

Management Approach

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Quantitative Targets of the Wienerberger Sustainability Roadmap 2020

Target definitions	Dead-lines set	Performance			Status	Comments
		2014	2015	2016		
<b>Employees</b>						
<b>Safety of our employees</b>						
Group level: Zero accidents	Every year	12*	8*	7*	In 2016 accident frequency was reduced in all operating segments, the best performing segments reporting values of close to 23% and 31% compared to the previous year. To our greatest regret, two fatal accidents occurred during the reporting year (one of them in a 50% subsidiary). We are consistently pursuing our zero accidents target.	* Accident frequency defined as a reporting unit: Number of occupational accidents/ number of hours worked x 1,000,000; including agency and temporary workers as well as employees under term contracts.
<b>Health of our employees</b>						
Group level: Rollout of respirable crystalline silica measurements to > 95% of ceramic plants by 2020	2020	98%	98%	Target met in 2015	The target was met by the Wienerberger Group, including Tondach Gleinstätten, in 2015. Measures to protect our employees against respirable crystalline silica are being continued.	As of 01/01/2015, Tondach Gleinstätten was included in the collection of indicators. In 2016, the strategy for the protection against respirable crystalline silica was evaluated and it was decided not to continue annual data collection.
<b>Production</b>						
<b>Energy efficiency</b>						
North America <sup>1)</sup> : Reduction of natural gas consumption at selected production sites by 5% per site as compared to 2015	2016	Not applicable	Reference year	4%	In 2016 the consumption of natural gas at selected production sites was reduced by 4% compared to 2015. It was due to the conversion of these sites from high-emission energy sources to natural gas that the planned 5% reduction target could not fully be met in 2016.	The reduction target for natural gas was met at 57% of all production sites in North America. At selected production sites natural gas consumption will be further reduced in order to meet the target set for 2016 in 2017. Additionally, specific energy consumption (fuels and electricity) will be reduced by another 5% at two main production sites.
Clay Building Materials Europe: Reduction of specific energy consumption by 20% as compared to 2010	2020	13%	8%	10%	In 2016 specific energy consumption in production was almost 10.5% below the value reported in 2010.	Changes in specific energy consumption are reported as an index in % based on kWh/ton (2010 = 100%).
Pipeline <sup>2)</sup> : Reduction of specific energy consumption in production by 20% as compared to 2010	2020	2%	5%	2%	In 2016 specific energy consumption in production was 2% below the reference value of 2010. The increase in specific energy consumption compared to 2015 is due to lower capacity utilization at some production lines and changes in the product mix.	Changes in specific energy consumption are reported as an index in % based on kWh/ton (2010 = 100%).
<b>Climate action</b>						
North America <sup>1)</sup> : Conversion of all main production sites from coal to natural gas	2016	Not applicable	50%	80%	In 2016 80% of the production lines at all main production sites were converted from coal to natural gas. Converting all main production sites was not possible due to higher customer demand.	In 2017 the remaining production lines of all main production sites will be converted to natural gas and additional measures will be taken to reduce emissions.
Steinzeug-Keramo: Compensation of 5% of the annual CO <sub>2</sub> emissions generated in a plant through climate protection projects	2017	>5%	>5%	>5%	Within the framework of Cradle to Cradle® recertification in 2016, 5% of the CO <sub>2</sub> emissions generated in the respective plant were compensated.	Achievement of this value is ensured by the measures taken to meet the requirements of the periodic Cradle to Cradle® recertification.
Clay Building Materials Europe: Reduction of specific CO <sub>2</sub> emissions from primary energy sources by 20% as compared to 2010	2020	5%	0%	2%	In 2016 specific CO <sub>2</sub> emissions from primary energy sources in production amounted to 98% of the value reported in 2013.	Changes in specific CO <sub>2</sub> emissions are reported as an index in % based on kg CO <sub>2</sub> /ton (2013 = 100%). Since the transition to the third EU emission trading period in 2013, the volume of CO <sub>2</sub> emissions from 2013 has been used as the new reference base.
Pipeline <sup>2)</sup> : Reduction of specific indirect CO <sub>2</sub> emissions from electricity in production by 20% compared to 2010	2020	Not applicable	17%	17%	For comparison's sake, the national conversion factors for indirect CO <sub>2</sub> emissions in 2015 were used.	Changes in specific CO <sub>2</sub> emissions are reported as an index.
<b>Water</b>						
Pipeline <sup>2)</sup> : Reduction of water consumption from public networks to 0.55 m <sup>3</sup> per ton produced	2020	0.62 m <sup>3</sup> /ton	0.66 m <sup>3</sup> /ton	0.81 m <sup>3</sup> /ton	Water consumption in plastic pipe production increased in 2016 as a result of singular events. Specific water consumption from public networks accounted for 15.8% of specific total water consumption in this product group.	The reference value in 2014 was 0.62 m <sup>3</sup> per ton of products produced.
<b>Resource efficiency and waste management</b>						
Semmelrock: Reduction of scrap rate by 50% as compared to 2014	2017	Reference value	19.1%	34.0%	In 2016 the scrap rate amounted to 3.1%, compared to 4.7% in 2014.	In 2014 the scrap rate was 4.7% (reference value). The target for 2017 is 2.4%.
<b>Products</b>						
<b>Innovative products</b>						
Clay Building Materials Europe: Share of innovative products in revenues at 25%	Every year	Not applicable	27%	26%	In 2016 the business-unit-specific quantitative target regarding the contribution of innovative products to revenues was met.	These innovations include new products and system solutions that are durable and cost-efficient, contribute to the energy efficiency of buildings and to climate protection, or ensure health and safety for users of buildings.
North America: Share of innovative products in revenues at 50%	2017	Not applicable	46%	49%	In 2016 the definition of innovative products was adopted and a new business-unit-specific target was defined.	The definition agreed upon in 2016 includes product innovations and system solutions that facilitate compliance with the new energy standards (International Energy Conservation Code, IECC).
Pipeline: Share of innovative products in revenues at 20%	Every year	Not applicable	21%	20%	In 2016 the business-unit-specific quantitative target regarding the contribution of innovative products to revenues was met.	The definition adopted in 2015 includes product innovations that represent a significant improvement of an existing product as regards the production process, cost-efficiency, technical properties or ecological advantages.
Semmelrock: Share of innovative products in revenues at 30%	Every year	Not applicable	39%	37%	In 2016 the business-unit-specific quantitative target regarding the contribution of innovative products to revenues was met.	The definition includes product innovations that offer an added value for customers on account of their cost-efficiency, their technical properties and their ecological advantages, such as water-permeable paving systems for unsealed surfaces.
Steinzeug-Keramo: Share of innovative products in revenues at 35%	Every year	Not applicable	41%	39%	In 2016 the business-unit-specific quantitative target regarding the contribution of innovative products to revenues was met.	The definition includes products for innovative applications (e.g. jacking pipes for trenchless installation).
<b>Recyclability, recycling and re-use</b>						
Pipeline <sup>2)</sup> : Increase of the share of recycled material per ton of products produced to 70 kg	2020	58.9 kg/ton	64.6 kg/ton	64.6 kg/ton	On account of the product mix, the percentage of recycled material used per ton of products produced in 2016 remained the same as in 2015.	The reference value in 2014 was 58.9 kg per ton of products produced.
<b>Social responsibility</b>						
<b>Business Ethics &amp; Compliance</b>						
Group level: Zero incidents of corruption	Every year	0	0	0	As in previous years, no charges were brought against Wienerberger for suspected corruption nor had any penalties to be paid in 2016.	In the course of 2016, Internal Audit performed audits in 19 local companies with a special focus on corruption and compliance with anti-trust legislation.

1) North America: excl. Pipeline production site // 2) Pipeline: incl. production site in North America