

wienerberger



# WIENERBERGER RESILIENT PERFORMANCE IN 2020

*The 2020 business year was dominated by the worldwide Covid-19 pandemic, which did not leave Wienerberger unaffected. Nevertheless, despite this challenging environment, the Wienerberger Group delivered an extraordinary result – thanks to the expeditious, determined and judicious approach taken by its Managing Board:*

- › Revenues of € 3,354.6 million almost matched the previous year's record value (€ 3,466.3 million)
- › Thanks to its resilient business model, Wienerberger maintained its profit distribution policy even in a period of crisis
- › As at December 31, 2020, the Wienerberger share price almost doubled compared to its annual low
- › Free cash flow grew significantly by 39% to € 397.3 million (2019: € 286.0 million)
- › Despite the crisis, Wienerberger successfully continued its portfolio optimization efforts
- › Strong commitment to environmental, social and governance targets in line with the Strategy 2023

*In 2020, a **new remuneration policy for the Managing Board and the Supervisory Board** was prepared in line with international governance standards, taking into account investors' feedback, and adopted by the 151<sup>st</sup> Annual General Meeting on May 5, 2020. The Wienerberger remuneration policy is intended to create a transparent, attractive and modern system aimed at incentivizing sustainable value creation and realizing key corporate targets in line with shareholders' interests. In addition, the incentive structure built into the Managing Board remuneration system is reviewed each year with regard to its suitability in promoting the sustainable increase in enterprise value. Adjustments are made if necessary. The remuneration policy is valid for the time period 2020–2024 and is available on the company's website ([www.wienerberger.com](http://www.wienerberger.com)). For 2021-2024 three target parameters (relative total shareholder return, return on capital employed after tax, and environment, social, and governance (ESG) criteria) will be used to evaluate Managing Board members.*

*The Remuneration Report of Wienerberger AG for the 2020 business year was elaborated by the Managing Board and the Supervisory Board and will be submitted to a vote at the 152nd Annual General Meeting in 2021.*

# Summary

The Remuneration Report of Wienerberger AG is composed of three chapters – Managing Board Remuneration, Supervisory Board Remuneration, and Shareholdings of the Managing Board and the Supervisory Board - and summarizes the principles that are used to determine such remuneration (for details, please refer to the following pages).

## **Managing Board remuneration**

Managing Board remuneration comprises four components:

- **Fixed remuneration component** reflecting the scope of responsibility (total amount paid out in 2020: € 1,963,661)
- **Short-term variable remuneration component (STI)** based on target definition – earned entitlements for 2020: € 745,660 ([Table 1](#))
- **Long-term variable remuneration component (LTI)**: no entitlements earned by the individual Managing Board members in 2020, as the CFROI of 8.6% was below the defined lower limit of 9% ([Table 3b](#))
- Other remuneration components, including pension fund agreements

## **Short-term variable remuneration (STI)**

For 2020, a business year dominated by Covid-19, the Supervisory Board decided to act in accordance with the authorization granted within the framework of the Remuneration Policy 2020-2024 and deviate from the target originally defined for the annual Managing Board bonus (STI). The objective is to incentivize the Managing Board for its exceptional performance in the challenging 2020 financial year, while at the same time taking into account shareholder interests.

- Maximum entitlement reduced from 100% to 70% of annual fixed remuneration (except for Heimo Scheuch, see below)
- EBITDA LFL target adjusted and transparently communicated

## **Long-term variable remuneration component (LTI)**

The long-term variable remuneration component aims to focus the actions of Managing Board members on increasing the enterprise value and strengthening their identification with the company's long-term plans and goals.

- As outlined in the Remuneration Policy 2020, the target is set in terms of CFROI
- The CFROI recorded in 2020 was 8.6% being below the defined lower limit of 9.0%
- As a result, the individual Managing Board members did not earn any entitlements to LTI in 2020

The adjustments regarding the STI 2020 do not apply to Heimo Scheuch, CEO of Wienerberger AG. The payout for 2020 was waived in its entirety. All outstanding entitlements (from before 2020) of the CEO from the long-term variable remuneration component (LTI) and the short-term remuneration component (STI) were bundled into a new, share-based five-year program in recognition of the outstanding performance during the business year dominated by Covid-19. Hence, the CEO will invest in the future of the company in line with the interests of its shareholders. This remuneration structure ensures that the company will be able to continue to fulfil its long-term obligations vis-à-vis its stakeholders (see [Special LTI, Table 4](#)).

## **Total payout to the Managing Board**

During the reporting year, a total of € 5,074,762 (2019: € 5,500,974) – excluding pension fund contributions and incidental benefits – was paid out to the Managing Board (see [Table 6](#)).

## **Supervisory Board remuneration**

In 2020, based on feedback from shareholders and special proxies, the Remuneration Policy was transformed into a performance-based structure, the objective being to ensure the long-term increase in enterprise value. Remuneration was divided into annual fixed remuneration for Supervisory Board work and annual fixed remuneration for committee work. Committee remuneration is limited to one committee membership per person and is paid only once, even if a Supervisory Board member is active on several committees (total remuneration € 921,393, [Table 10](#)).

## **Shareholdings of members of the Managing Board and the Supervisory Board**

In 2020, members of the Supervisory Board and the Managing Board purchased a total of 27,404 Wienerberger shares (total number of shares held as at 31/12/2020: 192,088, [Table 11](#)).

# Remuneration Report

## *Dear shareholders,*

The Remuneration Report of Wienerberger AG for the 2020 financial year was prepared by the Managing Board and the Supervisory Board and will be submitted to a vote at the 152<sup>nd</sup> Annual General Meeting in 2021. The report is composed of three chapters – Managing Board Remuneration, Supervisory Board Remuneration, and Shareholdings of Members of the Managing Board and the Supervisory Board – and summarizes the principles that are used to determine such remuneration.

In 2020, a new remuneration policy for the Managing and Supervisory Boards was drawn up in line with international governance standards, taking into account investors' feedback. The new policy was approved at the 151<sup>st</sup> Annual General Meeting on May 5, 2020. The Wienerberger remuneration policy is intended to create a transparent and comprehensible system aimed at incentivizing sustainable value creation and realizing key corporate targets in line with shareholders' interests. In addition, the incentive structure built into the Managing Board remuneration system is reviewed each year with regard to its suitability in promoting the sustainable improvement of shareholder value. Adjustments are made if necessary. The remuneration policy is valid for the time period 2020–2024 and is available on the company's website ([www.wienerberger.com](http://www.wienerberger.com)).

This report provides a comprehensive overview of the remuneration components for current and former members of the Managing Board and the Supervisory Board, specifying the resulting entitlements and payouts for the 2020 financial year. It has been prepared in accordance with the provisions of the following guidelines and recommendations:

- Shareholder Rights Directive II
- Remuneration Policy 2020–2024 of Wienerberger AG
- Statement 37 of the Austrian Financial Reporting and Auditing Committee ("AFRAC") on the Remuneration Report pursuant to sect. 78c of the Stock Corporation Act

## *Steered successfully through the crisis*

Faced with a challenging worldwide environment, the Wienerberger Group delivered an extraordinary result in 2020. This success was made possible by the expeditious, determined and judicious approach taken by the Managing Board.

In 2020, the Wienerberger Group generated revenues of € 3,354.6 million. This result is all the more remarkable, as it almost matched the previous year's record value of € 3,466.3 million, despite temporary plant closures driven by government-imposed measures to contain Covid-19. In particular, this performance was achieved as a result of the right steps taken in the past by the Managing Board and the Supervisory Board, as well as the management's ability to react swiftly to unforeseeable events and implement the necessary measures.

Thanks to the management's timely actions, the policy of returning capital to the shareholders was maintained even during the unprecedented crisis caused by the Covid-19 pandemic. In addition to paying out a dividend of € 67.4 million, Wienerberger bought back one per cent of its outstanding shares (1,151,879 shares) between March and the end of June 2020, thus returning an additional amount of € 19.7 million to the shareholders. Moreover, the partial redemption of the outstanding hybrid bond in the amount of € 33.2 million served the purpose of optimizing the Group's capital structure and its liquidity costs. Once again, this demonstrates the robustness of Wienerberger's business model and its focus on allocating capital appropriately.

Owing to its strict cost discipline, Wienerberger was able to generate free cash flow of € 397.3 million in 2020, as compared to € 286.0 million in 2019.

When the Covid-19 pandemic caused turmoil in the international financial markets, the Wienerberger share was not immune to these developments and recorded significant losses in the first quarter of 2020. However, thanks to swift and determined action by the Managing Board, alongside transparent communication with investors (market participants were regularly updated on Wienerberger's Covid-19 measures and its outlook for the full year), the share quickly recovered from its steep drop.

As at 31/12/2020, the Wienerberger share traded at more than double the value of its annual low (19/03/2020: € 11.59), having gained roughly 125%.

Despite the challenging environment and the enormous uncertainty caused by the worldwide Covid-19 pandemic, the Managing Board continued to advance the optimization of its portfolio in the interest of its shareholders. Through the acquisition of Meridian Brick (subject to approval by the anti-trust authorities), the

Wienerberger Group further strengthened its presence in North America and is now perfectly positioned in its North American core brick markets. Additionally, the Group's position as a provider of smart system solutions was upgraded through the acquisition of the Dutch tech company Inter Act, which is now part of Wienerberger Piping Solutions. In the course of its continuous portfolio optimization and its strong focus on core growth markets, the company sold the Swiss business activities of Wienerberger Building Solutions.

## Managing Board Remuneration

*Managing Board remuneration basically comprises four components:*

- Fixed remuneration component reflecting the scope of responsibility (total amount paid out in 2020: € 1,963,661)
- Short-term variable remuneration component (STI) based on the attainment of specified target parameters: Earned entitlements for 2020: € 745,660
- Long-term variable remuneration component (LTI) based on the attainment of specified target parameters: No entitlements earned by the individual Managing Board members in 2020, as the CFROI of 8.6% was below the defined lower limit of 9%
- Other remuneration components, including pension fund agreements

The Remuneration Committee, in close cooperation with the Supervisory Board, is responsible for the structure of the remuneration system. It deals with all matters relating to the remuneration of the Managing Board members and the content of their employment contracts. The goal of the remuneration system is to align corporate goals with corporate strategy and shareholders' interests. Moreover, the members of the Managing Board are to be provided with compensation that is appropriate by national and international standards. Wienerberger AG differentiates between fixed and variable remuneration components. The fixed remuneration component reflects the functions and scopes of responsibility of the Managing Board members. The variable remuneration components are designed to create an adequate incentive scheme for achieving material corporate goals and sustainable value creation. Great attention is paid to ensuring the highest possible goal congruency between shareholders' interests and Managing Board remuneration. On this basis, the short-term variable remuneration component is linked to short-term financial targets, whereas the long-term remuneration component is primarily linked to the sustainable improvement of shareholder value, taking into account key financial indicators as well as specific environmental, social, and governance (ESG) targets.

## Fixed remuneration

The fixed component of remuneration reflects the scope of responsibility of the respective Managing Board member. Its adequacy is regularly evaluated by the Remuneration Committee by means of comparison to companies of the same size, industry, or complexity. This results in different base salaries that correspond to the individual Board members' strategic and operating responsibilities. Following common practice in Austria, fixed remuneration is divided into fourteen installments and paid at the end of each month. Once a year, the fixed remuneration may be adjusted to changed macro-economic indicators such as the consumer price indices commonly applied in Austria.

In the 2020 financial year, the fixed remuneration of CEO Heimo Scheuch was € 898,067 (2019: € 879,705). The following fixed remuneration components were paid out to the other Managing Board members: € 425,199 to Carlo Crosetto<sup>1)</sup>, € 427,729 (2019: € 245,385) to Solveig Menard-Galli, and € 212,666 to Harald Schwarzmayr. This increase in the total remuneration of the Managing Board in comparison with 2019 is attributable to the adjustment made on the basis of Statistics Austria's consumer price index and the addition of a fourth Managing Board member.

## Variable remuneration

Variable remuneration is designed to create an adequate incentives scheme for the achievement of key strategic targets and a sustainable increase in enterprise value. The remuneration policy devised by the Supervisory Board ensures a high degree of transparency by linking the goals to clearly defined indicators of earnings and profitability as well as precisely measurable ESG criteria. Variable remuneration is composed of a short-term (STI) and a long-term (LTI) component. In addition, the incentive structure built into the Managing Board remuneration system is reviewed each year with regard to its suitability in promoting the sustainable improvement of shareholder value. Adjustments are made if necessary.

<sup>1)</sup>Carlo Crosetto left the company as of February 28th, 2021. Gerhard Hanke took over his position as of March 1st, 2021.

***Temporary deviation from the remuneration policy / Discretionary decisions due to the Covid-19 pandemic***

Item III.2. a of the remuneration policy adopted by the 2020 Annual General Meeting provides for the express reservation by the Supervisory Board, based on sect. 78a para. 8 of the Stock Corporation Act, to deviate from the agreed STI target parameters in situations which result in, or may result in, a material adverse change in the company's business, operations, assets, or business prospects. This includes, in particular, general economic crises that affect more than just a specific Wienerberger market region and are likely to cause a material deterioration of the target parameters defined in the policy. In such cases, the Supervisory Board reserves the right to adjust the originally defined target parameters to the objectives of a crisis management program.

***Short term variable remuneration (STI)***

*For 2020, a business year dominated by Covid-19, the Supervisory Board acted in accordance with the authorization granted within the framework of the Remuneration Policy 2020-2024 and deviated from the target originally defined for the annual Managing Board bonus (STI). The objective was to incentivize the Managing Board for its exceptional performance in the challenging 2020 financial year, while at the same time taking into account shareholder interests. In this extraordinary situation, and in view of the updated business outlook for 2020, the EBITDA LFL target was adjusted, and the maximum entitlement was reduced from 100% to 70% of the annual fixed remuneration. These adjustments regarding the STI 2020 do not apply to Heimo Scheuch, CEO of Wienerberger AG, whose outstanding variable components were all bundled and transferred to a new share-based program.*

The Supervisory Board is aware of the expectations and demands of investors and proxy advisors regarding the Remuneration Committee's authorization to exercise discretion when applying the remuneration policy approved by the shareholders. After extensive talks with shareholders and well-known proxy advisors, the Supervisory Board clarified that such discretion may only be exercised in exceptional circumstances with the sole purpose of protecting the interests of the shareholders and the company, and not with the intention of changing the Managing Board remuneration as such. For the

Supervisory Board, the Covid-19 pandemic qualifies as such an exceptional situation. Therefore, the Supervisory Board decided to act in accordance with the authorization granted in the Remuneration Policy 2020–2024 and deviate from the target initially defined for the annual bonus (STI) for the members of the Managing Board. Attention was paid to ensuring that the Managing Board would remain sufficiently incentivized and motivated to meet the challenges created by the Covid-19 pandemic. This decision was also made in accordance with sect. 78a para. 8 of the Stock Corporation Act, which provides that in exceptional circumstances, a temporary remuneration outside the scope of the remuneration policy may be agreed upon.

***Specific deviation from the remuneration policy 2020 – 2024: short-term variable remuneration***

In principle, the short-term variable remuneration component is conditional on the attainment of short-term corporate financial targets. For the Managing Board members, the achievement of these targets is measured on the basis of an adjusted EBITDA (EBITDA LFL) target and targets for free cash flow and efficiency enhancement measures (including Fast Forward). The individual targets are weighted for each Managing Board member at the beginning of the financial year. As explicitly stated in the Remuneration Policy, these targets are defined in line with Wienerberger's Group strategy and shareholder interests.

Given the impact of the global Covid-19 crisis on the environment in which Wienerberger operates, for the 2020 financial year the Supervisory Board – as mentioned above – acted in accordance with the authorization granted in the Remuneration Policy 2020–2024. In an effort to incentivize the Managing Board for its exceptional performance in the challenging 2020 financial year while taking into account shareholder interests, the remuneration for the Managing Board members, except for the CEO, was calculated exclusively on the basis of the key earnings figure EBITDA LFL. The EBITDA LFL target was adjusted in order to match the updated business outlook for 2020, which was transparently communicated to the financial market. At the same time, the maximum entitlement was reduced from 100% to 70% of the annual fixed remuneration. In making these adjustments, the Supervisory Board's purpose was to

support the endeavors undertaken by the Managing Board to fight the impact of a global occurrence by providing them with adequate incentives, in the interest of all stakeholders of the company.

The deviations from the Remuneration Policy and the criteria of success suspended for the 2020 business year, as well as the reasons why the Remuneration Committee no longer regards these criteria as adequate, are listed in the following paragraph:

➤ **Free cash flow**

Free cash flow is an indicator used to measure the company's ability to generate liquidity. Owing to strict cost discipline and a reduction in CAPEX at the height of the Covid-19 crisis (Q2/20), this indicator would have been exceeded significantly. As a consequence, it would no longer have been suitable as an objective remuneration component for the 2020 financial year. For this reason, this target was not applied in 2020.

➤ **Efficiency enhancement measures**

A similar situation, albeit in the opposite context, arose regarding efficiency enhancement measures (including Fast Forward). Cutbacks in capital expenditure, paired with delays in various projects due to unplanned plant downtime caused by the lockdown measures imposed by the government, made it impossible to implement the Fast Forward Program as planned. This was communicated to the financial market in a transparent manner and the target was not applied in 2020.

The EBITDA LFL target – like all other targets – is defined by the Remuneration Committee at the end of the prior year and submitted to the full Supervisory Board for approval. The target was defined on the basis of all information available at that time. However, due to Covid-19, the Remuneration Committee adjusted the EBITDA LFL targets to bring them in line with Wienerberger's revised guidance, which was announced to the financial market. The maximum entitlement for the Covid-19-year 2020 was limited to 70% of the annual fixed remuneration and will be paid out in the following period. The Managing Board's earned entitlements to the short-term variable remuneration component, taking into account the maximum entitlement, are presented in Table 1 "Earned entitlement 2020 – short-term variable remuneration (STI)". These entitlements came to € 745,660, € 297,500 thereof for Carlo Crosetto, € 299,410 (2019: € 191,400) for Solveig Menard-Galli, and € 148,750 to Harald Schwarzmayer, and will be paid out in 2021.

These adjustments regarding the STI 2020 do not apply to Heimo Scheuch, CEO of Wienerberger AG. Over the course of the Covid-19 crisis, the Remuneration Committee decided to bundle all outstanding variable components (including the STI 2020 entitlement) into a one-time, long-term share-based remuneration, in which Heimo Scheuch will invest in the future of the company in line with the interests of its shareholders. This decision was taken in recognition of the extraordinary performance of the CEO, who steered Wienerberger safely through one of the most severe crises of the past decades (see Special LTI on pages 12-13).



Table 1: Earned entitlement 2020 – short-term variable remuneration (STI)

Name of director, position	STI performance criteria	Relative weighting	Information on STI Performance Criteria		
			a) Minimum target performance	a) Maximum target performance	Actual target achievement
			b) Target achievement rate		
			c) Actual award outcome in % of fixed remuneration		
Heimo Scheuch CEO			0 <sup>3)</sup>		
<b>Total entitlement STI 2020 in €</b>					<b>0</b>
Carlo Crosetto, CFO <sup>1)</sup>	EBITDA LFL (in € mn)	a) 100%	a) 480	a) 520	a) 565.6
			b) 0 %	b) 100 %	b) 108.8%
			c) 0 %	c) 70% (Cap)	c) 70% (Cap)
<b>Total entitlement STI 2020 in €</b>					<b>297.500</b>
Solveig Menard-Galli COO WBS	EBITDA LFL (in € mn)	a) 100%	a) 480	a) 520	a) 565.6
			b) 0%	b) 100 %	b) 108.8%
			c) 0%	c) 70% (Cap)	c) 70% (Cap)
<b>Total entitlement STI 2020 in €</b>					<b>299.410</b>
Harald Schwarzmayer COO WPS <sup>2)</sup>	EBITDA LFL (in € mn)	a) 100%	a) 480	a) 520	a) 565.6
			b) 0%	b) 100 %	b) 108.8%
			c) 0%	c) 70% (Cap)	c) 70% (Cap)
<b>Total entitlement STI 2020 in €</b>					<b>148.750</b>

1) Calculations are based on the time period from March 1<sup>st</sup> to December 31<sup>st</sup>, 2020 // 2) 2019 calculations are based on the time period from June 1<sup>st</sup> to December 31<sup>st</sup>, 2019 // 3) Over the course of the Covid 19 crisis, the Remuneration Committee decided to bundle all outstanding variable components into a one-time, long-term share-based remuneration

### Long-term variable remuneration component

The goal of the long-term remuneration component is to focus the actions of Managing Board members and top executives more intensively on the increase in enterprise value and to strengthen their identification with the company's long-term plans and goals. As in previous financial years, the long-term variable bonus for 2020 is based on the allocation of virtual performance share units (PSUs). As laid down in the 2020 Remuneration Policy, CFROI was chosen as the target parameter. In 2020, the company recorded a CFROI of 8.6%, which was below the defined lower limit of 9.0%. No entitlements to LTI were therefore earned by the individual Managing Board members.

### > Current remuneration policy 2020

In addition to the short-term remuneration component, every member of the Managing Board as well as selected Group executives are entitled to a long-term variable remuneration component that is designed as a long-term incentive (LTI) program. Its goal is to focus the actions of Managing Board members and top executives more intensively on shareholder value enhancement and to strengthen their identification with the company's long-term planning and goals. As in previous financial years, the long-term variable bonus for 2020 was based on the allocation of virtual performance share units (PSUs). As agreed in the remuneration policy, the CFROI was selected as the target. See Table 2 for an overview of the LTI programs ongoing in 2020.

Table 2: Overview of current long-term incentive (LTI) programs

Name of director, position	LTI program	Main conditions of the LTI programs					During reported financial year 2020	
		Granted PSUs	Performance period	Shares subject to performance condition	Vesting date <sup>5)</sup>	Holding period	Shares vested	Shares unvested
Heimo Scheuch, CEO	2020	35,034	01.01.- 31.12.2020	100%	March 2023	-	0%	0%
	2019	43,250	01.01.- 31.12.2019	100%	March 2022	-	33%	66%
	2018	39,000	01.01.- 31.12.2018	100%	March 2021	-	33%	33%
	2017	44,000	01.01.- 31.12.2017	100%	March 2020	-	33%	0%
Carlo Crosetto, CFO <sup>1)</sup>	2020	20,311	01.01.- 31.12.2020	100%	March 2023	-	0%	0%
Solveig Menard-Galli, COO WBS <sup>2)</sup>	2020	16,926	01.01.- 31.12.2020	100%	March 2023	-	0%	0%
	2019	12,269	01.01.- 31.12.2019	100%	March 2022	-	33%	66%
Harald Schwarzmayer, COO WPS <sup>3)</sup>	2020	n/a	01.01.- 31.12.2020	100%	March 2023	-	n/a	n/a
Willy Van Riet, CFO <sup>4)</sup>	2020	n/a	01.01.- 31.12.2020	100%	March 2023	-	n/a	n/a
	2019	28,000	01.01.- 31.12.2019	100%	March 2022	-	33%	66%
	2018	29,000	01.01.- 31.12.2018	100%	March 2021	-	33%	33%
	2017	32,700	01.01.- 31.12.2017	100%	March 2020	-	33%	0%

1) Calculations are based on the time period from March 1<sup>st</sup> to December 31<sup>st</sup>, 2020 // 2) 2019 calculations are based on the time period from June 1<sup>st</sup> to December 31<sup>st</sup>, 2019 // 3) 2020 calculations are based on the time period from July 1<sup>st</sup> to December 31<sup>st</sup>, 2020 // 4) Willy Van Riet left the company as per December 31<sup>st</sup> 2019 // 5) Remunerations are paid in annual instalments of a third each after the performance period

➤ **Allocation of PSUs and target achievement calculation for the 2020 remuneration entitlement**

A total of 72,271 PSUs was allocated to the Managing Board in 2020 (Heimo Scheuch: 35,034 PSUs, Carlo Crosetto: 20,311 PSUs, Solveig Menard-Galli: 16,926 PSUs, Harald Schwarzmayer: 0 PSUs). The target CFROI was defined at the end of the previous year by the Remuneration Committee on the basis of all information available at that time and submitted to the full Supervisory Board for approval.

A corridor with upper and lower limits was also defined. The so defined lower limit (minimum target) of 9.0% was not achieved with a generated CFROI of 8.6%

in the 2020 financial year, as a result of which no entitlements arose for the individual Managing Board members. The monetary value of the PSUs was determined at year-end by multiplying the number of PSUs by the target achievement in percent and the average price of the Wienerberger share. For 2020 it was determined that the average price during the last 20 trading days of the calendar year (€ 24.84) would be used to calculate the incentive.

The target achievement is calculated as the difference between the CFROI calculated on the basis of the annual results for the respective year and the defined target and is determined on a linear basis within the target corridor.

There is no payout if the CFROI falls below the target corridor. If the upper limit is exceeded, the payment for the CEO is capped at 150% of fixed remuneration. The payment was capped at 100% of fixed remuneration for the CFO and at 50% of fixed remuneration for the COOs. Payouts resulting from target achievement are not made at once, but in three equal installments over a period of two years. If, during that period, the CFROI in the respective financial year falls below the actual CFROI in the year the PSUs were granted, the respective installment payout is canceled.

#### › **CFROI 2020**

In 2020, Wienerberger recorded a CFROI of 8.6%, which is below the 2019 CFROI (9.5%) and the defined lower limit of 9.0%. Therefore, the individual Managing Board members did not earn any entitlements to LTI 2020 (see Table 3b). In addition, given that if the CFROI of the respective financial year falls below the CFROI actually generated in the year the PSUs were granted, the respective installment payout is to be canceled, no installment payouts were made for 2019 and 2020.

An overview of the entitlements to remuneration earned in 2020 is presented in Tables 3a and 3b.

#### › **Remuneration Policy 2021 –2024**

For the financial years 2021 to 2024, the following target parameters for the LTI program, as laid down in the Remuneration Policy, will be applicable to all members of the Managing Board:

- › **Relative total shareholder return** (The relative TSR is measured by the performance of the STOXX Europe 600 Construction & Materials Index)  
The relative shareholder return creates an incentive to increase the long-term earnings power of the company and is directly aligned with shareholder interests by centering on the long-term creation of

shareholder value.

#### › **Return on capital employed after tax (ROCE)**

ROCE is the key indicator of Wienerberger's value-oriented business management. It reflects the value creation by the individual business units and by the Group as a whole. ROCE meets the requirements of the Austrian Code of Corporate Governance and is used by investors to assess long-term profitability and capital efficiency.

#### › **Environmental, social, and governance (ESG) targets** in line with the Strategy 2023.

These are:

- › Environmental (climate protection) – 15% less CO<sub>2</sub> emissions compared to 2020
- › Social (diversity) – more than 15% women in senior management and more than 30% female employees
- › Social (training and further training) – 10% more training hours per employee

From 2021 onward, the LTI program will be a share-based incentive plan with a performance period of three years and a lock-up period of another two years for allocated shares. With this new LTI program, Wienerberger fully meets market expectations and the requirements of the Austrian Corporate Governance Code, which stipulates that remuneration systems for Managing Boards and management be geared towards the sustainable development of a company. The Remuneration Committee / Supervisory Board will review the target parameters on an annual basis. It reserves the right to weight the parameters differently for each member of the Managing Board against the background of strategic requirements and depending on the special responsibility of the member concerned in accordance with the division of tasks on the Managing Board.



Table 3a: Long-term remuneration entitlement LTI earned in 2020

Name of director, position	Allocated PSUs	Share price	Cap	LTI performance criteria	Relative weighting
Heimo Scheuch CEO	35,034	24.84	up to 150% of fixed salary	CFROI <sup>4)</sup>	100%
Carlo Crosetto CFO <sup>1)</sup>	20,311	24.84	up to 100% of fixed salary	CFROI <sup>4)</sup>	100%
Solveig Menard-Galli COO WBS <sup>2)</sup>	16,926	24.84	up to 50% of fixed salary	CFROI <sup>4)</sup>	100%
Harald Schwarzmayer COO WPS <sup>3)</sup>	n/a	n/a	up to 50% of fixed salary	CFROI <sup>4)</sup>	100%

1) Calculations are based on the time period from March 1st to December 31st, 2020 // 2) 2020 calculations are based on the time period from June 1st to December 31st, 2020 // 3) 2020 calculations are based on the time period from July 1st to December 31st, 2020 // 4) Applicable target until 2020

Table 3b: Long-term remuneration entitlement LTI earned in 2020

Name of director, position	LTI target parameter in detail			
	a) Minimum target performance	a) 100% target	a) Maximum target performance	Actual target achievement
	b) Target achievement rate			
	c) Actual award outcome in % of fixed remuneration			
Heimo Scheuch, CEO	a) 9%	a) 10%	a) 10.5%	8.6% (CFROI in 2020)
	b) 0%	b) 100%	b) 150%	b) 0% (target achievement)
	c) 0%	c) 100%	c) 150%	c) 0%
<b>Total entitlement LTI 2020 in €</b>				<b>0</b>
Carlo Crosetto, CFO <sup>1)</sup>	a) 9%	a) 10%	a) 10.5%	8.6% (CFROI in 2020)
	b) 0%	b) 100%	b) 150%	b) 0% (target achievement)
	c) 0%	c) 100%	c) 100%	c) 0%
<b>Total entitlement LTI 2020 in €</b>				<b>0</b>
Solveig Menard-Galli, COO WBS	a) 9%	a) 10%	a) 10.5%	8.6% (CFROI in 2020)
	b) 0%	b) 100%	b) 150%	b) 0% (target achievement)
	c) 0%	c) 50%	c) 50%	c) 0%
<b>Total entitlement LTI 2020 in €</b>				<b>0</b>
Harald Schwarzmayer COO WPS <sup>2)</sup>	a) 9%	a) 10%	a) 10.5%	8.6% (CFROI in 2020)
	b) 0%	b) 100%	b) 150%	b) 0% (target achievement)
	c) 0%	c) 50%	c) 50%	c) 0%
<b>Total entitlement LTI 2020 in €</b>				<b>0</b>

1) Calculations are based on the time period from March 1st to December 31st, 2020 // 2) 2020 calculations are based on the time period from June 1st to December 31st, 2020 // 3) 2020 calculations are based on the time period from July 1st to December 31st, 2020 // 4) Applicable target until 2020

### One-time, long-term share-based remuneration for the CEO (special LTI)

- All outstanding variable components of the CEO's remuneration were bundled into a one-time, long-term share-based remuneration in recognition of his extraordinary performance in the course of the business year dominated by Covid-19.
- On this basis, the CEO will invest in the future of the company in line with the interests of the shareholders. This form of remuneration ensures that the company continues to meet its long-term obligations vis-à-vis its stakeholders.

In the course of the Covid-19 crisis, the Remuneration Committee decided to bundle all outstanding variable components (including the STI 2020 entitlement) into a one-time, long-term share-based remuneration premised on Heimo Scheuch investing in the future of the company in line with the interests of its shareholders. This remuneration regime is designed to ensure maximum congruency with shareholders' interests, as it is oriented toward the long term and largely based on strict performance criteria.

It ensures that the company can continue to fulfil its long-term obligations vis-à-vis its stakeholders. Based on the decision to grant the Special LTI to Heimo Scheuch:

- the total amount of the CEO's outstanding LTI programs and his entitlement to the STI for 2020 are bundled, transferred to a new program, and linked to specific long-term targets;
- the CEO makes an advance payment on statutory taxes, from his own funds, for shares received;
- the CEO underlines his strong commitment to fulfilling the targets for 2023.

This one-time, long-term share-based remuneration was granted in light of the Covid-19 pandemic and will not be repeated in the future. After a thorough analysis of several alternative forms of remuneration, it was found to be best suited to incentivize the CEO in the long term, while he was steering the Wienerberger Group safely in a difficult economic environment. For details on the individual parameters, please refer to Tables 4 and 5.

Table 4: One-time, long-term share-based remuneration for the CEO (special LTI)

Criteria	Explanations
<b>Amount granted</b>	2,500,000 Mio. €
<b>Plan</b>	(1) 40% RSUs <sup>1)</sup> (2) 60% PSUs
<b>Performance period</b>	5 years holding period for RSUs 3 years with a vesting period of 2 further years for PSUs
<b>Relative weighting of parameters (PSUs)</b>	70% EBITDA enhancement in accordance to 2023 strategy 30 % ESG targets:  (10%) <b>Environment (Climate protection)</b> 15% less CO <sub>2</sub> emissions in comparison to 2020 (10%) <b>Social (Diversity)</b> more than 15% women in Senior Management positions and more than 30% female employees in the Group (10%) <b>Social (Trainings)</b> 10% more training hours per employee in comparison to 2020
<b>Prerequisites</b>	Annual payouts of min. 50% of one-year variable (STI) must be achieved, otherwise allocated PSUs will be reduced by 1/3 each year
<b>Target performance</b>	The target performance will be calculated linearly between upper and lower limit (PSUs) - see table 5 below
<b>Allocation</b>	Once in 3 years (+2 years holding period) valid for PSUs
<b>Claw-back, Malus, Leaver Regulation</b>	The same rules as in the remuneration policy 2020-2024 apply

1) granted share options and employee participations (restricted stock units); taxes are paid in advance directly by CEO

Table 5: Attainment of individual targets after a performance period of 3 years (according to 2023 Strategy)

## EBITDA increase in Mio. € vs. previous year - Relative weighting 70%

Year	0% Target performance	100% Target	250% Target performance
2021	22.5	30.0	41.3
2022	31.1	41.5	57.1
2023	47.6	63.5	87.3

CO<sub>2</sub> reduction in 2023 vs. 2020 - Relative weighting 10%

Year	0% Target performance	100% Target	250% Target performance
2023	5%	15%	30%

## Female representation in 2023 - Relative weighting 10%

Level	0% Target performance	100% Target	250% Target performance
Senior Mgmt	10%	15%	22.5%
Employees	20%	30%	45%

## Additional training hours 2023 vs. 2020 - Relative weighting 10%

Year	0% Target performance	100% Target	250% Target performance
2023	0%	10%	25%



### Payouts made in 2020 vs. 2019

Table 6, “Overview of Managing Board remuneration components 2019 and 2020”, summarizes all components of the remuneration received by members of the Managing Board in the financial years 2019 and 2020. The total payout included fixed and variable remuneration components (STI + LTI) and, where applicable, severance compensation entitlements. During the reporting year, a total of € 5,074,762 (2019: € 5,500,974) – excluding pension fund contributions and incidental benefits – was paid to the Managing Board, € 2,602,337 (2019: € 2,378,842) thereof to Heimo Scheuch, € 425,199 to Carlo Crosetto, € 660,026 (2019: € 245,385) to Solveig Menard-Galli, € 212,666 to Harald Schwarzmayer, and € 1,174,533 (2019: € 2,876,747) to Willy Van Riet. The payout for Willy Van Riet, who retired from the Managing Board as of December 31, 2019, also included his severance compensation, which became due and payable upon termination of his employment contract. In addition to the fixed remuneration (excl. incidental benefits), the installments of the entitlements from previous years under the short-term and long-term variable remuneration components were paid out. In 2020, the Managing Board earned entitlements for the variable remuneration component totaling € 3,084,777 (2019: € 2,552,080), € 1,704,270 (2019: € 1,499,137) for Heimo Scheuch,

€ 232,298 (2019: € 0) for Solveig Menard-Galli and € 1,148,209 (2019: € 1,052,943) for Willy Van Riet. No payments were made to the Managing Board members Carlo Crosetto and Harald Schwarzmayer, who both took office during the 2020 financial year. Therefore, the ratio of fixed to variable remuneration components for the 2020 financial year was 35%/65% for Heimo Scheuch, 100%/0% for Carlo Crosetto, 65%/35% for Solveig Menard-Galli, 100%/0% for Harald Schwarzmayer, and 0%/100% for Willy Van Riet. Some of these ratios are rather unusual, which is due to the fact that the respective members took office and/or retired from the Managing Board in 2020. As a result, they no longer earned any variable remuneration, or just a very small one, or no fixed remuneration. Moreover, a subsequent payment regarding the 2019 severance compensation for Willy Van Riet totaling € 26,324 became due in 2020 and was included under other remuneration components. In 2020, the following pension fund contributions were made on behalf of the individual members of the Managing Board: € 307,287 (2019: € 303,430) for Heimo Scheuch, € 63,780 for Carlo Crosetto, € 64,159 (2019: € 36,808) for Solveig Menard-Galli, € 31,900 for Harald Schwarzmayer, and € 0 (2019: € 355,417) for Willy Van Riet.

Table 6: Overview of Managing Board remuneration components 2019 and 2020, gross in EUR

Name of director, position	Year	Fixed remuneration	Variable remuneration		Total payout	Proportion fix/variable	Other remuneration components		
		Fixed remuneration	One-year variable (STI)	Multi-year variable (LTI)			Extraord. items (e.g. compensations)	Pension expense	Incidental benefits
Heimo Scheuch CEO	2020	898,067	879,705	824,565	2,602,337	35% / 65%		307,287	14,429
	2019	879,705	789,032	710,105	2,378,842	37% / 63%		303,430	14,076
Carlo Crosetto, CFO <sup>1)</sup>	2020	425,199	0	0	425,199	100% / 0%		63,780	6,815
	2019	0	0	0	0			0	0
Solveig Menard-Galli, COO WBS <sup>2)</sup>	2020	427,729	191,400	40,898	660,026	65% / 35%		64,159	12,046
	2019	245,385	0	0	245,385	100% / 0%		36,808	6,887
Harald Schwarzmayer, COO WPS <sup>3)</sup>	2020	212,666	0	0	212,666	100% / 0%		31,900	5,836
	2019	0	0	0	0			0	0
Willy Van Riet CFO <sup>4)</sup>	2020	0	569,520	578,689	1,174,533	0% / 100%	26,324	0	0
	2019	569,520	525,273	527,670	2,876,747	35% / 65%	1,254,284	355,417	12,046

1) Calculations are based on the time period from March 1<sup>st</sup> to December 31<sup>st</sup>, 2020 // 2) 2019 calculations are based on the time period from June 1<sup>st</sup> to December 31<sup>st</sup>, 2019 // 3) 2020 calculations are based on the time period from July 1<sup>st</sup> to December 31<sup>st</sup>, 2020 // 4) Willy Van Riet left the company as per December 31<sup>st</sup> 2019

### Payouts from the current LTI programs

In 2020, payments to the Managing Board for the long-term variable remuneration component equaled € 1,444,152 (2019: € 1,237,775), € 824,565 thereof for Heimo Scheuch (2019: € 710,105), € 0 for Carlo Crosetto and Harald Schwarzmayer, € 40,898 for Solveig Menard-Galli, and € 578,689 for Willy Van Riet (2019: € 527,669).

A detailed overview can be found in Table 7 “Payouts from current LTI programs”. As mentioned above, the outstanding entitlements for CEO Heimo Scheuch from current programs were bundled in a one-time, long-term share-based remuneration component. Hence no entitlements to long-term variable remuneration components were earned in 2020.

**Table 7: Payouts from current LTI programs**  
*gross in EUR*

Name of director, position	LTI program	Entitlements	Payout 2020	Payout 2021
Heimo Scheuch <sup>1)</sup>	2020	-	-	-
	2019	1,068,791	356,264	-
	2018	664,988	221,663	-
	2017	739,917	246,639	-
Carlo Crosetto, CFO <sup>2)</sup>	2020	-	-	-
Solveig Mendard-Galli, COO WBS <sup>3)</sup>	2020	-	-	-
	2019	122,693	40,898	-
Harald Schwarzmayer, COO WPS <sup>4)</sup>	2020	-	-	-
Willy Van Riet, CFO <sup>5)</sup>	2019	691,934	230,645	-
	2018	494,478	164,826	164,826
	2017	549,654	183,218	-

1) Payout 2021 see Special LTI // 2) Calculations are based on the time period from March 1st to December 31st, 2020 // 3) 2019 calculations are based on the time period from June 1st to December 31st, 2019 // 4) 2020 calculations are based on the time period from July 1st to December 31st, 2020 // 5) Willy Van Riet left the company as per December 31st 2019



## Performance-related pay in the previous five years

This section provides an overview of:

- › the total remuneration paid to all Managing Board members in comparison with business performance
- › the annual remuneration of the CEO in relation to the average pay of an Austrian FTE

Table 8: Comparison of remuneration and business performance over the previous five financial years, gross in EUR

Annual change in %	2020 vs. 2019	2019 vs. 2018	2018 vs. 2017	2017 vs. 2016	2016 vs. 2015	basis
<b>Total Director's remuneration</b>						
Heimo Scheuch, CEO	9.4%	-30.4%	56.8%	-13.1%	42.7%	1,758,080
Carlo Crosetto, CFO <sup>1)</sup>	--	--	--	--	--	--
Solveig Menard-Galli, COO WBS <sup>2)</sup>	55.4%	--	--	--	--	495,566
Harald Schwarzmayr COO WPS <sup>3)</sup>	--	--	--	--	--	--
Willy Van Riet CFO <sup>4)</sup>	-29.2%	-34.4%	52.8%	-13.1%	42.7%	1,306,002
<b>Company performance</b>						
EBITDA LFL	-5.5%	25.0%	17.6%	5.4%	5.4%	363.9 Mio. €
Profit after tax	-62.0%	79%	5%	22%	65%	69.8 Mio. €
CFROI	-90 bp	180 bp	30 bp	20 bp	50 bp	6.7%
ROCE	-170 bp	310 bp	20 bp	150 bp	180 bp	4.5%
<b>Average annual remuneration of CEO in relation to full-time equivalent basis of an employee in AT</b>						
CEO/employee ratio	41	38	53	35	42	59,803

1) Calculations are based on the time period from March 1st to December 31st, 2020 // 2) 2019 calculations are based on the time period from June 1st to December 31st, 2019 // 3) 2020 calculations are based on the time period from July 1st to December 31st, 2020 // 4) Willy Van Riet left the company as per December 31st 2019

## Other remuneration components and agreements

### *Pension fund agreements*

The members of the Managing Board are covered by defined-contribution pension agreements that require the company to make contributions each year. Contributions to pension funds (defined-contribution commitments) on behalf of the Managing Board amounted to € 467,126 in 2020 (2019: € 695,655). Of this total, € 307,287 was attributable to Heimo Scheuch (2019: € 303,430), € 64,159 to Solveig Menard-Galli (2019: € 36,808 €), € 63,780 to Carlo Crosetto, and € 31,900 to Harald Schwarzmayer. Payments of € 862,697 were made to former members of the Managing Board and their surviving dependents during the reporting year (2019: € 877,860).

### *Severance compensation*

The members of the Managing Board are entitled to severance compensation upon termination of employment. This compensation is calculated in accordance with the legal regulations in Austria on the basis of total compensation and the length of service with the company. In the 2020 financial year, the provision for statutory severance compensation entitlements amounted to € 299,383 (2019: € 318,261).

### *Employee participation program*

All members of the Managing Board are entitled to take part in Wienerberger's employee participation program, which was launched in Austria at the end of 2018. In 2019, the employees of the Austrian Wienerberger companies were able to make investments for the first time. In the 2020 financial year, the program included not only Austria but also the Netherlands, the Czech Republic, and Great Britain. The investment is limited to € 9,000 per person and year in Austria and the Netherlands. In the Czech Republic, the investment is limited to a corresponding amount in CZK, specifically CZK 230,000. In Great Britain, the investment is capped at GBP 1,800 per person and year, which is the consequence of fiscal regulations. Employees residing in the individual countries must have been employed with the participating Wienerberger company for at least twelve months to qualify for participation in the program. Every program participant must acquire two Wienerberger shares in order to receive an additional free

share from the Wienerberger Employee Participation Foundation. Shares purchased as well as the bonus shares allocated, must be held until the employee leaves the Wienerberger Group.

### *Change of control clauses*

The employment contracts with the members of the Managing Board include change of control clauses, which regulate payment obligations in the event that a Board member's appointment is terminated prematurely following a change in the control of the company. The articles of association of Wienerberger AG define a change of control as an increase in a shareholding to over 20%, which triggers a mandatory takeover offer to all other shareholders. Under these change of control clauses, the payment obligations agreed upon in the employment contracts with the members of the Managing Board are to be met until the end of the contract period as originally specified. Total entitlements are capped at two annual remuneration payments. There are no further entitlements.

### *Claw-back clauses*

The Supervisory Board is authorized to resolve on the forfeiture or return of the payment (claw-back) of a Managing Board member's variable remuneration (or any portion thereof) in circumstances showing that the variable remuneration has accrued or been paid based on inaccurate or erroneous information/data, or where mandatory internal corporate rules or applicable laws are subsequently proven to have been breached. As far as legally permissible, the Supervisory Board may impose on the Managing Board adjustments to the elements, criteria, thresholds, and limits of long-term variable remuneration components, thus deviating from long-term variable remuneration paid out in view of exceptional circumstances due to extraordinary internal or external factors or events.

### *Directors' and officers' liability insurance*

Wienerberger has concluded directors' and officers' liability insurance with a sum insured of € 100 million for the members of the Supervisory Board, Managing Board, operational bodies and key employees. This insurance also covers any loss to the company arising from the failure of these parties to act conscientiously (without any

intentional or conscious violation of their responsibilities). There is no deductible for the insured corporate bodies and employees of the Wienerberger Group.

### ***Incidental benefits***

Incidental benefits provided to members of the Managing Board include, without limitation, a company car as well as mobile and other communication devices. No loans were granted to members of the Managing Board.

### ***Outside activities***

The members of the Managing Board require the prior approval of the Supervisory Board in order to enter into any activities outside the scope of their work with Wienerberger. This guarantees that neither the time required, nor the related compensation could lead to a conflict with their duties for the company. All outside activities that involve seats on Supervisory Boards or comparable positions for publicly traded companies are listed from page 78 to 80 in the Consolidated Corporate Governance Report and are disclosed on the Wienerberger website. No compensation is provided for positions in Group companies.

### **Remuneration of senior management**

The remuneration of the senior management within the Wienerberger Group is designed along the lines of the incentive scheme for Managing Board members. Apart from fixed remuneration reflecting the scope of responsibility, a short-term remuneration component is regarded as an adequate incentive. Depending on the scope of responsibility of each executive, the targets for the short-term remuneration component are determined on the basis of the Group budget or the budget of their respective areas of responsibility and supplemented by individually agreed financial or non-financial targets. The degree of target attainment can be measured for each goal and is determined on a linear basis within a corridor. The entitlement earned is paid out in the following period. In addition, selected executives participate in the LTI program. Both the short-term and the long-term variable remuneration components are capped at agreed limits.

### **Supervisory Board Remuneration**

At the 151<sup>st</sup> Annual General Meeting, the Remuneration Policy 2020–2024 for the Supervisory Board of Wienerberger AG was approved. The Policy renewed the remuneration of the elected Supervisory Board members with effect from the 2020 financial year as follows:

- › Remuneration was divided into annual fixed remuneration for Supervisory Board work and for committee work. Committee remuneration is limited to one committee membership per person and is paid only once, even if a Supervisory Board member is active on several committees.
- › The fixed annual remuneration for Supervisory Board work is graded as follows:
  - › For the Chairperson of the Supervisory Board: € 170,000
  - › For each Deputy Chairperson of the Supervisory Board: € 105,000
  - › For each additional member of the Supervisory Board: € 80,000
- › Fixed annual remuneration for committee work is also graded depending on the scope of a member's responsibility:
  - › For the Chairperson of the Audit and Risk Committee: € 40,000
  - › For the chairperson of any other committee: € 30,000
  - › For the deputy chairperson of a committee: € 30,000
  - › For ordinary committee members: € 20,000
- › The above amounts are gross amounts and not subject to indexation.

The Supervisory Board obtained the feedback of several shareholders and proxy advisors when establishing the new remuneration policy so as to align its principles better with more stringent market expectations and shareholder interests. The withdrawal of attendance fees reflects the shift from a meeting-based to a performance-based remuneration structure and aims at increasing the enterprise value in the medium to long term.

This remuneration pattern may result in different remuneration for different Supervisory Board members, reflecting each Board member's individual engagement in the Board's work. Apart from the above remuneration components, there is no variable remuneration tied to the economic results achieved by the company. Supervisory Board members do not receive any fringe benefits or pension commitments and are not permitted to participate in the companies' employee participation program.

No compensation was paid for services outside the aforementioned Supervisory Board duties, in particular for consulting or agency services. The salaries received by the employee representatives as part of their employment contracts were the only exceptions. No loans were granted to the members of the Supervisory Board. Any business transactions with companies in which members of the Supervisory Board of Wienerberger AG are active are carried out at arm's length. Information on related party transactions is provided in the Notes to the Consolidated Financial Statements on page 199.

The following table provides an overview of the attendance of Supervisory Board members at meetings in 2020.

Table 9: Overview Supervisory Board attendance 2020

Attendance 2020	Supervisory Board	Nomination Committee	Audit and Risk Committee	Remuneration Committee	Sustainability and Innovation Committee
<b>Shareholder representatives</b>					
Peter Steiner ( <i>Chairman as of January 1, 2021</i> )	16/16	5/5	-	4/4	-
Myriam Meyer ( <i>Deputy Chairwoman as of January 1, 2021</i> )	15/16	5/5	-	-	3/3
Peter Johnson	15/16	5/5	-	4/4	-
David Davies	14/16	5/5	5/5	-	-
Regina Prehofer	13/16	-	5/5	4/4	-
Christian Jourquin	14/16	4/5	-	-	3/3
Oswald Schmid	15/16	-	5/5	-	3/3
Caroline Grégoire Sainte Marie <sup>1)</sup>	4/4	1/1	2/2	-	1/1
<b>Employee representatives</b>					
Gerhard Seban <sup>2)</sup>	16/16	5/5	5/5	4/4	3/3
Claudia Schiroky <sup>2)</sup>	13/16	-	-	-	-
Wolfgang Wallner <sup>2)</sup>	8/16	-	-	-	-

1) Member of the Supervisory Board up to May 5, 2020 // 2) No committee member

Note: Number of meetings include Supervisory Board meetings (virtual and physical) and frequent update calls relating to extraordinary developments e.g. relating to Covid-19 and potential implications for Wienerberger.



## Payout

In 2020, the Supervisory Board remuneration amounted to a total of € 921,393 (2019: € 690,413), which will be paid out in 2021. All in all, 33 Supervisory Board meetings and committee meetings were held (2019: 24). The increase in the total remuneration of the Supervisory Board reflects the higher workload of the Board regarding:

- the rapidly changing business environment brought about by the Covid-19 pandemic;
- succession planning for both the Managing Board and the Supervisory Board;
- the increased focus on ESG matters (Sustainability and Innovation Committee).

Table 10: Overview Total Supervisory Board Remuneration 2020

Supervisory Board remuneration  
in EUR

	2019				2020		
	Fixed remuneration	Committee activities	Attendance fees	Total payout	Fixed remuneration Supervisory Board	Fixed remuneration Committee activities	Total payout
Peter Johnson <sup>1)</sup>	23,175	11,588	57,995	92,758	170,000	21,721	191,721
Peter Johnson <sup>2)</sup>						5,519	5,519
Peter Steiner <sup>3)</sup>	22,018	13,733	57,995	93,745	105,000	30,000	135,000
Myriam Meyer <sup>4)</sup>	16,570	8,285	55,233	80,088	69,139	19,754	88,893
Myriam Meyer <sup>5)</sup>					27,322	6,831	34,153
Caroline Grégoire Sainte Marie <sup>6)</sup>	18,454	8,285	52,471	79,210	35,861	10,246	46,107
David Davies <sup>7)</sup>	22,971	16,570	46,948	86,489	80,000	40,000	120,000
Regina Prehofer	29,372	14,686	57,995	102,053	80,000	20,000	100,000
Christian Jourquin	16,570	8,285	52,471	77,326	80,000	20,000	100,000
Oswald Schmid <sup>8)</sup>	10,895	5,448	35,901	52,244	80,000	20,000	100,000
Wilhelm Rasinger <sup>9)</sup>	5,675	4,256	16,570	26,501			
<b>Total</b>	<b>165,699</b>	<b>91,135</b>	<b>433,580</b>	<b>690,413</b>	<b>727,322</b>	<b>194,071</b>	<b>921,393</b>

1) Chairman of the Supervisory Board and Chairman of the Nomination Committee until September 21st, 2020 // 2) Ordinary member of the Nomination Committee from September 22nd, 2020 // 3) Vice Chairman, Chairman of the Remuneration Committee, Chairman of the Nomination Committee from September 22nd, 2020 // 4) Vice Chairwoman, Chairwoman of the Sustainability and Innovation Committee from May 5th, 2020 // 5) Ordinary member until May 4th, 2020 // 6) Vice Chairwoman and Chairwoman of the Sustainability and Innovation Committee until May 4th, 2020 // 7) Chairman of the Audit and Risk Committee // 8) Supervisory Board member since May 6th, 2019 // 9) Supervisory Board member until May 6th, 2019

## Shareholdings of Members of the Managing Board and the Supervisory Board

The members of the Managing and Supervisory Boards have agreed to disclose their holdings of Wienerberger shares. In accordance with Article 19 of Regulation (EU) No 596/2014, any purchase or sale by members of the Supervisory Board and Managing Board is reported to the Austrian Financial Market Authority. Moreover, the transactions are also disclosed via an EU-

wide dissemination system as well as on the Wienerberger Investor Relations website under Corporate Governance in the section "Shareholdings of the Managing and Supervisory Board". In 2020, members of the Supervisory Board and the Managing Board purchased a total of 27,404 Wienerberger shares; no sales of Wienerberger shares were made. The number of Wienerberger shares held by members of the Managing and Supervisory Boards totaled 192,088 at the end of 2020.

Table 11: Overview Development Shareholdings Managing and Supervisory Board

Number of shares held		31.12.2019	Purchase	Sale	31.12.2020
Managing Board	Heimo Scheuch	154,343	10,828		165,171
	Carlo Crosetto <sup>1)</sup>	0			0
	Solveig Menard-Galli	663	3,828		4,491
	Harald Schwarzmayer	3,891			3,891
Supervisory Board	Peter Johnson	0	5,225		5,225
	Peter Steiner	2,100			2,100
	Caroline Grégoire Sainte Marie <sup>2)</sup>	400			400
	Regina Prehofer	0			0
	David Davies	2,280			2,280
	Christian Jourquin	0			0
	Myriam Meyer	1,000			1,000
	Oswald Schmid	0	7,500		7,500
	Gerhard Seban <sup>3)</sup>	0			0
	Claudia Schiroky <sup>3)</sup>	7	23		30
	Wolfgang Wallner <sup>3)</sup>	0			0
<b>Total</b>		<b>164,684</b>	<b>27,404</b>	<b>0</b>	<b>192,088</b>

1) Willy Van Riet left the company as per December 31<sup>st</sup> 2019. Carlo Crosetto took over his position as CFO as per March 1<sup>st</sup>, 2020 // 2) Supervisory Board Member until May 4<sup>th</sup> 2020 // 3) Employee Representative

Vienna, March 29<sup>th</sup>, 2021



**Heimo Scheuch**

Chairman of the Managing Board of Wienerberger AG,  
CEO



**Peter Steiner**

Chairman of the Supervisory Board of Wienerberger AG

#### Disclaimer on the Remuneration Report:

This report is a translation provided for information purposes only. The original German text shall prevail in the event of any discrepancies between the English translation and the German original. We do not accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

# Independent Assurance Report <sup>1)</sup>

## **Independent assurance report on the compliance of the Remuneration Report as of 31.12.2020 with the provisions pursuant to sections 78c and 98a Austrian Stock Corporation Act**

### *Dear Ladies and Gentlemen,*

due to the listing of the shares of the Wienerberger AG ("Company") on the Vienna Stock Exchange, the Management Board, together with the Supervisory Board, is required to prepare a Remuneration Report annually in accordance with the provisions amended by the Stock Corporation Law Amendment Act 2019 (AktRÄG 2019) and to submit it to the Annual General Meeting for voting.

We have been engaged to perform a limited assurance engagement to determine whether the Remuneration Report as of 31.12.2020 complies, in all material respects, with the provisions of sections 78c and 98a Austrian Stock Corporation Act (AktG). We report on this as follows:

### **INDEPENDENT ASSURANCE REPORT <sup>1)</sup>**

We have reviewed the accompanying Remuneration Report as of 31.12.2020 of Wienerberger AG ("Company").

### ***Responsibilities of the Management Board and the Supervisory Board***

The responsibility for compliance with legal requirements and for the proper preparation of the Remuneration Report in accordance with sections 78c and 98a Austrian Stock Corporation Act (AktG) lies with the Company's Management Board and Supervisory Board. This also includes the preparation of adequate documentation and the establishment of internal controls.

### ***Responsibilities of the Practitioner***

Our responsibility is to express a conclusion as to whether, based on our procedures performed and the evidence obtained, any matters have come to our attention that cause us to believe that the Remuneration Report prepared by the Company's Management Board and the Supervisory Board is not in compliance, in all material respects, with the requirements of sections 78c and 98a Austrian Stock Corporation Act (AktG).

We have performed the engagement in accordance with ISAE 3000 („International Standard on Assurance Engagements 3000 – Assurance Engagements other than Audits or Reviews of Historical Financial Information“) of the „International Auditing and Assurance Standards Board“ (IAASB) as a limited assurance engagement. Those standards require that we comply

with ethical requirements, including independence rules, and plan and perform the engagement, taking into account the principle of materiality, so as to provide our conclusion with limited assurance.

In a limited assurance engagement, the audit procedures performed are less extensive than in a reasonable assurance engagement, and accordingly, less assurance is obtained.

The procedures selected depend on the Practitioner's professional judgment and included, in particular, the following activities:

- Review for compliance with the minimum content pursuant to sections 78c and 98a AktG
- Inspection of remuneration contracts of the members of the Management Board and the Supervisory Board as well as of the Articles of Association, and reconciliation with the stated remuneration components in the Remuneration Report
- Reconciliation of the specified remuneration components with payroll accounts as well as actually made payments according to accounting records
- Inquiries of members of the Management Board and Supervisory Board
- Inspection of the remuneration policy drawn up in the previous year, supplementary Supervisory Board minutes (e.g. Remuneration Committee), relevant documents and other records

The subject matter of our engagement is neither an audit nor a review of financial statements. Also, neither the detection and clarification of criminal offenses, such as misappropriations or other acts of embezzlement and irregularities, nor the conclusion of the effectiveness and efficiency of the management is the subject of our engagement.

### ***Conclusion***

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Remuneration Report as of 31.12.2020 of Wienerberger AG is not in compliance, in all material respects, with sections 78c and 98a Austrian Stock Corporation Act (AktG).

### ***Restriction on Distribution and Use***

Since our report is prepared exclusively on behalf of and in the interest of the client, it does not provide a basis for any reliance by third parties on its contents. Claims of third parties can therefore not be derived from this report. Accordingly, this report may not be passed on to third parties or made accessible to

third parties in any other way, either in whole or in part, without our express prior consent.

### ***Terms and Conditions of the Engagement***

We issue this report on the basis of the engagement concluded with the Company, which is also based, with effect towards third parties, on the General Conditions of Contract for the Public Accounting Professions annexed to this report.

Our liability is limited to claims for damages based on at least gross negligence on our part. Liability for slight negligence is excluded. We shall not be liable for the activities of any external auditors or attorneys who may have been called in. Insofar as claims for damages against us do not exist or no longer exist, claims based on another legal ground (e.g. warranty, error) are also excluded.

As far as legally permissible, our liability in case of gross negligence towards the Company and also towards third parties (this also in case of several claimants or bases of claims) is limited

to the total maximum liability amount of five times the fee received (excluding any cash expenses and out-of-pocket expenses and excluding value added tax) but not more than ten times the minimum insurance sum of the professional liability insurance pursuant to section 11 of the Austrian Professional Accountants and Tax Advisors Act 2017 (Wirtschaftstreuhandberufsgesetz 2017). Claims for damages are limited to the actual damage (*damnum emergens*). We shall only be liable for loss of profit in the event of intent or gross negligence, to the extent permitted by law. We are not liable for unforeseeable or untypical damages that we could not have expected.

Vienna, Austria, March 29, 2021

Deloitte Audit Wirtschaftsprüfungs GmbH

Mag. Gerhard Marterbauer

Certified Public Accountant (Austria)

Mag. Christof Wolf

Certified Public Accountant (Austria)

1) This English language assurance report is a translation provided for information purposes only. The original German text shall prevail in the event of any discrepancies between the English translation and the German original. We do not accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.