

MY
LIFE



OUR
GUARD



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Cover:

"HOCHTIEF expands horizons." That is a quote from our corporate vision. As a global construction group, HOCHTIEF builds large-scale infrastructure projects around the world, which impact people's living space and open up new horizons. A case in point is the new, expanded stretch of the A4 highway known as the Hörselberge bypass. Planned, financed, and built by HOCHTIEF as part of a consortium, it was opened for traffic in 2010. The consortium will operate it for 30 years.



Wherever you see this symbol in the report, you will find links to institutions whose URLs are indicated on the relevant pages.

Our Company at a Glance



HOCHTIEF Americas Division

The HOCHTIEF Americas division coordinates the activities of HOCHTIEF's companies in the USA and Canada.

Through our subsidiary Turner, we are the number one general builder in the USA. Turner has long been the leading player in the key market segments for education and healthcare properties. The same goes for sustainable "green" building, where the tradition-steeped company ranks among the pioneers and drivers in that country.

Through our majority stake in the Canadian company Clark Builders, HOCHTIEF has now stepped up activities in the Canadian construction market.

The services provided by civil engineering company Flatiron complement our portfolio in North America. Ranking among the top providers in U.S. transportation infrastructure construction, the company has operations in both the USA and Canada. In Flatiron, HOCHTIEF has created a mainstay in the public-private partnership growth market for U.S. infrastructure projects.

With E.E. Cruz and Company, HOCHTIEF has enhanced its position in the civil engineering infrastructure market in the New York metropolitan area.

***For further information on the HOCHTIEF divisions, please see www.hochtief.com.**



HOCHTIEF Aktiengesellschaft Corporate Headquarters (strategic management holding company)*

HOCHTIEF Asia Pacific Division

Through its majority share in the Leighton Group, HOCHTIEF holds the leading position in the Asia-Pacific region's infrastructure construction market. Its activities are pooled within the HOCHTIEF Asia Pacific division.

Leighton's product and service spectrum includes construction, contract mining, operation and maintenance as well as services in the raw materials segment. In addition, Leighton has a strong presence in the energy and transportation infrastructure business segment as well as in construction and development of real estate, and services.

The Leighton Group's main operational units are Leighton Contractors, Thiess, John Holland, and Leighton Properties in Australia, Leighton Asia, India and Offshore in Hong Kong and South-east Asia, and the Habtoor Leighton Group in the Arab countries.

Leighton Group companies are among the leading players in their sectors and enjoy excellent reputations.

HOCHTIEF Europe Division

The HOCHTIEF Europe division oversees the Group's business in Europe and selected growth regions around the world. This division operates under the leadership of HOCHTIEF Solutions AG, which provides services primarily for infrastructure projects, building construction, and public-private partnerships (PPP), as well as engineering services. Its focus is on the transportation, energy, and social and urban infrastructure segments. Capabilities include building construction together with civil and structural engineering, real estate development, logistics services as well as property and asset management.

For public infrastructure measures, HOCHTIEF Solutions acts as a partner in PPP projects to deliver services such as financing, design, and operation in addition to construction services.

In many regions, HOCHTIEF Solutions is highly regarded as a market and innovation leader. Its outstanding technical expertise and engineering services count among the company's top strengths and have earned it an excellent international reputation.



Creating Sustainable Value—Expanding Horizons

HOCHTIEF is one of the leading global construction groups. Our focus is on complex projects in transportation, energy, social and urban infrastructure, and contract mining. In all our projects, we draw on the competencies we have gained from over 140 years' experience in development, construction, and operation.

Thanks to our global network, HOCHTIEF is on the map in all the world's major markets. We believe in sustainable growth and take on responsibility. Our company's expert staff create value for clients, shareholders, and HOCHTIEF alike. Innovative, one-of-a-kind solutions set us apart from the competition.

HOCHTIEF has a tradition of nurturing the relationship between business, the environment, and social responsibility. This is one of the major factors driving our long-term success. HOCHTIEF's clear commitment to sustainability presents us with very special challenges. Through our business activities, we contribute toward expanding horizons sustainably—and thus accept great responsibility toward people and the environment, both now and in the future.

Foreword

Dear Readers,



Acting sustainably means actively taking responsibility. At HOCHTIEF, we accept this responsibility out of conviction. Our corporate strategy and our daily work are shaped by an integrated, future-focused approach to doing business. As a global construction group, we create living spaces—and impact the people who use them and the surrounding natural environment. Our goal is to manage this impact in order to maximize the benefits for society and the environment while keeping the burdens to a minimum. We aim to help ensure safety and quality of life for this and future generations and to preserve our natural habitat.

HOCHTIEF has long pursued this goal and was a construction industry pioneer in committing to sustainability early on. In 2008, we joined the United Nations Global Compact initiative and actively support its principles in the areas of human rights, labor laws, environmental protection, and anti-corruption. We work to further these principles and put them into practice wherever possible. In our Environmental Report, first issued in 2001, and

since 2005 in Sustainability Reports, we keep the public informed of our activities. Our reports are now published annually to make sure our stakeholders are continually kept up to date. The indicators published in the current report provide greater diversity and depth than ever before in order to further enhance transparency. We also maintain an intensive exchange with the individuals responsible at our international subsidiaries and associated companies. This will give us a solid basis to work from should sustainability reporting be made mandatory; the European Commission's plans for this are taking ever more concrete shape.

Our sustainability performance and the openness of our sustainability reporting have been recognized in various ways, including the fact that HOCHTIEF was again listed on the Dow Jones Sustainability Index in 2013—for the eighth year running. HOCHTIEF has also once again been included in the Carbon Disclosure Leadership Index for the Germany, Austria, and Switzerland region for its transparency and improved performance in climate protection. Our 2012 Sustainability Report received a silver Econ Award for Corporate Communications, distinguishing it as an outstanding example of corporate communications in the German-speaking area. We are very pleased that our engagement in sustainability has been honored in this manner.

As in the prior year, we have again structured the current report according to six sustainability focus areas. This gives you a comprehensive picture of our Group's activities in all matters related to sustainability. We naturally also provide you with information on the progress we have made toward our defined sustainability targets and additional objectives. As in the past, our reporting is closely aligned with the Guidelines of the Global Reporting Initiative. A large part of the report has again been appraised by public auditors.

2013 was a year of transition for the HOCHTIEF Group. We repositioned ourselves strategically and initiated changes. These included systematically aligning the

company toward our core construction operations and selling activities that are no longer part of these core operations, such as the airport business as well as the service business line which included the company's facility and energy management activities. Our goal is to develop HOCHTIEF into the most relevant infrastructure construction group driven by sustainable, profitable growth. Sustainability issues within the Group are also changing accordingly: We are strengthening our focus on the potential and the opportunities sustainability offers in traditional construction and complex infrastructure projects—for example, in delivering innovative and resource-conserving solutions for transportation infrastructure projects such as roads, bridges, and tunnels.

It is important to us that the strategic goals we have laid down in our vision and guiding principles as well as in the special codes and guidelines are adhered to throughout the HOCHTIEF Group. The operating conditions, requirements, and expectations in terms of sustainability we face in our activities around the globe are, of course, widely different. They vary by culture, country, and project. And the spectrum of our engagement for sustainability is equally diverse. That is why, in pursuing this issue, our subsidiaries and associates act independently and on their own account in their countries and regions. We are fully committed to supporting the initiatives and sustainability projects that are in place.

We can only attain our sustainability targets with the dedicated support of our employees. For this reason, it is of vital importance to us to also prioritize this issue internally. We promote a working environment where every individual can deliver the best possible personal performance. It is especially important to us to ensure a safe, healthy working environment for all our employees worldwide. We count the decrease in the accident rate within our Group among our successes in 2013 and have set ourselves the goal of further reducing the accident rate in the current year.

Sustainable action contributes to the success of our business. For that reason, all of us at HOCHTIEF are working together to systematically achieve our goals. And in dialog with our stakeholder groups, we also align these goals with their needs and wishes. Should you have any questions or comments, we will be happy to take them up. You can reach us at sustainability@hochtief.com.

Recent surveys show that the public places a high degree of trust in HOCHTIEF. Our reputation is a valuable asset. And a key element in it is our engagement to promote sustainability. Our goal is to live up to the trust placed in us, now and in the future, by continuing to develop our company sustainably.



Marcelino Fernández Verdes
Chairman of the Executive Board
HOCHTIEF Aktiengesellschaft

HOCHTIEF expands horizons ...



MY
ENERGY



OUR SUPPLY

... for instance, by building up a sustainable, forward-thinking energy infrastructure based on renewable sources. By way of example, HOCHTIEF is involved in the construction of offshore wind farms and the development of pumped storage power plants.

Entering new territory: In building construction, sustainability certificates have long been established worldwide. Now, an increasing number of civil engineering projects are also being delivered with an eye toward sustainability. With this in mind, the first certification systems have been developed, for which HOCHTIEF projects have also qualified—among them the Presidio Parkway in San Francisco.



Carefully considered, efficient, and “green”

With resources in short supply, there is a growing awareness of sustainability issues in the transportation infrastructure segment. But what makes a road green? The use of recycled materials? A construction site set up to minimize its impact on the natural environment? HOCHTIEF infrastructure projects spotlight what sustainability can look like in this context.

Roads are green above all when they are safe for all road users, have a long lifespan, and require little maintenance. A good example is the Great Eastern Highway in Perth, the first road project in Australia to be awarded a sustainability certificate. It was delivered by a joint venture including Leighton Contractors, a subsidiary of HOCHTIEF's Australian Group company Leighton. The Great Eastern Highway is one of the most highly used transportation arteries in Perth. Many commuters from the eastern suburbs take this route into the city center. As in most Australian cities, the volume of traffic here has grown significantly in recent years; the capacity provided by the four lanes was simply no longer enough. Much more importantly, the number of accidents was rising. Reason enough for the state transportation agency, Main Roads WA, to upgrade 4.2 kilometers of the highway and extend it by two lanes. The first ground was broken in summer 2011. The project was funded by the government of the state of Western Australia and the government of Australia.

The road is now a safe, state-of-the-art piece of infrastructure. This is thanks not only to intelligent traffic control systems and better lighting. Cyclists have their own lane on the highway and the pedestrian path has been extended along its entire length. There are far fewer accidents overall. Residents are happy because there is less noise pollution, commuters because there are no traffic holdups. Travel times on local public transport are also shorter, making bus travel much more attractive again. The highway is now an efficient road—and all these factors also make it sustainable, as cars that drive nonstop produce fewer emissions and consume less fuel than they would stuck in traffic.

City East Alliance, comprised of Leighton Contractors, Main Roads WA, GHD and NRW, completed the project funded by the Western Australian State Government and the Australian Government in February 2013. It was a green project from the outset, something all Alliance partners worked to ensure: “With increasing community awareness of environmental change and the depletion of natural resources, it is essential that government departments and major organizations deliver projects in a sustainable manner,” says Alliance Director Stephen Nicolay of Leighton Contractors. He and his team defined sustainability as a key performance indicator and drew up an environmental management plan long before the first ground was broken. The aim: a rating from the Infrastructure Sustainability Council of Australia (ISCA) (see info box on page 15).

A vast array of “green” measures

Certainly, the greatest contribution to environmental protection during the construction phase came from the exceptionally high percentage of recycled materials used (43 percent), which in the end added up to some 90,000 metric tons. The team achieved this, for example, by using a particular type of recycled concrete, crushed comingled recycled concrete (CCRC), thus minimizing the use of non-renewable raw materials such as limestone. Even the remains of eight properties that had to be torn down along the highway, as well as the previous road surface, were used to build the new roadway. This also means that significantly less waste than usual was produced.

“The extensive use of recycled material was unprecedented on an iconic highway in Western Australia,” emphasizes Stephen Nicolay. To improve its environmental footprint still further, the team used a warm mix

asphalt (WMA), among other things, which is manufactured at lower temperatures than usual. Nicolay explains: “A large-scale trial was carried out using WMA technology for the manufacture of asphalt for a section of the pavement. This technology also embraces a sustainable approach by reducing energy consumption and the environmental impacts generated during manufacture.”

Water was always a relevant issue during the project, too. After all, the highway runs alongside the Swan River. The delicate ecosystem was therefore factored into the detailed environmental management plan. This included improving the existing drainage to prevent the river from becoming polluted. Rather than valuable potable water, ground water was used for construction. The weir that was built for this purpose is now used by the local council to irrigate green areas.

Besides, as few green spaces as necessary were impacted. Where greater intrusion was unavoidable, the joint venture revegetated the area after the construction phase—always bearing in mind the original vegetation. Users and local residents were promptly informed about traffic disruption during the construction phase. In addition, working groups were set up to bring residents and

those involved in the project to the table with the aim of jointly seeking solutions to potential problems.

Taken together, all these seemingly small measures were extremely valuable. They could not have been implemented without the backing of each and every project team member. “Our staff developed a number of good ideas for how to better protect the environment,” emphasizes Stephen Nicolay. More than a dozen suggestions were submitted, he says.

An excellent outcome

The reward for their efforts: In August 2013, the project received the IS rating for the construction work. When awarding the rating, ISCA CEO Antony Sprigg praised the Alliance partners, saying: “Their focus on sustainability, innovation, and implementing best-practice sustainability solutions no doubt enabled the project to achieve a ‘Commended’ level of rating.” Other awards quickly followed, such as the Civil Contractors Federation National Earth Award.

The Great Eastern Highway also shows that operating with an eye to sustainability can significantly reduce a project’s construction time. The highway was reopened to traffic nine months ahead of schedule. “From the outset, the rating tool provided a clear framework for maximizing the project’s sustainability performance. It equipped the team to continually test the existing systems and processes for sustainability,” says the Alliance Director. Ultimately, the client, Main Roads WA, was also convinced of the importance of the IS rating. It decided that all future projects worth more than 100 million Australian dollars must aim for such a certificate.

In fact, this project is setting standards. At least three other Leighton Group projects will be green. Similarly in Perth, Leighton Contractors is part of a joint venture that is to extend “Gateway WA,” the main road link from the airport to the city center, by 2017. Once again, the client is Main Roads WA. A sustainability manager is responsible for ensuring that all target requirements on the giant project are met. In Stephen Nicolay, the team also has on board a project manager with sustainability experience. One major construction-related factor is that electric vehicles are replacing some of the petrol-driven vehicles on the construction site.

Sustainable activities are also under way on the other side of the Australian continent in Sydney—both at the North West Rail Link Tunnel, a rail project being delivered by Leighton subsidiaries Thiess and John Holland, and

An excellent example:
Delivered by a joint venture including Leighton Contractors, the Great Eastern Highway in Perth was the first road project in Australia to receive a sustainability certificate.



“Certification is a complex and carefully thought-out process—and that’s the way it should be. Undoubtedly a great deal more effort goes into creating a signature Greenroads project, plus a good helping of innovation and creativity. Roadways carrying Greenroads certification are designed and constructed to higher sustainability standards than is currently common practice—which is why they stand out from the rest. Anyone starting out on their first project will soon learn the ropes, and Greenroads staff are there to provide support along the way. Of course, we also know that the construction industry is already implementing a lot of environmentally friendly measures that can be credited by a program like Greenroads—measures that may not be recognized anywhere else or, for instance, by trade association award programs. Such activities can easily translate into points earned on a project, or serve to encourage innovation in other areas as well.”



Jeralee Anderson,
Executive Director,
Greenroads Foundation

at Wynyard Walk, a pedestrian tunnel in the city’s central business district.

These projects are the first in a series of sustainable infrastructure projects in Australia that are being delivered by Leighton. HOCHTIEF’s Australian Group company is also active within the ISCA. Thiess sponsors the website, for example, and a Leighton Contractors employee sits on the ISCA Board: Anne Davis, Legal Counsel.

Committed to sustainability

“We are transparent about our sustainability commitments, standards, and performance requirements, and we report regularly on our progress,” underlines Craig Tucker, Group Environment Manager at Leighton Contractors. “The safety and health of our people is also core to every aspect of our business, and how we deliver on our social, environmental, ethical, and financial responsibilities.” The company’s values overlap with those of the ISCA. And customers from industry, government, and local councils are also making ever greater demands in terms of sustainability, says Tucker.

Leighton Contractors has delivered IS Foundation Training courses that train employees in sustainable infrastructure and teach them how the IS certification system works. By the end of 2013, 33 colleagues from the Perth, Melbourne, and Sydney sites had received training. Tucker says: “Tailored in-house training has facilitated knowledge sharing, provided opportunities for open and frank discussions about performance and areas for improvement, and helped lower costs.” This fosters an understanding of sustainability and transfers it into practice, he explains.

Anne Davis also confirms that sustainability is becoming ever more important: “In the infrastructure space, owners, contractors, consultants, and suppliers all talk about sustainability in the business—on their websites, in their tenders, and in projects they deliver. What we see in this is an ever-increasing market for sustainable infrastructure.” She considers it important to see the infrastructure being developed today as a legacy for future generations. “The IS rating scheme offers a way to acknowledge and reward projects that show leadership and innovation in the implementation of sustainability.”

As a member of the ISCA Board, she is further developing the strategy that the organization promotes in its push for more sustainability in Australian infrastructure, stating: “Contributing to a positive legacy while meeting clients’ needs—sounds good to me.” Russell Cuttler, Executive General Manager/Operational Support of John Holland, who is also member of the ISCA Board, adds: “Being involved with the ISCA allows us to participate in the debate and influence the way things are considered and done to get better outcomes on infrastructure projects. Using the IS rating scheme allows us to improve infrastructure on a number of fronts. It allows us to deliver continuous social, economic and environmental improvements by evaluating and assessing each of the design, construction and even operational phases of infrastructure.”

Anyone leaving Australia and traveling to the USA will encounter an organization similar to the ISCA: the Greenroads Foundation, which promotes sustainable road construction projects and counts HOCHTIEF and U.S. subsidiary Flatiron among its active members. A

Certification systems for sustainable infrastructure

“Green” buildings have been officially commended for more than 20 years. Now the infrastructure sector is following suit. One of the first certification systems for sustainable infrastructure came into being in the UK in 2003: CEEQUAL has already presented awards to more than 210 projects, including the Glendoe hydroelectric power plant in Scotland, which HOCHTIEF completed in 2009. Established in Australia in 2008, the Infrastructure Sustainability Council of Australia (ISCA) issues sustainability ratings in the civil engineering and infrastructure sector. A distinction is made between the design, construction, and operation phases. Thiess is a founding member and sponsor of the ISCA, and other representatives from the Leighton Group sit on the Board.

The Greenroads Foundation was established in the USA in 2010 and awards ratings and certification to sustainable road projects. The certification program is soon to be extended to rail projects as well. Flatiron is a member and HOCHTIEF a sponsor. In addition, HOCHTIEF is currently investigating whether similar certification systems can be put in place in Germany, although the debate is still in its infancy.

change of location takes us to San Francisco. Hardly any other city has such a striking landmark; the Golden Gate Bridge is known far and wide. At its southern end, the approach road is currently being upgraded and made more seismically secure. The name of this road is the Presidio Parkway and it is being built as part of a public-private partnership (PPP). HOCHTIEF PPP Solutions holds a 50 percent stake in the concession company, Golden Link Concessionaire, and the construction consortium is led by Flatiron. The HOCHTIEF subsidiary began construction work in summer 2012 and is making the Presidio Parkway a green project, as it passes through a special area.

Keeping sight of the surrounding environment

Measuring roughly six square kilometers, the Presidio national park is a former military base with a unique blend of history, nature, and geology. It offers a natural, almost liberating contrast to the grid-type road layout in the city of San Francisco. The Presidio Parkway leads through this nearby recreational area popular with tourists and residents alike to the Golden Gate Bridge.

by the project is seismic safety. The area around San Francisco is one of the most seismically active in the world. The Presidio Parkway is intended to serve as an emergency route in the event of a heavy earthquake and must therefore be passable again no more than 72 hours later. To make sure of that, the team is improving the stability of tunnels, roads, and causeways.

Sustainability aspects were important right from the tender phase, as the project is endeavoring to earn a Greenroads Foundation certificate (see box on page 13). Early on, a sustainability management plan was drawn up and an environmental manager appointed, Jason Phillips is examining whether all the organization's requirements are met. “We stand a very good chance of gaining silver certification, maybe even gold,” he says.

On this project, all eleven mandatory “Project Requirements” are met. These include an end-to-end environmental approach, quality control, noise mitigation, and minimum air pollution. The team also wishes to earn additional credits for voluntary measures, such as a construction site recycling plan or a materials procurement plan. The status quo in December 2013, roughly 83 percent of the building debris and waste is being recycled, as is almost 100 percent of the steel and concrete aggregates.

For Phillips, it is a special project in every respect, as he is also a resident and so one of those affected by the construction work. The biologist and environmental manager has lived here for 17 years. At the start of his career, he worked as a volunteer environmental expert for the National Park Service. So it was only logical that he make sure sustainability standards are met on this

“The market is primed for sustainable roadways to become extremely relevant.”

Flatiron is responsible for ensuring that the 2.5-kilometer stretch of road once again meets the very latest requirements and that the neighboring areas are better connected. Special attention is being devoted to landscaping improvements and continuous cycle and pedestrian paths. But the most important issue being addressed

project for Flatiron and that he supervise the documentation for Greenroads.

“It was initially unclear to us what we should actually do in order to earn the credits,” said Jason Phillips. This is because the system is still relatively new and nobody on the team had any experience of it. However, the Greenroads Foundation requirements largely overlap with the sustainability requirements Flatiron places on all its projects. The fact that certification systems are also being set up in this segment demonstrates an ever-growing awareness of sustainable infrastructure.

“The market is primed for sustainable roadways to become extremely relevant,” says Jeralee Anderson, Execu-

tive Director of the Greenroads Foundation, describing the current situation in the USA. She speaks out against government regulation, however: “Greenroads is an independent third-party rating system that is actually completely voluntary. We think that is actually beneficial since regulation tends to take the carrot away and replace it with a stick in terms of promoting positive behaviors.”

The Foundation trains and supports companies project teams during their initial learning curve. It is still uncertain whether the Presidio Parkway will achieve gold certification in a few years. What is certain, though, is that this road is a sustainable one. Everyone involved is working to make sure of that.

Stakeholders have their say: Antony Sprigg



Antony Sprigg, Chief Executive Officer, Infrastructure Sustainability Council of Australia (ISCA)

ISCA is one of the world's only industry advocacy groups for infrastructure sustainability. We are fundamentally bipartisan and work collaboratively and in a spirit of partnership with both the private and public sectors. We also believe strongly in integrated thinking and activities. Our industry partners are other advocacy groups with whom we share a common purpose and/or stakeholders. These relationships assist in promoting the focus on and a consistent approach to infrastructure sustainability.

They generate a louder “voice” regarding key issues. The case studies emerging from projects with an IS rating (e.g. Great Eastern Highway Alliance, in which Leighton Contractors was a partner) are producing quantitative and qualitative examples that demonstrate how applied, outcomes-based sustainability initiatives and processes can deliver cost benefits as well as social and environmental improvements.

This type of information helps to articulate and strengthen the business case for infrastructure sustainability, which in turn motivates the industry to raise the bar further for sustainability performance.

In the context of infrastructure sustainability and global trends, it appears that Australia, the U.S., and the UK are the most progressive. However, there may be other leaders we are not yet aware of. Countries like Sweden, Canada, New Zealand, Singapore, Hong Kong, India, South Africa, United Arab Emirates, and Qatar have been exploring this issue for some time now and are using a variety of tools to increase sustainability performance on selected infrastructure projects. ISCA has been approached by industry representatives from many of these countries with queries about IS suitability for use in their respective regions. The IS pilot ratings commencing in New Zealand in early 2014 are a good example of this.

I am confident that every infrastructure project or asset can be planned for, designed, built, and operated in a more efficient (lean), more productive, and lower impact manner, and thus more sustainably. This may relate to resource efficiency; improved stakeholder engagement and the resultant reduction in construction delays or operational noise complaints; planning and implementing enhanced biodiversity benefits and connectivity rather than depletion; or the projects and assets delivering broader economic benefits beyond the original function of the infrastructure asset.

Excellence recognized: Turner met its own energy conservation goals and has received outside recognition for its achievement, including the 2013 Climate Leadership Award conferred by the U.S. Environmental Protection Agency (EPA). Such accomplishments are possible only when employees put environmental awareness and efficiency into practice—something they do very well at the HOCHTIEF subsidiary.



“Turn It Off” and win

HOCHTIEF’s U.S. subsidiary Turner has succeeded in using a clever contest and simple measures to motivate its employees to conserve electricity. The impressive results show that meeting goals is not that difficult after all—if everyone contributes to the effort.

It was a cold, sunny November day in 2013 when Turner’s national sustainability managers came together in a hotel in downtown Philadelphia. They had come in for this summit meeting from all over the United States. The men and women representing the 5,000-plus employees of HOCHTIEF’s U.S. subsidiary in 50 regional offices had come to exchange ideas and share valuable experiences. The was planned to coincide the 2013 Greenbuild International Expo, the world’s largest showcase dedicated to new trends in green and eco-friendly construction, which was taking place at the same time just a few hundred meters away in the city’s conference center.

At the end of a long day of workshops and discussions, the group took some time out for an unusual presentation. Chief Sustainability Officer Michael Deane asked six attendees to come forward and report on an in-house contest in which they had participated. Afterward, he pulled out two handmade awards—two fluorescent light bulbs on a small wooden base—and congratulated the winners. In an ambitious, four-week energy conservation contest known as the “Turn It Off” competition, Turner’s offices in Montvale, New Jersey, and Columbus, Ohio, had made the greatest progress.

The two representatives of the winning offices were not the only ones with something to celebrate. The campaign as a whole showed once again what a company’s employees can accomplish when they focus their energies on issues such as sustainability, energy efficiency, and concerted energy conservation.

“We want to play our part in lowering energy usage to minimize the greenhouse effect.”

According to Michael Deane, “At Turner, our aim is to be environmentally responsible citizens—and, in fact, we are. Several years ago we announced our intention to lower energy usage in our offices to minimize greenhouse gas emissions. That meant cutting our consumption of energy by five percent from 2006 to 2012.” It seemed a tough road at first, says Deane: “When we set out, the only tools we had were our electricity bills and information from our building management companies. We first made it a policy to comply with all LEED standards when renovating our offices.” The positive result? These measures alone were sufficient to meet, and in some cases even exceed, the target set. The company reported savings of six percent.

Turner’s commitment got noticed. In February 2013, Michael Deane was invited to the Climate Leadership Conference in Washington, D.C. to accept an award on behalf of Turner’s employees from the Environmental Protection Agency (EPA), the arm of the U.S. federal government advocating a clean environment, efficient stewardship of resources, and renewable energies.

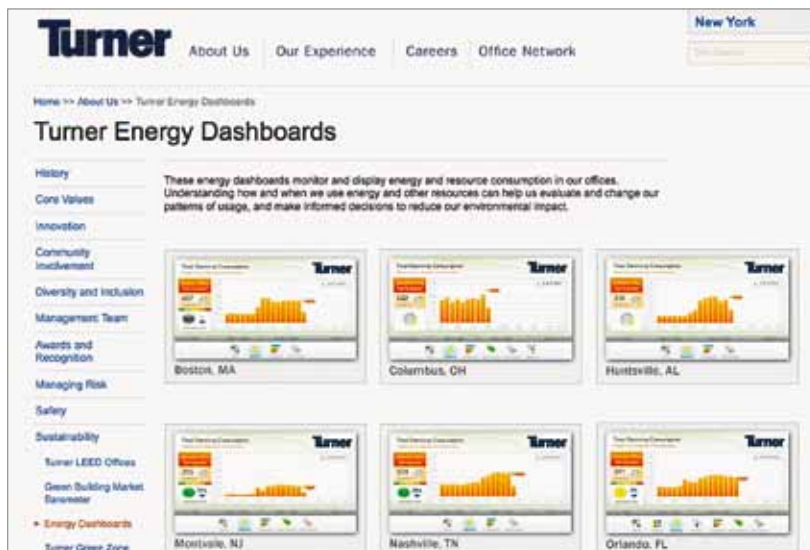


Simple measures, impressive results

Another initiative was a pilot project in which measuring devices were installed in some electrical outlets to precisely determine energy usage. The data obtained was monitored continually and reported to employees so they could see how much electricity they were using and which devices consumed the most. Additionally, electrical devices were timed to turn off automatically during non-business hours. All of these measures, some of them very simple, paid off: plug load energy consumption was reduced by 33 percent. In another initiative, employees in all offices and at all construction sites were encouraged to complete a “Turner Green Zone” checklist with the aim of raising awareness of environmental and climate impact by gathering information about recycling and waste management, water consumption, and energy conservation. A website on this program with information about how the individual sites ranked was a friendly way to inspire the necessary competition among Turner’s offices (see also the info box on page 19).

“The dashboards,” says Deane, “allowed us to quickly determine the source of our energy consumption and display this in a highly visible and easy-to-grasp way. It’s one thing to get a utility bill once a month and realize that we might have dropped the ball the previous month. But we don’t know when it happened and why. With the energy dashboards, everyone knows ten minutes later if there is an anomaly. You can track it down and fix it before it costs you a lot of money.”

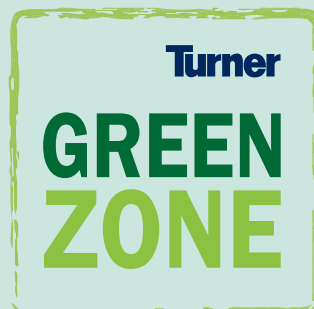
The office in Montvale, New Jersey, which houses Turner’s Construction Risk Management office for the entire United States, is situated in a recently renovated building. Here, the Turner team was able to get separate readings on the electrical usage of the plug load, lighting fixtures, and HVAC systems. Employees discovered that they could reduce plug load 30 percent simply by shutting off the electrical outlets at 9:00 p.m. and turning them back on at 6:00 a.m. the next morning. Once the electronic measuring system was installed, they also learned something much more surprising. “We noticed that the highest energy usage figures were on Sunday,”



A complete overview: Interactive energy monitoring dashboards in Turner’s offices constantly display current energy usage and savings figures. Employees can see not just their own results, but those of the other sites participating in the contest as well—along with a clear picture of where their office currently ranks.

This also caught the eye of the judges for the EPA Climate Leader award, but their interest focused on another of Turner’s initiatives: interactive energy monitoring dashboards installed in several offices that display energy usage in real time. This allows employees to identify patterns as well as compare their consumption to that of other participating offices.

Turner's Green Zone program



In 2011, Turner launched the Green Zone program to improve the company's environmental performance in Turner office locations and construction sites. A checklist is used to ask questions about twelve core issues and 50 additional factors in five categories, including comfort and environmental quality, recycling and waste disposal, water consumption, energy and indoor air quality, as well as innovation and design.

An office or project must meet the twelve core requirements and at least five additional ones to achieve internal certification as a Turner Green Zone. In 2013, a total of 210 sites took part in the survey, and 91 were certified. The participants received certificates along with stickers for their hard hats.

The checklist is used to assess the status quo at the locations and provide ideas for future measures. The competitive nature of the program motivates employees to develop and implement efficiency improvements.

Green Zone projects and sites are distinguished by the fact that they reduce the influence of business activities on the environment, cut costs by increasing energy efficiency and optimizing water consumption, reduce materials usage, and not least promote a healthy and productive working environment for employees.

explains Deane. "But no one was in the office on Sunday. The system settings were off, so we corrected that."

Office manager Christina Corvino and her colleagues in Montvale achieved results and a whole series of successes in just four weeks: "Our kilowatt-hour usage dropped by 42 percent," she reports.

A company can accomplish more than just save energy and money with such efforts, underscores Michael Deane: "The Columbus office, for instance, shows the system to clients and architects with whom we work. We say, look, you can do this in your office or on your project. And if you build it in from the beginning, that will be most cost-effective. Your benefit will be greatest." Clients and engineers appreciate it when a construction company like Turner provides this kind of expertise and shares its ideas. In this way, says Deane,

"we show them that we pay attention to things outside their field of vision. And that we can add value if we work together."

30%

The amount by which electricity usage at the Montvale office was cut by turning off all electrical outlets between 9:00 p.m. and 6:00 a.m.

Shared success: Turner's sustainability managers met to exchange news and views as well as toast the success of the "Turn It Off" competition and the winners.



The right approach

All of this was possible because the people at Turner chose a thoroughly American approach to problem solving: kick off a competition to spark participants' initiative. Michael Deane notes that "we Americans don't particularly like to be told what to do." Contests, on the other hand, function as leverage for changing people's behavior without them really noticing it. "When you get feedback that you're doing something really well, then you're ready to see whether you can do it even better next time."

"If you receive feedback that you have done something really well, then next time you might try to do even better."

And that, says Christina Corvino, is the good thing about these competitions. "Plus, we would never have noticed these hidden energy vampires. People don't necessarily think about such things. The contest was highly effective for us. Our office was constructed to be very efficient and sustainable, so finding added opportunities to save energy and boost efficiency even further is a great thing." So it comes as no surprise that Turner employees continue to save energy even after the competition. And the employees in the offices that did not win have already asked for a new contest to be run.

"I hope everyone sees what can be gained when we set a good example or save money. If the computer dashboards were installed in all of our offices, that would increase the potential for further savings. After all, what we discovered in this project should not be forgotten. The six participating offices cut electricity costs by the equivalent of 3,000 U.S. dollars in four weeks." If every Turner office saved as much, says Deane, the savings would amount to 250,000 U.S. dollars a year. An impressive amount—and one that motivates Turner employees to continue their efforts and develop clever new ideas and initiatives.

Stakeholders have their say:

Chris Reaster



**Chris Reaster, Estimating Engineer,
Turner Construction Company**

Mr. Reaster, the Turner office in Columbus attained the highest scores in the “Turn It Off” competition. Where did you install the dashboard which was used to display the amount of electricity saved?

As you come into the office, you see a touchscreen where we showcase our projects, and that’s where we put the energy dashboard. We chose that location because it means as many people as possible can walk by and access the information. Often, builders and clients also click on the screen and see how much money we’ve saved. That gives our employees an opportunity to bring up green construction and sustainability in discussions with business partners. At the same time, visitors can see that we implement ideas like this in client projects—and that we practice what we preach at Turner as well.

Clients understand the benefits of this type of measuring system?

Yes. The perfect example was the call I received from another Turner unit. Our coworkers there had heard that we won the competition. They work with a university that was subsequently also considering implementing a computer dashboard. Primarily, they want to analyze their dorm rooms, but other areas as well. Imagine it! An entire university organizes a competition to find out more about electricity usage and to save money.

The competition raised awareness among Turner employees about energy conservation and fueled their ambitions. What happened after those four weeks had passed?

We continue to save. Habits were changed! I think it just takes four or five weeks to permanently change people’s habits. And the competition accomplished that.

Nature and technology in harmonious balance: The third bridge over the Firth of Forth in Scotland is currently being built. While the new crossing is important in terms of mobility, it is also another intrusion into the habitat of people as well as flora and fauna. Thanks to a sophisticated plan, HOCHTIEF and its partners are protecting these resources during construction.



Bridging nature and technology

Building landmarks, protecting resources: Construction of the new road bridge over the Firth of Forth in Scotland is subject to strict environmental protection standards. HOCHTIEF and its project partners have specifically addressed these demands with a far-reaching action plan.

When construction work on the second bridge over Scotland's Firth of Forth began in 1958, the builders were certain of one thing. This bridge would secure the crossing over the 2.7-kilometer-wide estuary between Lothian and Edinburgh in the south and Fife in the north for at least 120 years. At last, there would be a direct link for all motorized vehicles, not just a rail bridge. The old-fashioned ferries had become obsolete. This second bridge, the Forth Road Bridge, was not quite designed to last an eternity, but close.

However, 40 years later, the Scottish government was forced to admit that there was a large rift between the original builders' plan and the reality on the ground. Although it was designed to handle only eleven million vehicles per year, by 2006, no fewer than 23 million vehicles were using this important bridge annually. Almost at the same time, in 2005, initial signs of corrosion damage came to light on the supporting cables. The bridge was carrying more traffic, but had a diminished load-bearing capacity—not a promising future.

And so government officials began to weigh their options. Should the old bridge be fixed up, accepting the fact that its use would remain limited in the long run? Would an underground tunnel be a viable alternative? Or should a new, third bridge be built? In 2007, after thoroughly weighing up the pros and cons regarding the costs, benefits, and impact, they took the decision to build a third bridge, the Forth Replacement Crossing.

After years of planning, the contract was awarded in 2011 to the Forth Crossing Bridge Constructors (FCBC) consortium comprising HOCHTIEF Solutions along with Dragados, American Bridge, and Morrison Construction. Work on the structure began in 2011. Including the necessary connecting structures, almost seven kilometers of road infrastructure will be created here by

2016 for the bridge whose official name, the Queensferry Crossing, was chosen by public vote in 2013.

The history of the three bridges which cross over the Firth of Forth between South Queensferry and North Queensferry is multifaceted: It is technological history. It is architectural history. It is mobility history. It is the history of progress. And it is also the history of encroachment on the habitats of plants and animals.

Without a doubt, the builders of the first two bridges had to fight the whirling winds over the Firth of Forth. Today, large-scale projects like this usually also feel blowback from environmental protection groups. A necessary evil? Not at all. For HOCHTIEF, objections by environmentalists are always a welcome reminder of our own mission and vision to expand horizons and shape living spaces. The fact is, we impact the people who use this living space and the natural environment that surrounds it. And HOCHTIEF takes responsibility for that. Period. Just as delivery of high-quality construction projects is a matter of course for us, it goes without saying that we take a responsible and sustainable approach to building for precisely this reason.

Harmonious: Queensferry Crossing blends in perfectly with the landscape at the Firth of Forth. Building the bridge will take five years and, during this time, protecting resources is not just an obligation, but an inspiration for HOCHTIEF Solutions.





Consideration takes precedence: The vibrations caused by foundation drilling work for the bridge caissons disturb the native marine mammals in the area. That's why work only begins when no schools of fish, whales, or seals are detected within a radius of one kilometer of the site.

So the construction of the new Queensferry Crossing will not just go down in technological, architectural, and mobility history. It is also a shining example of resource stewardship and protection as part of large-scale construction projects.

Multitude of challenges

What does project-specific resource protection look like exactly? What is involved? What steps need to be taken to accomplish which goals? What is the end result? Who benefits from resource protection?

Even before the start of the tender process, the Scottish Government's public transport agency, Transport Scotland, the client for this project, listed the impacts of building the third bridge. Even in summarized form,

The summarized environmental requirements filled numerous pages of the tender document.

the special site requirements, effects on land distribution, groundwater, the appearance of the landscape, air quality, noise levels, flora and fauna, traffic patterns, neighbors, and the construction activities themselves filled numerous pages. The following are just some examples of the issues and questions surrounding the project's environmental impact:

- How much agricultural land would be lost during construction of the access roads? How much land would have to be expropriated?
- The construction site is home to numerous species of birds—many of these are protected species. How can their natural refuges be preserved?
- How can the character of the landscape be maintained despite the significant encroachment by the structure?
- The new bridge will be built directly over Beamer Rock, a small rocky island. What will happen to the lighthouse there?
- To what extent will the new, longer route result in more automobile emissions and therefore reduce air quality?
- How can a safe flow of traffic be ensured not only for cars, but also for pedestrians and cyclists?

The questions documented were integrated into the planning process to the greatest possible extent. This guaranteed that as little land as possible had to be expropriated for the bridge route and that alternative space was found for the recreation area eliminated.

For HOCHTIEF Solutions as one of the construction companies involved in the FCBC joint venture, certain resource protection issues directly associated with its own activities stood out. Specifically:

- How can the construction process be orchestrated so as to keep the disruption phase to a minimum?
- How can visual disruptions and noise pollution associated with the construction site be kept to a minimum?
- Construction of the bridge requires one of the largest underwater concrete pours in the world. How can it be designed to avoid damaging the undersea habitat?
- How can the volume of waste be reduced, the waste produced properly disposed of, and dust avoided?
- How can air pollution, noise pollution, and vibrations be minimized?
- Some of the new access roads are being built on virgin land. How can they be integrated into the existing ecosystem?
- How can the safety of workers be guaranteed?
- How can the construction site be organized so as to disrupt the flow of traffic as little as possible?



Resource protection in concrete terms

The measures HOCHTIEF Solutions takes to put its resource protection plan into action are as varied as the questions and challenges. Here are just a few examples:

Emission monitoring

You have to break eggs to make an omelette, as the saying goes. Noise, dust, and vibrations are unavoidable side effects of large-scale construction sites. No large structure can be built noiselessly, invisibly, and without kicking up dust, and HOCHTIEF's projects are no exception. However, numerous measuring stations were set up at the Queensferry Crossing construction site and volunteers found who were prepared to have the necessary technical equipment installed on their properties. To thank them in some small way, FCBC is donating money in their names to projects selected by the volunteers. The measuring stations record how loud the work is and which local residents are affected. Based on this data, the works can be coordinated accordingly, and neighbors be informed and prepared.

Marine Mammal Observer

Marine species are also affected, especially by vibrations caused in drilling work. The contractual stipulations for marine preservation during construction of the Queensferry Crossing are strict. And for good reason. A number of areas in and around the Firth of Forth fall under national or international environmental protection regulations. For instance, some of the area is protected

by the Ramsar Convention, an intergovernmental treaty for which Unesco is the depositary organization that aims to protect wetlands and the habitats of waterfowl and wading birds. The area also features several bird reserves under European law as well as protected refuges for nesting birds and migratory fish. In response to contractual requirements set out by Transport Scotland, the consortium including HOCHTIEF created the important position of Marine Mammal Observer. One employee is entrusted with ensuring the wellbeing of all marine mammals. His work is done from a boat. As soon as marine mammals are detected within a radius of one kilometer of the loud and vibration-producing

And pretty soon, there will be nothing to see: Forests and green space have to make way for construction of the access roads to the bridge. But after each phase, the cleared areas are swiftly replanted.

400,000

HOCHTIEF and its project partners are planning 400,000 new trees, plants, and hedges.

foundation works, those works are postponed immediately. Several times already, seals have been given the opportunity to seek out a place to stay further away. Passive Acoustic Monitoring (PAM) equipment is used to locate the animals. In addition, radar is used to find schools of fish within a 500-meter radius.



Construction in a nature reserve

As in other places, large infrastructure projects in Germany also face considerable environmental protection challenges. The Saale-Elster Viaduct proves that this is not a problem for HOCHTIEF.

The Saale-Elster Viaduct, Germany's longest bridge at nearly ten kilometers, runs through the heart of sensitive nature reserves in the Saale floodplains. It took six years for HOCHTIEF Solutions to build the link for the high-speed rail connection between Leipzig and Erfurt. From 2017 onward, it will close the gap in the ICE rail network on the Berlin-Munich route.

A bridge that runs straight across a nature reserve? Right through a refuge for many rare animals such as beavers and red kites? For the joint venture including HOCHTIEF, completing the project while protecting the area's natural resources was an absolute must. For instance, some biotopes could not be entered at all. These demands posed a challenge even for our seasoned engineers. The project's schedule and construction methods were consistently aligned with these requirements. The Saale-Elster Viaduct was built according to an innovative "top-down" construction technique. This means that all work—including the pylon foundations—was carried out from scaffolding on the parts of the bridge that were already completed. There was only one construction road specially built for the purpose, and this too was raised on pylons to protect the flora and fauna. During bird nesting season in the spring, work was regularly halted on certain sections of the bridge. In 2013, the site with the shell construction was handed over on schedule by our team. What remains is the good feeling that neither animals nor plants were disturbed any more than was absolutely necessary.

Dedicated environmental team

Environmental protection is also personified in Liam Soden, FCBC Environmental Manager, who manages a team of five people responsible for resource protection during the bridge building project (see interview on page 27).

Shaping the landscape

Woodlands and green space were cleared for construction of the bridge and its access roads. However, a partnership with a tree nursery ensured early on that after each phase of construction, new trees are planted quickly, and the right number of plants are available at the right point in time. HOCHTIEF and its consortium

partners will plant a total of 400,000 trees, plants, and hedges. In this process, attention is paid to making sure the mix of plants corresponds to the natural composition and the newly renaturated areas fit harmoniously into the existing landscape.

Information center

A Contact & Education Center was also set up for local residents. Since April 2013, several thousand visitors, including around 1,200 schoolchildren, have taken the opportunity to gather information about the progress of the construction work, the project itself, and its impacts. A separate FCBC Community Liaison Team works as a point of contact for citizens, responding to

their questions, suggestions, and concerns about the large-scale project being built over several years. The bridge over the Firth of Forth is a structure meant to serve the people who live there. And, at the same time,

impinges considerably on their living space. HOCHTIEF is not only aware of this fact but can say with conviction: We act accordingly. That's what sustainability is. Period.

Stakeholders have their say: Liam Soden



Liam Soden, Environmental Manager and Ecological Clerk of Works, Forth Crossing Bridge Constructors

What is your background?

For over eight years, I have worked as an ecological and environmental consultant on various large-scale projects across the UK. I have been Environmental Manager and Ecological Clerk of Works for the Forth Crossing Bridge Constructors (FCBC) consortium since November 2011.

What is your main duty and what are the vital aspects and aims of your daily work?

I have two roles within the department. As head of section for the environmental department, I manage a team responsible for ensuring the FCBC's commitment to maintaining the integrity of the environment during construction of the bridge. My second role is that of the Ecological Clerk of Works. In this capacity, I monitor the ecology around our project site and provide technical advice to the construction team where necessary.

What do you like most about your job?

The challenge! Every day we have to deal with something different. That can range from ecological issues—such as monitoring marine mammals during piling operations—to waste management. We have a number of teams spread across the project and make sure that environmental awareness is a constant consideration for every operative.

Is it possible to carry out such a huge project while taking care of nature and resources?

Large-scale projects like this bridge construction can have a positive impact on the local environment. They provide data on the indigenous species (through initial assessments made at the planning stage), they can provide management resources to local habitats that wouldn't necessarily be in place—such as additional woodland/wildflower planting, and they allow for data to be collected throughout the project which can be valuable to local agencies and groups.

What are the main challenges at the moment?

The biggest challenge we have as a team is the logistics and size of the job—making sure every department is supported with regard to any environmental issues that crop up and that they remain committed to conducting their work in an environmentally responsible manner. That takes a lot of communication, planning, and coordination.

What achievements have already been made?

Ecologically speaking, the biggest achievement has been minimizing the disturbance to locally protected species: Otters, badgers, bats, and terns have all been recorded on our site since construction began in 2011. This shows that by implementing the right mitigation and managing our works in a considerate manner, we have had little impact on the local ecology.

Is there any aspect of your job that you find most important?

I don't consider one particular aspect of my roles any more important than another. Ecology, noise, air quality, waste management, sustainability, cultural heritage, and pollution prevention are all key topics we deal with on a daily basis with numerous departments.

Up close and personal: During internships at HOCHTIEF's U.S. subsidiary Flatiron, budding engineers are given the opportunity to get to know their future work environment first-hand—enormous construction vehicles and all. The excellently organized and structured internship program is one reason for Flatiron's regular appearance at the top of employer ranking lists.



Great employer— A visit to Flatiron

HOCHTIEF subsidiary Flatiron has been named “Best Place to Work” in Canada several times in various rankings. But what really makes a first-rate employer? And what can a company do to become one? A peek behind the scenes at U.S. civil engineering specialist Flatiron provided some answers.

Employees are a company’s most valuable resource, and if they are highly qualified, motivated, and involved, this will be reflected in the company’s financial results. This correlation is widely accepted today, not just on the corporate side, but also among the sought-after talent on the labor market. Consequently, competition is intense for what are known as “high potentials.” These candidates specifically select their employers according to their preferences—and prestige and salary are hardly the only criteria considered. Instead, the decision is increasingly made on factors such as opportunities for personal development, work-life balance, and social responsibility. This means both sides face new challenges. Employers must be able to attractively showcase their “internal” values, while the candidates themselves must in turn decide which criteria to prioritize in choosing their dream employer—after all, each of us has our own individual requirements and priorities.

Finding out from those in the know

Guidance in finding the perfect employment match can be found in numerous rankings regularly published by business and industry media. The methodology and the focus differ from survey to survey. In many rankings, college graduates are asked which companies they find attractive. Some lists use juries to choose the winners based on data from human resources departments, while others rely on employees to evaluate their employers. The latter are particularly helpful for job seekers. Additionally, the more transparently the strengths of a company as employer are presented, the easier it is to assess whether this company is not just A top employer but THE best employer for a particular applicant’s needs. Surveying employees and analyzing human re-

sources data also provides a more realistic picture of actual working conditions than a survey of university students and graduates. In that case, the appeal of attractive products and strong brands often influences a company’s rank, according to a study by opinion research firm Universum Communications: 44 percent of entry-level workers choose their ideal employer based on its attractive products, and 36 percent and 32 percent, respectively, pay particular attention to its financial strength and market success.

High scores from employees and experts

The list of top employers in Canada, which named HOCHTIEF’s U.S. subsidiary Flatiron one of the top 50 companies for the second time running in 2013, is also based on an employee survey. Since the 1980s, the Great Place to Work Institute has explored the qualities that go to make a good employer. The Canadian edition of the Great Place to Work ranking has been published annually in the Globe and Mail newspaper since 2005. In addition to the assessment by the employees surveyed, the ranking also includes a qualitative analysis of corporate culture as well as human resources policy and programs. In the 2013 ranking, a total of 57,000

Out of the university and into the engineering world: Flatiron interns inspect a construction site.



The winning bridge in the intern competition: Jimmy Quach's popsicle-stick-and-glue structure held an impressive 58 pounds (picture left). Flatiron engineer Carlos Gomez (picture right) works closely with the internship program and is on hand to provide help and advice to the bridge builders-to-be.



employees from more than 300 nominated companies were surveyed.

Another example is the list of "British Columbia's Top Employers 2013," which also included Flatiron. Here, the publishers of "Canada's Top 100 Employers" evaluate factors such as the working environment, communication with employees, benefits, and commitment to social issues. Flatiron's various social initiatives were among the positive aspects recognized by experts in both rankings. Above all, however, the HOCHTIEF subsidiary placed highly due to its company pensions and training as well as its continuing education programs.

For reasons including this type of support, Flatiron also made the list of top employers of young people in Canada, a ranking also chosen by the publishers of "Canada's Top 100 Employers." The special focus of this ranking is on initiatives attractive to young talent—such as the opportunity to attend university while working, or mentoring and training programs.

Inspiring young engineers

Flatiron runs a number of employee recruitment initiatives and programs to promote employees at various career stages. The Build-A-Bridge program starts early, aiming to inspire high school students to pursue a career in engineering. The program consists of a ten-week course in which Flatiron employees teach the eleven participants basic engineering skills, including how to read construction plans, and gaining insights

into project management. At the end, participants apply their newly acquired knowledge to a final project. A significant incentive is provided by prizes awarded by Flatiron totaling 15,000 U.S. dollars: The higher the score a participant's project is given, the more money they receive. The prizes are mainly intended to help participants finance their later studies. In addition, Flatiron offers the best of the best a paid summer internship geared to providing an even more in-depth look at careers and daily life at the company.

Goal: Recruit and retain young talent

An internship at Flatiron means much more than just gaining some initial on-the-job experience. During the summer internship programs, the transportation infrastructure specialist organizes a series of competitions to generate added motivation and enthusiasm for the company. Carlos Gomez is an experienced Flatiron engineer who works closely with the internship program. He explains the background to the program's special mission: "What does an engineer do? These young people have only a very limited idea of the many different career paths they could take with a degree in engineering. Flatiron offers them a unique opportunity to experience the practical side of engineering. They can take the theory they learned in college and apply it in practice. Working alongside Flatiron engineers, they learn to use their skills to meet complex and constantly shifting challenges. These challenges arise when a project has to be completed in concert with several different parties. Having spent a summer learning about how Flatiron's engineers deal with complex issues, interns are given a task which they have to complete themselves: Planning and building a bridge on schedule—with nothing but popsicle sticks. The bridges are graded to determine who

"A Day in the Eyes of a Super Intern": Calvin Joyce's humorous take on his internship won over his coworkers in the YouTube competition for interns.




HR Manager Dana Smola on Flatiron's positioning as an employer



How would you describe the positioning of Flatiron as an employer? Which values are most important for Flatiron?

Our applicants should embody Flatiron's five core values: Safety, People, Ingenuity, Results and Success. When screening the applicants, we look for those that possess the talents and skills to execute the work required and whether the applicants would fit within our values of strong work ethics and teaming.

How does Flatiron attract applicants?

Flatiron strives to attract qualified applicants by offering a good work environment focusing on promoting teamwork and camaraderie. We also provide applicants with opportunities to work on challenging and complex projects. Applicants are also looking for an organization that places a high value on professional development. We continually strive to provide our employees with internal and external trainings and support their goals through our career management program. Today's socially conscious applicants are also looking beyond their personal needs and are looking at whether organizations are good social stewards in the community, both locally and globally. Flatiron provides this to applicants through our efforts on giving back programs such as Bridges to Prosperity , our annual giving back campaign focusing on non-profit organizations such as Make-A-Wish Foundation, Ronald McDonald House, Our Center and Safe Shelter to name a few, and various outreach programs to educate local high school students about the industry and the field of engineering. These features, along with a strong reputation in our industry, are what attract applicants to Flatiron.

 www.bridgestoprosperty.org

In your opinion: What are the future challenges for recruitment, especially for specialists and high potential junior employees?

As the U.S. job market improves, our greatest challenge for recruitment will be other competitors seeking to build their benchstrength within their organization. Flatiron will have to look at our strengths and capitalize on those strengths to attract these candidates. We will need to look at what makes us unique and stand out, apart from our competitors seeking similar highly talented recruits.

To which characteristics and values does Flatiron pay most attention when you choose or assess employees?

Flatiron assesses whether our employees embody our core values. Another key characteristic that we assess our employees on is leadership ability. Leadership competencies are important to ensure the continued growth in our organization and the success of the team. We continue to provide our employees with leadership development programs giving them skills that will assist them in project execution and building relationships both internally and externally.



“Safety first”: In his YouTube video, intern Jimmy Quach explains the purpose of protective gear.

had the best design and which structure held the most weight. The program piques the interest of talented students who could be future Flatiron managers.”

In summer 2013, Flatiron also invited interns to narrate their day-to-day internship experiences as informatively and originally as possible in a self-produced video and thus to provide a behind-the-scenes look at the company. Flatiron employees selected the winner, who received

29%

of talented young workers report that social responsibility is an important factor in their search for the ideal employer.

a prize. The title of the video by Calvin Joyce was “A Day in the Eyes of a Super Intern.” It won over viewers with its humor, skillful editing, and music as well as a wealth of physical feats. In addition, it included Flatiron’s five key corporate values: Safety, People, Ingenuity, Results, and Success. Jimmy Quach, who had already won

the bridge-building competition, took second place with his video.

This kind of video competition has multiple positive effects. Firstly, it motivates and rewards the interns while, secondly, voting for the winning video encourages greater interaction between the full-time employees and young talent. As a result, the interns are taken seriously and better integrated into the team. And finally, the personal reports about the internship experience are a very interesting source of information for applicants seeking their ideal employer. This has also been confirmed by Werner Eichhorst of the Institute for the Study of Labor in an interview with German newspaper “Die Zeit”. He states, “First-hand impressions of an internship or a one-to-one conversation with an employee contacted through a friend are the most effective.”

Support at all career levels

The programs and initiatives presented here are just two examples of HOCHTIEF subsidiary Flatiron’s recruiting and retention measures. The company also systematically acts on the principle of motivation and retention through targeted promotion when it comes to established employees—whether with a job rotation program for young engineers or grants for combining studies and continuing education with work.

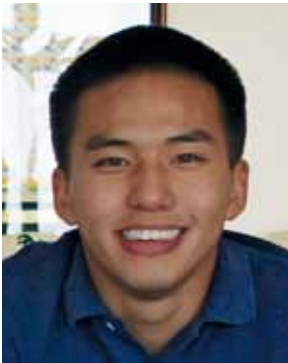
And Flatiron has another iron in the fire: According to the survey by Universum Communications, attractive products and market strength are criteria highly important to young talent when seeking an employer. Flatiron boasts spectacular bridges, gigantic dams, and prestigious road construction projects—all products that undoubtedly warm the hearts of passionate engineers and many others besides.

From a sustainability perspective, there is one more result of the study that stands out: Social responsibility, environmental sustainability, and ethical standards rank above prestige and rapid growth in places five, seven, and eight, respectively, on the list of what young applicants expect of a company. The importance of these issues in evaluating employer attractiveness is under-

scored by the experts from “Canada’s Top 100 Employers,” who especially praised Flatiron’s commitment to society.

All of this makes it clear: These days, only a corporation that thinks and acts with an eye to the big picture can really be a top company—and top employer. One more reason for Flatiron and the entire HOCHTIEF Group to stay deeply committed to sustainability issues.

Stakeholders have their say: Jimmy Quach



In summer 2013, Jimmy Quach had his first internship at Flatiron and won a bridge building competition with his popsicle sticks construction. In Flatiron’s 2013 Intern Film Festival, his YouTube video achieved second place. In December, he started his second internship at the U.S. HOCHTIEF subsidiary.

Why do you want to become an engineer?

Growing up in the Bay Area, I have been around the Golden Gate Bridge, Carquinez Bridge, and Transamerica Pyramid; these are all products of great engineering. One day, I want to be able to say I was a part of something that is as prestigious as the Golden Gate Bridge. I want to become an engineer because I am fascinated with being able to design and build magnificent structures that fulfill a need of the public.

In your opinion: What makes a good employer?

In my opinion, a good employer gives their employees a general experience to begin with, and then allows employees to move in the direction of a specific type of job they are passionate about.

What were your main activities during your internship at Flatiron?

My main activities were drafting falsework plans, creating pile handling plans, and calculating load breakdowns for bridges. One of my favorite activities was being able to assist during the traffic switch of the San Francisco-Oakland Bay Bridge Project; this gave me a taste of what it is like to be a field engineer.

What were the most interesting aspects of your internship?

The most interesting aspect was going out into the field and seeing the importance of the work I did in the office. During my visit to the Willits Bypass project, I overheard a foreman explain to a new member of his crew the significance of a pile handling plan to the safety of the crew. I always knew the importance of the engineering department at Flatiron, but seeing it first-hand was when it came full circle for me.

Could you imagine working for Flatiron after your studies?

Yes, I could definitely imagine working for Flatiron after I graduate college. Flatiron is an attractive employer because of the broad experience that young engineers are given in the rotation program. In order to understand the bigger picture, an engineer should be competent in all the different aspects of the job. Another attractive aspect of Flatiron is their heavy involvement in design-build projects such as the Presidio Parkway Project and BART Oakland Airport Connector. Design-build is appealing because I enjoy thinking on my feet to find creative solutions to difficult problems. Flatiron is effective at helping engineers become well-rounded, and I hope to eventually have the opportunity to work here.

Contributions that are making a difference:
In Australia, the Leighton Group is taking action on behalf of Indigenous people in many different ways. The chance to complete job training at the company opens up opportunities for young Indigenous Australians to lead a successful, satisfying life. And the HOCHTIEF Group company itself benefits from the diversity of its employees and focuses on actively promoting intercultural exchange.



Respect is not a one-way street

The Leighton Group and its employees put considerable effort and personal commitment into numerous initiatives and programs aimed at closing the gap in the standard of living between Australia's Aboriginal people and its non-Indigenous population.

"I was an at-risk youth and didn't believe that I would ever be able to accomplish anything in my life. When I was invited to join a training program at Thiess, I couldn't believe I was being given the chance to change my life," reports Emma Jenkins. She is completing an apprenticeship as a mechanic at construction and mining company Thiess, which is part of the Leighton Group, HOCHTIEF's Australian Group company. "This opportunity changed everything for me." Jenkins is of Australian Indigenous descent, making her a representative of the oldest still-surviving culture in the world (see also box on page 36).

She told her story at an event presenting the Reconciliation Action Plan in March 2013. This initiative is an effort by Thiess to help close the gap between the living standards of Australia's Indigenous and Torres Strait Islander people and its non-Indigenous inhabitants. The goal is ambitious. In 2014, one out of every four of the company's apprentices is expected to be from the Indigenous Australian community; in 2015, the share of the workforce accounted for by Indigenous people is anticipated to be 2.5 percent—a percentage approximately equal to their representation in Australia's population as a whole.

Assistance required

Contributions such as those by Thiess are desperately needed. Indigenous Australian and Torres Strait Islander* peoples are among the poorest, least educated Australians, and have the most difficulty in obtaining access to medical care. The unemployment rate among these groups is three times the Australian average. There are many reasons for these differences. The original Indigenous Australian social structures were disrupted by the arrival of European colonists, and centuries of inequality followed.



The goal is to end this now—at least at Thiess. "Giving Indigenous Australian and Torres Strait Islander people the opportunity to build a career or helping them work with us as a supplier is the core idea behind our vision of sustainable social development," says Bruce Munro, Managing Director of Thiess. The company therefore offers five different programs in conjunction with Indigenous Australian Elders, the government, and Salvation Army Australia to improve the employability of Indigenous Australian youth. Ultimately, they themselves report that a lack of education and support during the acclimatization phase in a new job are the two main barriers to employment. That's where Thiess comes in with additional tutoring in writing and math, job application training and advanced courses as well as tours of the company to eliminate any reservations applicants may have. To prevent this anxiety from coming to the surface during job

Opportunity taken: Jimmy Cloudy and Emma Jenkins are among the Indigenous employees completing mechanic apprenticeships at Thiess.

*Torres Strait Islanders are the Indigenous people of the Torres Strait Islands, Queensland, Australia. Their culture is Melanesian, and they are not related to Australia's Aboriginal peoples.

interviews, for example, a Thiess employee of Indigenous descent is always present.

Thiess has invested approximately 35,000 training hours in this effort to date. The result? Today, three out of four graduates of the “Employability” programs can be proud of holding permanent jobs.

Thiess has been recognized for this achievement. In 2013, the Leighton company won a prize awarded by

the state of Queensland for this employment promotion program. There has also been recognition at country level. “Thiess is really doing something for Indigenous Australian and Torres Strait Islander people. This program goes well beyond the usual responsibility of an employer to be a good corporate citizen,” states Judy Donovan of Australia’s Department of Education, Employment and Workplace Relations. In addition, customers are also happy with the company’s commitment, as many of them have their own agreements with targets for the employment of Indigenous Australian staff.

The world’s oldest culture

The Indigenous peoples of Australia are representatives of the oldest still-surviving human culture. At the heart of their traditions, which can be traced back more than 40,000 years, are stories—sung, danced, and traveled “song-lines” from the Dreamtime, the era in which the world was created according to the philosophy of these peoples. These dream paths function not only as a history of origin, but also as a textbook, code of laws, and religious teachings. When the first white people arrived—the British established their first penal colony in Australia in 1788, considering it empty land belonging to no one—the country’s Indigenous peoples were living in an early form of communal society that knew no hierarchies, no ownership of property, and no money. Their lifestyle based on preserving rather than conquering the natural world appeared very foreign to the Europeans. A lack of understanding of the culture and lifestyle of the Indigenous Australians marred relationships with the European colonists and made coexistence more difficult. Even today, Indigenous Australians experience disadvantage. The following three statistics suffice to illustrate the problem: Indigenous Australians’ life expectancy is 17 years lower than that of non-Indigenous Australians, and although Indigenous people make up only 2.5 percent of the population, they account for 26 percent of all prison inmates.

Promoting understanding

The initiatives launched by Thiess also include intercultural training, and 30 percent of all employees have meanwhile completed such courses. The training, which emphasizes commonalities between segments of the population, is incredibly important, according to Richard Young. Young is of Indigenous Australian descent and also Manager of Indigenous Affairs at John Holland, another Leighton subsidiary. He says that the industry’s perceptions of Indigenous Australians are frequently marked by a lack of knowledge and, all too often, the abilities of Indigenous people are underestimated. “Recently, a trainer asked me whether Indigenous Australian people would have any interest at all in a certain job, since it was very technical. I waved an Australian 50-dollar note, which features a portrait of inventor David Unbaipon, in his face. The man is considered Australia’s Leonardo da Vinci!” In Young’s opinion, such preconceptions can be eliminated by focusing on communication: “First learn to listen without preconceived ideas!” However, this requires training, positive role models, and leadership from the highest levels of management.

Nev Nichols, Chief Executive Officer of John Holland subsidiary Country Regional Network (CRN), is this kind of role model. CRN does not stop at offering various programs for Indigenous Australian youth seeking employment after completing their high school or university studies. The company holds events in which Nichols, Infrastructure Operations Manager Ged Mohan, and Manager, HR and Stakeholder Relations Alannan Billington seek out as many Indigenous Australian and Torres Strait Islander employees as possible and ask about their situation, always using the following question as a guideline: What could we do to provide even more support to the Indigenous Australian communities in the areas where we operate? Based on the answers, the company is helping on-site with tutoring, visiting schools, adver-

tising for careers in the company, and supporting Indigenous school leavers and schools.

Richard Young is convinced of the importance of starting early. He therefore also backs projects not directly associated with the company and its business activities—for example, a toy-lending library in Wellington operated in conjunction with the local Aboriginal Land Council, the local representative body for Indigenous Australian people. Young mothers from the community with children under the age of five visit the library to borrow toys and meet people. “A large number of our Indigenous Australian employees at CRN and their spouses are not from the area,” Young explains. This initiative provides a good opportunity for young mothers to meet people, and reduce social isolation.”

Reaching youth who have already made their way through various schools, training courses, and government programs without success is more difficult. “They don’t want to hear another lecture about what they are doing wrong. They want someone to finally ask them what they want and where they see opportunities,” says Young. If there is one thing he has learned while helping Indigenous Australian youth, it is that successes must be celebrated, and self-awareness as well as pride in Aboriginal culture must be conveyed.

“Indigenous youth want someone to finally ask them what they want and where they see opportunities.”

To this end, CRN also participates in BackTrack. The program, which is supported by the Aboriginal Land Council, assists Indigenous Australian youth who have been rejected by other schools and training facilities. The goal is to motivate them to continue their education, learn a trade, and lead a happy, productive life as stable members of society. “This program allows young Indigenous youths to be work ready,” reports Young. “We offer them work experience at our company to give them one



more chance.” There they learn to handle tools, work in teams, and solve problems constructively.

Making a difference on-site

That describes Louise Laws’s mission in a nutshell. Although her day job at Leighton Contractors involves human resources strategy, Laws has been working in Kununurra, a remote community with only 3,750 inhabitants in the Kimberley region of northern Western Australia since September 2013. There she is making a difference along with the local Wunan Foundation through the “Empowered Communities Project”. Twenty Elders from eight different villages, some quite a distance apart, have come together here to seek solutions for the problems found in nearly all of their communities: high youth suicide rates, high truancy rates, alcohol-related problems, unemployment, social dislocation.

“Empowered Communities” is about collaboration amongst the eight regions and in establishing better ways of working with each other and with government to accelerate achievement of the closing the gap objectives. Laws’s involvement was to work with the leaders in the East Kimberley region to identify their strengths and successful stories in the reform agenda for sharing best practice with the other seven regions as well as the identification of key priority areas for learning from other regions.”

Laws’s involvement is part of the Jawun Secondment Program, an initiative launched by several major Australian corporations also supported by Leighton Contractors. The program has been running for several

Acting locally in the truest sense of the word: Leighton employee and human resources strategist Louise Laws spent three months working on behalf of an Indigenous Australian organization in the Kimberley region of Western Australia under the auspices of the Jawun program—which included a lot of playtime and fun, too.

The Leighton Group's contribution to society at a glance:

What are the specifics?

In the **Indigenous Pre-Employment Program** for Indigenous Australian and Torres Strait Islander youth, participants

- are prepared for an apprenticeship;
- receive safety equipment and work clothes;
- learn from trainers, mentors and the best in their fields, and
- can live with Indigenous mentors if necessary.

In the **Plant Apprenticeship Program**, participants

- learn on the job;
- attend TAFE vocational school, and
- receive training as mechanics, auto mechanics, welders, or power system electricians.

In the **Trades and General Workforce Program**,

- Indigenous participants receive training to become trades assistants, truck drivers, or machine operators.

In the **Graduate Development Program**,

- students commencing in their final year of tertiary study participate in a two-year training program;
- mentors, coaches, and job rotations ensure a well-rounded start to their professional lives.

The **Professional Program**

- is aimed at experienced employees interested in receiving continuing education to become engineers or production, procurement, finance, occupational safety, environmental, quality assurance, or human resources experts.

In the **Jawun Secondment Program**,

- employees are sent to the Indigenous communities for six weeks or three months to work with an Indigenous Australian organization on-site.
- The demand is mainly for employees who can help with project management, strategic issues, market research, marketing, financial analysis, and human resources management.
- The Jawun Emerging Leaders Program supports the next generation of Indigenous leaders.

Indigenous Business Australia (IBA)

- works with the government and private-sector companies, including Leighton, to help Indigenous Australians to establish and manage companies, finance real estate, make investments, and build wealth.

Leighton supports the **Clontarf Foundation**

- which since the first Clontarf Academy opened in 2000 has helped 2,900 young Indigenous Australian men in 54 schools across Australia to not just receive an education, but also gain self-awareness and pursue an active and healthy lifestyle.

Leighton participates in the **BackTrack Community Program**

- which supports socially disadvantaged youth in New South Wales to resume their education and prepare for permanent employment.

Support is provided to the **Wellington Toy Library**

- where young Indigenous mothers and their young children come to play, borrow toys, and meet people. These activities promote early childhood learning and provide families with access to medical care.

years, with Leighton Contractors joining three years ago. The initiative allows employees to spend six weeks or three months volunteering in the Australian Outback. Their employers pay their regular salaries and pick up the travel costs as well.

Helping people help themselves is what the Jawun project wants to accomplish. Here again, the basic requirement Richard Young emphasizes as the key to success for cooperation with Indigenous Australians applies: Indigenous people must themselves take an active role. "This approach is groundbreaking," agrees Laws, "because the participants are taking responsibility for their own futures instead of just waiting for help from the outside world."

Personal responsibility is also a theme of the Jawun Emerging Leaders Program, which brings together young leaders to exchange information beyond their respective communities and regions and work together on economic development initiatives in Indigenous Australian and Torres Strait Islander communities. In 2010, Lauren Sullivan was one of the first participants in the program. At the time, she worked for Visionstream,

a Leighton company. Sullivan was in Western Australia with the Jawun program and did not want to pass up the opportunity. "The partnership with Jawun really reiterated for me Leighton Contractors' core values. Respect for the community and environment, enduring business relationships, achievement through teamwork and that people are the foundation of our success. It was inspiring for me to be part of a company that truly lives their core values."

Her feedback indicates that projects are successful when everyone benefits—not just the Indigenous people involved, but also the participating companies. Kim Farmer agrees. She is of Indigenous descent herself and coordinates the Jawun program at Leighton Contractors. "It's not just about supporting Indigenous Australian communities. We also consider it important to promote emotional intelligence in our workforce, confront our employees with out-of-the-ordinary situations and issues, develop deeper intercultural understanding among staff, promote teamwork, and advance the development of soft skills in general." These words could well serve as a guideline for everyone committed to diversity and intercultural exchange at Leighton.

Stakeholders have their say: Ed Sparling



Ed Sparling, Manager Commercial Risk and Governance, Leighton Contractors

"The Jawun Emerging Leaders Program in which I have the opportunity to participate has impressed me greatly. The people involved in this program (both as participants and as Jawun facilitators) are what make it great. Everyone is so keen to learn from each other, and open to sharing their stories about a wide range of challenges. From a personal perspective, what I experienced blew me away. I met many young Indigenous leaders, all of whom have truly amazing inherent qualities including honesty, authenticity and humility. Things which are so hard to teach, and yet they are some of the most important attributes of a strong leader.

I am excited to see the program achieve specifics. Our group has the chance to present to senior Indigenous and corporate leaders from across Australia shortly, which will give us the opportunity to deliver on the aims we have talked about in depth. Everything else aside, I am hugely grateful for the opportunity to get to know such a fantastic group of people. The impetus and influence of all the Emerging Leaders together is a really compelling prospect. For that reason, I firmly believe that what this Emerging Leaders group can continue to achieve together will always be far more than the sum of its parts."

Doing the right thing: That's what compliance is about. Correct behavior on the part of the company and each individual employee, both in legal and ethical terms, is extremely important to avoid potential damage. In this interview, Essimari Kairisto, a member of the Executive Board of HOCHTIEF Solutions, gives an insight into the way HOCHTIEF views and handles the subject of compliance.



“It’s about age-old principles and values”

Essimari Kairisto is the member of the Executive Board of HOCHTIEF Solutions AG responsible for compliance. The Sustainability Report editorial team put some questions to her—about the challenges facing the compliance system, management responsibility, and what makes this essentially simple subject so complex.

Ms. Kairisto, what is your definition of compliance?

Compliance goes well beyond the risk issues like anti-corruption defined by HOCHTIEF. At the end of the day, compliance is nothing more than a return to the old-fashioned commercial principle of prudence. The word “compliance” may sound modern, but it basically represents age-old principles and values. It is about a person doing the right thing in his or her work life—by acting in a way that is honest, legal, and ethical. Creating a common understanding of this is a challenge, not just for HOCHTIEF, but for every company.

What form do these compliance challenges take in a large international company like HOCHTIEF Solutions?

When a company conducts cross-border business and is involved in international projects as HOCHTIEF is, different laws and regulations come into play. In particular, there may be differences in business practices, even though these might not be obvious at first glance. It is precisely this diversity that makes compliance such a complex and challenging area. But because we operate in this diverse, international environment, it is so important that absolutely everyone in the company knows what is right and what is wrong—and where the gray areas, the danger zones, lie.

Compliance has to take these factors into account if it is to provide help and direction. Each individual needs to understand and accept the key aspects of compliance. The approach has to be an integral part of the business and so well-implemented that it comes as naturally to every employee as turning the light on in the office in the morning if it’s dark.

Responsibility for compliance does not fall to just a few people. Even a compliance system and compliance department or function cannot accomplish this task on their own. I think this is still widely misunderstood. Compliance is not “done” in a department. The department can provide support—in the form of policies, tools, advice, communications, and training courses. But behaving in the right way is the job of every single person in the company. Compliance is a matter for all of us.

What strategic contribution does compliance make to a company’s success?

As it happens, I experienced both sides of the coin before I joined HOCHTIEF. I know what it’s like when an international company has a really effective compliance system, the benefits that brings, and the way it makes things easier. But I have also experienced what happens if that is not the case.

Compliance violations in particular can have all kinds of serious consequences for a company. These include economic and legal implications and the threat of prosecution. But compliance incidents can also harm the company’s reputation, and I think many people underestimate this. You have to think about how an incident of this kind is perceived internally, and how it is perceived by the outside world. All our stakeholders are affected, including clients, competitors, and staff. The financial world also gets to hear about compliance incidents and these can have an impact on the share price.

What, in your view, is the role of the Executive Board as far as compliance is concerned?

As I said, the way I see it, compliance is the job and the responsibility of each individual—although the Executive Board has overall responsibility. It is also important that the Executive Board and management create the framework for compliance and make resources available for compliance tasks. And this needs to happen at every level—in the holding company, in the operational units, in the branches, and on projects.

What's more, the Executive Board and management need to set a good example and demonstrate what it means to be compliant. What is the use of policies if we don't live and act by them? In fact, that's pretty much the most important thing: If compliance is not demonstrated from the top, an individual employee will tend to see it as a burden and not as the useful tool it is supposed to be.

We also have a responsibility to keep pressing the issue and not to assume that if we don't hear anything, it means that everything is OK. Managerial staff are explicitly included in this. After all, it's impossible for the Executive Board to get involved in every business operation, every day, at every level. We have to concentrate on operations of a certain size and significance—and therefore leave some compliance aspects to our management team.

What compliance issues are particularly important to you?

One area in which, from a compliance perspective, we saw in 2013 that urgent action was required was the selection and monitoring of our contractual partners. We have now implemented new compliance requirements for HOCHTIEF Solutions in this area through "HOCHTIEF Business Partner Compliance Due Diligence." It's important for us to know our business partners thoroughly, because HOCHTIEF could potentially be held liable if they do something wrong. The partner has to be checked out before a contract is signed and a business relationship entered into.

And these checks weren't carried out before?

Yes, of course they were! A consultancy directive has been in place since 2008, and the new requirements come on top of this. We have reorganized the process by which we select partners, optimizing it and implementing it within the company. We were especially keen to include joint venture partners. And with compliance issues, it's the same as in many other fields: You never really finish. No sooner have you compiled and implemented one set of documents and requirements than the market throws up other aspects that have not been considered or adequately addressed to date. I think we are on the right track. The most important thing now is to keep working at implementing the requirements.

How will they be implemented?

In 2014, there will again be compliance training sessions to teach staff how to address the new requirements. In view of the reorganization that HOCHTIEF Solutions has just undergone, I think this is very important. There are some new managers and staff who have taken on new or different roles and responsibilities. The training will provide them with information and a platform for discussing compliance-related issues.

How do the business partners react? Do you think there is a broad understanding of compliance issues and the need for checks?

It varies, and depends on who we are dealing with. Many of our partners have similar functions, policies, and issues in their own companies and are not surprised to be asked about them or asked to provide documentation on the subject. If someone doesn't understand the need for our questions, then there is all the more reason for us to probe further.

When we were preparing the new requirements, there were also a lot of discussions internally as to whether we need them, and whether they need to be so detailed. Representatives of the operational units were involved in drafting the requirements, as well as the HOCHTIEF compliance organization. I think discussions of this kind are right and important. After all, we want to introduce something that is going to be used on a day-to-day basis.

Ms. Kairisto, you already mentioned the restructuring of HOCHTIEF Solutions AG and the associated personnel changes. How do you implement compliance principles in the company and get the staff on board?

The restructuring is an opportunity to address the subject again in a focused, optimized way. It's a bit like driving a car: There are rightly certain rules that we usually dutifully obey. Everyone understands that. But to take an example, I have always driven the right way around a roundabout, and I have never met anyone coming the other way. But if I drive the wrong way round, I can't be sure that I won't meet someone coming the other way. It's important to stay alert.

I see face-to-face discussions of compliance issues as especially important. Training courses provide a good opportunity for this. But the compliance managers within HOCHTIEF Solutions' operational units also play a crucial role. They are on hand to offer advice and answer employees' questions. These local contacts are a key element in our compliance system, especially when it comes to communicating, resolving uncertainty, and seeking assistance.

Do you have the impression that HOCHTIEF staff are already quite compliance-conscious?

Yes, definitely. The large number of specialists and the fact that many employees have been at the company a long time no doubt play a role. And being involved in project work means that, compared to other industries, HOCHTIEF staff are more used to absorbing new information in a relatively short space of time, refocusing, and working on various projects with different parameters and different partners.

What's more, I have always felt that our staff are ready and willing to get to grips with compliance issues. Critical questions are welcomed. Getting involved in this dialog and explaining to staff what it's all about is the job of the compliance organization and the management team. Just drawing up a directive, introducing it, and then believing that that's the end of the job is naïve.

To sum up, what would you say if an employee claimed that compliance requirements were hindering rather than helping him in his work?

We share the same aim of avoiding potential damage to our company and protecting its assets. To achieve this, we have to behave in such a way that no harm is



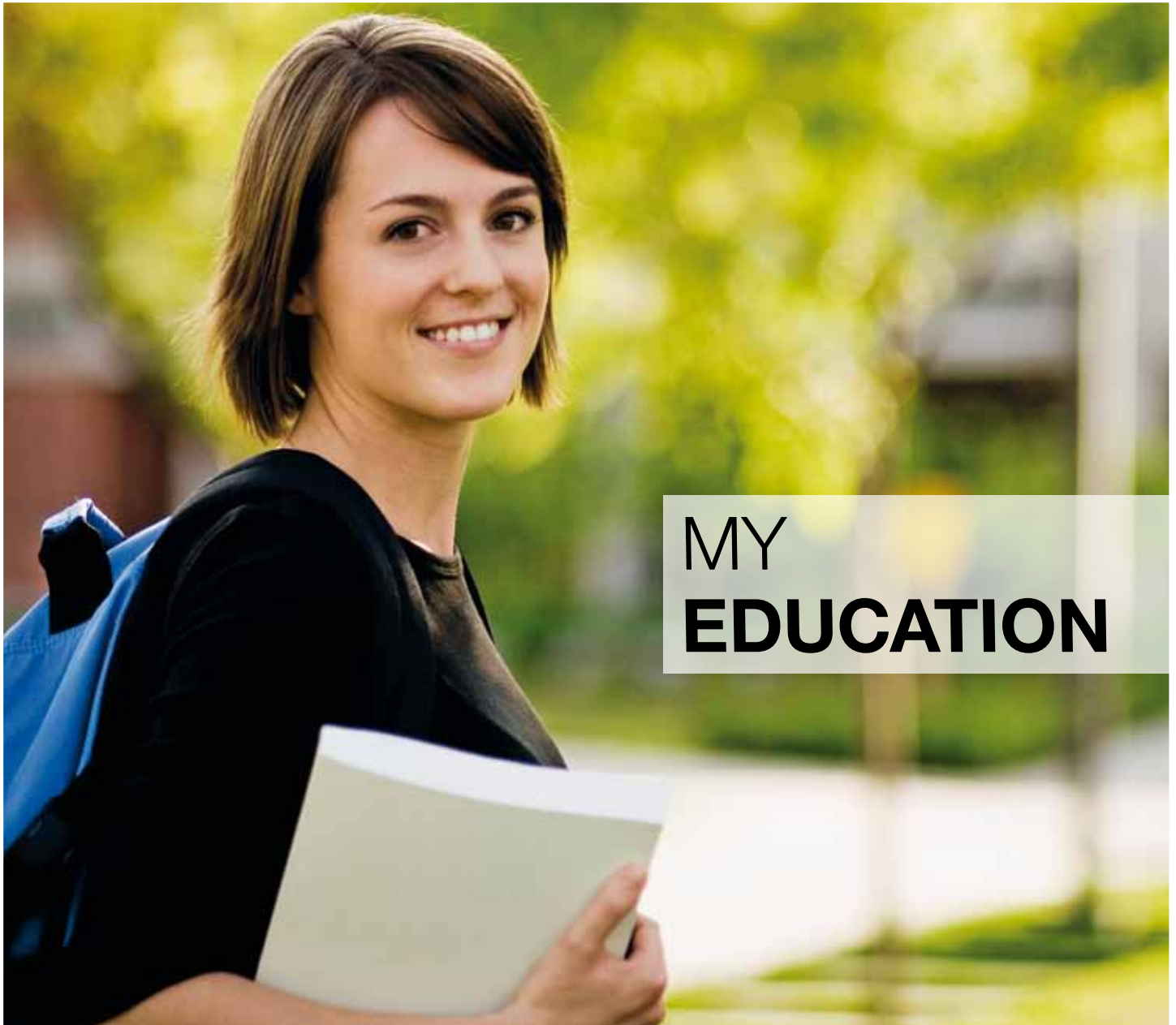
Profile: Essimari Kairisto

Essimari Kairisto assumed the post of Chief Financial Officer (CFO) of HOCHTIEF Solutions on July 4, 2013. Born in Finland in 1966, she moved abroad at the age of 19, initially embarking on a degree course in economics in Bielefeld before graduating in business administration. She subsequently held various management positions, most recently as General Manager Finance/CFO of Sasol O & S Group International, a subsidiary of the international energy and chemicals group Sasol Ltd. (South Africa) in Hamburg. Prior to that, she served as Managing Director/CFO of Lahmeyer International (Germany), a subsidiary of RWE Group, and worked for Schlumberger Group (USA, Norway, and Germany) and the Treuhandanstalt (Trust Agency). Essimari Kairisto had already been a member of the Supervisory Board of HOCHTIEF Solutions AG between August 2011 and January 2013. She speaks Finnish, German, and English as well as two other languages.

caused to the company, our colleagues, or clients. And we expect our business partners to do the same. Policies and requirements help in this regard. In actual fact, compliance is quite an ordinary, simple, and down-to-earth matter: It is about behaving honestly, legally, and ethically at work. The reason it gets complex is that there are legal aspects to be taken into consideration.

Unfortunately there is no good German word for "compliance" that sums up the subject in all its diversity. Perhaps one day a suitable one will occur to us.

**HOCHTIEF expands
horizons ...**





OUR FACILITIES

... for instance, by building state-of-the-art educational facilities such as the Knight Management Center at Stanford University. HOCHTIEF's U.S. subsidiary Turner constructed the building complex in line with stringent sustainability criteria.

The Company

For further information on the HOCHTIEF Group, please see www.hochtief.com and the HOCHTIEF Annual Report 2013.

**For more information, please see page 60.

***For more information, please see page 72 et seq.

****For more information, please see page 62 et seq.

*For more information, please see page 46 et seq. of the HOCHTIEF Annual Report 2013.

HOCHTIEF is one of the world's leading construction groups. We have been delivering our core competency of construction for more than 140 years. Our focus is on complex projects in the transportation, energy, and social and urban infrastructure segments as well as in contract mining. Our corporate action is shaped by a sustainable approach. We are aware at all times of our responsibility to our clients, shareholders, and employees, as well as to our social and natural environment.

Sustainable Group strategy

The emphasis of our strategy is on systematically developing the HOCHTIEF Group to boost its profitability and efficiency as well as on strengthening the balance sheet and reducing net debt. Our objective is to become the world's most relevant infrastructure construction group. In order to achieve this, we pursue the following strategic initiatives:

Focus on and invest in the core business of building in infrastructure projects and PPP

- Transportation, energy, social and urban infrastructure segments, and contract mining
- Divestments
- Restructuring

In order to position HOCHTIEF for the future in the best possible way, we have adjusted our strategic focus. We have divested the activities that are no longer part of our core business and are creating lean structures and efficient processes in our divisions. Drawing on our core competencies of development, construction, and operation, we will go on helping to master the challenges modern societies face. Our focus is on complex infrastructure projects in the transportation, energy, and social and urban infrastructure segments as well as in contract mining. HOCHTIEF is a sought-after partner in these areas and is one of the world's leading providers. We offer our clients attractive, customized solutions and—especially when we work on the basis of public-private partnerships (PPP)—take an integrated approach to projects.

Sustainable optimization of financial strength*

- Focus on cash generation
- Capital investment
- Diversification of financing instruments
- Constructive working relationship with investors

Improved risk management as a driver of profitability**

The risk management approach within the HOCHTIEF Group is being adjusted. Stricter criteria have been defined for selecting projects—including the parameters countries, market segments, and project sizes. Additionally, optimized standards for project controls and methods of execution are currently being implemented Group-wide and new approval and reporting processes are being introduced, especially for large-scale projects.

Differentiation through unique solutions***

HOCHTIEF stands for technical excellence, innovation, and one-of-a-kind solutions. Our complex project business creates tailor-made results. To deliver them, we harness our experts' skills throughout the Group and share best-practice knowledge internationally.

HOCHTIEF: an attractive place to work****

The excellent work of our employees is a key factor in HOCHTIEF's successful business. Thus it is very important to us to attract and retain the best employees for our company. Even in times of change, we are aware of our responsibility toward the people who work at HOCHTIEF and we make sure that changes are made in a way that is as socially responsible as possible.

When it comes to implementing our strategy, sustainability is a key aspect and therefore a guiding principle enshrined in our corporate strategy. It opens up numerous opportunities for HOCHTIEF to achieve its business goals. The aim is to balance economic, environmental, and social considerations in our decision-making processes. It is also necessary to assess and appraise the effects, risks, and opportunities associated with our business activities. To this end, a vision and guiding principles, codes of conduct as well as management systems and tools have been established within the Group (see also the following sections).

Integrated approach to projects

HOCHTIEF views projects from a holistic perspective. From long before the construction phase begins, we work in close partnership and dialog with clients and others involved, and plan well ahead to factor in sustainability considerations such as energy efficiency

and project life cycle assessments. Our 360-degree perspective enables us to produce top quality from end to end—and offers advantages for the client, HOCHTIEF, and the environment alike. In this way, our approach is sustainable from the outset.

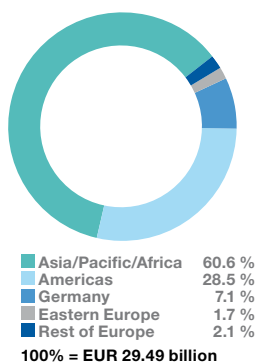
Key figures

		2009	2010	2011	2012 (restated)*	2013
New orders	EUR million	22,473	29,627	25,368	31,488	26,492
Of total: domestic		1,919	2,524	2,286	2,127	1,870
international		20,554	27,103	23,082	29,361	24,622
Work done	EUR million	20,566	23,234	25,790	29,693	29,049
Of total: domestic		2,284	1,804	2,017	2,129	2,130
international		18,282	21,430	23,773	27,564	26,919
Order backlog at year-end	EUR million	35,374	47,486	48,668	49,794	39,940
Of total: domestic		2,996	3,726	4,048	3,991	2,507
international		32,378	43,760	44,620	45,803	37,433
Employees (average for year) Total	Number	66,178	70,657	75,449	79,987	80,912
Of total: domestic		11,135	10,821	10,331	10,111	7,911
international		55,043	59,836	65,118	69,876	73,001
External sales	EUR million	18,166	20,159	23,282	25,528	25,693
Increase/decrease on prior year	%	-2.9	11.0	15.5	9.6	0.6
Materials	EUR million	12,563	13,764	15,572	17,312	17,680
Materials ratio	%	69.0	67.8	67.3	67.6	69.0
Personnel costs	EUR million	3,501	4,081	4,864	5,536	5,473
Payroll ratio	%	19.2	20.1	21.0	21.6	21.4
Depreciation and amortization	EUR million	501	679	783	919	735
Profit from operating activities	EUR million	525	715	626	595	859
Net income from participating interests	EUR million	227	223	(585)	186	211
Net investment and interest income	EUR million	(155)	(181)	(168)	(240)	(270)
Profit before taxes	EUR million	597	757	(127)	541	800

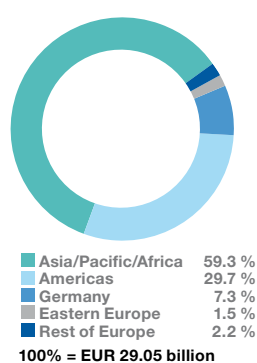
Extract from the Five Year Summary in the HOCHTIEF Annual Report 2013

*Restated for IAS 19R. For notes on the adjustment, please see pages 155 and 156 of the HOCHTIEF Annual Report 2013.

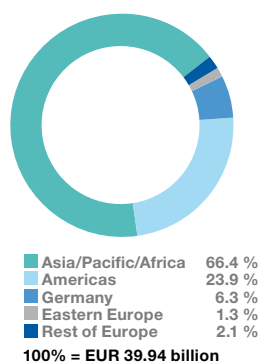
New orders by region



Work done by region

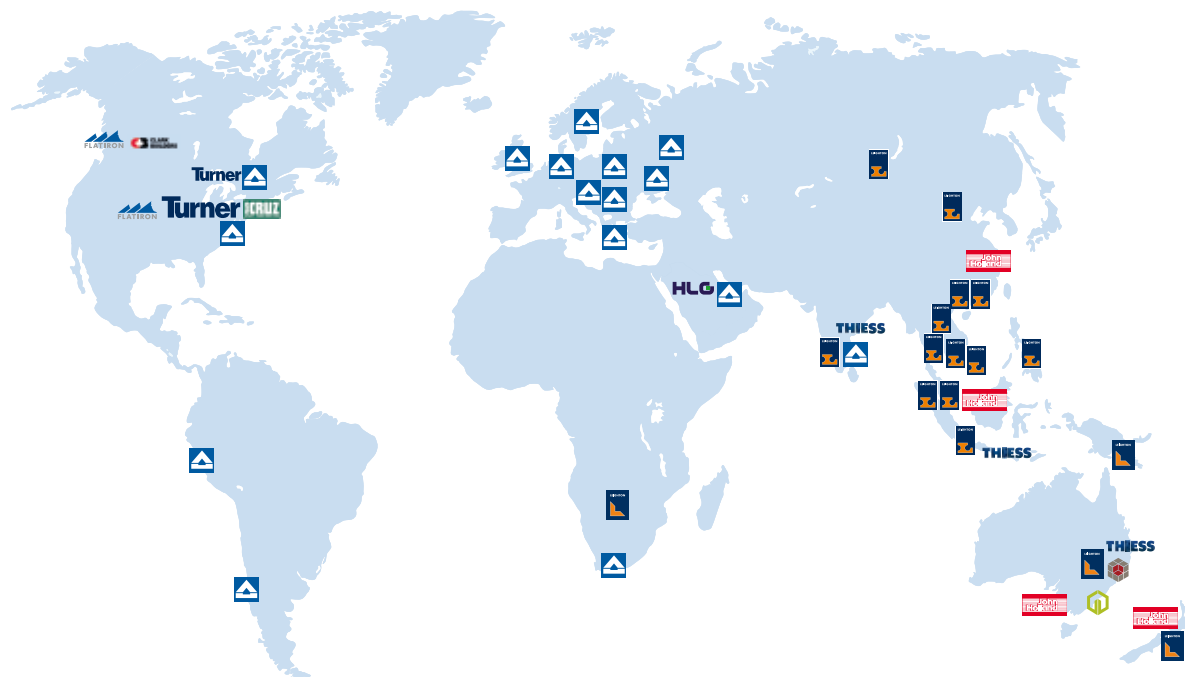


Order backlog by region



HOCHTIEF around the world

HOCHTIEF around the world:
A selection of the many
Group companies and projects shows HOCHTIEF's
global presence. For further
information, please see
www.hochtief.com



Corporate Headquarters (strategic management holding company)

HOCHTIEF Americas

Turner (Canada, USA)
Flatiron (Canada, USA)
E.E. Cruz (USA)
Clark Builders (Canada)

HOCHTIEF Asia Pacific

Leighton Holdings (Australia)
Leighton Contractors (Australia, Botswana, New Zealand, Papua New Guinea)
Thiess (Australia, India, Indonesia)
John Holland Group (Australia, Hong Kong, New Zealand, Singapore)
Leighton Properties (Australia)
Leighton Asia, India and Offshore (Cambodia, China, Hong Kong, India, Indonesia, Laos, Macau, Malaysia, Mongolia, Philippines, Singapore, Thailand, Vietnam)
Habtoor Leighton Group (Iraq, Kuwait, Oman, Qatar, Saudi Arabia, United Arab Emirates)

HOCHTIEF Europe

HOCHTIEF Solutions (Germany)
HOCHTIEF Building (Germany)
HOCHTIEF Infrastructure (Austria, Bulgaria, Chile, Czech Republic, Germany, Greece, Latvia, Netherlands, Norway, Peru, Poland, Qatar, Romania, Russia, Serbia, South Africa, Sweden, Switzerland, Turkey, UK)
HOCHTIEF Engineering (Germany, India, Qatar)
HOCHTIEF PPP Solutions (Canada, Chile, Germany, Greece, Ireland, Netherlands, UK, USA)
HOCHTIEF ViCon (Germany, Qatar)
HOCHTIEF Projektentwicklung (Austria, Czech Republic, Germany, Poland, Switzerland, Turkey)
formart (Austria, Germany, Luxembourg)
aurelis (Germany)
HOCHTIEF Property Management (Germany)
Streif Baulogistik (Austria, Germany, Poland, Qatar, Russia, Ukraine)

Ownership structure (as of December 31, 2013)



Distribution of value added

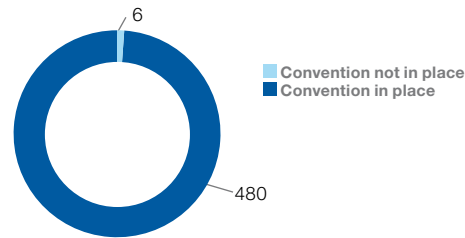
	2011		2012 (restated)		2013	
	EUR million	%	EUR million	%	EUR million	%
Employees	4,860.3	97.5	5,542.2	86.9	5,482.7	83.5
Lenders	249.2	5.0	297.6	4.7	312.6	4.8
Minority shareholders	(7.6)	-0.2	227.5	3.6	374.2	5.7
HOCHTIEF shareholders	0.0	0.0	73.6	1.2	104.0	1.6
Public authorities	40.9	0.8	158.7	2.5	254.5	3.9
HOCHTIEF	(160.3)	-3.2	81.6	1.3	35.1	0.5
Net value added	4,982.5	100.0	6,381.2	100.0	6,563.1	100.0

Value added analysis shows how HOCHTIEF generates added value for the economy and how it is distributed to the various stakeholder groups.

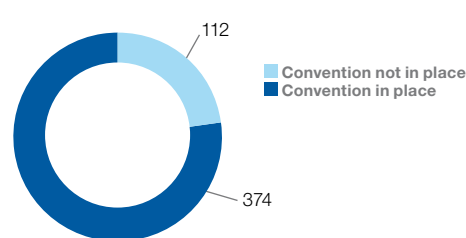
Under ILO and UN conventions, HOCHTIEF predominantly operates in countries where human rights are respected. The charts below are based on HOCHTIEF's 486 fully consolidated companies in 43 countries as of December 31, 2013.

www.ilo.org
www.ohchr.org

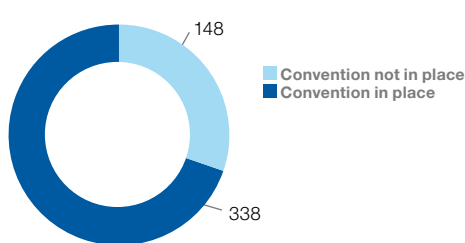
ILO Worst Forms of Child Labour Convention



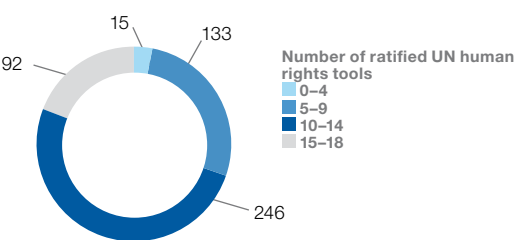
ILO Abolition of Forced Labour Convention



ILO Right to Organise and Collective Bargaining Convention



UN human rights conventions



Sustainability strategy

As a global construction group, HOCHTIEF acts on its responsibility toward society and the environment (Corporate Responsibility, CR). We want to nurture the relationship between business, the environment, and social responsibility in our everyday work. To this end, we have made sustainability one of the guiding principles of HOCHTIEF's Group strategy. Sustainability guides our work in many areas of operation and presents new opportunities for HOCHTIEF to reach its business goals.

Our commitment to sustainability has a long tradition at HOCHTIEF and is part of our corporate vision:

"HOCHTIEF is building the future.—Along with our partners, we expand horizons, link people and organizations, create new ways to think and act, and continually enhance the values entrusted to our care."

Based on the HOCHTIEF vision, guiding principles* were formulated. They act as parameters for the convictions and values that underlie everything we do at HOCHTIEF. Based on four main areas, they fully cover the Global Reporting Initiative criteria:

- Client-oriented service spectrum
- Successful employees
- Sustainability
- Value-oriented strategy

Taking economic, ecological, and social concerns into balanced consideration in decision-making processes is a business challenge that we are faced with on a daily basis. We firmly believe in the benefits and the efficiency of sustainable business and development. In many areas, we are registering growing demand for responsibly implemented projects—for example, in the execution of energy and resource-efficient real estate and infrastructure projects. Furthermore, our clients and partners are also increasingly championing sustainability and expect HOCHTIEF to demonstrate commitment and take action accordingly. It is now often necessary to provide extensive documentation of our CR commitment and sustainable concepts in order to prequalify for projects.

Sustainability strategy and issues

Our sustainability strategy is based on asking ourselves how HOCHTIEF can contribute with its competencies to meeting the present and future challenges modern societies face. This led to the six focus areas for sustainability we defined back in 2008:

- Sustainable products and services
- Active climate protection
- Resource protection
- Attractive working environment
- Corporate citizenship
- Compliance

These are the six areas around which sustainability at HOCHTIEF revolves. They are relevant to all of our segments and help us in delivering on our social responsibility. As part of the CR directive introduced in 2011, these areas are applicable to all HOCHTIEF Group divisions. In our CR program (see description starting on page 53) we have formulated targets and measures for achieving them.

Materiality analysis

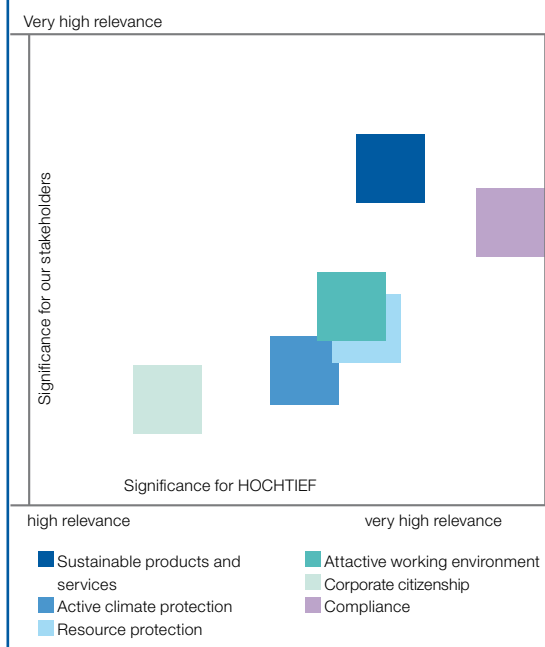
We consider it important to regularly review the validity of our sustainability areas, along with how they are prioritized and how significant they are for our stakeholders. To this end, we conducted another survey in the reporting year, following the one in 2012. A total of 1,498 individuals took part in the online stakeholder survey as well as an additional representative survey of the general population. The results were compiled to form a materiality matrix (see chart on page 51) comparing the different areas and their significance for our stakeholders and for HOCHTIEF, and they confirm that our sustainability strategy is headed in the right direction: Respondents continued to rank all of our focus areas as highly significant or significant for HOCHTIEF. We will take the details into account as we continue to fine-tune our CR program.

CR Organization

Management of sustainability issues is the responsibility of the CR function within HOCHTIEF Corporate Development. In this way, we also ensure that our organization incorporates sustainability into strategic develop-

*For further information, please see www.hochtief.com/sustainability.

Materiality analysis 2013



ment and the shaping of innovation processes at HOCHTIEF.

Established back in 2007, the CR Committee is in charge of ongoing development of our sustainability strategy. It also translates that strategy into targets and measures, and then initiates and monitors their implementation. In its work, the Committee draws on the Group's management systems and the compliance organization, which will be introduced in the following pages. The CR Com-

mittee reports directly to the Executive Board, providing advice and making recommendations.

In 2008, the sustainability excellence team was also founded. Comprised primarily of representatives from the operational units, the sustainability excellence team translates strategic ideas into sustainable products and services and brings those products and services to market. Due to the restructuring carried out in 2013, notably within the HOCHTIEF Europe division, we will reform the sustainability excellence team during the course of 2014 and bring its composition into line with our new strategic and organizational focus.

Sharing news and views with stakeholders

HOCHTIEF attaches great importance to a transparent approach in all our dealings with stakeholder groups. Sustainability topics are often complex and require the cooperation of various representatives of industry, government, and society. To give our stakeholders an understanding of our company, we supply them with information openly and promptly, tailoring content specifically to each target audience. In return, this active dialog with stakeholders lets HOCHTIEF pinpoint the groups' requirements, wishes, and expectations, address them discerningly, incorporate them into its business activities, and selectively develop solutions on a case-by-case basis. Within the Group, there are various different approaches to and tools for stakeholder dialog. HOCHTIEF presents its capabilities to clients at numerous trade shows, conferences, and other events and actively

Sustainability issues at HOCHTIEF

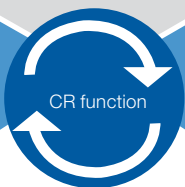
- Attractive employer
- Occupational safety and health
- Procurement/supplier management
- Compliance
- Corporate citizenship
- Research and development
- Climate protection/climate change
- Sustainable products and services
- Risk management
- Donations and sponsorship
- Environmental and resource protection
- And many others besides

Stakeholders

- Employees
- Shareholders
- Clients
- Subcontractors and suppliers
- Government and public authorities
- Investors and analysts
- Journalists
- Associations and organizations, NGOs
- Neighbors and local residents
- Universities, colleges, and scientific institutions
- High school and college/university students, recent graduates

CR Committee

- HOCHTIEF Executive Board
- HOCHTIEF divisions
- Works council
- Corporate departments
 - Corporate Development
 - Corporate Communications
 - Investor Relations
 - Corporate Controlling
 - Corporate Compliance
 - Corporate Governance
 - Human Resources
 - OSHEP Center



Sustainability strategy

- CR program (targets and measures)
- Development of sustainable products and services
- Prequalification for project bid invitations

Sustainability reporting

- HOCHTIEF sustainability report
- Ratings, rankings, and indexes
- External and internal communications

CR management/organization

Memberships and external rankings

To underline its public commitment to sustainability, HOCHTIEF is a member of various organizations and complies with their guidelines and standards. In 2013, our company was once again included in established sustainability rankings and indexes, which meant that our commitment was recognized by external experts.

As early as 2000, HOCHTIEF became the first construction company in the world to sign on to the standards of the **International Labor Organization (ILO)** aimed at enabling women and men the world over to work in conditions of freedom, equity, security, and human dignity.



Since 2008, HOCHTIEF has been an official member of the UN Global Compact, a United Nations initiative that aims to promote ten overall principles on human rights, labor, the environment, and anti-corruption around the world.



HOCHTIEF's sustainability reporting adheres to the Guidelines of the Global Reporting Initiative (GRI). We want to promote the transparency, completeness, and comparability of reporting.



In May 2013, we submitted a declaration of compliance with the German Sustainability Code. The GSC aims to make sustainability achievements by companies and organizations more binding through transparency and comparability as well as to include them in a publicly accessible database.

MEMBER OF

Dow Jones Sustainability Indices

In Collaboration with RobecoSAM

In 2013, HOCHTIEF again qualified for the Dow Jones Sustainability Index Europe—still as the sole German construction group. The DJSI lists companies that implement and track ecological and social as well as financial criteria. We achieved a significant improvement in our ranking in the reporting year compared with 2012, with HOCHTIEF being named as a “runner up.”



HOCHTIEF is listed in the Climate Disclosure Leadership Index 2013 and Climate Performance Leadership Index 2013 of the Carbon Disclosure Project (CDP) for Germany, Austria, and Switzerland. Companies only qualify for a place in the Climate Performance Leadership Index if they are among the top scorers in climate data disclosure and have significantly cut total emissions year on year.



HOCHTIEF has been listed in the Ethibel Sustainability Index Excellence Europe since 2007. The index, published by an independent consulting company for socially responsible investment, ranks listed companies according to their performance on a range of issues such as the environment, treatment of employees, corporate governance, and social responsibility.



HOCHTIEF is the sole German construction group represented in the MSCI World ESG Index, which lists companies that are highly committed to environmental, social, and governance (ESG) issues.



HOCHTIEF is also listed in the Advanced Sustainable Performance Index (ASPI) Eurozone, making us one of 120 top companies in the euro zone that are valued using a best-in-class method.



HOCHTIEF's membership in the STOXX® Global ESG Leaders indices was confirmed for the third year running in 2013. The index rates the performance of companies in terms of environmental, social, and governance criteria.

participates in industry discussions. As and when the need arises, our companies and units carry out customer satisfaction analyses and surveys.

We have identified our stakeholders as those groups that significantly impact HOCHTIEF's economic, ecological, and social welfare capability both today and in the future, as well as those groups that are significantly affected by our Group's economic, ecological, and social welfare capability and that could continue to be affected in the future. In identifying our stakeholders, we drew on experience gained from our longstanding customer relationships, our project activities, our communications work as well as regular market surveys.

CR data compilation and quality

In the year under review, we worked systematically to improve the quality and completeness of our CR database. The key tool used here was the IT-based CRedit reporting system, developed by us in 2010, in which quantitative and qualitative indicators on our focus areas are collected. We have achieved high-quality data through standardized definitions, systems, and processes. CRedit supplies the lion's share of information published in this report and provides a basis for further improving internal sustainability monitoring and control. We aim to make success in the area of sustainability measurable using meaningful performance indicators.

CR Program

Corporate responsibility

Focal area	Goal by 2020	Status December 31, 2013
Transparency and data quality	Ongoing participation in national and international sustainability rankings and ratings	Included again in the Dow Jones Sustainability Index Europe with a score of 81 (prior year: 76); RobecoSAM Runners-up award; CDP: Climate Performance Leader 2013 of the DACH region (Germany, Austria, and Switzerland) with a score of 92 A (prior year: 83 C); Econ Awards for Corporate Communication: Silver in the category of Sustainability/CSR reports; Declaration of compliance with the German Sustainability Code submitted
	Increase coverage for relevant environmental data to 100%	Greenhouse gas emissions: scope 1: 97%; scope 2: 93%; scope 3: 93%; water consumption: 67%, waste: 94%
	Fully IT-based data collection	Use of the audited IT system CRedit together with manual queries
Innovation	Implement Group-wide innovation management	Initiative launched: First joint innovation projects; intensive exchange with divisions at least once a month via telepresence
	Uphold investment volume in R&D projects	Central innovation budget: approximately EUR 5 million
	Ideas Management at HOCHTIEF Europe: Increase suggestion rate to 5.0 and the absolute number of ideas to 250	2013: suggestion rate*: 2.5; absolute number of ideas in 2013: 125 (excluding HOCHTIEF Solutions AG's service business line which was sold in the reporting year) *Suggestion rate = Ideas per 100 employees
Risk management	Avoid loss-making projects and make a sustainable positive contribution to returns	In 2013, the new Group directive on risk management was published
Customer satisfaction	Increase the number of ISO 9001 certifications	Corporate units certified: HOCHTIEF Americas: 0%; HOCHTIEF Asia Pacific: 100%; HOCHTIEF Europe: 100%
Stakeholder dialog	Develop and implement an extended concept for conducting a materiality analysis in accordance with GRI G4	Group of respondents was increased for the 2013 materiality analysis; participants: 1,498 (prior year: 215)

Sustainable products and services

Focal area	Goal by 2020	Status December 31, 2013
Sustainability excellence team	Realignment of the sustainability excellence team	17th meeting in April 2013; new concept at planning stage
Green building	Continuously increase the number of certified buildings	Cumulative values as of Dec. 31, 2013: LEED-certified projects: 356; LEED-registered projects: 341; DGNB-certified projects: 18; DGNB-registered projects: 20; Green Star-certified projects: 33; Green Star-registered projects: 18; BREEAM-certified projects: 3; BREEAM-registered projects: 1; Other certificates: 3; other precertificates: 2; Accredited auditors (as of Dec. 31, 2013): LEED: 1,452; DGNB: 2; Green Star: 37; BREEAM: 1; other: 12 Group-wide sales in the green building market segment in 2013: EUR 2.7 billion
Sustainable infrastructure	Set-up and expansion of certified infrastructure projects	ISCA-certified projects: 1; ISCA-registered projects: 8; ISCA auditors: 45; CEEQUAL-certified projects: 2; CEEQUAL-registered projects: 2 Greenroads-certified projects: 1 (see page 10 et seq.)

Active climate protection

Focal area	Goal by 2020	Status December 31, 2013
Climate protection: strategy and organization	Define Group-wide climate protection targets	Step up contact with managers in the divisions
	Ensure transparency and continuously improve performance	Transparent presentation of and public access to climate statistics in the CDP as well as improvement in performance to 92 A (prior year: 83 C); Leighton achieved an improvement to 92 B (prior year: 90 B)
Greenhouse gas emissions	Measurement of scope 1, 2, and 3 greenhouse gas emissions	Reporting according to scope 1, 2, and 3 achieved (prior year: scope 1 and 2) (see page 71)
	Increase coverage of the recording of greenhouse gas emissions to 100%	Scope 1: 97% coverage Scope 2: 93% coverage Scope 3: 93% coverage
	Based on current usage of the telepresence system, a saving of around 8,000 metric tons of CO ₂ by 2020 is forecast	Approximately 1,100 metric tons of CO ₂ saved (assuming each telepresence conference replaces one personal meeting between two individuals, with air travel)
	Take CO ₂ compensatory measures	Europe 110 metric tons of CO ₂ compensated in relation to print products
Climate protection through innovation	Initiate 40 R&D projects devoted to renewable energies	Europe: projects to date 2011-2013: 12
	Expand services in the energy infrastructure segment	Jack-up vessels: "Innovation": successful deployment in Global Tech I project; "Vidar": launched Dec. 2013; Onshore wind power: development of concept for hybrid towers

Resource protection

Focal area	Goal by 2020	Status December 31, 2013
Environmental protection	Increase percentage of employees working according to an internationally recognized and certified environmental management system	Group-wide certification rate: 77.7%
	Increase recycling rate to 85%	Group-wide recycling rate: approximately 81% (2012: 75%)
Biodiversity	Take protection and diversity of species into account in project development	Research alternative drilling technologies for low-noise installation of the towers for offshore wind power plants (protection of fish stocks and the condition of the seabed)
	Sale of 200 biogas plants by 2020	Develop resource-conserving biogas plants through the incineration of waste; three biogas plants in the sales pipeline

Attractive working environment

Focal area	Goal by 2020	Status December 31, 2013
Occupational safety and health	Increase percentage of employees working according to an internationally recognized and certified occupational safety and health management system to 88%	Group-wide certification rate: 76.8%
	Reduce Severity Rate* (SR) to 33	SR in the HOCHTIEF Group in 2013: 37.1
	Reduce Lost Time Injury Frequency Rate (LTIFR) to 1.35	LTIFR in the HOCHTIEF Group in 2013: 1.53
	Revise Group-wide crisis reporting system	Achieved in September 2013 through revision of the Group directive on occupational safety, health, and environmental protection
Employee satisfaction	Maintain regular employee surveys: Europe and Americas divisions every two years; Asia Pacific division every year	Most recent survey: Americas: 2012; Asia Pacific: 2013; Europe: 2012
	Unified employee surveys in the divisions	Asia Pacific: first employee survey carried out for the entire Leighton Group
	Stabilize satisfaction index in the divisions at a level of over 80%	Americas: 78-86%; Asia Pacific: 85%; Europe: 80%
Train employees	Maintain average number of continuing education hours per employee in Germany at current level	2013: 12.8 continuing education hours per employee** in Germany
	Selectively foster young specialist and managerial talent Group-wide	613 participants in talent pools*** (Germany: 89; international: 524)

*Severity Rate (SR) = number of working days lost x 1,000,000/number of man-hours worked

**includes both in-person seminars and e-learning units

***Talent pool = group of selected high-potential employees who are given targeted support in preparation for taking up a position as expert or middle-management executive

Corporate citizenship

Focal area	Goal by 2020	Status December 31, 2013
Corporate citizenship	Continuously improve framework for involvement	2013: new Group directive on donations and sponsorship introduced
	Promote projects in line with main donation and sponsorship activities	Examples of this can be found in the Segment Report (pages 85 et seq., 94 et seq., 104 et seq.)
	Support populations in disaster areas	Fortunately, no disasters occurred in the reporting period that required action in the context of HOCHTIEF's main activities defined.
	Continue involvement in Bridges to Prosperity	2013: one project carried out in Rwanda, three in Nicaragua
	Develop and implement a Social Impact Evaluation	Goal incorporated into the Group directive on donations and sponsorship revised in 2013

Compliance

Focal area	Goal by 2020	Status December 31, 2013
Anti-corruption and economic crime	Expand training offering	In 2013, more than 7,300 employees throughout the Group received compliance training
	Expand Group-wide standards on dealing with business partners	Compliance requirements expanded through "HOCHTIEF Business Partner Compliance Due Diligence" for joint venture partners
Supply chain management	Continuously increase proportion of prequalified and validated procurement volume	Procurement volume prequalified and validated: HOCHTIEF Americas (Turner): 99%; HOCHTIEF Asia Pacific: 63%; HOCHTIEF Europe: 24%; number of prequalified suppliers: 65,756
Social compliance	Implement a social compliance program to monitor compliance with social standards and human rights at HOCHTIEF Group companies, subcontractors, and suppliers.	Model currently being developed for evaluation of country-specific social standards risk profiles; work completed on specific guidelines with special focus on compliance with human rights and working conditions for audits by HOCHTIEF Corporate Auditing

Compliance

HOCHTIEF aims to steer the company in line with a value-driven strategy, and has anchored this commitment in its guiding principles. Our business ethics and our integrity contribute significantly to our credibility. The compliance system introduced helps us to achieve this goal—particularly because HOCHTIEF as an international corporation operates in many different political and legal systems.

Compliance organization at HOCHTIEF


Established in 2008, the compliance organization is headed by the Chairman of the Executive Board of HOCHTIEF Aktiengesellschaft. The Chief Compliance Officer of HOCHTIEF Aktiengesellschaft reports regularly to the Chairman or, in urgent cases, immediately. He also reports annually to the Supervisory Board Audit Committee. The Chief Compliance Officer is supported in his duties by compliance and criminal law specialists at the holding company. In the HOCHTIEF divisions, compliance officers have assumed responsibility in this regard and liaise with the compliance organizations of the individual divisions. They report directly to the Chief Compliance Officer of HOCHTIEF.

For instance, the HOCHTIEF Europe division has its own Compliance Office and general compliance managers as well as compliance managers (operational level) are the local contacts: They are responsible for compliance in day-to-day operations and take care of the necessary exchange of information among units. The system is similar at Turner and Flatiron, our U.S. subsidiaries in the HOCHTIEF Americas division, and the Leighton company in the HOCHTIEF Asia Pacific division has also established a compliance program. An Ethics and Compliance Committee acts as the exchange platform between the companies of the Leighton Group.

The aforementioned organization is directly responsible for all compliance matters relating to fighting corruption and economic crime. Areas such as occupational safety, health, and environmental protection are allocated to a separate competence center (the OSHEP Center) (see p. 66). A data protection officer is in charge of data protection (see p. 61).

Clear commitment

HOCHTIEF established sustainable action and value-oriented strategies as part of the company's guiding principles. Back in 2002, HOCHTIEF published a behavioral code that today is anchored in our corporate culture in the form of the HOCHTIEF Code of Conduct. We attach utmost importance to fairness, honesty, objectivity, and transparency, whether we are competing in the market, awarding contracts, or conducting regular business activities. In order to avoid the risk of criminal or civil liability along with the damage to our reputation and competitive disadvantages that would ensue from non-compliance, we are continuously working to refine and improve the compliance system within the company.

In 1999, we joined Transparency International  as a corporate member, and in 2000, we made a binding pledge to uphold the standards of the International Labor Organization (ILO) —in both cases as the world's first construction industry company to do so. The ILO is an agency of the United Nations with the objective of promoting decent and productive work in conditions of freedom, equity, security, and human dignity. In 2007, HOCHTIEF was a founding member of Netzwerk Compliance, a German compliance network undertaking to combat dishonest business practices. HOCHTIEF is also a member of the international Partnering Against Corruption Initiative of the World Economic Forum and, since 2008, has adhered to and promoted the ten rules of the UN Global Compact , an international initiative brought by representatives of the private economy, the United Nations, civil society, and workers.

 www.transparency.org

 www.ilo.org

 www.unglobalcompact.org

Code of Conduct and directives

We have a tradition of combining corporate action with ethical principles. The HOCHTIEF Code of Conduct reflects these corporate principles, consolidates our corporate responsibility rules, and sets forth binding regulations for internal dealings within the company as well as for external relations with business partners, subcontractors, and public authorities.

The HOCHTIEF Code of Conduct is now available in ten languages. Its contents can be divided into the following five areas:

- dealing with antitrust issues, business partners, and conflicts of interest such as bribery and corruption, donations, and sponsorship
- dealing with information, insider knowledge, confidentiality, and data protection
- health, safety, and the environment
- company assets, including documenting transactions, dealing with company-owned property and company assets as well as insider rules
- principles of social responsibility such as respecting human dignity, rejecting child labor and forced labor, equal opportunity and bans on discrimination, the right to organize, and the right to collective bargaining

We expect all clients, business partners, and suppliers to likewise adhere to our compliance standards. The HOCHTIEF Code of Conduct for Business Partners was created in 2011 on the basis of the Code of Conduct for Subcontractors. It, too, is available in ten languages.

Internally, various Group directives, such as those concerning donations, further clarify the contents of the HOCHTIEF Code of Conduct. They aim to help our employees differentiate between legal customer care and corruption that is punishable under criminal law and to conduct themselves within the bounds of the law in their daily business activities. The directives are reviewed regularly and aligned as necessary with current conditions. In the year under review, we substantially revised and optimized the process for carefully selecting and monitoring business partners at

HOCHTIEF Solutions AG. New compliance standards for selecting business partners were adopted and integrated into the HOCHTIEF Business Partner Compliance Due Diligence process (see also the interview starting on page 40).

Whistleblower system

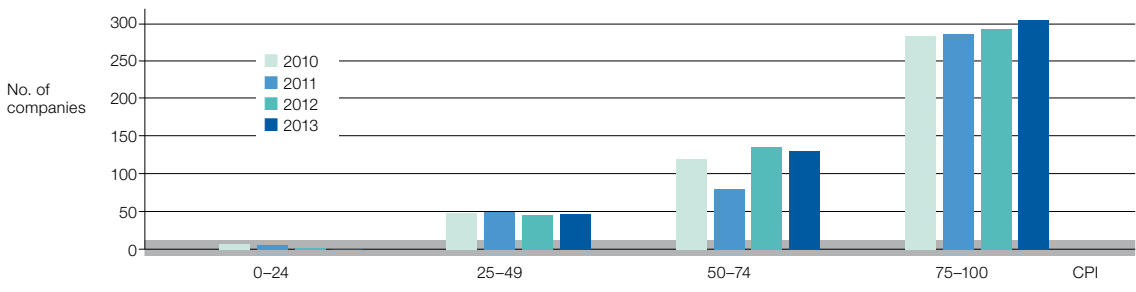
If employees or business partners do not comply with existing rules, HOCHTIEF's credibility and reputation are put at risk. We are therefore very interested in hearing about such incidents: All employees are encouraged to notify HOCHTIEF of any irregularities. In situations in which employees suspect that rules have been violated, reports should be made first and foremost to the employee's direct superior. If the employee cannot turn to this person, he or she can contact the compliance organization.

Employees can use internal and external whistleblower hotlines for reporting violations. The internal hotline puts the reporting individual in contact with a Group compliance officer, and calls to the external hotline are taken by an independent law firm specializing in criminal law. Alternatively, employees may report to Corporate Compliance via e-mail. It is important to us to protect the reporting individual. All information provided is therefore treated as confidential, and reports may also be made anonymously. HOCHTIEF's divisions have similar whistleblower hotlines, and they exchange information with Corporate Compliance on a regular basis. About one third each of cases relate to labor law, requests for advice, and compliance.

Responses to violations

We handle all reports of violations with great care and use all means at our disposal to clarify the situation. While acknowledging the danger of anonymous whistleblowing resulting in individuals being falsely accused, we respond with full rigor to infringements. In-house investigations of compliance cases are carried out by Corporate Auditing, if necessary with the support of external consultants. Where issues of criminal law are involved, Compliance provides guidance. Finally, suggestions for action in cases of compliance infringements are put forward by the Steering Committee,

Percentage and number of business units reviewed for corruption risk



Measured on Transparency International's Corruption Perceptions Index (CPI)  HOCHTIEF's Group fully consolidated companies mostly operate in countries with low or very low corruption risk.

 www.transparency.de

which comprises members from the Auditing, Communications, Legal, Human Resources, and Corporate Compliance units. Responsibility for taking the action lies with the relevant superior or the management of the corporate unit in question. The consequences can go as far as dismissal.

Training and communication

For us, it is very important to make employees aware of compliance issues and inform them of the regulations that apply. A key tool in this regard is the intranet. A separate area has been set up containing all internal directives and information on the compliance program as well as contact persons. In addition, classroom training and e-learning programs are conducted on the basis of a detailed concept. Online training courses, such as on combating corruption, under-the-table work, and illegal employment, take practical examples from everyday life and familiarize participants with the existing legal situation besides offering suggestions on how to act in compliance with the regulations. All managerial staff are required to complete the learning programs. In addition to the online course offerings, on-site classes are provided in the departments and branches. We also regularly publish articles on this topic in the various internal and external corporate publications.

Compliance training programs and communications on this topic are structured similarly in HOCHTIEF's Americas and Asia Pacific divisions. Turner, one of our subsidiaries, offers video recordings on compliance topics that are available on the intranet, for example, in addition to on-site training courses.

The Corporate Compliance unit provided training on basic and current issues to all of the corporate departments at the HOCHTIEF holding company in 2013. As in 2012, a HOCHTIEF Europe international compliance meeting was held to which all the division's compliance managers were invited. The focus was on exchanging information and discussing experiences, particularly concerning country-specific issues.

Risk Management

A risk is defined as any contingency with a potential negative impact on the attainment of HOCHTIEF's qualitative or quantitative business goals. Risk management is a key tool in implementing corporate and sustainability strategy. Its aim is early identification and control of the risks naturally linked to HOCHTIEF's global business. In this way, the potential impact of identified risk can be minimized and future threats to the company averted.

*For further information, please see www.hochtief.com/riskmanagement.

Risk management* at HOCHTIEF encompasses all organizational processes for the early identification of risks and for the development and implementation of countermeasures against them. To this end, HOCHTIEF has adopted planning, management, and control systems certified as part of ISO 9001 IMS. Consistent recording and management of risks Group-wide is covered in the Corporate directive on risk management, which was revised in 2013. The directive also includes clear organizational procedures describing the mandatory risk management control loop. In a standardized process involving all levels of the organization and management hierarchy, risk inventories and forecasts are compiled three times annually and the resulting information collated at Group level. The central decision-making body in this process is the Risk Management Steering Committee, which subjects categorized risks to comprehensive appraisal, discusses them, and initiates countermeasures as needed. The risk report contains information on the potential impacts of each risk, its probability, risk category, possible timescale, and all measures already taken to prevent occurrence. The risks compiled in this way are reported to the Executive Board as part of forecasting and planning.

Risk identification

Six risk categories were defined to enable a systematic approach and to support risk identification in all corporate units. Such risks are relevant to the entire Group and feature both strategic and operating components. HOCHTIEF's primary risks are financial, market, and personnel risks, share ownership and M&A risks, internal risks, contractual and project risks as well as risks in connection with the immediate surroundings of projects and with associated clients, banks, subcontractors, and consortium partners.

HOCHTIEF adopts various measures for better control of operating risks in particular: Prequalifications and quotations must be approved by a Contract Review Committee that then goes on to give successive approval for bid preparation, bid submission, and ultimately contract signing. These decisions are based on a thorough analysis of project data, relevant performance indicators, opportunities, and risks. Bid preparation and project execution are additionally supported by project audits. These are carried out according to the project's risk category at the instigation of the project team, the Contract Review Committee, or the Executive Board. The objective is to identify risks to project execution at an early stage as well as to decide and implement appropriate control and management measures to avoid these.

Risk assessment

Risks are analyzed and assessed to determine their severity and whether they even pose a threat to HOCHTIEF as a going concern. The focus here is on profit and liquidity impacts. Risk assessment supplies quantitative data for risk identification and is a prerequisite for ongoing risk management. The potential impact and probability are quantified for each risk.

Spotlight: Water and climate risks

Water and climate risks are handled at HOCHTIEF as part of project risk, as they arise during project execution and through the ecological impact of a project on the environment. Such risks are managed by project teams in collaboration with in-house occupational health, safety, and environmental protection experts as well as with outside specialists as needed. For HOCHTIEF Solutions in Europe, for example, water pollution, falling groundwater levels, and water availability are typical project-related water risks in tunneling projects.

IT and Data Protection

Data protection is an issue of utmost importance to our Group. It is an integral part of our Code of Conduct. We have made a commitment to employees, business partners, and clients to safeguard their privacy and protect their personal data. The measures needed to ensure this are set out in our Group-wide IT Directive. In cooperation with service providers, data security officers ensure that personal data is processed solely in accordance with the applicable rules and regulations and that individuals' right to determine how their personal data is used is respected.

IT security at HOCHTIEF

HOCHTIEF relies on cutting-edge information technology both within the Group and in its communications with clients, partners, and suppliers. Given their widespread use in operations, IT systems must meet top security standards. To satisfy this requirement, we adopt measures in an ongoing process to consolidate and further enhance our already high levels of IT security. A standardized system and coordinated process landscape with a uniform shopping cart serve to simplify operations and reduce the risk of downtime. HOCHTIEF addresses risks from the Internet by having its firewall systems regularly checked by external specialists. The deployment of state-of-the-art hardware and software combined with digital and physical access controls ensure data availability and protect data from unauthorized access. This involves placing the data in physically separate data centers that are certified in accordance with ISO 27001. Encryption is additionally used to guarantee the confidentiality and accuracy of digital information.

Data protection at HOCHTIEF

Data protection is closely related to the topic of IT security, which is the subject of a Group-wide IT Directive. This addresses issues such as the exchange of confidential data—payroll lists, bids, etc.—and contact data as well as the use of mobile PDAs. Corresponding rules are also included for external IT service providers, who must comply with country-specific data protection law. A further stipulation is that prior written consent is required from the HOCHTIEF IT department before relocating data to a state outside of the European Union or the European Economic Area.

The Directive's requirements are communicated to staff via OSIRIS, a software tool that has been implemented throughout the Group. In a systematic process, employees are each assigned to a security category according to their tasks and responsibilities and learn about the rules applicable to them.

The IT Directive is subject to ongoing development under expert supervision.

Sustainable IT projects

A web conferencing service adopted in 2012 has enabled us to further reduce travel within the HOCHTIEF Group. The service allows employees to link up with each other on the web from wherever they are. This also promotes teamwork across time zones and regions. 162 online meetings using the tool were held in 2013. The technology was taken a step further during the reporting period with the installation of advanced telepresence systems at the HOCHTIEF headquarters in Essen, New York, Denver, and Sydney. These systems use sound and video to create a highly realistic meeting atmosphere. The new communication medium cuts out business travel and thus reduces carbon emissions.

Summer 2013 saw the launch of the CORE IT project to identify desktop and laptop computers that are surplus to requirements at HOCHTIEF units throughout Germany. A total of 575 devices were reconditioned and sold on through a reseller or professionally disposed of. As well as saving operating costs, this gives devices that are still serviceable a new lease on life.

Employees

The success of HOCHTIEF depends in no small part on the outstanding performance of the almost 81,000 people who work for us around the world. The main aims of our human resources management are to make the working conditions of our employees as ideal as possible, to offer them development opportunities, to promote diversity, and in this way to also become an even more attractive employer.

The concept of “successful employees” has been firmly embedded in HOCHTIEF’s corporate guiding principles for many years. Identification with the company, the associated commitment of specialist and management staff, as well as an efficient workforce structure are the factors that create this success. It is also very important to train employees in a targeted way, to promote their development and thus to foster their loyalty to HOCHTIEF. At HOCHTIEF, structured, effective human resources management processes and the intensive exchange on all levels within and between the divisions go hand in hand with dynamic and sustainable human resources management.

How human resources management at HOCHTIEF is organized

The strategic focus of human resources management at HOCHTIEF is derived from the corporate strategy and lies in the accountability of the Human Resources corporate department. In cooperation with the Executive Board of HOCHTIEF Aktiengesellschaft, it is in charge of defining long-term goals and measures.

Strategic human resources management entails:

- Development of managerial staff
- Optimizing our workforce structures
- Employer branding
- Deriving and analyzing key figures
- Steering human resources management processes
- Supporting key M&A restructuring projects

The Human Resources corporate department works out how to implement the human resources strategy in cooperation with the divisions. The HOCHTIEF Americas, Asia Pacific, and Europe divisions all structure operational human resources management on their own responsibility and on a regional basis.

Human resources management topics

Under the strategy, employee rights, recruiting, employee loyalty policies, personnel development, diversity, and occupational safety and health are the main areas of human resources management at HOCHTIEF.

Employee rights

Human and employee rights and the principles of the Corporate Governance Code are the immovable cornerstones of human resources management at HOCHTIEF. The HOCHTIEF Code of Conduct* requires our employees to treat colleagues and external stakeholders lawfully and with respect beyond these provisions.

A constructive working relationship with the employee representatives is also very important to HOCHTIEF. The company’s management expressly approves of employees’ right to unionize. Employees everywhere are entitled to elect their own representatives to safeguard their interests. In Europe, the works council represents 96.9 percent of employees (this figure always excludes managerial staff); in the HOCHTIEF Americas and Asia Pacific divisions, it is 28.8 percent and 52 percent, respectively. Works Council members are represented on the Supervisory Board and regularly participate in Occupational Safety and Health Committee meetings. If, in the course of restructuring, personnel cutbacks are found to be unavoidable, HOCHTIEF first checks the possibility of moving employees to other divisions and tries to agree mutually acceptable arrangements. If redundancies are necessary, we advise the affected employees and offer support to help them in the search for new employment.

Recruitment

It is of utmost importance to HOCHTIEF to find well-trained employees, facilitate their smooth entry into the company, and cultivate their lasting loyalty to HOCHTIEF, not only in view of the current labor market, which is

*For further information, please see page 58.

characterized by international reach and a shortage of specialist staff. We use a range of measures to underpin the HOCHTIEF employer brand and make it more attractive:

- Establishing contact with school and university students through cooperation with chairs at college and university faculties as well as schools (via presentations, discussions, excursions, scholarships, and awards for students)
- Offering wide-ranging career training options, internships, and work-study placements
- “Employees Recruit Employees” programs
- Entry, mentoring, job rotation, and trainee programs
- Alumni and intern retention programs

As fast, cost-effective, and interactive instruments, online tools are especially important for the application process. When recruiting new employees, however, personal contact continues to play an important role: “Employees Recruit Employees” programs and internships, for example, enable entry into HOCHTIEF.

In the year under review, HOCHTIEF was recognized as an attractive employer in many areas. Among other things, our American subsidiary Flatiron was again chosen as one of the “Best Workplaces in Canada,” Turner has been one of the best employers in the Universum rankings in the USA for years, and in Europe, the jury of the “forum Nachhaltig Wirtschaften” magazine voted HOCHTIEF one of the top 20 German companies.

Employee loyalty policies and personnel development

For its sustainable success, HOCHTIEF attaches great importance to ensuring that the company retains qualified employees long-term. First and foremost, potential for development is important for engendering strong loyalty and a high level of employee satisfaction. Accordingly, HOCHTIEF works continuously to ensure employees can realize and develop their personal potential. In addition to a large number of training courses, it offers talent pools, for example. Other factors influencing identification with the company and employee satisfaction

are fair pay, an atmosphere of open communication, and opportunities to shape decisions. Internal online platforms are increasingly used to organize cooperation and knowledge-sharing. Examples include internal ideas management, whereby employees submit suggestions for improvement and discuss innovations.

We conduct the majority of our training activities in the HOCHTIEF Europe and Americas divisions in-house, for example, in programs such as the HOCHTIEF Academy, Turner University, and Flatiron Construction University. Both classroom and online seminars are offered, some of them on specialist subjects, some for soft skills training. The HOCHTIEF Asia Pacific division has firm partnerships with external institutions for training and further education.

HOCHTIEF invests in the advancement of our talent by means of a number of talent pools and programs in each division. A skills assessment for specialists and managerial staff is the basis for national and international succession planning.

Open dialog

We continuously evaluate and initiate opportunities for personal development in annual, structured employee interviews and through feedback from managerial staff. In Europe and the USA, these interviews are held with all employees; in Australia, a quota of 100 percent is expected to be reached by 2015. We encourage ongoing and open dialog. Relevant issues are reported on and discussed in our internal media, such as the employee magazine “One Roof.”

Compensation and retirement plans

Economic efficiency, competitiveness, attractiveness, and fairness characterize HOCHTIEF’s compensation policy. Annual analyses and external benchmarks ensure compliance with these principles and with the German Corporate Governance Code. HOCHTIEF does not carry out any gender-specific analyses as the differently pronounced attributes of individual employees make reliable comparisons impossible. The focus is on employees’ training, experience, and responsibility.

Each company has established standards for fixed and variable compensation components, which are reviewed regularly. Attractive retirement plans are offered worldwide, adapted to the conditions in each country. Options include, for example, insurance or deferred compensation.

Work-life balance

Both the choice of workplace and employee satisfaction are significantly influenced by the consideration of a work-life balance. HOCHTIEF promotes this through a range of programs and measures including, for example, flextime models such as teleworking and part-time employment. The offer also includes advice and services.

Diversity

HOCHTIEF considers diversity to be a success factor and promotes it in a targeted manner. Depending on the

relevant culture, the focus in this area varies from division to division. The Leighton group, for example, particularly promotes Indigenous Australians, whereas the U.S. companies place their emphasis on ethnic diversity. In the HOCHTIEF Europe division, human resources management analyzed age structure, length of service, and fluctuation notably in Germany, and used its findings to pinpoint the challenges faced by HOCHTIEF as a result of demographic change.

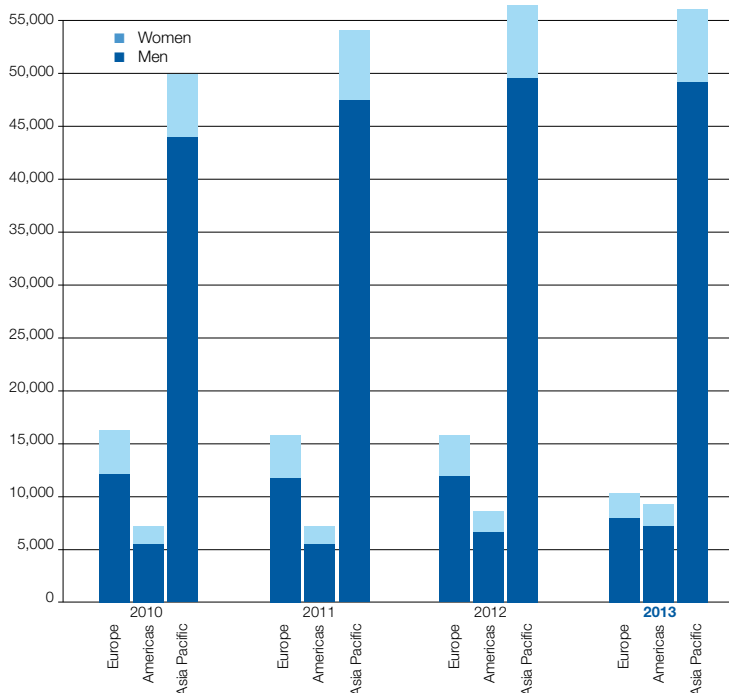
Occupational safety and health

For the HOCHTIEF Group, occupational safety and health are a top priority. The competence center for occupational safety, health, and environmental protection (OSHEP) has organizational responsibility for this issue.*

*For further information, please see page 66 et seq.

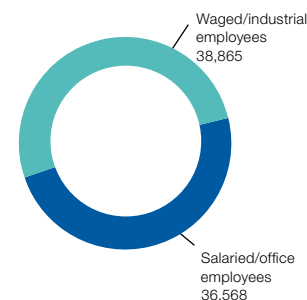
Key Figures

Key figures on employees in the HOCHTIEF Group

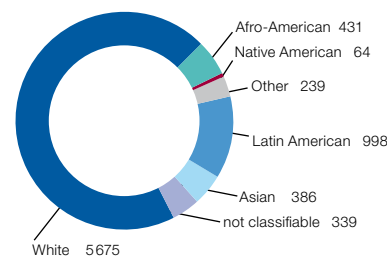


The **proportion of women** in the Group workforce as a whole was 14.7 percent in 2013 (2012: 15.5 percent).

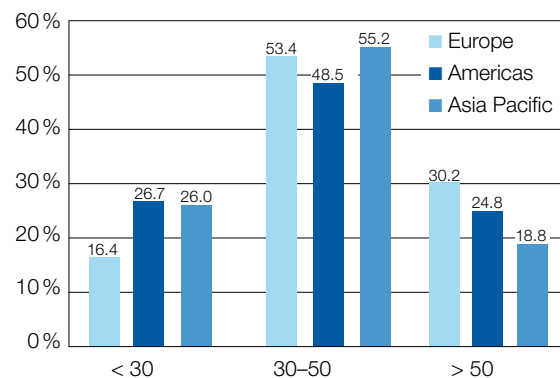
Workforce structure (As of Dec. 31, 2013)



Employees by ethnic group in North America (As of Dec. 31, 2013)

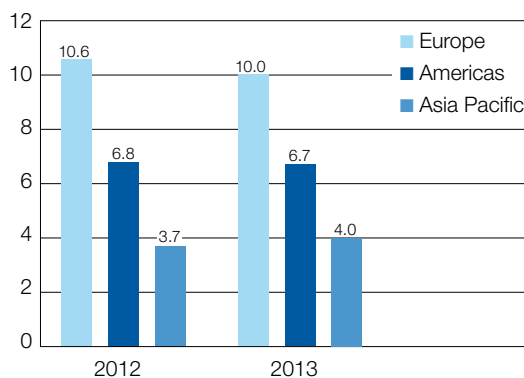


Age structure in the HOCHTIEF Group in 2013 (in years)



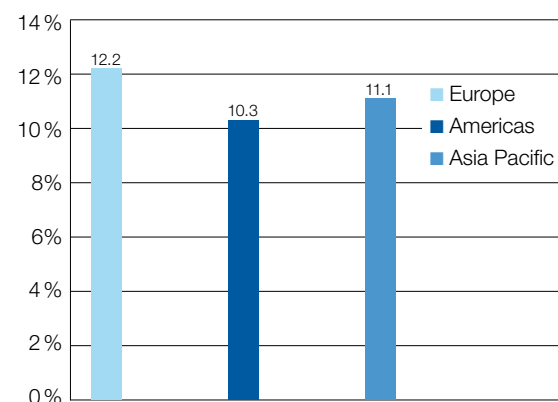
As of Dec. 31, 2013

Tenure of employment in the HOCHTIEF Group (in years)



As of Dec. 31, 2013

Women in management positions in the HOCHTIEF Group in 2013 (in percent)



As of Dec. 31, 2013

The proportion of HOCHTIEF employees in Germany who work **part-time** increased in the reporting period, from 8.6 percent in 2012 to 9.1 percent in fiscal year 2013.

The number of **trainees** at HOCHTIEF in Germany decreased from 351 in 2012 to 215 in 2013 (as of December 31 each year). The training quota therefore stood at 3.8 percent. The decrease mostly relates to the restructuring at HOCHTIEF Solutions AG and the associated sale of the service business line.

In the year under review, **staff turnover** in Germany stood at 10.0 percent.*

The **percentage of contracts with indefinite terms** in Germany is 89.8 percent, 10.2 percent of employees have a fixed-term contract.*

*Due to the many project-related contracts in the USA and Australia, the figures for the HOCHTIEF Americas and Asia Pacific divisions are not meaningful.

HOCHTIEF in Germany

People with **severe disabilities** comprised 4.2 percent of the HOCHTIEF workforce in Germany as of December 31, 2013. As this is below the statutory 5 percent quota, HOCHTIEF pays a compensatory levy.

The proportion of employees in Germany who **return to work after parental leave** fell slightly from 79.8 percent in 2012 to 77.9 percent in 2013.

HOCHTIEF Europe Division

There were a total of 2,286 **terminations** in the HOCHTIEF Europe division in 2013. This figure was 2,626 in 2012.

Occupational Safety and Health

The occupational safety and health of our employees are much more to HOCHTIEF than merely a legal obligation. This issue is a top priority throughout the Group. Our goal is to share responsibility with all stakeholders in creating a working environment in which our employees stay healthy and job-related illnesses and accidents are eliminated as far as possible. It is also important to us that our business partners and subcontractors implement such working conditions.

The aim of providing the conditions for optimum workplace health and safety is among our company's guiding principles and is laid down in the HOCHTIEF Code of Conduct as the duty of all employees. The minimum requirements we have defined in this area are described in a corresponding Group directive that is the foundation for the occupational safety, health, and environmental protection organization in the HOCHTIEF Group. Moreover, our employees are expected to adhere to all statutory and regulatory requirements regarding occupational safety and health as well as to implement the risk minimization measures identified in the hazard assessments.

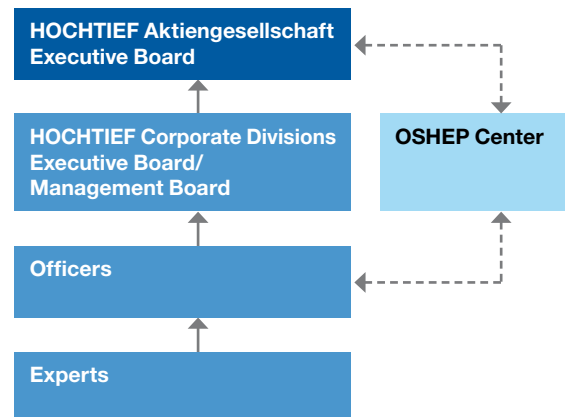
Structure of occupational safety and health at HOCHTIEF

Each of us is equally responsible for occupational safety and health. Individuals receive support for these efforts from the occupational safety, health, and environmental protection organization within the HOCHTIEF Group. The central competence center for these issues is the OSHEP Center, whose manager reports directly to the HOCHTIEF Executive Board's Labor Director. The OSHEP Center develops overarching workplace safety requirements, supports managerial staff in putting these into practice, and monitors compliance with requirements. The center's staff is involved in all phases of projects in Germany and abroad, thus optimizing occupational safety and health on site with all participants.

In terms of their organizational systems and procedures, HOCHTIEF's divisions have set up structures and processes that correspond with the relevant standards. Management representatives and experts within the divisions advise and support the management boards and project executives. The OSHEP Center, as the su-

perordinate link, maintains contact with the boards and executives and ensures that reporting is carried out.

In addition, the divisions use management systems based on international standards (BS 18001 OHSAS and Safety Certificate Contractors [SCC]) to integrate occupational safety and health into the project process from end to end. In the reporting year 76.8 percent of employees (2012: 66.3%) worked for companies that have been certified accordingly.



Identifying risk early on

The basic requirement for effective safety management is identifying and assessing risks early on to ensure that preventive measures are implemented and dangers eliminated. HOCHTIEF safety experts thus lend their expertise to projects as early as the bid phase. Safety plans are subsequently devised, continually updated and revised during the course of projects. The goal is to keep any residual risk to the health of our employees as low as possible.

It is important to us that all of our business partners share HOCHTIEF's occupational safety and health vision. They must therefore accept our Code of Conduct. When selecting partner companies and subcontractors, we additionally take into account their track record in environmental and occupational safety and review whether they meet and comply with the relevant statutory requirements. If a company fails to meet our high standards, we reserve the right to exclude it from future contracts.

Number of fatal accidents in the HOCHTIEF Group

Region	2010	2011	2012	2013*
Americas	0	0	0	0
Asia/Pacific	2	5	3**	1
Europe	1	0	0	0
HOCHTIEF Group total	3	5	3	1

*Subcontractors are not included in the table. However, they must comply with the safety standards that apply to HOCHTIEF.

** One fatal incident reported subsequently due to overlap with editorial deadline for Sustainability Report 2012.

Tribute

We deeply regret that employees have died during their work.
We extend our condolences to their families.

Even given the above-average preventive measures we put in place, it is unfortunately not possible to entirely rule out accidents, some of which may have serious or fatal consequences. HOCHTIEF uses a graduated reporting system to record and analyze these accidents in order to understand the cause, develop new preventive measures, and optimize our processes. These activities are based on a uniform classification of workplace accidents throughout the Group. Various management hierarchies will be involved in investigating accidents depending on the seriousness of the accident in question.

Promoting a culture of occupational safety through continuing education

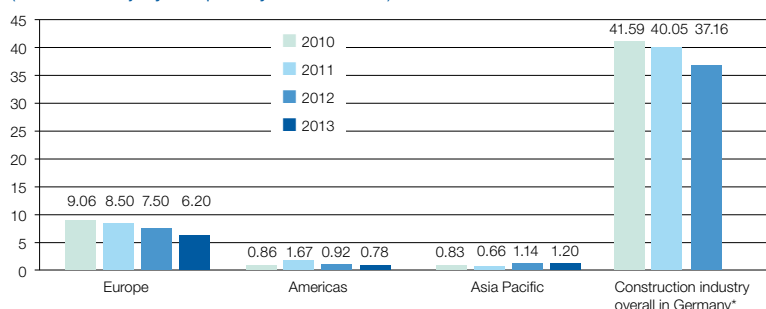
The work safety cultures at the HOCHTIEF units and companies have developed to differing degrees due to the varying social welfare systems in the countries concerned. Ensuring that we have a uniform culture in which all staff members feel responsible for occupational safety and health requires that we highly prioritize continuing

education on these topics in all HOCHTIEF divisions. Our employees receive regular training both internally and externally. Occupational safety and health are established components of the course offerings at HOCHTIEF's internal continuing education facilities. We regularly report on these topics in company media. In addition, many special event days and initiatives raise awareness of this issue among employees in the units and on projects.

Managerial staff play a key role in this regard. They must be aware of their responsibilities as well as enable and promote such a culture of occupational safety and health within their areas of competence. Managerial staff are prepared for this task by attending special programs.

We also attach great importance to providing training and continuing education for our safety experts. They are constantly up to speed in their areas of specialization. This means they can effectively advise and support the project executives in their occupational safety and health activities. The experts take advantage of internal and external working groups to share their experiences at regional level.

Accident rate within the HOCHTIEF Group (accidents per million man-hours) (Lost time injury frequency rates LTIFR)



*Source: Annual accounts of German institutions for statutory insurance and prevention; figures for 2013 were not yet available as of the editorial deadline.

Environmental and Climate protection

HOCHTIEF's business affects the natural environment—the soil, water, air, climate, and biological diversity. We are aware of this. So together with partners, our experts are working on numerous developments to find solutions for keeping the impact of our activities to a minimum as well as to avoid environmental damage. There is a firm commitment throughout the HOCHTIEF Group to conserve resources, optimize their use, and systematically reduce emissions harmful to the environment and our climate.

For HOCHTIEF, environmental and climate protection is a top priority. We aim to continuously improve our performance in this area so as to not only minimize the risk for our company but also because we have a responsibility to the environment and society.

Organizational structure of environmental and climate protection in the HOCHTIEF Group

All environmental and climate protection-relevant issues are coordinated centrally in the Center for Occupational Safety and Health and Environmental Protection (OSHEP Center). This center reports directly to HOCHTIEF's Labor Director, which underlines the great importance attached to the issue. The Group-wide environmental protection policy forms the basis of all activities. It is set down in a corresponding directive and defines the minimum requirements.

The OSHEP Center brings together environmental and occupational safety experts. They ensure the legally compliant organization of general environmental requirements and also support the management and project teams on site with their expertise. The HOCHTIEF divisions have themselves taken responsibility for enshrining environmental and climate protection in their organizational structures and take the appropriate steps to ensure that the applicable legal provisions and HOCHTIEF standards are complied with and implemented.

Environmental and climate protection is integrated into the entire project process within the HOCHTIEF divisions. These maintain management systems based on international standards (ISO 14001, ISO 50001). In the year under review, the proportion of projects with environmental management certification (ISO 14001; EMAS, SCC) thus stood at 77.7% in the HOCHTIEF Group.

Identifying risk early on

The key factor for a successful, accident-free project from an environmental protection perspective is to identify and assess the relevant environmental and climate risks early on. Only then can preventive measures be planned and effectively incorporated in the course of the project. This is why environmental protection experts at HOCHTIEF are involved in projects as early as the bid phase to coordinate the necessary measures on a cross-disciplinary basis and implement them in the construction phase. The relevant issues are then tracked continually during project operations, and the activities adjusted where necessary. Environmental and climate protection aspects are also a fixed component in investment decisions.

In addition to compliance with fundamental legal and normative requirements, it is also very important from an environmental protection perspective to analyze how and why accidents have occurred to date in order to achieve accident-free project operations. Evaluating near-accidents can also provide valuable insights when it comes to preventing future environmental damage. Both environmental damage and near-accidents are recorded and assessed using a graduated reporting system. Our aim is to develop a uniform understanding and reporting system regarding the type and scope of environmental incidents throughout the Group.

Fostering employee awareness and training

HOCHTIEF considers it important that employees develop an in-depth understanding of ecology. The only way to guarantee sustainable occupational safety, health and environmental protection is by keeping employees well-informed across the board. To this end, organizational structures must be tailored to employees' needs and employees should regard them as supportive in

their everyday work. In order to achieve this kind of acceptance, we are fostering employee awareness of the issue and providing our workforce with thorough training. This is part of an ongoing process which entails training measures in the form of regular in-project instruction and classroom seminars.

HOCHTIEF attaches particular importance to providing training and continuing education for our environmental experts. They are always up to date in their areas of specialization and advise the project executives in their environmental protection activities. These experts share their experiences on a regional basis via internal and external working groups.

Environmental and climate protection topics at HOCHTIEF

Energy efficiency and emissions

We aim to use energy efficiently, save electricity and reduce emissions throughout the Group. To this end, we record and measure our emissions and consumption on an ongoing basis (see charts on page 71), and derive further reduction measures from those findings. Our focus is both within the Group and at our customers. This makes HOCHTIEF one of the world's leading providers of "green" building: Our companies construct buildings noted for their power and heat conservation. At HOCHTIEF, we employ a wide range of measures and regulations to reduce carbon emissions (see feature starting on page 16)—for instance, by way of equipment specifications for the company fleet. We continue to work on defining Group-wide climate protection targets.

Pollutants in building fabric

The construction industry uses materials and products manufactured industrially and chemically. Once installed, it is often no longer possible to clearly identify materials individually, such that there is a risk of unintentional release due to construction activity. In certain circumstances, this can have an environmental impact—for example, in the form of contamination—or cause damage to health.

For this reason, HOCHTIEF takes the risk of pollutants in building products very seriously and ensures that contractors and managers systematically take this issue into consideration throughout all of the construction processes affected.

Hazardous substances management

Comprehensive hazardous substances management forges a link between environmental and occupational safety. The handling of products containing hazardous substances affects not only occupational safety, but also raises questions of proper storage, transportation, and disposal. To this end, there are country-specific indexes, regulations, and guidelines. For example, HOCHTIEF Solutions in Europe has developed and introduced a concept that puts into practice the requirements of the Hazardous Materials Ordinance (Gefahrstoffverordnung): An Internet-based program allows hazardous substances indexes to be drawn up, right down to object level. At the same time, it helps to generate additional information on individual materials—such as toxicological evaluations of building materials used—and workplace-specific operating instructions.

Waste management

HOCHTIEF draws up detailed materials usage plans for projects at an early stage in order to avoid and minimize waste. These include methods of waste disposal. For large-scale infrastructure projects, for example, plans are also developed early on to keep quantities of excavation materials to a minimum, to reuse them and, where possible, to deploy a large percentage of recycled materials.

Water management

In many building projects, water is an important consideration, for which HOCHTIEF develops tailored concepts. Water management deals with such aspects as the use of groundwater and drinking water in the course of the project, the disposal of recycled and waste water, infiltration, water pollution, and water treatment.

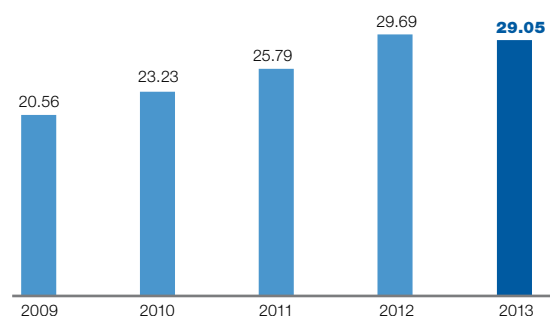
Biodiversity

HOCHTIEF's aim is to conserve biological diversity in its project environments. Where necessary, we work—often in close collaboration with the authorities responsible—to develop specific environmental concepts cover-

ing all requirements and measures to be carried out in terms of nature conservation and environmental protection. Their implementation is monitored during construction and the measures are adjusted if necessary.

Key figures

Work done (EUR billion)



The environmental indicators below and Group coverage* are to be viewed in relation to the Group work carried out for each year. They are also directly dependent on the type and scope of each project

*Coverage: Proportion of data recorded in relation to Group work done.

Environmental damage

Incidents resulting in material chemical or biological environmental damage must be reported to HOCHTIEF. Such incidents are divided into three levels:

- Level 1: Transregional, high severity and/or irreversible damage and/or estimated impact of over EUR 5 million
- Level 2: Medium severity, estimated impact exceeding general deductible but below the general coverage amount of EUR 5 million.
- Level 3: Low severity, impact below the general deductible

No instances of Level 1 and Level 2 environmental damage were reported in the three HOCHTIEF divisions in 2013.

Fines

In the period under review, no fines were levied against HOCHTIEF for violations of environmental regulations.

Water consumption (in m³)

	Water consumption	Group coverage**
2013	19,679,874	67%
2012	5,074,045*	68%
2011	735,000	35%
2010	671,000	45%

**Based on HOCHTIEF Asia Pacific division figures for six months only.

The data is estimated from material-specific cost types assuming average prices.

In the HOCHTIEF Asia Pacific division, 12.6% of water is drawn from fresh-water sources and 46.3% from recycled water.

In the HOCHTIEF Europe division, water is drawn from fresh-water sources. Extraction from other sources is not open to influence due to the Group's project structure.

Waste requiring disposal (t)

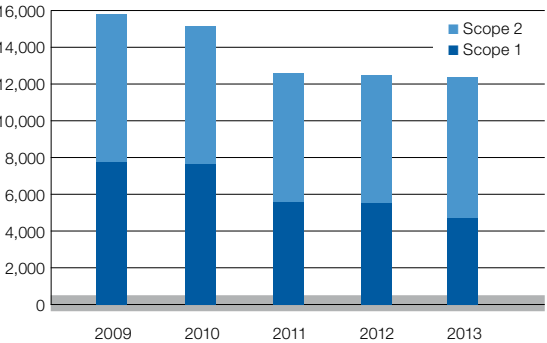
	Waste requiring disposal	Group coverage**
2013	3,011,091	94%
2012	1,061,669*	75%
2011	499,384	40%
2010	510,464	45%

**Based on HOCHTIEF Asia Pacific division figures for six months only.

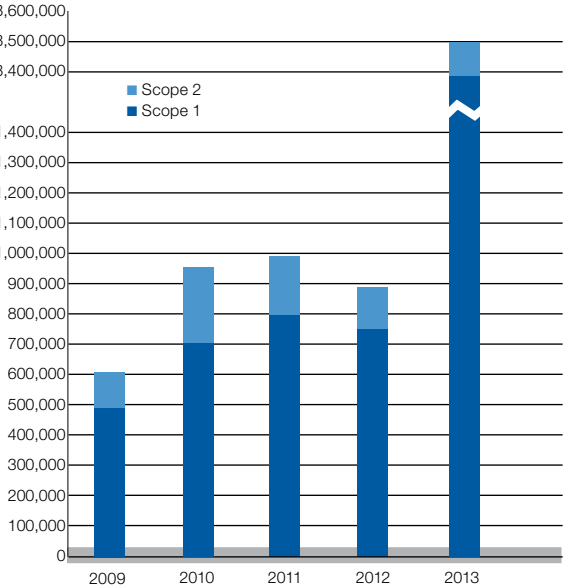
The Group-wide **waste recycling rate** was approximately 81% in 2013 (2012: 75%).

The key figures shown relate to the energy consumption and carbon emissions of the main corporate units in Europe, the USA, and Australia. The majority of the data is estimated from material-specific cost types assuming average prices. The ratio of material to service costs in the HOCHTIEF Europe division is also assumed for the HOCHTIEF Americas and the HOCHTIEF Asia Pacific divisions.

Greenhouse gas emissions*:
HOCHTIEF Americas Division (t/CO₂)
(partly extrapolated figures)



Greenhouse gas emissions*:
HOCHTIEF Asia Pacific Division (t/CO₂)



Energy consumption

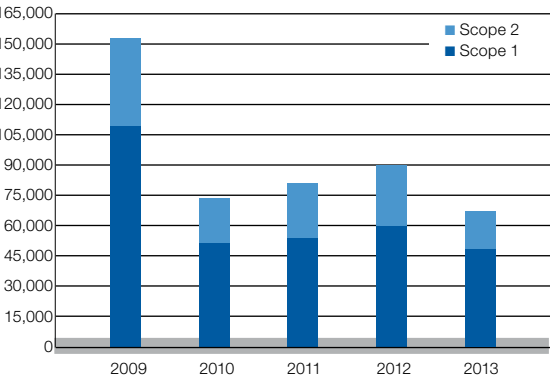
	Group		Coverage
	2013		
Electricity**	297,400 MWh	1,073.6 TJ	93%
Heating oil	958,429 liters	36.4 TJ	59%
Diesel	1,274,933,967 liters	4,050.6 TJ	71%
Gasoline	6,456,681 liters	211.7 TJ	71%
Gas	2,991 MWh	10.8 TJ	71%
LPG	12,062 MWh	43.5 TJ	71%

**Electricity figures in the HOCHTIEF Americas division partly extrapolated

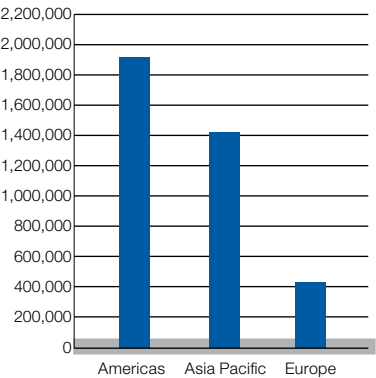
Energy consumption levels and the greenhouse gas emissions inferred from them directly depend on the nature and scale of the projects in progress. A tunneling project with a tunnel boring machine, for example, generates far greater indirect carbon emissions than a building construction site. The figures specified here relate solely to materials purchased by the HOCHTIEF Group. The trend in the key figures therefore indicates very little as regards actual climate protection activity.

The major office locations in Germany have been using green power fully since 2010. The Leighton Group, too, uses green power at selected locations.

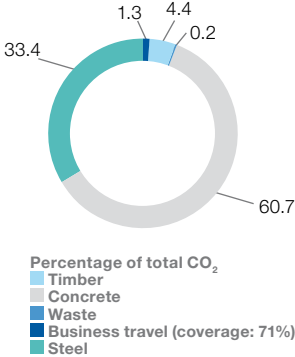
Greenhouse gas emissions*:
HOCHTIEF Europe Division (t/CO₂)



Greenhouse gas emissions*:
Scope 3 (t/CO₂)



Scope 3 composition
(percent)



Group Coverage

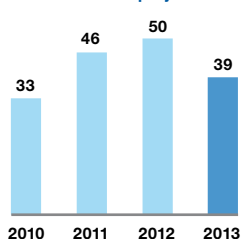
	Scope 1	Scope 2	Scope 3
2013	97%	93%	93%
2012	85%	88%	–
2011	85%	85%	–

*Metric tons of carbon equivalent. Source for carbon conversion factors: GHG Protocol, DEFRA and German Federal Environment Agency

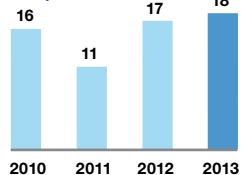
Research and Development

Research and development is a major factor in HOCHTIEF's sustainability activities. Both centrally and at divisional and project level, our employees develop future-focused ideas for sustainable solutions. Time and again, this enables HOCHTIEF to present clients with innovative, compelling answers. Besides product and project-related innovation, we also improve internal workflows and processes on an ongoing basis. Our innovation management system, which we work continuously to improve, sets us apart from competitors and allows us to generate significant added value for clients.

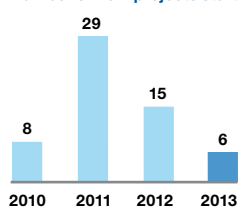
Number of R&D projects



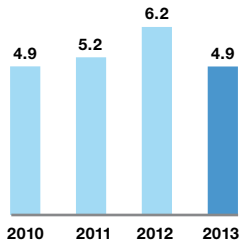
Number of R&D projects completed



Number of R&D projects started



Investment volume of R&D projects (EUR million)



The statistics in the charts relate to the first-level innovation projects.

Innovation management on three levels

Innovation at HOCHTIEF is managed on three levels: The **first level**, central innovation management, focuses on cross-divisional issues. The emphasis here is on innovations that benefit operating activities throughout the Group. Innovation management is centrally coordinated by HOCHTIEF Corporate Development. This unit picks out promising innovations and supports their implementation. The Innovation Committee, which is made up of members from the operational units and Corporate Headquarters, decides whether to go ahead with a research and development (R&D) project in each case.

HOCHTIEF spent around EUR 4.9 million on Group-wide, first-level R&D projects in the year under review. Some 60 employees worked on 39 such projects. We launched six new projects in 2013, and brought 18 to completion. Our current innovation projects are subject to EUR 287,000 in German federal grants.

The **second level** of the HOCHTIEF innovation management system deals with divisional innovation. These projects are developed, financed, and implemented by the corporate units and companies themselves.

The **third level** targets project-specific innovations. All necessary R&D work is carried out during contract bidding and execution. As the expenses incurred are accounted for directly as part of project cost, they are not registered at Group level. At HOCHTIEF, the lion's share of development takes place at this level.

Compelling employee ideas

HOCHTIEF's R&D accomplishments are to a large extent due to the great innovating skills of the HOCHTIEF workforce. A key feature of our innovation management system is therefore Ideas Management, which addresses suggestions for improvement from the workforce. In Germany, these activities center around the Ideas Room, a transparent tool that allows employees to put in suggestions directly online. As in past years, many employees made use of the tool during the reporting year to help improve internal workflows and processes. Overall, 461 ideas were published in 2013. The ten best suggestions for 2012 were awarded prizes at the annual conference in April 2013.

International cooperation

The global cooperation network that HOCHTIEF has built up over the years is of major importance: We work closely with national and international universities, scientists, and associations. As a member of the European Construction Technology Platform, HOCHTIEF makes an active contribution toward maintaining the high technical standards of the European construction industry. We are also a member of ENCORD, the European forum for industry-led research, development, and innovation in the construction sector. Benefits from our membership include best-practice exchange on issues such as bridge construction and tunneling, lean construction, virtual construction, corporate responsibility, and work safety.

Sustainability-related R&D projects

Many of our innovation projects are closely related to issues of sustainability or are driven forward by our goal of acting sustainably.

Modular small-scale biogas plants

During 2013, HOCHTIEF took part in an innovation project in the small-scale biogas plant business: In cooperation with the University of Bonn, we are developing small-scale biogas plants with a standardized, certified design for rapid assembly and featuring a small space footprint. The energy source is slurry which, unlike crops such as corn, is generally available free of charge. As part of the project, we take account of the differing needs of beef and hog farmers as well as farming operations. As such operations are highly diverse and individual, HOCHTIEF is exploring a choice of business models as an entry path into this proven form of alternative energy generation.

Nuclear power plant decommissioning

HOCHTIEF has acquired considerable expertise in nuclear power plant decommissioning since the mid-1990s. In-house technological innovations deployed in this work include the HOCHTIEF heavy-duty undercut anchor system, which can be used to transport very tall pieces of debris, and the DECON surface removal system, a high-powered tool for the removal of contaminated surfaces. In light of the planned greening of Germany's energy supplies, HOCHTIEF set up a project group with the aim—operating through a dedicated business segment—of providing clients at an early stage with integrated solutions for planning and subsequently carrying out the impending decommissioning tasks as well as with support in solution development.

New techniques in offshore wind farm construction

In the energy infrastructure sector, HOCHTIEF is an established player in the construction of offshore wind farms. During the year under review, HOCHTIEF began an innovation project in which it is developing an alternative design for pile stoppers. A pile stopper is a temporary bearing structure used for the foundation of an offshore wind turbine on top of piles in the sea floor. The new design not only means that foundations can be produced at lower cost but also makes for easier installation. Successfully implemented, the idea offers cost savings of some EUR 5 million per wind farm. It also avoids risky diving work.

A standardized measurement system for use in the placement of foundation elements for offshore wind turbines has so far been lacking. Nor has there so far been any means of fully documenting the associated data. As part of a HOCHTIEF offshore project, our experts masterminded a proprietary measurement and positioning system comprising a program and a set of coordinated sensors. The new system makes for faster, easier working.

Turner: Disseminating best practices

Our U.S. subsidiary Turner launched a new collaboration platform during the reporting year. "Learning Tree" is a system to capture, organize, and disseminate best practices. Employees can also use the platform to post questions, which are subsequently answered by experts from the company-wide network. This new solution will further improve knowledge management at Turner as well as employee networking, commitment, and satisfaction. Plans are to also open up the Learning Tree network to other HOCHTIEF divisions, promoting integrated lifelong learning throughout the Group.

New sand production method

John Holland, a subsidiary of HOCHTIEF's Australian company Leighton, developed a new sand production method for the Cotter Dam project. Expansion of the Cotter Dam required approximately 400,000 metric tons of very fine sand, which would normally have been trucked in from a quarry. The crushing system successfully developed and implemented by John Holland made it possible to produce the sand from aggregate produced on site. This innovative method required no sand to be supplied to the site, reducing the number of truck deliveries. This substantially reduced the emissions. The Cotter Dam project participated in the round 2 pilot trials of the Infrastructure Sustainability Council of Australia's rating scheme, with this particular innovation having the potential to contribute to scores in the categories of Commitment to Sustainable Procurement, Conservation of On-Site Resources, Waste Management, Community Health & Wellbeing, and Innovation.

Procurement

As in other areas, HOCHTIEF's goal is to conserve resources, protect the climate, and treat people fairly in the procurement of materials, products, and services. For this reason, key sustainability parameters anchored in our Corporate Directive Procurement are considered when selecting, evaluating, and cultivating our subcontractors and suppliers as well as when purchasing materials and products.

Organization of procurement at HOCHTIEF

HOCHTIEF's procurement strategy is aligned with our Group strategy. Key features of the procurement strategy include developing and fostering entrepreneurial procurement culture, pursuing opportunities to add value and cut cost, and enhancing competitiveness with innovative programs, processes, and tools. The aim of all procurement processes is to obtain the best terms and conditions for HOCHTIEF and our clients at the desired quality.

In the year under review, the restructuring of HOCHTIEF Solutions AG also set the course for a realignment of our procurement activities in Europe. These are now conducted at three levels: Centrally at Group level by a strategic corporate center unit, at the level of the three divisions by a central procurement manager, and individually in operational units as well as projects by our purchasing experts.* This enables HOCHTIEF to more actively pursue project-driven procurement in line with demand. The companies benefit from the closer proximity of procurement teams to operations and regional procurement markets. At the same time, regular exchange of information about existing and future needs between corporate center units at Group and division levels ensures that favorable terms can be negotiated, even beyond company and country boundaries.

*For detailed information on our procurement organization, please see pages 62 et seq. of the HOCHTIEF Annual Report.

Sustainability implemented in procurement

A key cornerstone of our procurement activities is the Corporate Directive Procurement, which was updated and expanded in 2012. It features ten procurement principles and guidelines: transparency, measurement, continuous improvement, best place to work, collaboration, supplier management, governance, sustainability, Code of Conduct for Employees, and Code of Conduct for Business Partners.

The Directive makes explicit reference to the six focus areas of sustainability at HOCHTIEF. This addition resulted in sustainability being anchored even more firmly in our purchasing processes. Divisions are thus required to pay due regard to corporate social responsibility and sustainability principles at every stage of supplier selection and evaluation as well as when awarding orders to subcontractors. An internal control system reviews and ensures compliance when the Directive is implemented.

HOCHTIEF's procurement efforts aim to continuously improve processes and update the international purchasing network. We therefore prequalify and evaluate our suppliers. In 2013, the HOCHTIEF-Group registered 65,756 prequalified suppliers.

Code of Conduct: an integral tool

HOCHTIEF's actions are based on ethical principles (see page 57 et seq.). And that also includes procurement activities. The HOCHTIEF Code of Conduct therefore features among the ten principles and rules in the Corporate Directive Procurement.

For companies that work with HOCHTIEF, we have laid down rules in our Code of Conduct for Business Partners. HOCHTIEF's business partners are obligated to comply with these strict rules both in their own operations and in dealings with their subcontractors. We expect our partners and their suppliers not to permit child labor and to pay their workforces a fair wage or salary.

Sustainability issues in procurement

HOCHTIEF's projects often center on the delivery of integrated, sustainable solutions— a mission equally applicable to procurement activities, which often involve more than just sourcing materials and services. This calls for our purchasing experts to have additional segment-specific expertise and above-average knowledge of the market.

For instance, in transportation infrastructure projects, HOCHTIEF's activities are not limited to building projects like tunnels, bridges, and roads. Our 360-degree service portfolio also includes the supply and installation of energy-efficient, energy-saving lighting for such infrastructure.

A case in point: In the green building market segment, we develop and build energy-efficient and resource-saving properties. Our subsidiary Turner is a pioneer in this field in the USA, and HOCHTIEF is also extending its position in sustainable construction in many other countries. This requires us to procure materials and products that meet strict sustainability standards, such as FSC-certified wood, for use in those projects.

Heavy equipment is deployed notably in the contract mining business in which our Australian Group company Leighton operates. Energy and fuel efficiency are important criteria when it comes to procuring the overburden excavators and caterpillars required in mining.

Key figures


Materials used

	Quantity	Group coverage
Cement	6,325,387 m ³	93%
Steel	833,604 t	93%
Wood	823,566 m ³	93%

Reporting period for Leighton 07/12 – 06/13

The majority of the data is estimated from material-specific cost types assuming average prices. The ratio of material to service costs in the HOCHTIEF Europe division is also assumed for the HOCHTIEF Americas and the HOCHTIEF Asia Pacific divisions.

Certified cement suppliers

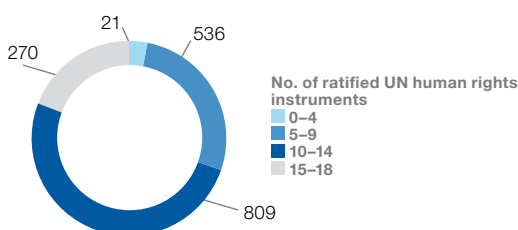
14% of the volume of cement procured is purchased from suppliers who have joined the Cement Sustainability Initiative (CSI). The CSI is an initiative of the World Business Council for Sustainable Development (WBCSD) .

 www.wbcscement.org

Source countries

In compliance with UN conventions, the HOCHTIEF Group purchases most goods and services from suppliers in countries with high human rights standards. The chart below includes all key suppliers (Group coverage: 93%).

UN human rights conventions



Donations and Sponsorship

As an international construction group, HOCHTIEF designs living spaces all over the world and therefore interacts closely with the people with whom and for whom we work. We are part of society and, as a corporate citizen, take responsibility for the community wherever we do business and carry out projects. HOCHTIEF and its employees act on this mission through monetary donations and donations in kind, by contributing their expertise, and volunteering. We focus these activities on two main issues: Educating and promoting young talent, and shaping and maintaining living spaces.

The Group directive on donations and sponsorship was completely rewritten in the period under review and, in October 2013, replaced the 2007 guidelines applicable to date. The directive defines the thematic priorities of these activities, assigns responsibility, and specifies reporting processes and duties. The objective of reworking the directive was to more clearly define the thematic priorities, also taking into account the international focus and current structure of the HOCHTIEF Group. Moreover, the new directive provides better guidelines for making monetary donations, donations in kind, and contributions of expertise, as well as volunteering for social causes. It also improves documentation so that these activities can be consolidated more efficiently and their effects amplified.

The directive applies to the entire HOCHTIEF Group with the exception of Leighton Holdings Limited and its subsidiaries. As part of its Group Governance System, Leighton has issued and implements its own directive on donations and sponsorship (Corporate Community Investment). The content of this directive in no way contradicts any of the requirements or rules contained in the HOCHTIEF Group directive.

Focal points of sponsorship activities

HOCHTIEF concentrates its donation and sponsorship activities on two focal areas, both of which have a special relationship to our company as well as our business activities, and have a sustained effect. At the same time, they are relevant to all Group companies and corporate units.

The first involves our commitment to **education and fostering young talent**, through which we are investing in one of the most important factors in economic and community development. As a technology- and engineering-driven company, HOCHTIEF relies heavily on well-educated staff and young talent as well as a broad appreciation of construction and technical issues in society. We engage at an early stage to promote these issues, which is why we sponsor educational projects for young people in particular.

HOCHTIEF shapes living spaces. The company intends to carry out this mission above and beyond our own projects with our second, newly defined focal area. HOCHTIEF aims to sponsor and donate to projects geared to **shaping and maintaining our social and natural living spaces**. Depending on the cultural, social, and regional environment in which the HOCHTIEF divisions and companies operate, the focus of these activities can be different—ultimately, HOCHTIEF's social commitment should be aligned with the needs of the people we wish to support.

HOCHTIEF would especially like to support local communities, so if there is good reason, a focal area different from the two specified can be chosen for project- and site-based initiatives. For instance, a third sponsorship focus was defined for the HOCHTIEF Americas division due to the special characteristics of the U.S. healthcare system and its dependence on financial support from the private sector: health and welfare.

The Group directive additionally stipulates that HOCHTIEF may not make any donations to political organizations, parties, individual politicians, or office holders, whether directly or indirectly.*

Organization and reporting

The Corporate Communications department is responsible for donations and sponsorship in conjunction with the Executive Board of HOCHTIEF Aktiengesellschaft. It handles strategic policy and overall coordination of these issues in addition to reporting. The department is also responsible for the sponsorship activities of the holding company.

In HOCHTIEF's divisions, the relevant executive boards and management are tasked with setting the donation and sponsorship budgets. Specific employees are responsible for monitoring selection of suitable projects in the appropriate form and level in line with the directive, documenting the activities, and reporting to Corporate Communications on a fixed schedule.

Documentation of donation and sponsorship activities stipulated in the Group directive aims to eventually allow HOCHTIEF to measure the benefits of its social commitment and to develop suitable performance indicators. In the period under review, an initial attempt was made to apply the German Bertelsmann Stiftung foundation's "iooi" method (input, output, outcome, impact) to the projects conducted under the auspices of Bridges to Prosperity.

Focus on Bridges to Prosperity

In 2012, HOCHTIEF was involved for the first time from Germany and Europe in projects for the non-profit organization Bridges to Prosperity[®] (B2P), which had received support from our U.S. subsidiaries Flatiron, Turner, and E.E. Cruz since 2007. In cooperation with sponsors, B2P builds pedestrian bridges across rivers and gorges in low-infrastructure regions all over the

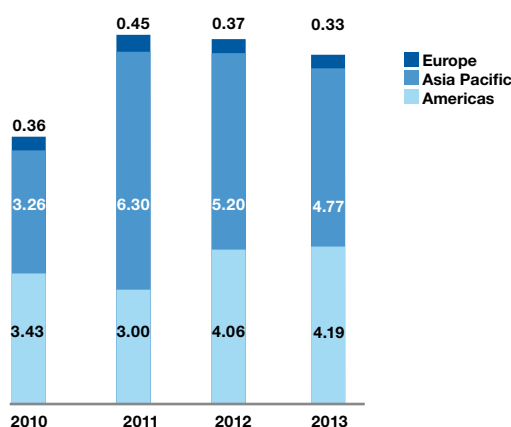
world to give the local population better access to trade, education, and medical treatment.

After the successful debut in 2012, HOCHTIEF employees built another bridge in Rwanda in summer 2013. Our U.S. subsidiaries completed three projects in Nicaragua in the reporting period (see also pages 86 and 104).

Our commitment to B2P extends far beyond cash donations. For all of the projects we finance, we have a group of employees on site who play an active part in building the bridges. By integrating local workers into the bridge building, we pass on our expertise to the local population, who are then able to use these methods and the skills they have acquired in other projects. In addition, Flatiron is particularly committed to its role as a strategic B2P partner and harnesses its building expertise to support the design of the bridge models. The ongoing objective is to also involve the Leighton Group in this charity work in the long run and thus to expand B2P into a Group-wide sponsoring project.

*Leighton, our Australian Group Company, reports on its indirect political donations in its annual report and on the Internet at www.leighton.com.au.

Total donations and sponsorship (EUR million)

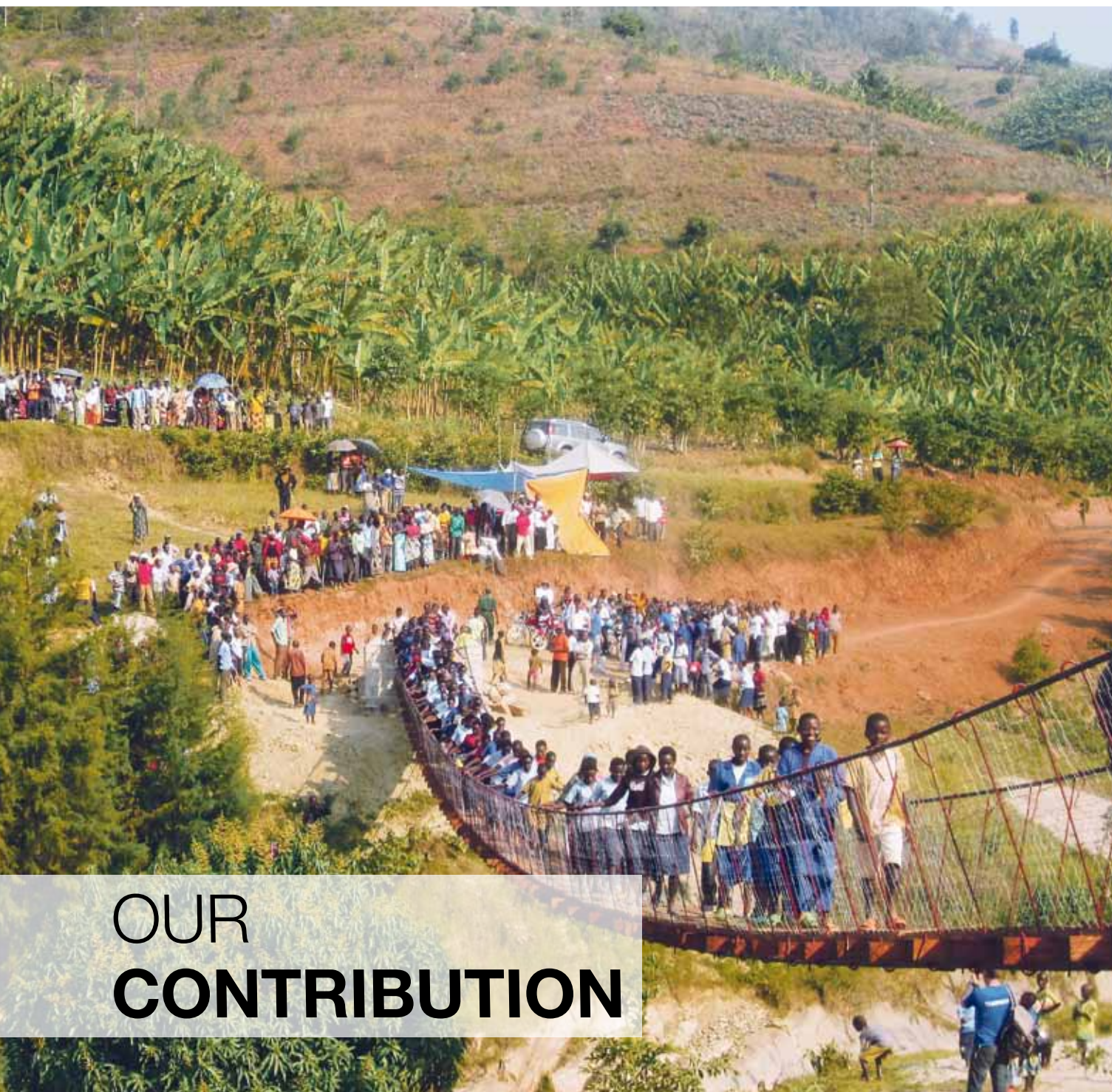


www.bridgestoprosperty.org

HOCHTIEF expands horizons ...



MY
COMMUNITY



OUR CONTRIBUTION

... for instance, by building footbridges in remote areas of the world such as Rwanda. In a host of different ways, HOCHTIEF assumes social responsibility wherever we carry out projects and help is needed.

Segment Report

HOCHTIEF Americas Division

For further information about these companies, please see www.turnerconstruction.com, www.flatironcorp.com, and www.eecruz.com.

The companies included in the HOCHTIEF Americas division recorded numerous successes during the reporting period in our six sustainability focus areas. Turner, which specializes in building construction, was again recognized as the leader in the U.S. green building segment. Our infrastructure construction subsidiary, Flatiron, is involved in sustainable projects in the transportation and energy sectors. In 2013, we continued to set an example through our successful cooperation with the non-profit organization Bridges to Prosperity, constructing three footbridges in remote regions of Nicaragua.

Focus area 1: Sustainable products and services

Turner: Leader in green building

In its annual ranking, the industry publication Engineering News-Record (ENR) named Turner the number one green builder for the fifth consecutive time in 2013. HOCHTIEF's U.S. subsidiary has 1,384 LEED* Accredited Professionals—employees who hold industry certification in sustainability and work on green building projects as auditors. This team of experts helped Turner take the top position in a list of the 100 most successful green construction companies in the USA. Turner is increasingly offering online continuing education classes in this subject as well. For instance, the LEED Green Associate Training classes are carried live on the Internet. The program is the first qualification professionals must acquire to become LEED auditors. Since this approach eliminates the need to travel, e-learning saves both time and CO₂ emissions.

In the year under review, the PNC Bank branch built by Turner in Florida was awarded LEED Platinum certification. The property is among the few net-positive buildings in the USA constructed to date. Energy is provided by 211 solar panels. At the same time, state-of-the-art LED lighting equipment and a sophisticated ventilation

system keep energy usage low. The office complex produces 84,000 kilowatt hours of electricity, but requires only 70,000. The surplus, which is equal to the average annual consumption of a multi-family home, is fed into the local grid.

The Sacramento Municipal Utility District (SMUD) East Campus Operations Center completed in April 2013 is another energy-efficient building complex constructed by Turner. At minimum, SMUD produces all the energy it requires, having been designed to meet LEED Platinum certification standards. Industry publication Sacramento Business Journal named the complex the year's best real estate project in the sustainable building category. The Sacramento Regional Builders association also crowned the city property the greenest project of the year in California.

Well on its way to a LEED Silver designation is the new Department of Veterans Affairs clinic in Austin, Texas. The building covering some 25,500 square meters has many green features, including a highly efficient heating and cooling system and high-performance glazing. Locally produced materials were used in its construction. Additionally, Turner employed a lean construction method

Net positive: The PNC Bank branch built by Turner in Florida with its roof-mounted solar panels produces more energy than the building complex as a whole uses.





Sustainable state of the art: Construction of the Department of Veterans Affairs clinic included the use of local building materials (picture left).

New for old: Turner's office in Columbus achieved LEED Gold certification for its sustainability. The building was formerly a factory, and original materials were repurposed during its renovation (picture right).

to build this property, with detailed preconstruction planning and, for the most part, using advance computer simulation. All processes involved in its construction were therefore well orchestrated, and the materials delivered were used quickly and efficiently.

Other institutions have also recognized Turner's green building expertise. The New York School of Interior Design honored the company's commitment to sustainability with the 2013 Green Design Award in the development and real estate categories. The prize is given to projects that combine environmental protection and high-quality design. Moreover, the Best Education Degree education blog labeled three high school projects that Turner delivered "impressive." The digital network is used primarily by teachers and related professionals. Among other buildings, the award went to Inderkum High School in Sacramento, which stands out for its notably sustainable features. The campus measuring a good 21,800 square meters was designed around a two-story glass atrium that draws energy from photovoltaic and geothermal sources.

In 2013, the U.S. Green Building Council named Michael Deane, Vice President and Chief Sustainability Officer of Turner, a LEED Fellow—in other words, a deserving expert in the green building industry. He was honored for his outstanding accomplishments. As a pioneer in the green construction industry, he has played a key role in shaping the company's sustainability successes. The number of LEED professionals grew sharply during his

term—from 42 to some 1,400. Moreover, Deane joined with colleagues in devising an online program to collect and document data on waste disposal and recycling for several hundred Turner projects.

Turner also champions sustainability in its own buildings. In 2013, two of the company's offices were awarded Green Building certificates. The Columbus office in Ohio, once used as a factory, was revitalized by Turner and certified at LEED Gold level. In the process, various materials were recycled to save resources. The office building in Charlotte, North Carolina, also received LEED Gold certification and is therefore Turner's 16th office to have been awarded a quality seal by the U.S. Green Building Council. Turner employees now use a total of more than 31,000 square meters of certified office space. This is equivalent to around 45 percent of Turner's total office area.

Team of experts: Naturally occurring asbestos is released during expansion and conversion work on the Calaveras Dam. Flatiron's team comprises experts including a certified industrial hygienist and an environmental biologist who manage this and other environmental protection aspects of the project.



© San Francisco Public Utilities Commission

 www.greenroads.org

Sustainable transportation infrastructure

Our U.S. infrastructure construction subsidiary Flatiron is a member of the U.S. "Greenroads Foundation," an organization that develops sustainability initiatives for transportation infrastructure projects. The organization uses its own certification system to make sustainability in this construction segment measurable and comparable. The system can be applied to new construction projects as well as refurbishment and revitalization projects and extends to streets and bridges. A project must meet certain fundamental criteria to be given the designation, including materials and resources used, construction methods, and road pavement technologies (see feature starting on page 10).

Focus area 2: Active climate protection

Internal climate protection measures

In 2013, Turner successfully continued the Green Zone program launched two years previously. The program aims to improve the environmental life cycle assessment of the company. An extensive checklist is used to survey its offices and construction sites about issues in five categories: comfort and environmental quality, recycling and waste disposal, water efficiency, energy and indoor air quality as well as innovation and design. In the reporting year, a total of 210 sites took part, and 91 were certified Turner Green Zones for fulfilling the minimum requirements. The checklist is used to assess the status quo of the sites and provide ideas for future measures. Green Zone projects and sites are distinguished by the fact that they reduce the influence of business

activities on the environment and cut costs by increasing energy efficiency and optimizing water consumption. They reduce materials usage and, not least, promote a healthy and productive working environment for employees. The competitive nature of the program encourages staff to develop and implement efficiency measures (see feature starting on page 16).

The Turner Green Zone program and the electricity saved as a result set the stage for an important accomplishment celebrated by HOCHTIEF's U.S. subsidiary in the year under review: In March, Turner received the 2013 Climate Leadership Award. This was an honor presented by the U.S. Environmental Protection Agency for Turner's reduction of greenhouse gas emissions by more than five percent in five years.

Focus area 3: Resource protection

In northern California, Flatiron is reconstructing and reinforcing the Calaveras Dam, which is part of a system that provides drinking water to some 2.5 million people in the greater San Francisco area. The original 1925 construction was deemed unsafe due to the danger of earthquakes in the region. As of 2001, it was only being used to 40 percent of capacity. In a project of this size, the environmental effects and use of resources are as considerable as they are complex, so the protective measures taken must be equally sophisticated. The naturally occurring asbestos dust stirred up when many thousands of metric tons of earth are moved is a particular challenge. Here, the Flatiron team, including a



permanently employed expert industrial hygienist and an environmental biologist, is working with the California Division of Occupational Safety and Health to develop various innovative ideas for the protection of employees and local residents. These are based on extensive monitoring: Air samples are taken and analyzed for every work process, and then serve as an early-warning system and source of data for developing preventive measures. Among them are special air showers used by workers at the end of the workday to rid themselves of any remaining asbestos. Extremely high air pressure and ultra fine filters in these special showers remove even the tiniest particles from clothing. At the same time, this procedure conserves water and prevents the release of water contaminated with the toxic substance. Flatiron got the idea for the air showers from high-tech companies that use them to prepare employees for work in clean rooms—but this is their first and only use in the construction industry to date.

Water protection is the focus of Flatiron's experts in a project to expand an approximately 27-kilometer section of Interstate 405 near Seattle. The HOCHTIEF subsidiary is upgrading the road with features such as a system to filter pollutants from rainwater, including some 4.5 kilometers of compost-amended biofiltration swale. Flatiron also took various steps to restore salmon habitat in Yarrow Creek adjacent to the project.

Focus area 4: Attractive working environment **Award-winning employer**

The HOCHTIEF Americas subsidiaries have been stand-outs as highly attractive employers for years now, a fact reflected in how successfully they have placed in the corresponding rankings. Among other awards, Flatiron was again named the top employer in Canada by the Great Place to Work Institute in the year under review, and the jury that selected "Canada's Top 100 Employers" ranked it as one of the best companies for young workers (see feature starting on page 28).

Building construction specialist Turner was an attractive and popular employer again in 2013, particularly for women and minorities. For the fourth year in a row, more than 1.3 million people surveyed listed the HOCHTIEF subsidiary as one of the Top 50 Organizations for Multicultural Business Opportunities. Turner was also the only construction company to make the "best" list compiled by Professional Woman's Magazine. The publication honored Turner's long-term commitment to promoting companies headed by women and minorities.

Turner also enjoys an excellent reputation as an employer among university students: In 2013, the company was voted one of the top 100 most popular employers in the USA in the employer ranking published by Universum Communications.

Recruiting and training employees

Turner maintains close contact with colleges and universities to facilitate the company's hiring of young talent. Between 300 and 350 college graduates are recruited by Turner each year. Human resources staff visited around 150 colleges to promote the company in 2013. Turner's YouthForce 2020 and ACE Mentor Program initiatives even go a step further to address younger students still in school.



Safety first: For the annual Safety Stand Down, Turner's workers at all sites in the United States interrupt their activities for an hour to talk about occupational safety.



Internships continue to be a popular way to start a career at Turner and Flatiron. Thanks to their excellent organization in special programs and pairing with additional initiatives—such as a video contest in which interns creatively present their jobs within the company—the internships offered by both companies are very effective for recruiting young talent.

Diversity is valued in recruitment, as in human resources management in general. The percentage of women and minorities among newly recruited employees is a healthy 50 percent at Turner.

In addition, HOCHTIEF's U.S. subsidiaries offer their employees a wide range of development opportunities, from a job rotation program for young engineers at Flatiron through various platforms for exchanging and managing ideas at Turner to numerous classes at the in-house training facilities Turner University and Flatiron Construction University. The range of seminars offered includes professional qualifications of various kinds along with communication training and health classes. Depending on the topic, classes are presented either in person, on the job, or via web and video seminars.

Participation in in-house continuing education opportunities is not the only activity the companies support. For example, Flatiron employees who choose to pursue a university degree alongside work can count on financial help from their employer. The requirement is that the course of study complement their current or future responsibilities at Flatiron.

Occupational safety and health

Occupational safety is of the utmost importance to HOCHTIEF's companies in the Americas, which are considered exemplary in their fields in this regard.

Turner's occupational safety program—dubbed “Building L.I.F.E. (Living Injury Free Everyday)—lives up to its name. A Safety Stand Down took place at all of the company's construction sites in the United States for the ninth consecutive year in 2013. In early September, fittingly on the first workday after Labor Day, 40,000 Turner workers at the various sites interrupted their work for a short time to collectively focus on safety. This time, the theme of the day devoted to safety was employee health and well-being, both at work and at home.



Class act: Founded in 1969, the Turner School of Construction Management offers women and minorities training courses on construction and business-related topics. This support program is now being offered at more than 30 Turner sites in the USA.

Numerous projects completed without an accident confirmed again in 2013 that Turner's efforts to maintain the highest occupational safety standards are effective. In Noida in northern India, Turner is building the DLF Mall of India, one of the country's largest shopping centers. The company reported in the period under review that ten million man-hours of work have been completed at this construction site since 2011—with zero accidents.

At the end of 2012, Flatiron introduced a new database for documenting and consolidating occupational safety-related continuing education and training completed by employees. This makes it easier to gain an overview of the current training levels of staff, identify qualified personnel throughout the company, monitor the expiration dates of certificates, and determine when additional training sessions should be held.

In the U.S. health system, it is important that employers promote and support medical care and preventive health-care for their employees. Flatiron is increasingly focusing on prevention. The U.S. subsidiary of HOCHTIEF offers its employees and their partners a free, annual biometric health screening that identifies potential risk factors, including weight, high cholesterol, and unhealthy blood sugar levels. In the year under review,

347 employees took the company up on this offer. Managers at Flatiron subsequently used the anonymized screening results to update the company's own health programs.

Focus area 5: Corporate citizenship

The companies of the HOCHTIEF Americas division are also active in the social field wherever they do business. They support educational projects and champion the rights of minorities and the socially disadvantaged nationwide.

For many years now, Turner has been an advocate of women and minorities in the USA. The company's aim is to provide support for the educational success of these groups, particularly in the construction industry. Turner's own School of Construction Management offers training to women and minorities on business and construction industry topics such as estimation, procurement, logistics, financing, safety, and marketing. The widely acclaimed support program initiated in 1969 now operates at more than 30 Turner sites. Since its founding, a total of 34,000 people in the USA have graduated from the School.

Prestigious award: The recipients of the 2013 Henry C. Turner Prize, which has recognized inventiveness, innovations, and leaders in the construction industry since 2002, included the Society of Women Engineers.



Turner regularly finances scholarships and partners with universities to help young engineers. In 2013, 150,000 U.S. dollars was donated to the construction engineering management program at Clarkson University in New York. The money benefits an interdisciplinary environmental research institute at the university focusing on public health, the protection and restoration of ecosystems, and quality of life.

The HOCHTIEF subsidiaries in the Americas—Flatiron, Turner, and E.E. Cruz—together built three more footbridges in Nicaragua in the period under review in cooperation with the non-profit organization Bridges to Prosperity (B2P). Since the start of collaboration with B2P in 2009, the financial support and personal efforts of more than 90 employees from these three companies have contributed to building a total of ten bridges over hazardous waterways. The structures substantially improve the lives of people in remote regions of South and Central American countries. The bridges are truly an outstanding accomplishment, and one also recog-

 www.bridgestoprosperty.org

Completed: In 2013, Flatiron, Turner, and E.E. Cruz employees constructed three footbridges in Nicaragua. The partnership with Bridges to Prosperity began in 2009.



nized by Engineering News-Record magazine, which named the El Rodeo Suspension Bridge completed back in 2012 one of the “Global Best Projects 2013.”

Turner does not just receive prizes, it also awards them. For instance, the Henry C. Turner Prize for Innovation in Construction has been conferred in cooperation with the National Building Museum since 2002. The prize honors inventiveness, innovations, and leaders in architecture, engineering, and construction. In November 2013, the award was presented to the Lean Construction Institute, which promotes efficient processes and innovations in the industry. At the beginning of the year, the Society of Women Engineers also received the Henry C. Turner Prize. The now 22,000 member-strong organization has for more than 60 years worked to safeguard the interests of girls and women in the sciences, technology, construction, and mathematics.

Employees of the companies regularly join forces to support social and non-profit projects and initiatives by organizing donation drives and volunteering their time.

In Florida, Turner employees helped local organizations to install picnic tables at various locations throughout the state, maintain green space, and re-paint soiled walls. During a four-day period, more than 50 volunteers from Turner’s Philadelphia office provided assistance to the non-profit organization Habitat for Humanity by constructing housing or modernizing several apartments for the needy. In Benicia, California, Flatiron staff renovated a youth facility.

Cycling for cancer research: Turner employees taking part in a charity bike race in Charlotte, North Carolina, raised the equivalent of a good 2,300 euros by riding more than 900 kilometers in 24 hours.



Joint effort: In Florida, Turner employees teamed up with local organizations to complete renovation and landscaping work in various locations throughout the state.

Flatiron hosts an Annual Giving Campaign to harness the generosity of the employees and give back to the communities where the company works. Each December, employees across the company raise money and volunteer for local charities. Each region selects local causes to support, and Flatiron matches all employee donations to these charities and gives employees paid time off to volunteer. Just over 30,000 U.S. dollars was raised through employee donations and matches throughout the Flatiron regions during the 2013 Giving Campaign. In addition, numerous toy and food drives were also held for local charities, along with employees donating time to help serve food and make capital improvements at their local charities.

Focus area 6: Compliance

In December 2012, HOCHTIEF's U.S. company E.E. Cruz completely revised its Code of Conduct and re-named it the E.E. Cruz & Company, Inc. Compliance Policy. In January and February 2013, all employees received two hours of training on the new and reworked rules, including in-depth question-and-answer and discussion sessions as well as practical behavior examples.

New home: Turner employees helped build and upgrade apartments for people in need as part of volunteer work in Philadelphia.





HOCHTIEF Asia Pacific Division

You can find out more about the company on the Internet at www.leighton.com.au.

The HOCHTIEF Asia Pacific division comprises the Leighton Group of companies operating in Australia, Asia, and the Middle East. As a leading provider of complex infrastructure projects, Leighton's main focus in the field of sustainability is on the conservation of resources and energy efficiency. The Leighton companies also excel in the field of occupational safety. Diversity is a cornerstone of the company's success, which is why Leighton employs a wide variety of measures to promote in particular the progress of women and Indigenous Australians and employ local personnel.

Focus area 1: Sustainable products and services

The Leighton Group is developing a number of green buildings in accordance with various sustainability standards in Australia and Asia. A number of green buildings were also completed during the course of the reporting period.

"177 Pacific Highway" is a 30-story office and commercial office property that Leighton Properties is developing in a central location in North Sydney. The development is aiming for five stars under the "Green Star" approval scheme for sustainable building promoted by the "Green Building Council of Australia" (GBCA)  as well as a five-star rating in the NABERS Energy  category. Construction work is being managed by Leighton Contractors. Right from the construction stage, the building site management places great emphasis on resource conservation: A minimum of 80 percent of demolition and construction waste is recycled. Sustainable features also include ultra-efficient ventilation and air conditioning systems, rainwater recycling as well as the use of low-emission construction materials and fittings. Direct monitoring means end users and facilities management have access to current energy and water consumption data at all times. Once the building is completed in 2016, the building will become the international headquarters of the Leighton Group. Both Leighton Holdings and Leighton Group companies will use around three-quarters of the 40,000 square meters available.

In Kings Square in Perth, a large urban development is in progress. The first stage includes four tower blocks up to 19 stories in height being developed by Leighton Properties. Construction work is being handled by Leighton Group companies. The buildings, which feature efficient energy systems are also targeting five-star sustainability certification under the recognized Green

Star scheme and 5 star NABERS energy rating schemes. The buildings will boast approximately 65,000 square meters of state-of-the-art office space and space for shops, restaurants, and boutiques once they are completed in 2015.

The Leighton Properties project "567 Collins Street" in Melbourne is also targeting a five-star GBCA rating in the Design and As-Built categories as well as a five-star NABERS energy rating. The building's numerous sustainability features include a combined heat and power system that will reduce the building's annual CO₂ emissions to 40 kilograms per square meter and cut the peak energy requirement by 15 percent. Construction work is being managed by Leighton Contractors.

In Tasmania, too, Leighton's subsidiary John Holland has been putting up eco-friendly buildings: The Institute for Marine and Antarctic Studies in Hobart has been registered for certification under the "Green Star" rating scheme. Completed in October 2013, the building design allows for intelligent shading and the use of natural light while the building fabric is used for temperature regulation. Thermal solar energy minimizes heating costs. John Holland also completed the three-story building for the University of Tasmania two months ahead of schedule. The Medical Science Precinct is another development for the University of Tasmania designed and constructed to high sustainability standards. Laboratories, lecture theatres, and technology centers are housed in two buildings, all erected by John Holland. The GBCA awarded the more recent complex, completed in May 2013, a five-star rating under its Green Star scheme. Outstanding thermal insulation as well as the use of sustainable construction materials are among the impressive features. Toilets are flushed and the outdoor areas watered with captured rainwater.

 www.gbca.org.au
 www.nabers.com.au



The Zuellig Building in Makati, Philippines, completed by LAIO in early 2013 combines world-class design with green technology. It is the first project in the Philippines seeking platinum LEED certification for its shell and facade. A glass-fiber facade with double-glazed high-emissivity panes minimizes the ingress of heat, while 90 percent of the internal area is naturally lit. In use, the building also draws on resource-saving technology: Rainwater and condensation are collected and reused, cutting water consumption by 40 percent. Power consumption has also been reduced by 15.8 percent thanks to various high-efficiency systems.

Focus area 2: Active climate protection

Addressing climate protection from within

The objectives of saving resources and reducing CO₂ emissions not only shape the projects it undertakes, but are also the driving force behind the Leighton Group's ongoing efforts to develop and implement cleantech and sustainability strategies.

One of the Leighton Group's areas of focus is optimizing fuel consumption and emissions released by its vehicles and equipment fleets, and reducing the amount of travel. The Chenani-Nashri Tunnel Project in India, for example, incorporated several different climate protection measures. Constructed by Leighton India, the tunnel is located in a remote region of the Himalayas. The large amounts of fresh water required and the waste water generated would have had to be transported several hundred kilometers to and from the site by road. Instead, a water treatment plant and a sewage treatment facility



Green core: The companies of the Leighton Group are planning and constructing several sustainably designed buildings around Kings Square in Perth (picture left).

Ingenious: The Institute for Marine and Antarctic Studies in Hobart, Tasmania, is impressive for its design as well as its many green features (picture right).

were installed on site. This significantly reduced the number of vehicle movements, thereby saving nearly 20 metric tons of CO₂ emissions a month.

There is also considerable potential for reducing the diesel consumption of the ships used in offshore oil and gas operations, thus cutting their emissions. Research by Leighton Offshore has shown that regularly cleaning the hull of algae reduces fuel consumption by up to three percent as a result of lower frictional resistance. Optimizing the ships' ballast and outriggers means up to five percent less diesel is needed, while reducing speed by three knots can result in a fuel saving of as much as 23 percent.

Leighton company John Holland has set up a company-wide energy efficiency program covering around 90 percent of the power consumed in the course of business operations—mainly in the form of diesel, unleaded gasoline, electricity, and natural gas. In addition a number of energy-efficient projects were delivered. For example, in the "Wheatstone Construction Village," a project the company has been working on since 2011. John Holland asked external specialists to evaluate resource saving opportunities. A total of 16 "Best Practice" savings and efficiency measures were identified and incorporated into the village homes. These included the installation of state-of-the-art air conditioning, ventilation, and lighting systems as well as household appliances. The reduction in diesel consumption alone will result in lower greenhouse gas emissions to the tune of more than 55,000 metric tons.

Protecting nature and culture: The Hunter Expressway's bridges run through the Hunter Valley, a site deserving of protection for many reasons. Thiess made every effort to address these concerns with a comprehensive environmental protection program during the planning and construction phases.



Thiess requires each of its projects to develop an integrated waste management plan prior to the commencement of construction. This level of planning has delivered some significant results, with Thiess projects recycling or reusing in excess of 280,000 metric tons of waste material which would have otherwise been sent to landfill. This equates to more than five times the weight of the steel in the Sydney Harbour Bridge. Five of Thiess' construction based projects achieved industry leading performance by recycling or reusing in excess of 90 percent of all wastes generated on the project.

Leighton Contractors, meanwhile, is taking steps to raise staff awareness of climate protection and energy consumption issues in their own offices and on building sites through special communications as well as by taking part in activities such as EarthHour, World Environmental Day, and Green June. The company is also implementing cost-saving measures.

Expanding sustainable energy infrastructure

The Leighton Group is involved in the expansion of energy infrastructure that will harness renewable forms of energy. In Mongolia, the country's first wind farm, about 70 kilometers from the capital Ulaanbaatar, came into operation in June 2013. The subsidiary Leighton Asia, India and Offshore (LAIO) had spent the previous two years erecting the Salkhit Wind Farm, which comprises a total of 31 wind turbines. With a power output of 50 megawatts, the plant will meet around five percent of Mongolia's energy needs and reduce the country's CO₂ emissions by 200,000 metric tons annually. Mongolia has ambitious climate protection goals and

aims to supply 25 percent of its energy requirements from renewable sources by 2020.

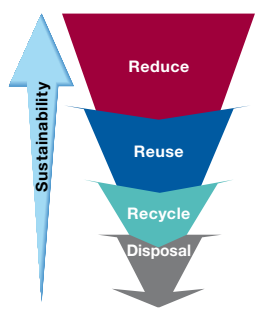
Focus area 3: Resource protection

The Leighton Group of companies is among the leading providers of large-scale infrastructure projects in the Australian Pacific region. The HOCHTIEF Group company is also the world's largest contract miner. Both kinds of operation frequently leave an environmental footprint. Leighton has undertaken to ensure construction projects are carried out in a way that is as environmentally sound as possible and, wherever possible, to restore the land to its original state once projects are completed.

Waste management

Resource protection is relevant not just for projects but for corporate processes in general. Leighton subsidiary John Holland, for example, has set up an integrated waste management scheme. This involves the company-wide analysis of where, when, and why waste is produced, the objective being to identify the earliest possible opportunity for waste avoidance and to implement the necessary measures at that point. The company is guided in this by an inverted priority pyramid: Waste avoidance is the largest and most important component, then comes extending the useful life of materials, in third place comes recycling, and in fourth position waste disposal (see figure on the left).

The way the pyramid works in practice can be seen from waste management arrangements at the Joondolup Health Campus. When the hospital in Perth, Australia,



The waste management hierarchy employed at John Holland.

was refurbished, disposable cups were replaced with reusable ones, for example, in order to reduce waste. In addition, John Holland asked suppliers to use as little packaging material as possible, and gave precedence to prefabricated structural elements. Excavated earth and surplus concrete were reused for on-site filling jobs. On the recycling side, the company provided equipment for waste separation, identified recyclable waste streams—plasterboard, vinyl, and PVC, for example—and installed the necessary recycling facilities. At the same time, systems were introduced for the proper disposal and processing of mixed waste in communal areas. So much waste was avoided, redeployed, or recycled on the first three levels of the pyramid that only one-tenth had to be sent to waste disposal sites.

Environmental measures on infrastructure projects

The Hunter Expressway in New South Wales was built by Thiess. Via numerous bridges, the new highway passes through Hunter Valley, a well-known wine-growing area, which as well as hosting a diversity of flora and fauna is also home to culturally and historically important Aboriginal sites. Thiess has undertaken a whole range of measures here to protect the valley's natural and cultural riches. For example, the construction plans were changed so as to preserve an important north-south wildlife corridor as well as to avoid tree felling and the diversion of a local water source. During the construction process itself, too, Thiess went to great lengths to avoid encroaching on the environment. For instance, cranes were used to fell trees with greater precision and prevent destruction around the actual felling area. The result: The natural impact was five per cent less than prescribed by the already very stringent legal requirements.

On the City East Alliance Project in Perth, Leighton Contractors also employed a number of resource and environmental conservation methods, including taking action to save water and fuel as well as using 180,000 tons of recycled demolition waste and pavement materials. The project has been certified by the Infrastructure Sustainability Council of Australia (see feature starting on page

10), confirming its credentials as a model of sustainability.

The Kempsey bypass built by Leighton Contractors was the winner of the UN World Environment Day Award 2013, notably in recognition of the Leighton subsidiary's environmental management. Among other things, the company used earth excavated during the project to build noise barriers, and employed a reed-based system to filter waste water by natural means—not only easing the burden on the environment but also securing a saving of 137,000 Australian dollars.

Water conservation and land rehabilitation

In 2013, Thiess completed one of the most complex land rehabilitation projects in Australia, the Orica Botany Car Park Waste Encapsulation (CPWE) Project. The decontamination experts spent more than two-and-a-half years cleaning and disposing of 93,000 metric tons of contaminated earth and hazardous waste. A special mobile protective structure was set up over the site to protect workers and the environment while work was in progress. CPWE is regarded as a model project and has scooped two awards: the Australasian Land and Groundwater Association Annual Clean Up Project Excellence Award and the 2013 CARE Award for Sustainable Technology and Innovation.

A sustainable approach to mining projects

With many mining projects, rehabilitating the affected areas is a key part of the service Thiess offers. When working on the Mount Owen coal mine, for example, the Leighton subsidiary got involved in the "Ravensworth



Mobile shield: Thiess experts constructed a relocatable building to protect workers and residents during decontamination work at the CPWE Project.

Welcome home: Thiess is funding a study at the Mt. Owen coal mine to determine whether and how the rare spotted tail quoll is returning to the renaturized mine site.



State Forest Vegetation Complex Research Program” run by the University of Newcastle. The aim of the long-term study was to identify the optimum conditions for tree planting as part of rehabilitation projects, and the best way of looking after the trees in order for them to thrive. Thiess played an active part in supplying data for the study and then integrated the scientific findings into its work processes. A subsequent study has been going on at the mine since 2012, monitoring the return of the rare spotted tail quoll to the rehabilitated area. Both studies are seen as model projects extremely useful for future rehabilitation ventures.

Disposal of waste and toxins also plays an important role in any sustainable approach to mining projects. Leighton Contractors, for example, relining a hydrocarbon storage area at the Challenger Underground Gold Mine in South Australia. This was done by removing the contaminated earth and taking it to a processing plant. All seals were also replaced and properly disposed of.

Focus area 4: Attractive working environment

2013 was the first time Leighton has undertaken a Group-wide approach to employee engagement surveys, with LAIO, Thiess, John Holland Group and Leighton Contractors having previously conducted employee engagement surveys separately. Core content was 26 questions across six topics with five diversity based demographic categories (i.e. gender, function, ethnic background, career responsibilities and flexible working arrangements). The response rate of 71 percent was solid and employee responses across a number of

the question items were above industry benchmarks. In particular, they had a strong belief in the goals of the company and reported getting along well together. Also above benchmark were responses about feeling pride in the company and the ability of teams to meet challenges they faced.

Promoting diversity and local recruitment

Diversity in the way Leighton recruits and employs local personnel, plays an important role in the Leighton Group's corporate culture and HR work. Leighton companies have a number of special schemes and initiatives in place to attract women and members of Indigenous groups (see feature starting on page 34).

In the field of mining, where women are underrepresented in the workforce, numerous programs have been put in place: At the Martabe Gold Mine in Indonesia, for instance, as part of the “Women Greenhorn” program set up by LAIO, the first group of ten women has been trained as drivers of the large dump trucks used on the mining projects. The training, which lasts 96 days, includes theory lessons, numerous hours in the simulator, and practical driver training on the project. All the trainees come from communities close to the mine, and some had never driven a vehicle before. Two more groups have now embarked on the training program.

In all its mining projects, Leighton subsidiary Thiess has set up working groups for female employees to meet and discuss new measures and ways of encouraging women to take up jobs in the male-dominated industry. This includes targeted retention activities such as providing further training and development opportunities.

In 2012, Thiess set up its “Closing the Gap” scheme to boost the proportion of Indigenous workers as well as to increase cooperation with Indigenous subcontractors and suppliers. Specific targets were set out in an action plan. For example, the proportion of Indigenous Australians in the workforce is to be increased to 2.5 percent by 2015. This minimum level was already attained in the year under review. In July 2013, Thiess received



Mobile simulator training: A program training Indigenous women to become truck drivers includes numerous hours in a truck simulator, pictured here at the Lake Vermont coal mine (picture left).

Clever idea: In order to quickly identify job starters who are inexperienced in safety issues, Thies issued blue helmets to interns working on mining projects (picture right).

the “2013 Queensland Reconciliation Award” in recognition of its exceptional commitment to and its initiatives for Indigenous Australians.

Various training, graduate, and career programs as well as close links with local educational institutions and universities enable Leighton Group companies to identify, secure, and foster up-and-coming young talent. LAIO, for example, takes part in career days and fairs at universities and colleges in Hong Kong, and provides grants for engineering students in Mongolia and Indonesia.

With a view to gaining insight into gender equity across the remuneration structure, a pilot project was launched in 2013 spanning the entire Leighton Group, with a more extensive review planned for 2014.

Occupational safety and health protection

Occupational safety and health protection are more than just standard at Leighton. The Group’s subsidiaries provided a wealth of programs during the reporting period designed to create a safe and attractive workplace using selective measures. Key among these are training measures for employees in their areas of specialization.

The Leighton Contractors SH&E Foundations Program initiated in July 2013 focuses on providing comprehensive work safety training primarily for managerial staff in the operational units. Its goal is to enable them to inte-

grate work safety aspects and measures into their day-to-day work and processes. The Safety Essentials launched in 2010 were reviewed and the Safety Essentials Support Program was developed in mid-2013 to enhance the practical implementation of work safety. For this program, Leighton Contractors project managers worked together intensively on developing new methods and tools to enhance implementation of the company’s safety standards and boost their efficiency.

Successful work safety measures need not necessarily be expensive, as Leighton subsidiary Thies demonstrated. They equipped some 120 trainees in their mining projects with blue helmets during the reporting period. That makes the trainees easy to distinguish from their more experienced colleagues so they can immediately be made aware of dangerous missteps—that’s efficient on-the-job training. The statistics show that trainees, with their lack of routine and experience, are at higher than average risk of accidents.

LAIO set up a training center at its Hong Kong location in order to provide staff with the best possible teaching in safety theory and practice. The center features seminar rooms with advanced equipment as well as a training ground that simulates construction site conditions. There employees practice the proper handling of turning and moving machinery as well as safety awareness when working at heights or on steep slopes.

Starting early: In the Thiess-sponsored mobile nurseries provided by Greening Australia, students experienced environmental protection and animal welfare first-hand and planted thousands of trees, bushes, and shrubs.



 www.greeningaustralia.org.au

The work safety measures implemented so far have paid off. Best-practice examples include the Davao Power Plant project in the Philippines. In the construction of this coal-fired power plant, the LAIO team clocked a total of one million man-hours with no time lost due to accidents in 2013, which called for a celebration.

Focus area 5: Corporate citizenship

The Leighton Group's subsidiaries and associated companies engage in many ways with the local people and communities in the areas where they complete projects. Their engagement includes personal commitment as well as donations of money and equipment. They focus on education, the environment, health, arts and cultures, and the interests of disadvantaged youth and Indigenous people (see feature starting on page 34).

Leighton Contractors has been supporting the Beacon Foundation since 2007. The non-profit organization creates pathways to meaningful employment, further education and training for disadvantaged high school students. Leighton Contractors not only provides financial support but also works with Beacon to raise students' motivation and awareness of career options, and connect them to employment and training pathways within their organization.

In the period under review, Thiess, in cooperation with the organization Greening Australia , sponsored mobile nurseries for over 1,000 students at eight elementary schools throughout the country. The students were given instruction in environmental and wildlife protection and—partly with Thiess staff lending a hand—planted some 2,100 trees, bushes, and shrubs which will be used in future rehabilitation projects.

The Leighton companies and their workforce place special emphasis on getting involved and supporting local organizations in the areas immediately surrounding their long-term mining projects. Thiess, for example, has long been active in the Bowen Basin in Queensland, Australia, where its collaboration with the Mackay District Special School, a facility for children with physical or learning disabilities, was launched in the reporting period. With the financial support of Thiess and its employees, the school bought the "Tobi-i" computer, whose mouse can be operated solely by eye movement. That also lets children with limited physical abilities work on the computer and use the technology to express themselves. Another example of this commitment is the contribution to Guide Dogs Queensland, which raises and trains seeing eye dogs to help the blind. Thiess employees at the Burton Coal Mine intend to work with subcontractors and suppliers to collect the equivalent of

As part of their community engagement efforts, the Leighton Asia, India and Offshore company in Puchong, Malaysia, organized a New Year's event with a magic show, face-painting, and games for over 100 disadvantaged children. The local community center also received donations of money, computers, and books.

Following heavy rainfalls and the collapse of a key canal dike, parts of the Indonesian capital, Jakarta, were flooded in January 2013. Leighton employees initiated a donation drive on the spur of the moment. They collected food and necessities such as blankets, infant accessories, water, and dried foods to ensure a rapid response and relieve the victims' most immediate needs.

In October and November 2013, allegations centered around the Leighton Group's international business were made in the Australian media. The Leighton Group takes all allegations or suggestions of impropriety seriously. It is deeply concerned about inaccuracies in the reports and the sensational nature of the media reporting on the matter. The press articles concentrated on matters that are the subject of either an ongoing confidential investigation by the Australian Federal Police or litigation commenced by Leighton Holdings. Leighton is not aware of any new allegations or instances of any breach of Leighton's ethics or Code of Business Conduct being raised by the articles.



Collected: Burton coal mine employees made donations to fund the training of a guide dog—and were able to visit to see guide dog skills firsthand.

The Leighton Board and management condemn any form of corrupt or fraudulent behavior. During the past two years, the Leighton Group has worked hard to reset its strategic direction. A major cultural and business transformation has been undertaken, including refreshing its values of discipline, integrity, safety, and success. These strategic and cultural changes are enshrined in Leighton's strategy to "stabilize, rebase, and grow" the business. They have further strengthened the Leighton Group and brought a new governance rigor for the benefit of all stakeholders.

HOCHTIEF Europe Division

For further information on the company, please go to www.hochtief-solutions.com.

The HOCHTIEF Europe division comprises the operational entities and units of the controlling company HOCHTIEF Solutions AG. Through a wide range of projects, measures, and initiatives, they have helped to implement and further develop the Group's six focus areas of sustainability in their daily work. For instance, HOCHTIEF applies its know-how toward the expansion of a viable energy infrastructure, and its projects contribute to climate protection. Many examples in Europe and beyond demonstrate how HOCHTIEF assumes responsibility for the people we work for and with—both as an employer as well as in the form of donations and sponsorships.

Focus area 1: Sustainable products and services

The business portfolio of HOCHTIEF Solutions and its subsidiaries in Europe comprises the planning and construction of "green buildings" and the refurbishment of existing buildings in line with prevailing environmental standards.

For instance, HOCHTIEF Solutions is constructing an office and laboratory building with a state-of-the-art cooling system for a biotechnology company in Tübingen, Germany, a project scheduled to be completed in the summer of 2014. A special energy concept was developed for the project that sees consumption at nearly 30 percent below the targets of the Energy Saving Ordinance. It employs geothermal power and district heating to ensure an environmentally friendly power supply, solar panels to produce energy, and concrete core activation to heat and cool interior spaces.

HOCHTIEF Solutions is building a 15,500-square-meter green administration building for Düsseldorf Airport, slated for completion by the beginning of 2015. The

project aims to receive the Gold quality seal from the German Sustainable Building Council (DGNB). A HOCHTIEF employee trained as a DGNB auditor is supporting the planning and implementation process, providing guidance with regard to sustainability. A geothermal power plant supplies most of the energy for heating and cooling. And the underground parking garage is designed to accommodate more than just motorized vehicles: 60 spaces are provided for bicycles.

In Leipzig, Germany, HOCHTIEF Solutions is constructing the TRIAS office and commercial building, scheduled for completion in 2014, in accordance with the DGNB silver standard. The project's special energy concept is impressive: In the winter, the building fabric acts as an energy reservoir that gives off heat. In turn, the cool summer nights are used to control the temperature inside throughout the day. A heat recovery system and a concept for the intelligent use of shade are in place to reduce the primary energy requirement.

In downtown Stuttgart, Germany, HOCHTIEF Projektentwicklung is building a cutting-edge office, apartment, and business building called "Caleido." In 2011, DGNB awarded the project with Silver precertification—a first of its kind for this type of building at the time. DGNB itself will move into the building in 2014. Climate control systems equipped with heat production units will be in place for the offices. Thermally activated concrete ceilings result in a highly efficient heating and cooling economy and ensure a comfortable indoor climate.

In the reporting period, HOCHTIEF Solutions completed the refurbishment and expansion works at the Buchhügel vocational school center in Offenbach am Main, Germany. A new extension was built to the passive house standard, while the refurbished Theodor Heuss

 www.dgnb.de

HOCHTIEF is refurbishing and expanding the former corporate headquarters of "Der Spiegel" and IBM in Hamburg into new, state-of-the-art office sites as part of the "Hamburg Heights" development.





Chic energy efficiency: The TRIAS office and commercial building being constructed by HOCHTIEF Solutions in Leipzig, Germany, is not only an impressive sight, its energy concept and low primary energy requirements are equally compelling (picture left).

School and the new gymnasium meet the low-energy building standard. This allows energy-efficient building operation and ensures low carbon emissions.

Sustainable refurbishment of existing buildings

Another important segment in the industry is refurbishing and upgrading existing properties. This segment centers around measures geared toward increasing energy efficiency—for example, improving insulation or installing cutting-edge technical equipment—as well as adapting old structural fabric to meet new requirements and standards. Building materials that are hazardous to health are also removed from old buildings and replaced by harmless, eco-friendly materials.

One current example is the “Hamburg Heights” district development being built by HOCHTIEF Projektentwicklung. The former headquarters of “Der Spiegel” magazine and the software group IBM on what is known as Spiegel-Insel (Spiegel Island) in Hamburg rank among the architectural style icons of the 1960s. These listed office blocks are to be fully refurbished, with new buildings augmenting the development in the future. The existing buildings will be given completely new facade elements as well as heating and air conditioning technology in order to make them sustainable. Other elements, such as individual floor and wall coverings made of natural stone, will be preserved. Construction got underway in October 2013 with the gutting works.

At the end of June 2013, HOCHTIEF returned the Archives of the state of North Rhine-Westphalia in Duisburg to the client. The project included upgrading an attic built in the 1930s and integrating a 70-meter-high archive tower. The storage space for hundreds of thousands of documents, which are preserved in a very special indoor climate, are hidden behind both old and new facades. To guarantee energy efficiency, the construction included multilayered stonework and insulation.

The maxCologne office building in Cologne, Germany, for which HOCHTIEF was responsible for the planning and shell construction, received the Immobilienmanager Award in the “Existing Project Developments” category in February 2013. The jury praised the successful transformation of a self-contained office complex into two independent office buildings featuring state-of-the-art architecture and boasting high sustainability standards. Furthermore, the HOCHTIEF project has received Gold precertification from DGNB.

The Emporio-Tower in Hamburg, Germany, also received an award. The 98-meter-high, listed building—formerly Unilever’s corporate headquarters—garnered LEED Platinum certification. HOCHTIEF Solutions was able to preserve virtually the entire shell construction during the refurbishment project, which made dismantling unnecessary and reduced both costs and energy consumption. In addition, the team used building products and materials with high levels of recycled content as well as low-emission materials.

The Gruga Office Park project in Essen, Germany, which was constructed by HOCHTIEF and is now the company’s headquarters, received “BREEAM* DE in use” certification in the reporting period—one of the first office buildings in Germany to do so. This new rating system for existing buildings is based on the quality seal developed in the UK.

*BREEAM=Building Research Establishment Environmental Assessment Method

“Carbon-neutral construction”

HOCHTIEF Solutions has enhanced its portfolio in the sustainable construction sector by adding an additional service: For the first time, technical inspection agency TÜV Nord has awarded HOCHTIEF a certificate for the “climate neutral building” of an office building in Berlin. The concept behind the quality seal is that the green building experts at HOCHTIEF Solutions identify carbon reduction measures for the construction phase, agree on them with the client, and then implement them. The remaining residual emissions produced during the construction of the building are then offset by the purchase of certificates for recognized climate protection projects. As a result, the building—known as the “Zukunftshaus” office building in Berlin—was officially recognized as a climate-neutral construction. Thanks to a comprehensive energy concept, this pilot project sets itself apart with an annual primary energy requirement of 70 kilowatt-hours per square meter, which is far below average. In March 2013, the building—designed and built by HOCHTIEF—received Gold certification from DGNB.

Focus area 2: Active climate protection

Expansion of a viable energy infrastructure

Through its numerous projects and services, HOCHTIEF Solutions is participating in the expansion of a sustainable, renewables-based energy infrastructure.

HOCHTIEF Solutions has been an established partner to the offshore wind energy industry for many years. In 2013, we put “Vidar” into operation, yet another addi-

tion to the specialized equipment in the HOCHTIEF fleet. This heavy-duty jack-up vessel is used for assembly and maintenance work on offshore wind farms, operating in depths of up to 50 meters. Spanning around 140 meters, the vessel is equipped with a 1,200-metric-ton crane and can handle a payload of 6,500 metric tons. Vidar’s 24,000-kilowatt propulsion system allows it to travel at speeds of up to twelve knots. One of the most powerful and effective jack-up vessels in the offshore market, it is particularly suited to large-scale, challenging projects in the North and Baltic Seas. Vidar is currently in operation at the Global Tech I offshore wind farm, where a total of 80 wind turbines are under development. Once erected, these will theoretically be able to supply 445,000 homes with environment-friendly power.

South of Munich in Kirchstockach and Dürrenhaar, Germany, HOCHTIEF Solutions continues to operate two geothermal power plants as a partner of Süddeutsche Geothermie-Projekte Gesellschaft (SGG). The plants harness energy from high-temperature thermal water taken from depths of more than 3,600 meters. Each plant can reach an electrical capacity of around 5.5 megawatts and supply 18,000 households. Over the long term, the plants are also intended to supply regenerative heat to the surrounding communities. Together with its partner SGG, HOCHTIEF also handled the development of both projects.

Like wind power and geothermal heat, efficient hydroelectric power stations are also sources of “clean” energy. In the course of 2014, HOCHTIEF Solutions will complete the Cheves power plant in the Peruvian Andes. From then on, the facility will cover peak power demand for the Lima region. Work on the Alto Maipo hydroelectric power plant in Chile also began in 2013. As part of a consortium, HOCHTIEF is building a 530-megawatt plant southeast of the capital, Santiago. The project is scheduled to be completed in 2017.

In 2013, HOCHTIEF participated in an innovation project for small-scale biogas facilities. In cooperation with the University of Bonn, small-scale biogas facilities are

Packs a punch: Vidar, HOCHTIEF’s latest jack-up vessel, is used for assembly and maintenance work on giant offshore wind farms on the open sea. The crane can lift up to 1,200 metric tons.





Grand scale: HOCHTIEF Solutions is building the Cheves power plant in the Peruvian Andes as part of a joint venture. It will primarily be used to meet the growing power needs of the booming capital, Lima, with clean energy.

being developed using a standardized, certified construction method for rapid assembly on a small footprint. The raw material used here is liquid manure, which—as opposed to corn, for example—is normally available free of charge. Because of the diversity and individual character of farm operations, HOCHTIEF is analyzing several business models for entering into this tried-and-tested form of alternative energy generation.

In addition to alternative sources of energy generation, a sustainable, renewables-based infrastructure also requires new storage options in order to close supply gaps, guarantee network stability, and store the renewables-based energy, which cannot always be supplied in step with demand. Pumped storage power plants present a suitable, proven solution for this. As a developer of complex infrastructure projects, HOCHTIEF Solutions began work on a number of additional projects in the period under review. The company has identified a suitable location in the German town of Lügde in the district of Lippe. Construction could begin in 2016 once the regional planning process has been completed and official planning permission granted. The 320-megawatt plant could then potentially start operation in 2020. Plans for a pumped storage power plant are also underway in the Kyffhäuserkreis, a district in the northern part of Thuringia, Germany. Construction could begin near Sondershausen in 2017, with operations starting in 2021.

This third HOCHTIEF project has a potential capacity of up to 500 megawatts. Initial planning for a fourth project in the German state of Baden-Württemberg has already begun.

Internal climate protection measures

In 2013, the company again succeeded in protecting the climate and reducing carbon emissions by way of a number of different internal measures. At HOCHTIEF Corporate headquarters in Essen, various printed materials are produced, giving rise to CO₂ equivalents. These are offset by investments in compensatory measures—for example, certified climate protection projects—arranged through the emissions trading agency First Climate. Among products rendered carbon-neutral in this way were the HOCHTIEF annual, quarterly, and sustainability reports published in 2013, the HOCHTIEF services brochure, and the various editions of the HOCHTIEF employee and client magazines. In terms of printed matter, the equivalent of some 110 metric tons of CO₂ were offset in the period under review. Business trips by rail in Germany are always carbon neutral because HOCHTIEF is a large customer of the German rail service, Deutsche Bahn. All offsetting payments go to wind power projects in Turkey and India.

In addition, the company car policy in Germany was modified in the reporting year and now a maximum car-

Success right down the line: The enormous Thames Tunnel infrastructure project in London is a crowning achievement—also environmentally. The joint venture team received the Green Line Award from the client, Crossrail, for its 360-degree environmental approach.



bon dioxide parameter is specified for each group and may not be exceeded when a new order is placed for a vehicle.

In 2013, we began to make changes in the printer landscape at our German HOCHTIEF facilities. Both print costs and carbon emissions will be reduced considerably by applying the latest technology and reducing the number of devices.

Focus area 3: Resource protection

Most of HOCHTIEF's business activities, such as constructing buildings, bridges, tunnels, or roads, involve interventions in the environment and the consumption of resources. We attach great importance to keeping these to a minimum, and our measures for doing so are just as diverse as our projects.

Since 2011, HOCHTIEF Solutions has been the lead company in a joint venture to build the Thames Tunnel in London. This large-scale infrastructure project involves constructing two tunnels beneath the Thames River in the southeast of the British capital with a total length of around six kilometers. Environmentally, the water management concept of this project is what sets it apart. The joint venture partners were able to substantially reduce the amount of fresh water that needed to be used during the construction work—for example, by feeding in surplus groundwater to other steps in the process, such as the production of bentonite suspensions and mortar or excavated materials liquefaction. Taken together, these measures resulted in savings of more

than two million liters of drinking water per week. Naturally, we ascertained and ensured in advance that removing groundwater for tunneling and all associated processes represented no risk to the public water supply. In addition, the water quality and the groundwater table level are being constantly monitored.

In the reporting year, the client, Crossrail, honored the joint venture team's environmental engagement with a Green Line award. HOCHTIEF and its partner were rewarded in part for their holistic approach when it came to allowing for environmental aspects in the project's early planning and design phases. The award also recognized individual environmentally friendly solutions—such as the installation of diesel particle filters for the construction plant and equipment, the acquisition of hybrid-drive hoisting platforms, and the recycling program for construction waste.

In the German states of Bavaria and Baden-Württemberg, HOCHTIEF Solutions and a partner were awarded a contract in 2011 to plan, finance, and extend an approximately 58-kilometer section of the German interstate highway 8 (A8) between Ulm and Augsburg, and to operate and maintain it for 30 years. An environmental strategy was created for the entire construction project that included all of the rules and requisite environmental protection measures defined by the client during the official planning permission process. The strategy has been put into practice on site every day. It encompasses, for example, special construction time regulations to protect bats and breeding birds as well as the protection of neighboring biotopes or the building of green bridges to allow animals to cross. There are strict rules governing all plants and trees/shrubs to be planted by the joint venture during the project. For instance, the species must be indigenous, regional, and local. All reusable materials from the existing highway dating from the 1930s, such as concrete, asphalt, or gravel, will be processed and reused in the current construction work. A qualified environmental construction consultant has been part of the team since planning began. His job is to monitor and support implementation of the stipulated measures.

Another example of resource conservation in road construction is highway A1/A6 in the Netherlands, which is to be built under a public-private partnership. The project requires around four million cubic meters of sand. The HOCHTIEF consortium will be using hydraulic flushing to transport the sand to the construction site rather than trucks—a strategy that will save approximately 225,000 truck transports and therefore a large quantity of fuel. Moreover, this will reduce traffic on the highway and the downstream transport network.

Focus area 4: Attractive working environment

Employee participation and involvement

HOCHTIEF employees at all locations in Germany and Europe have the right to elect their own representatives to safeguard their interests. Management expressly supports the right of employees to union membership. Ninety-six percent of the workforce in Germany is represented by the Works Council. Employee representatives also sit on HOCHTIEF's Supervisory Board. In units that have an Occupational Health and Safety Committee, employee representatives regularly take part in its meetings.

In 1996 and thus before the legal requirement for this came into force, HOCHTIEF concluded a voluntary agreement covering the Group companies within the European Union on the provision of information to and consultation with employee representatives. The currently eleven out of a possible 16 European Works Councils from ten countries are usually notified twice a year by Group management on cross-border matters. The European Works Council represents all the employees of HOCHTIEF and its majority holdings in EU countries.

Another way in which HOCHTIEF is encouraging its workforce to get involved in the development of the company is Ideas Management, which handles suggestions for improvement made by our employees. In Germany, the central tool for this is the Ideas Room, where a total of 461 ideas were published by employees in the reporting year. The ten best suggestions are awarded prizes at an annual conference.



It pays to think: HOCHTIEF awards the best ideas from our ranks at an annual conference—and the employees receive prize money.

Restructuring HOCHTIEF Solutions AG

In fiscal 2013, the foundation was laid to reorganize HOCHTIEF Solutions AG. With a focus on stronger entrepreneurial thinking, well-defined responsibilities, improved resource distribution, and leaner structures, the new organization also has an impact on human resources planning and management. Here, we attach utmost importance to preparing our employees for change in the best possible way and supporting them when they take on new or different roles.

In order to operate successfully in the European market in the future, staff adjustments are inevitable. We are committed to avoiding employment termination for compelling business reasons wherever possible as well as to achieving the necessary reduction in our workforce through individual, mutual agreements. The Executive Board of HOCHTIEF Solutions, the codetermination bodies of HOCHTIEF, and the trade union IG BAU have agreed on an action plan so that socially responsible solutions can be found for the employees affected by the upcoming restructuring. A collective agreement was signed in October 2013. Among other things, the action plan provides for partial retirement regulations, the creation of an employment agency, and severance pay regulations.

Personnel development and training

Lifelong learning is considered vitally important at HOCHTIEF. Continuing education is one of the three pillars of our staff development concept alongside talent advancement and annual structured employee interviews. In Germany, continuing education activities are consolidated in our HOCHTIEF Academy. The 2013

Head for heights: This is something HOCHTIEF offshore workers involved in the assembly of wind farms at sea definitely need. Our own homegrown training program prepares them for all other challenges and potential dangers—such as rappelling.



program comprised more than 160 seminars on topics in the areas of entrepreneurial thinking, interaction, soft skills, and specialist training.

To improve on work-life balance, HOCHTIEF expanded its partnership with B.U.K. to include all of Germany in the reporting year. The cooperation involves assisting our staff in the search for the appropriate form of childcare as well as options to help care for family members.

Accolades as an attractive employer

In the reporting period, a number of independent, benchmark comparisons confirmed that job seekers consider HOCHTIEF to be an attractive employer. In Germany, we were once again named one of the top employers among budding engineers in a ranking by consultancy firm “Universum Communications.” The “Preferred Employers 2013” benchmark by the “forum Nachhaltig Wirtschaften” magazine in cooperation with the Internet platform “CSR Jobs” shows the increasing role that sustainability aspects play in how employers are ranked. HOCHTIEF was listed as one of the top 20 German employers. This benchmark assessed the participating companies in terms of values and culture, diversity, work-life balance, staff development measures, social responsibility and employee engagement as well as resource conservation and the environment.

Occupational safety and health

HOCHTIEF consistently pursues ways to protect the health of its workforce and continuously expands its safety management—going beyond statutory obligations and requirements. New standard Europe-wide instructions regarding the key points of safety management applying to HOCHTIEF Solutions are added on the basis of the HOCHTIEF HSE Policy Statement. These include risk identification as well as preventative measures for risk avoidance and mitigation, workplace inspections, incident notification and reporting as well as preparedness for emergencies. The new instructions are scheduled to be introduced in 2014.

In the reporting year, the HOCHTIEF Safe Solutions initiative was launched with the aim of fostering a safety culture within the company and, in particular, raising awareness of safety among managerial staff. Most of all, this targets managerial staff at HOCHTIEF Solutions, who are encouraged to take an active and responsible role in advancing occupational safety and health.

A multi-day seminar held by Berufsgenossenschaft BAU, the employers’ mutual indemnity association for the construction industry, for instance, is also geared to raising awareness of safety among managerial staff. In spring 2013, a total of 18 managers from the Engineering department at HOCHTIEF Solutions completed the seminar and received the industry-recognized Safety Certificate Contractors (SCC) certificate. Subjects taught at the seminar included legal requirements, hazard assessment, operational organization, the causes and avoidance of accidents, and emergency measures.

HOCHTIEF Solutions also attaches particular importance to training its workforce in the safety issues associated with their specific work environments. This applies to staff such as HOCHTIEF offshore workers—those employees who work on our jack-up vessels



and, for example, install wind turbines. The special training in these cases comprises open water survival training, helicopter emergency training, firefighting and first aid courses, work at height as well as rappelling training. HOCHTIEF's internally developed emergency and rescue concept was tested for the first time at the Global Tech I offshore wind farm in the North Sea in September 2013. The rescue exercise took place under real-life conditions and included administering professional first aid to a victim, deploying a team of emergency doctors, setting up internal crisis management teams, and communicating with external responders. Over 80 people were involved in the elaborately planned and implemented exercise, the result of which substantiated the concept.

HOCHTIEF Solutions also follows award-winning occupational safety practices in its civil engineering projects, of which the C310 rail tunnel project in London is an example. This project is a joint venture that involves constructing two tunnels beneath the Thames River with a total length of around six kilometers. In the reporting period, the client, Crossrail, honored our team for occupational safety with the Target Zero Foundation Award. Scoring the highest number of points in the performance evaluation category, the team came out top of all Crossrail's contractors.



In 2013, HOCHTIEF Solutions completed the Barwa Commercial Avenue, an 8.6-kilometer business and shopping mile in Qatar's capital Doha. This major site is considered exemplary in terms of occupational safety. Over the course of well over 100 million man-hours worked at the site, only nine accidents occurred, from which all victims quickly recovered.

HOCHTIEF promotes a number of initiatives to actively foster employee health, for example, through the "Bike to Work" campaign in which the company participated once again in 2013. From the beginning of June to the end of August, 81 employees hopped on their bikes to ride a total of some 36,700 kilometers individually or in teams.

HOCHTIEF continued to offer comprehensive health check-ups in 2013, which employees were able to make use of on a voluntary basis. The examinations focused, for example, on pulmonary function or hearing.

Because every minute counts: To ensure that the response to an accident on the open seas can be handled quickly and properly, an exercise took place on the HOCHTIEF jack-up vessel Thor to simulate the emergency rescue of an injured offshore worker, including helicopter transport (picture left).

100 million: The number of working hours accumulated on the huge Barwa Commercial Avenue construction site in Qatar—without a single serious accident. That is worthy of an award (picture right).

Building bridges: That's what HOCHTIEF accomplishes together with Bridges to Prosperity. In 2013, ten HOCHTIEF employees built another footbridge in Rwanda, providing the residents in an isolated region with better access to educational, trade, and healthcare facilities.



Focus area 5: Corporate citizenship

HOCHTIEF's corporate citizenship activities in Europe primarily center around support and educational projects for young people. Company employees are also jointly involved in social projects as volunteers.

HOCHTIEF has sponsored the "Forum Young Migrant Talents" in Hamburg, Germany, since 2010. The initiative aims to improve the career opportunities of young people from migrant backgrounds through education. Our 2013 donation helped the organization expand its activities, which include support for school students, and gradually add a further 80 students to the program.

The partnership between HOCHTIEF and German charitable organization JAS, the German youth architecture and town planning organization, represents another long-term commitment that has existed since 2009. The organization works to further the education of children and young people in the built environment, encouraging them to use all their senses to explore the environment around them as well as help shape it. In the reporting period, summer academy participants set out as "Garden Pirates" to landscape and beautify public areas in the Ruhr region metropolis of Essen.

The goal of the "Joblinge" initiative is to give disadvantaged young people a chance at better career opportunities through individual tutoring, continuing education, and qualification. HOCHTIEF Solutions is supporting the initiative from 2013 to 2015 by financing three scholarships with an annual EUR 15,000 donation.

From Europe, HOCHTIEF also supports the non-profit organization Bridges to Prosperity (B2P). After the 2012 pilot project, another footbridge was erected in Rwanda in the reporting year—a 68-meter hanging bridge over the Bokakwe River in the Kamonyi region. Thanks to the financial support from HOCHTIEF and the efforts of a ten-strong team of HOCHTIEF employees, around 300 people in this isolated area now have a safe way to cross what is an especially raging river in the rainy season and thus have better access to educational, trade, and healthcare facilities.

In large-scale infrastructure projects, it is especially important to involve neighboring communities in the project and keep them informed. In the case of the "Queensferry Crossing" bridge project in Scotland, one of the longest cable-stayed bridges in the world, local residents are approached directly by the joint venture of which

www.bridgestoprosperty.org

www.jugend-architektur-stadt.de



Helping hands: HOCHTIEF employees are volunteering—and receiving financial support from their employer. This is how the Villa Kunterbunt daycare center in Dinslaken, Germany, received its “Färberhütte” cabin that will be used to bring sustainability to life (picture left).

In Essen, HOCHTIEF employees renovated the exterior of the “youth farm” (picture right).



HOCHTIEF Solutions is a part. A specially formed Community Liaison team speaks with private households, local businesses, politicians, schools, and kindergartens to keep them in the loop with regard to their specific interests as well as to learn more about the community's needs and take these into consideration. Other activities include a drawing contest for children, inviting neighbors to view the site, and providing an information center that allows people to learn more about the project. (For more on the Queensferry Crossing project, see the feature starting on page 22.)

Time and again, HOCHTIEF employees come together for a good cause. For example, a team from HOCHTIEF Construction Austria volunteered to build a wheelchair-accessible garden path for a home for the disabled in the northeastern Austrian town of Raxendorf. Employees from HOCHTIEF Property Management spent their summer festival renovating and beautifying the playground of a children's daycare center in the town of Bad Freienwalde in Brandenburg, Germany. A storm had caused heavy damage to some of the installations in-

cluding the woodshed, swing set, and monkey bars. Twenty-nine employees from HOCHTIEF Projektentwicklung traded their computers for paintbrushes to spend a day putting a fresh coat on the rooms of the Riedhof School in Frankfurt. This was part of “Social Day,” staged every year for Frankfurt businesses by the Malteser Hilfsdienst relief organization. HOCHTIEF welcomes its employees' volunteer work and provides financial support: When during the reporting period employees from the Corporate Development department renovated the exterior of the “youth farm” for the Jugendhilfe Essen organization, for instance, HOCHTIEF paid for the materials needed to paint the park benches and add wooden figures to the interactive stations in the children's area.

Focus area 6: Compliance

See the interview with Essimari Kairisto, Chief Financial Officer (CFO) of HOCHTIEF Solutions, starting on page 40.

Just the job: HOCHTIEF has sponsored the “Forum Young Migrant Talents” in Hamburg, Germany, since 2010, helping young people from migrant backgrounds get a head start in their careers.



HOCHTIEF expands horizons ...



MY
DESTINATION



OUR CONNECTION

... for instance, through state-of-the-art transportation infrastructure projects that connect people—like the West Kowloon Terminus. HOCHTIEF's Group company Leighton Asia is building a section of the new main railway station in Hong Kong as part of a joint venture.

Report on the Independent Audit

Independent assurance report

The review performed by PwC relates exclusively to the German print version of the CR Report. The following text is a translation of the original German Report on the Independent Audit.

To HOCHTIEF Aktiengesellschaft, Essen

We have been engaged to perform a limited assurance engagement on the qualitative and quantitative information, which describe facts, assumptions, conclusions or intentions and which have not already been audited in the context of the assurance engagement of the competent auditor, within the chapter "Sustainability at HOCHTIEF" prepared by HOCHTIEF Aktiengesellschaft (hereinafter: the Company) for the sustainability report of the business year from January 1 to December 31, 2013.

Management's Responsibility

The Company's Executive Board is responsible for the proper preparation of the report in accordance with the criteria stated in the Sustainability Reporting Guidelines Vol. 3.1 (pp. 7 to 17) of the Global Reporting Initiative (GRI):

- Materiality,
- Stakeholder Inclusiveness,
- Sustainability Context,
- Completeness,
- Balance,
- Clarity,
- Accuracy,
- Timeliness,
- Comparability and
- Reliability.

This responsibility includes the selection and application of appropriate methods to prepare the report and the use of assumptions and estimates for individual sustainability disclosures which are reasonable in the circumstances. Furthermore, the responsibility includes designing, implementing and maintaining systems and

processes relevant for the preparation of the sustainability report.

Practitioner's Responsibility

Our responsibility is to express a conclusion based on our work performed as to whether anything has come to our attention that causes us to believe that the information in the chapter "Sustainability at HOCHTIEF" in the sustainability report of the Company for the business year from January 1 to December 31, 2013 has not been prepared, in all material respects, in accordance with the above mentioned criteria of the Sustainability Reporting Guidelines Vol. 3.1 (pp. 7 to 17) of the GRI. The Group's total operating performance as well as the key performance indicators displayed on pp. 47 to 49 and the list of subsidiaries and associates in the HOCHTIEF Group on page 48 of the chapter "Sustainability at HOCHTIEF" of the sustainability report for the business year from January 1 to December 31, 2013 are not in scope of our engagement because this information has already been audited in the context of the assurance engagement by the competent auditor. Likewise, references to other chapters and the annual report as well as the assurance of data referred to from within the sustainability report are not in scope of our engagement. Beyond that, we have been engaged to make recommendations for the further development of sustainability management and the sustainability reporting based on the conclusions of our assurance engagement.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000. This Standard requires that we comply with ethical requirements and plan and perform the assurance engagement so as to express our conclusion with limited assurance.

In a limited assurance engagement, the evidence-gathering procedures are more limited than for a reasonable assurance engagement (for example, an audit of financial statements in accordance with § (Article) 317 HGB ("Handelsgesetzbuch": "German Commercial Code"), and therefore less assurance is obtained than in a rea-

sonable assurance engagement. The procedures selected depend on the practitioner's judgment.

The procedures we followed in the scope of our work included:

- Inquiries of personnel of the department "Corporate Responsibility" and relevant departments who are responsible for the preparation of the sustainability report. The focus of the interviews was on the process of preparing the sustainability report and the underlying internal control system;
- Recording of the procedures and inspection of the systems and processes for the collection, analysis and aggregation of sustainability data as well as random testing thereof on a sample basis;
- Analytical assessment and interviews of employees regarding selected data within the subsections of the chapter "Sustainability at HOCHTIEF" on the basis of documents that we have been provided with on Group level as well as selected sites:
 - The Company
 - Sustainability Strategy
 - Compliance
 - Risk Management
 - IT and Data Protection
 - Employees
 - Occupational Safety and Health
 - Environmental and Climate Protection
 - Research and Development
 - Procurement
 - Donations and Sponsorship

Conclusion

Based on our limited assurance engagement, nothing has come to our attention that causes us to believe that the information in the chapter "Sustainability at HOCHTIEF" in the sustainability report of the Company for the business year from January 1 to December 31, 2013 has not been prepared, in all material respects, in accordance with the above mentioned criteria of the Sustainability Reporting Guidelines Vol. 3.1 (pp. 7 to 17) of the GRI.

Supplementary information—Recommendations

Without qualifying our conclusion above, we make the following recommendations for the further development of the Company's sustainability management and sustainability reporting:

- Linking of the CR Program with key performance indicators and communicating them to the stakeholders;
- Continuing a stronger embedding of the CR management as well as a more detailed documentation of the respective information flows on the level of the Americas and Asia Pacific divisions;
- Further development and standardization of the processes underlying the compilation and controlling of the sustainability data in order to enhance data quality and increase coverage especially in non-European locations.

Berlin, February 13, 2014

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Michael Werner

ppa. Juliane von Clausbruch

Information on this Sustainability Report

Reporting period and frequency of reporting

In this Sustainability Report, we have opted to present a relatively brief synopsis of the relevant topics. Supplements as well as further information is available on our Internet platform at www.hochtief.com/sustainability. The report covers the period between January 1 and December 31, 2013 and follows on from the HOCHTIEF Sustainability Report published in February 2013. Deviating reporting periods for key figures are stated separately. The next Sustainability Report will be published in February 2015.

Report content and scope

The content of this report has been developed on the basis of internal processes. The relevant information was either requested from the operational units of the Group or originated from official HOCHTIEF documents. The report content has been checked by the staff in charge of the individual issues.

Certain companies in HOCHTIEF's international business portfolio have management systems of their own. This precludes compiling standardized data for the entire Group. We indicate any limits of coverage in this report wherever they apply.

The goals described in this Sustainability Report are based on the assumption that the HOCHTIEF Group will continue to operate in its current form.

Disclaimer

While the data contained in this report has been collected and processed with the greatest possible care, transcription errors cannot be fully excluded.

Previous reports

An archive of previously published reports is available online at www.hochtief.com/sustainability-reports.

Forward-looking statements

This Sustainability Report contains forward-looking statements. These statements reflect the current views, expectations, and assumptions of the Executive Board of HOCHTIEF Aktiengesellschaft regarding future events and developments relating to HOCHTIEF Aktiengesellschaft or the HOCHTIEF Group and are based on information currently available to the Executive Board of HOCHTIEF Aktiengesellschaft. Such statements involve risks and uncertainties and do not guarantee that future results (such as profit before tax or consolidated net profit) or developments (such as with regard to possible future divestments, general business activities, or business strategy) will transpire. Actual results (such as profit before tax or consolidated net profit), dividends and other developments (such as with regard to possible future divestments, general business activities, or business strategy) relating to HOCHTIEF Aktiengesellschaft and the HOCHTIEF Group may therefore differ materially from the expectations and assumptions described explicitly or implicitly in such statements due to, among other things, changes in the general economic, sectoral, and competitive environment, capital market developments, currency exchange rate fluctuations, changes in international and national laws and regulations, in particular with respect to tax laws and regulations, the conduct of other shareholders as well as other factors. Any information provided on dividends is additionally subject to the recognition of a corresponding unappropriated net profit in the published separate financial statements of HOCHTIEF Aktiengesellschaft for the fiscal year concerned and the adoption by the competent decision-making bodies of HOCHTIEF Aktiengesellschaft of appropriate resolutions taking into account the prevailing situation of the Company. Aside from statutory publication obligations, HOCHTIEF Aktiengesellschaft does not assume any obligation to update the forward-looking statements contained in this Sustainability Report.

Implementation of International Reporting Standards

Principles of the UN Global Compact

HOCHTIEF joined the United Nations Global Compact in 2008. We are consequently actively committed to supporting the Global Compact's ten principles and to advancing them within the Group. We are committed to the respect of human rights, labor standards, and environment protection standards and participate in the fight against corruption.

This Sustainability Report 2013 also serves as our report on progress in implementing the UN Global Compact. HOCHTIEF publishes its 2013 Sustainability Report as required annual Communication of Progress also on the Global Compact website, www.unglobalcompact.org.

Guidelines of the Global Reporting Initiative

The HOCHTIEF Sustainability Report 2013 adheres to the Guidelines (G3.1) of the Global Reporting Initiative (GRI) including the 3.1/CRE final version of the GRI Construction and Real Estate Sector Supplement (CRE). Conformity of the information provided with the requirement profiles has been checked by GRI and the report classified as Application Level A+.

For the summary GRI index, please see the back flap on pages 112–116.



GRI External Assurance



Index Based on GRI G3.1 Guidelines

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○ not reported ► partially reported ● fully reported

CoC: Code of Conduct, AR: Annual Report 2013, CP: www.hochtief.com/clientportal,
CG: www.hochtief.com/corporate-governance, HT: www.hochtief.com/riskmanagement, CDP: www.hochtief.com/sustainability –
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CRE1	● Building energy intensity (buildings in use only)	70–73
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EN6	● Initiatives to provide products/services with a higher energy efficiency	See CDP questionnaire on HOCHTIEF corporate website.
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Aspect: Biodiversity			
EN11 <input type="radio"/> Land used in protected and high-biodiversity areas	Current HOCHTIEF systems do not measure affected land by location and size. A procedure to start measuring this data will be developed in the future.		
EN12 <input checked="" type="radio"/> Significant impacts on biodiversity		55, 70, 83, 92, 100 et seq.	
EN13 <input checked="" type="radio"/> Habitats protected or restored		12, 83, 92, 100 et seq.	
EN14 <input checked="" type="radio"/> Management of impacts on biodiversity		15, 70, 83, 92, 100 et seq.	
EN15 <input type="radio"/> Number of affected species on the IUCN Red List and other lists			
Aspect: Emissions, effluents, and waste			
EN16 <input checked="" type="radio"/> Direct and indirect greenhouse gas emissions	Current HOCHTIEF systems do not measure the precise number of affected species. A procedure to start measuring this data will be developed in the future.	70–71	
EN17 <input checked="" type="radio"/> Other relevant greenhouse gas emissions		70–71	
CRE3 <input checked="" type="radio"/> CO ₂ intensity from building energy (buildings in use only)		16 et seqq., 71, 81 et seq., 88	
CRE4 <input checked="" type="radio"/> CO ₂ intensity from new construction and building refurbishment		98	
EN18 <input checked="" type="radio"/> Initiatives to reduce greenhouse gas emissions		54, 72–73	
EN19 <input type="radio"/> Ozone-depleting substances			
EN20 <input type="radio"/> NO, SO, and other significant air emissions	All significant air emissions from HOCHTIEF's business processes are CO ₂ emissions reported as scope 1, 2, and 3 emissions. All significant air emissions from HOCHTIEF's business processes are CO ₂ emissions reported as scope 1, 2, and 3 emissions. No water bodies significantly affected by water discharges as there have been no Level 1 incidents recorded for the period 2013. Current HOCHTIEF systems do not measure waste by type. A procedure to start measuring this data will be developed in the future. No spills registered		
EN21 <input checked="" type="radio"/> Water discharge		70, 83	
EN22 <input checked="" type="radio"/> Weight of waste		70	
EN23 <input checked="" type="radio"/> Significant spills		70	
EN24 <input type="radio"/> Weight of transported, imported, exported, or treated waste			
EN25 <input checked="" type="radio"/> Water bodies affected by discharges of water and run-off	Not relevant as HOCHTIEF does not transport waste to a significant extent (for the purposes of the Basel Convention). No water bodies significantly affected by water discharges as there have been no Level 1 incidents recorded for the period 2013. Remediation is carried out in accordance with prevailing law.		
CRE5 <input checked="" type="radio"/> Contaminated land held that has been remediated			
Aspect: Products and services			
EN26 <input checked="" type="radio"/> Initiatives to mitigate environmental impacts of products and services		Indicator not relevant as HOCHTIEF is not a producer of packaged goods.	55, 72–73
EN27 <input type="radio"/> Percentage of products with reused packaging			
Aspect: Compliance			
EN28 <input checked="" type="radio"/> Fines/sanctions for non-compliance with environmental laws and regulations		70	
Aspect: Transport			
EN29 <input checked="" type="radio"/> Environmental impacts of transporting products, goods, and employees	Environmental impacts of transporting products are not relevant as HOCHTIEF is not a producer of transportable goods. Environmental impacts of transporting materials and members of workforce are included in scope 1 and scope 3 emissions.		
Aspect: Overall			
EN30 <input checked="" type="radio"/> Total environmental protection expenditures and investments		70	

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For further information on our commitment to sustainability, please see www.hochtief.com/sustainability

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