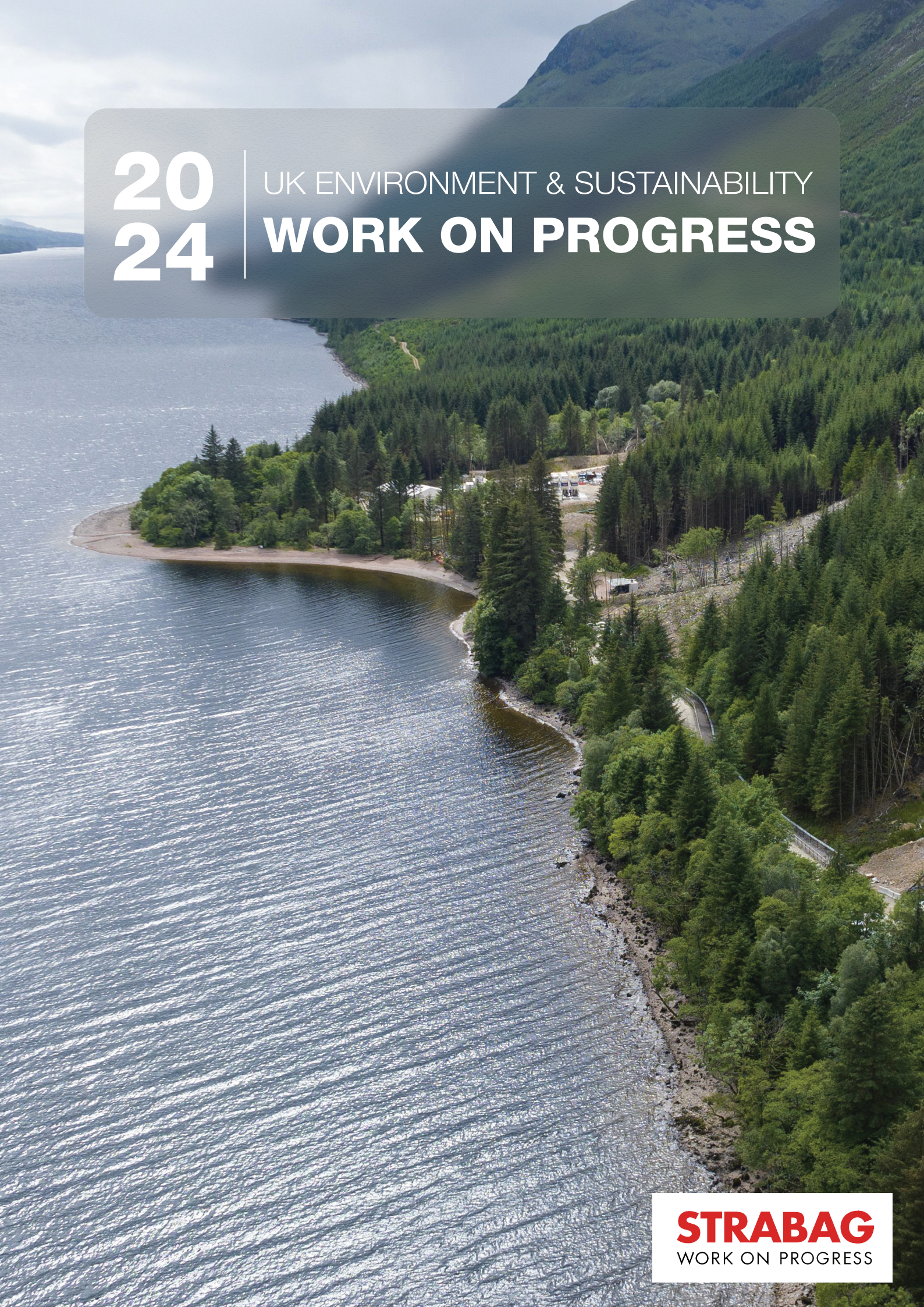


An aerial photograph of a large body of water, likely a lake or reservoir, surrounded by dense green forests. A small peninsula or island is visible in the middle of the lake. In the background, there are mountains under a cloudy sky. A semi-transparent dark grey banner is overlaid on the top left of the image, containing text.

**20
24**

UK ENVIRONMENT & SUSTAINABILITY
WORK ON PROGRESS

STRABAG
WORK ON PROGRESS

CONTENTS

INTRODUCTION

Environment and Sustainability Director Introduction	03
Views from Our Managing Directors	05
Our Strategic Approach	07
About STRABAG UK	09
Our Focus Areas and Targets	11

STRABAG UK PROJECTS

Some of our Notable UK Projects	13
The Woodsmith Project	15
Sizewell C Ground Freezing Trial	17
Hartlepool Segment Manufacturing Facility	17
HS2 London Tunnels and Approaches	18
Coire Glas Exploratory Tunnel	19

ENVIRONMENTAL SUSTAINABILITY

Environmental Governance	21
Environmental Incidents	22
Managing Environmental Risks	23
Our Environmental and Sustainability Management System	24
Our Commitment to Stewardship	25

CLIMATE CHANGE

Climate Governance	26
Science Based Targets Initiative (SBTi)	26
Climate Adaptation and Resilience	27
Streamlined Energy and Carbon Reporting (SECR) 2024	27
Carbon-Reduction Planning	29
Sustainable Procurement	31
Supply Chain Engagement	33
Responsible and Sustainable Material Procurement	34
Energy Efficiency	35

FOCUS ON INNOVATION

Hartlepool	37
High Speed 2	37
The Woodsmith Project	39

RESOURCE EFFICIENCY

Waste and Materials	42
---------------------	----

Our Focus on Improving Circularity	42
In-House Sustainable Material Development	42
Water	43
BIODIVERSITY	45
Strategy and Governance	46
Safeguarding Biodiversity in the Scottish Highlands	46
UK Business and Biodiversity Forum	46
SUSTAINABLE BUILD	47
SOCIAL SUSTAINABILITY	49
Social Value	50
Social Value Delivered to Date	50
Promoting Local Skills and Employment	51
Supporting Growth of Responsible Regional Business	51
Sustained Progress Ahead	52
Charitable Work and Supporting our Local Communities	53
HEALTH, SAFETY AND WELLBEING	55
1>2>3 Safe	56
Health and Safety Performance	56
Advancing Health and Wellbeing	58
2024 Engagement	59
Innovations in Behavioural Safety	59
Psychological Safety	60
Recent Delegate Feedback	60
EQUALITY, DIVERSITY AND INCLUSION (ED&I)	61
Communicating and Embedding ED&I	63
Addressing Social and Economic Underrepresentation Through our Projects and Across our Workforce	65
Gender Pay Gap	66
LEARNING AND DEVELOPMENT	67
Performance Overview	69
Early Careers	70
SUSTAINABILITY GOVERNANCE	71
Ethical Behaviour	72
Modern Slavery	72
Our Construction Family	73
Whistleblowing	74
Management Systems and Assurance	74
Assurance and Continuous Improvement	75

INTRODUCTION

Environment and Sustainability Director Introduction

Readers,

I am pleased to share our inaugural STRABAG UK Sustainability Work on Progress Report, which contains many brilliant examples where our valued colleagues have demonstrated their commitment to ensuring that we are an even more responsible and sustainable business. In 2023, the STRABAG Group Work on Progress campaign was launched, focusing on driving industry innovation and digitalisation to build the future in a climate-friendly manner and achieve organisational climate neutrality by 2040.

With ever increasing stakeholder expectations on all businesses to act responsibly, we feel that now is the right time to reflect upon our progress to date and share how we endeavour to be a leader in sustainable business practices.

We have produced this report, not only because we are proud of our accomplishments, but because we view transparency and integrity as a cornerstone of our core value: trust. Last year (2024) was a big year for our UK business, with the launch of our UK-specific Environment and Sustainability Strategy 'Improvement Now, For the Future', which is aligned to and supports our Group corporate 'People, Planet, Progress' strategy.

With this opportunity to reflect, we form a basis for continuous improvement and progress towards both 2030 and 2040 sustainability ambitions. Sustainability can often seem complex and overwhelming; the vocabulary can be unfamiliar, and it is moving at a very fast pace. Over the past year, we have focused on cutting through the complexity, demystifying the many subject areas, and focusing upon a consolidated data-driven approach to improvement.

Our sustainability performance is the responsibility of every individual in our organisation. Our people have delivered significant social value to local communities, developed innovative solutions to protect our environment, and continued to drive quality for our customers. Responsible and sustainable business

practices are the bedrock of what we do: this report provides the opportunity to take a deeper look into what we have achieved, while we also recognise that there is still a lot to do.

Personally, I feel privileged to be part of an organisation focused on developing solutions for both national and global needs. Examples of such include the Coire Glas Exploratory Tunnel and the Woodsmith Project, as well as our dedicated Building business unit, which concentrates on facilitating national logistic and distribution requirements, existing asset refurbishment, and security needs.

As a Group, STRABAG is actively working on more than 250 sustainability projects. Innovation is viewed as a fundamental component in achieving our ambitious goal of becoming climate neutral by 2040. This very same mindset is reflected within our corporate structure through the establishment of a dedicated innovation, technology, and digitalisation function (SID). Robotics, BIM 5D, LEAN construction, and advanced GIS applications are now standard approaches we are employing every day to enable more efficient, sustainable, and productive delivery.

To end, the climate and ecological crisis demands bold action and unwavering commitment. This report demonstrates that the environmental and social agenda is intrinsic to what we do and continues to grow across our UK business. Our effective governance processes ensure that risk is minimised, opportunities are maximised, and resilience is appropriately accounted for. This report outlines our commitment to working on progress, recognises the challenges ahead, and is a means of holding ourselves accountable to continuously strive for long-term value for our stakeholders while leading the transformation to a more sustainable future.

OUR UK GOAL IS TO BE CLIMATE NEUTRAL BY 2040.

James Keegan

Environment and Sustainability Director





Simon Wild and Andrew Dixon

Views from our Managing Directors

Readers,

We are really proud of the progress we have made in recent years - it is testament to the responsibility that every member of our organisation takes. Their fantastic work has been recognised through awards such as the Ground Engineering Awards, the New Civil Engineer Tunnelling Awards, and the Women in Construction and Engineering (WICE) Awards.

As a cornerstone of the UK economy, our industry play a crucial role in facilitating the transition to a lower carbon and net zero economy, whilst improving the environment and creating social value by supporting the communities in which we work.

It is imperative that we embrace sustainability and environmental stewardship so we leave the environment in a better condition than we found it. We want to continue to positively impact our local communities and leave a legacy for future generations. Sustainability is one of our core values, rooted in a deep understanding of the inter-

relationship between our industry, societal, and planetary wellbeing on a local and global scale.

We recognise that we play a significant role in enhancing the prosperity of local communities and, with a focus on sustainable procurement and social value, we are really pleased to report that we have generated £955,087,492 in social value since 2019. We also recognise that we can do far more, which is why we have established a dedicated social value team, process, and improvement plan that we will take forward into 2025.

Over the past year, we have established our carbon baseline which was independently certified. This important milestone aligns with the aspirations of our group Science Based Targets initiative (SBTi) and Carbon Disclosure Project (CDP) 'B' rating. In 2025, we will release our UK business-specific Carbon Reduction Plan aligned to PPN 06/21, which will complement our ISO 20400-aligned sustainable

INTRODUCTION

procurement approach, and will help to reduce our business emissions over the coming years.

Environmental protection and stewardship are vital for our business, and during 2024 we achieved a 15 per cent reduction in our Environment Incident Frequency Rate (EIFR). With a focus on circularity, we can confirm that our management efforts resulted in diverting 99.7 per cent (over 1.74 million tonnes) of material from landfill. Furthermore, our ambition is to ensure that all material is beneficially reused.

Health and safety is of paramount importance to us. We have had a concerted focus on inspections and feedback over the past year, recording 16,745 safety observations, conducting 3,691 risk-focused assurances. These initiatives resulted in a reduction in our Accident Frequency Rate (AFR) in comparison to 2023.

We continue to progressively address our gender pay gap and are working hard to ensure that we have a zero per cent gender pay gap by 2030 whilst increasing the number of women in management by six per cent, per year. Our current gender pay gap is 5.7 per cent, which is significantly lower than the UK construction average of 23 per cent. In order to support this, we will build upon our ED&I programme and ensure that all of our staff in leadership positions attend our ED&I training which was completed by 76 per cent of our leadership population in 2023/24. Arrangements are in place to ensure that the remainder of this population is trained throughout 2025.

Our commitment to being a truly sustainable business is steadfast. Please take the time to read our progress to date and our aspirations for the future.



HIGHLIGHTS

99.7% (>1.74m tonnes)

Material diverted from landfill

£955,087,492

Generated in Social Value since 2019

76%

of our leadership population completed ED&I training in 2023/24 with a 95 per cent positive rating

Our Strategic Approach

In 2024, we developed our UK-specific Environment and Sustainability Strategy, 'Improvement Now, For the Future', to support the delivery of our sustainable business ambitions and align with the Group corporate 'People, Planet, Progress' focus areas. The strategy was developed by undertaking a materiality assessment which aligns with national agendas and stakeholder priorities.

Urban growth, climate change, and demographic development in our core markets calls for innovative thinking to shape the future. Our 'People. Planet. Progress.' strategy sets out to create added value for employees (People), to address the effects of climate change and achieve climate neutrality by 2040 (Planet), and to drive technology, data, and innovation to challenge the status quo and advance expertise (Progress). To achieve these outcomes, six areas of action have been devised.



FOCUS ON EMPLOYEES

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



GLOBAL-LOCAL PRESENCE

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



EXPERTISE IN THE ENERGY SECTOR

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



CIRCULAR ECONOMY

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



TECHNOLOGY LEADERSHIP

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



DEPTH OF VALUE CREATION

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

INTRODUCTION

Our STRABAG UK Environment and Sustainability strategy unites our ambitions and goals with a UK-focused lens but, more importantly, provides a guideline to achieve them, in turn creating further environmental, social, and economic value. Our strategy outlines our 2030 and 2040 targets, and is formed of three strategic pillars, with a number of focal areas identified as materially significant. The 'People. Planet. Progress.' areas of action are the foundation of our approach, and our strategy will be reviewed annually to ensure that it is still reflective of technological advancement, wider group priorities and progress, and changing stakeholder expectations.

In general terms, around 50 per cent of UK carbon emissions are linked to the built environment, with over half of these related to the production of materials, particularly steel and cement, which account for around 15 per cent of global emissions. The construction sector also generates about 60 per cent of waste produced in the UK. The climate emergency is evident, and, as a key player in the construction industry, we hold an important role in abating the consequences of climate change, influencing more circular construction practices, and enhancing biodiversity.

As a result, our UK Environment and Sustainability Strategy outlines our targets to achieve net zero by 2040, reduce emissions, enhance biodiversity, and adopt construction best practices. Guided by our vision to construct a sustainable and resilient future,

our mission is to integrate environmentally responsible and conscientious sustainability practices in every facet of our business. This ensures we deliver projects that not only meet the demands of today, but also safeguard the wellbeing of future generations.

We appreciate that these goals will be challenging to achieve, however, we believe that through our organisational model, cultural maturity, and investment in innovation, they are by no means unrealistic. Our goals and ambitions are driven by integrated Key Performance Indicators (KPIs) and the absolute need for action on issues such as climate change, nature, circularity, and diversity and inclusion. To achieve our goals, we will be working closely with our wider Group, and collaborating with partners, customers, communities, and the wider industry.

We are fully aware that being a responsible and sustainable business can boost opportunities, improve profitability, and position us as a market leader within the UK. The construction, infrastructure, and energy sectors have the power to transform lives and build better futures. We want to strengthen the communities we work in, create opportunity for the people that work for us, and support local and small businesses - ultimately, leaving a legacy that we are proud of. Equally, we understand that early career professionals want to feel empowered to tackle the climate emergency, create a more sustainable way of working, and attain the necessary skills and education to inform such decision-making processes.



About STRABAG UK

STRABAG UK Limited is a subsidiary of STRABAG SE, one of the largest construction companies in Europe, employing roughly 86,000 people and holding a strong financial standing in terms of output volume and forward order book.

Since entering the UK market in 2011, STRABAG UK has emerged as a leader in innovation and construction capability, integrating a wide range of specialist skills with our extensive expertise to deliver large-scale complex infrastructure and ground engineering projects for our clients. Our diversified and long-term investment in the UK includes projects within the energy, infrastructure, and building sector.

We offer services across the entire construction journey, including design, planning, construction, commissioning, and operations. This enables the delivery of sustainable solutions with a clear pathway to a carbon-neutral value chain by 2040. Our focus

on self-delivery in planning, design, construction, operation, facility management, redevelopment, material production, equipment, and technical service provision actively mitigates and manages risk whilst creating environment and sustainability opportunities throughout every stage of a project.

STRABAG's technical expertise enables us to leverage global knowledge and apply it effectively to local projects. We are constantly investing in innovative technological advancements, driving environmental improvements to deliver meaningful sustainability outcomes. We recognise the challenge ahead, initially to standardise our approach to environment and sustainability in line with national and stakeholder expectations, but also to develop systems and processes to achieve our 2030 and 2040 aspirations. We are committed to Work on Progress and playing a significant part in the transition to a more sustainable future.

STRABAG UK VALUES



PARTNERSHIP



SUSTAINABILITY



INNOVATIVE SPIRIT



RESPECT



RELIABILITY



COMMITMENT



SOLIDARITY



TRUST



MODESTY



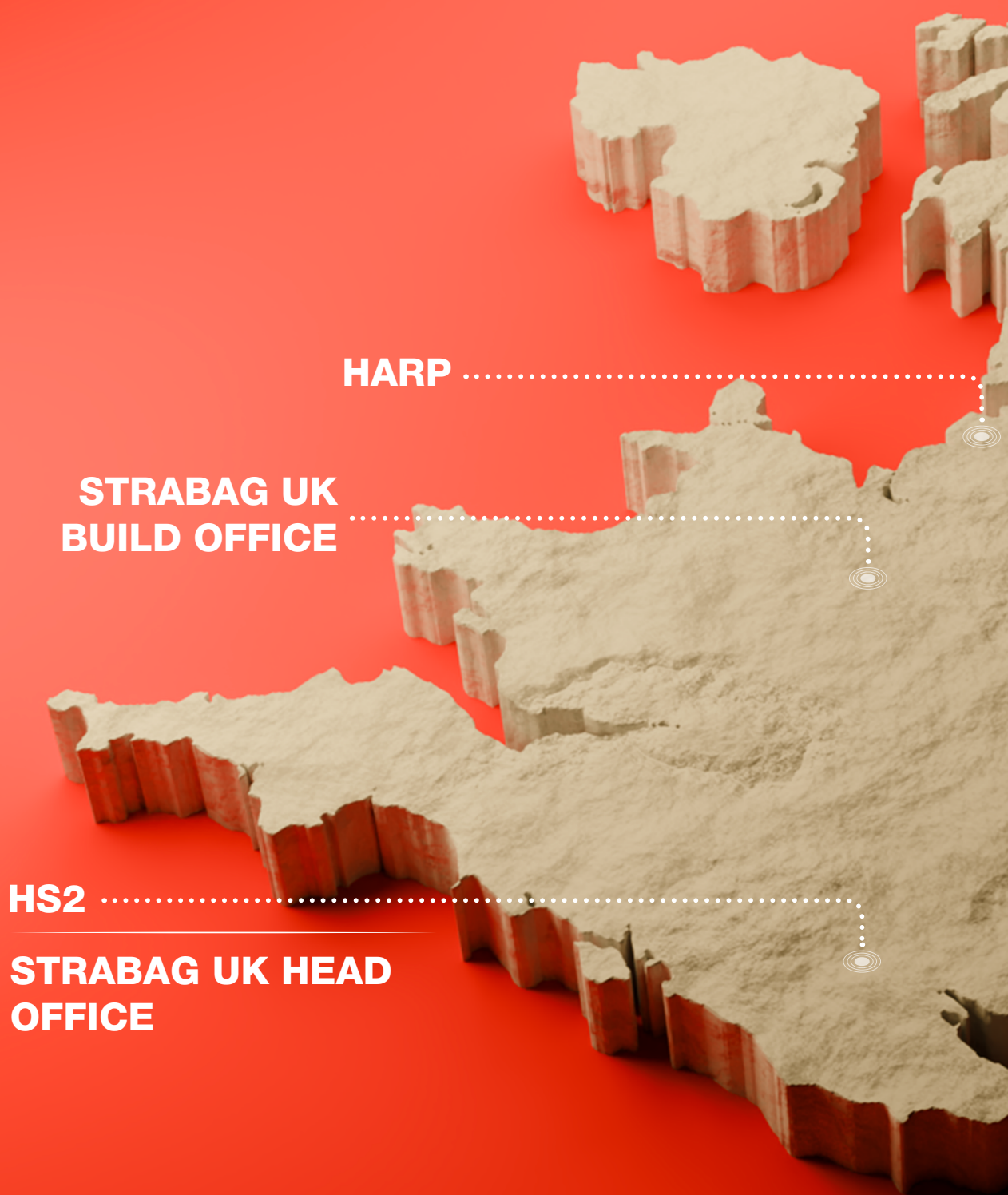
Our Focus Areas and Targets

	Environment	Resources	Communities and People
Strategic Objective	Leave the environment in a better condition than we found it, and lead the transition to net zero.	- Reduce resource consumption, create value from the materials we no longer need and close the loop through beneficial reuse of our waste. - Recognise that embodied carbon associated with the materials we use forms the vast majority of our carbon footprint. This is why we are committing to reducing resource consumption, creating value from the materials we no longer need, and closing the loop through adoption of circular economics.	Improve the prosperity and wellbeing of people that work for us and the communities we work in.
Focus Area	- Reduce our carbon footprint. - Create Biodiversity Net Gain (BNG). - Set an industry example through best practice and innovation. - A continually improving Environment and Sustainability Management System (ESMS) that constantly reduces risk and maximises opportunity.	- Circular economy-focused design and delivery approach. - Enhanced use of sustainable materials and increasing the recycled content of our materials.	- Make a difference in local communities. - Develop an exemplar Environment and Sustainability team.
UK 2030 Targets	- Reduce our Scope 1 and Scope 2 Green House Gas (GHG) emissions by 50 per cent in comparison to baseline. - Reduce our Scope 3 emissions by 30 per cent in comparison to baseline. - Create opportunities for BNG on all projects.	- Divert 100 per cent of inert waste from landfill. - Thirty per cent reduction (normalised) in waste generated in comparison to baseline.	- Generate £3 billion worth of social value. - Increase self-delivery of specialist environment and sustainability services by 30 per cent.
UK 2040 Targets	- Net zero carbon emissions through our operations and entire value chain. - Deliver 20 per cent BNG benefits within our areas of influence.	Total avoidance of construction waste generation.	Positively impact 500,000 people.



STRABAG UK PROJECTS

Some of our Notable UK Projects



HARP

**STRABAG UK
BUILD OFFICE**

HS2

**STRABAG UK HEAD
OFFICE**



COIRE GLAS

**EDINBURGH
OFFICE**

**HARTLEPOOL ADVANCED
MANUFACTURING FACILITY**

THE WOODSMITH MINE

SIZEWELL C

The Woodsmith Project

KEY FACTS

£1.2b

**ADDITIONALLY GENERATED FOR
THE ECONOMY OF YORKSHIRE
AND THE NORTHEAST**

60

**APPRENTICES, INTERNS AND
GRADUATES RECRUITED**

15

**LONG-TERM UNEMPLOYED
PEOPLE UPSKILLED, TRAINED
AND EMPLOYED**

On behalf of our client, Anglo American, we are currently constructing the conveyor tunnel for a permanent mineral transport system in North Yorkshire to facilitate the transport of vast quantities of polyhalite beneath the North York Moors National Park. Tens of millions of tonnes of polyhalite will be transported through the tunnel beneath the North York Moors National Park to a processing unit close to Teesside. Through harnessing innovation and expertise, we broke the world record for the longest single-bored tunnel drive in 2023.

Since construction started in 2017, the Woodsmith Project has generated an additional £1.2 billion for the economy of Yorkshire and the North East. Engaging with numerous local contractors and suppliers for the project, we have trained and upskilled hundreds of workers from an area of declining heavy industry, recruiting 60 apprentices, interns, and undergraduates. In addition, we have also held joint careers events with the client at Cambourne School of Mines, Warwick University, and have worked with a local recruitment provider to upskill, train, and employ 15 local, long-term unemployed people.

As we are working in close proximity to and beneath a national park, we have considerably reflected environmental and social sensitivity within our design. For example, to reduce the visual impact, we engineered mineshaft headframes below ground, while the above-ground structures were designed to blend seamlessly among the rural landscape.

We also took numerous steps to protect local ecology and reduce the environmental footprint of the project. Further environmental considerations included strictly controlled working hours for surface operations to limit light pollution and impacts on ecology, the implementation of full noise abatement measures, background environmental air quality monitoring, preservation of wildlife and ecology habitats, and protected aquifers.

The 37 km underground conveyor belt system transports the mined ore to Teesside, avoiding the need for heavy vehicle traffic on local roads and railways. This reduced congestion, local air emissions, and disruption on the wider community, as well as reducing the carbon footprint of the project.





Sizewell C Ground Freezing Trial

We are currently working on an artificial ground freezing trial at the Sizewell C nuclear power station as part of preparations for main construction. Based in East Suffolk, Sizewell C is a British nuclear energy project which will provide 60 years of clean, reliable, and low-carbon electricity for around six million homes to strengthen Britain's energy security. This project is expected to significantly reduce annual carbon dioxide emissions by around nine million tonnes.

Artificial ground freezing is a construction method used to temporarily stabilise the soil and control groundwater when traditional techniques are impractical. This innovative ground freezing method shows our ability to deliver comprehensive services across the built environment, leveraging our extensive experience to deliver quality, and minimise our impact on the natural environment.



Hartlepool Segment Manufacturing Facility

We are currently manufacturing reinforced concrete segments for the HS2 project. The advanced manufacturing facility is a great example of circularity, as we repurposed a 45,000 m² redundant brownfield fabrication facility. Through the application of advanced robotics technology, we have developed what is now one of the most advanced precast concrete segment manufacturing facilities in the world. The factory will ultimately deliver over 83,000 precast concrete segments for the HS2 London tunnels. Through developing a rail network transport solution, we have successfully avoided approximately 56,000 lorry journeys, avoiding associated carbon emissions and local community impact.

HS2 London Tunnels and Approaches

We are part of the Skanska Costain STRABAG Joint Venture (SCS JV), delivering the HS2 London tunnels between Euston and West Ruislip. This highly complex project involves the construction of 48 km of tunnels, bridges, utility services, embankments, cuttings, highway amendments, and oversite developments.

Working in suburban and central London, we are focused on reducing our environmental impact and limiting disruption to local communities and businesses – supporting our wider sustainability goals to cut emissions, boost biodiversity, and create local value.

A major challenge of such a large-scale project is managing excavated tunnel material and segment

deliveries. To address this, we built a nine-mile conveyor system to move excavated material from Old Oak Common to a logistics hub, avoiding local roads. From there, material is loaded onto trains and taken out of London, cutting heavy vehicle use, air pollution, and congestion. From the hub, material is loaded onto trains and transported out of London, eliminating the need for heavy goods vehicles and local air pollution, significantly reducing congestion and CO₂ emissions. Excavated material is then reused to help restore a former quarry site in Cambridgeshire, supporting circular construction and environmental regeneration.



Coire Glas Exploratory Tunnel

Since 2022, we have been constructing an exploratory tunnel as part of the Coire Glas Project on the banks of Loch Lochy in Scotland for SSE Renewables, one of the most technically challenging tunnelling projects delivered in recent years. The drill-and-blast tunnel through challenging rock formations is gathering essential data for what will be the UK's largest pumped hydro-storage scheme in over 40 years. At 1.3 GW and a storage capacity of 30 GWh, the project could power three million homes for up to 24 hours, nearly doubling Great Britain's total current electricity storage.

The project has been positively received by stakeholders including Scottish Environmental Protection Agency (SEPA), NatureScot, and The Highland Council. There were many initial challenges working on Coire Glas. This included setting up the site in such a remote location and the close surface water receptors leaving little ability to manage and treat surface water. Management of water continued to be a key risk during the works due to the

fluctuations in groundwater ingress. However, these challenges were faced head on by the site team. The groundwater ingress rate was unknown at the start of works, thus required investigation using drilled probes to measure flow rates. This allowed for pre-emptive water treatment adjustments based on real-time data, ensuring efficiency. Limited storage space required innovative solutions. Strong stakeholder relationships were built through this proactive problem-solving and collaboration which resulted in a more controlled and efficient water treatment process. Additionally, the project received two nominations at the New Civil Engineer Tunnelling Awards, and was successful in winning Tunnelling Project of the Year (up to \$100 million), and jointly winning Ground Investigation Project of the Year awards. These achievements demonstrate the professionalism that has been evident in executing this critical phase of the project for the client.





ENVIRONMENTAL SUSTAINABILITY

We are taking action now, and tackling the environmental challenges our planet faces today to ensure that we safeguard the future. Our materially important environmental sustainability topics are as follows: climate change, resource efficiency, and biodiversity.

Environmental Governance

Our Environment and Sustainability Management System (ESMS) outlines our approach to identifying, managing, and continually improving the way in which we deliver our projects. It sets a framework for environmental performance, minimising our impact on the environment and ensuring continual improvement.

In 2024, we strengthened our risk management processes by embedding emerging environmental risk into our UK operations. We focused on understanding material and waste flows, certifying our carbon footprint, improving governance, and expanding our environment and sustainability team.

We also adopted a more data-led approach, using advanced analysis to identify energy use, high-carbon processes, waste issues, and water hotspots. This data-driven method supports ongoing improvements and ensures sustainability is integrated into our daily operations.

By working closely with stakeholders, we've been able to reduce the whole-life impacts of our projects. Our designers, engineers, data scientists, and specialists collaborate to minimise risks using advanced tools such as constraint mapping, impact assessments, and detailed analysis.

HIGHLIGHTS

- Centralised live performance dashboards and data-driven decision making
- Tailored, focused risk management initiatives
- Development of standardised environment, energy, carbon, and sustainable procurement management approaches
- Detailed material flow and waste analysis and formation of waste baseline

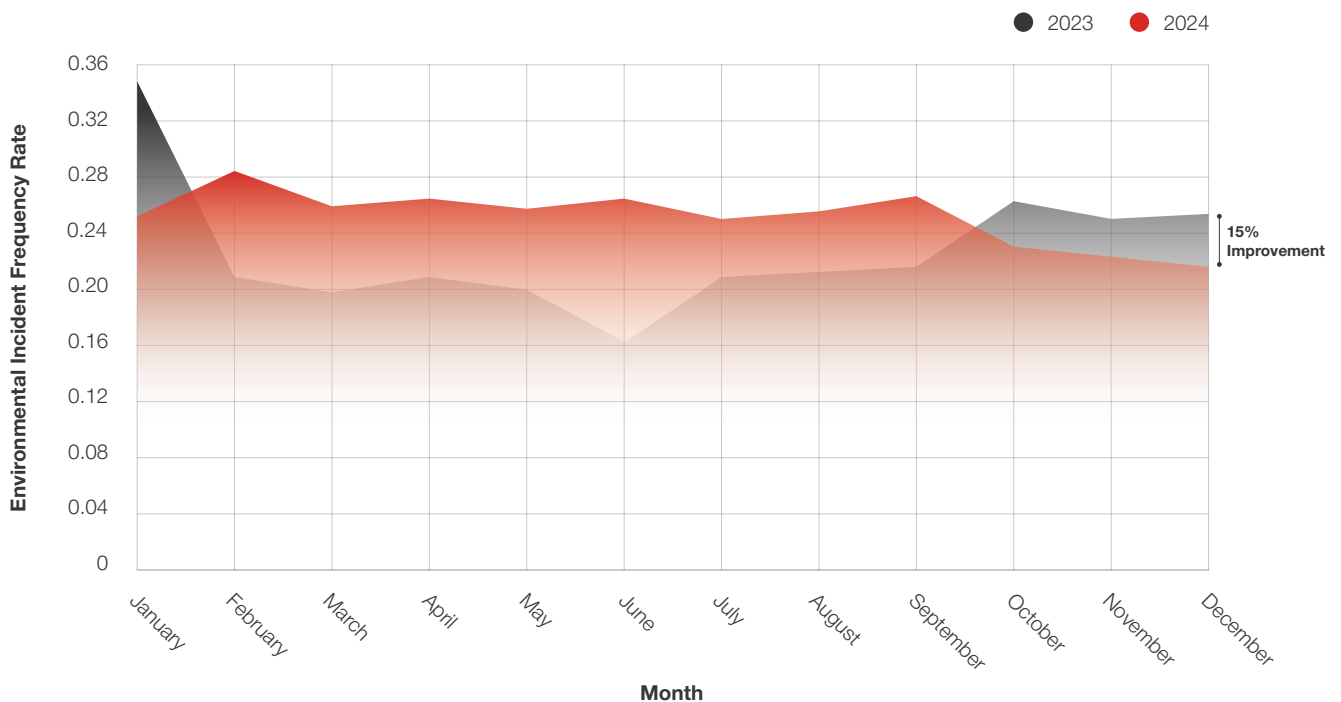


Environmental Incidents

Our environmental performance in 2024 reflects our commitment to maintaining excellent standards and showing our dedication to sustainable practices and responsible site management.

No major (Category 1) or significant (Category 2) incidents were recorded, with 36 minor (Category 3) incidents reported. Our Environmental Incident Frequency Rate (EIFR) was 0.211 - around two incidents per million hours worked - marking a 15 per cent improvement on 2023.

EIFR (ROLLING 12-MONTH) - 2023 PERFORMANCE VS. 2024



Managing Environmental Risks

In 2024, we launched our Environment and Sustainability Knowledge Hub. The Knowledge Hub is a centralised information source accessible by all staff, and since its launch the site has been visited over 11,000 times. It provides access to all documentation associated with our ESMS, live KPIs, lessons learnt and best practices, technical standards, guidance, and policies.

Additionally, our learning and development programme helps upskill staff and supply chain partners, supporting early action to boost efficiency, cut waste and emissions, and enhance biodiversity.

We have a team of over 40 environment and sustainability professionals who ensure we are constantly striving to eliminate impacts and protect the environment and local communities. We take an integrated one-team approach whereby our engineers and designers work alongside our environment and community team. This is to ensure that direct impacts that may affect communities are minimised, while design incorporates climate resilience and focuses upon long-term environmental improvement.



Our Environmental and Sustainability Management System (ESMS)

Our ESMS is certified to ISO 14001:2015 and ISO 50001:2018, while aligned with PAS 2080:2023, ISO 20400:2017, ISO 14064-1:2018, and ISO 59004:2024.

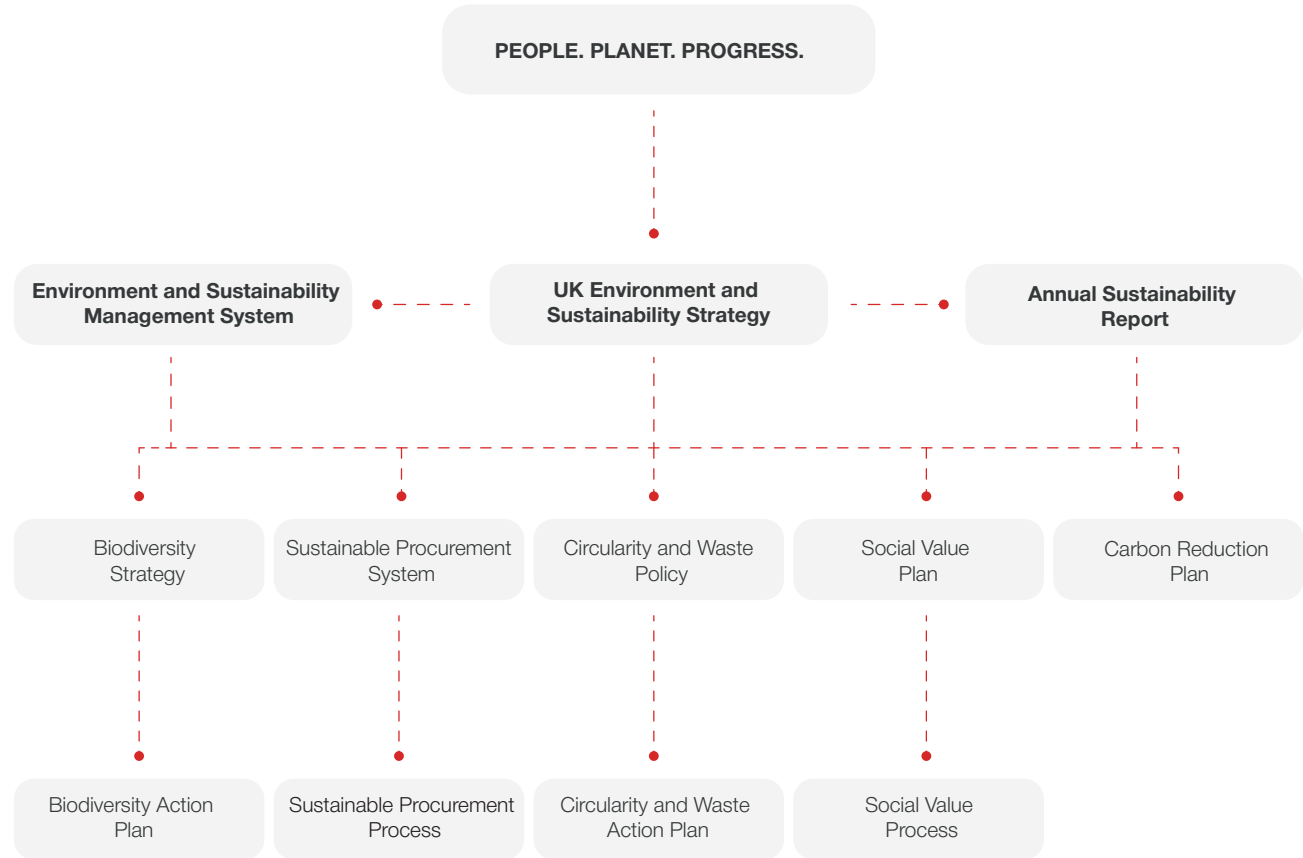
Our ESMS is the foundation upon which we direct focus on operational risk management and continual improvement. We achieve this through identifying operational aspects, associated impacts, and developing tailored mitigation plans. A series of policies, procedures, and plans set the minimum requirements in respect to waste, water, noise, air quality, pollution prevention, energy efficiency, carbon management, and sustainable procurement, while continual improvement is facilitated through our assurance programme.

In 2024, we introduced several new strategies to support our ESMS, including our biodiversity strategy

(to be realised in 2025), waste and circularity action plan (to be realised in 2025), and social value process, while we are currently working on our UK-specific carbon reduction plan. Additionally, through 2025, we will be developing a series of bespoke training packages to increase organisational-wide awareness of the ESMS.

Overall, our ESMS provides a framework to ensure legal compliance, efficient use of resources, performance tracking, and transparency and accountability of our progress.

ENVIRONMENT AND SUSTAINABILITY MANAGEMENT SYSTEM STRUCTURE



Our Commitment to Stewardship

We take environmental stewardship seriously, as shown by our study on nitrate dissolution in the natural environment. This work has helped identify and trial more sustainable and environmentally-friendly blast compounds, improving industry understanding of associated risks. This study now presents an alternative to traditional ammonium nitrate-derived explosives that have significantly lower carbon footprint and reduced environmental impact.

CLIMATE CHANGE

HIGHLIGHTS

Carbon baseline aligned to ISO14064

Carbon management system developed

Independent sustainable procurement system gap assessment

Expanding in-house Whole Life Carbon Assessment (WLCA) and design optioneering capability

Group SBTi commitment

Retention of Carbon Disclosure Project (CDP) 'B' rating

Sustainability steering groups established

Climate Governance

Over the past year, we have implemented a top-down and bottom-up approach to engaging with climate risk and carbon impact. Climate-related risk and carbon reduction are a clear focus throughout the business, from cutting our emissions to contributing to the UK's energy transition and climate change adaption. The UK Government has pledged to achieve an 81 per cent reduction in emissions by 2035 compared to 1990 levels. Achieving this goal requires substantial investment in the UK's infrastructure towards a more circular and sustainable future.

Within the UK, we actively monitor emissions data and feedback to the wider group, while the group board actively monitors progress in respect to carbon reduction. During 2024, STRABAG SE joined the SBTi, committing to reducing emissions in line with the Paris Climate Agreement. This, in addition to maintaining a CDP rating of 'B' for sustainability initiatives in the categories of climate change, water security, and deforestation emphasises our commitment to holding ourselves accountable through appropriate governance structures.

Science Based Targets Initiative (SBTi)



The SBTi is a partnership between CDP, the United Nations Global Compact, the World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). It aims to drive ambitious climate action in the private sector.

The SBTi defines and promotes best practice in emissions reductions and net-zero targets in line with climate science. It independently assesses and approves companies' targets, providing key clarity and guidance, ensuring that targets translate into action that is consistent with achieving a net zero world by 2050. By driving down our emissions using an approved science-based approach we are aligning our climate transition to a 1.5 °C mitigation pathway.

In 2024, STRABAG SE committed to the SBTi and over the course of the next 24 months will submit targets for validation.

Climate Adaptation and Resilience

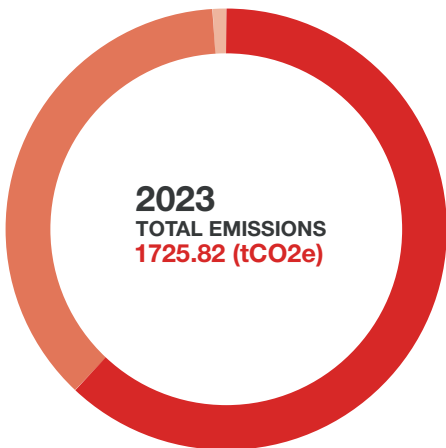
In 2024, we integrated climate-related risks into our UK business strategy to better protect our operations from emerging challenges. We recognise the risks of climate change – such as supply chain disruption, asset damage, and resource constraints – and have adapted our management systems to address these risks. In 2025, we will be focused on the mitigation

and adaptation which our project teams will need to implement during prolonged periods of extreme weather. These risks, however, present opportunities for us to drive innovation and deliver solutions which can increase the resilience of our infrastructure and make our communities more resilient to the impacts of climate change.

SECR Reporting 2024

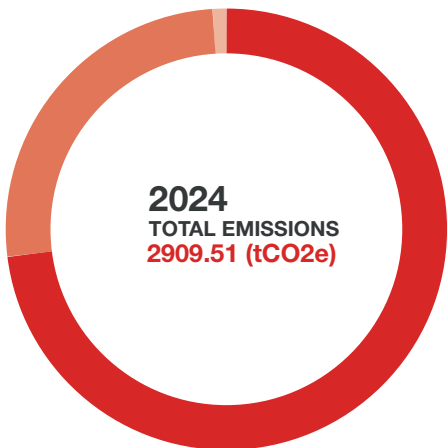
The UK Government’s Streamlined Energy and Carbon Reporting (SECR) policy builds on mandatory greenhouse gas reporting, the Energy Saving Opportunities Scheme (ESOS), Climate Change Agreements (CCA) scheme, and the EU Emissions Trading Scheme (ETS). STRABAG must report our energy and carbon emissions which helps drive

energy efficiency measures and provides us with important baseline information to make decisions to transition to a sustainable, low-carbon business and reach our goal of carbon neutrality by 2040. STRABAG operates in the UK through two entities: STRABAG UK Ltd and STRABAG AG UK Branch.



- Scope 1 Emissions (1067.38 tCO₂e)
- Scope 2 Emissions (653.79 tCO₂e)
- Scope 3 Emissions (4.65 tCO₂e)

Carbon Intensity **12.78**
Gross tCO₂e / £Millions



- Scope 1 Emissions (2122.71 tCO₂e)
- Scope 2 Emissions (774.96 tCO₂e)
- Scope 3 Emissions (11.844 tCO₂e)

Carbon Intensity **14.78**
Gross tCO₂e / £Millions

1. The table only reflects projects under the UK Limited entity.
2. Emissions calculated using UK government-approved conversion factors.
3. Due to the unavailability of direct fuel consumption data for company vehicles in 2023, mileage data was used as a proxy for emissions calculations. The methodology for converting mileage to emissions follows government-approved conversion.
4. The reported Scope 3 emissions include fuel and mileage data claimed by employees through the company’s expense system.
5. The Scope 3 emissions listed here only account for business travel in staff vehicles. Other potential Scope 3 sources (e.g. supply chain emissions, employee commuting, waste) are not included in this analysis.
6. The increase in total emissions from 2023 to 2024 could be attributed to the addition of a new project, leading to higher energy consumption and fuel usage.



Using carbon intensity allows us to better reflect the efficiency of our operations as the business grows and provides a clear, comparable metric for measuring progress. It ensures that reductions are achieved through genuine improvements in processes, technology, and material choices, rather than being influenced solely by changes in project scale or revenue fluctuations.

In our ongoing efforts to reduce Scope 1 emissions, we have made significant progress on one of our key operational sites through the adoption of sustainably-certified Hydrotreated Vegetable Oil (HVO). Since 2023, the SCS JV fuel mix demonstrates our strong commitment to transitioning away from conventional fuels, with HVO accounting for 93 per cent of our total fuel consumption used onsite while traditional white diesel makes up approximately seven per cent of our fuel use. While we recognise HVO as a transitional solution, it represents an important step in our decarbonisation journey towards other long-term sustainable alternatives.

For our Scope 2 emissions, we continue to progress toward the use of renewable energy. On our SCS site, 100 per cent of the total electricity consumed in 2023 was Renewable Energy Guarantees of Origin (REGO) certified, and, on our Hartlepool site, 95 per cent of the electricity consumption was REGO certified. This high percentage of certified renewable energy clearly demonstrates our commitment to transitioning toward cleaner energy sources, and increasing renewable energy coverage across all projects.

We also address Scope 3 emissions through initiatives like our 2024 employee commuting survey, which achieved an excellent response rate and provided valuable data on travel habits. Our sophisticated travel booking system tracks all business travel, calculating the carbon travel of different options, helping guide low-carbon choices.

Looking ahead, we're strengthening our operational framework with several key initiatives. In 2025 we will release our low-carbon site set-up and operation standard that will introduce a number of minimum environmental requirements across all sites and projects. We've also implemented sustainable procurement standards that require suppliers to meet specific environmental criteria, helping to further reduce our indirect emissions.

Carbon-Reduction Planning

STRABAG UK's carbon-reduction targets align with our ambitious group roadmap to becoming carbon neutral by 2040. In 2025, we will publish our Carbon Reduction Plan in line with the UK Government's Procurement Policy Note (PPN06/21), reinforcing our commitment to transparency and accountability.

Over the past year, we've refined our carbon reporting by focusing on carbon intensity – measuring emissions per unit of revenue – rather than absolute

emissions alone. This method enables us to more accurately reflect the efficiency of our operations as the business grows, offering a clear, comparable metric for measuring progress. It ensures that reductions stem from genuine improvements in processes, technology, and material choices, rather than being influenced solely by changes in project scale or revenue fluctuations.





Sustainable Procurement

In 2024, we developed our UK-specific sustainable procurement process aligned with ISO 20400: 2017. This approach ensures that the sourcing of goods, services, and materials considers environmental, social and economic impacts across their life cycle. Sustainable procurement is key to cutting carbon, improving resource efficiency, and supporting ethical practices.

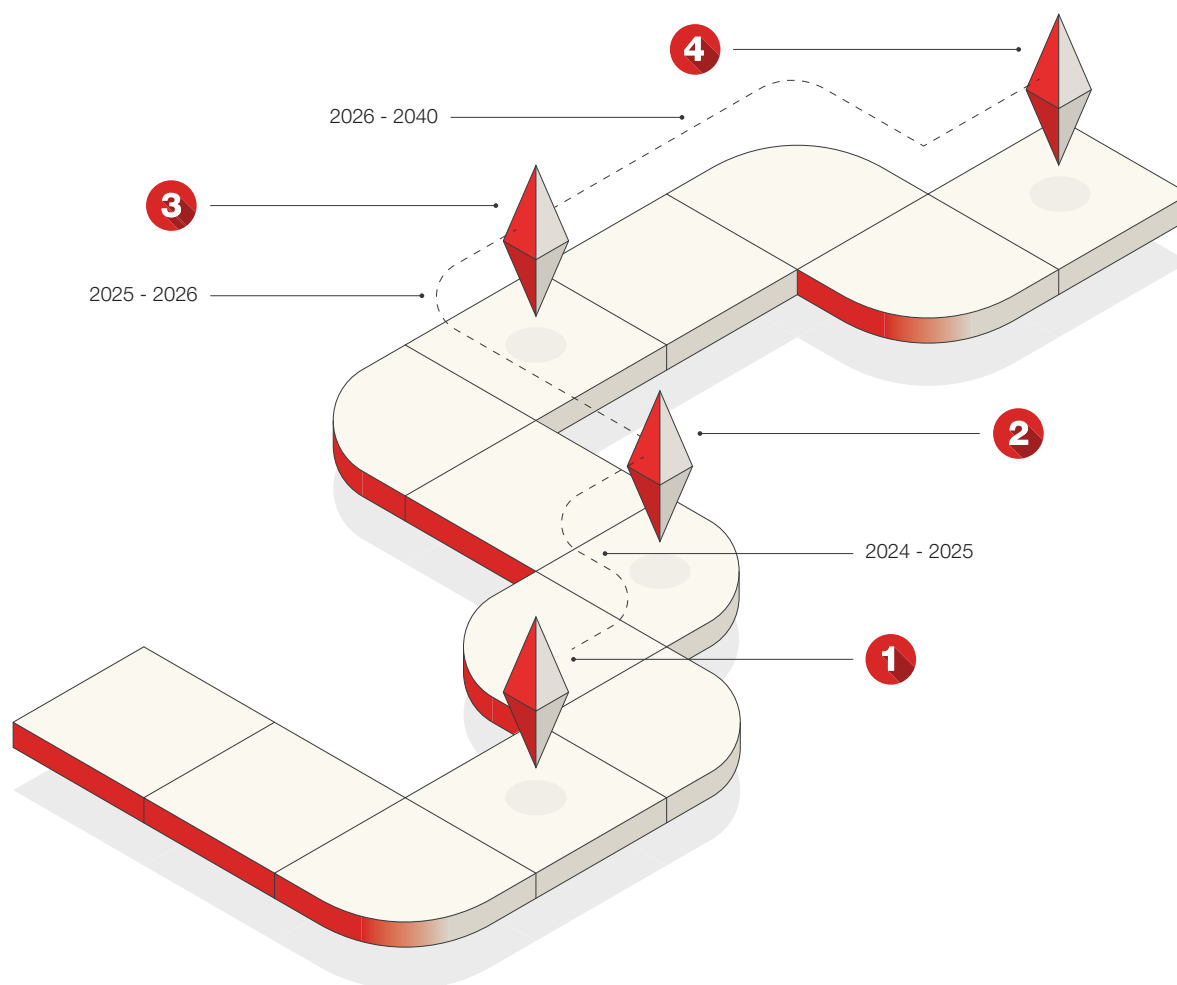
Our commitment to sustainable procurement and supply chain engagement aims to drive innovation, enhance circularity, and create long-term value for our communities and stakeholders.

The process - outlined in the flowchart below - embeds sustainability into every stage of procurement.

SUSTAINABLE PROCUREMENT PROCESS



SUSTAINABLE PROCUREMENT ROADMAP

**1 SHORT-TERM**

- Finalise policies
- Conduct stakeholder mapping
- Integrate sustainability into our procurement process

2 MEDIUM-TERM

- Innovative practices
- Monitor KPIs
- Adapt strategies and ensure responsible disposal

3 LONG-TERM

- Set Specific, Measureable, Attainable, Relevant, and Timely (SMART) goals
- Engage suppliers
- Evaluate sustainable procurement practices

4 FINAL

- STRABAG UK is a leader in sustainability
- Achieve independent ISO20400 verification
- Reduce Scope 3 emissions by 30% by 2030
- Net Zero by 2040

By 2040, all the building materials used at STRABAG will be climate neutral. This includes both the materials we produce ourselves as well as those that we procure from suppliers and subcontractors.

Sustainable procurement, supply chain collaboration, and innovation will play a crucial role in achieving

climate neutrality goals, particularly in relation to Scope 3 emissions. To establish a minimum standard, we have developed 'Sustainable Procurement: A guide for our supply chain', which includes specific requirements and criteria for subcontractors, such as environmental compliance, social governance, resource efficiency, and sustainable material selection.

Supply Chain Engagement

We are fully committed to actively engaging with our value chain, striving for a win-win approach through mutually beneficial partnerships that align business growth with sustainability goals. This approach ensures that suppliers not only support our commitments but also gain value through collaboration, innovation, and shared success. The following success criteria will be focal points in achieving tangible sustainable procurement-focused outcomes.

Throughout 2024, we have actively engaged with our suppliers to promote circular economy principles, integrate data and carbon outputs into our subcontractor contracts, and assess the whole-life emissions of our key products. As part of our minimum requirements, we now require that all concrete, steel, and aggregate suppliers provide

carbon data for their products, ideally through Environmental Products Declarations (EPDs). This enables us to analyse and monitor accurate data to inform decision making effectively. Collaborating with our supply chain remains a key focus for us, ensuring a shared commitment to reducing carbon reduction and developing sustainable solutions.

SUSTAINABLE PROCUREMENT KEY TO SUCCESS



Responsible and Sustainable Material Procurement

We have established robust responsible procurement requirements to ensure the materials we use align with our sustainability and ethical sourcing commitments. These requirements set a clear standard for our supply chain, making sustainability a priority in every stage of material selection and procurement. Suppliers and subcontractors are now required to demonstrate compliance through recognised certifications such as Forest Stewardship Council (FSC), Programme for the Endorsement of Forest Certification (PEFC), and BES6001, or equivalent standards. This approach ensures all timber, concrete, aggregates, and other critical materials meet strict environmental, ethical, and legal criteria.

To strengthen this framework, we have implemented a black and grey list of materials, discouraging or prohibiting the use of substances with significant negative environmental or health impacts, for

example, Chlorofluorocarbons (CFCs), asbestos, and microplastics are banned, while virgin aggregates and hazardous chemicals are on a reduction priority list, promoting substitutes that align with our circular economy principles.

The approach we have taken sets a clear benchmark to ensure sustainability is embedded across our supply chain, while we ensure implementation through active data monitoring and assurance exercises.

Similarly, we are driving the adoption of net-zero steel, with a clear objective to achieve 100 per cent net-zero steel usage by 2040. These targets reflect our commitment to reducing the carbon footprint of our supply chain and minimising reliance on virgin resources. We will review our targets annually to reflect market capability, technological advancements, and regulatory developments, ensuring a realistic and adaptive approach to sustainable material use.

HIGHLIGHTS

- Established sustainable procurement management process
- Developed sustainable procurement roadmap with tangible actions
- Developed supply chain requirements and black and grey list of materials
- Achieved 99 per cent adherence to responsible material sourcing requirements
- Actively monitoring supply chain adherence through interactive digital dashboard creation

Energy Efficiency

We recognise that the industry in which we operate is energy-intensive, thus we have an obligation to optimise energy use to reduce our reliance on the national grid and, equally, our carbon footprint. To achieve this, we developed, implemented, and gained third-party certification for our ISO 50001:2018 aligned Energy Management System (EnMS) in 2023.

This certification marks the start of our ongoing commitment to improving energy performance. We aim to embed energy efficiency across our operations, adapt to new challenges, and drive sustainable innovation. We will continue to:



Move away from traditional fossil fuels and in favour of renewable energy sources and energy-efficient technologies. This shift is integral to our commitment to achieving net-zero by 2040 and creating a more sustainable future for the construction industry.



Report and disclose energy performance. This includes compliance with UK regulations like the SECR framework and any mandatory energy audits under the Energy Savings Opportunity Scheme (ESOS).



Integrate energy-efficiency opportunities into strategic planning and design. Energy management is embedded in broader business strategies, influencing project design and operational decisions to align with our sustainability goals.



Set, deliver, and meet energy KPIs and targets. This takes place using internal and external audits, assessing the review reports, setting energy performance indicators (EnPIs), and monitoring energy performance.



Collaborate with stakeholders at all levels. Strengthened partnerships with suppliers, clients, and regulatory bodies will further enhance our energy efficiency throughout the value chain.



Provide necessary training, engagement, and skill development to ensure all staff are informed and empowered to contribute to energy-saving initiatives.



Prioritise energy-efficient products and services in procurement decisions to minimise overall energy consumption and environmental impact. We collaborate with suppliers who share our commitment to sustainable practices, strengthening the overall energy management system and creating a culture of responsibility across the supply chain.



In 2024, we advanced our data-driven approach by focusing on statistical analysis to support energy management and digital maturity. Using linear regression analysis, we identified key factors influencing energy use and developed models to show correlations. These include line and plane graphs for complex variables. Our goal is to create industry-specific models for wider use across construction sites, enabling quick and effective application.

FOCUS ON INNOVATION

We view innovation as a catalyst in achieving our sustainability ambitions.

Hartlepool

ADVANCED ROBOTICS

At our Hartlepool advanced manufacturing factory, we use state-of-the-art automation and robotics to significantly reduce steel reinforcement waste to negligible volumes, enhancing both resource and energy efficiency in line with STRABAG's sustainability goals. We prioritise local sourcing – using UK recycled steel and local aggregates – while creating over 200 jobs. These practices reduce Scope 1, 2, and 3 emissions and support local economic growth, aligning with our People and Communities Strategy.

High Speed 2

ROOFTOP TRAVELLER

The SCS JV team at the Copthall Tunnel won an award in the 'We Matter' category at the HS2 Inspiration Awards for developing and implementing the Rooftop Traveller. The team developed an innovative moving gantry frame that supports the construction and pouring of the concrete roof while eliminating most of the risks associated with the work. The Rooftop Traveller has also streamlined the construction process for a section of the roof of the tunnel, reducing the time from 40 to nine days.

ZERO-TRIM PILING TECHNIQUE

Zero-trim piling was implemented by SCS JV. Zero trim is a piling technique which uses a vacuum excavator to remove excess concrete from a pile while it is still wet; traditionally, concrete is overpoured



and the excess must be manually broken up by the site teams. Zero trim uses significantly less concrete as less is poured initially versus traditional piling. There is also the key benefit of avoiding the intensive pile-cropping exercise that involves breaking the hardened concrete at the top of the piles to create the finished surface, which is being replaced by the vacuum suction process of wet concrete with zero trim. This has led to improvements in carbon reduction and supports our goal of achieving net zero by 2040, as well as lessening the risks to health and safety as there is a reduced need for manual labour. The aggregates in the extracted concrete are then washed out and reused as backfill on site, promoting circularity. On HS2, we are installing around 2,000 piles, and the zero-trim technique will result in an estimated reduction of 60,000 working hours.

Noise reduction is another key benefit from this innovative technique, particularly on a project like HS2, where construction takes place in a busy city area near residential homes, businesses, and transport hubs.

HYDROGEN DUAL-FUEL PILING RIG

As part of the SCS JV, we have also pioneered the first dual-fuel hydrogen rig, which successfully installed four piles to a depth of 30 m. For this trial, a medium rig (Soilmec SR30 and Continuous Flight

Auger (CFA) piling rig) was converted. Typically, these rigs will consume roughly 100 litres of diesel per day, resulting in a reduction of 262 kg of CO₂ emissions.

The rig was modified to run on-board hydrogen tanks, achieving an average displacement of 36 per cent of diesel with hydrogen. This change has led to a reduction in fuel consumption and CO₂ emissions. Our industry consumes approximately one billion litres of fuel annually; the decarbonisation of plant is a huge milestone in accelerating the transition to cleaner fuels.

LOW-CARBON CONCRETE

SCS JV has also received funding from Innovate UK to up-scale production of an environmentally-friendly alternative to Portland Cement, supporting the decarbonisation of the construction industry. SCS will invest in a trial to calcinate London Clay excavated during its 21 km tunnelling project. The aim is to reuse these tunnel excavations as a sustainable replacement for Portland Cement in the concrete for HS2's permanent works, lowering the carbon footprint of the project.





The Woodsmith Project

WORLD'S LONGEST SINGLE-BORED TBM DRIVE

Working on behalf of Anglo-American, we set a world record for the longest single tunnel-boring machine (TBM) drive. This is the only TBM used for the entire 37 km, 4.9 m diameter tunnel. The favourable ground conditions – primarily Redcar Mudstone – as well as the site's logistics and the high performance of the TBM, were key factors in this decision.

At the heart of our world-record breaking achievement is our team's commitment to innovation and sustainability. This success was made possible through the integration of cutting-edge technologies and environmentally-conscious practices. We used robotics to drive the production of tunnel segments, enhancing precision and accuracy, reducing construction time, and ensuring high-quality results. We also developed and incorporated an electric-

powered TBM feeder, which has helped reduce emissions and minimise the environmental impact of our tunnelling process.

BLIND-BORE SHAFT TECHNIQUE

Along our tunnelling route, a series of service shafts were constructed using innovative design methodologies, including blind boring. This approach can replace the more traditional drill-and-blast method, minimising surface disruption and, consequently, the environmental impact of our activities. It is also a much safer method from a health and safety standpoint, as it reduces the need for our employees to enter the shaft during construction.



AngloAmerican

STRABAG

HERRENKNECHT



Tunnelling Systems

**WORLD RECORD TUNNELLING
AT THE WOODSMITH PROJECT
25800 M**

RESOURCE EFFICIENCY

We deliver sustainable solutions by adopting circular economy principles across an asset's whole life within the delivery of our projects. By taking this approach, we aim to minimise environmental impact and maximise efficiency. With a growing population and depletion of the planet's natural resources, we are committed to eliminating waste from our operations by 2040. The development of technical solutions and design is crucial in reducing resource use and embedding circularity within infrastructure. Our focus is therefore on the front end, working with our customers and partners where we can make the greatest positive impact.

HIGHLIGHTS

- Waste and materials baseline developed
- An impressive 99.8 per cent of excavated material was beneficially reused
- During 2024 we had over 60 electric plant deployed on our construction sites, with the Hartlepool Advanced Manufacturing Facility replacing the majority of all diesel plant with hybrid and electric vehicles
- Some 99.3 per cent of key materials are sourced in accordance with sustainable certification
- We diverted 99.7 per cent of all waste, including excavated material diverted from landfill
- Signatories to SSE powering Net Zero Pact

Waste and Materials

In late 2024, we developed our waste baseline (based on 2023 data), which revealed that over 99.71 per cent of waste generated was diverted from landfill and beneficially reused in 2023. In 2024, we also diverted 99.7 per cent of all waste including excavated material, and 96.7 per cent of all operational waste excluding excavated material. Moreover, we gained a further understanding of our ‘difficult to manage’ waste streams through our analytical approach.

Our Focus on Improving Circularity

In 2024, approximately 1.70 million tonnes of material were excavated across all projects. Notably, 99.8 per cent of this material was successfully beneficially reused, demonstrating the project’s commitment to sustainability and resource efficiency. All of the excavated material was repurposed for reuse, with 17 per cent being directly reused on site. In 2025, we will be releasing our ISO59004:2024 aligned Waste and Circularity Action Plan (WCAP), outlining a clear roadmap focused on minimising waste, addressing problematic waste streams – and – ultimately paving the way for the total avoidance of construction waste. This plan aligns with our Waste and Circularity Policy.

2024 CASE STUDY

In Area East of the High Speed 2 works at Euston, we were tasked with installing over 500 piles using low-carbon concrete instead of traditional methods. Our joint venture team installed a 700 mm layer of granular material with a 200 mm layer of concrete, eliminating the need for additional fill material for repair. Furthermore, our supplier, Capital Concrete, supplied Wagner’s Earth Friendly Concrete (EFC), a cement-free concrete that typically offers a 50 per cent reduction in embodied carbon compared to standard concrete mixes. The use of EFC for Piling Platforms on SCS provided multiple benefits, including fewer wagon deliveries and vehicles on-site, as well as a carbon saving of 79 per cent compared to traditional methods (based on a seven-month works period).

On the Woodsmith Project, the arisings from tunnel excavation underwent significant chemical testing and geophysical trials to evaluate their reuse potential.

From the testing, the material was classified as inert. The geo-physical properties classified the material under the Earthworks Series 600 as Class 4 or Class 1b/2c, appropriate for general fill or capping activities. A nearby project located within 4 km of the Woodsmith Material Transport Site (MTS), was identified as requiring general fill for a capping layer for a large area of contaminated land. Following discussions and provision of material specification, Definition of Waste: Code of Practice (DoW:CoP) Materials Management Plans were developed to facilitate the beneficial reuse of the tunnel arisings as both general fill and a capping layer across various contaminated sites for new developments. The material is transferred from the donor to the receiver site, undergoing both chemical and geotechnical testing to confirm its suitability before use. To date, approximately 852,000 m³ (2,130,000 tonnes) of material has been beneficially re-used, avoiding disposal to landfill.

In-House Sustainable Material Development

We are working closely with our colleagues from across the STRABAG Group, leading the development of sustainable and resource-efficient materials in a dedicated project referred to as NaWaRo. The NaWaRo team is utilising locally-sourced hemp and flax to scale up the production of bio-based insulation, acoustic screening, and bedding layer for green roofing. In addition, the team is working with several academic institutes and certification bodies to develop building products from straw, corn, reed, sugarbeet, hemp and biochar.



STRAW



MAIZE/CORN



REED



SUGARBEET



HEMP



BIOCHAR



Water

Despite its reputation for inclement weather, the UK has less water available per person than most European nations. Furthermore, the World Economic Forum predicts that by 2030, there will be a 40 per cent gap between global freshwater supply and demand, with the built environment responsible for 15 per cent of freshwater use.

Reducing demand for water isn't the responsibility of just one sector, however, the construction industry plays a significant role in improving water efficiency in both new and existing homes and buildings. This is why we are prioritising water management and efficiency in our operations.

WATER MANAGEMENT

At the Ladycross Mine on the Woodsmith Project, our team identified an opportunity to innovatively protect groundwater resources nearby. The team designed and advised on the construction of an effluent

lagoon that managed 10,700 tonnes of material generated from the blind-boring activities, with 80 per cent being recycled into aggregate. This approach significantly reduced the need for costly treatment and management of process sludges.

By working closely with the National Park and Environment Agency, we agreed on a construction methodology that utilised colloidal silica curtain seal around the shaft at Ladycross. This innovative technique provided significant environmental benefits by protecting groundwater resources in the vicinity.

IMPROVING WATER RESILIENCE IN NORTH-WEST ENGLAND

We are proud to be the preferred bidder for the Haweswater Aqueduct Resilience Project (HARP), a major scheme to maintain drinking water supplies for future generations across Cumbria, Lancashire, and Greater Manchester.

The Haweswater Aqueduct is a 110 km pipeline which runs from the Lake District, through Lancashire, and into Greater Manchester. Originally constructed



in the 1950s, the pipeline needs essential upgrade work and will see the replacement of the existing tunnel sections to ensure it can continue to supply customers for generations to come.

The current Haweswater Aqueduct serves 2.5 million people in the northwest of England. The renewal of this network will maintain a supply of safe drinking water for the current population of the northwest, with safe and clean drinking water for generations.

The importance of this work is heightened by future climate projections that highlight potential water stress in the Greater Manchester Area. According to The World Resource Institute's (WRI) Water Risk Atlas, even under optimistic climate change projections, Greater Manchester could face medium to high Water stress by 2080. In contrast, the Lake District, from which water is transferred, is expected to remain a low-risk area. Facilitating the transfer of water from low-stress to high-stress regions is essential to address the anticipated impacts of climate change.



BIODIVERSITY



Our strategic commitment to leaving the environment in better condition than we found it extends to preserving biological diversity. We firmly believe it is our duty to enhance biodiversity and create a positive legacy through our business activities. We appreciate that nature-related risks are closely linked to climate-related risks. Ecosystems play a crucial role in emitting and sequestering greenhouse gas emissions, and in supporting the adaptation to a changing climate. Going forward, we will therefore consider – and where possible, mitigate – the risks together.

Strategy and Governance

In 2025, we will release our dedicated Biodiversity Strategy, embedding the consideration of nature into our governance process, from winning the work to delivery, alongside climate change. The strategy will outline our approach to creating enhancement opportunities on all current projects, challenging design processes, and achieving no-net-loss and net-gain on all future schemes.

Strategic risks and opportunities related to the natural environment will be included in our established risk and opportunity management process in 2025, enabling a holistic approach that considers the relationship between nature and climate change.

Our strategy will be broadly based upon The Taskforce on Nature-related Financial Disclosures (TNFD) Locate, Evaluate, Assess and Prepare (LEAP) framework, and aligned with the Construction Leadership Council's Biodiversity Roadmap. A Biodiversity Action Plan (BAP) will support implementation and evaluation. Key themes will include developing and delivering greener infrastructure, training and upskilling, and community engagement and partnerships.

Safeguarding Biodiversity in the Scottish Highlands

We led a collaborative and engaging approach with local stakeholders, including NatureScot and SEPA during the construction of the Coire Glas Exploratory Tunnel. During pre-construction interactions, a concerted effort to minimise the environmental impacts of the works and exceed regulatory requirements were at the core of the STRABAG team's vision. Due to the environmental sensitivity of the area, we focused on reducing environmental risk from project conception. Through collaboration with SEPA, a discharge licence for the works was secured, with a close focus on compliance monitoring.

Working closely with the client, ecological surveys were conducted throughout the programme of works. STRABAG provided information on wildlife sightings, with regular project team briefings to feed back to the

wider site team. NatureScot visited the exploratory works on several occasions and were very positive in regard to our dynamic approach to ensuring that our influence on the environment was minimised, and left the following feedback:



Thank you so much for taking the time to take us on site. It was really informative, and you and your colleagues were very helpful [in] answering our questions and increasing our understanding of what is a very complex site. I was very impressed by how tidy the work site was, how well managed and organised. Certainly, it's the tidiest site I have set foot on.



UK Business and Biodiversity Forum

We intend to become members of the UK Business and Biodiversity Forum in 2025. It is a commitment to take proactive steps towards enhancing biodiversity whilst minimising the environmental impact of our business activities on nature, highlighting the critical role that we play in safeguarding ecosystems. Through this membership, we will work with peer organisations to facilitate knowledge sharing on best practice on biodiversity conservation, sustainable resource use, and how to reduce the negative impact of our industry on ecosystems.

We are accountable for achieving our targets and will regularly report on biodiversity impacts and progress. This will allow us to highlight any areas in our business operations where we can avoid and make operational adjustments to reduce any negative impact on biodiversity.

Membership of the Forum aligns with our UK goal to be Carbon Neutral by 2040 as it reiterates our commitment to reducing environmental impacts across projects, allows us to drive innovation in sustainable construction practices and materials, and promotes resource efficiency and waste reduction through nature-positive initiatives. This approach is essential for long-term viability in the current market.



**UK Business
& Biodiversity
Forum**

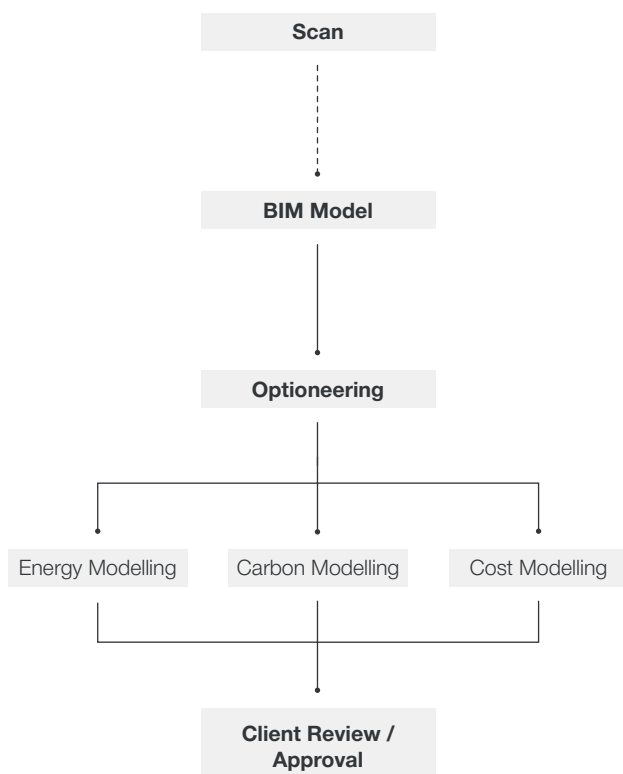
SUSTAINABLE BUILD

In September 2023, STRABAG UK launched its Building Unit, which will enable us to replicate the successful achievements of the Group's global experience in providing end-to-end capability services for UK customers. The Building Unit is currently focused on the construction of light industrial and logistics centres, data centres, advanced manufacturing facilities, and commercial developments.

We have aligned our approach to delivery with the UK Green Building Council's (UKGBC) 'Net-Zero Carbon Building Standard' and through development of a bespoke digital design tool, we are facilitating continual digital maturity. Our approach will include the construction of a centralised BIM model being constructed for each project that will seamlessly feed into our embodied carbon modelling software, energy modelling software, and our cost-estimating software. This workflow has been developed in a manner that can be applied to both new construction and refurbishment scenarios, with the latter supported by high-resolution 3D scanning and imagery processing.

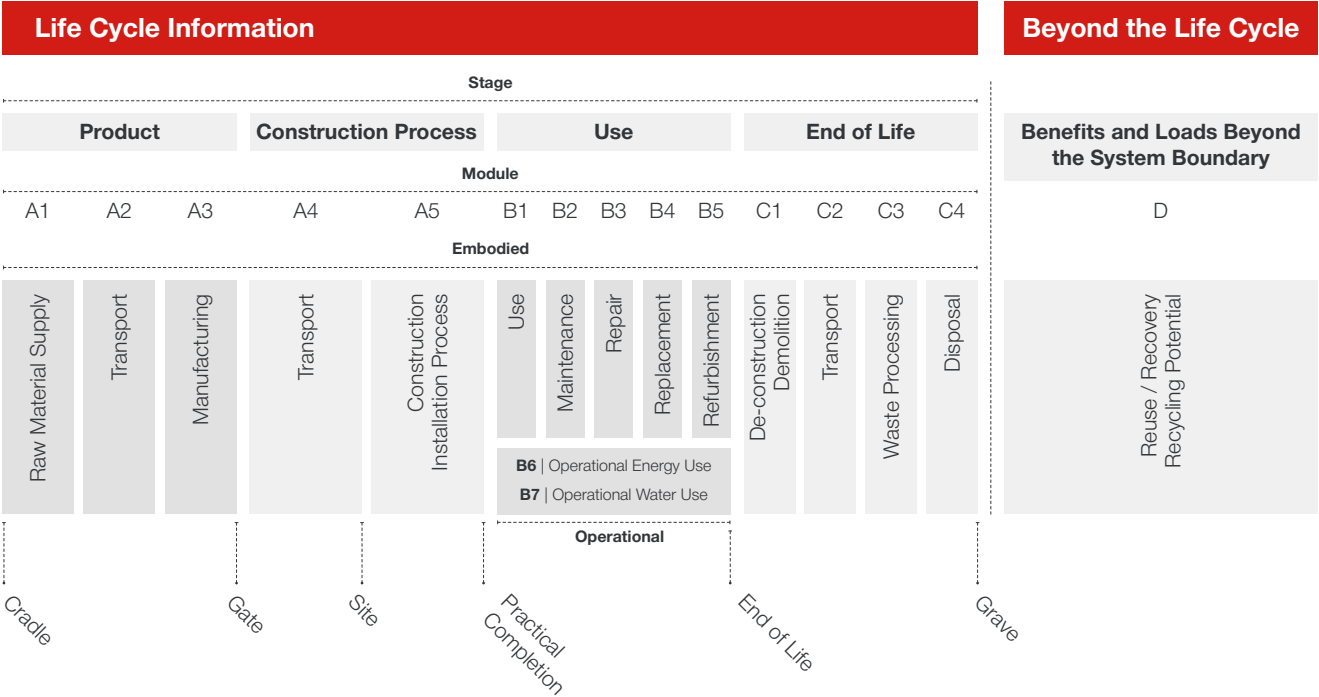
Most importantly, this proposition is beneficial to our clients. It provides a comprehensive understanding, visualisation, and conceptualisation of the asset and proposed works. It allows the project to embed 4D planning; this enhances both our communication and decision making. This workflow also future proofs and aids the client with potential works. It will provide data of installed elements, aid with planned preventative maintenance and building management, reducing operational losses and surveying costs. The models can then be utilised and adapted by future designers, reducing design costs for the client. As an added benefit, it aligns with STRABAG's goal to annually increase digitalisation by six per cent.

HIGH-LEVEL WORKFLOW OVERVIEW



Our carbon journey on each project will start with a baseline that assumes all the latest design stage information including any available client specifications. Where unavailable, Royal Institute of Chartered Surveyors' (RICS) minimum requirements will be substituted for those elements. Carbon-reduction opportunities will initially focus on material efficiency: maximising lettable area, improving site layouts, and suggesting alternative materials. Specifically, regarding materials, we are engaging with industry knowledge and established best practice to search for new and innovative solutions to modern-day problems. In tandem with this process, our engineering team will provide options from the baseline which can enhance the Energy Performance Certificate (EPC) rating of the property to maximise the value of the asset and suggest alternative materials.

WHOLE LIFE CYCLE ASSESSMENT PROCESS



We will report on the progress of the embodied carbon impact of the project at three stages: End of Design, Construction and Post-construction. Our 'End of Design' report will include the embodied carbon impact of the existing building and its predicted impact and follow on to present all the explored enhancing opportunities, concluding with the options being progressed and the overall positive impact they have achieved. The 'Construction' report will be an update on progress, ensuring the predictions made at design stage were correct and any design changes during the construction stage should be reflected here. Finally, the 'Post-construction' report will be a conclusion of the project's carbon impact having included all the as-built information.

We are aligned with, and can offer every project, a Building Research Establishment Environmental Assessment Method (BREEAM) assessment. These assessments are heavily driven by the client's requirements, and similarly to the Whole Life Carbon, we offer a three-stage assessment of each project under the BREEAM scope. The purpose of the three stages are for continuous monitoring and client transparency of the progress of the project.

From 2025, our Build division is introducing the Best and Beyond sector to the UK. It specialises in refurbishing and bringing value to the UK's stranded

asset portfolios. We are offering to provide the same workflow as proposed in the Whole Life Assessment Process, with an added step of scanning the asset, to facilitate construction of the centralised 3D model. Clients can expect constant transparency and design impact throughout the three distinct phases of Best and Build: Best and Check, Best and Plan, and Best and Build. The three phases broadly consist of the following steps: surveying and indicative costs; planning and design; and construction and handover.

It is important for us to focus our efforts in this sector as the government begins to implement increasingly stringent EPC requirements to commercial assets in the UK: minimum 'C' rating by 2027 and a 'B' rating by 2030. Circa 80-90 per cent of the assets in the UK fall below an EPC 'B' rating and we are confident that we can be a solutions provider, facilitating necessary energy-efficiency transitions within the UK commercial asset landscape.

We have abundant capability and capacity to offer and deliver low-carbon solutions on all projects. Sustainable construction is one of our key priorities and to showcase our dedication to this, we have committed to a ten per cent upfront carbon emissions reduction in comparison to the baseline for every project as a minimum, with most projects expected to exceed this target.

SOCIAL SUSTAINABILITY

We have an unwavering commitment to creating positive social impact on the communities in which we work, which is reflected in our ambitious strategic targets. We will ensure that all our employees have a safe and inclusive environment where ED&I are cornerstones to ensuring that we work at our very best mentally and physically, every day. Our key social sustainability topics are social value, employee health, safety and wellbeing, and employee ED&I.



Social Value

In 2023, we developed our Social Value Charter, outlining our commitment to creating social value, targeting £3 billion worth of social value delivered by 2030. The Charter emphasises diversity, local economic support, and the wellbeing of our people and communities. Integrating social value into our procurement systems and encouraging supplier collaboration for community development is guided by a commitment to sustainable practices.

We have the capacity to strengthen the communities we work in, create opportunities for the people that work for us, and support local and small businesses whilst delivering projects to client specifications. Our commitment to social responsibility is reflected

through our overarching social value targets and demonstrates our dedication to making a meaningful impact beyond the bottom line, leaving a legacy that we are proud of.

Social Value Delivered to Date

Last year, we appointed the Social Value Portal (SVP) to support us in measuring and accounting for our social value contributions within the UK. SVP uses the nationally-recognised Themes, Outcomes and Measures (TOMs) framework, where evidential data is required to prove all social value delivery, with strict controls of each measurement and a robust verification process.

The task, although difficult, was not insurmountable, and we were able to independently verify that between 2019 and 2024, STRABAG UK contributed **£955,087,492** in social value. This puts us within the top fifth percentile of construction industry-specific social value contributors within the UK including our joint venture partnership on HS2.



JOBS



GROWTH



SOCIAL



ENVIRONMENT



INNOVATION

£955,087,492

Promoting Local Skills and Employment

By employing locally, providing opportunities, and improving skills for disadvantaged people – in addition to upskilling our workforce and improving employability of young people – we have generated £315 million worth of local economic value. Some highlights include:

5,616 weeks

of training opportunities were delivered, upskilling our talented workforce and providing essential skills in industry.

10,050 weeks

of apprenticeships were completed as part of our joint venture partnership with Skanska and Costain on HS2. Some 2,536 weeks of apprenticeships were completed on our other UK projects.

Over £33 million

worth of social value generated from employing locally, providing work opportunities to local communities surrounding our projects to build up and bring local skill and talent to our workforce.

Supporting Growth of Responsible Regional Business

We generated £30 million worth of local economic value through focusing on developing local supply chains and providing free-of-charge business advice to Micro, Small and Medium Enterprises (MSMEs) and Voluntary, Community and Social Enterprises (VCSEs). Equally the development and facilitation of comprehensive multidimensional wellbeing and ED&I to all employees within the UK further demonstrated our advocacy of responsible business practices. Some highlights include:

169 hours

of expert business advice provided to VCSEs and MSMEs.

£29 million worth of social value

generated by prioritising local supply chain for goods and services resulting in a spend of over £48 million.

2,525 employees

provided with access to multidimensional wellbeing programmes.



Sustained Progress Ahead

Our focus in 2024 was on reviewing, assessing, and establishing ways of working to understand our starting point and determine how to improve. Generating almost £1 billion of social value is a notable achievement for us and shows our commitment to the communities in which we work. However, we have much more to do, in order to achieve our goal of generating £3 billion in social value by 2030. To accomplish this, we have a number of actions, many of which are already under way. These include:

- 1** Developing our STRABAG Social Value Handbook, a guide for all teams on all projects.
- 2** Engaging and collaborating further with our supply chain.
- 3** Upskilling and educating both internally and externally.
- 4** Reviewing lessons learnt to improve data capture and address social value gaps.
- 5** Developing a social, sustainability, and governance metric reflecting social value.



Charitable Work and Supporting our Local Communities

HARTLEPOOL FOOD BANK – HELPING PEOPLE IN CRISIS

Hartlepool Food Bank is a project funded by local churches and community groups, working together to support disadvantaged people in the Hartlepool area. The volunteer-led charity supports around 150 people every week with emergency food. They provide three days' nutritionally-balanced emergency food and support to local people who are in crisis. The food bank is part of a nationwide network of food banks, supported by The Trussel Trust, working to combat poverty and hunger across the UK.

Our Hartlepool Advanced Manufacturing facility team collected regular food donations, and contributed over 184 kg of food, equating to 766 meals in total.



HOMESTART TEESSIDE

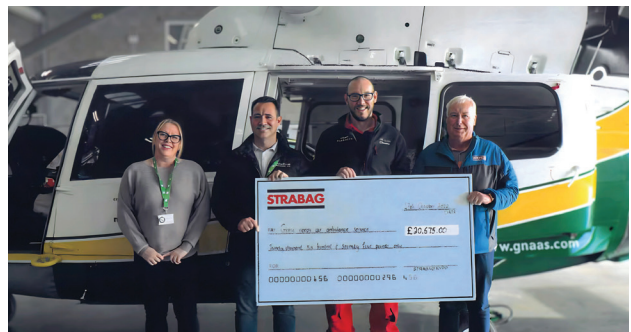
Home-Start Teesside is a local community network of trained volunteers and expert staff, helping families with children under five and in need of practical and confidential support. Our Woodsmith and Hartlepool teams contributed over £1,100 to the charity, assisting it to further support families in need.



GREAT NORTH AIR AMBULANCE

The Great North Air Ambulance Service (GNAAS) provides life-saving, critical care services by air and road across the North East, Cumbria, North Yorkshire, and the Isle of Man. It receives no government funding and is entirely funded by the generosity of the public and local businesses. Services range from helicopters, rapid response cars, and major incident response.

To date, we have donated over £6,000, helping the charity to provide a positive impact on the lives of people across the region.





HEALTH, SAFETY AND WELLBEING

Protecting our workforce, members of the public, and wider stakeholders is fundamental to everything we do. Our certification to ISO 45001 ensures we maintain an internationally respected Health and Safety Management System, with operational management supported by our senior leadership team which takes full ownership of the agenda. Risk is identified at the earliest stages of our processes and, wherever possible, eliminated through design, planning, and preparation for delivery in the construction phase.

In 2024, we made significant strides towards enhancing our ISO 45001-accredited

management system, integrating new systems, and standardising processes through the implementation of additional key performance indicators across our projects.

Health, Safety and Wellbeing (HSW) is embedded in everything we do at STRABAG. As we grow in 2025, our focus will remain on enhancing leadership, sharing lessons learned, and fully rolling out the Better Together initiative. By advancing our communications, systems, skills, and assurance measures, we aim to empower our teams to work safely and ensure that everyone returns home safely every day.

1>2>3 Safe

In our ongoing commitment to the cause, the health, safety, and wellbeing of every team member is of paramount significance. We acknowledge that even a single moment in the workplace has the potential to significantly impact lives. Our safety initiative '1>2>3 Safe' serves as the cornerstone of our efforts. Our primary objective is clear: ensuring that all individuals make it home safe and healthy. Our Group target for the 1>2>3 Safe initiative is 1>2>3 = zero incidents or accidents. This principle extends beyond a mere guideline; it is deeply embedded within our organisational culture. We foster health and

safety awareness through comprehensive training programmes and the use of cutting-edge technology. The three steps of 1>2>3 Safe are:

1. Stop 2. Think 3. Act

and the serve as a prompt to pause, reflect, and consciously select the appropriate cause of action. These brief moments of deliberation can be pivotal in ensuring everyone returns home to their families at the end of the day.

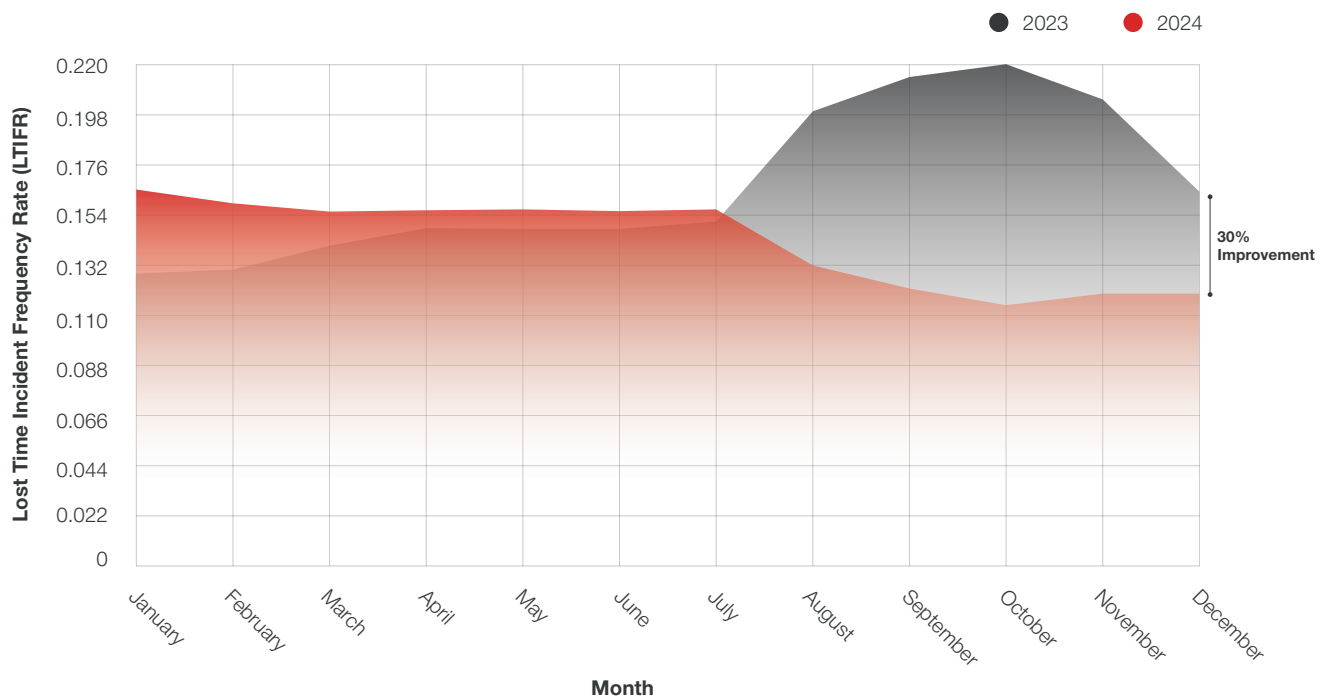
Health and Safety Performance



Health and safety performance is our most fundamental measure of success. In 2024, a total of 17,041,171 hours were worked across all projects, during which 125 accidents were recorded. By year-end, the All Accident Frequency Rate (AAFR), a 12-month rolling metric measuring accidents per 100,000 hours worked, was 0.73. This is equivalent to an expected 10 accidents for every 1,370,000 hours worked. Out of all recorded accidents in 2024, over 50 per cent were recorded as first-aid cases, demonstrating that the majority of incidents were minor and effectively managed on site. Similarly, the Lost Time Injury Frequency Rate (LTIFR), which tracks lost time incidents per 100,000 hours worked, stood at 0.117. To put this in context, we would expect to record one lost time incident every 854,700 hours worked.

Workforce efforts: Our team worked over 17,041,171 hours, recorded 16,745 safety observations, conducted 3,691 risk-focused assurances, and carried out 152 senior management inspections.

LTIFR (ROLLING 12-MONTH) - 2023 PERFORMANCE VS. 2024



Advancing Health and Wellbeing

Ill health related to work hazard exposure is statistically a greater overall risk than accidental injuries. Our aim is to reduce the negative impact of work on health and minimise exposure to health risks through effective design and good site and activity management.

The three elements of our occupational health model provide a holistic and interlinked approach to the management of ill health and promote healthy lifestyle choices and hence a sustainable workforce.

The health, safety, and wellbeing events calendar outlines our corporate-focused events scheduled last year. This quarterly campaign aims to ensure that the topics are relevant to all levels of the business.

OCCUPATIONAL HEALTH MODEL

Occupational Health

Maintaining support and managing our workforce employee health for a sustainable healthy future.

Occupational Health Risk Management

Preventing exposure and protecting our workforce from residual workplace health risks.



Health Behaviours and Resilience

Developing an optimum level of individual wellbeing in our workforce.

2024 HEALTH, SAFETY AND WELLBEING EVENTS CALENDAR

Q1

2024 Restart: Reflect, reboot, re-energise

Q2

Everything Noisy: And the health and safety impacts

Q3

Everything Respiratory: And the health and safety impacts

Q4

Time to get winter ready

- Understanding signs of strain in yourself and your team
- Understanding stress and anxiety
- Maintaining mental fitness
- Mindfulness and meditation
- Building resilience
- Creating a psychologically safe environment
- Identifying noise hazards in construction and implanting
- Age-related hearing loss
- Ear health
- Noise-induced hearing loss
- Respiratory fitness and physical health
- Health surveillance and identifying respiratory irritants
- Control of Substances Hazardous to Health (COSHH) and risk assessment for hazardous substances
- Lung health and you
- Winter preparedness
- Mental health and winter working
- Preventing slips, trips, and falls
- Festive health and safety
- Physical healthcare in winter

We have effectively communicated these subjects through toolbox talks on site, as well as our bi-weekly email newsletter and the monthly printed newsletter, 'Our Team'. These

platforms educate employees on various topics, provide guidance for further advice, and link to additional information and support services.

2024 Engagement

Hosted by our Occupational Health team and our Security team, our UK-wide webinars on Mental Fitness and Resilience, Prostate Cancer Awareness, and Personal Security had excellent attendance.

Additionally, the completed launch of our 2024 Employee Benefits programme showed a 63.2 per cent registration and engagement rate with the platform.

Over the period of 2024, the Occupational Health team completed:

97

**OCCUPATIONAL HYGIENE
ACTIVITIES**

36

**CASE MANAGEMENT
REFERRALS**

753

**MINI HEALTH
CHECKS**

150

**SELF-REFERRALS FOR MEDICAL
ADVICE AND SIGNPOSTING**

2,356

**HEALTH SURVEILLANCE
ASSESSMENTS**

SIGNIFICANT

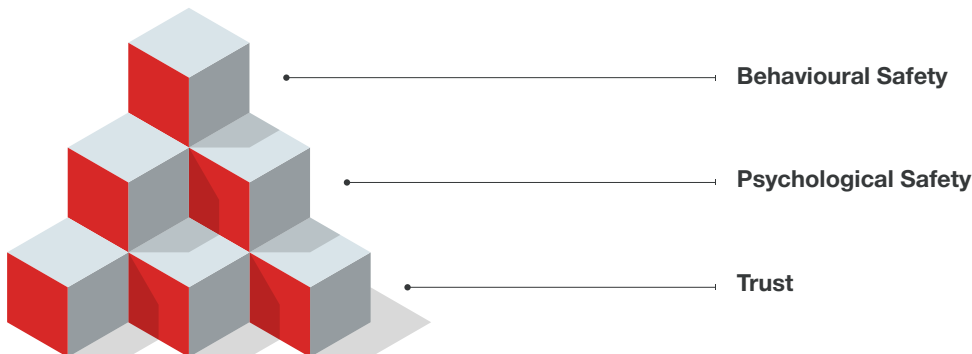
**INFLUENCE INTO STRABAG'S
SOCIAL VALUE INPUT**

Innovations in Behavioural Safety

Last year – 2024 – marked the launch of the STRABAG UK Behavioural Safety Programme, devised in-house to reflect the needs of our diverse workforce. Grounded in cutting-edge research, this programme focuses on fostering trust and creating a culture of accountability and safety across all teams.

Our health and safety programme is built on a foundation of innovation and continuous improvement, drawing inspiration from 'The 5 Principles of Human Performance' by Todd Conklin. Unlike traditional Tier 1 contractor programmes that often rely on isolated training sessions, our initiative is designed to be an ongoing, year-round engagement that embeds safety into the fabric of our leadership, management, and workplace culture through trust.

Psychological safety is at the core of this programme, ensuring that employees feel empowered to speak up about risks, learn from mistakes, and contribute to a safer working environment. By integrating safety into management development, we equip leaders with the tools to create a proactive safety culture, moving beyond mere behavioural compliance to a transformative culture shift. Our approach goes beyond the bare minimum and is about creating a work environment where safety is not just a policy but a shared value embedded in everyday operations. Through continuous learning, leadership engagement, and cultural transformation, we are setting a new standard for health and safety excellence.



The cornerstone of our journey is the development of psychological safety training that will elevate and transform our behavioural safety programme.

Psychological Safety

Our workforce, by nature, operates in high-risk environments, where identifying risk and embedding a culture of psychological safety is essential to maintain the health, safety, and wellbeing of all our staff. We aim to create an environment where our staff feel comfortable and are empowered to express ideas, ask questions, raise concerns, and admit mistakes without the fear of negative consequences or ridicule. We operate a 'just & fair' culture for investigating unsafe acts or behaviours.

In 2024 we developed a bespoke and blended Institute of Leadership (IOL) Approved Psychological Safety Series. This series is aligned to Associate level, where learners undertake a blended mix of five learning sessions, one introductory e-learning course, and four live webinars over five weeks, culminating in a face-to-face proposal to our Managing Directors to initiate business-wide change.

Our programme is, we believe, the very first of its kind: An IOL approved course, wholly dedicated to developing psychological safety and helping employees, especially managers and leaders, to understand what psychological safety is and how vital it is in any business, especially engineering, construction, and the built environment.

This hybrid approach makes the course accessible, and the smaller groups mean that all learners have a chance to contribute and participate in the different exercises and tasks that are carried out as part of the learning. We align psychological safety to other vital elements of leadership such as inclusivity, trust, innovation, learning styles and needs, team dynamics, and high-performing teams.

Recent Delegate Feedback

“

All managers should go through this programme

”

“

It explains why an individual should feel psychologically safe and use that confidence to give their best to the company in terms of innovation

”

“

I believe that the psychological safety course that STRABAG has created sets out and clearly explains psychological safety and what it means to employees, managers and the business

”



EQUALITY, DIVERSITY AND INCLUSION (ED&I)



We believe that creating an inclusive working culture is integral to achieving our business and strategic goals, as every employee should feel able to participate, contribute, and challenge.

Our aim is to empower underrepresented groups, support leadership and development, and strengthen our communities. We believe a diverse workforce enriches our organisation and enhances innovation. We offer diversity training such as our Inclusive Allies course to foster awareness, challenge biases in the workplace, and create a workplace where everyone feels valued.

We recognise that anyone delivering or undertaking work on our behalf must represent the diversity of the local communities that we are working in, acting as a vehicle that creates opportunities for different talent pools, resulting in improved social and economic wellbeing. We place our people at the very heart of what we do, maintaining the highest standards of inclusive practices and a zero-tolerance approach to all forms of discrimination.



Communicating and Embedding ED&I

Our benchmark requirements in respect to ED&I are outlined in our Fairness, Inclusion, and Respect Policy, and Policy Statement. Our UK ED&I Manager actively supports and guides our supply chain to ensure that our standards are complied with, and built upon to facilitate best-in-class performance.

During 2024, we have developed our ED&I-specific improvement methodology, focused on embedding ED&I further within our UK business functions and associated value chain. The methodology is

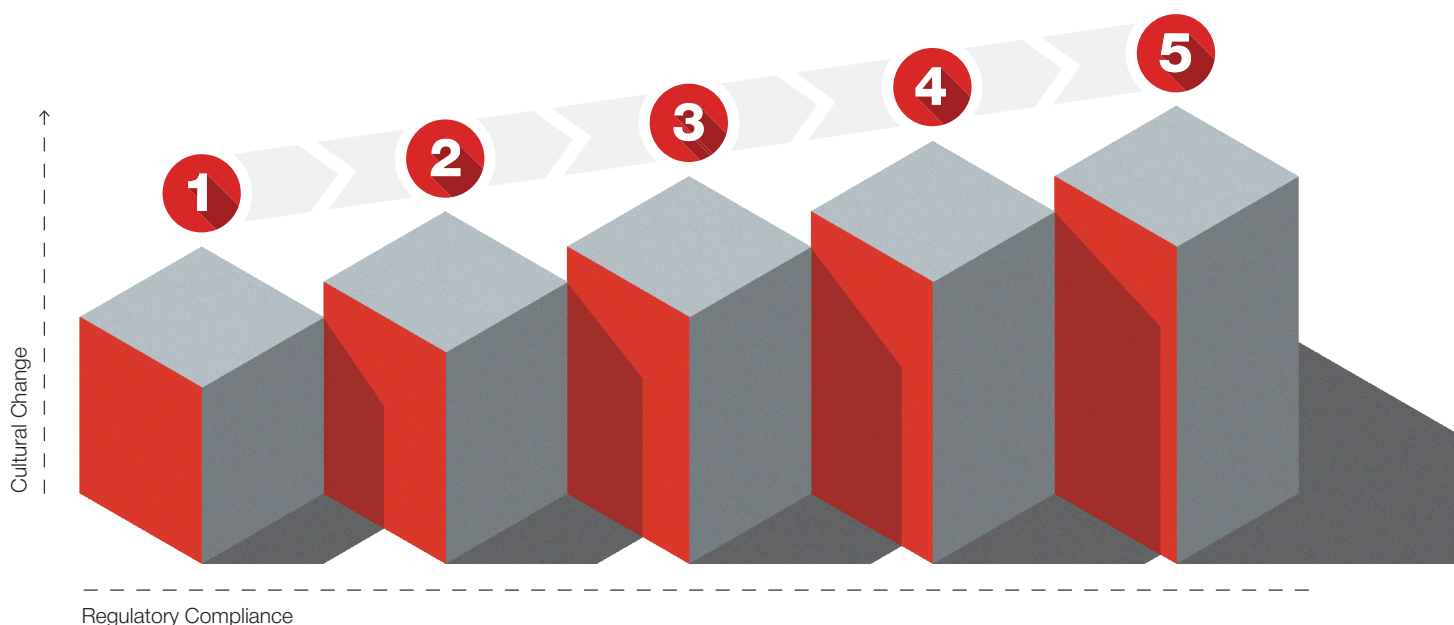
based upon a current assessment of ED&I status, whereby an improvement matrix is used to determine respective level in comparison to improvement trajectory. The ambition is that a truly sustainable (level 5) approach is taken in respect to ED&I, and in order to facilitate this, we have developed a series of level-associated tools and guidance.

ED&I ENHANCING OUR COMPETITIVE ADVANTAGE



Our Maturity Matrix works hand in hand with our ‘People Capital Value Chain’ (PCVC) model, outlining our key aims, objectives, and teams that are fundamental to growing our workforce in an inclusive way.

STRABAG MATURITY MATRIX



1

Basic

ED&I is on the agenda but no concrete plans are in place to define or achieve desired outcomes beyond those required by regulation. Projects will rely heavily on support from STRABAG UK to respond to any problems.

2

Awareness

Diversity is increasingly recognised as a business benefit and an inclusive culture is acknowledged as a key to success. ED&I initiatives are deployed at a local level and monitored to support continuous improvements.

3

Understanding and Approach

Management recognises the business benefits of diversity and can demonstrate that it is implementing ED&I strategies designed to create an inclusive work environment.

4

Integrated

ED&I is fully integrated into day-to-day activities. Management is committed to creating an environment that supports ED&I and encourages the right behaviours. ED&I initiatives reflect local needs and support the success of projects and ED&I strategy.

5

Sustainable

ED&I is ‘how things are done’ – part of business as usual and embedded in day-to-day activities. ED&I drives strategy. The impact on business performance is clear and ED&I enhances competitive advantage.

Addressing Social and Economic Underrepresentation Through our Projects and Across our Workforce

To ensure diverse groups are represented, we undertake several key activities.

DATA MANDATES AND ANALYSIS

We have mandated that all our contracts are drawn up to ensure critical data relating to national identity, age, disability, sex, sexual orientation, veteran status, and former employment status is collected and securely stored. This data informs our actions to improve the access of diverse groups to our opportunities, including those created by the project. Our analysis creates our recruitment approach, used as an opportunity to engage communities and local talent pools.

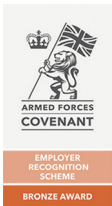
INFORMED RECRUITMENT ACTIVITIES AND WIDENING ACCESS TO EMPLOYMENT OPPORTUNITIES

Our recruitment process now includes working closely with local employment initiatives and community trusts. We have built a series of alliances over the past year and, through collaborations, we advertise roles with local education institutions and academies, and work with organisations such as BuildForce to establish a diverse talent pool on every project. We view this as a win-win approach, improving the local economy of wherever we operate and benefitting the residents, providing local knowledge and expertise.

We ensure that positive language and inclusive imagery are used in all of our job adverts, promoting inclusivity and minimising bias, increasing the chances



of attracting more diverse applicants to our roles. We have signed up to schemes such as Disability Confident and guarantee interviews to anyone who declares a disability to us that meets the requirements of the role.



Organisations, Bodies and Schemes we work with	Targeted Group/s
BuildForce (Members of Armed Forces Covenant)	Veterans, serving soldiers, and ex-military
Local Job Centres	Unemployed and NEETS (Not in Education, Employment or Training)
Universities (National)	Graduates and apprentices
Disability Confident	Neurodiverse and differing physical abilities

Gender Pay Gap

We are committed to ensuring that our employees are rewarded fairly and competitively for their work. This approach reflects our dedication to fostering an inclusive culture and is an integral part of our commitment to ED&I.

The construction industry has seen a reduction in the gender pay gap over the past six years, from 27 per cent in 2018 (when gender pay gap reporting was first introduced) to 23 per cent in the 2023-2024 reporting period.

At STRABAG UK, the hourly difference between men and women stands at 5.7 per cent, a figure that has remained unchanged during the 2023/24 period. To further reduce the gender pay gap, we have made the following commitments and progress (displayed on the right).

Additionally, we are committed to taking positive action to enhance the diversity of our workforce, ensuring it reflects the communities we serve. In conjunction with addressing the gender pay gap, we are also focusing on the ethnicity pay gap across the business.

COMMITMENTS AND PROGRESS

- Target: Achieving a zero per cent gender pay gap by 2030.
- Progress: Our gender pay gap of 5.7 per cent is significantly lower than the 23 per cent gender pay gap in the construction industry nationally.
- Target: Increasing the representation of women in management positions by six per cent annually.
- Progress: 24 per cent of women currently sit in a management position within STRABAG, surpassing the UK national average of 15 per cent in the construction sector.
- Ensuring 100 per cent of managers and executives receive training on equality, diversity, and inclusion.
- Progress: 73 per cent of our leaders are trained, with further sessions planned across the UK.



LEARNING AND DEVELOPMENT

Our employees are our greatest asset, and we are committed to fostering their personal and professional growth and success. Our dedication to Learning and Development (L&D) is reflected in our STRABAG People and Culture strategic approach which promotes long-term career development and progression across all levels of the organisation, from apprentices to the most senior leadership roles.



Our dedicated People and Culture team in the UK has the ambition of creating unrivalled organisational capability through the continuous development of individuals and teams, supporting their long-term career progression. Our aim is to be an authentic learning organisation, where our employees and supply chain partners continuously develop and grow both personally and professionally. Our L&D approach complements our whole life cycle operational delivery approach, where we offer services along the entire construction journey, from design, through to planning and construction, to commissioning and operation, across major projects in a variety of sectors

Through our focused commitment and investment in early careers, buddying, mentoring, coaching, management and leadership, technical and experiential development, apprenticeships, team building, emotional intelligence, professional career development and chartership, and innovative e-learning provision, we see a clear opportunity to organically grow capability and capacity in alignment with our business needs.

STRATEGIC OBJECTIVES

Our Learning and Development team has developed 10 strategic objectives that align with our key goals.

LEARNING AND DEVELOPMENT STRATEGIC OBJECTIVES



Performance Overview

2023 L&D Overview	2024 L&D Overview
3.11 Training days per person (average)	7.56 Training days per person (average)
400 Attendees on masterclasses	375 Attendees on masterclasses
1600 Attendees on courses	1721 Attendees on courses
8248 E-Learning completions	7200 E-learning completions*

*Some classes completed in 2023 have a two-year validity so were not repeated in 2024.

Other points, we have:	2024 Change
More female mentors than every before	350% Increase
Level 5+ apprenticeships within the business	700% Increase (since August 2022)
Allyship Programmes launched within the last 18 months	4 (previously 0)
Training mentors	100% Increase
Welcomed 19 graduates in 2023	11% Decrease
Supported 23 apprenticeships in 2023	126% Increase
Conducted inclusive teams training - 87 in 2023	30% Increase

Accreditations
Our Leading and Managing Programme is accredited to Member Level by the Institute of Leadership
Our Psychological Safety Programme is accredited to Associate Level by the Institute of Leadership
Our Graduate Programme is accredited to Associate Level by the Institute of Leadership
Currently in the process of the Institute of Leadership and Management (ILM) and City and Guilds Accredited Programme status for our Leadership Bootcamp and Planning Academy
Approved Development Scheme with the Chartered Institution of Civil Engineering Surveyors (CICES)
Approved Development Scheme with the Chartered Institute of Building (CIOB)
Recognised by the Institution of Civil Engineers (ICE)

Early Careers

WORK PLACEMENTS

Our approach is to ensure we support the very latest educational strategy within the UK business and offer high-quality, experiential programmes to bring greater industry knowledge, application, and commensurate with the level of experience the learner possesses.

These placements will fall in line with our target of a minimum of five per cent of our staffing being early careers, in line with the industry commitment of the 'The 5% Club'. We are proud to sit well above the five per cent mark and will continue to build on that progress. Successful placements of any kind are dependent on meaningful work but also the adequate infrastructure to support learners, such as mentors and educational support. We will not limit the number of placements based on the availability of support, but rather identify the correct level of placements the business needs and wishes to support, and we upskill staff accordingly.

GRADUATE SCHEME

Our Graduate Programme is recognised by the Institution of Civil Engineers (ICE). It is also part of the Approved Development Scheme with the Chartered Institution of Civil Engineering Surveyors (CICES), and is 'Institute Approved' by the Institute of Leadership, allowing our graduates to become affiliates of the Institute of Leadership.

To drive our graduates' professional development and continuous improvement, all our graduates are required to sign up to a certified professional body such as the Chartered Institute of Procurement and Supply (CIPS), Institute of Environmental Management and Assessment (IEMA), and the Chartered Institute of Civil Engineering Surveyors (CICES), to start their journey to chartership. Successful completion of our Graduate Programme brings a suite of qualifications and accreditations.

APPRENTICESHIP SCHEME

STRABAG UK supports apprenticeships across the whole UK business. Modern apprenticeships offer a unique balance of learning combined with practical experience. We offer over 125 different apprenticeships across a range of disciplines and technical skills, up to and including Masters' qualifications.

HIGHLIGHTS

- We are offering **more apprenticeships** at STRABAG UK than ever before
- We have **more apprentices** at STRABAG UK than ever before
- We are **investing more** in apprenticeships at STRABAG UK than ever before
- Total of 8,153 weeks of training and apprenticeships provided



SUSTAINABILITY GOVERNANCE

We are committed to the highest levels of governance: it is a pivotal part of our culture and how we do business. We have clear policies and procedures setting out how our colleagues, partners, and suppliers must conduct themselves, whilst we also set the expectation that our leaders and managers support their teams and suppliers to ensure that they are operating at their best.



Ethical Behaviour

OUR CODE OF CONDUCT

We view acting in a responsible, objective, and ethical manner as imperative. We have developed a Code of Conduct and Business Compliance Management System (BCMS) to ensure that an uncompromising minimum standard is established and implemented.

This approach ensures that clear instructions – in respect of corruption prevention, white collar crimes, conflicts of interest, violations of trust, and competition law – are implemented and assured. The BCMS is reinforced by our Supplier Code of Conduct, ensuring that our supply chain fully acknowledges its responsibilities and contributes to the implementation of a positive compliance culture.

OUR EMPLOYEES

We take our responsibility for and towards our employees very seriously, with active engagement, respect, trust, and solidarity.

We are firmly committed to the core principles of the International Labour Organisation (ILO) and to the United Nation's (UN) Universal Declaration of Human Rights. Our Corporate Responsibility Policy is fundamental to outlining our approach to responsible conduct and forms the cornerstone of our business practices.

Additionally, we are signatories to the UN Women's Empowerment Principles and believe that professional service and harmonious collaboration amongst people of all races, sexual orientation, sex, and gender are essential. As a team, our goal is not only to achieve our corporate goals, but also create an inclusive working atmosphere for all our employees. We are committed to respecting and protecting the privacy and personal rights of our employees while fostering a fair and inclusive workplace.

UN GLOBAL COMPACT

We believe that we have a significant role to play to advance societal goals, build a sustainable business, and to participate in promoting responsible corporate citizenship, and – through doing so – become part of the solution to the global challenges we face today.

Our commitment is demonstrated through the UN Global Compact (UNGC), a voluntary initiative which facilitates businesses to take action to achieve the

Sustainable Development Goals (SDGs). The two main objectives of the UN Global Compact are to embed the 10 principles in business activities around the world and to catalyse actions in support of UN goals. In March 2021, we committed to the 10 universal principles to advocate for in the areas of human rights, labour, environment, and anti-corruption. These principles are included as key principles in our Code of Conduct and define the system of values to which we are committed. This expectation extends to our supply chain, our business partners, and our subcontractors. This standard is also defined in our Supplier Code of Conduct.

Modern Slavery

We are fully committed to combating modern slavery and human trafficking in all forms, in alignment with the Universal Declaration of Human Rights. We uphold the principle that no individual should be subjected to slavery or involuntary servitude, and we are dedicated to eradicating these practices within our operations and supply chain.

Our approach is to actively identify and manage risks related to modern slavery across all our projects. As part of our zero-tolerance stance, we maintain a UK Modern Slavery Act 2015 Statement, which is reviewed annually. This statement emphasises ethical business practices and robust controls to prevent modern slavery.

Acknowledging the increased risk of human rights abuses and modern slavery associated with large-scale infrastructure projects involving multiple subcontractors is extremely important. We have implemented detailed processes and protocols to manage these risks effectively, ensuring they are actively monitored throughout the life cycle of every project. Our Project Directors are responsible for overseeing modern slavery risks, with our HR Manager overseeing the implementation of anti-slavery measures at project level. All our procurement and supply chain personnel are Chartered members of the Institute of Procurement and Supply (CIPS) and complete the annual 'CIPS Ethical Procurement and Supply Chain Test'.

MANAGING VALUE CHAIN RISK

We employ strict recruitment practices to ensure the integrity of our direct workforce. This includes thorough identity verification and right-to-work checks, alongside mandatory modern slavery training for all new employees and annual refresher courses. There is a robust pre-qualification process in place to become a STRABAG-approved supplier. Suppliers must have a modern slavery statement in place or hold either Achilles or Constructionline Gold accreditations, both of which assess human rights and modern slavery as part of their criteria. To progress to becoming a strategic supply chain partner, the supplier will have completed several

projects successfully with STRABAG UK and have gained consistently strong performance feedback.

SUPPLIER ENGAGEMENT AND MONITORING

In managing supply chain risks, we work with trusted, pre-qualified suppliers who adhere to modern slavery policies. Suppliers are assessed for their commitment to ethical labour practices, and our supply chain managers conduct regular audits to ensure compliance with our anti-slavery standards. We also provide training and development opportunities to further mitigate risk for suppliers, including workshops on fairness, inclusion, and respect.

Our Construction Family

We understand that the risk associated with modern slavery varies depending on what supply chain tier various organisations fit into, with lower tiers more exposed. As a Tier 1 contractor, STRABAG understands that modern slavery holds a significant risk in our industry, particularly in the lower tiers of the supply chain where there may be a prevalence of lower-skilled, lower-paid transient labour (for example, cleaning, catering, security, waste management, and on-site labourers).

To actively address and mitigate this risk we plan on developing a collaborative 'Construction Family'. Every supplier will be a member of our Construction Family and will be required to identify a dedicated modern slavery champion within their organisation, who will attend training, and help deliver the training back to the project. They will act as an ambassador for modern slavery issues, ensuring we work beyond the minimum standards in meeting the requirements of the Modern Slavery Act 2015. We successfully used this approach within the SCS JV for HS2.

We extend our learning and development offering to our Construction Family, including modern slavery and fairness, inclusion, and respect training for all staff. Additionally, we provide our Inclusive Leaders workshop – an Institute of Leadership and Management accredited course – to those in leadership roles, at no cost to our suppliers. This actively reduces the risk of modern slavery, with leaders engaging with people from diverse communities on our projects. STRABAG UK will ensure all contractors and subcontractors and all tiers of our supply chain complete our Modern Slavery Training course within the first month of their appointment.

We actively engage with the Supply Chain Sustainability School and support its 'People Matter Charter' – a set of eight commitments that collectively address people issues. All suppliers with packages categorised as medium or high risk will be placed on the Supply Chain Sustainability School Modern Slavery Learning Pathway.



Whistleblowing

Our bespoke whistleblowing system is designed to prevent non-compliant behaviour and to identify violations. The system allows all employees, business partners, clients, or any other third parties to report violations regarding business compliance, human rights, discrimination, working conditions, environmental protection, or health and safety. Regardless of how they reach us, we investigate all reports and take appropriate action.

The whistleblowing platform provides a two-way exchange of information while maintaining the whistleblower's anonymity. It allows employees to pose questions on the platform in order to clarify directly whether the reported behaviour does constitute a violation. This lowers the inhibition threshold for submitting a report, as no accusations are made.

Management Systems and Assurance

We have a UK-wide Integrated Management System (IMS), available to all employees and relevant stakeholders through our intranet and document management interface.

Our management system is controlled, managed, reviewed, and updated as necessary through a network of process owners and disciplinary directors, to:

- Ensure compliance with appropriate legislation and codes of practice.
- Assure customers, employees, and directors that our systems, procedures and processes are effective at identifying and mitigating risk.
- Ensure that management controls are consistently and effectively applied across all UK projects.

Certifications

ISO 9001:2015 - Quality Management System

ISO 14001:2015 - Environment Management System

ISO 45001:2018 - Occupational Health and Safety Management System

ISO 50001:2018 - Energy Management System

Certifications (Seeking verification)

ISO 20400:2017 - Sustainable Procurement Management System

ISO 22301:2019 - Business Continuity Management System

PAS 2080:2023 - Carbon Management in Buildings and Infrastructure

ISO 14064:2018 - Greenhouse Gas Emission Verification

ISO 19650:2018 - Building Information Modelling

ISO 59004:2024 - Circular Economy - Vocabulary, Principles and Guidance for Implementation

ISO 46001:2019 - Water Efficiency

ISO 19443:2018 - Quality Management Systems - Nuclear Energy Sector

Assurance and Continuous Improvement

In 2024, we refreshed our assurance approach with a clear focus on increasing senior management engagement, improving our quality culture, and having a greater understanding of our supply chains.

MONITORING PERFORMANCE

Business Area	Number of KPIs
Management	2
Compliance	1
Health, Safety and Wellbeing	13
Environment and Sustainability	6
Quality Management	7
Procurement	1
People and Culture	35
Finance	2
Business Development	4
TOTAL	71

As a result of our new assurance approach, KPIs in 2024 were refreshed and set in the areas shown above.

A programme to create a series of management performance dashboards was started in April 2024, and completed and presented to Senior Management in September 2024. This allowed performance on the KPIs and assurance activities to be broken down to company, business unit and project levels. Each manager had access to the dashboards and a traffic light system was in place to indicate positive and negative performance, which was facilitated at the quarterly senior executive meetings.

Management Inspections ML			
Level	Completed	Planned	%
Sub-Division Manager	9	4	225%
Business Unit Manager	37	24	154%
Group Leader	193	192	101%
TOTAL	239	220	109%

Our first year results were very positive: we surpassed the targets that were set for all our assurance activities bar one, which was our Legal Register Compliance audits. We will reassess this target in 2025.

Our Management Systems became part of the Group Central Staff Division 12 with Business Compliance. It was also announced that as of the 1 January 2025, the UK will be a division of the STRABAG Group.

Furthermore, our Woodsmith Project received the UK Certification Authority for Reinforcing Steels (CARES) certificate, while the Advanced Manufacturing Facility at Hartlepool maintained its certificate.

During 2024 we focused on increasing continuity between project-based quality teams, providing more opportunities to support, share, and collaborate. The whole quality team was represented in an annual conference, while a dedicated World Quality Week event increased the quality appreciation of all business colleagues.

In order to integrate a quality culture within the business and delivery teams, we carried out a Quality Culture Survey to assess the personnel perceptions regarding leadership, compliance, competency, communications, values, and ethics. The survey aimed to assess the current understanding within the business. The findings will establish a baseline for our quality culture and quality improvement plan and will be shared in 2025.

The table below shows how many assurance audits, inspections were carried out and the number of non-conformances raised/managed:

Inspection	2023	2024
Assurance Audits Planned vs. Completed	75%	87%
Assurance Audits Non Conformance Reports Raised	107	97
External Audits Performed	4	7
Assurance Audits Non Conformance Reports Raised	2	2



STRABAG
WORK ON PROGRESS