



2021 | Annual and Sustainability Report

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wienerberger

**2021 | Annual und
Sustainability Report**

SUSTAINABILITY REPORT

CORPORATE
GOVERNANCE REPORT

MANAGEMENT REPORT

FINANCIAL STATEMENTS

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CEO Letter

Dear Shareholders,



HEIMO SCHEUCH
CEO

we can look back with pride on the most successful business year in Wienerberger's history of more than two centuries. Although market conditions remained challenging, we confirmed the course set during the first nine months of 2021 and closed the year with a new record result thanks to the excellent performance of all our business units, our focus on innovative, digital, and sustainable system solutions, and strong organic growth.

Continuing on our successful growth path throughout 2021, we impressively

demonstrated the sustainable orientation of our corporate strategy. Over the past ten years, Wienerberger has undergone a complete strategic reorientation and transformed itself from a volume- and production-oriented manufacturer of standard products into a full-range provider of innovative and smart system solutions in order to meet its customers' needs even better than before. Our business model, which today is more highly diversified and resilient than ever, is focused on new build, renovation, and infrastructure in 28 markets. We are therefore perfectly positioned to deliver solid results even under unfavorable conditions.

The year under review was indeed marked by challenging conditions. Geopolitical tension, trade restrictions, and high global demand resulted in significantly increased prices for important raw materials and temporary supply bottlenecks. While we faced challenges in procurement, demand for our products remained high, with the result that our plants were operating at almost full capacity. Nevertheless, thanks to seamless supply chain management and based on our strong local presence, we were able to meet our delivery obligations almost at all times and thus once again proved to be a reliable partner for our customers.

This is impressively reflected in our 2021 results. For the first time in the history of our company, revenues at Group level reached almost € 4.0 billion, which not only represents an 18% increase over the previous year's level but is also significantly above the record result of 2019. Thanks to excellent supply chain management and a proactive pricing policy, we also recorded a steep 24% increase in EBITDA to € 694.3 million.

Our self-help program of measures aimed at increasing earnings and enhancing efficiency, which comprises over 1,400 initiatives across the Group, not only contributed to reduced costs in production, procurement, and administration, but also had a strong positive impact on our organic growth. By 2023, we expect to deliver a contribution to EBITDA in a total amount of € 135 million and to further increase our free cash flow, which came to € 420.6 million in 2021 – up by another 6% from the high level recorded in the previous year. In line with the long-term orientation of our dividend policy, we want to share this success with you, our esteemed shareholders, by proposing an increase in the dividend for the 2021 financial year to € 0.75.

Alongside strong organic growth, based on ESG and innovation, as well as operational excellence, we intend to continue on our value-accretive path of expansion through targeted acquisitions. The acquisitions closed in 2021 further strengthened Wienerberger's market position in its core markets and enhanced the company's ability to offer system solutions. The takeover of Meridian Brick has made us the leading supplier of façade solutions in the USA, which will enable us to double our revenues in North America. Moreover, the portfolio of FloPlast, a British producer of wastewater and rainwater solutions taken over in 2021, is a perfect fit for our product range in the core segments of renovation, maintenance, and repair.



In view of climate change and the shortage of skilled labor, smart solutions for resource-efficient building construction and renovation are continuously gaining in importance. We are responding to these megatrends by providing forward-looking and climate-neutral building and infrastructure solutions that are fast and easy to implement and offer added benefits for our customers.

Apart from innovation, our growth is therefore based on clear ESG targets. While our long-term goal is to be climate-neutral by 2050, we have also set ourselves ambitious short-term targets. Having reduced our CO₂ emissions by 8% in 2021 alone, we are well on track to achieving our group-wide target of a 15% reduction by 2023. Our award-winning sustainability program is focused not only on decarbonization, but also on the circular economy and biodiversity. By 2023, all products of our portfolio are to be 100% recyclable or reusable. At the same time, we are continuously increasing the share of secondary raw materials used in production. Moreover, we have taken our commitment to biodiversity to the next level by elaborating our own catalogue of biodiversity measures, which are to be implemented at Wienerberger's more than 200 production sites by 2023.

First and foremost, our more than 17,000 employees are the key to the successful further development of Wienerberger, and I would like to thank them most cordially for their outstanding performance and commitment. At Wienerberger, we share a common set of values. Our living corporate culture unites us, as mutual respect and trust are essential for our success. Such co-

hesion and cohesion in society are essential, especially in difficult times that make us aware of how important it is for a company to assume responsibility for society and the environment, to act on the basis of clear values, and to ensure that people always come first.

Given the current geopolitical situation, we expect the business environment to remain highly volatile. With our strengthened local business model, our central and forward-looking procurement policy, proactive price and margin management, and our progressive transformation into a provider of innovative system solutions, we regard ourselves as perfectly positioned to steer the Group on a stable course through difficult times.

Heimo Scheuch
CEO of Wienerberger AG

Mission Statement

Our Vision

We aim to be the most highly regarded manufacturer of sustainable building materials and infrastructure solutions and the preferred employer in our markets.

Our Mission

We improve people's quality of life by providing outstanding solutions for new build, renovation, and infrastructure.

Our Culture

We live by our values and share them with all our stakeholders. Based on our strong corporate culture, local teams contribute to the dynamic development of our international company.

WDC

Our Employees

Our employees are of crucial importance for the success of our company. Thanks to their professionalism, their passion, and their entrepreneurial spirit, we can seize opportunities, act with determination, and create value for our stakeholders.

Our Goal

The primary goal of our entrepreneurial activities is the continuous growth of our company based on our strategic commitment to ESG and our financial targets.



Value Proposition

We offer our stakeholders a unique value proposition through which we create added value and set ourselves apart from our competitors.

Growth through Operational Excellence, Organic Growth, and M&A

Wienerberger generates strong organic growth through innovation and operational excellence as well as external growth through M&A.

DW

Innovation Leadership

We market cutting-edge products and solutions that offer added value for our customers and enhance the efficiency of their construction projects.

Highly Efficient Processes

We create added value by continuously improving the efficiency of our processes and we benefit from economies of scale through the group-wide exchange of successful projects.

Customer Proximity and Strong Brands

We use our profound market know-how together with our sustainable products designed for a long service life to offer our customers attractive solutions that are tailored to their needs. Through our strong platforms and brands, we combine the advantage of maximum customer proximity in local markets with the potential of an internationally operating group.

Wienerberger Equity Story

For more than 200 years, our mission at Wienerberger has been clear: improving people's quality of life through our smart building material and infrastructure solutions. With our durable and sustainable products for new build, renovation, and infrastructure, we are perfectly positioned to further improve our ecological performance by contributing to the fight against climate change and to shape the future of construction through innovation. Wienerberger has been listed on the Vienna Stock Exchange since 1869 and is a pure free float company with 100% of its shares being publicly traded.

Why invest in Wienerberger?

1) Strong commitment to ESG

- › We provide solutions for zero carbon buildings not only through our sustainable materials used for the building envelope, but also through our progress the fields of water and energy management.
- › Owing to their energy efficiency, our products for the construction industry contribute to the fight against climate change both in summer and in winter. With our innovative infrastructure solutions, we guarantee a sparing use of resources such as water. Given their exceptional quality and a service life of over 100 years, our products last for generations.
- › At Wienerberger, we focus on three crucial sustainability topics: preserving biodiversity, reducing our CO₂ emissions, and promoting a circular economy.
- › For us, people always come first. Every year, therefore, we support people in need with our products for housing construction.
- › As a company with a free float of 100%, it is a matter of course for us to engage in open dialogue with our investors and to meet the highest international governance standards.

2) Added value for our shareholders through stable earnings growth

With a clear strategic focus and a proven track record in delivering strong growth rates, EBITDA margins, and cash flows, we continuously aim to generate added value for our stakeholders. We therefore concentrate on three core areas:

Organic growth through innovation

For Wienerberger as a leading provider of smart solutions, innovation and digitalization are the main drivers of organic growth. By continuously upgrading our portfolio of products and solutions, we generate added

value for our customers and boost the company's value creation. We enhance our solutions through digital services, reduce construction time through prefabrication, and thus save money and resources.

Higher earnings through operational excellence

We continuously implement efficiency-enhancing measures along our value chain from procurement through production to sales and administration. Within the framework of our Fast Forward program of efficiency enhancement, we are building a strong track record of performance improvement.

External growth through M&A

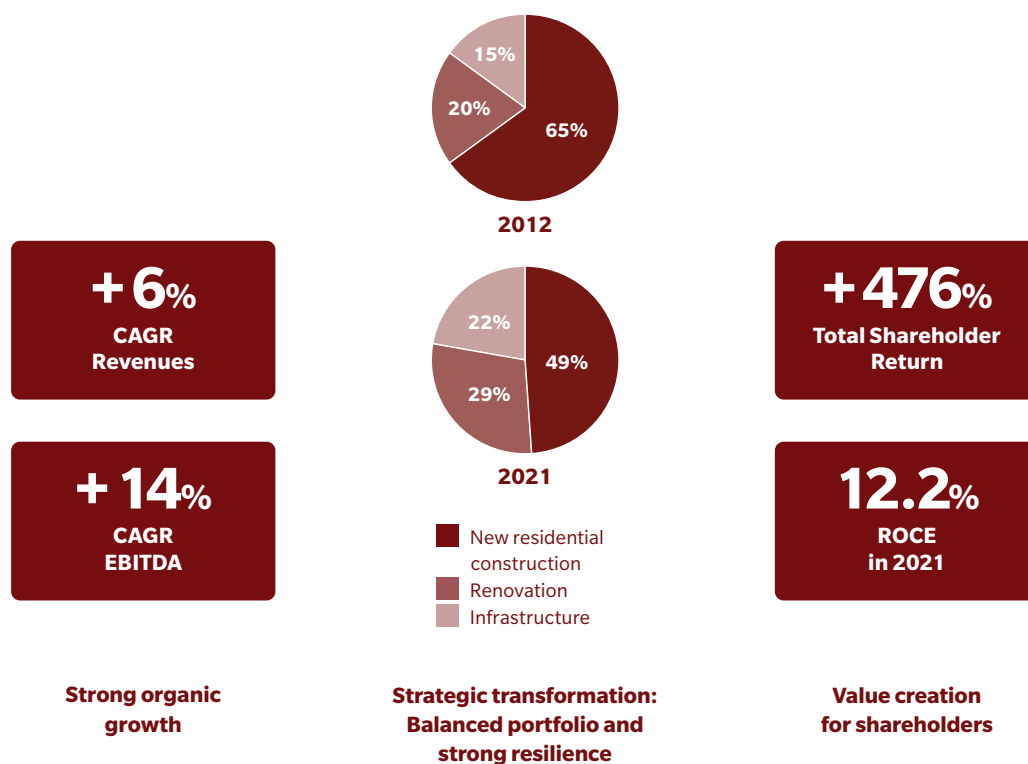
Given our low gearing and our strong cash flow, we are well-equipped to grow through acquisitions and are evaluating a highly attractive pipeline of small to medium-sized deals. This will result in further growth in our core markets in Europe and North America. The most recent acquisitions in our European and North American core markets result in an average weighted EV/EBITDA multiple of ~5x after synergies three years post-merger, which is attributable to the combination of the acquired company with our own portfolio.

3) Strength through diversity

- › Leading market positions, strong brands, and experienced local management teams make us a well-respected local partner with close contacts to decision-makers.
- › Thanks to our strong industrial base with 215 modern plants and efficient overhead structures, we achieve optimal market coverage.
- › Our diversified business model with its focus on new build, renovation, and infrastructure in 28 countries helps to balance out divergent business cycles.
- › The resilience of our business model was successfully demonstrated during the pandemic.



Strong Track Record of Strategy Implementation from 2012 to 2021



Our 3 Pillars of Growth







Our Strategy

Our Priorities

All our entrepreneurial activities are subject to clearly defined and ambitious ESG criteria. Our primary goals are to increase our share of value creation in a building and to become a full-range provider of system solutions for energy and water management. To achieve these goals, we focus on key factors: innovation, operational excellence, and M&A and portfolio optimization. In our core markets in Europe and North America, we are continuously pursuing the expansion of activities in our core segments: new build, renovation, and infrastructure.

Our 3 Pillars of Growth



Organic growth

through

Innovation

During the past 10 years, we have grown organically by more than 6% per year. We are continuing this trend by advancing our transformation into a full-range system provider, steadily improving our product mix, and supplementing it by digital services.



Process improvements

through

Operational Excellence

We will generate additional earnings growth through the continuation of our efficiency enhancement program focused on manufacturing excellence, commercial excellence, supply chain management, and administration.



External growth

through

M&A and portfolio optimization

An extremely attractive pipeline and the positive track record of recent years provide the basis for further value-accretive transactions. At the same time, we regularly review our corporate portfolio for growth prospects and profitability.

Our Commitment to Sustainability

Sustainability is not just a fad in our 200-year history. It has always been at the core of the World of Wienerberger and constitutes a crucial element of our corporate strategy and our decisions. Our solutions are the key to creating sustainable infrastructure and buildings for generations. We assume responsibility by taking environmental, social and governance (ESG) aspects into account.

Our Program 2023 is founded on three environment-related pillars: decarbonization, biodiversity, and the circular economy.

Decarbonization

Energy efficiency and decarbonization are central topics in all of Wienerberger’s business areas. We therefore share the global vision of a CO₂-neutral economy and are determined to contribute to climate protection with our products. In our ceramic production, we will further reduce our greenhouse gas emissions through the technological optimization of our production processes and by increasing the use of green electricity at all Wienerberger production sites. Alongside improvements of existing processes, we are employing new technologies and developing innovative products in R&D projects in order to reach our ambitious targets for 2023 and beyond.

Biodiversity

Biodiversity is a crucial topic for each of our 215 production sites. At Wienerberger we feel dutybound to respect nature reserves and to use our resources sparingly. By fostering biodiversity, we will further optimize our land use in order to contribute toward an increased presence of flora and fauna. We have therefore set ourselves the ambitious target of integrating all our local activities aimed at protecting biodiversity into a uniform program.

Circular economy

One of our ecological targets is to put even greater emphasis on a circular economy. On the one hand, secondary raw materials from internal or external sources are to be reintroduced into the production processes after thorough quality checks. On the other hand, products are to be designed so as to be reusable at the end of their service life. This underlines our strong commitment to resource efficiency and closed value creation cycles. Our target is to ensure that 100% of our new products are recyclable or reusable.

Target 2023

Reduction of our CO₂ emissions by 15% as compared to 2020

Target 2023

A biodiversity program for all our sites

Target 2023

100% of our new products designed to be reusable or recyclable



Our ESG Targets for 2023

We will continue on our resilient and successful growth course. Our focus remains on operational excellence, organic growth through innovation, and external growth through M&A. All our activities in these areas are fully in line with our ambitious ESG targets. Moreover, we are committed to the target of CO₂ neutrality to be achieved within the framework of the European Green Deal by 2050.

Environment



Decarbonization

-15%

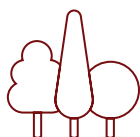
less CO₂e emissions



Circular Economy

100%

of new products designed to be reusable or recyclable



Biodiversity

100%

biodiversity programs for all our sites in place

Social Topics



Diversity

>15%

female employees in senior management

>30%

female employees in white-collar positions



Training and Development

10%

more training hours per employee



CSR Projects

200

housing units per year built with our products for people in need in our local markets

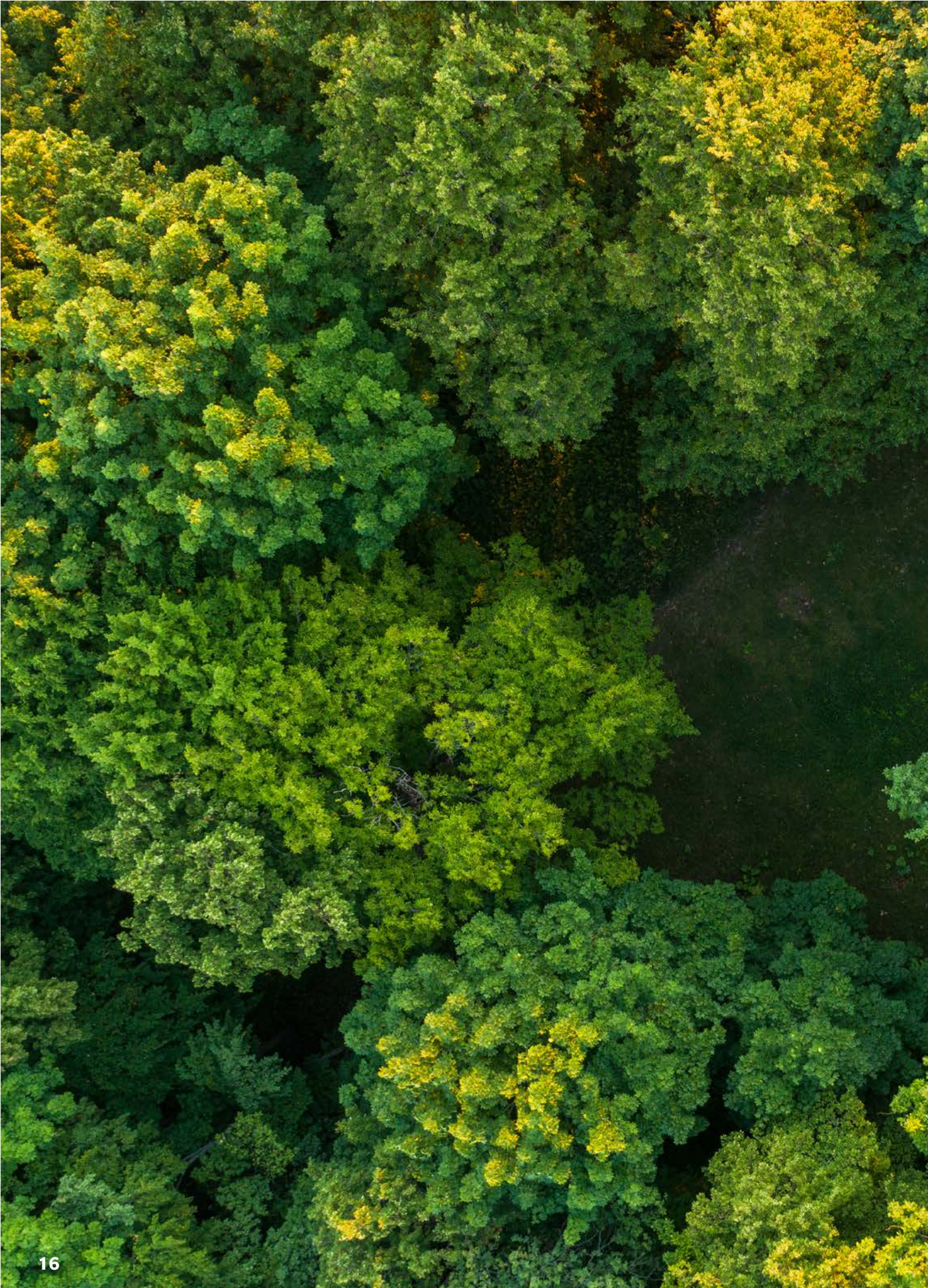
Governance



Committed to the highest national and international governance standards, with a focus on:



- › Business strategy
- › Board diversity and composition
- › Executive remuneration
- › Succession management





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SUSTAINABILITY REPORT 2021

Key Indicators of the Wienerberger Group

Financial Indicators

Corporate indicators		2019	2020	2021	Chg. in %
Revenues	in MEUR	3,466.3	3,354.6	3,971.3	+18
EBITDA	in MEUR	610.0	558.0	694.3	+24
EBIT	in MEUR	362.7	192.5	420.4	+118
Profit before tax	in MEUR	315.3	148.7	374.3	+152
Free Cashflow	in MEUR	286.0	397.3	420.6	+6
Net debt	in MEUR	871.4	882.1	1,134.5	+29
Gearing	in %	42.0	50.4	52.8	-

Non-Financial Indicators ¹⁾

		2019	2020	2021	Chg. in %
Total energy consumption ^{2) 3)}	in gigawatt-hours	8,194	7,431	7,993	+7.6
Index specific energy consumption ^{2) 3)}	in %, based on kg CO ₂ /quantity of products ready for sale (2020 = 100%)	98.6	100.6	101.6	+1.0
Direct CO ₂ emissions (Scope 1) ^{3) 4) 5)}	in kilotons	2,604	2,353	2,484	+5.5
Indirect CO ₂ emissions (Scope 2) ^{6) 7)}	in kilotons	-	296	176	-40.7
Direct and indirect CO ₂ emissions (Scope 1 + Scope 2) ^{3) 4) 5) 6) 7)}	in kilotons	2,604	2,649	2,659	+0.4
Index of specific direct CO ₂ emissions, Scope 1 (2020 = 100%) ^{6) 8)}	in %, based on kg CO ₂ /quantity of products ready for sale (2020 = 100%)	-	100.0	97.3	-2.7
Index of specific indirect CO ₂ emissions, Scope 2 (2020 = 100%) ^{6) 7)}	in %, based on kg CO ₂ /quantity of products ready for sale (2020 = 100%)	-	100.0	94.6	-5.4
Index of specific direct and indirect CO ₂ emissions, Scope 1 and 2 (2020 = 100%) ^{6) 7) 8)}	in %, based on kg CO ₂ /quantity of products ready for sale (2020 = 100%)	-	100.0	91.9	-8.1
Waste	in kilotons	159	105	127	+21.1
Ø Employees as at 31.12. ⁹⁾	Full-time equivalents (FTEs)	17,234	16,619	17,624	+6.1
Employees as at 31.12. ¹⁰⁾	Headcount	16,311	16,446	16,650	+1.2
New entrants ¹⁰⁾	Headcount	2,331	1,886	2,716	+44.0
Employee turnover ¹¹⁾	in %	11.3	10.7	11.0	-
Ø Training hours / employee ^{12) 13)}	in hours	16.0	10.6	13.1	+23.2
Percentage of women ¹⁰⁾	in %, relative to headcount	14.8	15.1	15.4	+0.0
Percentage of women in senior management	in %, relative to headcount	12	13	15	-
Percentage of women in white-collar positions ¹⁴⁾	in %, relative to headcount	32	32	33	-
Accident frequency	Number of occupational accidents / number of hours worked x 1,000,000	5.6	5.4	4.4	-18.7
Accident severity	Accident-related sick-leave days / number of hours worked x 1,000,000	158	178	180	+1.3
Number of fatal occupational accidents	Number within the Wienerberger Group	0	1	1	-
Ø Sick-leave days / employee	in days	10.7	10.8	11.5	+6.7
Percentage of innovative products in total revenues	in %	30.7	32.7	31.0	-

1) For five companies newly acquired in 2021, where the necessary data collection structures for non-financial indicators are not yet in place or have to be optimized, the indicators are not included for the 2021 reporting year (for details, see page 54). // 2) Total energy consumption includes energy consumed in production, but excludes administration, except for countries where separate accounting is not possible. // 3) In the interest of greater consistency in reporting, Wienerberger now also includes thermal energy sources used in plastic pipe production by Wienerberger Piping Solutions, although their percentage is comparatively low. The indicators for 2020 were restated accordingly. // 4) ETS and non-ETS. Source ETS: EU Transaction Log (EUTL). Non-ETS: Calculation in accordance with national rules (Switzerland) or on the basis of EU standard emission factors. For plants in the USA, CO₂ process emissions are also reported. Including CO₂ emissions from biogenic inputs: quantities from Wienerberger's CO₂ monitoring corresponding to national rules. // 5) Including CO₂ emissions from biogenic inputs. // 6) The indicator was reported for the first time for the 2020 reporting year. // 7) The calculation of indirect CO₂ emissions from purchased electricity is based on the current CO₂ emission factors of Corporate Procurement. // 8) Direct specific CO₂ emissions (Scope 1) refer to CO₂ emissions from raw materials (in ceramic production) as well as the fuel emissions of the entire Wienerberger Group. The calculation did not include CO₂ emissions from biogenic input materials. // 9) Agency and temporary workers are included from their first hour of work at Wienerberger. // 10) Employees directly employed by Wienerberger. // 11) Ratio of persons leaving the Wienerberger Group (termination by employee or employer or mutually agreed termination) to average number of employees (headcount) in permanent employment in the reporting year, excluding temporary and agency workers as well as workers under term contracts; persons retiring or on leave do not count as persons leaving the company. Due to special national legal provisions the indicators are not comparable to those of other Business Units. // 12) Internal and external initial and further training measures per employee (headcount). International training events are not included in this table. // Employees directly employed by Wienerberger. // 13) The indicators reported for 2020 were corrected, as the accuracy of recording the number of training hours per employee was further improved in 2021. // 14) All employees except in production.



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Auditor's Report

General remarks applying to all parts of the 2021 Sustainability Report:

All non-financial indicators and their rates of change are calculated on the basis of non-rounded values. // Electronic data processing may result in rounding differences. // Some of the differences vs. the previous year are in the decimal range. // The calculation methods used and the reporting scope are explained in the respective chapters of the 2021 Sustainability Report.





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WIENERBERGER AT A GLANCE

Wienerberger at a Glance

Company Profile

Wienerberger is a leading international provider of smart solutions for the entire building envelope in new build and renovation as well as for infrastructure in water and energy management. Currently, we have 215 production sites operating in 28 countries and we export our products to international markets. We are the worldwide market leader in bricks and the number-one producer of clay roof tiles in Europe. Moreover, we are among the leading suppliers of pipe systems in Europe and concrete pavers in Central and Eastern Europe. Through the acquisition of Meridian Brick, the leading supplier of façade products in important regions of the USA and Canada, in 2021, Wienerberger achieved significant growth in its North American business.

Wienerberger is a free float company with 100% of its shares being publicly traded. For details on the shareholder structure of Wienerberger, please refer to page 226 of this Annual Report.

Our 17,624 employees are the foundation of our organization. Their excellent cooperation is based on a firmly rooted, living corporate culture that is characterized by shared values: expertise, passion, integrity and respect, customer orientation, entrepreneurship, quality, and responsibility.

Corporate Mission & Value Proposition

Our vision is to be the most highly regarded provider of sustainable building materials and infrastructure solutions and the preferred employer in our markets.

Our mission is to improve people's quality of life by providing outstanding solutions for new residential construction, renovation, and infrastructure.

The primary goal of our entrepreneurial activities is to achieve continuous growth of our company on the basis of our strategic commitment to compliance with the ESG principles¹ and to the achievement of our financial targets.

Further information on our corporate mission and our value proposition is contained in this Annual Report, see pages 8-9.

1) ESG: Environmental, Social, Governance; auf Deutsch: Umwelt, Soziales und Unternehmensführung.



Our Corporate Strategy

Over the past ten years, Wienerberger has gone through a process of complete strategic reorientation and evolved from a volume- and production-driven producer of standard products for the building envelope into a full-range provider of innovative, smart system solutions designed to support customers in the construction and renovation of residential real estate. The average rate of organic growth was 6% per year. To further advance this strategic transformation, Wienerberger is investing continuously in improving its product range and broadening it through the inclusion of digital services. Wienerberger's durable products and smart system solutions are being used for the construction and renovation of buildings and even entire city quarters. The product portfolio now ranges from roof and wall systems to façade solutions and building services and facilities to innovative pipe systems for safe and secure energy and water supply as well as systems for rainwater management and wastewater disposal.

For Wienerberger, innovation and M&A (mergers & acquisitions), together with portfolio optimization measures, are the most important pillars of sustainable growth, which was successfully pursued throughout 2021. In North America, Wienerberger generated significant growth in the segment of stormproof clay façade claddings, not least thanks to product innovations and the acquisition of Meridian Brick, a transaction that was successfully closed at the end of October 2021. By taking over the portfolio of Struxura, a producer of prefabricated wall elements based in Belgium, Wienerberger is further broadening the product portfolio in its core segments of new build and renovation. In mid-November, Wienerberger entered into a strategic partnership with Exasun, a Dutch company, to take over

the distribution of its photovoltaic solutions on an exclusive basis. Moreover, an exclusive distribution agreement was concluded with Leadax, the Dutch producer of innovative and low-carbon flat roof solutions. In these accretive transactions, Wienerberger is focused not only on aligning its entrepreneurial activities with the Group's sustainability targets, but also on responding to the major challenges of our time through innovation, automation, and prefabrication. These include, for example, the impact of climate change, the shortage of skilled labor, and the issue of providing sustainable and affordable housing for all.

All our entrepreneurial activities are subject to clearly defined ambitious ESG criteria and are aimed at achieving our challenging targets by 2023:

- › 15% reduction of Wienerberger's CO₂ emissions
- › 100% recyclability or reusability of all new Wienerberger products
- › Full implementation of the Wienerberger Biodiversity Program at all sites

The Wienerberger corporate strategy, our priorities, and the interrelation between our financial and non-financial criteria are described and illustrated by diagrams in this Annual Report, see pages 14-15.

Our Business Units and Product Groups

With its innovative solutions, Wienerberger has evolved into a provider of system solutions in building materials and infrastructure. The objective of achieving greater customer proximity is reflected in the adaptation of our product groups to this development.

All our efforts have always been focused on improving our solutions for the benefit of our customers. To this end, we are pursuing our own product developments in group-wide research centers; at the same time, we continuously analyze potential value-creating acquisitions in order to explore new technologies and applications and extend our geographic market coverage.

Wienerberger Building Solutions

In our European markets, the Wienerberger Building Solutions Business Unit (WBS) offers a broad range of innovative products and system solutions for the building envelope and an integrated product mix for outdoor applications. WBS includes our business in all Wienerberger and Semmelrock brands. The Business Unit also includes our clay block production site in India.

Our roof tiles, clay blocks, and facing bricks are essential innovation drivers for energy-efficient, climate-resilient, and affordable system solutions for the building envelope. Our concrete pavers represent high-quality solutions for outdoor applications.

Wienerberger Piping Solutions

Wienerberger Piping Solutions (WPS) provides our European markets with solutions for all current challenges, such as water management in the context of climate change or increasing urbanization. The WPS portfolio comprises our business in Pipelife plastic pipes and Steinzeug-Keramo ceramic pipes.

The product portfolio of WPS includes system solutions for in-house installation, drinking-water supply, irrigation and drainage, wastewater and rainwater management, energy supply and data transmission, as well as special products for industrial applications. For the purposes of our strategic development, we group these applications in following priority areas: in-house solutions and infrastructure applications (including water management for agriculture).

North America

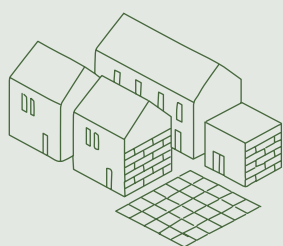
The main focus of the North America Business Unit is on innovative products and system solutions with facing bricks, concrete and calcium silicate products, and plastic pipes.

The core properties and applications of these products of North America are comparable to those of the wall and façade products of Wienerberger Building Solutions (WBS). This also holds for plastic pipes produced by the North America Business Unit and by Wienerberger Piping Solutions (WPS).



WIENERBERGER CORE APPLICATIONS OF OUR PRODUCTS AND SYSTEMS

Solutions for the Building Envelope and Concrete Pavers



- Single- and two-family homes
- Multi-family homes
- Non-residential construction
- Public spaces
- Gardens
- Pavements and parking areas

- ✓ New build
- ✓ Renovation
- ✓ Repair
- ✓ Modernization

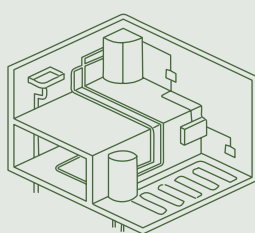
Decision-makers, customer groups

Architect, designer, public-sector client, private investor, building contractor, processor, distribution partner, dealers

Product users

Users of buildings, public at large

In-House Solutions



- Electrical and heating installations
- Drinking water and wastewater
- Garden irrigation

- ✓ New build
- ✓ Renovation
- ✓ Repair
- ✓ Modernization

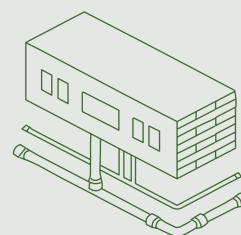
Decision-makers, customer groups

Designers, electricians, plumbers, building contractors, processors, distribution partners, dealers

Product users

End customers, users of buildings

Infrastructure Solutions



- Water management and wastewater disposal
- Energy supply
- Data transfer
- Special products for industry

- ✓ New build
- ✓ Renovation
- ✓ Repair
- ✓ Modernization

Decision-makers, customer groups

Investors, public-sector clients, designers, building contractors, processors, distribution partners, dealers, private clients

Product users

End customers, users of buildings, public at large, network operators

WIENERBERGER PRODUCTION SITES

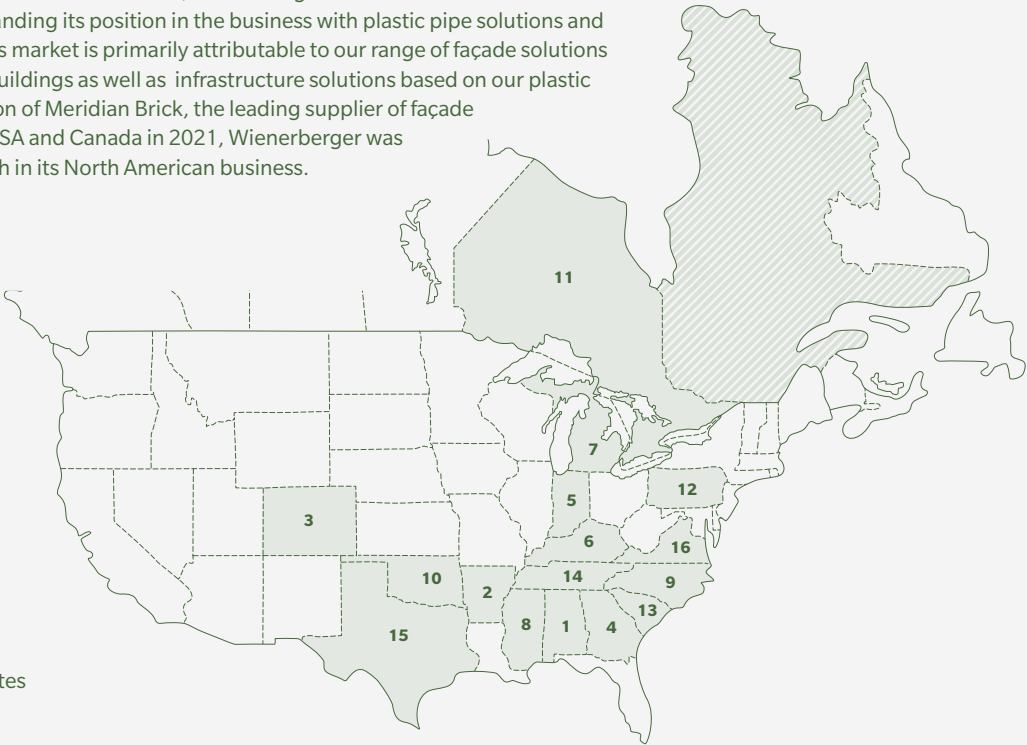
Wienerberger is a leading international provider of smart solutions for the entire building envelope for new residential housing and for renovation as well as infrastructure solutions for water and energy management. Currently, we have 215 production sites in operation in 28 countries and we export our products to markets all over the world. We are the world's leading brick manufacturer and hold top market positions in clay roof tiles, pipe systems, and concrete pavers.

Wienerberger in North America

With the acquisition of US-based General Shale in 1999, Wienerberger gained its first foothold in North America. Eight years later, the company entered the Canadian market by acquiring Arriscraft International. Since that time, Wienerberger has succeeded in diversifying its markets and expanding its position in the business with plastic pipe solutions and facing bricks. Our strength in this market is primarily attributable to our range of façade solutions for residential and commercial buildings as well as infrastructure solutions based on our plastic pipe systems. With the acquisition of Meridian Brick, the leading supplier of façade products in core regions of the USA and Canada in 2021, Wienerberger was able to achieve significant growth in its North American business.

**Wienerberger Markets
in North America**

- Markets with production sites
- Export markets



Number of production sites

- 1 Facing Bricks
- 1 Calcium Silicate Products
- 1 Concrete Products
- 1 Plastic Pipes

1	Alabama	1	
2	Arkansas		1
3	Colorado	1	
4	Georgia	2	1
5	Indiana	1	
6	Kentucky	1	
7	Michigan	1	
8	Mississippi	1	

9	North Carolina	2	
10	Oklahoma	2	
11	Ontario	3	1
12	Pennsylvania	1	
13	South Carolina	1	
14	Tennessee	1	1
15	Texas	5	1
16	Virginia	1	



Wienerberger in Europe

Wienerberger, a brick producer with a history dating back to 1819, took its first step toward internationalization in 1986 by expanding into neighboring countries. Over the next few years, Wienerberger diversified its product portfolio by adding plastic and ceramic pipes, facing bricks, roof tiles and pavers, soon gaining a leading market position in Europe. Today, Wienerberger holds leading market positions in building material solutions for the entire building envelope and in pipe systems for buildings and infrastructure.

Wienerberger in India

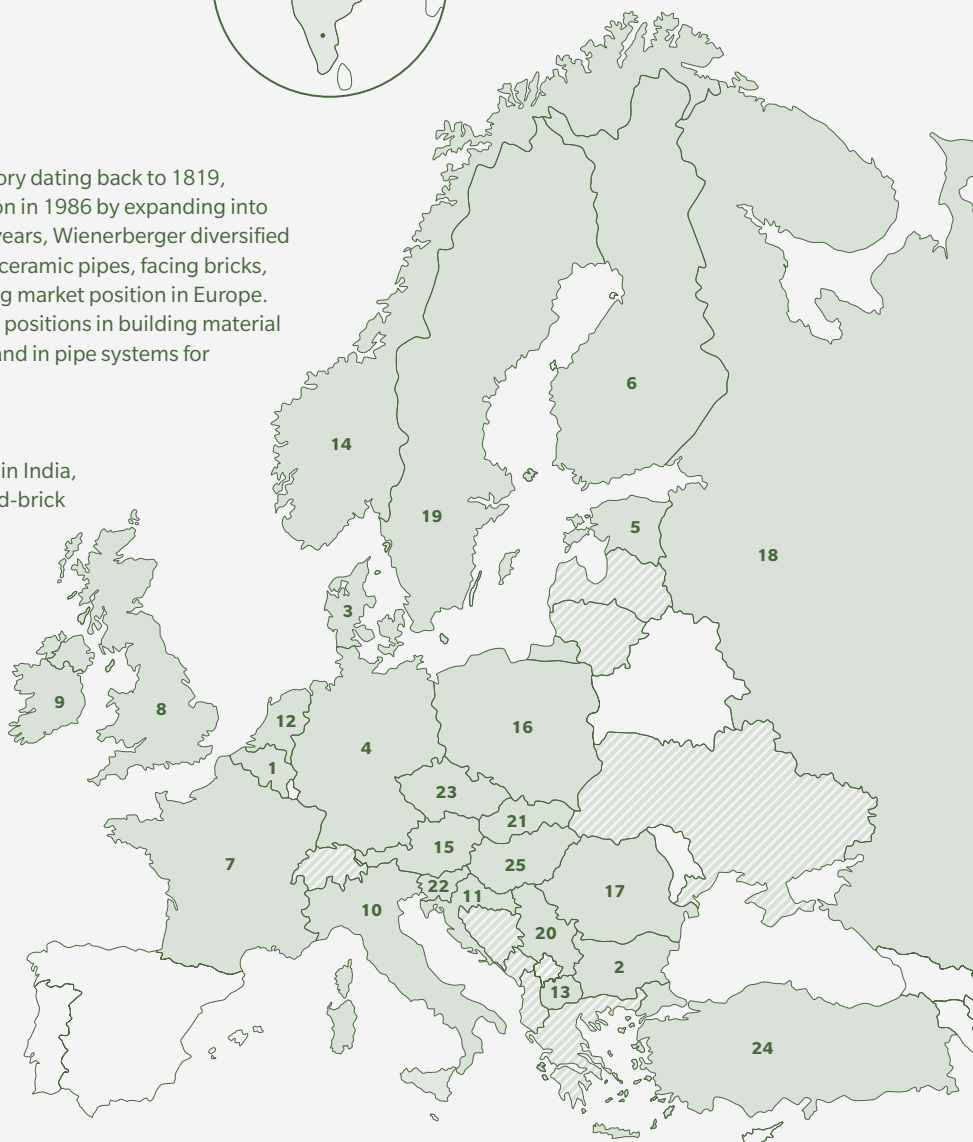
In 2007, Wienerberger set up a brick plant in India, the country known as the birthplace of mud-brick architecture, in order to meet the growing demand for environment-friendly building materials in that part of the world.

Wienerberger Markets in Europe

- Markets with production sites
- Export markets

Number of production sites

- 1 Clay Blocks
- 1 Facing Bricks
- 1 Roofing Systems
- 1 Pavers
- 1 Plastic Pipes
- 1 Ceramic Pipes
- 1 Digital Products & Solutions



1 Belgium	3	8	2		3	1
2 Bulgaria	1			1	1	
3 Denmark		5				
4 Germany	13	3	4	1	1	1
5 Estonia		1			1	
6 Finland		1			4	
7 France	4	1	3		2	
8 United Kingdom		9	7		1	
9 Ireland					2	
10 Italy	4					
11 Croatia	1		1	1		
12 Netherlands	1	10	3	5	3	2
13 North Macedonia			1			

14 Norway					3	
15 Austria	6		2		1	
16 Poland	7		1	5	2	
17 Romania	4			3		
18 Russia	2					
19 Sweden					2	
20 Serbia			1			
21 Slovakia	2			1		
22 Slovenia	1		1			
23 Czech Republic	7		3	1	2	
24 Turkey					2	
25 Hungary	5		2	2	1	
26 India	1					

VALUE CREATION CERAMIC PRODUCTS AND SYSTEMS

BUILDING SOLUTIONS AND PIPES

Sourcing and Distribution



Extraction from own clay pits, purchase of clay, additives, and aggregates, alternative binders
> Transport of raw materials to the plants



Energy



Water



Packing Material



Material recovery / Re



End of Service Life

Internal and external
recycling, recovery

Reuse

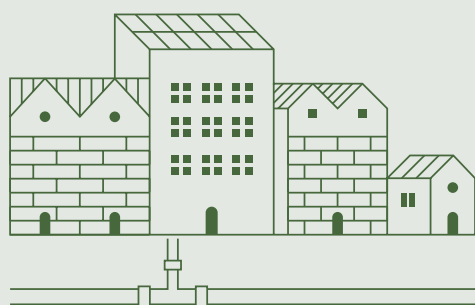




Production



Use Phase



Building Solutions and Pipes

- ✓ Roof tiles
- ✓ Clay blocks
- ✓ Facing bricks
- ✓ Ceramic accessories
- ✓ Ceramic pipes
- ✓ Accessories

VALUE CREATION PLASTIC PIPES AND SYSTEMS

Sourcing and Distribution



Purchase of refined raw material
(based on oil and salt): PE, PP, and PVC



Transport of
raw materials
to the plants



Energy



Water



Packing Material



Purchase of secondary
raw material

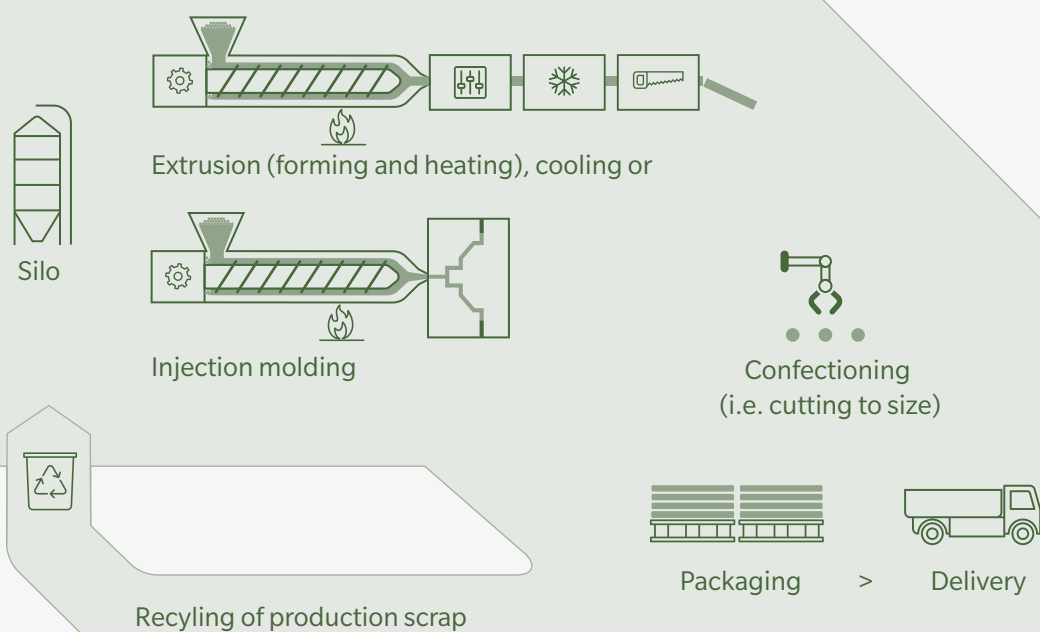


End of Service Life

Internal and external
recycling, recovery



Production



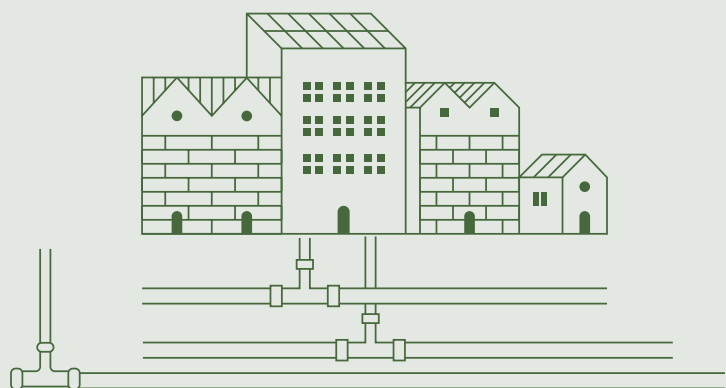
Use phase

In-house solutions

- ✓ Hot & cold water
- ✓ Heating & cooling
- ✓ Electro installations

Infrastructure solutions

- ✓ Water & gas systems
- ✓ Waste water and rain water systems
- ✓ Cables (outdoor area, e.g. for electricity)



VALUE CREATION CONCRETE PRODUCTS

CONCRETE PAVERS AND SLABS
AND DESIGN ELEMENTS

Sourcing and Distribution



Purchase of cement, sand, gravel, aggregates,
and alternative binders and fillers
> Transport of raw materials to the plants



Energy



Water



Packing Material



Material recovery / Re



End of Service Life

Internal and external
recycling, recovery

Reuse





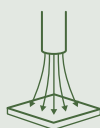
Production



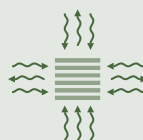
Mixing



Moulding + Pressing



Surface
treatment



Curing



recycling of production scrap

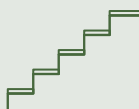
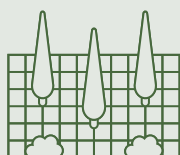


Packaging



Delivery

Use Phase



**For private, commercial,
and public applications:**

- ✓ Concrete pavers
- ✓ Concrete slabs
- ✓ Steps
- ✓ Edgings
- ✓ Borders and palisades
- ✓ Fences and walls stones,
slope stabilizer blocks

Stakeholder Management

As a responsible member of society, Wienerberger makes every effort to fully understand the needs of its stakeholders. Wienerberger therefore takes the concerns of its stakeholders into account in the elaboration of its corporate strategy. Our stakeholders include our employees, customers and business partners, such as planners and developers, investors, analysts and banks, local residents and local authorities, suppliers, political decision-makers and representatives of the public administration, regulators, organized interest groups, research institutions and universities, media, and non-governmental organizations (NGOs).

We place special emphasis on an open, continuous, and target group oriented dialogue, as it fosters mutual understanding of one another's interests, expectations, and targets. Wienerberger therefore regularly organizes stakeholder dialogues, the objective being to obtain in-depth analyses of material topics and aspects from the stakeholders' perspectives, so that risks and opportunities can be identified at an early point in time. Moreover, we want to better understand what motivates specific groups in society and what they expect of us. In this context, in 2020 we updated our materiality analysis, involving both internal and external stakeholders. The results provided input for our Sustainability Program 2023 and form an integral part of our corporate strategy. Detailed information on the stakeholder dialogues organized in 2021 is contained in this Annual Report, on page 60. In the future, Wienerberger will continue its direct dialogue, especially with core stakeholder groups.

Expectations

Wienerberger's stakeholder groups are extremely diverse and have different needs, interests, and concerns. Different stakeholder groups are therefore addressed by different departments or organizational units within Wienerberger, and our communication instruments vary accordingly: In addition to personal meetings, we communicate and provide information through regular newsletters and information brochures, Internet-based information platforms, and information events.

Our employees are kept informed of corporate targets and strategies as well as current developments and measures in a timely and comprehensive fashion, the aim being to provide a motivating work environment and stimulate personal initiative.

Our customers and business partners – end customers as well as building-material dealers, developers, design engineers, and contractors – are mainly interested in high-quality, durable, and affordable products for buildings that ensure a safe, healthy, and comfortable environment. To a growing extent, our customers and business partners take an interest in sustainable building construction as well as energy-efficient and energy-neutral solutions, and expect us to supply products that are reusable or recyclable.

Capital market participants – investors, analysts, and banks – are interested, among other factors, in the company's sustainable performance. Timely communication and a regular exchange of information with the Managing Board, as well as comprehensive and transparent external reporting are of crucial importance for them.

Suppliers are particularly interested in fair business relations. Wienerberger's interest lies in the long-term and sustainable sourcing of the required natural resources, materials, and products in accordance with the criteria of sustainability. Within the framework of our business relations, we therefore make sure that our suppliers comply with our ecological and social standards, which we explicitly communicate to them.



Local residents, local authorities, and non-governmental organizations (NGOs) are among our important stakeholders. Every production site is also a neighbor, a local employer, and a taxpayer. Good and trusting relationships not only with neighbors, but also with local government authorities, associations, and citizen initiatives are essential for a stable production environment.

Policymakers determine the legal framework and thereby exert a major influence on Wienerberger's entrepreneurial environment. For quite some time, we have been publicly advocating the provision of affordable and social housing in Europe. Moreover, we are trying to convince policymakers of the need for state aid for renovation measures and the construction of water supply and wastewater disposal networks. It is an essential component of our success that we are determined to address the developments in the individual markets, such as the growing trend towards urbanization, and are able to offer decision-makers practical, sustainable and, above all, affordable solutions for the construction and renovation of residential buildings as well as essential components of infrastructure, such as supply and disposal systems or the paving of outdoor surfaces.

Research institutions and universities are important partners with which Wienerberger maintains close contacts and engages in regular exchange. Wienerberger itself operates several research facilities in Europe specializing in various fields of production.

The media expect targeted and timely information on strategic developments and current issues. Wienerberger, for its part, expects to receive fair media coverage.

Conflicts of interest

Each stakeholder group has its own interests and objectives. Conflicts of interest arise when the objectives pursued by two or more stakeholder groups are competing or in conflict with one another.

The establishment and operation of product sites or the construction of buildings, as well as supply and disposal networks, may trigger conflicts. In the majority of cases, there are local residents that are affected by the impacts of such projects. They find themselves in opposition to the project sponsors and other groups, including customers or local authorities that advocate and welcome the implementation of the projects. Regular dialogue between those responsible for the production sites or construction projects and the local residents concerned can lead to better understanding of one another's concerns and contribute to the resolution of the conflict.

In recent years, the number and the influence of groups in society representing ecological and social interests have increased. National and international attention has been focused strongly on measures aimed at combating climate change and protecting the environment. Ecological optimization measures tend to drive up expenditures, especially in the short term. Therefore, it is important to align economic interests, for instance those of shareholders and investors, with ecological requirements. Transparent communication of the ESG (environmental, social, governance) investments made and the company's ESG performance as indicators of the long-term success of the company may help to ease such a conflict of interests.

Wienerberger is making every effort to take the requirements of the various stakeholder groups into account and to identify and resolve potential conflicts as early as possible.

Stakeholders & Communication Instruments

Primary Stakeholders

Our employees

- › Internal communication channels

Our customers and business partners

- › Well-trained employees at the service center
- › Digital planning tools
- › Environmental product declarations (EPDs)

Capital market participants

- › Annual and quarterly reports
- › Presentations
- › Mailings on current developments
- › Road shows
- › Investor conferences
- › Personal conversations
- › Capital Markets Day

Suppliers

- › Monitoring of suppliers with regard to terms and conditions, non-financial and financial performance
- › Exchange in the course of our on-site supplier audits
- › Cooperation based on suppliers' ESG rating results (plans for optimization)
- › Implementation of the Supplier Code of Conduct
- › Exchange on and cooperation in the fields of decarbonization, use of secondary raw materials, and the joint development of innovative products and system solutions

Community

Local residents, communities, and public authorities

- › On-site dialogue with stakeholder committees
- › Informal exchanges

Research institutions and universities

- › Research cooperation

Political level

- › Membership in European and national representative bodies and platforms
- › Participation in technical committees

Media

- › Press releases and press conferences
- › Media enquiries
- › Interviews

Stakeholder dialogues

In 2021, Wienerberger conducted intensive stakeholder dialogues with selected core stakeholder groups. The objective was to put the results of the 2020 materiality analysis in perspective and to better understand the challenges faced by the stakeholders in matters relating to ESG. Based on the results obtained, Wienerberger

was able to derive measures aimed at improving its sustainability program.

The results of the 2021 stakeholder dialogues are described in detail on page 60.



Corporate Governance at Wienerberger

As a listed company with international operations, Wienerberger is committed to the strict principles of good corporate governance and transparency as well as to the continuous further development of an efficient corporate control system. We are convinced that managing the Wienerberger Group responsibly and with long-term goals in mind is one of the crucial prerequisites for a sustainable increase in enterprise value. In the pursuit of this target, we always act within the framework of Austrian law, the Austrian Corporate Governance Code, our Articles of Association, the rules of procedure of the Boards of the company, and our internal policies.

In 2021 Wienerberger was once again in full compliance with the rules of the Austrian Corporate Governance Code, including its R Rules. The activities of the reporting year relating to corporate governance are explained and described in detail in the 2021 Corporate Governance Report, starting on page 164.

Information on compliance and the fight against corruption is contained in the chapter “ESG: Governance & Management Approach”, starting on page 38.

ESG criteria in variable remuneration

Variable remuneration at Wienerberger is composed of a short-term remuneration component for Managing Board members (Short-Term Incentive, STI) and a long-term component (Long-Term Incentive, LTI), which all members of the Managing Board and top-level executives of the Group are entitled to. While the STI is primarily linked to financial indicators, the LTI is intended to enhance the motivation of Managing Board members and top executives to focus more intensively on sustainably increasing the enterprise value and to identify more strongly with the company’s long-term planning and goals. As laid down in the Group’s remuneration policy, the targets for the LTI are financial in nature, while one third of the targets relate to ESG.

Variable Managing Board remuneration

The variable components of remuneration for the members of Wienerberger’s Managing Board are designed to create an adequate incentive 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 targets to clearly defined indicators of earnings and profitability as well as precisely measurable ESG criteria. Particular attention is paid to ensuring the greatest possible target congruency between shareholders’ interests and Managing Board remuneration. On this basis, the long-term remuneration component is primarily linked to the sustainable improvement of the enterprise value, taking into account key financial indicators (relative total shareholder return, return on capital employed after tax), as well as clear environmental, social, and governance (ESG) targets.

In accordance with the Sustainability Program 2023, the following environmental, social, and governance (ESG) targets apply to the special LTI for the Chairman of the Managing Board of Wienerberger AG:

Environmental target for climate protection:

15% less CO₂ emissions as compared to 2020

Social target for diversity:

more than 15% women in senior management and more than 30% female staff members

Social target for initial and further training:

10% more training hours per employee as compared to 2020

For our top executives

The variable remuneration of the senior management of the Wienerberger Group is designed along the lines of the incentive scheme for Managing Board members. Depending on the functional profile of each executive, the targets for the short-term remuneration component are determined on the basis of the Group budget or the budget of the respective executive’s areas of responsibility and supplemented by individually agreed-upon financial or non-financial targets.

Detailed information on Wienerberger’s remuneration regime is provided in the 2021 Remuneration Report on our website <https://www.wienerberger.com>.





wienerberger

ESG: GOVERNANCE & MANAGEMENT APPROACH

*Good corporate governance – Code of Conduct,
compliance, and prevention of corruption – Supplier management –
Non-financial reporting*

Target of our Sustainability Program 2023



0

**cases of corruption
in the Wienerberger Group**

The economy is an integral part of society. At Wienerberger, we take our responsibility as a corporate citizen seriously: We communicate honestly, act ethically, and operate within a transparent economic framework. The responsible management of the Wienerberger Group with long-term goals in mind is firmly rooted in the Group's organizational structure. We observe clear ethical principles, our Code of Conduct, and a firmly established compliance policy.

ESG: Governance & Management Approach

Wienerberger's commitment to sustainability covers all stages of the Group's value chain. The Wienerberger sustainability strategy, also called ESG¹ strategy, and the related Sustainability Program 2023 are integral parts of the Wienerberger corporate strategy and provide a strong basis for sustainable growth (see also "Strategy", pages 12-13). In 2020, in the interest of a clearer definition of our sustainability-related priorities and targets, we performed a materiality analysis with input from relevant internal and external stakeholder groups (see chapter "Materiality Analysis and UN SDGs", page 58). In order to better understand the assessments and priorities mentioned by our stakeholders within the framework of the 2020 materiality analysis, Wienerberger conducted in-depth stakeholder dialogues in 2021 (see page 60).

To ensure a uniform approach and efficient implementation of the measures taken, as well as the achievement of our goals, Wienerberger established clear structures and responsibilities for sustainability management across the entire Group. Moreover, we regard sustainability as a crucial factor of our corporate success and have therefore integrated ESG criteria in areas such as our remuneration policy (see page 37) and corporate financing.

In this chapter, the following governance topics and management approaches will be covered in separate sections:

- › Organizational structure
- › Wienerberger's risk management and due diligence processes
- › Commitment to compliance with the TCFD recommendations
- › Wienerberger Code of Conduct, compliance, and the prevention of corruption
- › Supplier management
- › Voluntary commitment to compliance with the ten principles of the UN Global Compact
- › Our non-financial reporting

GREEN FINANCING

Wienerberger assumes responsibility for its entire value chain not only in its operational business, but also in corporate financing. Therefore, in 2019, Wienerberger for the first time opted for a sustainability-oriented form of finance. To refinance the 4% corporate bond that matured in April 2020, a € 170 million loan was taken out at a rate of interest that is linked not only to the usual financial indicators, but also to the company's sustainability rating. An improvement in the Wienerberger Group's sustainability performance thus results in lower financing costs.

As required, the Group's ESG rating, which is to be reviewed annually, was updated by EcoVadis in 2021. Owing to Wienerberger's improved sustainability performance, especially in the fields of environmental protection and procurement, the Group achieved a further improvement in its sustainability ratings. In 2021, Wienerberger additionally negotiated a new syndicated loan with a sustainability component, the terms and conditions of which are linked, among other factors, to the ESG ratings by EcoVadis.

Organizational Structure

The responsible, long-term approach to the management of the Wienerberger Group is an essential prerequisite for the implementation of the corporate strategy and the achievement of the corporate goals, i.e. the sustainable increase in enterprise value in accordance with ecological, social, and economic criteria. As a listed company with international operations, Wienerberger is committed to strict principles of good corporate governance and transparency as well as the continuous further development of an efficient system of corporate control.

1) ESG: Environmental, Social, Governance.



Operational Management

Sustainability Steering Committee: The Sustainability Steering Committee (SSC) is responsible for Wienerberger's sustainability strategy and the definition of the targets, deadlines, and measures of the sustainability program. The committee is comprised of the Managing Board of the Wienerberger Group, i.e. the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) of Wienerberger AG, and the Chief Operating Officers (COOs) of Wienerberger Building Solutions (WBS) and Wienerberger Piping Solutions (WPS). The Managing Board acts as the top-level internal steering body, identifies matters of growing importance related to ESG, and defines targets for the Group.

Functions at Group level: The Group Sustainability & Innovation Department is headed by a Senior Vice President. The latter reports directly to the Chairman of the Managing Board of Wienerberger AG, ensures group-wide coordination of the sustainability and innovation strategy, the sustainability program (currently the Sustainability Program 2023), and sustainability management, and is responsible for Wienerberger's sustainability reports. The department is in charge of aligning Wienerberger's sustainability strategy with the Group's innovation agenda. It also supports the implementation of both agendas and ensures continuous dialogue with and involvement of the stakeholder groups, such as customers and users of our products and system solutions. At department level, clearly defined responsibilities and targets contribute significantly to the implementation of the Wienerberger strategy. For example, "Human Resources" and "Procurement" submit regular progress reports to the Managing Board.

Business Units: At Business Unit level, the COOs of Wienerberger Building Solutions (WBS) and Wienerberger Piping Solutions (WPS) and the CEO of North America (NOAM) are responsible for implementing the sustainability targets. They observe potential areas of improvement, report to the Managing Board, and elaborate a specific plan of action for the integration of the sustainability strategy in all Business Units. They are supported by their respective sustainability officers. Continuous exchange with the Sustainability & Innovation Department on the progress achieved serves to broaden the scope of responsibility and influence in the pursuit of the Group's sustainability targets.

Local site managers: The internal organizational structure is rounded out by local site managers, who play an important role in respect of ESG matters. They support the practical implementation of policies and measures at local level and thus ensure that the targets set at Group level are attained.

Managing Board and Supervisory Board

The Managing Board of Wienerberger AG and the Supervisory Board play a central role in the Group's efforts to address the most important aspects relating to sustainability. The Managing Board of Wienerberger AG, which currently has four members, is responsible for the strategic and operational management of the company. The Supervisory Board monitors all essential strategic projects. Alongside its monitoring and steering function, it plays an advisory role and thus assumes part of the company's entrepreneurial responsibility. Upon the Managing Board's proposal, the Supervisory Board analyzes and approves the Wienerberger strategy and the sustainability program. The current Sustainability Program 2023 sets out the targets to be pursued and outlines the strategy to achieve these targets.

This structure is intended to ensure that ESG topics, especially those that are relevant to climate change, are taken into account in the elaboration of the corporate strategy, financial planning, the annual budgeting process, and investment decisions. In the performance of its functions, the Supervisory Board is supported by two committees:

- › Sustainability and Innovation Committee
- › Audit and Risk Committee

Sustainability and Innovation Committee

The Sustainability and Innovation Committee established by the Supervisory Board deals intensively with current topics of Wienerberger's sustainability and innovation management. The committee, which in 2021 comprised four members of the Supervisory Board, meets three times a year. It discusses progress achieved in the implementation of the Wienerberger sustainability strategy and program, Wienerberger's ESG performance relative to the targets set, and the introduction of risk mitigation standards and policies. It reports to the Supervisory Board on the topics discussed and the conclusions reached.

The main responsibilities of the Sustainability and Innovation Committee are as follows:

- › Supporting the Managing Board in the review and further development of the Group's sustainability and innovation strategy
- › Exchanging ideas with the Managing Board on new legal provisions and global trends in sustainability and innovation management
- › Monitoring the implementation of the Group's sustainability and innovation strategy

Audit and Risk Committee

This committee is in charge of monitoring all financial and accounting matters of the entire Group, including the audit of its annual financial statements and risk-related topics. The areas to be reviewed by the committee include the following:

- › Financial reporting and the corresponding explanatory notes
- › Internal control and risk management systems as well as internal audit
- › Audit of the annual financial statements
- › Risk management

In 2021, the Audit and Risk Committee had four members. It meets five times a year. Within the framework of the standardized risk management process, the committee also discusses ESG risks and opportunities, including climate-related risks. After each meeting, the committee chairman formally reports to the Supervisory Board on the committee's activities in all matters within its mandate. Moreover, a formal report on the performance of the committee's duties of control is submitted to the Supervisory Board.

Wienerberger's Risk Management and Due Diligence Processes

The responsible management of the Wienerberger Group with long-term goals in mind is an essential prerequisite for the sustainable success of the company. An overview of the major risks and implications for the Wienerberger Group in terms of non-financial matters is shown on page 59.

Information on the ESG concepts and due diligence processes applied by Wienerberger in respect of environmental, social, and governance aspects is contained in the following chapters: "Climate Protection and Adaptation to Climate Change" (pages 67-95), "Circular Economy" (pages 96-102), "Biodiversity & Environment" (pages 103-108), "Employees & Social Impacts" (pages 109-130).

Information on Wienerberger's risk management, the related assessment processes, and the internal control system applicable to financial and non-financial matters is contained in the Risk Report (starting on page 304).

TCFD: Climate-related risks and opportunities

Wienerberger has set itself the target of minimizing its climate-related risks and is continuously developing solutions aimed at enhancing the company's climate resilience. Wienerberger therefore starts its reporting in accordance with the "Task Force on Climate-related Financial Disclosures" (TCFD) recommendations and transparently describes its climate-related risks and opportunities in the chapter "Climate Protection and Adaptation to Climate Change" (pages 67-95).

The analysis and assessment of the risks and opportunities arising from the transition to a low-carbon, climate-resilient economy (see pages 85-90) have been integrated into Wienerberger's risk management processes (see page 231).



The “Task Force on Climate-related Financial Disclosures” (TCFD) was established by the Financial Stability Board of the G20 in 2015. It was mandated to develop recommendations for companies to disclose their resilience to climate change to the capital market. These recommendations cover four thematic areas (governance, strategy, risk management, and indicators & targets) and provide a basis for companies to identify, assess, steer, and report on climate-related risks and opportunities. Since June 2017, date of publication of the recommendations, more than 1,300 organizations all over the world have confirmed their support for the TCFD. Updated recommendations were published in October 2021 and also taken into account by Wienerberger.

Commitment to Compliance with the TCFD Recommendations

As a leading provider of building material and infrastructure solutions, we demonstrate our good corporate governance culture by complying not only with the information requirements pursuant to the Austrian Sustainability and Diversity Improvement Act, but also with the recommendations of the “Task Force on Climate-related Financial Disclosures” (TCFD recommendations). By following the TCFD recommendations, we commit ourselves to ensuring a transparent presentation of climate-related opportunities and risks. Wienerberger understands the importance of such information for the investment community and other stakeholders. We will therefore continuously improve our climate-related disclosures and actively solicit feedback. An overview of climate-related information provided by Wienerberger in accordance with the TCFD – the TCFD Content Index – with references to the corresponding pages is provided on page 55.

Wienerberger Code of Conduct, Compliance, and Prevention of Corruption

Since the foundation of Wienerberger over 200 years ago, we, as a company operating successfully on an international scale, have assumed a great responsibility in society. Determined to consistently justify the confidence of our stakeholders, we ensure that our actions are guided by clear ethical principles and a firmly established compliance policy. For us, this encompasses a commitment to business ethics, honest communication, the creation of a transparent economic environment, personal accountability for what we do, and acting as a reliable and useful member of society.

In 2021, in order to highlight the significance and the binding nature of these principles, Wienerberger elaborated a group-wide Code of Conduct, which was implemented simultaneously with a whistleblowing service.

According to our definition, the term “compliance” encompasses all instruments and measures designed to ensure that Wienerberger and its employees act in conformity with the law in respect of all legal provisions that specifically apply to our company. Commitment to compliance with all national and international legal standards in effect is a fundamental principle of the Wienerberger Group.

In many countries, Wienerberger is subject to comprehensive and increasingly stringent environmental regulations as well as health and safety rules. Wienerberger considers itself duty-bound to observe all these rules and regulations, if necessary through investments in optimization measures, at all times. For years, Wienerberger has been committed to implementing the ten principles of the UN Global Compact. In accordance with the Wienerberger Social Charter, the company undertakes to comply with the relevant conventions and recommendations of the International Labor Organization (ILO) (see page 53).

WIENERBERGER SOCIAL CHARTER

https://www.wienerberger.com/content/dam/corp/corporate-website/downloads/other/Wienerberger-Social-Charter_en.pdf

This section contains our report on Wienerberger's processes and standards relating to compliance and the prevention of corruption, with a special focus on:

- › Wienerberger Code of Conduct
- › Prevention of corruption
- › Compliance
- › Internal audit
- › Privacy, data protection, and cybersecurity
- › Complaints management

Wienerberger Code of Conduct

For Wienerberger, it is particularly important to ensure compliance with the highest standards of integrity and business ethics and to protect and safeguard the reputation of the Group, its subsidiaries, and its brands. In 2021, Wienerberger elaborated a group-wide Code of Conduct, which was implemented simultaneously with a whistleblowing service. The Wienerberger Code of Conduct represents a binding guideline and sets out how each and every one of us should act in our day-to-day business. The Code of Conduct must also be acknowledged by all our business partners.

Purpose and application

The Code of Conduct applies to the entire Wienerberger Group and all its subsidiaries in which Wienerberger holds a stake of at least 50%. The principles laid down in the Code of Conduct are intended to ensure that we share a common understanding, demonstrate good judgement, and maintain high standards of ethics and integrity in our dealings with all our stakeholders. We expect the same behavior from our business partners, such as suppliers, contractors, and customers.

As spelled out clearly in our Code of Conduct, Wienerberger does not tolerate any misconduct whatsoever, and the necessary steps will be taken or sanctions imposed in the case of violations. If, after verification of the information received, it is ascertained that an employee or business partner has violated the Code of Conduct, this may have serious consequences under labor law or, depending on the severity of misconduct, result in contractual effects.

Furthermore, Wienerberger does not tolerate any discrimination of or reprisal against persons who raise concerns, ask questions, or report suspected misconduct in good faith. All reports are thoroughly examined and (if permitted by law) treated confidentially.

We encourage all our employees and business partners to voice their concerns and speak up if they observe a breach of the Wienerberger Code of Conduct. In the majority of cases, the matter can be discussed and clarified with superiors or colleagues from HR. If this is felt to be inappropriate, employees can contact the Wienerberger Whistleblowing Committee or report their concerns anonymously via the "SeeHearSpeakUp" Whistleblowing Service.

The Wienerberger Whistleblowing Committee comprises experts from Corporate Legal Services, Internal Audit, Corporate HR, and the Corporate Secretary. For matters that pose a potential risk to the interests of Wienerberger or others, we also refer to the Wienerberger Whistleblowing Policy. While individual circumstances may vary, our Whistleblowing Policy ensures that all reported incidents are handled in a fair manner. Details on reporting, whistleblower protection, and support provided by Wienerberger are outlined in our Whistleblowing Policy.

Whistleblowing Service

Wienerberger wants to be absolutely sure that any suspected misconduct in our company can be reported via appropriate and secure channels. Concerns have to be taken seriously and people reporting them must not be subjected to any pressure. This is a key aspect of the whistleblowing service.

When implementing its Code of Conduct, Wienerberger therefore established a whistleblowing service that is available throughout the entire Wienerberger Group. This service is provided in cooperation with an external, independent global partner for whistleblowing services.



Through its external partner, Wienerberger offers all its employees and business partners the possibility to report their observations anonymously and confidentially in their native language. Reports can be submitted in three ways:

- › Via the online reporting system, which can be accessed on the Internet
- › By email in one's own language
- › Via a toll-free whistleblowing phone number of the country concerned

The whistleblowing service supports the Wienerberger Whistleblowing Committee in the investigation of illegal, unethical, or inappropriate conduct, suspected violations of the Compliance Policy, and the processing of complaints.

Follow-up procedure upon receipt of a report

Each report is verified by the Wienerberger Whistleblowing Committee before an investigation of the incident reported is initiated. The Whistleblowing Committee ensures that all reports of possible violations are investigated. All enquiries and reports are treated confidentially and in line with the legal provisions, the Wienerberger Code of Conduct, and any other policies in place, regardless of whether the report is submitted by telephone, email, or as an online report to the whistleblowing service.

Implementation

The Managing Board, the Supervisory Board, and the Works Council fully support the ideas and guidelines of the Code of Conduct. We expect all employees and business partners to familiarize themselves with our binding Code and comply with each of its principles.

The Wienerberger Code of Conduct is available in all 25 languages spoken in the countries in which the Wienerberger Group operates.

We will continue to inform all our employees about the contents of the Code on an ongoing basis and also communicate its principles via various communication tools and through specific training. We encourage all employees and business partners to report potential violations of our Code of Conduct.

Prevention of corruption

Wienerberger is committed to the principle of free and fair competition, which includes a firm stance against any form of corruption. Within the framework of the Sustainability Program 2023, we have therefore set ourselves the following target:

We are steadily pursuing the strictly defined target of "zero incidents of corruption".

We expect all our employees to act accordingly. An important instrument for the prevention of corruption is the four-eyes principle applicable to the signing of business transactions with third parties. Whenever rights and obligations are established, modified, or terminated, the signatures of two competent authorized persons from the local entity are required. This principle is reflected in international Group policies and supports the prevention of corruption at international level, as does the group-wide policy on how to deal with personal benefits, which was updated in 2016 and continues to apply. In general, the risk of corruption at Wienerberger is perceived to be low.

In 2021, no criminal proceedings for corruption were initiated against Wienerberger or companies of the Wienerberger Group.

In 2019, Wienerberger AG received a notification of holdings which, owing to a chain of unfortunate circumstances, was published 24 hours late. This meant that the deadline for publication of the notification required by law was not met. In 2021, the Austrian Financial Market Supervisory Authority (FMA) imposed an administrative fine of EUR 160,000 (net fine), plus EUR 16,000 costs of proceedings, on Wienerberger AG. Both amounts were paid by Wienerberger AG.

Compliance

As a listed company with international operations, Wienerberger is committed to the strict principles of good corporate governance and transparency, as well as to the continuous further development of an efficient system of corporate control. The framework for the company's actions and obligations is set by Austrian law, the Austrian Corporate Governance Code, the Articles of Association, the rules of procedure of the Boards of the company, and internal policies.

In order to prevent insider trading and the unlawful disclosure of inside information, the company has a compliance policy in place, which implements the provisions of the European Market Abuse Regulation. A compliance officer, supported by a deputy, has been appointed to monitor compliance. Moreover, training sessions, for example on issuer compliance, are held regularly at the Vienna headquarters for both Wienerberger Holding and the respective Business Units.

The principles governing lobbying activities have been laid down in a Code of Conduct based on the provisions of the Austrian Lobbying and Transparency Act, which applies to all board members and employees of Austrian companies in which Wienerberger AG holds a majority interest.

On account of the market position held by the Wienerberger Group in certain markets, the pricing policies of our subsidiaries are followed attentively by the anti-trust authorities. Investigations can be initiated even in the absence of a specific reason. We take such proceedings very seriously and support the investigations to the best of our abilities so that the issues raised can be clarified swiftly and thoroughly.

Price fixing is not part of Wienerberger's business practices and is therefore explicitly prohibited by our internal guidelines, which provide for severe sanctions in the event of violations.

To make our employees aware of problems that may arise in the field of anti-trust law, an anti-trust compliance program was introduced within the Wienerberger Group some years ago. The rules of conduct laid down in the policy provide concrete guidance on sensitive issues relating to competition law and are to be strictly observed.

In the context of the anti-trust compliance program, all country organizations of the Wienerberger Group are obliged to hold regular anti-trust training sessions. As a rule, anti-trust training sessions take place at least once every two years and are conducted by a national anti-trust expert or the in-house legal counsel. The local management is responsible for the organization of the training courses and the selection of employees to be trained. Internal Audit verifies that training has taken place and monitors compliance with the anti-trust policy.

In accordance with Wienerberger's decentralized structure, responsibility for the implementation of and compliance with the national rules and regulations lies with the respective local management bodies. For this reason, and pursuant to national legal provisions, compliance officers have been appointed at country level and mandated to evaluate compliance and report thereon to the local authorities and the Wienerberger Managing Board.

WIENERBERGER LINKS

*Corporate Governance Report as part of the
2021 Annual Report (starting on page 164)*

*Code of conduct pursuant to the Austrian
Lobbying and Transparency Act*



Internal audit

In order to verify compliance and regularly analyze our internal policies and operational processes for their effectiveness, risk potential and possibilities of efficiency enhancement, an internal audit function has been set up as a staff unit reporting to the Managing Board. These activities are based on an audit plan approved by the Managing Board and agreed upon with the Audit Committee of the Supervisory Board, as well as a group-wide system of risk assessment covering all the company's operations. Internal Audit reports to the Managing Board and the Audit Committee on the audit findings.

In 2021, 20 companies (listed in the 2021 Annual Report, page 316, chapter "Group Companies"), were audited by Internal Audit with a special focus on organization, procurement, materials management, sales, human resources, and corruption, anti-trust legislation, and the General Data Protection Regulation (GDPR) of the European Union. Another focus area of the audits was compliance with the group-wide safety and health standards for our employees.

In the course of these audits, it was ascertained that the internal policies had been implemented in the companies audited and that the employees concerned were adequately informed. Deviations from the policies, if any, were reported to the Managing Board and the Audit Committee, and appropriate measures, such as improvements of documentation processes, were agreed upon with the respective local management.

Privacy, data protection, and cybersecurity

The protection of personal data and information systems has always been a matter of high priority for Wienerberger in all the company's business relations. We treat personal data confidentially and in accordance with data protection rules. We continuously invest in data security measures to ensure the best possible protection of our information systems and the personal data contained therein.

Our central Information and Data Security Department consists of the Head of Information Security, a privacy and security expert, and two security analysts. The department is part of Wienerberger Holding and has a group-wide function. In the performance of its tasks, the team is supported by regional IT security coordinators and the information security managers of all local companies.

Our experts on information and data security within the Wienerberger Group focus on the introduction, operation and continuous improvement of information security measures designed to prevent security breaches. Their work includes not only IT risk management, but also the coordination of training measures for all employees, the simulation of phishing and cyberattacks, the management and supervision of technical protection measures, as well as the constant monitoring and improvement of the level of maturity of our sites in terms of security. We protect our systems by defining and implementing standards, keeping our infrastructure up-to-date, employing the most advanced protection measures, and setting appropriate KPIs in order to ensure the effectiveness of our measures. In order to identify irregularities in our systems and data and to ensure effective and fast processes for the elimination of such irregularities, our Defense Center uses the most advanced technologies and expertise, ranging from artificial intelligence to highly specialized external cybersecurity analysts.

A high level of quality is guaranteed through the consistent analysis of security-related indicators. In order to immediately detect potential threats and react accordingly, the Wienerberger Group also cooperates with renowned partners that are available around the clock, if needed.

Protection of personal data

Personal data of any kind – be it data of employees, customers, or business partners – is treated confidentially and in accordance with the data protection rules. Violations of data protection provisions may result in disciplinary measures.

To maintain the high quality of data protection, an international team of data security coordinators operating at Wienerberger and in the country organizations has been put in place. Together with external specialists, a quality standard for data protection has been elaborated and successfully implemented across the Group.

Regular internal checks serve to review and optimize the standards. These checks encompass all business areas, country organizations, and partner companies processing data on our behalf.

Cybersecurity

Cybersecurity incidents can have a disruptive effect and cause harm to employees, customers, or the company as a whole. In an effort to mitigate cyber risks, we regularly back up our data, protect our devices and networks, encrypt important information, and require that passwords be changed at regular intervals.

Wienerberger's employees are responsible for complying with these measures and have to protect themselves against risks arising from a variety of sources. They do so by using strong passwords, updating programs and systems at regular intervals, and never trying to circumvent access controls.

In order to guarantee data integrity, system availability, confidentiality, and accountability, all employees must be aware of the rules governing the use of IT systems and other physical assets. To this end, on-site training, e-learning, information videos, and simulation exercises are provided.

Complaints management

Complaints regarding product quality or other issues are handled in various ways by our Business Units. At Wienerberger Piping Solutions (WPS), for instance, complaints management in the field of plastic pipes is dealt with locally by the individual country organizations. In the field of ceramic pipes, WPS has applied a comprehensive complaints management regime since 2016. Each complaint is entered into the system via an app and, at intervals of two weeks, evaluated by a body comprising representatives of all the departments concerned. Corrective measures, if necessary, are implemented without delay.

Supplier Management

Within the framework of our business relations, we ensure that our suppliers also comply with ESG standards. In 2021, Corporate Procurement evaluated 122 international raw material suppliers with a view to their ESG compliance. Full ESG compliance is based on two conditions: compliance with the Wienerberger Supplier Code of Conduct and the availability of an externally validated sustainability rating of the supplier by EcoVadis. As an alternative, the procurement team can perform the Wienerberger sustainability desktop self-assessment (internal performance rating).

The Supplier Relationship Management (SRM) Tool implemented at Wienerberger (see page 51) makes it easier for our suppliers to manage their ESG compliance requirements as it matches these requirements against the suppliers' audit results and their internal performance ratings. Depending on their ESG compliance and audit results, each supplier is assigned a key supplier score and, if necessary, instructed to take corrective measures.

In 2021, Corporate Procurement set itself an additional target and introduced a corresponding indicator: Throughout the Group, another 500 non-international key suppliers are to be included in the SRM system. They are to be rated for sustainability and service compliance and assigned corrective measures, if necessary.



Moreover, the Wienerberger SRM Excellence Award was initiated. In 2021, four suppliers were shortlisted for their excellent SRM performance. Furthermore, a distinction will be awarded to country procurement teams in recognition of outstanding performance in the field of sustainable procurement excellence.

The following sections cover aspects of supplier management that are relevant to ESG compliance:

- › Responsible sourcing policy and the ESG Steering Committee
- › New executive position for digitalization and ESG in procurement, fields of action in 2021
- › Supplier Code of Conduct
- › Supplier Relationship Management (SRM) Tool
- › Performance of supplier audits
- › Rating of suppliers by a rating agency based on sustainability criteria
- › Screening of suppliers and customers against international sanction lists
- › Recognition of sustainable procurement at Corporate Procurement level

Responsible sourcing policy and the ESG Steering Committee

Corporate Procurement at Wienerberger has further stepped up its activities regarding ESG. Alongside the application of all instruments and processes already implemented in 2019, the new Responsible Sourcing Policy 2021+ was elaborated in 2020.

In January 2021, this Policy, recognized as an integral component of Corporate Procurement, was translated into eight specific guidelines. The internal sustainable procurement stakeholders received comprehensive training in accordance with these specific guidelines. By following these rules and supporting our clear guidelines (what – who – how – when), we are able to effectively steer the ESG performance of our suppliers along our supply chain.

Moreover, our ESG performance and our ambitions in this area for 2021 were monitored and checked as core indicators of sustainable procurement. These indicators are discussed at the quarterly international procurement tele-conferences.

In 2021, the ESG Steering Committee established within the framework of Corporate Procurement was not involved in any proceedings regarding potential ESG non-compliance risks of SRM suppliers (see page 51, Supplier Relationship Management Tool). Moreover, the ESG Steering Committee acknowledged the current responsible sourcing policy. No major structural changes were made.

RESPONSIBLE SOURCING POLICY 2021+

Based on the new policy, we will align our supplier base with the following ESG priorities of the Wienerberger Group:

- › Climate change and energy efficiency
- › Circular economy and increased use and availability of secondary raw materials
- › Human health and well-being

New executive position for digitalization and ESG in procurement, actions taken in 2021

In 2020, a new executive position for digitalization and ESG in procurement was created and its head appointed. Through this function, ESG-related developments in responsible procurement are being further advanced. The following fields of action were particularly important in 2021:

- › Inclusion of ESG criteria in the process of supplier qualification and the award of contracts
- › Implementation of instruments and methods to monitor, evaluate, and promote compliance with supplier standards along the extended Wienerberger supply chain
- › Development of a supplier base and recognition of best-practice examples and innovations through preferential treatment of suppliers willing to proactively engage and improve in matters relating to ESG
- › Ensuring of compliance with policies, codes of conduct, international conventions, and local regulations, as well as Wienerberger rules and standards
- › Training of our employees to deepen their understanding of the importance of ESG implementation

In 2021, all fields of actions and priorities defined for the executive position for digitalization and ESG in Corporate Procurement were successfully implemented.

Supplier Code of Conduct

In 2019, a group-wide “Supplier Code of Conduct” (SCOC) was elaborated in cooperation with internal and external experts. The SCOC sets out the minimum requirements which Wienerberger expects its suppliers to meet in terms of responsible action regarding the environment, social aspects, and governance, including respect for human rights and compliance with other requirements of the ten principles of the UN Global Compact. The implementation of the Supplier Code of Conduct and its application in the SRM tool was substantially advanced by the group-wide procurement structure managed by the Head of Corporate Procurement and the Head of ESG in Corporate Procurement.

SUPPLIER CODE OF CONDUCT

Wienerberger expects all its suppliers to meet minimum requirements of responsible action in respect of the environment, social aspects, and governance (ESG). To ensure compliance with these minimum standards, Wienerberger regularly audits its suppliers and rates their sustainability performance.



Supplier Relationship Management Tool

The implementation of an internal data platform containing information on the financial terms and conditions as well as the ESG performance and risks of all Wienerberger suppliers was continued in 2020 and finalized in January 2021. The supplier relationship management (SRM) tool facilitates efficient and coordinated data capture. For example, internal performance ratings, compliance with the Supplier Code of Conduct, or the results of ratings by EcoVadis are referred to as a basis for supplier-specific evaluations (see page 52). These evaluations will be used for recommendations regarding the further development of our supplier partners in terms of ESG criteria, as well as for the benchmarking of suppliers against one another. Moreover, instruments such as the screening of suppliers against international sanction lists (see page 52) and the verification of their financial resilience help us minimize supplier-side risks as much as possible.

Performance of supplier audits

In 2018, a formalized training program run by external certification bodies was introduced to qualify employees working in procurement for the performance of supplier audits. By 2021, 12% of all employees working in Procurement were trained as accredited supplier auditors by external certification bodies (technical inspection bodies or equivalent institutions). Ultimately, 20% of all employees in procurement are to be trained to perform professional on-site supplier audits in cooperation with local colleagues who have undergone similar training, in particular if concerns have arisen over a supplier's performance. Corporate Procurement nominates employees on the basis of strategic considerations and is rolling out the certified external training of employees step by step to all country organizations. The objective is to perform standardized supplier audits throughout the Group and to have at least one employee in each country organization who is certified to perform supplier audits.

Moreover, Corporate Procurement defined uniform follow-up processes to be followed after the audits, depending on the audit results. Based on these process definitions, supplier audits are initiated in those areas of procurement and geographic locations where the biggest potential risks are assumed to exist.

The audits cover essential ESG criteria, such as the health and safety of employees, respect for human rights, the prevention of corruption and bribery, and environmental protection. On the basis of the audit results, the suppliers concerned are recommended to adopt appropriate corrective measures and deadlines are set for the implementation of improvements.

On account of the COVID-19 pandemic, our possibilities for visiting the sites of our suppliers were limited in 2021. However, in cases of particular relevance to us, such as potential new suppliers in India and China, audits were performed by external third parties.

ACCREDITED SUPPLIER AUDITORS AT WIENERBERGER

Wienerberger employees are trained as accredited supplier auditors by external certification bodies. They perform professional on-site audits on supplier premises.

Rating of suppliers by a rating agency based on sustainability criteria

Since 2019, Wienerberger has had the sustainability performance of suppliers and potential risks in selected areas of procurement rated by EcoVadis, an international partner for sustainability ratings (ESG ratings). Within the framework of cooperation with EcoVadis, the sustainability rating of suppliers and the performance of supplier risk analyses are being rolled out step by step.

The ratings of the suppliers' sustainability performance by EcoVadis are stored on our internal data platform (SRM tool). Moreover, employees working in procurement are being trained not only by Wienerberger, but also by EcoVadis to heighten their awareness of the relevance of sustainability ratings and risk analyses.

Screening of suppliers and customers against international sanction lists

Since 2019, all of Wienerberger's suppliers and customers registered in the SAP system have been screened on a monthly basis via an interactive data platform for their inclusion in international sanction lists (published by the United Nations (UN), the EU, and the Office of Foreign Assets Control (OFAC) of the US Department of the Treasury). The screening is performed centrally by the sanctions management software, which runs monthly checks of all customer and supplier master data in the SAP system. Every match is transmitted to the local management in charge for assessment and follow-up.

The local decision on whether to continue doing business with the suppliers or customers concerned must be communicated to Corporate Legal Services for consultation within two weeks. All decisions taken in this context are documented in the sanctions management software.

Recognition of sustainable sourcing in Corporate Procurement

Wienerberger has improved its performance in all areas covered by EcoVadis' sustainability rating, which comprises the aspects of environmental protection, labor rights, human rights, ethics, and sustainable sourcing.

In the field of sustainable sourcing, Wienerberger has reached a score of 60 out of 100 points. In the responsible supplier management category, Wienerberger thus ranks among the top 3% of all companies of its sector of industry.

In the first quarter of 2021, our procurement was subjected to yet another audit by an independent jury and nominated as a finalist for the 2021 EcoVadis Sustainable Procurement Awards in recognition of our extraordinary progress, our efforts, and our performance in the field of sustainable sourcing.



Voluntary Commitment to Compliance with the Ten Principles of the UN Global Compact

Wienerberger acceded to the UN Global Compact in 2003 and is a founding member of respACT, Austria's leading corporate platform for responsible business practices. Thus, Wienerberger is officially committed to the implementation of the ten principles regarding human rights, labor standards, environmental protection – including the precautionary principle – and the prevention of corruption. The Wienerberger Social Charter, which confirms the company's commitment to compliance with the relevant conventions and recommendations of the International Labor Organization (ILO – a specialized agency of the United Nations), was signed by the Managing Board of Wienerberger AG and the chairman of the European Forum, a social partnership body, in Strasbourg in 2001.

Through the Wienerberger Social Charter, which is published on our website, our company demonstrates its global commitment to respect for human rights, fair working conditions, payment of adequate remuneration, the avoidance of excessive working hours, permanent employment relationships, and respect for the freedom of assembly and the right of employees to engage in collective bargaining. Within its sphere of influence, Wienerberger guarantees the protection of fundamental human rights. Thus, it goes without saying that Wienerberger tolerates neither child labor nor forced labor nor any form of discrimination.

Our Non-Financial Reporting

The non-financial indicators of the Wienerberger Group have been published annually since 2010. In combination with the Wienerberger Sustainability Program 2023 (see page 66), Wienerberger's sustainability reporting is an important steering instrument showing how Wienerberger meets its responsibility as a corporate citizen. The reports focus on ecological, social, and governance aspects of our activities, the corresponding management approaches, and our innovations. Further information on our economic performance, the organizational profile of the Group (see pages 8-15), and corporate governance (see page 174) at Wienerberger, are available in this 2021 Annual Report.

Up to now, a full sustainability report has been published every two years, alternating with a more concise update containing the essential facts and figures for the years in between. The 2020 Sustainability Report was published in June 2021; the most recent update for 2019 appeared in June 2020. As of the 2021 reporting year, Wienerberger is publishing its complete sustainability report under the title "Sustainability Report" as part of its Annual Report.

All Wienerberger sustainability reports meet the requirements of the Global Reporting Initiative (GRI). This 2021 Sustainability Report was prepared in accordance with the "core" option of the GRI standards.

The topics covered in this Sustainability Report are based on the materiality analysis performed in 2020 and the Sustainability Program 2023. The information contained therein refers to the company's activities in the 2021 business year. The indicators listed in the report also include 2019 and 2020, thus reflecting a three-year trend.

Wienerberger's sustainability resp. non-financial reports are prepared by the Group Sustainability & Innovations Department in consultation with the Business Units and specialized departments; they are released by the Sustainability Steering Committee (Managing Board of the Wienerberger Group and top management representatives of the Business Units).

Data management & data consolidation

Non-Financial Group Reporting has been established as a central data management tool responsible for the consolidation of all non-financial indicators. The latter serve as a basis for strategic decisions to be taken at Group and Business Unit levels.

Sustainability reporting follows the scope of consolidation of the Wienerberger Group, which is described in detail in the Notes to the 2021 Annual Report starting on page 242. In terms of substance, this report covers the fully consolidated subsidiaries operating in Wienerberger's product segments, i.e. products for the wall, roof and façade segments, ceramic pipes, plastic pipes, and concrete and clay pavers.

In line with our corporate structure, we report on our activities relating to our European business in ceramic building materials for the building envelope, together with those of the European concrete paver business, within the framework of the Wienerberger Building Solutions (WBS) Business Unit. Developments in our European plastic pipe business and our ceramic pipe operations are reported under the Wienerberger Piping Solutions (WPS) Business Unit. Developments and activities in facing bricks, concrete and calcium silicate products, as well as plastic pipes in North America and Canada, are reported by the North America Business Unit. Details on our product groups and operating segments are described in the chapter “Wienerberger at a Glance” starting on page 20. The indicators relating to “Holding & Others” are allocated to and reported within the three aforementioned Business Units on a prorata basis. The clay block production site in India is part of the Wienerberger Building Solutions Business Unit.

Five companies newly acquired in 2021 (see definition on page 116 of the 2021 Annual Report), where the structures required for the collection of non-financial indicators are currently being implemented or optimized, have not been taken into account for the 2021 reporting year. These companies are allocated to the following countries and Business Units: Belgium (WBS), Ireland and United Kingdom (WPS), USA and Canada (North America). Wienerberger is working on the implementation and optimization of the necessary data collection structures, the objective being to include the non-financial indicators of these sites as of the 2022 reporting year.

For the 2021 reporting year, the “Wienerberger Sustainability Report”, will be published as part of the Annual Report in March 2022, instead of at the end of June, as in previous years. The indicators on the topic of “Climate Protection & Adaptation to Climate Change” (energy and emission indicators), as well as the amounts of secondary raw materials used in plastic pipe production, were collected already at the end of 2021. The actual values from 01/01/2021 up to and including 31/10/2021 were collected and reported together with the best estimates for November and December 2021. The estimated values were checked for plausibility on the basis of the numbers at the beginning of 2022 and no deviations were found. All other indicators were collected at the beginning of 2022 for the entire reporting period from 01/01/2021 to 31/12/2021.

Other deviations of individual indicators from the reporting scope are indicated wherever they apply.

External audit

Most of the data presented in this report are based on internal analyses. This Sustainability Report was validated by an independent external auditor. In the 2021 reporting year, the risk-based audit focused primarily on the selection and definition of topics for the report, including topics related to the provisions of the Taxonomy Regulation². The audit also covered the underlying sustainability management, the processes of data collection, and the implementation of the sustainability strategy.

We support these initiatives



Our sustainability ratings³⁾



²⁾ Taxonomy Regulation (EU) 2020/852 – Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 // ³⁾ Further information on our ratings can be found on our website.



WIENERBERGER TCFD CONTENT INDEX

*Alignment with the recommendations of the
Task Force on Climate-related Financial Disclosures (TCFD)*

Recommendation		Our actions
Governance		
Disclose the organization's governance around climate-related risks and opportunities.	a) Describe the Board's oversight of climate-related risks and opportunities.	ESG: Governance & Management Approach – page 41 Governance Report – pages 168-195
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	ESG: Governance & Management Approach – page 41 Governance Report – pages 168-195
Disclose the actual and potential impacts of climate-related risk and opportunities on the organisation's business, strategy, and financial planning where such information is material.	a) Describe the climate-related risks and opportunities the organization has identified over the short-, medium-, and long-term.	Climate Protection & Adaptation to Climate Change – pages 85-90 Management Report – page 231
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Climate Protection & Adaptation to Climate Change – pages 85-90
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a two degree or lower scenario.	Will be covered in the next reporting periods
Disclose how the organization identifies, assesses, and manages climate-related risks.	a) Describe the organization's processes for identifying and assessing climate-related risks.	Management Report – page 231
	b) Describe the organization's processes for managing climate-related risks.	Management Report – page 231
	c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.	Management Report – page 231
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	Key Indicators of the Wienerberger Group – page 18
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Key Indicators of the Wienerberger Group – pages 85-90 and 135-138
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Sustainability Program 2023 – pages 61-64 Climate Protection & Adaptation to Climate Change – pages 67-95





wienerberger

MATERIALITY ANALYSIS & THE UN SDGS

SUSTAINABILITY PROGRAM 2023

Materiality Analysis & the UN SDGs

Materiality Analysis 2020

In 2020, in the course of the reorientation of the Wienerberger strategy and the elaboration of the Sustainability Program 2023 (see pages 61 to 66), Wienerberger again performed a materiality analysis with the support of an external partner. It was conducted in accordance with the current regulatory requirements and international reporting frameworks (Global Reporting Initiative, GRI).

The materiality analysis identified the following ecological, social, and governance aspects of five core topics along our value chains:

- › Climate & energy
- › Circular economy
- › Employees
- › Biodiversity & environment
- › Business ethics & social impacts

By means of systematic online surveys, the five core topics were analyzed from three perspectives and assessed in terms of their materiality:

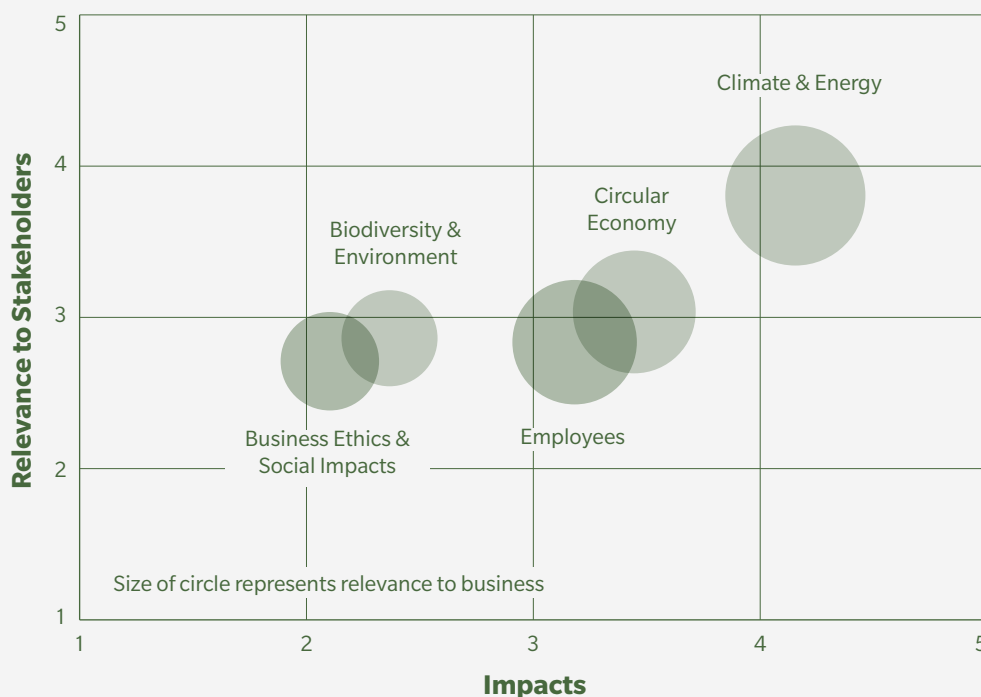
- › Stakeholder relevance as per stakeholder survey
- › Business relevance as per management survey
- › Impacts and risks caused by Wienerberger as per impact and risk survey

The results of the 2020 materiality analysis provided an important basis for the orientation of the Wienerberger strategy and the determination of targets and measures for the Wienerberger Sustainability Program 2023.

The materiality matrix on the following page shows the result of the analysis performed by Wienerberger in 2020 in the form of a diagram. It provides an overview of the topics that were identified as being material for the entire Wienerberger Group along the value chains of all product groups. In the course of 2021, the relevance of the material topics was determined in detail through dialogues with our stakeholders (see page 60) and reviewed by the Sustainability & Innovation Committee of the Supervisory Board, the Managing Board, and internal experts. Adjustments were made where necessary.



WIENERBERGER MATERIALITY MATRIX 2020



Climate & Energy

- › Reduction of carbon emissions in production
- › Reduction of energy consumption and carbon emissions in resource extraction and raw material production (e.g. cement, plastics)
- › Energy efficiency through the use of products or solutions
- › Energy efficiency (e.g. heat recovery) in production
- › Share of renewable energy in production
- › Adaptation to climate change through the effects of products on micro-climate and ground water (paving systems), water storage for dry periods, or discharge of heavy rain (sewage systems)

Circular Economy

- › Long product lifetime and long-term value of products
- › Share of secondary raw material in production
- › Design of products and systems for improved reusability or recyclability
- › Use of renewable raw materials in production
- › Separability and recyclability of materials at the products' end-of-life
- › Reduction of waste from production

Employees

- › Safety and health of Wienerberger's employees
- › Job stability and job creation
- › Access to skills development, training and apprenticeships, and opportunities for career advancement
- › Diversity and equal opportunities (regardless of gender, culture, language, religion, age etc.)

Biodiversity & Environment

- › Avoidance and control of hazardous substances in raw materials, aggregates and additives
- › Nature conservation at extraction sites
- › Contribution of products to biodiversity (e.g. green roofs, walls and paving solutions)

Business Ethics & Social Impacts

- › Compliance and anti-corruption
- › Ethical conduct of suppliers
- › Human rights and working conditions in the supply chain
- › Safety and health in supply chain, construction & demolition
- › Healthy indoor climate through good air quality in buildings
- › Affordability of building materials and solutions
- › Product and system design supporting ease of installation

ESG Stakeholder Dialogues 2021

In 2021, Wienerberger conducted ESG stakeholder dialogues with selected groups of core stakeholders. The purpose of these dialogues was to thoroughly evaluate the results of the 2020 materiality analysis and to better understand the challenges faced by our stakeholders in the field of ESG.

In this process, the relevance of the five areas identified as core topics for Wienerberger (climate & energy, circular economy, employees, biodiversity & environment, and business ethics & social impacts) were further evaluated and our 2020 materiality analysis was supplemented by ESG dialogues in Europe and the USA.

23 interviews were conducted with representatives of the following seven stakeholder groups:

- › Employees
- › Designers /architects
- › Real estate developers
- › Suppliers
- › Investors
- › Local authorities
- › NGOs

The interviews were coordinated by the Corporate Sustainability & Innovation Department and conducted by our country organizations. This procedure permitted direct and lively discussions between our on-site colleagues and our stakeholders.

Some of the topics of the 2020 materiality analysis were again highlighted as being particularly relevant, especially for the construction industry:

- › Reduction of CO₂ emissions
- › Circular economy
- › Biodiversity
- › Work ethics

This result confirmed the relevance of the Wienerberger Sustainability Program 2023 (see pages 61-66). At the same time, it shows how important it is for us to continue the comprehensive development of our innovative products, systems, and processes in an effort to address the aforementioned challenges.

In the course of the dialogues, we noted that our stakeholders also consider the following topics relevant:

- › Product and process innovations
- › Water management
- › Diversity
- › Compliance with rules and regulations (at local and EU level)
- › Reporting

In the following, we briefly summarize some of the interesting conclusions drawn from the stakeholder dialogues 2021:

Our employees attach particular importance to communication on ESG-related topics. They also raised the question of how the level of knowledge about ESG can be improved in all country organizations. We are currently working on structures and processes to better coordinate information flows and ensure that essential content is available to all.

Local authorities and non-governmental organizations (NGOs) emphasized our important role in the field of education. Cooperation with educational institutions, such as universities, on ESG topics was addressed. Given that the Corporate Sustainability & Innovation Department is being enlarged, such cooperation can be intensified.

Designers and architects regard the circular economy as a topic of high priority, not only at product level, but throughout the entire planning process for construction projects. Every time a project is launched, circularity is an essential topic, for instance in respect of water, energy and materials, the ultimate goal being the creation of closed cycles. Currently, our developments are focused not only on products, but on the entire process and the way in which innovations can be integrated.

The Corporate Sustainability & Innovation Department discussed the results of the stakeholder dialogues with the Wienerberger Managing Board.

The concept of open ESG dialogue between Wienerberger and its stakeholders was particularly well received. Our stakeholders welcomed the opportunity to engage in personal conversations and an exchange of ideas on new trends and innovations in the field of ESG. Wienerberger will continue this direct and regular exchange in the form of ESG dialogues with its stakeholders.



RELEVANT SDGS RELATING TO THE ENTIRE WIENERBERGER GROUP



SDGs of Relevance to the Wienerberger Group

The Agenda 2030 for Sustainable Development of the United Nations comprises 17 Sustainable Development Goals (SDGs). Within the framework of the 2020 materiality analysis, the direct and indirect impacts of Wienerberger on the SDGs along the entire value chain were evaluated. Based on these impacts and the relevant targets for each SDG, the SDGs were weighted, and ten of the 17 SDGs were identified as more or less relevant to Wienerberger.

Goal 8 “Decent work and economic growth” was identified as the goal most relevant to the Wienerberger Group. Within the framework of its business activity, Wienerberger aims, on the one hand, to provide high-quality jobs, and, on the other hand, to decouple economic growth and the degradation of the environment. This includes the enhancement of efficiency and the increased use of clean and sustainable technologies within the company. By increasing its own resource and energy efficiency in production, the company contributes significantly to the achievement of Goal 12, “Responsible consumption and production”.

Goal 9, “Industry, innovation, and infrastructure”, which calls for the retrofitting of industries to make them sustainable, is being pursued by Wienerberger as well.

An overview of the relevant SDGs and their targets, as they relate to the material topics for the Wienerberger Group (see page 59) along the entire value chain, can be found on pages 62-65.

Climate & Energy

Within the framework of our Sustainability Program 2023, our climate protection target for 2023 for the entire Wienerberger Group is:

*“15% reduction of CO₂ emissions
compared to 2020”¹*

In our production, we are continuously working on measures to improve energy efficiency and to reduce our CO₂ emissions.

¹) Based on product group specific KPIs

CLIMATE & ENERGY



7.3

By 2030, double the global rate of improvement in energy efficiency.



13.1

Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.

Through our products, such as our clay blocks with their excellent thermal insulation properties, we contribute toward improving the energy efficiency of buildings.

Moreover, with our products and system solutions we enable the construction of tornado-proof buildings. Our infrastructure solutions help to make cities more resilient to climate change, as they store water and prevent flash flooding thanks to water-permeable pavers.

For further information on this topic, please refer to the chapter "Climate Protection & Adaptation to Climate Change", starting on page 67.

Circular economy

Within the framework of our Sustainability Program 2023, our circularity target for the entire Wienerberger Group is:

"100% of our new products designed to be reusable or recyclable."

The reusability or recyclability of our products is an essential aspect of our innovation effort, as it significantly prolongs their service life. For each product group, we develop criteria to be taken into account in the process of designing new products.

By the use of secondary raw materials and using natural resources efficiently in our production, we contribute to the improvement of resource efficiency and the reduction of waste. Moreover, we participate in research projects, for example on recycled concrete and the climate-friendly production of cement.

For additional information, please refer to the chapter "Circular Economy", starting on page 96.

Wienerberger meets all legal requirements at the European, national, and regional levels regarding the avoidance and substitution of hazardous substances, especially in raw materials. Compliance with all legal provisions is being monitored continuously and corrective measures, if necessary, are taken without delay.

Based on an internal guideline, uniform management practices regarding the avoidance of hazardous substances are in place at all production sites of the Wienerberger Building Solutions Business Unit. The guideline provides for the strict classification of inputs and contains mandatory instructions for employees on the use of secondary raw materials and the avoidance of hazardous substances at the production sites. Compliance with these provisions is verified on the basis of annual raw material reports.

CIRCULAR ECONOMY



8.4

Improve progressively, through 2030, global resource efficiency in consumption and production and endeavor to decouple economic growth from environmental degradation.



9.4

By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes.



12.2

By 2030, achieve the sustainable management and efficient use of natural resources.

12.5

By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.



Biodiversity & environment

Within the framework of our Sustainability Program 2023, our target for the entire Wienerberger Group regarding biodiversity and the environment is:

“Biodiversity Program fully implemented at all our sites.”

By 2023, biodiversity action plans based on the Wienerberger Biodiversity Program will be implemented at all Wienerberger production sites. The Biodiversity Program has been designed as a pragmatic contribution toward increasing the diversity of flora and fauna at urban production sites. The objective of the Wienerberger Biodiversity Program is to convert as much of our land as possible into high-quality habitats for biological diversity. In 2021, Wienerberger explored over 30 specific measures to foster flora and fauna, including examples of design, management, and maintenance measures already implemented at Wienerberger sites. The measures taken into consideration were tried out at various pilot sites in Europe. Based on experience gained there, Wienerberger will roll out individual biodiversity action plans to all sites by 2023.

Biodiversity, nature conservation, and a meaningful subsequent use are important sustainability criteria for the operation of clay pits. For Wienerberger, it is a matter of course to respect natural habitats and their biological diversity, and to make the company's own depleted clay pits available for their intended subsequent use. Within the framework of our business relations, we also take care that our suppliers comply with our ecological and social standards, which we communicate clearly in our group-wide Supplier Code of Conduct.

Our products and system solutions also facilitate compliance with the new energy standards. Our pipes are used for the construction of drinking-water supply and wastewater disposal systems, which has a positive impact on hygienic conditions and public health.

For additional information, please refer to the chapter “Biodiversity & Environment”, starting on page 103.

BIODIVERSITY & ENVIRONMENT

3 GOOD HEALTH AND WELL-BEING



3.9

By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water, and soil pollution and contamination.

6 CLEAN WATER AND SANITATION



6.3

By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.

6.4

By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



12.2

By 2030, achieve the sustainable management and efficient use of natural resources.

12.4

Achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment.

15 LIFE ON LAND



15.1

Ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands.

15.5

Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species.

Employees

Within the framework of our Sustainability Program 2023, our target for the entire Wienerberger Group regarding diversity and HR development is:

“At least 15% women in senior management”

“At least 30% women in white-collar positions”

Wienerberger is aware of the fact that the percentage of women in specific positions is but one of many important aspects of a high level of diversity. We regard these objectives as a first step: For us, this is not a matter of defining quotas, but of building a positive awareness for gender equality.

“10% more hours of training per employee compared to 2020”

Wienerberger attributes great importance to developing and supporting its employees, enabling them to network with one another and engage in an international exchange of knowledge.

Wienerberger meets all legal requirements at the EU, national, and regional levels regarding the avoidance and substitution of hazardous substances. The company invests in protective measures, such as protection from exposure to respirable crystalline silica, in order to protect its employees from occupational diseases.

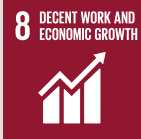
Moreover, Wienerberger confirms its global commitment to respect for human rights, fair working conditions, payment of adequate remuneration, the avoidance of excessive working hours, permanent employment relationships, and respect for the freedom of assembly and the right of employees to engage in collective bargaining.

For further information, please refer to the chapter “Employees & Social Impacts”, starting on page 109.

EMPLOYEES



3.9
By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.



8.5
By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

8.6
Substantially reduce the proportion of youth not in employment, education or training.

8.8
Protect labor rights and promote safe and secure working environments for all workers.



Business ethics & social impacts

Ensuring compliance with the highest standards of integrity and business ethics is a matter of special importance for Wienerberger. In 2021, Wienerberger elaborated a group-wide code of conduct, which was implemented together with a whistleblowing service.

At the global level, Wienerberger is committed to ensuring fair working conditions and the respect for human rights. Within its sphere of influence, Wienerberger guarantees the protection of fundamental human rights. Thus, it goes without saying that Wienerberger tolerates neither child labor nor forced labor nor any form of discrimination. Wienerberger is steadily pursuing the strict goal of zero incidents of corruption and expects all its employees to act accordingly.

The Code of Conduct applies to the entire Wienerberger Group and all its subsidiaries in which Wienerberger holds a stake of at least 50%. The principles laid down in the Code of Conduct are intended to ensure that we share a common understanding, demonstrate good judgement, and maintain high standards of ethics and integrity in our dealings with all our stakeholders. We expect the same behavior from our business partners, such as suppliers, contractors, and customers. We also require our suppliers to meet our ecological and social standards, which we communicate clearly in our group-wide Supplier Code of Conduct.

For additional information, please refer to the chapter “ESG: Governance & Management Approach”, starting on page 38 as well as to the the chapter “Employees & Social Impacts”, starting on page 109.

BUSINESS ETHICS & SOCIAL IMPACTS



8.8
Protect labor rights and promote safe and secure working environments for all workers.



11.1
By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums.



16.5
Substantially reduce corruption and bribery in all their forms.

16.6
Develop effective, accountable and transparent institutions at all levels.

16.7
Ensure responsive, inclusive, participatory and representative decision-making at all levels.

Sustainability Program 2023

The Wienerberger strategy sets out the Group's vision and its medium- and long-term targets, including core ESG topics. The strategy was elaborated jointly by the Wienerberger Managing Board and the Sustainability and Innovation Committee of the Supervisory Board. It is based on our mission statement and our value proposition: to act responsibly, protect the environment, improve people's quality of life, and, at the same time, ensure that future generations have the same opportunities as we have today.

In 2020, in the process of further developing our strategy, we also elaborated the Sustainability Program 2023 for the Wienerberger Group. It represents a conscious voluntary commitment to continuously improving the ecological, social, societal, and economic performance of the Wienerberger Group.

The Sustainability Program, designed as a three-year program of work, is based on the 2020 materiality analysis and our experience gained so far. It contains group-wide, measurable targets on environmental, social, and governance topics that Wienerberger wants to achieve by 2023.

The targets defined by the Sustainability Program 2023 primarily refer to climate protection, the circular economy, biodiversity, diversity within the company, training and development of employees, and housing projects for people in need. Moreover, we confirm our commitment to meeting the highest national and international governance standards (see page 37).

"All our entrepreneurial activities are in line with our ESG targets."

HEIMO SCHEUCH

CEO of Wienerberger

An overview of our ESG targets¹ pursued within the framework of the Wienerberger Sustainability Program 2023, is shown on pages 14-15. For further information on the core topics, targets, and achievements of Wienerberger, please refer to the chapters "Climate Protection & Adaptation to Climate Change" (pages 67-95), "Circular Economy" (pages 96-102), "Biodiversity & Environment" (pages 103-108), and "Employees & Social Impacts" (pages 109-130).

1) ESG: Environmental, Social, Governance



wienerberger

CLIMATE PROTECTION & ADAPTATION TO CLIMATE CHANGE

Climate change is threatening our existence. The building sector accounts for more than one third of the world's energy consumption and almost 40% of CO₂ emissions. Through our innovative products and systems, we provide solutions for decarbonization. Moreover, we are making consistent efforts to reduce our own greenhouse gas emissions. In this way, we are supporting the European Green Deal and setting the course for the future.

Target of our Sustainability Program 2023



15%

**less CO₂ emissions
(Scope 1 and 2) by 2023
compared to 2020¹**

Wienerberger's goal is to minimize the impact of its operations on the environment. Our contribution to climate protection comprises measures such as the enhancement of efficiency in production and of energy efficiency, the dematerialization of our products and system solutions, the careful selection of raw materials for our ceramic production, and the conversion of our energy consumption to climate-neutral electricity and low-emission or climate-neutral thermal energy sources. At the same time, we are developing new technologies aimed at reducing CO₂ emissions from our production.

1) based on product-group-specific KPIs

Climate Protection & Adaptation to Climate Change

Current global warming, which is caused by rising concentrations of greenhouse gases in the atmosphere, results in long-term climate change. This change leads to rising sea levels, a higher frequency of extreme climate events, and more extreme heat waves and droughts. These events not only represent a danger to the environment and to ecosystems, but also have a negative impact on human health.

The climate crisis has begun to fundamentally change our world and our economic system. Companies in all sectors and industries are therefore urgently called upon to swiftly reduce the greenhouse gas emissions caused by their processes and products, i.e. to replace them by products and processes that do not release greenhouse gases, or to offset the emissions released. Moreover, adaptations to the physical effects of global warming need to be made. At the same time, climate-friendly business models open up great economic opportunities and drive innovations.

Wienerberger is making continuous efforts to keep the impact of its entrepreneurial activities on the environment and the associated ecological risks as low as possible along the entire value chain, and to reduce greenhouse gas emissions to the greatest possible extent. At the same time, we are developing solutions in response to global challenges, such as climate change and its consequences, in coordination with our customers.

Decarbonization – that is the reduction of CO₂ emissions along our value chain with climate neutrality as the ultimate goal – and adaptation to climate change are topics of special importance to Wienerberger. In this chapter, we describe how we consistently reduce our CO₂ emissions and which building and infrastructure solutions we provide to facilitate adaptation to climate change.

Our activities are focused on the following fields of action:

- › Decarbonization in sourcing and distribution
- › Decarbonization in our production
- › Energy efficiency and decarbonization through our products and system solutions
- › Adaptation to climate change through our products and system solutions
- › TCFD: Climate-related risks and opportunities
- › Disclosures pursuant to the EU Taxonomy Regulation

Our possibilities of influencing these areas and addressing the related challenges and opportunities, as well as our performance in 2021, are described in detail in the following sections.

Flue gas analyses performed regularly in our plants have shown that among greenhouse gases, the Kyoto Protocol² applies to, CO₂ is the only one of relevance to the Group. In its climate protection, Wienerberger therefore focuses on decarbonization (reduction of CO₂ emissions) along its value chain (see pages 69-83).

Wienerberger therefore reports its direct greenhouse gas emissions (Greenhouse Gas Protocol, Scope 1) in tons of CO₂, which in this case is identical with tons of CO₂ equivalents. Indirect greenhouse gas emissions (Scope 2) from electricity are recorded as CO₂ equivalents or CO₂e (calculation according to market-based method³).

The absolute CO₂ emissions or the corresponding CO₂ indicators in our reporting on climate protection therefore always refer to emissions of carbon dioxide equivalents (CO₂e).

For the time being, Scope 3 emissions, e.g. emissions resulting from the purchase, transport or sale of raw materials and substances, are not reported.

²) The Kyoto Protocol applies to the following greenhouse gases: carbon dioxide (CO₂, reference value), methane (CH₄), nitrous oxide (laughing gas, N₂O), partially halogenated hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulfur hexafluoride (SF₆). Since the beginning of the second commitment period in 2012, it has also applied to nitrogen trifluoride (NF₃) as an additional greenhouse gas.

³) Use of the emission factors of the electricity provider or an individual electricity product.



Decarbonization in Sourcing and Distribution

At Wienerberger, upstream CO₂ emissions in sourcing originate from the production of the raw materials we need for our products, such as plastic granulate for our plastic pipes or cement for our concrete products, but also from the transport of raw materials and finished products. We advance decarbonization by increasing the share of secondary raw materials in our production, which reduces the volume of CO₂ emissions generated in the production of primary raw materials. Optimized transport management helps us to transport raw materials, products and system solutions efficiently and in the most climate-friendly way possible.

The major part of the CO₂ emissions from the production of concrete pavers by the Wienerberger Building Solutions Business Unit originates upstream in raw material production. Producing cement is particularly CO₂-intensive. We are therefore committed to reducing these emissions, for example by way of research projects on recycled concrete and climate-friendly cement production. In this context, partnerships with suppliers and technical or scientific institutions play an important role for us. Reducing the scrap rate in production is another measure aimed at reducing our specific CO₂ emissions in sourcing. For further information, please refer to the chapter "Circular Economy" on pages 98-99.

As regards our plastic pipes produced by the Wienerberger Piping Solutions Business Unit, we want to reduce the CO₂ footprint caused by the plastic granulate required as a raw material for production. To this end, we use secondary raw materials, such as recycled material, as a substitute for primary raw materials. For detailed information, please refer to page 99 in the chapter "Circular Economy".

Group-wide supply management enables Wienerberger to plan ahead and effectively manage its transport operations, such as the supply of raw materials to our plants and the delivery of our products and system solutions to customers. We pay attention to the efficient loading of our means of transport in order to minimize transport distances. Wherever possible, we give preference to low-emission means of transport. These processes and measures help us to reduce the volume of CO₂ emissions from transport.

In response to our customers' demand for climate-friendly packaging solutions, Wienerberger is continuously testing possibilities of using climate-friendly, recyclable materials for packaging. Alongside efforts to reduce the amount of packaging material in general, Wienerberger has begun to use plastic film containing a certain share of recycled plastics. To this end, tests were performed at Wienerberger country organizations in Belgium, Germany, Austria, Hungary, and France. As a result of these tests, primary plastic material was replaced by recycled plastics, which resulted in savings of 1,900 tons of CO₂ emissions. For further information, please refer to page 100 of the chapter "Circular Economy".

For the time being, the Wienerberger Group does not yet have group-wide Scope 3 emission data for all categories and materials. However, we are currently working on the introduction of the group-wide data collection structures required, the objective being to report on Scope 3 emissions as of the 2023 reporting year.

Decarbonization in our Production

Wienerberger's objective is to minimize the impact of its production activities on climate change. Through a continuous increase in production and energy efficiency, the dematerialization of our products and system solution, the careful selection of raw materials, and the transition in energy consumption to climate-neutral electricity and low-emission or climate-neutral thermal sources of energy, in combination with the development of new technologies for the reduction of CO₂ emissions⁴, we are contributing to climate protection.

With a view to the efficient orientation and implementation of the Sustainability Program 2023, Wienerberger consistently focuses on those topics and aspects that have been identified as being material for the Group. Decarbonization is an environmental topic of top priority for the Wienerberger Group.

4) Greenhouse gases such as methane, nitrous oxide, or chlorofluorocarbons (CFCs) are irrelevant in our production. Wienerberger therefore reports its direct greenhouse gas emissions (Greenhouse Gas Protocol, Scope 1) in tons of CO₂, which in this case is identical with tons of CO₂ equivalents. Indirect greenhouse gas emissions (Scope 2) from electricity are recorded as CO₂e (calculation according to market-based method). The absolute CO₂ emissions or the corresponding CO₂ indicators communicated in our climate action reporting therefore always refer to emissions in carbon dioxide equivalents (CO₂e).

Within the framework of our Sustainability Program 2023, our climate protection target for the entire Wienerberger Group is:

“15% less CO₂ emissions (Scope 1 and 2) by 2023 as compared to 2020”⁵

This target comprises the reduction of our

- › Scope 1 emissions: direct CO₂ emissions from primary sources of energy and from raw materials (the latter is of particular relevance in ceramic production)
- › Scope 2 emissions: indirect CO₂ emissions from the Wienerberger Group's consumption of electricity, originating primarily from electricity generation

“In 2021, Wienerberger succeeded in reducing its group-wide specific CO₂ emissions (Scope 1 and Scope 2) by more than 8% compared to 2020.”

We owe this success to the comprehensive decarbonization programs in our production (for details see page 70). Our engineers in ceramic production are continuously working on the reduction of our Scope 1 emissions. This includes the development of new technologies for a further enhancement of energy efficiency in drying and firing, for example through the avoidance or recovery of waste heat, as well as product, process, and portfolio optimizations.

Moreover, new production technologies are being developed for the efficient use of low-carbon or carbon-neutral energy sources. We carefully select our raw materials for ceramic production in order to minimize process emissions. To arrive at the best possible solutions, we operate our own internal research facilities and cooperate with external institutions. The dematerialization of our products and system solutions also delivers an important contribution.

We intend to drastically reduce the Group's total Scope 2 emissions from electricity by 2023. To this end, Wienerberger concludes power purchase agreements (PPA), buys green electricity certified pursuant to the EU Renewable Energy Directive, uses its own generation facilities, such as solar panels, and offsets the share of

electricity from fossil sources by supporting certified climate protection projects. Wienerberger's plastic pipe production primarily uses electricity as a source of energy. In 2021, thanks to the aforementioned projects, Wienerberger Piping Solutions succeeded in reducing its entire indirect CO₂ emissions from purchased electricity (Scope 2) to net zero.

In the following sections, we report in detail on the management and the performance of Wienerberger as regards the decarbonization of its production. In-depth information is provided on the following aspects:

- › Our path to climate neutrality
- › Controlling systems and data collection
- › Methods of index calculation for specific indicators
- › Use of energy sources in our production processes
- › Absolute energy consumption
- › Specific energy consumption
- › Absolute direct CO₂ emissions (Scope 1) and indirect CO₂ emissions from electricity (Scope 2)
- › Specific direct CO₂ emissions (Scope 1) and indirect CO₂ emissions from electricity (Scope 2)
- › Scope 3 emissions
- › Quality and environmental management systems at Wienerberger

Our path to climate neutrality by 2050

Wienerberger is committed to the European Union's long-term target of climate neutrality by 2050. Wienerberger's medium-term target is to reduce its CO₂ emissions by 40% by 2030, as compared to 2020. This is to be achieved through targeted programs and measures.

Our ceramic production accounts for the major part of direct CO₂ emissions (Scope 1). In this area, in particular, Wienerberger will therefore focus intensively on comprehensive measures to reduce specific CO₂ emissions. Some of these measures are for example:

- › **Enhancement of production and energy efficiency:** Measures to enhance energy efficiency contribute to the reduction of specific CO₂ emissions in production.
- › **Dematerialization and raw material efficiency:** Reduction of raw material input, with product quality and product properties remaining the same. CO₂ emissions from raw materials and the consumption of energy sources can thus be avoided.

⁵⁾ Measured on the basis of product-group-specific KPIs.



- › **Decarbonization of raw material mixes:** Changes of mix formulas to use low-emission or climate-neutral raw materials, with product quality and product properties remaining the same (wherever possible)
- › **Conversion to climate-neutral energy sources:** Evaluation of options for the use of alternative energy generation systems and/or sustainable energy sources at various production sites
- › **New production technologies:** Implementation of further R&D projects concerning new technologies for kilns, dryers, and heat pumps, as well as raw material preparation

The conversion to green electricity, most of which is sourced externally, serves to reduce Wienerberger's Scope 2 emissions. To further advance this process, Wienerberger concludes power purchase agreements (PPA), buys green electricity certified pursuant to the EU Renewable Energy Directive, uses its own generation facilities, such as solar panels, and offsets the remaining share of electricity from fossil sources by supporting certified climate protection projects.

The measures outlined above are covered by the € 60 million annual capex budget earmarked for ESG projects.

Controlling systems and data collection

Effective controlling systems have been installed in all fields of production of the Wienerberger Group. The primary task of these systems is to record all production-related data that are required for the management of the company and enable the internal benchmarking of individual plants against one another. For the 2021 report, the actual energy and emission data from 01/01/2021 up to and including 31/10/2021 were recorded and reported together with estimates for November and December 2021 (see also section "Our sustainability reporting", page 53). After the end of the year, the emission indicators have been revised on the basis of the data recorded up to 31 December and corrected if predefined benchmarks have been exceeded.

Method of index calculation for specific indicators

The production volume is a measured value that exclusively comprises products ready for sale. It is recorded for the calculation of the specific indicators (energy input, CO₂ emissions).

For the purpose of index calculation, Wienerberger uses not only production volumes in tons, but also other relevant quantity-related units. These are also of relevance for the eco-balances of buildings and are applied as follows:

- › **Square meters** for roof tiles, facing bricks, and pavers as well as calcium silicate products (North America)
- › **Thousand normal formats** (TNF) for clay blocks
- › **Tons** for plastic pipes, ceramic pipes, and other concrete products (WBS concrete pavers and North America)

These new indicators, in particular, reflect our efforts to improve resource efficiency through the dematerialization of products and system solutions without any trade-off in product quality and product properties.

We report the specific values as an index in % relative to the defined reference year, the values of which are set at 100%.

The index-linked specific indicators, such as energy input (in %, based on kWh/ton of products) or CO₂ emissions, reflect the development of the individual product groups over time.

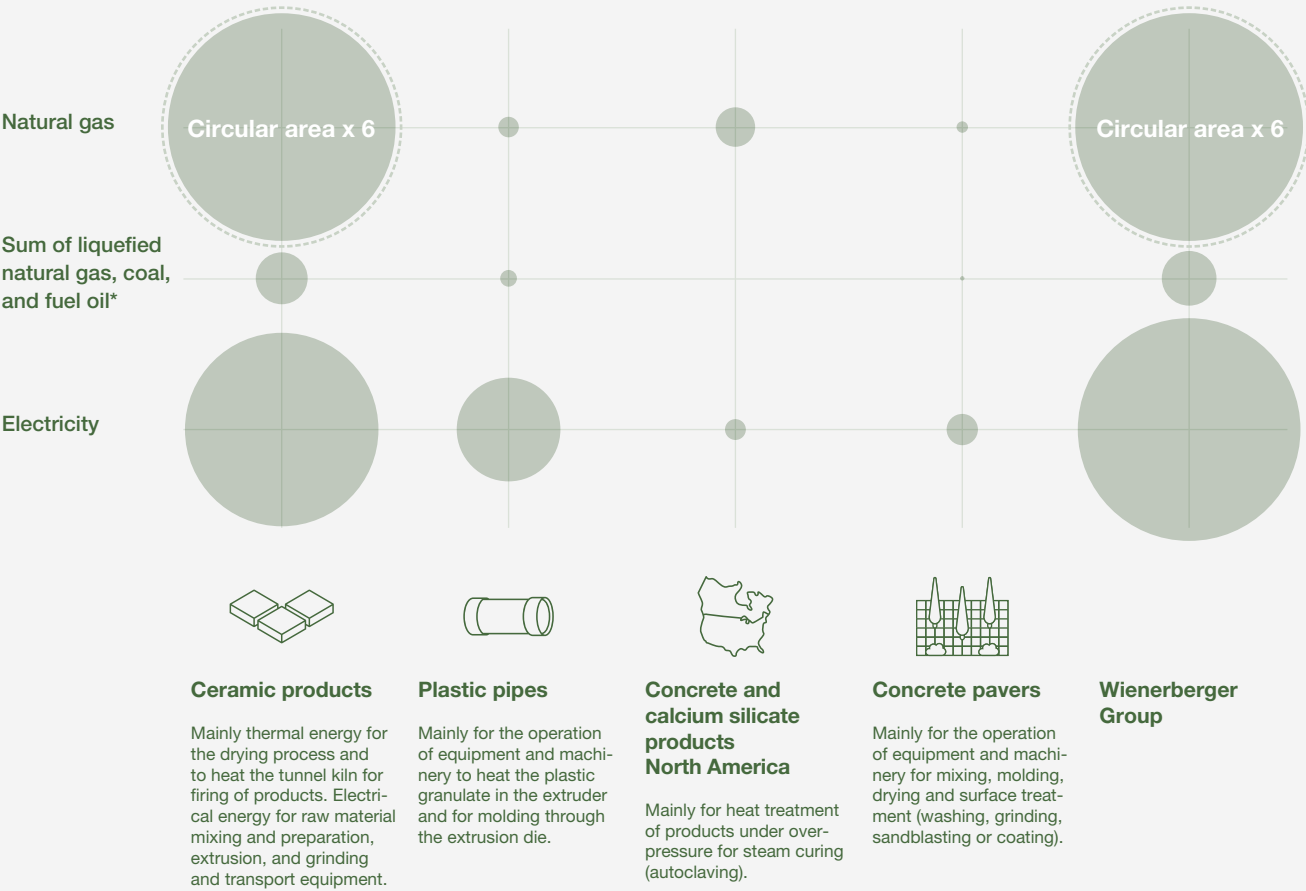
Use of energy sources in our production processes

The use of various energy sources and the consumption of energy in production vary greatly from product group to product group. We therefore distinguish between the following production processes:

- › Ceramic production (clay blocks, roof tiles, facing bricks, and clay pavers, as well as ceramic pipes)
- › Production of plastic pipes
- › Production of concrete and calcium silicate products in the North America Business Unit
- › Production of concrete pavers

PROPORTIONAL ENERGY INPUT
AND TYPE OF USE IN THE
PRODUCTION AREAS 2021

broken down by energy source and product group



* As the percentages of high-emission energy sources such as liquefied natural gas, coal and fuel oil are comparatively very low, they are now recorded as an aggregate figure.



Consumption of energy sources^{1) 2)} in gigawatt-hours	2019	2020	2021	Chg. in %
Natural gas ³⁾	6,945	6,319	6,837	+8.2
Total of other fossil energy sources ^{3) 4)}	106	72	66	-8.3
Electricity	1,142	1,040	1,090	+4.8
Wienerberger Group³⁾	8,194	7,431	7,993	+7.6
Percentage of renewable energy in total electricity consumption in %	40%	42%	56%	+33.8

1) Total energy consumption includes energy consumed in production, but excludes administration, except for countries where separate accounting is not possible.

2) For five companies newly acquired in 2021, where the necessary data collection structures for non-financial indicators are not yet in place or have to be optimized, the indicators are not included for the 2021 reporting year (for details, see page 54). // 3) In the interest of greater consistency in reporting, Wienerberger now also includes thermal energy sources used in plastic pipe production by Wienerberger Piping Solutions, although their percentage is comparatively low. The indicators for 2020 were restated accordingly. // 4) As the percentages of high-emission energy sources, such as coal, fuel oil, and liquefied natural gas, are comparatively very low, they are now recorded as an aggregate figure. // All non-financial indicators are calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences.

Absolute energy consumption

The data on energy input are the actual group-wide consumption values (see also page 54). Data on absolute and specific energy consumption, relative to the respective quantity of products ready for sale, are converted on the basis of the measured consumption values into a unit harmonized across the Group.

In 2021, the Wienerberger Group's total absolute energy consumption increased by 7.6% compared to the previous year. This was primarily due to significantly higher production volumes in 2021 than in 2020. The major part of the Group's energy consumption is accounted for by natural gas used in ceramic production (see diagram on page 72), consumption of which increased by 8.2% in 2021 compared to 2020. Electricity consumption increased by almost 5% over the previous year's value. Despite the persistent COVID-19 pandemic, Wienerberger succeeded in significantly increasing its production volumes in 2021. In contrast, the COVID-related temporary shutdown of individual plants in 2020 resulted in a generally lower volume of production, a development which had a direct influence on our absolute energy consumption. Wienerberger is intensively pursuing projects aimed at further enhancing the Group's energy efficiency.

Wienerberger is making continuous efforts to convert production processes to low-emission energy sources. The substitution of coal and liquefied natural gas is a high priority for us. Compared to the previous year, the consumption of coal, fuel oil, and liquefied natural gas dropped by a total of 8.3%. However, these sources of energy account for less than 1% each of the Group's total energy consumption (see also the diagram on pro-rata energy input and types of energy use in production on page 72). Since 2020, the energy consumption from these three sources has therefore been reported as an aggregate figure.

The share of renewable energy sources in the Group's electricity consumption (in kWh) was increased in 2021 to 56% compared to the previous year (2020: 42%); this is an increase of more than one third (+33.8% relative). We do not record the consumption of renewable thermal energy sources, as the amounts used in our production processes have been negligible so far. Data on energy sold is equally irrelevant and therefore not reported.

Index of specific energy consumption ¹⁾²⁾³⁾ in %, based on kWh/quantity of products ready for sale (2020 = 100 %)	2020	2021	Chg. in %
Clay blocks	100.0	100.1	+0.1
Roof tiles (clay and concrete)	100.0	98.2	-1.8
Facing bricks and clay pavers	100.0	98.7	-1.3
Concrete pavers	100.0	100.5	+0.5
Wienerberger Building Solutions	100.0	99.1	-0.9
Plastic pipes	100.0	99.1	-0.9
Ceramic pipes	100.0	93.4	-6.6
Wienerberger Piping Solutions	100.0	96.9	-3.1
Facing bricks and concrete pavers	100.0	100.2	+0.2
Façade (calcium silicate products)	100.0	98.7	-1.3
Concrete products	100.0	91.5	-8.5
Plastic pipes	100.0	95.0	-5.0
North America	100.0	99.9	-0.1
Wienerberger Group	100.0	99.1	-0.9

1) Total energy consumption includes energy consumed in production, but excludes administration, except for countries where separate accounting is not possible.

2) For five companies newly acquired in 2021, where the necessary data collection structures for non-financial indicators are not yet in place or have to be optimized, the indicators are not included for the 2021 reporting year (for details, see page 54). // 3) In the interest of greater consistency in reporting, Wienerberger now also includes thermal energy sources used in plastic pipe production by Wienerberger Piping Solutions, although their percentage is comparatively low. The indicators for 2020 were restated accordingly. // All non-financial indicators are calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences.

Specific energy consumption

For specific energy consumption (see table above), absolute energy consumption in kWh, relative to production output in tons or other relevant quantity-related units, is calculated with reference to 2020 as the baseline year to obtain the specific energy consumption values (expressed as an index in %, based on kWh/ton; 2020 = 100%). See also the method of index calculation for the specific indicators on page 71. In 2021, the index of specific energy consumption by the Wienerberger Group was 0.9 below that of the baseline year 2020. This is due to the energy efficiency projects implemented by Wienerberger in 2021. Moreover, despite the persistent COVID-19 pandemic, Wienerberger succeeded in increasing its production volumes in 2021, compared to the previous year, which in turn led to a notable increase in specific energy efficiency.

In 2021, owing to the aforementioned influences, the continuously implemented measures aimed at reducing specific energy consumption succeeded in almost all product groups.

While the specific energy consumption of the Wienerberger Group in 2021 was reduced by 0.9% compared to the previous year, the specific CO₂ emissions for the same period decreased even more significantly, i.e. by 2.7% (see table on page 79). This difference is due to the fact that the enhancement of energy efficiency is only one of numerous measures taken by Wienerberger with a view to decarbonization. However, individual decarbonization measures sometimes also result in higher natural gas consumption, especially in clay block production. Details can be found from page 73 onward.



Absolute direct (Scope 1) and indirect (Scope 2) CO₂ emissions¹⁾²⁾³⁾ in kilotons	2020	2021	Chg. in %
Clay blocks	1,468	1,477	+0.6
Roof tiles (clay and concrete)	376	398	+5.9
Facing bricks and clay pavers	537	559	+4.1
Concrete pavers	11	9	-10.5
Wienerberger Building Solutions	2,393	2,444	+2.2
Plastic pipes	62	3	-94.4
Ceramic pipes	21	24	+12.4
Wienerberger Piping Solutions	83	27	-67.4
Facing bricks and concrete pavers	154	165	+7.3
Façade (calcium silicate products)	7	8	+12.7
Concrete products	1	1	+13.0
Plastic pipes	12	14	+13.1
North America	174	188	+7.9
Wienerberger Group	2,649	2,659	+0.4

1) The indicator was reported for the first time for the 2020 reporting year. // 2) Direct CO₂ emissions (Scope 1): ETS and non-ETS. Source ETS: EU Transaction Log (EUTL). Non-ETS: Calculation in accordance with national rules (Switzerland) or on the basis of EU standard emission factors. For plants in the USA, CO₂ process emissions are also reported. Including CO₂ emissions from biogenic inputs: quantities from Wienerberger's CO₂ monitoring corresponding to national rules. The calculation of indirect CO₂ emissions from purchased electricity is based on the current CO₂ emission factors of Corporate Procurement. // 3) For five companies newly acquired in 2021, where the necessary data collection structures for non-financial indicators are not yet in place or have to be optimized, the indicators are not included for the 2021 reporting year (for details, see page 54). // For all non-financial indicators, the rates of change compared to previous reporting periods are calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences.

Absolute direct CO₂ emissions (Scope 1) and indirect CO₂ emissions (Scope 2)

Excluding CO₂ from biogenic input materials, the Wienerberger Group's total absolute CO₂ emissions (Scope 1 and Scope 2) in 2021 amounted to 2,372 kilotons, i.e. 1.0% below the previous year's value (2,398 kilotons). In 2021, the CO₂ emissions (Scope 1 and Scope 2 including CO₂ from biogenic input materials) amounted to 2,659 kilotons, i.e. 0.4% more than in the previous year (2,649 kilotons).

The development of CO₂ emissions is due, on the one hand, to the significant increase in production volumes in 2021 compared to 2020, and, on the other hand, to the initiatives and projects undertaken to reduce CO₂ emissions.

Absolute direct CO ₂ emissions from primary energy sources and raw materials (Scope 1) ^{1) 2)} in kilotons	2019	2020	2021	Chg. in %
Clay blocks	1,532	1,355	1,397	+3.1
Roof tiles (clay and concrete)	345	329	361	+9.7
Facing bricks and clay pavers	561	514	557	+8.4
Concrete pavers ³⁾	-	0	0	0
Wienerberger Building Solutions	2,438	2,198	2,314	+5.3
Plastic pipes ⁴⁾	-	4	3	-7.8
Ceramic pipes	26	21	24	+12.4
Wienerberger Piping Solutions ⁴⁾	26	25	27	+9.3
Facing bricks and concrete pavers	134	125	136	+8.4
Façade (calcium silicate products) ³⁾	-	5	6	+15.2
Concrete products ³⁾	-	0	0	0
Plastic pipes ³⁾	-	0	0	0
North America	140	131	142	+8.7
Wienerberger Group	2,604	2,353	2,484	+5.5

1) ETS and non-ETS. Source ETS: EU Transaction Log (EUTL). Non-ETS: Calculation in accordance with national rules (Switzerland) or on the basis of EU standard emission factors. For plants in the USA, CO₂ process emissions are also reported. Including CO₂ emissions from biogenic inputs: quantities from Wienerberger's CO₂ monitoring corresponding to national rules. // 2) For five companies newly acquired in 2021, where the necessary data collection structures for non-financial indicators are not yet in place or have to be optimized, the indicators are not included for the 2021 reporting year (for details, see page 54). // 3) The indicator for the referring product group was reported for the first time as of the 2020 reporting year. // 4) Wienerberger Piping Solutions corrected the indirect CO₂ emissions (Scope 1) from the plastic pipe segment, which were reported from the first time in 2020. The corresponding indicators for 2020 were restated accordingly. // For all non-financial indicators, the rates of change compared to previous reporting periods are calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences.

Absolute direct CO₂ emissions from primary energy sources and raw materials (Scope 1)

Direct CO₂ emissions (Scope 1) result from the combustion of fossil fuels, the release of CO₂ from carbonates in the raw material, and the combustion of organic components contained in the raw materials used in ceramic production (process emissions). The absolute volume of CO₂ emissions in kilotons (= 1,000 t) is recorded and calculated throughout the Group in accordance with the calculation method of the European Union Emissions Trading System (EU ETS). The data source used is the EU Transaction Log (EUTL). We record and report the direct CO₂ emissions of the entire Wienerberger Group, including of those plants that are not covered and regulated by the EU ETS. The direct CO₂ emissions of all product groups of the Wienerberger Group are reported.

Wienerberger Building Solutions generates the highest direct CO₂ emissions, i.e. 2,314 kilotons in absolute terms in 2021 including CO₂ from biogenic input material, which is 5.3% above the previous year's value. In the course of 2021, the Business Unit further investigated possibilities of using alternative energy generation systems and sustainable energy sources at various production sites. Moreover, R&D projects involving new technologies for kilns, dryers, and heat pumps, as well as projects focused on raw material preparation were implemented (see details on page 100). The development of CO₂ emissions was influenced, on the one hand, by significantly higher production volumes in 2021 compared to 2020, and, on the other hand, by the initiatives and projects undertaken to reduce CO₂ emissions.



Absolute indirect CO₂ emissions from electricity (Scope 2)^{1) 2)} in kilotons	2020	2021	Chg. in %
Clay blocks	113	80	-28.9
Roof tiles (clay and concrete)	48	38	-20.9
Facing bricks and clay pavers	24	2	-89.5
Concrete pavers	11	9	-10.5
Wienerberger Building Solutions	195	130	-33.3
Plastic pipes	58	0	-100.0
Ceramic pipes	0	0	0.0
Wienerberger Piping Solutions	58	0	-100.0
Facing bricks and concrete pavers	29	29	+2.3
Façade (calcium silicate products)	2	2	+4.1
Concrete products	1	1	+15.5
Plastic pipes	12	14	+13.1
North America	43	46	+5.6
Wienerberger Group	296	176	-40.7

1) This indicator was reported for the first time for the 2020 reporting year. // 2) For five companies newly acquired in 2021, where the necessary data collection structures for non-financial indicators are not yet in place or have to be optimized, the indicators are not included for the 2021 reporting year (for details, see page 54). For all non-financial indicators, the rates of change compared to previous reporting periods are calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences.

Absolute indirect CO₂ emissions from electricity (Scope 2)

Wienerberger intends to drastically reduce the Group's total Scope 2 emissions from electricity by 2023. In 2021, indirect CO₂ emissions from electricity were already reduced by remarkable 40.7% to 176 kilotons of CO₂. This success was achieved through power purchase agreement (PPA) projects, the purchase of green electricity certified pursuant to the EU Renewable Energy Directive, and the use of own generation facilities, such as solar panels. Indirect CO₂ emissions (Scope 2) were reported for the first time in 2020.

Index of specific direct (Scope 1) and indirect (Scope 2) CO₂ emissions ¹⁾²⁾ in %, based on kg CO ₂ /quantity of products ready for sale (2020 = 100%)	2020	2021	Chg. in %
Clay blocks	100.0	92.7	-7.3
Roof tiles (clay and concrete)	100.0	94.2	-5.8
Facing bricks and clay pavers	100.0	95.1	-4.9
Concrete pavers	100.0	89.5	-10.5
Wienerberger Building Solutions	100.0	93.6	-6.4
Plastic pipes	100.0	5.6	-94.4
Ceramic pipes	100.0	97.7	-2.3
Wienerberger Piping Solutions	100.0	31.2	-68.8
Facing bricks and concrete pavers	100.0	99.4	-0.6
Façade (calcium silicate products)	100.0	97.5	-2.5
Concrete products	100.0	94.2	-5.8
Plastic pipes	100.0	95.0	-5.0
North America	100.0	99.0	-1.0
Wienerberger Group	100.0	91.9	-8.1

1) The indicator was reported for the first time for the 2020 reporting year. The calculation excluded CO₂ emissions from biogenic input materials // 2) For five companies newly acquired in 2021, where the necessary data collection structures for non-financial indicators are not yet in place or have to be optimized, the indicators are not included for the 2021 reporting year (for details, see page 54). // The calculation of indirect CO₂ emissions from purchased electricity is based on the current CO₂ emission factors of Corporate Procurement. // For all non-financial indicators, the rates of change compared to previous reporting periods are calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences.

Specific direct CO₂ emissions (Scope 1) and indirect CO₂ emissions (Scope 2)

The specific CO₂ emissions shown in the table above are calculated on the basis of absolute CO₂ emissions (excluding CO₂ from biogenic input material) in kilograms, relative to the quantity of products ready for sale (kg CO₂/quantity of products ready for sale in tons, m², or TNF). See also information on the method of index calculation for specific indicators on page 71.

In 2021, Wienerberger significantly reduced the sum of its specific direct (Scope 1) and indirect (Scope 2) CO₂ emissions by 8.1% compared to the previous year. This success was due to Wienerberger's comprehensive programs and activities aimed at the decarbonization of its production processes (see page 71). Moreover, taking into account that, despite the persistent COVID-19 pandemic, Wienerberger succeeded in substantially increasing its production volumes in 2021 over the previous year's level, the Group achieved both a notable increase in specific energy efficiency and a notable reduction of the Group's CO₂ emissions.

In the following, we report in detail on the development of Wienerberger's specific direct (Scope 1) and indirect (Scope 2) CO₂ emissions.



Index of specific direct CO₂ emissions (Scope 1) ^{1) 2)}	2020	2021	Chg. in %
in %, based on kg CO ₂ /quantity of products ready for sale (2020 = 100%)			
Clay blocks	100.0	95.7	-4.3
Roof tiles (clay and concrete)	100.0	97.9	-2.1
Facing bricks and clay pavers	100.0	99.1	-0.9
Concrete pavers ³⁾	100.0	100.0	0.0
Wienerberger Building Solutions ⁴⁾	100.0	97.0	-3.0
Plastic pipes	100.0	99.5	-0.5
Ceramic pipes	100.0	97.7	-2.3
Wienerberger Piping Solutions	100.0	99.0	-1.0
Facing bricks and concrete pavers	100.0	100.4	+0.4
Façade (calcium silicate products)	100.0	99.7	-0.3
Concrete products	100.0	97.7	-2.3
Plastic pipes ³⁾	100.0	100.0	0.0
North America ⁴⁾	100.0	100.3	+0.3
Wienerberger Group ⁴⁾	100.0	97.3	-2.7

1) Direct specific CO₂ emissions (Scope 1) refer to CO₂ emissions from raw materials (in ceramic production) as well as the fuel emissions of the entire Wienerberger Group. The calculation did not include CO₂ emissions from biogenic input materials. // 2) For five companies newly acquired in 2021, where the necessary data collection structures for non-financial indicators are not yet in place or have to be optimized, the indicators are not included for the 2021 reporting year (for details, see page 54). // 3) As certain product groups do not generate Scope 1 emissions, the value remains unchanged compared to the previous year. // 4) The consolidated values are calculated on the basis of the quantities produced in all product groups. // The indicator was reported for the first time for the 2020 reporting year. For all non-financial indicators, the rates of change compared to previous reporting periods are calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences.

Specific direct CO₂ emissions from primary energy sources and raw materials (Scope 1)

In 2021, Wienerberger succeeded in reducing its specific CO₂ emissions from primary energy sources and raw materials (excluding biogenic input material) by 2.7% compared to the previous year. The reduction was mainly due to efforts made by the Wienerberger Building Solutions Business Unit, which accounts for the highest share of direct CO₂ emissions (see also page 76). Through a variety of comprehensive measures taken in the course of 2021, WBS was able to reduce its specific direct CO₂ emissions by 3% compared to the previous year's level (see table above).

Until 2020, our reporting on direct CO₂ emissions focused on fuel emissions in ceramic production. Given that direct CO₂ emission from fuels and raw materials used in all production segments have been reported since 2020, the indices of specific CO₂ emissions, relative to 2020 as the reference year, are now available for all product groups of the Wienerberger Group.

Index of specific indirect CO₂ emissions (Scope 2)¹⁾²⁾ in %, based on kg CO ₂ /quantity of products ready for sale (2020 = 100%)	2020	2021	Chg. in %
Clay blocks	100.0	97.0	-3.0
Roof tiles (clay and concrete)	100.0	96.3	-3.7
Facing bricks and clay pavers	100.0	96.0	-4.0
Concrete pavers	100.0	89.5	-10.5
Wienerberger Building Solutions	100.0	96.6	-3.4
Plastic pipes	100.0	6.1	-93.9
Ceramic pipes ³⁾	100.0	100.0	0.0
Wienerberger Piping Solutions⁴⁾	100.0	32.2	-67.8
Facing bricks and concrete pavers	100.0	99.0	-1.0
Façade (calcium silicate products)	100.0	97.8	-2.2
Concrete products	100.0	96.5	-3.5
Plastic pipes	100.0	95.0	-5.0
North America	100.0	98.7	-1.3
Wienerberger Group⁴⁾	100.0	94.6	-5.4

1) The calculation of specific indirect CO₂ emissions from purchased electricity is based on the current CO₂ emission factors of Corporate Procurement. // 2) For five companies newly acquired in 2021, where the necessary data collection structures for non-financial indicators are not yet in place or have to be optimized, the indicators are not included for the 2021 reporting year (for details, see page 54). // 3) No Scope 2 emissions were generated through the production of ceramic pipes by Wienerberger Building Solutions in 2020 and 2021. The values therefore remain unchanged compared to the previous year. // 4) The consolidated values are calculated on the basis of the quantities produced in all product groups. // For all non-financial indicators, the rates of change compared to previous reporting periods are calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences.

Specific indirect CO₂ emissions from electricity (Scope 2)

In 2021, Wienerberger succeeded in reducing its specific indirect CO₂ emissions from purchased electricity by 5.4% compared to the previous year. The reduction was mainly due to the conversion to climate-neutral electricity. This was achieved through power purchase agreement (PPA) projects, the purchase of green electricity certified pursuant to the EU Renewable Energy Directive, and the use of group-owned generation facilities, such as solar panels.

The Wienerberger Piping Solutions Business Unit, in particular, achieved a 67.8% reduction of its specific indirect CO₂ emissions in 2021; for plastic pipes alone, the reduction came to almost 94%. Since 2020, all the electricity used for the production of ceramic pipes has been green electricity.

Scope 3 emissions

For the time being, the Wienerberger Group does not yet have group-wide Scope 3 emission data for all categories and materials. However, we are currently working on the introduction of the group-wide data collection structures required, the objective being to report on Scope 3 emissions as of the 2023 reporting year.

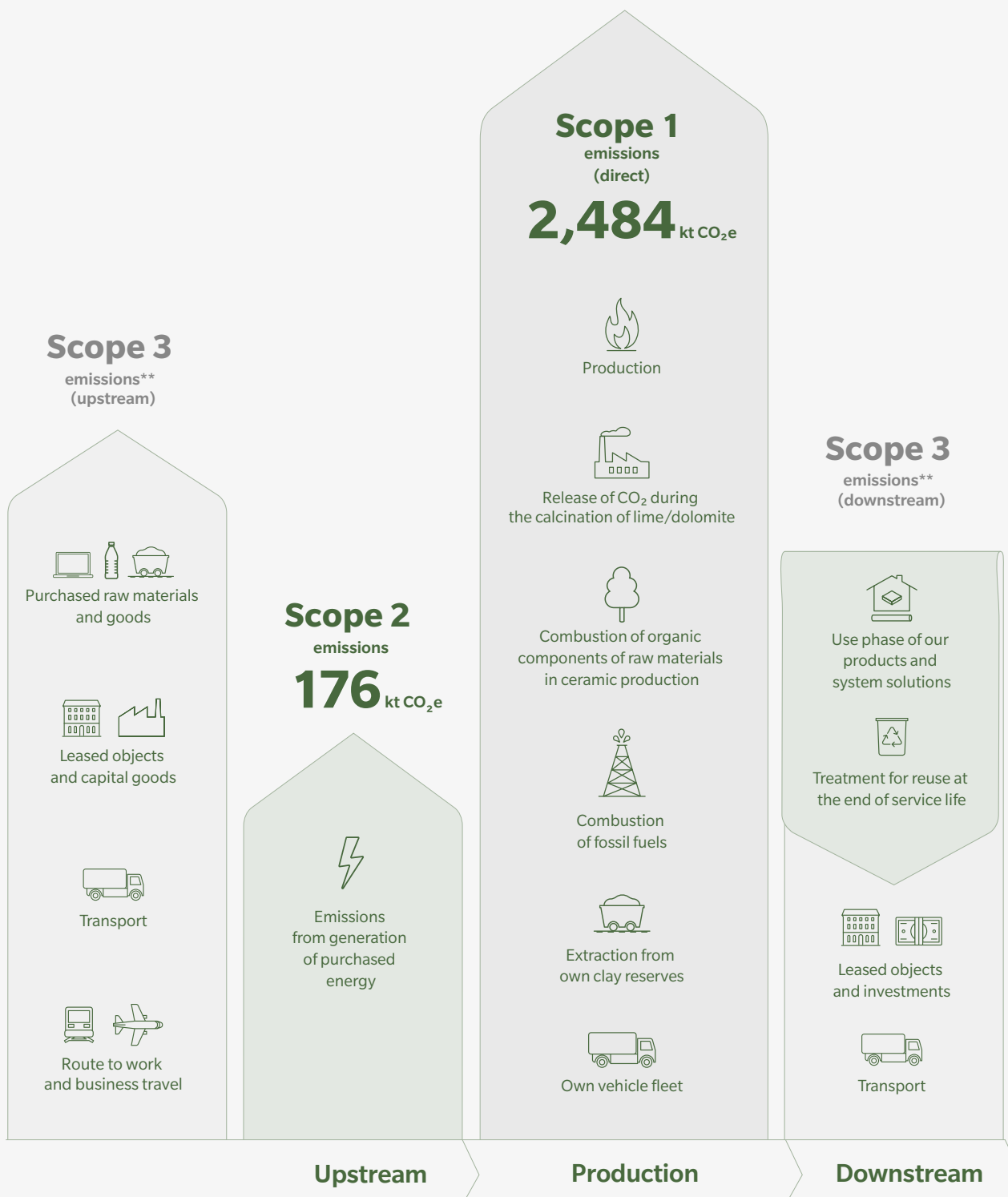
Numerous projects have already been initiated to reduce the Wienerberger Group's Scope 3 emissions. The measures taken to this end include the following:

- Optimized supply management for forward-looking planning and efficient control of transport routes (see page 69),
- Use of secondary raw materials, especially in plastic pipe production, use of cement from climate-friendly production, and appropriate selection of packaging materials (see page 100),
- The reusability and recyclability of Wienerberger products (see also page 102) as well as decarbonization in the use phase of our products and system solutions (see page 82) also have a positive influence on our Scope 3 emissions.



ABSOLUTE CO₂ EMISSIONS*

SCOPE 1 AND 2 IN 2021



* Greenhouse gases such as methane, nitrous oxide, or CFCs (chlorofluorocarbons) do not matter in Wienerberger's production. Absolute direct CO₂ emissions (Scope 1) from our production processes are therefore identical with carbon dioxide equivalents: Indirect CO₂ emissions (Scope 2) from electricity are recorded as CO₂e (calculation according to market-based method). The absolute CO₂ emissions or the corresponding CO₂ indicators communicated in our reporting on climate protection always refer to emissions of carbon dioxide equivalents (CO₂e).

** Scope 3 emissions, i.e. indirect emissions caused, for instance, through the purchase, transport, or sale of raw materials, other materials, and franchise products are currently not reported.

Quality and environmental management systems

Quality management systems (QMS) have been installed at all our plants, and many of them have been certified according to ISO 9001. Environmentally relevant aspects have also been integrated into these quality management systems. Where appropriate, production sites have also been certified according to ISO 14001 Environmental Management Systems. All ceramic pipe production sites and four plastic pipe production sites of Wienerberger Piping Solutions, as well as all sites of Wienerberger Ltd in Great Britain, have been certified according to (DIN EN) ISO 50001:2011 Energy Management.

Ongoing optimization programs, such as the Plant Improvement Program (PIP+) for the brick segment and the Production Excellence Program (PEP) in the concrete paver segment, are aimed at sustainably reducing resource consumption and costs through improvements of production processes. In the plastic pipe segment, we promote the Design for Lean Six Sigma (DFSS) management approach in order to implement quality improvements and process optimizations.

Energy efficiency and decarbonization through our product and system solutions

Our innovation strategy is marked by the global challenges of our time, such as climate change. Buildings account for more than one third of worldwide final energy consumption and almost 40% of total direct and indirect CO₂ emissions. With its innovative products and systems, Wienerberger aims to provide targeted solutions in terms of decarbonization.

Our product and system solutions offer enormous opportunities, as they are perfectly suited for the construction of energy-efficient and even energy-neutral buildings. Smart in-house solutions enable users to save resources while benefiting from a high quality of life. The ecological footprint of our products and system solutions caused in sourcing and production is positively influenced by an extremely long useful life, with some products remaining in use for more than 100 years.

Wienerberger's products and system solutions for walls and roofs are an integral part of climate-friendly building design. On account of their thermal insulation properties and their thermal storage capacity they con-

tribute significantly to the energy efficiency of buildings and thus support the fight against climate change. This applies to both new build and renovation. In recent years, clay blocks filled with insulating material, clay blocks without infill material but with a high thermal insulation value due to their special hole geometry, new facing brick formats for double-shell exterior walls, energy-efficient upon-rafter insulation for pitched roofs, etc. were developed. The high mechanical strength and the long useful life of these products and systems keep their ecological footprint small throughout their entire life cycle.

A few examples of Wienerberger products and system solutions that contribute significantly to the energy efficiency of buildings and the fight against climate change are shown in the following:

Climate-neutral bricks: The principle of our particularly climate-friendly brick is based on three pillars:

- First of all, we have reduced direct greenhouse gas emissions generated along the entire production chain to a minimum.
- Second, we have reduced our entire demand for electrical energy, which, moreover, is met by electricity from renewable sources.
- Third, we are offsetting the remaining emissions generated by supporting certified climate protection projects, all of which are registered under the UN Framework Convention on Climate Change (UNFCCC).

Our perlite-filled clay block, which has excellent thermal insulation values, creates a healthy indoor climate and saves up to 25% of heating costs. This clay block has been certified by TÜV NORD Austria, a technical inspection body.

Facing brick series LESS for decarbonization and resource conservation: With LESS, the new facing brick series from Denmark, Wienerberger has succeeded in producing a brick with reduced material input that weighs 10% less than conventional bricks, but has the same properties. This helps to save resources, reduces energy consumption, and thus contributes to the reduction of CO₂ emissions in production. In addition, starting in 2022, Wienerberger will replace 50% of natural gas consumption in Denmark with biogas, a fossil-free and CO₂-neutral energy source supplied by a Danish biogas producer, as a first step. This measure is one of several initiatives planned by Wienerberger for brick production in Denmark.



Solar panels integrated into the roof system – the Exasun photovoltaic solution:

In 2021, Wienerberger entered into a strategic partnership with Exasun, a Dutch producer of solar panels. Exasun is an innovative designer and producer of high-quality building-integrated glass-glass-photovoltaic systems with a high degree of efficiency and a long service life. On January 1, 2022, Wienerberger took over the exclusive distribution of Exasun's innovative building-integrated photovoltaic (BIVP) systems (X-Tile and X-Roof) for Europe.

Together with Exasun, Wienerberger France has already developed a photovoltaic solution that can easily be combined with Wienerberger's Actua roof tiles. The market launch in France, scheduled for the first quarter of 2022, is to be followed by the rollout of this solution to other markets. Since 2021, Wienerberger has marketed the innovative Alegria 10 Wevolt solar roof tiles as its first own photovoltaic solution in the Netherlands. Thanks to the partnership with Exasun, Wienerberger will now be able to consistently broaden its portfolio of solutions for the roofing business in the Netherlands and other European countries.

The EU has set itself the clear target of becoming carbon-neutral by 2050. By 2030, its greenhouse gas emissions are to be reduced by at least 55% compared to 1990, and the share of renewable energy sources is to be increased to at least 32%. In the future, photovoltaic installations will be the second most important source of electricity generation, surpassed only by wind power. Wienerberger will do its utmost to support the sustainable transformation of worldwide electricity generation with its smart and innovative solutions.

CO₂-reduced flat roof solutions with Leadax flat roof membrane: In 2021, Wienerberger concluded an exclusive distribution agreement for the innovative and CO₂-optimized flat roof solutions developed by Leadax, a company based in the Netherlands. The Leadax Roov flat roof membrane is unique in the world in that it is made from plastic waste as a raw material and can again be recycled again at the end of its useful life. Its carbon footprint therefore is up to 85% lower than that of currently available flat roof solutions, and thus fully in line with Wienerberger's target of circularity (see page 62). The cooperation agreement between Wienerberger and Leadax for the distribution of Leadax Roov in Europe was signed before the product's global market launch. Leadax Roov has been available in the Netherlands since the beginning of 2022 and will be rolled out to other Wienerberger markets in Europe.

Wall and roof systems by Wienerberger have the potential to reduce the CO₂ emissions of buildings by up to 80% compared to old building stock from the 1970s.

The Wienerberger Piping Solutions Business Unit focuses on innovative solutions that not only support our customers in addressing their individual challenges, but also facilitate the adaptation to global megatrends, such as climate change, and generate added value. To a growing extent, digital, network-based and collaborative models are being used – for increased productivity, enhanced resource and energy efficiency, and climate protection.

The Electro Spider concept is a prefabricated, tailor-made system solution for in-house electrical installations. It consists of smart electrical conduits, which are delivered prewired according to a 3D digital design and can therefore be installed quickly and safely. Installation time on site can be reduced by up to 80%, wastage of material is reduced, and costs are saved. The concept is also suited for industrial prefabrication.

SoluForce pipeline systems for hydrogen and biogas:

Wienerberger also plays a pioneering role in the development and supply of plastics-based hydrogen and biogas pipeline systems (Reinforced Thermoplastic Piping System). Such systems are used along the entire chain, from the high-pressure electrolysis process at the wind turbine to end users in transport and industry. In contrast to conventional steel pipes, these systems require no maintenance, are flexible and corrosion-proof, and available in lengths of up to 400 meters, which greatly facilitates the construction of hydrogen-based infrastructure solutions.

Adaptation to Climate Change with our Products and System Solutions

Protecting the safety and health of our customers and product user is part of our mission to improve people's lives with our products and system solutions. Wienerberger's objective is to provide innovative products and systems that protect people, the environment, and the economy from damage caused by climate change and that minimize the related risks. In close cooperation with the public sector and private economic operators, Wienerberger is continuously working on the development of holistic and smart solutions for climate-resilient habitats.

Climate-resilient building solutions

Wienerberger's climate-resilient building solutions effectively protect people from the impacts of climate change, such as extreme weather conditions with heat stress, rainstorms, hail, flash floods, or heavy snow loads.

Wienerberger provides solutions for buildings by supplying building materials with high thermal insulation values, efficient thermal storage properties, and high mechanical strength. These solutions keep the indoor temperature within an acceptable range even under conditions of extreme heat or cold. Overheating of buildings in summer constitutes a growing risk for human health and well-being, especially in urban areas. Wienerberger provides solutions that avoid the overheating of buildings in summer and, at the same time, keep their CO₂ balance low.

Wienerberger's roof and façade systems, as well as accessories such as Sturmfix 2.0, are designed to protect roofs from damage caused by heavy windstorms.

Rainwater management systems

In order to protect people and property from damage caused by climate change in the long term, towns and villages need well-balanced all-in solutions designed to cope with large quantities of water and rainstorm events. Wienerberger provides a broad portfolio of all-encompassing infrastructure solutions that are tailor-made to meet such requirements. Complete solutions, covering everything from infrastructure to technology to software and the related cloud services, are available.

The Wienerberger Piping Solutions Business Unit has recorded a massive increase in demand for rainwater management systems. Such systems support the endeavors of European cities and communities to become climate-resilient through adaptation and risk mitigation. Flood and drought management has become an integral part of urban and infrastructure development.

For more than a decade, Wienerberger's Piping Solutions Business Unit has designed tailor-made rainwater management solutions that are ideally suited for flood protection in urban areas. In their flood control schemes, flood-prone communities rely on Raineo®, the time-tested rainwater management system produced by Wienerberger Piping Solutions, in combination with green and blue infrastructure, such as green spaces and lake reservoirs.

Protection of transport infrastructure from climate risks

Apart from being a sought-after partner for urban flood control solutions, Wienerberger is also a leading supplier of drainage systems for roads and railway structures. Within the framework of massive investments in the extension and upgrading of Europe's key transport networks, especially in Central and Eastern Europe, Wienerberger recorded an impressive increase in road and railway drainage projects for the road and rail infrastructure based on WPS stormwater drainage systems.

In the field of product innovation, Wienerberger successfully introduced ECOCorr, a drainage and sewage pipe made entirely from recycled raw material. Since the product launch in Bulgaria in 2018, this eco-friendly product has gained a firm foothold in neighboring countries, i.e. Montenegro, North Macedonia, Serbia, Romania, and Greece, alongside other WPS product systems for road and rail drainage.



Smart technology for a climate-resilient Europe

The European Commission presented the new EU Climate Adaptation Strategy on February 24, 2021. Guided by the vision of creating a climate-resilient Union by 2050, the European Commission will provide Europe with the necessary guidance, policies, and support programs to prepare for future climate shocks. One of the strategic goals is to broaden the knowledge base and improve the availability of climate-related data.

With the recent acquisition and integration of Inter Act, a provider of digital solutions, Wienerberger is now able to supply smart all-in-one solutions comprising hardware and sensor technology, the necessary software, and cloud services to collect the data required for a better management of climate-related risks. With our smart pumping stations, we support private customers with data management services for smart, network-based pumps. These pumps receive, monitor, process, and transmit meteorological data and trigger flood alarms. Private households will thus be supplied with relevant additional information for their water and wastewater management: from meteorological data to reminders of maintenance due dates.

Positive impact on the micro-climate

Green spaces, especially in urban areas, contribute to a pleasant micro-climate. Wienerberger provides special irrigation and drainage systems for green façades and roofs. Based on our system solutions, water is collected, stored, and filtered for subsequent reuse for irrigation of green surfaces. The water level is optimized and maintained at that level through the use of smart, sensor-based technology.

Our range of concrete and clay pavers comprises a broad variety of systems for infiltration through water-permeable surfaces. Such surfaces are beneficial for the micro-climate and the groundwater. Moreover, surfaces in light colors, which absorb, store, and release as little light energy as possible in the form of heat, minimize heat stress and also contribute to a positive micro-climate.

TCFD – Climate-related Risks and Opportunities

TCFD – Climate-related risk management

To support companies in the identification and assessment of their climate-related risks, the Task Force on Climate-related Financial Disclosures (TCFD) identified two risk categories and related sub-categories:

- › **Transition risks** – may arise from the transition to a lower-carbon economy
 - › Political and legal risks
 - › Technology risks
 - › Market risks
 - › Reputation risks
- › **Physical risks** – may arise from changes in climatic conditions (e.g. rising sea levels, temperature increase, etc.)
 - › Chronic risks
 - › Acute risks

Transition risks as well as physical risks were identified, analyzed, and taken into account by Wienerberger in its risk management process. For a detailed description of the risk management process, please refer to the Management Report starting on page 231. The analysis leads to the conclusion that none of the risks related to climate change was of major financial importance for the company in 2021.

In the following, we briefly summarize the most important short-, medium-, and long-term risks Wienerberger is exposed to, and outline the respective risk-mitigating measures. The risk assessment is based on the probability of occurrence and possible impacts on the company's free cash flow for a short-term horizon of up to five years, a medium-term period of up to ten years, and a long-term period of up to 25 years.

Transition risks

Transition risks are categorized as follows:

- › Political and legal risks
- › Technology risks
- › Market risks
- › Reputation risks

Political and legal risks

Higher carbon prices to reduce CO₂ emissions and stricter emission reporting requirements – All over the world, more stringent political measures are being adopted in the context of climate change, which means that Wienerberger is confronted with numerous rules and regulations aimed at reducing emissions. As a company with international operations, we are subject to the legal provisions of the countries we operate in. In the wake of worldwide efforts to combat climate change, increasingly strict carbon pricing mechanisms will be introduced, the objective being to shift energy consumption to lower-emission sources and adopt energy-efficient solutions.

Potential financial impacts – Loss of market shares; declining revenues and a lower gross margin.

Risk-mitigating measures – For years, Wienerberger has been pursuing a clear goal: reducing the greenhouse gas emissions (CO₂e) from its production processes and offering its customers solutions that, considered from a life-cycle perspective, have a positive impact on climate protection. For 2023, Wienerberger has set itself the new and highly ambitious target to reduce its group-wide greenhouse gas emissions by 15% compared to 2020. This target is to be achieved, for example, through the use of more efficient drying technologies, the conversion to green electricity, and the further optimization of product design and product formulas. In parallel, Wienerberger is working on various R&D projects investigating the use of new green sources of energy in the production process (e.g. electrification of kilns, use of hydrogen). In Wienerberger's opinion, these political and legal risks are currently well under control.

Technology risks

Substitution of existing products and services with lower-emission alternatives – This is the risk of our products being replaced by lower-emission alternatives or by new construction technologies. The substitution risk could also be triggered by a market shortage of installation know-how needed for our products.

Potential financial impacts – Loss of market shares / sales volume; plants working at a low level of capacity; increased pressure on prices.

Risk-mitigating measures – Wienerberger is determined to pursue a policy of active innovation management. To this end, we are designing ecosystem models that enable us to identify relevant developments. At the same time, we are investing in promising technologies,

such as prefabrication and robotics. Together with third parties, we are working on various R&D and pilot projects in order to develop new technologies based on alternative energy sources that will significantly reduce the greenhouse gas emissions from our production processes. Moreover, we are actively involved in the work of our industrial associations in order to represent our position at the European level. Securing the supply of alternative sources of energy and developing the necessary infrastructure are among our goals. From Wienerberger's perspective, the substitution risk is currently well under control.

Stranded investments in new technologies – This is the risk of technological investments, which are absolutely necessary in the transition to a low-carbon economy, proving to be a failure. This might be the case if investments are made with a view to expected developments that ultimately do not succeed in the market.

Potential financial impacts – Write-off of failed technology investments; loss of market shares / sales volumes; underutilization of assets.

Risk-mitigating measures – To minimize this risk, Wienerberger has adopted a policy of long-term investment planning, including a critical assessment of the plant network and an annual detailed review as part of the Group's strategy and its budgeting process. The short- to medium-term strategy for the reduction of greenhouse gas emission is laid down in the Sustainability Program 2023. We employ a variety of production technologies and invest annually in upgrading them to meet the most advanced requirements. From Wienerberger's perspective, the risk of stranded investments is currently well under control.

Availability and costs of means of transport – This is the risk of non-availability of adequate means of transport for the low-emission delivery of our products to our customers (e.g. lack of low-emission transport capacity, shortage of drivers).

Potential financial impacts – Reduced product range on offer; higher costs and/or reduced margins due to increased costs of transport.

Risk-mitigating measures – Wienerberger elaborated and implemented a procurement guideline for means of transport. Cost efficiency is ensured through the new organization of procurement. Additionally, Wienerberger enters into strong partnerships with selected forwarding companies to safeguard its capacity to deliver its products in the long term. From Wienerberger's perspective, the transport risk is currently well under control.



Market risks

Changes in consumer behavior – The markets we operate in are subject to continuous change. They are highly competitive and are being served by companies with renowned brands, but also by suppliers of substitute products. In the absence of innovation, competitive advantages are lost and it will become increasingly difficult to fully meet the requirements of our customers. This applies, in particular, in the context of energy efficiency, resource efficiency, and the circular economy.

Potential financial impacts – Loss of market shares; reduced revenues, and a lower gross margin.

Risk-mitigating measures – Over the past ten years, Wienerberger continuously intensified its focus on innovation, which has thus become one of the most important drivers of the company's success. Today, innovative products account for over 30% of our total revenues. We are determined to use our innovative strength in order to maintain this high percentage in the years to come. Our priorities in further product development are energy-efficient solutions for the building envelope and resource-efficient solutions for water and energy management, supplemented by digital solutions and robotics, as well as prefabrication to cope with the shortage of skilled labor. Moreover, all new products are to be designed so as to be 100% recyclable or reusable. From Wienerberger's perspective, the risk of being unable to adequately respond to changing customer needs is currently well under control.

Price risks and the shortage of raw materials, secondary raw materials, (green) energy – Another market risk can arise from inadequate procurement and/or hedging strategies for (secondary) raw materials and (green) energy. If production sites or countries do not have access to sufficient raw materials or sufficient (green) sources of energy, there is a risk of entire production lines standing still. As a result, customer demand cannot be met on the basis of "green" and sustainable production. If production were to continue nevertheless, the sustainability targets would not be met.

Potential financial impacts – Reduced supply of sustainable products; increased production costs due to changes in input prices (e.g. electricity) and production requirements; temporary closure of sites; delays in production.

Risk-mitigating measures – Wienerberger has concluded long-term contracts with its suppliers in order to ensure continuity of supply. Regular risk analyses are performed and procurement, inventories, and

production are being supervised. In the field of energy, Wienerberger pursues a hedging policy, which is monitored by the local energy commodity manager for each country Wienerberger operates in. This policy was updated in 2021 in order to benefit from stable purchase prices on the energy market now and in the future. From Wienerberger's perspective, the supply risk for energy and raw materials is currently well under control.

Reputation risks

Reputation risk and stigmatization of the industry – The construction industry is being perceived as a carbon-intensive sector, with "green building" and "green construction" becoming a new trend in our markets. Companies of this sector therefore need to be innovative and capable of offering solutions for green concerns. If they are not able to offer such products and solutions, their reputation and their brand image are potentially at risk. This would have a negative impact on how a company's contribution to the transition to a lower-carbon economy is perceived by customers or by society. The risk of being perceived as a major carbon emitter could diminish our attractiveness for stakeholders, such as customers, investors, and potential employees.

Potential financial impacts – Loss of market shares; decrease in revenues; losses on the capital market.

Risk-mitigating measures – In the course of its history of more than 200 years, Wienerberger has created strong brands that stand for quality, durability, and lasting value. Our clay products are made from 100% natural raw material and, considering their entire life cycle, less carbon-intensive than other building materials. Our pipes made from plastics are significantly less energy-intensive than other, comparable materials. With our ESG strategy, we are focusing on the decarbonization of our product portfolio (including clear targets for the reduction of emissions in production), promoting circularity in our industry, and improving biodiversity at all our sites. We are developing solutions for "green buildings", and our products have already been employed in projects that were awarded a "green" certificate. We cooperate closely with local authorities in order not only to stimulate our local business, but to fulfill our mission, i.e. to improve people's quality of life. From Wienerberger's perspective, the reputation risk is currently well under control.

Physical risks

Physical risks are classified as follows:

- › Chronic risks
- › Acute risks

Chronic risks

Changes in precipitation patterns and extreme climatic shifts; rising average temperatures; rising sea levels; longer-term changes in climate patterns (e.g. sustained higher temperatures) that may cause the sea level to rise or chronic heat waves resulting in water shortages. Regardless of Wienerberger's broad geographic diversification, this may represent a chronic physical risk.

Potential financial impacts – Direct loss of assets, indirect effects due to interruptions of the supply chain

Risk-mitigating measures – Wienerberger regularly assesses all its sites for hazards arising from physical events at the local level. These include earthquakes, windstorms, heavy rainfall, and floods. As most of our operations are in Europe and North America, no critical sites were identified. For minor risks, we have a clear plan of action for risk mitigation. The integration of climate scenarios into our risk analysis enables us to model the occurrence of a variety of events for our sites. From Wienerberger's perspective, the chronic risk arising from climate change currently is very limited and therefore well under control.

Acute risks

Increasing intensity of extreme weather events –

As Wienerberger's sites are distributed over a wide geographic area, extreme conditions at the local level (e.g. extreme weather shifts, changes in precipitation patterns, flooding) have the potential to impair our operations at individual sites in the future.

Potential financial impacts – Direct loss of assets, indirect effects due to interruptions of the supply chain.

Risk-mitigating measures – For acute events, as well as for chronic risks resulting from climate changes, Wienerberger regularly assesses all its production sites for hazards arising from physical events at the local level. Such events include earthquakes, windstorms, heavy rainfall, and flooding. At sites exposed to such hazards, risks are minimized through appropriate measures. From Wienerberger's perspective, the acute risk arising from climate change currently is very limited. Given the broad geographic diversification as well as the high number of production sites and the related redundancies, in combination with additionally implemented risk-mitigation measures, we consider this risk as currently being well under control.

TCFD: Climate-related opportunities broken down by product group

The analysis and assessment of the risks and opportunities arising in connection with climate change have been integrated into the group-wide risk management system. In 2021, Investor Relations, the Corporate Sustainability & Innovation Department, and the category managers met within the framework of joint workshops to identify and aggregate the most important opportunities, broken down by product group. The identification of opportunities and their allocation to the individual product groups are in line with our ESG strategy. The table (on page 89) provides an overview of the climate-related opportunities and the effects on the business, the strategy and the financial planning of the Group. The opportunities, as well as the risks, were differentiated on the basis of time: for a short-term horizon of up to five years, a medium-term period of up to ten years, and a long-term period of up to 25 years. The opportunities are continuously evaluated and appropriate measures and initiatives are taken to fully exploit the identified potential.



Wienerberger's climate-related opportunities and impact on the organization's businesses, strategy, and financial planning

Product Category	Time Horizon ¹	Contribution to Climate Strategy	Opportunity	Magnitude of Financial Impacts ²	Financial Impacts
Walls	Medium-term	Products that contribute to building energy efficiency and decarbonization	Development of building products with high thermal insulation properties and thermal storage capacity (e.g. clay blocks filled with insulating material). Supporting energy efficiency in winter and summer.	High	Increased revenue through demand for products from low-emission production; reduced direct costs through efficiency gains
Walls	Medium-term	Products that contribute to building energy efficiency and decarbonization	Development of resilient building product (building lifetime >100 years vs. insulation lifetime of 35 years)	High	Increased revenue through demand for products from low-emission production; reduced direct costs through efficiency gains
Walls	Medium-term	Products that contribute to building energy efficiency and decarbonization	Development of products according to Cradle to Cradle® concept with recycling and reuse potential (100% of our ceramic products can be recycled)	High	Increased revenue through demand for products from low-emission production; reduced cost through efficiency gains
Roof	Medium-term	Products that contribute to building energy efficiency and decarbonization	Solar-panel integrated roof system (e.g. Wevolt X-tile and X-Roof, Alegra 10 Wevolt solar roof tiles)	High	Increased revenue due to shifting consumer demand for energy efficient products
Façade	Medium-term	Resource efficiency	Use of secondary raw materials (fired clay) in the production of facing bricks	Medium	Increased revenue due to shifting consumer demand for products from energy-efficient production
Façade and clay pavers	Short-term	Resource efficiency	Reduction of raw material input in production	High	Increased revenue due to shifting consumer demand for products from energy-efficient production
Plastic and ceramic pipes	Long-term	Resource efficiency	Use of secondary raw materials in production	High	Increased revenue through demand for products from low-emission production; reduced direct costs through efficiency gains
Plastic pipes	Long-term	Products that contribute to energy transition	Development of safe and cost-efficient non-fossil gas transportation systems (e.g. SoluForce pipeline systems for hydrogen and biogas)	Medium	Increased revenue through new solutions to adaptation needs; reduced direct costs through efficiency gains
Plastic pipes	Medium-term	Products that contribute to building energy efficiency and decarbonization	Development of in-house floor heating, heat pumps, hot/cold systems, and geothermal solutions	High	Increased revenue through demand for products from low-emission production; reduced direct costs through efficiency gains

Product Category	Time Horizon ¹	Contribution to Climate Strategy	Opportunity	Magnitude of Financial Impacts ²	Financial Impacts
Plastic pipes	Medium-term	Products that contribute to climate change adaptation/resilience	Development of water storage, stormwater management, and water reuse systems for flood/drought mitigation (e.g. Raineo system and roto moulded tanks)	High	Increased revenue through new solutions to climate change adaptation needs
Plastic pipes	Medium-term	Products that contribute to climate change adaptation/resilience	Development of agricultural irrigation systems (e.g. irrigation pipes with precision drippers) for markets where drought management is important due to limited water resources	Medium	Increased revenue through new solutions to climate change adaptation needs
Plastic pipes	Medium-term	Products that contribute to energy transition	Development of safe underground electricity transport and cable protection solutions (e.g. pipes and fittings for horizontal drilling)	High	Increased revenue through demand for products from low-emission production; reduced direct costs through efficiency gains
Plastic pipes	Medium-term	Products that contribute to climate change adaptation/resilience	Development of smart water sensors and leak detectors to enhance the efficiency of water distribution	Medium	Increased revenue through new solutions to climate change adaptation needs
Concrete pavers	Long-term	Resource efficiency	Substitution of gravel and sand with secondary raw materials	Medium	Reduced direct costs through efficiency gains
Concrete pavers	Medium-term	Resource efficiency	Development of products that enable the substitution of cement with alternative binder materials and ensure improved product design	Medium	Reduced direct costs through efficiency gains
Concrete and clay pavers	Short-term	Products that contribute to climate change adaptation/resilience	Development of permeable concrete and clay pavers (e.g., WBS concrete pavers Eco-line)	Medium	Increased revenue through new solutions to climate change adaptation needs and increased revenue due to shifting consumer demand for energy efficient products

Notes on the table:

1) Time Horizon

› Short term – up to five years

› Medium term – up to ten years

› Long term – up to 25 years

2) Magnitude of Financial Impacts

› High – above EUR 50 million

› Medium – between EUR 20 and 50 million

› Low – below EUR 20 million



Disclosure pursuant to the Taxonomy Regulation

The EU Taxonomy Regulation was published in the Official Journal of the European Union on 22 June 2020 and entered into force on 12 July 2020. The aim of the Taxonomy is to create a common classification system for sustainable economic activities. This new legal framework sets out detailed conditions that an economic activity has to meet to qualify as economically sustainable.

The first delegated act, which was published in July 2021, defines the technical screening criteria for the two climate-related objectives to be reported on:

- › Climate Change Mitigation
- › Climate Change Adaptation

This new mandatory reporting requirement applies as the non-financial information to be published in 2022. The Wienerberger Group therefore has to meet this disclosure requirement for the first time within the framework of its 2021 Annual Report. The purpose is to disclose the level of activities that are Taxonomy-eligible, i.e. the share of activities covered by the Taxonomy Regulation. In future years, the reporting requirement will be extended to those economic activities that are Taxonomy-aligned, i.e. the share of activities classified as sustainable economic activities.

Reporting is based on the three KPIs listed in the Regulation:

- › Turnover
- › Capital expenditure (Capex)
- › Operating expense (Opex)

In the first reporting year, the EU Regulation exclusively requires disclosure of the company's **Taxonomy eligibility** (i.e. the share of activities covered by the Taxonomy Regulation up to the time of reporting).

The EU Taxonomy is still under development and does not yet classify all economic activities and economic sectors. An economic activity can be covered by the current Regulation as a separate sector if it meets the sector-related technical criteria or if it performs so-called "enabling activities". Given that technical criteria have not yet been defined for the sectors the Wienerberger Group operates in, Wienerberger, for the time being, only has to report on "enabling activities".

Based on the criteria and definitions of the Taxonomy Regulation, Wienerberger therefore analyzed and classified its economic activities in detail and developed methods for the calculation of the required KPIs for the relevant product categories.

1. Analysis of Taxonomy-eligible activities

On the basis of the current Regulation, Wienerberger's wall and façade systems as well as its roofing systems belong to the category of "enabling activities", as they belong to sub-sector 3.5. of the Taxonomy – "Manufacture of energy-efficient equipment for buildings". Other activities of the Wienerberger Group (piping solutions and pavers) are not yet within the framework of the Taxonomy, but an expansion of the scope of the Regulation is to be expected in the coming years.

2. Application of the definitions of turnover, capex and opex, as laid down in the Taxonomy

For the product categories covered, the three KPIs were calculated on the basis of the entire Wienerberger Group. In line with our sustainability reporting, the companies acquired in 2021 are not yet included in the reporting scope, as the necessary data collection structures for non-financial information have not yet been implemented.

The Taxonomy Regulation defines the three KPIs as follows:

- › **Turnover:** Total external revenues of the Group
- › **Capex:** Total of all additions to property, plant and equipment and intangible assets
- › **Opex:** Total of all maintenance, research and development, and rental expenses

3. Methodology

The technical analyses performed and the methods of calculation are different for each product category, i.e. clay blocks, facing bricks, and roofing systems.

As regards **clay blocks and facing bricks**, the relevant question is whether they are part of an exterior wall system. Exterior wall systems are defined as a combination of several products and key components which together perform a specific function in an intended environment, and the thermal insulation value of which can be expressed in a single unit called the “U-value” (thermal transmittance in W/m^2K). Exterior wall systems thus contribute to energy efficiency by preventing heat loss and are therefore to be classified as Taxonomy-eligible.

Two categories of Wienerberger products are part of exterior wall systems: clay blocks and facing bricks. Each product category is operated independently, the products of one category being produced and sold independently of the other category. The wall and façade segments are therefore treated separately for the purpose of Taxonomy calculation.

Walls

Step 1 – Definition of the wall product category

Wienerberger classifies the “wall” product category within its portfolio for exterior wall systems on the basis of three construction typologies:

- › Single leaf, monolithic wall
 - › Vertically perforated clay blocks (traditional or plane ground): thickness ≥ 35 cm
 - › Vertically perforated clay blocks with integrated insulation: thickness ≥ 24 cm
- › External wall with a composite thermal insulation system (ETICS)
 - › Vertically perforated clay blocks (traditional or plane ground): thickness ≥ 24 , but < 35 cm
- › Multi layer external wall (consisting of wall and façade products)
 - › Vertically perforated clay blocks (traditional or plane ground): thickness ≥ 14 cm, but < 24 cm
 - › Facing bricks

Wienerberger produces the following key components as part of its wall product segment:

- › Traditional vertically perforated clay blocks
- › Plane-ground vertically perforated clay blocks
- › Vertically perforated clay blocks filled with integrated insulating material
- › Half clay blocks for monolithic and multi layer walls
- › Height-adjustment blocks for monolithic and multi layer walls

Without these key components, construction of the entire exterior wall is not possible.

Step 2 – Calculation of the Taxonomy-eligible share of wall key components

In the next step, the share of blocks that are part of an “exterior wall system” and, as such, Taxonomy-eligible is determined. Wienerberger sells clay blocks in 17 countries. The Group’s total external revenues generated from this product category were analyzed on the basis of the key components defined in Step 1. The result shows that a share of 61.9% of all external revenues generated from clay blocks is used in exterior wall systems and therefore to be classified as Taxonomy-eligible. The remaining 38.1% of revenues derived from clay blocks for interior walls have to be excluded.

Given that a direct allocation of expenses (opex and capex) to clay blocks used for exterior wall systems is not possible, the allocation was made on the basis of the revenue share, which means that the Taxonomy-eligible share of opex and capex is also 61.9%.

Façade

Step 1 – Definition of the façade product category

Within its façade product segment, Wienerberger produces the following key components for exterior wall systems:

- › Facing bricks
- › Brick slips
- › Cladding systems
- › Lintels

Without these key components, the construction of the entire exterior wall system is not possible. The key components of the façade protect the wall and therefore play a central role in reducing thermal transmittance and, consequently, the U-value.



Step 2 – Calculation of the Taxonomy-eligible share of key façade components

The technical analyses performed showed that facing bricks (including accessories) produced by Wienerberger are part of an exterior wall system and can therefore be classified as Taxonomy-eligible. Hence, all expenses meeting the definitions of capex and opex, allocated to the facing brick category, are classified as 100% Taxonomy-eligible.

As the façade product segment includes not only facing bricks, but also clay pavers, the Taxonomy-eligible share of the total façade segment is 74.6%.

Roofing systems

Step 1 – Definition of the roof product category

As indicated for the classification of clay blocks and facing bricks as an exterior wall system, the relevant question for the classification of roof tiles is whether they are part of a pitched roof system, thus contributing to the energy efficiency of a building and, as such, considered to be Taxonomy-eligible. A pitched roof system is a combination of several products and key systems which together perform a specific function in an intended environment, and the energy efficiency of which can be expressed in a single unit called the U-value.

As part of the pitched roof system, Wienerberger produces the following key components in its roof product segment:

- Roof tiles
- Ceramic accessories
- Technical accessories

Without these key components, the entire exterior roof system cannot be built. During the construction phase, insulation material produced by third parties is built in, but insulation material alone does not constitute a roofing system.

Step 2 – Calculation of the Taxonomy-eligible share of key roof components

Wienerberger produces roofing systems in 20 countries. To calculate the Taxonomy-eligibility of the roof product category, these markets were analyzed in cooperation with an external partner.

This external market study arrived at the following results for 2021:

- Market volume of the pitched roof system (with or without insulation material) in these 20 countries: a total of 413.3 km²
- Market volume of insulating material for pitched roofs sold in these countries: 380.0 km²

Based on these data, the share of roofing systems with insulating material built in was calculated as follows:

$$100 * (\text{insulation material} / \text{pitched roof market}) = 91.9\%$$

This means that 91.9% of the exterior roofing systems sold by Wienerberger with insulation material built in for exterior and interior insulation, i.e. the share of key components of the roofing system category, is to be classified as Taxonomy-eligible.

As derived from the market analysis, this share of 91.9% is used as a basis for the calculation of turnover, capex and opex for the roof product category.

4. Results

The Taxonomy-relevant activities and KPIs of the Wienerberger Group are as follows:

1-12/2021 in TEUR	Turnover	in %	Capex	in %	Opex	in %
Wall	528,357	13.3%	60,505	8.2%	32,689	18.2%
Façade	767,370	19.3%	76,029	10.2%	57,866	32.2%
Roof	593,444	15.0%	39,568	5.3%	27,299	15.2%
Taxonomy-eligible	1,889,171	47.6%	176,102	23.7%	117,854	65.5%
Taxonomy-non-eligible	2,077,273	52.4%	566,264	76.3%	62,012	34.5%
Total	3,966,444	100.0%	742,366	100.0%	179,866	100.0%

Turnover

Currently, not all segments and products of the Wienerberger Group are equally covered by the Taxonomy Regulation (as sector or enabling activities). Therefore, 47.6% of the total revenues generated in 2021 is Taxonomy-eligible.

Turnover 1-12/2021 in TEUR	Wienerberger Group	Thereof Taxonomy-eligible	Taxonomy-eligible in %
Wall	853,655	528,357	61.9%
Façade	1,028,609	767,370	74.6%
Roof	645,539	593,444	91.9%
Pavers	123,004	0	0.0%
Pipes	1,315,474	0	0.0%
Other	162	0	0.0%
Total	3,966,443	1,889,171	47.6%



Capex

Based on the Taxonomy-relevant definition, the total capital expenditure of € 742.4 million reported also comprises additions of assets from companies acquired in the course of 2021 in the amount of € 386.6 million. However, as the acquired companies are not yet included in the data underlying the calculation of the Taxonomy-eligible share, this results in an extraordinarily high share of Taxonomy-non-eligible capital expenditure in 2021, which will decline as of the following year through the inclusion of the new companies in the basis for Taxonomy-related calculations. Based on the shares per product category indicated above, 23.7% of the entire capital expenditure is Taxonomy-eligible.

Opex

Wienerberger's operating expenses, as defined in the Taxonomy Regulation, primarily included maintenance expenses for enabling activities and amount to 65.5% for the reporting year.

5. Outlook

As of the following year, the Taxonomy alignment of the Taxonomy-eligible activities specified above has to be determined as well. To this end, it will not be sufficient to analyze and assess the activities on the basis of the technical screening criteria. To achieve full Taxonomy alignment, the so-called "Do No Significant Harm" (DNSH) criteria have to be included. For an activity pursuing one or more of the six environmental objectives to be classified as sustainable, it must not cause significant harm to any of the other Taxonomy objectives. Compliance with "minimum social safeguards" is also a prerequisite.

The Wienerberger Group has already started its review of the technical screening criteria and will continue and intensify these analyses in the course of 2022.





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CIRCULAR ECONOMY

The circular economy is a central pillar of Wienerberger's Sustainability Program 2023: With a view to the efficient use of resources and the reuse of valuable substances, all new Wienerberger products are to be 100% reusable or recyclable by 2023. This is our way of ensuring the long-term availability of raw materials. At the same time, we are continuously increasing the share of secondary or recycled raw materials used in production.

Target of our Sustainability Program 2023



100%

**of our new products
are designed to be
reusable or recyclable.**

The reusability of our products is an essential aspect of innovation at Wienerberger. This is how we achieve a substantial prolongation of our products' useful life. For each product group, we develop criteria to be taken into account in the design of new products.

Circular Economy

“There is only one planet Earth, yet by 2050, the world will be consuming as if there were three.”¹ To counteract this development, the European Commission is pursuing the goal of a climate-neutral circular economy. Within the framework of its European Green Deal, it has developed an action plan for the circular economy in order to achieve sustainable economic growth that is decoupled from resource use.

Wienerberger supports the European Green Deal and the related targets and measures aimed at promoting a circular economy. We regard the transition to a higher degree of circularity as an opportunity that offers numerous benefits, such as a reduced pressure on the environment, higher security of raw material supply, increased competitiveness, and the stimulation of innovation².

In cities, in particular, resource efficiency is being enhanced through so-called “urban mining”. The concept of “urban mining” aims at saving resources through the recovery and reuse of secondary raw materials from the so-called anthropogenic stock. This is the total of materials contained in products used or stored by society over a longer period of time, such as buildings, vehicles or large electrical appliances, infrastructure such as railway lines or pipelines, or other durable goods stored or landfilled³. Planning future material flows and means of resource recovery is an important aspect of urban mining⁴. Given that the long-term availability of raw materials is one of the crucial aspects of a sustainable business performance, our product development engineers focus on the reusability or recyclability of our products already in the design phase (“design for recycling”).

In our production, we are making every effort to save raw materials and promote the use of secondary raw materials from internal and external sources wherever this is economically justifiable and technically feasible. By continuously reducing the volume of waste and the scrap rate, we are making a further significant contribution to the efficient use of resources.

The early identification of potential shortages and the diversification of sources of supply are essential parts of our raw materials management. We own about two thirds of the clay reserves for our ceramic production; for the remaining third, we conclude long-term mining and supply contracts.

Moreover, in a voluntary effort, Wienerberger has for years been working intensively on the preparation of eco-balances and environmental product declarations (EPDs) for its entire product range. All ceramic pipes and fittings produced by Wienerberger Piping Solutions and a family of products of the concrete paver segment of WBS have been successfully certified according to the Cradle to Cradle® concept and are being re-certified at regular intervals.

In the following sections, we provide an overview of how Wienerberger implements the principles and strategies of circularity within the company and along the value chain in the following areas:

- › Resource efficiency in raw material sourcing
- › Reduction of production waste
- › Durable systems and solutions based on the principle of circularity

*Within the framework of the Circular Plastics Alliance we support all efforts to increase the amount of secondary raw materials used in Europe each year to at least 10 million tons by 2025. For the declaration by the Circular Plastics Alliance, please refer to:
<https://ec.europa.eu/docsroom/documents/36361/attachments/1/translations/en/renditions/native>*

1) https://ec.europa.eu/commission/presscorner/detail/en/ip_20_420

2) <https://www.europarl.europa.eu/news/en/headlines/economy/20151201STO05603/circular-economy-definition-importance-and-benefits>

3) <https://www.umweltbundesamt.de/themen/abfall-ressourcen/abfallwirtschaft/urban-mining/das-anthropogene-lager>

4) <https://www.umweltbundesamt.de/themen/abfall-ressourcen/abfallwirtschaft/urban-mining#was-ist-urban-mining>



Resource Efficiency in Sourcing

Use of secondary raw materials

In terms of resource efficiency, the recovery and re-use of waste products and the use of secondary raw materials in production are matters of high priority for Wienerberger. However, technical feasibility largely depends on the materials available and their applications. Subject to availability, we use secondary raw materials for our production wherever this is technically feasible.

In plastic pipe production of the Wienerberger Piping Solutions Business Unit (WPS), the use of secondary raw materials has been well established for quite some time. Further progress was achieved by WPS in 2021: On the one hand, the use of secondary raw materials was rolled out to all WPS production sites; on the other hand, new products were made entirely from secondary raw materials. Moreover, in 2021 WPS again participated in the revision of various EN standards, the objective being to allow the use of secondary raw materials in larger quantities. WPS currently holds the chair of the newly established “Ecological Footprint” working group at TEPPFA (The European Plastic Pipes and Fittings Association). This working group is dealing with relevant topics, such as emission data sets for plastic materials, environmental product declarations (EDPs), and issues of European chemical legislation (REACH⁵).

In its entire plastic pipe production in 2021, the Wienerberger Piping Solutions Business Unit increased the amount of internal and external secondary raw materials used from 83 to 90 kg per ton produced, which corresponds to an 8.4% increase. Of the total, 48 kg, i.e. a good 53%, were external secondary raw materials. According to legal provisions, the use of external secondary raw materials is only permitted for pressureless pipes (e.g. for wastewater, rain water, electric conduits), but not for pipes to be used under pressure, such as pipes for potable water. For those WPS plastic pipe product lines where the use of secondary raw

materials is permitted by law, the amount of external secondary raw materials even amounted to 69 kg per ton produced. Wienerberger even introduced several pipe system solutions based on 100% post-consumer materials. In this case, special attention is being paid to the quality of the secondary raw materials used. The identification, classification, and continuous monitoring of suppliers of secondary plastic materials therefore are particularly important aspects in procurement.

In ceramic production, residual material from our own plants can easily be returned to production on account of its high degree of purity, a well-established practice at our plants. Moreover, external secondary raw materials are being used as a substitute for primary raw materials, but this is not always technically feasible and economically justifiable. In order to obtain secondary raw materials of adequate quality, construction debris needs to be carefully sorted and processed.

Additionally, secondary raw materials, such as saw dust, rice husks or sunflower seed shells, ash and slag, or refractories, are used in the clay block plants of the Wienerberger Building Solutions Business Unit (WBS). They serve as pore-forming agents to optimize the thermal insulation properties of the clay blocks. The quantities used are recorded in a raw material report for the respective product group. In 2021, as in the previous year, almost 9% of the raw materials used in WBS were secondary raw materials.

The policy applied by Wienerberger Building Solutions (WBS) regarding the use of secondary raw materials and the avoidance of hazardous substances specifies the format and content of the annual raw material report, including the results of the chemical analyses, to be prepared by each country organization. It also indicates the release and approval processes to be complied with and documented in writing. As in the previous year, the policy was successfully implemented in 2021.

In the North America Business Unit, secondary raw materials accounted for 3% of the total raw material input in 2021, as in the previous year.

5) Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), establishing a European Chemicals Agency.

Wienerberger Building Solutions (WBS) as well as Wienerberger Piping Solutions (WPS) are continuously optimizing their processes with a view to achieving sustainable savings of resources and costs. Such optimization programs include the Plant Improvement Program (PIP+) in brick production, the Production Excellence Program (PEP) in concrete paver production, or the Design for Lean Six Sigma (DFSS) management approach in plastic pipe production. Moreover, Wienerberger is using an increasing amount of packaging materials made from secondary instead of primary raw materials. In 2021, a total of 1,000 tons of recycled plastics was used for packaging, which resulted in substantial savings of CO₂ emissions (see also page 69). In 2022 we will step up our efforts in this field, hoping that 50% of our packaging materials will be made from secondary raw materials by 2025. Wienerberger is therefore working on the reuse of its packaging material in a closed cycle. For example, plastic films are no longer printed on to allow as many recycling loops as possible. Additionally, Wienerberger is reducing the amount of packaging material, for instance by using tapes made from 100% recycled PET instead of plastic film.

Dematerialization – Reduced raw material input for products of unchanged quality

Wienerberger is reducing the raw material input for selected ceramic product groups (dematerialization), provided it is economically justifiable and technically feasible to achieve the required level of product quality. This measure results in improved resource efficiency and contributes to the reduction of greenhouse gas emissions in production (see page 71), as illustrated by the LESS series of facing bricks produced in Denmark. Owing to the reduced material input, bricks of the LESS series weigh 10% less than comparable bricks and are therefore easier to handle, while their compressive strength remains unchanged. This means that LESS facing bricks can be used for the same types of structures as conventional bricks. Thanks to these developments, together with the conversion to biogas in Denmark, CO₂ emissions in production will be significantly reduced (see also page 82).

In Wienerberger's Virtual Labs⁶ computer simulations based on mathematical models calculate the properties of bricks, brick walls, and systems with a view to making them even more efficient. The simulations instantly show which parameters need to be changed to produce the desired effect. By means of this method, Wienerberger optimizes the physical properties of its brick products. Properties such as strength, thermal insulation, and noise insulation can be adjusted to the requirements of specific applications, while raw material input and the weight of the brick are kept as low as possible.

Water management

Wienerberger is making every effort to use water sparingly, for instance by running it in closed circuits, and to draw it primarily from its own sources. Water from sources other than public networks (e.g. water from rivers, lakes and, in Scandinavia, the sea), used especially in plastic pipe production by Wienerberger Piping Solutions (WPS), is returned to the environment after the cooling process in conformity with the legal provisions in effect.

In ceramic production, Wienerberger Building Solutions (WBS) uses heat pumps, which primarily serve to enhance energy efficiency. However, they also have another positive effect, as the condensation water from the wet air stream can be reused in clay preparation. Heat pumps also have a positive impact on decarbonization in production (see also page 76).

6) Wienerberger's Virtual Labs have been developed in cooperation with the Vienna University of Technology within the framework of the "Innovative Brick 2" project (2018–2021), which succeeded to the earlier "Innovative Brick" project (2014–2018). The objective is to optimize brick masonry, including the production process. Both projects were supported by the Austrian Research Promotion Agency (FFG) and the Austrian Climate and Energy Fund.



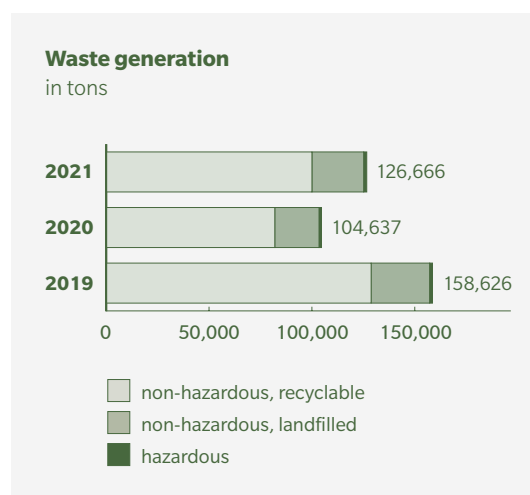
Reduction of Production Waste

Optimizing the closed resource cycle requires not only a reduction of production waste, but also a reduction of the scrap rate. Wherever possible, production waste (e.g. burnt brick waste, non-coated plastic waste) is returned into the production process. Production waste that cannot be reused or recycled is disposed of by certified waste management companies according to state-of-the-art methods.

At all our plants, the optimization measures taken within the framework of our quality management system take environmentally relevant aspects into account. Some production sites have additionally been certified according to ISO 14001 Environmental Management Systems.

Ongoing optimization programs at Wienerberger Building Solutions, such as the Plant Improvement Program (PIP+) in brick production and the Production Excellence Program (PEP) in the concrete paver segment, are primarily aimed at achieving sustainable resource and cost saving through improved production processes. Within the framework of the Plant Improvement Program (PIP+), for example, the scrap rate in brick production is regularly monitored and, if necessary, appropriate measures are taken to reduce it. In 2021, the scrap rate in concrete paver production was reduced to 2%.

In the plastic pipe segment of WPS, we promote the Lean methodology and the Design for Lean Six Sigma management approach in order to achieve quality improvements and advance process optimization. Both methods are aimed at reducing raw material input and the scrap rate, while increasing productivity at the same time. As a signatory to Operation Clean Sweep®, we ensure that no losses of plastic granulate occur during the production process. In 2021, more than 70% of our plants had already implemented Operation Clean Sweep®. By the end of 2022, all WPS plastic pipe plants are to be equipped accordingly.



In 2021, the total volume of waste generated by Wienerberger amounted to 126,666 tons, 79% of which was non-hazardous and recyclable (2020: 78%).

Durable and Recyclable Products and Systems

Innovation leadership is part of our value proposition to our shareholders, by which we create added value and distinguish ourselves from our competitors. As a pioneer of innovation in our industry, our goal is to continuously work on improving and further developing the reusability, recyclability, and durability of our products and system solutions.

Moreover, we are developing new concepts for products and system solutions that can be dismantled and reused as entire elements of buildings and infrastructure. Through these and other efforts, we are making a substantial contribution to future-oriented concepts of resource efficiency, such as “urban mining”.

Within the framework of our new Sustainability Program 2023, the circularity target for the entire Wienerberger Group is:

“100% of our new products are designed to be reusable or recyclable.”

The reusability of our products is a crucial aspect of innovation, as it significantly prolongs the products’ useful life. In 2021, the criteria to be taken into account in the process of designing new products were elaborated for the individual product groups.

In 2021, Wienerberger analyzed the reusability and recyclability of its products in the individual product groups in order to orientate the development of new products toward achieving this target. Hybrid or compound products constitute the greatest challenge to be addressed in this context. Although such products only account for a small part of the group-wide product portfolio, considerable efforts are being made to facilitate the separation of materials contained therein. Wienerberger also analyzed the reusability and recyclability of its traded merchandise (goods not produced by Wienerberger itself) and is now working on its classification and registration. In the course of this process, it was found that a large percentage of traded merchandise is either reusable or recyclable.

The processes described above are being advanced through training programs regarding the design of reusable or recyclable products. Moreover, training sessions are being organized to heighten our employees’ awareness of the importance of circularity.

In the following paragraphs, we present individual products and system solutions that are particularly well-suited to be recycled or reused in closed cycles.

In 2021, Wienerberger concluded an exclusive distribution agreement with Leadax, a company based in the Netherlands, for its Leadax Roov flat roof solutions. Leadax Roov is a flat roof membrane that is made from 100% processed plastic waste as a raw material and can be recycled at the end of its useful life.

The reuse of roof tiles and pavers, which has been practiced for quite some time, is another excellent example. Wienerberger successfully launched a reusable facing brick, which is marketed as the ClickBrick. Integrated into the façade structure without mortar, it can easily be dismantled and reused. The ClickBrick also meets high aesthetic quality requirements, a matter of particular importance to us in building construction. In the world of high-end façades, Wienerberger introduced completely maintenance-free, digitally engobed⁷ façade panels with an extremely long useful life. Digital engobing offers the advantage of high-end design options without reducing the durability of ceramic façade solutions. The reuse of entire interior walls is another relevant research and development topic for Wienerberger.

In the field of plastic pipes, a research project confirmed the possibility of reusing or recycling the plastic material used in pipe production. The concept of color coding of different pipe generations permits the cascading use of PVC. What begins its life as a yellow low-pressure gas pipe could be converted into a red cable conduit and finally recycled into a grey sewer pipe. All in all, the PVC raw material can be used up to three times. Given that PVC has a useful life of at least 100 years, the total life cycle of the material can, in theory, be prolonged to more than 300 years.

7) Engobing is a procedure for the treatment of ceramic surfaces.



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BIODIVERSITY & ENVIRONMENT

The protection and preservation of our environment is firmly embedded in Wienerberger's awareness of its corporate mission: We foster biodiversity at our sites, use resources sparingly, and respect nature reserves. Over the past 40 years, the world has seen an unprecedented loss of biodiversity – a development we must counteract.

Target of our Sustainability Program 2023



100%

**Biodiversity Program to
be implemented at all our
production sites**

We have set ourselves a clear goal: By 2023, implement a biodiversity action plan based on the Wienerberger Biodiversity Program at all Wienerberger production sites.

Biodiversity & Environment

The natural environment and its ecosystems provide the basis for all organisms on this planet, including human life. To a growing extent, we have come to recognize that our survival, our society depends on nature and on biological diversity¹. Biodiversity is crucial for the preservation of nature and its ecosystems. In recent decades, the natural balance has been severely disrupted all over the world. Biodiversity loss and the climate crisis are two phenomena that are closely connected and reinforce one another².

Nature was the central topic of the UN Climate Conference in Glasgow (COP26³). In order to support governments and the business community in aligning their efforts aimed at enhancing biological diversity, the world needs a common global goal for nature. According to leading experts in this field, this goal should comprise a timeline with three cut-off points⁴: zero net loss of nature from 2020, net nature positive by 2030⁵, and full recovery by 2050. The respective target definitions are expected as a result of the 15th Conference of Parties of the UN Convention on Biological Diversity (COP15⁶) in 2022.

Nature-based solutions have the purpose of making cities greener, healthier and more climate-resilient. As a leading international provider of building materials and infrastructure solutions, Wienerberger's commitment is not only to supply top-quality products, but also to contribute to the preservation of an intact environment and to protect nature to the greatest possible extent. Wienerberger has therefore stepped up its activities in the field of biodiversity and is making every effort to contribute to a healthy global ecosystem.

Wienerberger has always done its utmost to minimize the impacts of raw material extraction and production on the environment. We are therefore continuously optimizing our processes at our production sites. In doing so, we contribute to the enhancement of energy and resource efficiency and to climate protection (see chapter "Circular Economy", pages 99-100, and chapter "Climate Protection & Adaptation to Climate Change", page 74). This is our contribution to the preservation of good environmental quality, which in turn has a beneficial effect on local ecosystems.

Throughout the Wienerberger Group, we pay special attention to the preservation of biodiversity during the entire life cycle of our own clay pits. In cooperation with external experts, we are striving to create the best possible conditions for plant and animal life, even while clay is being excavated. When depleted, clay pits are made available for subsequent use to promote biodiversity.

Wienerberger has undertaken to take biodiversity into account in the management of its 215 production sites. Within the framework of our Sustainability Program 2023, we have set the following biodiversity target for the entire Wienerberger Group:

"Biodiversity Program to be implemented at all our production sites by 2023."

By fostering biodiversity at all our production sites, we improve land use and provide numerous high-quality habitats for plants and animals.

In the following sections, we describe the processes, initiatives, and measures by which we contribute to the protection and preservation of biodiversity and the environment.

- Certified quality management systems (QMS) at all plants
- Certification according to ISO 9001 incl. environmentally relevant aspects at almost all plants
- Certification according to ISO 14001 Environmental Management Systems at some of our plants

- Wienerberger Biodiversity Program
- Nature conservation during clay mining and the subsequent use of extraction sites
- Avoidance of hazardous substances
- Contribution of products to the enhancement of biodiversity

1) World Economic Forum (2020): *The Nature Economy Report Series* (2020); BCG (2021): *The Biodiversity Crisis Is a Business Crisis*; The Dasgupta Review (2021): *The Economics of Biodiversity*

2) IPBES, IPCC (2021): *Biodiversity and Climate Change Workshop Report*

3) United Nations Framework Convention on Climate Change, 26th Conference of the Parties

4) A Nature-Positive World: The Global Goal for Nature.

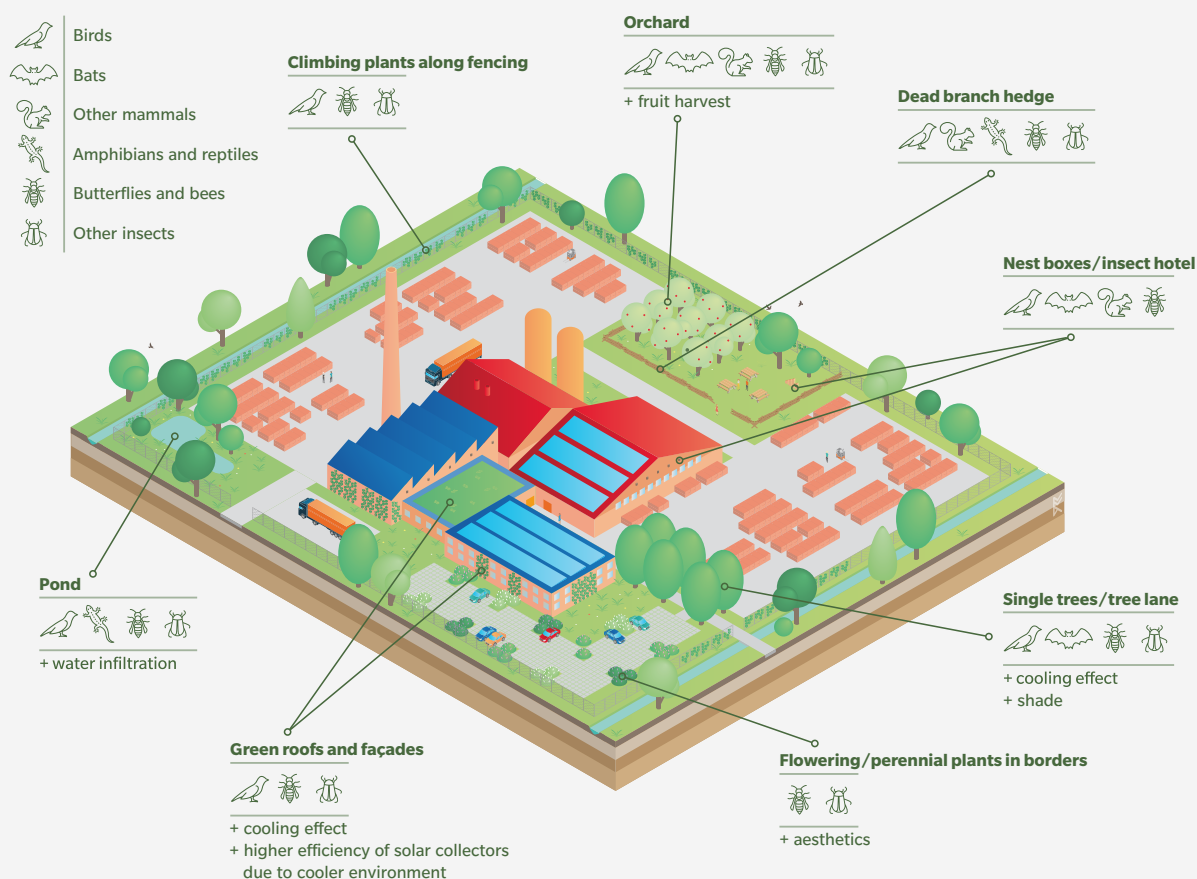
<https://f.hubspotusercontent20.net/hubfs/4783129/Nature%20Positive%20The%20Global%20Goal%20for%20Nature%20paper.pdf>

5) A global goal for nature. Nature positive by 2030 (2020) <https://www.naturepositive.org/>

6) Convention on Biological Diversity (CBD), 15th Conference of the Parties



MEASURES ON A FICTIVE WIENERBERGER PRODUCTION SITE



This infographic shows measures on a fictive production site. For every measure, the infographic shows which fauna groups benefit most. Furthermore, examples of co-benefits are shown (e.g. water infiltration, fruit harvest, cooling effect, aesthetics).

Wienerberger Biodiversity Program

The Biodiversity Program has been designed as a pragmatic contribution toward preserving and increasing the biodiversity of flora and fauna at urban production sites. The objective of the Wienerberger Biodiversity Program is to convert as much of our land as possible into a high-quality habitat for biodiversity. In 2020 and 2021, we cooperated with external experts to develop a catalogue of biodiversity measures on the basis of our

Biodiversity Program. The document sets out scientifically founded principles that will help us to tap the full biodiversity potential of our (urban) production sites. It outlines over 30 specific measures suited to foster and increase the biodiversity of flora and fauna, including design, management and maintenance measures. It also refers to examples of measures already implemented at Wienerberger sites, the effects of which were already tested at various pilot sites in Europe. For further details, see our website.

BIODIVERSITY ACTION PLANS IN SIX STEPS



The following six-step process represents the corporate standard for the elaboration of individual biodiversity action plans. It is to be applied at all Wienerberger sites and permits the uniform implementation of the biodiversity measures:

1. Mapping of the terrain
2. Presentation of the existing green infrastructure and surveillance of the initial situation
3. Identification of the maximum biodiversity potential
4. Approval of a feasible biodiversity action plan
5. Start of implementation
6. Monitoring of effectiveness

Steps one to four, performed by means of GIS software, are the same at all sites of the Wienerberger Group. First of all, the software maps the terrain of the site (1). Subsequently, existing green infrastructure is recorded (2). On this basis, the maximum biodiversity potential is identified with support from Wienerberger's biodiversity specialists (3). To ensure management commitment, a biodiversity action plan suited to the conditions of the respective site is then approved by the local management team, with budgetary and practical considerations being taken into account (4). Measures aimed at fostering biodiversity, as planned, can then be initiated in cooperation with a local (ecological) gardening establishment (5). Best practices are exchanged within the Group. As a provider of building materials and infrastructure solutions, Wienerberger can use its own products for certain measures taken at the site.

The last step of the process consists in an analysis of the effectiveness of the measures taken (6). In the interest of a scientifically founded approach, the original situation is first surveyed in step two of the process by Wienerberger's biodiversity specialists together with an independent partner well-versed in ecological matters. The species and numbers of birds, butterflies, and other insects, such as bees, bumblebees and hoverflies, are recorded. The presence of these species groups is an excellent indicator of habitat quality and well suited for simple and pragmatic monitoring. Once all biodiversity measures have been implemented, appropriately trained employees will again monitor the species and numbers of birds and insects three times a year. By involving these employees as biodiversity ambassadors, the local biodiversity action plan becomes a narrative that can be communicated within Wienerberger and to the neighboring local communities.

The two most important indicators of the group-wide Biodiversity Program are:

- › **size (in square meters)** of non-paved, biodiverse and ecological surface at the production sites (newly created and/or upgraded)
- › **number of species** identified on these surfaces.

Through the use of GIS software, combined with regular monitoring of these indicators, the program can be evaluated, managed, and analyzed for the success achieved.



Nature conservation during and after the use of extraction sites

For Wienerberger as a producing company, natural resources are indispensable. Our commitment is to supply top-quality products and, at the same time, protect and preserve the environment to the best of our abilities. Wienerberger recultivates and renatures depleted clay extraction sites and makes them available for subsequent use. Depleted clay pits provide ideal conditions as a habitat for rare plants and animals. The necessary measures are implemented in cooperation with local partners from the farming community or with local residents. The responsible and environment-friendly use of clay pits, with due consideration given to the environmental conditions on site and the ecosystem, is an essential aspect of Wienerberger's sustainable business management. We take care not to interfere with protected areas.

In Europe and North America, Wienerberger continuously monitors all its own clay pits used for brick production. The preservation of biodiversity, nature conservation, the protection of the landscape, and a meaningful subsequent use of depleted sites are important sustainability criteria applied in the management and monitoring of clay pits. The entire life cycle of clay pits, from planning to approval to operation and subsequent use, is taken into account.

As a rule, the competent public authority defines the type of subsequent use of depleted clay pits at the time of approval of clay extraction. Environmental impact assessments and ecological studies are therefore always part of the approval procedures. Given the fact that clay pits are to be operated as long and as sustainably as possible, the question of subsequent use usually arises only after several decades. In special cases, Wienerberger even takes measures to renature parts of the clay pit while extraction is still going on. In cooperation with experts, every effort is made to create the best possible living conditions for rare species. For example, we support the planting of vegetation likely to attract certain types of animals.

Depleted clay pits, with enough open space and water gathering in ponds, have the potential to become an ideal habitat for plants and animals.

Step by step, our clay extraction sites are converted into habitats for plants and animals that are at risk of extinction. An excellent example is Orchard Farm in Kent, in the southeast of England, which now provides ideal living conditions for the crested newt.

Protecting nature can go hand in hand with the creation of recreational areas for people, such as the "Wienerberg Recreation Area" in Vienna, a former clay pit that has become a bird sanctuary and a recreational space.

By fostering biodiversity at all our sites, we improve land use and create high-quality habitats for numerous species of plants and animals. Our objective is to ensure that in the long term land use by Wienerberger has a positive impact on biodiversity. To this end, we will upgrade existing surfaces and enter into new partnerships for compensatory measures.

As regards the processing of raw materials, we not only focus on quarries, but also take measures to protect the environment by avoiding contamination with plastics, e.g. through Operation Clean Sweep (see page 101).

Avoidance of Hazardous Substances

We conscientiously ensure the avoidance and, where this is not possible, substitution of hazardous substances. Wienerberger meets all legal requirements at the European, national, and regional levels regarding the avoidance and substitution of hazardous substances, especially in raw materials. Compliance with all legal provisions is being monitored continuously and corrective measures, if necessary, are taken without delay.

Based on an internal guideline, uniform management practices regarding the avoidance of hazardous substances are in place at all production sites of the Wienerberger Building Solutions Business Unit. The guideline provides for a strict classification of inputs and contains mandatory instructions for employees on the use of secondary raw materials and the avoidance of hazardous substances at the production sites. Compliance with all provisions is verified on the basis of annual raw material reports.

Contribution of Products to the Fostering of Biodiversity

Wienerberger aims not only to improve people's quality of life, both at home and in their social and professional environments, but also to make a positive contribution to the protection and preservation of biodiversity. Wienerberger therefore designs and produces appropriate products and systems for buildings and infrastructure solutions.

In urban areas, biodiversity is increasingly threatened by rising temperatures and soil sealing. Non-sealed, green surfaces provide a habitat for plants and animals and also improve people's quality of life. They have a cooling effect and benefit the micro-climate. System solutions developed by Wienerberger Piping Solutions can be used for the irrigation of green roofs, façades, and surfaces on the ground. Pipe systems for the collection and storage of (rain) water, which can subsequently be used for irrigation, are also available from Wienerberger Piping Solutions. Such systems are equally suited to supplying green roofs and façades with water.

System solutions for unsealed surfaces in light colors have a notable cooling effect and therefore improve the micro-climate. Pavers produced by Wienerberger Building Solutions help to manage the negative consequences of extreme weather conditions, such as heavy rainstorms, which are likely to occur more frequently in the future. Together with irrigation and infiltration systems from Wienerberger Piping Solutions, they prevent flash flooding in cities with mostly sealed surfaces.

Ceramic products by Wienerberger are also suited for the creation of insect hotels and nesting space for small mammals. This is a perfect way of fostering biodiversity in urban areas without impairing the quality of life of the buildings' human inhabitants. Green roofs and façades provide additional nesting space and a source of food for various animal species. Wienerberger has designed solutions to accommodate bird and bat boxes under roofs and on façades.

When designing our products and system solutions, we also have the topic of biodiversity in mind. Through the increased use of secondary raw materials and the dematerialization of selected products without any quality trade-off, Wienerberger reduces its consumption of natural raw materials. Durable products and system solutions with a long life cycle also reduce the burden on the environment. Specific examples include the Durofort wastewater and drainpipe produced by Pipelife Netherlands, which is made entirely from recycled material, and our pipes with three lives, the useful life of which can be prolonged to 300 years and more through multiple recycling of the material (see page 102). Our circularity goals and measures, which also have an impact on our endeavors relating to biodiversity, are described from page 96 onward.

Wienerberger will continue its efforts to preserve, protect, and increase biodiversity at its sites and develop further products and system solutions with this goal in mind.



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EMPLOYEES & SOCIAL IMPACTS

WIENERBERGER EMPLOYEES

Wienerberger's employees are the company's most important success factor. Thanks to their know-how and their dedication, we are able to sustainably improve people's quality of life with our products and system solutions. We are committed to diversity and equal opportunities in our company and promote the development of the full potential and the talents of our employees. We offer them a safe and motivating work environment.

Targets of our Sustainability Program 2023



Wienerberger is aware of the fact that the percentage of women in specific positions is only one of many important aspects of diversity. Our targets regarding the percentage of women are to be taken as a first step: Our main concern is not to define quotas, but to build awareness for the positive impact of gender equality.

Target 2023



At Wienerberger, we believe in advancing and supporting our employees in a targeted manner and in facilitating networking and an international exchange of knowledge.

WIENERBERGER SOCIAL IMPACTS

Wienerberger is committed to creating the greatest possible benefit for society. For many years, we have been supporting social projects and institutions. With a special focus on the countries we operate in, we help to provide housing and decent living conditions for people in need within the framework of social projects.

Target of our Sustainability Program 2023



Built with our products
and in the markets we operate in.



Employees & Social Impacts

Our employees constitute the basis of our success and are a key factor for the successful further development of our company. We are convinced that our sustainable economic success is based on the skills, the diversity, and the dedication of our employees, as well as our corporate culture.

We regard it as our task to create a stable and safe work environment for all Wienerberger employees. We provide the basis and the necessary conditions to ensure the safety and health of our employees. At the same time, we promote the advancement of individual careers in many ways. Our approach relies on an effective communication culture within the company, consistent involvement of our employees, and a motivating work environment.

Our values provide the basis for our entrepreneurial activity. Responsibility, integrity, and respect are the values we regard as particularly important in our relationship with our employees. In 2021, Wienerberger published a comprehensive Code of Conduct, which is now being implemented across the Group, the objective being to make each and every employee fully aware of its contents. A group-wide whistleblowing system, set up in 2021 by Wienerberger in cooperation with SeeHearSpeakUp as its external partner, is available for all employees wishing to report any misconduct observed – anonymously, if so desired.

Through targeted measures, we address topics such as occupational health and safety, skills and competence development, as well as diversity and equal opportunities, as a basis for effective steering by the management. The related processes are supported by our Safety, Health and Education (SHE) reporting, a tertiary system of key data collection in the fields of occupational safety and health, training, and employee development.

In the following sections, we provide an overview of our initiatives, tools, and processes, as well as our performance in the following areas of human resources (HR) management:

- › Occupational safety and health
- › Job creation and stability of employment
- › Competence development and advancement of our employees
- › Diversity and equal opportunities
- › Digitalization in human resources management

Wienerberger is committed to creating the greatest possible benefit for society. We are doing our utmost to ensure safety and health along our supply chain, and we care about the protection and health of local residents as well as customers. Moreover, Wienerberger is involved in numerous social projects and initiatives aimed at meeting the urgent demand for housing for people in need. At the end of this chapter, we offer some insight into the following aspects of our social impact:

- › Safe and healthy with Wienerberger
- › Societal commitment

Occupational Safety and Health

Wienerberger takes its responsibility for providing safe and healthy working conditions for its employees very seriously. We firmly stand by our commitment to the primacy of safety as a principle of our work.

WIENERBERGER HEALTH & SAFETY POLICY

Our vision is to be the producer and supplier of building materials and infrastructure solutions with the best safety record in our sector of industry. We have set ourselves a clear goal: zero accidents!

In 2021, in an effort to further pursue this target, Wienerberger Building Solutions (WBS) and Wienerberger Piping Solutions (WPS) jointly implemented a new Health & Safety Policy, which is based on the commitment, compliance, and responsibility of each and every one of us.

At Wienerberger, we are convinced that the health and safety of our employees generate added value for the company and for society, and lead to enhanced employee commitment. More than ever before, our company is making every effort to create a safe and healthy work environment, from the daily routine in our factories and offices to the sites of our customers and the local communities.

We employ effective health & safety management systems throughout our organization in order to ensure that we can achieve our most important goals:

- › Risks are identified and mitigated to the lowest practically feasible level.
- › All accidents, incidents, and safety concerns reported are thoroughly investigated to determine the cause and take appropriate corrective measures.
- › Everyone is sufficiently trained and informed to perform our activities as safely as possible.
- › As a prerequisite for accident prevention, our plants must be well managed and properly maintained and be in perfect condition.

As described in the following, we are working on initiatives, tools, and processes aimed at continuously improving occupational safety and health:

- › Wienerberger Safety Standards
- › Contingency planning
- › Safety training
- › Notification of work-related hazards or hazardous situations
- › Procedures for the investigation of work-related safety and health incidents
- › Involvement of our employees in the development of safety and health management systems at the workplace
- › Occupational health services
- › Safety, health, and human rights at our own raw material extraction sites
- › Protection from exposure to respirable crystalline silica
- › Group-wide efforts to cope with the COVID-19 pandemic
- › System for the collection of occupational accident data

In the following, we also disclose developments within the Wienerberger Group in respect of accident frequency, accident severity, and types of injuries, sick-leave days, and protection from exposure to respirable crystalline silica, presenting data as a three-year trend.

Wienerberger Safety Standards

To ensure the occupational safety and health of our employees at the workplace, each business unit implements its own internal programs based on relevant legal provisions, sector-specific standards and requirements, and local rules and regulations. The subject-specific contents of these programs are described in the following sections. For example, 15% of all Wienerberger Building Solutions (WBS) sites and 12.5% of all Wienerberger Piping Solutions (WPS) sites have been certified according to ISO 45001 Occupational Health and Safety Management Systems¹. In the coming years, certification according to this standard is to be rolled out step by step to all countries. Since 2020, the Wienerberger Health & Safety Policy has been in place throughout the Group. The policies, programs, and activities described in the following are being consistently implemented. No further provisions on occupational safety and health have been laid down in collective bargaining agreements.

1) ISO 45001 replaced OHSAS 18001.



By 2022, the Wienerberger Building Solutions Business Unit (WBS) will introduce the first version of the “Occupational Health & Wellbeing Standard” in order to harmonize the measures taken in the country organizations. Moreover, a standard for working at height will be implemented. Additionally, so-called functional safety audits are performed to verify conformity with the corresponding European standards (e.g. EN 13849/12100).

The WPS health & safety management is based on three strategic pillars, which are to guarantee occupational safety and health within the company. On the one hand, safety management is focused primarily on improving the Visual Safety Leadership Program and the active involvement of executives in efforts to build awareness for safety and health aspects. On the other hand, employees are to be more strongly involved in the identification of safety concerns and hazardous situations. As a result, the importance of a safe work environment and the reduction of risks – the third pillar of the strategy – are brought to everyone’s attention, not least through initiatives such as LOTOTO or the machinery and equipment safety standards.

Contingency planning

Wienerberger employs the method of contingency planning for various safety topics and areas of work. This includes the posting of warning signs, notices on machines and, in particular, initiatives such as LOTOTO (Lock-Out, Tag-Out, Try-Out), a safety system which disconnects the power supply to machines and equipment while repair and maintenance work is going on and subsequently verifies that the safety mechanism is operational. To ensure compliance with the group-wide requirements, a LOTOTO standard has been implemented, which is subject to continuous further development and verification by an external partner. By 2022, the LOTOTO initiative is to be translated into all languages and rolled out to all countries. Apart from the technical and mechanical safety provisions and notices, continuous training on occupational safety is being provided.

LOTOTO INITIATIVE (LOCK-OUT, TAG-OUT, TRY-OUT)

Lock-Out: Switch off and lock

Tag-Out: Post an information notice

Try-Out: Check if the machine has been properly switched off or locked

LOTOTO is a safety procedure by which sources of energy are properly switched off and isolated during maintenance and repair work. It ensures that equipment or machinery is switched off and labelled while undergoing repair, and that these measures are checked. The standard not only requires isolation from mechanical, electrical, and hydraulic energy, but also from chemical, thermal, and explosive sources of energy. This safety procedure protects workers from the dangers of live machinery or electricity.

Safety training

Safety training at all levels is key to a successful safety culture at Wienerberger. We therefore provide target group specific training, depending on the position and field of work of the employees concerned.

Wienerberger provides various safety training programs for its employees, partly on site and in national or local languages. Besides courses with physical attendance at the production sites, e-learning programs are also available.

Wienerberger has launched the “Visible Management Leadership” initiative, in the course of which persons in management positions at the production sites make every effort to enhance the employees’ safety and health awareness. In doing so, they visibly demonstrate their own awareness and their personal commitment to health and safety. This also serves to highlight the strengths and weaknesses of our safety system.

Every employee of the Group has to undergo a uniform introductory safety training module. Additionally, we have designed a training matrix, on the basis of which every employee is provided with an occupational safety and health training roadmap. This serves to create a work environment in which safety always comes first.

Notification of work-related hazards or hazardous situations

At Wienerberger Building Solutions and Wienerberger Piping Solutions, work-related hazards or hazardous situations are identified and evaluated by means of a Health & Safety (H&S) app. Employees can report safety concerns via this app without having to fear any negative consequences for themselves. Training is provided on how to use the app. Given our strict reporting requirements, not only the local H&S managers, but also the heads of H&S of both business units have access to the safety concerns reported.

Every Wienerberger employee is obliged to immediately interrupt or stop any activity or procedure that is deemed to be unsafe or not in compliance with the safety regulations. Work is not to be resumed unless safety is again guaranteed.

Reporting safety concerns is also strongly encouraged at Group level. Depending on the area of work, including in an office setting, potential hazards can be reported to the appointed safety officers, the works council, or a safety expert. An occupational safety committee (OSC) or a comparable institution has been established in each of Wienerberger's country organizations, its task being to prioritize the risks identified and initiate appropriate measures. Safety warnings and important findings are to be evaluated at all levels of the organization. For the purpose of a thorough analysis of crucial safety and health indicators, above all lost time accidents (LTA), quarterly meetings between Business Units, Human Resources (HR) and employee representatives (Chairman of the European Works Council) take place.

Procedures for the investigation of work-related health and safety incidents

Wienerberger has defined and implemented clear procedures for the investigation of work-related accidents and incidents at the various management levels. Above all, the local H&S management is involved in the process. Additionally, such incidents are thoroughly analyzed at Group level (by HR, works council, and management), at business unit level (by the Head of Health & Safety), and across business units.

By 2022, the first version of the "Occupational Health & Wellbeing Standard" will be introduced at the Wienerberger Building Solutions Business Unit (WBS). The standard is focused primarily on the harmonization of measures taken by all WBS country organizations. In 2021, a new standard for work at height – the Working at Height Group Standard – was introduced. This standard makes it obligatory to assess the risk of such work and check the mobile equipment in use (mobile aerial work platforms, elevators, etc.), as well as portable equipment, such as scaffolding, ladders, safety belts, and railings. According to the "Machinery Safety Standard", other machinery and equipment, too, are to be assessed more thoroughly so that risk-mitigating measures can be taken in due time. To this end, so-called functional safety audits are performed. Within the framework of these audits, machinery and equipment are checked for conformity with the corresponding European standards (e.g. EN 13849/12100). WBS intends to perform such functional safety audits at 33% of its sites within the coming three years. Compliance with the "Conveyor Standard" is to be verified again in all country organizations in order to ensure competent handling of the equipment and to further sharpen our employees' risk awareness. High-risk areas are identified and appropriate measures taken.

The WPS Business Unit defined machinery and equipment safety standards, which are to guarantee the occupational safety of WPS employees.



Involvement of our employees in occupational safety and health management systems

Wienerberger involves its employees in the development and implementation of occupational safety and health management systems, for instance by organizing general and specific employee surveys, through the works council as the body representing employee interests, safety officers, the respective occupational safety committee (OSC), and the H&S app.

At WBS, special efforts are being made to strengthen communication with “frontline” workers in order to counteract anxieties and reservations regarding safety and health protection. To this end, employees are being recognized for their efforts and best-practice examples are highlighted.

Occupational health services

Services provided for our employees in the field of occupational health vary from country to country. Company physicians are available to our employees in many countries. Occupational health services provided at the workplace include health screenings, vaccinations, psychological counselling, ergonomic advice, and similar services. On account of the global COVID-19 pandemic, COVID tests are performed free of charge at many sites. Wienerberger also offers a broad range of non-medical health-related services, which are flexibly adjusted to the on-site needs of the country organizations.

Safety, health, and human rights at our own raw material extraction sites

Wienerberger guarantees the protection of fundamental human rights within its own sphere of influence. When signing the Wienerberger Social Charter, Wienerberger undertook to comply with the conventions and recommendations of the International Labor Organization (ILO). It goes without saying that these also apply to our clay extraction sites. Wienerberger makes every effort to ensure compliance with all rules and regulations on occupational safety and the protection of employees from health hazards at its extraction sites. Avoiding occupational accidents and protecting workers from exposure to dust and noise at all extraction sites operated

by Wienerberger are our top priorities. Wienerberger’s group-wide safety standards and the safety programs implemented by WBS apply to all workers at clay pits operated by Wienerberger.

Based on the uniform, group-wide Supplier Code of Conduct, the requirements regarding occupational safety are obligatory also for operators of other clay extraction sites doing business with Wienerberger.

Protection from exposure to respirable crystalline silica

For more than ten years, Wienerberger has participated in the biannual survey regarding exposure of employees to respirable crystalline silica performed within the framework of the NEPSI social partnership agreement (Negotiation Platform on Silica <https://www.nepsi.eu/>²⁾).

Apart from that, Wienerberger is making every effort to provide the best possible protection against respirable crystalline silica³⁾ for its employees. In 2020, a new standard for the protection of employees from exposure to respirable crystalline silica was elaborated, which was implemented in the first half of 2021. The Respirable Crystalline Silica Standard (RCS) covers the following aspects:

- › The performance of tasks or activities in an environment contaminated with respirable crystalline silica must not impair the health and wellbeing of the individual.
- › The hazards and potential risks associated with the exposure to respirable crystalline silica are explained and communicated in comprehensible terms.
- › Persons working with or near crystalline silicon dioxide must not be exposed to hazardous quantities of respirable crystalline silica. The necessary steps are clearly defined and appropriate measures have been implemented.

²⁾ The NEPSI system collects data on potential hazards for employees, health checks, training, the distribution and use of personal protective equipment, and technical measures, such as the enclosure of the production lines concerned.

³⁾ Respirable crystalline silicon dioxide can penetrate into the pulmonary alveoli.

- › The elimination or reduction of crystalline silicon dioxide using the hierarchy of control for exposure to respirable crystalline silica – EEESI (Eliminate, Extract, Enclose, or Suppress It) – is clarified and described in detail.
- › Guidelines for air monitoring protocols, including the frequency of monitoring and the expectations of Wienerberger, are defined.

Within the framework of the “Occupational Health and Wellbeing Standard” of the WBS Business Unit, a new data collection system is being introduced and compliance with the standard aimed at protecting employees from exposure to respirable crystalline silica is being monitored in all countries.

Group-wide efforts to cope with the COVID-19 pandemic

It goes without saying that minimizing health risks and protecting our employees has been Wienerberger’s foremost concern during the COVID-19 pandemic. As a producing company, we also take the protection of our external partners and customers very seriously and are making every effort to support them.

Physical health

The strict safety and health measures implemented in 2020 along our entire value chain were continued in 2021 and adjusted to new requirements. Some examples are listed below:

- › Wienerberger’s comprehensive offer of testing and vaccination services
- › In-house contact tracing
- › Conversion of numerous training and development formats to hybrid and/or virtual training; coverage of new topics of particular relevance during the pandemic, such as “Remote leading of teams”
- › Extension of the subjects covered (digital learning library) by the Wienerberger e-learning platform and rollout to over 4,000 employees by the end of 2021
- › Transition to working from home, if necessary. At the onset of the pandemic, Wienerberger issued a work-from-home policy, which will apply beyond the end of the pandemic and is to be incorporated into a company agreement.

Mental health

We are not only doing our utmost to guarantee the safety of our employees, but also care about their mental health. Since the outbreak of the pandemic, we have therefore been offering new forms of learning in this area. Given that more frequent working from home means reduced contacts among colleagues and with executives, Wienerberger considers it important to pay special attention to the topic of mental health. In this context, clear rules for the digital workplace are indispensable. Wienerberger is currently working on a clear set of rules and appropriate IT support.

An attitude of respect shown by executives also has a substantial impact on the wellbeing of employees and their ability to cope with the new work environment. In this context, Wienerberger cooperates with Dr. Bernd Hufnagel, a Vienna-based neurologist and brain researcher, whose scientific expertise is instrumental in optimizing the work environment for our employees

System for the collection of occupational accident data

Within the framework of Safety, Health and Education (SHE) reporting by the Wienerberger Group, all accidents that lead to a loss of at least one working day for the employee concerned are documented as occupational accidents. Moreover, Wienerberger Building Solutions has set up its own safety platform and Wienerberger Piping Solutions operates its own safety portal. The circumstances of each individual accident and measures taken to improve safety are documented in detail.



Accident frequency

In 2021, the frequency of accidents – defined as the number of occupational accidents per million hours worked – was reduced to 4.4 at Group level. Year-on-year, accident frequency thus decreased by 18.7% (2020: 5.4). The Wienerberger Building Solutions Business Unit, in particular, succeeded in significantly reducing its accident frequency by 28.8% to 5.0. Owing

to the relatively low absolute number of occupational accidents in the Wienerberger Piping Solutions Business Unit, the increase in accident frequency from 2.0 in 2020 to 3.9 in 2021 translated into a high relative change (+96.4%). In contrast, the North America Business Unit with its very low accident frequency in 2020 achieved a further reduction by 3% in 2021 (calculated on the basis of non-rounded values).

Accident frequency by operating segment ^{1) 2)}	2019	2020	2021	Chg. in %
Wienerberger Building Solutions	7.2	7.1	5.0	-28.8
Wienerberger Piping Solutions	2.0	2.0	3.9	+96.4
North America	0.9	1.0	1.0	-3.0
Wienerberger Group	5.6	5.4	4.4	-18.7

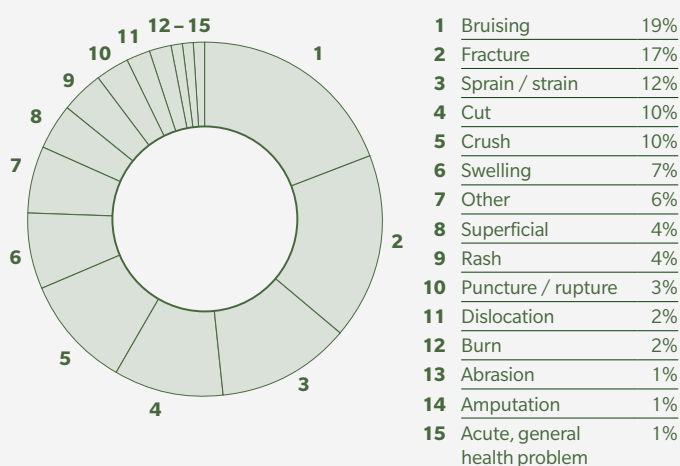
1) Number of occupational accidents / number of hours worked x 1,000,000 // including temporary and agency workers (from their first hour of work at Wienerberger) and employees under term contracts // 2) For five companies newly acquired in 2021, where the necessary data collection structures for non-financial indicators are not yet in place or have to be optimized, the indicators are not included for the 2021 reporting year (for details see page 54). // All non-financial indicators are calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences.

Accident severity and types of injuries

In 2021, as in previous years, the most frequent types of injuries at Group level were bruising, followed by fractures, sprains and strains, cuts, and crushes. The circumstances and causes of every accident are analyzed in detail. Based on these findings, we consistently implement measures to increase the safety of our employees.

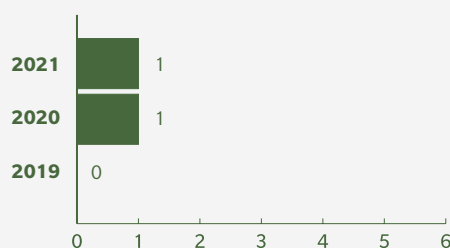
We are saddened to report that in 2021, as in the previous year, one fatal accident occurred within the Wienerberger Group. We deeply regret this accident and will further step up our efforts to provide the highest possible level of safety for our employees. The circumstances of the accident were thoroughly investigated within the Business Unit and beyond, and appropriate steps were taken. We continued to draw our employees' attention to possible hazards and strengthened their awareness of the binding nature of safety rules and the obligatory use of personal protective equipment.

Types of injuries within the Wienerberger Group in 2021 ^{1) 2)}



1) Injuries resulting in a loss of at least one working day // 2) Excluding five companies newly acquired in 2021, where the data collection structures for non-financial indicators are not yet in place or have to be optimized (for details see page 54) // Based on the specific definitions of the individual business units.

Number of fatal occupational accidents within the Wienerberger Group



In 2021, accident severity, measured in accident-related sick-leave days per million hours worked, increased by 1.3% across the Group. Throughout 2021, occupational safety training continued and comprehensive measures

were implemented (see pages 113 and 116). Despite these initiatives and the group-wide reduction in accident frequency, accident severity was minimally above the previous year's level, with 180 sick-leave days reported per million hours worked (2020: 178). This is due to the 2.9% increase in accident severity in the Wienerberger Building Solutions Business Unit, in contrast to the significant reduction in accident frequency in WBS in 2021 (-28.8%) compared to the previous year.

The consistent efforts undertaken by the Wienerberger Piping Solutions Business Unit again led to a notable reduction in accident severity from 50 sick-leave days per million hours worked in 2020 to 33 in 2021. Similar to the previous year, this corresponds to a further reduction by more than one third (-34.6%). The North America Business Unit even succeeded in reducing accident frequency from 35 in 2020 to 13 in 2021, which corresponds to a 61.6% reduction.

Accident severity by operating segment ^{1) 2)}	2019	2020	2021	Chg. in %
Wienerberger Building Solutions	200	235	241	+2.9
Wienerberger Piping Solutions	78	50	33	-34.6
North America	24	35	13	-61.6
Wienerberger Group	158	178	180	+1.3

1) Number of occupational accidents / number of hours worked x 1,000,000 // including temporary and agency workers (from their first hour of work at Wienerberger) and employees under term contracts // 2) For five companies newly acquired in 2021, where the necessary data collection structures for non-financial indicators are not yet in place or have to be optimized, the indicators are not included for the 2021 reporting year (for details see page 54). // All non-financial indicators are calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences.

Sick-leave days

In 2021, the average number of sick-leave days (accident-related and non-accident-related) per employee of the Wienerberger Group (excluding the North America

Business Unit) increased by 6.7% to 11.5 (2020: 10.8). Among other factors, this is due to the higher severity of accidents in the WBS Business Unit and, in some instances, longer sick-leave periods.

Sick-leave days per employee by operating segment ^{1) 2)}	2019	2020	2021	Chg. in %
Wienerberger Building Solutions	11.2	11.3	12.0	+6.5
Wienerberger Piping Solutions	8.9	9.1	9.7	+7.4
Wienerberger Group excluding North America	10.7	10.8	11.5	+6.7
North America ³⁾	2.2	3.4	3.1	-9.7

1) Accident-related and non-accident-related sick-leave days. Agency and temporary workers are included in data on accident-related sick-leave days. Data on non-accident-related sick-leave days include all employees directly employed by Wienerberger. // All non-financial indicators are calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences. // 2) For five companies newly acquired in 2021, where the necessary data collection structures for non-financial indicators are not yet in place or have to be optimized, the indicators are not included for the 2021 reporting year (for details see page 54). // 3) Due to special national legal provisions (regarding employees on sick leave) the indicators are not comparable to those of other business units and therefore reported separately.



Job Creation and Stability of Employment

Alongside adequate, safe and health-preserving working conditions, fair remuneration, freedom of assembly, and the right of our employees to collective bargaining are fundamental principles of our human resources management. In 2021, about 69.7% of all Wienerberger employees were covered by collective bargaining agreements.

By signing the Wienerberger Social Charter in 2001, Wienerberger undertook to create employment and working conditions throughout the Group meeting the provisions national legislation and/or collective bargaining agreements as a minimum standard. Wienerberger thus complies with the relevant recommendations of the International Labor Organization (ILO, a specialized agency of the United Nations). It goes without saying that Wienerberger respects human rights and does not tolerate child labor and forced labor or any form of discrimination.

By implementing the Wienerberger Code of Conduct in 2021, we laid down a clear set of rules to be observed by the employer and by employees. For further information on the Wienerberger Code of Conduct, please refer to pages 44-45.

Total number of employees

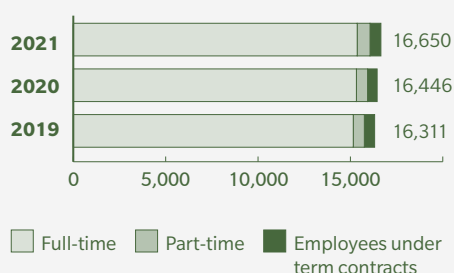
In 2021, Wienerberger, on an annual average, employed a workforce of 17,624 people (full-time equivalents), i.e. 6.1% (1,006 full-time equivalents) more than in 2020. The higher number was primarily due to M&A activities. The most significant increase was reported by Wienerberger Building Solutions (+489), followed by Wienerberger Piping Solutions (+279), and North America (+238).

Owing to the different numbers of full-time equivalents employed by the individual business units, the changes in percentages, as compared to the previous year, showed the opposite trend, with North America reporting the highest increase (+17.6%).

Ø Employees by operating segment ^{1) 2)}	2019	2020	2021	Chg. in %
Full-time equivalents				
Wienerberger Building Solutions	12,466	11,939	12,427	+4.1
Wienerberger Piping Solutions	3,317	3,328	3,606	+8.4
North America	1,450	1,352	1,591	+17.6
Wienerberger Group	17,234	16,619	17,624	+6.1

1) Agency and temporary workers are included from their first hour of work at Wienerberger. // 2) For five companies newly acquired in 2021, where the necessary data collection structures for non-financial indicators are not yet in place or have to be optimized, the indicators are not included for the 2021 reporting year (for details see page 54). // All non-financial indicators are calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences.

Employees by type of employment contract ^{1) 2)} based on headcount



1) Employees directly employed by Wienerberger // 2) Excluding five companies newly acquired in 2021, where the necessary data collection structures for non-financial indicators are not yet in place or have to be optimized (for details see page 54).

In terms of headcount as at 31/12/2021, the number of employees of the Wienerberger Group was 16,650, i.e. 1.2% above the previous year's figure (16,446).

As at 31/12/2021, almost unchanged from the previous year, 92% of the total workforce (headcount) employed by the Wienerberger Group was working full-time and 4% part-time. Employees under term contract accounted for the remaining 4%. A very small part of the work at Wienerberger is performed by staff legally defined as self-employed. The number of employees under permanent employment contracts in 2021 was close to 1% above the previous year's value (+132 permanent employees, headcount), while the number of employees under term contracts increased by 14% (+72 employees under term contracts, headcount).

In principle, Wienerberger intends to reduce the number of agency workers and replace them by employees directly employed by Wienerberger.

Employee turnover

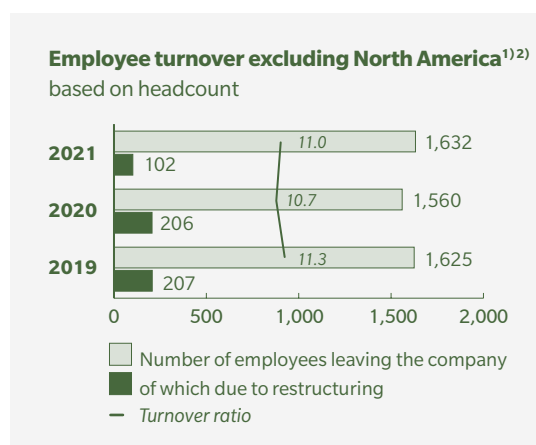
Compared to the previous year, the rate of employee turnover in the Wienerberger Group increased slightly from 10.7% in 2020 to 11.0% in 2021. The Wienerberger Building Solutions Business Unit, in particular, reported an increase in employee turnover from 11.5% to 12.0%,

whereas the Wienerberger Piping Solutions Business Unit saw a slight decrease from 7.7% to 7.6%.

As in previous years, the figures of the North America Business Unit are reported separately, since they are not fully comparable with those of the other business units due to specific national legal provisions. The percentage of the holding company, which is accounted for as part of the North America Business Unit but, given its geographic location, is not subject to these specific national provisions, is included in the total of the Wienerberger Group.

Employee turnover by operating segment ^{1) 2)} in %	2019	2020	2021	Chg. in %
Wienerberger Building Solutions	11.5	11.5	12.0	+4.3
Wienerberger Piping Solutions	10.7	7.7	7.6	-1.6
Wienerberger Group, excluding North America	11.3	10.7	11.0	+3.3
North America ³⁾	27.4	31.0	52.9	+70.7

1) Ratio of persons leaving the Wienerberger Group (termination by employee or employer or mutually agreed termination) to average number of employees (headcount) in permanent employment in the reporting year, excluding temporary and agency workers as well as workers under term contracts; persons retiring or on leave do not count as persons leaving the company. // 2) For five companies newly acquired in 2021, where the necessary data collection structures for non-financial indicators are not yet in place or have to be optimized, the indicators are not included for the 2021 reporting year (for details see page 54). // 3) Due to special national legal provisions the indicators are not comparable to those of other business units. // All non-financial indicators are calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences.



1) Employees with permanent employment contracts. // 2) Excluding five companies newly acquired in 2021, where the necessary data collection structures for non-financial indicators are not yet in place or have to be optimized (for details see page 54).

A total of 1,632 employees, i.e. 72 more than in 2020, left the company in the reporting year (headcount; excluding North America, as the figures are not comparable to those of other business units due to specific national legal provisions). Restructuring measures, such as plant closures, led to the elimination of 102 jobs.

1,580 employees – 229 women and 1,301 men – left the Wienerberger Group for other reasons. 328 of these employees were younger than 30, 787 were between 30 and 49 years of age, and 415 were over 50 years of age.

In 2021, the average length of service with the Wienerberger Group remained remarkably high at 11 years. We regard this as a strong vote of confidence by our employees and an indication of a high level of employee satisfaction.

In 2021, the number of employees newly recruited by the Wienerberger Group rose by 830 compared to the previous year (based on headcount), which corresponds to a 44.0% increase. Owing to Wienerberger's excellent performance in 2021, despite the influence of the COVID-19 pandemic, the recruitment of new employees was again stepped up. In particular, Wienerberger Building Solutions reported 525 more new entrants in 2021 than in 2020 (+45.8%), followed by North America with 231 more new entrants (+63.8%), and Wienerberger Piping Solutions with 74 more new entrants than in the previous year (+19.6%).



New entrants by operating segment ^{1) 2)} based on headcount	2019	2020	2021	Chg. in %
Wienerberger Building Solutions	1,568	1,146	1,671	+45.8
Wienerberger Piping Solutions	462	379	453	+19.6
North America	301	362	592	+63.8
Wienerberger Group	2,331	1,886	2,716	+44.0

1) Employees directly employed by Wienerberger // 2) For five companies newly acquired in 2021, where the necessary data collection structures for non-financial indicators are not yet in place or have to be optimized, the indicators are not included for the 2021 reporting year (for details see page 54). // All non-financial indicators are calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences.

Competence Development and Advancement of our Employees

At Wienerberger, we believe in advancing and supporting our employees in a targeted fashion and in facilitating networking and an international exchange of knowledge. All Wienerberger training programs are aimed at providing training that is tailored to the employees' specific areas of work and designed to facilitate long-term succession management. The training programs comprise internal and external initial and further training measures.

Within the framework of our Sustainability Program 2023, our target for the entire Wienerberger Group regarding the development and advancement of our employees is:

“10% more hours of training per employee by 2023, as compared to 2020“

Wienerberger also takes targeted measures to increase employee satisfaction. For this reason, we conduct anonymous employee surveys throughout the Group. Based on the results obtained, we implement further measures that also take specific requirements in individual fields of business into account.

In 2021, the number of hours of training per employee already increased by more than 23%, as compared to the previous year.

The following sections contain a detailed description of our measures and list further indicators of competence development and the advancement of our employees.

Training and HR development

In 2021, as in previous years, the Wienerberger Group took a number of initiatives – always strictly in compliance with all the necessary COVID-19-related protective measures – aimed at advancing and supporting employees in a targeted fashion and facilitating an international exchange of knowledge.

As the accuracy of recording the number of training hours per employee was further improved in 2021, the indicators reported for 2020 had to be corrected. Hence, the basis for calculating our target of increasing the number of training hours per employee compared to the reference year 2020 had to be adjusted accordingly. The indicators concerned are restated in the following table.

In 2021, the average number of training hours per employee increased significantly from 10.6 to 13.1 hours (+23.2%). As this development shows, we outperformed our target of a 10% increase in the number of training hours set for 2023, as compared to 2020, already in 2021. We are now making every effort to consolidate this increase and to maintain or further increase the number of training hours per employee. The necessary reduction in the number of physical meetings due to COVID-19-related contract restrictions had a negative impact on the frequency of on-site training, which was, however, offset through the use of alternative formats.

Training hours per employee and year by operating segment ¹⁾²⁾	2019	2020	2021	Chg. in %
Wienerberger Building Solutions	17.3	12.0	14.4	+19.8
Wienerberger Piping Solutions ³⁾	11.7	6.8	9.3	+36.1
North America	15.0	6.8	10.4	+51.8
Wienerberger Group ³⁾	16.0	10.6	13.1	+23.2

1) Internal and external initial and further training measures per employee (headcount). International training events are not included in this table. // Employees directly employed by Wienerberger. // 2) For five companies newly acquired in 2021, where the necessary data collection structures for non-financial indicators are not yet in place or have to be optimized, the indicators are not included for the 2021 reporting year (for details see page 54). // 3) The indicators reported for 2020 were corrected, as the accuracy of recording the number of training hours per employee was further improved in 2021. // All non-financial indicators are calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences.

Wienerberger's focus on health and safety remained strong and the related training programs were stepped up as well. Across the Group, significantly more safety training was provided in 2021 than in the previous year. The Wienerberger Building Solutions and North America Business Units, for example, doubled the number of safety training hours per employee, as compared to the previous year. Training within the framework of our safety programs enjoys a high priority and is being thoroughly and consistently implemented. The data collection tools currently used by Wienerberger do not permit a group-wide breakdown of hours spent in training by gender, age group, functional area, or position of the participants.

For high-potential employees pursuing a career as experts, a new development path was created in 2020: the Ready4Expertise program. Within the framework of this three-module further training program, target group specific contents, such as strength-based self-leadership, lateral leadership, and remote working, as well as change and intercultural management, are being communicated. In 2021, nine participants successfully completed the first round of this program. Currently, the course is being attended by 12 participants. At the same time, we are continuing our Ready4Excellence program, which promotes the development of our junior executives and high-potential employees pursuing a general, cross-divisional career goal. Over 130 colleagues have already attended this program and undergone training in areas such as feedback, project communication, conflict management, change management, and intercultural skills. In 2021, nine employees from six different organizations joined this program.

In 2021, a new initiative under the heading of "Innovation" was launched across the Group: the Lean Innovator Program. Wienerberger's efforts to advance ground-breaking innovations require the adoption of a uniform working method, which in future is to be based on the Lean Canvas Method. In 2021, 30 employees have already completed this program.

In 2020, Wienerberger launched a learning platform for the Group, where various training programs, some of them available group-wide and others country-specific, can be accessed. Training programs requiring physical attendance as well as e-learning courses are offered on this platform. The number of users increased from about 300 when the platform was launched in mid-2020 to more than 4,000 by the end of 2021. The platform is to be rolled out to additional country organizations with an enlarged offer of training programs, especially for e-learning.

The table on "Training hours per employee and year" includes neither international training programs, such as Ready4Excellence or the Leadership Journey, which are organized centrally and financed by the holding company, nor on-the-job training. Including international training programs, the number of hours per Wienerberger employee spent in training amounted to 13.5 in 2021, which represents a significant increase compared to 11.0 hours in 2020.

In the interest of well-structured, transparent, and long-term management of career and succession planning, an annual process for the evaluation of senior management and succession planning, in particular for senior management positions, has been implemented. In 2021, 193 persons (excluding Managing Board members) were included in the management database.



Employee satisfaction

In 2021, an employee satisfaction survey was performed simultaneously among all employees of the Group. In line with the usual practice of such surveys, information on the level of employee engagement and enablement was collected. As empirically validated by numerous studies, these dimensions show very well how motivated and enabled our employees feel. The employees' assessment of measures taken on the basis of the last employee survey was also evaluated. With a return rate of 80%, participation in the 2021 employee survey was considerably higher than in the survey conducted in 2017/2018 (66%). The results of the survey, broken down by business unit and department, were communicated to all employees at the respective sites.

Compared to the 2017/2018 survey, the results of the 2021 survey showed a significant increase in both engagement (+3%) and enablement (+2%). In comparison with the survey results of other organizations from the producing industry, Wienerberger notably outperforms the sector average, especially in terms of enablement (employees being or feeling enabled). Based on the 2021 results, we initiated or continued to implement follow-up measures, including improvements of the work environment (renovation, improvement of processes and structures in production, improved working tools), measures regarding the leadership culture, team-building efforts, or engaging in dialogue with external stakeholders. The package also comprises targeted initial and further training initiatives and the optimization of workflows and communication processes.

Following the regular cycle, the next employee survey is to be conducted in 2023.

Diversity and Equal Opportunities

Wienerberger is convinced that sustainable economic success is based on the diversity, the skills, and the dedication of our employees, as well as on our corporate culture. We therefore want to bring together people of any gender with diverse talents, personality features, career histories and cultural backgrounds. (For information on our diversity policy, please refer to the 2021 Corporate

Governance Report on page 178). The resultant diversity of competencies and the internationality of our employees reflect the diversity of our customers, investors, business partners, and markets, reaffirm our innovative mindset, and make us fit for the challenges of a dynamic and fast-changing business environment.

Our values include integrity and respect. The principles of human resources management at Wienerberger ensure that all employees, regardless of age, gender, culture, religion, origin, or other diversity features, have the same rights and opportunities. Based on these principles, Wienerberger does not tolerate any form of discrimination.

In 2009, we started to collect data on diversity and equal opportunities within the framework of our sustainability reporting. Since the beginning of data collection, no incidents of discrimination have been reported.

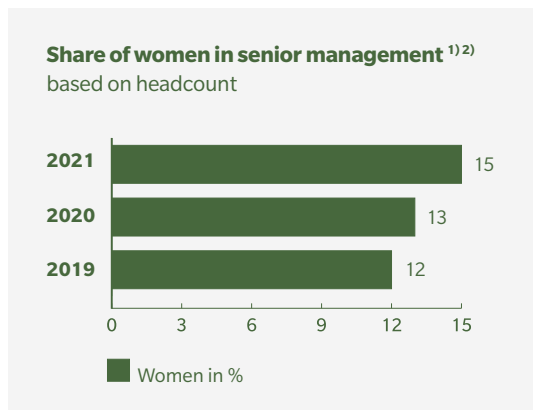
The international character of the company is strengthened through a system of job rotation between different functional areas and country organizations, which enables people to gain deeper insights and new perspectives in various fields of work. Wienerberger's corporate and cultural identity is characterized and positively influenced by cultural diversity.

Within the framework of our Sustainability Program 2023, we have set the following diversity targets for the employees of the entire Wienerberger Group:

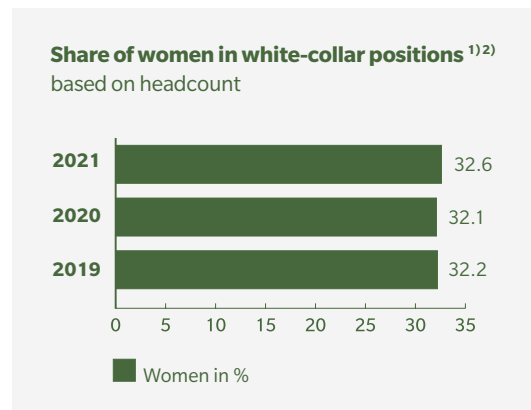
"At least 15% women in senior management positions"

"At least 30% women in white-collar positions"

Wienerberger is aware of the fact that the percentage of women in specific positions is only one of many important aspects of diversity and regards these targets as a first step. In pursuing our targets regarding the percentage of women in specific positions, we do not aim to define quotas, but want to build positive awareness of gender equality.



1) Exclusively employees directly employed by Wienerberger. // 2) Excluding five companies newly acquired in 2021, where the necessary data collection structures for non-financial indicators are not yet in place or have to be optimized, the indicators are not included for the 2021 reporting year (for details see page 54). // All non-financial indicators are calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences.



1) Exclusively employees directly employed by Wienerberger // Share of women in administration and sales (including marketing and inventories) // 2) Excluding five companies newly acquired in 2021, where the necessary data collection structures for non-financial indicators are not yet in place or have to be optimized, the indicators are not included for the 2021 reporting year (for details see page 54). // All non-financial indicators are calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences.

Share of women

In 2021, 2,560 women (headcount) were employed by the Wienerberger Group, up by 3% from the 2020 figure. In percentage terms, the share of women employed by the Wienerberger Group increased by another 2%.

In the interest of further promoting diversity, diversity training programs and e-learning courses were implemented in 2021. Moreover, diversity aspects were incorporated into HR processes (e.g. recruiting processes) and guidelines, such as the Senior Management Recruiting Guideline.

In 2021, the percentage of women in senior management positions increased to 15%, as compared to 13% in the previous year.

We continue to give preference to women in senior management and executive positions, provided their qualifications are equivalent to those of male candidates.

In 2022, Wienerberger will begin to elaborate a diversity policy in the form of a "Diversity Charter". On this basis, a package of measures and activities, such as coaching for female employees enabling them "to reach the next higher level" or enhanced visibility of successful women in the company, will be developed.

In 2021, the percentage of women working in white-collar positions increased slightly (+1%) from the previous year's value of 32.1% to 32.6%.

In 2019, a woman was appointed to the Managing Board of Wienerberger AG, where she has held the position of COO of Wienerberger Building Solutions since 2020. In 2021, as in the two previous years, the share of women on the four-member Managing Board therefore was 25%. As regards the Supervisory Board, 40% of its members were women in 2021 (2020: 30%) and thus increased by one third.

As at 31/12/2021, the total percentage of women employed by the Wienerberger Group was 15.4%, i.e. another 2% above the previous year's value of 15.1%. The percentages of women in the individual functional areas have remained almost unchanged compared to 2020.



Numbers and percentages of women by function area ^{1) 2)}		31/12/2019	31/12/2020	31/12/2021	Chg. in %
Women	Headcount	2,414	2,479	2,560	+3%
In production	in %	4.6	4.8	5.0	+5%
Administration	in %	46.7	46.1	45.2	-2%
Sales (including marketing and inventories)	in %	26.1	26.1	26.8	+3%
In white-collar positions (administration and sales) ³⁾	in %	32.2	32.1	32.6	+1%
Wienerberger Group	in %	14.8	15.1	15.4	+2%

1) All employees directly employed by Wienerberger. // 2) For five companies newly acquired in 2021, where the necessary data collection structures for non-financial indicators are not yet in place or have to be optimized, the indicators are not included for the 2021 reporting year (for details see page 54). // 3) All employees except in production. Sales including marketing and inventories // All non-financial indicators are calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences.

Types of employment contracts



1) Employees directly employed by Wienerberger. // 2) For five companies newly acquired in 2021, where the necessary data collection structures for non-financial indicators are not yet in place or have to be optimized, the indicators are not included for the 2021 reporting year (for details see page xx). // All non-financial indicators are calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences.

In 2021, the percentage of women in permanent employment working full-time was 81.8% (2020: 82.7%), compared to 94.2% of men (2020: 95.1%).

The percentage of permanently employed women working part-time was 14.3% in 2021, unchanged from the previous year. The relative percentage of permanently employed men working part-time increased slightly from 1.8% in 2020 to 2.4% in 2021.

Nevertheless, of all employees working part-time, the percentage of women remains comparatively high.

The percentage of women directly employed by Wienerberger under term contracts was 3.9% in 2021, i.e. slightly higher than the corresponding percentage of men directly employed by Wienerberger under term contracts (3.5%).

Age structure



1) Employees under permanent employment contracts // 2) Excluding five companies newly acquired in 2021, where the necessary data collection structures for non-financial indicators are not yet in place or have to be optimized, the indicators are not included for the 2021 reporting year (for details see page 54).

The average length of service of 11 years with the Wienerberger Group is reflected in the age structure of our permanently employed workforce in 2021, which hardly changed in comparison to 2020. In 2021, 50% of our employees were between 30 and 49 years old. As in the previous year, 12% were younger than 30 and 38% older than 50 years. Thus, the age structure of our employees under permanent employment contracts was exactly the same in 2021 as in 2020.

Digitalization in Human Resources Management

Across the Group, digitalization is a central topic for Wienerberger, which concerns all areas of business: procurement, production, commercial activities, and, of course, human resources.

Digitalization projects in HR management, as in other areas, facilitate the group-wide collection of data, which can then be structured and evaluated by a simple click and interpreted in the form of meaningful KPIs, the ultimate goal being to further improve the work environment at Wienerberger. To this end, work on the introduction of a group-wide HR information system was begun 2021. In the future, the system will be developed into a central People Platform at Wienerberger. In this context, the strategic HR and People Processes will be further harmonized so that more highly differentiated data can be obtained and decisions taken in a more targeted manner.

Safe and Healthy with Wienerberger

We are committed to protecting people's safety and health along our supply chain and during the installation and use of our products.

- › We are committed to maintaining good relations with local residents in the vicinity of our plants and clay pits.
- › We are committed to ensuring a healthy indoor climate and good air quality in buildings.
- › We are committed to providing climate-resilient housing.

A safe and healthy work environment, as well as safe and healthy living conditions along the entire value chain, is a matter of high priority for Wienerberger. We therefore focus not only on the safety and health of our employees, but also on the safety and health along the supply chain, of local residents, customers, and users of our products.

Protection of local residents

Local residents and the environment are directly affected by our production activities and the extraction of raw materials. We are making every effort to minimize these impacts by employing the most advanced technologies in our plants, taking efficient measures to reduce emissions, and optimizing our logistics. As regards the extraction of clay, Wienerberger has committed itself to taking extensive health and safety measures and minimizing the exposure of employees and local residents to noise and dust. A trusting relationship with local residents and effective measures to protect their health and safety are important to Wienerberger. We therefore seek to engage in open dialogue with all those concerned.

Safe and easy use of our products

We are continuously optimizing our products and system solutions in order to facilitate their use by our customers: architects, design engineers, home builders, and craftspeople.

Ease of installation is an essential factor for users of our products. At Wienerberger Building Solutions, for



instance, we support architects and design engineers with analog and digital design tools and personal advice. Concrete pavers are being improved for easier installation. At Wienerberger Piping Solutions, years of work have gone into solutions that facilitate the installation and use of plastic piping systems.

Our qualified and well-trained employees as well as our service centers support our customers to the best of their abilities in the application of our products and system solutions.

It goes without saying that Wienerberger complies with all legal requirements at European, national and regional level regarding the avoidance and substitution of hazardous substances (see chapter “Biodiversity & Environment”, page 108).

Healthy and climate-resilient housing and living

Rising expectations to be met in the design of affordable, energy-efficient, and climate-resilient housing and infrastructure represent new challenges for society. With our energy-efficient building material solutions we contribute to the protection of the environment and support healthy living through an optimized indoor climate. Wienerberger products and system solutions are an integral part of sustainable building concepts. They are not only extremely durable, but also guarantee a high quality of indoor air, reduce indoor heating requirements in winter, create a pleasant indoor climate in summer, and thus contribute to the development of climate-resilient architecture, not least on account of their heat storage capacity.

Given the increasing pace of climate change (as evidenced, for instance, by rising summer temperatures and the growing frequency of overheating), the influence of open spaces on the micro-climate is gaining in importance. With its products and system solutions, Wienerberger supports measures that contribute to the adaptation to climate change (see chapter Climate Protection & Adaptation to Climate Change, page 84).

Societal Commitment

As a supplier of building material and infrastructure solutions, we want to use our products and our know-how to the greatest possible benefit of society. We continuously support a large number of social projects and organizations in almost all the countries we operate in. We are convinced that we can help best in our fields of core competence: through the provision of solutions for building construction and infrastructure and the dissemination of sustainable building know-how.

Within the framework of our Sustainability Program 2023, our target for the entire Wienerberger Group is:

*“200 housing units¹⁾ per year
for people in need, built with
our products in the markets we
operate in”*

In accordance with the Wienerberger donations policy, we support people in need through product donations in the markets we operate in. Additionally, we provide building construction and infrastructure know-how for social construction projects. Moreover, cooperative volunteering campaigns are organized, with Wienerberger employees providing hands-on assistance in the construction of houses on site.

*In 2021, Wienerberger helped
people in need by supporting the
construction and renovation of a
total of 325 housing units.*

1) Housing unit for humanitarian projects: Buildings: Construction/renovation of residential and non-residential buildings. One housing unit = one single-family house / one apartment / a predefined surface in a non-residential building // Infrastructure (drinking-water or wastewater connection): Construction/renovation: connection of four housing units to drinking water supply or wastewater disposal / connection per predefined surface in a non-residential building = one housing unit

Cooperation with Habitat for Humanity

Providing sustainable, safe, and affordable housing is an important concern of Wienerberger. Over a period of ten years since 2012, the company has been supporting social projects in various countries in cooperation with Habitat for Humanity, an international non-profit organization.

HABITAT FOR HUMANITY (non-profit organization)

Habitat for Humanity, an international non-profit organization founded in the USA in 1976, focuses on the provision of sustainable housing for and with people in need in the poorest regions of the world. All its projects are based on the principle of "helping people help themselves". Habitat for Humanity actively advocates every human being's right to shelter.

According to Habitat for Humanity, Wienerberger has helped about 4,700 people since the beginning of its cooperation with the non-profit organization in 2012 and enabled them to live under healthier and safer conditions. Our cooperation with Habitat for Humanity also contributes substantially toward drawing the public's attention to the importance of affordable housing. So-called "housing forums" are co-organized with Habitat for Humanity, the objective being to build heightened awareness for the importance of social housing among political stakeholders and the public administration.

During the most recent partnership period (2018-2021), Wienerberger supported the construction and renovation of residential and non-residential building as well as the organization of joint "housing forums". The projects were implemented in Bulgaria, Hungary, North Macedonia, Poland, Romania, Slovakia, and United Kingdom. Projects in the USA were initiated in the second half of 2021. Through these efforts, help has so far been provided for 1,561 people in need. The living conditions of 159 families (777 persons) have been improved and 784 people in need of help were supported through community projects (centers for people with disabilities, community centers, renovation of schools, and the like). In total, this corresponds to 176 housing units created. In 2021 alone, 69 housing units were built for 425 people, including 38 families and 235 single individuals.

Big Build is an annual volunteer event at which hundreds of people voluntarily join forces to build homes for families in need. As almost all construction sites operated by volunteers were closed down due to COVID-19 in 2021, Big Build did not take place and fewer construction and renovations projects were launched than in the years up to 2019. The principle of voluntary work is extremely important for all Habitat projects, as the organization would not be able to finance projects carried out exclusively by skilled workers.

In the following, we present a number of projects implemented together with Habitat for Humanity.

Examples of projects carried out in cooperation with Habitat for Humanity

Hungary, Miskolc – Guesthouse for families visiting their autistic relatives living at Willow House: In the past, Habitat cooperated with the Szimbíózis Alapítvány (Symbiosis) Foundation to establish a special facility for people with disabilities. A new building has now been added to provide urgently needed accommodation for people wishing to visit relatives living there. The guesthouse was opened in June 2021. Additionally, two apartments and a two-story community center for people with disabilities were built. The community center, which includes a workshop, will also provide jobs for people with special needs. Altogether, about 20 people per year will benefit from the project.

Poland, Nowy Wiśnicz – Roof renovation: For a family who lost their home and all their belongings in a fire in December 2020, Wienerberger donated roof tiles and all the necessary accessories for the complete renovation of the roof.

**Poland, Bielsko-Biala – Enlargement of an addiction treatment center:**

The center run by the Foundation of the Silesian Blue Cross will be enlarged through the establishment of a special center for recovering addicts comprising a detox center and 15 apartments. The project will be supported as a model program for people at risk of social marginalization. The enlargement of the treatment center will be completed in about two years and benefit some 200 people per year.

Romania, District of Bacău – New houses in Poduri:

New houses were built to offer four low-income families the chance of living in a decent and affordable home. The project is located in Poduri in the District of Bacău, where land was made available free of charge by the Municipality of Poduri. Given the shape and size of the land, semi-detached houses proved to be the best solution. In the summer of 2021, Habitat for Humanity organized a five-day flash campaign from July 12 to 16 for the construction of the second semi-detached house, with 20 volunteers per day setting the roof tiles. Both houses are now finished inside and out and waiting for the beneficiaries to move in. Currently, Habitat is having the necessary documents signed so that the families can move into their first decent and safe homes.

Romania, District of Constanța – New houses in Cumpăna:

Two new housing units built by Habitat for Humanity Romania will offer low-income families the chance of a dignified and affordable home. This is part of a long-standing program in the course of which 16 local families have already been helped to start a new life. A semi-detached house consists of two new housing units accommodating one family each. The land for the construction site was donated by the Municipality of Cumpăna. For one of the semi-detached houses Habitat organized a five-day flash campaign from July 2 to 6. On average, 40 volunteers were on site each day, setting the roof tiles and completing the building up to 75%. A Habitat building team continued the work in the fall. The semi-detached house is now finished inside and out and waiting for the families to move in.

The target groups for these houses are marginalized, low-income families and people living under precarious conditions. The primary objective of the project is to contribute to the development of social housing in Cumpăna and thus help people move out of poverty. The selection of low-income families is made on the basis of their critical needs and living conditions. The project therefore is targeted at families living in rooms that are too small, poorly insulated, and moldy. The beneficiaries are selected regardless of ethnic or social affiliation, religion, and culture.

USA, Memphis and Huntsville: Housing projects for families:

In 2021, 12 families in Memphis, Tennessee, were supported in their home building projects. In Huntsville, Alabama, two families received donations of roof tiles for their houses.

Local partnerships and cooperation projects

Besides its cooperation with Habitat for Humanity, Wienerberger also carries out various construction and renovation projects for people in need, which are organized locally by its country organizations. In 2021, thanks to the commitment of our country organizations, Wienerberger supported the construction or renovation of a total of 256 housing units. Such projects were carried out in Belgium, Bulgaria, Croatia, the Czech Republic, France, Poland, and Romania. Support was provided through product donations and, in some cases, by our employees volunteering on site. A few examples of projects carried out in 2021 are presented in the following:

In **Romania**, Wienerberger donates products to the ELIJAH Association run by Father Georg Sporschill SJ and Ruth Zenkert, which is devoted to the goal of building a better future for families and their children. Help is provided on the condition that fathers cooperate and parents are willing to send their children to school. A special learning program run at the ELIJAH social centers supports the achievement of this goal. In 2021, 11 housing units were built within the framework of humanitarian projects.

In the course of 2021, several regions in **Austria** were unfortunately hit by natural disasters. In Schrattenberg, in the District of Mistelbach in Lower Austria, countless public and private buildings were damaged by a disastrous hailstorm. Our roofing experts from the Gleinstätten plant in Styria provided immediate hands-on assistance in repairing the damage. Additionally, Wienerberger donated a complete truck-and-trailer load of roof tiles for the repairs.

In July 2021, a tornado left a trail of devastation in the south-east of the **Czech Republic**. Hundreds of buildings in seven villages were partly or completely destroyed. At wind speeds of up to 330 kilometers per hour, a number of people were killed and hundreds injured. At the Wienerberger Headquarters in Vienna, not more than 100 kilometers from the site of the disaster, everyone was aware of how serious the situation

was, and immediate action was taken to help people in the most severely affected areas and support reconstruction work. Additionally, building materials worth half a million euros were made available for renovation and reconstruction. To rebuild the destroyed homes, Wienerberger Building Solutions had Tondach roofing systems from the Czech plant at Hranice and Porotherm wall systems delivered on a priority basis. Moreover, Wienerberger Piping Solutions is in regular contact with the local authorities in order to clarify the actual demand and act accordingly as quickly as possible. Certain quantities of products have already been reserved for this purpose.

Our commitment will remain strong in the years to come, and we will be making every effort to live up to our claim to be a useful member of society and to create value for all.



wienerberger

COMPREHENSIVE OVERVIEW OF NON-FINANCIAL INDICATORS

Comprehensive Overview of Non-Financial Indicators

ESG: Compliance & Management Approach

Corporate Governance at Wienerberger ¹⁾		2019	2020	2021
Number within the Wienerberger Group				
Number of incidents of corruption	Number in reporting year	0	0	0
Number of anti-trust violations	Number in reporting year	0	0	0

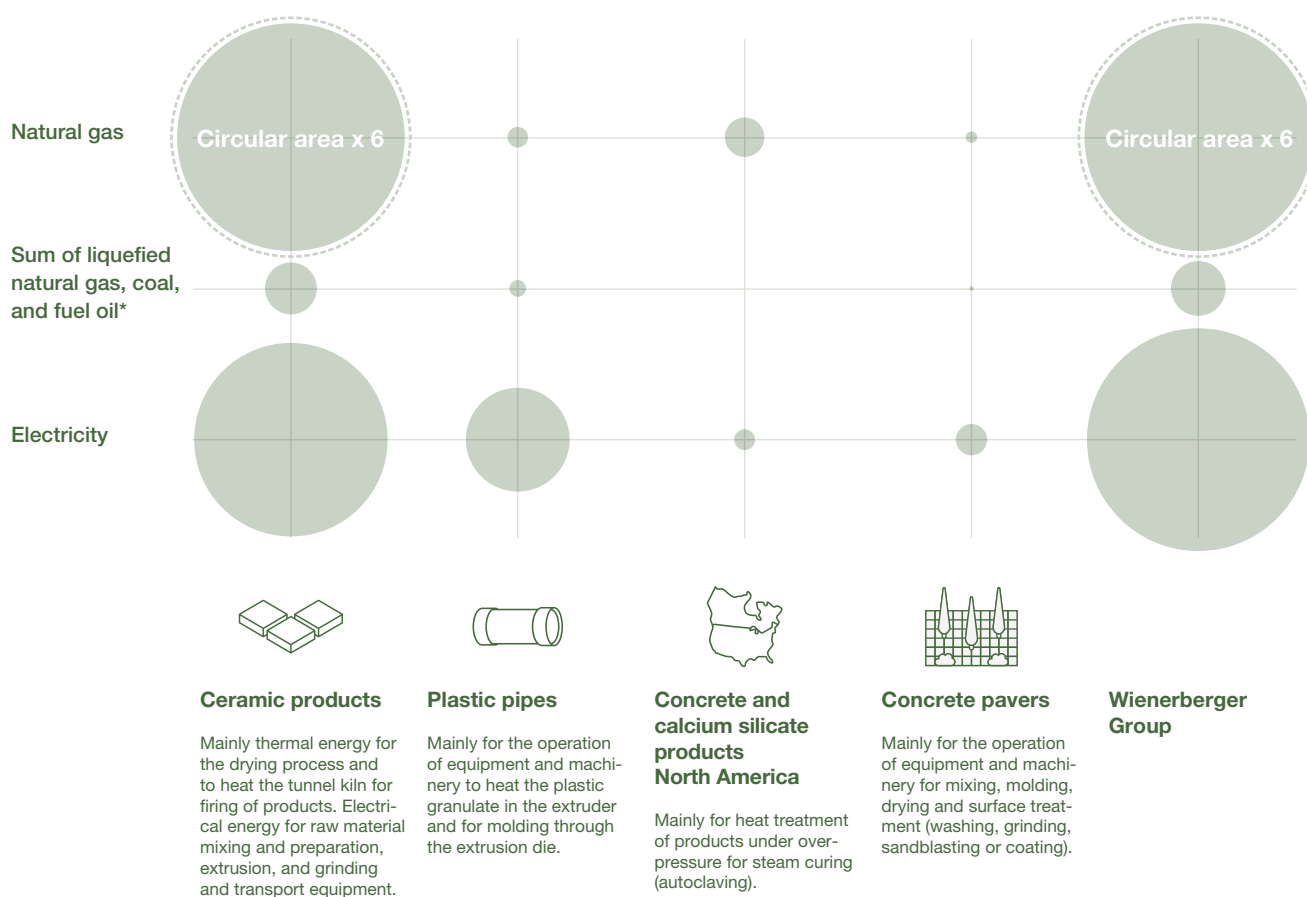
1) In 2021, no criminal proceedings for corruption were initiated against Wienerberger or companies of the Wienerberger Group. In 2019, Wienerberger AG received a notification of holdings which, owing to a chain of unfortunate circumstances, was published 24 hours late. This meant that the deadline for publication of the notification required by law was not met. In 2021, the Austrian Financial Market Supervisory Authority (FMA) imposed an administrative fine of EUR 160,000 (net fine), plus EUR 16,000 costs of proceedings, on Wienerberger AG. Both amounts were paid by Wienerberger AG.



Climate Protection & Adaptation to Climate Change

Proportional energy input and type of use in the production areas 2021

broken down by energy source and product group



* As the percentages of high-emission energy sources such as liquefied natural gas, coal and fuel oil are comparatively very low, they are now recorded as an aggregate figure.

Consumption of energy sources ^{1) 2)} in gigawatt-hours	2019	2020	2021	Chg. in %
Natural gas ³⁾	6,945	6,319	6,837	+8.2
Total of other fossil energy sources ^{3) 4)}	106	72	66	-8.3
Electricity	1,142	1,040	1,090	+4.8
Wienerberger Group ³⁾	8,194	7,431	7,993	+7.6
Percentage of renewable energy in total electricity consumption in %	40%	42%	56%	+33.8

1) Total energy consumption includes energy consumed in production, but excludes administration, except for countries where separate accounting is not possible.

2) For five companies newly acquired in 2021, where the necessary data collection structures for non-financial indicators are not yet in place or have to be optimized, the indicators are not included for the 2021 reporting year (for details, see page 54). // 3) In the interest of greater consistency in reporting, Wienerberger now also includes thermal energy sources used in plastic pipe production by Wienerberger Piping Solutions, although their percentage is comparatively low. The indicators for 2020 were restated accordingly. // 4) As the percentages of high-emission energy sources, such as coal, fuel oil, and liquefied natural gas, are comparatively very low, they are now recorded as an aggregate figure. // All non-financial indicators are calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences.

Index of specific energy consumption ^{1) 2) 3)} in %, based on kWh/quantity of products ready for sale (2020 = 100 %)	2020	2021	Chg. in %
Clay blocks	100.0	100.1	+0.1
Roof tiles (clay and concrete)	100.0	98.2	-1.8
Facing bricks and clay pavers	100.0	98.7	-1.3
Concrete pavers	100.0	100.5	+0.5
Wienerberger Building Solutions	100.0	99.1	-0.9
Plastic pipes	100.0	99.1	-0.9
Ceramic pipes	100.0	93.4	-6.6
Wienerberger Piping Solutions	100.0	96.9	-3.1
Facing bricks and concrete pavers	100.0	100.2	+0.2
Façade (calcium silicate products)	100.0	98.7	-1.3
Concrete products	100.0	91.5	-8.5
Plastic pipes	100.0	95.0	-5.0
North America	100.0	99.9	-0.1
Wienerberger Group	100.0	99.1	-0.9

1) Total energy consumption includes energy consumed in production, but excludes administration, except for countries where separate accounting is not possible.

2) For five companies newly acquired in 2021, where the necessary data collection structures for non-financial indicators are not yet in place or have to be optimized, the indicators are not included for the 2021 reporting year (for details, see page 54). // 3) In the interest of greater consistency in reporting, Wienerberger now also includes thermal energy sources used in plastic pipe production by Wienerberger Piping Solutions, although their percentage is comparatively low. The indicators for 2020 were restated accordingly. // All non-financial indicators are calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences.



Absolute direct (Scope 1) and indirect (Scope 2) CO₂ emissions^{1) 2) 3)} in kilotons	2020	2021	Chg. in %
Clay blocks	1,468	1,477	+0.6
Roof tiles (clay and concrete)	376	398	+5.9
Facing bricks and clay pavers	537	559	+4.1
Concrete pavers	11	9	-10.5
Wienerberger Building Solutions	2,393	2,444	+2.2
Plastic pipes	62	3	-94.4
Ceramic pipes	21	24	+12.4
Wienerberger Piping Solutions	83	27	-67.4
Facing bricks and concrete pavers	154	165	+7.3
Façade (calcium silicate products)	7	8	+12.7
Concrete products	1	1	+13.0
Plastic pipes	12	14	+13.1
North America	174	188	+7.9
Wienerberger Group	2,649	2,659	+0.4

1) The indicator was reported for the first time for the 2020 reporting year. // 2) Direct CO₂ emissions (Scope 1): ETS and non-ETS. Source ETS: EU Transaction Log (EUTL). Non-ETS: Calculation in accordance with national rules (Switzerland) or on the basis of EU standard emission factors. For plants in the USA, CO₂ process emissions are also reported. Including CO₂ emissions from biogenic inputs: quantities from Wienerberger's CO₂ monitoring corresponding to national rules. The calculation of indirect CO₂ emissions from purchased electricity is based on the current CO₂ emission factors of Corporate Procurement. // 3) For five companies newly acquired in 2021, where the necessary data collection structures for non-financial indicators are not yet in place or have to be optimized, the indicators are not included for the 2021 reporting year (for details, see page 54). // For all non-financial indicators, the rates of change compared to previous reporting periods are calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences.

Absolute direct CO₂ emissions from primary energy sources and raw materials (Scope 1) ¹⁾²⁾ in kilotons	2019	2020	2021	Chg. in %
Clay blocks	1,532	1,355	1,397	+3.1
Roof tiles (clay and concrete)	345	329	361	+9.7
Facing bricks and clay pavers	561	514	557	+8.4
Concrete pavers ³⁾	-	0	0	0
Wienerberger Building Solutions	2,438	2,198	2,314	+5.3
Plastic pipes ⁴⁾	-	4	3	-7.8
Ceramic pipes	26	21	24	+12.4
Wienerberger Piping Solutions ⁴⁾	26	25	27	+9.3
Facing bricks and concrete pavers	134	125	136	+8.4
Façade (calcium silicate products) ³⁾	-	5	6	+15.2
Concrete products ³⁾	-	0	0	0
Plastic pipes ³⁾	-	0	0	0
North America	140	131	142	+8.7
Wienerberger Group	2,604	2,353	2,484	+5.5

1) ETS and non-ETS. Source ETS: EU Transaction Log (EUTL). Non-ETS: Calculation in accordance with national rules (Switzerland) or on the basis of EU standard emission factors. For plants in the USA, CO₂ process emissions are also reported. Including CO₂ emissions from biogenic inputs: quantities from Wienerberger's CO₂ monitoring corresponding to national rules. // 2) For five companies newly acquired in 2021, where the necessary data collection structures for non-financial indicators are not yet in place or have to be optimized, the indicators are not included for the 2021 reporting year (for details, see page 54). // 3) The indicator for the referring product group was reported for the first time as of the 2020 reporting year. // 4) Wienerberger Piping Solutions corrected the indirect CO₂ emissions (Scope 1) from the plastic pipe segment, which were reported from the first time in 2020. The corresponding indicators for 2020 were restated accordingly. // For all non-financial indicators, the rates of change compared to previous reporting periods are calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences.

Absolute indirect CO₂ emissions from electricity (Scope 2) ¹⁾²⁾ in kilotons	2020	2021	Chg. in %
Clay blocks	113	80	-28.9
Roof tiles (clay and concrete)	48	38	-20.9
Facing bricks and clay pavers	24	2	-89.5
Concrete pavers	11	9	-10.5
Wienerberger Building Solutions	195	130	-33.3
Plastic pipes	58	0	-100.0
Ceramic pipes	0	0	0.0
Wienerberger Piping Solutions	58	0	-100.0
Facing bricks and concrete pavers	29	29	+2.3
Façade (calcium silicate products)	2	2	+4.1
Concrete products	1	1	+15.5
Plastic pipes	12	14	+13.1
North America	43	46	+5.6
Wienerberger Group	296	176	-40.7

1) This indicator was reported for the first time for the 2020 reporting year. // 2) For five companies newly acquired in 2021, where the necessary data collection structures for non-financial indicators are not yet in place or have to be optimized, the indicators are not included for the 2021 reporting year (for details, see page 54). For all non-financial indicators, the rates of change compared to previous reporting periods are calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences.



Index of specific direct (Scope 1) and indirect (Scope 2) CO₂ emissions ¹⁾²⁾ in %, based on kg CO ₂ /quantity of products ready for sale (2020 = 100%)	2020	2021	Chg. in %
Clay blocks	100.0	92.7	-7.3
Roof tiles (clay and concrete)	100.0	94.2	-5.8
Facing bricks and clay pavers	100.0	95.1	-4.9
Concrete pavers	100.0	89.5	-10.5
Wienerberger Building Solutions	100.0	93.6	-6.4
Plastic pipes	100.0	5.6	-94.4
Ceramic pipes	100.0	97.7	-2.3
Wienerberger Piping Solutions	100.0	31.2	-68.8
Facing bricks and concrete pavers	100.0	99.4	-0.6
Façade (calcium silicate products)	100.0	97.5	-2.5
Concrete products	100.0	94.2	-5.8
Plastic pipes	100.0	95.0	-5.0
North America	100.0	99.0	-1.0
Wienerberger Group	100.0	91.9	-8.1

1) The indicator was reported for the first time for the 2020 reporting year. The calculation excluded CO₂ emissions from biogenic input materials // 2) For five companies newly acquired in 2021, where the necessary data collection structures for non-financial indicators are not yet in place or have to be optimized, the indicators are not included for the 2021 reporting year (for details, see page 54). // The calculation of indirect CO₂ emissions from purchased electricity is based on the current CO₂ emission factors of Corporate Procurement. // For all non-financial indicators, the rates of change compared to previous reporting periods are calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences.

Index of specific direct CO₂ emissions (Scope 1) ¹⁾²⁾ in %, based on kg CO ₂ /quantity of products ready for sale (2020 = 100%)	2020	2021	Chg. in %
Clay blocks	100.0	95.7	-4.3
Roof tiles (clay and concrete)	100.0	97.9	-2.1
Facing bricks and clay pavers	100.0	99.1	-0.9
Concrete pavers ³⁾	100.0	100.0	0.0
Wienerberger Building Solutions ⁴⁾	100.0	97.0	-3.0
Plastic pipes	100.0	99.5	-0.5
Ceramic pipes	100.0	97.7	-2.3
Wienerberger Piping Solutions	100.0	99.0	-1.0
Facing bricks and concrete pavers	100.0	100.4	+0.4
Façade (calcium silicate products)	100.0	99.7	-0.3
Concrete products	100.0	97.7	-2.3
Plastic pipes ³⁾	100.0	100.0	0.0
North America ⁴⁾	100.0	100.3	+0.3
Wienerberger Group ⁴⁾	100.0	97.3	-2.7

1) Direct specific CO₂ emissions (Scope 1) refer to CO₂ emissions from raw materials (in ceramic production) as well as the fuel emissions of the entire Wienerberger Group. The calculation did not include CO₂ emissions from biogenic input materials. // 2) For five companies newly acquired in 2021, where the necessary data collection structures for non-financial indicators are not yet in place or have to be optimized, the indicators are not included for the 2021 reporting year (for details, see page 54). // 3) As certain product groups do not generate Scope 1 emissions, the value remains unchanged compared to the previous year. // 4) The consolidated values are calculated on the basis of the quantities produced in all product groups. // The indicator was reported for the first time for the 2020 reporting year. For all non-financial indicators, the rates of change compared to previous reporting periods are calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences.

Index of specific indirect CO₂ emissions (Scope 2) ¹⁾²⁾ in %, based on kg CO ₂ /quantity of products ready for sale (2020 = 100%)	2020	2021	Chg. in %
Clay blocks	100.0	97.0	-3.0
Roof tiles (clay and concrete)	100.0	96.3	-3.7
Facing bricks and clay pavers	100.0	96.0	-4.0
Concrete pavers	100.0	89.5	-10.5
Wienerberger Building Solutions	100.0	96.6	-3.4
Plastic pipes	100.0	6.1	-93.9
Ceramic pipes ³⁾	100.0	100.0	0.0
Wienerberger Piping Solutions ⁴⁾	100.0	32.2	-67.8
Facing bricks and concrete pavers	100.0	99.0	-1.0
Façade (calcium silicate products)	100.0	97.8	-2.2
Concrete products	100.0	96.5	-3.5
Plastic pipes	100.0	95.0	-5.0
North America	100.0	98.7	-1.3
Wienerberger Group ⁴⁾	100.0	94.6	-5.4

1) The calculation of specific indirect CO₂ emissions from purchased electricity is based on the current CO₂ emission factors of Corporate Procurement. // 2) For five companies newly acquired in 2021, where the necessary data collection structures for non-financial indicators are not yet in place or have to be optimized, the indicators are not included for the 2021 reporting year (for details, see page 54). // 3) No Scope 2 emissions were generated through the production of ceramic pipes by Wienerberger Building Solutions in 2020 and 2021. The values therefore remain unchanged compared to the previous year. // 4) The consolidated values are calculated on the basis of the quantities produced in all product groups. // For all non-financial indicators, the rates of change compared to previous reporting periods are calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences.

The Taxonomy-relevant activities and KPIs of the Wienerberger Group are as follows:

1-12/2021 in TEUR	Turnover	in %	Capex	in %	Opex	in %
Wall	528,357	13.3%	60,505	8.2%	32,689	18.2%
Façade	767,370	19.3%	76,029	10.2%	57,866	32.2%
Roof	593,444	15.0%	39,568	5.3%	27,299	15.2%
Taxonomy-eligible	1,889,171	47.6%	176,102	23.7%	117,854	65.5%
Taxonomy-non-eligible	2,077,273	52.4%	566,264	76.3%	62,012	34.5%
Total	3,966,444	100.0%	742,366	100.0%	179,866	100.0%



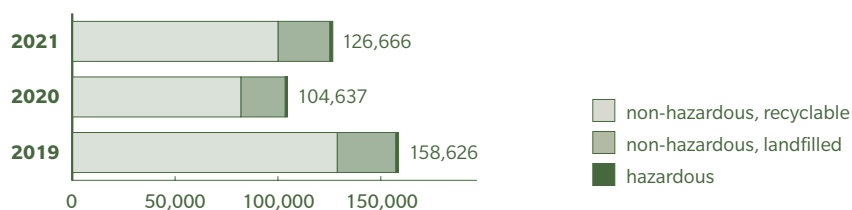
Turnover

Given that not all segments and products of the Wienerberger Group are covered by the Taxonomy Regulation (as sector or enabling activities), 47.6% of the total revenues generated in 2021 is Taxonomy-eligible.

Turnover 1-12/2021 in TEUR	Wienerberger Group	Thereof Taxonomy-eligible	Thereof Taxonomy-eligible
Wall	853,655	528,357	61.9%
Façade	1,028,609	767,370	74.6%
Roof	645,539	593,444	91.9%
Pavers	123,004	0	0.0%
Pipes	1,315,474	0	0.0%
Other	162	0	0.0%
Total	3,966,443	1,889,171	47.6%

Circular Economy

Waste generation in tons



In 2021, the total volume of waste generated by Wienerberger amounted to 126,666 tons, 79% of which was non-hazardous and recyclable (2020: 78%).

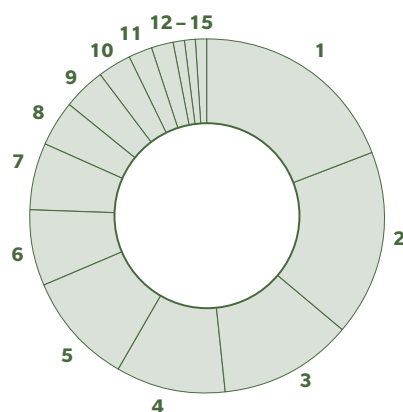
Employees & Social Impacts

Occupational Safety and Health

Accident frequency by operating segment ¹⁾²⁾	2019	2020	2021	Chg. in %
Wienerberger Building Solutions East	5.3	5.4	3.8	-30.4
Wienerberger Building Solutions West	9.0	8.8	6.2	-29.0
Wienerberger Building Solutions	7.2	7.1	5.0	-28.8
Wienerberger Piping Solutions East	1.1	1.4	1.5	+5.2
Wienerberger Piping Solutions West	2.7	2.5	5.9	+137.9
Wienerberger Piping Solutions	2.0	2.0	3.9	+96.4
North America	0.9	1.0	1.0	-3.0
Wienerberger Group	5.6	5.4	4.4	-18.7

1) Number of occupational accidents / number of hours worked x 1,000,000 // including temporary and agency workers (from their first hour of work at Wienerberger) and employees under term contracts // 2) For five companies newly acquired in 2021, where the necessary data collection structures for non-financial indicators are not yet in place or have to be optimized, the indicators are not included for the 2021 reporting year (for details see page 54). // All non-financial indicators are calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences.

Types of injuries within the Wienerberger Group in 2021 ¹⁾²⁾

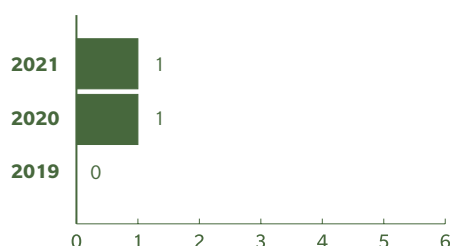


1 Bruising	19%
2 Fracture	17%
3 Sprain / strain	12%
4 Cut	10%
5 Crush	10%
6 Swelling	7%
7 Other	6%
8 Superficial	4%
9 Rash	4%
10 Puncture / rupture	3%
11 Dislocation	2%
12 Burn	2%
13 Abrasion	1%
14 Amputation	1%
15 Acute, general health problem	1%

1) Injuries resulting in a loss of at least one working day // 2) Excluding five companies newly acquired in 2021, where the data collection structures for non-financial indicators are not yet in place or have to be optimized (for details see page 54) // Based on the specific definitions of the individual business units.



Number of fatal occupational accidents within the Wienerberger Group



Accident severity by operating segment ^{1) 2)}	2019	2020	2021	Chg. in %
Wienerberger Building Solutions East	221	228	203	-10.8
Wienerberger Building Solutions West	179	241	276	+14.4
Wienerberger Building Solutions	200	235	241	+2.9
Wienerberger Piping Solutions East	14	33	18	-46.9
Wienerberger Piping Solutions West	132	65	46	-30.1
Wienerberger Piping Solutions	78	50	33	-34.6
North America	24	35	13	-61.6
Wienerberger Group	158	178	180	+1.3

1) Number of occupational accidents / number of hours worked x 1,000,000 // including temporary and agency workers (from their first hour of work at Wienerberger) and employees under term contracts // 2) For five companies newly acquired in 2021, where the necessary data collection structures for non-financial indicators are not yet in place or have to be optimized, the indicators are not included for the 2021 reporting year (for details see page 54). // All non-financial indicators are calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences.

Sick-leave days per employee by operating segment ^{1) 2)}	2019	2020	2021	Chg. in %
Wienerberger Building Solutions East	8.8	10.0	11.2	+12.3
Wienerberger Building Solutions West	13.4	12.5	12.8	+2.4
Wienerberger Building Solutions	11.2	11.3	12.0	+6.5
Wienerberger Piping Solutions East	5.6	6.7	6.9	+2.6
Wienerberger Piping Solutions West	11.3	10.8	11.6	+7.6
Wienerberger Piping Solutions	8.9	9.1	9.7	+7.4
Wienerberger Group, excluding North America	10.7	10.8	11.5	+6.7
North America ³⁾	2.2	3.4	3.1	-9.7

1) Accident-related and non-accident-related sick-leave days. Agency and temporary workers are included in data on accident-related sick-leave days. Data on non-accident-related sick-leave days include all employees directly employed by Wienerberger. // All non-financial indicators are calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences. // 2) For five companies newly acquired in 2021, where the necessary data collection structures for non-financial indicators are not yet in place or have to be optimized, the indicators are not included for the 2021 reporting year (for details see page 54). // 3) Due to special national legal provisions (regarding employees on sick leave) the indicators are not comparable to those of other business units and therefore reported separately.

Non-accident-related sick-leave days per employee ¹⁾²⁾ by operating segment ¹⁾	2019	2020	2021	Chg. in %
Wienerberger Building Solutions East	8.4	9.5	10.8	+13.3
Wienerberger Building Solutions West	13.1	12.1	12.3	+1.6
Wienerberger Building Solutions	10.8	10.9	11.6	+6.4
Wienerberger Piping Solutions East	5.6	6.6	6.8	+3.1
Wienerberger Piping Solutions West	11.0	10.7	11.5	+8.0
Wienerberger Piping Solutions	8.7	9.0	9.7	+7.9
Wienerberger Group, excluding North America	10.3	10.5	11.2	+6.7
North America ³⁾	2.2	3.3	3.0	-8.5

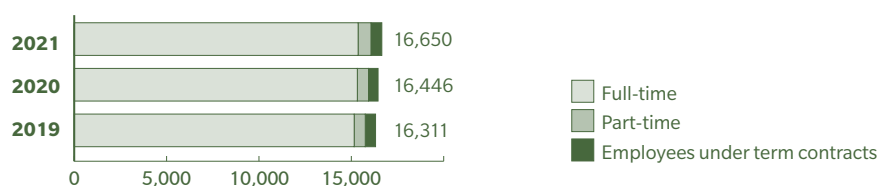
1) Data on non-accident-related sick-leave days include all employees directly employed by Wienerberger. // All non-financial indicators were calculated on the basis of non-rounded values. Electronic data processing may result in round differences. // 2) For five companies newly acquired in 2021, where the necessary data collection structures for non-financial indicators are not yet in place or have to be optimized, the indicators are not included for the 2021 reporting year (for details see page 54). // 3) Due to special national legal provisions (regarding employees on sick leave) the indicators are not comparable to those of other business units and therefore reported separately.

Job Creation and Stability of Employment

Ø Employees by operating segment ¹⁾ Full-time equivalents	2019	2020	2021	Chg. in %
Wienerberger Building Solutions East	5,853	5,707	5,704	-0,0
Wienerberger Building Solutions West	6,613	6,232	6,723	+7,9
Wienerberger Building Solutions	12,466	11,939	12,427	+4,1
Wienerberger Piping Solutions East	1,439	1,487	1,487	-0,0
Wienerberger Piping Solutions West	1,879	1,841	2,120	+15,2
Wienerberger Piping Solutions	3,317	3,328	3,606	+8,4
North America	1,450	1,352	1,591	+17,6
Wienerberger Group	17,234	16,619	17,624	+6,1

1) Agency and temporary workers are included from their first hour of work at Wienerberger. // 2) For five companies newly acquired in 2021, where the necessary data collection structures for non-financial indicators are not yet in place or have to be optimized, the indicators are not included for the 2021 reporting year (for details see page 54). // All non-financial indicators are calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences.

Employees by type of employment contract ¹⁾²⁾ based on headcount



1) Employees directly employed by Wienerberger // 2) Excluding five companies newly acquired in 2021, where the necessary data collection structures for non-financial indicators are not yet in place or have to be optimized (for details see page 54).



Ø Employees by functional area ^{1) 2)} based on headcount	2019	2020	2021	Chg. in %
Production	10,294	10,268	10,393	+1,2
Administration	1,788	1,879	1,971	+4,9
Sales (including marketing and inventories)	4,229	4,299	4,286	-0,3
Wienerberger Group	16,311	16,446	16,650	+1,2

1) Employees directly employed by Wienerberger // 2) Excluding five companies newly acquired in 2021, where the necessary data collection structures for non-financial indicators are not yet in place or have to be optimized (for details see page 54). // All non-financial indicators are calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences.

Employees with permanent employment contracts ^{1) 2)} based on headcount	2019	2020	2021	Chg. in %
Wienerberger Building Solutions East	5,552	5,475	5,569	+1,7
Wienerberger Building Solutions West	5,872	6,034	6,075	+0,7
Wienerberger Building Solutions	11,424	11,509	11,644	+1,2
Wienerberger Piping Solutions East	1,315	1,372	1,296	-5,6
Wienerberger Piping Solutions West	1,716	1,790	1,889	+5,5
Wienerberger Piping Solutions	3,031	3,162	3,185	+0,7
North America	1,299	1,260	1,234	-2,0
Wienerberger Group	15,754	15,931	16,063	+0,8

1) Employees directly employed by Wienerberger // 2) Excluding five companies newly acquired in 2021, where the necessary data collection structures for non-financial indicators are not yet in place or have to be optimized (for details see page 54). All non-financial indicators are calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences.

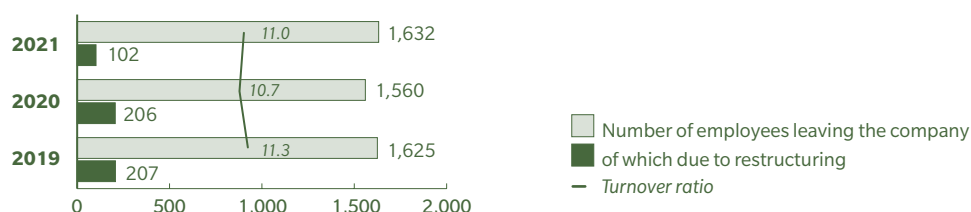
Employees under term contracts ^{1) 2)} based on headcount	2019	2020	2021	Chg. in %
Wienerberger Building Solutions East	218	136	168	+23.3
Wienerberger Building Solutions West	221	258	288	+11.6
Wienerberger Building Solutions	439	394	456	+15.6
Wienerberger Piping Solutions East	21	18	17	-7.6
Wienerberger Piping Solutions West	96	102	113	+10.8
Wienerberger Piping Solutions	117	120	130	+8.0
North America	0	0	1	+230.0
Wienerberger Group	557	515	587	+14.0

1) Employees directly employed by Wienerberger // 2) Excluding five companies newly acquired in 2021, where the necessary data collection structures for non-financial indicators are not yet in place or have to be optimized (for details see page 54). All non-financial indicators are calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences.

Employee turnover by operating segment ^{1) 2)} in %	2019	2020	2021	Chg. in %
Wienerberger Building Solutions East	12.3	14.9	14.6	-1.7
Wienerberger Building Solutions West	10.7	8.3	9.6	+14.7
Wienerberger Building Solutions	11.5	11.5	12.0	+4.3
Wienerberger Piping Solutions East	10.0	9.9	9.0	-9.1
Wienerberger Piping Solutions West	11.3	6.0	6.6	+8.8
Wienerberger Piping Solutions	10.7	7.7	7.6	-1.6
Wienerberger Group, excluding North America	11.3	10.7	11.0	+3.3
North America ³⁾	27.4	31.0	52.9	+70.7

1) Ratio of persons leaving the Wienerberger Group (termination by employee or employer or mutually agreed termination) to average number of employees (headcount) in permanent employment in the reporting year, excluding temporary and agency workers as well as workers under term contracts; persons retiring or on leave do not count as persons leaving the company. // 2) For five companies newly acquired in 2021, where the necessary data collection structures for non-financial indicators are not yet in place or have to be optimized, the indicators are not included for the 2021 reporting year (for details see page 54). // 3) Due to special national legal provisions the indicators are not comparable to those of other business units. // All non-financial indicators are calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences.

Employee turnover excluding North America^{1) 2)} based on headcount



1) Employees with permanent employment contracts. // 2) Excluding five companies newly acquired in 2021, where the necessary data collection structures for non-financial indicators are not yet in place or have to be optimized (for details see page 54).

Leaves not due to restructuring, broken down by gender (excluding North America) ^{1) 2)} based on headcount	2019	2020	2021	Chg. in %
Men	1,194	1,124	1,301	+15.7
Women	224	230	229	-0.4
Wienerberger Group, excluding North America	1,418	1,354	1,530	+13.0

1) Employees with permanent employment contracts. // 2) Excluding five companies newly acquired in 2021, where the necessary data collection structures for non-financial indicators are not yet in place or have to be optimized (for details see page 54). // All non-financial indicators are calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences.



Leaves not due to restructuring, broken down by age group (excluding North America) ^{1) 2)} based on headcount	2019	2020	2021	Chg. in %
< 30 years	335	280	328	+17.1
30-49 years	733	679	787	+15.9
> 50 years	350	395	415	+5.1
Wienerberger Group, excluding North America	1,418	1,354	1,530	+13.0

1) Employees with permanent employment contracts. // 2) Excluding five companies newly acquired in 2021, where the necessary data collection structures for non-financial indicators are not yet in place or have to be optimized (for details see page 54). // All non-financial indicators are calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences.

Leaves not due to restructuring, broken down by functional area (excluding North America) ^{1) 2)} based on headcount	2019	2020	2021	Chg. in %
Production	909	862	1,027	+19.1
Administration	160	154	179	+16.2
Sales (including marketing and inventories)	349	338	324	-4.1
Wienerberger Group, excluding North America	1,418	1,354	1,530	+13.0

1) Employees with permanent employment contracts. // 2) Excluding five companies newly acquired in 2021, where the necessary data collection structures for non-financial indicators are not yet in place or have to be optimized (for details see page 54). // All non-financial indicators are calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences.

New entrants by operating segment ^{1) 2)} based on headcount	2019	2020	2021	Chg. in %
Wienerberger Building Solutions East	861	623	925	+48.5
Wienerberger Building Solutions West	707	523	746	+42.6
Wienerberger Building Solutions	1,568	1,146	1,671	+45.8
Wienerberger Piping Solutions East	195	202	183	-9.3
Wienerberger Piping Solutions West	267	177	270	+52.5
Wienerberger Piping Solutions	462	379	453	+19.6
North America	301	362	592	+63.8
Wienerberger Group	2,331	1,886	2,716	+44.0

1) Employees with permanent employment contracts. // 2) Excluding five companies newly acquired in 2021, where the necessary data collection structures for non-financial indicators are not yet in place or have to be optimized (for details see page 54). // All non-financial indicators are calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences.

Competence Development and Advancement of our Employees

Training hours per employee and year by operating segment ^{1) 2)} based on headcount	2019	2020	2021	Chg. in %
Wienerberger Building Solutions East	18.9	13.9	17.2	+24.3
Wienerberger Building Solutions West	15.8	10.3	11.8	+14.0
Wienerberger Building Solutions	17.3	12.0	14.4	+19.8
Wienerberger Piping Solutions East	7.3	4.9	5.7	+16.3
Wienerberger Piping Solutions West ³⁾	15.0	8.2	11.6	+41.7
Wienerberger Piping Solutions ³⁾	11.7	6.8	9.3	+36.1
North America	15.0	6.8	10.4	+51.8
Wienerberger Group ³⁾	16.0	10.6	13.1	+23.2

1) Internal and external initial and further training measures per employee (headcount). International training events are not included in this table. // Employees directly employed by Wienerberger. // 2) For five companies newly acquired in 2021, where the necessary data collection structures for non-financial indicators are not yet in place or have to be optimized, the indicators are not included for the 2021 reporting year (for details see page 54). // 3) The indicators reported for 2020 were corrected, as the accuracy of recording the number of training hours per employee was further improved in 2021. // All non-financial indicators are calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences.

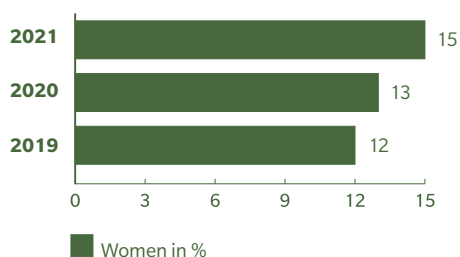
Average training expenses per employee ^{1) 2)} based on headcount, in Euro	2019	2020	2021
	323	228	273

1) Internal and external initial and further training measures per employee directly employed by Wienerberger (headcount). International training hours are not included in this table. // 2) For five companies newly acquired in 2021, where the necessary data collection structures for non-financial indicators are not yet in place or have to be optimized, the indicators are not included for the 2021 reporting year (for details see page 54). // All non-financial indicators are calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences.



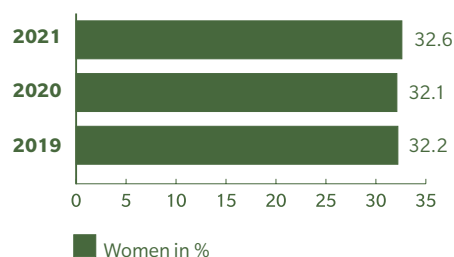
Diversity and Equal Opportunities

Share of women in senior management ¹⁾²⁾ based on headcount



1) Exclusively employees directly employed by Wienerberger. // 2) Excluding five companies newly acquired in 2021, where the necessary data collection structures for non-financial indicators are not yet in place or have to be optimized, the indicators are not included for the 2021 reporting year (for details see page 54).
// All non-financial indicators are calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences.

Share of women in white-collar positions ¹⁾²⁾ based on headcount



1) Exclusively employees directly employed by Wienerberger // Share of women in administration and sales (including marketing and inventories) // 2) Excluding five companies newly acquired in 2021, where the necessary data collection structures for non-financial indicators are not yet in place or have to be optimized, the indicators are not included for the 2021 reporting year (for details see page 54).
// All non-financial indicators are calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences.

Share of women on the Managing Board based on headcount

	2019	2020	2021
Managing Board headcount	3	4	4
Thereof women	1	1	1
Share of women in %	33	25	25

Share of women on the Supervisory Board based on headcount

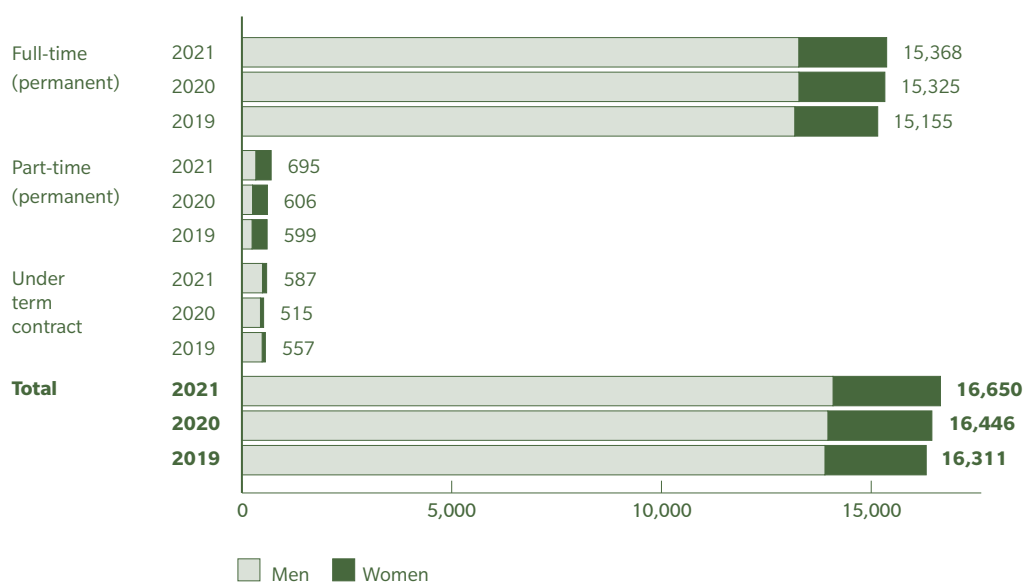
	2019	2020	2021
Supervisory Board headcount	11	10	10
Thereof women	4	3	4
Share of women in %	36	30	40

Numbers and percentages of women by function area ^{1) 2)}		31/12/2019	31/12/2020	31/12/2021	Chg. in %
Women	Headcount	2,414	2,479	2,560	+3%
In production	in %	4.6	4.8	5.0	+5%
Administration	in %	46.7	46.1	45.2	-2%
Sales (including marketing and inventories)	in %	26.1	26.1	26.8	+3%
In white-collar positions (administration and sales) ³⁾	in %	32.2	32.1	32.6	+1%
Wienerberger Group	in %	14.8	15.1	15.4	+2%

1) All employees directly employed by Wienerberger. // 2) For five companies newly acquired in 2021, where the necessary data collection structures for non-financial indicators are not yet in place or have to be optimized, the indicators are not included for the 2021 reporting year (for details see page 54). // 3) All employees except in production. Sales including marketing and inventories // All non-financial indicators are calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences.

Employees by type of employment contract and gender ^{1) 2)}

based on headcount



1) Employees directly employed by Wienerberger. // 2) For five companies newly acquired in 2021, where the necessary data collection structures for non-financial indicators are not yet in place or have to be optimized, the indicators are not included for the 2021 reporting year (for details see page 54). // All non-financial indicators are calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences.



Numbers and percentages of permanently employed women and men working part-time 2021 ¹⁾²⁾ based on headcount per 31 December 2021	Total	Thereof part-time	Part-time in %
Women	2,461	366	14.9
Men	13,602	329	2.4
Wienerberger Group	16,063	695	4.3

Numbers and percentages of permanently employed women and men working part-time 2020 ¹⁾²⁾ based on headcount per 31 December 2020	Total	Thereof part-time	Part-time in %
Women	2,404	355	14.8
Men	13,527	251	1.9
Wienerberger Group	15,931	606	3.8

1) Employees permanently employed by Wienerberger.// 2) For five companies newly acquired in 2021, where the necessary data collection structures for non-financial indicators are not yet in place or have to be optimized, the indicators are not included for the 2021 reporting year (for details see page 54). // All non-financial indicators are calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences.

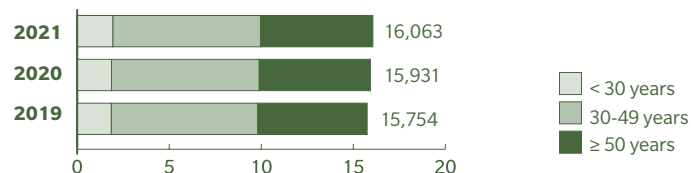
Number of new entrants by gender and functional area 2021 ¹⁾²⁾ based on headcount per 31 December 2021	Women	Women in %	Men	Men in %
Production	115	6.3	1,711	93.7
Administration	151	48.7	159	51.3
Sales (including marketing and inventories)	184	31.6	398	68.4
Wienerberger Group	450	16.6	2,268	83.4

Number of new entrants by gender and functional area 2020 ¹⁾²⁾ based on headcount per 31 December 2020	Women	Women in %	Men	Men in %
Production	72	6.0	1,128	94.0
Administration	104	49.8	105	50.2
Sales (including marketing and inventories)	147	30.8	330	69.2
Wienerberger Group	323	17.1	1,563	82.9

1) Employees permanently employed by Wienerberger.// 2) For five companies newly acquired in 2021, where the necessary data collection structures for non-financial indicators are not yet in place or have to be optimized, the indicators are not included for the 2021 reporting year (for details see page 54). // All non-financial indicators are calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences.

Age structure of our employees ^{1) 2)}

based on headcount



1) Employees under permanent employment contracts // 2) Excluding five companies newly acquired in 2021, where the necessary data collection structures for non-financial indicators are not yet in place or have to be optimized, the indicators are not included for the 2021 reporting year (for details see page 54).

New entrants by age structure ^{1) 2)}

based on headcount

	2019	2019 in %	2020	2020 in %	2021	2021 in %
< 30 years	829	36	684	36	984	36
30-49 years	1,209	52	975	52	1,321	49
> 50 years	293	13	227	12	411	15
Total	2,331		1,886		2,716	

1) Employees permanently employed by Wienerberger // 2) For five companies newly acquired in 2021, where the necessary data collection structures for non-financial indicators are not yet in place or have to be optimized, the indicators are not included for the 2021 reporting year (for details see page 54). // All non-financial indicators are calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences.



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GRI CONTENT INDEX

GRI Content Index

Statement of use

Wienerberger has reported in accordance with the GRI Standards for the period from 1 January 2021 to 31 December 2021.

GRI	Disclosure	Page	Omissions, Explanation
Universal Standards			
GRI 1	Foundation (2021)		
GRI 2	General Disclosures (2021)		
	1. The organization and its reporting practices		
2-1	Organizational details	20-37; Imprint: 339	
2-2	Entities included in the organization's sustainability reporting	24-27; 53-55	
2-3	Reporting period, frequency, and contact point	53-55; 160-162; Imprint: 339	
2-4	Restatements of information	53-55	
2-5	External assurance	53-55; 160-162	
	2. Activities and workers		
2-6	Activities, value chain and other business relationships	20-37	
2-7	Employees	18; 22; 119-125; 142-145	
2-8	Workers who are not employees	109-121	
	3. Governance		
2-9	Governance structure and composition	40-42; 184-189	
2-10	Nomination and selection of the highest governance body	190-193	
2-11	Chair of the highest governance body	187-189	
2-12	Role of the highest governance body in overseeing the management of impacts	CEO Letter: 6-7; 40-42	
2-13	Delegation of responsibility for managing impacts	40-42	
2-14	Role of the highest governance body in sustainability reporting	40-42	
2-15	Conflicts of interest	34-36	
2-16	Communication of critical concerns	43-48	
2-17	Collective knowledge of the highest governance body	40-42; Corporate Governance Report: 184-189	
2-18	Evaluation of the performance of the highest governance body	190-193	



GRI	Disclosure	Page	Omissions, Explanation
2-19	Remuneration policies	37; Wienerberger Remuneration Report 2021	
2-20	Process to determine remuneration	37; Wienerberger Remuneration Report 2021	
2-21	Ratio of total annual compensation (compensation of the CEO in relation to the average compensation of a full-time employee)	Wienerberger Remuneration Report 2021	
4. Strategies, policies and practices			
2-22	Statement on sustainable development strategy	CEO Letter: 6-7; 40; 66	
2-23	Policy commitments	38-55; 61-66	
2-24	Embedding policy commitments	38-55; 61-66	
2-25	Processes to remediate negative impacts	38-55; 61-66; 104-106; 108	
2-26	Mechanisms for seeking advice and raising concerns	43-45	
2-27	Compliance with laws and regulations	43-48	
2-28	Membership associations	99	
5. Stakeholder management			
2-29	Approach to stakeholder engagement	34-36; 58-60	
2-30	Collective bargaining agreements	119-121	
GRI 3 Material Topics (2021)			
3-1	Process to determine material topics	56-66	
3-2	List of material topics	59	

GRI	Disclosure	Page	Omissions, Explanation
Topic Standards			
GRI 201 Economic performance (2016)			
3-3	Management of material topics (2021)	22-23; 56-66	
201-1	Direct economic value generated and distributed	Management Report: 196-231; Financial Statements: 232-327	
201-2	Financial implications and other risks and opportunities due to climate change	42-43; 55; 67-95; Management Report: 231	
201-3	Defined benefit plan obligations and other retirement plans	Financial Statements: 232-327	
GRI 205 Anti-corruption (2016)			
3-3	Management of material topics (2021)	43-48; 56-66	
205-1	Operations assessed for risks related to corruption	43-48; Management Report: 316-321	
205-2	Communication and training about anti-corruption policies and procedures	43-48	
205-3	Confirmed incidents of corruption and actions taken	43-48; 132	
GRI 206 Anti-competitive Behavior (2016)			
3-3	Management of material topics (2021)	43-48; 56-66	
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	43-48; 132	
GRI 301 Materials (2016)			
3-3	Management of material topics (2021)	56-66; 96-102	
301-1	Materials used by weight or volume	99-100	Due to the confidentiality of the formulations for products, no information on renewable and non-renewable materials used by weight or volume can be disclosed at present. Renewable raw materials are mainly used in ceramic production, where technically possible, as aggregates in the form of secondary raw materials.
302-2	Recycled input materials used	99-100	



GRI	Disclosure	Page	Omissions, Explanation
GRI 302 Energy (2016)			
3-3	Management of material topics (2021)	56-66; 67-74; 82-83	
302-1	Energy consumption within the organization	69-73	
302-3	Energy intensity	74	
302-4	Reduction of energy consumption	69-83	
302-5	Reductions in energy requirements of products and services	69-83	
GRI 304 Biodiversity (2016)			
3-3	Management of material topics (2021)	56-66; 103-108	
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	107	
304-2	Significant impacts of activities, products and services on biodiversity	103-108	
304-3	Habitats protected or restored	107	
GRI 305 Emissions (2016)			
3-3	Management of material topics (2021)	56-66; 67-95	
305-1	Direct (Scope 1) GHG emissions	76	
305-2	Energy indirect (Scope 2) GHG emissions	77	
305-3	Other indirect (Scope 3) GHG emissions	80	The Wienerberger Group has not yet established Group-wide recording structures for the recording of CO ₂ emissions from our procurement activities (Scope 3). Adjustments in this regard, including a possible schedule, is being evaluated.
305-4	GHG emissions intensity	78-80	The specific values are presented as an index in % relative to the defined reference year, the values of the reference year being set at 100%. With the new survey of the direct and indirect (Scope 2) CO ₂ emissions of all product areas of the Wienerberger Group since the reporting year 2020, the indices of the specific CO ₂ emissions with reference year 2020 as of the year 2021 for all product areas are available.
305-5	Reduction of GHG emissions	67-82	
305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	68	The flue gas analyses carried out on an ongoing basis at our plants have shown that of the greenhouse gases mentioned (N ₂ O, SF ₆ etc.) only CO ₂ itself plays a role. Wienerberger therefore reports its direct greenhouse gas emissions (Greenhouse Gas Protocol, Scope 1) in the unit tons of CO ₂ , which in this case is identical to tons of CO ₂ equivalents.

GRI	Disclosure	Page	Omissions, Explanation
GRI 306 Waste (2020)			
3-3	Management of material topics (2021)	56-66; 96-102	
306-1	Waste generation and significant waste-related impacts	98-102	
306-2	Management of significant waste-related impacts	98-102	
306-3	Waste generated	101	
306-4	Waste diverted from disposal	101	
306-5	Waste directed to disposal	101	
GRI 308 Supplier Environmental Assessment (2016)			
3-3	Management of material topics (2021)	56-66; 48-52	
308-1	New suppliers that were screened using environmental criteria	48-52	
308-2	Negative environmental impacts in the supply chain and actions taken	48-52	Complete GRI-compliant reporting is not yet available. A further detailed reporting for a GRI-compliant presentation for the next reporting periods is under review.
GRI 401 Employment (2016)			
3-3	Management of material topics (2021)	56-66; 109-111; 119	
401-1	New employee hires and employee turnover	119-121; 142-145	
GRI 403 Occupational Health and Safety (2018)			
3-3	Management of material topics (2021)	56-66; 111-118	
403-1	Occupational health and safety management system	111-118	
403-2	Hazard identification, risk assessment, and incident investigation	111-118	
403-3	Occupational health services	111-118	
403-4	Worker participation, consultation, and communication on occupational health and safety	111-118	
403-5	Worker training on occupational health and safety	111-118	
403-6	Promotion of worker health	111-118	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	111-118	



GRI	Disclosure	Page	Omissions, Explanation
403-8	Workers covered by an occupational health and safety management system	111-118	
403-9	Work-related injuries	117; 137-140	Due to the data collection structures at Wienerberger, no differentiation is currently made between salaried employees and non-employees in accordance with GRI.
GRI 404 Training and Education (2016)			
3-3	Management of material topics (2021)	41; 56-66; 121-123; 126	
404-1	Average hours of training per year per employee	121-123	
404-2	Programs for upgrading employee skills and transition assistance programs	121-123	
GRI 405 Diversity and Equal Opportunity (2016)			
3-3	Management of material topics (2021)	56-66; 123-126	
405-1	Diversity of governance bodies and employees	123-126; 147-150	Currently, there is no differentiation of the management and control bodies by age group available. A GRI-compliant presentation is being evaluated.
GRI 406 Non-discrimination (2016)			
3-3	Management of material topics (2021)	56-66; 119-126	
406-1	Incidents of discrimination and corrective actions taken	123	
GRI 413 Local Communities (2016)			
3-3	Management of material topics (2021)	60	
413-2	Operations with significant actual and potential negative impacts on local communities	126	
GRI 414 Supplier Social Assessment (2016)			
3-3	Management of material topics (2021)	56-66; 48-52	
414-1	New suppliers that were screened using social criteria	48-52	
414-2	Negative social impacts in the supply chain and actions taken	48-52	Complete GRI-compliant reporting is not yet available at present. Further detailed reporting for a GRI-compliant presentation for the next reporting periods is under review.

GRI	Disclosure	Page	Omissions, Explanation
GRI 416 Customer Health and Safety (2016)			
3-3	Management of material topics (2021)	56-66; 48; 126	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	99; 108; 126	Complete GRI-compliant reporting is not yet available at present. Further detailed reporting for a GRI-compliant presentation for the next reporting periods is under review.



Confirmation by the Managing Board

We herewith confirm to the best of our knowledge that this Report was compiled in conformity with the provisions of the Sustainability and Diversity Improvement Act (NaDiVeG) and contains all the information available on material non-financial matters.

Vienna, March 16th, 2022
The Managing Board of Wienerberger AG

Heimo Scheuch
Chairman of the Managing
Board of Wienerberger AG,
CEO

Gerhard Hanke
Member of the Managing
Board of Wienerberger AG,
CFO

Solveig Menard-Galli
Member of the Managing
Board of Wienerberger AG,
COO WBS

Harald Schwarzmayer
Member of the Managing
Board of Wienerberger AG,
COO WPS

Auditor's report

Courtesy Translation of the Audit Report of the Independent Assurance on Non-Financial Reporting

Introduction

We have performed procedures to obtain limited assurance as to whether any matters have come to our attention that cause us to believe that the (consolidated) non-financial report as of December 31, 2021 has not been prepared, in all material respects, in accordance with the reporting criteria. The reporting criteria include the Sustainability Reporting Standards GRI Standards: Core option issued by the Global Sustainability Standards Board (GSSB) and the reporting requirements mentioned in § 267a UGB (NaDiVeG).

Further, we have performed procedures to obtain limited assurance as to whether any matters have come to our attention that cause us to believe that the EU taxonomy information disclosed is not prepared, in all material respects, in accordance with Regulation (EU) 2020/852 (Taxonomy Regulation) and the accompanying Delegated Regulations (EU)2021/2178 and (EU) 2021/2139.

Responsibility of the management

The preparation of the report in accordance with the reporting criteria as well as the selection of the scope of the engagement is the responsibility of the management of Wienerberger AG. The reporting criteria include the Sustainability Reporting Standards GRI Standards: Core option issued by the Global Sustainability Standards Board (GSSB) and the reporting requirements mentioned in § 267a UGB (NaDiVeG). Furthermore, they are responsible for collecting the disclosed information on the EU taxonomy in accordance with Regulation (EU) 2020/852 (Taxonomy Regulation) and the supplementary Delegated Regulations (EU)2021/2178 and (EU) 2021/2139.

This responsibility includes the selection and application of appropriate methods for preparing the report, making assumptions and estimates of individual non-financial disclosures that are plausible under the given circumstances. The responsibility of the management further includes the internal controls, which have been determined as necessary by management for the preparation of a consolidated non-financial report free from material misstatement, whether due to fraud or error.

Responsibility of the auditor

Our responsibility is to express a limited assurance opinion on whether the (consolidated) non-financial report is prepared, in all material respects, in accordance with the reporting criteria. The reporting criteria consist of the Sustainability Reporting Standards GRI Standards: Core Option issued by the Global Sustainability Standards Board (GSSB) as well as the requirements for the report stated in § 267a UGB (NaDiVeG).

Further, based on our audit procedures, our responsibility is to express an opinion with limited assurance as to whether any matters have come to our attention that cause us to believe that the disclosed EU taxonomy information has not been prepared, in all material respects, in accordance with Regulation (EU) 2020/852 (Taxonomy Regulation) and the accompanying Delegated Regulations (EU)2021/2178 and (EU) 2021/2139.

We conducted our engagement in accordance with the International Standard on Assurance Engagements ISAE 3000 (Revised), "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the International Auditing and Assurance Standards Board (IAASB) in order to obtain limited assurance on the subject matters.



ISAE 3000 (Revised) requires us to plan and perform the engagement in a way that enables us to obtain limited assurance that nothing has come to our attention that causes us to believe that the (consolidated) non-financial report has not, in any material aspect been prepared in accordance with the reporting criteria of GRI Standards: Core option, § 267a UGB (NaDiVeG), as well as the disclosed information on the EU taxonomy have been prepared in accordance with Regulation (EU) 2020/852 (Taxonomy Regulation) and the supplementary Delegated Regulations (EU)2021/2178 and (EU) 2021/2139.

In a limited assurance engagement, the evidence-gathering procedures are more limited than in a reasonable assurance engagement and therefore, less assurance can be obtained. The choice of audit procedures lies in the due discretion of the auditor.

As part of our audit, we have performed, inter alia, the following audit procedures and other activities as far as they are relevant to the limited assurance engagement:

- › Interview of the employees named by Wienerberger AG regarding the sustainability strategy, the sustainability principles and the sustainability management
- › Interviewing employees of Wienerberger AG to assess the methods of data collection, data processing and internal controls
- › Matching the non-financial disclosures shown in the consolidated non-financial report with the calculation documents provided
- › Conducting a media analysis
- › Review of the disclosed information on the EU taxonomy for compliance with Regulation (EU) 2020/852 (Taxonomy Regulation) and the supplementary Delegated Regulations (EU)2021/2178 and (EU) 2021/2139
- › Furthermore, we conducted procedures with regard to whether the reporting requirements of § 267a UGB (NaDiVeG) are met with the consolidated non-financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. The objective of our engagement is neither an audit of financial statements nor an auditor's review of financial statements. Likewise, neither the detection and clarification of criminal offences, such as embezzlement or other acts of breach of trust and administrative offenses, nor the assessment of the effectiveness and efficiency of the management is the object of our engagement.

Summarized Conclusion

Based on our work, nothing has come to our attention that causes us to believe that the consolidated non-financial report of Wienerberger AG as of December 31, 2021 has not, in any material aspects, been prepared in accordance with the reporting criteria of the Sustainability Reporting Standards GRI Standards: Core option.

Furthermore, nothing has come to our attention that causes us to believe that the reporting requirements of § 267a UGB (NaDiVeG) are not met with the consolidated non-financial report.

Furthermore, based on our audit procedures, nothing has come to our attention that causes us to believe that the EU taxonomy information disclosed is not prepared, in all material respects, in accordance with Regulation (EU) 2020/852 (Taxonomy Regulation) and the accompanying Delegated Regulations (EU)2021/2178 and (EU) 2021/2139.

Engagement approach

The basis for this engagement are the “General Conditions of Contract for the Public Accounting Professions”, as issued by the Chamber of Tax Advisers and Auditors in Austria (refer to appendix). In accordance with chapter 7 of these terms and conditions, our liability shall be limited to intent and gross negligence. In cases of gross negligence, the maximum liability is limited to a maximum of five times the fee. This amount constitutes a total maximum liability cap, which may only be utilized once up to this maximum amount, even if there is more than one claimant or more than one claim has been asserted.

Vienna, March 17, 2022

Deloitte Audit Wirtschaftsprüfungs GmbH

Mag. Gerhard Marterbauer
Austrian Certified Public Accountant

Attention: This letter has been translated from German to English for referencing purposes only. Please refer to the officially legally binding version as written and signed in German. Only the German version is the legally binding version.







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CORPORATE GOVERNANCE REPORT

Corporate Governance Report

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Report of the Supervisory Board

Dear Shareholders,

It is with great appreciation for what has been accomplished that I look back on an extraordinary, challenging but nevertheless very successful year 2021.

The second year of the worldwide Covid-19 pandemic was at the same time the most successful year in the Wienerberger Group's history of more than 200 years. In 2021, the management of Wienerberger AG again demonstrated its ability to react swiftly to volatile situations, made the right decisions, and communicated regularly with financial market participants. Thanks to the successful transformation of our product portfolio in recent years and our presence in diversified end markets, the company proved to be highly resilient in these uncertain times, as reflected in the excellent results of the 2021 business year.

In 2021, owing to the pandemic, most of the meetings of the Supervisory Board and its committees were held virtually, i.e. in the form of videoconferences. The topics discussed included, in particular, the fast-changing economic environment and the reactions required on the part of Wienerberger, as well as the strategic orientation of the Group. The objective was to optimally position Wienerberger and to ensure that the company can benefit from opportunities that may arise in the future. In this context, the health and safety of our employees was always the highest priority on our agenda. In the course of the Covid-19 pandemic, various

measures above and beyond the legal requirements were introduced to protect our employees. The company demonstrated its commitment to ensuring a safe and healthy working environment through continuous improvements and thorough analyses of accidents in each individual case.

The year 2021 also brought some organizational changes concerning both the Managing Board and the Supervisory Board. After a thorough selection procedure, Gerhard Hanke took over the position of Chief Financial Officer (CFO) from Carlo Crosetto as of March 1, 2021.

Having previously served as Senior Independent Director and Chairman of the Nomination Committee and the Remuneration Committee, I was very honored to have been additionally appointed Chairman of the Supervisory Board as of January 1, 2021, and to witness the outstanding performance of the company from the front row, so to speak. Myriam Meyer was appointed Deputy Chair of the Supervisory Board and as such is in constant exchange with me. After the early resignation of Christian Jourquin, Member of the Supervisory Board for many years, whom I wish to thank most cordially for his valuable contributions, Kati ter Horst joined the Supervisory Board as of May 2021.



Evaluation of the Supervisory Board

In November 2021, the Supervisory Board performed a self-evaluation of its work, in the course of which the Supervisory Board members answered numerous questions regarding the composition, organization, way of working, and chairmanship of the Supervisory Board. The answers to these questions were evaluated and discussed in detail at the Supervisory Board meeting in December 2021. The self-evaluation followed up on the external assessment of the Supervisory Board's work performed in October 2020.

Results of the evaluation

Positive findings:

The members of the Supervisory Board agreed that the working atmosphere and the chairmanship of the Supervisory Board and its committees are conducive to an open exchange of opinions and the efficient fulfillment of their duties. This also holds for the interaction between the Supervisory Board and the Managing Board, which is described as constructive, balanced, and mutually appreciative. The work done by the committees is perceived as a valuable contribution to the activities of the Supervisory Board. In the members' opinion, the skills and qualifications required for the performance of all its tasks are well represented on the Supervisory Board in its current composition. Moreover, the members are in agreement as regards the qualifications and expertise as well as the diversity criteria to be met by future candidates for the Supervisory Board.

Areas with room for further improvement:

The members of the Supervisory Board agree that succession planning, both for themselves and the Managing Board, remains a topic of high priority. Presentations delivered during meetings could be shortened. More of the Supervisory Board's discussion time could be devoted to the work done by the committees.

Overall, the self-evaluation led to the conclusion that the entire Supervisory Board is working very efficiently under my chairmanship.

Evaluation of mandates of the Supervisory Board members

The Nomination Committee conducted an evaluation of my mandates as well as those of my colleagues and reached the following conclusions:

As part of the Nomination Committee's annual review of the external mandates of Supervisory Board members,

(and recognizing the views expressed by some shareholders in this area), the Committee reviewed closely the external mandates of Chair Peter Steiner, who serves as chair of Zeal Network SE and as non-executive director and chair of the audit committee of Clariant AG.

The Committee's review, without the presence of Mr. Steiner, noted that since Mr. Steiner's appointment to the Supervisory Board at the 2018 AGM, he has not missed any Supervisory Board or Committee meetings. The Committee also noted Mr. Steiner's positive contribution to the Supervisory Board since his appointment as Chair, and his commitment to Wienerberger has remained unchanged despite the increase in the Supervisory Board's workload as a result of the COVID-19 pandemic. The Committee finally noted that Mr. Steiner does not have any full-time commitment.

Following discussion with Mr. Steiner, who has reassured the Committee of his commitment to Wienerberger, the Committee is satisfied that he will continue to effectively carry out his duties as Chair of Wienerberger as has been the case since his appointment and his two other mandates do not adversely impact on his role as Chair. Furthermore, Mr. Steiner's availability and proactive outreach to Wienerberger's shareholders clearly confirms that he can fulfill the Chair role without any hinderance.

The Nomination Committee remains satisfied of the time commitment of all other Supervisory Board members and will continue to monitor closely any new appointments taken by current members to ensure that they continue to be able to effectively fulfil their duties at Wienerberger.

Priority areas of work of the Supervisory Board in 2021

For a 100% free float company, it is crucial to keep investors informed of the Group's activities. We therefore expect our financial reporting to meet the highest national and international standards. The Supervisory Board took great care in fulfilling its obligations during the financial year in accordance with the relevant legal provisions, the Articles of Association and the Rules of Procedure.

In 2021, the Supervisory Board held ten meetings, including two extraordinary ones. In the course of these meetings, the Supervisory Board and the Managing Board intensively discussed the company's economic situation as well as important growth projects and the strategic orientation of the Group. In addition to its advisory and steering functions, the Supervisory Board

focused in particular on monitoring the legality, efficiency, and regularity of the company's management. The Managing Board provided the Supervisory Board with timely and comprehensive information at all meetings and, between meetings, through regular written and oral reports on the economic and financial situation of the Group as well as on its personnel situation and its acquisition and investment projects. In addition, the committee chairpersons and the Chairman met regularly with the Managing Board, mostly virtually but also in person, to discuss the Group's strategy, its business development and its approach to risk management, giving due consideration to the growing importance of sustainability aspects. Certain subjects were dealt with in greater detail by the committees and reported to the full Supervisory Board. In 2021, the overall rate of attendance by the capital representatives at Supervisory Board meetings was very high. For a detailed overview of meeting attendance by the members of the Supervisory Board, please refer to page 181.

The discussions of the Supervisory Board on the following topics led to results of crucial importance:

- › Review and approval of the 2020 annual financial statements presented by the Managing Board
- › Preparation of the virtual Annual General Meeting and the Capital Markets Day
- › Resolution on the 2020 Remuneration Report
- › Examination of strategic acquisitions aimed at generating sustainable and value-accretive growth and expanding the Group's industrial portfolio, such as Struxura, FloPlast, and Cork Plastics
- › Assessment of candidates for election to the Supervisory Board
- › Resolution on the appointment of Gerhard Hanke as the CFO of the company
- › Resolution on the prolongation of the mandate of Solveig Menard-Galli (COO WBS) for another three years
- › Approval of the sale of 2.5 million treasury shares of the company
- › Examination, discussion, and approval of the budget for 2022 and, on that basis, determination of the targets for the variable remuneration components of the Managing Board
- › Discussion of progress made toward attaining the targets of the Sustainability Program 2023
- › Resolution on a succession planning and recruiting policy, a diversity policy, and a shareholding policy for the Supervisory Board

Report of the Audit and Risk Committee

The committee met five times in 2021. Representatives of the external auditor were present at all committee meetings. At its meetings on February 22 and March 25, 2021, the Audit and Risk Committee discussed the Consolidated and Separate Financial Statements of Wienerberger AG, the Management Report, the Group Management Report, the Corporate Governance Report, the report on the functioning of the risk management system, and the report on the Group's non-financial performance in the business year 2020, as well as the Managing Board's proposal for profit distribution. After thorough examination, the Audit Committee unanimously recommended the approval and adoption of these reports by the Supervisory Board. In the interest of timely communication with the capital market, the preliminary results for the financial year 2020 were published in the form of a short report on February 24, 2021. The full annual report was published on March 29, 2021.

Other focal points of the Audit and Risk Committee's work included:

- › Verification of the statement submitted by the external auditor regarding its legal relations with the Wienerberger Group and the members of the Group's Boards for the year 2021
- › Evaluation of the quality of the external auditor's performance
- › Verification and confirmation of compliance with rules 77–83 of the Austrian Code of Corporate Governance
- › Approval of the internal audit plan for 2022; analysis of the reports on the audits performed in accordance with the internal audit plan and discussion of measures to be taken
- › Discussion of the reorganized group-wide risk management system as well as the implementation of a new risk management policy and a whistleblowing tool.

David Davies (financial expert),
Chairman of the Audit and Risk Committee



Report of the Nomination Committee

The Nomination Committee held three meetings in 2021, including one joint meeting with the Remuneration Committee, and dealt with the following priority topics:

- › Nomination procedure preceding the appointment of the new Chief Financial Officer (CFO) of the Wienerberger Group and subsequent continuous evaluation of the CFO's performance
- › Review of the performance of the Managing Board members, also with a view to forthcoming extension of mandates, and feedback to the full Supervisory Board
- › Succession planning and the continuous search for and evaluation of potential candidates for the Supervisory Board, supported by an internationally renowned consultant, taking into consideration future strategic requirements and the diversity criteria established by the Supervisory Board as well as the skills matrix
- › Submission of proposals for suitable candidates to the full Supervisory Board
- › Adaptation of the skills matrix and elaboration of the diversity policy and the succession and recruiting policy for the Supervisory Board
- › Reorientation of the organizational structure of the Group against the background of its fast growth in recent years

Peter Steiner,

Chairman of the Nomination Committee

Report of the Remuneration Committee

The Remuneration Committee held three meetings in 2021, including one joint meeting with the Nomination Committee, and dealt with the following priority topics:

- › Elaboration of the 2020 Remuneration Report and submission of the report to the full Supervisory Board for adoption
- › Elaboration and negotiation of arrangements with Carlo Crosetto, former CFO, following the early termination of his mandate as of the end of February 2021
- › Confirmation of attainment of the targets for the variable short-term and long-term remuneration components of the Managing Board members for 2021
- › Determination of the targets for the variable remuneration components for the members of the Managing Board for 2022
- › Discussion of the increase of the fixed annual salary of the Managing Board members on the basis of the performance review performed by the Nomination Committee, and submission of the proposal to the full Supervisory Board for resolution
- › Elaboration of a shareholding policy for the Supervisory Board

Peter Steiner,

Chairman of the Remuneration Committee

Report of the Sustainability and Innovation Committee

The Sustainability and Innovation Committee met three times in 2021 and dealt with the following priority topics:

- › Updates on the Wienerberger sustainability strategy, innovation, and circular economy
- › Discussion of the Biodiversity Action Plan, which was launched in 2021 and is to be implemented at all Wienerberger sites by 2023
- › Progress report on the implementation of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)¹⁾. For more information see page 41 of the Sustainability Report.
- › Progress report on Wienerberger's decarbonization strategy and related research projects and risk analyses
- › Update on the group-wide Health & Safety Strategy
- › Discussion of important HR topics, such as diversity and succession management for managerial positions
- › Presentation of the group-wide Code of Conduct and the whistleblower tool implemented in the fall of 2021

Myriam Meyer, Chairwoman of the Sustainability and Innovation Committee

Changes to the Managing Board

Effective March 1, 2021, Gerhard Hanke was appointed Chief Financial Officer of Wienerberger AG as the successor to Carlo Crosetto, who left the company upon his own request as of February 28, 2021. In his new function as Chief Financial Officer (CFO), Gerhard Hanke is responsible not only for the financial matters of the Group, but also for procurement, IT and digitalization, and performance management.

The decision to nominate Gerhard Hanke for this position was made on the basis of a uniform set of criteria, which serves as a basis for the assessment of internal and external candidates. For details, please refer to the section "Diversity Concept" starting on page 178.

Composition of the Supervisory Board

On January 1, 2021, I took over the chair of the Supervisory Board from Peter Johnson, whom I would like to thank for his excellent chairmanship and his invaluable work in 2020. Since January 1, 2021, I have been supported by Myriam Meyer as my deputy.

After the early departure of Christian Jourquin, Member of the Supervisory Board for many years, Kati ter Horst was elected as a new member of the Supervisory Board at the 152nd Annual General Meeting in May 2021. On behalf of my colleagues, I would like to thank Christian Jourquin, who had served on the Supervisory Board since 2014, for his extraordinary commitment and his valuable contribution to the success of the Wienerberger Group. At the same time, I am pleased to welcome Kati ter Horst as a new colleague, an internationally experienced manager with broad industry know-how, especially regarding ESG-related topics.

1) In June 2017, the Task Force on Climate-related Financial Disclosures (TCFD) issued recommendations for the voluntary and consistent disclosure of climate-related financial information.



Also at the 152nd Annual General Meeting in May 2021, Peter Johnson and David Davies were reelected to the Supervisory Board of the company.

At its meeting on May 4, 2021, pursuant to section 270 (1) of the Austrian Company Code, the Supervisory Board appointed Deloitte Audit Wirtschaftsprüfungs GmbH, Vienna, elected at the Annual General Meeting, as external auditor for the financial year 2021.

Prior to the first Supervisory Board meeting in February 2021, the members of the Supervisory Board reiterated their declarations of independence in accordance with the Austrian Code of Corporate Governance. In line with the provisions of the code, Peter Johnson is no longer deemed “independent” since May 13, 2020, due to his tenure on the Supervisory Board of over 15 years.

2021 Financial Statements and Consolidated Financial Statements

The 2021 Financial Statements and the Management Report of Wienerberger AG as well as the Consolidated Financial Statements for 2021 and the Group Management Report prepared in accordance with IFRS rules were audited for the fifth consecutive year by Deloitte Audit Wirtschaftsprüfungs GmbH, Vienna, and received an unqualified audit opinion. The Notes to the Financial Statements, the Managing Board’s proposal for profit distribution, and the audit reports of the external auditor were discussed in detail with the external auditor by the Audit and Risk Committee and submitted to the Supervisory Board. The Supervisory Board examined the documents pursuant to section 96 (4) of the Austrian Stock Corporation Act and endorsed the result of the audit. Having analyzed the financial position of the company, the Supervisory Board agreed to the Managing Board’s profit distribution proposal.

On behalf of the Supervisory Board, I would like to thank the Managing Board, the senior management, and all the employees of the company for their outstanding commitment in 2021. The company’s extremely strong performance in the second year of the Covid-19 crisis and the strategic milestones reached in 2021 confirm the success of our growth course and testify to Wienerberger’s resilience gained through its successful transformation in recent years. The most important factor for the successful implementation of our growth strategy is the energy and dedication of our employees. Their professionalism, their passion, and their entrepreneurial spirit enable us to seize opportunities, act with determination, and create value for our shareholders. The 2021 business year demonstrated our ability to react swiftly to changing circumstances, cope with new challenges, and grow in a time of crisis. I am therefore confident that the Wienerberger Group is well positioned for the future with its clear medium-term strategy and will continue on its successful course in 2022. With this in mind, I would like to thank you, our valued shareholders, for accompanying us on this path.

Vienna, March 25, 2022

Peter Steiner,
Chairman of the Supervisory Board

Corporate Governance at Wienerberger

Commitment to the Code of Corporate Governance

As a listed company with international operations, Wienerberger is committed to strict principles of good corporate governance, a maximum level of transparency, and the continuous further development of an efficient system of corporate control. We regard a responsible, long-term approach to the management of the Wienerberger Group as an essential prerequisite for the achievement of our corporate targets, which are all set in accordance with our ESG strategy. This understanding of our role as a company is based on Austrian law, the Austrian Code of Corporate Governance, our Articles of Association, the rules of procedure of the Boards of the company, and our internal policies.

Since 2002, Wienerberger has committed itself to follow the rules of the Austrian Code of Corporate Governance in their entirety (see www.corporate-governance.at). The Code provides a framework for the management and supervision of a company and is intended to strengthen the confidence of investors in the company and in Austria as a financial marketplace. Its guiding principles include the following:

- › Equal treatment of all shareholders and the highest possible level of transparency
- › Independence of the Supervisory Board
- › Open communication between the Supervisory Board and the Managing Board
- › Avoidance of conflicts of interest between the Boards of the company
- › Efficient monitoring by the Supervisory Board and the external auditor

In 2021, Wienerberger fully complied with the rules of the Austrian Code of Corporate Governance including its R Rules, i.e. those rules which do not require public disclosure of deviations from the recommendations.

Compliance

In order to prevent insider trading and the unlawful disclosure of inside information, the company has a compliance policy in place that implements the provisions of European and Austrian law on insider trading and market abuse. A compliance officer, supported by a deputy, has been appointed to monitor compliance.

Wienerberger AG introduced a large number of internal policies, which apply across the Group and are designed to ensure compliance with relevant legal provisions. Among others, there are policies on competition law, the fight against corruption, data privacy, and lobbying. Compliance with these policies is verified at regular intervals. Moreover, compliance training programs are being organized throughout the Group.

In October 2021, a group-wide Code of Conduct was implemented, which constitutes a binding guideline for all employees, suppliers, and representatives of joint ventures in which Wienerberger has a stake of at least 50%. At the same time, a whistleblowing service was installed through which any illegal, unethical, or inappropriate conduct can be reported anonymously. Each report is verified by a Whistleblowing Committee which, depending on the circumstances of the case, imposes sanctions or initiates corrective measures. Among other provisions, the Code of Conduct stresses in particular the prohibition of corruption and bribery and explains how to deal with inside information. For detailed information, please refer to the section “ESG: Governance & Management Approach” starting on page 38. The document can also be downloaded on our website under Investors – Download Center.



Internal audit and risk management

In order to further improve Wienerberger's system of risk management, an internal audit function has been set up as a staff unit reporting to the Managing Board. The Managing Board and Internal Audit regularly analyze operational processes for potential risks and possible improvements in efficiency; they also monitor compliance with legal provisions as well as internal policies and processes. These activities are based on an internal audit plan approved by the Managing Board and the Audit and Risk Committee, as well as a group-wide system of risk assessment covering all the company's operations. Internal Audit reports to the Managing Board and the Audit and Risk Committee on the audit findings. Moreover, the internal control system (ICS) is being further developed to permit the early identification and management of risks; the implementation of the respective measures is subject to regular reviews (see Management Report, page 231).

The external auditor reviews the risk management process once a year, confirms its effectiveness, and reports thereon to the Managing Board. No material deficiencies were found in the internal auditing and accounting processes. The management letter drawn up by the external auditor and the auditor's report on the effectiveness of the Group's risk management were submitted to the Chairman of the Supervisory Board and discussed in detail by the Supervisory Board.

Data privacy and cybersecurity

Wienerberger's security concept is based on four pillars – prevention, protection, detection, and response.

We strive to prevent security incidents by properly training our employees, simulating phishing and cyber-attacks, assessing our office locations and plants, testing the security of our information systems, defining our risk posture, and continually assessing and reducing our cyber related risk.

We protect our systems by defining and enforcing policies and standards, keeping our infrastructure up to date, deploying state of the art technical protection measures, and providing adequate metrics to ensure the effectiveness of our security controls. Together with external specialists, we have successfully implemented a quality standard for data protection across the Group that is regularly reviewed and optimized. Our data protection measures include the business units, national organizations, and partner companies that process data on our behalf.

We use best-in-class technology ranging from artificial intelligence to highly specialized external cybersecurity analysts in our cyber defense center to detect irregularities in our systems and data and provide effective processes to promptly react.

We have implemented best practices in business continuity management, enabling us to respond to evolving situations and stay operational in case of disruptive events. This includes adequate backup strategies, disaster exercises, and a proper organizational setup for unforeseen situations.

All of this is overseen and managed at the Group level by our Head of Information Security (reporting to the Chief Information and Digital Officer) together with a Privacy and Security Expert and two Security Analysts. In addition, we have four regional IT Security Coordinators and national Information Security Managers. For more detailed information, please refer to the section "ESG: Governance & Management Approach" starting on page 38.

Employee satisfaction

Every other year, we conduct an employee satisfaction survey. The most recent survey was performed in March 2021 and yielded highly satisfactory results. The participation rate, the engagement, and the enablement of our employees improved significantly compared to previous years.

- › Participation rate up from 66% to 80%
- › Employee engagement increased by 3%
- › Employee enablement increased by 2%

The feedback from our employees provides the basis for specific plans of action to be implemented in the following months and years. For detailed information, please refer to the section “Employees & Social Impact” starting on page 109.

Health and safety

As an industrial manufacturer, we regard the health and safety of our employees as our top priority. At the beginning of 2021, we elaborated a group-wide health and safety policy, which represents a clear commitment on our part to doing our utmost in order to protect our employees from potential health and safety risks. Throughout the Group, management systems as well as health and safety programs have been implemented by each of our business units.

Our goal is to reduce the annual number of accidents across the Group to zero. We are consistently pursuing this goal through structural, technical, and organizational measures and by implementing group-wide safety standards as well as individual safety programs for our business units. Moreover, we have introduced training programs and incentive systems to promote a strong safety culture. We are additionally putting a special focus on the mental health of our employees. For detailed information, please refer to the section “Employees & Social Impact” starting on page 109.

Disclosures required pursuant to section 243 of the Austrian Company Code

The disclosures required pursuant to section 243 of the Austrian Company Code can be found in the following sections: Information on the composition of Wienerberger’s capital, types of shares, restrictions and rights, as well as the authorization of the Managing Board to issue or buy back shares is contained in the Management Report in the section “Wienerberger Share and Shareholders” from page 226 and in the Consolidated Financial Statements under Note 28 (“Group Equity”) starting on page 278. Furthermore, the section “Wienerberger Share and Shareholders” contains information on direct and indirect investments in Wienerberger’s share capital. The principles and structure of the Company’s remuneration policy, a table indicating the amounts of remuneration due to the individual members of the Managing Board and the Supervisory Board, and an overview of Wienerberger shares held by Board members are contained in the Remuneration Report and can be downloaded on our website and under Investors – Corporate Governance. Updates on the purchase and sale of Wienerberger shares by members of the Managing Board and the Supervisory Board are disclosed on the Investor Relations website in the section “Shareholdings by members of the Managing Board and the Supervisory Board” of the “Corporate Governance” section. Change of control clauses are included in the employment contracts of the members of the Managing Board and in the terms and conditions of corporate bonds and syndicated loans and other loans.



Related party transactions

Business transactions with companies in which members of the Supervisory Board of Wienerberger AG are active are carried out at arm's length. No loans were granted to members of the Supervisory Board or the Managing Board. Information on related party transactions is provided in the Notes to the Consolidated Financial Statements on page 313.

External audit

The 152nd Annual General Meeting appointed Deloitte Audit Wirtschaftsprüfungs GmbH, Vienna, to audit the 2021 consolidated and separate financial statements of Wienerberger AG. In addition to its auditing function, Deloitte also provides certain tax and financial consulting services for the Group through its global network of partner offices. In 2021, consultancy fees for non-audit services charged by Deloitte excluding fees for auditing the financial statements amounted to € 297 thousand (2020: € 1,036 thousand). The fee for the audit of the financial statements of the Wienerberger Group and related services amounted to € 2,317 thousand (2020: € 2,320 thousand). To ensure the independence of the external auditor, we comply with the respective provisions of the Austrian Code of Corporate Governance (L Rule 78). Pursuant to this rule, lead auditors are not allowed to hold a Board function or an executive position in the company within two years of having signed the audit opinion on that company.

Shareholders

As of December 31, 2021, Wienerberger AG had 115,187,982 shares in circulation. There are no preferred shares or restrictions on common shares. The "one share – one vote" principle therefore applies in full. In accordance with the Austrian Corporate Takeover Act, each shareholder will receive the same price for his/her Wienerberger shares in the event of a takeover bid (mandatory offer). Wienerberger AG has no core shareholder. The Company's shareholder structure is shown in the Management Report on page 228.

Diversity Concept

Success through diversity

We are convinced that diversity in teams results in higher performance and therefore contributes to a company's economic success. This has been confirmed by several studies. Being aware of the great diversity of talents in our society, Wienerberger is making every effort to identify, address, and tap into this talent pool. We believe that our sustainable economic success is based on the skills and dedication of our employees as well as on our corporate culture. We therefore want to bring together people with diverse talents, personality features, gender identities, career histories, and cultural backgrounds. The resultant diversity of competencies and the internationality of our employees reflect the diversity of our customers, investors, business partners, and markets, reaffirm our innovative mindset, and make us fit for the challenges of a dynamic and fast-changing business environment.

We have set ourselves targets in the areas of "Environment," "Social," and "Governance" (ESG) to be achieved by 2023. For details, please refer to page 15. Regarding social targets, we focus primarily on two pillars:

- Diversity: >15% women in senior management positions (2021: 15%) and a further increase in the percentage of female employees to >30% (2021: 32.6%)
- Initial and further training: +10% more training hours per employee (2021: +23.2%).

Our principles

The principles of Wienerberger's human resources policy provide the basis for the achievement of our targets for diversity and initial and further training. They can be summarized as follows:

- To ensure that all employees have the same rights and opportunities, regardless of age, gender, culture, religion, origin, or other diversity features
- To ensure the integration of minorities
- To facilitate the integration of people with disabilities
- To promote equal opportunities by not allowing any gender-specific pay gap
- To establish apprenticeship programs to support the young generation
- To expand the range of initial and further training programs

Based on these principles, we take a firm stance against any form of discrimination. Since 2009, we have collected data on diversity and equal opportunities within the framework of our sustainability reports. Discrimination is a matter we take very seriously. If necessary, corrective measures are taken to counteract any such manifestation as quickly as possible. The Code of Conduct implemented in October 2021 also covers issues such as fairness, diversity, and inclusion. It provides a possibility for employees to report any illegal, unethical, or inappropriate conduct anonymously via an external whistleblowing service. For detailed information, please refer to the section "ESG: Governance & Management Approach" on page 38 and on our website under Investors – Download Center.



Local employment and internationality within the company

The values of our corporate culture include integrity and respect. As an international group of companies with a decentralized structure, Wienerberger respects local cultures. Additionally, internal talents and potential future executives are being developed as successors for certain key positions through targeted training and further training measures, e.g. within the framework of group-wide talent management initiatives such as Ready4Excellence (since 2012), Ready4Expertise (since 2020), or the Plant Manager Program (based on a new structure since 2016). These programs are intended to promote local employment and at the same time foster international mobility.

Within the framework of our new talent management and succession planning process, we design individual development plans for both women and men identified as high-potential employees and candidates for succession. Job rotation schemes between different functional areas and country organizations are an important component of employee development. They enable our employees to gain new insights and a deeper understanding of various business areas and strengthen the international character of the company.

These statistics from 2021 serve as a good example for our policies in practice:

- › People from 31 countries were employed at the Wienerberger headquarters in Vienna.
- › Our senior management consisted of 29 nationalities across the Group, with 76% international executives and 15% women.

Measures for the advancement of women

The next generation of our executives and the composition of our teams will be even more diverse. While we aim to maintain the degree of internationality of our management teams, we regard gender diversity as very important and are making every effort to increase the percentage of women in middle and senior management positions. To this end, we implement the following measures targeted at both internal and external female candidates:

External:

- › We ensure that diversity is part of our employer branding, especially when recruiting in schools and universities.
- › When recruiting staff externally for administrative positions (e.g. in finance, HR, legal) and certain commercial functions such as marketing, communication, and customer service, the list of candidates is to include at least 50% women in order to reflect the potential pool of applicants.

Internal:

- › By continuously nominating female employees for internal training and development programs, we ensure that high-potential women candidates are guided toward senior management positions.
- › We offer attractive working time models (including part-time) and remote working options that suit the needs of our employees, both women and men.
- › We introduce and support mentoring and networking programs for women (from within and outside the company).
- › We facilitate access to child-care facilities or day-care institutions.

Our uniform group-wide human resources policy guarantees the same rights and opportunities for all employees. As a company of the building materials industry, Wienerberger traditionally has a high percentage of male employees given the fact that most of the company's workers employed in production are men. However, we are making every effort to promote the career development of women and provide initial and further training for them, thus enabling them to apply for any vacant position at Wienerberger.

Supervisory Board

The international orientation and balanced composition of the Supervisory Board are essential prerequisites for the further development and lasting success of the Wienerberger Group. As the terms of office of the individual Supervisory Board members overlap, the composition of the Supervisory Board is subject to continuous renewal. At the same time, consistent succession planning ensures that the necessary skills and professional qualifications are represented on the Supervisory Board at all times. This is a prerequisite for the Supervisory Board to fulfil its monitoring function and advise the Managing Board on strategic issues.

To facilitate the objective assessment and transparent comparison of different candidates for election to the Supervisory Board, the Nomination Committee defines a multi-faceted requirements profile. Apart from the general requirements of professional competencies and experience, a proven track record in the management of international companies, ESG experience, and the ability to contribute to strategic discussions on a variety of geographic markets are important criteria for the selection process. In order to ensure a comprehensive and diversified body of expertise on the Supervisory Board, the need for specialized know-how is taken into account in accordance with the current priorities of the Group's strategy. When a position falls vacant, an initial analysis serves to identify the type of expertise to be replaced or strengthened on the Supervisory Board. On this basis, special emphasis is placed on maximum diversity of the membership in terms of gender, age, and nationality.

To cover these diverse aspects, a skills matrix was elaborated in 2018 in cooperation with Korn Ferry, an international HR consultant specializing in executive search, and Boston Consulting Group. The matrix shows the specific expertise of the individual members of the Supervisory Board and reflects the high degree of diversity of its current membership. The skills matrix was updated in 2021. The matrix also serves as a useful tool for the transparent search for new candidates for the Supervisory Board, as it illustrates the competencies that have been identified as essential and need to be taken into account and strengthened in the nomination process. This is to ensure that the search for successors to outgoing members is based on a specific requirements profile, which facilitates long-term succession management in the interest of a balanced composition of the Supervisory Board.

These principles were laid down in the Diversity Policy adopted by the Supervisory Board in December 2021 and which is to serve as a basis for succession management. The implementation of the policy is being monitored by the Nomination Committee.

As of December 31, 2021, five nationalities were represented among the seven capital representatives and the three employee representatives. The mandatory 30% quota for women on supervisory boards, which was introduced in 2018, has been fulfilled by Wienerberger since 2015. Following the election of Kater Horst by the 152nd Annual General Meeting, the percentage of women on the Supervisory Board increased to currently 40%*.

* Including employee representatives



Attendance 2021	Supervisory Board	Audit and Risk Committee	Nomination Committee	Remuneration Committee	Sustainability and Innovation Committee
Capital representatives					
Peter Steiner ¹⁾	10/10	-	3/3	3/3	-
Myriam Meyer ²⁾	9/10	-	3/3	-	3/3
Kati ter Horst ³⁾	8/8	-	-	-	1/1
Peter Johnson	10/10	-	3/3	3/3	-
David Davies ⁴⁾	10/10	5/5	3/3	-	-
Regina Prehofer	10/10	5/5	-	3/3	-
Oswald Schmid	10/10	5/5	-	-	3/3
Christian Jourquin ⁵⁾	2/2		0/1		1/1
Employee representatives					
Gerhard Seban	10/10	5/5	3/3	3/3	3/3
Claudia Schiroky	9/10	-	-	-	-
Wolfgang Wallner	6/10	-	-	-	-

1) Chairman of the Supervisory Board, the Nomination Committee, and the Remuneration Committee

2) Deputy Chairwoman of the Supervisory Board, Chairwoman of the Sustainability and Innovation Committee

3) Member of the Supervisory Board and the Sustainability and Innovation Committee since May 4, 2021

4) Chairman of the Audit and Risk Committee

5) Until March 31, 2021

Managing Board

In an international group of companies like Wienerberger, the members of the top executive body must have not only outstanding professional qualifications but also international leadership experience.

As of December 31, 2021, the Managing Board of Wienerberger AG consisted of four members (percentage of women: 25%), who look back on international professional careers of different lengths and are distinguished by mutually complementary professional expertise and a profound knowledge of the industry. In the event of a new appointment, the search for suitable candidates is to be guided by this diverse skills profile.

Gerhard Hanke succeeded Carlo Crosetto and has held the position of the Group's Chief Financial Officer (CFO) since March 1, 2021. He is responsible for all financial matters of the Group as well as procurement, IT and

digitalization, and performance management. Gerhard Hanke looks back on 20 years of experience within the Wienerberger Group, most recently as COO of the East/Central Region of the Wienerberger Building Solutions Business Unit. As an experienced expert with excellent industry and finance know-how, he successfully implemented numerous strategic growth projects and M&A transactions. He also has a strong track record in setting up high-performing financial organizations.

In the interest of long-term succession planning at all levels, the Supervisory Board and the Managing Board are making a continuous effort to identify and promote high-potential candidates, if possible from within the Wienerberger Group. Nomination decisions are made on the basis of a uniform catalogue of criteria, which is in line with Wienerberger's strategic orientation and used for the assessment of both internal and external candidates.



OVERVIEW

CORPORATE GOVERNANCE

OUR COMMITMENT TO INTERNATIONAL GOVERNANCE STANDARDS

The Supervisory Board and the Managing Board engage in open and transparent communication with all stakeholders. In order to effectively exercise its advisory and supervisory function, the Supervisory Board has installed committees dealing with the following areas: audit and risk, remuneration, nomination, and sustainability and innovation:

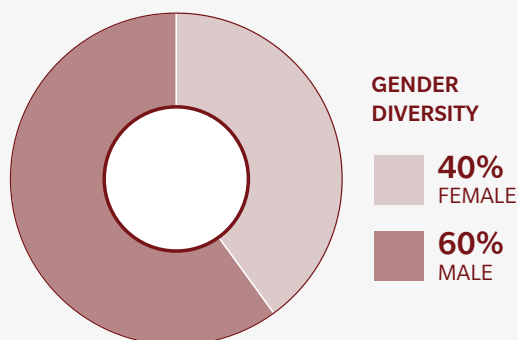
SUPERVISORY BOARD

EXPERIENCED, DIVERSE, INDEPENDENT

7 BOARD MEMBERS 3

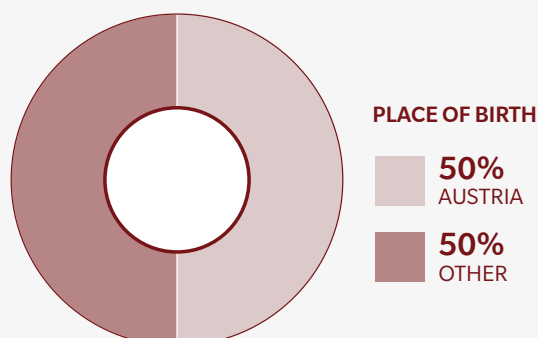
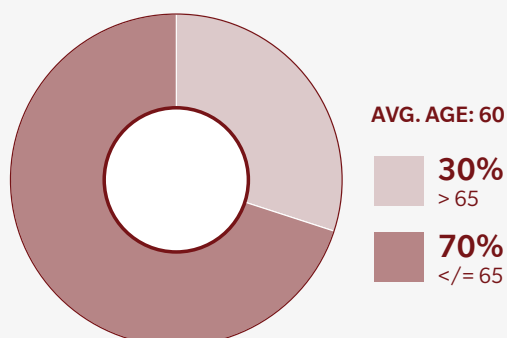
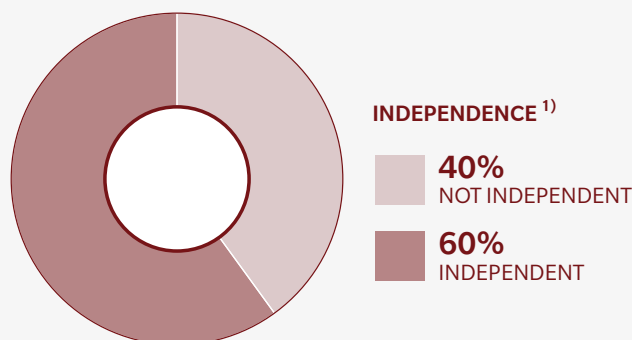
SHAREHOLDER REPRESENTATIVES

Elected by the Annual General Meeting
for a fixed term



EMPLOYEE REPRESENTATIVES

Delegated by the Works Council for an unlimited
period of time (mandatory in Austria)



1) 6/7 of the shareholder representatives are independent as of January 2022. Peter Johnson is not independent since May 13, 2020 according to understanding of the Austrian Corporate Governance Code. The three employee representatives have been members of the Supervisory Board for ~2, 15 and 19 years, respectively

Managing Board



f.l.t.r Harald Schwarzmayr, Solveig Menard-Galli, Heimo Scheuch, Gerhard Hanke

HEIMO SCHEUCH

CEO of Wienerberger AG Chief Executive Officer

*Appointed for a term of office ending on
December 31, 2025
Born 1966*

Heimo Scheuch is responsible for the strategic and operational development of the company. Thanks to his many years of industry and management experience and his strong focus on sustainability, digitalization, innovation, and growth, he has led the Group onto a successful course of renewed growth. Heimo Scheuch has a great wealth of international professional and management experience. He obtained several university degrees in law and economics and began his professional career as a lawyer in corporate finance. Since he

was appointed Group CEO on August 1, 2009, he has focused on implementing a set of strong corporate values within the organization. His international experience enabled him to develop Wienerberger into a leading provider of building material and infrastructure solutions. Speaking six languages and being in constant contact with customers, stakeholders, and employees helped him to develop Wienerberger's strong local presence and transform the Group into an international provider of smart and sustainable system solutions.

Functions in material subsidiaries:

Managing Director of Wienerberger West European Holding GmbH

Other functions:

Chairman of the Supervisory Board of Wiener Börse AG, President of the Association of Vienna Stock Exchange Issuers, Vice President of the European Ceramic Industry Association



GERHARD HANKE

CFO of Wienerberger AG

Member of the Managing Board

Appointed for a term of office ending on February 29, 2024

Born 1971

Gerhard Hanke has held the position of Chief Financial Officer (CFO) of Wienerberger AG since March 1, 2021. He is responsible for the financial matters of the Group as well as for procurement, IT and digitalization, and performance management. Previously, he successfully held various executive positions, often combining financial and operational responsibilities, within the Wienerberger Group for more than 20 years, most recently as COO of the East/Central Region of the Wienerberger Building Solutions Business Unit. As an experienced expert with excellent industry and finance know-how, he successfully implemented numerous strategic growth projects and M&A transactions. Among other projects, he was responsible for the integration of Tondach Gleinstätten into the Wienerberger Group. He also has a strong track record in setting up high-performing financial organizations. Before he joined Wienerberger, the graduate in business management worked for a leading international audit firm.

SOLVEIG MENARD-GALLI

COO of Wienerberger Building Solutions

Member of the Managing Board of Wienerberger AG

Appointed for a term of office ending on May 31, 2025

Born 1969

Solveig Menard-Galli has held the position of Chief Operating Officer of Wienerberger Building Solutions on the Managing Board since January 2020. In her previous position of Chief Performance Officer (CPO), she was responsible for the Group's performance-enhancing and digitalization measures. She was highly successful in implementing the Fast Forward program and the associated transformation process. She studied economics and obtained a master's degree in Controlling, Strategic Management, Marketing, and International Management at the University of Klagenfurt, where she also held teaching assignments. She attended international study courses, e.g. at Fontainebleau (INSEAD) and in Hawaii, where she obtained a Certificate of International Management. Solveig Menard-Galli began her career with the Heineken Group, where she was appointed Finance Director of Heineken Netherlands in 2011. Subsequently, she assumed executive positions at L'Oréal Austria. She began her career with Wienerberger in 2016 as CFO of the Clay Building Materials Europe Division.

HARALD SCHWARZMAYR

COO of Wienerberger Piping Solutions

Member of the Managing Board of Wienerberger AG

Appointed for a term of office ending on June 30, 2023

Born 1969

Harald Schwarzmayer was appointed Member of the Managing Board and Chief Operating Officer of Wienerberger Piping Solutions in July 2020. He is an experienced manager with excellent industry know-how. Since 1997, Harald Schwarzmayer has held various executive positions within the Group and implemented numerous strategic growth projects and M&A transactions in the course of his 23-year career at Wienerberger. He was instrumental in developing Wienerberger UK into a leading provider of products and services for the entire building envelope and making the UK one of Wienerberger's largest markets. Heading Wienerberger Piping Solutions since 2018, he took important strategic steps in developing the business unit into one of the leading suppliers of piping systems in Europe. Thanks to his outstanding leadership skills, he has succeeded in driving operational and cultural improvements in a multinational environment. Before he joined Wienerberger, the graduate in mechanical engineering worked as a management consultant.

Organization



HEIMO SCHEUCH

CEO

Heimo Scheuch is responsible for the strategic and operational development of the Wienerberger Group with a special emphasis on sustainability, digitalization, and innovation. Since he was appointed CEO of the Group on August 1, 2009, he has focused on generating sustainable and organic growth.

The following corporate functions report directly to Heimo Scheuch:

*Corporate Communications
Corporate Investor Relations
Corporate Development
Organizational Development & Human Resources
Sustainability Management
Corporate Secretary
Corporate Technical Key Projects*



GERHARD HANKE

CFO

Gerhard Hanke has held the position of Chief Financial Officer (CFO) of the Wienerberger Group since March 1, 2021, and as such is in charge of the financial matters of the company. He is also responsible for procurement, IT and digitalization, and performance management.

The following corporate functions report directly to Gerhard Hanke:

*Corporate Reporting & Treasury
Business Support & Controlling Operations
Corporate Risk Management
Corporate Internal Audit
Corporate IT & Digitalization
Corporate Procurement
Transformation Office
Corporate Legal Services*



SOLVEIG MENARD-GALLI

COO WBS

Solveig Menard-Galli has held the Managing Board position of Chief Operating Officer (COO) of Wienerberger Building Solutions (WBS) since January 2020. In her previous position of Chief Performance Officer (CPO), she was responsible for the Group's performance-enhancing and digitalization measures. Her current field of activity is focused on the development of innovative system solutions as well as the implementation of digital business models and new smart services for the building envelope.

All functions of the WBS Business Unit report directly to Solveig Menard-Galli.



HARALD SCHWARZMAYER

COO WPS

Harald Schwarzmayer was appointed Chief Operating Officer of Wienerberger Piping Solutions (WPS) in July 2020. Since 1997, he has held various executive positions within the Wienerberger Group and implemented numerous strategic growth projects. Since taking over the leadership of Wienerberger Piping Solutions in 2018, he has been taking important strategic steps in developing the business unit into an innovative supplier of piping systems in Europe. His current field of responsibility is focused on enhancing the Group's systemic competence in infrastructure solutions and on expanding the in-house portfolio.

All functions of the WPS Business Unit report directly to Harald Schwarzmayer.



Members and Committees of the Supervisory Board

Seven capital representatives



PETER STEINER

Chairman since January 1, 2021

Independent, born 1959, appointed for a term of office ending with the 153rd AGM (2022), first elected: June 14, 2018

Mandates in publicly listed companies

Member of the Board of Directors, Chairman of the Audit Committee, and Member of the Nomination Committee of Clariant AG, Chairman of the Supervisory Board of Zeal Network SE

Other mandates

None

Career

1985 Degree in Business Administration from the Universities of Cologne and Mannheim, 1985–1989 Arthur Andersen (Frankfurt/Chicago), 1989 tax advisor, 1990 certified public accountant; from 1991 Member of the Managing Board of SÜBA Freie Baugesellschaft mbH & Co. KG responsible for finance, controlling, and international business; 1995 CFO of SÜBA Bau AG, 1998 CFO of Dyckerhoff AG, 2001 Member of the Board (COO) of Dyckerhoff AG and Chairman of the Managing Board of Dyckerhoff Zement GmbH, 2002 Chief Executive Officer of Dyckerhoff AG, 2004 Member of the Board and CFO of MG Technologies AG (renamed GEA Group AG), 2006 Partner at One Equity Partners; since 2012 certified public accountant, tax advisor, business consultant with special focus on M&A, finance and investment management



MYRIAM MEYER

Deputy Chairwoman

Independent, born 1962, appointed for a term of office ending with the 154th AGM (2023), first elected: May 22, 2015

Mandates in publicly listed companies

Member of the Supervisory Board of KUKA AG

Other mandates

Member of the Supervisory Board of Lufthansa Technik AG, Member of the Board of Directors of Bedag Informatik AG, Member of the Board of Trustees of the Swisscontact Foundation, Member of the Industry Advisory Board of ETH Zurich/ Department of Mechanical Engineering

Career

1987 Master of Science in Mechanical Engineering at ETH Zurich, 1994 Ph.D. in Mechanics at ETH Zurich, 1994–2001 Vice President of Swissair Flight Operations and Member of the Executive Committee, General Manager of SR Technics, 2002–2005 Vice President of Global Human Resources & Organization Development of F. Hoffmann La Roche and Member of the Executive Committee of Roche Consumer Health, 2005–2008 CEO and Member of the Executive Committee of RUAG Group, 2009–2010 Group CEO of WIFAG-Polytype Holding, since 2011 Owner and Managing Partner of mmtec



PETER JOHNSON

Member of the Supervisory Board

Not independent since May 13, 2020 according to the declaration of independence within the meaning of the Austrian Code of Corporate Governance, born 1947, appointed for a term of office ending with the 156th AGM (2025), first elected: May 12, 2005

Mandates in publicly listed companies

Chairman of the Board of Directors of Electrocomponents plc until January 31, 2021

Other mandates

Chairman of the Remuneration Committee of St. Edmund Hall, University of Oxford

Career

1965–1970 studies in economics at Oxford University, 1970–1973 Unilever plc, 1973–1996 various senior positions at Redland plc, among others responsible for the brick and roof tile business from 1988–1996, 1996–2000 CEO of Rugby Group plc, 2000–2006 CEO of George Wimpey plc, 2007–2012 Chairman of the Board of Directors of DS Smith plc



DAVID DAVIES

Member of the Supervisory Board

Independent, born 1955, appointed for a term of office ending with the 156th AGM (2025), first elected: May 19, 2017

Mandates in publicly listed companies

Member of the Board of Directors and Chairman of the Audit Committee of Petrofac Ltd

Other mandates

None

Career

1975–1978 studies in economics at the University of Liverpool, 1986–1988 MBA Program at the Cass Business School in London, 1978–1981 Chartered Accountant at Touche Ross & Co., 1981–1983 Senior Auditor at Price Waterhouse SA, 1983–1988 various positions at BOC plc (Internal Auditor, Finance Manager BOC Special Gases, Financial Controller BOC Health Care – Disposable Products Division), 1988–1994 various positions at Grand Metropolitan plc (1988–1989 Commercial Director – Retail Enterprises Division, 1989–1991 Finance Director – European Restaurant Division, 1991–1994 Corporate Controller – Burger King Corporation), 1994–1997 Vice President at Walt Disney Company – The Disney Store Europe, 1997–2000 Group Finance Director at London International Group plc, 2000–2002 Group Finance Director at Morgan Crucible plc, 2002–2016 Member of the Executive Board (CFO) and Deputy Chairman of the Executive Board at OMV AG



REGINA PREHOFER

Member of the Supervisory Board

Independent, born 1956, appointed for a term of office ending with the 154th AGM (2023), first elected: May 13, 2011

Mandates in publicly listed companies

First Deputy Chairwoman of the Supervisory Board of AT&S Austria Technologie & Systemtechnik AG

Other mandates

Chairwoman of the Supervisory Board of Förderung & Begleitung GmbH (non-profit), Member of the Supervisory Boards of SPAR Holding AG and SPAR Österreichische Warenhandels-AG, Member of the Supervisory Board of 6B47 Real Estate Investors AG, Member of the Board of Karlheinz und Agnes Essl Privatstiftung, Member of the Advisory Board of “venture-capital-Initiative” and “aws Kapitalgarantie Covid 19”, Member of the Conference of Presidents of the Austrian Red Cross, Member of the Committee of Shareholders of Vamed Engineering GmbH, Chairwoman of the Supervisory Body of Wiener Gesundheitsverband (until December 31, 2021)

Career

1974–1980 studies in business and law in Vienna, 1981–2010 career in the Austrian banking industry, including positions as Member of the Managing Board of Bank Austria Creditanstalt AG from 2003–2008 and Member of the Managing Board of BAWAG P.S.K. from 2008–2010; 2011–2015 Vice Rector for Financial Affairs and Infrastructure at the Vienna University of Economics and Business



KATI TER HORST

Member of the Supervisory Board

Independent, born 1968, appointed for a term of office ending with the 154th AGM (2023), first elected: May 4, 2021

Mandates in publicly listed companies

Executive Vice President Stora Enso Paper Division, Member of the Supervisory Board and the Audit/Remuneration Committee of Outokumpu

Other mandates

Member of the Board of the Finnish Forest Industries Federation, Chairwoman of the Supervisory Board of EURO-GRAPH asbl; Member of the Board of the Climate Leadership Coalition

Career

1992 Master of Science (Economics) at the University of Tampere, Finland; 1993 MBA (International Business), University of Oregon, USA; 1994–1996 business analyst at Jaakko Pöyry Consulting, Singapore; 1996–2009 various managerial positions in paper sales in the Netherlands; 2009–2010 responsible for the restructuring program to establish European customer service centers at Stora Enso Publication, Netherlands; 2010–2014 various managerial positions at Stora Enso in Belgium and Finland; since 2014 Executive Vice President, Head of Stora Enso Paper, Finland; 2018 Advanced Management Program of Harvard Business School, Boston/USA



OSWALD SCHMID

Member of the Supervisory Board

Independent, born 1959, appointed for a term of office ending with the 154th AGM (2023), first elected: May 6, 2019

Mandates in publicly listed companies

Chief Executive Officer and Member of the Board of Directors of Bekaert NV

Other mandates

Founder and owner of Sinigual Consulting GmbH

Career

1983 Degree in Mechanical Engineering in Vienna, 1984–1990 responsible for procurement and distribution at Semperit AG Holding, 1990–1994 Head of Procurement at Continental AG, 1994–1995 Group Head of Materials Management at RHI AG (formerly Veitsch-Radex), 1995–2002 various executive positions at Continental AG, 2002–2017 various executive positions and CEO at Schindler Austria (2007–2010) and CEO of Schindler Germany (2010–2013), 2017–2018 CEO of Kalle Group; 2019–2021 COO of Bekaert Group

Three employee representatives

GERHARD SEBAN

First delegated: February 3, 2006

Chairman of the Works Council at the Hennersdorf plant (Austria), Chairman of the Central Works Council of Wienerberger Österreich GmbH, the Group Works Council, and the European Works Council of Wienerberger AG

CLAUDIA SCHIROKY

First delegated: July 2, 2002

Chairwoman of the Works Council and the Central Works Council of Wienerberger AG, Deputy Chairwoman of the Group Works Council of Wienerberger AG

WOLFGANG WALLNER

First delegated: May 6, 2019

Deputy Chairman of the Group Works Council of Wienerberger AG, foreman and works council member at Pipelife Austria GmbH & Co KG

Four Committees

Audit and Risk Committee

David Davies (Chairman),
Regina Prehofer, Oswald Schmid,
Gerhard Seban*

Nomination Committee

Peter Steiner (Chairman), Myriam Meyer,
Peter Johnson, David Davies,
Gerhard Seban*

Remuneration Committee

Peter Steiner (Chairman),
Regina Prehofer, Peter Johnson,
Gerhard Seban*

Sustainability and Innovation Committee

Myriam Meyer (Chairwoman),
Kati ter Horst, Oswald Schmid,
Gerhard Seban*

* Employee representative

Mode of Operation of the Supervisory Board and the Managing Board

Mode of operation of the Supervisory Board

The Supervisory Board decides on issues of fundamental importance and on the strategic orientation of the company. In particular, the Supervisory Board is responsible for the following:

- › Appointment of members of the Managing Board, succession planning, elaboration of the remuneration policy, and determination of Managing Board and Supervisory Board remuneration
- › Preparation of lists of candidates for the Supervisory Board to be voted on by the Annual General Meeting
- › Formal adoption of the Annual Financial Statements and the report to the Annual General Meeting
- › Resolutions on transactions requiring the approval of the Supervisory Board or its committees in accordance with the Rules of Procedure
- › Elaboration of the remuneration report in cooperation with the Managing Board

The Supervisory Board and the Managing Board cooperate effectively and are in regular dialogue. Their chairpersons in particular regularly engage in discussions on the sustainable development and strategic orientation of the company. In order to exercise its advisory and monitoring function in an efficient manner, the Supervisory Board has set up four committees, which deal with specific issues and prepare the relevant decisions to be made by the Supervisory Board. The Rules of Procedure of the Supervisory Board are published on the Wienerberger website, including details on the tasks of the individual committees.

Audit and Risk Committee

The Audit and Risk Committee monitors the Group's system of accounting as well as the effectiveness of the systems of internal control, internal audit, and risk management. An integral part of the work performed by this Committee consists of monitoring the audit process in a preparatory capacity for the Supervisory Board. This includes the annual verification of the independence of the external auditor, who is regularly invited to attend the committee meetings.

The Audit and Risk Committee is chaired by **David Davies**, a financial expert with years of experience gained as chief financial officer of a listed company.

Nomination Committee

The Nomination Committee deals with all personnel matters relating to the Supervisory Board and the Managing Board. It is responsible in particular for evaluating qualified candidates for Board functions and for succession management. On the basis of a requirements profile derived from a skills matrix and our diversity policy, the committee proposes candidates for election to the Supervisory Board as capital representatives. They are then submitted to a shareholders' vote at the Annual General Meeting. Moreover, the Committee prepares decisions on appointments to the Managing Board.

Peter Steiner, Chairman of the Supervisory Board, has many years of experience in managing board functions in industrial companies and chairs the Nomination Committee.

Remuneration Committee

The Remuneration Committee deals with all matters relating to the remuneration of Managing Board members and the content of their employment contracts. Moreover, it submits proposals regarding the remuneration of the Supervisory Board. In particular, the Remuneration Committee elaborates the remuneration policy applicable to the members of the Managing Board and the Supervisory Board, which has to be adopted by the Supervisory Board and submitted to the Annual General Meeting for adoption at least once every four years. The remuneration of holders of managerial positions below the Managing Board level as well as all other employees is not within the remit of the Nomination Committee.

In accordance with C Rule 43 of the Austrian Code of Corporate Governance, the Chairman of the Supervisory Board must also be a member of the Remuneration Committee. **Peter Steiner**, with his profound industry knowledge and many years of experience as a certified public accountant and a tax advisor, therefore chairs the Remuneration Committee.

Sustainability and Innovation Committee

By contributing its experience, the Sustainability and Innovation Committee supports the top management in the review and implementation of the Group's sustainability and innovation strategy. An essential aspect of the committee's work consists of supporting the management in identifying relevant new legislation,



requirements, and trends at a global and European level that impact the sustainability and innovation endeavors of the Group's business units. Moreover, the Committee monitors the implementation of the Group's sustainability and innovation strategy.

The Committee is chaired by **Myriam Meyer**, whose relevant expertise derives from many years of experience in the fields of technology and innovation gained in board functions in various sectors of industry.

Independence

Pursuant to C Rule 53 of the Austrian Code of Corporate Governance, the majority of capital representatives on a supervisory board should be independent. The Code specifies that in companies with a free float of more than 50%, at least two capital representatives must be independent (C Rule 54). A supervisory board member is deemed to be independent if he or she has no relationship, either business or personal, with the company or its managing board that constitutes a material conflict of interest and consequently may influence his or her behavior. Annex 1 of the Austrian Code of Corporate Governance – Guidelines for Independence – specifies six criteria of independence. Accordingly, a supervisory board member is considered to be independent if he or she

- › (1) has not served as a member of the Managing Board or in an executive position of Wienerberger AG or a company of the Wienerberger Group during the past five years;
- › (2) does not maintain, or did not maintain in the past year, business relations with Wienerberger AG or a company of the Wienerberger Group to an extent of significance for the member of the Supervisory Board concerned (this also applies to business relations with companies in which the Supervisory Board member has a material economic interest);
- › (3) has not acted as an external auditor of Wienerberger AG or been a partner or an employee of the public accounting firm mandated to perform the audit during the past three years;
- › (4) is not a member of the management board of another company in which a member of the Managing Board of Wienerberger AG serves on the supervisory board;
- › (5) has not been a member of the Supervisory Board for more than 15 years;
- › (6) is not closely related to a member of the Managing Board of Wienerberger AG or to persons holding one of the aforementioned positions.

As of December 31, 2021, the Supervisory Board of Wienerberger AG consisted of seven elected capital representatives, who reconfirmed their independence in accordance with the above criteria at the beginning of 2022. Peter Johnson, having been a member of the Supervisory Board for more than 15 years, has no longer qualified as "independent" since May 13, 2020. None of the capital representatives holds an investment of more than 10% or represents the interests of such a shareholder.

Conflict of interest

Pursuant to the provisions of the Austrian Code of Corporate Governance (Rule 44 onward), the members of the Supervisory Board undertake to disclose any conflict of interest without delay and, if applicable, abstain from votes taken by the Supervisory Board.

Employee representatives

Pursuant to L Rule 59 of the Austrian Code of Corporate Governance, the representation and participation of the company's employees on the Supervisory Board and its committees is regulated by law as an integral part of the Austrian corporate governance system. In accordance with the Austrian Labor Relations Act, the body representing employee interests is entitled to delegate to the supervisory board of a joint stock corporation and its committees one member from among its ranks for every two members elected by the Annual General Meeting (capital representatives). The employee representatives act in accordance with the following principles:

- › They exercise their function in an honorary capacity and their appointment can only be terminated (at any time) by the works council (central works council).
- › They have the same rights and duties as the capital representatives (which applies in particular to their rights to information and monitoring rights, the duty of diligence, the duty of confidentiality, and liability for any breach of duty).
- › In the event of personal conflicts of interest, employee representatives and capital representatives must abstain from voting.

Currently, three employee representatives are delegated to the Supervisory Board. Unlike the elected capital representatives, the members delegated by the employees serve on the Supervisory Board for an unlimited term of office.

Succession management

The succession management process for the Managing Board and the Supervisory Board involves a structured search and nomination process that is supported by external consultants. On the basis of a predefined requirements profile, a list of potential internal and external candidates is drawn up. After the examination of the list of nominees by the Nomination Committee, the short-listed candidates are subjected to an assessment and interview. As a result of this process, the best candidate is selected by the full Supervisory Board and proposed to the Annual General Meeting for election. This process was laid down in a succession planning and recruiting policy adopted by the Supervisory Board in December 2021. It is up to the Nomination Committee to regularly revise this policy for its efficiency and, if necessary, adapt it accordingly.

Term of office

The members of the Wienerberger Supervisory Board are elected for a term of office of three years (not counting the year of election). This is one year below the upper limit allowed by the Austrian legislator.

Training

In accordance with Art. 6 (10) of the Rules of Procedure of the Supervisory Board, training sessions on relevant topics are organized for the members of the Supervisory Board when necessary.

Other mandates and external positions

To ensure that the members of the Supervisory Board have sufficient time and resources to perform their functions at Wienerberger, no member should hold more than a total of five mandates at listed companies. In determining the number of mandates held by each member, non-executive roles count as one mandate, chair roles as two, and executive roles as three.

The Nomination Committee conducts an annual review of the external mandates held by each Supervisory Board member, to ensure that all members have sufficient time to perform their duties at Wienerberger. More specifically, the Nomination Committee will consider the following factors, among others: size and location of the other companies, the extent of service on large private company boards, board tenure, and attendance.

Before accepting external mandates in supervisory or executive bodies, the members of the supervisory board will inform the chairperson of the supervisory board and reach an agreement with them before assuming the mandate.

Mode of operation of the Managing Board

As of December 31, 2021, the Managing Board of Wienerberger AG consists of four members. The division of responsibilities is as follows:

- CEO Heimo Scheuch is primarily responsible for the strategic and operational development of the Wienerberger Group;
- CFO Gerhard Hanke is responsible for all financial matters and for procurement, IT and digitalization, and performance management;
- COO Solveig Menard-Galli is in charge of the Wienerberger Building Solutions Business Unit;
- COO Harald Schwarzmayer is in charge of the Wienerberger Piping Solutions Business Unit.

The work of the Managing Board is premised on shared responsibility for strategic and operational issues and a continuous exchange of information. The formal framework for such exchange is provided by the Managing Board meetings, which are normally held once a week, supplemented by continuous informal communication. Transactions requiring the approval of the Supervisory Board are first discussed and agreed upon at the Managing Board meetings and then submitted to the Supervisory Board. Decisions taken by the Managing Board require unanimity. The four-eyes principle applies when contracts are to be signed by the Managing Board. Monthly meetings are held with the management of the business units to discuss current business developments and, in particular, trends in demand, prices, and costs as well as capacity utilization. Strategic issues are also discussed at these meetings, with a special focus on the development of markets, products, sustainability, and technologies. The measures agreed upon are implemented by the management teams of the business unit concerned.

The management of the company is based on an effective reporting system of high quality. Monthly reporting is of special importance and covers data aggregated at the Group level as well as essential detailed information relating to the business units. Moreover, the Managing Board receives monthly reports on various topics such as energy consumption and the financial situation of the



Group, raw materials for plastic pipe production, and the status of projects in the process of implementation. Data relating to markets and the macroeconomic situation as well as non-financial indicators are also collected regularly.

External evaluation of the Consolidated Corporate Governance Report

The rules of the Code go beyond the requirements of the law and take effect upon the company's voluntary self-commitment. Once committed to the Code, the company has to justify any non-compliance with C Rules ("comply or explain"). The implementation of the Code and the correctness of our public statements were evaluated by the external auditor, Deloitte Audit Wirtschaftsprüfungs GmbH, Vienna, within the framework of its review of the Consolidated Corporate Governance Report, which can be accessed on our website

under Investors – Corporate Governance. The most recent evaluation of the report for 2021 did not result in any negative findings regarding our statements on compliance with the Code. Compliance with the provisions of the Code relating to the external auditor was verified by the Audit and Risk Committee. In its report to the Supervisory Board, the Audit and Risk Committee stated that no deviations from the rules of the Code were identified in 2021.

Vienna, March 16, 2022

Heimo Scheuch
Chairman of the Managing
Board of Wienerberger AG
CEO

Gerhard Hanke
Member of the
Managing Board
CFO

Solveig Menard-Galli
Member of the
Managing Board
COO WBS

Harald Schwarzmayr
Member of the
Managing Board
COO WPS

Auditor's report

Report on the evaluation of Wienerberger AG's compliance with the Austrian Corporate Governance Code in the financial year 2021

Due to the listing of the shares of Wienerberger AG on the Prime Market of the Vienna Stock Exchange, the Management Board, together with the Supervisory Board, are obligated to apply the rules of the Austrian Corporate Governance Code 2021 ("ÖCGK 2021") in the current version. According to rule 62 of the ÖCGK, a regular external evaluation of compliance with the ÖCGK is recommended.

Wienerberger AG follows this recommendation, which is why the Management Board of Wienerberger AG commissioned us to assess Wienerberger AG's compliance with the rules of the ÖCGK 2021 in the 2021 financial year ("evaluation"). The aim of the evaluation is to give the public a picture of Wienerberger AG's compliance with the principles of Corporate Governance.

Responsibility of the legal representative

The proper preparation of the Corporate Governance Report 2021 in accordance with the ÖCGK 2021 lies with the legal representative of Wienerberger AG.

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 Corporate Governance Report is not in compliance, in all material respects, with the Austrian corporate law regulations and the regulations of the ÖCGK 2021 on the preparation of a (consolidated) corporate governance report.

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"). 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:

- › Inquiry with legal representatives and employees of Wienerberger AG
- › Random inspection of relevant documents and papers (in particular the articles of association of Wienerberger AG, rules of procedure for the supervisory board and management board, minutes of the supervisory board, etc.), insofar as these or their content must be consistent with the rules of the ÖCGK 2021
- › Review of the explanations on the deviations from "C Rules" as part of the corporate governance report of Wienerberger AG for the 2021 financial year and examination of their compliance with the requirements of the ÖCGK 2021

The subject of our engagement is neither an audit nor an auditor's review of financial statements. Likewise, neither the detection and clarification of criminal facts, such as embezzlement or other acts of fraud and administrative offenses, nor the assessment of the effectiveness and profitability of the management is the subject of our evaluation. Since we are also the auditors for Wienerberger AG in the 2021 financial year, the evaluation does not include compliance with C and R Rules 77 to 83 of the ÖCGK 2021.

Conclusion

No deviations from the C rules in the Corporate Governance Report of Wienerberger AG were identified.

Based on the procedures performed, nothing has come to our attention that causes us to believe that the Corporate Governance Report of Wienerberger AG, for the year 2021 has not been prepared, in all material respects, in accordance with the requirements with the ÖCGK 2021.



Restriction on Distribution and Use

This audit serves to support your company in proving an external evaluation of the Corporate Governance Report of Wienerberger AG. Our report on the audit may only be published on the homepage of Wienerberger AG and may only be shared on the condition that our overall responsibility towards you and any other recipient who receives the report with our consent is limited to the total amount, which results from the attached General Conditions of Contract for Public Accounting Professions (AAB 2018). A distribution in extracts of the report (e.g., enclosures to the report) is not permitted.

Terms and Conditions of the Engagement

We prepare this report based on the contract concluded with you, which is based on the General Conditions of Contract for Public Accounting Professions (AAB) attached to this report.

We are only liable for verbal information and advice if they are confirmed by us in writing. Beyond the scope of services, we do not have any protection and due diligence obligations of any kind, in particular no warning obligations.

Our liability is limited to claims for damages based on at least grossly negligent behaviour on our part. Liability for slight negligence is excluded. We are not liable for the work of any external auditors or lawyers. All limitations of liability also apply to Deloitte employees engaged by us. Insofar as claims for damages against us do not exist or no longer exist, claims for another legal reason (e.g., warranty, error) are also excluded.

To the extent permitted by law, our liability for gross negligence towards Wienerberger AG and also towards third parties (this also applies if there are several beneficiaries or bases for a claim) is limited to a maximum total liability of five times the fee received (excluding any cash expenses and expenses and excluding sales tax) towards Wienerberger AG and also towards third parties (this also in the case of several beneficiaries or bases of claims), but limited to a maximum of ten times the minimum sum insured for professional liability insurance in accordance with section 11 of the “Wirtschaftstreuhandberufsgesetz” (WTBG). Claims for damages are limited to positive damage. We are only liable for lost profits in the event of intent or gross negligence, to the extent permitted by law. We are not liable for unforeseeable or atypical damage that we could not have expected.

Vienna, March 17, 2022

Deloitte Audit Wirtschaftsprüfungs GmbH

Mag. Gerhard Marterbauer
Certified Public Accountant





wienerberger

MANAGEMENT REPORT

Management Report

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Economic Environment and Capital Markets

Economic environment in 2021

The year 2021 was marked by the economic recovery from the impacts of the corona pandemic, which had led to a massive slump in global economic activity in the spring of 2020. After a steep upturn seen until the middle of the year, which was partly attributable to the wide availability of corona vaccines, an atmosphere of increasing uncertainty became noticeable during the last months of 2021. This development was due, among other factors, to bottlenecks along the supply chains, surging inflation rates, and the recurrent outbreak of the pandemic triggered by new variants of the virus. Before the end of the year, many companies again faced the challenge of having to plan and act in an environment of great uncertainty. According to estimates of the International Monetary Fund (IMF), the world economy grew by 5.9% in 2021 (2020: -3.1%).

In Europe and North America, the two core regions of the Wienerberger Group, we witnessed a strong rebound of economic activity, not least due to the extensive stimulus packages put together by governments in the EU and the USA in the course of the Covid-19 pandemic. In response to the Covid-19 pandemic, the European Union had set up a recovery fund in the amount of € 750 billion in mid-2020. The USA had also adopted economic stimulus packages worth trillions in 2020. Thanks to these measures, a swift economic recovery set in, initially supported by industry and further strengthened by increasing private consumption. According to IMF estimates for 2021, economic output increased by 5.6% in the USA (2020: -3.4%) and by 5.2% in the euro area (2020: -6.4%). The German economy grew at a rate of 2.7%, while France outperformed the average of the euro area at a rate of 6.7%. Great Britain recorded a steep 7.2% increase in economic output. The economies of Eastern Europe, which are also part of the Wienerberger Group's core markets, grew at a rate of 6.5%.

Alongside the inauguration of Joe Biden as the new US president and the parliamentary elections in Germany, the political situation was dominated by numerous summit meetings dealing with issues of economic and climate policy. In July, the European Commission presented its "Fit for 55" package, which is aimed at making the European economy more sustainable and achieving climate-neutrality by 2050. This project provides the basis for far-reaching changes in numerous sectors of the economy. Among other targets, an in-

creased rate of renovation was agreed upon as essential for the enhancement of energy and resource efficiency on the way to a climate-neutral Europe. The infrastructure package adopted in the USA also provides for part of the capital expenditure to go into climate protection measures. Apart from the continuing pandemic, global events in the course of 2021 were also marked by extreme weather conditions and natural disasters.

Monetary policy

The measures taken by central banks in the spring of 2020 in response to the drastic negative impacts of the Covid-19 pandemic, aimed at supporting and subsequently stimulating the economy, remained in effect at the beginning of 2021. The US Federal Reserve System (Fed) maintained its federal funds rate within a corridor of 0.00% to 0.25% and continued its generous supply of liquidity within the framework of its asset purchase program in the amount of USD 120 billion per month. Similarly, the European Central Bank (ECB) upheld its Pandemic Emergency Purchase Program (PEPP), which was launched in 2020 for a period of at least until the end of the first quarter of 2022. In 2021, the ECB maintained its key lending rate at the all-time low of 0.00% and the deposit rate at -0.50%. The Bank of England (BoE) at first maintained its base rate at 0.10% and continued its comprehensive bond purchase program. However, the high inflation rate, which occurred mainly in the second half of 2021, led to a shift away from the loose monetary policy. In December, the British central bank increased its base rate for the first time since the beginning of the corona pandemic by 15 basis points to 0.25%. At the same time, the Fed held out the prospect of interest rate hikes and a reduction of its asset purchase program for 2022. The ECB left its interest rate policy unchanged and announced its intention to phase out the Pandemic Emergency Purchase Program at the end of March, as planned, and to top up its former Asset Purchase Program (APP) instead.



Stock markets

For the stock markets, 2021 was a year marked by a consistently positive market sentiment, which had already made itself felt in the second half of 2020. In particular, the ample availability of vaccines against Covid-19 boosted share prices all over the world and even resulted in new all-time highs for some indices as well as individual stocks. At the same time, worldwide supply bottlenecks, continuously increasing inflation rates, and the emergence of new virus variants caused uncertainty and high volatility in the global stock markets. Compared to individual stocks, some of which were hit harder by the pandemic, almost all relevant lead indices closed the previous year with above-average growth rates.

The Dow Jones Industrial Average closed 2021 with an 18.7% price gain year on year. The S&P 500 closed the year with an even higher price gain of 26.9%. Driven by strong demand for technology stocks, the NASDAQ 100 soared by 26.6%. Thus, all three US indices mentioned closed 2021 with significant price gains. Stock exchanges in Europe also benefited from a generally positive market development and recorded high price gains in the reporting year. The EURO STOXX 50, the European lead index, closed the year with a gain of 21.0%, while the French CAC 40 soared by 28.9% compared to 2020. The British FTSE was affected by uncertainty in connection with Brexit, but nevertheless rose by 14.3% over the previous year's level. The DAX, the lead index of Europe's biggest economy Germany, gained 15.8%, reaching a new year-end high. The Austrian ATX recorded a 38.9% price gain in the reporting year, which was due not least to the heavily weighted bank and energy stocks.

The residential construction market in Europe

The following analysis is based on the most recent data published by Euroconstruct, Europe's leading construction market forecasting network. The most important indicators of residential construction activities are the numbers of building permits issued, new housing starts, and housing completions. To enhance the validity of the forecasts for Wienerberger AG, we base our analysis on weighted growth rates. To this end, Euroconstruct's growth projections for the individual

countries were weighted by the respective shares of revenues attributable to the Wienerberger Building Solutions Business Unit.

Despite building material shortages and supply bottlenecks in some areas, the construction sector recorded vigorous growth in 2021. After the downturn of the previous year, the reporting year was marked by a significant increase in all parameters relevant to us. In the single- and two-family home segment, where Wienerberger's market position is particularly strong, weighted building permits increased by 13.8%. Our experience shows that the length of time between the issue of a building permit and the actual start of construction is becoming longer and longer, and therefore the relevance of this indicator is progressively diminishing. The number of new housing starts increased by 9.1%. The lagging indicator of housing completions increased by 4.4% in 2021.

Within the residential construction segment, renovation activity is continuously gaining in importance for Wienerberger's performance. Driven among other factors by government measures in support of climate-friendly and sustainable housing, our core regions reported a weighted 5.9% increase of activity in this field year on year.

The European infrastructure market

In 2021, government support programs also strongly impacted developments in the infrastructure market. An analysis based on Euroconstruct as the industry benchmark shows the following revenue-weighted growth forecast for the Wienerberger Piping Solutions Business Unit, broken down by core regions. According to this forecast, weighted infrastructure expenditure in the relevant countries of Western and Northern Europe increased by 5.1%. In Eastern Europe, capital expenditure on infrastructure increased moderately by 0.4% compared to the previous year. Overall, the weighted growth of total infrastructure spending in all European markets relevant to the Wienerberger Group amounted to 4.3%.

An analysis of the individual sub-segments confirms the solid growth in infrastructure expenditure compared to the previous year. In the field of water management, which accounts for roughly 11% of infrastructure

expenditure and comprises potable water supply and wastewater disposal systems, an important market for our pipe business, a weighted 4.5% increase in capital expenditure has been forecast. In 2021, investments in the energy sector increased by 3.4%. Investments in transport infrastructure grew by 4.6% compared to the previous year, while the telecommunication sector saw a 3.3% increase in capital expenditure. Road construction, the most important segment accounting for 34% of total infrastructure spending, recorded 4.0% weighted growth.

The US housing market

The US housing market presented an exceptionally positive picture. According to the U.S. Census Bureau, the number of building permits rose by 17.2% in 2021. The construction of new single-family homes grew by 13.4%, whereas the multi-family home segment grew even more strongly by 26.4% after the downturn in the previous year. New housing starts also increased substantially by 15.6% to 1.595 million units. 13.4% growth was recorded in the single-family home segment, while the construction of new multi-family homes increased by 22.1%. Housing completions increased by 4.0% to 1.338 million units. The number of single-family homes completed rose by 6.1%, while completions of multi-family homes declined by 0.4%. For 2021, the National Association of Home Builders (NAHB), one of the biggest entities representing the interests of principals, developers, and building contractors in the USA, foresees a 15.6% increase in housing starts to 1.595 million units. While 13.4% growth is being reported for the single-family home segment, the multi-family home segment is growing even faster at a rate of 21.3%.

The NAHB/Wells Fargo Housing Market Index, which is based on monthly surveys among NAHB members, reflects the general assessment of market conditions and estimates of house sales for the next six months. In December 2021, the index was high at 84 points, down by a mere two points from the previous year's level. A value above 50 indicates that the majority of those surveyed see the outlook as positive. The S&P/Case Shiller 20-City Composite Home Price Index reflects the development of the value of residential real estate

in 20 large urban agglomerations in the USA. Rising by 18.6% in the reporting year, the index continued on its upward trend of recent years. The fixed interest rate on 30-year mortgage loans was 3.10% at the end of the year. Compared to the previous year's value, this corresponds to an increase of 42 basis points. This indicator thus remains at a historic low.

Macroeconomic outlook for 2022

After the strong 5.9% growth recorded in 2021, the January 2022 forecast of the International Monetary Fund foresees further growth of the global economy at a rate of 4.4% in 2022. Economic output in the USA is expected to increase by 4.0%, while a 3.9% rate of growth is being forecast for the euro area. Similar developments are foreseen for the United Kingdom and the Eastern European economies, with growth rates of 4.7% and 3.5% projected for 2022, respectively. However, it should be noted that these forecasts were published before the outbreak of the Russia-Ukraine crisis.

The economic outlook and targets of the Wienerberger Group for 2022 were also set before the outbreak of the Russia-Ukraine conflict. Its effects cannot yet be reliably estimated at the time of preparing the 2021 annual report. We will closely monitor developments and will be able to assess decision-making situations on site promptly thanks to our locally operating units. Wienerberger does not operate any production sites in Ukraine. Furthermore, the share of the Russian business in Group revenues is less than 1%.

Sources: IMF (World Economic Outlook January 2022), U.S. Census Bureau, Euroconstruct, Freddie Mac Primary Mortgage Market Survey, NAHB, NAHB/Wells Fargo Housing Market Index, S&P/Case-Shiller 20-City Composite Home Price Index



Financial Review

Earnings

In 2021, the Wienerberger Group delivered record results in terms of revenues, EBITDA, and free cash flow:

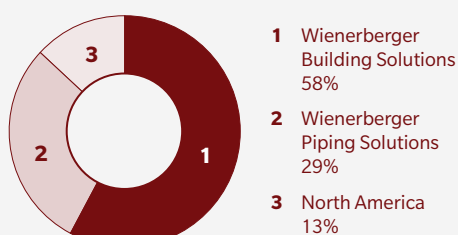
- › Steep 18% increase in revenues to € 3,971.3 million (2020: € 3,354.6 million)
- › Significant rise in EBITDA by 24% to € 694.3 million (2020: € 558.0 million)
- › Free cash flow up by 6% to € 420.6 million (2020: € 397.3 million)

The strong performance of the Wienerberger Group in the 2021 business year was primarily due to the recovery of sales volumes after 2020, the year marked by the Covid-19 crisis, and significant contributions to earnings from our self-help program of optimization measures. For Wienerberger Piping Solutions, in particular, successful supply chain management to ensure a high level of product availability despite challenging procurement conditions was an essential factor contributing to growth in earnings.

Companies acquired in 2021 contributed € 144.4 million to the Group's revenues. Foreign exchange effects accounted for a decrease in revenues by € 7.7 million compared to the previous year. The very high negative effects of the devaluation of the US dollar, the Turkish lira, and the Polish zloty were largely offset by the

appreciation of the British pound, the Norwegian crown, and the Czech crown.

External Revenues by Segment



In the reporting year, the Wienerberger Group's EBITDA LFL increased by 20% to € 670.8 million (2020: € 558.7 million). Contributions from the consolidation of newly acquired companies in the amount of € 23.8 million, income from the sale of non-core real estate of € 9.8 million, and the € 4.3 million effect on earnings from the disposal of assets in Russia and Greece are not included in EBITDA LFL, nor are structural adjustment costs of € 13.8 million and negative foreign exchange effects of € 0.7 million taken into account.

EBITDA in MEUR	2021	2020	Chg. in %
Wienerberger Building Solutions	477.6	415.2	+15
Wienerberger Piping Solutions	127.5	97.1	+31
North America	89.1	45.7	+95
Wienerberger Group	694.3	558.0	+24

EBITDA Bridge in MEUR	2021	2020	Chg. in %
EBITDA	694.3	558.0	+24
Foreign exchange effects	0.7	-	-
Result from the sale of non-strategic and non-core assets	-14.2	-9.8	-44
Changes in the scope of consolidation	-23.8	-2.7	<-100
Structural adjustments	13.8	13.3	+4
EBITDA LFL	670.8	558.7	+20

Scheduled depreciation and amortization on tangible and intangible non-current assets increased by 3% to € 251.2 million (2020: € 244.3 million). Moreover, impairment charges and special depreciation and amortization of assets in the amount of € 22.6 million (2020: € 121.2 million) were booked. The amount includes € 10.7 million in goodwill impairment for the CGU group Pipes Pipeline East which, based on increased cost of

capital rates as a triggering event, was booked in the first half of 2021 (2020: € 90.4 million goodwill impairment for North America).

As a result, earnings before interest and tax (EBIT) increased to € 420.4 million in the reporting year, surpassing the previous record from 2019 (2020: € 192.5 million).

Profitability Ratios in %	2021	2020
Gross profit to revenues	36.2	35.4
Administrative expenses to revenues	6.9	6.8
Costs of sales to revenues	17.8	18.7
EBITDA margin	17.5	16.6
Operating EBIT margin	10.9	9.1

Financial Result and Taxes

The financial result changed slightly from € -43.7 million in 2020 to € -46.2 million in the reporting year, which was primarily due to write-downs of investments in the amount of € 8.5 million.

The Group's profit before tax improved significantly from € 148.7 million in 2020 to € 374.3 million.

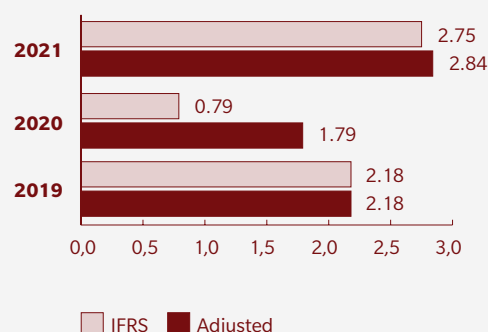
The Group's income tax expense increased to € 62.2 million (2020: € 48.8 million). At 16.6%, the effective tax rate was significantly below that of the previous year (32.8%), as the 2020 profit before tax included very high non-recurring impairment effects.

As a result, the profit after tax increased steeply from the previous year's amount of € 99.9 million to € 312.1 million in 2021. Even taking the high one-off effects of the previous year into account, which were mainly due to impairments associated with the Covid-19 pandemic, the Wienerberger Group's earnings improved significantly, surpassing the previous record achieved in 2019. After the deduction of income attributable to non-controlling interests of € 0.2 million

(2020: € 0.3 million) and income attributable to holders of hybrid capital in the amount of € 1.2 million (2020: € 11.1 million), the 2021 net profit amounted to € 310.7 million (2020: € 88.5 million). Taking the slightly increased weighted average of 113.1 million shares into account (2020: 112.7 million), earnings per share came to € 2.75 (2020: € 0.79).

Earnings per Share

in EUR





Assets and Financial Position

As at 31/12/2021, the total assets of the Group amounted to € 4,903.8 million, which corresponds to a 13% increase over the previous year's value of € 4,327.0 million. Non-current assets increased by 24% to € 2,973.5 million in 2021, compared to € 2,401.1 million in 2020. The increase was primarily due to intangible assets identified and goodwill recognized for the acquired companies and property, plant and equipment taken over through the acquisitions, as well as higher investments (maintenance and special capex: € 279.8 million; 2020: € 201.1 million). In total, the Group's non-current assets increased by 22% to € 3,131.8 million (2020: € 2,569.4 million).

Despite the fact that the amount of physical products on stock was lower than in the previous year, the value of inventories increased significantly due to higher raw material prices and the takeover of the acquired companies' inventories. Receivables also increased through a substantial contribution from the acquired companies and the higher level of trade receivables, due to operational reasons, at the cut-off date. At the same time, the amount of cash and cash equivalents at the end of 2020 was significantly higher at € 666.1 million compared to € 364.3 million as at 31/12/2021, which was primarily due to the redemption of the hybrid bond at the beginning of 2021.

In 2021, the Group's working capital (inventories + net trade receivables - trade payables) therefore increased by 24% to € 624.9 million (2020: € 503.8 million). The ratio of working capital to revenues changed only slightly from 15.0% in 2020 to 15.7% in the reporting year, remaining well below the Group's defined threshold of 20%.

Given the Group's total comprehensive income after tax of € 385.0 million and the sale of treasury shares for an amount of € 80.6 million, minus dividends paid out in the amount of € 67.4 million, the Group's equity improved by 23% over the previous year's level to € 2,149.1 million (2020: € 1,749.0 million).

In the reporting year, deferred tax liabilities increased to € 107.3 million (2020: € 62.1 million), which was primarily due to fair value adjustments within the

framework of the purchase price allocation of the acquired companies. At the same time, non-current personnel provisions, particularly pension provisions, declined as a result of major changes in the pension plan assumptions underlying pension provisions, interest rate changes, and an increase in plan assets by € 40.4 million to € 100.2 million (2020: € 140.6 million). In general, the Wienerberger Group does not enter into any new defined-benefit pension commitments and is converting existing commitments into defined-contribution commitments wherever possible. As a result, pension provisions carried on the balance sheet show a decreasing trend, as commitments are either expiring or paid out. Other long-term provisions, mainly provisions for warranties and the recultivation of depleted clay pits, increased from € 73.7 million in 2020 to € 98.7 million in 2021, the main reason being the assumption of commitments of the companies acquired in the reporting year.

Current provisions also increased to a total of € 44.6 million (2020: € 36.9 million). In particular, short-term personnel provisions increased over the previous year's level, the reasons being the higher headcount due to changes in the scope of consolidation on the one hand and the Group's earnings-dependent bonus arrangements on the other hand.

Interest-bearing debt (financial liabilities) decreased by € 58.4 million to € 1,539.1 million (2020: € 1,597.5 million). The changes are mainly due to the redemption of the hybrid bond at the beginning of 2021 in the amount of € 225.4 million (including the hybrid coupon), the conclusion of new bank loans of € 250.0 million in the fourth quarter of 2021, and the assumption of the obligations of the acquired companies. Interest-bearing financial liabilities include interest-bearing liabilities to banks, bond holders, and other third parties in the amount of € 1,285.1 million (2020: € 1,376.3 million), derivatives with negative market values of € 8.7 million (2020: 4.1 million), and liabilities from leases of € 245.3 million (2020: € 217.1 million). These interest-bearing liabilities were offset by cash and cash equivalents and securities in a total amount of € 404.6 million (2020: € 715.4 million), as well as committed credit lines of € 400.0 million, of which € 383.0 million were undrawn by the balance sheet date. Of the total interest-bearing debt in the amount of € 1,539.1 million, 86% (2020: 73%) was of a long-term and 14% (2020: 27%) of a short-term nature.

Calculation of Net Debt in MEUR	2021	2020	Chg. in %
Long-term interest-bearing financial liabilities	1,133.2	983.5	+15
Short-term interest-bearing financial liabilities	160.7	396.9	-60
Lease liabilities	245.3	217.1	+13
- Intercompany receivables and payables from financing	-21.4	-21.1	+1
- Securities and other financial assets	-18.9	-28.1	-33
- Cash and cash equivalents	-364.3	-666.1	-45
Net debt	1,134.5	882.1	+29

As at 31/12/2021, the Group's net debt came to € 1,134.5 million, up by 29% from the previous year (2020: € 882.1 million). Thus, the year-end level of debt corresponds to a gearing of 52.8%, as compared to

the previous year's value of 50.4%. Nevertheless, as at 31/12/2021, the debt repayment period of 1.6 years remained significantly below the internal target of a maximum of 2.5 years (2020: 1.6 years).

Balance Sheet Ratios		2021	2020
Capital employed	in MEUR	3,248.1	2,594.1
Net debt	in MEUR	1,134.5	882.1
Equity ratio	in %	43.8	40.4
Gearing	in %	52.8	50.4
Asset coverage	in %	70.4	70.3
Working capital to revenues	in %	15.7	15.0



Treasury

Thanks to the Group's proactive financing policy, a sound liquidity reserve of more than € 1 billion (comprising cash and cash equivalents of € 666.1 million and committed but undrawn credit lines of € 371.0 million) was available at the beginning of the 2021 business year. In the course of 2021, these liquidity reserves were used, above all, for the complete redemption of the hybrid bond (5% coupon) at the first possible call date of February 9, 2021, and to pay the purchase price for the acquisitions in the USA, the UK, and Ireland.

Other important treasury projects included the placement of 2.5 million treasury shares within the framework of an accelerated book-building procedure in the third quarter of 2021 and the conclusion of a new long-term syndicated bank loan with a sustainability component backed by Oesterreichische Kontrollbank (OeKB) in the amount of € 250.0 million in the fourth quarter of 2021. Compared to the previous year, the (negative) net interest result increased by € 2.3 million (from € -35.7 million to € -38.0 million).

The financial indicators taken into account for the company's bank covenants and its rating were stable throughout 2021, with sufficient headroom to remain below the external limits set by the bank covenants. Despite the fact that a total of € 467.1 million was paid out for growth projects (M&A) during the business year, the debt repayment period (ratio of net debt to EBITDA) remained unchanged at 1.6 years.

The Group thus substantially outperformed its internal target of keeping the debt repayment period below 2.5 years at year end. The indicators taken into account by Moody's rating agency, i.e. the improvement of the net cash position and the maturity profile, show that the Wienerberger Group is positioned even more strongly in the Ba1 rating class. The rating agency thus changed the outlook, which had been downgraded to negative in the course of the Covid-19 crisis, back to stable in May 2021.

Treasury Ratios

	31/12/2021	31/12/2020
Net debt/EBITDA	1.6	1.6
EBITDA/interest result	18.3	15.7

As at the balance sheet date, 73% (2020: 62%) of the Group's financial liabilities was fixed-interest-bearing, though without taking the financial liabilities to be recognized according to IFRS 16 Leases into account. Owing to the local character of Wienerberger's business, foreign exchange fluctuations are reflected

primarily as translation risks and, to a lesser extent, as transaction risks. Subject to economic restrictions, translation risks (above all from intra-group loans in foreign currencies) are selectively hedged by means of cross-currency swaps. Most of the Group's transaction risks are hedged through currency forwards.

Cashflow

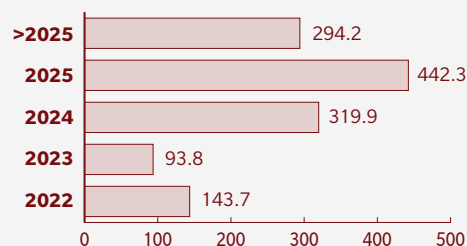
Owing to the steep increase in net profit, and despite the working capital build-up, cash flow from operating activities increased slightly to € 510.6 million compared to € 504.7 million in 2020.

In the reporting year, cash flow from investing activities was primarily influenced by cash outflows for growth projects (M&A) in the amount of € 467.1 million (2020: € 10.5 million). Cash outflows for investments in property, plant and equipment and intangible assets amounted to € 279.8 million, which corresponds to a 39% increase over the previous year's value of € 201.1 million. Alongside capital expenditure for regular maintenance, the amount also includes investments in optimization projects, plant extensions, digitalization, and measures to improve occupational health and safety. Cash outflow from investing activities thus increased steeply over the previous year's level of € -147.8 million and came to € -666.7 million.

Overall, owing to its excellent operational performance, the Wienerberger Group generated a free cashflow of € 420.6 million in 2021, 6% above the previous year's level of € 397.3 million.

Term Structure of Interest-bearing Financial Liabilities¹⁾

in MEUR



1) Excluding lease liabilities

Cash flow from financing activities came to € -147.6 million (2020: € 183.3 million), comprising, above all, cash outflows for the redemption of the hybrid bond of € 225.4 million (including coupon), dividends distributed in the amount of € 67.4 million, as well as cash inflows from the conclusion of long-term liabilities in the amount of € 253.5 million and the sale of treasury shares for € 80.6 million.

Given the high cash outflow for acquisitions, investments, and the redemption of the hybrid bond, the change in cash and cash equivalents amounted to € -303.8 million compared to € 540.1 million in the previous year.

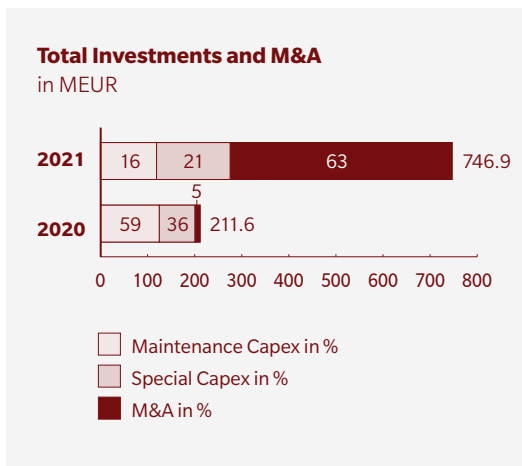
Cash Flow Statement in MEUR	2021	2020	Chg. in %
Gross cash flow	566.0	440.6	+28
Change in working capital and other	-55.5	64.1	<-100
Cash flow from operating activities	510.6	504.7	+1
Maintenance capex	-120.4	-125.9	+4
Special capex	-159.4	-75.2	<-100
M&A	-467.1	-10.5	<-100
Divestments and other	80.2	63.7	+26
Cash flow from investing activities	-666.7	-147.8	<-100
Special capex and M&A	626.5	85.7	>100
Lease payments	-49.8	-45.2	-10
Free cash flow	420.6	397.3	+6



Investments

In the reporting year, total investments amounted to € 279.8 million (2020: € 201.1 million). In addition to capital expenditure for regular maintenance, the amount also comprises investments in plant extensions, efficiency-enhancing optimization measures in production, occupational health and safety measures, and environmental and sustainability projects with a view to decarbonization, biodiversity and the circular economy. In 2021, the share of special investments not accounted for under regular maintenance rose significantly from € 75.2 million to € 159.4 million. Maintenance capex thus amounted to € 120.4 million (2020: € 125.9 million) in the 2021 reporting year.

An amount of € 467.1 million (2020: € 10.5 million) was spent on growth projects (M&A). The breakdown of total investments in property, plant, and equipment and intangible assets shows that in the reporting year, 63% of the total was accounted for by Wienerberger Building Solutions, 29% by Wienerberger Piping Solutions, and 8% by North America.



Development of Non-current Assets in MEUR	Intangible	Tangible	Financial	Total
31/12/2020	645.6	1,805.7	37.0	2,488.3
Capital expenditure	14.6	265.2	2.4	282.2
Change in the scope of consolidation	223.2	259.9	0.0	483.1
Depreciation, amortization, and impairment charges	-43.4	-230.4	-8.2	-282.0
Reversal of impairment	0.0	0.0	4.1	4.1
Disposals	-1.0	-39.6	0.0	-40.6
Currency translation and other	18.4	99.3	0.2	117.9
31/12/2021	857.4	2,160.1	35.5	3,052.9

Total Investments in MEUR	2021	2020	Chg. in %
Wienerberger Building Solutions	176.1	135.5	+30
Wienerberger Piping Solutions	81.3	55.2	+47
North America	22.4	10.4	>100
Wienerberger Group	279.8	201.1	+39

Value Management

Wienerberger's value management focuses not only on long-term, sustainable creation of shareholder value, but also on ESG aspects with a special focus on the well-being of our employees, whose contributions are essential for the company's long-term success. In our ESG Report, which is part of the Annual Report, we report on progress achieved in terms of our non-financial performance in 2021.

The key indicator of Wienerberger's value-oriented corporate governance is the return on capital employed (ROCE after tax). This indicator measures the after-tax return on capital currently employed in the company and reflects the value creation by the individual business units and by the Group as a whole. It is calculated by relating the net operating profit after tax (NOPAT) to the average interest-bearing total capital employed of the Group. Wienerberger's medium-term target is to sustainably exceed its ROCE to more than 10%. In addition to ROCE, other indicators are also regularly analyzed as part of the company's value management and taken into account in the calculation of top management bonuses, such as EBITDA LFL, free cash flow, efficiency-enhancing measures, total shareholder return, and the attainment of certain environmental, social, and governance (ESG) targets.

In 2021, we significantly outperformed our medium-term ROCE target. Wienerberger generated € 431.2 million (2020: € 305.1 million) in operating EBIT, which corresponds to a 41% increase compared to the previous year. As a result, NOPAT increased to € 356.4 million, compared to € 244.4 million in 2020. Over the same period, average capital employed increased from € 2,753.1 million to € 2,921.1 million owing to the acquisitions closed in the course of the reporting year. Overall, the Wienerberger Group's ROCE came to 12.2% (2020: 8.9%).

Alongside the analysis of the profitability of the capital employed at Group level, we regularly analyze the profitability of the individual operating segments and thus review the entire portfolio. If individual entities do not meet our internal targets, value-enhancing measures must be taken. To this end, Wienerberger employs the following strategic alternatives:

- Improvement of profitability within the framework of the self-help program / efficiency-enhancing measures
- Repositioning of the field of business through M&A
- Exit from the field of business if a thorough analysis shows that the first two alternatives will not produce the expected result

In 2021, we invested a total of € 467.1 million in acquisitions of companies that are a perfect fit for our long-term strategy. Particularly noteworthy transactions included the acquisitions of FloPlast and Cork Plastics in Great Britain and Ireland, which will further strengthen our market presence as a full-range system solutions provider, and the acquisition of Meridian Brick in the USA and Canada, which led to a significant build-up of our position in North America. Moreover, a number of other important steps aimed at optimizing our portfolio were taken during the reporting year. In the field of plastic pipes, we withdrew from Greece and Russia, as our sites in these markets no longer met our strict criteria of future growth.

In addition to these value-accretive investments and divestments, a total of € 120.4 million was invested in the maintenance of our industrial platforms and the continuous improvement of the health and safety standards for our employees. Based on strong free cash flow generation and taking these investments into account, Wienerberger achieved an attractive cash conversion rate of 83% in 2021. Additionally, a total of € 159.4 million was invested in the reduction of our ecological footprint, the expansion and optimization of our production network, and the further development of our product portfolio.



Calculation of Operating EBIT and NOPAT		2021	2020
EBIT	in MEUR	420.4	192.5
Impairments / Reversal of impairment charges to assets	in MEUR	0.0	22.3
Impairment charges to goodwill	in MEUR	10.7	90.4
Operating EBIT	in MEUR	431.2	305.1
Income taxes	in MEUR	-62.2	-48.8
Adjusted taxes	in MEUR	-12.6	-12.0
NOPAT	in MEUR	356.4	244.4

Calculation of Average Capital Employed		2021	2020
Equity and non-controlling interests	in MEUR	2,149.1	1,749.0
Financial liabilities	in MEUR	1,539.1	1,597.5
Intercompany receivables and payables from financing	in MEUR	-21.4	-21.1
Cash and financial assets	in MEUR	-418.7	-731.3
Capital employed at reporting date	in MEUR	3,248.1	2,594.1
Average capital employed	in MEUR	2,921.1	2,753.1

Calculation of ROCE		2021	2020
NOPAT	in MEUR	356.4	244.4
Average capital employed	in MEUR	2,921.1	2,753.1
ROCE	in %	12.2	8.9

Fourth Quarter of 2021

Following the trend set in earlier quarters, all Wienerberger business units again delivered excellent results in the fourth quarter of 2021:

- › Fourth-quarter revenues increased by 33% to € 1,073.7 million (2020: € 806.4 million)
- › EBITDA LFL rose significantly by 24% to € 161.7 million (2020: € 130.5 million), surpassing the result of the strong fourth quarter of the previous year
- › Constantly high demand and very strong performance in all business units
- › Successful closure of the acquisition of Meridian Brick in North America in October

External revenues in MEUR	10-12/2021	10-12/2020	Chg. in %
Wienerberger Building Solutions	581.6	510.4	+14
Wienerberger Piping Solutions	285.4	213.8	+33
North America	206.7	82.2	>100
Wienerberger Group	1,073.7	806.4	+33

EBITDA in MEUR	10-12/2021	10-12/2020	Chg. in %
Wienerberger Building Solutions	118.9	99.8	+19
Wienerberger Piping Solutions	23.5	13.2	+78
North America	41.8	11.8	>100
Wienerberger Group	184.1	124.8	+48

During the last three months of the year, continuing high demand in almost all operating segments translated into a very satisfactory overall result. Besides particularly mild weather, which allowed construction activities to continue toward the end of the year, price adjustments that were initiated in the summer months to cover cost inflation also contributed to this positive result.

In the fourth quarter of 2021, we continued to take advantage of high demand for our roof and wall solutions in the new-build and renovation segments in many of our core markets. In the field of plastic pipes, the challenging procurement situation persisted along the entire value chain during the last three months of the reporting period. Nevertheless, thanks to our excellent margin and supply chain management and stable sales volumes, we succeeded in increasing our earnings. In the North America Business Unit, we continued to benefit from our very strong plastic pipe business and generally high demand for façade solutions.

Wienerberger Building Solutions

In the fourth quarter of 2021, the Wienerberger Building Solutions Business Unit reported a 14% increase of its external revenues to € 581.6 million (2020: € 510.4 million). Over the same period, EBITDA LFL grew by 14% to € 114.4 million (2020: € 100.0 million).

Demand was already high in the third quarter and remained at that level during the last three months of the business year, with even a slight further increase seen in Eastern Europe. We also benefited from mild weather in most of our core markets. Moreover, in the fourth quarter we announced further price increases, effective as of the beginning of 2022, to cover cost inflation. This motivated some of our customers, whose inventories were already low, to place their orders earlier than originally intended. Our plants were therefore working at a very high level of capacity during the last months of the 2021 business year, while our own inventories remained low.



Throughout the fourth quarter, we continued to benefit from our long-term forward buying policy for gas and electricity and succeeded in keeping our energy costs relatively low, despite significant market price increases.

Wienerberger Piping Solutions

The Wienerberger Piping Solutions Business Unit continued to record strong growth during the last quarter of the reporting period. Compared to the fourth quarter of 2020, external revenues increased by 33% to € 285.4 million (2020: € 213.8 million). With a 6% rise to € 17.5 million (2020: € 16.5 million), EBITDA LFL was in line with the business unit's satisfactory performance. Contrary to expectations, the procurement market remained challenging throughout the fourth quarter. In the wake of rising gas prices, raw material prices for plastic polymers increased again and reached new record levels. However, thanks to our proactive margin management, we succeeded in largely offsetting the impact of rising raw material costs and, at the same time, positioned ourselves as a reliable and predictable partner for our customers.

In Northern Europe, we also closed the last three months of the 2021 business year with sound results. In Western Europe, demand remained stable at a high level in all segments. Once again, the growth momentum was strongest in Eastern Europe, where markets continued to experience high demand for infrastructure and in-house solutions. Our positive performance therefore continued during the last three months of 2021, and we further pursued our strategy focused on consistently strengthening our product portfolio. The integration of FloPlast and Cork Plastics, the companies taken over in July 2021, proceeded to our full satisfaction and first synergy effects have already been achieved.

North America

In the reporting period, the North America Business Unit generated external revenues of € 206.7 million (2020: € 82.2 million), including contributions to revenues from the acquisition of Meridian Brick. EBITDA LFL, which does not include any contributions to earnings from the acquisition, more than doubled in the fourth quarter to € 29.9 million (2020: € 14.0 million). Consequently, the last quarter of 2021 also closed with an excellent result, which continued to be driven by the extraordinary performance of the plastic pipe business.

As in the previous quarters, the market environment in the USA and Canada was marked by lively new construction activities, which resulted in constantly high demand for façade solutions. In the fourth quarter, our plants therefore continued to work at a high level of capacity. In our plastic pipe business, the raw material supply situation remained tight. Nevertheless, thanks to our dynamic margin management, which enabled us to pass on the notable raw material price increases to the market within a short period of time, we recorded a significant increase in earnings.

The successful closure of the acquisition of Meridian Brick in the fourth quarter marked a strategically important step, which made us the leading provider of façade solutions in the USA and Canada. We used the relatively long time taken by the authorities to process the approval of the merger to elaborate the specific steps to be implemented in integrating the acquired company. We were therefore able to swiftly launch the integration of Meridian Brick into Wienerberger's corporate structure and have already made some progress in this respect.

Operating Segments

Wienerberger Building Solutions

In 2021, the Wienerberger Building Solutions Business Unit, operating in a positive market environment, generated a new record result:

- › Notable 10% increase in external revenues to € 2,300.5 million (2020: € 2,092.1 million)
- › Steep 15% rise in EBITDA LFL to € 473.4 million (2020: € 412.2 million)
- › Consistently high demand across all product groups and markets, especially for roofing solutions
- › Positive market sentiment in both renovation and new build
- › Outlook: We expect to see continued positive market development and high demand in our European core markets

Wienerberger Building Solutions		2021	2020	Chg. in %
External revenues	in MEUR	2,300.5	2,092.1	+10
EBITDA LFL	in MEUR	473.4	412.2	+15
EBITDA LFL margin	in %	20.7%	20.1%	-
EBITDA	in MEUR	477.6	415.2	+15
EBITDA margin	in %	20.8%	19.8%	-
EBIT	in MEUR	313.3	227.9	+38
Capital employed	in MEUR	1,787.9	1,736.7	+3
Total investments	in MEUR	176.1	135.5	+30
Ø Employees	in FTE	12,427	11,939	+4

In 2021, operating in a generally positive market environment, the Wienerberger Building Solutions Business Unit generated a new record result, surpassing the former record of 2019.

Our self-help program, which comprises optimization measures along the production process, strict cost management, and the use of new digital solutions, contributed substantially to this record result. At the beginning of the year, price adjustments were successfully implemented in all our core markets, the primary goal being to cover the rising inflation of costs for energy, personnel, and raw materials. In certain markets, prices were further increased during the summer months in order to offset the extraordinary development of cost inflation. In 2021, we benefited especially from our mainly local value chains, the operation of our own clay pits, and our long-term energy procurement strategy.

Owing to unfavorable weather conditions, the beginning of the 2021 reporting year was marked by a rather slow start to the construction season in some of our core regions. Starting in March, renovation activities picked up in all relevant markets. We also saw consistently high

demand in new residential construction, especially in Western Europe. Intensified renovation activities led to a boost in demand for our innovative and sustainable product solutions, which in all countries resulted in a very high level of capacity utilization in our plants. The high volume of incoming orders was also reflected in a low level of inventories. Nevertheless, thanks to good cooperation between our country organizations and plants, as well as the high quality of our internal customer service, we succeeded in meeting our delivery obligations in all regions. Once more, we proved to be a reliable partner for our customers and were able to further strengthen our long-standing business relations.

In 2021, developments in our Western European markets, especially in Belgium and Great Britain, were highly satisfactory. Demand for our products for wall and roof solutions was particularly high in the renovation and new-build segments. The upward trend in new residential construction was further stimulated by government incentives for the creation of house building and adjustments to emission control regulations, which will continue to have a positive impact on our business performance in the years to come.



Driven by our innovative roofing and façade solutions, the result generated in the Netherlands was also substantially above the pre-crisis level. In Germany, weather-related delays in project starts at the beginning of the year resulted in an overall drop in earnings. In France, we achieved satisfactory growth in earnings across all product groups. Our activities in Northern Europe, which focused on the further development of our range of premium products, delivered a sound result in a stable market environment.

In our Eastern European markets, we observed an increase in demand, above all in the second half of the year, and closed the year with earnings significantly above the previous year's level. In Poland, the Czech Republic, and Hungary, activities were sluggish in parts of the region due to unfavorable weather conditions at the beginning of the year, but notable catch-up effects were seen during the summer months. In this market environment, intensified activities in the new-build and renovation segments resulted in higher sales volumes, with the roofing business delivering a particularly good performance.

In Austria, too, demand for our product solutions was high as a result of vigorous construction and renovation activities, which led to substantial growth in earnings in our home market. Of our markets in South-Eastern Europe, especially Croatia and Serbia performed extremely well.

Our concrete paver business in Eastern Europe benefited from our focus on mid-market and premium products. Despite a late start to the construction season due to inclement weather, the segment delivered a sound full-year result.

Overall, the external revenues generated by the Wienerberger Building Solutions Business Unit increased to € 2,300.5 million in the reporting year, up by 10% from the previous year's level of € 2,092.1 million. Over the same period, EBITDA LFL rose by an excellent 15% to € 473.4 million (2020: € 412.2 million), which also led to an improved EBITDA LFL margin of 20.7% (2020: 20.1%).

Outlook 2022

For 2022, we expect the economic environment in our core markets to remain favorable and therefore anticipate a consistently high level of demand. We will benefit from the strong momentum created by the European Green Deal, especially in the renovation sector. However, the continuing shortage of skilled labor in the construction industry could have a dampening effect on growth. As regards pricing, we will continue to focus on covering cost inflation while making every effort to be a transparent and reliable partner for our end customers. Given that innovative building material solutions will continue to be in high demand, capacity utilization in our plants will remain high during the first half of 2022; measures aimed at further capacity expansions at selected production sites were already taken during the past business year.

Alongside the initiatives planned within the framework of our self-help program, we will remain focused on growth investments and the implementation of sustainable business management measures (ESG). Thanks to our local value chains, which secure the availability of raw materials and transport capacities, and thanks to our well-established energy forward buying policy, we consider ourselves well positioned for further growth.

Wienerberger Piping Solutions

In 2021, despite the challenges faced in the raw material markets, the Wienerberger Piping Solutions Business Unit delivered a record result:

- › Notable 25% increase in external revenues to € 1,167.3 million (2020: € 932.6 million)
- › 15% rise in EBITDA LFL to € 114.7 million (2020: € 99.6 million)
- › Excellent supply chain management and successful procurement initiatives ensured the availability of our products despite the difficult raw materials situation
- › Acquisition of FloPlast and Cork Plastics in Great Britain and Ireland accelerates the company's transformation into a full-range provider of smart water management solutions for new build and renovation
- › Outlook: Stable demand for in-house and infrastructure solutions expected to continue. Procurement will remain challenging in the first half of 2022

Wienerberger Piping Solutions		2021	2020	Chg. in %
External revenues	in MEUR	1,167.3	932.6	+25
EBITDA LFL	in MEUR	114.7	99.6	+15
EBITDA LFL margin	in %	10.3 %	10.7 %	-
EBITDA	in MEUR	127.5	97.1	+31
EBITDA margin	in %	10.9 %	10.4 %	-
EBIT	in MEUR	49.5	37.4	+32
Capital employed	in MEUR	920.3	563.8	+63
Total investments	in MEUR	81.3	55.2	+47
Ø Employees	in FTE	3,606	3,328	+8

In the 2021 business year, our plastic pipe business was marked by challenging conditions on the raw material markets and along the supply chains. Nevertheless, we delivered a new record result, with external revenues exceeding one billion euros for the first time. This satisfactory development was due, above all, to excellent supply chain management, successful purchasing initiatives, and our proactive margin management, as outlined below.

Given the exceptionally high rates of price increases for almost all raw materials, the environment on the procurement markets remained difficult. Moreover, the situation was further aggravated by acute raw material bottlenecks due to maintenance backlogs and force majeure notifications by some suppliers, combined with a worldwide increase in demand, above all at the beginning of the year. However, we were able to largely offset the resultant increase in input costs, especially for plastic polymers, which are particularly relevant to us, through forward-looking measures in procurement and pricing. Successful inventory management, long-term

relations with our suppliers, and optimization measures along the entire value chain helped us to deliver the promised volumes of products and thus further strengthen our market position. Through our proactive margin management, we once again positioned ourselves as a transparent and reliable partner for our customers. Moreover, the continued pursuit of our strategy of focusing on the provision of high-margin product groups led to significant growth in earnings.

The first six months of the reporting period were marked by exceptionally high demand for plastic pipe solutions in almost all our core markets; the demand situation normalized at the beginning of the second half of the year. In the field of infrastructure, we continued to focus on the ongoing expansion of our product portfolio and recorded high demand for our system solutions for water and energy management. We also recorded strong demand for our innovative system solutions in the in-house segment. This satisfactory development of our business confirms that we have taken the right initiatives in line with our long-term strategic orientation.



In Northern Europe, we achieved a solid result in a stable market environment. Alongside an improved product mix, we benefited from rising demand for frost-resistant and pre-insulated plastic pipes, especially in Norway. In the reporting period, we made good progress with the expansion of our Swedish plant in Ljung, which is to become the biggest pipe production site in Northern Europe. The construction of our new site in Finland for the production of tailor-made special products for water management, such as pumping stations and large tank solutions, was successfully advanced. In the Baltic States, we took advantage of strong demand and achieved a significant increase in earnings thanks to our proactive margin management.

In Western Europe, we achieved a significant improvement in earnings, which was primarily due to the ongoing optimization of our product portfolio in the in-house segment. The acquisition of FloPlast and Cork Plastics in July 2021 further strengthened our position in the extremely attractive British and Irish renovation markets. This acquisition is accelerating our transformation into a full-range system solutions provider, as it enables us to combine our roofing portfolio with complementary rainline, rainwater, and drainage solutions. It also underlines our commitment to water management as part of our ESG strategy. At the same time, the combined product portfolio offers additional cross-selling opportunities in private and public new housing construction, where we already hold a leading position in the UK. With this strategy, we are generating additional growth while sustainably improving the profitability of our business.

Our business in Eastern Europe performed particularly well. Substantial contributions to growth came from Poland, the Czech Republic and Hungary. We succeeded in expanding our market positions with our system solutions and an enlarged product range. EU support programs for the expansion and renovation of pipeline systems created additional momentum. In Austria, benefiting primarily from an improved supply chain, we achieved satisfactory growth in earnings.

Throughout 2021, we continued to pursue our strategy of consistent portfolio optimization. Consequently, in the course of the year we withdrew from Russia and Greece, two markets unable to meet our future growth expectations. In the future, we will continue to actively pursue a strategy of portfolio consolidation and thus further improve our profitability.

In the reporting year, the business unit's total external revenues increased by 25% to € 1,167.3 million (2020: € 932.6 million). Despite challenging conditions in the procurement markets, our successful initiatives along the entire supply chain and the consistent pursuit of our value-accretive growth strategy enabled us to achieve a 15% improvement in EBITDA LFL from € 99.6 million to € 114.7 million and generate an EBITDA LFL margin of 10.3% (2020: 10.7%).

Outlook 2022

For the 2022 business year, we expect to see stable demand in the first half of the year despite persistent tension in the raw material markets with volatile price developments in the plastics sector and tight supply chains. EU support programs for the implementation of major infrastructure projects will continue to have a positive impact on market sentiment. As we further pursue our diversification into higher-value segments, such as rainwater and wastewater management in the infrastructure sector and the expansion of our in-house business, we will strive to further optimize the profitability of the business unit. Alongside the consistent implementation of our proactive margin management, the acquisition of FloPlast and Cork Plastics as well as the expansion of plants in Northern Europe will make a significant contribution to earnings.

North America

In 2021, the North America Business Unit continued on its growth path and again delivered excellent results:

- › External revenues rose steeply by 53% to € 498.6 million in the reporting year (2020: € 325.0 million)
- › EBITDA LFL increased by a highly satisfactory 76% to € 82.7 million (2020: € 46.9 million)
- › Successful closure of the acquisition of Meridian Brick in October 2021
- › Particularly strong earnings growth in plastic pipe activities and the Canadian brick business
- › Outlook: Demand for façade solutions favored by consistently positive market environment

North America		2021	2020	Chg. in %
External revenues	in MEUR	498.6	325.0	+53
EBITDA LFL	in MEUR	82.7	46.9	+76
EBITDA LFL margin	in %	19.6 %	14.4 %	-
EBITDA	in MEUR	89.1	45.7	+95
EBITDA margin	in %	17.9 %	14.1 %	-
EBIT	in MEUR	57.6	-72.8	>100
Capital employed	in MEUR	539.9	293.6	+84
Total investments	in MEUR	22.4	10.4	>100
Ø Employees	in FTE	1,591	1,352	+18

The 2021 performance of the North America Business Unit was marked by a positive market environment in the new-build segment in our core regions in the USA and Canada and high demand in the US infrastructure segment. Despite a few remaining restrictions imposed by the authorities to contain the pandemic, we continued on our successful growth path of recent years and again recorded a significant improvement of our results. Exceptionally strong contributions to the Group's earnings came from our plastic pipe operations and the façade business in Canada.

Despite weather-related delays of project starts in individual regions, 2021 began very well in North America. Housing starts were at a constantly high level, above the previous years' average. We therefore recorded consistently high demand in both new build and infrastructure and achieved strong growth in earnings. This development was strongest in the southern regions of the USA. In fact, the rate of growth would have been even higher without the delivery bottlenecks and the shortage of labor seen throughout the sector.

Our North American brick activities benefited, in particular, from strong demand for our design elements for interior walls and our innovative façade solutions. Our plants were therefore working at a high level of capacity, and inventories were low. The combination of successfully implemented price increases to cover cost inflation and further efficiency-enhancing measures along the entire value chain provided the basis for a very successful 2021 business year. Alongside the energy forward buying policy at Group level, a sand pit in Canada purchased several years ago proved to be extremely valuable. Being in control of this important raw material, we were able to ensure its availability and, at the same time, minimize the impact of rising cost inflation.



The performance of our 2021 plastic pipe business in North America was particularly noteworthy: Owing to several factors, especially the development of margins, the segment had an extraordinarily positive one-off effect on earnings. This strong momentum was created by a combination of very high demand for infrastructure solutions and a particularly challenging procurement market characterized, above all, by a shortage of raw materials and the resultant substantial price increases. In the first quarter of 2021, numerous force majeure notifications by suppliers due to winter storms in Texas led to considerable supply bottlenecks. Due to continued strong demand and low inventory levels, the situation became more and more acute in the course of the year. Although first signs of a slight easing of tight supply chains were seen in the second half of the year, even the fourth quarter did not bring the expected normalization of the situation. However, given our long-term supplier contracts, an optimized procurement chain, and targeted inventory management, we were able to successfully overcome the supply bottlenecks. Moreover, thanks to our forward-looking price management with a special focus on price flexibility and strict cost discipline, we succeeded in passing on the notably increased raw material prices to the market and improving our profitability.

The successful closure of the acquisition of Meridian Brick in the fourth quarter of 2021 marked yet another important milestone on our growth path and greatly strengthened our position in the attractive markets of the south-eastern states of the USA and in Canada. This acquisition has made us the leading provider of innovative façade solutions in the North American market. The integration process was started immediately upon closure, and first changes of the organizational structure have already been successfully implemented. We are pursuing the clear goal of embracing the new plants and their employees as part of our Wienerberger culture with its long-term orientation, and establishing ourselves as a sound, sustainably growing company and an attractive employer. While emphasizing the social aspects of the integration of the newly acquired plants, we are also focused on harmonizing their sales organization, which will be based on strong and easily recognizable local brands. Our experienced team in the USA and Canada will be working expeditiously to advance the integration of the companies. We will therefore be able to leverage considerable synergies already during the first year after the takeover and further accelerate the pace of growth in our core markets.

Overall, despite challenging conditions along the supply chains, we closed the 2021 business year with another excellent result. In the reporting period, external revenues grew by 53% to € 498.6 million, including the consolidation of Meridian Brick (2020: € 325.0 million). Over the same period, EBITDA LFL rose substantially to € 82.7 million, which corresponds to a 76% increase compared to the previous year (2020: € 46.9 million). Benefiting from the positive effect of the plastic pipe business, the EBITDA LFL margin improved to 19.6% (2020: 14.4%)

Outlook 2022

For the first half of the year, we expect to see a consistently positive market environment in new build and anticipate that our façade solutions will continue to benefit from strong demand. Challenges may arise on account of supply chain bottlenecks. The shortage of skilled labor may also have a dampening effect on growth. In the infrastructure sector, we expect demand to remain high, with additional support from state aid to public construction works. Given that market conditions are projected to normalize, we do not expect our plastic pipe business to repeat the extraordinarily strong result of 2021. The integration of Meridian Brick will continue throughout 2022. The fact that we are maintaining our original target of a combined EBITDA contribution of USD 120 million three years after the acquisition confirms our positive assessment of the attractive North American market, even though three production sites and individual distribution outlets had to be sold to comply with regulatory requirements.

Outlook and Targets for 2022

Market Outlook for Europe

For 2022, we expect a volatile market environment in our European core markets, particularly due to the Russia-Ukraine conflict. Furthermore, we will still have to face challenges along the supply chains, issues of availability, and the dynamic inflation of raw material and energy prices. Nevertheless, we foresee a continuation of the underlying positive trend of the second half of 2021, especially in the first half of the year. Demand from the construction of new single- and multi-family homes will remain at a solid level, and vigorous renovation activities are expected to continue. Moreover, the initiatives taken to stimulate investments in sustainability within the framework of the European Green Deal will also have a positive impact on demand in our field of business.

We anticipate further demand for infrastructure solutions and expect markets to remain stable overall. In the medium term, this segment will also benefit from the stimulus programs announced by the EU Member States, which will have a positive impact on demand for our solutions in the fields of water and energy management.

Apart from the aforementioned challenges, other limiting factors include the global development of the pandemic and the availability of qualified labor, which could have a dampening effect on market dynamics.

Market Outlook for North America

Essentially, the outlook for markets in the USA and Canada in 2022 is similar to that for Europe. We anticipate a positive market sentiment to prevail, especially in the first half of the year, and expect demand to remain stable at a high level on account of vigorous construction activities in our core markets in the USA and Canada. Moreover, we expect a positive impetus from the package of capital expenditure measures for infrastructure projects adopted by the US government. In North America, too, the shortage of qualified labor and bottlenecks along the supply chains could have a dampening effect on growth.

Targets

Based on the new record results achieved in 2021, we will further pursue the value-accretive growth strategy of the Wienerberger Group throughout the 2022 business year. Our focus will remain on our proven strategic pillars of growth. Benefiting from our high innovative strength and in line with our program of continuous performance enhancement, we will actively promote the generation of organic growth. Given our successful track record in value-accretive M&A transactions, we will pursue further takeover options with a view to additional non-organic growth. All our business activities are in line with our ESG strategy and clearly defined KPIs.

For 2022, we have set ourselves the ambitious target of increasing the Wienerberger Group's EBITDA to a range of € 750 to 770 million. Alongside organic growth and contributions to earnings from our self-help program, we also expect contributions from the acquisition of Meridian Brick as well as FloPlast and Cork Plastics. Effects from asset sales and currency fluctuations have not been taken into account in setting the target range. The outlook and targets for 2022 were set before the outbreak of the Russia-Ukraine conflict. Its effects cannot yet be reliably estimated at the time of preparing the 2021 Annual Report. Wienerberger does not operate any production sites in Ukraine and the share of the Russian business in Group revenues is less than 1%. Apart from our proactive margin management to cover cost inflation, we expect to benefit from our proven internal processes along the entire value chain and will continuously optimize our portfolio in order to further increase our profitability and remain a reliable and transparent partner for our customers.

Given the year-on-year increase in the number of production sites, a total of € 135 million will be spent on maintenance in our plants and measures aimed at the continuous improvement of health and safety at the workplace. Another € 160 million will be invested in the steady reduction of our ecological footprint, the optimization and expansion of our plants, and the further development of our product portfolio. At the same time, we are continuously evaluating a large number of potential acquisition targets. We analyze the targets for their strategic development potential, value-creating additions to our portfolio in the fields of smart infrastructure, renovation, and new-build solutions, as well as their earning, cash-flow, and synergy potential in line with our ESG targets.



Additional Information about the Company

Research and Development

Research and Development (R&D) are of central strategic importance for the Wienerberger Group, as they enable us to take the lead in terms of costs and technology and strengthen our position in the long term through product innovations. Our primary focus is on creating benefits for the users of our products and on meeting all requirements in terms of sustainability. Our R&D activities are fundamental to the achievement of our ambitious targets regarding decarbonization and the circular economy. Moreover, the development of new materials, products and system solutions, the optimization of existing production technologies and the development of new ones, the digitalization of processes, and the continued transition to Industry 4.0 are among our central action areas.

Strategic R&D projects are managed centrally, but generally implemented at the local level. To this end, Wienerberger operates several research centers in a number of countries, each of them specializing in a specific product group. Within the framework of demonstration projects, new technologies are first tested for their potential benefits and their added value for customers. Successful ideas are then quickly rolled out across the entire Group via our platforms.

Innovations, system solutions, and efficient use of resources

One of the priorities of our research activities is to continuously optimize the properties of building materials and the use of resources, combined with the development of new solutions, in order to meet the steadily increasing demands on building materials in terms of energy efficiency, their CO₂ footprint, earthquake resistance, and structural properties. Moreover, we focus on enhancing existing and new products by adding smart and/or digital functionalities. Our goal is to develop solutions that enable environment-friendly, fast, and easy installation of our products on the construction site, contribute to climate protection and the energy efficiency of buildings, and create added value for our customers. All our R&D activities are completely in line with our ambitious ESG targets.

Becoming a CO₂-neutral provider of building materials

In pursuit of the goal of circularity, 100% of our new products are designed so as to be reusable or recyclable. Moreover, we are making every effort to ensure that all our products advance the target of decarbonization throughout their life cycle and thus reduce the entire Group's CO₂ footprint. With their positive properties as a natural, energy-efficient building material, our bricks contribute to environmental protection and ensure a pleasant and healthy indoor climate in summer as well as in winter.

Our research priorities in ceramic production include the use of alternative energy sources (electrification of processes, possible use of hydrogen or "green" gas), the reduction of energy consumption in the drying and firing processes, and the optimized use of raw material resources through product developments and new formulations. Additionally, we are continuously investing in the automation of production processes and the introduction of novel production technologies.

As a technology and innovation leader, Wienerberger is developing building materials and services for the future, including solutions for the entire building envelope. By reducing the weight of our products, enhancing the efficiency of our production processes, and optimizing the physical properties of our products, we have succeeded in improving thermal insulation by almost one third, reducing energy consumption in production, and enabling the construction of substantially thinner walls.

In the course of our ongoing innovation efforts, we are intensively exploring the possibilities of mobile masonry robots and prefabrication. In times of digitalization, high demand for affordable housing, and the growing shortage of skilled labor, the entire construction sector is confronted with major challenges. As the innovation leader of our industry, we see great potential for automation in both prefabrication and the execution of construction projects. We want to offer our customers product solutions that not only accelerate and facilitate construction work, but also reduce costs and, at the same time, offer the advantage of increased safety, efficiency and quality. To this end, we are cooperating with well-established businesses, start-ups, and universities. Among other solutions, the first prototype of an innovative masonry robot for use on construction sites has been designed on this basis. The objective is to develop this solution to market maturity in response to the increasing shortage of skilled labor on construction sites.

In the plastic pipe segment, we have continuously optimized our products and further increased the share of recycled raw materials used in production. With this development, we are actively contributing toward improving the CO₂ balance across the entire product life cycle and ensuring full circularity. This process was accompanied by regular quality control measures and numerous tests of the composition of the pipe material to ensure a consistently high level of product quality.

Moreover, we are continuously working on our infrastructure solutions in the field of water management to prevent a shortage of this invaluable resource. In the field of energy, we are making every effort to promote the use of renewable energy sources. The Raineo system developed by Pipelife, our subsidiary, is a noteworthy example: It is made entirely from secondary raw materials and optimizes rainwater management on sealed surfaces. Another example is our Preflex Spider, a prefabricated, tailor-made electrical installation ideally suited to increase the efficiency of construction site work. These and other solutions are our response to the growing shortage of skilled labor and to climate change.

Ceramic pipe production is another area where we are continuously improving our processes. Pipes of the Steinzeug-Keramo brand, produced exclusively from natural, reusable raw materials, are 100% recyclable at the end of their useful life.

Be it climate change, the shortage of skilled labor, or the scarcity of resources – our response to current challenges is innovation. Our vision is to improve people's quality of life with our smart building and infrastructure solutions. One third of the Wienerberger Group's revenues are already accounted for by innovative products and services. Our goal for the future is to maintain this share at such a high level throughout the Group. Regular information on current topics in the field of research and development is provided on our website.

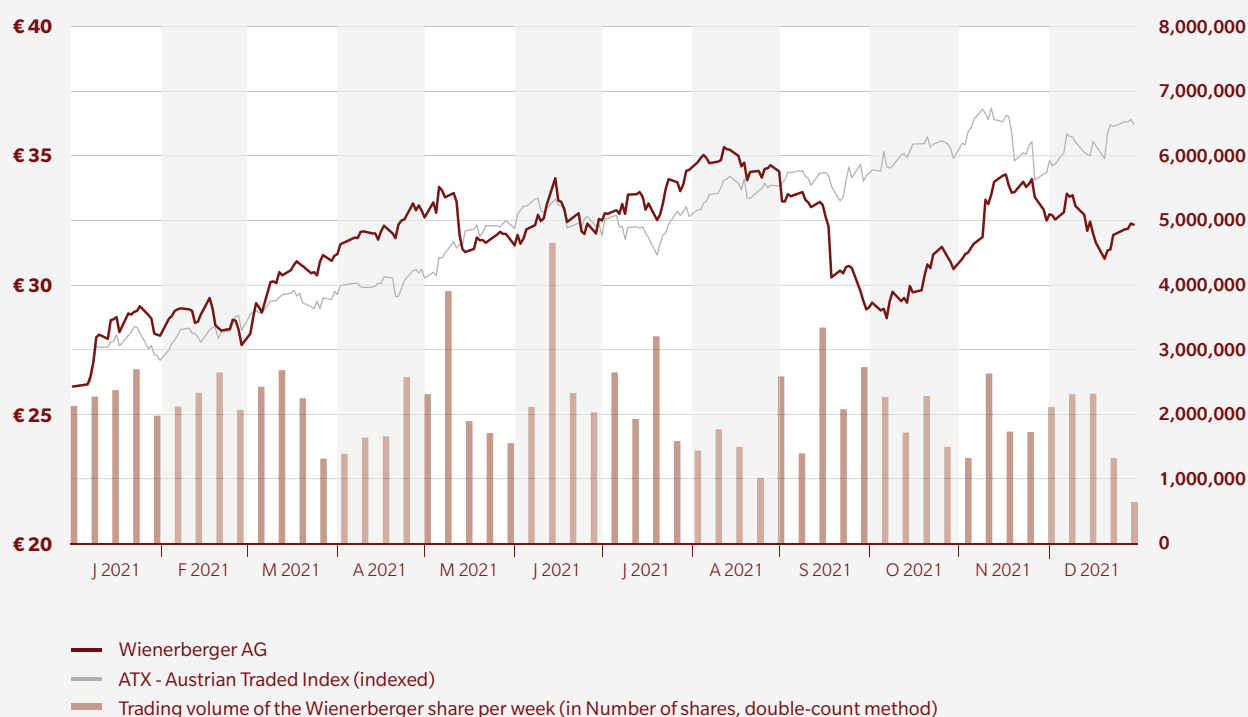


Wienerberger Share and Shareholders

Wienerberger AG is listed in the Prime Market segment of the Vienna Stock Exchange with no-par-value bearer shares. There are neither preferred shares or registered

shares nor any restrictions on common stock. The “one share – one vote” principle therefore applies in full. In the USA, Wienerberger AG trades on the OTC market via an ADR Level 1 Program of the Bank of New York. With a market capitalization of € 3,725 million and a weighting of 6.0% in the ATX at the end of 2021, Wienerberger is one of the seven largest listed companies in Austria.

Development of the Share Price



The Wienerberger share started the 2021 trading year at a price of € 26.08, the closing price of the highly volatile previous year marked by the outbreak of the Covid-19 pandemic, the resultant global stock market slump in mid-March, and the subsequent recovery of share prices. In a favorable market environment, the Wienerberger share performed well at the beginning of the year, continuing on the upward trend of the last months of 2020. At € 26.16, the first trading day of 2021 marked the annual low. By the end of the first half of the year, the share gained 25% in value, trading at a price of € 32.50. Boosted by consistently positive market sentiment and our own strong business performance,

the share price continued to increase at the beginning of the second half of the year, reaching its annual high at € 35.34 on August 11. However, rising inflation driven up in particular by energy prices and the resultant nervous atmosphere on the global stock markets led to a correction of the share price by the beginning of October to just under € 30, before the share again surged almost back to its annual high on the back of strong quarterly results. This highly volatile market sentiment continued during the last months of the year. With infection figures on the increase alongside persistently high inflation rates, the share price again trended downward before the end of the year. Trading closed at

a year-end price of € 32.34 with an overall gain of 24.0% for the Wienerberger share in the 2021 stock exchange year. The Austrian ATX, the lead index of the Vienna Stock Exchange, gained 38.9% over the same period, a development primarily driven by the high price gains of bank and energy stocks, which are heavily weighted in the Austrian lead index.

Based on the current forecast for the development of business, the Managing Board will propose to the 153rd Annual General Meeting on May 3, 2022, that a dividend of € 0.75 per share be paid out, which corresponds to a 25% increase year on year. Amounting to a total of € 86.1 million, the dividend to be paid out corresponds to 20.5% of the free cash flow after liabilities for leases. Based on the year-end share price of € 32.34, this represents a dividend yield of 2.3%.

Liquidity in MEUR



Ø Stock exchange turnover of the Wienerberger share per day (double-count method)

Key Data per Share		2021	2020	Chg. in %
Earnings	in EUR	2.75	0.79	>100
Adjusted earnings	in EUR	2.84	1.79	+59
Dividend	in EUR	0.75	0.60	+25
Free cash flow ¹⁾	in EUR	3.72	3.53	+5
Equity ²⁾	in EUR	19.00	15.52	+22
Share price high	in EUR	35.34	28.26	+25
Share price low	in EUR	26.16	11.59	>100
Share price at year-end	in EUR	32.34	26.08	+24
P/E ratio high		12.9	36.0	-
P/E ratio low		9.5	14.8	-
P/E ratio at year-end		11.8	33.2	-
Shares outstanding (weighted) ³⁾	in 1,000	113,105	112,680	+0
Market capitalization at year-end	in MEUR	3,725	3,004	+24
Ø Stock exchange turnover/day ⁴⁾	in MEUR	12.9	12.9	+0

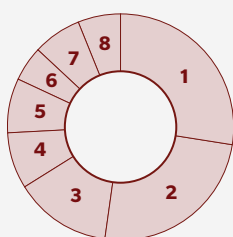
1) Cash flow from operating activities less cash flow from investing activities and outflow from the redemption of liabilities from leases plus special capex and net outflow for acquisitions // 2) Equity including non-controlling interests, excluding hybrid capital // 3) Adjusted for treasury shares // 4) Double-count method



Shareholder structure

Wienerberger is a pure free float company and has no core shareholder. The Group's widely diversified shareholder structure is typical of a publicly traded company with international operations. The most recent survey of the shareholder structure performed in November 2021 showed that 14% of Wienerberger shares are held by private investors, while the majority is held by institutional investors, more than half of them based in the Anglo-Saxon region, i.e. North America (31%) and Great Britain (25%). The remaining shares are held mainly by Continental European investors.

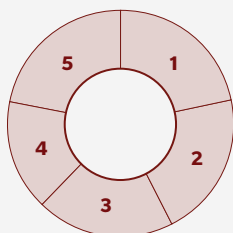
Shareholder Structure by Country (Institutional Investors)



1	USA	28%
2	Great Britain	25%
3	France	14%
4	Germany	8%
5	Austria	8%
6	Scandinavia	5%
7	Other Europe	7%
8	Other World	6%

An analysis of the various strategies pursued by institutional investors shows that value-oriented investors dominate at a rate of 22%, followed by GARP investors and growth-oriented investors (21% and 20%, respectively).

Shareholder Structure by Investor Type (Institutional Investors)



1	Value	22%
2	GARP	21%
3	Growth	20%
4	Index	16%
5	Other	22%

Pursuant to sections 130 to 134 of the Austrian Stock Exchange Act, which provides for mandatory reporting of significant holdings, the following notifications have been received from shareholders: More than 5% of Wienerberger shares have been held by FMR LLC (Fidelity), based in the USA, since October 27, 2021. The share capital of Wienerberger AG comprises 115,187,982 no-par-value shares and 381,910 treasury shares.

Investor Relations

In the course of our intensive investor relations activities, we are making every effort to establish long-term relations and engage in continuous exchanges with investors, analysts, and banks. The crucial issue in investor relations is to ensure the highest possible degree of transparency through ongoing, open, and active communication. To meet these demanding requirements in a year that was still marked by considerable uncertainty, Wienerberger not only resumed personal contacts as far as possible, but also continued to use digital communication channels in order to respond to enquiries as quickly as usual and to inform the financial market about current developments in our markets through regular conference calls. We also participated in numerous roadshows and investor conferences, most of them conducted virtually. In the year under review, the Managing Board and the Investor Relations team were in direct contact with investors and analysts all over the world more than 500 times, informing them about our key financials, the company's operational and strategic developments, the impact of the pandemic on individual markets, as well as current ESG (environmental, social, governance) topics. The fact that Wienerberger is covered by a number of renowned Austrian and international investment banks ensures the visibility of the Wienerberger share among the financial community. As of February 2022, the Wienerberger share is being covered by 14 analysts.

Disclosures on capital, shares, voting rights, and rights of control

The 151st Annual General Meeting held on May 5, 2020, authorized the Managing Board to buy back own shares of up to 8% of the share capital during a period of 30 months, without further resolution by the Annual General Meeting. Subject to compliance with the legal provisions in effect, shares can be bought back according to the Managing Board's judgement either on the stock exchange or over the counter, even by individual shareholders or a single shareholder, provided the Supervisory Board is retroactively informed thereof.

The 151st Annual General Meeting held on May 5, 2020, authorized the Managing Board for a period of five years, with the approval of the Supervisory Board and without further resolution by the Annual General Meeting, to sell or use treasury shares other than over the stock exchange or through a public offering, subject to the provisions, mutatis mutandis, regarding the exclusion of shareholders' subscription rights, and to set the terms and conditions of the sale. Furthermore, the Managing Board of Wienerberger AG was authorized, for a period of 30 months, to reduce the share capital, if necessary, through the cancellation of own shares with the approval of the Supervisory Board and without further resolution by the Annual General Meeting.

The 150th Annual General Meeting held on May 6, 2019, resolved on an authorized capital of € 17,452,724 (15% of the share capital) through the issue of up to 17,452,724 new no-par-value shares over a period of five years. The shareholders' statutory subscription rights can be excluded under certain conditions. However, the total number of shares issued subject to the exclusion of subscription rights must not exceed 5,817,574 (5% of the share capital.)

In the year under review, Wienerberger AG executed a share resale program on August 31, 2021, which was settled on September 3, 2021. A total of 2,500,000 treasury shares with a total value of € 81.3 million were sold over the counter at a weighted average price of € 32.50 per share through an accelerated book-building procedure and subject to the exclusion of the subscription right of existing shareholders.

Change of control clauses are included in the employment contracts of the members of the Managing Board, the terms of corporate and hybrid bonds, and the terms and conditions of syndicated loans and other loans. Further disclosures on the composition of Wienerberger's capital, the types of shares, rights, and restrictions, as well as the powers of the Managing Board to issue, buy back, or sell shares are contained in the Notes to the Consolidated Financial Statements under Note 28 ("Group Equity") starting on page 278.



Risk Management and the Internal Control System

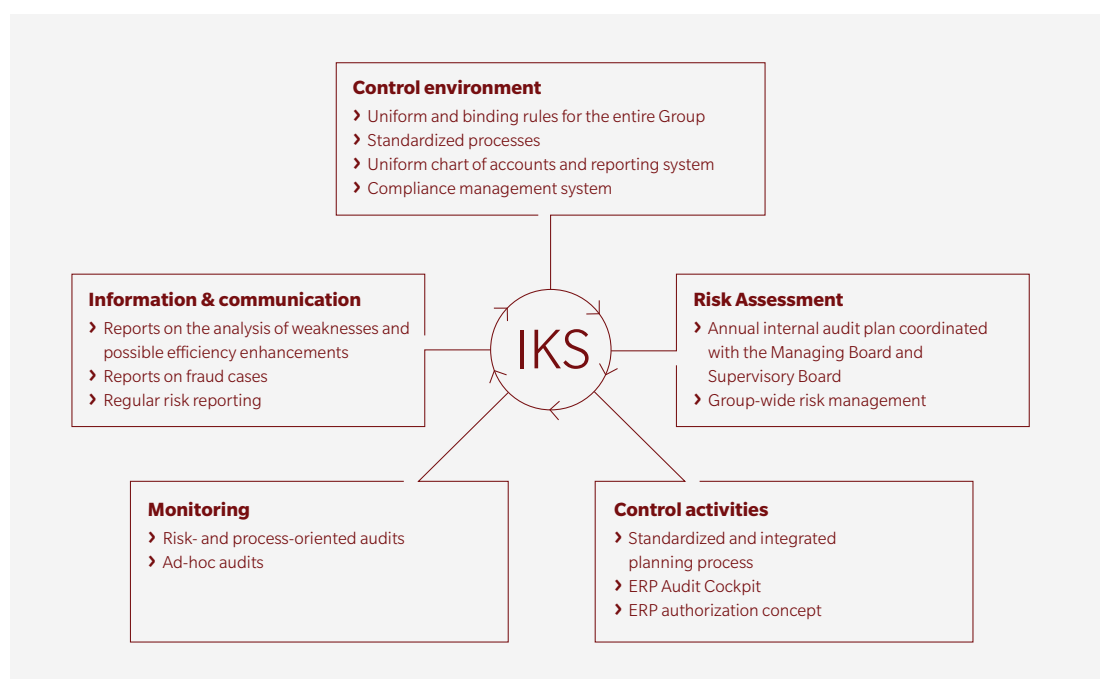
Our international operations not only offer great opportunities, but are also associated with short-, medium-, and long-term risks. Wienerberger has therefore established an effective risk management system, which identifies existing risks and counters them in a structured process through avoidance, elimination, and limitation. Our risk awareness is taken into account in all strategic decisions. Purely operational risks are considered acceptable, whereas taking risks beyond the scope of operational business is not permitted.

As a leading provider of building material and infrastructure solutions, we voluntarily undertake to present a transparent overview not only of climate-related opportunities, but also of the associated risks. The identification and analysis of climate-related risks is part of Wienerberger's all-encompassing risk management approach. Since 2021, we have therefore been following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)¹⁾ as

regards the identification, analysis, and assessment of physical risks²⁾ and transition risks³⁾.

The internal control system (ICS) of Wienerberger AG plays an important role in risk management. Based on the standards of the internationally recognized framework for internal control systems (issued by COSO), the ICS provides the management with a comprehensive tool for the analysis and/or prevention of uncertainties and risks arising from the company's essential business activities. Rules and controls applicable throughout the Group and across its operating segments are set by the Managing Board. In accordance with the decentralized structure of Wienerberger, responsibility for implementing the ICS lies with the respective local management. Internal Audit is responsible for communication and monitoring. Continuous compliance with the ICS is ensured through regular audits performed at the local sites.

The ICS comprises a system of measures and processes covering the following areas:



1) The Task Force on Climate-related Financial Disclosures (TCFD) was established by the Financial Stability Board of the G20 in 2015. It was mandated to elaborate recommendations for more effective climate-related disclosures to the capital market by companies regarding their resilience to climate change. These recommendations are structured around four thematic areas (governance, strategy, risk management, and metrics and targets), the objective being to identify, assess, and manage climate-related risks and opportunities and report on them. Since the publication of these voluntary recommendations in June 2017, more than 1,300 organizations worldwide have confirmed their support for TCFD. The updated recommendations published in October 2021 have been taken into account by Wienerberger. // 2) Physical risks are risks that may arise through changes of the climatic conditions (e.g. chronic and acute risks). // 3) Transition risks are risks that may arise from the conversion to a low-carbon economy (e.g. political and legal risks, technology risks, market risks, reputation risks).

Control Environment

- › Uniform and binding rules for the entire Group
- › Standardized processes
- › Uniform chart of accounts and reporting system
- › Compliance management system

The control environment forms the basis for standardization and harmonization processes across the Group. As regards accounting, the Managing Board issues group-wide guidelines with uniform and binding rules to be followed in the preparation of annual and interim financial statements. Business transactions are recorded by means of standardized processes based on a uniform Group chart of accounts. Wienerberger's consolidated financial statements and interim financial statements are prepared in accordance with IFRS in a fast-close process. The financial statements of all subsidiaries are reviewed in a two-stage process by the finance and controlling departments of the respective business units and by the Corporate Reporting department, consolidated, and subsequently released by the Managing Board of Wienerberger AG for submission to the Supervisory Board.

Wienerberger's compliance management system consists of a set of rules designed to support employees in complying with the Group's ethical and legal standards. It applies to all employees working for Wienerberger. If the national legislation provides for stricter rules, the latter take precedence. As clear rules are indispensable for the prevention of misconduct, Wienerberger implemented anti-bribery and anti-corruption policies, a guideline regarding compliance with anti-trust law, export controls (lists of sanctions), as well as capital market and data privacy rules. The compliance management system is continuously adapted to changes in legislation. The policies and guidelines are communicated to all employees concerned on a regular basis. Training sessions are organized and documented. Additional controls have been introduced at the Group level to inform and support the local management in matters of compliance. Internal Audit regularly verifies compliance with the rules and guidelines in effect.

In 2021, in accordance with its ESG strategy, the Wienerberger Group established its own Code of Conduct. The Code of Conduct is designed as a binding guideline setting out clear and uniform rules for employees, business partners, and suppliers. It also refers to the internal corporate policies.

Risk Assessment

- › Group-wide risk management
- › Annual internal audit plan coordinated with the Managing Board and Supervisory Board

To manage the Group-wide risks, we aim at identifying risks as early as possible and counteracting them through appropriate measures in order to minimize deviations from our corporate goals. The respective risk owners within our experienced international teams are in charge of the

- › identification,
- › analysis,
- › assessment,
- › management and monitoring

of risks. To this end, surveys are conducted regularly at top and senior management level, involving the members of the Managing Board, the management of the business units, and the heads of Corporate Functions in order to update existing risks and identify new ones. Risks are identified and assessed proactively through interviews, workshops, scenario analyses, and templates to be filled in. Subsequently, the risks identified are analyzed and broken down into strategic and operational risks along the entire value chain and assigned to the risk owners. Risk assessment is based on probabilities of occurrence and potential impact on free cash flow, with observation horizons divided into short-term (up to 1 year), medium-term (1-5 years) and long-term (5-25 years).

Besides strategic risks, the major risks for the Wienerberger Group are procurement, production, market, and price risks, financial and legal risks, and climate-related risks. The risks identified are compared with our materiality matrix in order to ensure consistency in our risk assessment and alignment with the expectations of external stakeholder groups. For detailed information on all types of risk, please refer to the Risk Report starting on page 304.

The most important instruments for risk monitoring and risk management are planning and controlling processes, Group policies, regular reporting of financial and non-financial parameters, and the diversification of risks through our portfolio approach.



Most of the risks identified are addressed and monitored within the framework of established internal management processes. In particular, local companies only take on risks arising from their operational business, which are analyzed by the respective risk owners within the business unit concerned and weighed against the potential gains. Additionally, risks arising within the framework of Group financing, in procurement, in IT, or in the area of compliance are not only addressed by the business unit concerned, but also managed, monitored, and mitigated centrally by the holding company. Another risk class includes material risks with a low probability of occurrence, which are continually monitored and assessed and are to be addressed through predefined defensive measures on a timely basis whenever need arises.

Internal Audit draws up an annual audit plan, which is agreed upon with the Managing Board and submitted to the Audit and Risk Committee of the Supervisory Board. In the course of the year, Internal Audit regularly reports to the Managing Board and the Audit and Risk Committee on the audits performed, the results obtained, and the degree of implementation of the findings.

The external auditor performs an annual assessment of Wienerberger's risk management system and reports the outcome to the Supervisory Board and the Managing Board. The functionality of the risk management system was reviewed and confirmed by the external auditor in 2021. Additionally, the control systems of the individual business units are covered within the framework of the audit of the annual financial statements by the external auditor.

Control Activities

- › Standardized and integrated planning process
- › ERP Audit Cockpit
- › ERP authorization concept

The controlling activities include an annual planning process that is based on an integrated bottom-up planning approach. The planning process covers the budgeting of profit and loss, the balance sheet, and the cash flows of the following business year as well as a medium-term plan for a horizon of four years. The monthly comparison of actual results with the forecasts for the respective period is an essential element of the internal control and risk management system. In addition, all subsidiaries prepare updated forecasts of their expected annual results three times a year.

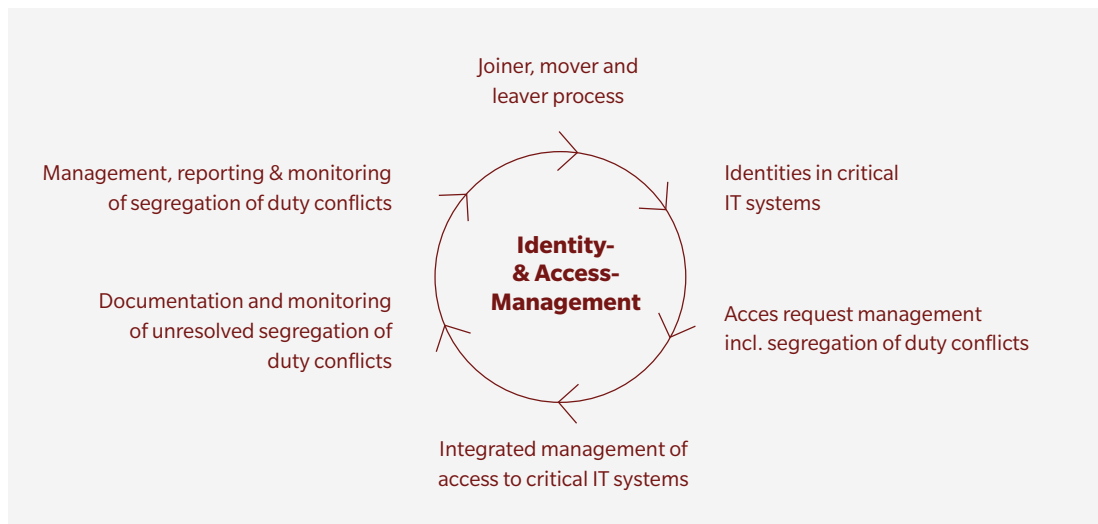
In order to strengthen, formalize, and document the internal control system, a risk and control matrix was designed and introduced with more than 150 controls broken down into about 20 main processes and over 60 sub-processes. Once a year, the local management evaluates and documents the status of implementation of selected key controls. Internal Audit regularly reviews this self-evaluation and assesses the degree of maturity of the respective key controls.

As a further control instrument, a fully integrated governance, risk, and compliance (GRC) system has been established. At its core, there is an identity and access management system. It comprises a complete joiner, mover, and leaver process, which ensures that all identities and their assigned critical IT access rights within the organization are always up to date. In 2020, the system was rolled out to 26 countries.

Through the identification of segregation of duty conflicts beyond the ERP system, excessive IT access rights as well as segregation of duty breaches across different applications can already be restricted at the stage 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 control 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.



Monitoring

- › Risk- and process-oriented audits
- › Ad-hoc audits

The organizational and management structure of Wienerberger AG and its companies is clearly defined. Responsibilities for the risk management monitoring process are also clearly separated and defined. A detailed description of the internal organizational structure can be found starting on page 38.

In coordination with the audit plan, Internal Auditing reviews compliance with the ICS as well as operational processes for risk propensity and efficiency enhancement opportunities at regular intervals – every two to four years, depending on the size of the company. In addition, Internal Auditing monitors compliance with legal requirements and internal guidelines and is thus the central monitoring body for the internal control system.

Furthermore, in addition to its risk- and process-oriented audits, Internal Audit performs ad-hoc and special audits when so requested by the management.

Information and Communication

- › Regular risk reporting
- › Reports on the analysis of weaknesses and possible efficiency enhancements
- › Reports on fraud cases

Twice a year, a structured risk management process takes place. In the course of this process, the risk management team supports the individual business areas through proactive interviews and workshops aimed at identifying and assessing their respective risks. The results and the related recommendations and measures are summarized and transmitted to the Managing Board of the Group and the external auditor. Risk reports are submitted as follows:

- › Standardized – structured risk management process in the form of interviews and workshops
- › Regularly – embedded in the Group's existing reporting channels
- › Ad hoc – for instant communication of changing or new risks

Within the framework of the other information and communication duties of the ICS, Internal Audit and Corporate Reporting regularly report to the Audit and Risk Committee on material accounting and valuation procedures, the impact of newly adopted IFRS rules on the consolidated financial statements, major changes in the accounting process, and findings from risk management. Moreover, the Audit and Risk Committee is regularly informed of audit findings, relevant implementation activities, and measures to eliminate weaknesses identified in the ICS.







wienerberger

CONSOLIDATED FINANCIAL STATEMENTS

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Consolidated Income Statement

Notes	in TEUR	2021	2020
(9)	Revenues	3,971,307	3,354,599
(10-12, 14-16)	Cost of goods sold	-2,532,107	-2,166,132
	Gross profit	1,439,200	1,188,467
(10-12, 14-16)	Selling expenses	-706,929	-626,179
(10-12, 14-16)	Administrative expenses	-275,489	-228,036
(11, 15, 16)	Other operating income	56,555	40,723
(11, 14, 16)	Other operating expenses:		
(11)	Impairment charges to assets	0	-22,306
(11)	Impairment charges to goodwill	-10,747	-90,366
	Other	-82,153	-69,834
	Operating profit/loss (EBIT)	420,437	192,469
(2)	Income from investments in associates and joint ventures	4,079	4,136
(17)	Interest and similar income	2,376	2,208
(17)	Interest and similar expenses	-40,343	-37,858
(17)	Other financial result	-12,276	-12,208
	Financial result	-46,164	-43,722
	Profit/loss before tax	374,273	148,747
(18)	Income taxes	-62,203	-48,819
	Profit/loss after tax	312,070	99,928
	Thereof attributable to non-controlling interests	184	287
	Thereof attributable to hybrid capital holders	1,176	11,112
	Thereof attributable to equity holders of the parent company	310,710	88,529
(19)	Earnings per share (in EUR)	2.75	0.79
(19)	Diluted earnings per share (in EUR)	2.75	0.79



Consolidated Statement of Comprehensive Income

Notes	in TEUR	2021	2020
	Profit/loss after tax	312,070	99,928
(37)	Foreign exchange adjustments	54,453	-102,401
(37)	Foreign exchange adjustments to investments in associates and joint ventures	75	-42
	Changes in hedging reserves	-8,729	39,672
	Items to be reclassified to profit or loss	45,799	-62,771
(30)	Actuarial gains/losses	27,031	-6,775
	Actuarial gains/losses from investments in associates and joint ventures	100	62
	Items not to be reclassified to profit or loss	27,131	-6,713
	Other comprehensive income	72,930	-69,484
	Total comprehensive income after tax	385,000	30,444
	Thereof comprehensive income attributable to non-controlling interests	215	259
	Thereof attributable to hybrid capital holders	1,176	11,112
	Thereof comprehensive income attributable to equity holders of the parent company	383,609	19,073

Consolidated Balance Sheet

Notes	in TEUR	31/12/2021	31/12/2020
Assets			
(22)	Intangible assets and goodwill	857,371	645,570
(22)	Property, plant and equipment	2,116,153	1,755,519
(22)	Investment property	43,905	50,167
(23)	Investments in associates and joint ventures	18,166	23,919
(23, 26)	Other financial investments and non-current receivables	22,110	38,441
(31)	Deferred tax assets	74,127	55,799
Non-current assets		3,131,832	2,569,415
(24)	Inventories	883,301	729,042
(25)	Trade receivables	343,416	218,770
(26)	Receivables from current taxes	10,718	5,542
(26)	Other current receivables	118,563	83,770
(25, 35, 36)	Securities and other financial assets	40,313	49,222
	Cash and cash equivalents	364,307	666,148
Current assets		1,760,618	1,752,494
(27)	Non-current assets held for sale	11,335	5,106
Total assets		4,903,785	4,327,015
Equity and liabilities			
	Issued capital	115,188	115,188
	Share premium	1,069,751	1,036,170
	Retained earnings	1,189,703	946,176
	Other reserves	-219,035	-291,934
	Treasury shares	-7,439	-57,300
Controlling interests		2,148,168	1,748,300
	Non-controlling interests	900	685
(28)	Equity	2,149,068	1,748,985
(31)	Deferred taxes	107,269	62,100
(30)	Employee-related provisions	100,174	140,648
(29)	Other non-current provisions	98,670	73,726
(32, 34, 36)	Long-term financial liabilities	1,326,108	1,159,795
(32)	Other non-current liabilities	29,569	25,716
Non-current provisions and liabilities		1,661,790	1,461,985
(29)	Current provisions	44,566	36,939
(32)	Payables for current taxes	18,154	9,696
(32, 34-36)	Short-term financial liabilities	212,995	437,720
(32)	Trade payables	423,078	299,873
(32)	Other current liabilities	394,134	331,817
Current provisions and liabilities		1,092,927	1,116,045
Total equity and liabilities		4,903,785	4,327,015



Consolidated Statement of Cash Flows

Notes	in TEUR	2021	2020
	Profit/loss before tax	374,273	148,747
(11)	Depreciation and amortization	251,237	244,312
(11)	Impairment charges to goodwill	10,747	90,366
(11)	Impairment charges to assets and other valuation effects	22,045	40,439
(29, 30)	Increase/decrease in non-current provisions	-13,907	-17,548
(2)	Income from investments in associates and joint ventures	-4,079	-4,136
	Gains/losses from the disposal of fixed and financial assets	-2,874	-5,298
(17)	Interest result	37,967	35,650
	Interest paid	-36,175	-33,410
	Interest received	621	870
	Income taxes paid	-72,110	-59,408
	Other non-cash income and expenses	-1,702	0
	Gross cash flow	566,043	440,584
	Increase/decrease in inventories	-95,875	51,950
	Increase/decrease in trade receivables	-52,089	-12,706
	Increase/decrease in trade payables	74,629	-14,422
	Increase/decrease in other net current assets	17,855	39,263
	Cash flow from operating activities	510,563	504,669
	Proceeds from the sale of assets (including financial assets)	52,932	31,209
	Payments made for property, plant and equipment and intangible assets	-279,756	-201,067
	Payments made for investments in financial assets	-2,406	-2,040
	Dividend payments from associates and joint ventures	2,705	2,533
	Increase/decrease in securities and other financial assets	15,642	-1,988
	Net payments made for the acquisition of companies	-464,730	-8,478
	Net proceeds from the sale of companies	8,909	31,990
(20)	Cash flow from investing activities	-666,704	-147,841
(21)	Cash inflows from the increase in short-term financial liabilities	321,676	164,097
(21)	Cash outflows from the repayment of short-term financial liabilities	-460,797	-512,910
(21)	Cash inflows from the increase in long-term financial liabilities	253,458	711,091
(21)	Cash outflows from the repayment of long-term financial liabilities	0	-648
(21)	Cash outflows from the repayment of lease liabilities	-49,793	-45,179
(28)	Dividends paid by Wienerberger AG	-67,359	-67,359
(28)	Hybrid coupon paid	-10,732	-12,537
(28)	Dividends paid to non-controlling interests	0	-409
(28)	Repayment/buyback of hybrid capital	-214,630	-33,212
(28)	Sale of treasury shares	80,561	0
(28)	Purchase of treasury shares	0	-19,686
	Cash flow from financing activities	-147,616	183,248
	Change in cash and cash equivalents	-303,757	540,076
	Effects of exchange rate fluctuations on cash held	1,916	-2,683
	Cash and cash equivalents at the beginning of the year	666,148	128,755
	Cash and cash equivalents at the end of the year	364,307	666,148

Consolidated Statement of Changes in Equity

Notes	in TEUR	Issued capital	Share premium	Hybrid capital	Retained earnings
	Balance on 31/12/2019	116,352	1,058,946	241,008	943,851
	Profit/loss after tax				99,641
(37)	Foreign exchange adjustments				
(37)	Foreign exchange adjustments to investments in associates and joint ventures				
	Changes in hedging reserves				
	Changes in other reserves				
	Other comprehensive income				
	Total comprehensive income				99,641
(28)	Dividend payment/hybrid coupon				-79,896
(28)	Change in hybrid capital			-241,008	-17,289
(28)	Changes in treasury shares				
(28)	Retirement of treasury shares	-1,164	-22,776		-131
	Balance on 31/12/2020	115,188	1,036,170	0	946,176
	Profit/loss after tax				311,886
(37)	Foreign exchange adjustments				
(37)	Foreign exchange adjustments to investments in associates and joint ventures				
	Changes in hedging reserves				
	Changes in other reserves				
	Other comprehensive income				
	Total comprehensive income				311,886
(28)	Dividend payment				-67,359
(12, 28)	Changes in stock option plan		595		
(12, 28)	Changes in treasury shares		519		
(12, 28)	Sale of treasury shares		32,467		-1,000
	Balance on 31/12/2021	115,188	1,069,751	0	1,189,703



Other reserves						Total
Actuarial gains/losses	Hedging reserve	Translation reserve	Treasury stock	Controlling interests	Non-controlling interests	
-83,329	46,835	-185,984	-61,685	2,075,994	835	2,076,829
				99,641	287	99,928
		-102,373		-102,373	-28	-102,401
		-42		-42		-42
	39,672			39,672		39,672
-6,713				-6,713		-6,713
-6,713	39,672	-102,415		-69,456	-28	-69,484
-6,713	39,672	-102,415		30,185	259	30,444
				-79,896	-409	-80,305
				-258,297		-258,297
			-19,686	-19,686		-19,686
			24,071	0		0
-90,042	86,507	-288,399	-57,300	1,748,300	685	1,748,985
				311,886	184	312,070
		54,421		54,421	32	54,453
		75		75		75
	-8,729			-8,729		-8,729
27,132				27,132	-1	27,131
27,132	-8,729	54,496		72,899	31	72,930
27,132	-8,729	54,496		384,785	215	385,000
				-67,359		-67,359
				595		595
			767	1,286		1,286
			49,094	80,561		80,561
-62,910	77,778	-233,903	-7,439	2,148,168	900	2,149,068

Notes to the Consolidated Financial Statements

General Information

1. Basis for the preparation of the consolidated financial statements

Wienerberger AG, which is headquartered in Vienna, Austria, is the parent company of an international building materials group whose business activities are classified into three segments according to management responsibilities: Wienerberger Building Solutions, Wienerberger Piping Solutions and North America. The address of Wienerberger AG is Wienerbergerplatz 1, 1100 Vienna, Austria.

The consolidated financial statements were prepared pursuant to § 245a of the Austrian Commercial Code and in accordance with the International Financial Reporting Standards (IFRS) and Interpretations of the International Financial Reporting Interpretations Committee (IFRIC) published by the International Accounting Standard Board (IASB) as of the balance sheet date and adopted by the European Union (EU). Independent auditors have examined the annual financial statements of all major Austrian and foreign group companies to confirm their compliance with the International Financial Reporting Standards.

In principle, the annual financial statements are based on amortized acquisition and production costs and were

prepared as of the balance sheet date, the only exception being certain financial instruments, such as derivatives and equity instruments, which are accounted for at fair value. Deferred taxes are determined on the basis of temporary differences and re-evaluated on every balance sheet date. In addition, defined benefit pension and severance compensation plans are recognized and measured according to the projected unit credit method. The income statement is prepared in accordance with the cost of sales method; the reconciliation to the total cost method is provided in the Notes.

With a few exceptions as noted, the consolidated financial statements are presented in thousand euros.

2. Consolidated companies

The list of companies at the end of the Notes provides an overview of the fully consolidated subsidiaries, joint ventures and associates included at equity, and investments that are not fully consolidated for materiality reasons. The following table shows the changes in the scope of consolidation of the Wienerberger Group during the reporting year and comprises subsidiaries as well as associates and joint ventures accounted for at equity:

Consolidated companies	Full consolidation	Equity consolidation
Balance on 31/12/2020	165	6
Included during reporting year for the first time	13	1
Merged/liquidated during reporting year	-16	0
Divested during reporting year	-1	0
Balance on 31/12/2021	161	7
Thereof foreign companies	137	7
Thereof domestic companies	24	0



Subsidiaries

In addition to Wienerberger AG, the 2021 consolidated financial statements include 24 (2020: 22) Austrian and 137 (2020: 143) foreign subsidiaries over which Wienerberger AG exercises control. Subsidiaries are fully consolidated as of the date control is obtained and deconsolidated when control ceases to exist. In accordance with IFRS 10, control is considered to exist when Wienerberger has power over the subsidiary and can use this power to influence the company's financial and operating policies. Five subsidiaries were not consolidated in 2021 (2020: 5) because their influence on the Group's assets, liabilities, financial position and profit or loss is immaterial for a true and fair view.

Investments in associates and joint ventures

The 2021 consolidated financial statements of Wienerberger AG include six investments in joint

ventures (2020: 5) and one investment (2020: 1) in an associate that are accounted for at equity. In accordance with the criteria of IFRS 11, Schlagmann Poroton GmbH & Co KG, Silike keramika, spol. s.r.o. and TV Vanheede-Wienerberger, as well as EXA IP B.V., acquired in 2021, are to be classified as joint ventures, because these companies are managed jointly with a partner of equal rights. Wienerberger holds 50% in these joint ventures. TONDACH BOSNA I HERCEGOVINA d.o.o., in which Wienerberger holds 80%, is managed jointly and accounted for at equity on account of the distribution of voting rights. Moreover, Wienerberger holds 30% of Interbran Baustoff GmbH, which is classified as a joint venture on account of its joint management. The following table shows the values (100%) resulting from the aggregation of the joint ventures:

in TEUR	2021	2020
Revenues	124,996	117,889
EBITDA	21,873	21,175
EBIT	14,698	14,552
Profit/loss after tax	6,935	7,376
Total comprehensive income after tax	7,135	7,501

Assets

in TEUR	31/12/2021	31/12/2020	in TEUR	31/12/2021	31/12/2020
Non-current assets	65,752	65,630	Equity	37,138	33,034
Current assets	49,958	45,235	Non-current provisions and liabilities	15,227	39,528
			Current provisions and liabilities	63,345	38,303
	115,710	110,865		115,710	110,865

3. Acquisitions and disposals of companies

The purchase price allocation for the stake in the Dutch Inter Act Group, a developer and provider of web- and cloud-based technologies comprising Inter Act B.V., Inter ACT industrial automation B.V., TeleControlNet B.V., and Inter Act GmbH, acquired in November 2020, was completed in the reporting year. After the identification of technology and the customer base, a remaining goodwill of TEUR 375 was recognized (goodwill preliminary purchase price allocation: 8,170 TEUR). For reasons of materiality, the adjustment of the final purchase price allocation was not done retrospectively.

In July 2021, the purchase of 100 % of the shares in FloPlast Ltd. in Great Britain and the Cork Plastics Group in Ireland, a well-established provider of rainwater, drainpipe, and roofline solutions, was closed. This acquisition enables Wienerberger not only to increase its share in the attractive Irish and British renovation markets, but also advances its transformation into a provider of complete solutions, especially in Great Britain, through the combination of the Wienerberger Group's own roofing portfolio with add-on solutions from FloPlast.

Although, in legal terms, the transaction included the acquisition of two companies, it was treated as an integrated set of business due to the close economic interactions between FloPlast and the Cork Plastics Group and thus seen as one transaction with one single purchase price. Based on the preliminary purchase price allocation, the customer base and the FloPlast brand were identified; the remaining goodwill amounts to TEUR 102,835. At the time of acquisition, the value of the gross receivables taken over amounted to TEUR 33,149; after deduction of expected non-recoverable cash flows of TEUR 144, the remaining net receivables amount to TEUR 33,005. The valuation of the assets and debts taken over, as well as the identification of intangible assets, have been largely completed, but detailed analyses regarding the allocation of the drivers of the envisaged synergies are still outstanding. As at 31/12/2021, the final allocation of goodwill to CGUs or groups of CGUs was therefore not yet possible. The incidental costs of the transaction amounted to TEUR 6,669 and are recognized in general administrative expenses. Between 01/01/2021 and 31/12/2021, FloPlast and the Cork Plastics Group generated revenues of TEUR 122,201 and EBITDA of TEUR 17,623. Calculated from the time of first consolidation, revenues came to TEUR 53,772 and EBITDA to TEUR 7,905.

In December 2020, the purchase agreement for the acquisition of 100 % of the shares in Meridian Brick LLC, USA, and Meridian Brick Canada Ltd., Canada, was concluded. Based in Georgia, USA, the Meridian Brick Group is the largest producer of façade solutions (in terms of capacity) in the USA and holds a very strong market position in Canada. Closure of the transaction depended on approval by the US anti-trust authorities. The approval was granted in October 2021, subject to the sale of two Meridian Brick production sites and one existing Wienerberger plant in the USA as well as several distribution outlets. In accordance with the remedies imposed by the authorities, these assets were sold in November 2021. Based on the restrictive conditions imposed by the US authorities, the enforced sale of the three production sites and several distribution outlets resulted in a loss of TEUR 12,066, which is recognized in the reporting year under other operating expenses.

The transaction comprises all Meridian Brick assets in the USA and Canada, which had been operated as an integrated business with entities in both countries even before the acquisition. The transaction was therefore treated as one acquisition of a business combination at a single purchase price. In the purchase price allocation, a small gain on bargain purchase of TEUR 1,567 was determined, which is recognized in other operating income. This difference essentially derives from favorable business performance in the period between signing of the purchase agreement and the approval by the authorities. Therefore, working capital on the acquisition date exceeded the upper limit covered by the purchase price mechanism. The assets and liabilities acquired at the time of acquisition are shown in the following table. The gross trade receivables taken over amounted to TEUR 46,381, from which the presumably non-recoverable contractual cash flows expected at the time of acquisition in the amount of TEUR 4,586 had to be deducted.



In order to prevent foreign-exchange fluctuations and potential losses resulting from changes in the value of the US dollar, the agreed basic purchase price for the Meridian Brick Group was hedged through a USD deposit account with the Austrian financing company after the signing of the purchase agreement in December 2020. This FX deposit was classified as a cash flow hedge. The exchange-rate changes of the US dollar at the time of closing in October 2021 resulted in an exchange-rate gain of TEUR 11,297. Given that the hedge was classified as a hedge of a non-financial item, the exchange-rate gain at the time of closing of the Meridian Brick acquisition was recycled from the Consolidated Statement of Comprehensive Income to the Consolidated Income Statement and is recognized in the reporting year under "Other operating income".

In total, the non-recurring effects relating to the acquisition of the Meridian Brick Group (gain on bargain purchase, exchange-rate gain from the purchase price hedge, and the loss due to the sale of the divestment package enforced by the authorities) result in other operating income of TEUR 12,864 and other operating expenses of TEUR 12,066 recognized in the 2021 Consolidated Income Statement. The non-recurrent positive effect on the operating result therefore amounts to TEUR 798.

The incidental expenses for the transaction, recognized in general administrative expenses, amounted to TEUR 4,662. During the period from 01/01/2021 to 31/12/2021, the Meridian Brick Group acquired in the reporting year generated revenues of TEUR 403,923 and EBITDA of TEUR 34,340. From the date of first consolidation, revenues of TEUR 88,959 and EBITDA of TEUR 12,515 were reported.

In October 2021, Wienerberger also acquired 100% of the shares in Struxura (Struxura BV and Struxys BV), a Belgian producer of prefabricated walls. In the purchase price allocation, goodwill in the amount of TEUR 1,478 was identified, which is recognized in the operating segment of Wienerberger Building Solutions. From 01/01/2021 to 31/12/2021, Struxura BV and Struxys BV, acquired in the reporting year, generated revenues of TEUR 6,874 and EBITDA of TEUR 1,259. From the date of first consolidation, revenues of TEUR 1,620 and EBITDA of TEUR 282 were reported. No incidental expenses were incurred for these transactions.

Net cash outflows for the acquisition of companies in the reporting year amounted to a total of TEUR 457,353. Purchase price liabilities of TEUR 700, contingent on the achievement of certain targets, were recognized as other liabilities. Moreover, payments of purchase price liabilities for acquisitions from the previous year amounted to TEUR 7,378.

The sale of ZZ Wancor AG, closed in the previous year, resulted in cash inflow of TEUR 8,909 from outstanding purchase price receivables.

The reconciliation is shown as follows:

in TEUR	FloPlast and Cork Plastics	Meridian Brick	Other	Total
Intangible assets	106,756	3,992	15,955	126,703
Property, plant and equipment and financial assets	77,123	175,767	6,987	259,877
Deferred tax assets	0	493	0	493
Non-current assets	183,879	180,251	22,942	387,072
Inventories	16,581	68,446	483	85,510
Trade receivables	33,005	41,795	941	75,741
Other current receivables	57,808	41,196	1,941	100,945
Current assets	107,394	151,437	3,365	262,196
Deferred taxes	30,603	2,170	4,314	37,087
Non-current provisions	55	14,706	549	15,310
Long-term financial liabilities	0	21,058	3,158	24,216
Non-current provisions and liabilities	30,658	37,934	8,021	76,613
Current provisions	638	2,180	74	2,892
Short-term financial liabilities	0	31,282	862	32,144
Trade payables	16,945	32,372	2,782	52,099
Other current liabilities	11,600	15,573	194	27,367
Current provisions and liabilities	29,183	81,407	3,912	114,502
Net assets	231,432	212,347	14,374	458,153
Goodwill	102,835	0	-6,317	96,518
Badwill	0	-1,567	0	-1,567
Cash and cash equivalents	-57,170	-37,537	-343	-95,050
Purchase price liabilities	0	0	-700	-700
Payments made for companies acquired in previous periods				7,378
Net payments made for acquisitions	277,096	173,242	7,014	464,730

4. Methods of consolidation

The acquisition method of accounting is applied to all fully consolidated companies. According to this method, the compensation transferred in exchange for the investment is compared with the revalued net assets (shareholders' equity) of the acquired company on the date of purchase. All identifiable assets, liabilities and contingent liabilities are initially recognized at fair value in accordance with IFRS 3; any remaining positive difference between the purchase price and revalued pro-rata equity is recognized in local currency as goodwill in the relevant segment. Negative differences are recognized in the income statement under other operating income. Goodwill and intangible assets with an indefinite useful life are tested for impairment at least once each year together with the cash-generating unit to which they are

allocated and reduced to the lower applicable recoverable amount in the event of impairment. Impairment tests are also performed more frequently if there are indications of a lasting decline in the value of a cash-generating unit during the financial year (see Note 5. Accounting and valuation principles and Note 22. Non-current assets).

Revenues, income and expenses as well as receivables and liabilities arising between consolidated companies are eliminated. Intercompany gains and losses from the sale of goods or services between Group companies that affect current or non-current assets are eliminated, unless they are immaterial.



The basic methodology of consolidation applies to associates and joint ventures consolidated at equity; local valuation methods are retained if the variances are immaterial.

5. Accounting and valuation principles

The accounting and valuation principles that form the basis for these consolidated financial statements remain unchanged in comparison with the previous year and were extended to include the new IFRSs to be applied on a mandatory basis as of the financial year (see Note 7. Effects of new and revised standards). A detailed description of the accounting and valuation principles can be found beginning on page 298.

6. Estimates and judgements

In preparing the consolidated financial statements, management must make estimates and judgements that influence the recognition and measurement of assets, liabilities and contingent liabilities, the disclosure of other obligations as of the balance sheet date, and the recognition of revenues and expenses during the reporting period. The actual figures may differ from management estimates.

For example, the valuation of pension plans and severance claims by actuaries include assumptions concerning the expected discount rate, increase in salaries and pensions, employee turnover rates and the development of the costs of medical care. Detailed information on the parameters used is provided in Note 30. Employee benefits. This Note also includes a sensitivity analysis of the defined benefit obligations.

The useful life of property, plant and equipment is also determined on the basis of estimates which, in this case, are derived from experience with the operation of comparable equipment. A table showing the ordinary useful lives of these assets can be found on page 299.

Provisions for site restorations are based on the best possible estimate of the expected costs of recultivating depleted clay pits as well as long-term discount rates, considering the respective national inflation rates.

The measurement of deferred tax assets requires assumptions regarding the future taxable income and the time of realization of the deferred tax assets. However, given the fact that the future development of business cannot be predicted with certainty and is not entirely within Wienerberger's control, the valuation of deferred taxes is uncertain.

The Wienerberger Group issues various types of product warranties, depending on the respective product segment and on market conditions. In principle, the recognition and measurement of provisions for warranties/guarantees relate to estimates of the frequency and amount of losses. These estimates are based on historical records of the occurrence and scope of guarantee cases as well as the best possible management estimates of payments to be made in guarantee cases. The provisions are adjusted regularly to reflect new information.

In particular, impairment testing of goodwill and other assets involves estimates and forward-looking assumptions by management concerning the expected cash surpluses and the cost of capital for the Wienerberger Group and its cash-generating units during the planning period. The estimates made during the preparation of these consolidated financial statements reflect the best knowledge and belief of management on a going-concern basis. They draw on past experience and take account of the remaining degree of uncertainty. A sensitivity analysis was performed to show the influence of changes in macroeconomic parameters on forecasts for the income statement. This analysis is explained in detail in Note 22. Non-current assets.

7. Effects of new and revised standards

The following table provides an overview of the new standards and interpretations published by the IASB as of the balance sheet date:

Standards/Interpretations		Published by IASB	Mandatory first-time adoption
IFRS 4	Insurance Contracts - Amendments	June 2020	1/1/2021 ¹⁾
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	IBOR Reform - Phase 2	August 2020	1/1/2021 ¹⁾
	Annual Improvements to IFRSs 2018 - 2020 Cycle	May 2020	1/1/2022 ¹⁾
IAS 16	Property, Plant and Equipment - Amendments	May 2020	1/1/2022 ¹⁾
IAS 37	Provisions - Amendments	May 2020	1/1/2022 ¹⁾
IFRS 3	Business Combinations - Amendments	May 2020	1/1/2022 ¹⁾
IFRS 16	Covid-19-related amendments	March 2021	1/4/2021 ¹⁾
IFRS 17	Insurance Contracts	May 2017	1/1/2023 ¹⁾
IAS 1	Classification of liabilities as current or non-current - Amendments	January 2020	1/1/2023
IAS 1	Disclosure of Accounting policies - Amendments	February 2021	1/1/2023
IAS 8	Definition of Accounting Estimates - Amendments	February 2021	1/1/2023
IAS 12	Deferred Tax related to leases and decommissioning obligations	May 2021	1/1/2023
IFRS 17	Insurance Contracts - Amendments	December 2021	1/1/2023

1) Mandatory effective date according to European Union directive.

New and amended standards and interpretations published that were adopted by the EU

The amendments to IFRS 4 Insurance Contracts, published in June 2020, concern the prolongation of the temporary exemption from the application of IFRS 9. The amendments must be applied on a mandatory basis as of January 1, 2021 and have no impact on Wienerberger's financial statements.

In August 2020, the IASB published amendments of IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. The second-phase amendments supplement the requirements of the first phase and concern the replacement of a given interest rate benchmark by another interest rate benchmark. The amendments are to be applied on a mandatory basis as of January 1, 2021 and have no impact on Wienerberger's financial statements.

In May 2020, the IASB published clarifications on IAS 37 Provisions, Contingent Liabilities and Contingent Assets, IAS 16 Property, Plant and Equipment, IFRS 3 Business Combinations and the IFRS 2018-2020 improvement cycle. IAS 37 defines which costs can be taken into account in the case of an onerous contract. IAS 16 clarifies how the sale of products from the test phase of production equipment is to be recognized in the financial statements. IFRS 3 receives an update to the conceptual framework. These amendments have no impact on Wienerberger's financial statements.

In March 2021, the Covid-19-related amendments to IFRS 16, which had been published in May 2020, were prolonged for one year. The amendments to IFRS 16 Leases provide for practical expedients for lessees in the accounting of rent concessions. For a limited period of time, lessees are exempted from assessing whether a Covid-19-related rent concession is a lease modification. This expedient is only applicable to payment due on or before June 30, 2022. Wienerberger did not make use of these practical expedients.



In May 2017, the IASB published IFRS 17 Insurance Contracts, a new standard which replaces IFRS 4 and clarifies the accounting treatment of insurance and reinsurance contracts. Given that Wienerberger holds neither insurance nor reinsurance contracts as an insurer, the new standard is of no relevance to the financial statements of the Group.

New and amended standards and interpretations published, but not yet adopted by the EU

In January 2020 amendments to IAS 1 were published. These amendments introduce a more generally valid approach to the classification of liabilities as short-term according to IAS 1, which is based on the contractual arrangements in effect as of the balance sheet date. The amendments are to be applied on a mandatory basis as of January 1, 2023.

Amendments to IAS 1 and IAS 8 were published in February 2021. The amendments to IAS 1 specify the extent to which accounting policies must be disclosed in the IFRS notes. The amendments to IAS 8 contain clarifications on changes in accounting estimates in order to improve the distinction from changes in accounting methods. The amendments are to be applied on a mandatory basis as of January 1, 2023.

In May 2021, amendments to IAS 12 were published. The amendments clarify how companies account for deferred taxes relating to assets and liabilities arising from a single transaction (such as leases). The amendments are to be applied on a mandatory basis as of January 1, 2023.

In December 2021, the IASB published amendments to IFRS 17. The amendments enable companies applying both IFRS 17 and IFRS 9 for the first time to disclose comparative information on a financial asset in a way as if the classification and measurement rules of IFRS 9 had already been previously applied to the financial asset in question. The amendments are to be applied on a mandatory basis as of January 1, 2023. Given that Wienerberger holds neither insurance nor reinsurance contracts as an insurer, the new standard is of no relevance to the Consolidated Financial Statements.

8. Operating segments

The definition of operating segments and the presentation of segment results are based on the management approach required by IFRS 8 and follow internal reports to the Managing Board of Wienerberger AG as the chief operating decision maker, i.e. the body that decides on the allocation of resources to the individual segments.

The business activities of the Wienerberger Group are managed by business areas and regions. In the Wienerberger Building Solutions segment we report on our business in ceramic solutions for the building envelope and our concrete paver activities. The Wienerberger Piping Solutions segment comprises our European plastic pipe business and our ceramic pipe activities. Business in North America is reported in the North America segment. The activities of the holding companies are allocated to the segments on the basis of the capital employed of the business areas.

Reports to the responsible chief operating decision maker include EBITDA as the key indicator for the management of the operating segments as well as revenues, EBIT, operating EBIT, interest result and profit/loss after tax. Accordingly, these indicators are also presented in the segment report. The allocation of revenues, EBITDA, EBIT, operating EBIT, interest result, income taxes, profit/loss after tax, assets, liabilities, capital employed, and total investments is based on the headquarters of the individual companies.

Investments for maintenance of the industrial base are shown as “maintenance capex”, while investments in the expansion and optimization of plants, the development of new products, environmental and/or sustainability projects, and digitalization are recognized under “special capex”.

The reconciliation of segment results to Group results only requires the elimination of revenues, income and expenses as well as receivables and liabilities arising between the operating segments.

Wienerberger does not generate more than 10% of its revenues with any single external customer.

Operating Segments in TEUR	Wienerberger Building Solutions		Wienerberger Piping Solutions	
	2021	2020	2021	2020
External revenues	2,300,500	2,092,062	1,167,342	932,574
Intercompany revenues ¹⁾	4,770	4,853	239	245
Total revenues	2,305,270	2,096,915	1,167,581	932,819
EBITDA	477,583	415,195	127,531	97,054
Depreciation and amortization ²⁾	-164,240	-170,763	-67,332	-53,904
Operating EBIT ³⁾	313,343	244,432	60,199	43,150
Impairment charges/Reversal of impairment charges	0	-16,571	0	-5,735
Impairment charges to goodwill	0	0	-10,747	0
EBIT	313,343	227,861	49,452	37,415
Income from investments in associates and joint ventures	4,260	4,329	-121	-105
Investments in associates and joint ventures	18,130	21,243	-240	1,520
Interest and similar expenses	-42,925	-46,515	-23,506	-17,989
Interest and similar income	23,016	25,869	10,380	8,954
Income taxes	-52,698	-42,589	-7,864	-7,898
Profit/loss after tax	237,519	166,657	26,912	16,791
Liabilities	1,714,051	1,696,054	677,790	588,377
Capital employed	1,787,905	1,736,669	920,260	563,778
Assets	3,077,287	2,975,106	1,324,844	939,007
Non-current assets held for sale	1,568	829	9,767	4,277
Maintenance capex	78,755	87,629	30,460	32,429
Special capex	97,355	47,865	50,812	22,742
Ø Employees (in FTE)	12,427	11,939	3,606	3,328

Revenues in TEUR	Wienerberger Building Solutions		Wienerberger Piping Solutions	
	2021	2020	2021	2020
Great Britain	406,565	330,423	53,195	9,548
USA				
Netherlands	234,848	234,713	118,604	100,748
Belgium	248,820	228,197	103,446	86,722
Germany	249,983	234,965	34,637	35,522
Austria	119,070	99,966	156,895	127,287
Poland	185,447	172,149	83,910	58,395
France	175,615	157,666	45,011	29,312
Czech Republic	156,175	131,673	31,270	22,030
Norway	12,100	11,410	133,152	110,882
Hungary	83,145	68,391	51,594	39,206
Sweden	11,544	9,400	104,980	88,145
Romania	96,635	98,950	8,544	8,815
Finland	13,063	12,806	77,865	71,402
Other countries	312,232	306,153	164,361	144,706
Wienerberger Group	2,305,242	2,096,862	1,167,464	932,720

1) Intercompany revenues represent the revenues between fully consolidated, at-equity consolidated and unconsolidated Group companies. // 2) Including special write-downs // 3) Adjusted for impairment charges to assets and goodwill and reversal of impairment charges



North America		Group eliminations		Wienerberger Group	
2021	2020	2021	2020	2021	2020
498,601	325,017	0		3,966,443	3,349,653
0	0	-145	-152	4,864	4,946
498,601	325,017	-145	-152	3,971,307	3,354,599
89,140	45,717			694,254	557,966
-31,498	-28,158			-263,070	-252,825
57,642	17,559			431,184	305,141
0	0			0	-22,306
0	-90,366			-10,747	-90,366
57,642	-72,807			420,437	192,469
-60	-88			4,079	4,136
276	1,156			18,166	23,919
-9,590	-11,899	35,678	38,545	-40,343	-37,858
4,658	5,930	-35,678	-38,545	2,376	2,208
-1,641	1,668			-62,203	-48,819
48,277	-83,389	-638	-131	312,070	99,928
371,846	295,235	-8,970	-1,636	2,754,717	2,578,030
539,901	293,604			3,248,066	2,594,051
737,297	440,543	-235,643	-27,641	4,903,785	4,327,015
0	0			11,335	5,106
11,143	5,834			120,358	125,892
11,231	4,568			159,398	75,175
1,591	1,352			17,624	16,619

North America		Wienerberger Group	
2021	2020	2021	2020
		459,760	339,971
459,439	301,908	459,439	301,908
		353,452	335,461
		352,266	314,919
		284,620	270,487
		275,965	227,253
		269,357	230,544
		220,626	186,978
		187,445	153,703
		145,252	122,292
		134,739	107,597
		116,524	97,545
		105,179	107,765
		90,928	84,208
39,162	23,109	515,755	473,968
498,601	325,017	3,971,307	3,354,599

Products in TEUR	EBITDA		Total investments	
	2021	2020	2021	2020
Wall	192,383	158,067	68,428	46,488
Facade	166,912	147,234	79,342	40,965
Roof	158,367	138,625	35,548	25,410
Pavers	23,059	25,367	9,686	15,228
Pipes	187,048	114,249	81,985	53,380
Other	-33,515	-25,576	4,767	19,596
Wienerberger Group	694,254	557,966	279,756	201,067

Notes to the Consolidated Income Statement

9. Revenues

In the year under review, consolidated revenues increased by 18 % to TEUR 3,971,307 including negative effects from currency translation in the amount of TEUR 7,692. The most significant negative foreign-exchange effects resulted from the devaluation of the US dollar, the Turkish lira, and the Polish zloty and were only partly offset by the appreciation of the British pound, the Norwegian krone, and the Czech koruna. Group revenues include revenues in the amount of TEUR 12,093 (2020: TEUR 17,229) from construction contracts. Detailed information on revenues by region is provided in the presentation of operating segments on pages 250 and 251.

The Wienerberger Group generates revenues from the sale of building material and infrastructure solutions for different fields of application. As a rule, revenue is recognized at the time of delivery and, consequently, the transfer of control of the product to the buyer, which usually corresponds to the time of delivery agreed upon in the delivery terms.

The goods are delivered to the customer by Wienerberger's own means of transport or by carriers contracted by Wienerberger. Transport revenues are recognized as part of external revenues, while transport-related expenses are recognized under selling expenses (in gross amounts).

Revenue is adjusted for expected returns and customer bonuses or discounts. Return obligations arise primarily from returnable packaging material, such as pallets. Expected returns are estimated mainly on the basis of historic data of recent years.

In international project business with LLLD (long-length large-diameter) pipes, revenue is recognized over a period of time. In the brick business as well, revenue from individual contracts is recognized over a period of time. This applies, for instance, to customer-specific production or so-called "heritage" products. However, the period of production for such contracts usually does not extend beyond a few days or weeks. Progress made in contract execution during the reporting period is calculated by means of output-oriented methods, for instance on the basis of the volume produced relative to the total volume ordered.

Apart from the sale of products and system solutions, Wienerberger also provides services to customers within the framework of digitalized products and services. The current contributions to revenues from such services are immaterial.

The period of time between the transfer of goods and/or services to the buyer and the due date of the receivable is usually less than one year. Wienerberger therefore makes use of the practical expedient not to adjust revenues by a significant financing component. The time of settlement of the receivables depends on the agreed payment terms.



External revenues, broken down by the most important product groups – after reconciliation to the reporting segments – are as follows:

1-12/2021 in TEUR	Wienerberger Building Solutions	Wienerberger Piping Solutions	North America	Wienerberger Group
Wall	829,334	0	24,321	853,655
Façade	703,077	0	325,532	1,028,609
Roof	645,539	0	0	645,539
Pavers	122,442	0	562	123,004
Pipes	0	1,167,306	148,168	1,315,474
Other	108	36	18	162
Total	2,300,500	1,167,342	498,601	3,966,443

1-12/2020 in TEUR	Wienerberger Building Solutions	Wienerberger Piping Solutions	North America	Wienerberger Group
Wall	742,151	0	21,170	763,321
Façade	649,221	0	231,182	880,403
Roof	581,249	0	0	581,249
Pavers	119,352	0	478	119,830
Pipes	0	932,548	72,165	1,004,713
Other	89	26	22	137
Total	2,092,062	932,574	325,017	3,349,653

Information on future revenues from contractual performance obligations not yet fulfilled on the balance sheet date is not provided, as customer contracts are generally executed within one year. For the same reason, Wienerberger makes use of the practical expedient not

to capitalize contract costs, but to recognize them in expenses. These are mainly commissions paid to sales staff upon conclusion of customer contracts.

10. Material expenses

The cost of goods sold, selling and administrative expenses and other operating income and expenses include expenses for materials, maintenance, merchandise and energy as follows:

in TEUR	2021	2020
Cost of materials	762,492	498,293
Maintenance expenses	149,500	136,759
Cost of merchandise	462,346	396,355
Cost of energy	279,934	249,894
Total	1,654,272	1,281,301

The reported expenses were increased by a change of TEUR 48,046 (2020: TEUR 155,567) in inventories of semi-finished and finished goods. This includes adjustments to the cost of goods sold resulting from the recognition of assets for the right to recover products returned from customers. Income of TEUR 2,054 (2020: TEUR 1,774) resulted from the capitalization of own work and a proportional share of borrowing costs related to the construction of qualified plant and equipment.

The cost of materials consists mainly of expenses for clay, sand, plastics, sawdust and other additives, as well as expenses for pallets and other packaging materials. Maintenance expenses comprise the use of maintenance materials and other low-value spare parts as well as third party services.

11. Depreciation, amortization, impairment charges and reversal of impairment charges

The cost of goods sold, selling and administrative expenses and other operating expenses for the reporting year include TEUR 251,237 (2020: TEUR 244,312) of scheduled depreciation and amortization as well as special write-downs in accordance with IAS 36 of TEUR 11,833 (2020: TEUR 8,513) from the mothballing of plants and/or lines. The impairment tests carried out according to IAS 36 (see Note 22. Non-current assets) led to impairment charges on property, plant and equipment and intangible assets in a total amount of TEUR 10,747 (2020: TEUR 112,672). In the reporting year, the impairment was entirely attributable to goodwill impairment in the CGU Group Pipeline East in the Wienerberger Piping Solutions segment. There were no reversals of impairment charges in 2021 (2020: TEUR 0).

Depreciation, amortization, impairment charges, and reversal of impairment charges to intangible assets and property, plant and equipment are as follows:

in TEUR	2021	2020
Depreciation	251,237	244,312
Special write-downs	11,833	8,513
Depreciation and special write-downs	263,070	252,825
Impairment charges to property, plant and equipment and intangible assets	0	22,306
Impairment charges to goodwill	10,747	90,366
Impairment charges	10,747	112,672
Depreciation, amortization, impairment charges and reversal of impairment charges	273,817	365,497



12. Personnel expenses

The cost of goods sold, selling and administrative expenses include the following personnel expenses:

in TEUR	2021	2020
Wages	364,331	317,530
Salaries	357,156	323,697
Temporary workers	41,418	32,585
Expenses for long-term incentive programs	3,991	-1,851
Expenses for severance payments (incl. voluntary severance payments)	5,693	6,776
Expenses for pensions	15,179	17,631
Expenses for statutory social security and payroll-related taxes and contributions	153,268	141,568
Other employee benefits (incl. anniversary bonuses)	23,176	24,517
Personnel expenses	964,212	862,453

In the reporting year, the fixed remuneration component of the Managing Board members amounted to TEUR 2,179 (2020: TEUR 1,964). The variable components include a short-term (STI – short-term incentive) and a long-term remuneration component (LTI – long-term incentive). The final entitlements to the short-term variable remuneration component earned in 2021 amounted to TEUR 2,095 (2020: TEUR 746) and will be paid out in 2022.

From 2021 onward, the LTI program for the long-term remuneration component of the Managing Board is structured as a share-based remuneration program with a performance period of three years and a holding period of another two years for the allocated shares. The

fixed salary of the Managing Board member concerned is taken as the base amount for 100 % target attainment. Maximum target attainment is capped at 150 % for Management Board members and 175 % for the CEO.

As laid down in the Remuneration Policy, the following targets apply to all members of the Managing Board members:

- RTSR (relative total shareholder return, measured by the performance of the STOXX Europe 600 Construction & Materials index)
- Return on capital employed after tax (ROCE)
- ESG target: reduction of group-wide CO₂ emissions compared to 2020

For 2021, the relevant targets and degrees of target attainment for these three categories are as follows:

Target	Weighting	Minimum target performance	100 % Target	Maximum target performance	Actual target achievement 2021	
RTSR	33 %	25.00 %	50.00 %	≥75.00 %	76.38 %	>150 %
ROCE	33 %	10.20 %	10.60 %	11.10 %	12.20 %	>150 %
CO ₂ emission reduction	33 %	5.00 %	6.70 %	7.20 %	8.12 %	>150 %

The LTI entitlement for 2021, determined on the basis of target achievement, as shown above, amounts to TEUR 1,122 (2020: TEUR 0, as the targets were not attained). This entitlement will be paid out in 2024 depending on the achievement of the targets of the three-year plan. In accordance with the agreement on the long-term incentive, the entitlement will be paid out at the end of the term, with at least 50 % paid out in

shares and not more than 50 % in cash. As target attainment was set on the basis of a cash amount and the exchange ratio for the share component is defined at a later point in time, the fair value is determined at the cash amount. For the 2021 LTI an expense of TEUR 1,191, including incidental expenses, was booked in the reporting year, with 50 % recognized in equity for

the share component and 50 % booked as a provision for the cash component.

In 2021, all outstanding entitlements of the CEO from before 2021 were bundled into a new, share-based five-year program. This "special LTI" comprises two components: 40 % RSUs (restricted share units) and 60 % PSUs (performance share units). The RSUs, corresponding to

a value of EUR 1 million (calculated on the basis of the average closing prices of the Wienerberger share during the last 20 ATX trading days of 2020), were transferred to the CEO in May 2021. Based on the current share price at the time of transfer of these 40,258 shares on May 28, 2021, the equivalent value was TEUR 1,287, which was recognized as such in equity.

The criteria and the definition of the target parameters for the PSU part of the special LTI for the CEO are shown in the following tables:

Parameters	Explanation
Amount granted	2,500 TEUR
Plan	40 % RSUs ¹⁾ – transferred to Heimo Scheuch as of May 28, 2021 60 % PSUs
Period of performance	5 years holding period for RSUs 3 years with a holding period of another 2 years for PSUs (vesting period 5 years)
Weighting of targets (PSUs)	70 % EBITDA growth in accordance with the Strategy 2023 30 % ESG targets (see table below)
Basic prerequisite	Annual payout of at least 50 % of the short-term variable bonus (STI); if this target is not met, the allocation of PSUs will be reduced by one third each year
Target achievement	Target achievement is determined linearly between the defined upper and lower limits (PSUs)
Maximum entitlement	PSU portion maximum 300 % (max. EUR 4,500 TEUR)
Allocation	Once in 3 years (+ 2 years holding period) valid for PSUs
Claw-back, malus, leaver regulation	The provisions of the 2020-2024 Remuneration Policy apply

1) Shares granted (restricted stock units), tax payable by the CEO

ESG targets for 2023	Weighting	Minimum target performance	100 % target	Maximum target performance
CO ₂ reduction compared to 2020	10.0 %	>5.0 %	15.0 %	≥30.0 %
Female employment				
Women in senior management	5.0 %	<10 %	15.0 %	≥22.5 %
Women in white-collar positions	5.0 %	<20 %	30.0 %	≥45.0 %
Increase of training hours per employee compared to 2020	10.0 %	>0 %	10.0 %	≥25.0 %

Based on the increase in EBITDA achieved in 2021, and based on the projected forecasts of EBITDA target attainment in the following years, as well as the expected attainment of the ESG targets, the expected total number of PSUs as part of the special LTI plan was set at 86,508 PSUs. The number of PSUs was multiplied by the fair value per PSU (EUR 29.17 per share) and the portion

in the vesting period (20 %) to determine the entitlement for 2021 in the amount of TEUR 505.

Given the values determined on a preliminary basis, an expense of TEUR 464, plus non-wage expenses of TEUR 41, i.e. a total of TEUR 505, was booked in the reporting year and recognized as a provision.



For the Managing Board members active in the reporting year, TEUR 864 (2020: TEUR 467) in pension expenses were booked in the form of contributions to pension funds (defined-contribution commitments). In 2021, provisions for severance payments in the amount of TEUR 214 were released (2020: TEUR 299 addition to provisions). Moreover, in the 2021 financial year, the contractually agreed severance compensation of TEUR 2,500 was paid out to the CEO on the basis of his employment contract expiring as at 31/12/2020. The current employment contract concluded with the CEO upon his reappointment as of 01/01/2021 does not provide for any further entitlement to severance compensation.

Payments of TEUR 877 (2020: TEUR 863) were made to former members of the Managing Board and their surviving dependents. In 2021, Supervisory Board remuneration (to be paid out in 2022) amounted to a total of TEUR 846 (2020: TEUR 921 paid out in 2021).

No credit guarantees and loans by companies of the Wienerberger Group were granted to members of the Managing Board or Supervisory Board.

13. Employees

The average number of employees is shown in the following table:

in FTE	2021	2020
Production	11,293	10,613
Sales	4,482	4,254
Administration	1,849	1,752
Total	17,624	16,619
Thereof apprentices	99	84

Changes compared to the previous year primarily result from changes in the scope of consolidation.

14. Other operating expenses

The cost of goods sold, selling and administrative expenses include the following other operating expenses:

in TEUR	2021	2020
Transportation costs for deliveries	247,626	208,387
Purchased services	127,358	107,113
Internal transport expenses	52,494	45,218
Non income-based taxes	25,994	25,559
License and patent expenses	25,358	20,873
Rental and leasing charges	13,362	12,551
Expenses for environmental protection measures	12,729	9,412
Expenses for commissions	6,476	4,654
Losses on the disposal of fixed assets, excluding financial assets	2,319	6,011
Impairment charges on trade receivables	678	1,596
Miscellaneous	162,746	105,789
Other operating expenses	677,140	547,163

The reconciliation of expenses under the total cost method to expenses under the cost of sales method is shown on page 259.

Purchased services especially include expenses for legal advisory and miscellaneous consulting services, advertising, insurance, business trips and travel as well as telecommunications. Expenses for the external auditor and members of the auditor's network totaled TEUR 2,317 (2020: TEUR 2,320) for the audit of the consolidated financial statements in the year under review, TEUR 176 (2020: TEUR 973) for assurance services, TEUR 10 (2020: TEUR 12) for tax consulting services and TEUR 111 (2020: TEUR 51) for other services.

Miscellaneous other expenses consist mainly of expenses for customer claims and research and development. In 2021, research and development expenses amounted to TEUR 17,004 (2020: TEUR 17,407). Moreover, this position includes non-recurring items in connection with acquisitions, which in 2021 primarily comprised the loss resulting from the divestment enforced by the authorities in the context of the acquisition of the Meridian Brick Group in the amount of TEUR 12,066 and incidental transaction costs of TEUR 11,331 (see Note 3. Acquisitions and disposals of companies).

Expenses for rent and leases, shown under other operating expenses, comprise the following:

in TEUR	2021	2020
Expenses for short-term leases	5,818	4,247
Expenses for leases of low-value assets	1,922	1,532
Expenses for variable lease payments	247	295
Expenses for other lease payments	5,375	6,477
Rental and leasing charges	13,362	12,551

Expenses for other lease payments primarily include non-lease components of contracts for land and

buildings and other rent and lease payments not within the scope of IFRS 16.

15. Other operating income

The cost of goods sold, selling and administrative expenses include the following other operating income:

in TEUR	2021	2020
Income from the disposal of tangible assets, excluding financial assets	17,221	17,508
Income from rental and leasing contracts	3,961	4,170
Subsidies	1,990	1,774
Income from insurance claims	261	353
Miscellaneous	41,130	24,272
Other operating income	64,563	48,077

Miscellaneous other operating income represents sales-like revenues that are not part of the direct business activities of the Wienerberger Group, as well as foreign-exchange gains in the amount of TEUR 11,297 from the

hedge of the purchase price in USD and the gain on bargain purchase of TEUR 1,567 from the purchase price allocation of the Meridian Brick Group (see Note 3. Acquisitions and disposals of companies).



16. Reconciliation of results according to the cost of sales and total cost method

In the income statement prepared according to the cost of sales method, expenses are classified by functional area. Under the total cost method, the amounts are shown for each individual category of expenses and

adjusted to reflect the increase or decrease in finished and semi-finished goods, own work capitalized and the proportional share of construction-related borrowing costs. The relationship of these two methods is explained below; changes in inventories and the capitalization of costs relating to the construction of qualified fixed assets are included under the cost of materials:

2021 in TEUR	Cost of freight	Cost of materials	Cost of merchandise	Appreciation/ depreciation	Cost of energy	Personnel expenses	Other income	Other expenses	Total
Cost of goods sold	0	935,425	460,897	168,986	272,649	545,334	-1,768	150,584	2,532,107
Selling expenses	247,626	21,233	1,449	37,614	5,251	255,202	-4,160	142,714	706,929
Administrative expenses	0	1,326	0	24,186	1,037	163,676	-5,844	91,108	275,489
Other operating expenses	0	0	0	43,031	997	0	0	48,872	92,900
Other operating income	0	0	0	0	0	0	-52,791	-3,764	-56,555
	247,626	957,984	462,346	273,817	279,934	964,212	-64,563	429,514	3,550,870

2020 in TEUR	Cost of freight	Cost of materials	Cost of merchandise	Appreciation/ depreciation	Cost of energy	Personnel expenses	Other income	Other expenses	Total
Cost of goods sold	0	766,549	395,164	168,913	243,700	488,614	-1,310	104,502	2,166,132
Selling expenses	208,387	21,120	1,191	35,411	4,148	233,123	-3,410	126,209	626,179
Administrative expenses	0	1,176	0	22,136	947	140,716	-5,088	68,149	228,036
Other operating expenses	0	0	0	139,037	1,099	0	0	42,370	182,506
Other operating income	0	0	0	0	0	0	-38,269	-2,454	-40,723
	208,387	788,845	396,355	365,497	249,894	862,453	-48,077	338,776	3,162,130

17. Interest and other financial result

In accordance with the categories defined by IFRS 9, the following items are included in the interest and other financial result:

2021 in TEUR	Total	Loans and receivables AC ¹⁾	FLAC ²⁾	FVtPL ³⁾	Derivatives
Interest and similar income	2,376	2,295	0	0	81
Interest and similar expenses	-34,485	0	-32,559	0	-1,926
Interest expense on lease liabilities	-4,336		-4,336		
Net interest result from defined benefit pension and severance obligations as well as anniversary bonuses	-1,522				
Interest result	-37,967	2,295	-36,895	0	-1,845
Income from third parties (dividends)	1,167			1,167	
Income from investments	1,167	0	0	1,167	0
Result from the disposal of investments	38				
Valuation of derivative instruments	3,049				3,049
Impairment of investments in associates and joint ventures	-8,525				
Impairment of financial instruments	-254	-161	0	-93	
Appreciation of financial instruments	4,421	112		4,309	
Foreign exchange differences	-8,776				
Net result	-10,047	-49	0	4,216	3,049
Bank charges	-3,396				
Other financial result	-12,276	-49	0	5,383	3,049
Total	-50,243	2,246	-36,895	5,383	1,204

1) Loans and receivables at amortized cost // 2) Financial liabilities at amortized cost // 3) Financial assets at fair value through profit or loss

Impairments of loans in the amount of TEUR 161 (2020: TEUR 362) are recognized in the financial result, whereas impairments of trade receivables of TEUR 678 (2020: TEUR 1,596) are recognized in the operating

result. The fair value of derivatives contributed a positive amount of TEUR 3,049 (2020: TEUR 345) to the result of the period.



2020 in TEUR	Total	Loans and receivables AC ¹⁾	FLAC ²⁾	FVtPL ³⁾	Derivatives
Interest and similar income	2,208	2,073	0	17	118
Interest and similar expenses	-32,088	0	-29,179	0	-2,909
Interest expense on lease liabilities	-3,913		-3,913		
Net interest result from defined benefit pension and severance obligations as well as anniversary bonuses	-1,857				
Interest result	-35,650	2,073	-33,092	17	-2,791
Income from third parties (dividends)	764			764	
Income from investments	764	0	0	764	0
Valuation of derivative instruments	345				345
Impairment of investments in associates and joint ventures	-3,885				
Impairment of financial instruments	-925	-362	0	-563	
Appreciation of financial instruments	3,237	0		3,237	
Foreign exchange differences	-8,938				
Net result	-10,166	-362	0	2,674	345
Bank charges	-2,806				
Other financial result	-12,208	-362	0	3,438	345
Total	-47,858	1,711	-33,092	3,455	-2,446

1) Loans and receivables at amortized cost // 2) Financial liabilities at amortized cost // 3) Financial assets recognized at fair value through profit or loss

18. Income taxes

This item includes income taxes paid and owed by Group companies as well as deferred tax assets and liabilities.

in TEUR	2021	2020
Current tax expense	75,478	56,463
Deferred tax income	-13,275	-7,644
Income taxes	62,203	48,819

The difference between the Austrian corporate tax rate of 25 % applicable in 2021 (2020: 25 %) and the Group tax rate shown in these statements is due to the following factors:

in TEUR	2021	2020
Profit/loss before tax	374,273	148,747
Tax expense at tax rate of 25 %	-93,568	-37,187
Other foreign tax rates	13,707	11,860
Tax income and expense from prior periods	2,402	-239
Effect of tax-free income from investments in associates and joint ventures	597	593
Change in deferred tax assets not recognized	48,470	43,790
Non-temporary differences	-32,517	-63,660
Changes in tax rates	-1,294	-3,976
Effective tax expense	-62,203	-48,819
Effective tax rate in %	16.6 %	32.8 %

Deferred taxes are calculated on the basis of the tax rates applied or announced to be applied in the individual countries. In Austria, the calculation is based on the corporate tax rate of 25 %.

In Austria, the Eco-social Tax Reform Act was published in the Federal Law Gazette on 14/02/2022. The act provides for a successive reduction of the corporate tax rate to 23 %, starting on 01/01/2024. This reduction of the tax rate has an impact on the tax loss carryforwards of Austrian companies capitalized in the Consolidated Financial Statements on the basis of their planned periods of utilization and results in a reduction of deferred tax assets in the amount of TEUR 430.

For foreign companies, deferred taxes are calculated on the basis of the respective country-specific tax rates. These tax rates ranged from 0 % to 32 % in 2021.

19. Earnings per share, proposal for profit distribution

The number of shares issued totaled 115,187,982 as of December 31, 2021. As of that date, Wienerberger held 381,910 shares as treasury shares (2020: TEUR 2,922,168), which were deducted for the calculation of earnings per share. In the reporting year, Wienerberger sold 2,500,000 treasury shares for a price of TEUR 80,561. In the financial year, 40,258 treasury shares were allocated to CEO Heimo Scheuch as part of his remuneration. This resulted in a weighted average number of 113,104,817 shares outstanding as a basis for the calculation of earnings per share for 2021.

Number of shares	2021	2020
Outstanding	115,187,982	115,187,982
Treasury shares	381,910	2,922,168
Weighted average	113,104,817	112,679,863



Earnings per share of EUR 2,75 were calculated by dividing the profit/loss after tax attributable to equity holders of the parent company by the weighted average number of shares outstanding. The diluted earnings per share of EUR 2,75 represent the basic earnings per share for 2021.

In accordance with the provisions of the Austrian Stock Corporation Act, the separate financial statements of Wienerberger AG as of December 31, 2021, as prepared on the basis of Austrian accounting rules, form the basis for dividend payment.

These financial statements show a net profit of EUR 93,518,814.26. The Managing Board proposes to the Annual General Meeting that a dividend of EUR 0.75 per share be paid out on the issued capital of EUR 115,187,982 from the net profit of EUR 93,518,814.26 i.e. EUR 86,390,986.50 less a proportional amount of EUR 286,432.50 for treasury shares, i.e. EUR 86,104,554.00, and that the balance of EUR 7,414,260.26 be carried forward to new account.

Notes to the Consolidated Statement of Comprehensive Income

The statement of comprehensive income provides a reconciliation of profit/loss after tax to total comprehensive income as defined in IAS 1. Total comprehensive income comprises, in particular, currency translation differences, actuarial gains and losses from the measurement of defined benefit pension plans and similar post-employment benefits and the change in the hedging reserve. The components of comprehensive income are shown after tax.

In the year under review, pre-tax currency translation differences of TEUR 58,296 (2020: TEUR -105,269) resulted primarily from the US dollar, the British pound, and the Russian ruble. Differences in the amount of TEUR -9,232 (2020: TEUR 22,563) previously recognized in the currency reserve were recycled to the Income Statement and primarily resulted from the redemption of Group loans in foreign currencies in the course of the reporting year.

The market valuation of hedges decreased the hedging reserve before deferred taxes by TEUR -12,334 (2020: Increase TEUR 43,616). Of this total TEUR -10,823 (2020: TEUR 10,050) was accounted for by hedges of investments in foreign operations and TEUR -993 (2020: TEUR 5,212) by hedges for future transactions (cash flow hedges).

Overall, market value changes of hedges of investments in foreign operations (net investment hedges) in the amount of TEUR 518 (2020: TEUR -28,354, primarily resulting from the sale of the Group's activities in Switzerland) previously recognized in other comprehensive income, were recycled to the Income Statement in the reporting year. Ineffective components of TEUR 876 (2020: TEUR -7) were recognized in the Income Statement in the reporting year.

Deferred taxes in the total amount of TEUR -4,698 (2020: TEUR 548) were recognized in other comprehensive income. The following table shows the allocation of deferred taxes to the components of other comprehensive income:

in TEUR	2021	2020
Foreign exchange translation	-3,768	2,827
Changes in hedging reserves	3,605	-3,944
Actuarial gains/losses	-4,535	1,665
Deferred taxes in other comprehensive income	-4,698	548

In the reporting period, total comprehensive income after tax increased equity by TEUR 385,000 (2020: TEUR 30,444).

Notes to the Consolidated Statement of Cash Flows

The consolidated statement of cash flows of the Wienerberger Group shows the changes in cash and cash equivalents resulting from the inflow and outflow of funds during the reporting year. Cash and cash equivalents (liquid funds) include cash on hand and balances with banks. Securities and current liabilities to banks do not count as cash and cash equivalents. The effects of company acquisitions are eliminated and shown separately under net payments made for the acquisition of companies. The amounts reported by foreign Group companies are generally translated at the average exchange rate for the year. In contrast to this practice, cash and cash equivalents are valued at the exchange rate in effect on the balance sheet date.

20. Cash flow from investing activities

The acquisition of property, plant and equipment and intangible assets resulted in an outflow of funds totaling TEUR 279,756 (2020: TEUR 201,067). This amount includes TEUR 120,358 (2020: TEUR 125,892) in maintenance capex and TEUR 159,398 (2020: TEUR 75,175) for the expansion and optimization of plants, the

development of new products, environmental and/or sustainability projects, and digitalization (special capex). A total of TEUR 467,136 (2020: TEUR 10,518) was spent on acquisitions and on investments in financial assets (M&A).

Non-cash additions to non-current assets (including financial assets) in the amount of TEUR 76,030 (2020: TEUR 69,606) mainly result from the capitalization of right of use assets and obligations to restore of clay pits.

Cash inflows from the disposal of non-current assets amounted to TEUR 52,932 (2020: TEUR 31,209) and included the disposal of property, plant and equipment and intangible assets as well as the sale of production sites and distribution outlets in connection with the acquisition of the Meridian Brick Group (see Note 3. Acquisitions and disposals of companies).

In the year under review, net cash inflows from the disposal of companies in the amount of TEUR 8,909 (2020: TEUR 31,990) resulted from the sale of our business activities in Switzerland.

The reconciliation of total investments in maintenance and special capex as well as payments made for the acquisitions of companies (M&A) of the Wienerberger Group is as follows:

in TEUR	2021	2020
Maintenance capex	120,358	125,892
Special capex	159,398	75,175
Payments made for investments in tangible and intangible assets	279,756	201,067
Net payments made for the acquisition of companies	464,730	8,478
Payments made for investments in financial assets	2,406	2,040
M&A capex	467,136	10,518
Total investments including financial assets	746,892	211,585



21. Cash flow from financing activities

The change in financial liabilities, as shown on the balance sheet, results from cash inflows and outflows recognized in cash flow from financing activities on the one hand, and from non-cash changes on the other:

in TEUR	Short-term financial liabilities	Long-term financial liabilities	Total financial liabilities
Balance on 1/1/2021	437,720	1,159,795	1,597,515
Cash inflows	321,676	253,458	575,134
Cash outflows	-460,797	0	-460,797
Repayment of lease liabilities	-49,793	0	-49,793
New and amended lease contracts	0	53,421	53,421
Change in scope of consolidation	32,144	24,216	56,360
Change in derivatives	4,592	0	4,592
Repayment of hybrid capital (incl. hybrid coupon)	-225,362	0	-225,362
Currency translation differences and other effects	-14,448	2,482	-11,966
Reclassifications	167,263	-167,263	0
Balance on 31/12/2021	212,995	1,326,108	1,539,103

in TEUR	Short-term financial liabilities	Long-term financial liabilities	Total financial liabilities
Balance on 1/1/2020	460,211	576,246	1,036,457
Cash inflows	164,097	711,091	875,188
Cash outflows	-512,910	-648	-513,558
Repayment of lease liabilities	-45,179	0	-45,179
New and amended lease contracts	0	51,271	51,271
Change in scope of consolidation	-14	-17,771	-17,785
Accrued interest and cost of procuring money	-530	1,314	784
Change in derivatives	-6,840	0	-6,840
Currency translation differences and other effects	-5,428	-2,480	-7,908
Reclassification hybrid capital	225,085	0	225,085
Reclassifications	159,228	-159,228	0
Balance on 31/12/2020	437,720	1,159,795	1,597,515

Notes to the Consolidated Balance Sheet

22. Non-current assets

The development of non-current assets is shown on pages 272 and 273. The figures shown for foreign exchange rate increases and decreases represent amounts arising from the use of different exchange rates to translate the assets of foreign companies at the beginning of the year and at year-end.

Wienerberger defines its cash-generating units (CGUs) as plants, which are then aggregated into groups of CGUs by division and region. Intangible assets with an indefinite useful life, such as goodwill and trademarks that are not amortized on a scheduled basis, are tested at least once each year for indications of impairment in accordance with IAS 36. These intangible assets are allocated to groups of CGUs for the purpose of impairment testing. The carrying amounts are as follows:

in TEUR	Goodwill		Trademarks	
	2021	2020	2021	2020
Wienerberger Building Solutions	339,655	332,398	18,112	17,860
Bricks and Roof Eastern Europe	52,524	52,277	12,402	12,402
Bricks and Roof Western Europe West	281,021	273,984	5,710	5,458
Pavers Semmelrock	6,110	6,137	0	0
Wienerberger Piping Solutions	44,148	62,523	44,550	44,550
Pipes Pipelife East	0	10,747	14,927	14,927
Pipes Pipelife West	44,148	51,776	19,561	19,561
Pipes Steinzeug Group	0	0	10,062	10,062
North America	0	0	1,765	1,629
Goodwill FloPlast and Cork Plastics ¹⁾	104,518			
Wienerberger Group	488,321	394,921	64,427	64,039

1) see Note 3. Acquisitions and disposals of companies

Other intangible assets consist primarily of acquired customer base totaling TEUR 163,562 (2020: TEUR 81,357), acquired trademarks with an indefinite useful life in the amount of TEUR 64,427 (2020: TEUR 64,039), CO₂ certificates, patents and concessions. Internally generated intangible assets of TEUR 1,504 (2020: TEUR 2,388) were capitalized during the reporting year.

Wienerberger monitors its goodwill on the basis of 12 CGU groups.

In the Wienerberger Building Solutions segment, Wienerberger's brick business is characterized by plants serving entire regions instead of individual countries. In particular, the production and the product portfolio of roof tiles and facing bricks are optimized for an entire region. This also applies to the optimization of the network of clay block plants, although for reasons of efficiency, deliveries of these products are generally made over shorter distances than in the roof tile and facing brick business. In any event, plants close to the German

and French borders can also cover most of the Benelux region. Due to the interrelations in the Western European region, goodwill is managed at regional level in the CGU group of Bricks and Roof Western Europe West. The exceptions in this segment are Italy (in the CGU group of Bricks Italy), which has not yet been integrated in the optimization process, as well as Finland and the Baltic States (in the CGU group of Bricks and Roof Western Europe, Finland and Baltics), which produce for export markets in Eastern Europe and Russia. The CGU group of Bricks and Roof Eastern Europe is characterized by the region's cross-border business and increasing integration of the brick and roof tile business under a single management for both the brick and roof tile segments. The CGU group of Bricks Russia, however, is an independent unit with only limited supply relations with the other CGU groups in Central and Eastern Europe. The paver business (CGU group of Pavers Semmelrock), which is integrated into Wienerberger Building Solutions, uses molds that can be exchanged between the individual production sites within the framework of a supra-regional strategy and product



development policy, although concrete products are not transported over longer distances, as a rule.

The segment Wienerberger Piping Solutions comprises the CGU groups of Pipes Pipelife West, Pipes Pipelife East and Pipes Steinzeug. The European plastic pipe business is characterized by a high share of deliveries between the country organizations, above all for fittings, which are produced in the Netherlands for the Western European market and in Poland for the Eastern European market.

In the North America segment, the CGU groups are distinguished by product group: Bricks North America comprises the North American brick business and Pipes Pipelife USA comprises the entire American plastic pipe business.

The carrying amounts of the goodwill and operating assets allocated to the CGU groups are compared with the recoverable amounts and, if necessary, written down to the lower value in use or the fair value less cost of disposal. In principle, the recoverability of the tested assets

of the CGU groups is verified on the basis of values in use. If the value in use is lower than the value of the tested assets, the fair value is established in addition in order to determine the higher recoverable amount. The value in use of a CGU group is generally determined on the basis of an income approach by discounting the related cash flows at the weighted average cost of capital after tax (WACC) to arrive at the present value.

For the determination of the value in use, the after-tax weighted average cost of capital is derived from external sources on the basis of recognized financial methods. The conversion of the values in use is performed at the exchange rate on the day of the impairment test. An average weighted after-tax WACC of 6.36 % (2020: 6.79 %) was used for impairment testing in the Wienerberger Group, with different specific cost of capital rates applied to all markets outside the euro zone. In accordance with IAS 36 rules, all cost of capital rates were reconciled to WACC before tax.

For the purpose of impairment testing, the following pre-tax cost of capital rates and growth rates were used:

in %	Pre-tax WACC		Growth rate	
	2021	2020	2021	2020
Wienerberger Building Solutions				
Bricks and Roof Eastern Europe	10.28	11.03	3.67	3.81
Bricks Russia	13.85	14.28	2.06	2.32
Bricks and Roof Western Europe West	9.47	9.13	1.99	2.57
Bricks Finland and Baltics	8.75	8.16	2.00	2.50
Bricks Italy	11.45	12.27	1.63	2.15
Bricks India	14.51	15.98	6.83	7.94
Pavers Semmelrock	10.48	10.78	3.80	3.96
Wienerberger Piping Solutions				
Pipes Pipelife East	11.42	11.33	3.16	3.23
Pipes Pipelife West	8.99	8.45	2.36	2.52
Pipes Steinzeug Group	9.49	9.54	1.88	2.55
North America				
Bricks North America	9.21	7.55	2.37	2.61
Pipes North America	9.29	7.58	2.39	2.50
Wienerberger Group	9.73	9.55	2.62	2.95



The expected future cash surpluses are based on the latest internal plans prepared by the top management and approved by the Managing Board and the Supervisory Board for the period from 2022-2025. These forecasts do not include the earnings potential of future strategic growth investments, such as possible acquisitions. Planned expansion investments that concern individual production lines and the related contributions to income are eliminated for the determination of the value in use.

The quality of these forecasts is reviewed on a regular basis through a variance analysis comparing the projected data with actual results, which are then incorporated into the subsequent planning process in the form of corrections. The calculation is based on four detailed planning periods (2022-2025); based on the going-concern assumption, the surplus cash inflows in the following planning period are assumed to be sustainable over the long term and used as the basis for determining the present value of the perpetual yield. These perpetual cash flows are based on the assumption of country-specific growth rates derived from an external source (IMF, October 2021, World Economic Outlook Database). In the interest of long-term growth, profits are retained to be used in future for the provision of production capacities. Wienerberger tests its assets for impairment at least once each year in connection with the corporate planning process. If interim forecasts or analyses indicate a significant negative variance from the original plan, the cash-generating unit concerned is again tested for impairment. In such cases, the impairment tests are recalculated on the basis of updated planning data and extended to include stress tests. Similarly, impairment tests are updated in the event that any external factors change significantly.

Assumptions regarding the future development of local markets, sales and prices constitute the decisive factors for determining the value in use. Therefore, the value in use is determined on the basis of forecasts published by statistical agencies and international organizations as well as management's experience. The estimates for cost structures are based primarily on the extrapolation of empirical values and incorporate macroeconomic forecasts for the most important production factors, such as energy prices, plastic granulate prices, and wage and salary trends.

The change in the weighted cost of capital rates (WACC) as at 30/06/2021, which were used for the discounting of future cash flows to determine the value in use of the CGU groups, was considered to be a triggering event for impairment tests of tangible and intangible assets. The payment flows underlying the tests and the changes in discount rates had a significant influence on the values in use. Overall, impairment charges of TEUR 10,747 were determined for the impairment of the total goodwill of the CGU Group Pipes Pipelife East in the Wienerberger Piping Solutions segment. By applying a WACC after tax of 9.27% as at 30/06/2021 (31/12/2020: 9.09%), a value in use of approximately MEUR 231 was determined for the CGU group concerned.

An additional sensitivity analysis shows when the value in use would correspond to the book value of the tested assets, if individual elements are changed while all other parameters remain constant. For this purpose, the WACC after tax, as a central component of the payment flows of relevance to the value in use, was modified.

The result of this analysis is as follows:

Risk of impairment in TEUR	WACC +25 BP		WACC +50 BP		WACC -25 BP		WACC -50 BP	
	2021	2020	2021	2020	2021	2020	2021	2020
Bricks and Roof Eastern Europe	992,233	755,575	948,454	719,609	1,088,011	833,923	1,140,546	876,703
Bricks Russia	26,877	-6,457	25,807	-6,704	29,167	-5,929	30,396	-5,646
Bricks Italy	-1,385	-11,259	-2,307	-11,851	627	-9,974	1,727	-9,275
Bricks and Roof Western Europe West	884,624	989,765	808,879	908,290	1,052,800	1,171,270	1,146,503	1,272,774
Bricks Finland and Baltics	16,215	24,324	15,065	22,933	18,770	27,419	20,194	29,148
Bricks India	191	-387	-42	-597	689	61	955	299
Pavers Semmelrock	73,421	73,153	68,273	68,479	84,640	83,280	90,770	88,778
Wienerberger Building Solutions	1,992,175	1,824,715	1,864,128	1,700,159	2,274,705	2,100,050	2,431,091	2,252,780
Pipes Pipelife East	17,823	-29,088	10,384	-35,384	34,134	-15,253	43,101	-7,630
Pipes Pipelife West	44,569	104,988	15,970	84,769	108,076	150,245	143,462	175,676
Pipes Steinzeug Group	50,206	38,325	46,032	34,713	59,482	46,383	64,655	50,894
Wienerberger Piping Solutions	112,598	114,226	72,385	84,097	201,691	181,375	251,218	218,940
Bricks North America	127,829	39,449	104,987	27,450	178,631	66,739	206,987	82,345
Pipes North America	104,426	108,955	99,291	102,777	115,834	123,010	122,194	131,051
North America	232,255	148,404	204,277	130,227	294,465	189,749	329,181	213,396
Wienerberger Group	2,337,028	2,087,346	2,140,791	1,914,483	2,770,861	2,471,174	3,011,490	2,685,116

Non-current assets include land with a value of TEUR 411,575 (2020: TEUR 340,412). As at the balance sheet date, commitments for the purchase of property, plant and equipment amounted to TEUR 52,279 (2020: TEUR 24,743).

The balance sheet item investment property includes real estate and buildings with a carrying amount of TEUR 43,905 (2020: TEUR 50,167), that are not used in current business operations. These assets are scheduled for sale over the medium to long term and are therefore classified as investment property. The fair values of these assets derived from comparable transactions are allocated to level 2 in the fair value hierarchy according to IFRS 13 and estimated at TEUR 90,945 (2020: TEUR 109,812). The fair value was determined mainly on the basis of external purchase offers for the properties concerned or on the basis of prices available

in the market for similar properties. In 2021, these properties generated rental and other income of TEUR 1,532 (2020: TEUR 1,482). Expenses for investment property that generated rental income in the year under review amounted to TEUR 100 (2020: TEUR 424); expenses in the amount of TEUR 2,011 (2020: TEUR 1,815) were incurred for investment property that did not generate rental income. Investment property with a carrying amount of TEUR 5,415 (2020: TEUR 4,903) was sold during the reporting year.



Leases

The change in rights of use for leases, reported under property, plant and equipment, is recognized as follows:

in TEUR	1/1/2021	Foreign exchange incr./decr.	Change in scope of consolidation	Additions	Depreciation	Disposals	31/12/2021
Land and buildings	141,682	1,287	7,004	26,642	18,417	5,140	153,058
Machinery and equipment	6,860	65	236	3,099	3,052	90	7,118
Fixtures, fittings, tools and equipment	60,255	1,059	16,095	32,664	29,386	5,573	75,114
Right-of-use asset leases	208,797	2,411	23,335	62,405	50,855	10,803	235,290

in TEUR	1/1/2020	Foreign exchange incr./decr.	Change in scope of consolidation	Additions	Depreciation	Disposals	31/12/2020
Land and buildings	141,975	-2,248	-595	21,669	17,545	1,574	141,682
Machinery and equipment	7,049	-286	-3	3,455	3,262	93	6,860
Fixtures, fittings, tools and equipment	59,554	-1,295	-1,491	31,289	26,325	1,477	60,255
Right-of-use asset leases	208,578	-3,829	-2,089	56,413	47,132	3,144	208,797

Wienerberger primarily rents vehicles, office space, storage facilities, production sites and showrooms. Lease contracts are negotiated individually under different terms and conditions. Plant and equipment include rented vehicles.

In the interest of operational flexibility, contracts for real estate, in particular, frequently include prolongation and termination options. In individual cases, unlimited contract terms with termination options are agreed upon. In principle, long contract terms are assumed,

with due consideration given to contractual and economic factors. In the majority of cases, the exercise of prolongation options and/or the non-exercise of termination rights are assumed. No purchase options have been agreed upon in the material IFRS 16 contracts.

Details on lease liabilities, including an analysis of maturities, are contained in Note 32. Liabilities. For a breakdown of other expenses for rent and leases, see Note 14. Other operating expenses.

Asset table

Acquisition or production costs

in TEUR	Balance on 1/1/2021	Change in scope of consolidation	Foreign exchange incr./decr.	Additions	Disposals	Transfers	Balance on 31/12/2021
Goodwill	798,311	96,518	28,304	0	0	0	923,133
Other intangible assets	442,748	126,703	10,013	14,591	5,925	2,038	590,168
Intangible assets and goodwill	1,241,059	223,221	38,317	14,591	5,925	2,038	1,513,301
Land and buildings	1,451,249	159,311	23,701	64,779	32,545	6,147	1,672,642
Machinery and equipment	2,720,022	75,487	45,847	96,444	143,721	41,765	2,835,844
Fixtures, fittings, tools and equipment	252,370	18,323	3,977	46,737	23,740	-1,129	296,538
Assets under construction	109,943	6,756	338	132,760	605	-71,484	177,708
Property, plant and equipment	4,533,584	259,877	73,863	340,720	200,611	-24,701	4,982,732
Investment property	103,518	0	1,532	475	13,203	-2,498	89,824
Intangible assets and property, plant and equipment	5,878,161	483,098	113,712	355,786	219,739	-25,161	6,585,857

Asset table

Acquisition or production costs

in TEUR	Balance on 1/1/2020	Change in scope of consolidation	Foreign exchange incr./decr.	Additions	Disposals	Transfers	Balance on 31/12/2020
Goodwill	844,386	-15,727	-28,331	0	2,017	0	798,311
Other intangible assets	421,471	7,125	-7,652	26,109	5,205	900	442,748
Intangible assets and goodwill	1,265,857	-8,602	-35,983	26,109	7,222	900	1,241,059
Land and buildings	1,537,099	-82,639	-41,842	46,825	6,446	-1,748	1,451,249
Machinery and equipment	2,846,717	-82,200	-88,039	77,968	76,251	41,827	2,720,022
Fixtures, fittings, tools and equipment	231,080	-4,889	-7,077	42,117	7,677	-1,184	252,370
Assets under construction	107,607	-1,238	-4,010	77,615	189	-69,842	109,943
Property, plant and equipment	4,722,503	-170,966	-140,968	244,525	90,563	-30,947	4,533,584
Investment property	130,196	-26,942	-3,153	39	19,040	22,418	103,518
Intangible assets and property, plant and equipment	6,118,556	-206,510	-180,104	270,673	116,825	-7,629	5,878,161



Depreciation and amortization

Balance on 1/1/2021	Change in scope of consolidation	Foreign exchange incr./decr.	Depreciation/ amortization	Impairments ¹⁾	Reversal of impairments	Disposals	Transfers	Balance on 31/12/2021	Carrying amount 31/12/2021
403,390	0	20,675	0	10,747	0	0	0	434,812	488,321
192,099	0	4,221	31,814	814	0	4,946	-2,884	221,118	369,050
595,489	0	24,896	31,814	11,561	0	4,946	-2,884	655,930	857,371
628,122	0	8,139	52,810	4,499	0	18,687	-7,802	667,081	1,005,561
2,001,988	0	33,282	121,979	5,454	0	129,856	-7,652	2,025,195	810,649
146,444	0	1,981	42,284	545	0	17,148	-1,690	172,416	124,122
1,511	0	402	0	521	0	691	144	1,887	175,821
2,778,065	0	43,804	217,073	11,019	0	166,382	-17,000	2,866,579	2,116,153
53,351	0	345	2,350	0	0	7,788	-2,339	45,919	43,905
3,426,905	0	69,045	251,237	22,580	0	179,116	-22,223	3,568,428	3,017,429

Depreciation and amortization

Balance on 1/1/2020	Change in scope of consolidation	Foreign exchange incr./decr.	Depreciation/ amortization	Impairments ¹⁾	Reversal of impairments	Disposals	Transfers	Balance on 31/12/2020	Carrying amount 31/12/2020
335,282	0	-20,241	0	90,366	0	2,017	0	403,390	394,921
170,196	-400	-3,458	28,589	1,723	0	5,095	544	192,099	250,649
505,478	-400	-23,699	28,589	92,089	0	7,112	544	595,489	645,570
631,900	-34,715	-17,543	51,896	11,377	0	1,258	-13,535	628,122	823,127
2,084,786	-76,115	-65,416	122,607	16,511	0	75,518	-4,867	2,001,988	718,034
121,863	-3,587	-4,046	39,256	972	0	5,212	-2,802	146,444	105,926
1,320	0	-146	96	236	0	1	6	1,511	108,432
2,839,869	-114,417	-87,151	213,855	29,096	0	81,989	-21,198	2,778,065	1,755,519
72,364	-20,252	-1,346	1,868	0	0	14,137	14,854	53,351	50,167
3,417,711	-135,069	-112,196	244,312	121,185	0	103,238	-5,800	3,426,905	2,451,256

1) Including special depreciation and amortization

23. Investments

Investments in associates and joint ventures as well as other investments are as follows:

in TEUR	2021	2020
Investments in associates and joint ventures	18,166	23,919
Investments in subsidiaries	58	53
Other investments	17,261	13,106
Other investments	17,319	13,159
Investments	35,485	37,078

24. Inventories

in TEUR	2021	2020
Raw materials and consumables	223,700	166,010
Semi-finished goods	121,776	96,617
Finished goods and merchandise	532,196	459,918
Prepayments	5,629	6,497
Inventories	883,301	729,042

Pallets are included under raw materials and consumables. Clay purchased from third parties is shown together with clay extracted from the Group's own pits under semi-finished goods. Impairment charges of

TEUR 9,947 (2020: TEUR 7,357) were booked for products with a net realizable value (selling price less selling and administrative expenses) lower than the acquisition or production costs.



25. Receivables, securities and other financial assets

Loans and receivables

in TEUR	2021			2020		
	Total	Remaining term < 1 year	Remaining term > 1 year	Total	Remaining term < 1 year	Remaining term > 1 year
Trade receivables from third parties	343,006	343,006	0	217,869	217,869	0
Trade receivables from subsidiaries	410	410	0	901	901	0
Trade receivables	343,416	343,416	0	218,770	218,770	0
Financial receivables from subsidiaries	21,425	21,425	0	21,145	21,145	0
Receivables arising from loans	8,086	8,086	0	9,621	9,621	0
Loans granted	29,511	29,511	0	30,766	30,766	0
Loans and receivables AC ¹⁾	372,927	372,927	0	249,536	249,536	0

1) Loans and receivables at amortized cost (AC)

Trade receivables include contract assets of TEUR 1,165 (2020: TEUR 1,478) from customer-specific production orders. They represent a conditional right to consideration for complete performance of the contractual obligations by Wienerberger.

Loans and receivables are recognized at amortized cost and adjusted to reflect weighted expected credit loss. Specific valuation allowances are deducted directly from receivables and other assets. In accordance with the

IFRS 9 rule, receivables sold (factoring) are derecognized. As at December 31, 2021, trade receivables in the amount of TEUR 115,042 (2020: TEUR 102,343) had been sold to third parties. Trade receivables in a total amount of TEUR 1,520 (2020: TEUR 2,569) are secured by notes payable.

Financial receivables from subsidiaries result from loans granted to companies consolidated at equity and other investments.

Financial assets at fair value through profit or loss

2021 in TEUR	Carrying amount	Market value	Market value changes recog. in financial result	Ø Effective interest rate in %
Shares in funds	5,881	5,881	78	0.19
Stock	64	64	0	-
Other	340	340	0	-
Securities	6,285	6,285	78	

2020 in TEUR	Carrying amount	Market value	Market value changes recog. in financial result	Ø Effective interest rate in %
Shares in funds	5,795	5,795	-78	0.20
Stock	63	63	0	-
Other	682	682	0	-
Securities	6,540	6,540	-78	

Securities are held for short-term investment of liquidity and to cover pension and severance obligations; they primarily include shares in funds and stock, which are accounted for at fair value. Value fluctuations are recognized in the financial result. As of the balance sheet date, no debt instruments to be measured through other comprehensive income were held.

Financial assets measured at fair value through profit or loss in a total amount of TEUR 25,352 (2020: TEUR 20,101) include securities of TEUR 6,285 (2020: TEUR 6,540) recognized in current assets, derivatives of TEUR 1,748 (2020: TEUR 402) and other investments of TEUR 17,319 (2020: TEUR 13,159) recognized in non-current assets.



Derivatives

in TEUR	2021		2020	
	Carrying amount	Market value	Carrying amount	Market value
Derivatives from cash flow hedges	1,893	1,893	1,923	1,923
Derivatives from net investment hedges	876	876	9,491	9,491
Derivatives from fair value hedges	0	0	100	100
Other derivatives	1,748	1,748	402	402
Derivatives with positive market value	4,517	4,517	11,916	11,916

The balance sheet item of securities and other financial assets can be broken down as follows:

in TEUR	2021	2020
Loans granted	29,511	30,766
Securities	6,285	6,540
Derivatives hedge accounting	2,769	11,514
Other derivatives	1,748	402
Securities and other financial assets	40,313	49,222

26. Other receivables

in TEUR	2021			2020		
	Total	Remaining term < 1 year	Remaining term > 1 year	Total	Remaining term < 1 year	Remaining term > 1 year
Receivables from current taxes	10,718	10,718	0	5,542	5,542	0
Return asset	14,461	14,461	0	6,690	6,690	0
Prepaid expenses and deferred charges	14,471	13,576	895	10,659	9,611	1,048
Miscellaneous receivables	94,422	90,526	3,896	91,703	67,469	24,234
Other receivables	123,354	118,563	4,791	109,052	83,770	25,282

Assets for the right to recover products from customers (return assets) result from the accounting of rights of return, such as returnable pallets.

The remaining other receivables mainly include receivables from tax authorities and social security institutions, receivables from the sale of mining rights, and receivables from the disposal of companies.

27. Non-current assets held for sale

Assets with carrying amounts of TEUR 11,335 (2020: TEUR 5,106) are designated as held for sale. These include inventories as well as land and buildings which, according to management's assessment, are most likely to be sold within the next 12 months.

28. Group equity

The development of Group equity in 2021 and 2020 is shown on pages 240 and 241.

The 151st Annual General Meeting of Wienerberger AG on 5/5/2020 authorized the Managing Board for a period of 30 months to buy back own shares of up to 8 % of the share capital at a price of no less than one euro and no more than twice the stock exchange price of 5/5/2020. Moreover, the Managing Board was authorized, subject to approval by the Supervisory Board but without further resolution of the Annual General Meeting, to cancel own shares (authorization valid for a period of 30 months) or to decide to sell and/or use them other than on the stock exchange or by public offering (authorization valid for a period of five years). This authorization replaces the authorization to buy back and/or sell own shares granted by the Annual General Meeting on 14/6/2018.

The 150th Annual General Meeting held on May 6, 2019 approved authorized capital of EUR 17,452,724. This authorization covers an ordinary capital increase against contributions in cash or in kind within a period of five years, subject to approval by the Supervisory Board. The share capital can be increased by a maximum of EUR 17,452,724 through the issue of up to 17,452,724 new bearer shares with the possibility of excluding subscription rights for fractional amounts. The capital increase can be carried out in several tranches, if necessary. The type of shares, the issue price and the issue conditions are to be determined by the Managing Board, subject to approval by the Supervisory Board. In principle, the shareholders have statutory subscription rights.

However, the Managing Board was authorized to exclude the shareholders' statutory subscription rights in two special cases: first, for a capital increase in case of a contribution in kind for the granting of shares as currency for the acquisition of companies, parts of companies or participations in companies, and second, for multiple allotments in connection with the placement of new shares by the company (greenshoe). The number of shares issued subject to the exclusion of subscription rights must not exceed 5,817,574.

Wienerberger showed an equity of TEUR 2,149,068 as of December 31, 2021, compared to TEUR 1,748,985 in the previous year. Profit after tax increased equity by TEUR 312,070 (2020: TEUR 99,928). The other components of comprehensive income led to an increase in equity by another TEUR 72,930 (2020: decrease of TEUR -69,484) after the deduction of deferred taxes. As of December 31, 2021, the share of equity in total assets amounted to 43.8 % (2020: 40.4 %), and net debt increased from TEUR 882,145 in 2020 to TEUR 1,134,483.

At the end of the financial year, total non-controlling interests came to TEUR 900 (2020: TEUR 685).

The share capital of Wienerberger AG totaled EUR 115,187,982 as of December 31, 2021 and is divided into 115,187,982 no-par value shares that all carry the same rights. All shares are fully paid in. A dividend of EUR 0.60 per share was paid out in 2021, i.e. TEUR 69,113 less TEUR 1,753 for treasury shares (pro rata), or TEUR 67,359 in total.



On 11/12/2020 the Managing Board decided to call the 2014 hybrid bond at the earliest possible date and to redeem the outstanding perpetual subordinated hybrid bond with a nominal value of TEUR 214,630 on 9/2/2021. As a result, the hybrid capital previously recognized in equity was reclassified to current financial liabilities on the balance sheet date. The remaining hybrid bond with a nominal value of TEUR 214,630, plus a coupon of TEUR 10,732, was redeemed in the reporting period.

During the reporting year, Wienerberger sold 2,500,000 treasury shares for a price of TEUR 80,561. Moreover, 40,258 treasury shares were allocated to CEO Heimo Scheuch as part of his remuneration. In total, transaction costs of TEUR 1,000 were offset against retained earnings.

Retained earnings of TEUR 1,189,703 (2020: TEUR 946,176) include the retained earnings of Wienerberger AG and all retained earnings of subsidiaries not eliminated during capital consolidation. Group results for 2021, excluding the share of profit or loss attributable to non-controlling interests, are shown under retained earnings.

Other reserves include the components of other comprehensive income. These include actuarial gains and losses from pension and severance pay plans, which are not reclassified to profit or loss. The remaining other reserves include those components of other comprehensive income which, as a matter of principle, must be reclassified to profit or loss. The currency translation reserve includes all differences from foreign currency translation after tax that are recognized under other comprehensive income, with the differences from companies reported at equity shown separately. The hedging reserve includes changes in the value of hedges that are recognized under other comprehensive income. These hedging transactions comprise hedges of net investments in foreign operations (net investment hedges) as well as hedges for foreign currency transactions (cash flow hedges).

Change of control clauses are included in the employment contracts of the members of the Managing Board, the terms and conditions of the 2018 and 2020 corporate bonds, and in various syndicated term loans and other loans.

29. Provisions

in TEUR	1/1/2021	Foreign exchange incr./decr.	Change in scope of consolidation	Reversal	Use	Addition	31/12/2021
Provisions for warranties	20,917	350	3,809	928	1,889	5,485	27,744
Provisions for site restoration	42,315	1,592	10,736	735	4,650	9,019	58,277
Miscellaneous non-current provisions	10,494	115	474	1,046	5,187	7,799	12,649
Other non-current provisions	73,726	2,057	15,019	2,709	11,726	22,303	98,670
Taxes provision	2,083	16	0	6	120	54	2,027
Other current provisions	34,856	603	2,892	9,544	27,242	40,974	42,539
Current provisions	36,939	619	2,892	9,550	27,362	41,028	44,566
Other provisions	110,665	2,676	17,911	12,259	39,088	63,331	143,236

Miscellaneous non-current provisions primarily include other non-current employee-related provisions. Other

current provisions mostly include restructuring provisions as well as other current employee-related provisions.

30. Employee benefits

The obligations for employee benefits are as follows:

in TEUR	2021	2020
Provisions for severance payments	26,762	30,826
Provisions for pensions	61,625	98,315
Provisions for anniversary bonuses	11,787	11,507
Employee-related provisions	100,174	140,648

The obligations for post-employment benefits total TEUR 88,387 (2020: TEUR 129,141) and comprise pension obligations of TEUR 61,625 (2020: TEUR 98,315) and severance compensation obligations of TEUR 26,762 (2020: TEUR 30,826). The relevant accounting and valuation principles are described on pages 301 and 302.

The company is exposed to various risks in connection with the plans for post-employment benefits. In addition to general actuarial risks, such as an increase in the life expectancy for retirement benefits and interest rate risks, the company is also exposed to foreign exchange risks or investment risks on the capital markets.

Pension obligations

Wienerberger has made pension commitments to employees in the Netherlands, Great Britain, Scandinavia, the USA, Canada, Germany and Belgium as well as to selected managers in Austria. Defined contribution plans represent the goal for future pension agreements. Defined benefit pension agreements have been regularly converted to defined contribution pension models

through the transfer of previously earned claims to pension funds. Wienerberger has also made a number of defined pension commitments, mainly to former managers, based on unfunded pension plans; the length of service forms the basis for retirement benefits under these plans. The employees of General Shale Brick Inc. (USA) have a funded defined benefit pension plan as well as an unfunded (retirement) health insurance scheme. Entitlements earned by Dutch employees are satisfied through a defined contribution pension plan, primarily through contributions to an industry-wide pension fund in the Netherlands. In Great Britain, a defined contribution pension plan covers all employees. The companies of thebrickbusiness, acquired in 2004, as well as Baggeridge, acquired in 2007, had defined benefit models; a provision was created to reflect these obligations. There are also defined benefit pension plans for the employees of the Steinzeug-Keramo Group. The Pipelife Group has defined benefit pension plans for individual members of the management in the Netherlands, Belgium, Austria and Germany.



The calculations are based on the following weighted average parameters:

Parameters	2021	2020
Discount rate	0.6%	1.3%
Expected salary increases	0.2%	0.2%
Expected pension increases	1.5%	1.3%
Average employee turnover	0.0%	0.0%
Mortality tables		
Austria	AVÖ 2018-P ANG	AVÖ 2018-P ANG
Germany	Heubeck 2018 G	Heubeck 2018 G
USA	Pri.A-2012 Fully Generational with Scale MP 2021	Pri.A-2012 Fully Generational with Scale MP 2019
Great Britain	105% of SAPS "S2" Combined	105% of SAPS "S2" Combined
Belgium	MR-3/FR-3	MR-3/FR-3
Sweden	DUS14	DUS14
Canada	CPM Improvement Scale B	CPM Improvement Scale B
Netherlands	AG Prognosetafel 2020	AG Prognosetafel 2020

The country-specific discount rate is based on the average return on first-rate, fixed-interest industrial bonds with a term to maturity that reflects the average maturity of the obligations to employees.

Total pension expenses for 2021 cover both defined contribution and defined benefit pension plans. The current and past service cost and the effects of plan settlements are reported under operating result and the net interest effect under interest result.

in TEUR	2021	2020
Defined contribution plans	16,045	14,314
Defined benefit plans		
Service cost for defined benefit plans	2,973	3,129
Past service cost ¹⁾	-3,839	188
Net interest cost	1,258	1,588
Expenses for defined benefit plans	392	4,905
Total expenses for pensions	16,437	19,219

1) The negative amount of past service cost results from model changes to the pension plan in the United Kingdom.

The gross pension obligations can be reconciled to net obligations as shown on the balance sheet by deducting the fair value of plan assets. Of the total net obligations, TEUR 9,136 (2020: TEUR 8,807) is related to the US

(retirement) health insurance program. A change in the cost trend for medical services would not have any major impact on the interest cost or the defined benefit pension obligation.

The components of pension obligations and their coverage through plan assets are shown below:

in TEUR	Defined benefit pension obligations		Fair value of plan assets	
	2021	2020	2021	2020
Value as of 1/1	352,269	425,573	253,954	319,702
Change in scope of consolidation	55	-70,430	0	-63,225
Foreign exchange increase/decrease	16,404	-14,522	13,136	-10,755
Service cost for defined benefit pension plans	2,973	3,129	0	0
Interest cost	4,798	6,016	0	0
Expected income from plan assets	0	0	3,540	4,428
Actuarial gains/losses	-21,141	16,107	10,567	6,196
Past service cost	-3,839	188	0	0
Payments to retirees	-14,583	-13,601	-14,583	-13,299
Payments received from employees	185	183	185	183
Payments received from employers	-414	-374	8,283	10,724
Value as of 31/12	336,707	352,269	275,082	253,954
Fair value of plan assets	-275,082	-253,954		
Net pension obligations	61,625	98,315		
Actuarial gains/losses resulting from pension plans				
Actuarial gains/losses from changes in demographic assumptions	-2,836	-515		
Actuarial gains/losses from changes in financial assumptions	-5,992	27,407		
Actuarial gains/losses from experience adjustments	-12,313	-10,785		
Deviation of return on plan assets	-10,567	-6,196		
Actuarial gains (-)/losses (+) in other comprehensive income	-31,708	9,911		

Pension plan assets consist mainly of the assets of funded defined benefit pension plans in the USA, Great Britain and Pipelife's plan in the Netherlands. The plan

assets are invested in shares (45%; 2020: 46%), bonds (44%; 2020: 48%) and other assets (11%; 2020: 6%).



The sensitivity of the gross pension obligation was tested by modifying the major actuarial assumptions individually while holding all other conditions constant.

A negative amount represents a reduction of the obligation, while a positive amount indicates an increase.

	Change of parameter in basis points (bp)/years	Increase of parameter in TEUR	Decrease of parameter in TEUR
Sensitivity of the gross pension obligation			
Discount rate	+/- 25 bp	-11,684	12,022
Salary increases	+/- 100 bp	1,477	-1,329
Employee turnover	+/- 100 bp	-225	105
Life expectancy	+/- 1 year	13,735	-12,673

The payments to defined benefit pension plans are expected to total TEUR 8,636 in 2022. As of December 31, 2021, the weighted average duration of the pension obligations was 12.1 years (2020: 15 years).

Severance compensation obligations

Legal regulations grant Austrian employees who joined the company before January 1, 2003, the right to a lump-sum payment upon retirement or termination by the employer, the amount of the payment being dependent on the length of service. These future

obligations are reflected in provisions for severance payments. There are similar obligations in France, Italy, Poland and Turkey.

The country-specific discount rate used to calculate the severance compensation obligations under the projected unit credit method was based on the same yield curve used to calculate the pension obligations. The calculations are based on the following weighted average parameters:

Parameters	2021	2020
Discount rate	0.7%	0.4%
Expected salary increases	2.6%	1.8%
Average employee turnover	1.9%	1.5%

The current and past service cost and the effects of settlement payments from defined benefit severance compensation plans are reported under operating results,

while the net interest effect is included under interest result.

in TEUR	2021	2020
Defined contribution plans	1,631	1,393
Defined benefit plans		
Service cost for defined benefit plans	1,174	1,192
Past service cost	86	6
Effects of settlements	0	32
Net interest cost	215	219
Expenses for defined benefit plans	1,475	1,449
Expenses for severance payments	3,106	2,842

The severance compensation obligations in France are covered by plan assets, which are held in shares (13 %;

2020: 12 %), bonds (78 %; 2020: 75 %) and other assets (9 %; 2020: 13 %).

The following table shows the composition of the severance compensation obligations and their coverage through plan assets:

in TEUR	Defined benefit severance obligation		Fair value of plan assets	
	2021	2020	2021	2020
Value as of 1/1	33,440	35,738	2,614	2,502
Change in scope of consolidation	0	311	0	0
Foreign exchange increase/decrease	-270	-202	0	0
Service cost for defined benefit severance obligations	1,174	1,192	0	0
Interest cost	229	231	0	0
Expected income from plan assets	0	0	14	12
Effects of settlements	25	32	0	0
Actuarial gains/losses	141	-1,371	0	100
Past service cost	86	6	0	0
Payments	-5,318	-2,497	0	0
Payments received from employers	-117	0	0	0
Value as of 31/12	29,390	33,440	2,628	2,614
Fair value of plan assets	-2,628	-2,614		
Net severance compensation obligations	26,762	30,826		
Actuarial gains/losses resulting from severance payment plans				
Actuarial gains/losses from changes in demographic assumptions	-1,717	-344		
Actuarial gains/losses from changes in financial assumptions	1,694	-874		
Actuarial gains/losses from experience adjustments	164	-153		
Deviation of return on plan assets	0	-100		
Actuarial gains (-)/losses (+) in other comprehensive income	141	-1,471		

The sensitivity of the gross severance obligation was tested by modifying the major actuarial assumptions individually while holding all other conditions constant.

A negative amount represents a reduction of the obligation, while a positive amount indicates an increase.



Sensitivity of the gross severance obligation	Change of parameter in basis points (bp)	Increase of parameter in TEUR	Decrease of parameter in TEUR
Discount rate	+/- 25 bp	-738	741
Salary increases	+/- 100 bp	2,907	-2,695
Employee turnover	+/- 100 bp	-517	399

The payments to defined benefit severance compensation plans are expected to total TEUR 929 in 2022. As of December 31, 2021, the weighted average duration of the severance compensation obligations was 11 years (2020: 11 years).

31. Deferred taxes

The following deferred tax assets and deferred tax liabilities as of December 31, 2021 and December 31, 2020 are the result of temporary valuation and accounting differences between carrying amounts in the consolidated financial statements and the respective tax assessment bases:

in TEUR	2021		2020	
	Assets	Liabilities	Assets	Liabilities
Intangible assets	930	-64,870	2,372	-39,298
Property, plant and equipment	11,240	-131,354	10,443	-121,958
Inventories	4,137	-5,254	3,308	-5,617
Receivables	18,566	-11,413	22,023	-12,196
Miscellaneous receivables	52,526	-33	49,868	-53
	87,399	-212,924	88,014	-179,122
Provisions	23,725	-3,282	28,962	-4,345
Liabilities	61,904	-7,233	54,975	-6,986
Prepayments received	523	-212	826	-213
	86,152	-10,727	84,763	-11,544
Tax losses carried forward	318,220		356,418	
Deferred tax assets/liabilities	491,771	-223,651	529,195	-190,666
Unrecognized deferred tax assets	-301,262		-344,830	
Offset within legal tax units and jurisdictions	-116,382	116,382	-128,566	128,566
Recognized tax assets/liabilities	74,127	-107,269	55,799	-62,100

At Group level there are deductible temporary differences and tax loss carryforwards (including pro-rata depreciation and amortization) in a total amount of TEUR 1,163,842 (2020: TEUR 1,368,207). Thereof TEUR 254,991 (2020: TEUR 253,763) are relating to deductible temporary differences and TEUR 908,851 (2020: TEUR 1,114,444) to tax

loss carryforwards (including pro-rata depreciation and amortization). These were not recognized as deferred tax assets, as their effective tax release is not fully covered by mid-term planning. This corresponds to non-recognized deferred tax assets of TEUR 301,262 (2020: TEUR 344,830) for temporary differences and tax loss carryforwards.

The following table shows when unused tax losses expire:

in TEUR	2021	2020
Expiry date of unused tax losses ≤ 5 years	13,742	16,740
Expiry date of unused tax losses 6 - 10 years	975	66,159
Expiry date of unused tax losses > 10 years	0	0
Expiry date of unused tax losses unlimited	894,134	1,031,545
Total of unused tax losses	908,851	1,114,444

Temporary pro-rata tax depreciation (over 7 years), which is tax-deductible under Austrian law, amounted to TEUR 61,639 (2020: TEUR 98,618) for Wienerberger AG. Deferred tax assets were not recognized for this amount in 2021 or 2020.

As at December 31, 2021, taxable temporary differences associated with investments in subsidiaries amounted to TEUR 281,659 (2020: TEUR 203,411), for which no

deferred tax liabilities were recognized in accordance with IAS 12.39 (outside basis differences).

32. Liabilities

Liabilities are generally measured at amortized cost, except for derivatives with negative market values, which are measured at fair value.



The remaining terms of the various categories of liabilities are shown in the following tables:

2021 in TEUR	Total	Remaining term < 1 year	Remaining term 1-5 years	Remaining term > 5 years	Thereof secured by collateral
Interest-bearing loans	1,293,830	160,677	914,818	218,335	0
Lease liabilities	245,273	52,318	98,558	94,397	0
Financial liabilities	1,539,103	212,995	1,013,376	312,732	0
Trade payables owed to third parties	421,950	421,950	0	0	0
Trade payables owed to subsidiaries	1,128	1,128	0	0	0
Trade payables	423,078	423,078	0	0	0
Payables for current taxes	18,154	18,154	0	0	0
Contract liability	8,875	8,842	33	0	0
Amounts owed to tax authorities and social security institutions	71,161	71,871	-710	0	0
Refund liabilities	18,891	18,891	0	0	0
Prepayments received	8,697	6,449	383	1,865	0
Miscellaneous liabilities	316,079	288,081	16,166	11,832	0
Other liabilities	423,703	394,134	15,872	13,697	0
Total liabilities	2,404,038	1,048,361	1,029,248	326,429	0

2020 in TEUR	Total	Remaining term < 1 year	Remaining term 1-5 years	Remaining term > 5 years	Thereof secured by collateral
Interest-bearing loans	1,380,416	396,896	925,602	57,918	1,250
Lease liabilities	217,099	40,824	83,424	92,851	0
Financial liabilities	1,597,515	437,720	1,009,026	150,769	1,250
Trade payables owed to third parties	299,021	299,021	0	0	0
Trade payables owed to subsidiaries	852	852	0	0	0
Trade payables	299,873	299,873	0	0	0
Payables for current taxes	9,696	9,696	0	0	0
Contract liability	13,192	13,171	12	9	0
Amounts owed to tax authorities and social security institutions	73,878	73,878	0	0	0
Refund liabilities	8,990	8,990	0	0	0
Prepayments received	9,323	6,922	455	1,946	0
Miscellaneous liabilities	252,150	228,856	23,268	26	0
Other liabilities	357,533	331,817	23,735	1,981	0
Total liabilities	2,264,617	1,079,106	1,032,761	152,750	1,250

Leases already concluded but not yet commenced on the balance sheet date have not been taken into account in the valuation of lease liabilities. On the basis of information available on the balance sheet date, such arrangements will result in an increase in right-of-use assets and lease liabilities in the following year by roughly TEUR 3,286 (2020: TEUR 7,223). The entire cash outflow for leases amounted to TEUR 54,129 (2020: TEUR 49,092).

Refund liabilities primarily comprise rights of return recognized for returnable pallets.

Contract liabilities describe advance payments received from customers and are recognized on the balance sheet under other liabilities. On the balance sheet date,

they amounted to TEUR 8,875 (2020: TEUR 13,192). Revenues generated from these orders are recognized at the time of transfer of the goods/services to the customer.

Miscellaneous liabilities include TEUR 83,815 (2020: TEUR 69,942) due to employees and TEUR 170,569 (2020: TEUR 130,919) from accruals for bonuses and other sales deductions due to customers. Prepayments received include TEUR 6,026 (2020: TEUR 5,429) of subsidies and investment grants from third parties, which are reversed to income over the useful life of the related items of property, plant and equipment. In addition to liabilities from current taxes, amounts owed to tax authorities and social security institutions also include tax liabilities of TEUR 42,341 (2020: TEUR 50,262).

Financial liabilities include the following derivatives with negative market values:

Derivatives

in TEUR	2021	2020
Derivatives from cash flow hedges	2,428	1,578
Derivatives from net investment hedges	5,301	377
Derivatives from fair value hedges	448	0
Other derivatives	534	2,164
Derivatives with negative market value	8,711	4,119

Total liabilities thus include TEUR 2,381,381 (2020: TEUR 2,242,940) in financial liabilities measured at amortized cost, TEUR 13,945 (2020: TEUR 17,558) in other liabilities measured at fair value, TEUR 8,177

(2020: TEUR 1,955) in derivatives in hedge accounting, and TEUR 534 (2020: TEUR 2,164) in other derivatives measured at fair value through profit or loss.



Financial liabilities are expected to result in the following cash flows:

Analysis of contractual cash flows

2021 in TEUR	Carrying amount as at 31/12/2021	Total	< 6 months	6-12 months	1-2 years	2-5 years	> 5 years
Bonds	655,488	-709,000	-16,000	0	-16,000	-677,000	0
Liabilities to banks	628,685	-652,922	-65,564	-92,311	-95,545	-178,988	-220,514
Lease liabilities	245,273	-282,192	-29,562	-26,247	-41,359	-64,575	-120,449
Liabilities to non-banks	946	-955	-3	-131	-821	0	0
Primary financial instruments	1,530,392	-1,645,069	-111,129	-118,689	-153,725	-920,563	-340,963
Interest rate derivatives	8,177	-15,840	-2,497	-2,114	-4,879	-6,350	0
Forward exchange contracts and swaps	534	-4,309	-2,736	-1,573	0	0	0
Derivative financial instruments	8,711	-20,149	-5,233	-3,687	-4,879	-6,350	0
Carrying amounts/ Contractual cash flows	1,539,103	-1,665,218	-116,362	-122,376	-158,604	-926,913	-340,963

2020 in TEUR	Carrying amount as at 31/12/2020	Total	< 6 months	6-12 months	1-2 years	2-5 years	> 5 years
Bonds	879,341	-958,341	-249,341	0	-16,000	-693,000	0
Liabilities to banks	496,386	-508,953	-49,461	-113,946	-102,060	-181,610	-61,876
Lease liabilities	217,099	-253,955	-22,748	-20,228	-35,011	-57,821	-118,147
Liabilities to non-banks	570	-582	-6	-140	-3	-433	0
Primary financial instruments	1,593,396	-1,721,831	-321,556	-134,314	-153,074	-932,864	-180,023
Interest rate derivatives	1,955	-2,059	-173	-194	-470	-1,207	-15
Forward exchange contracts and swaps	2,164	-2,953	-2,698	-255	0	0	0
Derivative financial instruments	4,119	-5,012	-2,871	-449	-470	-1,207	-15
Carrying amounts/ Contractual cash flows	1,597,515	-1,726,843	-324,427	-134,763	-153,544	-934,071	-180,038

The cash flows shown in the above tables include interest paid for both fixed-interest and floating-rate financial liabilities.

They were determined on the basis of the interest rates established at the end of the reporting period.

33. Contingent liabilities and guarantees

Contingent liabilities result from obligations to third parties, and include the following:

in TEUR	31/12/2021	31/12/2020
Guarantees	15,225	18,138
Other contractual obligations	1,582	1,389
Contingent liabilities	16,807	19,527

All events reported under contingent liabilities reflect possible future obligations that are contingent upon the

occurrence of a future event that is completely uncertain as of the balance sheet date.

34. Financial instruments

Interest-bearing financial liabilities comprise the following items:

2021	Currency	Nominal value	Market value	Carrying amount as at 31/12/2021	Effective interest rate
		in 1,000 local currency	in TEUR	in TEUR	in %
Long-term loans	EUR	84,016	84,141	84,016	1.00
	TRY	11,305	677	742	18.18
Roll-over	TRY	46,993	3,084	3,085	18.59
Short-term loans	EUR	52,225	52,460	52,225	1.12
	TRY	58,000	3,742	3,808	19.23
Fixed interest liabilities due to financial institutions			144,104	143,876	

2020	Currency	Nominal value	Market value	Carrying amount as at 31/12/2020	Effective interest rate
		in 1,000 local currency	in TEUR	in TEUR	in %
Long-term loans	EUR	136,089	136,260	136,089	1.05
	CZK	1,429	54	54	-
Roll-over	TRY	54,000	5,877	5,926	19.16
Short-term loans	EUR	47,172	47,459	47,170	1.15
Fixed interest liabilities due to financial institutions			189,650	189,239	



2021	Currency	Nominal value	Market value	Carrying amount as at 31/12/2021	Effective interest rate
		in 1,000 local currency	in TEUR	in TEUR	in %
Long-term loans	EUR	401,667	400,083	401,667	0.45
Roll-over	EUR	17,000	17,006	17,000	0.80
	TRY	221,790	14,649	14,559	26.05
			31,655	31,559	
Short-term loans	EUR	47,349	47,350	47,393	0.91
	CAD	995	691	691	-
	CZK	20	1	1	-
	USD	3,962	3,498	3,498	-
			51,540	51,583	
Derivatives	EUR	478,453	8,711	8,711	-
Variable interest liabilities due to financial institutions			491,989	493,520	

2020	Currency	Nominal value	Market value	Carrying amount as at 31/12/2020	Effective interest rate
		in 1,000 local currency	in TEUR	in TEUR	in %
Long-term loans	EUR	201,250	199,784	201,250	0.64
	DKK	8,753	1,266	1,176	2.16
			201,050	202,426	
Roll-over	EUR	29,000	28,871	29,000	0.80
	TRY	65,000	7,072	7,133	18.78
			35,943	36,133	
Short-term loans	EUR	65,661	65,838	65,661	1.10
	TRY	12,480	1,369	1,369	-
	CAD	154	99	99	-
	USD	1,787	1,457	1,457	-
	PLN	4	1	1	-
	CZK	30	1	1	-
			68,765	68,588	
Derivatives	other in EUR	222,615	4,119	4,119	-
Variable interest liabilities due to financial institutions			309,877	311,266	

2021	Currency	Nominal value	Market value	Carrying amount as at 31/12/2021	Effective interest rate
		in 1,000 local currency	in TEUR	in TEUR	in %
Bonds – fixed interest (long-term)	EUR	650,000	683,695	645,830	2.69
Bonds – fixed interest (accrued interest)	EUR	9,658	9,658	9,658	-
Long-term loans – fixed interest	EUR	898	910	898	0.75
Short-term loans – fixed interest	TRY	737	48	48	30.76
Lease liabilities (long-term)	other		192,955	192,955	
Lease liabilities (short-term)	other		52,318	52,318	
Financial liabilities owed to non-banks				901,707	

2020	Currency	Nominal value	Market value	Carrying amount as at 31/12/2020	Effective interest rate
		in 1,000 local currency	in TEUR	in TEUR	in %
Bonds – fixed interest (long-term)	EUR	650,000	680,909	644,519	2.69
Bonds – fixed interest (short-term)	EUR	214,630	224,361	225,086	4.79
Bonds – fixed interest (accrued interest)	EUR	9,736	9,736	9,736	-
Long-term loans – fixed interest	EUR	432	441	432	0.75
Short-term loans – fixed interest	TRY	1,257	138	138	30.76
Lease liabilities (long-term)	other		176,275	176,275	-
Lease liabilities (short-term)	other		40,824	40,824	-
Financial liabilities owed to non-banks				1,097,010	

Interest rates (variable, fixed) can be exchanged through the conclusion of interest rate swaps. The structure of financial liabilities (variable and fixed interest

rates), including the effects of interest rate swaps, is shown on page 309.



35. Derivative financial instruments and hedge accounting

The market value of derivative financial instruments represents the value the company would receive or be required to pay on settlement as of the balance sheet date. Current market conditions – above all current interest rates, foreign exchange rates and the credit standing of the counterparty – are taken into account. These valuation parameters can be monitored on the market and are available to all relevant market participants. The fair value of the respective derivative instruments corresponds to the net present value determined by means of recognized actuarial methods, extended by adjustments according to IFRS 13 (credit value and debit value adjustments – CVA/DVA).

As of December 31, 2021, Wienerberger held foreign exchange forward contracts that were concluded to hedge transaction risks for a period of up to 12 months. The risk positions covered by these hedges are documented in the Group's foreign-currency-based liquidity planning. These derivatives are classified as cash flow hedges of future transactions, and changes in their market value during the term are recognized in the hedging reserve. The ineffective portion of the change in market value is recognized through profit or loss and consists primarily of the CVA/DVA as defined in IFRS 13. On the maturity date of the derivative, the cumulative, effective market value differences are reclassified from other comprehensive income to profit or loss.

The Wienerberger Group also holds currency swaps that are used to hedge cash pool and bank account balances in foreign currencies. The foreign currency differences

on the bank account balances that are hedged with these instruments are recognized through profit or loss and, consequently, the market value differences of the hedges are also recognized through profit or loss. As these are natural hedges, hedge accounting is not applied.

As of the balance sheet date, two interest rate swaps to partially hedge the interest expense were in effect, the valuation of which was performed by cash flow hedge accounting through the hedging reserve. The ineffective part of the market change is determined by means of the hypothetical derivative method and recognized in profit or loss.

The cross-currency swaps are derivatives that hedge the Group's net investments in various currencies (US dollars, British pounds, Canadian dollars, Czech korunas and Polish zlotys) and are therefore classified as hedges of a net investment in a foreign operation. The effectiveness of these instruments is measured at least quarterly by comparing the cumulative market value changes with the cumulative currency differences of the hedged position, which is represented by a hypothetical derivative. The effective portion of the hedge is recognized in the hedging reserve, and the ineffective portion is recognized through profit or loss.

Moreover, a purchase price receivable from the sale of the business activities in Switzerland in the prior year was booked for Wienerberger Building Solutions as of the balance sheet date. The value of this receivable was hedged by FX forward transactions; fluctuations in the value of the receivable and the hedges were therefore recognized in the financial result.

	31/12/2021			31/12/2020		
	Currency	Nominal value in 1,000 local currency	Market value in TEUR	Currency	Nominal value in 1,000 local currency	Market value in TEUR
Forward exchange contracts	NOK	267,939	-385	NOK	194,504	-300
	GBP	122,286	-2,093	GBP	74,838	326
	USD	135,000	237	USD	2,000	4
	DKK	27,000	0	DKK	22,000	0
	CAD	30,000	-131	CAD	0	0
	CZK	479,476	-194	CZK	140,154	-23
	HUF	2,615,395	318	HUF	2,992,706	210
	PLN	33,854	115	PLN	53,931	355
	SEK	263,088	124	SEK	96,433	-250
	RUB	103,262	26	RUB	350,000	93
	RON	0	0	RON	7,501	-9
	CHF	12,500	-448	CHF	22,100	100
	BGN	3,000	0	BGN	0	0
	HRK	5,000	0	HRK	0	0
	EUR	199,123	1,365	EUR	119,399	-1,791
	USD/NOK	776	188	USD/NOK	3,314	860
Interest rate swaps	EUR	218,000	1,110	EUR	68,000	-893
Cross currency swaps	GBP/EUR	85,000	-2,381	GBP/EUR	40,000	863
	USD/EUR	80,000	-1,240	USD/EUR	80,000	7,474
	PLN/EUR	60,000	876	PLN/EUR	60,000	723
	CAD/EUR	47,500	-15	CAD/EUR	7,000	237
	CZK/EUR	700,000	-1,666	CZK/EUR	700,000	-182
			-4,194			7,797

36. Disclosures on financial instruments

Financial instruments are classified in three levels that reflect the degree of valuation certainty. Wienerberger uses the following hierarchy to classify financial instruments measured at fair value according to the valuation method used:

- › Level 1: Valuation based on the market price for a specific financial instrument
- › Level 2: Valuation based on the market prices for similar instruments or on valuation models that only use parameters that can be monitored on the market
- › Level 3: Valuation based on models with significant parameters that cannot be monitored on the market

The financial instruments regularly carried at fair value by the Wienerberger Group are generally classified under level 1 (shares in funds and stock; see Note 25. Receivables, securities and other financial assets) or level 2 (other financial assets and derivative financial instruments; see Note 35. Derivative financial instruments and hedge accounting). No items were reclassified between hierarchy levels during the reporting year.

Other securities recognized as financial instruments at fair value through profit or loss are partly classified as level 3 of the valuation hierarchy. They serve as reinsurance for pension obligations and netting against the provision is not permitted.



Investments in subsidiaries and other investments are recognized at fair value, which is determined on the basis of the underlying planning by means of a DCF method. They are therefore classified as level 3 of the valuation hierarchy.

Other financial liabilities recognized at fair value represent a purchase price liability in connection with the purchase of interests in companies. These include a liability of TEUR 3,000 for 30 % of the joint venture Interbran Baustoff GmbH. The payment obligation is conditional on the achievement of defined research and development targets and is classified under level 3 of

the valuation hierarchy. Another TEUR 8,745 is accounted for by a put option on the non-controlling interests in connection with the acquisition of Vesterled Teglvaerk A/S, Helligsø Teglvaerk A/S and Egersund Tegl a.m.b.a.. The value of the put option was determined on the basis of budgeted EBITDA and a defined multiplier; the liability was therefore classified as level 3 of the valuation hierarchy. Additionally, a total of TEUR 2,600 results from contingent liabilities from acquisitions of companies, payment of which is conditional on the achievement of certain earnings targets; the liability is therefore classified as level 3 of the valuation hierarchy.

The following table shows the financial assets and financial liabilities carried at fair value:

Financial assets and financial liabilities carried at fair value

in TEUR	Level 1	Level 2	Level 3	Carrying amount as at 31/12/2021
Assets				
Investments in subsidiaries and other investments			17,319	17,319
Stock	64			64
Shares in funds	5,881			5,881
Other			340	340
At fair value through profit or loss	5,945	0	17,659	23,604
Derivatives from cash flow hedges		1,893		1,893
Derivatives from net investment hedges		876		876
Other derivatives		1,748		1,748
Derivatives with positive market value		4,517		4,517
Liabilities				
Derivatives from cash flow hedges		2,428		2,428
Derivatives from net investment hedges		5,301		5,301
Derivatives from fair value hedges		448		448
Other derivatives		534		534
Derivatives with negative market value		8,711		8,711
Contingent purchase price liability			13,945	13,945

in TEUR	Level 1	Level 2	Level 3	Carrying amount as at 31/12/2020
Assets				
Investments in subsidiaries and other investments			13,159	13,159
Stock	63			63
Shares in funds	5,795			5,795
Other	2	1	679	682
At fair value through profit or loss	5,860	1	13,838	19,699
Derivatives from cash flow hedges		1,923		1,923
Derivatives from net investment hedges		9,491		9,491
Derivatives from fair value hedges		100		100
Other derivatives		402		402
Derivatives with positive market value		11,916		11,916
Liabilities				
Derivatives from cash flow hedges		1,578		1,578
Derivatives from net investment hedges		377		377
Other derivatives		2,164		2,164
Derivatives with negative market value		4,119		4,119
Contingent purchase price liability			17,558	17,558

The valuation of financial instruments classified under level 3 is shown in the following table:

in TEUR	Investments		Other securities		Contingent purchase price liability	
	2021	2020	2021	2020	2021	2020
Balance on 1/1	13,159	10,408	679	666	17,558	15,436
Additions	7	0	0	0	0	3,500
Change in scope of consolidation	16	0	0	0	0	0
Results from valuation in income statement	4,150	2,751	-339	13	70	122
Disposals	-13	0	0	0	-3,683	-1,500
Balance on 31/12	17,319	13,159	340	679	13,945	17,558

Wienerberger generally carries loans and receivables as well as liabilities at amortized cost, with a credit loss on loans and receivables in the amount of the weighted expected defaults. The fair value of these liabilities can either be monitored on the market, which permits classification under level 1 (bonds), or can be derived by means of an income approach, which permits classification under level 2 (loans).

Trade receivables and trade payables, loans granted, and other receivables and liabilities mostly have a term of less than one year. The respective carrying amounts generally correspond to fair values and are therefore not reported separately.



Financial assets and financial liabilities at amortized cost

Fair value				Carrying amount as at 31/12/2021
in TEUR	Level 1	Level 2	Level 3	
Assets				
Other receivables		29,871		29,871
Liabilities				
Long-term loans		484,901		486,425
Roll-over		34,739		34,644
Short-term loans		107,742		107,616
Financial liabilities owed to financial institutions		627,382		628,685
Bonds	693,353			655,488
Long-term loans		910		898
Short-term loans		48		48
Lease liabilities		245,273		245,273
Financial liabilities owed to non-banks	693,353	246,231		901,707
Purchase price liability		1,708		1,708

Fair value				Carrying amount as at 31/12/2020
in TEUR	Level 1	Level 2	Level 3	
Assets				
Other receivables		30,739		30,739
Liabilities				
Long-term loans		337,364		338,569
Roll-over		41,820		42,059
Short-term loans		116,224		115,758
Financial liabilities owed to financial institutions		495,408		496,386
Bonds	915,006			879,341
Long-term loans		441		432
Short-term loans		138		138
Lease liabilities		217,099		217,099
Financial liabilities owed to non-banks	915,006	217,678		1,097,010
Purchase price liability		5,365		5,365

Accounting and Valuation Principles

Revenues: Income from deliveries of goods and services is recognized when control of the goods delivered is transferred to the buyer. As a rule, at Wienerberger this corresponds to the time of delivery to the customer.

In individual cases, revenue is already realized during production, if an asset produced is customer-specific and has no alternative use and Wienerberger has an enforceable right to payment against the customer. In the case of manufacturing contracts revenue is realized on the basis of production progress and, is generally calculated by means of output-oriented methods (e.g. based on the amount produced relative to the total amount). Revenue from services, however, is calculated by means of an input-oriented method on the basis of the costs incurred by the cut-off date relative to the expected total costs of the contract (cost-to-cost method). Such services include, for instance, 3D models for building design produced within the framework of building information modelling. If the costs for a specific contract are expected to exceed the agreed revenues, a provision for impending losses is recognized.

Variable considerations are recognized in revenue only up to the extent to which it is highly probable that there will be no significant revenue reversals in the future. Revenues are reported net of rebates, discounts, bonuses, penalties and rights of return. The recognition of variable considerations is based largely on historical data. Payments to customers are deducted from revenue, unless they represent payments for distinct goods and services.

Costs of goods sold: The cost of goods sold includes direct material and production costs as well as a proportional share of overhead expenses for production equipment. Other components of the cost of goods sold are fixed production costs that cannot be capitalized due to the underutilization of capacity, impairment charges to inventories and the procurement cost of sold merchandise.

Government grants: Wienerberger recognizes government grants at their fair value under liabilities. Their reversal is reported under other income during the relevant accounting period when there is reasonable assurance that all conditions attached to the grant have been met.

Earnings per share: The calculation of earnings per share is based on Group profit after tax less non-controlling interests and the planned component of earnings attributable to hybrid bondholders, divided by the weighted number of shares outstanding (less treasury shares).

Intangible assets: Identifiable intangible assets purchased by the Group are reported at acquisition cost less straight-line amortization and any necessary impairment charges. Capitalized brands which on the date of purchase have been established for a long time and continue in use, are counted as intangible assets with an indefinite period of use to be subjected to annual impairment tests.

Goodwill: In accordance with IFRS 3, goodwill arising through a business combination is allocated to cash-generating units and not reduced through scheduled amortization but tested at least once each year for indications of impairment.

Property, plant and equipment: Items of property, plant and equipment are recognized at acquisition cost less straight-line depreciation or usage-based depletion (clay pits). The recognition of internally generated plant or equipment includes an appropriate component of material and production overheads but excludes general administrative and selling expenses. In accordance with IAS 23, borrowing costs incurred during the production of qualified assets are capitalized as part of acquisition cost and depreciated over the applicable useful life. Research and development expenses at Wienerberger also include the costs for product development, process technology, the improvement of environmental standards and laboratory activities. Development costs are capitalized under the related asset category provided they meet the criteria for recognition of IAS 38



The Group-wide depreciation rates are based on the useful economic lives of the respective assets (component approach) as shown in the following table:

Production plants (incl. warehouses)	10 - 40 years	Other machinery	4 - 30 years
Administrative and residential buildings	40 years	Fittings, furniture and office equipment	4 - 15 years
Building infrastructure	4 - 40 years	Customer bases	5 - 15 years
Kilns and dryers	5 - 30 years	Other intangible assets	4 - 10 years

Repairs that do not increase the presumed useful life of assets are booked as incurred. In accordance with IFRS 5, scheduled depreciation is discontinued when assets are classified as held for sale.

When plant or equipment is sold or retired, the gain or loss arising from the difference between the net proceeds on sale and the remaining carrying amount or impairment charge is reported under other operating income or expenses.

Leases: Upon conclusion of a contract, Wienerberger, as the lessee, reviews the contract in order to assess if it establishes a lease and recognizes the present value of the lease payments as a lease liability and as a right of use, plus initial direct payments and advance payments made, according to IFRS 16. Payments for short-term leases for a term of not more than 12 months, as well as leases of minor-value assets, are treated according to the practical expedient and continue to be recognized linearly as rental and leasing expenses over the period of the respective lease. The Group's activities as a lessor are immaterial.

Impairment of non-financial assets: In accordance with IAS 36, impairment tests are carried out on a regular basis and whenever there is any indication of lasting impairment. Assets are tested separately for impairment when it is possible to allocate distinct cash flows to the individual asset. Impairment testing involves comparing the carrying amount of an asset with its recoverable amount, which represents the higher of fair value less costs to sell or the value in use. An impairment loss is recognized when the recoverable amount is lower than the carrying amount. Fair value less costs to sell is the price that would be received on the sale of an asset, after the deduction of selling costs. The value in use is determined on the basis of an income approach and represents the present value of expected future cash flows to be derived from the asset or cash-generating unit.

Independent cash flows cannot be allocated to intangible assets with an indefinite useful life. These assets are tested for impairment as part of a cash-generating unit at least once each year in accordance with IAS 36.

Reversals are booked if the reasons for impairment cease to exist or a possible use is found for the item. In accordance with IAS 36, previously recognized impairment losses to goodwill are not reversed.

Investment property is carried at depreciated cost and, with the exception of land, is depreciated on a straight-line basis.

Investments in associates and joint ventures: Investments in associates over which Wienerberger exercises a significant influence (as a rule, between 20% and 50% of the shares) and joint ventures are carried at equity.

Inventories: Inventories are carried at the lower of cost or net realizable value, with valuation based on the moving average method. Cost includes direct expenses as well as allocated overhead and depreciation based on normal capacity usage (between 85% and 100% of capacity). Interest charges as well as selling and administrative expenses are not included in the production cost of current assets. Risks resulting from the length of storage or other impairments in value are reflected through appropriate write-downs.

Rights of return: When Wienerberger is obliged to take back products returned by the customer, e.g. pallets, the payment expected is accounted for as a refund liability and revenue is reduced by the corresponding amount. At the same time, an asset is booked for the right to take the returned products back. The refund liability is recognized under other liabilities, while the return asset is reported under other receivables. The estimate of the return rate is based on historical return rates, among other factors.

Emission certificates: In accordance with IAS 20 and IAS 38, Wienerberger uses the acquisition cost of zero to report the emission certificates allocated free of charge based on the EU Emissions Trading Directive. If actual emissions exceed the free certificates, a liability is set up. Purchased certificates are recognized at cost or the lower market price on the balance sheet date.

Spot transactions in financial assets are recognized on the day of execution. A financial asset is derecognized when the contractual rights to cash flows from that asset expire.

Loans and receivables are carried at amortized cost, with recognizable individual risks reflected in appropriate valuation adjustments. Additionally, a discount is booked for expected credit losses, which in the case of trade receivables is calculated by applying a weighting factor for different economic scenarios. Long-term, interest-free or non-interest-bearing receivables with terms of more than one year are recognized at the discounted net present value and adjusted for expected impairments, depending on the credit rating of the counter party. Receivables in foreign currencies are measured at the mean exchange rate on the balance sheet date.

Other investments classified as non-current assets are treated as equity instruments according to IFRS 9 and therefore measured at fair value through profit or loss, with gains and losses resulting from changes in fair values recognized in the financial result.

Securities held for short-term investment in investment funds, corporate debt instruments and equities and reported under short-term assets and measured at fair value, with changes in value being recognized in the income statement or in other comprehensive income, depending on their character (equity instrument or debt instrument). For listed securities the fair value is determined on the basis of stock exchange prices, whereas non-listed financial assets are measured on the basis of discounted cash flows in a DCF (discounted cash flow) model. Valuation gains and losses are recognized through profit or loss.

Derivative financial instruments: Derivative financial instruments are used exclusively to hedge risks arising from business operations. Foreign exchange futures are used to hedge transaction risks, and interest rate swaps serve to optimize the fixed and/or variable interest rate component of financial liabilities. Cross currency swaps are used to hedge net investments in foreign subsidiaries whose accounts are kept in a currency other than the euro. All derivative financial instruments are recognized at fair value upon conclusion of the contract and on the balance sheet date in accordance with IFRS 13, with the counterparty default risk being taken into account. Current stock exchange prices are used for listed financial instruments; for non-listed interest-related instruments, the fair values are determined by discounting future



payments by using the current market interest rate. According to IFRS 9, derivative financial instruments not used for hedge accounting are measured at fair value through profit or loss.

Hedge Accounting: Wienerberger applies the IFRS 9 rules to hedge balance sheet items (translation risk) and future cash flows (transaction risk). A cash flow hedge is defined as an instrument that provides protection against fluctuations in future cash flows from recognized assets or liabilities. Changes in the market value of an effective hedge are recognized in other comprehensive income in the hedging reserve, while non-effective components are recognized in profit or loss and shown under the financial result. The hedge of a net investment in a foreign business operation is treated in the same way, with all changes in the value of the effective component of the hedging instrument used shown under the hedging reserve. The hedged risk, i.e. the result from currency translation of the hedged investment, is recognized in other comprehensive income.

Non-current assets held for sale: Wienerberger owns land and buildings that are not used in business operations and intends to realize the value of these assets through a sale. In accordance with IFRS 5, non-current assets must be reclassified as held for sale when they are available for immediate sale in their present condition and their sale is highly probable within one year. If these requirements are met, the items are reported separately in the balance sheet and measured at the lower of the carrying amount or fair value less costs to sell. Scheduled depreciation is not recognized on assets held for sale.

Cash and cash equivalents include cash on hand, checks received, demand deposits and short-term investments as well as deposits with financial institutions that have a fixed term of up to three months.

Provisions for pensions: The Wienerberger Group has both defined contribution and defined benefit pension plans. Defined contribution plans carry no further obligation for the employer after the payment of premiums. The employer's contributions to these pension plans are reported under expenses for pensions. If any additional contributions have to be made by Wienerberger, the

provision will be recognized like the defined benefit commitments. Under defined benefit plans, the employee is promised a certain retirement benefit. The risk related to the actual retirement benefit is carried by the company up to the point of payment. The provisions for defined benefit pension plans are calculated according to the projected unit credit method. The valuation of pension commitments includes future increases in wages/salaries and pensions. The provisions for pensions are calculated by independent actuaries.

The provisions for pensions are netted with the pension plan assets that are held to cover commitments. In accordance with IAS 19, actuarial gains and losses are recognized under other comprehensive income as incurred after the deduction of deferred taxes. The interest component of post-employment benefits is reported separately in the financial result.

Expenses for additions to the provisions for pensions are allocated to the various functional areas. Commitments by US companies to cover medical costs for retired employees are recognized under provisions for pensions because of their pension-like character.

Provisions for severance compensation: Legal regulations grant Austrian employees the right to a lump-sum payment at retirement or termination by the employer, with the amount of the payment being dependent on the length of service. These future obligations are reflected in provisions for severance payments. There are similar obligations, among others, in France, Italy, Poland and Turkey. The provisions for severance compensation are calculated according to actuarial principles based on the projected unit credit method. For Austrian employees, whose employment started after December 31, 2002, the employer contributes 1.53% of the gross wage or salary each month to an employee severance compensation fund. This fund represents a defined contribution plan in accordance with IAS 19, and the related employer contributions are reported under severance expense.

Provisions for anniversary bonuses: A number of employees in the Wienerberger Group are entitled to long-service bonuses when they reach a specified number of years of employment with the company. Provisions are recognized for these obligations based on the projected unit credit method. Any actuarial gains or losses are recognized immediately through profit or loss.

Provisions for site restoration: In accordance with IAS 37, a provision for site restoration is created when a clay pit is purchased and is reported as an addition to non-current assets according to IAS 16. The underlying assumptions for these obligations are generally based on the regulations applicable in the respective countries. Non-current provisions that are expected to be used after 12 months are discounted and reported at their present value.

Provisions for warranties: Wienerberger provides manufacturer's warranties, especially for clay products, which assure the customer that the products concerned correspond to the contractually agreed specifications. As a rule, such warranties cannot be purchased separately. Such "assurance-type warranties" are recognized in the balance sheet under provisions for warranties according to IAS 37. To calculate the provisions for warranties, single risks are measured, and a risk total is calculated on the basis of empirical values from the past. To this end, losses experienced in the past are evaluated and the extent of potential obligations is derived by means of stochastic methods. "Service-type warranties" representing a separate performance obligation are not concluded with customers within the Wienerberger Group.

Other provisions: Other current obligations that result from a past event and are expected to lead to an outflow of resources, but whose timing or amount are uncertain, are recognized at their full cost in accordance with IAS 37 and reported as provisions.

Deferred taxes: In accordance with IAS 12, the calculation of deferred taxes includes all temporary valuation and accounting differences arising between the financial statements prepared for tax purposes and the IFRS financial statements. Deferred tax assets also include tax credit entitlements which arise from the expected use of existing losses carried forward in future years and whose realization is probable. These entitlements are calculated on the basis of planned operating results and the earnings effects from the reversal of taxable temporary differences. Deferred taxes are calculated using the tax rate expected to be in effect when these differences reverse in the future and are based on the local tax rate applicable to the individual Group company. Future changes in tax rates are included if the relevant legal amendment has been enacted as of the balance sheet date.

Financial liabilities: Liabilities are stated at the actual amount received, less transaction costs. Any premium, discount or other difference between the amount received and the repayment amount is distributed over the term of the liability according to the effective interest rate method and recognized in the financial result. Therefore, the measurement of these items reflects amortized cost. Foreign currency liabilities are translated at the exchange rate in effect on the balance sheet date. Wienerberger has not elected to use the option provided by IFRS 9, which permits the initial recognition of a financial liability at fair value through profit or loss.

Transfer prices: There are several regional supply and delivery relationships between the individual operating segments. Prices for the sale of goods between Group companies are established at arm's length terms based on the resale price method. Prices for the provision of services between Group companies are established at arm's length terms based on the cost-plus method.



37. Foreign exchange translation

The accounts of foreign companies are translated to euros based on the functional currency method. The relevant local currency is the functional currency in all cases, as these companies operate independently in financial, economic, and organizational terms. All balance sheet items, with the exception of equity, are translated at the closing rate at the end of the reporting year (i.e. December 31, 2021). Goodwill is recognized as an asset in local currency and is also translated at the closing rate on the balance sheet date for the consolidated financial statements. Expense and income items are translated at the average exchange rate for the year.

Unrealized currency translation differences arising from non-current Group loans are offset against the translation reserve without recognition in profit or loss. Currency translation differences arising from the use of the closing rate for the balance sheet and the average exchange rate for the income statement are also reported under other comprehensive income.

Cross currency swaps are used to limit the translation risk arising from the Group's business activities in the USA, Canada, Great Britain and certain countries in Eastern Europe. These transactions involve the conclusion of a cross currency swap equal to the value of the foreign currency assets to be hedged.

The major exchange rates used for foreign currency translation developed as follows during the reporting year:

	Closing rate on		Average rate for the year	
	31/12/2021	31/12/2020	2021	2020
British pound	0.84028	0.89903	0.85960	0.88970
Bulgarian lev	1.95583	1.95583	1.95583	1.95583
Danish krone	7.43640	7.44090	7.43703	7.45421
Canadian dollar	1.43930	1.56330	1.48257	1.52999
Croatian kuna	7.51560	7.55190	7.52841	7.53838
Norwegian krone	9.98880	10.47030	10.16333	10.72279
Polish zloty	4.59690	4.55970	4.56518	4.44305
Romanian lei	4.94900	4.86830	4.92148	4.83828
Russian ruble	85.30040	91.46710	87.15272	82.72480
Swedish krone	10.25030	10.03430	10.14646	10.48475
Swiss franc	1.03310	1.08020	1.08115	1.07052
Czech koruna	24.85800	26.24200	25.64049	26.45508
Turkish lira	15.23350	9.11310	10.51237	8.05472
Hungarian forint	369.19000	363.89000	358.51612	351.24938
US dollar	1.13260	1.22710	1.18274	1.14220

Risk Report

Principles of risk management

The conduct of global operations exposes the Wienerberger Group to a variety of risks that are inseparable from entrepreneurial activities. These risks have an effect on the business segments of the Group and on its assets, liabilities and planned commercial decisions.

Throughout the Group, Wienerberger focuses on the early identification and active management of risks in its operating environment. To this end, regular surveys are being performed among the Managing Board as well as the Business Unit managers and Corporate Function heads in charge in order to update the existing risk catalogue and to identify new risks. In the course of this process, strategic and operational risks are identified along the entire value chain. The impact of these risks on cash flow is assessed and appropriate risk mitigation strategies and measures are adopted and implemented.

Risk situation and operating risks relating to the Group's markets

As a producer of building materials, Wienerberger operates in a cyclical industry and belongs to the group of late cyclical companies that usually follow general economic cycles with a delay. These companies are dependent on developments in the economies that form the backdrop for their activities, in particular macro-economic developments, construction activity in both the residential and public (infrastructure) sectors and renovation. The development of business is also influenced by consumer confidence, the unemployment rate, long-term interest rates, the availability of financing, tax policies, building regulations and subsidies for housing construction, availability of labor for construction sites as well as other factors outside the Group's control. The economic cycles in the construction industry that influence Wienerberger's business are considerably longer than in other areas, with timing delays that also differ by market.

The unfavorable development of any or all of these factors can have a negative influence on the demand for Wienerberger products, both in terms of the volumes sold and the price levels. Cyclical fluctuations in demand lead to a risk of excess capacity, which may result in increased pressure on prices as well as a decline in

margins and/or revenues that fail to cover production costs. The building materials industry – and, as a part of this industry, also Wienerberger – is characterized by a high share of fixed costs as a percentage of total costs due to its capital-intensive nature, and active capacity management therefore represents a central instrument for corporate management. Production capacity is analyzed on a continuous basis and adjusted to reflect market demand through measures that include temporary or permanent plant closings as well as the relocation of production to more efficient facilities.

Wienerberger views the markets in Central and Eastern Europe as long-term growth markets due to the high pent-up demand for new residential construction and infrastructure. Weaker demand and increased pressure on prices in these growth markets can lead to increased risk for the Wienerberger Group.

Furthermore, Wienerberger competes with other building materials such as concrete, wood, limestone, glass, steel and aluminum, which exposes the Group to a risk of substitution. Our strong position as a quality leader and investments in the development of premium products should allow us to minimize substitution risks. In particular, these developments involve improvements in the physical properties as well as the economy of our products.

The building materials industry is subject to seasonal fluctuations, with substantially higher volumes being sold during the months from April to October than in the rest of the year. Similarly to the building materials industry, the earnings of the Wienerberger Group are in part dependent on the weather, since long frost and rain periods have a negative influence on demand through a decline in construction activity.

In order to avoid earnings fluctuations wherever possible, Wienerberger pursues a strategy of geographical diversification with parallel concentration on the core business. This core business covers clay blocks, roof tiles and facing bricks as well as pavers and pipe systems, and positions Wienerberger as a supplier of building material solutions for residential construction and infrastructure projects. Our activities are subject to the usual risks inherent in local markets, where positions must be repeatedly defended against competitors and substitute products. The Group's most important customer group is the building materials sector, and further market adjustments in this sector are expected to increase pressure and prices in the future. Specific market



situations can also have a negative impact on price levels, and Wienerberger therefore monitors its price strategy on a continuous basis.

As a multinational corporation, Wienerberger operates in countries that are in different stages of economic and social development. Unfavorable changes in political or economic conditions therefore represent additional sources of risk. The activities of the Wienerberger Group could also be materially affected by the following factors: changes in tax laws in individual markets, in the taxation of energy sources or in labor law; the effect of language and cultural differences on the coordination of international activities; the limitation of opportunities for the repatriation of profits; an increase in legal requirements for the utilization of raw materials; product standards and product liability law; and environmental and safety standards. In addition, some markets such as Russia and India, may carry a risk that production equipment can be expropriated without proper compensation. Especially in these markets, Wienerberger is additionally exposed to tax risks that could arise from a change in tax laws or the interpretation of existing tax laws. However, the company is not able to quantify the probability of occurrence or the extent of these potential risks at the present time.

The plastic pipe business is substantially influenced by the development of raw material prices, which usually correlate closely with the price of crude oil. Synthetic polymers comprise a major part of the production cost for plastic pipes. The volatility of raw material prices has increased considerably in recent years. Strong fluctuations within individual months require flexible pricing to limit the effects of these price changes and/or pass them on to the market. Fast price management is also a decisive factor for the sustainable protection of earnings. In addition to price risk, this business is exposed to a raw material supply risk. Any interruption in supplies would invariably disrupt production. With few exceptions, this risk is met by developing alternative suppliers for raw materials.

The economic outlook and targets of the Wienerberger Group for 2022 were also set before the outbreak of the Russia-Ukraine conflict. Its effects cannot yet be reliably estimated at the time of preparing the 2021 annual report. We will closely monitor developments and will be able to assess decision-making situations on site promptly thanks to our locally operating units. Wienerberger does not operate any production sites in Ukraine. Furthermore, the share of the Russian business in Group revenues is less than 1 %.

Procurement, production, investment and acquisition risks

Wienerberger has a modern and efficient plant network. Therefore, the risk of operating breakdowns or a longer loss of production due to technical problems is low. Supplies of clay raw materials for our plants are guaranteed on a lasting basis by sufficient deposits and long-term supply contracts.

The cost of energy for the firing of bricks represents a significant percentage of the Group's cost structure. In 2021 energy costs for the Wienerberger Group totaled TEUR 279,934 (2020: TEUR 249,894) or 7.0 % (2020: 7.4 %) of revenues. These expenses consist of 58 % for natural gas, 37 % for electricity and 5 % for other materials. Energy prices are dependent on international and local market developments and are subject to fluctuations.

Wienerberger minimizes the risk connected with rising energy prices in liberalized markets (in total, roughly 90 % of energy costs) by concluding futures contracts or fixed-price agreements with national and international suppliers. These prices are usually fixed on a long-term or medium-term basis. In a limited number of East European countries (in total, roughly 10 % of energy costs) the prices for natural gas are regulated by the federal government and contracts with local suppliers are negotiated each year.

In 2014, Wienerberger was granted carbon leakage status for its European brick operations. Based on a further qualitative evaluation performed in 2018, the brick industry has been included in the new carbon leakage list for the fourth trading period. This means that Wienerberger will enjoy carbon leakage status and therefore be allocated the major part of the CO₂ certificates it requires free of charge.

In addition to price risk Wienerberger is also exposed to energy supply risk (natural gas and electricity), in particular with respect to the current conflict between Russia and Ukraine. A disruption in supply inevitably results in a loss of production and can therefore have a negative effect on operating results if demand cannot be met from inventories.

Continuing optimization (operational excellence) and product innovations as well as internal and external growth projects are implemented to increase the value of Wienerberger. The future profitability of these projects is dependent to a large degree on the investment volume and/or acquisition price as well as the development of the market. For this reason, all growth projects

must meet the defined return on investment criteria for the Group's bolt-on and strategic projects. The entry into new markets is also connected with risks involving competition, planning accuracy and the evaluation of the political situation as well as the successful, profitable development of business. New projects are therefore analyzed extensively in advance, both from a qualitative and quantitative standpoint.

Financial risks

In addition to financing risk, operating activities expose Wienerberger to interest rate and exchange rate risks. Derivative financial instruments, in particular forward exchange contracts and interest rate swaps, as well as operational measures are used to limit and manage this risk. All cash flow hedges and hedges of investments in foreign operations are classified as highly effective as a means of offsetting the hedged risks in keeping with risk management objectives. No derivatives are held for speculative purposes.

The refinancing sources open to Wienerberger are determined by numerous financial, macroeconomic and other factors beyond the control of management. These factors include covenants in the existing and future debt arrangements as well as the maintenance of the current rating. According to these covenants, the ratio of net debt to EBITDA may not exceed 3.9 years; this indicator equaled 1.6 years as of December 31, 2021. Part of earnings is used to pay interest and is therefore not available for other purposes. If the Group's rating should deteriorate or covenants are not met, interest expense could

rise due to an increase in the credit risk premium and lead to higher financing costs and lower cash flow. The failure to comply with covenants could also result in a loan becoming due immediately.

Exchange rate risks

A significant portion of the revenues and earnings of the Wienerberger Group is generated by subsidiaries whose headquarters are not located in the euro zone. Wienerberger recorded 55 % of its revenues for the reporting year in currencies other than the euro, predominantly East European currencies (22 %), the British pound (12 %) and the US dollar (12 %). The exchange rate risk connected with cash flows is immaterial due to the local nature of the building materials business. Cash flows into or out of the euro region are primarily related to Group dividends or loans and the sale of goods and services. The foreign exchange risk on these intragroup cash flows is managed by the holding company.

Credit financing for the purchase of current assets is concluded in the local currency of the individual companies because of the decentralized structure of the Wienerberger Group. Foreign exchange risk in the financing area is therefore reduced to a minimum, since the Group companies generally issue their invoices in local currency and these transactions form a natural hedge. The exposure of financial liabilities to foreign exchange risk is discussed in Note 34. Financial instruments.

However, the translation of foreign company financial statements into the euro results in currency translation differences (translation risk), which are recognized in other comprehensive income under foreign exchange adjustments. The revenues, earnings, and balance sheet items of companies not headquartered in the euro region are therefore dependent on the relevant euro exchange rate.



The Wienerberger risk strategy calls for reducing the translation risk arising from net investments in foreign subsidiaries to a certain extent through hedging. The following table shows Group revenues and capital

employed by currency, with the calculation of capital employed including the effects of forward exchange contracts and foreign currency swaps:

Revenues	2021		2020	
	in MEUR	Share in %	in MEUR	Share in %
Euro	1,787.7	45	1,591.7	47
East European currencies	864.7	22	754.6	22
British pound	459.8	12	340.0	10
US dollar	459.4	12	301.9	9
Other	399.7	9	366.4	12
Group revenues	3,971.3	100	3,354.6	100

Capital employed	2021		2020	
	in MEUR	Share in %	in MEUR	Share in %
Euro	2,193.0	68	1,747.1	68
East European currencies	431.5	13	416.4	16
US dollar	253.0	8	188.4	7
British pound	189.2	6	83.4	3
Other	181.4	5	158.8	6
Capital employed after hedging effect	3,248.1	100	2,594.1	100

The effects of a hypothetical change in foreign exchange rates on the consolidated income statement and the consolidated statement of comprehensive income are shown through sensitivity analyses. For the purpose of this presentation, an annual volatility is assumed as of the balance sheet date. This volatility is calculated on the basis of the daily change in the relevant exchange rate against the euro. In accordance with IFRS 7, foreign exchange risks result from monetary financial instruments not denominated in the functional currency of the reporting entity. Consequently, receivables,

liabilities, cash and cash equivalents as well as derivative foreign-currency financial instruments form the basis of the calculation of the sensitivity of the consolidated income statement. The sensitivity of the consolidated statement of comprehensive income reflects the differences of long-term loans to subsidiaries as well as valuation effects of cash flow hedges for currency risks reported in other comprehensive income. Translation differences arising from the translation of financial statements prepared in a currency other than the euro were not included in the calculation.

A change in the annual volatility of the euro against the most relevant exchange rates as of the reporting date would affect the consolidated income statement and the consolidated statement of comprehensive income as follows:

Sensitivity of the consolidated income statement

in TEUR	2021			2020		
	Annual volatility	if the euro depreciates	if the euro appreciates	Annual volatility	if the euro depreciates	if the euro appreciates
EUR/USD	5.60 %	-6,560	6,560	7.49 %	114	-114
EUR/GBP	5.19 %	846	-846	8.83 %	471	-471
EUR/NOK	8.69 %	817	-817	15.79 %	1,466	-1,466
EUR/PLN	5.26 %	608	-608	7.49 %	373	-373
EUR/SEK	5.34 %	463	-463	8.04 %	371	-371
EUR/HUF	6.11 %	411	-411	8.17 %	192	-192
USD/TRY	36.12 %	-328	328	14.14 %	-31	31

Sensitivity of the consolidated statement of comprehensive income

in TEUR	2021			2020		
	Annual volatility	if the euro depreciates	if the euro appreciates	Annual volatility	if the euro depreciates	if the euro appreciates
EUR/USD	5.60 %	8,227	-8,227	7.49 %	16,513	-16,513
EUR/NOK	8.69 %	2,796	-2,796	15.79 %	4,434	-4,434
EUR/CAD	6.49 %	2,139	-2,139	8.77 %	-21	21
EUR/GBP	5.19 %	-2,090	2,090	8.83 %	-7,214	7,214
EUR/PLN	5.26 %	775	-775	7.49 %	362	-362
EUR/RUB	9.51 %	606	-606	21.24 %	2,598	-2,598

Interest rate risks

Interest rate risk is comprised of two components: the relevant value of the average term for the Group's financing and the separation into fixed and variable interest rates. The risk associated with fixed interest rates lies in a possible decline in interest rate levels, while the risk associated with variable interest rates arises from the possibility of an increase in interest rates. A parallel upward shift of 100 basis points in interest rates would have increased profit after tax by MEUR 0.9 (2020: increase of MEUR 2.9) and, through this change in the income statement, also changed equity by the same amount. A decrease of 100 basis points in interest rates would have decreased (2020: decreased) profit after tax and equity by the same amount.

The risk position of Wienerberger AG with respect to the interest rate risks arising from liabilities with fixed and variable interest rates is explained below.

In order to analyze interest rate risk (fixed and variable interest rates), financial liabilities (see pages 290 to 292) are adjusted for the effects of derivative instruments (hedging) and short-term fixed-interest financial liabilities are treated as variable interest items. Sensitivity analyses were carried out on fixed interest and variable interest financial liabilities to estimate the impact on earnings and equity.



in TEUR	2021		2020	
	Fixed interest rate	Variable interest rate	Fixed interest rate	Variable interest rate
Interest-bearing loans	1,045,583	493,520	1,286,249	311,266
Reclassification of short-term fixed interest rate loans	-68,824	68,824	-288,057	288,057
Effects of derivative instruments (hedging)	218,000	-218,000	68,000	-68,000
Financial liabilities after hedging effects	1,194,759	344,344	1,066,192	531,323

Credit risks

Wienerberger has established strict requirements for the credit standing of its financial partners, which are defined in internal financial and treasury guidelines. The credit risk connected with the investment of liquid funds and securities is limited because Wienerberger works only with financing partners whose credit rating leads to expectations of a sound financial standing and sets counterparty limits based

on this credit rating. However, financial partners with an excellent rating can also pose a credit risk and Wienerberger therefore continuously monitors developments on financial markets and adjusts credit limits accordingly. The following table shows the maximum exposure of trade receivables and miscellaneous receivables (including receivables from current taxes) to credit risks as of December 31, 2021, classified by region:

Credit risk	2021		2020	
	in MEUR	Share in %	in MEUR	Share in %
Western Europe	259.3	56	188.3	58
Central-Eastern Europe	97.6	21	87.2	27
North America	95.8	21	35.3	11
Other	10.3	2	11.9	4
Total trade receivables and miscellaneous receivables	463.0	100	322.7	100
thereof insured against default	244.5		171.6	

Trade receivables consist primarily of receivables due from building material retailers and large customers. If an amount is overdue for more than 360 days, default is assumed, and the receivable is written off in its entirety.

Receivables are derecognized when there is a legal basis for the assumptions that no more payments will be received.

The following table shows the age structure of trade receivables and impairment charges to trade receivables:

	2021			2020		
	Gross receivable	Loss - allowance	Carrying amount	Gross receivable	Loss - allowance	Carrying amount
in MEUR						
Not due	292.2	-1.4	290.8	187.4	-2.2	185.2
Up to 30 days overdue	41.6	-1.2	40.4	22.1	-0.6	21.5
31 to 60 days overdue	8.6	-1.0	7.6	7.2	-0.4	6.8
61 to 90 days overdue	2.7	-0.9	1.8	9.4	-8.0	1.4
More than 90 days overdue	14.6	-11.8	2.8	9.7	-5.8	3.9
Trade receivables	359.7	-16.3	343.4	235.8	-17.0	218.8

Loans granted and other long-term receivables primarily comprise receivables from financing activities in respect of companies included at equity and non-consolidated Group companies as well as receivables from the sale of extraction rights and the sale of the business activities in Switzerland. In the reporting year, impairments were calculated mainly for defaults expected in the following 12 months, as the assessment of the

counterparties' solvency has not changed materially. As a matter of principle, default is defined on the basis of generally recognized rating classes as well as externally available or internally calculated ratings. Additional information available internally is also used to assess the risk of default. On the balance sheet date, there were two receivables for which an expected credit loss was assumed over the residual term.

Loans granted and other long-term receivables can be classified by rating class as follows:

Rating categories	2021			2020		
	Gross receivable	Loss - allowance	Carrying amount	Gross receivable	Loss - allowance	Carrying amount
in MEUR						
Grade 1: low risk	21.9	-0.1	21.8	53.1	-0.1	53.0
Grade 2: fair risk	29.3	-0.2	29.1	7.7	-0.1	7.6
(Partial) default	1.1	-0.8	0.3	1.1	-0.9	0.2
Loans granted and other non-current receivables	52.3	-1.1	51.2	61.9	-1.1	60.8



Loss allowances of trade receivables and loans granted can be reconciled as follows:

Loss allowance	2021		2020	
	Trade receivables	Loans and other non-current receivables	Trade receivables	Loans and other non-current receivables
in MEUR				
Balance on 1/1	17.0	1.1	17.1	0.9
Foreign exchange translation	0.0	0.0	-0.6	-0.1
Net impairment loss	0.7	0.0	1.6	0.3
Disposals	-1.4	0.0	-1.1	0.0
Balance on 31/12	16.3	1.1	17.0	1.1

Liquidity risks

The protection of liquidity and the preservation of a healthy financial base represent the focal points of the Wienerberger strategy. The most important instruments in this respect are the maximization of free cash flow through cost reduction, active working capital management and a cutback in investments to the necessary minimum.

Liquidity risks arise, above all, when cash flows from revenues fall below expectations because of weaker demand and the measures to reduce working capital and cash outflows for fixed costs (active capacity management) are not sufficient or can only be implemented with a delay.

Liquidity is managed on a regular basis, among others, on the basis of rolling quarterly liquidity planning as well as a regular analysis of the cash conversion cycle, which is based on average accounts payable turnover, inventory turnover and receivables conversion. The receivables conversion period averaged 23 days (2020: 22 days), the inventory turnover period averaged 80 days (2020: 87 days) and the payable turnover period averaged 42 days (2020: 36 days). This resulted in a cash conversion cycle of 61 days (2020: 73 days).

An analysis of the liquidity risks arising from liabilities is provided on page 289 (Analysis of contractual cash flows).

Legal risks

Business combinations may be subject to the approval of antitrust authorities, depending on the market position in individual countries and/or the size of the planned acquisition. These approval procedures could lead to delays or, in individual cases, to the prohibition of specific acquisitions or mergers. Wienerberger evaluates the antitrust risk associated with an acquisition together with national and international legal and business experts during the early stages of work on a project in order to minimize this risk. No acquisitions planned by the Group have ever been prohibited.

In connection with real estate transactions carried out in earlier years, Wienerberger AG is liable for possible contamination and the resulting damage during its ownership.

Other risks

Wienerberger is subject to extensive and increasingly strict environmental, health and safety laws (environment social governance, ESG) in many countries, which can lead to investments for compliance with these regulations. Failure to comply with these regulations could result in administrative fines, claims for damages or the withdrawal of operating permits.

Wienerberger plants exceed current legal requirements for the prevention of environmental damage, but the intensification of environmental standards presents the Group with a continuous range of new challenges. Legal commitments are identified and met through knowledge of current legal and contractual requirements as well as cooperation with experts and external consultants. Risks arising from the restoration of clay pits are part of the company's operating risk and are monitored continuously.

As a leading provider of building material and infrastructure solutions, we are committed to the transparent disclosure of climate-related opportunities as well as risks. The identification and analysis of climate-related risks is part of Wienerberger's overall approach to risk management. Since 2021, we have therefore supported the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) as regards the identification, analysis and assessment of physical and transition risks.

The risks associated with a breakdown of our centralized Group data processing system as the result of natural disasters have been minimized through the installation of redundant systems at facilities in different locations.

A number of building materials companies with operations in the USA are subject of class action suits from patients with asbestos-related diseases. After an examination of our US activities, we have classified this risk as minimal because none of our American subsidiaries has ever produced or sold asbestos products.

A number of older buildings of the Wienerberger Group contain a certain percentage of asbestos products. The company takes utmost care to ensure that such products do not constitute a direct threat to its staff and utilizes specialized services when removing such asbestos products.

The Wienerberger Group also competes with other firms in the labor market. In order to train future managers and prepare these persons for management positions, Wienerberger has developed curricula that include the Sales Academy, the Plant Manager Program and the Ready4Excellence Program. Wienerberger uses these programs and personalized training measures to optimally train its employees and to also strengthen their ties to the company (see the Wienerberger Sustainability Report for additional information).

The Covid-19 pandemic declared by the World Health Organization (WHO) on March 11, 2020, triggered strict health-related restrictions in some of the countries Wienerberger operates in. Wienerberger minimizes the risk of infection clusters at its sites through strictly regulated workflows and hygiene measures both in its plants and at its administrative locations.



Other disclosures

38. Related party transactions

The following companies and persons are considered to be related parties of Wienerberger: the members of the Supervisory and Managing Boards, associated companies, joint ventures and non-consolidated subsidiaries of Wienerberger AG as well as ANC Private Foundation and its affiliates. Transactions with companies in which members of the Supervisory Board of Wienerberger AG are active are conducted at arm's length conditions. Business relationships between the company and related parties, in particular members of the Managing and Supervisory Boards of Wienerberger AG, are disclosed in Note 12. Personnel expenses if any payments to these persons are involved.

ANC Private Foundation and its affiliates operates land-fill activities in Austria that were transferred by Wienerberger AG in 2001 and owns a limited amount of assets (in particular real estate and securities). The managing board of ANC Private Foundation consists of two members of Wienerberger top management, which allows Wienerberger to exercise control over the foundation. In accordance with IFRS 10, ANC Private Foundation cannot be consolidated because the shareholders of Wienerberger AG, and not the company itself, are entitled to the variable cash flows from the foundation. The total assets of ANC Private Foundation amounted to TEUR 32,853 as of December 31, 2021

(2020: TEUR 31,433) and consist primarily of land and buildings totaling TEUR 7,350 (2020: TEUR 8,008) and securities and liquid funds of TEUR 21,189 (2020: TEUR 17,519). The foundation had provisions of TEUR 11,071 (2020: TEUR 8,925) and no financial liabilities as of December 31, 2021.

Wienerberger AG and its subsidiaries finance associates, joint ventures and non-consolidated subsidiaries through loans granted at ordinary market conditions. The outstanding loan receivables due from joint ventures amounted to TEUR 16,494 as of December 31, 2021 (2020: TEUR 15,545), while the comparable amount for non-consolidated subsidiaries was TEUR 4,912 (2020: TEUR 5,587). In addition, trade receivables due from joint ventures amounted to TEUR 419 (2020: TEUR 920), including the sale of an asset, while the comparable amount for non-consolidated subsidiaries was TEUR 27 (2020: TEUR 8) as of the balance sheet date. Revenues of TEUR 4,863 were recognized with joint ventures in 2021 (2020: TEUR 4,900).

Other related party transactions relate to clay supplies in the amount of TEUR 855 (2020: TEUR 587) as well as rental services of TEUR 316 (2020: TEUR 321) received by non-consolidated subsidiaries. In addition, products in the amount of TEUR 834 (2020: TEUR 889) were sold to a related party in the financial year 2021. Transactions with natural persons as related parties in the reporting year amounted to TEUR 270 (2020: TEUR 242).

39. Significant events after the balance sheet date

The economic outlook and targets of the Wienerberger Group for 2022 were set before the outbreak of the Russia-Ukraine conflict. Its effects cannot yet be reliably estimated at the time of preparing the 2021 annual report. Wienerberger does not operate any production sites in Ukraine. Furthermore, the share of the Russian business in Group revenues is less than 1% and the assets held by the two Russian companies are also of minor importance for the Wienerberger Group. The main risks for Wienerberger are therefore related to the economic and macro-economic effects of the crisis, such as possible energy supply shortages, high cost inflation, disruptions of supply chains, or potential extensive indirect effects of economic sanctions and foreign-exchange rate or price effects. As a result of these effects, certain expectations and assumptions may have to be revised in the future, which in turn may require adjustments to the valuation of certain assets or liabilities. The longer-term consequences may also have an impact on sales volumes, cash flows, or the profitability of the Group. Although, at this point in time, the Managing Board is not yet in a position to assess these effects and their consequences in concrete terms, precautions have already been taken, as far

as possible, to keep the negative impact on the Wienerberger Group as low as possible.

Based on the authorization granted by the 151st Annual General Meeting, the Managing Board of Wienerberger AG decided on March 4, 2022, to acquire up to 3,450,000 own shares during the period from March 9, 2022, to presumably June 30, 2022, at the market price via the stock exchange and via multilateral trading facilities. Up to approximately 3% of the share capital of Wienerberger AG can thus be bought back. The maximum amount of capital earmarked for this purpose is EUR 100 million. Since the start of the share buyback program on March 9, 2022 up to the preparation of these consolidated financial statements, 200,107 Wienerberger shares have been repurchased (repurchases are included up to and including March 14, 2022).

The consolidated financial statements were approved by the Managing Board of Wienerberger AG on March 16, 2022 and submitted to the Supervisory Board on March 25, 2022 for publication.

Vienna, March 16, 2022

The Managing Board of Wienerberger AG



Heimo Scheuch
Chief Executive Officer



Gerhard Hanke
Chief Financial Officer



Solveig Menard-Galli
COO Wienerberger
Building Solutions



Harald Schwarzmayr
COO Wienerberger
Piping Solutions



Statement by the Managing Board

We confirm to the best of our knowledge that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as required by the applicable accounting standards and that the Group management report gives a true and fair view of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties the Group faces.

We confirm to the best of our knowledge that the separate financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the parent company as required by the applicable accounting standards and that the management report gives a true and fair view of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties the company faces.

Vienna, March 16, 2022

The Managing Board of Wienerberger AG

Heimo Scheuch

Chief Executive Officer

Gerhard Hanke

Chief Financial Officer

Solveig Menard-Galli

COO Wienerberger
Building Solutions

Harald Schwarzmayr

COO Wienerberger
Piping Solutions

GROUP COMPANIES

Company	Headquarters	Share capital	Currency	Interest in %	Type of consolidation	Notes
Wienerberger International N.V.	Zaltbommel	50,001	EUR	100.00%	VK	
Wienerberger Roof Asset Management GmbH	Wien	35,000	EUR	100.00%	VK	
Wienerberger Österreich GmbH	Wien	5,000,000	EUR	100.00%	VK	
Wienerberger zRt.	Budapest	5,000,000	HUF	100.00%	VK	
Wienerberger s.r.o.	České Budějovice 1	50,000,000	CZK	100.00%	VK	
Cihelna Kinský, spol. s r. o.	Kostelec nad Orlicí	2,000,000	CZK	68.80%	VK	
Wienerberger eurostroj, spol. s r. o.	České Budějovice 1	32,100,000	CZK	100.00%	VK	
Silike keramika, spol. s r.o	České Budějovice 1	100,000	CZK	50.00%	EQ	
Wienerberger s.r.o.	Zlaté Moravce	3,319,392	EUR	100.00%	VK	
Wienerberger Ceramika Budowlana Sp. z o.o.	Warszawa	374,324,808	PLN	100.00%	VK	
Handel Ceramika Budowlana Sp. z o.o.	Warszawa	50,000	PLN	100.00%	OK	1)
Wienerberger d.o.o.	Karlovac	8,988,000	HRK	100.00%	VK	
IGM Ciglanja d.o.o. u likvidaciji	Petrinja	12,756,900	HRK	100.00%	VK	
Wienerberger d.o.o.	Sarajevo	2,000	BAM	100.00%	VK	
Wienerberger Opekarna Ormož d.o.o.	Križevci pri Ljutomeru	951,986	EUR	100.00%	VK	
Opekarna Pragersko d.o.o.	Pragersko	1,022,743	EUR	100.00%	VK	
Wienerberger Backa d.o.o	Kanjiza	651,652	EUR	100.00%	VK	
WIENERBERGER S.R.L.	Bucuresti	39,147,100	RON	100.00%	VK	
Wienerberger TOV („in liquidation“)	Kyiv	3,000,000	UAH	100.00%	VK	
Semmelrock International GmbH	Wien	3,000,000	EUR	100.00%	VK	
Semmelrock Baustoffindustrie GmbH	Wien	1,000,000	EUR	100.00%	VK	
Semmelrock Stein + Design GmbH	Wien	35,000	EUR	100.00%	VK	
Semmelrock Stein + Design GmbH & CoKG	Wien	100,000	EUR	100.00%	VK	
Semmelrock Industriebeteiligungsverwaltung GmbH	Wien	35,000	EUR	100.00%	VK	
Semmelrock Stein + Design Kft.	Ócsa	983,100,000	HUF	100.00%	VK	
SEMMELOCK STEIN + DESIGN Dlazby s.r.o.	Sered	3,027,286	EUR	100.00%	VK	
Semmelrock Stein + Design d.o.o.	Ogulin	22,870,000	HRK	100.00%	VK	
Semmelrock Stein + Design Sp. z o.o.	Warsaw	46,000,000	PLN	100.00%	VK	
Semmelrock Stein + Design S.R.L.	Bolintin-Vale	1,328,400	RON	100.00%	VK	
Semmelrock Stein + Design Dlazby s.r.o.	Ledcice	2,000,000	CZK	100.00%	VK	
Semmelrock Stein und Design EOOD	Sofia	11,500,000	BGN	100.00%	VK	
Wienerberger GmbH	Hannover	9.500.000	EUR	100.00%	VK	
Schlagmann Beteiligungs GmbH	Zeilarn	26,000	EUR	50.00%	OK	1)
Schlagmann Poroton GmbH & Co KG	Zeilarn	10,300,000	EUR	50.00%	EQ	
Schlagmann Poroton Vertriebs GmbH	Zeilarn	25,000	EUR	50.00%		4)
Tongruben Verwaltungs GmbH	Hannover	26,000	EUR	100.00%	OK	1)
Argeton GmbH	Hannover	100,000	EUR	100.00%	VK	
Wienerberger Deutschland Service GmbH	Hannover	1,000,000	EUR	100.00%	VK	
RM 2964 Vermögensverwaltungs GmbH	Zeilarn	25,000	EUR	50.00%		4)
MR Erwerbs GmbH & Co. KG	Zeilarn	50,000	EUR	50.00%		4)



Company	Headquarters	Share capital	Currency	Interest in %	Type of consolidation	Notes
Redbloc Elemente GmbH	Plattling	25,000	EUR	15.00%		4)
Redbloc Systems Deutschland GmbH	Plattling	25,000	EUR	12.50%		4)
Ammonit Vermögensverwaltungs GmbH	Hannover	25,000	EUR	100.00%	VK	
Ammonit GmbH. & Co. KG	Hannover	100	EUR	100.00%	VK	
Wienerberger S.p.A.	Mordano	10,000,000	EUR	100.00%	VK	
Fornaci Giuliane S.r.l.	Cormons	100,000	EUR	30.00%	EQ	
Wienerberger NV	Kortrijk	47,557,745	EUR	100.00%	VK	
Wienerberger Asset Management NV	Zonnebeke	5,240,053	EUR	100.00%	VK	
Deva-Kort NV	Kortemark	247,894	EUR	100.00%	VK	
TV Vanheede-Wienerberger	Kortrijk	0	EUR	50.00%	EQ	
Struxura BV	Poperinge	20,000	EUR	100.00%	VKE	
Struxys BV	Poperinge	18,600	EUR	100.00%	VKE	
Wienerberger B.V.	Zaltbommel	36,778,680	EUR	100.00%	VK	
Van Hesteren & Janssens B.V.	Zaltbommel	363,024	EUR	100.00%	VK	
BrickTrading Holland B.V.	Zaltbommel	18,000	EUR	100.00%	VK	
German Brick Trading B.V.	Zaltbommel	249,700	EUR	100.00%	VK	
Aberson B.V.	Zwolle	60,000	EUR	100.00%	VK	
Aberson SmartBuild BV	Zwolle	1	EUR	100.00%	VK	
DEKO Beheer BV	Elst	18,000	EUR	100.00%	VK	
Bricks BV	Elst	15,750	EUR	100.00%	VK	
Bricks GBMH	Rhede	25,000	EUR	100.00%	VK	
Deko Industrieel BV	Elst	1,000	EUR	100.00%	VK	
Deko Mobiele Steenzagerij BV	Elst	10,000	EUR	100.00%	VK	
Deko Produkten BV	Elst	18,000	EUR	100.00%	VK	
Deko Solutions BV	Elst	1,000	EUR	100.00%	VK	
Deko Steenzagerij BV	Elst	18,000	EUR	100.00%	VK	
Steinzentrale Nord Leeuwis GmbH	Rellingen	52,500	EUR	100.00%	VK	
EXA IP B.V.	The Hague	100	EUR	50%	EQE	
Wienerberger Limited	Cheadle	81,120,552	GBP	100.00%	VK	
Galileo Brick Limited (in Liquidation)	Cheadle	2,000,000	GBP	100.00%	VK	
Chelwood Group Unlimited (in Liquidation)	Cheadle	1	GBP	100.00%	VK	
The Brick Business Limited (in Liquidation)	Cheadle	900,002	GBP	100.00%	VK	
Sandtoft Roof Tiles Limited	Cheadle	11,029	GBP	100.00%	VK	
Building Product Design Limited	Sale	612,720	GBP	100.00%	VK	
Richmond GmbH	Königswinter	25,000	EUR	100.00%	VK	
WIENERBERGER PARTICIPATIONS SAS	Achenheim	36,000,000	EUR	100.00%	VK	
WIENERBERGER SAS	Achenheim	63,000,000	EUR	100.00%	VK	
Briqueterie de Rouffach SAS	Achenheim	336,120	EUR	100.00%	VK	

Company	Headquarters	Share capital	Currency	Interest in %	Type of consolidation	Notes
Egersund Wienerberger A/S	Helsingø	11,765,882	DKK	85.00%	VK	
Wienerberger AS	Oslo	43,546,575	NOK	85.00%	VK	
Wienerberger AB	Malmö	17,550,000	SEK	85.00%	VK	
Egersund Wienerberger Production A/S	Sonderborg	1,602,000	DKK	85.00%	VK	
Egersund Tegl a.m.b.a.	Egersund	9,000,000	DKK	85.00%	VK	
General Shale Brick Inc.	Johnson City	1,000	USD	100.00%	VK	
General Shale Building Materials, Inc.	Johnson City	1,000	USD	100.00%	VK	
Watson town Brick Company	Watson town	72,050	USD	100.00%	VK	
Pipelife Jet Stream, Inc.	Siloam Springs	0	USD	100.00%	VK	
Meridian Brick LLC	Alpharetta	0	USD	100.00%	VKE	
Arriscraft Canada Inc.	Halifax	18.500.000	CAD	100.00%	VK	
Meridian Brick Canada Ltd	Vancouver	1	CAD	100.00%	VKE	
Wienerberger EOOD	Sofia	12,500,000	BGN	100.00%	VK	
Uspeh AD	Sofia	2,141,220	BGN	99.66%	VK	
ООО „Wienerberger Kirpitsch“	Kiprevo	612,694,577	RUB	100.00%	VK	
ООО „Wienerberger Kurkachi“	Kurkachi	568,418,785	RUB	100.00%	VK	
Wienerberger OY AB	Helsinki	1,000,000	EUR	100.00%	VK	
Wienerberger AS	Aseri	1,540,736	EUR	100.00%	VK	
UAB Wienerberger Statybina Keramika	Vilnius	2,925	EUR	100.00%	VK	
Wienerberger India Private Limited	Bangalore	990,000,000	INR	100.00%	VK	
WBI Industries Private Limited	Chennai	1,000,000	INR	100.00%	VK	
PIPELIFE International GmbH	Wien	29,000,000	EUR	100.00%	VK	2)
PIPELIFE Austria GmbH & Co KG	Wien	4,360,370	EUR	100.00%	VK	
PIPELIFE Austria GmbH	Wien	36,337	EUR	100.00%	VK	
Pipelife Always Part of your Life GmbH	Wien	35,000	EUR	100.00%	VKE	
Pipelife Pipes for Life GmbH	Wien	35,000	EUR	100.00%	VKE	
Pipelife Belgium NV	Kalmthout	510,926	EUR	100.00%	VK	
Pipelife Bulgaria EOOD	Botevgrad	30,000	BGN	100.00%	VK	
Pipelife Czech s.r.o.	Otrokovice	202,971,000	CZK	100.00%	VK	
PIPELIFE Deutschland Asset Management GmbH	Bad Zwischenahn	26,000	EUR	100.00%	VK	
PIPELIFE Deutschland GmbH & Co. KG Bad Zwischenahn	Bad Zwischenahn	5,000	EUR	100.00%	VK	
PIPELIFE Deutschland Verwaltungs-GmbH Bad Zwischenahn	Bad Zwischenahn	5,726,469	EUR	100.00%	VK	
Pipelife Eesti AS	Harjumaa	25,024	EUR	100.00%	VK	



Company	Headquarters	Share capital	Currency	Interest in %	Type of consolidation	Notes
Pipelife Finland OY	Oulu	33,637	EUR	100.00%	VK	
Talokaivo Oy	Vantaa	2,000,000	EUR	100.00%	VK	
Pipelife France SNC	Gaillon	35,605,800	EUR	100.00%	VK	
Pipelife Hellas S.A.	Thiva	2,343,999	EUR	100.00%	VK	
PIPELIFE-HRVATSKA cijevni sustavi d.o.o.	Sveta Nedelja	47,171,500	HRK	100.00%	VK	
Pipelife Hungaria Kft.	Debrecen	3,123,520,000	HUF	100.00%	VK	
QUALITY PLASTICS HOLDINGS LTD	Cork	635,000	EUR	100.00%	VK	
Farranview Unlimited Company (in Liquidation)	Cork	43,000	EUR	100.00%	VKE	
Cherry Blossom Avenue Limited	Cork	343,503	EUR	100.00%	VKE	
PIPELIFE IRELAND LTD	Cork	254	EUR	100.00%	VK	
Cork Plastics Ventures Limited	Cork	340,000	EUR	100.00%	VKE	
Cork Plastics Networks Limited	Cork	72,916	EUR	100.00%	VKE	
Cork Plastics Manufacturing Limited	Cork	487,500	EUR	100.00%	VKE	
Cork Plastics Limited	Cork	624	EUR	100.00%	VKE	
Kenfern Investments Ltd (in Liquidation)	Cork	447	EUR	100.00%	OK	1)
Pipelife UK Ltd	Corby	244,001	GBP	100.00%	VK	
FloPlast Limited	Sittingbourne	30,000	GBP	100.00%	VKE	
Pipelife Latvia SIA	Riga	426,600	EUR	100.00%	VK	
Pipelife Opco BV	Enkhuizen	1	EUR	100.00%	OKE	1)
Pipelife Nederland B.V.	Enkhuizen	11,344,505	EUR	100.00%	VK	
Pipelife Finance B.V.	Enkhuizen	18,000	EUR	100.00%	VK	
Inter Act B.V.	Apeldoorn	1	EUR	100.00%	VK	
Inter ACT industrial automation B.V.	Apeldoorn	20,000	EUR	100.00%	VK	
TeleControlNet B.V.	Apeldoorn	20,000	EUR	100.00%	VK	
Inter Act GmbH.	Nordhorn	25,000	EUR	100.00%	VK	
Pipelife Norge AS	Surnadal	50,000,000	NOK	100.00%	VK	
Pipelife Polska S.A.	Krokowa	112,243,963	PLN	100.00%	VK	
Pipelife Romania S.R.L.	Bucuresti	7,323,115	RON	100.00%	VK	
Pipelife Serbia d.o.o.	Beograd	168,493,895	RSD	100.00%	VK	
Pipelife RUS LLC	Zhukov	104,458,072	RUB	100.00%	VK	
Pipelife Hafab AB	Haparanda	3,000,000	SEK	100.00%	VK	
Pipelife Nordic AB	Ölsremma	167,000,000	SEK	100.00%	VK	
Pipelife Sverige AB	Ljung	3,600,000	SEK	100.00%	VK	
Isoterm AB	Stenkullen	200,000	SEK	100.00%	VK	
Pipelife Slovenija d.o.o.	Trzin	843,258	EUR	100.00%	VK	
Pipelife Slovakia s r.o.	Piestany	6,700	EUR	100.00%	VK	
Arili Plastik Sanayii A.S.	Pendik/Istanbul	39,616,800	TRY	100.00%	VK	
Preflexibel Invest NV	Ninove	1,200,000	EUR	100.00%	VK	
Preflexibel NV	Ninove	312,000	EUR	100.00%	VK	
Preflexibel France SAS	Salindres	370,000	EUR	100.00%	VK	
Preflex France SAS	Salindres	46,500	EUR	100.00%	VK	

Company	Headquarters	Share capital	Currency	Interest in %	Type of consolidation	Notes
Wienerberger Dach Beteiligungs GmbH	Wien	500,000	ATS	100.00%	VK	
WIBRA Tondachziegel Beteiligungs-GmbH	Wien	500,000	ATS	100.00%	VK	
Tondach Beteiligungs GmbH	Wien	200,000	EUR	100.00%	VK	
Tondach Gleinstätten GmbH	Gleinstätten	500,000	EUR	100.00%	VK	3)
Wienerberger doo Kanjiza	Kanjiza	605,394,000	RSD	100.00%	VK	
Wienerberger DOOEL Vinica	Vinica	349,460,010	MKD	100.00%	VK	
TONDACH Ingatlanhasznosító Zrt.	Budapest	5,000,000	HUF	100.00%	VK	
TONDACH ROMANIA SRL	Sibiu	36,137,155	RON	100.00%	VK	
TONDACH BOSNA I HERCEGOVINA d.o.o.	Sarajevo	200,000	BAM	80.00%	EQ	
Wienerberger Anteilsverwaltung GmbH	Wien	35,000	EUR	100.00%	VK	
Tondach Holding GmbH	Wien	35,000	EUR	100.00%	VK	
Wienerberger Industriebeteiligungsverwaltung GmbH	Wien	35,000	EUR	100.00%	VK	
Wienerberger Finance Service B.V.	Zaltbommel	18,151	EUR	100.00%	VK	
Wienerberger Finanz Service GmbH	Wien	25,435,492	EUR	100.00%	VK	
Wienerberger West European Holding GmbH	Wien	35,000	EUR	100.00%	VK	
Dryfix GmbH	Wien	35,000	EUR	100.00%	VK	
Interbran Baustoff GmbH	Worms	25,000	EUR	30.00%	EQ	
German Perlite Ltd.	Tiflis	0	GEL	30.00%		5)
Wienerberger Gamma Asset Management GmbH	Wien	35,000	EUR	100.00%	VK	
Steinzeug-Keramo GmbH	Frechen	18,408,000	EUR	100.00%	VK	
Steinzeug - Keramo NV	Hasselt	9,400,000	EUR	100.00%	VK	
Keramo-Wienerberger Immo NV	Hasselt	14,068,558	EUR	100.00%	VK	
SOCIETA DEL GRES S.p.A.	Sorisole	2,000,000	EUR	100.00%	VK	
Steinzeug Keramo s.r.o.	České Budějovice	40,000,000	CZK	100.00%	VK	
Steinzeug - Keramo SARL	Marolles-en-Hurepoix	38,125	EUR	100.00%	VK	
Steinzeug-Keramo Sp. z o.o.	Piekary Slaskie	2,000,000	PLN	100.00%	VK	

VK = Full consolidation

VKE = First time full consolidation

QU = Quota consolidation

QUE = First time quota consolidation

EQ = At equity consolidation

EQE = First time at equity consolidation

OK = No consolidation

OKE = First time no consolidation

1) Immaterial

2) Holding company of the Pipelife Group

3) Holding company of the Gleinstätten Group

4) Subsidiary of Schlagmann Poroton GmbH & Co KG

5) Subsidiary of Interbran Baustoff GmbH



Auditor's report

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Wienerberger AG, Vienna, and its subsidiaries (the Group), which comprise the consolidated balance sheet as at December 31, 2021, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year then ended, and notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements comply with legal requirements and give a true and fair view of the consolidated financial position of the Group as at December 31, 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and the additional requirements under section 245a UGB.

Basis for Opinion

We conducted our audit in accordance with Regulation (EU) No. 537/2014 and with the Austrian Generally Accepted Auditing Standards. Those standards require the application of the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with laws and regulations applicable in Austria, and we have fulfilled our other professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained up to the date of our report is sufficient and appropriate to provide a basis for our opinion as of that date.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The following matters were of most significance for our audit:

1. Assessment of the carrying value of goodwill
2. Assessment of the carrying value of property, plant and equipment

1. Assessment of the carrying value of goodwill

Description and Issue

Goodwill represents a significant amount on the balance sheet (EUR 488 million). The carrying amounts of the assets of the respective cash generating units are compared to their recoverable amount, which represents the higher of fair value less costs of disposal and the value in use. An impairment loss is recognized when the recoverable amount is lower than the carrying amount. The value in use calculation involves significant estimates and forward-looking assumptions by management concerning the expected cash surpluses and the cost of capital. Small changes in the assumptions used in determining the value in use can result in materially different outcomes of the impairment tests.

Management describes the approach to assess the carrying value of goodwill in the Section "General Information" in Note 6 "Estimates and Judgements" in the notes to the financial statements. The allocation of the goodwill to the respective cash generating units and the assumptions and valuation results are described in Note 22 "Non-current assets".

The valuation model used for the impairment test necessitates a large number of input factors for the assessment of the market. In case of negative changes in the future development of the assumptions there is a risk that the goodwill is overstated. Due to the complexity of the valuation model and the dependence of the outcome of the impairment test on the management's assessment of the input factors this matter was of particular importance for our audit.



Our Response

We have challenged the parameters used for the impairment testing with entity and industry specific information as well as market expectations from internal and external sources and have assessed the appropriateness of the valuation model. Furthermore, we gained an overview of the planning process and have critically reviewed the back testing performed by the management. We have assessed the consistency of the future cash flows used in the calculation by comparing them to the budgets approved by the supervisory board.

For the verification of the capital costs by the means of a comparative analysis, we have used internal experts.

In cases where the fair value less costs of disposal was used as recoverable amount in the impairment test, we have also involved internal experts to validate the assumptions made in the valuation.

2. Assessment of the carrying value of property, plant and equipment

Description and Issue

The carrying value of property, plant and equipment amounts to EUR 2.116 million, representing 43% of the total assets shown on the consolidated balance sheet of Wienerberger AG. Management assesses on an annual basis, or whenever triggering events are identified, whether the carrying value of property, plant and equipment is impaired. For purposes of the impairment testing within a division plants are aggregated to groups of cash generating units. The carrying amount of the assets is compared to the recoverable amount, which represents the higher of fair value less costs of disposal and the value in use. An impairment loss is recognized when the recoverable amount is lower than the carrying amount.

Management describes the approach to assess the carrying value of property, plant and equipment in the Section "General Information" in Note 6 "Estimates and Judgements" in the notes to the financial statements. The details of the valuation method and the assumptions and valuation results are described in Note 22 "Non-current assets".

The impairment tests involve complex calculations and the assumptions include a degree of uncertainty regarding the future development of cash flows and discount rates. Minor changes in the assumptions can have a significant effect on the outcome of the impairment tests. Therefore, this matter was of particular importance for our audit.

Our Response

We performed similar procedures to those described above in relation to property, plant and equipment impairment testing in respect of the key assumptions used in the impairment model. Therefore, we refer to the section above for further details.

Other Information

Management is responsible for the other information. The other information comprises all information in the annual report, but does not include the consolidated financial statements, the consolidated management report and our auditor's report thereon. We obtained the consolidated corporate governance report (except for the Report of the Supervisory Board included therein) and the consolidated non-financial report prior to the date of this auditor's report, the other parts of the annual report are expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. With respect to the information in the consolidated management report we refer to the section "Report on the Audit of the Consolidated Management Report".

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, the additional requirements under section 245a UGB and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Group's financial reporting process.



Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Regulation (EU) No 537/2014 and with Austrian Generally Accepted Auditing Standards, which require the application of the ISAs, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis on these consolidated financial statements.

As part of an audit in accordance with Regulation (EU) No 537/2014 and with Austrian Generally Accepted Auditing Standards, which require the application of the ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit.

We also:

- › Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- › Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- › Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- › Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- › Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- › We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Audit of the Consolidated Management Report

Pursuant to statutory provisions, the consolidated management report is to be audited as to whether it is consistent with the consolidated financial statements and whether it has been prepared in accordance with the applicable legal requirements.

Management is responsible for the preparation of the consolidated management report in accordance with the Austrian Commercial Code.

We conducted our audit in accordance with laws and regulations applicable with respect to the consolidated management report.

Opinion

In our opinion, the consolidated management report is prepared in accordance with the applicable legal requirements, includes appropriate disclosures according to section 243a UGB and is consistent with the consolidated financial statements.

Statement

In the light of the knowledge and understanding of the Group and its environment obtained in the course of our audit of the consolidated financial statements, we have not identified material misstatements in the consolidated management report.



Other Matters which we are required to address according to Article 10 of Regulation (EU) No 537/2014

We were appointed as auditors by the annual general meeting on May 4, 2021 and commissioned by the supervisory board on May 31, 2021 to audit the consolidated financial statements for the financial year ending December 31, 2021. We have been auditing the Group since the financial year ending December 31, 2017.

We confirm that our opinion expressed in the section "Report on the Audit of the Consolidated Financial Statements" is consistent with the additional report to the audit committee referred to in Article 11 of Regulation (EU) No 537/2014.

We declare that we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 and that we remained independent of the Group in conducting the audit.

Engagement Partner

The engagement partner responsible for the audit is Gerhard Marterbauer.

Vienna, März 17, 2022

Deloitte Audit Wirtschaftsprüfungs GmbH

Mag. Gerhard Marterbauer
Certified Public Accountant

This report is a translation of the audit report according to section 273 of the Austrian Commercial Code (UGB). The translation is presented for the convenience of the reader only. The German wording of the audit report is solely valid and is the only legally binding version. Section 281(2) UGB applies.

wienerberger

SERVICE



Glossary

Explanatory Notes on Management Report and Financial Statements

ADR American Depositary Receipt: deposit certificates that confirm ownership of a foreign stock and are traded on US stock exchanges or over-the-counter as shares; US banks buy stock and issue ADR's in order to give foreign companies access to the US capital market

Asset coverage Equity divided by non-current assets; indicates the percentage to which land, buildings, machinery etc. are covered by equity

ATX Abbreviation for the "Austrian Traded Index" of the Vienna Stock Exchange

Bearer shares Shares that are not issued to a specific person; the rights to these securities accrue to the person holding them

Capital employed (CE) Equity plus interest-bearing debt (incl. net intercompany balance) less liquid funds and financial assets; the sum of capital engaged in a company

Clay block Brick made of burned clay, used for load-bearing exterior monolithic or cavity walls as well as for interior walls

Clay roof tile Roof tile made of burned clay in various shapes and colors

Common shares Shares that carry full rights in a stock corporation (including participation in the Annual General Meetings, voting rights and dividend rights)

Corporate governance Rules for the responsible management and control of companies that are set forth in the Austrian Corporate Governance Code

Covenant (financial) A clause in a credit agreement that obliges the borrower not to exceed or fall below a specific indicator

Cross currency swap Agreement between contract partners to exchange cash flows in two different currencies over a certain period of time; a hedge against foreign currency fluctuations

Deferred taxes The result of temporary differences in income recognition between tax law and the individual and consolidated financial statements prepared accounting to IFRS

Depreciation ratio Depreciation (excluding impairment charges to goodwill and assets) as a percentage of revenues

Dividend yield Ratio of the dividend per share paid out to the share price

EBIT Earnings before interest and taxes, or operating profit

EBIT, operating EBIT adjusted for impairment charges to goodwill and assets as well as the reversal of impairment charges to assets

EBITDA Earnings before interest, taxes, depreciation and amortization, or operating profit before depreciation and amortization = gross cash flow

EBITDA LFL EBITDA adjusted for effects of changes in the scope of consolidation, foreign exchange effects, disposal of non-core and core assets and structural adjustments

EBITDA margin EBITDA divided by revenues

Equity method Valuation method used for the consolidation of investments of between 20% and 50% in other companies

Equity ratio Equity divided by total assets

Facing brick Brick made of burned clay, used for external, non-load-bearing walls of buildings

Forward exchange contract Foreign exchange transaction that is not realized at conclusion of the relevant contract, but at a later point in time; a hedge against exchange rate fluctuations

Free cash flow Cash flow from operating activities less cash flow from investing activities plus growth capex; the amount of cash earned in the current year that is available for growth projects, dividends and the repayment of debt or share buy-backs

Free float company Publicly traded corporation with a majority share of free float

GARP investor Growth at a reasonable price; investor who aims to identify those growth stocks that meet his/her criteria for buying at reasonable prices

Gearing net debt divided by equity including non-controlling interests; an indicator of financial security

Goodwill Surplus of the price paid for a company over the net assets acquired

Hedging Measures used in the management of financial risk to limit or avoid negative market changes in the areas of interest rates, foreign currency, market values or raw materials

Hybrid capital Subordinated perpetual corporate bond, which is ranked between equity and debt as mezzanine capital

IFRS International Financial Reporting Standards

Interest cover EBITDA divided by interest result; indicates the number of times operating income covers the interest result

Interest rate swap Agreement to exchange cash flows with different terms over a specific period of time; these cash flows are based on fixed and variable interest rates; provides security against interest rate fluctuations

Investments Additions to plant, property and equipment and intangible assets

Joint venture Agreement by two or more companies to jointly operate a business enterprise

LLLD (Long Length Large Diameter Pipes) Pipes for industrial facilities with a diameter of up to 2.5 meters and a length of up to 600 meters

Long-term incentive (LTI) program A long-term variable remuneration program for the Managing Board and key Group managers to synchronize management goals with shareholders' interests

Net debt Net sum of financial liabilities – cash and cash at bank – securities and other financial assets – inter-company receivables and payables from financing

Net result Profit after tax attributable to equity holders of the parent company

NF Abbreviation for “Normalformat”, the standard size of clay blocks (250 x 120 x 65 mm)

NOPAT Net operating profit after tax, or operating profit less taxes and adjusted taxes (tax effects from financial results)

Paver Product made of clay or concrete, used in the design of gardens and public spaces

PE Polyethylene, a synthetic material

PP Polypropylene, a synthetic material

PVC Polyvinyl chloride, a synthetic material

P/E ratio Price/earnings ratio; an indicator for the market valuation of a stock

Rating Standardized evaluation of the credit standing of a company, which indicates the probability of insolvency or delayed payments

Return on equity Profit after tax divided by equity, or the rate of return on shareholders' investments

ROCE after tax Return on capital employed after tax, or NOPAT divided by average capital employed = net yield on capital employed

Self help program Group-wide optimisation programme in the areas of: Manufacturing Excellence, Innovation and Organic Growth, Procurement, Supply Chain Management and Administration

Translation risk Arises from the conversion of foreign currency items on the balance sheet; these foreign exchange fluctuations are not offset by balance sheet items in the same currency



Treasury Staff function to safeguard the financing, cash management and financial risk management of a company

UGB “Unternehmensgesetzbuch” (the Austrian Company Code)

WACC Weighted average cost of capital, or the average price a company must pay on financial markets for equity and debt

WF Abbreviation for “Waalformat”; the standard size of a facing brick (210 x 100 x 50 mm)

Explanatory Note on Non-financial Indicators

Average sick-leave days per employee Excluding North America (figures not fully comparable due to special local legislation on sick-leave).

Average training hours per employee Internal and external initial and further training measures per employee; relative to headcount.

CO₂ emissions from electricity These CO₂ emissions refer to indirect emissions (Scope 2) from electricity (calculation according to market-based method) purchased by the entire Wienerberger Group.

CO₂ emissions from primary energy sources These CO₂ emissions refer to direct fuel emissions (Scope 1); primarily relevant to ceramic production.

CO₂ emissions from raw materials (process emissions) These CO₂ emissions refer to direct emissions (Scope 1) from raw materials in ceramic production.

CO₂e emissions versus CO₂ emissions “Carbon dioxide equivalents” or “CO₂e” is a term used to describe the global warming potential (GWP) of various greenhouse gases in a single unit. Greenhouse gases such as methane, nitrous oxide, or chlorofluorocarbons (CFC) are of no relevance to Wienerberger’s range of production. The absolute, direct CO₂ emissions (Scope 1) from our production processes are therefore to be equated with carbon dioxide equivalents. Indirect CO₂ emissions (Scope 2) from electricity are recorded as CO₂e (calculation according to market-based method). The absolute CO₂ emissions or the corresponding CO₂ indicators communicated in our reporting on climate protection thus always refer to emissions of carbon dioxide equivalents (CO₂e). This also applies to the new climate action target in our new Sustainability Program 2023.

Employee turnover in full-time equivalents (Full Time Equivalents – FTE) Ratio of persons leaving the Wienerberger Group (termination by employee or employer, termination by mutual consent) to average number of employees in permanent employment. Excluding North America (figures not fully comparable due to special local legislation)

Housing unit for humanitarian projects

Buildings: New construction/renovation of residential and non-residential buildings. Single-family home/apartment or predefined non-residential surface = one housing unit.

Infrastructure (connection to potable water or sewage):

New construction/renovation: Connection of four housing units to potable water or connection to sewage, or connection of predefined surface in non-residential construction = one housing unit

Percentage of women

Calculation based on headcount

Specific CO₂ emissions

Specific CO₂ emissions refer to emissions from production caused by the sources of energy used (Scope 1) and are calculated on the basis of the absolute volume of CO₂ emissions in kg of CO₂ relative to the production output in tons. This value is shown as an index in % relative to the defined reference year, with the values of the reference year set at 100%.

Specific energy consumption

For the calculation of specific energy consumption, absolute energy consumption in kWh is related to the production volume in tons. Specific energy consumption is shown as an index in % relative to the defined reference year, the values of which are set at 100%.

Total energy consumption

Total energy consumption comprises energy consumed in production, excluding administration.



Financial Calendar

April 21, 2022	Start of the quiet period
April 23, 2022	Record date for participation in the 153 rd Annual General Meeting
May 3, 2022	153 rd Annual General Meeting
May 5, 2022	Deduction of dividends for 2021 (ex-day)
May 6, 2022	Record date for 2021 dividends
May 9, 2022	Payment day for 2021 dividends
May 12, 2022	Results for the First Quarter of 2022
July 18, 2022	Start of the quiet period
August 10, 2022	Results for the First Half-Year of 2022
October 18, 2022	Start of the quiet period
November 10, 2022	Results for the First Three Quarters of 2022

Information on the Company and the Wienerberger Share

Interim Head of Investor Relations	Daniel Merl
Shareholders' Telephone	+43 1 601 92 10221
E-Mail	investor@wienerberger.com
Internet	www.wienerberger.com
Vienna Stock Exchange	WIE
Thomson Reuters	WBSVVI; WIE-VI
Bloomberg	WIE AV
Datastream	O: WNBA
ADR Level 1	WBRBY
ISIN	AT0000831706

Wienerberger Annual Report 2021:
annualreport2021.wienerberger.com

Ten-Year Review

Corporate Data		2012	2013	2014 ²⁾
Revenues	in MEUR	2,355.5	2,662.9	2,834.5
EBITDA	in MEUR	216.7	275.9	317.2
EBITDA margin	in %	9.2	10.4	11.2
EBIT	in MEUR	-21.7	64.7	-165.1
Operating EBIT	in MEUR	31.0	55.3	100.2
Profit before tax	in MEUR	-36.2	-3.1	-215.3
Profit after tax	in MEUR	-40.5	-7.8	-229.7
Free cash flow	in MEUR	163.6	92.9	134.0
Total investments	in MEUR	268.7	106.7	163.1
Net debt	in MEUR	602.0	538.9	621.5
Capital employed	in MEUR	2,931.3	2,767.6	2,591.9
Gearing	in %	25.5	23.9	31.3
Return on equity ³⁾	in %	-1.7	-0.3	-11.6
ROCE ⁴⁾	in %	0.4	1.3	2.7
Ø Employees	in FTE	13,060	13,787	14,836

Stock Exchange Data		2012	2013	2014
Earnings per share	in EUR	-0.61	-0.34	-2.26
Adjusted earnings per share	in EUR	-0.25	-0.40	0.03
Dividend per share	in EUR	0.12	0.12	0.15
Dividend	in MEUR	13.8	13.8	17.5
Equity per share ⁵⁾	in EUR	16.3	15.3	12.9
Share price at year-end	in EUR	6.93	11.53	11.45
Shares outstanding (weighted) ⁶⁾	in 1,000	115,063	115,063	116,017
Market capitalization at year-end	in MEUR	814.3	1,354.5	1,345.1

Condensed Balance Sheet		2012	2013	2014
Non-current assets	in MEUR	2,800.8	2,610.0	2,433.8
Inventories	in MEUR	700.9	666.0	701.4
Other assets	in MEUR	638.0	935.4	695.8
Total assets	in MEUR	4,139.7	4,211.4	3,831.0
Equity ⁷⁾	in MEUR	2,363.7	2,254.2	1,986.5
Provisions	in MEUR	265.9	224.5	253.5
Liabilities	in MEUR	1,510.1	1,732.7	1,591.0

1) Total investments and free cash flow were adjusted according to the new capex definition // 2) The figures for the year 2014 were restated in accordance with IAS 8 // 3) Profit after tax / Equity // 4) 2014 and 2012 calculated on pro-forma 12-month basis // 5) Equity including non-controlling interests; excluding hybrid capital // 6) Adjusted for treasury stock // 7) Equity including non-controlling interest and hybrid capital (Hybrid capital was reported as part of equity up to and including 2019)



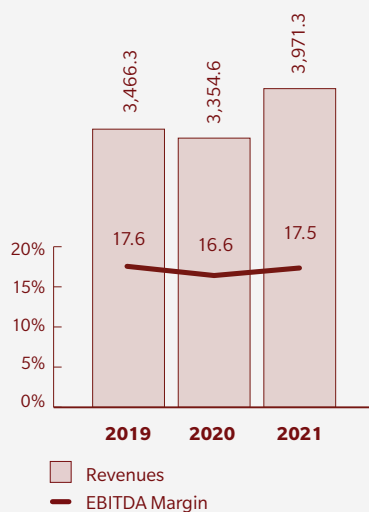
2015	2016	2017 ¹⁾	2018 ¹⁾	2019	2020	2021
2,972.4	2,973.8	3,119.7	3,305.1	3,466.3	3,354.6	3,971.3
369.7	404.3	415.0	442.6	610.0	558.0	694.3
12.4	13.6	13.3	13.4	17.6	16.6	17.5
163.1	190.6	178.7	239.8	362.7	192.5	420.4
167.6	197.7	194.2	248.2	362.7	305.1	431.2
107.0	158.5	144.9	195.3	315.3	148.7	374.3
69.8	115.3	140.6	146.9	262.8	99.9	312.1
135.1	246.5	179.2	272.5	286.0	397.3	420.6
147.8	181.1	163.2	215.8	255.5	201.1	279.8
534.1	631.6	566.4	631.6	871.4	882.1	1,134.5
2,569.9	2,460.0	2,459.2	2,536.7	2,912.2	2,594.1	3,248.1
26.0	34.2	29.6	32.6	42.0	50.4	52.8
3.4	6.2	7.4	7.6	12.7	5.7	14.5
4.5	5.8	7.3	7.5	10.6	8.9	12.2
15,813	15,990	16,297	16,596	17,234	16,619	17,624

2015	2016	2017	2018	2019	2020	2021
0.31	0.70	1.05	1.15	2.18	0.79	2.75
0.35	0.76	1.19	1.23	2.18	1.79	2.84
0.20	0.27	0.30	0.50	0.60	0.60	0.75
23.4	31.6	35.1	57.4	68.1	67.4	86.1
13.4	13.5	14.1	14.4	16.1	15.5	19.0
17.09	16.50	20.17	18.00	26.42	26.08	32.34
116,956	116,956	116,956	116,154	114,320	112,680	113,105
2,008.5	1,938.6	2,370.5	2,115.5	3,074.0	3,004.1	3,725.2

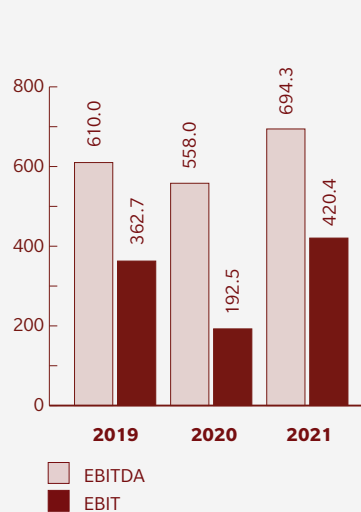
2015	2016	2017	2018	2019	2020	2021
2,426.3	2,355.0	2,290.3	2,377.7	2,727.0	2,475.7	3,036.1
753.3	718.4	741.6	761.7	827.6	729.0	883.3
512.0	563.8	627.9	603.6	578.0	1,122.3	984.4
3,691.6	3,637.2	3,659.9	3,742.9	4,132.6	4,327.0	4,903.8
2,054.2	1,849.0	1,911.2	1,939.1	2,076.8	1,749.0	2,149.1
290.3	278.0	270.6	272.0	279.7	251.3	243.4
1,347.1	1,510.2	1,478.1	1,531.9	1,776.1	2,326.7	2,511.3

Revenues and EBITDA Margin

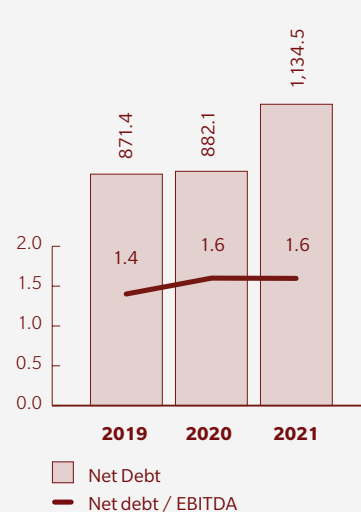
in MEUR and %

**EBITDA and EBIT**

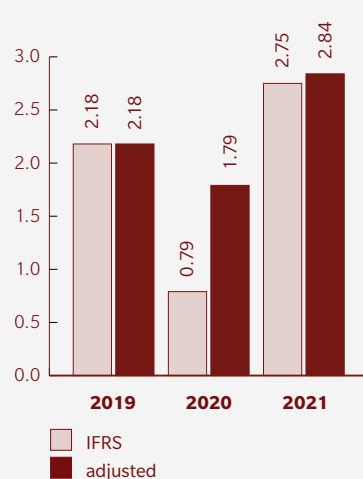
in MEUR

**Net Debt and Net Debt / EBITDA**

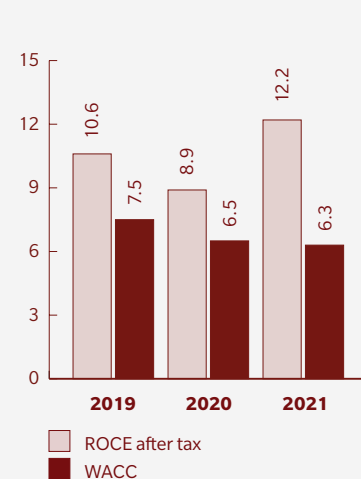
in MEUR

**Earnings per Share**

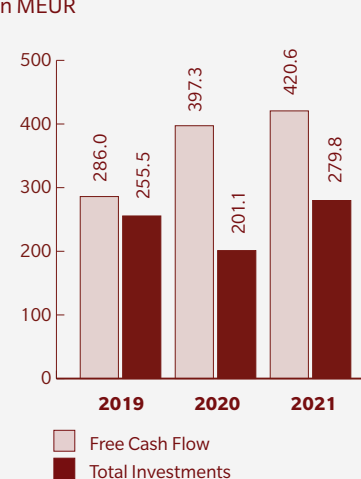
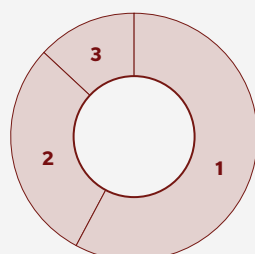
in EUR

**ROCE after tax and WACC**

in %

**Free Cash Flow and Total Investments**

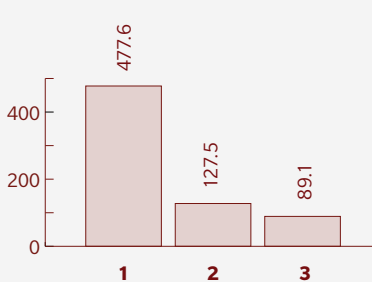
in MEUR

**Revenues by Segment**

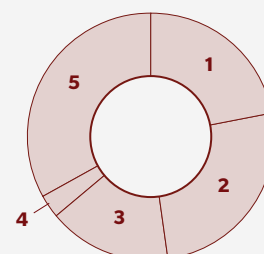
1	Wienerberger Building Solutions	58%
2	Wienerberger Piping Solutions	29%
3	North America	13%

EBITDA by Segment

in MEUR



1	Wienerberger Building Solutions	477.6
2	Wienerberger Piping Solutions	127.5
3	North America	89.1

Revenues by Product

1	Wall	22%
2	Facade	26%
3	Roof	16%
4	Surface	3%
5	Pipes	33%



Key Performance Indicators

Earnings Data		2021	2020	Chg. in %	2019
Revenues	in MEUR	3,971.3	3,354.6	+18	3,466.3
EBITDA LFL ¹⁾	in MEUR	670.8	558.7	+20	594.2
EBITDA	in MEUR	694.3	558.0	+24	610.0
Operating EBIT	in MEUR	431.2	305.1	+41	362.7
Impairment charges / Reversal of impairment charges to assets	in MEUR	0.0	-22.3	>100	0.0
Impairment charges to goodwill	in MEUR	-10.7	-90.4	+88	0.0
EBIT	in MEUR	420.4	192.5	>100	362.7
Profit before tax	in MEUR	374.3	148.7	>100	315.3
Net result	in MEUR	310.7	88.5	>100	249.1
Free cash flow ²⁾	in MEUR	420.6	397.3	+6	286.0
Maintenance capex	in MEUR	120.4	125.9	-4	140.1
Special capex	in MEUR	159.4	75.2	>100	115.4
Ø Employees	in FTE	17,624	16,619	+6	17,234

Balance Sheet Data		2021	2020	Chg. in %	2019
Equity ³⁾	in MEUR	2,149.1	1,749.0	+23	2,076.8
Net debt	in MEUR	1,134.5	882.1	+29	871.4
Capital employed	in MEUR	3,248.1	2,594.1	+25	2,912.2
Total assets	in MEUR	4,903.8	4,327.0	+13	4,132.6
Gearing	in %	52.8	50.4	-	42.0

Stock Exchange Data		2021	2020	Chg. in %	2019
Earnings per share	in EUR	2.75	0.79	>100	2.18
Adjusted earnings per share	in EUR	2.84	1.79	+59	2.18
Dividend per share	in EUR	0.75	0.60	+25	0.60
Share price at year-end	in EUR	32.34	26.08	+24	26.42
Shares outstanding (weighted) ⁴⁾	in 1,000	113,105	112,680	+0	114,320
Market capitalization at year-end	in MEUR	3,725.2	3,004.1	+24	3,074.0

Business Units 2021 in MEUR and % ⁵⁾	Wienerberger Building Solutions	Wienerberger Piping Solutions	North America	Group eliminations	Wienerberger Group
External revenues	2,300.5 (+10%)	1,167.3 (+25%)	498.6 (+53%)		3,966.4 (+18%)
Intercompany revenues	4.8 (-2%)	0.2 (-2%)	0.0 (-)	-0.1	4.9 (-2%)
Revenues	2,305.3 (+10%)	1,167.6 (+25%)	498.6 (+53%)	-0.1	3,971.3 (+18%)
EBITDA	477.6 (+15%)	127.5 (+31%)	89.1 (+95%)		694.3 (+24%)
EBITDA LFL	473.4 (+15%)	114.7 (+15%)	82.7 (+76%)		670.8 (+20%)
EBIT	313.3 (+38%)	49.5 (+32%)	57.6 (>100%)		420.4 (>100%)
Total investments	176.1 (+30%)	81.3 (+47%)	22.4 (>100%)		279.8 (+39%)
Capital employed	1,787.9 (+3%)	920.3 (+63%)	539.9 (+84%)		3,248.1 (+25%)
Ø Employees (in FTE)	12,427 (+4%)	3,606 (+8%)	1,591 (+18%)		17,624 (+6%)

1) Adjusted for effects from consolidation, FX, sale of core and non core assets as well as structural adjustments // 2) Cash flow from operating activities less cash flow from investing activities and cash outflows from the repayment of lease liabilities plus special capex and net payments made for the acquisition of companies // 3) Equity including non-controlling interest and hybrid capital (Hybrid capital was reported as part of equity up to and including 2019 // 4) Adjusted for treasury stock // 5) Changes in % to the comparable prior year period are shown in brackets // Explanatory notes to the report: Rounding differences may arise from automatic processing of data.

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Wienerberger / Brick Award

Scientific advice

Sustainability Report

BZL Kommunikation und
Projektsteuerung GmbH, Oyten (D)

This report contains information and forecasts that relate to the future development of the Wienerberger Group and its companies. These forecasts are estimates based on all the information available to us at this point in time. If the assumptions underlying these forecasts do not materialize or if risks – such as those referred to in the Risk Report – materialize, the actual results may differ from the results currently expected. This Annual Report does not, in any way whatsoever, constitute a recommendation to buy or sell Wienerberger AG securities.

If you want to learn more about Wienerberger: Annual & quarterly reports as well as further information can be found on our website www.wienerberger.com.

