Wienerberger
Building Material Solutions

We won't live to see our greatest achievements.

Sustainability Report 2012

What we strive for

Sustainability Goals

Employees	Deadline	Performance 2012	Performance 2011	Remarks
Reduce the frequency of accidents to < 10 per million hours worked by 2015	2015	**12**	17	We have made substantial progress in this area since the implementation of the safety initiative in 2010
Increase the data collection on respirable crystalline silica to > 95% of all ceramic plants by 2020	2020	**84%**	na	We will continuously expand data collection on respirable crystalline silica
Increase the share of women in senior management to 20% by 2020	2020	**8%**	8%	Preferential treatment of women when qualifications are equal; low number of new appointments in 2012 due to restructuring measures
Increase the share of women in administration to > 45% by 2020	2020	**44.3%**	43.7%	
Increase the share of women in sales to 30% by 2020	2020	**24.3%**	24.2%	

Environmental Protection in Production				
Reduce specific energy consumption in ceramic production 20% below 2010 level by 2020	2020	**-9%**	-5%	The Environmental Action Plan defines measures to reach our goals in the ceramic production; however, the targets are very ambitious, since we have already reduced these figures significantly during the past 10 to 15 years
Reduce specific CO_2 emissions from ceramic production 20% below 2010 level by 2020	2020	**-1%**	0%	
Reduce the share of water drawn from public supply networks to 40% by 2020	2020	**45%**	48%	We have already reduced the share of water drawn from public supply networks in 2012 and are confident to reach this goal

Sustainable Products				
Increase the share of revenues generated by innovative products to 30% in 2015	2015	**23.4%**	23.3%	We have set an ambitious goal and are constantly working to bring innovative products to our markets

Corporate Social Responsibility				
Expand WISBA to 12 countries by 2015	2015	**na**	na	We created WISBA in 2012; four countries will participate in 2013; the concept will be rolled out step by step

Stakeholder Management				
Introduce a stakeholder dialogue in 90% of our ceramic production network by 2020	2020	**na**	na	We set this goal in 2012 and will start to implement measures in 2013

WISBA … Wienerberger Sustainable Building Academy
na … not available (data has not been collected)

Key Data

Sustainability Data by Product Group

Bricks & Tiles		2010	2011	2012	Chg. in %
Employees at year-end		9,792	10,014	9,414	-6
Accident frequency		20	17	13	-22
Share of women	*in %*	13	12	13	-
Employee turnover rate [2)]	*in %*	12	7	10	-
Specific energy consumption					
Wall	*Index*	100	95	89	-6
Roof	*Index*	100	93	84	-9
Facade	*Index*	100	96	98	+2
Specific CO_2 emissions					
Wall	*Index*	100	101	101	0
Roof	*Index*	100	95	85	-10
Facade	*Index*	100	100	102	+1
Specific water consumption	*m³/to*	0.163	0.183	0.180	-2

Ceramic Pipes		2010	2011	2012	Chg. in %
Employees at year-end		na	570	561	-2
Accident frequency		na	29	36	+24
Share of women	*in %*	na	10	9	-
Employee turnover rate	*in %*	na	1	7	-
Specific energy consumption	*Index*	100	90	82	-9
Specific CO_2 emissions	*Index*	100	91	87	-4
Specific water consumption	*m³/to*	0.225	0.241	0.242	0

Plastic Pipes		2010	2011	2012	Chg. in %
Employees at year-end		2,292	2,571	2,509	-2
Accident frequency		2	4	4	-7
Share of women	*in %*	16	15	15	-
Employee turnover rate	*in %*	16	15	10	-
Specific energy consumption	*Index*	100	100	98	-2
Specific water consumption	*m³/to*	4.830	4.673	4.476	-4

Concrete Pavers		2010	2011	2012	Chg. in %
Employees at year-end		985	1,015	936	-8
Accident frequency		20	13	17	+31
Share of women	*in %*	16	16	17	-
Employee turnover rate	*in %*	15	17	17	-
Specific energy consumption	*Index*	100	108	96	-12
Specific water consumption	*m³/to*	0.056	0.057	0.047	-17

Explanatory notes to the report:

- *Operating EBITDA is 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.*
- *2011 data were adjusted to reflect the initial consolidation of Steinzeug-Keramo.*
- *The calculation methods are explained in the respective chapters of the report.*
  Information on the reporting threshold can be found in the chapter "About this Report".
- *Rounding differences may arise from the automatic processing of data.*

Wienerberger Products: Production 2012

Homes built:
140,000

Roofs covered:
180,000

km pipes installed:
280,000

m² pavers layed:
11,600,000

Wienerberger Group

Corporate Data		2010 [1]	2011 [1]	2012	Chg. in %
Revenues	*in € mill.*	1,663.6	1,915.4	2,355.5	+23
Operating EBITDA	*in € mill.*	198.3	240.4	245.5	+2
EBIT	*in € mill.*	4.6	37.5	-21.7	<-100
Profit after tax	*in € mill.*	-35.4	39.4	-40.5	<-100
Free cash flow	*in € mill.*	170.5	135.0	163.6	+21
Net debt	*in € mill.*	362.3	358.8	602.0	+68
Gearing	*in %*	14.5	14.8	25.5	-
Ø Employees		11,296	11,893	13,060	+10

Employees		2010	2011	2012	Chg. in %
Accident frequency		20	17	12	-29
Training hours / employee		12	16	13	-20
Ø Training costs / employee	*in €*	214	285	257	-10
Share of women	*in %*	13	13	14	-
Share of women in senior management	*in %*	5	8	8	-
Share of women in administration	*in %*	47	44	44	-
Share of women in sales	*in %*	24	24	24	-
Turnover rate [2]	*in %*	12	8	11	-

Environmental Protection in Production		2010	2011	2012	Chg. in %
Energy consumption	*in MWh*	7,280,997	7,727,106	6,744,796	-13
Specific energy consumption	*Index*	100	97	92	-5
CO_2 emissions	*in to*	1,901,727	2,110,033	1,834,073	-13
Specific CO_2 emissions	*Index*	100	100	99	-1
Waste	*in to*	116,894	132,433	133,600	+1
Water consumption	*in mill. m³*	2.2	2.7	3.2	+21
Water from public supply networks	*in %*	54	48	45	-

Sustainable Products		2010	2011	2012	Chg. in %
Revenues generated by innovative products	*in %*	20	23	23	-

Corporate Social Responsibility		2010	2011	2012	Chg. in %
Strike days	*in man-days*	na	na	402	na
WISBA countries		na	na	na	na

Stakeholder Management		2010	2011	2012	Chg. in %
Ceramic plants that have a stakeholder dialogue in place	*in %*	na	na	na	-

1) The data were adjusted to reflect a change in accounting policies.
2) excluding North America (analysis limited by special local legal regulations)
na … not available (data has not been collected)

We have set goals for these key data that we want to reach by 2015 or 2020.
A summary of all goals can be found on the previous page.
The individual goals are described in detail in the respective chapter of the report.

Because coming generations will benefit even more from our sustainable business approach.

A good working environment is the foundation for our future.

We challenge and encourage our employees. To make sure we can expect top performance, we invest in a safe and motivating working environment. We have significantly reduced the number of work accidents since 2010 and, with 12 accidents per million hours worked in 2012, moved closer to our goal of less than 10 accidents by 2015.
As an employer in many, in part structurally weak regions, we want to offer stable employment relationships. The long service length of 12.9 years and a low number of days lost through work stoppages speak a clear language.

A long life requires amazingly little energy.

A house made of Wienerberger building materials is an investment for coming generations. The core of our sustainability strategy is the long service life of our products. At the same time, we implement measures to reduce the environmental impact of our production processes. Our activities are focused not only on reducing energy consumption, but also on improving our ecological footprint by using fewer raw materials and increasing the use of recycled products.

We don't think about tomorrow.
We're already there.

The sustainability of our products is underscored by their long service life. Outstanding technical properties are another exceptional feature: ceramic building materials are free of pollutants. They not only provide good thermal insulation, but also protection against noise and fire, and create a healthy, comfortable indoor climate. With continuous innovation, we make sure our pipes can meet any challenge – above all in the areas of health and supply security.

Success can't always be measured in numbers.

We believe we can help best in areas related to our core expertise. That's why we are active, above all, in two main areas. First, in the construction of housing for the needy and help in the event of disasters near our plants. And second, in cooperation with the Vienna University of Economics and Business, we give young, talented men and women an opportunity to obtain additional technical training in sustainable construction.

Every bridge we build brings us closer together.

We are convinced that sustainable management creates added value for all our stakeholders. In order to establish and maintain positive relations with our investors, the media, suppliers and other stakeholders, we follow a policy of transparent communications and active dialogue. Invitations to our plants and the regular exchange of information provide a platform for interaction with neighboring residents in many countries. We want to be a fair neighbor who not only meets but also exceeds legal regulations to provide quality living for local residents.

Contents

Quick Response (QR) Codes

You will find QR codes at selected points in this sustainability report. Scan the codes with your smartphone and visit the linked websites for more detailed information.

www.wienerberger.com

Introduction by the Chief Executive Officer

Dear Ladies and Gentlemen,

The mega-challenges of the future require responsible action

Climate change, limited resources, population growth, rising poverty, migration, demographic change, urbanization, the loss of biodiversity – the list of global, often interconnected challenges is long.

Climate protection and climate change as central concerns

The frequently discussed climate change is attributable primarily to the sharp rise in CO_2 emissions from the burning of fossil fuels such as crude oil and natural gas. In order to limit global warming to a tolerable level, we must reduce CO_2 emissions, use energy more efficiently and convert to non-fossil energy sources – and all that as quickly and completely as possible.

Nearly zero-energy standard mandatory in the EU starting in 2021

The energy consumption of buildings plays a major role in this process. The building sector in the EU is currently responsible for roughly 40% of total energy consumption. As a result, the EU issued a directive that requires all buildings built after January 1, 2021 to meet "nearly zero-energy" standards [1)].

e4-Brickhouse 2020 already meets this standard today

Our e4-Brickhouse 2020 already meets these requirements today. It can save 4,200 tons of CO_2 per year compared with a conventional single family house because it produces more energy than it uses. In order to verify this claim, the Austrian Institute of Technology (AIT) will monitor the first e4-Brickhouse 2020 up to 2014. This house was built in the Lower Austrian town of Zwettl by a family of four, who moved in during the past year.

Healthy living (e.g. interior air) as a key issue for the future of housing

In addition to the energy efficiency of buildings, I see healthy living as one of the most important issues for the future of modern housing. People in the western industrial countries spend roughly 90% of their time indoors – and the quality of the interior air generally leaves a lot to be desired: pollutants, dry air, dust and mold not only have a negative influence on the indoor climate, but also represent a major health risk. Today, asthma is the most frequently diagnosed disease among children in Europe. It is no coincidence that bricks have been used as a building material for thousands of years – their outstanding properties create an optimal quality of living for residents. Bricks are absolutely free of pollutants. They are also permeable, which means they equalize the humidity in the room and, in this way, create a healthy indoor climate. Bricks also help to save energy, both in heating and cooling, because of their natural air conditioning properties. The accumulation capacity of bricks evens out temperature fluctuations by absorbing heat during the daytime and releasing it in the night, or vice versa. Bricks are therefore one of the best building materials for the creation of a pleasant and comfortable atmosphere.

1) Directive 2010/31/EU from May 19, 2010 on the energy performance of buildings

Heimo Scheuch, Chief Executive Officer of Wienerberger AG

Special pipe system to prevent flooding in cities

The consequences of climate change and the resulting heavier rainfall over shorter periods of time represent a new challenge, above all for urban areas. Flooding has become a growing problem because sufficient drainage areas are frequently not available and sewage systems are not designed to handle the higher water volumes. With our innovative Raineo^{TM} pipe system, we have developed a solution for this problem.

Long service life of our products brings responsibility for continued development and innovation

Our products have a proven service life of more than 100 years. This creates value for generations, but also brings a great deal of responsibility. Therefore, one of our main goals is to anticipate trends and developments to offer our customers innovative and affordable solutions for residential construction, infrastructure and renovation that guarantee long-term comfort, health and security. Innovation is one of the guiding principles of our strategy to generate organic growth and create maximum value for all our stakeholders, above all our customers. This is our course for the future. Our goal is to increase the share of innovative products from the current level of 23% to 30% of revenues by 2015.

First-time announcement of sustainability goals in this report to improve transparency

Sustainable management has been a key part of the Wienerberger corporate culture for many years and is integrated in all areas of the company. In order to make our activities even more transparent, we have decided to announce our sustainability goals for various areas for the first time in this report and will report to you on our progress in the future. I invite you to form your own opinion of our efforts in sustainability management and to join us on a sustainable course into the future.

Yours

Wienerberger at a Glance

The Wienerberger History

From an Austrian brick manufacturer ...

Wienerberger was founded in 1819 by Alois Miesbach on the Wienerberg in Vienna. This Austrian brick manufacturer became one of the first companies to trade on the Vienna Stock Exchange with its initial public offering in 1869. In spite of this listing, Wienerberger remained a local company for over one hundred years. The first internationalization step was taken in 1986 with the acquisition of the German Oltmanns Group and continued with successful expansion into Eastern Europe, France and the Benelux countries during the 1990s. The ***founding of Pipelife*** (plastic pipes) as joint venture with a Belgian partner and the development of the Group's ceramic pipe and concrete paver activities also occurred during this time.

... through a number of expansion steps ...

Further growth steps in Europe were followed by Wienerberger's development into a ***global player*** with the takeover of General Shale in the USA during 1999. Another key 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.

... and restructuring measures ...

After many years of strong, expansive growth, Wienerberger was hit hard by the global economic crisis in 2009 because of its heavy dependence on cyclical new residential construction. ***Heimo Scheuch*** took over as ***chief executive officer*** of the Wienerberger Group in summer 2009 and implemented an extensive restructuring program through the end of 2010 that adjusted corporate structures to reflect the difficult market conditions. The end of the restructuring process was followed by a strategic reorientation, which focused the company on financial discipline and organic growth through innovative and premium products. The expansion steps after 2009 were directed, above all, to less cyclical business areas like roof tiles and pipe systems in order to ensure the sustainable generation of stable earnings.

Company Profile

... to an international system provider of building materials

With the full takeover of the plastic pipe producer Pipelife in 2012, Wienerberger completed its transformation into an international supplier of building material systems. Business activities are now aggregated in two divisions: Bricks & Tiles and Pipes & Pavers. The Bricks & Tiles Division covers the clay block, facing brick and clay roof tile product groups. Wienerberger is the world's largest producer of clay blocks, number one in facing bricks in Europe and the USA and the market leader for clay roof tiles in Europe. The Pipes & Pavers Division includes our activities in the areas of plastic pipes, ceramic pipes and concrete pavers. Wienerberger is one of the leading suppliers of plastic pipes, ceramic pipes and concrete pavers (only in Central-East Europe) in Europe.

Clay blocks:	**No. 1 worldwide**
Facing bricks:	**No. 1 in Europe, co-leader in the USA**
Clay roof tiles:	**No. 1 in Europe**
Plastic pipes:	**Leading position in Europe**
Ceramic pipes:	**No. 1 in Europe**
Concrete pavers:	**No. 1 in Central-East Europe**

Strategy and Business Model

Sustainable creation of added value as top corporate goal

The goal of our business model is to create and maintain a sustainable increase in the value of the company in accordance with ecological, social and economic principles. Accordingly, we want to create added value for all our stakeholders.

Completion of strategic reorientation from an expansion-driven to a market-oriented company

For Wienerberger, the years since the crisis have been characterized, above all, by a difficult new residential construction market and an internal focus on cash generation. Extensive restructuring measures were implemented in 2009 as a reaction to the global financial crisis, which cut fixed costs by approx. € 200 million, substantially reduced working capital and gradually decreased the company's debt. The restructuring phase was followed by a strategic reorientation from a primarily expansion-driven to a market-oriented company with a focus on organic growth. Our customers are the focal point of our actions – we want to create added value for them with innovative, high-quality and application-oriented system solutions. Comprehensive advising and service for our customers, starting with the project planning stage, are an important part of our improved sales activities. The strategy for our core business is designed to establish and extend leading positions in all markets in which we are present.

Strategic expansion through development of pipe systems

In order to reduce Wienerberger's dependence on new residential construction over the medium-term, we have been working for several years to expand the core business through a stronger concentration on renovation and infrastructure. Our activities in the area of pipe systems should be seen in this connection. We acquired Steinzeug-Keramo, the market leader for ceramic pipes in Europe, during 2010. In 2012 the Wienerberger Group completed its transformation to an international system provider of building materials with the full takeover of Pipelife, one of the leading European producers of plastic pipes. Both companies were acquired at comparatively low multiples and create substantial added value with a CFROI that clearly exceeds the internal hurdle rate of 11.5%. The expansion of the core business has reduced the dependence on cyclical new residential construction from approx. 70% to roughly 60% of revenues. It has also broadened Wienerberger's strategic base and extended the potential for sustainable growth over the medium- and long-term.

Financial discipline is a top strategic priority for Wienerberger

Our strategic focus will remain on financial discipline as well as the protection of a strong capital structure based on our internal goal to hold the ratio of net debt to operating EBITDA below 2.5 years. The issue of an additional bond in April 2013 with a volume of € 300 million increased our liquidity reserves and further optimized the term structure of liabilities. The maintenance and protection of a strong capital structure remains a central goal for Wienerberger, which we will continue to pursue through the proactive management of liquidity and the term structure of liabilities.

Wienerberger Group: EBITDA potential of € 600 million

Wienerberger's activities cover ***solutions for walls and roofs*** (clay blocks, facing bricks and clay roof tiles) as well as ***pipe systems & paver solutions*** (plastic pipes, ceramic pipes and concrete pavers). These businesses are managed by region based on the following divisions: ***Bricks & Tiles Europe***, ***Pipes & Pavers Europe*** and ***North America***. The Wienerberger Group has a medium- to long-term EBITDA potential of approx. € 600 million across all divisions, once the new residential construction market recovers.

The Year 2012 in Review

Increase in operating results through expansion of pipe operations in a difficult market environment

Wienerberger increased revenues by 23% and operating EBITDA by 2% during 2012 in a difficult market environment. The Group's results were influenced by three major developments: an earnings decline in the European brick business due to weaker residential construction across Europe, a substantial positive contribution from the acquisition of Pipelife in May 2012 and moderate recovery on the US new residential construction market with a resulting improvement in revenues and earnings in the North America Division. The Bricks & Tiles Europe Division recorded a decline in revenues and earnings for the year because the European construction industry was again faced with the negative effects of the euro and sovereign debt crisis and new residential construction subsequently fell below the 2009 crisis year in a number of key markets. These developments were met with a restructuring program that involves non-recurring costs of approx. € 43 million, but will bring sustainable costs savings of € 50 million by year-end 2014. The costs for the restructuring program and other non-cash effective one-time expenses resulted in a loss of € 40.5 million for the year.

Return of 20% on free cash flow

Wienerberger again demonstrated its cash flow-generating strength in 2012, despite the difficult market environment, and increased free cash flow by 21% to € 164 million. That represents a free cash flow return of 20% at year-end. The Group's strong capital structure was underscored by a ratio of net debt to operating EBITDA that equaled 2.2 years at year-end 2012. As a result a € 0.12 dividend per share for the 2012 financial year was paid to shareholders.

Pipelife acquisition main reason for increase in workforce

The average number of employees in the Wienerberger Group rose to 13,060 during the reporting year. This development resulted, above all, from the initial consolidation of Pipelife as of May 31, 2012. The Pipelife acquisition and compensation increases explain the rise in wages, salaries and employee benefits.

Dividend and coupon on hybrid bond lead to payments of € 46.3 million

A dividend of € 0.12 per share, or a total of € 13.8 million, was paid in 2012 from profit recorded for the 2011 financial year. As in the previous years, the payment of the hybrid coupon amounted to € 32.5 million. Net debt rose from € 358.8 million at year-end 2011 to € 602.0 million as of December 31, 2012, in particular due to the Pipelife acquisition, but gearing equaled a comparatively low 26% at the end of 2012.

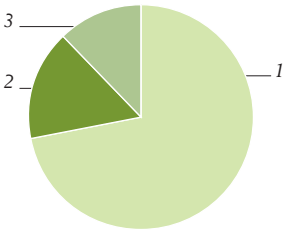
Payments of € 33.7 million to the public sector

Payments to the public sector, which represent taxes on income and other taxes (excluding deferred taxes) fell slightly to € 33.7 million in 2012 due to the decline in earnings and the resulting lower tax expense.

Cash flows to stakeholders *in € mill.*	2010 [1]	2011 [1]	2012	Change in %
Revenues and other operating income	1,731.3	1,971.8	2,407.3	+22
Operating costs [2]	-1,040.1	-1,179.0	-1,518.7	+29
Employee wages, salaries and benefits [3]	-469.4	-525.4	-592.5	+13
Payments to providers of capital (owners) [4]	-32.5	-44.2	-46.3	+5
Payments to providers of capital (creditors)	-43.8	-39.5	-52.1	+32
Payments to public authorities [5]	-24.4	-35.7	-33.7	-6

1) The data were adjusted to reflect a change in accounting policies
2) Production costs plus selling, administrative and other operating expenses; excluding wages, salaries, benefits, depreciation and amortization as well as non-income based taxes
3) Excluding temporary personnel and company automobiles; including employee-related restructuring costs
4) The hybrid coupon and dividend are shown in the year in which payment was made
5) Excluding deferred taxes

Public financial subsidies
in %



1 Investments in environmental protection and occupational safety 72%
2 Product research and development 16%
3 Other 12%

The Wienerberger Group received public financial subsidies of € 3.2 million in 2012 (individual amounts over € 50,000 are recorded). The major payments represent investments in environmental protection and occupational safety (€ 2.3 million), product research and development (€ 0.5 million) and other financial subsidies (€ 0.4 million).

Corporate Governance at Wienerberger

Implementation of strict principles for good management and transparency

For many years Wienerberger has followed a strategy that is designed to maximize cash flows in order to create and maintain a sustainable increase in shareholder value. Strict principles of good management and transparency as well as the continuous development of an efficient control system form the basis for meeting this goal.

Compliance code to prevent insider trading and code of conduct for lobbying activities

We give the highest priority to providing all shareholders with the same comprehensive information. To prevent insider trading, we have released a compliance guideline that implements the provisions of the Issuer Compliance Code published by the Austrian Financial Market Authority. A compliance officer monitors the observance of these rules. A code of conduct based on the Austrian Lobbying Act covers all corporate bodies and the employees of Austrian companies in which Wienerberger AG holds a controlling interest. This code defines the principles for lobbying activities and can be reviewed on the Wienerberger website (www.wienerberger.com).

Wienerberger is the leader for transparency

Wienerberger was one of the first companies in Austria to announce its support for this code and to commit to compliance with its rules. Wienerberger met all rules and recommendations of the code (in the version dated July 2012) in 2012. The corporate governance report is integrated in the 2012 annual report (pages 20 to 37).

Additional information on corporate governance at Wienerberger is provided in the 2012 annual report, which is also published on the company's website (annualreport.wienerberger.com).

Sustainable Development at Wienerberger

Wienerberger Principles of Sustainability

Business as an integral part of society

Wienerberger views business as an integral part of society. Its duty is to serve people and create value for everyone. Wienerberger takes its role as a responsible member of society seriously. We define responsibility as ethical actions, honest communications, active participation in the transparent development of our economic environment, personal accountability and actions that confirm our standing as a reliable and valuable member of society.

Sustainable products are the focal point of the sustainability strategy

Sustainability represents an integral part of the Wienerberger corporate culture and the corporate strategy. We view sustainable management as a process that creates lasting added value for all our stakeholders. Our sustainable products and system solutions form the focal point of our sustainability strategy. Wienerberger produces and sells a wide variety of building material products and solutions that are used for very different applications. One of our most important goals is to create added value for our customers with our products and solutions with their long service life, technical properties, low impact on the environment over the entire lifecycle and economy. In general, we see sustainability as a function between the service life of a product and its impact on the environment during production, transport, installation, use and disposal:

The sustainability of a product increases with its service life. Increasing the service life of a product reduces the use of resources and the effects on the environment over the entire lifecycle. In this same way, a reduction in the use of resources based on a constant lifecycle makes products more sustainable.

The Sustainable Management Cycle

Sustainability is an integrated process

At Wienerberger, sustainability is embedded in all stages of the value creation process. We see sustainability as an integrated process that creates lasting value for all our stakeholders.

Sustainability begins with our ***employees***. We place high value on their health, advancement and development because our success is based on the commitment of a workforce that believes in sustainability and acts as entrepreneurs. Our focus for ***production*** lies on the best possible conservation of resources and the recycling of materials. We produce innovative, long-lasting ***products and system solutions*** for residential construction and infrastructure that create sustainable value for the people who use them every day. In accordance with our donation guideline, we provide in-kind support for the needy with our products and also give young people an opportunity for training in sustainable construction. These measures demonstrate our commitment to sustainability and to ***society*** and, in the end, create sustainable added value for our ***stakeholders*** – which completes the cycle.

1. Development of employees

Employees are the basis of our success

Our employees are the basis of our future success. We therefore place a special focus on these men and women, and encourage the creation of internal networks and cooperation throughout the Wienerberger Group. In accordance with our corporate values, we offer a healthy, safe and motivating working environment. Our goal is to develop the potential of our employees

and, subsequently, to fill most of our management positions internally. A corporate culture that encourages openness and respectful interaction serves as a reference point for our employees, also with respect to their targeted personal development.

2. Environmental protection in production

Resource conservation and recycling as central principles for production

Environmental protection in production is a top priority for Wienerberger. The use of reusable raw materials and recycling are the central principles of our sustainable production. Another important focal point of our activities is the greatest possible conservation of resources. That means improving the energy and resource efficiency of production processes through optimized technologies and, in that way, and through the use of renewable energy carriers reducing CO_2 emissions. We are also working to reduce the weight of our products and evaluating the use of secondary raw materials.

3. Sustainable products

Long-lasting and innovative products create sustainable value

The value of a building or a pipe system is dependent on numerous factors, not least on the products used. A central principle of product development at Wienerberger is the creation of sustainable value for people with long-lasting and innovative system solutions. Wienerberger brick products form an integral part of sustainable building concepts. They guarantee a high quality of living and make an active contribution to climate protection. In the area of pipes and pavers we offer system solutions for today's challenges, including the demands on water management resulting from climate change and increasing urbanization.

4. Responsibility for society

We are committed to social responsibility

"Building with a clear conscience" – Our belief in sustainability is also reflected in our goal to accept responsibility for society. The protection of human rights and compliance with all relevant national and international legal regulations as well as open and transparent communications with politics and public authorities also represent an integral part of our commitment to social responsibility. Our donation guideline provides a framework for the targeted, in-kind support we provide to the needy in the form of products or training programs. We believe we can help best in areas related to our core expertise, namely in the provision of building material solutions and know-how for sustainable construction.

5. Added value for our stakeholders

Our most important goal: the creation of added value for all our stakeholders

Our foremost goal is to generate added value for all our stakeholders through future-oriented, proactive behavior. We create a healthy living environment and provide security of supply for our customers with our long-lasting and innovative products, a solid investment for our shareholders and an attractive workplace for our employees. Wienerberger engages in an active dialogue with all its stakeholders and is well aware of its responsibility to shareholders.

Processes and Instruments of Sustainable Development

Sustainability report as part of a continuous process

The Wienerberger sustainability report transforms our commitment into an obligation. It is based on the standards defined by the Global Reporting Initiative (GRI) and represents an integral part of a continuous process. All levels of management and our employees have taken on shared responsibility for the implementation of measures to support a continuous improvement in sustainability at Wienerberger. This sustainability report provides information on the current status and further measures in the areas of employees, environmental protection in production, sustainable products, social responsibility and stakeholder management. It not only represents a collection of interesting facts and figures, but also serves as an instrument to monitor the progress of our sustainable development.

Transparent communication of goals for the first time

The Sustainable Development Steering Committee (SDSC) was founded in 2009 to define Wienerberger's sustainability strategy, key indicators according to GRI and goals for sustainable development. The SDSC meets regularly or as required to discuss progress on the sustainability process and options for further actions. It also defines goals and measures for implementation throughout the Group. In order to make our commitment to these goals transparent, we are publishing them for the first time in this sustainability report. The following chapters provide information on our goals in the respective areas.

CEO monitors sustainable development

This sustainability report was released by the SDSC. The Chief Executive Officer of Wienerberger AG, Heimo Scheuch, is a member of the Sustainable Development Steering Committee. He monitors the company's sustainable development on a regular basis and ensures that sustainability always has top priority for the company.

Sustainability management is anchored in the organization

In recent years our approach to sustainability management has become substantially more professional and more firmly anchored in the company. Responsibilities for sustainability have also been clearly defined. In addition to a Group-wide sustainability officer who reports directly to the Chief Executive Officer of Wienerberger AG, each of our country organizations and subsidiaries has designated a person who is responsible for sustainability and the implementation of the respective Group guidelines and programs.

Internal audit as control function

The SDSC uses Wienerberger's internal audit department to review major aspects of the sustainability program. This department, which reports directly to the Managing Board, evaluates the company's operating processes each year based on an audit plan and a risk assessment. Monitoring the internal control system in the accounting process is one of the most important responsibilities of internal audit. Another duty is the review of compliance with legal regulations and internal guidelines, for example the guidelines on business gifts and competition law. Internal audit also evaluates compliance with Wienerberger safety standards for employees and with selected areas of the Austrian Corporate Governance Code, whereby the latter is mainly a focus of activities by the external auditor.

2001

Commitment to a Social Charter for compliance with the applicable agreements and recommendations of the International Labor Organization (ILO) in Geneva

2003

Commitment to the UN Global Compact – a United Nations initiative established in 1999 to promote ethical behavior among companies (good corporate citizenship)

2004

Extensive discussions of sustainability by Wienerberger management together with external advisors; definition of the Wienerberger mission statement by 80 managers from all country organizations

2005

Communication of the Wienerberger mission statement to all employees and implementation in all country organizations

2006

Wienerberger is a founding member of the Austrian UN Global Compact network respACT Austria

2009

Founding of the Wienerberger Sustainable Development Steering Committee to define Wienerberger's sustainability strategy, key indicators and targeted goals for sustainable development

2010

Publication of the first Wienerberger Sustainability Report and implementation of the defined measures, for example the Environmental Action Plan and Safety Initiative 2010

2011

Integration of local sustainability managers into a network to better anchor sustainability issues in the Wienerberger country organizations

2012

Communication of goals for defined sustainability indicators

Employees

Principles of Sustainable Human Resources Management

Sustainable human resources management for diversity and equal opportunity, safety and health, training and a motivating working environment

Our employees are the basis of our success and a key factor for the successful development of our company. Wienerberger is well aware of its responsibility to its employees and takes this responsibility seriously. We are committed to sustainable human resources management that creates the necessary requirements and conditions for our employees in the areas of diversity and equal opportunity, occupational safety and health, training and a motivating working environment. Our human resources management is based on the following sustainability principles, which apply without limitation throughout the entire Group:

– *Equal opportunity independent of age, gender, culture, religion and origin*
– *Healthy and safe workplaces*
– *Advancement and development of each employee*
– *High readiness to act and personal responsibility*
– *Entrepreneurial thinking and actions*

Wienerberger Social Charter guarantees fair working conditions

With the signing of a social charter in 2001, Wienerberger formally confirmed its intention to work toward employment and working conditions in all Group companies that meet or exceed national law or collective bargaining agreements. The company is also committed to compliance with the recommendations of the International Labor Organization (ILO), which include the prohibition of child labor and discrimination, respect for the freedom of association and the right to collective negotiations as well as the provision of safe working conditions.

Corporate culture as success factor

The Wienerberger corporate culture influences the actions and behavior of our employees. Our common goal is to provide people with a better quality of life through our outstanding, sustainable building material and infrastructure solutions. Expertise, passion, integrity and respect, customer orientation, entrepreneurship, quality and responsibility are the seven key factors for Wienerberger's business success.

"ideas & more" to better utilize our employees' potential

We see the know-how of our employees as one of the most important sources of innovation and the further development of existing products. In order to better utilize this potential, we have anchored the subject in business and work processes. The "ideas & more" internet platform was launched to give employees an opportunity to support the development process by submitting their suggestions for improvement and their ideas for innovation.

Processes and Instruments for Sustainable Human Resources Management

Employee development and support as central responsibility of human resources

The focal point of human resources management at Wienerberger is the support and development of all employees in line with the Group's strategic goals. The responsibilities of human resources include employee recruiting, international know-how transfer and exchange, talent management and succession planning, training and education platforms, appropriate compensation and bonus systems, occupational safety, internal communication and industrial relations as well as the socially responsible reduction of jobs in connection with restructuring programs. In all these areas, human resources also serves as a contact partner and advisor for employees.

Succession planning as part of annual management review

Strategic succession planning represents a central challenge for sustainable human resources management. An annual management review focuses on the evaluation of senior managers and succession planning for senior management positions. Wienerberger maintains a management database to provide fast access to records on the training, professional experience, salary structure and service contracts of the respective employees. This database, which covered roughly 90 men and women in 2012, supports structured and transparent career planning.

SHE reporting

The Safety, Health & Education (SHE) reporting system was introduced throughout the Group in 2007. This system collects quarterly data from all local Wienerberger companies on the size of the workforce, occupational safety, days lost through illness as well as training and development. The resulting indicators provide management with the necessary tools for analysis and the development of appropriate measures in the areas of occupational safety, health and training.

Wienerberger safety standards

The improvement of workplace safety in all its plants is an important goal for Wienerberger. In this connection, the following safety standards were implemented in 2009:

1. *Introductory safety training program for all employees*
2. *Appointment of an occupational safety officer*
3. *Increased awareness for occupational safety*
4. *Personal protective equipment for each employee*
5. *Safety introduction and protective equipment for visitors*
6. *Regular safety training programs*
7. *Establishment of a working group in each plant and quarterly safety meetings*
8. *Plant safety audits*
9. *Monitoring of workplace conduct*
10. *Mandatory accident reporting*

Implementation through safety initiative

Wienerberger's safety initiative provides the framework for realizing these goals. The related investments, i.e. the purchase of protection equipment, have already been completed. Employees are now receiving special training to increase their awareness of occupational safety and change their behavior over the long-term to prevent accidents. These training programs are organized by the local companies. Progress in the area of occupational safety is monitored by SHE reporting at the Group level, which allows for the identification and implementation of additional measures as needed.

The following statistics include Steinzeug-Keramo beginning in 2011 and Pipelife for the full 12 months of 2012. A different method was used to calculate the number of employees, and explanations are provided in footnotes at the relevant sections.

Employment Trends

Number of Employees

10% workforce increase in 2012 due to initial consolidation of Pipelife

The average number of employees in the Wienerberger Group rose by 10% year-on-year to 13,060 in 2012. The Bricks & Tiles Europe and North America Divisions reported workforce reductions due to the weaker development of business and resulting restructuring measures, while the number of employees doubled in the Pipes & Pavers Europe Division. This strong increase is explained, above all, by the takeover of Pipelife during the reporting period.

Ø Employees by operating segment

Full-time equivalent	2010 [1]	2011	2012 [2]	Chg. in %
Bricks & Tiles Western Europe	6,130	6,420	6,227	-3
Bricks & Tiles Eastern Europe	2,747	2,618	2,516	-4
Bricks & Tiles Europe	8,878	9,038	8,743	-3
Pipes & Pavers Western Europe	33	470	1,604	>100
Pipes & Pavers Eastern Europe	1,029	1,052	1,440	+37
Pipes & Pavers Europe	1,062	1,522	3,044	+100
North America	1,104	1,127	1,064	-6
Holding & Others	252	206	209	+1
Wienerberger Group	**11,296**	**11,893**	**13,060**	**+10**

1) Steinzeug-Keramo is included in the Pipes & Pavers Western Europe Segment beginning in December 2010.
2) Pipelife is included as of June 2012.

Higher number of employees in all functional areas

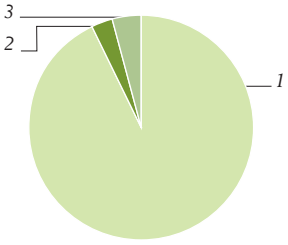
The Pipelife consolidation led to an increase in the number of employees in all functional areas during 2012. This development was evident, above all, in administration and sales because Pipelife operates through direct sales organizations in a number of countries.

Ø Employees by functional area

Full-time equivalent	2010 [1]	2011	2012 [2]	Chg. in %
Production	7,604	8,048	8,673	+8
Administration	946	980	1,142	+17
Sales [3]	2,746	2,865	3,245	+13
Total	**11,296**	**11,893**	**13,060**	**+10**

1) Steinzeug-Keramo is included in the Pipes & Pavers Western Europe Segment beginning in December 2010.
2) Pipelife is included as of June 2012.
3) Employees in sales, marketing and warehousing

Classification of employees by type of employment *in %*



1 Full-time 93%
2 Part-time 3%
3 Temporary (incl. limited contracts) 4%

Of the total workforce employed by the Wienerberger Group as of December 31, 2012, 93% were full-time and 3% part-time. Temporary employees and persons with limited employment contracts therefore represented 4% of the total.

Employee Turnover

Employee turnover

The restructuring programs implemented in recent years in the Bricks & Tiles segment as a reaction to the difficult market environment have led to repeated, substantial increases in employee turnover. The conclusion of the first measures at year-end 2010 was followed by brief stabilization in the workforce, but the necessary implementation of further restructuring measures in 2012 caused another rise in turnover. In spite of this development, the average length of service equals a relatively long 12.9 years and represents a clear vote of confidence by employees in favor of their employer.

A detailed analysis of employee turnover shows the different effects of the restructuring programs on the individual divisions. The Bricks & Tiles Europe Division reported the largest increase, with turnover rising from 6.6% in 2011 to 10.3% in 2012. This development is explained, above all, by the higher number of employees leaving companies in the Bricks & Tiles Europe Division as a result of the increased restructuring measures. The Pipes & Pavers Europe Division remained stable in year-on-year comparison. The Holding and Others Division was the only segment to report a sharp drop in turnover of 5 percentage points to 9.3% in 2012, which reflected the lack of involvement in restructuring measures. The employee turnover rate for the Wienerberger Group rose from 7.5% to 10.6% in 2012, above all due to the higher turnover in the Bricks & Tiles Europe Division.

Turnover rate by operating segment [1] *in %*	**2010**	**2011**	**2012**
Bricks & Tiles Western Europe	8.1	5.5	7.8
Bricks & Tiles Eastern Europe	20.9	9.1	16.3
Bricks & Tiles Europe	12.0	6.6	10.3
Pipes & Pavers Western Europe	-	1.4	7.5
Pipes & Pavers Eastern Europe	15.2	17.4	14.5
Pipes & Pavers Europe	15.2	11.6	11.4
Holding & Others	13.8	14.3	9.3
Total, excluding North America	**12.3**	**7.5**	**10.6**
North America [2]	16.3	26.7	26.1

1) Turnover rate: ratio of persons leaving the Wienerberger Group (termination by the employee or employer as well as mutually agreed terminations) to the average number of employees in permanent employment; excluding temporary workers as well as workers with limited contracts; persons who retire or are on official leave are not included.
2) Analysis limited by special local legal regulations

1,295 employees left the company in 2012

A total of 1,295 employees left the Wienerberger Group in 2012, whereby the restructuring program led to the reduction of 492 jobs. The remaining 803 employees included 669 men and 134 women (excl. the North America Division). A classification by age shows the following results: 180 of these employees were under 30 years of age; the largest decline (-454) was recorded in the age group of 30 to 50 years; and 169 employees over 50 years left the company.

Diversity and Equal Opportunity

The principles of sustainable human resources management at Wienerberger ensure that all employees have the same rights and opportunities independent of age, gender, culture, religion, origin and political views. Wienerberger does not tolerate any form of discrimination whatsoever. Since the start of data collection by HR local management on possible discrimination, no such incidents were reported.

No reports of discrimination since start of data collection

Gender

Wienerberger traditionally has a high share of male employees because of its concentration on production (heavy industry). Special efforts are therefore in progress to increase the share of women, above all in non-production areas, e.g. administration, sales and management. One of the implemented measures involves preferential treatment for women in new appointments when candidates' qualifications are identical. The share of women in **senior management** for the Wienerberger Group currently equals 8%, and **the goal is to increase this indicator to 20% by 2020.** The share of women rose slightly in all functions during 2012 to 13.7% at year-end (2011: 12.6%). **We want to increase the share of women to more than 45% in administrative functions and to 30% in sales functions by 2020.**

Share of women rose slightly in 2012

Share of women by function [1] *in %*	**31.12.2010**	**31.12.2011**	**31.12.2012**
Production	4.5	4.1	4.3
Administration	47.4	43.7	44.3
Sales [2]	24.2	24.2	24.3
Total	**13.3**	**12.6**	**13.7**

1) Temporary employees and persons with limited employment contracts are not included.
2) Employees in sales, marketing and warehousing

Age

The long average length of service with the company is also reflected in the age structure of our workforce. In 2012 58% of the employees were between 30 and 50 years old, 11% were younger than 30 years and 31% over 50 years. These indicators have not changed significantly in recent years. We are particularly interested in the training and education of young people. In Bricks & Tiles Germany we increased the number of apprenticeships by nearly 20% in 2012 and are planning a further increase in 2013.

58% of employees are between 30 and 50 years old

Cultural Diversity

Corporate cultural identity strengthened by regional appointments

As a multinational corporation, Wienerberger believes in respect for local cultures and the support of diversity. We see regionally recruited teams as an important success factor, not least because of the local nature of our products and markets. Our human resources planning is therefore directed to the employment of local workers, plant supervisors and managers to ensure that the Group viewpoint also includes a focus on the local markets and regions. Job rotations strengthen the internationality of Group management and allow for better insight and new perspectives in many areas. This cultural diversity and these decentralized structures have a positive influence on Wienerberger's corporate cultural identity.

Occupational Safety and Health

Safety initiative focused on increased awareness and change in behavior

Wienerberger acknowledges its responsibility to provide safe working conditions and to protect the health of employees. A safety initiative was launched in 2010 to ensure the implementation of uniform safety standards throughout the Group in order to significantly reduce the number of accidents. In a number of companies, the program was initially connected with investments in protective equipment. The completion of this first important step has been followed by measures to create a greater awareness for safety among all employees and, through a change in working habits over the long-term, prevent accidents. As part of this process, the safety targets defined by the Group were broken down to the plant level in the individual regions. Specific safety targets are defined for each plant and must be reached within a defined time period. These goals are set in agreement with the respective plant managers and represent an element of variable remuneration. In addition to the legal regulations applicable in some countries, the Wienerberger safety standards call for the installation of an occupational safety committee, the assignment of responsibilities and the introduction of comprehensive training. A toolbox of successfully implemented, best practice examples is available to help the plant managers select the optimal measures to reach their goals.

Occupational safety has top priority for Wienerberger. As part of our safety initiative, we continuously train our employees to create a greater awareness for this important issue.

CHRISTOF DOMENIG *(Deputy CEO Bricks & Tiles Europe Division)*

Decline in accident frequency from 20 in 2010 to 12 incidents per million hours worked in 2012

SHE reporting records all accidents that lead to the loss of at least one working day. The most common cause of accidents is carelessness. Since the issue of safety was handled differently throughout the Group prior to the start of the safety initiative, activities were initially directed to the countries and regions with the greatest potential for improvement. The commitment of local management supported the fast implementation of recommended measures and led, in part, to a significant reduction in accidents, especially in Italy, Bulgaria and Romania. Both the frequency and severity of accidents have declined significantly in all divisions since 2010. We have made substantial progress in the area of occupational safety over recent years, but have still not reached our goal to completely avoid accidents. **In a first step, we want to reduce the frequency of accidents to less than 10 per million hours worked by 2015.**

Accident frequency by operating segment [1]	2010	2011	2012
Bricks & Tiles Western Europe	27	22	17
Bricks & Tiles Eastern Europe	15	11	8
Bricks & Tiles Europe	23	19	14
Pipes & Pavers Western Europe	-	29	17
Pipes & Pavers Eastern Europe	20	13	7
Pipes & Pavers Europe	20	17	10
North America	4	4	3
Holding & Others	8	10	4
Wienerberger Group	**20**	**17**	**12**

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

Bricks & Tiles Italy cuts accident frequency from 52 to 9

The Bricks & Tiles operations in Italy reduced the accident frequency from 52 in 2011 to 9 for the reporting year. This outstanding development resulted from the implementation of a strict safety management system. After an in-depth risk assessment, the initial problems were solved with safety investments, the posting of safety instructions in all production areas and intensive training courses on occupational safety. All Italian plants received the internationally recognized OHSAS 18001 certification in May 2012. Plans call for the immediate analysis of all future accidents in a personal discussion to prevent further incidents.

Decline in accident-related days lost from 470 to 308 per million hours worked

The severity of accidents, which is measured as the number of days lost per million hours worked, fell sharply from 470 in 2011 to 308 in 2012 for the entire Wienerberger Group. Only the North America Division recorded a slight year-on-year increase due to two severe accidents that resulted from carelessness. Despite these positive developments at the Group level, two tragic fatal accidents unfortunately occurred during the reporting year. Industrial accidents at a brick plant in Belgium and a concrete paver plant in Romania resulted in the death of two employees. We immediately investigated the reasons and made the information available to all plants to prevent similar accidents in the future.

Accident severity by operating segment [1]	2010	2011	2012
Bricks & Tiles Western Europe	555	472	396
Bricks & Tiles Eastern Europe	588	584	385
Bricks & Tiles Europe	566	507	393
Pipes & Pavers Western Europe	-	427	402
Pipes & Pavers Eastern Europe	481	699	148
Pipes & Pavers Europe	481	632	240
North America	95	76	100
Holding & Others	330	103	4
Wienerberger Group	**496**	**470**	**308**

1) Severity of accidents: accident-related days lost / number of hours worked x 1,000,000; including temporary employees and persons with limited employment contracts

STOP™, an accident prevention instrument for Pipelife plants

Pipelife has followed a zero accident strategy for many years. One of the most important measures to reach this goal is STOP™ (Safety Training Observation Program), a program that supports accident prevention. Employees use STOP cards to identify hazards and report occupational safety issues to the responsible managers. The entire workforce is therefore actively involved in eliminating potential dangers. These measures are intended to sustainably improve working conditions and reduce the frequency of accidents, while also creating a better awareness among employees for safe behavior.

Future project "Safety at Semmelrock"

Semmelrock announced plans to launch a new safety program "Safety at Semmelrock" in mid-2013. Work on the first goals started before the official kick-off and includes, above all, the implementation of the AIRS reporting system ("Accident Investigation Report Semmelrock") to centrally document, analyze and administer all accidents and incidents in the future.

Annual safety coaching and training at Steinzeug-Keramo

Steinzeug-Keramo has reduced accidents with annual safety training programs that are specifically designed for each workplace as well as an additional offering of courses on occupational safety and accident prevention.

Health protection measures

The Wienerberger Group offers regular physical examinations and vaccination campaigns to prevent illness. Employees can call on company medical staff and arrange for ergonomic workplace analyses. Support for fitness is also important. For example, events and outings for employees in Austria are frequently connected with sporting activities. Other measures include reduced fees for health club memberships and special exercise courses to prevent vertebral problems.

Average of 10.6 sick-leave days per employee

The average number of sick-leave days equaled 10.6 days per employee in 2012. This indicator remained within the range of 9.9 and 11.4 days that is based on the data collected since 2007.

Sick-leave days per employee by operating segment [1]	2010	2011	2012
Bricks & Tiles Western Europe	10.3	10.9	11.2
Bricks & Tiles Eastern Europe	10.1	9.0	9.2
Bricks & Tiles Europe	10.3	10.3	10.6
Pipes & Pavers Western Europe	-	9.4	10.0
Pipes & Pavers Eastern Europe	8.0	10.5	11.9
Pipes & Pavers Europe	8.0	10.1	11.0
Holding & Others	3.8	3.8	3.6
Total, excluding North America	**9.9**	**10.1**	**10.6**
North America [2]	2.2	2.6	3.0

1) Including temporary employees as well as persons with limited employment contracts
2) Analysis limited by special local legal regulations (on sick-leave days)

Protection against Respirable Crystalline Silica

Protection against respirable crystalline silica

In the Wienerberger Group, only the employees in the ceramic plants are exposed to respirable crystalline silica. The protection of these employees has top priority, whereby our goals are to minimize the respirable crystalline silica emissions from brick production and create an increased awareness of the need for careful handling. The central office at the EU level is the European social dialogue between employees and employers under the direction of the European Commission, in which Wienerberger has been active for many years.

NEPSI (Negotiation Platform on Silica) used for EU surveys

The EU has collected comprehensive data on respirable crystalline silica from the involved branches in all member states since 2008. This survey is conducted every two years through NEPSI (Negotiation Platform on Silica), a shared online platform. There was no survey conducted in 2012, but the results of the latest survey can be found in our 2011 sustainability update, which is available for download on our homepage. The NEPSI system collects data, among others, on potential dangers to employees, health controls, training, the implementation of organizational measures, the distribution and use of protective equipment (e.g. the mandatory use of protective equipment) and technical measures such as the enclosure of involved production lines. Wienerberger collects relevant data on all involved Group plants that are located in the EU.

Annual internal survey planned in future

The issue of **respirable crystalline silica** emissions not only concerns our plants in the EU but all our production facilities, and we have consequently started to implement the NEPSI standard at other plant locations. Data has been collected to date from 84% of the Wienerberger plants, and **the goal is to reach a coverage rate of over 95% by 2020.** Future plans include the collection of data for the NEPSI survey as well as annual internal surveys through a separate query system. This should further improve transparency at the Group level. As announced in the previous year, the data in next year's sustainability report will also cover Norway, the plants in the USA and Steinzeug-Keramo.

Training and Personnel Development

Training

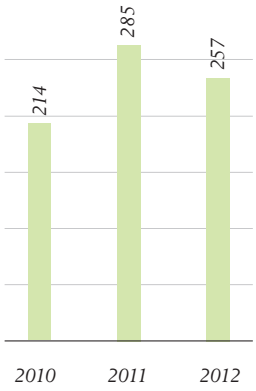
12.8 training hours per employee

At Wienerberger, we believe in advancing and supporting our employees as well as creating a climate that encourages the cross-border exchange of knowledge. An average of 12.8 hours per employee was spent on training in 2012. This indicator includes both internal and external programs, but excludes on-the-job training. The number of training hours per employee declined in the Bricks & Tiles Europe Division due to the end of the Sales Academy program. In the Holding & Others Division, cost reduction measures led to a decline in the number of training hours. In particular, the use of external training courses was substantially reduced during the reporting year. This cutback is also reflected in the total number of training hours for the Group.

Average training costs of € 257 per employee

The average training costs per employee equaled € 257 in 2012, compared with € 285 in 2011. The decline in this indicator resulted from an increase in the internal training offering as well as a reduction in the total training hours per employee.

Average training costs per employee *in €*



Training hours per employee and operating segment [1]	2010	2011	2012
Bricks & Tiles Western Europe	12.0	18.4	17.6
Bricks & Tiles Eastern Europe	19.2	16.8	14.4
Bricks & Tiles Europe	13.6	17.6	16.8
Pipes & Pavers Western Europe	-	4.8	8.0
Pipes & Pavers Eastern Europe	4.0	7.2	4.8
Pipes & Pavers Europe	4.0	6.4	6.4
North America	2.4	11.2	11.2
Holding & Others	23.2	36.8	14.4
Wienerberger Group	**12.0**	**16.0**	**12.8**

1) Including internal and external training programs; based on headcount

Sales Academy to professionalize marketing and sales activities

In the Bricks & Tiles Division, Wienerberger has developed from an expansion-driven to a market-oriented company in recent years. One of our key corporate goals is to intensify our marketing and sales activities, and thereby strengthen our customer ties. In order to provide the best possible support for making this goal reality, the Sales Academy training offensive was launched in 2010. The program is designed to strengthen and improve selling activities in the local organizations through the creation of a know-how network and the international exchange of ideas.

Engineering Academy: training and international exchange of know-how by engineering personnel

The Bricks & Tiles Division also offers other internal and external training programs that give employees an opportunity to continue their professional and personal development. Of special note is the Wienerberger Engineering Academy, which was established as a permanent facility to provide internal training in various technical areas and thereby create a sustainable competitive advantage in production. The academy offers different programs: basic modules, the Engineering Academy Advanced and the Plant Manager Course. In the basic modules, our experts transfer their international know-how on raw materials, processing, drying and firing technology as well as quality analysis to engineering employees. The Engineering Academy Advanced was developed in 2010 as a platform for the exchange of information between experienced and younger engineers on strategic issues such as plant and process optimization as well as energy and cost efficiency. In the Plant Manager Course, key employees from the production area are provided with general training. The main focal points include process optimization, basic financial management and personal development. The design of the modules for the plant manager course is also based on international know-how exchange and networking.

We believe in the development and advancement of our employees. Through specially designed programs and individual measures, we support targeted development steps.

MAREN FELLNER *(Corporate HR Manager)*

Ready4Excellence: training and international know-how transfer

A number of cross-divisional training measures were also implemented in recent years. Together with parts of the Pipes & Pavers Division, a four-module Ready4Excellence program for international key people was launched in May 2012 with 22 colleagues from 12 Wienerberger countries. This program is designed to communicate content and instruments based on Wienerberger's requirements. Its objective is to support international professionalization – above all with respect to instruments and processes – and ensure targeted support for the implementation of the Wienerberger strategy. Other topics include communications and familiarization with our feedback philosophy to support personal growth and the continuous development of the corporate culture. The knowledge transfer from these modules is not only interesting for Wienerberger employees, but also for non-company persons. For this reason, Wienerberger allocated three places in last year's program to the aid organization Concordia, which provides shelter for homeless children in Romania, Bulgaria and the Republic of Moldavia.

Pipelife Business School, Pipelife University and Pipeschool

The Pipes & Pavers Division also offers training programs that concentrate on specific problems related to plastic pipes. The Pipelife Business School is a one-year training program that covers modules on management, communications, project management, self-management and finance. Selected Pipelife employees are given an opportunity to expand their knowledge in these areas and to apply this know-how in specific projects. In addition, the Pipelife University L6S and the Pipelife Pipeschool are open to all employees. L6S is a training course for employees who are involved in the implementation of Lean Six Sigma. This well-known management system is focused on the delivery of qualitatively faultless products and services that completely and profitably meet customers' needs. The Pipelife Pipeschool is an online learning platform that offers lessons on general Pipelife subjects, Pipelife products, 5S and visual management.

Personnel Development and Succession Planning

Talent management to identify and advance future managers

The structures and processes for professional talent management in the Wienerberger Group were defined during 2012, and the first specific measures have already been implemented. The goal of this program is to identify and develop qualified men and women for positions in key management functions. In this way motivated employees with suitable potential receive an opportunity for further development, while Wienerberger is able to fill management positions internally and also maintain its high management standards. In recent years, many graduates of the previous Ambassador Program have assumed managerial roles or key positions in local companies.

Annual assessment of all employees and support for international mobility

Personnel development also includes annual appraisals of all employees as well as the annual management review. The latter serves to evaluate senior management and supports strategic succession planning for positions at this level. International mobility is promoted by means of corresponding expatriate packages and comprehensive support on relevant issues by the local HR departments and corporate HR.

Satisfied employees as key success factor

The wide range of measures implemented in the areas of training and personnel development plays an important role in establishing and maintaining employee satisfaction. Well-trained and satisfied employees are a key success factor for Wienerberger. Employee satisfaction is also reflected in the relatively high average length of service – 12.9 years – which represents a clear vote of confidence by employees in favor of their employer.

Remuneration

Income that provides a secure livelihood

The Wienerberger Social Charter states that employees are entitled to receive wages, salaries and benefits in line with the normal payment for similar jobs in similar branches or industrial sectors in the region where the work is performed and that this remuneration should be sufficient to provide for a secure livelihood. Our employees are paid at or above the legal minimum wage or the minimum income defined by applicable collective bargaining agreements.

Long-term remuneration model for top management

Management compensation at Wienerberger includes both a fixed and a variable component to increase motivation and strengthen identification with corporate goals. The variable component is based on short-term remuneration as well as medium- to long-term remuneration within the framework defined by the long-term incentive (LTI) program. The short-term variable component for 2013 will be paid out over two years, whereby the second payment is dependent on the attainment of an additional goal. This modus strengthens the link between the short-term bonus and sustainable management. Additional information on the remuneration model is provided in our 2012 annual report (annualreport.wienerberger.com).

Group-wide guideline for design of local incentive systems

A group-wide guideline forms the basis for local incentive systems. Local circumstances (e.g. government minimum support programs) are taken into account and the rules are adapted to meet the respective market conditions. In addition to company pension plans, disability insurance and health insurance, the Wienerberger employees and managers are also covered by travel insurance.

Industrial Relations

Wienerberger Social Charter

The Wienerberger Social Charter was signed in 2001 by the Managing Board of Wienerberger AG and the chairman of the European Employees' Council in Strasburg to formally confirm the company's intent to comply with the relevant agreements and recommendations of the International Labor Organization (ILO). With this charter, Wienerberger demonstrates its global commitment, among others, to human rights, to sufficient remuneration, against excessive working hours, to permanent employment and to respect for the freedom of association and the right to collective negotiations.

Installation of European Employees' Council in 2011

The European Employees' Council was founded in 2011 on the basis of the European Forum, a social partnership board. It addresses European issues such as strategy, investments, reorganization and rationalization measures. The goals of the European Employees' Council are constructive social dialogue and the creation of networks for employees' representation committees. Currently, 10 countries are represented by 26 delegates. The steering committee of the European Employees' Council is headed by Karl Sauer and includes five elected delegates from Austria, the Netherlands, Germany and Poland. The European Employees' Council meets twice and its managing board at least twice per year. Appropriate adjustments to the European Employees' Council are planned to reflect the acquisition of Pipelife.

Improvement of workplaces and health protection

The most important objectives of the European Employees' Council are to improve workplace conditions and health protection. Another concern is to reduce the physical burden for older employees as a result of the increasing retirement age by providing jobs that require less physical labor. This has already been realized at some Wienerberger locations. The European Employees' Council also works to achieve fair and just remuneration.

National employees' councils based on Austrian example

In Austria, for example, employees' councils have been installed at all locations. There are 54 employee representatives. These representatives elect a central council, which consists of four persons and is headed by Karl Sauer. Elections for the employee representatives and the central council are held every four years. The employee representatives hold one conference each year, while the central council meets at least four times or more often as needed. Similar structures can be found in other European countries.

Company agreements, collective agreements or at least legal requirements

Different regulations apply to employees in Europe, including collective bargaining agreements, laws and directives, union contracts and company or individual employment agreements. All employee representatives of Wienerberger AG are located in countries that recognize the right of employees to free assembly and collective negotiations.

Future Measures

Implementation of Group-wide HR standards

Group-wide HR standards will be introduced in order to ensure uniform practices. In addition, talent management and the training programs for sales management will be expanded.

Respirable crystalline silica: internal survey system in addition to NEPSI and integration of further plants

Plans for 2013 include the annual collection of relevant data on respirable crystalline silica with a separate query system to further increase transparency at the Group level. Additionally, as announced in the previous year, the survey on respirable crystalline silica will be expanded for the 2013 sustainability report to cover the plants in Norway and the USA as well as Steinzeug-Keramo.

Further measures to improve workplace safety

Additional measures will also be implemented to improve workplace health and safety. Among others, Semmelrock is expected to launch its new program "Safety at Semmelrock" in mid-2013. Data collection in the plants will then be used to design future measures and start specially designed safety programs.

Specific long-term goals for the future

Wienerberger has set a number of long-term goals in the area of human resources: to increase the share of women by 2020 to 20% in the Group's senior management, to more than 45% in administrative functions and to 30% in sales functions, to reduce the accident frequency to less than 10 per million hours worked by 2015 and to expand data collection on respirable crystalline silica to cover more than 95% of the relevant Group plants by 2020.

Environmental Protection in Production

Principles of Sustainable Production

Production in harmony with the environment

Environmental protection in production is a matter of great importance to Wienerberger. We are well aware that industrial production processes always involve a certain degree of interference with the natural environment. Our goal is to minimize the environmental impact of our production processes. The responsible interaction with clay extraction sites, the best possible conservation of resources and an increase in the share of recycling materials are the central principles of our sustainable production.

Responsible clay extraction and professional restoration of mining sites

The use of recyclable raw materials and ***the responsible interaction with clay extraction sites*:** The methods used by Wienerberger to extract and process clay, the recyclable raw material that is used for our ceramic products, are designed to minimize the impact on the environment and to conserve resources. Responsible interaction with clay mining sites means preventing negative effects on neighboring residents during extraction (in the form of noise or dust) as well as protecting the environment (e.g. by maintaining local biodiversity). The clay reserves in our extraction sites are used to the greatest extent possible. Responsible interaction with clay extraction sites at the end of their useful life means professional restoration – often in cooperation with environmental NGOs like the WWF – or transfer to another use. Specifically designed restoration concepts allow for the ecologically friendly utilization of exhausted clay pits and often help to increase biodiversity.

Resource conservation in the production of ceramic products ...

Greatest possible conservation of resources: The conservation of resources starts at the beginning of the production chain. Our ceramic plants generally process local raw materials like clay, loam and sand. Since the clay pits are usually located close to our production facilities, transport routes tend to be short. The use of these resources is optimized continuously, while product quality is maintained or improved at the same time. These results are achieved, for example, with the use of recycled ceramic materials. Another important resource for the ceramic production process is energy, which generates the high temperatures required for drying and firing. We work to make these processes as environmentally compatible as possible by optimizing our production technology and using renewable energy sources.

... as well as plastic pipes

Resource conservation is also a focal point in the production of our plastic pipes. We work to reduce product weight and increase the share of recycling materials in the mix, while maintaining the same high level of quality. Energy consumption plays a less important role in the production of plastic pipes than in our ceramic business. However, a comparatively large amount of water is required to cool this production machinery. Our goal is to minimize water consumption, above all the amount of water drawn from public supply networks.

Processes and Instruments for Sustainable Production

Research and development

R&D in production is a focus of strategic planning

Research and development (R&D) form an integral part of strategic planning at Wienerberger and represent key activities for the Group. In these areas we work to optimize production processes and to continuously improve and develop our products and system solutions. R&D at Wienerberger is managed centrally in the individual business units, but implemented locally based on close cooperation between the various R&D departments and on-site management and engineers. This ensures the fast and efficient rollout of successful developments throughout the Group. In 2012 R&D expenditures in the Wienerberger Group amounted to € 9.0 million.

Process optimization to improve sustainability of ceramic products

The improvement of production processes represents the main focus of research for our ceramic products. A central engineering department is working, above all, on projects to reduce energy consumption. Drying and firing comprise a significant amount of the energy requirements for our production, and many assignments therefore concentrate on optimization in this area. Other research projects involve resource conservation in production, the responsible processing of raw materials and the use of recycled materials.

Use of recycling materials and reduction in weight of plastic pipes

R&D activities for plastic pipes are located at our research center in the Netherlands, which works together with universities and external experts from various disciplines. Research is concentrated on the refinement of formulas for the raw material mix and the optimization of the production process. Our production-related projects target the increased use of recycled products as raw materials and the reduction of product weight.

Research projects for our concrete pavers are focused on the composition of raw material mixtures and, above all, on the reduction of the cement content.

Environmental Management

Ecologically relevant aspects in QMS

The environmentally relevant aspects of our workplaces, e.g. the management of waste and residual materials or the prevention of noise and dust emissions, were integrated in the existing quality management systems (QMS). The QMSs in nearly all plants are certified according to ISO 9001. The criteria defined in the QMS form the starting point for the demands on production and the related processes. Environmental officers ensure the implementation of the relevant standards. A number of plants have been certified according to ISO 14001, but there are no plans for additional Group-wide certification under ISO 14001 or EMAS. Wienerberger believes the current QMS provides appropriate control and management for processes and their environmental impact.

Technical Controlling System

Production data collected by technical controlling system

A technical controlling system has been implemented in all production areas of the Wienerberger Group. This system collects the production-related data required for controlling activities and internal benchmarking among the plants. Statistics are compiled on production volumes, product quality, machine efficiency, energy consumption and, if relevant, CO_2 emissions. The resulting analyses indicate the effectiveness of measures implemented to reduce the environmental impact of our production processes.

Key Data on Sustainable Production

Energy Consumption

The key data presented in this sustainability report were adjusted to reflect the new corporate structure. The following statistics therefore cover the entire Wienerberger Group, including our pipe activities. This data includes our ceramic pipe activities starting in 2011 and our plastic pipe activities beginning in June 2012.

Energy consumption *in MWh*	**2010**	**2011**	**2012**	**Chg. in %**
Natural gas	6,062,614	6,457,081	5,541,640	-14
Coal	234,629	248,541	186,663	-25
Heating oil	112,178	104,529	90,783	-13
Liquid gas	70,591	75,715	62,338	-18
Electricity	800,985	841,240	863,372	+3
Wienerberger Group	**7,280,997**	**7,727,106**	**6,744,796**	**-13**

Energy consumption declined by 13%

Energy consumption in the Wienerberger Group declined by 13% year-on-year in 2012, despite the initial consolidation of the Pipelife Group. This development resulted, above all, from a decline in natural gas consumption. Natural gas is used primarily in ceramic production to generate the high temperatures required for the firing process. The decline in the use of natural gas during 2012 can be explained by a 9% volume decrease in the Bricks & Tiles Europe Division and an improvement in specific energy consumption in the clay block, clay roof tile and ceramic pipe product groups. We are currently working on projects to identify other energy sources as substitutes for coal and heating oil in order to reduce CO_2 emissions and costs. The slight rise in electricity consumption resulted from the initial consolidation of Pipelife, where the production process is driven almost entirely by electrical energy. Renewable energy sources as a share of total electricity consumption declined from 43% in the prior year to 31% in 2012 due to the inclusion of the pipe business.

Index of specific energy consumption	**2010**	**2011**	**2012**	**Chg. 2011 in %**	**Chg. 2010 in %**
Wall	100	95	89	-6	-11
Roof	100	93	84	-9	-16
Facade	100	96	98	+2	-2
Ceramic pipes	100	90	82	-9	-18
Ceramic Segments	**100**	**95**	**91**	**-4**	**-9**
Plastic pipes	100	100	98	-2	-2
Concrete pavers	100	108	96	-12	-4
Wienerberger Group	**100**	**97**	**92**	**-5**	**-8**

The specific energy consumption in the above table represents a historical comparison of the individual product groups and therefore differs from the consolidation range of the Wienerberger Group. This sustainability report uses 2010 as the basis for the specific energy consumption index (based on kWh/ton), which forms the starting point for the following goal.

By 2020 we want to reduce the specific energy consumption in ceramic production by 20% below the 2010 level. This is a very ambitious target, since we have already reduced energy consumption significantly during the past 10 to 15 years. We have made sound progress in clay block, roof tile and ceramic pipe production in recent years, but our efforts in the facade brick area are just beginning.

CO_2 Emissions

Data collection on CO_2 emissions is based on the method defined by the European Union Emissions Trading Scheme (ETS system), which only records direct CO_2 emissions. Accordingly, only the CO_2 emissions from our ceramic production (bricks and ceramic pipes) are relevant. The CO_2 emissions from primary energy sources change in line with energy consumption, while the emissions from the production process result from raw materials and in the case of clay blocks from the use of pore-forming agents. Electrical energy is used in the production of plastic pipes and concrete pavers, and the related CO_2 emissions are attributable to the electric power producer.

CO_2 emissions *in tons*	**2010**	**2011**	**2012**	**Chg. in %**
From primary energy sources	939,826	960,269	829,176	-14
From the production process	561,545	688,421	562,455	-18
Total – within the ETS [1)]	**1,501,371**	**1,648,690**	**1,391,631**	**-16**
Plants outside the ETS [2)]	**400,356**	**461,343**	**442,442**	**-4**
From biogenic added materials [3)]	305,870	310,492	280,098	-10

1) Source: Community Independent Transaction Log (CITL)
2) Calculated in accordance with national rules (Switzerland) or based on EU standard emission factors. Only the CO_2 emissions from the firing of primary energy sources are included for the plants in the USA.
3) Volumes from Wienerberger CO_2 monitoring in accordance with national rules

The following data on specific CO_2 emissions (based on kg CO_2/ton) represents a historical comparison of the individual product groups. The slight increase in CO_2 emissions for clay blocks is related to raw material process emissions, which are nearly impossible to reduce, and to a shift in the product mix to high thermal insulating blocks, which require more pore-forming agents.

However, our goal is to reduce the specific CO_2 emissions from ceramic production 20% below the 2010 level by 2020. This is also a very ambitious target because we have already reduced CO_2 emissions significantly during the past 10 to 15 years.

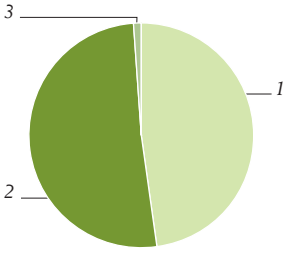
Index of specific CO_2 emissions	**2010**	**2011**	**2012**	**Chg. 2011 in %**	**Chg. 2010 in %**
Wall	100	101	101	0	+1
Roof	100	95	85	-10	-15
Facade	100	100	102	+1	+2
Ceramic pipes	100	91	87	-4	-13
Wienerberger Group	**100**	**100**	**99**	**-1**	**-1**

Waste

Statistics for 2012 show 133,600 tons of waste for Wienerberger. The year-on-year increase (the prior year data were adjusted to reflect the inclusion of Steinzeug-Keramo) is attributable to the initial consolidation of Pipelife. Most of this (nearly 100 %) is non-hazardous waste that is collected and recycled or disposed. The only hazardous waste includes relatively small amounts of workshop waste (oily rags) and oil separator contents (from refueling stations).

Waste *in tons*	**2010**	**2011**	**2012**
Wienerberger Group	116,894	132,433	133,600

Total waste 2012
in %



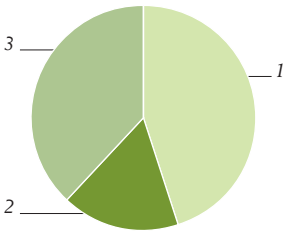
1 Non-hazardous, recyclable 48%
2 Non-hazardous, deposited 51%
3 Hazardous 1%

Water Consumption

Statistics on the specific water consumption in m³/ton for each product group are presented for the first time in this sustainability report. Water consumption plays a limited role in the production of ceramic products, but comparatively large amounts of water are required to cool plastic pipes after extrusion. The specific water consumption was reduced substantially in 2012, above all for plastic pipes and concrete pavers.

Specific water consumption *in m³/ton*	**2010**	**2011**	**2012**	**Chg. in %**
Brick products	0.163	0.183	0.180	-2
Ceramic pipes	0.225	0.241	0.242	0
Plastic pipes	4.830	4.673	4.476	-4
Concrete pavers	0.056	0.057	0.047	-17

Water usage by source
in %



1 Water from public networks 45%
2 Water from plant wells 17%
3 Water from ponds (rainwater) 38%

The total water consumption in the Wienerberger Group rose by 21% to 3.2 million m³ in 2012 due to the initial consolidation of Pipelife. We attempt to use water that comes primarily from our own wells or ponds (rainwater). In 2012 the volume of water drawn from public supply networks decreased to 45% due to the initial consolidation of plastic pipe activities. **In order to make our efforts measurable, our goal is to reduce the share of water drawn from public supply networks to 40% by 2020.**

Water consumption		**2010**	**2011**	**2012**	**Chg. in %**
Wienerberger Group	*in mill. m³*	2.2	2.7	3.2	+21
From public supply networks	*in %*	54	48	45	-

Ceramic Production

Responsible clay extraction and professional restoration of mining sites

Resource conservation starts at the beginning of the ceramic production chain. The most important raw material for our ceramic products (clay blocks, facing bricks, roof tiles and ceramic pipes) is the recyclable raw material clay. Wienerberger places high value on protecting endangered animal and plant species as well as rare, sensible ecosystems. The greatest possible conservation of resources in clay extraction is just as important as the expert restoration of former clay mining sites. There are generally several possible alternatives for the restoration of clay pits, e.g. conversion for agricultural use, residential or commercial construction, nature conservation or use as recreational areas. Wienerberger works to return former clay mining sites to nature wherever possible, since these restored areas often become substitute habitats for protected animal and plant species that would otherwise be lost.

Short transport routes from clay pits to plants

Since the clay pits are usually located close to our production facilities, transport routes tend to be short. After extraction, the clay is prepared through a grinding and milling process. Water, sand and, for some products, pore-forming agents (e.g. sawdust, paper fiber) are then added. Wienerberger has issued a group-wide guideline for the use of additives. It ensures that our plants only use additives that meet local environmental requirements and applicable health and legal regulations.

Drying and firing process

After brief storage in a mud house, the clay is ready for shaping. It is pressed through dies into the desired shape by extruders or compressed into forms. The cut products are then transported on palettes to the dryer. The drying process removes the moisture from the soft products and prepares them for firing. Depending on the type of the product, the drying period lasts between four and 45 hours. The moisture content drops to below 2% during this time. After drying the products are transferred to a kiln, where they are fired at a temperature of 800 to 1,200°C over a period of six to 36 hours. The drying and firing time can be longer for technically demanding products. Firing gives the products a permanent strength and makes them permanently nonflammable and fire-safe. In packaging our products, we use particularly thin foils. Transport routes to our customers are short because of our regional, decentralized plant network, which also reduces the impact of our business on the environment.

Energy Consumption and CO_2 Emissions

Thermal energy is used for drying and firing

Most of the energy used in ceramic production is thermal energy (natural and liquid gas, oil or coal). This energy is used mainly to heat the tunnel kilns, whereby the heat released during the cooling process is recovered and returned to the drying process. Electrical energy plays only a limited role in ceramic production (e.g. to mix and prepare the raw materials, for extrusion and grinding and in transportation).

Pilot projects for substitution of fossil energy sources

Energy consumption was lower in 2012, in part because of the decline in production volumes. However, we also implemented a number of measures to optimize the dryer-kiln-heat system and thereby reduced the specific energy consumption for clay block, roof tile and ceramic pipe production. We are also working to substitute alternative fuels for fossil energy sources. A biogas plant was built near one of our ceramic pipe plants, which is fueled with biomass from the surrounding area. This biogas is used to operate a combined heat and power station, and the residual heat is used to dry the clay pipes. At our plant in India, we converted part of our energy sources to biomass during the reporting year, and in Italy and Germany we are using electrical energy generated by our own photovoltaic equipment. In Switzerland and the USA we are gradually replacing heating oil and coal with natural gas, which produces significantly lower CO_2 emissions and is also less expensive.

Environmental Action Plan defines measures to reduce energy consumption

We have defined our goals for energy-efficient, environmentally compatible and resource-conserving production in an Environmental Action Plan (EAP). In particular, it includes our goal to achieve a 20% reduction in specific energy consumption and specific CO_2 emissions in ceramic production by 2020. The core of the EAP is formed by a package of measures to optimize the drying and firing process, optimize the dryer-kiln-heat system, recover heat through the installation of heat exchangers, improve and target thermal insulation, reduce the water content of clay, cut production weight, optimize the raw material mixture, increase the use of biogenic fuels and use stretch foils in packaging. A program to implement these measures was launched at nine plants in Belgium, Germany, the Netherlands and Poland during 2010. The EAP has since been rolled out to 51 plants and will be introduced at other Wienerberger locations in the future. We also invest continuously in technological optimization measures to make our production process as environmentally compatible as possible, above all through the use of renewable energy.

> Our measures to reduce the use of energy in ceramic production, above all through the optimization of the dryer-kiln-heat system, have already produced the first positive results and we now intend to implement this program at other plants in the future.
>
> **JOSEF BIRNGRUBER** *(Head of Process Technology in the Bricks & Tiles Europe Division)*

Goal: 20% reduction in indicators by 2020

Over the coming years these measures should help us to reach our ambitious goals – to achieve a 20% reduction in specific energy consumption and specific CO_2 emissions in ceramic production below the 2010 level by 2020.

Waste and Recycling

Nearly all ceramic production waste is non-hazardous

Nearly all the waste resulting from ceramic production is non-hazardous. It is separated, collected and recycled or disposed. Hazardous waste appears in only very small quantities, e.g. as workshop waste (oily rags).

Recycling materials are added to raw materials mixture

Internal production scrap such as broken or imperfect products can be reprocessed and recycled and is therefore not classified as waste. External recycling materials are used as additives for certain product groups and are generally processed together with the raw material mixture during preparation. Typical recycling materials from biogenic sources include sawdust, hay, sunflower seed shells and paper fiber, which are used to create the pores in clay blocks. In the production of ceramic pipes, we also use rock grain from gravel production and ceramic scrap from the production of clinkers, roof tiles, tiles and other ceramic products that cannot be recycled in these areas.

We now use up to 40% ceramic recycling products in our raw material mixture for specific ceramic pipes. That makes an important contribution to resource efficiency.

GERNOT SCHÖBITZ *(CEO Steinzeug-Keramo)*

Clean separation of materials and awareness in construction industry are required for recycling

External recycling materials can only be used if they are separated correctly when buildings are demolished. Wienerberger works to increase the awareness of construction personnel for recycling and plays an active role in designing a legal and normative framework that will make the use of recycled building materials easier and more economically feasible in the future. Our work is also focused on the recycling of construction rubble as an input for brick production, but also to develop new opportunities for its use (e.g. in landscaping).

Water Consumption

Recycling of water

The use of fresh water and wastewater plays a limited role in the production of ceramic products – clay blocks, roof tiles, facing bricks and ceramic pipes. Many of the Wienerberger plants recycle their process wastewater. This water drains into a collecting tank, is subsequently processed and then reused for clay preparation. Evaporation loss is replaced from public water lines or plant wells. In 2012 the specific water consumption declined slightly in brick production and remained constant for ceramic pipes.

Plastic Pipe Production

PVC, PP and PE as raw material granulates

In the plastic pipe business, our most important raw materials include PVC, PP and PE granulates. We only use materials that do not represent a risk for the environment during the production, use or disposal of the pipes. No plasticizers are used. As a member of local initiatives like Responsible Care in Austria, we regularly evaluate the health, environmental and safety impact of our raw materials and products.

Materials are heated, then shaped with an extruder

The plastic raw materials are first mixed together to create the properties for a specific product group and then heated. The melting process requires a temperature of approx. 200°C, depending on the raw material mixture. The heating takes place directly in an extruder, which presses the hot moldable plastic mass through a die to shape the pipes. In the so-called casing head, a calibrator ensures the desired diameter, which can range from several millimeters up to 2.5 meters. The accessories for our pipes are shaped in forms after the raw materials are heated.

Cooling in water bath and final cutting of pipes

After shaping, the pipes are cooled and hardened in a water bath. The continuous pipe string is then cut to the desired length, whereby a length of up to 600 meters can be produced for certain applications. The pipes are then packed and delivered to the customer. A decentralized network of 27 plastic pipe plants in 27 countries positions us close to our customers and normally provides for short transport routes.

Energy Consumption and CO_2 Emissions

No direct CO_2 emissions from plastic pipe production

Electricity is the main energy source for the production of plastic pipes. It is used to operate the machinery and equipment and heat the granulates. There are no direct CO_2 emissions from plastic pipe production, which is the reason our plastic pipe activities are not registered in the European Emissions Trading System. In 2012 we reduced the specific energy consumption in plastic pipes by 2% with the regular monitoring of energy consumption and optimization measures. At our plant in Turkey, transparent spaces were installed in the roof of the production hall. The resulting inflow of daylight generally eliminates the need for artificial light during the daytime.

Waste and Recycling

Waste plays only a limited role

Waste plays only a limited role in the production of plastic pipes. More than 50% of this waste is recyclable, and is collected and reused.

Goal: Increase in the share of recycling materials

A major goal in the plastic pipe area is to increase the share of recycling products in the raw materials mix. Our research center in the Netherlands is working on projects to increase the use of secondary raw materials, while maintaining the same high product quality. The share of recycling materials per produced ton rose by 11% to approx. 60 kg in 2012.

Pipelife is collection point for recycling materials in Austria

Recycling materials from external sources must first be collected and prepared. Through its membership in national associations, Pipelife plays an active role in creating a greater awareness for the importance of recycling. The Pipelife plants in Austria, for example, serve as collecting points for used pipes and fittings. The Austrian plastic pipe industry set a new record by collecting approx. 1,500 tons of used pipes. That represents CO_2 savings of roughly 9.2 million automobile kilometers.

Water Consumption

Cooling in closed water cycles

Water plays an important role in the production of plastic pipes because it is used to cool the hot extruded products. Our plants generally use closed water cycles and heat exchangers, which prevent the cooling water from becoming contaminated. At a plant in Ireland, our location allows us to use river water in a closed cycle to cool the pipes. This water is returned to the river after the cooling process without any problem.

Water is sourced mainly from company wells and ponds

Pipelife uses water from its own wells or ponds (rainwater) whenever possible. Roughly 80% of the water used in production comes from these sources. In 2012 continuous optimization measures in the water cycle supported a 4% reduction in specific water consumption.

We monitor our water consumption continuously and took a number of steps in 2012 to further reduce the use of external water supplies.

ZORAN DAVIDOVSKI *(Vice President Marketing, Innovation & Sustainability at Pipelife)*

Concrete Paver Production

Cement, sand, rock grain and water are most important raw materials

Concrete is a moldable building product that is made of several basic natural raw materials: cement, sand, rock grain and water. Semmelrock purchases these raw materials from local producers based on pre-defined quality standards.

Pavers are dried at room temperature

The first step in the production of concrete pavers is the mixing of the raw materials. Our research and development activities for the production area are focused on reducing the cement content. After mixing, the concrete is shaped by pressing or pouring. The products are then dried at room temperature over a period of roughly 24 hours. Certain products receive special surface treatment before or after the drying process, such as washing, grinding, sanding or sealing. The finished products are then packaged and delivered to our customers.

Energy Consumption and CO_2 Emissions

No direct CO_2 emissions

The production process for our concrete pavers requires comparatively low amounts of energy to drive the machinery. Electricity, which does not cause any direct CO_2 emissions, is the only energy source used.

Waste and Recycling

Most waste is non-hazardous

Scrap from the production of concrete pavers is returned to production. Broken or imperfect items can normally not be recycled. However, nearly all the waste from concrete paver production is non-hazardous and can be recycled or disposed.

Water Consumption

Water used as raw material and for surface treatment

In the production of concrete pavers, water is used as a raw material and in special surface treatments (e.g. the washing of slabs). Semmelrock recycles part of the washing water into production to minimize wastewater. Most of the plants have implemented a water management system, and our plans call for the step-by-step implementation of water management systems in all plants.

Future Measures

Stronger integration of energy reporting

Plans for 2013 call for the even stronger integration of energy reporting in the SAP system to increase the automated collection of data.

Continued roll-out of measures to improve energy efficiency in ceramic production

In the ceramics area, we will continue to roll out the measures defined in the Environmental Action Plan to reduce energy consumption and CO_2 emissions. The facing brick product group will represent a special focal point for the coming years. We want to make our production processes even more energy-efficient and increase resource conservation in the future.

Cradle to cradle certification for ceramic pipes

All ceramic pipe products will be certified according to the cradle to cradle concept in 2013. This underscores the continuous improvement of our production processes in the interest of sustainability.

Numerous smaller measures for plastic pipes

Numerous smaller measures will be implemented in the plastic pipe area over the coming years, for example to gradually reduce energy consumption by insulating casing heads and thereby preventing heat loss. We will also continue to invest in technological improvements that lead to an increase in energy efficiency.

Sustainable Products

Principles of Sustainable Products

Creation of sustainable value with high-quality building material solutions

A central principle of product development at Wienerberger is the creation of sustainable value for our customers with long-lasting and innovative system solutions. We view sustainability as a function of the service life of a product and its impact on the environment during production, transport, installation, use and disposal. Wienerberger brick products form an integral part of sustainable building concepts. They guarantee a high quality of living and make an active contribution to climate protection. In the area of pipes and pavers we offer system solutions for today's challenges, including the demands on water management resulting from climate change or increasing urbanization.

Energy efficiency and climate protection, raw material efficiency, healthy living, safety and economy as central demands on modern brick construction

Wienerberger's innovative products and system solutions for bricks meet the wide variety of challenges presented by modern, sustainable construction. As a recyclable product made of clay and based on its long service life of up to 100 years, the brick – whether in the form of clay blocks, roof tiles or facing bricks – meets today's demands for ecological, economical and social sustainability like no other building product. In the area of energy efficiency and climate protection, our high thermal insulating clay blocks help building users to reduce energy costs and CO_2 emissions. Complete housing concepts also optimize energy efficiency over the entire product life cycle. Our high thermal insulating clay blocks filled with mineral wool or perlite already meet all EU requirements for 2020. We are continuously increasing the raw material efficiency of our products by optimizing their design to reduce the weight and the amount of materials required, while maintaining or improving the static and thermal insulating properties. Another focal point in this respect is the reduction of energy consumption in production. The high accumulation capacity of brick walls keeps rooms cool in the summer and pleasantly warm in the winter. Our bricks attain excellent values for interior air quality and a healthy room climate, and create lasting value in the form of high-quality, healthy homes. Another closely related subject is safety, an area where our products stand out by providing high protection against fire and earthquakes. In order to combine maximum quality and affordability, a special focus of our efforts is continuous improvement in the economy of our brick solutions. We work to reduce laying time and simplify construction with product innovation and systems. For example, our Dryfix® aerosol glue reduces construction time by up to 50% compared with conventional masonry methods.

Housing is a very long-term investment. For that reason, we should base construction on building materials with a long service life like our ceramic products. An analysis of housing in Belgium shows that over 20% of all brick homes are more than 100 years old.

ANITA ORY *(Sustainability Manager in Belgium)*

Outstanding mechanical properties, high resistance to chemicals and protection against corrosion make plastic pipes long-lasting and economical

At Pipelife, our specialist for plastic pipe systems, the R&D and marketing departments work closely together to meet customers' needs with fast reaction times and short development periods. Our lightweight, flexible and easy to install pipes can be used in a wide variety of solutions for fresh water and wastewater management, residential construction, industrial facilities and public supply infrastructure. Outstanding mechanical properties like high pressure resistance, particularly smooth surfaces and high resistance to many chemicals make these products especially long-lasting and economical. They are also absolutely corrosion-free. With solutions for water management (fresh water, wastewater and irrigation systems), energy supply, electrical wiring and telecommunications, Pipelife products and system solutions represent an integral part of the answers to the megatrends of the coming decades.

Sustainable concrete paver products

Concrete pavers made by Semmelrock create lasting value with their variety, high resistance, durability and wide range of applications. Concrete is a moldable building material that is made of natural raw materials – cement, sand, rock grain and water.

Ceramic pipe systems are suitable for trenchless installation and environmentally friendly

Steinzeug-Keramo ceramic pipes also meet important demands for ecological and economical sustainability. Vitrified clay pipes have a service life of more than 100 years, are virtually maintenance-free, retain their shape and are highly resistant to corrosive chemicals because of their glaze. Vitrified clay pipes do not cause any reaction between the building section and the surrounding earth or ground water, can be installed in an environmentally-friendly manner without trenches and are completely recyclable. Therefore, the use of ceramic pipe systems is extremely eco-friendly and economical.

System solutions for energy-efficient construction as competitive advantage

The many diverse demands on modern buildings from users, developers and regulatory requirements such as the Energy Performance of Buildings Directive (EPBD) have made the systems approach a key focal point of construction. Integrated system solutions can optimally combine and utilize the outstanding properties of individual products in the Wienerberger portfolio with products from partners in building technology. **Our goal is to increase the share of Group revenues generated by innovative and sustainable products from 20% in 2010 to 30% in 2015.** The share of revenues from the sale of premium products increased slightly in the Bricks & Tiles segment in 2012. On the Group level this key figure remained constant at 23.4% due to the initial consolidation of Pipelife, which shows a long-time share of revenue by innovative products of 20%.

Processes and Instruments for Sustainable Product Development

Research & Development

Market-oriented product development is focus of R&D

Research and development (R&D) form an integral part of strategic planning at Wienerberger and represent key activities for the Group. In these areas we work to continuously improve and develop our products and system solutions in all our application areas – from energy-efficient building concepts to environmentally compatible pavers and supply and sewerage systems. We want to protect and further expand our market positions through product innovation and move closer to the decision-makers in the construction process to support the timely exchange of information. Our research centers maintain an ongoing dialogue with universities and experts in various disciplines. Product development at Wienerberger is managed centrally in the individual business units, but is always market-oriented and therefore implemented in the individual countries. In addition to legal requirements and standards at the European or national level, a new product must harmonize with local building traditions. Product development must recognize cultural factors as well as the local cost structure of comparable construction methods and systems.

Innovation as Result of Research and Development

Product development and innovations for bricks

Wienerberger operates three research centers for Bricks & Tiles that are specialized by product group: clay blocks, facing bricks and clay roof tiles. Our product management experts work closely with the various marketing and sales departments to ensure that new developments always meet the needs of our customers. One of the R&D focal points in 2012 was to minimize thermal conductivity and optimize the thermal insulating properties of clay blocks. These activities led to the creation of the new mineral wool-filled PTH 30 W.i. Objekt, which was developed especially for multi-story buildings. It combines low wall thickness to maximize usable space and high compressive strength with excellent thermal insulation. Wienerberger is also pursuing a “light brick” strategy for infill masonry. These clay blocks have 25% less weight, which reduces raw material, transport and energy costs and also increases the living space. Light bricks are used to fill the space between the load-bearing sections of a building and create a pleasant and healthy interior room climate.

Goal for new roof tiles: optimal resource efficiency

Resource efficiency represents the focus of product development for roof tiles. In 2012 Wienerberger introduced a so-called FEM (finite element method) calculation for the optimization of the geometry of roof tiles. Two models were successfully used in Switzerland during 2012, and a third model is currently being implemented. The goal is a 10% reduction in the weight of the roof tile with constant bending load bearing capacity, which will decrease raw material requirements and energy consumption and also optimize the transport weight.

Facade developments focused on solutions for renovation and space optimization

Development projects for TERCA facade solutions were concentrated primarily on renovation in 2012. The responsible revitalization of existing buildings and the optimization of energy efficiency are two important goals in this area. The development of the Eco-brick® or SlimBrick® product lines provides two-layer wall systems with higher thermal insulation and a maintenance-free service life for the facade over many decades. Ceramic facade boards for rear-ventilated facades from the ArGeTon® product line can be combined with a variety of other building materials and are particularly well-suited for multi-story residential construction. The special development ArGeLite® saves space and reduces the use of raw materials.

Product development and innovation for plastic pipes

R&D activities for plastic pipes are located at our research center in the Netherlands, which works together with universities and external experts from various disciplines. Research is concentrated on the development of new products as well as the refinement of formulas for the raw material mix. One recent development by Pipelife is the Halovolt Low Friction EMC, an electrical installation pipe that minimizes electromagnetic radiation in the immediate surroundings. This solution sets a new environmentally friendly and healthy standard for public and private buildings. Pipelife is also a leader in the development and production of oversized pipes (LLLD pipes) with a length of up to 600 meters and a diameter of up to 2.5 meters for industrial applications. Special products in the Soluforce Heavy line are used in high pressure applications by the oil and gas industry. Steel wire reinforcement and high corrosion resistance make these pipes long-lasting, more resource-efficient and economical. The special plastic liner can also withstand a wide variety of aggressive chemicals and handle the safe collection and drainage of toxic waste water.

Ceramic jacking pipes allow for trenchless installation

The optimization of technical properties represents the focal point of R&D for ceramic pipes. One result is the development of ceramic jacking pipes that are suitable for trenchless installation. The pipes are inserted into a starting shaft and then pushed to the target shaft by means of a tunneling machine. This procedure allows the pipes to be installed with only minimal earth movements and without disturbing the existing infrastructure. Steinzeug-Keramo set a milestone in 2012 by installing the first ceramic jacking pipe in a curve drive for a project in Singapore. This technique can also be used to replace existing pipelines without digging new trenches.

Development of surface structures to extend service life and improve economy

Research projects for concrete pavers are directed to improving the surface designs and developing new technologies for the surface structure to extend the service life and increase product economy. Semmelrock Premium Protect®, a special surface shield, seals the stones and thereby provides for long-lasting color protection and easy maintenance, even on areas that are exposed to heavy soiling. Einstein®, an innovative jointing system, was developed to meet the high demands on heavily trafficked areas. This fully interlocking system with integrated protection against shifting prevents the paved areas from displacing, tilting or warping, even under high stress.

Our innovative surface treatments create modern and attractive paver solutions, and also extend the service life of our products.

ROBERT F. HOLZER *(CEO Semmelrock)*

Wienerberger System Solutions

Combining the outstanding properties of individual products into specially designed system solutions for the many diverse demands on modern construction is one of the central challenges for Wienerberger as an application-oriented and innovative building materials producer.

e4-Brickhouse 2020

The e4-Brickhouse: a leading and comprehensive concept for the affordable home of the future

The building concept for the e4-Brickhouse 2020, which includes all Wienerberger product groups, illustrates the principle of a complete system solution. In the Lower Austrian town of Zwettl, Wienerberger is demonstrating this principle in practice. A family of four moved into the first e4-Brickhouse 2020 during 2012 – a home that already meets all requirements of the Energy Performance of Buildings Directive 2020, which requires all buildings constructed after 2020 to have a positive energy balance.

The e4-Brickhouse has a positive CO_2 and energy balance

The e4-Brickhouse 2020 produces more energy than it uses during a year, which results in a positive CO_2 and energy balance. Experts have calculated that 33,600 kg of CO_2 can be saved with this house by 2020. The heart of the e4-Brickhouse 2020 is a thermal building shell made of high thermal insulating POROTHERM W.i. bricks that are filled with mineral wool and, in monolithic construction, can reach a U-value of ≤ 0.13 W/m^{2}K on the exterior wall (including plaster). The plane ground bricks are laid with the time-saving Dryfix® system, an aerosol masonry glue that makes fast masonry work possible at temperatures down to -5°C. The wall temperation heating system developed together with Pipelife creates a pleasant room climate and leads to lower energy consumption by reducing heating requirements (see below). The exterior walls are covered with TERCA facade bricks and ArGeTon® brick slabs. Semmelrock supplied the concrete pavers for the outside areas. The products from our Koramic line create a long-lasting, attractive appearance of the roof and additionally cover more than 100% of the electricity requirements with photovoltaic equipment from our offering of complete solutions.

Brick Wall Temperation

Energy savings and a healthier room climate with brick wall temperation

The high accumulation capacity of brick walls keeps rooms cool in the summer and pleasantly warm in the winter. As a system solution combining plastic pipes and clay blocks the brick wall temperation manages and increases this effect. The brick wall is thermally activated by an integrated pipe system. The air temperature can be reduced by increasing the surface temperature of the wall, without impairing the perceived room temperature. This can result in energy savings of up to 20% compared with convector heating. The lower interior air temperature increases the humidity in the room and reduces dust convection, which has a positive influence on the health of the building users. Three pilot projects were realized with this newly developed wall heating system in 2012, one of which is the e4-Brickhouse 2020.

Raineo™ ends Flooding in Inner City Areas

System solution to prevent flooding in inner city areas

Climate change and the increasing development of green areas have led to a growing incidence of flooding in inner city areas. With Raineo™, Pipelife has developed an extremely efficient system to solve this problem. It is installed underground and creates the necessary space for rainwater to drain off quickly. The system covers collection, preparation, storage and recycling or the diversion and disposal of the water. The heart of the system is the so-called "Stormbox", a large plastic box that is installed under built-up areas to collect excess water. When the rain is heavy, the water overload flows into the box and, in this way, the system prevents flooding.

Our Raineo™ water management system provides solutions to meet the challenges of climate change and helps to mitigate and prevent flooding in urban areas.

NIELS RUNE SOLGAARD-NIELSEN *(CEO Pipelife)*

The Energy-Independent House

Prof. Timo Leukefeld
on the energy-independent house
made of Wienerberger bricks:

"The Helma energy-independent house is a possible answer to the question of how we want to live in the future. It uses the free, crisis-proof 'raw material sun' to generate electricity and heat and also support our mobility. The result is complete energy independence – with no need for fossil fuels or electricity from public supply networks. That is what I call modern high-tech."

Technical concept:

The energy-independent house with monolithic brick walls by Wienerberger provides a possible answer to the future of housing design and concepts that include complete energy self-sufficiency (i.e. no connections to the public supply network are required). These energy-efficient houses use solar energy to generate electricity and heat and power motor vehicles. Although the amount of available solar energy can fluctuate considerably from day to day, this energy (solar electricity and solar heat) can be stored to ensure long-term supplies. That provides sufficient energy for heating, household electricity and powering an e-car over an entire year, which also leads to a substantial reduction in costs.

The brick is a proven, successful wall building material for energy-independent houses. This is demonstrated by various features, above all thermal storage capacity. Since temperature fluctuations are only transferred to the living areas over a longer period of time, a brick wall is a natural balancing accumulator and therefore the ideal building material for an energy-independent house. In addition, a modern brick provides perfect insulation. The need for heating is reduced considerably: the house stays warm in the winter and cool in the summer. The remaining energy requirements are minimal and can be covered by solar equipment combined with a long-term heat storage system. Solar heat and bricks in this combination produce the most effective houses currently on the market in Europe and could serve as a guiding vision for the European homes of 2020. These energy-independent buildings achieve ratings nearly 80% below the standard passive house for primary energy consumption, CO_2 emissions and annual heating costs.

Koramic Complete Solutions for Roofs

Koramic complete solutions for roofs

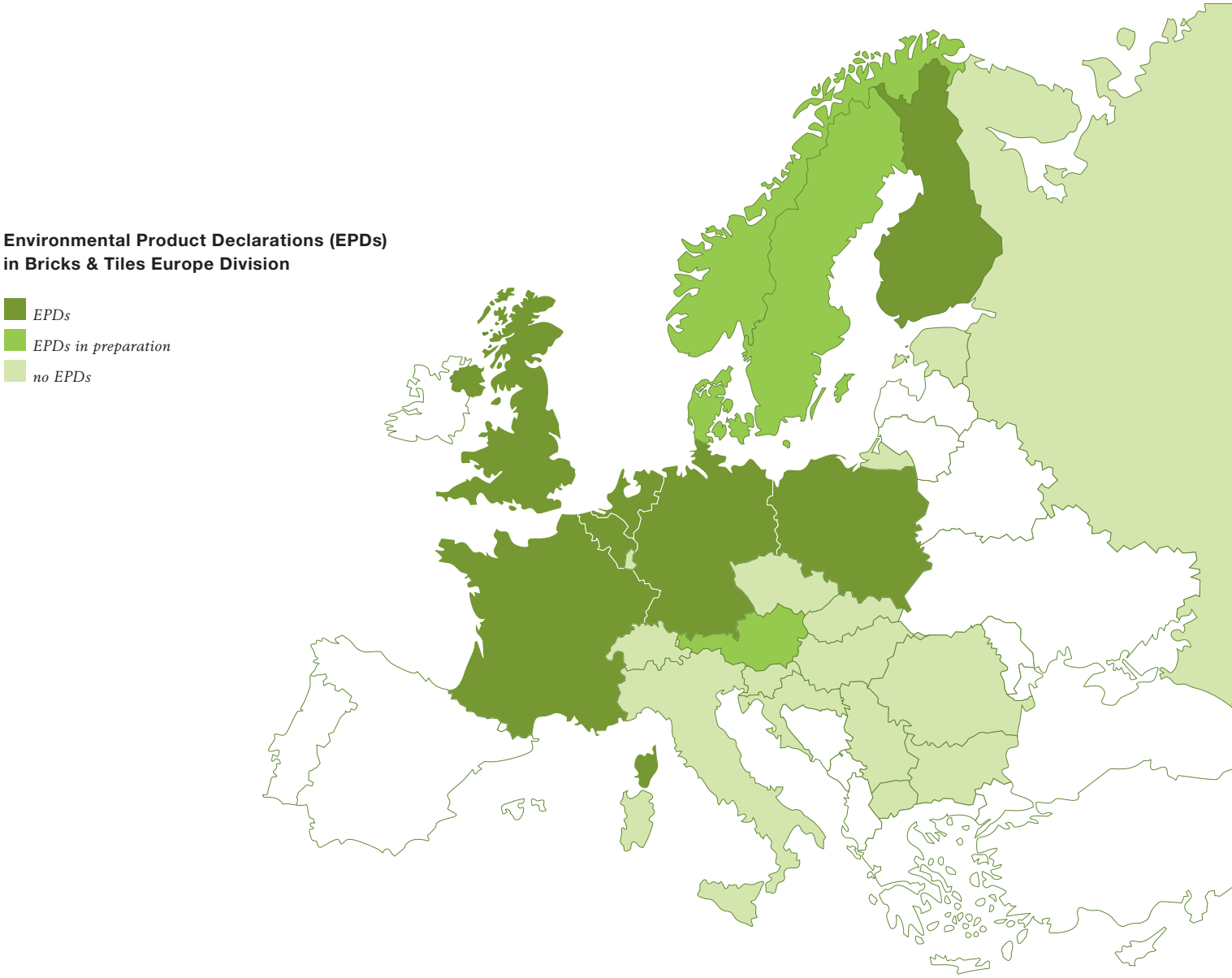
The system approach represents the focal point for R&D on roof tiles. Together with our durable, colorfast and stable clay roof tiles, we also offer a complete line of accessories. This underscores Wienerberger's positioning as a complete supplier for roofs and a competent partner for the planning phase. Wienerberger expanded its product line in 2012 to include a Koramic system solution with optimized thermal insulation that is marketed together with the necessary components such as insulation elements and coordinated accessories. We also expanded our offering as a one-stop shop with a service to calculate the energy performance of our roof solutions. Starting in Germany, this service will be successively rolled out in other Wienerberger countries. Climate change and the resulting extreme weather conditions have also led to increasing demands on the resistance of roofs. Wienerberger has met this challenge with the patented *sturm*FIX system, which uses special fixation hooks to protect roof tiles from even the strongest storms.

Ecobalance and Development of Environmental Product Declarations

Long-standing, active role in preparation of ecobalances and EPDs, and European harmonization of standards

The preparation of ecobalances and environmental product declarations (EPDs) for all product lines has been a focus of activities at Wienerberger for many years. The European Construction Products Directive (CPR) and the work of the European Committee for Standardization (CEN TC 350) will make these declarations mandatory for all building materials producers over the coming years. In Belgium, the respective regulations will take effect on January 1, 2014. EPDs from a number of brick producers have been published in recent years. This generally took place at the association level in France, Germany, Belgium and England. The Belgian brick industry developed an EPD system as part of a research project, which defines the criteria for EPDs, and EPDs for all product lines have been issued in the Belgian product line. The brick industry in Austria decided to prepare differentiated branch EPDs by product category, i.e. for clay blocks, facing bricks and roof tiles. This project will be completed in the near future. With these measures, a large part of Wienerberger's brick product line is directly covered by EPDs or included in branch solutions. Wienerberger is a leader on this issue in the above-mentioned countries and, through the positions of the Wienerberger Managing Board and employees in the Tiles and Bricks Europe association (TBE), works actively on the preparation of ecobalances and EPDs as well as the harmonization of national rules throughout Europe.

Environmental Product Declarations (EPDs) in Bricks & Tiles Europe Division



Project to develop ecobalance database for all plants launched in 2012

Wienerberger started a pilot project in 2010 to collect ecobalance data on all its roof tile plants and completed this work in 2011. These ecobalances form the basis for the preparation of EPDs. In 2012 we started a project to create a Wienerberger database for the collection of ecobalance data in all our plants. This will move us closer to meeting our goal – the preparation of EPDs for all product groups – and we can then use this comprehensive database to demonstrate our compliance with national or European regulations.

Cradle to cradle certification

The cradle to cradle concept (C2C) is modeled on nature's processes. It is designed to create waste-free systems by not disposing of products as waste after their use, but returning them to continuous production cycles for new products. This concept is also based on the use of renewable energy and the support of diversity. Certification and the related continuous development of products and production processes in the sense of sustainable environmental protection anchor the cradle to cradle principle in companies. Steinzeug-Keramo has already received C2C certification for part of its product line and is now working to achieve certification for the remaining

products. In the Bricks & Tiles Europe Division, all clay block products in Belgium have been certified under C2C since 2012, and preparations are now in progress for the certification of selected roof tile and facing brick products.

TEPPFA leader in the preparation of EPDs for functional areas

In the plastic pipe industry, the focus is on the preparation of environmental product declarations by the producers' association. The European Plastic Pipes and Fittings Association (TEPPFA) is using life cycle assessments (LCAs) to develop environmental product declarations for functional areas based on ISO 14025. One example of a functional area for heating is the total amount of plastic pipes and fittings required to heat a 100 m² housing unit. TEPPFA members can reference the EPDs for these functional areas. Nineteen environmental product declarations have been completed and the preparation of further EPDs is scheduled for 2013. Niels Rune Solgaard-Nielsen, the CEO of Pipelife, is actively involved in the rapid, goal-oriented implementation in his role as president of TEPPFA.

Future Measures

Our future measures for sustainable products are focused on the (further) development of system solutions, including an improvement in economy and efficiency, as well as the development of solutions for modern, energy-efficient and urbane construction. Wienerberger will also collect ecobalance data from all its plants and work on the preparation of EPDs for the entire product line, and make an important contribution to the harmonization of standards throughout Europe.

Expansion of one-stop shop concept and development of solutions for multi-story housing

In our brick business, we want to further expand the one-stop shop approach that has already proven successful in the roof segment. We will also continue our work on projects that combine the outstanding properties of Wienerberger products into system solutions with concepts like the e4-Brickhouse, also with the inclusion of external partners from branches such as heating and ventilation technology. Our goal is to provide solutions from a single hand that not only comply with all relevant building regulations, but also meet our customers' demands for healthy living, comfort and affordability in construction and use. We are therefore focusing on system solutions that help to reduce construction time and optimize construction logistics. Another central objective is the expansion of our offering for multi-story residential construction. Our efforts in this area will concentrate on our slim infill clay blocks for load-bearing exterior walls and our special lightweight bricks for infill masonry and innovative facade solutions.

Product certification and improvement in economy and service life as focus for Pipes & Pavers

Steinzeug-Keramo will complete the certification of its ceramic products according to the cradle to cradle principle in 2013. In addition to ongoing R&D projects to further generate 20% of revenues from innovative products, Pipelife is working on the collection of ecobalance data and the preparation of EPDs. Activities at Semmelrock involve the improvement of economy through innovative laying systems as well as the extension of the product lifecycle through an increase in durability, color retention and surface stability.

Goal: 30% of revenues from innovative products by 2015

In 2012 23.4% of Group revenues were generated by innovative products and system solutions. Our goal is to increase this indicator to 30% by 2015.

Corporate Social Responsibility

Wienerberger Principles of Corporate Social Responsibility

The economy as an integral part of society

Wienerberger views the economy as an integral part of society. Its duty is to serve people and create value for all. Wienerberger takes its role as a responsible member of society seriously. We define responsibility as ethical actions, honest communications, active participation in the transparent development of our economic environment, personal accountability and actions that confirm our standing as a reliable and valuable member of society.

Defense of human rights

Within its respective sphere of influence, Wienerberger guarantees ***protection for basic human rights***. The company has signed a social charter in which it commits, among others, to supporting the freedom of association and collective negotiations at all locations as well as preventing child labor and forced labor. Our corporate guidelines call for sanctions in the event of violations.

Support for social institutions

Support for social organizations on a local basis is a central principle of corporate social responsibility for Wienerberger. Our donation guideline confirms our intention to provide targeted, in-kind support to the needy in the form of our products and to help young people through training programs in sustainable construction.

Compliance with all applicable national and international laws

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

Active participation in political decision-making

As a member of numerous national and European platforms and technical committees, Wienerberger plays an active role in the political decision-making process. Wienerberger is an established, reliable stakeholder and building materials expert that views ***open and transparent communications with politics and public authorities*** as part of its corporate social responsibility. The company works to create a sustainable economic environment that unifies economic, ecological and social interests.

Energy Efficiency and Climate Protection

Climate change as a central challenge for society

The man-made climate change has already started and will represent one of the central social challenges of the future. The creation of a competitive, resource- and energy-efficient economy is one of Wienerberger's stated goals. With our energy-saving building material and infrastructure solutions and our energy-efficient building concepts, we are supporting the transition to a low carbon society. We believe future-oriented building materials must make an important contribution to slowing climate change.

Wienerberger products support climate protection

"Building with a clear conscience" is one of our guiding principles and underscores our commitment to sustainability. We want to create the greatest possible benefits for society with our building material solutions and our expertise. Our long-lasting, resource-conserving building materials help our customers make a contribution to environmental protection. Wienerberger is also committed to the development of energy-efficient house concepts. In these projects, we always consider the total energy efficiency of a building – from production to construction, use and recycling. Our e4-Brickhouse 2020 has both a positive energy and a positive CO_2 balance and, in this way, makes an active contribution to climate protection.

Our innovative pipe systems are an integral part of future-oriented solutions for water management – they allow for the efficient collection of rainwater and wastewater, and also support water transportation, recycling and disposal. These pipe systems help to optimize the water cycle and improve resource efficiency, while also ensuring long-term security of supply.

Regional Employer

Important employer, also in structurally weak regions

Its large network of local production facilities makes Wienerberger an important employer in many, in part structurally weak, regions. We see the creation and preservation of jobs as an important corporate social function. At our plants we work to develop and maintain the best possible understanding with municipal authorities, interest groups, neighboring residents and NGOs. Our activities are focused on mutual understanding, the regular exchange of ideas and respect. We have installed local steering committees at a number of our plants to help us meet this goal.

With the signing of a social charter, Wienerberger formally confirmed its intention to comply with the recommendations of the International Labor Organization. We are committed to safe and appropriate working conditions, fair compensation and our employees' right to the freedom of association and collective negotiations. Approx. 80% of all Wienerberger employees are covered by a collective agreement. Our efforts to ensure fair working conditions are appreciated by our employees and reflected in a low strike rate. The number of work stoppages totaled 402 man-days in 2012, which represents 0.01% based on the total number of hours worked in the Wienerberger Group. Moreover, most of these strike days were protests against general political decisions at the regional level and not directed against Wienerberger.

Wienerberger Donation Guideline

Our goal: to provide the best possible benefits for society with our products

We want to use our products and expertise as a supplier of building material solutions to create the greatest possible benefits for society in every country where we are present. Our donation guideline provides a framework for the targeted, in-kind support we provide to the needy with our products. We also offer additional training programs in sustainable construction for architecture and civil engineering students. We believe we can help best in areas related to our core expertise, namely in the provision of building material solutions and know-how for sustainable construction.

Cooperation with Habitat for Humanity

In connection with its new donation guideline, Wienerberger entered into a three-year agreement with Habitat for Humanity to support the construction of housing in Romania and Bulgaria. Habitat for Humanity is an international organization that is dedicated to providing poor and disadvantaged people throughout the world with safe and affordable housing. This three-year cooperation program was launched with the "Big Build 2012" in Craiova, Romania, from October 1 to 5, 2012. Together with the involved families, volunteers from all over the world built five brick homes in five days.

We believe affordable housing
is a basic human right.
I am therefore particularly pleased
that we are able to build homes for the needy
together with Habitat for Humanity.

GERHARD KOCH *(Head of European Affairs & Sustainability Management)*

Development of WISBA training program

The principles underlying the donation guideline formed the basis for the development of a specialized training concept in 2012, which led to the creation of the Wienerberger Sustainable Building Academy (WISBA). This European training program is focused on sustainable construction and was created together with Vienna University of Economics and Business and in cooperation with technical colleges. WISBA is directed to master's degree students in architecture or civil engineering, who can demonstrate a significant interest and special achievements in sustainable construction. Wienerberger supports this target group by financing the international training, which can be credited in full to the respective degree program (5 ECTS points). The participants also have an opportunity for practical training at Wienerberger. The first course will start during the autumn semester 2013/14 with students from Austria, Germany and Poland. **Plans call for the expansion of WISBA to 12 countries by 2015.**

Selected Charitable Projects

Unbureaucratic help in disaster situations

We regularly support and promote a variety of social projects in nearly all countries where Wienerberger is present. In addition to the planning and realization of charitable projects together with aid organizations, we believe it is important to provide fast and unbureaucratic relief in emergencies. We help where we can make a real contribution and are certain this help will arrive at the right place.

Pipelife: around the world with 27 aid projects

As part of its long-standing partnership with the Austrian Red Cross, Pipelife launched a new campaign in 2012: for 27 months, the company will support 27 humanitarian projects in the 27 countries where it is active. The kick-off for this campaign was a unique training program carried out in cooperation with the Red Cross in Austria and the UK, which also received financial support from the European Community Humanitarian Office (ECHO). The program's goal is to improve the skills of development aid workers to react quickly and correctly in disaster situations and thereby ensure supply security, above all for water. This project "Prepare to Respond" has held courses in a variety of humanitarian fields, including water, hygiene and sanitation equipment.

Support for young masons' competition in Austria

Wienerberger also supports professional training for young men and women in sustainable construction. We supplied the products for an apprentice masons' competition in Austria, and the winner of the national contest will take part in the World Skills 2013 in Leipzig. This initiative will help make the masonry profession more attractive for future generations.

Affordable housing in India

Affordable housing for the people living near our plant has been an important issue ever since our market entry in India. Together with an external partner, we carried out a study on the needs of the local population in 2012. We then developed a concept for affordable housing that provides sufficient living space for a family. In a next step we want to work together with NGOs to support residents in their search for financing.

Compliance

Measures to ensure legally compliant behavior

The term "compliance", which originated in Anglo-American law, is understood to cover all measures required to ensure adherence to the relevant legal regulations and prohibitions by a company and its employees. A commitment to compliance with all applicable national and international legal standards represents a central principle for the Wienerberger Group. Individual legal issues are so important that Wienerberger has issued separate guidelines in these areas and places a special focus on compliance. These areas include the prevention of corruption and compliance with competition law as well as compliance with national guidelines and regulations, which are described in the following sections.

Prevention of Corruption

Difference between business gifts and corrupt behavior

Wienerberger is committed to free and fair competition, and rejects any form of corruption. However, the differentiation between well-meant business gifts and corrupt behavior is often difficult to determine in individual cases. This applies, above all, to procurement and sales because of the increased contact between the respective staffs and public authorities or private business partners.

Guideline on business gifts

In order to inform employees of legally compliant behavior, Wienerberger issued a group guideline that covers business gifts. This guideline is intended to serve as guidance for employees by defining the cases in which the granting or accepting of business gifts could pose a problem under criminal law. It defines the term "business gifts" and differentiates this term from other types of presents. The guideline also distinguishes between gifts to persons in the public sector and the private sphere, and provides standards for acceptable behavior. In conclusion, the guideline defines cases in which the granting or acceptance of business gifts must be reported to the Managing Board or company management.

Instructions for managing directors

In connection with the implementation of this guideline, the top managers and managing directors of the country organizations (approx. 40 persons) were instructed on the correct procedures for dealing with business gifts. This included instructions to ensure full compliance with the guideline in every company. Local management is responsible for passing this information on to employees through special training courses, which are regularly monitored by the corporate headquarters.

Internal audit as control function

The duties of internal audit also include reviewing compliance with legal regulations and internal guidelines. Audits were conducted in 35 companies during 2012, which focused on organization, procurement, materials management, sales and personnel as well as corruption and antitrust law. The audited companies represent roughly half the operating units in the Wienerberger Group. These reviews confirmed that all internal guidelines had been implemented in all companies and that employees had been instructed accordingly. Any deviations were reported to the Managing Board and the Audit Committee, and appropriate corrective measures, such as the improvement of documentation processes, were developed together with the responsible management.

Dual controls for business transactions

Another important instrument for the prevention of corruption is the principle of dual controls for signatures in business transactions with third parties. This principle calls for signatures by two authorized persons in the local unit when rights and obligations are created, amended or cancelled. Group guidelines also include this rule, which supports the prevention of corruption on an international basis.

Sanctions for violations

Legally compliant behavior is expected from all Wienerberger employees, and any violations represent a breach of the obligations under labor law. If the suspicion of a violation is confirmed, it will lead to consequences under labor and civil law that reflect the scope of damages to the Group. In 2012 no charges were filed against Wienerberger based on a suspicion of corruption and no criminal penalties were paid for related violations.

Prevention of Anti-competitive Behavior

Fair competition as basis for our business

Competition law ensures compliance with free and fair competition. Management is convinced that business policies based on free competition are in the best interest of the company and also in the best interest of shareholders and employees.

Antitrust compliance program

The Wienerberger Group introduced an antitrust compliance program many years ago. This guideline forms the basis for increasing the awareness of our employees for compliance with antitrust regulations. The rules of conduct defined in the guideline provide guidance for dealing with sensitive subjects in the area of competition law and must be strictly observed. Special rules regulate contacts with competitors and deal with issues such as market allocation, the exchange of information, the design of prices and delivery conditions and other possible forms of cooperation. The interaction with customers, sales partner and suppliers is, among others, regulated with respect to the determination of resale prices and related restrictions as well as exclusivity agreements. The guideline also contains regulations concerning intellectual property rights and merger controls.

Control through internal audit

Regular training sessions are scheduled for employees as part of the antitrust compliance program. Local management is responsible for organizing these programs and selecting the employees. The realization of the training sessions and compliance with the guideline are monitored by internal audit.

Pending antitrust proceedings in Germany, searches in the offices of plastic pipe producers

Due to the position of the Wienerberger Group in individual markets, the pricing policies of our subsidiaries are actively monitored by antitrust authorities. Antitrust proceedings are pending in Bricks & Tiles Germany and, in the event of a conviction, could lead to a fine. A provision has already been recognized for a possible antitrust penalty, but we assume Wienerberger was not involved in any illegal actions. In addition, the EU Commission ordered searches at the offices of plastic pipe and fitting producers during June 2012 in connection with alleged agreements in violation of antitrust law, which also included Pipelife. The responsible authorities have not issued any findings to date. It should be noted that price-fixing agreements are not part of Wienerberger business policies; internal guidelines expressly prohibit such activities and call for sanctions in the event of violations.

Compliance with National Guidelines and Regulations

Environmental, health and safety regulations

Wienerberger is subject to extensive and increasingly stringent environmental, health and safety laws in many countries, which can lead to investments for compliance with these regulations. The failure to comply with these regulations could result in administrative fines, the assessment of damages or the suspension of operating permits.

Responsibility with local management

In accordance with the decentralized structure of the Wienerberger Group, local management is responsible for implementing and monitoring the applicable national guidelines and directives. Officers have therefore been appointed at the country level in agreement with the relevant national laws. These persons are responsible for evaluating and reporting on legal compliance to local authorities and to the Wienerberger Managing Board. Internal audit reviews compliance with these processes on a regular basis and reports to the Managing and Supervisory Boards on the results of these audits.

The Political Decision-making Process

Active participation in political decision-making

Wienerberger is a member of numerous European and national professional associations and platforms as well as various technical committees and, in this way, plays an active role in the political decision-making process. One of our most important goals is to address the trends and developments in individual markets, for example growing urbanization, and to provide decision-makers with practicable, sustainable and, above all, affordable solutions for new residential construction, infrastructure and renovation.

Membership in national and European ceramic associations

Through its country organizations in the Bricks & Tiles segment, Wienerberger is a member of numerous national brick associations which, in turn, are organized at the European level into an association called Tiles and Bricks Europe (TBE). Heimo Scheuch serves as president of the TBE, which is located in Brussels, and regularly attends the meetings of the executive committee. In the ceramic pipe segment Gernot Schöbitz, CEO of Steinzeug-Keramo, is president of the European association Feugres. Both TBE and Feugres are active members of the European ceramic association CERAME-UNIE, where Heimo Scheuch serves as vice-president. CERAME-UNIE also organizes the annual European ceramics forum together with representatives of the European Parliament. This forum takes place in the European Parliament and provides a platform for the exchange of information and communication between industry, the European Commission and politics on current economic topics.

Pipelife is a member of the European association TEPPFA

Wienerberger's plastic pipe business is represented in The European Plastic Pipes and Fitting Association (TEPPFA) through Pipelife. In April 2013 Pipelife CEO Niels Rune Solgaard-Nielsen was elected president of TEPPFA. Our membership in this association provides a platform for our active participation in the political decision-making process at the European level, where we support key issues such as recycling, the development of product standards for plastic pipes and the preparation of environmental product declarations.

Semmelrock is represented in VÖB

Semmelrock represents the Wienerberger Group in VÖB, the association of Austrian concrete and prefabricated producers. Semmelrock CEO Robert F. Holzer serves as the vice-president of this organization, which represents the interests of all concrete prefabricated producers in Austria and views itself as a know-how platform and branch speaker. VÖB is a member of the Bureau International du Béton Manufacturé (BIBM), which is active at the European level.

Emission trading system 2013-2020

The most important economic and environmental issues for Wienerberger in 2012 included, among others, the design of the emissions trading system for 2013-2020, the Energy Efficiency Directive and the Construction Products Directive. In 2012 Wienerberger played an active role in the national implementation of the European Energy Performance of Buildings Directive (in particular with regard to the cost optimization of energy-efficient buildings). We are also involved in a number of regional and national construction initiatives.

Future Measures

Continued cooperation with Habitat for Humanity

Wienerberger entered into a three-year cooperation agreement with Habitat for Humanity in connection with our donation guideline. Plans call for the construction of roughly 150 homes for the needy in Romania and Bulgaria during this period.

Start of WISBA in autumn semester 2013/14

The first course of studies in the Wienerberger Sustainability Academy is scheduled to start during the autumn semester 2013/14. It will include 12 students from Austria, Germany and Poland, who will complete an international training program on sustainable construction. We plan to expand WISBA to 12 countries by 2015.

Increase in local steering committees

In order to provide a platform for increased dialogue with the stakeholders near our plants, we want to establish local steering committees at additional locations.

Preparations to preserve carbon leakage status

Through the Tiles and Bricks Europe Association (TBE), the European brick and roof tile industry started preparations at the end of 2012 to preserve carbon leakage status after 2015 and will continue these measures during 2013. Wienerberger also works to standardize the interpretation and implementation of the Construction Products Directive by means of its membership in various European associations.

Stakeholder Management

Principles of Stakeholder Management

Communication is the central principle of responsible interaction with our stakeholders

Creating value in the interest of all stakeholders is one of Wienerberger's central principles. Accordingly, communication forms the focal point of responsible interaction with our stakeholder groups. Our efforts in this area are designed to provide our employees, customers, shareholders, local residents and suppliers as well as politics, the media and NGOs with relevant information, while also maintaining an open, proactive, continuous and transparent dialogue with these groups. This dialogue creates a better mutual understanding for the respective interests, needs and concerns, and creates added value for everyone involved. Our communication instruments include personal meetings as well as regular newsletters, information brochures, internet-based platforms and information events.

Communication with employees

Employees are interested in a motivating, future-oriented and stable employment relationship, opportunities for advancement and active involvement as well as a good working environment that guarantees health, safety, fairness and equal opportunity. These principles and values are an integral element of our corporate culture, which forms the basis for our everyday work. In order to create a motivating environment and encourage individual initiatives, we provide our employees with comprehensive and timely information on corporate goals and strategies as well as important developments and measures. Various internal media are used for this purpose, including a regular CEO letter, iComm (our intranet platform), local employee magazines and internal newsletters from various departments (e.g. engineering and marketing newsletters). Our "ideas & more" innovation platform gives employees an opportunity to contribute ideas and receive a bonus if they are implemented. As part of our health & safety initiative, we also organize regular training courses for employees to further improve occupational safety and promote good health.

Communication with consumers, merchants, developers, planners and masons

Our customers – consumers as well as merchants, building developers, planners and masons – are interested in high-quality, long-lasting and affordable products that provide security and comfort. We maintain a continuous dialogue with our customers to better understand their concerns and develop products that meet their needs. Wienerberger informs customers of the technical, ecological and economic benefits of its products through a wide range of communication measures that include information brochures, presentations at trade fairs, training courses and online tools. Training programs and our service center support our customers in the use of our products and system solutions.

Communication with shareholders, analysts and banks

Capital market participants – shareholders, analysts and banks – are interested, above all, in the sustainable development of the company. Comprehensive and transparent reporting as well as timely communications and regular exchanges with the Managing Board play a central role in supplying the necessary information. The main instruments used for this purpose include the annual and quarterly reports, presentations and press releases on current developments. Road shows, participation in investors' conferences, one-on-one meetings and the annual capital markets day ensure a continuous and active dialogue with all capital market participants.

Fair business relationships with suppliers

Suppliers are interested in fair business relationships. Wienerberger is interested in the long-term, sustainable procurement of the required raw materials, supplies and products. We therefore communicate our expectations for compliance with economic and social standards to our suppliers. Pipelife, for example, has compiled these standards in a code of conduct that must be signed by suppliers before contracts are concluded and followed during the entire business relationship.

Communication with the media

The media expect targeted and up-to-date information on strategic and current issues. Our objective is to achieve fair reporting by the media. In order to ensure optimal cooperation, we provide the media with timely information through press releases and press conferences. Inquiries by journalists are answered as quickly as possible, with personal interviews allowing for the necessary exchange of information.

Communication with politics

Politics establishes the legal framework for society and, as such, defines the general business environment for Wienerberger. The subjects on which the exchange of information with Wienerberger took place in 2012 are described in the section "The Political Decision-making Process" in the chapter "Corporate Social Responsibility" (page 60). Our media contacts include an increasing focus on the need for affordable housing and social housing construction in Europe. We also support public subsidies for renovation and the construction of (water) supply and disposal networks in Western and Eastern Europe.

Communication with other stakeholder groups

Our stakeholders also include local residents, communities and public authorities as well as NGOs. The Bricks & Tiles Europe Division has established local steering committees in several countries, which include Wienerberger management, residents, political representatives and NGOs. Regular meetings allow for the exchange of information and, wherever necessary, the joint development of measures to improve relations. In 2012 we set a goal for our ceramic production network to collect information on current efforts and to **introduce stakeholder dialogues in 90% of our plants by 2020.** Pipelife also places high value on an open and active dialogue with its stakeholder groups. These communications are supported by different types of events, for example family days for the Pipelife Hungary employees and a get-together at the Pipelife Austria plant.

Wienerberger sees these activities not only as a means of creating added value for all stakeholder groups through active dialogue, but also as a win-win situation. Selected examples are provided on the following pages:

Stakeholder Management: Selected Examples

CEO Letter

Heimo Scheuch,
CEO of Wienerberger

I am committed to providing our employees with regular and timely information on the latest developments. During my frequent visits to our Group companies, I try to meet with employees from all areas of the business. Regular emails also give me an opportunity to communicate a wide range of information. Wienerberger was faced with significant challenges in recent years. As a result of the difficult market environment we were forced to implement numerous restructuring measures and make some very hard decisions. However, we attempted to take the necessary personnel steps as carefully and socially responsible as possible. Internal communications were particularly important for me in this situation. I want each of our employees to know the reasons for our decisions as well as the goals we are following and what we want to achieve together during the coming years. Because we can only be successful when we all work together.

Capital Markets Day in Vienna

Willy Van Riet, CFO

This year's capital markets day was held in Vienna. More than 50 investors, analysts and banks used the opportunity to learn about the latest developments at Wienerberger. The focal point for 2012 was the newly created Pipes & Pavers Division, which was introduced by the respective business unit managers. The participants were given an in-depth view of Wienerberger's plastic pipe, ceramic pipe and concrete pavers businesses as well as our corporate strategy. The program closed with a dinner that provided a platform for extensive discussions with our guests as well as a tour of the Pipelife plant on the following day.

Annual summer event at Schlagmann

Johannes Edmüller,
Managing Director of Schlagmann

As thanks for the good cooperation and support, we organize a summer event for our employees and neighbors and highlight a different topic each year. In 2012 we had a particular reason to celebrate: we implemented an energy management system based on DIN EN ISO 50001 standards and received certification during the summer. Martin Zeil, the Economics Minister and Deputy Prime Minister of Bavaria, presented the certificate at the event and, in his speech, praised Schlagmann's efforts as a pioneer in energy policies. The interaction with our guests from politics, the business sector, friends, neighbors and families made this day a real success for me and my staff.

Open house in Hennersdorf

Christian Weinhapl,
Managing Director Austria

The open house at our plant in Hennersdorf on September 22, 2012 drew a large number of guests. Roughly 350 visitors used this invitation to learn more about brick production and our company through various activities. The event provided our employees with an excellent chance to meet different stakeholder groups and give these visitors an overview of their work and production processes. Bricky and Bricka, our mascots, were a particular highlight for the children.

About this Report

Report Profile

Sustainability report on activities in 2012 with three-year statistical trend

This sustainability report covers Wienerberger's activities during 2012, but selected statistics are also provided for 2010 and 2011 to present a three-year trend. The first Wienerberger sustainability report was prepared for 2009. Sustainability reporting at Wienerberger focuses primarily on the ecological and social aspects of the company's activities. Information on Wienerberger's financial development, organizational profile and corporate governance is provided in our 2012 annual report (annualreport.wienerberger.com).

In the future, full report every two years with short report as interim update

Wienerberger also intends to issue regular reports on its sustainable development in the future. However, we have decided to only publish a complete sustainability report every two years because our sustainability principles cover the long-term and therefore generally remain constant. In the interim periods, we will issue an update that presents the latest facts and figures as well as our progress in specific areas.

Reporting threshold: full coverage of investments

The contents of this sustainability report are based on the fully consolidated subsidiaries in the wall, roof, facade, ceramic pipe, plastic pipe and concrete paver product groups. This reporting structure reflects the consolidation range of the Wienerberger Group and therefore includes our pipe activities for the first time (Pipelife plastic pipe and Steinzeug-Keramo ceramic pipes). Steinzeug-Keramo is included beginning in 2011 (the prior year data were adjusted retroactively). Data on Pipelife are presented in the chapter "Environmental Protection in Production" as of June 2012 (for seven months) and in the chapter "Employees" for the full 12 months of 2012. Any deviations from this procedure are explained in the respective sections. The data in the chapter "Environmental Protection in Production" only cover our production facilities, while the remaining statistics relate to all locations in the Wienerberger Group. Detailed information on the consolidation range and the segmentation of the Wienerberger Group is provided in our annual report.

Core issues and key indicators defined by SDSC

Recommendations for the subject areas and indicators to be included in this report were made by the respective Wienerberger working groups and the sustainability officer. The Wienerberger Sustainable Development Steering Committee (SDSC) under the direction of Heimo Scheuch (CEO) was responsible for the final selection. This sustainability report was prepared in agreement with the requirements of the Global Reporting Initiative (GRI).

External validation by independent auditor

The data presented in this report are based primarily on internal statistics. Selected information was validated by an independent external auditor, whereby the 2012 audit concentrated on a review of the content and statistics on energy consumption and emissions as well as occupational safety and health. The integration of data from Pipelife represented a particular focal point in this respect. The audit also covered the underlying sustainability management and the processes used to collect data and implement the sustainability strategy. This sustainability report reaches the GRI B+ level.

GRI Index

GRI Level B+

PwC Wirtschaftsprüfung GmbH evaluated this sustainability report and confirms the GRI B+ level.

No.	Indicator	Page	Level of Fulfillment
General Indicators			
1.1	Statement from the most senior decision-maker	SR 8-9	■
1.2	Description of key impacts, risks and opportunities	SR 10-12 / AR 16-19	■
2.1-2.10	Organizational profile	SR 10-13, 21 / AR 38-39, 40-43, 49-52	■
3.1-3.11	Report parameters	SR 65 / AR 40-43	■
3.12	GRI Content Index	SR 66-67	■
3.13	External assurance	SR 68	■
4.1-4.13	Governance, commitments and engagement	SR 13 / AR 21, 24, 27, 28-30	■
4.14-4.17	Stakeholder engagement	SR 62-63	■
Economic Indicators			
DMA-EC	Management approach: economy	SR 10-12 / AR 16-19	■
EC1	Direct economic value generated and distributed	SR 13 / AR 104	■
EC2	Risks and opportunities due to climate change	SR 16, 54	■
EC4	Significant financial assistance received from the government	SR 13 / AR 127, 151	■
EC7	Procedures for local hiring	SR 21, 24	■
EC8	Services provided primarily for public benefit	SR 55	■
Ecological Indicators			
DMA-EN	Management approach: environment	SR 14, 16, 17, 33	■
EN1	Materials used	SR 33, 38	■
EN2	Percentage of materials that are recycled	SR 40	■
EN3	Direct energy consumption by primary energy source	SR 35	■
EN4	Indirect energy consumption by primary energy source	SR 35	■
EN5	Energy saved	SR 35	■
EN6	Initiatives for energy-efficient and renewable energy-based products	SR 44	■
EN8	Total water withdrawal by source	SR 37, 42	■
EN9	Water sources significantly affected by withdrawal of water	SR 37, 42	■
EN10	Percentage and total volume of water recycled and reused	SR 37, 42	■
EN13	Habitats protected or restored	SR 33, 38	■
EN16	Total direct and indirect greenhouse gas emissions	SR 36	■
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	SR 37-39	■
EN22	Total weight of waste by type and disposal method	SR 37	■
EN26	Initiatives to mitigate environmental impacts of products	SR 44-54	■

No.	Indicator	Page	Level of Fulfillment
Social Indicators			
DMA-LA	Management approach: labor practices and decent work	SR 15, 19	■
LA1	Total workforce by employment type, contract and region	SR 21	■
LA2	Total number and rate of employee turnover by age group, gender and region	SR 22, 23	■
LA4	Employees covered by collective bargaining agreements	SR 55	■
LA7	Rates of injury, occupational diseases, lost days and absenteeism	SR 25-27	■
LA8	Risk-control programs regarding serious diseases	SR 26	■
LA10	Average hours of training per year per employee	SR 28	■
LA13	Diversity of employees	SR 23-24	■
Indicators on Human Rights			
DMA-HR	Management approach: human rights	SR 16, 54	■
HR4	Incidents of discrimination	SR 23	■
HR6	Risk for incidents of child labor	SR 54	■
HR7	Significant risk for incidents of forced or compulsory labor	SR 19, 54	■
Indicators on Society			
DMA-SO	Management approach: society	SR 16, 54	■
SO1	Management of impacts of operations on communities	SR 55	■
SO2	Business units analyzed for risks related to corruption	SR 57-58	■
SO4	Anti-corruption measures	SR 57-58	■
SO7	Legal actions for anti-competitive behavior and anti-trust	SR 59 / AR 33, 162	■
SO8	Fines and sanctions for noncompliance with regulations	SR 162	■
Indicators on Products			
DMA-PR	Management approach: product responsibility	SR 16, 44	■
PR1	Assessment of health and safety impacts of products	SR 46-48	■
PR3	Product information requirements	SR 52-53	■

■ *Complete* ■ *Partial* *SR: Sustainability Report 2012* *AR: Annual Report 2012*

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-Report 2012 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 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-Report 2012 in accordance with the criteria set out in the Sustainability Reporting Guidelines Vol. 3 of the Global Reporting Initiative ("GRI criteria")

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

is the responsibility of the management of Wienerberger AG. This responsibility includes the selection and application of appropriate methods for preparing the Sustainability-Report 2012, 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-Report 2012.

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 "Environmental Protection in Production" on the issues of "Energy Consumption and Emissions" (pp. 35 to 37), as well as in chapter "Employees" on the issues "Occupational Safety and Health" (pp. 24 to 27) of the Sustainability-Report 2012 have not been prepared in accordance with the GRI criteria as set out in the Sustainability Reporting Guidelines Vol. 3. Our review was limited to the key performance indicators in the cited areas of focus.

We also performed the Global Reporting Initiative (GRI) Application Level Check to comprehend the application level declared by Wienerberger AG.

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-Report 2012, 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 report contents from the departments Corporate Controlling, Corporate Engineering, Human Resource Management and European Affairs of Wienerberger AG in Vienna as well as the sustainability coordinators of the entities Pipelife and Steinzeug-Keramo
- Sample comparison for a selection of disclosures included in the Sustainability-Report 2012 according to the scope of the engagement with records provided by country organizations and recorded centrally, as well as any side calculations
- Reviewing the declaration of Wienerberger AG on the compliance with Level B+ of the GRI G3 guidelines

Conclusion

Based on our work, nothing has come to our attention that causes us to believe that the quantitative disclosures in chapter "Environmental Protection in Production" on the issues of "Energy Consumption and Emissions" (pp. 35 to 37), as well as in chapter "Employees" on the issues "Occupational Safety and Health" (pp. 24 to 27) of the Sustainability-Report 2012, in all material respects, have not been prepared in accordance with the criteria materiality, stakeholder inclusiveness, sustainability context, completeness, balance, clarity, accuracy, timeliness, comparability and reliability of the Sustainability Reporting Guidelines Vol. 3 of GRI.

Based on our work, nothing has come to our attention that causes us to believe that the Sustainability-Report 2012 of Wienerberger AG does not meet the requirements according to GRI Application Level B+.

PwC Wirtschaftsprüfung GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Vienna, June 13, 2013

Dr. Aslan Milla
Austrian Certified Public Accountant

Imprint

Note

The Sustainability Report 2012 is available in German and English.
It is available for download from the Wienerberger website (www.wienerberger.com).

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