

Stakeholder Management at HOCHTIEF

HOCHTIEF Corporate Communications



Stakeholder management at HOCHTIEF

- The business activities of HOCHTIEF are embedded in a social context and are subject to the influence of various stakeholder groups.
- Stakeholder management serves to systematically detect and strategically take into consideration requirements of different stakeholders of the Group in the context of sustainable and responsible management as well as public positioning with respect to sustainability and corporate responsibility.
- Dialogue with different stakeholders takes place in the ongoing business process, when operational and central units of the Group come into contact with the stakeholder groups.
- Stakeholder management uses existing communication tools, by placing strategically selected information for the stakeholder groups and requesting targeted feedback from the communication with the stakeholders. Thus, a decentralized dialogue can be coordinated with the stakeholders with regard to outgoing information and can be centrally evaluated and strategically utilized with regard to incoming feedback.

Process of stakeholder involvement



Group of stakeholders

- The relevant group of stakeholders is composed of internal and external stakeholders:
 - **Internal:** all HOCHTIEF employees, Works Council, Executive Board, Supervisory Board,
 - **External:** individuals who are directly or indirectly of particular importance to HOCHTIEF and have the expertise to competently assess social or technical developments. This group also explicitly includes individuals from the extended environment who have an unbiased view of the business.
These include:
shareholders; representatives of associations and organizations; representatives of NGOs; clients; neighbors and local residents; university representatives, scientists; subcontractors and suppliers; pupils, students, university graduates; representatives of the State and public authorities; journalists; investors, analysts, and bank representatives

Target group specific activities and formats

- Active construction site communication with clients, local residents, and subcontractors
- Employee feedback
- Press relations
- Capital market communications
- Presence at trade shows, congresses, and events nationally and internationally
- Conducting market studies and customer surveys/customer satisfaction analyses
- Image and reputation analyses
- Quality assessments/audits
- Stakeholder dialogue

Stakeholder dialogue: Quality criteria

- **Inclusiveness/participation**
 - Targeted involvement of stakeholders
- **Diversity**
 - Variety of stakeholders
- **Procedural fairness**
 - Transparency, objectivity
- **Materiality**
 - Relevance assessment
- **Communication**
 - Receiving and processing stakeholder requests
- **Application of the Chatham House Rule**
 - Free use of information received without revealing the identity or affiliation of speakers or other participants

Stakeholder dialogue: A win for everyone

- Event conducted annually since 2014, actively supported by the Executive Board
- Development of a high-caliber, cross-industry network
- Support for external perception as innovator and creator of topics of the future
- Added value through feedback (ideas and recommendations)
- Sustainable commitment of the participants to HOCHTIEF

Stakeholder dialogue: A win for everyone

Objectives of HOCHTIEF:

- Exchange regarding attitudes and interests of stakeholders on topics of sustainability at HOCHTIEF and their relevance assessment
- Support for knowledge, risk, and sustainability management and further development of HOCHTIEF strategy
- Input to corporate strategy as well as to products and services
- Acceptance and legitimation of corporate activity

Benefits for the participants:

- Inspiration for new thinking and new business ideas
- Recognized status as a mastermind in the respective area
- High-caliber contacts, expansion of own networks
- Gaining a leading edge in knowledge with respect to time and quality
- Exclusive insights into projects and activities at HOCHTIEF
- Representation of one's own competence and abilities in the exclusive circle, gaining knowledge from the interdisciplinary context of many perspectives

CR Stakeholder involvement at HOCHTIEF

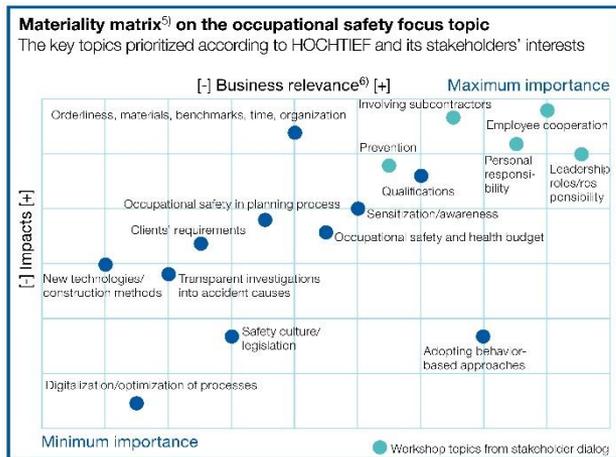
An important component of the sustainability strategy

- **With our sustainability strategy, we pursue clear objectives: We want to anticipate topics which are relevant for us, exploit business opportunities and market potentials, and reduce risks.**
- **We are aware of and take into consideration the demands and needs of our stakeholders.**
- **Through an active involvement of our stakeholders, we are able to better anticipate the issues that are relevant for us, exploit business opportunities and market potentials, and to minimize possible risks at an early stage.**
- **The appropriate involvement of the stakeholders is an aspiration and an ongoing task for the CR management at HOCHTIEF.**

CR Materiality Analysis

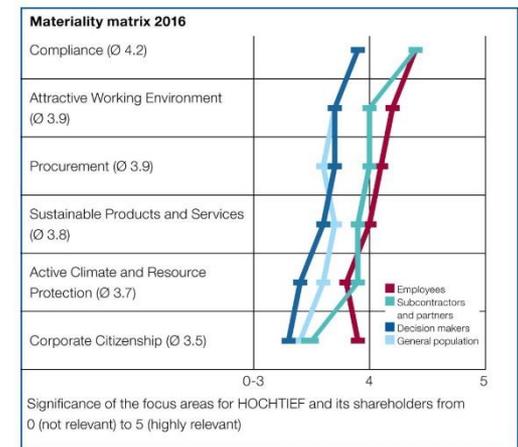
Result of the internal and external prioritizations of the stakeholders

- The validity of the sustainability issues is reviewed annually to be able to make adjustments as needed.
 - In 2016, a total of 1670 participants took part in an online stakeholder survey and a survey that is representative of the population. The results confirmed the importance of the subject areas of sustainability.



⁵⁾ For the 2016 materiality analysis, which fundamentally remains valid, please see www.hochtief.com/sustainability under "Materiality". In 2017, a materiality analysis was performed on the focus topic of occupational safety out of the CR focus area: "attractive place to work".

⁶⁾ Internal assessment by OSHEP, CR and Corporate Communications



- In 2017, 1800 external and internal stakeholders submitted their opinions on various subject areas of Occupational Safety in the format of an interactive web dialogue under the motto of "Improving together." The findings make it possible to further improve the Occupational Safety program for employees and partners.

Communication as a success factor

- Active shaping of a dynamic and reciprocal exchange between the relevant stakeholders in order to sharpen the view of the market and relevant influencing factors.
- Knowledge and consideration of the stakeholder perspective is a contribution to the reputation, future viability, and success of the company as well as its projects.
- ➔ In the "**Queensferry Crossing**" bridge project north of Edinburgh in Scotland, the "Contact & Education Center" with a "bridge you can touch" was already set up in the start-up phase. School groups from the area visited the construction site, and there were "open house days of the construction site." Internal communication was especially essential, above all, when around 1200 people worked on the construction site in the case of large-scale projects such as here at peak times. An internal newsletter informed the construction participants about the general construction progress, safety issues, and important details. This also served to motivate the employees.

Communication as a success factor

- Particularly in the case of large infrastructure projects, such as the extension of **Highway 7** north of Hamburg, coordination among all parties involved is becoming increasingly important. It is very important to HOCHTIEF that local residents and commuters, clients, politicians, subcontractors, later users, and other interested parties are always informed at an early stage. This is done in close coordination with HOCHTIEF Corporate Communications. The requirements are higher than a few years ago due to the possibilities offered by the internet with social networks. Consequently, the chances of reaching as many people as possible are also increasing. "Via Solutions North" with HOCHTIEF as the leader coordinates closely with the Ministry of Transport. The site managers are in direct contact with journalists, local residents, and commuters and will find an answer to every question.