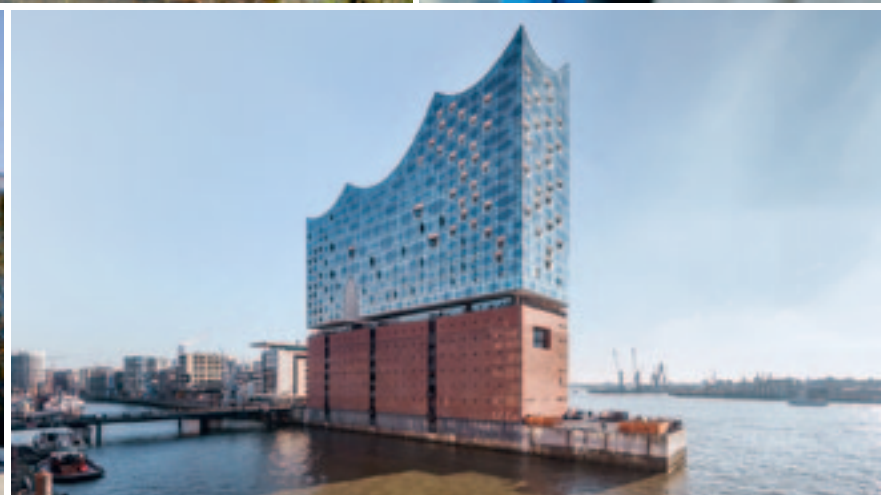
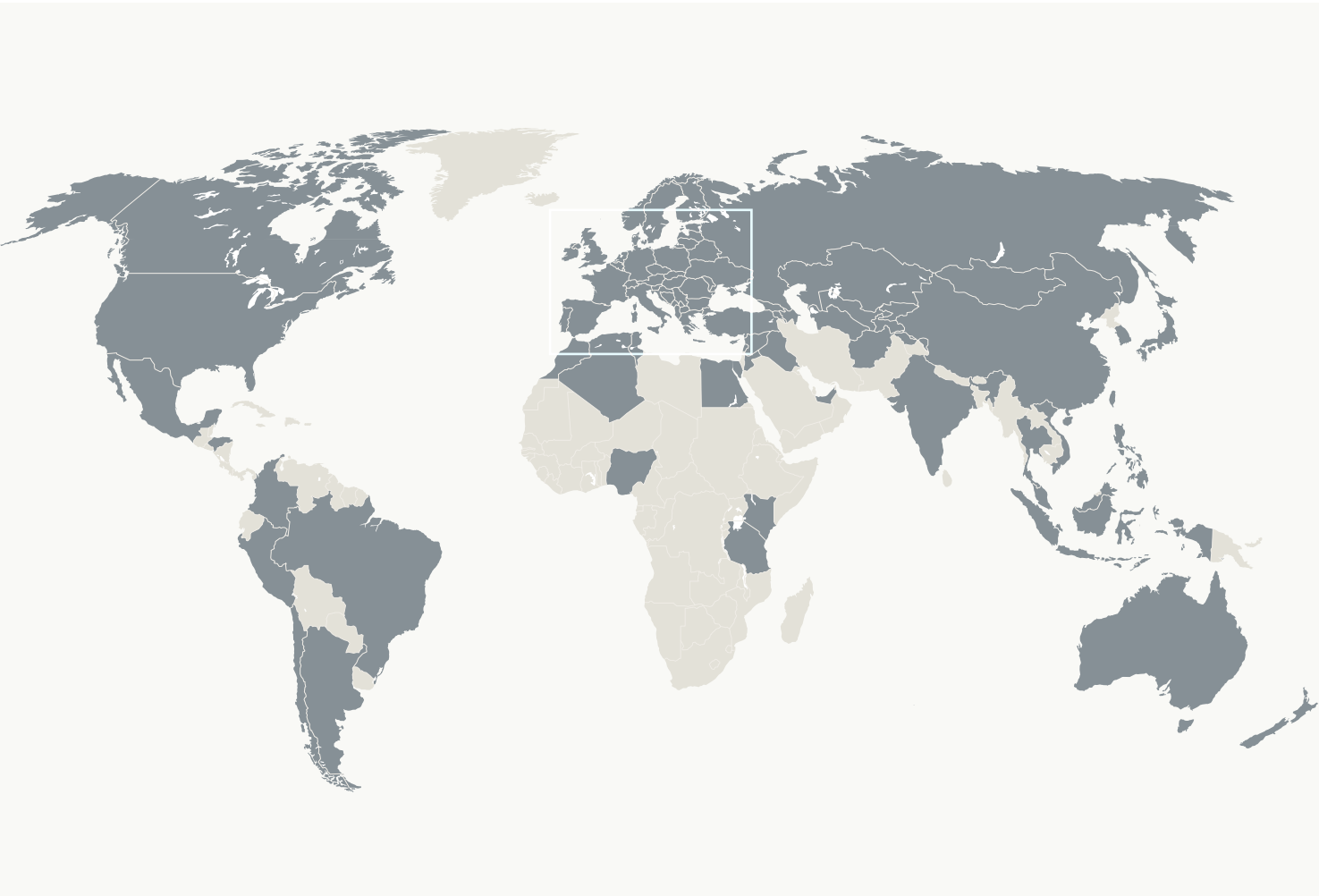


NATURALLY INNOVATIVE

Sustainability Report 2015/2016



LOCATIONS WORLDWIDE



North America

Canada
Mexico
United States
of America

South America

Argentina
Brazil
Chile
Colombia
Honduras
Peru

Europe

Albania
Austria
Belgium
Bosnia-Herzegovina
Bulgaria
Croatia
Cyprus
Czech Republic
Denmark
Estonia
Finland
France
Germany
Greece

Hungary
Ireland
Italy
Kosovo
Latvia
Lithuania
Luxembourg
Macedonia
Montenegro
Netherlands
Norway
Poland
Portugal
Romania

Serbia
Slovakia
Slovenia
Spain
Sweden
Switzerland
United Kingdom

Middle East/Africa

Algeria
Egypt
Iraq
Jordan
Kenya
Lebanon
Morocco
Nigeria
Syria
Tansania
Tunisia
Turkey
United Arab
Emirates

CIS

Armenia
Azerbaijan
Belarus
Georgia
Kazakhstan
Kyrgyzstan
Moldavia
Mongolia
Russia
Tajikistan
Turkmenistan
Ukraine
Uzbekistan

Asia/Pacific

Afghanistan
Australia
China
India
Indonesia
Japan
Malaysia
New Zealand
Philippines
Singapore
South Korea
Taiwan
Thailand
Vietnam

COMPANIES IN THIS REPORT



- 01 Knauf Gips KG (Iphofen, Germany)
Knauf Bauprodukte GmbH & Co. KG (Iphofen, Germany)
Knauf PFT GmbH & Co. KG (Iphofen, Germany)
- 02 Knauf Deutsche Gipswerke KG (Rottleberode, Germany)
- 03 Knauf Integral KG (Satteldorf, Germany)
- 04 Danogips GmbH & Co. KG (Neuss, Germany)
- 05 Knauf AMF GmbH & Co. KG (Grafenau, Germany)
- 06 Knauf Aquapanel GmbH (Dortmund, Germany)
- 07 Knauf Ges.m.b.H. (Weißenbach, Austria)

- 08 Knauf AG (Reinach, Switzerland)
- 09 Knauf GmbH Sucursal en España (Madrid, Spain)
- 10 Knauf GmbH Portugal Lda. (Lisbon, Portugal)
- 11 Knauf Gypsopiia A.B.E.E. (Kallithea/Athens, Greece)
- 12 Knauf UK GmbH (Sittingbourne, England)
- 13 Knauf A/S (Hobro, Denmark)
- 14 Norgips Norge AS (Drammen, Norway)
- 15 Knauf Danogips GmbH (Åhus, Sweden)
- 16 Knauf Oy (Espoo, Finland)

ABOUT THIS REPORT

With its third sustainability report, Knauf again gives an account of its corporate responsibility. The company describes the influence of its activities on society and the environment, and documents goals and measures as well as selected performance indicators used to guide its activities. The contents of the report refer to 18 Knauf companies of the Knauf Group in Germany, Austria, Switzerland, Norway, Sweden, Finland, Denmark, the United Kingdom, Spain, Portugal, and Greece. With every new report, it is planned to include further companies. The periods under review are business years 2015 and 2016 (1 January to 31 December). The report was generated in accordance with the „Core“ option of the G4 guidelines of the Global Reporting Initiative (GRI). In preparing the report, Knauf conducted a materiality analysis that was updated during 2016. The sustainability issues prioritised in this analysis determined the contents of the report.

GRI: G4-18, G4-23

Editorial note: The editorial deadline was 30 May 2017. The sustainability report is available in German and English, and both are also available online at www.knauf.com. The Knauf sustainability report is released every two years.

Membership in associations

Knauf is a member of numerous associations; in some cases, Knauf employees work on panels and work groups. The following list is a selection of associations in which the companies included in the report are represented.

- › Arbeitsgemeinschaft Bayerischer Bergbau- und Mineralgewinnungsbetriebe e.V. (ABBM)
- › Arbeitskreis „Lebensraum Steinbruch und Kiesgrube“ im Landesbund für Vogelschutz in Bayern (LBV)
- › Arquitectura y Sociedad
- › Asociación Técnica y Empresarial del Yeso (ATEDY)
- › Austrian Standards Institute
- › BauGenial
- › Bayerischer Unternehmensverband Metall und Elektro (BAYME)
- › Biodiversity in Good Company
- › British Safety Council
- › British Standards Institute (BSI)
- › Building Smart Spain Chapter
- › Bundesverband Baustoffe – Steine und Erden (BBS)
- › Bundesverband der deutschen Baustoffindustrie (BDB)
- › Bundesverband der Deutschen Industrie (BDI)
- › Bundesverband der Gipsindustrie (BV Gips)
- › Bundesverband Estrich und Belag (BEB)
- › Constructing Excellence
- › Deutsche Bauchemie
- › Deutsche Gesellschaft für Nachhaltiges Bauen (DGNB)
- › Ecómetro
- › Fachverband Wärmedämm-Verbundsysteme
- › Finishes and Interiors Sector (FIS)
- › Fundación La Casa que Ahorra
- › Greek Tourism Confederation (SETE)
- › Green Building Council España (GBCe)
- › Gütegemeinschaft Mineralwolle
- › Gypsum Products Development Association (GPDA)
- › Hellenic Body of Standardisation (ELOT)
- › Hellenic Federation of Enterprises (SEV)
- › Industrieverband anorganische Dämmstoffe (IVAD)
- › Industrieverband Steine und Erden Baden-Württemberg (ISTE)
- › Industrieverband Werkmörtel (IWM)
- › Landesverband Bayerischer Bergmanns-, Knappen- und Hüttenmännischer Vereine
- › Lignum – Dachorganisation der Schweizer Wald- und Forstwirtschaft
- › Naturschutzbund Deutschland (NABU)
- › Österreichischer Fertighausverband
- › Schweizerische Gesellschaft für Akustik (SGA-SSA)
- › Schweizerischer Maler- und Gipserunternehmer-Verband (SMGV)
- › Schweizerischer Verband für geprüfte Qualitätshäuser (VGQ)
- › Verband der europäischen Gipsindustrien (Eurogypsum)
- › Verband Österreichischer Stuckateur- und Trockenausbauunternehmungen (VÖTB)
- › WETEC Wet-felt Technical Committee

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LADIES AND GENTLEMEN,

Why do we make a commitment to sustainability? Are there not more important issues in a company? The tighter the economic situation, the more decision-makers in many companies are asking this question. Then they say you have to be able to afford sustainability, and a statement of that nature implies that you could also do without it.

The fact that the world around us is not always sustainable is the very reason why we need to make an even greater commitment to sustainability. Because a lack of sustainability is often the consequence of an inadequate sense of responsibility. How difficult is it, for example, to reach a global pact to stop climate change even though we have recognised what is causing it? Today we have to make a major effort to make amends for what was for a long time neglected. Acting sustainably, on the other hand, means considering the consequences of our actions from the outset and taking responsibility accordingly. This is what we are called upon to do as a company, but it is also our belief that everyone should play their part in one's own personal environment.

Sustainability is the prerequisite of our long-term business success. It starts with political regulation (laws, directives) and extends to the development of products with which we aim to have success in the future. A company such as Knauf needs functioning environmental management to meet statutory requirements – from the restoration of gypsum quarries, additives used, to our emissions. It will not work without it. But just meeting your obligations does not mean you are well placed to face the future. For that we need products that offer solutions to the challenges of the future, as well as motivated, responsible employees. Once we have all that, we are doing business on a sustainable basis.

At Knauf, we take responsibility for our future. We make a commitment because without a personal and corporate sense of responsibility, without innovation, without our values, without ethical business practices and without mutual respect and recognition of our achievements, we would not be successful.

In the two years since our last sustainability report, we have got a fair number of initiatives off the ground that reinforce and expand this aspiration. As a member of the 'Biodiversity in Good Company' initiative, we have strengthened our stand for the protection of biodiversity. This relates primarily to facilities where we mine minerals or where facilities are closed after many years of use. To protect our natural resources of gypsum, the use of recycled gypsum will become ever more important in the future – and here too, we are preparing the way for it. For example, we took part in the EU research project 'Gypsum to Gypsum' lasting several years that was successfully concluded in 2015.



We introduced leadership principles for our employees in 2016 which are derived from our Knauf Values. They encourage the managers in the company to use our Values as their guiding principle in assessing their own performance and that of their employees and to commit to the corporate goals. Since 2015, we have been practising a new form of employee interview that identifies their potential better than was previously the case and with which we want to place greater emphasis on performance and value-driven behaviour.

With each issue of the sustainability report, we aim to include more companies from the Knauf Group in the reporting process, thus gradually making our performance more and more transparent. We do not want to oblige companies to take part but we would explicitly encourage all of them to contribute to it by highlighting their issues. In this way, the report can become more and more representative of Knauf.

In the long term, we will only be successful by embracing responsibility for the work we do every day. That is why we make a commitment to sustainability. Whatever the capacity in which you read this report – as an employee, local resident, business partner or someone with a general interest – we are keen to hear your feedback.

Alexander Knauf

Manfred Grundke

Managing Partners

KNAUF FROM A FAMILY BUSINESS TO A GLOBAL PLAYER

Knauf is a family-led business in the building materials industry with around 220 production facilities in more than 86 countries and around 27,400 employees. In spite of all its international activities, the company has always remained true to its principles. They include working together in a spirit of trust but also of industriousness, visionary thinking and cohesion.

Knauf is one of the world's leading manufacturers of building materials with its head office in Iphofen, Franconia, Germany. The company was founded in 1932 and is still in family ownership. Knauf is seen as synonymous with gypsum far beyond its own industry. Today Knauf is one of the world's leading manufacturers of modern insulation materials, drywall construction systems, plasters and accessories, thermal insulation composite systems, paints, liquid screed, floor systems as well as construction machines and tools. In 2016 the Group posted sales of around 6.5 billion euros (2015: 6.4 bn) and it employed 27,400 people (2015: 26,000).



The Knauf headquarters in Iphofen, Bavaria.

Vision

- › Knauf is the **market leader** for safe, healthy and comfortable design of living spaces.
- › Knauf **products and systems** for buildings are innovative, environmentally-friendly, energy-efficient, fairly priced and sustainable.

Structure and management

The Knauf Group consists of numerous companies with around 220 production facilities in more than 86 countries. The Group is coordinated by Gebr. Knauf KG which is managed by the two managing partners, Manfred Grundke (since 2008) and Alexander Knauf (since 2013). The Shareholders' Committee chaired by Hans-Peter Ingenillem acts as the supervisory body.

Mission

- › Knauf sets the **benchmarks** for products and systems as well as for insulation materials in buildings.
- › We are **vanguard** with our market leadership.
- › We achieve **sustainable, above-average** and **profitable growth**.

Our corporate values, the Code of Conduct and our commitment to sustainability form a common framework for all Knauf companies. Knauf is known as a business that operates particularly efficiently – that is why we bring our experience of efficient (also energy-efficient) production processes to bear in all companies in the Group. In addition, the subsidiaries and national companies in the Knauf Group enjoy a high degree of independence and responsibility, particularly in central areas of management such as human resources and sales.

Products for drywall construction and façades

Companies in the Knauf Group offer a wide range of building materials, substances and machines for drywall construction (walls, floors and ceilings) as well as plaster and façade systems.

- › **Wall systems:** Drywall construction means principally gypsum board and its substructures (metal sections). In addition there are gypsum fibre boards, cement boards and partition panels as well as profile sections and an extensive range of accessories. Drywall construction is Knauf's strongest area in terms of sales.
- › **Ceiling systems:** For ceiling boards for interior ceilings, products range from gypsum and minerals to wood and metal for areas of application covering design, fire safety, acoustics, purity and hygiene.
- › **Floor systems:** Knauf offers an extensive product range for floors. All technologies are supplied from classic liquid screeds to dry floorboards and cavity floors.
- › **Plaster systems:** The range consists of gypsum, lime and cement-bound plaster and fillers for external and internal areas.
- › **Façade systems:** Depending on the climate zone and different building traditions, Knauf offers a broad product range with warm wall systems, solutions for ventilated façades, external plaster all the way to specialised insulation materials.
- › **Machines:** Knauf PFT produces and sells plaster and conveying technology for the application of liquid and paste-like products.

Knauf is a specialist in innovative building products.



Companies in this report

With every new sustainability report, we extend the range of companies in the Knauf Group reporting. The following companies

took part in the 2015/2016 sustainability report. These companies make up around 25 percent of sales (in the last report: 20 percent) and 19 percent of employees (previ-

ously 14 percent) of the Knauf Group. Every company is productive apart from Switzerland, Portugal and Ireland (retail only).

GRI: G4-17, G4-18, G4-23

Employees (end of 2016)	Head Office, major facilities	Main products and markets
Knauf Gips KG - www.knauf.de		
1,839	Iphofen (Head Office), Hüttenheim, Lauffen, Lochau, Neuherberg, Neuss, Niederaußem, Stadtoldendorf, Viersen	<ul style="list-style-type: none"> › Drywall construction: Gypsum boards and insulation materials for soundproofing, fire prevention and heat insulation in floors, walls and ceilings. › Floors: Liquid and levelling screeds. › Plaster: Brands such as Rotband, Rotkalk, MP75 and SM700. › Façades: Heat insulation composite system WARM-WAND. › Markets: Almost 95% in Germany; target markets include architects, building planners, housing associations, tradesmen, building materials retailers, DIY stores.
Knauf Deutsche Gipswerke KG		
215	Rottleberode (Southern Harz), Spremberg (Brandenburg)	Products for drywall construction as well as plasters and profiles.
Knauf Integral KG - www.knauf-integral.de		
166	Satteldorf (Baden-Württemberg, Head Office), Fenne, Rottleberode	Gypsum fibre material GIFAtec for drywall interior construction (floors, walls, ceilings). Dry screed elements, gypsum fibre panels, plaster and gypsum.
Knauf Bauprodukte GmbH & Co. KG - www.knauf-bauprodukte.de		
118	Iphofen	DIY market: Drywall construction systems, plaster and fillers (incl. Rotband, EASYPUTZ), total systems for laying tiles and natural stone.
Danogips GmbH & Co. KG - www.danogips.de		
100	Neuss	Gypsum board with special characteristics (fire safety, soundproofing, radiation protection) as well as accessories such as fillers, profiles, etc.
Knauf AMF GmbH & Co. KG - www.amfgrafenau.de		
487	Grafenau (Head Office), Viersen Ferndorf (Austria) Peterlee (UK)	Ceiling systems such as mineral panels, wood wool sound-absorbing panels, metal substructures for acoustics, fire safety, hygiene. Supplied to the trade worldwide.
Knauf Aquapanel GmbH - www.knauf-aquapanel.com		
125	Dortmund (Head Office), Bülstringen, Neuburg	Perlite-based granulate for the building materials industry and horticulture, insulating materials (incl. TecTem®, cementitious dry screeds).
Knauf PFT GmbH & Co. KG - www.pft.eu		
55	Iphofen	Mechanical systems for conveying, mixing and pumping fillers, plaster, mortar, screed and paint. Supplied worldwide to industry, tradesmen and the building trade.
Knauf Ges.m.b.H. - www.knauf.at		
188	Weißbach (Head Office), Vienna (Austria)	Gypsum board, plaster, fillers and profiles. Distribution territory covers Austria, Slovenia, Hungary, Croatia, Slovakia, Czech Republic, Poland, Serbia, Romania and Bulgaria.
Knauf AG - www.knauf.ch		
108	Reinach (near Basle, Switzerland)	All Knauf products and systems (retail, consultancy and sales); territory: Switzerland.

GRI: G4-17

Employees (end of 2016)	Head Office, major facilities	Main products and markets
Knauf UK GmbH - www.knauf.co.uk		
416	Sittingbourne, Kent (head office), and Immingham, Lincolnshire (England) Dublin (Ireland)	All Knauf products and systems. Markets: United Kingdom and Ireland. Ireland: Retail only.
Knauf GmbH Sucursal en España - www.knauf.es Knauf GmbH Portugal Lda. - www.knauf.pt		
230	Madrid (head office), Guixers, Lleida, and Escúzar, Granada (Spain) Lisbon (Portugal)	All Knauf products and systems; markets: Spain and Portugal. Portugal: Retail only.
Knauf Gypsopiia A.B.E.E. - www.knauf.gr		
126	Kallithea/Athens, Amphilocheia (Greece)	All Knauf products and systems; markets: Greece and Cyprus.
Knauf A/S - www.knauf.dk		
213	Hobro (Denmark)	Drywall construction products and systems for the Danish market (Danoline ceiling products for the global market).
Norgips Norge AS - www.norgips.no		
119	Drammen (Norway)	Acoustic ceilings and gypsum-based wall materials. Markets: Norway and Sweden.
Knauf Danogips GmbH - www.knaufdanogips.se		
149	Åhus (Sweden)	Acoustic ceilings and gypsum-based products and systems for the Swedish market.
Knauf Oy - www.knauf.fi		
76	Espoo, Kankaanpää (Finland)	All Knauf products and systems for the Finnish market.

Awards in 2015 and 2016

Knauf's commitment to quality and sustainability has again led to many awards in the last two years. A selection:

- › **Sustainability Prize for Companies in the Region of Mainfranken:** In December 2015, Knauf was awarded the Sustainability Prize for the Region of Mainfranken for the second time in which Knauf's Head Office is located. The jury was impressed above all by the continuous review and optimisation of existing processes in production and administration as well as the commitment to biodiversity and resource management.
- › **Best Employer 2016:** Knauf was also crowned one of Germany's best employers in December 2015. The prize was estab-

lished by the current affairs magazine Focus in collaboration with the social network Xing and the employer ratings portal kununu.com. 70,000 employee ratings from companies in 22 sectors were evaluated.

- › **Architect's Darling:** The award from the building information service provider Heinze which has been in existence since 2011 rewards the quality and reputation of building material manufacturers in Germany. In 2015, Knauf won gold in the category of drywall construction as well as two silvers in the categories of soundproofing and fire safety. The Knauf subsidiary Danogips was awarded bronze in the field of drywall construction in 2015. In 2016, Knauf won gold in the category of suspended ceilings/ceiling design.

› UK Construction Marketing Award 2016:

Knauf UK won in the Best Social Media category for the multi-platform 'Summer of Sport' campaign.

- › **Energy Award 2016:** Knauf Denmark received this Danish Building Industry award for the Knauf Comfortboard plaster board.

› **Made in Greece Awards:** Our Greek subsidiary Knauf Gypsopiia won a prize from the Greek Marketing Academy for its gypsum boards in 2016, organised under the aegis of the Greek Ministry of Finance.

- › **Quality Leader of the Year 2016:** The Hellenic Management Association awarded the title of Quality Leader to Dimitri Dontas, General Manager Knauf Gypsopiia, in November 2016.



“SUSTAINABILITY SECURES
THE FUTURE OF THE COMPANY”

› In what areas does Knauf set its strategic priorities?

In the long term, we want to make our contribution towards a sustainable environment worth living in where we occupy a financially strong position. In the medium term, we will be working in the next few years on the issues of digitisation, geographical growth and lightweight construction systems. Digitisation for us means seamless (digital) process integration from the planning of a building via the organisation of the construction site logistics all the way to the feedback to production planning. In order to be better prepared for it, we will shortly be centralising our IT in Iphofen, and then we are committed to rolling out throughout the company. The requirements made of buildings in terms of sustainability – the use of resources, economy and flexibility – are becoming ever more demanding. Lightweight construction will best meet these future demands. For this reason, Knauf is constantly investing in the refinement of our lightweight construction systems. While we will make gains in our existing markets with better systems, we will also grow by opening up new, emerging markets. For example, we are doubling our capacity in Egypt and Algeria and we are constructing the first gypsum board factory in the Philippines.

› What benefits does Knauf draw from its sustainability management?

Sustainability is a natural component of our business. We work in and with nature, process its raw materials and protect it at the same time. Sustainability secures the continued existence of the company and its jobs in a constantly changing environment – because we handle resources responsibly and develop products for the benefit of people and the environment.

Alexander Knauf,
Managing Partner of Knauf Gips KG

SUSTAINABLE BY STRATEGY

As a company with global operations, we face up to our responsibility for the environment, employees and society – wherever we operate. We do so on the basis of ethical values, defined fields of action and recognised management systems.

With our sustainability strategy, we want to find answers within our sphere of influence to socially relevant megatrends and make a contribution towards solving global challenges of the 21st century. As a manufacturer of building materials, we are particularly focused on developing solutions which both reflect people's increasingly urban living conditions and take account of climate change – and in the process create a sense of well-being and safety for the residents or users of buildings.

At the same time, we are constantly refining our products and processes in order to close material cycles and protect important resources, biodiversity and the climate.

As a leading manufacturer of building and insulation materials, our commitment to sustainability must stand out clearly from the average for the sector. Our values as a family business in its third generation are disseminated across the world at all facilities in more than 80 countries, facilities that we run in accordance with the same high standards as in Germany.

We align our core business with three central tenets (cf. also the chart on page 13):

Setting global standards for products and systems

- › We are a leading supplier of system solutions for building and insulation materials. Through the systematic refinement of tailor-made, prefabricated building elements, we also want to play a leading role in shaping the building sector in new markets.
- › We use our know-how to help reduce the production of waste and consumption of resources across the globe. At the same time, we are meeting the demand for innovative, healthy, environmentally-friendly and cost-efficient residential concepts.

Being a strong, competent partner

- › Greater sustainability requires strong partnerships. That is why we want to evolve together with our suppliers to enable us to respond adequately to changed customer demands.
- › As a result of our experience stretching back many years and our know-how, we are a competent partner who works with its customers and suppliers to close material cycles and optimise the use of resources.

Anchoring Knauf's values worldwide

- › Our employees constitute our central assets – around the world. As well as their health, our primary concern is to ensure that our dealings with each other are governed by fairness and equality.
- › At the same time, Knauf stands for cutting-edge performance and outstanding product quality. We achieve both by means of the all-round advancement of our staff. That is why we encourage every single employee to recognise and seize opportunities and grow as people. For example, we reinforce the entrepreneurship of every employee – for Knauf an indispensable prerequisite of being equipped to face future challenges and ensuring that the company continues to grow.

Knauf Values as an inner compass

Knauf is firmly convinced that only a company founded on values can provide the assurance that it will be able to grow sustainably and find solutions to the challenges of the future. These values are encapsulated, as it were, in the form of an "inner compass" which plays the determining role throughout the Knauf Group. The Knauf Values are: Menschlichkeit, partnership, commitment and entrepreneurship.

GRI: G4-24, G4-25



The Knauf Values represent orientation and identification.

Collaborating as partners

We take our Values very seriously – they specifically affect our daily work. When we say, “We see ourselves and all others connected with our work as part of a large family”, this includes all stakeholders who are affected by our entrepreneurial activities. And as in every ‘large family’, we work to achieve a common goal. If conflicts occur, we solve them in a spirit of partnership.

Our stakeholders include our employees (including elected employee representatives and job applicants), customers, suppliers, the shareholders, local residents, local authorities, federations, science, the media and banks.

The interests of our stakeholders are very diverse. Knauf’s employees, their families and the shareholders share personally in the company’s success. The local communities at the facilities have an interest in Knauf due to the jobs it offers and the tax revenues, but also the effects of our business activities at a local level. The other groups mentioned benefit from our specialist knowledge as a manufacturer and from the products themselves.

Knauf Values

- › **Menschlichkeit:** We see ourselves, our clients and everybody else involved in our actions as part of one big family. We stand for justice, integrity and respect when dealing with each other. As a role model for society we are socially committed and treat our environment with respect.
- › **Partnership:** We trust each other and can rely on each other. As a team, we support each other wherever possible. We are reliable and loyal.
- › **Commitment:** We assume responsibility for our work and consider the effects of our decisions. We are fully committed to providing solutions and products of the highest quality. We continue developing for our joint success and share our knowledge.
- › **Entrepreneurship:** We act pragmatically, are result-oriented and use our opportunities. Thanks to its Entrepreneurship, Knauf has developed from a family business to a globally active group of companies owned by a family. With a pioneering spirit, innovation and readiness to accept change, we create continuous growth.



Knauf values partnerships with stakeholders.

GRI: G4-26, G4-27

Associations

We are members of the relevant technical and trade associations of the gypsum and building material industry in nearly all facilities around the world. In many cases, we get involved in working groups relating both to our own business and to the protection of the environment and biodiversity.

Academia

Knauf collaborates with scientists at university and other academic institutions on numerous research and development projects. This secures the development of viable products and procedures for the future. Knauf supports young people in obtaining academic qualifications as part of dual-track degree courses.

Employees

Knauf relies on the power and creativity of its employees. The basis for this is to have successful, satisfied employees. We encourage them through training and further education, opportunities for development and promotion and permeable hierarchies. Employees have plentiful opportunities for interacting with management, including regular events and verbal and electronic forms of communication in addition to their employee representatives.

Customers

One hundred percent customer orientation is a further key to the company's success. We use all available means of communication, many of them in direct dialogue and in cooperation with partners. A club for specialist entrepreneurs and the Knauf Partner Programme constitute our bridge with commercial customers from the skilled crafts and trades as well as retail.

Contractors, property developers, planners, architects

This target market is an essential bridge between us as manufacturers and many customers, particularly in the property business. We maintain an intensive dialogue with each other through numerous forms of communication – from product information to workshops.

Local communities, residents

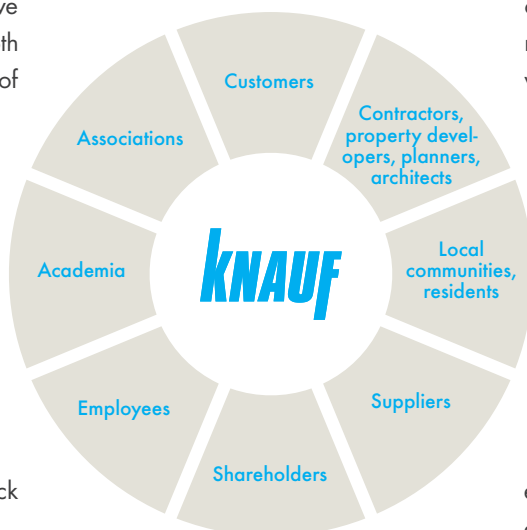
Knauf maintains a good, constructive relationship with political decision-makers in all markets, from local to national level, as well as with local residents near our quarries and production facilities. We set store by our employees actively participating in local clubs and associations.

Suppliers

Although we make most of our products entirely ourselves, we need bought-in additives as well as machines and packaging. We are in daily contact with our suppliers and logistics partners around the world, and together we constantly improve in terms of quality standards and the goal of sustainability.

Shareholders

The company's shares are entirely in family ownership and this is to remain so. Some members of the family are also in leading positions in the company. Employees, customers and other stakeholders have diverse opportunities for dialogue with the owners.





The Innovation Campus of the Hamburg Chamber of Commerce features a special Knauf acoustic ceiling.

GRI: G4-18, G4-19, G4-20, G4-21, G4-26, G4-27

Major challenges

During the reporting period, we focused on refining the materiality analysis conducted in 2014. The aim of this analysis was to enable us to better assess the significance of environmental, social and economic challenges for Knauf's business – as well as the impact of our business on environment and society. In the process, we also took into account external stakeholder perspectives.

Among various global megatrends, twelve topics were assessed as material. Among them, global population growth, urbanisation, human health, climate change and the existing or to be expected scarcity of resources turned out to be particularly material. We expect to see changes in these five areas in the future which our business will be able to influence positively or negatively to a particularly large extent (cf. the sustainability report 2013/14 for a more precise analysis of the twelve challenges, pages 12 – 14).

New fields of action model

In a detailed internal discussion process involving several strategic and operational departments in the company, we have spent the last two years addressing the fields of action model identified in 2014. These deliberations were based on our own assessment of the degree of maturity or medium-term feasibility of individual fields of action. As a result of this process, we redefined some of them (cf. chart). In this way we were able to integrate the relevant sustainability topics more closely with our business processes.

The fields of action model follows the shared value approach. We view our contribution outside the confines of the company using the three fields 'Working with products', 'Living with products' and 'Opening up new markets'. It depends primarily, therefore, on the development of our environment and the strength of external stakeholders, but can also be appreciably affected by our innova-

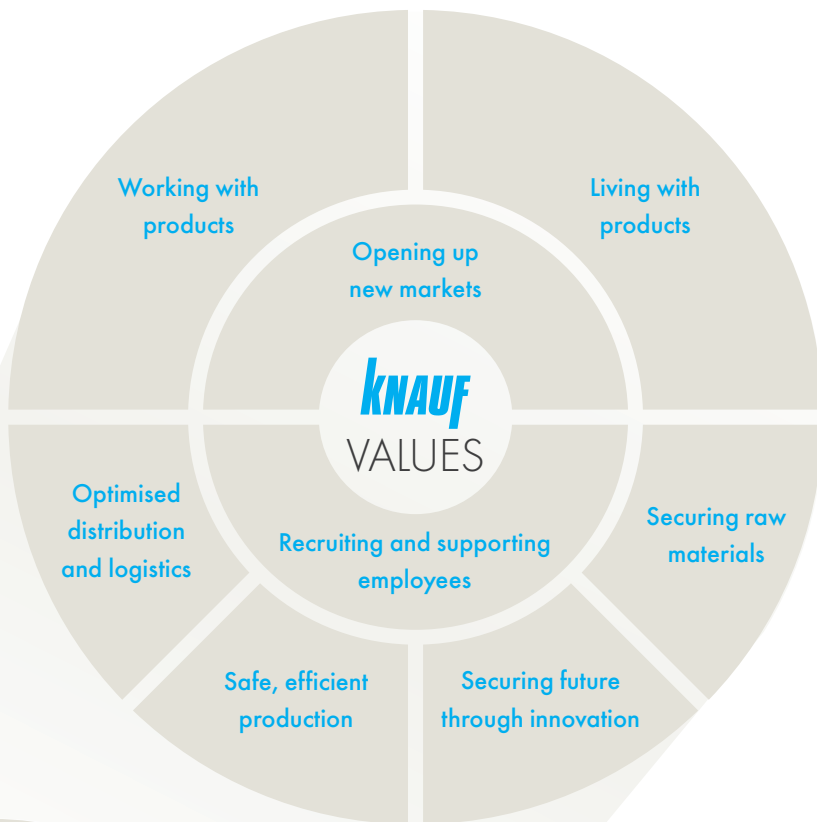
tions and product developments. With the other five fields of action, the value creation process lies within the company, i.e. in these cases we are solely responsible for their success ourselves: 'Recruiting and supporting employees', 'Optimised distribution and logistics', 'Safe and efficient production', 'Securing future viability through innovation' and 'Securing raw materials'.

Furthermore, 15 trends in our industry were identified which can be allocated to these eight fields of action. They include the subjects of age-appropriate construction, the increasingly digital nature of life and business, the scarcity of specialists, Industry or Logistics 4.0, the demand in emerging and developing countries, securing resources, and more.

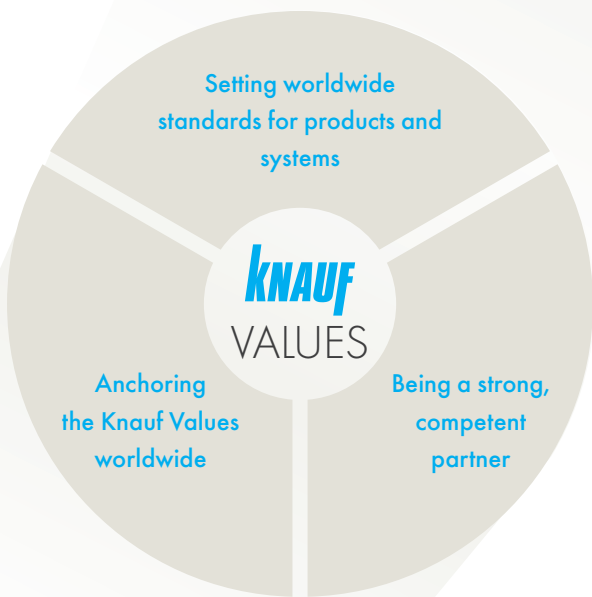
Not least, targets and key performance indicators (KPIs) were and are still being developed to enable us to embed the topics operationally and measure their success.

GRI: G4-18

FIELDS OF ACTION



GUIDING PRINCIPLES



VALUES





Code of Conduct
<http://www.knauf.de/wmv/?id=13556>

Integrity is indispensable

Last but by no means least, the integrity with which we present ourselves in the market is essential for our customer relations. For Knauf it goes without saying that we respect the laws and regulations in place in every country where we operate. All employees are obliged to observe our Code of Conduct and to act with integrity in our dealings with customers, suppliers and authorities. We win our orders fairly and through the quality and price of our products and services, and not by offering others improper benefits. The Code of Conduct also stipulates that no employee may hold a stake in a supplier, customer or any company in competition with the Knauf Group.

There is a separate Compliance Officer for every region at Knauf. The Chief Compliance Officer works at the Head Office in Iphofen. As part of our compliance procedure, every employee has the right to point out circumstances to his line manager or the compliance officer in his company or in the Knauf Group which suggest that the Code of Conduct has been breached. Any such information can also be given anonymously. No employee giving such information in good faith need be concerned about disciplinary action. Any concerns are pursued on the basis of each individual case.

Protection through risk management

There are established management systems in place in the Knauf Group for risks resulting from compliance aspects but also in the medium to long term from the fields of action identified as being material. This refers to possible risks in the areas of environmental protection, health and safety at work, quality and product safety.

Our general risk management system covers aspects such as corporate environment, corporate strategy, procurement, production, logistics, sales and marketing, human resources, information technology and finance. We are aware that the success of the company depends to a large extent on controlling risks and exploiting opportunities accordingly.

Knauf offers a broad spectrum of products for floors, walls and ceilings that support sustainability.





“THE CHOICE OF BUILDING MATERIALS HAS AN INFLUENCE ON SUSTAINABILITY”

› What do clients expect from Knauf in terms of sustainability?

Most of the clients I work for are architects. They generally want to create sustainable buildings, and their choice of materials is an integral part of their construction and functions. They want us to deliver products that contribute to human health and well-being and don't harm the environment. They want to see that Knauf cares about the environment, by using natural or regenerated building materials. Products must also be economic in the sense that they are durable, that they do not lose their properties under use, and that they can be reused or recycled at the end of their product life cycle.

› You developed a product with some unique qualities. Please explain how it works!

Our new Unity gypsum board is a plasterboard that improves the acoustic quality in indoor applications while at the same time ameliorating the indoor room climate and removing unpleasant smells. The plasterboards are sound absorbing through their perforated surface. The diameter and shape of the holes influence the degree of sound absorption one can expect from the product. Larger perforation and the number of holes result in higher sound absorption and less sound diffusion properties, which strongly increases the audibility of speech or music in a room. The product also makes efficient air cleaning by the use of drained zeolite in the gypsum core which purifies the air by reducing air pollutants. Air passing through the holes is transformed and gases will be neutralised.

Erik Ipsen,
Head of Design & Development,
Knauf A/S, Hobro (Denmark)

KNAUF PRODUCTS

SUSTAINABILITY IN CONCRETE TERMS

Knauf's products make a number of contributions towards sustainable development – in the construction industry and increasingly as problem-solvers in densely populated, urban spaces. With these products, buildings become more environmentally-friendly, healthier, safer and of longer lasting value.

As a leading supplier of system solutions for construction and insulation materials, Knauf is facing up to central challenges of our time. We are convinced that our products must offer an answer to global megatrends such as worldwide population growth, increasing urbanisation, climate change and the imminent scarcity of resources. With our products, we must therefore offer approaches to the problem of how more and more people can build and live in decreasing space by means of cost-efficient solutions, and not at the same time burden the climate in doing so. We also want our products to meet the worries of many people about their health by answering the demand for innovative and healthy residential concepts. Our raw materials – including gypsum, minerals, perlite, paper and increasingly steel – should show an ever increasing proportion of recycled material in order to thus reduce the occurrence of waste and the consumption of resources.

In doing so, we will be making our contribution towards the Sustainable Development Goals (SDGs) of the United Nations which are demanding measurable progress towards sustainable development between 2016 and 2030. The SDGs constitute 17 development targets with a series of sub-targets and indicators which are to be implemented by UN

member states. The sustainability strategy of the Federal Republic of Germany and numerous other countries has already aligned itself with the SDGs. With our products, we are making a very specific contribution towards the SDGs 'Sustainable Cities and Communities' (SDG No. 11), 'Responsible Consumption and Production' (No. 12) and 'Climate Action' (No. 13).

High proportion of secondary raw materials

Product responsibility at Knauf begins with the choice of raw materials. Gypsum – the most used material at Knauf – is a natural raw material, and many of our customers attach great importance to the natural origin of the material. On the other hand, it has to be mined in quarries and underground mines which alters the landscape in the relevant regions even if we do much for its rehabilitation when the mining opportunities have been exhausted (see chapter 'Environment', p. 32–34). However, we can protect our natural gypsum resources by using synthetic gypsum and recycled gypsum. Synthetic gypsum is largely extracted from flue gas desulphurisation (FGD) plants in power stations. It is therefore considered to be a secondary raw material. We are also increasingly able to use recycled gypsum. This resource is gradually gaining in importance

although it depends heavily on the particular underlying conditions in different countries such as disposal logistics or recycling capacities over which we have no control (see chapter 'Environment', page 28–30).

The proportion of secondary raw materials used in gypsum production at Knauf varies depending on the location. For those companies covered in this report, the proportion of natural gypsum stood at an average of 33.6% (2015: 34.4%), and the trend is downwards – because improved resource efficiency in connection with the desire for natural gypsum resources to be protected and the high purity of synthetic gypsum ensure that less natural gypsum is needed.

Secondary raw materials also play an important role in other areas at Knauf. For example, the paper liner that forms the outer surfaces of most gypsum board, is always made from 100% recycled paper. In the area of insulation materials, we use between 24 and 53% recycled polystyrene (EPS), depending on the location. For the metal profiles in lightweight steel construction (see p. 23), we use eco-steel made from 100% recycled material which consumes 70% less energy in manufacture and causes 85% less CO₂ emissions than primary steel.

GRI: G4-26

Transparent product information increases safety

One basic condition of our products is that they must not be dangerous either for those working with them or for their users. As a manufacturer of products which also contain synthetically produced substances as well as natural resources, many products are subject to regulations such as the European Chemicals Directive REACH (Registration, Evaluation and Authorisation of Chemicals), the UN Directive GHS (Globally Harmonised System of Classification and Labelling of Chemicals) as well as the EU Construction Products Directive. Knauf meets its annual duties of disclosure on a regular basis. In 2016, the scope of analysis was extended. We therefore revised the registration dossiers in accordance with a general request by the

European Chemicals Agency ECHA. Some substances were also classified as ‘Substances of Very High Concern, SHVC’ in reassessments by the ECHA. At the beginning of 2016, we replaced materials now deemed to contain SHVCs.

The changes made to our packaging labels also concern safety and clarity beyond national borders. Since the spring of 2016, sacks, cans and other forms of packaging have been successively converted to a label containing multiple languages and internationally standard application pictograms. This enables us to implement the growing compulsory information contained in law and at the same time optimise internal processes – for example in cross-border trade.

Environmental information on products

Our Environmental Product Declarations (EPDs) focus on the environmental characteristics of products. EPDs are externally certified life cycle assessments which reflect the entire life cycle of a product including raw materials, transport and disposal or recycling options. We also produce so-called supplier declarations without certification. Product information of this kind is a valuable help for architects and construction engineers who are looking for ways to make buildings more sustainable. In this way, they can meet the criteria of sustainability standards in the building sector such as from Deutsche Gesellschaft für Nachhaltiges Bauen (DGNB – German Sustainable Building Council) or similar standards such as Leadership in Energy & Environmental Design (LEED) or Building Research Establishment Environmental Assessment Method (BREEAM).

Since October 2015, Knauf has been holding internal EPD workshops every year which various parts of the company and national offices take part in, including from Spain, France, Belgium, United Kingdom, Norway, Denmark, Poland and Bulgaria. As well as the significance of environmental product declarations, the workshops focus primarily on the various challenges in these markets as well as on building and expanding an efficient network for the exchange of knowledge.

In addition, a number of products carry environmental quality seals such as the Blue Angel logo of the German Environment Agency or the A+ Level of the BRE Green Guide Specification.

Recent Knauf packaging comes in multiple languages and easy-to-understand pictograms.



Making work easier and ergonomic handling

However, transparent, compliant information is only part of user protection at Knauf. The way the products are processed on the construction site is also an important factor. Many of our products for specialist tradesmen are increasingly supplied on site in bulk instead of in small containers, including our new floor products such as the fillers and levelling compounds with the designations N 320 Sprint, N 340, N 340 Sprint and N 440. They save considerable quantities of waste sacks, can be automatically reclaimed and processed and therefore represent a palpable reduction in construction workers' workloads (thereby enhancing health and safety).

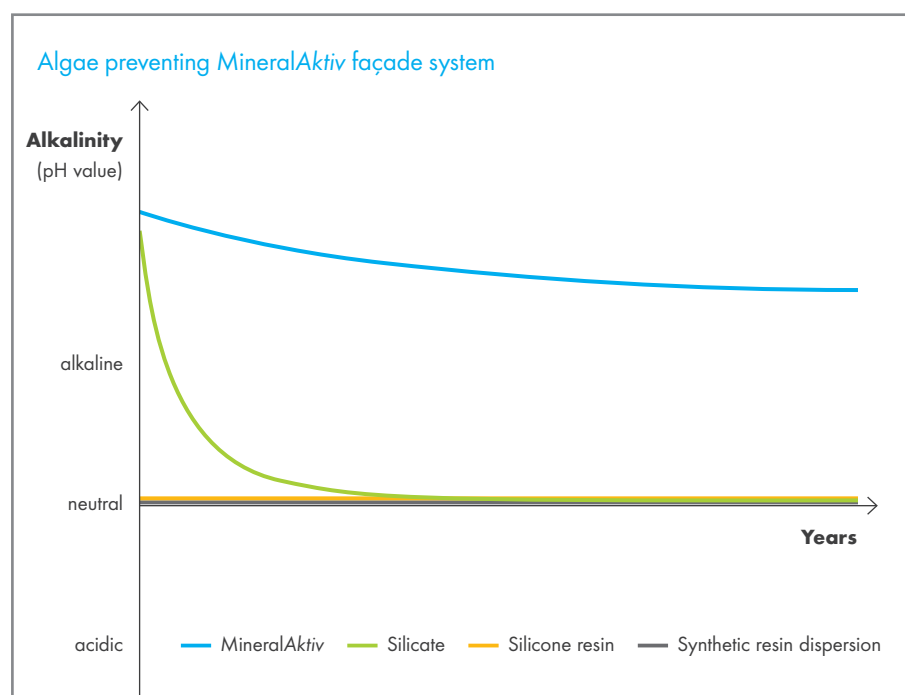
Our machinery specialist Knauf PFT develops innovative construction machinery to ensure that our products are used in ways that protect workers' health. For example, a new anti-dust unit has been offered for the PFT G 4 mixing pump since 2016 which reduces dust pollution on site by up to 80%. Together with mortar manufacturer Marbos – also part of the Knauf Group – PFT presented its PFB plus product innovation in 2016, an adhesion promoter for the civil engineering sector. With the PFT Ritmo mixing pump, for example, pavings can be laid more efficiently and ergonomically than hitherto possible.

Gypsum board with sustainable characteristics

Numerous Knauf products boast qualities that have a beneficial effect on the environment and human health. Knauf's product range 'Raumklima' was presented for the first time in 2015. It consists of four products, primer, plaster, spray plaster and paint which are applied to gypsum plaster when designing interiors. Knauf's gypsum plasters already naturally regulate the moisture content as

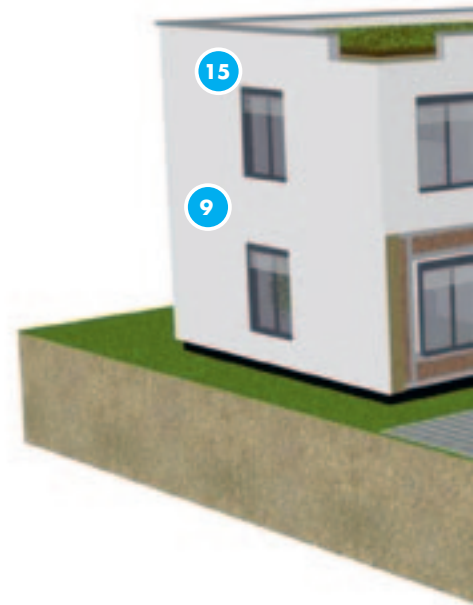
gypsum absorbs humidity, thereby having a positive effect on the living environment. Thanks to the new product range, the moisture-regulating effect of the gypsum plaster is permanently retained. The individual products are coordinated in a system, thus meeting the wish frequently expressed by developers and renovators for building materials for a comfortable, moisture-regulated living environment free of harmful substances that among other things prevents the formation of mould. The products are also free of harmful substances or biocides, and emissions and solvents have been minimised.

The Drystar Board was developed specially for wet rooms such as bathrooms. Our engineers drew up a testing programme for them in 2015 with which extreme conditions can be simulated. The new test procedure was developed in an exhaustive 'testing marathon'. Experts from MFPA Leipzig GmbH have confirmed the special qualities of the board in application tests for ceilings.



IN THIS WAY KNAUF MAKES BUILDINGS MORE ENVIRONMENTALLY-FRIENDLY

- 1 Roof greening systems lower the air temperature in cities, regulate and filter rainwater runoffs and absorb CO₂
 - 2 Insulation materials ensure less heating energy consumption and lower CO₂ emissions
 - 3 Cleaneo ceiling systems ensure clean air in the room and promote room acoustics and well-being
 - 4 Knauf AMF mineral ceiling boards consist of natural raw materials such as bio-degradable mineral wool, perlite, clay and starch, are low in emissions and recyclable
 - 5 In drywall construction, lean wall systems that increase floor space and absorb sound can be erected quickly and economically.
 - 6 Comfortboard 23 special gypsum board creates automatic temperature compensation, thus lowering energy consumption
 - 7 Plaster systems (internal) can free the air of harmful substances
 - 8 Floor systems reduce emissions and solvents to a minimum, thus ensuring a healthy living environment
 - 9 ETICS thermal insulation systems reduce energy consumption and CO₂ emissions
 - 10 Plaster systems (external) can protect the façade from algal and fungal infestation
 - 11 Fire prevention boards retard the spread of flames in the event of a fire
 - 12 Sound insulation boards enable the highest degree of sound insulation as well as fire protection
 - 13 Biocide-free external paints prevent algae and mould
 - 14 Lightweight steel construction is earthquake resistant and shortens construction times
 - 15 Aquapanel external walls protect against the effects of weathering
- Knauf PFT construction machinery protects construction workers' health through ergonomic handling and dust protection



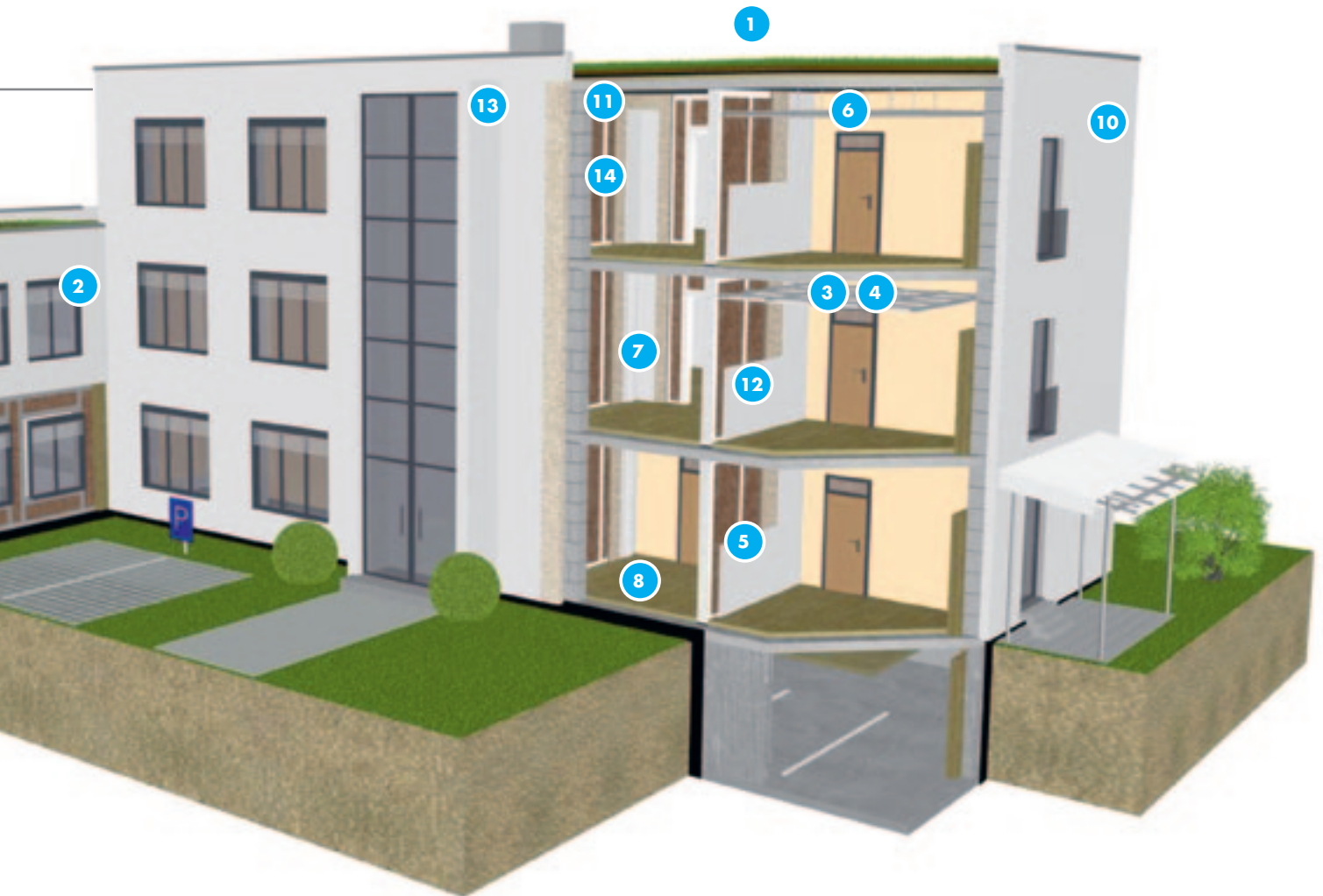
Cleaneo acoustic panels are perforated wall and ceiling panels that as well as their especially positive acoustic characteristics, are able to cleanse ambient air. The panels are available with different perforations that make them especially sound-absorbent. The concert hall in Aalborg (Denmark) which has been widely praised for its acoustics, was fitted with the panels. Their most interesting characteristic from a sustainability perspective is less obvious: their air cleaning effect. Thanks to dried zeolite in the gypsum

core, the concentration of harmful pollutants in the air is actively reduced and unpleasant odours are eliminated.

A gypsum fibre board, the GIFAtec Board from Knauf Integral, milled for acoustic effect and manufactured in a special composition for this project, was used in the Elbphilharmonie concert hall opened in January 2017. These highly compressed gypsum fibre boards that can be freely shaped, consist of natural gypsum and FGD gypsum with an admixture

of cellulose fibres from sorted waste paper and paper liner. The non-combustible boards have been recommended from the perspective of organic building by the Institute of Building Biology at Rosenheim, Germany.

Our products also reveal positive qualities on the external walls of buildings. For example, for the first time developers and renovators can protect their façades from algae and mould without any biocide additives using the new MineralAktiv façade system.



This represents a breakthrough not only from a technical point of view but also from an environmental perspective. Mineral and silicate plasters and paints usually lose their alkaline effect after one or two years as a result of environmental effects; it is this alkaline effect that prevents algae and fungal spores from taking hold. The MineralAktiv products, on the other hand, offer natural protection against algal and fungal infestation as a result of a new and exclusive hybrid binding agent. In the MineralAktiv façade

paint, the surface temperature is also raised slightly by means of an infrared absorber. This means that the surface dries faster after rain or dew, thus making the plaster more weatherproof, less prone to dirt and more durable.

Knauf offers numerous further special products with particular sustainability properties, among them ceiling boards for hygienic rooms in hospitals and medical practices, radiation-proof, lead-free plates for shield-

ing X-rays in radiotherapy, special gypsum fibre boards for the construction of bullet-proof walls in security facilities, etc. The special gypsum board Comfortboard 23 contains small beads with a wax core which compensate for temperature changes. In this way, rooms stay cool in summer during the daytime, for example, and warm in the evening which considerably reduces the energy required to control the temperature.



Focus on fire prevention

Fire prevention systems and their associated materials have long since been one of Knauf's most important product areas. Elements of extra large heights and widths, independent fire prevention or long periods of fire resistance represent our aspiration for numerous products and system solutions. A completely revised fire prevention file from Knauf has given information on all the relevant products and applications for the German market since 2015. It corresponds to the latest requirements of the German Institute for Building Technology for general test certificates under building regulations.

With products such as fireboard, we had long had gypsum boards with a low fire risk in our product range. Since taking over the Spanish company, Protección Pasiva, we targeted an extension to our portfolio of fire

prevention products. The company's Vermiplaster products, in particular, triggered numerous transfer projects in research and development. A parallel research offensive led to a further breakthrough at the beginning of 2015. By changing one of the additives, we achieved a further significant improvement in the behaviour of fire prevention boards in a fire.

Starting in Austria, we also launched a market offensive for fire prevention products in Eastern Europe under the designation FireWin. As well as Knauf products, we also included special products from other manufacturers in an overall portfolio for the first time. We also took over a small Slovakian manufacturer with a special cement plaster by the name of Sibaterm, and incorporated the product into the campaign.



Fire prevention file <http://www.knauf.de/brandschutzordner>



Lightweight construction systems enable builders to save time and costs.

As well as the product and systems side of business, Knauf is also committed to working with universities and authorities, and participates in research projects, setting norms and conducting PR work for fire prevention issues and for a high safety standard.

Lightweight construction systems – an application of the future

With lightweight construction systems, we embarked on a new development path in 2016 for which we have high hopes – not only for us as a future market but especially from the perspective of sustainability. By lightweight construction systems, we mean the refinement of the already practised dry construction techniques for load-bearing systems. To date, our drywall construction products have been incorporated into load-bearing constructions of concrete or stone in the form of partitions, floors and ceilings.

In the future, we want to erect more whole buildings and/or self-supporting roof structures where the static load lies in load-bearing constructions of steel or wood. The use of steel enables high walls, shaft walls and self-supporting ceilings with a large span and capable of bearing high loads to be built.

We distinguish between lightweight steel and lightweight wood construction. In the case of steel construction, we entered into a joint venture in 2016 with Häring Nepple AG, based in Basle, Switzerland, who developed the Cocoon Transformer lightweight steel construction system. For our part, we contribute the expertise of Knauf Gips, Knauf Aquapanel and Knauf Insulation. The very light steel profiles are fitted together to form frameworks, panelled and insulated with Knauf board materials. Wall modules, building extensions or even whole buildings can

be created in this way which are especially lightweight, non-combustible and even earthquake-proof and can also be built significantly faster and less expensively than concrete and masonry structures.

These advantages are certainly relevant to the subject of sustainability. The system met with great interest at a technical symposium on the subject of earthquake-proof construction in Naples, Italy, in July 2016. Against the background of rising construction costs and limited space in major cities, this fast and nevertheless safe construction method represents a substantial argument that can protect city budgets already under strain. Lightweight construction systems were also discussed at the Round Table for Refugee Accommodation in Berlin in November 2015 with regard to how residential accommodation can be created inexpensively in a short space of time.

The systematic refinement of tailor-made, prefabricated construction elements can also be achieved with wood. For example, we played a prominent role in constructing a hybrid, five-storey apartment block in Offenbach in 2016 in which the basement and staircase were constructed of reinforced concrete, and all further load-bearing parts of wood. Residents were able to move in after a construction period of just ten months.

GRI: G4-26

Support for architects, planners and tradesmen

We look for dialogue with architects, building planners and tradesmen in many different forms to ensure that our product innovations find their way into the market quickly. Knauf's experts speak at specialist conferences, present at trade fairs, write articles for the specialist press and issue invitations to discussion forums and seminars that they themselves organise.

The Knauf Academy is one of the company's own forums, for example. Here we offer diverse, high-quality, practical further education programmes for tradesmen's firms and the specialist retail trade for building materials. We practise targeted research funding in the form of endowed chairs at universities. For example, Knauf is the co-sponsor of an endowed professorship in the Architecture Faculty at the University of Applied Sciences at Darmstadt, and we support the degree course of Timber Construction and the expansion of the Technical College, Rosenheim.

We offer specialist knowledge for architects, for instance through technical conferences. Structural challenges in urban spaces, for example, were the subject of a joint symposium organised by Knauf Gips and the University of Würzburg in July 2016. It consisted of seven individual events on cutting-edge aspects of architecture with the focus on energy efficiency, living quality and adding extra floors to buildings in conurbations.

When taking part in tenders, architects are more and more frequently confronted with BIM (Building Information Modelling), a design, visualisation, simulation and collaboration software. Many international clients already prescribe the use of BIM because it reduces costs. Knauf plays an active role here and as well as material properties it also provides environmental data on products.

The Customer Loyalty Programmes are aimed at a selected group of trade partners for whom we combine mutual service commitments with special price terms. Knauf's working days held every two years are a mixture of conference, workshops and in-house trade fair aimed at a broad target market. Our international subsidiaries also conduct similar events.

Satisfied customers

Our wide-ranging commitment to sustainable product innovation and efficient services is reflected in high levels of customer satisfaction on the part of our customers. Customer satisfaction surveys are regularly conducted at Knauf which normally relate to a particular country or brand in the Knauf Group. A branding survey was recently conducted at Knauf Gips KG in October 2015 among more than 360 respondents in Germany who were made up of 56% trade firms, 30% architects and 14% specialist retailers. On a scale of 0 to 7 points, the best scores were awarded for high product quality (6.18), the breadth of the product range (6.13) and trustworthiness (6.04).

A further customer satisfaction survey was held at Knauf AG in Switzerland in the summer of 2016. The more than 400 participants consisted mainly of dry construction tradesmen, building material retailers and architects as well as a number of customers and specialist firms. One important objective for Knauf was to monitor quality and success and to recognize strengths and weaknesses in its dealings with customers. For example, more than 80% of those surveyed were 'very satisfied' to 'satisfied' with the quality of Knauf's products and systems. Knauf was awarded the same scores for on-time delivery and order handling.

In a non-representative customer survey carried related to Knauf building products in September 2016 in the German DIY business among 41 percent DIY experts and 59 percent hobby DIY enthusiasts, Knauf was perceived primarily as successful (70%), competent (70%) and reliable (69%).

At Knauf PFT, more than 300 employees, construction machine dealers and end users were asked in February 2016 what demands they make of the ergonomic characteristics of construction machinery. Armed with the results, we can better target our efforts to improve the ergonomic handling of our machines in order to make a contribution to protecting our customers' health. For 83 percent of those surveyed, the subject of taking health precautions – e.g. through protection from dust and noise – was an important subject in the procurement of construction machines.



Knauf regularly organises application forums for customers and craftsmen.

Our Scandinavian companies Knauf Oy in Finland, Norgips (Norway and Sweden), Danogips and Knauf A/S in Denmark as well as Knauf UK measure the Net Promoter Score (NPS) in annual customer surveys – i.e. the probability that a customer will recommend our company. In calculating an NPS, the scores must lie between minus 100 (no recommendation) and plus 100 points (unreserved recommendation). Our NPS is in the positive on all counts with especially pleasing scores at Knauf Oy (plus 57), in Norway (plus 36) and in Denmark (plus 35).

Two customer satisfaction surveys were conducted in Greece, both towards the end of the financial year. One of them was aimed at around 300 retailers, and the other at around 20,000 indirect customers (architects and building planners, tradesmen and some major customers). The results were incorporated into our quality management system that is certified to ISO 9001. The surveys showed continuously rising satisfaction in all areas but especially conspicuous for questions regarding innovation and quality.

› What are the environmental factors that a production site needs to look after?

One key factor is the continuous improvement with regard to the segregation of all on-site waste. The collection methods and processes in each area must be clear to everyone. Line management has to ensure that no cross contamination occurs. Another key factor is to comply to on-site permits issued by the environment agency and any national or local laws, rules and regulations. This extends, for instance, to the disposal of waste both on-site or by any third party like suppliers or clients but also to the control of emissions to air, land and water. Other consideration needs to be given to the on-site storage of some materials. We have an open gypsum stock pile next to a nature conservation area. We use rain guns and various other local controls to keep compliance with emission to air in the summer months and a lagoon water run-off system to ensure we are not contaminating the water course in the wetter winter months.

› Can you give us some specifics regarding your approach to waste management?

Accurate data capture by waste stream is crucial for both compliance reasons and to measure any improvements achieved. This needs to include records of weight, cost and disposal method by date and time. I am lucky to have a passionate team working with me to work on continuous improvements. Through our internal performance objectives we can direct our staff where need be to continue to drive these processes in the right direction.

Kevin Kelly,
Site Support Manager, Knauf UK

“A KEY FACTOR IS
CONTINUOUS IMPROVEMENT”

COMMITMENT TO ENVIRONMENTAL PROTECTION

At Knauf, environmental protection begins with the extraction of raw materials. In its subsequent processing, we use our efficient production processes to lower energy consumption and reduce emissions and water consumption. We make a contribution towards protecting biodiversity by restoring mined areas on a grand scale, often above and beyond the extent required by law.

Our natural environment is not only the basis for life for us humans but also the precondition for what is often described as 'eco system services': clean air, soil and water which many animal and vegetable life forms depend on. Its balance and careful use secure the future of humans as well as companies – whether as a basis for food, source of raw materials or for its own sake.

There are a few clear megatrends discernible worldwide to which we as companies must develop answers. 2016 was the hottest year on average since temperature records began as has already happened several times in recent years. Climate change is proceeding apace. In many areas, we are also encountering the earth's ecological breaking points because eco systems are increasingly unable to regenerate due to climate change, water consumption, particulate pollution of the atmosphere and other factors. Another trend is increasing urbanisation which is leading to a situation where affordable living space is becoming scarce. We have to develop ways of creating high-quality living space at a low cost.

Management approach based on megatrends

The environmental management approach of the Knauf Group is defined by global challenges such as these. Here we see two strategies for making positive contributions towards the protection of the environment and nature: both in our operational entrepreneurial activities and through our products.

Within the company, we are committed to energy efficiency and energy-saving measures. As a result, and also by increasing the transport of raw materials by rail and sea, we are reducing our CO₂ emissions. We are helping to secure our raw material stocks by using secondary raw materials and recycled material. We are employing various methods to reduce our water consumption. We also attach great importance to the natural regeneration of quarries that have been closed.

As manufacturers, we offer a broad range of environmentally-friendly products which help users and customers to reduce their impact on the environment – please read the previous chapter for more on this.

Environmental management plays a major role in all Knauf facilities. Some are certified according to ISO 14001 which covers all relevant environmental issues, among them factories in Germany, Austria, the UK, Sweden, Finland, Norway, Denmark, and Spain. Numerous facilities are also certified to the energy management standard ISO 50001, among them all facilities in Germany, Weißenbach (Austria), Sittingbourne and Immingham (UK) as well as Guixers (Spain).

As part of the environmental and sustainability management of the Knauf Group, we also engage our suppliers. In July 2015 we introduced a Supplier Code of Conduct. It prompts them to complying to laws and regulations – including frameworks set by the International Labour Organisation (ILO) and the Human Rights Convention of the United Nations. In addition, suppliers are expected to adhere to our rules concerning compliance and integrity as well as social and labour standards and our requirements regarding environmental sustainability. The Supplier Code of Conduct is among several issues that are being tested in supplier audits.



Code of Conduct for Suppliers www.knauf.de/lieferantenkodex

Recycling of disused gypsum plaster boards is increasingly becoming into an important resource.

Gypsum: Raw material from nature and industry

Gypsum is a natural raw material that is found on all continents of the earth in crystalline form. It was created in the course of the earth's history when seawater evaporated depositing calcium sulphate dihydrate – the chemical name for gypsum – in layers of sediments on the sea floor. Wherever this gypsum was covered by further layers of soil, it lost its crystal water through pressure and rising temperatures. In most cases, this resulted in anhydrite rock. Both natural substances – gypsum stone and anhydrite – are raw materials for Knauf.

Gypsum stone can mainly be extracted from surface mines, and anhydrite mostly in mining galleries below ground. In nature, gypsum occurs mixed with other minerals. For that reason, natural gypsum is never one hundred percent pure and has to be processed first. White, powdery, pure gypsum is created in the process.

Gypsum is usually mined by chamber in relatively small areas. This means that mining takes place in a tightly confined area in an

open quarry while at the same time a neighbouring area already exhausted is recultivated. In this way, incisions in the countryside remain limited in space and time.

For Knauf it is very important that raw materials are extracted from quarries in an environmentally-friendly way and one that shows consideration for fauna and flora. Because even if the mining areas are comparatively small, they nevertheless represent an intervention in a cultivated landscape. Gypsum quarries are being operated for several decades. During this period, we try to have as little negative impact on the regional infrastructure as possible by using our own access roads and siting the production factory close to the quarry.

FGD gypsum and recycled gypsum

In order to protect natural gypsum resources and to increase the efficiency of resources in the use of raw materials, we are also relying increasingly on FGD gypsum and recycled gypsum. FGD gypsum occurs as a by-product in flue gas desulphurisation (FGD) systems in coal-fired power stations

– as the result of a wet flue gas scrubbing process using lime. Due to its predominantly high quality, the proportion of FGD gypsum in the total raw material input of the German gypsum industry is nearly 60 percent. To avoid long transport routes, Knauf decided decades ago to build some gypsum factories in the direct vicinity of coal-fired power stations and to operate them exclusively with FGD gypsum. In the meantime, Knauf uses FGD gypsum in numerous countries around the world in which coal-fired power stations are desulphurised with suitable procedures. The proportion of FGD gypsum in the raw material input in the Iphofen I factory was 63 percent in 2016, even reaching 83 percent in the Neuss factory and 100 percent in the Niederaußem and Schwarze Pumpe factories, 76 percent in Weißenbach (Austria), 95 percent in Knauf UK and 100 percent in all Knauf gypsum factories in Scandinavia.

New quarry in Amphilochia

After more than 25 years of mining, the gypsum resources in the Katouna quarry (Greece) are coming to an end and will probably be exhausted by 2020. A new quarry for the Amphilochia gypsum factory was commissioned in 2016. The purity of its gypsum is to be more consistent and higher than that of the old quarry.



The new quarry in Amphilochia (Greece) offers high-quality gypsum.

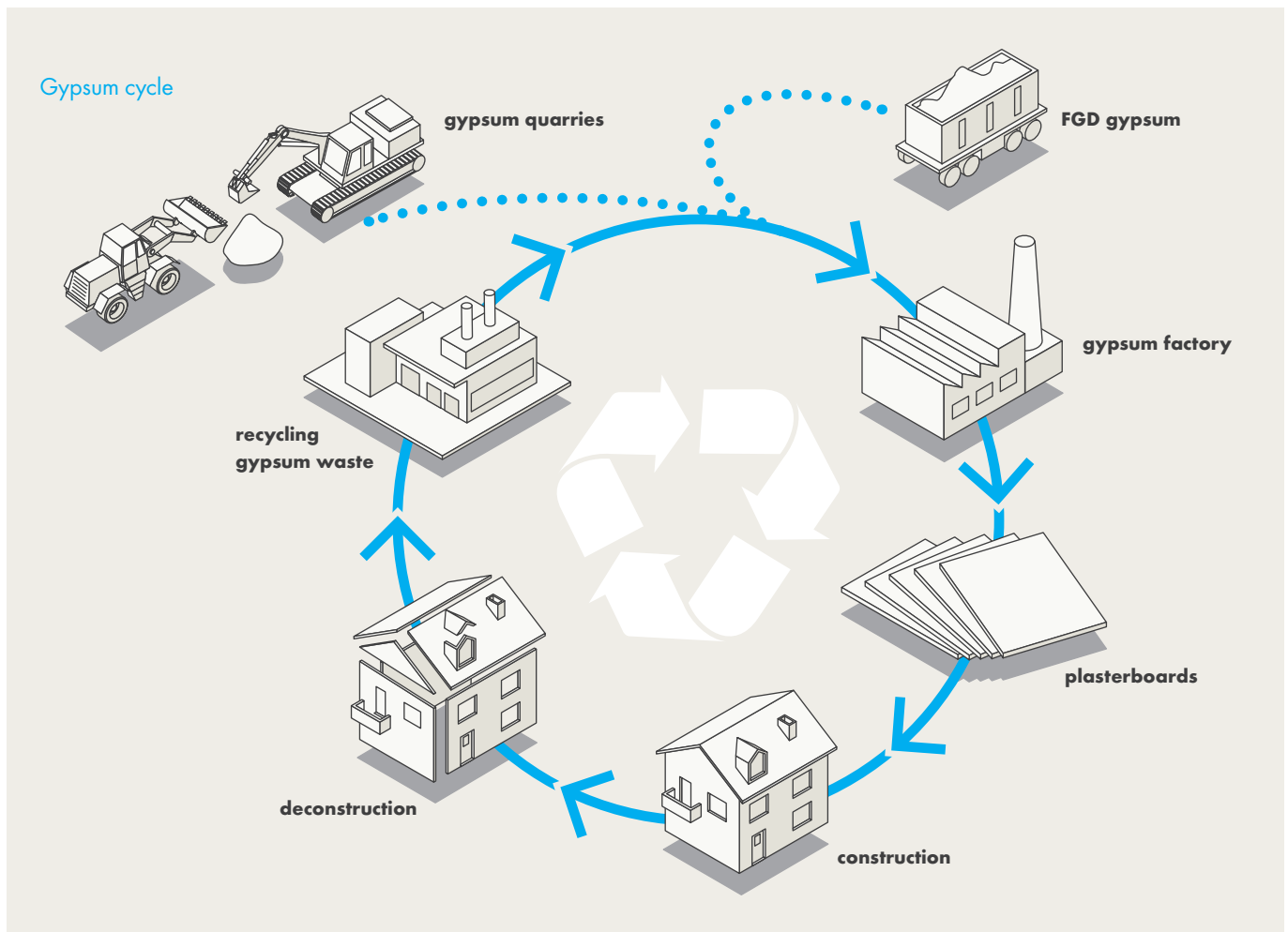
Recycled gypsum (RC gypsum) is a further alternative where in particular gypsum board waste resulting from new construction and dismantling activities is reused. In doing so, Knauf is pursuing the 'cradle-to-cradle approach' with increasing intensity, i.e. not withdrawing gypsum board waste from the



economic cycle through landfill, but recovering the gypsum core present in gypsum boards to be used as a secondary raw material. In order to achieve the highest possible quality of RC gypsum, it is essential, above all, to collect gypsum boards separately and by type when buildings are dismantled, and this is now a requirement contained in the Industrial Waste Directive which comes into force in Germany on 1 August 2017. Before the gypsum is used, the paperboard and adhesive residues as well as other impurities have to be as far as possible removed in the recycling process.

The recycling of post-consumer gypsum board is already more strongly established at Knauf's UK and Scandinavian facilities than in other European countries. For example, Knauf A/S Denmark has already reached a recycled proportion of 17 percent and Norgips Norge 14 percent. Knauf UK has a recycled target of 60,000 tons of RC gypsum from gypsum board waste for the current year of 2017. In Germany, the Bundesverband der Gipsindustrie (BV Gips, the Federal Association of the Gypsum Industry) developed a concept for the recycling of gypsum board in 2013 in which Knauf had taken the lead. In the wake of this initiative, a recycling plant was commissioned in Deißlingen-Lauffen in the state of Baden-Württemberg in November 2014. It is operated by STRABAG Umwelttechnik GmbH.

The volumes recycled are still considerably below the plant's processing capacity because there is not enough waste gypsum board collected by type available. In other regards, too, gypsum recycling in Germany is stagnating by comparison with Northern Europe as large volumes of recyclable waste are still being used less expensively as landfill abroad. The Knauf factory in Lauffen located close to the recycling plant reached a deployment rate of 4 percent for the first time in 2016.



Old gypsum to new gypsum

Knauf participates in many European initiatives and research projects on the recycling of gypsum board. As one of the largest manufacturers, we thereby want to make our contribution to closing the gypsum cycle. In the past few years, the focus was on the ‘Gypsum-to-gypsum’ project (GtoG) of the European gypsum industry association Eurogypsum. The project, completed in December 2015, was funded by the European Union, and it brought together 17 project partners, among them five manufacturers, five demolition and two recycling companies as well as research and consultancy institutes.

In the wake of the project, the European gypsum industry undertook to reach a deployment rate of up to 30 percent recycled material over the long term. The GtoG project

focused primarily on the objective of the ‘dismantling instead of disorderly demolition’ of buildings, on arrangements for setting up a separate return infrastructure as well as on methods for recovering gypsum through various recycling procedures with the aim of achieving the highest possible quality of RC gypsum. However, one of the other insights from the project was that – depending on its age and type of substructure – even separately collected gypsum board waste does not always lead to a secondary raw material of sufficient quality, in spite of extensive treatment.

The final report of the project identifies best practices for dismantling, recycling and the deployment of recycled gypsum looks at the carbon footprint of recycled gypsum and describes how the establishment of a sustain-

able value chain can succeed (for further information, please go to <http://gypsumtogypsum.org>).

In addition to GtoG, our Spanish subsidiary is a partner in the research consortium HISER, along with 25 companies from ten member states of the European Union. HISER stands for ‘Holistic Innovative Solutions for an Efficient Recycling and Recovery of Valuable Raw Materials from Complex Construction and Demolition Waste (C&DW)’. The project aims at developing new, cost-efficient technologies to recycle mixed construction waste by considering circular economy approaches throughout the building value chain. The solutions will be demonstrated in demolition projects and five case studies across Europe.



At Knauf in Rottleberode, Thuringia, Lars Kothe is responsible for nature conservation.

SOLVING CONFLICTS THROUGH DIALOGUE

In the southern Harz where the mountains tend to be less high than in other Harz regions, there have been lively goings-on for some time. The reason is a unique gypsum find, directly on the earth's surface, 20 metres thick and only a few kilometres wide, in the border region between Thuringia, Saxony Anhalt and Lower Saxony. The natural gypsum find is unique not only due to its open location but also the high purity of the raw material present. And finally – and this is the proverbial straw – it is the gypsum landscape with its special diversity of species which makes the region here something special.

This is also the way Lars Kothe sees it. "We want to change the general operating plan passed 20 years ago in order to do more justice to the protection of nature", explains the forester who is employed at Knauf in Rottleberode. "The old general plan does not reflect reality and no longer corresponds to the current legal situation. It provides for strictly geometrical, straight lines which cut through mountains and valleys and in this way destroys whole sections of the countryside."

Knauf is one of three companies mining gypsum in the region. For all of them, the existing mining areas will soon be exhausted and new ones need to be opened up. Knauf is in a comparatively good position. The company has really 'arrived' in the region since acquiring the area at the beginning of the 1990s from the trust assets of the former GDR. "We have made a personal commitment here for many years", Lars Kothe explains. "Our employees are networked everywhere, working in professional associations, interest groups and local societies. As people, we are tangible for the region."

Added to this is the fact that the Knauf factory has been gradually enlarged by taking on new product groups (plaster, gypsum board, fibre board) and expanding the workforce accordingly. "We offer high-quality industrial jobs. That is very important in a region in which many people work in the minimum wage range."

The new general operating plan envisaged is associated with exchanging areas. This

only concerns areas belonging exclusively to Knauf. The aim is to extend the mine while looking after the countryside and at the same time protecting the surrounding villages from the impact of dust and noise. Nevertheless, there were doubts in the community who feared disadvantages and worried about nature conservation. Here the excellent networking and intensive dialogue of the past few years have been very beneficial.

There is a four kilometre works road between the gypsum factory in Saxony Anhalt and the quarry in Thuringia, a private road which carries no public traffic. This keeps the impact for surrounding communities within limits. "It will get quieter for everyone although we are moving closer to the local villages", says Lars Kothe confidently. As far as nature conservation is concerned, the forester is not worried. Knauf has acquired 800 hectares of forested land here and has decades of experience in the recultivation and reforestation of closed-down mines. Lars Kothe is therefore convinced that "Knauf stands for social and ecological responsibility".

GRI: G4-26

Committed to nature

Disused mines or quarries are reinstated and recultivated by Knauf, and in the case of larger areas this is done while operations are still ongoing. With recultivation, the areas are returned for forestry or agriculture with no contamination by levelling the site through backfilling and relaying the original topsoil. With restoration, former mining areas become part of the surrounding countryside. This process is accelerated by initial planting and where necessary – in Greece for example – supported by irrigation systems. With these and similar measures, Knauf is going above and beyond the legal requirements applying to the restoration of disused mining locations. It even frequently manages to link

adjacent restored areas in such a way that a connected natural landscape emerges from isolated biotopes (see illustration).

In Greece, Knauf Gypsopiia has invested substantially in the restoration of the Katouna quarry which is soon to be completely closed down. In this stretch of land, it was a major challenge to create lush vegetation. On the one hand, the newly planted area had to be fenced to protect the young trees from freely roaming sheep. On the other hand, a wood can only prosper in the prevailing climate there if it receives sufficient water. A well was therefore established by drilling into the ground at the lower end of the quarry from which water is drawn and conveyed to a

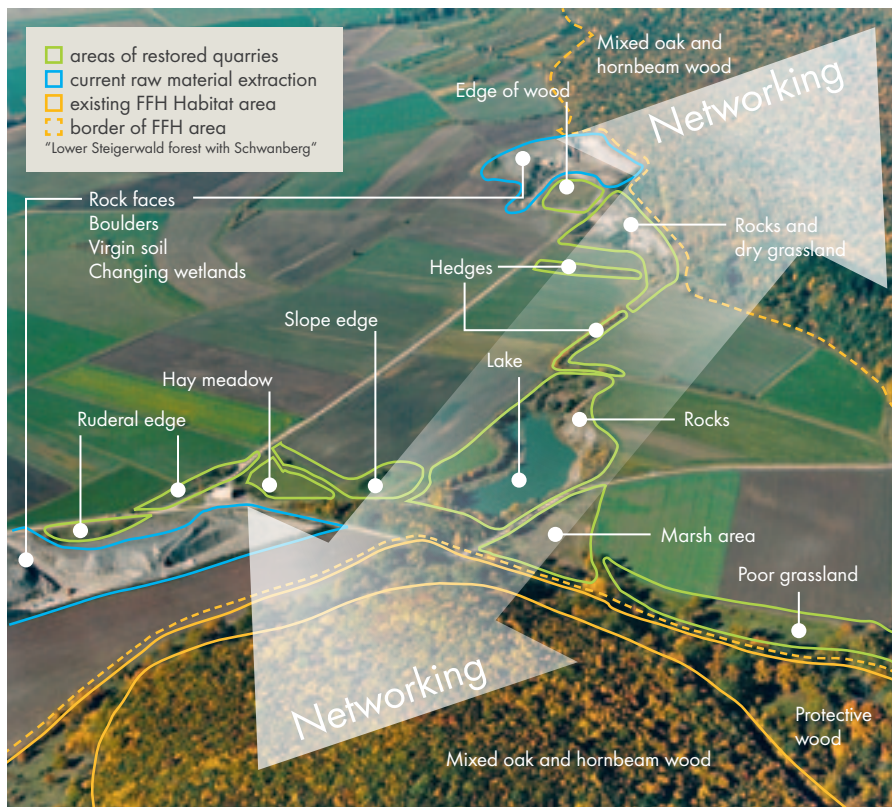
tank sited 170 metres higher at the upper end of the quarry. From there, the typical trees of the region and many bushes are irrigated. The soil was also sown with a layer of clover, resilient flowering plants and succulents. Around 500 olive trees were also planted on the external waste dump.

Protecting biodiversity

Knauf is committed to a series of initiatives and societies for the protection of biodiversity. At the end of 2016, Knauf became a signatory to the Business and Biodiversity Pledge in advance of the 13th conference of the international Convention on Biological Diversity (CBD). In the course of this conference, more than 130 international companies undertook to drive the solutions for protecting biodiversity and eco systems as well as to ensure a fair and balanced distribution and sustainable use of resources.

In Germany, Knauf is a member of the Biodiversity in Good Company initiative and supports the seven objectives for preserving biological diversity set out there. In addition, Knauf plays an active role in the working group Management Indicators for Biodiversity set up by the Federal Initiative Biological Diversity 2020. We also participate in a biodiversity database maintained by the Stone & Soil Industry Association of Baden-Württemberg, and we are members of the working group on Quarry and Gravel Pit Habitats in the Regional Association for the Protection of Birds in Bavaria. Many of our subsidiaries abroad have made similar commitments.

In September 2015, the annual meeting of Biodiversity in Good Company was held at Knauf's head office in Iphofen. In the process,



Ideally, as pictured, Knauf renaturation measures lead to linking two different nature reserves.



In Greece, Knauf restored a former quarry - with an irrigation system.

GRI: G4-26

a panel of renowned companies from Germany, Japan and Brazil discussed current developments in nature conservation and environmental protection as well as strategies for managing the impact of business on biodiversity. On an excursion to a restored quarry near Markt Nordheim in central Franconia, geologists from Knauf Gips KG were able to demonstrate to participants the positive effects a quarry abandoned to nature can have on threatened species.

Care in the vicinity of conservation areas

Our experts work with extreme care, especially when Knauf's mining facilities are located near nature conservation areas. Although none of the twelve quarries currently active in Germany is located in a conservation area, five of them border on regions enjoying a high protection status. As a result of extensive advance investigations and by modifying the direction of the mining process, however, no negative impact on the conser-

vation areas is to be expected – on the contrary: for three of the five areas, we even expect a positive effect while in two the effects are neutral, meaning that there is no discernible influence. Only two of the twelve sites are of a size where Knauf is obliged to make an environmental impact study, in other words which are larger than ten hectares.

These five sites correspond to 42 percent of our mining areas in which nature conservation applies as a partial restoration objective. During the reporting period, 1.5 hectares were definitively restored and made available to nature conservation on a permanent basis. Before mining work began, the area was used entirely for agriculture.

Knauf Gips facilities in Germany near conservation areas

Active intervention through the extraction of raw materials or backfilling with external material at sites with bordering areas with high protection status, 2014-2016

Name	Region	Conservation area	Type of conservation area*	Measures planned	Impact on conservation area
Markt Nordheim	Central Franconia, Bavaria	Gipshöhle Sieben Buckel & Höllern	FFH, NSG	Enlargement of conservation area through restoration	Positive
Krassolzheim	Central Franconia, Bavaria	Vorderer Steigerwald with Schwanberg	FFH, SPA	Stepping stone biotope through restoration	Positive
Ergersheim	Central Franconia, Bavaria	Südlicher Steigerwald	FFH, SPA	Stepping stone biotope through restoration	Positive
Triensbach	Crailsheim, Baden-Württemberg	Reußenberg	NSG	Reforestation	Neutral
Rottleberode	Southern Harz, Thuringia & Saxony Anhalt	Alter Stolberg and Heimkehle in the southern Harz	FFH, SPA, NSG	Reforestation	Neutral

* FFH = Flora Fauna Habitat (European conservation area under §32 BNatSchG); SPA = Bird Sanctuary (European conservation area under §32 BNatSchG); NSG = Nature Sanctuary (under §23 BNatSchG)



Rehabilitated quarries quickly develop into valuable biotopes.

In the United Kingdom, our Sittingbourne facility borders the nature sanctuary The Swale. For this reason, the facility is subject to checks by the UK Environment Agency which takes regular samples of our emissions and water runoffs including in waters furnished with dykes. Reeds have been planted on the dykes at the Immingham facility which filter and enhance the quality of the water. The plants create their own eco system in which wild birds and types of fish such as minnows settle.

In Greece, around 50 percent of the Gypsara quarry had been restored by the end of 2016, corresponding to more than 10 hectares. 2,500 trees and shrubs were planted here. All the plants are watered and fertilised in the summer months, if required.

At Knauf A/S in Denmark, a gravel pit closed in 2003 was converted to a conservation area in the reporting period. More than 10 percent of the area measuring roughly 51,000 square metres is covered by a lake.

[Efficiency benefits environmental protection](#)

Knauf is known as a company that operates particularly efficiently. And we also make a conscious contribution towards environmental protection.

[Transport](#)

At many production facilities, there is a quarry for natural gypsum or a power station for FGD gypsum in the direct vicinity of the factory. In this way, transport routes are kept



Cogeneration plants help save energy and increase energy efficiency.

to a minimum and frequently on private roads with no public traffic. Large facilities such as Iphofen I have intensively used rail connections for the environmentally-friendly transport of FGD gypsum, for example. Whole trains drive into our FGD warehouse in Iphofen and are automatically unloaded.

Depending on the location and infrastructure, we can also fall back on inland waterways. For the factories in Iphofen and the surrounding area, we also use barges on the River Main and on the Rhine and Danube for other facilities. Knauf Aquapanel uses Dortmund's canal port. Every year, Knauf PFT transports around 100 container loads full of construction machinery by ship. Numerous facilities and national offices develop composite solutions consisting of various means of transport such as rail and ship for the sake of environmental protection. If it was not for environmental reasons, our transport logistics department endeavours to use environmentally optimised routes for the sake of efficiency.

Consumption of power and water

The fact that efficient operations help to protect the environment, is also discernible in our energy management. Knauf uses non-renewable and renewable energy, as well

as bought-in electricity and self-generated steam and increasingly local combined heat and power plants. As in the previous reporting period, we have made efficiency gains, above all in the area of drying boards, in converting the lighting as well as through new filter and compressed air technology. In 2016 alone, we were able to save more than 1.3 million kilowatt hours through the electrical refurbishment of our conveyor lines in Iphofen. In the UK we have good experience with environmentally oriented driver training. We regard the consumption figures as confidential information.

The same applies to water consumption. Water is required for the production of many gypsum products as gypsum is initially always available in powder form and is processed to form boards, for example, by adding water. In the last few years, we have repeatedly succeeded in lowering the specific water consumption in production – for example, by means of aggregates. Our energy and water consumption are closely connected as a large part of the energy is used for the calcination or drying of boards. By using the right formula, we can achieve efficiency gains in both areas at the same time.


Emissions

In spite of the deployment of combined heat and power plants, renewable energy sources and environmentally optimised transport routes, there always remains a connection between energy consumption and CO₂ emissions. However, the companies covered in the report succeeded in the reporting period in decoupling production increases from energy consumption or emissions. In spite of an increase in the production volume of 3.8 percent, the energy consumption fell by 2.3 percent and direct and indirect emissions by a total of 2.5 percent.

All the corresponding data are recorded as part of our environmental management system and are incorporated into the management of the company. In the reporting period, Knauf UK was certified according to the Carbon Trust Standard – evidence of its application of best practice and successfully lowering CO₂ emissions. For reasons of competition, Knauf does not communicate any absolute consumption or emissions data.

Waste

Production waste – primarily gypsum and paper or cartonboard – is recycled into production in all Knauf plants, often at a rate of 100 percent. We also produce low volumes of wood, metal and other waste. This waste is sent for material recycling or – where this is not possible with economically justifiable means – it is incinerated or used for landfill.

A man with dark hair, wearing a dark suit jacket, a white shirt, and a patterned tie, is smiling slightly. He is standing in front of a large, blue, three-dimensional 'KNAUF' sign. The background shows a building facade with circular vents and a clear blue sky.

› You worked in many international divisions at Knauf. In your experience, what encourages employees to create long-term value for the company?

Plato said, "The secret of change is to focus all your energy not on fighting the old but on building the new". Knauf is 85 years old and certainly gold! This provides to Knauf employees the opportunity to withstand like a kite to the wind and fly in the sky without getting scared of losing the visual link with the sea shore. This freedom enables them to conquer new oceans. Principles that derive from the origin of Knauf are inspired by the Knauf Values, especially when we list them in the proper order Menschlichkeit, Partnership, Commitment, and Entrepreneurship. This motivates for all the big and small steps that generate long-term value for the company.

› In your experience, how can the Knauf Values contribute to make Knauf a more sustainable company?

What is a sustainable company? Based on sustainable development, we need to look after the environment, economics, politics, and culture. Based on that, one can easily recognise the basic principles of the Knauf Values. In other words, both approaches are closely related and intersect at the point where we reach our targets. If we all live up to the Knauf Values, they will lead us to a more sustainable future. In terms of human resources, the recent creation of a HR handbook for the southern region is an encouraging sign that the Values are turned into concrete operations..

Minas Katanopoulos,
Board Member / President of
Knauf Greece, Cyprus, Egypt, United
Arab Emirates, Tanzania, Kenya, Turkey

"PUTTING THE VALUES INTO
CONCRETE OPERATIONS"

TOGETHER FOR SUCCESS

As a family company, Knauf is aware of the special role played by responsible, well-performing employees in the success of the company. Personal growth and career advancement are just as important as modern health management and the promotion of diversity.

Knauf is one of the large, globally positioned family businesses which are so characteristic of Germany as a business location. The company has been managed by the Knauf family since its inception in 1932. Several members of the family are still working in managerial functions in the company, some abroad.

The notion of family runs through our entire corporate culture. It also characterises the Knauf Values of Menschlichkeit, partnership, commitment and entrepreneurship (see page 10). They are binding on all employees and form an ethical framework. We are convinced that ethics and morals have a justified role to play, especially in a globalised, fast-paced world. This is the only way to engender reliability, a sense of togetherness and constructive cooperation.

A trusting relationship of cooperation

The principles of a trusting relationship of cooperation as well as hard work, visionary thinking and cohesion are what guarantee the stability of any family just as they do the success of our company. That is why we attach great importance to solid, globally focused human resource development with extensive and diverse opportunities for training and further education and with managers acting as role models. A broad-based range of measures for ensuring safety at work and protecting employees' health go a long way towards ensuring that our employees perform their work safely, healthily and with motivation.

We regard the diversity of our employees as an essential cornerstone of success. Just as the construction of a house requires numerous trades to interact, only the knowledge and abilities of a workforce that is as diverse as possible, can lead to the success of a company. Just as many people are involved in building a house, all of us contribute to our success.

Having local roots has always been a further major advantage of our management approach. The Knauf Group consists of a variety of companies which operate largely independently. They recruit their staff, including the majority of their managers, locally and autonomously. However, in the course of globally communicating the Knauf Values, we have specified some strategic principles of personnel work in the last few years centrally.

Cooperative dealings with employee representatives constitute one element of our corporate culture that goes without saying. Works councils and unions can operate freely in all Knauf companies, and they are involved in central decisions affecting employees. Knauf always complies with national legislation on employment matters – e.g. with regard to employees' rights.

Employee numbers largely stable

At the end of 2016, there were around 27,400 employees working in the Knauf Group around the world (2015: 26,000). The overall figure (2014: 26,500) has therefore not changed substantially by comparison with the last sustainability report.

At the end of 2016, there were precisely 4,993 people employed in the selection of companies covered by the present report (2015: 5,112). Of these, 2,246 or 45.0 percent were industrial staff (2015: 2,253/44.1%) and 2,411 or 48.3 percent were administrative staff (2015: 2,451/47.9%) (the remaining 7 percent consist of trainees, students on work-study programmes, interns, people on fixed-term contracts, or similar).

Number of employees in the companies covered in the report (as of the end of 2016)

total employees	4,993
female employees	17.8%
male employees	82.2%
industrial staff	45.0%
administrative staff	48.3%
full-time employees	95.2%
part-time employees	4.8%

Length of service	
up to 5 years	32.1%
6 – 10 years	16.8%
11 – 20 years	23.3%
21 – 30 years	21.0%
31 – 40 years	5.4%
> 41 years	1.5%

Age structure	
up to 20 years	2.5%
21 – 30 years	13.8%
31 – 40 years	21.3%
41 – 50 years	30.5%
51 – 60 years	26.4%
61 – 65 years	4.8%
> 65 years	0.7%

In 2016, the companies covered in the report took on 473 new employees and 412 employees left the company. This corresponds to staff turnover of 1.2 percent.

Personnel work: People at the centre

People are at the heart of Knauf’s personnel work. Since 2015, new employees have received a welcome file intended to facilitate their entry into the Knauf Group. It contains information on the history of the company, the structure of the Knauf Group, gypsum as a raw material and on working at Knauf.

The fundamentals of personnel work include a multi-faceted programme of training and further education. It begins with subjects such as ‘Understanding Knauf’s Structures’, ‘Internalising the Knauf Values’ and basic seminars on our products and system solutions as well as the raw materials processed. Depending on workplace, type of activity and national regulations our employees also attend standard courses and/or e-learning offers in the areas of data protection / data security, compliance and health and safety.

The Knauf Academy which was originally aimed primarily at our customers, today also addresses all employees and managers. Its programme offers a successive curriculum of factual knowledge and methodological expertise. The learning objectives defined in this curriculum are derived from the responsibilities of the respective departments, and describe the necessary expertise on different development levels. The ensuing catalogue of seminars containing both individual lectures and courses, are run along the same lines.

Further education statistics for Knauf Germany*

Course	2015		2016	
	administra- tive staff	industrial staff	administra- tive staff	industrial staff
Basic seminars	507	22	318	20
Knauf Know-how	213	5	80	2
Safety at work	83	34	76	20
Foreign language skills	269	-	208	-
Health management	97	1	84	6
IT systems and applications	251	40	181	23
Specific technical subjects	42	43	95	58
Managerial skills	152	17	237	6
Special seminars	132	2	81	14
Total participants	1,746	164	1,360	149
Ratio administrative/industrial staff	91.5%	8.5%	90.1%	9.9%
Total seminars	268		236	
Total hours	21,372		18,665	

* plus compliance trainings by regional compliance officers and workshops on the Values

Established in 2017, K-College (for Knauf College) was until the end of 2016 the international knowledge platform and global competence centre of the Knauf Group. It was oriented specifically towards sales managers, marketing and communications managers, product managers, and technical commercial managers. Participants learnt to discuss and develop collaborative future-oriented strategies for the entire Knauf Group and how to modify these strategies to meet the needs of specific parts of the company. Since the beginning of 2017, K-College is one of three pillars of the new pilot K-University (also including the e-learning platform K-Socrates and the K-Handbook).

Training in the Knauf Values

Since 2014, we have focused every year on one of the four Knauf Values and made it a priority in the further education programme. 2015, for example, was the 'Year of Partnership' and 2016 the 'Year of Commitment'. These annual priorities are enacted globally by all Knauf companies – our staff magazine 'Knauf Journal' reports on these activities, thereby creating identification and a sense of togetherness across national borders.

Human resources strategy for Northern Europe

In August 2015, Knauf's Northern Europe region – which includes the United Kingdom as well as the Scandinavian countries – presented a new human resources (HR) strategy to enable it to better manage certain employee subjects. The plan was based on the vision of prevailing in the market primarily through innovation, efficiency and commercial excellence.

The HR plan is designed to meet both local and regional challenges. It is based on five building blocks. In the HR Data and Concepts section, we intend to subject employee data and HR processes in the region to greater standardisation. In Performance and Talent Management, we want to broaden our perspective not only in terms of the methods employed but also with regard to personal growth. We want to pool our Sales and Marketing Resources more closely. Change Programmes focus both on aspects of corporate culture and defined groups of excellence in individual business units. Leadership summarises training activities for managers which relate to the operationalisation of the corporate culture and values.

Knauf Values shape new management principles

In 2016, the primary focus of the Human Resources Department was to develop new leadership principles. The task of our managers is to create the underlying conditions which enable their employees to perform to the best of their abilities. The Knauf Values are the compass for their leadership style. Managers must embody the Values and put them into practice within their sphere of responsibility.

The leadership principles were jointly produced in a process taking several months and with the participation of all levels and international regions, and have already been trialled. They are

- › specifically derived from the Knauf Values,
- › a basis for efficient management as defined by the corporate goals
- › standardised guidelines for cooperation between managers and employees,
- › written rules which are binding on all Knauf managers.

To enforce the leadership principles around the world, they are communicated in hierarchical cascades starting with the Group managing directors of the regions who dis-

seminate them in their own managerial conferences. There are specific brochures in six languages in addition to the intranet where there is also an e-learning tool available. As a further incentive, we have set up a Leadership Award that is intended to generate good examples.

The leadership principles also shape our regular employee interviews. They form the basis for career planning and the individual further education programme. For employees, the new 'kpeople' database has been available at Knauf since 2015, and is still being rolled out around the world. It facilitates targeted preparation for the interview and guarantees a high level of transparency throughout the process for both sides.

compass: the intranet goes global

In April 2015, Knauf took the first major step towards an international, interactive intranet: 'compass' stands out not only on account of its fresh design and intuitive handling, but it also offers the chance to form user groups and share content, both within and outside the groups, as well as communicating information. Using the shared content, Knauf employees can work together on documents, distribute tasks, call up the current status of

a project, file important data and much more besides. Superfluous e-mail traffic can be dispensed with, and all the data forming part of a project are available in a central location for all those involved in the project.

'compass' was initially launched at Knauf Gips KG in Germany and was quickly rolled out to all Knauf's companies in Germany. In the course of 2015, it was extended to further German companies and Switzerland. Partner companies wishing to play an active part, must provide editorial capacity. The international roll-out began at the end of 2015 with the training of an editorial team in Turkey. Facilities in Northern Europe were integrated in April 2016, and worldwide locations of Knauf AMF followed. Greece, Italy and Belgium initiated their participation in 2016. All facilities around the world are to be connected in the course of 2017. 'compass' will enhance the efficiency of cooperation, also across national borders, and bring the Knauf world somewhat closer together.

› *compass has simplified the performance of our daily work considerably. It is no longer necessary to send an e-mail every time a new document is edited, reviewed or translated. It allows everyone to work at their own pace and do their work when it fits their personal schedule."*

David Long, Technical Translator, Knauf Gips KG



Knauf offers apprenticeships in numerous professional areas.



At Knauf, regular fire drills help keep up our ambitious safety levels.

standard OHSAS 18001 (Occupational Health and Safety Assessment Series). In Germany, it corresponds not only to OHSAS criteria but is also certified by the Trade Association for Raw Materials and the Chemicals Industry (BG RCI) with its seal of quality, 'Sicher mit System' (SMS) (Safe by Design). Health and safety issues are also regularly discussed with the trade association and the Lower Mining Authority and checked for relevance on inspections which take place at least once a year.

Wherever necessary, we retrofit systems in order always to be up to date on safety provisions. For example, the sawing machines and edge processing machines at Knauf AMF were completely enclosed at the beginning of 2016 in order to achieve better protection from noise and dust.

To prevent accidents, safety issues are always discussed with the Works Council, union members and other employee representatives and jointly decided upon. Even in small production plants, there is always at least one employee representative and the works manager who fulfil this function; usually the works manager, a safety officer, a works doctor and one staff representative each for industrial and administrative employees form the relevant committee. This applies equally at locations abroad with no union presence in the company such as Knauf UK.

Elaborate safety management

The safety and health of employees constitute a basic prerequisite of entrepreneurial success. Because success is the fruit not only of technically competent but also motivated and proactive staff. To protect the health of its staff, Knauf works with the Knauf Safety Standard (KSS), developed in-house, in the field of health and safety at work.

The KSS is addressed initially to managers with binding instructions for health and safety at work. Among its main components are the definition of authority and areas of responsibility as well as regulations governing risk assessment, measuring the effectiveness of health and safety measures, emergency planning and the contents of training programmes. The KSS meets the criteria of the international occupational safety stan-

Sport protects health

The Corporate Health Management in companies belonging to the Knauf Group supports employees in actively doing something to preserve their health and fitness for work. The average age in our companies has not changed fundamentally in the two years since the last sustainability report. Nevertheless, the demographic change in many Western European societies will also make itself felt with us over the medium term, i.e. the average age will tend to rise – above all in production – and with it age-related health risks.

Knauf's 'Fit@Work' programme (also referred to as 'Knauf FIT' in some countries) is in place throughout the whole Group with priorities specific to each country. It comprises a broad training concept, orientation drives and information campaigns on current issues (such as Health Days held annually) and a wide range of sports on offer. Knauf Danogips in Neuss also staged a Health and Safety Day for the first time in October 2016 which was met with great participation.

Knauf also supports the voluntary commitment of employees in the health area, for example by assuming the rental costs for sports facilities, and promotes offers such as football, basketball, beach volleyball, gymnastics, yoga, swimming, hiking and attending fitness studios.

For example, employees of Knauf A/S in Denmark took part in the national competition 'Tæl skridt' ('Count the Steps'), the countrywide campaign of the Danish Federation for company sport. During the three-week campaign, participants must walk at least 10,000 steps a day. Every team that achieves this target on eleven of 21 days, can obtain a prize at the end. The Knauf team won this competition from among 14,000 participants. As part of 'Knauf FIT', Knauf A/S staged a marathon around the factory site in 2016.

Prominent health ambassadors

In order to draw as much attention as possible to health and fitness issues, Knauf has been cooperating with prominent sportsmen and women for several years who act as 'health ambassadors' during events and in the media.

The multiple swimming world champion, Thomas Lurz, produced a series of entertaining short films in 2015. The series with the name of KRAFTAKT (feat of strength) shows employees how they can use simple means to take on board new energy during work or in the breaks – by means of breathing exercises and loosening-up drills as well as tips on nutrition and calorie consumption. The videos are available on the intranet (compass), but also on the Knauf YouTube channel.

The Olympic champion and World Cup biathlete, Kati Wilhelm, leads our trainees in Germany to her 'KatiCamp' every summer. Here they learn values such as motivation, passion, ambition, setting targets, etc. on the basis of biathlon disciplines – qualities also much in demand in companies.



<https://www.youtube.com/user/knaufgipskg>

Family-friendly company

As a company in the building material industry, Knauf operates in a classical male sector. This is also reflected in our workforce. The proportion of women in the companies involved in this report stood at 17.8 percent in 2016, and the figure is only 2.5 percent in the industrial production. The building machinery specialists Knauf PFT achieved the highest rate with 36.4 percent, followed by Knauf A/S (Denmark) with 24.8 percent and Knauf Gips KG with 20.8 percent. The highest proportion of women in industrial production in 2016 stood at 15.2 percent at Knauf A/S. This shows that the proportion of women is higher where there are more administrative professions and where less traditional social patterns prevail as in Scandinavia.

The proportion of women among senior executives is also low. It was highest at Norgips in Norway in 2016: 42.9 percent – which corresponds to three out of seven senior executives there. Overall, however, it was only 9.2 percent in the companies reporting here.

Increasing the proportion of women

We are aware that we have to redouble our efforts to raise the proportion of women – in spite of the traditionally low rates in our sector of industry. This also includes measures for the better reconciliation of family and working life, for example through childcare offers in collaboration with local authorities. In this way, we actively support our employees in the search for nursery places. We help employees who have to commute to our facilities in finding childminders or looking for accommodation.

Knauf values and celebrates long-term commitment to the company.



Family day at the plant

On 10 September 2016, an anniversary celebration was organised for all employees and their families in the factory in Amphilochia (Greece). It was a sunny, thrilling day full of surprising highlights for young and old. Clowns, magicians and other entertainers held the children spellbound. Music and culinary delights were also taken care of. The families of the employees were also able to take a special tour of the factory. The highlight of the event was the honouring of employees who had been with the company since its inception. The Managing Directors, Minas Katanopoulos and Dimitri Dontas, congratulated twelve employees on their personal 25th anniversary with Knauf.





*Educational entertainment:
The Knauf Family Day in Greece had
a lot to offer for children.*

Both women and men actively take advantage of parental leave at Knauf. In 2016, 119 employees from the companies represented in the report were on parental leave, 58 of them women and 61 men. A large majority of these employees work in Germany.

At the same time, we must contribute towards fighting prejudice by introducing girls of school age to our line of work. One of the ways we do this is by taking part in the Girl's Day every year – in April. In 2015, for example, 20 schoolgirls in Grades 7 and 8, visited Factory II in Markt Einersheim with the emphasis on technical professions. In 2016, the focus was on the Iphofen I and II plants with another 20 schoolgirls.

Diversity pays off

The diversity of conceptual approaches in the company enriches the working atmosphere, and experience shows that it leads to new, creative solutions to problems. Different generations, nationalities, religious affiliations and social orientations all play their part. For example, we actively encourage a diversity-conscious corporate culture. We prevent any discrimination on the grounds of age, handicaps, origin, gender, religion or sexual orientation by means of our Code of Conduct.

One of the ways in which we promote diversity in the company is to recruit our managers locally, meaning that they come from the region in which they work for us. Besides good knowledge of local markets, the reason for this is to be better networked locally with customers, authorities and other stakeholders.

Proportion of locally* employed managers at Knauf (2016)

Knauf Gips KG**	36.8
Knauf AMF GmbH & Co. KG	68.4
Knauf Aquapanel GmbH	100
Knauf Ges.m.b.H., Austria	69
Knauf AG, Switzerland	95.5
Knauf UK GmbH	50
Knauf GmbH, Spain/Portugal	95
Knauf Gypsopiia (Greece)	100
Knauf Danogips (Sweden)	42.9
Knauf A/S (Denmark)	14.3
Knauf Oy (Finland)	83.3
Norgips Norge (Norway)	28.6
Knauf Danogips (Neuss)	80
Total	66.5

* 'Local' means that managers come from a radius of 30 kilometres from a facility.

** includes Knauf PFT, Knauf Integral, Knauf Deutsche Gipswerke and Knauf Bauprodukte.



“COOPERATION MAKES FOR BETTER INFORMED DECISION-MAKING”

› Generally, what can Knauf gain from cooperating with external organisations?

In our experience, collaboration with external organizations involves many advantages. The most important ones are to gain access to resources and supplementary capabilities, increased knowledge throughout the company, and better informed decision-making as a result of having more information and several points of view. Besides reducing costs in the medium term and increasing efficiency and competitiveness, we also improved our reputation, which is good for our local relationships.

› What are the mutual benefits from your work with the University of Granada?

*Scientists from the university undertook research on gypsophile species that were not very well known and catalogued them. One of the investigations discovered an endemic plant species (*Ononis tridentate* subsp. *Crassifolia*) in the local area of Escúzar (Granada). The collaboration has allowed the university to write numerous scientific papers and helped evolve the research careers of its staff. On the other hand, Knauf has acquired an in-depth knowledge about the restoration of areas with gypsum plants. Thus, we now understand all the parameters necessary to rehabilitate affected areas. We know, from the kind and quantity of seeds that we must use to the best terrain orientation, how to achieve the maximum growth of the different species being restored. All the data obtained by the research allows a better design and planning of the restoration, which means lower cost and greater efficiency.*

José Antonio Garrido,
Environment and Mining Technician at
Knauf GmbH Sucursal en España
(pictured with Helena García Robles,
scientist with the University of Granada).

LOCALLY STRONG OUR COMMITMENT TO SOCIETY

Knauf is not only an employer and tax-payer but it also makes a contribution to society over and above the business. For us the primary focus is on making a perceptible, beneficial commitment in those locations where we operate.

The social commitment of companies in the Knauf Group is very diverse – and at the same time reflects the diverse nature of Knauf. All the companies have strong local and regional roots and therefore support charitable causes that meet local needs. And because the companies know their own environment best, they are largely free to design their own commitment. Three areas have emerged in which Knauf traditionally makes its strongest contribution. Culture (here music first and foremost), social issues and sport. In some locations, this is supplemented by a strong commitment to the sustainability aspects of our industry.

The diversity of approaches is also reflected in the weighting of priorities. Some examples from 2016: At Knauf Bauprodukte GmbH & Co. KG, 17 percent of the commitment was devoted to donations and 83 percent to sponsorship projects, both entirely in the sporting arena. At Knauf PFT, 100 percent of the commitment lay in donations to social projects. Knauf Gypsopiia in Greece committed 23 percent of its efforts to donations and 77 percent to sponsorship, of which 51 percent was in the social domain, 26 percent in sport and 23 percent in the cultural sphere.

Research: for more sustainability in our industry

In Switzerland and Spain, the emphasis of Knauf's commitment lies in the promotion of research organisations in the field of building and architecture. For example, Knauf AG in Switzerland promotes researchers in the centres of excellence for technology and architecture at Lucerne University. Here scientists are working on the priority areas of 'Solutions for the Energy Transition' and 'The Building as a System'. Knauf also supports ETH CASE at the Swiss Federal Institute of Technology in Zurich, an interdisciplinary research centre for housing, neighbourhoods and urban development from a socio-economic, cultural and policy perspective.

In Spain, Knauf funds the biodiversity studies of the University of Granada. Researchers at the university have undertaken large-scale investigations of disused gypsum quarries and in the process identified the conditions for the most efficient form of restoration (see interview on page 46). As part of a Knauf financed research project at the university, each year in December students for the Environmental Science degree examine the soils in disused quarries to study the effects of erosion and how to avoid them. For 'young researchers', Knauf in Spain commits annually to tree planting events in cooperation

with local schools on the occasion of the International Tree Day in April. Knauf in Spain also supported the 4th International Architecture Congress 'Change of Climate' in Pamplona in June 2016 which was ceremoniously opened by King Felipe VI. The discussion centred on the conclusions that architecture and urban development must draw from climate change. During the 13th Spanish Biennale for Architecture and Urbanism in Granada from 19 July to 12 October 2016, a number of architects could convince themselves of Knauf's portfolio while visiting the Escúzar production site.

In Greece, Knauf supported a building technology conference in the Acropolis Museum in October 2016. Representing the owners' family, Isabel Knauf welcomed participants to the event, among them architects, scientists and other market experts. Even the advance reaction to the conference was enormous. Of the 500 architects and engineers who had applied to take part, it was only possible to invite 200.

In November 2016, Knauf A/S in Denmark highlighted the subject of sustainability during the 'Building Green' construction trade fair in Copenhagen. Following the general theme of the fair, Knauf focused entirely on sustainability and healthy living comfort.

GRI: G4-26

A big heart and hands-on approach to social concerns

Our companies support social issues in the vicinity of our facilities through numerous campaigns and initiatives. For example, employees of Knauf Oy in Finland took part in a dragon boat race for charity in 2015 which was staged for the fourth year in succession by the local Lions Club Kankaanpää. The Knauf team consisted of 14 participants and it finished in the pack. The event collected money as the teams each paid an entrance fee of 200 euros, and the money was donated at the end to a

charity of their choice. The chief organiser of the race was an employee of Knauf Finland.

Knauf UK introduced the 'Wellbeing' logo in 2016. The heart symbol with a green leaf is a metaphor for wellbeing – which refers both to Knauf employees and to the neighbourhoods of the facilities. Wellbeing is a major element of the corporate culture at Knauf UK. For example, we want to promote a healthy, dynamic and positive community within the company and at the same time collect money for selected charities. In June,

for example, a group of dedicated employees climbed the highest mountains in England, Scotland and Wales, thereby supporting the Starlights Children's Foundation. In September, employees cycled several hundred miles from the Sittingbourne plant to the Immingham Plant. This was to raise donations for Demelza hospice which cares for children who have terminal illness. Knauf also entered a team for the Windsor half marathon in support of CRASH, a charitable organisation of the Construction and Properties industries for the homeless.



During the 13th Spanish Biennale for Architecture, Knauf was visited by a group of renowned architects.

In October 2016, Knauf UK donated a truckload of plasterboard panels and accessories for the TV series 'DIY SOS: The Big Build' on BBC One in order to help a family in a desperate search for a new home. The family lives on the Isle of Sheppey, only a few kilometres from the Sittingbourne facility. Every programme shows how the home of a family in need is converted. Knauf had already been involved in some programmes but this time it was particularly important because the family practically lives in the neighbourhood of our employees. Among the items donated were Knauf Wallboard, our tile board for bathrooms and other special boards for interior walls and ceilings.

Many Knauf companies dispense with gifts to business partners at Christmas and instead donate the corresponding amount to charity. For example, the construction machinery manufacturer Knauf PFT has supported projects in Eastern Europe for the last two years. In 2015, the donation went to the 'Friends of the Children's Health Centre' foundation in Warsaw for the acquisition of new equipment in the neurosurgical hospital. In 2016, an orphanage of the Maltese Service in Moscow was supported. In both cases, the cheques were handed over locally by an employee of Knauf PFT to ensure that the donation was received in full where it is needed. Employees of Knauf AMF, supported by the management, donated money to pay for an operation for a Bulgarian colleague who had a motorbike accident. Knauf A/S in Denmark donated the

costs saved from printing and sending out Christmas cards to Julemærkefonden, the charitable foundation for charity stamps. The foundation supports Christmas homes – ten-week stays to help overweight adolescents.

Culture promotes creativity

The promotion of art and culture honours the special role of creativity often also needed in finding solutions in a business context. When it comes to culture, the spotlight in Iphofen turns to the Knauf Museum. It is housed in a baroque building with a modern extension and since 1983 it has been exhibiting gypsum reliefs from all parts of the world. At the beginning of 2016, the Peru Room in the museum was redesigned and equipped with modern presentation technology. Changing special exhibitions constantly attract new visitors to the museum. Focal subjects in the last two years have included jewellery in Ancient Egypt and an exhibition of small, antique mineral figurines ('netsuke') from Japan.

Regional musical culture is a further field in which Knauf plays an active role. For example, the Knauf Miners' Choir founded in 1959 is an advertisement for the regional choral tradition in the mining regions of Franconia. In Greece, Knauf Gypsopiia collaborated with the municipality of Amphiloichia to organise a major concert in the local port at the end of July 2016 at which the regionally well-known singer and actress Fotini Darra and an ensemble consisting of her band and

the town philharmonic orchestra (25 young musicians) performed. This event on a mid-summer's night was attended not only by invited guests but also by the residents of Amphiloichia. The following month, Knauf sponsored a concert tour by the town philharmonic orchestra consisting of 45 young musicians to Serbia. The concert with music from Mikis Theodorakis and other Greek composers was part of the festivities to celebrate the 25th anniversary of Knauf in Greece.





The award-winning Spanish pavillon during the Venice Biennale was equipped by Knauf.

In Spain, too, Knauf celebrated its 25th anniversary in Guixers in 2016 with a large party and an open day. Shortly thereafter, representatives travelled to the Biennale in Venice at which Knauf had sponsored and equipped the Spanish

Pavilion. Under the title 'Unfinished', the Pavilion alluded to the unfinished state of many building projects in Spain which it has not been possible to complete in the wake of the economic crisis. The Pavilion won the Biennale's 'Golden Lion'.

Sporting events for a good cause

Many Knauf companies act as sponsors in the sporting arena as part of their regional marketing – from s.Oliver Würzburg which is supported by Knauf Bauprodukte GmbH & Co. KG to numerous smaller clubs and individual sporting events. The dividing line between marketing-oriented sponsorship and donating for a good cause is often fluid especially with smaller amateur clubs. Numerous examples from the charitable sphere also show the breadth of the sponsorship range.

In May 2015, Knauf again supported the inclusive sporting festival 'No Limits!' held every year on the campus of the University of Würzburg and launched by the Thomas Lurz and Dieter Schneider Sporting Foundation. Prominent guests such as Knauf brand ambassador Kati Wilhelm also joined in as did everyone who enjoys sport together whether with disabilities or not. In this way, psychological barriers are broken down during play and understanding for each other is promoted.

Every year in July, Knauf Danogips in Sweden sponsors the largest beach handball tournament in the world for amateurs. 1,300 handball teams with more than 75,000 fans took part in the nine-day tournament in 2016. The site of the competition lies in the

vicinity of the Knauf factory near Åhus Beach. Knauf Danogips even entered its own team in the 'Sponsors' category consisting of players from different departments. Also in Scandinavia, Norgips in Norway supported the local golf club, a bowling group and a local football team.

In the South Eastern corner of Europe, Knauf Gypsopiia helped a fund-raising campaign by sponsoring the classic Athens marathon in 2015 and 2016. Knauf employees took part in the five and ten kilometres race as well as the classic marathon. Starting fees and amounts for kilometres run benefited the Panagia Eleousa organisation that takes care of children with mental and physical disabilities.

In March 2016, Dimitri Dontas and Panagiotis Tsantilas from Knauf Greece took part in a philanthropic basketball tournament organised by the CEO Club of Greece and the Olympiakos Basketball Club. The revenues went to the organisation Flame founded by parents of children suffering from cancer.

GRI CONTENT INDEX



The Knauf Sustainability Report 2015/2016 “Naturally Innovative” was prepared in accordance with the G4 guidelines of the Global Reporting Initiative (GRI) and fulfils the “In accordance – Core” option. An external audit of the contents of the report was not performed.

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