

CONNECT TO BETTER

corporate  
**social**  
responsibility  
report '14



CONNECT TO BETTER

# CSR report table of contents

<b>1. Message from the CEO</b>	<b>3</b>
<b>2. About Wavin</b>	<b>4</b>
2.1. Introduction	4
2.2. Wavin and Sustainability	5
2.3. Wavin's organisational structure and governance	5
2.4. SWOT analysis	7
<b>3. The bigger picture</b>	<b>8</b>
3.1. Our business model and value chain	8
3.2. Our stakeholders	8
<b>4. Introducing our sustainability strategy for 2015 - 2020</b>	<b>14</b>
4.1. Introduction	14
4.2. Our sustainability strategy 2015 – 2020	15
4.2.1. Sustainability area: Reducing our client's footprint	15
4.2.2. Sustainability area: Taking our social responsibility	15
4.2.3. Sustainability area: Responsible employer	15
4.2.4. Sustainability area: Producing responsibly	15
4.3. Deployment of our new sustainability strategy	15
<b>5. Delivering sustainable solutions through our business</b>	<b>16</b>
<b>6. Our 2014 performance</b>	<b>18</b>
6.1. Introduction	18
6.2. Targets	18
6.3. Environmental performance	18
6.4. Social performance	23
6.5. Human resources	26
<b>7. KPI Performance overview</b>	<b>30</b>
<b>8. About this report</b>	<b>31</b>
<b>9. Assurance statement</b>	<b>35</b>



# Message from the CEO

Dear Stakeholder,

I am proud to present you the Wavin 2014 CSR report. In 2014, we continued to make significant progress towards achieving the targets we set ourselves in 2009. As you can read in this report, Wavin has once again reduced its relative energy consumption, CO<sub>2</sub> emissions and waste to landfill. Furthermore, we note a clear improvement in our safety performance following our investments in this area.

All this was achieved while facing continued challenging European market circumstances and internal reorganisation efforts to face these challenges. The fact that we still improved on most of our targets is a tribute to the commitment of all Wavin colleagues. It also confirms the commitment to sustainability performance of our parent company Mexichem. The Wavin CSR results are consolidated in the overall Mexichem CSR reporting.

Through our participation in TEPPFA, The European Plastic Pipes and Fittings Association, we contribute to Environmental Product Declarations (EPDs) for many of our products. EPDs compare the environmental performance of plastic pipes and fittings to pipes and fittings made of alternative materials. The results show that on average the environmental footprint of plastics is substantially lower than that of alternative materials. Wavin will continue to underline the environmental benefits of plastics for pipes and fitting compared to alternative materials.

## Sustainability Strategy

2015 is the final year of our current sustainability agenda 2008-2015. As we are about to embark on a new sustainability strategy, we reconfirm our ambition to realise the challenging targets we set ourselves in 2009 and revised in 2010. Since the development of the 2008 sustainability strategy, Wavin has actively implemented resource saving projects such as energy conservation projects, transport optimization and recycling of plastics. We have become the European leader in plastics recycling in our industry, which is another good example of how we adapt our business model and reap the benefits of sustainable business practices. We continue to explore opportunities to increase the percentage of recycled materials in our products in the coming years. This commitment is integral to reducing the environmental impact throughout our value chain.



We have set the industry standard over the past few years, but we fully recognize that more is to be done. It is our firm belief that sustainability is key in Wavin's strategy to remain the market leader in our business. Customers and end-users increasingly value our approach to sustainability in both our products and production processes. It is our continued ambition to be at the forefront of sustainability within our industry and even within our value chain.

## Sustainability Strategy 2015 - 2020

This sustainability report introduces the new Wavin sustainability strategy. The sustainability strategy will guide our efforts for the coming 5 years. Within the new sustainability strategy we continue to set challenging internal targets for, amongst others, environmental footprint and health & safety. In addition to the continuation of our internal programs, we now place more emphasis on the economic and environmental value of our products to our customers and end-users. In the coming year, we will deploy our new sustainability strategy throughout the organisation.

I look forward to presenting our detailed 2015-2020 sustainability strategy to you in the CSR report 2015.

**Maarten Roef**  
President & CEO

# 2. About Wavin

## 2.1. Introduction

Wavin is a member of the Mexichem Group and is the world leader in plastic pipe systems for residential, non-residential and civil engineering projects. Wavin provides solutions for all projects above and below ground: water management, heating and cooling, water and gas distribution, waste water drainage and cable ducting. Our roots lie in the search for safe and environmentally friendly distribution of drinking water. Over the years, we have included sustainability related improvements not only in our operating procedures and processes, but especially in our offerings to the market. The current business landscape, where sustainability-related issues are high on our customers' agendas, brings many opportunities.

Key figures		
	2014	2013
FTE's	5,484	5,541
Revenue	€ 1.2 billion	€ 1.2 billion
Carbon emissions	158,480 tons CO <sub>2</sub>	157,939 tons CO <sub>2</sub>
Energy use	1,420,359 GJ	1,418,291 GJ
Use of recycled material	37,876 tons	42,443 tons
Waste to landfill	1,062 tons	1,138 tons
Potable water use	464,000 m <sup>3</sup>	239,000m <sup>3</sup>

## Wavin's vision

To be respected and admired as the sustainable, recognized world market leader of plastic pipe systems and solutions.

## Wavin's mission

To generate continuous value for our customers, employees, partners, and shareholders. For our customers we are the supplier of choice due to a complete, competitive, innovative and sustainable portfolio for above and below ground plastic pipe applications.

## Wavin product ranges made with recycled material

There is a widespread market demand for construction products that are more environmentally friendly. Both legislation and tenders increasingly include a contribution to a sustainable world. End-users demand innovative systems that consume less energy, demonstrate a lower carbon footprint and are more sustainable throughout their entire life cycle.



Using recycled materials in our systems is one of the options that can fulfil many of these needs. At Wavin, we have used recycled material in our products since the early 1990's. Today, a large array of Wavin products such as rainwater infiltration units, inspection chambers, twin-wall pipes, cable protection pipes and waste water pipes contain recycled material. All Wavin products fulfil the highest standards and functional requirements, whether they were made with virgin or recycled material.

Our production engineers and product designers are highly motivated to increase the use of recycled material. For more details about our recycling processes and/or recycled raw material, please contact your local Wavin organisation or send an e-mail to [sustainability@wavin.com](mailto:sustainability@wavin.com).

## 2.2. Wavin and Sustainability

We are convinced that Wavin's long-term success depends on how our organisation and business model incorporates social and environmental dimensions of doing business. Sustainability distinguishes Wavin from its competition and creates attractive opportunities for our business. Our approach to sustainability helps us to improve the efficiency of our operations, to develop client and supply chain relationships, to attract and retain talent and drives innovation in the construction value chain. We believe that thanks to our balanced approach to doing business sustainably we will continue to meet, and even exceed, the expectations of our current and future stakeholders.

Sustainability is linked to the following areas:

- Safety of our workforce;
- Solutions we provide for end-users;
- Efficiency of our operations;
- Our reputation.

Sustainability is an integral part of our strategy.

Wavin aims to:

- Develop products and systems that have a minimal impact on the environment throughout their life-cycle: from the sourcing and selection of materials to the manufacturing process, distribution and re-use and disposal;
- Be a leader in the development of sustainable products and solutions which can, in turn, also help our customers achieve their own sustainability targets;
- Remain aware, at all times, of the wellbeing of our employees and of the people who install and use our products and solutions. This means, for instance, that we design our products to ensure safe manufacture, distribution, installation and use in demanding circumstances.

## 2.3. Wavin's organisational structure and governance

In 2012, Wavin became part of the Mexichem Group, the Latin American leader in pipe systems and petrochemicals. Detailed information concerning Mexichem can be found at [http://www.mexichem.com/English/informes\\_anuales.html](http://www.mexichem.com/English/informes_anuales.html).

The Wavin Group headquarters are located in Zwolle, the Netherlands. We have a direct presence in over 25 countries with 30+ manufacturing sites, mainly in Europe. For a list of the countries we have a direct presence in please refer to <http://www.wavin.com/web/countries.htm>.

Outside Europe we operate through a global network of agents, licensees and distributors. Wavin employs some 5,500 people and has annual revenues of around € 1.2 billion.

Wavin is organized in four regions, led by Regional Directors. Together with the Management Board, the Executive Director of Marketing & Technology and the Executive Director of Supply Chain Optimization and Operational Excellence, the Regional Directors form the Wavin Executive Committee. The Wavin Supervisory Board oversees the performance and strategy of the Management Board, taking into account the interests of all the company's stakeholders. As a result, the Supervisory Board also oversees Wavin's CSR performance. The Supervisory Board consists of six members, each appointed for a four-year term.

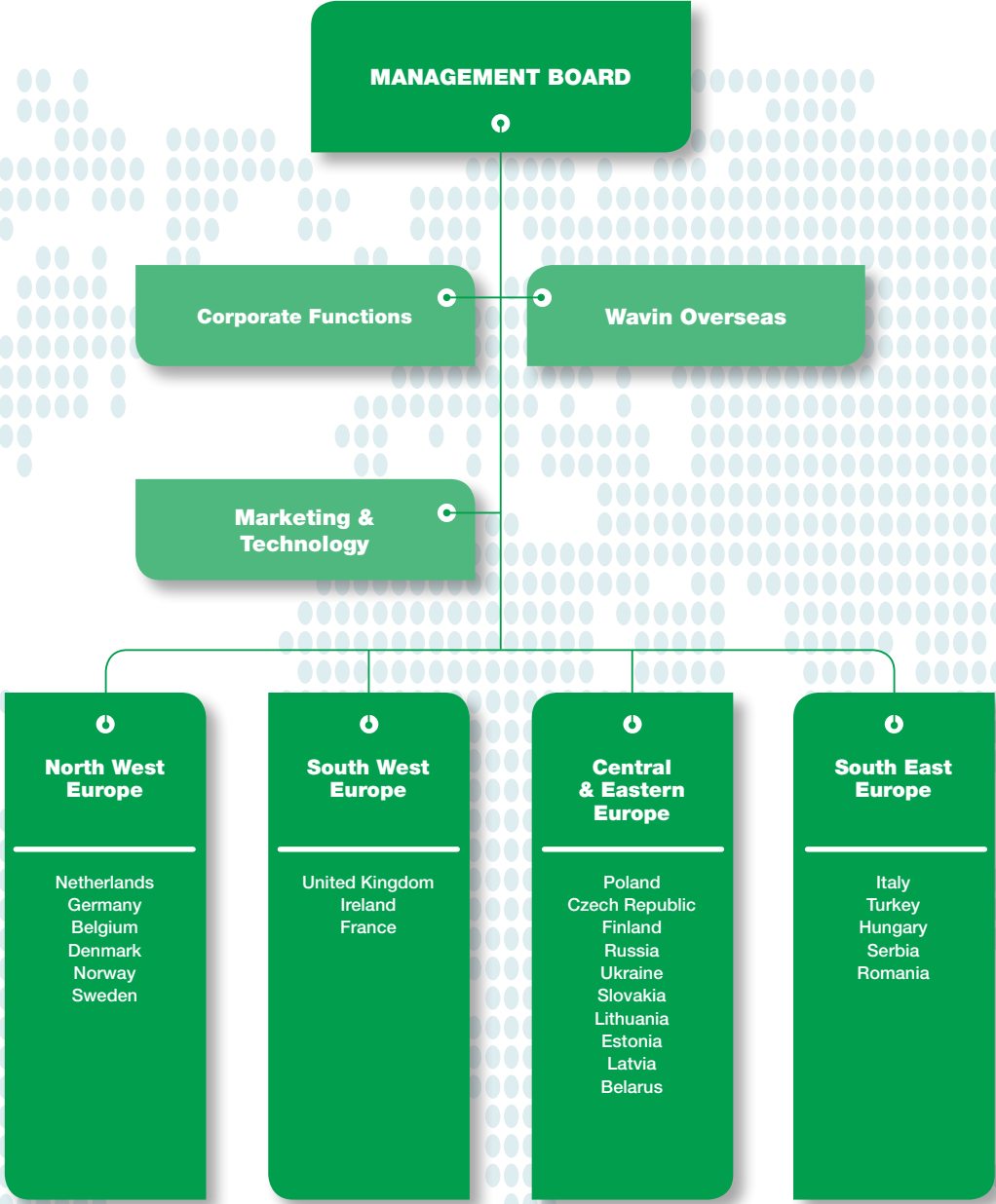
For information on the composition of the Boards, please refer to our website:

<http://www.wavin.com/web/about/organisation/management-board.htm>

and

<http://www.wavin.com/web/about/organisation/supervisory-board.htm>

# Wavin's organizational structure



# SWOT analysis

## Strengths

### Research and innovation

Throughout its history Wavin has set new standards for our industry. Our innovation programs ensure that we meet and exceed our customer expectations. More than 20% of our turnover comes from products which have been on the market for less than five years.

### Quality products

The Wavin product portfolio is comprehensive and unrivalled in its breadth and depth. All our operations are dedicated to providing assured availability, competitive pricing and timely delivery to match our customers' expectations. Our existing products and systems that are proven in service are also kept under constant review.

### Environmental & recycling programs

Thanks to these programs we significantly reduced our environmental footprint.

## Weaknesses

### Perception of plastics industry

New insights based on thorough researched life cycle assessments demonstrate that plastic pipe systems have a lower environmental impact than conventional material. In the public eye, we can further improve a positive perception of plastics in comparison to conventional materials, by communication the positive outcome of independent research.

### Diversity

Historically, our industry is a male oriented industry. We acknowledge that mixed teams are a prerequisite for a successful company and continue to take initiatives to increase support for the female staff.

## Opportunities

### Substitution

Alternative materials are increasingly replaced by easy to install sustainable plastic solutions.

### Climate change

Annual levels of intense rainfall are projected to increase. At the same time urbanization leads to a decrease of the natural rain water absorption capacity. We provide innovative systems to cope with these challenges.

### Energy efficiency of buildings

Sustainability is a key issue as is reflected in increased energy-saving legislations for buildings on national and EU level. We provide systems which are more energy efficient than conventional systems.

### Innovation in construction markets

Population growth and the increasing number of single person households drive the development of new housing projects. Main drivers for renovation are the demand for comfortable and energy efficient houses and office buildings. Our innovative systems fit with these developments.

## Threats

### Economic uncertainty

Lower consumer confidence, stagnating real estate markets and reduced government spending have negative impact on the building sector in Europe.

### Competitive environment

Over-capacity in the plastic pipe systems industry causes pricing pressure.

### Sourcing

The rising costs of raw material needs to be passed on to the markets in a timely manner.

### REACH legislation impacting plastics recycling

Proposed changes in REACH could severely impact plastics recycling industry in Europe.

# 3. The bigger picture

## 3.1. Our business model and value chain

The overview on page 9 illustrates how Wavin creates sustainable value. We identified the sustainability risks and opportunities per business process and continue to adjust our business model to these opportunities and risks. In the end, we create sustainable value for our stakeholders through the environmental performance of our products, our highly efficient production processes and our way of doing business. As a result, our customers enjoy highly reliable and high quality products, our employees enjoy a safe working environment, are well trained and compensated, and our processes have a minimal impact on the environment and a positive impact on our social environment.

### Sustainability opportunities and risk in the construction value chain

Wavin provides building materials to the construction industry. Please find below the CSR opportunities and risks we have identified throughout our value chain. We do not just accept these risks, but mitigate them with an organized approach, including CSR policies, operational plans and procedures.

## 3.2. Our stakeholders

As Europe's leading plastic pipe system provider our business is directly linked with, and has an impact on, a variety of stakeholders. We communicate actively with employees, customers, suppliers, trade organisations, governmental agencies and NGOs and discuss a variety of issues with them, including those directly linked to sustainability. Our Management Board actively engages our stakeholders through their involvement in commercial activities in the regions, as well as through other platforms such as participation in the TEPPFA Executive Board and various working groups.

Wavin interacts with various groups of stakeholders at both corporate and local levels. We strive to create platforms and participate in working groups to listen closely to stakeholder concerns and we organize effective dialogues. The subjects of these dialogues are taken into consideration when deciding on the content of our sustainability plan and influence the key topics discussed and presented in this report.





Step in the value chain	Risks	Opportunities	Wavin's approach
<b>Sourcing of input materials</b>	Sustainability risks in the supply chain.	Engaging with suppliers	Wavin has sustainable purchasing programs in place. We drive sustainability in our value chain by communicating sustainability targets to our suppliers.
	REACH compliance	More recycled input	Wavin is determined to continue to increase the amount of recycled input materials in our products. Together with our partners we have established sophisticated recycling projects to obtain end-of-life plastic products.
	Stakeholder concerns on plastics	Evidencing performance with LCA	REACH is likely to have a profound impact on the European recycling industry. Please refer to page 20 for more information on this subject.  Wavin contributes to the development of LCA and EPD reports initiated by TEPPFA. These reports scientifically prove that using plastics for pipes and fittings leads to lower environmental impacts compared to alternative materials such as copper and concrete.
<b>Transport of materials to Wavin factories</b>	Environmental impact of transporting goods	Local sourcing	Wavin is actively seeking to decrease the distance between our material suppliers and the factory location. If the distance is shorter, less fuel is needed to transport materials to our factories which in turn results in lower carbon emissions.
<b>Manufacturing the product</b>	Inefficiencies	World class producer of plastic pipes and fittings	This is the step in our value chain where we have most control. We have several programs in place to increase our safety performance, our energy- and material efficiency. The results and our targets can be read throughout this report.
	Environmental impacts	Lean production processes	Furthermore, we will continue to stimulate new energy saving projects as we see clear environmental and financial benefits resulting from past investments.
	Health & safety		Wavin has extensive Health & Safety management processes in place and we continue to manage Health & Safety as any other critical business activity.
<b>Transport of products to end-user</b>	Environmental impact of transporting goods	Offering clients green transportation and sustainable supply chain	One of the elements we track as part of our CO2 footprint is the kilometres for transporting our products. The analyses of data collected may lead to a redesign of our packaging units for our logistic network in Europe.
<b>User phase of products</b>	The products do not deliver the expected sustainability advantages	Comfort, reduction of energy consumption, ease of installation, substitution of traditional materials by plastics	Within the industry organisation TEPPFA, we determine full environmental performance of plastic pipe systems via Life Cycle Analyses. The results are published in the related Environmental Product Declarations. These are publicly available at <a href="http://www.teppfa.eu">www.teppfa.eu</a> .  We are also constantly researching how we can improve our products in the user phase. To this end, we are creating innovative products and solutions. Examples include systems that increase the comfort of living, products that help our customers build green buildings and products that support in reducing energy consumption.
<b>End-of-life</b>	Waste of valuable products  Products that are not REACH compliant	Closing the loop  Efficiency in the use of valuable resources	We are currently active in increasing the conversion of recycled materials in our products. We have numerous recycling projects in place to obtain end-of-life plastics. A risk is that some of the collected plastics for recycling contain legacy additives, which make it difficult to recycle under proposed changes to REACH regulation. This could force us to limit the recycled input materials in our products, thus shifting to virgin materials.

## Engaging our industry

Wavin is an active member of a number of associations. We participate in initiatives that focus on improving sustainability within our industry. Key stakeholders where Wavin actively participates in discussions on sustainability are:

- **TEPPFA**

The European Plastic Pipes and Fitting Association:



Recent issues include is the development of industry wide Environmental product declarations (EPD) and product life cycle analysis (LCA) in order to understand and communicate the environmental impact of our products. More information can be found on [www.teppfa.eu](http://www.teppfa.eu).

- **Vinyl Plus**

Represents the PVC industry's commitment to recycling. Wavin is a leading recycler of PVC in Europe and we have ambitious targets to continue expanding in this area. To do so we are working with our peers, industry experts and suppliers to find areas where we can develop further. See [www.vinylplus.eu](http://www.vinylplus.eu) for more information.



- **PVC4Pipes**

Via Wavin Overseas, Wavin is a member of PVC4Pipes, a global organization with the mission of developing and promoting sustainable PVC piping systems in the global market. Members are drawn from all sections of the industry, from raw materials supply to pipe systems manufacture, testing institutes and promotional organizations.



## Engaging our customers

Our customers and end-users are key stakeholders for Wavin. They enjoy safe drinking water and hygiene and simultaneously lower their own environmental impacts through daily use of our products. We actively engage our customers at both corporate and regional level and listen to their needs and concerns. This is done by organizing trainings and visits to our production sites, Wavin Academies, and our R&D centre in the Netherlands.

We also conduct customer surveys through our network of account and sales managers in order to measure customer satisfaction and get their opinion on the latest issues in our industry such as sustainability and green building certification.

Other tools for customer oriented stakeholder engagement include:

- Corporate and local websites showcasing our sustainable solutions in energy efficient heating and cooling systems, storm water management systems and recycled products;
- Brochures highlighting the impact of using our products on achieving LEED and BREEAM certification due to heightened attention to Green Building Certification and Green Building Products in the construction industry;
- Tradeshow and exhibition participation;
- Press releases and media communication showcasing Wavin's activities in the market;
- Newsletters.

## Wavin Academy supports professional development of customers

**The Wavin Academies are a physical training and meeting centers, often supported by a dedicated website. The purpose of the Wavin Academy is to support our customers in further developing their competences as this increases the success of both our customers and ourselves.**

The centres have a strong focus on Wavin's innovations, with meeting rooms designed to conduct training courses and showrooms where practical skills can be trained. Currently, Wavin has Academies, in Adana (Turkey), near Bologna (Italy), Prague (Czech Republic), Hammel (Denmark) and Varennes-sur-Alliers (France).

## The dilemmas we face:

### who is the customer in the construction industry value chain?

An urban environment that makes use of sustainable building techniques is one of the crucial success factors for a resource constraint world.

Buildings have an average lifetime of 30 up to 50 years. So what is build today, will impact energy consumption, carbon emissions and in general quality of life for decades to come. In the current economic circumstances, some engineering or construction companies might choose building solutions that have low initial cost, such as conventional surface heating & cooling solutions.



However, the end-user of the property will be burdened with higher energy bills as the chosen solution might be less efficient than other solutions.

As a result and over the lifetime of a property, a cheap solution during the construction phase might prove to be more costly in the long term for the end-user. This poses a dilemma: how can the actual customer be identified and how can potentially conflicting interests within the construction value chain be aligned?

### Engaging our Employees

As a responsible employer, we ensure that we affirm the role of our employees in our organisation and regularly collect their feedback and engage them on matters at hand. The past year has been very dynamic in terms of an updated corporate strategy, organisational changes and the integration into the Mexichem group. Furthermore, we are continuously enhancing our product portfolio and location of our sites. Both developments have an impact on the composition and size of our workforce. Employee engagement channels proved to be crucial in communicating these changes and involving employees in identifying key concerns and solutions

Employee engagement tools include:

- Regular Executive Committee meetings where key issues are discussed and agreed;
- Town hall meetings where management executives explain upcoming developments and collect feedback from the local staff;
- The Wavin Group intranet, an integral part of the real time distribution of information and news throughout the Group;
- Internal newsletters. These are distributed regularly at both corporate and local levels showcasing key events, issues, ongoing projects, people and job changes and strategy updates;
- Local community bodies and local work councils;
- The Wavin European Consultative Council providing a forum for discussing company issues beyond national borders with the Management Board.

## Engaging our Suppliers

Our company conducts business in such a way that it complies with all the legislation and widely-accepted standards related to fairness and human decency, including the UN Global Compact, the UN declaration of Human Rights and ILO conventions. We also have a Group-wide program in place to reduce our environmental impact in all chains of our primary processes. The key aim is ensure sustainable development initiatives are implemented and driven throughout the supply chain.

All Group-qualified suppliers have signed umbrella agreements comprising also the Wavin Supplier Code of Conduct. Furthermore, regular audits have been held at random suppliers thus assessing compliancy in practice and throughout their part of the supply chain. All our suppliers are expected to comply with our business principles. For suppliers that are not able to meet our business principles, an improvement action plan shall be agreed on and in case of failing improvement, the contract shall be terminated.

The Supplier Code of Conduct is reviewed annually and amended if needed. Recent revisions of the program include, but are not limited to:

- The inclusion of a REACH declaration to ensure REACH compliance in our supply chain;
- Further development of the Supplier Risk Assessment methodology.

## Summary of stakeholder engagement

In the table on page 13 you will find an overview of the ways of communication with, and expectations of our stakeholders.



Stakeholder	How we engage our stakeholders	Expectations of stakeholders	Link to information in this report
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Day-to-day contacts</li> <li>• Employee engagement surveys</li> <li>• Training</li> <li>• Intranet</li> <li>• Unions and works councils</li> </ul>	<ul style="list-style-type: none"> <li>• Healthy and safe workplace</li> <li>• Job security</li> <li>• Training and development opportunities</li> <li>• Sound working conditions and fair compensation package</li> </ul>	<ul style="list-style-type: none"> <li>• Social performance</li> <li>• Human resources</li> </ul>
<b>Local community</b>	<ul style="list-style-type: none"> <li>• Day-to-day contacts</li> <li>• Visits and meetings</li> <li>• Local media</li> <li>• Community investment</li> </ul>	<ul style="list-style-type: none"> <li>• Job opportunities</li> <li>• Responsible corporate citizen</li> </ul>	<ul style="list-style-type: none"> <li>• Human resources</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Day-to-day contacts</li> <li>• Customers support</li> <li>• Company visits &amp; facility tours</li> </ul>	<ul style="list-style-type: none"> <li>• Reliable product</li> <li>• Dedicated services</li> <li>• Ease of installation</li> <li>• Sustainable product and sustainable advantages</li> <li>• Fair balance in price and quality</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental performance</li> <li>• Our 2014 performance</li> </ul>
<b>End-users</b>	<ul style="list-style-type: none"> <li>• Selectively day to day contact</li> <li>• Information on websites, flyers, leaflets, etc.</li> <li>• Advertising and promotions</li> </ul>	<ul style="list-style-type: none"> <li>• Durability</li> <li>• Performance delivered</li> <li>• Sustainable products</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental performance</li> <li>• Our 2014 performance</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>• Day-to-day contacts</li> <li>• In audits and meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Long-term relationship with Wavin</li> <li>• Fair price</li> </ul>	<ul style="list-style-type: none"> <li>• Our stakeholders</li> </ul>
<b>Governments</b>	<ul style="list-style-type: none"> <li>• Meetings, disclosures</li> <li>• TEPPFA</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance</li> <li>• Participation in local, national and international projects</li> </ul>	<ul style="list-style-type: none"> <li>• Our 2014 performance</li> </ul>

# 4. Introducing our sustainability strategy for 2015 – 2020

## 4.1. Introduction

In 2014, we developed a new focus to our sustainability strategy 2015 - 2020. By reviewing our sustainability risks and opportunities against global trends – population growth and the new middle class, urbanization, long-term constraints of natural resources and climate change – we evaluated how these will impact our key customer sectors by 2020.

This process led to a framework on sustainability. This framework guides the efforts of our operating companies. Our new framework sets the direction for our ambitions. It reflects our activities from the perspective of our clients, employees, applicants for jobs, shareholders, and society. It displays our vision heading towards 2020, and identifies

the key drivers needed to make this vision come to life. This structure will help us drive the agenda and communicate our sustainability objectives, both internally and externally. It also translates these into specific company-wide programs, now and in the future.

We have added examples of key performance indicators (KPIs). Several of these KPIs are already in place, while others are under development. During 2015, we will further develop programs and related reporting structures. As our sustainability strategy further evolves, new KPIs might be added while others may be abandoned if they turn out to be obsolete.



#### **4.2.1. Sustainability area: Reducing our client's footprint**

Sustainability of the built environment is a driving force in our product innovation, portfolio and customer oriented processes. Our clients choose our products because they can be installed with minimal disturbance during the installation process and because our products have a lower environmental impact compared to alternatives. Our products demonstrably improve the environmental performance of the buildings and surroundings they are used in, have a longer lifespan and lead to significantly lower maintenance costs. As a result, total cost of ownership is significantly lower compared to alternative materials. Our clients choose our products because they recognize and value the long term environmental and financial saving potential of our products besides the comfort of living.

#### **4.2.2. Sustainability area: Taking our social responsibility**

We pro-actively develop, maintain and strengthen the relationship we have with communities close to our sites. We contribute to the quality of life of underprivileged communities through partnerships in which our products and competences are used. It is important for us that local communities welcome our facilities and trust our people. Our stakeholders acknowledge our contribution in providing clean drinking water and proper sanitation for children in need. We invest in long term relationships with our suppliers and contractors. We do not sacrifice long term value for short term financial gains. Our suppliers do business with us because we share knowledge and help each other improve.

#### **4.2.3. Sustainability area: Responsible employer**

Health and Safety is a crucial part of our culture and business ethics. Safety is always our first priority. We aim to have zero accidents and incidents, being in control of all safety risks. The commitment we show towards occupational safety, is matched by our drive to provide a working environment contributing to strong team spirit our company's long-term goals. We believe the expertise, commitment, and well-being of our employees are critical to our success. The expertise, commitment, competitiveness and well-being of our employees are critical to our success. It is our objective to provide a working environment that fosters a strong team spirit

and contributes towards our company's long-term goals. For this we aim to have people that are committed, motivated and have the skills to meet the demands of our business partners. We aim to instil our corporate values within all our employees. The key vehicle for our corporate values is our Code of Ethics.

#### **4.2.4. Sustainability area: Producing responsibly**

We do everything that is economically feasible to limit our environmental footprint and aim to achieve climate neutral production. Our customers do business with us in part because we demonstrably qualify as the most sustainable producer in terms of our environmental footprint. We aim to base our production processes on circular value chains. Our goal is to remain the number one plastic recycler of Europe in our industry and to increase the percentage of recycle in our product offering.

#### **4.3. Deployment of our new sustainability strategy**

From January 2015 onwards, our focus will be on systematically improving the programs and metrics that follow from the new framework. We will further embed key sustainability issues in our corporate, business and functional processes – strategy and planning, risk management and internal control, compliance, the operational review cycle, as well as in our internal audit and external assurance processes. We will continue to set group-wide standards for health and safety, environmental protection, product stewardship and compliance, including social and labour aspects.

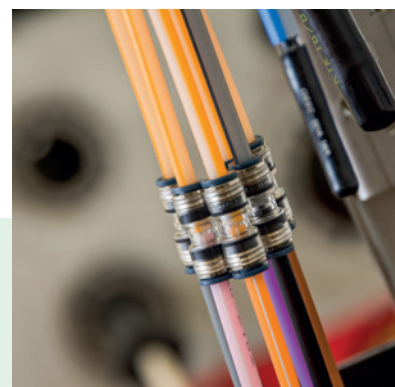
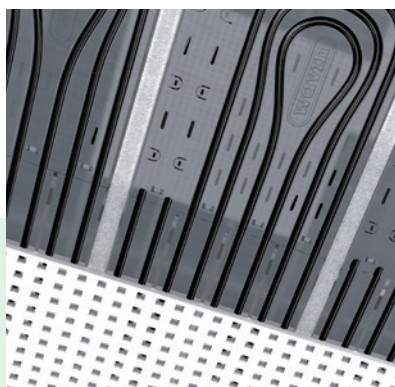
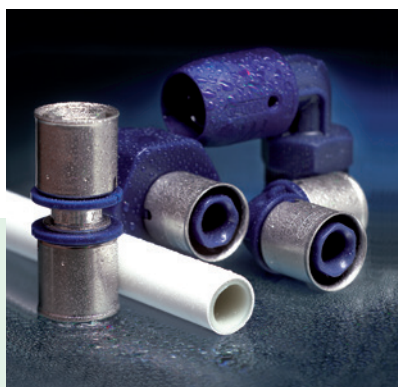
Specifically, we will investigate:

- The ambition level per sustainability theme and appropriate programs, KPI's and targets;
- How targets are to be embedded in the annual appraisal of our staff and management;
- The need for a sustainability maturity ladder to guide the efforts of our operating companies;
- The need for training and other engagement processes, including business and site level activity, as well as web-based resources;
- How we can empower all employees to contribute to and be accountable for our sustainability performance.

We look forward to report on the detailed strategy in our 2015 CSR report.

# 5. Delivering sustainable solutions through our business

## Connect to better reliability, safety and cost-effectiveness



### Hot & Cold

At Wavin we care about the quality of drinking water: it is the most precious of all natural resources. Our extensive range of pipe systems sets the highest standards for safety and hygiene.

Customers choose Wavin's drinking water systems because of:

- ⌚ Availability of complete lead-free systems;
- ⌚ Corrosion free: No scale build-up since, smooth surfaces limit bacterial growth;
- ⌚ Low environmental impact - Wavin's plastic pipe systems for hot and cold installation have a lower environmental impact than those made from alternative materials;
- ⌚ Easy and fast installation;
- ⌚ Designed and tested for a minimum lifetime of 50 years.

### Surface Heating & Cooling

Wavin's surface heating & cooling systems guarantee a comfortable indoor climate, and save energy as well as costs. The low-energy consumption makes Wavin's systems perfectly suitable for using renewable energy sources.

Wavin's surface heating & cooling solutions help the end-user in achieving their sustainability goals by:

- ⌚ Reducing energy consumption by up to 37%;
- ⌚ Reducing CO<sub>2</sub> emissions up to -20%;
- ⌚ Contributing to Green Building Certification. Wavin solutions can contribute up to 15-25% of GBC score (such as LEED and BREEAM).

### Cable Ducting

The telecommunications industry is innovating rapidly. Despite the growth in wireless networks, the demand for high-performance data cable networks remains massive.

Key characteristics of our cable duct systems are their durability (longer lifetime) and they are easy to expand or upgrade with the newest state-of-the-art technology.

Wavin's telecommunications solutions benefit the end-user in:

- ⌚ High-quality ducts with a long life-span; no future costs of repairing and refilling when capacity has to be increased;
- ⌚ Securing telecom networks to even the most remote areas.

The customized solutions combined with the system's flexibility in upgrading and expansions, creates a long life-span and sustainable system use.





## Storm Water Management

**Climate change brings intense rainfall. This means increased threat of urban flooding. Manage excess rainwater effectively and you boost sustainability.**

Wavin offers you complete solutions for rainwater drainage, cleaning, infiltration and attenuation.

Our systems are:

- ① Efficient in handling large amounts of rainwater;
- ① Strong and robust, lasting more than 50 years;
- ① Light weight and easy to install: most do not require heavy equipment when installing;
- ① Available with up to 100% recycled material.



## Soil & Waste

**When you discharge waste water from domestic, industrial and commercial buildings, you need robust, reliable and sustainable systems. Plastic pipe systems are the proven solutions.**

A special low-noise system is designed for user comfort, significantly reducing undesirable noise from waste water systems.

The sustainability benefits of our soil and waste systems are:

- ① A low environmental impact - Wavin's plastic soil and waste pipe systems made from PP and PVC have a lower environmental impact than those made from ductile iron<sup>1)</sup>;
- ① Reduced weight compared to cast iron;
- ① The discharge system can last over 100 years without corroding or needing replacement;
- ① High temperature and chemical resistance ensure the system's reliability, life span and durability.



## Foul Water

**Wavin has over 60 years of experience in the development and production of innovative pipe and chamber systems. Transporting waste water from domestic, commercial and industrial buildings to treatment plants demands reliable and durable systems.**

You need to safeguard both human health and the environment – and do so at acceptable cost.

The comprehensive product range:

- ① Includes recycled plastics where possible;
- ① Is durable, corrosion-free;
- ① Exceeds high requirements to safeguard human health and the environment – and do so at acceptable cost;
- ① Makes it possible to inspect and maintain the sewage transport systems which enable a long life and high performance;
- ① Has flexible connectors, making the installation process easy.

<sup>1)</sup> Results retrieved from an independent study following ISO 14040 and 14044, conducted by VITO and validated by Denkstatt: Environmental Product Declaration PP & DI; PVC & DI

# 6. Our 2014 performance

## 6.1. Introduction

The 2014 targets reflects the perception of sustainability during the creation of the current strategic agenda in 2008. Since 2008, our interpretation of sustainability has evolved from a hygiene factor focusing on internal processes into a strong business driver. For Wavin, sustainability has become a driver for value creation rather than a tool for image boosting and cost reduction. The focus is shifting from internal activities and cost reduction strategies towards a focus on better products adding value to customers and end-users.

## 6.2. Targets

In 2008 we formulated a set of environmental reduction targets to be reached by 2015, and we have been monitoring our progress in these areas since 2008. These targets have been specified in relative figures so as to eliminate any effect of changes in production volume. In 2012, some of targets for 2015 were already achieved. To continuously challenge the organisation in the field of sustainability the management board introduced stretched targets.

Wavin achieved significant progress in most indicators and has been able to exceed our 2014 targets for energy, carbon emissions and waste-to-landfill. However, our use of recycled material in products decreased compared to last year as a direct result of changes in French legislation. Due

to scheduled maintenance, our water reuse equipment was inoperative at one of our plants, negatively impacting our water to sewer performance. We recognize that continuously improving our sustainability performance is progressively difficult. However, we remain committed to continuous improvement and will work very hard to achieve the stretched targets we set for 2015.

## 6.3. Environmental performance

### Energy consumption & carbon emissions

Energy is a substantial portion of direct costs when manufacturing pipes and fittings. Our energy consumption is an indicator of the efficiency of our processes and a key focal point for our environmental and operational excellence programs. For details on our energy use and how we account for energy and carbon emissions, please refer to the chapter 'About this report'.

Over the last few years, we have invested significantly in new technology and new machines. On a group level we set up a dedicated budget which can be used for energy-saving investments. We expect the effect of our investments in cleaner, more efficient equipment to increase as our production levels increase following further economic recovery. We will continue to invest in cleaner equipment and new machines.

CSR target	Initial target 2008 – 2015	Stretch target 2008 - 2015
Reduce GHG emissions	-20%	-20%
Reduce Energy usage	-10%	-13%
Increase usage of recycled materials	+50%	+90%
Reduce waste to landfill	-40%	-50%
Reduce water to sewer	-30%	-50%
Reduce lost time injury accidents	2.5	2.5

Corporate Social Responsibility Targets	Actual 2014	Change 2013 – 2014	Change 2008 – 2014	Target 2008 – 2015	Stretch target 2008 – 2015	2008*	2013*
Reduce GHG emissions	390 kg/tonne	-3.3%	-17.1%	-20%	-20%	470 kg/tonne	403 kg/tonne
Reduce energy usage	3.49 GJ/tonne	-4.5%	-10.0%	-10%	-13%	3.88 GJ/tonne	3.66 GJ/tonne
Increase usage of recycled materials	93 kg/tonne	-14.2%	+38.4%	+50%	+90%	67 kg/tonne	109 kg/tonne
Reduce waste to landfill	2.61 kg/tonne	-10.3%	-63.7%	-40%	-50%	7.20 kg/tonne	2.91 kg/tonne
Reduce water to sewer	1.01 m³/tonne	49.6%	-10.6%	-30%	-50%	1.13 m³/tonne	0.68 m³/tonne

By the end of 2011, we exceeded the renewed target that was set for usage of recycled materials in that year. We increased the amount of recycled material in some of our products, like multilayer pipes with a recycled inner core. To keep the target challenging, we decided to set ourselves a stretch target to further increase our use of recycled material by 90% by 2015 as compared to 2008. This stretch target

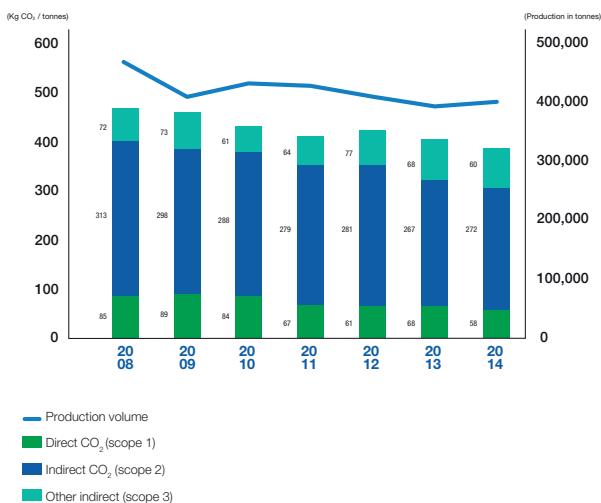
proved to be too ambitious for 2014. Compared to 2013, we experienced a decrease in both the absolute amount of recycled material and the ratio of recycled material per ton production. This decrease can be related to changes in French legislation concerning product requirements. Despite challenging circumstances, we continue to operate under the stretch target we set for 2015.

Energy consumption (GJ)	2008	2009	2010	2011	2012	2013*	2014
<b>Direct Total</b>	<b>514,328</b>	<b>451,760</b>	<b>472,027</b>	<b>398,223</b>	<b>335,308</b>	<b>414,089</b>	<b>362.220</b>
Heating oil	32,721	20,017	19,445	18,005	5,681	17,732	4.525
Natural Gas	474,003	423,426	441,767	372,087	321,429	339,537	307.754
Renewable sources	7,604	8,318	10,815	8,131	8,198	56,821	49.941
<b>Indirect -Total</b>	<b>1,278,809</b>	<b>1,092,799</b>	<b>1,173,548</b>	<b>1,150,948</b>	<b>1,113,237</b>	<b>1,016,263</b>	<b>1.058.139</b>
Electricity	1,278,809	1,092,799	1,173,548	1,150,948	1,113,237	1,016,263	1.058.139
<b>Total</b>	<b>1,793,137</b>	<b>1,544,559</b>	<b>1,645,575</b>	<b>1,549,171</b>	<b>1,448,545</b>	<b>1,430,353</b>	<b>1.420.359</b>

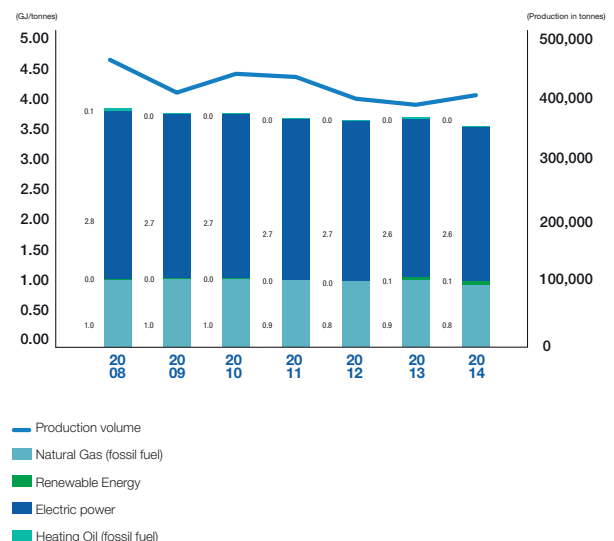
\* Energy data has been updated following progressive insights.

CO <sub>2</sub> emissions (tonnes)*	2008	2009	2010	2011	2012	2013	2014
Direct CO <sub>2</sub> (scope 1)	39,442	36,225	36,785	29,229	24,834	26,508	23.439
Indirect CO <sub>2</sub> (scope 2)	144,321	121,029	126,043	121,024	114,059	104.422	110.653
Other indirect (scope 3)	33,305	29,613	26,590	27,714	31,249	26.587	24.388
<b>Total</b>	<b>217,068</b>	<b>186,869</b>	<b>189,418</b>	<b>177,967</b>	<b>170,142</b>	<b>157,518</b>	<b>158.480</b>

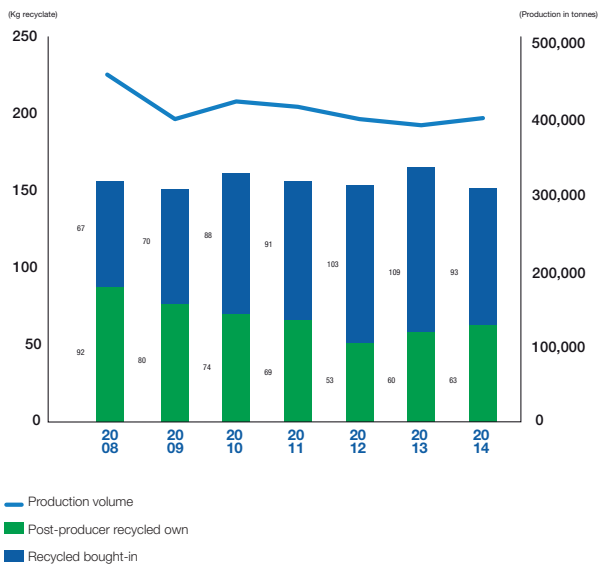
### Greenhouse Gas Emissions



### Energy consumption



## Recycled input materials per ton production



## Waste disposal

Overall, our produced waste amounts to less than 2% of our total production. Our waste management program aimed at separating recyclable and non-hazardous waste at source has been effective. The amount of non-hazardous waste sent to landfills has decreased and our waste recycling increased. By taking environmental effects into consideration during the product development phase we also limit the use of environmentally-harmful materials. This comprehensive management of hazardous substances also ensures our employees are not exposed to any unnecessary risks.

In the Netherlands, Germany and Sweden, we have also been diverting our waste to energy incinerators after separating the recyclable waste. This practice has proven to be very effective in reducing our waste to landfill. We set ourselves a further stretched target in order to stimulate more operating companies to adopt this practice.

# The dilemmas we face:

## Recycling and REACH

Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) is a European Union Regulation of 18 December 2006. REACH addresses the production and use of chemical substances, and their potential impacts on both human health and the environment.

Since 2007 substances have to be registered at the European Chemicals Agency (ECHA) and are evaluated regarding HSE aspects. Member states can request ECHA to place substances on the candidate list of Substances of Very High Concern (SVHC) in which case they get further investigation and could be placed on the Authorization list and eventually go into a Ban/Restriction procedure. At present about 150 substances are on the candidate SVHC list or have already been banned/restricted. Compliance to REACH is considered an intrinsic part of our product stewardship.

Through recycling projects initiated by Wavin, plastic products which have reached their end of life are collected, sorted, enriched and processed in such a way that they can be used in the production of new Wavin products. As a result, Wavin products require far less raw materials than comparable products. The advantages are clear as it leads to a reduction in waste, reduction in resource consumption and reduction in emissions related to converting raw materials in our plants. Recycled plastics are processed in our products in such a way that end-user safety is guaranteed.

The recycled plastics include third party window frames or plastic pipes which were manufactured decades ago under the environmental laws applicable at the time of production. Since the introduction of REACH some of the materials used decades ago are no longer allowed, just as in the paper, glass and metal industries.

However, a small fraction of these materials could be included in the plastics collected for recycling. It is

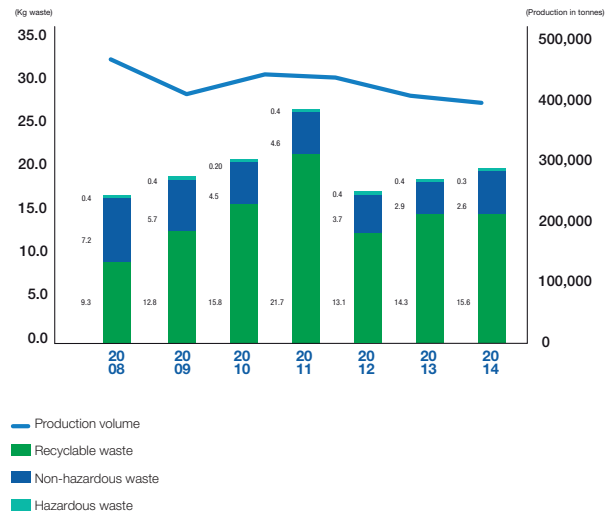


technologically, and thus economically, not feasible to extract the banned materials from the recycled plastics.

Although REACH is a strong tool to protect users of substances and the environment it collides with the EU Sustainable Development target which requires maximum recycling and a ban on landfilling of waste. Should the European Commission insist on banning these legacy substances under REACH this will imply that all plastics, paper and metals recycling in the European Union comes to a grinding stop. The European Commission is trying to solve this problem, but so far a solution is yet to be found.

From our stakeholders we receive the message that we should pursue our ambition to increase the amount of recycled input materials. Using only virgin material would very significantly impact our environmental footprint over the lifecycle of our products. This poses a dilemma for us as Wavin. On the one hand, we can continue to increase the amount of recycled input in our products where allowed by local product requirements in order to further support recycling ambitions in Europe. On the other hand, we could choose to only work with virgin material in order to limit our exposure to possible, and from a recycling perspective, questionable changes in legislation.

### Waste disposal per ton production



### Water consumption and discharge

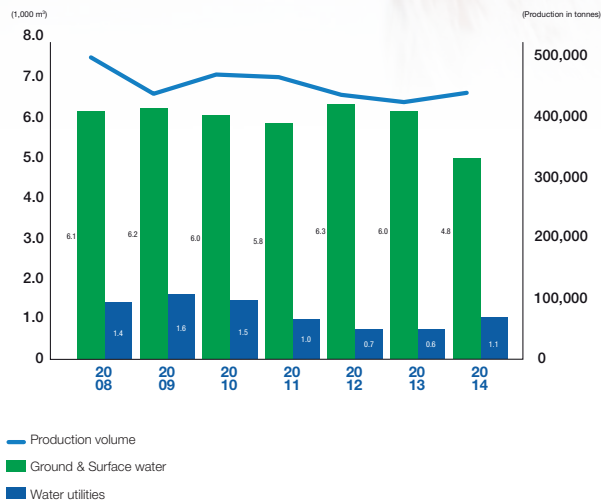
At Wavin we use water mainly for the cooling of our production facilities. The majority of our ground water usage comes from two sites where we have geothermal cooling systems in place. This enables us to significantly reduce energy consumption and carbon emissions. Ground water is used to cool process water in a closed loop process in which the two are completely separated so no contamination of the ground water can occur.

Potable water provided by utility companies is spread evenly across our group. Our aim is to reduce our dependency on energy-intensive sources of water, such as those provided by municipalities, and to promote the use of natural sources such as groundwater. Many of our sites incorporate a closed-loop water system in which water is brought in from natural sources, used for a variety of applications and then recycled by passing through filters and a cooling process.

In 2011 a stretch target of -50% was set since the initial target of a 30% reduction in potable water consumption had already been reached. In 2014, the water recycling unit in one of our sites had to be taken off line for maintenance for a number of weeks, causing an increase in our 2014 water consumption. Maintenance on that unit was completed and we expect the water consumption to decrease again in 2015.



Water consumption per ton production



Water discharge per ton production



Water Source (x 1000 m³)	2008	2009	2010	2011	2012	2013	2014
Water Utilities (Potable)	658	651	644	430	297	239	464
Ground & Surface Water	2,815	2,522	2,632	2,524	2,548	2,343	1,963

Water Discharge (x 1000 m³)	2008	2009	2010	2011	2012	2013	2014
Water to sewer	522	658	549	337	251	264	411
Water to nature	1,863	1,548	1,641	1,539	1,461	1,527	1,874

## 6.4. Social performance

### Our People

The expertise, commitment, and well-being of our employees are critical to our success. To provide a working environment that fosters a strong team spirit and contributes towards our company's long-term goals we are committed to the following principles:

- We foster positive employee and labour relations and help our staff achieve their full potential by offering them training and development opportunities;
- We promote a safe, healthy and productive work environment;
- We ensure a fair and diverse company culture with no bias of any kind.

### Health and Safety

Health and safety are essential aspects of our business. We also believe that preventing health-related problems is the best course of action. Employees at most of our operating sites are offered various programs and measures that give them access to precautionary healthcare. These includes sporting activities, programs to stop smoking, medical check-ups, flu vaccination programs, tips on healthy lifestyles and presentations on a variety of health-related topics.

The safety of our workforce is of vital importance and we are fully committed to minimizing risk and maximizing safety in the workplace. One of our key safety objectives is to reduce the number of accidents and especially those that lead to absence due to accidents. We monitor our performance by tracking the lost-time incidents (LTIs) per 200,000 hours worked. By comparing the number of lost time incidents to the total number of hours worked we take in consideration the concentration of activities at the location where the incident occurs. For example: one incident at a small site might lead to a larger lost time incident frequency than 10 incidents at a very large site, due to the number of hours worked.

Lost time incident frequency (LTIF)



\* Though we aim for a zero-accident work environment in the long run, we set ourselves a target to keep LTIs below 0.5 per 200,000 hours worked.

In 2014 the number of lost time incidents decreased from 0.8 to 0.6 per 200,000 hours worked. In order to further improve our safety culture we have undertaken the following actions in 2014 which will continue well into 2015:

- Safety is always a topic for in-depth discussion on site, national, regional and corporate agenda's;
- Dialogue with our management, staff and operational staff on safety and accident prevention;
- Implementation of a company-broad benchmarking tool, International Safety Rating System;
- Review of our safety standards, organisation and reporting structures;
- Inventory and standardization of best practices;
- Standardization and roll-out of various training schemes;
- Introduction of group branding for Health & Safety communication, WorkSafe.

Our improved performance in 2014 is a first indication that our increased investments and focus on safety is yielding results. Even with our current performance, Wavin still outperforms industry peers and other industrial companies.

However, we regard decreasing our LTIF score as our absolute top priority and we believe that our current performance needs to further improve. We believe that all accidents can be prevented and the current LTIF score is not acceptable. Therefore, we will continue to invest in improving our safety culture.

We trust that with our corporate, regional and local management commitment we will continue to improve our safety culture and in turn our safety performance.





## Community involvement

### Wavin Poland: The City and the Water

Wavin Poland worked together with the city of Buk to promote awareness of the history of the city. This followed the archaeological discovery of an ancient water line in the local community. Wavin is committed to help maintain the heritage of the community through education on the use of water, the water cycle and climate change. This educational initiative was awarded a prize from the charitable foundation of Mexichem's parent company Kaluz.



### The Wavin-Unicef Partnership

Wavin and UNICEF have been working together to provide clean drinking water and proper sanitation for children since 2005. The collaboration includes three components: money, products and expertise

In 2014, the project in Bhutan was finalized, all rainwater harvesting systems were installed and working properly. Wavin donated products, including Wavin AquaCell units to build specially designed rainwater buffers and Wavin Kanion roofgutters which were installed to catch the rainwater and transport it to the buffers.

UNICEF Bhutan and representatives from the Bhutanese Ministry of Health heavily involved in the installation, ensuring proper installation and maintenance of the systems.



At the end of 2014, Wavin, together with a local Dutch foundation, donated an extra amount to install filters in the systems so that the harvested water can be purified and used as drinking water. The project reached approximately 5,000 children.

### WASH project in Burkina Faso

Wavin has adopted part of a broad project in Burkina Faso. The total project which was kicked off in 2014, and targets more than 100 primary schools and more than 900 health facilities in 2014, as well as more than 450 villages.

Wavin's contribution will enable UNICEF to provide clean water, improved sanitation and hygiene education for 4 primary schools, 10 health centers and two villages in the Sahel region. This region was chosen because it is one of the two poorest regions in the country where all child survival indicators are the lowest.



## 6.5 Human resources

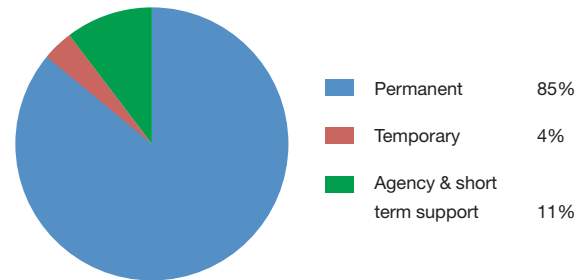
### Introduction

2014 was another challenging year in which HR efforts continued to be focused on defining and implementing restructuring measures causing redundancies and other cost reductions. Support was provided for execution of Group strategic initiatives and efficiency programs which included strengthening sales and project selling capabilities and implementation of improvement projects in operations. New initiatives like the introduction of the new Mexichem Code of Ethics and the launch of the Wavin brand positioning “Connect to Better” contributed to a more engaged workforce. Optimization of the European manufacturing footprint led to a number of production sites closures whilst moving their lines to other more specialized or larger sites affecting employees numbers. Consultative bodies are involved at the appropriate time as defined in local regulations in case of significant organisational changes and restructuring plans.

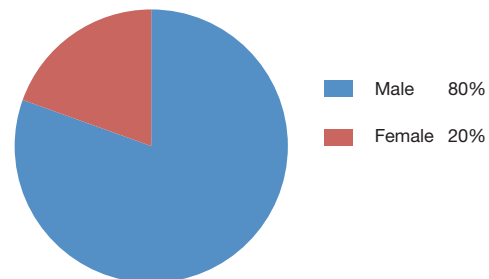
### Workforce per region

Per 31 December 2014, the Wavin Group employed 5,484 full time equivalents compared to 5,541 in 2013. Upward and downward changes in the number of FTEs were seen for a variety of reasons, such as restructuring in countries with difficult market circumstances like The Netherlands, Norway, France, Russia and Turkey. FTEs increased in countries where markets were starting to improve like Denmark and the UK. In some cases, the number of FTEs was increased at the end of 2013 as economic recovery for 2014 was expected. In some regions, economic recovery expected by the end of 2013 did not continue into 2014 leading to a need to continue restructuring efforts over the course of 2014.

### Headcount by employee contract 2014

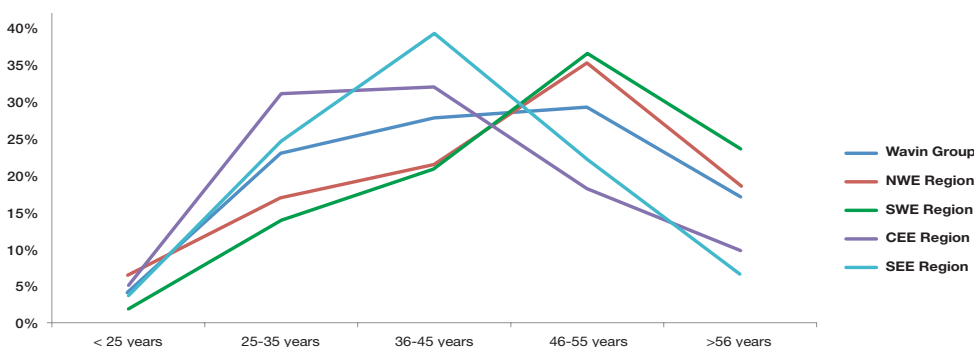


### Headcount by gender 2014



Workforce per region					
Region	2014	2013	2012	2011	2010
North West Europe	1,403	1,488	1,565	1,661	1,649
South West Europe	1,644	1,627	1,695	1,903	1,971
South East Europe	838	918	1,024	1,104	1,204
Central & Eastern Europe	1,294	1,226	1,251	1,304	1,356
Overseas and Other	305	282	252	249	268
<b>Total FTE</b>	<b>5,484</b>	<b>5,541</b>	<b>5,788</b>	<b>6,221</b>	<b>6,448</b>

Employees by age category as a % of total employees: the average age within Wavin group is 43.



### Workforce composition

The graphs on page 26 offer some insight into the composition of our workforce. It remains our ambition to create a diverse, flexible and engaged workforce. This is why we are interested in monitoring full time vs part time employment, employment contract type, gender diversity, employee & management turnover and the age buildup of the workforce. The majority of the workforce (96%) works full time.

### Labor and management relations

Wavin continues its efforts to establish good employee relations. This means that even when collective agreements are not available, we apply high standards to employee and employer relations. 50% of all employees are covered by collective bargaining agreements (52% in 2013), 6,6% are partly covered (4% in 2013) and the remaining 43% are not covered (44% in 2013). Mainly in the countries in Eastern Europe collective agreements on national or industry level do not exist. In other countries employees are fully covered but management is not.

### Notice period regarding operational changes

Wavin makes an effort to involve employees at an early stage in cases of material structural changes. Consultative bodies and union representatives are involved where and when needed given context and national and European legislation.

### People development

Wavin's Management Development program secures the availability of qualified people that ultimately can fulfill senior management positions. Management development and leadership development at Wavin focuses on attracting, developing and retaining the right managers and leaders to realise current and future business goals. In order to achieve this we provide challenging career opportunities and support vertical and/or horizontal career moves. Guiding principles are: we build on strong capabilities, provide challenges and new job experiences and believe respectful relationships are key for motivation and engagement.

### Performance Management and annual appraisal

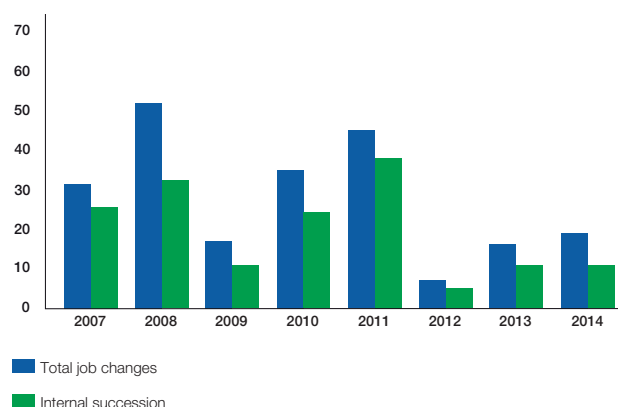
Performance management and individual development continue to be the key element of the annual appraisal process for all our employees and managers. Our efforts to train management in performing high quality appraisals resulted in clearer objective-setting, in line with the company's strategic targets, and continued focus on individual development planning. In November, all HR managers were trained on the new Mexichem Talent Model and performance management process which will be introduced at the start of 2015.

In 2014, 88% of our employees and managers received an appraisal compared to 87% in 2013. Poland and Italy blue-collar workers received a job appraisal for the first time. Our group wide aim remains to have documented high quality performance discussions for at least 90% of the population. Appraisal processes are not in place in Ukraine, Slovakia, and Russia. In Ireland, Hungary and Romania, blue-collar workers were not yet included, but will be in the coming years.

### Internal succession and international assignments

As in previous years, we have made an effort to effectively balance internal appointments with external recruitment when filling vacancies, especially for senior management positions. The target is to sustain an internal succession rate of 70% for vacancies at middle and higher management levels. The company realised an average internal succession rate of 65% over the three-year period 2012-2014, compared to 74% over the previous three-year period.

### Internal succession at management level



## Hours of training

	Executives		Senior Management		Others	
	Male	Female	Male	Female	Male	Female
Total employees in category	12		115	8	4,173	1,023
Total employees trained	12		103	8	3,602	786
Total training hours	301		1,657	148	55,543	11,117
Total training hours on specific Human Rights subjects: CSR, Sustainability, HSE, Code of Conduct, Business Ethics	12		272	38	21,137	2,560

In 2014 outflow at senior management level (130 positions) was 5%, significantly lower than in the turnover in 2013 (12%). During the year, 9% of our senior managers were based outside their home country for international assignments (compared to 5.4% in 2013). This increase is related to the creation of two new regions outside Europe: the APAC region and Wavin Middle East, both headed by experienced Wavin managers. In addition, two commercial managers were appointed at head office to support the Marketing & Technology department.

Due to the regional set-up and various group-wide projects, more than 50% of Wavin's senior managers spend the majority of their time on international responsibilities and activities. It is our belief that working on international assignments or projects is an excellent way to realise synergies within the group and nurture individual development. This in turn will lead to knowledge sharing and the exchange of best practices. It is expected that the number of international placements will increase as a result of being part of the Mexichem group.

### New hires and employee turnover

In 2014, 12.5% new employees were hired compared to 8 % in 2013, 22% was female (2013: 26%). Relatively more employees (61%) were hired in the in the younger age categories (< 35 years). This reflects our aim for a healthy age build up in Wavin Group.

The employee turnover was 12.4% in 2014 this is comparable to the levels of 2013 (14%).

## Employee turnover

	2014	2013	2012
Voluntary	50%	52%	41%
Dismissed	37%	36%	46%
Retired	10%	10%	9%
LT disabled/deceased	3%	2%	5%

### Management potentials

In 2014, we continued to identify and develop young management potentials for senior management positions and charted individual capabilities and ambitions. Assigning the right job opportunities to these talents is an on-going priority. In 2014, 77 management potentials were identified, compared to 79 in 2013. We believe the pool of management potentials for senior management positions should be around 70 people (equals 50% of the number of senior managers) in order to provide us with a proper number of potential successors for senior management positions.

As in previous years, regional management and Corporate HR held staff-planning meetings during which organisational, succession and individual development issues were discussed.

### Leadership program

Wavin has an in-house leadership program called 'Unrivalled Through Others', which aims to create a pool of young, skilled, motivated potentials for future management positions. In October 2014, in Dalfsen, the Netherlands a group of 15 colleagues from various functional areas and countries, participated in this 6 day intense development program.

### Training and education

We aim to know the ambitions and capabilities of our employees and to support their development. Stimulating employees in their development and learning remains important and therefore we continued our efforts on individual development planning and provided training programs. Examples of corporate programs are:

- On-line language learning: among others French, English and Spanish;
- Project management;
- Project selling: a program consisting of commercial skills assessment and training & coaching as a follow up;
- Fundamentals of finance for non-financial managers;
- Negotiation skills.

In 2014 preparations were made to start with e-learning and blended learning in 2015. An extensive benchmark research and provider selection process were finalized. Launch of the to be created on line Wavin Learning Centre is expected for Q1 2015. During the year, employees attended a large variety of internal and external education programs for an average of 2 days per employee, which is at the same level as in 2013.

### Workforce diversity and equal opportunity

Wavin consciously embraces diversity in the workforce. We believe that employees with different personal and professional backgrounds bring new perspectives and ideas to the business. As the company develops new business areas, diversity will bring additional value.

Protection of the principles of equality is anchored in the Mexichem Code of Ethics, which was introduced in Wavin Group in 2014, replacing Wavin's Code of Conduct. All employees (including all agency workers) were trained and signed a Non-Conflict of Interest Statement. This Code of Ethics includes the prohibition of discrimination against any employee on the basis of gender. Consequently, fair and equal pay for men and women is a matter of cause.

### Composition of governance bodies

We regard Wavin to be a truly international and culturally diverse company. On the level of the Executive Committee and Management Board, 50% has a non-Dutch nationality. Wavin's wider senior management population has a diverse international composition as well. Senior managers with a

nationality different to the nationality of the country where they are based are regarded as non-local. The share of non-locals is 8.5%; this is a similar level as in 2013.

### Women in senior management positions

In 2014 5.4% of the senior managers was female compared to 6.2% in 2013. The aim is to increase the number of female managers in the company.

Women in senior management positions			
year	headcount	women	%
2012	131	9	6.9%
2013	129	8	6.2%
2014	130	7	5.4%

### Incidents of discrimination and grievances

Wavin strongly believes that any form of discrimination including, but not limited to, gender, religion, ethnicity, sexual orientation, handicaps and age, should be banned and the company has incorporated this belief in the Code of Ethics. Wavin companies comply with all relevant local legislation regarding employment and discrimination. A process to report incidents of discrimination is included in the Wavin Group Whistle Blower procedure. Over 2014 no incidents were reported.

### Human rights

During the reporting year, none of Wavin operating companies has been subject to a human rights review. In the UK, a formal procedure is in place to deal with potential human rights grievances and complaints. No official grievances were filed.

### Representative consultation

Wavin companies have formal processes in place to inform, consult and involve employees and their representatives on relevant issues. A European Consultative Council does exist and provides a forum for discussing company issues beyond national borders with the Management Board. In 2014, there was again close cooperation between the consultative bodies and executives regarding the execution of the Wavin strategy and our sustainability efforts.

# 7. KPI Performance overview

Energy and carbon emissions	Functional unit	2014 performance	2013 performance	2014 assurance
Energy consumption	GJ	1,420,359	1,430,353	Yes
CO <sub>2</sub> emissions (Scope 1,2 and 3)	tonnes CO <sub>2</sub>	158,480	157,518	Yes
Energy consumption	GJ / ton production	3.49	3.66	Yes
CO <sub>2</sub> emissions (Scope 1,2 and 3) relative to production	KG CO <sub>2</sub> / ton production	390	403	Yes
Recycled content	Functional unit	2014 performance	2013 performance	2014 assurance
Recycling - including own rework	Ton	63,644	65,734	No
Recycling - excluding own rework	Ton	37,876	42,443	Yes
Recycling - including own rework relative to production	KG recycled material / ton production	157	162	No
Recycling - excluding own rework relative to production	KG recycled material / ton production	93	109	Yes
Water consumption	Functional unit	2014 performance	2013 performance	2014 assurance
Water utilities (potable)	1000's m <sup>3</sup>	464	239	No
Ground & surface water	1000's m <sup>3</sup>	1,963	2,343	No
Water utilities (potable) relative to production	m <sup>3</sup> (1000's) / ton production	1.14	0.61	No
Ground & surface water relative to production	m <sup>3</sup> (1000's) / ton production	4.83	6.00	No
Water discharge	Functional unit	2014 performance	2013 performance	2014 assurance
Water to sewer	1000's m <sup>3</sup>	411	264	Yes
Water to nature	1000's m <sup>3</sup>	1,874	1,527	No
Water to sewer relative to production	m <sup>3</sup> (1000's) / ton production	1.01	0.68	Yes
Water to nature relative to production	m <sup>3</sup> (1000's) / ton production	4.61	3.91	No
Waste	Functional unit	2014 performance	2013 performance	2014 assurance
Waste – recyclable	Tons	6,335	5,601	Yes
Waste – Hazardous	Tons	131	164	Yes
Waste – Non-hazardous waste	Tons	1,062	1,138	Yes
Waste – recyclable waste relative to production	KG / ton production	15.58	14.33	Yes
Waste – Hazardous waste relative to production	KG / ton production	0.32	0.42	Yes
Waste – Non-hazardous waste relative to production	KG / ton production	2.61	2.91	Yes
Social KPIs	Functional unit	2014 performance	2013 performance	2014 assurance
Lost time injury frequency	Lost time injury accidents per million hours worked	0.64	0.81	Yes
Human rights review	Number of operating companies reviewed in reporting year	0	0	No
Human rights grievances reported	Number of individual grievances filed	0	0	No
HR - FTE	Full time employee equivalents	5,484	5,541	Yes
HR - Headcount by employment contract - Permanent	Percentage based on headcount	85%	88%	Yes
HR - Headcount by employment contract - Temporary	Percentage based on headcount	4%	2%	Yes
HR - Headcount by employment contract - Agency & short term	Percentage based on headcount	11%	10%	Yes
HR - Headcount - Male	Percentage based on headcount	80%	80%	Yes
HR - Headcount - Female	Percentage based on headcount	20%	20%	Yes
HR - Employees < 25 years	Percentage based on headcount	5%	5%	Yes
HR - Employees 25 - 25 years	Percentage based on headcount	22%	22%	Yes
HR - Employees 35 - 45 years	Percentage based on headcount	27%	29%	Yes
HR - Employees 45 - 55 years	Percentage based on headcount	30%	30%	Yes
HR - Employees > 56 years	Percentage based on headcount	17%	14%	Yes
HR - Collective bargaining agreements - fully covered	Percentage based on headcount	60%	52%	No
HR - Collective bargaining agreements - partially covered	Percentage based on headcount	8%	4%	No
HR - Collective bargaining agreements - not covered	Percentage based on headcount	32%	44%	No
HR - Appraisals	Percentage based on headcount	80%	87%	No
HR - Average internal succession rate	Average succession rate over last years	65%	74%	No
HR - Outflow senior management	Percentage based on headcount senior managers	5%	12%	No
HR - Senior managers on international assignments	Percentage based on headcount of senior managers	8%	5.4%	No
HR - New hires	Percentage based on headcount	12%	8%	Yes
HR - Female new hires	Percentage of total new hires based on headcount	22%	26%	Yes
HR - Female new hires on managerial level	Percentage of total new managerial hires based on headcount	0%	26%	No
HR - Percentage new hires younger than 36	Percentage of total new hires based on headcount	61%	65%	Yes
HR - Employee turnover - Voluntary	Percentage of total leavers based on headcount	50%	52%	Yes
HR - Employee turnover - Dismissed	Percentage of total leavers based on headcount	37%	36%	Yes
HR - Employee turnover - Retired	Percentage of total leavers based on headcount	10%	10%	Yes
HR - Employee turnover - LT disabled/deceased	Percentage of total leavers based on headcount	3%	2%	Yes
HR - Management development potentials	Headcount	77	79	No
HR - Average days training per employee	Total hours training divided by headcount	2.1	2	No
HR - International composition executive committee and management	Percentage non-Dutch nationality based on headcount	50%	50%	No
HR - Senior managers stationed in non-native country	Percentage based on headcount of senior managers	8.5%	8.5%	No
HR - Female senior managers	Percentage based on headcount of senior managers	5.4%	6.2%	No
HR - incidents of discrimination	Total incidents	0	1	No

For the assurance report, please refer to page 35.

## 8. About this report

### Target audience

We report our sustainability policy and the associated results to all stakeholders. Our stakeholders include, amongst others, our employees, customers, suppliers and contractors, shareholder, organisations active in the construction and real estate value chain, NGOs, and public authorities.

### Materiality

The topics presented in this report and included in our sustainability strategy 2015-2020 are selected on the basis of (1) our business model, (2) our value chain analysis, (3) indirect stakeholder inputs and (4) a materiality analysis.

During 2014, an internal materiality analysis was performed as groundwork for our strategic agenda for 2015-2020. Desk research provided us an initial materiality ranking, which we validated by internal stakeholders. The issues listed below are considered inherent to good business practices and mandatory for legal, reputational or other reasons important to Wavin. Therefore these issues are not plotted in the materiality matrix.

- Adherence to laws and regulations, amongst others REACH;
- Anti-corruption and anti-competitive behaviour;
- Good governance and code of ethics;
- Business ethics;
- Non-discrimination.

The remaining material topics are plotted in the materiality matrix (see page 32).

### Reporting criteria – GRI 3.1 Application level A

Since 2009, our annual sustainability reports have conformed with the Global Reporting Initiative (GRI) guidelines. Our 2014 reporting is in line with GRI level A, which means we have reported on all the material KPI's as defined by the GRI 3.1 framework. In this report we include only key information. Other information which is to be reported under the GRI 3.1 is available in the GRI 3.1 reference table which can be found at [www.wavin.com/web/sustainability.htm](http://www.wavin.com/web/sustainability.htm).

The reporting process and definitions used for this report are formalized in our sustainability reporting manual. This manual provides guidance for all our operations on how to measure, calculate, and estimate data. In 2014, no changes were made in our sustainability policies, definitions and measuring methods.

### Reporting period and reporting frequency

This report presents both quantitative and qualitative data for the calendar year 2014. All operating companies report quarterly on the key sustainability areas of safety, CO<sub>2</sub> emissions, water consumption and discharge, recycling and waste. All other data is reported annually.

### Target setting and management remuneration

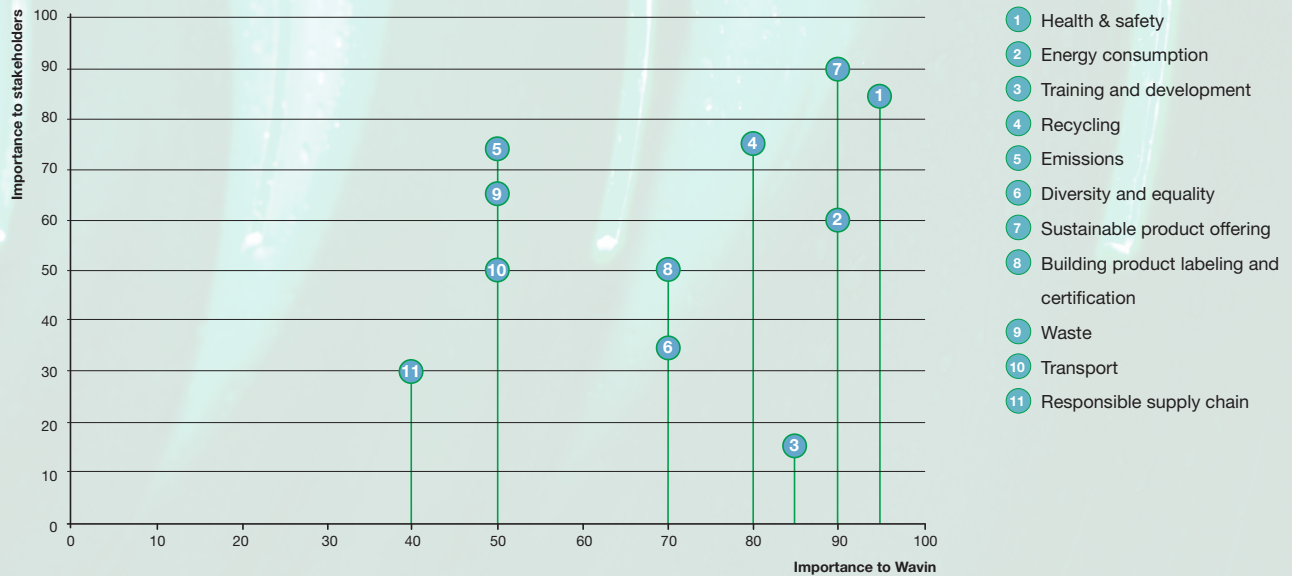
To ensure management's actions towards continuously improving our CSR performance are recognized, senior management short term incentive schemes include non-financial targets. Members of the Management Board, the Executive Committee and employees within the Group have, in addition to their operational development and career goals, quantified CSR targets linked to their individual objectives and bonus schemes. Pay-out of CSR related bonuses will only occur if the quantified site, regional and/or group thresholds are met in a given year.

### Reporting boundaries and comparative data

The boundaries of the reported environmental performance include all our manufacturing sites where Wavin has operational control and their adjacent operating offices. Social and safety performance data includes all Wavin personnel.

Entities of Wavin that are divested (a full sale whereby Wavin no longer retains a direct or indirect controlling interest) are excluded from the sustainability reporting scope for the entire year in which the divestment took place. One facility was closed during the year and the historical figures have been restated to reflect this. When changes take place, this will be disclosed at the applicable sections in the report.

## Materiality matrix



In the table below you can see how the results of the materiality analysis are funnelled in to the sustainability strategy.

Orientation	Strategic area	Theme	Materiality Matrix	
Sustainable organisation	Responsible employer	H&S Operations	Health & safety	
		Engaged employees	Training and development	
	Producing responsibility	Reducing our footprint	Diversity and Equality	Diversity and Equality
			Energy consumption	Energy consumption
Emmissions			Waste	
		Recycled content	Water consumption	
			Transport	
			Recycling	
Sustainable solutions for our customers	Reducing our clients footprint	Sustainable products	Sustainable product offering: sub-issues, REACH, LCA, LEAD/BREAM	
		Sustainable use	Energy efficiency of building products; Product durability; Product quality and safety Building product labeling and certification	
	Taking our social responsibility	Community involvement	Community involvement	
		Responsible supply chain	Supply chain management	



## Reporting process

Data collection takes into account our organisation's structure. Both qualitative and quantitative information is reported by operating companies to the Group. At regional and factory level, responsibility for sustainability reporting is delegated to the HSE community. HSE Data is consolidated and validated first at regional level and then consolidated and further validated at Group level. HR data is reported and consolidated at the country level before being consolidated at the level of head office. This data is reported by the HR representatives.

## Reporting indicators

For our main indicators we provide further insight below. Where relevant, figures are presented in a relative way (using percentages and ratios) to make it possible for readers to monitor and measure progress year-on-year, unless the reporting criteria requires absolute figures to be disclosed.

## Safety

For safety we defined our Lost Time Incident Frequency (LTIF) as the number of accidents leading to lost time per 200,000 man-hours worked by Wavin and contractor employees. Accident data are based on actual occurrences and are never extrapolated or estimated. Reported hours are measured, calculated or estimated.

## Energy consumption

Our direct energy consumption (Scope 1) mainly concerns natural gas consumed in factories and fossil fuels used by company owned cars and forklift trucks. We continuously seek to improve both the fuel efficiency and the fuel mix used for company owned cars and forklift trucks. In 2013 corporate guidelines for car lease program reduced the limit for CO<sub>2</sub> emission from 160 to 130 grams per kilometer as part of our continued efforts to further reduce the CO<sub>2</sub> emission.

Our most significant indirect energy consumption and carbon emissions (Scope 2) result from electricity consumption by extruders and injection moulding machines. In addition to investments in new machines we continued our initiative to replace DC engines with AC engines to optimize energy consumption on our extruders in various

production halls. Our focus on lowering carbon emissions is wider than merely our injection moulding and extruding machines. We have continued the optimization of our auxiliary systems such as lighting, compressed air, heating and cooling in several of our sites

Our other indirect energy consumption and carbon emissions (Scope 3) mostly relate to freight of finished products to our customers. We have included only those emissions for freight, which are not outsourced. We continue to investigate which options are available to us to reduce emissions from freight.

## Carbon emissions

Wavin accounts for its greenhouse gas emissions using the corporate standard of the Greenhouse Gas Protocol. The Greenhouse Gas Protocol (GHG Protocol) is the most widely used international accounting tool for government and business leaders to understand, quantify, and manage greenhouse gas emissions.

The GHG Protocol, a decade-long partnership between the World Resources Institute and the World Business Council for Sustainable Development, is working with businesses, governments, and environmental groups around the world to build a new generation of credible and effective programs for tackling climate change.

Our energy consumption and greenhouse gas inventory is based on the GHG Corporate Standard Protocol as issued by the World Business Council for Sustainable Development and the World Resource Institute in 2004. For greenhouse gas emissions we have chosen to report only on CO<sub>2</sub>. Other greenhouse gases, such as CH<sub>4</sub> (methane), N<sub>2</sub>O (nitrous oxide) are excluded from our emissions inventory as they are considered non-material. Our reporting scope includes our direct carbon footprint (Scope 1 emissions) indirect emissions from purchased electricity (Scope 2 emissions), and selected Scope 3 emissions being external logistics by Wavin trucks (the Wavin distribution network), water to sewer and waste to landfill. The GHG Corporate value chain (Scope 3) accounting and reporting standard for full Scope 3 reporting has not been implemented. We excluded energy in the category heating and cooling in the calculation of our carbon footprint. Total energy consumption in this category is smaller than 1.6% of our total energy consumption.

The basis for consolidated energy consumption and carbon emissions is activity data which in turn is based mostly on meter readings, invoices, and data provided by suppliers. Where reliable data is not available, we use calculations or estimations using reliable methods and input data.

Energy consumption is converted into carbon emissions using conversion factors. Wavin used the following conversion factors:

- **Scope 1:**

United Kingdom's Department for Environment Food & Rural Affairs (DEFRA) 2011 Guidelines to Defra / DECC's GHG Conversion Factors for Company Reporting Annex 1

- **Scope 2:**

International Energy Agency's CO<sub>2</sub> Emissions from Fuel Combustion (2011 Edition)

- **Scope 3:**

United Kingdom's Department for Environment Food & Rural Affairs (DEFRA) 2011 Guidelines to Defra / DECC's GHG Conversion Factors for Company Reporting Annex 1

We continue to use conversion factors set in 2011 as we aim to track our own performance without interference from changes in the grid electricity mix or changes in DEFRA conversion factors. Conversion factors will be updated at the beginning of a new strategic agenda or when emission sources start to make use of renewable energy sources.

## Recycling

Recycling relates to used plastic materials which are collected or purchased from external sources.

## External assurance of this report

Wavin obtained assurance from an independent assurance provider for its 2012 and 2011 report. As sustainability data is used for managerial decision making, its reliability needs to approach that of financial information as much as possible. This implies that our sustainability data reporting should be able to pass stringent examination.

Starting with the 2013 report, we therefore requested Deloitte to assure selected performance indicators included in this sustainability report. Deloitte assured the indicators as listed in the 'Performance Overview' table on page 30. Deloitte's limited assurance report is included on page 35.

The indicators that are in scope for external assurance were selected as these:

- Are the Key Performance Indicators formulated in our 2008-2015 strategy;
- Were in 2008 considered as the most material indicators to our stakeholders;
- Are included in variable incentive schemes.

As a result, we are satisfied that the assurance scope serves a rational purpose.

## Contact and questions

We appreciate feedback on this report. For feedback and/or questions, please contact us at [sustainability@wavin.com](mailto:sustainability@wavin.com).

## 9. Assurance Statement

### Independent limited assurance report on the Key Performance Indicators included in the annual CSR report 2014 of Wavin N.V.

To the stakeholders of Wavin N.V.

#### Engagement and responsibilities

We have performed a limited assurance engagement on the Key Performance Indicators as listed in the 'kpi performance overview' of the annual CSR 2014 report of Wavin N.V., Zwolle, on page 30 where 'yes' is stated in the column Assurance 2014 (further: "the KPI's")

#### Conclusion

On the basis of the procedures we have performed nothing has come to our attention that causes us to believe that the KPI's in scope of our assurance engagement, as included in the annual CSR report 2014, have not been prepared in all material respects in accordance with the GRI G3.1 Sustainability reporting guidelines.

#### Comparative period

We did not carry out any limited assurance procedures on the kpi's of the comparative periods up to 2012.

#### Our work as a basis for our conclusion

Our work was carried out by a multidisciplinary team of experts in assurance and Corporate Social Responsibility. It is our responsibility to issue a limited assurance report on the annual CSR report 2014. We have conducted our examination in accordance with Dutch law, including Standard ISAE 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information". This requires that we meet the applicable ethical requirements.

The nature and scope of our work was more limited than an engagement to obtain reasonable assurance and can only result in a conclusion that provides limited assurance that the annual CSR report 2014 is not materially misstated. This provides less assurance than an audit.

Our work performed mainly consisted of the following procedures:

- Reviewing the processes for data collection and processing of the other information, including the aggregation of data to information as included in the annual CSR report 2014;
- Performing analytical procedures (analytical reviews);

The annual CSR report 2014 includes forward-looking information in the form of objectives, expectations and ambitions. It is inherent in such information that its realization is uncertain. For that reason we do not provide assurance on any forward-looking information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

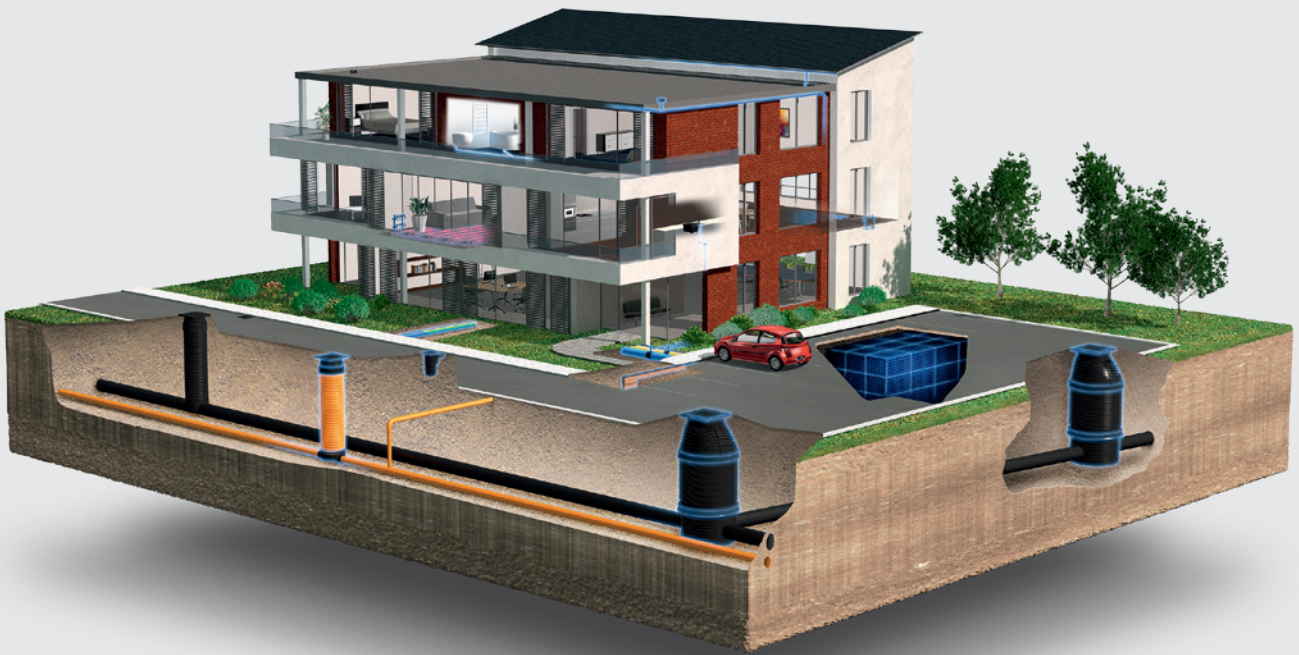
#### Standards applied by Wavin N.V.

The management of Wavin N.V. is responsible for the preparation of the annual CSR report 2014 and the information included in it, in accordance with the accounting policies as presented on page 31 of this report. This responsibility includes the design, implementation and maintenance of a system of internal controls relevant for preparing the annual CSR report 2014 free from material misstatements due to fraud or error, the selection and application of acceptable reporting criteria for corporate sustainability reports, and the preparation of estimates that are reasonable given the circumstances.

Amsterdam, June 5, 2015  
Deloitte Accountants B.V.

B.E. Savert

If you have any questions about the content  
of this report please contact us:  
**sustainability@wavin.com**



Water management | Heating and cooling | Water and gas distribution  
Waste water drainage | Cable ducting

**Wavin**

P.O. Box 173 | 8000 AD Zwolle  
The Netherlands  
Phone +31 (0)38 - 429 49 11  
Internet [www.wavin.com](http://www.wavin.com)  
E-mail [sustainability@wavin.com](mailto:sustainability@wavin.com)

Wavin has endeavoured to fulfil all legal requirements related to copyright. Anyone who, despite this, is of the opinion that other copyright regulations could be applicable should contact Wavin.



**CONNECT TO BETTER**