



FOCUS QUESTIONS 2021

Replies by Wienerberger AG

As in previous years, IVA has elaborated 10 focus questions and invites listed companies to submit their replies, which will be published at www.iva.or.at.

1. **Intern Control Systems (ICS):** Investments made in 2019 and 2020 to improve the ICS. Which measures were taken? What are the internal/external costs incurred (consulting, lawyers, certified public accountants)?

In order to strengthen, formalize and document the internal control system, a risk and control matrix with more than 150 controls, broken down into 20 main and over 60 sub-processes, was developed and introduced. The local management evaluates and documents the status of implementation of selected key controls on an annual basis. Internal Audit regularly analyzes these self-evaluations and assesses the degree of maturity of the respective key controls. The risk and control matrix was developed internally on SharePoint. The internal costs amounted to around TEUR 15.

A fully integrated governance, risk and compliance (GRC) system was established in 2020 as a further control instrument. The core element of this instrument is an identity and access management system, for which Wienerberger received the 2020 European Identity & Cloud Award from KuppingerCole in the “Best Identity and Access Management Project in Middle Management” category. The award recognized the sustainable and agile implementation in 26 countries within one year and the integrated approach of the solution adopted.

The identity and access management system comprises a complete joiner, mover and leaver process designed to ensure that all identities and their assigned critical IT access rights within the organization are always up to date. Through the identification of segregation of duty conflicts beyond the ERP system, excessive IT access rights as well as cross-application segregation of duty breaches can be restricted already within the framework of access request management. If segregation of duty conflicts are nevertheless allowed for operational reasons, they are subject to approval and retroactive controls. The performance of such mitigating controls is triggered by and documented in the identity and access management system. Additionally, the system provides for reporting options for the management to verify the controls performed.



Based on this governance, risk and compliance solution, an integrated process has been established, ranging from the identification and communication of critical single access rights and segregation of duty conflicts to their control and documentation. The identity and access management system is managed by an external solution provider in a software-as-a-service cloud-solution. The provider and Wienerberger have agreed not to disclose the annual usage fees. The usage fees, however, correspond to general market conditions for an identity and access management system. There were no consulting costs for the implementation of the identity and access management system; No other partners such as auditors or external IT consulting companies were called in for the implementation.

2. **Anti-corruption measures:** Which anti-corruption measures (e.g. internal whistleblower system) were taken in 2020 (2019)? How much was invested in such measures?

We can state that there have been no cases of corruption at Wienerberger to date. The group's internal anti-corruption measures are regularly reviewed and further developed.

The following measures were taken: Analysis of the Anti-Corruption Policy by Internal Audit in 18 companies, evaluation of whistleblower systems, preparation/draft of methodology and whistleblower policy. A whistleblower system is to be implemented in 2021.

3. **Supervisory Board & Managing Board:** What are the respective incidental costs, such as travel expenses, secretariat, consulting, retreats, further training? How many vacation days were not used by members of the Managing Board, over and above their annual vacation entitlements?

In 2020, incidental costs of the **Supervisory Board** amounted to approx. TEUR 203.

Travel expenses	approx. TEUR 70
Catering	approx. TEUR 8
Consulting	approx. TEUR 125

In 2020, incidental costs of the **Managing Board** amounted to approx. TEUR 537

Travel expenses	approx. TEUR 173
Catering	approx. TEUR 71
Consulting	approx. TEUR 293

The remaining annual vacation of the members of the Board of Management is an average of 36 days.



4. Development of young people

- How many trainees are working in your company (2019, 2020)?

Due to the Covid 19 pandemic, significantly fewer trainees were employed at Wienerberger in 2020 than in previous years.

Wienerberger AG employed 15 trainees in 2019 and 10 in 2020.

Wienerberger Österreich GmbH provided vacation internships for 15 students in 2019 and 8 in 2020.

Pipelife Austria GmbH & Co KG provided vacation internships for 12 students in 2019 and 2 in 2020.

- How many trainees get paid for their work?

All trainees working at Wienerberger AG, Wienerberger Österreich GmbH and der Pipelife Austria GmbH & Co KG in 2020 got paid.

- Describe the age and level of education of the trainees.

The average age of trainees working at Wienerberger AG in 2019/2020 was 24.5 years. 95% of the trainees were students in the course of their bachelor, master or diploma studies. 5% were high-school graduates. The average age of students in vacation internships at Wienerberger Österreich GmbH in 2019/2020 was 19 years, 87% of the interns were high-school pupils and 13% were students (engineering economics). Students in vacation internships at Pipelife Austria GmbH & Co KG in 2019/2020 on average were 19 years old, 83% of them high-school pupils and 17% students (university and university of applied science).

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In 2020, ESG costs for external consultants/service providers amounted to TEUR 178. At headquarters, three employees exclusively work on ESG topics. The UN-PRI are of no relevance to Wienerberger.

The recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) have been integrated into Wienerberger's group-wide risk management system.



6. Investor relations activities

- Road shows in Austria and abroad

In 2020, Wienerberger participated in 18 road shows and conferences, 16 of which were organized virtually by foreign institutions and two by Austrian institutions. Due to Covid-19, most of these events were conducted via digital channels.

- Contacts with institutional and private investors

Overall, Wienerberger AG engaged in over 800 direct contacts with institutional and private investors as well as analysts. In 2020, most of these contacts took the form of digital meetings, phone calls and conference calls. The virtual Annual General Meeting, which was followed by about 150 participants, is not included in this figure.

- Expenses for research and analysis

Wienerberger is analyzed and rated exclusively by independent brokers and research firms. The Group does not make any payments for coverage. Since the last business year, Wienerberger has been covered not only by its 11 existing analysts, but also by Berenberg and Morgan Stanley.

- Number of printed copies of the Annual Report and the Sustainability Report (breakdown by German & English)

The total circulation of the 2019 Annual Report was substantially reduced to 550 per part, with 400 copies printed in German and 150 in English. With its new “look and feel”, the Annual Report received top grades in several categories at the renowned Vision Awards of the “League of American Communication Professionals” (LACP). The 2020 Annual Report and the 2020 Sustainability Update will be printed in the same number of copies. The 2019 Annual Report consisted of four parts (Magazine, Management Report and Consolidated Annual Financial Statements, Non-Financial Information, and Consolidated Corporate Governance Report). The four parts count as one copy.

- Costs of publication in Wiener Zeitung“

In 2020, these costs amounted to approx. EUR 41,500.



7. Consulting expenses

- broken down by legal advice/compliance,
- IT consulting/digitalisation,
- advertising, PR work,
- head hunting, other

In the 2020 financial year, the Wienerberger Group had consulting expenses totaling around TEUR 36,800 (of which TEUR 1,400 were auditing costs). A breakdown according to the specified categories does not take place at group level.

8. Taxes paid in 2020 in Austria and the three foreign markets with the highest revenues (country, revenues, taxes paid).

The payments for taxes on income and earnings in Austria amounted to TEUR 699 in 2020. For the three most important foreign markets Great Britain, the Netherlands and Belgium (measured in terms of sales, totaling MEUR 990.4), the corporation tax payments totaled TEUR 25,320.



In cooperation with the readers of “Börsen-Kurier” two questions were selected, which are included in the list of IVA focus questions for 2021, explicitly as questions put by readers of “Börsen-Kurier”:

9. The topic of financial education

- Do you think that you can contribute to the advancement of financial education in Austria?

As an international listed company, Wienerberger is making every effort to provide transparent financial information beyond the scope required by law. The company thus contributes to financial education in Austria.



We provide regular information on our business performance through financial reports and presentations, press releases and our social media channels, on road shows, in conference calls and through personal conversations. We also cooperate with universities, universities of applied science, and other educational institutions.

We promote the financial education of our employees in Austria through our Employee Participation Program, which is accompanied by a comprehensive information campaign on stock market investments.

- Do you take the financial education of your shareholders and stakeholders into account when drafting the language of your financial information?

Of course we do. Our financial information goes beyond what is required by law. It is tailored to the various shareholders and stakeholders and is based on international "best practice" standards.

10. **Start-ups:** Do you also invest in start-ups and do you have a budget for that? If so, what do you expect to achieve in the medium to long term?

Wienerberger AG invests in start-ups with the following objectives in mind: exploring new solutions and product areas, developing sustainable, innovative solutions and production processes, gaining additional know-how, and addressing new customer groups with an enlarged, more sustainable and more innovative portfolio.

There is no separate budget for start-up investments, as these are included in our special capex (budget for investments in plant extensions, optimization and development of new products, and digitalization).

Disclaimer

This is a working translation from the German language provided for purposes of convenience only. In case of any inconsistency, the German version shall prevail.