

United Nations Global Compact Communication on Progress 2008



Our vision: Building value. For a sustainable future.

We at Wienerberger, the world's largest producer of bricks and roof tiles, view business as being an integral part of society and are very clear in our duty to serve people and create value for all. From our mission statement to the day-to-day activities of each worker, Wienerberger takes its role as a responsible member of society very seriously, and acts in accordance with economic, ecological and social principles at all times. I feel personally committed, on behalf of Wienerberger and as a proud member of the Global Compact, to working towards incorporating the 'ten principles' in the areas of human rights, labour rights, the environment and the fight against bribery and corruption, into our business policies – and it gives me great pleasure to confirm our goal to create sustainable values and natural products.



Wolfgang Reithofer, CEO

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Global Compact Principle	Action Taken & Impact Achieved and/or Plans for the upcoming Year
<p>1: Businesses should support and respect the protection of internationally proclaimed human rights;</p>	<p>We support the protection of internationally proclaimed human rights within our sphere of influence.</p> <p>People are the cornerstone of the Wienerberger philosophy – after all Wienerberger’s business is to make bricks, but a brick’s ultimate purpose is to provide shelter, in all kinds of shapes and forms. Wienerberger uses its products and financial support as a means of helping people in need, and protecting them.</p>
<p>2: and make sure that they are not complicit in human rights abuses.</p>	<p>Mutual respect is one of Wienerberger’s strongest corporate values. We firmly speak out against the abuse of human rights.</p>
<p>3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;</p>	<p>We support freedom of association and the right to collective bargaining – and indeed Wienerberger has created a specific European Employees Council (see below) to handle these matters appropriately..</p> <p>With the signing of a social charter in 2001, the management of Wienerberger formally confirmed its intention to comply with the recommendations of the International Labor Organization (ILO) in Geneva and to follow the principles of social progress. This link gives information about the social charter we have signed with our European Employees' Council:</p> <p>http://www.wienerberger.com/servlet/Satellite?pagename=Wien+erberger/Page/CallArticle05&cid=1120659586451&sl=wb_com_home_en</p> <p>Please also see attached document.</p>
<p>4: the elimination of all forms of forced and compulsory labour;</p>	<p>We support the elimination of all forms of compulsory labour.</p> <p>As part of our focus on ensuring absolute consistency and surety about the make-up of our workforce, in 2007, Wienerberger introduced a group-wide Safety, Health & Education (SHE) reporting system. The system compiles key statistics and profiles of the workforce, as well as work safety and training.</p>

<p>5: the effective abolition of child labour;</p>	<p>Child labour plays no part in the strategy, business ethics or philosophy of Wienerberger, as specifically stated in our social charter – and we vehemently speak out against all forms of child labour.</p> <p>Wienerberger cooperates with several charitable organisations all over the world. The different projects provide security and education to children and Wienerberger hopes that by supporting such activities it will help to prevent children being forced into situations where they are forced to work, or be ill treated in any way.</p> <p>For example:</p> <ul style="list-style-type: none"> - A long-standing partnership connects Wienerberger with SOS-Kinderdorf. In 2007 Wienerberger donated a total of € 80,000 to the association in order to build a SOS family centre in Mostar. - In England Wienerberger established a partnership with two special schools for children with learning difficulties and also supports the Shaw Trust, a national charitable organization that provides training and practical experience for people who are disadvantaged in the working world because of handicaps, illness or social circumstances.
<p>6: and the elimination of discrimination in respect of employment and occupation.</p>	<p>Wienerberger works to provide its employees with a safe, non-discriminatory, attractive and social working environment through training programmes, the constant improvement of working conditions, voluntary benefits and general support. Via questionnaires and constant feedback we retain real dialogues with our employees, helping to identify particular needs and ensuring a complete lack of discrimination.</p> <p>In order to provide quantifiable data on important issues relating to the workforce and the working environment, Wienerberger have introduced a group-wide Safety, Health and Education (SHE) reporting system. The database will compile statistics on the make-up of the workforce as well as work safety and training. In 2007, The Wienerberger Group invested more than € 3 million in training programs for employees.</p> <p>Wienerberger has also joined the Investor in People programme, the internationally recognised quality standard for sustainable corporate success in the effective development of employees. In</p>

	<p>2007, Wienerberger’s first step was to analyse the current situation in one operating unit, and certified IIP consultants interviewed employees in different areas of the companies and identified strengths and opportunities for improvement, resulting in recommendations for change. These measures have been implemented successfully and Wienerberger plans to roll out the programme as standard throughout the Group.</p>
<p>7: Businesses should support a precautionary approach to environmental challenges;</p>	<p>‘Building value as a sustainable future’ is a one of our guiding principles and we support a protective approach to environmental challenges. As a producer of bricks, Wienerberger ‘uses’ nature in a kind of symbiosis: our clay mining procedures are designed to minimise the impact on the environment, and our clay based products are ecologically friendly, natural products that have a long service life and can easily be recycled.</p>
<p>8: undertake initiatives to promote greater environmental responsibility;</p>	<p>Wienerberger is committed to compliance with environmental protection laws, climate protection, energy savings, the restoration of clay mining sites, recycling of waste, exchange of experience with other companies, and preservation of our cultural heritage. We undertake a number of initiatives to promote greater environmental responsibility.</p> <p>For example, in Great Britain, Wienerberger has created the ‘Green Brick Award’ – an internal prize recognising special performance and accomplishments in the area of sustainability, with three subcategories of social engagement, environmental protection, and prudent use of resources.</p>

<p>9: and encourage the development and diffusion of environmentally friendly technologies.</p>	<p>We wholly support the development and implementation of environmentally friendly technologies and are constantly striving to improve standards. Wienerberger’s large engineering and product management team work closely with our local engineering departments to optimise products, systems and production technologies – and in fact, for example, energy savings through the use of building materials that increase thermal insulation formed a focus of our Research & Development activities in 2007.</p> <p>Other specific examples include:</p> <ul style="list-style-type: none"> - In Slovakia, the installation at Wienerberger plants of thermal post-combustion equipment in 2007 led to a substantial reduction in emissions and a significant improvement in the environmental situation. This technology cleanses the flue gases released by a brick plant and resulted in a decrease of 70% in CO emissions, 75% in total organic carbon emissions and 40% in benzene emissions. - In Croatia, a state of the art natural gas burner was installed at the Wienerberger plant in 2007. This equipment will permit the use of more environmentally friendly sources of energy, significantly reduce pollutant emissions and also help to realise substantial energy savings.
<p>10: Businesses should work against all forms of corruption, including extortion and bribery.</p>	<p>All forms of corruption, including extortion and bribery are strictly prohibited at Wienerberger, and sanctions are in place in the event of violations.</p>

AGREEMENT

The following agreement is hereby concluded between

WIENERBERGER AG
A-1100 Vienna, Wienerbergstrasse 11

on the one hand, and the

EUROPEAN EMPLOYEES' COUNCIL of
WIENERBERGER AG
A-1100 Vienna, Wienerbergstrasse 11

on the other hand, for the

Support and Protection of Employee Rights

Wienerberger is a company group that is active in the building materials industry in 28 countries throughout Europe, North America and Asia. The Group currently has a workforce of more than 11,000 employees in 214 production facilities as well as in marketing and administration.

The Wienerberger Group is well aware of its responsibility in all markets, and has declared its support for the principles of sustainable development. For Wienerberger, social progress, environmental protection and the careful use of resources are key factors that shape the actions of the Group over the long-term.

In order to implement these principles in daily work and enable verification, Wienerberger and the European Employees' Council of the Wienerberger Group hereby define what is meant by the "support and protection of employee rights" in this *Social Charter*. This also includes compliance with all relevant agreements and recommendations issued by the International Labor Organization (ILO) in Geneva, which are mentioned in the appendix to this Agreement, as well as ratification of the *Charter of Human Rights of the European Union* (proclaimed on December 7, 2000 in Nice).

The Wienerberger Group accepts the social and ethical responsibility that results from the globalization of the company and markets. Therefore, the Group declares its intention to strive for employment and working conditions in all its production and sales companies throughout the world, which meet or exceed the requirements of tariff agreements and/or national law. Group production and sales companies are also required to comply with all agreements and recommendations of the International Labor Organization (ILO) that are relevant to their business activities. For example, this includes the prohibition of child labor and the freedom of employees to join the union of their choice and participate in free collective bargaining negotiations.

The Wienerberger Group therefore declares its intention to maintain the standards and recommendations set forth in the *Social Charter*, which are included as an appendix to this Agreement.

A committee will be established to monitor compliance with this Agreement. The *Monitoring Committee* will be comprised of an equal number of representatives of Wienerberger and the European Employees' Council of Wienerberger. The office of the Chairman of the European Employees' Council will serve as the contact address for the Monitoring Committee, and will always be mentioned in publications of or about the *Social Charter*. The Committee will meet at least once every two years and, whenever possible, will hold its meetings in Wienerberger production or sales companies.

The members of the *Monitoring Committee* will receive all information necessary for the performance of their duties. The management of the Wienerberger Group will report to the European Employees' Council at least once each year at a meeting, and provide information on the status of implementation and compliance with the *Social Charter* in the Wienerberger Group.

Strasbourg, October 11, 2001

Managing Board of
Wienerberger AG

European Employees' Council of
Wienerberger AG

Reviewed:
International Association of
Construction and Wood Workers

**Appendix
to the Agreement between Wienerberger AG and the European Employees' Council of Wienerberger AG**

SOCIAL CHARTER

1. Free choice of employment

The Group will not make use of any forced labor, including debt servitude and compulsory prison labor (ILO Agreements Nr. 29 and 105).

2. No discrimination in employment

All employees will receive the same opportunities and same treatment, regardless of race, color of skin, sex, religion, political beliefs, national or social origin, or other distinguishing features (ILO Agreements Nr. 100 and 111).

At the same time, Wienerberger will work to combat social discrimination.

3. No child labor

Child labor will not be used in any Group company. All employees must be older than school age (minimum age of 15 years) (ILO Agreement Nr. 138).

Children under 18 years of age may not perform any work that could damage their physical or mental health, safety or morals (ILO Agreement Nr. 182).

4. Respect for the freedom of organization and right to collective bargaining negotiations

All employees are entitled to form and join unions, and to negotiate collectively (ILO Agreements Nr. 87 and 98). Wienerberger therefore pledges not to oppose any efforts by unions to record its employees, and guarantees that employee representatives will not suffer discrimination. Furthermore, Wienerberger ensures that these representatives will receive access to all facilities necessary for the fulfillment of their functions (ILO Agreement Nr. 135 and Recommendation Nr. 143).

5. Payment of sufficient compensation

Employees will receive wages/salary and benefits for a normal working week at an amount that safeguards their livelihood, in accordance with similar jobs in the appropriate trade or branch of industry in the region in which the work is performed. Employees will not be paid less than the minimum legal and/or tariff wage.

Under no circumstances will deductions be made from an employee's wage or salary without his/her explicit approval, unless such deductions are permissible under national law.

6. No excessive working time

Working time will not be longer than the maximum working time defined by national law, national agreements, or tariff agreements for the relevant branch of industry.

7. Adequate working conditions

A safe, clean and lasting working environment will be provided (ILO Agreement Nr. 155). Optimal actions in the area of industrial safety will be required, safety equipment and training will be provided, and specific dangers such as poisonous or other toxic materials will be avoided wherever possible. Alternatives that are not dangerous will be applied or used wherever possible.

Conditions prevailing during the performance of work duties will not represent any danger for physical or mental health.

No work that represents a violation of law or safety regulations may be performed.

8. Fixed employment

The obligations of the employer towards employees under employment law or social security law and regulations arising from the normal employment relationship will be observed.

The Wienerberger Group does not employ any illegal workers.

9. Concluding Provisions

The Wienerberger Group will provide written and verbal information on this Agreement in all places of work. Every employee will receive a copy in the language of his/her country.

Employee representatives have the right to hold meetings to provide employees with information on this *Social Charter*, and to report known violations to the European Employees' Council of Wienerberger. Employees and employee representatives who report known violations of this *Social Charter* may not be punished for such actions.

In order to implement the goals and intentions set forth in this document, Wienerberger and the European Employees' Council of Wienerberger will enter into an ongoing dialogue, independent of the work of the Monitoring Committee, and will meet regularly or as required to evaluate the implementation of this Agreement and any reported violations of its provisions.

Both parties agree to examine differences over the interpretation or implementation of this Agreement together, so recommendations may be provided to the parties concerned.