GROUP REPORT 2023

COMBINED FINANCIAL AND SUSTAINABILITY REPORT

We are building the world of tomorrow.

HOCHTIEF

The HOCHTIEF Group at a glance

The companies in the HOCHTIEF Group serve the infrastructure business including the rapidly expanding high-tech, energy transition and sustainable infrastructure markets. The Group is focused on developed markets and its reporting comprises the following divisions:

HOCHTIEF Americas Division

The HOCHTIEF Americas division combines our construction activities in the U.S. and Canada. Our subsidiaries are leading players in the fields of building construction management and infrastructure construction. Turner operates successfully as the number one general builder in the United States, while Flatiron is a sought-after transportation and heavy civil contractor (Engineering News-Record 2023).

For more information, please see the Divisional Reporting section

HOCHTIEF Asia Pacific Division

The HOCHTIEF Asia Pacific division comprises the CIMIC Group, in which HOCHTIEF has held 100 percent since 2022. CIMIC's operating companies occupy leading positions in infrastructure construction, public-private partnerships, and across a broad range of services activities, mainly in Australia.

For more information, please see the Divisional Reporting section

HOCHTIEF Europe Division

The HOCHTIEF Europe division organizationally combines our operating companies in Europe. These operate in the fields of infrastructure construction, building construction, and public-private partnerships, covering the transportation, social, and urban infrastructure segments. The portfolio also comprises engineering services, including Virtual Construction.

For more information, please see the Divisional Reporting section

Abertis Investment

HOCHTIEF holds a 20 percent stake in Abertis HoldCo, S.A., a leading international toll road operator. Abertis operates a total of around 8,000 kilometers of toll road in 15 countries, particularly France, Spain, the U.S., Brazil, Chile, and Mexico.

For more information, please see the Divisional Reporting section

Group Report 2023

COMBINED ANNUAL FINANCIAL AND SUSTAINABILITY REPORT

This combined Group Report contains the financial and sustainability reporting of the HOCHTIEF Group for 2023. It highlights the close relationship between economic, environmental, and community aspects, together with their influence on the success of our business.

Information on this Report

This Group Report covers the period from January 1 to December 31, 2023 and follows on from the 2022 Group Report published on February 23, 2023. We indicate explicitly in this report where data relates to a different reporting period, year-on-year comparisons are not possible without restriction, or limits of coverage are reached. The next Group Report is scheduled to appear in February 2025.

The Consolidated Financial Statements are prepared in accordance with the requirements of International Financial Reporting Standards (IFRS) as adopted by the EU and with supplementary provisions of German commercial law to be observed under Section 315e (1) of the German Commercial Code (HGB). The report is published using the mandatory European Single Electronic Format (ESEF). In addition, HOCHTIEF reports about the nature and scope of its sustainable activities, in line with the Delegated Act on Article 8 of the EU Taxonomy Regulation.

With regard to sustainability aspects, the Group Report follows the standards of the Global Reporting Initiative (www.globalreporting.org), which are used pursuant to Section 289d HGB. The sustainability reporting covers the activities of the fully consolidated operating companies of the three divisions HOCHTIEF Americas, HOCHTIEF Asia Pacific, and HOCHTIEF Europe as of December 31, 2023. This presentation corresponds to the HOCHTIEF Group subsidiaries included in the key performance indicators. In a few cases, the non-financial data is based on estimates. In addition, we voluntarily report information on emission figures for the at-equity companies Abertis and Thiess; however, this information is not included in the external audit of this report.

The GRI Content Index in this Group Report lists the reported information and indicates where it is to be found.

The content of the sustainability reporting has been audited with limited assurance and the report on the audit is published in this report.

This Group Report also serves as our report on progress in implementing the UN Global Compact principles (www.unglobalcompact.org) and is published on the organization's websites. Disclosures that are not normally part of the management report are marked as such. The information on sustainability issues relates to relevant focus areas for the Group. Selected United Nations Sustainable Development Goals (SDGs) were assigned to HOCHTIEF's sustainability focus areas and integrated into this Group Report.

References to external websites correspond to the retrieval date and status as of February 12, 2024.
The information linked here is not part of the external audit of this Group Report.

CONTENTS

Commitment to fairness, sustainability, and innovation

Long-term memberships and voluntary commitments not only reflect our aspiration and our responsibility. They also testify to our dedication to engaging with diverse stakeholders, starting with our own staff. We are expressly committed to sustainable action and consciously involved in organizations and institutions that share our concerns regarding sustainability and climate protection. Our company was once again rated positively in a number of established sustainability ratings in 2023 and included in renowned indices. You can find some examples on this page.

COMMITMENTS (EXAMPLES)

Deutscher NACHHALTIGKEITS Kodex

UN GLOBAL COMPACT – WE SUPPORT

TRANSPARENCY INTERNATIONAL Deutschland e.V.

Further commitments:

- ILO
- Leitbild für verantwortliches Handeln in der Wirtschaft (Code of Responsible Conduct in Business)

MEMBERSHIPS (EXAMPLES)

B.A.U.M.

Gründungsmitglied der DGNB – Deutsche Gesellschaft für Nachhaltiges Bauen – German Sustainable Building Council

Stifterverband für die Deutsche Wissenschaft

buildingSMART International

encord

MITGLIED IM FÖRDERVEREIN BUNDESSTIFTUNG bauKULTUR

MCSC MIT Climate & Sustainability Consortium

SUSTAINABILITY RATINGS/INDEXES (EXAMPLES 2023)

Member of Dow Jones Sustainability Indices – Powered by the S&P Global CSA

HOCHTIEF Aktiengesellschaft – Construction & Engineering – Sustainability Yearbook Member – S&P Global ESG Score 2022 – 76/100

As of February 7, 2023. Position and Score are industry specific and reflect exclusion screening criteria. Learn more at spglobal.com/esg/yearbook

S&P Global – Sustainable1

Sustainalytics ESG INDUSTRY TOP RATED 2024

CDP DISCLOSER 2023

MSCI ESG RATINGS – AAA (CCC | B | BB | BBB | A | AA | AAA)

www.hochtief.com/msci-disclaimer

FTSE4Good

PLATINUM – Top 1% – 2023 ecovadis Sustainability Rating

Awards for projects and services in the reporting year (examples)[1]

Time and again, HOCHTIEF companies win awards in recognition of their excellent project work and the results of their efforts. Below are some examples from the 2023 reporting year:

HOCHTIEF Americas division

Turner Construction

- “Outstanding Diverse Organization” by Orlando Business Journal
- “2023 Inclusion Champion”, award by Airports Council International-North America
- “2023 Prairie Wood Design Award/Institutional” by Wood Works! Alberta for the Northern Lakes College High Prairie Campus
- “Equity, Diversity & Inclusion Award” 2023 by Council on Tall Buildings and Urban Habitat
- “Glassdoor Employees’ Choice Award” 2023 and 2024 as “One of the Best Places to Work”
- Named one of “America’s Greatest Workplaces for Parents and Families” by Newsweek
- Recognized as one of “America’s Best Employers for Veterans” by Forbes/Statista
- “2023 Construction Industry Safety Excellence Award” by Construction Users Roundtable
- Awards for the office building The Spiral, New York: ”Best Tall Building 300-399 meters“ and “Best Tall Building Americas 2023“ (Council on Tall Buildings and Urban Habitat), “2023 CoStar Impact Award for best commercial development in the New York City region”
- “National Design-Build Merit Award" by Design-Build Institute of America (DBIA) for the expansion of the Jacob Javits Convention Center
- “World Architecture News Award, Future Projects, Commercial” for PENN 2 project

Flatiron Construction

- “2023 Award for Innovation & Achievement in Sustainability” by Northwest Construction Consumer Council for Georgetown Wet Weather Treatment Station project
- “National Rehabilitation Project of the Year” award by Association of State Dam Safety Officials for the Isabella Dam Safety Modification project
- “2023 Best Projects Award of Merit” in the Highway/Bridge category of the Engineering News-Record for the Winston-Salem Northern Beltway project
- “Environmental Preservation and Sustainability Award” by Colorado Contractors Association for the Northern Water East Troublesome Fire Watershed project
- “Sustainable/Environmental Award” by California Transportation Foundation as well as “Envision Silver Award” for the North Coast Corridor project
- “Best Project Award” (Airport/Transit category) by Engineering News-Record for the Dallas Love Field and Taxiway C Reconstruction project

Clark Builders

- “2023 Top Innovator” in “25 Innovators in Construction” award of SiteNews

[1] Neither part of the statutory audit of the annual financial statements and consolidated financial statements nor part of the separate limited assurance engagement by Deloitte GmbH Wirtschaftsprüfungsgesellschaft.

HOCHTIEF Asia Pacific division

Broad Construction

- “Best Healthcare Building” in the “2023 Western Australia Master Builders Excellence in Construction Awards” for Stage 1 of Bethesda Clinic

CPB Contractors

- “2023 Australian Construction Achievement Award” by Australian Constructors Association for the M80 Ring Road Upgrade project
- “Outstanding Achievement Awards for Sustainability Leadership” 2023 for the Parramatta Light Rail project
- "Professional Excellence Award, Commercial Construction" by the Australian Institute of Building for the Nepean Hospital Redevelopment Stage 1
- "Excellence in Social Outcomes Award" in the 2023 Infrastructure Sustainability Council Awards for WestConnex Rozelle Interchange
- “Training Employer of the year” in the 2023 Civil Construction Federation’s Western Australia Industry and Training Awards

Leighton Asia

- “Gold Prize" in the 2022/2023 Hong Kong Labour Department’s Construction Industry Safety Award Scheme for the Boardwalk Underneath Island Eastern Corridor project
- “Excellence Award” in the “Hong Kong Construction Industry Quality Awards 2023” for the Tseung-O-Lam Tunnel in Hong Kong
- "Gold Medal Award" by the United Kingdom's Royal Society for the Prevention of Accidents for the Deep Tunnel Sewerage System Phase 2 Contract T-09

UGL

- "Excellence awards for safety, customer services, passenger operations and innovation" in the 2023 Australasian Rail Industry Awards for Metro Trains Melbourne

HOCHTIEF Europe division

HOCHTIEF Infrastructure

- HOCHTIEF Infrastructure: Recipient of the “Construction News Workforce Awards 2023” for the joint venture project London Power Tunnels 2, among others “Project Team of the Year”, “Net Zero Team of the Year”
- HOCHTIEF Infrastructure: Recipient of the “NCE Tunnelling Awards 2023” for the joint venture project London Power Tunnels 2, among others “Carbon & Sustainability Initiative of the Year”, “Tunnelling Project Team of the Year”
- HOCHTIEF CZ: Recipient of the “Safe Enterprise” certificate by the Ministry of Labor and Social Affairs

HOCHTIEF PPP Solutions

- Recipient of the “Environmental sustainability and resilience” award at the 7th UNECE International Public-Private Partnerships Forum

HOCHTIEF PPP Solutions/ViCon

- “Winner in the Category of Asset Management 2023” in the buildingSMART Awards openBIM for the A6 project

**OUR VISION:
HOCHTIEF IS BUILDING THE
WORLD OF TOMORROW.**

TO OUR SHAREHOLDERS

In Warsaw, HOCHTIEF is building the Towarowa Towers. The two 95-high towers will provide space for a total of 600 apartments and commercial units.

The HOCHTIEF Group: Key Figures

(EUR million)	2023	2022	Change yoy
Sales	**27,756.0**	26,219.3	5.9%
Operational profit before tax/PBT	**774.1**	733.1	5.6%
Operational PBT margin (%)	**2.8**	2.8	0.0
Operational net profit	**553.1**	521.5	6.1%
Operational earnings per share (EUR)	**7.35**	7.24	1.5%
EBITDA (adjusted)	**1,230.2**	1,184.5	3.9%
EBITDA (adjusted) margin (%)	**4.4**	4.5	-0.1
EBIT (adjusted)	**909.6**	840.7	8.2%
EBIT (adjusted) margin (%)	**3.3**	3.2	0.1
Nominal profit before tax/PBT	**715.0**	677.2	5.6%
Nominal net profit	**522.7**	481.8	8.5%
Nominal earnings per share (EUR)	**6.95**	6.68	4.0%
Cash flow from operating activities underlying[1]	**1,518.8**	1,287.4	231.4
Cash flow from operating activities pre-factoring underlying[1]	**1,447.5**	1,211.8	235.7
Net operating capital expenditure	**192.6**	164.0	28.6
Free cash flow from operations underlying[1]	**1,326.2**	1,123.4	202.8
Net cash (+)/net debt (-)	**872.2**	353.6	518.6
New orders like for like	**36,676.9**	30,066.6	22.0%
Work done like for like	**30,870.4**	29,187.2	5.8%
Order backlog like for like	**55,325.4**	51,404.0	7.6%
Employees (end of period)	**41,575**	36,858	12.8%
Employees (full year average)	**40,380**	35,680	13.2%

Note:
Operational profits are adjusted for non-operational effects.

[1] 2023: Excluding one-off payments in the amount of EUR 184 million for the settlement on the legacy CCPP project in Q1 2023.
2022: Excluding one-off payments totaling EUR 237 million for the settlement on the legacy CCPP project in Q2 2022 and for the final payment on the Chilean legacy project in Q3 2022

Juan Santamaría Cases, Chairman of the Executive Board

Dear Shareholders
and Friends of Hochtief,

I am delighted to present to you HOCHTIEF's annual report for 2023.

During the year HOCHTIEF celebrated its 150th birthday. I am proud and grateful to lead a company with such a long and rich history. The future presents enormous opportunities for the Group for which we are very well positioned and we will continue to leverage our know-how and skills for the benefit of all our stakeholders.

HOCHTIEF delivered a strong performance in 2023 driven by the global network of professionals we have throughout the Group, the successful execution of our corporate strategy to expand our presence in high-growth markets and the support of our clients, subcontractors and suppliers.

Continued growth in sales and profits was accompanied by an outstanding cash flow performance and a further expansion of our order book, particularly in high-tech, energy transition and sustainable infrastructure markets. In addition, we have further improved the risk profile of our order backlog.

Sales increased by 10%, on an f/x-adjusted basis, to EUR 27.8 billion or 6% in nominal terms accompanied by stable operating margins. **Operational net profit** rose by 11%, f/x-adjusted, to EUR 553 million at the top end of the guidance range provided at the beginning of 2023, or 6% on a reported basis. **Nominal net profit** of EUR 523 million compared with EUR 482 million in 2022 showing an 8% increase, or 14% f/x-adjusted.

HOCHTIEF's cash generation was outstanding in 2023. Underlying cash flow from operating activities of EUR 1.45 billion illustrates an excellent level of cash generation and represented an increase of EUR 236 million year on year when compared to an already strong performance in 2022. As a consequence, the Group ended the year with a strong **net cash position** of EUR 872 million. The increase of EUR 519 million compared with December 2022 is after distributing a total dividend to shareholders of EUR 301 million in July 2023. During the year the rating agency S&P also recognized the robust nature of our balance sheet reaffirming its investment grade rating for the Group.

The Group's **order book** stands at EUR 55.3 billion and is up by EUR 3.9 billion, or 11% f/x-adjusted compared with December 2022. As a consequence of our strategy to further improve the Group's risk profile, lower-risk contracts, which incorporate enhanced risk-sharing mechanisms, now account for around 85% of our order book compared with around 65% six years ago.

Driving the growth in our order backlog were **record new orders** in 2023 of EUR 36.7 billion, an increase year on year of 27% in local currency terms and equivalent to 1.2x work done in the period. Demand has been solid across the Group's divisions with particular strength in **high-tech infrastructure markets** where HOCHTIEF secured important projects wins in areas such as data centers, energy transition and new mobility concepts.

HOCHTIEF's **corporate strategy** is aimed at achieving the Group's objectives which are to generate sustainable cash-backed profits, achieve attractive shareholder remuneration and create value for all stakeholders.

We have consolidated our core market positions and significantly reduced the Group's risk profile. This has been achieved by substantially increasing the proportion of lower-risk projects where contracts incorporate robust risk-sharing mechanisms.

In Civil construction, our Australian companies, CPB Contractors, Pacific Partnerships and UGL, as part of the Canberra Metro consortium, will finance, design, build and operate the next stage of Canberra's world class light rail system. This collaborative contract will achieve significant carbon reduction benefits, with the first stage already operating on 100% renewable electricity.

In the U.S. our civil works company Flatiron has targeted collaborative contracts that offer a better risk profile securing projects such as two contracts worth USD 191 million building broadband fiber networks in California to provide access to underserved populations and the Calgary Green Line Light Rail Transit Project in Canada.

In Germany a consortium including HOCHTIEF Infrastructure won a EUR 426 million contract for the second part of a new bridge across the river Rhine between Cologne and Leverkusen. The project would eliminate an enormous traffic bottleneck on the critically important A1 transport link.

Our Group, which has been present in North America, Europe, Australia and other parts of Asia-Pacific for many decades, is also working on extracting untapped Group synergies. An example of this relates to **supply chain and logistics**, which are critical to success for our clients in the data center, EV battery and other high-tech infrastructure markets we are pursuing. To meet these challenges we have developed SourceBlue which is Turner's supply chain specialist. In order to expand SourceBlue's capabilities, HOCHTIEF is developing its presence in the Asia-Pacific region with the creation of a logistics hub to accelerate the Group's digital delivery capabilities.

A key element of our corporate strategy is to further develop HOCHTIEF's presence in rapidly expanding high-tech markets. By harnessing our strong existing infrastructure skill-set and local presence in key developed markets as well as the resultant potential synergies, we can maximize these growth opportunities across the Group by establishing a strong presence in the value chain of these high-growth industries. The strong growth in new orders achieved in 2023 shows the strategy is delivering for the Group.

One of these secular growth markets is digital infrastructure within which **data centers** are seeing rapid expansion driven by the ongoing growth in cloud computing and the exponential adoption of Artificial Intelligence.

Turner was awarded orders for several new data centers in the U.S. worth USD 2.8 billion during 2023. Most recently, our U.S. company was selected by Meta to build an USD 800 million data center in Indiana. The 65,000-square-meter campus will include several data center buildings and be fully powered by green energy once operational.

CIMIC has won several data center contracts in Hong Kong, the Philippines and Malaysia this year, worth over AUD 400 million whilst in Europe, the Group was awarded a data center contract in Warsaw and started construction of a sustainable, edge data center in Germany. HOCHTIEF Infrastructure supported by Turner has also been awarded a further data center project in Europe.

In the U.S. we are a leading **EV battery** gigafactory builder via Turner which secured new orders of USD 2.5 billion during the year and had an order book of USD 2.0 billion at the end of December including Panasonic Energy's EV battery production facility in Kansas and an electric vehicle battery plant for Honda and LG Energy in Ohio.

CIMIC's subsidiary UGL won an order for an expansion of a **battery storage energy** system for Neoen, one of the world's leading producers of renewable energy. This is the third project of this type we have been awarded in 2023. As a leading designer and constructor of sustainable electricity generation and storage assets, UGL has already delivered 17 major renewable energy generation, storage and transmission line projects. Along with CPB Contractors, the company will construct the AUD 1.4 billion HumeLink West Transmission Project which will significantly increase the capacity of the electricity network in Australia's eastern states.

Lithium and other metals are key to support the global energy transition in relation to electric vehicles. UGL has been awarded a AUD 300 million project in Western Australia for the provision of construction services at a **lithium** hydroxide plant. Another element that is essential for energy transition is **nickel**. Our company Thiess has been awarded a AUD 240 million nickel mining contract marking the company's second successful venture in the Indonesian nickel market in 2023. The project underlines its strategic target to significantly increase the proportion of business with commodities needed for the energy transition in the coming years. The Group benefits from its excellent reputation as a service provider to the natural resources industry and the full integration of MACA which it acquired during 2022.

The infrastructure associated with **sustainable mobility and smart cities** is a long-term structural growth market. In North America, Flatiron has been selected as lead contractor for phase one of the Dynamic Personal Micro Transit (DPMT) project in the Bay Area (San Francisco). The project is intended to provide an alternative transportation option through zero-emission, autonomous vehicles operating in dedicated guideways in East Contra Costa County.

Social infrastructure is another long-term structural growth market for HOCHTIEF. In August NFL team, the Tennessee Titans, announced that a consortium including Turner and an AECOM subsidiary will serve as Construction Manager on its new stadium project. In Australia, CPB has been selected by the Queensland Government as managing contractor for stage one of the new AUD 1.2 billion Bundaberg Hospital whilst Turner, the leading healthcare facility builder in the U.S., broke ground for a USD 550-million hospital project in Texas.

Capital allocation plays an increasingly important role in the strategic development of our company in terms of transformational M&A, bolt-on acquisitions, the deployment of equity capital in next generation infrastructure growth sectors and investments in PPPs. At the same time, shareholder remuneration remains a priority for HOCHTIEF.

During the year we started to deliver on the next phase of our strategy in relation to **investing equity in high-tech growth sectors** where we can apply the financing, project management and O&M capabilities built up over many years in the PPP business. In 2023 HOCHTIEF committed or invested a total of approximately EUR 150 million to investments in these areas as well as EUR 43 million in traditional PPPs.

In a significant milestone for the business, a HOCHTIEF joint venture has been awarded a contract to finance, plan, build and operate a fast-charging network for electric vehicles by the German Ministry of Transport. Total investment amounts to around EUR 250 million which will include an equity investment of over EUR 50 million. Similar models are expected to be replicated in several other European countries to meet the increasing demand for EV chargers and we are well prepared for the opportunities which will emerge.

At the end of 2023, the Glenrowan solar farm in Australia commenced operations. Pacific Partnerships has developed, invested equity in and is managing the solar farm, with its services subsidiary, UGL, undertaking construction, operations and maintenance work. During the year, Pacific Partnerships has also acquired the development rights for the 300 MW Hopeland solar farm in Queensland, the second large-scale solar project to be owned and developed by the company.

Elsewhere, we have identified a significant pipeline of data center equity investment opportunities in Europe and Asia-Pacific. In Germany, for example, HOCHTIEF and an infrastructure partner are jointly building and operating a sustainable edge data center near Dusseldorf. This type of data center is particularly suitable for regionally oriented companies that prefer computing power and data storage close to their headquarters and customers. The consortium has already purchased a further plot for a second project of this type and is in the process of securing a third and intends to replicate the model at other locations in metropolitan areas in the next few months.

Germany has also witnessed several important PPP project wins for the Group including a 30-year PPP contract worth several hundred million euros to expand the new Frankfurt am Main judiciary center. HOCHTIEF PPP Solutions will construct new buildings and subsequently operate them in an eco-friendly manner for a period of 30 years. Earlier in the year the company won a major PPP building contract in Berlin where the Group will refurbish and build new offices for the Institute for Federal Real Estate and subsequently operate and maintain them over a 30-year period with a reduced carbon footprint.

We continue to boost our engineering know-how via bolt-on acquisitions such as that of the Canadian company Novopro with its strong know-how in lithium processing technology. In addition, UGL reached an agreement in 2023 to buy the telecommunications services arm of an Australian installation and maintenance contracting company, Skybridge.

In July 2023, HOCHTIEF, ACS and Mundys reached a new strategic collaboration agreement for **Abertis** with the objective of strengthening the toll road operator’s global leadership in transport infrastructure concessions.

As part of the agreement, Abertis acquired a 56.76% interest in the SH-288 managed-lane highway in Houston to Abertis for USD 1.53 billion which has a remaining lifetime of 45 years. In October, Abertis announced that it has won a tender in Puerto Rico for four toll roads with its USD 2.85 billion bid for a period of 40 years.

In early 2024, the Abertis shareholders contributed EUR 1.3 billion in equity to support the financing of these transactions and the company’s growth strategy. Abertis will thereby maintain an optimal capital structure in accordance with its commitment to maintain its investment grade credit rating.

Environmental, social and governance, **ESG**, remains a strategic priority for HOCHTIEF. For Scope 1 and Scope 2 emissions, we aim to be climate-neutral by 2038, and accordingly have defined additional near-term reduction targets through 2030. In accordance with the Sustainability Plan 2025, HOCHTIEF aims for climate neutrality (Net Zero) by 2045. In the last twelve months, international working groups have continued to develop and implement measures to advance on short- and long-term ESG targets. The Group has developed a decarbonization roadmap (net zero pathway), published a statement of principles on human rights and updated its living wage analysis. Our annual report will give you further insight into the progress we have made during the past year.

Our ESG leadership is widely recognized. In 2023 HOCHTIEF was again listed in the Dow Jones Sustainability Index for the 18th year in a row. HOCHTIEF achieved top positions in the ranking compiled by S&P Global. HOCHTIEF also improved the ratings regarding important environmental and social issues such as biodiversity and water management as well as occupational safety and human rights.

In addition, MSCI upgraded its ESG rating for the Group to AAA from AA making it the highest rated amongst its peers with an improved safety performance cited as one of the drivers of the upgrade.

As a consequence of HOCHTIEF's strong performance during the year, the proposed dividend for 2023 is EUR 4.40 per share. This represents a 10% increase year on year compared with EUR 4.00 per share for 2022 and is equivalent to an approximately 65% payout on the nominal net profit for the year, in line with our dividend policy. Shareholder remuneration remains a priority for the Group.

Group Outlook

HOCHTIEF is well positioned for the future based on its solid, long-standing local positions in its key developed markets, its geographical and currency diversification and a significantly derisked and expanding order book. The Group is achieving strong growth in both its traditional core activities as well as several high-tech infrastructure markets, winning projects in areas such as energy transition, new mobility and digitalization. Furthermore, HOCHTIEF initiated during 2023 the next phase of its strategy which is focused on investing equity in these growth markets.

Our guidance for 2024 is to achieve an operational net profit of between EUR 560 and 610 million which represents an increase of up to 10% compared with last year subject to market conditions.

Yours,

Juan Santamaría Cases
Chairman of the Executive Board

Pedro López Jiménez, Chairman of the Supervisory Board

Report of the Supervisory Board

Dear Shareholders,

Throughout 2023, the Supervisory Board performed all tasks required of it by law and the Company's Articles of Association. Those tasks notably include advising the Executive Board in its management of the Company and overseeing the Executive Board's activities. The Executive Board provided the Supervisory Board continuously, comprehensively, and promptly with information, both in writing and verbally, on all key aspects of business development.

Four ordinary meetings and two extraordinary meetings were held in 2023. In those meetings, the Supervisory Board made the decisions necessary on the basis of comprehensive reports and proposed resolutions submitted by the Executive Board. Four meetings were held in person, one was held as a video conference, and one took place in hybrid form, with some Supervisory Board members attending in person and others by video conference. Both in its plenary and in its committee meetings, the Supervisory Board had sufficient opportunity to consider proposals in detail. The Supervisory Board adopted all resolutions as required by law and the Articles of Association, in some cases by written procedure. To ensure that events of exceptional importance to the situation and development of the Group were addressed on a timely basis, the Chairman of the Supervisory Board maintained constant contact with the Chairman of the Executive Board.

With two exceptions, all members of the Supervisory Board attended every Supervisory Board meeting during their term in office. An overview of meeting attendance by each member at meetings of the Supervisory Board and its committees is provided in the table below. Both the shareholder representatives and the employee representatives met separately on a regular basis to prepare the Supervisory Board meetings. On individual topics, the Supervisory Board consulted without the attendance of the Executive Board.

Main points of discussion. The Supervisory Board addressed a large number of topics in the 2023 reporting year. Notable topics of discussion at the six meetings were as follows:

At the financial statements meeting on February 23, 2023, the Supervisory Board consulted on the Annual Financial Statements and Consolidated Financial Statements for 2022. The Supervisory Board also addressed the process for selecting the auditors for 2023. Furthermore, it discussed the agenda and proposed resolutions for the April 2023 Annual General Meeting, including the dividend proposal for 2022. A further topic was operational planning and both financial and balance sheet budgeting for the years 2023 to 2025. In this regard, the Executive Board explained the key planning assumptions and provided an overview of significant developments in the HOCHTIEF Group. The Supervisory Board appraised, noted, and concurred with the Executive Board's budget planning. Another agenda item was Executive Board remuneration. Regarding this matter, the Supervisory Board, for instance, discussed and adopted a resolution on changes in the remuneration system for members of the Executive Board.

In the extraordinary meeting on April 11, 2023, the Supervisory Board appointed Mr. Ángel Muriel Bernal as member of the Executive Board. It also discussed the resignation by mutual agreement of Mr. José Ignacio Legorburo Escobar and Mr. Nikolaus Graf von Matuschka from the Executive Board.

In the Supervisory Board meeting on April 26, 2023, the Executive Board reported on the performance of the business in the first quarter as well as on the upcoming Annual General Meeting. Furthermore, the Supervisory Board was briefed on the reports submitted to the Audit/Sustainability Committee by the Chief Compliance Officer and the Head of Corporate Auditing. The reporting also covered the Sustainability Plan 2025.

In the extraordinary meeting on July 25, 2023, the Supervisory Board discussed and passed the necessary resolutions regarding the granting of ACS Long Term Incentive Plans to selected employees of the Group and, in particular, to the members of the Company's Executive Board.

At its meeting on September 14, 2023, the Supervisory Board considered the course of business in the first half of the year. The Chairman of the Audit/Sustainability Committee reported on the findings of the review of the half-year financial statements and on the audit strategy for the audit of the 2023 Consolidated Financial Statements. The Supervisory Board additionally considered the succession for Mr. Nogueira Miguelsanz—who was leaving the Supervisory Board—after the Supervisory Board Nomination Committee had proposed the nomination of Ms. Cristina Aldamiz-Echevarría González de Durana. She has been a member of the Supervisory Board since October 13, 2023. A further topic of consultation was the preparation of the self-assessment in accordance with Recommendation D.12 of the German Corporate Governance Code. At the same meeting, the Supervisory Board also addressed the auditing of non-financial Group reporting. For the purposes of the Group Report 2023, the Supervisory Board engaged the auditors, Deloitte GmbH Wirtschaftsprüfungsgesellschaft, as auditors for the non-financial reporting (separate limited assurance engagement).

The Supervisory Board's final meeting in the reporting year was held on November 7, 2023. At that meeting, the Supervisory Board discussed the course of business in the first nine months of the year and was also informed about the Audit/Sustainability Committee's consultations on the risk management system and the risk report. Additionally, the Supervisory Board received a briefing on the implementation of the Sustainability Plan 2025. Moreover, the Supervisory Board passed resolutions on the Compliance Declaration pursuant to Section 161 of the German Stock Corporations Act, as well as on the Declaration on Corporate Governance, in which the Supervisory Board and the Executive Board jointly report on the Company's corporate governance. An additional subject of discussion comprised the outcomes of the self-assessment in accordance with the German Corporate Governance Code. The comments of the individual members of the Supervisory Board were considered and improvements discussed. Finally, the Supervisory Board also dealt with planned changes to the variable compensation for members of the Executive Board.

The Supervisory Board has set up four committees, whose members are listed in the Boards section. These are tasked with preparing agenda items and resolutions for Supervisory Board meetings. In some instances, the Supervisory Board has also delegated decision-making authority on individual topics to the committees. The committee chairpersons regularly informed the Supervisory Board about the committees' consultations and decisions.

The **Audit/Sustainability Committee** met five times in 2023—once by video conference and the remaining four times in person.

Attendance at meetings in 2023 by Supervisory Board member[1]

	Supervisory Board	Human Resources Committee	Audit/ Sustainability Committee	Nomination Committee
Pedro López Jiménez (Chairman)	6/6	3/3		2/2
Nicole Simons (Deputy Chairwoman)	6/6		5/5	
Cristina Aldámiz-Echevarría González de Durana	1/1			
Fritz Bank	5/6		4/5	
Beate Bell	6/6	3/3		
Christoph Breimann	6/6		5/5	
Carsten Burckhardt	1/1	1/1		
José Luis del Valle Pérez	6/6	3/3	5/5	2/2
Ángel García Altozano	6/6		5/5	
Dr. rer. pol. h. c. Francisco Javier García Sanz	6/6		5/5	
Antonia Kühn	4/5	1/1		
Matthias Maurer	6/6		5/5	
Luis Nogueira Miguelsanz	5/5		4/4	
Nicole Moser	6/6	3/3		
Nikolaos Paraskevopoulos	6/6			
Prof. Dr. Mirja Steinkamp	6/6		5/5	
Klaus Stümper	6/6	3/3	5/5	
Christine Wolff	6/6	3/3		2/2

[1] Attendance = number of meetings attended by Supervisory Board member/total number of meetings during tenure

Topics of intensive discussion were the quarterly reports, the half-year financial statements, the Annual Financial Statements, and the Consolidated Financial Statements. In each instance, the Supervisory Board or the Audit Committee discussed the reports and financial statements with the Executive Board prior to publication.
The Audit/Sustainability Committee addressed the auditor selection process on several occasions, provided the Supervisory Board with a recommendation for the latter's proposal to the Annual General Meeting regarding the appointment of the auditors, and prepared the audit engagement letter for issuance, including the agreement on audit fees. Additionally, the Committee addressed the Group's risk management system, the internal control system in relation to financial reporting, and the internal audit report. The Chief Compliance Officer reported to the Committee with an in-depth presentation on the development of the compliance organization, individual potential compliance cases, and measures taken in consequence. The Committee additionally addressed the Sustainability Plan 2025 on several occasions. Another regular item at the meetings comprised the reports on major projects in the HOCHTIEF Americas, HOCHTIEF Asia Pacific, and HOCHTIEF Europe divisions.

There were three meetings of the **Human Resources Committee** in 2023, all of which were held by video conference. In those meetings, the Committee considered details of Executive Board compensation and the structure of the compensation system for the Executive Board, and adopted the necessary resolutions.
The Human Resources Committee also prepared personnel-related decisions for the Supervisory Board, and made the requisite recommendations to the plenary meeting.

The **Nomination Committee** met twice during the year—once in person and once by video conference.

The **Mediation Committee** pursuant to Section 27 (3) of the Codetermination Act (MitbestG) was not convened in 2023.

Conflicts of interest. Under the rules of the German Corporate Governance Code and the Supervisory Board's Code of Procedure, members of the Supervisory Board are required to disclose any conflicts of interest without delay. No such disclosures were made in 2023.

Annual Financial Statements 2023. The Annual Financial Statements prepared for HOCHTIEF Aktiengesellschaft by the Executive Board in accordance with the German Commercial Code (HGB), the Consolidated Financial Statements prepared in accordance with International Financial Reporting Standards (IFRS), and the combined HOCHTIEF Aktiengesellschaft and Group Management Report for 2023 have been audited and issued with an unqualified auditors' report. The audit was performed by Deloitte GmbH Wirtschaftsprüfungsgesellschaft, the auditors elected by the Annual General Meeting on April 26, 2023 and engaged by the Supervisory Board to perform the audit of the Annual Financial Statements and Consolidated Financial Statements. The bookkeeping system was included in the audit. In addition, Deloitte GmbH Wirtschaftsprüfungsgesellschaft audited the non-financial Group report and the sustainability report (separate assurance engagement in accordance with ISAE 3000 (Revised), providing limited assurance).

This was the first time the audit was performed by Deloitte GmbH Wirtschaftsprüfungsgesellschaft following the change of auditors. The key audit partners responsible for carrying out the audit are changed in accordance with statutory requirements. For the reporting year, the key audit partners for the Consolidated Financial Statements and for the Annual Financial Statements were Mr. André Bedenbecker and Mr. Michael Pfeiffer.

The documents required for the audit, the Group Report, the proposal for the use of net profit, and the auditor's reports were sent to all members of the Supervisory Board in good time prior to the meeting of the Audit/Sustainability Committee and the Supervisory Board's financial statements meeting on February 22, 2024. In addition, the Executive Board provided verbal explanations at the same meeting.

In that meeting, the key audit partners explained the main findings of the audit and were available to provide further information.

It was determined by the auditors that the Executive Board possesses a suitable early warning system for risks. The Audit/Sustainability Committee had scrutinized the statements and reports prior to the Supervisory Board's meeting and subsequently recommended that the Supervisory Board approves the financial statements. The Supervisory Board examined the Annual Financial Statements, the Consolidated Financial Statements, the combined Company and Group Management Report, the Sustainability Report and the non-financial reporting as well as the proposal for the use of net profit. It raised no objections.

Taking the Audit/Sustainability Committee's consultations into account, the Supervisory Board approved the results of the auditors' audit of the Annual Financial Statements and Consolidated Financial Statements. The Supervisory Board has approved and thus adopted the Annual Financial Statements and has approved the Consolidated Financial Statements. It concurs with the proposal for the use of net profit submitted by the Executive Board.

Report in accordance with Section 312 of the Stock Corporations Act (AktG). The report on relationships with affiliated companies prepared by the Executive Board in accordance with Section 312 of the German Stock Corporations Act (AktG) was audited by the auditors. This report, and likewise the related audit report, went out to all members of the Supervisory Board in good time ahead of the latter's financial statements meeting. The key audit partners took part in the Supervisory Board's discussions on these documents, and reported on the main findings of the audit. In accordance with Section 312 AktG, the Supervisory Board examined the report and found it to be in order.

The auditors issued the auditors' report in accordance with Section 313 (3) AktG as follows:

"Based on our audit and assessment carried out in accordance with our duties and obligations as auditors, we confirm that

1. the statements of the report are factually accurate,
2. in the case of the legal transactions set forth in the report, the performance by the Company was not unreasonably high."

The Supervisory Board noted the auditors' audit findings with approval. On completion of its examination, the Supervisory Board raises no objections to the declaration issued by the Executive Board at the end of the report regarding relationships with affiliated companies.

Changes on the Supervisory Board. Mr. Carsten Burckhardt resigned his position as member of the Supervisory Board with effect from February 28, 2023. Ms. Antonia Kühn was appointed as member of the Supervisory Board by decision of Essen Local Court effective March 1, 2023. Mr. Luis Nogueira Miguelsanz stepped down from his office as member of the Supervisory Board with effect from October 12, 2023. Ms. Cristina Aldámiz-Echevarría González de Durana was appointed as member of the Supervisory Board by decision of Essen Local Court effective October 13, 2023.

Mr. Matthias Maurer stepped down from office as Deputy Chairman of the Supervisory Board with effect from November 6, 2023. At its meeting on November 7, 2023, the Supervisory Board elected Ms. Nicole Simons as the new Deputy Chairwoman of the Supervisory Board.

Mr. Matthias Maurer and Ms. Antonia Kühn stepped down from their office as member of the Supervisory Board with effect from December 31, 2023. Mr. Gellweiler and Mr. Wißuwa were appointed as members of the Supervisory Board by decision of Essen Local Court effective January 16, 2024.

Mr. Christoph Breimann has resigned his position as member of the Supervisory Board with effect from March 31, 2024, when he leaves the Company.

The Supervisory Board has thanked all members leaving the Supervisory Board in the reporting year for their years of dedicated service and expert advice on the Supervisory Board and its committees.

Onboarding measures. In accordance with Recommendation D.11 of the German Corporate Governance Code, the report of the Supervisory Board should include a report on measures taken to support new members of the Supervisory Board in their induction into office (onboarding measures). On their induction, Ms. Kühn and Ms. Aldámiz-Echevarría González de Durana were provided with the necessary key documents, including the Code of Procedure for the Supervisory Board and the Company's Articles of Association. In addition, in personal meetings with the Company's management, they were each familiarized with the organization and procedures of the Supervisory Board and its committees, and had ample opportunity to ask questions.

The Supervisory Board expresses its thanks and appreciation to the Executive Board, the Group company management teams, and all employees for their work, dedication, and loyal contribution to the Group's success in 2023.

Essen, February 2024

On behalf of the Supervisory Board

Pedro López Jiménez
Chairman

HOCHTIEF Executive Board

from left to right:
Ángel Muriel Bernal
Juan Santamaría Cases
Martina Steffen
Peter Sassenfeld

Executive Board

Juan Santamaría Cases, Chairman of the Executive Board

Born in 1978, Juan Santamaría Cases leads the company since July 2022. Juan Santamaría Cases has been a member of the ACS Group for more than 20 years.

He began his career at ACS in 2002 after graduating as a Civil Engineer from the Universidad Politécnica de Madrid. Between 2002 and 2006, he held different positions at Iridium and Dragados as Engineer and Project Director. Following the function of CEO at ACS Infrastructure in the U.S. and Canada from 2006 to 2013, he was President and CEO at Iridium between 2013 and 2015. From August 2015 to January 2017, he worked as Executive Manager for CPB in Australia and, in 2017, he was appointed CEO of the Industrial and Services Company UGL. From September 2017 to February 2020, he was Managing Director of CPB Contractors and Leighton, with operations in Australia, New Zealand and Asia.

Most recently, he served as CEO of CIMIC from February 2020 until May 2022 and as Executive Chairman of CIMIC since November 2020.

He was appointed CEO at ACS Group in May 2022 and Chairman of Abertis in March 2023.

Ángel Muriel Bernal

Born in 1967, Ángel Muriel Bernal has been a member of the Executive Board and Chief Operating Officer (COO) of HOCHTIEF Aktiengesellschaft in Essen since April 2023. He is responsible for the development of new business segments, the bidding and contract strategy as well as risk management, and is in charge of the Corporate Department Development and Mergers and Acquisition.

He has a PhD in Applied Economy from Malaga University.

Ángel Muriel joined the ACS Group in 1995 working on Corporate level and participating in different projects of Infrastructure and telecom. From 2002 to 2006, he was the CFO of Iridium in Chile, from 2006 until 2011 he worked as the CFO of ACS Infrastructure Development Inc. in the U.S. In 2011, Ángel Muriel was appointed CFO of Iridium Concesiones de Infraestructuras, S.A., in Madrid, Spain.

In 2012, he was appointed Head of Corporate Mergers and Acquisitions at HOCHTIEF, in Essen, Germany. In April 2014, Ángel Muriel joined the CIMIC Group Limited, in Sydney, Australia, as Chief Development Officer and Managing Director of Pacific Partnerships. He was also a Member of the Board of Directors of various companies of the CIMIC Group. In addition to these roles, from June 2015 to May 2017, Ángel Muriel was CIMIC Group's Chief Financial Officer. He was the Team Manager of the takeover bid, of Abertis, and is a Member of Abertis HoldCo Board of Directors.

Since May 2017, Ángel Muriel has been Deputy General Manager to the CEO at the ACS Group Headquarters in Madrid, Spain.

Peter Sassenfeld, Chief Financial Officer

Born in 1966, Peter Sassenfeld has been a member of the Executive Board of HOCHTIEF Aktiengesellschaft in Essen since November 2011. As Chief Financial Officer (CFO) of the company, he is responsible for the corporate departments Controlling and Risk Management, Finance, Capital Markets Strategy/Investor Relations, Accounting and Tax, and Insurance.

Peter Sassenfeld studied business administration at Saarland University. After his studies, he first performed various management functions at Mannesmann in Germany and abroad. Later he managed the worldwide mergers and acquisitions activities at the Bayer Group in Leverkusen. From October 2005, Sassenfeld worked for the Krauss-Maffei Group in Munich and from February 2007 as CFO of KraussMaffei AG. In May 2010, he took over as CFO of Ferrostaal AG in Essen. Since July 2015, he was CFO of HOCHTIEF Solutions AG.

Martina Steffen

Born in 1970, Martina Steffen has been a member of the Executive Board and Chief Human Resources Officer of HOCHTIEF Aktiengesellschaft in Essen since September 2021. She is responsible for Human Resources at the Group and as Chief Sustainability Officer for ESG matters, as well as for the Corporate Department IT. She is also in charge of the field of data protection.

Since 1989, Martina Steffen has worked in different positions for HOCHTIEF. Since August 2009, she has managed the Corporate Department Human Resources for HOCHTIEF Aktiengesellschaft and in May 2021 she also took on the task of Chief Sustainability Officer for the HOCHTIEF Group and since October 2021 also was a member of the Executive Board and Labor Director of HOCHTIEF Solutions AG. Before that, she worked in various functions in IT and Human Resources at the HOCHTIEF Group. Martina Steffen is a qualified data processing expert and has a degree in Economics and IT (Administration and Economic Academy—VWA).

Explanatory report by the Executive Board of HOCHTIEF Aktiengesellschaft pursuant to Section 176 (1) of the German Stock Corporations Act (AktG) on the disclosures pursuant to Sections 289a and 315a of the German Commercial Code (HGB) as of the balance sheet date December 31, 2023.

The Executive Board provides the following explanatory notes on disclosures provided in the combined Group and HOCHTIEF Aktiengesellschaft Management Report and required under Sections 289a and 315a of the German Commercial Code:

Our disclosures relate to the situation in fiscal year 2023 up to the time the combined Management Report was prepared. The disclosures consist of information on the Company's subscribed capital, on restrictions on the transfer of securities, direct and indirect holdings exceeding 10% of voting rights, statutory rules, and rules contained in the Company's Articles of Association about the appointment and replacement of Executive Board members as well as about amendment of the Articles of Association, powers of the Company's Executive Board including, in particular, any powers in relation to the issuing or buying back of shares, and any significant agreements to which the Company is a party that are conditional upon a change of control of the Company following a takeover bid.

The structure of the Company's subscribed capital and rights attaching to no-par-value bearer shares in the Company are determined, among other things, by the Company's Articles of Association. The shareholding held by ACS, Actividades de Construcción y Servicios, S.A. is known from the published voting rights notification of November 13, 2023.

Restrictions on voting rights attaching to those shares may result from the provisions of the German Stock Corporations Act (AktG). For example, there are circumstances in which shareholders are prohibited from voting (Section 136 AktG). The Company also has no voting rights with regard to treasury stock (Section 71b AktG). With one exception, no agreements are known to us that may result in restrictions on voting rights or on the transfer of securities. Insofar as the Company has transferred securities to Executive Board members for the purpose of settling their variable compensation entitlements, these securities are subject to a two-year or three-year lock-up period. The information in accordance with Section 289a sentence 1, 3 and Section 315a sentence 1, 3 of the German Commercial Code on direct or indirect shareholdings exceeding 10% of voting rights is included in the Notes to the (Consolidated) Financial Statements. The information provided on appointment and replacement of Executive Board members conforms to the substance of the German Stock Corporations Act and the Company's Articles of Association, as does the information on amendment of the Articles of Association.

The Executive Board's powers in relation to the issuing or buying back of shares are based in their entirety on authorizations granted by resolution of the General Shareholders' Meeting in 2022 and 2023 relating to conditional and authorized capital as well as other matters, including the authorization to repurchase and utilize the Company's own shares. The information provided on these powers conforms to the authorizations granted by resolution of the General Shareholders' Meeting.

Among others, HOCHTIEF Aktiengesellschaft has entered into loan and financing agreements that comprise change-of-control clauses with right of termination. If the lenders would exercise their right of termination in case of such change of control, the corresponding borrowing needs of HOCHTIEF Aktiengesellschaft and the HOCHTIEF Group would have to be met by other means.

By way of an additional disclosure for informational purposes, in supplement to the mandatory disclosures under the stated sections of the German Commercial Code, other Group companies are party to further agreements that are conditional upon a change of control. The following is an abridged and non-exhaustive presentation:

In the PPP segment, project contracts frequently accord the client substantial rights that make it difficult to effect a change of ownership structure in the project company.

The remaining disclosures required under Sections 289a and 315a of the German Commercial Code relate to circumstances that do not apply to HOCHTIEF Aktiengesellschaft. We do not therefore cover these points in detail in the combined Group and HOCHTIEF Aktiengesellschaft Management Report. There are no limitations on voting rights, no restrictions on the exercise of voting rights attached to employee shares, no agreements between the Company and members of the Executive Board or the Company's employees providing for compensation in the event of a takeover bid, and no securities carrying special rights with regard to control of the Company.

Essen, February 2024

Juan Santamaría Cases

Peter Sassenfeld

Ángel Muriel Bernal

Martina Steffen

HOCHTIEF on the capital markets

European stock market development

Stock markets in Europe had a strong start to the year in 2023 as economic indicators surprised with their resilience despite the energy crisis, defying recession fears.

Since springtime, performance was largely stable. Modest variations in key stock market indices reflected sentiment swings between optimism on declining inflation and a corresponding peak in the interest rate cycle and soft landing in the economy versus concerns over persistingly high inflation and a higher-for-longer interest rate level that might drive a more significant economic recession.

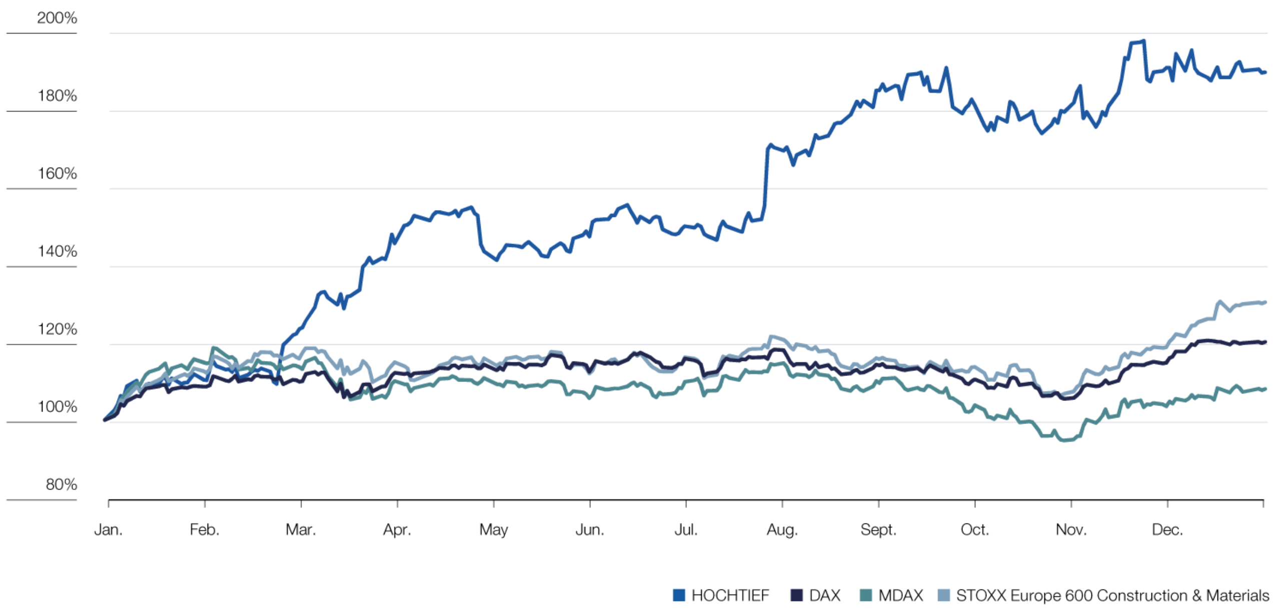
A positive U.S. inflation development reading in November boosted hopes that central banks were nearing, or had reached, the end of their interest-rate-hiking cycle while economic data was upbeat leading to a year-end rally on European stock markets.

The DAX index increased by 20% for the whole of 2022 (-12% in 2022), the MDAX by 8% (-27% in 2022) and the European sector index STOXX Europe 600 Construction and Materials by 31% (-21% in 2022).

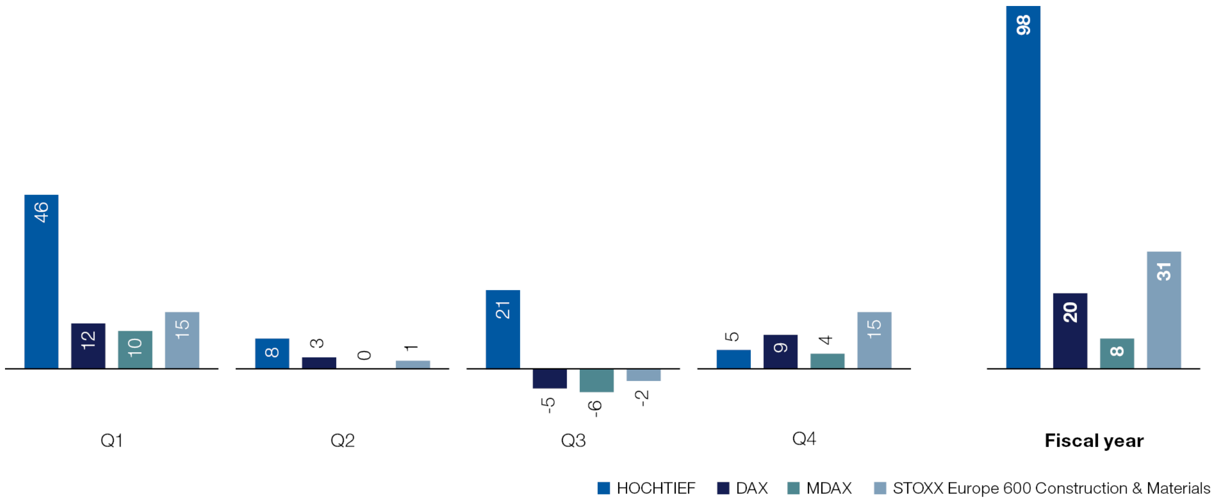
Performance of HOCHTIEF shares

HOCHTIEF shares showed a very strong performance in 2023 (almost doubling during the year) delivering a sizable outperformance compared to benchmark indices. The outperformance was most visible in the weeks following the publication of full-year results for 2022 and half-year 2023 results. This was triggered by a mix of effects, including strong delivery on FY 2022 results which were accompanied by a strategy update delivered in February, further share purchases disclosed by ACS as well as the re-entry into the MDAX index followed by another solid set of half-year results in July that featured a strong cash flow performance and continued strength in the order intake. The HOCHTIEF share price ended the year at EUR 100.30. Including the dividend of EUR 4.00 per share, the total shareholder return stood at 98% for 2023.

Performance of HOCHTIEF share versus benchmark stock indices in 2023



Total shareholder return by quarter in percent (2023)



HOCHTIEF stock: Key figures

		2023	2022
Number of shares in issue[1]	million	77.7	77.7
Average number of shares in circulation (excluding treasury shares)	million	75.2	72.1
Market capitalization (excluding treasury shares)[1]	EUR million	7,544	3,961
High	EUR	104.6	73.52
Low	EUR	53.98	45.27
Close	EUR	100.3	52.68
Shares traded (average per day on Xetra)		93,084	87,517
Shares traded (average per day on Xetra)	EUR million	7.7	4.9
Dividend per share	EUR	4.40[2]	4.00
Total dividend payout	EUR million	342[2]	311
Earnings per share (operational)	EUR	7.35	7.24
Earnings per share (nominal)	EUR	6.95	6.68

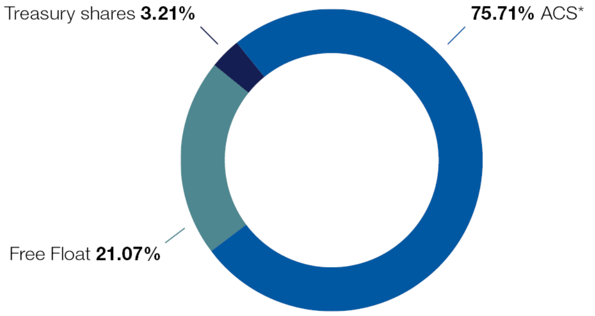
[1] As of year-end
[2] Proposed dividend based on the number of total shares in issue

Shareholder remuneration

The proposed dividend for FY 2023 of EUR 4.40 per share represents a 65% payout on the nominal net profit for the year or EUR 342 million in absolute terms. Looking forward, shareholder remuneration will remain a management priority.

Shareholder structure

HOCHTIEF's total shares in issue remained unchanged at 77.7 million shares during 2023. On November 13, our main shareholder ACS announced that it has increased its shareholding to 75.7% or 78.2% adjusted for treasury stock from 68.0% held by year-end 2022. HOCHTIEF holds 3.2% or 2,497,884 treasury shares at year-end (2,522,676 end of 2022).



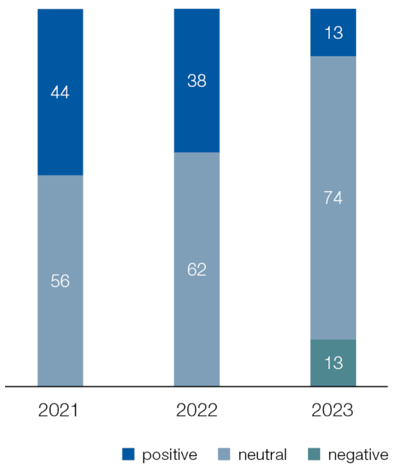
*ACS Actividades de Construcción y Servicios, S.A., Madrid

Analysts

The analyst community continues to recognize HOCHTIEF's strong and diversified market positions and the high-tech infrastructure growth opportunities the Group is pursuing in developed markets. At the end of the year, average analyst recommendation for HOCHTIEF shares was Hold after the strong performance of the shares during that period. The analysts' average target price rose by over 50% from EUR 63 to EUR 96 per share during the year.

Latest ratings and the average target price of our analysts are available on our website (www.hochtief.com/investor-relations/hochtief-share).

Analysts' rating distribution (end of year, %)



Capital markets communication

Transparent and timely communication with the market is a key priority for HOCHTIEF management and our Capital Markets Strategy/Investor Relations department. During 2023, we participated in a series of virtual and in-person international investor conferences and regularly presented our quarterly results to the market via conference calls. Our Investor Relations website features all published results documents as well as other relevant information for shareholders.

HOCHTIEF recognized for strong sustainability performance

In 2023, HOCHTIEF has received the “AAA” rating from MSCI. This is the highest possible score and is awarded to companies that demonstrate exemplary management of ESG. HOCHTIEF had previously achieved the second-highest "AA" rating for seven consecutive years. As in previous years, HOCHTIEF was once again singled out for its contribution to climate change mitigation, again achieving a “B” score (2022: “B”) in the CDP climate ranking, corresponding to Management status under the CDP criteria. In 2023, HOCHTIEF has been included in the Dow Jones Sustainability World Index for the 18th time in a row for its performance in the areas of business/governance, environment and social affairs. The Dow Jones Sustainability World Index is one of the best-known sustainability indices and comprises the world's leading companies in the field of sustainability. In addition, HOCHTIEF was successfully listed in the reporting year in the following ratings or evaluated positively for its ESG performance: Sustainalytics (ESG Risk Rating of 23.5), FTSE4Good ESG rating (Score 3.2), and EcoVadis (platinum medal).

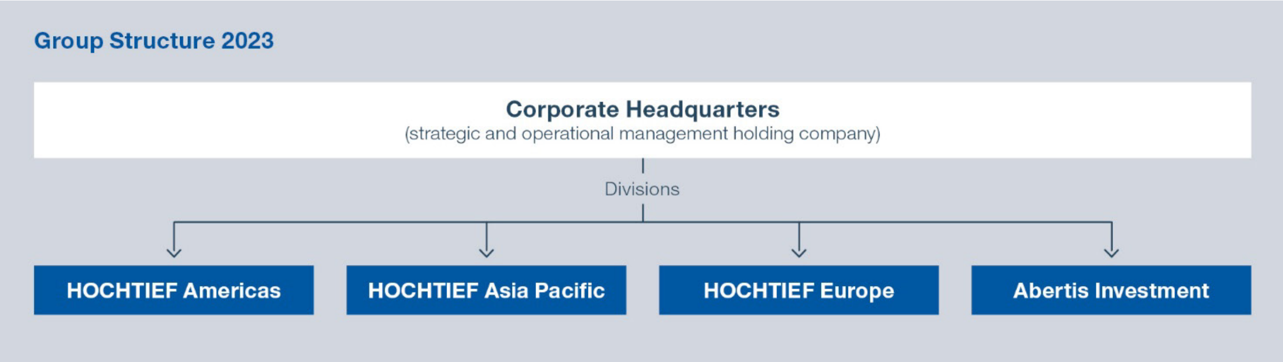
For further information, please see www.hochtief.com/investor-relations

COMBINED MANAGEMENT REPORT

The management report for HOCHTIEF Aktiengesellschaft is combined with the Group Management Report. The combined Management Report contains a reference, in a footnote to the Compliance section of the combined Management Report, to the combined Declaration on Corporate Governance pursuant to sections 289f and 315d of the German Commercial Code (HGB).

The non-financial reporting is provided as a separate Non-financial Group Report, which in accordance with Section 315b (3) sentence 1 No. 2 a) HGB is published in the Company Register together with the combined Management Report. The non-financial reporting is reviewed in a separate limited assurance engagement in accordance with ISAE 3000 (revised). The combined Management Report includes disclosures that are not part of the statutory audit of the annual financial statements and consolidated financial statements but have been reviewed in a separate limited assurance engagement on the non-financial reporting or are unreviewed. These disclosures are marked separately in each case.

Combined Management Report
Group Structure and Business Activities, Business Model and Management System



Group structure 2023
The operating companies within the HOCHTIEF Group are organized under the three divisions HOCHTIEF Americas, HOCHTIEF Asia Pacific, and HOCHTIEF Europe. HOCHTIEF Aktiengesellschaft also holds 20% minus one share of toll road operator Abertis HoldCo, S.A.

The Group structure reflects our strong regional presence, focused on developed markets. This global footprint in selected core markets enables the Group to seize diverse regional market opportunities. As one of the companies with the highest degree of internationalization in the construction industry,[1] HOCHTIEF generates approximately 97% of output outside of Germany.

The Group is managed and controlled by HOCHTIEF Aktiengesellschaft, the strategic and operational management holding company domiciled in Essen, Germany (the “holding company”). Responsibility for the strategic, organizational, and operational development of the Group as a whole lies with the Executive Board and the Group corporate departments (control level). The holding company encompasses the following departments: Corporate Governance (Corporate Compliance, Corporate Department Legal), Corporate Auditing, Corporate Department Human Resources, Corporate Department IT, Corporate Development and Mergers & Acquisitions, Corporate Communications, Corporate Department Sustainability, Corporate Controlling and Risk Management, Corporate Finance, Corporate Department Capital Markets Strategy/Investor Relations, Corporate Accounting and Tax, and Corporate Department Insurance.

Business activities and business model of the HOCHTIEF Group
HOCHTIEF is an engineering-led global infrastructure solutions provider with leading positions in North America, Australia and Europe and a rapidly expanding presence in high-tech, energy transition and sustainable infrastructure markets. We address a wide group of industries with our services, including construction management for non-residential buildings, construction of transportation and supply infrastructure, transportation infrastructure, maintenance services, building construction and civil engineering, toll road operation as well as services for natural resources. HOCHTIEF delivers its services drawing on long-standing experience in development, financing, construction, and operation. With this capability portfolio and global footprint, the Group strategically targets to achieve a balanced business profile.

[1] see Deloitte, “Global Powers of Construction”, 2022

The Group's subsidiaries are successfully positioned in their markets, as shown by top rankings such as that of the Engineering News-Record. By cooperating closely, the operating companies and corporate departments within the HOCHTIEF Group ensure a continuous global transfer of knowledge within the Group for the benefit of our stakeholders.

The selection of subcontractors, suppliers, and service providers, which is important for successful project execution, is done on the basis of transparent criteria and binding processes. They are required to comply with our high standards, in particular, by acknowledging the conditions laid down in our Code of Conduct for Business Partners. We also attach importance to engaging with other partners on the construction projects and with our stakeholders, both as part of our contracting work and in our sustainability activities for implementation of the Sustainability Plan 2025.

Each of our projects is one of a kind and therefore requires tailor-made solutions. In line with our guiding principles, we work to this end with a high level of innovation and quality and in accordance with our sustainability strategy.

Management system at HOCHTIEF and key performance indicators

The objective of HOCHTIEF as an engineering-led global infrastructure solutions provider with leading positions in North America, Australia and Europe and a rapidly expanding presence in high-tech, energy transition and sustainable infrastructure markets is to continue generating sustainable value for stakeholders.

The HOCHTIEF Group is managed from the holding company by the Executive Board and the corporate departments. Together with the divisions and their main subsidiaries, these assess markets, opportunities as well as risks and—based on the outcome of this assessment—determine targets and strategic directions for the divisions and subsidiaries. Operational management is generally the responsibility of the Group companies, with local management deciding matters such as which projects to pursue. Constituting an exception to this general rule are, for instance, very large or strategically important projects, in which case the projects are pursued in close consultation with at least one Executive Board member. Operational management has to adhere at all times to the currently applicable Group requirements and guidelines. For example, major investment projects are subject to approval by the Group. All of this takes place on the basis of a Group-wide internal control system (ICS) overseen by Internal Auditing.

Once annually, a budget based on uniform Group-wide standards and guidelines for the budgeting Group companies is prepared. The budgeting includes the budget figures for the upcoming year and the two years beyond. Presented to the Supervisory Board by the Executive Board, it forms the basis for the subsequently communicated capital market guidance for key performance indicators. The Executive Board of HOCHTIEF Aktiengesellschaft consults regularly with the top management of the subsidiaries on current business performance, selected financial key performance indicators, opportunities and risks, individual projects as well as strategic and sustainability initiatives. A management committee structure has been established for this purpose. The newly created management committees are a forum for coordination between the Executive Board—supported by the heads of key corporate departments—and the management teams at the main Group companies. Meetings are generally held on a quarterly basis to explain and discuss current and strategic developments as well as to agree upon action to be taken as a result. In addition, any control measures are taken in the event that business performance diverges significantly from the budgeted targets communicated to the capital market.

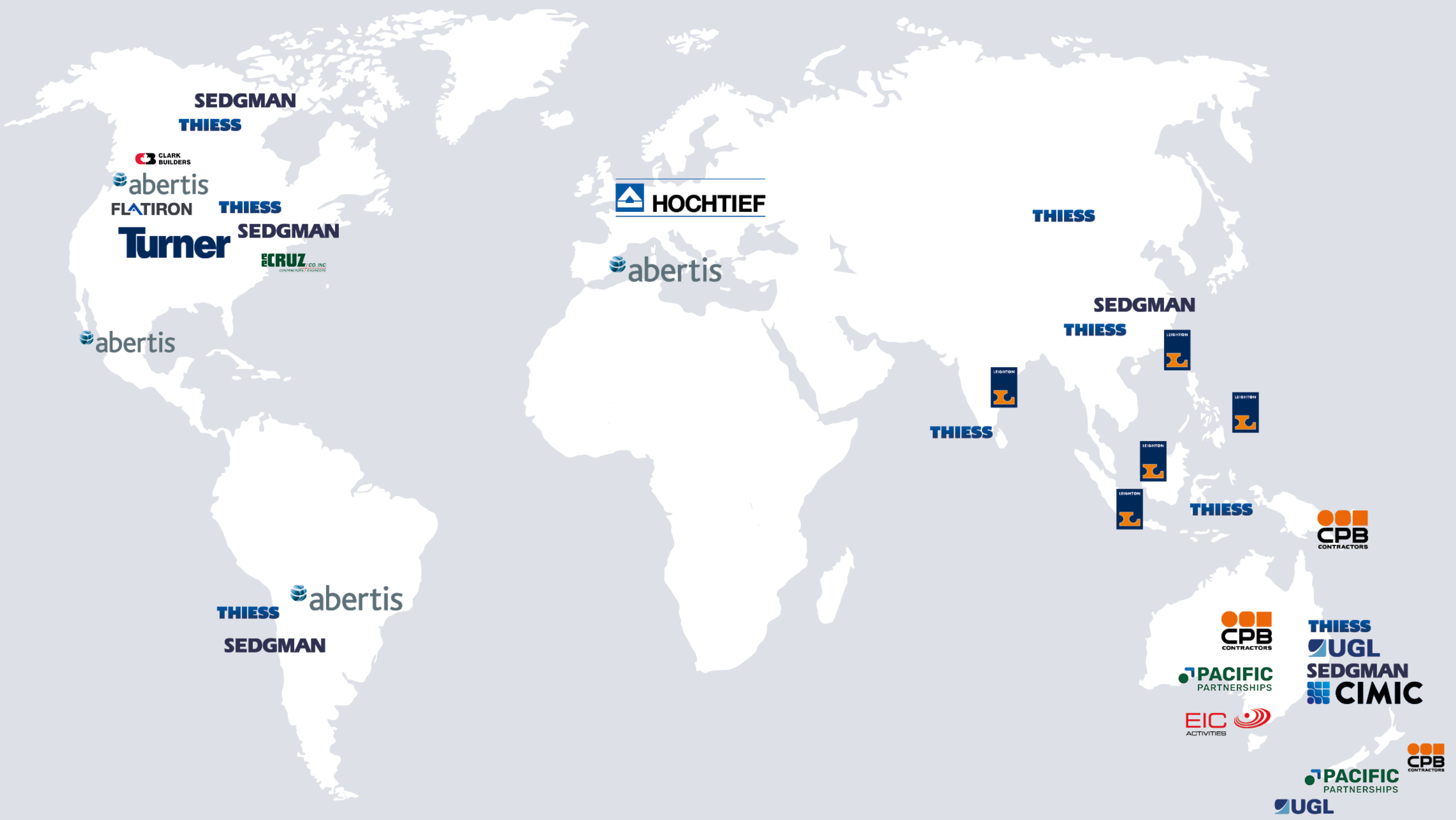
The most important key performance indicators used for management of the HOCHTIEF Group are as follows; the financial key performance indicators are those which best reflect our focus on cash-backed profits, while we manage net cash/net debt as a function of capital allocation:

Financial performance indicators
- Net cash/net debt
- Operational net profit

Non-financial performance indicator
- Lost time injury frequency rate (LTIFR)

Global presence

HOCHTIEF is focused on developed markets. This map shows a selection of our operating companies and their geographic spread of activity according to the 2023 Group structure.



HOCHTIEF Americas[1]
• **Turner** (USA, Canada) • **Flatiron** (USA, Canada) • **Clark Builders** (Canada) • **E.E. Cruz** (USA)

HOCHTIEF Asia Pacific[2]
• **CIMIC** (Australia) • **CPB Contractors** (Australia, New Zealand, Papua New Guinea) • **UGL** (Australia, New Zealand) • **Pacific Partnerships** (Australia, New Zealand) • **Leighton Asia** (Hong Kong, India, Indonesia, Macao Malaysia, Philippines, Singapore) • **Broad Construction** (Australia) • **Sedgman** (Australia, Canada) • **EIC Activities** (Australia) • **Thiess** (Australia, Canada, Chile, India, Indonesia, Mongolia, USA)

HOCHTIEF Europe[1]
• **HOCHTIEF Solutions** (Germany) • **HOCHTIEF Infrastructure** (Austria, Czech Republic, Denmark, Germany, Netherlands, Poland, Slovakia, Sweden, UK) • **HOCHTIEF Engineering** (Germany, Switzerland) • **HOCHTIEF PPP Solutions** (Germany, Greece, Ireland, Netherlands, UK) • **HOCHTIEF ViCon** (Australia, Germany, Netherlands, Switzerland, UK)

Abertis Investment
• **Abertis Infraestructuras, S.A.** (Argentina, Brazil, Canada, Chile, Croatia, France, Hungary, India, Ireland, Italy, Mexico, Puerto Rico, Spain, UK, USA)

The companies featured on the map by way of example illustrate HOCHTIEF's international lineup. Activities are carried out through branches, offices or separate companies. For more information on the corporate divisions, turn to the segment reporting. Alongside HOCHTIEF Aktiengesellschaft, the consolidated financial statements take in 376 fully consolidated companies, 100 equity-accounted companies, and 125 joint operations included proportionately. This organizational presentation goes together with legal information given in the list of shareholdings. For further information, please see the Notes to the Consolidated Financial Statements in this Report.

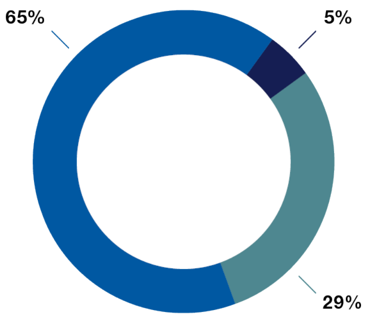
[1] Selection of the most important activities
[2] Selection of the most important activities and participating interests

Goals and strategies

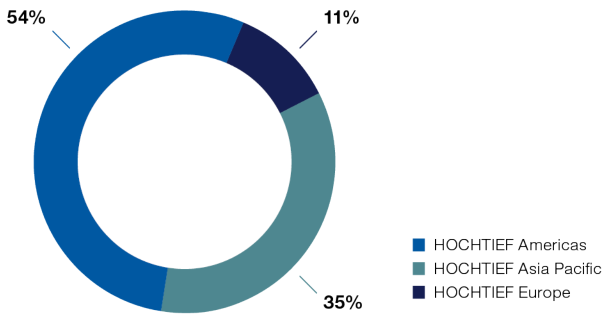
Creating sustainable value for all stakeholders

HOCHTIEF is an engineering-led global infrastructure solutions provider with leading positions in North America, Australia and Europe and a rapidly expanding presence in high-tech, energy transition and sustainable infrastructure markets.

Sales by division (2023)



Order backlog by division (2023)



For 150 years, HOCHTIEF has been delivering large-scale projects for its clients based on its core competence of construction. The Group's capabilities today also include engineering, supply chain and logistics services, as well as services in the natural resource sector and for infrastructure maintenance. In addition, the Group has substantial project life-cycle expertise that is applied in (greenfield) public-private-partnership projects, brownfield concessions and investment opportunities in strategic high-growth markets. We provide these services in selected regions, mainly in developed markets. As a leading global infrastructure group[1] HOCHTIEF today spans the entire life cycle of infrastructure projects. As a result, the Group has a balanced business profile in terms of cash flow visibility, capital intensity, and margins.

The HOCHTIEF vision looks to a sustainable future: "HOCHTIEF is building the world of tomorrow." Our business activities are based on a common corporate culture with shared values. Our integrated approach to projects fosters a culture of collaboration among our Group companies to the benefit of our stakeholders.

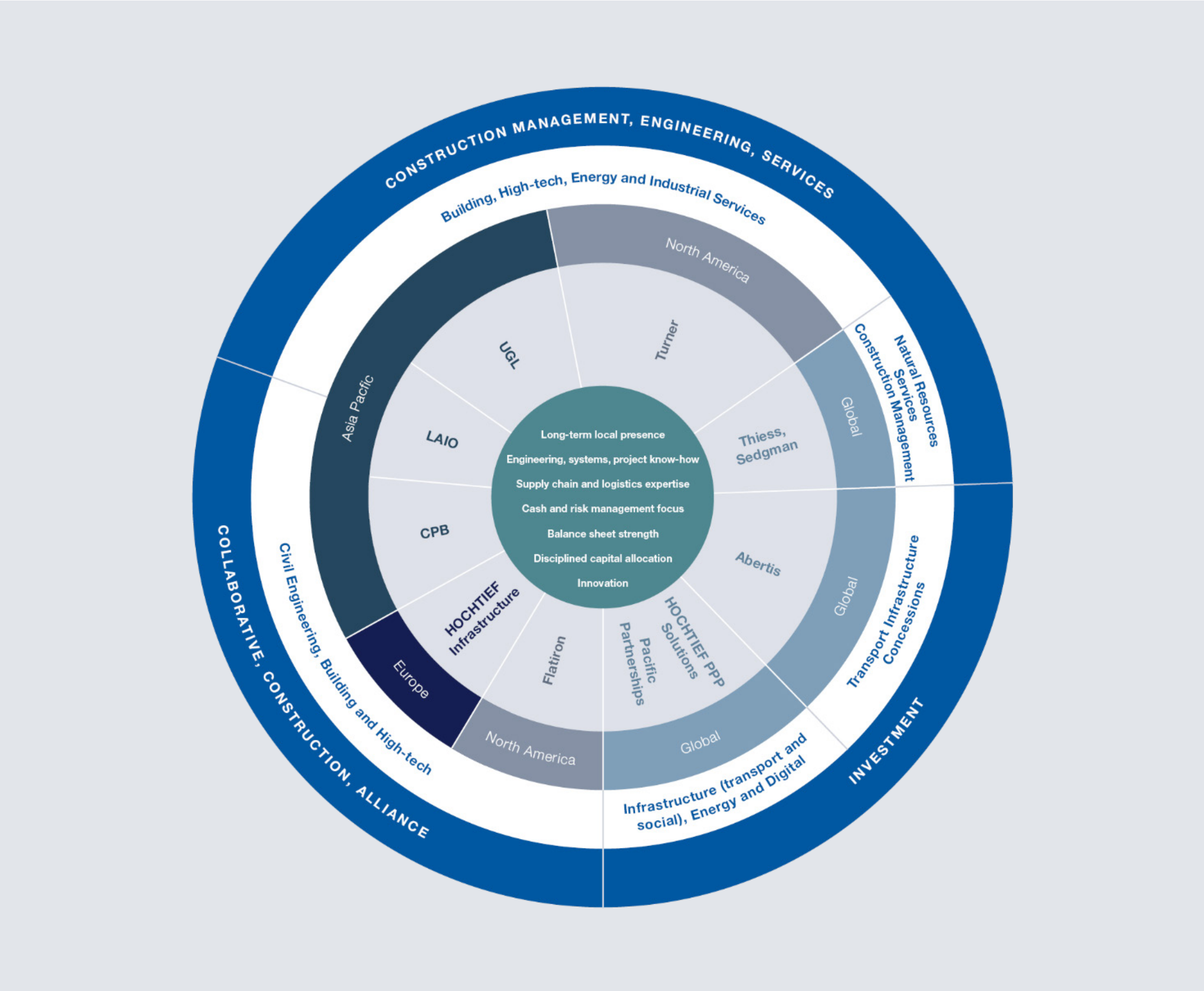
Global megatrends related to climate change, digitalization, demographics, urbanization and industrial relocation are driving strong investment growth in markets where HOCHTIEF is well positioned as a key player and can deliver attractive solutions for our private and public clients across the value chain.

Our strategy is to further strengthen HOCHTIEF's position in its core markets and activities as well as to pursue growth opportunities in the areas of energy transition, new mobility concepts, high-tech infrastructure, industrial relocation and biopharma while improving cash-backed profitability and a rigorous risk management approach. Our businesses are flexible, allowing Management to quickly adapt to varying market conditions. Active and disciplined capital allocation is a high priority for us. We continue to focus on attractive shareholder remuneration as well as investing in strategic growth opportunities to create sustainable value for all stakeholders.

[1] Based on share of international sales

Key elements of our strategy aimed at achieving our objectives are as follows:

Competitive positioning



Focus on activities and geographies with strong competitive positions

We want to deliver an absolute and sustainable increase in profitability. To achieve this, our strategy is focused on consolidating our long-standing, local market leading positions, derisking our order backlog and addressing growth market opportunities, particularly in the rapidly expanding high-tech infrastructure markets. HOCHTIEF is approaching its markets in three key ways: firstly, operationally through our engineering know-how and construction management business; secondly, as a supply chain and logistics partner; and thirdly via equity investments.

Our activities at a glance

Construction management, engineering and industrial services
Turner, our construction management company, is once again ranked No. 1 in the U.S. in general and green building in 2023, according to the ranking compiled by the reputed Engineering News-Record. This is based on the company's extensive engineering, supply chain and logistics expertise which is crucial for the delivery of large-scale projects. Turner is recognized as a leader in the United States in the data center, health care, education, airports, sports and commercial office segments. Turner is also a key player in the manufacturing sector and is serving clients who are meeting the demand for electric vehicles by delivering electric vehicle battery manufacturing, battery recycling and other facilities that serve this market.

Our diversified industrial services footprint comprises engineering and infrastructure maintenance services.

These industrial services activities are carried out by the HOCHTIEF Asia Pacific division through its subsidiary **UGL** that serves the market with end-to-end solutions for the entire life cycle of critical assets in power, water, resources, transport, and social infrastructure, with a growing presence in the rapidly expanding energy transition market.

Collaborative, Construction, Alliance
With our expertise encompassing design, financing, construction, operation and maintenance of transportation, energy, social, urban and high-tech infrastructure, we are well positioned to benefit from both public and private investments in projects that deliver new or upgrade existing infrastructure. Our local teams draw on in-depth experience in executing technically complex, large-scale projects with a view to driving a successful outcome for everyone involved. Our key subsidiaries have a decades-long track record of success in their markets:

- **Flatiron** ranks among the top civil engineering contractors in the U.S./Canada.[1]
- **CPB Contractors** is one of the largest civil engineering and building contractors in Australia.
- **LAIO (Leighton Asia)** offers comprehensive construction services primarily in Hong Kong and other selected Southeast Asian countries.
- **HOCHTIEF Infrastructure** is a leading contractor in Germany and several neighboring countries for civil engineering and building construction and is developing a strong presence in the rapidly expanding electric-vehicle battery market.

Natural resources services
Activities for the natural resources sector are delivered by **Thiess**, our 50%-owned services provider, and **Sedgman** which provides customized solutions for the design, construction, and operation of state-of-the-art mineral processing plants and associated mine-site infrastructure.

Infrastructure concessions (transportation and social), energy and digital
Our concessions/PPPs portfolio has a broad base that includes not only greenfield but also substantial brownfield activities. Our financial and PPP capabilities allow us to apply our know-how in the fast-growing areas of energy transition and high-tech infrastructure.

Our subsidiary **HOCHTIEF PPP Solutions** focuses on greenfield PPP and strategic high-growth market project developments in Europe, including investing own equity into the project companies while at the same time delivering major parts of the construction work. In Australia, the same activity is led by **Pacific Partnerships** within our Group company CIMIC.

We are present in the brownfield market via our 20% stake in the leading international toll road operator **Abertis**, which primarily operates in France, Spain, Brazil, Chile, USA, Mexico, Puerto Rico as well as other markets. Abertis manages a total of around 8,000 kilometers of toll roads in 15 countries.

Together with our majority shareholder ACS, HOCHTIEF has a combined track record since 1985 of being the largest PPP developer by number of transportation concessions and invested capital[2], which affords us unparalleled breadth and depth of experience.

[1] Based on the share of sales
[2] Public Works Financing Major International Projects Database, November 2018

Harnessing market potential resulting from megatrends

A key element of our corporate strategy is to further develop HOCHTIEF's presence in rapidly expanding high-tech infrastructure markets including new energies, data centers and infrastructure associated with 5G expansion and artificial intelligence as well as other areas such as social infrastructure and mobility. By harnessing our strong existing infrastructure skill-set and local presence in key developed markets we can maximize these growth opportunities by establishing a strong presence in the value chain of these high-growth industries.

Aligned with our vision of "HOCHTIEF is building the world of tomorrow" we are well placed to support:

- the build-out of renewable energy and energy infrastructure needed for the **energy transition** in all our key markets including large-scale electric vehicle battery manufacturing capacity
- the transformation of traditional transportation infrastructure to **new mobility concepts**
- the roll-out of **high-tech infrastructure** including 5G and its applicability in state-of-the-art facilities and for **data centers**
- the move towards industrial relocation of **manufacturing capacity** in North America and Europe
- and **biopharma and healthcare** investments to meet the demands of aging populations

Focus on sustainable and cash-backed profitability

Achieving sustainable profits which are consistently backed by cash generation is a core element of our strategy and the basis for an attractive shareholder remuneration policy as well as further strategic growth investments.

The Group had a strong cash flow performance in 2023. Underlying cash flow from operating activities pre-factoring of over EUR 1.4 billion in 2023 was up EUR 236 million year on year and compares to an already strong performance in 2022 driven by an excellent cash conversion performance.

HOCHTIEF ended the year with a net cash position of EUR 872 million (2022. EUR 354 million).

Continuous focus on risk management

In all our projects, effective risk management is essential. Effective risk management requires constant improvements. That is why we work continuously to adapt and optimize our risk management processes, and, in doing so, contribute toward enhancing profitability. We focus on selected, attractive markets where our engineering and project management know-how coupled with the benefits of a long-term local presence provide a sound basis for execution of our core activities, and constantly evaluate market opportunities with a view to complementing our activities accordingly. As a consequence, the share of lower-risk contract types with enhanced risk sharing mechanisms in our order backlog has increased significantly over the last six years to around 85% compared to around 65% at the end of fiscal year 2017. In addition, various risk mitigation tools have been applied to manage the current inflationary environment and supply chain challenges together with our clients and partners.

Maintaining a strong balance sheet and diversification and optimization of financing instruments

Maintaining a strong balance sheet is a key element of our Group strategy and part of our commitment to our investment grade credit rating. In addition, improving the financial structure is an ongoing objective for HOCHTIEF. Diversifying the available financing instruments as well as notably expanding short-term and long-term debt financing sources, including outside of the traditional banking market, is key to attaining that goal.

Broad market and investor access to diverse financial instruments, including promissory note loans, private placements, and public-sector bonds, enables HOCHTIEF to secure new financing arrangements and refinance existing debt on attractive terms. This also allows HOCHTIEF to consistently implement targeted management and extension of its maturity profile as part of the long-term financial strategy.

Active and disciplined capital allocation a key priority for management

An active evaluation of capital allocation options is a key ingredient of the Group’s strategy to support HOCHTIEF’s diversification, simplification and growth as well as our expertise in high-tech infrastructure.
We follow an active and disciplined approach to the opportunities we identify, including strategic and bolt-on acquisitions, PPP and strategic growth market project investments as well as shareholder remuneration through dividends and share buybacks.

- Abertis announced two significant investments during 2023. It agreed to purchase a 56.76% interest in the SH-288 managed-lane highway in Houston from ACS Group for USD 1.53 billion and also won a tender in Puerto Rico for four toll roads with its USD 2.85 billion bid. These two transactions are aligned with Abertis‘ long-term strategy of owning, operating and acquiring high-quality, strategic toll roads that continue to extend the Group‘s concession-based cash flows. Furthermore, these transactions reinforce Abertis‘ core exposure to hard currencies while leveraging its existing presence in the U.S. Both concessions contribute to cash flow generation from inception given existing high traffic levels and EBITDA margins. The shareholders, including HOCHTIEF, will contribute EUR 1.3 billion to support the financing of these transactions. Abertis will thereby maintain an optimal capital structure in accordance with the commitment to maintain its investment grade credit rating.
- CIMIC subsidiary Sedgman acquired a Canadian engineering and metallurgy company, Novopro. With its strong know-how in lithium processing technology, HOCHTIEF gains additional access to opportunities in this expanding sector, as demand for batteries and electric vehicles increases, while enhancing the Group’s North American presence and offering to clients. During the reporting period, UGL reached an agreement to acquire the telecommunications services arm of Skybridge, an Australian installation and maintenance contracting company. These bolt-on acquisitions are consistent with the strategy of expanding our presence in the added-value chain of high-tech infrastructure.
- Furthermore, HOCHTIEF committed equity investments of around EUR 150 million in strategic high-growth market projects during 2023. Investments were made into two solar farms in Australia as the starting point to establish a diversified portfolio of energy/utility assets in Australia. In Europe, the Group started investing into sustainable edge data centers as part of a plan to expand its data center development footprint significantly in the coming years. Moreover, HOCHTIEF has been awarded a contract to establish a fast-charging network for electric vehicles in parts of Germany into which equity has been committed, too. This investment is expected to be followed by further equity commitments in EV fast-charging networks in Europe.

Accelerating innovation by making use of digital developments

A major contributor to HOCHTIEF's strong track record in work and project delivery has been our focus on innovation, a key guiding principle of the Group. Innovation is conceptually approached from two angles. The strategic management of innovation is led by Nexplore which operates innovation, development and research centers in the proximity of HOCHTIEF's main subsidiaries. Its focus is on the opportunities and efficiencies that digital products and solutions can bring to our businesses. Nexplore is monitoring and consolidating the integration of technologies such as Digital Twin and Building Information Modeling (BIM). We continue to develop BIM as a key springboard for further innovations. Additionally, project-driven innovation is executed by innovation units within our operating companies that develop new solutions based on existing and emerging requirements on specific projects or more widely in their respective business lines. Automation and prefabrication applications, for example, lead to process improvements in the supply chain. This is further supported by our dedicated engineering and technical services companies such as EIC Activities and HOCHTIEF Engineering.

We develop in-house solutions and also use state-of-the-art systems and methods provided by external suppliers to enhance overall performance. For example, Turner's SourceBlue transforms the traditional procurement process by the transparent and efficient design of complex supply chains. In addition, we are actively engaging in industry-wide R&D networks with research, science and industry partners to drive innovation in our industry forward with digitalization playing a crucial role in stepping up not only safety, quality and efficiency but also sustainability. This is why innovation and digitalization are embraced within the HOCHTIEF Group as basic enablers to deliver on our ambitious targets laid out in the Sustainability Plan 2025.

Further enhancing our attractiveness as an employer

Our teams are paramount for HOCHTIEF and attracting talent is essential for HOCHTIEF. To this end, we have aligned our human resources management around recruiting both young talent and experienced professionals for our Company and systematically enhancing employee retention and development. Our areas of focus here include diversity in teams, an inspiring working environment as well as an extensive further education and training program.

Occupational safety and health are the foundation for success in our work. We work continuously to improve occupational safety. These efforts are aided by our non-financial key performance indicator, the lost time injury frequency rate (LTIFR), which provides us with a transparent means of tracking the frequency of accidents. Reducing the LTIFR is an express goal under our Sustainability Plan.

Contributing actively to sustainable development

Sustainability Plan in implementation

Implementation of the Sustainability Plan 2025 systematically continued in 2023. This comprehensive strategy spanning the three dimensions of sustainability—environmental, social, and governance (ESG)—was drawn up in 2021 under the direct leadership of the Executive Board and adopted in 2022. HOCHTIEF thus places a focus on the three pillars of ESG. To contribute to a sustainable future and in order to support the goals of the Paris Climate Agreement, all our business units are prioritizing the new Sustainability Plan 2025 with a clear commitment to achieving our net-zero target by 2045. This core effort is supplemented with targets and activities in the environmental, social, and governance spheres.[1]

Our sustainability strategy forms an integral part of the Group strategy, with which we generate value for our stakeholders and secure our long-term success. We define sustainability as a systematic approach to harmonizing economic, environmental, and social responsibility across all our business activities with the aim of securing the long-term viability of the Company. Sustainability is therefore one of our strategic principles. To this end, we apply a 360-degree focus, taking in all of our business segments and operating activities, and hence also our clients. At all times, we also keep in mind the interests of other stakeholders such as suppliers, subcontractors, and residents in the vicinity of our projects.

[1] The non-financial Group Report according to Section 315b (3) Sentence 1 No. 2a of the German Commercial Code (HGB) can be found here.

The international ESG working groups established in the prior year continued to develop their activities in the reporting year. Their progress is regularly reported to the Chief Sustainability Officer on the Executive Board, who also chairs the Sustainability Core Implementation Team, which is the operational implementing body. The Sustainability Committee newly constituted in 2022, comprising management representatives from across the entire Group, met four times in 2023. Similar structures have been established in Group companies such as Turner, Flatiron, and CIMIC.

Stakeholder management in the area of sustainability is primarily carried out at HOCHTIEF on a decentralized, issues-driven basis. To achieve the required targets for specific issue-related or case-related feedback, we conduct stakeholder dialog on a thematic basis. In an ongoing exchange, the needs of a wide variety of stakeholder groups are identified and taken into account both operationally and strategically for the long term. This feedback is a key element in making sure that our selected focus areas remain both relevant and valid.

Business success through sustainable action
As our work directly affects the environment and society, we aim to make our impact as positive as possible. We aim to prevent risks and make targeted use of opportunities. For clients, other stakeholders, and the Group alike, we aim to preserve, create, and grow value.

We do this by creating sustainable buildings and infrastructure, and by designing processes to deliver construction and services in the most environmentally and socially responsible manner possible. Innovations in products and services lead to resource-conserving solutions in our business segments. Generally, with services in our new market segments, we make a significant contribution to enabling sustainable development—for example, we are creating the conditions for the production and operation of electric vehicles by constructing battery factories.

Material topics retained following review
In line with the relevant GRI requirement, we regularly review material topics with regard to impact, relevance, and stakeholder interests. Material topics are those where we have significant impact on the economic, environmental, and social dimensions, including our influence on human rights. As required by GRI, they are prioritized on the basis of actual and potential impacts and impact severity.

In 2021, HOCHTIEF fully revised its material topics during development of the comprehensive ESG strategy and based on findings from numerous stakeholder dialogs. The material topics were further addressed and reviewed by subject-specific working groups in the reporting year. Thematic dialogs include the constructive involvement of outside parties. Following this review, the material topics were retained from the prior year and no new material topics were added. The material topics and subject matter were assessed and approved at top management level in October 2023.

We continue to structure these key work areas according to the dimensions of environmental, social, governance, and digitalization/innovation, and categorize them accordingly. Under the HOCHTIEF Sustainability Plan 2025, the topics and resulting activities are comprehensively addressed on a continuous basis. Notable interim results and specific progress we made in 2023 are described in greater detail in the various sections of the Combined Management Report and the Non-financial Group Report.

Material topics 2023 according to GRI

Environment
Climate change
Circular economy
Water protection
Biodiversity and ecosystems
Sustainable products and services

Social
Health and safety
Skilled workers
Diversity
Working environment
Social activities

Governance
Anti-corruption and anti-bribery
Responsible supply chain
Sustainable finance

Digital and Innovation (enabler)

RHINE BRIDGE, DUISBURG, GERMANY

After almost four years of construction, the first section of the Rhine bridge on the A40 highway in Duisburg-Neuenkamp opened to traffic in November 2023. The bridge is a key transportation link for people and industry in the region.

Markets and operating environment

HOCHTIEF Group and its operating subsidiaries hold leading positions in some of the world's biggest infrastructure markets.

The outlook for the most relevant markets for the Group, according to leading research firms, is described below. It is important to underline that the performance of our operating subsidiaries will not necessarily mirror precisely the evolution of particular markets as our operational strategies can lead to deviations from overall market trends, in particular in fragmented markets. This is illustrated, for example, by the respective division's order book development in local currency terms (in recent years).

Construction management for non-residential buildings in the U.S. (main market for: Turner)
Total non-residential building construction put in place in the U.S. is expected to increase by 5% in 2024, according to FMI, suggesting that this market segment will continue its expansion in 2024 following a very dynamic growth in 2023 where growth was estimated at 17%. The highest growth sub-markets are manufacturing, transportation, education and healthcare which are all key markets for Turner. Furthermore, steady growth is expected in the communication sub-market at 4–5% for all years 2024–2027 driven by data centers (growing use of artificial intelligence and other cloud service offerings) and connected devices/5G and as well as manufacturing and logistics investments.[1]

HOCHTIEF's order backlog in the Americas division, which is mainly driven by the non-residential building segment, is up 11% year on year in local currency terms at year-end 2023.

Transportation and utility infrastructure construction in the U.S. (Flatiron)
FMI predicts growth of 8% for transportation and utility infrastructure construction (non-building structures) in the U.S. in 2024, following growth of 11% in 2023. Furthermore, the longer-term outlook is strong with a growing wave of infrastructure megaprojects anticipated to break ground, renewable energy capacity creating needs and opportunities in energy storage and transmission while population growth and increased industrial production support higher spending also on water supply and sewage/waste disposal.[2] The U.S. Federal Government is supporting the forecasted, historically high level of investment through funding provided by the Infrastructure Investment and Jobs Act (IIJA) and Inflation Reduction Act (IRA).

HOCHTIEF's order backlog in the Americas division, which also includes some transportation and utility infrastructure contribution, is up 11% year on year in local currency terms at year-end 2023.

Transportation infrastructure and other non-residential construction in Australia (CPB Contractors)
Following a period of dynamic growth in 2022/2023, Macromonitor expects further growth of 10% in the non-residential construction market in Australia in nominal terms. This refers to the markets relevant for the Group, especially including transport, social, power/utility, natural resources and oil & gas infrastructure.

This growth reflects an uptick in activity for road, rail and airports projects in large cities, increased urban renewal work and big regional highway upgrades. Furthermore, healthcare construction is expected to see growth driven by rising population figures while renewable-energy related, broadband and water security spending is in a long-term growth cycle with elevated spending. In addition, demand for minerals needed for the energy transition is driving related construction investment growth while the recovery in the oil price from the 2020 levels is leading to an upturn in construction, too.[3]

[1] FMI, North American Engineering and Construction Outlook 2023, Fourth Quarter Edition, October 2023
[2] FMI, North American Engineering and Construction Outlook 2023, Fourth Quarter Edition, October 2023
[3] Macromonitor, December 2023

HOCHTIEF's order backlog in the Asia Pacific division linked to construction saw an increase at year-end 2023 of 3% year on year, in local currency terms.

Australian outsourced maintenance services market (UGL)

The outlook for outsourced maintenance services relevant to the Group in Australia is positive across the main industries with year-on-year increase expected at around 6% in 2024 thereby continuing a long-term growth track record. The underlying driver for this trend is economic and population growth, the energy transition as well as a significant maintenance underspend on a growing capital base. Overlaying is a structural trend to outsource maintenance services to specialist service providers.[1]

HOCHTIEF's order backlog in the Asia Pacific division linked to services saw an increase at year-end 2023 of 5% year on year, in local currency terms.

Natural resources sector export volume outlook for Australia (Thiess)

The Australian government's Department of Industry, Science and Resources predicts in its December 2023 quarterly publication that in volume terms most resource exports[2] are likely to show significant growth over the outlook period (July 2023–June 2025), as the global energy transition accelerates. Energy exports[3] are expected to level out in 2024, as the sharp commodity price falls of the past year temper production. Wet weather disruptions that hampered the production and transportation of Australian mining products in the two years before 2023 (to June) are considered less likely.[4]

HOCHTIEF's order backlog in the Asia Pacific division linked to Thiess, a 50%-owned joint venture servicing the natural resources market, saw an increase at year-end 2023 of 7% year on year, in local currency terms.

Civil engineering and non-residential building construction in Europe (HOCHTIEF Europe)

Civil engineering in Europe will continue to expand unabated in the years 2023 to 2026, according to the latest Euroconstruct outlook. Growth in this sector is due to the pressing need for action in relation to transport networks and energy production and distribution. The positive long-term outlook for civil engineering is also supported by the fact that these projects take years to complete. The non-residential building construction market is expected to maintain the current activity level until 2024, according to Euroconstruct, thereafter this market segment is expected to resume growth once again.[5]

HOCHTIEF's order backlog in the HOCHTIEF Europe division saw a very strong increase in 2023 by 42% compared to the year-end 2022, supported by successful bids for large-scale PPP projects.

Global toll road traffic (Abertis)

The outlook for Abertis' diverse portfolio of toll roads is largely a function of economic activity in key countries as well as inflation-linked tariff increases. Taking both indicators together, the likelihood of further underlying revenue growth at Abertis is high. The growth outlook is additionally supported by the acquisitions announced in 2023.

[1] BIS Oxford Economics, April 2023
[2] Definition includes iron ore, copper, gold, nickel, zinc, lithium, aluminum, and bauxite.
[3] Definition includes thermal coal, metallurgical coal, oil, LNG and uranium.
[4] Australian Government, Department of Industry, Science and Resources, Resources and Energy Quarterly, December 2023
[5] Euroconstruct, 96th Euroconstruct Conference, Press Release, December 2023

Order Backlog Development in 2023

Order backlog up 11% in local-currency terms driven by very strong new orders in 2023 across all divisions

New orders of EUR 36.7 billion in FY 2023 increased strongly year on year by 22%. The development was driven by all divisions and by the Group-wide strategic focus on high-growth infrastructure opportunities. Adjusting for exchange rate effects, the increase in new orders even amounted to 27%. New orders thereby corresponded to 1.2x work done during the period. The Group continues its disciplined bidding approach across all divisions.

As a result of a very strong level of new orders, the order backlog rose to EUR 55.3 billion. Year on year, the order backlog increased by EUR 3.9 billion in absolute terms or 8% in relative terms. On an exchange rate adjusted basis, the increase amounts to 11%. Our focus remains on developed markets and the order book remains well diversified across regions and market segments. In the 2023 reporting year, the Group continued to work on further improving its overall risk situation by increasing the focus on collaborative and lower-risk contract forms.

HOCHTIEF Americas: Order backlog at new record level with a 20% increase in new orders

New orders in the HOCHTIEF Americas division in 2023 are up 20% year on year (+24% f/x-adjusted) to EUR 21.2 billion and equivalent to 1.2x work done. As a result of the strong order intake momentum, the order backlog in the HOCHTIEF Americas division rose by 7% year on year to EUR 29.8 billion, a new year-end record level. Adjusting for foreign exchange rate effects, the increase amounts to 11%.

HOCHTIEF Asia Pacific: Robust new orders up 8% and stable order backlog

New orders of EUR 11.7 billion in 2023 are up 8% year on year and equivalent to over 1.1x work done during the period. The HOCHTIEF Asia Pacific division's order backlog stood at EUR 19.5 billion, showing an underlying increase in Australian dollars of 4% year on year offset by adverse foreign exchange rate movements.

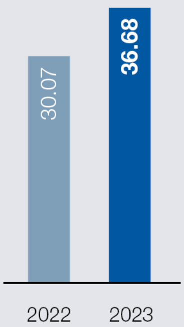
HOCHTIEF Europe: Strong 42% backlog increase to EUR 6.0 billion based on successful bids for large-scale PPP projects

In the HOCHTIEF Europe division, new orders worth EUR 3.6 billion were recorded in 2023, representing 2.0x work done during the reporting period. This remarkable performance was supported by successful bids on large-scale PPP projects. As a result, the divisional order backlog at the end of December 2023 came out at EUR 6.0 billion, 42% higher year on year.

Order Backlog Development in 2023 at a Glance

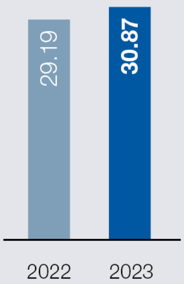
New orders[1]

EUR billion



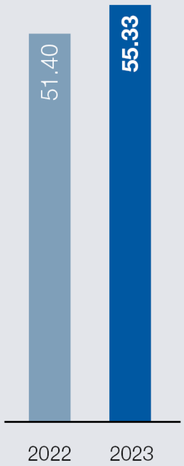
Work done[1,2]

EUR billion

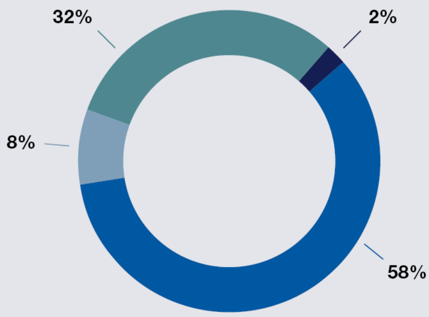


Order backlog[1]

EUR billion

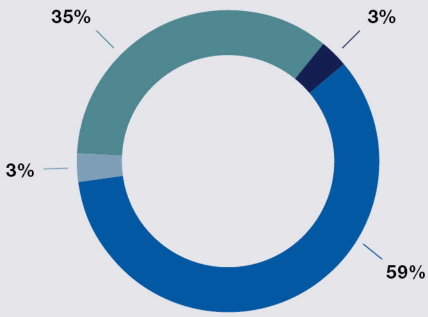


New orders by region



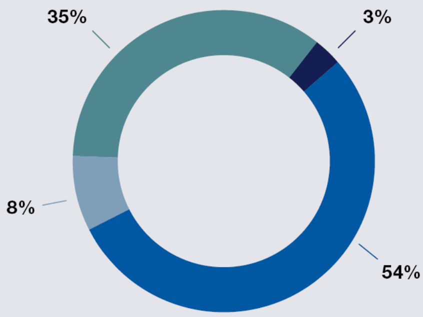
=
36.68
EUR billion
(100%)

Work done[2] by region



=
30.87
EUR billion
(100%)

Order backlog by region



=
55.33
EUR billion
(100%)

■ America ■ Asia/Pacific/Africa ■ Germany ■ Rest of Europe

[1] All figures refer to continued operations only unless stated otherwise.
[2] The reporting term work done covers all construction work completed by the company itself, together with its fully consolidated subsidiaries, and by joint ventures on a pro rata basis, plus all other sales generated by non-construction operations during the reporting period.

OHIO STATE WEXNER MEDICAL INPATIENT HOSPITAL 1, COLUMBUS, USA

Set to open in early 2026, this major hospital project, which Turner is constructing in Columbus, Ohio, will provide space for cutting-edge research as well as outstanding clinical training and patient care.

Financial Review

Summary assessment of the business situation

After HOCHTIEF consolidated and strengthened its core market positions in the preceding years, the Group worked increasingly in 2023 on expanding its presence in the structural growth areas of high-tech, energy transition, and sustainable infrastructure. As a result, business in 2023 was marked by numerous new orders in growth markets, the expansion of the Group's supply chain and logistics set-up as well as targeted capital allocation for bolt-on acquisitions and strategic growth market project investments.

Our successful strategic pivot to growth opportunities in these rapidly expanding markets is also reflected in the earnings growth in 2023.

In summary, we assess the HOCHTIEF Group's business situation and business performance in 2023 to be very solid overall on the basis of the achieved sales and profit growth coupled with the good orders situation as the Group continues executing on its strategy.

Group sales

HOCHTIEF generated **sales** of EUR 27.8 billion in 2023. This represents a 6% increase on the comparable prior-year figure (EUR 26.2 billion). Adjusted for exchange rates, the sales growth was 10%. All divisions contributed to this positive performance.

Sales

(EUR million)	2023	2022	Change	Change f/x-adjusted
HOCHTIEF Americas	18,111.0	17,460.0	3.7%	7.0%
HOCHTIEF Asia Pacific	8,099.6	7,299.6	11.0%	19.7%
HOCHTIEF Europe	1,339.4	1,270.8	5.4%	4.5%
Corporate	206.0	188.9	9.1%	12.2%
HOCHTIEF Group	**27,756.0**	**26,219.3**	**5.9%**	**10.4%**

Sales in the HOCHTIEF Americas division came to EUR 18.1 billion in 2023. This exceeded the prior-year figure of EUR 17.5 billion both in nominal terms (4%) and on an exchange rate adjusted basis (7%). The increase was mainly driven by sales growth in the manufacturing sector—notably battery factories—as well as in transport and social infrastructure.

The HOCHTIEF Asia Pacific division generated sales of EUR 8.1 billion in the reporting year. Compared to the prior year (EUR 7.3 billion), sales thus improved by 11%. CIMIC's sales in local currency rose by 20% to AUD 13.2 billion, driven by a strong order backlog and resulting growth momentum in the Australian construction and services business.

The HOCHTIEF Europe division generated sales of EUR 1.3 billion in 2023. This marked an increase in sales volume of nearly EUR 70 million or 5% compared to the prior year.

Sales generated in markets outside Germany amounted to EUR 26.9 billion in 2023. At 97%, the proportion of HOCHTIEF Group sales generated internationally was level with the prior year.

Operational Statements of Earnings*

(EUR million)	2023	2022	Change
Sales	**27,756.0**	**26,219.3**	**5.9%**
Change in inventories	10.3	23.5	-56.2%
Materials	(20,917.8)	(19,921.6)	5.0%
Personnel costs	(4,811.4)	(4,469.8)	7.6%
Other operating income	121.8	501.5	-75.7%
Other operating expenses	(1,284.6)	(1,499.9)	-14.4%
Net income from equity-accounted associates	254.2	236.3	7.6%
Net income from other participating interests (excl. result from loans)	42.4	44.5	-4.7%
Net non-operating expenses adjustment	59.3	50.7	17.0%
EBITDA adjusted	**1,230.2**	**1,184.5**	**3.9%**
Depreciation and amortization	(320.6)	(343.8)	-6.7%
EBIT adjusted	**909.6**	**840.7**	**8.2%**
Net interest income and other financial result	(135.3)	(112.8)	19.9%
Net non-operating expenses adjustment	(59.3)	(50.7)	17.0%
Profit before tax/PBT	**715.0**	**677.2**	**5.6%**
Taxes	(171.0)	(162.2)	5.4%
Tax rate (taxes/PBT in %)	23.9%	24.0%	
Profit after tax	**544.0**	**515.0**	**5.6%**
Minority interest	(21.3)	(33.2)	35.8%
Consolidated net profit	**522.7**	**481.8**	**8.5%**

* The operational statement of earnings shows the derivation of the operating earnings figures EBITDA (adjusted) and EBIT (adjusted). For this purpose, net non-operating expenses are eliminated from the statement of earnings and are therefore not included in EBITDA and EBIT. The net non-operating expenses mainly relate to income and expenses from special items and foreign exchange gains/losses, net income from asset disposals, and impairments/impairment reversals on receivables.

The **materials** and **personnel expenses**, mainly attributable to the HOCHTIEF Americas and HOCHTIEF Asia Pacific divisions, developed in line with sales.

Other operating income amounted to EUR 122 million in 2023 (2022: EUR 502 million). The year-on-year decrease principally resulted from the non-cash, one-time gain in 2022 on the reclassification of the investment in Ventia from an associate to a financial asset measured at FVOCI.

The **other operating expenses** of EUR 1.3 billion (2022: EUR 1.5 billion) were—as in the prior year—mainly attributable to insurance expenses as well as expenses for rentals and lease rentals. In the prior year, the agreement for the full and final settlement of all matters relating to the Ichthys (CCPP) liquefied natural gas project also had an impact here.

Net income from equity-accounted entities amounted to EUR 254 million in 2023 (2022: EUR 236 million). This includes an EUR 80 million earnings contribution from the Abertis Investment, marking an improvement of EUR 13 million on the prior year.

The **net income from other participating interests (excluding net income from loans)** in the amount of EUR 42 million (2022: EUR 45 million) mainly comprises dividend income, gains/losses from changes in fair value, and income from the disposal of participating interests.

The **net non-operating expenses** of EUR 59 million (2022: EUR 51 million) are mostly attributable to exchange rate gains/losses as well as losses from impairments and disposals of current assets.

HOCHTIEF generated **EBITDA (adjusted)** of EUR 1.2 billion in 2023, exceeding the prior-year figure by EUR 46 million or 4%. Depreciation and amortization amounted to EUR 321 million, slightly below the EUR 344 million prior-year figure. EBIT (adjusted) improved by 8% compared with the prior-year period (EUR 841 million) to EUR 910 million in 2023.

The **net interest income and other financial result** item comprises net investment and interest income/expenses and net income from loans. In 2023, the net balance was an expense item of EUR 135 million (2022: EUR 113 million). The change relative to the prior year mainly related to the income from derivatives hedging foreign currency transactions in 2022.

HOCHTIEF generated **nominal profit before tax (PBT)** of EUR 715 million in 2023. This represented an increase of EUR 38 million or 6% (11% adjusted for exchange rates) on the comparative prior-year figure of EUR 677 million.

Non-operational effects in 2023 amounted to EUR 59 million (2022: EUR 56 million). These relate to a greater number of effects throughout the Group.

Operational PBT (nominal PBT adjusted for non-operational effects) stood at EUR 774 million in 2023, 6% (10% adjusted for exchange rates) above the prior-year figure of EUR 733 million.

Profit before tax (PBT)

(EUR million)	2023	2022	Change
HOCHTIEF Americas	410.0	350.9	16.8%
HOCHTIEF Asia Pacific	212.4	261.7	-18.8%
HOCHTIEF Europe	50.6	47.4	6.8%
Abertis Investment	79.5	66.7	19.2%
Corporate	(37.5)	(49.5)	24.2 %
Group nominal PBT	**715.0**	**677.2**	**5.6%**
Non-operational effects	**59.1**	**55.9**	**5.7%**
Restructuring	13.2	16.4	-19.5%
Investments/Divestments	17.8	7.2	147.2%
Write-offs	0.0	9.6	-100.0%
Other	28.1	22.7	23.8%
Group operational PBT	**774.1**	**733.1**	**5.6%**

Nominal PBT in the HOCHTIEF Americas division was EUR 410 million in 2023. The 17% improvement on the EUR 351 million prior-year figure related to the strong sales performance in the reporting year and to improved profit margins in connection with Turner's successful focus on opportunities in the high-tech infrastructure sector.

The earnings contribution of the HOCHTIEF Asia Pacific division reflects the operational performance of CIMIC as well as associated financing and holding company costs, including the impact of variations in the AUD/EUR exchange rate. CIMIC generated nominal PBT of EUR 302 million (AUD 494 million) in 2023 (2022: EUR 363 million respectively AUD 551 million). At the level of the HOCHTIEF Asia Pacific division, nominal PBT was EUR 212 million (2022: EUR 262 million). The decrease was mainly due to non-operational effects at CIMIC and to exchange rate effects.

The HOCHTIEF Europe division generated nominal PBT of EUR 51 million in 2023, marking an improvement of 7% on the prior year (EUR 47 million).

Earnings contributions to the HOCHTIEF Group from the Abertis Investment reflect the Group's 20% interest in Abertis HoldCo S.A., the operating performance of Abertis, non-cash purchase price allocation (PPA) effects, and HoldCo costs. Individual year-on-year country performances showed firm traffic growth across most key markets in the reporting period. Overall, average daily traffic volumes increased by 3.4% year on year in 2023. In addition, the average toll rate increased by 8.6%. This meant that the contribution of the Abertis investment to the HOCHTIEF Group's earnings improved relative to the prior year (EUR 67 million) by 19% to EUR 80 million in 2023.

The **income tax expense** for 2023 was EUR 171 million (2022: EUR 162 million). This results in an effective tax rate of 24%, which is on a par with the prior year.

HOCHTIEF improved **nominal consolidated net profit** compared to the prior year (EUR 482 million) by just under 9% (14% adjusted for exchange rates) to EUR 523 million in 2023. With regard to **operational consolidated net profit**, HOCHTIEF showed an increase relative to the prior year (EUR 522 million) of 6% (11% adjusted for exchange rates) to EUR 553 million.

Consolidated net profit/loss

(EUR million)	2023	2022	Change
HOCHTIEF Americas	302.8	260.3	16.3%
HOCHTIEF Asia Pacific	180.4	186.0	-3.0%
HOCHTIEF Europe	37.4	34.4	8.7%
Abertis Investment	79.5	66.7	19.2%
Corporate	(77.4)	(65.6)	-18.0%
Group nominal net profit	**522.7**	**481.8**	**8.5%**
Non-operational effects	**30.4**	**39.7**	**-23.4%**
Restructuring	13.2	15.4	-14.3%
Investments/Divestments	12.2	7.8	56.4%
Write-offs	0.0	9.6	-100.0%
Other	5.0	6.9	-27.5%
Group operational net profit	**553.1**	**521.5**	**6.1%**

Cash flow

Cash flow and capital expenditure

(EUR million)	2023	2022	Change
Cash flow from operating activities pre-factoring underlying*	**1,447.5**	**1,211.8**	**235.7**
Cash flow from operating activities underlying*	1,518.8	1,287.4	231.4
Cash flow from operating activities	1,335.3	1,050.8	284.5
Gross operating capital expenditure	(210.8)	(187.5)	(23.3)
Operating asset disposals	18.2	23.5	(5.3)
Net operating capital expenditure	**(192.6)**	**(164.0)**	**(28.6)**
Free cash flow from operations pre-factoring underlying*	**1,254.9**	**1,047.8**	**207.1**
Free cash flow from operations underlying*	1,326.2	1,123.4	202.8
Free cash flow from operations	1,142.7	886.8	255.9
Cash flow from investing activities	**(249.7)**	**(484.6)**	**234.9**
Cash flow from financing activities	**(583.6)**	**(167.2)**	**(416.4)**

* 2023: Excluding one-off payments in the amount of EUR 184 million for the settlement on the legacy CCPP project in Q1 2023.
2022: Excluding one-off payments totaling EUR 237 million for the settlement on the legacy CCPP project in Q2 2022 and for the final payment on the Chilean legacy project in Q3 2022

Cash flows from operating activities pre-factoring underlying (that is, excluding the one-off payments at CIMIC for the CCPP legacy project and at HOCHTIEF Europe for the Chilean legacy project) developed well in 2023 and, at some EUR 1.5 billion, exceeded the already high prior-year comparative figure of EUR 1.2 billion by EUR 236 million. This was mainly due to the strong performance toward the end of 2023 with a sustained high level of cash conversion.

Gross operating capital expenditure in 2023 amounted to EUR 211 million (76% of which was accounted for by the HOCHTIEF Asia Pacific division). Driven by expenditure at CIMIC to source project-based tunneling equipment for large-scale projects and a one-off initial investment for a large-scale renewable energy project, the HOCHTIEF Group's capital expenditure was consequently EUR 23 million higher than the comparable prior-year figure (EUR 188 million). **Proceeds from operating asset disposals** amounted to EUR 18 million, EUR 6 million down on the prior-year figure (EUR 24 million). **Net operating capital expenditure** resulted in a total cash outflow of EUR 193 million in the reporting year (2022: EUR 164 million).

After deducting the cash outflow for net operating capital expenditure, **free cash flow from operations pre-factoring underlying** amounted to EUR 1.3 billion for 2023 und thus showed an increase of EUR 207 million on the prior-year figure of approximately EUR 1.0 billion.

Cash flow from investing activities shows a cash outflow of EUR 250 million for 2023 in the HOCHTIEF Group's Statement of Cash Flows (2022: EUR 485 million). In addition to the cash outflows of EUR 193 million for net operating capital expenditure (2022: EUR 164 million), the proceeds from the divestment of Ventia at CIMIC and, in the opposite direction, the capital expenditure on investments led in 2023 to a net cash inflow of EUR 35 million (2022: net cash outflow of EUR 244 million). Also included are changes of minus EUR 91 million (2022: minus EUR 61 million) in securities holdings and financial receivables as well as of minus EUR 1 million (2022: minus EUR 16 million) due to consolidation changes.

HOCHTIEF recorded a EUR 584 million net cash outflow under **cash flow from financing activities** in 2023 (2022: EUR 167 million). This figure included borrowings of EUR 2.1 billion (2022: EUR 3.1 billion). Borrowings in 2023 mainly related to drawings on syndicated credit facilities by CIMIC and by HOCHTIEF Aktiengesellschaft as well as the promissory note loan issues at HOCHTIEF Aktiengesellschaft. In the prior year, there was the additional cash inflow from a total amount of EUR 1.0 billion in drawings during the year on a transaction facility to finance the payment obligation under the offer to acquire all shares in CIMIC. This was terminated and repaid in full on October 28, 2022. In addition, the HOCHTIEF Group received cash in the prior year totaling EUR 406 million as a result of the capital increase against cash contributions at HOCHTIEF Aktiengesellschaft. The borrowings in 2023 were offset by debt repayments in a similar amount of EUR 2.1 billion (2022: EUR 2.3 billion).

Most of this was attributable to the repayment of loan liabilities at CIMIC in the reporting year. In the prior year, debt repayments mainly related to the repayment of the transaction facility to finance the payment obligation under the CIMIC takeover offer and the repayment of promissory note loan issues. Repayments of lease liabilities amounted to EUR 164 million in 2023 (2022: EUR 158 million). In 2023, EUR 381 million (2022: EUR 162 million) was used for dividend payments to HOCHTIEF shareholders and minority interests.

Balance sheet

The HOCHTIEF Group had **total assets** of EUR 19.0 billion as of the December 31, 2023 balance sheet date, an increase of EUR 707 million compared to the end of 2022 (EUR 18.3 billion). In addition to the increase from operational effects, the total assets figure was influenced by opposing negative currency translation effects relative to the U.S. dollar and Australian dollar.

Consolidated Balance Sheet

(EUR million)	Dec. 31, 2023	Dec. 31, 2022
Assets		
Non-current assets		
Intangible assets, property, plant and equipment, and investment properties	1,963.3	2,019.8
Financial assets	3,051.5	3,339.7
Other non-current assets and deferred taxes	646.8	726.9
	5,661.6	**6,086.4**
Current assets		
Inventories, trade receivables and other current assets	7,568.1	6,791.4
Marketable securities, cash and cash equivalents	5,776.5	5,393.8
Assets held for sale	–	28.1
	13,344.6	**12,213.3**
	19,006.2	**18,299.7**
Liabilities		
Shareholders' equity	**1,266.3**	**1,229.5**
Non-current liabilities		
Provisions	617.5	662.2
Other non-current liabilities and deferred taxes	5,145.9	5,360.8
	5,763.4	**6,023.0**
Current liabilities		
Provisions	1,004.3	840.2
Other current liabilities	10,972.2	10,207.0
	11,976.5	**11,047.2**
	19,006.2	**18,299.7**

Non-current assets declined by EUR 425 million to EUR 5.7 billion in the reporting year. The decline is mainly due to CIMIC's sale of its entire investment in Ventia. In a step divestment, CIMIC sold Ventia shares in several tranches over the reporting year. Following the final sale of the remaining Ventia shareholding on November 2, 2023, no more shares in Ventia were held at the end of 2023. The shares in Ventia were accounted for in other financial assets in the prior year. The increase in the carrying amount of Abertis HoldCo. S.A., Madrid, due to the capital increase at that company had an opposite impact of EUR 260 million. In total, the HOCHTIEF Group's financial assets stood at EUR 3.1 billion at the end of 2023 (December 31, 2022: EUR 3.3 billion). Intangible assets, property, plant and equipment, and investment properties were down slightly at approximately EUR 2.0 billion, mainly due to exchange rate effects. Other assets and deferred taxes decreased by EUR 80 million to EUR 647 million, mainly in connection with the first-time application of IFRS 17 (Insurance Contracts).

Current assets amounted to EUR 13.3 billion as of December 31, 2023, EUR 1.1 billion higher than the figure as of December 31, 2022 (EUR 12.2 billion). Trade receivables and other receivables increased by EUR 714 million to EUR 6.9 billion (December 31, 2022: EUR 6.2 billion), mainly due to the operational sales growth in the reporting period. The HOCHTIEF Group's factoring volume went up by EUR 39 million compared to the previous year (EUR 860 million) to EUR 899 million at the end of 2023. Marketable securities increased in 2023 by EUR 39 million to EUR 627 million (December 31, 2022: EUR 588 million). This mainly relates to fixed-income securities. The HOCHTIEF Group had EUR 5.1 billion in cash and cash equivalents at the end of 2023, EUR 343 million more than at the end of the prior year (EUR 4.8 billion). Overall, HOCHTIEF continued to hold a strong liquidity position of EUR 5.8 billion as of December 31, 2023. No assets held for sale were reported as of the end of 2023. The prior-year figure of EUR 28 million related in its entirety to CIMIC.

HOCHTIEF Group **equity** increased by EUR 37 million in the reporting year and amounted to EUR 1.3 billion as of the December 31, 2023 reporting date (December 31, 2022: EUR 1.2 billion). The changes in the reporting year related to profit after tax (EUR 544 million), dividends (minus EUR 383 million), exchange rate effects (minus EUR 28 million), and other changes outside the statement of earnings (minus EUR 96 million).

As of December 31, 2023, **non-current liabilities** totaled EUR 5.8 billion, down EUR 260 million on the comparative figure as of December 31, 2022 (EUR 6.0 billion). Most of the decrease related to changes in non-current financial liabilities. Above all, reclassifications in accordance with maturity from non-current financial liabilities to current liabilities led to a EUR 175 million decrease in non-current financial liabilities. In total, non-current financial liabilities amounted to EUR 4.6 billion at the 2023 year-end (December 31, 2022: EUR 4.7 billion). Non-current lease liabilities recognized in connection with the application of IFRS 16 amounted to EUR 326 million as of December 31, 2023 (December 31, 2022: EUR 356 million). Non-current provisions decreased relative to the figure as of the prior year-end (EUR 662 million) by a net EUR 44 million to EUR 618 million. This reflected an increase in provisions for pensions and similar obligations due to a reduction in the discount factor in Germany versus a decrease in liabilities for insurance claims due to reclassifications to current liabilities in connection with the first-time application of IFRS 17.

Current liabilities rose by EUR 929 million over the course of 2023 to EUR 12.0 billion (December 31, 2022: EUR 11.0 billion). This was mainly attributable to the EUR 709 million rise in trade payables and other liabilities to EUR 10.2 billion at the end of December 2023. Alongside the operational increase in trade payables, the increase in other liabilities in connection with the capital increase at Abertis HoldCo. S.A., Madrid, had an impact here of EUR 260 million. Furthermore, current provisions went up by EUR 164 million to EUR 1.0 billion, mainly on the first-time application of IFRS 17. In addition, current financial liabilities increased by EUR 26 million to EUR 529 million as the net outcome of reclassifications from non-current to current liabilities and the redemption of promissory note loan issues and bank debt. At EUR 115 million, lease liabilities showed practically no change from the prior-year level (EUR 117 million).

The HOCHTIEF Group's **net cash position** amounted to EUR 872 million as of December 31, 2023. This represents an improvement in net cash by EUR 519 million on the comparative figure as of December 31, 2022 (EUR 354 million). Net cash on an underlying basis (that is, before the dividend payment and non-operational effects from the change in factoring volume and the final payment for the legacy CCPP project), at EUR 1.3 billion, was up EUR 931 million on the prior-year figure. The net increase was mainly accounted for by the strong free cash flow from operations pre-factoring underlying in the reporting year (EUR 1.4 billion), less net operating capital expenditure (minus EUR 193 million), less the repayment of lease liabilities (minus EUR 164 million), and less exchange rate and other effects (minus EUR 159 million).

HOCHTIEF Group net cash (+)/net debt (-) development

(EUR million)	Dec. 31, 2023	Dec. 31, 2022	Change
HOCHTIEF Americas	2,310.7	1,908.9	401.8
HOCHTIEF Asia Pacific	(355.0)	(491.7)	136.7
HOCHTIEF Europe	744.6	749.4	(4.8)
Corporate	(1,828.1)	(1,813.0)	(15.1)
Group	**872.2**	**353.6**	**518.6**

Securing Group liquidity long-term and optimizing the financial structure
HOCHTIEF Aktiengesellschaft took advantage of the prevailing investor interest during the reporting year and launched a promissory note loan issue (Schuldscheindarlehen) totaling EUR 64 million, divided into tranches with different maturities.

Bank financing at HOCHTIEF Aktiengesellschaft
The EUR 1.7 billion syndicated credit and guarantee facility successfully refinanced in March 2023 and maturing in 2028 continues to be one of HOCHTIEF Aktiengesellschaft's most important financing instruments.
A EUR 1.2 billion guarantee facility tranche permits the provision of guarantees for ordinary activities, mainly in the HOCHTIEF Europe division. The EUR 0.5 billion cash credit tranche is used flexibly as needed. As of the reporting date, the cash credit tranche was undrawn. The refinancing included an additional EUR 0.3 billion three-year term loan for future financing needs.

HOCHTIEF Aktiengesellschaft also has bilateral, short-term credit facilities to provide operational units with sufficient cash resources to finance day-to-day business. These facilities, which have to be renewed annually, run to a total of EUR 400 million. The facilities have been confirmed in writing for up to a year. Drawings on these short-term credit facilities were zero as of the reporting date.

HOCHTIEF Aktiengesellschaft's syndicated guarantee facility is supplemented with bilateral guarantee facilities totaling some EUR 1.3 billion as of the 2023 year-end.

The various borrowing instruments secure long-term, broadly diversified funding for the Group on borrowing terms and conditions that continue to be attractive. None of the borrowing instruments taken out by HOCHTIEF is secured and all are pari-passu, with all lenders having equal seniority.

The syndicated and bilateral facilities are supplemented with project-related borrowing as needed. Such borrowings are each negotiated and agreed on the basis of a specific project with their use tied to the specific project, and are repaid out of the proceeds at the latest when the project is sold. Loans are generally secured against project assets themselves and, in almost all cases, any recourse to the HOCHTIEF Group is expressly precluded.

Capital market financing at HOCHTIEF Aktiengesellschaft

In December 2023, HOCHTIEF Aktiengesellschaft additionally launched a promissory note loan issue for EUR 64 million. The notes have staggered terms of three, five, and five and a half years and were taken up by domestic and international investors. The value date for the issue proceeds was in December 2023 and January 2024.

As in 2022 and prior years, HOCHTIEF Aktiengesellschaft will additionally continue to keep a close watch on the financial and capital markets and take advantage of any opportunities to further optimize and diversify the Group's financing.

Financing events in the Americas and Asia Pacific divisions

As in the prior year, there are loans in place for the HOCHTIEF Americas and HOCHTIEF Asia Pacific divisions on a local basis.

CIMIC replaced the AUD 1 billion (EUR 612 million) syndicated revolving cash credit facility maturing in July 2025 ahead of schedule and repaid it in its entirety in early October using two senior term loan tranches of AUD 693 million (EUR 424 million) and USD 239 million (AUD 377 million or EUR 231 million) with maturities of five years.

Likewise in early October, CIMIC refinanced, ahead of schedule, its revolving cash credit facility of AUD 950 million (EUR 581 million). In the process, CIMIC arranged a new revolving cash credit facility in the amount of AUD 625 million (EUR 383 million) with a three-year term and a revolving cash credit facility in the amount of AUD 522 million (EUR 319 million) with a term of five years. The final closing was on October 6, 2023, while disbursement and repayment of the superseded facilities took place on October 17 and 18, 2023, respectively. Overall, CIMIC was thus able to increase its liquidity reserves by more than AUD 267 million (EUR 164 million).

In November 2023, CIMIC signed an AUD 1.3 billion three-year syndicated performance bond facility. This replaced an AUD 1.4 billion facility that expired in March 2024 and covers the CIMIC Group's operational bonding requirements in addition to the existing bilateral guarantee and bonding facilities.

The U.S. bonding facility is highly important for the HOCHTIEF Americas division. With an increased outstanding volume of approximately EUR 11 billion (approximately USD 12.2 billion) reflecting the dynamic rise in orders and the resulting bonding requirements, it continues to represent the cornerstone of funding for the U.S. business. Both the Turner and the Flatiron group use the facility for bonding purposes. The local surety bonding facility continues to be backed by a Group guarantee from HOCHTIEF.

HOCHTIEF Group credit rating

On June 23, 2023, rating agency Standard & Poor's (S&P) reaffirmed HOCHTIEF's existing investment-grade rating (BBB-/Stable Outlook/A-3). The S&P rating for CIMIC also remained unaltered in 2023 at BBB-/A-3. S&P reaffirmed this rating in August, while rating agency Moody's confirmed the existing rating of Baa3 (stable) in September 2023.

Sustainable finance at HOCHTIEF[1]

HOCHTIEF defines sustainable finance as any form of financing or investment decisions that integrate environmental, social and governance (ESG) criteria while also adding wider considerations concerning the longer-term economic sustainability of the corporate entities that are being funded. Sustainable finance covers the financing and investment activities needed to support, among others, the United Nations Sustainable Development Goals (SDGs), and the Paris Agreement. This includes both positive environment and societal impact activities. These consequently also contribute to improved risk and impact management.

[1] The content of this section is not part of the statutory audit of the annual financial statements and consolidated financial statements but is reviewed in a separate limited assurance engagement on the non-financial reporting.

Sustainable finance represents an important enabler to the achievement of HOCHTIEF's Group-wide sustainability strategy and long-term goals embedded therein. In preparation for future sustainable financing activities within the HOCHTIEF Group, HOCHTIEF's finance team actively supports the company's sustainability agenda. To this end, the team plans to adopt a Sustainability-LInked Financing Framework that enables access to sustainable financing instruments for HOCHTIEF. By implementing this framework, HOCHTIEF is responding with foresight to the increasing relevance of sustainability to the capital markets. HOCHTIEF is in ongoing exchange on these issues with external partners and actively seeks feedback in this regard from the financial market.

In collaboration with the Corporate Department Sustainability, the HOCHTIEF finance team initiated the process for preparation of a Sustainability-Linked Financing Framework and fine-tuned the Framework in the meantime. The Sustainability-Linked Financing Framework will connect the Sustainability Plan 2025 and the Group's funding strategy, enabling HOCHTIEF to issue sustainable financing instruments such as sustainability-linked bonds. There are plans for the Sustainability-Linked Financing Framework to be supplemented with additional details in the course of 2024, relating, for example, to necessary measures to be taken for the purposes of decarbonization. The Executive Board is closely involved in the agreement process for the framework.

Sustainability-linked financing instruments incorporate HOCHTIEF's core sustainability goals in the form of specific sustainability performance targets, thus making it possible to track the company's progress in achieving the sustainability targets during the lifetime of such sustainable financing instruments. Financing costs are linked to the achievement of those sustainable performance indicators.

Within the Sustainability-Linked Financing Framework, HOCHTIEF will outline the classification logic, the eligibility criteria, the applicable due diligence requirements and the verification process for its sustainable finance activities. Furthermore, reporting principles and requirements will be part of the framework documentation as well. To assure alignment of the framework with the current market standard sustainable finance principles, HOCHTIEF intends to appoint a second party opinion (SPO) as an outside appraiser to confirm this is the case.

HOCHTIEF Aktiengesellschaft (Holding Company): Financial Review of Financial Statements under German GAAP (HGB)

HOCHTIEF Aktiengesellschaft heads the Group's divisions as a strategic and operational management holding company. Comprising the control level, it is responsible for the entrepreneurial goals, fundamental strategic direction, enterprise policies, and organization of the HOCHTIEF Group.

HOCHTIEF Aktiengesellschaft's profits are mostly determined by net income from participating interests, by net investment and interest income, as well as by revenues and expenditure relating to its function as a holding company. This means the business performance of HOCHTIEF Aktiengesellschaft is fundamentally determined by the same opportunities and risks and the business performance of the HOCHTIEF Group.

The annual financial statements of HOCHTIEF Aktiengesellschaft are prepared in accordance with the German Commercial Code (HGB) and Stock Corporations Act (AktG). There are no recognition and measurement changes relative to the prior year. As in that year, the 2023 Annual Financial Statements and Combined Management Report of HOCHTIEF Aktiengesellschaft and the Group are published in the Unternehmensregister (Company Register).

Earnings

HOCHTIEF Aktiengesellschaft's reported sales mainly relate to services in connection with performing the functions of a holding company. This primarily comprises remuneration for administration and other services as well as rental income. Mainly due to higher allocations for services, sales rose by EUR 9 million, from EUR 101 million in the prior year to EUR 110 million. Other operating income came to EUR 27 million—EUR 45 million down on the prior-year figure (EUR 72 million). The decrease mainly relates to income from derivatives used to hedge foreign currency transactions that was included in the prior year. Personnel expenses fell by EUR 22 million, from EUR 60 million in the prior year to EUR 38 million. This was principally due to significantly higher prior-year pension expenditure in connection with the mandatory first-time application of the IDW accounting note on the measurement, under German GAAP, of provisions for pension obligations resulting from direct commitments covered by pension liability insurance (IDW RH FAB 1.021). A rise in the pension increase rate used in the calculation of pension obligations also had the effect of increasing the expenses in the prior year. Other operating expenses, at EUR 103 million, were down EUR 26 million on the prior year (EUR 129 million). This was primarily due to a EUR 12 million year-on-year decrease in foreign exchange losses on the measurement of foreign currency receivables and a EUR 12 million decrease in prior-period expenses from the charging on of reimbursement claims relating to subsidiaries.

Net income from financial assets chiefly comprises income and expense from profit/loss transfer agreements, and income from long-term equity investments. It showed a total year-on-year decrease of EUR 110 million to EUR 303 million (2022: EUR 413 million). This was mainly due to lower income of EUR 209 million from profit/loss transfer agreements compared to the prior year (2022: EUR 326 million). Expenses from transfer of losses also fell by EUR 7 million relative to the prior year (EUR 32 million) to EUR 25 million. At EUR 119 million, income from participating interests was unchanged compared to the prior year and related in its entirety to Abertis HoldCo S.A.

Net interest income came to EUR 31 million in 2023, compared to a negative EUR 38 million in the prior year. The improvement mainly related to higher interest income on an intra-Group loan made during the prior year in connection with the acquisition of the remaining shares in CIMIC in 2022.

HOCHTIEF Aktiengesellschaft's net profit before changes in reserves amounted to EUR 268 million in 2023 (2022: EUR 291 million).

HOCHTIEF Aktiengesellschaft Statement of Earnings (Summary)

(EUR million)	2023	2022
Sales	110.5	101.4
Changes in the balance of construction work in progress	–	(3.9)
Other operating income	27.0	72.1
Materials	(12.6)	(13.9)
Personnel costs	(37.7)	(60.0)
Depreciation and amortization	(2.0)	(1.2)
Other operating expenses	(102.8)	(129.5)
Net income from financial assets	302.7	413.2
Net interest income	30.7	(38.1)
Writedowns on financial assets and marketable securities	–	(0.1)
Profit before tax	**315.8**	**340.0**
Income taxes	(50.4)	(31.2)
Profit after tax	265.4	308.8
Other taxes	2.5	(17.6)
Net profit/(loss) before changes in reserves	**267.9**	**291.2**
Net profit brought forward	10.1	4.8
Changes in retained earnings	63.9	14.8
Distributable profit	**341.9**	**310.8**

Balance sheet

In keeping with its function as a holding company, HOCHTIEF Aktiengesellschaft's balance sheet is dominated by financial assets and receivables from affiliated companies. These items accounted for 94% of total assets as of the December 31, 2023 reporting date (December 31, 2022: 95%).

HOCHTIEF Aktiengesellschaft's financial assets of EUR 5.4 billion as of December 31, 2023 (December 31, 2022: EUR 5.0 billion) mostly related to shares in affiliated companies and participating interests. Mainly as a result of additions to shares in affiliated companies, financial assets increased by a total of EUR 382 million. Shares in affiliated companies mostly comprised the carrying amounts of the investments in HOCHTIEF Asia Pacific GmbH, HOCHTIEF Americas GmbH, HOCHTIEF Europe GmbH, and HOCHTIEF Insurance Broking and Risk Management Solutions GmbH. Participating interests increased by EUR 260 million and, as before, mainly related to the shares in Abertis HoldCo S.A.

Inventories, receivables, other assets, and prepaid expenses went down by EUR 79 million to EUR 1.7 billion. Most of this relates to receivables against affiliated companies from intra-Group financial management.

Financial resources came to EUR 439 million as of the December 31, 2023 reporting date (2022: EUR 277 million). This mainly relates to bank balances.

The Company's capital stock is divided into 77,711,300 no-par-value bearer shares. At nominal value, and calculated allowing for shares of treasury stock, subscribed capital stood at EUR 193 million (2022: EUR 192 million). The capital reserve primarily comprises the premium on shares issued by HOCHTIEF Aktiengesellschaft and amounted to EUR 2.1 billion as in the prior year.

The equity ratio stood at 42% as of the December 31, 2023 balance sheet date (December 31, 2022: 46%).

HOCHTIEF Aktiengesellschaft Balance Sheet (Summary)

(EUR million)	Dec. 31, 2023	Dec. 31, 2022
Non-current assets		
Intangible assets and property, plant and equipment	11.6	5.7
Financial assets	5,419.4	5,037.6
	5,431.0	**5,043.3**
Current assets		
Inventories, receivables and other assets, and prepaid expenses	1,712.1	1,790.6
Financial resources	438.9	277.2
	2,151.0	**2,067.8**
Total assets	**7,582.0**	**7,111.1**
Shareholders' equity	3,207.2	3,238.1
Provisions	303.9	260.9
Liabilities and deferred income	4,070.9	3,612.1
Total liabilities	**7,582.0**	**7,111.1**

Liabilities and deferred income amounted to EUR 4.1 billion at the end of 2023 (December 31, 2022: EUR 3.6 billion). Most of the EUR 459 million year-on-year increase related to the liability in connection with the capital increase at Abertis HoldCo. S.A., Madrid, and to borrowing in the capital and banking markets in the prior year.

HOCHTIEF refinanced the existing EUR 1.7 billion long-term syndicated credit facility maturing in 2024 ahead of schedule and secured an additional EUR 0.3 billion for future refinancing. The Group and an international banking syndicate agreed a facility with a term of five years from March 30, 2023 and extension options for up to two additional years. The total amount is divided into EUR 1.2 billion in guarantee facilities, EUR 0.5 billion in credit facilities, and EUR 0.3 billion in term loans with an agreed term of three years. The term loan was drawn in full. In contrast, the nominal amount of promissory note loans utilized decreased by EUR 134 million to EUR 679 million as of the December 31, 2023 reporting date. As before, the EUR 832 million (December 31, 2022: EUR 814 million) in amounts due to affiliated companies is related to intra-Group financial management.

In addition, the commercial paper program with a ceiling of EUR 750 million launched in May 2020 remained unutilized at the December 31, 2023 reporting date, as was the case at the end of the prior year.

The full list of bond issues is as follows:

	Carrying amount Dec. 31, 2023 (EUR thousand)	Carrying amount Dec. 31, 2022 (EUR thousand)	Principal amount Dec. 31, 2023 (thousand)	Coupon (%)	Initial term (in years)	Matures
HOCHTIEF AG bond (2021)	502,140	502,140	500,000 EUR	0.63	8	April 2029
HOCHTIEF AG bond (2019)	50,788	50,788	50,000 EUR	2.3	15	April 2034
HOCHTIEF AG bond (2019)	251,027	251,027	250,000 EUR	1.25	12	September 2031
HOCHTIEF AG bond (2019)	104,435	104,435	1,000,000 NOK	1.7	10	July 2029
HOCHTIEF AG bond (2019)	500,822	500,822	500,000 EUR	0.5	8	September 2027
HOCHTIEF AG bond (2019)	44,762	44,762	50,000 CHF	0.77	6	June 2025
HOCHTIEF AG bond (2018)	504,363	504,363	500,000 EUR	1.75	7	July 2025
	1,958,337	**1,958,337**				

HOCHTIEF Aktiengesellschaft's net profit before changes in reserves for 2023 is EUR 267.9 million. Deducting the withdrawings from retained earnings (EUR 63.9 million) and adding in profit carried forward (EUR 10.1 million), distributable profit stands at EUR 341.9 million.

Executive Board proposal for the use of net profit

The Executive Board proposes a resolution on the use of net profit as follows:

The distributable profit of HOCHTIEF Aktiengesellschaft for 2023 in the amount of EUR 341,929,720.00 will be used to pay a dividend of EUR 4.40 per eligible no-par-value share for the capital stock of EUR 198,940,928.00, divided into 77,711,300 no-par-value shares.

The dividend falls due on July 5, 2024.

The amount that would have been payable on shares of treasury stock held by the Company as of the day of the Annual General Meeting and that, under Section 71b of the German Stock Corporations Act (AktG), is not eligible for a dividend will be carried forward. As of the date of preparation of the annual financial statements, February 20, 2024, HOCHTIEF Aktiengesellschaft held a total of 2,497,884 shares of treasury stock, which would mean an amount of EUR 10,990,689.60 to be carried forward. The number of no-par-value shares with dividend entitlement for 2023 may change in the run-up to the Annual General Meeting. In any such event, while the distribution of EUR 4.40 for each no-par-value share with dividend entitlement for 2023 will stay the same, an adjusted proposal for the appropriation of net profit will be made to the Annual General Meeting.

Outlook for HOCHTIEF Aktiengesellschaft (holding company) under German GAAP (HGB)

The performance indicator for HOCHTIEF Aktiengesellschaft under German GAAP (HGB) is net profit. This amounted to EUR 268 million in 2023 (2022: EUR 291 million), which—mainly due to the lower net income from financial assets—was below the forecast for 2023 given in the Group Report 2022 for net profit significantly above the prior year.

For 2024, we forecast net profit to be higher than in 2023.

Disclosures pursuant to Section 289 (2) Sentence 2 of the German Commercial Code

The disclosures pursuant to Section 160 (1) 2 of the German Stock Corporations Act are contained in the Notes to the Annual Financial Statements of HOCHTIEF Aktiengesellschaft.

Disclosures pursuant to Sections 289a Sentence 1 No. 1 and 315a Sentence 1 No. 1 of the German Commercial Code

The information on the composition of subscribed capital pursuant to Section 289a Sentence 1 No. 1 and Section 315a Sentence 1 No. 1 of the German Commercial Code is included in the Notes to the Annual Financial Statements of HOCHTIEF Aktiengesellschaft (Note 7, Equity)/the Notes to the Consolidated Financial Statements (Note 24, Equity).

The Executive Board is unaware of any restrictions on voting rights or on transfers of securities within the meaning of Section 289a Sentence 1 No. 2 and Section 315a Sentence 1 No. 2 of the German Commercial Code.

Holdings of more than 10% of voting rights within the meaning of Section 289a Sentence 1 No. 3 and Section 315a Sentence 1 No. 3 of the German Commercial Code: On November 13, 2023, we were notified by ACS, Actividades de Construcción y Servicios, S.A., Madrid, Spain, pursuant to Section 33 of the German Securities Trading Act (WpHG), that its voting share in HOCHTIEF Aktiengesellschaft amounted to 75.71% on November 10, 2023.

There are no shares with special control rights. The Executive Board is not aware of any employee shares where the control rights are not exercised directly by the employees.

Appointment and replacement of members of the Executive Board/changes to the Articles of Association: The appointment and replacement of Executive Board members is governed by Sections 84 and 85 of the German Stock Corporations Act (AktG) and Section 31 of the Codetermination Act (MitbestG) read in conjunction with Sections 9 (2) and 7 (1) of the Company's Articles of Association. Statutory rules on the amendment of the Articles of Association are contained in Section 179 et seq. and Section 133 AktG. In instances where the Act requires a majority of the capital stock represented at the time of the resolution in addition to a majority of votes cast, Section 23 (3) of the Articles of Association provides that a simple majority will suffice unless there is a mandatory requirement stipulating a different majority. Under Section 15 of the Articles of Association, the Supervisory Board is authorized to make amendments that only affect the wording of the Articles of Association.

Executive Board authorization to issue new shares: Pursuant to Section 4 (5) of the Articles of Association, the Executive Board is authorized, subject to Supervisory Board approval, to increase the capital stock by issuing new no-par-value bearer shares for cash and/or non-cash consideration in one or more issues by up to a total of EUR 65,752 thousand by or before April 26, 2027 (Authorized Capital I). Detailed provisions are contained in the stated section of the Articles. Pursuant to Section 4 (6) of the Articles of Association, the Executive Board is authorized, subject to Supervisory Board approval, to increase the capital stock by issuing new no-par-value bearer shares for cash and/or non-cash consideration in one or more issues by up to a total of EUR 33,718 thousand by or before April 25, 2026 (Authorized Capital II). Detailed provisions are contained in the stated section of the Articles. Pursuant to Section 4 (4) of the Articles of Association, the Company's capital stock has been conditionally increased by up to EUR 51,200 thousand divided into up to 20 million no-par-value bearer shares (conditional capital). Detailed provisions are contained in the stated section of the Articles.

Authorization to repurchase shares: The Company is authorized by resolution of the Annual General Meeting of April 27, 2022 to repurchase its own shares in accordance with Section 71 (1) 8 of the German Stock Corporations Act (AktG). The authorization expires on April 26, 2027. It is limited to 10% of the capital stock at the time of the Annual General Meeting resolution or at the time of exercising the authorization, whichever figure is smaller. Exercised directly by the Company or by a company in its control or majority ownership or by third parties engaged by the Company or engaged by a company in its control or majority ownership, the authorization allows the share repurchase to be executed in one or more installments covering the entire amount of the authorization or any fraction. The repurchase may be effected through the stock exchange or by public offer to all shareholders, or by public invitation to all shareholders to tender shares for sale, or by issuing shareholders with rights to sell shares. The conditions governing the repurchase are set forth in detail in the resolution.

By resolution of the Annual General Meeting of April 27, 2022, the Executive Board is authorized, subject to Supervisory Board approval, in the event of a sale of treasury shares effected by way of an offer to all shareholders, to issue subscription rights to the shares to holders of warrant-linked and/or convertible bonds issued by the Company or by any subordinate Group company. Subject to Supervisory Board approval, the Executive Board is also authorized to sell treasury shares other than through the stock exchange and other than by way of an offer to all shareholders, provided that the shares are sold for cash at a price not substantially below the current stock market price for Company shares of the same class at the time of sale.

The HOCHTIEF Aktiengesellschaft Executive Board is also authorized, subject to Supervisory Board approval and the conditions set out in the following, to offer and transfer treasury shares to third parties other than through the stock exchange and other than by way of an offer to all shareholders. Such transactions may take place in the course of acquisitions of business enterprises in whole or part or of other assets or in the course of mergers. They are also permitted for the purpose of obtaining a listing for the Company's shares on foreign stock exchanges where it is not yet listed. In addition, the shares may be offered for purchase by employees or former employees of the Company or its affiliates. Holders of bonds which the Company or a Group company subordinate to it issues or has issued may also be issued with the shares upon exercising the warrant and/or conversion rights and/or obligations attached to the bonds.

The shares may also, on condition that they be held for at least two years after transfer, be transferred to (current or past) members of the Executive Board of the Company and to (current or past) members of the executive boards and general management of companies under its control within the meaning of Section 17 of the German

Stock Corporations Act (AktG), as well as to current or past employees of the Company or of a company under its control within the meaning of Section 17 AktG. Such transfers are permitted solely for the purpose of settling the transferees' variable compensation entitlements. Further conditions of transfer are detailed in the resolution. Where shares are issued to members of the Executive Board of the Company, the decision to issue the shares is taken exclusively by the Supervisory Board.

Shareholders' statutory subscription rights to such shares are barred pursuant to Sections 71 (1) 8 and 186 (3) and (4) of the German Stock Corporations Act (AktG) to the extent that the shares are used in exercise of the authorizations set out above.

Subject to Supervisory Board approval, the Executive Board is additionally authorized to retire treasury stock without a further resolution of the Annual General Meeting being required for the share retirement itself or its execution.

The conditions governing awards of subscription rights and the sale, transfer, and retirement of treasury stock are set forth in detail in the Annual General Meeting resolution.

By a further resolution of the Annual General Meeting of April 27, 2022, the Company is authorized to acquire shares of treasury stock in accordance with Section 71 (1) 8 AktG using equity derivatives as well as to exclude shareholders' rights to sell shares and subscription rights. This is not intended to increase the volume of shares that may be purchased; instead, it merely opens the way for other alternatives to purchase treasury shares within and against the upper limit set in the aforementioned authorization to acquire shares of treasury stock. The Executive Board has been authorized to acquire options which, when exercised, entitle the Company to acquire shares of the Company (call options). Furthermore, the Executive Board is authorized to sell options which, when exercised by their holder, require the Company to acquire shares of the Company (put options). Additionally, the shares can be acquired using a combination of call and put options or forward purchase agreements. The conditions governing the use of equity derivatives to acquire shares of treasury stock and the exclusion of shareholders' rights to sell shares and subscription rights are set forth in detail in the Annual General Meeting resolution.

Change-of-control clauses in connection with loan agreements and financing instruments:

Instrument	Issue date	Principal amount	Maturity
Bond issue	July 2018	EUR 500 million	July 2025
Bond issue	September 2019	EUR 500 million	September 2027
Bond issue	September 2019	EUR 250 million	September 2031
Bond issue	April 2021	EUR 500 million	April 2029
Private placement	April 2019	EUR 50 million	April 2034
Private placement	June 2019	CHF 50 million	June 2025
Private placement	July 2019	NOK 1 billion	July 2029

The terms of the above bond issues and private placements (based on the contractual framework for the Debt Issuance Program[1]) include change-of-control clauses entitling each holder to require early redemption of the bonds held at their principal amount together with interest accrued, provided that the holder submits a completed exercise notice within 45 days of the issuer publishing the put event notice. A change of control is defined in this context as the acquisition of control within the meaning of Section 29 (2) of the German Securities Acquisition and Takeover Act (WpÜG) over HOCHTIEF Aktiengesellschaft by a party or group of parties acting in concert within the meaning of Section 30 (2) WpÜG—excluding shareholder ACS (ACS Actividades de Construcción y Servicios, S.A.) and its affiliates—or entering into a profit and loss transfer agreement, control agreement or

[1] The Debt Issuance Program launched in June 2018 with a maximum volume of EUR 3 billion allows bonds to be issued on the market on an ongoing basis. This enables HOCHTIEF Aktiengesellschaft not only to borrow more rapidly, taking advantage of favorable issue windows, but also to spread borrowing over a broader range of lenders.

other intercompany agreement within the meaning of Sections 291 and 292 of the German Stock Corporations Act (AktG) to the extent that the agreement results in the issuer becoming a controlled company.

In March 2017, HOCHTIEF Aktiengesellschaft launched a promissory note loan issue for EUR 500 million. Further promissory note loans were issued in May 2019 and in October 2022 with initial principal amounts of EUR 300 million and EUR 246 million, respectively. In addition, HOCHTIEF Aktiengesellschaft issued a bilateral loan for EUR 25 million in June 2019. Several promissory note loan tranches totaling EUR 178 million were repaid as scheduled in May 2023. In December 2023, HOCHTIEF Aktiengesellschaft launched a promissory note loan issue for EUR 64 million. The contractual documentation for these loans likewise includes change-of-control clauses requiring HOCHTIEF Aktiengesellschaft to repay the loan with interest by then accrued if it and the lender concerned do not reach agreement on the loan’s continuation within 60 bank working days of announcement of a change of control and the lender demands early repayment in writing within ten bank working days of the 60 bank working-day period expiring. A change of control is deemed to have occurred if, within the meaning of Section 29 (2) WpÜG, a party (except a member of the ACS Group), or group of parties (except members of the ACS Group) acting in concert within the meaning of Section 30 (2) WpÜG, acquires control of HOCHTIEF Aktiengesellschaft, or if a profit and loss transfer agreement, control agreement or other intercompany agreement within the meaning of Section 291 or 292 AktG is entered into between a member of the ACS Group and HOCHTIEF Aktiengesellschaft as controlled company.

HOCHTIEF Aktiengesellschaft entered into a syndicated credit and guarantee facility for a total of EUR 1.7 billion with an international banking syndicate on March 30, 2023. Set to run until March 2028, the syndicated facility comprises a EUR 1.2 billion guarantee facility tranche and a EUR 500 million credit facility tranche. The arrangement also includes EUR 300 million in term loans maturing March 2026. The facility includes change-of-control clauses. Lenders may each withdraw from their credit exposure early subject to satisfaction of an agreed condition precedent if negotiations with the borrower to continue the facility have failed, such negotiations having given consideration to the credit standing of the party taking control, the risk of any change in corporate strategy, and the risk of the lenders being restricted in any way in provision of the facility. The condition precedent is satisfied if a party, or group of parties acting in concert, secures control of the borrower within the meaning of Section 29 (2) WpÜG. Lenders may give notice of termination of their credit exposure within 70 days of it becoming known to HOCHTIEF Aktiengesellschaft that the condition precedent has been satisfied, subject to a minimum of ten days to consider the options available. As before, the change-of-control clauses outlined do not apply to shareholder ACS or its affiliates.

Other material loan agreements with change-of-control provisions are as follows:

On January 30, 2019, a global credit facility agreement for EUR 100 million was entered into with a German bank. The agreement contains a provision under which, in the event of a change of control, HOCHTIEF Aktiengesellschaft must repay the loan early if it and the lender do not reach agreement on the loan’s continuation within 60 days of announcement of the change of control, and the lender demands early repayment within ten days of the 60-day period expiring. In this context, a change of control is defined as a party, or group of parties acting in concert within the meaning of Section 30 (2) WpÜG, acquiring control of HOCHTIEF Aktiengesellschaft within the meaning of Section 29 (2) WpÜG. The outlined change-of-control clauses for the foregoing loan agreement do not apply to shareholder ACS or its affiliates.

In August 2019, HOCHTIEF Aktiengesellschaft as guarantor together with Flatiron Construction Corporation and several subsidiaries as borrowers entered into an approximately EUR 281 million (USD 300 million) syndicated guarantee and credit facility with an international banking syndicate that features substantively identical change-of-control stipulations, corresponding with the definition in the August 2017 syndicated credit and guarantee facility, under which each creditor has the right to demand early repayment of the loan amount.

Likewise in August 2019, HOCHTIEF Aktiengesellschaft, again acting as guarantor, together with Flatiron Construction Corporation entered into a bilateral guarantee facility for approximately EUR 104 million (CAD 150 million). The agreement contains a change-of-control provision that gives the creditor the right to early termination in the event of a change of control (defined analogously to the above-mentioned January 2019 global credit facility agreement) if HOCHTIEF and the bank do not reach agreement on continuation of the contractual relationship within 60 days of immediate notification of the change of control.

To secure an approximately EUR 11 billion (USD 12.2 billion) bonding line provided by six U.S. surety companies, a general counter indemnity continued to exist between HOCHTIEF Aktiengesellschaft and the surety companies for a corresponding amount as of the reporting date. As before, this general counter indemnity contains a change-of-control provision giving the surety companies the right, if an agreed condition precedent is satisfied, to demand from HOCHTIEF Aktiengesellschaft up to approximately EUR 452 million (USD 500 million) by way of security. The condition precedent is satisfied if a party, or group of parties acting in concert within the meaning of Section 30 (2) WpÜG (with the exception of shareholder ACS and its affiliates), acquires in total 30% or more of all shares in HOCHTIEF Aktiengesellschaft. The security payment must then be made within 30 bank working days of notification that it is required.

Further material agreements conditional on a change of control: A change in majority ownership by direct or indirect acquisition of HOCHTIEF Aktiengesellschaft is defined in the D&O insurance policy as a material change in risk circumstance of which the insurer must be notified within a specified period. Material change in risk circumstances entitles the insurer to demand a premium adjustment. In the event that the parties are unable to agree on the amount of the premium adjustment, the insurance cover lapses in regard of the risk-related circumstance.

Above and beyond the mandatory disclosures under Sections 289a Sentence 1 No. 8/315a Sentence 1 No. 8 of the German Commercial Code, other Group companies are party to further agreements that are conditional upon a change of control. The following is a non-exhaustive presentation: In the PPP segment, project contracts frequently accord the client substantial rights that make it difficult to effect a change of ownership structure in the project company.

As of the balance sheet date, there are no agreements with members of the Executive Board or employees providing for compensation in the event of a takeover offer.

BOW RIVER BRIDGE, CALGARY, CANADA

The imposing Bow River Bridge is an important part of the Calgary Ring Road. Flatiron is constructing the bridge under a joint venture. The project is slated for completion in 2024.

Divisional Reporting
HOCHTIEF Americas Division

The HOCHTIEF Americas division comprises our North American companies that are delivering sustainable solutions in energy transition, digital, social, and transport infrastructure, and sustainable infrastructure. Their expertise encompasses design, planning and construction, including construction management, engineering and supply chain services.

New York City-based Turner provides building construction services and primarily operates on the basis of a construction management contracting model. As part of its strategy, Turner is successfully pursuing opportunities in high-tech growth markets such as data centers and electric vehicle battery plants. More generally, the company delivers services on building projects of all types and sizes throughout North America and around the world. Turner is the biggest U.S. general builder—a position the company achieves by virtue of its technical expertise, experience in its market segments, and innovative work that results in high-quality project outcomes. With its construction management activities, Turner is the leading provider in several building construction market segments, according to the Engineering News-Record (ENR) magazine once again in 2023: The company once more occupied the top spots in general building and sustainable green building. It also came first in the Data Centers, Telecommunications, Health Care, and Commercial Office market segments. Additionally, Turner ranked second in Education, Airports, Sports, and Entertainment in 2023.

Our company Clark Builders concentrates on the northern and western Canada region and operates in close cooperation with Turner. The focus of Clark Builders is on the delivery of institutional, commercial, and healthcare properties as well as sports facilities.

Flatiron is our heavy civil contractor specialist in North America, providing innovative infrastructure solutions in the USA and Canada. Its strategy is to build on successful relationships and to secure contracts offering balanced risk profiles with an increasing use of collaborative models. Headquartered in Broomfield, Colorado, Flatiron focuses on all major infrastructure construction categories, including highways and bridges, aviation, rail and transit, dams and water treatment facilities, and underground projects. Flatiron also undertakes infrastructure construction through its subsidiary E.E. Cruz, in the Northeastern part of the U.S., focusing on the New York and New Jersey market and delivering resiliency, water supply, transit, deep foundations, bridges and geotechnical projects. In the reporting year, Flatiron achieved top ten rankings as a Transportation Contractor and a Heavy Civil Contractor in the U.S.

The market outlook is positive: The market research institute FMI estimates that total non-residential building construction put in place in the U.S. will continue to develop positively with an increase of 5% in 2024, suggesting that this market segment is continuing its expansion following a very dynamic growth in 2023 where growth was estimated at 17%. The highest growth sub-markets are manufacturing, transportation, education and healthcare which are all key markets for Turner. Furthermore, steady growth is expected in the communication sub-market at 4–5% for all years 2024–2027 driven by data centers (growing use of artificial intelligence and other cloud service offerings) and connected devices/5G and as well as manufacturing and logistics investments.[1] FMI predicts growth of 8% for transportation and utility infrastructure construction (non-building structures) in the U.S. in 2024, following growth of 11% in 2023. Furthermore, the longer-term outlook is strong with a growing wave of infrastructure megaprojects anticipated to break ground, renewable energy capacity creating needs and opportunities in energy storage and transmission while population growth and increased industrial

[1] FMI, North American Engineering and Construction Outlook 2023, Fourth Quarter Edition, October 2023

production support higher spending also on water supply and sewage/waste disposal.[1] The U.S. Federal Government is supporting the forecasted, historically high level of investment through funding provided by the Infrastructure Investment and Jobs Act (IIJA) and Inflation Reduction Act (IRA).

HOCHTIEF Americas division's key figures

HOCHTIEF Americas delivered another impressive performance during 2023.

Sales of EUR 18.1 billion were 4% higher year on year, or 7% f/x-adjusted. **Operational PBT** of EUR 422 million showed an increase of 14% year on year and was above the top end of the divisional guidance range of EUR 380–420 million. The operational PBT margin increased significantly to 2.3% versus 2.1% in 2022 driven by the strategic focus on high-tech infrastructure opportunities.

Cash flow from operating activities pre-factoring of over EUR 1.0 billion rose by nearly EUR 300 million year on year and reflects a very strong cash performance. As a consequence, at the end of December 2023 the HOCHTIEF Americas division showed a **net cash** position of EUR 2.3 billion up over EUR 400 million compared with December 2022.

New orders of EUR 21.2 billion rose by EUR 3.6 billion year on year, or 24% f/x-adjusted, driven by strong project wins at Turner and Flatiron. The **order backlog** of just below EUR 30 billion was a new record year-end high and 11% higher than a year ago in local currency terms.

HOCHTIEF Americas Outlook

For 2024, we target an operational profit before tax of EUR 440–480 million, subject to market conditions.

HOCHTIEF Americas Division: Key Figures

(EUR million)	2023	2022	Change yoy
Total sales/divisional sales	**18,111.0**	17,460.0	3.7%
Operational profit before tax/PBT	**422.4**	370.6	14.0%
Operational PBT margin (%)	**2.3**	2.1	0.2
Operational net profit	**312.4**	275.4	13.4%
EBITDA (adjusted)	**546.3**	461.9	18.3%
EBIT (adjusted)	**456.9**	376.4	21.4%
Nominal profit before tax/PBT	**410.0**	350.9	16.8%
Nominal net profit	**302.8**	260.3	16.3%
Cash flow from operating activities	**1,120.9**	737.4	383.5
Cash flow from operating activities pre-factoring	**1,021.2**	724.0	297.2
Gross operating capital expenditure	**22.6**	45.4	-22.8
Net cash (+)/net debt (-)	**2,310.7**	1,908.9	401.8
New orders	**21,169.8**	17,618.3	20.2 %
Work done	**17,980.8**	17,443.4	3.1 %
Order backlog	**29,814.1**	27,775.7	7.3%
Employees (end of period)	**12,637**	12,151	4.0 %

Note: Operational profits are adjusted for non-operational effects

[1] FMI, North American Engineering and Construction Outlook 2023, Fourth Quarter Edition, October 2023

Project highlights: New contracts in 2023[1]

Turner

High-tech growth markets

Turner secured large-volume projects in the market segment of data centers in 2023 again: Several renowned clients awarded large-scale contracts to be realized in several states, among others in Ohio, Missouri, Iowa, Washington, Alabama, and Maryland. The total volume of the data center contracts amounted to around EUR 2.6 billion (USD 2.8 billion) in the reporting year.

In the segment of battery production facilities for electric vehicles and lithium-ion batteries, Turner also won a number of new contracts, worth around EUR 2.3 billion (USD 2.5 billion) on total in the reporting year. This includes construction of an electric vehicle battery production facility for Panasonic Energy in De Soto, Kansas, which Turner is to build in a joint venture. In addition to the assembly facility, this phase of an overall USD 4 billion program will include construction of a central utility plant and support buildings. The plant is expected to begin production by the end of March 2025.

In the biopharma segment, Turner is to construct a production facility for Pharmavite in New Albany, Ohio. The Sunrise project will enable the nutritional supplement manufacturer to expand its production capacity and create over 200 jobs.

Building construction

The U.S. Army Corps of Engineers has awarded Turner an approximately EUR 360 million contract to construct two buildings at Offutt Air Base near Omaha, Nebraska. This will make the air base more resilient to potential flooding events in the future. Slated for completion by 2027, the project includes a three-story facility for intelligence, training, maintenance, and reconnaissance squadrons.

Turner is constructing Orlando Health Wiregrass Ranch Hospital in Florida. The new, five-story hospital will have a total of 136 inpatient beds.

In a further healthcare project in Valhalla, New York, Westchester Medical Center is to build a new, five-story tower on its main campus, immediately adjacent to Maria Fareri Children’s Hospital. It will house a total of 128 private rooms, with completion scheduled for mid-2025.

Turner will transform an old football stadium into a modern facility at the University of Kansas. The re-imagined stadium will include new press boxes, club and premium level suites.

The Capitol Annex Replacement project in Sacramento, California, will consist of demolition and replacement of the existing Annex. The public assembly and corridor spaces will be designed with recognition that the building premises are often host to large numbers of visitors. The project will provide office space for the California State Legislature, Governor, Lieutenant Governor, public hearing and meeting rooms, public gathering space, and office space for the legislative and executive support staff and departments.

Turner is modernizing and renovating the One UN Plaza and Two UN Plaza buildings in New York City. Both properties—the former comprising 39 stories, the latter 40 stories—are fully leased and house offices and hotels.

For the University of Michigan College of Pharmacy, Turner will construct a new, modern building featuring classrooms, laboratories, faculty and administrative offices.

Turner also is to construct a new building for the University of Pittsburgh, with completion set for May 2026. The project will include laboratory and office space together with cleanrooms for cell and gene therapy research.

[1] The content in this section is not part of the statutory audit of the annual financial statements and consolidated financial statements.

Flatiron

In Port Arthur, Texas, Flatiron is starting a vital resiliency project in a region prone to hurricanes and other natural disasters. The project, which includes measures for enhanced collaboration with the client, will fortify pumping stations against floodwaters, strengthen levees in the region, and replace floodwalls.

The Flatiron company E.E. Cruz and Turner, together with other consortium partners, have been selected to deliver preconstruction on the North/West Battery Park City Resiliency Project in Manhattan. This will enhance Battery Park City public spaces while creating protection against rising sea levels and storms. The project team will engineer and build approximately 2,400 linear meters of flood and seepage barriers as well as interior drainage improvements. The project is based on a progressive Design-Build delivery model.

In Hoboken, New Jersey, E.E. Cruz is delivering a major flood protection project, valued at EUR 232 million. The project includes the construction of more than 2,700 meters of reinforced concrete floodwalls, the installation of 28 floodgates at Harborside Park, which borders the Hudson River.

In Alberta, Canada, Flatiron and consortium partners have secured the development contract for the first phase of the major Green Line Light Rail Transit project in Calgary in a collaborative model. The team is currently in preconstruction for the 18-kilometer, 13-stop segment of the light rail transit system. This will be the city's largest infrastructure investment to date, with construction anticipated to start in 2024.

East Bay Municipal Utility District in California has selected Flatiron to deliver projects valued at some EUR 220 million. Following on from previous contracts and in a collaborative manner, these serve to secure the drinking water supply for communities in and around Oakland. Flatiron will upgrade existing and construct new facilities.

Also in California, Flatiron has been awarded two highway construction projects. In Yolo County, a Flatiron-led joint venture has been selected to upgrade highways, including the sole freeway connection between the San Francisco Bay Area and the Sacramento metropolitan area. Construction will include the widening of two bridges and modification of nine other bridges for a total project value of approximately EUR 190 million. In collaboration with the City of Temecula, Flatiron has launched the I-15 French Valley Parkway Phase II project, another project aiming to reduce congestion in Southern California, valued at EUR 66 million.

Together with consortium partners, Flatiron has been selected for two projects to create broadband infrastructure for so far unserved and underserved communities in Northern and Southern California. The projects with a total value of over EUR 177 million have entered the preconstruction phase. These projects strengthen Flatiron's position in the technological infrastructure market sector. The Construction Manager/General Contractor (CM/GC) delivery method is ideal for such projects—providing the opportunity for early and ongoing collaboration with clients and other stakeholders.

In Yukon, Canada, Flatiron is renewing the main runway at Erik Nielsen Whitehorse International Airport for approximately EUR 100 million, with completion being scheduled for 2027. The work also includes safety enhancements to the approach lighting and electrical systems. Within the scope of the Taxiway DS East project at Denver International Airport, Flatiron will provide construction services for new taxiway and taxilane pavements, snow removal equipment, and ground service equipment staging, as well as de-icing and snow-melter areas.

The New York State Department of Transportation has selected E.E. Cruz for the replacement of the Bronx River Parkway Bridge. The project worth around EUR 127 million will require ongoing collaboration with many parties involved. The new bridge will replace a deteriorated bridge over rail lines—improving safety and mobility. Innovative construction methods will reduce traffic and train-travel disruption during construction.

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HUMELINK, NEW SOUTH WALES, AUSTRALIA

In the HumeLink project, CIMIC is delivering one of the largest energy infrastructure projects in New South Wales, including the construction of more than 385 kilometers of transmission lines.

HOCHTIEF Asia Pacific Division

Our activities in the HOCHTIEF Asia Pacific division relate to the operational companies of the CIMIC Group. Following the completion of the CIMIC minority buy-out in the first half of 2022, the shareholding in CIMIC has been 100% since June 2022. The earnings contribution of the HOCHTIEF Asia Pacific division additionally reflects financing and holding costs as well as the impact of variations in the AUD/EUR exchange rate. The 2022 figures also included costs related to the acquisition of CIMIC minorities.

CIMIC Group is an engineering-led infrastructure, industrial services, natural resources services, and development and investment leader. Its operating companies provide a comprehensive range of services in the construction, engineering, utilities, energy, and resources sectors in Australia and the Asia Pacific. CIMIC is the only company servicing the full life cycle of infrastructure and resources assets in these markets.

With its focus on infrastructure projects, CPB Contractors operates in the markets of Australia and New Zealand. The company delivers large-scale projects in key sectors of the construction industry, including roads, rail, tunneling, defense, building, renewables, and resources infrastructure.

UGL is a leader in the provision of industrial services for the energy, resources, and transport sectors. The company's services include project management, mechanical and electrical engineering as well as operations and maintenance for projects in the fields of power generation and transmission, rail systems, locomotive manufacturing, and shutdown services.

CIMIC Group company Sedgman is a provider of integrated mineral processing solutions. In the provision of project and operating services, the company's focus is on the commodities lithium, gold, copper and base metals, critical minerals, iron ore, coal, and potash. For this purpose, Sedgman offers flexible delivery models to suit diverse environments. Solutions are offered from initial concept through feasibility studies to detailed engineering design.

Leighton Asia is a leading construction contractor in Southeast Asia. The company operates in Hong Kong, where it also has its headquarters, in Macau, Singapore, the Philippines, Malaysia, and India. It delivers tunnel, rail and road networks as well as high-tech projects such as data centers.

Pacific Partnerships is a sponsor, developer, and investor for infrastructure and energy assets. The company has a high level of expertise in road, rail, education, health, energy assets, and security.

EIC Activities is CIMIC Group's engineering and technical services business, supporting the operating companies in the acquisition and delivery of profitable projects that generate value for clients.

CIMIC holds 50% of natural resources services provider Thiess, which it accounts for as a joint venture. In partnership with its customers, Thiess provides comprehensive services for the commodities industry in Australia, Asia, and the Americas. For more than 80 years, Thiess has worked with a variety of commodities, geologies, environments, and cultures.

The market outlook is positive. Following a period of dynamic growth in 2022/2023, Macromonitor expects further growth of 10% in the non-residential construction market in Australia in nominal terms. This refers to the markets relevant for the Group, especially including transport, social, power/utility, natural resources and oil & gas infrastructure. This growth reflects an uptick in activity for road, rail and airports projects in large cities, increased urban renewal work and big regional highway upgrades. Furthermore, healthcare construction is expected to see growth driven by rising population figures. There are also significant investments in renewable-energy related, broadband and water security assets. In addition, demand for minerals needed for the energy transition is driving construction investment growth while the recovery in the oil price from the 2020 levels is leading to an upturn in construction, too.[1] The outlook for outsourced maintenance services relevant to the Group in Australia is positive across the main industries with a year-on-year increase expected at around 6% in 2024 thereby continuing a long-term growth track record.[2] The Australian government's Department of Industry, Science and Resources predicts in its December 2023 quarterly publication that in volume terms most resource exports[3] are likely to show significant growth over the outlook period (July 2023–June 2025), as the global energy transition accelerates. Energy exports[4] are expected to level out in 2024, as the sharp commodity price falls of the past year temper production.

HOCHTIEF Asia Pacific Division's key figures

Sales of EUR 8.1 billion were 11% higher, reflecting strong construction and services business activities. HOCHTIEF Asia Pacific's operational **profit before tax** in 2023 of EUR 229 million and operational net profit of EUR 179 million have had a significant 8% impact from the devaluation of the Australian dollar in 2023.

At the end of December 2023, the division showed a net **debt figure** of EUR 355 million. The divisional **order backlog** of EUR 19.5 billion was stable year on year.

CIMIC's key figures

In local currency terms, revenue growth of 20% to AUD 13.3 billion (EUR 8.1 billion) was achieved based on strong order book of our operating company CIMIC across all business activities. Operational EBITDA, EBIT and PBT margins remained strong at 7.6%, 5.3% and 3.9% respectively. Operational **net profit after tax**, NPAT, was stable at AUD 434 million EUR 265 million), up 1.9% year on year, and above the mid-point of the guidance range of AUD 400–450 million (EUR 245–275 million).

Operating cash flow pre-factoring of AUD 640 million (EUR 392 million) benefited from seasonally strong Q4 cash flow.

Capex increased due to job-costed tunneling equipment and the initial, one-off development capex for a major renewable project at CIMIC (Glenrowan Solar Farm).

Net debt improved to AUD 348 million (EUR 214 million) versus a comparable AUD 442 million (EUR 282 million) at the end of December 2022. CIMIC ended 2023 with work in hand of AUD 31.7 billion (EUR 19.5 billion) versus AUD 30.4 billion (EUR 19.4 billion) at December 2022 with **new work** during the year of AUD 19.1 billion (EUR 11.7 billion), up 16% year on year.

CIMIC Outlook

We expect CIMIC, as our operating company in the HOCHTIEF Asia Pacific division, to achieve an operational profit before tax/PBT for 2024 in the range of AUD 490–530 million (approximately EUR 300–320 million), subject to market conditions.

[1] Macromonitor, December 2023
[2] BIS Oxford Economics, April 2023
[3] Definition includes iron ore, copper, gold, nickel, zinc, lithium, aluminum, and bauxite.
[4] Definition includes thermal coal, metallurgical coal, oil, LNG and uranium.

HOCHTIEF Asia Pacific Division: Key Figures

(EUR million)	2023	2022	Change yoy
Total sales/divisional sales	**8,099.6**	7,299.6	11.0%
Operational profit before tax/PBT	**228.6**	261.7	-12.6%
Operational PBT margin (%)	**2.8**	3.6	-0.8
Operational net profit	**179.4**	186.0	-3.5%
EBITDA (adjusted)	**597.3**	641.0	-6.8%
EBIT (adjusted)	**413.6**	435.4	-5.0%
Nominal profit before tax/PBT	**212.4**	261.7	-18.8%
Nominal net profit	**180.4**	186.0	-3.0%
Cash flow from operating activities[1]	**113.3**	359.4	-246.1
Cash flow from operating activities pre-factoring[1]	**141.7**	297.2	-155.5
Gross operating capital expenditure	**160.9**	128.1	32.8
Net cash (+)/net debt (-)	**(355.0)**	(491.7)	136.7
New orders	**11,679.9**	10,775.3	8.4%
Work done	**10,885.0**	9,821.7	10.8%
Order backlog	**19,506.3**	19,388.3	0.6%
Employees (end of period)	**23,893**	19,704	21.3%

[1] Underlying cash flow figures, excluding CIMIC's one-off payment for CCPP legacy project (EUR 183.5 million in 2023 and EUR 127.0 million in 2022).

Project highlights: new contracts in 2023[1]

High-tech growth markets

For Neoen, UGL is to install the high-voltage infrastructure connecting a Tesla-supplied battery energy storage system at Neoen's Western Downs Green Power Hub, around 250 kilometers west of Brisbane. Following construction, the battery—also to be installed by UGL—will transmit stored energy into the electricity network. The contract was extended later in order to increase the Western Downs Battery installed capacity to 270 megawatts/540 megawatt-hours.

UGL has also been contracted by Neoen to design and construct Stage 1 of the Collie Battery project, a 219-megawatt and 877-megawatt-hour battery energy storage system (BESS), together with associated energy infrastructure in Western Australia. Completion of the project is scheduled for 2024.

By the end of 2024, UGL is to install a 35-megawatt battery energy storage system (BESS) in Port Hedland, Western Australia. The project includes the design, testing, and commissioning of the BESS at the power plant. UGL will also be responsible for extending the existing high-voltage infrastructure to connect the BESS.

Pacific Partnerships has achieved financial close and commenced construction on the Glenrowan Solar Farm in northern Victoria. This followed the securing of a ten-year contract with the State of Victoria for the sale of solar power from Solar Farm at the end of 2022. Pacific Partnerships Energy initiated the project, while UGL is responsible for the engineering, procurement, construction, and subsequent operations and maintenance. The first electricity was fed into the grid in late 2023.

Pacific Partnerships has also acquired the development rights for the 300-megawatt-dc Hopeland Solar Farm in Queensland, the company's second large-scale solar project. Subsidiary Pacific Partnerships Energy will develop, invest in as well as manage delivery and operations of the Hopeland Solar Farm located 290 kilometers west of Brisbane. The region has close to 2.2 gigawatts of committed renewable energy projects in the pipeline, with a further 11 gigawatts targeted.

[1] The content in this section is not part of the statutory audit of the annual financial statements and consolidated financial statements.

UGL and CPB Contractors will deliver the western section of the HumeLink high voltage electricity transmission project for Transgrid in regional New South Wales which will significantly increase the capacity of the electricity network in Australia's eastern states. It is one of the state's largest energy infrastructure projects, with about 385 kilometers of proposed new transmission lines and a range of other new and upgraded infrastructure. The project will generate revenue of more than EUR 851 million for the CIMIC Group companies.

In the Philippines, Leighton Asia is constructing a data center under a joint venture. This is Phase 1 of STT Fairview 1, a multi-phase data center development project in Quezon City.

In addition, Leighton Asia won the contract for delivery of a new data center in Malaysia. The company cooperated closely with the client from an early state in order to minimize risk during work performance and to realize a high-quality project.

UGL has won a contract with the Department of Defence to provide strategic advice, planning, supply management, operations, and maintenance for the Australian Defence Force's fuel network. The contract will generate approximately EUR 300 million in revenue over six years, with options for performance-based extensions through to 2035.

UGL is to provide maintenance and construction services for overhead powerlines within the Victorian Electricity Supply Industry (VESI), meeting the growing demand for maintenance and power infrastructure upgrades. The five-year agreement includes options for extensions.

In Western Australia, UGL has been awarded four contracts with energy and minerals processing clients that will generate revenue of around EUR 180 million, including a contract for the provision of services for aluminum producer Alcoa's bauxite and alumina WA operations.

Construction and industrial services

The Government of New South Wales awarded CPB Contractors with the main works construction on the Nepean Hospital Redevelopment Stage 2. Part of the planned EUR 650 million expansion and upgrade of Nepean Hospital and community-based services, the package of works includes the construction of a new clinical tower and the refurbishment of various other buildings as well as the upgrade of stormwater and support services. The project generates revenue of approximately EUR 168 million for CPB Contractors.

The Queensland Government has selected CPB Contractors as managing contractor for stage one of the new Bundaberg Hospital. CPB Contractors will lead the design phase of the project. Following the design phase, CPB Contractors may be contracted with the construction phase of the project. The new hospital has an overall value of around EUR 700 million and is expected to be completed in the second half of 2027.

In addition, CPB Contractors is involved with the early contractor involvement phase of the redevelopment of Sydney's Royal Prince Alfred Hospital. The project will deliver both new and upgraded health facilities.

Pacific Partnerships, CPB Contractors and UGL, as part of the Canberra Metro consortium, will finance, design, build and operate the next stage of Canberra's light rail system. Stage 2A from the City to Commonwealth Park has a total contract volume of EUR 350 million, CPB Contractors and UGL expect revenue of approximately EUR 138 million.

North of Manila in the Philippines, Leighton Asia has been awarded the contract to design and construct the third bridge of the Candaba Viaduct for client NLEX Corporation. Generating value of around EUR 105 million for Leighton Asia, the scope includes the design and construction of an independent 5.3-kilometer bridge between the two existing lanes of the Candaba Viaduct.

In North Queensland, UGL and CPB Contractors have been awarded an early-works contract for the major CopperString 2032 energy infrastructure project. The project encompasses detailed engineering design, field surveys, geotechnical surveys, and geotechnical works. Additionally, the CIMIC companies are preferred contractors for the delivery phase, which includes the design, construction, and commissioning of seven new substations and a high-voltage transmission line.

From the Australian Government's Department of Defence, CPB Contractors was awarded the following three contracts: The company will perform the delivery phase of the North Queensland Mid-Term Refresh Program to provide the estate maintenance and upgrades at Defence locations. Works to be delivered include new and upgraded engineering services and building refurbishments.

The development phase for the upgrades at RAAF bases Curtin and Learmonth in Western Australia involves work on runways, taxiways, parking areas, and aeronautical ground lighting. Subject to successful completion of this phase, project execution will follow.

In a joint venture with Downer, CPB Contractors is undertaking design development activities for the Woomera Redevelopment Program in South Australia. Pending Government and Parliamentary approvals, a delivery phase consisting of upgrades to buildings, services, and infrastructure is expected to follow, with an estimated value of between EUR 300 million and EUR 450 million.

CPB Contractors was has been selected by Cadia Holdings to deliver enabling works for the Cadia Tailings Storage Facility Recommissioning Project. The project will support the operation of the Cadia gold and copper mine near Orange in New South Wales.

CPB Contractors has been selected by the Victorian Government to deliver the first major tunneling package on the Suburban Rail Loop East project, as part of the Suburban Connect consortium. This package will construct a 16-kilometer section of the project's 26-kilometer twin tunnels.

Broad Construction is to deliver TAFE Queensland's new Robotics and Advanced Manufacturing Centre at the Eagle Farm TAFE campus for the Department of Youth Justice, Employment, Small Business and Training. Scheduled for completion in the third quarter of 2024, the new facility comprises classrooms and learning areas, seminar rooms, laboratories, workshops as well as both staff and student breakout areas, including all associated siteworks.

Sedgman is to perform the basic engineering design and to update the feasibility study for Skeena Resources' Eskay Creek Revitalization Project, a former gold and silver mine in northwestern British Columbia, Canada.

Natural resources

Thiess, in which CIMIC holds a 50% interest, was awarded a Letter of Agreement to provide services at the Llano project in Chile's Sierra Gorda District. The scope of works includes natural resources operations, maintenance, and asset management services at the greenfield copper mine for Minera Centinela.

Thiess secured a four-year contract with Weda Bay Nickel, a largest nickel player on Halmahera Island, North Maluku, Indonesia. The scope of works covers ore loading, hauling, and stockpile maintenance. The uses of nickel include the construction of energy storage systems.

Thiess Rehabilitation has signed a two-year contract to provide rehabilitation services at the Muswellbrook Coal Mine in New South Wales. The approximately 180-hectare former mining landscape will be planned out in detail and remediated with native plantings and pastureland.


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BUILDING FOR FRANKFURT UNIVERSITY OF APPLIED SCIENCES, GERMANY

Shortly after completing the new seminar and multipurpose building on the campus of Frankfurt University of Applied Sciences, HOCHTIEF was awarded a follow-on contract in the reporting year for a new building with laboratories, lecture hall, seminar rooms, and office space.

HOCHTIEF Europe Division

The HOCHTIEF Europe division comprises our European activities that are delivering sustainable solutions in energy transition, digital, social, and transport infrastructure. Its expertise encompasses the life cycle of asset and infrastructure projects, from feasibility, design, planning and investment to construction, operations and maintenance. Our focus is on activities in the German, Polish, Czech, Slovakian, Austrian, UK, Scandinavian, and Dutch markets. HOCHTIEF continues to be valued for its in-depth technical know-how, high quality, and the competence of its employees.

HOCHTIEF Infrastructure executes large-scale transportation, energy, data center, EV battery, and building projects, providing solutions for all phases of project implementation. In this way, HOCHTIEF Infrastructure paves the way for sustainable, well-conceived infrastructure growth in Germany and across Europe—for instance, through the construction of new buildings, bridges, roads, rail infrastructure, tunnels, airports, and maritime port facilities.

HOCHTIEF PPP Solutions provides services for public-sector clients covering the entire infrastructure project life cycle—from design and finance to construction and operation—on the basis of PPP contracting models. Projects are executed in collaboration with other HOCHTIEF units. Likewise under the umbrella of HOCHTIEF PPP Solutions, we develop “smart city” solutions. These include the development and sustainable construction of data centers or charging stations for electric vehicles, always with a focus on the entire life cycle.

HOCHTIEF Engineering provides a broad portfolio of engineering services. Virtual construction and Building Information Modeling (BIM) are areas served by HOCHTIEF ViCon.

Civil engineering in Europe will continue to expand unabated in the years 2023 to 2026, according to the latest Euroconstruct outlook. Growth in this sector is due to the pressing need for action in relation to transport networks and energy production and distribution. The positive long-term outlook for civil engineering is also supported by the fact that these projects take years to complete. The non-residential building construction market is expected to maintain the current activity level until 2024, according to Euroconstruct, thereafter this market segment is expected to resume growth once again.[1]

HOCHTIEF Europe division’s key figures

The HOCHTIEF Europe division maintained a firm performance.

Sales of EUR 1.3 billion increased by 5% year on year with an operational PBT of EUR 64 million in 2023, at the top end of the divisional guidance range of EUR 55–65 million, and versus EUR 63 million in 2022. The **operational PBT margin** stood at 4.8% and the operational net profit of EUR 52 million was 7% higher year on year.

Cash flow from operating activities showed a strong rise of EUR 75 million year on year to EUR 103 million and the division ended the year with a net cash position of EUR 745 million.

[1] Euroconstruct, 96th Euroconstruct Conference, Press Release, December 2023

Very strong **new orders** of EUR 3.6 billion in 2023 compare with EUR 1.5 billion in the previous year and are equivalent to 2.0x work done. Strength in new orders was supported by several successful large-scale PPP projects wins.

Due to the high level of new orders, the **order backlog** at the end of December stood at EUR 6.0 billion, an increase of 42% year on year.

HOCHTIEF Europe Outlook

For 2024, we plan to achieve an operational profit before tax of EUR 60 million to EUR 70 million, subject to market conditions.

HOCHTIEF Europe Division: Key Figures

(EUR million)	2023	2022	Change yoy
Total sales/divisional sales	**1,339.4**	1,270.8	5.4%
Operational profit before tax/PBT	**64.0**	63.4	0.9%
Operational PBT margin (%)	**4.8**	5.0	-0.2
Operational net profit	**52.4**	48.8	7.4%
EBITDA (adjusted)	**93.6**	103.0	-9.1%
EBIT (adjusted)	**53.7**	62.8	-14.5%
Nominal profit before tax/PBT	**50.6**	47.4	6.8%
Nominal net profit	**37.4**	34.4	8.7%
Cash flow from operating activities[1]	**102.8**	28.1	74.7
Gross operating capital expenditure	**17.0**	8.9	8.1
Net cash (+)/net debt (-)	**744.6**	749.4	-4.8
New orders	**3,620.5**	1,483.6	144.0%
Work done	**1,797.6**	1,733.0	3.7%
Order backlog	**6,005.4**	4,240.1	41.6%
Employees (end of period)	**4,810**	4,741	1.5%
of which Germany	**3,074**	3,065	0.3%

Note: Operational profits are adjusted for non-operational effects

[1] Underlying cash flow figures, excluding the final payment for the legacy Chilean project

Project highlights: new contracts in 2023[1]

High-tech growth markets

Germany's Federal Ministry for Digital and Transport has awarded HOCHTIEF and consortium partner EWE Go a finance, design, build, and operate contract to deliver a German fast-charging network for electric vehicles with a total of 850 charging points in the country's Northwest and West regions. The two partners have designed the 96 stations with between four and 16 fast-charging points each and are to build and operate them for the long term.

In the digital infrastructure market, HOCHTIEF has been selected as general contractor to build, together with a consortium partner, a new data center in Poland for client Data4 Group. This forms part of a major project near Warsaw comprising four data centers with a total capacity of 60 megawatts.

HOCHTIEF and infrastructure investor Palladio Partners are jointly building and operating a sustainable data center in Heiligenhaus, near Düsseldorf. The partners will realize a high-tech facility of the model type YEXIO which is particularly suited to regionally oriented companies that prefer computing power and data storage close to their

[1] The content in this section is not part of the statutory audit of the annual financial statements and consolidated financial statements.

headquarters and customers. HOCHTIEF is responsible for planning, construction, operation, and asset management. The consortium has already purchased a further plot for a second project of this type and intends to replicate the model at other locations in metropolitan areas in the next few years.

Another project in new business areas is the innovation partnership launched between HOCHTIEF Group company EDGITAL and the City of Herne for maintenance of the municipal road network with the aid of advanced technology. The aim of the partnership is to link the maintenance of the 380-kilometer road network with integrated analysis and efficient rehabilitation planning based on artificial intelligence.

Construction and services

At the Leverkusen Rhine Bridge, HOCHTIEF as part of a joint venture will also deliver the second bridge structure. The total contract value is around EUR 426 million. This important infrastructure link is slated for completion by the end of 2027.

In Brno, Czech Republic, building works are in progress for a EUR 187 million multifunctional arena for international cultural, sports, and trade fair events with capacity for 13,300 spectators. Construction is scheduled to take two and a half years.

In Lehrte, near Hanover, HOCHTIEF is designing and building a school center with an integrated secondary school, intermediate secondary school, three-court sports hall, and canteen. HOCHTIEF will subsequently operate the complex for 20 years. The project, which takes the form of a public-private partnership, has a contract value of around EUR 100 million. By the end of 2028, a car-free school campus built to ultra-low energy standards will provide a state-of-the-art teaching, learning, and working environment for some 1,800 students.

In a project for Vattenfall Wärme in Berlin, HOCHTIEF is to deliver a system control center to manage, monitor, and optimize the city’s district heating system in the future. In addition to the system control center comprising workshop, storage, and office space which will occupy an existing building, the project includes construction of a new systems building.

In the healthcare properties segment, Braunschweig Municipal Hospital has commissioned HOCHTIEF to construct the south wing and the entrance building for the new central hospital complex. Work is scheduled for completion in March 2026. The scope of work includes demolition of the existing building, special civil and underground engineering measures, core and shell construction, and the building envelope.

As technical and commercial leader of a joint venture, HOCHTIEF is to construct the new A330 laboratory building on the site of chemical company BASF in Schwarzheide, north of Dresden, by 2025. The new building will offer workplaces for 77 laboratory and a further 70 office staff. In line with the customer’s focus on sustainability, features include an air-to-water heat pump for the building’s base-load heating and cooling. Among other products, the Schwarzheide site produces chemical substances for special applications in vehicles, including for electrical, hybrid, or fuel-cell propulsion.

The Hesse State Construction and Real Estate Agency has once again contracted HOCHTIEF for a construction project at Frankfurt University of Applied Sciences. Following completion of a seminar and multipurpose building on the campus last year, the project team will now deliver another new building with laboratories, lecture hall, seminar rooms, and office space.

In addition, HOCHTIEF is in charge of constructing a new building and a new gymnasium for the Karl Treutel elementary school in Kelsterbach in the state of Hesse, with completion scheduled for September 2025. The project meets the criteria under the Assessment System for Sustainable Building developed by the Federal Ministry for Housing, Urban Development and Building.

In Düsseldorf, HOCHTIEF is constructing a new five-story office building for Nordrheinische Ärzteversorgung, a pension fund for medical practitioners in the North-Rhine region. The multi-tenant building will include, among others, a childcare center.

TOUGH Training—a start-up of HOCHTIEF PPP Solutions in partnership with Building Information Innovator—offers interactive, VR-based training and is to develop custom-tailored training units on safety requirements in track works for and with client DB Netz AG by the end of 2024. It is also qualifying in-house trainers for the future application. The aim is to raise employee awareness of possible hazardous situations, in particular during works on overhead line systems.

Public-private partnerships
HOCHTIEF was awarded a major contract in the research sector. Under a PPP contract, it will construct a number of state-of-the-art buildings in Kassel and subsequently operate them for a minimum period of 30 years. Users will be the Hessian State Laboratory, the Hessian Agency for Nature Conservation, Environment and Geology, and the Kassel Regional Government. The investment volume is in the triple-digit millions of euros.

On behalf of the Hesse State Construction and Real Estate Agency, the Group will expand the new Frankfurt am Main judiciary center. The two new buildings will house several courts, public prosecutors’ offices and judicial authorities. HOCHTIEF will construct the new buildings with a gross floor area of 38,500 square meters by mid-2027 and subsequently operate them for a period of 30 years. The PPP project has a volume in the mid three-digit million range.

HOCHTIEF also is in charge of another large-scale project on Berlin‘s Puschkinallee. Under a public-private partnership (PPP) contract, buildings are to be constructed for the German Institute for Federal Real Estate by 2028 and subsequently operated for 25 years. The client attaches particular importance to resource-efficient solutions in construction and operation.

For the federal state of North Rhine-Westphalia, HOCHTIEF is building a new police and public administration university in the city of Herne in Germany’s Ruhr region and will operate the campus for 20 years following completion, set for the winter semester of 2027. This state-of-the-art, energy-efficient complex is targeting Gold certification from the German Sustainable Building Council (DGNB).

FOUR TOLL ROADS, PUERTO RICO

Abertis has expanded its portfolio in Puerto Rico: In October 2023, the HOCHTIEF Group company won the tender for the expansion, operation and maintenance of four new toll roads for a period of 40 years.

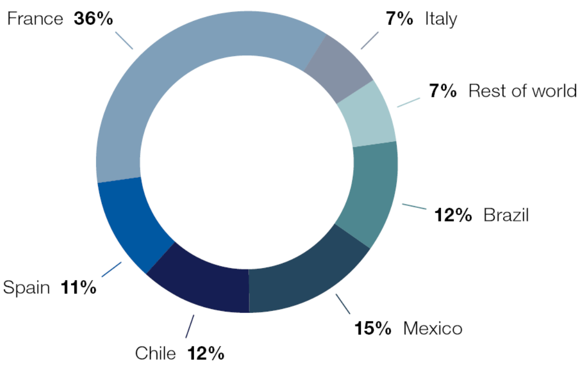
Abertis Investment

Since June 2018, HOCHTIEF owns a 20% stake in Abertis HoldCo, the direct owner of 99.1% of Abertis Infraestructuras, S.A. (Abertis), a leading international toll road operator. This investment is accounted for using the equity method and the net profit contribution is included as an operating item in the Group's EBITDA.

The contribution to the HOCHTIEF Group resulting from the **Abertis Investment** reflects the operating performance of Abertis, a non-cash purchase price allocation (PPA) expense as well as holding company costs.

In 2023 Abertis contributed EUR 79.5 million earnings compared with EUR 66.7 million in 2022.

EBITDA 2023 by country



Key developments at Abertis

Abertis' **average daily traffic** increased by 3% year on year in 2023. The rise in traffic and higher tariffs resulted in **revenues** of EUR 5.5 billion, up 8% year on year.

Individual year-on-year country performances showed traffic growth across most key markets: France +3%, Spain +2%, Italy +3%, Brazil +5%, Chile -3%, Mexico +3%, USA +4%.

EBITDA of EUR 3.9 billion was up by 10% year on year. Abertis' net profit in 2023, pre-PPA, of EUR 767 million compares to EUR 668 million in the previous period.

The toll road company declared a **dividend** of EUR 602 million in March 2023, EUR 119 million of which has been received by HOCHTIEF in line with its shareholding.

The ruling of the Spanish Supreme Court on the AP-7 resulted in a non-cash net impact for Abertis of minus EUR 29 million in Q4 2023 (EUR 5.7 million for 20% HOCHTIEF stake) after taking into consideration other provision reversals and extraordinary income.

In July 2023, HOCHTIEF/ACS and Mundys reached a new strategic collaboration agreement for Abertis with the objective of strengthening Abertis' global leadership in transport infrastructure concessions.

On October 17, 2023, Abertis announced that it has won a tender in Puerto Rico for four toll roads with its USD 2.85 billion bid. In addition, the acquisition of a 56.76% stake in the SH-288 in Houston (Texas, USA) from ACS Group for USD 1.53 billion was finalized. In December, Abertis agreed on the acquisition of Autovía del

Camino in Spain. At the beginning of February 2024, the shareholders of Abertis have contributed EUR 1.3 billion to support the financing of these transactions (HOCHTIEF share EUR 260 million). Abertis will thereby maintain an optimal capital structure in accordance with Abertis' commitment to maintain its investment grade credit rating.

Abertis Investment Outlook

We expect our Abertis investment to make a similar contribution to operational net profit in 2024 compared to 2023.

Abertis Investment: Key Figures

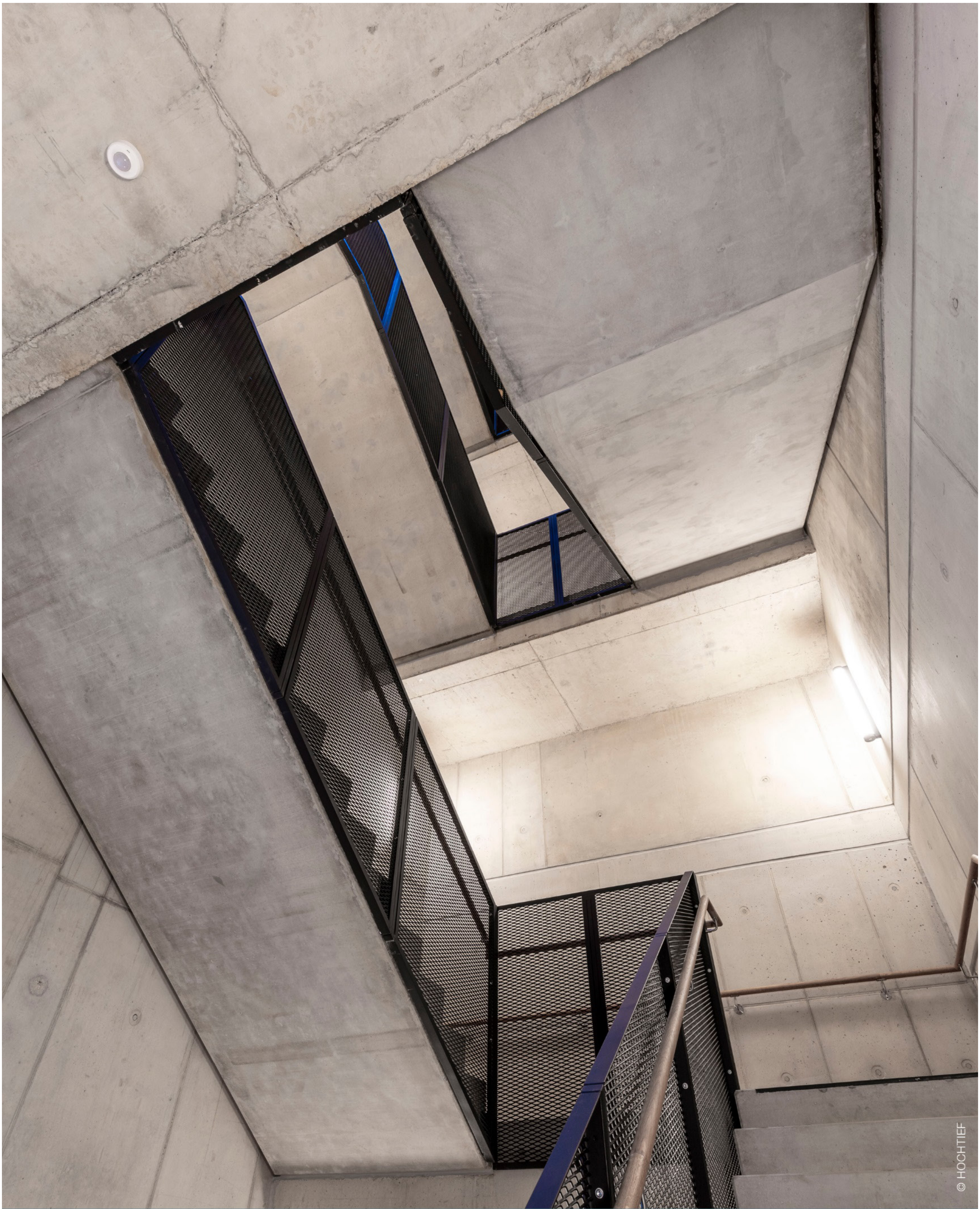
(EUR million)	2023	2022	Change yoy
Operating revenues	**5,532**	5,102	8%
Operating revenues comparable[1]			9%
EBITDA	**3,893**	3,536	10%
Comparable EBITDA[1]			10%
Net profit pre-PPA	**767**	668	15%

[1] Comparable variations consider constant portfolio, f/x rates and other non-comparable effects

Abertis Investment contribution to HOCHTIEF

(EUR million)	2023	2022	Change yoy
Nominal result[2]	**79.5**	66.7	12.8
Operational result[3]	**79.5**	66.7	12.8
Dividend received	**118.7**	118.7	0.0

[2] Nominal result included in EBITDA, profit before tax/PBT and net profit/NPAT
[3] Operational result included in operational profit before tax/PBT and operational net profit/NPAT



I/D COLOGNE (HANGAR), COLOGNE, GERMANY

The new I/D Cologne district is being delivered on a former freight yard in Cologne-Mühlheim. HOCHTIEF has realized two buildings. The "Hangar" was handed over in early 2024: It offers office space, a fitness center and restaurants—and meets the sustainability criteria for LEED Gold certification.

Compliance[1,2]

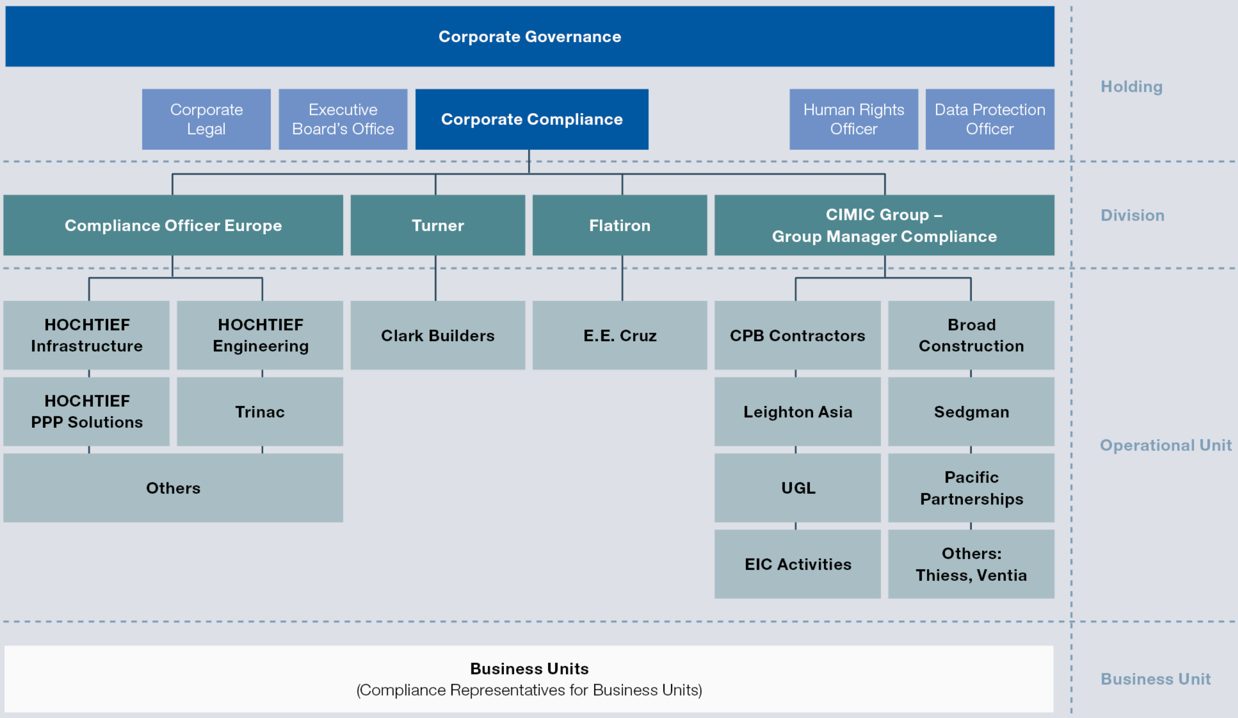
Material topic: Anti-corruption

Compliance is key in delivering on our corporate principles at HOCHTIEF. Across the Group, anti-corruption and anti-bribery are viewed and treated as core issues—and therefore central tasks. This means we are committed to targeting the prevention of corruption and bribery infringements. Through appropriate measures, including training and process improvements throughout the Group, we aim to avoid breaches of applicable laws and corporate policies as well as the associated risks and consequences, and to increase awareness of proper conduct among all employees.

The risk of (potential) antitrust and anti-corruption violations—within individual projects, units, and branches as well as in the Group as a whole—means a threat to HOCHTIEF's business success and our reputation.

Compliance organization

Compliance organization



[1] The content of this section is not part of the statutory audit of the annual financial statements and consolidated financial statements but is reviewed in a separate limited assurance engagement on the non-financial reporting.
[2] You can find the current Declaration on Corporate Governance pursuant to Section 289f and Section 315d of the German Commercial Code (HGB) at: www.hochtief.com/declaration-on-corporate-governance-2024

Responsibility for compliance lies with the Chairman of the Executive Board of HOCHTIEF Aktiengesellschaft. In this capacity, he is supported by the Chief Compliance Officer and the Corporate Compliance department. Compliance in HOCHTIEF's divisions has a similar organizational structure, headed in each case by a compliance officer/manager. The respective compliance officers/managers report on a regular basis to the Chief Compliance Officer, who in turn reports once annually to the Supervisory Board Audit/Sustainability Committee. The compliance officers/managers ensure that the compliance program is implemented in the divisions, that compliance risks are identified at an early stage, and that appropriate action is taken. (General) compliance managers within the divisions' business units provide a direct point of contact for employees in each business unit. They support the maintenance and onward development of the compliance program within their business unit and report to the responsible compliance officers for the division.

The divisions have compliance committees or working groups of their own covering various compliance topics, in which specific functional departments such as human resources, auditing, and procurement are represented. These committees meet on a regular basis or as needed to support the compliance organization in integrating the program into business workflows and processes as well as in its continuous improvement. In case of confirmed compliance violations, the relevant compliance committee or governance body which deals with such matters considers and recommends appropriate measures and areas for improvement to the relevant managers.

Responsibility for investigating and addressing (potential) infringements in areas that do not come under Compliance lies with the respective functional departments, such as the OSHEP Center or the Data Protection Officer (for further information, please see the relevant sections of this report). Where requested, they receive assistance of Corporate Compliance. Potential restitution or compensation activities—for example, in the case of environmental damage—are also the responsibility of the functional departments concerned.

The HOCHTIEF compliance program

We are convinced that ethical and economic values are mutually dependent and that business needs to be done in a spirit of fairness within the framework of existing rules. Responsibility for compliance lies with all employees and managers at HOCHTIEF, who undertake to meet all requirements in order to prevent compliance violations. HOCHTIEF expects all employees to embrace and comply with the HOCHTIEF Code of Conduct in their daily work. Alongside important statutory requirements, this also contains the standards that we adhere to and aim to foster under our voluntary commitments. These include the UN Global Compact and the ILO Core Labour Standards. Stipulating binding rules for all employees in nine languages, the HOCHTIEF Code of Conduct has a long tradition spanning nearly 20 years at HOCHTIEF. The same standards, adapted where necessary to comply with applicable local laws and regulations, have been integrated into the codes of conduct for the companies in the HOCHTIEF Americas and HOCHTIEF Asia Pacific divisions.

Elements of the Code of Conduct

The HOCHTIEF Code of Conduct provides clear orientation and guidelines on the behavior we expect from our employees in their day-to-day business (see chart, “Elements of the Code of Conduct”). It covers many areas, including that it requires compliance with applicable laws such as antitrust law and provides support in dealing with actual or potential conflicts of interest. it is also meant to help identify, and provide guidance on how to report and/or prevent situations such as bribery or corruption or to deal correctly with donations and sponsorship money.

HOCHTIEF additionally calls upon business partners, clients, and suppliers to comply with our standards. For this purpose, the Group has developed the HOCHTIEF Code of Conduct for Business Partners, which is available in 14 languages.

Our aim is to establish good, successful, long-term business relationships. Accordingly, we conduct due diligence reviews before entering into business transactions. For example, Corporate Compliance screens joint venture partners and consultants in a precisely defined selection procedure and approves signing subject to both integrity criteria and antitrust considerations. This business partner compliance due diligence process is fully documented at Corporate Compliance and adherence to the standards is monitored regularly.

We keep employees informed about the compliance program, points of contact, and internal directives via in-house media. Our current training packages can be found on the corporate intranet.

Number of participants[1] in Compliance training courses[2]

	2023	2022
HOCHTIEF Americas	64,793	11,857
HOCHTIEF Asia Pacific	36,214	5,576
HOCHTIEF Europe (incl. holding company)	12,230	3,657
HOCHTIEF Group	**113,237**	**21,090**

[1] Every active white-collar employee (does not include blue-collar employees, interns, and inactive employment relationships [parental leave, sabbatical, long-term illness, etc.]) has received Compliance training.
[2] Training on Compliance topics (e.g. e-learnings, web trainings, live trainings) received by all salaried employees in the reporting year.

Our goal: Maintain 100% of the employees trained in compliance (including all new hires).[1]

Status as of 2023: The goal of having every employee complete Compliance training at least once was achieved again for 2023.

This is implemented, for instance, by means of mandatory e-learning on the HOCHTIEF Code of Conduct, which is rolled out to all employees every year. Furthermore, half-hour web training sessions on various compliance topics are held every Thursday in the HOCHTIEF Europe division. In addition, employees receive live training (classroom training and via Teams) on various compliance topics.

Alongside this, the two-yearly e-learning sessions on data protection were provided once again in the reporting year. These are likewise mandatory for all employees.

At the same time, a completely new, risk-based e-learning program on antitrust law was introduced.

An internal network provides a supplementary platform for discussing compliance issues. In the reporting year, the compliance conference for the entire compliance organization of the HOCHTIEF Europe division was held for the eleventh time. This meeting of more than 45 compliance managers and other executives not only served as a forum for exchanging views on compliance-related topics, but also contributed to the improvement of compliance measures. An in-depth talk on new whistleblower protection legislation in Germany was followed by a presentation of the HOCHTIEF whistleblower system. This included examples of compliance violations and incidents that had occurred, together with their possible causes (root cause analysis), with the aim of avoiding similar violations at other companies or branches in the future. Other thematic areas addressed included contractor compliance (criminal employment law), compliance risk analysis, and ESG/human rights. The second day focused on the topic of communication. Following a kick-off presentation, existing communication measures were analyzed in a range of different workshops. These led to specific suggestions for improvement and action that are gradually being implemented across the organization.

As a matter of course, we also involve external stakeholders in our processes. For example, we are a member of the UN Global Compact and exchange views with other participants from our own industry as well as other sectors on key compliance topics in various (specialist) formats and special interest groups—such as corruption prevention, environment, and climate. We are also a member of various organizations, such as DICO, that promote dialog to improve compliance management systems. The knowledge gained from these networks feeds into our processes, consistently improving our own compliance management system. In addition, together with the NGO Transparency International, of which HOCHTIEF has been a member for decades, we launched a repeat of last year's joint campaign to mark International Anti-Corruption Day on December 9, 2023, in order to highlight once again the importance of combating corruption.

HOCHTIEF provides a number of communication channels for reporting possible misconduct. The application and design of the corresponding tools are examined in advance by the compliance organization to guarantee as far as possible that relevant stakeholders are able to make use of what is on offer. We require all HOCHTIEF employees to report any suspected compliance violations.

Complaint mechanisms are firmly established at HOCHTIEF. If employees do not wish to go directly to their immediate superior to report suspected violations or evidence of violations, they can use the HOCHTIEF whistleblower system. This system is available in all divisions and includes a platform in multiple languages (the HOCHTIEF Integrity Line) that can be accessed using the corporate intranet. Apart from this, it is also possible to contact an external ombudsperson. The platform is available 24/7 to all stakeholders, including external stakeholders such as business partners, suppliers, and subcontractors, both via the intranet and the HOCHTIEF

[1] CSR-RUG (German CSR Directive Implementation Act) goal for the dimension of anti-corruption and bribery matters

website. For whistleblowers who wish to remain anonymous, the HOCHTIEF Integrity Line ensures that communication with them can be maintained even though the report is submitted anonymously. The system thus complies with all legal requirements relating to the protection of whistleblowers. Detailed information on the whistleblower system, including step-by-step instructions, is available on the intranet. In addition, an easy-to-navigate app provides information on the full range of compliance issues and also includes a contact and feedback option.

In 2023, 206 communications were received through the whistleblower systems in the HOCHTIEF Group (2022: 109 communications). These were attributable to various topics. Six submissions related to potential violations of anti-corruption and antitrust law. Of these, four matters were concluded without any findings. Two matters have not yet been conclusively resolved. Here too, however, there is so far no evidence of any misconduct on the part of HOCHTIEF employees. Almost all remaining submissions related to human resources matters.[1] All reports received are tracked by the responsible HOCHTIEF company, regardless of the reporting channel. Of the communications, 157 (76%) have been closed. The matters reported are investigated and reviewed by the relevant HOCHTIEF compliance officers and (functional) departments.

We investigate any (potential) breaches of the law or of internal HOCHTIEF directives with the highest priority. Therefore, we follow up every hint. As a matter of course, we take care to guard against anonymous false accusations. If disciplinary measures such as dismissal follow, the respective superiors or managements are responsible for their initiation and implementation.

The proceedings relating to an antitrust allegation against HOCHTIEF Europe GmbH, on which the Bundeskartellamt—the German competition regulatory authority—had informed in a press release in June 2022, was not finally concluded in the reporting year. The measures necessary for removal of the entry in the competition register have already been initiated. The process is, however, not finalized yet.

Corporate Compliance conducts regular risk analyses to examine, for instance, corruption and antitrust risks and, where necessary, takes suitable action to reduce any risk. The compliance risk analysis carried out in the Europe division in 2022 was followed by a wide-ranging evaluation in the reporting year. The aggregated results were sent to the individual HOCHTIEF Europe companies and branches. To this end, interviews were conducted with selected compliance managers in order to obtain a final assessment of the risk situation and be able to tackle specific improvement measures.

Adherence to compliance rules is regularly monitored in (project) compliance audits. The scope of these audits was extended in 2023 to include HOCHTIEF branches. For example, Corporate Compliance reviews HOCHTIEF projects and branches selected according to specific risk criteria in order to determine whether compliance requirements have been implemented and obeyed. For the first time, two branches were audited in the reporting year. Firstly, a (project) compliance audit was carried out at the HOCHTIEF branch in Munich. To gain a better overall view of the compliance organization in the HOCHTIEF Europe division, a branch in Slovakia, too, was audited for compliance. A further audit was carried out—jointly with Corporate Auditing—on the Continentale project in Dortmund.

In addition, Corporate Auditing monitors observance of compliance processes and the corresponding directives. Audits covering this and other subject matter in 2023 comprised a total of 20 project audits, 26 unit audits, six process audits, two fraud audits, and one Basic Check Compliance.

Further improvements were also made to the compliance monitoring plan developed in 2022. Combining self-assessment and the independent audits by Corporate Auditing described above, this is intended to ensure the effectiveness of the compliance management system. Management did not identify any indications that would call into question the adequacy and effectiveness of the risk management and compliance system.

[1] Turner has not reported any data in this connection.

Corporate Auditing additionally carried out an audit of sanctions list screening and the associated screening process to verify its effectiveness. Corporate Auditing also audited the compliance management system in the fourth quarter. A first-time audit of the whistleblowing management system by Corporate Auditing likewise took place in the reporting year. This followed on from the first external audit of the whistleblowing management system to ISO 37002 in the summer of 2023.

In the event of a breach of the rules, the responsible compliance officer checks whether the prevailing standards and processes are adequate and sufficient. If this is not the case, appropriate action or requirements are introduced or revised. This may include the amendment of compliance clauses, more in-depth training, or the use of disciplinary measures.

The Austria branch of HOCHTIEF Infrastructure GmbH, which obtained ISO 37001 and ISO 37301 certification for the first time in 2022, passed the surveillance audit in the reporting year with no findings of nonconformity.

Tax compliance

Responsible and values-based corporate governance forms the basis of HOCHTIEF's tax compliance. Accordingly, HOCHTIEF's tax strategy is geared toward compliance with the relevant tax laws and ensuring the efficient, responsible, and transparent management of HOCHTIEF's tax affairs, both for the Group as a whole and in the individual tax jurisdictions. The individual tax-related activities are outlined in a Group directive on taxes as well as in local directives. These lay down the tasks, objectives, rights, and obligations of the HOCHTIEF Group's tax departments. The tax departments advise the Executive Board and the managers of the companies they serve in all taxation matters and report to the Executive Board on a regular basis.

In addition to the Group directive on taxes, the Tax departments publish further directives and policies to ensure the tax conformity of the activities within HOCHTIEF—including the associated tasks, processes, and responsibilities—in accordance with the legal framework and the requirements of the applicable tax laws.

Tax compliance management systems (TCMSs) have been established and are adapted to reflect the current legal framework and any developments on an ongoing basis. This meets the requirements of a state-of-the-art TCMS and is based on the IDW PS 980 standard developed by the Institut der Wirtschaftsprüfer e.V. (IDW, Institute of Public Auditors in Germany) for the design and auditing of compliance management systems. The TCMSs are used to identify and classify all material tax risks and map the results in a detailed risk control matrix (RCM). The RCMs are updated and maintained on an ongoing basis. Any necessary changes are initiated and implemented without delay to avoid financial risks.

HOCHTIEF has established cooperative relationships with the respective tax administrations of the different tax jurisdictions, which are based on mutual trust and transparency. Tax items are discussed with the relevant tax authorities at an early stage to avoid accusations of unauthorized tax structuring. HOCHTIEF also makes use of the opportunities offered by the democratic process to support the administration of justice and legal developments in an advisory capacity.

HOCHTIEF is part of the ACS Group. Information on the tax country-by-country report will be published on the websites of HOCHTIEF and ACS.

AUTOMATED PEOPLE MOVER, CALIFORNIA, USA

In the future, the innovative Automated People Mover will take passengers where they are headed at Los Angeles International Airport. Flatiron and HOCHTIEF PPP Solutions are involved in constructing the automated guideway train system.

Innovation and Digital Development[1]

HOCHTIEF's strong success record in work and project delivery is driven by innovation. We use in-house solutions or implement other, novel systems and methods to further enhance quality, cost efficiency, and sustainability and to facilitate entry into new markets. Digital technologies contribute to efficiency gains and reduce the risks involved in project execution. This is why innovation features among our Group's guiding principles. HOCHTIEF's Executive Board has an integral role in the work of innovation management.
The strategic goals of the work we put into innovation are to improve operational efficiency and safety on an ongoing basis and to ensure the competitiveness of all our operating companies.

During the year, as part of the Project ONE strategy project, an analysis of innovation initiatives within the Group was performed. The working group identified various innovation activities that are currently at various stages of preparation and implementation. These range from process improvements and new technologies to scalable new business models.

Innovation as a growth engine

Against the background of rapidly advancing technological change, we work to position our units so that they can exploit, adopt, and adapt new technologies to drive innovation.

These are some of the key current trends:

- Artificial intelligence (AI): AI and its derivatives, such as machine learning, are driving data processing to solve formerly seemingly insurmountable problems.
- Robotics: Robotics, bionics, and autonomous machines automate tasks that were previously done manually.
- The Internet of Things: New options for creating smart, connected systems on construction sites that leverage real-time data to boost operational efficiency.
- 5G: Delivering high speeds, low latency, and better connectivity to enable next-generation applications, services, and business models.

The above trends are all enablers and growth drivers at HOCHTIEF. Using a structured approach, an international panel of experts from HOCHTIEF's operating companies have analyzed the Group's current innovation activities and categorized them according to the following criteria:

- Markets/technology (development of new market segments and sub-segments, and activities in key technology sectors such as Artificial Intelligence)
- Services (horizontal and vertical integration, separately chargeable/standalone services, and support services)
- Environmental issues (climate change mitigation, energy/carbon transparency/carbon efficiency, and ESG/environment-related activities)
- Capability development (innovation knowledge generation and transfer, innovation marketing and PR, enabling asset creation, and supporting core business growth).

[1] The content of this section is not part of the statutory audit of the annual financial statements and consolidated financial statements but is reviewed in a separate limited assurance engagement on the non-financial reporting.

As a result, we have significantly increased the level of communication within the Group on these issues, enabling us to benefit even more from new developments and insights and to expedite new solutions. Examples of recent activities and products can be found at the end of this section.

How innovation activities are organized

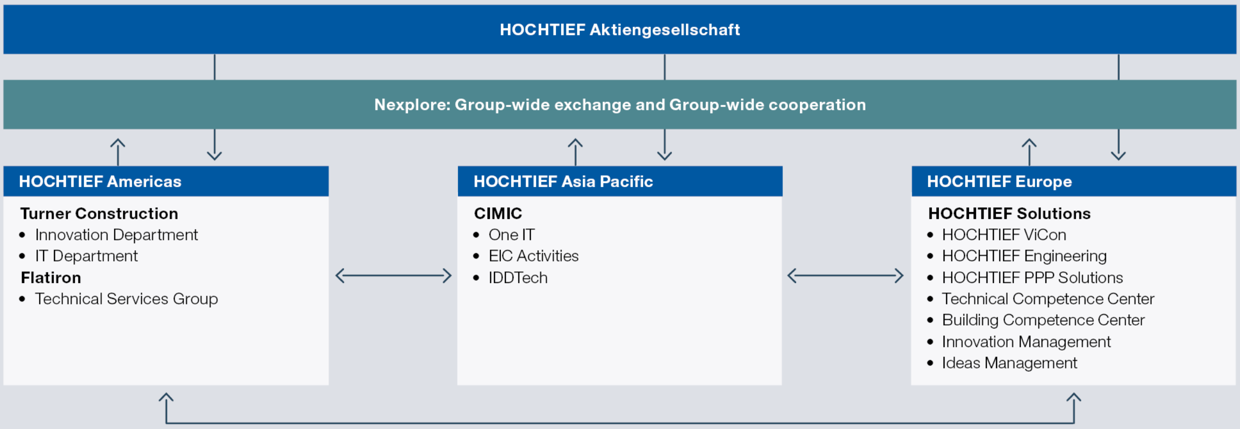
Specific innovation work is directly embedded in project activities at HOCHTIEF and thus caters to the needs of our stakeholders. This enables us to address project-specific challenges with the best possible solutions and to benefit from the experience and expertise of our operational units. To this end, we support our people in their work with training, motivation and information programs, and suggestion systems.

Implementing innovation calls for management commitment, a structured, systematic approach, and willingness to invest. Innovation is driven by all employees—they are therefore encouraged to innovate where they work. We actively involve partners in further developing our activities. As we move forward, we also pay full attention to risks, such as technical safety and data protection. Mandatory requirements and due diligence processes are integrated into project work in all cases.

Our subsidiary Nexplore is increasingly gaining traction as an independent digital solutions provider. While the demand for virtual representation technologies such as Digital Twin and Building Information Modeling is expected to further escalate, Nexplore is closely monitoring and consolidating the integration of these technologies in applicable use cases and actual projects. This allows for unprecedented insights that help anticipating challenges, mitigating risks and these result in accurate forecasting of a project's life cycle for a sustainable value creation. In the area of BIM, we have already established a leading provider of virtual construction services in HOCHTIEF ViCon.

We work together centrally and regionally both with research and science partners as well as with industry partners to promote issues of sectoral importance. As an active member of the European Network of Construction Companies for Research and Development (ENCORD), HOCHTIEF takes part in future-focused sectoral dialog.

Innovation organization at HOCHTIEF



Strategic innovation management by Nexplore

Nexplore, our innovation subsidiary, presides over the strategic management of improvement processes at HOCHTIEF as well as overseeing the operational implementation of ideas and new tools. The company operates innovation, development, and research centers in the proximity of HOCHTIEF's main subsidiaries.

Its research centers work closely with globally renowned research institutions, while its innovation centers conceptualize new solutions, and the development centers develop software. Nexplore operates such centers in Germany, the USA and Asia Pacific.

In our pursuit of innovation and collaborative excellence, Nexplore nurtures strategic alliances with numerous technology firms and esteemed academic institutions. Our focus centers on advancing cutting-edge AI applications, particularly in automated image analysis tailored for comprehensive business intelligence.

This specialized area stands as a cornerstone of our development activities, propelling us toward advancements in artificial intelligence. We are committed to exploring intricate future scenarios on the basis of qualified data management while strategically assessing complex technological landscapes.

ESG is a notable area in which we collaborate with prestigious institutions such as the Technical University of Darmstadt. Nexplore is a founding member of the Massachusetts Institute of Technology (MIT) Climate & Sustainability Consortium (MCSC). Working together with scientists and corporations from other industries—including Apple, Boeing, Dow, Accenture, Cargill, and Holcim—the aim is to accelerate the development of scalable, real-world solutions across all sectors to tackle global climate and sustainability challenges. Nexplore also cooperates with leading research institutions to address specific challenges within the HOCHTIEF Group, particularly in the field of artificial intelligence in construction (AICO). This strategic approach underscores our commitment to constantly driving forward technology-based solutions with new innovations.

Project-driven innovation in Group companies

The operating HOCHTIEF companies possess specific innovation units. Their work takes its cue from existing or emerging requirements in their respective business lines.

U.S. subsidiary Turner's Innovation Department works with project teams to test innovative tools, ranging from advance robots through exoskeletons to AI-powered sensor devices. Active ideas management is also a key success factor: At Turner, innovation suggestions from employees are gathered and evaluated in a clearly defined, centrally steered process. Turner's Innovation Department and other thought leaders work to improve approaches and ensure the implementation of new solutions. These activities continue to focus on virtualization, connection, big data, automation, and artificial intelligence.

Turner strengthened its culture of innovation in the reporting year through company-wide events such as the annual Turner Innovation Summit. Held in 2023 for the eighth time, the event this year had the title "From Artificial Intelligence to Intelligence Augmentation." It provided the 250 participants with a platform for internal dialog and also incorporated numerous stakeholders, including representatives of NGOs, industry, and the scientific community.

Our U.S. Group company Flatiron's strategic approach towards innovation is reflective of the evolving landscape in the construction industry. The company's initiatives, such as ideation campaigns, innovation awards, technology webinars, and innovation working groups (AI, BIM/VDC, drones, data capture/machine control, etc.), are pivotal in cultivating a culture that values creativity and progressive thinking. These initiatives not only foster employee engagement, but also ensure that Flatiron remains at the forefront of technological advancements in the sector. Flatiron's focus on integrating artificial intelligence (AI) into its operations is especially significant. The company is currently exploring various AI applications, including those aimed at boosting preconstruction efficiency and enhancing safety on project sites. Flatiron's digital transformation journey prioritizes a comprehensive data strategy, aiming to improve the life cycle management of data within the organization. This approach is centered on implementing automation and dismantling data silos, thereby enhancing overall efficiency.

In CIMIC Group, One IT, a group-wide IT function, leads the company’s Digital Innovation and Integrated Digital Delivery (IDD) Strategy and its progress to digital-by-default operations. One IT collaborates with all CIMIC Operating Companies, contributes software development expertise and embeds systems compatibility, cyber security, intellectual property (IP) protection, and user requirements into solutions. One IT also facilitates CIMIC’s collaboration and knowledge sharing with the broader network of HOCHTIEF companies. Recently, it has contributed IP to digital innovations addressing sub-contractor procurement and engagement, project management controls, and quality controls.

EIC Activities is CIMIC Group’s in-house engineering consultancy. The company contributes its expertise across engineering, digital and technical solutions, lean practices, and knowledge management. Its subject matter experts are often called upon to challenge and improve concept designs, construction methods and operations, and maintenance practices, to find ways to deliver more efficient and/or effective solutions. EIC Activities leads the Group’s development of virtual construction innovations.

In HOCHTIEF Europe, the work of the experts in the HOCHTIEF Engineering units ensures one-stop design, engineering, and consulting services coupled with project control and construction process management services. The spectrum covered by the unit ranging from preconstruction support to warranty management encompasses the entire design and construction process. The Technical Competence Center (TCC) at HOCHTIEF Infrastructure pools know-how in planning and managing large-scale international projects. The experts support the branches of HOCHTIEF Infrastructure all the way from prequalification through to bid preparation and project execution. The Building Technical Office is a competence center for innovative solutions in building construction: Architects, engineers, and technicians support planning, controlling, and cost estimation primarily for architectural design, structural design, and building technology as well as in connection with building physics, facade technology, green building, and technical documentation.

The “Ideas Room” serves as an internal ideas hub at HOCHTIEF. The in-house platform lets employees publish ideas, suggestions, and best-practice examples. In a structured process, these are evaluated and followed up by Group experts. The best ideas are singled out for awards. Special initiatives in 2023 promoted in individual campaigns the key subjects of knowledge and process management, among others. A total of 171 ideas were submitted in the reporting year.

Enabler: Innovation and digitalization as sustainability drivers

Innovation and digitalization play a prominent role in the implementation of our ESG strategy. We embrace them as basic enablers that underpin the successful performance of our construction and service activities. That means innovation and digitalization directly contribute to all focal areas of ESG. New products and solutions have an immediate impact in terms of improving working methods and processes and enhance project processing as a whole. HOCHTIEF intends to actively help shape the industry's digital transformation and continue the future-ready expansion of its leading competitive position.

HOCHTIEF makes use of digital solutions for sustainability management and in implementing its own Sustainability Plan 2025. Programs developed by Nexplore identify potential for energy savings, simplify processes, and cut costs, thus providing for high resource efficiency. Using digital data and models, we thus make a direct contribution to protecting the environment. We use artificial intelligence, for example, in highway maintenance management, shorten freight distances with precomputed routing in logistics, and systematically detect errors in virtual planning models. Robots and sensors additionally monitor construction processes and control quality of processes and procedures. Data collection and analysis also lead to the efficient operation of built structures in the long term and aid in integrated planning. The global megatrend of sustainability is additionally a major issue for our clients, leads to increased interest in our specialist solutions, and enables us to tap into new sales potential. In cooperation with HOCHTIEF company CIMIC in Australia, Nexplore has developed a sustainability tracking tool to facilitate the structured Group-wide data collection required by the EU Taxonomy Regulation. Both companies keep collaborating on further extending capabilities of this tool to create a taxonomy platform which is designed to be used across all Group companies.

Digital tools also significantly improve occupational safety. For instance, the deployment of automated vehicles in traffic management and innovative sensors on construction vehicles substantially reduce hazards for our employees. HOCHTIEF actively contributes to the safe execution of work in road construction through TOUGH Training, an internally developed virtual training program.

Digitalization is similarly indispensable in other work areas—such as in compliance, with digital whistleblowing systems, business partner and sanctions list screening, or the use of the Compliance app. Human resources departments across the Group likewise use digital tools to keep track of training courses and e-learning units and subject them to structured assessment. Information on corporate citizenship activities is also compiled in a mandatory data collection process using software to facilitate control in this area.

Dynamic Virtual Representation of Construction Projects: Building Information Modeling and Digital Twin

Innovative technologies continue to affect the landscape of the construction industry, and at the forefront of this evolution stand two interconnected technologies as one foundational pillar: Building Information Modeling (BIM) and digital twins. These advanced digital tools synergize to not only transform the way we design and construct buildings but also revolutionize their ongoing operational efficiency and lifecycle management. Their integration marks a paradigm shift in how we conceptualize, create, and maintain structures, promising maximum precision, foresight, and optimization throughout a building's lifecycle. Complementing each other seamlessly, BIM sets the stage with comprehensive data, while digital twins utilize real-time information to create a dynamic replica. Together, they streamline the entire lifecycle of a structure, providing not just enhanced efficiency but also predictive insights for proactive maintenance.

With the aid of software, three-dimensional plans are linked for this purpose with additional data such as time and cost schedules. BIM makes it possible to monitor construction progress in real time and improves the planning process. The resulting data can be used to optimize the maintenance and operation of buildings and infrastructure projects. BIM is also an important tool for reducing construction-related risks. Expertise relating to BIM is pooled at HOCHTIEF in subsidiary HOCHTIEF ViCon. As a service and consulting provider, the company supports internal and external clients in the use of BIM.

Group companies regularly use BIM for their major construction projects; to date, HOCHTIEF has gathered BIM experience in several thousand projects Group-wide. We aim to use both the BIM working method and digital twin technology in the entire Group. Part of this is the continuation of the BIM4HOCHTIEF training campaign launched by HOCHTIEF company ViCon in 2018, with the current second phase of the initiative running to 2024. In this phase, the project teams are given additional support in adopting the BIM standards, including Project BIM kick-off meetings to define the project's digital implementation and relevant use cases, product support during implementation, and a new helpdesk.

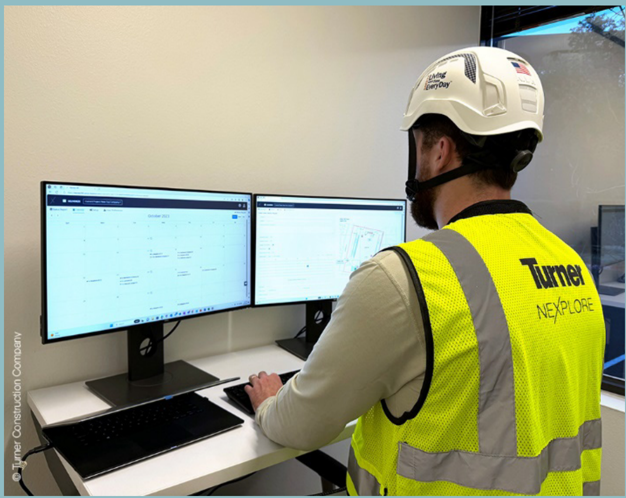
Across the Group, a total of 3,887 employees (2022: 4,641 employees) received further training on the latest iteration of this technology in the reporting year. As a result, we are readily able to meet client demand for certified BIM expertise. To train BIM professionals, HOCHTIEF ViCon additionally works in programs on the subject with Ruhr University Bochum and the Technical University of Munich, among others.

Facts and figures

(1) Investment volume innovation projects HOCHTIEF Group 2023
(EUR million)

HOCHTIEF Group	19.0

Group project highlights[1]



In 2023, 250 experts and partners from Turner took part in the eighth Turner Innovation Summit. One of the main topics: ”From Artificial Intelligence (AI) to Intelligence Augmentation (IA)” (left). Practical application of the Nexplore DeliverEze platform that facilitates delivery processes on major projects (right).

Nexplore project highlights

Nexplore DeliverEze
Nexplore DeliverEze is a streamlined delivery scheduling platform that enables field teams, vendors, and all other parties involved in the onsite delivery process to schedule, track, and manage their deliveries all under one roof. DeliverEze was initially developed as a project-based system for Turner and was used to closely track and manage vendor deliveries on government jobs. Version 1 was released in November 2021 and has been used across 16 Turner projects with a total of 250 users. As a result of the initial launch, Nexplore was able to gather valuable feedback from project teams and vendors alike and thus gain important insight for enhancements in version 2.

[1] The content of these project highlights is neither part of the statutory audit of the annual financial statements and consolidated financial statements, nor is it reviewed in a separate limited assurance engagement on the non-financial reporting.

Since October 2023, this new version has been used on four internal projects in which a total of 60 users from Turner, Flatiron, and Leighton Asia are cooperating. DeliverEze has already brought considerable value to these projects: For example, the platform helped streamline communication with vendors, minimize delays due to friction onsite, and mitigate safety risks during the delivery process. Nexplore will improve these aspects in future iterations and in this way expand its reach to the wider Group and beyond.

Nexplore Concrete

Nexplore Concrete, a digital solution for concrete ordering, delivery, quality control and documentation, is currently being deployed at two major construction projects in New South Wales in Australia, involving CPB Contractors: The first project, the M12 Motorway West, is a venture under the NEWest Alliance. The second project, Perth Metronet, will enhance the transportation network in the region. The Nexplore solution links the parties involved in all phases of the concrete life cycle. It thus serves to optimize the entire concrete works. In December 2023, the pilot phase for deploying Nexplore Concrete for both projects commenced. The two projects are using the QR-code functionality in Nexplore Concrete to administer data digitally. The system has been updated to seamlessly interface with the four major concrete suppliers in Australia, ensuring a smooth and collaborative workflow between all stakeholders involved. Since the beginning of 2023, Nexplore concrete has been used successfully on 15 HOCHTIEF projects. Recently, the solution has also been equipped with a cross-project real-time evaluation function with Microsoft Power BI.

CROSS RIVER RAIL, BRISBANE, AUSTRALIA

Multiple CIMIC companies are involved in this large-scale project, part of which involves laying more than ten kilometers of rail track. A special focus is on training and employee development.

Employees[1]
HOCHTIEF as an employer

“We are building the world of tomorrow”: This is our vision and forms the backbone of our work. Each and every day, our employees contribute to the advancement of our projects. It is their commitment, expertise, and experience that makes HOCHTIEF’s success possible. To promote their engagement, it is necessary to create an open and constructive working atmosphere and offer jobs that meet high occupational safety standards. We also aim to offer our people the right support and individualized career opportunities at HOCHTIEF. Together, this paves the way for strengthening employee loyalty and maintaining the Company’s position as an attractive employer.

Our Group strategy and our guiding principles form the strategic cornerstone of our human resources management: We build on the five pillars of integrity, accountability, innovation, delivery, and sustainability, firmly anchored in the principle of work safety. The marked skills shortage, which our industry is also experiencing, presents a major challenge. To effectively counter this trend, we have set ourselves the targets of providing appropriate development opportunities to personnel, further improving the working environment, and laying the groundwork for greater workforce diversity.

How human resources management is organized

Cross-cutting human resources strategies and issues are defined by the Chief Human Resources Officer and the Human Resources corporate department. In the operating companies, these are then implemented in collaboration with the relevant human resources liaisons.

Implementation in the individual companies is the responsibility of the companies themselves. The process is supported through a continuous exchange regarding the relevant needs and developments by the respective HR departments.

All personnel issues and implementation measures are aligned with HOCHTIEF’s frameworks, such as the HOCHTIEF Code of Conduct, which sets out fundamental princi8ples and voluntary obligations, including passages on respect for human rights. The HOCHTIEF Code of Conduct is binding for all employees.

To extend the reach of our human resources work, our employees are actively involved in human resources management as internal stakeholders. The regular employee survey conducted every two years in the HOCHTIEF Europe and Americas divisions is an effective feedback tool. In this way, employees are able to provide real impetus for the development of specific topics. In 2023, we followed a structured process to implement the matters raised in the HOCHTIEF Europe division’s 2022 survey. The next employee survey is scheduled for 2024. Turner conducted two employee surveys in 2023 with a participation rate of 69% and a satisfaction rate of 85%. A survey conducted by Flatiron, in which 75% of the workforce took part, revealed a satisfaction rate of 73%. At HOCHTIEF PPP Solutions, an additional survey was carried out in 2023—75% of employees took part in the survey, with overall satisfaction averaging 79%. The individual units are analyzing the results and implementing measures.

[1] The content of this section is not part of the statutory audit of the annual financial statements and consolidated financial statements but is reviewed in a separate limited assurance engagement on the non-financial reporting.

Employee numbers

HOCHTIEF employed 41,575 people[1] as of the December 31, 2023 reporting date (2022: 36,858)—12.8% more than in 2022. At that time, the share of HOCHTIEF employees with permanent positions was 88.4% (2022: 92.7%).

The number of new hires across the Group in 2023 was 18,058 (2022: 14,911), while 14,377 employees left (2022: 11,778). Employee turnover in Germany was 11.8 (2022: 12.4). Our target range here is 8–12%. We do not report a Group-wide employee turnover rate, as our international business with many project-based hires means that the figure fluctuates relatively significantly. However, our ESG target from our sustainability plan requires the operating companies to set and monitor their own employee turnover targets based on their business segment.

HOCHTIEF's activities are principally project-based, with a large volume of construction work performed by contractors (subcontractors, suppliers, and temporary employment agencies) who are not included in our employee figures. This means that all employee figures stated here relate exclusively to the Group's own employees in fully consolidated companies (stated at 100% irrespective of HOCHTIEF's equity interest).

In the HOCHTIEF Sustainability Plan, we have identified various action areas within the Social dimension that directly relate to human resources management at HOCHTIEF. On the following pages, we describe the material topics of skilled employees, working environment, and diversity. The remaining action areas—occupational safety and health, and social activities—are explained in separate sections of this report.

Material topic: Skilled employees

Only with a workforce that is aligned with our needs can we deliver our projects successfully both now and in the future. That is why "skilled employees" remains a material topic for us: Attracting, retaining, and continuously developing skilled employees is crucial to HOCHTIEF's competitiveness. The expertise, experience, and commitment our employees bring to their everyday work directly impacts the quality and timeliness of our projects, as well as client satisfaction, so these factors are likewise highly important in economic terms. For this reason, our human resources management focuses on recruiting and training suitable employees, based on the relevant tasks and specialist areas and allowing for the development of new business segments.

Corresponding measures and concepts are developed by the HR departments in line with the relevant units' requirements. The operating companies' current initiatives to attract young people to HOCHTIEF include cooperation with universities and participation in recruitment fairs. With regard to training, HOCHTIEF has been providing a wide range of learning and training programs in a variety of formats for many years.

Our human resources management also receives input from internal and external stakeholders, including employees, people interested in working for HOCHTIEF, and groups that have a general interest in HOCHTIEF as an employer. HOCHTIEF regularly gathers internal suggestions on current topics, wishes, and developments through the above-mentioned employee surveys as well as by speaking to employees directly. This gives employees the opportunity to help actively shape their own working environment. At the same time, we obtain real impetus for our work from external parties, for example, through in-person conversations at recruitment fairs. In parallel, our HR specialists are well connected with each other and gain further inspiration for their work.

[1] Including one person in the "diverse" gender grouping in the HOCHTIEF Asia Pacific division

Winning employees for HOCHTIEF

We take various approaches to attracting talented people to HOCHTIEF. We maintain direct contact with schools and universities and make young people aware of the career opportunities at HOCHTIEF. If they are interested, our HR specialists keep in touch with them—even beyond temporary work experience, for instance, as with the intern retention program “Student Talent Program”, which is offered in the German HOCHTIEF units. Turner was a founding member of the ACE Mentoring Program, a no-cost after-school program that connects students with experts from design and construction, with the aim that they will pursue a career in the industry. During the 2022–2023 school year, more than 100 Turner volunteers mentored students.

We also firmly believe that employees themselves can attract new specialists to HOCHTIEF. A framework for these internal recruitment opportunities is implemented at many HOCHTIEF companies with the “Employee Referral Program” initiative. At Turner, numerous vacancies for experienced specialists have been filled through the “Employee Referral Program”.

To ensure we are well positioned in the medium to long term, we focus on attracting new talented technical and commercial employees as well as recruiting seasoned professionals. We hired 53 young talents in Germany in the reporting year (2022: 59); the figure at Turner in the HOCHTIEF Americas division was 629 (2022: 519), while at CIMIC in the HOCHTIEF Asia Pacific division 406 (2022: 503) new talents were hired. HOCHTIEF has special online and in-person onboarding programs to help ease the joining and orientation process.

Our current priority is to specifically target the recruitment of young talent, as many skilled employees, notably in the HOCHTIEF Europe division, are set to reach retirement age in the medium term.

In addition to conventional training in cooperation with vocational schools, the HOCHTIEF units in Germany provide training in combination with a co-op degree program. A total of 86 young people selected these training paths at HOCHTIEF in Germany in 2023 (2022: 88); the training quota was unchanged at 2.9% (as at December 31, 2023).

Apprenticeships at HOCHTIEF

Commercial/administrative careers:
Bachelor of Arts (Industrial administrator)
Industrial administrator
Office management administrator

Technical careers
Bachelor of Engineering
IT specialist
Surveying technician
Technical drafter

Industrial careers:
Building construction worker
Concrete and steel-reinforced concrete worker
Construction machine operator
Duct builder
Electronics technician specialized in industrial engineering
Mechatronics technician

Employee development to build our future

Good development and career opportunities are important for future and current employees alike. Continuing education enables them to enhance their professional and leadership skills, and prepares them for the challenging tasks involved in our projects. Consequently, further training opportunities are an important factor in our attractiveness as an employer. They are also essential to supporting the sustainable development of our Group and passing on the latest knowledge in line with the needs of our business segments.

Sharing expertise among employees is just as important to us. We launched the in-house ideas campaign “Managing knowledge—sharing expertise” in the HOCHTIEF Europe division in 2023 to promote knowledge transfer between seasoned and younger specialists. Several recommendations are suitable for immediate implementation. A prize was awarded to the idea “Knowledge transfer via the knowledge chain, creating a job map"—a systematic method for sharing knowledge gained through experience, which can be used to efficiently familiarize successors with new areas of responsibility.

Moreover, in addition to specialist training, dedicated mentoring programs are offered for specific employee groups, including young talent and women in operational units at CIMIC, Turner, and HOCHTIEF Infrastructure.

Individual training opportunities and measures are core elements of the employees' structured annual appraisals with their line managers. Individual measures are agreed at these meetings.

Our goal: Promote specific training programs for young talent to facilitate their promotion within the company.

Status as of 2023: Various new measures have been adopted in the operating companies to promote young talent and facilitate exchange. By way of example, Flatiron has launched a forum for engineers with up to five years' professional experience. Turner has launched a new training program providing basic and technical knowledge about the construction industry.

All further training initiatives within the companies are arranged centrally. Established institutions such as Turner University in the HOCHTIEF Americas division, the HOCHTIEF Academy in the HOCHTIEF Europe division, and CIMIC's comprehensive further training program offer a wide variety of both digital and classroom-based seminars and courses. The range of topics is broad and different development stages are covered. The training programs are regularly revised and aligned with current issues, needs, and developments. Topics such as digitalization, Building Information Modeling (BIM), human rights, and sustainability are currently a major focus. For example, HOCHTIEF Europe launched the new "27-minute ESG drive" training series in 2023. Operations specialists from different units deliver 15-minute online presentations on their activities, measures, and plans regarding topics such as "Sustainable construction" or "Environmental footprint" and subsequently answer questions. In this way, sustainability issues are clearly explained by our in-house experts and more firmly embedded in our day-to-day work.

Turner's learning strategy is designed to enhance the knowledge, skills, and performance of employees.
For this purpose, a diverse catalog of learning programs is available that caters to the various learning styles and strategic needs of the organization.

The training and development opportunities offered by CIMIC Group company CPB Contractors were recognized in 2023, including the "Training Employer of the Year" prize at the 2023 Civil Construction Federation's West Australian Industry and Training Awards. One of the company's new training initiatives is the Priority Start Traineeship Program, which centers on maximizing the training and career opportunities for construction trainees and interns. CPB Contractors additionally offers a seven-part "Project Fundamentals" course, which provides future project managers with the knowledge and tools they need to execute projects to the stringent CPB Contractors standard. Other current programs promote leadership skills in management positions—for instance, with a focus on safety.

The Group's training and development offerings also include special formats such as the "Future Lab", in which potential future managers and employees with what we consider major development potential in the HOCHTIEF Europe division are supported and encouraged to put forward their strategic thoughts and implementation ideas on current topics relevant to the HOCHTIEF Group. Based on the positive feedback and proposals we have received, we intend to continue this program. Other established programs in the HOCHTIEF Europe divison include the expert career path, construction and project management training modules. Programs for junior engineering and commercial staff are offerend Group-wide.

Learning management systems have already been established at many HOCHTIEF companies to make organizing training easier and simplify data collection. In 2022, a similar system offering virtual web training in addition to the organization of classroom and online training seminars was rolled out at the German units. In the reporting year, 42.3% of seminars in Germany were provided as online training courses (2022: 63.5%).

Our goal: Increase the training hours per company to at least 20 hours per person by 2023.

Status as of 2023: In the reporting year, the average time invested in training Group-wide was 22.8 hours per person (2022: 13.5 hours). The goal was thus achieved. With the significant increase in training hours, we document the consistent commitment of each unit to promote training measures, to expand the training offer, and to improve data collection.

Material topic: Working environment

The immediate working environment comprises the general workplace conditions, which are an important factor in employee satisfaction. It encompasses how we interact with each other as well as the spatial and technical design of the workplace and working hours. We aim to provide our employees with the right environment for their everyday work to ensure we maintain our attractiveness as an employer in the future. Accordingly, all companies follow current developments in the employment world to develop appropriate measures. For example, flexible working models are supported in many cases.

The design of the working environment is similarly influenced by cultural differences within the Group, as well as legal requirements, internal directives, and works agreements. Turner and Flatiron reimburse tuition fees up to a specified amount. Green mobility is promoted at the German units—for example, through the “Jobrad” leased bike scheme and the installation of charging points for electric vehicles. Subsidized public transport tickets for employees round out the green mobility package. In addition, Turner has set up employee resource groups representing various interests within the workforce; these also include a network for young experts. At the same time, networking groups have been formed at HOCHTIEF in Germany, including the women@work network, which discusses current professional and social issues. Last but not least, our surveys enable us to gather direct feedback on working environment design.

As key stakeholders, employees are actively involved in these processes. As well as contributing to its design, they can provide feedback or voice criticisms about the working environment directly with their supervisors or works council or by using the whistleblower system—anonymously, if they wish.

The employee turnover rate for us is a good indicator of employee satisfaction, so we measure and analyze this metric accurately.

Our goal: Future turnover ranges are determined in the Group companies[1] and will be monitored.

Status as of 2023: Employee turnover in Germany was 11.8% (2022: 12.4%). Turnover in companies with more than 100 employees is measured and assessed individually on the basis of an analysis of deviation from the target corridor. The target corridors were checked by the companies in November 2023 and adjusted where necessary.

The employee turnover targets are defined and measures implemented by the respective companies' management, who regularly review the targets and make any necessary adjustments.

Material topic: Diversity

Diversity is a key component of human resources management within the HOCHTIEF Group. We stand for a culture based on openness, tolerance, and mutual respect, regardless of ethnic origin, nationality, gender, religion, world view, age, sexual identity or orientation, or any limitations. Diversity within our teams can help enhance motivation, commitment, and creativity, as everyday work benefits from a wide-ranging pool of experience.

We counter unconscious or even conscious bias and ways of thinking. Corresponding training is provided in all divisions, including anti-discrimination courses to prevent bias in application processes or day-to-day collaboration, for example. Based on this open attitude, we want to create a climate for future and current employees such that they enjoy and are successful in their work.

Feedback from employees on this topic is also important to us, which we receive, for example, at exchange forums with the Executive Board. At "ESG lunches" at various locations in the German HOCHTIEF units, employees had the opportunity to discuss topics such as diversity with the Chief Human Resources Officer in the reporting year.

At the same time, our recruitment processes are an important means of increasing our teams' diversity. Most engineering graduates are male, which in turn means that many jobs in the construction industry are held by men. However, a rise in the proportion of women can be observed. We intend to build on this with our target of raising the proportion of women in engineering roles at HOCHTIEF and recruiting more female experts for management positions.

Our goals: According to the situation on the labor market, the percentage of female technical trainees among new recruits is set to increase to at least 35% by 2025. The percentage of women in management is similarly to be increased significantly. We aim to raise the share of women in senior management positions* by 50% by 2025. The baseline figure from 2019 was 13.1%.
*comprising the first and second level below management in each case

Status as of 2023: In the reporting year, the percentage of female technical trainees was 30.1% Group-wide and we were able to increase the number of women in senior management positions to 17.1%. CPB Contractors in the HOCHTIEF Asia Pacific division has launched the innovative "Women in Construction" program in the Australian state of Victoria, following its successful roll-out in New South Wales. This program gives women the opportunity to develop and enhance their skills and helps prepare them for a career in the construction industry. Turner launched the program "Women@Turner" to attract, support, grow and retain women leaders in construction roles. Flexible

[1] In relation to companies with more than 100 employees

working arrangements were offered across the Group in the reporting year and implemented on the basis of various in-house regulations. In this way, we aim to help people better reconcile their working hours and family life in order, for example, to retain female staff in the middle management.

In order to present diversity transparently, the Human Resources corporate department carries out an in-depth data analysis by nationality, ethnic group and gender, which consistently takes into account the relevant cultural and legal conditions.

Special action days and campaigns, such as the Construction Inclusion Week, in which our company Turner again successfully participated in the reporting year, highlight the subject of diversity both internally and externally. The following topics were a focus in the reporting year: Commitment and accountability, belonging, supplier diversity, workplace culture, and community engagement. At Turner, the event brought together a total of more than 50,500 employees and 3,600 companies working on construction sites. The magazine Newsweek recognized Turner as one of America's Greatest Workplaces for Diversity in 2023. In Australia, CIMIC Group companies annually take part in the National Reconciliation Week, which shines a light on the concerns and rights of the Indigenous population.

A program for planning measures to promote diversity at Turner continued to pick up speed in 2023. Turner's HR Department has implemented a structured process and conducted analyses to reduce unconscious bias when giving performance appraisals and feedback.

In particular, generational diversity is promoted through active networking between younger and older employees. This creates opportunities to pass on experience, expertise, and specialist knowledge in all directions.

Our goal: Encourage generational diversity in the teams, fostering close collaboration between older and younger professionals by 2025.

Status as of 2023: At HOCHTIEF Infrastructure, we continued to rely on direct cooperation between employees of different age groups in so-called tandem teams in 2023. Turner organized "New Hire Conferences" with newly hired and experienced employees to support the development opportunities of new employees.

Diversity is additionally achieved through the inclusion of people with disabilities. In the construction industry, however, opportunities for people with physical disabilities are limited due to the working conditions on construction sites, which are frequently inaccessible. At HOCHTIEF in Germany, people with severe disabilities comprised 3.9% of the workforce as of December 31, 2023 (2022: 3.4%). Interviews in Germany with applicants who have severe disabilities are attended by a disability officer in order to identify the optimum prospects for potential new employees. Turner has an employee resource group for employees with disabilities, called the "Abilities Network."

Codetermination at HOCHTIEF

We aim to promote a culture of fairness and dialog and therefore expressly support the right of employees to establish and be active in works councils, trade unions, and similar organizations for the protection of their interests. In Germany, 96.7% (2022: 96.9%) of the workforce (excluding top management employees) are represented by works councils. For employees in the European units, the works councils are also involved across national borders through the European Works Council. The other HOCHTIEF companies also maintain constructive dialog with codetermination bodies. This dialog frequently results in collective agreements governing core working conditions—in line with local legislation and customary practice.

Employees not covered by collective bargaining agreements are subject in many cases to terms and conditions of employment based on or oriented to such agreements. This is the case, for example, in the HOCHTIEF Asia Pacific division.

Performance-oriented pay and retirement provision

We aim to provide our employees with fair, competitive, and attractive pay that is commensurate with their performance. Factors such as duties, qualifications, experience, and responsibilities play a major role in compensation at HOCHTIEF. Our compensation systems are likewise based on the national requirements of the countries and markets where the HOCHTIEF companies operate. Building on this, further benefits and special programs are provided, such as company retirement benefits from the construction industry occupational pension fund in Germany.

For us, compliance with minimum wage stipulations is a matter of course. Over and above this, HOCHTIEF has committed itself to analyze whether employees in Group companies in Europe are paid a living wage. This involves assessing whether employee pay levels meet the needs of housing, food, clothing, healthcare, and education. The annual calculation takes into account the needs of a family with a child; this amount is then measured against the compensation paid (base salary excluding overtime and bonuses). The findings for the European units demonstrate a high coverage level. The pay of approximately 99% of employees meets the aforementioned requirements.

Appropriate compensation for companies in Europe and the U.S. was determined individually for the first time in 2021; the figure was reviewed in 2022 and 2023. The calculation included the Australian CIMIC Group company for the first time in 2023 (for the 2022 figure).

Gender pay gap analyses are carried out in all big Group companies to identify gender-specific pay differences. Any necessary measures are defined by the companies, factoring in local market conditions.

To help mitigate the sharp rise in the cost of living, HOCHTIEF paid inflation compensation to its employees in Germany in 2023.

As a responsible employer, HOCHTIEF is strongly committed to ensuring that our employees are provided for in retirement. Many Group companies offer supplementary pension options adapted to the legal framework in each country. These include insurance options or deferred compensation.

Work-life balance

Achieving a harmonious relationship between work and private life enhances well-being and is crucial for the health, motivation, and—consequently—performance of employees. That is why we strive to create a balance and, for instance, ensure in the HOCHTIEF Europe division that temporary periods of additional work are compensated for with time off in lieu. We give employees the option of mobile working, where the nature of the work allows, and have varied programs and models to accommodate individual needs and enable employees to plan their lives in order to achieve a work-life balance. These include part-time options, flexible working hours, and flexible parental leave schemes. Turner and Flatiron provide additional parental leave, over and above the statutory leave provided by U.S. law. CIMIC also offers benefits in the context of parental leave that go beyond the statutory regulations.

Arrangements on working hours in our operational units are consistent with national rules and legal requirements in the countries concerned, and are adapted to the demands of the respective business segment and company as well as the work performed by the employees.

Group project highlights[1]

Teamwork is everything, as for these colleagues at UGL in Australia (left). At a charity campaign for the Special Olympics, a Flatiron team showed how to work together successfully—and won the competition (right).

Successful recruiting through partnerships

At Turner, the college recruitment program is one of the main channels for attracting highly qualified, diverse employees. The U.S. company works closely with around 150 educational institutions in the USA and Canada. During 2022/2023 alone, 502 graduates were hired (2021/2022: 474). Recruitment activities include career fairs, Turner 101 presentations, interviews, guest lectures, strategy sessions with career services/ professors, second-round interviews with the businesses, and visits to construction sites or offices.

Turner is a founding member of the U.S. initiative “AEC unites”, which was set up in 2023. AEC stands for the entire construction-related industry (architecture, engineering, and construction). The initiative aims to promote equality and inclusion for Black talent and Black-owned businesses. Its measures include partnerships with historically Black colleges and universities, mentoring and training programs, and professional development. The construction industry is one of the biggest employers in the USA, employing a good 9% of the labor force. The initiative is expected to have a significant impact. Turner’s CEO is Co-Chair and acts as Secretary.

Flatiron continues to expand its college relations program and now works with more than 30 different universities in the USA and Canada to recruit and hire interns and new graduates. The company invests additional time and resources in around one-third of the universities to enhance its presence and partnerships. Relevant activities include participation in capstone class presentations, guest lecturing and teaching, and supporting student organizations with a special focus on candidates committed to equality. In 2024, Flatiron will further develop its relationships with organizations promoting equality through the participation of employee resource groups.

[1] The content of these project highlights is neither part of the statutory audit of the annual financial statements and consolidated financial statements, nor is it reviewed in a separate limited assurance engagement on the non-financial reporting.

HOCHTIEF units in Europe similarly maintain close contact with renowned universities, such as RWTH Aachen University, TU Darmstadt as well as the universities of Warsaw, Graz, and Vienna. The wide-ranging activities here include internships, fellowships, and awards for outstanding educational and research performance.

Recruiting activities targeting specific groups

In the reporting year, Flatiron again attracted and hired interns and graduates in the following disciplines: engineering, operations, procurement, safety, finance, personnel administration, legal, and equipment. To attract underrepresented employees (e.g. women, minorities, veterans), Flatiron also continues to sponsor student organizations with a focus on underrepresented professional groups, to expand its partnership with traditionally Black colleges and universities, and to conduct selective personnel marketing.

Actively engaging with young talent

“YouthForce 2020” is a U.S. program that encourages students from preschool through high school to consider a career in the construction industry. Turner employees work with students who are interested in design and engineering, and help further spark their interest by acting as role models. The program promotes diversity (background, gender, and age) and maintains ongoing relationships with schools, administrators, civic organizations, and students to attract future leaders to the industry.

The ACE Mentoring Program in the USA offers students the opportunity to shadow design and construction teams made up of construction industry professionals—from developers to tradespeople. Turner has participated since the inception, hosting 96 “externs” during 2023. In the last two summers, Turner has hired 75 to 95 high school graduates through this program.

In cooperation with the General STEM Community Partnership, CPB Contractors arranged an internship program for six students from different schools in Western Sydney in 2023. The program ran at the Sydney Metro—Western Sydney Airport, Station Boxes and Tunnelling Works project and allowed the young people to immerse themselves in the world of construction. At the start of the week, the students donned full personal protective equipment and participated in a site briefing. Throughout the program, they learned from various project teams in areas such as traffic management, environmental management, site administration, planning and site management.

At HOCHTIEF in Germany, our approach includes formats such as the Youth Dialog, where the Executive Board speaks directly to school students, as well as the Girls’ Day. As part of training campaigns, trainees visit schools, share their experiences, and provide tips on how to submit applications.

At the forefront: The Turner office in Cincinnati was honored with the "2023 Cincinnati Business Courier—Best Place to Work (Large Company)" award (left). Successful graduates of the Turner School of Construction Management in Cincinnati (right).

Diversity

U.S. magazine Newsweek once again recognized Turner as one of America's Greatest Workplaces for Diversity in 2023. The rankings are based on a review of publicly available data, interviews with HR professionals, and an anonymous employee survey, which yielded more than 350,000 company reviews.

Turner's Diversity Action Planning program was stepped up in the reporting year, and diversity officers implemented plans in their respective regions to improve diversity and integration locally. Turner's HR Department continued its enhanced performance management process and held "calibration meetings" for all regions to reduce unconscious bias when giving performance appraisals and feedback. Turner also led the third annual Construction Inclusion Week, and worked with other general contractors, specialist contractors, subcontractors, and suppliers to promote diversity and inclusion in the construction industry.

Social inclusion likewise helps people reintegrate into society after release from prison. Pacific Partnerships and CPB Contractors, through Cornerstone Infrastructure Partners, are supporting social equity on the Waikeria Prison Development Public Private Partnership in New Zealand (NZ). The project is focusing on the rehabilitation, health and wellbeing of prisoners through a release to work program. In collaboration with the NZ Department of Corrections, Cornerstone's design and construction partner, CPB Contractors has to date engaged 78 program participants to assist in building the new prison. Release to work allows minimum security prisoners, who are assessed as suitable, to engage in paid employment, helping them gain employment on release. Running since 2018, the program has led to full-time employment for 28 men after their release.

For more than ten years, CPB Contractors has partnered with CareerTrackers, a nationwide organization that supports pre-professional Indigenous students and links them with employers to participate in paid, multi-year internships. More than 340 Indigenous students have very successfully participated in the program over this period. In 2013, CPB Contractors was the first company to join CareerTrackers' 10-10 program, which is still in place. The target is to offer paid internships to at least 25 Aboriginal and Torres Strait Islander students each year, enabling them to gain industry experience.

Further training

In 2022, CPB Contractors founded the Institute of Applied Technology for Construction (IATC) in cooperation with TAFE NSW, one of Australia's leading vocational education and training providers, and Western Sydney University. Eleven construction courses were developed in 2023. These are now offered in the form of flexible and scalable modules, including shorter one-day microskills and six-week microcertificate courses in areas such as contract administration, digital skills, project management as well as 2D CAD drawings and 3D models.

Promotion of work-life balance

Turner has extended a directive to include paid family leave. This provides four weeks of paid time off to care for a seriously ill family member and following the birth or adoption of a child. The benefits team has additionally introduced a 401K retirement savings plan for non-unionized industrial employees.

1 | Fascination for engineering: At the “Youth Dialog”, school students learn interesting facts about the industry and projects.

2 | Students gained a practical insight into what happens on a construction site during a project tour in Poland.

3 | Welcome to HOCHTIEF: the latest cohort of trainees at Corporate Headquarters in summer 2023.

4 | At the Ruhr Talent Days school students had the opportunity to become active themselves and roll up their sleeves.

5 | Top marks: Amelie Fabritz (center) graduated from her training at the Chamber of Industry and Commerce (IHK) as an Industrial Administrator/ Bachelor of Arts with the grade “very good”. Her bachelor’s thesis examines the subject of charging infrastructure.

6 | Participants in the Students’ Talent Program visited HOCHTIEF projects and the branch office in Berlin—the “city of construction”.

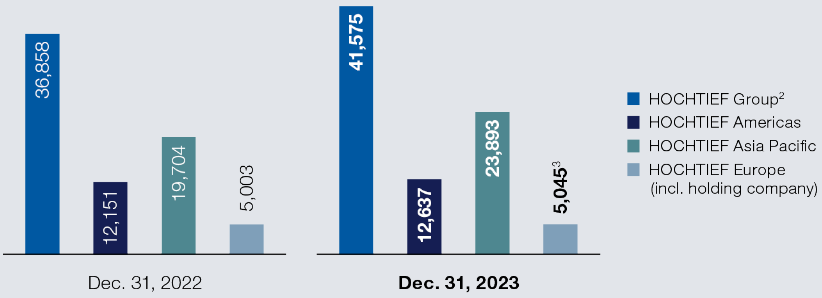
The content of this page is neither part of the statutory audit of the annual financial statements and consolidated financial statements nor part of the separate limited assurance engagement by Deloitte GmbH Wirtschaftsprüfungsgesellschaft.
Images: © HOCHTIEF

Facts and figures

(1) Number of employees[1] at HOCHTIEF by division (without indirect employees) (as of the reporting date)[2]

Data is gathered quarterly and annually worldwide for purposes of HR reporting, unless otherwise indicated.

A Group directive governs the consistent definition and method of counting employees in the HOCHTIEF Group.

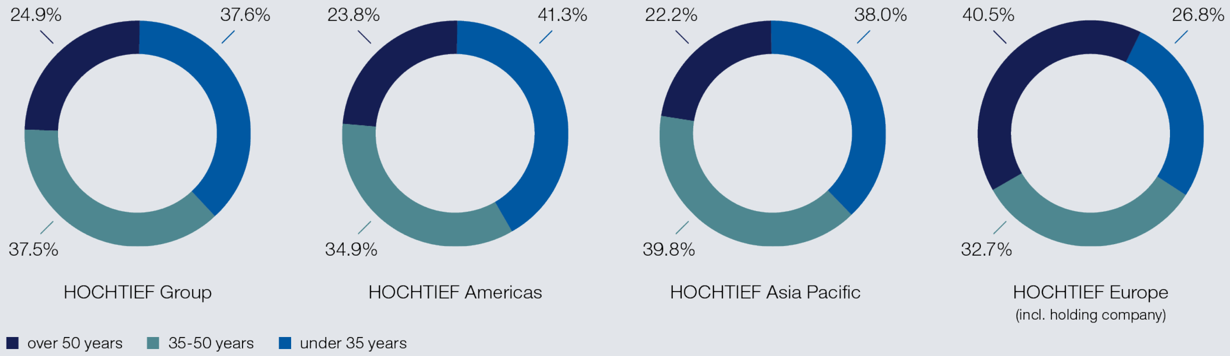


Footnotes to chart:
[1] incl. one person in the "diverse" gender grouping in the HOCHTIEF Asia Pacific division for 2023; this person is excluded in all subsequent tables and charts
[2] Total workforce: All persons who are employed by a fully consolidated HOCHTIEF Group company as of the reporting date (except for the Executive Board). Employees are counted per capita.
[3] The holding company had 126 employees as of the December 31, 2023 reporting date.

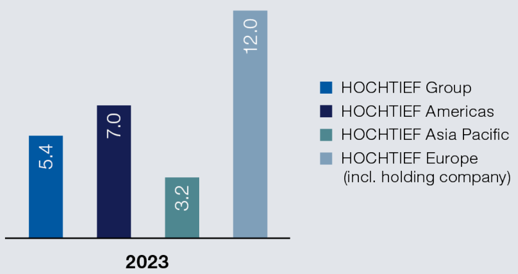
(2) Total number of employees in the HOCHTIEF Group by gender and employment type (reporting date Dec. 31, 2023) and number of new hires and departures (2023 total)

	HOCHTIEF Group	HOCHTIEF Americas	HOCHTIEF Asia Pacific	HOCHTIEF Europe (incl. holding company)
Employees (total workforce)	**41,574**	**12,637**	**23,892**	**5,045**
– of which men	33,693	9,401	20,615	3,677
– of which women	7,881	3,236	3,277	1,368
– women in management positions (%)	17.1	21.0	14.8	12.8
White-collar workers (incl. apprentices)	**25,258**	**10,557**	**10,683**	**4,018**
– of which men	18,014	7,406	7,937	2,671
– of which women	7,244	3,151	2,746	1,347
Blue-collar workers (incl. apprentices)	**16,316**	**2,080**	**13,209**	**1,027**
– of which men	15,679	1,995	12,678	1,006
– of which women	637	85	531	21
New hires	**18,058**	**2,438**	**14,944**	**676**
Departures	**14,377**	**2,575**	**11,119**	**683**
Fixed-term contracts	**4,804**	**163**	**4,205**	**436**
– of which men	4,155	115	3,752	288
– of which women	649	48	453	148
Permanent positions	**36,770**	**12,474**	**19,687**	**4,609**
– of which men	29,538	9,286	16,863	3,389
– of which women	7,232	3,188	2,824	1,220

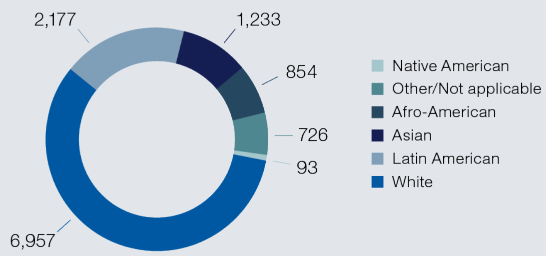
(3) Age structure in the HOCHTIEF Group in 2023
(%, as of Dec. 31, 2023)



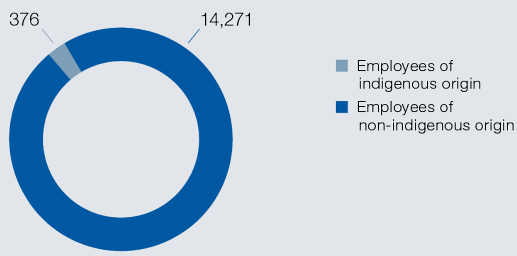
(4) Tenure of employment in the HOCHTIEF Group by division
(in years, as of Dec. 31, 2023)



(5a) Employees by ethnic group in the USA (as of Dec. 31, 2023)



(5b) Number of employees of indigenous origin in Australia (as of Dec. 31, 2023)



(6) Percentage of full-time and part-time employees by gender in Germany
(reporting date Dec. 31, 2023)

	Total	Full-time	Part-time	Part-time %
Total workforce	**3,238**	**2,755**	**483**	**14.9**
– of which men	2,383	2,192	191	8.0
– of which women	855	563	292	34.2

(7.1) Employees on parental leave in Germany (Jan.1 to Dec. 31, 2023)

	Employees on parental leave	of whom returned to work after parental leave	of whom did not re-turn to work after par-ental leave	Proportion of employees who returned to work %
Total	**134**	**78**	**11**	**87.6**
– of which men	68	56	4	93.3
– of which women	66	22	7	75.9

(7.2) Returnee rate in Germany (employees who still work for HOCHTIEF 12 months after their return from parental leave) (Jan. 1 to Dec. 31, 2023)

	Returnees from parental leave in 2022	Still employed by HOCHTIEF 12 months after return	Returnee rate in %
Total	**106**	**99**	**93.4**
– of which men	71	66	93.0
– of which women	35	33	94.3

Note: For further information and key figures[1] on the subject of “Working environment”, please see the HOCHTIEF website at www.hochtief.com/sustainability.

[1] The supplementary information on the HOCHTIEF website is neither part of the statutory audit of the annual financial statements and consolidated financial statements, nor is it reviewed in a separate limited assurance engagement on the non-financial reporting.

Occupational safety and health

Material topic: Health and safety

The health and safety of our employees and the people who work on our projects is our top priority. In particular, since work on construction sites typically involves accident risk, safeguarding against work-related accidents is of paramount importance. The occupational safety and health of our employees, subcontractors, and partners is therefore a material topic at HOCHTIEF. Safety is one of our guiding principles and is a fundamental part of our corporate culture.

We generally classify the effects of accidents as significant. In addition to causing human suffering, they can also have an economic impact when, for example, they result in project delays.

Occupational safety and health is covered by clear internal regulations and guidelines. Preventive measures and individual, site-specific policies ensure that the issues are continuously monitored and addressed. The corresponding requirements are reviewed on an ongoing basis and updated where necessary. To create a safe working environment for everyone, our evaluations take into account other stakeholder groups alongside our own employees and subcontractors, for example, passers-by and neighbors of construction projects.

HOCHTIEF's clear objective is to deliver projects without a single accident. We firmly believe in involving all project participants in order to achieve this. We also encourage employees, managerial staff, and the contractors involved to provide constructive feedback on existing measures. This feedback provides valuable input for improving our safety concepts.

Professional exchange on safety and health issues takes place up to the highest management level, where appropriate with external consultants and auditors. Policies and responsibilities are governed by national laws, internal directives, and the standards specified in management systems, as well as the HOCHTIEF Code of Conduct and the HOCHTIEF Code of Conduct for Business Partners.

We have put preventive measures in place to avoid accidents: Among other aspects, we provide a wide range of training and conduct-based measures. Preventive measures are an integral part of preventing accidents at HOCHTIEF and include occupational safety campaigns on our projects and awareness-raising.
We have also put in place a detailed reporting system for recording accidents, which enables us to examine the causes of accidents and near-misses in order to adapt safety policies and better protect people at our sites on future occasions.

The great importance of occupational safety at HOCHTIEF was further enhanced in 2015 when the lost time injury frequency rate (LTIFR) was introduced as a key non-financial performance indicator. This emphasizes the importance of occupational safety and health for the Group's overall success.

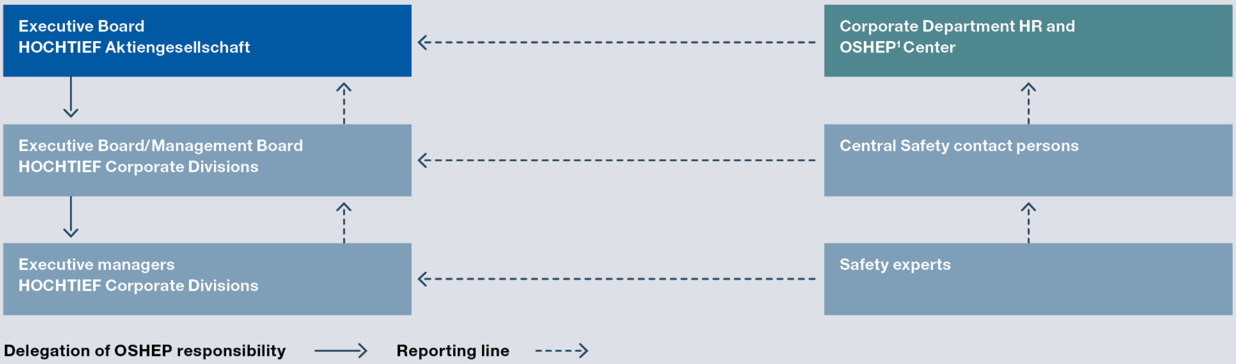
Organizational structure

The Human Resources corporate department is responsible for the underlying organizational structure and any central issues relating to occupational safety and health. The Human Resources corporate department reports accident figures to the Executive Board on a quarterly basis. The corporate department is supported by the OSHEP Center, the in-house competence center for occupational safety, health, and environmental protection. The management of the operational units and divisions is responsible for legally compliant implementation of the occupational safety requirements. The legal requirements of the relevant countries must be taken into account here. The Group Directive on Occupational Safety, Health, Environmental and Climate Protection (OSHE&CP) defines the basic requirements regarding the organizational structure and procedures and sets out the documentation requirements.

Occupational safety and health issues at HOCHTIEF are addressed on an ongoing basis by an international working group made up of safety experts from the HOCHTIEF divisions. The working group meets each quarter and is coordinated at Group level.

In addition, the OSHEP Center experts are in contact with occupational safety managers at the operating companies on both a regular and an as-needed basis. The occupational safety managers ensure that in-house standards and initiatives as well as the applicable legal requirements are implemented on construction sites and at office locations. They also support project teams in their day-to-day work. In addition, workforce, management, and works council representatives regularly meet in occupational safety committees to discuss current issues and developments in the area of occupational safety.

Central contacts for occupational safety, health, environment



[1] Occupational safety, health and environmental protection

This chart is neither part of the statutory audit of the annual financial statements and consolidated financial statements nor part of the separate limited assurance engagement by Deloitte GmbH Wirtschaftsprüfungsgesellschaft.

Regulations such as the Group Directive on Occupational Safety, Health, Environmental and Climate Protection, the HOCHTIEF Code of Conduct, and the Code of Conduct for Business Partners play a key role in ensuring that our requirements are fully implemented throughout the Group. Alongside HOCHTIEF safety experts and company physicians, supervisors also assess workplace and project-related risks on construction sites and in offices. Implementation of the relevant preventive measures is regularly monitored by site and project managers together with safety experts. HOCHTIEF's internal audit function also performs random checks to verify implementation of the Group's occupational safety requirements.

Occupational safety is an integral part of our management systems, which contain guidelines for all employees in each unit. Our occupational safety management is based on standards such as ISO 45001, OSHA and comparable national standards. The regulations of the management systems used at HOCHTIEF apply in principle to all persons for whom HOCHTIEF is responsible: our own employees as well as temporary workers hired by HOCHTIEF. Our management systems are continuously refined on the basis of annual internal and external audits.

Our goal: Increase the percentage of total employees covered by Occupational Health and Safety standards (such as ISO 45001) to 100% by 2023.

Status as of 2023: We increased the percentage to 98.7% in the reporting year (2022: 82.0%) and thus almost achieved our target. For the years ahead, we will focus on maintaining this high level and increasing it to 100% across the Group.

Lost time injury frequency rate (LTIFR) indicator[1]

HOCHTIEF accords great significance to the issue of occupational safety by using the lost time injury frequency rate (LTIFR) as a key non-financial performance indicator. The LTIFR comprises the number of accidents involving at least one lost day per million hours worked. This definition accords with International Labour Organization (ILO) standards. The development of the LTIFR is reported to the Executive Board on a quarterly basis.

Our goal: LTIFR of 1.04 by 2025, with long-term objective of 0.9 by 2030.[2]

Status as of 2023: HOCHTIEF's LTIFR improved significantly to 0.88 in 2023 compared to the prior year (1.30). This mainly reflects a marked decline in the LTIFR in the HOCHTIEF Americas and especially HOCHTIEF Europe divisions. The consistent involvement of employees in occupational safety and health processes as well as the stepped-up promotion of behavior-based prevention approaches are contributing to the positive trend, despite the fact that this is a volatile indicator.

Responsibility for contractors

Much of the construction work in HOCHTIEF's everyday project activities is performed by contractors (subcontractors, suppliers, and temporary employment agencies). These are contractually obliged to comply with HOCHTIEF's occupational safety rules. If necessary, supplementary requirements are added, for example in the project-specific site regulations. Both occupational safety and health protection are covered by the HOCHTIEF Code of Conduct for Business Partners, which contractors must accept with binding effect. HOCHTIEF's safety experts ensure that contractors are closely involved in and fully informed about occupational safety activities.

[1] The LTIFR, as one of the most important key performance indicators, and the associated explanatory notes are part of the combined Management Report and have therefore been audited in the statutory audit of the annual and consolidated financial statements in accordance with Section 317 of the German Commercial Code (HGB).
[2] CSR-RUG (German CSR Directive Implementation Act) goal for the employee issues dimension

Our goal: Improve the accident rate of contractors by increasing training and awareness of contractors in Health and Safety issues by 2025.

Status as of 2023: In the reporting year, the LTIFR at contractors was 0.65 (2022: 0.89). This figure relates solely to the Group companies CIMIC and Turner. Tracking of the LTIFR at contractors in the remaining Group companies is still in preparation.

Occupational illness frequency rate at HOCHTIEF

The occupational illness frequency rate (OIFR) is a key indicator of occupational safety and health. This figure is calculated on the basis of recorded cases of occupational diseases per million hours worked. The risks of occupational illnesses (which are classified in line with the Ordinance on Occupational Diseases in Germany, for example) in our industry notably include hearing impairment, skin diseases, musculoskeletal disorders—in the back or neck, for example—and respiratory diseases. The OIFR relates to occupational illnesses that in many cases also develop over time. Based on the OIFR data, it is possible to analyze the causes of long-term health risks in the workplace and develop preventive measures. In 2023, the OIFR for the HOCHTIEF Asia Pacific and HOCHTIEF Europe divisions was 1.58 (2022: 0.72). This increase was largely due to a rise in claims relating to silicosis and mental illnesses in the HOCHTIEF Asia Pacific division. These two issues were the focus of campaigns and investigations by the Australian government and have led to changes in health and safety legislation. This indicator cannot currently be tracked in the HOCHTIEF Americas division due to differences in the definitions used in insurance systems. Our fundamental aim is for all risks, in any work situation, that could lead to occupational diseases to be identified as early as possible so that preventive measures can be developed and implemented.

New equipment and procedures boost safety

If occupational safety risks cannot be eliminated by technical and organizational measures, personal protective equipment is a further measure to improve occupational safety. To this end, we collaborate with qualified occupational health physicians, establish risk-related programs, and offer health courses and checkups.

The use of innovative equipment, appliances, and procedures also contributes to improved safety. We therefore test new equipment and procedures on a continuous basis. Some examples from the reporting year: Turner Introduced a new safety standard for all staff and trade partners replacing hard hats with safety helmets with four-point chinstraps to increase effective protection against vertical, front, back and side impacts as well as penetration. Turner has updated its EHS policy for dealing with vertical wall cut-outs and concrete and masonry construction as they represent a potential hazard zone. Turner has also implemented a directive providing regulations on the construction of temporary and permanent tent structures. It has also updated its excavation and trenching program all in the interest of continuous improvement. At HOCHTIEF Infrastructure, the use of exoskeletons was introduced in day-to-day operations in the reporting year to provide back support and help prevent back problems. Roll-out was agreed based on the excellent results produced in field testing at a HOCHTIEF site. A part of the M80 freeway project, CPB Contractors trialed the use of an automated vehicle for traffic cones to reduce manual handling and risks associated with traffic management. On the Sydney Metro project, construction machinery was fitted with enclosed plastic cabins to help prevent dust inhalation and exposure to silica dust when working underground.

Employee wellbeing and mental health are important preventive aspects and are a focus in many parts of the Group. In Germany, this task is the responsibility of Occupational Health Management. The “active lunch break” concept has gained more and more traction in Germany. The Employee Assistance Program, which offers employees a range of counseling and support services for mental health issues, was launched in December. CPB Contractors participates in the Wellbeing Tick program, an accreditation program for organizations that are committed to the wellbeing of their people. Turner works with the Wellness Workdays organization and has established an extended wellbeing program for workers. This program includes films as well as access to trained coaches to help employees cope with stressful situations at work and at home. In the development of such programs, HOCHTIEF works closely with health insurance funds, organizations, and healthcare providers.

Flatiron conducted Mental Health First Aid training that is a skill-based training course that teaches participants about mental health and substance use issues.

Information for improved safety

Everyone who works on our projects is asked to pay attention to their own safety and that of those around them. Our safety experts in the operating companies therefore provide information on safety and health issues on an ongoing basis. This takes place in meetings with project managers, during health and safety inspections—at which members of management are also regularly present—and in (guest) lectures, briefings, and training courses.

Occupational safety communication on project sites is also directed at people who are not directly employed by HOCHTIEF, such as temporary workers as well as from the employees of subcontractors and suppliers. Leaflets, posters, and other information media are provided in multiple languages or designed in such a way that no specific language knowledge is required. This also applies to information on human rights topics and human rights compliance. In the reporting year, a new poster campaign was launched in the HOCHTIEF Europe division, with different project team members giving brief statements on safety issues, in line with the OSHEP Center's new "Always on the safe side" slogan. Turner produced a new safety video in several languages for all Turner employees and subcontractors. This standardizes the safety orientation processes and will be used in the future as an annual safety training refresher. Overall, further training on occupational safety and health is adapted to the circumstances and business activities of each operational unit. Flatiron reports and investigates potential and actual serious incident events that include near-misses utilizing a severity matrix to prevent future occurrences. A Safety Share is utilized to communicate lessons learned to include corrective actions taken.

Our goal: We aim for 100% of all newly hired employees to receive training on occupational safety and health by 2023.

Status as of 2023: In collaboration with the specialist departments in charge, training programs have been developed that employees are required to complete. The training program was rolled out in 2023. In the reporting year, 100% of the newly hired employees completed occupational safety training, thus achieving the goal. The topic shall be an integral part of onboarding in the future.

In addition, annual events such as Occupational Safety Days or similar initiatives of the international units (Safety Stand-Downs) focus attention on this subject with lectures, practical exercises, discussions, and other activities. In 2023, the Occupational Safety Day in the HOCHTIEF Europe division was extended to include health issues for the first time, becoming the "Occupational Safety and Health Day". The topics were fall protection and gut health. A wide range of activities took place, some with the participation of the Executive Board. U.S. Group companies Turner and Flatiron again participated in Construction Safety Week in May 2023; the theme was "Strong Voices, Safe Choices". This also marked the 19th annual safety day for Turner, with work paused on more than 1,500 construction sites to discuss safety issues. Mental health and wellness is also important. Flatiron used National Suicide Prevention Month in September to draw attention to this sensitive topic. In the reporting year, Turner Construction prominently displayed bilingual suicide prevention posters at 1,500 project sites, organized a suicide prevention webinar for employees, and held a company-wide town hall meeting to raise awareness of this issue.

These and other initiatives always also involve the participation of third parties, exchanging ideas with other industry members, and including stakeholders on specific matters. The "Building L.I.F.E" (Living Injury Free Every Day) occupational safety program was established at Turner many years ago, as was "Don't Walk By" at Flatiron and "One HSE" at CIMIC.

Promoting health and fitness

Employee health is a long-term investment that requires consistent support. HOCHTIEF has undertaken to promote the physical and mental health of the Group company employees through various programs and offerings. We offer a range of services, including organizing training courses and targeted fitness activities. It goes without saying that we ensure all health-related personal information is kept confidential and is never used to the detriment of employees.

In Germany, HOCHTIEF participates in the “Jobrad” bike leasing program to encourage employees to be more active and at the same time promote sustainable mobility. Thanks to the broad offering for cyclists, HOCHTIEF in Essen was awarded “Cycle-Friendly Employer” certification in 2023. Other examples include offering an employee assistance program with an external partner and the "active lunch break" format.

Tailored policies for every project

Detailed planning of all activities forms the foundation for safe projects. Occupational safety policies must therefore already be taken into account and developed at the work preparation stage, so that risk prevention can be integrated into all project processes in an easy-to-grasp and structured manner.

Our safety experts work jointly with project executives to develop specific approaches and processes for each project on the basis of Group-wide criteria and the situation on the ground. Mandatory occupational safety briefings on construction sites are expressly aimed at all involved in the project and cover both general and project-specific occupational safety matters. Safety experts support all phases through to project completion.

Accident prevention and response

To identify and expose work-related hazards and high-risk situations in project activities, all involved are actively encouraged to report unsafe situations. To raise occupational safety awareness on the projects, toolbox talks—short talks on occupational safety before work starts—, safety stand-downs, and information boards on accident-free days are used. The construction manager and safety experts review the relevant situation so that targeted actions can be identified and implemented. Executive management also plays a role by completing Leadership Walk and Talks or assisting with critical control verifications. Our structured reporting system complies with the ILO code of practice, “Recording and Notification of Occupational Accidents and Diseases.” Documenting safety-related incidents in this way enables us to accurately record the causes of accidents and to formulate and apply preventive measures or controls. We also track, review, and follow up near-misses and unsafe situations at project level.

Managers must ensure that the reporting of hazard or accident situations does not have negative consequences for the people concerned. As soon as an accident occurs or a hazard is identified, specialist and managerial staff are encouraged to hold a constructive discussion with the employees concerned, reconstruct what happened, and explore the causes. The findings are incorporated into future prevention plans in order to eliminate or minimize risk. This conduct-based prevention approach is actively practiced throughout the HOCHTIEF Group. CIMIC continued the Safety Leadership Score (SLS) program in the reporting year. This program supports the proactive identification, assessment, and improvement of critical risk controls and ensures that the quality of critical risk management activities remains in focus. The SLS rewards the identification of opportunities for improvement and monitors implementation of the identified measures.

Unfortunately, despite the comprehensive precautionary measures, we cannot completely rule out the possibility of accidents with severe or even fatal consequences on HOCHTIEF construction sites. In such cases, we cooperate closely with the relevant authorities and analyze the accident circumstances in detail. It is essential that we thoroughly understand all the causal factors that led to a serious accident and eliminate comparable risks in subsequent projects.

Our goal: Accident-free project delivery. 0 fatalities in all activities for own employees and subcontractors.

Status as of 2023: In the reporting year, we were notified of a total of two fatalities at subcontractors in the HOCHTIEF Americas and HOCHTIEF Asia Pacific divisions. In both cases, investigations into the causes of the accidents are still ongoing. Our deepest condolences go to the families of those who lost their lives.

Group project highlights[1]

HOCHTIEF CZ received “Safe Enterprise” certification for its occupational health and safety management system for the eighth time in 2023. Independent inspectors conducted a total of 13 inspections at several construction sites and workplaces.

Turner Construction Company was honored by Construction Users Roundtable with its 2023 Construction Industry Safety Excellence Award. The award recognizes commendable safety management and safety improvements of owners and constructors.

In the reporting year, Leighton Asia supported the 13th “Quit to Win” smoke-free community campaign. The Hong Kong Council on Smoking and Health is encouraging people to quit smoking.

During the summer, numerous UGL employees across Australia took part in the #STEPtember Challenge, an initiative to raise awareness and support for people with cerebral palsy. The challenge was to walk 10,000 steps a day between September 1 and 30.

A special peer support program was continued at UGL in the reporting year. This program trains volunteers to recognize when their teammates need help. They can then provide informal and confidential support.

CPB Contractors’ “Better Balance for Wellbeing” program includes a mobile app that gives users access to a range of mindfulness tools and sessions. To raise awareness internally, the “10 days to a happier and healthier life” campaign was launched in advance of the program’s release.

Leighton Asia in Hong Kong was awarded five safety and health awards at the 21st Hong Kong Occupational Safety and Health Award Forum. The safety, health, quality, and environment team there developed a one-day course, supplementing the existing e-learning module with various moderated group exercises and case studies. This made it possible to gather feedback and encourage team participation.

In recognition of outstanding safety performance, Flatiron’s Texas office won the Bluebonnet Safety Award from the Texas Department of Transportation for the fifth consecutive year in 2023.

[1] The content of these project highlights is neither part of the statutory audit of the annual financial statements and consolidated financial statements, nor is it reviewed in a separate limited assurance engagement on the non-financial reporting.

1 | The Leighton Asia safety team organized a safety course for managerial staff in Indonesia in August. The course supplemented the current e-learning module with moderated group exercises and case studies, and was an opportunity to gather feedback and encourage operational team participation.

2 | During occupational safety days and campaigns, such as this one at HOCHTIEF Polska, processes and measures are rehearsed in order to raise awareness of risk and hazardous situations.

3 | Poster campaigns—such as the new campaign by the OSHEP Center and Occupational Health Management—raise employee awareness and draw attention to important issues.

4 | At Flatiron's I-405 project in Seattle, safety aspects were discussed during a night shift.

The content of this page is neither part of the statutory audit of the annual financial statements and consolidated financial statements nor part of the separate limited assurance engagement by Deloitte GmbH Wirtschaftsprüfungsgesellschaft.
Images: © HOCHTIEF (1–3); 4 © Flatiron (4)

Facts and figures

(1a) Number of fatal accidents involving employees of the HOCHTIEF Group (as of Dec. 31)

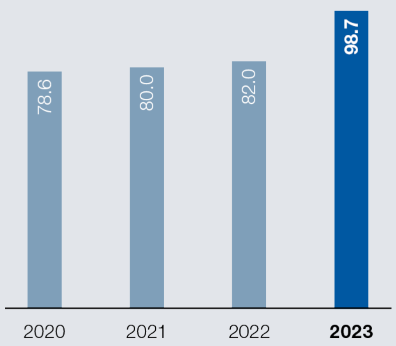
Division	**HOCHTIEF Group**	HOCHTIEF Americas	HOCHTIEF Asia Pacific	HOCHTIEF Europe (incl. holding company)
2023	**0**	0	0	0
2022	**0**	0	0	0
2021	**0**	0	0	0
2020	**3**	1	1	1

(1b) Number of fatal accidents involving subcontractors (as of Dec. 31)

Division	**HOCHTIEF Group**	HOCHTIEF Americas	HOCHTIEF Asia Pacific	HOCHTIEF Europe (incl. holding company)
2023	**2**	1	1	0
2022	**1**	0	1	0
2021	**3**	0	1	2
2020	**1**	1	0	0

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

(2) Proportion of units in the HOCHTIEF Group certified in accordance with occupational safety management systems (ISO 45001), relative to number of employees (in %)

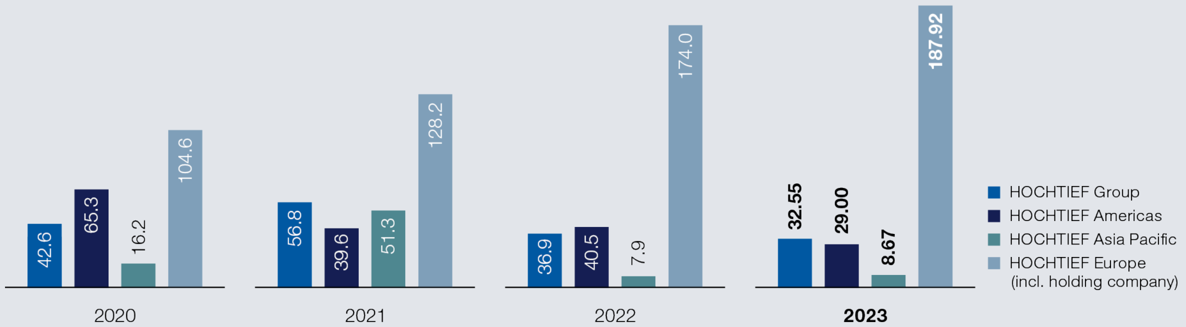


Note on tables (3) and (4): The large variation in the divisional figures reflects cultural differences in attitudes to injuries and differing country-specific insurance systems.

(3) Severity rate in the HOCHTIEF Group

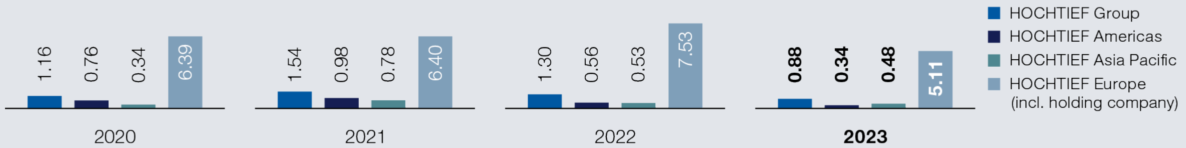
Computation of the severity rate

Number of days lost due to accidents per million hours worked = severity rate



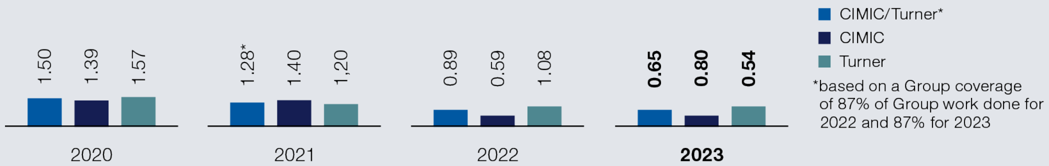
(4a) Lost time injury frequency rate (LTIFR) of employees in the HOCHTIEF Group

Accidents per million man-hours (Lost Time Injury Frequency Rate LTIFR); Under ILO standards, accidents are counted from the first working day lost.



(4b) Lost time injury frequency rate (LTIFR) of contractors in the HOCHTIEF Group

Accidents per million man-hours (Lost Time Injury Frequency Rate LTIFR); Under ILO standards, accidents are counted from the first working day lost.



(5) Significant types of injury in the HOCHTIEF Group in 2023 by number

HOCHTIEF Americas

Sprains	4.00
Fractures	4.00
Wound	1.00
Amputation	1.00

HOCHTIEF Asia Pacific

Sprains	9.19
Fractures	5.00
Lacerations	4.89
Burn, scald	2.78
Wrenches/dislocations	1.55
Others	1.40

HOCHTIEF Europe* (incl. holding company)

Contusions	13.00
Fractures	13.00
Sprains	10.00
Lacerations	5.00
Foreign bodies	3.00
Others	8.00

* In Germany, more than one type of injury can be reported.

(6) Causes of accidents in the HOCHTIEF Group in 2023 by number

HOCHTIEF Americas

Coordination	3.00
Misjudgment	2.00
Order/cleanliness	2.00
Tools	1.00
Workload	1.00
Others	1.00

HOCHTIEF Asia Pacific

Misjudgment	8.84
Handling	4.44
Tools	3.80
Task	3.70
Rules/instructions	1.25
Others	2.78

HOCHTIEF Europe (incl. holding company)

Handling	17.50
Routes	8.00
Misjudgment	4.50
Task	4.00
Material/usage	3.00
Others	7.00

TRINITY UNIVERSITY, DICKE HALL, TEXAS, USA

Dicke Hall, a new mass-timber building constructed by Turner on the campus of Trinity University in San Antonio, houses facilities including active learning classrooms and an auditorium.

Procurement[1]

Procurement at HOCHTIEF is based around transparent, innovative, and sustainable processes. We emphasize partnership-based and efficient working relationships with suppliers and subcontractors. In the reporting year, HOCHTIEF expended EUR 20.9 billion (2022: EUR 20.0 billion) on the procurement of materials—notably concrete, steel, and timber—as well as on subcontractor services such as craft trades. This is equivalent to 75% (2022: 76%) of Group work done.

Organizational structure of procurement

Operating procurement at HOCHTIEF is an integral part of the project and branch organization and is supported by central procurement units in each of the divisions. This results in an optimum procurement network. Central Department Procurement of HOCHTIEF Infrastructure GmbH performs the procurement function at Group level.

Decentralized procurement at project level

Projects differ not only in terms of location and the respective challenges, but also as regards the parties involved. Consequently, each project poses a different set of challenges in selecting suitable suppliers and subcontractors. To ensure that we make the right choices, procurement for projects at HOCHTIEF as well as the associated supplier and subcontractor management are primarily handled on a project-specific basis. Our project buyers deploy detailed knowledge of regional, national, and international markets combined with their in-depth expertise in order to select the most suitable contractual partners. Since our projects are executed at varying locations, HOCHTIEF must continually seek out new suppliers and subcontractors.

Centralized procurement at Group and division levels

Each division has a central procurement department tasked with ensuring adherence to all purchasing directives and compliance requirements. These departments are interconnected and in constant touch with one another, providing mutual support where necessary in selecting and managing international contractual partners.

Within each division, the central procurement departments oversee and assist local project buyers. In addition, the Central Department Procurement of HOCHTIEF Infrastructure GmbH performs the procurement function at Group level. This department promotes Group-wide exchange and launches strategic initiatives for continuous improvement in procurement. This relates to topics such as sustainability in the supply chain or digitalization. During the reporting year, there was dialog between all three divisions on the subject of procurement and risk management. The Executive Board is regularly informed about relevant issues and involved in major decisions.

At Turner, supply chain specialist SourceBlue provides transparent and collaborative solutions in the delivery process. SourceBlue's strategic relationships, digital systems and logistics expertise provide clients with reliability in the sourcing of equipment and products—improving project schedules, costs and procurement performance. The experience of supply chain experts and procurement specialists, as well as early involvement of designers and engineers, facilitates collaboration from design to delivery. SourceBlue is currently focused on developing an expansion plan to offer its services on a global basis to all Group companies, but also to external clients. HOCHTIEF is also currently expanding its activities relating to the supply chain in the Asia-Pacific region with the creation of a logistics hub to accelerate the Group’s digital delivery capabilities.

The central and decentral procurement processes at HOCHTIEF are guided by the ISO 20400 standard on sustainable procurement. Internal guidelines are designed to ensure transparency, fair competition, the application of proper procedures, and sustainability in procurement in accordance with shared principles.

[1] The content of this section is not part of the statutory audit of the annual financial statements and consolidated financial statements but is reviewed in a separate limited assurance engagement on the non-financial reporting.

In the 2023 Dow Jones Sustainability Index rating, HOCHTIEF's supply chain management ranks among the best of all companies assessed worldwide.

Material topic: Responsible supply chain

As a company with high procurement volumes for both materials and services, HOCHTIEF attaches great importance to the responsible organization of its supply chain. This is therefore a material topic with regard to our corporate governance. With clear-cut rules and targets, we organize procurement processes throughout the Group in such a way that they comply with economic, ecological, and social standards.

In all divisions and corporate units, we pursue a single goal: to select the "right" suppliers and subcontractors for our projects—partners who meet our high standards. These standards include high-quality goods and services, impeccable conduct on the part of our partners' employees as well as sustainable manufacturing and work processes. Compliance with our standards—across areas including employment rights, human rights, occupational safety and health, environmental protection, and fair business practices—is integral to all contracts with suppliers and subcontractors.

Our comprehensive risk management process provides for the careful selection of partners. The aim here is to minimize procurement risk with regard to sustainability (non-adherence to our high standards in areas such as human rights and environmental protection), quality risk (quality of materials, products, or services), price risk (such as higher payment demands, exchange rate risk, or commodity price risk), supply risk (due, for example, to supply of incorrect quantities), and contractor default risk (such as relating to insolvency, force majeure, or changes in the legal or political framework). Similarly, we counteract compliance risks that may arise, for instance, from infringement of laws by suppliers.

The construction industry in many parts of Europe continued to face high prices throughout the reporting year. Prices stabilized in 2023 at the high levels of 2022 or, in some cases, increased further (as is the case, for example, with bricks and materials involving plastics). Notably the price of concrete has climbed due to rising energy costs and higher prices for concrete aggregates such as construction gravel, construction sand, and especially cement. We expect that the concrete price will plateau at this high level in 2024. While timber was among the construction materials with the steepest price increases in 2022, timber prices have fallen in the reporting year to 2020 levels. However, the downward price trend has not fully reversed the above-inflation price rises of 2022. We address such price increases for materials that are important to our business, together with the resulting current inflation, through proactive procurement management. Working jointly with clients and partners, we actively counteract these influences and address them through our long-standing strong position in key local markets as well as the use of risk-minimizing contract models.

In addition, we want to further improve transparency in our supply chain and to continue integrating sustainability aspects as a firm feature of our procurement processes. To this end, we maintain ongoing exchange with market participants and engage in dialog on sustainable development. Interchange with our suppliers gives us good visibility of market conditions and opportunities. In the reporting year, for example, we held dialogs on the German Supply Chain Act.

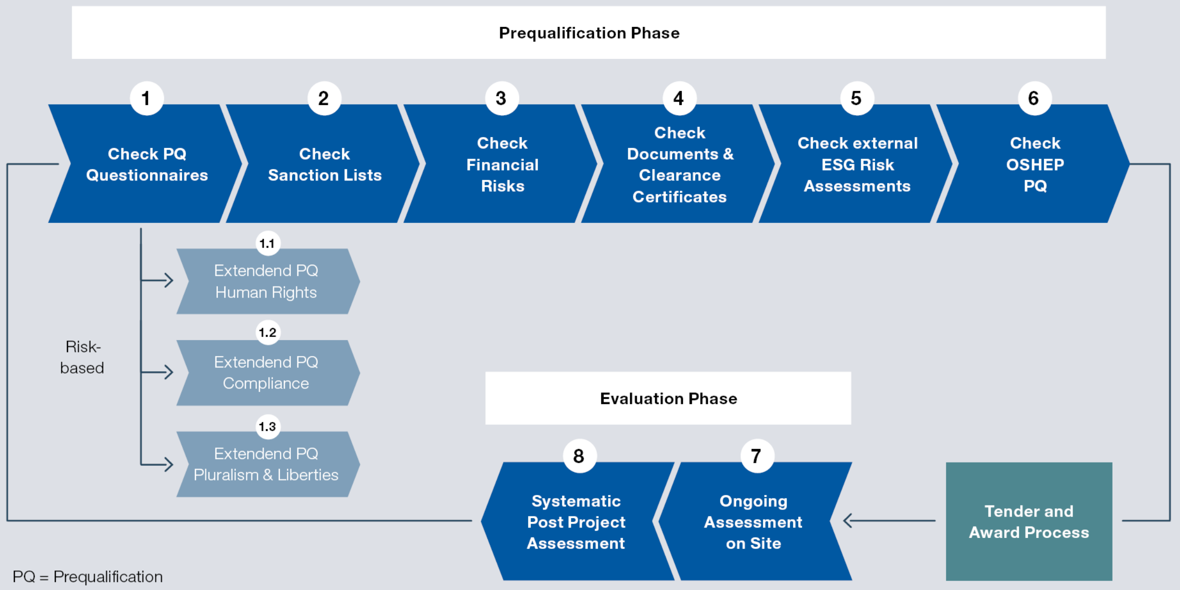
Our goal by 2025: Include ESG criteria in 50% of the significant suppliers selection process (based on procurement spend).

Status as of 2023: We already include measurable indicators of sustainability performance in a large proportion of our award decisions. In 2023, ESG criteria were taken into account for 59% of significant suppliers in the HOCHTIEF Americas and HOCHTIEF Europe divisions alone. Digital tools provide us with internal and external assessments or information on financial and non-financial risks that we take into account when making such decisions.

ESG risk management in procurement at HOCHTIEF

Common standards ensure quality and responsible conduct in procurement. This is why we have implemented an underlying, multi-stage risk management process that serves as the basis for evaluating our supply chain. The aim is to ensure that we identify potential sustainability risks at an early stage so that we can take targeted action to minimize them.

ESG risk management process in procurement at HOCHTIEF (example: HOCHTIEF Europe)



PQ = Prequalification

Each of our three divisions (HOCHTIEF Americas, HOCHTIEF Asia Pacific, and HOCHTIEF Europe) has established a comprehensive prequalification process—the process variates in line with company-specific practice. We assess suppliers and subcontractors on the basis of multifaceted information obtained from supplier self-assessments or with the aid of external partners and systems. The prequalification process shows whether our (potential) contractual partners' products and services meet our economic, ecological, and social requirements.

As a first step, we request information on areas such as corporate structure, general company data, and sustainability aspects. Due to our extensive supply chain, our international project activities bring us into direct or indirect contact with many different people. Their safety and health, as well as the respect for human rights are top priorities at every link in our supply chain. In the HOCHTIEF Europe division, as part of an extended supplier self-assessment, we apply special focus to screening suppliers and subcontractors as well as potential partners from countries with an increased risk of corruption or human rights, civil rights, and political freedoms violations. A positive review outcome is a precondition for establishing or continuing a working relationship with the subcontractor or supplier concerned. By this and other means, such as certain human rights-related clauses in our contractual documents, we ensure that the conduct of potential contractual partners meets our requirements for compliance with human rights standards.

Fundamental and sector-specific compliance issues are an essential part of our prequalification process. This incorporates, for instance, information on convictions or pending lawsuits involving corruption, money laundering, or antitrust violations. The responses are systematically evaluated and, if necessary, subjected to in-depth scrutiny in an additional internal HOCHTIEF Business Partner Due Diligence process. In the HOCHTIEF Asia Pacific division, all business partners generally undergo a corresponding compliance-specific due diligence review. The same process applies to potential partners.

In a second step, we check our suppliers and subcontractors against sanctions lists to ensure that neither individuals nor entire companies are subject to economic and/or legal restrictions.

Suppliers and subcontractors are then screened for creditworthiness and financial strength. Here, we work with external service providers to obtain current credit scores.

At country level, we additionally verify that all legally required credentials are valid and up to date.

For many years, we have worked with external partners who assess (potential) business partners with regard to sustainability criteria. This way, we are able to complement our prequalification process with an external ESG risk assessment and improve transparency in our supply chain. We first conduct an abstract risk analysis covering country- and industry-specific risks. This is followed by a specific risk analysis based on the risks identified in the abstract analysis. The specific risk analysis assesses suppliers on issues such as environmental protection, labor and human rights, supply chain responsibility, anti-corruption, and anti-bribery. Wherever risks are identified, we work with the business partner concerned to develop specific corrective action plans with preventive measures to minimize those risks.

In addition, as part of the prequalification process, we request data on occupational health, safety, and environmental protection. We have established the lost time injury frequency rate (LTIFR) throughout the Group as a key non-financial performance indicator. The LTIFR indicator is also a mandatory part of the prequalification process in our activities in Europe and at Turner. This allows us to strengthen risk management in procurement while underscoring the high priority given to occupational safety and health on our construction sites.

For us, it is essential that our partners meet all contractual agreements and obligations while working with us, and that they also act in accordance with our sustainability requirements. This means that our project teams continually monitor subcontractors and suppliers working on our sites to ensure that the contractually agreed services are provided and that the materials supplied are of the required quality. Notably compliance with all stipulations and instructions on occupational safety and health as well as on proper waste disposal or recycling form an essential part of this monitoring process. At the same time, we obtain confirmation that our partners comply with the applicable minimum wage laws in paying their employees.

The continuous monitoring on construction sites is supplemented with post-project assessments—structured evaluations of our contractual partners conducted by our project teams after delivery of goods or services. Such assessments are also carried out for long-standing suppliers and subcontractors, and are performed within projects both with the aid of established IT systems and manually. The assessments cover not only economic matters (such as the handling of change orders), but also environmental aspects (such as the management of hazardous materials and waste, and awareness of resource conservation) as well as social issues (for instance, observing human rights, occupational safety and health requirements, and fair pay). Contractual partners with a positive rating are included in future tender processes. Should contractual partners fall short of our requirements and hence receive a negative assessment from our project teams, we either provide them with targeted support or flag them in our system such that they are no longer considered for future contracts (supplier phase-out).

We supplement our subcontractor and supplier assessment process with self-performed visits to suppliers, audits, analysis of external information, and independent third-party sustainability assessments. Audits are performed either by in-house units or by outside partners according to country-specific practice.

We regularly review our prequalification processes and, where possible and appropriate, supplement them with additional steps. We strive to integrate sustainability performance as a permanent metric in our contract award decisions.

Approximately 95% of our contractual partners were prequalified in 2023 (2022: 93%).

Our goal by 2025: Increase annually the percentage of suppliers receiving systematic post project assessment, with at least 50% of significant suppliers assessed.

Status as of 2023: In the HOCHTIEF Asia Pacific and HOCHTIEF Europe divisions, a systematic assessment following completion of work is an integral component of our processes. By the end of the reporting year, we have implemented corresponding processes in all divisions, laying the foundation for reporting on our goal.

Fair competition

Prequalified suppliers and subcontractors submit bids for the various trades involved in our projects. This way, we provide an effective basis for competition in line with our Procurement Directive with regard to bid invitations and contract awards. We specify requirement profiles, quality of service, costs, and relevant deadlines in binding contracts with the selected partners. Irrespective of whether they are new or long-standing business partners, all suppliers and subcontractors are required via prequalification to fully commit to the HOCHTIEF Code of Conduct for Business Partners upon each contract award. In this way, our suppliers and subcontractors undertake to adhere to the human rights, employment, social, and environmental standards stipulated in the Code—and to pass this down the supply chain and require the same from their contractors.

As an infrastructure group with a presence in most of the world's developed markets, HOCHTIEF prefers to work with local suppliers and subcontractors based in the vicinity of our project sites. This not only secures jobs but also strengthens economic development on a lasting basis in the regions where we deliver our projects. Our project teams thereby also gain additional knowledge about local conditions and can minimize carbon emissions through shorter transportation routes. Where necessary and expedient, however, we also engage supraregional partners with whom we have worked successfully in the past. Worldwide, we awarded approximately 85.49% of our procurement volume to regional suppliers and subcontractors in 2023 (2022: 71.84%).

To meet the requirements of the German Supply Chain Due Diligence Act, which entered into force on January 1, 2023, we already implemented a human rights corporate management system in previous years and have expanded it further in the reporting year.

Facts and figures

Percentage of procurement volume sourced from local/regional suppliers (%)

	2020	2021	2022	**2023**
HOCHTIEF Group	79.16	75.05	71.84	**85.49**

Group project highlights[1]

In the reporting year, employees of the HOCHTIEF-Murphy joint venture broke a world record with the world's largest continuous concreting of earth-friendly concrete. Following the successful completion of the 9.2-kilometer-long tunnel construction, this work brought the floor of the 55-meter-deep tunnel shaft at the site of the substation to its final level. For this purpose, 736,000 liters of cement-free concrete were used. The use of this concrete will reduce CO_2 emissions by around 64% and save a good 82 tons of carbon dioxide—an amount equivalent to the annual electricity consumption of 100 households.

In Berlin, HOCHTIEF is delivering the 133-meter-tall ALX D3 high-rise directly on Alexanderplatz. The project team is using concrete that has received Gold certification from the Concrete Sustainability Council (CSC). A total of 60,000 cubic meters of concrete will be used. The client is aiming for a LEED Gold certificate for the project. In addition, 1,000 cubic meters of recycled concrete will be laid.

In Dortmund, HOCHTIEF is also using 30,000 cubic meters of CSC-certified concrete for the new headquarters of the Continentale insurance group. The office property has already been precertified as a "Sustainable Construction Site" by the German Sustainable Building Council (DGNB). This precertification evaluates the active construction site process and covers topics such as use of materials, conservation of resources, transportation, avoidance of pollutants, and preservation of biodiversity.

CPB Contractors understands the importance of a culture that prioritizes safety and sustainability. In line with these focuses, the Yeerongpilly team (Brisbane), responsible for delivering the Rail, Integration and Systems package for the Cross River Rail project, has procured recycled safety bollards that adhere to the respective standards. These bollards, manufactured in Australia by OC Connections, an enterprise that empowers NDIS-registered (National Disability Insurance Scheme) workers with disabilities. The bollards are made from 100% recycled material and the bases from 70% recycled plastic. Traditionally, those products are imported and manufactured using new materials.

[1] The content of these project highlights is neither part of the statutory audit of the annual financial statements and consolidated financial statements, nor is it reviewed in a separate limited assurance engagement on the non-financial reporting.

SYDNEY METRO, NEW SOUTH WALES, AUSTRALIA

The metro rail system runs beneath Sydney's famous harbor. Across the Sydney Metro project, Pacific Partnerships, CPB Contractors and UGL are delivering a substantial portion of one of Australia's largest public transportation projects.

Looking ahead

The HOCHTIEF Group is very well positioned with its global presence and capabilities portfolio. Our strategy is to further strengthen HOCHTIEF's position in core markets and to focus on market growth opportunities—especially on high-tech and high-growth markets, where the Group has already been successful in 2023 (for further information, please see the Markets and Operating Environment section; for the outlook for HOCHTIEF Aktiengesellschaft under German GAAP, please see under "HOCHTIEF Aktiengesellschaft (Holding Company): Financial Review under German GAAP (HGB)). At the same time, we prioritize cash-backed profitability and a rigorous risk management approach. Our businesses are flexible, allowing management to quickly adapt to varying market conditions. Active and disciplined capital allocation is a high priority and we continue focusing on attractive shareholder remuneration as well as investing in strategic growth opportunities to create sustainable value for all stakeholders.

Analysis of performance in 2023 relative to the prior-year outlook[1]

HOCHTIEF has delivered a robust performance in 2023. During the reporting period, our divisions HOCHTIEF Americas, HOCHTIEF Asia Pacific, and HOCHTIEF Europe as well as our 20% investment in Abertis HoldCo (Abertis Investment) delivered a profit contribution consistent with respective segment guidances. Operational net profit of the HOCHTIEF Group came out at EUR 553 million (2022: EUR 522 million), at the top end of the Group's guidance range given at the start of 2022 (EUR 510–550 million), and up 6% year on year.

The HOCHTIEF Group's net cash position amounted to EUR 872 million as of December 31, 2023 (2022: EUR 354 million). The improvement year on year was driven by very strong cash conversion during the period. This December 2023 actual figure is above the expectation of a net cash position of around EUR 0.3 billion in 2023 when adjusting for the extraordinary final cash-out linked to the legacy CCPP project of EUR 191 million.

In 2023, HOCHTIEF's lost time injury frequency rate (LTIFR) improved significantly compared to the prior year (1.30) and forecast for 2023 (1.16) to 0.88. This mainly reflects a marked improvement in the LTIFR in the HOCHTIEF Americas and especially HOCHTIEF Europe divisions. Consistent involvement of employees in occupational safety and health processes as well as the stepped-up promotion of behavior-based prevention approaches are contributing to the positive trend, despite the fact that this is a more volatile indicator.

During the reporting period, HOCHTIEF further implemented its comprehensive Sustainability Plan 2025 with international working groups developing and supporting specific measures for the commitments made across all ESG dimensions. For example, the Group has developed a decarbonization roadmap (net zero pathway) and defined additional near-term targets for 2030.

Overall assessment of future developments

HOCHTIEF's year-end 2023 order backlog stood at EUR 55.3 billion—an end-of-year record. This corresponds to an increase of 8% year on year. Fundamentals are expected to remain sound in 2024 for the activity level in the relevant markets for HOCHTIEF (also see the Markets section). The overall outlook is therefore solid and reflected in our expectations for the key performance indicators in 2024 for the HOCHTIEF Group and for HOCHTIEF Aktiengesellschaft. Exchange rates applied to the forecast are close to the spot rates at the end of 2023.

For the Group, we expect an operational net profit in the range of EUR 560–610 million for 2024, subject to market conditions. This compares to a 2023 operational net profit of EUR 553 million. HOCHTIEF expects to maintain a net cash position of around EUR 0.5 billion per end-2024, before the EUR 260 million cash-out for the Abertis capital

[1] For further information, please see the Financial Review section.

increase in early 2024; this net cash position is subject to extraordinary impacts from investments, divestments, and net working capital changes.

We intend to continue intensively promoting health and safety awareness at our workplaces throughout the Group. We are well aware that accident rates also depend on various other factors and that the LTIFR indicator can only be improved on a sustained basis over the longer term. The LTIFR indicator of the HOCHTIEF Group has developed very positively in the last few years. For fiscal 2024, we expect positive further development and, with a view to our goal in 2025, are targeting an LTIFR of 1.10 for 2024.

In 2024, we intend to further develop and implement measures that support achieving our targets laid out in the Sustainability Plan 2025. The further strengthening of our sustainability enablers digitalization, innovation and collaboration should facilitate our target achievement.

Dividend

Shareholder remuneration remains a priority for HOCHTIEF. The proposed dividend of EUR 4.40 per share (was EUR 4.00 per share for the previous financial year 2022) reflects the Group's unchanged dividend payout ratio policy of 65% of nominal net profit.

Opportunities and Risks Report

At HOCHTIEF, business segments and projects vary in terms of nature, volume, duration, complexity, and the engineering challenges they present. In light of this, one of the Group's key success factors is opportunity and risk management that is closely geared to our business activities and places the focus on individual project operations. (For an overview of current market opportunities, please see the Markets and Operating Environment and the Strategy sections.) We also regularly address non-financial topics, their impacts, and relevance, among other things through our materiality analysis.

HOCHTIEF's established risk management system embraces all layers of the organization and defines directives, responsibilities, processes, and instruments. Opportunities and risks are assessed at an early stage and suitable measures developed to take advantage of opportunities as well as for effective risk reduction. This covers both financial and non-financial aspects.

We keep constant track of developments in the markets and regions relevant to the Group and give due account to such developments in corresponding planning activities. If influencing factors in a project or segment develop differently than assumed prior to this time, this could have an impact on HOCHTIEF's key performance indicators and possibly alter the growth figures predicted for a given year or consecutive years.

The financial position and financial performance of HOCHTIEF Aktiengesellschaft as management holding company are ultimately determined by the assets of the Group companies and their ability to generate sustained positive earnings contributions and positive cash flows. The risk profile of HOCHTIEF Aktiengesellschaft is therefore essentially the same as that of the Group. The reporting of the companies to HOCHTIEF Aktiengesellschaft consequently comprises the basis for assessment of the Group position.

Group-wide risk and opportunity management

Our Group-wide risk management system is made up of various individual components. The overarching framework is provided by directives that are continuously reviewed and adapted as necessary with regard to changing legal requirements. Group-wide standards—on subjects such as occupational safety and health, social standards, and rules on conduct and compliance such as the Code of Conduct—also contribute toward minimizing risk. Finally, these Group-wide measures are complemented by the divisions' and operational units' individual systems, processes, and organizational instructions that allow for the detailed identification, assessment and management of opportunities and risks in the respective markets.[1]

The Executive Board, the Supervisory Board, and the Audit/Sustainability Committee are regularly informed about potential material control deficiencies and the effectiveness of the established controls. No material discrepancies were known to management in 2023 that would call into question the adequacy and effectiveness of the Company's risk and opportunity management.

Definition of risks and opportunities

HOCHTIEF defines "risk" as an event with a potential impact on the expected values of relevant budgeted key financial performance indicators in relation to corporate goals. Risk in this context primarily relates to events with potential impacts on profit before tax and on liquidity. For a transparent presentation, individual risks are classified into risk categories.

[1] The content of this paragraph is not part of the statutory audit of the annual financial statements and consolidated financial statements.

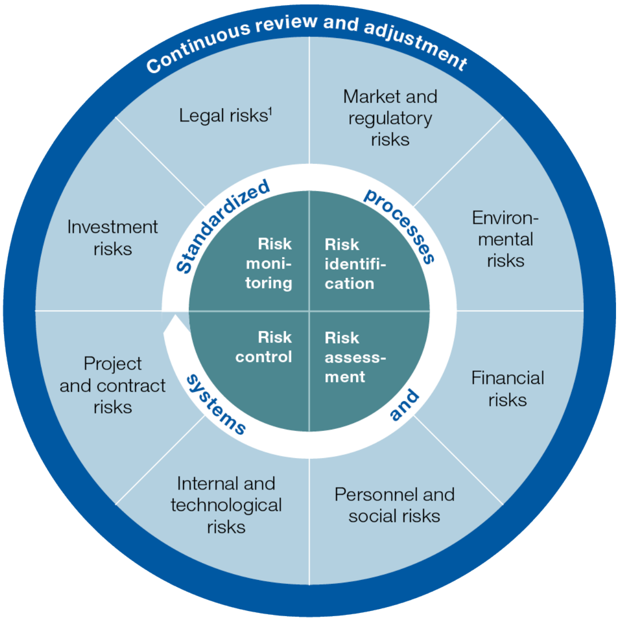
The following categories of risk are analyzed in risk management in a detailed bottom-up process that have a direct or indirect impact on business activities in the HOCHTIEF Group:

- Market and regulatory risk
- Environmental risk
- Financial risk
- Personnel and social risk
- Internal and technological risk
- Project and contract risk
- Investment risk
- Legal risk (including human rights, criminal matters, and corruption risks)

In our assessment, we generally also take into account risks that arise for our stakeholders from our products and services.

Additionally, we simultaneously analyze and actively develop the opportunities that present themselves for our projects and markets. We define an “opportunity” as potential future developments or events that could lead to a positive deviation from the Group’s forecasts or objectives. Identifying and exploiting opportunities can make an important contribution to maintaining and extending our market position.

Risk management with risk categories



[1] incl. human rights, criminal matters and corruption risks

Risk management in HOCHTIEF’s divisions

All HOCHTIEF divisions are an integral part of the HOCHTIEF risk management system and continuously improve their individual risk management in their respective market environments.

Turner and Flatiron in the HOCHTIEF Americas division are integrated into HOCHTIEF’s risk management system. The Risk Management Steering Committee at Turner assumes a key role, coordinating and overseeing all risk-related issues. A specially developed risk control matrix allows Turner to identify and—where necessary—monitor potential process risks from an early stage. Business unit-level risk analysis is also compiled on a quarterly basis and the findings aggregated into a “risk memorandum.” At Flatiron, a risk management department covers relevant aspects of risk management. All projects are systematically analyzed and assessed with a view to risks right from the bid phase. Risks and related mitigation measures are identified in all significant projects and the current status of the risk situation coordinated and assessed in monthly meetings at top management level. Involving the in-house engineering centers of excellence—the Turner Engineering Group and the Flatiron Technical Services Group—additionally contributes to avoiding project risks within both companies.

In the HOCHTIEF Asia Pacific division, CIMIC—just like the other HOCHTIEF Group divisions—practices risk management as the identification, assessment, and treatment of risks with the potential to materially impact its operations, people, and reputation, the environment and communities in which it works, and its financial prospects. Risks are monitored on an ongoing basis and a quarterly risk report is submitted to the CIMIC Board. It is coordinated with CIMIC's business activities, embedded within existing processes, and aligned to corporate objectives, both short and longer term. Given the diversity of its operations as well as the breadth of its geographies and markets, CIMIC faces a range of risk factors that have the potential to affect the achievement of business objectives. As in all other divisions, risk management at CIMIC is subject to the HOCHTIEF Group directive on risk reporting.

HOCHTIEF Infrastructure, which is responsible for the construction business in Europe, splits risk management into five groups: Bid and Project Control (assisting operational units in all aspects of bid preparation, and supporting operational units in risk monitoring); Data Protection and Information Security (implementing and monitoring information security); Dispute Resolution and Litigation (providing project management for dispute handling); the Technical Quality Control Group (reducing technical risks and improving project execution); and Quality Management (QM) (development, documentation, and further improvement of processes for our operating business; internal and external QM audits; continuous improvement process (CIP); best practices; and lean construction).

HOCHTIEF PPP Solutions, which delivers design, finance, build, and operate services for transportation and social infrastructure projects on a public-private partnership (PPP) basis, has implemented a risk management system for systematic risk identification, assessment, and control. Opportunities and risks are regularly analyzed in the core acquisition, execution, and divestment processes. Active risk control reduces the potential impact with corresponding measures. The range of defined measures is broad. Depending on the potential risk, they may include, for example, working actively with the client to develop an alternative technical solution, insurance against risk, or additional risk provisioning. Risk management is part of the quality management system introduced by HOCHTIEF PPP Solutions for continuous improvement of projects and services and for systematic process optimization.

Opportunity management is primarily a function of strategic management and the decentralized continuous improvement process. In order to spot opportunities and act on them at an early stage, we keep a very close watch on our markets and their development. Notable opportunities for the HOCHTIEF Group include acquisitions and increased levels of investment in our core markets.

Risk culture

HOCHTIEF pursues the continuous improvement of risk management as a key strategic goal. The importance of risk management and HOCHTIEF's strategic approach are developed further in international working groups and communicated to employees. We thus offer initial and further training on selected risk management areas in-house and place great importance on employee participation in such training.

HOCHTIEF has a remuneration system with fixed and variable components which is regularly reviewed.
A key component of this system are risk-related metrics and targets against which employees' performance can be measured on the basis of individual performance agreements tailored to each employee's job profile and responsibilities. The Group provides a wide range of systems and tools enabling employees to identify potential risks for HOCHTIEF, escalate them, and take action when necessary.

Additional evidence of successful application of opportunities and risk management at HOCHTIEF is provided by HOCHTIEF's certification according to ISO 9001:2015, which also takes into account how opportunities and risks are handled.

HOCHTIEF Insurance Broking and Risk Management Solutions

As the Company's in-house insurance broker, HOCHTIEF Insurance Broking and Risk Management Solutions GmbH is responsible for coordinating the insurance-related risk management for the HOCHTIEF Group's divisions and is consequently an integral part of Group-wide risk management. This company is directly held by HOCHTIEF Aktiengesellschaft. The company's objective is to protect the consolidated balance sheet with adequate insurance covers for the HOCHTIEF Group's manifold projects and activities at a minimal total cost of risk. Localized risk management at the operational units is further supported by aggregated information obtained through collection and analysis of data as part of Group-wide insurance reporting processes.

Thanks to insurance solutions, both for transportation infrastructure projects and for social, urban, digital and energy infrastructure projects, the relevant insurable risks are covered both before and during the construction phase as well as in the operating phase. The comprehensive insurance concepts focus on the provision of proper insurance cover for property damage and financial losses. Instruments that typically serve this purpose not only offer liability insurance but also builders' risk insurance and all-risk property insurance. In addition to HOCHTIEF Group units, project insurance cover also extends to external companies, notably project partners, owners, and end users.

The reinsurance company Stonefort Reinsurance S.A. and consulting company Stonefort Captive Management S.A. provide additional products and services to optimize the Group's risk and cost structure and for external clients. Rating agency AM Best once again rated the financial strength of Stonefort Reinsurance S.A. as "A-" (Excellent) in 2023.

Opportunity and risk reporting

A Group-wide directive governs the uniform application of risk reporting. It encompasses risk reporting and communication, describes the structure and procedures, and lays down the risk reporting framework. This risk reporting process supplements operating risk management as part of the Group-wide processes for controlling risk. The directive is updated as needed, most recently in 2022.

Financial and non-financial risks are incorporated into the planning and forecasting process. In a multi-stage process, the operating and holding companies collate their risk exposures and assess them together with divisional managements and controlling departments. Relevant risks are then submitted to Corporate Controlling, stating the potential impact of a risk on earnings and liquidity in the current and two subsequent years, the risk category, the possible time scale, the probability of occurrence, and any measures already taken to avert and reduce the risks identified. The resulting risk situation goes into a final risk report compiled for the Executive Board. This also includes performing a regular risk-bearing capacity test. Regular reports on the Group's current risk situation are also provided to the Supervisory Board's Audit/Sustainability Committee.

Scenarios, correlations, and sensitivities

Risk scenarios compiled on a case-by-case basis present potential impacts on HOCHTIEF and correlations between risks, and make it possible to perform sensitivity analyses. The risk situation is continuously monitored using the tools available and—independently of regular updates—material changes are reported without delay (internal ad-hoc reporting). A key element of risk management at HOCHTIEF in this connection is the Investment Committee, which provides advance assessment of the risks for HOCHTIEF associated with planned capital expenditure, divestments, and investments requiring approval. In this way, such risks are avoided or at least reduced. This serves to provide standard criteria and processes ensuring that all decisions are made on the basis of identical approved principles. Project size and complexity are important criteria for the type and scope of risk analysis.

Oversight by Corporate Auditing

Corporate Auditing is an independent internal audit function responsible for monitoring business processes and risk management with regard to compliance with the law, regulations, directives, internal control systems, and corporate objectives. Ad-hoc special audits supplement the risk-based audit program.

To this end, Corporate Auditing has extensive and unrestricted powers of information and examination within the Group. It is an independent internal institution which performs audits on behalf of the HOCHTIEF Executive Board in the business segments, Group companies, project companies, and third-party entities for which it has contractual auditing powers, and which supports the Executive Board in this regard and in its managerial role with independent analyses, assessments, and recommendations. Corporate Auditing reports to management and the Executive Board on each audit and, in summary form, to the HOCHTIEF Audit/Sustainability Committee.

Corporate Auditing aims to protect corporate assets, to assess the reliability of individual areas of the risk management and monitoring systems, and to contribute toward improving those systems as well as toward cost efficiency in internal business processes.

Our Group companies Turner and CIMIC additionally have their own independent audit units. Audit findings are used to further optimize risk management and notably the early detection and control of risk. The processes operated by Corporate Auditing follow international auditing standards and undergo regular independent quality assessments.

Internal control system at HOCHTIEF

Our internal control system (ICS) is based on the principles, guidelines, and measures applied at HOCHTIEF for the organizational implementation of Executive Board decisions. It is geared to ensuring and documenting the fitness for purpose and effectiveness of the system for mitigating all material operating and financial corporate risks as well as for reducing these risks to a level that is appropriate for the Company. HOCHTIEF developed the ICS on the basis of the globally recognized Internal Control—Integrated Framework (COSO Framework) issued in 2013 by the Committee of Sponsoring Organizations of the Treadway Commission, adapting the framework to the Company's needs. The Framework defines the elements of a control system and sets the benchmark for assessing the adequacy and effectiveness of an ICS.

Internal control system in relation to non-accounting processes[1]

The adequacy and effectiveness of the internal control system (ICS) is ensured by measures and controls adapted to HOCHTIEF's business activities. The necessary controls are then defined and documented. Since the beginning of 2023, Group-wide formal requirements have been implemented in the form of uniform risk control matrices that also cover non-financial business processes. Regular spot checks are made to assess the effectiveness of the controls. These form the basis of a self-assessment of control adequacy and effectiveness. Oversight of the ICS is the responsibility of Corporate Auditing, which reviews compliance with legal requirements and internal directives as well as performing effectiveness assessment.

[1] This section on the internal control system in relation to non-accounting processes is not part of the statutory audit of the annual financial statements and consolidated financial statements.

A further element of the ICS is a compliance management system (CMS)[1] reflecting the enterprise's risk situation. The aim of our compliance system (for further information, please see the Compliance section) is to prevent corruption, antitrust infringements, and anti-money laundering (AML) violations from the outset. This is achieved by implementing a comprehensive CMS that includes the identification of and assignment of measures to compliance risks and is subject to continuous monitoring and improvement. Among other aspects, our focus here is on regular workforce training as well as on adopting suitable processes and systematic controls. It is thus the job of the compliance organization to put organizational precautions in place so as to secure compliance with prevailing law and in-house compliance requirements on the part of the Company, its decision-making bodies, and the workforce.

The Executive Board, the Supervisory Board, and the Audit Committee are regularly informed about potential material control deficiencies and the effectiveness of the established controls. No material discrepancies were known to management in 2023 that would call into question the adequacy and effectiveness of the ICS.

Internal control and risk management system in relation to the financial reporting process

Proper and reliable financial reporting is of key significance in making management decisions as well as in providing information to stakeholders and the public. Risk analysis and control definition work carried out at the beginning of the process identifies significant control deficiencies for the accounting and financial reporting processes and for other processes in material companies, organizational units, and Group functions. Risks associated with the Group financial reporting process are dealt with in the following ways at the HOCHTIEF Group: IFRS Accounting Guidelines, which are updated annually, ensure uniform accounting recognition and measurement throughout the Group. Annually updated German Commercial Code (HGB) accounting guidelines also have to be followed for German Group companies. Subsidiaries—in close consultation with Corporate Accounting—are responsible for adhering to the Group-wide accounting policies in their financial statements.

Accounting for financial instruments is carried out in consultation with the Corporate Finance department. This ensures the reliability and accuracy of the figures used.

The measurement of derivative financial instruments is additionally supported by a treasury management tool established throughout the industrial and banking sectors. HOCHTIEF also makes use of external service providers—for example, for the assessment of pension obligations.

The correct performance of capital, liability, expense, and income consolidation as well as interim profit elimination is aided by software-supported preparation of the consolidated financial statements and systems for validating the figures generated. If there is nonetheless any need for clarification in specific instances, the matters are investigated and remedied by Corporate Accounting. The consolidation system utilized by the Group is access-protected. This ensures that employees are only able to access the data of relevance to them. The consolidation system is regularly reviewed by Corporate Auditing.

In the process of preparing the annual and consolidated financial statements, European Single Electronic Format (ESEF) compliance—among other things—is ensured by the use of a disclosure management system in combination with an authorization system; this is also reviewed by Corporate Auditing.

[1] The information on the compliance management system is not part of the statutory audit of the annual financial statements and consolidated financial statements.

The Executive Board, the Supervisory Board, and the Audit/Sustainability Committee are regularly informed about potential material control deficiencies and the effectiveness of the established controls. No material discrepancies became known to management in 2023 that would call into question the adequacy and effectiveness of the Company's internal control and risk management system. We continuously improve our ICS and RMS on the basis of internal or external audit results.[1]

Sustainability statistics, which partly relate to the HOCHTIEF Sustainability Plan 2025 and serve to meet reporting requirements under the GRI standards, are collected and processed Group-wide—as a rule within each year—using software-based tools. These include qualitative and quantitative information on all relevant sustain-ability topics. Analysis of the data is the responsibility of the respective functional departments. The results are incorporated both in annual Group reporting and in the continued development of activities relating to the Sustainability Plan.

Classification of opportunities and risks

Binding definitions of risk categories ensure uniform and transparent presentation. Risk assessment and reporting serves to quantify risks with regard to potential impact and probability, after accounting for any action taken. Expected value is defined as probability of occurrence times potential impact on financial position and financial performance. The aggregated risks in the current and two subsequent years in the risk categories set out in the following are classified according to expected value as "low" (potential impact EUR 0–250 million accumulated over three years), "medium" (potential impact EUR 250–500 million accumulated over three years), or "high" (potential impact over EUR 500 million accumulated over three years). The expected value of the potential impact relates both to profit before tax and to liquidity.

The definition of risk applied in the HOCHTIEF Group encompasses financial and non-financial risks together with their impacts. For the internal reporting process, it is immaterial whether a reportable risk is based on financial or non-financial aspects. Any divergence between net impact and expected value is reportable once the figure exceeds the applicable reporting threshold. In this way, material risks—within the meaning of Section 315c (2) in conjuction with Section 289c (3) Sentence 1 No. 3 and No. 4 of the German Commercial Code—that are likely to have a substantial negative impact on non-financial aspects are taken into account. Risks whose impact is below the reporting threshold are only included if they have a large potential impact on non-financial aspects or if the financial impact is likely to be large but currently unquantifiable.

With regard to the sustainability aspects in accordance with the German Commercial Code, sustainability management is decentralized at HOCHTIEF but centrally supervised by Corporate Department Sustainability. Sustainability aspects of our operations are controlled and monitored by HOCHTIEF's Chief Sustainability Officer. Also the Corporate Headquarters functional departments analyze the risks relevant to the thematic areas in connection with their core responsibilities and within their target systems. Impacts on the environment and society, and the resulting risks and opportunities, are additionally processed at project level. Environmental and stakeholder management plans are thus standard tools in construction project execution.

As with risks, opportunities are assessed for their impact on profit before tax and on liquidity. We see opportunities for HOCHTIEF above all in our core markets, where we actively evaluate growth potential primarily in our established market segments.

[1] The content in this section is not part of the statutory audit of the annual financial statements and consolidated financial statements.

The overall risk exposure for the HOCHTIEF Group is determined by taking the sum total of the expected individual risk exposures and aggregating at Group level by divisions and the stated categories. Opportunities are primarily established by closely observing markets and identifying available market potential in all segments served by the Group.

Opportunity and risk situation in the HOCHTIEF Group

The overall risk position identified at HOCHTIEF for 2024 principally relates to risks assigned to the individual categories as explained in the following.

Market and regulatory risk

The HOCHTIEF Group's economic performance is closely tied to macroeconomic trends and business cycles in the countries and regions where HOCHTIEF operates. For further information on our markets and HOCHTIEF's positioning, please see the Markets and Divisional Reporting sections.

Market risk[1]

We closely monitor world economic and geopolitical developments in the regions and markets key to HOCHTIEF. HOCHTIEF's operations focus on attractive markets in North America, Australia and Europe. We occupy outstanding positions in our chosen segments worldwide. From this base, we continue to see good opportunities to further bolster our market position and core business in line with our goals and to create sustainable value for all stakeholders and generate improving cash-backed profitability.

Changes in the geopolitical situation may have negative long-term impacts on the global economy and may lead to decreased public investment spending. This may lower the long-term growth outlook in the markets key to HOCHTIEF and/or impair future business development. With its strong global presence centered on developed markets and its prestigious local operations, HOCHTIEF is well positioned to manage potential regional fluctuations and respond flexibly to risks of this kind.

Ongoing political tensions could potentially have an impact on the global economy and trigger financial market shocks. While the Group has no operating business in the affected regions, these conflicts could impact the Group indirectly through factors such as rising commodity prices and, as a result, potentially higher energy and supply prices. Likewise, higher interest rates may impact the financial viability of construction investments of our clients. To compensate these effects in a constructive manner, HOCHTIEF strives to work with customers from an early phase onward in order to optimize project planning and design to manage these impacts equitably overall and ensure a fair balance of interests. Wherever possible, this includes the use of escalator clauses or the agreement of fixed prices in order to avoid input price fluctuations. This allows HOCHTIEF to reduce the risk to a negligible level.

Political uncertainties in Europe, political populism, and protectionism may have negative effects on the European economic region. In particular, tariff policy measures in a number of countries outside the European Union could have a negative effect on contract awards. Given the numerous state investment programs in individual European countries, we see very good opportunities, which we intend to continue capitalizing upon.

We rate the risks in connection with market risks as low.

[1] For further information on the HOCHTIEF markets, please see the Markets section.

Regulatory risk

Given our business activities and significant international presence, HOCHTIEF has to contend with risks arising from potential regulatory changes, at present particularly in the areas of tax and environmental protection.

Such risks can affect our key performance indicators and impact our earnings situation, notably in the case of projects lasting several years. HOCHTIEF continuously monitors national and international regulatory initiatives as well as any potential resultant changes which could affect the Company in the various markets.

We address the increasingly stringent legal requirements with regard to sustainability criteria and environment protection at operational level with energy-efficient and low-carbon solutions in building construction and civil engineering, which enable us to offer our clients sustainable solutions. HOCHTIEF is among the leading providers here and can make use of its strong market position. In addition, we are developing numerous measures to further improve our sustainability performance as part of our Sustainability Plan 2025. Environmental regulations can drive up operating costs in our projects, although these are generally passed on to clients.

We currently do not consider there to be any significant regulatory risks for HOCHTIEF within the framework of the above risk areas and therefore classify the risk as low.

Procurement risk

HOCHTIEF's procurement management ensures that only those operating partners—both subcontractors and suppliers—who are capable and meet our high sustainability standards are selected. (For further information, please see the Procurement section.) By maintaining a constant watch over the market and close contact with subcontractors, suppliers, and institutions, we ensure that we can quickly spot changes on the procurement market and respond accordingly.

Furthermore, we have developed our company SourceBlue which is Turner's supply chain specialist. In order to expand SourceBlue's capabilities globally, HOCHTIEF is developing its presence in the Asia-Pacific region with the creation of a logistics hub to accelerate the Group's digital delivery capabilities and further enhance our procurement management systems.

The construction industry in many parts of Europe continued to face rising prices throughout the reporting year. Prices stabilized at the high levels of the previous year or, in some cases, increased further (as is the case, for example, with bricks and materials involving plastics). Notably the price of concrete has climbed due to spiraling energy costs and higher prices for concrete aggregates such as construction gravel, construction sand, and especially cement. We expect that the price of concrete will plateau at this high level also in 2024. While timber was among the construction materials with the steepest price increases last year, timber prices have now fallen to 2020 levels.

However, the downward price trend has not fully reversed last year's above-inflation price rises. We address such price increases for materials essential to our business, together with the resulting current inflation, through proactive procurement management. We are actively countering these developments together with customers and partners and countering them with our long-standing and strong position in the key local markets and by applying risk-minimized contract models.

HOCHTIEF generates a high volume of sales with individual trading partners. Certain services can only be provided by a few business partners. The Company is not critically or solely dependent on any one client or supplier.

To identify sustainability risks in our supply chain—in areas such as human rights or the environment—we regularly conduct risk assessments of our business partners and, where appropriate, take selective action to mitigate risks.

With our detailed prequalification system for business partners and by evaluating projects both during the execution phase and subsequent to completion, we maintain a comprehensive overview of the market development and of our partners' capabilities, both technical and commercial. This also includes the sustainability performance of our subcontractors and suppliers. Our proactive procurement management thus reduces default risk and opens the way to alternatives, enabling us to cover stakeholder requirements as best as possible.

Based on the current global economic situation and anticipated developments as well as on our comprehensive risk management process, we classify HOCHTIEF's overall procurement risk as low.

Reputation risk

In its projects, HOCHTIEF works closely with a wide variety of stakeholder groups on an ongoing basis in order to identify local needs and requirements and respond accordingly. Stakeholder information and communication are consequently a standard part of project management and also serve to prevent risks so as, for instance, to avoid delays in project execution. At the same time, we address social risk that can arise from the Group's business activities—in an illustrative analysis on managing the impact of construction activity, for instance.

Regular, detailed market research on the Group's reputation and image provides additional indications as to how it is perceived in the public eye.

We rate the risks in connection with reputation issues as low.

Environmental risk

Our risk management takes into account environmental risks with a direct or indirect bearing on HOCHTIEF's business activities, and likewise risks to our stakeholders and the environment—air, water, and soil purity, health, species conservation, etc.—resulting from our products and services. These are taken into account as project risks.

Additional risk factors relate to climate change, including phenomena such as the proliferation of extreme weather events such as storms, increased precipitation, extreme heat waves, and droughts. At HOCHTIEF, climate risk is defined as damage caused by climate events that potentially has negative impacts on the qualitative or quantitative attainment of business targets. In order to identify the impacts of climate change for HOCHTIEF as a whole and to adequately assess the risks involved, we make use of external frameworks such as that of the Task Force on Climate-related Financial Disclosures (TCFD).

At operational level in our project activities, climate risk is treated as part of project risks because it is directly connected to project execution. Our construction projects can be held up by exceptional weather conditions such as heavy rain, floods, storms, and extreme heat and cold. This can lead to reduced productivity. It can also endanger the safety of employees, subcontractors, and third parties. For this reason, preventive and protective measures are taken in our projects. The cost risk associated with any damage that can still occur in a construction project due to unusual or exceptional weather events is assessed at project level and generally transferred to insurers.

Prevention of environmental incidents is also a top priority, as these can have a lasting negative impact on the environment, people, and wildlife, and can also adversely impact project profitability and the Company's reputation. As part of our environmental management, we identify potential hazards and factor them into project planning. We also record and analyze environmental accidents in order to be able to take preventive measures in the future.

In HOCHTIEF's core business of construction, carbon emissions are generated in the upstream and downstream value chains (Scope 3 emissions). This brings with it a major responsibility in terms of impact management, while at the same time sustainable business practices offer an opportunity to contribute actively toward climate change mitigation.

We rate the risks in connection with environmental issues as low.

Climate change drives increasing demand for resilient infrastructure and adaptive measures, including built structures for renewable energy, flood control, water supply and wastewater management, reconstruction of infrastructure damaged by extreme weather events, and investment in more resilient infrastructure. These examples demonstrate the new business opportunities available to HOCHTIEF on the strength of its capabilities. Furthermore, we already successfully serve the growing market for sustainable certification of buildings and infrastructure projects—an area in which we see substantial additional growth potential.

Financial risk

Financial management has the task of coordinating financial requirements within the Group and safeguarding its long-term financial independence at all times. To this end, HOCHTIEF proceeds on the foundation of sound Group financing secured for the years ahead and works to limit financial risk. Financial activities in the HOCHTIEF Group are conducted on the basis of a Group-wide financial directive. The general financial directive is supplemented with functional, operating-level work instructions. They also govern the use of financial instruments and derivatives, which may only be entered into for hedging purposes.

The primary objective of financial risk management is to safeguard Group liquidity at all times. For the HOCHTIEF Group, liquidity not only means solvency in the strict sense, but also the long-term availability of the financial headroom needed for the basic operating business (such as collateral management/bank guarantees). Safeguarding liquidity at all times therefore requires integrated management of all Group financial resources, including its credit standing and hence borrowing capacity.

A further objective is to minimize financial risks affecting the value and profitability of the HOCHTIEF Group (currency, interest rate, exchange rate, and commodity price risks of all kinds, as well as counterparty risks). HOCHTIEF uses largely centralized liquidity structures—notably cash pooling—to pool liquidity at Group level, among other things to avoid cash flow bottlenecks at the level of individual entities.

Principally HOCHTIEF's operational companies have natural hedges, i.e. revenues and costs typically occur in the same currency, however, in some cases HOCHTIEF is exposed to currency risk (transaction risk) if receivables, liabilities, cash and cash equivalents, marketable securities, and pending transactions are in currencies other than the functional currency of the Group company concerned in each instance. Currency derivatives, mainly forward exchange contracts, are used to hedge against fluctuations in these payments or items caused by exchange rates.

HOCHTIEF is exposed to interest rate risk through financial items primarily consisting of interest-bearing marketable securities on the assets side and financial liabilities on the liabilities side of the balance sheet. Two approaches are used to minimize this risk. Firstly, the Company uses natural hedging, meaning that it eliminates contrary interest rate risk from non-derivative financial instruments on the assets and liabilities sides. The second method is to use interest rate derivatives.

As a significant component of counterparty risk, the HOCHTIEF Group is exposed to credit risk from operations and from certain financing activities. HOCHTIEF performs risk management for operations by continuously monitoring trade receivables at operational company level. If a specific credit risk is detected, it is countered by recognizing an individual impairment in the necessary amount.

In addition, a strict separation of responsibilities is maintained within the Group between financing and trading activities on the one hand and the corresponding control and settlement activities on the other. All trading transactions are compulsorily subject to dual control at minimum. Compliance with all directives and requirements is regularly checked by the internal audit function.

Potential financial risks are tracked and monitored via the monthly reporting system. This includes cash budgeting with a long-term planning horizon (18 months) and thus provides the basis for coordinating and securing finance requirements at Group level. In addition to known amounts due under existing Group financing arrangements, cash budgeting also includes budgeting for cash inflows and outflows. The impacts of specified stress scenarios on the cash position are also presented.

No financial covenants feature in the respective documentation to HOCHTIEF Aktiengesellschaft's main financing instruments, comprising capital market and bank borrowing facilities, both syndicated and bilateral.

In light of our efficient financial management, we assess our overall financial risk as low.

Human resources and social risk

All employees contribute decisively to HOCHTIEF's business success. In this connection, our human resources strategy (further information in the HOCHTIEF as an employer section) delivers a valuable contribution to the HOCHTIEF corporate strategy. Although the situation on the labor market for some groups of employees continues to be tight, HOCHTIEF is able to meet most of its demand for qualified employees. The priority remains to convey a positive image and to maintain and further expand our attractiveness as an employer for different target groups and skill profiles. Furthermore, we want to develop and optimally deploy our employees and high-potential employees. We also ensure the achievement of these goals through the measures anchored in our Sustainability Plan 2025.

A systematic survey conducted on the basis of a risk guide captures major risk categories such as skill, motivation, staff turnover, and succession risk together with the potential impacts on HOCHTIEF. The risk management classification scheme in human resources is regularly reviewed for new risks and adapted as necessary.

We attach top priority to occupational safety and health protection for our employees (further information in the Employees section[1]) because every accident also means human suffering. In addition, effective occupational health and safety prevents project risks, since accidents at work have a negative impact on profitable project execution. Deficiencies in the area of occupational safety can also harm the Company's reputation.

Safety is the foundation underpinning all of our Group's guiding principles. Detailed hazard assessments serve to identify safety risks on project sites and in our offices as well as to counter those risks either preventively or with targeted action. The lost time injury frequency rate (LTIFR) is one of the most important non-financial key performance indicators. This underscores the importance of safety for HOCHTIEF and for this reason is also part of our Sustainability Plan 2025.

Our focus is on proactively avoiding work accidents and workplace-related illness. Regular action days, intranet and poster campaigns as well as training raise employee awareness of issues surrounding occupational safety, health, and environmental protection. This applies in equal to the contractors for whom we are legally responsible. Contractors for whom there is no direct legal responsibility are also closely involved in our occupational safety activities.

We classify the risk to our companies and activities with regard to occupational safety and health protection as low.

[1] The content of this section is not part of the statutory audit of the annual financial statements and consolidated financial statements but is reviewed in a separate limited assurance engagement on the non-financial reporting.

Risk arising from pension obligations

Largely covered by plan assets, pension obligations at HOCHTIEF are backed by sound asset holdings. Plan assets comprise a range of different asset classes based on balanced strategic portfolio allocation as well as the matching of portfolio structure to pension durations and the expected development of pension obligations. This broadly diversified investment strategy puts HOCHTIEF in a position to offset, to the greatest possible extent, capital market movements that affect the value of plan assets and any pension plan deficit. Changes in measurement parameters such as the discount factor or life expectancies can also lead to an increase in the pension obligations as measured on actuarial principles.

Risk arising from HOCHTIEF's pension obligations is rated as low.

Internal and technological risk

HOCHTIEF addresses IT risks at all levels of the organization. Under Supervisory Board oversight and Executive Board responsibility, policies are implemented by an IT security function with the support of specialized security consultants and capable operational service providers. Continuous awareness training ensures compliance by employees in their everyday work. IT service categories are clearly set out in service certificates forming part of our service contracts. Compliance with technical availability, data security, and integrity requirements is ensured by stipulating measurable targets. Steps are taken to ensure adherence to the exacting standards required in the case of mission-critical systems. The deployment of cutting-edge hardware and software coupled with digital and physical access control protect data from unauthorized access. Critical data is kept in separate fire compartments inside certified data centers. Regular external penetration tests verify the ability of our firewall systems to withstand cyber attacks. Confidential data and files—for data storage and e-mail, for example—are protected by technical and organizational measures such as the use of encryption systems. We are also vigilant with regard to cyber crime and adapt our measures to the latest threats on an ongoing basis.

Our IT Security Directive, which applies to the HOCHTIEF Europe division as well as the HOCHTIEF Americas division, is continuously refined on the basis of the latest standards and with the support of experts, and is verified by audits both in Germany and internationally. Our Group company CIMIC in the HOCHTIEF Asia Pacific division uses its own information and communication systems as well as corresponding directives, which are in line with the applicable HOCHTIEF directives. This ensures that the requirements on data security, confidentiality, and availability are met.

Data protection

HOCHTIEF takes the protection of personal data very seriously—for employees, clients, and business partners alike—and consequently pays particular attention to ensuring high standards of data protection when processing such data. Consequently, HOCHTIEF has a well-developed data protection organization, with data protection officers in Germany, the Czech Republic, the United Kingdom, Poland, and Luxembourg. Data protection coordinators assist management in complying with the obligations under the EU General Data Protection Regulation (GDPR) and Group data protection requirements. They are appointed by their companies and work closely with the data protection officers in charge. Support with regard to data protection law is provided by the Legal department.

HOCHTIEF has laid down standards for the handling of personal data in the HOCHTIEF Europe division in a Group data protection directive as well as in work instructions. Alongside regular training for data protection coordinators and all employees, this covers internal audits to verify compliance with data protection requirements. HOCHTIEF provides information on data protection for all employees on the corporate intranet. Processing of personal data at each HOCHTIEF company is tracked in the record of processing activities.

Personal data is processed on the basis of suitable technical and organizational measures for data security. Where processing is outsourced to service providers, these are subject to a meticulous selection process and monitoring and verification rights secured in a contract processing agreement. HOCHTIEF's data protection coordinators, data protection officers, and Legal department are involved in the process leading to any such agreement. This ensures compliance with high standards of data protection whenever outside service providers are used. In accordance with undertakings they are required to sign by HOCHTIEF, service providers ensure that personal data is processed solely in accordance with statutory requirements.

HOCHTIEF expects all employees to comply with data protection requirements in their everyday work. In order to be able to respond quickly and appropriately in the event of a data breach, HOCHTIEF has implemented an incident reporting process that can also be used anonymously. Any internally reported data breaches are investigated with the involvement of the responsible data protection coordinators, data protection officers, the Legal department and, where necessary, the relevant IT departments. In individual cases, outside legal advice is sought. Without exception, all breaches are exhaustively investigated and assessed. Where applicable, they are reported to the competent supervisory authority within the period required by law. Close cooperation with the supervisory authorities in this regard is a matter of course for HOCHTIEF. Incidents are documented and—if necessary—concluded with an action plan to prevent repeat occurrences as far as possible.

HOCHTIEF has not had any notable data protection incident to date. Given the rapid pace of developments, as well as the many requirements that apply and are subject to ongoing revision, HOCHTIEF will continue to place a commensurate focus on data protection in the future.

We classify internal and technological risk, including data protection risk, as low.

Project and contract risk

Project and contract risks are a key risk management category in our mainstream construction business. Engineering risks resulting from factors such as complex geology in construction projects thus feature among the challenges of our business. We address these risks with the engineering expertise and long-standing contracting experience of our expert workforce. Costing and pricing risks are inherent in all projects and the appraisal of project-specific change orders also harbors risks that are continuously monitored. Risks that require monitoring—such as a changed demand situation—also arise in our non-construction businesses and notably in resource services, public-private partnerships, and services.

As an engineering-led, global infrastructure group, HOCHTIEF also faces numerous contractual risks. Compliance is a key element in the implementation of our guiding principles. Our normal business operations expose us to a number of risks in connection with lawsuits, claims, and regulatory proceedings, even if it is our aim to avoid court cases wherever possible. In most cases, the outcome of legal disputes and regulatory proceedings is hard to predict. By involving our legal departments at an early stage prior to legal proceedings, assigning specialized in-house teams to accompany such proceedings, and mandating experienced law firms, we ensure that process risks are mitigated wherever possible. In addition to the costs and expenses arising from proceedings themselves, the possibility of adverse rulings in individual cases cannot be ruled out. Provisions for ongoing litigation are recognized on the basis of estimated risk. We consider these accounting provisions to be sufficient.

In the HOCHTIEF Americas division, risk relating to design issues significantly impacted the C470 project in Colorado, USA. The Flatiron project entailed adding tolled express lanes in each direction and replacing/widening bridges along a 20-kilometer-long segment of the C470, and reconstructing the interchange with the I-25. Flatiron claims the reimbursement of cost increases, a court ruling is expected in 2024.

Together with partners, Flatiron completed the New Champlain Bridge corridor project in Montreal, Canada. The joint venture was responsible for the construction of a new bridge over the St. Lawrence River. Construction was affected by a crane operator strike in 2018 and several design issues. As it was not possible to reach agreement with the client on the claims involved, the joint venture has been pursuing them in court since October 2021.

On February 13, 2012, CIMIC announced that it had reported to the Australian Federal Police (“AFP”) a possible breach by the Leighton International business of its Code of Ethics that, if substantiated, may have contravened Australian laws. The matter, has been, and in some cases continues to be, subject to the investigations below:

- In March 2014, the Australian Securities and Investment Commission ("ASIC") commenced a formal investigation into potential breaches of the Corporations Act relating to a number of matters being investigated

by the AFP. In March 2017, ASIC advised CIMIC that its investigation has concluded and it will take no further action.
- On May 22, 2018, the UK Serious Fraud Office ("SFO") announced it has charged individuals, none of whom are CIMIC employees, and on June 26, 2018 announced it has charged a company, which is not a member of the CIMIC Group. On July 19, 2019 the SFO announced that one individual had pleaded guilty to charges. Following trials in 2020 and 2021 the individuals were convicted on some charges. However, some of those convictions have been overturned on appeal. None of the juries' guilty findings relate to charges involving the CIMIC Group company contracts.
- On March 1, 2019, CIMIC entered into an investigation agreement with the Department of Justice ("DOJ"). On October 30, 2019 the US DOJ announced that in March 2019 three individuals not employed by CIMIC pleaded guilty to a charge of conspiracy to violate the Foreign Corrupt Practices Act.
- On November 18, 2020 the AFP advised CIMIC that it had charged an ex-employee with alleged offences relating to foreign bribery and related matters and on February 23, 2021 the AFP announced it had brought an additional charge in relation to foreign bribery. On January 11, 2021 the AFP informed CIMIC that it had charged a second ex-employee with related offences. The AFP has also indicated it may charge a further ex-employee and that its investigations continue. CIMIC does not know when the charges will be heard or the outcome of any investigation.

No CIMIC Group company has been charged. CIMIC continues to cooperate with all official investigations.

On August 25, 2020 the Company announced to the ASX that a group of shareholders initiated proceedings on August 24, 2020 relating to the period February 7, 2018 – January 22, 2020 with regards to disclosures about the Company's non-controlling 45% investment in the Middle East as well as the reporting of the Company's cash flows in the context of factoring arrangements. The Company denies there is a proper basis for the claim and is defending the proceedings.

CIMIC's wholly owned subsidiary, CPB Contractors, and its joint venture partner Hansen Yuncken, in a 50/50 JV, were awarded the design and construction of the new Royal Adelaide Hospital for the South Australian State Government. The project experienced difficulties and delays arising from the complex interdependencies between the State's works and the JV's works and a dispute between the parties arose. An arbitration to settle the dispute between the parties was commenced but has been delayed with hearings due to commence in 2024 with a decision made thereafter.

In the HOCHTIEF Europe division, a collapse occurred in the Rastatt Tunnel project. HOCHTIEF is part of a joint venture for the construction of a tunnel as part of the Karlsruhe-Basel high-speed rail link for German rail track operator DB Netz AG. In August 2017, a damage occurred at the partially constructed tunnel, with the subsequent temporary closure of the existing rail link along the Rhine Valley. The joint venture and DB Netz AG agreed to identify the causes and responsibilities in an extrajudicial dispute resolution proceeding which is still ongoing.

Based on the foregoing, we classify the risk arising from projects and contracts as low overall.

We cannot preclude the eventuality that it may be necessary to recognize significant impairment losses on our subsidiaries and associated companies in isolated cases in the future, both in the consolidated financial statements and in the annual financial statements of HOCHTIEF.

Investment risk

The investment process is governed at HOCHTIEF by an Investment Directive that defines the process, the approval procedure, and the applicable standards and instruments. As investment decisions are generally made under conditions of uncertainty, they frequently entail risk regarding the profitability of an investment—meaning the possibility of future cash inflows and returns from an investment project deviating negatively from the investment scenario, and hence of lower returns over the lifetime of the investment with an adverse impact on HOCHTIEF's financial position. Investment risk typically includes risk relating to mergers and acquisitions and to investments in companies over which HOCHTIEF does not have significant influence.

We classify overall investment risk as low.

Legal risk (including human rights, criminal offenses, and corruption)

Complex large-scale projects can involve legal risks. Provisioning has been made where necessary for all risks known to HOCHTIEF associated with legal disputes that are ongoing or are anticipated, legal claims, and official procedures relating to individual large-scale projects.

Human rights

Our efforts with regard to human rights are directed at mitigating human rights risks and preventing human rights due diligence violations. A human rights risk analysis was carried out in the reporting year for the Europe, Americas and Asia Pacific divisions in order to evaluate material human rights risks and environment-related risks in the construction business. Communications activities such as human rights trainings serve to increase employee awareness and sensitivity with regard to this subject. To this end, a dedicated human rights e-learning program was rolled out in the HOCHTIEF Europe division in 2023. Human rights risks were involved in project audits to ensure the effectiveness of HOCHTIEFs Human Rights Corporate Management System.

We rate the net risks in connection with human rights as low.

Compliance risk

A particular aim of our compliance system (further information in the Compliance section[1]) is to prevent corruption and antitrust infringements from the outset. This is put into effect by implementing a comprehensive compliance management system that is continuously monitored and improved. Among other things, one focus is on regular workforce training as well as by adopting suitable processes and systematic controls. It is thus the job of the compliance organization to put organizational precautions in place so as to secure compliance with prevailing law on the part of the Company, its decision-making bodies, and the workforce.

We therefore rate the risks in connection with compliance as low.

[1] The content of this section is not part of the statutory audit of the annual financial statements and consolidated financial statements but is reviewed in a separate limited assurance engagement on the non-financial reporting.

Opportunities from systematically pursuing the strategy

As an engineering-led, global infrastructure group with leading positions across its core activities of construction, services, and concessions/public-private partnerships (PPP) as well as operations focused in Australia, North America, and Europe, HOCHTIEF's strategy is to further strengthen its position in core markets and pursue market growth opportunities. At the same time, we are committed to cash-backed profitability and rigorous risk management. Our businesses are flexible, allowing management to quickly adapt to varying market conditions. Active and disciplined capital allocation is a high priority, and we intend to continue focusing on attractive shareholder remuneration as well as investment in strategic growth opportunities in order to generate lasting value for all stakeholders, while striving to simplify the Group's shareholder structure. We consistently balance economy, ecology, and social responsibility throughout all our business activities with the aim of safeguarding the Company's long-term viability. To this end, we apply a 360-degree focus, taking in our business segments and operating activities as well as our surroundings and the interests of our stakeholders.

Our strategy comprises the following elements:

- Focus on activities and geographies with strong competitive positions
- Harnessing opportunities resulting from megatrends
- Focus on sustainable and cash-backed profitability
- Continuous focus on risk management
- Maintaining a strong balance sheet and diversification and optimization of financing instruments
- Active and disciplined capital allocation
- Acceleration of innovation processes by making use of digital developments
- Enhancing our position as an attractive place to work
- Actively contributing to sustainable development

We continue to build on these elements and aim to exploit those opportunities that exist as well as those that may arise going forward to deliver additional positive outcomes for HOCHTIEF's business activities. Active stakeholder management seeks to anticipate issues of relevance to us, utilize business opportunities and market potential, and mitigate risk.

In both building and infrastructure construction, we profit from our leading role in sustainable construction and digitalization and we see further development potential in our markets. HOCHTIEF also sees business opportunities from climate change as a result of changing needs and requirements as well as major business potential for further related activities.

Our ability to innovate is a key driver of HOCHTIEF's business success and effectively contributes to making our activities sustainable. The organizational framework for innovation at HOCHTIEF provides the basis to generate value with innovation—in particular in the field of digital construction, which is steadily gaining in importance in the market. It helps us further improve the quality and efficiency of our work and enhance our competitiveness. The further improvement in the area of innovation can have a correspondingly positive impact on our business success as well as with regard to exercising our environmental and social responsibility.

Executive Board's overall assessment of opportunities and risks

In the 2023 reporting year, the Group continued to work on further improving its overall risk situation by increasing the focus on collaborative and lower-risk contract forms. The overall risk situation of the Group improved in the 2023 reporting year as a result of the increasing focus on collaborative and lower-risk contract models. HOCHTIEF will continue to work intensively to optimize its risk position even further. The risk management approach is kept under constant review and adjusted as necessary to preclude any volatility in HOCHTIEF's key performance indicators.

Systematic implementation of our uniform Group-wide strategy helps HOCHTIEF exploit opportunities as they arise. We expect to be able to counter potential risks and thereby avoid or reduce the negative impact on our business activities.

From the current perspective, based on their probability and potential impact on HOCHTIEF, the risks described in the foregoing report do not cast any doubt over the HOCHTIEF Group's ability to continue as a going concern.

Based on our analyses and the sound development of the business in 2023, we continue to assess HOCHTIEF's risk-bearing capacity as robust.

Report on relations with affiliated companies in accordance with Section 312 of the German Stock Corporations Act (AktG)

As there is no control agreement with our major shareholder ACS Actividades de Construcción y Servicios, S. A., the Executive Board of HOCHTIEF Aktiengesellschaft is required to prepare a report on relations with affiliated companies in accordance with Section 312 of the German Stock Corporations Act (AktG). This report concludes with the following statement from the Executive Board:

"We hereby declare that, according to the circumstances known to us at the time the transactions were entered into with the controlling company or any of its affiliates pursuant to Section 312 AktG, our company received appropriate consideration for each transaction.

No reportable measures were taken or not taken in the reporting period at the instigation or in the interests of the controlling company or any of its affiliates."

NON-FINANCIAL GROUP REPORT

Project in a nature reserve: HOCHTIEF UK is currently building an electricity tunnel in the Eryri National Park in North Wales. The lines are being laid underground as part of the "Visual Impact Program"—thus restoring the original landscape.

Non-financial Group Report[1]

Sustainability strategy and core reporting topics

The principle of sustainability is a fundamental part of the HOCHTIEF vision, our Group guiding principles, and HOCHTIEF's corporate strategy. The dedicated, long-term ESG strategy as an essential part of our corporate strategy underpins this. Implementation of the HOCHTIEF Sustainability Plan 2025 continues Group-wide with a broad variety of different measures. HOCHTIEF's understanding of sustainability is based on the concept of reconciling economy, ecology, and community in all business activities. Our overarching goal is to create sustainable value for all stakeholders (for further information, please see the Strategy section).

Current core topics of non-financial reporting are corporate governance issues (sustainable finance, anti-corruption and anti-bribery, responsible supply chain, and human rights), social issues (health and safety, diversity, skills, working environment, and social activities), environmental issues (climate change, circular economy, water protection, biodiversity and ecosystems, and sustainable products and services), and innovation/the digital transformation. To these are added the EU taxonomy-related disclosures.

In addition to the mandatory reporting, HOCHTIEF also ensures transparency regarding current sustainability performance by actively taking part in sustainability ratings—such as the Dow Jones Sustainability Index and the CDP—as well as by voluntarily providing information notably on the Group website, in publications, and in the social media channels of the Group.

Non-financial reporting is carried out in line with Section 315c in conjunction with Section 289c to 289e of the German Commercial Code (HGB) and Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088. In accordance with Section 315b (3) Sentence 1 No. 2a of the German Commercial Code (HGB), the non-financial Group report is published together with the Combined Group Management Report. We report in line with the Universal Standards of the Global Reporting Initiative (GRI) (for further information, please see the GRI index). HOCHTIEF Aktiengesellschaft is not subject to the preparation requirement under Section 289b (1) HGB and does not publish a separate non-financial report in addition to the non-financial Group report.

Business model

HOCHTIEF is an engineering-led global infrastructure solutions provider with leading positions in North America, Australia and Europe and a rapidly expanding presence in high-tech, energy transition and sustainable infrastructure markets. For more than 150 years, HOCHTIEF has been delivering complex large-scale projects for its clients based on its core competence of construction, and as a leading infrastructure group—based on share of sales—spans the entire life cycle of infrastructure projects.

Aspects in accordance with the German Commercial Code

All information required under the German Commercial Code (HGB) on environmental, social, and employee-related issues as well as compliance with human rights standards and combating corruption and bribery is presented in this Group Report. We use a non-financial key performance indicator (LTIFR, further information in the Combined Management Report), as well as other topic-related indicators, the latter are not treated as most significant non-financial indicators within the meaning of Section 315c read in conjunction with Section 289c (3) 5 HGB.

Cross-references to where the policies, processes, results, and risks relating to each aspect are presented are listed in a table on the following page. We consider the topic of Innovation/Digital transformation to be an enabler that contributes directly to all ESG focal areas and is therefore assigned to all material sustainability aspects.

[1] The content of the non-financial Group report is not part of the statutory audit of the annual financial statements and consolidated financial statements but is subject instead to a separate assurance engagement in accordance with ISAE 3000 (Revised), providing limited assurance, by Deloitte GmbH Wirtschaftsprüfungsgesellschaft.

Our separate non-financial Group Reports from 2021 onward no longer include the non-financial figures for Thiess, which was part-sold in 2020.

However, we voluntarily report information on emission figures for our Group companies Thiess and Abertis; yet this information is not included in the external audit of this report.

For all topics we consider material, we analyze the impacts, implement due diligence policies, assess the risks, and engage with stakeholders. We assess the materiality of topics through continuous review and evaluation of the aspects and material risks in accordance with the German Commercial Code. A presentation of the opportunities and risks significant for HOCHTIEF, including risks in connection with the above-mentioned aspects, is provided in the combined Management Report, in the Opportunities and Risks Report. We also report on this in the respective sections. The Group is currently not aware of any material risks within the meaning of Section 289c (3) Nos. 3 and 4 of the German Commercial Code.

Placement of material sustainability aspects in this Group Report

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HOCHTIEF Sustainability Plan 2025:
Progress as of 2023 (examples)

This and other progress we have made in the course of implementing our Sustainability Plan in 2023 is described in greater detail in the relevant sections of this Group Report.

75.3%
of Group units certified to
DIN ISO 14001

No environmental incidents
with severe impact (category 1)

~40,000
participants in
sustainability training units

Scope 1
36.4%
less CO_2e
(relative to 2019)

Scope 2
32.9%
less CO_2e
(relative to 2019)

Scope 3
22.4%
less CO_2e
(relative to 2019)

Annual waste recycling rate
88.2%

Life cycle analyses on
98
projects (since 2022)

100%
of projects in environmentally sensitive natural areas with action plans to conserve biodiversity

Certified green projects
1,238
by year-end 2023

Sales (in EUR bn)
~13.0
through certified green projects

The content in this section is neither part of the statutory audit of the annual financial statements and consolidated financial statements nor part of the separate limited assurance engagement by Deloitte GmbH Wirtschaftsprüfungsgesellschaft.

Participation in **Construction Inclusion Week** (USA) and **National Reconciliation Week** (Australia)

Launch of **Women@Turner** and **Women in Construction** (CPB Contractors) programs

Health and safety

0 fatalities in own workforce

ISO 45001

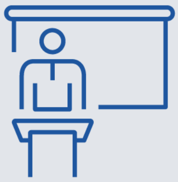
99%

of HOCHTIEF employees working in certified units

Further training

22.8

hours on average per person Group-wide



Budget for donations and sponsoring
(in EUR m)

6.1

92%

of employees in Europe **trained on human rights risks**

95%

share of **prequalified contractual partners**

85.5%

share of **procurement volume** sourced from **local suppliers**

Coverage:

>99%

of employees averagely participated in a **least one compliance training**

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Sustainability at HOCHTIEF
Handling project activities in a responsible way

Sustainability organization and governance

Sustainability responsibilities in the HOCHTIEF Group are clearly structured. The Chief Sustainability Officer (CSO) is a member of the Executive Board of HOCHTIEF Aktiengesellschaft and holds overall responsibility for sustainability in the HOCHTIEF Group, including climate-related issues. The CSO reports to the Audit/Sustainability Committee of the Supervisory Board.

The Sustainability Committee, chaired by the CSO, is HOCHTIEF's central steering committee for all sustainability matters. Its members comprise representatives of the Executive Board and of the Group companies together with the Sustainability Core Implementation Team. The Sustainability Committee monitors the implementation and progress of the HOCHTIEF Sustainability Plan 2025 (further information). It meets four times a year.

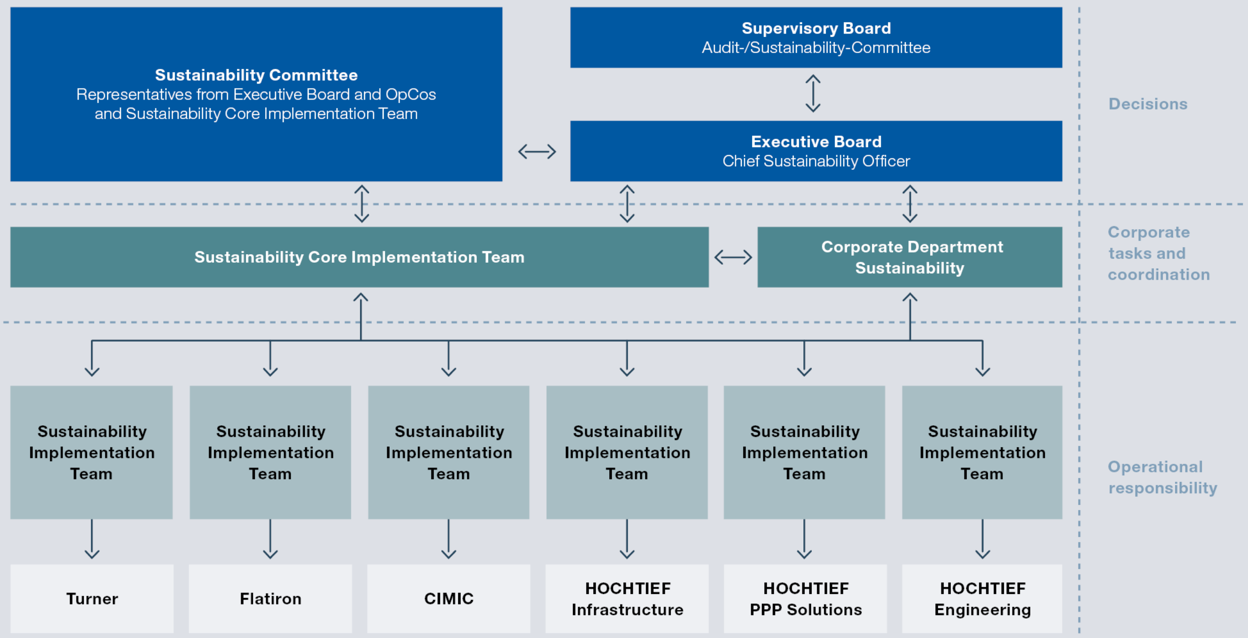
The Sustainability corporate department brings together and coordinates sustainability activities for the HOCHTIEF Group. It advises the Executive Board, the corporate departments, and the operational units on sustainability issues. The Sustainability corporate department is also the point of contact for external stakeholders such as ESG investors and ESG rating agencies.

The department's main tasks include implementing and further developing the Sustainability Plan 2025, integrated analysis of the environmental, social, and governance (ESG) issues, as well as developing and enhancing data monitoring and reporting in order to measure, verify, and report on the sustainable transformation.

In addition, there is the Sustainability Core Implementation Team, consisting of the CSO, ESG specialists, and innovation and communication specialists. The Sustainability Core Implementation Team meets on a weekly basis and is tasked with continuously analyzing and developing the Group's sustainability on the basis of the thematic areas described above.

Each operating company in the HOCHTIEF divisions has a Sustainability Implementation Team. These teams ensure that the HOCHTIEF Sustainability Plan 2025 is put into practice across the Group and its business activities. The Sustainability Implementation Teams report to the Sustainability Core Implementation Team on a fortnightly or monthly basis.

Sustainability Organization and Governance



HOCHTIEF stakeholder management: Involving stakeholder groups

Stakeholder involvement—whether relating to individuals or groups—plays an important role both in opportunity and risk management as well as in impact management. Construction is a people business as it brings us into close contact with numerous interest groups.

We are in constant dialog with a wide range of stakeholder groups and constructively address their various demands to take them into account in our work. Our aim here is to systematically track and give strategic consideration to major requirements and expectations in our processes. To this end, we engage with stakeholders and invite them to contribute actively in various ways.

Throughout the Group, we work with trade associations and non-governmental organizations and engage here with organizations that share our commitment to sustainability. Memberships are subject to a clearly defined process. In 2023, for the first time, HOCHTIEF screened the associations in which Group companies are members with regard to their positions on the Paris Agreement in order to rule out any potential misalignment on climate issues in the companies' affiliations. For materiality reasons, the screening was limited throughout the Group to organizations with membership fees of at least EUR 50,000 per year. The screening, which is to be carried out annually in the future, did not reveal any cases of misalignment or partial misalignment. HOCHTIEF thus supports trade associations that are expressly committed to climate action.[1]

Implementation of HOCHTIEF Sustainability Plan 2025 continued throughout the Group

Sustainability has long been part of the Group strategy and has been promoted extensively throughout the Group in recent years. The Sustainability Plan 2025, which was adopted in 2021 and came into force in 2022, establishes specific and measurable targets. It covers the main thematic areas relating to sustainability: the environment, social, and corporate governance. These three pillars are tied to commitments, key performance indicators, and targets. Activities and initiatives launched in 2022 were systematically continued in the reporting year. The working groups made up of members from the various divisions continued their work to this end.

[1] Please find further information on memberships at www.hochtief.com/sustainability/commitments

The Sustainability Plan is aligned with our business and is implemented in our project activities. An essential part of this is making sure that employees are informed and committed. Suitable initiatives ensure a strong focus on sustainability in the Group units, an approach that we further built on in 2023. ESG issues as well as the Group's strategic growth areas that enable sustainability played a special role at an in-house Convention held in Essen in September 2023, which was attended by 120 specialists and managerial staff from all corporate units. Such issues are considered key to the Group's future. An additional focus is on training in individual ESG topics. For example, we offer a full range of training, which was expanded in the reporting year to include the "27-minute ESG drive" series.

We switched the reporting of the sustainability indicators on environmental subjects to a quarterly basis in the reporting year to ensure that issues are addressed effectively and in order to carry out analyses and monitoring during the year. This gives us even better visibility of trends and developments, enabling us to take counteraction if necessary. A strong focus is maintained on sustainability throughout the Group, right up to top management level. Part of the performance-based portion of Executive Board compensation is thus tied to the achievement of sustainability targets.

You will find all commitments and indicators under the Sustainability Plan at the end of this non-financial Group report (Sustainability Plan 2025). The current status and latest outcomes of the ongoing project activities for individual commitments are described in the various sections of this Group Report.

Our goal: We intend to integrate ESG targets in the compensation of the Executive Board and executives Group-wide by 2025.

Status as of 2023: ESG targets have already been part of the variable compensation for members of the Executive Board since 2020. From 2024, performance-based compensation for additional management levels in the European units will also be made dependent, among other factors, on the achievement of individual sustainability targets. The necessary arrangements for this were made as planned in the reporting year. Similar policies for the compensation systems of other Group companies are in the detailed planning phase and are expected to be implemented by the end of 2025 at the latest.

Creating added value for clients with sustainability

The sustainability of a construction project is already determined at the design stage. It is at this juncture that we have the greatest influence on specific implementation aspects. HOCHTIEF has recognized this for many decades and supports numerous clients from an early planning phase with partnership-based business models. This is an integrated approach in which we work in dialog with all those involved to optimize the project and its delivery.

Established certification schemes—such as DGNB, LEED, BREEAM, GreenStar, and ISCA—provide the ideal basis for delivering projects sustainably. Clients benefit here from the long-standing experience of HOCHTIEF and its operating companies. Turner, for example, is recognized as a top supplier of green buildings in the industry ranking published by the Engineering News-Record (ENR) magazine. The measurability of sustainability performance in our projects is an increasingly important focus. HOCHTIEF's main scope for influencing sustainability in projects is to be found in the construction process and related activities, as well as in the rigorous planning process. Enhanced focus on sustainable construction processes is ensured at HOCHTIEF, for instance, through projects that are awarded DGNB "Sustainable Construction Site" certification. This covers criteria such as material use, resource conservation, transportation, avoidance of pollutants, and biodiversity conservation.

Client satisfaction and image are key success factors

How the public perceive HOCHTIEF and rate the Group is of importance to us. For this purpose, we regularly measure and analyze our reputation score using a representative online survey. In addition to strong brand awareness levels, HOCHTIEF has for many years achieved very positive reputation scores. In 2023, respondents confirmed the positive assessment from the previous year.

HOCHTIEF's reputation values[1] (%)

2020	2021	2022	**2023[2]**
88	93	93	**93**

[1] The figure shown is the sum of HOCHTIEF reputation ratings with scores of excellent, very good, and good.
[2] In a study by market research institute YouGov in Germany during the reporting year, 93% of respondents rated HOCHTIEF's reputation as good, very good, or excellent. The survey targeted decision makers in large companies.

Client satisfaction plays a major role in the Group's commercial success. Their feedback highlights opportunities and scope for improvement. To this end, we use various instruments on a decentralized basis, including surveys, analyses, and rankings. A client survey at the HOCHTIEF Europe division in 2022 during preparation of the Sustainability Plan showed high levels of satisfaction with HOCHTIEF's performance. Flatiron conducted a similar survey in the USA in the reporting year, with similar results. A new client satisfaction survey in Europe is planned for 2024. We aim to carry out surveys of this kind in all corporate units.

Direct contact and dialog with our clients is likewise important to us. We intensified this dialog in the reporting year with a series of events marking the Group's 150th anniversary. In addition, client events are an established format for direct exchange in the various Group companies.

Many of our companies' clients are multiple repeat customers and show their satisfaction in follow-up orders. One indicator of client satisfaction is consequently the repeat client rate[1]. In 2023, the repeat client rate across the Group as a whole was 71.3%[2]. The percentage sales generated with repeat clients stands in relation to percentage sales generated with new clients. In the reporting year, we have strengthened our activities for new market segments, such as digital and energy infrastructure, and were therefore commissioned by numerous new clients. Turner in the HOCHTIEF Americas division, for example, has even increased the sales figures with repeat clients by 13% in 2023 compared to the previous year, whereas sales with new customers tripled compared to 2022.

HOCHTIEF's good reputation is also reflected in numerous other very good ratings and rankings, including in the area of sustainability. For further information, please see www.hochtief.com/sustainability.

[1] We define repeat clients as clients who commission HOCHTIEF at least for a second time and use the repeat client rate to measure customer satisfaction.
[2] Weighted relative to Group work done in the reporting year

Reliable quality management

Our quality management system, too, provides structured, reliable processes to safeguard successful project outcomes. HOCHTIEF infrastructure and the CIMIC companies execute projects on the basis of the DIN EN ISO 9001 quality management system. Turner likewise works on the basis of standards. By employee numbers, ISO 9001 certification across the entire Group was increased significantly and now stands at 76.4% (2022: 65.2%).

Quality managers in the business units are responsible for ensuring compliance with the standards and develop improvement and verification measures as required. Throughout the HOCHTIEF Group, internal and external audits coupled with a continuous improvement process contribute to optimizing overall quality management.

In the HOCHTIEF Europe division, the Integrated Management System was comprehensively overhauled in 2023 and relaunched in terms of content and function. The new features were presented in detail on an Integrated Management System Day dubbed “By everyone, for everyone.” Employees were invited to presentations, discussion rounds, and a knowledge café.

Awards for sustainability performance

Our progress and achievements were again positively assessed and recognized on multiple occasions by third parties in 2023. For example, HOCHTIEF was once again singled out for its contribution to climate change mitigation, again achieving a “B” score (2022: “B”) in the CDP climate ranking, corresponding to Management status under the CDP criteria. As in the previous two years, we submitted the CDP water security questionnaire as well as submitting the CDP forest questionnaire for the first time. In 2023, HOCHTIEF has been included in the Dow Jones Sustainability World Index for the 18th time in a row for its performance in the areas of business/governance, environment and social affairs. The Dow Jones Sustainability World Index is one of the best-known sustainability indices and comprises the world's leading companies in the field of sustainability.

Additionally, HOCHTIEF was successfully listed or positively rated for its ESG performance in the following ratings in the reporting year: We received an “AAA” rating from MSCI for the first time, and HOCHTIEF further improved its Sustainalytics ESG rating in 2023 with an ESG Risk Rating of 23.5. This is mainly thanks to the assessment of the Company’s internal ESG risk management, which was rated “Strong,” putting HOCHTIEF in the top 5% worldwide in the Construction & Engineering sector. In the FTSE4Good ESG Rating 2023, we achieved a score of 3.2. EcoVadis awarded HOCHTIEF a platinum medal for the first time in 2023, placing us in the top 1% of the 100,000-plus companies rated worldwide.

1 | To inform the next generation about construction, we participate in open days—such as the WDR open day, where children were shown around the project at the Marienhof construction site.

2 | Continuous stakeholder dialog is important—this includes dialog with customers at client events such as in Switzerland in 2023.

3 | We maintain direct contact with our stakeholders, for example at the family day at the Sydney Metro City & Southwest construction site, with guided tours.


1


2


3

4

5

4 | Continuous stakeholder dialog also included HOCHTIEF's presence at Expo Real in Munich in 2023.

5 | Several ESG lunches were once again held throughout Germany with members of the core ESG team. These provide an opportunity to discuss and exchange views on sustainability topics.

6 | Sustainability issues were also discussed in depth at a convention with 120 international specialists and managerial staff from across the Group.


6

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Images: © DB ARGE Marienhof (1); © HOCHTIEF (2–6)

Environmental and climate protection

We aim to work in harmony with nature and protect the environment. But we also have a direct impact on the environment in delivering projects for our clients, because our activities influence the climate, soil, water, air, ecosystems, and biodiversity both directly and indirectly. These impacts can be significant, and our active commitment to environmental protection and climate change mitigation is consequently well established throughout the HOCHTIEF Group. We have identified global environmental management, climate change, the circular economy, water conservation, biodiversity, and ecosystems as well as sustainable products and services as material topics. The priority goal at all times is to generate added value, develop and actively offer sustainable solutions for our clients, and prevent our projects from negatively impacting the environment, or at least to reduce such impacts as far as possible. In accordance with the Sustainability Plan 2025, HOCHTIEF aims for climate neutrality by 2045.

Global environmental management

Environmental and climate protection organization and governance

The Group Directive on Occupational Safety, Health, Environmental, and Climate Protection stipulates organizational structures, coordination, and requirements at HOCHTIEF in relation to environmental protection and climate change mitigation matters in our business activities. Objectives here include protecting the health of project employees, the environment, and the climate together with efficient use of resources.

Whereas responsibility for managing and further developing global environmental issues at the holding company level lies with the Corporate Sustainability Department, operational environmental management is decentralized. The Group companies organize environmental protection and climate change mitigation matters in line with Group policies under their own responsibility and implement them in accordance with project-specific requirements and circumstances. They have their own resources available to do this: In-house environmental experts support the project teams in implementing statutory and corporate requirements within construction site processes. Corporate Auditing examines selected projects for compliance with all requirements.

The Group's global environmental and climate policy is implemented at company level by environmental management systems that ensure proper management of environmental risks and opportunities as well as the continuous improvement of corporate performance. The environmental management systems deployed at HOCHTIEF are based on the ISO 14001 international standard on environmental management.

In project activities, as specified in the management system, environmental protection plans are standard from the start of each project. Our experts assess the entire construction process for real and potential impacts. They also examine the areas surrounding our projects, such as adjacent developments and open spaces. Interaction with stakeholders, such as public authorities, users, residents, and organizations, is also important in all phases. By minimizing the risks and potential effects of environmental damage, and at the same time achieving improvements, HOCHTIEF's environmental protection plans also constitute active risk management.

Our goal: Increase the percentage of total employees covered by environmental management system certification (ISO 14001) to at least 90% by 2025

Status as of 2023: After the percentage of corporate units certified to the DIN EN ISO 14001 environmental management system standard had risen to 70% in 2022 (measured by the number of employees), the building construction units of HOCHTIEF Infrastructure and the HOCHTIEF Engineering, Nexplore and Debausie units achieved full certification in 2023, thus increasing our coverage to 75.3%. Certification at Turner is on track for 2024. This means that we have made another important step and again come much closer to our goal.

The Environment working groups established in 2022 throughout the Group for implementation of the Sustainability Plan continued their work in the reporting year. Their primary purpose is to exchange expertise, share best practices, and discuss and evaluate measures implemented by the various Group companies. They also hold regular meetings with all Group companies to discuss the status of implementation and target achievement.

The motivation and willingness of our employees to become involved in environmental protection is a key element in achieving our goals. In addition, knowledge, specialist expertise, and suitable processes are essential for ensuring that environmental matters are successfully addressed in our projects. We rely on training and on internal knowledge transfer, where specialists pass on their expertise in specific environmental topics to their teams and younger employees as best they can. We benefit from the global experience and network of experts in our Group companies.

Our goal: Increase awareness and expertise regarding environmental topics by training at least 50% of employees by 2025

Status as of 2023: In the reporting year, we carried out numerous trainings. For example, a lecture series was implemented that combines knowledge transfer with a personalized colleague-to-colleague approach. In the “27-minute ESG drive”, colleagues from operations present specific environmental topics of practical relevance. Ten of these lectures were held in the reporting year on topics as diverse as “Environmental footprint”, “EU taxonomy , and “Reduced carbon concrete”. Over 1,000 logins were registered at HOCHTIEF Europe for this lecture series. Corresponding tutorials are also already established, successful formats at the U.S. subsidiaries. A modular training program for engineers is implemented at CPB Contractors in Australia. New training courses were added in the reporting year, for example, sustainability training for employees in tendering projects or sustainability training for managers in the infrastructure area. In the reporting year, a total of approximately 40,000 participants from across the Group attended sustainability training units, many of which focused on environmental topics.

Avoiding environmental incidents

HOCHTIEF has the stated goal to adhere strictly to legal and in-house requirements and has defined clear rules and processes to this end. Environmentally conscious working practices also contribute significantly to risk management, as we always want to avoid incidents with negative environmental, social, and economic impacts. This is why our project teams become involved from an early stage. Right from the planning and work preparation phase, they work to develop prevention plans and implement them in the construction process, review them regularly, and adapt them when necessary. Experts identify and evaluate any risks and issue recommendations for action.

Despite this risk management and the high degree of care applied by our teams, incidents may still happen. HOCHTIEF classifies such damage into the three categories—Category 1: Severe impact; Category 2: Moderate impact; and Category 3: Minor impact.

Any Category 1 environmental incident must be reported without delay via the in-house crisis information system. We record all environmental incidents from the operational units via our reporting system. This reporting is mandatory under our crisis information policy. We analyze the reported incidents, process them, and define needs-based measures. The reporting of near-misses is not yet mandatory. However, these are also being reported in a growing number of cases. All reports provide relevant pointers to where situations and processes harbor risks and can therefore also result in measures. The Group reporting threshold for environmental incidents is USD 10,000 per violation.

Our goal until 2025: Zero environmental incidents with severe environmental damage (category 1)

Status as of 2023: As in the previous year, no category 1 incidents were reported in the HOCHTIEF Group in the reporting year. We have thus achieved our goal, and we will continue our efforts in this regard in order to avoid environmental damage as far as possible.

Material topic: Climate change

Materiality

In light of the considerable impacts of construction activity, climate change mitigation is a material topic for HOCHTIEF: Construction is energy-intensive and hence emissions-intensive. Large volumes of greenhouse gas emissions are generated in the construction business value chain, such as in the production of steel and cement (upstream) and in the operation of buildings (downstream). According to information published by the World Green Building Council, the buildings and construction sector currently accounts for around 35% of worldwide energy consumption, 38% of energy-related greenhouse gas emissions, and 50% of resource consumption.[1] For HOCHTIEF, climate-conscious behavior is therefore of great importance.

The negative impacts of climate change also affect our business directly: Our project teams apply proactive risk management due to the increasing frequency of extreme weather events (storms, increasing precipitation, extreme heatwaves, and droughts).

At the same time, we must prepare for the developments awaiting in the future, because even if greenhouse gas emissions are significantly reduced globally, extreme weather events occur increasingly. This places increasing demands on our buildings, which we have to make more resilient as a result. Rapidly growing demand for resilient infrastructure and the ability to be in a position to provide such solutions mean a wide variety of growth opportunities in our industry.

Strategy

We want to support climate-conscious conduct, reduce climate risks for our projects, clients, and users, and exploit the resulting opportunities. To achieve this, we are reducing greenhouse gas emissions, developing capacity for green energy on the market, and making infrastructure more resilient. In order to drive forward this development, we are cooperating closely with our clients, subcontractors, suppliers, and other stakeholders.

We work together with our clients as early as possible so that we can have the greatest impact on reducing greenhouse gas emissions during the life cycle of our projects. Our experts proactively offer sustainable solutions and perform life cycle analyses. We leverage our expertise in the areas of planning, construction, operation, and

[1] Source: World Green Building Council, Advancing Net Zero Status Report 2023

maintenance and also examine the transition at the end of the life cycle. Digitalization and innovation are important elements in our activities. We continue to strengthen our capabilities by providing employees with training and working closely with our suppliers, partners, and clients along the value chain. In addition, we share our knowledge in our global working groups and benefit from the wide range of expertise within the Group. At the HOCHTIEF Convention 2023, for example, we worked on the topics of decarbonization and life cycle with specialist and managerial staff from across the Group.

Our goal: Achieve climate neutrality ("Net Zero") by 2045.[1]

Status as of 2023: We reached three important milestones in the reporting year on the road to net zero climate neutrality by 2045.

Conformity with the Greenhouse Gas (GHG) Protocol:
A detailed GHG accounting analysis was conducted in the reporting year with the aim of carrying out reporting on the basis of the GHG Protocol, HOCHTIEF's previous reporting having approximated GHG Protocol compliance. The GHG Protocol is a globally recognized greenhouse gas accounting and reporting standard that specifies how consumption quantities and the resulting greenhouse gas emissions are accounted for. A major part of the analysis related to the need to incorporate additional Scope 3 categories that were not previously covered by HOCHTIEF's greenhouse gas accounting. Under the GHG Protocol, greenhouse gas accounting is expected to cover at least 67% of all Scope 3 emissions. To demonstrate compliance with this requirement, a detailed Scope 3 materiality analysis was conducted, in which all 15 Scope 3 categories were examined for relevance to HOCHTIEF's activities.

Based on this analysis, the following categories are reported from 2023 onward[2]:

3.1 Purchased goods and services
3.2 Capital goods
3.3 Fuel- and energy-related activities
3.4 Upstream transportation and distribution
3.5 Waste from operations
3.6 Business travel
3.7 Employee commuting
3.11 Use of sold products
3.12 End-of-life treatment of sold products

Specification of additional near-term targets for 2030:
In line with our commitment to a decarbonization pathway to limit the temperature rise to 1.5 degrees Celsius, we specified science-based near-term targets for 2030 in the reporting year. These are in addition to our net zero targets and our carbon reduction targets for 2025:

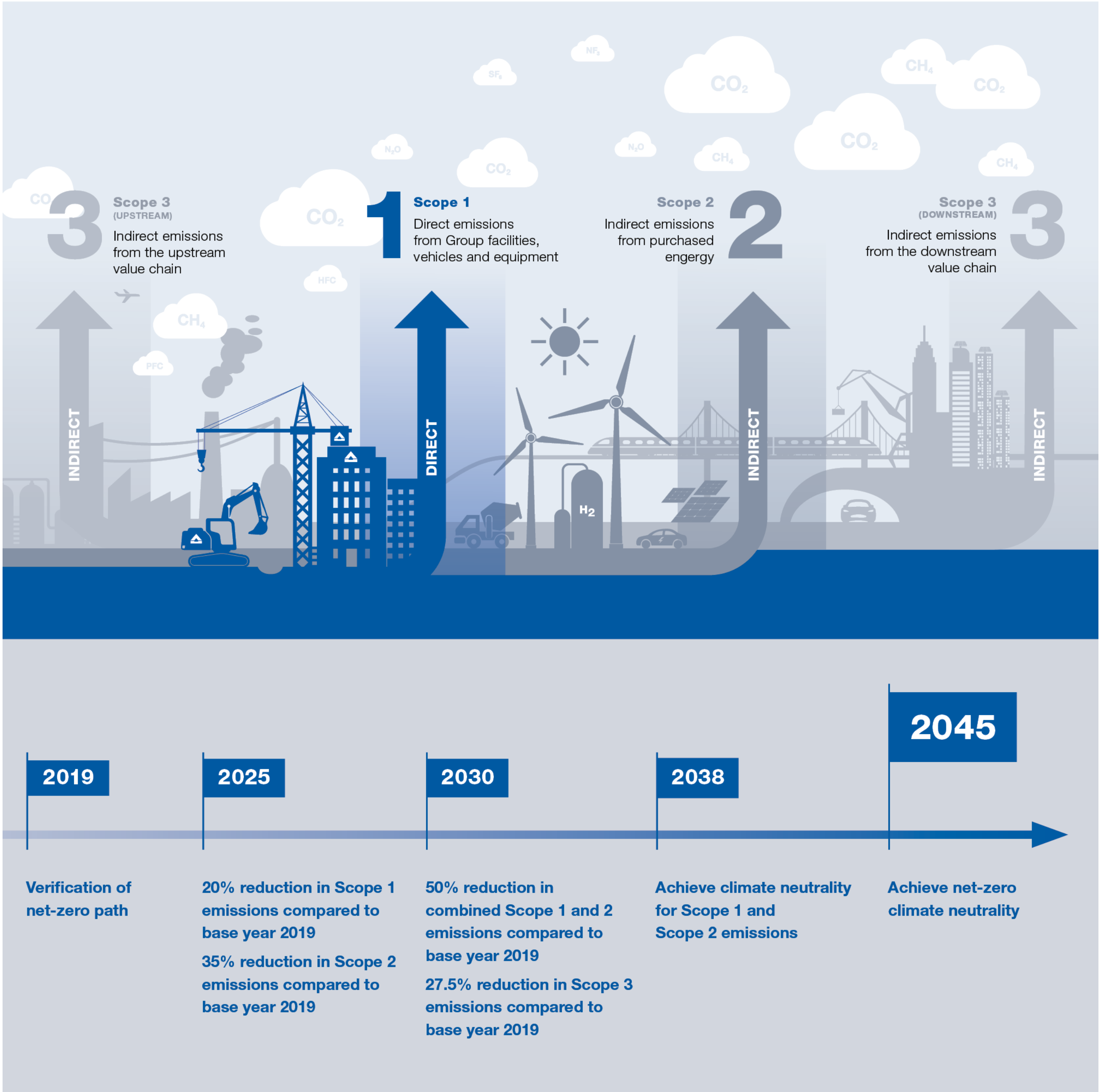
- A 50% reduction in combined Scope 1 and 2 emissions by 2030 relative to our 2019 baseline
- A 27.5% reduction in Scope 3 emissions by 2030 relative to our 2019 baseline

Net Zero Road Map:
During the reporting year, in order to substantiate our net zero reduction pathway, we worked in collaboration with all Group companies to compile a comprehensive roadmap with more than 50 decarbonization measures to achieve our reduction targets.

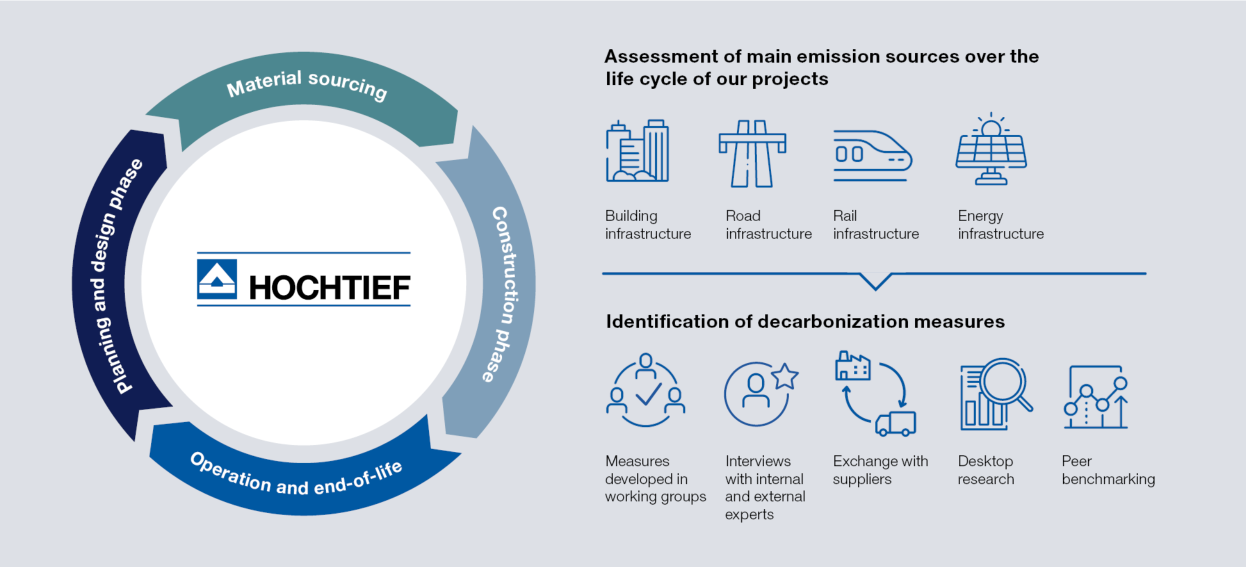
[1] CSR RUG (German CSR Directive Implementation Act) goal for the environmental matters dimension
[2] In addition, category 3.15 (Investment) is classified as material, but is not part of the external audit for 2023 due to differing reporting cut-off dates. We voluntarily report information on emission figures for our equity-accounted entities Abertis and Thiess (under "Sustainability information on other associates"). HOCHTIEF does not consider the remaining five Scope 3 categories to be material to our business.

We evaluated the measures for the reduction pathway both qualitatively and quantitatively. Implementation of the measures varies from region to region and is based on client and project requirements and the respective market situation. Measures have been specified to reduce Scope 1 and 2 emissions and all material Scope 3 categories, including the upstream and downstream supply chain. We pay particular attention to measures that reduce embodied carbon (design, construction process, machinery, materials) and operational carbon (design, operating, and maintenance processes). The Net Zero Road Map paves the way to achieving HOCHTIEF's ultimate climate neutrality targets as well as the interim targets set. Crucial factors for successful implementation include actively offering low-GHG solutions to clients, taking into account the full project life cycle as well as the deployment of innovative and digital methods.

Commitment: Net zero/Climate neutrality by 2045



Analysis of emissions at HOCHTIEF



Current Scope 1, 2, and 3 developments

Our goal: For Scope 1 and Scope 2 emissions, we aim to be climate-neutral by 2038, and accordingly have specified short-term reduction targets through 2025. We thus plan to reduce Scope 1 emissions by at least 20% and Scope 2 emissions by at least 35% compared to the 2019 base year.

Status as of 2023: We have implemented multiple reduction measures for both Scope 1 and 2 in all regions. In 2023, we reduced absolute Scope 1 emissions by 36.4% and absolute Scope 2 emissions (location-based) by 32.9%. Based on the company's total sales, we reduced our Scope 1 intensity by 40.8% and our Scope 2 intensity by 37.5%. This means that we are even ahead of our targets.

In the form of the combined Scope 1 and Scope 2 reduction target in the reporting year, we have already set ourselves an additional interim target (near-term target) of a 50% reduction in emissions by 2030 relative to our 2019 baseline.

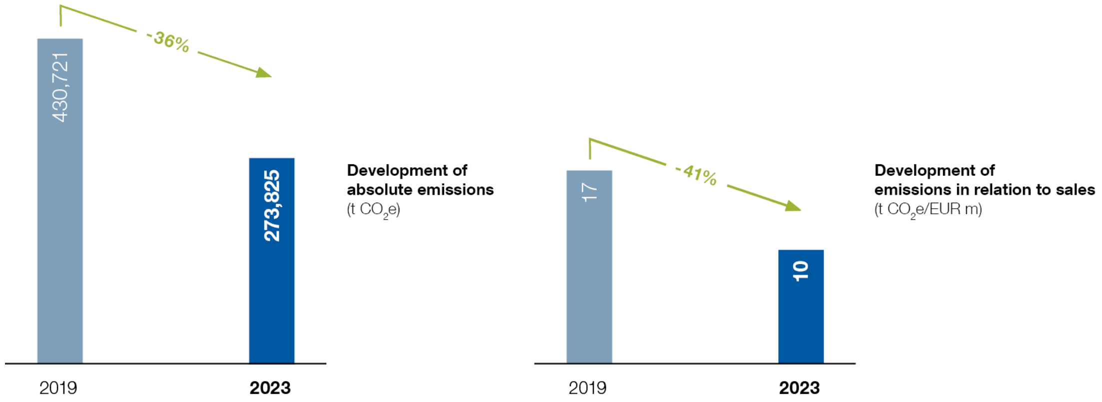
Relative to our 2019 baseline, we have reduced the combined absolute Scope 1 and 2 emissions in the reporting year by 35.4% and, considering our increased sales, we have even reduced our combined Scope 1 and Scope 2 intensity by 39.9% compared to our 2019 baseline.

Scope 1

The main measures for reducing our Scope 1 emissions are as follows:

- Reducing energy consumption by increasing the efficiency of vehicles and equipment in deployment
- Reducing energy consumption by increasing efficiency in the use and operation of machinery and equipment, by means of training, measuring and monitoring campaigns, the use of telematics, AI, IoT, and advanced driver assistance systems
- Substituting fossil fuels with low-carbon renewable fuels
- Switching from fossil-fueled machinery and equipment to low-carbon electric propulsion (including hybrid)
- Increasing use of electric vehicles (recommended in our company car policies)

Scope 1 emissions (t CO_2e): 2019 to 2023



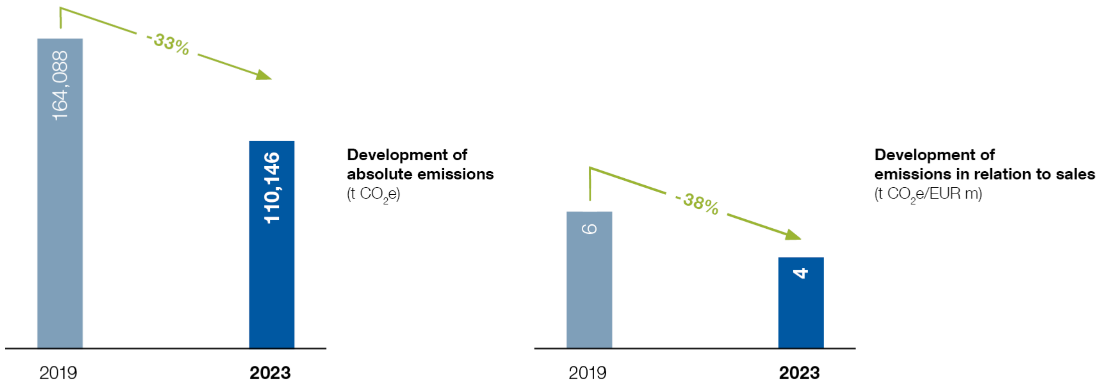
KPI: Reduce Scope 1 emissions by **at least 20%** until 2025 compared to base year 2019
A detailed breakdown of the greenhouse gas emissions is shown on the performance indicators pages.

Scope 2

The main measures for reducing our Scope 2 emissions are as follows:

- Reducing consumption by identifying avoidable energy consumption through measurement and monitoring of our own buildings and construction sites (measurement and control)
- Reducing consumption by increasing the energy efficiency of our own buildings and construction sites (technical measures such as LED lighting, sensors, and IoT)
- Generating renewable energy on our office buildings and construction sites (e.g., solar panels)
- Procurement of green electricity

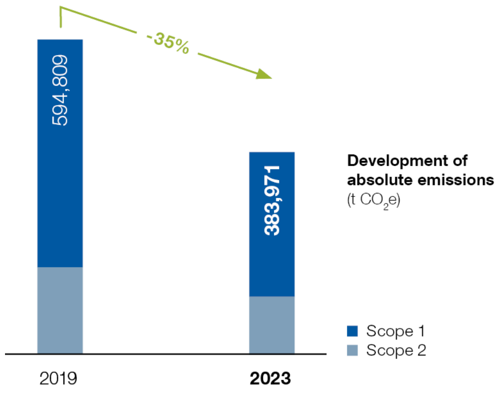
Scope 2 emissions (t CO_2e): 2019 to 2023[1]

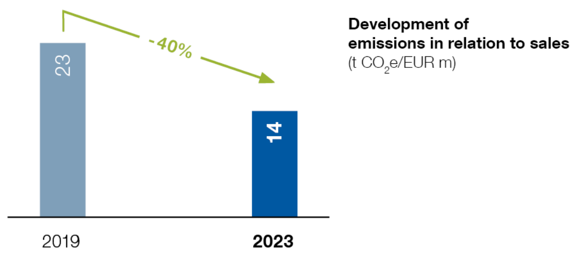


KPI: Reduce Scope 2 emissions by **at least 35%** until 2025 compared to base year 2019
A detailed breakdown of the greenhouse gas emissions is shown on the performance indicators pages.

[1] The Scope 2 emission data is location-based. For information on market-based Scope 2 emissions, please see the performance indicators pages.

Scope 1 and Scope 2 emissions (t CO_2e): 2019 to 2023



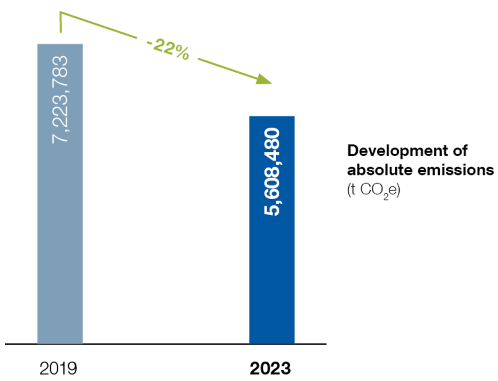


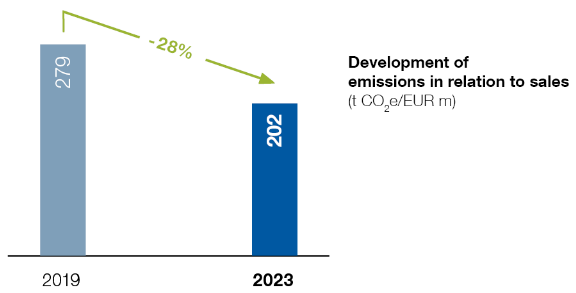
KPI: Reduce combined Scope 1 and Scope 2 emissions **by at least 50%** until 2030 compared to base year 2019
A detailed breakdown of the greenhouse gas emissions is shown on the performance indicators pages.

Scope 3

We have reduced absolute Scope 3 emissions by 22.4% relative to our 2019 baseline and have thus already made very good progress toward our 2030 reduction target (near-term target) of 27.5%. Considering our increased sales, we have even reduced our Scope 3 emissions (intensity terms) by 27.7% compared to the 2019 base year.

Scope 3 emissions (t CO_2e): 2019 to 2023





KPI: Reduce Scope 3 emissions by **at least 27.5%** until 2030 compared to base year 2019
A detailed breakdown of the greenhouse gas emissions is shown on the performance indicators pages.

We have specified decarbonization measures for all material Scope 3 categories in our Net Zero Road Map. The highest emissions are in categories 3.1 “purchased goods and services” and 3.11 “use of sold products”.

There are two main packages of measures in the purchased goods and services category. We actively work to reduce the volumes of construction materials required, primarily through optimized design, for example, by using digital applications, parametric design, shell structures, or prestressed elements, as well as through optimized design techniques such as prefabrication and modular construction. In addition, there are plans to reduce material-specific emissions: This can be done by reducing the emission values in the production of conventional materials, increasing the use of recycled materials, and using more eco-based materials. We liaise with suppliers and subcontractors to this end.

In the use of sold products category, we provide energy-efficient and resilient solutions for clients. The energy required for heating, cooling, and lighting is minimized by means of optimized design solutions. We can also reduce emissions by integrating renewable energy generation into a project—using solar panels, for example, or geothermal energy. The progressive decarbonization of global energy generation is also helping to reduce emissions in the operating phase.

Examples of climate change mitigation projects for the categories with the biggest emissions in practice during the reporting year are provided here.

Material topic: Circular economy

Materiality

The global resources of raw materials are inevitably limited, yet the production chains are to a large extent linear. Commodities are extracted, processed, and disposed of after use. The effects of the increasing scarcity of such raw materials are increasingly evident, as shown, for example, by the declining availability of sand as an aggregate[1] in certain markets. This calls for a radical change in our economic activities—the transition from a linear to a circular economic system.

While the circular economy is a model of production and consumption, a crucial role in minimizing the need for newly extracted commodities is played by reuse, repair, recycling, and longer-lived products. The circular economy is also an integral element of the United Nations Sustainable Development Goals.

Our own industry, construction, is responsible for considerable environmental pressures due to its resource use, energy consumption, and waste generation. Construction and demolition waste makes up an estimated 37.5%[2] of total waste in the European Union, a region considered to be in the vanguard of developing the circular economy.

HOCHTIEF embraces its responsibility across the entire life cycle of its projects and services. We live up to this responsibility and are committed to contributing for the long term to the construction industry's transition to a circular economy. This includes developing resource-efficient solutions, disseminating knowledge about the use of recycled and/or certified products and materials, proactively offering suitable options or alternatives to clients, and specific waste management processes. The ability to develop and provide solutions for the circular economy is also an increasingly important competitive advantage and the basis for our long-term business success. Accordingly, the circular economy is a material topic for HOCHTIEF.

Strategy

Responsible management of environmental aspects and construction materials is a long-established feature of HOCHTIEF's project activities. Our experience in design, construction, operation, maintenance, and finance enables us to provide our clients with sustainable solutions over the entire project life cycle. We continuously build on this expertise and share it with relevant stakeholders to ensure that sustainability is integral to everything we do. The expertise and intrinsic motivation of all who contribute to our projects are the key to effective execution. This is why we invest in creating awareness. Through training, we enable employees to work proactively with

[1] Source: United Nations Environment Programme, "Sand and Sustainability", 2019
[2] Source: eurostat, Waste Statistics, Waste Generation 2020

clients, suppliers and consortium partners to advance the transition to a circular economy. Close cooperation with relevant stakeholders is crucial for the success of the transformation and for our ability to deliver on our commitments.

We offer technical solutions for all stages of the projects we are involved in, from pre-planning and construction through to operation and maintenance. The greatest impact can be achieved if HOCHTIEF is involved from the early stages of a project.

With the help of life cycle analyses, innovative design approaches, digital solutions, and alternative building materials, we lay the foundation for circular project life cycles. Implementation of these approaches depends on good information management.

An essential digital method is Building Information Modeling (BIM). Using BIM, all phases of our projects can be planned and simulated in close detail, which results in more efficient use of material and less waste. The quantities of material needed can be precisely determined, thus minimizing overproduction and surpluses. BIM also records a wealth of information about each and every building element, which makes for better planning of service life, maintenance, and replacement. This extends building longevity and promotes the reuse of materials. Digital monitoring of building systems can also significantly enhance energy- and resource efficiency during the operation phase of a project. Due to these and many other benefits, HOCHTIEF aims to continuously increase the share of projects in which construction materials are digitally tracked.

Our goal: We aim to increase the share of construction projects recording building materials digitally by at least 10% from year to year

Status as of 2023: In 2023, we enhanced our expertise and strengthened our focus on this topic. Significant construction materials were digitally recorded in 18 active projects (2022: 15) in fiscal 2023, an increase of 20% in the reporting year compared to the previous year. We have thus achieved our annual goal. The data recorded to calculate our target attainment also includes projects that only cover individual material groups.

The precise recording and storage of data on all construction materials thanks to the ability to create a digital twin means that BIM and other digital tools also provide a very good data basis for life cycle analysis (LCA). This is a further integral part of our efforts to deliver projects in the future along circular economy principles. LCA enables us to identify material and energy consumption over the entire project life cycle and work out measures to improve energy efficiency before the ground is even broken.

LCA also includes the end-of-life treatment of a project. It can show in detail what materials in a project can be reused or recycled at the end of its service life. Having this information makes it easier to dismantle and reuse materials at the end of their service life, or use them in other projects. This forward visibility is essential to ensuring that materials in projects completed today can be efficiently recovered decades into the future. LCA enables us to provide our clients with maximum transparency into the entire project life cycle. As well as allowing sustainable solutions to be assessed over the long term, it also allows better quantification of the ensuing benefits. The integrated analysis also permits clients to make informed decisions about the quantities and nature of construction materials used in their project.

Our goal: Promote life-cycle/circularity analyses by actively engaging with clients and performing these analyses in at least 200 construction projects by 2025

Status as of 2023: The formerly diverse approaches in the Group were standardized in the reporting year: The Circular Economy working group developed and published a guideline with a definition, the corresponding commitments, and opportunities for action. We proactively offer life cycle analysis as a service to our clients, enabling us to develop sustainable solutions and optimize projects over their entire life cycle. LCA is an important element of the circular economy and our efforts for decarbonization. Performing life cycle analyses not only leads to increased project-specific efficiency in terms of energy and material, but frequently also to cost savings. We leverage our expertise in design, construction, operation, and maintenance in optimizing project execution.

Life cycle analyses have been performed for a total of 98 projects in all regions since 2022 (2022: 62), bringing us significantly closer to our target of 200 projects by 2025. These efforts constitute an important element that we will continue to actively promote in the future.

A significant example from the reporting year is the YEXIO data center project by HOCHTIEF PPP Solutions. Systematic use of life cycle analysis before the start of construction enabled the design to be optimized. For much of the project, sustainable wood replaced carbon-intensive concrete as a construction material, making it possible to save 600 metric tons of CO_2. In addition, the wood itself stores 945 metric tons of CO_2. Following completion, emissions during the utilization phase are to be reduced through energy-efficient solutions. These measures thus also lead to long-term cost savings in addition to reductions in greenhouse gas emissions.

HOCHTIEF has set itself the objective of actively shaping the transition to a circular economy and has developed several commitments to this end as part of the HOCHTIEF Sustainability Plan 2025.

An important part of these commitments goes beyond BIM and life cycle analysis to also take in the achievement of high waste recycling rates and increasing the use of recycled construction materials.

Achieving HOCHTIEF's goals with regard to the circular economy crucially depends on the proper management of waste and the tracking of waste generation at source. HOCHTIEF initiatives in the field of waste management include the following:

- Preparation of a waste management plan at the design stage of each project, with measures to ensure that such plans are incorporated into project planning;
- Avoidance of waste, and especially hazardous waste, wherever possible;
- Waste separation on construction sites, with systems to ensure on-site implementation;
- Setting of project-specific targets for waste reduction, recycling, and/or reuse;
- Incentives for subcontractors to recover and recycle construction materials;
- Maximization of demolition waste recovery and recycling;
- Creation and implementation of tracking systems to monitor and assess waste disposal methods and quantities;
- Exploration of options for converting waste into new functional materials.

Thanks to individual waste disposal concepts, which HOCHTIEF experts develop on a project-specific basis, material flows for and on construction sites can be rationally controlled. For example, the quantity of waste produced and materials required is calculated, potential uses for the waste within one and the same project or other projects are identified, and transport and disposal routes are planned efficiently. We aim to avoid empty runs wherever possible. A number of companies use special systems for calculation and separation by type, such as Turner's digital waste tracking system or the Smart Waste initiative at HOCHTIEF PPP Solutions.

In order to avoid damage to people and the environment, we exercise due care when handling hazardous materials, the use of which is sometimes unavoidable when it comes to construction projects. As well as the relevant legislation, observation of our internal instructions is also mandatory. In the HOCHTIEF Europe division, we use a software application that identifies the stipulations in hazardous substance lists. This tool contains specific instructions, precise information on individual hazardous substances, and safety data sheets. In demolition, conversion, or revitalization projects, critical constituents must be identified prior to the start of the project so that they can be disposed of safely and in accordance with regulations. Our employees are trained to be aware of such matters.

Our goal: In order to further improve our contribution to the circular economy, we have defined the following Group targets:
- **Achieve annual recycling rate for waste of at least 80% by 2025 and increase the rate consecutively afterwards**
- **Reduce self-generated hazardous waste to less than 1% of total waste by 2030**
- **Achieve zero waste to landfill by 2045**

Status as of 2023: The annual target was met with a waste recycling rate (including reuse) of 88.2% in the reporting year (2022: 88.7%). The ratio of self-generated hazardous waste to total waste volume was less than 1% (2022: less than 1%). A total of 1,138,391 metric tons of waste was disposed of by landfill in 2023 (2022: 1,228,625 metric tons), meaning a reduction of 7.3%.

During the reporting year, the Circular Economy working group developed a Group-wide position paper on the circular economy. This outlines the steps and action areas involved in achieving circularity. The experts regularly exchange experience and best practices and provide project support so that measures can be executed within the projects.

Examples of waste avoidance in practice during the reporting year are provided here.

As well as reducing the amount of waste we produce, using recycled materials in our projects is a key step towards a circular economy. HOCHTIEF is committed to continuously increasing the proportion of recycled construction materials, but we are also dependent on market availability, character of projects and clients acceptance. Recycled material can only be used in our projects if its quality can be guaranteed. In addition, climate change is likely to increase the demands on our projects, so the materials we use will need to be even more resilient in the future. Accordingly, our most commonly used materials vary considerably in terms of their potential for reuse.

Our goal by 2025: Promote reuse and increase the rate of recycled building materials steadily

Status as of 2023: We have made good progress and achieved high recycling rates during the year, particularly for the most frequently used construction materials steel, asphalt, and concrete. For example, the recycling rate for construction materials increased to 67% for steel (2022: 49%), to 6% for cement (2022: 5%), and to 5% for wood (2022: 4%). At 22%, the recycling rate for conrete is relatively constant compared to the prior year (2022: 24%), whereas it decreased to 33% for asphalt (2022: 50%) due to availability of recycled asphalt and the characteristics of the projects.

Material topic: Water conservation

Materiality

Water is an increasingly scarce resource whose availability depends on natural factors such as climate zones, topography and river network connectivity. Today, water availability is notably impacted by anthropogenic influences. Water stress tends to occur in densely populated and heavily farmed regions. Shortages are exacerbated by climate change, which is leading to increasingly irregular and intensive rainfall, periods of drought, and large temperature variations.

With regard to water quality, excessive fertilizer use, the release of pollutants, and waste contaminate water bodies, with negative effects on sensitive aquatic ecosystems. Protecting water is consequently of prime importance.

The construction industry uses considerable quantities of water. Water is needed both to produce construction materials and in the construction process, as well as in subsequent operation—to cool machinery and concrete, for instance, or to suppress dust. Construction projects can also affect the hydrological regime in the surrounding area, such as in ground compaction, ground surface sealing, vegetation clearance, dewatering, or lowering of the water table. Major infrastructure projects such as canals and dams can directly alter the structure of water bodies. Potential negative consequences include water shortages, flooding, and water pollution, which can have significant ecological, economic and social impacts. Projects also have to withstand the increasingly severe conditions of the future. Water and water protection are consequently material topics for HOCHTIEF. We see it as our responsibility to conserve this resource.

Strategy

Effectively conserving water calls for an integrated approach that also takes into account the upstream and downstream value chain. By performing life cycle assessments as soon as possible, we can work with suppliers and subcontractors to provide our clients with proactive water conservation solutions from an early project stage. Our life cycle expertise enables us to develop and implement innovative solutions throughout the entire project life cycle. Water conservation plays a key role in the preparation and realization of our projects. The Group-wide Water working group develops standardized methodologies for surveying water availability and approaches for sustainable water management.

A position paper prepared in 2022 by the working group, “HOCHTIEF commitment to water conservation,” approved by the Executive Board and published January 2023, was rolled out across the Group over the course of the year. The position paper, which sets out binding definitions of water-related indicators in the Group, forms the starting point for the implementation process of the water-related commitments in the Sustainability Plan 2025. This enables both operating companies and partners to understand and put into practice our values, goals, and options for action.

The position paper provides cross-cutting guidance within the HOCHTIEF Group. Despite this, the huge diversity of our projects and of local conditions means that each project has to be considered individually in order to identify the best possible solutions for water conservation from an early stage.

Several HOCHTIEF companies work in regions impacted by scarce or short supplies of water, for instance, Australia, Asia, or North America. In addition, periods of heat and drought are becoming increasingly common in Europe, with the result that critical situations for the hydrological regime may also arise in those regions. To address such scenarios, we have committed to implementing a water conservation plan for all projects in regions under water stress. A framework for these plans has been developed by experts within the Group and made available to all units. In addition to definitions of key terms and best practice examples, the water conservation plans also show the various sub-aspects of water conservation together with potential measures to be taken.

There are numerous ways of reducing water requirements on construction sites. The use of soil binders, for instance, helps to significantly cut the amount of water required for dust control, and at the same time meets the requirement to reduce soil erosion and the spread of dust. Planting vegetation can have the same effect. Multiple use of recycled water at project sites is now also common.

In addition, in cooperation with public authorities and stakeholders, project teams actively look out for ways to recycle or reuse water multiple times. They evaluate environmental conditions, the potential volume of water required, available sources, the regulatory environment, and obligations to property owners. Within the HOCHTIEF Group, expertise is gathered for the full gamut of applications and shared with each other. In this way, we can offer our clients the best possible solutions for their projects, while delivering them more cost-effectively and sustainably by conserving resources. Throughout the HOCHTIEF Group, water conservation is to be made a greater focus in all projects. The extent to which water can be recycled or reused is largely determined by the relevant project and local conditions.

Our goal by 2025: Implement measures to reduce water consumption and achieve an annual water recycling/reuse rate of at least 10% of total water withdrawn

Status as of 2023: Thanks to extensive measures to reuse water, some quantities of water were saved in the reporting year. A water recycling rate of 6% was achieved in 2023 (2022: 14%), thus cutting consumption by 352,815 cubic meters. Even though project-related conditions caused the recycling rate in the reporting year to fall slightly short of our target, we are confident of our ability to achieve a recycling rate of at least 10% in the future. At 18%, the average recycling rate over the last three years is still significantly above 10% (further information).

Our goal: Promote water protection on all projects, implement water protection plans, and execute corresponding measures in 100% of the projects in water-stressed areas by 2023

Status as of 2023: In the reporting year, a water conservation plan was implemented in 79 out of 79 projects in water stress regions, corresponding to 100% target achievement. This figure was tracked for the first time in 2023.

Extensive awareness campaigns were conducted in the operational units in 2023. Flatiron, for example, required all project staff to attend in-person or online training sessions that covered the importance of water management on construction sites, best practices for water conservation, and methods for saving water. This campaign generally helped in implementing a water conservation plan during the reporting year in projects in water stress regions.

Practical examples of water conservation projects from the reporting year can be found here.

Material topic: Biodiversity and ecosystems

Materiality

Biodiversity is an essential component and indicator of functioning ecosystems. We are dependent on such ecosystems as they keep our planet habitable for human life. Producing oxygen, supplying food, and purifying water are just some of the most important ecosystem services without which we would be unable to survive.

As a construction group, we are conscious of the sometimes significant impact we have on biodiversity and ecosystems. Among other impacts, our construction and contracting activities can lead to habitat fragmentation, ground sealing, and local biodiversity losses. The topic is therefore material. In light of these influences, we regard it as our obligation and responsibility to understand, protect, conserve, and restore ecosystems and their biodiversity. We place a particular focus on projects in environmentally sensitive areas. HOCHTIEF aims to develop, offer, and apply long-term initiatives to proactively conserve ecosystems and enhance biodiversity.

Strategy

Given our significant impact on biodiversity, we emphasize an integrated approach, taking in the entire project life cycle and involving clients, suppliers, and subcontractors. We deploy our life cycle expertise to proactively offer our clients solutions for the protection of ecosystems and to implement them together with our partners.

HOCHTIEF delivers projects in various continents, climate zones, and habitats around the world that vary significantly in terms of biodiversity. This makes it necessary to consider each project separately in our operational units in order to deliver fit-for-purpose, tailored sustainable solutions. Specific measures to protect biodiversity and ecosystems are developed and implemented in the units. In particular, there are considerable differences according to project and context with regard to the initial assessment of biodiversity and the anticipation of potential impacts. HOCHTIEF continuously seeks to instill and strengthen this awareness throughout the Group. To this end, the Group implements a wide variety of internal initiatives and proactively recommends measures to conserve biodiversity to our clients. In a position paper, “HOCHTIEF commitment to biodiversity and ecosystems,” we provided our employees with guidance on the topic in 2022 and explained the focus of the adopted measures. Biodiversity conservation is to feature increasingly as part of our procurement processes in the future so that we can also deliver on our responsibility for impacts in the upstream value chain. Life cycle analyses enable us to better assess the consequences of our construction and operating activities and provide our clients with solutions optimized for sustainability.

Our goal: Create awareness for the preservation of biodiversity and ecosystems on all projects.

Status as of 2023: A Group-level biodiversity risk assessment was drawn up and published in 2023 in order to identify and quantify the various influences and risks and specify suitable mitigation measures. Internal experts held training sessions on effective action planning. The primary objective here is to elicit awareness and understanding, while also defining and implementing suitable measures for the various project phases. Definitions have also been standardized by the working groups throughout the Group to ensure uniform recording and reporting. Our project managers work closely with clients and the authorities with the assistance of experts, who are able to prepare ecological reports and species conservation projects to track the entire construction process.

Our goal: Implement biodiversity management action plans and execute corresponding measures in 100% of the projects in environmentally sensitive areas by 2023.

Status as of 2023: We aim to prepare and implement biodiversity and ecosystem management action plans in all projects in areas that are defined as being environmentally sensitive according to our biodiversity position paper. This is based on the HOCHTIEF mitigation hierarchy, with the aim of avoiding and offsetting negative impacts on biodiversity and ecosystems in our projects and to undertake measures for restoration. To this end, a biodiversity action plan has been developed to ensure that all relevant issues are taken into account. This includes topics such as the identification of project-relevant issues, impact assessment, management of opportunities and risks, mitigating measures, and processes for measurement and control.

In the reporting year, biodiversity conservation action plans were implemented with corresponding measures in 69 out of a total of 69 projects in environmentally sensitive areas (2022: 41 projects), thus corresponding to 100% target achievement. This figure was tracked for the first time in 2023. We have thus achieved our goal.

Our goal: Establish and implement long-term initiatives to proactively preserve ecosystems and increase biodiversity.

Status as of 2023: In addition to project-specific measures, we also aim to promote long-term activities. These are collated via the Group-wide Biodiversity and Ecosystems working group and the in-house tracking system for dissemination as best practice. A good example is the launch during the reporting year of a collaboration with the renowned Naturalis Institute in the Netherlands. The aim is to identify, for the purposes of our SAAOne project, opportunities for nature-oriented road space management to improve local ecosystem services.

Another notable initiative is the German Sustainable Building Council (DGNB) Gold certification of a section of the A6 highway in Germany in 2023. Completed by HOCHTIEF PPP Solutions in 2023 and to be operated until 2046, this is the first ever DGNB-certified infrastructure project. As biodiversity also plays an important role in this project, particular attention was paid to selecting native species in the terms of reference for an ecological offset site. Further methodologies are to be tested there in the near future for better surveying and observation of biodiversity. The A6 will therefore remain a pilot project so that the lessons learned can be applied in the future on a larger scale.

Improving measurability and hence comparability is essential in order to improve the presentation and assessment of biodiversity and to follow the development of ecosystems over longer periods of time. This also makes it easier for clients and business partners to understand the added value of the measures we implement. The development of a reliable methodology to monitor, measure, and quantify impacts on biodiversity and ecosystems is therefore specified as an objective in our Sustainability Plan 2025.

Practical examples regarding biodiversity from the reporting year can be found here.

Material topic: Sustainable products and services

Materiality

In view of the challenges posed by climate change and scarce resources, we at HOCHTIEF are aware that sustainability is a major endeavor. We also see sustainability as a responsibility and an essential element of our client relationships and business strategy.

Our clients increasingly seek ways to make their projects not only environmentally friendly, but also resilient to future climate conditions. For HOCHTIEF, such sustainable and resilient solutions are an integral part of our expertise, which we are constantly developing. Our projects aim to make a positive environmental and social contribution, ideally avoiding or minimizing additional environmental impacts. As demand for sustainable projects and climate-related requirements for global infrastructure will continue to grow in the future, sustainable products and services are a material topic for HOCHTIEF.

Strategy

In order to deliver sustainable and resilient projects for our clients, we pursue an integrated approach. By considering the entire value chain, we ensure sustainability before, during, and after the construction process. This also allows us to anticipate future needs and adapt our projects accordingly.

Our activities to this end include optimized engineering solutions over the life cycle, innovative construction methods, advanced technologies in operation, and design for efficient end-of-life dismantling, removal, and restoration.

A key aspect of our sustainability strategy is close collaboration with our clients, suppliers, and partners. We firmly believe that collaborative approaches are the most effective way of arriving at sustainable solutions. By sharing ideas and best practices with our partners, we develop innovative solutions that go beyond standard market practice.

Involving our clients in the early stages of a project is critical to our mutual success. By proactively providing advice and recommending sustainable solutions, we can ensure that projects are not only environmentally sound, but also fit for the future. Early client involvement enables us to fully understand our clients' needs and expectations and to integrate them into our design, construction, and operating concepts.

Our goal by 2025: We aim to stimulate innovation and develop sustainable products and services.

Status as of 2023: HOCHTIEF continued to press ahead in this regard during the reporting year, with notable progress in terms of the energy transition, the mobility transition and digital infrastructure. We were awarded extensive contracts in the area of renewable energy (solar farms, grid expansion, energy storage, and battery factories). In the area of mobility transition, HOCHTIEF was active with the delivery, for example, of battery factories, charging infrastructure, and innovative mobility projects. This shows that both sustainability and resilience are gaining increasing acceptance as features of contracting work. With projects such as data centers, we are expanding our product range to provide a comprehensive, sustainable package for the fast-growing digital infrastructure market. Sustainable services—such as the virtual training offering "TOUGH training"—also gained increasingly in importance during the year.

Certification for greater sustainability

A further key element of our sustainability strategy is the application and practical use of sustainability certification standards in building and infrastructure construction. These not only demonstrate our commitment to sustainability, but also set new benchmarks for the industry. They provide our clients, auditors and partners with the assurance that their projects will be carried out in accordance with the highest environmental and social standards, while ensuring measurability and comparability.

Certifying projects is a key element in rendering them more sustainable while generating reliable, value-enhancing documentation for our clients. The higher requirements compared with conventionally constructed buildings are an active contribution to reducing greenhouse gas emissions, for example, through the use of state-of-the-art, energy-saving building technology and the installation of sustainably produced materials. "Green" buildings in particular save considerable quantities of greenhouse gases due to their excellent energy efficiency. The construction process is also currently becoming a greater focus of certification.

HOCHTIEF explicitly promotes sustainable construction and advises clients on the relevant certifications. We currently employ 950 accredited auditors (2022: 1,188) throughout the Group. The slight year-on-year decrease is due to ongoing digitalization and efficiency improvements. Auditors provide expert advice to clients and professional support for certification processes. To achieve this, our employees need the necessary expertise, which is why we are focusing both on training activities and on internally sharing best practices. This also enables us to reap major Group synergies in this area.

Thanks to our diverse project portfolio, we have already trialed sustainable solutions in a wide variety of sectors and over the entire project life cycle. In many cases, this enables us to efficiently generate added value for clients and the environment. A case in point is Building Information Modeling. Using such techniques, we can save materials in procurement and construction while also reducing freight. Savings can also be achieved in operation, by means such as digital management of electricity and heat. Given the increasing dynamism in these fields and the legal obligations to disclose emissions, opting early for sustainability can be key in helping our clients achieve their climate targets.

Our goal: HOCHTIEF aims to achieve at least 50% of total infrastructure and building construction revenue from certified construction projects by 2025.

Status as of 2023: HOCHTIEF generated circa EUR 13.0 billion in the reporting year (2022: EUR 11.8 billion), i.e. 47% of sales (2022: 45%), on certified projects in infrastructure and building construction. In listings published by the renowned Engineering News-Record (ENR) industry magazine, Turner once again ranked first among the Top Green Contractors in the United States in 2023.

Whereas real estate mostly is a commodity and an asset class of its own, with buildings being resold several times in the course of their life cycle, it is important for project developers to document a building's high quality and energy efficiency through sustainability certificates such as LEED, BREEAM or the German Sustainability Council DGNB. The creation of these quality seals involves extensive work input and relatively high costs. In the rapidly growing high-tech markets such as data centers, however, HOCHTIEF mostly builds for property end-users. The buildings meet highest standards and are extensively optimized by HOCHTIEF. As they are not traded on the market, most clients decide not to have sustainability certificates issued in this segment.

Our goal: Provide sustainable solutions in bidding and/or during preconstruction processes of at least 50% of the construction projects by 2025.

Status as of 2023: To increase the percentage of projects delivered sustainably, we incorporate our sustainability strategy and goals into our dialog with clients. We share and deploy our accumulated global expertise with clients to deliver innovative ideas for the sustainable execution of each and every project. We also aim to propose sustainable solutions as an alternative in instances where clients do not initially request them.

We stepped up early contractor involvement in the reporting year. This provides us with considerable leverage to propose sustainable solutions for clients in the early project phases. By 2025, we aim to further intensify these efforts in proposing sustainable alternatives to clients. We believe it is our responsibility to share our knowledge and work with our clients to pave the way for sustainable technological innovation.

Practical examples regarding sustainable products and services from the reporting year can be found here.

Group project highlights[1]

Climate protection

The HOCHTIEF-Murphy joint venture delivering the London Power Tunnels Phase 2 project won the "Net Zero Team of the Year" award at the Construction News Workforce Awards 2023 in London for its "Earth Friendly Concrete" initiative. The jury was impressed "by the partnership and commitment to the novel concrete" and also commended the team for "overcoming potential challenges" and praised its "communication and collaboration". The joint venture workforce additionally received the "Project Team of the Year" award.

In New South Wales, CIMIC companies Pacific Partnerships, UGL, and CBP Contractors are to design, build, and operate Australia's first hybrid rail fleet as part of a public-private partnership. Exclusively green energy and 9,000 cubic meters of climate-neutral concrete will be used in construction. In addition, 95% of the energy required during operation will be generated by solar panels. In recognition of the comprehensive measures, the project has been awarded the Infrastructure Sustainability Council's highest "Leading" rating.

Turner successfully completed the design phase for the Seattle-Tacoma International Airport expansion in 2023. With the expansion of Terminal C, also built by Turner, using 70% of the existing building fabric, the project is all set for LEED Gold certification. Through early client engagement, Turner was able to offer, adapt, and ultimately contract for a variety of sustainable solutions. These measures, which include a rooftop solar array with an output of some 675 megawatt-hours a year, aim to significantly reduce both construction and operation greenhouse gas emissions.

In Austria, the high-volume excavated material for the Gloggnitz Tunnel project is transported by conveyor belt to the loading point and by rail to the landfill. By avoiding truck transports, we can save 65 metric tons of CO_2.

In the Netherlands, regular project activities include the standard delivery of steel and concrete by water, the use of electric equipment (e.g., hybrid bulldozers, electric forklift trucks, electric trucks, and mixer trailers), the use of photovoltaic systems, the application of the highest emission standard, and the use of LNG for crane ships instead of diesel.

HOCHTIEF PPP Solutions is using smart measurement technology and sensor systems to detect the fill levels in the underground waste containers at the rest areas for the A6 freeway project. This means that the underground waste containers can be emptied as required, resulting in significant savings in fuel and greenhouse gas emissions for the disposal company.

HOCHTIEF once again took part in Germany's nationwide "Stadtradeln" (urban cycling) campaign. Sixty-seven HOCHTIEF employees in Essen, Hamburg, Frankfurt, Cologne, Erfurt, and Munich cycled 15,913 kilometers during the campaign period, saving around 2,337 kilograms of CO_2.

Turner is working with United Rentals to reduce the environmental impact of construction sites using low-emission rental equipment to construct a data center in Kansas City, Missouri.

Starting in 2023, all of CPB Contractors' offices, sites, and precast plants will be supplied with 100% renewable energy. By using renewable energies, CPB reduces carbon emissions and supports further investments in green energies, such as wind and solar farms.

In an assessment by the Infrastructure Sustainability Council (ISC), CPB Contractors has received the highest rating and the highest score to date for a major infrastructure project. The Parramatta Light Rail Stage 1 project achieved 104.35 out of a possible 110 points and thus a "Leading" as-built rating for its extensive economic, social, and environmental measures.

[1] The content of these project highlights is neither part of the statutory audit of the annual financial statements and consolidated financial statements, nor is it reviewed in a separate limited assurance engagement on the non-financial reporting.

Circular economy

The Group-wide Waste working group has established a permanent network of experts on the topic of waste in the reporting year. These experts held training sessions in the companies on effective action planning. The objective here was to promote awareness, and also to define and implement suitable measures for the various project phases. Definitions have also been standardized throughout the Group to provide for uniform recording and reporting.

As part of a joint venture, CPB Contractors moved traffic to the new southbound lanes of Victor Harbor Road between Main South Road and McLaren Vale in South Australia. Of the asphalt used on the newly opened lanes, 10% is made from recycled wine bottles. This corresponds to 459 wine bottles in every metric ton of recycled asphalt in the base course and 115 bottles in every metric ton of surface course. CPB Contractors is carrying out this work on behalf of the government of South Australia. A total of 15 kilometers of road will be widened to two lanes as part of the project.

During the implementation of the Metronet Thornlie-Cockburn Link project in Western Australia, CPB Contractors recycled and reused many metric tons of materials, including more than 20,000 metric tons of recycled concrete, over 2,200 metric tons of recycled materials for steel reinforcement, and over 7,000 metric tons of gravel. The latter was reused for the drainage surface within the track.

CPB Contractors used recycled glass, up to 30% reclaimed asphalt, and 1,935 tons of Reconophalt™, a road surface with a high recycled content from waste streams such as glass, for the asphalt pavement of Northern Road Stages 5 and 6. Reconophalt™ reduced energy consumption in the production of standard hot-mix asphalt by 30%.

For projects seeking environmental certification, such as LEED, our project teams at Turner obtain and track material certifications such as environmental product declarations (EPDs) or Declare labels. These provide information on matters such as recycled content and material longevity.

In the JKT05 Data Center project in Jakarta, Indonesia, the Leighton Asia project team donated more than 1,250 metric tons of construction material for use by the local community between 2022 and 2023 alone. This included reusing compostable organic waste at a local fish farm and using waste concrete to improve village roads.

Clark Builders set up an in-house “EcoSwap” website in the reporting year, where surplus construction materials can be offered for reuse, repair, or reprocessing before being sent for recycling. This means that materials can be used again and again for new projects, saving money and resources and, above all, waste.

In the North Coast Corridor project in California, Flatiron recycled 100% of demolished concrete as aggregate and reused it on-site. That is more than 70,300 tons.

Water conservation
During the construction of a data center in the Midwest, the Turner team collected rainwater and used it in a retention pond to suppress dust, saving more than 1.1 million liters of water on this project alone.

In Canada, Clark Builders has reduced the dust generated on a construction site by stabilizing the ground with vegetation. A rainwater collection system was used for further dust suppression. As the project is in a water stress region, the project team also avoids using water for grading and compaction.

A residential project by Clark Builders in Calgary, Alberta, attaches great importance to water conservation. The region is affected by water stress, so temporary water restrictions are in place. The Clark Builders team does not use water for grading or compacting work in very dry conditions. In addition, employees are encouraged to ensure permanent stabilization during construction work, for example, with grass or paving so as to avoid using water as a dust protection measure. At the same time, our teams were encouraged to use outdoor rainwater collection systems in the warmer months to collect rainwater for dust control, washing, etc.

Flatiron's Georgetown Wet Weather Treatment Station project was honored by the Northwest Construction Consumer Council with the "2023 Award for Innovation & Achievement in Sustainability". The waterworks can treat up to 265 million liters of rainwater and wastewater every day. Many sustainability aspects were considered in the design, including planning and designing for a changing climate and diverting more than 85% of demolition material from landfill. The team implemented a wide range of green infrastructure: permeable floor covering, green roofs, roadside rain gardens and cisterns, reducing chemicals use in the facility, restoring the shoreline along the Duwamish River, promoting jobs through a commitment to local hiring, enhancing an area of Georgetown with public art and green spaces, and working closely with the community.

At Flatiron, management practices for water conservation must be considered in areas with rainwater runoff. One example is the Denver International Airport Taxiway project, which protects the nearby airport sewerage system. The methods used include more than 60 retaining levees for erosion control and water conservation as well as protecting drain openings with filter fabric.

The U.S. 50 Flatiron highway project is adopting several measures to conserve water, including the use of road bed mats instead of tire scrubbers, the use of concrete delivery trucks with their own washing processes, and the reuse of polymer slurry water for drilling operations.

A rainwater harvesting system has been installed at the site office of HOCHTIEF UK's Snowdonia Tunnel construction project in Eryri National Park. The rainwater collected is used to flush the sanitary facilities.

On a construction site in Poland, HOCHTIEF Infrastructure has installed sensors on water taps to monitor water consumption and increase economy. In addition, construction sites were regularly inspected to quickly pinpoint and fix sources of excessive water consumption.

The "Continentale" project in Dortmund makes water consumption transparent, for example, by documenting drinking water consumption on the construction site. Surface water resulting from rain is collected and reused for new processes.

In the “Württembergische Strasse” project, HOCHTIEF provided the green roof and installed bat boxes at the back and bird breeding boxes on the facade (left). Under the supervision of environmental experts, the construction site for the ongoing power tunnel project in the Eryri National Park in Wales was enclosed with reptile fencing. This primarily protects the native snakes from the construction work (right).

Biodiversity

To mark the International Day for Biological Diversity, the team at a Flatiron project in Canada worked with stakeholders from the Indigenous community to plant native plants so as to restore habitats. The Steveston Interchange project near Vancouver is located on the traditional land of several Indigenous peoples. Their representatives helped to select the plant species in advance.

A habitat management plan for eagles was developed for the Turner IAD 11 project in Virginia throughout the duration of the project. The package of measures provides for a binding 330-foot distance radius around the eagle’s nest and blasting restrictions for six months before and during the breeding season in order to protect the animals’ natural habitat.

A team from Turner in Toronto dedicated itself to preserving and restoring the woodlands along the Credit River in Mississauga as part of the @yourriverwood initiative. Together, the employees removed 113 kilos of invasive plant species that pose a threat to the native flora and fauna. The employees also planted a variety of wildflowers, shrubs, and trees.

HOCHTIEF is using concrete blocks of the new ECOncrete generation for the Amaliahaven project in the Netherlands. These elements create ecological niches as well as protect and increase biodiversity as artificial reefs.

The opportunities for green roofs are increasingly being used, and HOCHTIEF is making them accessible to clients. A combination of bee pastures, rose beds, and herb mixtures is one of the many greening options in southern Germany. The Munich branch has also had good experience with green roofs using “pregreened carpets”. These grow particularly quickly, offer full-surface greening, and involve significantly less effort in terms of completion and ongoing maintenance.

One of UGL's first steps in the planning and construction of a 330 kV switchyard in Maragle, New South Wales, was to prepare for the remediation of the site. The Transgrid project comprises the construction of ten kilometers of 330 kV transmission lines. In collaboration with experts, the team determined which native seeds need to be collected, when, and how, and commissioned a specialist service to collect and safely store the seeds. The team's aim is to preserve the local ecosystems for the benefit of the Kosciuszko National Park.

Environmental consultants from UGL coordinate a team of wildlife monitors to ensure that all habitats are checked for wildlife prior to any disturbance. More than 100 animals have already been found at the Genex Kidston Connection project. The wildlife monitors are trained professionals with in-depth knowledge of Australian wildlife of all kinds, including reptiles, amphibians, birds, and mammals.

Sustainable products and services

HOCHTIEF likewise contributes to sustainable development in Australia. In the reporting year alone, UGL delivered solar farms with a total capacity of 130 megawatts. This comes on top of some 700 megawatts from past projects. With the new contract for the Hopeland solar farm, our Group's total solar power generation capacity in Australia will increase approximately threefold. Solar power is central to Australia's transition to renewable energy.

HOCHTIEF provides innovative digital training for road maintenance employees and in the construction industry via the "TOUGH Training" virtual training offering. The realistic training modules prepare users for traffic safety situations and processes and are primarily deployed as part of apprenticeship training. They also cover process sequences and safety aspects in maintenance facilities, as well as the simulation of maintenance vehicles on rail tracks and highways.

As part of the ViA6West consortium, HOCHTIEF is implementing a wide variety of sustainability measures in the A6 highway project. A major focus is on the deployment of digital construction methods. This is also reflected in the support provided for the BIM award, which spotlights outstanding virtual construction projects. In collaboration with the German Sustainable Building Council (DGNB), the highway project was also a pilot project for sustainable certification in the infrastructure sector, securing DGNB Gold certification. In 2023, the A6 project was awarded Environmental Sustainability and Resilience certification by the United Nations Economic Commission for Europe (UNECE).

Using quick checks, potential analyses, digital data acquisition, and monitoring of energy consumption, HOCHTIEF's experts deliver major efficiency gains in projects involving existing assets. One example is the Paul Moor School in Nuremberg, which is operated by HOCHTIEF. At this school alone, carbon emissions were reduced by over eight tons in 2023, with significant improvements in energy management.

New ways of collaborating with customers also open up fresh opportunities for enhancing sustainability. In the reporting year, for instance, Flatiron was selected as development partner in a joint venture to deliver Phase One of the transformative Green Line LRT project in Calgary, Canada. In the 16-month development phase, members of the city's Green Line team and the joint venture will collaborate closely to develop the project design and work together to agree on project costs, risk balance, and the overall construction schedule. Ambitious energy efficiency targets play an important role here, as Calgary aims to be carbon-neutral by 2050.

In New South Wales, the Infrastructure Sustainability Council of Australia has awarded CBP Contractors yet another "Leading" rating for the Western Sydney International Airport project. As well as achieving 98% water reuse, the project also recycled over 11,000 tons of demolition material. The overall greenhouse gas reduction was 15.6%.

1 | In the Australian Cross River Rail project of CIMIC, recycled glass is used as a filling material for the rainwater pipes.

2 | HOCHTIEF representatives accept the Sustainable Construction Site pre-certificate for the Continentale Campus project from German Sustainable Building Council (DGNB) CEO Dr. Christine Lemaitre.

3 | Water from the air: Hydropanels were installed at eleven service areas on the Elefsina Patras freeway in Greece, that convert air vapor into water. It is provided to travelers free of charge.

4 | Named “Net Zero Team of the Year”, representatives of the HOCHTIEF-Murphy joint venture were awarded for their commitment to climate-friendly concrete in the London Power Tunnels project.

5 | New trees for compensation: Wood instead of concrete will be used for the facade of the data center in Heiligenhaus. To compensate for the felling, the project team planted 600 young trees.

6 | The Leighton Asia team at the Tangguh LNG project, setting compensating mangrove plants in West Papua.

The content of this page is neither part of the statutory audit of the annual financial statements and consolidated financial statements nor part of the separate limited assurance engagement by Deloitte GmbH Wirtschaftsprüfungsgesellschaft.
Images: © HOCHTIEF (1–3, 5); PROF PHOTO (4); CIMIC (6)

Facts and Figures

Notes on the environmental-related indicators

We at HOCHTIEF are working continuously to evolve and fine-tune our sustainability reporting, which is aligned with the Sustainability Plan 2025 and the associated commitments. By maintaining the consistency of our annual reporting, we aim to ensure the transparency of HOCHTIEF's sustainability performance. We are continuing to increase the measured data collection over time to increase accuracy, as well as to monitor the performance.

Since 2023, greenhouse gas emissions have been classified and determined on the basis of the Greenhouse Gas Protocol. The relevant consumption categories—either purchased by the HOCHTIEF Group or recorded as consumed on our construction sites—are presented in the table "Consumption categories included in calculation of Scope emissions at HOCHTIEF."

HOCHTIEF reports its emissions in accordance with the Greenhouse Gas Protocol using the operational control approach.

The reporting of environmental performance indicators covers the activities of the operating, fully consolidated companies of the HOCHTIEF Americas, HOCHTIEF Asia Pacific, and HOCHTIEF Europe divisions as of December 31, 2023. The presentation of the Group coverage from previous years has been discontinued. We are making increasing use of project-based consumption data collection. The focus is on tracking material consumption categories in lieu of extrapolation. Those cases in which our restatement policy was applied are indicated accordingly in the tables. The prior-year figures were part of the external audit in the prior year but were not part of the external audit for 2023.

It is important to note that the year-on-year comparison of HOCHTIEF's absolute environment-related indicators reported in this section needs to take the following items into consideration:

Changes in business environment and Group structure

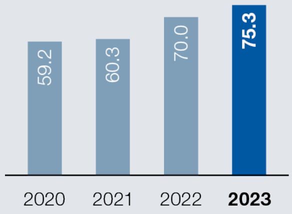
The Group work done varied in the different years (2023: EUR 30.87 billion; 2022: EUR 29.19 billion; 2021: EUR 24.86 billion; 2020: EUR 24.55 billion; 2019: EUR 27.14 billion). The structure of the Group has changed due to acquisitions and disposals of subsidiaries. In addition, the development of sales and work done varied between the different Group companies. There are also changes reflected in revenue growth as a result of external influences.

Comparability of projects and project statuses

The nature of work performed across HOCHTIEF's international divisions varies, and therefore has an impact on consumption. For example, within the HOCHTIEF Americas division, Turner focuses on vertical, non-residential building construction, while Flatiron focuses on horizontal civil infrastructure projects. Differences in the revenue, project type, contract delivery type (design-build versus lump-sum; self-performed versus subcontracted), and regulatory location have a direct impact on waste, material consumption, and energy consumption levels, as well as on the emissions inferred from them in any given year.

The unique nature of our projects also makes them not directly comparable with one another. The construction of large-scale projects extends over several years, with multiple construction phases and consequent variations in material consumption or waste generation.

(1) Proportion of units in the HOCHTIEF Group certified in accordance with environmental management systems standard DIN EN ISO 14001, relative to number of employees (%)



(2) Number of environmental incidents within the HOCHTIEF Group[1]

	2020	2021	2022	**2023**
Category 1	0	0	0	**0**
Category 2	18	15	5	**5**

[1] Minor Category 3 environmental incidents are dealt with under the auspices of the relevant company and are not reported Group-wide. The figures in the table also include incidents for which only a warning was issued. For the definition of environmental incident, see the Environmental and Climate Protection section.

(3) Number of environmental violations in the HOCHTIEF Group (according to year of occurrence)[1]

	2020	2021	2022	**2023**
Number of environmental violations	0	0	0	**0**
Amount of fines/penalties related to the above (in EUR)	0	0	0	**0**

[1] Monetary threshold for the above reporting of individual environmental violations > USD 10,000

(4) Amount of waste by type and disposal operation within the HOCHTIEF Group[1]

	2019	2020	2021	2022	2023
Waste volume total (t)	**9,774,627**	**9,755,959**	**13,955,234**	**10,939,796**	**9,706,929**
Recovery operations	7,663,570	8,796,092	12,083,225	9,708,678	8,559,473
Disposal operations	2,111,056	959,868	1,872,009	1,231,118	1,147,457
Recycling rate	**78%**	**90%**	**87%**	**89%**	**88%**

	2019	2020	2021	2022	2023
Hazardous waste[2] (t)	**83,589**	**291,365**	**392,350**	**132,322**	**163,684**
Recovery operations (t)	**8,148**	**151,535**	**208,412**	**22,423**	**1,199**
Preparation for reuse	0.7[3]	27,969	28,853	22,351	37
Recycling	8,147	123,566	179,559	67	1,142
Composting	–	–	–	5	20
Disposal operations (t)	**75,441**	**139,830**	**183,938**	**109,899**	**162,486**
Incineration (with energy recovery)	402	356	13,737	57	53
Incineration (without energy recovery)	–	0.6[3]	24	135	13
Landfilling	75,039	139,473	170,177	109,707	162,420

	2019	2020	2021	2022	2023
Non-hazardous waste (t)	**9,691,038**	**9,464,595**	**13,562,884**	**10,807,474**	**9,543,245**
Recovery operations (t)	**7,655,423**	**8,644,557**	**11,874,813**	**9,686,255**	**8,558,274**
Preparation for reuse	5,892,974	7,402,574	10,784,086	8,336,970	7,369,319
Recycling	1,762,442	1,239,095	1,090,229	1,283,545	1,186,262
Composting	8	2,888	497	65,740	2,693
Disposal operations (t)	**2,035,615**	**820,038**	**1,688,071**	**1,121,219**	**984,971**
Incineration (with energy recovery)	1,902	2,335	49,423	1,715	3,340
Incineration (without energy recovery)	–	6,566	10	586	5,659
Landfilling	2,033,713	811,137	1,638,638	1,118,918	975,971

[1] Waste collected by disposal companies and recycled away from construction sites
[2] In reporting year 2023, 305 metric tons of hazardous waste were self-generated, which is equivalent to less than 1% of the total waste volume
[3] Figures retroactively corrected for reporting on a comparable basis, therefore unaudited

(5a) Non-renewable materials used within the HOCHTIEF Group[1]

Asphalt (t)	2019	2020	2021	2022	2023
HOCHTIEF Americas	1,255,945[2]	960,962[2]	623,839	1,237,284	1,671,258
HOCHTIEF Asia Pacific	1,035,970	1,151,150	728,350	341,176	441,557
HOCHTIEF Europe	6,154[2]	8,089[2]	9,300	5,498	8,907
HOCHTIEF Group	**2,298,069[2]**	**2,120,201[2]**	**1,361,489**	**1,583,958**	**2,121,722**
Thereof: Recycled asphalt	–	–	16%	50%	33%

[1] Quantities calculated based on invoicing volumes and mean prices
[2] Figures retroactively corrected for reporting on a comparable basis, therefore unaudited

Concrete (m^3)	2019	2020	2021	2022	2023
HOCHTIEF Americas	1,981,147[2]	1,893,766[2]	1,191,611	1,488,665	1,892,636
HOCHTIEF Asia Pacific	2,228,196[2]	932,020	836,604	1,027,761	1,794,524
HOCHTIEF Europe	605,679	689,302	438,257[2]	575,061[2]	666,200
HOCHTIEF Group	**4,815,022[2]**	**3,515,088[2]**	**2,466,473[2]**	**3,091,488[2]**	**4,353,359**
Thereof: Recycled concrete	–	–	23%	24%	22%

[2] Figures retroactively corrected for reporting on a comparable basis, therefore unaudited

Glass (t)	2019	2020	2021	2022	2023
HOCHTIEF Americas	11,845[2]	15,829[2]	13,217	11,798	10,408
HOCHTIEF Asia Pacific	–	60	220	160	775
HOCHTIEF Europe	–	–	–	–	–
HOCHTIEF Group	**11,845[2]**	**15,889[2]**	**13,437**	**11,958**	**11,183**
Thereof: Recycled glass	–	–	20%[2]	20%[2]	19%

[2] Figures retroactively corrected for reporting on a comparable basis, therefore unaudited

Steel (t)	2019	2020	2021	2022	2023
HOCHTIEF Americas	278,805	287,763[2]	231,265	277,938	389,486
HOCHTIEF Asia Pacific	137,440	103,470	104,650	135,453	213,005
HOCHTIEF Europe	35,570	102,823	77,870	62,413	61,390
HOCHTIEF Group	**451,815**	**494,056[2]**	**413,786**	**475,804**	**663,881**
Thereof: Recycled steel	–	–	50%	49%[2]	67%

[2] Figures retroactively corrected for reporting on a comparable basis, therefore unaudited

Cement (t)	2019	2020	2021	2022	2023
HOCHTIEF Americas	64,085[3]	67,315[3]	81,559[3]	82,841[3]	87,115
HOCHTIEF Asia Pacific	–	–	4,720	1,160	7,782
HOCHTIEF Europe	25,922[3]	16,255[3]	6,983	3,804	3,006
HOCHTIEF Group	**90,007[3]**	**83,570[3]**	**93,262[3]**	**87,805[3]**	**97,902**
Thereof: Recycled cement[2]	–	–	4%[3]	5%[3]	6%

[2] Consumption of blast-furnace cement (CEM III) is considered here as the recycled cement share
[3] Figures retroactively corrected for reporting on a comparable basis, therefore unaudited

Aggregates (t)	2019	2020	2021	2022	2023
HOCHTIEF Americas	1,282,833[2]	1,347,485[2]	853,967[2]	1,482,907[2]	1,743,825
HOCHTIEF Asia Pacific	–	–	20,310	167,800	326,904
HOCHTIEF Europe	–	–	–	–	–
HOCHTIEF Group	**1,282,833[2]**	**1,347,485[2]**	**874,277[2]**	**1,650,707[2]**	**2,070,729**
Thereof: Recycled aggregates	–	–	23%	20%[2]	14%

[2] Figures retroactively corrected for reporting on a comparable basis, therefore unaudited

(5b) Renewable materials used within the HOCHTIEF Group[1]

Wood (m^3)	2019	2020	2021	2022	2023
HOCHTIEF Americas	346,382	239,504	222,750	301,482	196,050
HOCHTIEF Asia Pacific	17,800[2]	79,040[2]	5,140[2]	3,678[2]	2,648
HOCHTIEF Europe	11,944	7,680	4,826	4,317	4,475
HOCHTIEF Group	**376,126[2]**	**326,224[2]**	**232,716[2]**	**309,477[2]**	**203,173**
Thereof: Recycled wood	–	–	6%	4%	5%

[1] Quantities calculated based on invoicing volumes and mean prices.
[2] Figures retroactively corrected for reporting on a comparable basis, therefore unaudited

(6a) Main energy consumption within the HOCHTIEF Group[1]

Gasoline (MWh)	2019	2020	2021	2022	2023
HOCHTIEF Americas[2]	98,860[5]	96,675[5]	89,816[5]	83,104[5]	95,120
HOCHTIEF Asia Pacific[3]	7,110	6,530	6,150	5,268	6,276
HOCHTIEF Europe	11,689	11,319	11,421	13,104	15,982
HOCHTIEF Group[4]	**117,659[5]**	**114,524[5]**	**107,387[5]**	**101,475[5]**	**117,378**

[1] Consumption figures either recorded directly or calculated using mean prices.
[2] Including **biogasoline** (2023: 733 MWh)
[3] Including **biogasoline** (2023: 255 MWh)
[4] Including **biogasoline** (2023: 988 MWh)
[5] Figures retroactively corrected for reporting on a comparable basis, therefore unaudited

Diesel (MWh)	2019	2020	2021	2022	2023
HOCHTIEF Americas[2]	635,203	286,114	294,771[6]	271,697[6]	242,873
HOCHTIEF Asia Pacific[3]	773,660	620,030	445,440	382,061	503,949
HOCHTIEF Europe[4]	69,276	52,798	52,236	52,127	56,271
HOCHTIEF Group[5]	**1,478,138**	**958,942**	**792,447[6]**	**705,884[6]**	**803,092**

[2] Including **biodiesel** (2023: 3,155 MWh)
[3] Including **biodiesel** (2023: 8,148MWh)
[4] Including **biodiesel** (2023: 62 MWh)
[5] Including **biodiesel** (2023: 11,365 MWh)
[6] Figures retroactively corrected for reporting on a comparable basis, therefore unaudited

Natural gas (MWh)	2019	2020	2021	2022	2023
HOCHTIEF Americas	993[2]	643[2]	10,498	139,946	78,172
HOCHTIEF Asia Pacific	–	–	–	–	–
HOCHTIEF Europe	–	–	–	–	–
HOCHTIEF Group	**993[2]**	**643[2]**	**10,498**	**139,946**	**78,172**

[2] Figures retroactively corrected for reporting on a comparable basis, therefore unaudited

LPG[2] (MWh)	2019	2020	2021	2022	2023
HOCHTIEF Americas[3]	65,659[6]	82,012[6]	73,666[6]	78,387[6]	38,710
HOCHTIEF Asia Pacific[4]	4,980	2,660	5,140	16,405	5,827
HOCHTIEF Europe	–	–	3,317	–	710
HOCHTIEF Group[5]	**70,639[6]**	**84,672[6]**	**82,123[6]**	**94,792[6]**	**45,247**

[2] Liquefied petroleum gas (liquid gas)
[3] Additional consumption of Liquefied Natural Gas (LNG) in 2023 in the HOCHTIEF Americas division: 91 MWh
[4] Additional consumption of Liquefied Natural Gas (LNG) in 2023 in the HOCHTIEF Asia Pacific division: 68,574 MWh.
[5] HOCHTIEF Group-wide additional consumption of Liquefied Natural Gas (LNG) 2023: 68,665 MWh.
[6] Figures retroactively corrected for reporting on a comparable basis, therefore unaudited

Electricity (MWh)	2019	2020	2021	2022	2023
HOCHTIEF Americas[2]	48,807	89,081[6]	54,823	86,136[6]	84,087
HOCHTIEF Asia Pacific[3]	137,140	82,910	113,710	111,320	104,735
HOCHTIEF Europe[4]	71,061	42,724	33,378	32,611	36,147
HOCHTIEF Group[5]	**257,008**	**214,716**	**201,911**	**230,068[6]**	**224,969**

[2] Including district cooling (2023: 15 MWh)
[3] Including green electricity (2023: 8,073 MWh)
[4] Including green electricity (2023: 435 MWh) and including district heating (2023: 5,721 MWh)
[5] Including green electricity (2023: 8,508 MWh), district heating (2023: 5,721 MWh), and district cooling (2023: 15 MWh)
[6] Figures retroactively corrected for reporting on a comparable basis, therefore unaudited

(6b) Total energy consumption within the HOCHTIEF Group

Total energy consumption (MWh)	2019	2020	2021	2022	2023
HOCHTIEF Americas	849,978	554,525	523,574	659,269	539,208
HOCHTIEF Asia Pacific	922,890	714,430	571,670	515,238	689,362
HOCHTIEF Europe	152,026	106,842	100,351	97,842	109,109
HOCHTIEF Group	**1,924,895**	**1,375,797**	**1,195,595**	**1,272,349**	**1,337,679**

(7) Business travel within the HOCHTIEF Group

Train (km)	2019	2020	2021	2022	2023
HOCHTIEF Americas[1]	1,708,196	2,820,642	260,106	1,311,341	410,609
HOCHTIEF Asia Pacific[2]	–	–	–	–	–
HOCHTIEF Europe	5,059,768	1,748,048	2,008,139	2,920,536	3,069,117
HOCHTIEF Group	**6,767,964**	**4,568,690**	**2,268,245**	**4,231,877**	**3,479,726**

[1] Figures based in part on estimates
[2] Data is not collected for this mode of transport as it is seldom used for business travel

Plane[1] (km)	2019	2020	2021	2022	2023
HOCHTIEF Americas[2]	72,059,721	39,486,811	12,321,673	29,151,469	48,003,226
HOCHTIEF Asia Pacific	96,187,164	23,664,613	17,677,451	42,634,777	77,476,029
HOCHTIEF Europe	8,478,692	3,266,019	1,933,209	3,753,884	3,694,466
HOCHTIEF Group	**176,725,577**	**66,417,443**	**31,932,333**	**75,540,130**	**129,173,721**

[1] For a detailed list of air travel broken down by short, medium, and long-haul flights, please see www.hochtief.com/sustainability/key-figures
[2] Figures based in part on estimates

Rental car (km)	2019	2020	2021	2022	2023
HOCHTIEF Americas[1]	3,797,097	3,275,253	1,564,469	2,488,089	1,699,967
HOCHTIEF Asia Pacific	6,767,551	6,102,073	3,513,296	6,090,671	3,343,706
HOCHTIEF Europe	511,575	344,404	260,402	290,249	257,855
HOCHTIEF Group	**11,076,223**	**9,721,730**	**5,338,167**	**8,869,009**	**5,301,527**

[1] Figures based in part on estimates

(8a) Greenhouse gas emissions within the HOCHTIEF Group[1, 2]

Scope 1 (t CO_2e)	2019	2020	2021	2022	2023
HOCHTIEF Americas	210,490	119,839[3]	120,426	139,938[3]	113,672
HOCHTIEF Asia Pacific	198,710	161,280	115,280	110,050	140,882
HOCHTIEF Europe	21,521	17,007	17,637	17,275	19,270
HOCHTIEF Group	**430,721**	**298,126[3]**	**253,343**	**267,263[3]**	**273,825**
Scope 1 intensity (t CO_2e/EUR m)	17	13	12	10	10

[1] For the greenhouse gas accounting, the operational control approach is used according to the GHG Protocol
[2] Sources for carbon emission factors: GHG Protocol v19 (04/2023) - eGRID 2021, IEA v6 - IEA 2023 (01/2024), Defra v12 (09/2023), and Germany's Federal Environmental Agency and Federal Office for Economy and Export Control
HOCHTIEF Asia Pacific figures calculated on basis of Australian National Greenhouse and Energy Reporting (NGER) scheme
HOCHTIEF's own emission factors were used in part to calculate Scope 3 categories 3.1, 3.5 and 3.6.
[3] Figures retroactively corrected for reporting on a comparable basis, therefore unaudited

Scope 2[3] (location-based) (t CO_2e)	2019	2020	2021	2022	2023
HOCHTIEF Americas	18,207	31,003[4]	19,950	29,723[4]	28,293
HOCHTIEF Asia Pacific	118,860	58,190	78,830	80,910	69,388
HOCHTIEF Europe	27,021	12,581	11,249	10,485[4]	12,468
HOCHTIEF Group	**164,088**	**101,773[4]**	**110,028**	**121,118[4]**	**110,146**
Scope 2 intensity (t CO_2e/EUR m)	6	4	5	5	4

[3] Calculated using the location-based method: This method involves national average emission factors of regions in which the electricity consumption takes place
[4] Figures retroactively corrected for reporting on a comparable basis, therefore unaudited

Scope 2[3] (market-based) (t CO_2e)	2019	2020	2021	2022	2023
HOCHTIEF Americas	18,207	31,003	19,950	29,723	28,293
HOCHTIEF Asia Pacific	100,718	53,999	70,827	78,899	63,593
HOCHTIEF Europe	27,021	12,581	10,852	10,372	12,299
HOCHTIEF Group	**145,946**	**97,583**	**101,629**	**118,993**	**104,185**
Scope 2 intensity (t CO_2e/EUR m)	6	4	5	5	4

[3] Calculated using the market-based method: This method involves emission factors of electricity suppliers or of an individual electricity product. In the reporting year, the emission factors of the respective location were used as a transitional measure and an emission factor of 0 was applied for green electricity.

Scope 1 + Scope 2 (location-based) (t CO_2e)	2019	2020	2021	2022	2023
HOCHTIEF Americas	228,697	150,842	140,375	169,661	141,965
HOCHTIEF Asia Pacific	317,570	219,470	194,110	190,960	210,270
HOCHTIEF Europe	48,542	29,588	28,886	27,760	31,738
HOCHTIEF Group	**594,809**	**399,900**	**363,371**	**388,381**	**383,971**
Scope 1 and Scope 2 intensity (t CO_2e/EUR m)	23	17	17	15	14

Scope 3[3] (t CO_2e)	2019	2020	2021	2022	2023
HOCHTIEF Group	**7,223,783[4]**	**6,034,246[4]**	**4,746,976[4]**	**5,137,158[4]**	**5,608,480**
Scope 3 intensity (t CO_2e/EUR m)	279	263	222	196	202

[3] Figures on Scope 3-emissions include more restatements as the reporting scope for Scope 3 emissions widened in the current reporting year 2023.
[4] Figures retroactively corrected for reporting on a comparable basis, therefore unaudited

(8b) Composition of the Scope 3 emissions of the HOCHTIEF Group[1, 2]

Composition of Scope 3 emissions[3] (t CO_2e)	2019	2020	2021	2022	2023
3.1 Purchased goods and services[4]	3,333,360	2,874,344	2,294,427	2,671,824	3,294,551
3.2 Capital goods	168,309	113,366	23,972	48,502	53,471
3.3 Fuel- and energy-related activities	113,766	79,450	79,521	79,501	85,184
3.4 Upstream transportation and distribution	108,861	105,316	66,561	84,351	100,828
3.5 Waste from operations	4,671	2,967	7,290	17,679	8,869
3.6 Business travel	33,796	14,936	5,585	11,933	18,966
3.7 Employee commuting	82,438	57,999	55,760	55,494	59,814
3.11 Use of sold products	3,348,744	2,763,580	2,199,878	2,151,707	1,971,324
3.12 End-of-life treatment of sold products	29,837	22,288	13,983	16,161	15,473

[1] For the greenhouse gas accounting, the operational control approach is used according to the GHG Protocol
[2] Sources for carbon emission factors: GHG Protocol v19 (04/2023) - eGRID 2021, IEA v6 - IEA 2023 (01/2024), Defra v12 (09/2023), and Germany's Federal Environmental Agency and Federal Office for Economy and Export Control Economic Affairs and Export Control.
HOCHTIEF Asia Pacific figures calculated on basis of Australian National Greenhouse and Energy Reporting (NGER) scheme
HOCHTIEF's own emission factors were used in part to calculate Scope 3 categories 3.1, 3.5 and 3.6.
[3] In addition, category 3.15 (Investment) is classified as material, but is not part of the external audit for 2023 due to differing reporting cut-off dates
We voluntarily report information on emission figures for our equity-accounted entities Abertis and Thiess (under "Sustainability information on other associates")
[4] Including Services (2023: 383,971 t CO_2e)

Consumption categories included in calculation of scope emissions at HOCHTIEF

Scope 1	⟶	**Direct emissions:**	Gasoline, biogasoline, diesel, biodiesel, natural gas, LNG, LPG
Scope 2	⟶	**Indirect emissions:**	Electricity, district heat, district cold
Scope 3	⟶	**Other indirect emissions:**	3.1 Purchased goods (asphalt, concrete, glass, wood, steel, cement, aggregates) and services, 3.2. Capital goods, 3.3 Fuel- and energy-related activities, 3.4. Upstream transportation and distribution, 3.5 Waste from operations, 3.6 Business travel (airplane, rental car, train), 3.7 Employee commuting, 3.11 Use of sold products, 3.12 End-of-life treatment of sold products

(9a) Water consumption by the HOCHTIEF Group

	2020	2021	2022	2023
Water withdrawal by source (m^3)	**3,951,367**	**6,638,178**	**6,698,402**	**5,801,555**
Fresh surface water	116,890	327,200	175,996	127,999
Renewable groundwater	1,029,010	779,000	450,466	14,414
Non-renewable groundwater	74	–	416,370	15,986
Brackish surface water/seawater	–	–	4,570	28,029
Produced water	–	–	4,437	–
Sourced from third-party providers (grid, municipal supply)	2,805,393	2,798,978[1]	4,705,133	5,303,057
Rainwater	–	2,733,000	941,431[1]	312,070
Water discharge by destination (m^3)	**1,555,083**	**1,007,674**	**5,018,038**	**2,504,483**
Fresh surface water	1,315,120	414,290	3,132,042	335,350
Groundwater	–	373,000	475,472	5,227
Brackish surface water/seawater	–	320	3,860	63,989
Sourced from third-party providers (grid, municipal supply)	239,963	220,064	1,406,664	2,099,918
Water consumption (m^3)	**2,396,283**	**5,630,505**	**1,680,364[1]**	**3,297,072**
Recycling rate	5%[1]	34%	14%	6%

[1] Figures retroactively corrected for reporting on a comparable basis, therefore unaudited

(9b) Recycled/reused water

	2020	2021	2022	2023
Consumption of recycled fresh surface water (m^3)	197,180	2,233,000	837,620	321,531
Consumption of reused fresh surface water (m^3)	–	3,925	111,683	31,284
Brackish surface water/sea water recycled/reused (m^3)	1,250[1]	–	1	–
Recycled/reused water (m^3)	**198,430[1]**	**2,236,925**	**949,304**	**352,815**

[1] Figures retroactively corrected for reporting on a comparable basis, therefore unaudited

(9c) Number of projects within the HOCHTIEF Group that are in water stressed areas with a corresponding water protection management action plan

	2023
Number of projects in water stressed areas	**79**
Thereof projects with corresponding water protection management action plan	**79**

(10a) Number of certified green buildings within the HOCHTIEF Group[1]

	2022	2023
HOCHTIEF Americas[2]	948	966
HOCHTIEF Asia Pacific[3]	107	107
HOCHTIEF Europe[4]	93	100
HOCHTIEF Group	**1,148**	**1,173**

[1] Cumulative number of sustainable buildings completed since 1999, in each case certified by year-end.
[2] LEED, other
[3] Green Star, LEED, other
[4] DGNB, LEED, BREEAM, other

(10b) Building construction projects in the HOCHTIEF Group seeking sustainability certification in the reporting year

	2022	2023
HOCHTIEF Americas[1]	148	174
HOCHTIEF Asia Pacific[2]	13	21
HOCHTIEF Europe[3]	22	11
HOCHTIEF Group	**183**	**206**

[1] LEED, other
[2] Green Star, LEED, other
[3] DGNB, LEED, BREEAM, other

(11a) Number of certified green infrastructure projects within the HOCHTIEF Group[1]

	2022	2023
HOCHTIEF Americas[2]	3	6
HOCHTIEF Asia Pacific[3]	50	52
HOCHTIEF Europe[4]	7	7
HOCHTIEF Group	**60**	**65**

[1] Cumulative number of sustainable infrastructure projects completed since 2013, in each case certified by year-end.
[2] Greenroads, other
[3] ISCA, Greenroads, other
[4] CEEQUAL, other

(11b) Infrastructure projects in the HOCHTIEF Group seeking sustainability certification in the reporting year

	2022	2023
HOCHTIEF Americas[1]	1	4
HOCHTIEF Asia Pacific[2]	16	14
HOCHTIEF Europe[3]	2	2
HOCHTIEF Group	**19**	**20**

[1] Greenroads, other
[2] ISCA, Greenroads, other
[3] CEEQUAL, other

(12) Revenue from sustainable building construction and infrastructure projects within the HOCHTIEF Group (EUR million)

	2022	2023
HOCHTIEF Group	**11,806**	**12,958**

(13) Number of project life-cycle analyses carried out within the HOCHTIEF Group[1]

	2022	2023
HOCHTIEF Group	**62**	**98**

[1] Cumulative number of projects for which life-cycle analyses have been conducted (since 2022)

(14) Number of projects within the HOCHTIEF Group with digital recording of construction materials used

	2022	2023
HOCHTIEF Group	**15**	**18**

(15) Number of projects within the HOCHTIEF Group that are in environmentally sensitive areas with a corresponding biodiversity management action plan

	2023
Number of projects that are in environmentally sensitive areas	**69**
Thereof projects with biodiversity management action plan	**69**

Report on the EU Taxonomy Regulation

Context and introduction

The EU Taxonomy Regulation is a key component of the European Commission's action plan to redirect capital flows to sustainable economic activities. It represents an important step to achieve climate neutrality for Europe by 2050 and the objectives in the Green Deal, the EU's green growth strategy. This regulation has created a unified EU classification system for environmentally sustainable economic activities and imposed transparency obligations with respect to those activities.

The EU Taxonomy comprises six environmental objectives to identify environmentally sustainable activities:

1. Climate change mitigation (CCM)
2. Climate change adaptation (CCA)
3. The sustainable use and protection of water and marine resources (WTR)
4. The transition to a circular economy (CE)
5. Pollution prevention and control (PPC)
6. The protection and restoration of biodiversity and ecosystems (BIO)

An economic activity is considered environmentally sustainable within the meaning of the EU Taxonomy Regulation if it:

- contributes substantially to one or more environmental objectives;
- does not significantly harm (DNSH) any of the above-mentioned environmental objectives;
- is carried out in compliance with minimum safeguards for occupational safety and human rights; and
- complies with technical screening criteria established by the European Commission for each environmental objective and activity.

In the Group Report 2023, HOCHTIEF reports on the percentage of taxonomy-eligible and taxonomy-aligned economic activities in accordance with the requirements of the European Commission for the first two environmental objectives of "climate change mitigation" and "climate change adaptation". In 2023, the European Commission has amended the Taxonomy Climate Delegated Act, covering these two environmental objectives, and thereby introduced, among other things, new economic activities that were not covered previously as well as corresponding technical screening criteria. HOCHTIEF considers these amendments when reporting the proportion of taxonomy-eligible economic activities on a mandatory basis and the proportion of taxonomy-aligned economic activities on a voluntary basis for the fiscal year 2023.

On June 27, 2023, the European Commission adopted the Taxonomy Environmental Delegated Act, including a set of EU taxonomy criteria for economic activities making a substantial contribution to one or more of the non-climate environmental objectives (objectives 3-6). In this context, HOCHTIEF has additionally determined and reports the proportion of taxonomy-eligible and taxonomy-non-eligible activities with regard to these four objectives for the fiscal year 2023. It is expected that HOCHTIEF reports on taxonomy-alignment related to these four objectives for the first time in the Group Report 2024, depending on further decision the European Commission will make in the future.

HOCHTIEF procedure

The screening of EU Taxonomy requirements is undertaken by the HOCHTIEF Group companies on a project level. Projects' information is derived directly from the internal project management systems. Based on the different EU criteria applicable for the identified taxonomy-eligible economic activities, HOCHTIEF Group companies evaluate the taxonomy-alignment of their respective projects, taking into account the substantial contribution and DNSH elements of the EU regulation.

Taxonomy-eligibility analysis

To identify taxonomy-eligible activities, each HOCHTIEF activity has been checked against the requirements of the EU Taxonomy. Specifically, HOCHTIEF business activities that meet one of the activity descriptions listed in the delegated acts of the EU Taxonomy are considered as taxonomy-eligible. Conversely, if an activity is not covered by the regulations or does not meet the descriptions for activities defined by the European Commission, it is considered as taxonomy-non-eligible.

Double-counting has been avoided by assignment to one single activity in each case. The identified economic activities were divided into "taxonomy-eligible", "eligible-to-be-enabling" ("E"), and "eligible-to-be-transitional activities" ("T").

Taxonomy-alignment analysis

HOCHTIEF's identified taxonomy-eligible activities were then assessed for taxonomy-alignment taking into account the technical screening criteria.

As in the previous year, HOCHTIEF's innovation company Nexplore has deployed an online digital solution where the technical screening process has been transposed into specific taxonomy questionnaires for each economic activity, enabling users from the Group companies to carry out the verification of the EU Taxonomy standards for their respective projects.

The tool allows project officers to first assess the sustainable contribution to environmental objectives on a project basis. The technical screening criteria defined in the EU Taxonomy for a specific activity and related to each environmental objective are presented to those responsible, leading them step by step through the questionnaires to confirm that a project is compliant with the technical screening criteria or to indicate that a technical screening criteria is not applicable to the project. Questionnaires lead the internal users through a logical and structured set of questions enabled by simple functionality and supported by detailed information about the regulatory requirements from the EU. In a similar process, once the substantial contribution screening has been completed, projects undergo the do not significant harm screening through the questionnaires, as applicable to the project activity. The minimum safeguards are also formulated throughout the questionnaires, confirmation of company policies is mandatory, which includes the HOCHTIEF Code of Conduct and Code of Conduct for Business Partners, HOCHTIEF's Human Rights Corporate Management System, and others like Group Directives on Anti-Bribery, Anti-Discrimination, Anti-Harassment and Anti-Bullying or Taxes. (Please find more information on these topics in the Procurement and Human Rights sections.)

Based on the data entered, the tool determines if the technical screening criteria meet the EU Taxonomy compliance thresholds. For both qualitative and quantitative technical screening criteria, the documentation requires verification and documentation of the available information provided by the responsible project manager. On-screen support and information is available to internal users, along with the technical description of the technical screening criteria, together with links to related regulatory texts from the EU.

Once the taxonomy screening has been completed for each Group company, the tool generates a report presenting which projects and activities are taxonomy-aligned, and to which environmental objectives the projects contribute and do no significant harm. Finally, data is consolidated and verified internally.

The checking of compliance with the technical screening criteria requires the collection and assessment of relevant information in order to determine if the economic activity fulfils the conditions set out in the technical screening criteria.

Interpretations and definitions are coordinated centrally by HOCHTIEF Corporate, following among others the Technical Expert Group (TEG) on sustainable finance (July 2018), the Technical annex to the final report on EU Taxonomy and the “Frequently asked questions” published by the EU Commission, in particular the EU Commission Notice on the interpretation and implementation of certain legal provisions of the EU Taxonomy Climate Delegated Act establishing technical screening criteria for economic activities that contribute substantially to climate change mitigation or climate change adaptation and do not significantly harm other environmental objectives (draft Notice published on December 19, 2022). The European Commission Notice C/2023/267 from October 20, 2023 and the European Commission Notice C/2023/305 from October 20, 2023 have also been considered.

As set out in the answer to question 18 of the first European Commission Notice (2022/C 385/01), disclosure obligations under Article 8 of the Taxonomy Regulation apply to entities subject to the scope of the NFRD and to all their activities regardless of their location. While several of the technical screening criteria set out objective thresholds and requirements which do not refer to any location-specific regulatory requirements, some technical screening criteria refer to jurisdiction-specific requirements laid out in EU legislation. For assessing the taxonomy alignment of an economic activity conducted outside the EU, HOCHTIEF evaluates whether it is performed in compliance with the requirement applicable in European Union legislation or, where mentioned in the technical screening criteria, a relevant international standard or equivalent applicable national law in a third country (e.g. energy demand or waste protocols).

KPI calculation and results

In the context of the EU Taxonomy Regulation, HOCHTIEF reported for 2022 on the proportion of revenues, capital expenditure (CapEx), and operating expenditure (OpEx) associated with taxonomy-eligible and taxonomy-non-eligible economic activities as well as taxonomy-aligned and not taxonomy-aligned activities contributing to “climate change mitigation” and “climate change adaptation”.

From 2023 onward, the percentages of the stated key performance indicators for taxonomy-eligible and taxonomy-non-eligible activities related to the non-climate environmental objectives (objectives no. 3-6) additionally have to be disclosed for the first time. For this reason, prior-year comparative figures are stated only for economic activities related to the first two environmental objectives.

There were no changes in the methodology to collect these KPIs in 2023 compared to 2022. The KPIs have been directly assigned to individual projects which, in turn, are assigned to individual activities.

The allocation of KPIs of individual projects to economic activities follows an analysis based on Group-wide accounting under IFRS 15, in line with the European Commission Notice C/2023/305. IFRS 15 sets out criteria for the recognition of revenue on the basis of the performance obligations satisfied by the reporting entity, including cases in which multiple performance obligations constitute one single bundle to which revenue is entirely allocated. These IFRS 15 criteria are to be followed to determine how to allocate revenues to different economic activities when multiple performance obligations are satisfied for the same customer or group of customers. In this respect, the overall project can consist of individual project elements, such as small road sections in connection with our railway projects, engineering services in the construction preparation phase or smaller technical installations in construction projects. These project elements certainly might also fulfill individual taxonomy criteria, but the direct allocation is only possible if a project is composed of individual performance obligations or several definable sub-projects. The allocation of the revenues from those HOCHTIEF activities to different economic activities under the EU Taxonomy follows the analysis that has been made in the consolidated financial statements in accordance with IFRS 15, i.e. depending on whether the goods and services are distinct or not. If the goods and services are distinct, the revenue is split into and allocated to the corresponding, underlying economic activities.

Revenues are defined for this purpose as net sales according to IFRS, as reported in the Consolidated Statement of Earnings, and therefore relate only to fully consolidated entities. Entities accounted for using the equity method, as held for sale, or as investments recognized in other comprehensive income are thus not included. The share of sales accounted for by taxonomy-eligible and taxonomy-aligned economic activities is reported in this connection relative to the sales figures in the Consolidated Statement of Earnings (no. 3 in the tables below). Further information on those sales figures is provided in the Notes to the Consolidated Statement of Earnings (Sales). CapEx is calculated on a gross basis, excluding remeasurements, depreciation, amortization, or impairments. It includes expenditure on non-current intangible or tangible assets, including assets acquired as part of asset deals or share deals, as shown in the Consolidated Balance Sheet. For further information on CapEx, please see the Notes to the Consolidated Balance Sheet (Intangible assets, Property, plant and equipment, investment properties, and Lease liabilities). The proportion of CapEx is calculated as the part of CapEx derived from taxonomy-eligible and -aligned activities, divided by total CapEx. In this calculation, the considered capital expenditures are not part of a CapEx plan. OpEx comprises non-capitalizable expenses recognized in the Consolidated Statement of Earnings, such as research and development, building renovation measures, short-term leasing, maintenance and repair, and all other direct expenses from the maintenance of property, plant and equipment to ensure operational readiness of taxonomy-eligible and taxonomy-aligned assets. OpEx ratios are determined by dividing identified EU Taxonomy-related OpEx by total OpEx.

In calculating the reported taxonomy-eligible and taxonomy-aligned proportion of revenues, CapEx and OpEx, the respective KPI for taxonomy-eligible and taxonomy-aligned economic activities is divided by total revenue, CapEx and OpEx, respectively (no. 4 in the tables below).

Described KPIs are determined by the HOCHTIEF Group companies on a project level. Following the assessment of taxonomy-eligible and -aligned projects, Group companies have gathered related information using the ERP systems that document all revenues, CapEx and OpEx for projects. Determined taxonomy-related KPIs and activities have been aggregated at HOCHTIEF Corporate level.

The tables below show the percentage shares of taxonomy-eligible and taxonomy-non-eligible economic activities, including taxonomy-aligned and not taxonomy-aligned activities, by revenue, CapEx, and OpEx. Thereby, the newly by the European Commission introduced coding system for the reported activities and related environmental objectives is shown in column 2. The respective code constitutes the abbreviation of the relevant objective the economic activity makes a substantial contribution to, as well as the section number of the activity in the relevant annexes of the delegated acts (e.g. CCM 7.1).

Proportion of revenue from products and services associated with taxonomy-aligned economic activities – disclosure covering fiscal year 2023

Economic activities	Code	2023 Absolute revenues	2023 Proportion of revenues	Substantial contribution criteria: Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
		EUR million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1. Environmentally sustainable activities (taxonomy-aligned)									
Electricity generation using solar photovoltaic technology	CCM 4.1	107.56	0.4%	Y	N				
Electricity generation from hydropower	CCM 4.5.	169.34	0.6%	Y	N				
Transmission and distribution of electricity	CCM 4.9	34.97	0.1%	Y	N				
Construction, extension and operation of water collection, treatment and supply systems	CCA 5.1.	100.70	0.3%	N	Y				
Renewal of water collection, treatment and supply systems	CCA 5.2.	9.65	0.0%	N	Y				
Infrastructure for personal mobility, cycle logistics	CCM 6.13.	41.10	0.1%	Y	N				
Infrastructure for rail transport	CCM 6.14.	1,827.18	6.6%	Y	N				
Construction of new buildings	CCM 7.1. / CCA 7.1.	321.79	1.2%	Y	Y				
Renovation of existing buildings	CCM 7.2.	157.82	0.6%	Y	N				
Flood risk prevention and protection infrastructure	CCA 14.2	16.95	0.1%	N/EL	Y				
Revenues of environmentally sustainable activities (taxonomy-aligned) (A.1.)		**2,787.06**	**10.0%**	**9.5%**	**0.5%**				
- of which enabling		1,920.20	6.9%	6.8%	0.1%				
- of which transitional		157.82	0.6%	0.6%					
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)									
Electricity generation using solar photovoltaic technology	CCM 4.1./CCA 4.1.	2.03	0.0%						
Electricity generation from wind power	CCM 4.3./CCA 4.3.	0.22	0.0%						
Electricity generation from hydropower	CCM 4.5./CCA 4.5.	1.80	0.0%						
Transmission and distribution of electricity	CCM 4.9./CCA 4.9.	117.40	0.4%						
Storage of electricity	CCM 4.10./CCA 4.10.	80.19	0.3%						
Electricity generation from fossil gaseous fuels	CCM 4.29./CCA 4.29.	129.60	0.5%						
Construction, extension and operation of water collection, treatment and supply systems	CCM 5.1./CCA 5.1.	165.35	0.6%						
Renewal of water collection, treatment and supply systems	CCM 5.2./CCA 5.2.	–	–						
Construction, extension and operation of waste water collection and treatment	CCM 5.3./CCA 5.3.	6.42	0.0%						
Infrastructure for personal mobility, cycle logistics	CCM 6.13./CCA 6.13.	34.35	0.1%						
Infrastructure for rail transport	CCM 6.14./CCA 6.14.	799.18	2.9%						
Infrastructure enabling low-carbon road transport and public transport	CCM 6.15./CCA 6.15.	3,662.25	13.2%						
Infrastructure enabling low carbon water transport	CCM 6.16./CCA 6.16.	0.83	0.0%						
Low carbon airport infrastructure	CCM 6.17./CCA 6.17.	275.89	1.0%						
Construction of new buildings	CCM 7.1./CCA 7.1./CE 3.1.	13,829.21	49.9%						
Renovation of existing buildings	CCM 7.2./CCA 7.2./CE 3.2.	3,062.74	11.0%						
Professional services related to energy performance of buildings	CCM 9.3.	34.30	0.1%						
Flood risk prevention and protection infrastructure	CCA 14.2	2.47	0.0%						
Revenues of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		**22,204.23**	**80.0%**						
Revenues of taxonomy-eligible activities (A.1 + A.2)		**24,991.29**	**90.0%**						
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
Revenues of taxonomy-non-eligible activities (B)		**2,764.76**	**10.0%**						
Total (A+B)		**27,756.05**	**100.0%**						

Economic activities	DNSH criteria (Does Not Significantly Harm) Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover 2022	Category (enabling activity)	Category (transitional activity)
(1)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES										
A.1. Environmentally sustainable activities (taxonomy-aligned)										
Electricity generation using solar photovoltaic technology	–	Y	Y	Y	Y	Y	Y	–		
Electricity generation from hydropower	–	Y	Y	Y	Y	Y	Y	0.5%		
Transmission and distribution of electricity	–	Y	Y	Y	Y	Y	Y	–	E	
Construction, extension and operation of water collection, treatment and supply systems	Y	–	Y	Y	Y	Y	Y	0.3%		
Renewal of water collection, treatment and supply systems	Y	–	Y	Y	Y	Y	Y	0.1%		
Infrastructure for personal mobility, cycle logistics	–	Y	Y	Y	Y	Y	Y	0.0%	E	
Infrastructure for rail transport	–	Y	Y	Y	Y	Y	Y	5.8%	E	
Construction of new buildings	Y	Y	Y	Y	Y	Y	Y	1.3%		
Renovation of existing buildings	–	Y	Y	Y	Y	Y	Y	0.8%		T
Flood risk prevention and protection infrastructure	Y	–	Y	Y	Y	Y	Y	–	E	
Revenues of environmentally sustainable activities (taxonomy-aligned) (A.1.)								**8.8%**		
- of which enabling	Y	Y	Y	Y	Y	Y	Y	5.8%	E	
- of which transitional	Y	Y	Y	Y	Y	Y	Y	0.8%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)										
Electricity generation using solar photovoltaic technology								0.6%		
Electricity generation from wind power								0.0%		
Electricity generation from hydropower								0.0%		
Transmission and distribution of electricity								0.3%		
Storage of electricity								0.0%		
Electricity generation from fossil gaseous fuels								0.1%		
Construction, extension and operation of water collection, treatment and supply systems								0.8%		
Renewal of water collection, treatment and supply systems								0.0%		
Construction, extension and operation of waste water collection and treatment								0.1%		
Infrastructure for personal mobility, cycle logistics								0.0%		
Infrastructure for rail transport								2.8%		
Infrastructure enabling low-carbon road transport and public transport								13.8%		
Infrastructure enabling low carbon water transport								0.0%		
Low carbon airport infrastructure								1.2%		
Construction of new buildings								53.6%		
Renovation of existing buildings								10.1%		
Professional services related to energy performance of buildings								0.1%		
Flood risk prevention and protection infrastructure								–		
Revenues of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)								**83.5%**		
Revenues of taxonomy-eligible activities (A.1 + A.2)								**92.3%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES										
Revenues of taxonomy-non-eligible activities (B)								**7.7%**		
Total (A+B)								**100.0%**		

Proportion of CapEx from products and services associated with taxonomy-aligned economic activities – disclosure covering fiscal year 2023

Economic activities (1)	Code (2)	2023 Absolute CapEx (3)	Proportion of CapEx (4)	Substantial contribution criteria Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)
		EUR million	%	Y; N	Y; N	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1. Environmentally sustainable activities (taxonomy-aligned)									
Transmission and distribution of electricity	CCM 4.9	0.19	0.1%	Y	N				
Construction, extension and operation of water collection, treatment and supply systems	CCA 5.1.	1.99	0.6%	N	Y				
Renewal of water collection, treatment and supply systems	CCA 5.2.	–	–	–	–				
Infrastructure for personal mobility, cycle logistics	CCM 6.13.	–	–	–	–				
Infrastructure for rail transport	CCM 6.14.	50.79	15.1%	Y	N				
Construction of new buildings	CCM 7.1./CCA 7.1.	0.64	0.2%	Y	Y				
CapEx of environmentally sustainable activities (taxonomy-aligned) (A.1.)		**53.61**	**16.0%**	**15.3%**	**0.7%**				
- of which enabling		50.98	15.2%	15.2%	–				
- of which transitional		–	–	–					
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)									
Electricity generation using solar photovoltaic technology	CCM 4.1./CCA 4.1.	2.60	0.8%						
Electricity generation from hydropower	CCM 4.5./CCA 4.5.	0.13	0.0%						
Transmission and distribution of electricity	CCM 4.9./CCA 4.9.	3.06	0.9%						
Electricity generation from fossil gaseous fuels	CCM 4.29./CCA 4.29.	–	–						
Construction, extension and operation of water collection, treatment and supply systems	CCM 5.1./CCA 5.1.	0.49	0.1%						
Infrastructure for rail transport	CCM 6.14./CCA 6.14.	15.22	4.5%						
Infrastructure enabling low-carbon road transport and public transport	CCM 6.15. / CCA 6.15.	69.75	20.7%						
Infrastructure enabling low-carbon water transport	CCM 6.16. /CCA 6.16.	0.01	0.0%						
Low-carbon airport infrastructure	CCM 6.17/ CCA 6.17.	3.33	1.0%						
Construction of new buildings	CCM 7.1./CCA 7.1./CE 3.1.	12.47	3.7%						
Renovation of existing buildings	CCM 7.2./CCA 7.2./CE 3.2.	0.02	0.0%						
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4/CCA 7.4	0.36	0.1%						
Professional services related to energy performance of buildings	CCM 9.3	0.07	0.0%						
CapEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		**107.51**	**31.8%**						
CapEx of taxonomy-eligible activities (A.1 + A.2)		**161.12**	**47.8%**						
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
CapEx of taxonomy-non-eligible activities (B)		**175.73**	**52.2%**						
Total CapEx (A+B)		**336.85**	**100.0%**						

	DNSH criteria (Does Not Significantly Harm)									
Economic activities	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of CapEx 2022	Category (enabling activity)	Category (transitional activity)
(1)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES										
A.1. Environmentally sustainable activities (taxonomy-aligned)										
Transmission and distribution of electricity	-	Y	Y	Y	Y	Y	Y	–	E	
Construction, extension and operation of water collection, treatment and supply systems	Y	-	Y	Y	Y	Y	Y	0.1%		
Renewal of water collection, treatment and supply systems	-	-	-	-	-	-	-	0.2%		
Infrastructure for personal mobility, cycle logistics	-	-	-	-	-	-	-	0.2%	E	
Infrastructure for rail transport	-	Y	Y	Y	Y	Y	Y	10.1%	E	
Construction of new buildings	Y	Y	Y	Y	Y	Y	Y	0.0%		
CapEx of environmentally sustainable activities (taxonomy-aligned) (A.1.)								**10.6%**		
- of which enabling	Y	Y	Y	Y	Y	Y	Y	10.3%	E	
- of which transitional	Y	Y	Y	Y	Y	Y	Y	–		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)										
Electricity generation using solar photovoltaic technology								5.0%		
Electricity generation from hydropower								–		
Transmission and distribution of electricity								0.4%		
Electricity generation from fossil gaseous fuels								0.1%		
Construction, extension and operation of water collection, treatment and supply systems								–		
Infrastructure for rail transport								3.2%		
Infrastructure enabling low-carbon road transport and public transport								16.1%		
Infrastructure enabling low-carbon water transport								–		
Low-carbon airport infrastructure								0.1%		
Construction of new buildings								4.7%		
Renovation of existing buildings								0.6%		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)								–		
Professional services related to energy performance of buildings								0.0%		
CapEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)								**30.2 %**		
CapEx of taxonomy-eligible activities (A.1 + A.2)								**40.8 %**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES										
CapEx of taxonomy-non-eligible activities (B)								**59.2 %**		
Total CapEx (A+B)								**100.0 %**		

Proportion of OpEx from products and services associated with taxonomy-aligned economic activities – disclosure covering fiscal year 2023

		2023		Substantial contribution criteria					
Economic activities	Code	Absolute OpEx	Proportion of OpEx	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
		EUR million	%	Y; N	Y; N	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1. Environmentally sustainable activities (taxonomy-aligned)									
Construction, extension and operation of water collection, treatment and supply systems	CCA 5.1.	7.74	2.7%	N	Y				
Renewal of water collection, treatment and supply systems	CCA 5.2.	1.09	0.4%	N	Y				
Infrastructure for personal mobility, cycle logistics	CCM 6.13.	1.01	0.3%	Y	N				
Infrastructure for rail transport	CCM 6.14.	9.41	3.2%	Y	N				
Construction of new buildings	CCM 7.1./CCA 7.1.	2.98	1.0%	Y	Y				
Renovation of existing buildings	CCM 7.2.	0.33	0.1%	Y	N				
OpEx of environmentally sustainable activities (taxonomy-aligned) (A.1.)		**22.56**	**7.7%**	**4.6%**	**3.1%**				
- of which enabling		10.42	3.5%	3.5%	–				
- of which transitional		0.33	0.1%	0.1%					
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)									
Electricity generation from wind power	CCM 4.3./CCA 4.3.	–	–						
Electricity generation from hydropower	CCM 4.5./CCA 4.5.	0.05	0.0%						
Transmission and distribution of electricity	CCM 4.9./CCA 4.9.	0.00	0.0%						
Construction, extension and operation of water collection, treatment and supply systems	CCM 5.1./CCA 5.1.	0.89	0.3%						
Construction, extension and operation of waste water collection and treatment	CCM 5.3./CCA 5.3.	0.03	0.0%						
Infrastructure for personal mobility, cycle logistics	CCM 6.13./CCA 6.13.	1.88	0.7%						
Infrastructure for rail transport	CCM 6.14./CCA 6.14.	5.40	1.8%						
Infrastructure enabling low-carbon road transport and public transport	CCM 6.15./CCA 6.15.	77.13	26.4%						
Infrastructure enabling low-carbon water transport	CCM 6.16./CCA 6.16.	–	–						
Low-carbon airport infrastructure	CCM 6.17./CCA 6.17.	13.87	4.8%						
Construction of new buildings	CCM 7.1./CCA 7.1./CE 3.1.	140.75	48.2%						
Renovation of existing buildings	CCM 7.2./CCA 7.2./CE 3.2.	12.05	4.1%						
Professional services related to energy performance of buildings	CCM 9.3.	0.08	0.0%						
OpEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		**252.13**	**86.3%**						
OpEx of taxonomy-eligible activities (A.1 + A.2)		**274.69**	**94.0%**						
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
OpEx of taxonomy-non-eligible activities (B)		**17.47**	**6.0%**						
Total OpEx (A+B)		**292.16**	**100.0%**						

	DNSH criteria (Does Not Significantly Harm)									
Economic activities	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Proportion of Taxonomy a-ligned (A.1.) or eligible (A.2.) turnover 2022	Category (enabling activity)	Category (transitional activity)
(1)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES										
A.1. Environmentally sustainable activities (taxonomy-aligned)										
Construction, extension and operation of water collection, treatment and supply systems	Y	-	Y	Y	Y	Y	Y	2.7%		
Renewal of water collection, treatment and supply systems	Y	-	Y	Y	Y	Y	Y	1.2%		
Infrastructure for personal mobility, cycle logistics	-	Y	Y	Y	Y	Y	Y	0.1%	E	
Infrastructure for rail transport	-	Y	Y	Y	Y	Y	Y	2.8%	E	
Construction of new buildings	Y	Y	Y	Y	Y	Y	Y	4.7%		
Renovation of existing buildings	-	Y	Y	Y	Y	Y	Y	0.1%		T
OpEx of environmentally sustainable activities (taxonomy-aligned) (A.1.)								**11.6%**		
- of which enabling	Y	Y	Y	Y	Y	Y	Y	2.9%	E	
- of which transitional	Y	Y	Y	Y	Y	Y	Y	0.1%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)										
Electricity generation from wind power								0.0%		
Electricity generation from hydropower								0.0%		
Transmission and distribution of electricity								0.0%		
Construction, extension and operation of water collection, treatment and supply systems								0.9%		
Construction, extension and operation of waste water collection and treatment								0.0%		
Infrastructure for personal mobility, cycle logistics								0.0%		
Infrastructure for rail transport								2.8%		
Infrastructure enabling low-carbon road transport and public transport								34.1%		
Infrastructure enabling low-carbon water transport								0.1%		
Low-carbon airport infrastructure								4.2%		
Construction of new buildings								29.2%		
Renovation of existing buildings								8.2%		
Professional services related to energy performance of buildings								0.0%		
OpEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)								**79.5%**		
OpEx of taxonomy-eligible activities (A.1 + A.2)								**91.1%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES										
OpEx of taxonomy-non-eligible activities (B)								**8.9%**		
Total OpEx (A+B)								**100.0%**		

Taxonomy-eligibility and -alignment per objective – disclosure covering fiscal year 2023

	Proportion of turnover / Total turnover		Proportion of CapEx / Total CapEx		Proportion of OpEx / Total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective	Taxonomy-aligned per objective	Taxonomy-eligible per objective	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	9.5 %	76.0 %	15.3 %	25.4 %	4.6 %	60.5 %
CCA	0.5 %	14.0 %	0.7 %	22.4 %	3.2 %	33.5 %
WTR						
CE						
PPC						
BIO						

Conclusions

Providing a sustainable and quality infrastructure plays a crucial role in the context of climate change mitigation and adaption, and is one of the HOCHTIEF’s guiding principles as one of the world’s leading infrastructure groups with respect to sustainability.

HOCHTIEF continues responding to the demands of public and private clients to develop sustainable infrastructures, providing projects aimed at mitigating or adapting to the impact of climate change. To this end, HOCHTIEF's Sustainability Plan 2025 is aligned with the activities identified by the EU in its Taxonomy as drivers of a decarbonized and sustainable economy.

Human rights

Our aim is to ensure that HOCHTIEF's business activities go hand in hand with respect for human rights. That is why we have established clear standards at HOCHTIEF for respecting and upholding applicable internationally recognized human rights across our global operations and value chain. The Group builds its commitment here on the core international human rights standards set out in the HOCHTIEF Human Rights Statement of Principles.

In the reporting year, HOCHTIEF updated its Human Rights Statement of Principles, taking into account the requirements of the German Supply Chain Act (Lieferkettensorgfaltspflichtengesetz/LkSG), which entered into force in January 2023. The Statement of Principles is the outcome of an in-depth global consultation process with managers in all HOCHTIEF divisions. It also reiterates the Group's human rights standards for employees and business partners, which are already integral to our business activities through the HOCHTIEF Code of Conduct and the HOCHTIEF Code of Conduct for Business Partners.

To further enhance the involvement of employees and business partners, we once again placed an additional focus in 2023 on internal and external communication of the above standards. For instance, human rights modules now feature even more prominently in our numerous training courses, and project audits reviewed the take-up of the human rights poster and leaflet campaign and whistleblower system rolled out last year at sites across Europe.

We also engage in ongoing dialog with outside parties. Activities here in 2023 include the launch of a round table to which other companies were invited for an exchange of views on human rights risks. HOCHTIEF itself took part in a round table hosted by rating agency Sustainalytics on human rights risks in the construction industry. Also during the reporting year, we stepped up our involvement in the UN Global Compact's peer learning groups in order to improve our human rights due diligence processes.

Stakeholder dialog is cultivated by our subsidiaries. Turner, for example, asked about the importance of human rights, among other matters, in a survey of stakeholder groups including business partners, clients, and employees. Human rights were likewise a focal topic at Turner's "Supplier Summit." Flatiron operates an indigenous relations policy. CIMIC has similarly established various platforms for stakeholder involvement. Activities at HOCHTIEF Europe in 2023 included a workshop with site managers to discuss what influence they have in preventing child labor on linear infrastructure construction sites, where access control is challenging.

Expansion of the Human Rights Corporate Management System (HRCMS) in the HOCHTIEF Group

Oversight and coordination of our human rights efforts is the responsibility of the Chief Human Rights Officer, who was appointed by the Executive Board for the first time in 2021. Our due diligence process includes numerous structured systems, such as our risk analysis and our whistleblowing system, to identify potential human rights risks for affected groups as a result of our global business activities. This allows us to define suitable measures to reduce the likelihood of risks materializing in the various HOCHTIEF companies and functional departments or for employees or business partners.

The human rights-related due diligence process is an integral element of our HRCMS which, for instance, enables us to implement the due diligence requirements under the German Supply Chain Act. It also permits the mandatory requirements on business and human rights to be met in the countries where HOCHTIEF operates. In 2023, with the involvement of their specialist departments, the HOCHTIEF Europe and HOCHTIEF Americas divisions updated the risk analyses they each drew up for their operations in 2021 and 2022, respectively. At the same time, the HOCHTIEF Asia Pacific division completed its risk analysis in the reporting year. In each case, the risk analysis focused on the impact of Group units' own operations on the various stakeholder groups (including local residents, communities, suppliers, and subcontractors). CIMIC also regularly conducts project-based human rights impact assessments focusing on modern slavery and additionally publishes information on this topic in the CIMIC Group annual Sustainability Report and annual Modern Slavery Statement.

Stages of HOCHTIEF's Human Rights Corporate Management System

Human rights risks and impacts assessment

We use two complementary approaches to ensure that we fully capture the potential negative impacts that may arise in our value chain.

The first of these approaches comprises a top-down, risk-based country analysis (abstract risk analysis), which was oriented to numerous criteria such as human rights relevant indices, ratified agreements or frameworks. It covered 26 countries where the Group operates. Its findings provide an overview of the human rights landscape associated with each country's political, social, and economic context.

In a second step, we carried out a bottom-up analysis (specific risk analysis) of the individual business segments in the reporting year. The human rights and environmental risks assessed in accordance with the German Supply Chain Act were identified, scored, and prioritized with the involvement of relevant departments such as Corporate Compliance, Procurement, the OSHEP Center, Human Resources, and Sustainability.

In the findings from assessing our activities using the methodology described, a total of five groups of vulnerable social actors were identified—meaning stakeholders at every link in our value chain whose human rights could potentially be violated.

Overview of the outcomes of the human rights risks and impact assessments

1. HOCHTIEF Employees, including temporary, migrant, students and any other type of employment.
2. Value Chain Employees, including temporary, migrant, students and any other type of employment.
3. Business Partners and Customers: public and private entities/companies that have commercial relations with HOCHTIEF, such as customers, suppliers, contractors, subcontractors, joint ventures, and further contractual parties.
4. Local Communities: include local residents living in the area surrounding our projects, users and civil society.
5. Vulnerable Groups, including migrant workers, indigenous peoples and other minorities, youth, children, women and people with disabilities and/or reduced mobility.

The recommendations of the initial bottom-up risk analysis in the HOCHTIEF Europe and HOCHTIEF Americas divisions were taken as a basis for analyzing the material human rights issues for each division in greater detail and hence for identifying potential material human rights risks. This allows us to understand the potential severity of the consequences for affected parties should a risk materialize, and therefore to assess and consider whether any additional or improved measures are to be taken in relation to each potential risk. In 2023, the risk analysis for the HOCHTIEF Asia Pacific division was supplemented. On this basis, we defined the Group's material human rights issues in the course of the year in consultation with the relevant functional departments. These are presented in the following.

Salient Human Rights Topics

Finally, the risks identified were incorporated into the Human Rights Corporate Management System and assigned to the respective functional departments with the involvement of the business areas. Based on the completed risk analysis, any opportunities for improvement are considered. No material human rights violations became known at HOCHTIEF in the reporting year.

Human rights in our Sustainable Procurement Program

Supplier analyses have already been carried out in the past. These have been re-systematized due to legal requirements. In the reporting year, HOCHTIEF carried out a supply chain risk analysis in all three divisions in order to identify human rights-related and environmental risks and to derive corresponding measures if necessary.

In the abstract risk analysis, we assessed our suppliers and subcontractors with regard to country and industry risks. We then took all suppliers and subcontractors for which the abstract risk analysis had identified country and/or industry risks and subjected them to more in-depth assessment in the specific risk analysis. Wherever risks are identified, we work with the business partner concerned to develop specific corrective action plans with preventive measures to minimize those risks.

In the HOCHTIEF Asia Pacific division, CIMIC has implemented a third party due diligence solution to screen third parties for a range of risk factors—including the risk of modern slavery. This solution is used to evaluate and monitor vendors, suppliers, and business partners. Based on a multi-factor assessment, each supplier is allocated a risk rating which may trigger additional investigation and due diligence, which may lead to the preparation of corrective action plans where applicable, or in some cases, exclusion from working with CIMIC Group entities. All suppliers or other third parties who are accepted are subject to continuous monitoring for changes in key risks, for example change in an entity's legal status or the imposition of a sanction or enforcement.

In the divisions, the prequalification and supplier selection process is supplemented with human rights-related information.

In addition, as part of our Sustainable Procurement Program, a due diligence process has been established in the HOCHTIEF Europe division, which applies for suppliers and subcontractors from high human rights risk countries (as per UN Convention). Supplementary to mandatory acceptance of the HOCHTIEF Code of Conduct for Business Partners within the European business, our procurement staff are specifically trained on the measures to be taken in connection with human rights risks—for instance, in negotiating special contract clauses.

In HOCHTIEF Europe, after contract award, we assess all suppliers and subcontractors continuously throughout the construction phase for compliance with our ESG standards, including those relating to human rights risks.

We take the results into account in future award decisions and collaborations. If non-compliant behavior is identified, we agree corrective action with the company concerned.

Other risk-based due diligence measures implemented by the relevant HOCHTIEF departments for human rights compliance by business partners include contract clauses that have to be negotiated as minimum standards for joint venture partners and regulate human rights due diligence within the framework of the cooperation.

We significantly expanded the coverage of human rights topics in various training formats during the reporting year. For example, a first divisional human rights e-learning unit was rolled out for the HOCHTIEF Europe division. On the basis of voluntary participation, a training rate of 92% was achieved by the end of 2023. We also covered the topic in weekly web training sessions, including an interview with the Chief Human Rights Officer on the main focus of his work and activities. Human rights were additionally addressed in classroom training as part of the project launch, site manager, and project manager training courses that regularly take place within the HOCHTIEF Europe division. Moreover, our annual compliance meeting held in the reporting year focused on human rights. The Chief Human Rights Officer gave a presentation on the topic to around 60 international compliance managers for dissemination to the various units.

Long-term, effective human rights risk management system

HOCHTIEF performs annual reviews of the human rights corporate management system so that measures can be continuously improved and fine-tuned.

In order to provide information for internal and external stakeholders, we provide a multilingual explanatory video on our intranet and website with basic information on human rights. This serves to raise awareness of the topic among both the workforce and outsiders as well as to draw attention to the HOCHTIEF whistleblower system for the reporting of human rights-related grievances.

At the same time, employee training specifically on human rights is one of our goals. That is why we began implementing a human rights e-learning unit for the HOCHTIEF Europe division in the reporting year. The divisions also have their own employee training modules which cover human rights topics.

Our goal: Train 100% of the employees[1] in human rights risks by 2025.

Status as of 2023: The mandatory Code of Conduct training courses in the HOCHTIEF Europe division also include human rights topics, so we have basically achieved our goal here. We are further intensifying the topic: In the HOCHTIEF Europe division, 99% of employees received human rights training in the reporting year. In the other divisions, the goal is also actively pursued.

Finally, we draw attention to the fact that the internationally available HOCHTIEF Integrity Line—the HOCHTIEF whistleblower system—is likewise available for reporting potential human rights risks and violations. Employees are encouraged to make active use of this system. This was similarly addressed in a comprehensive external audit in accordance with ISO 37002 for the HOCHTIEF Europe division, in which the auditor assessed and briefed numerous employees. The HOCHTIEF Integrity Line successfully underwent certification in the reporting year. Our complaint mechanisms are publicly available and accessible to all our stakeholders. The reporting options and accessibility to the reporting channels—which include the ability to submit free and anonymous reports at any time—have been further extended in the HOCHTIEF Europe division with the digitalization of our whistleblower system in 2023. Reports via the whistleblower system trigger a structured process to investigate the matter under the responsible compliance manager, where necessary in cooperation with the relevant (functional) departments.

The effectiveness of the whistleblowing system was confirmed by an internal audit conducted by Corporate Auditing in the reporting year independently of the ISO certification in accordance with ISO 37002. In addition, Corporate Compliance has implemented a process that subjects specific features of the whistleblowing system to plausibility checking on an annual basis as part of the monitoring plan.

Furthermore, Group-wide reporting on data relating to the divisions' equivalent whistleblowing systems and other channels are provided by the divisions which enables such data to be aggregated by topic. We self-critically review feedback from stakeholders who use the whistleblowing system, and make improvements to the whistleblower process as needed.

As expressly intended users of the system, we encourage relevant stakeholders to make use of it and to blow the whistle whenever there is suspicion of a potential violation. We make a special point of emphasizing this in training provided for our stakeholders (our own employees, joint venture partners, and subcontractors), as well as in project compliance audits and bilateral interactions.

[1] Every active white-collar employee (does not include blue-collar employees, interns, and inactive employment relationships [parental leave, sabbatical, long-term illness, etc.])

Social corporate citizenship

Through its business activities, HOCHTIEF also contributes significantly to society. By designing living spaces with our many and diverse projects, we fulfil a social role. Good infrastructure—such as for transportation and energy—is fundamental to the functioning of society. We also contribute to the community with a wide variety of social activities.

Sponsorship activities at HOCHTIEF have two long-standing, established focal areas: “educating and promoting young talent,” and “designing and preserving living spaces.” These are a close fit with our Group culture and strategy, and in terms of their objectives are in line with Sustainable Development Goals 4, Quality Education, and 11, Sustainable Cities and Communities. We focus on these areas mainly through corporate volunteering and donations.

Donation and sponsorship activities at HOCHTIEF are organized on a decentralized basis in line with the structure and project-driven geographical spread of our companies. The operational entities have their own budgets for social activities, which they coordinate with management. HOCHTIEF’s Executive Board is involved in all cross-cutting projects at Group level.

Material topic: Social activities

HOCHTIEF classifies social activities as a material topic. Efforts are directed here at the implementation of social activities geared to demonstrating social responsibility and to enhancing our reputation and attractiveness as an employer—primarily in the vicinity of our projects, and in line with our adopted, binding funding priorities. As well as a global commercial enterprise, we are also a stakeholder in society and not only seek to embrace our responsibility as a corporate entity, but also to enable our employees to engage in the community in the context of their work in the Group. We also receive wide-ranging outside impetus to engage in social activities, including from charities and private individuals. As a result of direct feedback from our community stakeholders, regular surveys, as well as our participation in ESG indices, we are aware of the high expectations that outsiders place on HOCHTIEF’s social corporate citizenship and the fact that they rate our selected activities highly.

Our activities are based on the Group Directive on Donations and Sponsoring issued by Corporate Communications, and the Group Directive on Social Engagement issued by the Corporate Department Human Resources. These specify clear priorities and focal areas for philanthropic and social involvement. Added to this are the targets from the HOCHTIEF Sustainability Plan 2025. In line with each form of involvement, we have a positive impact on society, the economy, and the environment, and make a lasting contribution to communities and our workforce. Social activities can improve the economic situation of people in need or further educational goals—for example, in learning and assisted education programs.

We do not currently see any risk arising from our social activities. Should conflicts unexpectedly arise, our policy is open communication—including in the international specialist group, who regularly consults on social activities. In addition, external and internal stakeholders alike are able to use the established complaint and whistleblower systems.

Community involvement

In many places, we engage with communities through dedicated community managers for the best possible community involvement as well as to provide appropriate, needs-based support. Community management is an integral part of project work in the USA and Australia especially, but it is also gaining significance in Europe. We consider it important to contribute where support is needed and welcome, and we consequently gear our community work to the needs of people in the proximity of our activities. This gives rise to a wide variety of local initiatives, many of which grow into close, long-standing partnerships. Examples include the collaboration at Turner with the NGO Habitat for Humanity, CIMIC's long-term partnership with the Clontarf Foundation and the Royal Flying Doctor Service, and wide-ranging volunteering activities in connection with HOCHTIEF (UK) Construction's work on the London Power Tunnels project. As most of our projects are long-running, we generally also aim for long-term collaborations, although one-off initiatives are likewise possible. Our focus is always on activities that align with our in-house funding priorities.

Our goal: Promote corporate volunteering initiatives regarding SDG 4 (Quality Education) and SDG 11 (Sustainable cities and communities).

Status as of 2023: In 2023, we placed the main focus on promoting corporate volunteering activities in the companies of the HOCHTIEF Europe division, where this form of social involvement is not yet as widespread as in the corporate units in the U.S. and Australia. The primary aim was to implement flagship projects with standout campaigns, publicize them, and win employees over to the idea of joining forces for a good cause under HOCHTIEF's name. Among other projects, various HOCHTIEF teams staged "social days" at daycare centers and schools in the reporting year.

To further increase penetration, it is important to communicate planned initiatives well. In the HOCHTIEF companies, cross-cutting volunteering activities are announced and advertised via the intranet. Local volunteer initiatives are mostly communicated in teams, using channels such as e-mail.

Selected activities in the anniversary year

HOCHTIEF supported a number of activities at its Essen headquarters to mark its 150th anniversary. In October 2023, for example, the company sponsored lit.RUHR, a literature festival in the Ruhr region. A number of the venues were built by HOCHTIEF, including the Zollverein former coal mine complex and the Lichtburg movie theater in Essen, as well as the Schauspielhaus drama theater in Bochum. HOCHTIEF's involvement came under the "educating" funding priority, with the children's program in the literature festival aiming to introduce children and adolescents to the written word with free readings. Some 4,200 children took part in the "class books" readings series.

HOCHTIEF also supported the Essen Light Festival, which likewise took place in October 2023, and sponsored two art installations in Essen's city center. One of the top ten light art festivals in Europe, this event impressed a total of some 350,000 visitors with video mappings, light installations, crowd games, and light shows.

Our goal: By 2025, we aim to improve the monitoring of volunteer projects developed and to have implemented methodologies that allow us to measure the positive impact on the community.

Status as of 2023: The international team established in the Group in 2022 continued its work in the 2023 reporting year, defining and adopting uniform standards for data collection on social activities. Initiatives in which people get involved as part of corporate volunteering form the main focus. An indicator-based monitoring system shall make it possible, for instance, to measure the community impact of voluntary initiatives.

Donations and sponsorship

Annual budgets are available in the Group units for donations and sponsoring.

Our goal: Increase the budget for donations and sponsorship by three percent annually from 2022.[1]

Status as of 2023: Targets were set for 2023 on the basis of the budgets determined in the prior year. The target of a three-percent annual increase was achieved in the reporting year.
Group-wide budgets for donations and sponsorship activities amounted to around EUR 6.1 million (2022: EUR 5.7 million) in 2023. This figure relates to budgets in the various units, as these are the focus of activities under the Sustainability Plan 2025.

No donations to political parties

The HOCHTIEF Code of Conduct lays down clear rules concerning donations to political organizations: “HOCHTIEF’s business units and companies do not make donations to political organizations, parties, or individual politicians, whether directly or indirectly.”

HOCHTIEF commitment for NGO Bridges to Prosperity[2]

Since 2010, HOCHTIEF has collaborated with the U.S. non-governmental organization Bridges to Prosperity (B2P). This partnership is mainly in line with our sponsorship focus “designing and preserving living spaces.” Its aim is to build bridges in remote regions in order to give people better access to key infrastructure such as schools, hospitals, and markets. Many of the new footbridges replace older makeshift bridges and render people’s journeys safer, especially in the rainy season. In this collaboration, HOCHTIEF specifically aims to support people in regions where the Group itself does not operate.

After a hiatus due to the pandemic, a team of ten employees was once again able to travel to Rwanda in the reporting year and work with the local community to construct a footbridge. The almost 120-meter Kukasedurugu Bridge built in northern Rwanda makes it easier for around 1,600 people from the surrounding communities to cross the river.

HOCHTIEF plans to continue its long-standing cooperation with B2P in 2024. Since 2010, more than 280 employees from across the Group have been involved in B2B projects. Participating employees once again rated the experience as highly rewarding in the reporting year, making this an important contribution to employee loyalty and motivation.

The partnership between HOCHTIEF and Bridges to Prosperity—key facts

Period	Number of bridges	Number of people who benefit	Volunteering HOCHTIEF employees
2010 to 2023	**29 bridges** (in Honduras, Guatemala, El Salvador, Nicaragua, and Rwanda)	**95,755**	**284**

[1] CSR-RUG (German CSR Directive Implementation Act) goal for the dimension social matters
[2] The information on HOCHIEF’s B2P partnership is neither part of the statutory audit of the annual financial statements and consolidated financial statements nor part of the separate limited assurance engagement by Deloitte GmbH Wirtschaftsprüfungsgesellschaft.

Group project highlights[1]

A HOCHTIEF team helped refurbish various rooms at a school in Essen (left). In Estes Park, Colorado, Flatiron volunteers helped to restore a severely damaged floodplain (right).

Social corporate citizenship

Pacific Partnerships is involved in the first solar project in Victoria, the Glenrowan Solar Farm. The company actively supports a program for working with the community. In 2023, a “Community Reference Group” was set up specifically to coordinate local community involvement. Additionally, great importance is attached to working with local businesses to deliver the solar project.

Social inclusion is likewise one of the goals of the Spark Consortium, which is currently delivering the North East Link Tunnels with CIMIC Group companies Pacific Partnerships and CPB Contractors among the consortium members. Through Spark's inclusive employment program, the consortium provides opportunities for people who would otherwise be disadvantaged on the labor market. This includes people with disabilities, survivors of family violence, long-term unemployed, migrants, and refugees. Over the course of the construction work, Spark plans to hire a total of 1,000 workers from such groups within five years. Spark also partners with Yarra View Bushland Nursery, a social enterprise that employs 85 people with disabilities. The organization is providing residents near the tunnel construction site with two native trees per household for their back yards.

A project team from UGL launched a joint blood donation drive at the Blood Donation Center in Gladstone, Queensland, in the fall of 2023. The blood and blood plasma donated could help to save 27 lives. The team saw this as an opportunity to engage with the community and provide help. It was an experience that motivated all members of the group to attend further donation drives.

Turner employees once again collaborated with the organization Habitat for Humanity in the reporting year. In the 2023 Home Builders Blitz, three homes were built in Antilope Valley near Los Angeles within the space of two weeks. Several construction companies took part in the Home Builders Blitz, with up to 100 volunteers at work on the site every day. They also donated the necessary building materials.

[1] The content of these project highlights is neither part of the statutory audit of the annual financial statements and consolidated financial statements, nor is it reviewed in a separate limited assurance engagement on the non-financial reporting.

Social engagement is multi-faceted at Turner: A team from New Jersey supported the Habitat for Humanity organization (left), another team volunteered at a soup kitchen (right).

Turner has a tradition of taking part in Community Work Day in Columbus, Ohio. Since 2008, the company has staged the event jointly with subcontractors and the Healthy Neighborhoods Healthy Families initiative of the Nationwide Children's Hospitals organization. Volunteers help homeowners with minor repairs to their homes. Over 100 volunteers took part this time. The initiative has spruced up over 150 homes since 2008.

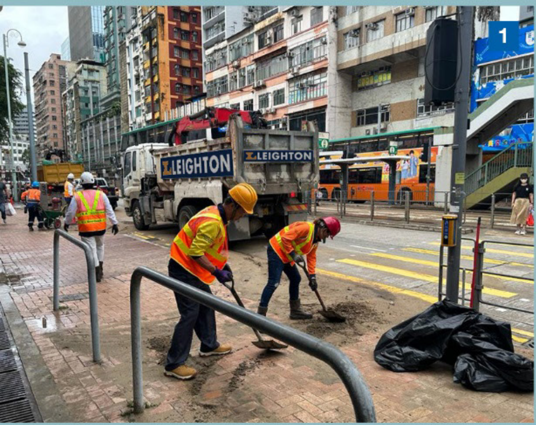
A group of volunteers from Flatiron took part in a July effort to restore Fish Creek in Estes Park, Colorado. Fish Creek, a tributary of Lake Estes, had been hit hard by devastating storms, causing the riverbed to increasingly dry out with loss of beaver habitat. Over two days, the volunteers built several simulated beaver structures to slow down the water and give it more time to soak into the ground, planted over 300 willows to help shade and cool the water, and removed invasive plant species to draw beavers back to the area.

HOCHTIEF held a series of "social days" in Germany. Employees from the Human Resources Department, for instance, designed a barefoot path for an eco-friendly daycare center in Essen, working with wood, stone, and other natural materials. A team from HOCHTIEF Engineering rolled up their sleeves at the Ronald McDonald House in Essen, cooking for guests and taking care of gardening work. The facility provides accommodations for the families of seriously ill children being treated at the university hospital. For the Liebfrauenschule, a secondary school in Ratingen, volunteers from the Technical Competence Center laid the foundations for an irrigation system serving the school's herb and vegetable garden.

As part of "NLdoet!," the Dutch volunteer campaign, volunteers from HOCHTIEF PPP Solutions lent a hand at Hoogerlust farm. Located near the SAAOne project, which is jointly operated by HOCHTIEF, Hoogerlust provides activities for children from challenging living situations. Among other work, the volunteering involved mucking out the large sheep pen.

1 | When Hong Kong was hit by severe flooding in September, Leighton Asia mobilized the Construction Volunteer Team that cleared roads and sidewalks of mud and debris.

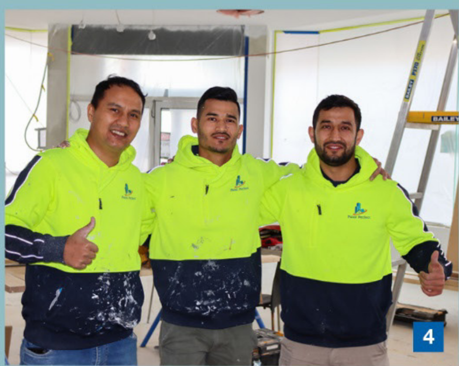
2 | In November 2023, a team of employees from various Group companies worked together with the NGO Bridges to Prosperity and people from the region in Rwanda to build the Kukasedurugu Bridge spanning almost 120 meters.



3 | Teamwork for a good cause: In a series of “Social Days”, HOCHTIEF volunteers have initiated a variety of activities, including the creation of a barefoot path for a daycare center in Essen.

4 | The North East Link Tunnels project wants to share project benefits. This has included engaging a business set up by refugees to paint the project's training facility.

5 | A project team from UGL launched a joint blood donation drive in Gladstone, Queensland, Australia, in the fall of 2023.



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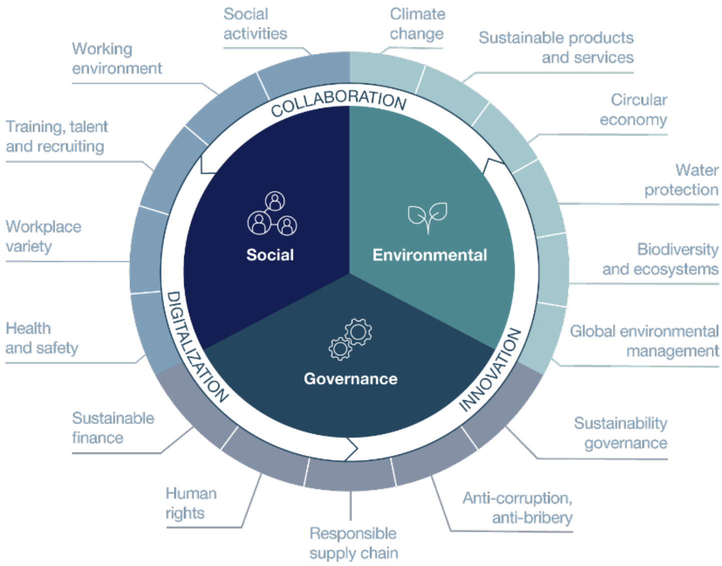
Images: © HOCHTIEF

HOCHTIEF Sustainability Plan 2025[1]

In this section, we present the targets published by HOCHTIEF in 2022 under the Sustainability Plan 2025. Formulation of the targets was based on a comprehensive internal strategy process in which the Group's operational units were also involved.

For our various commitments, we have specified key performance indicators (KPIs) enabling us to measure our progress and target achievement.

Further information:
www.hochtief.com/sustainability



ENVIRONMENTAL DIMENSION: COMMITMENTS AND KEY PERFORMANCE INDICATORS

Global Environmental Management

Increase the percentage of total employees covered by Environmental Management System Certification (ISO 14001) to at least 90% by 2025	• Percentage of total employees covered by Environmental Management System Certification (ISO14001)
Increase awareness and knowledge regarding relevant environmental topics through trainings of at least 50% of the employees by 2025	• Number of training hours per employee with respect to environmental topics • Percentage of employees trained in environmental topics
Zero environmental incidents with severe environmental damage (category 1)	• Number of environmental incidents (category 1 and 2)

[1] The content in this section is neither part of the statutory audit of the annual financial statements and consolidated financial statements nor part of the separate limited assurance engagement by Deloitte GmbH Wirtschaftsprüfungsgesellschaft.

Climate Change

Achieve Carbon Neutrality (“Net Zero”) by 2045

Achieve Carbon Neutrality for scope 1 emissions by 2038

Reduce scope 1 emissions by at least 20% until 2025 compared to base year 2019

Achieve Carbon Neutrality for scope 2 emissions by 2038

Reduce scope 2 emissions by at least 35% until 2025 compared to base year 2019

Achieve Carbon Neutrality for scope 3 emissions (in relevant categories) by 2045

Verify Net Zero path—consistent with limiting temperature rise to 1.5 °C until the end of 2023

- Direct GHG emissions (scope 1) (tCO_2e)
- Indirect GHG emissions (scope 2) (tCO_2e)
  - Percentage of purchased renewable of total electricity consumption
  - Percentage of produced renewables of total electricity consumption
- Other indirect GHG emissions (scope 3) (tCO_2e)
- Intensity of GHG emissions (tCO_2e/€)

Circular Economy

Achieve zero waste[1] to landfill by 2045

Achieve annual recycling rate for waste of at least 80% until 2025 and increase the rate consecutively afterwards

Reduce self-generated hazardous waste to less than 1% of total waste by 2030

Promote life-cycle analyses by actively engaging clients and carry out this analysis in at least 200 construction projects by 2025

Increase the share of construction projects recording building materials digitally (BIM 6D) by at least 10% from year to year.

Promote reuse and increase the rate of recycled building materials steadily

- Waste to landfill (t)
- Waste volume by type and disposal method (t)
- Annual recycling rate for waste (%)
- Percentage of self-generated hazardous waste of total waste
- Number of lifecycle/circularity analyses executed for construction projects
- Percentage of construction projects recording building materials digitally (BIM 6D)
- Percentage of recycled building materials of total building materials for the respective types of material
- Percentage of certified wood of total wood (e.g. FSC, PEFC, SFI)

[1] Non-hazardous waste, and all hazardous waste self-generated by HOCHTIEF

Water Protection

Promote water protection on all projects

implement water protection plans and execute corresponding measures in 100% of the projects in water-stressed areas by 2023

Implement measures to reduce water consumption and achieve an annual water recycling/reuse rate of at least 10% of total water withdrawn

- Percentage of projects in water-stressed areas that have implemented a water protection plan
- Total water consumption (m^3)
- Percentage of water consumption in water-stressed areas of total water consumption
- Percentage of recycled water of total water withdrawn

Biodiversity and Ecosystems

Create awareness and preserve biodiversity and ecosystems on all projects

Implement biodiversity management action plans and execute corresponding measures in 100% of the projects in environmentally sensitive areas by 2023

- Percentage of projects in environmentally sensitive areas that have implemented a biodiversity management action plan

Establish and implement long-term initiatives to proactively preserve ecosystems and increase biodiversity

- Number of initiatives to preserve or increase biodiversity and ecosystems

Sustainable Products and Services

Stimulate innovation and develop sustainable products and services

Achieve at least 50% of total infrastructure and building revenue from certified construction projects by 2025

Provide sustainable solutions in bidding and/or during preconstruction processes of at least 50% of the construction projects by 2025

- Number of sustainable products and services developed
- Percentage of certified construction project revenue of total infrastructure and building revenue
- Percentage of revenue according to EU Taxonomy alignment methodology
- Number of projects with sustainable construction certification (e.g. LEED, DGNB, ISCA)
- Number of accredited auditors in sustainable construction certification (e.g. LEED, DGNB, ISCA)
- Number and percentage of construction projects with sustainable solutions in bidding processes and/or during preconstruction processes

SOCIAL DIMENSION: COMMITMENTS AND KEY PERFORMANCE INDICATORS

Health and Safety

Accident-free project delivery; 0 fatalities in all activities for own employees and subcontractors	• Lost time injury frequency rate (LTIFR)
LTIFR of 1.04 by 2025, with long-term objective of 0.9 by 2030	
100% of new hires trained on health and safety, by 2023	
Increase the percentage of total employees covered by Occupational Health and Safety certifications (such as BS OSHAS 18001 or ISO 45001) to 100% by 2023	
Improve the accident rates of contractors by increasing training and awareness of contractors in Health and Safety issues by 2025	

Workplace Variety

Increase the presence of women in senior management positions by 50% until 2025 compared to 2019	• Different genders share of the total workforce • Different genders in all management positions • Different genders in junior management positions • Different genders in top management positions • Number of new hires affiliated to the different genders • Workforce by age groups
At least 35% of female technical trainees among new hires by 2025 worldwide (mirroring the employment market)	
Encourage generational diversity in the teams, fostering close collaboration between older and younger professionals by 2025.	

Training, Talent and Recruitment

Increase the training hours per company to at least 20 hours per person by 2023	• Total hours taught • Hours of training per employee Group-wide
Increase annually the employee training on sustainability-related (climate change, sustainability standards, circular economy in construction, environmental management, diversity, equality, inclusion, anti-discrimination, anti-harassment and anti-bullying, etc.) topics	
Promote specific training programs for young talent to facilitate their promotion within the company	

Working Environment

Further turnover ranges are determined in the Group companies and will be monitored	• Workforce breakdown by professional category • Fixed contracts vs. temporary contracts • (by gender, by professional categories) • Group-wide turnover rate

Social Activities

Increase the budget for donation and sponsorship by 3% annually until 2025 (started in 2022)	• Group-wide budget for donations and sponsorship
Improve the monitoring of volunteer projects developed, implementing methodologies that allow us to measure the positive impact on the community - 2025.	
Promote corporate volunteering initiatives regarding SDG 4 Quality Education and SDG 11 Sustainable cities and communities	

GOVERNANCE DIMENSION: COMMITMENTS AND KEY PERFORMANCE INDICATORS

Sustainability Governance

Integrate ESG targets in the compensation of the Executive Board and Executives Group-wide, by 2025

- Non-financial indicators linked to the variable compensation of the Executive Board
- % of Executives with ESG targets linked to their variable compensation (Group-wide)

Anti-corruption and Anti-bribery

Maintain 100% of the employees trained in compliance (including all new hires)

- Compliance training per employee (average)

Responsible Supply Chain

Include ESG criteria in 50% of the significant supplier's selection process (based on procurement spend), by 2025

Increase annually the percentage of suppliers receiving systematic post project assessment, with at least 50% of significant suppliers assessed by 2025

- Expenditure in local suppliers
- % of critical tier 1 suppliers evaluated in terms of ESG
- % of suppliers that adhered to ethical, social and governance standards (or have certificates)
- % of suppliers that receive a post project assessment
- % of suppliers approved with ESG criteria
- % of suppliers that have identified ESG risks and have implemented corrective actions
- Total consumption of building materials

Human Rights

Train 100% of the employees in Human Rights Risks by 2025

- Number of employees trained in human rights

Sustainable Finance

Integrate the EU Sustainable Finance Action Plan/ Taxonomy and/or ESG criteria into financial decisions

- Turnover, Capex and Opex eligibility and non-eligibility according to the European Taxonomy (2022)
- Turnover, Capex and Opex aligned with the European Taxonomy (2023 onwards)

ENABLER

Digital and Innovation

50% of R+D+I projects in sustainable-related projects by 2025

- Investment volume in R+D+i projects (EUR)
- Investment volume in R+D+i sustainability-related projects
- R+D+I investment/revenues
- Number of R+D+i sustainability-related projects
- Number of patents in sustainability-related issues

San Diego Airport – Terminal One

Location:
San Diego, California, USA

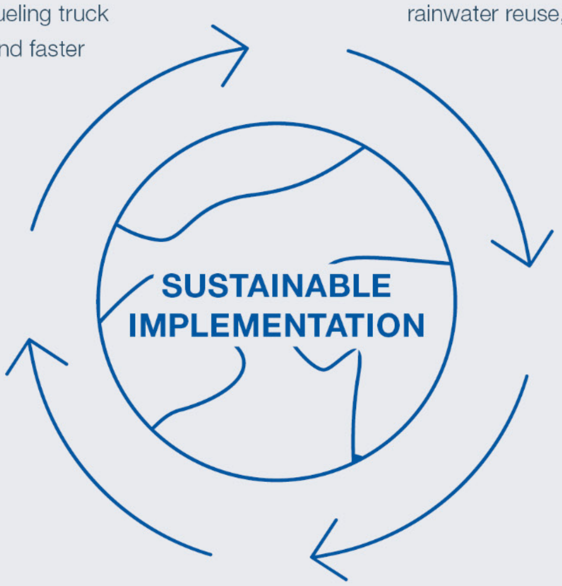
Company:
Turner Construction and Flatiron

Status:
under construction, completion scheduled for 2026

Project: 1.2 million square-meter building with 30 gates to replace the existing terminal from the 1960s. The project includes construction of the terminal building with passenger boarding bridges, access road, transit road, arrival and departures roadways, aerobridges, supply infrastructure, and upgrade to the central utility plant.

Emission reductions
Airport improvements, including redesigned taxiways, are intended to reduce aircraft taxiing times and thus cut greenhouse gas emissions. An underground fuel supply system will reduce the number of aircraft fueling truck movements, resulting in lower emissions and faster gate turnaround times.

Water management
Reduced mains water consumption: savings of over 10% through the use of recycled water for dust control, tire washing, inspection and testing, as well as through on-site rainwater reuse, rainwater treatment, and storage. Usage of 50 percent of the rainwater



Waste management
Reuse of all suitable materials

Environment and biodiversity
Six-month protection periods for nesting sites in the vicinity

Transportation
Promotion of transit travel and bicycle use

Materials and resources
Low-carbon concrete mix and use of U.S.-made steel

Energy saving
Use of solar lights and signs

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YEXIO data center, Heiligenhaus

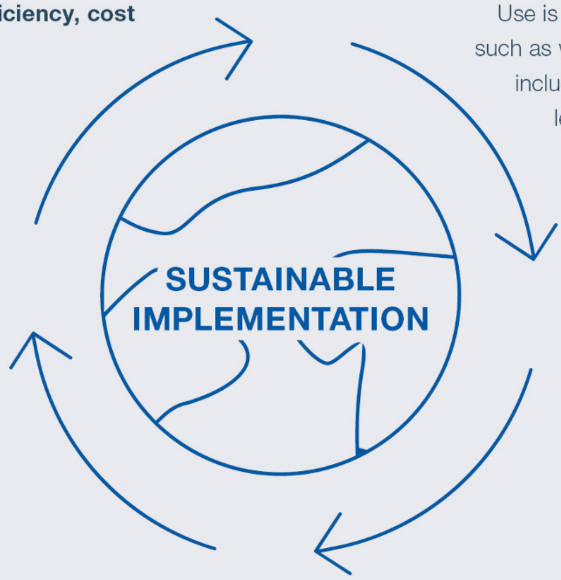
Location:
Heiligenhaus, Germany

Company:
HOCHTIEF PPP Solutions

Status:
under construction/completion scheduled for end of 2024

Project: Construction of an innovative high-tech YEXIO-type sustainable data center in Heiligenhaus. The facility is particularly suited to regionally oriented companies who want computing power and data storage close to their headquarters and customers. HOCHTIEF is responsible for planning, construction, operation, and asset management.

Whole-system environmental and economic analysis optimizes the data center's energy efficiency, cost efficiency, and sustainability.



Materials and resources
Use is made of alternative construction materials such as wood. A life cycle analysis was performed, including detailed material assessment and selection as well as dismantling and recycling options.

Energy management
The facility is being built to the highest energy efficiency standards and provided with an exceptionally economical, innovative water cooling system. Waste heat is recycled and the building has a local green energy supply.

Environment and biodiversity
Green facade and surface unsealing

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Automated People Mover at Los Angeles International Airport

Location:
Los Angeles, California, USA

Company:
HOCHTIEF PPP Solutions, Flatiron (in consortium)

Status:
Planned to open for passengers in first half of 2024

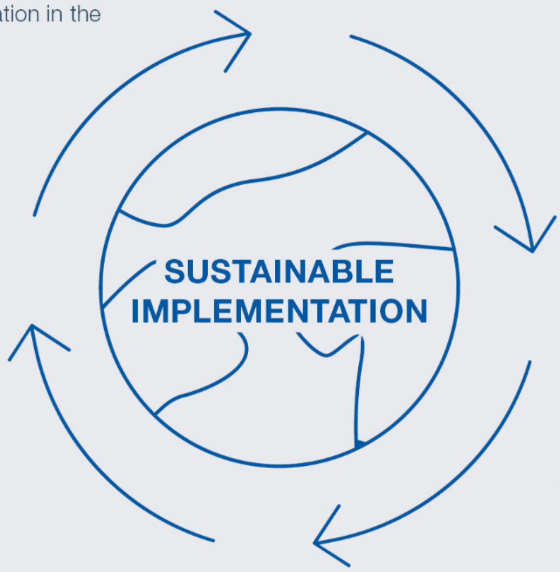
Project: Los Angeles International Airport (LAX) is undergoing a multi-phase expansion. A central element of the upgrade is the PPP contract for construction and operation of the Automated People Mover, a driverless transportation system featuring six stops along a distance of 3.6 kilometers. Each of the electrically powered trains can carry up to 200 people at a time and up to 10,000 passengers per hour.

Transportation

- Improved mobility and access to a convenient, sustainable means of transport
- The project connects to LA Metro's new Crenshaw/LAX rail link, enhancing mass transportation in the Los Angeles metropolitan area.

Materials and resources

The electric cars have fully recyclable aluminum bodies and are designed to avoid all hazardous materials. The regenerative braking system converts kinetic energy lost during braking back into propulsive energy for the train.



Award

The Automated People Mover (APM) has been awarded the Envision Gold Award for sustainable infrastructure by the Institute for Sustainable Infrastructure.

Environment and biodiversity

Minimization of noise, vibration, and light pollution

Energy management

Solar panels on the roof of the maintenance and storage facility supply 40% of the electricity needed by the facility and 7% of the electricity for the APM project as a whole.

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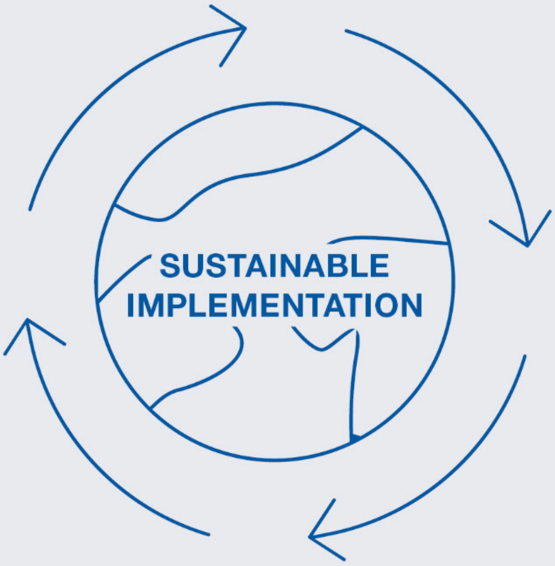
Continentale head office

Location:
Dortmund, Germany

Company:
HOCHTIEF Infrastructure

Status:
under construction, completion scheduled for 2025

Project: Construction of the new head office of the Continentale insurance group with 1,600 workplaces on the Stadtkrone Ost site in Dortmund. The new head office will be an ensemble of three office buildings with a common first floor and adjacent parking garage.



Energy management
Procurement and use of 100% green electricity, data transparency on construction site energy consumption (gas, gasoline, diesel, etc.). Highly efficient geothermal energy system and solar power installations.

Award
HOCHTIEF's first DGNB Sustainable Construction Site certification.

Transportation
Use of environment-friendly modes of transportation; 160 parking spaces with charging stations for electric vehicles

Water management
Data transparency through metering of water consumption

Waste management
Measures to actively increase the recycling rate to at least 80%, including transparent recording of waste volumes

Digitalization
Use of digital tools on the construction site (Building Material Scout, Digital Construction Journal, BIM360, BIMtoField, BIM)

Materials and resources
All building materials and components are assessed for reuse and recorded in a material passport.

Environment and biodiversity
Green roof for improved microclimate

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Cross River Rail

Location:
Brisbane, Queensland, Australia

Companies:
Pacific Partnerships, CPB Contractors and UGL

Status:
Scheduled to start operating in 2025

Project: The Cross River Rail Tunnel, Stations and Development project will deliver a second river crossing at the core of Brisbane's rail network. The Pulse PPP consortium is delivering a 10.2-kilometer rail line with 5.9 kilometers of twin tunnels, four new underground stations, and maintenance services. Pacific Partnerships is lead sponsor of Pulse, with CPB Contractors and UGL part of the Design and Construct Subcontract joint venture team and UGL as the Facilities Management provider.

Community

- More than 300,000 hours' training provided for workers on the project; over 450,000 hours' employment for interns and apprentices.
- 90% of goods and services sourced from suppliers in South East Queensland or the Queensland region

Award

The Cross River Rail Tunnels, Stations, and Development (CRR TSD) package was awarded a "leading" rating by the Infrastructure Sustainability Council. Leading is the highest rating awarded by the ISC, with the project achieving a total score of 81.7 points.

Materials and resources

- High proportion (50%) of supplementary cementitious material in ready-mix concrete
- Station entrance design maximizes light and natural ventilation while reducing energy consumption
- Sustainable recycled glass used in place of natural sand or gravel; over 10,000 metric tons of glass reused

Emission reductions

Target: Carbon emissions reduced by more than 135,000 metric tons in construction and operation through 2050

Water management

Water consumption reduced by more than 3%

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Regional Rail – Mindyarra Maintenance Centre

Location:
Dubbo, New South Wales, Australia

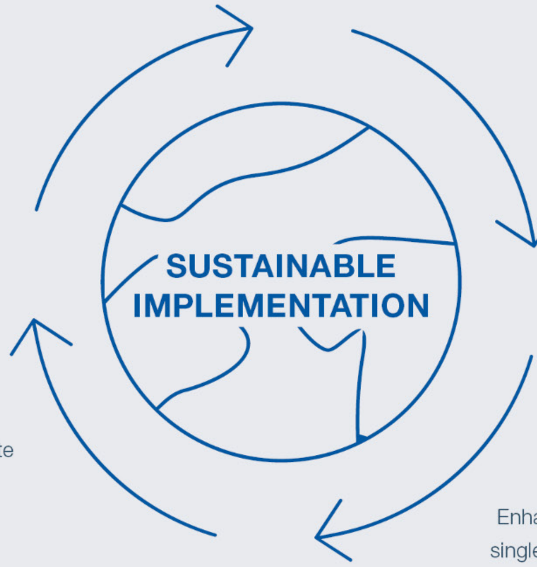
Company:
Pacific Partnerships, CPB Contractors, UGL

Status:
Maintenance center completion expected 2024

Project: Australia's first hybrid diesel-electric fleet for the Transport for New South Wales (TfNSW) Regional Rail project will reduce carbon emissions and pollution. The new hybrid train fleet is to be delivered by the Momentum Trains consortium, which inlcudes Pacific Partnerships, UGL and CPB Contractors. The 29 trains run from regional New South Wales to Sydney, Canberra, Melbourne, and Brisbane. As part of the project, CPB Contractors designed and built the Mindyarra Maintenance Centre in Dubbo.

Water management
No mains water used for dust control during the construction phase. A rainwater collection and reuse system provides more than 90% of the service water used. For instance, a train wash recycles service water.

Materials and resources
The project has used over 9,000 cubic meters of carbon-neutral concrete. More than 500,000 metric tons of spoil from the project has been reused in neighboring facilities, such as the Whylandra waste disposal plant. Over 60% of reinforcing steel was produced using energy-saving technology.



Award
The Infrastructure Sustainability Council awarded the Mindyarra Maintenance Centre with a "leading" rating, the highest sustainability standard in the industry.

Environment and biodiversity
Under its voluntary biodiversity offset program, the maintenance center is donating AUD 80,000 to help save the endangered native regent honeyeater. One hundred percent of the landscaping will consist of local, drought-tolerant species.

Energy management
Over 95% of the annual operating power for the facility is generated by more than 3,200 on-site solar cells. The construction site electricity is 100% green power.

Community
Enhanced passenger comfort thanks to wider doors, single-deck carriages, retractable external steps, help points, accessible toilets, special wheelchair places, internal and external visual displays and announcements as well as hearing augmentation. Nineteen registered Aboriginal enterprises were involved in the project. Fourteen percent of those involved in the project are women.

Emission reductions
Emissions for delivery of the maintenance center have been have been reduced by 19% so far according to the TfNSW Carbon Estimate Reporting Tool.

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CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

Consolidated Statement of Earnings

(EUR thousand)	Note	2023	2022
Sales	(2)	27,756,046	26,219,332
Changes in inventories		10,275	23,535
Other operating income	(3)	121,779	501,535
Materials	(4)	(20,917,756)	(19,921,667)
Personnel costs	(5)	(4,811,396)	(4,469,761)
Depreciation and amortization	(6)	(320,593)	(343,813)
Other operating expenses	(7)	(1,284,646)	(1,499,889)
Share of profits and losses of equity-method associates and joint ventures	(8)	254,245	236,266
Net income from other participating interests	(8)	59,595	56,955
Investment and interest income	(9)	147,845	123,566
Investment and interest expenses	(9)	(300,391)	(248,885)
Profit before tax		**715,003**	**677,174**
Income taxes	(10)	(170,977)	(162,165)
Profit after tax		**544,026**	**515,009**
Of which: Attributable to non-controlling interest	(11)	21,277	33,235
Of which: Attributable to HOCHTIEF shareholders (net profit)		522,749	481,774
Earnings per share (EUR)			
Diluted and basic earnings per share	(32)	6.95	6.68

Consolidated Statement of Comprehensive Income

(EUR thousand)	Note (24)	2023	2022
Profit after tax		**544,026**	**515,009**
Items that may be reclassified subsequently to profit or loss			
Currency translation differences		(28,264)	88,608
Changes in fair value of financial instruments			
Primary		(17,201)	(70,292)
Derivative		(10,613)	(2,967)
Share of other comprehensive income of equity-method associates and joint ventures		(37,078)	266,509
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		(30,979)	150,205
Changes in fair value of financial instruments		4,527	(9,238)
Other comprehensive income (after tax)		**(119,608)**	**422,825**
Total comprehensive income after tax		**424,418**	**937,834**
Of which: Non-controlling interest		19,419	21,805
Of which: HOCHTIEF Group		404,999	916,029

Consolidated Balance Sheet

(EUR thousand)	Note	Dec. 31, 2023	Dec. 31, 2022
Assets			
Non-current assets			
Intangible assets	(12)	1,102,028	1,117,271
Property, plant and equipment	(13)	829,791	869,519
Investment properties	(14)	31,548	32,988
Equity-method investments	(15)	2,832,107	2,728,395
Other financial assets	(16)	219,363	611,342
Financial receivables	(17)	114,447	90,991
Other receivables and other assets	(18)	186,645	252,276
Non-current income tax assets	(19)	20	57
Deferred tax assets	(20)	345,677	383,499
		5,661,626	**6,086,338**
Current assets			
Inventories	(21)	370,288	369,900
Financial receivables	(17)	146,640	124,635
Trade receivables and other receivables	(18)	6,891,632	6,177,388
Current income tax assets	(19)	159,546	119,445
Marketable securities	(22)	626,915	587,796
Cash and cash equivalents	(23)	5,149,536	4,806,038
Assets held for sale	(1)	–	28,117
		13,344,557	**12,213,319**
		19,006,183	**18,299,657**
Liabilities and Shareholders' Equity			
Shareholders' equity	(24)		
Attributable to the Group			
Subscribed capital		198,941	198,941
Capital reserve		2,099,411	2,099,219
Retained earnings		(1,398,873)	(1,587,049)
Of which: Deduction for treasury stock		172,373	174,084
Accumulated other comprehensive income		(5,931)	111,819
Distributable profit		341,930	310,845
		1,235,478	**1,133,775**
Non-controlling interest		**30,787**	**95,674**
		1,266,265	**1,229,449**
Non-current liabilities			
Provisions for pensions and similar obligations	(26)	295,443	258,540
Other provisions	(27)	322,141	403,641
Financial liabilities	(28)	4,550,058	4,724,712
Lease liabilities	(29)	326,096	355,860
Trade payables and other liabilities	(30)	187,425	213,534
Deferred tax liabilities	(20)	82,297	66,718
		5,763,460	**6,023,005**
Current liabilities			
Other provisions	(27)	1,004,255	840,199
Financial liabilities	(28)	529,473	503,237
Lease liabilities	(29)	115,085	116,794
Trade payables and other liabilities	(30)	10,166,961	9,458,088
Current income tax liabilities	(31)	160,684	128,885
Liabilities associated with assets held for sale	(1)	–	–
		11,976,458	**11,047,203**
		19,006,183	**18,299,657**

Consolidated Statement of Cash Flows

(EUR thousand)	Note (36)	2023	2022
Profit after tax		544,026	515,009
Depreciation, amortization, impairments, and impairment reversals		289,794	344,016
Changes in provisions		147,847	(167,018)
Changes in deferred taxes		43,553	47,931
Gains/(losses) from disposals of non-current assets and marketable securities		5,866	(28,531)
Other non-cash income and expenses and deconsolidations		568,534	(117,085)
Changes in working capital (net current assets)		(261,090)	465,479
Changes in other balance sheet items		(3,266)	(8,985)
Cash flow from operating activities		**1,335,264**	**1,050,816**
Intangible assets, property, plant and equipment, and investment properties			
Operational purchases		(210,789)	(187,539)
Payments from asset disposals		18,259	23,553
Acquisitions and participating interests			
Purchases		(384,393)	(317,157)
Payments from asset disposals/divestments		419,160	73,293
Changes in cash and cash equivalents due to changes in the scope of consolidation		(1,308)	(15,659)
Changes in marketable securities and financial receivables		(90,600)	(61,079)
Cash flow from investing activities		**(249,671)**	**(484,588)**
Payment received from capital increase		–	406,214
Payments received from sale of treasury stock		1,903	184
Payments into equity from non-controlling interests		16,345	86
Disbursements for acquisition of additional shares in subsidiaries		–	(985,695)
Dividends to HOCHTIEF's and non-controlling interests		(381,178)	(161,821)
Other financing activities		(20,820)	(25,625)
Proceeds from new borrowing		2,103,713	3,054,920
Debt repayment		(2,139,402)	(2,297,850)
Repayment of lease liabilities		(164,174)	(157,615)
Cash flow from financing activities		**(583,613)**	**(167,202)**
Net change in cash and cash equivalents		**501,980**	**399,026**
Effect of exchange rate changes		(158,482)	125,370
Overall change in cash and cash equivalents		**343,498**	**524,396**
Cash and cash equivalents at the start of the year		4,806,038	4,281,642
Cash and cash equivalents at year-end		**5,149,536**	**4,806,038**

Consolidated Statement of Changes in Equity

Note 24

(EUR thousand)	Subscribed capital of HOCHTIEF Aktiengesellschaft	Capital reserve of HOCHTIEF Aktiengesellschaft	Retained earnings	Accumulated other comprehensive income: Remeasurement of defined benefit plans	Accumulated other comprehensive income: Currency translation differences	Accumulated other comprehensive income: Changes in fair value of financial instruments	Distributable profit	Attributable to HOCHTIEF shareholders	Attributable to non-controlling interest	Total
Balance as of Jan. 1, 2022	180,856	1,711,090	(903,448)	(389,075)	66,654	(15)	134,935	800,997	284,764	1,085,761
Dividends	–	–	–	–	–	–	(130,111)	(130,111)	(34,204)	(164,315)
Profit after tax	–	–	–	–	–	–	481,774	481,774	33,235	515,009
Currency translation differences and changes in fair value of financial instruments	–	–	–	–	100,379	183,671	–	284,050	(11,430)	272,620
Changes from remeasurement of defined benefit plans	–	–	–	150,205	–	–	–	150,205	–	150,205
Total comprehensive income	–	–	–	150,205	100,379	183,671	481,774	916,029	21,805	937,834
Capital increase	18,085	388,129	–	–	–	–	–	406,214	–	406,214
Transfer to retained earnings	–	–	175,753	–	–	–	(175,753)	–	–	–
Other changes not recognized in the Statement of Earnings*	–	–	(859,354)	–	–	–	–	(859,354)	(176,691)	(1,036,045)
Balance as of Dec. 31, 2022	198,941	2,099,219	(1,587,049)	(238,870)	167,033	183,656	310,845	1,133,775	95,674	1,229,449
Balance as of Jan. 1, 2023	**198,941**	**2,099,219**	**(1,587,049)**	**(238,870)**	**167,033**	**183,656**	**310,845**	**1,133,775**	**95,674**	**1,229,449**
Dividends	–	–	–	–	–	–	(300,755)	(300,755)	(81,892)	(382,647)
Profit after tax	–	–	–	–	–	–	522,749	522,749	21,277	544,026
Currency translation differences and changes in fair value of financial instruments	–	–	–	–	(26,406)	(60,365)	–	(86,771)	(1,858)	(88,629)
Changes from remeasurement of defined benefit plans	–	–	–	(30,979)	–	–	–	(30,979)	–	(30,979)
Total comprehensive income	–	–	–	(30,979)	(26,406)	(60,365)	522,749	404,999	19,419	424,418
Transfer to retained earnings	–	–	190,909	–	–	–	(190,909)	–	–	–
Other changes not recognized in the Statement of Earnings	–	192	(2,733)	–	–	–	–	(2,541)	(2,414)	(4,955)
Balance as of Dec. 31, 2023	**198,941**	**2,099,411**	**(1,398,873)**	**(269,849)**	**140,627**	**123,291**	**341,930**	**1,235,478**	**30,787**	**1,266,265**

* The increase in the shareholding in our Group company CIMIC resulted in a reduction in non-controlling interests by EUR 128 million. The difference against the purchase price of EUR 985 million of these shares was recognized in the amount of EUR 857 million directly in equity as a deduction from retained earnings. The transaction costs directly recognized in equity amounted to EUR 9 million.

Notes to the Consolidated Financial Statements

1. Accounting policies

General information

The Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and with supplementary provisions of German commercial law applicable under Section 315e (1) of the German Commercial Code (HGB). There have been no changes to the accounting policies during the reporting year.

Alongside the Consolidated Statement of Earnings, the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, and the Consolidated Statement of Cash Flows, the Consolidated Financial Statements also include a Consolidated Statement of Changes in Equity. Segment reporting is provided in these Notes.

For purposes of understandability, various items are combined in the Balance Sheet and in the Statement of Earnings. These items are broken down into their constituents and commented on elsewhere in these Notes. The Statement of Earnings is presented using the nature of expense method of analysis.

The Consolidated Financial Statements are presented in euros.

HOCHTIEF Aktiengesellschaft, Essen, Germany, court of registration: Essen District Court, Commercial Register (Handesregister) number HRB 279, is included in the consolidated financial statements of ACS Actividades de Construcción y Servicios, S.A., Madrid, Spain. This prepares the consolidated financial statements for the largest and smallest group of companies. The consolidated financial statements of ACS Actividades de Construcción y Servicios, S.A., Madrid, Spain, are published in the register of Comisión Nacional del Mercado de Valores; the consolidated financial statements of HOCHTIEF Aktiengesellschaft are published in the Company Register (Unternehmensregister).

The Consolidated Financial Statements relate to the 2023 reporting year, comprising the reporting period from January 1 to December 31, 2022.

The Executive Board of HOCHTIEF Aktiengesellschaft released the financial statements for publication on February 20, 2024. They are to be approved at the Supervisory Board meeting on February 22, 2024.

Basis of consolidation

The Consolidated Financial Statements include HOCHTIEF Aktiengesellschaft as well as fundamentally all German and foreign subsidiaries under its direct or indirect control. HOCHTIEF Aktiengesellschaft is normally considered to control a company when it holds the majority of the voting rights. This generally goes hand in hand with a majority shareholding. Eleven companies (prior year: nine companies) are fully consolidated by virtue of contractual arrangements. Associates and joint ventures are accounted for using the equity method. Companies in which HOCHTIEF Aktiengesellschaft holds a majority of voting rights but over which it exercises joint control by contractual arrangement with other parties are likewise accounted for using the equity method unless classified as joint operations.

Holdings in subsidiaries or associated companies or joint ventures deemed to be of minor overall significance from a Group perspective are not consolidated and are accounted for in accordance with IFRS 9.

A number of the subsidiaries included in the Consolidated Financial Statements make partial use of the exempting provisions in either Section 264 (3) or Section 264b of the German Commercial Code. A list of the companies that make use of these exemptions is included in Note 42.

The Consolidated Financial Statements as of December 31, 2023 include HOCHTIEF Aktiengesellschaft and a total of 42 German and 334 foreign consolidated companies as well as four consolidated special-purpose investment funds (Spezialfonds). The number of consolidated companies increased by eleven compared with the previous year. The number of special-purpose investment funds stayed unchanged. Six German and 30 foreign companies were consolidated for the first time in the reporting year. The additions were in the HOCHTIEF Americas division (22), the HOCHTIEF Asia Pacific division (7), and the HOCHTIEF Europe division (7). Four German and 21 foreign companies were removed from the consolidated group. The companies removed from the consolidated group related to the HOCHTIEF Asia Pacific division (13), the HOCHTIEF Americas division (8), and the HOCHTIEF Europe division (4). An entity is generally added to or removed from the consolidated group at the time the equity stake in the entity is acquired or disposed of.

Twenty-six affiliated companies of minor overall significance to the Group's financial position and results of operations were not consolidated (prior year: 30 affiliated companies). Their combined sales represented less than 1% of consolidated sales.

Seventeen domestic and 83 foreign associates were accounted for using the equity method. This number increased by a total of six companies. The addition of 16 companies was offset by ten removals. The additions were in the HOCHTIEF Asia Pacific division (10), in the HOCHTIEF Europe division (5) and in the HOCHTIEF Americas division (1). The removals related to the HOCHTIEF Americas division (9) and the HOCHTIEF Asia Pacific division (1). Due to their minor overall significance, a further eight companies were not accounted for using the equity method.

A total of 125 joint operations are included in the Consolidated Financial Statements on a proportionate basis. These relate to the HOCHTIEF Asia Pacific division (67), the HOCHTIEF Americas division (57), and the HOCHTIEF Europe division (1) (2022: 101 joint operations).

Acquisitions

Skybridge Telecommunications

On November 29, 2023, HOCHTIEF through its wholly owned subsidiary UGL Operations and Maintenance Pty Limited acquired the telecommunications services of Skybridge. Skybridge is an Australian installation and maintenance contracting company which specializes in the fiber, wireless and satellite telecommunications markets. The acquisition included the transfer of certain customer contracts, personnel and subcontractor arrangements, as well as equipment, intellectual property, and engineering capabilities. The purchase consideration was EUR 6.8 million.

Novopro Projects

On July 6, 2023, HOCHTIEF through its wholly owned subsidiary Sedgman Pty Limited acquired 100% of Novopro Projects Inc ("Novopro"). Novopro is a Canadian engineering and metallurgy company that provides services to projects in North America, Europe, Africa and Australia. Their main activity and specialty is project development and operational optimization in mineral processing for lithium projects, as well as potash, salt, magnesium and soda ash. The purchase consideration was EUR 11.8 million, of which EUR 1.9 million was deferred.

The full consolidation of the two companies above has not had a significant impact on the Group accounts. The capitalized goodwill resulting from these acquisitions in accordance with IFRS 3 amounts to EUR 17.6 million.

Disposals

Glenrowan Solar Farm

During the period, HOCHTIEF divested a 49% equity interest in its wholly owned subsidiary Glenrowan Solar Holdings Pty Limited and its controlled entities ("Glenrowan") and entered into a joint venture arrangement with the acquirer. The sale completed on June 22, 2023. The terms of the completed sale agreement mean that the transaction was accounted for as a disposal of controlled entities in accordance with IFRS 10 resulting in the deconsolidation of Glenrowan. The terms of the shareholders agreement require the consent of both shareholders on relevant business activities and both parties are exposed to variable returns, resulting in joint control in accordance with IFRS 11. Accordingly, the Group has recognized its retained interest in Glenrowan as a joint venture entity on June 22, 2023.

Assets held for sale

Assets held for sale as at December 31, 2023 amount to EUR 0 million. The previous year's amount of EUR 28.1 million included the Group's 15% interest in Wellington Gateway Partnership No.1 Limited and Wellington Gateway General Partner No.1 Limited and related to the HOCHTIEF Asia Pacific division. In 2023, this investment was transferred from assets held for sale to other financial assets as final terms with the purchaser could not ultimately be agreed. On termination of the sale, disposal within 12 months is no longer considered highly probable (IFRS 5).

Consolidation policies

The financial statements of German and foreign companies included in the Consolidated Financial Statements are prepared in accordance with uniform Group accounting principles. All business combinations are accounted for using the acquisition method. Business combinations are measured at the acquisition date by allocating the consideration given to the acquired subsidiary's net assets measured at fair value. Transaction costs arising in connection with such acquisitions are recognized directly as expense. All assets, liabilities, and contingent liabilities of an acquired subsidiary that satisfy the recognition criteria are measured at full fair value regardless of any minority interest. In accordance with the optional treatment under IFRS 3, non-controlling interest is measured at the acquisition date at either fair value or the present ownership instruments' proportionate share in the recognized amounts of the acquiree's net identifiable assets. Intangible assets are recognized separately from goodwill if they are separable from the reporting entity or arise from contractual or other legal rights. Any remaining positive difference is recognized as goodwill. Goodwill is not subjected to amortization, but is tested instead for impairment in accordance with IAS 36 on an annual basis and whenever there are indications that the carrying book value may be impaired. Any remaining negative difference arising from the initial measurement is recognized in profit and loss. On divestment, a pro rata share of the divesting division's goodwill is taken into account when measuring disposal proceeds.

Income, expenses, receivables, and liabilities between consolidated companies are eliminated. Intercompany profits and losses are eliminated unless they are of minor significance. Any impairment losses recognized for consolidated companies that are included in the consolidated financial statements are reversed.

Equity-method investments include the Group's associates and joint ventures. Any goodwill increases the carrying amount of an investment. Like other goodwill, goodwill on equity-method investments is not amortized. Reductions in carrying amount due to impairment are included in the share of profits and losses of equity-method associates and joint ventures. The financial statements of all equity-method investments are prepared in accordance with uniform Group accounting policies.

Currency translation

For currency translation purposes, the following exchange rates have been used for the main Group companies outside the euro area:

	Annual average		Daily average at reporting date	
(All rates in EUR)	**2023**	2022	**2023**	2022
1 U.S. dollar (USD)	0.92	0.95	0.90	0.94
1 Australian dollar (AUD)	0.61	0.66	0.61	0.64
1 British pound (GBP)	1.15	1.17	1.15	1.13
100 Polish złoty (PLN)	22.11	21.34	23.04	21.36
100 Czech koruna (CZK)	4.17	4.07	4.05	4.15
100 Chilean pesos (CLP)	0.11	0.11	0.10	0.11

In their separate financial statements, Group companies account for transactions denominated in foreign currency using the average exchange rate on the day of recording the transaction. Exchange gains or losses up to the reporting date on the measurement of foreign currency-denominated monetary assets or liabilities are included in other operating income or other operating expenses at the average exchange rate on the reporting date. Currency translation differences relating to a net investment in a foreign company are accounted for in accumulated other comprehensive income until the company is sold. This includes foreign currency receivables from fully consolidated Group companies for which settlement is neither planned nor likely to occur in the foreseeable future and which therefore resemble equity.

Financial statements of foreign companies are translated by applying the functional currency approach. As all companies outside the euro zone operate autonomously in their own national currencies, their balance sheet items are translated into euros using the average exchange rate prevailing on the reporting date in accordance with official requirements. The same method is used to translate the equity of equity-method foreign associates following equity-method adjustment. Differences from the previous year’s translated amount are recognized in other comprehensive income and are reversed to income or expense on sale of the equity interest. Goodwill of commercially independent foreign Group entities is translated at the exchange rate prevailing on the reporting date. Income and expense items are translated into euros using the annual average exchange rate.

Accounting policies

Revenue from Contracts with Customers

Sales are accounted for in the HOCHTIEF Group net of VAT and other taxes as well as expected reductions such as trade discounts and rebates. Revenue under construction contracts as well as under construction management and service agreements is recognized as described in the following.

The contractual terms of **construction contracts** in the HOCHTIEF Group are predominantly based on projects (contracts) containing a single performance obligation. Contracts generally involve various interrelated activities that are required as part of the construction process. Cumulative performance to date, including the proportionate share of net profit, is generally recognized as sales over time. Project progress is mainly determined using the input method (cost-to-cost method).

Contracts are recognized as **contract assets** in trade receivables or as **contract liabilities** in trade payables according to the relationship between the HOCHTIEF Group's performance and the customer's payments. If cumulative contract performance (contract costs and contract earnings) exceeds progress payments in a given construction contract, the project is presented as a contract asset. Where the net amount after deduction of progress payments received is negative, the difference is recognized as a liability and presented under contract liabilities. Netting is carried out at project level. Contract assets are realized within one operating cycle at the HOCHTIEF Group. In accordance with IAS 1, they are therefore included in current assets even if realization of the entire receivable or performance of the construction contract extends over more than twelve months. Part-performance already invoiced is accounted for in trade receivables.

Contract income is recognized in accordance with IFRS 15 as the income stipulated in the contract plus **contract modifications**. Such modifications also include change orders, which are taken into account in revenue to the extent that there is an enforceable claim. Change orders may take the form of contractual clauses customary in the industry concerning the right to remuneration for unauthorized but necessary changes (such as in response to unforeseen events) or to the right to reimbursement of additional costs in the event that the client is at fault (such as disruption to the construction process). Enforceable claims are either expressly recognized by the client or an assessment is made as to whether there is a basis for a claim against the client. Where the assessment is based on judgment, the additional revenue it warrants is estimated. Such revenue is estimated based on the principles for accounting for contracts with variable consideration. An experience-based expected value including future price reductions/discounts is additionally reduced, on the basis of the rules on accounting for constraint requirements, to an amount for which it is highly probable that a significant reversal of revenue will not occur. Where modifications in design or contract requirements are entered into, the transaction price is updated to reflect them.

Revenue from **construction management** and **service agreements** arises from maintenance and other services, which may involve a range of services and processes. If different services are closely related, they comprise a single performance obligation and are performed over time. The related revenues are therefore recognized in the HOCHTIEF Group with progress over time, which is mainly determined using the input method (cost-to-cost method). As with revenue from construction contracts, there are also incentives, variations, and claims that are subject to the same requirement of only recognizing revenue to the extent it is highly probable that there will be no significant cancellations.

Contract costs incurred during a tender process are capitalized if they are both expected to be recovered and either would not have been incurred if the contract had not been won or if they are intrinsic to the delivery of the project.

Costs incurred prior to the commencement of a contract (contract fulfillment costs) may arise due to mobilization/site setup costs, feasibility studies, environmental impact studies, and preliminary design activities as these are costs incurred to fulfill a contract. Where these costs are expected to be recovered, they are capitalized and amortized over the course of the contract consistent with the transfer of service to the customer. Where the costs, or a portion of these costs, are reimbursed by the customer, the amount received is recognized as deferred revenue and allocated to the performance obligations within the contract and recognized as revenue over the course of the contract.

The HOCHTIEF Group does not have any contracts where the period up to the transfer of the promised goods or services to the customer represents a **financing component**. As a consequence, the Group normally does not adjust any of the transaction prices for the time value of money.

Generally, construction and services contracts include **defect and warranty periods** following completion of the project. These obligations are not deemed to be separate performance obligations and are therefore estimated and included in the total costs of the contracts. Where required, amounts are recognized in accordance with IAS 37 under provisions.

Loss-making contracts are recognized in accordance with IAS 37 as onerous contracts. A provision is made for the difference between the expected unavoidable cost of fulfilling a contract and the transaction price where the forecast costs are greater than the forecast revenue.

Items on the Consolidated Balance Sheet

Intangible assets are reported at amortized cost. All intangible assets have a finite useful life with the exception of company names recognized as assets on initial consolidation and of goodwill. Intangible assets include concessions and other licenses with useful lives of up to 30 years. These are amortized according to the pattern of consumption of economic benefits. They also include future earnings from additions to the order backlog arising from business acquisitions; these are amortized over the period in which the corresponding work is billed. Intangible assets further encompass software for commercial and engineering applications, which is amortized on a straight-line basis over three to five years, and entitlements to various financing arrangements with banks amortized to profit or loss over a maximum of seven years in accordance with the term of the arrangement. Estimated useful lives and depreciation methods are reviewed annually.

Company names and goodwill are not subject to amortization. They are tested instead for impairment in accordance with IAS 36 on an annual basis and whenever there are indications that they may be impaired. The company names recognized in the HOCHTIEF Americas and HOCHTIEF Asia Pacific divisions were classified as intangible assets with an indefinite useful life as they do not have a product life cycle and are not subject to technical, technological, or commercial depletion or any other restriction.

Capitalized development costs are reported in intangible assets and amortized on a straight-line basis over five years.

Property, plant and equipment is carried at depreciated cost. Only amounts directly attributable to an item of property, plant or equipment are included in cost. Borrowing costs are included in cost in the case of qualifying assets. Property, plant and equipment is normally depreciated on a straight-line basis, except in the resource services business, where depreciation is mostly recognized on an activity basis.

Items of property, plant, machinery and equipment typically encountered in the HOCHTIEF Group are depreciated on a straight-line basis over the following uniform useful lives:

	No. of years
Buildings and investment properties	20–50
Technical equipment and machinery; transportation equipment	3–10
Other equipment and office equipment	3–8
Right-of-use assets	2–70

Estimated useful lives and depreciation methods are reviewed annually.

Investment properties are stated at amortized cost. Transaction costs are included on initial measurement. The fair values of investment properties are disclosed in the Notes. The fair values are measured using internationally accepted valuation methods, such as taking comparable properties as a guide to current market prices or by applying the discounted cash flow method. As with property, plant and equipment, investment properties are normally depreciated using the straight-line method.

Impairment losses are recognized for intangible assets (including goodwill), property, plant and equipment, or investment properties if their recoverable amount falls below their carrying amount. The recoverable amount of an asset or cash-generating unit is defined as fair value less cost of disposal or value in use, whichever is higher. Impairment testing may require assets and, in some cases, liabilities to be grouped into cash-generating units. For goodwill, impairment testing is performed on cash-generating units corresponding to the HOCHTIEF divisions that feature in segmental reporting. For any asset that is part of an independent cash-generating unit, impairment is determined with reference to the recoverable amount of the unit. If the recoverable amount of a cash-generating unit falls below its carrying amount, the resulting impairment loss is allocated first to any goodwill belonging to the unit and then to the unit’s other assets, normally pro rata on the basis of the carrying amount of each asset. Except in the case of goodwill, impairment charges are reversed (up to a maximum of amortized cost) when the impairment ceases to exist.

A **joint arrangement** is an arrangement in which two or more parties have joint control. The parties to a joint arrangement classify it as a joint operation or a joint venture depending on their respective rights and obligations. In a joint operation, the parties have direct rights to the assets and direct obligations for the liabilities relating to the arrangement. The HOCHTIEF Group recognizes assets, liabilities, revenues, and expenses, in relation to its interests in a joint operation, relative to its rights and obligations. In a joint venture, where the parties have rights to the net assets arising from the arrangement, the parties each account for their interests in the joint venture using the equity method.

Equity-method investments are stated at cost, comprising the acquired equity interest in an associate or joint venture plus any goodwill. The carrying amount is increased or decreased annually to recognize the Group's share of after-tax profits or losses, any dividends, and other changes in equity. The full carrying amount is tested for impairment in accordance with IAS 36 whenever there are indications that it may be impaired. If the recoverable amount of an equity-method investment is less than its carrying amount, an impairment loss is recognized for the difference. Any subsequent reversal of an impairment loss is recognized in profit or loss. When an equity-method investment changes status to a financial asset in accordance with IFRS 9, the carrying amount at the date the equity method was discontinued is subtracted from the fair value of the retained interest on initial recognition as a financial asset together with any proceeds from disposing of the sold interest and any difference is recognized in profit or loss.

A **service concession arrangement** is an arrangement under which a public entity commissions the financing, design, development, construction or expansion as well as the operation and maintenance of public service infrastructure. HOCHTIEF is paid for its services as operator over the period of the arrangement. From HOCHTIEF's perspective, the consideration paid by the public entity for the services performed may constitute rights to a financial or to an intangible asset.

Deferred taxes arising from temporary differences in the carrying amounts of assets and liabilities between the IFRS financial statements and the tax base of individual Group companies or as a result of consolidation and the expected use of existing interest and loss carryforwards are recognized as deferred tax assets and liabilities. Exceptions include that no deferred tax liability is recognized on the initial recognition of goodwill or where it would be subject to the initial recognition exception. Deferred tax assets from temporary differences or resulting from the anticipated use of existing interest and tax loss carryforwards in subsequent years are recognized only if it is sufficiently certain that they will be realized. Deferred tax assets and liabilities are offset within each company or tax group and type of tax provided that the criteria for offsetting are met. Deferred taxes are measured on the basis of tax rates applying or expected to apply in each country when they are realized. As before, these mostly range between 10% and 35%. For domestic operations, as in the prior year, a tax rate of 31.5% is assumed, taking account of corporate income tax plus the German "solidarity surcharge" and the average rate of municipal trade tax faced by Group companies. Changes in deferred tax assets and liabilities are normally recognized in the Statement of Earnings. An exception to this comprises changes accounted for in other comprehensive income or directly in equity. For all other purposes, deferred taxes are measured on the basis of the tax regulations in force or enacted at the reporting date.

Inventories are initially measured at cost of purchase or production. Production cost includes costs directly related to the units of production plus an appropriate allocation of materials and production overhead, including production-related depreciation charges. Borrowing costs for inventories that are qualifying assets are capitalized as part of cost. Most materials and supplies are measured on a FIFO or moving-average basis.

Cash and cash equivalents consist of petty cash, cash balances at banks, and marketable securities with maturities of no more than three months at the time of acquisition that are subject to insignificant fluctuations in value only.

Non-current assets held for sale and associated liabilities are measured in accordance with IFRS 5 and presented separately in the current section of the Consolidated Balance Sheet. To be classed as assets held for sale, assets must be available for immediate sale and their sale must be highly probable. Assets held for sale can be individual non-current assets, groups of assets held for sale (disposal groups), or discontinued operations. A component of an entity is a discontinued operation if it represents a separate major line of business or geographical area of operations and is part of a single coordinated plan to dispose of a major line of business or geographical area of operations, or if it is a subsidiary acquired exclusively with a view to resale. Liabilities disposed of with assets in a single transaction are part of a disposal group or discontinued operation. Non-current assets held for sale cease to be depreciated or amortized, and are measured at their carrying amount or at fair value less costs to sell, whichever is lower. Gains or losses arising on the measurement of individual assets held for sale or of disposal groups are reported in the Statement of Earnings under profit or loss from continuing operations until their ultimate disposal. Conversely, gains or losses arising on the measurement of discontinued operations at fair value less costs to sell, profits or losses of discontinued operations, and gains or losses on their disposal are presented separately in the Statement of Earnings under profit or loss from discontinued operations.

Share-based payment transactions are measured in accordance with IFRS 2. The stock option plans of HOCHTIEF are accounted for Group-wide as cash-settled share-based payment transactions. Provisions for obligations under the Long-term Incentive Plans are recognized in the amount of the expected expense that is spread over the stipulated waiting period. The fair value of stock options is measured using generally accepted financial models, the value of the plans being determined with the Black/Scholes option pricing model and by using binomial tree methods. The computations are performed by an outside appraiser.

In addition, the parent company ACS grants stock options to HOCHTIEF Group executives. ACS owes the share-based payment to the employees. As the recipient of the work performed, HOCHTIEF treats this remuneration as equity-settled share-based payment in accordance with IFRS 2. It is recognized in the statement of earnings as personnel expenses with a corresponding entry in equity.

Provisions for pensions and similar obligations are recognized for current and future benefit payments to active and former employees and their surviving dependents. The obligations primarily relate to pension benefits, partly for basic pensions and partly for optional supplementary pensions. Varying from one country to another, the individual benefit obligations are determined for the most part by length of service and pay scales. The Turner Group's obligations to meet healthcare costs for retired staff are likewise included in pension provisions due to their pension-like nature. Provisions for pensions and similar obligations are computed by the projected unit credit method. This determines the present value of future entitlements, taking into account current and future benefits already known at the reporting date plus anticipated future increases in salaries and pensions and, for the Turner Group, in healthcare costs. The computation is based on actuarial appraisals using biometric accounting principles. Plan assets as defined in IAS 19 are shown separately as deductions from pension obligations. Plan assets comprise assets transferred to pension funds to meet pension obligations, shares in investment funds purchased under deferred compensation arrangements, and qualifying insurance policies in the form of pension liability insurance. If the fair value of plan assets is greater than the present value of employee benefits, the difference is reported—subject to the limit in IAS 19—under other non-current assets.

Amounts resulting from the remeasurement of defined benefit plans are recognized directly in equity through other comprehensive income in the period during which they arise. The current service cost is reported under personnel costs. The net interest component, comprising the interest element of the increase in pension obligations less the anticipated returns on plan assets (each calculated using the discount factor for the pension obligations), is reported in net investment and interest income.

All remaining provisions account for all current obligations as of the reporting date that result from past events but are uncertain in their amount and/or settlement date. Provisions are recognized at the best estimate, i.e. after making allowance for price and cost increases, and are not offset against any rights to reimbursement. A provision can only be recognized on the basis of a legal or constructive obligation toward third parties. Where the effect of the time value of money is material, non-current provisions are stated at the present value of the estimated settlement amount as of the reporting date; non-current provisions are reported under non-current liabilities.

Current income tax liabilities comprise payment obligations arising from current income taxes. They are offset against tax refund entitlements if they relate to the same tax jurisdiction and are identical in nature and timing. Current tax expense is normally measured for the purposes of the annual financial statements in accordance with the interpretation of the law applied by the taxation authorities. Tax returns are prepared in accordance with applicable law, taking into account current case law and updated administrative instructions.

HOCHTIEF applies the recognition and measurement obligations arising from the application of IFRIC 23 in the Consolidated Financial Statements. IFRIC 23 clarifies how to apply the accounting and measurement requirements of IAS 12 where there is uncertainty about income tax treatments relating to current and deferred tax assets and liabilities. According to IFRIC 23, uncertain tax treatments may be accounted for separately or together with one or more other uncertain tax treatments. This is determined on the basis of which approach better predicts the resolution of the uncertainty. In making the assessment, it is to be assumed that a taxation authority will examine all amounts it has a right to examine and have full knowledge of all related information when making those examinations. If it is deemed improbable that the taxation authority will accept an uncertain tax treatment, the effect of the uncertainty is reflected for each uncertain tax treatment by using either the most likely amount or the expected value, depending on which method better predicts the resolution of the uncertainty.

The Group's companies are subject to income taxes in a large number of countries around the world. When assessing global income tax assets and liabilities, the interpretation of tax laws in particular may be subject to uncertainty. It cannot be ruled out that the various tax authorities will have a different point of view regarding the correct interpretation of tax laws. Changes in assumptions about the correct interpretation of tax laws arising, for example, from court rulings are reflected in the recognition of uncertain income tax assets and liabilities in the relevant reporting year.

Potential tax receivables as a result of recent legal developments are accounted for by reducing the tax liability or, in the case of a reimbursement claim, by recognizing an asset, if realization is probable. Reductions in tax liability mutually agreed with the tax authorities are accounted for by reducing the tax liability or by recognizing a receivable.

HOCHTIEF completed the acquisition of all of CIMIC's shares on June 10, 2022. With effect from this date, CIMIC Group Limited and its wholly owned Australian entities joined the HOCHTIEF Australia Holdings Limited multiple entry consolidated ('MEC') group for tax purposes, with HOCHTIEF Australia Holdings Limited as the head entity of the MEC group. Under the new tax group, the head entity and the group members continue to account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continued to be a standalone taxpayer. The head entity recognizes the current tax liabilities or assets and the deferred tax liabilities or assets arising from unused tax losses and unused tax credits assumed from member entities in the tax consolidated group.

Contingent liabilities are possible or current obligations, based on past transactions, that are unlikely to lead to an outflow of resources or where a sufficiently reliable estimate of the amount of the obligation cannot be made. These are disclosed separately and not recognized on the balance sheet unless assumed in the course of a business combination. The amounts stated for contingent liabilities reflect the amount of the liability as of the reporting date.

Leases

IFRS 16 sets out the principles for the recognition, measurement, presentation, and disclosure of leases both for lessees and lessors.

The Group as a lessee

Lease recognition

The Group assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. In such instances, the Group recognizes a right-of-use asset and a corresponding lease liability with respect to all lease agreements, except for short-term, cancellable leases where, if canceled by the lessee, the losses associated with the cancellation are borne by the lessor and low-value leased assets. For these leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group has a lease portfolio, comprising predominantly property, plant, operating equipment, and fleet vehicle rentals.

Measurement and presentation of right-of-use asset

The right-of-use assets recognized by the Group comprise the initial measurement of the related lease liability, any lease payments made at or before the commencement of the contract, less any lease incentives received and any direct costs. Costs incurred by the Group to dismantle the asset, restore the site or restore the asset are included at an estimated amount in the cost of the right-of-use asset.

It is subsequently measured under the cost model with any accumulated depreciation and impairment losses applied against the right-of-use asset. If the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the right-of-use asset is depreciated from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the asset over the shorter period of either the useful life of the asset or the lease term. The depreciation starts at the commencement date of the lease and the carrying value of the asset is adjusted to reflect the accumulated depreciation balance.

Any remeasurement of the lease liability is also applied against the right-of-use asset value.

The right-of-use assets are presented within property, plant and equipment in the balance sheet.

Measurement and presentation of lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. HOCHTIEF presents the interest expense on the lease liability separately from the depreciation charge on the right-of-use asset.

The following items are also included in the measurement of the lease liability:
- Fixed lease payments offset by any lease incentives;
- Variable lease payments, for lease liabilities which are tied to a floating index;
- The amounts expected to be payable to the lessor under residual value guarantees;
- The exercise price of purchase options (if it is reasonably certain that the option will be exercised); and
- Payments of penalties for terminating leases, if the lease term reflects the lease terminating early.

The lease liability is separately disclosed in the balance sheet. The liabilities which will be repaid within 12 months are recognized as current and the liabilities which will be repaid in excess of 12 months are recognized as non-current.

The lease liability is subsequently measured by reducing the balance to reflect the principal lease repayments made and increasing the carrying amount by the interest on the lease liability.

The Group is required to remeasure the lease liability and make an adjustment to the right-of-use asset in the following instances:
- The term of the lease has been modified or there has been a change in the Group assessment of the purchase option being exercised, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate; and
- The lease payments are adjusted due to changes in the index or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate. However, where the lease payments change is due to a change in a floating interest rate, a revised discount rate is used.

The Group as lessor

The Group enters into lease agreements as a lessor with respect to some property subleases as well as renting equipment to its partners, suppliers, and contractors. Those leases are recognized as either finance or operating leases. If the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. If this is not the case, then the lease is recognized as an operating lease. The income received from the operating leases is recognized on a straight-line basis over the lease term. Initial direct costs incurred in negotiating and arranging operating leases are included in the carrying amount of the leased asset. Amounts due from lessees under finance leases are recognized as receivables.

Financial instruments

The following section first outlines in brief the **classification, measurement, and derecognition rules** relevant to the HOCHTIEF Group with regard to financial assets and liabilities. Explanatory notes are then provided on the balance sheet items within the scope of IFRS 9, comprising other financial assets, long-term loans, receivables and other assets, marketable securities, liabilities, and derivative financial instruments. The cash and cash equivalents as explained above also fall within the scope of IFRS 9.

Financial assets and liabilities—except trade receivables—that are within the scope of IFRS 9 are initially recognized at fair value under consideration of transaction costs. Financial assets are measured subsequently at amortized cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The following **classification** criteria are applied:

- Debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at amortized cost ("AC");
- Debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at fair value through other comprehensive income ("FVOCI") after adjusting for deferred taxation. Unrealized gains or losses are reclassified to profit or loss on disposal;
- All other debt instruments and equity investments are basically measured subsequently at fair value through profit or loss ("FVPL").

Notwithstanding the above, the HOCHTIEF Group may make the following irrevocable designation at initial recognition of a financial asset:

- The Group may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination in other comprehensive income after adjusting for deferred taxation. Unrealized gains or losses are reclassified to retained earnings on disposal;
- The Group may irrevocably designate a debt instrument that meets the amortized cost or "FVOCI" criteria as measured at "FVPL" if doing so eliminates or significantly reduces an accounting mismatch.

With regard to **measurement**, expected credit losses are taken into account in the presentation of impairments of financial assets at amortized cost or "FVOCI". Quantifying expected credit losses involves determining probability of default on initial recognition of an asset and subsequently whether there has been any significant increase in credit risk on an ongoing basis at each reporting period. In making this assessment, the HOCHTIEF Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks, and other similar organizations, as well as consideration of various external sources of actual and forecast economic information that relate to the HOCHTIEF Group's core operations. In particular, as far as available, the following information is taken into account when assessing significant movements in credit risk:

- Actual or expected significant adverse changes in business, financial, or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations.
- Actual or expected significant changes in the operating results of the borrower.
- Significant increases in credit risk on other financial instruments of the same borrower.
- External credit rating.
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements.
- Significant changes in the expected performance and behavior of the borrower, including changes in the payment status of borrowers in the Group and changes in the operating results of the borrower.
- Macroeconomic information such as market interest rates and growth rates.

Financial assets are **derecognized** when the contractual rights to the cash flows from the financial asset expire or substantially all the risks and rewards of ownership are transferred to another entity. The HOCHTIEF Group also derecognizes financial assets if it no longer has control over an asset, although none of the substantial risks and rewards of ownership have been either transferred or retained. If the HOCHTIEF Group retains control, it continues to recognize the asset to the extent of its continuing involvement together with an associated liability for any obligations that have been retained.

The interests in non-consolidated subsidiaries and other participating interests accounted for under **other financial assets** fall under the “FVPL” or the “FVOCI” measurement category. In the case of publicly listed financial assets, fair value is determined as the market price. If there is no active market, fair value is normally calculated using the most recent market transactions or a valuation method such as the discounted cash flow method. Cost may be an appropriate estimate of fair value if only insufficient recent information is available to measure fair value or if there is a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range. Initial measurement is performed as of the settlement date.

Long-term loans are stated at amortized cost. Loans bearing interest at normal market rates are reported at cost, and non-interest-bearing and low-interest-bearing loans are discounted to present value. Discounting is always done using a risk-adjusted discount rate.

Receivables and other assets are generally measured at amortized cost. Subsequent measurement is based on the effective interest rate method taking into account transaction costs, which are all costs that would not have been incurred had the transaction not been entered into. Receivables comprise financial receivables, trade receivables, and other receivables. Accounting provision is made for expected credit losses on receivables. For trade receivables, using the simplified approach, expected credit losses can be determined on the basis of loss rates calculated from historical and projected data taking into account the client and the regional economic environment. If there is objective material evidence that a financial asset may be impaired, the effective interest rate method is applied to the net carrying amount. Such objective evidence of impairment includes, for example, downgrading of a debtor’s credit rating and related interruptions in payment or potential insolvency. For financial receivables and other receivables, expected credit losses are determined according to credit risk on the basis of the losses expected either in the next twelve months or over the remaining term. The effective interest rate is applied in such cases to the gross carrying amount. Significant changes in credit risk are taken into account on an ongoing basis. Receivables in connection with factoring are partly measured at fair value under the “FVPL” measurement category and derecognized if substantially all risks and rewards of ownership are transferred.

The **marketable securities** shown under current assets are classified in the “AC”, “FVPL”, or “FVOCI” measurement category, depending on business model and contractual cash flows. These mainly comprise securities held in special-purpose funds and investment funds, as well as fixed-income securities with a residual term of more than three months at the time of acquisition and where there is no intention to hold the securities to maturity. Initial measurement at fair value is performed as of the settlement date and includes any transaction costs directly attributable to the acquisition of the securities. Unrealized gains or losses on debt instruments measured at fair value through other comprehensive income are reported in other comprehensive income and are reversed to income or expense on disposal. Accounting provision is made for expected credit losses on securities in the “AC” and “FVOCI” measurement categories. Expected credit losses are calculated according to credit risk on the basis of the losses expected either in the next twelve months or over the remaining term. Significant changes in credit risk are taken into account. If there is no objective evidence of impairment, the effective interest rate is applied to the gross carrying amount. If, however, there is objective evidence that a financial asset may be impaired, the effective interest rate is applied to the net carrying amount.

Liabilities are recognized at amortized cost and subsequently measured using the effective interest rate method. Supply chain finance arrangements with banks match usual payment terms and do not modify the original liability toward the supplier, hence the amounts are presented under trade payables or other liabilities.

Derivative financial instruments are measured at fair value regardless of purpose and reported under other receivables and other assets or other liabilities. Initial measurement is as of the trade date. All derivative financial instruments are measured on the basis of current market rates as of the balance sheet date. The recognition of changes in fair value depends on the purpose for which a derivative is held. Derivatives are only ever used in the HOCHTIEF Group for hedging purposes. Hedges are structured for maximum effectiveness in accordance with the HOCHTIEF Group's risk management strategy and economic risk control. A cash flow hedge is a hedge of the exposure to variability in cash flows from a hedged item, as with the hedging of variable rate loans to counter variations in payment amounts due to interest rate changes. Unrealized gains and losses are initially recognized in cash flow hedge reserve, taking account of deferred taxes. The portion of the changes in value initially recognized in cash flow hedge reserve is reclassified to income or expense as soon as the hedged item is recognized in income or expense. If a hedged planned transaction subsequently results in recognition of a financial asset or a financial liability, gains or losses recognized in cash flow hedge reserve in the meantime are reclassified to income or expense in the period when the financial asset or financial liability affects income. If a hedged planned transaction subsequently results in recognition of a non-financial asset or liability, gains or losses recognized in equity in the meantime are taken out of equity and subtracted from or added to the initial cost of the asset or liability. In the cases described, only the portion of changes in value that are determined to be effective for hedging purposes are recognized in cash flow hedge reserve. The ineffective portion is recognized directly as income or expense. In the HOCHTIEF Group, only cash flow hedges are entered into. There are also derivatives—such as a put and a Thiess option—which are used for economic hedging purposes but for which no hedge accounting is applied. In such cases, changes in fair value are recognized in income or expense.

Judgements made by management in applying the accounting policies primarily relate to the following matters:

- Determination of whether an arrangement constitutes a lease.
- Financial assets may be measured, irrespective of the business model and the presence of standard cash flow conditions, at fair value through profit or loss if the requirements for the fair value option are met.
- Presentation of the risk management strategy in the case of hedges by the use of hedge accounting.
- Presentation of supply-chain finance agreements with suppliers
- Assets earmarked for sale must be assessed to confirm that they are available for immediate sale and their sale is highly probable. If the result of this assessment is positive, those assets and any liabilities to be disposed of in the same transaction must be reported and accounted for as assets held for sale and liabilities associated with assets held for sale. In this connection, it must be assessed whether an asset is a non-current asset, a disposal group, or a discontinued operation.

- Determination of control or joint control
  We continually reassess facts and circumstances based on currently available information to consider, under IFRS, if changes are required to previous conclusions regarding control or joint control determinations.

Investment in Thiess Group Holdings Pty Limited ("Thiess"), New South Wales, Australia
In December 31, 2020, CIMIC and Elliott Advisors (UK) Limited ("Elliott") entered into an agreement whereby funds advised by Elliott acquired a 50% equity interest in Thiess, with CIMIC retaining the other 50% equity interest. The transaction agreements contemplate future share transfer options including a potential initial public offering or sale to a third party, and an option ("put option") for Elliott to sell all or part of its interest in Class A preference shares or ordinary shares in Thiess to CIMIC between three and six years from completion. The Shareholders Agreement also prescribes a minimum distribution to each shareholder of AUD 180 million (EUR 110.1 million) per annum for the first six years, with Elliott receiving preferential payment. CIMIC provided business warranties and indemnities as part of the transaction which are subject to customary limitations.

Judgement was required in determining that Thiess is a jointly controlled entity of the Group. CIMIC and Elliott are exposed to the variable returns of Thiess. Elliott is exposed to equity risks and rewards while it holds the equity interest including during the period that the put option is exercisable. The pricing of the put option does not provide Elliott the ability to take advantage of any positive changes in the fair value of Thiess. Any changes in the fair value of the put option are recognized in the Group's statement of profit or loss (for further information on put option, please see chapter "Reporting on financial instruments").

Additionally, CIMIC holds a call option ("Thiess option") to acquire the Thiess Class C preference shares subscribed in 2022 from Elliott (for further information on the Thiess option, please see chapter "Reporting on financial instruments"). The issuance of the Class C preference shares and associated put and call options did not change the underlying joint control assessment of Thiess.

As CIMIC does not have the ability to direct Thiess' relevant activities, and given Elliott is exposed to variable returns, it is determined that CIMIC and Elliott jointly control Thiess. In the year ended December 31, 2023, the Group continues to account for Thiess as a material joint venture.

- Asset disposals:
  – Controlled entities and businesses: determination of loss of control and fair value of consideration,
  – Other assets: determination as to whether the significant risks and rewards of ownership have transferred.

The decision made by the HOCHTIEF Group for general application in each instance is set out under Accounting Policies in these Notes.

Preparation of the IFRS Consolidated Financial Statements requires **Group management to make estimates and assumptions** that affect the reported amount of assets, liabilities, income and expenses, and disclosures of contingencies, commitments, and other obligations. The main estimates and assumptions relate to the following:

- Construction/PPP and construction management/services business (Notes 1 and 2):
  – determination of stage of completion;
  – estimation of total contract costs;
  – estimation of total contract revenue, including recognizing revenue on contract variations and claims only to the extent it is highly probable that a significant reversal in the amount recognized will not occur in the future;
  – estimation of a customer's preparedness to accept contract variations and claims;
  – estimation of project completion date; and
  – assumed levels of project execution productivity.
  – assessing projects on a percentage of completion basis, in particular with regard to accounting for contract modifications, the timing of profit recognition, and the amount of profit recognized.
- Estimating the economic life of intangible assets, property, plant and equipment, and of investment properties (Notes 1, 12, 13 and 14).
- The measurement of expected credit losses (Notes 1 and 33).
- Accounting for provisions (Notes 1, 26 and 27).
- Impairment testing of equity-method participating interests (Notes 1 and 15).
- Testing goodwill on the basis of the three-year plan (Notes 1 and 12).

- The assessment of the recognition of deferred taxes considering the expected future performance of the business in line with Group strategy and the identification of uncertain income tax treatments (Notes 1, 10 and 20).

All estimates and assumptions are based on current circumstances and appraisals. Forward-looking estimates and assumptions made as of the balance sheet date with a view to future business performance take account of circumstances prevailing on preparation of the Consolidated Financial Statements and future trends considered realistic for the global and industry environment. Actual amounts can vary from the estimated amounts due to changes in the operating environment that are at variance with the assumptions and lie beyond management control. If such changes occur, the assumptions and, if necessary, the carrying amounts of affected assets and liabilities are revised accordingly.

New Accounting Pronouncements

Financial reporting standards applied for the first time in 2023

Adoption by the International Accounting Standards Board (IASB) of revised or new IFRS pronouncements has resulted in changes to accounting policies in those instances where the pronouncements have been endorsed by the EU and their application is mandatory, or early application is permitted, for the reporting period January 1 to December 31, 2023.

The changes relate to the following standards:

IFRS 17 "Insurance Contracts"

As of January 1, 2023, HOCHTIEF applies the new standard IFRS 17 ”Insurance Contracts“, which replaces the previous IFRS 4 "Insurance Contracts" in its entirety. The standard is relevant to HOCHTIEF in non-life insurance business mainly because of reinsurance services for insured construction risks.

Insurance contracts in the Group are measured on a portfolio basis at the insurance group level using the building block approach, in which the fulfillment cash flows comprise the discounted expected future cash flows, an explicit risk adjustment, and a contractual service margin. The contractual service margin represents the unearned profit that will in the future be recognized over the period the insurance contract services are provided. Measurement of insurance items such as liabilities for insurance claims generally takes into account all cash flows that result from the rights and obligations in an insurance contract. As a result, certain items that were reported separately under IFRS 4 in our Consolidated Financial Statements—such as deferred income comprising insurance premiums received in advance for subsequent years—are omitted.

HOCHTIEF has elected the modified retrospective approach for the transition to IFRS 17. The initial application of IFRS 17 did not result in any significant transition effects overall in the HOCHTIEF Consolidated Financial Statements, with the result that an amount of EUR 12.5 million was recognized in the Consolidated Statement of Earnings and an amount of EUR 17.3 million in other comprehensive income in fiscal year 2023. Under this approach, the presentation of the comparative period remains unchanged and the opening statement of financial position unmodified.

The overlay approach applied to selected marketable securities held by our insurance companies, which previously allowed adjustments to fair value through other comprehensive income, was discontinued with the introduction of IFRS 17. No significant effects on earnings occurred as a result of the measurement of these marketable securities through profit or loss.

Amendments to IAS 12 "Income Taxes": "International Tax Reform—Pillar Two Model Rules"
In October 2021, the OECD published an agreement on the main features of Pillar Two. Pillar Two sets out the rules for a new global minimum tax rate, which was adopted in December 2021 by the OECD and the G20 countries in the BEPS 2.0 project. The general Pillar Two rules specify a global minimum tax rate of 15% for multinational enterprises with worldwide revenue of at least EUR 750 million.

On December 22, 2022, the EU published its final Pillar Two implementing regulation (Official Journal of the European Union L 328/1, Council Directive (EU) 2022/2523).

At the end of December 2023, Germany adopted legislation with the Pillar Two rules, which is hence applicable to HOCHTIEF Aktiengesellschaft, with effect from December 31, 2023.

Both the HOCHTIEF Group and ACS fall within the scope of the OECD Pillar Two Model Rules. HOCHTIEF applies the exempting provision for the accounting treatment of deferred taxes in connection with income taxes, which was the subject of the amendments to IAS 12 published by the IASB in May 2023.

The HOCHTIEF Group is currently assessing the impact of Pillar Two, the rules for which mean that the Group would have to pay a top-up tax for each country for the difference between the effective tax rate according to the GloBE rules and the 15% minimum rate, unless a country has introduced a qualified domestic minimum top-up tax (QDMTT).

An indicative analysis of the impacts of Pillar Two has been carried out on the basis of available financial data and taking into account the Safe Harbor rules. Based on the analysis carried out to date, HOCHTIEF has only one potential risk for Pillar Two taxation on the profits of a small number of subsidiaries in countries where certain non-recurring items mean that it may not be possible to apply the Safe Harbor rules. No significant potential risk is anticipated as the items are not expected to recur in future years. The HOCHTIEF Group mainly operates in countries where the effective tax rate and the minimum tax rate are above 15%.

HOCHTIEF is continuing to assess the impact of the Pillar Two legislation on its future earnings.

Amendments to IAS 1 "Presentation of Financial Statements" and IFRS Practice Statement 2: "Disclosure of Accounting Policies"
The accounting policies were analyzed with regard to the materiality of the disclosures and revised accordingly.

The disclosure requirements resulting from the following amendments to IFRS 17, IAS 12, and IAS 8 had no material impact on the HOCHTIEF Consolidated Financial Statements but were given appropriate consideration at a suitable position in the Consolidated Financial Statements and Notes.

Changes to IFRS 17 "Insurance Contracts": "Initial Application of IFRS 17 and IFRS 9—Comparative Information"

Amendments to IAS 12 ”Income Taxes“: “Deferred Tax related to Assets and Liabilities arising from a Single Transaction“

Amendments to IAS 8 ”Accounting policies, changes in accounting estimates and errors:
“Definition of Accounting Estimates“

Accounting standards to be applied after the 2023 reporting year

The International Accounting Standards Board (IASB) has issued new accounting pronouncements in the form of standards that affect the HOCHTIEF Consolidated Financial Statements. However, these do not have to be applied for the year 2023 and, in some cases, have not yet been endorsed by the EU. From today's perspective, the new pronouncements adopted do not have any major relevance for the HOCHTIEF Group. Potential implications for the Consolidated Financial Statements are currently still being assessed:

Amendments to IFRS 16 "Leases": "Lease Liability in a Sale and Leaseback"

Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates": "Lack of Exchangeability"

Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures": "Supplier Finance Arrangements"

Amendments to IAS 1 „Presentation of Financial Statements":
- "Classification of Liabilities as Current or Non-current Date"
- "Classification of Liabilities as Current or Non-current – Deferral of Effective Date" and
- "Non-current Liabilities with Covenants"

Explanatory Notes to the Consolidated Statement of Earnings

2. Sales

The EUR 27,756,046 thousand (2022: EUR 26,219,332 thousand) sales figure comprises performance obligations recognized under the percentage of completion method in the mainstream construction business, construction management plus products and services provided to construction joint ventures and other related services. Secondly, the sales figure includes revenues from services such as construction planning, project development, logistics, asset management and concessions and insurance business.

Sales by division are allocated to the types of activities “Construction/PPP”, “Construction Management/Services” and “Other”. “Construction/PPP” includes Flatiron at HOCHTIEF Americas, CPB Contractors, and Leighton Asia at HOCHTIEF Asia Pacific and HOCHTIEF Infrastructure and HOCHTIEF PPP Solutions at HOCHTIEF Europe. The main “Construction Management/Services” companies are Turner at HOCHTIEF Americas, UGL’s service business, and Sedgman’s mineral processing businesses at HOCHTIEF Asia Pacific and HOCHTIEF Engineering as well as Trinac at HOCHTIEF Europe. Sales from non-core businesses are allocated to the category “Other”.

The composition of sales is as follows (EUR thousand):

2023

Divisions	Activities						Total sales	
	Construction/PPP		Construction Management/Services		Other			
HOCHTIEF Americas	1,936,709	7.0%	16,133,623	58.1%	40,649	0.2%	**18,110,981**	**65.3%**
HOCHTIEF Asia Pacific	5,499,652	19.8%	2,553,748	9.2%	46,185	0.2%	**8,099,585**	**29.2%**
HOCHTIEF Europe	1,248,408	4.5%	42,611	0.1%	44,193	0.2%	**1,335,212**	**4.8%**
Corporate	–	–	–	–	210,268	0.7%	**210,268**	**0.7%**
HOCHTIEF Group	**8,684,769**	**31.3%**	**18,729,982**	**67.4%**	**341,295**	**1.3%**	**27,756,046**	**100.0%**

2022

Divisions	Activities						Total sales	
	Construction/PPP		Construction Management/Services		Other			
HOCHTIEF Americas	1,774,332	6.8%	15,661,920	59.7%	23,757	0.1%	**17,460,009**	**66.6%**
HOCHTIEF Asia Pacific	4,972,769	18.9%	2,241,052	8.6%	85,786	0.3%	**7,299,607**	**27.8%**
HOCHTIEF Europe	1,206,449	4.6%	47,087	0.2%	12,149	0.1%	**1,265,685**	**4.9%**
Corporate	–	–	–	–	194,031	0.7%	**194,031**	**0.7%**
HOCHTIEF Group	**7,953,550**	**30.3%**	**17,950,059**	**68.5%**	**315,723**	**1.2%**	**26,219,332**	**100.0%**

Revenues not related to contracts with clients, mainly relating to “Other” activities in Corporate, amount to EUR 268,550 thousand (2022: EUR 229,983 thousand).

Revenues recognized in the reporting period that were included in contractual liabilities at the beginning of the reporting period came to EUR 1,261 million (2022: EUR 1,229 million). An amount of EUR 28 million (2022: EUR 9 million) in revenues was recognized in the reporting period in relation to performance obligations satisfied (or partially satisfied) in prior periods.

The Group's order backlog (remaining performance obligations) by activities is as follows (EUR thousand):

2023

Divisions	Activities						Total order backlog	
	Construction/PPP		Construction Management/Services		Other			
HOCHTIEF Americas	5,232,847	9.5%	24,581,263	44.4%	–	–	**29,814,110**	**53.9%**
HOCHTIEF Asia Pacific	7,360,154	13.3%	12,146,101	22.0%	–	–	**19,506,255**	**35.3%**
HOCHTIEF Europe	5,974,437	10.8%	21,449	0.0%	9,146	0.0 %	**6,005,032**	**10.8%**
Corporate	–	–	–	–	–	–	**–**	**–**
HOCHTIEF Group	**18,567,438**	**33.6%**	**36,748,813**	**66.4%**	**9,146**	**0.0 %**	**55,325,397***	**100.0%**

* includes EUR 6,832,530 thousand of HOCHTIEF's share from equity-accounted joint ventures and associates

2022

Divisions	Activities						Total order backlog	
	Construction/PPP		Construction Management/Services		Other			
HOCHTIEF Americas	5,166,112	10.0%	22,609,634	44.0%	–	–	**27,775,746**	**54.0%**
HOCHTIEF Asia Pacific	6,775,475	13.2%	12,612,821	24.5%	–	–	**19,388,296**	**37.7%**
HOCHTIEF Europe	4,206,510	8.2%	33,468	0.1%	–	–	**4,239,978**	**8.3%**
Corporate	–	–	–	–	–	–	**–**	**–**
HOCHTIEF Group	**16,148,097**	**31.4%**	**35,255,923**	**68.6%**	**–**	**–**	**51,404,020****	**100.0%**

** includes EUR 7,298,001 thousand of HOCHTIEF's share from equity-accounted joint ventures and associates

Contract durations vary between business activities. The average duration of contracts is given below; however, some contracts will differ from these typical durations. While revenue is typically earned over these varying contract durations, a larger proportion of the revenue shown above is expected to be earned in the short term.

- Construction: 1–4 years
- PPP: up to 30 years
- Construction Management/Services: up to 10 years

The forward order book in relation to work done is equivalent to 22 months of work.

3. Other operating income

(EUR thousand)	**2023**	2022
Income from reversal of provisions	33,581	64,690
Foreign exchange gains	29,784	35,078
Income from write-ups to non current assets (excluding financial assets)	6,342	371
Income from disposal of intangible assets, property, plant and equipment, and investment properties	2,150	7,151
Income from derecognition of/reversals of impairments on receivables	1,627	2,571
Deconsolidation gains and gains from change in the method of consolidation	–	338,293
Sundry other operating income	48,295	53,381
	121,779	**501,535**

Deconsolidation gains and gains from change in the method of consolidation accounted in 2022 were related to the HOCHTIEF Asia Pacific division and resulted from the reclassification of the investment in Ventia Services Group Limited ("Ventia") from an associate to other financial assets measured at fair value through other comprehensive income.

Sundry other operating income includes income from insurance claims and other income not accounted for elsewhere.

4. Materials

(EUR thousand)	2023	2022
Raw materials and supplies	2,186,274	1,923,683
Purchased services	18,731,482	17,997,984
	20,917,756	**19,921,667**

5. Personnel costs

(EUR thousand)	2023	2022
Wages and salaries	4,145,465	3,852,419
Social insurance, pensions, and support	665,931	617,342
	4,811,396	**4,469,761**

Expenditure on pensions totaled EUR 216,384 thousand (2022: EUR 203,659 thousand). This mostly comprises new entitlements accrued during the year under defined benefit pension plans and payments into defined contribution pension schemes. Payments to state pension insurance funds are included in social insurance.

Employees (average for the year excluding employees in occupational training)

	2023	2022
Germany	3,002	3,030
International	36,411	31,720
	39,413	**34,750**

6. Depreciation and amortization

(EUR thousand)	2023	2022
Intangible assets	18,154	22,669
Property, plant and equipment	301,407	320,109
Of which: Right-of-use assets for leases	135,155	136,131
Investment properties	1,032	1,035
	320,593	**343,813**

Depreciation and amortization includes impairment losses in Corporate in the amount of EUR 4,658 thousand (2022: EUR 9,560 thousand), in the HOCHTIEF Europe division in the amount of EUR 2,736 thousand (2022: EUR 0 thousand) and in the HOCHTIEF Asia Pacific division in the amount of EUR 75 thousand (2022: EUR 36 thousand).

7. Other operating expenses

(EUR thousand)	2023	2022
Insurance expenses	458,896	397,400
Rentals and lease rentals	339,381	295,198
Technical and business consulting	93,018	77,739
Organization and programming	87,422	79,645
Travel expenses	74,582	50,489
Office supplies	55,112	47,585
Court costs, attorneys' and notaries' fees	47,715	56,138
Currency losses	37,438	41,000
Other taxes	22,230	13,935
Mail and funds transfer expenses	10,941	12,509
Impairment losses and losses on disposal of current assets (except inventories)	8,515	34,611
Research and development expenses	5,396	11,679
Sundry other operating expenses	44,000	381,961
	1,284,646	**1,499,889**

The insurance expenses mainly relate to project risk management in the Turner Group. Insurance cover from Turner and from other project stakeholders such as suppliers and clients is combined to minimize project execution risks to Turner and its clients. The insurance expenses are counterbalanced by insurance revenue reported in sales.

Sundry other operating expenses in the reporting year mostly comprise order processing, costs of materials for administrative purposes, costs of preparing the annual financial statements, and other expenses not reported elsewhere. In the prior year, they additionally included expenses from the confidential business agreement entered into by CIMIC with its consortium partners and the client in April 2022 for full and final settlement of all matters relating to the Ichthys liquefied natural gas project (CCPP).

8. Net income from participating interests

Net income from participating interests includes all income and expenses relating to equity-method investments and participating interests.

Net income from participating interests is made up as follows:

(EUR thousand)	2023	2022
Share of profits and losses of equity-method associates and joint ventures	**254,245**	**236,266**
Of which: Positive changes in fair value	11,251	1,212
Of which: Negative changes in fair value	(4,233)	(1,942)
Result from non-consolidated subsidiaries	(477)	49
Of which: Positive changes in fair value	–	–
Of which: Negative changes in fair value	(575)	–
Result from other participating interests	42,822	17,842
Of which: Positive changes in fair value	18,205	3,499
Of which: Negative changes in fair value	(191)	(3,342)
Income from the disposal of participating interests	19	26,558
Expenses on disposal of participating interests	(1)	(7)
Income from long-term loans to participating interests	17,232	12,513
Net income from other participating interests	**59,595**	**56,955**
	313,840	**293,221**

The share of profits and losses of equity-method associates and joint ventures was EUR 108,226 thousand (2022: EUR 101,750 thousand) relating to associates and EUR 146,019 thousand (2022: EUR 134,516 thousand) relating to joint ventures.

Net income from other participating interests in the reporting year comprises reversals of impairments on participating interests in the HOCHTIEF Asia Pacific division in the amount of EUR 18,205 thousand (2022: EUR 3,499 thousand) as well as EUR 20,573 thousand (2022: EUR 16,557 thousand) of dividend income from equity instruments measured at fair value through other comprehensive income.

9. Net investment and interest income

(EUR thousand)	2023	2022
Interest and similar income	123,510	51,916
Other investment income	24,335	71,650
Investment and interest income	**147,845**	**123,566**
Interest and similar expenses	(256,516)	(184,270)
Interest component of increase in non-current provisions	(9,964)	(6,696)
Of which: Net interest expense on pension obligations	(9,829)	(6,595)
Other investment expenses	(33,911)	(57,919)
Investment and interest expenses	**(300,391)**	**(248,885)**
	(152,546)	**(125,319)**

Interest and similar income consists of interest on cash investments, interest-bearing securities, and other long-term loans, plus profit shares and dividends from securities. Interest and similar expenses represent all interest incurred. Net interest income—the balance of interest and similar income and expenses—is at a negative EUR 133,006 thousand (2022: negative EUR 132,354 thousand).

Interest income of EUR 123,510 thousand was recorded in 2023 for financial instruments not carried at fair value through profit or loss (2022: EUR 51,916 thousand). Interest expenses of EUR 237,906 thousand were recorded for financial instruments not carried at fair value through profit or loss (2022: EUR 168,335 thousand).

Other investment income of the previous year included income of EUR 45,316 thousand from derivatives used to hedge foreign currency transactions.

Net interest expense on pension obligations—an amount of EUR 9,829 thousand (2022: EUR 6,595 thousand)—consists of EUR 26,702 thousand (2022: EUR 12,848 thousand) in annual interest on the net present value of long-term pension obligations rolled over into the new year, offset against EUR 16,873 thousand (2022: EUR 6,253 thousand) in interest income on plan assets.

That portion of investment and interest income/expenses which is not included in interest and similar income/expenses or in the interest component of increases in non-current provisions is reported in other investment income and other investment expenses. This category mostly comprises income and expenses relating to sales of securities and to derivatives as well as expenses relating to impairment losses on securities and on other long-term loans.

10. Income taxes

The HOCHTIEF Group's income taxes include income taxes paid or owed in the various countries together with deferred taxes. They break down by origin as follows:

(EUR thousand)	2023	2022
Current income taxes	127,424	114,234
Of which: Current taxes of prior periods	9,647	20,991
Deferred taxes	43,553	47,931
Of which: Relating to temporary differences	(22,328)	122,748
Of which: Arising from tax loss carryforwards/tax credits	43,858	(61,436)
Of which: Arising from writedowns or reversal of past writedowns of deferred tax assets	22,023	(13,381)
	170,977	**162,165**

The amount by which tax expense is reduced by the utilization of tax loss carryforwards and interest carryforwards for which no deferred tax assets have been recognized as well as by unrecognized temporary differences and tax credits is EUR 18,966 thousand (2022: EUR 5,301 thousand).

Deferred and current taxes are measured on the basis of tax rates enacted or substantively enacted in each country as of the reporting date. Applying an average multiplier for German municipal trade tax, the underlying Group tax rate of 31.5% as in the prior year is derived as follows:

(%)	2023	2022
Corporate income tax rate	15.000	15.000
Solidarity surcharge	5.500	5.500
Corporate income tax rate including solidarity surcharge	**15.825**	**15.825**
Average municipal trade tax rate	15.675	15.675
Group tax rate	**31.500**	**31.500**

The effective tax expense of EUR 170,977 thousand (2022: EUR 162,165 thousand) differs by EUR 54,249 thousand (2022: EUR 51,145 thousand) from the expected tax expense of EUR 225,226 thousand (2022: EUR 213,310 thousand). The expected tax expense is determined by applying the Group tax rate to profit before tax.

The following table shows the reconciliation of the expected tax expense to the effective tax expense:

(EUR thousand)	2023	2022
Profit before tax	715,003	677,174
Theoretical tax expense, at 31.5%	225,226	213,310
Difference between the above and foreign tax rates	(18,513)	4,637
Differences from tax base for German municipal trade tax	5,127	(3,172)
Changes in valuation allowances on deferred tax assets without recognition of deferred taxes/utilization of interest carryforwards/tax credits	16,838	25,636
Tax effects on:		
Tax-exempt income	(39,730)	(46,426)
Non-tax-allowable expenditure	51,598	30,647
Equity accounting of associates and joint ventures, including impairment of associates and joint ventures	(20,838)	(22,257)
Other	(48,731)	(40,210)
Effective tax charges	**170,977**	**162,165**
Effective rate of tax (percent)	23.9	24.0

As in the prior year, the tax-exempt income mostly relates to income from participating interests.

Upon CIMIC's entry into the multiple entry consolidated group, the Income Tax Assessment Act 1997 requires the tax values of CIMIC Group's assets to be reset in accordance with the tax cost resetting principles. This calculation is supported by external advisors. The accounting impact of the change in tax group resulted in the amount of net EUR 60.9 million (2022: EUR 48.8 million) tax impact is included in the position "Other". The net impact results from a number of offsetting adjustments to reset various tax cost bases predominantly related to financial investments, inventories and property, plant and equipment. This effect is compensated by impairments of deferred tax assets on tax losses carryforward shown in item "Changes in valuation allowances on deferred tax assets without recognition of deferred taxes/utilization of loss carryforwards/tax credits".

The item "Other" includes furthermore tax expenses of EUR 9,647 thousand from prior-period transactions and EUR 2,957 thousand deferred tax expenses from prior-period transactions and other miscellaneous items. In previous year the "Other" item mainly includes tax expenses in the amount of EUR 20,991 thousand and deferred tax income of EUR 12,401 thousand from prior-period transactions.

11. Non-controlling interests

The EUR 21,277 thousand (2022: EUR 33,235 thousand) non-controlling interests in consolidated net profit represents the balance of profits totaling EUR 21,277 thousand (2022: EUR 33,236 thousand) and losses totaling EUR 0 thousand (2022: EUR 1 thousand). The profits include EUR 19,160 thousand (2022: EUR 20,231 thousand) for non-controlling shareholders of the division Americas.

Explanatory notes to the Consolidated Balance Sheet

12. Intangible assets

The table below shows the composition of and changes in intangible assets on the Consolidated Balance Sheet for 2023 and 2022:

(EUR thousand)	Concessions, industrial property and similar rights and assets, and licenses in such rights and assets	Goodwill arising on consolidation	Total
Cost of acquisition or production			
Jan. 1, 2023	469,939	992,793	1,462,732
Additions or disposals due to changes in the scope of consolidation	2,957	17,602	20,559
Additions	20,623	–	20,623
Disposals	(137,757)	–	(137,757)
Reclassifications	–	–	–
Currency adjustments	(14,105)	(34,310)	(48,415)
Dec. 31, 2023	341,657	976,085	1,317,742
Cumulative depreciation			
Jan. 1, 2023	345,461	–	345,461
Additions or disposals due to changes in the scope of consolidation	–	–	–
Additions	18,154	–	18,154
Disposals	(137,301)	–	(137,301)
Reclassifications	–	–	–
Currency adjustments	(10,600)	–	(10,600)
Impairment reversals	–	–	–
Dec. 31, 2023	215,714	–	215,714
Carrying amounts as of Dec. 31, 2023	**125,943**	**976,085**	**1,102,028**
Cost of acquisition or production			
Jan. 1, 2022	456,329	968,228	1,424,557
Additions or disposals due to changes in the scope of consolidation	9,499	12,516	22,015
Additions	11,652	–	11,652
Disposals	(16,387)	–	(16,387)
Reclassifications	1,279	–	1,279
Currency adjustments	7,567	12,049	19,616
Dec. 31, 2022	469,939	992,793	1,462,732
Cumulative depreciation			
Jan. 1, 2022	333,425	–	333,425
Additions or disposals due to changes in the scope of consolidation	1,121	–	1,121
Additions	22,669	–	22,669
Disposals	(16,287)	–	(16,287)
Reclassifications	–	–	–
Currency adjustments	4,533	–	4,533
Impairment reversals	–	–	–
Dec. 31, 2022	345,461	–	345,461
Carrying amounts as of Dec. 31, 2022	**124,478**	**992,793**	**1,117,271**

As in the prior year, intangible assets are not subject to any restrictions. No development costs were capitalized in the reporting year (2022: EUR 2,010 thousand). An impairment loss of EUR 4,658 thousand was recognized in 2023 (2022: EUR 9,560 thousand). A total of EUR 11,416 thousand (2022: EUR 12,844 thousand) was expensed for Group-wide research and development projects by the central innovation management function.

Intangible assets include EUR 44,404 thousand (2022: EUR 46,027 thousand) for company names recognized on initial consolidation, comprising EUR 42,221 thousand (2022: EUR 43,741 thousand) in the HOCHTIEF Americas division and EUR 2,183 thousand (2022: EUR 2,286 thousand) in the HOCHTIEF Asia Pacific division. The company names are not subject to systematic amortization, but are tested for impairment annually and if there is any indication of impairment. Impairment testing is performed in accordance with IAS 36 as described below for goodwill. An impairment loss of EUR 75 thousand was recognized in the HOCHTIEF Asia Pacific division in 2023 (2022: EUR 36 thousand). The changes in 2023 also include minus EUR 1,520 thousand (HOCHTIEF Americas division) and minus EUR 81 thousand (HOCHTIEF Asia Pacific division) from currency adjustments as well as EUR 53 thousand from consolidation changes (HOCHTIEF Asia Pacific division).

Goodwill recognized on initial consolidation for consolidated companies in continuing operations is allocated to cash-generating units at segment level for the purposes of impairment testing as described in the following. The cash-generating units correspond to the divisions used in segment reporting.

Annual impairment testing of goodwill at segment (division) level is performed at HOCHTIEF as of March 31 in each reporting year. It is ensured as of the balance sheet date December 31 that there are no material changes in the parameters for impairment testing that would result in an impairment. Specifically, interest rate changes and their impact on cost of capital are analyzed alongside the business performance of each division in the reporting year. For the purpose of impairment testing, the recoverable amount of a division is compared with its carrying amount.

The recoverable amount for the HOCHTIEF Americas, HOCHTIEF Asia Pacific and HOCHTIEF Europe cash-generating units is measured separately for each unit as value in use. This is the present value of the expected future free cash flow from each cash-generating unit. Value in use is determined from an internal Group perspective using the discounted cash flow method. This is applied on the basis of cash flow budgets derived as a rule from the three-year budget for the detailed planning horizon as approved by the Executive Board and current at the time of impairment testing. Budgeting within the detailed planning horizon was based on slightly rising sales and near-constant EBIT margins for the three divisions. The forecasts incorporate past experience and expected future market developments. Cash flows are assumed to remain constant in subsequent years without applying a terminal value growth rate. A sustained cash flow is determined on the basis of free cash flow in the last budget year. Budgeting premises are adjusted in line with current knowledge. Weighted average cost of capital (WACC) is used for cost of capital figures. Value in use is first measured on an after-tax basis by discounting the cash flows with an after-tax WACC determined separately for each cash-generating unit. The pretax discount rate is then found by iteration for the purposes of the Notes disclosures.

The discount rates used in impairment testing for the HOCHTIEF Americas, HOCHTIEF Asia Pacific and HOCHTIEF Europe cash-generating units are between 11.50% and 14.28% before tax (2022: between 8.71% and 9.17%).

Due to high valuation reserves —as in the prior year—, comparison of the divisions’ recoverable amounts with their carrying amounts did not reveal any impairment of goodwill.

Changes in goodwill by division in 2023 were as follows:

(EUR thousand)	Jan. 1, 2023	Currency adjustments	Consolida-tion changes	Reclassi-fications	**Dec. 31, 2023**
HOCHTIEF Americas	337,625	(11,732)	–	–	325,893
HOCHTIEF Asia Pacific	624,036	(22,578)	17,602	–	619,060
HOCHTIEF Europe	31,132	–	–	–	31,132
HOCHTIEF Group	**992,793**	**(34,310)**	**17,602**	**–**	**976,085**

13. Property, plant and equipment

(EUR thousand)	Land, similar rights and buildings, including buildings on land owned by third parties	Technical equipment and machinery, transportation equipment	Other equipment and office equipment	Prepayments and assets under construction	Right-of-use assets: Land and buildings	Right-of-use assets: Technical equipment and machinery; other equipment and office equipment	Total
Cost of acquisition or production							
Jan. 1, 2023	99,219	872,736	201,575	100,429	794,261	213,946	2,282,166
Additions or disposals due to changes in the scope of consolidation	4,948	(35,181)	–	–	(9,511)	59	(39,685)
Additions	1,168	164,924	15,301	14,382	69,566	72,819	338,160
Disposals	(2,339)	(174,440)	(27,471)	(83)	(93,645)	(88,938)	(386,916)
Reclassifications	(188)	16,865	30,381	(44,921)	(576)	12	1,573
Currency adjustments	(2,051)	(27,066)	(5,739)	(1,008)	(18,718)	(6,162)	(60,744)
Dec. 31, 2023	100,757	817,838	214,047	68,799	741,377	191,736	2,134,554
Cumulative depreciation							
Jan. 1, 2023	56,718	587,187	154,547	–	478,173	136,022	1,412,647
Additions or disposals due to changes in the scope of consolidation	–	29	–	–	(338)	46	(263)
Additions	6,793	139,918	19,541	–	80,976	54,179	301,407
Disposals	(2,339)	(163,854)	(27,112)	–	(86,200)	(87,733)	(367,238)
Reclassifications	(61)	2,511	–	–	61	12	2,523
Currency adjustments	(1,564)	(18,217)	(4,006)	–	(10,548)	(3,636)	(37,971)
Impairment reversals	–	(6,334)	(8)	–	–	–	(6,342)
Dec. 31, 2023	59,547	541,240	142,962	–	462,124	98,890	1,304,763
Carrying amounts as of Dec. 31, 2023	**41,210**	**276,598**	**71,085**	**68,799**	**279,253**	**92,846**	**829,791**
Cost of acquisition or production							
Jan. 1, 2022	103,441	880,665	187,631	61,800	666,649	192,791	2,092,977
Additions or disposals due to changes in the scope of consolidation	18	(5,629)	–	–	–	(5,063)	(10,674)
Additions	1,542	125,973	10,552	37,664	162,146	57,801	395,678
Disposals	(6,218)	(141,070)	(5,512)	–	(27,225)	(51,313)	(231,338)
Reclassifications	7	(1,662)	(16)	665	(12,761)	12,984	(783)
Currency adjustments	429	14,459	8,920	300	5,452	6,746	36,306
Dec. 31, 2022	99,219	872,736	201,575	100,429	794,261	213,946	2,282,166
Cumulative depreciation							
Jan. 1, 2022	55,726	546,585	133,625	–	418,202	120,359	1,274,497
Additions or disposals due to changes in the scope of consolidation	–	(3,707)	–	–	–	(3,642)	(7,349)
Additions	5,379	158,399	20,200	–	82,805	53,326	320,109
Disposals	(4,288)	(123,112)	(5,534)	–	(26,191)	(50,976)	(210,101)
Reclassifications	–	403	(16)	–	–	12,984	13,371
Currency adjustments	203	8,688	6,272	–	3,357	3,971	22,491
Impairment reversals	(302)	(69)	–	–	–	–	(371)
Dec. 31, 2022	56,718	587,187	154,547	–	478,173	136,022	1,412,647
Carrying amounts as of Dec. 31, 2022	**42,501**	**285,549**	**47,028**	**100,429**	**316,088**	**77,924**	**869,519**

In the reporting year, impairment losses of EUR 2,736 thousand (2022: EUR 0 thousand) were recognized on property, plant and equipment for the Europe division. As in the prior year, property, plant and equipment is not subject to any restrictions.

14. Investment properties

(EUR thousand)	
Cost of acquisition or production	
Jan. 1, 2023	41,405
Additions or disposals due to changes in the scope of consolidation	–
Additions	105
Disposals	–
Reclassifications	–
Currency adjustments	(513)
Dec. 31, 2023	40,997
Cumulative depreciation	
Jan. 1, 2023	8,417
Additions	1,032
Disposals	–
Reclassifications	–
Currency adjustments	–
Dec. 31, 2023	9,449
Carrying amounts as of Dec. 31, 2023	**31,548**
Cost of acquisition or production	
Jan. 1, 2022	27,436
Additions or disposals due to changes in the scope of consolidation	–
Additions	6,697
Disposals	(692)
Reclassifications	8,486
Currency adjustments	(522)
Dec. 31, 2022	41,405
Cumulative depreciation	
Jan. 1, 2022	7,962
Additions	1,035
Disposals	(580)
Reclassifications	–
Currency adjustments	–
Dec. 31, 2022	8,417
Carrying amounts as of Dec. 31, 2022	**32,988**

As in the prior year, no impairment losses were recorded on investment properties in the reporting year.

The fair values of investment properties was EUR 40,600 thousand as of December 31, 2023 (2022: EUR 32,988 thousand). This is measured as in the past using internationally accepted valuation techniques, such as taking comparable properties as a guide to current market prices or by applying the discounted cash flow method.

Rental income from investment properties in the reporting year totaled EUR 4,698 thousand (2022: EUR 4,368 thousand). Direct operating expenses totaling EUR 187 thousand (2022: EUR 199 thousand) consisted of EUR 187 thousand (2022: EUR 169 thousand) in expenses for rented and EUR 0 thousand (2022: EUR 30 thousand) for unrented investment properties.

As in the prior year, investment properties are not subject to any restrictions.

15. Equity-method investments

(EUR thousand)	Dec. 31, 2023	Dec. 31, 2022
Equity-method associates	1,576,865	1,359,246
Equity-method joint ventures	1,255,242	1,369,149
	2,832,107	**2,728,395**

Material associate and other associates
HOCHTIEF Aktiengesellschaft holds 20% minus one share of Abertis HoldCo, S.A. (Abertis), Madrid, Spain. The Group exerts influence on the associate's operating policy and has significant influence within the meaning of IAS 28. HOCHTIEF Aktiengesellschaft's interest in Abertis HoldCo, S.A. is therefore accounted for in the Consolidated Financial Statements as an associate using the equity method.

(EUR thousand)	Dec. 31, 2023	Dec. 31, 2022
	100.00%	**100.00%**
Non-current assets	44,677,044	39,369,912
Current assets	7,099,985	5,597,077
Assets held for sale	–	–
Non-current liabilities	34,752,133	30,636,521
Current liabilities	4,358,252	3,880,021
Liabilities associated with assets held for sale	–	–
Equity	**12,666,644**	**10,450,447**
Non-controlling interest	3,897,747	2,800,716
Equity excluding non-controlling interest	**8,768,897**	**7,649,731**
Hybrid bond recognized in Abertis' equity	(1,974,204)	(1,960,091)
Equity attributable to owners of the company	**6,794,693**	**5,689,640**
HOCHTIEF share of equity (shareholding 20.00%)	1,358,939	1,137,928
Other costs	56,501	56,501
Carrying amount of the investment	**1,415,440**	**1,194,429**

The owners have increased Abertis' equity by paying EUR 1.3 billion. The payments have been made on February 15, 2024 and HOCHTIEF's share amounts to EUR 260 million.

(EUR thousand)	2023	2022
	100.00%	**100.00%**
Sales	5,532,094	5,101,815
Profit or loss from continuing operations	802,517	346,164
Post-tax profit/(loss) from discontinued operations	11,276	–
Profit/(loss) for the year	**813,793**	**346,164**
Non-controlling interest	416,500	12,844
Profit/(loss) for the year attributable to owners of the company	397,293	333,320
Income and expenses recognized directly in equity, after tax	**64,076**	**866,195**
Non-controlling interest	85,887	230,647
Income and expenses recognized directly in equity, after tax, attributable to owners of the company	(21,811)	635,548
Total comprehensive income (100%)	**877,869**	**1,212,359**
Non-controlling interest	502,387	243,491
Total comprehensive income attributable to owners of the company	375,482	968,868
HOCHTIEF share of total comprehensive income attributable to owners of the company (shareholding 20.00%)	**75,096**	**193,774**
Annual profit	**79,459**	**66,664**
Other comprehensive income	**(4,363)**	**127,110**
Dividends received from associate during the year	118,738	118,738

The table below shows the carrying amounts and the Group's share of items of the statement of comprehensive income in aggregate for individually immaterial equity-method associates:

(EUR thousand)	2023	2022
Carrying amounts	**161,425**	**164,817**
Profit before tax	**32,657**	**44,165**
Income taxes	(3,890)	(9,079)
Profit after tax	**28,767**	**35,086**
Other comprehensive income	(16)	57,008
Total comprehensive income	**28,751**	**92,094**

Investments in associates, as in the prior year, are not subject to any restrictions.

Material joint ventures and other joint ventures

The tables below provide summarized financial information for the joint venture Thiess that is material to the Group. Material joint ventures have been determined by comparing individual investment net book value with the total equity-accounted investment carrying value and share of profit, along with consideration of relevant qualitative factors.

The information disclosed reflects the amounts presented in the consolidated financial statements of the relevant joint venture and, where indicated, the Group's share of those amounts. They have been amended to reflect adjustments made by the Group when using the equity method, including fair value adjustments and differences in accounting policies.

(EUR thousand)	Dec. 31, 2023	Dec. 31, 2022
	100.00%	**100.00%**
Non-current assets	3,207,697	3,232,540
Current assets	1,077,103	1,024,156
Thereof: Cash and cash equivalents	170,816	162,366
Non-current liabilities	1,475,675	1,449,316
Thereof: Financial liabilities	1,284,382	1,270,382
Current liabilities	898,231	873,515
Thereof: Financial liabilities	247,924	206,845
Equity	**1,910,894**	**1,933,865**
Non-controlling interest	10,515	10,769
Shareholder's equity	1,900,379	1,923,096
Carrying amount of the investment (50%)*	**805,875**	**811,895**

* The carrying amount of the investment differs from a 50:50 equity split (shareholders' interests) in Thiess. This is due to the preferential dividend for Elliott and the Class C preference shares issued by Thiess.

(EUR thousand)	2023	2022
	100.00%	**100.00%**
Sales	3,610,738	2,606,236
Other expenses	(2,711,204)	(1,846,702)
Depreciation and amortization	(506,565)	(408,340)
Share of profits and losses of joint ventures	61	(66)
Interest income	2,447	1,056
Interest expenses	(133,600)	(97,466)
Profit before tax	**261,877**	**254,718**
Income taxes	(68,941)	(69,354)
Profit after tax	**192,936**	**185,364**
Profit attributed to non-controlling interests	1,346	2,244
Profit attributable to the owners of the company	191,590	183,120
Other comprehensive income	(2,508)	41,441
Total comprehensive income	**189,082**	**224,561**
Group's total share (50%) of:		
Profit after tax*	**53,464**	**57,872**
Other comprehensive income	(1,162)	20,721
Total comprehensive income	52,302	78,593
Dividends received	29,974	59,063

* The Thiess Shareholders Agreement prescribes a minimum distribution to each shareholder of AUD 180.0 million (EUR 110.1 million) per annum for the first six years. Additionally, Thiess has issued Class C preference shares which provide a coupon return ranked above all other equity instruments amounting to EUR 14.0 million (2022: EUR 3.2 million) for the Group's share. Accordingly, returns are first attributable to both the Group's and Elliott's Class C preference shares and then to Elliott's minimum distribution. Consequently, the Group's profit share for the period is EUR 53.5 million (2022: EUR 57.9 million). The Group's shortfall profit amounts have protective rights and are expected to be recovered through future earnings.

For the acquisition of MACA Limited (Western Australia, Australia) through Thiess in 2022, CIMIC and Elliott financed the transaction by subscribing for new Class C preference shares in Thiess. CIMIC invested AUD 191.3 million (EUR 126.2 million). The preference shares were issued to the two investors in equal proportions and on equal terms, and offer a coupon yield that ranks ahead of all other equity instruments. These Class C preference shares are considered a long-term interest in Thiess not measured using equity method under IAS 28 and therefore the equity instrument measured at fair value through profit or loss in accordance with IFRS 9.4.1.4 is presented under other financial assets. The coupon, in the form of a dividend, is recognized as an operating cash flow.

The table below shows the carrying amounts and the Group's share of items of the statement of comprehensive income in aggregate for individually immaterial equity-method joint ventures:

(EUR thousand)	2023	2022
Carrying amounts	**449,367**	**557,254**
Profit before tax	**96,919**	**79,484**
Income taxes	(4,364)	(2,840)
Profit after tax	**92,555**	**76,644**
Other comprehensive income	(31,538)	61,670
Total comprehensive income	**61,017**	**138,314**

Profit from equity-method joint ventures contained EUR 4,233 thousand (2022: EUR 1,942 thousand) in impairment losses and EUR 11,251 thousand (2022: EUR 1,212 thousand) in reversals of impairment losses.

Investments in joint ventures are pledged within the framework of project financing in the amount of EUR 103,721 thousand (2022: EUR 98,604 thousand).

16. Other financial assets

(EUR thousand)	Dec. 31, 2023	Dec. 31, 2022
Non-consolidated subsidiaries	868	1,054
Other participating interests	189,628	575,075
Non-current marketable securities	28,867	35,213
	219,363	**611,342**

Impairment losses of EUR 477 thousand (2022: EUR 0 thousand) were recognized on non-consolidated subsidiaries in the reporting year. In addition, there were impairments of EUR 191 thousand in 2023 (2022: 3,342 thousand) and impairment reversals of EUR 18,205 thousand (2022: EUR 3,499 thousand) in other participating interests. As in the prior year, sundry other assets are not subject to any restrictions in the reporting year.

Within other participating interests the Class C preference shares in Thiess held by CIMIC totaling AUD 214.2 million (EUR 131.7 million) are accounted as an equity instrument in accordance with IFRS 9 [2022: AUD 191.3 million (EUR 126.2 million)].

The previous year's amount also included the listed shares in Ventia with a carrying amount of EUR 430.6 million. The investment was reclassified from an associate under IAS 28 to other financial assets measured at fair value through other comprehensive income in accordance with IFRS 9 (Level 1) in 2022.

During the year 2023, CIMIC sold all of its shares in Ventia across four tranches. As the investment was accounted for as a financial investment measured at fair value through other comprehensive income prior to disposal, no gain was recognized in the statement of profit or loss in respect of the sale of Ventia for the year ended December 31, 2023.

17. Financial receivables

(EUR thousand)	Dec. 31, 2023 Non-current	Dec. 31, 2023 Current	Dec. 31, 2022 Non-current	Dec. 31, 2022 Current
Loans to non-consolidated subsidiaries and to participating interests	112,576	75,389	87,890	34,498
Financial receivables from non-consolidated subsidiaries	–	339	513	236
Financial receivables from participating interests	–	46,396	–	39,242
Interest receivable on tax refunds	–	–	–	14,558
Interest accruals	–	6,231	–	3,757
Other financial receivables	1,871	18,285	2,588	32,344
	114,447	**146,640**	**90,991**	**124,635**

Loans to and financial receivables from equity-accounted companies total EUR 234,288 thousand (2022: EUR 161,387 thousand).

18. Trade receivables and other receivables

(EUR thousand)	Dec. 31, 2023	Dec. 31, 2022
Trade receivables	3,939,625	3,453,293
Contract assets	2,093,772	2,010,292
Other receivables and other assets	1,044,880	966,079
	7,078,277	**6,429,664**

Trade receivables include receivables from equity-accounted companies in the amount of EUR 7,905 thousand (2022: EUR 9,322 thousand).

Performance not yet billed is accounted for in contract assets if progress payments do not exceed cumulative performance (contract costs and contract earnings). Where the net amount after deduction of progress payments is negative, the difference is presented under contract liabilities.

The change in the receivables balances is mainly due to performance completed and payments received in the operating business and to reclassifications to trade receivables. Contract assets include contract obtaining/fulfilment costs of EUR 81,786 thousand (2022: EUR 48,558 thousand).

Other receivables and other assets are made up as follows:

(EUR thousand)	Dec. 31, 2023 Non-current	Dec. 31, 2023 Current	Dec. 31, 2022 Non-current	Dec. 31, 2022 Current
Prepaid expenses	32,765	170,103	30,806	106,262
Claims for damages and claims under guarantee	–	147,539	–	128,917
Insurance contract assets	10,026	74,504	–	–
Derivative receivables	23,632	6,483	10,527	3,707
Tax receivables (excluding income taxes)	–	28,398	–	62,809
Pension fund credit balances	10,555	–	15,996	–
Sundry other assets	109,667	431,208	194,947	412,108
	186,645	**858,235**	**252,276**	**713,803**

Prepaid expenses consist of insurance premiums and prepayments for maintenance and services.

Claims for damages and claims under guarantee include EUR 145,696 thousand (2022: EUR 126,391 thousand), mainly in reimbursement claims under insurance policies held by the Turner Group.

As in the prior year, sundry other assets are not subject to any restrictions in the reporting year.

19. Income tax assets

EUR 159,566 thousand (2022: EUR 119,502 thousand) in income tax assets comprise amounts receivable from domestic and foreign tax authorities. These consist of EUR 20 thousand (2022: EUR 57 thousand) classified as non-current assets and EUR 159,546 thousand (2022: EUR 119,445 thousand) classified as current assets.

20. Deferred taxes

Deferred tax assets and liabilities break down as follows:

	Dec. 31, 2023		Dec. 31, 2022		**2023**	2022
(EUR thousand)	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities	changes recognized in profit and loss	
Non-current assets						
Intangible assets	46,508	20,072	29,445	17,838	(16,532)	(16,974)
Property, plant and equipment	32,143	65,646	21,793	64,800	(10,775)	4,212
Financial assets	8,817	9,845	6,703	48,929	(41,113)	1,076
Sundry non-current assets	8,275	26,338	11,691	24,554	4,878	(4,885)
Current assets						
Inventories	13,759	1,601	12,255	2,556	(3,411)	17,522
Trade receivables	1,331	57,493	2,227	58,002	949	24,134
Sundry current assets	71,194	21,919	111,191	23,199	34,226	52,243
Non-current liabilities						
Pension provisions	33,148	15,515	2,618	19,954	(20,757)	(7,843)
Other provisions	4,992	68,627	10,886	57,990	5,856	19,104
Sundry non-current liabilities	87,328	13,236	59,343	1,805	(11,694)	15,597
Current liabilities						
Other provisions	82,505	3,093	72,603	–	(10,428)	(2,976)
Trade payables	43,384	102,202	41,520	65,623	36,659	18,764
Sundry current liabilities	53,780	890	51,914	1,083	(3,532)	(13,192)
	487,164	**406,477**	**434,189**	**386,333**	**(35,674)**	**106,782**
Losses carried forward	182,693	–	268,925	–	79,227	(62,651)
Interest expense carried forward	–	–	–	–	–	3,800
Gross amount	**669,857**	**406,477**	**703,114**	**386,333**	**43,553**	**47,931**
Offsetting item	324,180	324,180	319,615	319,615	–	–
Reported amount	**345,677**	**82,297**	**383,499**	**66,718**	**–**	**–**

Deferred tax assets are normally recognized for tax-deductible temporary differences if it is probable that taxable profit will be available against which the deductible temporary differences can be utilized.

Deferred tax assets and deferred tax liabilities are offset within each company or tax group. The EUR 669,857 thousand (2022: EUR 703,114 thousand) gross amount of deferred tax assets includes the following tax refund entitlements arising from the expected future use of tax loss carryforwards and tax credits:

(EUR thousand)	Dec. 31, 2023	Dec. 31, 2022
Corporate income tax (or comparable foreign income tax)	170,753	235,034
German municipal trade tax	11,940	33,891
	182,693	**268,925**

Deferred tax assets are only recognized for tax loss carryforwards in so far as it is sufficiently certain that the tax loss carryforwards can be utilized. To the extent that no sufficient taxable temporary differences are available, expected taxable income for the purpose of measuring deferred taxes on deductible temporary differences and/or tax loss carryforwards is derived from budget figures, taking account of restrictions due to rules to be observed with regard to minimum taxation.

Tax loss carryforwards in respect of German and foreign corporate income tax and municipal trade tax for which no deferred tax assets have been recognized amount to EUR 1,950,244 thousand (2022: EUR 1,634,186 thousand) in respect of corporate income tax and EUR 1,434,598 thousand (2022: EUR 1,304,111 thousand) in respect of municipal trade tax.

Deferred tax assets have not been recognized for EUR 99,277 thousand (2022: EUR 127,455 thousand) in tax loss carryforwards that are subject to a time limit. EUR 17,998 thousand (2022: EUR 50,965 thousand) has a time limit of three years. EUR 44,877 thousand (2022: EUR 28,376 thousand) expire within seven years and EUR 36,402 thousand within 17 years (2022: EUR 48,113 thousand).

The amount of deductible temporary differences for which no deferred tax asset was recognized in the balance sheet is EUR 51,784 thousand (2022: EUR 94,869 thousand).

German and foreign Group companies that generated losses in 2023 or prior years have EUR 30,317 thousand (2022: EUR 12,412 thousand) in unimpaired deferred tax assets relating to temporary differences or tax loss carryforwards. The recognition of the deferred tax asset in respect of tax losses is supported by the Group's forecast future taxable profits, with reference to current levels of order backlog, pipeline and past performance.

No deferred tax assets have been recognized in relation to interest expense carryforwards in the amount of EUR 270,991 thousand (2022: EUR 383,914 thousand). The change in the interest expense carryforward figures relates to adjustments made on the basis of tax audits and ongoing changes.

No deferred tax liabilities have been recognized on temporary differences in the amount of EUR 23,884 thousand (2022: EUR 19,578 thousand) in connection with investments in subsidiaries because the Group is able to control the timing of the reversal of the temporary differences and it is not probable that they will reverse in the foreseeable future.

Deferred taxes recognized directly in equity were as follows in 2023:

(EUR thousand)	2023	2022
Changes in deferred taxes recognized directly in equity	(9,848)	(38,999)
Of which: Consolidation changes / other	(506)	(12,875)
Of which: Currency translation differences	(12,121)	1,036
Of which: Deferred taxes recognized in other comprehensive income for the measurement of primary and derivative financial instruments not affecting profit and loss	(1,991)	20,382
Of which: Deferred taxes recognized in other comprehensive income for remeasurements of defined benefit plans	4,770	(47,542)

21. Inventories

(EUR thousand)	Dec. 31, 2023	Dec. 31, 2022
Work in progress	176,458	169,627
Raw materials and supplies	170,138	185,601
Prepayments	12,760	4,496
Finished goods	10,932	10,176
	370,288	**369,900**

Borrowing costs of EUR 14,904 thousand were capitalized under work in progress in accordance with IAS 23 (2022: EUR 20,473 thousand). The borrowing costs were determined on the basis of interest rates between 2.38% and 6.87% (2022: between 2.74% and 6.63%).

As in the prior year, inventories are not subject to any restrictions.

22. Marketable securities

Marketable securities totaling EUR 626,915 thousand (2022: EUR 587,796 thousand) mainly consist of fixed-income securities with maturities of more than three months on acquisition where there is no intention to hold the securities to maturity. They also include shares measured at fair value through other comprehensive income, and securities held in special and investment funds. Shares are not acquired for the purpose of selling in the short term.

Marketable securities are pledged as security for employee benefit entitlements under semi-retirement programs in the amount of EUR 3,047 thousand (2022: EUR 2,926 thousand).

Outside of externally managed investments, direct investment activities are exclusively restricted to the purchase of bonds from top-class issuers with broad diversification to ensure that concentration risks relative to specific issuers are strictly avoided.

23. Cash and cash equivalents

Cash and cash equivalents total EUR 5,149,536 thousand (2022: EUR 4,806,038 thousand) and comprise cash in hand, cash at banks, and marketable securities with maturities at the time of acquisition of no more than three months. These are subject to an insignificant risk of changes in value. Cash and cash equivalents in the amount of EUR 350,612 thousand (2022: EUR 446,166 thousand) are subject to certain operational restrictions of EUR 173,321 thousand (2022: EUR 250,855 thousand) as well as cash in relation to the sale of receivables of EUR 177,291 thousand (2022: EUR 195,311 thousand).

24. Equity

The Consolidated Statement of Changes in Equity is part of the Consolidated Financial Statements.

The Company’s capital stock is divided into 77,711,300 no-par-value bearer shares and amounts to EUR 198,940,928.00. Each share accounts for EUR 2.56 of capital stock. As of December 31, 2023, HOCHTIEF Aktiengesellschaft held a total of 2,497,884 (2022: 2,522,676) shares of treasury stock as defined in Section 160 (1) 2 of the German Stock Corporations Act (AktG). These shares were purchased from October 7, 2014 onward for the purposes provided for in the resolutions of the Annual General Meeting of May 7, 2014, May 6, 2015, and April 28, 2020, and for all other purposes permitted under AktG. The holdings of treasury stock represent EUR 6,394,583.04 (3.21%) of the Company’s capital stock, compared with EUR 6,458,050.56 and 3.25% in the prior year.

In April 2022, 24,792 shares of treasury stock were transferred to members of the Company’s Executive Board at a price of EUR 76.75 per share on condition that the shares be held for at least two years after transfer. The transfer settled the transferees’ variable compensation entitlements. The shares represent EUR 63,467.52 (0.0319%) of the Company’s capital stock.

The capital reserve comprises EUR 2,062,398 thousand (2022: EUR 2,062,398 thousand) constituting the premium on shares issued by HOCHTIEF Aktiengesellschaft together with EUR 4,501 thousand for the book gain on the sale of treasury stock, and the capital stock represented by the shares canceled in 2016 (EUR 12,824 thousand) and 2014 (EUR 19,688 thousand).

Distributable profit is identical for HOCHTIEF Aktiengesellschaft and the HOCHTIEF Group. A dividend of EUR 300,755 thousand was paid out in the reporting year (2022: EUR 130,111 thousand).

The Executive Board is unaware of any restrictions on voting rights or on transfers of shares.

There are no shares with special control rights. The Executive Board is not aware of any employee shares where the control rights are not exercised directly by the employees.

Statutory rules on the appointment and replacement of Executive Board members are contained in Sections 84 and 85 and statutory rules on the amendment of the Articles of Association in Sections 179 and 133 of the German Stock Corporations Act (AktG). Under Section 7 (1) of the Company's Articles of Association, the Executive Board comprises at least two individuals. Section 23 (1) of the Articles of Association provides that resolutions of the Annual General Meeting require a simple majority of votes cast unless there is a statutory requirement stipulating a different majority. In instances where the Act requires a majority of the capital stock represented at the time of the resolution in addition to a majority of votes cast, Section 23 (3) of the Articles of Association provides that a simple majority will suffice unless there is a mandatory requirement stipulating a different majority.

Pursuant to the resolution of the Annual General Meeting of April 27, 2022 and to Section 4 (5) of the Articles of Association inserted in accordance with that resolution, the Executive Board is authorized, subject to Supervisory Board approval, to increase the capital stock by issuing new no-par-value bearer shares for cash and/or non-cash consideration in one or more issues up to a total of EUR 65,752 thousand by or before April 26, 2027 (Authorized Capital I). Detailed provisions are contained in the stated section of the Articles.

Pursuant to the resolution of the Annual General Meeting of April 26, 2023, the Executive Board is authorized, subject to Supervisory Board approval, to increase the capital stock by issuing new no-par-value bearer shares for cash and/or non-cash consideration in one or more issues up to a total of EUR 33,718 thousand by or before April 25, 2028 (Authorized Capital II). Detailed provisions are contained in the stated section of the Articles.

Pursuant to the resolution of the Annual General Meeting of April 27, 2022 and thus to the revised Section 4 (4) of the Articles of Association, the Company's capital stock has been conditionally increased by up to EUR 51,200 thousand divided into up to 20 million no-par-value bearer shares (conditional capital). The detailed stipulations are contained in the aforementioned section of the Articles of Association and the aforementioned resolution. Under that resolution, the Executive Board is authorized, subject to the approval of the Supervisory Board, to issue on one or more occasions in the period up to April 26, 2027 registered or bearer warrant-linked and/or convertible bonds, profit participation rights or participating bonds, or any combination of such instruments (collectively "bonds"), in an aggregate principal amount of up to EUR 2,000,000,000.00 with or without maturity restrictions and to grant or issue option rights or obligations to holders or creditors of warrant-linked bonds or of participatory notes with warrants or of warrant-linked participating bonds or to grant or issue conversion rights or obligations to holders or creditors of convertible bonds or convertible participatory notes or convertible participating bonds for up to 20 million no-par-value bearer shares in HOCHTIEF Aktiengesellschaft with an aggregate proportionate interest in the capital stock of up to EUR 51,200,000.00, as stipulated in greater detail in the terms and conditions of the bonds.

Authorization to repurchase shares:

The Company is authorized by resolution of the Annual General Meeting of April 27, 2022 to repurchase its own shares in accordance with Section 71 (1) 8 of the German Stock Corporations Act (AktG). This authorization expires on April 26, 2027. It is limited to 10% of the capital stock at the time of the Annual General Meeting resolution or at the time of exercising the authorization, whichever figure is smaller. The authorization can be exercised directly by the Company or by a company in its control or majority ownership or by third parties engaged by the Company or engaged by a company in its control or majority ownership and allows the share repurchase to be executed in one or more installments covering the entire amount authorized or any fraction. The repurchase may be effected through the stock exchange or by public offer to all shareholders, or by public invitation to all shareholders to tender shares for sale, or by issuing shareholders with rights to sell shares. The conditions governing the repurchase are set forth in detail in the resolution.

By resolution of the Annual General Meeting of April 27, 2022, the Executive Board is authorized, subject to Supervisory Board approval, in the event of a sale of shares of treasury stock effected by way of an offer to all shareholders, to issue subscription rights to the shares to holders of warrant-linked and/or convertible bonds issued by the Company or by any subordinate Group company. The Executive Board is also authorized, subject to Supervisory Board approval, to sell shares of treasury stock other than through the stock exchange and other than by way of an offer to all shareholders, provided that the shares are sold for cash at a price not substantially below the current stock market price for Company shares of the same class at the time of sale.

The HOCHTIEF Aktiengesellschaft Executive Board is further authorized, subject to Supervisory Board approval and the conditions set out in the following, to offer and transfer shares of treasury stock to third parties other than through the stock exchange and other than by way of an offer to all shareholders. Such transactions may take place in the course of acquisitions of business enterprises in whole or part or of other assets and in the course of mergers. They are also permitted for the purpose of obtaining a listing for the Company's shares on foreign stock exchanges where it is not yet listed. The shares may furthermore be offered for purchase by employees or former employees of the Company or its affiliates. Holders of bonds which the Company or a Group company subordinate to it issues or has issued may also be issued with the shares upon exercising the warrant and/or conversion rights and/or obligations attached to the bonds.

The shares may also, on condition that they be held for at least two years after transfer, be transferred to (current or past) members of the Executive Board of the Company and to (current or past) members of the executive boards and general management of companies under its control within the meaning of Section 17 of the German Stock Corporations Act (AktG), and to current or past employees of the Company or of a company under its control within the meaning of Section 17 AktG. Such transfers are only permitted for the purpose of settling the transferees' variable compensation entitlements. Further conditions of transfer are detailed in the resolution. Where shares are issued to members of the Executive Board of the Company, the decision to issue the shares is taken solely by the Supervisory Board.

Shareholders' statutory subscription rights to such shares are exempt pursuant to Sections 71 (1) 8 and 186 (3) and (4) of the German Stock Corporations Act (AktG) to the extent that the shares are used in exercise of the authorizations set out above.

The Executive Board is also authorized, subject to the Supervisory Board approval, to cancel shares of treasury stock without a further resolution of the Annual General Meeting being required for the cancellation itself or its execution.

The conditions governing awards of subscription rights and the sale, transfer, and cancellation of treasury stock are set forth in detail in the Annual General Meeting resolution.

By a further resolution of the Annual General Meeting of April 27, 2022, the Company is authorized to acquire shares of treasury stock in accordance with Section 71 (1) 8 AktG using equity derivatives as well as to exclude shareholders' rights to sell shares and subscription rights. This is not intended to increase the volume of shares that may be purchased; instead, it merely opens the way for other alternatives to purchase shares of treasury stock within and against the upper limit set in the aforementioned authorization. The Executive Board has been authorized to acquire options which, when exercised, entitle the Company to acquire shares of the Company (call options). Furthermore, the Executive Board is authorized to sell options which, when exercised by their holder, require the Company to acquire shares of the Company (put options). Moreover, the shares can be acquired using a combination of call and put options or forward purchase agreements. Additional details of the conditions for the use of equity derivatives in the acquisition of treasury stock and for the exclusion of shareholders' rights to sell and subscription rights are set out in the Annual General Meeting resolution.

Non-controlling interests total EUR 30,787 thousand (2022: EUR 95,674 thousand) and represent that portion of the equity of consolidated Group companies which is attributable to third parties.

Accumulated other comprehensive income is part of retained earnings. It includes amounts recognized in equity for changes in the fair value of derivative and non-derivative financial instruments and exchange differences from translation of foreign entity financial statements. Accumulated other comprehensive income also includes the Group's share of changes recognized directly in the other comprehensive income of equity-method associates and joint ventures, plus the portion of other comprehensive income from the remeasurement of defined benefit plans that will not subsequently be reclassified to profit or loss.

The changes in other comprehensive income are presented on a year-on-year basis in the following table:

(EUR thousand)	2023	2022
Currency translation differences		
Changes in other comprehensive income for the period	(28,264)	88,608
Amounts reclassified to profit or loss	–	–
	(28,264)	**88,608**
Changes in fair value of financial instruments – primary		
Changes in other comprehensive income for the period	(19,720)	(84,002)
Amounts reclassified to profit or loss	7,046	4,472
	(12,674)	**(79,530)**
Changes in fair value of financial instruments – derivative		
Changes in other comprehensive income for the period	(10,613)	(2,967)
Amounts reclassified to profit or loss	–	–
	(10,613)	**(2,967)**
Share of other comprehensive income of equity-method associates and joint ventures		
Changes in other comprehensive income for the period	(39,214)	261,550
Amounts reclassified to profit or loss	2,136	4,959
	(37,078)	**266,509**
Remeasurement of defined benefit plans	**(30,979)**	**150,205**
Other comprehensive income after tax	**(119,608)**	**422,825**

The income tax effects relating to changes in other comprehensive income are distributed as follows:

		2023			2022	
(EUR thousand)	Before tax	Taxes	After tax	Before tax	Taxes	After tax
Currency translation differences	(28,264)	–	(28,264)	88,608	–	88,608
Changes in fair value of financial instruments – primary	(5,817)	(6,857)	(12,674)	(97,981)	18,451	(79,530)
Changes in fair value of financial instruments – derivative	(15,479)	4,866	(10,613)	(4,898)	1,931	(2,967)
Share of other comprehensive income of equity-method associates and joint ventures	(37,078)	–	(37,078)	266,509	–	266,509
Remeasurement of defined benefit plans	(35,749)	4,770	(30,979)	197,747	(47,542)	150,205
Other comprehensive income	**(122,387)**	**2,779**	**(119,608)**	**449,985**	**(27,160)**	**422,825**

25. Share-based payment

The following share-based payment plans were in force for managerial staff of HOCHTIEF Aktiengesellschaft and its affiliates in 2023:

Long-term Incentive Plan 2018

The Long-term Incentive Plan 2018 (LTIP 2018) was launched by resolution of the Supervisory Board in 2018 and is open to Executive Board members and selected managerial employees. The plan was based on performance stock awards.

The conditions stipulated that for each performance stock award (PSA) exercised within a two-year exercise period following a three-year waiting period, entitled individuals receive from the issuing entity a payment entitlement equal to the closing price of HOCHTIEF stock on the last stock market trading day before the exercise date, plus a performance bonus. The size of the performance bonus depended for each company on the relevant cash performance indicator in the last complete year before the exercise date. For the members of the Executive Board and managerial employees of HOCHTIEF Aktiengesellschaft, the performance bonus depended on adjusted free cash flow.

The gain was limited to EUR 533.70 per PSA.

The plan was exercised in full in 2023.

Long-term Incentive Plan 2019

The Long-term Incentive Plan 2019 (LTIP 2019) was launched by resolution of the Supervisory Board in 2019 and is open to Executive Board members and selected managerial employees. The plan is based on performance stock awards.

The conditions stipulate that for each performance stock award (PSA) exercised within a two-year exercise period following a three-year waiting period, entitled individuals receive from the issuing entity a payment entitlement equal to the closing price of HOCHTIEF stock on the last stock market trading day before the exercise date, plus a performance bonus. The size of the performance bonus depends for each company on the relevant cash performance indicator in the last complete year before the exercise date. For the members of the Executive Board and managerial employees of HOCHTIEF Aktiengesellschaft, the performance bonus depends on adjusted free cash flow.

The gain is limited to EUR 477.12 per PSA.

Long-term Incentive Plan 2021

The Long-term Incentive Plan 2021 (LTIP 2021) was launched by resolution of the Supervisory Board in 2021 and is open to Executive Board members and selected managerial employees. The plan is based on performance stock awards.

The conditions stipulate that for each performance stock award (PSA) exercised within a two-year exercise period following a three-year waiting period, entitled individuals receive from the issuing entity a payment entitlement equal to the closing price of HOCHTIEF stock on the last stock market trading day before the exercise date, plus a performance bonus. The size of the performance bonus depends for each company on the relevant cash performance indicator in the last three years before the exercise date. For the members of the Executive Board and managerial employees of HOCHTIEF Aktiengesellschaft, the performance bonus depends on adjusted free cash flow in the last complete year before the exercise date.

The gain is limited to EUR 292.95 per PSA.

Long-term Incentive Plan 2022

The Long-term Incentive Plan 2022 (LTIP 2022) was launched by resolution of the Supervisory Board in 2022 and is open to Executive Board members. The plan is based on performance stock awards.

The conditions stipulate that for each performance stock award (PSA) exercised within a two-year exercise period following a three-year waiting period, entitled individuals receive a payment entitlement equal to the closing price of HOCHTIEF stock on the last stock market trading day before the exercise date, plus a performance bonus. The size of the performance bonus depends on the adjusted free cash flow of the last complete year before the exercise date.

The gain is limited to EUR 261.03 per PSA.

Long-term Incentive Plan 2023

The Long-term Incentive Plan 2023 (LTIP 2023) was launched by resolution of the Supervisory Board in 2023 and is open to Executive Board members. The plan is based on performance stock awards.

The conditions stipulate that for each performance stock award (PSA) exercised within a two-year exercise period following a three-year waiting period, entitled individuals receive a payment entitlement equal to the closing price of HOCHTIEF stock on the last stock market trading day before the exercise date, plus a performance bonus. The size of the performance bonus depends on the adjusted free cash flow of the last complete year before the exercise date.

The gain is limited to EUR 262.08 per PSA.

The conditions of all plans stipulate that on exercise—and on the fulfillment of all other requisite criteria—HOCHTIEF Aktiengesellschaft normally has the option of delivering HOCHTIEF shares instead of paying out the gain in cash. Where the entitled individuals are not employees of HOCHTIEF Aktiengesellschaft, the expense incurred on exercise is borne by the affiliated company concerned.

The quantities granted, expired, and exercised under the plans so far are as follows:

	Originally granted	Outstanding at Dec. 31, 2022	Granted in 2023	Expired in 2023	Exercised/ settled in 2023	**Outstanding at Dec. 31, 2023**
LTIP 2018 – performance stock awards	20,069	1,900	–	–	1,900	0
LTIP 2019 – performance stock awards	21,485	19,035	–	–	18,235	800
LTIP 2021 – performance stock awards	12,857	12,857	–	–	–	12,857
LTIP 2022 – performance stock awards	3,133	3,133	–	–	–	3,133
LTIP 2023 – performance stock awards	–	–	34,364	–	–	34,364

Provisions recognized for the stated share-based payment arrangements totaled EUR 3,363 thousand as of the balance sheet date (2022: EUR 3,768 thousand). The total expense recognized for the stated arrangements in 2023 was EUR 4,851 thousand (2022: total income EUR 1,007 thousand). The intrinsic value of plans exercisable at the end of the reporting period was EUR 79 thousand (2022: EUR 1,154 thousand).

ACS Long-term Incentive Plan 2

As part of the launch of the Long-Term Incentive Plan 2023-2028 by the main shareholder ACS, stock options were granted by ACS to some Executive Board members of HOCHTIEF Aktiengesellschaft and certain executives in the HOCHTIEF Group in 2023. As the parent company, ACS owes the share-based payment to employees of the HOCHTIEF Group. HOCHTIEF does not have the obligation to settle the share-based remuneration. In accordance with IFRS 2, HOCHTIEF as the recipient of the work performance treats this as an equity-settled share-based payment. The following terms and conditions apply:

(a) The maximum number of granted options is 3,390,000.

(b) The beneficiaries are 99 executives with options from 15,000 to 240,000.

(c) The strike price will be EUR 31.55 per share.

(d) The options were granted to the executives on July 1, 2023 and cannot be exercised for three years from the grant date, ending the exercise date on June 30, 2028.

(e) In order to execute the options granted to each beneficiary, additional to the service condition required until the exercise date, the operational, financial and sustainability performance of the ACS Group in 2023–2025 must be compliant with the ACS Group's objectives. The criteria chosen for meeting these objectives are:

- With a weighting of 40%, the Total Shareholder Return ("TSR") in the period of 2023–2025 must be higher than the median of main companies in the sector with comparable stock market capitalization and international status to ACS. In this case, the executive receives 100% of the awards assigned in this section. If the TSR in this period is less than the 25th percentile of the comparable sample, the executive receives no awards for this section. If the TSR is between the 25th and 50th percentile of the sample, the executive will receive a proportional number of rewards to result (0% for the 25th percentile and 100% for the 50th percentile).

- With a weighting of 40%, the average Return on Equity ("ROE") of the ACS Group in 2023–2025, measured as the percentage of net profit over equity for the previous year (Net Profit / Equity), must be more than 10%. In the case of a lower result, the executive will be granted no awards.

- With a weighting of 20%, the average percentile obtained in the Dow Jones Sustainability Index ("DJSI") in 2023–2025 must be greater than 85%. In this case, the executive receives 100% of the awards assigned in this section. If the average DJSI percentile in the measurement period is less than the 60th percentile, the executive receives no awards in this section. If the result is between the 60th and 85th percentile, the executive will receive a proportional number of rewards to result (0% for the 60th percentile and 100% for the 85th percentile).

The share-based remuneration is recognized as personnel expenses in the consolidated income statement, with a balancing entry in equity (EUR 0.7 million as of December 31, 2023).

26. Provisions for pensions and similar obligations

Defined benefit plans

Under defined benefit plans, the Company's obligation is to provide agreed benefits to current and former employees. The main pension obligations in Germany consist of direct commitments under the current 2000+ pension plan and deferred compensation plans. The 2000+ plan in force since January 1, 2000 takes the form of a modular defined contribution plan. The size of the annual pension component depends on employee income and age (resulting in an annuity conversion factor) and a general pension contribution reviewed by HOCHTIEF Aktiengesellschaft every three years and adjusted as necessary. The future pension amount is the sum total of the pension components earned each year. In isolated instances, length-of-service and final salary pension arrangements are in existence for executive staff, although except at Executive Board level such arrangements have no longer been offered since 1995. Benefits comprise an old-age pension, an invalidity pension, and a surviving dependents' pension, and in almost all cases are granted as a life-long annuity.

Up to December 31, 2013, employees in Germany additionally had the option of deferred compensation in a company pension plan. The deferred compensation was invested in selected investment funds. The pension amount is based on the present value of acquired fund units at retirement, subject to a minimum of the deferred compensation amount plus an increment that is guaranteed by HOCHTIEF and ranges from 3.50% down to 1.75% p.a. There is a choice at retirement between a lump-sum payment and an annuity for five or six years.

Outside of Germany, there are defined benefit pension plans at HOCHTIEF (UK) in the United Kingdom. HOCHTIEF (UK) has a length-of-service, final salary pension plan. For each year of service, 1/75th of the eligible final salary is granted as a monthly pension. Benefits comprise an old-age pension, an invalidity pension, and a surviving dependents' pension. The commitments at Turner comprise post-employment benefits in the form of medical care for retirees.

Defined benefit obligations in the HOCHTIEF Group are made up as follows:

		Dec. 31, 2023	
(EUR thousand)	Germany	USA	UK
Active members	72,525	–	6,334
Final salary	9,686	–	6,334
Not final salary	62,839	–	–
Vested benefits	95,596	–	12,738
Retirees	422,602	–	19,367
Similar obligations	75	46,996	–
Total	**590,798**	**46,996**	**38,439**
Duration in years (weighted)	**11.8**	**11.5**	**13.0**

		Dec. 31, 2022	
(EUR thousand)	Germany	USA	UK
Active members	69,823	176	6,090
Final salary	10,141	–	6,090
Not final salary	59,682	176	–
Vested benefits	88,415	8	11,968
Retirees	397,699	541	17,807
Similar obligations	73	50,285	–
Total	**556,010**	**51,010**	**35,865**
Duration in years (weighted)	**11.2**	**11.0**	**12.1**

Plan assets

Germany

There are no statutory or regulatory minimum funding requirements for pension plans in Germany. Domestic pension obligations are fully funded. The funded plans take the form of a contractual trust arrangement (CTA). The transferred assets are administered by an external trustee and serve exclusively to fund domestic pension obligations. The transferred cash is invested in the capital market in accordance with investment principles set out in the trust agreement and the investment guidelines. Investment decisions are not made by the trustee but by an investment committee.

The investment guidelines and decisions are based on the findings of an asset liability matching (ALM) study compiled by outside specialists at regular intervals of three to five years. This uses Monte Carlo simulation to model the development of the pension liabilities and other key economic factors over a very long forward horizon and in numerous combinations. Based on the ALM study, a range of criteria are then applied to determine the optimum asset allocation in order to ensure that pension liabilities can be met in the long term.

To assure an optimum conservative risk structure, we have also established risk overlay management using the services of an external overlay manager who is given a fixed annual risk budget and works fully autonomously in a clearly structured risk overlay management process. HOCHTIEF aims to ensure full funding of pension obligations and to fund new vested benefits on the basis of current service cost annually or at least on a timely basis. The companies pay in additional amounts from time to time in the event of any shortfall. Pension commitments in Germany in excess of the contribution assessment ceiling applied in the statutory pension insurance scheme are additionally covered using pension liability insurance. Pension liabilities from deferred employee compensation offered up to December 31, 2013 were funded by the purchase of retail fund units. Funding of the obligations served by HOCHTIEF Pension Trust e. V. as of December 31, 2023 is about 53% (2022: 59%); the figure for Germany as a whole is about 61% (2022: 67%). The decrease in the funding ratios is mainly due to lower capital market interest rates and the resulting increase in the present value of the pension liabilities.

UK

Funding of plan assets at HOCHTIEF (UK) is likewise on a trust basis. Statutory minimum funding requirements apply. If funding is insufficient to make up a funding shortfall, an additional restructuring plan is drawn up. Plan funding is reviewed at least once every three years. Funding of pension obligations at HOCHTIEF (UK) is about 81% (2022: 82%).

Defined benefit obligations are covered by plan assets as follows:

Coverage of defined benefit obligations by plan assets

(EUR thousand)	Dec. 31, 2023 Defined benefit obligations	Dec. 31, 2023 Plan assets	Dec. 31, 2022 Defined benefit obligations	Dec. 31, 2022 Plan assets
Uncovered by plan assets	46,996	–	51,010	–
Partially covered by plan assets	565,490	317,043	534,058	326,528
Not fully covered by plan assets	**612,486**	**317,043**	**585,068**	**326,528**
Fully covered by plan assets	63,747	74,302	57,817	73,813
Total	**676,233**	**391,345**	**642,885**	**400,341**

Actuarial assumptions

The size of pension provisions is determined on an actuarial basis. This necessarily involves estimates. Specifically, the actuarial assumptions used are as follows:

	2023			2022		
(Percent)	Germany	USA	UK	Germany	USA	UK
Discount factor*	3.51	5.50	4.80	4.16	5.10	5.05
Salary increases	2.75	–	2.50	2.75	–	2.45
Pension increases*	2.00[1]	–	3.25	2.25[1]	–	3.35

* Weighted average
[1] Assuming no guaranteed increase of 1.00% p.a. In 2023, a blanket 5.5% increase was incorporated for the next adjustment date (May 1, 2025).

The discount factors are derived from the Mercer Pension Discount Yield Curve (MPDYC) model, taking into account the company-specific duration of pension liabilities.

Mortality assumptions are based on published country-specific statistics and experience. The following mortality tables were used in the actuarial calculation of pension obligations:

Germany	Heubeck Richttafeln 2018 G
USA	PRI2012 table projected generationally with MP2021
UK	S3PMA / S3PFA_M CMI_2022 [1,25 %] year of birth

The present value of defined benefit obligations and the market value of plan assets have changed as follows:

Changes in the present value of defined benefit obligations

	2023			2022		
(EUR thousand)	Domestic	International	Total	Domestic	International	Total
Defined benefit obligations at start of year	**556,010**	**86,875**	**642,885**	**781,272**	**121,523**	**902,795**
Current service cost	2,485	1,445	3,930	6,321	2,469	8,790
Interest expense	22,357	4,345	26,702	9,998	2,850	12,848
Remeasurements						
Actuarial (gains)/losses arising from changes in demographic assumptions	–	1,363	1,363	–	(47)	(47)
Actuarial (gains)/losses arising from changes in financial assumptions	44,124	(961)	43,163	(207,724)	(39,595)	(247,319)
Actuarial (gains)/losses arising from experience adjustments	2,249	(2,058)	191	1,857	2,164	4,021
Benefits paid from Company assets	(515)	(2,517)	(3,032)	(249)	(2,979)	(3,228)
Benefits paid from funds assets	(35,893)	(1,428)	(37,321)	(35,441)	(1,426)	(36,867)
Employee contributions	–	74	74	–	75	75
Effect of transfers	(19)	(714)	(733)	(24)	–	(24)
Currency adjustments	–	(989)	(989)	–	1,841	1,841
Defined benefit obligations at end of year	**590,798**	**85,435**	**676,233**	**556,010**	**86,875**	**642,885**

Changes in the market value of plan assets

	2023			2022		
(EUR thousand)	Domestic	International	Total	Domestic	International	Total
Plan assets at start of year	**371,098**	**29,243**	**400,341**	**413,613**	**48,222**	**461,835**
Interest on plan assets	15,345	1,528	16,873	5,392	861	6,253
Remeasurements						
Return on plan assets not included in net interest expense/income	5,452	(929)	4,523	(18,429)	(18,666)	(37,095)
Employer contributions	4,190	2,063	6,253	5,963	2,096	8,059
Employee contributions	–	74	74	–	75	75
Benefits paid	(35,893)	(1,428)	(37,321)	(35,441)	(1,426)	(36,867)
Currency adjustments	–	602	602	–	(1,919)	(1,919)
Plan assets at end of year	**360,192**	**31,153**	**391,345**	**371,098**	**29,243**	**400,341**

Investing plan assets to cover future pension obligations generated an actual return of EUR 21,396 thousand (2022: expense of EUR 30,842 thousand).

The pension provisions are determined as follows:

Reconciliation of pension obligations to provisions for pensions and similar obligations

(EUR thousand)	Dec. 31, 2023	Dec. 31, 2022
Defined benefit obligations	676,233	642,885
Less plan assets	391,345	400,341
Funding status	**284,888**	**242,544**
Assets from overfunded pension plans	10,555	15,996
Provision for pensions and similar obligations	**295,443**	**258,540**

The fair value of plan assets is divided among asset classes as follows:

Composition of plan assets

Dec. 31, 2023	Fair value			
(EUR thousand)	Quoted in an active market	Not quoted in an active market	Total	%
Stock				
U.S. equities	29,890	–	29,890	7.64
European equities	10,130	–	10,130	2.59
Emerging market equities	9,599	–	9,599	2.45
Other equities	5,918	–	5,918	1.51
Bonds				
U.S. government bonds	1,863	–	1,863	0.48
European government bonds	15,178	–	15,178	3.88
Emerging market government bonds	13,702	–	13,702	3.50
Corporate bonds	56,642	2,020	58,662	14.99
Other bonds	14,964	3,360	18,324	4.68
Secured loans (Europe)	3,580	–	3,580	0.92
Investment funds	52,663	6,141	58,804	15.03
Real estate	–	50,274	50,274	12.85
Infrastructure	–	31,518	31,518	8.05
Insurance policies	–	78,052	78,052	19.94
Cash	4,817	–	4,817	1.23
Other	513	521	1,034	0.26
Total	**219,459**	**171,886**	**391,345**	**100.00**

Dec. 31, 2022	Fair value			
(EUR thousand)	Quoted in an active market	Not quoted in an active market	Total	%
Stock				
U.S. equities	28,447	–	28,447	7.11
European equities	9,016	–	9,016	2.25
Emerging market equities	9,664	–	9,664	2.41
Other equities	5,642	–	5,642	1.41
Bonds				
U.S. government bonds	11,529	1,067	12,596	3.15
European government bonds	17,475	–	17,475	4.37
Emerging market government bonds	14,096	–	14,096	3.52
Corporate bonds	53,506	–	53,506	13.37
Other bonds	2,583	948	3,531	0.88
Secured loans (Europe)	8,254	–	8,254	2.06
Investment funds	57,019	–	57,019	14.24
Real estate	–	52,969	52,969	13.23
Infrastructure	–	38,700	38,700	9.67
Insurance policies	–	77,986	77,986	19.48
Cash	10,460	–	10,460	2.61
Other	894	86	980	0.24
Total	**228,585**	**171,756**	**400,341**	**100.00**

Pension expense under defined benefit plans is made up as follows:

	2023			2022		
(EUR thousand)	Domestic	Inter-national	Total	Domestic	Inter-national	Total
Current service cost	2,485	1,445	3,930	6,321	2,469	8,790
Total personnel expense	**2,485**	**1,445**	**3,930**	**6,321**	**2,469**	**8,790**
Interest expense for accrued benefit obligations	22,357	4,345	26,702	9,998	2,850	12,848
Interest on plan assets	(15,345)	(1,528)	(16,873)	(5,392)	(861)	(6,253)
Net interest expense (net investment and interest income)	**7,012**	**2,817**	**9,829**	**4,606**	**1,989**	**6,595**
Total amount recognized in profit or loss	**9,497**	**4,262**	**13,759**	**10,927**	**4,458**	**15,385**

In addition to the expenses recognized in profit or loss, the Consolidated Statement of Comprehensive Income includes minus EUR 35,749 thousand (2022: EUR 197,747 thousand) in remeasurements of defined benefit plans in 2023 before deferred taxes and after changes in the scope of consolidation and exchange rate. Before deferred taxes, the cumulative amount is minus EUR 343,606 thousand (2022: minus EUR 307,857 thousand).

The Turner Group’s obligations to meet healthcare costs for retired staff are included in pension provisions due to their pension-like nature. The defined benefit obligation as of December 31, 2023 came to EUR 46,996 thousand (2022: EUR 50,285 thousand). Healthcare costs accounted for EUR 1,359 thousand (2022: EUR 2,235 thousand) of the current service cost and EUR 2,522 thousand (2022: EUR 1,811 thousand) of the interest expense.

Sensitivity analysis

Pension obligations in the HOCHTIEF Group are subject to the following material risks:

Interest rate risk

For defined contribution plans, (notional) contributions are translated into benefits using a table of fixed interest rates, independent of the current market interest rate. HOCHTIEF thus bears the risk of general capital market interest rate changes with regard to the determination of benefits. Pension obligations have increased significantly in recent years due to the generally low level of capital market interest rates. The correspondingly strong impact is due to the relatively long term of the obligations.

Inflation risk

By law, company pensions in Germany must be raised level with the inflation rate at least every three years. German company pensions under the 2000+ plan rise at a fixed 1% p.a., hence there is only minor inflation risk in the pension phase. Turner plans are free from inflation risk.

Longevity risk

The granting of life-long pensions means that HOCHTIEF bears the risk of pensioners living longer than actuarial calculations predict. This risk normally averages out across all pension plan members and only comes into play if life expectancy is greater than expected.

The impact of the stated risks on the defined benefit obligations under a corresponding change in actuarial assumptions is shown in the sensitivity analysis that follows.

Impact on the defined benefit obligation

	Dec. 31, 2023					
	Domestic		International		Total	
(EUR thousand)	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate +0.50% / -0.50%	(32,125)	35,564	(4,899)	5,257	(37,024)	40,821
Discount rate +1.00% / -1.00%	(60,994)	74,733	(9,419)	11,574	(70,413)	86,307
Salary increases +0.50% / -0.50%	232	(226)	275	(260)	507	(486)
Pension increases +0.25% / -0.25%	11,299	(11,129)	821	(730)	12,120	(11,859)
Life expectancy +1 year	26,826	n/a	2,111	n/a	28,937	n/a

	Dec. 31, 2022					
	Domestic		International		Total	
(EUR thousand)	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate +0.50% / -0.50%	(29,923)	32,583	(4,742)	5,226	(34,665)	37,809
Discount rate +1.00% / -1.00%	(57,017)	69,756	(9,060)	10,999	(66,077)	80,755
Salary increases +0.50% / -0.50%	296	(288)	202	(196)	498	(484)
Pension increases +0.25% / -0.25%	11,013	(10,623)	782	(758)	11,795	(11,381)
Life expectancy +1 year	24,408	n/a	2,240	n/a	26,648	n/a

Future cash flows

Benefit payments

As of December 31, 2023, anticipated pension payments for future years are as follows:

(EUR thousand)	
Due in 2024	41,374
Due in 2025	42,450
Due in 2026	43,614
Due in 2027	43,490
Due in 2028	43,778
Due in 2029 to 2033	210,012

Contributions to defined benefit plans

Contributions to defined benefit plans in 2024 are expected to be EUR 6,046 thousand.

Defined contribution plans

Under defined contribution plans, the Company pays into a state or private pension fund voluntarily or in accordance with statutory or contractual stipulations. It has no obligation to pay further contributions.

There are different defined contribution pension plans at Turner, Flatiron, and E.E. Cruz in the USA as well as at CIMIC in Australia. For Turner’s plan, and depending on years of service, Turner contributes an employer matching contribution that is either 2.5%, 3.75% or 5%. Additionally, Turner contributes an earnings based employer contribution that is between 3% to 9% of an employee’s salary. The participant’s 401k account is held at an external Trust managed by the recordkeeper, Fidelity. Turner employees have an option to defer a portion of their base pay up to the annual IRS limits into this plan. All eligible employees are automatically enrolled in the plan immediately upon hire, and are vested in the company’s contributions after three years’ service. Tax relief is granted on most payments, although it is also possible to pay contributions from taxed income and receive the investment earnings free of tax; the investment risk is borne by employees. The defined contribution plans at Flatiron and E.E. Cruz are also 401k plans. All U.S. non-union employees are entitled to participate. For professional employees, a “safe harbor” contribution of 3.0% of eligible compensation is made, regardless of any employee contribution. If employees contribute 3.0% or more of their own money, the company will match 100% up to 3.0%. The Company match vests at 33% per year and becomes fully vested after three years of service. For craft employees at Flatiron, 4.0% of eligible compensation is made as a contribution payment, regardless of the employees' own participation. Employer contributions are immediately vested. Since July 1, 2023, CIMIC in Australia has paid 11.00% (previously 10.50%) of the wage and salary total into the statutory pension (superannuation) scheme. The contribution rate is expected to rise incrementally up to 12.0% by 2025. Employees have a choice of investment funds and bear the investment risk. They are able to pay top-up contributions on a voluntary basis. Tax relief is granted on top-up contributions.

The following amounts were paid into defined contribution plans and state pension schemes:

(EUR thousand)	2023	2022
Amounts paid into defined contribution plans		
CIMIC	131,156	117,126
Turner	68,900	65,270
Flatiron	10,922	10,673
Other	886	1,014
Total	**211,864**	**194,083**
Amounts paid into state pension schemes (employer share)	**26,792**	**24,268**

The costs are reported as part of personnel costs.

27. Other provisions

	Dec. 31, 2023			Dec. 31, 2022		
(EUR thousand)	Non-current	Current	Total	Non-current	Current	Total
Personnel-related provisions	141,696	346,132	487,828	113,716	310,499	424,215
Provisions for insurance claims	153,409	277,667	431,076	259,091	149,827	408,918
Provisions for project losses	–	146,934	146,934	–	127,930	127,930
Warranty obligations	–	37,861	37,861	–	25,352	25,352
Litigation risks	–	13,665	13,665	–	14,094	14,094
Sundry other provisions	27,036	181,996	209,032	30,834	212,497	243,331
Other provisions	**322,141**	**1,004,255**	**1,326,396**	**403,641**	**840,199**	**1,243,840**

Personnel-related provisions primarily comprise provisions for stock option schemes, employment anniversary bonuses, holiday accrual, termination benefits, and early retirement arrangements.

Provisions for insurance claims are made up of liabilities for remaining coverage (pre-claims stage) and liabilities for incurred claims (claims stage after the occurrence of an insured event). The measurement of those provisions is based on a series of estimates and assumptions, particularly the estimate of future cash flows as well as the procedures and inputs for determining both the discount rate and the risk adjustment for non-financial risk. At each reporting date, the fulfilment cash flows for the provisions are remeasured using current discount rates. IFRS 17 provides for the option, applied at portfolio level, to recognize the impact of changes in discount rates and financial risk in other comprehensive income rather than in the consolidated income statement. This option is used at HOCHTIEF.

Provisions for project losses comprise EUR 146,934 thousand (2022: EUR 127,930 thousand) in current provisions for liabilities to customers of the Turner Group that are almost fully covered by insurance claims. The insurance claims are included in other receivables and other assets.

Items covered by sundry other provisions include contract administration, contract costs incurred subsequent to invoicing, payments for damages, and other uncertain liabilities. They are recognized on the basis of management estimates. We currently expect the bulk of these provisions to be utilized in the short term, within the next year.

Statement of provisions

(EUR thousand)	Balance at Jan. 1, 2023	Additions	Reversal of provisions	Changes in the scope of consolidation, currency adjustments, reclassifications, and transfer	Use of provisions	**Balance at Dec. 31, 2023**
Personnel-related provisions	424,215	414,934	(2,900)	(12,869)	(335,552)	487,828
Provisions for insurance claims	408,918	53,342	–	(28,382)	(2,802)	431,076
Provisions for project losses	127,930	23,929	–	(4,925)	–	146,934
Warranty obligations	25,352	21,380	(5,566)	–	(3,305)	37,861
Litigation risks	14,094	3,634	(825)	1,506	(4,744)	13,665
Sundry other provisions	243,331	55,980	(24,290)	(16,147)	(49,842)	209,032
Other provisions	**1,243,840**	**573,199**	**(33,581)**	**(60,817)**	**(396,245)**	**1,326,396**

28. Financial liabilities

(EUR thousand)	**Dec. 31, 2023** Non-current	Current	Dec. 31, 2022 Non-current	Current
Bonds or notes issued	2,549,315	10,117	2,551,522	10,253
Amounts due to banks	1,591,001	223,411	1,513,465	304,807
Promissory note loans	393,021	292,371	633,894	185,366
Financial liabilities to non-consolidated subsidiaries	–	259	–	252
Financial liabilities to participating interests	16,475	3,205	15,975	2,551
Sundry other financial liabilities	246	110	9,856	8
	4,550,058	**529,473**	**4,724,712**	**503,237**

Bonds

	Carrying amount Dec. 31, 2023 (EUR thousand)	Carrying amount Dec. 31, 2022 (EUR thousand)	Principal amount Dec. 31, 2023 (EUR thousand)	Coupon (%)	Initial item (in years)	Matures
HOCHTIEF AG bond (2021)	497,331	496,415	500,000 EUR	0.63	8	April 2029
HOCHTIEF AG bond (2019)	50,660	50,647	50,000 EUR	2.30	15	April 2034
HOCHTIEF AG bond (2019)	498,323	497,641	500,000 EUR	0.50	8	September 2027
HOCHTIEF AG bond (2019)	249,747	249,580	250,000 EUR	1.25	12	September 2031
HOCHTIEF AG bond (2019)	89,580	95,743	1,000,000 NOK	1.67	10	July 2029
HOCHTIEF AG bond (2019)	54,178	50,930	50,000 CHF	0.77	6	June 2025
HOCHTIEF AG bond (2018)	503,558	503,022	500,000 EUR	1.75	7	July 2025
CIMIC Eurobond (2021)	616,055	617,797	625,000 EUR	3.52	8	May 2029
	2,559,432	**2,561,775**				

HOCHTIEF refinanced the existing EUR 1.7 billion long-term syndicated credit facility maturing in 2024 ahead of schedule and secured an additional EUR 0.3 billion for future refinancing. HOCHTIEF and an international banking syndicate agreed a facility with a term of five years from March 30, 2023 and extension options for up to two additional years. The total amount is divided into EUR 1.2 billion in guarantee facilities, EUR 0.5 billion in credit facilities, and EUR 0.3 billion in three-year term loans. These facilities are a core element of the Group's long-term financing strategy. Their refinancing ahead of schedule met with a strong response on the international banking market. The banks offered a total well above the amount needed for refinancing.

Financing measures in the HOCHTIEF Asia Pacific division

CIMIC replaced the AUD 1 billion (EUR 612 million) syndicated revolving cash credit facility maturing July 2025 ahead of schedule and repaid it in early October using two senior term loan tranches of AUD 693 million (EUR 424 million) and USD 239 million (AUD 377 million or EUR 231 million) with maturities of five years.

Additionally in early October, CIMIC repaid, ahead of schedule, its revolving cash credit facility of AUD 950 million (EUR 581 million). In the process, CIMIC arranged a new revolving cash credit facility in the amount of AUD 625 million (EUR 383 million) with a three-year term and a revolving cash credit facility in the amount of AUD 522 million (EUR 319 million) with a term of five years. The final closing was on October 6, 2023, while disbursement and repayment of the superseded facilities took place on October 17 and 18, 2023, respectively. Overall, CIMIC thus was able to increase its liquidity reserves by more than AUD 267 million (EUR 164 million).

In November 2023, CIMIC signed an AUD 1.3 billion (EUR 0.8 billion) three-year syndicated performance bonding facility. This replaced an AUD 1.4 billion (EUR 0.9 billion) facility that expired in March 2024 and covers the CIMIC Group's operational bonding requirements in addition to the existing bilateral guarantee and bonding facilities.

Amounts due to banks

	Carrying amount Dec. 31, 2023 (EUR thousand)	**Average interest rate (%)**	Carrying amount Dec. 31, 2022 (EUR thousand)	Average interest rate (%)
Variable-rate loans	1,801,538	6.11	1,804,250	4.29
Fixed-rate loans	12,874	2.11	14,022	2.16
	1,814,412		**1,818,272**	

Financial liabilities to equity-accounted companies total EUR 19,680 thousand (2022: EUR 18,526 thousand).

29. Lease liabilities

Lease liabilities total EUR 441,181 thousand (2022: EUR 472,654 thousand), divided into non-current liabilities of EUR 326,096 thousand (2022: EUR 355,860 thousand) and current liabilities of EUR 115,085 thousand (2022: EUR 116,794 thousand).

The following amounts are recognized in connection with leases:

(EUR thousand)	**2023**	2022
Interest expense on the lease liability	18,610	15,935
Short-term lease expense	286,493	252,098
Low-value lease expense	11,899	11,996
Variable lease expense not included in lease liability	26,653	16,665
Lease remeasurement expense	94	79
Other lease expense	14,242	14,360
Other lease income	676	1,743

Total cash outflows from leases amount to EUR 501,421 thousand (2022: EUR 447,532 thousand).

Certain leases contain extension options by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options, and where it is reasonably certain, the extension period has been included in the lease liability. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

Certain lease contracts may include an option to buy out the asset at the end of the lease term or include contingent rental guarantees where the Group could be exposed to the variability of returns in relation to return conditions at lease expiry. The Group will include the payments for the contingent rental guarantee or the buyout option only if it is reasonably certain that the payment will occur at the end of the lease term. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

The maturity analysis of lease liabilities is shown in Note 33.

30. Trade payables and other liabilities

(EUR thousand)	**Dec. 31, 2023**	Dec. 31, 2022
Trade payables	7,077,223	6,742,430
Contract liabilities	2,260,653	2,258,316
Other liabilities	1,016,510	670,876
	10,354,386	**9,671,622**

Trade payables consist of non-current liabilities in the amount of EUR 35,444 thousand (2022: EUR 27,270 thousand) and current liabilities in the amount of EUR 7,041,779 thousand (2022: EUR 6,715,160 thousand).

Trade payables include payables to equity-accounted companies in the amount of EUR 45,150 thousand (2022: EUR 29,389 thousand).

In relation to the legacy CCPP project settlement reached in the previous year, CIMIC paid a final amount of AUD 300 million (EUR 184 million) in the first quarter of 2023, which was accounted for in trade payables as of December 31, 2022.

The EUR 2,260,653 thousand (2022: EUR 2,258,316 thousand) contract liabilities represent construction contracts with a net negative balance in favor of customers where progress payments received exceed incurred contract costs including a pro rata allocation of contract net profit.

Other liabilities are made up as follows:

	Dec. 31, 2023		Dec. 31, 2022	
(EUR thousand)	Non-current	Current	Non-current	Current
Liabilities from the purchase of financial assets	71,905	328,905	93,182	43,969
Tax liabilities (excluding income taxes)	–	81,053	–	54,466
Deferred income	50,659	4,014	72,300	35,095
Liabilities to employees	–	40,809	–	56,148
Liabilities under derivative financial instruments	29,332	7,238	20,696	1,575
Social insurance liabilities	–	2,232	–	2,186
Sundry other liabilities	85	400,278	85	291,174
	151,981	**864,529**	**186,263**	**484,613**

The current liabilities from the purchase of financial assets include EUR 260 million relating to the payment not made by HOCHTIEF as of the balance sheet date in connection with the capital increase carried out by Abertis.

Deferred income mainly comprises grants received.

The insurance premiums reported under deferred income in the previous year are included in the measurement of provisions for insurance claims in financial year 2023 as part of the implementation of IFRS 17.

31. Current income tax liabilities

The EUR 160,684 thousand (2022: EUR 128,885 thousand) in current income tax liabilities comprise amounts payable to domestic and foreign tax authorities. EUR 105,461 thousand of this amount relate to prior periods (2022: EUR 95,617 thousand).

Other disclosures

32. Basic and diluted earnings per share

Basic earnings per share are calculated by dividing the Group share of profit after tax attributable to the shares by the average number of shares in circulation. This indicator can become diluted as a result of potential shares (mainly stock options and convertible bonds). HOCHTIEF’s share-based payment arrangements do not have any dilutive effect. Diluted and basic earnings per share are consequently identical.

	2023	2022
Profit after tax—attributable to HOCHTIEF shareholders (EUR thousand)	**522,749**	**481,774**
Number of shares in circulation in thousands (weighted average)	75,205	72,071
Earnings per share—attributable to HOCHTIEF shareholders (EUR)	**6.95**	**6.68**
Dividend per share (EUR)	–	4.00
Proposed dividend per share (EUR)	4.40	–

33. Reporting on financial instruments

Financial instruments include financial assets and liabilities as well as contractual claims and obligations relating to exchanges and transfers of financial assets. Financial instruments can be derivative or non-derivative.

Non-derivative financial assets mostly comprise cash and cash equivalents, marketable securities, receivables, and other financial assets. Marketable securities are carried at fair value. The fair values of financial assets classified in the at fair value through profit or loss (FVPL) category and in the at fair value through other comprehensive income (FVOCI) category are determined with reference to market prices or, in the absence of such prices, using accepted valuation methods.

Non-derivative financial liabilities are mostly current liabilities measured at amortized cost.

According to their fair value, derivative financial instruments are reported either in other receivables and other assets or in other liabilities. Derivatives are used in the HOCHTIEF Group exclusively for the hedging of existing transactions and in asset management.

Holdings of non-derivative and derivative financial instruments are carried on the balance sheet; the maximum risk of loss or default is equal to total financial assets. Any such risk identified in respect of financial assets is accounted for with impairment losses or expected credit losses.

Financial Risk management strategy

All finance activities in the HOCHTIEF Group are conducted on the basis of a Group-wide financial directive. This is fleshed out by function-specific operating work instructions on issues such as currency and collateral management. These lay down the risk management strategy and the principles for dealing with the various classes of financial risk.

The primary objective of financial risk management is to safeguard Group liquidity at all times. For the HOCHTIEF Group, liquidity not only means solvency in the strict sense, but also the long-term availability of the financial head-room needed for the basic operating business (such as collateral management/bank guarantees). Safeguarding liquidity at all times therefore requires integrated management of all Group financial resources, including its credit standing and hence borrowing capacity.

A further objective is to minimize financial risks affecting the value and profitability of the HOCHTIEF Group (currency, interest rate, exchange rate, and commodity price risks of all kinds, as well as counterparty risks).

The HOCHTIEF Group’s operating business gives rise to new or changing financial risk exposures all the time. Risk minimization therefore does not mean excluding all financial risk, but substantially reducing, within specified bounds, financial risk exposures quantifiable at any time. This serves to ensure rapid response and adaptation capability in the event of unforeseen situations.

Management of liquidity risk

HOCHTIEF Aktiengesellschaft uses largely centralized liquidity structures—notably cash pooling—to pool liquidity at Group level. The central liquidity position is calculated daily and budgeted monthly in a bottom-up process over a rolling 18-month period. Liquidity budgets are supplemented with monthly stress testing. HOCHTIEF uses liquidity budgets in active management of its cash and the loans portfolios.

The tables below show maximum payments. The tables show the worst-case scenario for HOCHTIEF, i.e. the earliest possible contractual payment date in each case. Creditors’ rights of termination are taken into account. Foreign currency items are translated using the closing rate as of the balance sheet date. Interest payments on variable-rate items are translated uniformly using the last interest rate fixed prior to the balance sheet date. Both derivative and non-derivative financial instruments (for example, forward exchange contracts and interest rate swaps) are taken into account. Credit facilities granted but not yet drawn in their full amount are also included, as are financial guarantees issued by the Group. No separate disclosure is made for financial instruments whose carrying amount best reflects the maximum default risk.

The maximum payments shown in the following tables (worst-case scenario) are offset by contractually fixed receipts in the same periods that are not shown here (for example, from trade receivables).

Maximum payments as of December 31, 2023

(EUR thousand)	2024	2025	2026–2027	after 2027	**Total**
Non-derivative financial liabilities	7,993,206	1,321,514	1,284,819	2,290,155	12,889,694
Lease liabilities	115,085	289,996	22,809	13,291	441,181
Derivative financial instruments	7,238	2,844	12,995	13,493	36,570
Loan commitments and financial guarantees	16,127	10,091	14,685	7,881	48,784
	8,131,656	**1,624,445**	**1,335,308**	**2,324,820**	**13,416,229**

Maximum payments as of December 31, 2022

(EUR thousand)	2023	2024	2025–2026	after 2026	**Total**
Non-derivative financial liabilities	7,336,042	1,601,613	1,162,454	2,350,416	12,450,525
Lease liabilities	116,794	311,408	27,110	17,342	472,654
Derivative financial instruments	1,575	17,530	2,742	425	22,272
Loan commitments and financial guarantees	20,658	3,441	763	557	25,419
	7,475,069	**1,933,992**	**1,193,069**	**2,368,740**	**12,970,870**

In addition, Group liquidity is adequately secured for the long term with cash in hand and on deposit, marketable securities holdings, undrawn revolving credit facilities, and the possibility of issues under the Commercial Paper Program. The following table shows the main liquidity instruments:

(EUR thousand)	**Dec. 31, 2023**	Dec. 31, 2022
Cash in hand and on deposit	4,759,121	3,498,725
Marketable securities	663,671	1,446,017
Undrawn revolving credit facilities (nominal)	2,445,762	1,923,039
	7,868,554	**6,867,781**
Undrawn guarantee facilities	1,781,498	1,506,493

No refinancing risk is currently seen with regard to the long-term guarantee and credit facilities in light of the broad international syndication of existing borrowing in each instance, the long-term maturity profile, and the diverse alternatives for refinancing. The authorized capital I in the amount of up to EUR 65,752 thousand, the authorized capital II in the amount of up to EUR 33,718 thousand, and the conditional capital in the amount of up to EUR 51,200 thousand provide appropriate scope for raising additional capital as needed.

Financial assets and financial liabilities are presented net in the balance sheet when there is a legally enforceable right to set off the recognized amounts. There must also be an intention either to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. In the HOCHTIEF Asia Pacific division, under a legally binding arrangement with banks, financial assets in the amount of EUR 397,465 thousand (2022: EUR 107,692 thousand) and financial liabilities in the amount of EUR 29,822 thousand (2022: EUR 14,401 thousand) were offset and presented in the balance sheet with their net amount of EUR 367,643 thousand (2022: EUR 93,291 thousand).

The Group enters into factoring agreements with banks and financial institutions. These agreements only relate to certified receivables, on a non-recourse basis, acknowledged by the client with payment only being subject to the passage of time. Under the factoring agreements:

- The certified receivables are derecognized when substantially all the risks and rewards of ownership have been transferred;

- The cash flow to the Group only arises when there is an amount certified by the client and contractually due to be paid to the Group; there are no disputes on the amounts due and the customer has acknowledged this by way of certification; and

- The receipt by the Group irrevocably removes the Group's right to the certified receivable due from the customers.

The factoring of these receivables is therefore done on a non-recourse basis. The level of non-recourse factoring across the Group was EUR 0.9 billion as of December 31, 2023 (2022: EUR 0.9 billion).

The Group enters into supply chain finance arrangements with financial institutions for suppliers which may elect to receive early payment for goods and services to improve their liquidity. The supply chain finance program is offered on a voluntary basis and suppliers can opt in and opt out at their discretion at any point in time. The terms of the arrangements are:

- The creditor arises from operational expenses relating to the supply of goods and services;

- They mirror normal credit terms;

- There are no additional credit enhancements; and:

- They are subject to the same obligations that are customary within the industry, such as warranty for defective work.

Accordingly, the terms of the arrangement do not modify the original liability, and therefore the amounts continue to be classified within trade and other payables. The average maturity date of the financial liabilities shown that come under the arrangement is 30 days after the date of invoice and also corresponds to the average maturity date of trade payables that do not come under a supplier finance arrangement. The level of supply chain finance across the Group was EUR 40 million as of December 31, 2023 (2022: EUR 72.3 million).

Management of currency risk

HOCHTIEF is exposed to currency risk (transaction risk) arising from receivables, liabilities, cash and cash equivalents, marketable securities, and pending transactions in currencies other than the functional currency of the Group company concerned in each instance. Currency derivatives, mainly forward exchange contracts, are used to hedge against fluctuations in these payments or items caused by exchange rates. The prospective effectiveness between the hedged item and the hedging instrument has been confirmed for all hedging relationships using the critical terms match method. HOCHTIEF normally hedges all currency risk from foreign currency transactions.

Hedges for Group companies—with the exception of hedges in the CIMIC Group—are mainly administered via HOCHTIEF Aktiengesellschaft. A binding guideline clarifies their use as well as separate controls and responsibilities for all Group companies. Currency derivatives are normally only used to hedge risk. Any form of speculation is ruled out under a binding, Group-wide financial directive. As a matter of policy, the counterparties for derivatives entered into externally are banks with a top credit rating.

The following table shows the fair values and nominal values of currency derivatives, changes in their fair values, and their maximum remaining maturities:

(EUR thousand)	Dec. 31, 2023	Dec. 31, 2022
Assets		
Forward exchange contracts/cross-currency swaps		
for hedging purposes (cash flow hedge accounting)	24,111	10,076
for hedging purposes (no cash flow hedge accounting)	3,400	455
	27,511	**10,531**
Liabilities and shareholders' equity		
Forward exchange contracts/cross-currency swaps		
for hedging purposes (cash flow hedge accounting)	18,343	13,793
for hedging purposes (no cash flow hedge accounting)	6,365	2,943
	24,708	**16,736**
Changes in fair value		
of derivatives held for hedging purposes (cash flow hedge accounting) – recognized in other comprehensive income	5,975	6,363
of derivatives held for hedging purposes (no cash flow hedge accounting) – recognized immediately in profit or loss	1,064	(44,850)
Nominal amounts		
Forward exchange contracts/cross-currency swaps		
for hedging purposes (cash flow hedge accounting)	870,807	1,064,607
for hedging purposes (no cash flow hedge accounting)	250,102	176,031
Maximum remaining maturity		
(months)		
for hedging purposes (cash flow hedge accounting)	67	79
for hedging purposes (no cash flow hedge accounting)	34	46

Where hedge accounting is used, unrealized gains and losses on hedges are initially recognized in other comprehensive income, taking into account deferred taxes. Gains and losses are not realized until a hedged item affects income. Derivatives are measured on the basis of current market rates as of the balance sheet date. When interpreting positive or negative fair value changes relating to derivatives, it is important to remember that they balance hedged items whose values move in the opposite direction.

The average hedging rates for forward exchange contracts are EUR/USD 1.0788 and EUR/PLN 4.4847.

In the case of cross-currency interest rate swaps, the cross-currency basis spreads that are part of the hedging instrument are not included in the hedge and HOCHTIEF Aktiengesellschaft accounts for the cost of hedging in other comprehensive income.

The table below shows the reconciliation of the cost of hedging and the reconciliation of the associated cash flow hedge reserve components. The cost of hedging mainly include the non-designated cross-currency basis spreads that are part of the cross-currency interest rate swaps and other interest rate swaps.

(EUR thousand)	Jan. 1, 2023	Hedging gain or loss	Reclassified	Reclassified to inventories (basis adjustment)	**Dec. 31, 2023**
Cash flow hedge reserve	25,744	(10,676)	6,916	–	21,984
Cost of hedging	2,297	(2,633)	–	–	(336)

The following sensitivity analyses demonstrate what material impact on HOCHTIEF Group equity and profit would result from a 10% fluctuation in foreign currencies relative to each Group company's functional currency. The analysis is based on the risk exposure as of the balance sheet date.

		Dec. 31, 2023			Dec. 31, 2022		
		Exchange rate		Risk exposure	Exchange rate		Risk exposure
(EUR thousand)		10% increase	10% decrease		10% increase	10% decrease	
Change in equity due to market value fluctuations of currency derivatives used for hedging (cash flow hedge accounting)							
Functional currency	Foreign currency						
EUR	CHF	5,447	(5,447)	53,996	5,171	(5,171)	50,777
EUR	NOK	9,212	(9,212)	88,964	10,380	(10,380)	95,113
EUR	PLN	(58)	58	581	(204)	204	2,069
AUD	EUR	63,411	(63,411)	625,674	(61,386)	61,386	604,772
AUD	NZD	58	(58)	579	(3,595)	3,595	35,719
AUD	USD	(330)	330	3,705	13,982	(13,982)	138,878
AUD	SGD	(8,195)	8,195	82,552	–	–	–
Change in profit or loss due to unhedged currency exposures in primary financial instruments and to market value fluctuations in derivative financial instruments (no cash flow hedge accounting)							
Functional currency	Foreign currency						
EUR	AUD	218	(218)	2,181	(41)	41	410
EUR	DKK	375	(375)	3,747	276	(276)	220
EUR	NOK	5	(5)	47	5	(5)	50
EUR	PLN	16	(16)	162	17	(17)	170
EUR	SEK	(47)	47	472	577	(577)	5,768
EUR	USD	(9,610)	9,610	87,334	(19,687)	12,224	153,984
AUD	AED	36	(36)	360	2	(2)	934
AUD	CAD	813	(813)	8,162	984	(984)	9,840
AUD	EUR	2,297	(2,297)	22,973	3,656	(3,656)	36,563
AUD	HKD	571	(571)	5,713	878	(878)	8,777
AUD	MYR	930	(930)	9,303	112	(112)	1,124
AUD	SGD	1,360	(1,360)	13,602	1,391	(1,391)	13,909
AUD	USD	24,708	(24,708)	240,480	19,450	(19,450)	194,498
CZK	EUR	7,524	(7,524)	75,243	5,901	(5,901)	59,012
USD	AUD	(270)	270	2,766	(572)	572	5,785
USD	EUR	2,983	(2,983)	29,913	1,777	(1,777)	15,087
USD	GBP	(346)	346	3,470	(391)	391	3,944

Management of interest rate risk

HOCHTIEF is exposed to interest rate risk through financial items primarily consisting of interest-bearing marketable securities on the assets side and financial liabilities on the liabilities side of the balance sheet. Two approaches are used to minimize this risk. Firstly, the Company uses natural hedging, meaning that it eliminates contrary interest rate risk from non-derivative financial instruments on the assets and liabilities sides. The second method is to use interest rate derivatives. These generally take the form of interest rate swaps used in accordance with the Group annual financing strategy to manage cash flow risk from changes in interest rates for variable-rate financial items. The prospective effectiveness between the hedged item and the hedging instrument has been confirmed for all hedging relationships using the critical terms match method. As with currency derivatives, hedges for Group companies—with the exception of hedges in the CIMIC Group—are mainly administered via HOCHTIEF Aktiengesellschaft. There are also parallel regulations and a guideline, and derivatives are used solely for hedging (i.e. not speculatively) as a matter of principle. As a matter of policy, the counterparties for derivatives entered into externally are banks with a top credit rating.

The following table shows the fair values and nominal values of interest rate derivatives, changes in their fair values, and their maximum remaining maturities:

(EUR thousand)	**Dec. 31, 2023**	Dec. 31, 2022
Assets		
Interest rate futures/Interest rate swaps		
for hedging purposes (cash flow hedge accounting)	2,419	3,486
for hedging purposes (no cash flow hedge accounting)	185	217
	2,604	**3,703**
Liabilities and shareholders' equity		
Interest rate futures/Interest rate swaps		
for hedging purposes (cash flow hedge accounting)	10,672	1,084
for hedging purposes (no cash flow hedge accounting)	194	608
	10,866	**1,692**
Changes in fair value		
of derivatives held for hedging purposes (cash flow hedge accounting) – recognized in other comprehensive income	7,250	(1,646)
of derivatives held for hedging purposes (no cash flow hedge accounting) – recognized immediately in profit or loss	(118)	(1,188)
Nominal amounts		
Interest rate futures/Interest rate swaps		
for hedging purposes (cash flow hedge accounting)	609,013	350,628
for hedging purposes (no cash flow hedge accounting)	74,600	79,463
Maximum remaining maturity		
(months)		
for hedging purposes (cash flow hedge accounting)	70	82
for hedging purposes (no cash flow hedge accounting)	19	34

The following sensitivity analyses demonstrate the impact that a one percentage point change in the respective market interest rate would have had on equity and profit. The analysis is based on the risk exposure as of the balance sheet date.

(EUR thousand)	Dec. 31, 2023 Market interest rate 1% increase	Dec. 31, 2023 Market interest rate 1% decrease	Dec. 31, 2023 Risk exposure	Dec. 31, 2022 Market interest rate 1% increase	Dec. 31, 2022 Market interest rate 1% decrease	Dec. 31, 2022 Risk exposure
Change in equity due to market value fluctuations of interest rate derivatives used for hedging (cash flow hedge accounting) and of fixed-interest securities measured at fair value through other comprehensive income (OCI)	53,766	(52,191)	1,007,646	(33,771)	32,482	51,114
Change in profit or loss due to unhedged variable rate interest rate exposures on primary financial instruments and to market value fluctuations in derivative financial instruments (no cash flow hedge accounting)	(20,706)	20,268	1,852,719	(21,145)	21,043	1,767,393

Management of other price risk

At HOCHTIEF, other price risk results from investing in current and non-current non-interest-bearing marketable securities. Price risk also results from other financial assets (mainly investments). Such items are shown in the following table.

(EUR thousand)	Dec. 31, 2023	Dec. 31, 2022
Price risk exposure on non-current assets	219,363	611,342
Price risk exposure on current assets	155,969	106,836

The following table shows the fair values and nominal values of equity options and stock forward contracts, changes in their fair values, and their maximum remaining maturities:

(EUR thousand)	Dec. 31, 2023	Dec. 31, 2022
Assets	–	–
Liabilities and shareholders' equity		
Equity options and stock forward contracts		
for hedging purposes (cash flow hedge accounting)	–	–
for hedging purposes (no cash flow hedge accounting)	996	3,842
	996	**3,842**
Changes in fair value		
of derivatives held for hedging purposes (cash flow hedge accounting) – recognized in other comprehensive income	–	–
of derivatives held for hedging purposes (no cash flow hedge accounting) – recognized immediately in profit or loss	2,698	5,708
Nominal amounts		
Equity options and stock forward contracts		
for hedging purposes (cash flow hedge accounting)	–	–
for hedging purposes (no cash flow hedge accounting)	996	3,842
Maximum remaining maturity		
(months)		
for hedging purposes (cash flow hedge accounting)	–	–
for hedging purposes (no cash flow hedge accounting)	84	96

The following sensitivity analyses demonstrate the impact on HOCHTIEF Group equity and profit that would result from a 10% fluctuation in the market value of derivative and non-derivative financial instruments. The analysis is based on holdings as of the balance sheet date.

	Dec. 31, 2023 Market value		Dec. 31, 2022 Market value	
(EUR thousand)	10% increase	10% decrease	10% increase	10% decrease
Change in equity due to changes in market price of unimpaired securities	15,959	(15,959)	59,507	(59,507)
Change in equity due to changes in the value of participating interests measured at fair value	18,601	(18,601)	1,773	(1,773)

In the previous year, Ventia equity instruments sold this year classified as FVOCI were included in this sensitivity analysis.

Management of credit risk

The HOCHTIEF Group is exposed to credit risk from operations and from certain financing activities.

HOCHTIEF performs risk management for operations by continuously monitoring trade receivables at divisional level. For trade receivables, using the simplified approach, expected credit losses (ECL) can be determined in accordance with IFRS 9 on the basis of loss rates calculated from historical and projected data, taking into account the client and the regional economic environment. HOCHTIEF considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- if there is a material breach of financial covenants by the counterparty and this is not expected to be remedied in the foreseeable future; or

- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the HOCHTIEF Group, in full (without taking into account any collaterals held by HOCHTIEF). Irrespective of the above analysis, HOCHTIEF considers that default has occurred when a financial asset is significantly past due unless the HOCHTIEF Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

The HOCHTIEF Group has given third parties financial guarantees and loan commitments in respect of Group companies. Financial guarantees and loan guarantees are only given in respect of companies with top credit standing, minimizing the probability of the guarantees being drawn upon.

The maximum credit risk exposure of financial assets is equivalent to their carrying amounts in the balance sheet. However, the actual credit risk exposure is lower due to collateral given in favor of the HOCHTIEF Group. The maximum risk exposure on financial guarantees issued by HOCHTIEF is the maximum amount to be paid by HOCHTIEF. The maximum credit risk for loan commitments is the amount of the commitment. As of December 31, 2023, the maximum credit risk from financial guarantees and loan commitments amounted to EUR 48,784 thousand (2022: EUR 25,419 thousand). No recourse has ever been made to these guarantees provided by HOCHTIEF and, in light of the financial circumstances, none is currently anticipated for the future.

HOCHTIEF accepts collateral to secure contract performance by subcontractors, subcontractors' warranty obligations, and claims to remuneration. Such collateral includes guarantees relating to warranty obligations, contract performance, advance payments, and receivables. Acceptance of collateral is governed by a HOCHTIEF work instruction. Among other aspects, this covers the contractual drafting, implementation, and management of all agreements. The detailed rules vary according to factors such as the country jurisdiction and applicable case law. In the case of credit risk, HOCHTIEF examines the credit rating of the party providing the collateral for all guarantees accepted. HOCHTIEF uses external specialists (such as rating agencies) to assess credit standings where possible. The fair values of accepted collateral are not disclosed as they generally cannot be measured reliably.

HOCHTIEF recognizes loss allowance for expected credit losses for financial assets measured at amortized cost or at fair value through other comprehensive income, as well as for contract assets, lease receivables, loan commitments, and financial guarantees. This does not apply to equity instruments or financial assets measured at fair value through profit or loss.

HOCHTIEF determines credit risk for financial assets on the basis of the expected credit losses, applying a three-stage model to present the loss allowance. For financial instruments which are new or whose credit risk has not increased significantly since initial recognition, a loss allowance is recognized in profit or loss in the amount of the 12-month expected credit losses (Stage 1). In the case of financial instruments whose credit risk has increased significantly since initial recognition, a loss allowance corresponding to the lifetime expected credit losses is recognized through profit or loss (Stage 2). If, in addition, there is objective evidence that a financial asset is impaired in value, a loss allowance is recognized in the amount of the lifetime expected credit losses (Stage 3). In contrast to measurement at Stage 1 and 2, the effective interest is then calculated on the basis of the net carrying amount (the gross carrying amount less recognized impairments).

Expected credit losses for trade receivables and contract assets are determined using the simplified approach based on an impairment matrix. In this instance, loss allowances are recognized in profit or loss in the amount of the lifetime expected credit losses, in accordance with Stage 2 of the general model, both on initial recognition and at each reporting date. If there are objective indications of impairment, the general requirements for transfer to the next higher stage, Stage 3, apply.

The following tables show the gross and net carrying amounts as well as the accumulated impairment amount for trade receivables, including contract assets, at the reporting date and the prior-year reporting date. This does not include trade receivables measured at fair value though profit or loss in the amount of EUR 91,403 thousand (2022: EUR 23,439 thousand).

Dec. 31, 2023

(EUR thousand)	Net carrying amount	Cumulative depreciation	Gross carrying amount	Impairment matrix not applied	Impairment matrix: Not past due	Impairment matrix: Up to 30 days past due	Impairment matrix: 31 to 60 days past due	Impairment matrix: 61 to 90 days past due	Impairment matrix: Over 90 days past due
Trade receivables	5,941,994	(290,629)	6,232,623	1,387,719	4,442,267	189,346	34,110	18,291	160,890
	5,941,994	**(290,629)**	**6,232,623**	**1,387,719**	**4,442,267**	**189,346**	**34,110**	**18,291**	**160,890**

Dec. 31, 2022[1]

(EUR thousand)	Net carrying amount	Cumulative depreciation	Gross carrying amount	Impairment matrix not applied	Impairment matrix: Not past due	Impairment matrix: Up to 30 days past due	Impairment matrix: 31 to 60 days past due	Impairment matrix: 61 to 90 days past due	Impairment matrix: Over 90 days past due
Trade receivables	5,440,146	(297,639)	5,737,785	3,024,932	2,393,093	169,066	29,166	10,229	111,299
	5,440,146	**(297,639)**	**5,737,785**	**3,024,932**	**2,393,093**	**169,066**	**29,166**	**10,229**	**111,299**

[1] The figures as of December 31, 2022 have been corrected retrospectively in accordance with IAS 8.42 as the amounts contained in the prior-year financial statements were too high due to double counting of contract assets. The error had no impact elsewhere in the financial statements.

The aging profile of trade receivables that are past due is shaped by industry-specific factors. Receipt of payment depends on acceptance (inspection) and invoice checking, which can often take a relatively long time, especially for large-scale projects. The trade receivables that are past due are from public-sector clients and industrial companies with top credit ratings are mostly subject to low credit risk.

The opening balance of impairments on trade receivables and contract assets at the beginning of the reporting period was EUR 297,639 thousand. Changes within the 2023 reporting period relate to additions, reversals, utilizations, exchange rate adjustments, and consolidation changes, and come to a total of negative EUR 7,010 thousand (2022: negative EUR 238,740 thousand), as a result of which impairments amounted to EUR 290,629 thousand as of December 31, 2023. In percentage terms, the loss rate on the gross carrying amount of trade receivables and contract assets is 4.66% (2022: 5.19%). These are mostly impairments typical for the industry.

The following tables show, for 2023 and 2022, changes in the expected credit losses on the remaining financial assets that come under the general impairment model in accordance with IFRS 9:

(EUR thousand)	Stage 1 12-month expected credit losses	Stage 2 lifetime expected credit losses	Stage 3 lifetime expected credit losses	Total
Financial receivables				
Jan. 1, 2023	**2,158**	**6,235**	**108,251**	**116,644**
Remeasurement (changed measurement parameters)	(6,713)	–	–	(6,713)
Transfer to stage 1	6,235	(6,235)	–	–
Repaid or derecognized financial assets	–	–	(74,492)	(74,492)
Other changes*	–	–	(1,173)	(1,173)
Dec. 31, 2023	**1,680**	**–**	**32,586**	**34,266**
				–
Other receivables and other assets				
Jan. 1, 2023	**616**	**–**	**–**	**616**
Remeasurement (changed measurement parameters)	(29)	–	–	(29)
Transfer to stage 3	(510)	–	510	–
Dec. 31, 2023	**77**	**–**	**510**	**587**
Marketable securities				
Jan. 1, 2023	**–**	**–**	**–**	**–**
Newly acquired/issued financial assets	–	167	–	167
Repaid or derecognized financial assets	(28)	–	–	(28)
Other changes*	942	893	–	1,835
Dec. 31, 2023	**914**	**1,060**	**–**	**1,974**

*The other changes relate to exchange rate adjustments and reclassifications.

(EUR thousand)	Stage 1 12-month expected credit losses	Stage 2 lifetime expected credit losses	Stage 3 lifetime expected credit losses	Total
Financial receivables				
Jan. 1, 2022	**2,617**	**8,437**	**105,240**	**116,294**
Remeasurement (changed measurement parameters)	832	(2,202)	–	(1,370)
Newly acquired/issued financial assets	889	–	–	889
Repaid or derecognized financial assets	(1,168)	–	(303)	(1,471)
Other changes*	(1,012)	–	3,314	2,302
Dec. 31, 2022	**2,158**	**6,235**	**108,251**	**116,644**
Other current receivables and other current assets				
Jan. 1, 2022	**122**	**–**	**–**	**122**
Remeasurement (changed measurement parameters)	(15)	–	–	(15)
Newly acquired/issued financial assets	510	–	–	510
Repaid or derecognized financial assets	(1)	–	–	(1)
Dec. 31, 2022	**616**	**–**	**–**	**616**

*The other changes relate to exchange rate adjustments and transfers.

In order to enable an assessment of the HOCHTIEF Group's credit risk exposure, the following tables show the gross carrying amounts of financial assets subject to the general impairment model, by risk class based on S&P within the ECL stages.

Dec. 31, 2023

(EUR thousand)	Stage 1 12-month expected credit losses	Stage 2 lifetime expected credit losses	Stage 3 lifetime expected credit losses	Total
Risk classes				
Grade 1-5: low risk (AAA to BBB-)	2,057,025	–	–	2,057,025
Grade 6-9: average risk (BB+ to BB-)	42,769	31,585	–	74,354
Grade 10: above-average risk (B+ to CCC-)	16,152	258	–	16,410
Grade 11: doubtful (CC to C)	378	60,451	–	60,829
Grade 12: loss (D)	–	457	102,033	102,490
	2,116,324	**92,751**	**102,033**	**2,311,108**

Dec. 31, 2022

(EUR thousand)	Stage 1 12-month expected credit losses	Stage 2 lifetime expected credit losses	Stage 3 lifetime expected credit losses	Total
Risk classes				
Grade 1-5: low risk (AAA to BBB-)	2,079,164	5,663	–	2,084,827
Grade 6-9: average risk (BB+ to BB-)	57,987	8,745	–	66,732
Grade 10: above-average risk (B+ to CCC-)	16,547	126,198	–	142,745
Grade 11: doubtful (CC to C)	1,058	74,506	–	75,564
Grade 12: loss (D)	34,821	–	150,884	185,705
	2,189,577	**215,112**	**150,884**	**2,555,573**

Capital risk management

The HOCHTIEF Group manages capital with the aim of ensuring that all Group companies can continue to operate as a going concern. Furthermore, the HOCHTIEF Group's strategic financial targets are geared to continuously increasing corporate value and maintaining sufficient liquidity reserves. The Group keeps the cost of capital as low as possible by optimizing the balance between equity and debt. These measures primarily serve to secure the best possible credit standing as well as to maximize shareholder returns. Medium-term liquidity planning at corporate units ensures that all operating businesses have sufficient liquidity at all times.

The Group's capital structure consists of the balance sheet items comprising net debt (defined as current and non-current liabilities less cash and cash equivalents) and equity. A notable aim in capital management is to maintain the HOCHTIEF Group's investment-grade rating for ongoing access to the debt capital market and to optimize the cost of capital. To meet these goals, the impact of material capital transactions and business activities is assessed in advance to check conformity with the quantitative capital requirements of rating agency S&P. HOCHTIEF's "BBB-, outlook stable" rating meets this objective as of the reporting date. The overall capital risk management strategy did not change in the reporting year compared with the prior year.

Additional information on financial instruments

In the following, carrying amounts and fair values are shown for each class of financial instrument and carrying amounts for each IFRS 9 category as of December 31, 2023 and as of December 31, 2022.

2023	Carrying amount by category						Not belonging to any category			
	Financial assets				Financial liabilities					
(EUR thousand)	At fair value through other comprehensive income: Equity instruments	At fair value through other comprehensive income: Debt instruments	At fair value through profit or loss	At amortized cost	Held for trading	At amortized cost	Hedge accounting	Not covered by IFRS 7	**Total carrying amounts Dec. 31, 2023**	**Total fair value Dec. 31, 2023**
Assets										
Other financial assets										
At fair value	3,617	–	215,746	–	–	–	–	–	219,363	219,363
At amortized cost	–	–	–	–	–	–	–	–	–	–
	3,617	**–**	**215,746**	**–**	**–**	**–**	**–**	**–**	**219,363**	**219,363**
Financial receivables										
Non-current	**–**	**–**	**–**	**114,447**	**–**	**–**	**–**	**–**	**114,447**	**114,447** *
Current	**–**	**–**	**–**	**146,640**	**–**	**–**	**–**	**–**	**146,640**	**n/a**
Trade receivables	**–**	**–**	**91,403**	**3,848,222**	**–**	**–**	**–**	**2,093,772**	**6,033,397**	**91,403**
Other receivables and other financial assets										
Non-current										
At fair value	–	–	–	–	–	–	23,632	–	23,632	23,632
At amortized cost	–	–	–	10,026	–	–	–	–	10,026	–
Not covered by IFRS 7	–	–	–	–	–	–	–	152,987	152,987	n/a
	–	**–**	**–**	**10,026**	**–**	**–**	**23,632**	**152,987**	**186,645**	**23,632**
Current										
At fair value	–	–	3,585	–	–	–	2,898	–	6,483	6,483
At amortized cost	–	–	–	231,633	–	–	–	–	231,633	n/a
Not covered by IFRS 7	–	–	–	–	–	–	–	620,119	620,119	n/a
	–	**–**	**3,585**	**231,633**	**–**	**–**	**2,898**	**620,119**	**858,235**	**6,483**
Marketable securities	**155,969**	**466,616**	**4,330**	**–**	**–**	**–**	**–**	**–**	**626,915**	**626,915**
Cash and cash equivalents	**–**	**–**	**–**	**5,149,536**	**–**	**–**	**–**	**–**	**5,149,536**	**n/a**
Liabilities and shareholders' equity										
Financial liabilities										
Non-current	**–**	**–**	**–**	**–**	**–**	**4,407,277**	**142,781**	**–**	**4,550,058**	**4,293,823** *
Current	**–**	**–**	**–**	**–**	**–**	**528,496**	**977**	**–**	**529,473**	**529,473**
Trade payables										
Non-current	**–**	**–**	**–**	**–**	**–**	**35,444**	**–**	**–**	**35,444**	**n/a**
Current	**–**	**–**	**–**	**–**	**–**	**7,003,924**	**–**	**2,298,508**	**9,302,432**	**n/a**
Other liabilities										
Non-current										
At fair value	–	–	–	–	6,051	–	23,281	–	29,332	29,332
At amortized cost	–	–	–	–	–	71,990	–	–	71,990	n/a
Not covered by IFRS 7	–	–	–	–	–	–	–	50,659	50,659	n/a
	–	**–**	**–**	**–**	**6,051**	**71,990**	**23,281**	**50,659**	**151,981**	**29,332**
Current										
At fair value	–	–	–	–	1,505	–	5,733	–	7,238	7,238
At amortized cost	–	–	–	–	–	349,611	–	–	349,611	n/a
Not covered by IFRS 7	–	–	–	–	–	–	–	507,680	507,680	n/a
	–	**–**	**–**	**–**	**1,505**	**349,611**	**5,733**	**507,680**	**864,529**	**7,238**

*In accordance with IFRS 13 allocated to fair value hierarchy level 2

2022			Carrying amount by category				Not belonging to any category			
			Financial assets		Financial liabilities					
(EUR thousand)	At fair value through other comprehensive income: Equity instruments	At fair value through other comprehensive income: Debt instruments	At fair value through profit or loss	At amortized cost	Held for trading	At amortized cost	Hedge accounting	Not covered by IFRS 7	**Total carrying amounts Dec. 31, 2022**	**Total fair value Dec. 31, 2022**
Assets										
Other financial assets										
At fair value	431,428	–	179,914	–	–	–	–	–	611,342	611,342
At amortized cost	–	–	–	–	–	–	–	–	–	–
	431,428	**–**	**179,914**	**–**	**–**	**–**	**–**	**–**	**611,342**	**611,342**
Financial receivables	–									
Non-current	**–**	**–**	**–**	**90,991**	**–**	**–**	**–**	**–**	**90,991**	**90,991**
Current	**–**	**–**	**–**	**124,635**	**–**	**–**	**–**	**–**	**124,635**	**n/a**
Trade receivables	**–**	**–**	**23,439**	**3,429,854**	**–**	**–**	**–**	**2,010,292**	**5,463,585**	**23,439**
Other receivables and other financial assets	–									
Non-current	–									
At fair value	–	–	3	–	–	–	10,524	–	10,527	10,527
At amortized cost	–	–	–	–	–	–	–	–	–	–
Not covered by IFRS 7	–	–	–	–	–	–	–	241,749	241,749	n/a
	–	**–**	**3**	**–**	**–**	**–**	**10,524**	**241,749**	**252,276**	**10,527**
Current	–									
At fair value	–	–	669	–	–	–	3,038	–	3,707	3,707
At amortized cost	–	–	–	144,294	–	–	–	–	144,294	n/a
Not covered by IFRS 7	–	–	–	–	–	–	–	565,802	565,802	n/a
	–	**–**	**669**	**144,294**	**–**	**–**	**3,038**	**565,802**	**713,803**	**3,707**
Marketable securities	**56,803**	**420,029**	**110,964**	**–**	**–**	**–**	**–**	**–**	**587,796**	**587,796**
Cash and cash equivalents	**–**	**–**	**–**	**4,806,038**	**–**	**–**	**–**	**–**	**4,806,038**	**n/a**
Liabilities and shareholders' equity	–									
Financial liabilities	–									
Non-current	**–**	**–**	**–**	**–**	**–**	**4,579,059**	**145,653**	**–**	**4,724,712**	**4,212,587** *
Current	**–**	**–**	**–**	**–**	**–**	**502,218**	**1,019**	**–**	**503,237**	**503,237**
Trade payables	–									
Non-current	**–**	**–**	**–**	**–**	**–**	**27,270**	**–**	**–**	**27,270**	**n/a**
Current	**–**	**–**	**–**	**–**	**–**	**6,695,200**	**–**	**2,278,276**	**8,973,476**	**n/a**
Other liabilities	–									
Non-current	–									
At fair value	–	–	–	–	6,584	–	14,112	–	20,696	20,696
At amortized cost	–	–	–	–	–	93,267	–	–	93,267	n/a
Not covered by IFRS 7	–	–	–	–	–	–	–	72,300	72,300	n/a
	–	**–**	**–**	**–**	**6,584**	**93,267**	**14,112**	**72,300**	**186,263**	**20,696**
Current	–									
At fair value	–	–	–	–	810	–	765	–	1,575	1,575
At amortized cost	–	–	–	–	–	80,953	–	–	80,953	n/a
Not covered by IFRS 7	–	–	–	–	–	–	–	402,085	402,085	n/a
	–	**–**	**–**	**–**	**810**	**80,953**	**765**	**402,085**	**484,613**	**1,575**

*In accordance with IFRS 13 allocated to fair value hierarchy level 2

As current financial instruments have short remaining maturities and are measured at market value, their carrying amounts generally correspond to market value as of the balance sheet date. Non-current securities are measured at fair value; as such, their carrying amounts also correspond to fair value. Where insufficient recent information is available for fair value measurement of shares in non-consolidated subsidiaries and other participating interests, the historical cost may be considered the best estimate of fair value.

In the disclosures on the fair value hierarchy for financial instruments measured at fair value as set out below, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions (i.e., the exit price). For non-financial assets, fair value is measured assuming the highest and best use of the asset by market participants. The following three-level hierarchy is applied that reflects the observability of the inputs to valuation techniques used to measure fair value.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities; e.g. quoted securities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); e.g. interest rate swaps and forward exchange contracts.

Level 3: No relevant observable inputs available, hence unobservable inputs are determined as an exit price from the perspective of a market participant that holds the asset or owes the liability; e.g. investments measured at fair value determined by business valuation.

Disclosures relating to the fair value hierarchy for financial instruments measured at fair value

	Dec. 31, 2023			Dec. 31, 2022		
(EUR thousand)	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Other financial assets	3,617	36,841	178,905	431,443	42,427	137,472
Financial receivables and other assets						
Non-current	–	23,632	–	3	10,524	–
Current	185	97,701	–	214	26,932	–
Marketable securities	626,915	–	–	587,796	–	–
Liabilities						
Other liabilities						
Non-current	30	29,302	–	–	16,854	3,842
Current	164	6,078	996	609	966	–

There were no transfers of assets measured at fair value between Level 1 and Level 2 of the fair value hierarchy in the course of the reporting year. There were likewise no changes in Level 3 compared to the previous year.

The change in other financial assets in Level 1 compared to the previous year is due to the disposal of Ventia shares.

The financial receivables and other assets as well as the other liabilities include the Group’s forward exchange contracts, which are not traded in active markets. The fair values of these contracts are estimated using a valuation technique that maximizes the use of observable market inputs, e.g. market exchange and interest rates. They are therefore included in Level 2 of the fair value hierarchy.

In Level 3, the fair value of investments in unlisted entities is measured using generally recognized valuation techniques based on discounted cash flow analysis. The unobservable inputs used for this purpose are an internal rate of return of 9%, growth rates of between 2.5% and 3.0%, and required discount rates of between 8% and 15%. Current other liabilities in Level 3 comprise the following two options.

Put option

As part of the Thiess divestment, the transaction agreement includes an option for Elliott to sell all or part of its 50% interest in Thiess (Class A preference shares or ordinary shares) to CIMIC after the third anniversary, between four and six years from completion on December 31, 2020. The exercise price will be the lower of a cost price or a price referable to movements in the S&P / ASX 200 Total Return index plus the accrued value of any shortfall in agreed minimum distributions. This option has no current impact on the control of the company.

The fair value of the put option cannot be observed from a market price. A Probability Weighted Expected Returns Methodology is used to derive the value of the put option proceeds based on future potential payoffs if the option is exercised, adjusted for the minimum annual distributions per the Shareholders Agreement, and compares this to the estimated strike price to determine a fair value. External independent valuation advisors have been utilized in determining the fair value of the put option. As at December 31, 2023 the fair value of this option was determined to be AUD 0 (EUR 0) [December 31, 2022: AUD 4.35 million (EUR 2.77 million)].

Assumed input parameters for the valuation were an expected exercise period of zero to three years, an EBITDA multiplier of 3 to 5 times, and discount rates between 10% and 15%. There were no significant interrelationships between unobservable inputs that materially affect the fair value. Changes in these input parameters had no material effect on total comprehensive income, total assets and liabilities, or equity.

The put option is accounted for as a derivative financial instrument in accordance with IFRS 9 and will therefore be held at fair value through profit and loss in the financial statements.

Thiess option

In connection with the Group's investment in Thiess, which is not fully consolidated, there are agreements regarding Thiess Class C preference shares (equity). Under the agreement, Elliott has the option to sell its Class C preference shares to CIMIC within a period of 42 months. The period begins six months after the expiration of the exercise period for the put option or six months from the date Elliott ceases to own any Class A preference shares or ordinary shares or notices the exercise of options related to all remaining Class A preference shares or ordinary shares.

CIMIC holds a call option to acquire the Class C preference shares from Elliott, for a period of 42 months, starting at the end of the put option period or the date when Elliott ceases to own any Class A preference shares or ordinary shares.

The Thiess option is accounted for as a derivative financial instrument in accordance with IFRS 9 and is therefore held at fair value through profit and loss. External independent valuation advisors have been utilized in determining the fair value of the Thiess option.

The fair value of the Thiess option cannot be observed from a market price. The Thiess option is valued using net present value methodology having regard to the probability-based outcomes of both the put and the call option. Assumed input parameters for the valuation were an expected exercise period of three to seven years and discount rates between 10% and 15%. There were no significant inter-relationships between unobservable inputs that materially affect the fair value. Changes in these input parameters had no material effect on total comprehensive income, total assets and liabilities, or equity.

As at December 31, 2023 the fair value of the Thiess option was determined to be AUD 1.62 million (EUR 1 million) [December 31, 2022: AUD 1.68 million (EUR 1.07 million)].

Reconciliation of beginning to ending balances for Level 3 measurements of financial instrument fair values

(EUR thousand)	Balance as of Jan. 1, 2023	Currency adjustments	Gains/(losses) recognized in profit or loss	Other changes	**Balance as of Dec. 31, 2023**
Assets					
Other financial assets	137,472	(4,581)	18,014	28,000	178,905
Liabilities					
Other liabilities					
Non-current	3,842	(153)	–	(3,689)	–
Current	–	5	(2,698)	3,689	996

(EUR thousand)	Balance as of Jan. 1, 2022	Currency adjustments	Gains/(losses) recognized in profit or loss	Other changes	Balance as of Dec. 31, 2022
Assets					
Other financial assets	51,487	(3,322)	453	88,854	137,472
Liabilities					
Other liabilities					
Non-current	8,325	116	(4,599)	–	3,842

The currency adjustments and remaining changes in 2023 are accounted for in other comprehensive income.

Marketable securities as well as cash and cash equivalents with a carrying amount of EUR 353,659 thousand are pledged as collateral for recognized financial liabilities and unrecognized contingent liabilities as of December 31, 2023 (2022: EUR 449,092 thousand).

The following table shows the net profit from financial instruments by IFRS 9 category for 2023 and 2022:

Net profit from financial instruments

(EUR thousand)	**2023**	2022
At amortized cost	107,959	1,907
At fair value through profit or loss	41,937	64,018
At fair value through other comprehensive income: Debt instruments	6,085	6,805
At fair value through other comprehensive income: Equity instruments	2,019	2,373
Liabilities at amortized cost	(256,544)	(187,453)
	(98,544)	**(112,350)**

The calculation of net profit from financial instruments includes interest income and expenses, impairments and impairment reversals, income and expenses from currency translation, dividend income, gains and losses on disposal, and other changes in the fair value of financial instruments recognized in profit or loss or other comprehensive income.

34. Contingencies, commitments, and other financial obligations

(EUR thousand)	Dec. 31, 2023	Dec. 31, 2022
Obligations under guarantees	521	528

The commitments and potential obligations primarily serve as security for bank loans, contract performance, warranty obligations, and advance payments. Most guarantees given by HOCHTIEF Aktiengesellschaft as of the reporting date related to participating interests and construction joint ventures. HOCHTIEF Aktiengesellschaft is also jointly and severally liable for all construction joint ventures in which it has an interest in Germany.

Material guarantee facilities

	Total available		Utilized		Expires
(EUR billion)	2023	2022	2023	2022	
HOCHTIEF AG					
Syndicated guarantee facility (EUR)	1.20	1.20	0.83	0.82	March 30, 2028
Further guarantee facilities (EUR)	1.29	1.24	0.78	0.80	n/a
Turner/Flatiron					
Bonding (USD)	12.50	9.86	12.17	9.86	until further notice
Flatiron syndicated guarantee (USD)	0.00	0.03	0.00	0.01	Aug. 16, 2024
Further guarantee facilities (USD)	0.18	0.16	0.13	0.11	until further notice
CIMIC					
Syndicated guarantee facility (AUD)	1.38	1.40	1.18	1.26	Nov. 6, 2026
Further guarantee facilities (AUD)	5.26	4.98	4.85	4.43	n/a

The syndicated U.S. Surety Bonding Line used by both Turner and the Flatiron Group for their operating activities was further increased in 2022 due to the rise in orders and the related need for greater bonding capacity. The amount outstanding as of the reporting date was approximately EUR 11.0 billion (approximately USD 12.2 billion).

In November 2023, CIMIC signed an AUD 1.3 billion (EUR 0.8 billion) three-year syndicated performance bond facility. This replaced an AUD 1.4 billion (EUR 0.9 billion) facility that expired in March 2024 and covers the CIMIC Group's operational bonding requirements in addition to the existing bilateral guarantee and bonding facilities.

Group order exposure from awarded capital expenditure projects is EUR 75,465 thousand (2022: EUR 71,570 thousand) and mostly relates to the CIMIC Group in the amount of EUR 75,324 thousand (2022: EUR 69,603 thousand).

Legal disputes

HOCHTIEF Group companies are involved in various legal disputes and arbitration proceedings in the context of their operating activities. As currently assessed, HOCHTIEF does not anticipate that the disputes and arbitration proceedings will have any material adverse impact on the Group's business and financial situation.

35. Segment reporting

HOCHTIEF's structure reflects the operating focus of the business as well as the Group's presence in key national and international regions and markets. Segmental reporting in the HOCHTIEF Group is based on the Group's divisional operations. The breakdown mirrors the Group's internal reporting systems.

The Group's reportable segments (divisions) are as follows:

HOCHTIEF Americas encompasses the construction management and construction activities of operational units in the USA and Canada;

HOCHTIEF Asia Pacific pools the construction, services, and PPP activities in the Asia-Pacific region and, among other things, includes the investment in Thiess, which is accounted for in the Consolidated Financial Statements using the equity method;

HOCHTIEF Europe brings together the core business in Europe as well as selected other regions and designs, develops, builds, operates, and manages real estate and infrastructure (PPP);

Abertis Investment comprises the investment in Spanish toll road operator Abertis Infraestructuras, S.A., and is equity-accounted in HOCHTIEF's Consolidated Financial Statements.

Corporate comprises Corporate Headquarters, other activities not assignable to the separately listed divisions, including management of financial resources and insurance activities, plus consolidation effects. Insurance activities are managed from Corporate Headquarters under the responsibility of HOCHTIEF Insurance Broking and Risk Management Solutions GmbH with companies in Luxembourg, including Stonefort Reinsurance S.A. The HOCHTIEF insurance companies primarily provide reinsurance offerings for contractors' casualty and surety, subcontractor default, liability, and occupational accident insurance.

Divisions	External sales		Intersegment sales		Sales by division (external plus intersegment)	
(EUR thousand)	**2023**	2022	**2023**	2022	**2023**	2022
HOCHTIEF Americas	18,110,981	17,460,009	–	–	18,110,981	17,460,009
HOCHTIEF Asia Pacific	8,099,585	7,299,607	–	–	8,099,585	7,299,607
HOCHTIEF Europe	1,335,212	1,265,685	4,154	5,119	1,339,366	1,270,804
Abertis Investment	–	–	–	–	–	–
Corporate	210,268	194,031	10,160	8,189	220,428	202,220
HOCHTIEF Group	**27,756,046**	**26,219,332**	**14,314**	**13,308**	**27,770,360**	**26,232,640**

Divisions	Work done		Nominal profit before tax (PBT)		Nominal net profit*	
(EUR thousand)	**2023**	2022	**2023**	2022	**2023**	2022
HOCHTIEF Americas	17,980,755	17,443,354	410,002	350,902	302,795	260,325
HOCHTIEF Asia Pacific	10,885,007	9,821,737	212,437	261,739	180,355	185,992
HOCHTIEF Europe	1,797,627	1,732,953	50,573	47,446	37,448	34,401
Abertis Investment	–	–	79,459	66,664	79,459	66,664
Corporate	207,001	189,189	(37,468)	(49,577)	(77,308)	(65,608)
HOCHTIEF Group	**30,870,390**	**29,187,233**	**715,003**	**677,174**	**522,749**	**481,774**

* Profit after tax attributable to HOCHTIEF shareholders

Divisions	EBITDA		EBITDA adjusted		Ordinary depreciation/ amortization		Share of profits and losses of equity-method associates and joint ventures	
(EUR thousand)	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
HOCHTIEF Americas	509,861	455,286	546,272	461,862	89,369	85,494	(2,084)	14,204
HOCHTIEF Asia Pacific	597,244	640,458	597,256	640,990	183,553	205,511	93,783	111,490
HOCHTIEF Europe	73,803	84,639	93,621	102,974	37,171	40,189	80,343	43,549
Abertis Investment	79,459	66,664	79,459	66,664	–	–	79,459	66,664
Corporate	(89,457)	(113,255)	(86,417)	(87,991)	3,031	3,023	2,744	359
HOCHTIEF Group	**1,170,910**	**1,133,792**	**1,230,191**	**1,184,499**	**313,124**	**334,217**	**254,245**	**236,266**

Divisions	Interest and similar income		Interest and similar expenses		Non-cash expenses	
(EUR thousand)	**2023**	2022	**2023**	2022	**2023**	2022
HOCHTIEF Americas	40,589	10,654	48,745	27,503	269,251	78,804
HOCHTIEF Asia Pacific	48,070	23,477	249,248	193,403	134,310	117,341
HOCHTIEF Europe	18,576	4,731	12,823	9,587	122,074	126,530
Abertis Investment	–	–	–	–	–	–
Corporate	16,275	13,054	(54,300)	(46,223)	78,196	82,626
HOCHTIEF Group	**123,510**	**51,916**	**256,516**	**184,270**	**603,831**	**405,301**

Divisions	Carrying amount of equity-method investments		Purchases of intangible assets, property, plant, equipment, investment properties and financial assets		Net cash (+)/ Net debt (-)	
(EUR thousand)	**2023**	2022	**2023**	2022	**2023**	2022
HOCHTIEF Americas	114,354	246,542	430,391	350,412	2,310,669	1,908,852
HOCHTIEF Asia Pacific	1,164,274	1,158,041	264,864	307,669	(354,964)	(491,679)
HOCHTIEF Europe	126,407	119,203	40,333	40,452	744,600	749,436
Abertis Investment	1,415,440	1,194,429	260,000	–	–	–
Corporate	11,632	10,180	10,691	5,429	(1,828,088)	(1,813,028)
HOCHTIEF Group	**2,832,107**	**2,728,395**	**1,006,279**	**703,962**	**872,217**	**353,581**

Regions	External sales by customer location		Non-current assets	
(EUR thousand)	**2023**	2022	**2023**	2022
Germany	837,643	858,833	190,455	182,545
Rest of Europe	537,253	436,124	88,283	99,395
USA	17,444,251	16,708,021	614,658	622,957
Rest of America	931,226	913,643	57,833	64,427
Asia	632,235	767,520	257,475	272,402
Australia	7,228,784	6,350,306	754,663	778,052
Rest of Oceania	144,654	184,885	–	–
HOCHTIEF Group	**27,756,046**	**26,219,332**	**1,963,367**	**2,019,778**

Explanatory notes to the segmental data

Intersegment sales represent revenue generated between divisions. They are transacted on an arm's length basis. External sales mainly comprise performance obligations recognized under the percentage of completion method in the mainstream construction business, construction management, and resource services. The sum of external sales and intersegment sales adds up to total sales for each division.

Work done includes work done for fully consolidated companies plus the proportional share of work done in joint ventures.

EBIT/EBITDA adjusted is derived from profit before tax as follows:

(EUR thousand)	2023	2022
Profit before tax	**715,003**	**677,174**
+ Investment and interest expenses	300,391	248,885
– Investment and interest income	(147,845)	(123,566)
– Result from long term loans to participating interests	(17,232)	(12,514)
EBIT	**850,317**	**789,979**
+ Depreciation and amortization	320,593	343,813
EBITDA	**1,170,910**	**1,133,792**
Adjustments		
– Foreign exchange gains	(29,784)	(35,078)
+ Currency losses	37,438	41,000
– Income from disposal/write-ups of intangible assets, property, plant and equipment, and investment properties	(8,492)	(7,521)
+ Losses from disposal of non-current assets (excluding financial assets)	1,248	245
– Income from derecognition of/reversals of impairments on receivables	(1,627)	(2,571)
+ Impairment losses and losses on disposal of current assets (except inventories)	34,286	34,611
+ Adjustment for non-operating net expenses	26,212	20,021
EBITDA adjusted	**1,230,191**	**1,184,499**
– Depreciation and amortization	(320,593)	(343,813)
EBIT adjusted	**909,598**	**840,686**

Depreciation and amortization relates to intangible assets with finite useful lives, property, plant and equipment (including right-of-use assets), and investment properties.

The share of profits and losses of equity-method associates and joint ventures comprises income and expenses, including impairment losses, relating to equity-method investments.

The non-cash expenses consist of additions to provisions.

Purchases comprise additions to intangible assets, property, plant and equipment, investment properties, equity-method investments (excluding equity-method adjustments), subsidiaries, and other participating interests.

Net cash is made up as follows:

(EUR thousand)	Dec. 31, 2023	Dec. 31, 2022
Cash and cash equivalents	5,149,536	4,806,038
Marketable securities	626,915	587,796
Current financial receivables	146,640	124,635
Current tax receivables (excluding income taxes)	28,398	62,809
Financial assets included in net cash	**5,951,489**	**5,581,278**
Bonds or notes issued	2,559,432	2,561,775
Amounts due to banks	1,814,412	1,818,272
Promissory note loans	685,392	819,260
Financial liabilities to participating interests	19,680	18,526
Sundry other financial liabilities	356	9,864
Financial liabilities included in net cash	**5,079,272**	**5,227,697**
Net cash	**872,217**	**353,581**

Non-current assets comprise intangible assets, property, plant and equipment, and investment properties.

36. Notes to the Consolidated Statement of Cash Flows

The Consolidated Statement of Cash Flows classifies cash flows into operating, investing, and financing activities. Exchange rate effects are eliminated and their influence on the cash position is disclosed separately. Changes in cash and cash equivalents due to acquisitions and disposals of consolidated companies are shown separately under cash flow from investing activities. The minus EUR 1,308 thousand (2022: minus EUR 15,659 thousand) changes in cash and cash equivalents due to consolidation changes comprised EUR 988 thousand (2022: EUR 740 thousand) in cash and cash equivalents from acquisitions and EUR 2,296 thousand (2022: EUR 16,399 thousand) in cash and cash equivalents in disposals.

The EUR 5,149,536 thousand (2022: EUR 4,806,038 thousand) year-end total for cash and cash equivalents shown on the cash flow statement matches the cash and cash equivalents item on the balance sheet. The total comprises EUR 407 thousand (2022: EUR 417 thousand) in cash in hand, EUR 5,109,326 thousand (2022: EUR 3,944,474 thousand) in cash balances at banks, and EUR 39,803 thousand (2022: EUR 861,147 thousand) in marketable securities with maturities of no more than three months at the time of acquisition. Cash and cash equivalents in the amount of EUR 350,612 thousand are subject to restrictions (2022: EUR 446,166 thousand).

All non-cash income and expense and all income from asset disposals or arising on deconsolidation is eliminated in cash flow from operating activities.

Cash flow from operating activities includes:

- Interest income of EUR 132,606 thousand (2022: EUR 61,160 thousand)
- Interest expense of EUR 213,756 thousand (2022: EUR 152,028 thousand)
- Income tax paid amounting to EUR 114,247 thousand (2022: EUR 125,133 thousand).

After deducting the non-cash component of income from equity-accounted interests, net income received (as dividends) from such interests was EUR 727,801 thousand (2022: EUR 403,167 thousand).

Divestments relate to the deconsolidation of fully consolidated subsidiaries. This reduced non-current assets by EUR 53,902 thousand (2022: EUR 3,322 thousand) and current assets by EUR 9,306 thousand (2022: EUR 69,672 thousand). Non-current liabilities decreased by EUR 56,705 thousand (2022: EUR 100 thousand) and current liabilities by EUR 614 thousand (2022: EUR 24,352 thousand). No sale proceeds were generated either in 2023 or in the prior year.

Dividends of EUR 300,755 thousand (2022: EUR 130,111 thousand) were paid to HOCHTIEF's shareholders in the reporting year. Dividends paid to non-controlling interests total EUR 80,423 thousand (2022: EUR 31,710 thousand).

Liabilities from financing activities changed as follows:

(EUR thousand)	Jan. 1, 2023	Cash changes		Non-cash changes		Dec. 31, 2023
		Borro-wings	Principal repayments	Currency translation adjust-ments	Changes in the scope of consoli-dation and others	
Bonds or notes issued, amounts due to banks and promissory note loans	5,199,307	2,102,285	(2,129,668)	(76,487)	(36,201)	5,059,236
Financial liabilities to non-consolidated subsi-diaries and equity interests	18,778	1,428	(268)	1	–	19,939
Other financial liabilities	9,864	–	(9,466)	(152)	110	356
Total financial liabilities	**5,227,949**	**2,103,713**	**(2,139,402)**	**(76,638)**	**(36,091)**	**5,079,531**

(EUR thousand)	Jan. 1, 2022	Cash changes		Non-cash changes		Dec. 31, 2022
		Borro-wings	Principal repayments	Currency translation adjust-ments	Changes in the scope of consoli-dation and others*	
Bonds or notes issued, amounts due to banks and promissory note loans	4,437,855	3,053,294	(2,296,269)	3,279	1,148	5,199,307
Financial liabilities to non-consolidated subsi-diaries and equity interests	17,834	1,626	(200)	7	(489)	18,778
Other financial liabilities	10,569	–	(1,381)	676	–	9,864
Total financial liabilities	**4,466,258**	**3,054,920**	**(2,297,850)**	**3,962**	**659**	**5,227,949**

Lease liabilities changed as follows:

	Jan. 1, 2023	Cash changes	Non-cash changes			**Dec. 31, 2023**
(EUR thousand)		Principal repayments	Borrowings	Currency translation adjustments	Changes in the scope of consolidation and others	
Lease liabilities	472,654	(164,174)	136,718	(13,307)	9,290	441,181

	Jan. 1,2022	Cash changes	Non-cash changes			Dec. 31, 2022
(EUR thousand)		Principal repayments	Borrowings	Currency translation adjustments	Changes in the scope of consolidation and others	
Lease liabilities	387,282	(157,615)	223,316	5,515	14,156	472,654

37. Related party disclosures

Related parties as defined by IAS 24 include entities or persons that can be influenced by or that can influence HOCHTIEF Aktiengesellschaft and its subsidiaries or are subject to the control, joint control, or significant influence of HOCHTIEF Aktiengesellschaft or its subsidiaries. A significant related party is ACS, the parent company of HOCHTIEF Aktiengesellschaft. No material transactions were entered into between HOCHTIEF Aktiengesellschaft or any Group company and ACS or its affiliates during the reporting year. The main relationships between fully consolidated Group companies and related parties concern associated companies and joint ventures, whose operating transactions resulted in the following items in the financial statements:

	Associates		**Joint ventures**	
(EUR thousand)	**2023**	2022	**2023**	2022
Income	20,035	2,130	167,131	106,081
Expenses	2,704	2,482	6,468	8,877
Receivables	8,273	8,411	513,664	397,567
Liabilities	299,592	38,475	487,892	429,824

No other material transactions were entered into between HOCHTIEF Aktiengesellschaft or any Group company and Executive Board or Supervisory Board members or persons or companies close to them during the reporting period. There were no conflicts of interest involving Executive Board or Supervisory Board members.

38. Total Executive Board and Supervisory Board compensation

The Compensation Report outlines the principles applied when determining Executive Board compensation at HOCHTIEF Aktiengesellschaft and explains the amount and composition of that compensation. The principles applied and the amount of Supervisory Board compensation are also described.

Short-term and long-term benefits

The expense for short-term and for long-term Executive Board compensation in 2023 was EUR 5,511 thousand (2022: EUR 6,427 thousand) and EUR 2,746 thousand (2022: EUR 3,218 thousand), respectively.

Post-employment benefits

In the reporting year, pension expenses for incumbent members of the Executive Board comprised service cost of EUR 748 thousand (2022: EUR 2,902 thousand) and pension payments of EUR 307 thousand (2022: EUR 175 thousand) in accordance with IFRS.

Share-based payment

The expense for share-based payment in 2023 was EUR 2,456 thousand (2022: EUR -842 thousand).

Total Executive Board and Supervisory Board compensation pursuant to Section 314 (1) No. 6 in conjunction with Section 315e HGB

Total compensation for incumbent members of the Executive Board in 2023 came to EUR 11,310 thousand (2022: EUR 13,038 thousand).

Total Executive Board compensation includes share-based payment granted in the reporting year with a fair value of EUR 2,746 thousand (2022: EUR 3,218 thousand). The corresponding number of performance stock awards (PSAs) granted for 2023 will only be determined in the following financial year (2022: 34,364 PSAs).

Payments in the amount of EUR 6,759 thousand (2022: EUR 6,104 thousand) were made to former members of the Executive Board and their surviving dependents. Pension obligations to former members of the Executive Board and their surviving dependents in accordance with IFRS totaled EUR 82.212 thousand (2022: EUR 75,113 thousand).

Total compensation for fixed compensation, meeting attendance fees, and compensation for offices held at Group companies for the members of the Supervisory Board came to EUR 2,322 thousand (2022: EUR 2,271 thousand).

No advances or loans were granted to members of the Executive Board or members of the Supervisory Board in 2023 or in 2022.

39. Auditing fees

Fees for services provided in Germany by auditors Deloitee GmbH Wirtschaftsprüfungsgesellschaft were paid and recognized as expenses as follows:

(EUR thousand)	**2023**	2022
Financial statement audit services	2,079	2,601
Other assurance services	174	401
	2,253	**3,002**

Deloitte GmbH Wirtschaftsprüfungsgesellschaft have been the auditors of HOCHTIEF Aktiengesellschaft since financial year 2023.

The total fee amount recognized in 2023 as expense in relation to auditors Deloitte GmbH Wirtschaftsprüfungsgesellschaft is divided into financial statement audit services and other assurance services.

The fees for financial statement audits relate to fees charged by Group auditors Deloitte GmbH Wirtschaftsprüfungsgesellschaft for auditing the HOCHTIEF Group consolidated financial statements, the combined HOCHTIEF Group and HOCHTIEF Aktiengesellschaft management report, and the financial statements of HOCHTIEF Aktiengesellschaft and its domestic subsidiaries, together with fees for the review of the half-year report as of June 30, 2023 and other financial statement audit services. The auditors provided other assurance services for HOCHTIEF Aktiengesellschaft mainly in relation to agreed-upon procedures in accordance with ISAE 3000 in connection with the review of the separate non-financial Group report, of the sustainability report, and of the compensation report. Further assurance services relate to services pursuant to German auditing standard IDW PS 910, and an audit under Section 32 (1) of the German Securities Trading Act (WpHG).

40. Events since the balance sheet date and report on post-balance-sheet events

There were no reportable events during the subsequent events period.

41. Use of the exempting provisions in Section 264 (3) (and Section 264b) of the German Commercial Code

The following German domestic, fully consolidated subsidiaries made partial use of the exempting provisions in 2023:

Deutsche Baumanagement GmbH, Essen,
Deutsche Bau- und Siedlungs-Gesellschaft mbH, Essen,
EDGITAL GmbH, Herne,
Eurafrica Baugesellschaft mbH, Essen,
HOCHTIEF Americas GmbH, Essen,
HOCHTIEF Asia Pacific GmbH, Essen,
HOCHTIEF Bau und Betrieb GmbH, Essen,
HOCHTIEF Bau und Betrieb II GmbH, Essen,
HOCHTIEF BePo Hessen Bewirtschaftung GmbH, Essen,
HOCHTIEF BePo Hessen GmbH, Essen,
HOCHTIEF Data Center Partner GmbH, Essen,
HOCHTIEF Engineering GmbH, Essen,
HOCHTIEF Europe GmbH, Essen,
HOCHTIEF Infrastructure GmbH, Essen,
HOCHTIEF Insurance Broking and Risk Management Solutions GmbH, Essen,
HOCHTIEF JZF GmbH, Essen,
HOCHTIEF Labore Kassel GmbH, Essen,
HOCHTIEF Ladepartner GmbH, Essen,
HOCHTIEF Offshore Crewing GmbH, Essen,
HOCHTIEF ÖPP Projektgesellschaft mbH, Essen,
HOCHTIEF PPP Lifecycle 1 GmbH, Essen,
HOCHTIEF PPP Operations GmbH, Essen,
HOCHTIEF PPP Schulpartner Braunschweig GmbH, Braunschweig,
HOCHTIEF PPP Solutions GmbH, Essen,
HOCHTIEF PPP Transport Westeuropa GmbH, Essen,
HOCHTIEF Projektentwicklung GmbH, Essen,
HOCHTIEF Solarpartner GmbH, Essen,
HOCHTIEF Solutions Real Estate GmbH, Essen,
HOCHTIEF Soziale Infrastruktur Europa GmbH, Essen,
HOCHTIEF ViCon GmbH, Essen,
HTP Immo GmbH, Essen,
Projektgesellschaft Konrad-Adenauer-Ufer Köln GmbH & Co. KG, Essen,
synexs GmbH, Essen,
Tivoli Garden GmbH & Co. KG, Essen,
TRINAC GmbH, Essen,
ViA6West Service GmbH, Bad Rappenau.

42. Subsidiaries, associates, and other significant participating interests of the HOCHTIEF Group at December 31, 2023

The complete list of subsidiaries in accordance with the requirements of Section 313 of the German Commercial Code is published in the Unternehmensregister (Company Register) as well as on our website: www.hochtief.com/subsidiaries2023.

43. Declaration pursuant to Section 161 of the German Stock Corporations Act

The declaration on corporate governance required by Section 161 of the German Stock Corporations Act (AktG) has been submitted on behalf of HOCHTIEF Aktiengesellschaft and made available for the general public to view at any time on the HOCHTIEF website at www.hochtief.com/about-hochtief/corporate-governance.

Essen, February 20, 2024

HOCHTIEF Aktiengesellschaft

The Executive Board

Juan Santamaría Cases

Peter Sassenfeld

Ángel Muriel Bernal

Martina Steffen

44. Boards

Supervisory Board

Pedro López Jiménez
Madrid, Chairman of the Supervisory Board of HOCHTIEF Aktiengesellschaft, Vice-Chairman of the Board of Directors and the Executive Committee of ACS, Actividades de Construcción y Servicios, S.A., Madrid

b) Abertis Infraestructuras, S.A.
ACS Servicios y Concesiones, S.L. (Chairman)[1]
CIMIC Group Limited[1]
Dragados, S.A. (Chairman)[1]

Nicole Simons*
Niddatal, Deputy Chairwoman of the Supervisory Board (from November 7, 2023), Attorney-at-law and Member of the Federal Board of IG Bauen-Agrar-Umwelt (the Construction, Agricultural and Environmental Employees' Union) (Deputy Federal Chairwoman)

a) SOKA-BAU Zusatzversorgungskasse des Baugewerbes AG
Zusatzversorgungskasse des Steinmetz- und Steinbildhauerhandwerks VVaG (ZVK Steinmetz) (alternating chairperson)
b) DGB-Rechtsschutz GmbH
facts – Die Infoline GmbH (Chairwoman)

Cristina Aldamiz-Echevarría González de Durana
Madrid, Director of Operations, Investees and Sustainability of ACS, Actividades de Construcción y Servicios, S.A., Madrid (from October 13, 2023)

b) Melia Hotels International[2]

Fritz Bank*
Kreuzau, Deputy Chairman of the Group Works Council of HOCHTIEF Aktiengesellschaft

Dipl.-Ing., Dipl.-Wirtsch.-Ing. Beate Bell
Cologne, management consultant

Christoph Breimann*
Lüdinghausen, Head of Technical Office Building of HOCHTIEF Infrastructure GmbH

Carsten Burckhardt*
Dortmund, Member of the Federal Board of IG Bauen-Agrar-Umwelt (the Construction, Agricultural and Environmental Employees' Union) (until February 28, 2023)

a) Zusatzversorgungskasse des Baugewerbes AG
Zusatzversorgungskasse Steine und Erden (ZVK Bayern)
Zusatzversorgungskasse des Dachdeckerhandwerks VVaG
Zusatzversorgungskasse für das Maler- und Lackiererhandwerk VVaG
Zusatzversorgungskasse des Gerüstbaugewerbes VVaG
b) Board of Directors of the Federal Employment Agency
Chairman of XertifiX e.V. (NGO)

a) Membership in other supervisory boards prescribed by law (as of December 31, 2023)
b) Membership in comparable domestic and international corporate governing bodies (as of December 31, 2023)
* Supervisory Board member representing employees

[1] Office within the same corporate group
[2] Listed company

José Luis del Valle Pérez
Madrid, Member, Director and Secretary of the Board of ACS, Actividades de Construcción y Servicios, S.A., and General Secretary of the ACS Group, Madrid

b) Abertis Infraestructuras, S.A.
ACS Servicios y Concesiones, S.L.[1]
CIMIC Group Limited[1]
Dragados, S.A.[1]

Ángel García Altozano
Madrid, Corporate General Manager of ACS, Actividades de Construcción y Servicios, S.A., Madrid

b) Abertis Infraestructuras, S.A.
ACS Servicios y Concesiones, S.L.[1]
Dragados, S.A.[1]
GED Capital

Dr. rer. pol. h. c. Francisco Javier García Sanz
Madrid, former Member of the Board of Management of Volkswagen Aktiengesellschaft, Wolfsburg, retired

b) Acerinox, S.A.[2]
INDRA S.A.[2]
TUBACEX

Antonia Kühn*
Cologne, Regional Manager, IG Bauen-Agrar-Umwelt (the Construction, Agricultural and Environmental Employees' Union) (from March 1, 2023 until December 31, 2023)

a) HOCHTIEF Infrastructure GmbH[1]

Matthias Maurer*
Hamburg, Deputy Chairman of the Supervisory Board (until November 6, 2023) and Member of the Supervisory Board (until December 31, 2023), Chairman of the Central Works Council of HOCHTIEF Infrastructure GmbH

b) Medizinischer Dienst/Mecklenburg-Vorpommern e.V. (Chairman of the Administrative Board)

Natalie Moser*
Seligenstadt, independent Works Council Chairwoman, HOCHTIEF Infrastructure GmbH,
Frankfurt am Main location

Luis Nogueira Miguelsanz
Madrid, Secretary-General, Dragados, S.A. (until October 12, 2023)

Nikolaos Paraskevopoulos*
Bottrop, Member of the Group Works Council of HOCHTIEF Aktiengesellschaft;
Chairman of the Works Council Essen of TRINAC GmbH

Prof. Dr. Mirja Steinkamp
Hamburg, auditor and tax consultant
a) BarthHass GmbH & Co. KG, Nuremberg (Deputy Chairwoman)
Basler AG, Arensburg[2]
SÜSS MicroTec SE, Garching b. München[2]

a) Membership in other supervisory boards prescribed by law (as of December 31, 2023)
b) Membership in comparable domestic and international corporate governing bodies (as of December 31, 2023)
* Supervisory Board member representing employees

[1] Office within the same corporate group
[2] Listed company

Klaus Stümper*
Lohmar, Chairman of the Group Works Council of HOCHTIEF Aktiengesellschaft

Dipl.-Geol. MBA Christine Wolff
Hamburg, management consultant

a) K+S Aktiengesellschaft[2]
SIEVERT SE
b) Sweco AB[2]

Supervisory Board Committees

Audit/Sustainability Committee
Dr. Francisco Javier García Sanz (Chairman)
Cristina Aldamiz-Echevarría González de Durana (from November 7, 2023)
Fritz Bank
Christoph Breimann
José Luis del Valle Pérez
Ángel García Altozano
Matthias Maurer (until December 31, 2023)
Luis Nogueira Miguelsanz (until October 12, 2023)
Nicole Simons
Prof. Dr. Mirja Steinkamp
Klaus Stümper (Deputy Chairman)

Human Resources Committee
Pedro López Jiménez (Chairman)
Beate Bell
Carsten Burckhardt (until February 28, 2023)
José Luis del Valle Pérez
Antonia Kühn (from April 26, 2023, until December 31, 2023)
Natalie Moser
Klaus Stümper
Christine Wolff

Nomination Committee
Pedro López Jiménez (Chairman)
José Luis del Valle Pérez
Christine Wolff

Mediation Committee pursuant to Sec. 27 (3) of the German Codetermination Act (MitbestG)
Pedro López Jiménez (Chairman)
Beate Bell
Matthias Maurer (until November 6, 2023)
Nikolaos Paraskevopoulos
Nicole Simons (from November 7, 2023)

a) Membership in other supervisory boards prescribed by law (as of December 31, 2023)
b) Membership in comparable domestic and international corporate governing bodies (as of December 31, 2023)
* Supervisory Board member representing employees

[2] Listed company

Executive Board

Juan Santamaría Cases

Madrid, Chairman of the Executive Board of HOCHTIEF Aktiengesellschaft, Essen,
and Chief Executive Officer (CEO) of ACS, Actividades de Construcción y Servicios, S.A., Madrid

b) Abertis Infraestructuras, S.A. (President)
CIMIC Group Limited (Executive Chairman)[1]
Flatiron Holding, Inc. (Member of the Board of Directors)[1]
Thiess Group Finance Pty. Ltd.
Thiess Group Finance USA Pty. Ltd.
Thiess Group Holdings Pty. Ltd.
The Turner Corporation (Member of the Board of Directors)[1]

Peter Sassenfeld

Düsseldorf, Member of the Executive Board (Chief Financial Officer—CFO) of HOCHTIEF Aktiengesellschaft, Essen

b) CIMIC Group Limited[1]
Flatiron Holding, Inc.[1]
HOCHTIEF AUSTRALIA HOLDINGS Ltd.[1]
The Turner Corporation[1]

José Ignacio Legorburo Escobar

Düsseldorf, Member of the Executive Board and Chief Operating Officer (COO) of HOCHTIEF Aktiengesellschaft, Essen (until April 11, 2023)

Nikolaus Graf von Matuschka

Aldenhoven/Jüchen, Member of the Executive Board of HOCHTIEF Aktiengesellschaft, Essen
(until April 11, 2023)

a) HOCHTIEF Infrastructure GmbH (Chairman until September 19, 2023)[1]
Malteser Deutschland gGmbH[3]

Ángel Muriel Bernal

Madrid, Member of the Executive Board and Chief Operating Officer (COO) of HOCHTIEF Aktiengesellschaft, Essen (from April 17, 2023)

a) HOCHTIEF Infrastructure GmbH (Chairman from October 24, 2023)[1]
b) Abertis HoldCo, S.A. (Board Member)
Thiess Group Finance Pty. Ltd. (Alternate Director)
Thiess Group Finance USA Pty. Ltd. (Alternate Director)
Thiess Group Holdings Pty. Ltd. (Alternate Director

Martina Steffen

Velbert, Member of the Executive Board and Chief Human Resources Officer of HOCHTIEF Aktiengesellschaft, Essen

a) HOCHTIEF Infrastructure GmbH[1]
b) Member of the Board of Trustees of Kinderstiftung Essen (Essen Children's Foundation)[3]

a) Membership in other supervisory boards prescribed by law (as of December 31, 2023)
b) Membership in comparable domestic and international corporate governing bodies (as of December 31, 2023)

[1] Office within the same corporate group
[3] Non-profit enterprise

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Group management report, which is combined with the management report of HOCHTIEF Aktiengesellschaft, includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group.

Essen, February 20, 2024

HOCHTIEF Aktiengesellschaft

The Executive Board

Juan Santamaría Cases

Peter Sassenfeld

Ángel Muriel Bernal

Martina Steffen

Copy of the Independent Auditor's Report:

"Independent Auditor's Report

To HOCHTIEF Aktiengesellschaft, Essen/Germany

Report on the Audit of the Consolidated Financial Statements and of the Combined Management Report

Audit Opinions

We have audited the consolidated financial statements of HOCHTIEF Aktiengesellschaft, Essen/Germany, and its subsidiaries (the Group) which comprise the consolidated statement of financial position as at December 31, 2023, the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from January 1 to December 31, 2023, and the notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the combined management report for the parent and the group of HOCHTIEF Aktiengesellschaft, Essen/Germany, for the financial year from January 1 to December 31, 2023. In accordance with German legal requirements, we have not audited the content of the corporate governance statement pursuant to Sections 289f and 315d German Commercial Code (HGB), which is referred to in a footnote in the chapter "Compliance" of the combined management report, nor the non-financial group reporting in the separate non-financial group report pursuant to Section 315b (3) HGB and in the combined management report. Furthermore, we have not audited the content of those parts in the combined management report that are marked as unaudited and as extraneous to the combined management report.

In our opinion, on the basis of the knowledge obtained in the audit

– the accompanying consolidated financial statements comply, in all material respects, with the IFRS as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as at December 31, 2023 and of its financial performance for the financial year from January 1 to December 31, 2023, and

– the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the combined management report does not cover the contents of the aforementioned corporate governance statement and the aforementioned non-financial group reporting referred to above nor the contents of those parts in the combined management report that are marked as unaudited and as extraneous to the combined management report.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation (No. 537/2014; referred to subsequently as

"EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the combined management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from January 1 to December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In the following we present the key audit matters we have determined in the course of our audit:

1. Realization of the revenue, in particular the enforceability of unapproved change order claims from customerspecific construction contracts
2. Recoverability of goodwill

Our presentation of these key audit matters has been structured as follows:

a) description (including reference to corresponding information in the consolidated financial statements)
b) auditor's response

1) Realization of the revenue, in particular the enforceability of unapproved change order claims from customer-specific construction contracts

a) Revenue from customer-specific construction contracts of mEUR 27,415 is disclosed in the statement of profit and loss within the consolidated financial statements of HOCHTIEF Aktiengesellschaft. Furthermore, the statement of financial position item "Trade accounts receivable and other receivables" include trade receivables of mEUR 3,940 as well as assets with a value of mEUR 2,094, which together amount to mEUR 6,034 and thus count for 31.7% of the consolidated balance sheet total. Both sales revenue and receivables from customer-specific construction contracts are therefore of considerable importance for the Group's assets, liabilities and financial performance.

A material share of the business activity of HOCHTIEF Group refers to the handling of customer-specific construction contracts. The work performed, including the pro rata result, is recognized in revenue according to the percentage of completion. The percentage of completion is calculated as the ratio of work performed to total contract performance. Revenue is recognized when the executive directors or the responsible management have assessed and estimated all relevant contract components, including – if applicable in individual cases – the components of determining the stage of completion, estimating the total contract performance and the total contract costs including cost increases, determining contractual performance claims and assessing the probability of customer approval of deviations in the total contract value and the acceptance of change order claims, and estimating the expected completion date.

The executive directors determine the project-related percentage of completion required to account for customer-specific construction contracts on the basis of detailed project calculations. When assessing the enforceability of change order claims, the executive directors incorporate their project-related findings from negotiations with the respective customer and discussions with internal or external lawyers.

Disclosure is made under the statement of financial position item “Trade accounts receivable and other receivables”. In particular, the components over and above the contract price (deviations in the total contract value and change order claims) are associated with uncertainties with regard to their recognition and measurement. The recognition of change order claims is based on the estimates of the executive directors regarding the expected realizability of the amounts, as it must be highly probable for the recognition of corresponding receivables that there will be no significant cancellations in the future. Discretionary scope arises primarily in the assessment of the enforceability of unapproved change order claims.

The recognition of revenue over time, in particular the enforceability of significant unapproved change order claims, is a key audit matter because it requires significant estimates by the executive directors, in particular with regard to the total costs of a contract, the determination of the percentage of completion and, above all, the consideration of change order claims and contract risks, and also because the consolidated statement of financial position as at December 31, 2023 includes a significant amount of unapproved change order claims.

For information on the accounting policies applied, please refer to the explanations in the sections "Revenue from contracts with customers" and "Management judgment in applying accounting and valuation methods" in the “Accounting and valuation methods” section of the notes to the consolidated financial statements. In addition, information on the amount and breakdown of revenue can be found in the "Revenue" section in the "Notes to the consolidated statement of profit and loss" section of the notes to the consolidated financial statements.

b) During our audit, we obtained a detailed understanding of the underlying processes from the offer to the execution phase of construction contracts and assessed the extent to which the processes and the data used for this purpose can be influenced by subjectivity, complexity or other inherent risk factors. As part of this, we assessed whether the requirements for revenue recognition over time in accordance with IFRS 15 are met for construction contracts. We have assessed the design and implementation of internal controls relevant to the audit to ensure the correct accounting of construction contracts in the consolidated financial statements.

We performed substantive audit procedures on construction contracts selected according to risk factors.
We have:

- analyzed the originally planned contract costs underlying the determination of the percentage of completion of the individual construction contracts and the updated planned costs used for the consolidated financial statements;
- analyzed the development of margins over the course of the year for anomalies and in comparison to the prior year and took the findings gained on this basis into account when reviewing the changes in planned costs and contract values;
- verified the proper and timely allocation of the cost of material and production costs recognized on the respective production order on the basis of purchase orders, performance records and supplier invoices;
- in individual cases, obtained evidence from third parties and assessed its accounting treatment;
- we verified the recognition of the amounts of revenue by comparing the underlying transaction prices with the respective contractual bases;
- obtained and evaluated the estimates of the percentage of completion and project risks from the project managers appointed by the executive directors;
- assessed the appropriate accounting treatment of construction contracts and verified the recognition of any provisions for onerous contracts;
- in particular, assessed and verified the justification for the recognition of unapproved change order claims on the basis of suitable evidence

2) Recoverability of goodwill

a) In the consolidated financial statements of HOCHTIEF Aktiengesellschaft, goodwill of mEUR 976.1 is recognized under the statement of financial position item "Intangible assets" and accounts for 5.1% of the total consolidated assets or 77.1% of consolidated equity. Goodwill is therefore of material significance to the Group's financial position.

Goodwill is tested for impairment annually at the level of the HOCHTIEF Americas, HOCHTIEF Asia Pacific and HOCHTIEF Europe divisions, irrespective of the circumstances. The effective date for the impairment test for all divisions was March 31, 2023. If there are indications of impairment (triggering events) during the year, an event-driven impairment test is also carried out during the year. This involves comparing the carrying amount with the recoverable amount of the respective division. If the carrying amount is higher than the recoverable amount, an impairment loss is recognized. The recoverable amount is the higher of the fair value less costs to sell and the value in use of the respective division. The recoverable amount is determined using a discounted cash flow model on the basis of weighted capital costs.

A high degree of estimation uncertainty is inherent in the impairment test, particularly with regard to the expected sales and cost development of the divisions for the next three years, which is also dependent on future new projects, the growth rates and future cash flows as well as the discount factors applied, which is accompanied by considerable discretionary scope on the part of the executive directors. We therefore determined the recoverability of the goodwill recognized in the consolidated statement of financial position to be a key audit matter.

Please refer to the explanations in the "Intangible assets" and "Impairment" sections in the "Accounting and valuation methods" section of the notes to the consolidated financial statements for information on the accounting policies applied. Information on the amount of goodwill can be found in the "Intangible assets" section in the "Notes to the consolidated statement of financial position" chapter of the notes to the consolidated financial statements. The economic development of the divisions is also presented in the combined management report in the "Segment report" section.

b) During our audit, we obtained a detailed understanding of the impairment testing process of the divisions and assessed the extent to which the valuation process and the data used for this purpose can be influenced by subjectivity, complexity or other inherent risk factors.

With the involvement of our internal valuation specialists, we reviewed the performance of the impairment test by the executive directors and assessed whether the valuation method applied was methodologically and arithmetically appropriate. With regard to the forecasts included in the valuation, we reconciled them with the corporate planning adopted by the executive directors of HOCHTIEF Aktiengesellschaft and approved or acknowledged by the supervisory board. With regard to existing estimates, we critically examined the assumptions and data in particular.

We also satisfied ourselves of the accuracy of the forecasts to date by comparing corporate planning from prior financial years with the results actually realized and analyzing deviations. We assessed the appropriateness of the future cash flows used in the valuation by reconciling selected planning assumptions with general and industry-specific market expectations, taking into account the expected development of inflation.

In addition, we examined whether the planning is consistent with the disclosures on strategy and medium-term planning as well as the forecast reporting in the combined management report.

Furthermore, we assessed the calculation of the weighted average cost of capital. For this purpose, with the support of the internal valuation specialists we engaged, we examined the parameters used by comparing them with market data, including inflation data, and related expectations.

Other Information
The executive directors and/or the supervisory board are responsible for the other information. The other information comprises:

- the report of the supervisory board,
- the statement on corporate governance, which is referred to in a footnote in the chapter “Compliance” of the combined management report,
- the non-financial group reporting within the separate non-financial group report pursuant to Section 315b (3) HGB and within the combined management report,
- the parts of the combined management report that are marked as unaudited and as extraneous to the combined management report,
- the remuneration report pursuant to Section 162 German Stock Corporation Act (AktG),
- the executive directors’ confirmation regarding the consolidated financial statements and the combined management report pursuant to Section 297 (2) sentence 4 and Section 315 (1) sentence 5 HGB, and
- all other parts of the annual report and/or “group report”,
- but not the consolidated financial statements, not the audited content of the combined management report and not our auditor’s report thereon.

The supervisory board is responsible for the report of the supervisory board. The executive directors and the supervisory board are responsible for the statement according to Section 161 AktG concerning the German Corporate Governance Code, which is part of the corporate governance statement and to which reference is made in the combined management report, and for the remuneration report. Otherwise, the executive directors are responsible for the other information.

Our audit opinions on the consolidated financial statements and on the combined management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information identified above and, in doing so, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the audited content of the combined management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Combined Management Report
The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB, and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the combined management report that as a whole provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this combined management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also

– identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

– obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.

– evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

– conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS as adopted by the EU and with the additional requirements of German commercial law pursuant to Section 315e (1) HGB.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.

- evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with German law, and the view of the Group’s position it provides.

- perform audit procedures on the prospective information presented by the executive directors in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with the relevant independence requirements and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken, or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the current period and are therefore the key audit matters. We describe these matters in the auditor’s report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the Audit of the Electronic Reproductions of the Consolidated Financial Statements and of the Combined Management Report Prepared for Publication Pursuant to Section 317 (3a) HGB

Audit Opinion

We have performed an audit in accordance with Section 317 (3a) HGB to obtain reasonable assurance whether the electronic reproductions of the consolidated financial statements and of the combined management report (hereinafter referred to as “ESEF documents”) prepared for publication, contained in the file, which has the SHA-256 value 990fc1df8a5740752d5a561e5062c022c08e6c61a1f475938eef6c38cab2e5db, meet, in all material respects, the requirements for the electronic reporting format pursuant to Section 328 (1) HGB (“ESEF format”). In accordance with the German legal requirements, this audit only covers the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format, and therefore covers neither the information contained in these electronic reproductions, nor any other information contained in the file identified above.

In our opinion, the electronic reproductions of the consolidated financial statements and of the combined management report prepared for publication contained in the file identified above meet, in all material respects, the requirements for the electronic reporting format pursuant to Section 328 (1) HGB. Beyond this audit opinion and our audit opinions on the accompanying consolidated financial statements and on the accompanying combined management report for the financial year from January 1 to December 31, 2023 contained in the "Report on the Audit of the Consolidated Financial Statements and of the Combined Management Report" above, we do not express any assurance opinion on the information contained within these electronic reproductions or on any other information contained in the file identified above.

Basis for the Audit Opinion

We conducted our audit of the electronic reproductions of the consolidated financial statements and of the combined management report contained in the file identified above in accordance with Section 317 (3a) HGB and on the basis of the IDW Auditing Standard: Audit of the Electronic Reproductions of Financial Statements and Management Reports Prepared for Publication Purposes Pursuant to Section 317 (3a) HGB (IDW AuS 410 (06.2022)). Our responsibilities in this context are further described in the "Group Auditor's Responsibilities for the Audit of the ESEF Documents" section. Our audit firm has applied the requirements of the IDW quality management standards.

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the parent are responsible for the preparation of the ESEF documents based on the electronic files of the consolidated financial statements and of the combined management report according to Section 328 (1) sentence 4 no. 1 HGB and for the tagging of the consolidated financial statements according to Section 328 (1) sentence 4 no. 2 HGB.

In addition, the executive directors of the parent are responsible for such internal controls that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements for the electronic reporting format pursuant to Section 328 (1) HGB.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Group Auditor's Responsibilities for the Audit of the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

– identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion.

– obtain an understanding of internal control relevant to the audit on the ESEF documents in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.

– evaluate the technical validity of the ESEF documents, i.e., whether the file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, in the version in force at the balance sheet date, on the technical specification for this electronic file.

– evaluate whether the ESEF documents enable a XHTML reproduction with content equivalent to the audited consolidated financial statements and to the audited combined management report.

– evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the balance sheet date, enables an appropriate and complete machine-readable XBRL copy of the XHTML reproduction.

Further information pursuant to Article 10 of the EU Audit Regulation
We were elected as group auditor by the general meeting on April 26, 2023. We were engaged by the supervisory board on September 14, 2023.

We have been the group auditor of HOCHTIEF Aktiengesellschaft, Essen/Germany, without interruption since the financial year 2023.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

OTHER MATTER – USE OF THE AUDITOR'S REPORT

Our auditor's report must always be read together with the audited consolidated financial statements and the audited combined management report as well as with the audited ESEF documents. The consolidated financial statements and the combined management report converted into the ESEF format – including the versions to be submitted for inclusion in the Company Register – are merely electronic reproductions of the audited consolidated financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our audit opinion contained therein are to be used solely together with the audited ESEF documents made available in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is André Bedenbecker.

Düsseldorf/Germany, February 21, 2024

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Signed:
André Bedenbecker
Wirtschaftsprüfer
(German Public Auditor)

Signed:
Michael Pfeiffer
Wirtschaftsprüfer
(German Public Auditor)"

FURTHER INFORMATION

HOCHTIEF (UK) Construction and Murphy completed the heading works for the London Power Tunnels (Phase 2), creating 32.5 kilometers of tunnels for electricity transmission at a depth of up to 60 meters.

Index for the Global Reporting Initiative (GRI) and the Principles of the UN Global Compact (UNGC)

HOCHTIEF's GRI Content Index follows the specifications of the 2021 GRI Universal Standards.

Application note	HOCHTIEF has reported for 2023 in accordance with the GRI Standards (January 1 to December 31)
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION[1]	OMISSION[1]	
			REQUIRE-MENT(S) OMITTED	EXPLANATION
General information				
GRI 2: General information 2021	2-1 Organizational Profile	p. 28, p. 31, p. 33, p. 388		
	2-2 Entities included in the organization's sustainability reporting	p. 3		
	2-3 Reporting period, frequency, and contact point	p. 3, p. 389		
	2-4 Restatements of information	p. 3		
	2-5 External assurance	Report on the Audit of the Consolidated Financial Statements and the Group Management Report Limited Assurance Report of the Independent Practitioner Regarding the Non-financial Reporting www.hochtief.com/audit_compensationreport_2023 p. 19		
	2-6 Activities, value chain, and other business relationships	p. 2, p. 43-44, p. 131 - 137, p. 337		
	2-7 Employees	p. 103, p. 115-117		Based on the construction management model applied by HOCHTIEF, construction activities—above all in the HOCHTIEF Europe and HOCHTIEF Americas divisions—are mostly not carried out by Group employees. At CIMIC in particular, fluctuation in the size of the workforce is normal due to project-driven employment on temporary contracts. b.ii., b.iii.: The relevant information is not currently collected to this level of detail.

[1] Reference is made here in some cases to sources outside this Group Report. The content on these publications outside the Group Report is neither part of the statutory audit of the annual financial statements and consolidated financial statements nor part of the separate limited assurance engagement by Deloitte GmbH Wirtschaftsprüfungsgesellschaft.

	2-8 Workers who are not employees	p. 120-121		a.i.: Based on the construction management model applied by HOCHTIEF, construction activities are mostly not carried out by Group employees. b., c.: The relevant information is not currently collected.
	2-9 Governance structure and composition	p. 16-2, p. 338-341 www.hochtief.com/about-hochtief/supervisory-board www.hochtief.com/about-hochtief/supervisory-board (see “Independence of shareholder representatives”) Skills matrix under www.hochtief.com/about-hochtief/corporate-governance/archive-declaration-on-corporate-governance-2023 www.hochtief.com/about-hochtief/supervisory-board	a., c.	Due to statutory and other legal provisions in the Federal Republic of Germany, some of the required disclosures are already provided elsewhere or in other reports. To avoid duplicate publication of identical disclosures, we refer in relation to these disclosures for the purposes of GRI 2 (General Disclosures 2021) to our content published in other reports or policies. c.v.iii.: Pursuant to Section 9 (1) of the Articles of Association, employee representatives make up 50% of the HOCHTIEF Supervisory Board.
	2-10 Nomination and selection of the highest governance body	www.hochtief.com/about-hochtief/corporate-governance (see “Articles of Association”) www.hochtief.com/about-hochtief/supervisory-board (see “Nomination Committee”) www.hochtief.com/declaration-on-corporate-governance-2024	a., b.i-iv.	Due to statutory and other legal provisions in the Federal Republic of Germany, some of the required disclosures are already provided elsewhere or in other reports. To avoid duplicate publication of identical disclosures, we refer in relation to these disclosures for the purposes of GRI 2 (General Disclosures 2021) to our content published in other reports or policies. The Declaration on Corporate Governance covers the topics of diversity, profile of skills and expertise, international expertise, age limit, independence, and conflicts of interest.
	2-11 Chair of the highest governance body	p. 16-20, p. 338	a., b.	The chair of the Supervisory Board must not be a senior executive according to the German Stock Corporations Act (AktG).
	2-12 Role of the highest governance body in overseeing the management of impacts	www.hochtief.com/about-hochtief/supervisory-board (see “Supervisory Board committees”, “Audit/Sustainability Committee”)	b.-c.	Due to statutory and other legal provisions in the Federal Republic of Germany, some of the required disclosures are already provided elsewhere or in other reports. To avoid duplicate publication of identical disclosures, we refer in relation to these disclosures for the purposes of GRI 2 (General Disclosures 2021) to our content published in other reports or policies. Pursuant to the German Stock Corporations Act, the Supervisory Board oversees and advises the Executive Board in heading up the Company’s business. The duties of the Supervisory Board do not include management and it does not represent the Company toward third parties in the conduct of legal transactions. b.: www.hochtief.com/about-hochtief/supervisory-board (see “Code of Procedure for the Supervisory Board”, Point 11) Pursuant to the German Stock Corporations Act, the Supervisory Board oversees and advises the Executive Board in heading up the Company’s business. The duties of the Supervisory Board do not include management and it does not represent the Company toward third parties in the conduct of legal transactions.
	2-13 Delegation of responsibility for managing impacts	www.hochtief.com/about-hochtief/supervisory-board (see “Code of Procedure for the Supervisory Board”, Point 11)	a.	Pursuant to the German Stock Corporations Act, the Supervisory Board oversees and advises the Executive Board in heading up the Company’s business. The duties of the Supervisory Board do not include management and it does not represent the Company

				toward third parties in the conduct of legal transactions.
	2-14 Role of the highest governance body in sustainability reporting	p. 17-18, p. 19, p. 340		
	2-15 Conflicts of interest	www.hochtief.com/about-hochtief/supervisory-board (see Point 10 (2) and (3) of the Code of Procedure for the Supervisory Board) p. 338-340 www.hochtief.com/about-hochtief/corporate-governance (see "Independence and potential conflicts of interest") p. 18	b.ii., b.iv.	Due to statutory and other legal provisions in the Federal Republic of Germany, some of the required disclosures are already provided elsewhere or in other reports. To avoid duplicate publication of identical disclosures, we refer in relation to these disclosures for the purposes of GRI 2 (General Disclosures 2021) to our content published in other reports or policies. b.ii.: Not stipulated in the German Stock Corporations Act b.iv.: Applied in the cases of Sections 111a–111c of the German Stock Corporations Act.
	2-16 Communication of critical concerns	www.hochtief.com/about-hochtief/supervisory-board (see Point 11 of the Code of Procedure for the Supervisory Board)	b.	Due to statutory and other legal provisions in the Federal Republic of Germany, some of the required disclosures are already provided elsewhere or in other reports. To avoid duplicate publication of identical disclosures, we refer in relation to these disclosures for the purposes of GRI 2 (General Disclosures 2021) to our content published in other reports or policies. b.: Not applicable as not stipulated in German law.
	2-17 Collective knowledge of the highest governance body	www.hochtief.com/about-hochtief/corporate-governance/archive-declaration-on-corporate-governance-2023 (> Profile of skills and expertise)	a.	Members of the Supervisory Board are elected by the Annual General Meeting and the Company's employees. Due to statutory and other legal provisions in the Federal Republic of Germany, some of the required disclosures are already provided elsewhere or in other reports. To avoid duplicate publication of identical disclosures, we refer in relation to these disclosures for the purposes of GRI 2 (General Disclosures 2021) to our content published in other reports or policies.
	2-18 Evaluation of the performance of the highest governance body	www.hochtief.com/about-hochtief/supervisory-board (see Point 12 of the Code of Procedure for the Supervisory Board) Report of the Supervisory Board (efficiency audit), HOCHTIEF Group Report 2018		Due to statutory and other legal provisions in the Federal Republic of Germany, some of the required disclosures are already provided elsewhere or in other reports. To avoid duplicate publication of identical disclosures, we refer in relation to these disclosures for the purposes of GRI 2 (General Disclosures 2021) to our content published in other reports or policies. Members of the Supervisory Board are elected by the Annual General Meeting and the Company's employees.
	2-19 Remuneration policies	p. 367-382	a.ii.	Information on sign-on bonuses or recruitment incentive payments is not provided in the compensation report as no such payments have been made. Only if such payments were to be made would they be expressly listed under the fringe benefits compensation component.
	2-20 Process to determine remuneration	www.hochtief.com/investor-relations/annual-general-meeting (see Annual General Meeting 2021, agenda items 6 and 7) www.hochtief.com/investor-relations/annual-general-meeting (see Annual General		Due to statutory and other legal provisions in the Federal Republic of Germany, some of the required disclosures are already provided elsewhere or in other reports. To avoid duplicate publication of identical disclosures, we refer in relation to these disclosures for the purposes of GRI 2 (General Disclosures 2021) to our content published in other reports or policies.

		Meeting 2021, agenda item 7, and Annual General Meeting 2023, agenda item 11)		Information on sign-on bonuses or recruitment incentive payments is not provided in the compensation report as no such payments have been made. Only if such payments were to be made would they be expressly listed under the fringe benefits compensation component.
	2-21 Annual total compensation ratio	www.hochtief.com/sustainability/key-figures		
	2-22 Statement on sustainable development strategy	p. 19		
	2-23 Policy commitments	p. 5, p. 86, p. 145		
	2-24 Embedding policy commitments	p. 89, p. 225		
	2-25 Processes to remediate negative impacts	p. 89-90, p. 165, p. 222		
	2-26 Mechanisms for seeking advice and raising concerns	p. 40, p. 89-90, p. 222		
	2-27 Compliance with laws and regulations	p. 86		a.-b.: Absolute figures are currently not reported.
	2-28 Membership associations	HOCHTIEF partnerships and memberships		HOCHTIEF regularly reports on subsidiaries' memberships and publishes information on material memberships and contributions on its website.
	2-29 Approach to stakeholder engagement	p. 40, p. 221		a.i.: We engage with material stakeholders via the formats named in the Report. How they are identified is not presented separately.
	2-30 Collective bargaining agreements	p. 108-109		a.: The figure stated in the Report reflects the percentage of employees in Germany and in the HOCHTIEF Americas and HOCHTIEF Asia Pacific divisions represented by works councils and/or trade unions.
Material topics				
GRI 3: Material topics 2021	3-1 Process to determine material topics	p. 40		
	3-2 List of material topics	p. 41		
Material topic: Climate change				
GRI 3: Material topics 2021	3-3 Management of material topics	p. 172-178	e.	
GRI 302 Energy (2016)	302-1 Energy consumption within the organization	p. 199-200	cii., c.iii., c.iv., d.	cii., c.iii., c.iv., d., g.: Country-specific conversion factors are used. No statistics are gathered on steam consumption for reasons of materiality. The sale of energy is not a material category in our business. No statistics on the consumption of renewable fuel sources are kept Group-wide. The consumption figures for gasoline (including biogasoline), diesel fuel (including biodiesel), LPG, LNG, and electricity (including district heat, district cooling, and green electricity) add up to total energy consumption and are not reported separately.
GRI 305 Emissions (2016)	305-1 Direct (Scope 1) GHG emissions	p. 201, p. 383-384		CO_2e is currently reported. No biogenic CO_2 emissions are reported. d.i: The year 2019 was chosen as the baseline as it reflects the last reporting year before the outbreak of the global pandemic. Any changes will be made in accordance with HOCHTIEF's recalculation policy available on its website. d.iii:

				Significant changes are reported and disclosed transparently, by presenting them, for example, on a like-for-like basis. Environmental reporting in the Group is based on the Group's scope of consolidation for financial reporting.
GRI 305 Emissions (2016)	305-2 Energy indirect (Scope 2) GHG emissions	p. 201, p. 383-384		CO_2e is currently reported. d.i: The year 2019 was chosen as the baseline as it reflects the last reporting year before the outbreak of the global pandemic. Any changes will be made in accordance with HOCHTIEF's recalculation policy available on its website. d.iii: Significant changes are reported and disclosed transparently, by presenting them, for example, on a like-for-like basis. Environmental reporting in the Group is based on the Group's scope of consolidation for financial reporting.
GRI 305 Emissions (2016)	305-3 Other indirect (Scope 3) GHG emissions	p. 201-202, p. 383-384	b.	b.: These gases are not reported individually, for which reason the term CO_2e is used. e.i.: The year 2019 was chosen as the baseline as it reflects the last reporting year before the outbreak of the global pandemic. Any changes will be made in accordance with HOCHTIEF's recalculation policy available on its website. e.ii.: Significant changes are reported and disclosed transparently, by presenting them, for example, on a like-for-like basis. Environmental reporting in the Group is based on the Group's scope of consolidation for financial reporting.
Material topic: Circular economy				
GRI 3: Material topics 2021	3-3 Management of material topics	p. 178-182		Matters relating to circularity are covered in the Group Directive on Occupational Safety, Health, Environmental and Climate Protection and in the Sustainability Plan 2025.
GRI 301 Materials (2016)	301-1 Materials used by weight or volume	p. 197-199		
GRI 301 Materials (2016)	301-2 Recycled input materials used	p. 197-199		
GRI 306 Waste (2020)	306-1 Waste generation and significant waste-related impacts	p. 197		a.ii.: Data is collected but currently reported only for hazardous waste.
GRI 306 Waste (2020)	306-2 Management of significant waste-related impacts	p. 180-181		b.: This data is currently not centrally collected.
GRI 306 Waste (2020)	306-3 Waste generated	p. 197		
GRI 306 Waste (2020)	306-4 Waste diverted from disposal	p. 197		d.i.: All waste is recycled away from construction sites.
GRI 306 Waste (2020)	306-5 Waste directed to disposal	p. 197		b.iv.: This data is not currently collected. c.iv.: This data is not currently collected. d.i.: This data is not currently collected.
Material topic: Water conservation				
GRI 3: Material topics 2021	3-3 Management of material topics	p. 182-184	a.-d.	Water policies and water conservation plans are always compiled on a project-specific basis and in accordance with local legal requirements. Where our subsidiaries deliver projects in water stress areas, we plan to analyze water abstractions in greater detail and compare them using a publicly recognized assessment tool, such as the Water Risk Atlas. The Sustainability Plan 2025 specifically addresses the

				topic of water stress. HOCHTIEF plans to develop and implement a standardized methodology (in addition to the established tracking of water consumption) by the end of 2023. a.: Water policies and water conservation plans are always compiled on a project-specific basis and in accordance with local legal requirements. Minimum wastewater discharge quality standards are also project-dependent. d.: Calculation is based on billing volumes or individual project data acquisition. Where our subsidiaries deliver projects in water stress areas, we plan to analyze water abstractions in greater detail and compare them using a publicly recognized assessment tool, such as the Water Risk Atlas.
GRI 303 Water and waste (2018)	303-1 Interactions with water as a shared resource	p. 182, p. 203		
GRI 303 Water and waste (2018)	303-2 Management of water discharge-related impacts	p. 182-183, p. 203		a.ii.-a.iv.: see explanation on this material topic under 3-3
GRI 303 Water and waste (2018)	303-3 Water withdrawal	p. 182-183, p. 203		b.-c.: see explanation on this material topic under 3-3
GRI 303 Water and waste (2018)	303-4 Water discharge	p. 182-183, p. 203	d., e.	b.-c.: see explanation on this material topic under 3-3
GRI 303 Water and waste (2018)	303-5 Water consumption	p. 182-183, p. 203	b.-d.	b.-d.: Reporting on this topic is currently in preparation at HOCHTIEF.
Material topic: Biodiversity and ecosystems				
GRI 3: Material topics 2021	3-3 Management of material topics	p. 184-185, p. 205		The GRI definition of operational sites is not applicable to HOCHTIEF's project activities. Protected areas are safeguarded with strict stipulations on projects. c.: Matters relating to biodiversity are covered in the Group Directive on Occupational Safety, Health, Environmental and Climate Protection and in the Sustainability Plan 2025. d.ii.: Impact management at HOCHTIEF is carried out on a project-specific basis and dealt with on construction sites. e.iii, iv.: The working group established under the Sustainability Plan 2025 is working on action planning and will in the future monitor progress in the Group and implement the lessons learned in strategy.
GRI 304 Biodiversity (2016)	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	p. 185, p. 205	a.	The GRI definition of operational sites is not applicable to HOCHTIEF's project activities. Protected areas are safeguarded with strict stipulations on projects. Impact management at HOCHTIEF is carried out on a project-specific basis and dealt with on construction sites.
GRI 304 Biodiversity (2016)	304-2 Significant impacts of activities, products, and services on biodiversity	p. 184-185	a., b.	The GRI definition of operational sites is not applicable to HOCHTIEF's project activities. Protected areas are safeguarded with strict stipulations on projects. Impact management at HOCHTIEF is carried out on a project-specific basis and dealt with on construction sites.

Material topic: Sustainable products and services				
GRI 3: Material topics 2021	3-3 Management of material topics	p. 186-188		As one of the market leaders, we pursue the cross-cutting goal of advancing green building. This largely depends on what customers want at project level. on a project basis.
GRI 203 Indirect economic impacts (2016)	203-1 Infrastructure investment and services supported	p. 187, p. 204-205		
Material topic: Health and safety				
GRI 3: Material topics 2021	3-3 Management of material topics	p. 118	d.	Employee representatives attend the regular Occupational Safety and Health Committee meetings, at which occupational safety risks and measures are discussed. Hazards are identified as part of in-project hazard assessments and appropriate measures taken where necessary. All employees are asked to report unsafe situations to their supervisor.
GRI 403 Occupational health and safety (2018)	403-1 Occupational health and safety management system	p. 119-120, p. 127		
GRI 403 Occupational health and safety (2018)	403-2 Hazard identification, risk assessment, and incident investigation	p. 123-124		
GRI 403 Occupational health and safety (2018)	403-3 Occupational health services	p. 119	a.	a.: Project-related occupational safety hazards over which we have no direct influence are taken into account in hazard assessments. Employees at the various companies are offered free programs with seminars and information (such as on ergonomics, nutrition, and resilience), theme days and long-term campaigns (Fit for Work & Fit for Life).
GRI 403 Occupational health and safety (2018)	403-4 Worker participation, consultation, and communication on occupational health and safety	p. 119, p. 122		
GRI 403 Occupational health and safety (2018)	403-5 Worker training on occupational health and safety	p. 122		
GRI 403 Occupational health and safety (2018)	403-6 Promotion of worker health	p. 123		
GRI 403 Occupational health and safety (2018)	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p. 123		
GRI 403 Occupational health and safety (2018)	403-8 Workers covered by an occupational health and safety management system	p. 127	a., b.	a., b.: Reporting of injury data at subcontractors is not implemented. a.: Information on subcontractor occupational safety management systems is obtained in prequalification. a.i., b.i.: Deaths caused by occupational illnesses are not reported to HOCHTIEF. a.iii., b.iii.: Recognized occupational diseases among HOCHTIEF employees in 2022 (Germany): squamous cell carcinoma or multiple actinic keratosis (5), noise-induced hearing loss (4), mesothelioma of the pleura

				and peritoneum caused by asbestos (1), silicosis (1). Occupational diseases are usually identified and recognized by accident insurers. b.: Relevant reporting of injury data is not implemented. Work-related injuries with severe consequences are not reported either for own employees or for subcontractors, as the relevant reporting is not implemented. The number of hours worked is not currently reported. Relevant reporting is not implemented.
GRI 403 Occupational health and safety (2018)	403-9 Work-related injuries	p. 121, p.126, p. 129	b.	The relevant reporting does not yet exist at HOCHTIEF.
GRI 403 Occupational health and safety (2018)	403-10 Work-related ill health	p. 121, p. 129	b.	The relevant reporting does not yet exist at HOCHTIEF.
Material topic: Qualified employees				
GRI 3: Material topics 2021	3-3 Management of material topics	p. 103-106		
GRI 404 Training and continuing education (2016)	404-1 Average hours of training per year per employee	p. 104-106	a.	HOCHTIEF does not currently report rates of hours of training by gender and employee category and is preparing to collect this data.
	Organization-specific indicator: Recruitment of junior staff	p. 101		
Material topic: Diversity				
GRI 3: Material topics 2021	3-3 Management of material topics	p.107-108		
GRI 405 Diversity and equal opportunity (2016)	405-1 Diversity of governance bodies and employees	p. 116 www.hochtief.com/about-hochtief/corporate-governance/archive-declaration-on-corporate-governance-2023		We refer to employees in senior management positions.
Material topic: Working environment				
GRI 3: Material topics 2021	3-3 Management of material topics	p. 106-107		
GRI 401 Employment (2016)	401-1 New employee hires and employee turnover	P, 103, p. 106, p.110	a., b.	HOCHTIEF does not currently provide information by age group, gender, and new hires; data collection is in preparation.
Material topic: Social activities				
GRI 3: Material topics 2021	3-3 Management of material topics	p. 223		
GRI 413 Local communities (2016)	413-1 Operations with local community engagement, impact assessments, and development programs	p. 224	a.	Organization of the related activities is decentralized due to the project-based location structure and, for this reason, no percentages are reported.
	Organization-specific indicator: Number of people who benefit from B2P bridges constructed by HOCHTIEF	p. 225		

Material topic: Anti-corruption and anti-bribery				
GRI 3: Material topics 2021	3-3 Management of material topics	p. 86-87		
GRI 205 Anti-corruption (2016)	205-1 Operations assessed for risks related to corruption	p. 90-91		All contractual partners (joint venture partners, subcontractors/suppliers) must accept the Code of Conduct for Business Partners as standard practice. No separate control is applied due to contractual differences between projects. a.: Due to the heterogeneous nature of our project activities, data is not currently collected regarding the percentage of operations assessed for corruption.
GRI 205 Anti-corruption (2016)	205-2 Communication and training about anti-corruption policies and procedures	p. 88-90		a., d.: The members of the governance body are constantly involved in the processes surrounding the organization's anti-corruption policies and procedures and receive regular training in this regard. No further information is currently collected in this connection.
GRI 206 Anti-competitive behavior (2016)	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	p. 90		
GRI 415 Public policy (2016)	415-1 Political contributions	p. 225		
Material topic: Responsible supply chain				
GRI 3: Material topics 2021	3-3 Management of material topics	p. 132-133		
GRI 204 Procurement practices (2016)	204-1 Proportion of spending on local suppliers	p. 136, p. 137		b., c.: The primary locations in this connection are the various large-scale construction sites. HOCHTIEF refers to "regional suppliers" as the term "local" relates to a smaller area. The definition of local differs for each HOCHTIEF division. At HOCHTIEF Europe, for example, suppliers from areas with neighboring postal codes are defined as local. In less densely settled Australia, however, a larger area can be considered local.
GRI 414 Supplier social assessment (2016)	414-1 New suppliers screened using social criteria	p. 133		HOCHTIEF's reporting is not limited to new suppliers.
	Organization-specific indicator: Number of prequalified contractual partners	p. 135		
Material topic: Sustainable finance				
GRI 3: Material topics 2021	3-3 Management of material topics	p. 56-57		
GRI 201 Economic performance (2016)	201-2 Financial implications and other risks and opportunities due to climate change	p. 150-151	a.v.	The costs of actions taken to manage risk or opportunity are not reported.
Material topic: Digitalization and innovation				
GRI 3: Material topics 2021	3-3 Management of material topics	p. 97		
	Organization-specific indicator: BIM forward-thinking working method	p. 98		

Topics from applicable GRI sector standards determined as not material	
TOPIC	EXPLANATION
Not applicable to HOCHTIEF as there was no applicable GRI sector standard in reporting year 2023	-

The 10 principles of the UN Global Compact (UNGC)

HOCHTIEF reports in accordance with the principles of the UN Global Compact:

Index for the 10 Principles of the UN Global Compact (UNGC)	
UNGC Principle	Location of the information in this Group Report (section)[1]
1	Strategy; Financial review (Sustainable finance); Compliance; Employees; Procurement; Sustainability at HOCHTIEF
2	Strategy; Financial review (Sustainable finance); Compliance; Employees; Procurement; Sustainability at HOCHTIEF
3	HOCHTIEF as an employer; Human rights
4	Strategy; Financial review (Sustainable finance); Compliance; Employees; Procurement; Sustainability at HOCHTIEF
5	Commitment to fairness, sustainability, and innovation; Strategy, Compliance; Employees; Social corporate citizenship
6	Strategy; Compliance; Employees; Procurement; Sustainability at HOCHTIEF
7	Compensation report; Sustainability at HOCHTIEF
8	Commitment to fairness, sustainability, and innovation; Innovation and digital development; Social corporate citizenship
9	Sustainability at HOCHTIEF
10	Strategy; Financial review (Sustainable finance); Compliance; Innovation and digital development; Employees; Procurement; Sustainability at HOCHTIEF

[1] The HOCHTIEF Code of Conduct likewise includes HOCHTIEF's commitment to the ten principles of the UN Global Compact.

The content of the stated websites is neither part of the statutory audit of the annual financial statements and consolidated financial statements nor part of the separate limited assurance engagement by Deloitte GmbH Wirtschaftsprüfungsgesellschaft.

Limited Assurance Report of the Independent Practitioner Regarding the Non-financial Reporting

To HOCHTIEF Aktiengesellschaft, Essen

Our Engagement
We have performed a limited assurance engagement on the non-financial group report in the separate non-financial group report according to Section 315b paragraph 3 German Commercial Code (HGB) of HOCHTIEF Aktiengesellschaft, Essen/Germany, for the financial year from January 1 to December 31, 2023 (hereafter referred to as "non-financial reporting").

Our assurance engagement does not cover the contents marked as unassured in the non-financial reporting, the external documentation sources mentioned as well as the Company's homepages, which are referred to in the non-financial reporting. In addition, our assurance engagement does not cover the disclosures relating to previous periods.

Responsibilities of the Executive Directors
The executive directors of the Company are responsible for the preparation of the non-financial reporting in accordance with the requirements of Section 315c in conjunction with Sections 289c to 289e German Commercial Code (HGB) and Article 8 of Regulation (EU) 2020/852 of the European Parliament and the Council of June 18, 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (hereafter referred to as "EU Taxonomy Regulation") and the delegated acts adopted thereunder as well as with their own interpretation of the wording and terms contained in the EU Taxonomy Regulation and the delegated acts adopted thereunder, as is presented in the section "Report on the EU Taxonomy Regulation" of the non-financial reporting.

These responsibilities of the executive directors of the Company include the selection and application of appropriate methods to prepare the non-financial reporting and the use of assumptions and estimates for individual non-financial disclosures which are reasonable under the given circumstances. Furthermore, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of non-financial reporting that is free from material misstatement, whether due to fraud (i.e., fraudulent non-financial reporting) or error.

The EU Taxonomy Regulation and the delegated acts adopted thereunder contain wording and terms that are still subject to considerable interpretation uncertainties and for which clarifications have not yet been published in every case. Therefore, the executive directors have disclosed their interpretation of the EU Taxonomy Regulation and the delegated acts adopted thereunder in section "Report on the EU Taxonomy Regulation" of the non-financial reporting. They are responsible for the defensibility of this interpretation. Due to the immanent risk that indeterminate legal terms may be interpreted differently, the legal conformity of the interpretation is subject to uncertainties.

Translation/German version prevails

The accuracy and completeness of the environmental data in the non-financial reporting is subject to inherent existing limitations resulting from the manner in which the data was collected and calculated as well as from assumptions made.

Independence and Quality Assurance of the Independent Practitioner's Firm
We have complied with the German professional requirements on independence as well as other professional conduct requirements.

Our firm applies the national statutory rules and professional pronouncements – particularly of the Professional Code of Conduct for German Public Auditors and Sworn Auditors (BS WP/vBP) and of the IDW quality assurance standard promulgated by the Institut der Wirtschaftsprüfer (IDW) – and therefore maintains a comprehensive quality management system comprising documented regulations and measures in respect of compliance with professional rules of conduct, professional standards, as well as relevant statutory and other legal requirements.

Responsibilities of the Independent Practitioner
Our responsibility is to express a conclusion on the non-financial reporting based on our work performed within our limited assurance engagement.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements Other than Audits or Reviews of Historical Financial Information, issued by the IAASB. This Standard requires that we plan and perform the assurance engagement so that we can conclude with limited assurance whether matters have come to our attention to cause us to believe that the non-financial reporting of the Company, with the exception of the contents marked as unassured, the external sources of documentation and the Company's homepages mentioned in the non-financial reporting, as well as the disclosures relating to previous periods have not been prepared, in all material respects, in accordance with Section 315c in conjunction with Sections 289c to 289e HGB and the EU Taxonomy Regulation and the delegated acts adopted thereunder as well as the interpretation by the executive directors presented in section "Report on the EU Taxonomy Regulation" of the non-financial reporting.

In a limited assurance engagement, the procedures performed are less in extent than for a reasonable assurance engagement and accordingly, a substantially lower level of assurance is obtained. The selection of the assurance procedures is subject to the professional judgment of the practitioner.

In the course of our limited assurance engagement, which we performed in the months from September 2023 to February 2024, we have, among other things, performed the following assurance procedures and other work:

- Gaining an understanding of the structure of the Group's sustainability organization, and of the stakeholders' engagement
- Inquiries of the executive directors and relevant employees involved in the preparation of the non-financial reporting about the preparation process, about the internal control related to this process and about disclosures in the non-financial reporting
- Identification of likely risks of material misstatement in the non-financial reporting
- Analytical evaluation of selected disclosures in the non-financial reporting
- Squaring of selected disclosures with the corresponding data in the consolidated financial statements as well as in the combined management report
- Evaluation of the presentation of the non-financial reporting
- Evaluation of the process used to identify taxonomy-eligible and taxonomy-aligned economic activities and of the corresponding disclosures in the non-financial reporting
- Conducting onsite visits (via video conference) as part of the examination of the processes for collecting, analyzing and aggregating selected disclosures at selected locations

In determining the disclosures in accordance with Article 8 of the EU Taxonomy Regulation, the executive directors are required to interpret undefined legal terms. Due to the immanent risk that undefined legal terms may be interpreted differently, the legal conformity of their interpretation and, accordingly, our assurance engagement thereon are subject to uncertainties.

Practitioner's Conclusion
Based on the work performed and the evidence obtained, nothing has come to our attention that causes us to believe that the non-financial group report in the separate non-financial group report according to Section 315b paragraph 3 German Commercial Code (HGB) for the financial year from January 1 to December 31, 2023 has not been prepared, in all material respects, in accordance with Section 315c in conjunction with Sections 289c to 289e HGB and the EU Taxonomy Regulation and the delegated acts adopted thereunder as well as the interpretation by the executive directors presented in section "Report on the EU Taxonomy Regulation" of the non-financial reporting.

We do not issue a conclusion on the contents marked as unassured in the non-financial reporting, the external documentation sources mentioned as well as the Company's homepages, which are referred to in the non-financial reporting. Furthermore, we do not issue a conclusion on the disclosures relating to previous periods.

Restriction of Use
We issue this report as stipulated in the engagement letter agreed with the Company (including the "General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (German Public Auditors and Public Audit Firms)" as of January 1, 2017, promulgated by the Institut der Wirtschaftsprüfer (IDW)). We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. Consequently, it may not be suitable for any other purpose than the aforementioned. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it.

Our responsibility is to the Company alone. We do not accept any responsibility to third parties. Our conclusion is not modified in this respect.

Düsseldorf/Germany, February 21, 2024

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Signed:	Signed:
Sebastian Dingel	Eike Bernhard Hellmann

Compensation report

This compensation report describes the essential features of the compensation systems for the Executive Board and Supervisory Board. In addition, the compensation received for 2023 by each member of the Executive Board and Supervisory Board of HOCHTIEF Aktiengesellschaft is individually disclosed. The report complies with the requirements of Section 162 of the German Stock Corporations Act (AktG) as well as the recommendations and requirements of the German Corporate Governance Code (GCGC). The compensation report for 2022 was approved by the Annual General Meeting on April 26, 2023 (agenda item 6) with a majority of 94.45% of votes cast.

Compensation of members of the Executive Board

Review of compensation in 2023

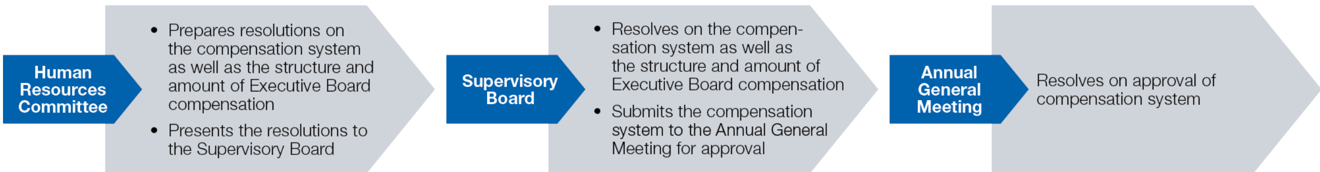
Compensation system

The current compensation system for members of the Executive Board is geared toward long-term, sustainable management. Criteria for determining the appropriateness of compensation comprise the duties of each member of the Executive Board, their personal performance, the economic situation, the performance and future prospects of the Company, as well as the customary level of compensation, taking peer companies into account. The objective of the compensation system is to support successful and sustainable management by linking the compensation of Executive Board members to both the short-term and long-term performance of the Company. It comprises personal and corporate performance parameters. Variable compensation components have a predominantly multi-year assessment basis and thus provide long-term incentives. The structure of long-term variable compensation, which also reflects share price performance, additionally ensures that the goals of management are aligned with immediate shareholder interests. The current compensation system for members of the Executive Board was adopted by resolution of the Supervisory Board following preparation by the Human Resources Committee and approved by the Annual General Meeting on April 26, 2023 (agenda item 11) with a majority of 94.18% of votes cast.

Determination and review of the compensation system

The Supervisory Board as a whole is responsible for adopting resolutions on the compensation system for members of the Executive Board and for setting individual compensation. In this, the Supervisory Board is supported by the Human Resources Committee. The latter oversees the appropriate structuring of the compensation system and prepares resolutions for the Supervisory Board.

In the event of material changes to the compensation system and, from 2021 at minimum once every four years, the compensation system is submitted to the Annual General Meeting for approval.



The compensation report was prepared jointly by the Executive Board and the Supervisory Board and is audited in terms of its form and content by the audit firm Deloitte GmbH Wirtschaftsprüfungsgesellschaft.

Relevant changes

As part of the realignment of Corporate Headquarters—following completion of the acquisition of CIMIC and the continuing global evolution of the HOCHTIEF Group in new business areas—the Supervisory Board restructured Executive Board responsibilities in line with the changed requirements.

In this connection, Mr. Ignacio Legorburo and Mr. Nikolaus von Matuschka resigned from the Executive Board effective April 16, 2023 to continue the expansion of the European operating business.

On the other hand, Ángel Muriel Bernal was appointed as a new member of the Executive Board, assuming the role of Chief Operating Officer effective April 17, 2023.

With these changes, all Executive Board contracts were modified in line with the new compensation system.

When majority shareholder ACS set up the Long-Term Incentive Plan 2023–28, ACS granted Executive Board members Peter Sassenfeld and Martina Steffen 200,000 options each under Long-Term Incentive Plan 2. The Supervisory Board approved the granting of these options subject to the resolutive condition that the next Annual General Meeting make a corresponding amendment to the compensation system.

Executive Board members Juan Santamaría Cases and Ángel Muriel Bernal are employed by both ACS and HOCHTIEF. Under their contracts with ACS, they participate in the ACS Long-Term Incentive Plan 2023–28 for their services to the ACS Group.

Principles for determining compensation

The Executive Board compensation system contributes significantly to advancing the Group strategy.
Both the compensation system and the performance criteria (targets) for its variable components incentivize the Group's long-term, sustainable development.
The compensation system contributes significantly to ensuring alignment with the interests of shareholders, clients, employees, and other stakeholders.
Executive Board member performance is suitably recognized by setting adequate and ambitious performance criteria (targets) for the variable remuneration components (pay for performance).
The design of the compensation system reflects current market practice.

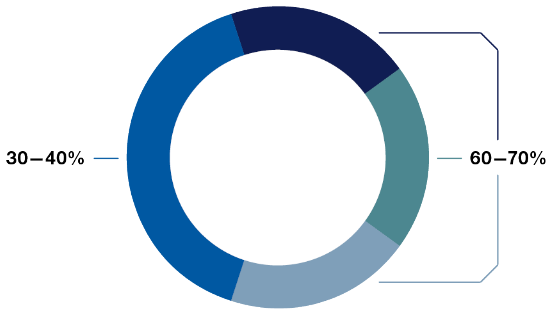
Setting of target compensation

In detail, the total target compensation comprises non-performance-related fixed compensation, fringe benefits, performance-related variable compensation comprising a Short-term Incentive Plan (STIP) and two Long-term Incentive Plans (LTIP I/II), and pension payments or pension benefits.

Fixed compensation makes up between 30% and 40% of target direct compensation, while variable compensation components equate to between 60% and 70% of target direct compensation. About two-thirds of variable compensation (LTIP I/II) are not at the immediate disposal of Executive Board members. This amount is dependent upon the development of future performance indicators and thus geared to the Company's long-term business performance.

Compensation structure

(Target direct compensation excluding fringe benefits and pension payments/pension expense)



The following table shows the contractually agreed target compensation with 100% target achievement and the compensation structure as a percentage of target total compensation for 2022 and 2023.

Target compensation	Santamaría Cases Chairman of the Executive Board Date joined: July 20, 2022				Legorburo Member of the Executive Board Date joined: May 7, 2014 Date left: April 16, 2023				von Matuschka Member of the Executive Board Date joined: May 7, 2014 Date left: April 16, 2023			
(EUR thousand)	2022 (pro rata from entry)	(%)	**2023**	(%)	2022	(%)	**2023 (pro rata until leaving)**	(%)	2022	(%)	**2023 (pro rata until leaving)**	(%)
Fixed compensation	215	31.85	499	23.42	365	27.32	111	29.60	426	27.59	129	19.34
Fringe benefits	7	1.04	1	0.05	16	1.20	5	1.33	29	1.88	9	1.35
Total	**222**	**32.89**	**500**	**23.47**	**381**	**28.52**	**116**	**30.93**	**455**	**29.47**	**138**	**20.69**
One-year variable compensation Short-term Incentive Plan	146	21.63	649	30.46	213	15.94	65	17.33	244	15.80	74	11.09
Multi-year variable compensation												
Long-term Incentive Plan I[1]	121	17.93	416	19.52	213	15.94	65	17.33	244	15.80	74	11.09
Long-term Incentive Plan II[2] (five-year duration)	121	17.93	416	19.52	213	15.94	65	17.33	244	15.80	74	11.09
Total target direct compensation	**610**	**90**	**1,981**	**93**	**1,020**	**76**	**311**	**83**	**1,187**	**77**	**360**	**54**
Pension payment/pension expense	65	10	150	7	316	24	64	17	357	23	307	46
Total target overall compensation	**675**	**100**	**2,131**	**100**	**1,336**	**100**	**375**	**100**	**1,544**	**100**	**667**	**100**

Target compensation	Muriel Bernal Member of the Executive Board Date joined: April 17, 2023				Sassenfeld Chief Financial Officer Date joined: November 1, 2011				Steffen Member of the Executive Board Date joined: September 16, 2021			
(EUR thousand)	2022	(%)	**2023 (pro rata from entry)**	(%)	2022	(%)	**2023**	(%)	2022	(%)	**2023**	(%)
Fixed compensation	–	–	191	24.39	731	27.49	760	30.50	366	32.56	381	32.56
Fringe benefits	–	–	2	0.26	23	0.86	26	1.04	9	0.80	9	0.77
Total	**–**	**–**	**193**	**24.65**	**754**	**28.35**	**786**	**31.54**	**375**	**33.36**	**390**	**33.33**
One-year variable compensation Short-term Incentive Plan	–	–	241	30.78	426	16.02	443	17.78	213	18.95	222	18.97
Multi-year variable compensation												
Long-term Incentive Plan I[1]	–	–	153	19.54	426	16.02	443	17.78	213	18.95	222	18.97
Long-term Incentive Plan II[2] (five-year duration)	–	–	153	19.54	426	16.02	443	17.78	213	18.95	222	18.97
Total target direct compensation	**–**	**–**	**740**	**95**	**2,032**	**76**	**2,115**	**85**	**1,014**	**90**	**1,056**	**90**
Pension payment/pension expense	–	–	43	5	627	24	377	15	110	10	114	10
Total target overall compensation	**–**	**–**	**783**	**100**	**2,659**	**100**	**2,492**	**100**	**1,124**	**100**	**1,170**	**100**

[1] Transfer of shares with three-year or two-year lock-up period
[2] Granted as Long-term Incentive Plan (for details of the plans, please see pages 292 to 293); amount at grant date

Third-party remuneration

When majority shareholder ACS set up the Long-Term Incentive Plan 2023–28, ACS granted Executive Board members Peter Sassenfeld and Martina Steffen 200,000 options each under Long-Term Incentive Plan 2. The Supervisory Board approved the granting of these options subject to the resolutive condition that the next Annual General Meeting make a corresponding amendment to the compensation system. ACS does not pass on the cost of the ACS stock options to HOCHTIEF.

Compliance with maximum compensation

In order to ensure that the compensation system has a balanced risk-reward profile and corresponding incentive effect, the variable compensation components are structured in such a way that they can fall in amount to zero or rise to a maximum of 200%. Additionally, caps are agreed when granting LTIPs.

Since 2020, a total compensation cap has been set for new Executive Board members and for reappointments of Executive Board members. Under the new compensation system, the maximum annual compensation is EUR 9 million for the Chairman of the Executive Board and EUR 6 million for ordinary members of the Executive Board. HOCHTIEF defines the maximum compensation as the total compensation paid for the year in question (including fringe benefits, current service cost for post-employment benefits or the cost of the pension payment for the year concerned, and the amount paid out under the Long-term Incentive Plan for that year).

In the course of the reappointments and new appointments made, corresponding maximum compensation was agreed with all Executive Board members in office at year-end. The maximum compensation for 2023 will first be able to be reviewed in 2027 to 2029 following exercise of the 2024 Long-term Incentive Plan, which is granted for 2023.

Appropriateness of compensation

The Supervisory Board regularly reviews the system and the appropriateness of individual compensation components as well as of compensation as a whole. In this connection, it considers the amount and structure of executive board compensation at peer companies (horizontal benchmark) and the ratio of Executive Board compensation to employee compensation, including over time (vertical benchmark).

The review for appropriateness and market conformity of Executive Board compensation has to date been based on comparison with compensation at the companies listed in the MDAX index. Given HOCHTIEF's index inclusion and the key indicators sales, number of employees, and market capitalization, the MDAX comparison is a valid benchmark.

For the vertical benchmark, the Supervisory Board looks at compensation both at the level of managerial employees and at the level of the workforce in Germany over time.

Application of the compensation system in 2023

Compensation components		Structure	Objectives and strategic aim
Fixed compensation		Fixed contractual compensation paid in 12 monthly installments.	• Reflects Executive Board role, experience, area of responsibility, and market conditions. • Ensures adequate income to prevent entering into inappropriate risks.
Fringe benefits		Costs of preventive medical examinations, insurance, amounts to be recognized for tax purposes for private use of company cars, expatriation expenses, tax consulting costs.	• Reimbursement of costs and compensation for economic disadvantages that arise in relation to Executive Board service.
Variable compensation	Short-term Incentive Plan (STIP)	**One-year variable compensation**, dependent on financial and non-financial performance criteria (targets).	• Achievement of business goals for the respective year. • Incentivizes profitable growth and stable cash flow. • Takes into account operational success at Group level. • Firmly enshrines the sustainability strategy in Executive Board compensation.
Variable compensation	Long-term Incentive Plan I (LTIP I)/Share ownership	**Multi-year variable compensation**, dependent on financial and non-financial performance criteria (targets). Paid out by transfer of shares.	• Provides incentive to sustainably increase corporate value over the long term. • Focus on capital market performance. • Takes the interests of our stakeholders into account.
Variable compensation	Long-term Incentive Plan II (LTIP II)	**Multi-year variable compensation**, dependent on financial and non-financial performance criteria (targets). Paid out by the granting of an annual Long-term Incentive Plan.	• Provides incentive to sustainably increase corporate value over the long term. • Focus on capital market performance and stable cash flow. • Takes the interests of our stakeholders into account.
Pension payment/ pension benefits		• Newly appointed Executive Board members (from 2021) receive a lump-sum pension payment that is paid out directly. • The other Executive Board members receive an individual pension award setting the minimum pension age at 65.	• Provides adequate retirement benefits.
Maximum total compensation		• Variable compensation may decrease to zero or increase to 200%. • Maximum amounts (caps) for the Long-term Incentive Plans. • For Executive Board members subject to the new compensation system, the maximum annual compensation is EUR 9 million for the Chairman of the Executive Board and EUR 6 million for ordinary members of the Executive Board.	• Avoids inappropriately high payouts.
Malus/clawback arrangement		• Clawback right under Section 87 (2) of the German Stock Corporations Act (AktG). • For Executive Board members subject to the new compensation system, it is possible to reduce or claw back variable compensation components in the event of serious breaches of statutory obligations or in-house codes of conduct.	• Ensures appropriateness of variable compensation. • Ensures sustainable corporate development.
Continuation of payment in the event of illness		• In the event of incapacity, entitlement to the fixed annual salary and the pro rata variable compensation is retained for a period of 12 months.	• Provides adequate sickness benefits.
Arrangements in the event of termination of contract		• In the event of early termination, severance awards will not exceed the value of two years' annual compensation (severance cap). • There is no special right of termination or entitlement to any severance award in the event of a change of control. • If their contract is not extended, Executive Board members who were appointed before 2021 receive a severance award equaling one year's fixed compensation. • In the event of termination of contract, multi-year variable compensation components are paid out in accordance with the originally agreed targets and the contractually specified due dates or holding periods. • The contracts do not include a post-contractual non-compete clause. In exercise of its professional judgment, the Supervisory Board is authorized to agree a post-contractual non-compete clause (with compensation) in suitable cases.	• Cap on benefits in the event of early termination of Executive Board service in accordance with the German Corporate Governance Code. • Avoidance of inappropriately high payments.
Sideline activities		• Interests in companies and paid or unpaid sideline activities—including office in supervisory bodies or advisory boards—that affect the interests of HOCHTIEF, its subsidiaries or associates, or Executive Board service may only be assumed with the approval of the Supervisory Board. There is normally no entitlement to further compensation for holding office on the boards of other companies in which the Company has a direct or indirect interest. Only in exceptional cases may the Supervisory Board resolve not to deduct any such compensation. • Under new Executive Board contracts and upon reappointment of Executive Board members from 2020 onward, it is stipulated that, upon assumption of supervisory board positions outside the Group, the Supervisory Board will decide whether and to what extent the compensation is also to be deducted in such cases.	• Focus on Executive Board service. • Avoidance of inappropriately high payments.

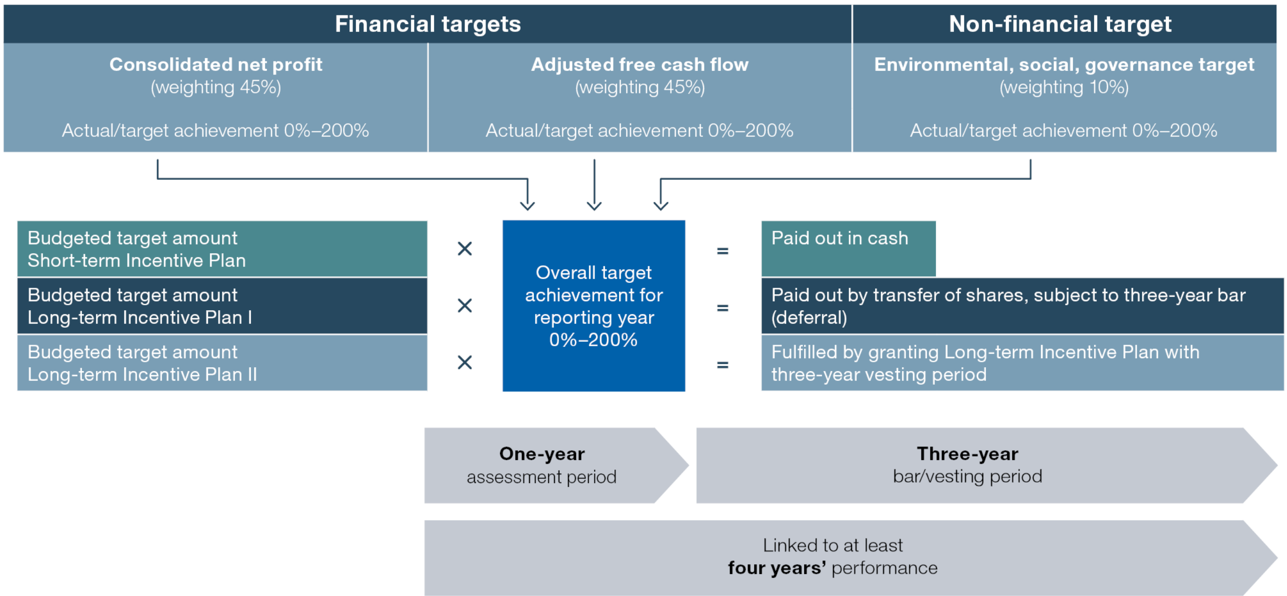
Fixed compensation

Fixed compensation for members of the Executive Board was paid pro rata as a monthly salary.

Fringe benefits

In addition to the fixed compensation, the members of the Executive Board also received fringe benefits. These primarily comprised amounts to be recognized for tax purposes for private use of company cars and other non-cash benefits.

Variable compensation



Variable compensation is intended to provide the right incentives for the Executive Board to act in keeping with the corporate strategy and in the interests of shareholders, clients, employees, and other stakeholders. In order to ensure that the corporate strategy is implemented in line with the long-term and sustainable development of the Company, financial and non-financial annual targets are derived whose attainment is incentivized with variable compensation. The variable compensation is intended as remuneration for performance. If targets are not met, variable compensation can drop to zero.

Performance criteria	Weighting	Incentive effect and strategic goal
Consolidated net profit	45%	Generating net income enables the Group to reinvest in the business, seize growth opportunities, and distribute profits to shareholders.
Adjusted free cash flow	45%	Targeting cash-backed profit ensures earnings quality and requires management to focus on free cash flow.
ESG target 2023 1. Completion of the standard for greenhouse gas accounting and reporting in the HOCHTIEF Group 2. Development of a decarbonization roadmap (net zero pathway) for the HOCHTIEF Group	10%	Both ESG targets are important for implementation of the adopted Sustainability Plan 2025.

As a rule, 90% of variable compensation for members of the Executive Board is tied to financial targets and 10% to a non-financial environmental, social, and governance (ESG) target. In accordance with the corporate strategy, financial targets are based 50% on consolidated net profit and 50% on adjusted free cash flow. Generating net income enables the Group to reinvest in the business, seize growth opportunities, and distribute profits to shareholders. Targeting cash-backed profit ensures earnings quality and requires management to focus on free cash flow. Focusing on consolidated net profit and free cash flow is therefore an integral and essential part of the Group strategy.

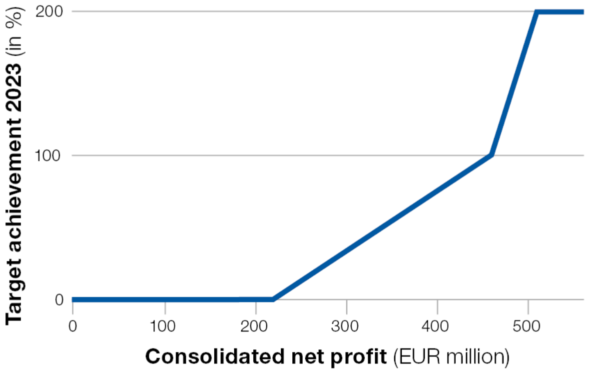
In addition, an ESG target is included as a non-financial target. The Supervisory Board will use its professional judgment in defining this target and also retains the authority to set two or three ESG targets as well as, in the same connection, raising ESG targets to 20% of the total.

Both for the individual financial targets and for the ESG target, the potential target achievement rate ranges from 0% to 200%. If actual target achievement is at or below the lower end of that range, the target achievement rate is always 0%. Should the target achievement rate be 0% for all targets, the overall target achievement rate is also 0% and there is no STIP and LTIP I payout and no Long-term Incentive Plan award to fulfill the LTIP II compensation component. If actual target achievement is at or above the upper end of the range, the 200% maximum target achievement rate applies.

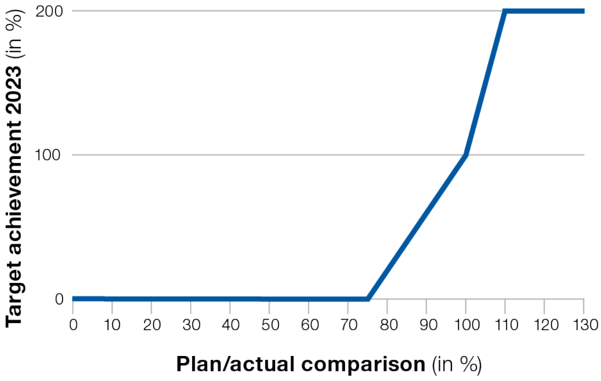
In the exercise of its professional judgment and having regard to budgeting, the Supervisory Board will set targets for the key performance indicators of consolidated net profit and (adjusted) free cash flow as well as for the ESG target prior to or at the beginning of each financial year. These are set uniformly for all members of the Executive Board. The targets and benchmark parameters are not subsequently altered.

At the end of each year, on the basis of Group performance in the year concerned, the Supervisory Board determines overall target achievement for variable compensation on approval of the annual financial statements. For the purposes of target/actual comparison—if there have been any material acquisitions, divestments, or other non-recurring events—the target achievement rates for the financial targets are adjusted to factor out the effect of the transactions concerned. In accordance with the first sentence of Recommendation G.11 of the German Corporate Governance Code, the Supervisory Board is required to have the option of allowing for exceptional developments to an appropriate extent when determining target achievement.

Consolidated net profit

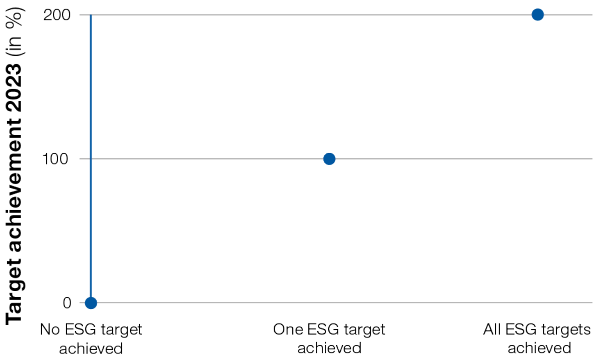


Adjusted free cash flow



For 2023, 90% of overall target achievement in respect of variable compensation for members of the Executive Board was tied to financial targets and 10% to non-financial sustainability targets. Consolidated net profit amounted to EUR 523 million in 2023. This represents a target achievement rate of 200% for this financial target. Since the plan/actual comparison of adjusted free cash flow amounted to 200%, the target achievement rate for this financial target was 200% in 2023. In addition, the following non-financial ESG targets were adopted for 2023. Firstly, completion of the standard for greenhouse gas accounting and reporting in the HOCHTIEF Group and, secondly, the development of a decarbonization roadmap (net zero pathway) for the HOCHTIEF Group. Both ESG targets are important for implementation of the adopted Sustainability Plan 2025. As both ESG targets were implemented in the reporting year, achievement of the non-financial targets was 200%. Taking into account the relevant weighting, the overall target achievement for the variable compensation for 2023 is 200%.

ESG target



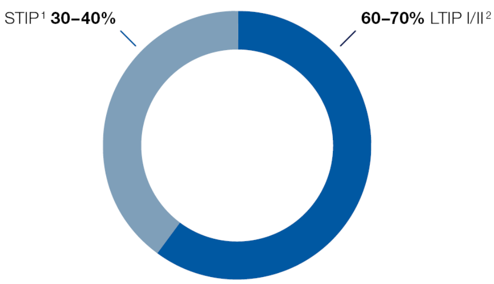
Total target achievement in 2023 for variable compensation (STIP/LTIP I / LTIP II)

	Target achievement	Weighting	Result
Consolidated net profit	200%	45%	90%
Adjusted free cash flow	200%	45%	90%
ESG targets	200%	10%	20%
Total target achievement			**200%**

	Target compensation at 100% (budgeted amount) (EUR thousand)			Amount granted and owed for 2023 based on overall target achievement (EUR thousand)		
	Short-term Incentive Plan	Long-term-Incentive-Plan I	Long-term-Incentive-Plan II	Short-term Incentive Plan	Long-term-Incentive-Plan I	Long-term-Incentive-Plan II
Santamaría Cases	649	416	416	1,298	832	832
Legorburo (pro rata until leaving)	65	65	65	129	129	129
von Matuschka (pro rata until leaving)	74	74	74	148	148	148
Muriel Bernal (pro rata from entry)	241	153	153	482	306	306
Sassenfeld	443	443	443	887	887	887
Steffen	222	222	222	444	444	444

Depending on the composition of each Executive Board member's compensation, about one-third of the variable compensation is paid out in cash (STIP). About another one-third of post-tax variable compensation is paid by transferring shares in HOCHTIEF Aktiengesellschaft to an Executive Board member's custody account. Executive Board members can freely dispose of these dividend-bearing shares only after a three-year vesting period (LTIP I – Deferral). This ensures share ownership in HOCHTIEF by members of the Executive Board.

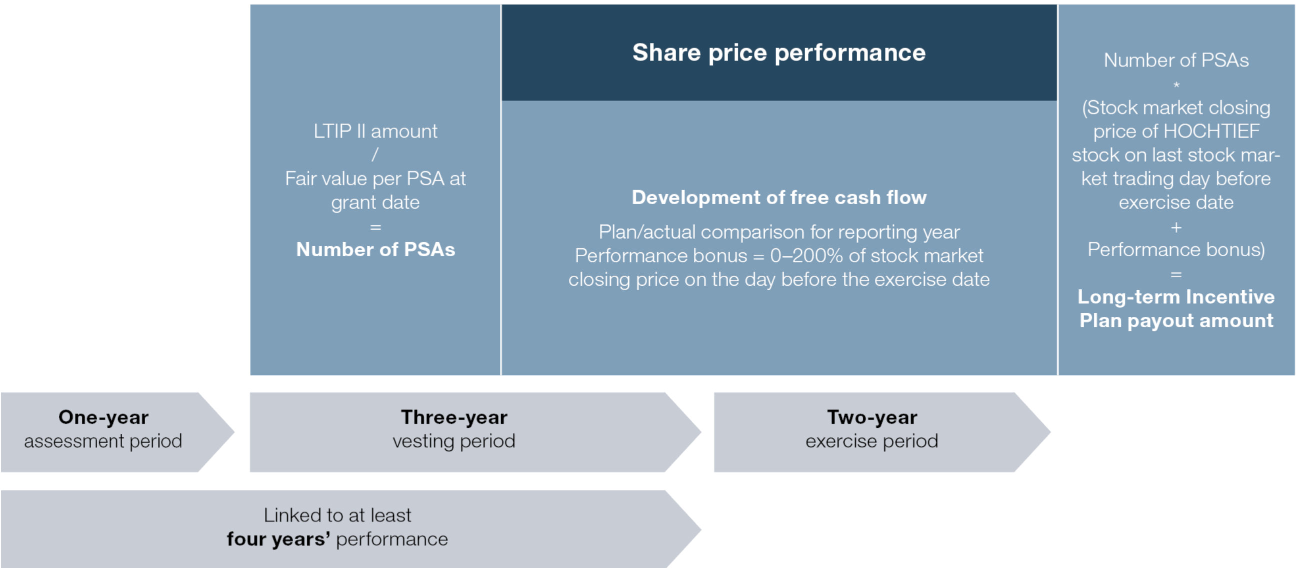
Variable compensation



[1] one-year variable compensation [2] multi-year variable compensation

The remaining approximately one-third of the variable compensation (LTIP II) is matched by granting a Long-term Incentive Plan, which is relaunched annually and has a three-year vesting period. This ensures that the amounts awarded for long-term incentive components I (deferral) and II are dependent on achievement of the targets for the respective year and thus are linked to a minimum of four years' performance.

Under the Long-term Incentive Plan, Executive Board members are granted performance stock awards (PSAs). For this purpose, the amount for the LTIP II compensation component is converted into a quantity of performance stock awards based on the fair value per PSA. Under the plan conditions, for each PSA exercised within a two-year exercise period following a three-year waiting period, Executive Board members receive a payment entitlement equal to the closing price of HOCHTIEF stock on the last stock market trading day before the exercise date, plus a performance bonus. The size of the performance bonus depends on target achievement on adjusted free cash flow in the last complete year before the exercise date. The performance bonus can be between 0% and 200% of the stock market closing price of HOCHTIEF stock on the last stock market trading day before the exercise date. Both the stock price and the performance bonus are capped so that the amount of compensation stays appropriate even in the event of exceptional, unforeseeable developments.



Long-term Incentive Plans exercised in 2023

	LTIP 2019					
	Number of PSAs	Exercise period	Maximum gain per PSA (EUR)	Closing price on exercise (EUR)	Performance bonus based on adjusted free cash flow in 2022	Amount paid out (EUR thousand)
Legorburo	1,905	from the day after the approval of the Consolidated Financial Statements 2021 until the day of approval of the Consolidated Financial Statements 2023	477.12	80.55	200.00%	460
von Matuschka	2,177			102.80	200.00%	671
Sassenfeld	3,809			90.00	200.00%	1,028
Total	**7,891**					**2,159**

Long-term Incentive Plans granted and not yet exercised[1]

	LTIP 2021			LTIP 2022			LTIP 2023			Expense (EUR thousand)	
	Number of PSAs	Exercise period	Maximum gain per PSA (in EUR)	Number of PSAs	Exercise period	Maximum gain per PSA (in EUR)	Number of PSAs	Exercise period	Maximum gain per PSA (in EUR)	2022	2023
Santamaría Cases	–	from the day after the approval of the Consolidated Financial Statements 2023 until the day of approval of the Consolidated Financial Statements 2025	292.95	–	from the day after the approval of the Consolidated Financial Statements 2024 until the day of approval of the Consolidated Financial Statements 2026	261.03	2,253	from the day after the approval of the Consolidated Financial Statements 2025 until the day of approval of the Consolidated Financial Statements 2027	262.08	–	84
Legorburo	1,534			403			3,966			-92	474
von Matuschka	1,754			461			4,532			-101	687
Sassenfeld	3,069			807			7,932			-178	1,056
Steffen	–			118			3,971			3	155
Total	**6,357**			**1,789**			**22,654**			**-368**	**2,456**

[1] For 2019, no LTIP 2020 was granted in 2020.

Share ownership

As a result of the LTIP I component being granted in shares, the Executive Board members hold barred HOCHTIEF shares as follows:

	Number of barred shares as of December 31, 2023 from the granting of LTIP Component I in the last two/three years	**Value based on closing price of HOCHTIEF share[1] as of December 29, 2023 (EUR thousand)**	**Value as percentage of fixed compensation (extrapolated to an annual fixed compensation)**
Santamaría Cases	1,657	166	33%
Legorburo	3,348	336	88%
von Matuschka	3,535	355	80%
Sassenfeld	9,100	913	120%
Steffen	2,812	282	74%

[1] The closing price of the HOCHTIEF share as of December 29, 2023 was EUR 100.30.

Pension payment/pension benefits

A company pension is no longer provided for new appointees from 2021 onward. Newly appointed Executive Board members receive a lump-sum pension payment to establish private pension provision that is paid out directly. The pension payment is set for members of the Executive Board by the Supervisory Board when establishing the structure of compensation and amounts to between 20% and 40% of the applicable fixed compensation. This eliminates all interest-rate risks and other biometric risks to the Company with regard to financing pension benefits. It also cuts out the complexity resulting from actuarial calculations and administration. Financing retirement provision is thus placed in the hands of Executive Board members.

The table below shows the pension payments incurred for 2023 for members of the Executive Board in office during the reporting year:

(EUR thousand)		Pension payment
Santamaría Cases (pro rata from entry)	2023	150
	2022	65
Muriel Bernal (pro rata from entry)	2023	43
	2022	–
Steffen	2023	114
	2022	110
Total	**2023**	**307**
	2022	**175**

All members of the Executive Board who were appointed before 2021 have company pension plans in the form of individual contractual pension arrangements that provide for a minimum pension age of 65. The amount of the pension is determined as a percentage of fixed compensation, the percentage rising with the number of years in office. The maximum amount an Executive Board member can receive is 65% of their final fixed compensation. Surviving dependents receive 60% of the pension. For material modifications to existing contracts, the Human Resources Committee reviews pension provision for the members of the Executive Board as well as the resulting annual and long-term pension expense to the Company. With the aid of an actuarial report, the annual pension expense (service cost) needed to meet the vested pension benefits, including surviving dependents' benefits, is calculated for life from retirement age. Retirement and surviving dependents' benefits are reviewed every three years in accordance with Section 16 of the German Occupational Pensions Act (BetrAVG) and adjusted for the increase in the German consumer price index over the comparison period.

The table below shows the pension expense incurred for 2023 and the amount of the pension obligations for members of the Executive Board in office in the reporting year in accordance with IFRS:

(EUR thousand)		Service cost	Interest expense	Total	Present value of pension benefits
Legorburo (pro rata until leaving)	2023	64	71	135	1,792
	2022	316	33	349	1,706
von Matuschka	2023	307	85	392	2,267
	2022	357	38	395	2,033
Sassenfeld	2023	377	188	565	5,335
	2022	627	91	718	4,512
Executive Board total	**2023**	**748**	**344**	**1,092**	**9,394**
	2022	**1,300**	**162**	**1,462**	**8,251**

Malus/clawback arrangement

Pursuant to Section 87 (2) of the German Stock Corporations Act (AktG), variable compensation is subject to a clawback right in the event of deterioration in the Company's situation.

In addition, from 2020, all new Executive Board contracts and those entered into with existing members of the Executive Board on reappointment featured malus/clawback arrangements that make it possible to reduce or claw back variable compensation components in the event of serious breaches of statutory obligations or in-house codes of conduct. The limited-term clawback right continues to apply after termination of Executive Board service. Its exercise is subject to the professional judgment of the Supervisory Board.

In the reporting year, the Supervisory Board did not reduce or claw back any variable compensation components.

Continuation of payment in the event of illness

In the event of medically certified incapacity, Executive Board members retain the right to their fixed annual salary and pro rata entitlements to variable compensation for the duration of 12 months, but not beyond the termination of their contract. The same applies if an Executive Board member is prevented from performing his or her duties on account of other reasons for which they are not responsible.

There was no such case of illness in the reporting year.

Arrangements in the event of termination of contract
In case of early termination of Executive Board mandates, severance payments will not exceed the value of two years' annual compensation (severance cap) and compensation will not be payable for more than the remaining term of the contract. There is no special right of termination or entitlement to any severance award in the event of a change of control.

If their contract is not extended (i.e., upon regular termination), Executive Board members who were appointed before 2021 receive a severance award equaling one year's fixed compensation. For the severance award to be payable, an Executive Board member must, on termination of contract, be in at least the second term of office as a member of the Executive Board and under the age of 65.

In the event of termination of contract, multi-year variable compensation components are paid out in accordance with the originally agreed targets and the contractually specified due dates or holding periods.

The contracts do not include a post-contractual non-compete clause. In exercise of its professional judgment, the Supervisory Board is authorized to agree a post-contractual non-compete clause (with compensation) in suitable cases.

No agreement on termination of contract was entered into in 2023. Mr. Ignacio Legorburo and Mr. Nikolaus von Matuschka solely resigned from the Executive Board effective April 16, 2023 to continue the expansion of the European operating business.

Loans and advances
No loans or advances have been granted to any member of the Executive Board.

Exercise of sideline activities by Executive Board members
Interests in companies and paid or unpaid sideline activities—including office in supervisory bodies or advisory boards—that affect the interests of HOCHTIEF, its subsidiaries or associates or Executive Board service may only be assumed with the approval of the Supervisory Board. Compensation for holding office on the boards of other companies in which HOCHTIEF has a direct or indirect interest was either not paid out to the Executive Board members or was set off against their Executive Board compensation. Only in exceptional cases may the Supervisory Board resolve not to deduct any such compensation. All corresponding sideline activities were deducted in the reporting year.

Furthermore, under new Executive Board contracts and upon reappointment of Executive Board members from 2020 onward, it was stipulated that, upon assumption of supervisory board positions outside the Group, the Supervisory Board will decide whether and to what extent the compensation is to be deducted also in such cases.

The relevant Executive Board members did not assume any supervisory board positions outside the Group in the reporting year.

Disclosures on the amount of Executive Board compensation in 2023 and 2022
Disclosure of compensation granted and owed to active Executive Board members
The following table shows the compensation granted and owed to active Executive Board members for the years 2022 and 2023. The compensation granted and owed shows the compensation contractually due to the Executive Board member for the service performed in full in the relevant year.

Compensation granted and owed	Santamaría Cases Chairman of the Executive Board Date joined: July 20, 2022				Legorburo Member of the Executive Board Date joined: May 7, 2014 Date left: April 16, 2023				von Matuschka Member of the Executive Board Date joined: May 7, 2014 Date left: April 16, 2023			
	2022 (pro rata from entry)		**2023**		2022		**2023 (pro rata until leaving)**		2022		**2023 (pro rata until leaving)**	
(EUR thousand)	(EUR thousand)	(in %)	(EUR thousand)	(in %)	(EUR thousand)	(in %)	(EUR thousand)	(in %)	(EUR thousand)	(in %)	(EUR thousand)	(in %)
Fixed compensation	215	20.24	499	13.82	365	22.00	111	22.07	426	22.23	129	22.16
Fringe benefits	7	0.66	1	0.03	16	0.96	5	0.99	29	1.51	9	1.55
Total	**222**	**20.90**	**500**	**13.85**	**381**	**22.96**	**116**	**23.06**	**455**	**23.74**	**138**	**23.71**
One-year variable compensation												
Short-term Incentive Plan for 2022	291	27.40	–	–	426	25.68	–	–	487	25.42	–	–
Short-term Incentive Plan for 2023	–	–	1,298	35.94	–	–	129	25.65	–	–	148	25.43
Multi-year variable compensation												
Long-term Incentive Plan I for 2022[1]	242	22.79	–	–	426	25.68	–	–	487	25.42	–	–
Long-term Incentive Plan I for 2023[1]	–	–	832	23.03	–	–	129	25.65	–	–	148	25.43
Long-term Incentive Plan II for 2022[2 3] (LTIP 2023 – five-year duration)	242	22.79	–	–	426	25.68	–	–	487	25.42	–	–
Long-term Incentive Plan II for 2023[2 3] (LTIP 2024 – five-year duration)	–	–	832	23.03	–	–	129	25.65	–	–	148	25.43
Total	**997**	**94**	**3,462**	**96**	**1,659**	**100**	**503**	**100**	**1,916**	**100**	**582**	**100**
Pension payment	65	6	150	4	–	–	–	–	–	–	–	–
Total overall compensation (in accordance with Section 162 AktG)	**1,062**	**100**	**3,612**	**100**	**1,659**	**100**	**503**	**100**	**1,916**	**100**	**582**	**100**

Compensation granted and owed	Muriel Bernal Member of the Executive Board Date joined: April 17, 2023				Sassenfeld Chief Financial Officer Date joined: November 1, 2011				Steffen Member of the Executive Board Date joined: September 16, 2021			
	2022		**2023 (pro rata from entry)**		2022		**2023**		2022		**2023**	
(EUR thousand)	(EUR thousand)	(in %)	(EUR thousand)	(in %)	(EUR thousand)	(in %)	(EUR thousand)	(in %)	(EUR thousand)	(in %)	(EUR thousand)	(in %)
Fixed compensation	–	–	191	14.36	731	22.06	760	22.05	366	20.72	381	20.75
Fringe benefits	–	–	2	0.15	23	0.69	26	0.75	9	0.51	9	0.49
Total	**–**	**–**	**193**	**14.51**	**754**	**22.75**	**786**	**22.80**	**375**	**21.23**	**390**	**21.24**
One-year variable compensation												
Short-term Incentive Plan for 2022	–	–	–	–	853	25.75	–	–	427	24.18	–	–
Short-term Incentive Plan for 2023	–	–	482	36.24	–	–	887	25.73	–	–	444	24.18
Multi-year variable compensation												
Long-term Incentive Plan I for 2022[1]	–	–	–	–	853	25.75	–	–	427	24.18	–	–
Long-term Incentive Plan I for 2023[1]	–	–	306	23.01	–	–	887	25.73	–	–	444	24.18
Long-term Incentive Plan II for 2022[2 3] (LTIP 2023 – five-year duration)	–	–	–	–	853	25.75	–	–	427	24.18	–	–
Long-term Incentive Plan II for 2023[2 3] (LTIP 2024 – five-year duration)	–	–	306	23.01	–	–	887	25.73	–	–	444	24.18
Total	**–**	**–**	**1,287**	**97**	**3,313**	**100**	**3,447**	**100**	**1,656**	**94**	**1,722**	**94**
Pension payment	–	–	43	3	–	–	–	–	110	6	114	6
Total overall compensation (in accordance with Section 162 AktG)	**–**	**–**	**1,330**	**100**	**3,313**	**100**	**3,447**	**100**	**1,766**	**100**	**1,836**	**100**

[1] Transfer of shares with three-year or two-year lock-up period
[2] Granted as Long-term Incentive Plan (for details of the plans, please see pages 292 to 293); amount at grant date
[3] On reaching the age of 65, retirement, incapacity to work, or termination of employment by mutual agreement, the performance stock awards may still be exercised.

Disclosure of compensation of former Executive Board members

Mr. Fernández Verdes has received a pension of EUR 743 thousand. In addition, Mr. Fernández Verdes exercised his LTIP 2019 in the amount of EUR 1,991 thousand in 2023, in accordance with the plan conditions.

Pension payments to other former members of the Executive Board amounted to EUR 3,799 thousand in 2023 (2022: EUR 3,702 thousand).

Compensation of members of the Supervisory Board

Structure of Supervisory Board compensation

By resolution of the Annual General Meeting of May 6, 2015, Supervisory Board members receive only fixed remuneration. The compensation system for Supervisory Board members, including the compensation arrangement under Section 18 of the Articles of Association, was confirmed by resolution of the Annual General Meeting of May 6, 2021.

In accordance with Section 18 (1) of the Articles of Association, each member of the Supervisory Board receives a fixed compensation of EUR 65,000 per calendar year plus a fee of EUR 2,000 per meeting of the Supervisory Board or the Audit Committee attended and a fee of EUR 1,500 per meeting of any other committee of the Supervisory Board attended. In addition, members of the Supervisory Board receive reimbursement of their expenses including any value added tax which may be payable on their compensation.

In accordance with Section 18 (2) of the Articles of Association, the Chairman of the Supervisory Board receives three times the amount of the above fixed fee, their deputy and the chairman of any committee of the Supervisory Board are paid twice the amount, and the other members of such committees are paid one and a half times the amount. Any member of the Supervisory Board who holds more than one of these positions at any time receives the appropriate payment for the position to which the highest payment is attached. Persons who are members of the Supervisory Board for only part of any financial year receive a pro rata share of the compensation for the financial year concerned calculated on the basis of the duration of their membership.

The fixed compensation and the attendance fees are due at the end of the respective year. The Supervisory Board compensation and the attendance fees for 2023 were paid in January 2024.

Disclosures on the amount of Supervisory Board compensation in 2023 and 2022

The expense for fixed compensation, meeting attendance fees, and compensation for offices held at Group companies came to EUR 2,322 thousand (2022: EUR 2,271 thousand, excluding value added tax) in 2023.

The following table shows the amount of total compensation payable to the individual Supervisory Board members compared with the prior year. In addition, individual members of the Supervisory Board of HOCHTIEF Aktiengesellschaft who hold offices at Group companies received compensation for their services, which is also shown in the table.

	2022		2023		2022		2023	
(EUR)	Fixed compensation (excluding value added tax)	in %	Fixed compensation (excluding value added tax)	in %	Attendance fees (excluding value added tax)	in %	Attendance fees (excluding value added tax)	in %
Pedro López Jiménez	195,000	53.78	195,000	55.19	18,000	4.96	19,500	5.52
Nicole Simons	97,500	82.98	102,375	82.31	20,000	17.02	22,000	17.69
Cristina Aldamíz-Echevarría González de Durana (from October 13, 2023)	–	–	18,958	90.46	–	–	2,000	9.54
Fritz Bank	97,500	85.90	97,500	84.42	16,000	14.10	18,000	15.58
Beate Bell	97,500	85.53	97,500	85.53	16,500	14.47	16,500	14.47
Christoph Breimann	80,347	83.39	97,500	81.59	16,000	16.61	22,000	18.41
Carsten Burckhardt (until February 28, 2023)	97,500	88.24	15,979	82.03	13,000	11.76	3,500	17.97
José Luis del Valle Pérez	97,500	35.71	97,500	36.68	26,000	9.52	29,500	11.10
Ángel García Altozano	110,410	84.66	97,500	81.59	20,000	15.34	22,000	18.41
Dr. rer. pol. h. c. Francisco Javier García Sanz	95,694	87.24	130,000	85.53	14,000	12.76	22,000	14.47
Patricia Geibel-Conrad (until October 19, 2022)	78,271	83.03	–	–	16,000	16.97	–	–
Antonia Kühn (from March 01, 2023)	–	–	76,285	83.11	–	–	9,500	10.35
Matthias Maurer	130,000	86.67	125,125	85.05	20,000	13.33	22,000	14.95
Luis Nogueira Miguelsanz (until October 12, 2023)	97,500	82.98	76,375	80.93	20,000	17.02	18,000	19.07
Natalie Moser	97,500	85.53	97,500	85.53	16,500	14.47	16,500	14.47
Nikolaos Paraskevopoulos	97,500	89.04	97,500	89.04	12,000	10.96	12,000	10.96
Prof. Dr. Mirja Steinkamp (from October 19, 2022)	18,236	90.12	97,500	81.59	2,000	9.88	22,000	18.41
Klaus Stümper	97,500	79.92	97,500	78.63	24,500	20.08	26,500	21.37
Christine Wolff	97,500	84.42	97,500	83.33	18,000	15.58	19,500	16.67
Supervisory Board total	**1,682,958**	**74.12**	**1,715,097**	**73.87**	**288,500**	**12.71**	**323,000**	**13.91**

	2022		2023		2022	2023
(EUR)	Compensation for offices held at subsidiaries of HOCHTIEF Aktiengesellschaft	in %	Compensation for offices held at subsidiaries of HOCHTIEF Aktiengesellschaft	in %	Total compensation (excluding value added tax)	Total compensation (excluding value added tax)
Pedro López Jiménez	149,558	41.25	138,832	39.29	362,558	353,332
Nicole Simons	–	–	–	–	117,500	124,375
Cristina Aldamíz-Echevarría González de Durana (from October 13, 2023)	–	–	–	–	–	20,958
Fritz Bank	–	–	–	–	113,500	115,500
Beate Bell	–	–	–	–	114,000	114,000
Christoph Breimann	–	–	–	–	96,347	119,500
Carsten Burckhardt (until February 28, 2023)	–	–	–	–	110,500	19,479
José Luis del Valle Pérez	149,558	54.77	138,832	52.23	273,058	265,832
Ángel García Altozano	–	–	–	–	130,410	119,500
Dr. rer. pol. h. c. Francisco Javier García Sanz	–	–	–	–	109,694	152,000
Patricia Geibel-Conrad (until October 19, 2022)	–	–	–	–	94,271	–
Antonia Kühn (from March 1, 2023)	–	–	6,000	6.54	–	91,785
Matthias Maurer	–	–	–	–	150,000	147,125
Luis Nogueira Miguelsanz (until Ocotber 12, 2023)	–	–	–	–	117,500	94,375
Natalie Moser	–	–	–	–	114,000	114,000
Nikolaos Paraskevopoulos	–	–	–	–	109,500	109,500
Prof. Dr. Mirja Steinkamp (from October 19, 2022)	–	–	–	–	20,236	119,500
Klaus Stümper	–	–	–	–	122,000	124,000
Christine Wolff	–	–	–	–	115,500	117,000
Supervisory Board total	**299,116**	**13.17**	**283,664**	**12.22**	**2,270,574**	**2,321,761**

Comparative presentation of compensation and income developments

The following overview shows the relative development of the compensation granted and owed to Executive Board and Supervisory Board members in the respective year compared with the average compensation of employees (full-time equivalents)[1] in Germany and key earnings indicators.

(Compensation information in EUR thousand and change in %)	2020	Change	2021	Change	2022	Change	2023
Key earnings indicators							
Operational consolidated net profit under IFRS (EUR million)	477	- 5%	454	+ 15%	522	+ 6%	553
Nominal consolidated net profit under IFRS (EUR million)	427	- 51%	208	+ 132%	482	+ 9%	523
Net profit of HOCHTIEF Aktiengesellschaft under German GAAP (HGB) (EUR million)	524	- 70%	157	+ 85%	291	- 8%	268
Employee compensation[1]							
HOCHTIEF Aktiengesellschaft employees in Germany	73	+ 3%	75	+ 5%	79	+ 3%	81
Executive Board compensation							
Incumbent Executive Board members							
Juan Santamaría Cases (Executive Board member from July 20, 2022)	–	–	–	–	1,062	+ 240%	3,612
Ignacio Legorburo (Executive Board member until April 16, 2023)	895	- 44%	505	+ 229%	1,659	- 70%	503
Nikolaus von Matuschka (Executive Board member until April 16, 2023)	1,041	- 43%	595	+ 222%	1,916	- 70%	582
Ángel Muriel Bernal (Executive Board member from April 17, 2023)	–	–	–	–	–	–	1,330
Peter Sassenfeld	1,775	- 44%	1,002	+ 231%	3,313	+ 4%	3,447
Martina Steffen (Executive Board member from Sept. 16, 2021)	–	–	177	+ 898%	1,766	+ 4%	1,836
Former Executive Board members							
Marcelino Fernández Verdes (Executive Board member until July 19, 2022)	–	–	–	–	2,091	- 64%	743
Other former Executive Board members	4,134[2]	+ 4%	4,296[2]	- 14%	3,702	+ 3%	3,799
Supervisory Board compensation							
Incumbent Supervisory Board members							
Pedro López Jiménez	354	+ 2%	360	+ 1%	363	- 3%	353
Nicole Simons	113	+ 5%	119	- 1%	118	+ 5%	124
Cristina Aldámiz-Echevarría González de Durana (Supervisory Board member from October 13, 2023)	–	–	–	–	–	–	21
Fritz Bank (Supervisory Board member from May 6, 2021)	–	–	80	+ 43%	114	+ 2%	116
Beate Bell	111	+ 2%	113	+ 1%	114	0%	114
Christoph Breimann	77	0%	77	+ 25%	96	+ 25%	120
Carsten Burckhardt (Supervisory Board member until February 28, 2023)	116	0%	116	- 4%	111	- 83%	19
José Luis del Valle Pérez	264	+ 3%	273	0%	273	- 3%	266
Ángel García Altozano	150	+ 1%	152	- 14%	130	- 8%	120
Dr. rer. pol. h. c. Francisco Javier García Sanz	77	- 3%	75	+ 47%	110	+ 38%	152
Antonia Kühn (Supervisory Board member from March 1, 2023)	–	–	–	–	–	–	92
Matthias Maurer	150	+ 3%	154	- 3%	150	- 2%	147
Natalie Moser (Supervisory Board member from June 4, 2021)	–	–	57	+ 100%	114	0%	114
Luis Nogueira Miguelsanz (Supervisory Board member until October 12, 2023)	118	+ 2%	120	- 2%	118	- 20%	94
Nikolaos Paraskevopoulos	110	0%	110	0%	110	0%	110
Dr. Mirja Steinkamp (Supervisory Board member from October 19, 2022)	–	–	–	–	20	+ 500%	120
Klaus Stümper	119	+ 3%	123	- 1%	122	+ 2%	124
Christine Wolff	111	+ 2%	113	+ 3%	116	+ 1%	117
Former Supervisory Board members							
Patricia Geibel-Conrad (Supervisory Board member until October 19, 2022)	118	+ 2%	120	- 22%	94	–	–
Arno Gellweiler (Supervisory Board member until May 6, 2021)	109	- 61%	42	–	–	–	–
Sabine Roth (Supervisory Board member until May 6, 2021)	118	- 61%	46	–	–	–	–

[1] Fixed and variable compensation of all employees in Germany including trainees, work-study students, and interns.
[2] Includes compensation figures for former members of the Executive Board still stated on an individualized basis for 2020 and 2021 as no personal data is to be published after expiration of the 10-year period stipulated in Section 162 (5) of the German Stock Corporations Act (AktG).

Compensation outlook for 2024

The Supervisory Board does not plan to make any changes in 2024 to the compensation system for members of Executive Board and members of the Supervisory Board.

Please find the independent auditor's report on the audit of the compensation report at www.hochtief.com/Compensation_report_2023.

Sustainability information on other associates in the HOCHTIEF Group

The HOCHTIEF Group holds ownership interests in Abertis (HOCHTIEF interest 20% minus one share), and Thiess (CIMIC interest 50%). Both pursue dedicated sustainability plans, although by nature those plans are not identical to the HOCHTIEF Group's Sustainability Plan 2025. Below, you will find a brief presentation of current sustainability activities in these companies.

So that the reporting on greenhouse gas emissions in accordance with the Greenhouse Gas Protocol covers the entire Group, we again report in 2023 the emission figures (Scope 1, Scope 2, and Scope 3) of the material equity-method associates Abertis and Thiess. The greenhouse gas emissions shown in each case represent the proportion attributable to HOCHTIEF.

Abertis

As one of the leading international toll road operators, Abertis plays an essential role in the economic and sustainable development of the territories in which it operates. For this reason, its commitment to society is oriented towards long-term investment in high-quality infrastructures, through the promotion of sustainability.

The 2022–2030 Sustainability Strategy has been structured on three main pillars that correspond to the commitments to ensure that land transport infrastructures make an active contribution to meeting current economic, environmental and social challenges:

- Transparency and diligence
- Eco-efficiency and respect
- Responsibility and conscience

The necessary actions to ensure achievement of the 2022–2030 Sustainability Strategy objectives are implemented by preparing and pursuing three-year plans known as ESG Plans.

Greenhouse gas emissions of Abertis[1] in 2023

Scope 1 (t CO_2e)	9,015
Scope 2 (t CO_2e)	3,631
Scope 3 (t CO_2e)	115,317
Total	**127,963**

[1] HOCHTIEF holds a 20% stake (minus one share) in Abertis. The total emissions shown in the table reflect that percentage. Figures are preliminary.

Further sustainability information can be found on the company's website:
https://www.abertis.com/sustainability/

Thiess

A trusted partner to the resources industry, Thiess is uniquely placed to help lead sustainable, responsible mining, and contribute to a low-carbon future by working with clients, suppliers and the industry to help enable the global energy transition. Integrating the United Nations Sustainable Development Goals (UN SDGs), and informed by research and how it sees the sustainable future of mining, Thiess has defined its commitments guiding how it embeds sustainability:

- Minimized environmental footprint—through responsible mining practices and acting on climate change
- Enhanced social value—for people and communities
- Transparent, trusted governance—building on proven systems and processes

A key target is to achieve net zero emissions by 2050, including Scope 1, 2 and Scope 3 emissions (from diesel combustion in the operated fleet).

Greenhouse gas emissions of Thiess[1] in 2023

Scope 1 (t CO_2e)	4,060
Scope 2 (t CO_2e)	1,420
Scope 3 (t CO_2e)	2,014,910
Total	**2,020,390**

[1] HOCHTIEF's Australian Group company CIMIC holds a 50% stake in Thiess. The total emissions shown in the table reflect that percentage. Figures are preliminary.

Further sustainability information can be found on the company's website:
https://thiess.com/sustainability

The latest Thiess sustainability reports can be found at: https://thiess.com/news/publications

Forward-looking statements

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

Five Year Summary

		2019 (restated)	2020	2021	2022	2023
New orders[1] (EUR million)		30,429	23,070	30,162	30,067	**36,677**
	Of total: domestic	1,357	1,242	902	997	**2,862**
	international	29,072	21,828	29,260	29,070	**33,815**
Work done[1] (EUR million)		27,139	24,550	24,857	29,187	**30,870**
	Of total: domestic	877	981	1,052	1,046	**1,058**
	international	26,262	23,569	23,805	28,141	**29,812**
Order backlog[1] at year-end (EUR million)		51,362	45,840	51,916	51,404	**55,325**
	Of total: domestic	2,818	3,009	2,926	2,803	**4,557**
	international	48,544	42,831	48,990	48,601	**50,768**
Employees at year-end (number)		53,282	46,644	33,835	36,858	**41,575**
	Of total: domestic	3,515	3,445	3,289	3,261	**3,238**
	international	49,767	43,199[2]	30,546	33,597	**38,337**
External sales (EUR million)		25,852	22,954	21,378	26,219	**27,756**
Increase/(decrease) on prior year (%)		8.2	-11.2	-6.9	22.6	**5.9**
Materials (EUR million)		18,990	17,435	16,116	19,922	**20,918**
Materials ratio (%)		73.4	75.9	75.3	75.9	**75.3**
Personnel costs (EUR million)		4,389	4,419	3,750	4,470	**4,811**
Payroll ratio (%)		17.0	19.2	17.5	17.0	**17.3**
Depreciation and amortization (EUR million)		701	704	314	344	**321**
Net income from participating interests (EUR million)		299	127	174	293	**314**
Net investment and interest income (EUR million)		(153)	(155)	(125)	(125)	**(153)**
Profit before tax—continuing operations (EUR million)		1,050	882	435	677	**715**
Of which:	Americas (EUR million)	310	326	323	351	**410**
	Asia Pacific (EUR million)	612	534	262	262	**212**
	Europe (EUR million)	54	43	(150)	47	**51**
Pre-tax return on sales—continuing operations (%)		4.1	3.8	2.0	2.6	**2.6**
Profit after tax—continuing operations (EUR million)		792	550	293	515	**544**
Profit after tax—discontinued operations (EUR million)		(1,053)	32	(4)	–	**–**
Profit after tax—total (EUR million)		(261)	582	289	515	**544**
Return on equity (%)		49.7	57.1	27.0	41.9	**43.0**
Consolidated net profit/(loss)—continuing operations (EUR million)		614	427	208	482	**523**
Consolidated net profit/(loss)—discontinued operations (EUR million)		(820)	–	–	–	**–**
Consolidated net profit/(loss)—total (EUR million)		(206)	427	208	482	**523**
EBITDA adjusted—continuing operations (EUR million)		1,893	1,750	1,071	1,184	**1,230**
EBIT adjusted—continuing operations (EUR million)		1,192	1,046	757	841	**910**
Earnings per share—continuing operations (EUR)		8.70	6.16	3.05	6.68	**6.95**
Earnings per share—discontinued operations (EUR)		(11.62)	–	–	–	**–**
Earnings per share—total (EUR)		(2.92)	6.16	3.05	6.68	**6.95**
Dividend per share (EUR)		5.80	3.93	1.91	4.00	**4.40[3]**
Dividends paid (EUR million)		410	278	135	311	**342**
Free cash flow from operations—continuing operations[4] (EUR million)		1,084	372	332	887	**1,143**

[1] All figures refer to continuing operations only unless stated otherwise.
[2] As of the December 31, 2020 reporting date, this includes 11,862 employees at CIMIC Group company Thiess, which is reported at equity in the consolidated financial statements as of the year-end.
[3] Proposed dividend per share
[4] Free cash flow from operations: Cash flow from operations and cash flow from purchases and disposals of intangible assets, of property, plant and equipment, and of investment properties, and change in current financial assets and investments

	2019 (restated)	2020 (restated)	2021	2022	2023
Assets					
Intangible assets (EUR million)	1,303	1,041	1,091	1,117	**1,102**
Property, plant and equipment (EUR million)	1,866	912	819	870	**830**
Investment properties (EUR million)	19	21	19	33	**32**
Financial assets (EUR million)	2,012	2,473	2,592	3,340	**3,051**
Other non-current assets (EUR million)	1,005	817	774	727	**647**
Non-current assets (EUR million)	**6,205**	**5,264**	**5,295**	**6,087**	**5,662**
As % of total assets	32.6	31.0	32.6	33.3	**29.8**
Inventories (EUR million)	440	284	345	370	**370**
Receivables and other assets (EUR million)	7,406	5,182	5,713	6,421	**7,198**
Marketable securities and cash and cash equivalents (EUR million)	4,954	5,423	4,854	5,394	**5,776**
Assets held for sale (EUR million)	–	829	28	28	**–**
Current assets (EUR million)	**12,800**	**11,718**	**10,940**	**12,213**	**13,344**
As % of total assets	67.4	69.0	67.4	66.7	**70.2**
Total assets (EUR million)	**19,005**	**16,982**	**16,235**	**18,300**	**19,006**
Liabilities and Shareholders' Equity					
Attributable to the Group (EUR million)	1,286	670	801	1,134	**1,235**
Non-controlling interest (EUR million)	309	293	285	96	**31**
Shareholders' equity (EUR million)	**1,595**	**963**	**1,086**	**1,230**	**1,266**
As % of total assets	8.4	5.7	6.7	6.7	**6.7**
As % of non-current assets	25.7	18.3	20.5	20.2	**22.4**
Non-current provisions (EUR million)	797	840	899	662	**618**
Non-current financial liabilities (EUR million)	3,132	3,932	3,936	4,725	**4,550**
Other non-current liabilities (EUR million)	763	533	579	636	**595**
Non-current liabilities (EUR million)	**4,692**	**5,305**	**5,414**	**6,023**	**5,763**
As % of total assets	24.7	31.2	33.3	32.9	**30.3**
Current provisions (EUR million)	1,138	776	891	840	**1,004**
Current financial liabilities (EUR million)	1,546	1,051	530	503	**529**
Other current liabilities (EUR million)	10,034	8,050	8,314	9,704	**10,444**
Liabilities associated with assets held for sale (EUR million)	–	837	–	–	**–**
Current liabilities (EUR million)	**12,718**	**10,714**	**9,735**	**11,047**	**11,977**
As % of total assets	66.9	63.1	60.0	60.4	**63.0**
Total assets (EUR million)	**19,005**	**16,982**	**16,235**	**18,300**	**19,006**
Property, plant and equipment ratio[5] (%)	9.8	5.4	5.0	4.8	**4.4**
Total capital expenditure, including acquisitions (EUR million)	1,237	897	488	704	**1,006**
Of total: Intangible assets (EUR million)	16	16	9	11	**21**
Of total: Property, plant and equipment (EUR million)	858	602	191	396	**338**
Of total: Investment properties (EUR million)	–	–	–	7	**–**
Of total: Financial assets (EUR million)	363	279	288	290	**647**
Capital expenditure ratio[6] (%)	12.7	17.3	5.6	10.9	**10.3**
Depreciation and amortization ratio[7] (%)	80.2	113.9	157.0	83.1	**89.4**
Receivables turnover[8]	4.6	4.3	4.6	5.1	**4.8**
Total assets turnover[9]	1.5	1.3	1.3	1.5	**1.5**
Net cash/(net debt)—continuing operations (EUR million)	1,529[10]	618	556	354	**872**

[5] Property, plant and equipment ratio: Property, plant and equipment as a percentage of total assets
[6] Capital expenditure ratio: Capital expenditure on intangible assets, property, plant and equipment and investment properties as a percentage of cumulative cost of acquisition
[7] Depreciation and amortization ratio: Depreciation and amortization as a percentage of intangible assets, property, plant and equipment and investment properties
[8] Receivables turnover: Ratio of sales to average trade receivables incl. contract assets
[9] Total assets turnover: Ratio of sales to average total assets
[10] Including short-term financial assets and investments

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