

# United Nations Global Compact

## Communication on Progress 2013



Heimo Scheuch, Chief Executive Officer of Wienerberger AG

### **We strive to supply outstanding sustainable building material solutions for a better quality of life.**

Wienerberger is committed to sustainability. This is why we joined the UN Global Compact, as the “ten principles” of the UN Global Compact in the area of human rights, labour rights, environmental protection and the fight against bribery and corruption are core values of Wienerberger’s corporate culture.

Respect for human rights is the foundation of our society. Wienerberger guarantees protection for basic human rights within its sphere of influence. At Wienerberger we ensure that all employees have the same rights and opportunities independent of age, gender, culture, religion, origin and political views. Wienerberger does not tolerate any form of discrimination whatsoever.

Wienerberger’s Social Charter, signed in 2001, firmly commits the Group to compliance with the applicable conventions and recommendations of the International Labor Organization (ILO). With this charter, Wienerberger demonstrates its global commitment, among others, to human rights, to prohibition of child labor, to sufficient remuneration, against excessive working hours and to respect for the freedom of association and the right to collective bargaining negotiations. In the Wienerberger Social Charter, Wienerberger committed itself to meet or exceed the requirements of tariff agreements and/or national law. Furthermore the Social Charter requires Wienerberger to comply with all agreements and recommendations of the International Labour Organization that are relevant to its business activities (e.g., freedom of employees to join the union of their choice and to participate in free collective negotiations). As Wienerberger puts particular focus on workers’ safety, the Charter includes the provision of appropriate, i.e. healthy and safe working conditions. In our Sustainability Program of 2012 we set the goal to reduce the frequency of accidents to less than 10 per million hours worked by 2015. We are proud that Wienerberger has reached this goal already in 2013.

With a view toward today's major challenges – which range from climate change and the necessary increase of more efficient use of resources and energy to the related necessary actions – we are following a sustainable strategy for our company and our customers. Our Environmental Action Plan is focused on the efficient use of resources in production, an increase in the share of renewable energy sources and the recycling of our products. For our customers we provide sustainable, durable and innovative building material and infrastructure solutions that improve the quality of life and make energy-efficient building and living as well as sustainable infrastructure possible.

Wienerberger rejects any form of corruption. A commitment to compliance with all applicable national and international legal regulations is also an important part of corporate social responsibility at Wienerberger. Legal compliance at all organizational levels creates the basis for good management. Wienerberger ensures that both international and national laws and standards are followed in all its business operations and places a special focus on the prevention of illegal and anti-competitive behavior.

Our strong belief in our corporate social responsibility is the driver for our CSR projects. In 2012 Wienerberger launched a collaboration with Habitat for Humanity to build houses for disadvantaged families in Romania and Bulgaria. Additionally in 2013 Wienerberger instigated a second CSR program, the Wienerberger Sustainable Building Academy, which focusses on education for future architects and civil engineers. In 2013 twelve students from four universities in Austria, Germany and Poland benefited from this program.

All levels of management and our employees have taken shared responsibility for the implementation of measures in order to continuously improve towards the goals set in the UN Global Compact.

Further information on specific measures as well as facts and figures regarding sustainability can be found on our homepage and in the Sustainability Update 2013, which is based on the standards defined by the Global Reporting Initiative (published in June 2014).

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke, positioned above the name of the Chief Executive Officer.

Heimo Scheuch, Chief Executive Officer of Wienerberger AG

## **United Nations Global Compact**

Wienerberger joined the UN Global Compact in 2003. This initiative was introduced by the United Nations in 1999 to promote good corporate citizenship and now encompasses ten guiding principles from the areas of human rights, labour standards, environmental protection and measures to combat corruption. Companies that join the program agree to voluntarily comply with the principles that are published on the UN Global Compact website.

The following overview describes some of the actions taken by Wienerberger during 2013 to implement the ten Global Compact ("GC") Principles. Reference is made to the Wienerberger Sustainability Report 2012 and Sustainability Update 2013 which contains a detailed description of Wienerberger's latest facts and figures to implement the GC principles. The table below also refers to the corresponding Global Reporting Initiative (GRI) indicators which provide a framework for measuring progress on the GC principles.

### **GC Principles**

#### **Human Rights**

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights;

Principle 2: and make sure that they are not complicit in human rights abuses.

#### **Actions:**

Wienerberger guarantees protection for basic human rights within its sphere of influence. Wienerberger's Social Charter firmly commits the Group to compliance with the applicable conventions and recommendations of ILO. These include the provision of appropriate, i.e. healthy and safe working conditions. Safety is crucial for Wienerberger. Therefore Wienerberger set in 2012 the goal to reduce the frequency of accidents to less than 10 per million hours worked by 2015. This goal has been reached prematurely in 2013.

#### **Labour**

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour;

Principle 6: and the elimination of discrimination in respect of employment and occupation.

#### **Actions:**

With the signing of a Social Charter, Wienerberger has also committed to supporting the freedom of association and collective negotiations at all locations, preventing child and forced labour and preserving equal opportunity regardless of age, gender, culture or origin. In 2012 Wienerberger set the goal to raise the share of women in senior management to 20% by 2020. In the administrative area, the goal to increase the share of women to over 45% by 2020 has already been reached. Our plans also call for an increase in the share of women in sales to 30% by 2020, whereby the share of women in this area declined slightly during 2013.

## **Environment**

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility;

Principle 9: and encourage the development and diffusion of environmentally friendly technologies.

### **Actions:**

Production in harmony with the environment is a matter of great importance to Wienerberger. Our goal is to minimize the environmental impact of our production processes. The responsible interaction with clay extraction sites, the best possible conservation of resources and an increase in the share of recycling materials are the central principles of our sustainable production. By 2020 Wienerberger wants to reduce the specific energy consumption in ceramic production 20% below the 2010 level. The improvement of production processes, above all to reduce energy consumption, represents the main focus of research for our ceramic products. The result of these efforts is among others a continuous reduction of specific energy consumption by 9% compared to 2010. On product level Wienerberger supports greater environmental responsibility with high thermal insulating blocks in order to realize low energy buildings.

## **Anti-corruption**

Principle 10: Businesses should work against all forms of corruption, including extortion and bribery.

### **Actions:**

Wienerberger is committed to free and fair competition, and rejects any form of corruption. In 2010 Wienerberger issued a group-wide guideline on business gifts and top managers and managing directors of the country organizations were instructed on the correct procedures for dealing with business gifts. Internal audit reviews the correct application as part of its regular review procedure.

## Measurement of progress for the year 2013

Detailed information about Wienerberger's sustainability activity is described in the Wienerberger Sustainability report. Wienerberger Sustainability KPIs are shown in the following tables.

### Energy

Energy consumption <i>in MWh</i>	2011	2012	2013	Chg. in %
Natural gas	6,434,300	5,541,640	5,424,752	-2
Coal	248,541	186,663	194,497	+4
Heating oil	104,529	90,783	53,004	-42
Liquid gas	75,715	62,338	45,123	-28
Electricity	841,240	863,372	967,101	+12
<b>Wienerberger Group</b>	<b>7,704,325</b>	<b>6,744,796</b>	<b>6,684,477</b>	<b>-1</b>

Index of specific energy consumption	2011	2012	2013	Chg. 2012 in %	Chg. 2010 in % <sup>1)</sup>
Clay Blocks	91	88	84	-5	-16
Roof Tiles	105	95	92	-3	-8
Facing Bricks	99	100	103	+3	+3
Ceramic pipes	91	88	84	-5	-16
<b>Ceramic segments</b>	<b>95</b>	<b>92</b>	<b>90</b>	<b>-2</b>	<b>-10</b>
Plastic pipes	100	98	97	-1	-3
Concrete pavers	108	96	95	-1	-5
<b>Wienerberger Group</b>	<b>97</b>	<b>93</b>	<b>91</b>	<b>-2</b>	<b>-9</b>

1) Compared with key data from 2010 because the target for specific energy consumption is based on 2010.

### CO<sub>2</sub>

The European Union Emissions Trading Scheme entered the third trading period at the beginning of 2013. Changes were made to the calculation methods and to the criteria for selecting the facilities covered by the emissions trading system. Plants that were not included in the second emission trading period were also added. The data from earlier years – also for Wienerberger – are not comparable with 2013 because of these changes, and the EU Commission has explicitly noted this fact. The Wienerberger Sustainability Steering Committee therefore decided not to continue the internal Wienerberger index of specific CO<sub>2</sub> emissions based on the reference year 2010, but to use the 2013 emission data as the calculation base for future development. Therefore, the 2013 index was reset to 100%.

CO <sub>2</sub> emissions <i>in tons</i>	2013 <sup>1)</sup>
From primary energy sources	955,453
From the production process	682,328
<b>Total – within the ETS<sup>2)</sup></b>	<b>1,637,780</b>
<b>Plants outside the ETS<sup>3)</sup></b>	<b>223,572</b>
From biogenic added materials <sup>4)</sup>	257,986

1) The emissions in 2013 will be used as the new calculation base for future development; the data from earlier years – also for Wienerberger – are not comparable because of the changeover to the third EU emission trading period in 2013.

2) Source: European Union Transaction Log (EUTL)

3) Calculated in accordance with national rules (Switzerland) or based on EU standard emission factors. Only the CO<sub>2</sub> emissions from the firing of primary energy sources are included for the plants in the USA.

4) Volumes from Wienerberger CO<sub>2</sub> monitoring in accordance with national rules

## Safety

Accident frequency by operating segment <sup>1)</sup>	2011	2012	2013
<i>CBME Western Europe</i>	22	17	14
<i>CBME Eastern Europe</i>	11	8	8
CBME	19	14	13
<i>Pipes &amp; Pavers Western Europe</i>	29	17	8
<i>Pipes &amp; Pavers Eastern Europe</i>	13	7	8
Pipes & Pavers Europe	17	10	8
North America	4	3	4
Holding & Others	10	4	13
<b>Wienerberger Group</b>	<b>17</b>	<b>12</b>	<b>10</b>

1) Accident frequency: number of work accidents / number of hours worked x 1,000,000; including temporary employees and persons with limited employment contracts

<b>GRI Indicator Nr.</b>	<b>Indicator</b>	<b>Page</b>	<b>Status 2013</b>
<b>General Indicators</b>			
	<b>1.1</b>	Statement from the most senior decision-maker	SR 4-5 ●
	<b>1.2</b>	Description of key impacts, risks, and opportunities	SR 7-8 ∅
	<b>2.1 - 2.10</b>	Organizational profile	SR 6; 11 ●
	<b>3.1 - 3.11</b>	Report parameters	SR 45 ●
	<b>3.12</b>	GRI Content Index	SR 46-47 ●
	<b>3.13</b>	External assurance	SR 48 ●
	<b>4.1 - 4.13</b>	Governance, commitments, and engagement	SR 8 ●
	<b>4.14 - 4.17</b>	Stakeholder engagement	SR 42 - 44 ●
<b>Management Approach and Performance Indicators</b>			
<b>EC</b>	<b>Economic Indicators</b>		
	<b>DMA-EC</b>	Management approach: economy	SR 14 - 15; 30 - 31; 38 ●
<b>Core</b>	<b>EC1</b>	Direct economic value generated and distributed	SR 8 - 9 ●
<b>Core</b>	<b>EC2</b>	Risks and opportunities due to climate change	SR 7 ∅
<b>Core</b>	<b>EC4</b>	Significant financial assistance received from the government	SR 8 ●
<b>Core</b>	<b>EC7</b>	Procedures for local hiring	SR 14, 18 - 19 ∅
<b>Core</b>	<b>EC8</b>	Services provided primarily for public benefit	SR 19, 27, 33 ●
<b>EN</b>	<b>Ecological Indicators</b>		
	<b>DMA - EN</b>	Management approach: environment	SR 14 - 15; 30 - 31; 38 ●
<b>Core</b>	<b>EN 1</b>	Materials used	SR 31 ∅
<b>Core</b>	<b>EN 2</b>	Anteil von Recyclingmaterial	SR 30 ●
<b>Core</b>	<b>EN 3</b>	Direct energy consumption by primary energy source	SR 32-33 ●
<b>Core</b>	<b>EN4</b>	Indirect energy consumption by primary energy source	SR 32-33 ●
<b>Add</b>	<b>EN5</b>	Energy saved	SR 28, 32 ●
<b>Add</b>	<b>EN6</b>	Initiatives for energy-efficient and renewable energy-based products	SR 32 ●
<b>Core</b>	<b>EN8</b>	Total water withdrawal by source	SR 35 ●
<b>Add</b>	<b>EN9</b>	Water sources significantly affected by withdrawal of water	SR 36 ●
<b>Add</b>	<b>EN10</b>	Anteil in Prozent und Gesamtvolumen an rückgewonnenem und wiederverwendetem Wasser	SR 36 ∅
<b>Add</b>	<b>EN13</b>	Habitats protected or restored	SR 29 ●
<b>Core</b>	<b>EN16</b>	Total direct and indirect greenhouse gas emissions	SR 36 ●
<b>Add</b>	<b>EN18</b>	Initiatives to reduce greenhouse gas emissions and reductions achieved	SR 36 ●
<b>Core</b>	<b>EN22</b>	Total weight of waste by type and disposal method	SR 31, 36 ●
<b>Core</b>	<b>EN26</b>	Initiatives to mitigate environmental impacts of products	SR 36 ●

<b>LA</b>	<b>Social Indicators</b>			
	<b>DMA-LA</b>	Management approach: labor practices and decent work	SR 14	●
<b>Core</b>	<b>LA1</b>	Total workforce by employment type, contract, and region	SR 15 - 16	●
<b>Core</b>	<b>LA2</b>	Total number and rate of employee turnover by age group, gender and region	SR 16 - 18	●
<b>Core</b>	<b>LA4</b>	Employees covered by collective bargaining agreements	SR 40	●
<b>Core</b>	<b>LA7</b>	Rates of injury, occupational diseases, lost days, and absenteeism	SR 19 - 23	●
<b>Core</b>	<b>LA8</b>	Risk-control programs regarding serious diseases	-	⊖
<b>Core</b>	<b>LA10</b>	Average hours of training per year per employee	SR 24	●
<b>Core</b>	<b>LA13</b>	Diversity of employees	SR 18 -19	●
<b>HR</b>	<b>Indicators on Human Rights</b>			
	<b>DMA-HR</b>	Management approach: human rights	SR 26	●
<b>Core</b>	<b>HR4</b>	Incidents of discrimination	SR 14, 17	●
<b>Core</b>	<b>HR6</b>	Significant risk for child labour	SR 14	⊖
<b>Core</b>	<b>HR7</b>	Significant risk for incidents of forced or compulsory labor	SR 14	⊖
<b>SO</b>	<b>Indicators on Society</b>			
	<b>DMA-SO</b>	Management approach: society	SR 40	●
<b>Core</b>	<b>SO1</b>	Management of impacts of operations on communities	SR 40 - 41	●
<b>Core</b>	<b>SO2</b>	Business units analyzed for risks related to corruption	-	⊖
<b>Core</b>	<b>SO4</b>	Activities taken to mitigate corruption	-	⊖
<b>Add</b>	<b>SO7</b>	Legal actions for anti-competitive behavior and anti-trust	AR	●
<b>Core</b>	<b>SO8</b>	Fines and sanctions for noncompliance with regulations	AR	●
<b>PR</b>	<b>Indicators on Products</b>			
	<b>DMA-PR</b>	Management approach: product responsibility	SR 30, 38	●
<b>Core</b>	<b>PR1</b>	Assessment of health and safety impacts of products	SR 12	⊖
<b>Core</b>	<b>PR3</b>	Product information requirements	-	⊖

\* Page numbers refer to the Wienerberger Sustainability Update 2013 (SR) or to the Wienerberger Annual Report 2013 (AR)

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