

**TOGETHER INTO A
SUSTAINABLE FUTURE.**



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Pipelife is a 100% subsidiary of the Wienerberger Group since May 2012. Sustainability represents an integral part of Wienerberger's corporate culture and is embedded in all stages of the company's value creation process. The Wienerberger sustainability report transforms this commitment into an obligation. It is based on the standards defined by the Global Reporting Initiative (GRI) and validated by an external auditor. The Sustainability Update 2011 reached the GRI B+ level. The next sustainability report of the Wienerberger Group will be published in June 2013 and will also include all relevant data about sustainability at Pipelife.

INTRODUCTION BY THE CHIEF EXECUTIVE OFFICER



Pipelife is one of the market leaders in its industry with a focus on top performance when it comes to product quality, reliability, innovation and overall business development.

This performance shall also be the benchmark for our activities in the area of sustainability and corporate social responsibility. To underline our commitment, we have, for the first time in Pipelife history, decided to publish a short sustainability report on our results, actions and achievements. The idea is not to issue an extensive document full of numbers, but to present the key elements of our sustainability strategy in a very compact form.

Sustainable thinking throughout the whole Pipelife Group

Despite the fact that sustainability and CSR have admittedly only been a focus for a few years, we have already recorded respectable achievements in terms of reduction in our environmental impact. Over the past few years we have worked hard to anchor sustainable thinking throughout the Group and across the entire value creation process. Today, sustainability represents an integral part of Pipelife's corporate culture with a focus on actions in all Pipelife companies worldwide.

Reduction in CO₂ emissions, increase in recycled material usage

The fact that we have further reduced our relative consumption of electricity and energy, as well as CO₂ emissions, and that our usage of recycled material has been increased compared to previous years indicates that we are on the right track.

However, simply maintaining the status quo does not satisfy our ambitions in this field. As a member of The European Plastic Pipes and Fitting Association, we continue to play a leading role in promoting the environmental benefits of plastic pipe systems. We are constantly analyzing our environmental performance in order to further improve and optimize our products, processes and services aiming for a further reduction in our environmental impact.

Respected partner for CSR projects

We have also strengthened our activities within the area of Corporate Social Responsibility and in doing so we have become a respected partner in this field. Several years of cooperation with the Red Cross on various projects worldwide underline our commitment to give something back to society.

We are convinced that long-term value can only be created when corporate development is based on sustainability and social responsibility. Therefore, one of our targets for 2013 and beyond is to increase the efficiency of our sustainability management and to anchor it even deeper throughout the Group in order to live up to the short and mid-term targets we have set. The years to come will bring new challenges, but we are confident that we are well prepared.

A handwritten signature in blue ink, consisting of a stylized 'N' and 'S' followed by a flourish.

Niels Rune Solgaard-Nielsen
Chief Executive Officer

SUSTAINABLE DEVELOPMENT AT PIPELIFE

Pipelife Principles of Sustainability

Environmental sustainability is central to the world of plastic pipe technology. At Pipelife, sustainability represents an integral part of the corporate culture and is anchored to the whole value creation process. We see sustainability as a continuous improvement process that will create lasting values for our company and our stakeholders. We aim to ensure that the highest environmental standards are maintained throughout the entire lifecycle of our products and systems.

As a member of The European Plastic Pipes and Fitting Association ("TEPPFA"), Pipelife continues to play a leading role in promoting the environmental benefits of plastic pipe systems and is committed to respecting the environment and to undertaking all necessary actions to preserve our planet. Taking part in TEPPFA's Life Cycle Analysis and Environmental Product Declarations, we are working on identifying possible weaknesses to further decrease our environmental impact throughout all lifecycle stages of our products. In our 2015 strategy we have defined clear environmental targets in key areas.

Environmental protection in production and sustainable products

Environmental protection in production is very important to Pipelife. We constantly monitor and analyze our production processes with the aim to steadily improve our environmental performance. Maximizing recycling and minimizing waste is one of our top priorities. Our Group has been active in industry initiatives to promote recycling, such as the Vinyl+ Voluntary Commitment for Sustainable Development. We are lowering usage of raw materials by developing lightweight systems and reusing production waste. We also expect commitment to the environment from all our suppliers, as laid down in our supplier code of conduct.

Employees as our key to success

Pipelife's employees are our most important asset. As a multinational corporation, we believe in equal opportunity for all employees, regardless of age, gender, culture or origin, and have made this an integral part of our corporate culture. Through various training programs, such as the Pipelife Business School, the Pipelife University or the Pipeschool, we continuously offer development possibilities to our work-force. In addition to training opportunities, creating a safe and healthy working environment is a top priority, as represented in our OHS system by our "zero accident policy".

Responsibility for society and our stakeholders

We at Pipelife have a commitment to Corporate Social Responsibility that is embraced by all our business operations worldwide. We therefore take responsibility for the impact of our activities not only on the environment, but also on consumers, employees, and all other stakeholders within the public sphere. The protection of human rights and compliance with all relevant national and international legal regulations, as well as open and transparent communication with public authorities, also represent an integral part of our commitment to social responsibility.

Innovation Management

Our group-wide innovation program is a continuous source of ideas created by employees to improve the environmental impact of our products and services and how we provide them.

Sustainability as an integral part of corporate culture

LCAs and EPDs

Environmental protection in production and sustainable products

Employees as our key to success

Responsibility for society and our stakeholders

Innovation Management

ENVIRONMENTAL ACTIVITIES AND PROJECTS

Throughout the entire Pipelife Group, various projects are run on a national and international scale to express our care for the environment and protection of natural resources. Not only are we actively seeking for solutions to reduce our environmental impact, but we are also promoting initiatives to further raise awareness of sustainable issues.

Environmental tool to monitor key figures

Raising awareness via our Environmental Tool

To enable all Pipelife entities to constantly monitor their performance in the most relevant environmental key figures and to benchmark their result against their sister Pipelife companies, we provide all respective data via our 'Pipelife Environmental Tool'. This tool is accessible to all Pipelife employees via our Intranet and raises the competitive spirit among our companies.

Data on the environmental tool are analyzed on a yearly basis to identify weaknesses and to compare best practices of individual Pipelife companies to raise the Group's standards and performance.

Examples of local projects to protect the environment

Water from natural resources

Water from natural resources

Traditionally, in the plastics industry, chilled water systems are used for cooling purposes. These chilling devices, depending on type and age, consume large amounts of electricity. As Pipelife Ireland is situated next to the Glashaboy river, it has been decided to utilize the cooling effectiveness of river water by pumping the water from the river to a large settlement tank. This, in turn, is then pumped into the factory to cool the pipe, and is recirculated back to the river using an open loop system. Thanks to Ireland's climate, there is no extra energy costs incurred in keeping the water suitably chilled, as the natural temperature variation of the river water is generally insignificant. As a result, Pipelife Ireland's water usage is practically zero. Overall, use of this natural resource has significantly contributed to the environmentally friendly operation of the Irish facility over many years, including a reduction in carbon foot-print.

Polycarbonate roof panels to reduce artificial lightening

Polycarbonate roof panels to reduce artificial lightening

In older extrusion and injection halls, generally sandwich panels are used as roof insulation and production cover. Due to the lack of windows, and therefore daylight, most of these production halls need to be artificially lit during the daytime as well, which results in additional electrical energy consumption. To reduce this effect, and subsequently the environmental impact, we have replaced part of the roof with transparent Polycarbonate panels at our production plant in Pipelife Turkey, thus enabling daylight across the whole production hall resulting in significant savings in electricity consumption.

One tree for a million meters of produced pipes

Reforestation in Hungary

In Pipelife Hungary we have decided to give back something to the environment. For every million meter of pipes produced on one of its most successful production lines, one new tree is planted on the Pipelife Hungary premises. Since the beginning of this program, already 20 new trees are lining the Hungarian production hall.

ENVIRONMENTAL PERFORMANCE

Pipelife has already been monitoring its environmental performance for almost a decade in order to be able to closely follow our development and take immediate corrective actions whenever necessary. To underline the importance of sustainability, we have created a Corporate Sustainability Project Team within Pipelife, led by our Sustainability Officer Mr. Zoran Davidovski and including environmental specialists from various Pipelife companies. The members of this project team are the prolonged arm into the local companies, which enables us to take part in local environmental developments and to spread the information throughout the whole Group. Within this project team, in 2010, clear short term environmental targets have been defined to be reached by 2015. Taking into account the achievements so far, we are very confident not only to reach the targets, but to even exceed them.

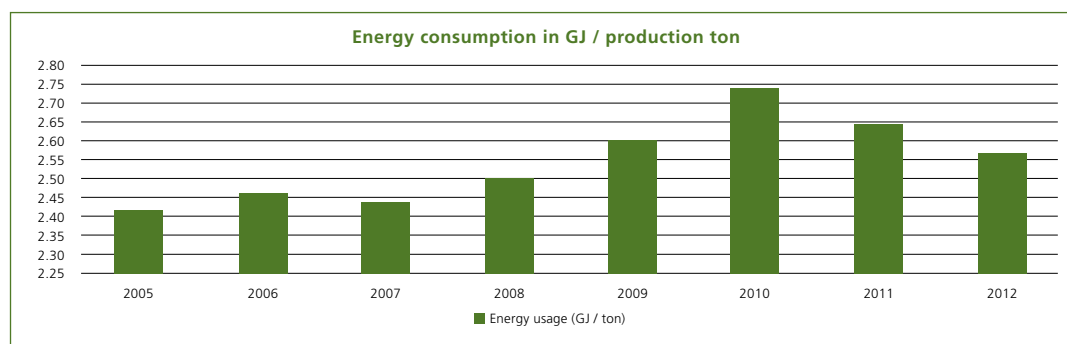
	Energy use	CO ₂ emissions	Use of recycled material	Water consumption
Target 2015 / ton production	2.2 GJ	214 kg	60 kg	0.85 m ³

Environmental targets

Energy consumption

All energy usage within the Group is monitored and measured and our focused approach is crowned with success. Since starting our initiative in 2010, we have constantly managed to improve our environmental results, closing in on the set targets. Year over year we have succeeded in decreasing our relative energy use and compared to the previous year we could further reduce it by 2.6 %.

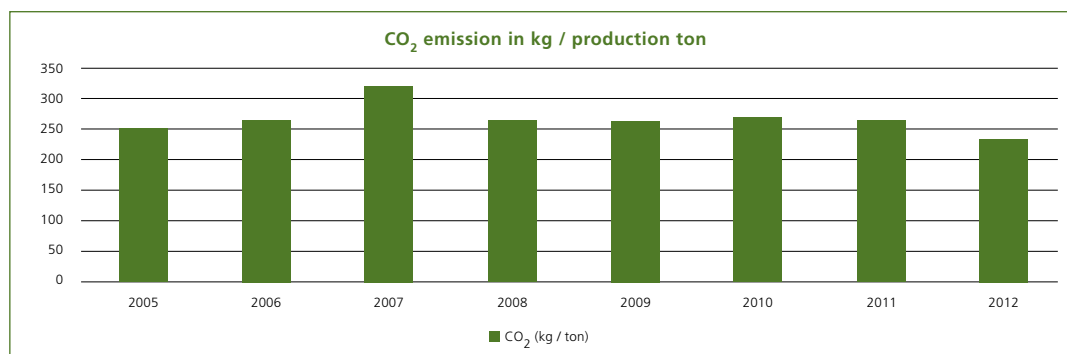
Reduction in relative energy consumption by 2.6%



CO₂ emissions

Reduction of energy consumption also had a positive impact on our carbon foot-print. We managed to further lower our relative CO₂ emissions by 10.3 % compared to 2011.

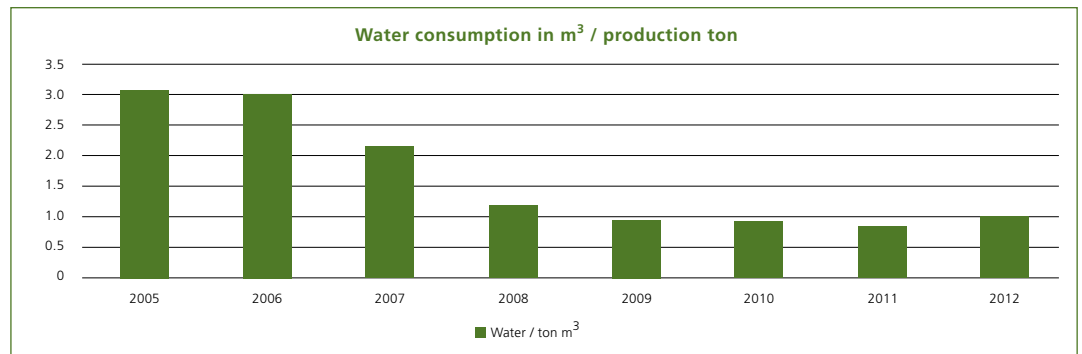
Reduction of relative carbon foot-print by 10.3%



Increase in water consumption to 1 m³

Water consumption

Pipelife endeavors to limit and control water usage. In most Pipelife factories we use closed systems and great care is taken to reduce water wastage. In spite of this, compared to 2011, we unfortunately recorded an increase at some of our production facilities, which led to an overall rise to 1 m³ water per ton produced, representing an increase of 13.7 %.



To understand what has happened, we are critically analyzing the underlying causes. The main reasons have already been identified by our experts and we have taken immediate action to get back on track and to reduce water consumption in these factories again.

Actions to reduce water consumption

What we have discovered so far is that in most of the companies that have recorded higher water consumption, the increase is caused by one-time events, like leakages in the cooling system, maintenance of water reservoirs and similar incidents. There is already a plan in force for more frequent inspection of our production lines to discover these problems immediately. In one company, which produces a high quantity of pipes, we had a limitation in the capacity of the heat exchanger to cool down the required amount of cooling water, which needed additional fresh water to be filled. In the meantime, a new heat exchanger with an increased capacity has been installed to avoid this type of overconsumption in the future.

Given the measures taken so far, we are confident to be able to reduce our relative water consumption again in 2013.

Waste

Careful use of resources and materials is one of the main principles Pipelife is committed to. These standards we do not only apply to the production process, but also to after-treatment activities and the usage of packaging material.

When we develop new products, a strong focus is also put on limiting environmentally harmful materials, thus reducing respective waste.

Besides an overall reduction in waste, the aim of our waste management program is to separate hazardous and non-hazardous waste, whereby we divide the non-hazardous waste into recyclable or landfill waste. Overall, we managed to reduce our total waste by 10.5 %. On a relative basis, the waste per ton of production was reduced by 19 %. Out of our total waste, more than 50 % was recycled. Only less than 2 % of our waste can be considered as hazardous.

Reduction of waste by more than 10 %

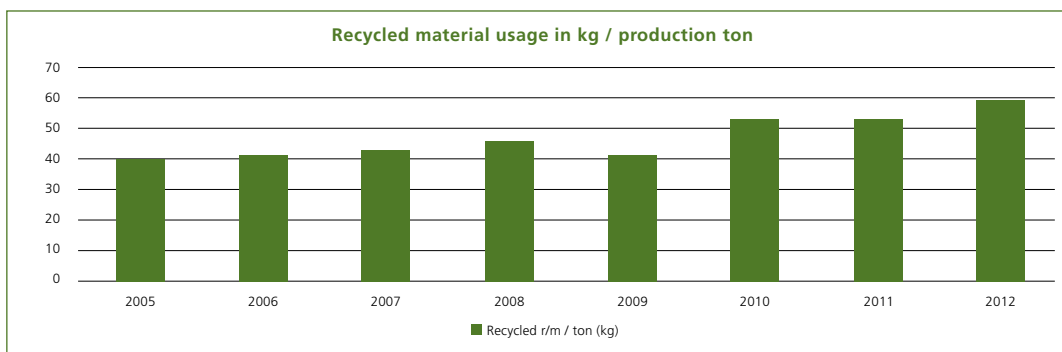


Usage of recycled material

As one of Pipelife's top priorities is to maximize recycling and minimize waste in all production processes, we follow this development very closely in all our production facilities. Not only are we trying to continuously optimize our production process to avoid faulty production as much as possible, but we are also actively seeking solutions to increase the usage of recycled material. In Pipelife's Research & Development department in Enkhuizen, Netherlands, we are currently running various projects throughout all our product groups to improve our products with respect to increasing the share of non-virgin material wherever possible, while keeping our high product quality standards.

Significant increase in usage of recycled material by 11.3 %

As a result, the amount of internal, and in particular external, recycled material used increased to an overall level of 59.4 kg per ton produced, which represents a rise of 11.3 % compared to 2011.



Moreover, to secure access to recycled material for the years to come, Pipelife is entering into strategic partnerships with suppliers of these materials.

Pipelife Leadership Principles:

 *inspire*

We create an atmosphere of optimism, enthusiasm and opportunities. We encourage creativity, innovation and initiative. We establish an ambience of trust and openness. We are visionary with our goals, open to challenges and supportive of change.

 *commit*

We identify with the Pipelife Mission, Vision and Value statements. We agree on and communicate clear targets. We direct our actions towards the achievement of local and group objectives. We set example with our behavior and encourage our people to follow our Code of Conduct. We give the best of ourselves and energize others.

 *empower*

We coach, support and develop our teams. We delegate authority and responsibility. We listen actively and communicate openly. We make resources and necessary tools available. We appreciate, reward and stand by our people.

 *deliver*

We ensure efficient processes. We focus on our targets and work according to priorities. We steer, correct and achieve. We ask for and give feedback, learn from our mistakes and continuously improve.

SUSTAINABLE HUMAN RESOURCES MANAGEMENT

Employees are a key factor for the successful growth and development of a company. We at Pipelife are well aware of our responsibility to our employees and we take this responsibility very 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, workplace health and safety, and training.

We are committed to always acting with integrity and reliability in accordance with the Group's corporate values, especially with respect to our employees. The principles of our values can be seen in our Code of Conduct and our Leadership Principles "inspire, commit, empower, deliver":

- we ensure **equal employment opportunities**
- we treat everybody in the Group with **mutual respect**
- we create an atmosphere of **optimism, enthusiasm and opportunities**
- we establish an ambience of **trust and openness**
- we act with **integrity**
- we create **healthy and safe work places**
- we identify with the Pipelife **Mission, Vision and Value** statements
- we give the **best of ourselves** and **motivate others**
- we are committed to **advancing and developing** every employee

We know that our people are Pipelife's most valuable asset and they make the difference. According to our corporate value "Invest in quality of people first", we want our people to become „best-in-class“ at every level of our organization. Therefore, to constantly increase the quality, we are committed to investing in the training and development of our people.

The Pipelife Business School is a one-year internal training program which has been customized to the specific needs of Pipelife and consists of different modules, focusing on leadership, communication, project management, self-management and finance. Selected employees of Pipelife are given the opportunity to broaden their knowledge in these areas and to work on specific Pipelife projects to put their knowledge into practice and to create an international network.

The Pipelife University offers training possibilities for all Pipelife employees group-wide. In 2012, Manufacturing Excellence has been one focus by supporting the Lean Six Sigma implementation in the operating companies. Training measures for certain roles (Champions, Green Belts and Black Belts) are done at the Pipelife University. In addition to training, Green and Black Belts work on their improvement projects.

The e-learning platform Pipeschool was established in 2011. Available to every Pipelife employee, this tool provides online lessons created by Pipelife employees for their colleagues. A number of online lessons are already available, dealing with the Pipelife Group in general, Pipelife products, 5S and visual management.

Principles of Sustainable Human Resources Management

Code of Conduct and Leadership Principles

Pipelife Business School

Pipelife University – L6S

Pipelife Pipeschool

OCCUPATIONAL HEALTH AND SAFETY POLICY

Pipelife OHS policy and guidelines

Pipelife acknowledges its responsibility to provide safe working conditions and to protect the health of employees. To achieve this target, all existing tools in the health, safety and environment fields have been evaluated and the results are permanently incorporated into Pipelife's OHS System. Mainstays of this system have been Pipelife's OHS policy as well as Pipelife's OHS guidelines, which define Pipelife standards in the area of occupational health and safety for each Pipelife entity. The OHS system is checked by internal audits on a yearly basis.

Zero Accident Policy

Full commitment to occupational health and safety is actively maintained by the leadership and a zero accident policy: "We presume that all accidents are preventable."

Additionally, safety standards for Pipelife's visitors have been defined on a Group-wide basis and stipulate the usage of safety jackets and toe caps, as well as the provision of bilingual leaflets (English and local language).

STOP™

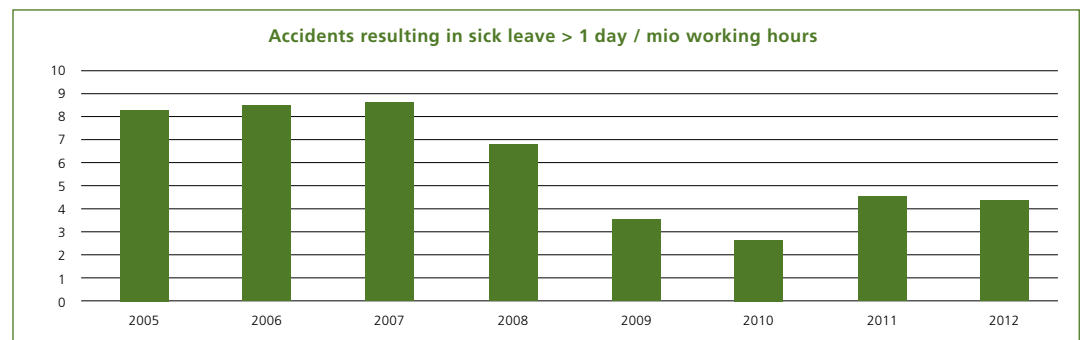
Our STOP™ "Safety Training Observation Program", which trains each employee to take responsibility for eliminating accident potential, continues successfully, as do various other safety initiatives like training, regular safety tours, and audits.

Lock out – Tag out

In autumn 2012, Pipelife started the "Lock out – Tag out" implementation at its operating companies. "Lock out – Tag out" aims to control hazardous energy, because the unexpected startup or release of stored energy during servicing or maintenance could cause injury to the employees. In this ongoing project, starting with an awareness training workshop, Pipelife companies are implementing a project plan step by step to incorporate this new safety procedure.

Fewer accidents resulting in sick leave > 1 day

Our accident reporting records all accidents that affect Pipelife employees during working time. Overall, the number of accidents resulting in sick leave of more than one day per million working hours has decreased compared to 2011. Additionally, due to the measures taken and trainings provided, severity of accidents was significantly reduced. But every accident is one too much, so we continue to improve our safety programs according to our "zero accident policy".



Yearly health examinations

To underline the importance of employees' health, Pipelife offers various health examinations at its local companies, ranging from general, yearly health checks to specific body assessments, like ECG analysis or lung function tests.



CORPORATE SOCIAL RESPONSIBILITY

CSR – our care

We at Pipelife take our role as a responsible member of society seriously, and for us, Corporate Social Responsibility is more than just making bold statements on our company websites and in our reports. Through involvement and a change in mind set, it is process driven and will lead to a whole new perspective on how Pipelife, through ethical actions and honest communication, serves its many customers and the communities of which it is a member, as well as on how to actively participate in the transparent development of our economic environment.

We care about underprivileged members of society and try to support them as much as possible. Various CSR projects are run on national and international scale, the bigger ones sponsored on Pipelife Group level.

27-27-27 Pipelife around the world

27-27-27 Pipelife around the world

In 2012, Pipelife started a partnership with the Austrian Red Cross in order to support humanitarian projects in all countries in which Pipelife is active. Every month a certain amount of money will be donated to a project in a different country. In total, 27 countries will be covered, with the entire project running for 27 months.

Partnership with the Red Cross

For the first nine months, Pipelife supported a unique training program, organized by the Austrian Red Cross and RedR UK. This training program is aimed at supporting aid workers and humanitarian organizations in the new EU states and Croatia. The program is also supported financially by the European Commission's Humanitarian Aid Department (ECHO).

Assisting people in emergencies relies on the high-capacity levels of the humanitarian workers responding. Therefore, any relief organization needs to make sure that its staff receives the right training in order to be able to respond to disasters and crises effectively and efficiently. In the past 20 years a number of humanitarian organizations with national and overseas activities have emerged in the new EU states. However, opportunities to acquire the needed skills and knowledge have been limited in these countries.

Prepare to respond

The Austrian Red Cross and RedR UK have created a partnership, "prepare to respond", that combines expert skills and knowledge to deliver a unique training program in the region. Together they offer a wide range of trainings to build up and strengthen humanitarian capacities in the new EU countries. The program caters for all knowledge levels with trainings designed for individuals beginning a career within the sector to experienced relief workers looking to develop specialist skills. Diverse programs and methods, skilled facilitators and international groups of a maximum of 20 participants, each with different skills and experiences, will provide the ideal training environment.

The close and productive cooperation with the Red Cross will also continue in 2013 and 2014 and guarantees careful utilization and distribution of the funds provided by Pipelife, as well as professional organization and execution of the sponsored projects.



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