

Next Generation



Mission Statement

Our Mission

We improve people's quality of life by providing outstanding, sustainable building material and infrastructure solutions.

Our Vision

We want to be the most highly regarded producer of building materials and infrastructure solutions and the preferred employer in our markets. We share our values, our knowledge, our experience and our success.

Our Goal

The primary goal of our entrepreneurial activities is to achieve a sustainable increase in the value of the company in accordance with ecological, social and economic principles.

Our Values

*Expertise – Passion – Integrity and Respect –
Customer Orientation – Entrepreneurship –
Quality – Responsibility*

Our values form the basis of our entrepreneurial activities. We live by our values and share them in our day-to-day cooperation.

Wienerberger Sustainability Roadmap 2020

Definitions of quantitative targets	Dead-lines set	Performance					Comments
Employees		2013	2014	2015		Status	
Safety of our employees							
Group level: Zero accidents	Every year	10*	12*	8*		In 2015 we achieved a significant reduction in accident frequency in almost all operating segments. We continue to consistently pursue our target of zero accidents.	* Definition of accident frequency as a reporting unit: number of occupational accidents/ number of hours worked x 1,000,000; including agency and temporary workers as well as employees with term contracts
Health of our employees							
Group level: Extension of respirable crystalline silica measurements to > 95 % of ceramic plants by 2020	2020	97%	98%	98%		This target was met in 2015, including the Tondach Gleinstätten plants.	Tondach Gleinstätten has been integrated into the reporting system since 01/01/2015. A new quantitative target regarding the health of our employees will be defined in 2016.
North America ¹⁾ : Extension of respirable crystalline silica measurements to 100% of the plants, including non-ceramic plants, by 2015	2015	80%	80%	100%		Respirable crystalline silica measurements were extended to the non-ceramic plants; thus, the target for North America was reached in 2015.	Previously, respirable crystalline silica measurements were limited to ceramic plants, i.e. 80% of all plants.
Production							
Energy efficiency							
North America ¹⁾ : Reduction of natural gas consumption at selected production sites by 5% per site compared to 2015	2016	n.a.	n.a.	n.a.		Collection of data for this indicator was implemented in 2015; the degree of target attainment will be published in 2016. To be implemented at 50% of main production sites.	
Clay Building Materials Europe: Reduction of specific energy consumption by 20% compared to 2010	2020	90%	87%	92%		Specific energy consumption increased significantly in 2015 as a result of the integration of the Tondach Group and the related changes in the product mix. Excluding the indicators of Tondach Gleinstätten, the index was reduced by 0.4% compared to 2014.	The change in specific energy consumption is communicated as an index. Indicators for Tondach Gleinstätten included for the first time in 2015.
Pipelife ²⁾ : Reduction of specific energy consumption in production by 20% compared to 2010	2020	97%	98%	95%		A further significant reduction in specific energy consumption was achieved in 2015.	The change in specific energy consumption is communicated as an index.
Climate action							
North America ¹⁾ : Conversion of all main production sites from coal to natural gas	2016	n.a.	n.a.	50%		In 2015 50% of all main production sites were converted from coal to natural gas; the remaining production lines at the main production sites are to follow in 2016.	
Steinzeug-Keramo: Compensation of 5% of the annual CO ₂ emissions generated in a plant through climate protection projects	2017	>5%	>5%	>5%		Since 2015 compliance with this target has been subject to regular reviews within the framework of Cradle to Cradle® re-certification.	
Clay Building Materials Europe: Reduction of specific CO ₂ emissions from primary energy sources by 20% compared to 2010	2020	100%	95%	100%		In 2015 specific CO ₂ emissions from primary energy sources increased significantly due to the integration of the additional, highly energy-intensive roof tile production plants of the Tondach Group. Excluding the indicators of Tondach Gleinstätten, the index was reduced by 0.7% compared to 2014.	The change in specific CO ₂ emissions is communicated as an index. Following the transition to the third EU emission trading period in 2013, the CO ₂ emissions of 2013 are used as the new reference base for future developments.
Pipelife ²⁾ : Reduction of specific indirect CO ₂ emission from electricity in production by 20% compared to 2010	2020	n.a.	n.a.	83%		Collection of data for this indicator was implemented in 2015; CO ₂ emissions from primary energy sources in 2015 were 17% below the reference value of 2010.	The change in specific CO ₂ emissions is communicated as an index.
Water							
Pipelife ²⁾ : Reduction of water consumption from public networks to 0.55 m ³ per ton produced	2020	n.a.	0.62 m ³ /ton	0.66 m ³ /ton		In 2015 test runs and one-off events, such as the repair of a cooling circuit, resulted in a slight increase of water consumption.	The reference value in 2014 was 0.62 m ³ per ton of products produced.
Resource efficiency and waste management							
Semmelrock: Reduction of scrap rate by 15% compared to 2014	2015	n.a.	4,7%	3,8%		With a scrap rate reduction by 19%, the target set for 2015 (-15%) was not only reached on time, but surpassed.	In 2014 the scrap rate was 4.7% (reference value). The target for 2015 was 4.0%.
Semmelrock: Reduction of scrap rate by 50% compared to 2014	2017	n.a.	4,7%	3,8%		The degree of target attainment will be published for the reporting year 2017.	In 2014 the scrap rate was 4.7 % (reference value). The target for 2017 is 2.4%
Products							
Innovative products							
Semmelrock: Innovative products accounting for 30% of revenues	Every year	n.c.	n.c.	39%		In 2015 the definition of innovative products was adopted and the business-unit-specific target was set.	The definition adopted in 2015 includes product innovations with added value for customers on account of their cost-efficiency, their technical properties and their ecological advantages, such as water permeable paving systems.
Steinzeug-Keramo: Innovative products accounting for 35% of revenues	Every year	n.c.	n.c.	41%		In 2015 the definition of innovative products was adopted and the business-unit-specific target was set.	The definition adopted in 2015 includes recently introduced products (e.g. Kerapro shafts), products for particularly innovative applications (e.g. jacking pipes for trenchless installation), particularly sustainable products for energy efficiency and climate protection (e.g. climate-neutral pipes).
Pipelife: Innovative products accounting for 20% of revenues	Every year	n.c.	n.c.	21%		In 2015 the definition of innovative products was adopted and the business-unit-specific target was set.	The definition adopted in 2015 includes product innovations representing either a completely new development or a significant improvement of an existing product in terms of production processes, cost-efficiency, technical properties or ecological advantages (e.g. the bio-degradable CompoSys pipe).
Clay Building Materials Europe: Innovative products accounting for 25% of revenues	Every year	n.c.	n.c.	27%		In 2015 the definition of innovative products was specified and the business-unit-specific target was set.	In 2015 the definition of innovative products was specified. It includes new products and system solutions that are durable and cost-efficient, contribute to the energy efficiency of buildings, have a positive impact on the health and safety of their inhabitants, speed up, facilitate and improve the design process and work at the construction site, and are particularly interesting in terms of architectural aesthetics.
Recyclability, recycling and re-use							
Pipelife ²⁾ : Increase of the share of recycling material per ton of products produced to 70 kg	2020	n.a.	58.9 kg/ton	64.6 kg/ton		In 2015 the share of recycling material per ton of products produced was increased without compromising the quality of the finished products.	The 2014 reference value was 58.9 kg per ton of product.
Social responsibility							
Business Ethics & Compliance							
Group level: Zero incidents of corruption	Every year	0	0	0		As in previous years, not a single negative judgement for suspicion of corruption and no penalties paid.	In 2015 audits with a special focus on corruption and anti-trust violations were performed by Internal Audit in 27 companies.

1) North America: excluding Pipelife production site / 2) Pipelife: including production site in North America / n.a.: no information available (data not collected)

n.c.: not comparable (data not comparable in three-year trend due to new definition) / SR 2020: Sustainability Roadmap 2020

Next Generation

Excellence and foresight in everything we do are the central elements of Wienerberger's strategic reorientation: in the quality of our work as well as in our responsibility towards society and our employees.

A number of important steps have already been taken in recent years.

Now we are in the process of consistently advancing along this path – on the basis of a strategy that considers financial as well as non-financial criteria, always with a clear focus on our vision: to be the most highly regarded producer of building material and infrastructure solutions and the preferred employer in our markets.

Wienerberger – Next Generation.

This report provides information on our measures and activities during the past year, about where we stand in this process and which topics are particularly important for us at this point in time.

Key Sustainability Figures – Wienerberger Group

Corporate data		2013	2014 ¹⁾	2015	Change in %
Revenues	in mil. €	2,662.9	2,834.5	2,972.4	+5
Operating EBITDA	in mil. €	266.5	317.2	369.7	+17
EBIT	in mil. €	64.7	-165.1	163.1	>100
Profit after tax	in mil. €	-7.8	-229.7	69.8	>100
Free cash flow	in mil. €	92.9	134.0	135.1	+1
Net debt	in mil. €	538.9	621.5	534.1	-14
Gearing	in %	23.9	31.3	26.0	-
Employees		2013	2014	2015 ²⁾	Change in %
Ø Employees as at 31/12	Full-time equivalents	13,787	13,930	15,813	+14
Accident frequency	Number of occupational accidents / number of hours worked x 1.000.000	10	12	8	-35
Accident severity	Accident-related sick leave days / number of hours worked x 1.000.000	301	340	209	-38
Ø Sick-leave days / employee ³⁾	in days	9.7	9.2	9.1	-1
Ø Training hours / employee ⁴⁾	in hours	13	14	16	+8
Ø Training costs / employee	in €	206	235	211	-10
Percentage of women, total	in %	14	14	14	-
Employee turnover ³⁾	in %	9	8	9	-
Production		2013	2014	2015 ²⁾	Change in %
Total energy consumption	GWh	6,716	6,579	7,543	+15
Specific energy consumption ⁵⁾	Index in % based on kWh/ton (2010 = 100%)	93	89	94	+6
Total CO ₂ emissions ⁶⁾	in tons	1,835,695	1,839,553	2,061,062	+12
Specific CO ₂ emissions ^{5) 6) 7)}	Index in % based on kg CO ₂ /ton (2013 = 100%)	100	96	100	+4
Water consumption	in m ³ /ton	3.8	3.7	4.0	+9
Water from public supply networks	in %	38	39	34	-
Products		2013	2014	2015 ²⁾	Change in %
Revenues generated by innovative products	in %	24	25	28	-

Wienerberger Group

- 1) The figures for 2014 were restated according to IAS 8.
- 2) Tondach Gleinstätten included from 2015.
- 3) Excluding North America (figures on sick-leave days per employee not fully comparable due to special local regulations).
- 4) Internal and external initial and further training measures per employee. International training events not included. In 2013 and 2014, the numbers of hours spent in training were shown as rounded figures; from 2015, the calculations are based on accurate values.
- 5) For reasons of precision, the combined indices of the individual product groups were adjusted accordingly; since 2014, the calculation has been based on absolute figures.
- 6) Exclusively direct emissions from ceramic production. Following the transition to the third EU emission trading period in 2013, Wienerberger's data are no longer comparable; therefore the CO₂ emission data from 2013 serve as the new reference base for future developments.
- 7) Specific CO₂ emissions exclusively refer to fuel emission.

General comments applying to all parts of the 2015 Sustainability Update:

- Rates of change against previous year are calculated on the basis of non-rounded values for all non-financial indicators.
- Operating EBITDA adjusted for non-recurring income and expenses.
- Free cash flow equals cash flow from operating activities minus cash flow from investing activities plus growth capex. For calculation methods, see the corresponding chapters of the 2015 Sustainability Update; for the reporting scope, see the Report Profile.
- The reference base for production volumes used in all business units is net additions to stocks, except for Steinzeug-Keramo, where kiln capacity is used.
- Total energy consumption comprises energy consumed in production, but excludes administration, except for those countries where the accounting system does not permit such separation.
- Rounding differences may be due to electronic data processing.

Product Group

- 1) Tondach Gleinstätten included from 2015.
- 2) Excluding North America (figures on sick-leave days per employee not fully comparable due to special local regulations).
- 3) For reasons of precision, the combined indices of the individual product groups were adjusted accordingly; since 2014, the calculation has been based on absolute figures.
- 4) Specific CO₂ emissions exclusively refer to fuel emission. Following the transition to the third EU emission trading period in 2013, Wienerberger's data are no longer comparable; therefore, the CO₂ emission data from 2013 serve as the new reference base for future developments.
- 5) Figures for 2014 shown excluding restructuring.

General comments applying to all parts of the 2015 Sustainability Update:

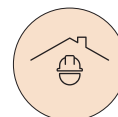
- Rates of change against previous year are calculated on the basis of non-rounded values for all non-financial indicators.
- For calculation methods, see the corresponding chapters of the 2015 Sustainability Update; for the reporting scope, see the Report Profile.
- The reference base for production volumes used in all business units is net additions to stocks, except for Steinzeug-Keramo, where kiln capacity is used.
- Total energy consumption comprises energy consumed in production, but excludes administration, except for those countries where the accounting system does not permit such separation.
- Rounding differences may be due to electronic data processing.
- n.a. - not available (data not collected)
- n.c. - not comparable (data not comparable in three-year trend due to new definition)

Key Sustainability Data by Product Group

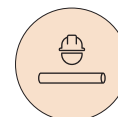
Tiles and bricks		2013	2014	2015 ¹⁾	Change in %
Employees as at 31/12	Headcount	9,447	9,530	11,495	+21
Accident frequency	Number of occupational accidents / number of hours worked x 1,000,000	11	13	8	-37
Percentage of women	in %	13	13	13	-
Employee turnover ²⁾	in %	9	8	9	-
Specific energy consumption ³⁾					
Clay blocks	Index in % based on kWh/ton (2010 = 100%)	85	79	79	0
Roof tiles	Index in % based on kWh/ton (2010 = 100%)	98	94	96	+2
Facing bricks	Index in % based on kWh/ton (2010 = 100%)	103	100	102	+2
Specific CO ₂ emissions ^{3), 4)}					
Clay blocks	Index in % based on kg CO ₂ /ton (2013 = 100%)	100	92	91	0
Roof tiles	Index in % based on kg CO ₂ /ton (2013 = 100%)	100	95	97	+2
Facing bricks	Index in % based on kg CO ₂ /ton (2013 = 100%)	100	98	96	-2
Specific water consumption	m ³ /ton	0.18	0.17	0.17	-2
Share of innovative products in revenues	in %	n.c.	n.c.	29	-
Ceramic pipes		2013	2014	2015	Change in %
Employees as at 31/12	Headcount	587	553	612	+11
Accident frequency	Number of occupational accidents / number of hours worked x 1,000,000	14	45	34	-24
Percentage of women	in %	9	10	8	-
Employee turnover ⁵⁾	in %	2	1	3	-
Specific energy consumption ³⁾	Index in % based on kWh/ton (2010 = 100%)	85	84	87	+4
Specific CO ₂ emissions ^{3), 4)}	Index in % based on kg CO ₂ /ton (2013 = 100%)	100	100	105	+5
Specific water consumption	m ³ /ton	0.23	0.22	0.22	0
Share of innovative products in revenues	in %	n.c.	n.c.	41	-
Plastic pipes		2013	2014	2015	Change in %
Employees as at 31/12	Headcount	2,466	2,510	2,481	-1
Accident frequency	Number of occupational accidents / number of hours worked x 1,000,000	4	6	3	-45
Percentage of women	in %	15	15	15	-
Employee turnover ⁵⁾	in %	10	10	11	-
Specific energy consumption ³⁾	Index in % based on kWh/ton (2010 = 100%)	97	98	95	-3
Specific indirect CO ₂ emissions from electricity	Index in % based on kg CO ₂ /ton (2010 = 100%)	n.a.	n.a.	83	-17
Specific water consumption	m ³ /ton	4.24	4.13	4.70	+14
Share of innovative products in revenues	in %	n.c.	n.c.	21	-
Concrete pavers		2013	2014	2015	Change in %
Employees as at 31/12	Headcount	915	964	987	+2
Accident frequency	Number of occupational accidents / number of hours worked x 1,000,000	15	9	5	-42
Percentage of women	in %	16	16	15	-
Employee turnover	in %	14	10	12	-
Specific energy consumption ³⁾	Index in % based on kWh/ton (2010 = 100%)	95	89	89	0
Specific water consumption	m ³ /ton	0.05	0.05	0.05	+2
Share of innovative products in revenues	in %	n.c.	n.c.	39	-



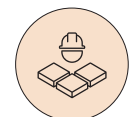
149,000
houses built



280,000
roofs covered



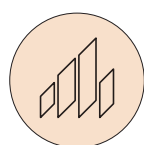
470,000
km pipes laid



12,500,000
m² surface paved

Did you know, how much was built with Wienerberger products in 2015?

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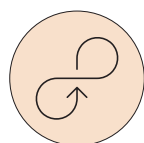
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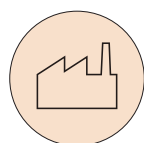
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Introduction by the Chief Executive Officer

Ladies and Gentlemen,

We want to improve people's quality of life. In pursuing this goal, we focus not only on the present, but also on "Next Generation" issues. With this in mind, we do what we are best at: We develop building material and infrastructure solutions to address the challenges of the future, such as the need to adapt to climate change, the shortage of resources or urbanization. Our building materials are resource-efficient, durable and recyclable; they are well suited for energy-efficient buildings and create a pleasant indoor climate. Our infrastructure solutions are elementary building blocks for the cities of the future. The crucial issues to be resolved are not only water supply and waste water disposal in continuously expanding urban agglomerations, but also the right to decent housing for people fleeing from war, violence or natural disasters, or for people in financial distress. Wienerberger therefore decided in September 2015 to extend its partnership with Habitat for Humanity, operational since 2012, by another three years. In cooperation with this humanitarian organization, which provides safe and adequate housing for socially underprivileged people all over the world, Wienerberger contributes its core competencies and its resources in an effort to cope with present-day social challenges.

It is our goal to be the most highly regarded producer of building material and infrastructure solutions and the preferred employer in our markets. This is essential if we want to recruit and retain the best people – those who share and live our values: competence, passion, integrity and respect, customer orientation, entrepreneurship, quality and responsibility. Each of our approximately 16,000 employees at our 203 production sites (in 2015) in 30 countries of the world is an ambassador of our company, and as such deserves our full respect for his or her performance and commitment. In 2001, with a view to the globalization of the company and its markets, Wienerberger signed its Social Charter, committing itself to the aim of providing employment and working conditions in production and sales around the world that at least meet the requirements of collective bargaining agreements and/or national laws. This includes compliance with the relevant conventions and recommendations of the Geneva-based International Labor Organization (ILO) as well as the Charter of Fundamental Right of the European Union from 2000. These instruments refer, inter alia, to

the prohibition of child labor as well as the right of employees to join a union of their choice and to participate in collective bargaining negotiations.

The safety and satisfaction of our 16,000 employees are top priorities for us. I am extremely happy to report that – thanks to our efforts to increase the standards of safety throughout the Wienerberger Group – the frequency of occupational accidents declined from 12 per million hours worked in 2014 to 8 in 2015; accident severity was even reduced by 39%. Most important of all, not a single fatal accident occurred in 2015. In the years to come, we will not tire in our efforts to reach our target of zero accidents.

In a globalized world, faced with an unequal distribution of scarce resources, a growing world population and the undeniable consequences of climate change, the protection of human rights, the observance of labor and environmental standards and the fight against corruption and bribery are central pillars of a fair and sustainable development worldwide. For a company with international operations, such as Wienerberger, it is essential to position itself as an honest, reliable and calculable partner for external stakeholder groups. When we signed the UN Global Compact in 2003, we officially acknowledged our responsibility as a corporate citizen. We actively promote business ethics, we see to it that the ten principles of the UN Global Compact are consistently implemented and promote "good corporate citizenship" throughout the Wienerberger Group. In future, we are going to demand such behavior also from our suppliers. Individual business units have already introduced supplier codes of conduct, and we intend to do the same, step by step, on a Group-wide basis. As in previous years, we report on progress achieved in our Communication on Progress in respect of the ten principles of the UN Global Compact. The declaration for 2015 is reproduced in this Sustainability Update starting on page 64.

At present, climate change is the biggest challenge – though not the only one – we face worldwide. In order to mitigate its negative consequences and to limit global warming to a maximum of two centigrades greenhouse gas emissions have to be drastically reduced in all parts of the world. This will only be possible if we reduce our consumption of fossil fuels, become



Heimo Scheuch
Chief Executive Officer of Wienerberger AG

more efficient in the use of our resources and change over to renewable energy sources. Wienerberger is directly concerned, since the production of building materials – from raw material extraction to the production processes in our plants – is energy-intensive. For economic as well as ecological reasons, we are continuously at work to increase energy efficiency and reduce the volume of direct CO₂ emissions in ceramic production as well as indirect CO₂ emissions in plastic pipe production. Moreover, Wienerberger has set itself the target to reduce specific energy consumption in CBME and Pipelife by 20% by 2020 compared to 2010. In 2016, North America will reduce the consumption of natural gas at selected production sites by 5% each, compared to 2015. Equally ambitious targets will soon be defined for the other business units. In 2015, the Wienerberger Group's total energy consumption increased significantly (+15%) over the previous year's level. This was due, above all, to the first-time integration of the indicators of the Tondach Group in 2015, but also to shifts in the product mix towards more energy-intensive products in almost all divisions and the start-up of a new ceramic pipe production line. At the same time, how-

ever, the increased use of low-emission energy sources, such as natural gas or liquefied natural gas, led to a significant decline in the consumption of fuel oil (-60%) and coal (-9%). Steinzeug-Keramo converted its entire production to electricity from renewable sources in 2015. We will continue our efforts to achieve a higher degree of energy efficiency and to lower our CO₂ emissions in the years to come.

In the coming years, we will continue working intensively on the achievement of the targets laid down in our Sustainability Roadmap 2020 and I invite you all to join us on this course.

Yours



Wienerberger at a Glance

Wienerberger: an international supplier of building material and infrastructure solutions

Company Profile

Wienerberger is an international supplier of innovative building material and infrastructure solutions with headquarters in Vienna. We are the only multinational producer of clay blocks, facing bricks and clay roof tiles, pipe systems made of plastics and ceramics, and concrete and clay pavers. As at 31 December 2015, Wienerberger operated 203 production sites in 30 countries of the world and exported its products to international markets. We are the worldwide market leader in the brick segment and the number one producer of clay roof tiles in Europe. Moreover, we are among the leading suppliers of pipe systems in Europe and concrete pavers in Central and Eastern Europe.

History of the Company

Wienerberger was founded in 1819 by Alois Miesbach in the Wienerberg district on the southern outskirts of Vienna. This Austrian brick manufacturer became one of the first companies to be listed on the Vienna Stock Exchange in 1869. Wienerberger is a free float company with 100% of its shares being publicly traded. For details on the shareholder structure, please refer to the 2015 Annual Report. The company took its first step towards internationalization with the takeover of the Oltmanns Group in 1986, which was followed by a successful expansion into Eastern Europe, France and the Benelux countries during the 1990s. The establishment of Pipelife (plastic pipes) as a joint venture and the development of the Group's ceramic pipe and concrete paver activities also occurred during these years.

After a further period of expansion in Europe, the Wienerberger Group developed into a global player with the takeover of General Shale in the USA in 1999. Another strategic milestone was set in 2003 with the Group's entry into the roofing systems market through the acquisition of Koramic and the steady expansion of this business in the following years. With the full takeover of Semmelrock (2010), Steinzeug-Keramo (2011), Pipelife (2012) and Tondach Gleinstätten (2014), Wienerberger completed its transformation into an international supplier of building material systems comprising the Clay Building Materials Division, the Pipes & Pavers Europe Division and the North America Division.

The Wienerberger Mission Statement

It is our vision to be the most highly regarded producer of building material and infrastructure solutions and the preferred employer in our markets. Our mission is to improve people's quality of life by providing outstanding, sustainable building material and infrastructure solutions. The primary goal of our entrepreneurial activities is to achieve a sustainable increase in the value of the company in accordance with ecological, social and economic principles. Day after day, approximately 16,000 employees are making every effort to translate this vision into reality through their commitment and their professional approach. This excellent cooperation is based on a firmly rooted corporate culture, which is characterized by shared values – expertise, passion, integrity and respect, customer orientation, entrepreneurship, quality and responsibility – and provides the foundation for our organization.



Strategy and Targets for 2020

Our corporate strategy is determined by our vision and our mission. Three core areas of strategic importance have been identified as essential for Wienerberger's sustainable success: a focus on innovation, growth projects that enable us to become one of the world's leading building material companies, and continuous optimization of our structures and processes.

We want to create lasting value for our customers by providing durable, flexible and innovative building material and infrastructure solutions. To this end, we are continuously at work to maintain and improve the quality of our products and to develop new, innovative products and system solutions for all areas of application – from sustainable, energy-efficient buildings to environment-friendly pavers to safe supply networks. Innovative methods are being applied to reduce the consumption of natural resources, develop new materials, increase efficiency in production and use or optimize the recyclability of our products. We make every effort to adjust these developments to the needs of our customers. Through our innovations we not only meet the growing demand for tailor-made solutions, but also offer solutions to cope with the growing complexity of the design and execution of construction projects.

It is our strategic goal to become one of the world's leading building material companies. To this end, we focus on value-creating growth investments, including the acquisition of companies or the selective take-over of individual plants as well as capacity extensions through the construction of new plants and technological improvements. Thus, we broaden the scope of our activities in existing fields of business and, at the same time, explore new product segments.

The optimization of existing production processes also supports our economic and ecological objectives, as we achieve cost savings and reduce the input of resources. Thanks to our Shared Service Centers, we have been able to streamline our administrative procedures and ensure a high and uniform level of quality throughout the Group.

Wienerberger's targets for 2020 are to achieve consolidated revenues of over € 4 billion and operating EBITDA of well above € 600 million per year. We expect organic growth to be in the range of 3% to 4%, based on volume increases and improved average prices, and hope to realize further value-creating growth investments. Moreover, cost savings in the amount of approx. € 50 million are to be achieved by 2020 through continued optimization measures.



**Implementation of
strict principles of good
corporate governance
and transparency**

Corporate Governance at Wienerberger

Strict principles of good governance and transparency as well as the continuous development of an efficient corporate control system form the basis of corporate governance at Wienerberger. In 2002, we were one of the first companies to commit to the Austrian Corporate Governance Code, a voluntary framework for corporate management and control that goes beyond the legal requirements. Wienerberger complied with all rules and recommendations of the Code in 2015. Moreover, a compliance code to prevent insider trading and a code of conduct for lobbying activities provide a framework for all the Group's operations. For a detailed presentation of the activities relating to corporate governance at Wienerberger in the year under review, please refer to the 2015 Annual Report. Our corporate governance principles are communicated in detail on the Wienerberger website.

The Year 2015 in Review

The results of the Wienerberger Group in 2015 were marked by a very good development in the first half of the year, a slow-down of momentum in the third quarter and a positive fourth quarter. In our European brick business, positive developments of the housing market were seen, above all, in Great Britain, the Netherlands, Romania, Bulgaria, Poland and Hungary. Not so in Germany, Switzerland, France and Italy, where residential construction activities slowed down in the course of the year. Our European plastic pipe business benefitted from a full order book in international project business and positive developments in the Netherlands, Norway and Poland, whereas market conditions in France remained difficult. The concrete paver business generated significantly higher results thanks to optimized cost structures and improvements in the product mix. In the ceramic sewage pipe segment, a noticeable geographic shift in sales resulted in a downturn of operating earnings. The North America Division reported a significant improvement of its results, which was mainly due to leaner cost structures and the sale of non-core real estate. Our North American plastic pipe business saw a slight increase of demand in 2015.



In this market environment, Wienerberger generated record revenues of almost € 3 billion and operating EBITDA of € 370 million. With net income of approx. € 70 million after tax, the company returned to the profit zone. As at 31 December 2015, the Group's net debt amounted to € 534 million, down by 14% from the previous year, and the net debt to EBITDA ratio dropped from 1.9 years in 2014 to 1.4 years in 2015, mainly as a result of a significantly higher cash flow from operating activities. Based on this satisfactory development of results and the positive outlook, a dividend of € 0.20 per share, up by 33% from the previous year, was paid out for 2015.

In 2015, a dividend of € 0.15 per share, corresponding to a total of € 17.5 million, was paid out from the Group's 2014 net profit. The profit distribution on the hybrid coupon amounted to € 20.9 million, which was below the annual coupon of € 32.5 million due to the partial exchange of the hybrid bond in 2014 and payment of the deferred coupon at the time of the exchange. Payments to public bodies, comprising taxes on income and other taxes (excluding deferred taxes) rose to € 48.9 million on account of the improvement in earnings and the resulting increase of the tax burden.

Financial flows to stakeholders in € million	2013	2014 ¹⁾	2015	Change in %
Corporate revenues ²⁾	2,706.4	2,871.6	3,028.4	+5
Operating expenses ³⁾	-1,779.6	-2,150.7	-1,876.0	-13
Wages, salaries and benefits ⁴⁾	-637.4	-679.1	-756.9	+11
Payments to providers of equity ⁵⁾	-46.3	-57.9	-38.5	-34
Payments to providers of borrowed capital	-53.5	-60.1	-45.8	-24
Payments to public bodies ⁶⁾	-38.7	-40.5	-48.9	+21

1) Tondach included from July 2014; the figures for 2014 were restated according to IAS 8.

2) Revenues and other operating income

3) Production costs, cost of sales, administrative costs and other operating expenses; excluding wages, salaries, benefits, depreciation and amortization, taxes other than taxes on income

4) Excluding temporary workers and company cars; including employee-related restructuring costs

5) Hybrid coupon and dividend recognized in the year of payment

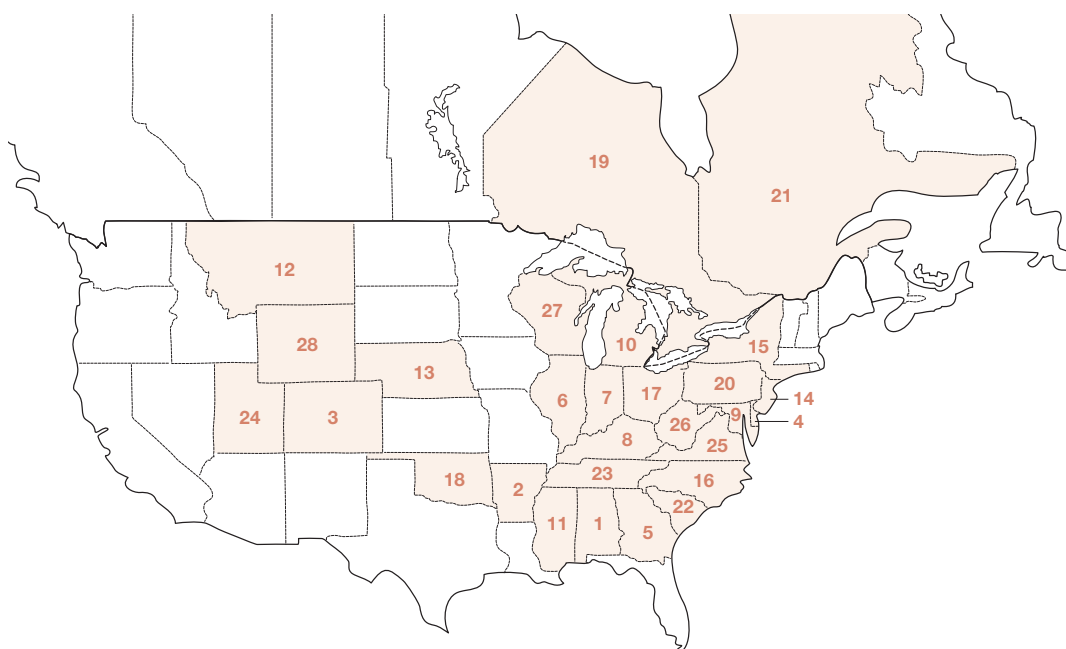
6) Excluding deferred taxes



Production Sites and Market Positions

Wienerberger is the only multinational producer of clay blocks, facing bricks and roof tiles as well as concrete pavers and pipe systems. In 2015, we operated 203 production sites in 30 countries of the world and exported our products to international markets. We are the world's biggest brick producer and the number one in clay roof tiles in Europe. Moreover, we are among the leading suppliers of pipe systems in Europe and concrete pavers in Central and Eastern Europe.

Wienerberger Markets in North America



1	Market positions
1	Facing Bricks
1	Concrete Products
1	Distribution Outlets
1	Plastic Pipes

1	Alabama	4			1	15	New York*	3					
2	Arkansas*	5				1	16	North Carolina	1	2	1	4	
3	Colorado	1	1	1	2	17	Ohio*	2					
4	Delaware*	5				18	Oklahoma*	6					
5	Georgia	1	2			19	Ontario			1			
6	Illinois	3			2	20	Pennsylvania*	3					
7	Indiana	1	1		2	21	Québec			1			
8	Kentucky	1			2	22	South Carolina	4				1	
9	Maryland*	2				23	Tennessee	1	1	1	6		
10	Michigan	2			2	24	Utah*	2					
11	Mississippi*	6				25	Virginia	1	2			1	
12	Montana	1			1	26	West Virginia*	1					
13	Nebraska*	6				27	Wisconsin*	5					
14	New Jersey*	3				28	Wyoming	1		1	1		

* Markets are served through exports from neighboring states.

Status December 2015



Wienerberger in India

Number of sites
1 Clay Blocks

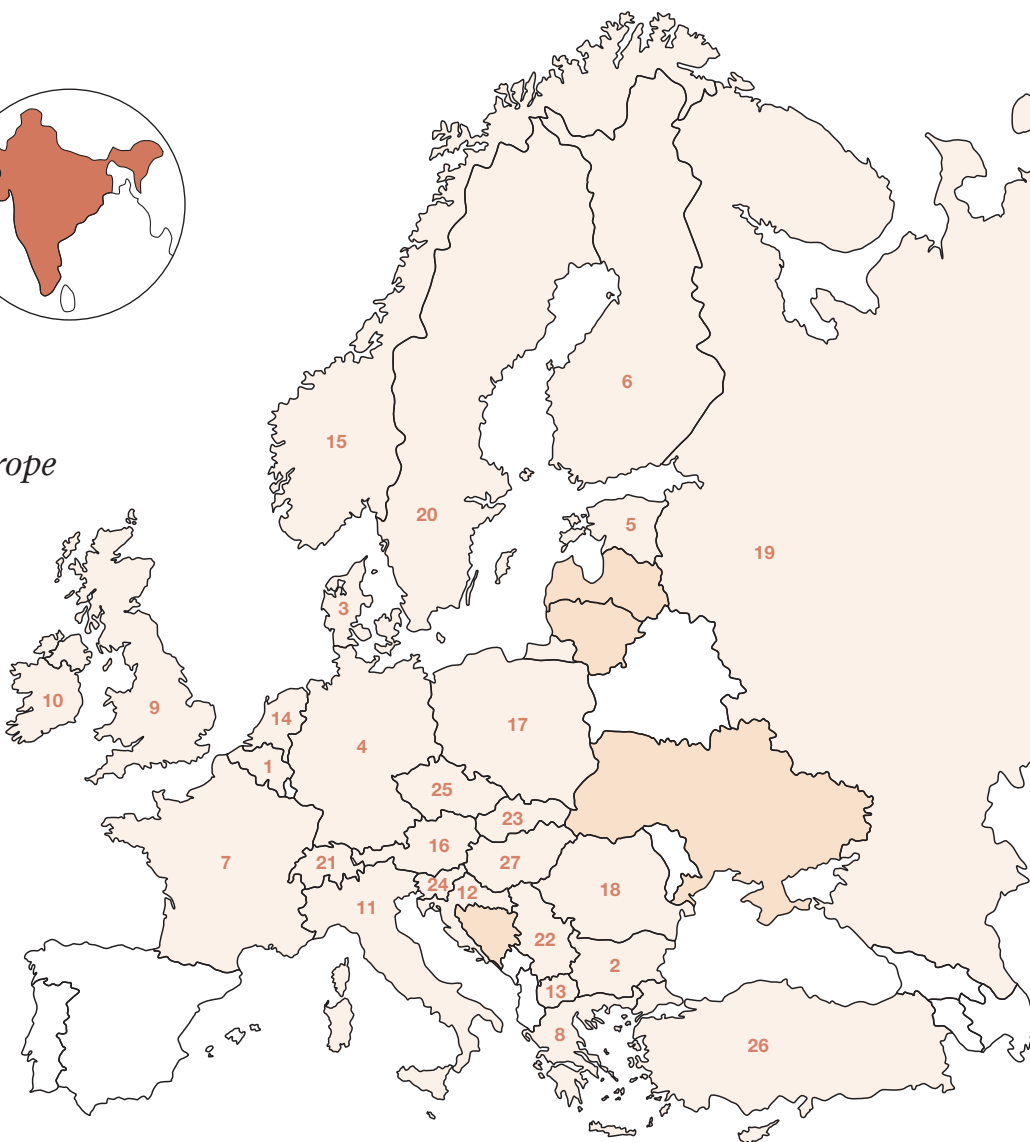


Wienerberger Markets in Europe

Markets with production sites
Export markets

Market positions
1 Clay Blocks and/or Facing Bricks
1 Clay Roof Tiles

Number of sites
1 Clay Blocks
1 Facing Bricks
1 Roofing Systems
1 Pavers
1 Plastic Pipes
1 Ceramic Pipes



1 Belgium	1	1	4	6	2		1	1	15 Norway*						2	
2 Bulgaria	1	2	1				1	1	16 Austria	1	1	7	1	2	3	1
3 Denmark*				2					17 Poland	1	2	7	1	1	5	2
4 Germany	1	4	14	3	5	1	1	2	18 Romania	1	1	3			2	
5 Estonia	1			1					19 Russia	1		2				1
6 Finland*				1				3	20 Sweden*				2			2
7 France	2	4	5	1	3			2	21 Switzerland	3	1	2		2		
8 Greece								1	22 Serbia		1			1		
9 Great Britain	2	1		9	4				23 Slovakia	1	1	2		1	1	
10 Ireland								1	24 Slovenia	1	1	1		1		
11 Italy	1		4						25 Czech Republic	1	1	8		4	1	2
12 Croatia	1	1	1		2	1			26 Turkey							1
13 Macedonia		1			1				27 Hungary	1	1	6		2	2	1
14 Netherlands	1	1	1	7	3	5	2									

* In the clay business the Nordic markets (Denmark, Finland, Norway and Sweden), in which we hold a No. 2 market position, are managed by a regional management.

Status December 2015



Wienerberger's Sustainability Management

Sustainability embedded in the corporate strategy

Wienerberger's Principles of Sustainability

Sustainability at Wienerberger is embedded in the corporate strategy and has constituted an integral component of the living corporate structure for many years. Important steps were the signing of the Social Charter in 2001, the commitment to the Austrian Corporate Governance Code in 2002, the accession to the UN Global Compact in 2003 and the involvement in the foundation of respACT Austria, the Austrian UN Global Compact Network, in 2006. Among the milestones of recent years were the first publication of quantitative sustainability targets in 2012 and the performance of a materiality analysis in 2014, which specifically covered each operating segment of the Wienerberger Group. The results of this analysis provided the basis for the development of the Wienerberger Sustainability Roadmap 2020, a five-year plan of action with quantitative targets, concrete measures and clearly defined deadlines.

Today, Wienerberger produces and sells a great variety of product and system solutions in the fields of clay blocks and roof tiles, ceramic pipes, plastic pipes and concrete pavers. Our self-imposed commitment to sustainability extends to all stages of the value chain of the Wienerberger Group.

The principles relating to the individual fields are described briefly in the chapters on employees, production, products and corporate social responsibility. For further information, in particular details and results of the materiality analyses in the individual product segments, as well as structures and instruments of sustainability management, please refer to the Wienerberger website and the 2014 Sustainability Report.

Definition of quantitative targets and measures for each business unit

The Wienerberger Sustainability Roadmap 2020

The Wienerberger Sustainability Roadmap 2020 outlines the sustainability targets pursued by the Wienerberger Group up to 2020. It includes Group-wide targets as well as targets for the individual business units and defines specific, binding measures and deadlines. The targets are based on the results of the materiality analysis. The Roadmap, which was released by the Sustainability Steering Committee at the beginning of 2015, represents a conscious, self-imposed commitment to continuously improve Wienerberger's ecological, social, societal and economic performance.

The measures taken in 2015 and the targets achieved as well as the steps to be taken by the business units in 2016 within the framework of the Sustainability Roadmap 2020 are described in the corresponding chapters of this report.



Wienerberger Sustainability Roadmap 2020 – Overview 2015

Essential topics	Holding		CBME		North America ¹⁾		Pipelife		Semmelrock		Steinzeug-Keramo	
Qt ... Quantitative targets M ... Measures	Qt	M ²⁾	Qt	M ²⁾	Qt	M ²⁾	Qt	M ²⁾	Qt	M ²⁾	Qt	M ²⁾
Sustainability in the supply chain												
Availability of raw materials				✓		✓	⊙→	✓		✓		✓
Use of recycled material				✓		✓	⊙→	✓		✓		✓
Avoidance of hazardous substances				✓+		✓		✓		✓		✓
Protection of local residents and employees, nature conservation and re-use of depleted clay pits		⌋		✓+		✓				✓		✓
Environmental aspects in production												
Energy efficiency			⊙→	✓	⊙→	✓	⊙→	✓		✓+		✓
Climate protection			⊙→	✓	⊙→	✓	⊙→+	✓+		✓	⊙✓	✓
Resource efficiency and waste management				✓		✓			⊙✓	✓		✓
Water saving							⊙→	✓		✓		✓
Social aspects in production												
Safety of employees	⊙↗	✓	⊙↗	✓	⊙↗	✓	⊙↗	✓	⊙↗	✓	⊙↗	✓
Health of employees	⊙↗	✓	⊙↗	✓	⊙↗	✓				✓	⊙↗	✓
Business ethics and compliance	⊙↗	↗	⊙↗	↗	⊙↗	↗	⊙↗	↗	⊙↗	↗	⊙↗	↗
Employee satisfaction		↗		↗		↗		↗		↗		↗
Sustainable products												
Innovative and sustainable products	⊙✓	✓	⊙→	✓	×	✓	⊙→	✓	⊙→	✓	⊙→	✓
Recyclability, recycling and re-use of products				✓		✓	⊙→	✓		✓		✓
Sustainability during construction and dismantling										✓		
Ease of installation				✓+				✓				
Renewable energy for buildings								✓				
Contribution to energy efficiency of buildings				✓+		✓		✓				

1) North America: Excluding Pipelife production site

2) Measures: Including non-quantified targets

✓ Realized

⌋ Partially realized

× Definition not specified

+

 Newly added

⊙ Quantitative target

→ Ongoing Realization

↗ Group-wide



Wienerberger Sustainability Roadmap 2020 – Overview 2016 to 2020

Essential topics	Milestones	Holding		CBME		North America ¹⁾		Pipelife		Semmelrock		Steinzeug-Keramo	
Qt ... Quantitative targets M ... Measures		Qt	M ²⁾	Qt	M ²⁾	Qt	M ²⁾	Qt	M ²⁾	Qt	M ²⁾	Qt	M ²⁾
Sustainability in the supply chain													
Availability of raw materials	2016				○		○	◎→	○		○		○
	2017				○		○	◎→	○		○	◎☆	○
	2020				○		○		○		○		○
Use of recycled material	2016				○		○	◎→	○		○		○
	2017				○		×	◎→	○		○	◎☆	○
	2020				○		×	◎→	○		○		○
Avoidance of hazardous substances	2016				○+		○		○		○		○
	2017						○		○		○		○
	2020						○		○		○		○
Protection of local residents and employees, nature conservation and re-use of depleted clay pits	2016				○+		○				○		○
	2017						○				○		○
	2020						○				○		○
Environmental aspects in production													
Energy efficiency	2016			◎→	○	◎→	○	◎→	○		○		○
	2017			◎→	○		○	◎→	○		○	◎☆	○
	2020			◎→	○		○	◎→	○				○
Climate protection	2016			◎→	○	◎→	○	◎→+	○+		○	◎→	○
	2017			◎→	○		○	◎→+	○+		○	◎→	○
	2020			◎→	○		○	◎→+	○+				○
Resource efficiency and waste management	2016				○		○	◎→		◎→	○		○
	2017				○		○				○		○
	2020				○						○		○
Water saving	2016							◎→	○		○		○
	2017							◎→			○		○
	2020							◎→					○

1) North America: Excluding Pipelife production site

2) Measures: Including non-quantified targets

× Definition not specified

⊕ Newly added

○ Measures and qualitative targets planned

◎ Quantitative target

→ Ongoing Realization

⌘ Group-wide

☆ Quantitative target being defined

D Different presentation

K Correction of type-setting errors (2014 Sustainability Report)



Essential topics	Milestones	Holding		CBME		North America ¹⁾		PipeLife		Semmelrock		Steinzeug-Keramo	
Qt ... Quantitative targets M ... Measures		Qt	M ²⁾	Qt	M ²⁾	Qt	M ²⁾	Qt	M ²⁾	Qt	M ²⁾	Qt	M ²⁾
Social aspects in production													
Safety of employees	2016	☉ →	○	☉ →	○	☉ →	○+	☉ →	○	☉ →	○	☉ →	○
	2017	☉ →	○	☉ →	○	☉ →	○+	☉ →	○	☉ →	○	☉ →	○
	2020	☉ →	○+	☉ →	○+	☉ →	○	☉ →	○+	☉ →	○	☉ →	○
Health of employees	2016		○		○		○				○+		
	2017	☉ ☆	○	☉ ☆	○		○					☉ ☆	
	2020		○		○	K	○						○
Business ethics and compliance	2016	☉ →	○ →	☉ →	○ →	☉ → _K	○ → _D	☉ →	○ →	☉ →	○ →	☉ →	○ →
	2017	☉ →	○ →	☉ →	○ →	☉ → _K	○ → _D	☉ →	○ →	☉ →	○ →	☉ →	○ →
	2020	☉ →	○ →	☉ →	○ →	☉ → _K	○ → _D	☉ →	○ →	☉ →	○ →	☉ →	○ →
Employee satisfaction	2016		○ →		○ →		○ → _D		○ →		○ →		○ →
	2017		○ →		○ →		○ → _D		○ →		○ →		○ →
	2020		○ →		○ →		○ → _D		○ →		○ →		○ →
Sustainable products													
Innovative and sustainable products	2016			☉ →	○	×	○	☉ →	○	☉ →	○	☉ →	○
	2017			☉ →	○		○	☉ →	○	☉ →	○	☉ →	○
	2020			☉ →	○		○	☉ →	○	☉ →	○+	☉ → _D	○
Recyclability, recycling and re-use of products	2016				○+		○	☉ →	○		○		○
	2017						○	☉ →	○		○	☉ ☆	○
	2020						○	☉ →			○		○
Sustainability during construction and dismantling	2016										○		
	2017										○		
	2020								K				
Ease of installation	2016				○+				○				
	2017				○+				○ _K				
	2020				○+				K				
Renewable energy for buildings	2016								○				
	2017								○ _K				
	2020						K		K				
Contribution to energy efficiency of buildings	2016				○+		○		○				
	2017				○+		○ _K		○ _K				
	2020				○+								



Employees

Principles, Processes and Instruments of our Human Resources Management

Creating the framework for responsible human resources management

Wienerberger is fully aware of its responsibility to its employees. Our employees are the basis of our success and a key factor for the successful development of our company. It is our task to create the necessary basis and the best possible conditions for the safety, health and satisfaction of our employees. To this end, we are making every effort to achieve continuous improvements in the fields of occupational health and safety, diversity and equal opportunities, and initial and further training. A culture of open communication in our company, the consistent involvement of our employees and a motivating working environment are essential in this context. The following principles of human resources management apply throughout the entire Group:

- Safe and healthy workplaces
- Equal opportunities regardless of age, gender, culture, religion, origin or other diversity features
- Advancement and development of each employee
- Willingness to pursue demanding targets and to assume personal responsibility
- Entrepreneurial spirit and action

The Social Charter as a basis for fair working conditions

With the signing of the Social Charter in 2001, Wienerberger committed itself to creating Group-wide employment and working conditions that meet national legal provisions or collective bargaining agreements as a minimum standard. Thus, Wienerberger complies with the recommendations of the International Labor Organization (ILO), a specialized agency of the United Nations. It goes without saying that child labor and discrimination are not tolerated at Wienerberger. We pay special attention to adequate, safe and healthy working conditions, fair remuneration, freedom of association and the right of our employees to engage in collective bargaining. Approx. 73% of all Wienerberger employees are covered by collective bargaining agreements. The difference compared with last year is due to the fact this year's figure is no longer an estimate but an accurate number.

Employee development and counseling: a central task of HR

The responsibilities of our Human Resources Department (HR) include the recruitment of new employees, the promotion of cross-border know-how transfer, occupational safety, employee communication, talent management and succession planning. The organization of training and learning platforms, appropriate remuneration and bonus systems, industrial relations, and socially responsible headcount reduction measures within the framework of restructuring programs are among the core tasks of HR.

The general principles, processes and instruments applied in Wienerberger's human resources management are presented on the Wienerberger website and outlined in the 2014 Sustainability Report. The employee-related targets and measures of the business units are summarized at the end of this chapter under "Target Definitions and Measures Relating to Employees".

Tondach Gleinstätten included in non-financial indicators from 2015

Tondach Gleinstätten has been a fully consolidated company of the Wienerberger Group since July 2014. Its structures for the collection of non-financial indicators were optimized in the course of 2014. Therefore, the indicators shown in this report include the figures for Tondach Gleinstätten from January 1, 2015 only.



Employment Trends

Number of employees

With Tondach Gleinstätten now included in Clay Building Materials Eastern Europe, Wienerberger employed a workforce of 15,813 people (FTE) in 2015, i.e. 14% more than in 2014.

A workforce of 15,813 people, including Tondach Gleinstätten

Ø Employees by operating segment <i>Full-time equivalents</i>	2013	2014	2015 ¹⁾	Change in %
Clay Building Materials Western Europe	5,940	5,950	6,035	+1
Clay Building Materials Eastern Europe	2,383	2,397	4,184	+75
Clay Building Materials Europe	8,323	8,347	10,219	+22
Pipes & Pavers Western Europe	1,780	1,768	1,757	-1
Pipes & Pavers Eastern Europe	2,267	2,368	2,368	0
Pipes & Pavers Europe	4,047	4,136	4,125	0
North America	1,213	1,246	1,272	+2
Holding & Others	204	201	197	-2
Wienerberger Group	13,787	13,930	15,813	+14

1) This report includes the figures for Tondach Gleinstätten from the beginning of 2015 (included in the Annual Report from July 2014).

The increase in the number of employees was nearly the same in all functional areas, with production accounting for the highest number.

Ø Employees by functional area <i>Full-time equivalents</i>	2013	2014	2015 ¹⁾	Change in %
Production	9,185	9,337	10,696	+15
Administration	1,241	1,245	1,404	+13
Sales ²⁾	3,361	3,348	3,713	+11
Total	13,787	13,930	15,813	+14

1) This report includes the figures for Tondach Gleinstätten from the beginning of 2015 (included in the Annual Report from July 2014).

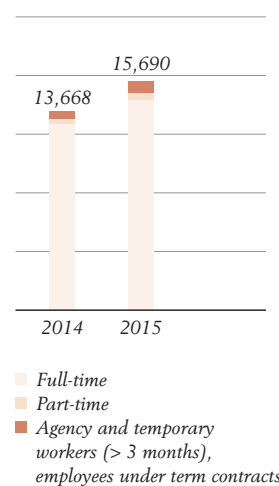
2) Employees in sales, marketing, inventories

Of the total workforce employed by the Wienerberger Group as at 31 December 2015, 92% worked full-time and 3% part-time. Temporary and agency workers having worked for Wienerberger for more than three months without interruption as well as employees under term contracts accounted for the remaining 5%. An insignificantly small part of activities at Wienerberger is performed by staff legally defined as self-employed. Altogether, the breakdown of employees by type of employment contract has remained almost unchanged from 2014.

Employee turnover

Compared with the previous year, the rate of employee turnover in the Wienerberger Group increased from 8.4% to 9.2% in 2015, which was primarily due to employees leaving rather than to restructuring measures. As in previous years, the figures of the North America Division are not fully comparable due to specific local legal provisions and therefore have not been included.

Employees (headcount) by employment relationship

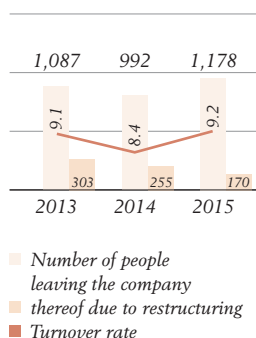


Slight increase in Group-wide employee turnover



Employee turnover increased in almost all operating segments, especially in Clay Building Materials Eastern Europe and Pipes & Pavers Eastern Europe, where higher numbers of employees leaving the company resulted in higher employee turnover rates.

**Employees turnover
excluding North America**



**1,178 employees left
the company in 2015**

**Employee survey
conducted at holding
company to be rolled out
to other locations**

**Group-wide safety initiative
to achieve maximum
safety standards**

Employee turnover by operating segment ¹⁾ in %	2013	2014	2015 ²⁾
Clay Building Materials Western Europe	8.6	7.6	7.9
Clay Building Materials Eastern Europe	9.4	7.7	11.3
Clay Building Materials Europe	8.8	7.6	9.1
Pipes & Pavers Western Europe	5.6	8.5	6.8
Pipes & Pavers Eastern Europe	13.2	10.8	11.5
Pipes & Pavers Europe	9.8	9.8	9.4
Holding & Others	8.5	11.1	9.3
Total excluding North America	9.1	8.4	9.2
North America ³⁾	21.6	22.5	25.3

1) Ratio of persons leaving the Wienerberger Group (termination by employee or employer as well as mutually agreed termination) to average number of employees in permanent employment (as at 31/12/2015 plus number of employees in permanent employment as at 31/12/2014 divided by two); excluding temporary and agency workers as well as workers under term contracts; persons retiring or on leave do not count as persons leaving the company.

2) Tondach Gleinstätten included from 2015

3) Figures not fully comparable due to special local legislation

With Tondach Gleinstätten now included in the figures, the average length of service remains high at 13 years. We regard this as a strong vote of confidence of our employees for the Wienerberger Group.

A total of 1,178 employees left the company in the year under review (headcount excluding North America Division). Restructuring measures led to the elimination of 170 jobs in 2015. 1,008 employees – 154 women and 854 men – left the Wienerberger Group for other reasons. 528 of these employees were between 30 and 49 years of age; 240 were under 30 and another 240 over 50 years of age.

Employee satisfaction

Supported by a competent cooperation partner, we performed an employee survey in 2015. We wanted to establish the degree of satisfaction of our employees at the Wienerberger holding company with their working environment as a basis for targeted measures to further improve employee satisfaction. The results, broken down by department cluster, were communicated to all employees at the Vienna location and follow-up measures were initiated. The employee survey will now be rolled out to other locations, starting in Austria and Germany.

Occupational Health and Safety

Wienerberger takes its responsibility for providing safe and healthy working conditions for its employees very seriously. This focus was confirmed by the materiality analysis performed in 2014 as an aspect of special relevance in our value chain. All normal capex and standard maintenance activities are always carried out in line with the health and safety needs of our employees. The



Wienerberger Safety Initiative, launched in 2010, implemented Group-wide safety standards aimed at reducing the frequency and severity of occupational accidents. In 2014, the existing standards were further developed for the entire Wienerberger Group and activities undertaken within the framework of the safety initiative were stepped up. For detailed information, please visit the Wienerberger website or refer to the 2014 Sustainability Report. In the course of 2015, the measures provided for by the safety initiatives were implemented successfully, as proven by the figures reported, through training and awareness-building measures in the individual business units.

Accident frequency

Within the framework of Safety, Health and Education (SHE) reporting, all accidents are recorded that lead to a loss of at least one working day for the person concerned. We are happy to report that the frequency of accidents decreased significantly in almost all operating segments in 2015. Accident frequency was reduced by one third in the entire Wienerberger Group. We are consistently pursuing our zero accident target. We continue to cooperate intensively with our employees across all management levels. Our main focus is on drawing employees' attention to potential sources of danger and on driving home the binding nature of safety rules and the use of personal protective equipment.

Accident frequency in the Wienerberger Group reduced from 12 to 8 per million hours worked

Accident frequency by operating segment ¹⁾	2013	2014	2015 ²⁾
Clay Building Materials Western Europe	14	17	11
Clay Building Materials Eastern Europe	8	9	7
Clay Building Materials Europe	13	15	9
Pipes & Pavers Western Europe	8	21	15
Pipes & Pavers Eastern Europe	8	5	3
Pipes & Pavers Europe	8	12	8
North America	4	2	2
Holding & Others	13	7	0
Wienerberger Group	10	12	8

1) Number of occupational accidents / number of hours worked x 1,000,000; including agency and temporary workers (working for Wienerberger for more than 3 months without interruption) and employees under term contracts

2) Tondach Gleinstätten included from 2015

Accident severity

The severity of accidents, measured as the number of accident-related sick leave days per million hours worked, declined significantly throughout the Group from 340 to 209 (-38.5%)

Significant reduction in accident severity (-38.5%) throughout the Group

In 2015, not a single fatal occupational accident occurred in the entire Wienerberger Group.

Not a single fatal occupational accident in the Wienerberger Group



Accident severity by operating segment ¹⁾	2013	2014	2015 ²⁾
Clay Building Materials Western Europe	406	536	339
Clay Building Materials Eastern Europe	374	258	201
Clay Building Materials Europe	396	450	279
Pipes & Pavers Western Europe	107	362	185
Pipes & Pavers Eastern Europe	272	148	71
Pipes & Pavers Europe	202	237	119
North America	91	41	25
Holding & Others	92	199	0
Wienerberger Group	301	340	209

1) Accident-related sick leave days/number of hours worked x 1,000,000; including temporary and agency workers (working for Wienerberger for more than 3 months without interruption) and employees under term contracts
2) Tondach Gleinstätten included from 2015

Safety programs of the business units

Over and above the Group-wide safety initiative, each business unit implemented its own safety programs.

Clay Building Materials Europe (CBME)

- Safety Management Department: coordinates the implementation of the Safety Alert and Safety Award programs as well as the Safety Roadmap, monitors compliance with safety standards.
- Safety Alert: a standardized process of dealing with occupational accidents at all CBME production sites, documenting and communicating the cause of the accident, how it happened and which measures were taken as a result.
- Accident reduction targets serve as input factors for establishing the variable salary components of managing directors and plant managers.
- Safety Award: Distinction awarded for outstanding performance in the field of safety.

Pipelife

- Safety Call: Thorough analysis of every accident resulting in sick leave within the framework of a telephone conference with all managing directors of the local organizations, leading to the identification of preventive measures for other production sites; the Pipelife Safety Portal, an online platform that can be accessed by all employees via email, serves as a work and information platform.
- Extensive industry benchmarking and exchange of experience within TEPPFA (The European Plastic Pipe and Fittings Association).
- Safety Audits performed at all plants.
- Programs aimed at observing employee behavior: Behavior Observation Program, Lock-out/Tag-out (LOTO) and 5 S (method to keep workplaces and their environment clean, safe and tidy).
- Zero Accident Club with Safety Award: Distinction awarded to local companies, depending on the number of accident-free months, and for efforts in the field of safety.



Semmelrock

- “Safety@Semmelrock”: Use of the “Accident Investigation Report Semmelrock” (AIRS document) to centrally document, analyze and communicate all accidents and/or incidents.
- Safety Day with plant and engineering managers.
- “Safety Culture”: Implementation of mission statements, award of premiums, and use of visual aids by the local companies.
- Technical safety optimization and risk analyses of production facilities.

Steinzeug-Keramo

- Plant optimization measures.
- Initial and further training sessions on occupational safety and hazard prevention, including specific safety instruction targeted at the individual workplaces.

Sick-leave days

The average number of sick-leave days per employee of the Wienerberger Group (excluding the North America Division) in 2015 was 9.1, almost unchanged from the previous year's value of 9.2.

**Group-wide average
of 9.1 sick-leave days
per employee**

Sick-leave days per employee by operating segment ¹⁾	2013	2014	2015 ²⁾
Clay Building Materials Western Europe	11.2	10.8	10.4
Clay Building Materials Eastern Europe	8.4	7.3	7.6
Clay Building Materials Europe	10.4	9.8	9.3
Pipes & Pavers Western Europe	9.7	10.2	9.8
Pipes & Pavers Eastern Europe	7.4	6.3	8.0
Pipes & Pavers Europe	8.4	8.0	8.8
Holding & Others	2.9	4.1	4.3
Total without North America	9.7	9.2	9.1
North America ³⁾	2.8	2.9	2.9

1) Including agency and temporary workers (working for Wienerberger for more than 3 months without interruption) and employees under term contracts

2) Tondach Gleinstätten included from 2015

3) Figures not fully comparable due to special local legislation (regarding sick leave of employees)

Besides regular health screenings, company physicians are available for consultation by employees, workplaces are analyzed for their ergonomic characteristics, and employees are encouraged to participate in fitness and health promotion programs.

Protection against respirable crystalline silica

Since 2008, the European Union has collected comprehensive data on respirable crystalline silica from all industries concerned. The survey is conducted every two years via NEPSI, a shared online platform (Negotiation Platform on Silica). The NEPSI system collects data, inter alia, on potential hazards for employees, health checks, training, the distribution and use of personal protective

**Data collection via
NEPSI, the Negotiation
Platform on Silica**



equipment, and technical measures, such as the enclosure of production lines concerned. After the previous survey in 2013, another one was conducted via the NEPSI portal in 2015.

Core indicators on respirable crystalline silica for CBME ¹⁾ in %	2013 ²⁾	2014 ³⁾	2015 ⁴⁾
Percentages of production sites concerned:			
Number of production sites reporting	97.7	97.5	97.7
Production sites with technical measures to reduce the generation/dispersion of respirable crystalline silica	98.4	92.4	92.9
Production sites with organizational measures to reduce the generation of respirable crystalline silica	100.0	82.2	92.1
Production sites where personal protective equipment is distributed to and used by employees	100.0	100.0	99.2
Percentages of employees at all production sites concerned:			
Employees potentially exposed to respirable crystalline silica	80.2	87.8	87.4
- of which employees potentially exposed to respirable crystalline silica who are covered by monitoring measures	91.2	95.6	96.7
- of which employees potentially exposed to respirable crystalline silica who have undergone health screening	96.4	93.6	98.5
- of which employees potentially exposed to respirable crystalline silica who have received training	93.0	93.8	90.6
- of which employees potentially exposed to respirable crystalline silica who are covered by a silicosis surveillance protocol ⁵⁾	-	28.3	27.3

1) CBME: Clay Building Materials Europe Business Unit (including Russia and India).

2) Data for Norway and Switzerland included for the first time in 2013.

3) As no NEPSI survey was conducted in 2014, data for the 2014 reporting year were collected via Wienerberger's standardized internal survey system.

4) Tondach Gleinstätten included from 2015

5) Indicator included for the first time in 2014

Three-year trend established at Group level

Since 2013, Wienerberger has collected its own Group-wide data and conducted internal surveys via the standardized survey system in order to ensure increased transparency at Group level. To this end, an annual evaluation is performed throughout the Wienerberger Group. A comparison of the data obtained at Group level over three years was possible for the first time in 2015.



Core indicators on respirable crystalline silica at Group level ¹⁾ in %	2013 ²⁾	2014 ³⁾	2015 ⁴⁾
Percentages of production sites concerned:			
Number of production sites reporting	97.9	97.8	98.0
Production sites with technical measures to reduce the generation/dispersion of respirable crystalline silica	98.4	93.2	93.8
Production sites with organizational measures to reduce the generation of respirable crystalline silica	100.0	84.2	88.3
Production sites where personal protective equipment is distributed to and used by employees	100.0	100.0	99.3
Percentages of employees at all production sites concerned:			
Employees potentially exposed to respirable crystalline silica	75.5	83.2	84.3
- of which employees potentially exposed to respirable crystalline silica who are covered by monitoring measures	89.4	91.0	95.2
- of which employees potentially exposed to respirable crystalline silica who have undergone health screening	92.6	89.1	95.9
- of which employees potentially exposed to respirable crystalline silica who have received training	89.8	92.9	90.6
- of which employees potentially exposed to respirable crystalline silica who are covered by a silicosis surveillance protocol ⁵⁾	-	28.5	26.1

1) CBME (including Russia and India), North America, Steinzeug-Keramo

2) Data for North America and Steinzeug-Keramo were collected for the first time in 2013

3) As no NEPSI survey was conducted in 2014, data for the 2014 reporting year were collected via Wienerberger's standardized internal survey system.

4) Tondach Gleinstätten included from 2015

5) Indicator included for the first time in 2014

Communication and Employee Involvement

It is our goal to further strengthen the values of our corporate culture through continuous communication measures and translate them into practice throughout the Group.

We use a variety of communication channels and platforms to inform our employees about corporate targets and strategies as well as current developments based on our shared values: competence, passion, integrity and respect, customer orientation, entrepreneurship, quality and responsibility. For more detailed information on the involvement of our employees and our communication channels, please refer to the 2014 Sustainability Report.

**Use of various
communication
channels and platforms**

Industrial Relations

The Wienerberger Social Charter, which confirms the company's engagement to comply with the relevant conventions and recommendations of the International Labor Organization (ILO), was signed in 2001 by the Managing Board of Wienerberger AG and the chairman of the European Forum, a social partnership body, in Strasbourg. Through this charter, Wienerberger demonstrates its global commitment to the respect of human rights, fair working conditions, payment of adequate remuneration, the avoidance of excessive working hours, permanent employment relationships and respect for the freedom of assembly and the right of employees to engage in collective bargaining.

**Wienerberger Social
Charter signed in 2001**



The European Works Council was established in 2011 as the successor to the European Forum. In 2015, Tondach Gleinstätten was integrated into the European Works Council and is now represented by two delegates (from Austria and the Czech Republic).

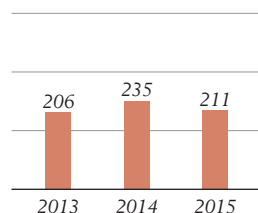
For further information about the European Works Council and the Group Works Council, please refer to the 2014 Sustainability Report.

Training and Personnel Development

At Wienerberger, we believe in advancing and supporting our employees in a targeted fashion and in facilitating the cross-border exchange of knowledge. The average number of hours per employee spent in training increased from 14.4 in 2014 to 15.5 in 2015. These figures include internal and external initial and further training measures; the following table, broken down by operating segment, does not include international training events and on-the-job-training. In 2015, the number of training hours per employee and year, including international training events and on-the-job training, amounted to 15.9 in the Wienerberger Group.

Average number of hours per employee spent in training increased from 14.4 to 15.5

Average training expenses per employee in €



Training hours per employee and year by operating segment ¹⁾	2013	2014	2015 ²⁾
Clay Building Materials Western Europe	15.2	16.0	15.2
Clay Building Materials Eastern Europe	12.0	15.2	15.6
Clay Building Materials Europe	14.4	16.0	15.3
Pipes & Pavers Western Europe	13.6	11.2	10.7
Pipes & Pavers Eastern Europe	8.8	12.8	16.7
Pipes & Pavers Europe	11.2	12.0	14.0
North America	12.0	12.0	22.7
Holding & Others	8.8	15.2	13.9
Wienerberger Group	12.8	14.4	15.5

1) Internal and external initial and further training measures; number of hours per employee. International training events and on-the-job training not included in this table. The figures shown for 2013 and 2014 are rounded values, whereas the figures for 2015 have not been rounded.

2) Tondach Gleinstätten included from 2015

Targeted programs to advance and support our employees

The average training expenses per employee in 2015 amounted to € 211. We are convinced that investments in the development of our employees will generate long-term as well as short-term added value for Wienerberger.

As in previous years, initiatives aimed at advancing and supporting employees in a targeted fashion and facilitating the cross-border exchange of knowledge were taken in 2015. For further information about the individual training and further training programs, please refer to the Wienerberger website and the 2014 Sustainability Report.



Diversity and Equal Opportunities

The principles of human resources management at Wienerberger ensure that all employees, regardless of age, gender, culture, religion, origin or other diversity features, have the same rights and opportunities. Based on these principles, Wienerberger does not tolerate any form of discrimination. Since the beginning of data collection on possible cases of discrimination, no such incidents have been reported.

For further information on efforts undertaken by Wienerberger to promote diversity and equal opportunities, please refer to the 2014 Sustainability Report.

Gender

As at December 31, 2015, the total percentage of women employed by the Wienerberger Group was unchanged from the previous year at 13.5%, although the percentage of women in administrative functions rose significantly.

Not a single case of discrimination since the beginning of data collection

Percentage of women employed by the Group unchanged

Percentage of women by functional area ¹⁾ in % – based on headcount	31/12/2013	31/12/2014	31/12/2015 ²⁾
Production	4.5	4.3	4.1
Administration	46.6	45.9	48.1
Sales ³⁾	24.0	24.2	24.3
Total	13.6	13.5	13.5

1) Agency and temporary workers and employees under term contracts not included

2) Tondach Gleinstätten included from 2015

3) Employees in sales, marketing and inventories

We continued to adhere to our policy of giving preference to women for new appointments to senior management and executive positions, provided the candidates' qualifications are equal. One specific measure to increase the number of women in senior management and executive positions at Wienerberger is to enable women to embark on suitable career paths from an early time on. In 2015, the share of women in senior management was slightly above 8%.

Measures to advance women in senior management and in executive positions

Since 2014, we have gathered data not only on the percentage of women in the functional areas, but also the number of newly recruited women working part-time. On the basis of these indicators, we can take a more differentiated approach in human resources management in order to position ourselves as a family-friendly company and to define appropriate quantitative targets for the future.

In 2015, the number of new entrants was 1,762, i.e. 273 more than in 2014. The number of women among the new entrants rose from 184 to 234, the number of men from 1,305 to 1,528. The share of women among the new entrants increased from 12.4% to 13.3%.



Number of new entrants by gender and functional area ¹⁾ <i>Headcount as at 31/12/2015</i> ²⁾	Women	Women in %	Men	Men in %
Production	51	4	1,179	96
Administration	64	45	78	55
Sales ³⁾	119	31	271	69
Total	234	13	1,528	87

1) Including agency and temporary workers (working for Wienerberger for more than 3 months without interruption) and employees under term contracts

2) Tondach Gleinstätten included from 2015

3) Employees in sales, marketing and inventories

The reconciliation of work and family life is an issue of special concern for Wienerberger. We therefore offer our employees the possibility of working part-time. This offer is taken up by a growing number of female as well as male employees. The percentage of Wienerberger employees working part-time increased from 3% in 2014 to 3.4% in 2015. The percentage of women in part-time employment amounted to 15.3% in 2015, down from 17.2% in 2014, while the percentage of men working part-time increased from 1.0% in 2014 to 1.5% in 2015.

Numbers of women and men working part-time <i>Headcount as at 31/12/2015</i> ¹⁾	Total	of which part-time	Part-time in %
Women	2,042	312	15.3
Men	12,866	188	1.5
Total	14,908	500	3.4

1) Tondach Gleinstätten included from 2015

Age

As in previous years, the long average length of service with the company was reflected in the age structure of the workforce in 2015, which hardly changed in comparison with 2014. In 2015, 54% (- 1 percentage point) of our employees were between 30 and 49 years of age. 10% were younger than 30 and 36% (+ 1 percentage point) older than 50. In this context, we pay special attention to Group-wide training and development measures for young employees as well as to long-term succession management. For further information on appointments to key positions, please refer to the 2014 Sustainability Report.

Targets and Measures Relating to our Employees

The targets and measures described in the following were defined by the Managing Board of Wienerberger AG and the management of the individual Wienerberger business units on the basis of the materiality matrix developed in 2014. They are part of the Wienerberger Sustainability Roadmap 2020.

The data on North America shown below do not include the Pipelife site in North America. The data on Pipelife include the Pipelife production site in North America.

54% of employees are between 30 and 49 years of age



Safety of our employees

At Group level

Quantitative target

- The long-term target is zero accidents in the Wienerberger Group.
- A specific target for investments in additional safety measures was defined at Group level in 2015.

Clay Building Materials Europe

In 2015

- the Safety Alert was implemented and exemplary behavior was again rewarded with the Safety Award;
- a new Safety Management Department was established, which coordinates the Safety Alert, the Safety Award and the implementation of the Safety Roadmap and monitors compliance with the safety standards.

In 2016

- the management of the Division will communicate a binding policy statement to the managing directors of all local organizations;
- the Safety Roadmap, a binding plan of action to improve occupational safety, will be completed and rolled out to the entire business unit;
- the Safety Alert and the Safety Award will be continued, and occupational safety will be one of the priorities of the internal „Technical Conference“.

North America

In 2015

- monthly meetings on safety issues and the reporting lines between the top management and the local management were held;
- additionally, a person responsible for occupational safety was nominated at local level, whose mandate also includes communication on safety matters;
- safety targets for the coming two years were defined for each production site.

In 2016

- the measures described above will be continued.
-



Safety of our employees

Pipelife

In 2015

- the practice of safety calls was continued on the basis of experience gained in the previous year. Every time an accident occurs that results in sick leave of the person concerned, a safety call (in addition to a written accident report) is organized with the managing directors of all local companies of the business unit to analyze the cause of the accident, to share experience and to initiate the necessary steps;
- the Pipelife Safety Portal, a centralized online platform for exchanges on safety issues within the Pipelife Group, was opened. All guidelines on the Group's safety standards as well as information on current measures and programs can be accessed via this platform. It also includes a compilation of all written accident reports, complete with detailed analyses and recommendations for other organizations;
- within the framework of the Zero Accident Club, the organization reporting the longest accident-free period was honored with the Pipelife Safety Award.

In 2016

- besides an extensive industry benchmarking exercise, all safety-related measures and programs will be continued: the safety calls, including accident reports and accident analyses, safety audits, 5 S (a method to keep workplaces and their environment safe, clean and tidy), the Zero Accident Club, and programs aimed at observing employee behavior, such as the Behavior Observation Program and LOTO;
- the "Take Care" campaign will be rolled out: all Pipelife production sites will be equipped with a uniform set of material containing safety instructions: brochures, warning signs and stickers for machinery and equipment in the local language, containing safety instructions for employees and visitors touring the plant.

Semmelrock

In 2015

- the "Safety@Semmelrock" program was continued and production processes were optimized through technical safety measures;
- the "Accident Investigation Report Semmelrock" (AIRS) system and an internal communication platform were implemented.

In 2016

- an updated safety guideline will be produced for Semmelrock and corresponding agreements will be made with the management;
 - the Safety Book will be completed and rolled out.
-



Safety of our employees

Steinzeug-Keramo

In 2015

- a Business Unit Safety Officer and a contact person for safety issues for each plant were appointed;
- a new guideline for plant tours was elaborated.

In 2016

- continuous investments in health and safety measures will be made and workplaces in production will be analyzed for potential risks.
- The measures taken are subject to regular internal audits.

Health of our employees

At Group level

Quantitative target

- The target of rolling out the measurement of respirable crystalline silica to at least 95% of all Wienerberger ceramic production sites by 2020 was already reached in 2013. Nevertheless, the target will be maintained, as Tondach Gleinstätten was not yet included in the indicators.
- The next step is aimed at reducing the generation and release of respirable crystalline silica in our ceramic plants. This process is to be supported through a targeted exchange of experience within the framework of working groups set up at Group level and including representatives from all business units. Potential core indicators and Group-wide initiatives are evaluated annually.

Clay Building Materials Europe

In 2015

- the guideline for the collection of data on respirable crystalline silica was revised. Based on an exchange of experience with the safety officers of the local companies, the definitions were clarified and additional indicators added.

In 2016

- the strategy for the reduction of respirable crystalline silica will be evaluated on the basis of new and more detailed information.
-



Health of our employees

North Americ

Quantitative Target

- The target of extending the measurements of respirable crystalline silica to all non-ceramic plants was reached as planned;

In 2015

- based on these measurements, protective measures were taken for potentially exposed employees; programs already introduced were continued;
- additional health insurance coverage was taken out for all full-time employees of North America, the scope of which goes beyond the provisions of the Affordable Care Act (ACA) in some respects.

In 2016

- the initiatives regarding the measurement of respirable crystalline silica will be continued and reduction standards will to be developed;
- all full-time employees of North America will continue to benefit from additional health insurance coverage going beyond the scope of the provisions of the Affordable Care Act (ACA) in some respects.

Semmelrock

In 2015

- the health-promoting measures defined within the framework of Safety@Semmelrock will be implemented.

In 2016

- additional measures will be consistently implemented within the framework of Safety@Semmelrock.

Steinzeug-Keramo

In 2015

- experience was exchanged within the framework of the centrally organized, subject-specific working groups and potential core issues were evaluated.

In 2016

- quantitative targets for the reduction of respirable crystalline silica will be defined and measures to achieve these targets will be elaborated.



Communication and employee involvement

At Group level

In 2015

- the Employer Branding Strategy initiated in 2014 was continued;
- our corporate values were even more firmly embedded in our everyday working routine as a source of guidance and orientation;
- the essential processes for a new Intranet solution (iComm) were implemented, creating a worldwide network for all employees of the Wienerberger Group.

In 2016

- the rollout of the new Intranet (iComm) to all business units and their local companies, aimed at improving employee communication and interaction, will be started; implementation is to be completed in 2017.

Employee satisfaction

At Group level

In 2015

- Corporate Human Resources organized an employee survey at the Vienna headquarters to evaluate employee satisfaction in the holding company; follow-up measures were developed on the basis of the results obtained.

In 2016

- a survey to evaluate employee satisfaction will first be performed at the local companies in Austria and Germany and then rolled out to other countries.



Production

Principles, Processes and Instruments of Production

Production in harmony with the environment

Production in harmony with the environment is a matter of great importance for Wienerberger. For us, the conservation of resources is a key aspect in production. In particular, we focus on the responsible use of our raw materials and other resources, such as energy and water. In addition, we constantly work on contributing to the fight against climate change through greater energy efficiency and the reduction of our CO₂ emissions. At the same time, we strive to increase the amount of recycled material used in all business units, considering the technical and economic possibilities.

R&D as a strategic priority

Research and development (R&D) are among the priorities of Wienerberger's strategic planning. One of the core activities of R&D is to optimize production processes and product development. R&D expenditure increased from € 17.0 million in 2014 to € 17.2 million in 2015, which corresponds to 0.6% of the Group's revenues.

Environmentally relevant aspects integrated into QMS

Environmentally relevant aspects have been integrated into the company's quality management systems (QMS), which are certified according to ISO 9001 at almost all production sites. A number of production sites have additionally been certified according to ISO 14001.

Production-related data recorded in the technical controlling system

Technical controlling systems have been installed in all production areas of the Wienerberger Group. These systems record all production-related data required for the management of the company and permit the internal benchmarking of production sites against one another.

More detailed information on the general principles, processes and instruments of production can be found on the Wienerberger website and in the 2014 Sustainability Report. The targets and measures of the individual divisions and business units in the area of production are summarized at the end of this chapter under "Targets and Measures Relating to Production".

Collection of Key Production Data, Restatements

Indicators adjusted on the basis of new findings

After a phase of harmonization of Group-wide data collection in 2014, the processes of recording the relevant indicators in the area of production were further optimized in 2015 and certain indicators were adjusted accordingly. In the interest of transparency and comparability, the figures for the two previous years were restated to show a three-year trend. All adjustments and/or restatements are described in the following and specified in footnotes to the respective tables.

Tondach Gleinstätten has been a fully consolidated company of the Wienerberger Group since July 2014, but its data have only been included in the non-financial indicators of the Group since January 1, 2015, as the necessary data collection structures had to be optimized in the course of 2014. The inclusion of the production tonnages and the energy consumption figures of the Tondach Group (mainly roof tile plants) in the calculations for 2015 resulted in significant changes in the results of CBME and the entire Wienerberger Group. Specific energy consumption in roof tile pro-



duction, expressed in kWh/ton, is substantially higher than in the production of other building materials. The energy conservation measures currently taken at other production sites were by far not enough to compensate this significant change in the product mix and the resulting higher energy intensity in production.

Semmelrock: The business unit introduced a distinction between natural gas and liquefied natural gas in its reporting system. In order to reflect the shift of volumes from natural gas to liquefied natural gas consumption, the figures for 2013 and 2014 were restated accordingly.

Energy Consumption

The following figures cover the entire Wienerberger Group, including Tondach Gleinstätten from 1 January 2015.

Energy consumption ¹⁾ in MWh	2013	2014	2015 ²⁾	Change in %
Natural gas ³⁾	5,424,336	5,351,334	6,229,524	+16
Coal	224,372	210,332	191,021	-9
Fuel oil	54,757	17,623	6,052	-66
Liquefied natural gas ³⁾	45,539	26,460	48,411	+83
Electricity	967,101	973,537	1,067,835	+10
Wienerberger Group	6,716,106	6,579,287	7,542,843	+15

1) Total energy consumption includes energy consumed in production, but excludes administration, except for those countries in which the accounting system does not permit such separation.

2) Tondach Gleinstätten included from 2015

3) Semmelrock reported a shift from natural gas to liquefied natural gas. The figures for 2013 and 2014 were restated accordingly.

In 2015, the total energy consumption of the Wienerberger Group increased by 15% from the previous year's level.

**Total energy consumption
of the Wienerberger Group
increased by 15%**

This development is due to the following factors:

- First-time integration of the figures of the Tondach Group in 2015
- Shifts in the product mix toward more energy-intensive products in almost all divisions
- Start-up of a new production line for ceramic pipes

As in the previous year, electricity from renewable sources of energy accounted for 27% of total electricity consumption, expressed in kWh per ton.

The table on specific energy consumption shows the development of the individual product groups over time. In this report, the index of specific energy consumption (based on kWh/ton) additionally refers to 2010 as the base year for the definition of our targets to be achieved by 2020.



Index of specific energy consumption ¹⁾ <i>in % based on kWh/ton (2010 = 100 %)</i>	2013	2014	2015 ²⁾	Change from 2014 in %	Change from 2010 in %
Clay blocks ³⁾	85	79	79	0	-21
Roof tiles ⁴⁾	98	94	96	+2	-4
Facing bricks	103	100	102	+2	+2
Ceramic pipes ⁵⁾	85	84	87	+4	-13
Ceramic production	93	90	95	+6	-5
Plastic pipes	97	98	95	-3	-5
Concrete pavers	95	89	89	0	-11
Wienerberger Group	93	89	94	+6	-6

1) For reasons of precision, the combined indices of the individual product groups were adjusted accordingly. Since 2014 the calculation has been based on absolute figures. Total energy consumption comprises energy consumed in production, but excludes administration, except for those countries in which the accounting system does now permit such separation.

2) Tondach Gleinstätten included from 2015

3) Coal used as a fuel in one brick plant has been shown in a three-year trend since 2014.

4) Due to the correction of the production volume of a roof tile plant, the figures for 2013 were restated.

5) The reference base used by all business units is net additions to stocks, except for Steinzeug-Keramo, where kiln capacity is used as a reference base for production volumes.

The first-time inclusion of the indicators of Tondach Gleinstätten in 2015 resulted in an increase of specific energy consumption, based on kWh/ton, in ceramic production by 6% compared with the previous year's level. Excluding the indicators of Tondach Gleinstätten, Clay Building Materials Europe reported a reduction in its index of specific energy consumption by 0.4%, as compared with 2014. In plastic pipe production, a reduction by 3% from the previous year's level and by 5% compared with 2010 was achieved.

Throughout the Group, we will continue to optimize our production processes and progressively integrate the newly included Tondach production sites in all our improvement programs.

Group-wide conversion to low-emission energy sources

Efforts are being made throughout the Wienerberger Group to change over to low-emission energy sources. The replacement of fuel oil and coal by other sources of energy is also reflected in the indicators for 2015.

Index of specific energy consumption also reported per m² for roof tiles and facing bricks

The Clay Building Materials Europe Division is currently working on the development of new roof tile and facing brick products, one of the objectives being to increase resource efficiency and to further improve the product properties. Therefore, the index of specific energy consumption for these two product groups is also shown per square meter of product surface.



Index of specific energy consumption CBME ¹⁾

in % based on kWh/m² (2013 = 100 %)

	2013	2014	2015 ²⁾	Change from 2014 in %	Change from 2013 in %
Roof tiles	100	95	97	+1	-3
Facing bricks	100	93	94	+1	-6

1) Clay Building Materials Europe. Total energy consumption comprises energy consumed in production, but excludes administration, except for those countries in which the accounting system does now permit such separation.

2) Tondach Gleinstätten included from 2015

CO₂ Emissions

In the collection of CO₂ emission data, we apply the method of the European Union Emissions Trading Scheme (ETS system), which only records direct CO₂ emissions resulting from production processes, excluding indirect CO₂ emissions resulting from the use of electricity. Accordingly, the only relevant data are CO₂ emissions from our ceramic production (bricks and ceramic pipes). CO₂ emissions from primary energy sources vary in line with energy consumption, whereas so-called process emissions result from the raw material and, in clay block production, from the use of pore-forming agents. Electrical energy is used in the production of plastic pipes and concrete pavers, with the related CO₂ emissions being attributed to the electric power producer.

**CO₂ emission data
collected according to the
method of the European
Emissions Trading Scheme**

On account of the transition to the third trading period of the European Union Emissions Trading System, emission data collected in 2013 provide the new reference base for future developments.

**2013 as the reference year
for future developments**

The development of CO₂ emissions, compared with the previous year, was significantly influenced by the aforementioned factors.

CO ₂ emissions in tons per year	2013	2014	2015 ¹⁾	Change in %
From primary energy sources	1.002.751	979.996	1.073.320	+10
From processes	645.355	668.298	724.869	+8
Total – covered by ETS ²⁾	1.648.106	1.648.295	1.798.189	+9
Plants not covered by ETS ³⁾	187.589	191.259	262.873	+37
From biogenic materials ⁴⁾	257.986	228.694	239.512	+5

1) Tondach Gleinstätten included from 2015

2) Source: Community Independent Transaction Log (CITL).

3) Calculation in accordance with national rules (Switzerland) or EU standard emission factors. Until 2014, only CO₂ emissions from the combustion of primary energy sources were included for production sites in the USA; from 2015, CO₂ emissions from processes are also included for these.

4) Figures from Wienerberger CO₂ monitoring are based on national rules.



CO₂ emissions from primary energy sources: an essential aspect for Wienerberger

The results of the materiality analysis performed in 2014 showed that, from the point of view of our stakeholders, only fuel-related CO₂ emissions that can be directly influenced by Wienerberger were classified as a material aspect of climate action for Wienerberger.

This is also reflected in the target definition of the Clay Building Materials Europe Division for the reduction of specific CO₂ emissions from primary energy sources by 20% as compared with 2010. Changes in specific energy consumption provide an approximate basis for the assessment of target attainment, as the volume of CO₂ emissions correlates with the quantity and composition of the primary energy sources used. Reductions can be achieved through efficiency increases in production (i.e. lower energy consumption per ton of products produced), on the one hand, and the replacement of CO₂-intensive fuels (coal, fuel oil) by less CO₂-intensive or renewable energy sources, on the other hand. Thus, the ongoing conversion to natural gas as a fuel also contributes to the reduction of specific CO₂ emissions.

Index of specific CO₂ emissions ¹⁾ <i>in % based on kg CO₂/ton (2013 = 100 %)</i>	2013	2014	2015 ²⁾	Change from 2014 in %	Change from 2013 in %
Clay blocks	100	92	91	0	-9
Roof tiles	100	95	97	+2	-3
Facing bricks	100	98	96	-2	-4
Ceramic pipes ³⁾	100	100	105	+5	+5
Ceramic production	100	96	100	+4	0

1) Specific CO₂ emissions exclusively refer to fuel emissions. Following the transition to the third EU emission trading period in 2013, Wienerberger's data from previous years are no longer comparable; therefore CO₂ emissions from 2013 serve as the new reference base for future developments.

2) Tondach Gleinstätten included from 2015

3) The reference base used by all business units is net additions to stocks, except for Steinzeug-Keramo, where kiln capacity is used as a reference base for production volumes.

Group-wide increase of specific CO₂ emissions from primary energy sources by 4% compared with 2014

The index of specific CO₂ emissions from primary energy sources in kg CO₂ per ton of product produced increased by 4% as compared with the previous year's level. Here, too, the main factors of influence were the integration of the additional, highly energy-intensive roof tile production of the Tondach Group in 2015 and shifts in the product mix toward more energy-intensive products in almost all divisions, as well as the start-up of a new production line for ceramic pipes. The divergence between the specific CO₂ emissions from primary energy sources (+4% compared to 2014) and the specific energy consumption in ceramic production (+6% compared to 2014) is due to the consistent downward trend in the use of CO₂-intensive energy sources, such as coal and fuel oil, and the change-over to natural gas. Excluding the indicators of Tondach Gleinstätten, the index of specific CO₂ emissions from primary sources of energy of the Clay Building Materials Europe Division, expressed in kg of CO₂ per ton of products produced, even declined by 0.7% from the previous year's value.

The Clay Building Materials Europe Division is working on the development of new roof tile and facing brick products, one of the objectives being to increase energy efficiency and to further improve the product properties. Therefore, the index of specific CO₂ emissions from primary energy



sources for these two product groups is also shown per square meter of product surface. The changes in the roof segment are primarily due to the first-time integration of the indicators of Tondach Gleinstätten in the 2015 results.

Index of specific CO₂ emissions CBME ¹⁾ <i>in % based on kg CO₂/m² (2013 = 100 %)</i>	2013	2014	2015 ²⁾	Change from 2014 in %	Change from 2013 in %
Roof tiles	100	94	96	+2	-4
Facing bricks	100	92	92	0	-8

1) Specific CO₂ emissions exclusively refer to fuel emissions. Following the transition to the third EU emission trading period in 2013, Wienerberger's data from previous years are no longer comparable; therefore CO₂ emissions from 2013 serve as the new reference base for future developments.

2) Tondach Gleinstätten included from 2015

Information on indirect CO₂ emissions can be found in the 2014 Sustainability Report.

Water Consumption

Due to the integration of the indicators of Tondach Gleinstätten, the Wienerberger Group's total water consumption in 2015 was 9% higher than in 2014, while the volume of water drawn from public networks decreased significantly by 12%. It is our goal to use water primarily in closed systems and from our own wells.

**Water consumption
from public networks
significantly reduced**

Water consumption		2013	2014	2015 ¹⁾	Change in %
Wienerberger Group	<i>in Mio. m³</i>	3,8	3,7	4,0	+9
of which from public networks	<i>in %</i>	38	39	34	-12

1) Tondach Gleinstätten included from 2015

Total specific water consumption in plastic pipe production increased in 2015. The increase was mainly due to the start-up of a new plastic pipe production line with higher water consumption for test runs, as well as one-off events, such as the repair of a cooling circuit. However, water drawn from public networks only accounted for 14% of total water consumption for plastic pipe production. Water from sources other than public networks, such as rivers, lakes and the sea (in Scandinavia), is returned to the environment after the cooling process and, thus, does not count as water consumed in the narrow sense of the term.

Specific water consumption in m³/ton	2013	2014	2015 ¹⁾	Change in %
Brick products	0.178	0.170	0.167	-2
Ceramic pipes ²⁾	0.227	0.219	0.219	0
Plastic pipes	4.238	4.133	4.700	+14
Concrete pavers	0.050	0.050	0.051	+2

1) Tondach Gleinstätten included from 2015

2) The reference base used by all business units is net additions to stocks, except for Steinzeug-Keramo, where kiln capacity is used as a reference base for production volumes.



Raw Material Supply, Extraction Sites, Resource Efficiency and Waste Management

In this area, the following aspects are of particular importance for Wienerberger and at the focus of our production processes:

- Long-term availability of raw materials
- Health and safety of our employees working at clay extraction sites
- Nature conservation and re-naturalization of extraction sites
- Stakeholder management and human rights in the context of clay extraction
- Responsible sourcing of raw materials for plastic pipe production
- Use of biogenic and secondary raw materials
- Increase in resource efficiency and reduction of material input

For further information on these topics, please refer to the Wienerberger website and the 2014 Sustainability Report.

A total of 145,706 tons of waste was generated by Wienerberger in 2015 (including Tondach Gleinstätten), with hazardous waste accounting for less than 1%. Almost all the waste generated by the Wienerberger Group is non-hazardous waste, which is collected and recycled at a rate of 83%.

Targets and Measures Relating to Production

The following targets and measures were defined by the Managing Board of Wienerberger and the management of the individual business units on the basis of the materiality matrix developed in 2014. They are part of the Wienerberger Sustainability Roadmap 2020.

The data on North America do not include the North American production site of Pipelife, which is included in the Pipelife data.



Essential aspects of production

Energy efficiency

Clay Building Materials Europe

Quantitative target

- Specific energy consumption in production is to be reduced by 20% by 2020, compared with the 2010 level.

In 2015

- special efforts made by the local companies were again rewarded with the Energy Award;
- specific investments were made to reduce energy consumption.

In 2016

- CBME will further pursue the strategy of its R&D Roadmap to reduce energy consumption;
- the Energy Award will again provide an incentive for local companies to step up their efforts in the field of energy efficiency;
- specific investments will be made to reduce energy consumption.

North America

In 2015

- a new internal structure was introduced for the reporting of indicators.

In 2016

- the consumption of natural gas at selected production sites will be reduced by 5% each, compared with 2015;
- electricity consumption will be optimized at other selected production sites;
- further quantitative reduction targets will be evaluated.

Pipelife

Quantitative target

- By 2020, specific energy consumption in production is to be reduced by 20%, compared with 2010.

In 2015

- projects aimed at reducing energy consumption in production were carried out within the framework of “Energy Treasury Hunts”;
 - local electricity saving initiatives were implemented;
 - the results were analyzed and communicated internally via an interactive tool.
-



Energy efficiency

Pipelife

In 2016

- the processes described will be continued;
- the performance of the individual local companies will be compared;
- best practice examples will be exchanged and benchmarks will be defined.

Semmelrock

In 2015

- the Energy Audit at Semmelrock Austria was concluded.

In 2016

- based on the findings of the Energy Audit, measures will be defined and projects aimed at increasing energy efficiency will be planned.

Steinzeug-Keramo

In 2015

- a study confirmed that kWh per ton of products produced is the most relevant indicator of energy consumption;
- the annual evaluation of production lines was performed;
- the implementation of ISO 50001 (energy management systems) was completed.

In 2016

- targets for the reduction of specific energy consumption and the corresponding measures will be specified.

Climate action

Clay Building Materials Europe

Quantitative target

- Specific CO₂ emissions from primary energy sources in production are to be reduced by 20% from the 2010 level.

In 2015

- special efforts made by the local companies were again rewarded with the Energy Award.

In 2016

- CBME will further pursue the strategy of its R&D Roadmap to reduce energy consumption;
- the Energy Award will again provide an incentive for local companies to step up their efforts.



Climate action

North America

In 2015

- 50% of the production lines at all main production sites were converted from coal to natural gas;
- additional measures aimed at reducing emissions were taken at the main production sites.

In 2016

- the remaining production lines of the main production sites will be converted from coal to natural gas;
- measures will be taken to reduce emissions.

Pipelife

Quantitative target

- Specific indirect CO₂ emissions from electricity used in production are to be reduced by 20% by 2020, compared with 2010.

In 2015

- a system for the collection of data on specific CO₂ emissions from primary energy sources in production was implemented;
- the calculated values of indirect CO₂ emissions from electricity consumption were 17% below the reference value of 2010;
- projects aimed at reducing energy consumption in production were carried out within the framework of "Energy Treasure Hunts";
- local emission reduction initiatives were implemented;
- the results were analyzed and communicated internally via an interactive tool.

In 2016

- the processes described above will be continued;
- the performance of the individual local companies will be compared;
- best practice examples will be exchanged and benchmarks will be defined.

Semmelrock

In 2015

- possibilities of reducing the consumption of cement were tested at several production sites;
- the percentage of cement used in production was reduced at one production site, resulting in a reduction of CO₂ emissions from cement production in the upstream supply chain.

In 2016

- a central control system will be installed to reduce the percentage of cement in some of the company's products.
-



Climate action

Steinzeug-Keramo

In 2015

- all production sites were changed over to electricity from renewable sources.

By 2017

- 5% of the annual CO₂ emissions generated at a production site will be offset through climate protection projects;
- additional efforts will be made to use energy from renewable sources.

Resource efficiency and waste management

Clay Building Materials Europe

In 2015

- the study on the use of secondary raw materials also covered issues of resource efficiency and waste management in brick production.

In 2016

- further measures will be defined on the basis of this study.

North America

In 2015

- the closed resource cycle was further optimized;
- new possibilities of using recycled additives were tested;
- the recycling of packaging material was extended;
- the sale of products in “bulk bags” (stable, re-usable containers) instead of paper bags was rolled out.

In 2016

- these measures will be continued;
 - an internal initiative will be ongoing to encourage the identification and reductions of sources of waste.
-



Resource efficiency and waste management

Semmelrock

Quantitative target

- The scrap rate in production was to be reduced by 15% by 2015 and is to be further reduced by 50% by 2017, compared with 2014.

In 2015

- the scrap rate was determined and analyzed on a monthly basis, and production lines were classified according to the data obtained as a basis for targeted optimization measures;
- the scrap rate was reduced by 19% compared to 2014, exceeding the 15% reduction target.

In 2016

- the successful measures described above will be continued and/or further developed.

Water

Pipelife

Quantitative target

- Water consumption from public networks is to be reduced to 0.55m³ per ton produced by 2020.

In 2015

- the results of local initiatives were analyzed and communicated internally via an interactive tool.

In 2016

- further initiatives will be taken on the basis of the findings obtained.

Semmelrock

In 2015

- within the framework of a call for innovative ideas, new technologies were evaluated and benchmarks defined.

In 2016

- a new technology for optimized water recycling will be installed in one plant.
-



Essential aspects along our supply chain

Availability of raw materials

Clay Building Materials Europe

In 2015

- a raw material risk management system was introduced, which covers all relevant clay pits and their characteristics; thus, limited availabilities can be identified at an early point in time.

In 2016

- the supply sources of Tondach Gleinstätten will be included in the system;
- a benchmark for raw material availabilities will be defined.

North America

In 2015

- the availability of raw material from own clay pits for at least ten years of operation was documented by means of a “raw material availability map”.

In 2016

- continuous monitoring of raw material availability from own clay pits for at least ten years on the basis of the “raw material availability map” will be further intensified.

Pipelife

By 2017

- a strategy for the avoidance of supply shortages will be implemented on the basis of a list of all products and their suppliers for all essential product groups.

Semmelrock

In 2015

- a raw material procurement strategy was developed on the basis of an assessment of the risk of raw material shortages.

In 2016

- the raw material procurement strategy will be implemented step by step.

Steinzeug-Keramo

In 2015

- a survey of the availability of raw materials from own clay pits and from external suppliers was carried out;
- an analysis showed that there were no potential risks.

In 2016

- a benchmark for raw material availability will be defined.



Use of secondary raw materials

Clay Building Materials Europe

In 2015

- the use of secondary raw materials in brick production was analyzed.

In 2016

- further measures will be decided on the basis of this study.

North America

In 2015

- The closed resource cycle in production was continuously monitored with a view to possible improvements.

In 2016

- the research for the selective use of recycled material in production processes where applicable will be continued.

Pipelife

Quantitative target

- By 2020, the amount of recycled material per ton of products produced is to be increased to 70 kg.

In 2015

- research projects were carried out in order to optimize the ratio of primary and secondary raw materials in Pipelife products;
- the technical feasibility of the use of recycled material was further explored and production sites suited for implementation of such projects were identified.

In 2016

- the research projects will be continued and the results will be put into practice at additional production sites.

Semmelrock

In 2015

- the recycling potential in various fields of production was analyzed and the possibilities of substituting recycled material for primary raw material in the product mix were evaluated.

In 2016

- Semmelrock will continue its efforts to reduce the amount of cement used in production without compromising product quality.
-



Use of secondary raw materials

Steinzeug-Keramo

In 2015

- the scheduled Cradle to Cradle® re-certification was performed and the percentages of internal and external secondary raw materials used in production were evaluated in detail.

In 2016

- possibilities of increasing the percentage of external secondary raw materials in production without compromising product quality will be studied.

Avoidance / substitution of hazardous substances

At Group level and at business unit level

It goes without saying that Wienerberger meets all European, national and regional legal requirements regarding the avoidance and substitution of hazardous substances. Compliance with all legal provisions is continuously monitored and the necessary measures are taken immediately whenever need arises.

Clay Building Materials Europe

In 2015

- the revision of the internal guideline on the avoidance of hazardous substances was begun; the revised guideline will provide for an even stricter classification of inputs and contain clear, binding instructions for the production sites.

In 2016

- the new guideline will be finalized and implemented throughout the business unit. Compliance with the guideline will be monitored in cooperation with Internal Audit.
-



Protection of local residents, nature conservation and re-use of clay pits

Clay Building Materials Europe

In 2015

- a code of conduct for suppliers was elaborated.

In 2016

- the code of conduct for suppliers will be rolled out to all local companies as a binding instrument with immediate effect;
- the documents signed by suppliers will be managed centrally.

North America

In 2015

- the regular annual checks for dust emissions and water quality were performed at all production sites;
- open and transparent communication with local residents and local authorities was continued.

Pipelife

In 2015

- compliance with the “Pipelife Supplier Code of Conduct” regarding a responsible way of dealing with humankind and the environment was monitored.

Semmelrock

In 2015

- the number of local suppliers, depending on conditions at the respective production sites, was increased.

Steinzeug-Keramo

In 2015

- the company developed its own standard for nature conservation and the meaningful re-use of spent clay pits.

In 2016

- Steinzeug-Keramo will perform a supplier audit.
-



Products

Principles, Processes and Instruments of Product Management

Creation of lasting values through high-quality building material and infrastructure solutions

A central principle of product development at Wienerberger is the creation of lasting value for our customers by supplying them with durable and innovative building material and infrastructure solutions. We regard sustainability as a function of a product's useful life as well as of its impact on the environment during raw material extraction, production, transport, installation, use and disposal. Wienerberger brick products are an integral part of sustainable building concepts. They guarantee a high quality of life and contribute actively to climate protection. In the field of pipes and pavers, we offer system solutions for all present-day challenges, including the demands on water management resulting from climate change and increasing urbanization.

Meeting modern building requirements through a system-based approach

In view of what users and developers expect of a modern building, and considering the numerous regulatory requirements to be met, such as the Energy Performance of Buildings Directive (EPBD), a system-based approach to building construction is getting more and more important. Integrated system solutions enable us to combine the outstanding properties of individual products of the Wienerberger product portfolio with products supplied by our partners in the field of building services and facilities in order to obtain the best possible results.

Market-oriented product development within the framework of R&D

Wienerberger aims to secure and further strengthen its market positions through cost and technology leadership and product innovations. Therefore, research and development (R&D) are among the priorities of Wienerberger's strategic planning. R&D expenditure increased from € 17.0 million in 2014 to € 17.2 million in the reporting year, which corresponds to 0.6% of our revenues. For further information on the general, sustainable principles, processes and instruments of our product management, please refer to the Wienerberger website and the 2014 Sustainability Report.

Innovative Products

In general, products, system solutions or processes that represent an improvement compared to previous conditions, including in terms of product diversity, qualify as innovative. Up to 2015, the business units, considering current market requirements, used their own definitions of the innovative character of their products and system solutions in order to facilitate Group-wide comparisons. These definitions are based, in particular, on properties regarded as essential from the stakeholders' points of view, depending on the type of product or system solution. Essential properties are, for instance, energy efficiency and climate protection, a long useful life as well as cost-efficiency. In 2015, innovative products and system solutions accounted for approx. 28% of total revenues. The business-unit-specific targets for innovative products are presented in the following section.

Targets and Measures Relating to Products

The targets and measures described in the following were defined by the Managing Board of Wienerberger AG and the management of the individual business units on the basis of the materiality matrix developed in 2014. They are part of the Wienerberger Sustainability Roadmap 2020.

The data on North America do not include the North American production site of Pipelife, which is included in the Pipelife data.



Innovative Products

Clay Building Materials Europe

Quantitative target

- The percentage of innovative products is to be maintained at 25% through continuous product development and market launches.

In 2015

- the previous definition was revised and a corresponding system of data collection was implemented;
- product improvements were made and further innovation management measures were implemented; customers were involved in these processes and life cycle analyses were carried out; the processes included strategic reviews, innovation workshops, activity reports and the documentation of the respective projects.

In 2016

- the product improvement and innovation management processes will be further advanced.

North America

In 2015

- the processes for the production of innovative “thin bricks” were optimized at one production site.

In 2016

- the lighthouse project focused on the construction of tornado-proof homes will be completed in Tuscaloosa/Alabama in cooperation with Habitat for Humanity.

Pipelife

Quantitative target

- The percentage of innovative products is to be maintained at a minimum level of 20% through continuous product development and market launches.

In 2015

- research and development projects aimed at product optimization as well as further innovation management measures were implemented.

In 2016

- these activities will be continued.
-



Innovative Products

Semmelrock

Quantitative target

- The percentage of innovative products is to be maintained at a level of 30% through continuous product development and market launches.

In 2015

- ARTE interlocking pavers were awarded the Cradle-to-Cradle Silver® Certificate. The ARTE product family comprises a large selection of pavers in various formats, 8 and 10 cm high, with an integrated interlocking system designed especially for surfaces under high traffic load that prevents shifting and deformation.
- ARTE Ökodrain (permeable pavement system) and ARTE Breite Fuge (permeable pavement system with wide joint), two types of pavers that allow water to seep easily into the ground, were certified as water permeable pavers meeting the requirements of surface permeability.

In 2016

- the further development of water permeable pavers will be pursued.

Steinzeug-Keramo

Quantitative target

- The percentage of innovative products is to be maintained at a level of 35% through continuous product development and market launches.

In 2015

- the business-unit-specific definition of innovative products was adopted;
- data collection was adjusted accordingly.

Recyclability, Recycling and Re-use

Clay Building Materials Europe

In 2015

- a pilot project was launched in Austria in cooperation with the Vienna University of Natural Resources and Life Sciences and another partner. The project is intended to evaluate the possibilities of using recycled brick material.

In 2016

- the pilot project will be completed and further measures will be defined on the basis of the results obtained.



Recyclability, Recycling and Re-use

North America

In 2015

- the production system based on a closed resource cycle continued in operation, with scrap and waste being re-introduced into the production cycle;
- the project to install a pilot line for the use of fly ash in production, originally scheduled for completion in 2016, was discontinued in view of the interim results obtained.

Pipelife

Quantitative target

- By 2020 the amount of recycling material per ton of product produced is to be increased to 70 kg.

In 2015

- research projects were carried out to establish the optimum percentages of primary and secondary plastic materials to be used in Pipelife products;
- the technical feasibility of using recycling material was further investigated and production sites suited for implementation were identified.

In 2016

- the research projects will be continued and the results will be put into practice at additional production sites.

Semmelrock

In 2015

- the recycling potential in the various fields of production was analyzed;
- on the basis of the results obtained, possibilities of substitution in the production process were evaluated.

In 2016

- studies on the possibility of using secondary raw materials without compromising quality will be continued;
- the replacement of primary raw materials by recycling material, e.g. in road construction, will be further optimized.

Steinzeug-Keramo

In 2015

- the scheduled Cradle to Cradle® re-certification was performed;
- the percentages of internal and external secondary raw materials used in production were evaluated in detail in the course of this process.

2016

- additional possibilities of increasing the percentage of external secondary raw materials in production without compromising product quality will be studied.



Ease of Installation

Clay Building Materials Europe

In 2015

- efforts aimed at developing new products and/or system solutions to speed up and facilitate work at the construction site and to guarantee processing as error free as possible;
- special analog and digital planning tools as well as personal support services were provided to familiarize architects and designers with the best possible way of using brick products.

In 2016

- the solutions available for the applications described above will be further improved and upgraded.

Pipelife

For years, Pipelife has been working on solutions that facilitate the installation and use of plastic pipe systems. This issue will remain at the focus of Pipelife's research and development activities.

Renewable Energy for Buildings

Pipelife

Renewable energy for buildings is an important topic for Pipelife.

In 2015

- Pipelife's range of geothermal products was broadened and the related revenues increased.

Contribution to the Energy Efficiency of Buildings

Clay Building Materials Europe

In 2015

- the development of clay blocks filled with insulating material was advanced, especially for use in multi-story residential buildings;
- high thermal insulation clay blocks without infill material but with a special hole geometry were further developed, both for use in single-family homes and for non-load-bearing infill masonry;
- new facing brick formats for multi-layer exterior walls were introduced to permit the use of more efficient and thicker insulating material without increasing the wall thickness;
- special solutions for upon-rafter insulation of pitched roofs were included in the delivery program.

In 2016

- the solutions available for the applications described above will be further optimized and upgraded.



Contribution to the Energy Efficiency of Buildings

North America

In 2015

- the development of new products and system solutions that facilitate compliance with the new energy standards and offer a higher degree of energy efficiency was continued.

Pipelife

In 2015

- the product portfolio for heating and cooling systems for buildings was enlarged;
- Pipelife continuously optimized and enlarged the range of planning tools that can be used to measure the heat loss and the heat requirements of individual residential units and entire buildings as a basis for the design of more efficient heating systems.

In 2016

- the range of products available for these applications will be further enlarged.
-



Social Responsibility

Our responsibility as a member of society

Principles of our Social Responsibility

Wienerberger views the economy as an integral part of society that has the obligation to serve people and create value for all. Wienerberger takes its role as a responsible member of society very seriously. For us, this responsibility encompasses the observance of ethical principles in all our actions, honest communication, active involvement in the creation of a transparent economic environment, personal accountability for what we do, and acting as a reliable and useful member of society.

Detailed information on the general principles, processes and instruments in the area of social responsibility can be found on the Wienerberger website and in the 2014 Sustainability Report. Our quantitative targets and measures are described in this chapter under the respective headings.

Business Ethics

The essential aspects of business ethics are briefly outlined in the following. For further information, please refer to the Wienerberger website and the 2014 Sustainability Report.

Compliance

The term “compliance” covers all instruments and measures employed to ensure that a company and its employees comply with all the laws and regulations in force. The commitment to observe all national and international legal standards is a central principle in the Wienerberger Group. In view of the overriding importance of certain areas of law, Wienerberger decided to adopt its own guidelines and to ensure their stringent enforcement. For this reason, training sessions on issuer compliance are organized regularly in Vienna for the top management of the Wienerberger holding company and the individual business units. Wienerberger’s extensive Corporate Governance Report is contained in the 2015 Annual Report and published on the company’s website.

Prevention of corruption

Wienerberger is committed to upholding the principle of free and fair competition, which includes a firm stance against any form of corruption. We have always pursued the target of “zero corruption incidents” and expect all our employees to act accordingly. In 2015, no charges were brought against Wienerberger for suspected corruption, and no penalty payments were due.

In the course of 2015, Wienerberger’s Internal Audit unit performed audits in 27 companies, with a special focus on organizational issues, procurement, materials management, sales and human resources as well as corruption and anti-trust legislation. Additional audit priorities concerned compliance with Group-wide security and IT standards. Within the framework of these audits it was found that all internal guidelines had been implemented in the companies audited and the employees concerned had been informed accordingly. Deviations from the guidelines, if any, were reported to the Managing Board and the Audit Committee, and the necessary measures, such as improvements in documentation, were agreed upon with the respective local management.



The Wienerberger guideline on business gifts, which has been in force since 2010, will be revised in 2016. The revision has become necessary on account of the current division-based corporate structure and the associated shift of responsibilities to the business units, as well as changes in the criminal law provisions on corruption.

Compliance with anti-trust legislation

On account of the market position held by the Wienerberger Group in certain markets, the price policies of our subsidiaries are followed attentively by the anti-trust authorities. There were no negative findings by the authorities in charge in 2015. This confirms the effectiveness of our compliance regime. Price agreements are not part of Wienerberger's business practice and are explicitly prohibited by our internal guidelines, which provide for severe sanctions in the event of violations.

Voluntary commitment to comply with the ten principles of the UN Global Compact

Wienerberger acceded to the UN Global Compact in 2003 and is a founding member of respACT, the Austrian UN Global Compact network. Thus, Wienerberger commits to the ten principles of the UN Global Compact on human rights, labor standards, environmental protection, including the precautionary principle, and the fight against corruption. The most recent Communication on Progress (CoP) for 2015 is reproduced in this report, starting on page 64, and can also be found on the Wienerberger website.

**Founding member of
the Austrian UN Global
Compact network**

Activities Relating to our Social Responsibility

As a supplier of building material and infrastructure solutions, we want to use our products and our know-how to the greatest possible benefit of society. We continuously support a large number of social projects and organizations in almost all the countries we operate in. In accordance with the Wienerberger donations guideline, we support people in need in a targeted manner through product donations. We are convinced that we can help best in our fields of core competence, i.e. through the provision of solutions in the fields of building materials and infrastructure and the transfer of sustainable building know-how. In 2015, budgets for investments in social projects were defined and fully utilized both at Group level and at business unit level.

**Wienerberger donations
guideline as a basis for
our social activities**

We regard affordable housing as a fundamental human right. In 2012, Wienerberger therefore began to cooperate with Habitat for Humanity, an international non-profit organization (NPO) focusing on the provision of housing for people in need. Within the framework of this cooperation, we built homes for over 2,000 people unable to afford decent housing. Based on a new cooperation agreement concluded between Wienerberger and Habitat for Humanity in 2015, our cooperation will be prolonged until 2018 and extended in scope in both geographic and material terms. Activities are being planned in five countries (Romania, Bulgaria, Hungary, Poland and the USA).

**Successful cooperation
with Habitat for Humanity
continues**



Besides product donations for lighthouse projects, such as tornado-proof homes in the USA, joint events are to be organized with Habitat for Humanity. The objective is to make politicians as well as public authorities aware of the importance of social housing through the organization of “housing forums”. Moreover, Wienerberger employees will be available on site, providing hands-on assistance in the construction of homes for the needy within the framework of a volunteering agreement.

**Aid campaign for Western
Balkan flood victims
concluded**

Wienerberger also renders instant and non-bureaucratic assistance in the event of natural disasters, for instance after the catastrophic floods that devastated large parts of South-Eastern Europe in 2014. In cooperation with Caritas Switzerland, a humanitarian organization with many years of experience in the construction of homes for victims of the civil war in the region, Wienerberger erected about 30 houses in Bosnia-Herzegovina, which were handed over to their new owners in the autumn of 2015. Clay blocks, roof tiles and installation pipes were donated for this purpose.

**Third successful round of
WISBA training program**

In addition to a range of charitable projects, inkind donations and aid campaigns, Wienerberger has organized and financed the Wienerberger Sustainable Building Academy (WISBA) since 2013. The objective of the program is to support students of architecture and construction engineering through practice-related training in sustainable building. This international training program was organized for the third time in 2015 with 24 participants from six countries (Austria, Belgium, Italy, Poland, Hungary and Switzerland). One of the projects assigned to the participants was based on the innovative brick building 2226 designed by Architects Baumschlager Eberle in Vorarlberg¹⁾. The students' task was to find out how this innovative building can function without heating and air conditioning and yet provide an ideal indoor climate, all to be viewed against the background of the fight against climate change and flexible scenarios of future use.

1) www.baumschlager-eberle.com/projekte/projektetails/project/buerogebaeude.html



About the Report

Reporting Profile

Wienerberger reports once a year on the Group's sustainable development indicators. In accordance with past practice, publication of a full Sustainability Report alternates with a concise update presenting the most essential facts and figures. The 2014 Sustainability Report was published in September 2015.

This Sustainability Update covers Wienerberger's activities in 2015, but also includes figures for 2013 and 2014 to show a three-year trend. The report focuses on the ecological and social aspects of Wienerberger's activities. For more detailed information on Wienerberger's economic performance, its organizational profile and its corporate governance structure, please refer to the 2015 Annual Report (www.annualreportwb.com/en/).

This report covers the fully consolidated subsidiaries of the Group with operations in the wall, roof, facade, ceramic pipe, plastic pipe and concrete paver product groups. A list of all companies covered by the consolidated financial statements is contained in the 2015 Annual Report of Wienerberger. Sustainability reporting follows the scope of consolidation of the Wienerberger Group, but includes Tondach Gleinstätten only from the reporting year 2015. The majority of Tondach Gleinstätten, the leading producer of clay roof tiles in Central and Eastern Europe, was taken over in July 2014 and is now part of the Clay Building Materials Europe (CBME) Division of the Wienerberger Group. As the structures required for the collection of non-financial indicators first had to be integrated in the course of 2014, the indicators and activities of Tondach Gleinstätten are not yet included in the data for 2014. Deviations from the reporting scope are indicated in the respective sections. Moreover, the data presented in the chapter "Production" only refer to our production sites, whereas all other data include all sites of the Wienerberger Group. For details on the scope of consolidation and the segmentation of the Wienerberger Group, please refer to Wienerberger's Annual Report.

The topics and key indicators presented in the report were elaborated by subject-specific working groups in cooperation with the Corporate Sustainability Officer. The decisions were taken by the Wienerberger Sustainability Steering Committee (SSC). This Sustainability Update was prepared in accordance with the current G4 guidelines of the Global Reporting Initiative (GRI) G4, Core option.

The data presented in this report are based primarily on internal statistics. Important topics were validated by an independent external auditor. In the year under review, the audit focused on facts and figures regarding occupational safety and health as well as energy consumption and emissions. The audit also covered the underlying sustainability management system and the processes employed to collect data and to implement the sustainability strategy.

Annual sustainability reporting

Sustainability Update on activities in 2015 with indicators showing three-year trend

Reporting coverage follows the scope of consolidation presented in the Annual Report

GRI-G4 Core

External validation by an independent auditor



GRI G4 Content Table

General standard disclosures

Indicator		Page in Sustainability report	Part of external assurance	UN Global Compact Principles
Strategy & Analysis				
1	Statement from the most senior decision-maker of the organization	6–7		
Organizational Profile				
3–9	Name, headquarter, scale, legal form, brands and products, locations and markets	8, 12–13		
10–11	Total number of employees by employment contract, gender, supervised employees, regions and any significant variations in employment numbers	18–20, 27–28		
12	Description of supply chain	Website, Sustainability Report 2014		
13	Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	10–11		
14	Handling of precautionary approach or principle addressed by the organization	57, 67–68, Annual Report		UNGC 7
15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes	10, 57, 64–69		
16	Memberships of associations (such as industry associations)	57–58		
Identified Material Aspects and Boundaries				
17	List of all entities included in the organization's consolidated financial statements	59		
18–21	Process for defining the report content, material aspects, aspect boundaries inside and outside of the organization	Website, Sustainability Report 2014	2014	
22–23	Restatements of information provided in previous reports, and the reasons for such restatements	59 and mentioned in the footnotes of respective indicators		
Stakeholder Engagement				
24–27	List of stakeholder groups engaged, basis for identification of stakeholders, organization's approach to stakeholder engagement and topics, that came up during the stakeholder process	Website, Sustainability Report 2014		
Report Profile				
28–30	Reporting period, date of most recent previous report and reporting cycle	59		
31	Contact point for questions regarding the report or its contents	69		
32	Report of the "in-accordance"-option, GRI-index of the selected option, reference to the external audit report	59		
33	Policies of the organization regarding external audit of the report, scope of audit and relationship to audit company	59		
Governance				
34	Governance structure of the organization, including committees responsible for decisions regarding the economic, ecological and social impact	Website, Sustainability Report 2014	2014	
Ethics and Integrity				
56	Organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	56–57		



Specific standard disclosures

Indicator		Page in Sustainability report	Part of external assurance	UN Global Compact Principles
Economic Performance				
Aspect: Economic Performance				
DMA	Disclosure on management approach	9		
EC1	Direct economic value generated and distributed	11		
EC3	Coverage of the organization's defined benefit plan obligations	Annual Report		
Aspect: Indirect Economic Impacts				
EC7	Development and impact of infrastructure investments and services supported	57–58		
Environment				
Aspect: Materials				UNGC 7, 8, 9
DMA	Disclosure on management approach	34, 44–48		
EN2	Percentage of materials used that are recycled input materials	40, Website, Sustainability Report 2014		
Aspect: Energy				UNGC 7, 8, 9
DMA	Disclosure on management approach	34, 41–42	yes	
EN3	Energy consumption within the organization	35	yes	
EN5	Energy intensity	36–37	yes	
EN6	Reduction of energy consumption	35–37		
Aspect: Water				UNGC 7, 8, 9
DMA	Disclosure on management approach	34, 45		
EN8	Total water withdrawal by source	39		
Aspect: Biodiversity				UNGC 7
DMA	Disclosure on management approach	34, 49		
EN13	Habitats protected or restored	40, Website, Sustainability Report 2014		
Aspect: Emissions				UNGC 7, 8, 9
DMA	Disclosure on management approach	34, 42–44	yes	
EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	37	yes	
EN18	Greenhouse gas (GHG) emissions intensity	38–39	yes	
EN19	Reduction of greenhouse gas (GHG) emissions	37–39		
Aspect: Products and Services				UNGC 9
DMA	Disclosure on management approach	50–55		
EN27	Extent of impact mitigation of environmental impacts of products and services	50–55		
Aspect: Supplier Environmental Assessment				UNGC 7, 8
DMA	Disclosure on management approach	49, 66		
EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	49, 66		



GRI G4 Content Table

Specific standard disclosures

Indicator		Page in Sustainability report	Part of external assurance	UN Global Compact Principles
Labor practices and decent work				
Aspect: Employment				UNGC 3, 4, 5, 6
DMA	Disclosure on management approach	18		
LA1	Total number and rates of new employee hires and employee turnover by age group, gender, and region	19–20 The aspect diversity has not been identified as significant in the materiality matrix for the Wienerberger Group. Therefore the comprehensive information concerning gender or age group is not included in this report.		
Aspect: Occupational Health and Safety				
DMA	Disclosure on management approach	18, 20–21, 29–32	yes	
LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	21–23 The aspect diversity has not been identified as significant in the materiality matrix for the Wienerberger Group. Therefore the comprehensive information concerning gender or age group is not included in this report.	yes	
LA7	Workers with high incidence or high risk of diseases related to their occupation	23–25		
LA8	Health and safety topics covered in formal agreements with trade unions	21		
Aspect: Training and Education				
DMA	Disclosure on management approach	18, 26		
LA9	Average hours of training per year per employee by gender, and by employee category	26 The aspect diversity has not been identified as significant in the materiality matrix for the Wienerberger Group. Therefore the comprehensive information concerning gender or age group is not included in this report.		
Aspect: Diversity and Equal Opportunity				UNGC 6
DMA	Disclosure on management approach	18, 27		
LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	27–28, Annual Report		
Human rights				
Aspect: Non-discrimination				UNGC 6
DMA	Disclosure on management approach	18, 27		
HR3	Total number of incidents of discrimination and corrective actions taken	27		



Specific standard disclosures

Indicator		Page in Sustainability report	Part of external assurance	UN Global Compact Principles
Human rights				
	Aspect: Assessment			UNGC 1, 2
DMA	Disclosure on management approach	Website, Sustainability Report 2014		
HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments	Reporting in line with GRI requirements is currently not possible. An internal screening of human rights aspects is considered as part of the internal audit		
Society				
	Aspect: Local Communities			
DMA	Disclosure on management approach	Website, Sustainability Report 2014		
SO2	Operations with significant actual or potential negative impacts on local communities	Website, Sustainability Report 2014		
	Aspect: Anti-corruption			UNGC 10
DMA	Disclosure on management approach	56–57		
SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	56–57		
SO5	Confirmed incidents of corruption and actions taken	56–57		
	Aspect: Anti-competitive Behavior			
DMA	Disclosure on management approach	56–57		
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	57		
	Aspect: Compliance			
DMA	Disclosure on management approach	56		
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	56		
	Aspect: Supplier Assessment for Impacts on Society			UNGC 1, 2
DMA	Disclosure on management approach	49		
SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken	Reporting in line with GRI requirements is currently not possible. A Code of Conduct for suppliers is already implemented in some business units and will be developed by other business units in the upcoming years.		
Product responsibility				
	Aspect: Customer Health and Safety			UNGC 6
DMA	Disclosure on management approach	Website, Sustainability Report 2014		
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	Website, Sustainability Report 2014		



UN Global Compact: Communication on Progress 2015

The activities of big industrial companies, such as Wienerberger AG, have a strong impact on society and the environment. Such companies therefore bear a special responsibility and should act in an exemplary manner. The minimum standards to be complied with include, above all, the principles of the UN Global Compact regarding human rights, labor standards, environmental protection and the fight against corruption ¹⁾. Through its accession to the UN Global Compact in 2003, Wienerberger officially committed to the ten principles and undertook to foster their implementation within the framework of the company's possibilities. Once a year, we report on progress achieved in this respect.

The 2015 Communication on Progress in respect of the Global Compact forms part of our 2015 Sustainability Update. In order to ensure maximum transparency and to make it easier for our readers to find the individual examples, we have aggregated the most important statements on the ten principles and, in addition, marked the corresponding indicators in the GRI Index and added references to the pages concerned.

Global Compact Principles – Human Rights

Principles 1 and 2

Businesses should support and respect the protection of internationally proclaimed human rights, and make sure that they are not complicit in human rights abuses.

Commitment

Within its sphere of influence, Wienerberger guarantees the protection of basic human rights. By adopting the Wienerberger Social Charter, Wienerberger committed itself to comply with the conventions and recommendations of the International Labor Organization (ILO). This includes providing safe and healthy working conditions. The safety of its employees is a matter of top priority for Wienerberger.

Progress in 2015

The long-term target pursued by the Wienerberger Group is to reduce the number of accidents to zero. Through the Group-wide Wienerberger Safety Initiative, uniform safety standards were implemented in 2010. In 2014, these were upgraded for the entire Wienerberger Group and activities within the framework of the Safety Initiative were stepped up in order to minimize the frequency and severity of accidents. Every occupational accident is analyzed at Group level; essential aspects and possible Group-wide initiatives are evaluated annually. In 2015, a specific budget was earmarked for further safety measures. The accident frequency within the Wienerberger Group was reduced from 12 occupational accident per million hours worked in 2014 to 8 in 2015. Accident severity, expressed in accident-related sick leave days per million hours worked, dropped significantly from 340 in 2014 to 209 in 2015. Targeted measures were taken by each business unit in order to further increase the level of safety for our employees:

¹⁾ Please click here to view the ten principles of the UN Global Compact: www.unglobalcompact.at/umgc/site/en/unglobalcompact/10principles



- The Clay Building Materials Europe Business Unit (CBME) established its own safety management department in 2015, which is responsible for all safety issues of the entire Division and coordinates its safety measures and safety standards. Moreover, the Safety Alert, a standardized process of dealing with occupational accidents at CBME production sites, was fully institutionalized; as in the previous year, outstanding achievements in the field of safety were again honored through the Safety Award.
- North America organized monthly meetings on safety issues and safety reporting between the top management and the local management in 2015. Additionally, a safety officer was nominated at local level for each production site, whose responsibility also includes communication on safety matters. Safety targets to be attained within the coming two years were defined for each production site.
- Pipelife has made special efforts in accident prevention with its STOP™ Program (Safety Training Observation Program) for many years. The Safety Call, a new measure introduced in 2014, was implemented in 2015 on the basis of experience gained to date. After every accident, a Safety Call was arranged with the managing directors of all local companies of the Business Unit in order to analyze the cause of the accident, share experience and take the necessary corrective steps.
- Semmelrock continued to work with its “Safety@Semmelrock” program and optimized its production processes through technical safety measures. Other safety-related tools employed include the “Accident Investigation Report Semmelrock” (AIRS), which is used to centrally record, analyze and communicate all accidents, and an internal communication platform.
- Steinzeug-Keramo appointed safety officers both for the business unit as a whole and for each production site; a new guideline for plant tours was elaborated.

Health is a human right. Wienerberger therefore ensures safe and healthy working conditions at all its production sites. In 2015, the average number of sick leave days per employee at Group level (excluding the North America Division) declined slightly (from 9.2 to 9.1 days). We attribute this development, not least, to our regular health screening programs, the availability of company physicians to all employees of the Group, ergonomic workplace analyses and the offer of individual health and fitness programs.

Being aware of its responsibility for the health and well-being of its employees, Wienerberger for years has been making every effort to minimize their exposure to potentially hazardous substances. In our core business, i.e. the production of ceramic building materials, attention is focused, above all, on the exposure of employees to particulate matter. At Group level, the target of rolling out particulate matter measurements to at least 95% of all Wienerberger ceramic plants by 2020 was reached already in 2013. Given the fact that Tondach Gleinstätten, the producer of roof tiles that was taken over fully by Wienerberger in 2014 but has only been included in the above indicators since 01/01/2015, we continued to pursue this target in 2015. The Group-wide target of measuring exposure to particulate matter at 98% of all ceramic plants of the Wienerberger Group was reached ahead of schedule in 2015. As planned, North America (excluding the Pipelife production site) rolled out particulate matter measurements to its non-ceramic plants in 2015.



In 2015, Wienerberger also began to monitor observance of the principles of the Global Compact along its supply chains and will further step up its efforts in this respect. Today already, Pipelife suppliers, for example, have to comply with the “Pipelife Supplier Code of Conduct” (www.pipelife.com/media/com/about_pipelife/Supplier_Code_of_Conduct.pdf). The Clay Building Materials Europe (CBME) Business Unit developed a comprehensive “CBME Supplier Code of Conduct” in 2015, which will be rolled out as a binding instrument to all local companies in 2016.

Global Compact Principles – Labor Standards

Principles 3, 4, 5 and 6

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced and compulsory labor; the effective abolition of child labor; and the elimination of discrimination in respect of employment and occupation.

Commitment

Zero tolerance of child labor and discrimination is an absolute must for Wienerberger. Even before its accession to the UN Global Compact in 2003, Wienerberger committed itself, by signing the 2001 Social Charter, to ensure that employment and working conditions throughout the Group comply with national legislation and/or are based on collective bargaining agreements as a minimum standard. Thus, Wienerberger operates in accordance with the recommendations of the International Labor Organization (ILO). Besides adequate and safe working conditions, fair remuneration and the right of assembly and collective bargaining are high priorities for us. In our effort to combat discrimination in recruitment and employment, we consider it essential to offer our female employees an attractive working environment and the same opportunities as their male colleagues. At the same time, we want to make sure that our male employees benefit from the same flexible solutions that enable them to reconcile work and family obligations as their female colleagues.

Progress in 2015

In 2015, the percentage of employees covered by a collective bargaining agreement was established at country level, which enabled us to obtain far more accurate figures than in the past. The data collected for 2015 showed that 73% of all Wienerberger employees are covered by collective bargaining agreements. Agency and temporary workers as well as employees under limited employment contracts accounted for 5% of the total workforce.

Companies with a primary focus on the production of building materials traditionally have a high percentage of male employees. In 2015, a total of 1,762 employees were newly recruited, i.e. 273 more than in 2014. Among the newly recruited employees, the number of women rose from 184 to 234 and the number of men from 1,305 to 1,528. In percentage terms, the share of women among the new recruits increased from 12.4% to 13.3%. At Group level, the percentage of women remained constant at 13.5% compared to 2014. While the percentage of women working in production dropped from 4.3% to 4.1%, it increased from 45.9% to 48.1% in administration and from



24.2% to 24.3% in sales, marketing and inventories. The percentage of women in senior management positions in the Wienerberger Group was slightly above 8% in 2015.

Enabling our employees to reconcile work and family life is a matter of high priority for us. We therefore offer our employees the possibility of working part-time, an offer which is being taken up by a growing number of female as well as male employees. The percentage of employees working part-time increased from 3% in 2014 to 3.4% in 2015. The share of women in part-time employment was 15.3% in 2015, down from 17.2% in 2014. The percentage of men working part-time increased from 1.0% in 2014 to 1.5% in 2015.

Global Compact Principles – Environmental Protection

Principles 7, 8 and 9

Businesses should support a precautionary approach to environmental challenges; undertake initiatives to promote greater environmental responsibility; and encourage the development and diffusion of environmentally friendly technologies.

Commitment

Our goal is to minimize the environmental impact of our production processes and our use of raw materials. A responsible way of operating our clay extraction sites, the best possible conservation of resources, and an increase in the percentage of recycled materials used: these are the central principles governing our production activity. We are well aware that industrial production processes always involve a certain degree of interference with the natural environment. Therefore, production in harmony with the environment is a matter of great importance to us.

Progress in 2015

Specific energy consumption and specific CO₂ emissions are two of the essential indicators of environmentally friendly production technologies. Wienerberger has set itself the target to reduce these parameters by 20% each in ceramic production by 2020, as compared with 2010. In 2015, however, the Wienerberger Group's total consumption of energy increased by 15% over the previous year's level. This is due, above all, to the first-time integration of the parameters of the Tondach Group in 2015, shifts in the product mix toward more energy-intensive products in almost all divisions, and the start-up of a new ceramic pipe production line. The share of renewable energy sources in total electricity consumption, based on kWh/ton, remained constant at 27%. The first-time inclusion of the indicators of Tondach Gleinstätten in 2015 resulted in an increase of specific energy consumption, based on kWh/ton, in ceramic production by 6% compared with the previous year's level. In plastic pipe production, a reduction by 3% from the previous year's level and by 5% compared with 2010 was achieved. Throughout the Group, we will continue to optimize our production processes and progressively integrate the newly included Tondach production sites in all our improvement programs. The development of CO₂ emissions, compared with the previous year, also was significantly influenced by the aforementioned factors. We regret to note that the index of specific CO₂ emissions from primary energy sources in kg CO₂ per ton of products produced also increased



by 4% over the previous year's level. The divergence between the specific CO₂ emissions from primary energy sources and specific energy consumption in ceramic production is due to the consistent reduction of CO₂-intensive energy sources, such as coal and fuel oil, and the change-over to natural gas. Pipelife has set itself the target to reduce its specific CO₂ emissions from primary energy sources in production by 20% by 2020, as compared with 2010. In 2015, CO₂ emissions from primary energy sources at Pipelife were 17% below the value reported in 2010. Specific water consumption for plastic pipe production increased in 2015 due to the start-up of a new plastic pipe production line with increased water consumption for test runs as well as one-off events, such as the repair of a cooling circuit. Pipelife aims at reducing the volume of water drawn from public networks to 0.55m³ per ton of products produced by 2020.

In support of the precautionary approach to environmental challenges, Wienerberger has, for many years, worked intensively on the drafting of eco-balances and the preparation of environmental product declarations (EDPs) for its entire product range on a voluntary basis. Moreover, all ceramic pipes and fittings produced by Steinzeug-Keramo have been successfully certified according to the Cradle to Cradle® concept.

Our initiatives aimed at developing a higher level of awareness for environmental issues include, in particular, the Wienerberger Sustainable Building Academy (WISBA). This international training program for students of architecture and construction engineering was organized in six countries in 2015; 24 students from Austria, Belgium, Italy, Poland, Hungary and Switzerland participated in the program.

Global Compact Principles – Fight against Corruption

Principle 10

Businesses should work against corruption in all its forms, including extortion and bribery.

Commitment

Wienerberger is committed to fair and free competition; this implies a firm stance against any form of corruption. We have always pursued the target of zero incidents of corruption and expect all our employees to act accordingly.



Progress in 2015

No charges for suspected corruption were brought against Wienerberger in 2015, nor were any penalty payments imposed. No negative findings were reported by the competent supervisory authorities. Wienerberger expects all employees of the Wienerberger Group to act in full compliance with the law. Any infringement constitutes a breach of duty. Should a suspicion of unlawful behavior be confirmed, the employee concerned will be sanctioned under labor law or civil law, depending on the extent of damage caused.

In the course of 2015, the internal audit unit audited 27 companies with a special emphasis on organizational structures, purchasing, materials management, sales and human resources as well as corruption and antitrust legislation. Compliance with Group-wide safety standards and IT standards were additional audit priorities. The audits showed that all internal guidelines have been implemented in the companies audited and brought to the knowledge of the employees concerned. Deviations from the guidelines, if any, were reported to the Managing Board and the Audit Committee, and appropriate measures, such as improvements of documentation processes, were taken in cooperation with the management of the company concerned.

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Report on the independent limited assurance engagement in accordance with KFS/PG 13

To Wienerberger AG, Austria

In accordance with our agreed terms of engagement, we performed procedures to obtain limited assurance on selected information of the Sustainability Update 2015 of Wienerberger AG. This engagement is subject to the “General Conditions of Contract for the Public Accounting Professions” (AAB 2011) as amended February 21, 2011, issued by the Austrian Chamber of Public Accountants and Tax Advisors. Our liability towards the Company and also towards third parties is limited in accordance with Section 8 of the AAB 2011.

We draw your attention to the fact that the English translation of this Report on the independent limited assurance engagement is presented for the convenience of the reader only and that the German wording is the only legally binding version.

Responsibility of the management

The preparation of the Sustainability Update 2015 in accordance with the criteria set out in the Sustainability Reporting Guidelines Vol. 4 of the Global Reporting Initiative (“GRI criteria”)

- | | |
|-----------------------------|-----------------|
| • Stakeholder inclusiveness | • Comparability |
| • Sustainability context | • Accuracy |
| • Materiality | • Timeliness |
| • Completeness | • Clarity |
| • Balance | • Reliability |

is the responsibility of the management of Wienerberger AG. This responsibility includes the selection and application of appropriate methods for preparing the Sustainability Update 2015, making assumptions and estimates of individual sustainability disclosures that are plausible under the given circumstances as well as designing, implementing and maintaining systems and processes, where relevant for the preparation of the Sustainability Update 2015.

Limitation of the scope of the engagement

Our responsibility is to give an assessment, based on our work, on whether anything has come to our attention that causes us to believe that the quantitative disclosures in chapter “Employees” on the GRI aspect of “Occupational Health and Safety” (Pages 20 to 23, GRI LA6, LA7) as well as in chapter “Production” on the GRI aspects of “Energy” (Pages 35 to 37, GRI EN3, EN5) and “Emissions” (Page 37 to 39, GRI EN15, EN18) of the Sustainability Update 2015 have not been prepared in accordance with the GRI criteria as set out in the Sustainability Reporting Guidelines Vol. 4. Our review was limited to the headquarters in Vienna.

Responsibility of the independent auditor

We have performed our engagement in accordance with Expert Opinion KFS/PG 13 for assurance engagements. This standard requires us to comply with our professional standards and to plan and perform the engagement in a way that enables us to draw conclusions in accordance with KFS/PG 13.



Engagement approach

In a limited assurance engagement, the work performed is less extensive than in a reasonable assurance engagement and, therefore, less assurance is obtained. We performed our work, using appropriate random samples, based on our due judgment and to the extent required to obtain limited assurance. In the course of our engagement, we therefore obtained relevant evidence based on risk and materiality assessments in order to obtain this limited assurance on the compliance of the disclosures according to the scope of the engagement with the GRI criteria mentioned above. In doing so, our work performed at the headquarters of Wienerberger AG in Vienna, Austria, particularly included the following:

- Inspection of relevant documentation of the process for preparing the Sustainability Update 2015 as well as of existing documents and systems on the sustainability management and their sample testing.
- Interviewing employees materially involved in the preparation of the contents of the report from the departments of Corporate Sustainability Management (CSO), Corporate Reporting, Controlling, Corporate Engineering and Corporate Human Resources of Wienerberger AG in Vienna.
- Telephone calls with data providers for Occupational Health and Safety from CBME Austria and Tondach Serbia.
- Sample comparison for a selection of disclosures included in the Sustainability Update 2015 according to the scope of the engagement with centrally provided records by country organizations as well as any side calculations.

Conclusion

Based on our work, nothing has come to our attention that causes us to believe that the quantitative disclosures in chapter “Employees” on the GRI aspect of “Occupational Health and Safety” (Pages 20 to 23, GRI LA6, LA7) as well as in chapter “Production” on the GRI aspects of “Energy” (Pages 35 to 37, GRI EN3, EN5) and “Emissions” (Page 37 to 39, GRI EN15, EN18) of the Sustainability Update 2015 have not, in any material aspects, been prepared in accordance with the criteria of stakeholder inclusiveness, sustainability context, materiality, completeness, balance, comparability, accuracy, timeliness, clarity, and reliability of the Sustainability Reporting Guidelines Vol. 4 of GRI.

PwC Wirtschaftsprüfung GmbH
Vienna, 30 June 2016

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Next Generation

Wienerberger Sustainability Update 2015

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www.wienerberger.com

Publisher

Wienerberger AG

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Concept, Design and Realization

Brains, Marken und Design GmbH

Photos

gettyimages/Westend61 (Cover)

Kurt Keinrath (Portrait)

Translation

Eva Fürthauer, aiic, Conference Consulting OG

*The Wienerberger Sustainability Update 2015
is available in German and English. Both documents can
be downloaded under sustainabilityreport15.wienerberger.com.*



Production: Lindenau Productions GmbH, Print: Paul Gerin GmbH & Co KG