



2020 PRIORITY ISSUES

Answers given by Wienerberger AG

Also this year, the IVA has worked out 10 priority issues and invites listed companies to answer the relevant questions. The answers provided by companies will be published online at www.iva.or.at.

1. In 2019, how many **employees** (excluding managing board members) had a total annual remuneration **exceeding EUR 200,000** and how many of them had a total annual remuneration **exceeding EUR 500,000**?

In 2019, **62 employees** of the Wienerberger Group had a total remuneration (fixed remuneration, variable remuneration and long term incentive) exceeding EUR 200,000 per year. Thereof, **5 people** had a total remuneration exceeding EUR 500,000 per year. The above is exclusive of managing board members.

2. **Works council members:** Number of **works council members** released from work within the group of companies; personnel expenses and ancillary expenses such as administration, motor vehicles; number of agency workers as of December 31, 2019

One works council member is released from work within the group of companies. Related personnel expenses (incl. travel expenses, benefit in kind for motor vehicle, contributions payable by the employer) amounted to approx. EUR 133,000 in 2019.

Agency workers:*

Wienerberger Group: 1,121

Wienerberger Austria: 20

Pipelife Austria: 27

** Definition: Leased personnel/staff from employment agencies*

3. **Supervisory board:** What is the amount of **ancillary expenses** such as travel expenses, administration, consulting services, closed meetings, training? How many unconsumed vacation days do managing board members have, where these exceed a member's annual entitlement?

In 2019, ancillary expenses for the supervisory board amounted to approx. EUR 255,000 in aggregate. Thereof, an amount of approx. EUR 80,000 was attributable to travel expenses (flights, hotels, taxi); the remainder was attributable to professional fees and other costs (digital board management, translations, etc.).

As of December 31, 2019, the chairman of the managing board was entitled to 76 vacation days on a pro-rated basis.



4. People with disabilities

- Expense for 2019 equalization tax (only Austria):

The expense for the 2019 equalization tax in Austria amounted to EUR 50,638 in aggregate.

- What measures were taken to attribute to people with disabilities the status of employees/customers?

Wienerberger is committed to the principle of sustainability and a responsible way of dealing with one another, be it employees, business partners or customers. This aspiration is also reflected in the new Wienerberger Headquarters with its focus on accessibility, security, a healthy indoor climate and ergonomic workplaces. Moreover, Wienerberger supports social projects, which directly benefit people in need, the elderly and people with disabilities.

Within the company, the principles of Wienerberger's human resources policy ensure equal rights and opportunities for all employees, irrespective of age, gender, culture, religion, origin or other diversity features. All employees have access to a broad range of initial and further training programs, career development options and possibilities of employee participation. Modern home office and flexi-time regimes for flexible and mobile working are available to Wienerberger employees. As regards people with special needs, every effort is being made to place them in suitable jobs and offer them as much flexibility as possible to meet their individual requirements.

Employee satisfaction, the work environment and the measures taken are regularly evaluated within the framework of an employee survey; if necessary, further steps are taken.

5. The effects of the low-interest phase and of increased planning uncertainties on the valuation of intangible assets (goodwill and miscellaneous).

What measures are being contemplated to improve the intangible assets-equity-ratio?

The low-interest environment generally is not detrimental to Wienerberger's industry because the availability of debt financing and the financing costs thereof constitute key factors when making a decision about construction projects. Both elements exist in the current environment so that investment decisions are not influenced by these factors. More vital factors are consumer confidence, macro-economic environment, etc.

Wienerberger has been operating in an environment of planning uncertainty for many years; this is nothing new to the group and we would not consider such uncertainty to



have increased as a consequence of the low-interest environment. As previously done in the past, intangible assets will be valued in accordance with pertinent accounting regulations which, of course, will be taken into account for accounting purposes. The current low interest rate environment has a minor impact on cost of capital, as lower risk-free rates are compensated by increases of market risk premium.

6. Investor relations activities

- Roadshows in Austria and abroad

In 2019, Wienerberger had a total of approx. 23 roadshow days and attendances at investor conferences.

- Contacts with institutional and private investors

In aggregate, we had more than 500 direct contacts (meetings and conference calls) with institutional investors and private investors (exclusive of the Annual General Meeting which is attended by about 250 people every year).

- Expenses for research and analyses

Wienerberger is being covered and rated exclusively by independent brokers and research firms. During the current business year, another two analysts have started to cover Wienerberger.

- Number of printed editions of the business report and the sustainability report

The 2019 Annual Report was published in German and English, its total circulation being 2,700. With its new look-and-feel, it scored top in several categories of the renowned Vision Awards of the "League of American Communications Professionals" (LACP). The 2019 Sustainability Update was printed in German and English in 700 copies.

- Costs of publications in the Wiener Zeitung newspaper

In 2019, related costs amounted to EUR 41,452.

7. Consulting expenses

- By legal advice/compliance;
- IT consulting/digitalization;
- Advertising, PR;
- Recruiting; other concerning CO₂

In the business year of 2019, the Wienerberger Group incurred consulting expenses of TEUR 32,634 in aggregate. Such costs are not broken down by the above categories on group level.



**8. Research grants or premiums received;
Description of the three most significant research projects**

In 2019, Wienerberger AG and Wienerberger Österreich GmbH received research grants and research premiums worth approx. EUR 1 million.

Wienerberger engages in cooperative research on a national and international level aimed at using as little energy as possible (CO₂ emissions) while exploiting maximum functionality from clay.

- To optimize the structural and physical properties of brick, we participate, for example, in the national "**Innovativ Brick**" research project, developing virtual labs to be used to optimize the technical properties of brick shards and bricks. These new tools enable us to effectively develop brickwork in a targeted way.
- Drying and burning processes need to be as energy-efficient as possible. For this purpose, we are, for example, an industrial partner in the "**DryFiciency**" demonstration project. In the context of this project, which is subsidized by H2020 funds, Wienerberger is a demonstrator and has operated Europe's first high-temperature heat pump in an industrial environment since December 2019. Before that, absorption heat pumps were integrated into the process at two Austrian locations for the first time in the brick industry. These projects were sponsored by EFRE funds. As regards the burning process, we are cooperating with the Institute of Process Engineering of the Vienna University of Technology to develop so-called clean gas burners (working title "**TOREtch**"). These burners are intended to operate without external combustion air supply and to use oxygen remaining in the furnace.

9. 2019 tax payments in Austria and in the three biggest foreign markets in terms of sales (broken down by country, sales, tax payment)

In 2019, Wienerberger paid corporation tax of EUR 632,000 in Austria. In terms of sales, the three most important foreign markets were Great Britain, Belgium and the Netherlands, accounting for corporation tax payments of EUR 26,011,000 in aggregate.

10. Possible impact of coronavirus crisis on:

- employment
- turnover
- customer relationships
- supply chain
- results in the short/medium term
- dividend guidance

The good start into the financial year 2020 took a dramatic turn due to the Covid-19 pandemic, the impact of which cannot yet be precisely assessed. In order to ensure



sustained performance in these difficult times, Wienerberger will closely follow the developments in all its core markets and quickly take all necessary measures.

- **Employment:** Due to the expected reduction in demand in the individual markets as well as statutory temporary plant shut-downs, Wienerberger will use governmental support schemes wherever possible (e.g. short-time work). In addition, benefit cuts and hiring stops are in place.
- **Customer relations:** Innovative digital solutions enable us to support interactions with our customers and ensure delivery of products.
- **Supply chain:** Due to our strong local presence and digital technologies, we can rapidly assess critical decision inputs on a real-time basis and maintain supply chains in the individual markets at all times while observing strict safety and hygiene measures.
- **Turnover/Results:** For the time being, a reliable assessment of the scope of the Covid-19 pandemic and its impact on turnover and results is not possible and particularly depends on the duration of the associated restrictions. Wienerberger has a strong balance sheet and liquidity position and will continue to review and adapt cost structures and investments against the background of altering market conditions.
- **Dividend guidance:** Despite the outbreak of the Covid-19 pandemic, Wienerberger AG wants its shareholders to participate in the strong success of the 2019 financial year. We are therefore proposing to the 151st Annual General Meeting that the dividend be increased by 20% to a total of EUR 0.60 per share payable in October 2020. The general distribution policy is linked to free cash flow. Wienerberger AG intends to distribute a total of 20-40% of this free cash flow to its shareholders through dividends and share buybacks. In 2019, a total of 33% of the free cash flow was returned to the shareholders.