

# Toward the future. With solutions from HOCHTIEF.



Turning Vision into Value.



# Sustainability

- **Sustainability and corporate responsibility drive HOCHTIEF's strategy**
- **Focus on six sustainability objectives**
- **Sustainability provides HOCHTIEF with excellent growth opportunities**

\*By sustainability at HOCHTIEF we mean the interplay between business, environmental and social responsibility.

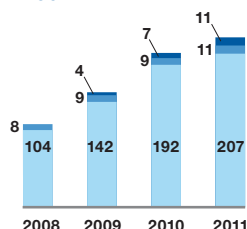
\*\*For further information please see page 53.

## Clear commitment to sustainability\*

As a growth-oriented company, HOCHTIEF embraces its responsibility to society and the environment. Sustainability and corporate responsibility (CR) thus have a long tradition as an integral part of our corporate strategy. Sustainability drives our values, vision\*\*, and guiding principles, both throughout the Group and in our projects around the world. In the year under review, the first CR Group directive was adopted to more firmly anchor the sustainability strategy in every part of the Group and even better guarantee its implementation.

The capital market acknowledges our commitment to sustainability. In September 2011, our company was included in the Dow Jones Sustainability Indexes for the sixth year in succession. We are currently the only German construction services provider to be listed in the Europe Index. While we were unable to regain our listing in the World Index in the reporting year, our sights are firmly set on this goal in 2012. Our membership in the Ethibel Sustainability Index Excellence Europe was confirmed in 2011—again, HOCHTIEF is the only German company in the construction industry on the list.

Number of certified green buildings constructed by HOCHTIEF



■ EU (DGNB, LEED, BREEAM)  
■ Australia (GreenStar)  
■ USA (LEED)  
(For details, please see glossary on pages 211 and 212)

\*\*\*For further information please see page 63.

As a member of the European Network of Construction Companies for Research and Development (ENCORD), HOCHTIEF signed the Sustainable Development Charter in June 2011. The objective of the Charter is to more effectively integrate sustainability principles in the industry and promote sustainability by way of joint initiatives, notably in research and development.\*\*\*

## Sustainability/CR focus areas

Sustainability at HOCHTIEF is concentrated in six areas with clearly defined objectives.

### 1. Sustainable products and services

As a dedicated pioneer in green building, HOCHTIEF ranks among the world's leading companies in this field.

Our strategy of providing services for every phase of infrastructure, real estate, and facility projects lays the groundwork for our integrated approach. To date, 24 of the buildings constructed by HOCHTIEF in Germany have gained German Sustainable Building Council (DGNB) precertification or certification. These include the new headquarters for specialty chemicals group Lanxess in Cologne and the PortAL 10 commercial property in Münster.

HOCHTIEF subsidiary Turner has been number one for several years now in the fast-developing green building segment in the USA, where 492 Turner projects to date have achieved, or have been registered for, the coveted LEED certification. In 2011, Turner secured the contract to build a 20-hectare operation center for the Sacramento Municipal Utility District. The campus will generate precisely as much energy as it uses, making it the nation's largest net zero energy project. The aim is to obtain LEED Platinum certification for the project.

HOCHTIEF intends to promote sustainable construction the world over. In 2011 we also developed ecologically exemplary properties in countries where this field is not yet firmly established, including Poland, the Czech Republic, and the Philippines. For instance, Turner is constructing a 362-meter-high business center in the Vietnamese capital of Hanoi, the first in the country to receive LEED certification.

Investors and building occupants alike value the advantages of sustainably designed properties. Their ancillary costs are generally lower, they consume less energy, have a positive effect on the indoor climate, and feature elements such as plantings that create a sense of well-being. On the whole, green building features in office properties produce potential additional value of more than ten percent over typical local rents, according to a study by Technical University Munich commissioned by HOCHTIEF and published in the year under review.

In addition to green building, HOCHTIEF is also systematically expanding its range of sustainability services. These include efficient energy management along with diagnoses and revitalization of existing buildings as well

as sustainable facility management. To this end, we launched the “blueFM”<sup>\*\*</sup> quality seal in the year under review. In these projects, clients commission our facility managers to develop customized sustainability concepts for managing buildings and facilities.

⇒ **Our objective:** We aim to lead the global market for sustainable projects in the construction and construction-related services segments. We therefore constantly add to our range of services spanning the infrastructure project, real estate, and facility life cycle.

## 2. Active climate protection

As a construction services provider, HOCHTIEF uses up energy and resources. At the same time, buildings account for some 40 percent of the world’s energy consumption. Our goal is therefore to cut carbon emissions and energy use—in our own company, in our work for clients, and in carrying out projects. HOCHTIEF plays an active part in protecting the climate through various services: The buildings we construct in line with sustainability principles stand out for their low energy use. Our energy management specialists develop smart solutions for energy-efficient property and facility operation. We also invest in stepping up the use of renewable energies. Our Group implements numerous energy conservation and efficiency measures in-house. And our active climate protection policies have also been recognized outside the company: HOCHTIEF has once again been listed in the German Carbon Disclosure Leadership Index<sup>\*\*</sup>.

During the reporting year, HOCHTIEF Solutions’ Energy Management business unit saved its clients in excess of 115,000 metric tons of carbon emissions. Our efficiency measures—for example, to improve the energy efficiency of systems for Heideblume dairy, a long-standing client who extended our contract for another 15 years—won dual acclaim in 2011: the 3rd German Refrigeration Award from the Federal Environment Ministry and the first place Energy Efficiency Award 2011 from the German Energy Agency.

We are continually stepping up our activities in the growing offshore wind energy market. In fiscal year 2011, we again invested substantially in special-purpose equip-

ment and now rank among the top partners to utility companies for the construction, assembly, and maintenance of offshore wind turbines. In the future, we also aim to invest in and operate such facilities.<sup>\*\*\*</sup>

January 2011 saw the beginning of construction of the geothermal power plant in the Bavarian community of Dürrenhaar. HOCHTIEF has been developing the plant as part of Süddeutsche Geothermie-Projekte GmbH & Co. KG since 2007. As general contractor, HOCHTIEF Energy Management is now in charge of designing and building the power plant and will operate it for ten years. After its completion in 2012, the plant will have a capacity of approximately 5.5 megawatts and produce around 46,000 megawatt-hours of electricity. Financing was also secured for the second power plant in Kirchstockach in 2011.

Within the company, HOCHTIEF also attaches high priority to climate protection. In the 2011 fiscal year, we cut the annual number of kilometers traveled for business by more than 15 percent as compared with the 2008 baseline figure, among other things through the increased use of web and video conferencing. Moreover, all business travel on the Deutsche Bahn was made climate-neutral, with a total of 475 metric tons of CO<sub>2</sub> equivalents offset by supporting a wind energy project in India. In September 2011, our US subsidiary Flatiron received Platinum-level Green Fleet certification from the Association of Equipment Management Professionals for its eco-friendly equipment fleet.

⇒ **Our objective:** We aim to save carbon emissions together with our clients.

## 3. Resource protection

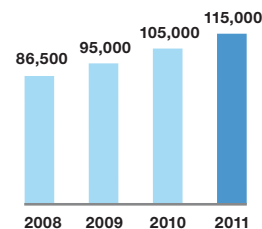
Resource protection is of particular importance to HOCHTIEF. Our projects require a huge amount of materials; they use and largely seal off areas of land, and produce considerable amounts of waste. Actively protecting the environment is therefore a key component of HOCHTIEF’s worldwide activities. As early as 2003, we spelled out our occupational safety and environmental protection policy in a directive in force throughout the Group. This directive was revised in the year

<sup>\*</sup>For further information please see page 66.

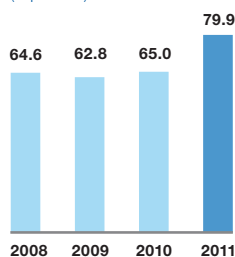
<sup>\*\*\*</sup>For further information please see page 65.

<sup>\*\*</sup>See glossary on page 211.

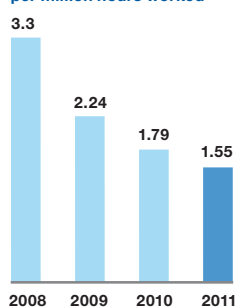
**Carbon savings by HOCHTIEF Energy Management for clients**  
(tCO<sub>2</sub>-e)



Share of corporate units  
certified to ISO 14001  
(in percent)



Accident rate: Accidents  
per million hours worked



\*For further information please  
see page 71.

under review. More than 70 percent of HOCHTIEF's corporate units have now been certified according to the ISO 14001 environmental management standard. In 2011, 14 additional German facility management units and our Group company Leighton Offshore were certified.

We achieve good construction waste recycling rates in our projects in Germany and abroad, far exceeding national averages on this score. In Germany, our recycling rate in 2011 was 98 percent. In the USA, we recycled 88 percent of the construction waste.

These successes are achieved with the help of employees, who share our awareness of environmental issues and act upon it in their everyday work. This is why we also continually train our team in this area. The primary goal is to determine what the consequences of our activities will be early on and then minimize them as much as possible. Large-scale infrastructure projects involving road, tunnel, or bridge construction are particularly challenging, sometimes requiring substantial intrusion into the environment as well as affecting the people living in the vicinity. For this reason, we develop comprehensive environmental plans and take appropriate measures before construction work even begins to reduce to a minimum or eliminate interference with flora and fauna and disturbances to the local population. For instance, in expanding the West Gate Freeway in Australia, a project completed in the year under review, our Group company Thiess applied a comprehensive set of environmental standards. These included using construction materials such as steel, concrete, and plastic containing a large percentage of recycled materials, and reusing a good 8,700 cubic meters of excavation materials on site, saving around 10,000 trips by truck. The company was able to reduce carbon emissions from the entire project by 34 percent.

⇒ **Our objective:** We aim to conserve natural resources and optimize the use of resources.

#### 4. Attractive working environment

HOCHTIEF has more than 75,000 employees and works with over 60,000 partners around the world. Our goal is to create optimum working conditions for them and offer the highest standards of occupational safety along with above-average health protection. Our cross-divisional competence center for occupational safety, health, and environmental protection (OSHEP) ensures that these issues are prioritized highly throughout the Group. In fiscal year 2011, we succeeded in reducing the accident rate across the Group to 1.55 accidents per million hours worked (2010: 1.79).

Our Group offers employees professional and personal educational and training opportunities along with attractive career options. Work-life balance is becoming more and more important in this regard. Our companies and corporate units have implemented various initiatives and programs to make it easier for employees to combine a career and private life.\*

The diversity of our employees is a key success factor for our company. After all, various talents, experiences, and working styles all have a positive effect on project work. Diversity and providing equal opportunity are accordingly significant aspects of our corporate culture and are fostered through various measures. Our Australian subsidiary Leighton, for example, has formulated clear goals in its human resources policy. By 2016, the company aims for women to make up 40 percent of its executive and senior management staff. The figure at Leighton Holdings was 22 percent as of the 2011 year-end. The first woman was appointed to the Leighton Board as of January 1, 2012. February 2011 saw the first woman to take office as chief financial officer at Turner. In Germany the share of women in executive positions is 9 percent (2010: 9.2 percent). The proportion of women in the Group workforce as a whole is 15.8 percent (2010: 15.8 percent).

⇒ **Our objective:** We aim to further consolidate our position as a sought-after and responsible employer in the industry.

## 5. Corporate citizenship

HOCHTIEF carries out projects—and therefore sees itself as a local partner—in all four corners of the globe. As such, we practice good corporate citizenship by hiring as many local people as possible to fill on-site jobs and by employing subcontractors from the region. Against this backdrop, we are active in training local subcontractors. Our US subsidiary Turner offers companies run by ethnic minorities and women a unique training opportunity at the Turner School of Construction Management: free courses on various construction-related topics such as estimating, procurement, logistics, financing, and workplace safety. More than 33,000 companies have participated in this development program since its inception in 1969. In 2011, Turner awarded contracts to these firms worth over EUR 857 million.

We are committed to providing aid in the wake of natural disasters. Following the catastrophic floods in Queensland around the 2010/2011 new year, Leighton provided manpower and machines in Australia as well as some EUR 1.5 million in financial relief.

As a corporate citizen, we see it as our responsibility to constructively promote modern professional training and further development for young people. Thus one of the focal points for our sponsorship activities is to educate and foster young professionals. In the year under review, we again supported a wide variety of initiatives and institutions, providing both the Group's expertise and funding, for instance, to Bridges to Prosperity through our subsidiary Flatiron.\*

⇒ **Our objective:** We aim to get involved in the community wherever our company is at work.

## 6. Compliance

HOCHTIEF is a global company and as such operates in locations with different values, political systems, and legal frameworks. This is why we attach great importance to compliance\*\* with all company and third-party regulations. In May 2011, the new Group directive on compliance was introduced, defining our compliance goals and the responsibilities of our compliance system in a document binding for the entire Group.

The key guidelines for conduct are laid down in HOCHTIEF's Code of Conduct, which is updated regularly and is now available in seven languages. We pay close attention to ensuring that all of the Group's employees comply with internal rules and applicable law and respond with full rigor to any violations.

We annually determine our corruption risk based on the Corruption Perception Index (CPI) published by Transparency International. For years now, we have performed around 90 percent of our construction work in countries with a low or very low corruption risk.

We continue to educate our employees on compliance issues and provide them with guidance for their everyday work with a wealth of communications initiatives and training sessions such as the course on compliance in practice introduced in fiscal 2011.

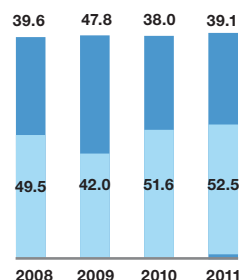
In 2011, we also developed the Code of Conduct for HOCHTIEF Subcontractors and Suppliers into an updated, uniform, binding standard of conduct for all of our contractual partners. These rules include acknowledging social responsibility to their own organizations, to clients, suppliers and other business partners as well as to the environment and society.

⇒ **Our objective:** We aim to set standards in business ethics and do our utmost to apply those standards.

## Transparent stakeholder information

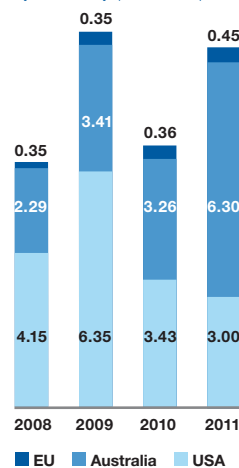
HOCHTIEF has been publishing sustainability reports since 2005, most recently in the year under review. These reports comply with the Guidelines of the Global Reporting Initiative (GRI) as well as the principles of the UN Global Compact. Their content has been audited by an international auditing firm since 2007. The next report will be published in 2013 and annually thereafter. Additional current information about sustainability at HOCHTIEF is available at [www.hochtief.com/sustainability](http://www.hochtief.com/sustainability).

Construction output in countries with low or very low corruption risk



■ CPI 6-8  
(low corruption risk)  
■ CPI > 8  
(very low corruption risk)

Total donations and sponsorship (EUR million)



\*Further information is available on the Internet at [www.bridgestoprosperity.org](http://www.bridgestoprosperity.org).

\*\*For further information please see page 22.