corporate Development department has been responsible for standardising business processes and consistent data management. Furthermore, Building Information Modeling and lean management have been implemented throughout the company.

BIM – an important driving force for digitalisation in the construction industry – not only simplifies planning but also represents the digital support of the entire construction project. All phases of a construction project are mapped with BIM in a digital model. From development, planning and construction to administration and use, the data model serves as a common basis for all project participants.

BIM thus offers enormous increases in efficiency in all processes of the value chain and will change the entire construction industry.

By using the BIM method, all project participants have access to the same, transparent database. This improves communication and thus the quality of the entire project. Errors in planning and clashes between the different trades can be detected at an early stage so that they are not transferred to the construction process. In addition, work processes can be simulated and construction site logistics can be safely planned, while operating or maintenance costs can be calculated in advance. Repair costs can also be reduced by using data on the exact location of pipes and fittings in the model.

The BIM method thus also contributes to sustainability because the material, energy and emission intensity can be reduced without slowing financial growth. The modern planning and working method BIM has recently also

integrated virtual reality capabilities, which increase the understanding and acceptance of the construction project among all project participants and enables the client to virtually walk through the building in the planning stage.

SWIETELSKY's first BIM pilot projects have already been implemented and others are in progress. Development status and application of the BIM method vary by business segment. In building construction it is already well advanced. In the infrastructure sector in particular, the application of BIM is still difficult because of the lack of standardisation and the non-linear routes.

However, BIM is only one aspect in the context of the digitalisation of the construction industry. To remain competitive, building contractors in particular are under a great deal of pressure to improve efficiency across all areas.



**“BIM can also decisively improve construction processes in the context of sustainability. It is my duty to coordinate the progress we have achieved thus far at numerous levels and to push it in a targeted manner.”**

Dr.-Ing. Monika Ehlers, Head of Digital Business Development

## **Innovation**

SWIETELSKY's IMS department ensures that the relevant group units are informed about the latest developments, especially regarding building materials and construction processes. By using highly qualified employees, we are able to realise our own developments in addition to collaborative research projects.

Moreover, the majority of innovations arise in the course of ongoing construction projects that require new solutions to be developed due to scheduling or geological and technical conditions. Nearly every year, new technologies or innovative processes are developed in tunnel construction, alpine construction and railway construction. They are immediately put into action and consistently developed and improved. In railway construction, civil engineering, special civil and underground construction, and tunnel construction, for example, innovative construction methods were submitted as research and development projects.

Due to the rapid development in the field of environmental compatibility of construction products and excavated soil, changes in the testing methodology or in the adaptation of existing testing methods have also become necessary. For this, the organisation and evaluation of round robin tests has proven helpful. SWIETELSKY has its own accredited testing and inspection body. Our knowledge in this field is also called upon by external building material manufacturers for studies and expert opinions. The knowledge gained from building material tests helps to develop resource-conserving applications. With our activities in this field, we want to continue to position ourselves as an innovative, reliable and high-performance construction company.

## **II. RISK MANAGEMENT**

By responsibly handling risks, our ultimate goal is to increase the company value in the long term. As part of our risk management, we aim to ensure that both external risks – particularly those in the business environment – and internal risks in processes and procedures are identified, evaluated and minimised. Throughout our entire value-added process, existing and expected risks are assessed in a qualified manner and systematically treated from a returns point of view, whereby we apply the company principle “earnings before sales”. We distinguish between core risks, which we assume ourselves, and other risks, against

which we are insured or which we pass on to others. Environmental & occupational safety risks are identified at project level or as part of management systems in order to take appropriate action.

## **III. MISSION STATEMENT**

The corporate mission statement is defined by the board of directors in accordance with the group strategy and aligned with the type of service provided. We see the customer benefiting from competent technical consulting before and during construction, in which employees make their extensive years of experience and their entire know-how available to the customer. We endeavour to maintain a customer relationship even after the project has been completed.

SWIETELSKY operates according to the principle “quality over quantity”. This is the requirement for a successful outcome of our construction projects. In our view, the responsible management and execution of construction services means guaranteeing a consistently high standard of quality.

## **IV. VALUE AND SUPPLY CHAIN**

SWIETELSKY views its suppliers and subcontractors as indispensable partners in the pursuit of customer satisfaction. In order to successfully shape these partnerships on a sustainable basis, it is necessary to consider qualitative, financial and environmental aspects when selecting suppliers. In the course of providing their services, suppliers and subcontractors must also be evaluated according to defined criteria. SWIETELSKY's mission statement is aimed at preventing errors and constantly improving the structural and procedural organisation.

The execution of construction work of any size calls for different construction service providers to cooperate, meaning not only suppliers of materials and products but also numerous companies in the construction and ancillary construction trade. Each construction project is unique, having different location and workflow requirements. A respectful and cooperative relationship with subcontractors and suppliers forms the basis for successful project completion every time.

### **Requirements for suppliers and subcontractors**

Experience with regard to honouring contracts, complying with other non-contractual agreements and adhering to delivery dates are essential criteria when selecting business partners because SWIETELSKY relies on long-term cooperation in every respect. Our corporate ethics focus on fair competition. This is why subcontractors are contractually obligated to act according to ethical principles and to comply with all legal regulations by means of far-reaching compliance provisions. The SWIETELSKY code of conduct is also binding for our subcontractors in Austria.

Further criteria for assessing and selecting suppliers include a widespread (Austria and Europe-wide) delivery capacity, creditworthiness and, of course, price considerations. Delivery reliability is also checked so that the SWIETELSKY group and its clients can be guaranteed an on-schedule project.

On the basis of our ISO 9001 quality standard, requirements for subcontractors and suppliers are continuously checked and comprehensively evaluated. These assessments also include performance in terms of occupational health and safety as well as relevant ecological aspects. They are carried out at project and construction management level in cooperation with commercial and purchasing departments, ensuring transparency and access to information.

### **Decentralised purchasing department and central support**

In construction and project management, purchasing is done almost exclusively in accordance with the decentralised structure through the responsible body. This allows flexibility and quick decision processes in terms of personal responsibility possible in the first place. The central purchasing coordination unit concludes framework agreements with relevant companies, which are regularly updated and can be recalled at any time, thus supporting the decentralised organisation as needed.

The SWIETELSKY group uses a web-based intranet platform to ensure that important information reaches all organisational levels. For example, changes to supplier locations or changes to the validity of framework conditions are published on this platform, enabling the operative units to have access to these suppliers if necessary.

### **Framework agreements**

With the aid of temporary employment agencies, an employee leasing agreement drawn up by the legal department is signed in addition to the framework agreements on price. This ensures compliance with all laws and regulations concerning wage and dumping and employment of foreigners. Construction managers are encouraged to cover their needs by selecting the appropriate companies. For further information, please refer to chapter "Entrepreneurship and compliance".

### **Regionality**

By hiring local companies for construction projects that are oftentimes strongly embedded in the region, the idea of sustainability with regard to the economy and ecology is promoted. In this way, added value remains local and contributes to job security. In addition, emissions can be kept low through short delivery and transport routes.

## V. OUR CONTRIBUTION TO THE SDGS

### **SDG Target 8.1:**

Our primary goal is stable growth based on fairness, quality and sustainability. In this way, we ensure the future prosperity of the company, from which employees, business partners and local communities benefit. Through our successful business activities, we can contribute to stable economic growth in all countries in which SWIETELSKY operates as a group.

### **SDG Target 8.2:**

SWIETELSKY is committed to continuously developing its range of services and the growth of its employees. Through our own innovations and by participating in research projects, we are preparing ourselves for future challenges and contribute to higher economic productivity.

### **SDG Target 8.4:**

Compared to other sectors, the construction industry is very resource-intensive, which is why we are trying even harder to innovatively reduce the negative effects by, for example, using BIM. The decisive factor here is that all players in the supply chain work together with the aim of improving resource and material efficiency in construction projects, thereby decoupling economic growth from environmental impact.

### **SDG Target 9.1 and 11.7:**

In principle, the client decides on the type and scope of an infrastructure project. Through our quality standards and innovative solutions, we as an executing construction company can indirectly contribute to improvements for all parties involved. Creating high-quality and long-lasting public infrastructure, such as in the case of parks or sports facilities, improves the quality of life of local communities and contributes to ensuring general access and availability of public spaces and green spaces.



**Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all**



**Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation**



**Make cities and human settlements inclusive, safe, resilient and sustainable**

# ENTREPRENEURSHIP AND COMPLIANCE

The entrepreneurial activities of the SWIETELSKY group are characterised by a high sense of responsibility towards the state and society. We consider group-wide compliance with legal framework conditions and ethical standards to be a requirement for maintaining our good reputation as a reliable, competent and law-abiding partner towards clients, investors and business partners.

It goes without saying that we actively fight corruption and anti-competitive behaviour and stand for compliance with data protection regulations. By ensuring fairness, respect and integrity within the company and towards clients and competitors, we clearly oppose negative occurrences such as distortion of competition, corruption or invasion of privacy.

We make a point of complying with all labour and social standards. In addition to our own commitment in this regard, we also exert influence on subcontractors and business partners and encourage them to apply equally high standards. We also regard respect for human rights, as well as the use and promotion of diversity and equal opportunities, as important building blocks in achieving our common goals.

## I. CODE OF CONDUCT

The shared values described in the introduction to this chapter apply to all employees regardless of rank or position. Each individual bears personal responsibility for his or her actions in accordance with rules and values. Each new employee receives a printout of this code of conduct as part of the onboarding process. On SWIETELSKY's corporate website as well as on the company's own intranet, employees can call up and download the code of conduct. It reflects the ethical guidelines of SWIETELSKY and thus forms the basis for our collective values. The code contains clearly defined rules that must be observed by all employees and is available in eight languages.



Mag.ª Claudia Müller, Chief Compliance Officer (CCO)

**“Constantly profitable business relationships require legality, trust and value orientation. Compliance is therefore not a ‘temporary phenomenon’ but a requirement for the sustainable success of the company in the interest of all internal and external stakeholders.”**

## **II. ORGANISATIONAL INTEGRATION**

Compliance is the direct responsibility of the Swietelsky AG's board of directors. Compliance agendas are determined and coordinated at group level by the chief compliance officer (CCO), who is assisted by a four-person compliance committee from various specialist departments. In addition, a compliance officer responsible for a specific country in the core market performs the corresponding tasks and reports regularly to the CCO. In the other countries in which SWIETELSKY has a market presence, the chief compliance officer and the respective national managing directors are responsible for compliance issues. All compliance officers are responsible for ensuring that the relevant agendas are implemented in their respective units, that compliance risks are identified at an early stage, and that appropriate measures are developed.

## **III. ANTI-CORRUPTION AND FAIR COMPETITION**

SWIETELSKY's compliance management system (CMS) focuses on prevention and capitalises on internal communication, training, and education above all. The primary goal is to maintain our good reputation as a reliable contractor and fair competitor. By taking appropriate measures in addition to implementing the code of conduct, we aim to embed our shared values deep within the company. The company provides all the resources needed for continuously improving the CMS.

As part of a compliance risk assessment, all the risks were identified in the business processes of the establishments. In addition, group-wide relevant key positions identified risks as part of a workshop.

## ***Employee awareness***

The employees in Austria are gradually being taught about compliance topics in classroom sessions or online classes. All employees in Austria regardless of rank and position are required to complete the e-training. Moreover, the group decided to roll out e-training in each national language of our core markets. With the help of this bundled training programme, employees receive the most important information on all compliance-relevant topics with a focus on anti-corruption and antitrust law. From it, employees learn that donations to political parties, to individual politicians or even to party-affiliated organisations are prohibited. With regard to other types of donations, the Federal Ministry of Finance published a list on its website that must be observed.

In addition to the e-training, classroom training is also planned. For this purpose, a detailed training plan was developed in spring 2019, covering a period of three years. During this period, employees of the SWIETELSKY branches and establishments are trained in the prevention of antitrust violations, anti-corruption and data protection regulations. In some cases, employees in Germany, the Czech Republic and the other countries were already personally trained in financial years 17/18 and 18/19.

We would also like to point out that the internal rollout of two guidelines on anti-corruption and antitrust law is planned for the near future.

## COMMUNICATION AND TRAINING ABOUT ANTI-CORRUPTION POLICIES AND PROCEDURES

2018/19

<b>Employees who have received the code of conduct</b>	<b>Group</b>	<b>AT</b>	<b>DE</b>	<b>HU</b>	<b>CZ</b>	<b>other countries</b>
Number of blue-collar workers	257	0	42	12	0	203
Share of blue-collar workers	4.0%	0.0%	4.6%	2.4%	0.0%	46.9%
Number of white-collar workers	3,611	1,744	330	544	722	271
Share of white-collar workers	97.4%	100.0%	96.8%	100.0%	100.0%	76.3%
Number of persons on the Swietelsky AG's board of directors	4					
Share of persons on the Swietelsky AG's board of directors	100.0%					

<b>Employees who have been trained in anti-corruption</b>	<b>Group</b>	<b>AT</b>	<b>DE</b>	<b>HU</b>	<b>CZ</b>	<b>other countries</b>
Number of blue-collar workers	25	0	8	0	0	17
Share of blue-collar workers	0.4%	0.0%	0.9%	0.0%	0.0%	3.9%
Number of white-collar workers	1,871	1,075	8	0	722	66
Share of white-collar workers	50.5%	61.6%	2.4%	0.0%	100.0%	18.6%
Number of persons on the Swietelsky AG's board of directors	4					
Share of persons on the Swietelsky AG's board of directors	100.0%					

## COMMUNICATION AND TRAINING ABOUT ANTI-CORRUPTION POLICIES AND PROCEDURES

2017/18

<b>Employees who have received the code of conduct</b>	<b>Group</b>	<b>AT</b>	<b>DE</b>	<b>HU</b>	<b>CZ</b>	<b>other countries</b>
Number of blue-collar workers	237	0	39	12	0	186
Share of blue-collar workers	4.1%	0.0%	4.6%	2.8%	0.0%	51.4%
Number of white-collar workers	3,343	1,658	286	508	641	250
Share of white-collar workers	97.9%	100.0%	95.3%	100.0%	100.0%	81.4%
Number of persons on the Swietelsky AG's board of directors	4					
Share of persons on the Swietelsky AG's board of directors	100.0%					

<b>Employees who have been trained in anti-corruption</b>	<b>Group</b>	<b>AT</b>	<b>DE</b>	<b>HU</b>	<b>CZ</b>	<b>other countries</b>
Number of blue-collar workers	24	0	8	0	0	16
Share of blue-collar workers	0.4%	0.0%	1.0%	0.0%	0.0%	4.4%
Number of white-collar workers	702	0	7	0	641	54
Share of white-collar workers	20.6%	0.0%	2.3%	0.0%	100.0%	17.6%
Number of persons on the Swietelsky AG's board of directors	4					
Share of persons on the Swietelsky AG's board of directors	100.0%					

All four members of the Swietelsky AG's board of directors were informed of the contents of the code of conduct in the 2017/18 and 2018/19 financial years and received training on anti-corruption. 97.4% of group-wide white-collar workers received the code of conduct in 2018/19 and 50.5%

were trained in anti-corruption. The percentage of trained and informed blue-collar workers is set to be increased in the coming years. The code of conduct will be passed on to all subcontractors in Austria via our general terms and conditions.

### **Handling rule violations**

Rule violations can be reported to the direct supervisor, local management, the competent compliance officer for a particular country, or the chief compliance officer (CCO). The COO receives a report of each case. After thorough due diligence, any necessary action will be taken.

A number of official search warrants that were executed within the construction industry in Austria in 2017 also affected sites of Swietelsky AG. A committee was immediately set up by the board of directors to deal with the internal review of the matter. Furthermore, the board of directors has agreed to cooperate fully with the authorities to shed light on the case. Based on the current state of knowledge, it cannot be ruled out that the existing suspicion against Swietelsky AG basing the search is unjustified. The complex facts of the case are currently in the resolution process as this sustainability report is being published. If Swietelsky AG is found guilty of participating in horizontal price-fixing arrangements, this could – considered abstractly – have the following consequences for the company:

- fines for violating the ban on cartels
- based on an antitrust conviction, claims for damages of possibly damaged people
- in the event of employees of SWIETELSKY found guilty, penalties based on the Association Responsibility Act

In the 2017/18 financial year, another case brought by the Public Prosecutor's Office for Combating Economic Crimes and Corruption became public. The subject of these ongoing investigations was the reasonable suspicion that mostly former Swietelsky AG employees had engaged in corruptive activities in connection with Romanian construction projects. Within the scope of its association's responsibilities, SWIETELSKY stands as the accused association for any punishable offence of its employees in this regard.

Based on what we currently know, we cannot yet foresee the outcome of either of the above-mentioned proceedings with sufficient certainty.

In 2016, the ÚOHS (Office for the Protection of Competition of the Czech Republic) launched an investigation into bid collusion in connection with a public tender in 2011.

This was followed by a settlement, according to which the proceedings against Swietelsky stavební s.r.o. were terminated after the fines were paid in the financial year 2018/19.

At SWIETELSKY, combating corruption and competitive behaviour are important issues for us, which is why the entire compliance management system of the group was audited by external consultants. The results of this review were incorporated into the existing compliance organisation. One consequence of this was that the guidelines on anti-corruption and antitrust law were standardised and rolled out internally.

### **IV. PRIVACY POLICY**

In addition to the prevention of anti-competitive behaviour and corruption, the protection of personal data is also an important concern for SWIETELSKY. We are fully committed to protecting the privacy of our employees and business partners and to actively preventing a loss of trust and financial sanctions as a result of violations of data protection laws. We use all suitable and appropriate technical and organisational means to protect both corporate data and personal data of business partners and employees from unauthorised access, misuse, and loss.

As a direct result of our commitment, we appointed a data protection officer, who can be contacted by all employees. In addition, certain individuals have been designated in the Austrian branches and subsidiaries as well as in the international establishments to act as data protection coordinators. They are the first point of contact for employees who turn to them with data protection questions from their respective divisions.

### **Employee awareness**

Employees receive training on changes in data protection law in SWIETELSKY's core markets using the company's own Fit4GDPR e-training programme. The training provides the most important information in a compact and didactic method, explaining the principles of legal data protection. The training ends with a test. Fit4GDPR is intended to be an employee guideline for GDPR-compliant behaviour. The Fit4GDPR e-training was rolled out in Austria, Germany and Hungary in the 2018/19 financial year. In the Czech Republic, employees also received comprehensive training on data protection in the 2018/19 financial year.

In 2018, SWIETELSKY further organised a data protection coordinator day for all branches/establishments and subsidiaries in Austria. The seminar taught the basics of data protection, in particular with the aim of raising awareness on the importance of the topic.

### **Handling rule violations**

In the year under review there were two reported cases of data theft and data loss in connection with customer data (four in the previous year), each subordinate cases. Since these cases did not lead to a risk for the rights and freedoms of the data subjects, it was not necessary to report the data breach.

The prescribed course of action for a data breach incident is explained as part of the Fit4GDPR e-training. Employees from those divisions in which the incident occurred must inform their supervisor, the data protection officer and the IT department. In such cases, the IT department takes

technical measures to prevent a possible misuse of data. The data protection officer uses a checklist to collect the most important information required in the event of a notification to the data protection authority.

## **V. RESPECT FOR HUMAN RIGHTS**

Based on the European Convention for the Protection of Human Rights and Fundamental Freedoms, SWIETELSKY observes the personal dignity, privacy and individual personality of every individual. We recognise the obligation to respect human rights, which is laid down in our code of conduct. These are:

- respecting human dignity,
- opposing child labour,
- opposing forced labour,
- ensuring equal opportunities and prohibiting discrimination,
- safety and health,
- and the right of association and collective bargaining.

SWIETELSKY makes every effort to ensure these rights. We therefore do not tolerate discrimination based on national or ethnic origin, gender, sexual orientation, religion, age or disability. A demeaning treatment of employees through sexual harassment or bullying and the like will not be tolerated either.

### **Standards under labour and social law**

SWIETELSKY makes a point of complying with all labour and social standards in particular. Our employees are thus obligated to verify compliance with all of these regulations in the legally required form and in a reasonable manner. In addition to our own commitment in this regard, we also exert influence on subcontractors and business partners and encourage them to apply the same high standards. We do this to protect society but also the company and our own employees in order to avoid fines and reputational damage.

Necessary inspections in accordance with the provisions of the Law on the Employment of Foreign Nationals and the Wage and Social Dumping Control Act are fully carried out. In some branches, software solutions are already being used to record internal and external personnel. This is particularly important with regard to relevant penalties, which can sometimes result in being excluded from participating in public call for tenders.

Apart from the legal dimension of this issue, the social dimension is just as important to us. The balance between professional and private life is a decisive factor for personal

success, job satisfaction and ultimately the success of the company. Having high standards under employment and social-security law is therefore not just a compulsory legal regulation but a genuine concern of ours.

### **VI. DIVERSITY AND EQUAL OPPORTUNITIES IN THE CONTEXT OF COMPLIANCE**

Modern companies and organisations are not only characterised by their active understanding of diversity in all of its forms, but use this diversity and see it as a building block for achieving common objectives. We always treat each other with respect, appreciation and goodwill, regardless of hierarchical levels. Criticism is always permitted – but never in connection with condescendence or disrespect; the individual's reputation must remain intact. Belittling statements and offensive behaviour have no place in our dealings with one another.

Further information on diversity and equal opportunities as well as labour and social standards at SWIETELSKY can be found in the following chapters.

### **VII. OUR CONTRIBUTION TO THE SDGS**

#### **SDG Target 16.5:**

Corruption and anti-competitive behaviour still play a large role in the construction industry. We have taken various measures, such as training our employees, in order to prevent such instances. We also adhere to local tax and trade practices. Our actions contribute to significantly reducing corruption and bribery in our surroundings.

#### **SDG Target 16.6:**

We are committed to ensuring that our employees work keeping in mind our rules and values. For this reason, every new employee in the company receives a copy of the code of conduct. In addition, we have defined clear compliance structures and responsibilities and have taken important steps in this area. We are thus reducing our risks and increasing transparency.



**Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels**

# OCCUPATIONAL HEALTH AND SAFETY

**Employees, contractual partners, subcontractors, building owner representatives and neighbours must be protected against accidents and health hazards at SWIETELSKY group construction sites in accordance with the highest possible standards. Their safety is our company's prime concern. Regardless of differing legal frameworks in our different markets, our safety standards are given the highest priority.**

Apart from human tragedies that result from accidents at work, damage to health and stress-induced sick leave, the company's reputation and competitiveness may also be affected. Even if there is no incident, non-compliance with occupational safety standards can result in legal and financial penalties and bureaucratic costs, which must be avoided in any case.

Construction activity undoubtedly goes hand in hand with an increased accident risk compared to other industrial sectors due to the use of heavy equipment and physical strain. Regardless of division or country, the issue is relevant to all parts of the group.

Risks arise, for example, from a danger of falling when working at great heights or from extreme weather conditions to which workers are occasionally exposed. Tunnel construction and railway construction pose special hazards, which is why occupational safety has always been of great importance. It is not the frequency but the severity of work-related accidents that has traditionally been greater in these sectors. The legal requirements in the various group countries, particularly the United Kingdom and Australia, are extensive and varied. In Northern European countries in particular, occupational safety issues are also part of the requirements in the award procedure and are therefore becoming even more important.

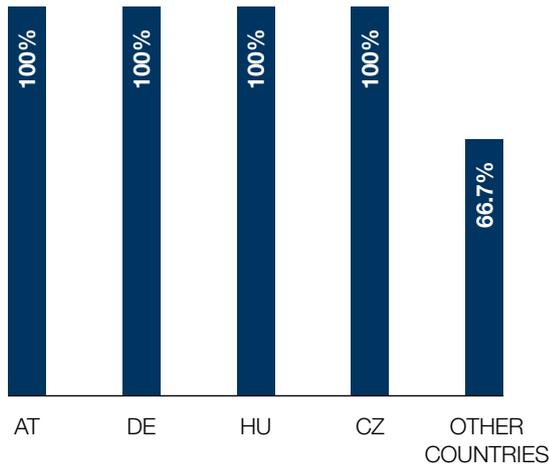
Machine and work-related noise on construction sites affects both site personnel and the surrounding population. Noise pollution cannot be completely avoided, especially in building construction and in construction projects in densely populated areas, which is why taking preventive protective measures becomes even more important.

## **I. ORGANISATIONAL INTEGRATION**

SWIETELSKY always strictly observes accident prevention regulations. Constantly monitoring the handling of dangerous situations plays an important role. The topics of occupational safety and health promotion are an integral part of our corporate culture. The relevant content can be found in the Swietelsky AG code of conduct. An internationally recognised work and health management system has been implemented in the group in accordance with OHSAS 18001 to ensure a high occupational safety standard, which is embedded in the integrated management system. Overall, the majority of the companies covered by the sustainability report have such a work and health management system. Only the Netherlands, Norway and Poland are not OHSAS 18001 certified. Companies that are currently certified to OHSAS are set to transition to ISO 45001 in 2020.

**UNITS IN THE SWIETELSKY GROUP  
THAT ARE OHSAS 18001 CERTIFIED**

**2018/19**



Compliance with the occupational safety and health measures is constantly monitored by the safety experts, the safety officers, occupational physicians and project managers in the operational units. This applies both to construction site-related activities and to those carried out in SWIETELSKY's own production or administrative units. The core markets have either occupational physicians assigned by the company, such as in Austria, or cooperation agreements with occupational medical services. In almost all group companies, corresponding internal or external positions are guaranteed.

The supervisor must monitor the use of protective equipment. If necessary, the supervisor orders immediate measures to comply with the safety regulations. Performing or arranging services without adequate protective equipment is expressly prohibited. Information on legal requirements as well as internal regulations and guidelines concerning occupational safety and health and environmental protection are available to every employee through the IMS. In order to implement the legal requirements with regard to occupational health and safety, suitable programmes have been developed as part of the IMS.

This was done with the involvement of the following groups:

- Occupational physicians
- Safety experts and safety officers
- Responsible representatives
- Executives and the board of directors

The risks associated with occupational health and safety can thus be identified and managed. Measures are derived from the findings and existing concepts are adapted if necessary. This not only has a positive effect on the safety and health of those affected but also on the project's financial success. Only healthy and well-equipped project teams can guarantee our high-quality standards and stay on schedule.

## **Employee awareness**

SWIETELSKY focuses on prevention because every accident is one too many. Ongoing employee training strengthens the precautionary effect of accident prevention measures. It is therefore also important to inform employees and make them aware as part of a wide-ranging training and continuing education programme. As there is a variety in the rules and requirements for health and safety in the different countries we operate in, we have an individual approach as to how we structure the related information.

In the core markets, regular evaluations, briefings, ongoing site inspections and advice from safety experts and occupational physicians take place. Risk analysis on occupational safety issues are also carried out. Measures such as training by safety experts, the SWIETELSKY onboarding programme with the occupational health & safety module used in Austria, as well as newsletters and videos on occupational medicine also have a preventive effect. Relevant information on the subject is also made available on an ongoing basis via the intranet, which is available to the Austrian and German enterprises.



Bruno Wyhs, Safety Expert

In Great Britain, so-called “Safety Stand Down Days” are held every six months with all employees, including management. These safety days encourage employee discussions and suggestions through interactive meetings and guest presentations and raise awareness of key health and safety issues. In addition, monthly safety briefings are held to ensure that health and safety information is shared with all employees. This is intended to strengthen employee participation and personal responsibility and promote a good culture of safety.

We also value the promotion of a healthy lifestyle among our employees. The different companies in the group countries have offers on the topics of exercise, nutrition and health check-ups. In the coming years, we intend to further expand this service in order to prevent health problems and to be able to be a supportive employer. Therefore, it is important to address the needs in the core markets and develop tailor-made offers.

**“Our culture of safety includes intensive and targeted prevention and also the general promotion of a healthy lifestyle. Each accident and every avoidable health impairment must be prevented using a number of measures.”**

## **II. KEY FIGURES AND MONITORING**

In order to regularly check the effectiveness of our activities, external and internal audits are carried out and safety experts are evaluated as part of OHSAS 18001.

## KEY FIGURES ON WORK-RELATED INJURIES AT A GLANCE<sup>1, 2, 3</sup>

2018	Group	AT	DE	HU	CZ	other countries
Number of fatal accidents	1	1	0	0	0	0
Death rate	0.05	0.09	0.00	0.00	0.00	0.00

2017	Group	AT	DE	HU	CZ	other countries
Number of fatal accidents	1	1	0	0	0	0
Death rate	0.05	0.09	0.00	0.00	0.00	0.00

Unfortunately, accidents do happen on SWIETELSKY construction sites despite conscientiously taking preventive and safety measures, sometimes with serious or even fatal consequences. We deeply regret every death.

Our sincere condolences go out to the relatives of the employees concerned. We take all the measures possible to thoroughly investigate fatal accidents and to rule out comparable causes of accidents for the future.

2018	Group	AT	DE	HU	CZ	other countries
Number of serious accidents <sup>4, 5</sup>	9	1	3	2	2	1
Accident rate serious accidents	0.44	0.09	1.12	1.02	0.67	0.65

2017	Group	AT	DE	HU	CZ	other countries
Number of serious accidents <sup>4, 5</sup>	5	1	1	0	3	0
Accident rate serious accidents	0.26	0.09	0.42	0.00	1.11	0.00

<sup>1</sup> Accident figures refer to the calendar year. Injury rates (incl. death rates) are calculated on the basis of 1 million budgeted working hours.

<sup>2</sup> The budgeted working hours are used to calculate the injury rates ( $\emptyset$  number of blue-collar workers/white-collar workers (FT) \*  $\emptyset$  hours of work per blue-collar worker/white-collar worker per year (FT) +  $\emptyset$  number of blue-collar workers/white-collar workers (PT) \*  $\emptyset$  hours of work per blue-collar worker/white-collar worker per year (PT)).

<sup>3</sup> Group budgeted working hours 2018: 20,685,934 (PY 19,028,312); AT 2018: 11,516,700 (PY 10,818,600); DE 2018: 2,684,760 (PY 2,370,940); HU 2018: 1,968,528 (PY 1,853,060); CZ 2018: 2,975,440 (PY 2,694,640); other countries 2018: 1,540,506 (PY 1,291,072)

<sup>4</sup> In case of serious work-related accidents, a downtime of >6 months is equated to a recovery time of >6 months, as it is assumed that the employee has fully recovered to continue his work.

<sup>5</sup> Excluding fatalities.

2018	Group	AT	DE	HU	CZ	other countries
Number of registered accidents <sup>6</sup>	520	392	86	13	17	12
Rate of work-related accidents	25.14	34.04	32.03	6.60	5.71	7.79

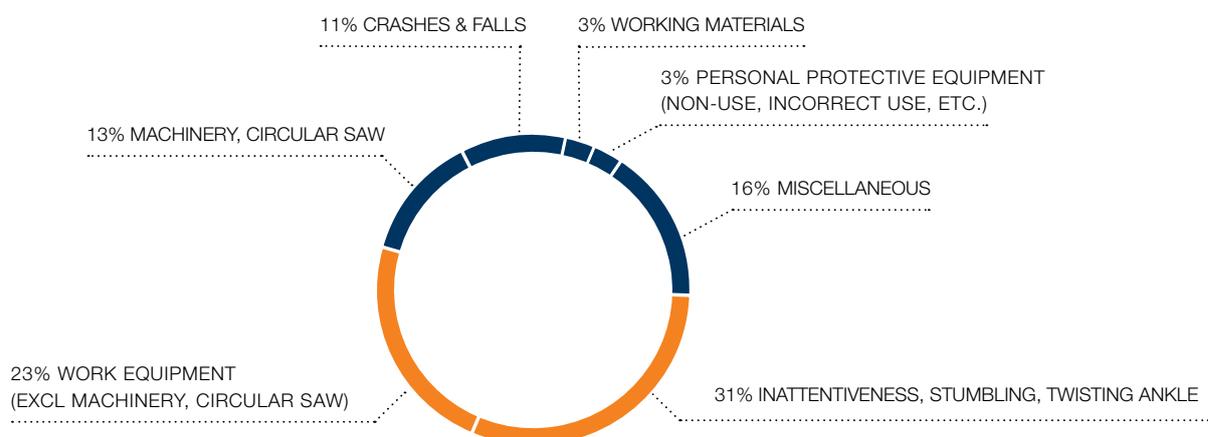
2017	Group	AT	DE	HU	CZ	other countries
Number of registered accidents <sup>6</sup>	478	360	92	8	14	4
Rate of work-related accidents	25.12	33.28	38.80	4.32	5.20	3.10

<sup>6</sup> Work-related accidents are recorded in Austria, Hungary and the Czech Republic starting on the fourth day, in Germany starting on the first day. The deviations are strongly influenced by cultural differences in dealing with injuries as well as different country-specific insurance systems.

Both the number of serious work-related accidents and the number of registered work-related accidents increased compared with the previous year. However, the rate of work-related accidents remained mostly unchanged. With our activities and measures in the area of occupational

health and safety, we are constantly working towards reducing the number and severity of accidents and injuries. Common types of injuries at SWIETELSKY are (in descending order) bruises, cuts, fractures and contusions.

### THE MOST FREQUENT CAUSES OF ACCIDENTS AT SWIETELSKY IN %



### **Health impairment of the local population and neighbouring residents**

There were no significant complaints during the financial year regarding possible and not always completely avoidable health effects on the local population, such as noise pollution in the vicinity of construction sites. Fortunately, even isolated positive feedback reports were given, praising our efforts to consider the health-related interests of the neighbouring residents and taking the necessary noise protection measures.

### **III. OUR CONTRIBUTION TO THE SDGS**

#### **SDG Target 3.8, 3.9 and 8.8:**

Construction sites pose risks and specific hazards to the health and safety of employees that working with heavy machinery brings. SWIETELSKY protects its own employees and other site personnel by taking preventive measures and through the health and safety management system in place. This applies both to construction sites and to (production) operations within the group. That enables us to contribute directly and indirectly to a safe working environment and increased well-being and reduces the occupational accident and injury risk in all countries in which SWIETELSKY operates as a group.



Ensure healthy lives and promote well-being for all at all ages



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

# PERSONNEL DEVELOPMENT – “We are Swietelskys”

When we talk about us “Swietelskys”, we aren’t referring to the founding family but everyone who works in our corporate group. Because SWIETELSKY should feel like a big family in which we have each other’s backs, encourage one another and stick together to shape our financial future together.

We differ in age, gender, origin and cultural background. We are diverse but do have one thing in common: We understand how valuable it is to have a family in which you feel comfortable. We want to build on this strength in the workplace. This philosophy, which we have been pursuing as an employer for the last eighty years, motivates our employees. Because we consider our employees to be the most valuable thing we have to offer, we are as successful as we are.

## I. FAIR EMPLOYER

The construction industry is an extremely labour-intensive industry and, due to the very nature of its work processes, is thus faced with labour and social risks. SWIETELSKY is committed to its responsibility towards its more than 10,000 employees, whose contribution is instrumental to the company’s success.

We are convinced that treating our employees fairly and with respect has a positive effect on their overall satisfaction, expands productivity and increases our commercial success. The promotion of individual growth

perspectives and entrepreneurial thinking creates attractive working conditions for motivated blue-collar workers and white-collar workers as well as potential employees. The company of course stands strongly against any kind of wage and social dumping.

SWIETELSKY operates primarily in countries in which employee protection regulations, remuneration and temp staffing are regulated either by law or by collective agreement. However, we are not content with these minimum standards, which is why we offer an attractive remuneration model and frequently applied performance-related bonuses and benefits.

The aim of SWIETELSKY’s personnel management is to increase employee satisfaction. That is vital for keeping employees and their skills and experiences in the company for as long as possible and for being perceived as an attractive employer. This enables us to meet our own standards of quality, flexibility and on-schedule project handling. Conversely, we avoid risks resulting from a high employee turnover rate and a lack of qualified junior staff.

## Organisation

In order to meet the changed requirements stemming from the growth of the group, we have decided to revise our personnel strategy/HR strategy.

The company, its employees as well as potential employees should benefit from a modern range of offers. We have therefore defined six fields of action for HR in the coming years:

## Measures

SWIETELSKY is committed to expand HR management across the group. In this way, we want to respond to the company's strong growth in an appropriate manner and support the branches and subsidiaries on important employee issues. Examples include employer branding, regional HR topics, aspects of organisational development and recruiting.

We are also planning to establish group-wide standards, particularly in recruiting and personnel development. Due to the company's traditionally decentralised organisational structure, group-wide standards in HR management have so far been comparatively less developed.

It goes without saying that SWIETELSKY strictly complies with all legal requirements regarding the works council and promoting the interests of employees. Both the workers' works council and the employees' works council are represented on the company's supervisory board. In the event of complaints, employees can contact the works council or their supervisors at any time or, if they want, the responsible compliance officer.

In addition to creating clear and comprehensible framework conditions, we also ensure that employees are involved as early as possible in the event of operational changes so that their interests are considered. Performance-related bonuses, employee events and discounts are part of our benefits.<sup>7</sup>

<sup>7</sup> Due to the decentralised organisation of the SWIETELSKY group, there are differences in the benefits that apply to employees (depending on branch/subsidiary and occupational group).

## HR fields of action

### EMPLOYER BRANDING

Finding, binding and motivating employees.

### PERSONNEL DEVELOPMENT

We have highly qualified employees.

### DIGITAL HR SYSTEMS

We have digital and user-friendly HR systems.

### HR AS AN "ADVISOR"

The branches/subsidiaries are advised on regional personnel issues.

### HR STANDARDS

We have recognised HR standards.

### SOCIETAL TRENDS

We are aware of labour market trends and are able to deal with them.

## CAREER WEBSITE WWW.WIR-SWIETELSKYS.AT

SWIETELSKY values a uniform positive corporate culture throughout the group and common values in dealing with one another. As part of a personnel marketing offensive, every employee in Austria was sent the SWIETELSKY employer mission statement with the heading “We are Swietelskys”. On the new career website [wir-swietelskys.at](http://wir-swietelskys.at), job seekers will find detailed information about the company's self-image, the benefits it offers as an employer and all vacancies in the group.



Job posts, employer branding ads and various brochures and information material were reissued in the 2018/19 financial year for use in the media, at trade fairs and during job interviews. The measures originally developed for the Austrian domestic market have now also been adapted for the other core countries Germany and the Czech Republic and have been applied accordingly.

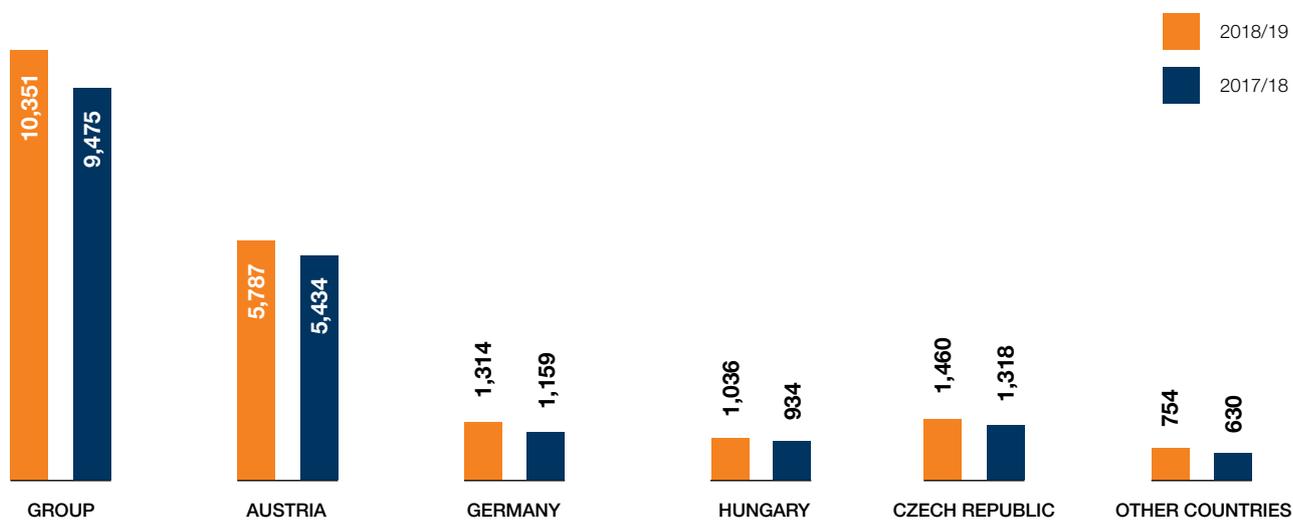
### **Key figures and monitoring**

In the core markets Austria, Germany, Hungary and the Czech Republic, 100% of employees are covered by collective bargaining agreements; for the group as a whole the number is 95.3% (2017/18: 95.8%). In some of the countries in which SWIETELSKY operates, there are no collective bargaining agreements; yet there we of course comply with the statutory minimum wages.

The growth trend of the past years is continuing, as was the case in the reporting period. SWIETELSKY had a total of 10,371 employees as of 31 March 2019, a welcome 11.4% year-on-year increase. The majority of employees is employed in Austria (>54.4%).

In the 2018/19 reporting year, only 7.0% (2017/18: 6.8%) of the group's personnel was employed on fixed-term contracts. This highlights SWIETELSKY's fundamental aim to keep employees in the long term. We consider the loyalty of our employees as an important basis for our success. We are always keen to respond to their different life situations and try to do so with regard to considering possible part-time employment opportunities. Currently, 3.8% (2017/18: 3.5%) of our employees are on part-time contracts.

## EMPLOYEE INFORMATION AT A GLANCE<sup>8</sup>



2018/19	Group	AT	DE	HU	CZ	other countries
Average number of employees	10,351	5,787	1,314	1,036	1,460	754
Number of employees as of 31/03	10,371	5,650	1,366	1,048	1,519	788
Employees with a permanent contract	9,646	5,650	1,299	1,032	1,016	649
<i>of which male</i>	8,601	5,203	1,185	832	826	555
<i>of which female</i>	1,045	447	114	200	190	94
Employees with a fixed-term contract	725	0	67	16	503	139
<i>of which male</i>	663	-	65	15	464	119
<i>of which female</i>	62	-	2	1	39	20
Full-time employees	9,980	5,428	1,304	1,025	1,460	763
<i>of which male</i>	9,142	5,149	1,231	840	1,261	661
<i>of which female</i>	838	279	73	185	199	102
Part-time employees	391	222	62	23	59	25
<i>of which male</i>	124	54	22	7	29	12
<i>of which female</i>	267	168	40	16	30	13
Temp employees	312	305	0	0	0	7
Share of temp employees in %	3%	5.4%	0%	0%	0%	0.9%

<sup>8</sup>The construction industry is naturally subject to seasonal and contract-related fluctuations, which is why there are different headcounts during the year: The highest level was 11,029 employees in the group in October 2018; the lowest level was 8,778 employees in January 2019. Calculation basis for all employee-related statistics: heads

## EMPLOYEE INFORMATION AT A GLANCE<sup>8</sup>

2017/18	Group	AT	DE	HU	CZ	other countries
<b>Average number of employees</b>	9,475	5,434	1,159	934	1,318	630
Number of employees as of 31/03	9,313	5,254	1,144	942	1,303	670
<b>Employees with a permanent contract</b>	8,676	5,253	1,069	929	859	566
<i>of which male</i>	7,732	4,838	978	743	691	482
<i>of which female</i>	944	415	91	186	168	84
<b>Employees with a fixed-term contract</b>	637	1	75	13	444	104
<i>of which male</i>	579	1	75	11	406	86
<i>of which female</i>	58	0	0	2	38	18
<b>Full-time employees</b>	8,989	5,050	1,093	937	1,258	651
<i>of which male</i>	8,213	4,787	1,036	752	1,079	559
<i>of which female</i>	776	263	57	185	179	92
<b>Part-time employees</b>	324	204	51	5	45	19
<i>of which male</i>	98	52	17	2	18	9
<i>of which female</i>	226	152	34	3	27	10
<b>Temp employees</b>	320	315	0	0	0	5
Share of temp employees in %	3.4%	6%	0%	0%	0%	0.8%

## OVERVIEW OF NEW HIRES<sup>9</sup> AND EMPLOYEE TURNOVER<sup>10</sup>

2018/19	Group	AT	DE	HU	CZ	other countries
<b>Total new hires</b>	<b>2,316</b>	1,247	254	288	326	201
<i>of which male</i>	<b>2,120</b>	1,161	232	244	297	186
<i>of which female</i>	<b>196</b>	86	22	44	29	15
<i>of which below the age of 30</i>	<b>883</b>	565	80	117	77	44
<i>of which between the ages of 30 and 50</i>	<b>1,067</b>	531	135	116	162	123
<i>of which above the age of 50</i>	<b>366</b>	151	39	55	87	34
<b>Total share of new hires</b>	<b>22.3%</b>	22.1%	18.6%	27.5%	21.5%	25.5%
<i>Share of new hires – male</i>	<b>22.9%</b>	22.3%	18.6%	28.8%	23.0%	27.6%
<i>Share of new hires – female</i>	<b>17.7%</b>	19.2%	18.8%	21.9%	12.7%	13.2%
<i>Share of new hires – below the age of 30</i>	<b>40.1%</b>	38.0%	34.0%	73.1%	35.3%	42.3%
<i>Share of new hires – between the ages of 30 and 50</i>	<b>20.7%</b>	20.0%	21.6%	21.6%	19.5%	24.6%
<i>Share of new hires – above the age of 50</i>	<b>12.1%</b>	10.0%	7.7%	15.7%	18.6%	18.5%
<b>Total employee turnover</b>	<b>899</b>	459	109	139	125	67
<i>of which male</i>	<b>806</b>	421	99	110	113	63
<i>of which female</i>	<b>93</b>	38	10	29	12	4
<i>of which below the age of 30</i>	<b>309</b>	200	41	35	19	14
<i>of which between the ages of 30 and 50</i>	<b>427</b>	192	48	74	69	44
<i>of which above the age of 50</i>	<b>163</b>	67	20	30	37	9
<b>Total employee turnover rate</b>	<b>8.7%</b>	8.1%	8.0%	13.3%	8.2%	8.5%
<i>Turnover rate – male</i>	<b>8.7%</b>	8.1%	7.9%	13.0%	8.8%	9.4%
<i>Turnover rate – female</i>	<b>8.4%</b>	8.5%	8.6%	14.4%	5.2%	3.5%
<i>Turnover rate – below the age of 30</i>	<b>14.0%</b>	13.5%	17.5%	21.9%	8.7%	13.5%
<i>Turnover rate – between the ages of 30 and 50</i>	<b>8.3%</b>	7.2%	7.7%	13.8%	8.3%	8.8%
<i>Turnover rate – above the age of 50</i>	<b>5.4%</b>	4.4%	3.9%	8.6%	7.9%	4.9%

<sup>9</sup> The figures do not take into account new hires of interns and temps or employees who had already been employed in the previous year (onboarding on the basis of a re-employment guarantee). The allocation to the age groups was made on the basis of the age at the time of the hire. Calculation: New hires for the financial year/number of employees at the end of the financial year.

<sup>10</sup> Voluntary resignations (termination by employee + consensual termination) were taken into account. Temps and employees with a re-employment guarantee were not included. The allocation to the age groups was based on the age at the time the person left the company. Calculation: Employee resignation for the financial year/number of employees at the end of the financial year.

## OVERVIEW OF NEW HIRES<sup>9</sup> AND EMPLOYEE TURNOVER<sup>10</sup>

2017/18	Group	AT	DE	HU	CZ	other countries
<b>Total new hires</b>	<b>2,019</b>	1,156	237	200	319	107
<i>of which male</i>	<b>1,854</b>	1,090	218	164	287	95
<i>of which female</i>	<b>165</b>	66	19	36	32	12
<i>of which below the age of 30</i>	<b>801</b>	543	90	66	81	21
<i>of which between the ages of 30 and 50</i>	<b>921</b>	486	107	106	159	63
<i>of which above the age of 50</i>	<b>297</b>	127	40	28	79	23
<b>Total share of new hires</b>	<b>21.7%</b>	22.0%	20.7%	21.2%	24.5%	16.0%
<i>Share of new hires – male</i>	<b>22.3%</b>	22.5%	20.7%	21.8%	26.2%	16.7%
<i>Share of new hires – female</i>	<b>16.5%</b>	15.9%	20.9%	19.2%	15.5%	11.8%
<i>Share of new hires – below the age of 30</i>	<b>39.7%</b>	38.7%	39.0%	55.9%	43.3%	26.3%
<i>Share of new hires – between the ages of 30 and 50</i>	<b>19.9%</b>	19.6%	21.2%	21.5%	22.0%	14.7%
<i>Share of new hires – above the age of 50</i>	<b>11.2%</b>	9.3%	9.8%	8.5%	20.1%	14.2%
<b>Total employee turnover</b>	<b>774</b>	385	57	109	177	46
<i>of which male</i>	<b>694</b>	357	53	92	150	42
<i>of which female</i>	<b>80</b>	28	4	17	27	4
<i>of which below the age of 30</i>	<b>267</b>	168	29	20	41	9
<i>of which between the ages of 30 and 50</i>	<b>376</b>	171	19	60	99	27
<i>of which above the age of 50</i>	<b>131</b>	46	9	29	37	10
<b>Total employee turnover rate</b>	<b>8.3%</b>	7.3%	5.0%	11.6%	13.6%	6.9%
<i>Turnover rate – male</i>	<b>8.4%</b>	7.4%	5.0%	12.2%	13.7%	7.4%
<i>Turnover rate – female</i>	<b>8.0%</b>	6.8%	4.4%	9.0%	13.1%	3.9%
<i>Turnover rate – below the age of 30</i>	<b>13.2%</b>	12.0%	12.6%	17.0%	21.9%	11.3%
<i>Turnover rate – between the ages of 30 and 50</i>	<b>8.1%</b>	6.9%	3.8%	12.2%	13.7%	6.3%
<i>Turnover rate – above the age of 50</i>	<b>4.9%</b>	3.4%	2.2%	8.8%	9.4%	6.2%

The turnover rates and share of new hires have risen slightly compared to the previous year. The turnover rate and the share of new hires in the year under review were 8.7% and 22.3% respectively. We have only used voluntary resignations to calculate employee turnover because that number is a better indicator of uncertainty

and dissatisfaction among employees. Since it was not possible to separate consensual terminations according to whether they were initiated by an employee or the employer, all resignations were counted as consensual terminations. The turnover rate of employee-initiated resignations is thus below the rates determined here.

## II. TRAINING AND EDUCATION

Our decentralised corporate structure and the strong focus on entrepreneurial thinking and independent work require highly trained employees in all markets and business segments. At the same time, a well-developed training programme is a decisive factor in ensuring the company is an attractive employer and keeping skilled workers in the company for a long time from season to season. This is becoming increasingly important amidst demographic change and an increasing shortage of skilled workers, which is posing to be a major challenge for the construction industry.

We at SWIETELSKY value a life-time of learning. For employees who do not receive sufficient support, their dissatisfaction increases while risks arise in everyday working life due to their lack in knowledge and skills. These risks are all the greater the more complex and demanding the construction projects are. In these instances we want to take targeted countermeasures by offering a wide range of training courses and staff appraisals.

We offer training programmes tailored to specific areas of activity and personal interests, which increase the performance of the workforce for their operational tasks. Continuously promoting knowledge transfers is also an important aspect of competitiveness and an essential factor in maintaining high quality and customer satisfaction. It is therefore our aim to support our employees so that they are ideally prepared for their future tasks.

### **Organisation**

The central HR department is a competent contact and service provider for branches and subsidiaries in all matters related to training and education, particularly with regard to the offered training programme centrally used by the branches.

### **Measures**

In the course of the new HR strategy, we also renewed our strategic personnel development, as a part of which we will systematise training and education programmes. Guidelines must be drawn up for onboarding our new employees in order to ensure that they are integrated into the company swiftly and in a satisfactory manner for both sides. In addition, career paths – such as from being an apprentice to becoming a site manager – for long-term employee relationships are to be defined and training programmes further developed. Moreover, there will be better succession planning for retired foremen, among others. We are planning intensive cooperations with training institutions that ought to enable more graduates from technical colleges to obtain a university degree or to take part in industry-relevant postgraduate training. We have also set ourselves the goal of further developing apprentice training and of professionalising apprentice management with a central branch support.

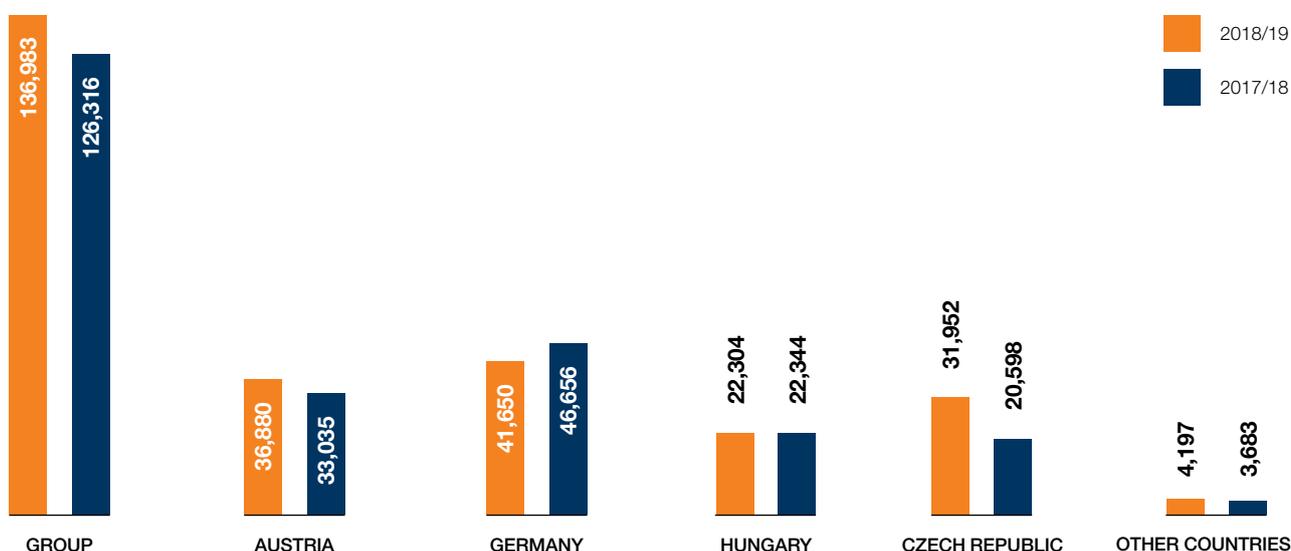
The SWIETELSKY ACADEMY was set up to serve as a training platform for the group. Lectures and seminars are offered by both internal and external speakers. Apart from the Austrian domestic market, initial training courses were also held in Germany and Hungary in the 2018/19 financial year. Other countries will follow suit in the coming years. SWIETELSKY is currently focusing on drawing up a plan for classroom training in the topics of corruption, antitrust law and data protection. In the near future, management development programmes will also be offered for young talents.

We conduct feedbacks with the majority of our employees, which are based on our ISO 9001 quality management system in terms of content and documentation. These talks help us identify suitable training and continuing education issues. In addition to the centrally offered and organised classroom training courses, SWIETELSKY also has an e-learning platform and other training courses that the various country organisations offer.

### **Key figures and monitoring**

We regularly monitor whether trainings are needed and covered.

## TRAINING AND EDUCATION<sup>11</sup>



	2018/19	Group	AT	DE	HU	other CZ countries	
total number of hours of training and education		136,983	36,880	41,650	22,304	31,952	4,197
Ø number of hours for training and education per employee		13.2	6.4	31.7	21.5	21.9	5.6
Ø number of hours for training and education per employee – female		9.7	6.5	2.5	9.1	21.9	7.9
Ø number of hours for training and education per employee – male		13.6	6.4	32.4	25.3	21.9	5.2
Ø number of hours for training and education – blue-collar worker		13.3	4.1	41.1	28.2	20.5	7.4
Ø number of hours for training and education – white-collar worker		13.1	11.8	3.9	15.9	23.5	3.5
	2017/18	Group	AT	DE	HU	other CZ countries	
total number of hours of training and education		126,316	33,035	46,656	22,344	20,598	3,683
Ø number of hours for training and education per employee		13.3	6.1	40.3	23.9	15.6	5.9
Ø number of hours for training and education per employee – female		8.3	3.1	1.1	14.4	15.6	11.1
Ø number of hours for training and education per employee – male		13.9	6.3	43.9	26.2	15.7	4.9
Ø number of hours for training and education – blue-collar worker		14.7	4.8	52.1	34.7	14.9	6.1
Ø number of hours for training and education – white-collar worker		10.6	9.1	2.7	15.4	16.5	5.6

<sup>11</sup> Slovakia and in parts of Hungary (all business segments except railway construction) currently have no central records for training and education, which is why the information available largely refers to the central units. Similarly, no comprehensive information is available for the branches, i.e. for the operative areas. Moreover, no information is currently available on external training courses in Austria. The following formula was used to calculate the average number of training hours: Total number of training hours in the financial year/average number of employees in the financial year. Training and education include all types of vocational training, external training or education that is paid for in full or in part, training on specific topics, but no instruction by supervisors at the workplace.

Overall, employees spent an average of 13 hours in training and education courses in the year under review.

Due to different documentation methods in the individual branches, there is currently no comprehensive information available on the training and education hours. We assume that appropriate corrections will be made in the coming reporting periods and are planning to establish a uniform documentation and reporting system for this purpose.

### **III. DIVERSITY AND EQUAL OPPORTUNITIES**

The labour-intensive construction industry is traditionally a male-dominated one that views demographic change as a challenge. We therefore consider diversity to be an opportunity and think it very important to promote women in the company.<sup>12</sup> We at SWIETELSKY welcome any employee who is personally and professionally suitable, regardless of national or ethnic origin, religion, gender, sexual orientation, age or disability. A diverse workforce is perceived as an enrichment for the company. Respectful interaction between employees is a requirement for a functioning corporate culture.

It is important to us to promote and integrate employees who stem from different countries of origin. We employ a variety of people of different nationalities on our construction sites. The language and cultural aspects are taken into account in the composition of the construction project teams in order to create a pleasant work environment for all employees.

Based on the European Convention for the Protection of Human Rights and Fundamental Freedoms, we observe the personal dignity, privacy and individual personality of every individual. It goes without saying that at SWIETELSKY no one is worse off or treated unfairly because of their age, gender, origin or cultural background. These values are also embedded in our group-wide code of conduct.

Our overriding aim is to promote equal opportunities within the company and to take advantage of the labour market's full potential. We must avoid any cases of discrimination or unequal treatment within the group and instead use the existing diversity constructively. This applies to all business segments and markets as well as to all current and potential employees.

#### **Organisation**

Employees can turn to the HR department at any time as their trusted point of contact for issues relating to equal opportunities and diversity. The compliance officers responsible for compliance management – and thus also responsible for issues relating to discrimination – are the national compliance officers or, ultimately, the CCO.

<sup>12</sup> Women make up 10.7% of the total workforce, unchanged from the previous year.

## **Measures**

With regard to diversity and equal opportunities, we are primarily concerned with education and raising awareness within the company. The code of conduct brochure and the corresponding chapter on our compliance e-learning programme deal with the issue of freedom from discrimination and defines our position.

According to the group-wide code of conduct, SWIETELSKY does not tolerate discrimination on grounds of national or ethnic origin, gender, sexual orientation, religion, age or disability. A demeaning treatment of employees through sexual harassment or bullying and the like will not be tolerated either.

In the event of discrimination, employees may contact their immediate supervisor, or, should they prefer, the local compliance officer or the CCO directly. Each report and

notification is treated confidentially and individually and involves the necessary departments.

Promoting and developing female employees is particularly important to SWIETELSKY. The SWIETELSKY group strives to increase the percentage of women in all business units in order to take advantage of the full potential of the labour market and of the opportunities diversity brings. We have already considered this in, for example, our search for apprentices, where attempts are made to arouse the interest of young girls to enrol in technical vocational training. To this end, the company has its own initiatives and supports similar initiatives from industry associations and interest groups.



Michaela Gschwandtner, Apprentice  
Mechanical Engineering Department

**“Technology is versatile and never boring. For boys and girls alike. At SWIETELSKY, I can work as an apprentice for agricultural and construction machinery technology on chassis, engines and power transmission systems for excavators, crawlers and cranes.”**

## **Key figures and monitoring**

In the reporting year 2018/19 there were no reported incidents of discrimination (2017/18: 0) based on origin, religion, gender or other.

OUR MOST IMPORTANT INFORMATION ON DIVERSITY AT A GLANCE

EMPLOYEES AS OF 31/03/2019



Male



Female

98.4%

Male blue-collar workers



1.6%

Female blue-collar workers



6,634

BLUE-COLLAR WORKERS



10,371

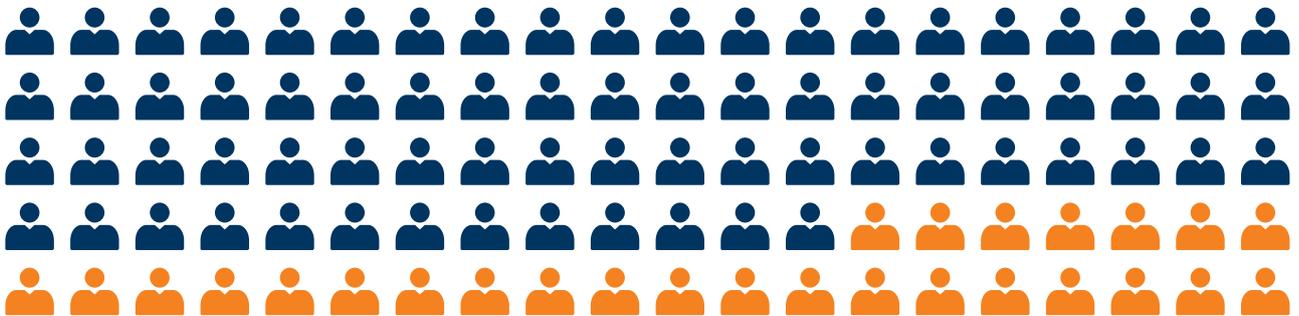


3,737

WHITE-COLLAR WORKERS

73.2%

Male white-collar workers

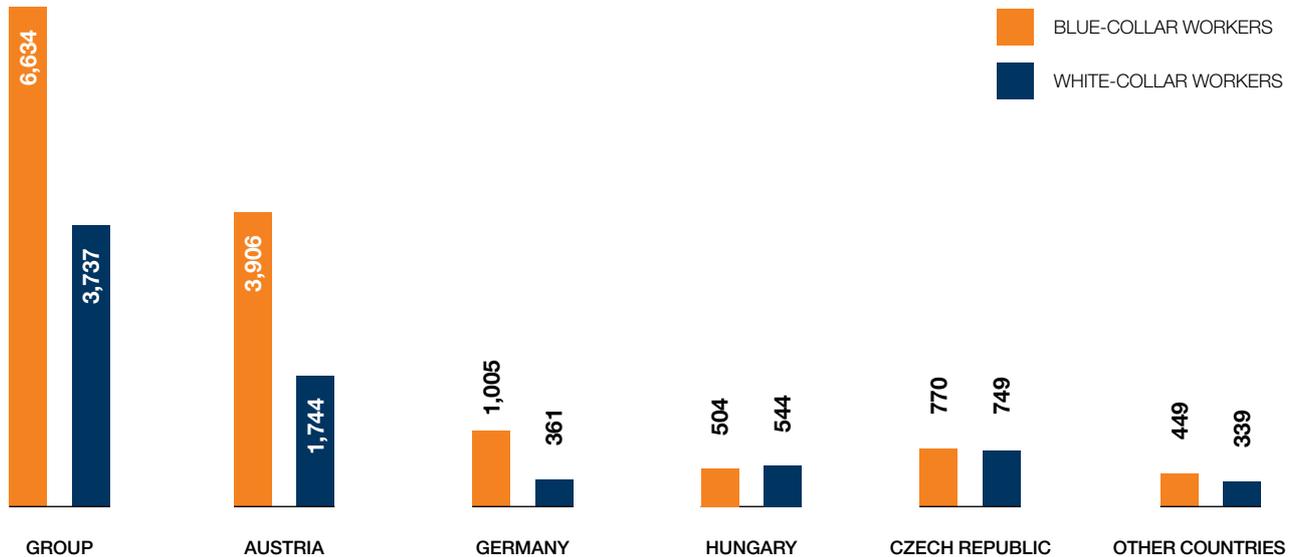


26.8%

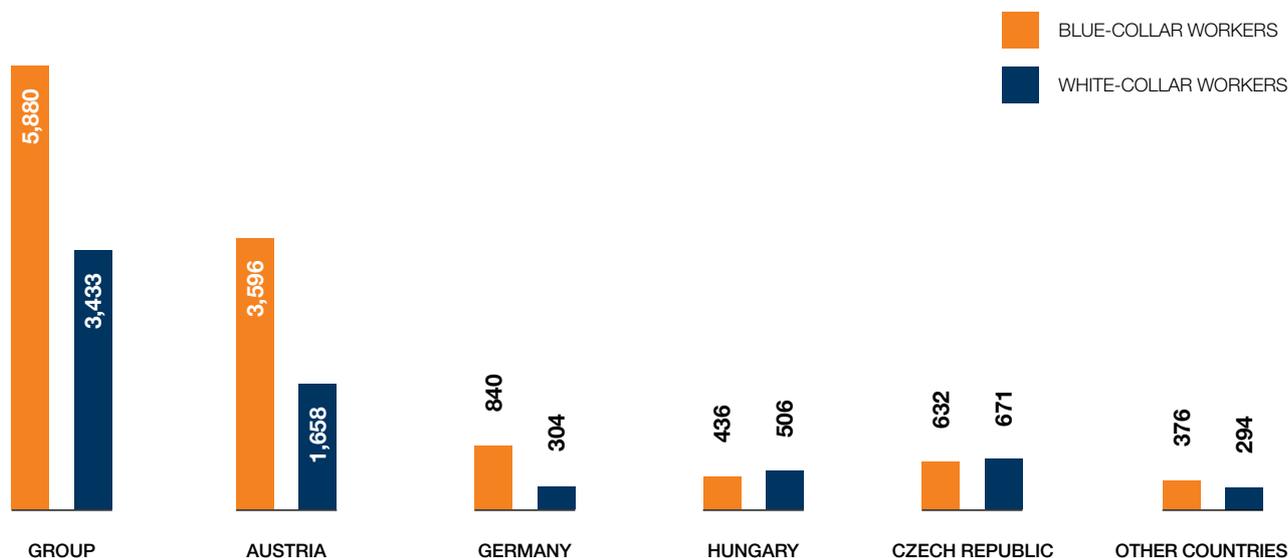
Female white-collar workers

**OUR MOST IMPORTANT INFORMATION ON  
DIVERSITY AT A GLANCE**

**EMPLOYEES AS OF 31/03/2019**



2018/19	Group	AT	DE	HU	CZ	other countries
<b>Blue-collar workers by gender</b>	6,634	3,906	1,005	504	770	449
<i>of which male share</i>	98.4%	98.6%	98.5%	98.0%	97.5%	98.4%
<i>of which female share</i>	1.6%	1.4%	1.5%	2.0%	2.5%	1.6%
<b>Blue-collar workers by age group</b>						
<i>of which share below 30</i>	22.2%	27.2%	16.3%	16.5%	14.0%	11.8%
<i>of which share between the ages of 30 and 50</i>	48.5%	46.6%	46.5%	46.4%	51.7%	66.4%
<i>of which share above 50</i>	29.3%	26.2%	37.2%	37.1%	34.3%	21.8%
<b>White-collar workers by gender</b>	3,737	1,744	361	544	749	339
<i>of which male share</i>	73.2%	77.5%	71.8%	64.9%	72.0%	68.4%
<i>of which female share</i>	26.8%	22.5%	28.3%	35.1%	28.0%	31.6%
<b>White-collar workers by age group</b>						
<i>of which share below 30</i>	19.6%	24.2%	19.7%	14.2%	14.7%	15.0%
<i>of which share between the ages of 30 and 50</i>	51.8%	47.9%	43.5%	55.9%	58.1%	59.6%
<i>of which share above 50</i>	28.7%	27.9%	36.8%	30.0%	27.2%	25.4%



2017/18	Group	AT	DE	HU	CZ	other countries
<b>Blue-collar workers by gender</b>	5,880	3,596	840	436	632	376
<i>of which male share</i>	98.3%	98.4%	98.7%	98.2%	97.5%	98.7%
<i>of which female share</i>	1.7%	1.6%	1.3%	1.8%	2.5%	1.3%
<b>Blue-collar workers by age group</b>						
<i>of which share below 30</i>	23.4%	28.4%	21.0%	14.0%	13.1%	9.0%
<i>of which share between the ages of 30 and 50</i>	48.1%	46.6%	43.3%	46.6%	52.9%	67.6%
<i>of which share above 50</i>	28.5%	25.1%	35.7%	39.5%	34.0%	23.4%
<b>White-collar workers by gender</b>	3,433	1,658	304	506	671	294
<i>of which male share</i>	73.7%	78.5%	73.7%	64.4%	71.7%	67.0%
<i>of which female share</i>	26.3%	21.5%	26.3%	35.6%	28.3%	33.0%
<b>White-collar workers by age group</b>						
<i>of which share below 30</i>	18.8%	23.1%	18.1%	11.3%	15.5%	15.7%
<i>of which share between the ages of 30 and 50</i>	52.5%	48.8%	46.1%	57.3%	58.0%	59.2%
<i>of which share above 50</i>	28.7%	28.1%	35.9%	31.4%	26.5%	25.2%

100% of the board members are male, 25% are between the ages of 30 and 50 and 75% are over 50 (unchanged from the previous year).

The majority of the blue-collar workers (98.4%) and white-collar workers (73.2%) are male. With targeted measures in the coming years, employees are to be attracted to the construction industry in particular. With regard to the age structure, the majority of employees are between the ages of 30 and 50. Nevertheless, we would like to be an attractive employer for employees of all age groups.

<b>EMPLOYEES AS OF 31/03/2019</b>	<b>10,371</b>
<b>BELOW 30</b>	<b>21.2%</b>
<b>BETWEEN 30 AND 50</b>	<b>49.7%</b>
<b>ABOVE 50</b>	<b>29.1%</b>

## IV. OUR CONTRIBUTION TO THE SDGS

### **SDG Target 4.4:**

A good education is very important both to us and our employees. Quality vocational training is the key to improving the living conditions of individuals, communities and society as a whole. Our comprehensive range of training and education opportunities directly contributes to our employees getting the needed qualifications to perform their roles within the company.



Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

### **SDG Target 5.1, 10.2 and 10.3:**

Traditionally, the construction industry has been a male-dominated one. For this reason, it is all the more important to us to involve women in all corporate functions and activities at a time of demographic change. By taking appropriate measures, such as setting up complaints offices, educational work and needs-based solutions, we aim to prevent any kind of discrimination against women and men and promote equal opportunities for all genders. However, our efforts are not limited to the diversity facet "gender", because equal opportunities also include ensuring fair treatment with regard to age, religious beliefs, ethnicity, disability and other aspects of diversity. As a company operating in various markets around the world, we see it as an opportunity to use our direct influence to reduce inequalities, thus indirectly contributing to the promotion of an inclusive society.



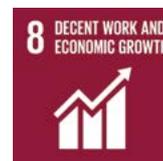
Achieve gender equality and empower all women and girls



Reduce inequality within and among countries

### **SDG Target 8.5:**

Wage and social dumping continues to be a significant concern, especially in the construction industry. Paying living wages and salaries to all our personnel and subcontractors is an essential criterion for promoting sustainable growth. With our attractive and fair remuneration models, we can and want to directly contribute to the promotion of fair working conditions.



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

# ECOLOGY AND RESOURCE CONSERVATION

The construction sector is a resource and energy-intensive industry and thus has a significant and far-reaching impact on the environment. SWIETELSKY endeavours to ensure the use of environmentally friendly processes, equipment and machines in all project phases. We are continuously striving to conserve air, water, energy and soil, to optimise material and logistics costs and to reduce emissions as far as possible.

We spare no effort to comply with environmental regulations and laws that affect us in all our markets and business segments and to avoid any negative effects of our business activities on people and nature.

Therefore, we keep abreast of the state of the art in research and technology, participate in specific research projects and monitor the development of international legal requirements. All this is also important to protect SWIETELSKY from sanctions, fines and brand damage. We must pay particular attention to the correct handling of any hazardous substances. Contaminations caused on construction sites or at our own production sites can cause considerable environmental damage and costs in the event of ordered remediation measures or loss of production.

Although we often cannot directly control violations of environmental laws and regulations on the part of subcontractors and suppliers, their close business relationship with us means that SWIETELSKY is indirectly connected with the ramifications, which can cause damage to its reputation. We therefore exert our positive influence as far as possible on suppliers and subcontractors in Austria, such as by having them adopt our code of conduct.

Due to our operations in mountain regions, SWIETELSKY is also involved in erosion control through the use of technical and biological processes. For this purpose, innovative and site-specific solutions up to patent applications have been successfully pushed. All this is part of our efforts to comply with all national and international legal requirements and to fulfil the highest possible standards. We are therefore



Klaus-Peter Pichlwanger, Quality Management

**“As an executing construction company, we maximise our influence and contribute to resource conservation throughout our construction projects along the entire value chain. Environmental damage must be avoided from both an ecological and an economic point of view.”**

pleased to say that no significant<sup>13</sup> fines or non-monetary sanctions were imposed on SWIETELSKY for non-compliance with environmental laws and regulations<sup>14</sup> in the year under review and in the previous year.

## I. ORGANISATIONAL INTEGRATION

The subject of environmental protection and thus also the issue of energy and emissions as well as resource and waste management are integrated into the project processes of the branches and subsidiaries. Operational responsibility lies with the project managers. The requirements underlying the environmental certificates are met by the IMS, with the branches and subsidiaries responsible for implementing the IMS guidelines. A central department will further develop the IMS, apply new standards and monitor the system's implementation on the ongoing basis. Moreover, decentralised project managers are supported in fulfilling specific environmental regulations or legal requirements.

The SWIETELSKY organisations in the core countries Austria, Germany, the Czech Republic and Hungary, as well as in some other countries, have ISO management systems and employees with relevant responsibilities at their disposal. The implemented management systems comply with the international standard ISO 14001 and/or ISO 50001. In the 2018/19 financial year, the share of group units certified according to environmental management systems was about 70%.

It is the responsibility of those in charge of a project or site to make use of a checklist made available for recording environmental aspects in construction projects and operating facilities. Any possible impacts, impairments, incidents and risks with regard to the environment are identified at project level or as part of the management system so that appropriate measures can be taken, if necessary.

Complaints can be submitted to the CCO, the compliance officer responsible for the country, the group board, and the managing director of each group company or the branch

manager as well as the project manager. Of course, we review all complaints with due care.

## II. ENERGY AND EMISSIONS

SWIETELSKY is aware of its responsibility for taking a resource-conserving approach to the environment. This is all the more true with us belonging to an industry with very energy-intensive and emission-intensive operations. In the course of our construction operations as well as in transport and logistics, the use of non-renewable energy sources generates significant greenhouse gas (GHG) emissions that can adversely affect people and the environment.

The markets that SWIETELSKY serves have seen a growing number of legal requirements for complying with emission values and increasing energy efficiency. This development may be reflected in higher project costs. Our overriding goal is therefore to optimise energy use and reduce emissions. Operational targets are determined on a decentralised basis and are also derived from the energy and environmental audits.

Looking at the life cycle stages of a building, a significant part of its energy consumption and emissions is generated while it is in use. It would therefore make sense to take this circumstance into account at the planning and construction stages. However, SWIETELSKY's influence in this respect is limited by the fact that the applicable environmental and climate protection standards are primarily determined by the clients and depend on their short-term or long-term investment interests. As part of a call for bids, SWIETELSKY strives to work within the scope of sustainable building standards that is available to us in order to optimise climate-friendly and environmentally compatible construction projects. Many of the group's construction projects in Central and Eastern Europe have already been awarded various certificates for sustainable construction.

<sup>13</sup> The fines fell below the EUR 20,000 total and amounted to a maximum of EUR 6,000 when considered individually, which is why there are no significant reports.

<sup>14</sup> Fines relating to speeding violations under the Emission Control Act and driving into an environmental protection zone were not taken into account.

## Organisation

At SWIETELSKY, energy and emission-related tasks are performed via the IMS. Please refer to "Organisational integration" on page 89.

## Measures

At SWIETELSKY, the EU Energy Efficiency Directive (EED) and relating measures are implemented by qualified energy officers through the help of environmental and energy audits and as part of the management system. Various energy and environmental protection measures are implemented and also developed in the group's branches, subsidiaries and production facilities. As such, production facilities are continuously evaluated in terms of energy efficiency and renovated keeping in mind economic aspects. On the basis of the latest energy audit report, we are constantly taking new measures to improve energy efficiency, starting with switching to LED lighting in the office and production facilities (currently underway) and ending with major capital expenditures into, for example, the replacement of heating systems.

At project level, we ensure the use of environmentally friendly processes, equipment and machines as well as the shortest possible transport routes. Thus, energy consumption is a deciding factor when investing in vehicle fleets and purchasing new machinery and equipment. The most important vehicle types of the fleet are monitored for CO<sub>2</sub>. Consistent maintenance and testing not only contribute to a reduction in repair and operating costs but also prevent any additional environmental pollution. When operating our own buildings, we pay attention to

climate neutrality. Many of SWIETELSKY's locations have solar/photovoltaic systems and some have block-type thermal power stations. In order to reduce heating costs, we make sure to renew our windows in due time. In the 2018/19 financial year, a heating system was installed at the site in Great Britain that is electrically powered and reduces the carbon footprint by up to 68%. In the Czech Republic, measures were implemented to improve the thermal insulation of the SWIETELSKY buildings.

In addition, SWIETELSKY continuously records the energy used in the manufacture of building products, which makes it possible to compare production costs among different production sites and to identify saving potentials. When large track-laying machines are used, all materials are transported much faster and in a more environmentally friendly way by rail. For SWIETELSKY railway construction, trucks are only needed in exceptional cases. This in turn offers a competitive advantage in cases with accessibility problems, such as in nature reserves.

## Key figures and monitoring

Energy consumption and efficiency are constantly monitored at SWIETELSKY. Internal and external audits are carried out at production sites and construction sites as part of the IMS (ISO 14001/50001) and the Energy Efficiency Act (EEffG).

## TOTAL ENERGY CONSUMPTION DEVELOPMENT AT SWIETELSKY:

### Energy consumption in MWh<sup>15, 16</sup>

	2018/19	2017/18	Year-on-year
Total energy consumption	694,133	591,340	17.4%
Construction output in kEUR	2,805,318	2,376,466	18.0%
Specific energy consumption (energy intensity) MWh per kEUR construction output	0.247	0.249	-0.6%

<sup>15</sup> Energy consumption within the organisation for AT, DE, HU, CZ and other countries as of 31/03. Energy consumption was calculated on the basis of energy costs.

<sup>16</sup> Included types of energy: heating oil, gas (incl. technical gases), fuel, brown coal dust, district heating and electricity.

In 2019, SWIETELSKY conducted its first systematic survey of the group's energy consumption. The reported energy consumption of 694,133 MWh includes the energy data of all SWIETELSKY branches (production sites, construction sites) as well as that of construction machinery and equipment. The most important source of energy for SWIETELSKY is fuel (diesel) as it accounts for around 60% of energy consumption, thereby offering the greatest savings potential. The specific energy consumption, i.e. the energy consumption in relation to the total construction out-

put of the group, amounts to 0.247 MWh/KEUR and could be maintained compared to the previous year.

The next goal is to increase data quality. In this way, we want to make savings potential visible and continuously increase energy efficiency and reduce consumption emissions. The issue of energy is of great importance to SWIETELSKY from both an ecological and a financial point of view.

<b>Carbon footprint in t CO<sub>2</sub>e<sup>17</sup></b>	<b>2018/19</b>	<b>2017/18</b>	<b>Year-on-year</b>
Scope 1 total	235,046	182,441	28.8%
Scope 2 total (location based)	12,995	12,629	2.9%
Total carbon footprint in t	248,041	195,069	27.2%
Construction output in kEUR	2,805,318	2,376,466	18.0%
Spec CO <sub>2</sub> e in t	0.088	0.082	7.7%

<sup>17</sup> Emissions for AT, DE, HU, CZ and other countries as of 31/03. Energy consumption was calculated on the basis of energy costs. Country-specific emission factors were used where possible. If not available, Defra's emission factors were used for the calculation in 2017 and 2018. The intensity quotient includes GHG emissions in CO-equivalents to Scope 1 as well as Scope 2 and includes the gases CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O in any case. Scope 2 emissions were calculated using the location-based method.

The carbon balance for the 2018/19 financial year includes all fully consolidated companies. Group-wide, 248,041 tonnes of CO<sub>2</sub>e (location based) were generated in the reporting period. In accordance with the definition of the Greenhouse Gas Protocol, emissions are shown separately in Scope 1 and Scope 2. This subdivision shows that the majority of our emissions occurs in Scope 1, as is customary in the construction industry. Relative to construction output, this results in a specific emission value of 0.088 t CO<sub>2</sub>e/kEUR construction output. Compared to the previous year, total emissions increased by 27.2% and specific emissions by 7.7%. This is primarily due to increases in fuel, gases and heating oil as well as minor adjustments to the emission factors, since heating oil and fuels are emission-intensive types of energy. Almost half of the group's CO<sub>2</sub>e emissions are caused by the use of fuels, mainly diesel.

### III. MATERIALS AND WASTE

The construction industry processes a considerable amount of raw materials. Therefore, the consumption of building materials represents the largest environmental impact next to energy consumption. The extraction and recycling of raw materials is therefore of the utmost importance. Our goal is to increase the share of recyclable materials in our own construction in the long term. This not only protects the environment but brings financial benefits.

We pay particular attention to the mineral content of our construction waste. At a time of increasing resource scarcity, this is becoming an important concern for us. As a matter of principle, we focus on avoiding waste altogether, reducing unavoidable waste and strive for a high level of recovery, in particular re-use or recycling.

This is relevant for all markets and business segments in which SWIETELSKY operates, in particular tunnel construction, which is characterised by a high proportion of excavated material, as well as building construction and civil engineering due to the large amount of materials used. Unfortunately, many of the materials are not yet renewable or recyclable. SWIETELSKY is working on preparing waste balances in order to get a better overview of what waste is generated and to be able to control it. Training courses on waste management issues are regularly held in several of the group's country entities.

SWIETELSKY produces asphalt, concrete and recycled materials in its own production facilities. It is our aim to offer our customers the highest quality while ensuring that the specifications regarding the materials to be used are implemented. We strive to achieve the highest possible recycling rates as far as the legal frameworks allow.

### **Organisation**

SWIETELSKY controls the handling of waste in Austria as well as the production of recycled building materials through its environmental management and factory production controls (FPC + FPC mobile). This is aimed at ensuring the environmental quality of the recycled products on the one hand and legal certainty with regard to the handling of hazardous and non-hazardous waste on the other hand. With its own waste management system and waste management concepts, the company shows that it values environmental protection and compliance with all legal requirements.

### **Measures**

The material specifications mainly come from the client. The SWIETELSKY project manager therefore mainly has room for manoeuvre when purchasing the materials. As a rule, we align ourselves with the client's wishes and try to exceed the specified minimum quality level in order

to create high-quality and, above all, durable buildings. SWIETELSKY is committed to reducing the volume of landfill waste – in line with the EU target to have 70% of construction and demolition waste recycled. Where possible, mineral waste generated on our construction sites is converted into CE-marked building material recycling products. The quality assurance of these products is carried out with the help of certified factory production controls. Waste is collected and treated in specifically equipped and approved facilities.

In order to further improve the environmental performance, it is sensible to use recycled materials at the place of origin or to use them as substitutes when producing building materials. This conserves primary raw materials and reduces logistics costs and the associated emissions. Non-recyclable waste is separated by material and temporarily stored in an environmentally friendly manner. A separate collection of waste saves costs and increases the recycling rate. SWIETELSKY also ensures the proper disposal of waste by operating its own landfills.

Increased use of recycling material in asphalt mixing plants is a resource-conserving method that will be further expanded both in Austria and abroad in the coming years. In this way, the demand for primary raw materials can be reduced, avoiding long transport routes and an impact on the environment. SWIETELSKY now has several authorised sites for the collection, treatment and recycling of hazardous and non-hazardous waste. One of these sites is the recycling centre in Asten, Austria.

SWIETELSKY does not only see ecological opportunities in the up-and-coming recycling sector but financial ones, too, which makes our commitment twice as attractive. A continuous expansion of the recycling rate is planned at several locations in Austria and Germany, including the Dürnhof and Zwettl locations, each with a target of 15–20%. In Hungary, the target is 10%. In the Czech Republic, a mixing plant will be going online in the current financial year with an expected 15% recycling rate.



Ing. Jürgen Müller,  
Head of Wood Construction Sales

**“Wood is the building material of the past and the future and an integral part of modern architecture. It is sustainable, stable, fireproof, prefabricated, emission-free, natural and combinable. With SWIETimber, we can offer our customers timber construction know-how and are a material-neutral builder.”**

SWIETELSKY is placing a strategic focus – starting with the 2018/19 financial year – on timber and hybrid construction. Under the new product brand SWIETimber, the know-how of more than 100 experts with experience in timber construction will be pooled within the group. This enables the company to handle complex projects, especially in hybrid construction. The first major contracts have already been secured and promising projects such as the Salzburger Gebietskrankenkasse (Regional Health Insurance Fund) are currently in the construction phase.

With its naturally renewable and emission-free qualities, wood as a building material has many advantages for humans and the environment. Unlike conventional raw materials used for construction, it is not subject to scarcity. Stability and flexibility are other positive attributes of wood. In addition, wood creates a pleasant indoor climate and better regulates humidity. Wooden buildings prolong the carbon sequestration of the forest. Every cubic metre of wood used binds one tonne of CO<sub>2</sub> in the long term. Every wooden house contributes to avoiding CO<sub>2</sub> emissions by reducing the production of other CO<sub>2</sub>-intensive building materials. Wooden houses can easily be dismantled at the

end of their service life, with individual components able to be recycled. What is no longer needed can be burned, which in turn generates energy. Timber construction is very important to us, especially in the alpine regions and in ecologically sensitive regions, although the building material is increasingly finding its way into urban regions.

SWIETELSKY is very pleased that a growing number of our construction projects have been awarded sustainability certificates. This stems from both our own commitment and a change in the developers' ecological awareness. The SWIETELSKY group is a member of the Austrian Sustainable Building Council (ÖGNI) and of IG Lebenszyklus.

## Key figures and monitoring

Monitoring the development of material consumption, material recycling, the use of recycling materials, and waste generation are essential cornerstones of SWIETELSKY's resource and waste management.

Waste by type and disposal method in t	2018	2017	Year-on-year
Waste total	2,987,725	2,809,408	6.3%
<i>of which</i>			
Total weight of hazardous waste produced (according to applicable national legal definition)	2,921	2,316	26.1%
<i>of which</i>			
Regeneration (e.g. excavated material)	0	0	-
Recycling/recovery	0	0	-
Sanitary landfilling	0	0	-
Interim storage on site	0	0	-
Transfer to collection points (further processing unknown)	2,921	2,316	26.1%
Total weight of non-hazardous waste produced (according to applicable national legal definition)	2,984,805	2,807,093	6.3%
<i>of which</i>			
Reuse (e.g. excavated material)	134,224	79,914	68.0%
Recycling/recovery	176,531	172,683	2.2%
Sanitary landfilling	118,641	123,059	-3.6%
Interim storage on site	262,126	193,582	35.4%
Transfer to collection points (further processing unknown)	2,293,283	2,237,855	2.5%

Waste reporting currently covers the Austrian sites and covers construction projects, operational facilities such as workshops, storage areas, and production facilities such as asphalt and concrete mixing plants. In the coming reporting periods, we will extend reporting to include the group companies. Due to the availability of data, the numbers refer to the calendar year. The fluctuations in the volume of generated waste primarily depend on a given project. The volume of specific waste was reduced in Austria from

1.96 t/kEUR construction output in the previous year to 1.94 t/kEUR construction output in 2018/19 (down 0.1%). The proportion of hazardous waste is very low, with nearly 100% (99.9%) making up non-hazardous waste. The waste is disposed of - if not by subcontractors - directly via the construction site either by being transported to disposal companies or by being picked up from construction sites and operating facilities in appropriate containers at the request of construction management or those responsible for the plant.

SWIETELSKY has 6 (unchanged from the previous year) own landfill and 10 recycling processing plants throughout Austria in the year under review (2017/18: 9). In Germany, SWIETELSKY has 5 recycling facilities in 2018/19 (2017/18: 4). Hungary had 8 landfills and 8 recycling facilities in both

	2018/19	2017/18
Percentage of recycled material in produced asphalt	9.2%	9.5%
Percentage of recycled material in produced concrete	1.2%	1.2%

financial years. Since 2018/19 SWIETELSKY has had 4 landfills and 1 recycling facility in Croatia (2017/18: 0).

The group-wide total production volume of recycled material (asphalt and concrete) increased by 12.8% compared with the previous year. Nevertheless, the volume of asphalt produced throughout the group had a recycled material share of 9.2% in the year under review, and thus virtually unchanged compared to the previous year. The rate is set to be increased through appropriate roll-out plans. Similar to the volume of generated waste, the production volume of recycled material is also subject to strong fluctuation dependent on the project and materials.

#### IV. OUR CONTRIBUTION TO THE SDGS

##### **SDG Target 7.2, 7.3, 13.1 and 13.3:**

The construction industry is an extremely energy and emission-intensive industry due to the heavy use of equipment and machinery and the predominant use of fossil fuels. We are endeavouring to curb consumption by implementing energy efficiency measures and using renewable energy sources.

In order to keep negative environmental impacts to a minimum, we have embedded the responsible use of ecological systems in our code of conduct. In addition, those responsible for our operating units and construction sites are required to pay meticulous attention to compliance with all applicable environmental regulations.

##### **SDG Target 12.5:**

The construction industry is responsible for a significant share of resource consumption and waste due to excavation work, construction waste, and other factors. For this very reason, but also due to regulatory requirements, we are working to keep our waste volume to a minimum. We want to reduce the use of primary raw materials, for example by promoting the recycling of building materials. By taking these measures, we want to contribute to a reduction in the volume of waste generated worldwide and to decouple economic growth from primary resource consumption.



Ensure access to affordable, reliable, sustainable and modern energy for all



Take urgent action to combat climate change and its impacts



Ensure sustainable consumption and production patterns

# GRI CONTENT INDEX

# GRI CONTENT INDEX

This sustainability report has been prepared in accordance with the Sustainability Reporting Standards (the “Core” option) of the Global Reporting Initiative (GRI), the world's most widely used and recognised framework for sustainability reporting.

GRI Standard	Disclosure	Page number and/or URL(s)	Comments & omissions
GRI 101: Foundation 2016			
GRI 102: General Disclosures 2016			
<b>Organisational profile</b>			
<b>102-1</b>	Name of organisation	2	
<b>102-2</b>	Activities, brands, products, and services	12-45	
<b>102-3</b>	Location of headquarters	2	
<b>102-4</b>	Location of operations	8	
<b>102-5</b>	Ownership and legal form	10-11	
<b>102-6</b>	Markets served	8	
<b>102-7</b>	Scale of the organisation	8-10, 13; annual report 2018/19: 49, 69	SWIETELSKY serves a variety of industries. Our clients include local authorities (federal government, states, municipalities) public-sector institutions as well as private clients (industrial sector, private persons)
<b>102-8</b>	Information on employees and other workers	75-76	
<b>102-9</b>	Supply chain	56-57	
<b>102-10</b>	Significant changes to the organisation and its supply chain	3, 8, 10	
<b>102-11</b>	Precautionary principle or approach	56	
<b>102-12</b>	External initiatives		*
<b>102-13</b>	Membership of associations		**

\*SWIETELSKY is a member of the following organisations involved in sustainability: CSR Netherlands; IG Lebenszyklus Bau; ÖGNI (Austrian Sustainable Building Council); SKAO – The Foundation for Climate Friendly Procurement and Business

\*\*SWIETELSKY is a member of numerous regional initiatives and industry-related, non-partisan associations, particularly in its core markets but also in other countries. The most important initiatives and associations are the following: WKO (Austrian Federal Economic Chamber); VIBÖ (Austrian Association of Industrial Construction Companies);

GESTRATA (Society for the Maintenance of Road Construction Technology with Asphalt); Upper Austrian Industrial Country; ÖBV (Austrian Construction Technology Association); Business Circle - Municipal Economic Forum; IV (Federation of Austrian Industry); VÖBU (Austrian Association of Drilling, Well Construction and Special Underground Construction Companies); Bavarian Construction Industry Association; Traunstein-Berchtesgadener Land Construction Guild; BVMB (Federal Association of Small and Medium Sized Construction Companies); Building Material Recycling Bavaria; German Asphalt Association; Hungarian Regional Association of Construction Companies; Hungarian

Railway Association; Association of the Hungarian Asphalt Industry; Hungarian Chamber of Engineers, Association of Czech Building Contractors; Association for the Development of Transport Infrastructure in Moravia; Czech Chamber of Engineers

SWIETELSKY attaches great importance to supporting research facilities both financially and by collaborating actively. We do this in order to research new processes and building materials and to optimise existing ones with regard to their economic and ecological dimensions.

SWIETELSKY is a member of the following research institutions: Bautechnische Versuchs- und Forschungsanstalt (Building Technology Testing and Research Centre); BIM Association Slovakia; BIM Association Hungary; Austrian Research Association for Roads, Railways and Transport (Forschungsgesellschaft Straße-Schiene-Verkehr); Austrian Forest Products Research Society (HFA-ÖGH); Austrian Research Institute for Chemistry and Technology (Österreichisches Forschungsinstitut für Chemie und Technik)

<b>GRI Standard</b>	<b>Disclosure</b>	<b>Page number and/or URL(s)</b>	<b>Comments &amp; omissions</b>
<b>Strategy</b>			
<b>102-14</b>	Statement from senior decision-maker	7	
<b>Ethics and integrity</b>			
<b>102-16</b>	Values, principles, standards, and norms of behaviour	53, 56	
<b>Governance</b>			
<b>102-18</b>	Governance structure	10-11	
<b>Stakeholder engagement</b>			
<b>102-40</b>	List of stakeholder groups	49-50	
<b>102-41</b>	Collective bargaining agreements	74	
<b>102-42</b>	Identifying and selecting stakeholders	49	
<b>102-43</b>	Approach to stakeholder engagement	49-50	
<b>102-44</b>	Key topics and concerns raised	52	
<b>Reporting practice</b>			
<b>102-45</b>	Entities included in the consolidated financial statements	3; annual report 2018/19: 108-109	
<b>102-46</b>	Defining report content and topic boundaries	3, 50-51	
<b>102-47</b>	List of material topics	51	
<b>102-48</b>	Restatements of information	-	
<b>102-49</b>	Changes in reporting	-	
<b>102-50</b>	Reporting period	3	
<b>102-51</b>	Date of most recent report	-	This report is the first report.
<b>102-52</b>	Reporting cycle	3	
<b>102-53</b>	Contact point for questions regarding the report	2	
<b>102-54</b>	Claims of reporting in accordance with the GRI Standards	3	
<b>102-55</b>	GRI content index	98-101	
<b>102-56</b>	External assurance	-	The report has not been externally audited.

## MATERIAL TOPICS

GRI Standard	Disclosure	Page number and/or URL(s)	Comments & omissions
<b>Material topic: Sustainable prosperity for the company and infrastructure creation</b>			
<b>GRI 103:</b> Management approach 2016	<b>103-1</b>	Explanation of the material topic and its Boundary	53
	<b>103-2</b>	The management approach and its components	53-57
	<b>103-3</b>	Evaluation of the management approach	54
<b>GRI 201:</b> Economic performance 2016	<b>201-1</b>	Direct economic value generated and distributed	54
<b>Material topic: Entrepreneurship and compliance</b>			
<b>GRI 103:</b> Management approach 2016	<b>103-1</b>	Explanation of the material topic and its Boundary	59
	<b>103-2</b>	The management approach and its components	59-65
	<b>103-3</b>	Evaluation of the management approach	63
<b>GRI 205:</b> Anti-corruption 2016	<b>205-2</b>	Communication and training about anti-corruption policies and procedures	61-62
<b>GRI 206:</b> Anticompetitive behaviour 2016	<b>206-1</b>	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	63
<b>GRI 418:</b> Customer privacy 2016	<b>418-1</b>	Substantiated complaints concerning breaches of customer privacy and losses of customer data	64
<b>GRI 307:</b> Environmental compliance 2016	<b>307-1</b>	Non-compliance with environmental laws and regulations	88-89
<b>Material topic: Materials and waste</b>			
<b>GRI 103:</b> Management approach 2016	<b>103-1</b>	Explanation of the material topic and its Boundary	91-92
	<b>103-2</b>	The management approach and its components	91-95
	<b>103-3</b>	Evaluation of the management approach	94-95
<b>GRI 301:</b> Materials 2016	<b>301-2</b>	Recycled input materials used	95
<b>GRI 306:</b> Effluents and waste 2016	<b>306-2</b>	Waste by type and disposal method	94

GRI Standard	Disclosure	Page number and/or URL(s)	Comments & omissions
<b>Material topic: Energy and emissions</b>			
<b>GRI 103:</b> Management approach 2016	<b>103-1</b>	Explanation of the material topic and its Boundary	89
	<b>103-2</b>	The management approach and its components	89-91
	<b>103-3</b>	Evaluation of the management approach	90-91
<b>GRI 302:</b> Energy 2016	<b>302-3</b>	Energy intensity	90-91
<b>GRI 305:</b> Emissions 2016	<b>305-4</b>	GHG emissions intensity	91
<b>Material topic: Occupational health and safety</b>			
<b>GRI 103:</b> Management approach 2016	<b>103-1</b>	Explanation of the material topic and its Boundary	66
	<b>103-2</b>	The management approach and its components	66-71
	<b>103-3</b>	Evaluation of the management approach	68
<b>GRI 403:</b> Occupational health and safety 2018	<b>403-9</b>	Work-related injuries	69-70 There is no sufficient information available.
<b>Material topic: Fair employer</b>			
<b>GRI 103:</b> Management approach 2016	<b>103-1</b>	Explanation of the material topic and its Boundary	72
	<b>103-2</b>	The management approach and its components	73, 82-87
	<b>103-3</b>	Evaluation of the management approach	74-78, 83-86
<b>GRI 401:</b> Employment 2016	<b>401-1</b>	New employee hires and employee turnover	77-78
<b>GRI 405:</b> Diversity and equal opportunity 2016	<b>405-1</b>	Diversity of governance bodies and employees	83-86
<b>GRI 406:</b> Non-discrimination 2016	<b>406-1</b>	Incidents of discrimination and corrective actions taken	82
<b>Material topic: Training and education</b>			
<b>GRI 103:</b> Management approach 2016	<b>103-1</b>	Explanation of the material topic and its Boundary	79
	<b>103-2</b>	The management approach and its components	79
	<b>103-3</b>	Evaluation of the management approach	79-80
<b>GRI 404:</b> Training and education 2016	<b>404-1</b>	Average hours of training per year per employee	80



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