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SUSTAINABLE VALUE

SUSTAINABLE VALUE REPORT 2012

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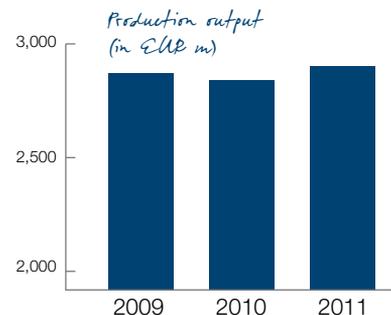
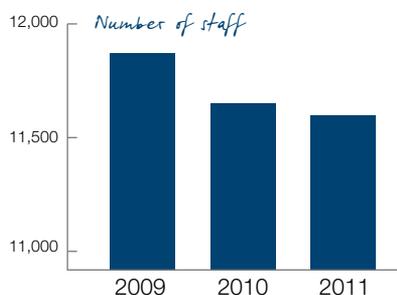
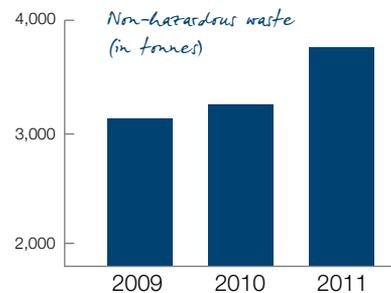
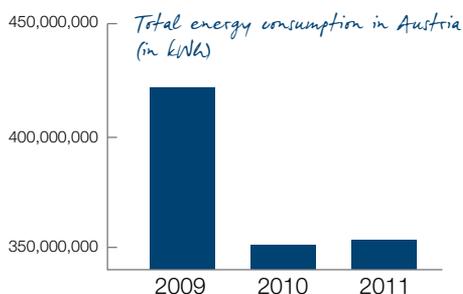
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Key figures 2009 to 2011

Adding value	Unit	2011	2010	2009
Production output	EUR m	2,905.6	2,826.0	2,877.0
Revenue	EUR m	2,212.5	2,217.5	2,457.3
Consolidated profit/loss	EUR m	-72.2	16.7	31.0
Recognising value	Unit	2011	2010	2009
Domestic staff	Number	8,205	8,230	8,644
Foreign staff	Number	3,392	3,425	3,236
Total staff	Number	11,597	11,654	11,880
Average training days per employee, domestic	Days	1.18	1.27	n/a
Accidents at work, domestic	Number	511	467	545
Preserving value	Unit	2011	2010	2009
Energy consumption, domestic	kWh	354,579,598	352,671,572	421,329,402
Energy consumption, domestic/ Production output	kWh/EUR	0.122	0.125	0.146
CO ₂ emissions, domestic	Tonnes	95,625	95,306	114,501
Non-hazardous waste	Tonnes	3,775	3,260	3,105
Hazardous waste	Tonnes	262	531	630
Recycling rate construction waste	Percent	63	26	64



Awards



"Safety First" campaign nominated for the "2011 National Award for Occupational Health and Safety"

1st place, "Career's best Recruiters 2010/2011" – awarded by the Federal Ministry of Science and Research



Recognised as a "Centre of Excellence for Training" by the State of Austria since 2010

"Solid-Bautechpreis" 2010 for the Sava Bridge and Kieler Förde projects



IAT GmbH awarded the eco-friendly title "ÖkoBusinessPlan Betrieb" by the City of Vienna

"National Award for Occupational Health and Safety" in 2009



Highlights 2011/2012

- ✓ February 2011: Health Day at PORR
- ✓ March 2011: PORR partnering the Integration Day
- ✓ April 2011: Participating in the 10th Vienna Daughters' Day
- ✓ May 2011: EURO PLATA 4 office building: certified to ÖGNI (Österreichische Gesellschaft für nachhaltige Immobilienwirtschaft), awarded Gold Status
- ✓ June 2011: Publication of the PORR Mission Statement and Staff Charter
- ✓ September 2011: New design & engineering department with sustainability department
- ✓ December 2011: HTL4Girls - "Tech-Dating" at HTL Mödling
- ✓ January 2012: Start of fleet testing with electric cars in Austria

"We live our values, day in, day out."

INTERVIEW WITH CEO
KARL-HEINZ STRAUSS



Mr Strauss, this is PORR's third Sustainable Value Report. What was your experience of the first two?

Positive throughout. When we decided to increase publication of the Sustainable Value Report to once every year we could not have foreseen the extensive positive external and internal sparks which would result from this project. We have received positive feedback across the board from external stakeholders, while internally we have been able to make long-term improvements to our guiding principles through our work on the reports.

Sustainability is a common term. Why then does PORR talk about "sustainable value"?

We are convinced that "sustainable value" more closely describes our approach to the entire topic. At the end of the day it is all about defining values, optimising values and above all living our values, day in, day out. Whether it's adding value, recognising value or preserving value – we always strive to express the respect which we have for other people and for the environment.

Have you been able to see positive growth or rather any improvements in the Group?

Yes, and in multiple areas. Naturally, in the course of our reorganisation we also considered the aspects of sustainable value in every measure we implemented. A lot of the suggestions and contributions came from the staff members themselves. For me it was a great experience to see how firmly the values and the essence are embedded in the team at PORR. We also carried out intensive work on our mission statements last year – for interaction with colleagues as well as our approach to customers, partners, other market participants and society in general.

On the topic of staff – what role does "recognising value" play in a normal day at work?

The phrase "PORRians" has been around at PORR for a long time. We understand it to mean colleagues who display team spirit, dedication and enthusiasm. PORR is an international company operating in more than 15 countries and it employs staff members from 37 different nations. There are many different skin colours, religions and social backgrounds. Put simply, PORR is truly a multicultural company. Our principles create a sense of cohesion and team spirit, as does the way in which we recognise value. This guarantees a culture of communication, fairness and a working atmosphere which is highly appreciated.

What do you consider to be particularly important with regard to "sustainable value"?

I follow all of the initiatives with great interest. As a large construction company we have a huge responsibility to society and the environment, as we are privileged to work in surroundings which will form the backdrop to our future lives. Here both the small and the major decisions call for respect and caution. Encouraging staff to be responsible and dedicated is a key focus of mine. I believe that our employees are PORR's greatest asset. In order to bring the huge wealth of potential for ideas and improvements in the company to the forefront we designed the support contest in 2011 which will be implemented for the first time in the first half of 2012. I eagerly await the staff's contributions and suggestions.

We "PORRians" have team spirit, dedication and enthusiasm!

PORR at a glance

Modern, international, trailblazing

The PORR Group today is one of Austria's largest construction companies and one of the leading construction firms in Europe. With numerous locations in CEE and SEE, it is involved in realising trailblazing construction projects. Furthermore, PORR is carrying out selective expansion into international markets in the Middle East and Russia. PORR's in-depth expertise, passion for innovation and motivated staff provide the basis for its top quality services.

2011 – The year of reorganisation

In order to overcome the challenges of the future, PORR implemented a new organisational structure. The "new" PORR has flat hierarchies and a simple structure. Three success factors have thereby made PORR even more productive: clear responsibilities, streamlined and flexible structures and transparent management. The Group's reorganisation is accompanied by the "**fitforfuture**" programme. Alongside the structural changes, this programme enables the PORR Group to get itself fit for the future in terms of organisation

Efficient organisational structure with streamlined holding

At the head of the PORR Group there is a streamlined holding with five divisions – Strategy and Mergers & Acquisitions, Internal Audit, Group Management, Communication and Risk Management/ICS. All other divisions in the Group have been merged into a "Shared Service Center" which acts as a central service provider for the entire Group. The holding functions as a strategic umbrella under which Porr Bau GmbH is positioned. Porr Bau GmbH was created in 2011 through the merger of

Porr Technobau und Umwelt AG, Porr Projekt und Hochbau GmbH and Porr GmbH. The numerous individual, country-specific companies are included in this large Bau GmbH. All permanent business in building construction and civil engineering is divided into three regions. In addition there are sectors which bundle the Group's core competencies and are responsible for their specific business area in every market.

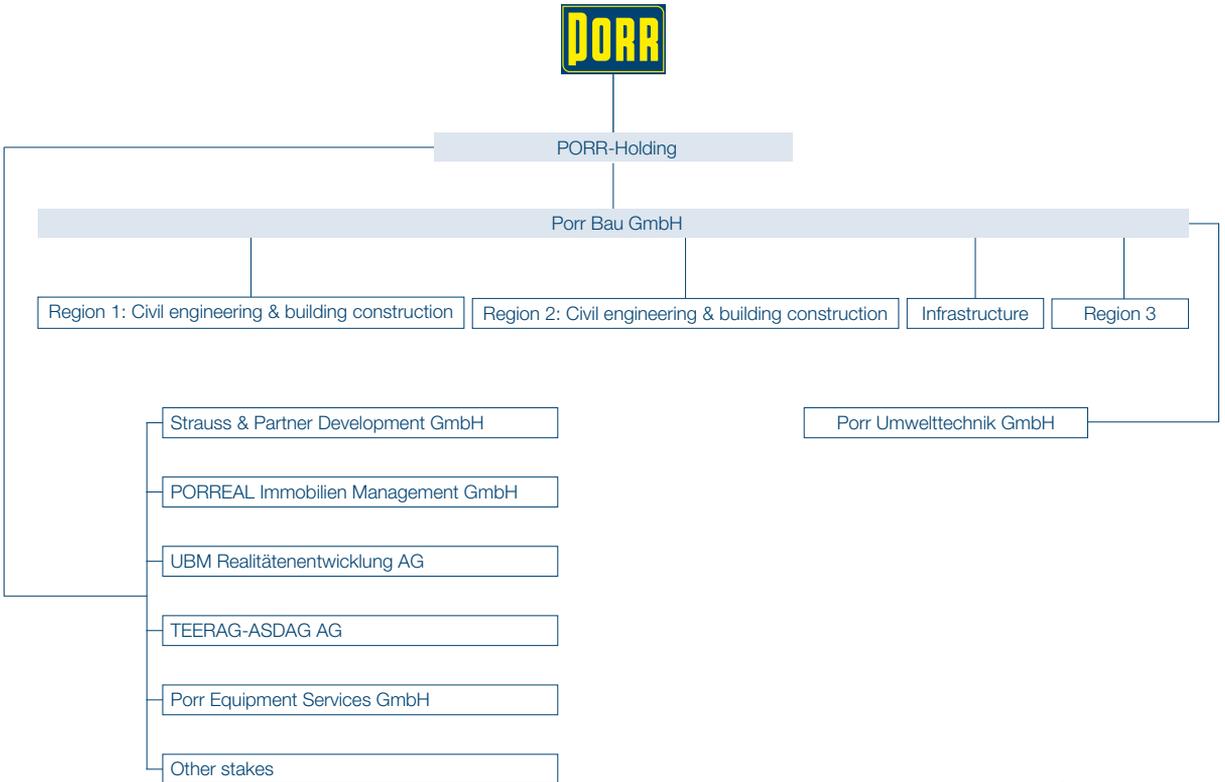
Takeover of TEERAG-ASDAG

This new organisational structure also includes the complete integration of TEERAG-ASDAG AG. On August 3rd 2011 PORR acquired the shares of Wiener Stadtwerke Holding AG in TEERAG-ASDAG.

Regions and sectors

Region 1 is responsible for the markets of Austria, Germany and Switzerland as well as large-scale building construction projects. Region 2 encompasses the home markets of Poland and the Czech Republic as well as the core markets in the CEE/SEE region. These are complemented by the Infrastructure and Region 3 segments. The Infrastructure sector is composed of the departments for tunnel construction, railway construction, large-scale civil engineering projects, road and bridge construction, power plant construction and foundation engineering, while Region 3 bundles the Group's activities on the Middle Eastern markets (Oman, Qatar), the CIS region and Turkey. The Environmental Engineering segment is home to PORR's expertise in environmental clean-up, waste, renewable energy and water/wastewater.

Company structure



Status as of April 2012

New property management structure 2011/2012

In the course of the reorganisation the two development specialists – Porr Solutions Immobilien- und Infrastrukturprojekte GmbH and Strauss & Partner Immobilien GmbH – have merged to form Strauss & Partner Development GmbH. As part of the Group's

new alignment, the Development sector thereby also has the framework to implement the new strategy. A second change relates to Strauss & Partner in the field of property management and FMA Gebäudemanagement GmbH. In the future they will go by the name of PORREAL and offer a full service portfolio in property, facility and asset management as well as real estate consulting.

The year 2011 in figures

In 2011 PORR managed to put a stop to the negative trend of the two previous years, thereby reporting an increase in production output for the first time since 2008. The output of the PORR Group reached EUR 2,905.6m, a rise of 2.8% or EUR 79.6m. The Group's growth in production output was higher than the European average, which Euroconstruct calculated as -0.6%.

PORR counteracted the 2011 crisis with a strategic concentration on the home markets of Germany, Austria, Switzerland and Poland. While it was true

that the public sector was also undertaking consolidation measures in these countries, the austerity measures were less restrictive than those on most of the core markets. As a reaction to the crisis in Eastern Europe, the previously announced flexible approach to differing market developments was realised consistently. This also included the temporary withdrawal from individual markets such as Croatia, where PORR is currently only involved in project development.

Key figures of the company

in EURm	2011	2010	2009
Production output	2,905.6	2,826.0	2,877.0
of which domestic	1,822.2	1,774.5	1,787.5
of which foreign	1,083.4	1,051.5	1,089.5
Foreign share in %	37.3	37.2	37.9
Revenue	2,212.5	2,217.5	2,457.3
Consolidated profit/loss	-72.2	16.7	31.0
Total assets	2,144.5	2,177.9	1,990.8
Equity (incl. NCI)	303.2	477.3	475.7
Order backlog	2,764.2	2,448.9	2,683.9
Order bookings	3,220.9	2,591.1	1,998.9

PORR locations

PORR Group defines its markets by three categories:

The home markets are composed of Austria, Germany, Switzerland, Poland and the Czech Republic. Owing to the stable economic situation and the good credit standing, PORR is represented here with every product and service and offers comprehensive coverage.

The core markets are Romania, Serbia, Bulgaria and other countries in Eastern and South Eastern Europe. PORR has a selective approach to the core markets in terms of sectors and project business. There are plans to extend the range as the economic situation improves.

On the international market PORR concentrates on the countries Qatar, Oman, Turkey and Russia. On these markets PORR offers services for large-scale projects in every sector where it has a good reputation and experience. This applies in particular to infrastructure.

In the coming years PORR will selectively extend its presence on the home markets and core markets as well as on the international stage.

Home markets

- 1 Austria
- 2 Germany
- 3 Switzerland
- 4 Poland
- 5 Czech Republic

Offering all products and sectors with complete coverage

Core markets

- 7 Romania
- 8 Serbia
- 9 Bulgaria and other CEE/SEE markets

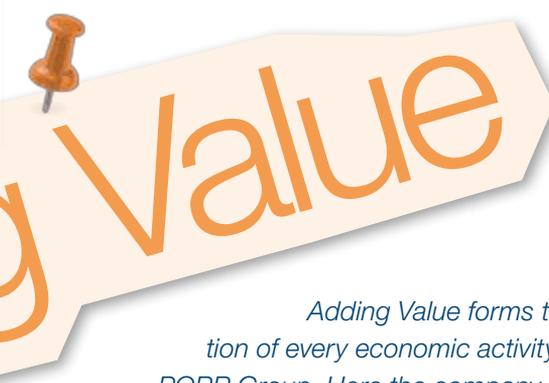
Selective range – extending business coverage as far as economic and political conditions allow

International markets

- 10 Qatar
- 11 Oman
- 12 Turkey
- 13 Russia

Selective, professional and profitable international expansion





Adding Value

Adding Value forms the foundation of every economic activity within the PORR Group. Here the company engages in ongoing dialogue with all stakeholders and always has a focus on a long-term increase in company value. This strategy has been behind PORR's continuing success for more than 140 years.

PORR builds for generations and shapes people's living conditions with its products and services. By building homes and infrastructure the company creates modern, sustainable living environments. This is why PORR sees itself as **shaping society** and takes its social and ecological responsibilities very seriously.

Shaping the future has a long tradition at PORR. The fact that Corporate Social Responsibility (CSR) is firmly embedded in the company's structure, organisation and goals, guarantees sustainable business dealings which are fit for the future and subject to constant development.

PORR's corporate strategy does not look to short-term profit, but rather strives for sustainable growth which will secure the company's long-term stability.

Thanks to clear guidelines such as the Code of Ethics or the Staff Charter, all activities within the Group are centred around the concrete principles of **legality, openness and transparency**.

Transparency also calls for regular reporting on the company's sustainability performance. In this report PORR has aligned itself to the Global Reporting Initiative guidelines for the first time.

PORR takes seriously its responsibilities to shareholders, staff, customers and society and is involved in an open, transparent dialogue with its stakeholders. This allows requirements and expectations to flow into business processes as well as facilitating the targeted, sustainable development of products and services.

Sustainability as a corporate strategy

Sustainable value: CSR within the company

For PORR 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 Corporate Social Responsibility. Conducting business sustainably and considering our society and future generations is a crucial principle, particularly for the construction industry.

Sustainability is applied across the board in the Group and has found its way into every area of the company. The PORR Group understands the term "sustainable value" to play a key role in the ongoing development of the company: "recognising value" as it applies to the staff; long-term value added, i.e. "adding value"; as well as the great importance of "preserving value" in terms of the environment.

These have been part of PORR for decades and transformed the Austrian construction company into an international group.

PORR's commitment to the field of CSR is exceptionally multifaceted and is based on the **three pillars of sustainability – society, economy and ecology**. Particular attention is paid to incorporating aspects of sustainability early on, right in the projects' concept and planning phases.

In September 2011 a new division was installed for this purpose; it is called **Design & Engineering** and realises the integrated planning approach in the company. By incorporating the individual departments of architecture, engineering, building technology and sustainability, everyone involved in planning has been brought together into one responsible division. This has anchored sustainability even more firmly within PORR's core business.

PORR Design & Engineering services

Building certification systems

- Consulting
- Calculations (LEED, DGNB auditors)

Life-cycle cost determination

- Consulting, energy consulting
- Calculations

Renewable energy

- Hydropower
- Biomass power plants
- Biogas plants
- Photovoltaics
- Wind power



Compliance

A fair and open approach to stakeholders builds trust. This is why the **Compliance Guidelines** were implemented across the whole Group as early as 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 are regularly updated to conform to the changes in the law. The last adjustment took place in November 2007.

A dedicated compliance officer is responsible for monitoring the Compliance Guidelines, this officer reports directly to the Executive Board and ensures adherence to the guidelines. These standards and regulations protect PORR's staff and ensure that the same conditions apply to every market participant.

Corporate Governance

PORR views Corporate Governance as an all-encompassing concept in the context of **responsible and transparent company management** and the comprehensive auditing that accompanies this. The Executive Board and Supervisory Board work closely together in the interests of the company and its staff and are involved in the ongoing evaluation of the development and strategic direction of the PORR Group. Constant dialogue with all relevant interest groups builds trust, also in corporate activities, and provides the basis for sustainable company development in the future.

So far, the PORR Group has made no formal declaration committing itself to observance of the "Austrian Code of Corporate Governance" as the code regulates the "prime market" and is only mandatory for companies listed on the "prime market". At present, all ordinary shares and preference shares of PORR AG are listed in the "standard market auction" segment. This means that commitment to the Corporate Governance Code is not compulsory for the company.

PORR does however – as it has for many years now – comply with all mandatory regulations and most of the "Comply or Explain" rules (C-Rules) from the Corporate Governance Code. To ensure that this continues, an internal working group is dealing with this issue in detail.

This code is available to the public on the homepage of the Austrian Working Group for Corporate Governance at www.corporate-governance.at.

Doing business responsibly

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 PORR **Code of Ethics** provides a foundation for all corporate activities and decisions within the Group. It is a basis for behaviour which is morally, ethically and legally irreproachable, applying to every member of staff and helping to avoid errors of performance or judgement as well as promoting the values and principles stated. Every employee at PORR must adhere to these values and principles, irrespective of his/her contract, position or place of work.

The PORR Values



The **Corporate Mission and Staff Charter** were developed in 2011 on the basis of the Code of Ethics; these were then communicated to all employees using an array of information measures, including the intranet (**porrtal**), staff magazine (**reporrt**), posters and tabletop displays, as well as a letter from the CEO. The Staff Charter applies in equal measure to every employee, regardless of function, hierarchy and location. Every individual staff member must contribute his/her skills and services in the spirit of the corporate values, as the actions of every employee play a crucial part in achieving the corporate goals. The Staff Charter provides guidelines on daily interaction and guarantees motivated staff who identify strongly with the company both now and in the future.

Steps to develop a **Management Charter** began in autumn 2011 and an announcement on the results is expected in the first quarter of 2012.

Integrated Management System and Risk Management

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)
- BH SAS 18001:2007 (occupational health and safety management)

The integrated management system at PORR guarantees **quality and profitability** as well as protection in terms of the environment and occupational health and safety. PORR is therefore responding to growing demands from its customers, shareholders, staff, partners and society for greater quality.

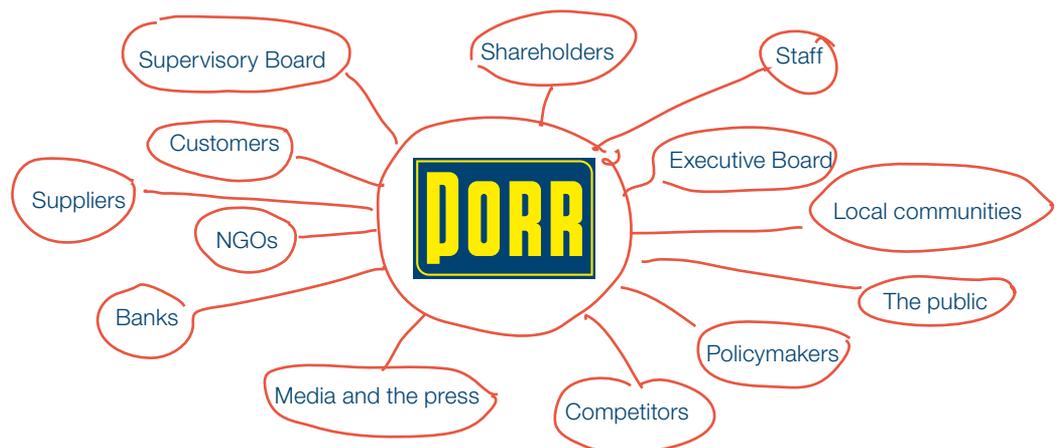
With a uniform and transparent risk management policy PORR promotes an awareness of strategic and operational risks, helping these to be identified early on. Identifying and mitigating all risks – including risks related to performance, finance, the environment and safety – is the top priority of PORR's risk management.

Furthermore, it must protect company assets, secure the efficiency and effectiveness of operational processes and ensure the reliability of financial reporting. This is achieved by PORR's internal control system (ICS), which has been aligned to compulsory EU standards since 2009 and whose goal is a comparable evaluation of the effectiveness of the ICS. The key here lies in ongoing dialogue with the stakeholders in general and the Supervisory Board in particular.

Stakeholders as partners

PORR is constantly in contact with different social groups and has a range of stakeholders that play a role both in and for the company. As every stakeholder group has highly specific interests, these can naturally also result in conflicts of interest. PORR counters these conflicts with maximum transparency, open communication and information, as well as balancing all of the different interests. PORR is always available to its stakeholders as a partner for talks and negotiations and constantly strives for a respectful approach.

PORR's stakeholders



Information, transparency and a respectful approach to communication with every stakeholder are top priorities for PORR. An array of measures to achieve this is in place:

- Staff appraisals at least once a year with the management
- Communication with staff through the “**reporrt**”, 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” at 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



Monte Laa neighbourhood festival

So-called best criteria – social and ecological standards – are determined and applied when placing contracts and orders. For example, since 2010 all of the workwear purchased by PORR has been SA8000 certified. Based on the international workplace norms of the International Labour Organisation, the SA8000 standards guarantee fair working conditions and adherence to welfare criteria worldwide.

Furthermore, PORR also expects its contractual partners to commit to maintaining these minimum standards in their dealings with their own business partners.

One particular challenge in this field is to enforce environmental and welfare standards in the supply chain on every project which is realised in countries with weaker governmental oversight. PORR has created suitable compliance and governance structures specifically to avoid corruption in these countries.

Approach to business partners and suppliers

The corporate culture at PORR is based on the premise that long-term corporate success can only be sustainably achieved if everyone works together and operates in line with social, ethical and moral principles. This also applies to the competition: transparency and honesty form the backbone of every business relationship. PORR is careful to adhere to the principles specified in the Code of Ethics when selecting business partners, suppliers, etc.

Investments, research & development

Committed to Europe's growth regions

The strong home markets of Austria, Germany, Switzerland, Poland and the Czech Republic 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 selective, professional and profitable international expansion starting out from this strong region, thereby guaranteeing healthy and sustainable growth in the long term.

PORR also has extensive experience and excellent customer relationships on its core markets in the CEE and SEE countries. PORR has been successfully realising projects in Slovakia, Hungary, Romania, Serbia and Croatia for decades, particularly in the infrastructure sector. The strategy is centred around organic, sustainable growth within existing markets, in order to maximise benefits from the huge development potential, particularly in the infrastructure sector.

Developments in the MENA region and Russia – where PORR is expanding together with its Turkish partner RENAISSANCE – also represent a key factor for the company's future output. Growth in this region is dependent on individual large-scale projects, which are being developed together with the infrastructure and environmental engineering sectors. On these markets PORR presents itself as an expert, premium provider and infrastructure specialist. Given the uneven political situation in the MENA region, PORR concentrates selectively on carefully chosen markets such as Qatar, Oman and Turkey in addition to the Russian market. Risk management is a focal point in international expansion and once again highlights PORR's risk-averse approach.

Financing from reliable partners

In times of economic turbulence PORR's expertise in project financing has proven to be particularly useful. The Group's cooperation with international finance institutes is a particular distinction. PORR works together closely with the World Bank subsidiary, the International Finance Corporation (IFC), to realise construction projects. 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.

Successful examples of the cooperation between PORR and the IFC include the planning, construction, financing and operation of the new domestic waste disposal sites in the Serbian cities of Jagodina and Leskovac, for which PORR won the order in 2008. Both of the landfills have now been completed and PORR continues to operate them together with a partner company. Furthermore, PORR has implemented an investment programme on site, supporting the construction and operation of the new municipal landfills. In addition there is the task of



Jagodina landfill

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.



CEO Strauss and EBRD Director, Sue Barrett, shake on a cooperation agreement

The second of PORR's important co-operation agreements was concluded in January 2012 with the European Bank for Reconstruction and Development Bank (EBRD). The EBRD is a partner to PORR, providing financing for projects in Serbia. The EBRD has provided a loan for the construction of a factory for manufacturing rail track parts in the Serbian city of Svilajnac. PORR intends to increase its commitment to SEE rail construction with this project. Following on from the cooperation with IFC, the World Bank subsidiary, the EBRD loan is PORR's second project with an international finance institution in Serbia.

Concession models – partnerships for the future

In times of restrictive state budgets and a difficult economic backdrop, concession models are becoming an ever more important form of financing, particularly for the infrastructure sector. They play a central role in realising large-scale infrastructure projects. Despite national budget restrictions, they enable the continued realisation of construction projects which serve in turn to stimulate the economy.

The advantages of concession models 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.
- If the concession period has a specific end date, ownership of the construction project is immediately transferred to the public principal without incurring any further costs.

PORR has accumulated extensive experience with concession models over the years. The latest example is the Nordbahnhof educational facility, Gertrude Fröhlich-Sandner campus, in Vienna's second district. Covering an area of 75 hectares, Nordbahnhof is one of the largest and most important development zones in central Vienna.

In the heart of the new city quarter, directly beside Rudolf-Bednar Park, the Nordbahnhof education campus has been built on an area measuring around 14,000m². It combines a 17-class, all-day primary school for 420 children with an 11-group nursery for 250 children under one roof, thereby creating a complete education facility for children aged between 0 and 10. Up to 80 staff members work at the school.

In line with the invitation to tender, the order also included operating the nursery and school building for the next 25 years. In addition to the usual facility management services, the autonomous management of the kitchen including a bistro is also included (i.e. preparing pre-delivered meals, serving them to the users, cleaning the areas used for preparing and serving food as well as the equipment and utensils). Maintenance obligations and comprehensive quality and service standards have also been agreed and PORR has taken on these services just as it did the construction.

Securing the future through research and development

PORR accords great importance to research and development, particularly as it relates to sustainability, environmental engineering, construction materials and construction processes. In keeping with this, PORR has taken on a central role in the Austrian Construction Technology Platform, an organisation who aims to establish a network between the construction industry and construction research, in which first and foremost the construction industry defines which developments it considers essential in order to meet the economic, social and ecological requirements of the coming years. On top of this it gives PORR the opportunity to take part in trail-blazing developments from the earliest stages.

PORR is committed to close, long-term cooperation with universities and other research institutes in order to realise its research activities. Together with partners from science and business, PORR pursues projects spanning several years which serve to develop and improve complex technical processes in civil engineering and conserving resources. One of these projects **aims to use tunnel construction projects 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 conserve resources which would otherwise have to be mined.



Gertrude Fröhlich-Lander campus

Focus on sustainability

A sustainable approach to natural resources is also one of the most important business areas of PORR Umwelttechnik GmbH, a company which has established itself as an expert in recycling and waste disposal as well as the rehabilitation of contaminated sites. PORR Umwelttechnik GmbH strengthens this core specialism through ongoing research projects to develop innovative waste treatment methods. Cooperation between the company's own, state-accredited environmental laboratory and the process development department leads to the development of waste solidification methods in which secondary raw materials are primarily used as binding agents.

Lately increased efforts have also been undertaken to increase the **sustainability of buildings** developed and erected by PORR. Expertise is being built up in the Design & Engineering department which allows aspects of energy efficiency, resource conservation and user friendliness to be incorporated more extensively into the design and planning of projects. Research projects in this area are also carried out with institutions such as the University of Natural Resources and Life Sciences and Pinkafeld University of Applied Sciences.

Tapping into **alternative energy sources** stands out as another focal point of PORR Umwelttechnik GmbH. A new working group is dealing with the design and construction of photovoltaic plants. Furthermore, research projects have been initiated which aim to find new ways of using geothermal energy sources. Here one particularly notable project involves developing water reservoirs in old, disused mines. A highly efficient geothermal yield is expected from these relatively warm bodies of water, which can also be easily developed. In the field of traditional shallow geothermal energy the primary focus is on probe positioning and probe materials.



Recognising Value

*Significant credit for
PORR's success must go
to its over 11,000 staff members.*

*PORR is a fair employer which works in partnership with
its employees and is committed to diversity by nurturing the
potential of every single staff member.*

More than 11,000 staff members work for PORR in more than 15 different countries. PORR sees this **cultural diversity** as a great opportunity and part of the corporate culture. Learning from each other, making use of the varied talents and skills, and ensuring an open and honest culture of cooperation brings the company competitive advantages and creates an attractive working environment which in turn motivates staff. The Code of Ethics forms the foundation for all corporate activities and decisions at PORR and is the basis for behaviour which is morally, ethically and legally irreproachable, applying to every member of staff within the Group.

“Our staff members are the driving force behind our success”, a heading taken from the Staff Charter. PORR is committed to sustainable HR development and promotes staff skills and expertise in the course of numerous education and further development opportunities. Life-long learning, flexibility and open-mindedness are the key principles here. PORR is especially committed to nurturing young talent and to comprehensive training for the experts and skilled workers of the future.

The quality of cooperation between managers, colleagues and employees is a top priority at PORR. Clear targets, regular feedback, a respectful approach and open communication, along with high levels of individual responsibility, form the basis of the management principles. Here staff appraisals are a central component of the PORR management system.

An open and timely information policy and strong representation of interests lead to a good, performance-oriented corporate climate. Comprehensive social services – such as a social plan for reorganisations, corporate retirement provisions and loyalty bonuses – provide support for the staff and strengthen their ties to the company.

PORR secures high levels of occupational health and safety for its staff. This is guaranteed by an occupational health and safety management system in line with the international standard OHSAS 18001, as well as through regular check-ups and measures to increase awareness of health and safety such as the annual PORR Health Day.

Sustainable human resource development

Reorganisation and new Mission Statement

The year 2011 was notable for the reorganisation in the PORR Group. The main focus of human resource management activities was on supporting the reorganisation. The results of the staff survey in particular provided important findings for targeted measures to accompany the change process. As a result of these findings, demand-oriented support was initiated for the areas which were significantly affected. At the same time the development of a new values framework and accompanying mission statements was implemented and Group-wide management training was formalised, this being an ongoing investment in the future and the most important result of the survey.

In times of economic turbulence, characterised by constant change, mission statements provide guidance and security. In order to satisfy this demand,

a new set of cultural and value-based frameworks were developed for PORR, yielding the key pillars – the Corporate Mission Statement and the Staff Charter. In addition a Management Charter has been under development since 2011, which should be broadly communicated in 2012. This will further enhance the manager's role in setting a good example, the orientation of staff towards common values and guidelines, and last but not least, the way in which staff identify with the company.

Personnel structures & development

In 2011 the PORR Group employed 11,597 staff members on average. This breaks down into 7,033 waged workers and 4,564 salaried employees. This represents a decrease of 0.5%, or 57 people, against the previous year.

Total Staff*

	2011	2010	2009
Domestic			
Waged workers	5,541	5,577	5,922
Salaried employees	2,664	2,651	2,722
Total	8,205	8,227	8,644
Foreign			
Waged workers	1,492	1,506	1,383
Salaried employees	1,900	1,921	1,853
Total	3,392	3,427	3,236
Domestic & foreign			
Waged workers	7,033	7,082	7,305
Salaried employees	4,564	4,572	4,575
Total	11,597	11,654	11,880

* Average staffing levels

PORR is highly valued as an attractive employer, which is reflected in the **length of time that staff remain with the company**. For example, Austrian salaried employees aged between 25 and 50 have been with the company for about 10 years on average.

Effective recruiting is a key success factor for the company, especially as it relates to skills shortages. In this field PORR is increasingly turning to the internet as a recruitment tool. In 2011 almost 90% of applicants applied using PORR's online portal, while applications by email and post declined dramatically. Overall the number of applications increased by more than a quarter thanks to enhanced HR marketing activities. For 2010/2011 PORR achieved first place in the "CAREER'S BEST RECRUITERS" study in the "Construction" category.

Training opportunities for workers and employees

One clear way in which PORR recognises the value of its staff can be seen in the wide range of educational opportunities. The online portal, **porr_academy**, as well as other communication channels such as mailings to special target groups, allows all staff members straightforward access to further development and training opportunities. Internal PORR guidelines and a well-developed feedback culture ensure that every staff member receives adequate further development and training.

The range of further development and training opportunities at PORR is split into two main areas:

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.

In line with the principle of life-long learning, trainings related to professional expertise, which are evaluated every year for the training programme and newly advertised, are sorted into different levels which

follow on from each other. The high levels of specialist expertise mean that it is not rare for former participants to become trainers for internal PORR training sessions, thereby making a very valuable contribution to enhancing knowledge within their own company.

There is high variation in the educational requirements for office employees and vocational workers, particularly in the construction industry. This is why it is important to provide equal support to skilled labourers and salaried employees.

Further development for skilled workers

Training sessions for skilled workers include measures leading to qualifications as well as further development opportunities designed to allow waged workers in operational areas to later become salaried employees.

2011 marked the publication of the first education catalogue for head workmen (waged workers), assistant foremen (waged workers) and foremen (salaried employees). As construction staff on the building sites do not have regular access to the **porrtal**, this catalogue is distributed internally on every building site and clearly displayed on the noticeboard.

Leadership training for foremen

The "craft of leadership" also has to be learnt. This is why PORR launched the first **management training programme for foremen** in September 2009 with eight participants from Austria. The first group successfully completed this programme in January 2011. A further five groups with a total of 60 participants from Austria began this training in 2011, so that by December 2011 the total number of participants had reached 107. In 2012 a further two groups with 19 participants from Austria will complete the programme. At the same time, the first group in Germany will start with 13 participants, serving in particular to promote the international transfer of knowledge within the Group.

Further training for salaried employees

Education to enhance the professional expertise of staff members in the fields of commercial, legal and technical construction affairs is primarily conducted by internal PORR lecturers, who facilitate the transfer of knowledge within the Group in their role as experts. In 2011 great attention was also paid to designing the new modules for the modular commercial training series, which provides joint training for both technicians and commercial employees. These shared training sessions should not only enhance professional expertise, but also – in line with the dual control principle – strengthen cooperation between the technical and commercial spheres. The module start has been planned for 2012.

A special training module which would enable participants to take over the commercial construction management of projects in line with the PORR Group Guidelines was implemented for the first time in 2011 in Romania. This module was realised as a three-day course in Bucharest, led by internal PORR lecturers. The goal of this measure was not only to increase professional expertise, but also to facilitate the international transfer of knowledge in order to subsequently optimise commercial support on construction sites.

As a result of the staff survey, personal development training sessions for staff at middle-management level were drafted in 2011. Around 120 participants, including international managers and those who had held their positions for many years, took part in training modules with the title “Taking the Lead”. These modules focus in particular on motivation, values & enthusiasm, communication & feedback, and conflict resolution. The bulk of the training sessions will be held in 2012.

The “**PORR Site Managers’ Course**” was specially designed for PORR in cooperation with the University of Applied Sciences, FH Campus Wien,

In 2011 a total of 1,192 employees in Austria and Germany took part in training sessions related to professional expertise and personal development. The average length of training for employees was 1.18 days per year for employees in Austria.

and was successfully completed at the end of 2011. Participants received comprehensive, in-depth training on the subject of construction management over the course of 400 study units in 32 study sessions. The specific content covered business administration in construction, operational construction management, commercial and legal affairs. Applying the content to practical situations in the course of interdisciplinary project work was at the heart of the programme.

Nurturing talent

Given the backdrop of the prevailing skills shortage and international competition for the best minds, “tracking down”, promoting and keeping talented staff is a key factor for corporate success. Here a central platform 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 and a period of working abroad is another important component of the programme.

In 2012 PORR will once again participate in the **YPD Challenge** – a competition for Austria’s best holiday jobs and work experience. Both of last year’s winners completed their work experience placements in summer 2011.

Apprentice training

In 2011 186 apprentices were trained at PORR in 13 different trades and vocations, of which there were 174 vocational apprentices and 12 commercial trainees. PORR is well aware of its major responsibility and the challenge involved in helping young people enter the world of work and giving them the support they need.

PORR has invested heavily in every single apprentice since its foundation. In order to tackle the skills shortage PORR undertakes targeted measures to consistently draw on the younger generation's reserves of talent and to train the skilled specialists of the future to meet demand. After they have successfully completed their apprenticeship examinations, the young staff should have in-depth expertise and display qualities such as team spirit, quality awareness, honesty and open-mindedness. Trainees and apprentices can also take up extra training opportunities, such as those to improve their language and social skills, computer courses, vocational qualifications and extra training at the Guntramsdorf Construction Academy. Here they have two weeks of practical and theoretical training. Excursions, talks on violence prevention, industry presentations and taking part in the "Apprentice Day" complete the range on offer.

The staff members who train the apprentices also receive regular training themselves. The seminar "training foremen and head workmen" advises foremen and head workmen on the best approach for educating apprentices.

PORR has won numerous awards for its serious commitment to apprentice training, including the "National Award for Occupational Health and Safety" in 2011. Since 2010 the State of Austria has recognised the company as a "Centre of Excellence for Training".

Management tool – staff appraisals

The annual staff appraisal is an important management tool for the Group and therefore a key component of the corporate culture. Regular staff appraisals not only help to improve mutual cooperation, but also to make structures at work more efficient. In 2011 there were 1,293 documented staff appraisals carried out with employees in Austria; this represents a relative increase of 35% against the previous year. The PORR management has realised the importance of conducting documented staff appraisals, particularly in these challenging economic and organisational times.

Diversity Management

As an international and therefore multicultural corporation, all of PORR's activities are characterised by equality and appreciation – regardless of the gender, age, ethnicity or nationality of the staff member. Diversity is an important feature of the personnel structure, particularly in a construction company. In 2011 11,597 staff members from a total of 37 nations worked at PORR. The HR department supports entry



2011 apprentice fair

into new markets through intercultural training, which serves to sensitise staff to the appropriate cultural differences and characteristics. In addition PORR is a cooperation partner to the “Verein Wirtschaft für Integration” (Business for Integration Association) and was an active partner of the 2011 “Integration Day”.

Encouraging and promoting women at every level of the hierarchy presents a particular challenge for the PORR Group. Here the traditionally low percentage of women in the construction industry has been identified as the main obstacle for the future appointment of female managers to top-level positions. An array of measures is in place to attract girls and women to technical vocations and to the construction industry, whether it be as apprentices, commercial employees or in graduate positions. By increasing the percentage of women in the operational units, it should be possible to build up a reservoir in the medium term consisting of qualified women who can also join the first-level management.

In the reporting period women accounted for 11% of the workforce, a not uncommon figure in the male-dominated construction sector. In 2011 PORR employed 963 women in total in Austria, Germany and Switzerland. 20 women and 6 men were on parental leave in 2011. The emerging trend towards paternity leave is also an issue at PORR; in 2011 the number of male employees taking parental leave had doubled against 2009.

PORR also works intensively on getting young women interested in the construction industry and the vocational opportunities it offers. Two targeted measures to achieve this were undertaken in 2011:

“Daughters’ Day”

The 10th “Vienna Daughters’ Day”, an initiative by the city of Vienna, was held on April 28th 2011. 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 the Simmering Care Home construction site, the young women went to the Guntramsdorf Construction Academy where they could show off their manual skills and enthusiasm.

HTL4Girls – “Tech-Dating” at HTL Mödling

The fourth event in the HTL4Girls series – “Tech-Dating” was held on December 12th 2011, an initiative by the Lower Austrian Women’s Department. In cooperation with HTL Mödling (Higher Technical Institute), companies were invited to hold presentations in the institute’s main hall to give female pupils an insight into their companies.

Staff members by nationality in Austria (not incl. Austrian staff)

State	No.		No.
Afghanistan	1	Germany	107
Albania	2	Greece	2
Australia	1	Hungary	48
Bolivia	1	India	1
Bosnia-Herzegovina	214	Italy	5
Bulgaria	4	Kosovo	12
Croatia	111	Luxemburg	1
Czech Republic	8	Montenegro	1
Former Serbia	6	Philippines	1
Former Yugoslavia	7	Poland	52
France	2	Portugal	2
FYROM (Macedonia)	51	Romania	19
		Russian Federation	3
		Serbia	84
		Serbia and Montenegro	14
		Slovakia	16
		Slovenia	47
		Stateless	1
		Sweden	1
		Tunisia	1
		Turkey	149
		United Kingdom	1
		United States of America	1

Welfare & safety

PORR's reorganisation – necessitated by the economic crisis and completed in 2011 – was primarily achieved through merging independent units. In order to cushion the requisite downsizing in a socially considerate manner, a well-balanced social plan was agreed by the employee representatives and the company management at the end of May 2011. A significant part of the social plan involved establishing a labour foundation across the whole of Austria, in cooperation with WAFF, the central organisation for labour foundations. This meant that any employees who were made redundant were given comprehensive advice and support – from career guidance through to drawing up a detailed career plan. Under this framework the company is offering a variety of measures until the end of 2012 – including loyalty bonuses, pro-rata compensation for upcoming anniversary bonuses, as well as voluntary redundancy for every staff member. Older staff members have access to progressive retirement models and contributions to so-called “corridor pensions” and long-term insurance benefits.

The **PORR hardship funds**, agreed in December 2011 by the management and the Works Council, reflect the company's commitment to the social welfare of its staff. Resources from the fund can be drawn on by any PORR staff member and by employees in any company in which PORR is a majority shareholder. The fund is endowed with EUR 50,000 and can be increased when necessary. Every individual welfare case is assessed by the responsible Works Council and then presented to the Works Council committee for a final ruling. This fund will be implemented and applied for the first time in 2012.

Corporate retirement provisions

Corporate pension

PORR is the only company in the Austrian construction industry to offer all staff members in Austria a corporate pension plan with a retirement fund. The participation criteria are the same for salaried

employees and waged workers, namely a minimum of five years employment within the company. The company pays the contributions into carefully chosen pension funds and the company covers the administrative costs. For salaried employees the contributions are managed by a pension fund which has an ethics committee to guarantee the sustainability of the contributions. Furthermore, all staff members receive an anniversary bonus upon 25 and then 35 years with the company.

Progressive retirement

Progressive retirement offers employees the opportunity to prematurely reduce their active number of hours – usually five years before retirement – using various part-time employment models. Reducing the amount of time at work is accompanied by a reduction in remuneration. The two main models are the “block” model (e.g. two years at work, two years at home) or reducing the daily working time by between 40% and 60%; in 2011 nine women and 26 men exercised this progressive retirement option.

Occupational health and safety

Raising awareness

An occupational health and safety management system to OHSAS 18001 was introduced across the company in 2007 and controls all processes in the Group. In this regard the success criteria of a functioning occupational health and safety system include motivation through active prevention as well as the practical feasibility of solutions.

The comprehensive occupational safety measures led to yet another **reduction in the frequency of accidents** in 2011. The topic of occupational health and safety was also an important component of employee meetings. Comprehensive further education and training measures and courses should help to raise staff awareness even more in this area.

Frequency and severity of accidents in Austria

	Unit	2011	2010	2009	Change 2009–2011
Accidents at work	Number	511*	467	545	-6.2%
Hours lost	Hours	97,358	84,261	92,443	+5.2%
Severity of accidents	Hours lost/ hours worked	1.05%	0.95%	1.03%	+1.9%
Frequency of accidents	(Number of accidents x 1,000,000)/ hours worked	55	53	60	-8.3%

*of which one fatal (accident on the way to work)

General remark: The figures conform to the notification requirements (AUVA) for construction workers in Austria, therefore so-called "accidents on the way to work" are included

The **porr_academy** provides training sessions lasting between one and three days on topics such as instructions, construction coordination or ergonomics when working with computers. In addition, winter training sessions are offered in all of the organisational units, with a take-up rate of around 80%. PORR also offers project-focused training sessions on topics agreed in advance with the respective supervisor (from securing loads through to using certain substances at work). However, the company's active role as regards sensitising clients, architects or people responsible for construction sites to improving occupational health and safety is also important to PORR. The relevance of near misses is taken seriously by the company with its system of registration and monitoring. Detailed and compulsory work instructions provide a basis for safe work practices at PORR.

Ongoing improvements should also be facilitated through intensive cooperation between occupational health and safety experts from inside and outside

the company. Cooperation with clients' safety experts (e.g. RAG, Siemens, Verbund) as well as with the construction industry's safety advisors should lead to further improvements in safety on construction sites. The introduction and optimisation of an incident analysis procedure for accidents has been planned for 2012.

**DON'T look AWAY – look INTO it –
 "safety first" campaign**

The "safety first" campaign was nominated for the national award "Occupational Health & Safety 2011". Project-related checklists entitled "5-minute safety" were produced as part of the campaign. These enable safety risks and unsafe work practices to be identified before work commences and give all participants the opportunity to discuss safety issues. The campaign was realised in the course of winter training sessions.

Healthcare provision

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. Here the sports courses sponsored by the Works Council are just as important as PORR's dedicated company coach who is the first port of call for every staff member under pressure from difficult situations at work or suffering from personal problems.

Raising awareness is one of the most important factors in preventive healthcare. This is why the **second Health Day** was held at the headquarters in 2011, following on from the great success of the first event. This year there was a renewed focus on important advice related to good health as well as access to the right contact person. Furthermore, as of 2012 the staff magazine has its own column dedicated to health issues.

Regular check-ups are carried out by the company doctor in cooperation with and with the approval of the health insurance organisations. These are offered in line with the standards of the health insurance organisations and different requirements for preventive healthcare are incorporated in a targeted way. One health aspect specific to the construction industry involves examining the effect of noise or quartz dust as well as radiation protection. In 2011 examinations included 359 workers being examined for any effects from noise. 18 radiation examinations were also carried out. The company doctor visited a total of around 500 construction sites.

The company also financed various vaccination programmes for preventive medicine on a voluntary basis in the headquarters and on construction sites in Vienna. 432 staff members made use of this programme in 2011.

In 2011 a total of 1,726 employees took the opportunity to have a consultation in the PORR occupational health office.

Cooperation & communication

Representation of interests of employees

Advancing globalisation, technological changes and mobility requirements all affect the world of work at PORR and constantly present staff members with new challenges.

Staff members receive support for all of the issues concerning them through workers' advocates. The Works Council committees at PORR represent the economic and social interests of the employees in addition to involvement in health and safety issues and cultural events. The Works Council also functions as a competent contact point and expert advisor to the Executive Board and the management.

The key elements of this cooperation include 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 pay; support for employees in need and for dependant relatives after the death of active employees through monetary and other donations; as well as implementing and promoting corporate welfare provisions.

The activities of the Works Council extend far beyond legal representation of interests. In addition to cut-price entry to various Austrian spa centres and subsidised membership for fitness centres, staff members are also offered access to hired tennis courts, sponsored kit for cycling, mountain-biking and running events and the use of a beach on the Old Danube in Vienna. To enhance the work-life balance, the company also subsidises yoga, circuit training, bodywork and football. Participation in the numerous internal competitions strengthens team spirit and encourages cohesion within the company: up to 500 people from all of PORR's markets take part in the annual PORR Ski Championships. With regard to cultural activities, a colourful mixture

In order to ensure that employee interests are appropriately represented in management decisions, a total of 16 representatives from the Works Council committees sat on the various Supervisory Boards of the holding and its incorporated companies.

of theatre, opera and stand-up comedy is offered and subsidised every month in Vienna (headquarters). PORR supports the Works Council initiatives in sport and culture with a fixed contribution.

Internal communication

The primary goal at PORR is increasing **transparency in the company**. To this end the company has established a variety of communication channels which are easily accessible to every member of staff. In order to guarantee that information reaches every employee, great 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 an equally high value on personal contact. Regular Group conferences and networking meetings strengthen internal cohesion and enhance the sense of "belonging" in the company. In order to draw on the enormous wealth of knowhow within the company, planning for a company suggestion scheme began in autumn 2011, which will be realised in the course of an ideas contest in the first quarter of 2012.

reporrt

In the course of the Group's internationalisation the popular Reporrtage was given a new name. The content of PORR's quarterly staff magazine has also been increased. In addition to reports on the latest projects, presentations of different departments and individual staff members and personal travel reports, the new **reporrt** also contains tips and tricks for everyday personal and professional life – these include health tips as well as culinary recommendations from the Eurest chef de cuisine. The **reporrt** continues to be published in German, with abridged versions in English, Polish, Czech and Hungarian.

porrtal – electronic knowledge network

The intranet is one of the Group's most important internal communication channels. In addition to a comprehensive reference database, the **porrtal** provides daily news on every area of the company, all brochures, press clippings, news items, annual and interim reports and much more. Furthermore, the "PORR 4 U" function acts as an internal job platform and offers information on training courses, the latest offers from the Works Council and much more.

supportt

Ideas and suggestions for improvement which emanate from the staff themselves help to optimise PORR's performance and services. This is why a suggestion scheme was initiated in autumn 2011 which involves the launch of an ideas contest from March 2012. The goal of this project is first and foremost to build up the culture of ideas and improvement within the company. At the same time it should encourage every staff member to think about the scope for optimisation in the company.

Staff events

Carefully chosen for specific occasions, staff events complement the comprehensive internal communication portfolio. For example, new employees attend a **Welcome Day** shortly after joining the company, in which they are invited to the headquarters where they can find out about the structures and career opportunities at PORR. In addition to

the regular **Site Managers' Conference**, held once every two years, the annual **Group Management Meetings** also facilitate the international transfer of knowledge at management level. With **Jubilee Honours** (celebrating employees who have been with the company for many years) and **Health Days**, PORR is also sending out an important message to staff regarding sustainability. And the company should not pass up an opportunity to celebrate: here the **Christmas Party** and the **Summer Festival** provide an opportunity to unwind, along with the regular **site-related celebrations**.

During the reporting period one area which saw particular improvements was that of **direct communication with the CEO** at PORR. Important topics were communicated in person with Karl-Heinz Strauss, directly and immediately. In the reporting period this particularly involved communicating the Corporate Mission Statement and the company's values framework. Different communication channels were used to ensure that all staff members were well informed; these included regular staff mails, letters sent to construction sites for all staff without internet access, video messages, internal posters and information, as well as bulletins for the noticeboards on construction sites.



Sports Aid powered by PORR

Supporting initiatives & sponsoring

Corporate responsibility means much more to PORR than just being fair to staff and stakeholders directly. This is why PORR supports a range of selected initiatives which benefit society in a way which is both professional and sustainable. In general PORR's sponsoring activities are divided into three areas – charitable commitments, sports sponsoring and subsidising cultural activities.

The **initiative for cancer research** held its fifth sponsored run in 2011 on the grounds of the Vienna University campus. The 46 members of staff who participated managed to raise EUR 4,270 for this good cause. Donations raised by this initiative are used to finance scientific projects in cancer research.

PORR supports the activities of the **Red Cross** in Austria and other European countries with donations of money and goods. Instead of giving Christmas presents and printing Christmas cards, the funds instead went to charitable projects in the reporting period.

In recognition of its global responsibility as an international company, PORR introduced **Fairtrade coffee** to its headquarters in 2009. For a product to bear the "Fairtrade" stamp, it must meet legal minimum wage standards and guidelines on working conditions.

The team spirit which is embodied by sport is an important part of the corporate philosophy – this is why PORR has been involved in promoting amateur sports and supporting local sports organisations for many years. In addition to supporting **Sports Aid**, PORR initiated renewed measures to **support up-and-coming sportsmen** in 2011.

In recent years PORR has established itself as a major sponsor on **Austria's art and culture scene**. In addition to the Wiener Festwochen (Vienna Festival),

PORR also supports renowned Viennese cultural venues such as the Musikverein, the Konzerthaus, the Theater an der Josefstadt and the Volkstheater. Initiatives such as the Zoom children's museum, the "Literatur im Nebel" (literature in the fog) project, digitalising priceless music manuscripts carried out by the Österreichische Nationalbibliothek (Austrian National Library) and the Albanian tour of the Villach theatre group all received funding from PORR during the reporting period.

PORR also supports the following institutions and initiatives:

- ORF Integration Prize 2011
- Joanneum Research Forschungsgesellschaft Pflingst-Dialog Styria
- "Giving children a future" association
- Association for research and support for children with movement disorders
- Youth at Work: kitting out the participants for the 13th Special Olympics, World Summer Games in Athens
- Construction technology department at HTL Mödling
- Balkan-Alpe-Adria (donating clothes: polo shirts and baseball caps)

Preserving Value

A responsible approach to ecological resources forms the second pillar of the sustainability strategy at PORR. The company is expressly committed to protecting the environment and draws heavily on research and development in the interests of climate protection.

Around half of all of the resources mined from the earth end up being used in the construction industry. This is why taking an efficient approach to resources is a paramount consideration at PORR. From waste management on construction sites right through to the development of new methods which conserve resources, PORR deploys all available means to establish resource conservation in the company.

Constructing buildings along with their subsequent use requires a great amount of energy. During the construction process PORR applies forward-looking planning and innovative energy and equipment management to make a significant contribution to reducing energy consumption, as well as reducing noise, dust and exhaust fumes.

Designing buildings which are environmentally friendly is a major concern for PORR. To this end PORR advises clients right from the planning phase on sustainable construction methods, thereby creating energy-efficient buildings boasting great comfort and usability. One particular challenge lies in establishing high standards in terms of the environment and welfare throughout the entire supply chain.

In order to implement all of these ecological aspects in the company PORR employs an internationally recognised environmental management system. This means that environmental protection is a central parameter of management policy.



*Gold Status awarded to EURO PLAZA 4 by ÖGNV
(Austrian Society for Sustainable Construction)*

Environmental management & conserving resources

The environmental management system

The environmental management system regulates the approach to ecological risks and threats. Adherence to the stipulated environmental guidelines is regularly assessed by an independent body in the course of environmental audits. To achieve continuous improvement every area of the company is obligated to systematically record and analyse environmental threats and to propose and implement improvements.

All important information surrounding the topic of environmental protection, such as current emission limits, relevant legal regulations, contact details of key federal and provincial offices, access to legal databases and interesting internet addresses, is contained in the **environmental handbook**, regularly published by the environmental engineering division.

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 in order 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.

Protecting the environment right from the planning phase

During the planning stage experts examine any environmental risks and pinpoint areas in which environmentally friendly construction can be further optimised. Here the “environmental aspects catalogue” provides a foundation for reporting relevant environmental aspects of PORR projects. In the course of environmentally aware construction, certain criteria must be examined early on; these include construction methods which conserve resources, environmental waste management, cutting emissions, environmentally friendly concepts for transport logistics and freight handling.

An environmental management system to EN ISO 14001:2004 has been implemented as part of the integrated management system in order to provide a solid basis for environmental awareness. This guarantees that ecological aspects are incorporated into every relevant process and corporate decision.

High standards for suppliers

A range of different variants are developed and realised in close collaboration with the client, taking into account environmental concerns as well as economic, technical, legal and political requirements. PORR also pays increased attention to environmental aspects and ecological standards when choosing subcontractors and suppliers, procuring products (construction materials) and investing in machinery, plants and equipment.

IAT GmbH wins award

IAT GmbH, a highly specialised firm in the sectors of sealing technology, injection technology, reservoir and landfill construction was awarded the title of “ÖkoBusinessPlan Betrieb” by the City of Vienna. A decisive factor in the award was the increase in energy efficiency, facilitated by the relocation to a new building with thermal insulation and special lighting. Waste management optimisation measures were also implemented, with a project involving staff training in waste separation directly on the construction site and disposal in special skips.

Climate protection & energy

Energy efficiency in the company

As an industrial company PORR has high energy consumption in its everyday business, whether on construction sites, for office infrastructure, transporting goods or staff travel.

PORR has employed energy-saving measures for many years in line with the principles of energy-efficient business. This has led to year-on-year reductions in fuel consumption which in turn means lower levels of pollution and CO₂ emissions.

PORR's total energy consumption over the past three years (2009 to 2011) shows a regressive trend. A particularly strong reduction can be seen in diesel and gas, the two main energy sources. However, as consumption levels are directly tied to the type and scope of the respective projects, it is not possible to draw direct conclusions on PORR's contribution to climate protection based on these figures at this time.

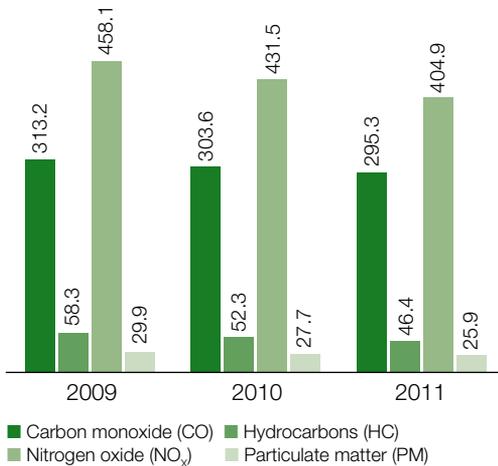
There is high potential for savings in areas such as the high-performance, diesel-powered construction machinery which is required on construction sites. Automatic start/stop mechanisms reduce the idle time of construction machinery such as excavators, wheel bearings and off-road equipment. Old equipment is being phased out and now only new machinery with energy-efficient engine management and cutting-edge exhaust aftertreatment is being procured.

Another important aspect is logistics planning, as this can have a significant impact on reducing CO₂. By optimising means of transport and transport routes it is possible to preserve energy resources and cut fuel consumption. As PORR has been following this principle for years and therefore has a wealth of experience, in 2010 the company became a partner of klima:aktiv, a programme from the Austrian Ministry of Agriculture, Forestry, Environment and Water Management.

PORR's energy consumption in Austria from 2009 to 2011

	Unit	2011	2010	2009	Change 2009–2011
Diesel	kWh	214,548,885	210,806,611	268,812,577	-20.2%
Gas	kWh	82,402,436	82,099,402	97,072,379	-15.1%
Electricity	kWh	38,052,370	40,338,317	40,066,426	-5.0%
Wood chips	kWh	8,968,549	8,257,254	7,691,990	+16.6%
District heating	kWh	8,720,036	9,559,000	5,670,785	+53.8%
Petrol	kWh	1,614,182	1,465,328	1,863,805	-13.4%
CNG gas (vehicles)	kWh	273,140	145,660	151,440	+80.4%
Total	kWh	354,579,598	352,671,572	421,329,402	-15.8%
Production output	EUR m	2,905.6	2,826.0	2,887.0	0.6%
Energy consumption / production output	kWh/EUR	0.122	0.125	0.146	-16.8%

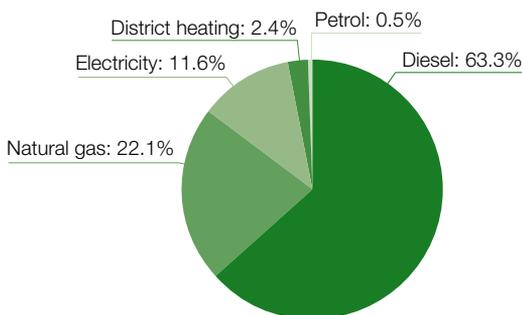
Construction machinery emissions in Austria from 2009 to 2010 (in tonnes)



When procuring passenger cars, pickups and light utility vehicles PORR also pays strict attention to ensuring that staff members have access to fuel-efficient company cars. This has made it possible to reduce CO₂ emissions by 16.1% or 447.8 tonnes since 2009.

In 2011 PORR's operations generated a total of 95,625 tonnes of CO₂ equivalent in Austria. The CO₂ equivalent of PORR breaks down as follows:

CO₂ emissions in Austria 2011



Pilot project – electro mobility

PORR is taking part in the first fleet testing with electric cars bearing the Volkswagen brand. The trial should lead to findings on the practical viability of electro mobility. Austria is the first international market of Volkswagen AG to be included in the comprehensive development work in the electro mobility sector and the first international market to undergo fleet tests. Trials of the **Golf Blue-e-Motion** will take nine months; this fleet test should give both the manufacturer and PORR an insight into the possibilities of the practical application of electric cars.

Creating sustainable buildings

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.

PORR has been actively involved in project development and project management for passive houses and low-energy buildings for many years and contributed to developing and building Austria's largest ultralow-energy buildings. Alongside economic and ecological criteria, social aspects are playing an ever more important role.

Sustainable buildings stand out because they are environmentally friendly and energy efficient. For the duration of their entire life cycle they are economically efficient, conserve resources, generate low running costs, provide a healthy indoor climate and integrate perfectly into their socio-cultural environment. 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 on the market. 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. Successful examples

of this include the Auron office building in Munich or the EURO PLAZA in Vienna, which are certified to international standards by the Austrian Society for Sustainable Construction with the highest possible "Gold Status".

This trend looks set to continue in 2012 as real estate carrying a sustainability label is seen as a safe investment, thereby having a positive impact on market values.

Renewable energy

Renewable energy is set to play an increasingly important role in Europe's energy supply. PORR is a pioneer in the construction of sustainable energy plants.

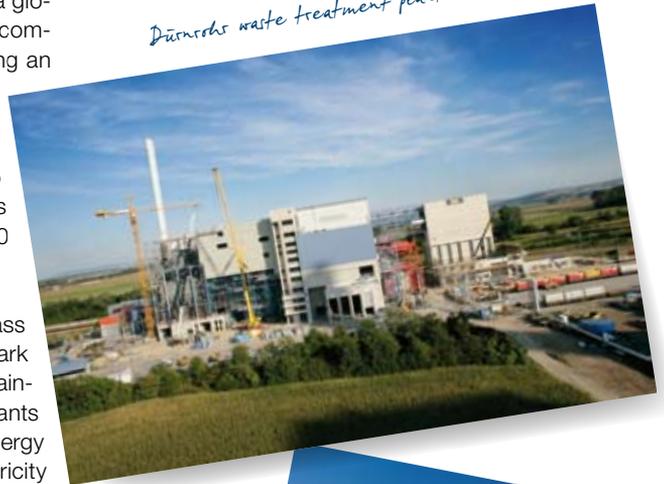
One example is the Pfaffenau waste incineration plant, a high-tech waste processing plant on a global scale. It guarantees the environmentally compatible disposal and recycling of waste, making an ongoing contribution to a cleaner environment. Processing around 250,000 tonnes of waste a year, the plant supplies around 50,000 households in Vienna with district heating to meet their indoor heating and hot water needs and also provides electricity to around 25,000 households.

High-tech is also evident in the latest biomass plant with gas engine built for Energie Steiermark in 2011. But PORR does not only build sustainable energy facilities, it also operates power plants for producing renewable energy. The eco-energy plant in Dürnkrot produces heat and electricity from biomass (wood chips) and is wholly owned by

PORR Energy GmbH. In addition to producing eco-power, heat is supplied to 140 customers in the market borough of Dürnkrot. In Nassereith, Tyrol, PORR Energy also has a hydropower plant with maximum turbine output of 450kW. However, in August 2011 the 50-percent share of PORR Energy GmbH was transferred to ÖBF Beteiligungs-GmbH.

Over the past decades PORR has built over 100 storage, hydro, wind, biomass and thermal power plants.

Dürnkrot waste treatment plant



Pfaffenau waste incineration plant

Environmental engineering & waste management

Environmental engineering

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. The business fields of the environmental engineering division range from water treatment and soil decontamination to building landfills and waste management.

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 covering sampling, various chemical analyses, the complete assessment of waste and soil, water testing, as well as the initial assessment of 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.

In PORR's environmental engineering division experts work with partners from the world of science to develop and improve technical processes in civil engineering with the goal of conserving natural resources. In addition to a project which aims to use tunnel construction as a source of raw materials, one exceptional project is the **BIOPUSTER® method** developed by PORR. 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.

Waste management

Construction and rehabilitation of landfills

One of PORR Umwelttechnik's other service areas involves building and operating landfills. PORR has special expertise when it comes to complex projects such as rehabilitating landfills. This is where the BIOPUSTER® method, developed by PORR and described above, comes into use on projects such as the Fischer landfill in the catchment area of the Mitterndorfer Senke (Lower Austria), one of the most significant groundwater sources in Central Europe.

Another current example of hydraulic remediation is the site of the former Simmering gas works. Producing gas for the city resulted in hazardous by-products and residues such as tar, gas cleaning substances and ammonium hydroxide. Parts of the gas works were damaged during World War II which led to heavy contamination of the susceptible groundwater volume. After excavating the contaminated area (a total of 100,000 tonnes), the long-term usability of the groundwater should be achieved with the aid of two rows of remediation wells.



Recycling, processing and storing waste

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

Total weight of waste in work stations by class

in tonnes	2011	2010	2009
Non-hazardous waste	3,775	3,260	3,105
Hazardous waste	262	531	630

As a leading construction company PORR is not only committed to reducing waste, but also to recycling residual construction waste. Many years have now passed since PORR implemented 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. Using these measures PORR achieved a construction waste recycling rate of 63%, even rising to 92% for concrete recycling in 2011.

The lawful disposal of any construction waste and debris which cannot be recycled is a major challenge because of the ecological risks. In order to mitigate these risks PORR operates its own landfills at sites such as Haslau, Markgrafneusiedl and Oberdietach. Construction debris, excavated earth, residual waste and mass waste is stored at these sites in line with the strict regulations on landfill use. PORR also provides customers with a soil-washing plant, a waste treatment plant which successfully processes excavated soil, demolition waste and industrial waste, some of which can then be reused, as well as a stabilisation plant for the treatment of hazardous waste.

Recycling rates of construction waste

in %	2011	2010	2009	2008	2007
Excavated soil	28	55	41	29	37
Concrete	92	85	95	68	46
Asphalt	83	93	96	91	94
Rubble	63	26	64	52	43

Outlook & Programme

In 2012 PORR will once again be pursuing its goals in the fields of adding value, recognising value and preserving value with the aid of targeted measures. The majority of the goals from the 2011 report have

been achieved. Other goals and measures have been developed and adapted to a new programme for the year 2012.

Goal	2012 measures	Time frame
ADDING VALUE		
Continuing to develop the PORR sustainability management system	Optimising data collection within existing structures; further development of the sustainable value programme	ongoing
RECOGNISING VALUE		
Optimising staff training	Detailed monitoring of the courses and training modules by the HR development department	from 2012
Improving ideas management within the Group	Launch of the corporate suggestion scheme in the form of a contest (supporrt) to enhance the culture of ideas and improvements	from 2012
Promoting good health among staff	Holding an annual Health Day; changing the selection in the staff canteen	2012
Increasing safety at work	Introducing and optimising an analysis system for accidents and incidents	2012
Improving the management's role in setting an example along with the culture of communication and feedback	Holding management training sessions; communicating the Management Charter measures (to start in kick-off workshops as part of the management training programme)	2012
PRESERVING VALUE		
Further development of the climate protection strategy	Progressive extension of data collection on energy and the CO ₂ balance on PORR's home and core markets; further development of the action programme (see following items)	from 2012
Reducing emissions from construction machinery	Optimising equipment management; introducing automatic start/stop mechanisms on construction equipment	from 2012
Establishing climate-friendly means of transport	Converting the fleet to cleaner vehicles; continuing with the pilot project "gas-fuelled vehicles"; electromobility fleet testing	2012
Reducing business travel	Setting up video conferencing facilities in every subsidiary as well as the increased use of the "Communicator"	from 2012

About this report

This report is produced for all stakeholders of Allgemeine Baugesellschaft – A. Porr Aktiengesellschaft and covers the period from January 1st 2011 to December 31st 2011.

Since the 2008 ruling of the Supervisory Board to issue regular sustainability reports, PORR has been reporting annually on its Corporate Social Responsibility. This third Sustainable Value Report 2012 is designed as an update to last year's report; in order to facilitate comparisons in terms of sustainability achievements, it has been produced following the guidelines of the Global Reporting Initiative (Version 3.1 including reference to the "Construction and Real Estate" Sector Supplement) for the first time. PORR is oriented towards Application Level B. The report has not undergone an external evaluation or review.

The contents of the report and the figures presented were processed and defined in internal working groups from October 2011. The data primarily relates to Austria and Germany including shareholders over 50%.

The reorganisation measures which took place in 2008 and 2009 only allow meaningful comparisons to be drawn from some of the values from 2011 onwards. It will only then be possible to understand and analyse developments and make any improvements.

In addition to this Sustainable Value Report, PORR presents information on corporate responsibility in the Annual Report and on its website, www.porr-group.com. The detailed index on the sustainability figures of the Global Reporting Initiative is also available on the website.

Equal opportunities and non-discrimination in terms of gender are 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.

GRI Table

PORR is committed to the constant evaluation and analysis of its own performance with regard to sustainability criteria. The company uses the Performance Indicators from the Global Reporting Initiative (GRI) in order to prepare the data in a way which is transparent and allows meaningful comparisons. These findings relate first and foremost to the Austrian market. The following index gives an overview of the GRI indicators reported (G3.1 including the

“Construction & Real Estate Sector Supplements”). As it reports on at least 20 Performance Indicators, the report conforms to Application Level B as defined by the GRI. The complete GRI index along with additional information can be found at www.porr-group.com. In the following index any indicator information which can be found in the full index on the homepage is marked with the abbreviation “HP”.

G3.1 Code	Contents as per GRI	Pages in report
1. Strategy and Analysis		
1.1	Statement from the most senior decisionmaker	2f
1.2	Description of key impacts, risks and opportunities regarding sustainability	2f, 8
2. Organisational Profile		
2.1–2.10	Organisational profile	1, 4, 5, 7, 11, cover, HP
3. Report Parameters		
3.1–3.4	Report profile	38, imprint
3.5–3.11	Report scope and boundary	38, HP
3.12	GRI content index	39f
4. Governance, Commitments and Engagement		
4.1–4.10	Governance structures and management systems	11, 12, 37, HP
4.11–4.17	Commitments to external initiatives and stakeholders, precautionary approach	12, 13, 9, 11, 12, HP
5	Management indicators by economic, environmental, and social categories	8, 9, 11, 12, 18, 30f
Economic Performance		
EC1	Direct economic value, generated and distributed	6, cover
EC2	Financial implications, risks and opportunities due to climate change	32, 33, 34
EC3	Coverage of the organization’s defined benefit plan obligations	HP
EC7	Procedures for local hiring	HP
EC8	Investment in public infrastructure and services provided primarily for public benefit	14, 15
EC9	Type and extent of indirect economic impacts	14, 15
Environmental Performance		
EN2	Percentage of materials used that are recycled input materials	36, cover
EN3–4	Direct and indirect energy consumption by primary energy source	32, cover
EN5	Energy saved due to conservation and efficiency improvements	32, 33
EN6	Initiatives to provide energy-efficient or renewable energy based products	33, 34
EN7	Initiatives to reduce indirect energy consumption	32, 33

■ Performance indicators ■ Additional indicators

EN16-18	Direct, indirect and other greenhouse gas emissions including initiatives	33, cover
EN20	NO _x , SO _x , and other significant air emissions	33
EN22	Total amount of waste	36, cover
EN24	Hazardous waste as defined by the Basel Convention	36, cover, HP
EN26	Initiatives to mitigate environmental impacts of products and services	32-36
EN28	Fines and non-monetary sanctions for noncompliance with environmental laws and regulations	HP
EN29	Environmental impacts from transporting products, materials and staff	32, 33
Labour Practices and Decent Work		
LA1	Total workforce	19, cover
LA2	New employee hires and employee turnover	20, HP
LA3	Benefits provided to full-time employees	24
LA4	Employees covered by collective bargaining agreements	HP
LA5	Minimum notice periods regarding operational changes	HP
LA6	Staff representation in formal joint management worker health and safety committees	HP
LA7	Rates of injury, occupational diseases, lost days, absenteeism and number of work-related fatalities	25, cover
LA8	Education and awareness-raising programs regarding serious diseases	24-26
LA9	Health and safety topics covered in formal agreements with trade unions	HP
LA10	Average hours of training	21, cover
LA11	Programs for skills management, lifelong learning and the transition to retirement	20-22, 24
LA12	Feedback to employees regarding performance and career development	22
LA13	Composition of governance bodies and breakdown of employees according to gender, age group and minority group membership	23, HP
LA15	Return to work and retention rates after parental leave, by gender	HP
HR1-2	Human rights screening for significant investment agreements and contracts as well as for suppliers and subcontractors	13, HP
HR4	Incidents of discrimination and corrective actions taken	HP
HR5	Guaranteeing the right to exercise freedom of association and collective bargaining	HP
HR6-7	Identifying business activities with risk for incidents of child labour and forced or compulsory labour	HP
SO2-4	Analysing business units for risks related to corruption, anti-corruption training and actions taken in response to incidents of corruption	10, HP
SO7-SO8	Legal actions for anticompetitive behaviour, anti-trust, and monopoly practices and significant fines and non-monetary sanctions for noncompliance with laws and regulations	HP
GRI Sector Supplements Construction and Real Estate		
CRE 6	Percentage of the organization operating with verified compliance with an internationally recognized health and safety management system	12
CRE 8	Type and number of sustainability certification, rating and labelling schemes for buildings	33, 34

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