

A graphic element resembling a white paper strip with a yellow band across the top, pinned to the background with a grey paper fastener. The text "SUSTAINABLE VALUE" is printed on it in a bold, blue, sans-serif font. The word "SUSTAINABLE" is on the yellow band, and "VALUE" is on the white strip below it.

SUSTAINABLE VALUE

A yellow sticky note with a white border, tilted slightly to the right. It contains handwritten text in a dark blue or black ink.

Sustainable
Value Report
2011

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INTERVIEW WITH CEO KARL-HEINZ STRAUSS



"Sustainable value has a long tradition at PORR."

PORR guarantees sustainable value

Mr Strauss, to start us off, what do you personally understand by sustainable value?

For me sustainable value is an issue which permeates equally through every facet of our lives. No man is an island; in our private and professional spheres we all constantly interact with other people as well as with nature and the environment. We should always ask ourselves this question: »What is the result of my actions and what will the effects be on my surroundings and on the generations to come?« Behaving sustainably is, in my opinion, a sign of rationality, intelligence and – above all – fairness towards others.

How do you define the pillars of sustainable value at PORR?

Sustainable value has a long tradition at PORR. We have been living by the three pillars of »adding value, recognising value and preserving value« for several years. Leaving aside the handy formulation which unmistakably describes each of the topics, I find this division very good. The spectrum ranges from economic parameters to the approach to people at PORR, right through to every measure for environmental protection, which a large construction company such as ours naturally feels obligated towards.

What importance is attached to Corporate Social Responsibility in a construction company like PORR?

Great importance. We build for people. The results of our activities should always lead to improvements in quality of life – whether they relate to building construction, civil engineering, infrastructure or environmental engineering. We also have a huge responsibility to our over ten thousand staff members all over the world as well as to their relatives, to the local communities of our construction projects who should not be adversely affected by us, or our partners and clients who place their trust in us. All of these people should have an ongoing positive impression of their contact with PORR.

Putting people first. A nice motto, or something more?

Of course it is much more. A construction company in particular must always focus on people, otherwise who are we working for? Every area we work in makes a mark on the environment and society in its own way. We like to talk about the way we are »building the future«. This future should be better, more practical, more beautiful and with a better quality of life – and people have to benefit from it.

PORR employs around 11,000 people. How should they live these values?

By being considerate and showing good will in their dealings with others; by being competent and enthusiastic when working with clients and partners; by reflecting on what they have done. The Executive Board and management teams aim to lead by example. We invest a lot of energy in communication, both internal and external, and we take the time to listen to each other. After all, effective sustainable value can only come from lively dialogue.

Shareholder versus stakeholder value. Contradiction or synergy?

In my opinion there is no such thing as shareholder value which does not also take the interests of stakeholders into consideration. This sustainable value report proves that we at PORR are also clearly committed to synergies with regard to reporting.

THIS AND THAT 2009



First sustainable value report 2009

PORR's first sustainable value report was published in 2009.

PORR supports culture

Under the motto »Unusual Residence – Fake Reality« PORR built a slum as part of the Danube Festival in Krems in the centre of the festival centre, which served as a filming location and cinema for the SLUM-TV crew.

Fairtrade at PORR

In October 2009 the »Coffee Day« marked the introduction of Fairtrade coffee in the company and gave staff the opportunity to try fairly sourced coffee with the Fairtrade mark.

Cooperation with the Austrian Federal Fire Service (ÖBFV)

In November 2009 PORR and the ÖBFV signed a partnership agreement with the goal of providing resources to the community in disaster scenarios and collaborative support by exchanging information and experience to enhance the safety of people and the environment.

Running for cancer research

In 2009 the PORRians went on a successful run for cancer research on a circuit around the old AKH in Vienna. The company put up the initial sponsorship of EUR 10 and an extra EUR 5 was raised for every lap completed for the cancer research initiative.

PORR brings »Light in the Darkness«

In 2009 PORR decided to forego Christmas gifts for clients and business partners in favour of the charity »Licht ins Dunkel«, thereby supporting Austria's largest charity campaign under the motto »Helping together«.

PORR supports sport aid

As in 2008 PORR continued to support the sport aid initiative in 2009, once again sending a message for the values of »performance, fair play, teamwork« – values which are not only essential in our daily interactions, but also play a key role at PORR.

THIS AND THAT 2010

*Building today
for the people of
tomorrow*

»Safety first«

Do it right – safe on site! This was the motto under which PORR launched its safety campaign in January 2010, with a focus on the topic »Every accident is one too many!«. The campaign was designed to encourage all workers to consider safety in their daily work by using the requisite equipment and gear.

Diversity awareness raising

Under the title »We are all PORR«, PORR aimed to sensitise its staff to the topic of diversity for the first time using the Group-wide magazine, the »RePORRtage«.

PORR as project partner for Cool Citys

Together with Mateus-Berr, PORR entered the creativity contest held by MAK and departure (wirtschaft, kunst u. kultur gmbH) and submitted the project »Cool Citys«, against global warming at the »Project Vienna – A Design Strategy« and was part of the exhibition at MAK.

Health day at PORR

The health of employees and workers is greatly valued at PORR. This is why February 25th 2010 was dedicated to health and safety. In addition to nutritional advice, healthy menus and safety in the workplace, there was also a talk on the subject of »Mental health in the world of work«.

PORR Daughters' Day

In April 2010 PORR's everyday business gave way to »Girl power«. Young women aged between 11 and 16 found out about technical professions and had a taste of construction.

PORR recognises female achievement with MiA Award

PORR underlined its commitment to International Women's Day and supported the 2010 MiA Award in the Economy category.

Running for cancer research

In 2010 PORRians once again took part in the run for cancer research on a circuit around the old AKH.

PORR supports Make-a-Wish

In 2010 PORR again decided to forego Christmas gifts for clients and business partners, instead making special dreams come true for sick children through the Austrian Make-a-Wish-Foundation.

CHAPTER 1: ADDING VALUE

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1. SUSTAINABILITY AS A CORPORATE STRATEGY

»At PORR the future is our tradition«. For the PORR Group this sentence is not just a motto, but a mission. A mission reflected not only in traditional landmarks such as the Vienna Ring-turm, but also in innovative, cutting-edge projects such as the Bio Tech Centre: PORR builds for generations.

PORR builds for generations

Building today for the people of tomorrow means that the company must be aware of the great responsibility it bears as it shapes the future. In living up to this responsibility, fairness and integrity play a key role and demand clearly defined values and principles of sustainability. These values have always been nurtured within the PORR Group and are firmly embedded in the corporate philosophy.

Operating sustainably within our society and thinking about future generations is particularly important for the construction industry. As a driver of economic growth and jobs, the industry makes a significant contribution to GDP and is a decisive factor in the attractiveness of business locations. But what really makes the construction industry stand out from other industry sectors is the long lifespan of the structures it builds: hospitals, nurseries, schools, underground railways, offices, retirement homes or leisure facilities are our life-long companions.

This is why PORR sees itself as shaping society and why it takes its social and ecological responsibilities very seriously. The incorporation of Corporate Social Responsibility into structures, organisation and content guarantees the sustainability of PORR's business.

1.1. SUSTAINABLE VALUE: CSR WITHIN THE COMPANY

An equal balance between economy, ecology and social considerations is crucial. Coherence of these three aspects guarantees productivity and sustainability.

Since it was founded in 1869, PORR has been acting on the values which today are collectively known as CSR. Within the company sustainability is treated as an issue which crosses all divisions, it has entered into every aspect of work and created synergies. The PORR Group understands the term »sustainable value« to play a key role in the ongoing development of the company: »recognising value« in terms of every staff member; long-term, sustainable value add, i.e. »adding value«; as well as the great importance of »preserving value« in terms of the environment have been a part of PORR for decades and turned the Austrian construction company into a full service provider on the international market.

PORR's stakeholders can trust in the fact that CSR is applied across the entire Group. In order to protect, strengthen and extend this trust, sustainability is a fixed component of the corporate strategy. The publication of the first »Sustainable Value Report« in 2009 and the appointment of a dedicated CSR officer marked a further important step towards establishing and promoting the issues.

PORR also ensures that CSR is a question of give and take on both sides. Cost efficiency is not the only factor when choosing suppliers, adherence to high standards related to society and ecology is also taken into account. PORR views the third-party service providers it works with as partners and as an extension of PORR's own sustainability strategy.

PORR's commitment to the field of CSR is exceptionally multifaceted and is based on the three pillars of sustainability – society, economy and ecology.

The responsibilities of the CSR department:

- Interface between the departments, the staff and the management
- Realising socially sustainable projects in the company
- Monitoring sponsoring decisions in terms of sustainability
- Communication and documentation
- Raising awareness of CSR in every area

These efforts have not gone unnoticed: PORR has received multiple awards for its activities. Not only did PORR win the »State Prize for occupational health and safety« from the Federal Austrian Ministry for Social Affairs (2008), but also the »Climate protection prize« from the Federal Ministry of Agriculture, Forestry, Environment and Water Management (2010).

1.2. COMPLIANCE GUARANTEES EQUAL OPPORTUNITIES

»The term compliance originates from the English verb 'to comply with' and refers to the sum of preventative measures in a company (...). The stated aim of compliance measures is to strengthen protection of the interests which legislators have classed as

The term compliance originates from the English verb 'to comply with'

worth protecting« from the Compliance Guidelines of Allgemeine Baugesellschaft – A. Porr AG.

A fair and open approach to stakeholders builds trust. This is why the Compliance Guidelines were implemented across the whole Group in April 2002. The guidelines specify basic principles for disseminating information, provide key measures to avoid insider trading and regulate the preventative measures which guarantee legal adherence and avoid conflict of interests. The Compliance Guidelines were last updated in November 2007 to conform to the changes in legal specifications. There was no legal reason for making changes to the guidelines in the years 2009 and 2010.

The guidelines are available online to all staff via the intranet. In addition, Chinese walls are set up between every person with access to insider information. They are informed in writing of the legal regulations and the possible consequences of non-compliance. Furthermore, these people are entered into an insider register and their signature confirms their compliance with the mandatory regulations.

The compliance officer is responsible for monitoring compliance guidelines and this officer reports directly to the Executive Board, ensuring complete adherence to the guidelines. She reminds all persons with access to confidential information of the relevant lockup period before the publication of annual and interim reports in good time and of the

ban on trading company shares in the six weeks preceding publication of the annual results and for three weeks preceding the publication of interim results.

These norms and regulations protect PORR's staff and ensure that the same conditions apply to every market participant.

1.3. CORPORATE GOVERNANCE AS STANDARD

PORR embraces Corporate Governance as an important instrument for the responsible management of the PORR Group. Corporate Governance is realised in the company on the basis of any applicable legal regulations and ethical standards. Ongoing assessments guarantee adherence and regular updates.

One important component of Corporate Governance is consistent, transparent communication.

The Executive Board and Supervisory Board communicate closely on a regular basis. The transparency and clarity of their corporate activities and the principles of Corporate Governance create and strengthen the trust that investors, customers, staff and the public have in the Group's management.

Even though the legal specifications related to the stock exchange mean that PORR is not obligated to comply with the »Austrian Code of Corporate Governance«, the company management sees it as a matter of course to submit voluntarily to the principles of Corporate Governance and to adhere to them. A working group dedicated to this issue was founded with this in mind and the group deals intensively with Corporate Governance and ensures that the principles continue to be upheld.

The regularity and easy access to all publications displays transparency and strengthens the trust of the stakeholders – precisely because PORR views trust as an essential element for the company's future growth.

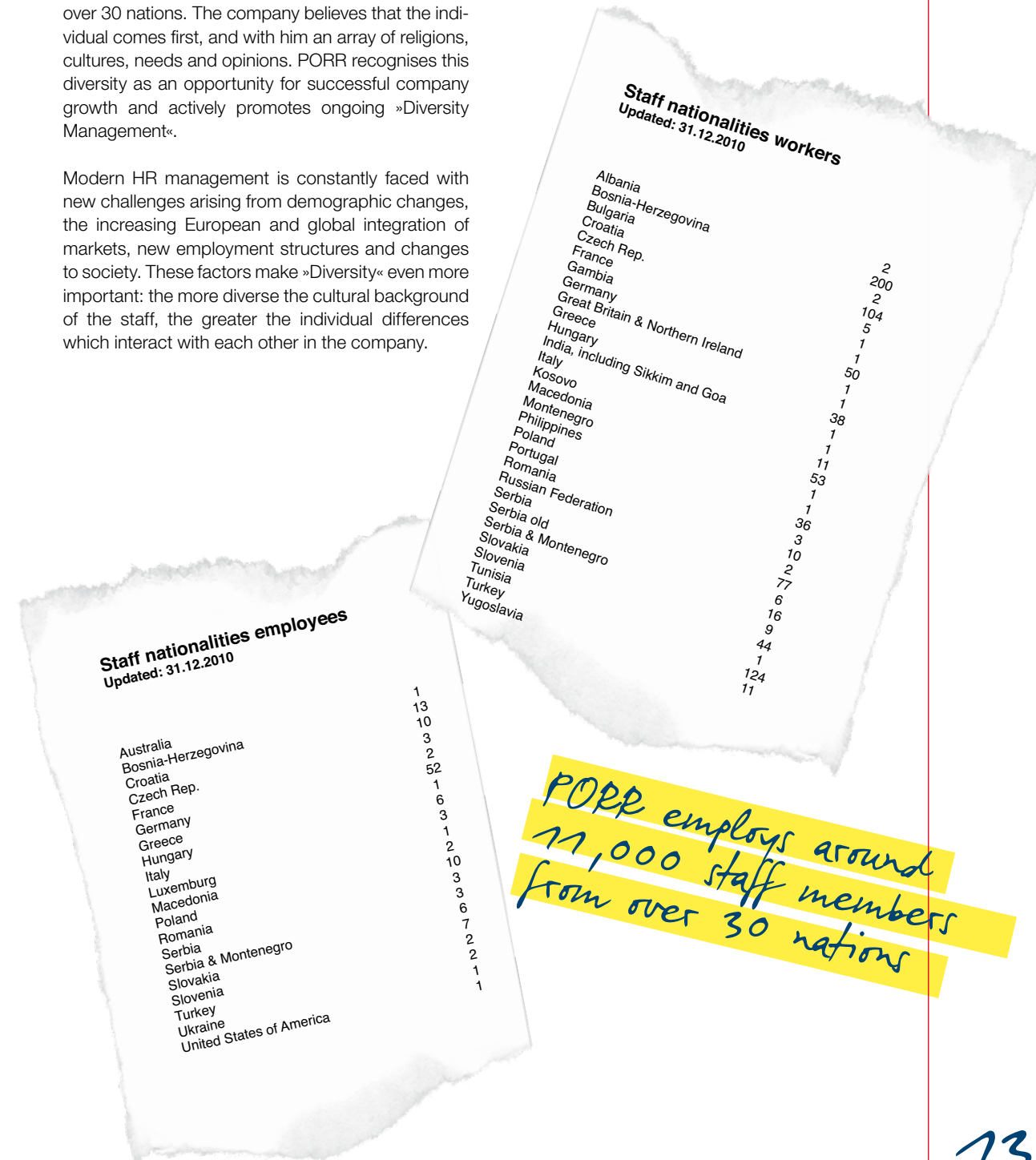
1.4. KEY FIGURES

in EUR m	2010	2009	2008	2007
Income statement				
Production output	2,826.0	2,877.0	3,182.9	2,743.7
of which domestic	1,774.5	1,787.5	1,861.1	1,791.5
of which foreign	1,051.5	1,089.5	1,321.8	952.2
Foreign share in %	37.2	37.9	41.5	34.7
Revenue	2,217.5	2,457.3	2,656.5	2,214.4
Consolidated profit	16.7	31.0	37.9	31.5
Statement of financial position				
Total assets	2,177.9	1,990.8	1,902.7	1,853.2
Equity (including non-controlling interest)	477.3	475.7	368.5	362.2
Orders				
Order backlog at year end	2,448.9	2,683.9	2,561.9	2,445.1
Order bookings	2,591.1	2,998.9	3,299.8	3,175.3

1.5. DIVERSITY MANAGEMENT HAS MANY FACES

PORR employs around 11,000 staff members from over 30 nations. The company believes that the individual comes first, and with him an array of religions, cultures, needs and opinions. PORR recognises this diversity as an opportunity for successful company growth and actively promotes ongoing »Diversity Management«.

Modern HR management is constantly faced with new challenges arising from demographic changes, the increasing European and global integration of markets, new employment structures and changes to society. These factors make »Diversity« even more important: the more diverse the cultural background of the staff, the greater the individual differences which interact with each other in the company.



»Diversity Management« at PORR is focused on ensuring that every staff member, regardless of her background, gender, age, religion or sexual orientation, feels at home in the company. The approach here is not simply to »tolerate« differences, but rather to recognise them actively and use them constructively. After all, successful »Diversity Management« leads to a win-win situation for the company:

- A company which values and promotes diversity is an attractive employer and therefore has a decisive competitive advantage in the battle for the best minds and skills.
- Forward-looking HR management views the differences of its staff as market potential, making use of their individual characteristics, such as experience, knowledge and expertise.
- If staff feel at home in the company they take sick leave less frequently, are more motivated and identify more closely with their jobs.

1.5.1. PORR – GIRL POWER

The **Daughters' Day** is held once a year in order to attract young women to technical, trade and scientific professions and vocations and this day sees girls introduced to careers which are somewhat out of the ordinary. PORR also takes part in this initiative.

The 9th Vienna Daughters' Day, an initiative by the city of Vienna, was held on April 22nd 2010. Girls aged between 11 and 16 had the opportunity to get to know what happens in a typical day at work in the construction industry. After a tour of one of Europe's largest demolition sites, the potential technicians and engineers of the future went to the Guntramsdorf Construction Academy where they could try out their skills in sawing, drilling and plastering.



*9th Vienna Daughters' Day
22.04.10*



1.5.2. MIA AWARD

On International Women's Day, March 8th 2010, the »MiA Award« was presented for the third time – an award for the exceptional performance of women who originate from outside of Austria. PORR did not only support this initiative financially, the company also insisted on being active in the awards ceremony itself. PORR's Gabriele Al-Wazzan presented the award in the Economy category to successful corporate consultant Selma Prodanovic. With its support, PORR shows that it wants to help to improve the perception of the positive contribution that female migrants make in Austria.

MiA-Award, 08.03.10



2. DOING BUSINESS RESPONSIBLY

The economic aspect of sustainability does not lie in short-term profit, but rather in a company's personal obligation to strive for sustainable growth, thereby guaranteeing the long-term existence of the company. The PORR management is committed to this approach and the Management Handbook also lays out this value orientation:

Our corporate goal and the basis of all of our decisions lies in generating profits sustainably. By achieving our economic targets and generating appropriate return on capital for our shareholders, we guarantee the long-term future of our company and safeguard jobs for our staff.

Our corporate culture is based on the premise that long-term company success can only be sustainably achieved for our stakeholders - i.e. our owners, staff, customers and society - if we work together and operate in line with social, ethical and moral principles.

2.1. VALUE-ORIENTED COMPANY MANAGEMENT

In order to live up to its responsibilities to staff, shareholders and investors alike, PORR is careful to ensure that a clear mission statement and a uniform management system are in place across every sector and subsidiary. The goal is to subject every activity in the company to concrete, ethical targets, to strengthen the principles of legality, openness and transparency, and to make the company as a whole ready for future competition.

2.1.1. A clear mission statement

In order to achieve the stated aims, PORR has laid out a sustainable mission statement based on the following principles from the code of ethics:

- Services are offered in the same high quality, regardless of the client.
- PORR considers the special needs of the stakeholders when making every decision.
- As a construction company with international operations, PORR is confronted in the individual countries and markets by wildly varying perceptions, behaviour, expectations and needs of the people who live there. PORR pays attention to these and is convinced that forward-looking solutions can only be found through open dialogue with local and regional communities and interest groups.

- Behaving in a socially responsible manner also means operating as a fair employer. PORR values each and every member of staff, regardless of ethnic origin, gender, religion, physical disability or age.
- Ensuring profitability and staff knowhow is the foundation of realising social and ecological measures.
- When making business decisions, as well as allocating resources and planning infrastructure, PORR takes into account environmental and social issues and is committed to minimising the effects on the environment as well as steadily improving environmental protection.
- A responsibility to society also involves contributing to value creation in every country in which PORR is active.

2.1.2. The Integrated Management System

PORR introduced a certified quality management system as early as 1995 and was one of the first construction companies in Austria to do so. PORR continued to live up to its role as a pioneer when, in 2007, it extended the existing quality assurance system to include occupational health and safety and environmental protection. PORR was one of the first and the largest Austrian construction companies to gain certification across the entire Group based on the following norms:

- DIN EN ISO 9001:2008 (quality management)
- DIN EN ISO 14001:2004 (environmental management) and
- OHSAS 18001:2007 (occupational health and safety management)

The integration of all subsystems into PORR's Integrated Management System (IMS) was also positively evaluated by an independent body to assess conformity to international standards.

The IMS results in key strategic and operational benefits for PORR:

- **Competitiveness** PORR is internationally competitive, as the IMS certificate is increasingly seen as a prerequisite for participating in international calls for tender.
- **Cooperation** The IMS applies across the entire Group, thereby encouraging cooperation between

PORR's individual subsidiaries. The effective collaboration between the individual special units in the Group is a key competitive advantage for PORR.

- **Cross-border activities** A uniform management system allows for the successful realisation of complex projects by internal service teams, regardless of country borders or language barriers.
- **Evaluation** Environmentally-friendly construction right from the planning phase within the framework of the IMS this involves presenting the client with »value-add variants« which are discussed and then eventually implemented. The effects of construction activities on the environment must first be appraised and then measures to minimise them can be found. The IMS assesses the use of the latest techniques and methods, which are steadily evaluated in terms of their appropriateness for practical application.
- **Safety** Improvements in occupational health and safety such as reducing the frequency and severity of accidents; for example radio contact between crane operators, using skips as load bearers (on cranes) and personal protective equipment.
- **Quality assurance** The IMS specifies so-called »best criteria« to be used in the selection of sub-contractors, suppliers and partners.
- **Simplification** The traceability of documentation is simplified by use of a uniform handbook. Potential areas for improvement are shown under the term »error avoidance« rather than »error correction«.
- **Further development** The ongoing further development of staff through internal and external training is laid out and regulated in the IMS certificate.

The integrated management system supports PORR in every strategic goal and operational activity which is required in order to fulfil the evolving needs of markets and customers successfully. In this regard, the focus in recent years has increasingly been on greater »internationalisation«. The handbook is currently available in eight different languages.

2.1.3. Successful risk management

The aim of successful risk management is to identify risks, to minimise them and possibly even to use them as opportunities. The responsible and



qualified approach to risks has long been one of the most important principles behind every economic activity at PORR and thereby guarantees competitive ability – regardless of whether it relates to general company risks or special financial risks. The important thing for PORR is to guarantee company assets, to secure the efficiency and effectiveness of operational processes and to ensure the reliability of financial reporting. PORR's Internal Control System (ICS), which has been aligned to compulsory EU standards since 2009 and aims at a comparable evaluation of the effectiveness of the ICS, guarantees this. The key here lies in ongoing dialogue with the stakeholders in general and the Supervisory Board in particular.

2.2. PORR AS A FULL SERVICE PROVIDER

Ongoing value creation arises from the interaction of different components: qualitative growth through low-risk expansion and a strategic focus within a comprehensive value chain are two important factors, thanks to which PORR can look back on stable and continuous corporate growth.

PORR builds for generations. This involves taking responsibility for a construction project even when the building itself has been completed. A reflection of how seriously PORR takes this responsibility can be seen in the fact that it has extended its range of services to include project development, project management and facility management in recent years. The growth of the company is distributed across multiple pillars, providing a good basis for continuous corporate growth.

In the course of this corporate strategy PORR has developed from a pure construction company into a full service provider over the past decades: the entire value chain with a clear focus on infrastructure projects guarantees customers and principals a broad range of services and comprehensive know-how. With diversification on the one hand and the use of synergies on the other, economic value add is guaranteed.

2.2.1. Specialised in every area

The building construction specialist

PORR is a reliable partner for building construction. Whether it's offices, hotels, universities, apartments, also in the low-energy sector, or revitalising protected architecture – PORR is the specialist for all services in the building construction sector. High technical expertise, quality execution and the absolute adherence to deadlines for which PORR is well known have made it a reliable partner to its customers for many years now.

The civil engineering specialist

The civil engineering centre of excellence is home to PORR's expertise in foundation engineering, tunnel construction, power plant construction, railway construction, logistics, bridge construction, environmental engineering and pipeline construction. Furthermore, environmental engineering plays an important role, as it builds waste incineration plants, sewage systems, district heating facilities and noise barriers. PORR also develops techniques and methods for waste management and clean-up of contaminated sites, and operates special plants for treating waste.

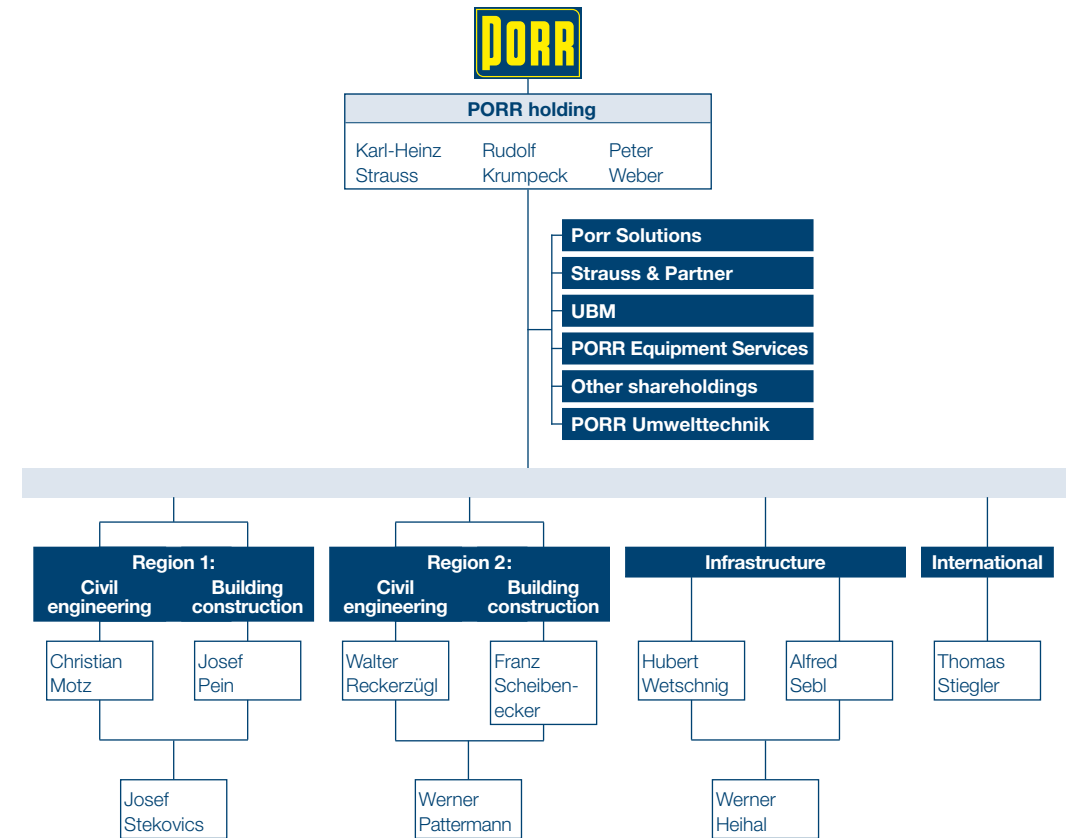
The road construction specialist

As a leading road construction company, PORR with its majority shareholding in TEERAG-ASDAG AG has been responsible for numerous road construction projects. The business focus is on infrastructure civil engineering. Other key areas include environmental engineering, the construction of tunnels, bridges, underground railways and power plants, as well as utility line construction.

Project development & real estate

Porr Solutions, the project development specialist at PORR is increasingly focusing on the area of large-scale and PPP projects in addition to its great track record in project development. There has also been success in issues of sustainability. The interest of tenants and investors is increasingly turning to real estate and infrastructure projects which offer long-term perspectives due to their location, variability, available services and energy efficiency. With its extensive expertise and years of experience, Porr Solutions was very quick to react to this area on a market which is growing ever stronger. Strauss & Partner is a strong and reliable

Organisational Structure



As of April 2011

partner to Porr Solutions and bundles expertise in the field of residential and office property.

UBM Realitätenentwicklung

The PORR Group is also on hand with expertise and knowhow in the field of real estate development and consulting: through its minority shareholding in UBM, PORR has the areas of real estate development, letting and sales covered across the whole of Europe with a focus on countries in Central and Eastern Europe.

2.3. STAKEHOLDERS AS PARTNERS

PORR has an extensive range of stakeholders which play a role in and for the company. Bearing in mind that nobody has an answer to every question, listening to others is a top priority at PORR. As every stakeholder group has highly specific interests related to PORR, these can naturally also result in conflicts of interest. PORR attempts to counter these with ongoing high transparency, open communication and consideration and balancing of all interests. This means that PORR is always available to its stakeholders as a partner for talks and negotiations and constantly nurtures an approach which values diverse opinions.

2.3.1. Communication with stakeholders

PORR communicates with stakeholders in many different ways:

- Staff appraisals at least once a year with management
- Communication with staff through the »RePORRtage«, the staff magazine
- Internal electronic communication via the intranet, the »PORRtal«
- Staff surveys
- Staff letters from the CEO
- Deploying internal experts to the committees of NGOs
- »Open day« to construction sites for local communities
- Information for local communities
- Supporting events held by neighbours, i.e. local festivals
- Annual party for customers and staff
- Attendance at trade fairs
- Memos
- Information brochures
- Press conferences
- Press relations

PORR's guiding principle is information, transparency and a respectful, sustainable approach when communicating with every stakeholder.

The PORR stakeholders are:



2.4. STAKEHOLDERS AT A GLANCE

Staff garden party 2010



Monte Laa neighbourhood festival 2010



Anniversary celebrations 2010

3. INVESTMENT, RESEARCH & DEVELOPMENT

quick decisions and fast reactions

The extent to which PORR is prepared for the future is based on the early identification of development potential – whether this be related to opening up new markets, nurturing young talent, or investing in the latest technologies. Here quick decisions and fast reactions create a competitive advantage and directly affect the future of the company today. In order to be fit for the challenges of the future, and to guarantee this now, PORR is committed to investment, research and development.

3.1. ACTIVE IN EUROPE'S GROWTH REGIONS

The strong home markets of Austria, Germany, Switzerland and Poland form the foundation for sustainable growth. PORR generates over three quarters of production output in these economically stable countries. The goal is to press ahead with solid, low-risk internationalisation starting out from this strong region, thereby guaranteeing healthy and sustainable growth in the long term. PORR has well-established networks on the home markets and profits from a first-class reputation.

PORR has been active in CEE and SEE countries for many years and is able to bring experience and knowhow which is specific to the region thanks to decades of doing business here. As economic growth in the CEE countries in particular remains sluggish, over the past few months PORR has extended its market coverage to include the MENA region – the Middle East and North Africa – as well as the Caspian region.

To this end PORR also entered into a strategic cooperation with the Turkish RENAISSANCE Construction in 2009. The two companies founded a 50:50 joint venture named Porr Construction Holding GmbH (PCH), which is active in the Middle East and North Africa.

This partnership has enabled PORR to increase regional diversification with low market entry costs. RENAISSANCE has been active on these markets for a long time and can therefore draw on local knowledge and its good reputation during the acquisitions process. There is massive demand to catch up in the MENA region, particularly in the traffic and energy sectors and in public building construction.

There continues to be high demand for infrastructure in the new EU member states and SEE. Even though the national economies in the region were and remain hard hit by the economic crisis, infrastructure projects are being planned and executed; they are a key part of stimulus measures and the financing is often secured through cooperation with international organisations.

3.2. FINANCING THROUGH RELIABLE PARTNERS

In times of economic turbulence PORR's expertise in project financing has proven to be particularly useful. One valuable partner for realising construction projects is the World Bank subsidiary, the International Finance Corporation (IFC). The cooperation agreement between PORR and the IFC has been in place since 2008, when a deal was made for a framework agreement of EUR 35m. The agreement

provides for planning and realising projects related to waste, wastewater and real estate in various SEE countries. PORR is thereby committed to fulfilling the IFC's strict social guidelines and environmental stipulations. The combination of private-sector services and public investment brings two particular benefits to the region: investment is provided by an international organisation; the private construction company guarantees efficient execution and contributes expertise.

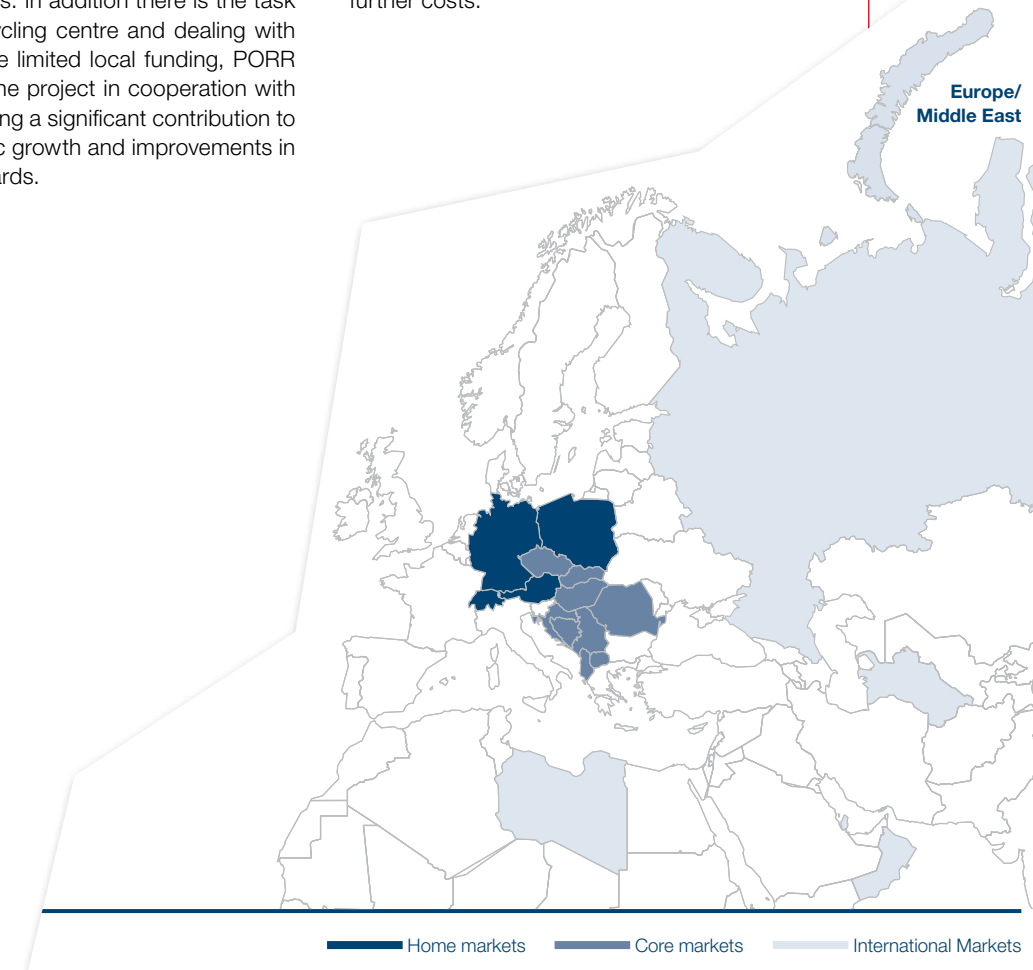
One example of the cooperation between PORR and the IFC is the planning, construction, financing and operation of the new waste disposal sites in the Serbian cities of Jagodina and Leskovac, for which PORR won the order in 2009. Furthermore, PORR will implement an investment programme on site, supporting the construction and operation of the new municipal landfills. In addition there is the task of operating the recycling centre and dealing with landfill gases. Despite limited local funding, PORR managed to initiate the project in cooperation with the IFC, thereby making a significant contribution to sustainable economic growth and improvements in environmental standards.

3.3. PPP – THE MODEL OF THE FUTURE

Concessional financing is becoming ever more important in the infrastructure sector. Private Public Partnership (PPP) models in particular play a key role in realising large-scale infrastructure projects.

The advantages of PPP are:

- Public institutions guarantee the long-term prospects, from design through to operations.
- Private providers have comprehensive expertise in project management and can keep costs as low as possible.
- At the end of the concession period, ownership of the construction project is immediately transferred to the public principal without incurring any further costs.



Since the onset of the economic crisis, the use of concession models has spread steadily, as construction projects can be realised as stimulus measures even in the face of national budget restrictions.

One significant PPP project for PORR was building part of the M6 motorway in Hungary, which required the application of the company's comprehensive expertise across the entire value chain. The 58.6km-long section of the M6, from Budapest to the M6/M8 motorway junction near the city of Dunaújváros, was Hungary's first PPP project. A project company from PORR and Bilfinger Berger concluded a concession agreement for the construction, financing, maintenance and operations for a 20-year period and a 22-month construction period was agreed. In this short timeframe, PORR managed to secure the financing needed for the project of around EUR 500m and to have the entire stretch of motorway ready to open to traffic.

Throughout the entire construction period great attention was paid to comprehensive quality assurance measures. For this purpose a specially formed department for quality management and quality assurance worked in conjunction with Hungarian research institutes operated in accordance

with European norms on permanent environmental monitoring. This guaranteed that water and air were not affected during the construction works and that disturbance to the bordering communities and citizens was kept to an absolute minimum. Further environmental protection measures involved various landscaping works and erecting barriers to protect wild animals and to reduce noise pollution.

Following the opening celebrations of the first section of the M6 in 2006, there was a new chapter in the success story: PORR was entrusted with the largest PPP project in Hungary to date. The project company (PORR, Bilfinger Berger, Asfinag International and Ęgis) signed a concession agreement in 2008 to build and operate a further 65km-long section of the M6. PORR's expertise as a full service provider paid off, as the company developed the financing model, secured the financing and built the motorway, all within just 20 months. The consortium will operate and maintain the road for 30 years. The punctual completion of the newest section of the M6 in spring 2010 enabled the road between Budapest and the city of Pécs to open to traffic. As the M6 is the most important arterial road between Budapest and Southern Hungary, it plays a key role in Hungary's economic development.



Alternative energy at Poyzdorf wind farm

3.4. R&D GUARANTEES FUTURE SUCCESS

In addition to the production factors of capital and labour, technological advances represent the third important factor for a company and are decisive to its ability to compete. For years PORR has been committed to internal research and development.

In 2009 alone, over 20 development projects were subsidised at PORR. Research in the company is practice-oriented and applied, allowing the PORR Group to participate in the latest developments and trends, for example in the construction materials industry, thereby gaining a clear competitive advantage and securing the future.

As one of the leading companies in the Austrian construction industry, PORR does not only drive forward its own technological development, but also contributes to national and European progress in construction research. Experts at PORR hold leading positions in the Austrian Construction Technology Platform (ACTP) and act as representatives in the European platform. The goal of the ACTP is to build up a network in which the construction industry and its customers define which developments are important to them and which deserve to be realised as a priority. In cooperation with the Austrian Research Promotion Agency (FFG) and the ministries responsible for research programmes, a direction should be given to Austrian and European

research programmes which benefits not only the economic success of the construction industry, but also – through attention paid to the issue of sustainability – benefits society as a whole. The opportunity also arises for PORR to pinpoint forward-looking developments early on and to secure economic success in many areas through technological leadership. In this regard PORR is also committed to aligning its own technological developments towards the needs of customers and society.

The Christian Doppler Laboratory for performance-based optimisation of flexible road pavements is subsidised by TEERAG ASDAG and has developed methods for characterising types of asphalt; these have already been integrated into national and international rules and regulations. For the future TEERAG ASDAG now owns instruments which enable evaluation of the developments and costs of this crucial construction material over its entire life cycle. This should be used as a basis for developments in the coming years and for increasing the use of recycled material in high-quality road construction.



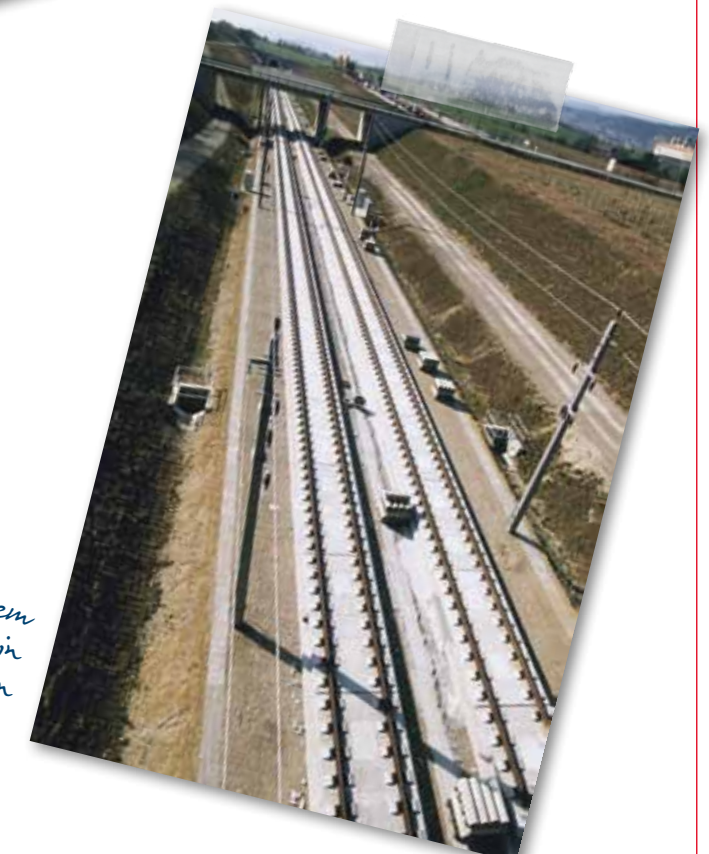
The M6 is the most important arterial road between Budapest and Southern Hungary



The district heating tunnel project which runs underneath the Kiel Fjord, also posed a particular challenge



New solutions for saving time and money when transporting a complete large-scale shield



The slab track system which PORR developed in cooperation with the Austrian Federal Railways (ÖBB)

3.4.1. Exceptional innovations

Whether it relates to energy-efficient buildings or using modern construction materials – no technical advance is possible without innovation. Applying the latest technologies has a long tradition at PORR. Customers and principals benefit from the combination of tried-and-tested knowledge and cutting-edge applications.

Innovations developed by PORR are now used in many countries across Europe, for example in the **slab track system** which PORR developed in cooperation with the Austrian Federal Railways (ÖBB). It particularly stands out for its long, maintenance-free lifespan and has also been used in Germany for several years.

PORR's application-oriented innovations recently won multiple awards: in April 2010 PORR won two awards as part of the »Solid Bautech Prize«, presented annually to recognise the most innovative construction-technology services of Austrian construction firms. One award was for the construction of the Sava Bridge in Belgrade: this project presented PORR with the complicated engineering challenge to pin the 200m-high pylon – the supporting pillar in the middle of the bridge – securely into the ground. For this PORR used a particularly innovative foundation.

The other project to receive recognition was the Kiel Fjord. The district heating tunnel project which runs underneath the **Kiel Fjord**, also posed a particular challenge, as the tunnel had to be comprehensively overhauled due to the leakage of sea water and advanced damage. PORR decided on an innovative new approach which won out over conventional renovation thanks to cost efficiency and safety.

PORR received a further prize for innovation as part of the 2010 Tunnel Day. The Austrian National Committee of the ITA (International Tunnelling Association) awarded first prize to the construction managers of PORR Tunnelbau GmbH, Christoph Esslinger and Armin Strauss, for their entry, **New solutions for saving time and money when transporting a complete large-scale shield**. The core element of the project was the transportation of a tunnel boring machine in one piece with the help of specially built concrete parts, hydraulic cylinders, components using prestressing technology and steel constructions. A dedicated feed path was developed to facilitate this complicated transport. By avoiding labour-intensive dismantling of the machinery, it was possible to reduce the construction period needed for a tunnel project by a few months even the first time this system was used.

CHAPTER 2: RECOGNISING VALUE

1. FURTHERING EDUCATION

- 1.1. Sustainable HR development**
- 1.1.2. Development of average staffing levels
- 1.2. Apprentice training**
- 1.3. Nurturing young talent**
- 1.4. Further development opportunities**
- 1.4.1. CAREER'S BEST RECRUITERS Award

2. RAISING AWARENESS

- 2.1. Healthcare and prevention**
- 2.1.1. Regular health checks
- 2.2. Corporate retirement provisions**
- 2.3. Occupational safety**
- 2.3.1. Reporting near-misses
- 2.3.2. Information using checklists
- 2.3.3. Focus on apprentice training

3. CLOSER COOPERATION

- 3.1. Representation of interests**
- 3.1.1. The European Works Council
- 3.1.2. Works Council commitment
- 3.1.3. Works Council activities, Austria
- 3.2. Internal communication**
- 3.2.1. Site Managers' Conference – knowhow transfer
- 3.2.2. RePORRtage
- 3.2.3. The PORRtal – electronic knowledge network
- 3.3. Sustainable initiatives**
- 3.3.1. Health
- 3.3.2. Sport
- 3.3.3. Culture
- 3.3.4. Social

4. NEIGHBOURS AS PARTNERS

5. PARTNERSHIPS IN THE NGO SECTOR

1. FURTHERING EDUCATION

1.1. SUSTAINABLE HR DEVELOPMENT

PORR's success stands and falls on the strength of its staff. This is why the company is committed to ongoing HR development: it supports and motivates staff members, builds loyalty to the company and, ideally, leads to employees staying with the company for longer.

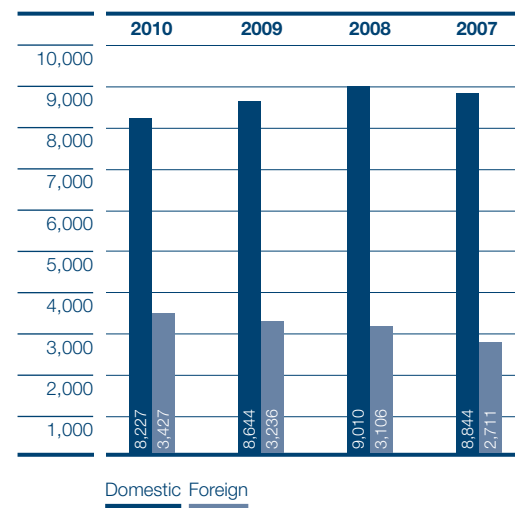
The extent to which company management recognises the value of its staff is reflected in its efforts to create an attractive working environment for everyone. It is also displayed in the fact that employees in the PORR Group are supported in an active and targeted way, thereby empowering them to pursue and achieve their individual development goals. Comprehensive initial training and ongoing further development is a key factor here, as the construction industry demands particularly intensive expertise. In the decentralised project business individual qualities and skills are decisive to the success of a project.

At PORR there is a wide range of opportunities for training and education on offer – customised for the different groups of people. Every course is practice-oriented and linked to the job, not only offering learners direct benefits, but also adding value for the company. Employees and workers whose strengths are recognised, who can achieve their goals, and who are supported along the way, are active, motivated and contribute more.

1.1.2. Development of average staffing levels

	2010	2009	2008	2007
Domestic				
Waged workers	5,576	5,922	6,309	6,244
Salaried employees	2,651	2,722	2,701	2,600
Total	8,227	8,644	9,010	8,844
Foreign				
Waged workers	1,506	1,383	1,376	1,250
Salaried employees	1,921	1,853	1,730	1,461
Total	3,427	3,236	3,106	2,711
Total				
Waged workers	7,082	7,305	7,685	7,494
Salaried employees	4,572	4,575	4,431	4,061
Total	11,654	11,880	12,116	11,555

Development of average staffing levels – domestic/foreign



Centre of excellence for training



PORR apprentices meet federal minister

1.2. APPRENTICE TRAINING

In the years 2009 and 2010 around 200 apprentices were trained at PORR in 13 different trades and vocations. The Group is well aware of its major responsibility and the challenge involved in helping young people enter the world of work and being right by their side.

PORR has taken on this task ever since it was founded and every year it invests massively in every single apprentice. A contribution which has not gone unnoticed by official bodies: PORR has been recognised by the State of Austria as a **centre of excellence for training** since 2010. The Austrian Minister of Economics presented the company with the Federal seal of approval for exceptional apprentice training.

PORR offers apprentices the highest level of training and education. »Karriere mit Lehre« (Eng.: careers with training) is not just a phrase in the company, but rather a maxim which defines the multi-year education programme. Today's apprentices are tomorrow's urgently needed specialists and it is they who will secure the company's ability to compete on international markets.

PORR places a high value on ensuring that additional training is given far and beyond the legally prescribed syllabus: twice a year vocational apprentices have the opportunity to spend a week at the Guntramsdorf Construction Academy, where they receive theoretical and practical tuition. The company covers all of the additional costs.

Trainees working in the commercial sector are also offered opportunities for extra training. Complementary English and IT courses, getting their computer driving licence, sports lessons and excursions are all provided to enrich the trainee experience and to establish a solid foundation for their future careers.

PORR apprentices are not just good, they are some of the best in their field. This has been proven time and again through the many awards won at professional competitions. Two PORR apprentices took first and second place at the 2010 competition of the special committee for the construction industry.

1.3. NURTURING YOUNG TALENT

The company introduced the **PORR Zukunftsfonds (future funds)** in order to integrate young, qualified staff into the PORR Group and to support their development. The fund is allocated a EUR 300,000 budget every year and supports individual training initiatives: in 2009 10 staff members from Austria and Switzerland received subsidies; in 2010 the fund supported 14 employees from Austria. One specific feature of this support scheme is that each of the chosen employees is assigned a mentor.

These measures give PORR an edge on the international market as there is a pool of »High Potentials« in every one of the Group's countries, giving the Group a clear competitive advantage over its competitors.

Another development initiative is the **PORR trainee programme**: young graduates get the opportunity to successfully kick start their careers as part of a »Training on the job« concept. The trainees work in different departments at PORR, learn about different business areas, and also take part in seminars on soft skills and team building. A period of working abroad is an important component of the programme. Training in professional and personal development seminars is part of the course alongside hands-on work experience and aims to showcase the prospects in the company for young, highly-qualified graduates.

In order to make people aware of the benefits of joining an international construction company, PORR took part in the **YPD Challenge**, a competition for

the best holiday jobs and work experience placements among leading Austrian companies. Pupils from grammar and vocational schools, along with university students of various disciplines, get an exciting insight into the working lives of top managers or gain experience at one of the company's most spectacular construction sites – the Sava Bridge in Belgrade.

1.4. FURTHER DEVELOPMENT OPPORTUNITIES

The range of internal training options is exceptionally diverse. The **porr-academy**, an online portal, was set up to make it easy for every member of staff to sign up for their preferred course. The whole training range can be accessed on the intranet; course selection and registration is also conducted online.

Options for further development and training at PORR are fundamentally split into two main areas – professional expertise and personal development.

Professional expertise:

- Construction technology
- Commercial skills
- Legal affairs
- Business administration
- Administration: information technology, secretarial skills
- Foreign languages

Personal development:

- Leadership skills/methodology skills
- Soft skills
- Social and intercultural training

Staff take-up has been exceptionally positive: in 2009 there were 2,047 staff members participating in internal training courses; in 2010 there were 1,604 participating staff.

The passion for continuous development is also reflected in PORR's own further training programmes: since 2009 the company has been offering two newly structured courses at the highest level. One programme is tailored towards construction managers, the other targets office managers.

»Leading Teams«, »Organisation and Culture«, or »Strategy and Leadership« are just some of the topics in the newly designed management course which prepare the managers of the future for the responsibilities which await them and support them in realising the challenges to come. The course is composed of nine modules which develop personal skills, leadership skills and soft skills in a practical way. Course participants come from different countries, sectors and jobs, which promotes professional exchange between participants. Another advantage of the course lies in establishing a uniform, modern management style, regardless of the participant's location and field of work. This contributes to promoting a strong and consistent company culture well into the future.

The second of the newly developed courses is the course for construction managers in cooperation with the University of Applied Sciences, FH Campus Wien. The »PORR FH Course« was specially designed for PORR and should give participants additional technical, commercial and legal knowledge. What is exceptional about this programme is that the course units have been specially designed for the professional needs of the PORR Group and coordinated with experts from the company. The tertiary-level course extends and builds on existing practical knowledge and teaches something new from the field of applied sciences and research, with a focus on being able to apply this quickly into participants' everyday work.

1.4.1. CAREER'S BEST RECRUITERS Award

The fact that ever greater importance is being attached to recruiting in Austria was proven by the findings of the CAREER'S BEST RECRUITERS study. It is primarily large international companies such as PORR who are succeeding through proactive employer branding when it comes to edging ahead in the »War for Talents«. The study evaluated 642 of Austria's top companies, judging them on the careers homepage, online job postings, trade fair presence, cooperation with universities and schools, reply times to applications, handling speculative applications, etc. PORR came out ahead of the pack and in 2010 the company received its first CAREER'S BEST RECRUITERS certificate from the Austrian Ministry of Science and Research. This award is a great success for PORR and proof of the fact that we are right on track in the race for the best minds and skills.



2. RAISING AWARENESS

2.1 HEALTHCARE AND PREVENTION

Given the broad range of services offered by PORR, it is not surprising that the requirements and health and safety demands on staff members vary greatly. The health and safety of every member of staff is crucial to PORR. This is why there is a range of measures on offer, not only aimed at avoiding illness but also actively improving health. With information, prevention, easy access to medical care and high quality work materials and protective gear, PORR cares about the health and safety of every single member of staff.

One core element in promoting good health is an awareness of the needs and requirements of your body. Unfortunately these are often neglected in the bustle of daily work. This is why **the first PORR Health Day** was held in February 2010.

Under the motto »Good health in the workplace«, employees were presented with information on nutrition, eyesight, ergonomic workplaces, balance and energy as well as mental health. The aim was for everyone to try something new and to join in. The canteen was transformed into a »foodie market«, with fruit, vegetables, dairy and wholegrain products available free of charge. There was a nutritionist on hand to give the staff expert advice on healthy eating. The Quality Management department informed staff about how to create an ergonomic workplace in order to avoid injury and strains. The company doctor and an optician held consultations on site. The range of medical support was complemented by a speech from the company coach on »Mental health in the workplace«. People could also have fun testing their balance using a springboard and a balance ball. Everyone at the PORR headquarters enjoyed the Health Day immensely and it is now held on an annual basis.

Regular sport is an important part of a healthy lifestyle. Every year the PORR Works Council provides numerous **sports courses** to staff at specially reduced prices: in 2010 staff could choose from different yoga courses, circuit training, bodywork, football, badminton, bowling, running or self-defence. The Group-wide ski championships, a Europe-wide football tournament and several tennis tournaments aim to encourage enjoyment of sport and to strengthen teamwork among employees. Furthermore, there are discounted memberships to fitness centres available to PORR staff, along with a swimming initiative and dedicated bathing beach in Vienna.

Alongside physical fitness, PORR attaches great importance to the mental wellbeing of its staff. This is why the company management was particularly keen to introduce a **company coach** to PORR on a permanent basis. This coach acts as a first port of call for every member of staff, particularly those who are under stress, are feeling overwhelmed at work, or even those with private problems. The coach also carries out mediation in conflict situations in teams and supports HR management with issues related to team building. The role of the company coach is rounded off with measures to increase self-awareness, thereby helping employees to overcome burn-out and deal with stress.

2.1.1. Regular health checks

Certain staff groups are at increased risk due to the nature of their work. For these people there are specialised check-ups on a regular basis, which help to prevent permanent damage and to reduce individual susceptibility to accidents. These check-ups are a fixed component of work routines and care is taken to ensure that they are carried out regularly.

Noise is an occupational health hazard which is specific to the construction industry. Modern protective

gear and clothing as well as the use of sound-proofing measures is not only a common feature at PORR, it is also compulsory. Hearing tests are carried out on a regular basis and 534 people had their hearing function tested in 2009. Thanks to ever quieter working methods and improvements in technical equipment and gear, the number of workers affected by hearing damage is falling steadily. Lung function testing is also a routine examination as welding fumes can lead to lung damage. In 2009 there were 502 lung function tests, with 767 in 2010.

Work in high pressure environments – for example when tunnelling under water – places a particularly high strain on the human constitution. Workers are thoroughly examined for their suitability before carrying out this work and are then subjected to regular hyperbaric check-ups.

One important contact point is the **company doctor**, who is available to all staff during fixed surgery hours. Regular medical examinations are also offered in the company medical office and are an important factor in preventative healthcare. In 2009, 56 members of staff underwent one of these examinations, with 69 people taking up the opportunity in 2010. In 2009 a total of 1,460 appointments were conducted with the company doctor, followed by 1,661 consultations in 2010.

The medical office also administers vaccinations and gives vaccination advice, for example prior to overseas travel. The tick-borne encephalitis vaccine is offered for a small contribution, with the company management covering the remaining costs. Flu shots were administered free of charge by the company doctor in 2009 and 2010 – the vaccine was particularly cheap for staff thanks to the centralised purchase. The number of employees who took the opportunity to be vaccinated was 343 in 2009 and 399 in 2010.

2.2. CORPORATE RETIREMENT PROVISIONS

The company's responsibility towards its staff does not end when they retire. This is why PORR offers all of its staff an additional corporate pension. This is a voluntary welfare contribution made by the company which should guarantee long-term financial

stability in addition to the state pension. Employees and workers are entitled to this benefit after five years' employment with the Group. Staff members also receive additional anniversary bonuses when they have worked with the firm for 25 or 35 years.

2.3. OCCUPATIONAL SAFETY

At the most basic level, any accident causes human suffering; this is why the health and safety of employees and workers is the top priority. An occupational health and safety management system, certified to OHSAS 18001, was introduced throughout the entire company in 2009, bringing together all existing measures and regulations and improving efficiency. These efforts have proven effective: the frequency and severity of accidents has fallen (every accident which involves missing at least one hour of work is evaluated).

Year	Accidents	Hours Lost	AS	AF
2009	545	92,443	1.03	60
2010	467	84,261	0.95	53

AS (accident severity) = hours lost/total hours in %
 AF (accident frequency) = (no. of accidents x 1,000,000)/total hours

In order to build on successes in this area, a comprehensive programme to reduce absence caused by accidents was initiated in 2010 and implemented across the Group. The programme was based on the accident statistics of the previous years as well as the expertise of the safety officers and people responsible for safety on construction sites. The programme focuses on two key areas under the motto, »Every accident is one too many!«:

DON'T look AWAY – look INTO it

- Identify and report any safety breaches or mistakes!
- Behaving recklessly with regard to safety will not be tolerated
- Everyone is a role model and an example to others through his own behaviour. Situational clarification, instruction and individual problem-solving should lead to a change in behaviour

Start out SAFE – finish HEALTHY

- Discuss the safety aspects of the day's work in a team before starting work
- Plan and use safety gear and equipment, take measures to improve safety
- Share your observations and experiences with others

The main aim of the programme is »Protecting people, equipment and the environment!«. Measures have been developed which should ensure long-term reductions in the frequency and severity of accidents and contribute to establishing an open culture of communication and error correction.

2.3.1. Reporting near-misses

Near-misses already have to be reported, analysed and evaluated as it is often the case that they are recorded but unfortunately then ignored. The near-misses draw attention to particular hazards, against which effective measures can be taken. This is why the Quality Management department published a registration form which can be accessed by every employee online and specifies concrete procedures in the following situations:

1. Employees and/or managers to report near-misses using the registration form
2. Responsible staff members to analyse reports and propose countermeasures in cooperation with the prevention officers
3. Responsible staff members to implement and follow up on the agreed measures
4. Communication in internal meetings

2.3.2. Information using checklists

Precise and obligatory work instructions and operating procedures provide a basis for safety at work and cover issues such as personal safety gear and rules on behaviour. Strict safety guidelines protect staff from physical damage.

One source of information is the checklists provided to managers. These documents describe how to work with hazardous substances and deal with dangerous activities and these instructions are discussed on a regular basis. In order to build on these and explore them in more depth, every two months there is a focus on one of these topics in the Group-wide online portal. Here managers encourage staff to get informed about the topic focused, thereby increasing awareness of health and safety and providing increased support and guidance.

Behaving recklessly with regard to safety will not be tolerated. If people do not adhere to operating procedures, there must be consequences tailored to each individual case: warnings, in-depth instruction, special training in cases of repeat transgressions, right through to legal measures; these all contribute to establishing a plausible culture of health and safety in the company.



2.3.3. Focus on apprentice training

Raising awareness on health and safety must begin as early as possible, preferably during the period of vocational training. This is why PORR has included comprehensive safety training as part of the apprenticeship programme for the past seven years: in addition to the mandatory curriculum, there is a three-week course dedicated to health and safety, which costs over EUR 1.5m and is covered in full by the company. 200 apprentices complete this programme every year. The goal of the training is to raise awareness of safety issues and to convey the massive importance of industrial safety. The course is complemented by a comprehensive mentoring programme with maximum practical relevance.

This exceptional training concept was awarded the **State Prize for occupational health and safety** in 2009. The prize, presented by the Minister of Social Affairs, recognises innovative and trailblazing ideas in the field of occupational health and safety, underling PORR's pioneering role in this field.

The many years of effort in improving safety have really paid off: the number of accidents has been falling since 2002. The frequency of accidents at work among under-19s is well below the construction industry's average. The severity of accidents and related time lost has also fallen dramatically among younger members of staff.



State Prize for occupational health and safety 2009



State Prize awards by the Ministry of Labour and Social Affairs

3. CLOSER COOPERATION

3.1. REPRESENTATION OF INTERESTS

Strong representation of interests leads to a good working environment. The interests of staff should be recognised, strengthened and communicated. This is why the company attaches great value to active dialogue with the Works Council.

In order for employee interests to be appropriately represented in management decisions, a total of 19 representatives from the Works Council committee have seats on the various special committees of the holding and its consolidated companies.

The core responsibilities of the Works Council cover the following tasks:

- Concluding bargaining agreements
- Assessing compliance to the collective agreement and to health and safety policy
- Negotiating voluntary, profit-related financial benefits
- Information on retirement, progressive retirement provisions, redundancy payments, support for employees in need and for dependant relatives after the death of active employees through monetary and other donations, etc.
- Implementing and promoting corporate welfare provisions
- Providing a foreign advisor in each country for every »PORR Expatriate« when posted abroad

3.1.1. The European Works Council

The institution of the European Works Council is a great accomplishment in view of the increasing integration of the single European market. This body deals with the rights of employees in international companies to consultation and information and represents them accordingly across borders.

PORR signed and implemented this EU guideline in 1999 and even increased the role of the European Works Council far beyond the legal minimums. The EWC holds a right of access to all workplaces in every country in order to assess occupational health and safety standards. The European Works Council also acts as a contact point for staff who are being deployed to other countries and need information related to employment or tax laws.

3.1.2. Works Council commitment

The activities of the Works Council extend far beyond the legal representation and, following in a long tradition, the Council offers schemes, initiatives and measures aimed at enhancing the work-life balance of staff members.

Excursions, ski championships at Group and company level, theatre trips, and healthy activities such as yoga, Pilates, football, badminton, bowling and races – these are all offered to employees at discounted rates.

3.1.3. Works Council activities, Austria

Participants	2010	2009
Subsidising theatre tickets	430	1063
Group ski championships	530	485
Company excursions	225	107
Martini dinner in autumn	305	298
Sports activities		
Yoga courses	39	23
Pilates courses		9
Bodywork	49	
Circuit training	32	
Indoor football	30	
Badminton	13	
Bowling	42	35
Running (enrolled)	130	180



Site Managers' Conference, 2010

SUSTAINABLE VALUE Adding value
Recognising value
 Preserving value

3.2. INTERNAL COMMUNICATION

PORR has established a variety of communication channels which are easily accessible to every member of staff in every country in which PORR is active. The goal is to involve staff in the events happening in the company, to keep them up-to-date with the latest information and ultimately to ensure transparency. In order to achieve these goals, attention is paid to the balance of communication measures: the »classic« newspaper format is thereby just as important as new media and the intranet. PORR also places a high value on personal contact: regular Group conferences and networking meetings strengthen internal cohesion and enhance the sense of »belonging« in the company. The Welcome Day is a key feature: shortly after joining the company, new staff members are invited to the headquarters. In the course of the event they are introduced to the history, structures and career opportunities at PORR and have the opportunity to get to know their colleagues.

3.2.1. Site Managers' Conference – knowhow transfer

Knowledge transfer and information exchange among internal experts is a top priority for PORR. The Site Managers' Conference, traditionally held once every two years, took place twice during the reporting period 2009 and 2010. Around 800 experts from

Austria and abroad were at the centre of PORR's service and technology show, highlighting the most important national and international construction projects from every sector of the company. The Site Managers' Conference facilitates the exchange of experience between »hands-on experts«, raising the status quo and enabling them to discuss the latest developments in the company's highly varied markets and sectors.

3.2.2. RePORRtage

The **RePORRtage**, the staff newsletter, was launched in 2001. Since that time it has been published four times a year, with reports on the latest projects, features on individual staff members and presentations of different departments. As PORR is very proud of its staff in Austria and abroad, employees are also encouraged to put pen to paper and report on exciting news of their own foreign travel or unusual hobbies. The RePORRtage also serves as a source of information on developments in the PORR Group and gives a useful insight into every sector. Furthermore, there are regular features on issues such as health and safety at work, published alongside practical tips. The RePORRtage is available in German, English, Polish, Czech and Hungarian.

3.2.3. The PORRtal – electronic knowledge network

The **PORRtal** is a communication tool which is highly service-oriented. The intranet is one of the Group's most important communication channels. News from every area of the PORR Group is put online every day. A comprehensive reference database makes it easy to find individual projects and contact partners. It is also home to every brochure, RePORRtage, press clipping, news item, annual and interim report. There is a company telephone directory and the »PORR Experts« tool, which enables staff to find experts on special topics and areas, allowing communication and networking among employees, regardless of the country or department in which they work. Another function of the PORRtal is PORR 4 U, offering extensive information around the clock. Whether you're looking for the canteen menu, jobs at PORR, training courses or the latest offers from the Works Council – this is where service comes first.

3.3. SUSTAINABLE INITIATIVES

PORR has long been aware of the fact that a company is much more than the sum of its business activities. Instead it is crucial that the company takes responsibility for the society in which it operates. Responsibility to society is more than just being fair to staff and stakeholders directly. Conscientious social responsibility also involves entering into strong partnerships with individuals and organisations who are committed to eradicating social inequality and constantly striving to make things better. This is why PORR supports a range of initiatives which are synonymous with professionalism and sustainability.

3.3.1. Health

In 2009 the **initiative for cancer research** held a sponsored run, which involved running laps on a circuit around the Vienna University campus, with a donation to cancer research at the Medical University of Vienna raised for every lap completed. In 2009, 27 PORR employees took part, doing a total of 433 laps and raising EUR 2,435. In 2010 there were 31 PORR staff members running, who completed 580 laps and raised EUR 3,210 for cancer research. All the money raised from

the fundraiser goes to finance important scientific projects for cancer research.

3.3.2. Sport

Handball, ski jumping or kayaking, PORR supports a broad range of up-and-coming and top sportsmen and women. After all, the team spirit which sport embodies is an important component of the corporate philosophy.

As one of the main partners in the »Go for Gold« initiative from the Austrian **Sports Aid foundation**, PORR supports top athletes and rising young talents. After all, not everyone who is involved in top-level sport gets top-level pay. Sports Aid acts as a contact point for Austrian sportsmen and women and their organisations, creating an environment for them to perform at the top of their game. A large amount of the financing for subsidies comes from sponsors such as PORR.

PORR also supports young athletes outside of Austria. For example, since autumn 2009 the PORR logo has graced the boats of the Hungarian canoeists, Kajos Gyökös and Róbert Tóth. Both men are **highly promising sportsmen** who have already won World Championship gold and European Championship silver and will be starters at the 2012 Olympic Games in London.

3.3.3. Culture

Over the past years PORR has established itself as a major contributor on the Austrian arts and culture scene. As in previous years, PORR once again subsidised the **Wiener Festwochen (Vienna Festival)** in 2009 and 2010.

The **Volkstheater in Vienna** also had a strong sponsor by its side in 2009 and 2010, with PORR providing exclusive support of the theatre's production of »The Graduate«. Support was also given to **Sommertheater Mörbisch**, and the production of »Jedermann«, sponsored by PORR, garnered great public acclaim in 2009.

»Open air classics« in the building pit. Construction sites and classical music need not be mutually exclusive. PORR proved this on the construction of the Musiktheater in Linz. Here the construction pit was

turned into a stage for the **»Classical Open-Air Festival«** and hundreds of visitors had the pleasure of listening to the Linz Bruckner Orchestra's rendition of works by Stravinsky and Rossini.

Recognising and supporting staff talent is part of PORR's corporate culture. This is how attention was drawn to the **steel creations** of Ronald Hanser, a welder at PORR-Tunnelbau, and how they came to be displayed at the headquarters in Vienna. Employees and visitors at Absberggasse were astonished at this PORRian's great talent.

3.3.4. Social

At the end of 2009 PORR started up a close partnership with the **Austrian Federal Fire Service Association**. When disaster hits, for example with large-scale fires, traffic accidents or chemical accidents, reacting quickly is the difference between life and death. It is therefore increasingly important for disaster management to have material and resources available quickly for immediate use. For major operations PORR provides equipment such as excavators and HGVs to the Austrian Fire Service quickly and without any red tape, thereby making an important contribution to protecting the public. As PORR has complete coverage across Austria, making these resources available provides additional strength to emergency relief initiatives.

One of PORR's major concerns is assisting people in our society who are disadvantaged. This is why, in December 2009, a staff charity initiative was launched at the PORR headquarters to support the »For Life« foundation. Staff members showed their enthusiastic support for this important association, founded by the Workers' Samaritan Federation. Supporting the **»Licht ins Dunkel«** initiative is also a well-established tradition. In 2009 the company decided for the first time to forego Christmas gifts for clients and business partners in favour of Licht ins Dunkel, thereby making a significant donation to Austria's largest humanitarian charity campaign.

Another important partner is the **Make-A-Wish Foundation** which supports children with life-threatening illness. As the wellbeing of children is a topic particularly close to PORR's heart, the company directly supports the organisation in a very personal way and decided to forego Christmas presents

for customers and business partners for the last two years in favour of supporting this initiative.

Furthermore, PORR supports the Edelhof children's home (Lower Austria), led by the »Congregation of the Sisters of the Poor Child Jesus«, giving a generous donation in the form of clothing vouchers.

As an international company PORR is aware of the social challenges at a global level. The consumer behaviour of people in industrial nations has a direct impact on the environment and the living conditions in southern countries. To do justice to this responsibility, PORR introduced **Fairtrade coffee** into the headquarters in 2009. As part of the launch, a »Day of Coffee« was held on October 1st 2009 and a tasting stand with Fairtrade coffee was set up in the Vienna headquarters. Employees were introduced to the great taste of the coffee and had the opportunity to find out about the Fairtrade organisation. Given the fact that PORR is committed to preserving the environment and implementing fair labour standards and working conditions, the introduction of fairly traded coffee is a logical consequence. For a product to bear the »Fairtrade« stamp, it must meet legal minimum wage standards and guidelines on working conditions. Small farmers, workers and their families are guaranteed an income through fair minimum prices.

When disaster strikes, PORR helps quickly and without any red tape

4. NEIGHBOURS AS PARTNERS

Anyone who builds makes a lasting mark on the environment, changing it for good. This is why PORR believes it is crucial to incorporate the people who in live in the surroundings into the construction process and that this must be one of the first stages of every new project.

Right from the planning stage an assessment is made as to the extent that anyone will be affected by the changes arising from construction. The first step is then to bring neighbouring communities and citizens into the planning process using targeted information. The next step involves establishing platforms which facilitate the discussion of questions and concerns related to the project, in order to clarify them and to discuss any areas of contention.

PORR takes the thoughts and concerns of neighbouring communities seriously and always tries to find an appropriate solution. In order to get people to relate better to construction projects, those affected are invited to certain projects as part of the opening

ceremonies where they receive valuable information about »their« new building. For example, a three-day celebration was organised for the opening of a large supply tunnel for drinking water in Zürich, which PORR helped to build: neighbours had a chance to view the tunnel – around 100m below the surface – in combination with a multimedia show. There was also an exhibition tent on site devoted to the topic of »drinking water«.

Everyday measures to include local communities are also important: if construction sites are particularly intensive with regard to dirt and dust, PORR takes care to ensure that dust levels are kept to a minimum. An industrial sweeper cleaned Siemensstraße up to three times a day on the large Siemens-City Vienna construction site and the grounds were also cleaned with water several times a day.

PORR also takes part in regional initiatives, which includes giving support to the »Neighbourhood Festival« in Monte Laa beside the company headquarters.

Sustainability isn't just "nice to have". It is much more than that - involving ongoing dialogue with stakeholders and guaranteeing transparency.

5. PARTNERSHIPS IN THE NGO SECTOR



Aus Liebe zum Menschen.



CHAPTER 3: PRESERVING VALUE

1. ENVIRONMENTAL MANAGEMENT

- 1.1. The environmental management system**
 - 1.1.1. The PORR environmental handbook
- 1.2. Preserving resources right from the planning phase**
 - 1.2.1. Environmental aspects catalogue
 - 1.2.2. Excerpt from the environmental aspects catalogue

2. ENERGY EFFICIENCY AND CUTTING CO₂

- 2.1 Climate protection in the company**
 - 2.1.1. Pilot project: gas-fuelled vehicles
- 2.2. Creating energy-efficient building**
 - 2.2.1. Promoting environmentally-friendly energy production

3. INNOVATION

- 3.1. Focusing on environmental technology**
- 3.2. Applied research and development**

4. WASTE MANAGEMENT

- 4.1. Construction and rehabilitation of landfills**
- 4.2. Recycling, processing and storing waste**
 - 4.2.1. Data on waste
- 4.3. Safe processing and storage**

5. AWARDS FOR NATIONAL AND INTERNATIONAL PROJECTS

1. ENVIRONMENTAL MANAGEMENT

Safeguarding the environment for future generations is one of the most pressing issues in today's society. And it is not only individuals who need to live up to this ecological responsibility – as part of society, companies must also play their part. The larger the company, the greater the responsibility.

PORR has a number of different approaches to conquering this challenge. From waste management on construction sites to developing new technologies which preserve resources, PORR uses a variety of methods to ensure that environmental protection is an integral part of daily life within the company.

1.1. THE ENVIRONMENTAL MANAGEMENT SYSTEM

PORR's own environmental management system, certified to DIN EN ISO 14001:2004, was implemented as part of the integrated management system to provide a solid basis for environmental awareness. This involves integrating ecological aspects into corporate decisions and means that environmental protection is one of the parameters of PORR's management approach.

The environmental management system lays out the way in which ecological risks and threats must be addressed in every one of the company's areas. Adherence to the environmental guidelines prescribed

in the management system is regularly assessed by an independent body in the course of environmental audits.

In addition to ongoing evaluation, an important part of the environmental management system is raising awareness: every area of the company is obliged to record and analyse environmental concerns systematically and to propose improvements. **Environmental information** is published regularly across the whole Group and keeps staff updated on issues such as handling waste materials and any legal changes.

1.1.1. The PORR environmental handbook

The **environmental handbook** is regularly published by the environmental engineering division and offers comprehensive information. It contains all important issues surrounding the topic of environmental protection, such as current emission limits, the latest legal regulations, contact details of the relevant federal and provincial offices, access to legal databases and interesting internet addresses. The handy publication aims to support staff members in realising environmental interests wherever they happen to be working.

When assessing environmental risks it is important not to forget to prepare for serious situations: on sensitive construction projects it is necessary to

draw up emergency plans in advance. This enables us to overcome problematic situations as quickly as possible and with minimal impact on the environment, or ideally to prevent them from occurring in the first place.

1.2. PRESERVING RESOURCES RIGHT FROM THE PLANNING PHASE

Building involves change. To ensure that these changes are not at the expense of people or the environment, PORR pursues a clear strategy: the systematic planning of every construction project is part of the environmental management system. Environmental risks are pinpointed during the planning stage along with an assessment of how environmentally friendly construction can be further optimised. A range of different variants are then developed and realised together with the client, taking into account environmental concerns as well as economic, technical, legal and political requirements.

During the planning stage attention is paid to optimum construction design: space is used to its maximum potential and care is taken to preserve as many existing trees or plants as possible. Environmental protection is also considered during the construction stage: by using cutting-edge equipment, PORR has managed to reduce water consumption by a significant amount on its construction sites in recent years.

1.2.1. Environmental aspects catalogue

The activities carried out by a construction company inevitably have an impact on different valuable resources. The main precious resources are local communities, air, earth, water, commodities, as well as reducing and recycling waste. Above and beyond legal obligations and other requirements to which PORR is obviously committed, the company is always interested in defining environmental targets which surpass the legally prescribed minimums. This is why the »Environmental aspects catalogue« was developed as part of the integrated management system. It serves as a basis for reporting the relevant environmental aspects of PORR projects and is published in electronic form. Some of the key points of environmentally-aware construction involve a focus on crucial criteria such as construction methods which preserve resources, environmental waste management, cutting emissions, environmentally-friendly concepts for transport logistics and freight handling, which must all be considered right from the planning phase.

SUSTAINABLE
VALUE

Adding value
Recognising value
Preserving value



1.2.2 Excerpt from the universally applicable environmental aspects

Environmental goals on construction sites	Programme/measures
Optimising the sorting of waste	Provide enough suitable, clearly marked containers for sorting waste; periodic monitoring
Reducing waste on construction sites	Incorporate construction material management into the planning phase; plan for construction methods which minimise off-cuts; optimise provision of materials
Optimising waste management	Incorporate recycling management into the planning phase
Preventing contamination of soil and water bodies	Provide oil binding agents; use biodegradable oil; have a catch tray underneath when refuelling
Reducing the amount of space needed for the site	Optimise planning of the site facilities
Optimising traffic flow (distances, energy consumption, emissions)	Optimise planning of traffic management (produce logistics concepts for transport)
Reducing noise pollution on construction sites	Use low-noise equipment/machinery and transport means; agree fixed times to carry out noisy works with the locals
Reducing energy consumption on construction sites	Use time switches in construction containers; automatic off-switches
Reducing emissions	Use of equipment/machinery with particle filters; use biodiesel
Reducing dust levels	Use dust extractors (machinery to bind the dust); reduce dust by spraying with a fine nozzle
Preventing contamination of traffic routes	Clean the roads; use a tyre-washing system if possible
Environmental aspects in the office	Programme/measures
Reducing CO ₂ emissions	Where possible, use district heating, solar collectors, air circulation system
Reducing electricity consumption	Unplug equipment when not in use; switch off various appliances instead of using standby mode
Reducing water use	Use dual-flush buttons on toilets; for new acquisitions, buy fittings with infrared features (for dispensing water), for efficient water use
Reducing paper	Reduction through double-sided printing; always question whether it is really necessary to print; when buying new printers, check that they have an automatic double-sided printing function
Waste disposal	Use reusable batteries; provide facilities for separating waste

By taking these criteria into account when planning projects and monitoring them during project execution, PORR is having a positive long-term effect on the environment and helping to reverse the growing impact of climate change.

2. ENERGY EFFICIENCY AND CUTTING CO₂

2.1. CLIMATE PROTECTION IN THE COMPANY

As an industrial firm, PORR uses a lot of energy in its everyday work. That being said, it is possible to save a significant amount of energy through various measures and energy-efficient operations. This leads to a reduction in fuel consumption and consequently to cuts in CO₂ emissions: there is significant potential for savings from the usage of the heavy-duty, construction equipment powered by diesel engines which is needed on construction sites. The PORR equipment management team is currently working on a plan to identify potential for savings and thereby pinpoint the areas where reductions can be made. Energy consumption has already been sustainably reduced, as the idle time of construction machinery such as excavators, wheel bearings and off-road equipment has been systematically minimised. Furthermore, a training programme on lowering fuel consumption when operating machinery is being developed. In the medium term PORR expects a reduction in CO₂ emissions of over a thousand tonnes per year, along with significant cost savings.

Another important aspect is logistics planning, which can make a significant impact on reducing CO₂. If means of transport and transport routes are optimised, it is possible to preserve energy resources and cut fuel consumption. PORR has been following this principle for years and therefore has a wealth of experience in this field, which is why in 2010 the company became a partner of klima:aktiv, a programme from the Austrian Ministry of Agriculture, Forestry, Environment and Water Management. This initiative promotes climate protection in the transport sector and its goal is to encourage as many companies, developers and public offices as possible to implement a mobility management system in order to cut greenhouse gases and rationalise transport.



Award from the Environment Ministry

2.1.1. Pilot project: gas-fuelled vehicles

The PORR Group has over 3,400 vehicles in its fleet. For several years now natural-gas double-cabin flatbed trucks and passenger cars have been part of the fleet. These vehicles run on CNG (Compressed Natural Gas) rather than conventional fuels, thereby producing much lower levels of CO₂.

Although there are also disadvantages to this scheme, such as lower cruising ranges, more limited load capacity, and slower speeds when transporting trailer loads, there are two key advantages:

- They are suitable for use in construction sites in urban areas
- The advantageous price of natural gas over diesel vehicles

This is why PORR will continue to use gas-fuelled vehicles in the future.

The Pfaffenau waste incineration plant is a high-tech waste processing plant on a global scale



2.2. CREATING ENERGY-EFFICIENT BUILDINGS

In addition to all of the company's measures towards energy efficiency which have already been mentioned, developing and constructing low-energy buildings is another important pillar of the sustainable energy strategy which is part of PORR's commitment to climate and environmental protection.

An optimised combination of different technologies enables PORR to create buildings which reflect the company's skills and abilities as a modern firm driven by networks of experts. In addition to economic criteria, ecological and social parameters play an important role. It is also crucial that attention is paid to customer needs: PORR's sustainable buildings must be affordable and offer great comfort and usability.

This is how a particularly lightweight slab system was developed, one which is especially suitable for very tall buildings. This system leads to significant cost savings on the building's foundations. Furthermore, this innovation preserves resources as it uses far less concrete than common slab systems.

PORR has been actively involved in project development and project management for *Passivhaus* and low-energy buildings for many years. The company was involved in developing and building Austria's largest ultra-low-energy buildings.

The way in which all of these buildings are constructed, fitted and operated ensures that as little energy as possible is needed for heating and cooling, thereby keeping running costs and energy bills extremely low. PORR has been involved in developing and promoting a building certification system in order to increase market awareness of the value of sustainable real estate. PORR offers its customers complex solutions in architecture, construction technology and building services which are geared towards acquiring a sustainability label for the buildings constructed. Real estate with this label is easily recognisable as a solid investment for the future which in turn has a positive effect on its market value.

When it comes to building construction, PORR is a complete service provider of residential and commercial buildings and an innovator in building services and fittings. A centre of excellence was set up in this area in partnership with an energy company and a university of applied sciences. This centre develops comprehensive plans and concepts covering architecture, building services and sustainable energy provision; the knowledge gained flows right back into training young scientists and engineers. With this PORR is investing in the future of sustainable construction and simultaneously contributing to qualified human resources.

2.2.1. Promoting environmentally-friendly energy production

As natural resources become ever more scarce, environmentally friendly power plants become ever more important. PORR is a pioneer in the construction of sustainable energy plants: over the past decades the company has built over 100 storage, hydro, wind, biomass and thermal power plants.

Alternative traffic routes

PORR has been an expert partner right from the start of Austria's underground rail history. For example on the construction of the U2 line in Vienna, PORR was responsible for the Schottenring and Stadion lots. Particular challenges here included crossing under the Danube Canal, the S4 and A23 motorways as well as numerous existing buildings. The extension of the U3 was also realised with PORR knowhow.

Pfaffenau waste incineration plant

The Pfaffenau waste incineration plant is a high-tech waste processing plant on a global scale. It guarantees the environmental removal and recycling of waste, making an ongoing contribution to a cleaner environment. After a two-and-a-half-year construction period, the plant began to generate electricity and district heating from Vienna's residual waste in September 2008. Processing around 250,000 tonnes of waste a year, the plant supplies



PORR has been an expert partner right from the start of Austria's underground rail history: U2 line in Vienna

around 50,000 Viennese households with district heating to meet their heat and hot water needs and also provides electricity to around 25,000 households. What is more, the plant itself produces all of the energy it needs in order to run (around 65 kWh electricity and 410 kWh heating annually).

3. INNOVATION

3.1. FOCUSING ON ENVIRONMENTAL TECHNOLOGY

PORR Umwelttechnik makes a particularly valuable contribution towards a cleaner environment and is actively involved in environmental protection through the services it provides in a variety of areas.

Experts with a wide range of different specialisms work together at PORR: their collective expertise in geology, chemistry, mechanical engineering, process technology and environmental law enables them to develop state-of-the-art, tailor-made solutions for customers and above all for the environment. The business fields of the environmental engineering division range from water treatment and soil decontamination to building waste sites and waste management. PORR Umwelttechnik has excellent research infrastructure which is employed even before construction itself and, for example, conducts searches for suitable sites for landfills.

One key player in developing and applying innovative methods is PORR's environmental laboratory. Close teamwork between technological and scientific experts results in a broad range of services:

- Taking specimens of solids (e.g. samples of earth and waste), liquids (e.g. water or groundwater samples) and gases as well as on-site assessment
- Preparing and extracting samples
- Chemical analysis of solid, liquid and gas samples – identifying heavy metals and organic parameters
- Chemical site supervision on rehabilitation projects
- Grading waste and soil (complete assessment)
- Evaluating and applying for exemptions
- Testing water
- Process controls at waste treatment facilities
- Developing methods for waste treatment (in situ and for mobile/stationary facilities)
- Initial assessment for identifying contaminated sites

All methods and processes are conducted in line with the quality specifications of ISO 17025. The high quality standards mean that all of the laboratory's data and findings are suitable for expert opinions and official surveys.

PORR sees sustainability as a tool for trust and quality

3.2. APPLIED RESEARCH AND DEVELOPMENT

In PORR's environmental engineering division partners from the worlds of science and business work on projects spanning several years, dealing with improving technical processes in civil engineering and preserving resources. One of these projects aims to use **tunnel construction as a source of raw materials**. On the one hand, excavated material should be used for the project itself to produce various construction materials. On the other hand it aims to recycle the waste in the construction industry and other industries such as agriculture. The tunnel therefore serves as a »mine« and helps to preserve resources which would otherwise have to be disposed of. Shorter transport routes also contribute to climate protection.

One particularly important method developed independently by PORR is the **BIOPUSTER® method**. It is used for waste treatment and significantly reduces pollution from methane gas, proven to be a key contributor to climate change. The BIOPUSTER® method involves blasting oxygen into waste, which alters the natural decomposition process and makes it much easier to dispose of hazardous waste. This method is used by authorities for the complete clearance of former landfills as it protects local communities and is better for the health and safety of the people working on site.

Another method developed by PORR Umwelttechnik helps to conserve **groundwater**: all of the water which collects when waste is stored is siphoned through special filters, so that it leaves the problem site in a purified state. This innovation also won the company an environmental award.



BIOPUSTER® cleaning at the Berger landfill

4. WASTE MANAGEMENT

4.1. CONSTRUCTION AND REHABILITATION OF LANDFILLS

One of PORR Umwelttechnik's other service areas is building landfills and waste incineration plants. Here the full service provider PORR also has everything in hand: from finding the right location through to planning, financing and building – PORR Umwelttechnik takes care of everything.

One recent example of a project like this is the construction of a waste incineration plant in Zistersdorf. This is the second waste incineration plant in Lower Austria and was fitted out with the latest in cutting-edge environmental technology. Over 70 percent of the waste is delivered by rail. The combustion heat generates around 100,000 megawatts of electricity per year. The exhaust gases generated from burning the waste are filtered through a state-of-the-art gas purifier, thereby keeping emission values as low as possible.

PORR has special expertise when it comes to hazardous activities such as rehabilitating landfills. According to estimates there are around 80,000 suspicious sites in Austria which have to be examined in the medium term and then rehabilitated if necessary. Particularly in the seventies and eighties industrial waste was often stored without any protective measures in Austria. Now these storage sites need to be opened up and completely cleaned out to protect local communities and the environment from contamination. This is where the BIO-PUSTER© method, developed by PORR and described above, comes into use. After this method has been applied, old landfills can be opened up and the waste can be removed safely and appropriately. This eco-friendly and highly effective approach is of paramount importance when dealing with vulnerable waste sites situated near ground-water reservoirs.

4.2. RECYCLING, PROCESSING AND STORING WASTE

Austria is an international trailblazer with regard to recycling construction waste. From the total 56.2 million tonnes of material disposed of as waste every year, over 50 percent is construction related. Amazingly, only around 0.67 million tonnes of this huge amount goes to landfill. Over 90 percent of this waste is recycled!

As a leading construction company PORR has played a major role in this success story. For many years PORR has had an internal environment and waste network which promotes the careful use of resources and reducing waste on construction sites. Mobile recycling is a particularly fast-growing area: construction sites have their own recycling facility on site which can process construction waste. This approach not only preserves resources, but leads to savings on cost, time and fuel, as it significantly reduces the need to transport waste. In 2010 PORR achieved an asphalt recycling rate of 93 percent and in 2009 an even better rate of 96 percent.

4.2.1. Data on waste

Total weight of waste in tonnes (t)

Year	2010	2009	2008	2007
Type of waste (in t)				
Non-hazardous waste	3,260	3,105	2,690	2,749
Hazardous waste	531	630	282	418

Disposal methods of non-hazardous waste

Year	2010	2009	2008	2007
Disposal method (in %)				
D1	12.9	17.8	13.0	18.4
R1	14.3	22.0	24.5	21.6
R1 and D1	26.3	21.6	21.8	18.0
R1 and/or R3	3.2	2.2	2.7	3.9
R3	13.6	15.7	17.6	20.2
R3 and R4 and R5	0.1	0.2	0.2	0.2
R4	12.1	16.0	11.8	9.8
R5	17.5	4.6	8.4	7.9

Disposal methods of hazardous waste

Year	2010	2009	2008	2007
Disposal method (in %)				
R1	67.5	50.6	62.2	72.2
R1 and/or R2	9.5	12.6	7.0	14.3
R1 and R3 and R5	15.9	16.5	12.3	8.5
R1 and/or R3 and R5	0.2	0.1	0.7	0.1
R1 and/or R9	2.7	0.7	7.2	0.7
R3 and R11	0.4	0.0	1.0	0.1
R3 and R4 and R5	0.5	16.4	1.3	0.7
R4	3.3	3.0	8.1	2.9
R4	0.1	0.0	0.2	0.4

Key:

R1: Main use as fuel or other means of generating energy

R2: Recovery/regeneration of solvents

R3: Recycling/recovery of organic substances not used as solvents

R4: Recycling/recovery of metals and metal alloys

R5: Recycling/recovery of other inorganic substances

R9: Refining oil or other ways of reusing oil

R11: Recycling waste produced from one of the methods listed from R1 to R10

D1: Storage in or on the earth (e.g. landfills)

* Disposal methods as per the waste framework directive 2008/98/EG, appendix 1 and 2

4.3. SAFE PROCESSING AND STORAGE

The professional disposal of any construction waste and debris which cannot be recycled is a major challenge, as ecological risks arise from incorrect storage. PORR has taken on this challenge and operates landfills at Haslau, Schwechat, Langes Feld and Tattendorf. Construction debris, excavated earth, residual waste and mass waste is stored at these sites in line with the strict regulations on landfill use.

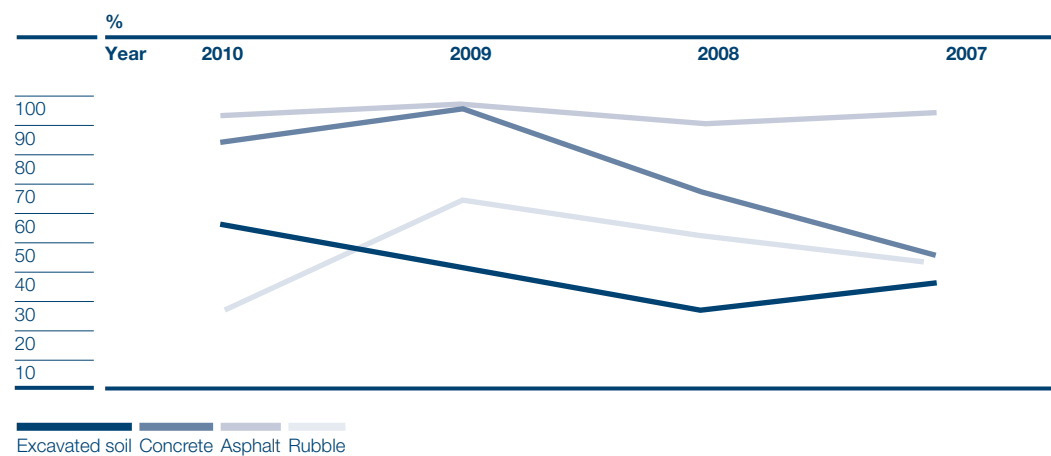
Residual and other waste is secured and partly cleaned at the aforementioned landfills. This calls on PORR's special expertise as an array of different methods are used to achieve this, ensuring that the water, earth and air remain unaffected. It is particularly important to reduce the spread of pollutants; PORR treats liquid, solid, inorganic, mineral and industrial waste at its immobilisation plants.

PORR offers customers a special advantage with its soil-washing plant, a waste treatment plant which successfully processes excavated soil, demolition waste and industrial waste, some of which can then be reused. The cleaning method is exceptionally complex and employs water and various cleaning chemicals, contributing to risk reduction. All PORR facilities are completely contained and equipped with cleaning systems for exhaust gases and wastewater. This means that emission levels are far lower than legally prescribed and that risks are minimised.

Recycling rate of construction waste in %

Construction waste	2010	2009	2008	2007
Excavated soil	55	41	29	37
Concrete	85	95	68	46
Asphalt	93	96	91	94
Rubble	26	64	52	43

Graph showing recycling rate of construction waste in %



5. AWARDS FOR NATIONAL AND INTERNATIONAL PROJECTS

Solid Bautechpreis	Sava Bridge in Belgrade with a length of 929 m
Solid Bautechpreis	Kiel Fjord in Kiel – utility tunnel project
ÖGNI certificate	Education campus project at Nordbahnhof
Partner of the month	PORR Suisse recognised by Schweizerischen Bundesbahnen Infrastruktur for exceptional services when an ICN was derailed



PORR'S PLANS

PORR has a lot planned for the coming years in order to be fit for the challenges of the future. Since the end of 2010 the company has been working on a new organisational structure with flat hierarchies and simplified structures. Overlaps and duplication on the markets will be avoided by replacing the former array of divisions and subsidiaries with a new structure split by sectors and regions. This re-organisation process will be completed throughout the course of 2011.

A list of targets was published in the 2009 Sustainable Value Report, some of which have already been realised, others initiated. Many are subject to an ongoing development process, for example in the field of R&D. In the reporting period 2009 and 2010 new goals have also been formulated; these include activities related to diversity and the introduction of an ethics code, which will be available alongside the publication of this report.

PORR sees sustainability as a continuous process and believes that by living up to our responsibilities we can avoid errors and experience further growth. This is why we have to formulate goals which will contribute to this process:

Goal	Action
Continue to develop ways of communicating with stakeholders	Develop the intranet, integrate those responsible for communication
Healthy eating	Awareness raising
Continue to improve measures to promote good health	Health Day introduced in 2010, develop this further
Introduce a staff proposal system (suPORRt)	Launch at turn of the year 2011/2012
Survey and analysis on staff satisfaction	2011
Diversity	Evaluation and implementing further measures
Purchasing and suppliers: increase the ecological and social criteria for procurement	Awareness raising
Savings on paper and printing	Awareness raising
Savings on energy consumption	Awareness raising
Driver safety training	Start end of 2011
Develop cooperation with NGO sector	Measures to include awareness raising
Occupational health and safety	Awareness raising



We've got a lot planned - let's get going!

ABOUT THE REPORT

This report covers the period from January 1st 2009 to December 31st 2010.

According to the 2008 Supervisory Board resolution, publication of the Sustainable Value Report of Allgemeine Baugesellschaft A. Porr AG was originally planned on a bi-annual basis. However, as PORR believes that ongoing dialogue with every interest group should be conducted annually, there will now also be an interim value report in the years in between.

Comprehensive reorganisation measures were carried out in some areas of PORR during 2008 and 2009. This means that comparing the different values and statistics is not as conclusive as PORR would have wished. Given the fact that further reorganisation measures were carried out in PORR at the beginning of 2011, there will not be data available to enable reliable future comparisons to be made until the next Sustainable Value Report. It will then be possible to trace developments, analyse them and work on improvements.

Equal opportunities and non-discrimination in terms of gender is of great importance to PORR. In order to make the text easier to read, either the feminine or the masculine form is used. This can mean, for example, that »his« is used in the text, rather than »his/her«. This approach is a form of shorthand and in no way implies gender favouritism. Any dates which are given as figures correspond to European conventions of dd.mm.yyyy.

This Sustainable Value Report is published in both printed and electronic form and aims to document the issues which PORR believes highlight the company's social commitment and which are relevant to all stakeholder groups. All other data on the company can be found in the Annual Report and consolidated financial statement, which is available online at http://www.porr.at/porr/porr/German/media/PORR_GB10_e.pdf. The 2011 Sustainable Value Report has not undergone an external evaluation or review.

NOTES

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Media proprietor

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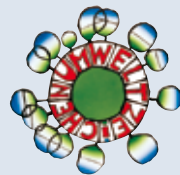
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