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Wienerberger Annual Report 2020

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DISCOVER THE WORLD OF WIENERBERGER

Further information can be found on our homepage and in our magazine "World of Wienerberger". Available as hard copy and download.

Heimo Scheuch
Chief Executive Officer of the Wienerberger Group

CEO Letter

Dear Ladies and Gentlemen,

2020 was a year that confronted us with numerous challenges in every respect.

Nevertheless, at Wienerberger we can look back on this year with pride. We have demonstrated our ability to react swiftly to unexpected events and thereby ensure the health and safety of our employees and partners during the pandemic. In a joint effort, we put together a comprehensive package of measures that helped us successfully navigate through this crisis. As a result, we achieved the second-best earnings in the history of our company. This was only possible thanks to the extraordinary spirit of cooperation among our employees. We owe our success to each and every one of our more than 16,000 colleagues, to whom I extend my heartfelt thanks.

At Wienerberger we perceive challenges above all as opportunities: opportunities for growth, innovation and sustainability. Before the crisis, we had already taken the right steps that enabled us to react instantly to unforeseeable events. By continuously expanding and optimizing our product portfolio, we were able to further strengthen our pioneering role as a leading provider of systems for innovative building and infrastructure solutions even during this challenging year. Having consistently advanced the digitalization of our processes in recent years, we managed to keep our supply chains in operation and avoid interruptions even during the lockdowns. At the same time, thanks to our diversified end markets focused on new build, renovation and infrastructure, we are now operating from a broader basis than ever before.

We managed to deliver a strong performance in a challenging year. Our annual results show how resilient we have become. At € 3.4 billion, our revenues at Group level almost matched the record level of 2019. Although our earnings were affected by the lockdowns in the second quarter, we closed 2020 after a strong second half of the year with an EBITDA LFL of € 566 million.

Through strict cost management, a determined focus on working capital optimization, and the continued implementation of efficiency enhancement projects within the framework of our Fast Forward program, we achieved a substantial 39% increase in free cash flow to € 397 million. In line with the long-term orientation of our balanced dividend policy, we want to share this success by proposing a dividend of € 0.60 per share for the 2020 business year.

At the same time, given our strong cash flow, we have created a perfect basis for further growth, allowing us to finance additional investments in innovative and digital products as well as potential acquisitions.

In 2020, we took a number of important steps toward further growth. Through the acquisition of Meridian Brick in the USA (subject to approval by competition authority), Wienerberger has become the leading provider of innovative and sustainable facade solutions in North America. Operating from this position of increased strength, we are now perfectly positioned in our North American core markets.

With the acquisition of Inter Act B.V., we have added advanced digital services to our product portfolio. This was a major step forward in the transformation of the Wienerberger Piping Solutions Business Unit into a provider of smart systems for water and energy management.

The Wienerberger Building Solutions Business Unit will benefit from the increased demand for sustainable housing and the wish for outdoor living space that gained greater prominence during the pandemic. Moreover, we expect the stimulus packages launched to overcome the economic consequences of the pandemic and the Green Deal of the European Union to generate positive momentum in our markets. With our innovative solutions for renovation and infrastructure, we are excellently positioned to benefit from these developments.

In the challenging environment of the 2020 business year, we gained in strength and resilience. At the same time, with both courage and confidence, we took the right decisions. Having created an excellent basis for the continued pursuit of our value-creating growth strategy, we presented our plan for the coming three years in September 2020. In the years to come, we will remain focused on three priorities: operational excellence, organic growth through innovation, and external growth through M&A. All our activities are in conformity with our ESG strategy.

For 2023, we have set ourselves ambitious sustainability targets relating to decarbonization, the circular economy and biodiversity to be achieved by appropriate measures and through the necessary capital expenditure. Although our energy-efficient brick solutions and innovative pipe systems available today improve people's quality of life and protect the environment, we can make an even greater contribution through intensified, additional know-how and investments.

With our outstanding team capable of adjusting quickly to changing conditions, our diversified product portfolio, our digital business processes, and our innovative approach, we are optimally positioned for success. We will shape the future of our industry and continuously evaluate attractive growth projects.

As regards short-term market developments, we expect the first half of 2021 to be marked by a persistent atmosphere of uncertainty due to the Covid-19 pandemic. Our target for the business year 2021 is to increase EBITDA LFL to € 600-620 million, excluding effects from acquisitions, and thus return to the pre-crisis level.

Heimo Scheuch

World of Wienerberger

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 Goal

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

Our Culture

We live by our values and share them with all our stakeholders. Based on our strong corporate culture, local teams join forces in a dynamically evolving international company.

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.

Value Proposition

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

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

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

Highly efficient Processes

We create 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.

Innovation Leadership

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

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 the shares held in free float.

Why invest in Wienerberger?

Strong commitment to ESG

- As a leading, international industrial company, we are fully aware of our responsibility. ESG aspects have therefore been firmly integrated in Wienerberger's corporate strategy and its entire governance process. All our entrepreneurial activities are subject to strict ESG criteria.
- 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 issues: preserving biodiversity, reducing our CO_2 emissions, and promoting 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.

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:

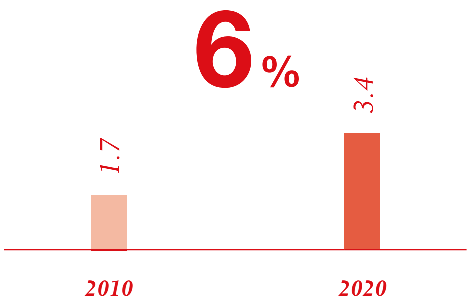
- ***Organic growth through innovation***
  For Wienerberger as a leading provider of smart solutions, innovation and digitalization are the main drivers of organic growth. By continuously upgrading our portfolio of products and solutions, we generate added value for our customers and boost the company's 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.

Resilience through diversity

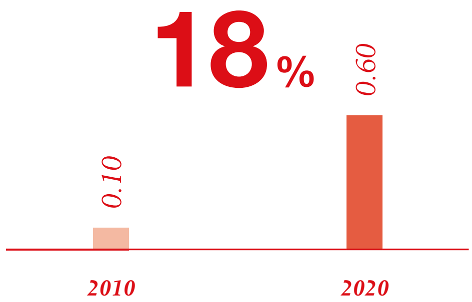
- Leading market positions, strong brands, and experienced local management teams make us a well-respected local partner with close contacts to decision makers.
- Thanks to our strong industrial basis with 197 modern plants and efficient overhead structures, we achieve optimal market coverage.
- Our diversified business model with new build, renovation, and infrastructure in 29 countries helps to balance out divergent business cycles.
- The resilience of our business model was successfully demonstrated during the pandemic.

By focusing on innovation, Wienerberger achieves outstanding organic growth and a significant increase in dividend payments

Ø Organic Revenue Growth
in bn EUR



Ø Dividend Growth
in EUR per share



Financial targets: Clear commitment to value creation

ROCE target

>10%

to focus on long-term value creation

Distribution policy of free cash flow

20-40%

by means of a progressive dividend and share buy backs

Organic growth through
Innovation

33%

Revenue share of innovative products

Process improvements through
Operational Excellence

€110 million

Performance enhancement through Fast Forward

External growth through
M&A and Portfolio Optimization

ø5.2x

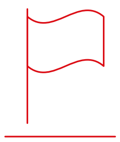
EV/EBITDA multiple post synergies

Our Strategy

Our Priorities

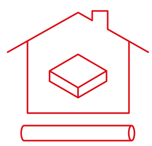
All our entrepreneurial activities are subject to clearly defined and ambitious ESG criteria. Our primary goals are to increase the value creation within the house and to become a full-range provider of system solutions for energy and water management. To achieve these goals, we focus on key factors: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

We focus on these growth areas



Core Markets

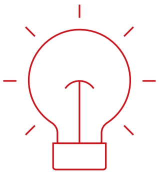
Europe,
North America



Core Segments

New build, Renovation,
Infrastructure

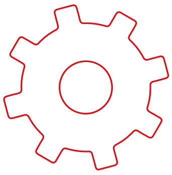
All our criteria are subject to clear ESG criteria
decarbonization, biodiversity & circular economy



Organic growth through

Innovation

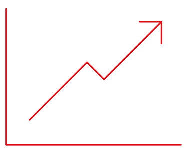
During the past 10 years, we have grown organically by more than 6% per year. We are continuing this trend by advancing our transformation into a full-range system provider, steadily improving our product mix, and supplementing it by digital services.



Process improvements through

Operational Excellence

We will generate additional earnings growth through our efficiency enhancement program focused on manufacturing and all relevant business processes.



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 Targets 2023

Non-financial Targets

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 zero greenhouse gas emissions to be achieved within the framework of the European Green Deal by 2050.

Environment

Decarbonization

15%

less CO_2 emissions

Circular Economy

100%

of new products will be designed in a way that they are reusable or recyclable

Biodiversity

100%

biodiversity programs for all our sites in place

Social

Diversity

>15%

female employees in Senior Management

>30%

female employees in white collar positions

Training and Development

10%

more training hours per employee

Social Projects

200

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

Governance

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

- *Business strategy*
- *Board diversity and composition*
- *Executive compensation*
- *Succession management*

Financial target

€ 135 million

We will deliver an EBITDA enhancement of € 135 million through self-help measures until 2023

Growth investments

to achieve our ambitious target for 2023

€ 60 million p.a.

ESG investments

in the circular economy, biodiversity and the reduction of CO_2 emissions

€ 80 million p.a.

Special investments

in recyclability, innovative product design and broadening the range of system solutions

Wienerberger

ESG Track Record

13%

women in executive positions

and 30% women on the Supervisory Board

24%

less CO_2 emissions

from electricity used in plastic pipe production compared to 2010

1,136

people in need supported

including 121 families, received help during the current partnership period with Habitat for Humanity (2018–2021)

Responsible Supplier Management

In 2020, 12% of employees in Procurement were trained by external certification bodies to perform on-site audits as accredited supplier auditors. The new Responsible Sourcing Policy provides for binding integration of ESG criteria in supplier management.

TCFD Sustainability Reporting

Starting in 2021, we are extending our disclosures of climate-related impacts in accordance with the TCFD recommendations.

New Group-Wide Health & Safety Policy

The new policy was adopted by the Managing Board in January 2021 and applies across the Group.

We support these initiatives

United Nations Global Compact · Sustainable Development Goals · Habitat for Humanity Europe, Middle East and Africa · ILO

Our sustainability ratings[1)]

ecovadis Silver 2020 · MSCI ESG Ratings AAA · ISS-oekom Prime · VÖNIX Index Member

1) Further information on our ratings can be found on our website.

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 circular economy.

Decarbonization:
Energy efficiency and decarbonization are central issues in all of Wienerberger's business areas. We therefore share the global vision of a CO_2-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.

Target for 2023: Reduction of our CO_2 emissions by 15% as compared to 2020

Biodiversity:
Biodiversity is a crucial topic for each of our 197 production sites. At Wienerberger we feel duty-bound 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.

Target for 2023: A biodiversity program for all our sites

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 for 2023: 100% of our new products designed to be recyclable or reusable

Non-Financial Performance

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Wienerberger at a Glance

Company Profile

Wienerberger is a leading international provider of smart solutions for the entire building envelope in new construction and renovation as well as infrastructure for water and energy management. Currently, we are represented in 29 countries with 197 production sites and export our products to international markets. We are the worldwide market leader in bricks and the No. 1 producer of clay roof tiles in Europe. Moreover, we are one of the leading suppliers of pipe systems in Europe and concrete pavers in Central and Eastern Europe.

For details on our production sites and market positions, please refer to the diagrams on pages 74-75 of the magazine part of the 2020 Annual Report.

Mission Statement

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 ESG (Environment, Social, Governance) and our financial targets.

We live our values and share them with all our stakeholders. Building on our strong corporate culture, local teams contribute to the dynamic development of our international business. Our 16,619 employees are crucial for the success of our company. Thanks to their professionalism, their passion and their entrepreneurial spirit, we are able to seize opportunities, act with determination, and create value for our stakeholders. The excellent cooperation of all our employees is based on a firmly rooted, living corporate culture, which provides the foundation of our organization and is characterized by shared values – expertise, passion, integrity and respect, customer orientation, entrepreneurship, quality and responsibility.

Corporate Strategy

Our corporate strategy defines the framework for our business activities. As a leading provider of smart and sustainable solutions for the entire building envelope in new build and renovation as well as infrastructure for water and energy management we assume responsibility for people and the environment and create sustainable value for our stakeholders. We take a holistic approach along the entire value chain, from sparing use of resources to efficient production processes to durable, reusable and recyclable product solutions. All our entrepreneurial activities are subject to clearly defined and ambitious ESG criteria.

Our primary goals are to increase our share of the value chain in building construction and to evolve into a full-range provider of system solutions for energy and water management. To achieve these goals, we focus on a number of key factors: innovation, operational excellence, and M&A (mergers & acquisitions) and portfolio optimization. In our core markets in Europe and North America, we continuously pursue the expansion of our core segments: new build, renovation and infrastructure.

Organic growth through innovation

During the past ten years, Wienerberger has been growing organically by more than 6% per year. We are continuing this trend by advancing our transformation into a full-range service provider, steadily improving our product mix, and supplementing it by digital and other services.

Process improvements through operational excellence

Continuous improvement of our internal processes is one of the main pillars of our corporate strategy. We will generate additional earnings by further pursuing our efficiency enhancement program focused on manufacturing and all relevant business processes.

External growth through M&A and portfolio optimization

Our organic growth potential is underpinned by value-enhancing growth projects, including the selective takeover of individual plants and the acquisition of small to medium-sized companies. All growth projects have to meet our strict sustainability and value management criteria, improve our competence as a provider of solutions and services, and strengthen our platforms. We thus acquire companies which can be swiftly integrated into our existing industrial network and are a perfect fit for our business.

To achieve sustainable growth, we regularly review our portfolio and dispose of assets that no longer comply with our strategic priorities or our sustainability principles or do not meet our profitability targets. The proceeds can then be reinvested in more attractive high-margin fields of business with potential for future growth.

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 2020, as in the previous year, Wienerberger was almost in full compliance with the rules of the Austrian Corporate Governance Code, including its R Rules. Slight non-compliances were reported in respect of two C Rules of the Code. These deviations, as well as further activities in the reporting year, are explained and described in detail in the Corporate Governance Report starting on page 66. This report is also available on the Wienerberger website.

Information on the ESG structure is contained in the chapter “Management Approach” starting on page 22. Other corporate governance issues are dealt with in the chapter “Governance” of this report (page 66).

Corporate and reporting structure

With its innovative solutions, Wienerberger has evolved into a provider of building material and infrastructure solutions. The objective of greater customer proximity is reflected in the structure of our Business Units and our reporting system. We report on our activities in line with this corporate structure.

Wienerberger Building Solutions (WBS): The indicators and developments of our two European fields of business, i.e. ceramic products and system solutions for the building envelope as well as outdoor applications and concrete pavers, are communicated within the framework of this Business Unit. Wienerberger Building Solutions provides our European customers with an increasingly broad range of innovative solutions in the wall, façade, roof, and paver segments.

Wienerberger Piping Solutions (WPS): Within the framework of this Business Unit, we report the indicators and developments of our European plastic and ceramic pipe business. Wienerberger Piping Solutions has evolved into a European full-range provider for all smart infrastructure applications in the fields of water supply and wastewater management, in-house solutions, and special applications for industry and the energy sector.

North America (NOAM): In this Business Unit, we report on indicators and developments of our activities in North America, where our business focuses on innovative products and system solutions with facing bricks, concrete and calcium silicate products, as well as plastic pipes.

Management Approach and Due Diligence Processes

Sustainability Management

Wienerberger's voluntary commitment to sustainability covers all stages of the Group's value chain. To ensure a uniform approach and the efficient implementation of the measures taken as well as the attainment of our targets, we have established clear structures and responsibilities for the Group's sustainability management.

The Wienerberger sustainability strategy, also called the Group's ESG strategy as well as the related Sustainability Program 2023, are integral parts of the Wienerberger corporate strategy. Topics relating to climate action and the associated opportunities and risks have been fully integrated not only in our corporate strategy, but also in the governance structure of the Group.

ESG structure

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

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, which also covers the topics of climate change and energy transition, sets out targets and outlines the strategy adopted to achieve these targets.

This governance structure is to ensure that ESG topics, in particular those that are relevant to climate change, are taken into account in the elaboration of the corporate strategy, the annual budgeting process, and investment decisions.

In the performance of these tasks, the Supervisory Board is supported in particular by two committees:

- Sustainability and Innovation Committee
- Audit and Risk Committee

Sustainability and Innovation Committee

The Sustainability and Innovation Committee, which was established by the Supervisory Board and has been operational since January 1, 2020, deals with current topics of Wienerberger's sustainability and innovation management. The committee comprises four members of the Supervisory Board and meets three times a year. It discusses progress achieved in the implementation of Wienerberger's sustainability strategy and/or the sustainability 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 tasks 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
- Exchange of 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

The committee is in charge of monitoring all financial and accounting matters of the entire Group, including the audit of its annual financial statements, as well as 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 and internal audit
- Audit of the annual financial statements
- Risk management

The Audit and Risk Committee, which comprises four members, met five times in 2020. 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.

Internal organizational structure

The Sustainability Steering Committee (SSC) is responsible for Wienerberger's sustainability strategy and the definition of targets, deadlines, and measures of the sustainability program. It comprises the Managing Board of the Wienerberger Group – 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) – and is the top-level internal steering body for all ESG matters. The Group Sustainability & Innovation Department redesigned in 2020 is headed by a Senior Vice President Group Sustainability & Innovation, who reports directly to the CEO of Wienerberger AG, ensures group-wide coordination of the sustainability and innovation strategy, the sustainability program (currently: Sustainability Program 2023) and sustainability management; it is responsible for Wienerberger's sustainability reports. The department aligns Wienerberger's sustainability strategy with the company's innovation agenda. It supports the execution of projects in both areas, promotes continuous dialogue, and facilitates the involvement of customer groups and users of our products and system solutions.

The COOs of WBS and WPS and the CEO of North America (NOAM) are responsible for implementing the sustainability targets in their respective Business Units. They are supported by sustainability officers engaged in continuous exchange with the Group Sustainability & Innovation Department on current developments and the progress achieved. This structure reaffirms the responsibilities of the individual Business Units and strengthens their influence on the integration of our sustainability strategy.

In accordance with Wienerberger's responsible business approach, the risks and opportunities arising from the transition to a low-carbon and climate-resilient economy (robust in the face of climate change and capable of adjusting to its consequences) are integrated in the company's day-to-day operations and its risk management processes. At corporate level, broken down by business area, there are clearly regulated fields of responsibility with defined targets, which contribute substantially to the execution of the Wienerberger strategy. For example, "Human Resources" and "Procurement" submit their respective progress reports to the Managing Board at regular intervals.

At local level, the responsibility for strategy execution lies primarily with the senior management, which has clearly defined responsibilities. Thanks to Wienerberger's uniform reporting system, progress in strategy execution is regularly reviewed at all Group levels, discussed by the Managing Board, and reported to the Supervisory Board and its committees.

ESG targets included in the remuneration policy

To underline the importance of achieving our sustainability targets, the new remuneration policy for the Managing Board provides for ESG performance indicators and targets, including the reduction of CO_2 emissions, to be attained by the members of the Managing Board. A detailed description is available in the Remuneration Report on our website.

Instruments of our sustainability management

In 2020, with a view to the realignment of the Wienerberger strategy and the Sustainability Program 2023 (see pages 30 to 31), which replaces our Sustainability Roadmap 2020, Wienerberger again performed a materiality analysis. Wienerberger's first materiality analysis was conducted in 2014 in cooperation with an external partner. The 2020 materiality analysis was performed in accordance with the most recent legal reporting requirements and the international reporting frameworks (Global Reporting Initiative, GRI). The instruments and processes described in the following play an important role in Wienerberger's sustainability management. They were instrumental in the efficient identification of environmental and social topics essential for Wienerberger and the targeted orientation of the Wienerberger strategy and the Sustainability Program 2023.

Value chains and resultant topics

In the course of the new materiality analysis performed in 2020 (see page 27), Wienerberger first updated its value chains. The update was based on the findings of internal experts during the past five years and the digitalization of the individual stages of the value chains. Four main product groups were differentiated: bricks and other ceramic products (wall, roof, façade, and pavers), concrete pavers, plastic pipes, and ceramic pipes. Our value chains comprise procurement, production, the use of product or system solutions, their potential return into the value creation cycle, and/or their end-of-life disposal.

As a basis for the 2020 materiality analysis, we identified 52 environmental and social topics along the updated value chains. These were then clustered in five core topics as a prerequisite for an efficient stakeholder survey.

The following five core topics and their aspects provided the basis for our stakeholder survey:

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

Stakeholder survey

Within the framework of our 2020 materiality analysis, the view of our internal and external stakeholders regarding the materiality of the topics and aspects identified was obtained through an online survey. The survey also served to establish our stakeholders' perception of Wienerberger's current engagement in respect of the individual thematic areas. To obtain an informative and well-founded result, Wienerberger identified and weighted the stakeholder groups of relevance to the four main product groups.

For each main product group, the stakeholder groups were weighted on the basis of the following factors:

- Impacts of Wienerberger on the stakeholder groups identified
- Impacts of the stakeholder groups on Wienerberger

The consolidated weighting for the entire Wienerberger Group was calculated on the basis of the average of all weightings by main product group.

More than 2,500 stakeholders were invited to participate in the online survey. The stakeholder survey was conducted and evaluated within the framework of the 2020 materiality analysis by an external partner, who also provided the necessary tools for the survey. Based on the feedback received from the stakeholders, our external partner identified the material topics and aspects for the four main product groups and for the Wienerberger Group as a whole. The relevance of the individual topics, as perceived by internal and external stakeholders, was entered into a materiality matrix as one of three perspectives (see paragraph "Materiality Analysis 2020").

In the future, Wienerberger will continue to engage in direct dialogue with its core stakeholder groups. The objective pursued in such dialogue is to analyze important topics and aspects in greater depth so as to identify risks and opportunities at an early point in time and to design further initiatives and projects in a targeted manner.

Impact and risk analysis for the identification of the relevant Sustainable Development Goals (SDGs)

In the course of the 2020 materiality analysis, the most recent impact and risk analysis performed in 2018 was also updated by way of an online survey. On the basis of the new findings obtained in the course of the 2020 analysis, Wienerberger re-evaluated the Sustainable Development Goals of the United Nations (UN SDGs) in order to identify those areas in which Wienerberger can and/or will contribute to the Global Agenda 2030. The entire analytical process was monitored and methodologically supported by an independent external partner.

The essential steps of the process included:

- Design of the online survey on the most important environmental and social impacts on and risks resulting from Wienerberger's activities on the basis of the topics identified along the value chains
- Qualitative evaluation of these impacts and risks by internal sustainability experts nominated for this purpose
- New identification of the SDGs relevant to Wienerberger on the basis of the results of the 2020 impact analysis performed by the independent external partner, who supported the entire analytical process

The aspects which, from the internal experts' perspective, cover the most important positive and negative impacts and risks (top third) within one topic, as well as the most important positive or negative impacts and risks (top third) across all topics, were identified as material for the Wienerberger Group. The result of this analysis is shown in the following table. The order in which the individual aspects are listed corresponds to the impact and risk assessment for each topic in descending order.

For further information on the underlying concepts and the due diligence processes applied, please refer to the brief description in the following section starting on page 34 and the subject-specific explanations in the chapters “Environment”, “Social Topics”, “Governance”, and “Innovation”.

Aspects with Material Impacts, Risks and Opportunities

Climate & Energy	Biodiversity & Environment	Circular Economy	Employees	Business Ethics & Social Impact
› Energy efficiency (e.g. heat recovery) in production › Reduction of carbon emissions in production	› Avoidance and control of hazardous substances in raw materials, aggregates and additives › Nature conservation at extraction sites › Air pollution from production › Contribution of products to biodiversity (e.g. green roof / wall/paving solutions)	› Share of secondary raw material in production › Design of products and systems for re-use / recycling › Use of renewable raw materials in production › Separability and recyclability of materials at the products‘ end of life › Long service lifetime and lasting value of products	› Safety and health of Wienerberger‘s employees › Job stability and job creation	› Compliance and anti-corruption › Product/system design supporting ease of installation › Safety and health in supply chain, construction & demolition › Affordability of building materials and system solutions

Methodology: The aspects which, from the internal experts' perspective, cover the most important positive and negative impacts and risks (top third) within one topic, as well as the most important positive or negative impacts and risks (top third) across all topics, were identified as material for the Wienerberger Group.

SDGs of relevance to the Wienerberger Group

As we can see, along Wienerberger's entire value chain ten of the seventeen SDGs are more or less relevant to the Group, although in different life cycle stages and product groups. While thirteen SDGs were identified as relevant to Wienerberger on the basis of the 2018 impact and risk analysis, SDGs 4, 10 and 17 were eliminated in the course of the update.

For detailed information on the SDGs relevant to the individual product groups and the respective contributions made in these product groups, please refer to pages 53-55 of the 2019 Sustainability Report. The information provided there is still based on the SDGs identified as relevant in the course of the 2018 Impact and Risk Analysis.

Relevant SDGs – relating to the entire Wienerberger Group

Materiality analysis 2020

The 2020 materiality analysis was conducted by means of a systematic survey using an online tool and supported by an external partner. For the realignment of Wienerberger's corporate strategy, together with our new Sustainability Program 2023, the materiality of the topics identified along the updated value chains was analyzed on the basis of the three essential perspectives.

Three different online surveys were performed, which had to be answered anonymously:

- **Stakeholder relevance** as per stakeholder survey
  - > *Core question*: What is material for our stakeholders?
  - > *Feedback* from internal and external stakeholders.
- **Business relevance** as per management survey
  - > *Core question*: What is material for our business?
  - > *Feedback* from Wienerberger top management
- **Impacts and risks resulting from Wienerberger** as per impact and risk survey
  - > *Core question*: What are the most important environmental and social impacts and risks resulting from Wienerberger?
  - > *Feedback* from internal experts

Results of the 2020 materiality analysis

The results of the 2020 materiality analysis, alongside the results of the internal analysis of the Sustainability Roadmap 2020 in its final year, provided an important basis for the orientation of the Wienerberger Sustainability Strategy 2020+ and the identification of targets and measures for the Wienerberger Sustainability Program 2023.

Taking the three perspectives into account, the 2020 materiality analysis produced the following results for the five thematic clusters:

- "**Climate & energy**" was clearly identified as the most important topic for Wienerberger.
- "**Circular economy**" is another priority topic for Wienerberger.
- Depending on the perspective (stakeholders or management), "**Employees**" and "**Biodiversity & environment**" are rather important for Wienerberger.
- "**Business ethics & social impacts**" were regarded as less important and classified as "must haves" rather than a strategic topic.

On average, the assessment by the stakeholders was significantly less differentiated than the assessment of impacts and the business relevance by internal experts and/or the Wienerberger top management.

In the interest of a clear definition of the action areas for the strategy, the most important aspects of each thematic cluster and the most important aspects across all thematic clusters were also identified in the course of the 2020 materiality analysis. Moreover, we included additional aspects in order to comply with legal provisions and the requirements of international reporting frameworks (GRI). The most important thematic clusters identified for the three action areas (environment, social, governance) and their aspects are shown on the following page.

Environment

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 / solutions for energy efficiency
- 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 and recycled raw material in production
- Design of products and systems for reuse and recycling
- Use of renewable raw materials in production
- Separability and recyclability of materials at the products' end of life
- Reduction of waste from production

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)

Social Topics

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.)

Governance

Business ethics & social impacts

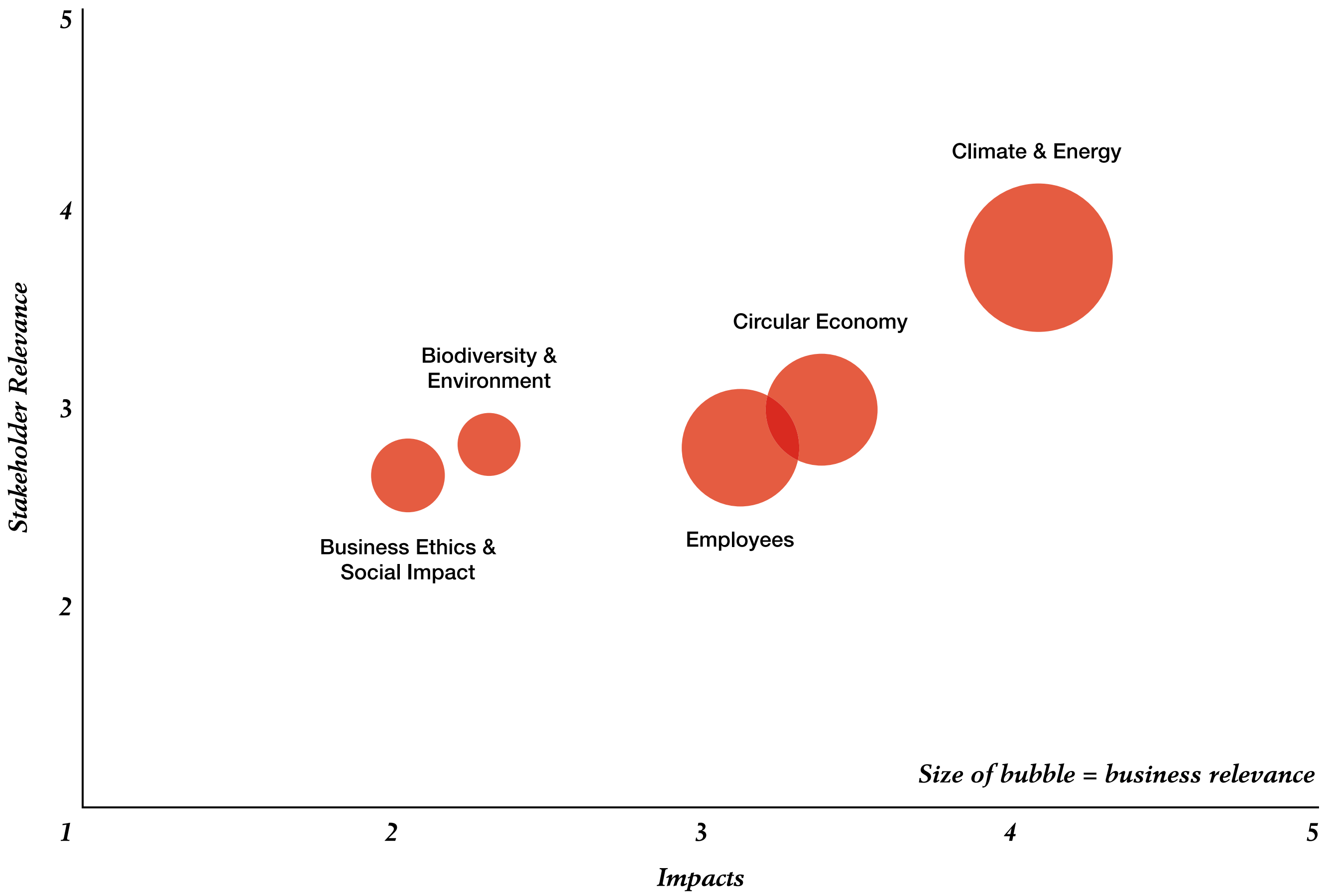
- Compliance and anti-corruption
- Safety and health in supply chain, construction & demolition
- Product and system design supporting ease of installation
- Affordability of building materials and solutions
- Ethical conduct of suppliers
- Human rights and working conditions in supply chain
- Healthy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

Materiality matrix

The materiality matrix shows the result of the materiality analysis performed by Wienerberger in 2020 in the form of a diagram. It provides an overview of the weighting of the thematic clusters identified as particularly important for the entire Wienerberger Group along the value chains of all product groups.

The resultant priorities are shown from three perspectives: stakeholder relevance, business relevance, and impacts and risks due to Wienerberger.

Wienerberger Materiality Matrix 2020



Sustainability Program 2023

Together with the newly established Sustainability and Innovation Committee of the Supervisory Board, the management developed the Wienerberger Strategy including ESG core topics, which defines Wienerberger's vision and its medium- and long-term targets. In pursuing these targets, we are making every effort to act responsibly, protect the environment, improve people's quality of life, and ensure that future generations will have the same opportunities as we do today.

Based on experience gained during the implementation of the Wienerberger Sustainability Roadmap 2020 (previous sustainability program for 2015-2020) and the findings of the 2020 materiality analysis, the Sustainability Program 2023 was designed as a three-year program of work with targets to be achieved by the Wienerberger Group in environmental, social, and governance topics.

The core topics and the corresponding targets of the Sustainability Program 2023 are shown in the overview on page 31. We differentiate between environmental, social, and governance topics. Further information on the core areas, targets, and achievements of Wienerberger is contained in the following thematic chapters "Environment", "Social Topics", "Governance", and "Innovation".

Previous sustainability program 2015-2020, Wienerberger Sustainability Roadmap 2020

The Sustainability Program 2023 replaces the Sustainability Roadmap 2020. It was already designed in 2014, implemented in 2015, and contained the sustainability targets and measures pursued by Wienerberger until 2020. The Roadmap was a deliberate self-commitment to continuously improve the Wienerberger Group's ecological, social, societal, and economic performance. The targets of the Roadmap were derived from the results of the materiality analysis performed in 2014. The measures implemented and the degree of attainment of the targets set in the Sustainability Roadmap 2020 were described in detail in our annual sustainability reports. This form of reporting ends with the 2020 Sustainability Report. The Sustainability Program 2023 replaces the Sustainability Roadmap 2020.

Sustainability Program 2023

fully in line with the European Green Deal

Environment

Decarbonization

15%

less CO_2 emissions

Circular Economy

100%

of new products will be designed in a way that they are reusable or recyclable

Biodiversity

100%

biodiversity programs for all our sites in place

Social

Diversity

>15%

female employees in Senior Management

>30%

female employees in white collar positions

Training and Development

10%

more training hours per employee

Social Projects

200

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

Governance

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

- *Business strategy*
- *Board diversity and composition*
- *Executive compensation*
- *Succession management*

Note: All goals are set vs. the reference year 2020. // The absolute CO_2 emissions or the corresponding CO_2 indicators communicated on our climate management always refer to emissions of carbon dioxide equivalents (CO_{2e}).

Sustainability reporting

Wienerberger's sustainability reports have been published annually since 2010. These reports constitute a binding framework for our commitment to sustainability. All Wienerberger sustainability reports meet the requirements of the Global Reporting Initiative (GRI). The reports focus on the ecological and social aspects of our activities, the corresponding management approaches, and on our innovations. In combination with the Wienerberger Sustainability Program 2023, replacing the Sustainability Roadmap 2020, the sustainability report is an important steering instrument supporting Wienerberger in the pursuit of its long-term goals and its efforts to meet its responsibility as a corporate citizen.

Non-financial Group Reporting has been established as a central data management tools for the consolidation of all non-financial indicators. The latter serve as a basis for strategic decisions taken by the Business Units and at Group level.

In addition to this "Non-financial Performance Report", the Wienerberger Group intends to publish a 2020 sustainability report, which will be prepared in accordance with the "core" option of the GRI standards.

Sustainability reporting follows the scope of consolidation of the Wienerberger Group, which is described in detail in the Notes to the 2020 Annual Report starting on page 128. 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.

Five sites newly acquired in 2019, where the structures required for the collection of non-financial indicators had yet to be implemented, have been included for the reporting year 2020. Other deviations of individual indicators from the reporting scope are indicated wherever they apply.

Climate reporting based on TCFD recommendations

The Task Force on Climate-related Financial Disclosures (TCFD) was established by the Financial Stability Board (FSB) based in Basel, Switzerland. The FSB is an international body mandated to supervise the global financial system and to issue recommendations. Owing to the enormous financial losses caused by climate change – estimated at USD 640 billion between 2017 and 2019 alone – the TCFD was mandated to develop recommendations for more effective climate-related disclosures that "could promote more informed investment, credit and insurance underwriting decisions" which, in turn, "would enable stakeholders to understand better the concentration of carbon-related assets in the financial sector and the financial system's exposure to climate-related risks" (see TCFD_Booklet_FNL_Digital_March-2020.pdf).

Wienerberger takes the climate-related risks and opportunities very seriously and therefore declares its support for the **Task Force on Climate-related Financial Disclosures (TCFD)** and its recommendations. In doing so, Wienerberger not only undertakes to increase the transparency of its climate reporting step by step, but also justifies the confidence which sustainability-oriented investors have placed in Wienerberger for years. The TCFD recommendations are being implemented by Wienerberger as of 2021 in three steps.

ESG structure: Cooperation between the Supervisory Board and the Managing Board as well as the organizational structure of Wienerberger's sustainability management in respect of the environment (including climate-relevant content), social topics, and governance is described in the section "ESG structure" on pages 22-23. The section contains information on the structure, the working methods, and the main tasks of the relevant committees of the Supervisory Board.

ESG risks: The identification of climate-related risks and/or potential risks in terms of climate resilience was implemented within the existing structures and processes of Wienerberger's risk management. For information on risk management systems and processes, please refer to the Management Report on pages 114-117.

The chapters “Environment” (pages 38-43) and “Innovation” (pages 52-55) describe the specific objectives pursued by Wienerberger in its efforts to minimize the company’s climate-related risks and increase its climate resilience, including the level of target attainment.

ESG opportunities: The global megatrends, especially those relating to climate change and the resultant requirements, such as water management, are essential drivers in the development of Wienerberger’s product and system solutions. Some of the most important ones are described in the following.

The targets of the European Green Deal are key drivers of growth regarding measures to enhance the energy efficiency of the existing building stock as well as new buildings. Wienerberger’s wall, roof, and façade systems have the potential to save up to 80% of energy consumption in buildings. Examples of energy-efficient solutions include energy-efficient wall systems and innovative, prefabricated insulated panels. Solar modules aesthetically integrated into Wienerberger’s roof solutions are ideal for the renovation of the existing building stock as a simple solution for the use of renewable energy.

To a growing extent, climate change leads to unforeseeable and extreme weather events, which in turn result in water shortages or flooding. Wienerberger’s infrastructure systems are based on digitally managed solutions for the capture and reuse of water as well as the reduction of water losses in supply networks.

The use of non-fossil, renewable sources of energy is yet another EU strategy aimed at reducing greenhouse gas emission. Wienerberger plays a pioneering role in the development and supply of plastic-based hydrogen and biogas pipeline systems (Reinforced Thermoplastic Piping System – RTP). Such systems operate along the entire chain from the wind-based electrolysis process under high pressure to end users in transport and industry. Compared to conventional steel pipes, they require no maintenance and are flexible and corrosion-proof.

For further information on innovations developed by Wienerberger, please refer to the chapter “Innovation” starting on page 52.

Green financing

Wienerberger assumes responsibility for its entire value chain not only in its operational business, but also in corporate financing. In 2019, Wienerberger for the first time opted for a sustainability-oriented form of finance. To refinance the 4% corporate bond which 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 therefore results in lower financing costs. As required, the Group’s ESG rating, to be awarded annually, was updated in 2020. Owing to its improved sustainability performance, Wienerberger obtained a significantly improved rating in all sustainability areas, especially in the field of supplier management.

Voluntary commitment to comply 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 platform for corporate social responsibility and sustainable development. Thus, Wienerberger officially commits to the implementation of the ten principles regarding human rights, labor standards, environmental protection – including the precautionary principle – and the fight against 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, the 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 or forced labor nor any form of discrimination.

Concepts and Due Diligence Processes

The responsible management of the Wienerberger Group with a view to its long-term development is an essential prerequisite for sustainable corporate success. The most important risks and impacts of the Wienerberger Group's operations relating to non-financial matters are outlined on page 26. Information on the underlying concepts and the due diligence processes applied by Wienerberger is presented in the chapters "Environment", "Social Topics", "Governance", and "Innovation". Information on Wienerberger's approach to the management of financial risks is contained in the Risk Report (Notes starting on page 190).

Supplier Management

Within the framework of our business relations, we strive to ensure that our suppliers also comply with social and ecological standards. The function of Procurement was strengthened at Group level, the objective being to utilize synergies in important areas, standardize and optimize existing processes, and, as in other areas, achieve a higher level of efficiency. New processes and tools were implemented to facilitate efficient supplier management in respect of non-financial matters.

Responsible Procurement Policy and the ESG Steering Committee

Wienerberger Procurement will further improve its ESG performance. In addition to the instruments and processes implemented in 2019 (see following sections on pages 34-36), the new Responsible Sourcing Policy was elaborated in 2020.

The implementation of the policy as an integral part of Wienerberger Procurement was started at the beginning of 2021. By consistently observing and implementing the new provisions, we expect to further improve our ESG performance along our supply chain through targeted measures.

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 availability and use of secondary raw materials
- Health and well-being of people

Moreover, an ESG Steering Committee will be set up in Procurement to ensure continuous progress in areas relating to ESG. The committee will not only guide the development of Procurement, but also take decisions in the event of risks being identified on the supplier side.

Executive position for digitalization and ESG in Procurement

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 supplier management are to be further advanced. Important action areas include:

- Incorporation 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 promotion of best-practice examples and innovations through preferential treatment of suppliers willing to proactively engage and improve in matters relating to ESG
- Ensuring compliance with policies, codes of conduct, international conventions, and local laws as well as Wienerberger rules and standards
- Training of our employees to deepen their understanding of the importance of ESG implementation

Implementation of the new policy is to be completed in all Wienerberger Business Units by March 2021.

Supplier Code of Conduct

In 2019, a uniform, group-wide "Supplier Code of Conduct" (SCOC) was elaborated in cooperation with internal and external experts. The SCOC, which was again applied in 2020, sets out the minimum requirements to be met by Wienerberger's suppliers in terms of responsibility for compliance with environmental, social, and governance criteria, including respect for human rights and compliance with the other requirements of the ten principles of the UN Global Compact. The implementation and application of the Supplier Code of Conduct was substantially advanced by the group-wide procurement structure managed by the Head of Corporate Procurement.

Supplier Relationship Management Tool

In 2020, Wienerberger continued to implement an internal data platform (supplier relationship management tool) containing information on the general and financial terms and conditions and the ESG performance and risks of all of Wienerberger's suppliers. By the beginning of 2021, the new supplier relationship management tool will be introduced in all countries, which facilitates efficient and coordinated data capture. Internal performance ratings, compliance with the Supplier Code of Conduct, and the results of ratings by EcoVadis provide the basis for supplier-specific evaluations (see this page). We will use these ratings for recommendations issued to our suppliers regarding improvements according to ESG criteria and for comparisons of suppliers. Moreover, the screening of suppliers against international sanction lists (see page 36) and reviews of their financial resilience enable us to minimize supplier side risks as much as possible.

Performance of supplier audits

By 2020, 12% of all employees working in Procurement were trained as accredited supplier auditors by external certification bodies (TÜV Technical Inspection Association or equivalent institutions). A formal training program run by external certification bodies was introduced in 2018 to qualify employees in Procurement for the performance of supplier audits.

Ultimately, 20% of all employees in Procurement are to be trained to perform professional on-site supplier audits in cooperation with local colleagues having 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 rolls 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 certified employee in each country organization qualified 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 processes, supplier audits are initiated in those areas of procurement and geographic locations where the biggest potential risks are assumed to exist. The audits also cover essential non-financial aspects, such as health and safety of employees, respect for human rights, the fight against corruption and bribery, and environmental protection. On the basis of the audit results, the suppliers concerned are informed of corrective measures to be taken and deadlines will be set for the implementation of improvements.

Rating of suppliers by a rating agency on the basis of sustainability criteria

Since 2019, Wienerberger has had the sustainability performance and potential supplier 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 ratings and risk analyses of suppliers in selected areas of procurement are being rolled out step by step. Moreover, an internal data platform (supplier relationship management tool, see this page), containing information on the general and financial terms and conditions of all of Wienerberger's suppliers, has been implemented. The ratings of the suppliers' sustainability performance by EcoVadis are also stored on the data platform. EcoVadis also draws the attention of employees working in Procurement to the relevance of sustainability ratings and risk analyses.

Screening of suppliers and customers against international sanction lists

Another measure introduced in 2019 is the monthly screening of all of Wienerberger's suppliers and customers registered in the SAP system via an interactive data platform against international sanction lists (published by: United Nations – UN, EU, and Office of Foreign Asset Control – OFAC – US Department of the Treasury). The screening is performed centrally by a 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 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.

Occupational health and safety

For Wienerberger, as an industrial producer, the health and safety of all its employees is a top priority. Every effort is made to avoid and/or minimize the exposure of our employees to potential health and safety hazards. Our objective is to reduce the annual number of accidents throughout the Group to zero – every year. We are consistently pursuing this target through structural, technological as well as organizational measures, and by implementing group-wide safety standards and individual safety programs for our Business Units. Moreover, we foster a strong culture of safety through training programs and incentive systems.

Quality and environmental management

Wienerberger is striving for operational excellence in all its operations through the optimization of organizational and production processes and through networking along the value chain. Quality management systems (QMS) have been installed at all our plants, which are certified according to ISO 9001 at almost all production sites. 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 Steinzeug-Keramo production sites and the Pipelife site in Germany as well as all sites of Wienerberger Ltd in Great Britain have been certified according to (DIN EN) ISO 50001:2011 Energy Management. To further improve the Group's environmental performance, a number of quantitative targets have been defined for essential matters (see pages 27-29), such as reductions in CO_2 emissions, the circular economy and biodiversity. In a voluntary effort, Wienerberger has for years been working intensively on the preparation of life cycle assessments (LCAs), environmental product declarations (EDPs), and environmental certificates.

Complaints management

Complaints regarding product quality or other issues are dealt with in various business area specific ways. At Pipelife, for instance, complaints management is dealt with locally by the individual country organizations. Steinzeug-Keramo has taken a different approach and introduced a centralized complaints management regime. Each complaint is entered into the system via an app and, at intervals of two weeks, the complaints received are assessed by a group comprising representatives of all departments concerned. Corrective measures, if necessary, can then be implemented in a targeted fashion. In order to understand our customers' concerns even better and adapt our products to their needs as far as possible, it is essential for us to engage in continuous dialogue with them. We also inform our customers about the technological and ecological properties of our products.

Data protection

The protection of personal data has always been a matter of high priority for Wienerberger in all the company's business relations. We treat personal data as confidential and process them in accordance with the data protection rules in effect. We continuously invest in data security measures in order to ensure the best possible protection of personal information. In order to maintain the high level of quality in data protection, an international team of data protection coordinators is operating at holding level and in the country organizations of Wienerberger. A quality standard for data protection was prepared in cooperation with external specialists and successfully implemented throughout the Group. The quality standard and data protection measures already implemented are reviewed and optimized regularly through internal assessments in all business areas and country organizations.

Business ethics and compliance

As a listed company with international operations, Wienerberger is committed to the strict principles of good governance and transparency as well as to the continuous further development of an efficient corporate control system. 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.

Wienerberger is committed to the principle of free and fair competition, which includes a firm stance against any form of corruption. We have always pursued the target of "zero incidents of corruption" and expect all our employees to act accordingly. In 2020, no charges were brought or sentences pronounced against Wienerberger for corruption and no penalty payments were due. Commitment to compliance with all national and international legal standards is a central principle of the Wienerberger Group. Monitoring by the competent authorities did not result in any negative findings in 2020.

To prevent insider trading and the unlawful disclosure of inside information, the company has adopted a compliance policy, updated in 2018, which implements the provisions of European and Austrian stock exchange law. A compliance officer, assisted by a deputy, has been appointed to monitor compliance. Training sessions on issuer compliance for the management of Wienerberger AG and the Business Units are held regularly at the Vienna headquarters.

Pursuant to the Austrian Lobbying and Interest Representation Transparency Act, the basic principles governing lobbying activities have been laid down in a code of conduct for all board members and employees of Austrian companies in which Wienerberger AG holds a majority interest. This code of conduct can be downloaded from the Wienerberger website. The Wienerberger Corporate Governance Report is published as part of the 2020 Annual Report, starting on page 58, and on the Wienerberger website.

Additionally, Wienerberger has for years committed to the implementation of the ten principles of the UN Global Compact and, as stated in the Wienerberger Social Charter, undertakes to observe the relevant conventions and recommendations of the International Labor Organization (ILO). For detailed information, please refer to the Wienerberger website.

Covid-19 pandemic

The impact of the Covid-19 pandemic on the Wienerberger business model and our corresponding management approaches and due diligence processes are described in detail in the Management Report of the 2020 Annual Report, in particular in the chapters "Financial Review", "Value Management", "Wienerberger Building Solutions", "Wienerberger Piping Solutions", "North America", and "Market Outlook and Targets for 2021". The "CEO Letter" of the 2020 Annual Report also refers to the impact of the pandemic and the company's efforts to deal with it. Measures relating to occupational safety and health of our employees and partners in the context of the Covid-19 pandemic are described on page 46 of this non-financial performance report.

Environment

Principles, Processes and Instruments

Wienerberger strives to keep the impact of its entrepreneurial activities and the related risks for the environment along the entire value chain as low as possible. We contribute to the fight against climate change through enhanced energy efficiency and measures to further reduce our CO_2 emissions. We focus on the responsible and efficient use of energy, raw materials and water. At the same time, we are making every effort to consistently design our value-creating processes for closed-cycle operation and to increase the use of secondary raw materials, wherever this is technically and economically feasible. The preservation of biodiversity at our production sites has become another focal point of our efforts.

For the efficient orientation and implementation of its Sustainability Program 2023, Wienerberger consistently focuses on those topics and aspects which were identified as material for the Group. The materiality analysis and the material topics and aspects relating to the environment are presented in detail in the chapter "Management Approach" starting on page 27.

Effective technical controlling systems have been installed in all fields of production of the Wienerberger Group. These systems record all production-related data that are required for the management of the company and enable internal benchmarking of individual plants against others.

For Wienerberger, the creation of lasting values for our customers through innovative, environment-friendly and durable building and infrastructure solutions is a central principle of product and system development.

Research and development

Research and Development (R&D) are among the priorities of Wienerberger's strategic planning. One of the core tasks of R&D is to optimize production processes and product development. In 2020, R&D expenditure amounted to € 17.4 million, which corresponds to 0.5% of the Group's revenues.

In view of what users and developers expect of a building, and considering the numerous regulatory requirements to be met, such as the Energy Performance of Buildings Directive (EPBD), the system-based approach to building construction is becoming more and more important. Integrated system solutions enable us to combine the outstanding properties of individual products of the Wienerberger portfolio with products supplied by our partners in the field of building services and engineering to obtain the best possible results.

Quality and environmental management

Quality management systems (QMS) have been installed at all our plants, which are certified according to ISO 9001 at almost all production sites. 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 Steinzeug-Keramo production sites and the Pipelife site in Germany 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 our concrete paver business, are aimed at sustainably reducing resource consumption and costs through improvements of production processes. In the plastic pipe segment, we promote the Lean Six Sigma management approach in order to implement quality improvements and process optimization.

Environmental product declarations and certifications

In a voluntary effort, Wienerberger has for years been working intensively on the preparation of life cycle assessments (LCAs) and environmental product declarations (EPDs) for its entire product range. All ceramic pipes and fittings as well as selected product lines in concrete paver production have been certified according to the Cradle to Cradle® concept.

Supplier management

Wienerberger attaches prime importance to long-term security of supply in accordance with ESG criteria. Within the framework of our business relations, we therefore want to ensure that our suppliers comply with our social and ecological standards, which we clearly communicate to them.

In 2020, Wienerberger elaborated its new Responsible Sourcing Policy. By consistently following and implementing this new policy, we will further improve our ESG performance along our supply chain in a clearly targeted manner.

Wienerberger's group-wide Supplier Code of Conduct, elaborated in 2019 in cooperation with internal and external experts, has been implemented in all business areas. Acceptance of the code by our suppliers is centrally monitored and documented. We record which of our suppliers agree to comply with the requirements of our Supplier Code of Conduct or have their own codes that meet our requirements. This information is taken into account in the assessment of our suppliers.

In 2020, as in the previous year, Wienerberger had the sustainability performance and potential risks of suppliers in selected areas of procurement rated by EcoVadis, an international partner for sustainability ratings (ESG ratings). The results of the ratings by EcoVadis are used as a basis for supplier-specific assessments.

In the year under review, Wienerberger continued to implement its internal data platform (supplier relationship management tool) containing information on the general and financial terms and conditions and the ESG performance and risks of all of Wienerberger's suppliers. By the beginning of 2021, the new supplier relationship management tool is to be introduced in all countries, which facilitates efficient and coordinated data capture. For example, internal performance ratings, information on compliance with the Supplier Code of Conduct, or the results of ratings by EcoVadis provide the basis for supplier-specific assessments. We will use these ratings for recommendations issued to our suppliers regarding improvements according to ESG criteria and for comparisons of suppliers. Moreover, the screening of suppliers against international sanction lists (see page 36) and reviews of their financial resilience enable us to minimize supplier side risks as much as possible.

Furthermore, 12% of all employees of country organizations working in procurement have already been trained by an external certification body to perform supplier audits. The objective is to perform standardized supplier audits throughout the Group and to have at least one certified employee in each country organization qualified to perform on-site supplier audits.

For detailed information on the activities and instruments for the integration of sustainability criteria in our supplier management, please refer to the chapter "Management Approach" starting on page 34.

Material Indicators relating to Production

Environmental indicators of the Wienerberger Group [1]		2018	2019	2020	Chg. in %
Total energy consumption	*in GWh*	8,211	8,194	**7,415**	-10
Specific energy consumption	*Index in % based on kWh/ton (2013 = 100%)*	99	99	**100**	+2
CO_2 emissions from primary sources of energy (part of Scope 1) [2]	*in kilotons*	1,419	1,417	**1,276**	-10
Indirect CO_2 emissions from electricity (Scope 2) [3]	*in kilotons*	-	-	**296**	-
CO_2 emissions from primary sources of energy + Scope 2 [3]	*in kilotons*	-	-	**1,573**	-
Specific direct CO_2 emissions from primary sources of energy in ceramic production [4]	*Index in % based on CO_2/ton (2013 = 100%)*	92.0	92.1	**92.8**	+1
Specific indirect CO_2 emissions from electricity in plastic pipe production [4]	*Index in % based on kg CO_2/ton (2010 = 100%)*	89.0	92.3	**76.4**	-17

1) Five sites newly acquired in 2019 were not included in the indicators for 2019, as the necessary data collection structures were not yet in place; they are included in the indicators for 2020. // 2) Without WPS plastic pipes; part of Scope 1 emissions, without process emissions. // 3) The indicator is reported for the first time in 2020. // 4) The indicator is part of the Sustainability Roadmap 2020, which expired at the end of 2020. // For explanations of the abbreviations and indicators used, please refer to the Glossary at the end of this report. // Rates of change against previous years are calculated on the basis of non-rounded values for all non-financial indicators.

Targets and Measures

Energy efficiency and climate protection

Within the framework of our new Sustainability Program 2023 we have set the following climate protection target for the entire Wienerberger Group:

"15% less CO_2 emissions by 2023 as compared to 2020"

This objective includes the reduction of our:

- Scope 1 emissions: direct CO_2 emissions from primary energy sources and raw materials (of particular relevance in ceramic production).
- Scope 2 emissions: indirect CO_2 emissions from electricity used by the Wienerberger Group.

CO_{2e} versus CO_2: "Carbon dioxide equivalents" or "CO_{2e}" 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 CO_2 emissions (Scope 1) from our production processes are therefore to be equated with carbon dioxide equivalents. Indirect CO_2 emissions (Scope 2) from electricity are recorded as CO_{2e} (calculation according to market-based method).

The absolute CO_2 emissions or the corresponding CO_2 indicators communicated in our reporting on climate protection thus always refer to emissions of carbon dioxide equivalents (CO_{2e}).

Our ceramic production engineers are making continuous efforts to reduce our Scope 1 emissions by developing new technologies to enhance energy efficiency in the drying and firing processes, avoid or recover waste heat, and optimize our products, processes and our portfolio. To this end, findings from our demo plant project are being rolled out to other plants. Moreover, we are developing new production technologies for the efficient use of low-emission or carbon-neutral energy sources. Raw materials used in ceramic production are carefully selected with a view to the targeted reduction of process emissions. To arrive at the best possible solutions, we run our own internal research facilities and cooperate with external research institutes.

By 2023, we intend to drastically reduce the Wienerberger Group's entire Scope 2 emissions from electricity. To this end, we conclude power purchase agreements (PPAs), rely on own facilities, and offset the percentage of electricity from fossil sources consumed.

One of the targets of the Sustainability Roadmap 2020, which expired at the end of 2020, was to reduce specific energy consumption and specific CO_2 emissions in ceramic production, by 20% per ton of products by 2020, as compared to 2010. These targets were outperformed in roof tile and clay block production. In ceramic production these targets were met only partly due to changes in the product mix, the trend toward lighter products, and lower reductions in facing brick production. The targets set for WPS, plastic pipe production, within the framework of the Sustainability Roadmap 2020, namely to reduce specific energy consumption by 3% and specific indirect CO_2 emissions from electricity by 11%, as compared to 2010, were outperformed. In all product groups, the long-term trend toward lighter products and smaller pipe diameters, as well as changes in the product mix, have a substantial influence on our specific performance measured in tons of products produced. The findings gained from the implementation of the Sustainability Roadmap 2020 served as input for the design of the Sustainability Program 2023.

On account of their thermal insulation and thermal energy storage properties, Wienerberger's product and system solutions for sustainable building design contribute significantly to energy-efficient building construction and, consequently, to climate protection (see also pages 53-54).

Circular economy

Within the framework of our new Sustainability Program 2023, we have set the following circular economy target for the entire Wienerberger Group:

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

For further information on the development of our products and system solutions, please refer to the chapter "Innovation" starting on page 52.

Resource efficiency and waste management

Wienerberger's target is to increase resource efficiency in production and, at the same time, further improve the properties of its products. Reducing raw material consumption, using secondary raw materials from internal and external sources wherever this is meaningful and feasible, and continuously reducing the scrap rate are particularly important aspects for us. In concrete paver production, for example, we succeeded in reducing the scrap rate by 55% between 2014 and 2020 within the framework of the Sustainability Roadmap 2020. A total of 104,637 tons of waste was generated by Wienerberger in 2020, 78% of which was non-hazardous and recyclable.

Percentage of secondary raw materials

In plastic pipe production in Europe, our target for the use of internal and external secondary raw materials originally set in 2014 was outperformed and even achieved two years earlier than planned. By 2020, as compared to 2014, the percentage of internal and external secondary raw materials was increased from 59 to 82 kg per ton of products produced.

To minimize the consumption of raw materials, we are continuously optimizing the properties of our products in terms of weight and design.

Responsible use of water

We are making every effort to use water sparingly, for instance by running it in closed circuits, and drawing primarily on our own wells. In 2020, the entire Wienerberger Group used 4.2 million m³ of water, i.e. 4% less than in 2019. Group-wide specific water usage amounted to 0.3 m³ per ton of products produced.

For outdoor and infrastructure applications, Wienerberger offers system solutions to address the challenges of water management arising as a result of climate change and increasing urbanization. Water-permeable pavers have a positive influence on groundwater and the micro-climate in cities. Wienerberger's smart, digital infrastructure solutions help to reduce water consumption, identify damage to pipes more quickly, and thus avoid water losses from supply networks. We also supply water management systems capable of capturing large volumes of water during flood events, store them and make them available for reuse after filtration.

Availability of raw materials

Long-term availability of raw materials is a crucial aspect of responsible corporate performance. We ensure the availability of raw materials for the production of plastic pipes and concrete pavers by early identification of possible shortages and the diversification of supply sources. While we own about two thirds of the clay reserves required in ceramic production, extraction contracts, most of them of a long-term nature, are concluded for the remaining third.

Biodiversity

Within the framework of our new Sustainability Program 2023, we have set the following biodiversity target for the entire Wienerberger Group:

"Biodiversity programs in place for all our production sites"

Wienerberger looks back on a long and special history as regards the management and monitoring of clay pits. Through the responsible and environment-friendly use of land, taking the specific environmental conditions and the ecosystem of clay pits into account, the company succeeded in creating some extremely interesting habitats for endangered plants and animals. Building on this heritage, we are determined to implement biodiversity action plans not only for our clay pits, but for all Wienerberger sites by 2023. The objective of these action plans is to improve land use in rural and urban areas within the framework of a local ecosystem, fight against the loss of biodiversity, and contribute to the rehabilitation of ecosystems. Moreover, Wienerberger will prepare biodiversity action plans for its existing production and office sites in order to contribute to the enhancement of urban flora and fauna. We will involve our employees in the implementation of these action plans in order to heighten their awareness for the importance of biodiversity on our planet. In cooperation with external experts and the University of Wageningen, a group-wide plan was drafted, which is to be consistently implemented in the coming years.

Avoidance of hazardous substances

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

Nature conservation and subsequent use of depleted extraction sites

For manufacturers of plastic products, the sustainable sourcing of raw materials comprises a range of issues, from nature conservation and the rights of regional stakeholders in crude oil extraction to energy efficiency in processing in the petrochemical industry.

The preservation of biodiversity, nature conservation and a meaningful subsequent use of depleted sites are important sustainability criteria for the planning, approval, operation and subsequent use of clay pits.

For Wienerberger, this has always included non-interference with protected areas and efforts to make the company's own depleted sites available for their intended subsequent use. In Europe, Wienerberger continuously monitors all its clay pits used for brick production. This includes information on their intended subsequent use. As a rule, the competent public authority defines the type of reuse of depleted clay pits at the time of approval of clay extraction. Environmental impact assessments and ecological studies are 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 principle, depleted clay pits, with enough open space and water gathering in ponds, have the potential to become an ideal habitat for rare plants and animals. 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 rare animal species that are at risk of extinction. Based on the biodiversity program for all our sites and the respective biodiversity action plans, we will ensure that greater importance is attributed to nature conservation even while a clay extraction site is still in operation.

Social Topics

Principles, Processes and Instruments of our Human Resources Management

Our more than 16,600 employees are the basis of our success and a key factor for the successful further development of our company. We consider it our responsibility to create the necessary prerequisites and the best possible conditions for the safety, health and satisfaction of our employees.

For the efficient orientation and implementation of its Sustainability Program 2023, Wienerberger consistently focuses on those aspects which were identified as material for the Group. The materiality analysis and the material aspects relating to human resources are presented in detail in the chapter "Management Approach" starting on page 27.

The following principles of human resources management apply at Group level:

- Safety and health at the workplace
- Advancement and support of the development of each individual employee and succession management
- Diversity and equal opportunities, regardless of age, gender, cultural background, religion, origin, or other diversity features (for information on our diversity policy, please refer to pages 69 to 72 of the 2020 Corporate Governance Report)
- Open communication within the company and consistent involvement of our employees
- A motivating work environment to foster performance-oriented work ethics, individual responsibility, and entrepreneurial thinking and action
- Fair and performance-based remuneration and flexible working-time models for optimal work-life balance

Our values provide the basis for our entrepreneurial activity. Responsibility, integrity, and respect are the values we regard as particularly important in Wienerberger's relationship with its employees.

By signing the Social Charter in 2001, Wienerberger undertook to create employment and working conditions across the Group that meet or exceed the minimum standards laid down in national laws and/or collective bargaining agreements. Thus, Wienerberger complies with the recommendations of the International Labor Organization (ILO, a specialized agency of the United Nations). The freedom of assembly of our employees and their right to engage in collective bargaining are other important principles upheld by us. In 2020, about 70% of all Wienerberger employees were covered by collective bargaining agreements.

The degree of employee satisfaction has a considerable impact on the performance of the company. The general conditions at the workplace as well as the type and quality of the specific instruments available to employees for the performance of their tasks play an important role in this context.

Wienerberger is fully aware of its responsibility for its employees. As an industrial producer, our top priority is to avoid and/or minimize the exposure of our employees to potential safety and health hazards, especially in our plants. We not only take the necessary structural, technical, and organizational measures, but also make every effort to foster a culture of safety, for instance through training programs and incentive systems.

The principles of Wienerberger's human resources policy ensure that all employees, regardless of age, gender, culture, religion, origin, or other diversity features, have the same rights and opportunities. Moreover, we want to bring together people with a variety of talents, skills, and personality features as well as individual professional and cultural backgrounds, all of which leads to an increase in productivity, enhances creativity, and promotes tolerance, which in turn stimulates the company's performance.

At Wienerberger, we believe in advancing and supporting our employees in a targeted fashion and in facilitating the international exchange of knowledge. All Wienerberger training programs are designed to promote networking and international knowledge transfer. They are aimed at providing training that is tailored to the employees' specific areas of work and serves the goal of long-term succession management.

Material Indicators relating to Employees

Indicators relating to the employees of the Wienerberger Group [1]		2018	2019	2020	Chg. in %
ø Employees	*Full-time equivalents (FTE)*	16,596	17,234	**16,619**	-4
Employees as at 31/12	*Headcount*	16,284	16,311	**16,446**	+1
Employees turnover [2]	*in %*	12.2	11.3	**13.1**	+16
Percentage of women	*in %, relative to headcount*	14.3	14.8	**15.1**	+2
Percentage of women in senior management	*in %, relative to headcount*	11.0	12.2	**12.9**	+5
Percentage of women in white collar positions [3]	*in %, relative to headcount*	32.2	32.2	**32.2**	-0
ø Hours spent in training / employee	*in hours*	16	16	**16**	+1
Accident frequency	*Number of occupational accidents / Number of hours worked x 1.000.000*	5	6	**6**	+1
Accident severity	*Accident-related sick-leave days / Number of hours worked x 1.000.000*	155	158	**178**	+12
Fatal accidents	*Number*	1	0	**1**	
ø Sick-leave days / employee [2]	*in days*	10.5	10.7	**10.8**	+1

1) Five sites newly acquired in 2019, for which structures for the collection of non-financial indicators were not in place, were not included in the indicators for 2019; they are now included in the 2020 report. // 2) Figures excluding the North America Business Unit (not fully comparable owing to special national legal provisions) // 3) All employees excluding production. // For explanations of the abbreviations and indicators used, please refer to the Glossary at the end of this report. // Rates of change against previous years are calculated on the basis of non-rounded values for all non-financial indicators.

Targets and Measures relating to Employees

Occupational safety and health

Our occupational safety target for the entire Wienerberger Group is:

"Zero occupational accidents"

Health is a human right. Hence, Wienerberger is making every effort to ensure that working conditions are safe and healthy at all its sites. All normal capex and standard maintenance measures are carried out with the safety and health needs of our employees in mind. The Wienerberger Safety Initiative, launched in 2010, implemented uniform group-wide safety standards aimed at reducing the frequency and severity of occupational accidents. As in previous years, the Wienerberger Safety Initiative was pursued consistently throughout 2020. Throughout the organization, we rely on effective management systems to achieve the highest possible level of occupational safety and health. Additionally, each operating segment implements its specific internal occupational safety and health programs.

In 2020, the Wienerberger Building Solutions and Wienerberger Piping Solutions Business Units jointly elaborated a new Health & Safety Policy, which clarifies the obligation of each and every employee to assume responsibility and comply with all safety rules. The policy was published in January 2021 and can be downloaded from the Wienerberger website. Our Health & Safety Policy creates added value, enhances commitment, and enables our employees to take the right decisions.

Despite all measures and training programs on occupational safety, one fatal accident unfortunately occurred in 2020. Wienerberger deeply regrets this accident. We analyzed the circumstances of the accident in great detail and continued to consistently pursue our measures aimed at improving the safety of our employees.

In 2020, the frequency of accidents throughout the Wienerberger Group remained almost constant compared to the previous year. The increase in accident severity at Group level is due to the higher number of accident-related sick-leave days in individual business areas. The circumstances of all accidents were thoroughly investigated and the causes of accidents identified. Additional measures targeted at specific areas have been implemented and training sessions organized, the objective being to ensure a constantly high level of attention among our employees and, at the same time, reduce risk-taking behavior. We are consistently pursuing our zero accidents target.

We continue to cooperate intensively with our employees across all management levels. Our primary focus is on sharpening their awareness of potential hazards and conveying the message that safety regulations and technical protection measures are binding and must be complied with under all circumstances.

Prevention is an important factor in promoting health. Therefore, apart from regular health screenings, company physicians are available to employees throughout the Group. Workplaces are analyzed for their ergonomic characteristics, and individual programs for fitness and health are offered. In certain countries, we provide supplementary insurance coverage for our employees either free of charge or at reduced premiums. In the North America Business Unit, for instance, all full-time employees are covered by supplementary health insurance, the scope of which goes beyond the Affordable Care Act in some respects.

Group-wide measures to cope with the Covid-19 pandemic

It goes without saying that minimizing health risks and protecting our employees in the course of the Covid-19 pandemic was a matter of absolute priority for Wienerberger. As a producing company, it is equally important for us to protect and support our external partners and customers to the best of our abilities. When the pandemic broke out at the beginning of 2020, we therefore immediately set up an internal business resilience team in order to be able to react swiftly and sustainably to the current situation and to inform the organization in detail about the internal measures taken. Some of the measures adopted to ensure maximum safety and health for our employees are listed below:

Physical measures

- Strict safety and health measures along the entire value chain
- Rapid establishment of an internal business resilience team
- Implementation of a work-from-home regime within 48 hours

Psychological measures

- Regular management and team calls
- Transparent, regular and timely communication of measures and rules
- Installation of a psychological support hotline

Employee satisfaction

We implement targeted measures aimed at increasing employee satisfaction. To this end, we planned another employee survey to be conducted simultaneously among all employees of the Wienerberger Group in the autumn of 2020. The main purpose was to evaluate the effectiveness of the measures taken. However, due to the Covid-19 pandemic, the survey had to be postponed to the spring of 2021. In the future, group-wide employee surveys are planned to be conducted at regular intervals of two years.

Diversity and equal opportunities

Within the framework of our new Sustainability Program 2023, we have set the following diversity targets for 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 but 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. Being aware of the great diversity of talents in our society, Wienerberger is making every effort to identify, address and tap this talent pool. We are convinced 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 of any gender with diverse talents, skills, personality features, 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.

Involvement and development of our employees

Within the framework of our new Sustainability Program 2023, we have set the following employee development target for the entire Wienerberger Group:

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

Wienerberger's goal is to develop and support its employees in a targeted fashion and to facilitate the cross-border exchange of knowledge. The training programs provided comprise internal and external initial and further training measures. All Wienerberger training programs are designed to promote networking and encourage international knowledge transfer. They are aimed at providing training that is tailored to the employees' specific areas of work and serves the goal of long-term succession management.

In 2020, as in previous years, initiatives aimed at advancing and supporting employees in a targeted fashion and facilitating the cross-border exchange of knowledge were implemented – while complying with all necessary Covid-19 related protective measures.

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. Currently, 13 participants are attending this training course. 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 project communication, performance indicators, process and conflict management, and intercultural skills. In 2020, 13 employees from ten different organizations started training under this program.

Within the framework of the Wienerberger Engineering Academy of the Wienerberger Building Solutions Business Unit, the main focus in 2020 was on short, virtual training formats on a great variety of topics relating to ceramic production as well as occupational safety. More than 2,000 employees used this opportunity for further training.

Social Commitment and Donations

As a provider of building 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, i.e. through the provision of building material and infrastructure solutions and the transfer of sustainable building know-how.

Targets and Measures Relating to Social Commitment and Donations

Within the framework of our new Sustainability Program 2023, we have set the following group-wide target for the support for people in need:

"200 housing units per year for people in need built with our products in the market we operate in."

In accordance with the Wienerberger Donations Policy, we support people in need in a targeted manner through product donations in the markets we operate in. In addition to product donations, we also provide building construction and infrastructure know-how for social projects. Moreover, cooperative volunteering campaigns are organized, with Wienerberger employees providing hand-on assistance in the construction of houses on site.

Cooperation with Habitat for Humanity

In 2012, Wienerberger began to cooperate with Habitat for Humanity, an international non-profit organization. Founded in 1976 in the USA, the activities of this organization are focused on the provision of sustainable housing for and with people in the poorest regions in many countries of the world. All projects are based on the principle of "helping people help themselves". Habitat for Humanity actively advocates every human being's right to shelter.

Since the beginning of our cooperation with Habitat for Humanity, we have helped over 3,140 people 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" were 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 current partnership period (2018-2021) Wienerberger supports the construction and renovation of residential and non-residential building as well as the organization of "housing forums" in Bulgaria, Hungary, North Macedonia, Poland, Slovakia and Great Britain. Through these efforts, help has been provided so far for 1,136 people in need: The living conditions of 121 families (597 persons) have been improved and 539 people in need of help were supported through community projects (centers for people with disabilities, community centers and the like). In total, this corresponds to 106 housing units created, 38 of which in 2020.

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 2020, only few construction and renovations projects were launched. Nevertheless, a number of construction projects were implemented in North Macedonia, Poland, Romania, Slovakia and Hungary in 2020. 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 labor. The figures for 2020 therefore should not be taken as representative of Wienerberger's long-standing cooperation with Habitat for Humanity.

Local partnerships and cooperation projects

Besides its cooperation with Habitat for Humanity, Wienerberger also carries out social projects organized by its country organizations. A few examples from 2020 are described 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 2020, 14 housing units were built within the framework of cooperation with ELIJAH.

In Austria, Wienerberger supported Caritas, a charity operated by the Archdiocese of Vienna, in the implementation of two shared housing projects for 14 young children with mental retardation or physical disabilities. The children moved into the buildings at the end of 2020.

After the disastrous earthquake in Croatia in the region around Petrinja and Sisak in December 2020, employees of the local country organizations of the Wienerberger Group organized a humanitarian relief campaign for the inhabitants affected. Almost 3,000 residential buildings were completely destroyed and more than 33,000 severely damaged by the earthquake. Wienerberger is represented by four establishments in this region. To date, we have donated about 150 tons of clay blocks and roof tiles, 8.500 plastic pipes and 800 fittings. After this emergency relief operation, Wienerberger also participated proactively during the phase of organized reconstruction of the regions concerned. Together with local partners, new houses are being built that meet the highest standards of earthquake-proof construction.

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 valuable member of society and to create value for all.

Governance

Principles, Processes and Instruments

Wienerberger takes its role as a responsible member of society very seriously. For us, this responsibility encompasses the observance of ethical principles in all our actions, honest communication, active involvement in the creation of a transparent economic environment, personal accountability for what we do, and acting as a reliable and useful member of society.

The responsible, long-term approach to the management of the Wienerberger Group is an essential prerequisite for the achievement of our corporate targets and the sustainable increase in enterprise value in accordance with ecological, social, and economic aspects. 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.

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.

Since 2002, Wienerberger has been fully committed to compliance with the rules of the Austrian Corporate Governance Code (see https://www.wienerberger.com/de/investoren/corporate-governance.html).

Wienerberger's complete Corporate Governance Report is available as part of the 2020 Annual Report (starting at page 58) and can be accessed on the Wienerberger website at https://www.wienerberger.com/de/investoren/corporate-governance.html.

The implementation and correctness of our public statements were evaluated and reported by the external auditor, Deloitte Audit Wirtschaftsprüfungs GmbH, Vienna, within the framework of the audit of the Corporate Governance Report as part of the 2020 Annual Report. This report can also be accessed on our website (https://www.wienerberger.com/de/investoren/corporate-governance.html).

As early as 2001, 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.

By acceding to the UN Global Compact in 2003, Wienerberger officially undertook to implement the ten principles of the UN Global Compact on human rights, labor standards, environmental protection, including the precautionary principle, and the fight against corruption. We publish an annual progress report (CoP, Communication on Progress) on these topics. Wienerberger's current Communication on Progress is contained in the most recent sustainability report and published on our website.

Targets and Measures

Wienerberger is committed to free and fair competition; this includes a firm stance against any form of corruption. Wienerberger expects all its employees to act accordingly. Wienerberger has always pursued the strict goal:

"Zero incidents of corruption"

In 2020, no charges were brought or sentences pronounced against Wienerberger for corruption and no penalty payments were due.

Commitment to compliance with all national and international legal standards is a central principle of the Wienerberger Group.

Monitoring by the competent authorities did not result in any negative findings in 2020. For further information on related topics, please refer to the chapter "Management Approach" (page 37), which also contains a description of the measures taken in this context.

In 2020, as in the previous year, Wienerberger was almost in full compliance with the rules of the Austrian Corporate Governance Code, including its R Rules. Slight non-compliances were reported in respect of two C Rules of the Code. These deviations, as well as further activities in the reporting year, are explained and described in detail in the Corporate Governance Report starting on page 58. This report is also available on the Wienerberger website.

The Wienerberger Corporate Governance Report is starting on page 58. It can also be accessed on the Wienerberger website. For information on the ESG structure, please refer to the chapter "Management Approach" of this report, starting on page 22.

Innovation

Principles, Processes and Instruments

Innovation – alongside operational excellence, M&A and portfolio optimization – is one of the key factors for Wienerberger in the pursuit of its essential corporate targets: increasing Wienerberger's share in the value chain in building construction and positioning the company as a full-range provider of system solutions for energy and water management.

Over the past decade, Wienerberger has 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 and other services.

Strategy

Our innovation strategy is geared to address the global challenges of climate change, the circular economy, and the protection and restoration of biodiversity. At the same time, megatrends such as urbanization, digitalization or demographic change, as well as the shortage of skilled labor, are taken into account. With its innovative products and systems, Wienerberger aims to provide targeted solutions designed to address these topics.

Structure

Wienerberger has established a management structure well-suited to support the efficient planning and implementation of the company's innovation strategy. Based on a system of category management, it addresses the various market segments relevant to Wienerberger, such as bricks and tiles or energy and water management. The product and system solutions developed by Wienerberger take the specific requirements of these market segments into account and address the aforementioned global challenges and megatrends. Wienerberger's product management provides the framework for the provision of individually designed product and system solutions tailored to local conditions and based on the use of regional products.

With our L.A.B. (Learn-Act-Build) facility, we provide space for projects and ideas focused on innovation, Industry 4.0 and digitalization outside the usual structures. Wienerberger's L.A.B supports projects by making available the necessary resources and the methodology for the development of ideas, such as the systematic and structured approach of "design thinking".

Research and development

Wienerberger operates several research centers that specialize in the various product groups and market segments. Our specialists in category and product management cooperate closely with the marketing and sales departments of the individual operating entities in order to align new developments with the needs of our customers. Market launches of new products and system solutions across several countries are managed centrally, but the products are adjusted to local market conditions by our specialists on site. Successful developments can thus be rolled out quickly and efficiently throughout the Group.

Service centers for and dialogue with our customers

Our customers and business partners – end users as well as building material dealers, developers, designers and building contractors – are interested in obtaining high-quality, durable, und affordable product and system solutions. These are to ensure a safe and comfortable residential environment and offer solutions in dealing with global challenges and sustainability requirements. Our sales teams respond to the individual needs of different customer groups and support them with a broad range of advisory and other services from the planning phase to logistics right through to project execution.

Based on the results of the 2020 materiality analysis, in particular the findings obtained through the stakeholder survey, the newly established Group Sustainability & Innovation Department will intensify its direct dialogue with our customers and partners. Our objective is to strategically support our stakeholders in their efforts to comply with ESG criteria. Together with our stakeholders, we want to set priorities, define core projects and implement such projects.

As the technology and innovation leader of our industry, we take advantage of digitalization not only to optimize our production processes and develop digital and smart product and system solutions. Digitalization also enables us to intensify our customer relations and create efficient sales and administrative structures. Moreover, we explore new fields of business and offer customers the benefit of seamless digital design of building projects on a one-stop-shop basis. In all our business relations, we do our utmost to ensure the protection of personal data. For details on data protection, please refer to page 37 of this report.

As regards complaints about product quality or other matters, the approaches taken by the individual Business Units are described in the chapter "Management Approach" on page 36.

In order to further deepen our understanding of our customers' needs and to align our products with their requirements as much as possible, we engage in continuous dialogue with them. Moreover, we provide our customers with comprehensive information about the technical and ecological properties of our products. Our well-trained employees and our service centers are available to optimally support our customers in the application of our products and system solutions.

Safety and health of our customers and product users

Ensuring the safety and health of our customers and product users is part of our mission to improve people's quality of life with our building and infrastructure solutions.

It goes without saying that Wienerberger meets all legal requirements at European, national and regional level regarding the avoidance and substitution of hazardous substances. Compliance is being monitored continuously, and corrective measures, if necessary, are taken without delay.

Targets and Measures

Our mission is to improve people's quality of life with our building and infrastructure solutions. Our innovative products and systems are designed to address the challenges of climate change, the circular economy, the protection and restoration of biodiversity, or provide solutions in response to megatrends, such as urbanization, digitalization, or demographic change as well as the shortage of skilled workers.

In 2020, innovative products and system solutions accounted for 33% of total revenues. For Wienerberger, products, system solutions or processes that represent an improvement over earlier versions or add to the diversity of the product range qualify as innovative. Depending on the type of products or system solutions, innovations particularly address the properties identified as material from the stakeholders' perspective.

Important properties of our innovative product and system solutions are illustrated in the following by way of selected examples.

Climate and energy

Wienerberger's innovations in the field of wall and roof systems are an integral part of sustainable building design. On account of their thermal insulation properties and their thermal storage capacity they contribute significantly to the energy efficiency of buildings and thus support the fight against climate change. This applies to both new build and renovation.

Another EU strategy for the reduction of greenhouse gas emissions is the use of non-fossil, renewable sources of energy. For example, solar panels aesthetically integrated into roof solutions facilitate the use of renewable energy and enhance the energy performance of buildings.

Moreover, Wienerberger plays pioneering role in the development and supply of plastic hydrogen and biogas pipeline systems (Reinforced Thermoplastic Piping System). Such systems operate along the entire chain from the wind-based electrolysis process under high pressure to end users in transport and industry. Compared to conventional steel pipes, the composite plastic pipes require no maintenance and are flexible and corrosion-proof.

Circular economy

Design of products and systems for improved reusability / recyclability

Within the framework of our new Sustainability Program 2023, we have set the following circular economy target for the entire Wienerberger Group:

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

The reusability of our products is an essential aspect of innovation, as it significantly prolongs the service life of our products. The reuse of roof tiles and pavers, which has been practiced for quite some time, is an excellent example. Moreover, 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 meet high aesthetic quality requirements, a matter of particular importance in building construction.

Long service life and long-term value of products

To meet the requirements of high-end façade, Wienerberger introduced completely maintenance-free, digitally engobed façade panels with an extremely long service life. Digital engobing offers the advantage of high-end design options without reducing the durability of ceramic façade solutions.

Percentage of secondary raw materials

The use of secondary raw materials is an important topic for the future and an essential aspect in our efforts to promote circular economy. Wienerberger has introduced several new pipe system solutions based on 100% of post-consumer materials. One of these solutions has even been awarded an innovation prize.

For further information on the percentage of secondary raw materials, please refer to the chapter "Environment", page 41.

Shortage of skilled workers

The persistently high shortage of skilled workers represents a major challenge for companies. We are making considerable efforts to realize our vision of being the preferred employer in our markets. At the same time, we are working on the optimization of technological alternatives, such as prefabricated building elements, to overcome the shortage of skilled workers qualified to apply our products.

SPIDER, for example, is a prefabricated, tailor-made system solution for in-house electrical installations. It consists of smart electric conduits, which are prewired according to a 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.

To counteract the upward trend of construction costs due to the shortage of skilled workers, we supply prefabricated wall elements or novel types of bricks that can be laid more quickly and even by masonry robots. In the Wienerberger Building Solutions Business Unit, robots are also used upstream of the construction site, i.e. in production. The use of robotics helps us achieve a higher degree of precision and reduce potential hazards.

Digitalization

For the construction industry, digitalization has been one of the greatest opportunities of the past decades. It has great potential in the development and application of product and system solutions. The smart probe, for example, which is supplied as an add-on, is based on a completely new technology and facilitates the installation of various sensors on pipes. Smart probes enable network operators to precisely locate pipe damage and perform measurements without any interruption of supply to consumers.

The digital All4Roof tool makes it easier for roofers to do business with Wienerberger and simplifies order processing. The platform offers roof designers a digital end-to-end solution for our roof systems, from roof tiles and accessories to the necessary technical equipment. Roofers can plan and finalize their projects with a few mouse clicks. The roofer's customer instantly receives a detailed quote generated by the tool.

Added value through innovations

As the innovation leader of our industry, we continuously improve and upgrade our product and system solutions for all fields of application in building construction and infrastructure. Benefitting from our strong market positions, we are able to introduce successful innovations across the regions we operate in.

In our role as a leading provider of smart solutions for the entire building envelope in new build and renovation as well as in infrastructure for water and energy management, we actively shape the digital future of construction. New digital business models range from support to designers through digital product information to prefabrication on the basis of 3D models and smart products supplying customers with data and other useful information. In combination with our service platforms, we thus create sustainable added value. Process automation, the use of prefabricated elements, and complete systems make for enhanced efficiency on the construction site and an efficient use of resources.

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, 2021
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 Schwarzmayr
Member of the Managing Board of Wienerberger AG, COO *WPS*

Audit Report

Courtesy Translation of the Audit Report of the Independent Assurance on Non-Financial Reporting 1)

Introduction

We performed procedures to obtain limited assurance, if the consolidated non-financial report as at December 31, 2020 was prepared in accordance with with the Austrian Commercial Code (UGB), particularly the reporting requirements of § 267a UGB (NaDiVeG).

Responsibility of the management

The preparation of the report in accordance with the Austrian Commercial Code (UGB), particularly the reporting requirements of § 267a UGB (NaDiVeG) is the responsibility of the management of Wienerberger AG.

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 includes further designing, implementing and maintaining internal controls, which have been determined as necessary by management for the preparation of the report free from misstatement, whether due to fraud or error.

Responsibility of the auditor

Our responsibility is to express an opinion with limited assurance based on our review whether matters have come to our attention that cause us to believe that the consolidated non-financial report as of December 31, 2020 has not been prepared, in all material respects, in accordance with the Austrian Commercial Code (UGB), particularly the reporting requirements of § 267a UGB (NaDiVeG).

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 Austrian Commercial Code (UGB), particularly the reporting requirements of § 267a UGB (NaDiVeG).

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
- Interview of employees of Wienerberger AG to assess the methods of data collection, data processing and internal controls
- Review the definitions of the key performance indicators regarding accuracy and clarity
- Execution of a media analysis
- Comparison of the non-financial disclosures shown in the consolidated non-financial report with the calculation documents provided

We performed the audit at our premises in Vienna using electronic formsof communication.

Summarized Conclusion

Based on our work, nothing has come to our attention that causes us to believe that the consolidated non-financial report has not, in any material aspects, been prepared in accordance with the Austrian Commercial Code (UGB), particularly the reporting requirements of § 267a UGB (NaDiVeG).

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, 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 17th, 2021

Deloitte Audit Wirtschaftsprüfungs GmbH

Mag. Gerhard Marterbauer
Austrian Certified Public Accountant

Mag. Christof Wolf
Austrian Certified Public Accountant

1) 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.

Corporate Governance Report

Corporate Governance Report 2020

Contents

Report of the Supervisory Board

Dear shareholders,

It is with great appreciation for the accomplished that I can look back to an extraordinary, challenging but nevertheless successful year 2020.

The outbreak of the Covid-19 pandemic has presented us with unprecedented challenges globally and as a company. Wienerberger's management has proven to be able to react swiftly to new and unpredictable situations, implemented a comprehensive package of measures and regularly communicated to the financial market. Thanks to the successful transformation of our product portfolio in recent years and our exposure to diversified end markets, the company proved to be highly resilient in a period of crisis which resulted in robust 2020 results.

In these challenging times and driven by my interim predecessor, Peter Johnson, we adapted our way of working within the Supervisory Board and our interaction with the Managing Board. We have introduced more frequent virtual meetings to discuss rapidly changing environments and Wienerberger's reaction, but also used these opportunities to undertake a strategic review with Management in order to position Wienerberger well for the future and benefit from opportunities the crisis might bring. On top of our agenda has always been the health & safety of Wienerberger's employees. In the course of the Covid-19 pandemic, various additional measures were introduced to protect employees. The company demonstrates its strong commitment to a health & safety working environment through continuous improvement initiatives, root cause analysis of each incident and involving employees, third parties and customers. We are convinced that good health & safety practices also bring efficiency and make us a sustainable organization for the future.

At the Supervisory Board meeting of October 20, 2020, my colleagues elected me Chairman of the Supervisory Board as of January 1, 2021, following a thorough evaluation of internal and external candidates. Myriam Meyer was elected as a Deputy Chair. Peter Johnson, who had already been a member of the Supervisory Board for fifteen years, was therefore appointed interim Chairman of the Supervisory Board in October 2019 to bring the Board's practices in line with international as well as Austrian standards and to ensure that a long-term successor is in place before the Annual General Meeting (AGM) in May 2021. Due to his sector expertise and deep knowledge of the company, my colleagues and I appreciate his contribution to the successful development of Wienerberger both during his interim chairmanship and as a member of the Supervisory Board. I have therefore asked him to remain on the Board and stand for re-election at the next AGM in May 2021. I would like to thank Peter for the great work achieved during the last year. The new orientation of the Supervisory Board marks a further step in the repositioning of the company and the implementation of Wienerberger's growth strategy and is a great base for our future work.

Having been the Senior Independent Director until December 31, 2020, and Chairman of the Nomination Committee and the Remuneration Committee, I was very honoured to have been appointed Chairman of the Supervisory Board. I was pleased to witness the outstanding performance of the company in recent years and, in particular, since the outbreak of the Covid-19 pandemic. In order to effectively exercise the advisory and supervisory function of the Supervisory Board, I have kept the current set-up with four committees (Audit and Risk, Nomination, Remuneration, Sustainability and Innovation), which deal with the key governance and strategic issues the business will face in the years to come. Based on the recently conducted Supervisory Board review, (for details see below), this set-up has proved effective. As the new Chairman, I am strongly committed to maintaining high standards of corporate governance and keep the open and transparent dialogue with our investors. For the business year 2021 I will especially focus on:

- Acting as an active partner to the CEO and the executive management team by
  - Supporting them in the implementation of strategic and performance topics
  - Ensuring alignment between the Managing Board and the Supervisory Board in all strategic and operational matters
- Ensuring that together with its committees the Supervisory Board deals with
  - Projects intended to generate organic growth through innovation and inorganic growth through value enhancing acquisitions

- › Key digitalization and sustainability topics
- Further developing effective succession management and senior human capital development.

Supervisory Board Review

In October 2020, the Supervisory Board commissioned an independent review of its performance and its chairmanship, carried out by Bernice Dunsmuir of Constal Limited, an independent consultancy which specialises in board evaluations.

Background of the review:

Following the appointment of Peter Johnson as interim Chairman in October 2019, changes were introduced in the structure, committees, agenda and conduct of the Supervisory Board to ensure it incorporates the best practices of an international board whilst continuing to conform to the requirements of Austrian law and practice. The review was designed to evaluate where the Board stands on its 'journey' and to identify the agreed practices and modes of conduct essential in that transition.

Results of the review:
What is going well:

- Both Managing Board and Supervisory Board members feel they have taken the right steps for the organization that will have a positive and lasting impact upon the Board and its effectiveness;
- The Supervisory Board has coped well with significant changes to its constitution and committee structure as well as different ways of working, such as the need for remote working and video meetings, especially during the pandemic year of 2020;
- There is widespread enthusiasm for the Board's new style of working and the approach to governance;
- Supervisory Board members treat each other with respect and value the professional experience, positive attitude and commitment they bring to every meeting.

Areas for further improvement:

- Both Supervisory Board and Managing Board members would like to maintain this new style of working approach to governance;
- Board members would like to dedicate more time to future agendas, discussing succession planning topics, the broader talent pool and its development, culture and behaviour;
- Supervisory Board members would value opportunities to spend more time on broader business discussions, including plant visits and meetings with management below Managing Board level.

The review was perceived as an effective way to evaluate the transitional period under the chairmanship of Peter Johnson and is regarded as a good basis for further improvements. The Board is well positioned to explore new opportunities and establish new priorities and practices.

Priority areas of work of the Supervisory Board in 2020

As a 100 % free float company, it is crucial to keep our investors informed of the Group's activities; we therefore expect our financial disclosures to meet 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 the course of 2020, the Supervisory Board met twice as often as in 2019. At its 16 meetings during the reporting year, 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 its personnel situation and acquisition and investment projects. In addition, the committee chairpersons and the Chairman met regularly, mostly virtually but also in person, with the Managing Board to discuss the Group's strategy, its business development and its approach to risk management, considering the growing importance of sustainability topics. Certain subjects were dealt with in greater detail by the committees and reported to the full Supervisory Board. In 2020, the overall rate of attendance by the shareholder-elected representatives at Supervisory Board meetings was very high. A detailed overview of meeting attendance by the members of the Supervisory Board is reported on page 71.

The discussions of the Supervisory Board led to valuable outcomes in the following matters:

- The company's resilience and operational measures taken to cope with the consequences of the Covid-19 pandemic;
- The review and approval of the annual financial statements presented by the Managing Board;
- The discussion and definition of next steps based on investor feedback at the Governance Roadshow held in January 2020;
- The nomination process and the decision on the enlargement of the Managing Board;
- The preparations of the first virtual Annual General Meeting and the Capital Markets Day;
- The amendment of the Rules of Procedure of the Supervisory Board (available on our website wienerberger.com/en/investors/corporate-governance);
- The continuous analysis of Wienerberger's product portfolio, the strategic positioning of the Group and its most important operational entities;
- The assessment of projects intended to generate sustainable, value-creating growth and further development of the industrial portfolio;
- The assessment of candidates for election to the Supervisory Board and the succession planning for the Chairmanship;
- The examination, discussion and approval of the budget for 2021 and, on that basis, the determination of the targets for variable remuneration components for the Managing Board;
- The assessment of the new Sustainability Strategy 2023;
- The Supervisory Board review report.

Report of the Audit and Risk Committee

The committee met five times in 2020. Representatives of the external auditor were present at all committee meetings. At its meetings on February 24 and March 26, 2020, the Audit and Risk Committee discussed the Consolidated Financial Statements, the 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 Non-Financial Performance. Report on 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 2019 were published in the form of a short report on February 24, 2020. The full annual report was published on March 30, 2020. Other focal points of the Audit and Risk Committee's work included:

- A review of Wienerberger's risk management system with the support of an external advisor;
- An analysis of the procedures used in the assessment of significant business and corporate risks;
- Verification of the statement submitted by the external auditor on its legal relations with the Wienerberger Group and the members of the Group's Boards for the year 2020;
- Verification and confirmation of compliance with the Austrian Corporate Governance Code, rules 77-83;
- Approval of the internal audit plan for 2020. An 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 results of the external tax audit performed by the Austrian Tax Authorities covering the financial years 2013 to 2016;
- Approval of a group-wide tax transparency statement (available on our website wienerberger.com/en/investors/corporate-governance);
- Discussion of progress achieved and definition of next steps in the rollout of Wienerberger's cyber security strategy;

David Davies (financial expert), Chairman of the Audit and Risk Committee

Report of the Nomination Committee

The Nomination Committee met five times in 2020 and dealt with the following matters:

- Establishment of emergency plans/scenarios both for the Managing Board and the Supervisory Board in case their respective chairpersons are unable to fulfil their duties (e.g. due to force majeure events);
- Establishment of a structured search process for a successor to the chair of the Supervisory Board and a search process for Supervisory Board candidates – processes supported by Egon Zehnder and MWM Consulting as external consultants;
- The nomination process preceding the enlargement of the Managing Board (see page 72);
- The change in Supervisory Board chairmanship effective as of January 1, 2021;
- Performance of the Supervisory Board review (see page 70);
- Succession planning process for Supervisory Board candidates not only for the upcoming Annual General Meeting, but also with a view to future strategic needs. Potential candidates have to meet the governance criteria on diversity and bring sufficient international expertise to the Board. In addition, new members should have a combination of expertise in (1) sustainability & ESG, (2) finance, (3) digitalization and (4) industry know-how.

Peter Steiner, Chairman of the Nomination Committee

Report of the Remuneration Committee

The Remuneration Committee met four times in 2020. The main issues dealt with by the Remuneration Committee in 2020 included:

- Elaboration of a remuneration policy in conformity with the amendments to the Stock Corporation Act which entered into force in 2020. The remuneration policy was approved by the 2020 AGM. Feedback received from the shareholders was carefully evaluated and taken into account for the discretionary power granted to the Supervisory Board to further elaborate the LTI as of 2021. (see Remuneration Report on our website wienerberger.com/en/investors/corporate-governance);
- Re-evaluation of the short-term remuneration components in 2020 and the special long-term equity award for the CEO due to exceptional circumstances in the market environment as a result of the Covid-19 pandemic. This process was externally supported by an independent compensation consultant, hkp Group;
- Determination of the targets for the variable remuneration components for the Managing Board members for 2021, based on feedback received from investors during the Governance Roadshow in January 2020 and after the 2020 AGM;
- Renewal of the employment contract of the CEO.

Peter Steiner, Chairman of the Remuneration Committee

Report of the Sustainability and Innovation Committee

The Sustainability and Innovation Committee met three times in 2020 and together with the Managing Board achieved a major milestone on Wienerberger's environmental, social and governance (ESG) journey. Despite the challenging business year, Wienerberger continued to focus on its long-term vision and developed a new forward-looking Sustainability Strategy 2023. This strategy, which also supports the European Green Deal, takes over from the Sustainability Roadmap 2020 and focuses on ambitious sustainability targets in ESG matters (starting on page 14 for specific targets and Wienerberger's Sustainability Governance). Further relevant topics on the 2020 agenda included:

- Definition of key tasks and responsibilities of the Committee;
- Health & Safety related to Covid-19 measures as well as general route cause analysis and future mitigation measures;
- Discussion on key HR topics, such as succession management for key positions, diversity and talent management;
- Analysis and evaluation of progress made along the Sustainability Roadmap 2020;
- Discussion on the Group's innovation eco-system, which not only covers product development, but also embraces production processes;

- Monitoring of innovation trends and future-oriented technologies;
- Evaluation of the implementation of the recommendations by the Task Force on Climate-related Financial Disclosures (TCFD)[1] and definition of next steps. Based on this evaluation, Wienerberger further enhanced its disclosure of climate-related financial issues in line with the TCFD recommendations (see page 32 of the NFI and page 198 in Notes to the Consolidated Financial Statements).

Myriam Meyer, Chairwoman of the Sustainability and Innovation Committee

Composition of the Managing Board

By reassigning responsibilities among the members of its enlarged Managing Board, the Group created a stronger organizational basis for further growth. The following changes took effect as of July 1, 2020:

- Carlo Crosetto[2] was responsible for the financial agenda of the Group as well as for Procurement, IT and Digitalization and Performance Enhancement;
- Solveig Menard-Galli assumed her new role as Chief Operating Officer (COO) for the Wienerberger Building Solutions Business Unit;
- Harald Schwarzmayr was appointed COO of the Wienerberger Piping Solutions Business Unit;

All nomination decisions are taken on the basis of a uniform catalogue of criteria, which is used for the evaluation of both internal and external candidates. For further details on these changes, please refer to page 69, “Diversity Policy” of Wienerberger.

Composition of the Supervisory Board

Caroline Grégoire Sainte Marie stepped down as Supervisory Board member as of the 151st Annual General Meeting ("AGM") on May 5, 2020. On behalf of my colleagues on the Supervisory Board and the Managing Board, I would like to thank Caroline Grégoire Sainte Marie most cordially for her work on the Supervisory Board, which she joined in 2015. In particular, she contributed her profound expertise to the discussions of the Audit and Risk, Sustainability and Innovation, and Nomination Committees. We wish Caroline Grégoire Sainte Marie all the best for the future. At the 151st AGM, no members of the Supervisory Board were proposed for re-election. At the Supervisory Board meeting held immediately after the AGM, Peter Johnson was re-elected Chairman, with Peter Steiner and Myriam Meyer appointed to serve deputy chairs.

During the meeting on May 5, 2020, pursuant to sect. 270 (1) of the Austrian Company Code, the Supervisory Board appointed Deloitte Audit Wirtschaftsprüfungs GmbH, Wien, elected by the AGM, as external auditor for the financial year 2020.

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 Corporate Governance Code. As a result, Peter Johnson is no longer deemed “independent” as of May 13, 2020.

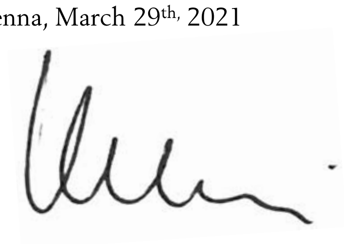
[1] The Task Force on Climate-related Financial Disclosures (TCFD) compiled recommendations for voluntary and consistent disclosure of climate-related financial information in June 2017. // [2] Carlo Crosetto left the company as of February 28, 2021. Gerhard Hanke took over his position as of March 1, 2021.

Approval and adoption of the 2020 Consolidated Financial Statements

The Annual Financial Statements and the Management Report of Wienerberger AG as well as the Consolidated Financial Statements for 2020 and the Group Management Report prepared in accordance with IFRS rules were audited for the fourth year in a row by Deloitte Audit Wirtschaftsprüfungs GmbH, Vienna, and granted 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 auditors 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 sect. 96 of the Austrian Stock Corporation Act and endorsed the result of the audit. Moreover, the Supervisory Board approved the Annual Financial Statements, which are thus deemed adopted pursuant to sect. 96 (4) of the Stock Corporation Act. Having analysed 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 the challenging times of 2020. The company's strong performance and the strategic milestones reached in 2020 despite the Covid-19 crisis 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 business year 2020 has demonstrated our ability to quickly react to changing circumstances, address new challenges and implement new ways of working. I am therefore confident that the Wienerberger Group is well positioned for the future with its clear mid-term strategy and will continue on its successful course in 2021. With this in mind, I would like to thank you, our valued shareholders, for accompanying us on this path.

Vienna, March 29th, 2021



Peter Steiner, Chairman of the Supervisory Board

Corporate Governance at Wienerberger

Commitment to the Corporate Governance Code

As a listed company with international operations, Wienerberger is committed to strict principles of good corporate governance, a maximum level of transparency, and the 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 the challenging Covid-19 year of 2020, Wienerberger complied with the rules of the Austrian Corporate Governance Code almost completely, including its R Rules, i.e. those rules which do not require public disclosure of deviations from the recommendations. The only exceptions were two C Rules of the Code, where the company deviated slightly from the requirements, as explained and justified in accordance with the “comply or explain” principle.

C Rule 27 of the Austrian Code of Corporate Governance - Deviations:

The Supervisory Board is making every effort to design a transparent and comprehensible remuneration system for the Managing Board of Wienerberger AG and to align the incentive structure with the creation of sustainable value and the achievement of central corporate targets. The definition of the targets for the variable remuneration components therefore hinges on their relevance to the further development of the Group and their measurability. Subject to these requirements, a new remuneration policy for the Managing Board was elaborated. It was adopted at the 151st Annual General Meeting on May 5, 2020, for the period from 2020 to 2024.

As clearly illustrated in our Sustainability Strategy 2023, we have defined individual targets and measures for the various activities of the Group, which take the specific nature of its business into account. In the course of an update of the materiality analysis in 2020, Wienerberger elaborated clear non-financial targets for the remuneration of the Managing Board as of 2021, which are based on the Sustainability Strategy 2023.

For 2020, owing to the Covid-19 pandemic, the Supervisory Board used its authority, as laid down in the remuneration policy for 2020-2024, to deviate from the original target definition (regarding the annual short-term incentive of the Managing Board) for important reasons. In doing so, the Supervisory Board acted in conformity with section 78a paragraph 8 of the Stock Corporation Act, according to which remuneration beyond the framework of the remuneration policy can be agreed upon on a temporary basis under extraordinary circumstances. Situations in which a deviation from the remuneration policy is essential in order to ensure the long-term development of the company or maintain its profitability are deemed to be extraordinary circumstances. The Supervisory Board qualified the Covid-19 pandemic as an extraordinary situation. In its endeavor to incentivize the Managing Board in view of the special efforts made in the challenging business year of 2020 and, at the same time, take the shareholders’ interests into account, it was decided to use EBITDA LFL as the only performance objective and, at the same time, to reduce the cap for the short-term variable renumeration

(STI) from 100 % to 70 % of the annual fixed remuneration. From 2021 onward, the aforementioned non-financial targets defined in conformity with our Sustainability Strategy 2023 will be applied for the calculation of the long-term variable remuneration (LTI).

C Rule 43 of the Austrian Code of Corporate Governance- Deviations

The provision according to which the Chairman of the Supervisory Board also serves as chairman of the Remuneration Committee was not complied with in 2020. Since the reorganization of the committees of the Supervisory Board in October 2019, the Remuneration Committee has no longer been chaired by the Chairman of the Supervisory Board, but by his deputy Peter Steiner. However, Peter Johnson, then Chairman of the Supervisory Board, was a member of the Remuneration Committee in 2020. This decision was taken in the interest of good corporate governance: On the one hand, it was motivated by linguistic reasons, as it was felt that a German- speaking chairman would be able to communicate more effectively with the members of the Managing Board. On the other hand, it takes account of the fact that Peter Johnson has served on the Supervisory Board for more than ten years, whereas Peter Steiner has been a member for only two years, bringing with him more objectivity and fresh perspectives.

With Peter Steiner having taken over the chair of the Supervisory Board on 1 January 2021, Wienerberger would now meet this requirement of the Austrian Corporate Governance Code. However, the authors of the Code amended C Rule 43, effective as of 2021, to read that the Chairman of the Supervisory Board merely has to be a member of the Remuneration Committee, which has always been the case at Wienerberger. This practice will, however, be continuously reviewed with an observation of market practices as well as feedback from shareholders.

Compliance

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 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 for the company's employees on a wide scale.

Internal audit and risk management

In order to further strengthen 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, internal policies and processes. These activities are based on an 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, and the implementation of the respective measures is being reviewed (see Management Report, page 114). The management letter drawn up by the external auditor and the auditor's report on the efficiency of the risk management system in the Group were submitted to the Chairman of the Supervisory Board and discussed in detail by the Supervisory Board.

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 chapters: 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 chapter "Wienerberger Share and Shareholders" beginning on page 110 and in the Consolidated Financial Statements under Note 28 ("Group Equity") beginning on page 162 . Furthermore, the chapter "Wienerberger Share and Shareholders" contains information on direct and indirect investments in Wienerberger's share capital.

The Remuneration Report (available on our website wienerberger.com/en/investors/corporate-governance) explains the principles and structure of the Company's remuneration policy, specifies the amounts of remuneration due to the individual members of the Managing Board and the Supervisory Board, and provides an overview of Wienerberger shares held by Board members. Updates on the purchase and sale of Wienerberger shares by members of the Managing and Supervisory Boards 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 chapter. 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 199.

Statutory Audit

The 151st Annual General Meeting appointed Deloitte Audit Wirtschaftsprüfungs GmbH, Wien, to audit the 2020 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. Consultancy fees for non-audit services charged by Deloitte, excluding fees for auditing the financial statements, amounted to TEUR 1,036 (2019: TEUR 135) in 2020. The fee for the audit of the financial statements of the Wienerberger Group and related services amounted to TEUR 2,320 (2019: TEUR 1,892).

Shareholders

As at 31 December 2020, 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 strategic shareholder. The Company's shareholder structure is shown in the Management Report on pages 112 and 113.

Diversity Policy

Success through diversity

We are convinced that diversity in teams results in higher performance and therefore contributes to a company's 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 this talent pool. We know 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 men and women with diverse talents, personality features, 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.

Last year, we arrived at the end of our Sustainability Roadmap 2020, which set out our targets regarding employees, products & production, recyclability, and social and societal commitment. Meanwhile, we have undertaken to pursue new targets based on environmental, social and governance (ESG) criteria to be attained by 2023. For a detailed overview, please refer to page 14. In matters relating to "social commitment" and "diversity", we are concentrating our efforts on two main areas:

- Diversity: >15 % women in senior management positions (2020: 13 %) and a further increase in the percentage of female employees, which has already reached more than 30 % (2020: 32 %)
- Initial and further training: +10 % more training hours per employee (2020: Ø 16.0 training hours/employee)

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, which 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.

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, to foster international mobility.

Within the framework of our new talent management and succession planning process, we prepare individual development plans for both women and men identified as high-potential employees and candidates for promotion. 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 2020 are a source of special pride for us:

- People from 31 countries were employed at the Wienerberger headquarters in Vienna.
- 27 nationalities were represented in our senior management teams across the group, with 70 % international executives and 12 % 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 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.
- To reflect the potential pool of applications, when recruiting staff 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.
- When female and male candidates are equally qualified, preference is to be given to women.

Internal:

- By nominating an above-average number of 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 home office options that suit the needs of our employees, both women and men.
- We introduce and support mentoring and networking programs for women (internally or externally).
- 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. We are, however, making every effort to promote the career development of women and provide initial and further training for them to apply for all roles available 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 any point in time. 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 comparisons of different candidates for election to the Supervisory Board, the Nomination Committee defines multi-faceted requirements for the profiles to be considered. 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, depending on the current priorities of the Group's strategy, is taken into account. When a position becomes vacant, a first 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 increasing diversity of the membership in terms of gender, age and nationality.

To cover these diverse aspects, a qualifications matrix was elaborated in 2018 in cooperation with Korn Ferry, an international HR consultant specializing in executive search, and the 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 qualifications matrix was updated in 2020. 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 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.

As at 31 December 2020, five nationalities were represented among the seven shareholder-elected representatives and the three employee representatives. The mandatory 30 % quota for women on supervisory boards has been fulfilled by Wienerberger since 2015. When Caroline Grégoire Sainte Marie resigned as of the 151st Annual General Meeting, the percentage of women on the Supervisory Board decreased from 36 % to 30 %. The Supervisory Board has already initiated the search for a successor. The result of this search will be presented before the 152nd Annual General Meeting in May 2021.

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

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

Managing Board

In an international group of companies like Wienerberger, the members of the top executive body must have outstanding professional qualifications and international leadership experience.

By restructuring its Managing Board in the summer of 2020, the Wienerberger Group improved its organizational prerequisites for further growth. The decision-making process has thus been accelerated and synergies between the individual Business Units can be leveraged more effectively.

As of 31 December 2020, the Managing Board of Wienerberger AG consists of four members (percentage of women: 25 %), who look back on international professional careers of different lengths and are distinguished by 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 these diverse qualifications profile.

The Supervisory Board appointed Solveig Menard-Galli Chief Operating Officer (COO) of Wienerberger Building Solutions. Harald Schwarzmayr, previously responsible for Wienerberger's pipe business, joined the Managing Board of Wienerberger AG as COO of Wienerberger Piping Solutions. Coming from the company's own talent pool, these two top managers are driving the transformation of Wienerberger into the leading international provider of innovative building and infrastructure solutions. The responsibilities previously held by Solveig Menard-Galli in her capacity as Chief Performance Officer (Corporate IT & Digitalization, Business Support & Controlling Operations as well as the Transformation Office) were taken over by CFO Carlo Crosetto [1].

In the interest of maintaining a healthy succession plan at all levels, the Supervisory Board and the Managing Board are making a continuous effort to identify and promote high-potential candidates for top level positions, if possible, within the Wienerberger Group. Nomination decisions are taken on the basis of a uniform set of criteria, defined on the basis of Wienerberger's strategic direction and used for the evaluation of both internal and external candidates.

1) Carlo Crosetto left the company as of February 28, 2021. Gerhard Hanke took over his position as of March 1, 2021.

Corporate Governance

Overview

Our Commitment to International Governance Standards

Managing and Supervisory Board engage in an open and transparent communication with all stakeholders. In order to effectively exercise the advisory and supervisory function, the Supervisory Board has installed four committees: Audit and Risk, Nomination, Remuneration, Sustainability and Innovation.

Supervisory Board

Experienced, diverse, independent

Members

7

Shareholder Representatives

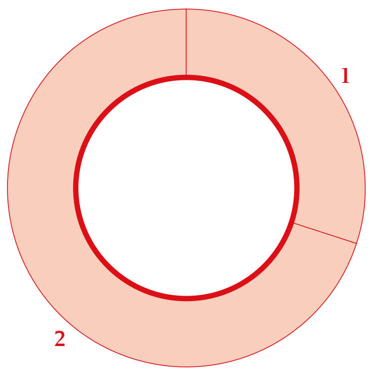
Elected by the Annual General Meeting for a fixed term

3

Employee Representatives

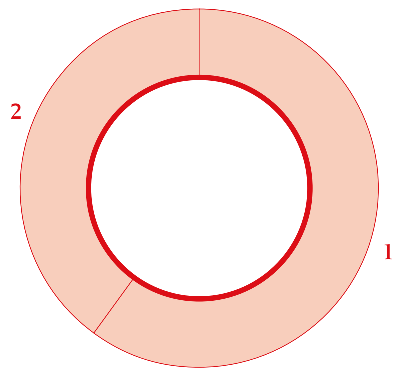
Delegated by the Works Council for an unlimited period of time

Gender Diversity on the Supervisory Board



1 *Female 30%*
2 *Male 70%*

Independence



1 *Independent 60%*
2 *Not independent 40%**

**) Peter Johnson is not independent since May 13, 2020 according to declaration of independence in terms of the Austrian Corporate Governance Code.*

According to the Austrian law, employee representatives are delegated by the Works Council and their membership is not subject to a time limit.

Managing Board

f.l.t.r. Harald Schwarzmayr, Heimo Scheuch, Solveig Menard-Galli, Carlo Crosetto

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 ESG, digitalization, innovation and growth, he has succeeded in leading the Group onto a successful growth course.

Heimo Scheuch is a truly international manager, having studied and worked in various countries. He obtained several university degrees in law and economics and began his professional career 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 foster a strong local presence and encourage the need for transformation and innovation.

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

CARLO CROSETTO

CFO of Wienerberger AG
Member of the Managing Board
resigned as February 28, 2021
born 1971

Carlo Crosetto has held the position of Chief Financial Officer (CFO) of Wienerberger AG from March 1, 2020 until February 28, 2021, where he was responsible for all financial matters of the company. Since July 2020, he has also been responsible for Procurement, IT & Digitalization and Performance Management.

An Italian citizen by birth, he obtained his Master Degree in Business Administration at the Henley Management College in Great Britain. In the course of his 27-year career, he held various executive positions in the field of finance within the Daimler Group in Europe and Asia. Subsequently, he was appointed CFO of the RMA Group, a leading South-East Asian conglomerate. From 2017 until the beginning of 2020, he served as CFO of Dürr AG, the German M-DAX listed mechanical and plant engineering group.

SOLVEIG MENARD-GALLI

COO of Wienerberger
Building Solutions
Member of the Managing Board
of Wienerberger AG
appointed for a term of office
ending on March 31, 2022
born 1969

Solveig Menard-Galli has held the position of Chief Operating Officer (COO) of Wienerberger Building Solutions (WBS) since July 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 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. She began her career with the Heineken Group and its subsidiaries, where she was appointed Finance Director of Heineken Netherlands in 2011. Subsequently, she assumed executive positions at L'Oreal Austria. Solveig Menard-Galli began her career with Wienerberger 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 Schwarzmayr was appointed Chief Operating Officer (COO) of Wienerberger Piping Solutions (WPS) in July 2020.

Harald Schwarzmayr is an experienced manager with excellent industry know-how. Since 1997, he has held various executive positions within the Wienerberger Group and implemented numerous strategic growth projects and M&A transactions in the course of his 23-year career. 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. In his capacity as CEO of Wienerberger Piping Solutions, which he has headed 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 succeeded in advancing 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 Group with a special focus on ESG, digitalization and innovation. Since he was appointed CEO of the Group on August 1, 2009, he has focused on implementing a set of strong corporate values within the organization.

The following corporate functions report directly to Heimo Scheuch:

Corporate Communications
Corporate Investor Relations
Corporate Development
Corporate Human Resources
Corporate Sustainability & Innovation
Corporate Secretary
Corporate Technical Key Projects

CARLO CROSETTO

CFO

Until February 28, 2021 Carlo Crosetto* has held the position of Chief Financial Officer (CFO) of Wienerberger AG, being responsible for all financial matters of the company. Since July 2020, he has also been in charge of the optimization and digitalization of all operational processes of the Wienerberger Group.

The following corporate functions report directly to Carlo Crosetto:

Corporate Reporting & Treasury
Corporate Risk Management
Corporate Internal Audit
Corporate IT & Digitalization
Corporate Procurement
Business Support & Controlling Operations
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 July 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 responsibility 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 SCHWARZMAYR

COO WPS

Harald Schwarzmayr was appointed Chief Operating Officer (COO) of Wienerberger Piping Solutions (WPS) in July 2020. Since 2018, in his capacity as CEO of Wienerberger Piping Solutions, he took important strategic steps in developing the Business Unit into a leading supplier of piping systems in Europe. In his capacity as CEO of Wienerberger Piping Solutions, which he has headed since 2018, he took important strategic steps in developing the Business Unit into an innovative supplier of piping systems in Europe.

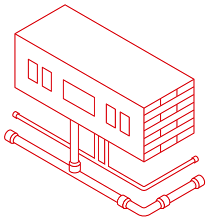
His current field of responsibility is focused on enhancing the Group's system competence in infrastructure solutions and on expanding the in-house portfolio. All functions of the WPS Business Unit report directly to Harald Schwarzmayr.

*) *Carlo Crosetto left the company as of February 28, 2021. Gerhard Hanke took over his position as of March 1, 2021.*

Our Operating Units

Piping Solutions	Building Solutions	North America
Innovative solutions for in-house and infrastructure	Solutions for the building envelope (wall, roof, facade) and pavers	Solutions for facades and plastic pipes for infrastructure

Infrastructure solutions



Water management & wastewater disposal, energy supply, data transfer, special products for industry

New build, renovation, rehabilitation

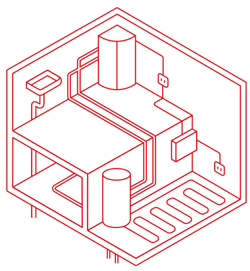
Decision-makers Customer groups

Investors, public-sector clients, planning engineers, contractors, processors, distribution partners, merchants, private customers

Product users

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

In-house solutions



Electrical and heating installations, potable water and wastewater, garden irrigation

New build, renovation

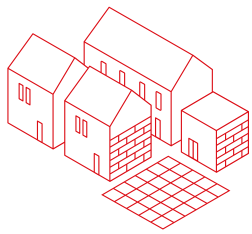
Decision-makers Customer groups

Designers, electricians, plumbers, contractors, processors, distribution partners, merchants

Product users

End customers, users of buildings

Solutions for the building envelope and pavers



Single and two-family homes, multi-family homes, non-residential construction, public spaces, gardens and roads

New build, renovation, rehabilitation, preservation of classified buildings

Decision-makers Customer groups

Architects, designers, public-sector clients, private investors, contractors, processors, distribution partners, merchants

Product users

Users of buildings, public at large

Members and Committees of the Supervisory Board

7 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

Chairman's Deputy
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. Hofmann 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

Chairman until December 31, 2020, subsequently Member of the Supervisory Board
Not independent since May 13, 2020 according to the declaration of independence within the meaning of the Austrian Corporate Governance Code, born 1947, appointed for a term of office ending with the 152nd AGM (2021), 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
None

Career
1965-1970 Studies in Economics at Oxford University, 1970-1973 Unilever plc, 1973-1996 various senior positions at Redland plc, 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 152nd AGM (2021), 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 the 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

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

CHRISTIAN JOURQUIN

Member of the Supervisory Board
Independent, born 1948, appointed for a term of office ending with the 153rd AGM (2022), first elected: May 16, 2014

Mandates in publicly listed companies
None

Other mandates
Member of the Royal Academy of Belgium, Honorary Chairman of the Executive Committee of SOLVAY S.A., Chairman of the Supervisory Board of KNDS (until February 28, 2021), Honorary Member of ING Belgium, Member of the Board of Innovation Circle and Chairman of the Board of Theravet, Graftys and a non-profit organization

Career
1966-1971 Studies in commercial engineering in Brussels, 1992 International Senior Management Program at Harvard Business School, 1971-2012 various senior positions at SOLVAY S.A., including as CEO and Chairman of the Executive Committee of the Board of Directors from 2006-2012; 2006-2012; 2008-2010 Chairman of CEFIC (European Federation of the Chemical Industry) and Chairman of ICCA (International Council of Chemical Associations), 2011-2015 Chairman of EIFF (European Institute of Innovation and Technology Foundation)

Members and Committees of the Supervisory Board

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 Operations Officer / Chief Executive Officer ad interim of Bekaert NV, Member of the Supervisory Board 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

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, Christian Jourquin, David Davies, Gerhard Seban*

Remuneration Committee
Peter Steiner (Chairman), Regina Prehofer, Peter Johnson, Gerhard Seban*

Sustainability and Innovation Committee
Myriam Meyer (Chairwoman), Christian Jourquin, Oswald Schmid, Gerhard Seban*

*Employee representative

Mode of operation of the Managing and Supervisory 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 work collaboratively. Their chairpersons, in particular, regularly engage on the sustainable development and the 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 taken 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 in 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 renowned 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 qualifications matrix and our diversity policy, the committee proposes candidates for election to the Supervisory Board as shareholder-elected representatives, who 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, who has many years of experience in managing board functions in industrial companies, 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 shareholder approval at least once in four years.

Peter Steiner, Chairman of the Supervisory Board also serves as the Chairman of the Remuneration Committee due to his profound knowledge of the industrial sector to many years of experience as a certified public accountant and a tax advisor.

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 in supporting the management in implementing and identifying relevant new legislation, requirements and trends at global and European level impacting on the sustainability and innovation policies of the various business areas of the Group. 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.

Independence

Pursuant to C Rule 53 of the Austrian Corporate Governance Code, the majority of capital representatives on a supervisory board are to be independent. 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 Corporate Governance Code – 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 at December 31, 2020, the Supervisory Board of Wienerberger AG consisted of seven shareholder-elected representatives, who confirmed their independence in accordance with the above criteria at the beginning of 2021. Peter Johnson, having been a member of the Supervisory Board for more than 15 years, is no longer qualified as "independent" since May 13, 2020. None of the shareholder-elected representatives holds an investment of more than 10% or represents the interests of such a shareholder.

Employee representatives

Pursuant to C Rule 59 of the Austrian Corporate Governance Code, the representation 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 (shareholder-elected 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 shareholder-elected 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, as well as shareholder-elected representatives, have to 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.

Mode of operation of the Managing Board

As of December 31, 2020, 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 Carlo Crosetto is responsible for financial matters and for procurement, IT & digitalization, and performance management;
- COO Solveig Menard-Galli is in charge of the Wienerberger Building Solutions Business Unit;
- COO Harald Schwarzmayr 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 operating entities 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 operating entities 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 Group level as well as essential detailed information relating to the operating entities. Moreover, the Managing Board receives monthly reports on energy consumption and the financial situation of the Group as well as 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, Wien, within the framework of its review of the Consolidated Corporate Governance Report, which can be accessed on our website (wienerberger.com/en/investors/corporate-governance). The most recent evaluation of the report for 2020 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 2020.

Vienna, March 16th, 2021

Heimo Scheuch
Chairman of the Board
Wienerberger AG
CEO

Gerhard Hanke
Managing Board Member
Wienerberger AG
CFO

Solveig Menard-Galli
Managing Board Member
Wienerberger AG
COO *WBS*

Harald Schwarzmayr
Managing Board Member
Wienerberger AG
COO *WPS*

Management Report 2020

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Economic Environment and Capital Markets

Economic environment in 2020

In 2020, the world economy was seriously affected by the Covid-19 pandemic, which in the spring resulted in a massive slowdown in global economic activity under the impact of far-reaching lockdown measures imposed by governments. According to the International Monetary Fund (IMF), the world economy declined by 3.5% in 2020 (2019: 2.8% growth). Whereas decreasing infection rates from May onward led to a gradual easing of restrictions, the increase in infections levels in the autumn of the year required renewed lockdown measures, which were reintroduced to varying degrees in large parts of Europe and North America.

In the reporting year, Europe and North America, the core regions of the Wienerberger Group, were both impacted by the Covid-19 pandemic, although to varying degrees. According to the IMF estimate for 2020, the USA recorded a 3.4% drop in economic output (2019: 2.2% growth), whereas the economy of the euro area was hit harder by the pandemic, resulting in a 7.2% contraction of economic activity (2019: 1.3% growth). The German economy recorded negative growth at a rate of 5.4%, while Italy and France suffered an economic downturn worse than the average of the euro area with declines of 9.2% and 9.0%. The economic slump in Great Britain was even more pronounced at a decrease of 10.0%. As governments in Eastern Europe chose a different approach to Covid-19, the figures showed a slightly varying situation. The economies of Eastern Europe, which are also part of the Wienerberger Group's core markets, contracted by no more than 2.8%.

To cushion the negative impacts of the lockdown measures taken to contain the Covid-19 pandemic, comprehensive rescue and stimulus packages were put together by European governments, at EU level and in the USA. In response to the Covid-19 pandemic, the European Union set up a recovery fund in the amount of € 750 billion. Of the total, € 360 billion are to be paid out as loans and € 390 billion as direct grants to stimulate the economic recovery in the Member States. The USA also put together several rescue packages in the spring of 2020, which amounted to a total of approximately USD 2,800 billion and were topped up by another support package worth about USD 900 billion in December.

Apart from Covid-19, other developments also had an influence on the political and economic situation in our core markets. In the United States, the presidential elections in November were at the focus of attention. In Europe, the European Commission and Great Britain finally reached an agreement on their future relations, which creates a new basis for cooperation and, in particular, provides for a comprehensive economic partnership.

The European Green Deal announced by the European Commission provides for a large package of measures in response to the challenges of climate change. Intended to make the entire economy of the EU more sustainable, this plan creates the basis for far-reaching changes in all economic sectors. As an essential component of the plan, the Renovation Wave Strategy was announced in October 2020, its objective being to achieve a higher degree of energy and resource efficiency through an increased renovation rate and to make Europe climate-neutral by 2050.

Monetary policy

In March 2020, in response to the drastic negative impacts of the Covid-19 pandemic on the economy, the US Federal Reserve System (Fed) reduced its federal funds rate to a target corridor of 0.00% to 0.25%. At the same time, it decided to launch an asset purchase program in the amount of USD 120 billion per month. The European Central Bank (ECB) maintained its key lending rate unchanged at the all-time low of 0.00%; the deposit rate also remained unchanged at -0.50%. In response to the Covid-19 crisis, the Pandemic Emergency Purchase Program (PEPP) was launched in a volume of € 1,350 billion in the spring of 2020 and topped up by another € 500 million in December to a total of € 1,850 billion. At the same time, the duration of the purchase program was prolonged at least until the end of March 2022. The Bank of England reduced its base rate from 0.75% to 0.10% in March 2020 and started a comprehensive bond purchase scheme, which was increased to GBP 895 billion until the end of the year.

Stock markets

For the stock markets, 2020 was a year of turmoil dominated by the Covid-19 pandemic. The outbreak of the pandemic at the beginning of the year and the subsequent lockdown measures around the globe sent stock prices on a downward spiral beginning in March. On March 12, the Austrian lead index (ATX) closed at -13.6%, recording the highest daily loss in its history. The stabilization of infection rates, the easing of lockdown measures, and news of comprehensive economic stimulus programs in Europe and the USA led to a recovery of the financial markets in subsequent months. While the autumn was initially dominated by a renewed rise in Covid-19 cases and uncertainty in connection with the US presidential elections, the outcome of the elections, which was clear sooner than expected, and positive news regarding the availability of Covid-19 vaccines resulted in positive market sentiment.

The Dow Jones Industrial Average closed the year with a 7.2% price gain. The S&P 500 closed 2020 with a gain of 16.3%, while the NASDAQ index, driven by strong demand for technology stocks during the Covid-19 crisis, skyrocketed by 47.6%. Thus, all US indices soared to historic highs. Stock exchanges in Europe also succeeded in offsetting most of their dramatic spring losses in the course of the year, some of them closing with a price gain. The Euro Stoxx 50, the European lead index, closed the year with a loss of 5.1% compared to the previous year. Over the same period, the French CAC 40 lost 7.1%. Apart from the Covid-19 crisis, the British FTSE was affected by uncertainty over Brexit and closed 2020 at -14.3% compared to 2019. The DAX, the lead index of Germany, the biggest European economy, gained 3.5%, reaching a historic high. The Austrian ATX ended the reporting year at -12.8% compared to 2019.

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 for the analysis and projection of residential construction activities are the numbers of building permits issued, new housing starts, and housing completions. To enhance the validity of the Euroconstruct forecasts as applied to Wienerberger, we base our analysis on weighted growth rates. To this end, Euroconstruct's growth projections for the individual counties were weighted by the respective shares of revenues attributable to the Wienerberger Building Solutions Business Unit.

Like other sectors, the construction industry felt the impacts of the Covid-19 pandemic. In the single- and two-family home segment, where Wienerberger's market position is particularly strong, weighted building permits decreased by 13.4% as a result of lockdown measures. Our experience shows that the time between the issue of a building permit and the actual start of construction is becoming longer and longer, which progressively diminishes the relevance of this indicator. The number of new housing starts decreased by 12.1%, while housing completions, a lagging indicator, dropped by 7.9% in 2020.

Renovation activity in the residential construction segment is another relevant indicator of Wienerberger's business performance. Like other segments, renovation was also affected by Covid-19 and activities contracted by 6.8%.

The European infrastructure market

Developments in the infrastructure market in 2020 were also affected by government-imposed lockdown measures taken to contain the spread of Covid-19, but to a lesser extent than in the residential construction market.

The following analysis is based on revenue-weighted growth forecasts by the industry benchmark Euroconstruct for the Wienerberger Piping Solutions Business Unit. According to Euroconstruct, the weighted infrastructure expenditure increased by 1.8% in the relevant countries of Western Europe. Our Nordic core markets, i.e. Norway, Finland and Sweden, proved to be particularly resilient, a development driven by a relatively moderate approach as regards government-imposed lockdowns. In Eastern Europe, a region which for the purposes of our business comprises Poland, Hungary, the Czech Republic and Slovakia, infrastructure expenditure was 3.5% lower than in the previous year. Overall, the weighted growth of total infrastructure expenditure in all European markets relevant to the Wienerberger Group amounted to 0.9%.

An analysis of the individual sub-segments largely confirms the stability of infrastructure expenditure, despite Covid-19, as compared to the strong performance in 2019. In water management, an important market for our pipe business accounting for approximately 11% of total investments in infrastructure and including potable water supply and wastewater disposal systems, total expenditure increased by 1.8% according to the weighted projection. Investments in the energy sector grew by 0.6% in 2020. Investments in transport infrastructure decreased by 2.5% from the previous year's level. The telecommunication segment remained almost stable with a growth rate of 0.2% as compared to the previous year. The road construction segment, by far the most important segment accounting for 34% of total infrastructure spending, recorded a weighted decrease of 5.3%.

The US housing market

Despite Covid-19, the US housing market presented a positive picture in the reporting year. According to the U.S. Census Bureau, the number of building permits rose by 4.8% in 2020. The construction of new single-family homes grew by 13.3%, whereas the multi-family home segment recorded a 10.8% decline. Housing starts increased by 7.0% to 1.380 million units. Strong 11.7% growth was recorded in the single-family home segment, while the multi-family home segment reported a 3.2% decline. Housing completions rose by 2.8% to 1.291 million units. The number of multi-family homes completed increased by 6.4%, while completions of single-family homes lagged behind at 1.3%. For 2020, the National Association of Home Builders (NAHB) foresees a 7.0% increase in US housing starts to 1.380 million units. 11.5% growth is being projected for the single-family home segment, while the multi-family home segment is expected to shrink by 3.0%.

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 2020, the index stood at 86 points, up by 10 points year on year. 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 the 20 biggest cities of the USA. In the reporting year, the index continued its upward trend of recent years. Selling prices rose by 9.7% in the reporting year.

The fixed interest rate on 30-year mortgage loans decreased to 2.68% at the end of the year. Compared to the previous year, this corresponds to a drop of 104 basis points. The indicator has thus reached a historic low.

Macroeconomic outlook for 2021

After the severe setback in 2020, the International Monetary Fund expects the world economy to recover at a rate of 5.5% in 2021. Economic output in the USA is anticipated to increase by 5.1%, while a 4.2% rate of growth is being forecast for the euro area. However, the economic situation in the euro area is not expected to return to the pre-crisis level before the end of 2022. Similar developments are foreseen for Great Britain and the Eastern European economies, with growth rates of 4.5% and 4.0% respectively projected for 2021.

Sources: IMF (World Economic Outlook January 2021), U.S. Census Bureau, Euroconstruct, NASDAQ, 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

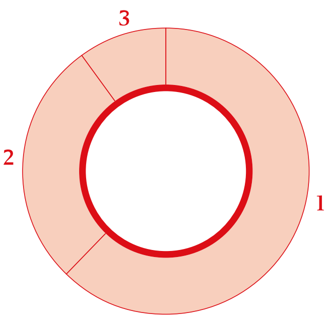
Earnings

In the challenging environment of the 2020 business year, the Wienerberger Group generated stable revenues almost at record level and delivered sound earnings:

- Revenues decreased by 3% to € 3,354.6 million (2019: € 3,466.3 million)
- EBITDA dropped by 9% to € 558.0 million (2019: € 610.0 million)
- Performance was driven by improved product mix, strict cost discipline and substantial contributions from our Fast Forward efficiency enhancement program
- Free cash flow rose significantly by 39% to € 397.3 million (2019: € 286.0 million)

In the 2020 business year, Wienerberger generated revenues of € 3,354.6 million, a result achieved with slightly lower sales volumes but an improved product mix and higher average prices to cover cost inflation, thus almost matching the previous year's record level (2019: € 3,466.3 million). Foreign exchange effects accounted for a decrease in revenues by € 64.3 million, with almost all currencies devalued against the euro. The main effects resulted from the devaluation of the Hungarian forint, the Norwegian crown, the Turkish lira and the Polish zloty.

External Revenues by Segment



1 *Wienerberger Building Solutions 62%*
2 *Wienerberger Piping Solutions 28%*
3 *North America 10%*

The Wienerberger Group's EBITDA LFL dropped slightly by 5% to € 565.6 million (2019: € 594.2 million). Despite a strong start to the year, the negative impacts of the Covid-19 pandemic severely depressed the company's results, especially in the second quarter of the reporting year. The negative effects of idle costs caused by temporary, government-imposed plant closures were offset through strict cost discipline and the consistent implementation of our efficiency enhancement measures within the framework of the Fast Forward program and a contribution to earnings of € 40 million was generated.

Contributions from the consolidation of newly acquired companies in the amount of € 6.7 million, income from the sale of non-core real estate in the amount of € 14.4 million, and the negative effect on earnings from the disposal of the Group's operations in Switzerland in the amount of € 4.5 million are not included in EBITDA LFL, nor are structural adjustment costs, which came to a total of € 13.3 million in the reporting year, and negative foreign exchange effects of € 11.0 million taken into account.

Including the aforementioned effects, the reporting year's EBITDA decreased by 9% to € 558.0 million (2019: € 610.0 million).

EBITDA *in MEUR*	2020	2019	Chg. in %
Wienerberger Building Solutions	415.2	468.6	-11
Wienerberger Piping Solutions	97.1	98.2	-1
North America	45.7	43.2	+6
Wienerberger Group	**558.0**	**610.0**	**-9**

EBITDA bridge *in MEUR*	2020	2019	Chg. in %
EBITDA	558.0	610.0	-9
Foreign-exchange effects	11.0	-	>100
Results from sale of non-strategic and non-operating assets	-9.8	-8.7	-13
Change in scope of consolidation [1]	-6.7	-7.1	+5
Structural adjustments	13.3	0.0	>100
EBITDA LFL	**565.6**	**594.2**	**-5**

1) 2019: comprises badwill from the acquisition of Watsontown and contributions to earnings from the Swiss operations sold in 2020

Scheduled depreciation on tangible and intangible non-current assets increased by 2% to € 244.3 million (2019: € 239.0 million). Moreover, impairment charges and special depreciation and amortization of assets in the amount of € 121.2 million were booked (2019: € 9.2 million).

The outbreak of the Covid-19 pandemic in our relevant markets in the first quarter of the reporting year qualified as a triggering event which, according to IFRS rules, required impairment testing of the Group's entire non-current assets. Given the changes in the market environment at that time, the assumptions underlying our future performance in some of our markets had to be adjusted accordingly. Taking various scenarios into account, the test resulted in total impairment charges of € 112.7 million, which were booked in the first half of 2020. Of this total, an amount of € 90.4 million was accounted for by the complete write-off of goodwill in North America and € 22.3 million by impairment charges on property, plant and equipment in Russia and a number of the Group's European markets.

As a result, earnings before interest and tax (EBIT) dropped by 47% to € 192.5 million in the reporting year (2019: € 362.7 million).

Profitability Ratios *in %*	2020	2019
Gross profit to revenues	35.4	36.2
Administrative expenses to revenues	6.8	6.6
Costs of sale to revenues	18.7	19.0
EBITDA margin	16.6	17.6
Operating EBIT margin	9.1	10.5

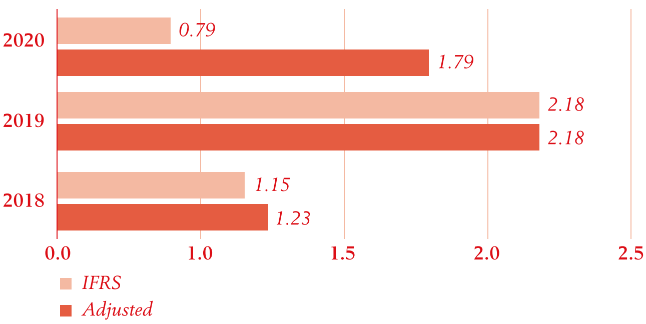
Financial Result and Taxes

The financial result improved from € -47.4 million in 2019 to € -43.7 million in the reporting year, which was primarily due to a 9% reduction in net interest result to € -35.7 million (2019: € -39.3 million) as a result of efficient financial management. Income from investments in associates and joint ventures increased from € 3.6 million to € 4.1 million year on year. The other financial result was negative at € -12.2 million (2019: € -11.6 million) and primarily included foreign exchange losses of € -8.9 million (2019: € -8.3 million). As a result of the aforementioned effects, the Group's profit before tax decreased by 53% to € 148.7 million (2019: € 315.3 million).

Income Statement *in MEUR*	**2020**	**2019**	**Chg. in %**
Revenues	**3,354.6**	3,466.3	-3
Cost of goods sold	**-2,166.1**	-2,211.5	+2
Selling and administrative expenses [1]	**-854.2**	-885.1	+3
Other operating income	**40.7**	48.1	-15
Other operating expenses	**-69.8**	-55.2	-27
Operating EBIT	**305.1**	**362.7**	**-16**
Impairment charges to assets	**-22.3**	0.0	<-100
Impairment charges to goodwill	**-90.4**	0.0	<-100
EBIT	**192.5**	**362.7**	**-47**
Financial result [2]	**-43.7**	-47.4	+8
Profit/loss before tax	**148.7**	**315.3**	**-53**
Income taxes	**-48.8**	-52.5	+7
Profit/loss after tax	**99.9**	**262.8**	**-62**

1) including transport expenses // 2) including at-equity result

Earnings per Share
in EUR



The Group's income tax expense decreased from € 52.5 million in 2019 to € 48.8 million in the reporting year. The reduced current tax expense of € 56.5 million (2019: € 59.5 million) was mainly due to the development of earnings generated by the Wienerberger Building Solutions and the Wienerberger Piping Solutions Business Units. The current income tax expense was booked against effects from the capitalization of deferred taxes in the amount of € 7,6 million (2019: € 7.0 million), which were mainly attributable to the capitalization of tax loss carryforwards in Austria and Denmark.

Profit after tax changed from € 262.8 million in 2019 to € 99.9 million in the reporting year for reasons related to the Covid-19 pandemic, which depressed the result through higher idle costs and extraordinary impairments. A slightly improved financial result and a moderately lower tax expense in the year under review did not suffice to offset the negative impacts on earnings. The net result has been calculated after deduction of income attributable to non-controlling interests of € 0.3 million (2019: € 0.5 million) and income attributable to holders of hybrid capital in the amount of € 11.1 million (2019: € 13.1 million). Overall, net profit declined from € 249.1 million to € 88.5 million. Taking the slightly reduced weighted average of 112.7 million shares into account (2019: 114.3 million shares), earnings per share declined to € 0.79 (2019: € 2.18).

Assets and Financial Position

In the year under review, the total assets of the Group increased by 5% to € 4,327.0 million (2019: € 4,132.6 million). Non-current assets decreased as a result of impairment charges on goodwill and other assets, on the one hand, and the disposal of our operations in Switzerland, on the other hand. Despite a significant reduction in inventories, current assets increased due to the high level of cash and cash equivalents as at the balance sheet date. As a result, the share of non-current assets in total assets decreased to 57% year on year (2019: 66%).

Intangible assets declined as a result of goodwill impairment in North America in the first quarter of 2020 and the disposal of our operations in Switzerland.

As at the balance sheet date, property, plant and equipment accounted for 68% of capital employed, as compared to 65% in the previous year. The book values of real estate held as investment property declined to € 50.2 million (2019: € 57.8 million) as a result of asset sales in the reporting year. Long-term receivables increased through the disposal of operations in Switzerland, while participations in associates and other financial assets declined slightly due to valuation effects.

During the year under review, working capital (inventories + net trade receivables – trade payables) decreased by 14% to € 503.8 million (2019: € 586.0 million). Owing to plant closures during the first lockdown of the Covid-19 pandemic, our focus was on active working capital management, which resulted in this steep reduction. Ultimately, the ratio of working capital to revenues decreased to 15.0% (2019: 16.9%), which is significantly below the Group's self-defined threshold of 20%.

As at 31/12/2020, cash and cash equivalents as well as the portfolio of securities and other financial assets came to a total of € 715.4 million (2019: € 165.1 million). The increase in liquidity by € 537.4 million was necessary to finance the redemption of the hybrid bond announced in December and the acquisition of Meridian Brick in the USA in the first quarter of 2021. These funds are part of a high liquidity reserve for the financing of seasonal working capital requirements and contractual cash flows in 2021.

In 2020, the Group's equity decreased by 16% to € 1,749.0 million (2019: € 2,076.8 million). The after-tax result increased the Group's equity by € 99.9 million (2019: € 262.8 million). On the other hand, the announced redemption of hybrid capital led to a reduction in equity by € 225.1 million. Dividends paid out in the amount of € 67.4 million, the deduction of the hybrid coupon of € 12.5 million, and the buyback of own shares for € 19.7 million and hybrid capital for € 33.2 million also led to a reduction in equity. As at 18/02/2020, 1,163,514 of the shares bought back in the previous year were cancelled, thus reducing the share capital by € 1.2 million to € 115.2 million and the capital reserves by € 22.8 million to € 1,036.2 million. Treasury shares decreased from a total of € 61.7 million to € 57.3 million, with the 2020 share buyback transaction increasing the total by € 19.7 million and the cancellation of shares reducing it by € 24.1 million. A decrease in currency reserves by € -102.4 million, an increase in hedging reserves by € 39.7 million and actuarial losses after tax in connection with defined-benefit pension plans and provisions for severance pay in the amount of € -6.7 million were recognized in other comprehensive income.

Deferred tax liabilities dropped by 19% to € 62.1 million (2019: € 76.9 million), which was primarily due to the disposal of our operations in Switzerland. The decrease in non-current personnel provisions to € 140.6 million (2019: € 150.7 million) was due, in particular, to the disposal of our operations in Switzerland and foreign exchange effects. Since Wienerberger has not concluded any new defined-benefit pension plans and is converting existing commitments into defined-contribution commitments wherever possible, pension provisions carried on the balance sheet show a decreasing trend, except for the effects of changes in legislation or changes in pension parameters. Other non-current provisions, mainly provisions for warranties and the recultivation of depleted clay pits, decreased from € 90.9 million to € 73.7 million. This was primarily due to the disposal of operations in Switzerland and the associated reduction in provisions for recultivation. Current provisions declined to a total of € 36.9 million (2019: € 38.1 million), with current restructuring provisions remaining stable and current personnel provisions in connection with bonus agreements decreasing slightly. Total provisions accounted for 6% of total assets, down from 7% in the previous year.

Interest-bearing debt (financial liabilities) increased by € 561.1 million to € 1,597.5 million (2019: € 1,036.5 million), the increase being primarily due to the issuance of a new bond, the utilization of credit lines, and the call of hybrid capital. This balance sheet item also includes interest-bearing liabilities to banks, bond holders and other third parties in the amount of € 1,376.3 million (2019: 810.5 million), derivatives with negative market values of € 4.1 million (2019: € 11.0 million) and liabilities from leases of € 217.1 million (2019: € 215.0 million). These interest-bearing liabilities were booked against cash and cash equivalents and securities in a total amount of € 715.4 million (2019: € 165.1 million), plus committed credit lines of € 400.0 million, of which € 371.0 million were undrawn by the balance sheet date. Of the total interest-bearing debt in the amount of € 1,597.5 million, 73% (2019: 56%) was of a long-term and 27% (2019: 44%) of a short-term nature.

Calculation of Net Debt [1)] *in MEUR*	2020	2019	Chg. in %
Long-term interest-bearing financial liabilities	983.5	361.2	>100
Short-term interest-bearing financial liabilities	396.9	460.2	-14
Lease liabilities	217.1	215.0	+1
- Intercompany receivables and payables from financing	-21.1	-21.3	-1
- Securities and other financial assets	-28.1	-15.0	+87
- Cash and cash at bank	-666.1	-128.8	>100
Net debt	**882.1**	**871.4**	**+1**

1) 2019: excluding the hybrid bond, which is recognized in equity according to IFRS rules.

As at 31/12/2020, the level of net debt came to € 882.1 million, up by 1% from the previous year (2019: 871.4 million). Thus, the year-end level of debt corresponded to a gearing of 50.4%, as compared to the previous year's value of 42.0%. Despite an almost unchanged level of net debt, the gearing increased primarily due to the call of the hybrid capital in December 2020, which triggered a reclassification from equity to debt. As at 31/12/2020, the debt repayment period of 1.6 years remained below the internal target of a maximum of 2.5 years (2019: 1.4 years).

Balance Sheet Ratios		2020	2019
Capital employed	in MEUR	2,594.1	2,912.2
Net debt	in MEUR	882.1	871.4
Equity ratio	in %	40.4	50.3
Gearing	in %	50.4	42.0
Asset coverage	in %	70.3	75.9
Working capital to revenues	in %	15.0	16.9

Treasury

Treasury operations in 2020, especially in the second quarter and with a view to the potential impacts of the Covid-19 pandemic, were focused primarily on securing liquidity. In the second half of the year, given the Group's resilient performance, attention was again focused on the optimization of liquidity management and financing costs. The usual seasonal liquidity requirements as well as growth investments, share buyback transactions and the partial redemption of hybrid capital were covered from the Group's liquidity reserves, the existing syndicated revolving credit facility (RCF) and commercial paper issues offered at attractive interest rates. Despite the turbulent market environment, the € 300 million bond which matured in April 2020 was refinanced through a new € 400 million bond issued at a significantly lower coupon maturing in 2025. Through efficient liquidity management, Wienerberger succeeded in maintaining a solid liquidity reserve, while minimizing the associated counterparty risks and avoiding negative interest. Ultimately, the net interest result improved by € 3.6 million from € -39.3 million to € -35.7 million.

In addition to the dividend paid out in the amount of € 67.4 million, Wienerberger bought back 1% of its shares in circulation (buyback of 1,151,879 shares) between March and the end of June 2020, thus returning an additional € 19.7 million to the shareholders. Moreover, we partially redeemed outstanding hybrid bond in the amount of € 33.2 million, the objective being to optimize the capital structure and our liquidity costs.

While the main objective pursued at the beginning of 2020 was to have a lean financing structure in place with an efficient and cost-effective volume of liquidity, the second quarter was marked by an atmosphere of uncertainty associated with the outbreak of the Covid-19 crisis. The € 300 million bond (4% coupon) maturing in April, which was partially refinanced ahead of schedule in 2019 with a € 170 million loan, was therefore replaced by a new € 400 million bond issue (2.75% coupon). Moreover, additional long-term credit lines of € 145 million with amortizing repayment terms of up to three years were agreed upon with commercial banks on a bilateral basis.

Against the background of this proactive financing policy and the liquidity reserves built up over the year through the company's resilient performance, Wienerberger decided to call the hybrid bond (5% coupon) at the earliest possible date on February 9, 2021.

At € 666.1 million, Wienerberger's cash and cash equivalents were significantly above the previous year's level (2019: € 128.8 million). Together with securities positions and the committed but undrawn revolving credit line of € 371.0 million, they constituted the Group's liquidity reserve securing its liquidity for the following 12 months. It will be used, in particular, to redeem the hybrid capital, finance the seasonal build-up of inventories in the first quarter, and meet liabilities from acquisitions. Hence, there is no need for long-term investment, and the Wienerberger Group is not adversely affected by the current interest landscape with partly negative interest rates.

The financial indicators taken into account for the company's bank covenants and its rating was stable throughout 2020, with sufficient headroom to remain below the external limits set by the bank covenants. The debt repayment period (ratio of net debt to EBITDA) of 1.6 years increased slightly over the previous year's value. This is primarily due to the call of the hybrid bond in

2020, due for redemption in 2021, and the associated reclassification of the hybrid capital to financial liabilities.

Despite the call of the hybrid bond, we outperformed our 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 also show that the Wienerberger Group is strongly positioned in the Ba1 rating class, although the agency changed the outlook from stable to negative in the course of the Covid-19 lockdowns.

Treasury Ratios	31/12/2020	31/12/2019
Net debt / EBITDA	**1.6**	1.4
EBITDA / interest result	**15.7**	15.5

As at the balance sheet date, 62% of the Group's financial liabilities were fixed-interest bearing, though without taking the financial liabilities to be recognized according to IFRS 16 Leases into account. The remaining 38% of floating-interest debt is partly offset by floating-interest investments, which, in combination with interest hedging instruments, reduces the Group's interest rate risk in its main refinancing currency, i.e. the euro. Owing to the local character of Wienerberger's business, foreign currency fluctuations are reflected primarily as translation risks and, to a lesser extent, as transaction risks. As a rule, forwards are used to hedge the Group's transaction risks. While the majority of financing transactions are euro-denominated, Wienerberger monitors the currency risk on its balance sheet on the basis of its net exposures in the most important currencies (British pound, US dollar, Polish zloty, Czech crown, Canadian dollar) and hedges part of the risk by means of cross-currency swaps on the basis of regular sensitivity tests. Subject to economic restrictions, receivables in foreign currencies due from subsidiaries of the Group are hedged by means of cross-currency swaps and constitute translation hedges at Group level. As at the balance sheet date, the Group held derivative positions in British pounds, US dollars, Polish zlotys, Czech crowns and Canadian dollars.

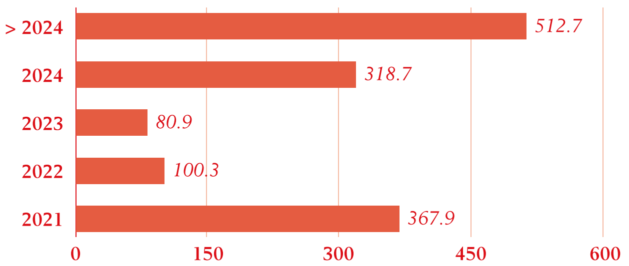
Cash Flow

Despite a lower net profit, cash flow from operating activities increased by 17% to € 504.7 million (2019: € 429.8 million) mainly as a result of the substantial reduction in working capital.

Cash flow from investing activities included an outflow of cash and cash equivalents of € 201.1 million for the Group's total investments was below the previous year's level (€ 255.5 million) and was partly offset by cash inflows from asset sales and the disposal of companies in the amount of € 63.2 million (2019: € 38.6 million). Alongside capital expenditure for maintenance and investments in occupational health and safety measures, the company also invested in optimization projects, plant extensions and digitalization. External acquisitions of companies accounted for € 8.5 million in cash flow. Proceeds from asset sales in the amount of € 31.2 million were attributable to the disposal of non-strategic and non-core real estate as well as other asset sales. The disposal of our operations in Switzerland resulted in cash inflows of € 32.0 million in the reporting year. In 2020, the Group received dividends from associates and joint ventures in the amount of € 2.5 million (2019: € 0.0 million).

Term Structure of Interest-bearing Financial Liabilities [1)]

in MEUR



1) Excluding lease liabilities

Overall, owing to strict cost discipline, Wienerberger generated free cash flow of € 397.3 million in 2020, significantly above the previous year's value of € 286.0 million. It was used to finance special investments of € 75.2 million and acquisitions (including financial assets) in a total amount of € 10.5 million.

Cash outflows also comprised the payout of € 67.8 million in dividends and share buyback transactions in the amount of € 19.7 million. Payment of the hybrid coupon and the partial redemption of hybrid bonds accounted for a total outflow of € 45.7 million, the net result being a cash inflow of € 178.4 million.

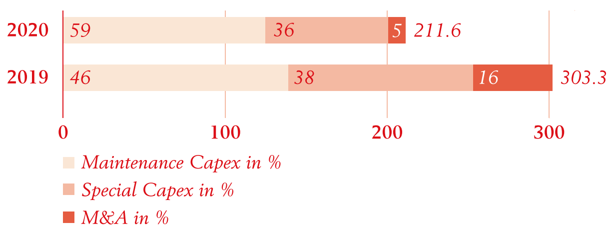
Cash Flow Statement *in MEUR*	2020	2019	Chg. in %
Gross cash flow	**440.6**	**476.7**	**-8**
Change in working capital and other	64.1	-46.9	>100
Cash flow from operating activities	**504.7**	**429.8**	**+17**
Maintenance Capex	-125.9	-140.1	+10
Special capex	-75.2	-115.4	+35
M&A	-10.5	-47.9	+78
Divestments and other	63.7	39.3	+62
Cash flow from investing activities	**-147.8**	**-264.1**	**+44**
Special Capex and M&A	85.7	163.3	-48
Lease payments	-45.2	-42.9	-5
Free cash flow	**397.3**	**286.0**	**+39**

Investments

Investments in the reporting year totaled € 201.1 million (2019: € 255.5 million). In addition to capital expenditure for plant extensions and optimization measures, the total primarily includes maintenance capex and investments in occupational health and safety measures. In 2020, an amount of € 75.2 million (2019: € 115.4 million) was spent on improvements and extensions of our plants and the further development of our product portfolio. An amount of € 10.5 million (2019: € 47.9 million) was invested in growth projects (M&A). Maintenance capex thus amounted to € 125.9 million in 2020 (2019: € 140.1 million). The breakdown of total investments and M&A in the reporting year shows that 65% was accounted for by Wienerberger Building Solutions, 30% by Wienerberger Piping Solutions, and 5% by North America.

Total Investments and M&A

in MEUR



Development of Non-current Assets
in MEUR

	Intangible	Tangible	Financial	Total
31/12/2019	**760.4**	**1,940.5**	**36.0**	**2,736.9**
Capital expenditure	26.1	175.0	2.0	**203.1**
Change in scope of consolidation	-8.2	-63.2	0.0	**-71.4**
Depreciation, amortization and impairment charges	-120.7	-244.8	-1.1	**-366.6**
Reversal of impairment	0.0	0.0	0.0	**0.0**
Disposals	-0.1	-13.5	0.0	**-13.6**
Currency translation and other	-11.9	11.7	0.1	**-0.1**
31/12/2020	**645.6**	**1,805.7**	**37.0**	**2,488.3**

Total Investments [1)]
in MEUR

	2020	2019	Chg. in %
Wienerberger Building Solutions	**135.5**	175.6	-23
Wienerberger Piping Solutions	**55.2**	57.9	-5
North America	**10.4**	22.0	-53
Wienerberger Group	**201.1**	**255.5**	**-21**

1) Additions to property, plant and equipment and intangible assets

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 separate Non-Financial Information (NFI), we report on progress achieved in terms of our non-financial performance. 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 increase 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 free cash flow, cash flow return on investment, and total shareholder return.

Under the impact of the Covid-19 pandemic, ROCE dropped below this medium-term target. Despite temporary plant closures driven by government-imposed measures to contain the pandemic, Wienerberger generated strong operating earnings before interest and tax (operating EBIT) in the amount of € 305.1 million (2019: € 362.7 million). This resulted in NOPAT of € 244.4 million (2019: € 297.4 million). Driven by impairments, negative foreign exchange effects and the disposal of our Swiss operations, average capital employed dropped to € 2,753.1 million, as compared to the previous year's value of € 2,802.2 million. Overall, the Wienerberger Group's ROCE came to 8.9% (2019: 10.6%).

Alongside the analysis of the profitability of the capital employed at Group level, we regularly analyze the profitability of the individual business areas and review the entire portfolio. If individual entities do not meet our internal targets, value-enhancing measures must be taken. To this end, Wienerberger employs one or more of the following strategic alternatives:

- Improvement of profitability within the framework of the Fast Forward program / efficiency-enhancing measures
- Repositioning of the business area through M&A
- Exit from the business area if a thorough analysis shows that the first two alternatives will not produce the expected result

Another important step toward improving our portfolio was taken in 2020. We sold our operations in Switzerland to swisspor, a renowned building materials group, because our activities in Switzerland no longer met our strict criteria for future growth. With this transaction, Wienerberger reached its target of generating € 150 million in added value through asset disposals between 2018 and 2020. The proceeds will be used for further selective acquisitions and for innovations in fast-growing segments with higher earnings potential.

To generate additional value for our stakeholders, we continuously invest in our business. We spend € 120 million per year for the maintenance of our industrial platforms and on measures to improve occupational health and safety for our employees. Taking this capital expenditure into account, Wienerberger achieved a strong cash conversion rate of 78% in 2020.

Calculation of Operating EBIT and NOPAT		2020	2019
EBIT	in MEUR	**192.5**	**362.7**
Impairments / Reversals of impairment charges to assets	in MEUR	**22.3**	0.0
Impairment charges to goodwill	in MEUR	**90.4**	0.0
Operating EBIT	in MEUR	**305.1**	**362.7**
Income taxes	in MEUR	**-48.8**	-52.5
Adjusted taxes	in MEUR	**-12.0**	-12.7
NOPAT	in MEUR	**244.4**	**297.4**

Calculation of Average Capital Employed		2020	2019
Equity and non-controlling interests	in MEUR	**1,749.0**	2,076.8
Financial liabilities and financial leases	in MEUR	**1,597.5**	1,036.5
Intercompany receivables and payables from financing	in MEUR	**-21.1**	-21.3
Cash and financial assets	in MEUR	**-731.3**	-179.8
Capital employed	in MEUR	**2,594.1**	**2,912.2**
Average capital employed	in MEUR	**2,753.1**	**2,802.2**

Calculation ROCE		2020	2019
NOPAT	in MEUR	**244.4**	297.4
Average capital employed	in MEUR	**2,753.1**	2,802.2
ROCE	in %	**8.9**	**10.6**

Fourth Quarter of 2020

In the fourth quarter of 2020, Wienerberger delivered highly satisfactory results, matching the operating result of the equally strong fourth quarter of 2019:

- Revenues of € 806.4 million (2019: € 810.1 million)
- EBITDA LFL of € 133.9 million 2% above the previous year's level (2019: € 131.6 million)
- Satisfactory performance across all Business Units

Wienerberger Building Solutions

Starting in the summer months, the Wienerberger Building Solutions Business Unit benefited from the continuation of pre-Covid-19 projects as well as from new projects in Western Europe, with growing demand seen especially in the renovation and infrastructure segments. In the fourth quarter, demand for the whole range of our solutions for the building envelope recovered in all our Western European core markets. Revenues therefore matched the previous year's record level.

In our Eastern European core markets, demand declined slightly, despite more moderate Covid-19 governmental measures. In new residential construction, demand increased slightly in the fourth quarter, but nevertheless remained below the previous year's level, not least due to the lower number of building permits issued. Demand in the renovation segment increased strongly and reached the satisfactory level of the previous year.

Strict cost management in combination with new digital solutions and continuous optimization measures within the framework of the Fast Forward program contributed substantially to the Business Unit's performance. Moreover, after the price increases implemented earlier in the year, we succeeded in keeping prices at a level sufficient to cover cost inflation.

In the fourth quarter of 2020, the Wienerberger Building Solutions Business Unit generated total revenues of € 510.4 million (2019: € 519.2 million) and demonstrated its resilience by delivering EBITDA LFL of € 101.5 million (2019: € 106.1 million).

Wienerberger Piping Solutions

After strong summer months, demand for our innovative infrastructure solutions stabilized in the fourth quarter. The Wienerberger Piping Solutions Business Unit thus generated revenues at the previous year's level. We counteracted the upward trend of raw material prices seen since the third quarter by continuously implementing efficiency-enhancing and cost-optimizing measures, and therefore succeeded in keeping the operating EBITDA margin almost at the previous year's level.

Our core markets in Northern Europe continued to perform very well in terms of revenues and earnings, driven by satisfactory demand in international project business in the water management segment. The negative impacts of currency fluctuations were offset by higher volumes sold. Demand in Ireland and the United Kingdom, two markets hit particularly hard by government-imposed lockdown measures, stabilized in the fourth quarter. Our business in South-Eastern Europe continued to benefit from the take-up of EU funding and delivered excellent results. In Poland and Hungary, the Covid-19 pandemic led to a slight downturn in demand in the fourth quarter. Given Wienerberger's strategic focus on growth markets and its policy of withdrawing from less profitable segments, the decision was made to discontinue the company's operations in Greece. The resulting restructuring costs of € 3.2 million were recognized in the fourth quarter.

The acquisition of Inter Act B.V. marked another important step in the implementation of our value-creating growth strategy. Thanks to this transaction, the Wienerberger Piping Solutions Business Unit is now able to broaden its range of smart solutions for water and energy management. The integration is proceeding as planned, and first common projects have already been successfully implemented.

Altogether, the Wienerberger Piping Solutions Business Unit reported stable revenues of € 213.8 million (2019: 212.9 million) and a slight decrease in EBITDA LFL to € 17.4 million (2019: € 18.7 million). The drop in EBITDA as reported from € 19.9 million to € 13.2 million is primarily due to non-recurrent effects and negative exchange-rate differences.

North America

The strong performance of the North America Business Unit during the summer months was followed by a continuing upward trend in the fourth quarter. We recorded growing demand in the single-family-home segment, especially in our core markets in the south-eastern and western states of the USA and in Canada. Thanks to the further optimization of our product portfolio with a focus on higher-margin products, in combination with strict cost discipline, our business in facade solutions delivered revenues and earnings above the previous year's level.

In our North American plastic pipe business, we saw a continuation of the strong third-quarter trends throughout the fourth quarter and delivered record results in terms of both revenues and earnings. This was primarily driven by our optimized approach in sales with an intensified focus on profitability rather than volume growth and further improvements in production.

In the fourth quarter, revenues therefore increased by 5% to € 82.2 million (2019: € 78.1 million). Through the successful implementation of a package of measures strictly focused on the optimization of costs and working capital, the Business Unit's operational efficiency was significantly enhanced, which was reflected in a steep rise in EBITDA LFL to € 15.0 million (2019: € 6.8 million).

External revenues *in MEUR*	10-12/2020	10-12/2019	Chg. in %
Wienerberger Building Solutions	510.4	519.2	-2
Wienerberger Piping Solutions	213.8	212.9	0
North America	82.2	78.1	+5
Wienerberger Group	**806.4**	**810.1**	**0**

EBITDA *in MEUR*	10-12/2020	10-12/2019	Chg. in %
Wienerberger Building Solutions	99.8	116.1	-14
Wienerberger Piping Solutions	13.2	19.9	-34
North America	11.8	7.6	+56
Wienerberger Group	**124.8**	**143.6**	**-13**

Operating Segments

Wienerberger Building Solutions

Despite operational setbacks due to the pandemic, the Wienerberger Building Solutions Business Unit delivered a robust performance in 2020.

- Revenues decreased slightly by 4% to € 2,092.1 million (2019: € 2,170.6 million)
- Resilient EBITDA LFL at € 413.9 million (2019: € 455.6 million)
- Performance in second half of the year better than expected, driven by continuation of pre-Covid-19 projects and strong demand for renovation solutions

For the Wienerberger Building Solutions Business Unit 2020 started with a satisfactory level of demand. However, beginning in March, governments in Europe adopted various strategies to contain the Covid-19 pandemic, which forced us to temporarily shut down our plants in a number of Western European countries. Demand for our innovative solutions, especially in the renovation and infrastructure segments, began to pick up again in the summer months. Additional efficiency-enhancing measures, strict cost management, and new, digital solutions contributed significantly to the Business Unit's performance. Moreover, even in the challenging year of 2020 we succeeded in increasing our prices sufficiently to cover cost inflation. Despite major setbacks due to Covid-19, the Wienerberger Building Solutions Business Unit proved its resilience and generated EBITDA LFL in the amount of € 413.9 million.

Most of our Western European markets stabilized at a level slightly below that of the previous year. In the core markets of this region, in particular, we recorded higher demand for renovation solutions than for new construction.

Great Britain and France were hit hardest by the pandemic. Under government-imposed lockdown measures, construction sites were closed across both countries and we had to shut down our plants for several months. Building activities were resumed in mid-June and, thanks to the well managed re-start of our plants, we were able to fully meet our customers' demand, which proved to be stronger than expected in the second half of the year. However, despite this vigorous recovery, it was impossible to offset the losses suffered during the first six months.

In this challenging business year, our core markets in Belgium and the Netherlands proved to be particularly resilient. Belgium recorded an excellent start to the business year 2020. However, under the government's extremely strict rules, construction site activity was temporarily reduced to a low level. In this environment, we recorded growing demand for our roof solutions, which generated growth in earnings. In the Netherlands, we expected a slight downturn in new residential construction even before the Covid-19 outbreak, in the wake of more stringent emission legislation and the resulting reduction in the number of building permits granted. However, as renovation activities increased during the lockdown, we recorded rising demand for our roof solutions as well as for pavers for infrastructure solutions. Despite the effects of Covid-19, this change in the product mix led to growth in earnings.

By comparison, our activities in Germany and the Northern European facing brick markets were less severely affected by government restrictions, which meant that we were able to continue most of our operations without disruption, supported by our digital supply chain. The facing brick producer taken over in Denmark delivered the expected strong contribution to earnings and enabled us to significantly improve our market position. In Germany we saw stable demand at a satisfactory level. Through further optimization measures implemented in the course of the German turnaround, we generated a slight increase in earnings.

We continuously analyze our group-wide portfolio with a view to its profitability and strategic orientation. Since our business activities in Switzerland no longer met our strict criteria for future growth, we sold the entire Swiss brick business at an attractive multiple to swisspor, the renowned Swiss building materials group, on September 4, 2020.

In Eastern Europe, governments opted for more moderate strategies in the fight against the pandemic, which meant that most of our plants remained in operation during the reporting period. In Austria, the lockdown was relatively short. Thanks to strong demand due to the catch-up effects, combined with the consistent implementation of our premium strategy, we generated a solid result. Our biggest Eastern European core markets, i.e. the Czech Republic and Poland, reacted in different ways to the prevailing atmosphere of uncertainty. In Poland, we recorded a decline in sales volumes over the entire reporting period, despite slightly rising demand in the second half of the year, while demand for roof solutions was stable. In the Czech Republic, demand for both clay blocks and roof tiles remained stable at a satisfactory level. In Hungary, the expiry of the reduced value added tax rate on building materials, together with Covid-19, led to a downturn of demand. During the fourth quarter, however, the Hungarian government announced that in 2021 the VAT rate would again be reduced to its former lower level. In the remaining markets of South-Eastern Europe, especially in Romania, we continued to benefit from a satisfactory level of demand, which was partly driven by elections. As regards our Eastern European concrete paver activities, we consistently pursued our strategy focused on premium products. However, given the unfavorable environment, we had to accept a slight decline in earnings.

Overall, revenues decreased slightly by 4% to € 2,092.1 million in the reporting period. EBITDA dropped by 11% to € 415.2 million, while EBITDA LFL declined by 9% to € 413.9 million, as compared to € 455.6 million in the previous year. EBITDA LFL Margin amounted to 19.9% (2019: 21.4%).

Wienerberger Building Solutions		2020	2019	Chg. in %
External revenues	*in MEUR*	**2,092.1**	2,170.6	-4
EBITDA LFL [1)]	*in MEUR*	**413.9**	455.6	-9
EBITDA	*in MEUR*	**415.2**	468.6	-11
EBIT	*in MEUR*	**227.9**	307.9	-26
Total investments	*in MEUR*	**135.5**	175.6	-23
Capital employed	*in MEUR*	**1,736.7**	1,927.7	-10
Ø Employees	*in FTE*	**11,939**	12,466	-4

1) Adjusted for effects of changes in the scope of consolidation, foreign exchange effects, disposal of non-core and core assets and structural adjustments

Outlook 2021

As we do not foresee any further government-imposed lockdown measures affecting the construction industry in 2021, we expect the trend seen in the second half of 2020 to continue in 2021. While demand will probably be higher in the renovation segment, activities in new residential construction will remain stable or experience a slight downturn. Developments in the second half of the year will depend, among other factors, on the speed at which Covid-19-related governmental measures in support of an economic recovery take effect.

In the medium term, we see clearly positive trends for the Wienerberger Building Solutions Business Unit. In the wake of the pandemic, issues such as healthy and sustainable housing and the wish for outdoor living space have gained greater prominence. To speed up the post-corona economic recovery, we expect governments to launch economic stimulus programs for the construction sector. Likewise, the Green Deal of the European Union will generate positive momentum for renovation activities. With our innovative solutions for the renovation and infrastructure segments, we are very well positioned to benefit from the expected government support measures.

Wienerberger Piping Solutions

In the challenging year 2020, the Wienerberger Piping Solutions Business Unit delivered a very strong performance:

- External revenues declined slightly by 3% to € 932.6 million (2019: € 959.4 million)
- Proactive margin management and strict cost discipline improved operating performance and increased EBITDA LFL by 4% to € 103.7 million (2019: € 99.8 million)
- Good demand for infrastructure projects ensured largely stable business performance
- The electrical installations segment within our in-house solutions recorded a strong performance and was further expanded in 2020

Supported by favorable weather conditions, the Piping Solutions Business Unit had an excellent start into 2020, but was slowed down by the outbreak of the Covid-19 pandemic. While our activities in Eastern Europe continued almost without interruption, the Western European countries were hit hard by the lockdown measures imposed by governments starting in mid-March. In some markets we had to shut down plants temporarily. Over the summer, performance was strong, driven by catch-up effects across all the markets.

Demand began to normalize in the course of the second half of the year. Lockdown-related declines in sales volumes were for the most part offset by strict cost discipline and ongoing efficiency enhancement measures. Despite the uncertainties that characterized 2020, we managed to nearly match our record performance of 2019 thanks to the consistent implementation of our value-creating growth strategy. These good results were facilitated by the satisfactory demand for our innovative infrastructure solutions and further earnings increase of the electro segment.

With the acquisition of the Dutch software provider Inter Act in November, the company's smart solutions portfolio in water and energy management systems was expanded thus strengthening the basis for future organic growth in the smart infrastructure segment.

Raw material prices, which were at a low level in the second quarter of 2020, began a slow rise in the second half of the year. Global production shortages coupled with strong demand from Asia sent prices up, particularly in the final months of the year. We were able to offset the increase, for the most part, through strict cost discipline as part of our proactive margin management.

Business in the Northern European markets performed well throughout 2020. Norway continued to benefit from the excellent development of the international project business for water management, which continued in the fourth quarter of 2020. While demand in Finland weakened slightly, Sweden continued to show satisfactory performance in the infrastructure sector. Efficiency enhancement efforts combined with investments in automation also made a positive contribution to the strong performance.

After being impacted by the stringent Covid-19 government measures, the results of our Western European markets recovered slowly in the second half of 2020. Demand in the United Kingdom and Ireland – the markets most heavily affected by the pandemic – continued the trend from the third quarter and recovered to the previous year's level in the fourth quarter. Results in the Netherlands reflected declining demand in the energy solutions project business, which was partially offset by a strong performance in the electro business.

Our business in Eastern Europe continued to perform well, and we were able to maintain revenues at almost the same level as the previous year. Smaller markets in particular continued to benefit from EU funding and showed a positive development in earnings. The Polish and Hungarian markets lost some momentum in the second half of 2020. In Austria, we achieved revenues almost on a par with the strong previous year, despite brief closures of construction sites and building material outlets during the lockdown in the second quarter. In the course of our continuous portfolio optimization process we decided to shut down our site in Greece – a decision in line with our strategic focus on growth markets. The resulting restructuring costs were reported in earnings at € 3.2 million.

In the ceramic pipe business, we successfully implemented price increases to cover cost inflation in the markets, and we recorded slight revenue growth in the second half of 2020. Despite severe cutbacks in the core markets of Western Europe during the lockdowns in the first half of the year, revenues in this business segment almost reached the previous year's levels.

In total, external revenues recorded by the Wienerberger Piping Solutions Business Unit declined by a modest 3% from € 959.4 million to € 932.6 million. Due to strict cost discipline and the consistent implementation of our value-creating strategy, the Business Unit's EBITDA of € 97.1 million almost reached the record level of 2019 (2019: € 98.2 million). EBITDA LFL showed a strong performance, rising by 4% to € 103.7 million (2019: € 99.8 million). As a result of our proactive margin management, profitability increased, as reflected in an EBITDA LFL margin of 10.8% (2019: 10.4%).

Wienerberger Piping Solutions		2020	2019	Chg. in %
External revenues	in MEUR	**932.6**	959.4	-3
EBITDA LFL [1]	in MEUR	**103.7**	99.8	+4
EBITDA	in MEUR	**97.1**	98.2	-1
EBIT	in MEUR	**37.4**	46.4	-19
Total investments	in MEUR	**55.2**	57.9	-5
Capital employed	in MEUR	**563.8**	553.6	+2
Ø Employees	in FTE	**3,328**	3,318	0

1) Adjusted for effects of changes in the scope of consolidation, foreign exchange effects, and structural adjustments

Outlook for 2021

For the 2021 financial year, we maintain a positive outlook for our core markets and expect stable demand for our water and energy management solutions. Governmental economic stimulus programs will have a positive impact on demand for our smart infrastructure solutions in the medium term. It is still difficult to quantify short-term effects, as they will depend on how the programs are implemented in the individual EU countries.

In 2021, we will continue to prioritize the successful restructuring of our product portfolio. Low-margin businesses will be sold or closed, and higher-margin segments will be further expanded. We will, for example, focus on our profitable in-house electro segment and launch our innovative, prefabricated solutions in additional markets. Our portfolio of the infrastructure business will be further expanded by newly acquired smart solutions with Inter Act.

Due to significant increase in raw material prices observed since the end of 2020, margins in the plastic pipe business are currently under pressure. Despite these challenges, we are committed to the clear goal of covering our cost inflation through price increases. In some markets this will, however, only be possible with a certain time lag. Hence, we expect a negative impact on earnings of up to € 20 million in 2021.

In addition, we plan to use potential growth projects to further expand the Wienerberger Piping Solutions Business Unit and continue to strengthen our activities in Central and Eastern Europe.

North America

In a business year marked by Covid-19, the North America Business Unit delivered excellent results thanks to strict cost discipline and consistent upgrading of its product portfolio:

- Revenues declined slightly by 3% to €325.0 million (2019: €335.7 million)
- After the lockdown and short-term plant closures in the north-eastern USA and in Canada, demand returned to a satisfactory level
- As a result of strict cost discipline, EBITDA LFL rose steeply by 23% to €48.0 million (2019: €38.9 million)
- The EBITDA LFL margin thus improved significantly to 14.5%, as compared to the previous year's 12.7%

During the first half of the year, the North America Business Unit first suffered from unfavorable weather conditions and then, starting in mid-March, was hit by the outbreak of the Covid-19 pandemic. Government-imposed measures forced us to temporarily close down our plants in Ontario and Pennsylvania. In the south-eastern states of the USA, construction activities, for the most part, were allowed to continue and we were therefore able to supply our customers with our solutions without interruption.

Following the gradual easing of restrictions from the end of April onward, we resumed our production activities at capacities adjusted to the respective market levels, and in May, demand in the USA began to improve. In June, we saw a strong catch-up effect both in the USA and in Canada, with demand returning to the previous year's level.

Since the summer months, our key markets in the USA have seen growth in the single-family-home segment. Price increases implemented earlier to cover cost inflation were maintained throughout the fourth quarter. Further efficiency-enhancing measures and cost reductions were successfully implemented, as reflected in the Business Unit's strong earnings.

In Canada, after a strict lockdown in the second quarter, demand in the second half of the year was satisfactory. Through consistent improvements of the product mix and a pricing strategy aimed at covering cost inflation, performance was strong and profitability remained at the previous year's level, despite the impacts of Covid-19.

Despite this year's challenging business environment, our North American infrastructure solutions business delivered a record result. After a weather-related weak start to the 2020 business year, demand recovered in the second quarter. Our measures aimed at optimizing our sales organization generated the expected effect in 2020. Thanks to the increased focus on profitability rather than volume, we were able to generate record earnings and substantially outperform the previous year's results.

Overall, the measures taken at the beginning of the pandemic proved effective throughout the 2020 business year. Owing to our strong focus on improving the product portfolio and our pricing strategy aimed at covering cost inflation, the Business Unit's revenues came to €325.0 million, falling short of the previous year's value by only 3% (2019: €335.7 million). Thanks to strict cost discipline and efficiency-enhancing measures, we generated a 6% rise in EBITDA to €45.7 million (2019: €43.2 million), which resulted in a further increase in the North America Business Unit's profitability. EBITDA LFL grew significantly by 23% to €48.0 million, as compared to €38.9 million in the previous year. The EBITDA LFL margin thus improved to 14.5% (2019: 12.7%).

North America		2020	2019	Chg. in %
External revenues	in MEUR	325.0	335.7	-3
EBITDA LFL [1]	in MEUR	48.0	38.9	+23
EBITDA	in MEUR	45.7	43.2	+6
EBIT	in MEUR	-72.8	8.3	<-100
Total investments	in MEUR	10.4	22.0	-53
Capital employed	in MEUR	293.6	430.9	-32
Ø Employees	in FTE	1,352	1,450	-7

1) Adjusted for effects of changes in the scope of consolidation, foreign-currency effects, disposals of core assets and structural adjustments.

Outlook for 2021

In 2021 we expect to see a continuation of strong construction activities in our main regional markets in the south-eastern and western states of the USA and in Canada, especially during the first half of the year. Through the acquisition of Meridian Brick, we have further strengthened our position in North America and are now perfectly positioned in the most important North American brick markets. In 2021, we will focus on the further development of our product portfolio and on realizing the synergies already announced.

We also foresee a positive market environment for our plastic pipe business in 2021. Demand for infrastructure solutions may be boosted by prospective investments by the new US Administration, which in turn would have a favorable impact on this business area.

Outlook and Targets for 2021

Market Outlook for Europe

In the first half of 2021, we expect to see a continuation of the trends of the second half of 2020, despite the prevailing uncertainty due to Covid-19. From today's perspective, this will mean flat to slightly weakening demand in the single- and two-family-home-segment and rising demand for solutions in the renovation segment. Demand in the second half of the year will depend on measures announced by governments to stimulate economic growth in the wake of the pandemic and on general, global macroeconomic developments.

Regarding the demand for infrastructure solutions, we remain optimistic for our European core markets, expecting a continuation of the satisfactory level of demand seen in the second half of 2020. In the medium term, this segment will also benefit from the economic stimulus programs announced by governments. For the time being, it is impossible to quantify the effect, as it will depend on how the EU Member States implement their programs at national level. In our core markets, we expect such programs to be implemented step by step from the second half of the year onward.

Market Outlook for North America

In the USA and Canada, we expect to see a continuation of strong construction activities in our main regional markets in the south-eastern and western states of the USA and in Canada, especially during the first half of the year. We also foresee a positive development of demand in our plastic pipe business in 2021. Additionally, the investments in infrastructure announced by the new US Administration could have a positive impact on this business area.

Targets

The challenging 2020 business year demonstrated the strength and resilience of Wienerberger and showed that we are on the right track with our value-creating growth strategy. In 2021, we will continue to focus on our strategic pillars: operational excellence, organic growth through innovation and organic growth through M&A. All our commercial activities are in line with our ESG strategy and our clearly defined targets for the period up to 2023.

Despite the prevailing uncertainty, our target for 2021 is to increase the Wienerberger Group's EBITDA LFL in the range of € 600 to 620 million. This target figure does not include any proceeds from the disposal of assets, foreign-exchange effects, or changes in the scope of consolidation, such as the acquisition of Meridian Brick, and structural adjustment costs.

Irrespective of persistent challenges, we are pursuing the clear goal of covering rising cost inflation through commercial excellence measures and generating a further increase in profitability through the optimization and expansion of our portfolios. Due to significant increase in raw material prices observed since the end of 2020, margins in the plastic pipe business are currently under pressure. Despite these challenges we are clearly committed to cover cost inflation with price increases. In some markets this will, however, only be possible with a certain time lag. Hence, we expect a negative impact on earnings of up to € 20 million in 2021.

We intend to invest € 120 million in the maintenance of our industrial platforms and measures to continuously improve health and safety for our employees. Additionally, we will invest roughly € 140 -160 million for growth projects.

Moreover, we are continuously evaluating a large number of attractive growth investments in order to increase and expand our range of smart infrastructure, renovation and new residential housing solutions. To this end, we are analyzing a promising pipeline of potential acquisition targets for their strategic development potential, their contribution to the value-accretive enlargement of our portfolio, and their potential in terms of earnings, cash flow and synergies in line with our ESG targets.

Additional Information about the Company

Research and Development

Research and Development (R&D) are of central importance for Wienerberger, as they enable us to secure our position in terms of costs and technology leadership in the long term. At the same time, R&D activities are fundamental to the achievement of our sustainability targets. All strategic projects are aimed at contributing to decarbonization and the circular economy. The development of new materials, products and system solutions, the optimization of existing production technologies and the development of new ones, 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. New technologies for individual product groups are first tested for their potential benefit and their added value for customers. Successful ideas are then quickly rolled out across the entire Group via our platforms.

Use of sustainable materials, innovative products and system solutions

In line with our sustainability targets, 100% of our new products are designed so as to be recyclable or reusable. With our energy-efficient building material solutions we contribute to environmental protection and enhance housing quality by achieving a healthy indoor climate. At the same time, we are making every effort to ensure that all our products advance the target of decarbonization throughout their life cycle and thus reduce the Group's CO_2 footprint. Our infrastructure solutions in the field of water and energy management are being further developed with a view to preventing water shortages and promoting the use of renewable sources of energy.

One of our central objectives is to continuously optimize the structural properties of our products and the use of resources. New products and solutions are being developed to meet the steadily increasing demands on building materials (e.g. energy efficiency, earthquake resistance, structural properties). Another priority is to enhance existing and new products with 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 while the products are in use. Wienerberger operates several research centers that specialize in our various product groups.

Towards a CO_2-neutral production process

The sparing use of resources is a central aspect in our production. The optimization of production processes, the minimization of our ecological footprint, and an increasing use of secondary raw materials in production therefore represent crucial components of our group-wide efficiency enhancement program and our sustainability strategy. Moreover, our R&D activities are focused on the introduction of a completely CO_2-neutral production process.

As part of our decarbonization effort, our research priorities in ceramic production include the use of alternative energy sources (electrification of processes, possible use of hydrogen), the reduction of energy consumption in the drying and firing processes, and the optimized use of raw material resources through the development of innovative products and new formulations. Moreover, our R&D activities remain focused on the further automation of production processes and novel production technologies. For example, our plant in Uttendorf in Upper Austria was retrofitted as a demonstration plant. Through the use of heat-pump technology, we have already succeeded in achieving a significant reduction in thermal energy consumption.

In the pipes and fittings segment, we have further increased the share of secondary raw materials in our sewage pipes through the use of new materials. Overall, this share has doubled over the past five years. The process was accompanied by regular quality controls and numerous tests of the composition of pipe material to ensure a constant level of quality. Investments in new machinery led to the use of innovative production technologies, such as 3D printing. In the reporting year, 3D printing was used for the first time for commercially available products. Moreover, the digital R&D database was substantially upgraded in order to allow all authorized users to access it from the office or from home. Our "Ideas & More" platform, established to motivate employees to actively contribute ideas, reached a record number of over 500 submission. 69 of the ideas submitted were successfully implemented and another 12 ideas are currently in the process of implementation.

In the concrete paver production we strive to optimize our production and surface finishing processes to ensure a constantly high level of product quality. At the same time, in order to further reduce our CO_2 footprint, we are working on various solutions aimed at the use of new, sustainable raw material formulations with a lower cement content.

Exploring new fields of activity – new materials and robotics

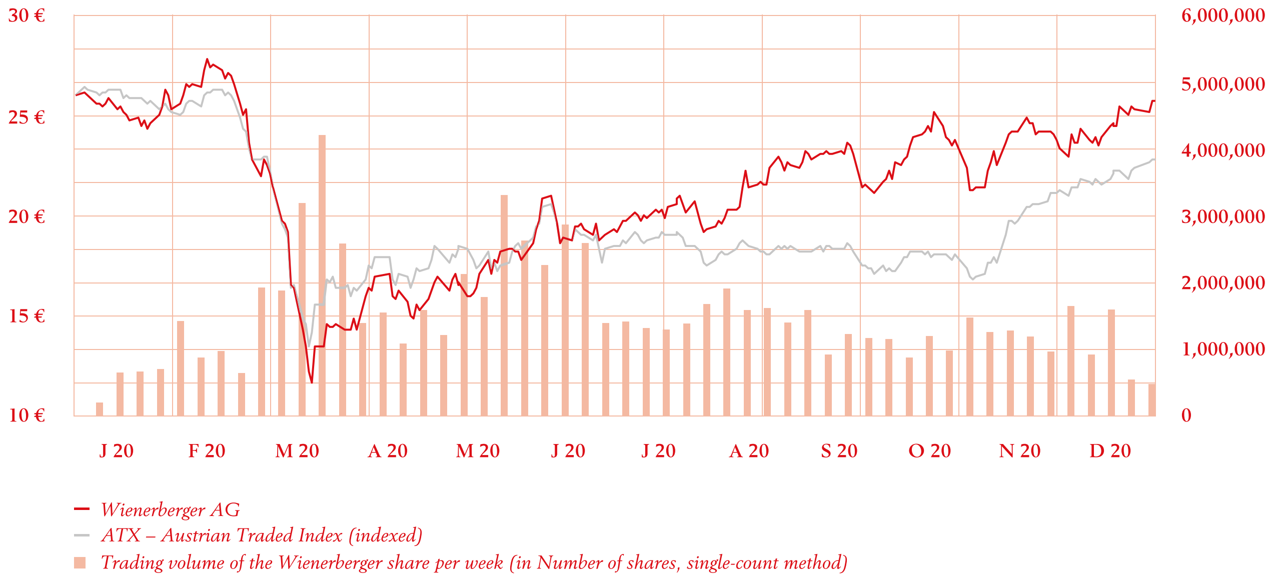
Wienerberger continued its strategic partnership with the Interbran Group aimed at the development of novel and sustainable high-performing insulating materials. R&D efforts are focused on non-combustible, perlite-based insulating materials. The first products have already reached market maturity. Cooperation with Interbran opens up a new field for Wienerberger's business in the roof, wall and facade segments.

In the course of our ongoing innovation efforts, we are intensively exploring the possibilities of masonry robots and prefabrication. Our vision is to offer our customers an all-in wall solution that speeds up the work of brick-laying and the erection of walls, reduces costs and, at the same time, offers the advantage of increased safety, efficiency and quality. In cooperation with various stakeholders, including well-established businesses, start-ups and universities, the first prototype of an innovative masonry robot for use on construction sites has been designed. The objective is to develop this solution to market maturity as a response to the increasing shortage of skilled labor on construction sites.

Wienerberger Share and Shareholders

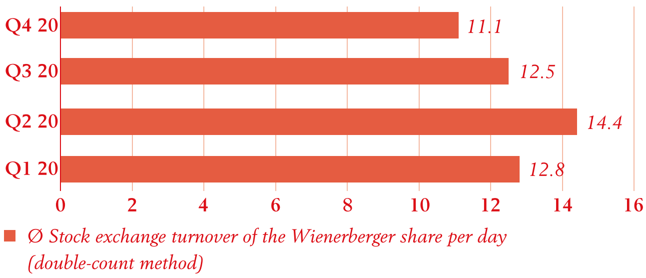
Wienerberger AG is listed in the Prime Market segment of the Vienna Stock Exchange with no-par-value shares (bearer shares). There are neither preferred shares or registered shares nor any restrictions on common stock. The "one share – one vote" principle applies in full. In the USA, Wienerberger AG trades on the OTC market via an ADR Level 1 Program of the Bank of New York Mellon. With a market capitalization of € 3,004 million and a weighting of 6.7% in the ATX at the end of 2020, Wienerberger is one of the five largest listed companies in Austria.

Development of the Share Price



The Wienerberger share started the 2020 trading year at a price of € 26.42. On February 12, the share reached its annual high at € 28.26. The outbreak of the Covid-19 pandemic was accompanied by a sentiment of extreme uncertainty regarding the potential impact of the virus on the global economy. In the spring of 2020, government-imposed lockdowns led to high unemployment and massive drops in economic output in many parts of the world. Despite interest rate cuts by several central banks, stock markets all over the world were in turmoil. The Wienerberger share was not immune to this development, reaching its annual low at a price of € 11.59 on March 19. In the course of the second quarter, support packages launched by governments and first progress in the development of vaccines led to a slightly more optimistic outlook. Brightening market sentiment in the second half of the year resulted in a surge in the Wienerberger share price. Consequently, trading closed at a year-end price of € 26.08, with our performance in this highly volatile stock exchange year 2020 only slightly negative at -1.3%. Compared to the Austrian ATX, the lead index of the Vienna Stock Exchange, which was down by -12.8%, the Wienerberger share significantly outperformed the index by 11.5 percentage points.

Liquidity
in MEUR



Based on the current forecast for the development of business, the Managing Board will propose to the 152nd Annual General Meeting on May 4, 2021, that the dividend for 2020 be kept at the previous year's level of € 0.60. Amounting to a total of € 67.4 million, the dividend to be paid out corresponds to 17.0% of the free cash flow after liabilities for leases. Based on the year-end share price of € 26.08, this represents a dividend yield of 2.3%.

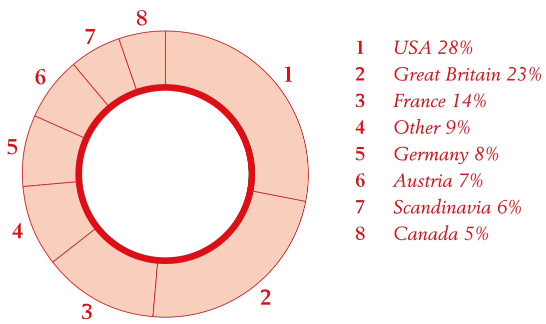
Key Data per Share		2020	2019	Chg. in %
Earnings	*in EUR*	**0.79**	2.18	-64
Adjusted earnings	*in EUR*	**1.79**	2.18	-18
Dividend	*in EUR*	**0.60**	0.60	0
Free cash flow 1)	*in EUR*	**3.53**	2.50	+41
Equity 2)	*in EUR*	**15.52**	16.06	-3
Share price high	*in EUR*	**28.26**	26.82	+5
Share price low	*in EUR*	**11.59**	18.10	-36
Share price at year-end	*in EUR*	**26.08**	26.42	-1
P/E ratio high		**36.0**	12.3	-
P/E ratio low		**14.8**	8.3	-
P/E ratio at year-end		**33.2**	12.1	-
Shares outstanding (weighted) 3)	*in 1,000*	**112,680**	114,320	-1
Market capitalization at year-end	*in MEUR*	**3,004**	3,074	-2
Ø Stock exchange turnover/day 4)	*in MEUR*	**12.9**	7.9	+63

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

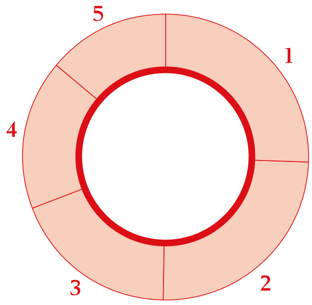
Wienerberger is a pure free float company and has no core shareholder. The Group's widely diversified shareholder structure is typical of a publicly traded company with international operations. The most recent survey of the shareholder structure performed in November 2020 showed that approximately 14% 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 (33%) and Great Britain (23%). The remaining shares are held mainly by Continental European investors.

Shareholder Structure by Country (Institutional Investors)



An analysis of the various strategies pursued by institutional investors shows that value-oriented investors dominate at a rate of 26%, followed by GARP investors and index-oriented investors (24% and 19% respectively).

Shareholder Structure by Investor Type (Institutional Investors)



1	*Value 26%*
2	*GARP 24%*
3	*Index 19%*
4	*Growth 17%*
5	*Other 14%*

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 4% of Wienerberger shares have been held by FMR LLC (Fidelity), based in the USA, since November 21st, 2020, and by Impax Asset Management Group plc, based in Great Britain, since January 31, 2020. The share capital of Wienerberger AG comprises 115,187,982 no-par-value shares and 2,922,168 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 the challenging year 2020, we transferred our communication to digital channels. At the beginning of the Covid-19 pandemic, we reacted swiftly and informed the financial market about current developments of our business through regular conference calls (twice weekly). We also participated in numerous roadshows and investor conferences, almost all of them conducted virtually. In the year under review, the Managing Board and the Investor Relations team were in direct contact with approximately 500 investors and analysts all over the world, informing them about our key financials, the company's operational and strategic developments, the impact of the Covid-19 measures on individual markets, as well as current ESG (environmental, social, governance) issues. The fact that Wienerberger is covered by a number of renowned Austrian and international investment banks ensures the visibility of the Wienerberger stock among the financial community. Compared to the previous year, the number of analysts covering Wienerberger increased from 11 to 13 (as of February 2021).

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 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 over the stock exchange or over the counter, even by individual shareholders or a single shareholder, provided the Supervisory Board is retroactively informed thereof. This resolution replaces the authorization to buy back own shares granted by the Annual General Meeting held on June 14, 2018.

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. This resolution replaces the authorization to sell treasury shares granted by the Annual General Meeting of June 14, 2018.

The 150th Annual General Meeting held on May 6, 2019, resolved on an authorized capital of € 17,452,724 million (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 business year under review, Wienerberger executed a share buyback program in the period from March 20 to June 30, 2020. A total of 1,151,879 shares were bought back over the stock exchange at an average price of € 17.02 per share, i.e. for a total amount of € 19.6 million.

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 or buy back shares are contained in the Notes to the Consolidated Financial Statements under Note 28 ("Group Equity") starting on page 162.

Risk Management and the Internal Control System

Our international operations not only offer great opportunities but are also associated with risks. Wienerberger has therefore established an effective risk management system, which identifies existing risks and counters them through avoidance, outsourcing and limitation. Purely operational risks are considered acceptable, whereas taking risks beyond the scope of operational business is not permitted.

The internal control system (ICS) of Wienerberger AG plays an important role in risk management. Based on the internationally recognized standards 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:

Control Environment

- Uniform and binding rules for the entire Group
- Standardized processes
- Uniform chart of accounts and reporting
- Compliance management system

The control environment of the ICS forms the basis for standardization and harmonization processes across the Group. With regard to 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 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.

Risk Assessment

- Annual internal audit plan coordinated with the Managing Board and the Supervisory Board
- Group-wide risk management
- Regular risk reporting

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. Subsequently, the risks identified are broken down into strategic and operational risks along the entire value chain and allocated to the risk owners. As a leading provider of building material and infrastructure solutions, we voluntarily undertake to present a transparent overview of climate-related opportunities and risks. Since 2021, we have therefore been following the recommendation of the Task Force on Climate-related Financial Disclosures (TCFD)* as regards the identification, analysis and assessment of physical risks and transition risks. By 2023, we will implement the TCFD recommendations in our risk management process and in our reporting in a three-stage process.

Risks are assessed on the basis of their probability of occurrence and the potential impact on the free cash flow for a medium-term horizon of five years and a longer-term horizon of six to ten years. Besides strategic risks, the major risks for the Wienerberger Group are procurement, production, market and price risks as well as financial and legal risks. For detailed information on all risks, please refer to the Risk Report the Notes to the Consolidated Financial Statements, starting on page 190. 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 notified 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 "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 by companies regarding their resilience to climate change. These recommendations are structured around four thematic areas (governance, strategy, risk management and metrics & 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 external auditor performs an annual evaluation 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 2020. Additionally, the control systems of the individual Business Units are covered within the framework of the audit of the annual financial statements.

Control Activities

- Standardized and integrated planning process
- Risk and control matrix
- ERP Governance, risk and compliance (GRC) solution

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 the expected annual results three times a year.

In order to strengthen, formalize and document the internal control system, a risk and control matrix with more than 150 controls, broken down into about 20 main processes and over 60 sub-processes, was designed and introduced. 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.

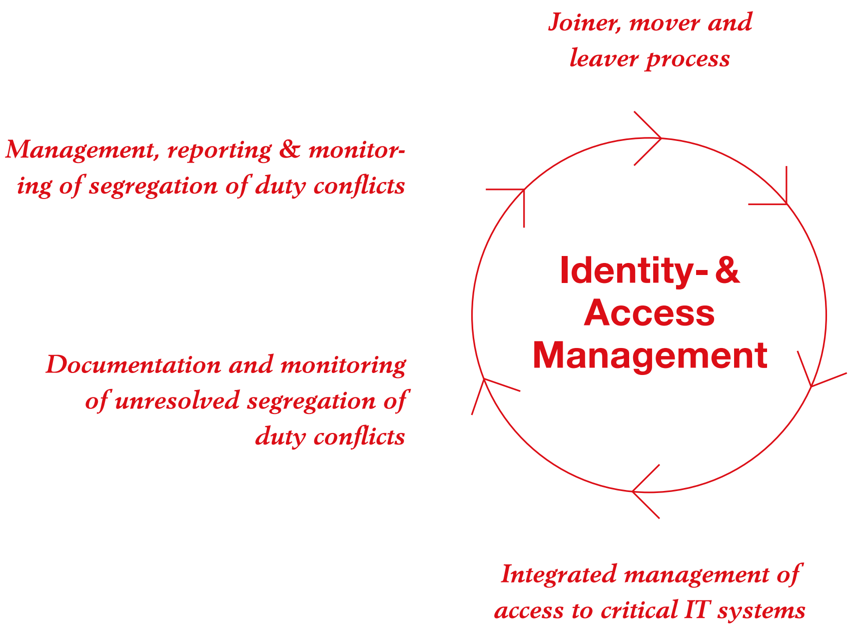
As a further control instrument, a fully integrated governance, risk and compliance (GRC) system was established in 2020. At its core, there is an identity and access management system, for which Wienerberger received the 2020 European Identity & Cloud Award from KuppingerCole in the category "Best Identity and Access Management Project in the Middle Market Segment". The award recognized Wienerberger's sustainable and agile implementation in 26 countries within one year and the integrated approach of the solution adopted.

The identity and access management system comprises a complete joiner, mover and leaver process, which ensures that all identities and their assigned critical IT access rights within the organization are always up to date.

Through the identification of segregation of duty conflicts beyond the ERP system, excessive IT access rights as well as cross-application segregation of duty breaches can be restricted already within the framework of access request management.

If segregation of duty conflicts are nevertheless allowed for operational reasons, they are subject to approval and retroactive controls. The performance of such mitigating controls is triggered by and documented in the identity and access management system. Additionally, the system provides for reporting options for the management to verify the 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

Following the schedule laid down in the audit plan, each Group company is audited at regular intervals by Internal Audit for compliance with the ICS. Moreover, operational processes are reviewed for their risk potential and possible enhancements of efficiency. Acting as the central monitoring body for the internal control system, Internal Audit also verifies compliance with legal provisions and internal policies.

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

- Reports on identified weaknesses and potential efficiency enhancements
- Reports on fraud cases

The results of the audits and the related recommendations and measures are summarized in an audit report and transmitted to the local management, the Business Unit management, the Managing Board of the Group and the external auditor. 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.

Financial Statements

Financial Statements

Consolidated Income Statement

Notes	in TEUR	2020	2019
(9)	Revenues	3,354,599	3,466,283
(10-12, 14-16)	Cost of goods sold	-2,166,132	-2,211,524
	Gross profit	**1,188,467**	**1,254,759**
(10-12, 14-16)	Selling expenses	-626,179	-657,658
(10-12, 14-16)	Administrative expenses	-228,036	-227,426
(11, 15, 16)	Other operating income	40,723	48,136
(11, 14, 16)	Other operating expenses:		
(11)	Impairment charges to assets	-22,306	0
(11)	Impairment charges to goodwill	-90,366	0
	Other	-69,834	-55,160
	Operating profit/loss (EBIT)	**192,469**	**362,651**
(2)	Income from investments in associates and joint ventures	4,136	3,567
(17)	Interest and similar income	2,208	2,686
(17)	Interest and similar expenses	-37,858	-42,015
(17)	Other financial result	-12,208	-11,619
	Financial result	**-43,722**	**-47,381**
	Profit/loss before tax	**148,747**	**315,270**
(18)	Income taxes	-48,819	-52,507
	Profit/loss after tax	**99,928**	**262,763**
	Thereof attributable to non-controlling interests	287	517
	Thereof attributable to hybrid capital holders	11,112	13,147
	Thereof attributable to equity holders of the parent company	**88,529**	**249,099**
(19)	**Earnings per share (in EUR)**	**0.79**	**2.18**
(19)	**Diluted earnings per share (in EUR)**	**0.79**	**2.18**

Consolidated Statement of Comprehensive Income

Notes	in TEUR	2020	2019
	Profit/loss after tax	**99,928**	**262,763**
(37)	Foreign exchange adjustments	-102,401	31,712
(37)	Foreign exchange adjustments to investments in associates and joint ventures	-42	17
	Changes in hedging reserves	39,672	-6,598
	Items to be reclassified to profit or loss	**-62,771**	**25,131**
(30)	Actuarial gains/losses	-6,775	-16,244
	Actuarial gains/losses from investments in associates and joint ventures	62	-402
	Items not to be reclassified to profit or loss	**-6,713**	**-16,646**
	Other comprehensive income	**-69,484**	**8,485**
	Total comprehensive income after tax	**30,444**	**271,248**
	Thereof comprehensive income attributable to non-controlling interests	259	525
	Thereof attributable to hybrid capital holders	11,112	13,147
	Thereof comprehensive income attributable to equity holders of the parent company	**19,073**	**257,576**

Consolidated Balance Sheet

Notes	in TEUR	31/12/2020	31/12/2019
	Assets		
(22)	Intangible assets and goodwill	645,570	760,379
(22)	Property, plant and equipment	1,755,519	1,882,634
(22)	Investment property	50,167	57,832
(23)	Investments in associates and joint ventures	23,919	25,641
(23, 26)	Other financial investments and non-current receivables	38,441	26,483
(31)	Deferred tax assets	55,799	58,745
	Non-current assets	**2,569,415**	**2,811,714**
(24)	Inventories	729,042	827,566
(25)	Trade receivables	218,770	221,586
(26)	Receivables from current taxes	5,542	12,182
(26)	Other current receivables	83,770	91,507
(25, 35, 36)	Securities and other financial assets	49,222	36,317
	Cash and cash equivalents	666,148	128,755
	Current assets	**1,752,494**	**1,317,913**
(27)	**Non-current assets held for sale**	**5,106**	**2,958**
	Total assets	**4,327,015**	**4,132,585**
	Equity and liabilities		
	Issued capital	115,188	116,352
	Share premium	1,036,170	1,058,946
	Hybrid capital	0	241,008
	Retained earnings	946,176	943,851
	Other reserves	-291,934	-222,478
	Treasury stock	-57,300	-61,685
	Controlling interests	**1,748,300**	**2,075,994**
	Non-controlling interests	685	835
(28)	**Equity**	**1,748,985**	**2,076,829**
(31)	Deferred taxes	62,100	76,917
(30)	Employee-related provisions	140,648	150,684
(29)	Other non-current provisions	73,726	90,870
(32, 34, 36)	Long-term financial liabilities	1,159,795	576,246
(32)	Other non-current liabilities	25,716	3,085
	Non-current provisions and liabilities	**1,461,985**	**897,802**
(29)	Current provisions	36,939	38,113
(32)	Payables for current taxes	9,696	25,516
(32, 34-36)	Short-term financial liabilities	437,720	460,211
(32)	Trade payables	299,873	336,422
(32)	Other current liabilities	331,817	297,692
	Current provisions and liabilities	**1,116,045**	**1,157,954**
	Total equity and liabilities	**4,327,015**	**4,132,585**

Consolidated Statement of Cash Flows

Notes	in TEUR	2020	2019
	Profit/loss before tax	148,747	315,270
(11)	Depreciation and amortization	244,312	238,987
(11)	Impairment charges to goodwill	90,366	0
(11)	Impairment charges to assets and other valuation effects	40,439	16,984
(11)	Reversal of impairment charges to assets	0	-852
(29, 30)	Increase/decrease in non-current provisions	-17,548	-15,893
(2)	Income from investments in associates and joint ventures	-4,136	-3,567
	Gains/losses from the disposal of fixed and financial assets	-5,298	-13,096
(17)	Interest result	35,650	39,329
	Interest paid	-33,410	-36,477
	Interest received	870	1,465
	Income taxes paid	-59,408	-65,432
	Gross cash flow	**440,584**	**476,718**
	Increase/decrease in inventories	51,950	-56,706
	Increase/decrease in trade receivables	-12,706	9,453
	Increase/decrease in trade payables	-14,422	1,401
	Increase/decrease in other net current assets	39,263	-1,084
	Cash flow from operating activities	**504,669**	**429,782**
	Proceeds from the sale of assets (including financial assets)	31,209	39,056
	Payments made for property, plant and equipment and intangible assets	-201,067	-255,465
	Payments made for investments in financial assets	-2,040	0
	Dividend payments from associates and joint ventures	2,533	0
	Increase/decrease in securities and other financial assets	-1,988	667
	Net payments made for the acquisition of companies	-8,478	-47,876
	Net proceeds from the sale of companies	31,990	-473
(20)	**Cash flow from investing activities**	**-147,841**	**-264,091**
(21)	Cash inflows from the increase in short-term financial liabilities	164,097	436,458
(21)	Cash outflows from the repayment of short-term financial liabilities	-512,910	-467,015
(21)	Cash inflows from the increase in long-term financial liabilities	711,091	1,077
(21)	Cash outflows from the repayment of long-term financial liabilities	-648	-489
(21)	Cash outflows from the repayment of lease liabilities	-45,179	-42,918
(28)	Dividends paid by Wienerberger AG	-67,359	-57,291
(28)	Hybrid coupon paid	-12,537	-14,284
(28)	Dividends paid to non-controlling interests	-409	-219
(28)	Buyback hybrid capital	-33,212	-27,086
(28)	Purchase of treasury stock	-19,686	-29,478
	Cash flow from financing activities	**183,248**	**-201,245**
	Change in cash and cash equivalents	**540,076**	**-35,554**
	Effects of exchange rate fluctuations on cash held	-2,683	1,229
	Cash and cash equivalents at the beginning of the year	128,755	163,080
	Cash and cash equivalents at the end of the year	**666,148**	**128,755**

Consolidated Statement of Changes in Equity

Notes	*in TEUR*	Issued capital	Share premium	Hybrid capital	Retained earnings
	Balance on 31/12/2018	**117,527**	**1,075,422**	**265,969**	**760,389**
	Adjustments [1]				**-5,084**
	Balance on 1/1/2019 adjusted	**117,527**	**1,075,422**	**265,969**	**755,305**
	Profit/loss after tax				262,246
(37)	Foreign exchange adjustments				
(37)	Foreign exchange adjustments to investments in associates and joint ventures				
	Changes in hedging reserves				
	Changes in other reserves				
	Total comprehensive income				**262,246**
(28)	Dividend payment/hybrid coupon				-71,575
(28)	Change in hybrid capital			-24,961	-2,125
(28)	Decrease in non-controlling interests				
(28)	Changes in treasury stock				
(28)	Retirement of treasury shares	-1,175	-16,476		
	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				
	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 stock				
(28)	Retirement of treasury shares	-1,164	-22,776		-131
	Balance on 31/12/2020	**115,188**	**1,036,170**	**0**	**946,176**

1) The opening balance was adjusted due to first-time adoption of IFRS 16.

Other reserves						
Actuarial gains/losses	Hedging reserve	Translation reserve	Treasury stock	Controlling interests	Non-controlling interests	Total
-66,683	53,433	-217,705	-49,858	1,938,494	586	1,939,080
				-5,084		-5,084
-66,683	53,433	-217,705	-49,858	1,933,410	586	1,933,996
				262,246	517	262,763
		31,704		31,704	8	31,712
		17		17		17
	-6,598			-6,598		-6,598
-16,646				-16,646		-16,646
-16,646	-6,598	31,721		270,723	525	271,248
				-71,575	-219	-71,794
				-27,086		-27,086
				0	-57	-57
			-29,478	-29,478		-29,478
			17,651	0		0
-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		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

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 companies to confirm their compliance with 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 at 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 31/12/2019	**162**	**6**
Included during reporting year for the first time	7	0
Merged/liquidated during reporting year	-3	0
Divested during reporting year	-1	0
Balance on 31/12/2020	**165**	**6**
Thereof foreign companies	143	6
Thereof domestic companies	22	0

Subsidiaries

In addition to Wienerberger AG, the 2020 consolidated financial statements include 22 (2019: 22) Austrian and 143 (2019: 140) 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 2020 (2019: 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 2020 consolidated financial statements of Wienerberger AG include five investments in joint ventures (2019: 5) and one investment (2019: 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 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 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	2020	2019
Revenues	117,889	97,102
EBITDA	21,175	17,288
EBIT	14,552	11,871
Profit/loss after tax	7,376	6,978
Total comprehensive income after tax	7,501	6,173

Assets

in TEUR	31/12/2020	31/12/2019
Non-current assets	65,630	63,535
Current assets	45,235	42,700
	110,865	106,235

Equity and liabilities

in TEUR	31/12/2020	31/12/2019
Equity	33,034	29,603
Non-current provisions and liabilities	39,528	31,161
Current provisions and liabilities	38,303	45,471
	110,865	106,235

A detailed breakdown of the contributions to earnings and the total assets of the associate Fornaci Giuliane S.r.l. is not provided, as these amounts are immaterial for the Wienerberger Group.

3. Acquisitions and disposals of companies

In 2020, the purchase price allocation for the assets and liabilities of the Danish companies Vesterled Teglvaerk A/S and Helligsø Teglvaerk A/S as well as the distributor Egernsund Tegl a.m.b.a., already acquired on 07/11/2019, was completed. After the identification of the brand and the customer base, goodwill was determined in the amount of TEUR 262. Goodwill is recognized in the operating reporting segment of Wienerberger Building Solutions.

In October 2020, a plant for the production of façade solutions in Germany was acquired (Ammonit GmbH & Co. KG and Ammonit Vermögensverwaltungs GmbH). Goodwill of TEUR 79 was identified and is recognized in the operating reporting segment of Wienerberger Building Solutions.

In November 2020, the acquisition of 100% of the Dutch Inter Act Group, a developer and provider of web- and cloud-based technologies (Inter Act B.V., Inter ACT industrial automation B.V., TeleControlNet B.V. and Inter Act GmbH) was closed. As the value of the technology is still being determined, goodwill of TEUR 8,170 was reported on the basis of preliminary purchase price allocation and recognized in the operating reporting segment of Wienerberger Piping Solutions.

For companies acquired in the reporting year, total net cash outflows came to TEUR 8,398. Purchase price liabilities of TEUR 6,500 were recognized in other liabilities, of which TEUR 3,500 are conditional on the achievement of clearly defined targets. Moreover, purchase price liabilities paid for acquisitions made in the previous year amounted to TEUR 80.

At the beginning of September 2020, ZZ Wancor AG in Switzerland was sold. The proceeds from the sale comprise net cash inflow in the amount of TEUR 31,990 and a receivable in the amount of TEUR 20,509. The outflow of net assets included pro-rata goodwill of the CGU Group Bricks and Roof Western Europe West of TEUR 13,627. The transaction resulted in a loss of TEUR 4,526 recognized in other operating expenses. Moreover, cumulative currency conversion differences of TEUR 22,058 and the related net investment hedges in the amount of TEUR -28,527 were recognized in the other financial result (recycling).

Between 1/1/2020 and 31/12/2020, the companies acquired in the reporting year generated revenues of TEUR 11,762 and EBITDA of TEUR 2,837. Since the date of first-time consolidation, revenues came to TEUR 1,877 and EBITDA to TEUR 379. Transaction costs for the acquisitions, recognized under administrative expenses, amounted to a total of TEUR 353.

The reconciliation of the carrying amounts to Group amounts is shown in the following table, with the values of acquisitions in the reporting year and those of the previous year shown separately:

in TEUR	Carrying amounts	Adjustments acquisitions 2020	Adjustments acquisitions 2019	Total
Intangible assets	668	165	6,999	7,832
Property, plant and equipment and financial assets	4,885	-27	9,342	14,200
Non-current assets	**5,553**	**138**	**16,341**	**22,032**
Inventories	1,857	-438	-2,051	-632
Trade receivables	1,332	-29	-365	938
Other current receivables	1,560	0	-2,883	-1,323
Current assets	**4,749**	**-467**	**-5,299**	**-1,017**
Deferred taxes	0	0	2,645	2,645
Non-current provisions	6	0	-1,637	-1,631
Other non-current liabilities	159	0	0	159
Non-current provisions and liabilities	**165**	**0**	**1,008**	**1,173**
Current provisions	184	0	-2,364	-2,180
Short-term financial liabilities	660	0	1,415	2,075
Trade payables	443	-29	1,797	2,211
Other current liabilities	649	125	-1,164	-390
Current provisions and liabilities	**1,936**	**96**	**-316**	**1,716**
Net assets	**8,201**	**-425**	**10,350**	**18,126**
Goodwill				-2,099
Cash and cash equivalents				-1,129
Purchase price liabilities				-6,500
Payments made for companies acquired in previous periods				80
Net payments made for acquisitions				**8,478**

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 183.

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 184.

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
Framework	Framework – Amendments	March 2018	1/1/2020 1)
IFRS 3	Business Combinations – Amendments	October 2018	1/1/2020 1)
IAS 1, IAS 8	Definition of Materiality – Amendments	October 2018	1/1/2020 1)
IFRS 9, IAS 39, IFRS 7	IBOR Reform	September 2019	1/1/2020 1)
IFRS 16	Covid-19 related amendments	May 2020	1/6/2020 1)
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
	Annual Improvements to IFRSs 2018 - 2020 Cycle	May 2020	1/1/2022
IAS 16	Property, Plant and Equipment – Amendments	May 2020	1/1/2022
IAS 37	Provisions – Amendments	May 2020	1/1/2022
IFRS 17	Insurance Contracts	May 2017	1/1/2023
IAS 1	Classification of liabilities as current or non-current – Amendments	January 2020	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

In March 2018, a revised Conceptual Framework for Financial Reporting was published. It is intended to help preparers of financial statements to develop accounting methods for transactions not covered by IFRS standards and interpretations. Moreover, it is to assist the IASB in developing standards and interpretations that are based on consistent concepts.

The amendments to IFRS 3 Business Combinations, which were published in October 2018, are intended to clarify the standard through an adjusted definition of a business. The amendments have been in force since January 1, 2020.

In October 2018, the amendments to IAS 1 and IAS 8 were published. These amendments specify and harmonize the definition of materiality of disclosures in the notes to financial statements. The amendments have been in force since January 1, 2020.

The amendments to IFRS 9, IAS 39 and IFRS 7 published in September 2019 concern practical expedients in hedge accounting in connection with the IBOR reform and have also been in force since January 1, 2020.

The Covid-19-related amendments to IFRS 16 Leases allow lessees practical expedients in the accounting of changes in lease payments. The obligatory assessment as to whether the lease contract has changed or not therefore does not apply for a limited period of time. Wienerberger did not make use of these practical expedients.

The amendments to IFRS 4 Insurance Contracts 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 consolidated annual financial statements.

New and amended standards and interpretations published, but not yet adopted by the EU

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 1/1/2021.

In May 2020 the IASB published clarifications on IAS 37 Provisions, Contingent Liabilities and Contingent Assets, IAS 16 Property, Plant and Equipment and the IFRS 2018-2020 improvement cycle. IAS 37 defines which costs can be taken into account in the case of a 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. These amendments have no impact on Wienerberger's consolidated financial statements.

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.

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 have to be applied on a mandatory basis as of January 1, 2023.

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 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	Wienerberger Building Solutions		Wienerberger Piping Solutions	
in TEUR	2020	2019	2020	2019
External revenues	**2,092,062**	2,170,570	**932,574**	959,358
Inter-company revenues [1]	**4,853**	952	**245**	118
Total revenues	**2,096,915**	2,171,522	**932,819**	959,476
EBITDA	**415,195**	468,625	**97,054**	98,198
Depreciation and amortization [2]	**-170,763**	-160,737	**-53,904**	-51,780
Operating EBIT [3]	**244,432**	307,888	**43,150**	46,418
Impairment charges/Reversal of impairment charges	**-16,571**	0	**-5,735**	0
Impairment charges to goodwill	**0**	0	**0**	0
EBIT	**227,861**	307,888	**37,415**	46,418
Income from investments in associates and joint ventures	**4,329**	3,608	**-105**	-22
Investments in associates and joint ventures	**21,243**	21,596	**1,520**	2,261
Interest result	**-20,646**	-20,886	**-9,035**	-12,586
Income taxes	**-42,589**	-49,041	**-7,898**	-8,850
Profit/loss after tax	**166,657**	236,733	**16,791**	23,066
Liabilities	**1,696,054**	1,446,131	**588,377**	469,916
Capital employed	**1,736,669**	1,927,662	**563,778**	553,593
Assets	**2,975,106**	2,905,564	**939,007**	826,805
Non-current assets held for sale	**829**	2,958	**4,277**	0
Maintenance capex	**87,629**	100,732	**32,429**	28,713
Special capex	**47,865**	74,824	**22,742**	29,190
Ø Employees (in FTE)	**11,939**	12,466	**3,328**	3,318

Revenues	Wienerberger Building Solutions		Wienerberger Piping Solutions	
in TEUR	2020	2019	2020	2019
Great Britain	**330,423**	374,998	**9,548**	11,193
Netherlands	**234,713**	230,032	**100,748**	115,064
Belgium	**228,197**	214,956	**86,722**	87,930
USA				
Germany	**234,965**	226,281	**35,522**	36,693
Poland	**172,149**	198,059	**58,395**	60,624
Austria	**99,966**	103,803	**127,287**	131,825
France	**157,666**	162,102	**29,312**	33,346
Czech Republic	**131,673**	136,897	**22,030**	22,270
Norway	**11,410**	11,997	**110,882**	107,081
Romania	**98,950**	94,193	**8,815**	7,320
Hungary	**68,391**	87,237	**39,206**	42,581
Sweden	**9,400**	9,615	**88,145**	89,840
Finland	**12,806**	11,286	**71,402**	68,829
Other countries	**306,153**	309,777	**144,706**	144,762
Wienerberger Group	**2,096,862**	**2,171,233**	**932,720**	**959,358**

1) Inter-company 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	
2020	2019	2020	2019	2020	2019
325,017	335,692			3,349,653	3,465,620
0	3	-152	-410	4,946	663
325,017	335,695	-152	-410	3,354,599	3,466,283
45,717	43,157			557,966	609,980
-28,158	-34,812			-252,825	-247,329
17,559	8,345			305,141	362,651
0	0			-22,306	0
-90,366	0			-90,366	0
-72,807	8,345			192,469	362,651
-88	-19			4,136	3,567
1,156	1,784			23,919	25,641
-5,969	-5,857			-35,650	-39,329
1,668	5,384			-48,819	-52,507
-83,389	5,395	-131	-2,431	99,928	262,763
295,235	210,009	-1,636	-70,300	2,578,030	2,055,756
293,604	430,910			2,594,051	2,912,165
440,543	496,565	-27,641	-96,349	4,327,015	4,132,585
0	0			5,106	2,958
5,834	10,636			125,892	140,081
4,568	11,370			75,175	115,384
1,352	1,450			16,619	17,234

North America		Wienerberger Group	
2020	2019	2020	2019
		339,971	386,191
		335,461	345,096
		314,919	302,886
301,908	310,392	301,908	310,392
		270,487	262,974
		230,544	258,683
		227,253	235,628
		186,978	195,448
		153,703	159,167
		122,292	119,078
		107,765	101,513
		107,597	129,818
		97,545	99,455
		84,208	80,115
23,109	25,300	473,968	479,839
325,017	335,692	3,354,599	3,466,283

Products	EBITDA		Total investments	
in TEUR	2020	2019	2020	2019
Wall	158,067	204,292	46,488	68,781
Facade	147,234	163,399	40,965	55,080
Roof	138,625	136,047	25,410	32,968
Pavers	25,367	28,350	15,228	14,683
Pipes	114,249	114,539	53,380	58,944
Other	-25,576	-36,647	19,596	25,009
Wienerberger Group	**557,966**	**609,980**	**201,067**	**255,465**

Notes to the Consolidated Income Statement

9. Revenues

In the year under review, consolidated revenues decreased by 3% to TEUR 3,354,599 including negative effects from currency translation in the amount of TEUR 64,301. The main foreign exchange effects resulted from the devaluation of the Hungarian forint, the Norwegian crown and the Turkish lira. Group revenues include revenues in the amount of TEUR 17,229 (2019: TEUR 5,639) from construction contracts. Detailed information on revenues by region is provided in the presentation of operating segments on pages 136 and 137.

The Wienerberger Group generates revenues from the sale of building material 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, Wienerberger also provides services for customers within the framework of Building Information Modelling. 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 usually is 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:

1-12/2020 *in TEUR*	Wienerberger Building Solutions	Wienerberger Piping Solutions	North America	Wienerberger Group
Wall	742,151	0	21,170	**763,321**
Facade	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**

1-12/2019 *in TEUR*	Wienerberger Building Solutions	Wienerberger Piping Solutions	North America	Wienerberger Group
Wall	808,713	0	21,071	**829,784**
Facade	651,749	0	237,448	**889,197**
Roof	585,479	0	0	**585,479**
Pavers	124,482	0	485	**124,967**
Pipes	122	959,351	76,682	**1,036,155**
Other	25	7	6	**38**
Total	**2,170,570**	**959,358**	**335,692**	**3,465,620**

Information on future revenues from contractual performance obligations not yet fulfilled at the balance sheet date is not provided, as customer contracts, as a rule, are 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:

in TEUR	2020	2019
Cost of materials	498,293	606,867
Maintenance expenses	136,759	133,683
Cost of merchandise	396,355	402,958
Cost of energy	249,894	276,223
Total	**1,281,301**	**1,419,731**

The reported expenses were increased by a change of TEUR 155,567 (2019: TEUR 37,096) 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 1,774 (2019: TEUR 4,394) 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 244,312 (2019: TEUR 238,987) of scheduled depreciation and amortization as well as special write-downs in accordance with IAS 36 of TEUR 8,513 (2019: TEUR 9,194) 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 112,672 (2019: TEUR 0). Of this total, TEUR 90,366 was accounted for by the total write-down of goodwill in North America and TEUR 22,306 by the impairment of diverse property, plant and equipment. There were no reversals of impairment charges in 2020 (2019: TEUR 852).

Depreciation, amortization, impairments and reversal of impairment charges to intangible assets and property, plant and equipment are as follows:

in TEUR	2020	2019
Depreciation	**244,312**	**238,987**
Special write-downs	8,513	9,194
Depreciation and special write-downs	**252,825**	**248,181**
Impairment charges to property, plant and equipment and intangible assets	22,306	0
Impairment charges to goodwill	90,366	0
Impairment charges	**112,672**	**0**
Reversal of impairment charges	**0**	**-852**
Depreciation, amortization, impairment charges and reversal of impairment charges	**365,497**	**247,329**

12. Personnel expenses

The cost of goods sold, selling and administrative expenses include the following personnel expenses:

in TEUR	2020	2019
Wages	317,530	338,278
Salaries	323,697	321,945
Temporary workers	32,585	34,505
Expenses for long-term incentive programs	-1,851	3,540
Expenses for severance payments (incl. voluntary severance payments)	6,776	3,813
Expenses for pensions	17,631	17,622
Expenses for statutory social security and payroll-related taxes and contributions	141,568	138,402
Other employee benefits (incl. anniversary bonuses)	24,517	22,772
Personnel expenses	**862,453**	**880,877**

The fixed remuneration components paid out to the members of the Managing Board totaled TEUR 1,964 in 2020 (2019: TEUR 1,695). Moreover, the Managing Board acquired entitlements in the amount of TEUR 746 (2019: TEUR 3,524) from variable components. As the defined targets of the long-term remuneration programs were not attained in 2020, no claims arose from long-terms remuneration components for the individual Managing Board members. The previous year's figures include expenses for a long-term remuneration component in the amount of TEUR 1,883.

Expenses for the short-term variable remuneration component, which is conditional on the attainment of short-term financial corporate goals, amounted to TEUR 746 (2019: TEUR 1,641).

For the active members of the Managing Board, pension expenses in the form of contributions to pension funds (defined contribution plans) totaled TEUR 467 (2019: TEUR 695). In the financial year 2020, the provision for statutory severance compensation claims amounted to TEUR 299 (2019: TEUR 318). Payments of TEUR 863 (2019: TEUR 878) were made to former members of the Managing Board and their surviving dependents.

The members of the Supervisory Board received remuneration in the amount of TEUR 690 for their activities during the 2019 financial year (previous year: TEUR 800). Entitlements for the reporting year totaled TEUR 921.

The company has not provided any guarantees for loans, nor have any companies of the Wienerberger Group granted loans to members of the Managing Board or the Supervisory Board.

13. Employees

The average number of employees is shown in the following table:

in FTE	2020	2019
Production	10,613	11,197
Sales	4,254	4,369
Administration	1,752	1,668
Total	**16,619**	**17,234**
Thereof apprentices	84	106

14. Other operating expenses

The cost of goods sold, selling and administrative expenses include the following other operating expenses:

in TEUR	2020	2019
Transportation costs for deliveries	208,387	218,530
Expenses for services	107,113	126,309
Internal transport expenses	45,218	50,909
Non-income based taxes	25,559	26,527
License and patent expenses	20,873	19,456
Rental and leasing charges	12,551	10,857
Expenses for environmental protection measures	9,412	13,394
Losses on the disposal of fixed assets, excluding financial assets	6,011	1,415
Expenses for commissions	4,654	6,199
Impairment charges on trade receivables	1,596	859
Miscellaneous	105,789	97,934
Other operating expenses	**547,163**	**572,389**

The reconciliation of expenses under the total cost method to expenses under the cost of sales method is shown on page 144.

Expenses for services include, above all, expenses for business trips and travel, legal advisory and miscellaneous consulting services, advertising, insurance and telecommunications. Expenses for the external auditor and members of the auditor's network totaled TEUR 2,320 (2019: TEUR 1,892) for the audit of the consolidated financial statements in the year under review, TEUR 973 (2019: TEUR 44) for assurance services, TEUR 12 (2019: TEUR 55) for tax consulting services and TEUR 51 (2019: TEUR 36) for other services.

Miscellaneous other expenses consist mainly of expenses for customer complaints and research and development. In 2020, research and development expenses amounted to TEUR 17,407 (2019: TEUR 17,455).

Expenses for rent and leases, shown under other operating expenses, comprise the following:

in TEUR	2020	2019
Expenses for short-term leases	4,247	3,991
Expenses for leases of low-value assets	1,532	1,430
Expenses for variable lease payments	295	81
Expenses for other lease payments	6,477	5,355
Rental and leasing charges	**12,551**	**10,857**

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	2020	2019
Income from the disposal of tangible assets, excluding financial assets	17,508	14,117
Income from rental and leasing contracts	4,170	5,233
Subsidies	1,774	1,939
Income from insurance claims	353	459
Miscellaneous	24,272	27,648
Other operating income	**48,077**	**49,396**

Miscellaneous other operating income represents sales-like revenues that are not part of the direct business activities of the Wienerberger Group.

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:

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**

2019 *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	752,830	401,752	169,609	269,149	501,323	-3,870	120,731	**2,211,524**
Selling expenses	218,530	19,279	1,206	34,702	4,808	240,320	-4,203	143,016	**657,658**
Administrative expenses	0	1,143	0	19,295	890	139,234	-5,518	72,382	**227,426**
Other operating expenses	0	0	0	23,723	1,376	0	0	30,061	**55,160**
Other operating income	0	0	0	0	0	0	-35,805	-12,331	**-48,136**
	218,530	**773,252**	**402,958**	**247,329**	**276,223**	**880,877**	**-49,396**	**353,859**	**3,103,632**

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:

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 at fair value through profit or loss

Impairments of loans in the amount of TEUR 362 (2019: TEUR 42) are recognized in the financial result, whereas impairments of trade receivables of TEUR 1,596 (2019: TEUR 859) are recognized in the operating result.

The fair value of derivatives contributed a positive amount of TEUR 345 (2019: TEUR -496) to the result of the period.

2019 *in TEUR*	Total	Loans and receivables AC [1]	FLAC [2]	FVtPL [3]	Derivatives
Interest and similar income	2,686	2,614	0	0	72
Interest and similar expenses	-35,406	0	-30,562	0	-4,844
Interest expense on lease liabilities	-3,573		-3,573		
Net interest result from defined benefit pension and severance obligations as well as anniversary bonuses	-3,036				
Interest result	**-39,329**	**2,614**	**-34,135**	**0**	**-4,772**
Income from third parties (dividends)	606			606	
Income from investments	**606**	**0**	**0**	**606**	**0**
Result from the disposal of financial instruments	394	0	0	394	0
Valuation of derivative instruments	-496				-496
Impairment of financial instruments	-1,587	-42	0	-1,545	
Appreciation of financial instruments	435	0	0	435	
Foreign exchange differences	-8,277				
Net result	**-9,531**	**-42**	**0**	**-716**	**-496**
Bank charges	-2,711				
Other	17				
Other financial result	**-11,619**	**-42**	**0**	**-110**	**-496**
Total	**-50,948**	**2,572**	**-34,135**	**-110**	**-5,268**

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	2020	2019
Current tax expense	56,463	59,495
Deferred tax income	-7,644	-6,988
Income taxes	**48,819**	**52,507**

The difference between the Austrian corporate tax rate of 25% applicable in 2020 (2019: 25%) and the Group tax rate shown in these statements is due to the following factors:

in TEUR	2020	2019
Profit/loss before tax	**148,747**	**315,270**
Tax expense at tax rate of 25%	**-37,187**	-78,818
Other foreign tax rates	**11,860**	18,870
Tax income and expense from prior periods	**-239**	4,944
Effect of tax free income from investments in associates and joint ventures	**593**	524
Change in deferred tax assets not recognized	**43,790**	21,190
Non-temporary differences	**-63,660**	-21,643
Changes in tax rates	**-3,976**	2,426
Effective tax expense	**-48,819**	**-52,507**
Effective tax rate in %	**32.8%**	16.7%

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%.

For foreign companies, deferred taxes are calculated on the basis of the respective country-specific tax rates. These tax rates ranged from 0% to 30% in 2020.

19. Earnings per share, proposal for profit distribution

The number of shares issued totaled 115,187,982 as of December 31, 2020. As of that date, Wienerberger held 2,922,168 shares as treasury stock (2019: TEUR 2,933,803), which were deducted for the calculation of earnings per share. This resulted in a weighted average number of 112,679,863 shares outstanding as a basis for the calculation of earnings per share for 2020. The 1,163,514 shares bought back were cancelled as at 18/2/2020. In 2020, 1,151,879 Wienerberger shares were bought back at a price of TEUR 19,686 within the framework of the authorization granted by the Annual General Meeting.

Number of shares	2020	2019
Outstanding	**115,187,982**	116,351,496
Treasury stock	**2,922,168**	2,933,803
Weighted average	**112,679,863**	114,320,351

Earnings per share of EUR 0.79 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 0.79 represent the basic earnings per share for 2020.

In accordance with the provisions of the Austrian Stock Corporation Act, the separate financial statements of Wienerberger AG as of December 31, 2020, prepared on the basis of Austrian accounting rules, form the basis for dividend payment.

These financial statements show a net profit of EUR 69,044,767.75. The Managing Board proposes to the Annual General Meeting that a dividend of EUR 0.60 per share be paid out on the issued capital of EUR 115,187,982.00 from the net profit of EUR 69,044,767.75 i.e. EUR 69,112,789.20 less a proportional amount of EUR 1,753,300.80 for treasury stock, i.e. EUR 67,359,488.40, and that the balance of EUR 1,685,279.35 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 -105,269 (2019: TEUR 33,960) resulted primarily from the US dollar, the Swiss franc, the Polish zloty and the British pound. Differences of TEUR 22,563 (2019: TEUR -8,026) previously included in the translation reserve were reclassified to the income statement and primarily resulted from the disposal of our business activities in Switzerland in the reporting year.

The market valuation of hedges increased the hedging reserve before deferred taxes by TEUR 43,616 (2019: TEUR -9,814). Of this total, TEUR 10,050 (2019: TEUR -3,846) was accounted for by hedges of investments in foreign operations and TEUR 5,212 (2019: TEUR -5,968) by hedges for future transactions (cash flow hedges). However, the major part of TEUR 28,527 results from the reclassification of valuation effects of the net investment hedges to the financial result (recycling) in connection with the sale of Wienerberger's business activities in Switzerland.

Overall, market value changes of hedges of investments in foreign operations (net investment hedges) in the amount of TEUR -28,354 (2019: TEUR 259), previously recognized in other comprehensive income, were recycled to the Income Statement in the reporting year. Ineffective components of TEUR -7 (2019: TEUR 1,223) were recognized in the Income Statement in the reporting year.

Deferred taxes in the total amount of TEUR 548 (2019: TEUR 3,588) were recognized in other comprehensive income. The following table shows the allocation of deferred taxes to the components of other comprehensive income:

in TEUR	2020	2019
Foreign exchange translation	2,827	-2,231
Changes in hedging reserves	-3,944	3,215
Actuarial gains/losses	1,665	2,604
Deferred taxes in other comprehensive income	**548**	**3,588**

In the reporting period, total comprehensive income after tax increased equity by TEUR 30,444 (2019: TEUR 271,248).

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 201,067 (2019: TEUR 255,465). This amount includes TEUR 125,892 (2019: TEUR 140,081) of maintenance capex and TEUR 75,175 (2019: TEUR 115,384) of plant extensions and innovation (special capex). A total of TEUR 10,518 (2019: TEUR 47,876) was spent on acquisitions and on investments in financial assets (M&A).

Additions to non-current assets (including financial assets) in the amount of TEUR 69,606 (2019: TEUR 127,806) were not recognized as cash items, as they mainly result from the capitalization of right of use assets and obligations to recultivate depleted clay pits.

Cash inflows from the disposal of non-current assets amounted to TEUR 31,209 (2019: TEUR 39,056) and include the disposal of property, plant and equipment and intangible assets. These disposals generated net gains of TEUR 16,023 (2019: TEUR 11,433), a large portion of which is attributable to the sale of non-core assets in the amount of TEUR 14,371 (2019: TEUR 7,636).

In the year under review, net cash inflows from the disposal of companies in the amount of TEUR 31,990 (2019: TEUR -473) 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	2020	2019
Payments made for investments in tangible and intangible assets	201,067	255,465
Net payments made for the acquisition of companies	8,478	47,876
Payments made for investments in financial assets	2,040	0
Total investments including financial assets	**211,585**	**303,341**
Maintenance capex	125,892	140,081
Maintenance capex	**125,892**	**140,081**
Payments made for plant extensions and innovation	75,175	115,384
Net payments made for the acquisition of companies	8,478	47,876
Payments made for investments in financial assets	2,040	0
Special capex and M&A	**85,693**	**163,260**

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 1/1/2020	**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 Hybridcapital	225,085	0	225,085
Reclassifications	159,228	-159,228	0
Balance on 31/12/2020	**437,720**	**1,159,795**	**1,597,515**

in TEUR	Short-term financial liabilities	Long-term financial liabilities	Total financial liabilities
Balance on 31/12/2018	**126,907**	**710,590**	**837,497**
Adjustments IFRS 16	36,800	123,691	160,491
Balance on 1/1/2019	**163,707**	**834,281**	**997,988**
Cash inflows	436,458	1,077	437,535
Cash outflows	-467,015	-489	-467,504
Repayment of lease liabilities	-42,918	0	-42,918
New and amended lease contracts	0	92,396	92,396
Change in scope of consolidation	4,776	11,118	15,894
Accrued interest and cost of procuring money	-1,186	819	-367
Change in derivatives	3,396	0	3,396
Currency translation differences and other effects	37	0	37
Reclassifications	362,956	-362,956	0
Balance on 31/12/2019	**460,211**	**576,246**	**1,036,457**

Notes to the Consolidated Balance Sheet

22. Non-current assets

The development of non-current assets is shown on pages 156 and 157. 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:

	Goodwill		Trademarks	
in TEUR	2020	2019	2020	2019
Wienerberger Building Solutions	332,398	362,448	17,860	13,347
Wienerberger Piping Solutions	62,523	54,454	44,550	47,111
North America	0	92,202	1,629	3,936
Wienerberger Group	**394,921**	**509,104**	**64,039**	**64,394**

Other intangible assets consist primarily of acquired customer base totaling TEUR 81,357 (2019: TEUR 88,199), acquired trademarks with an indefinite useful life in the amount of TEUR 64,039 (2019: TEUR 64,394), CO_2 certificates, patents and concessions. Internally generated intangible assets of TEUR 2,388 (2019: TEUR 1,487) 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, as a rule, are not transported over longer distances.

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 West European market and in Poland for the East 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 develop 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 after-tax WACC of 6.79% (2019: 7.21%) was used for impairment testing in the Wienerberger Group, with different specific cost of capital rates applied to all markets outside the euro zone, except for Bosnia-Herzegovina. For the euro zone, a WACC after tax of 6.72% (2019: 7.19%) was calculated. 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:

	Pre-tax WACC		Growth rate	
in %	2020	2019	2020	2019
Wienerberger Building Solutions				
Bricks and Roof Eastern Europe	**11.03**	10.10	**3.81**	2.80
Bricks Russia	**14.28**	12.73	**2.32**	1.75
Bricks and Roof Western Europe West	**9.13**	9.54	**2.57**	1.40
Bricks Finland and Baltics	**8.16**	9.11	**2.50**	0.42
Bricks Italy	**12.27**	9.45	**2.15**	0.29
Bricks India	**15.98**	12.77	**7.94**	7.08
Pavers Semmelrock	**10.78**	10.50	**3.96**	2.90
Wienerberger Piping Solutions				
Pipes Pipelife East	**11.33**	12.54	**3.23**	2.25
Pipes Pipelife West	**8.45**	8.82	**2.52**	1.84
Pipes Steinzeug Group	**9.54**	10.02	**2.55**	1.39
North America				
Bricks North America	**7.55**	8.71	**2.61**	1.80
Pipes North America	**7.58**	9.34	**2.50**	1.84
Wienerberger Group	**9.55**	**9.78**	**2.95**	**2.00**

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 2021-2024. 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 (2021-2024); 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 2020, 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, wage and salary trends, etc.

The Covid-19 pandemic declared by the World Health Organization (WHO) on March 11, 2020 and its economic impact on relevant markets was deemed to be an event triggering impairment tests of tangible and intangible assets. The payment flows underlying the tests as well as a change in discount rates had a material influence on the values in use as at 31/03/2020. Overall, the writedown was calculated at a total of TEUR 112,672 of which an amount of TEUR 90,366 was accounted for by goodwill impairment and TEUR 22,306 by impairments of tangible and intangible assets.

Applying a WACC after tax of 6.82%, a value in use of approx. MEUR 307 was calculated for the Bricks North America CGU group as at 31/3/2020, which resulted in goodwill impairment in the amount of TEUR 90,366. Various scenarios were taken into account, reflecting both a medium-term recovery of the market and a potential long-term structural adjustment.

Of the total impairment charges on tangible and intangible assets in the amount of TEUR 22,306 TEUR 9,344 was accounted for by the CGU Group Bricks Russia in the Wienerberger Building Solutions segment; the fair value of the recoverable amount was determined at MEUR 9 on the basis of external appraisal reports.

Other impairments of TEUR 12,962 mainly concerned tangible and intangible assets in a number of European countries.

As the value in use of the CGU group Pipes Pipelife East was MEUR 5.8 below the tested assets, a sensitivity analysis was performed to establish the effect of changes in plan assumptions on the value in use. If WACC after tax were reduced by 20 basis points to 9.3%, the value in use would correspond exactly to the value of the tested assets. An increase in WACC after tax by 100 basis points to 10.1% would result in a reduction of the goodwill of the CGU group by MEUR 10.6 and a reduction in other assets by MEUR 20.3, whereas a reduction of WACC by 100 basis points to 8.1% would lead to a value in use exceeding the tested assets by MEUR 26.8. The profitability of plastic pipes reacts sensitively to changes in prices and quantities, with price changes having a stronger impact on the development of the value in use. If WACC after tax were maintained as applied, the contribution margin would have to increase by 0.4% in the long term so that the value in use would correspond to the carrying amount. The fair value was determined on the basis of an EBITDA multiple and slightly exceeded the carrying amount of the CGU group Pipes Pipelife East; hence, a write-down was not required.

Non-current assets include land with a value of TEUR 340,412 (2019: TEUR 408,433). As at the balance sheet date, commitments for the purchase of property, plant and equipment amounted to TEUR 24,743 (2019: TEUR 22,391).

The balance sheet item investment property includes real estate and buildings with a carrying amount of TEUR 50,167 (2019: TEUR 57,832), which 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 109,812 (2019: TEUR 101,216). 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 2020, these properties generated rental and other income of TEUR 1,482 (2019: TEUR 1,468). Expenses for investment property that generated rental income in the year under review amounted to TEUR 424 (2019: TEUR 726); expenses in the amount of TEUR 1,815 (2019: TEUR 1,405) were incurred for investment property that did not generate rental income. Investment property with a carrying amount of TEUR 4,903 (2019: TEUR 10,859) 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	1/1/2020	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**

in TEUR	1/1/2019 1)	Foreign exchange incr./decr.	Change in scope of consolidation	Additions	Depreciation	Disposals	31/12/2019
Land and buildings	95,240	966	3,404	62,604	15,088	5,151	**141,975**
Machinery and equipment	7,420	3	89	2,987	3,220	230	**7,049**
Fixtures, fittings, tools and equipment	53,153	423	466	33,069	26,268	1,289	**59,554**
Right-of-use asset leases	**155,813**	**1,392**	**3,959**	**98,660**	**44,576**	**6,670**	**208,578**

1) includes rights of use within the framework of finance leases reported as at 31/12/2018 and rights of use recognized as of 1/1/2019 due to first-time adoption of IFRS 16 Leases

Wienerberger primarily rents vehicles, office space, storage facilities, production sites and showrooms. Lease contracts are negotiated individually on 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 *in TEUR*	Acquisition or production costs 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**

Asset table *in TEUR*	Acquisition or production costs Balance on 1/1/2019 1)	Change in scope of consolidation	Foreign exchange incr./decr.	Additions	Disposals	Transfers	Balance on 31/12/2019
Goodwill	819,315	14,506	10,565	0	0	0	**844,386**
Other intangible assets	370,737	18,367	2,673	30,440	1,419	673	**421,471**
Intangible assets and goodwill	**1,190,052**	**32,873**	**13,238**	**30,440**	**1,419**	**673**	**1,265,857**
Land and buildings	1,423,202	19,982	14,436	98,597	18,421	-697	**1,537,099**
Machinery and equipment	2,715,879	6,692	23,992	103,950	84,913	81,117	**2,846,717**
Fixtures, fittings, tools and equipment	181,350	441	1,573	54,015	11,234	4,935	**231,080**
Assets under construction	116,528	254	422	93,570	575	-102,592	**107,607**
Property, plant and equipment	**4,436,959**	**27,369**	**40,423**	**350,132**	**115,143**	**-17,237**	**4,722,503**
Investment property	**138,729**	**-15**	**1,273**	**261**	**20,653**	**10,601**	**130,196**
Intangible assets and property, plant and equipment	**5,765,740**	**60,227**	**54,934**	**380,833**	**137,215**	**-5,963**	**6,118,556**

1) includes rights of use recognized as of 1/1/2019 due to first-time adoption of IFRS 16 Leases // 2) including special depreciation and amortization

Balance on 1/1/2020	Change in scope of consolidation	Foreign exchange incr./decr.	Depreciation/ amortization	Impairments[2]	Reversal of impairments	Disposals	Transfers	Balance on 31/12/2020	Carrying amount 31/12/2020
			Depreciation and amortization						
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**

Balance on 1/1/2019	Change in scope of consolidation	Foreign exchange incr./decr.	Depreciation/ amortization	Impairments [2]	Reversal of impairments	Disposals	Transfers	Balance on 31/12/2019	Carrying amount 31/12/2019
			Depreciation and amortization						
330,828	0	4,454	0	0	0	0	0	335,282	509,104
146,505	-175	1,543	23,030	533	0	1,033	-207	170,196	251,275
477,333	**-175**	**5,997**	**23,030**	**533**	**0**	**1,033**	**-207**	**505,478**	**760,379**
595,364	-31	5,343	50,119	3,655	852	10,116	-11,582	631,900	905,199
2,021,691	-2	18,302	123,994	4,062	0	82,645	-616	2,084,786	761,931
88,589	-180	808	40,896	238	0	8,533	45	121,863	109,217
1,343	0	-11	0	0	0	0	-12	1,320	106,287
2,706,987	**-213**	**24,442**	**215,009**	**7,955**	**852**	**101,294**	**-12,165**	**2,839,869**	**1,882,634**
72,160	**-2**	**793**	**948**	**706**	**0**	**9,794**	**7,553**	**72,364**	**57,832**
3,256,480	**-390**	**31,232**	**238,987**	**9,194**	**852**	**112,121**	**-4,819**	**3,417,711**	**2,700,845**

23. Investments

Investments in associates and joint ventures as well as other investments are as follows:

in TEUR	2020	2019
Investments in associates and joint ventures	**23,919**	**25,641**
Investments in subsidiaries	53	53
Other investments	13,106	10,355
Other investments	**13,159**	**10,408**
Investments	**37,078**	**36,049**

24. Inventories

in TEUR	2020	2019
Raw materials and consumables	166,010	174,769
Semi-finished goods	96,617	105,202
Finished goods and merchandise	459,918	544,326
Prepayments	6,497	3,269
Inventories	**729,042**	**827,566**

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 7,357 (2019: TEUR 5,282) were booked for products with a net realizable value (selling price less selling and administrative expenses) lower than acquisition or production costs.

25. Receivables, securities and other financial assets

Loans and receivables

in TEUR	2020			2019		
	Total	Remaining term < 1 year	Remaining term > 1 year	Total	Remaining term < 1 year	Remaining term > 1 year
Trade receivables from third party	217,869	217,869	0	211,210	211,210	0
Trade receivables from subsidiaries	901	901	0	10,376	10,376	0
Trade receivables	**218,770**	**218,770**	**0**	**221,586**	**221,586**	**0**
Financial receivables from subsidiaries	21,145	21,145	0	21,323	21,323	0
Receivables arising from loans	9,621	9,621	0	5,106	5,106	0
Loans granted	**30,766**	**30,766**	**0**	**26,429**	**26,429**	**0**
Loans and receivables AC 1)	**249,536**	**249,536**	**0**	**248,015**	**248,015**	**0**

1) Loans and receivables at amortized cost (AC)

Trade receivables include contract assets of TEUR 1,478 (2019: TEUR 2,379) 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, 2020, trade receivables in the amount of TEUR 102,343 (2019: TEUR 106,132) had been sold to third parties. Trade receivables in a total amount of TEUR 2,569 (2019: TEUR 2,193) 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

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**	

2019 *in TEUR*	Carrying amount	Market value	Market value changes recog. in financial result	Ø Effective interest rate in %
Shares in funds	5,851	5,851	371	0.20
Stock	358	358	0	-
Other	680	680	0	-
Securities	**6,889**	**6,889**	**371**	

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 are held.

Financial assets measured at fair value through profit or loss in a total amount of TEUR 20,101 (2019: TEUR 17,501) include securities of TEUR 6,540 (2019: TEUR 6,889) recognized in current assets, derivatives of TEUR 402 (2019: TEUR 204) and other investments of TEUR 13,159 (2019: TEUR 10,408) recognized in non-current assets.

Derivatives

in TEUR	2020		2019	
	Carrying amount	Market value	Carrying amount	Market value
Derivatives from cash flow hedges	1,923	1,923	429	429
Derivatives from net investment hedges	9,491	9,491	2,366	2,366
Derivatives from fair value hedges	100	100	0	0
Other derivatives	402	402	204	204
Derivatives with positive market value	**11,916**	**11,916**	**2,999**	**2,999**

The balance sheet item of securities and other financial assets can be broken down as follows:

in TEUR	2020	2019
Loans granted	30,766	26,429
Securities	6,540	6,889
Derivatives hedge accounting	11,514	2,795
Other derivatives	402	204
Securities and other financial assets	**49,222**	**36,317**

26. Other receivables

in TEUR	2020			2019		
	Total	Remaining term < 1 year	Remaining term > 1 year	Total	Remaining term < 1 year	Remaining term > 1 year
Receivables from current taxes	**5,542**	**5,542**	**0**	**12,182**	**12,182**	**0**
Return asset	6,690	6,690	0	8,423	8,423	0
Prepaid expenses and deferred charges	10,659	9,611	1,048	16,635	15,467	1,168
Miscellaneous receivables	91,703	67,469	24,234	82,524	67,617	14,907
Other receivables	**109,052**	**83,770**	**25,282**	**107,582**	**91,507**	**16,075**

Assets for the right to recover products from customers (return assets) result from the accounting of rights of return, such as returnable pallets.

Miscellaneous receivables with a remaining term < 1 year consist primarily of receivables due from tax authorities and social security institutions, whereas those with a remaining term of > 1 year primarily include receivables from the sale of extraction rights and receivables from the sale of companies.

27. Non-current assets held for sale

Assets with carrying amounts of TEUR 5,106 (2019: TEUR 2,958) are designated as held for sale. The majority of these items are land and buildings at plant locations that have been permanently closed and that are expected by the management to be sold within the next 12 months.

28. Group equity

The development of Group equity in 2020 and 2019 is shown on pages 126 and 127.

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). However, the number of shares issued subject to the exclusion of subscription rights must not exceed 5,817,574.

Wienerberger showed an equity of TEUR 1,748,985 as of December 31, 2020, compared to TEUR 2,076,829 in the previous year. Profit after tax increased equity by TEUR 99,928 (2019: TEUR 262,763). The other components of comprehensive income led to reduction in equity by another TEUR -69,484 (2019: increase of TEUR 8,485) after the deduction of deferred taxes. As at December 31, 2020, the share of equity in total assets amounted to 40% (2019: 50%), and net debt increased from TEUR 871,385 in 2019 to TEUR 882,145.

At the end of the financial year, total non-controlling interests came to TEUR 685 (2019: TEUR 835).

The share capital of Wienerberger AG totaled EUR 115,187,982 as of December 31, 2020 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 2020, i.e. TEUR 69,112 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. In the reporting year, prior to the announcement of the redemption, part of the hybrid bond was redeemed for an amount of TEUR 32,000. Transaction costs in the amount of TEUR 38 were deducted from equity.

In the reporting year Wienerberger AG paid out a coupon of TEUR 12,537 for the hybrid bond.

According to IAS 32, the 2014 hybrid bond qualified as an equity instrument until the announcement of its redemption; the coupons payable therefore are part of the profit distributed and recognized in the statement of changes in equity. In 2020 the coupon reduced earnings per share by EUR 0.10.

In the reporting year, Wienerberger acquired 1,151,879 shares at a price of TEUR 19,686, recognizing the amount as a reduction in equity under treasury stock. Transaction costs of TEUR 76 were deducted from equity. Of the shares bought back, 1,163,514 shares were cancelled as of 18/2/2020, which resulted in a decrease in issued capital by TEUR 1,164, a reduction in capital reserves by TEUR 22,776, and the reclassification of the transaction costs of TEUR 131 to retained earnings.

Retained earnings of TEUR 946,176 (2019: TEUR 943,851) include the retained earnings of Wienerberger AG and all retained earnings of subsidiaries not eliminated during the capital consolidation. Group results for 2020, excluding the share of profit or loss due 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	1/1/2020	Foreign exchange incr./decr.	Change in scope of consolidation	Reversal	Use	Addition	31/12/2020
Provisions for warranties	20,428	-762	-1,681	1,338	2,067	6,337	20,917
Provisions for site restoration	53,162	-2,611	-6,478	4,540	4,584	7,366	42,315
Miscellaneous non-current provisions	17,280	-101	-1,692	3,037	8,058	6,102	10,494
Other non-current provisions	**90,870**	**-3,474**	**-9,851**	**8,915**	**14,709**	**19,805**	**73,726**
Taxes provision	1,800	-24	184	2	159	284	2,083
Other current provisions	36,313	-374	-2,920	3,539	30,897	36,273	34,856
Current provisions	**38,113**	**-398**	**-2,736**	**3,541**	**31,056**	**36,557**	**36,939**
Other provisions	**128,983**	**-3,872**	**-12,587**	**12,456**	**45,765**	**56,362**	**110,665**

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	1/1/2020	Foreign exchange incr./decr.	Change in scope of consolidation	Reversal	Use	Addition	31/12/2020
Provisions for severance payments	33,236	-202	311	1,512	3,297	2,290	30,826
Provisions for pensions	105,871	-3,767	-7,205	1,098	13,524	18,038	98,315
Provisions for jubilee bonuses	11,577	-165	-251	493	1,500	2,339	11,507
Employee-related provisions	**150,684**	**-4,134**	**-7,145**	**3,103**	**18,321**	**22,667**	**140,648**

The obligations for post-employment benefits total TEUR 129,141 (2019: TEUR 139,107) and comprise pension obligations of TEUR 98,315 (2019: TEUR 105,871) and severance compensation obligations of TEUR 30,826 (2019: TEUR 33,236). The relevant accounting and valuation principles are described on pages 186 and 187.

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	2020	2019
Discount rate	1.3%	1.5%
Expected salary increases	0.2%	0.3%
Expected pension increases	1.3%	1.0%
Average employee turnover	0.0%	0.0%
Mortality tables		
Austria	AVÖ 2018-P ANG	AVÖ 2018-P
Germany	Heubeck 2018 G	Heubeck 2018 G
USA	Pri.A-2012 Fully Generational with Scale MP 2019	Pri.A-2012 Fully Generational with Scale MP 2019
Great Britain	105% of SAPS "S2" Combined	105% of SAPS S2 Tables with allowance (CMI 2017)
Belgium	MR-3/FR-3	MR-3/FR-3
Sweden	DUS14	DUS14
Canada	CPM Improvement Scale B	CIA Composite Sector Mortality Table
Netherlands	AG Prognosetafel 2020	AG Prognosetafel 2016

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 2020 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	2020	2019
Defined contribution plans	**14,314**	**14,894**
Defined benefit plans		
Service cost for defined benefit plans	3,129	3,471
Past service cost	188	0
Effects of settlements and curtailments	0	-743
Net interest cost	1,588	2,415
Expenses for defined benefit plans	**4,905**	**5,143**
Total expenses for pensions	**19,219**	**20,037**

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 8,807 (2019: TEUR 9,776) 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:

	Defined benefit pension obligations		Fair value of plan assets	
in TEUR	2020	2019	2020	2019
Value as of 1/1	**425,573**	**378,151**	**319,702**	**285,784**
Change in scope of consolidation	-70,430	0	-63,225	0
Foreign exchange increase/decrease	-14,522	10,445	-10,755	8,696
Service cost for defined benefit pension plans	3,129	3,471	0	0
Interest cost	6,016	9,297	0	0
Expected income from plan assets	0	0	4,428	6,882
Actuarial gains/losses	16,107	43,958	6,196	27,637
Past service cost	188	0		0
Payments to retirees	-13,601	-18,873	-13,299	-18,573
Payments received from employees	183	1,169	183	1,169
Settlements	0	-1,660	0	-918
Payments received from employers	-374	-385	10,724	9,025
Value as of 31/12	**352,269**	**425,573**	**253,954**	**319,702**
Fair value of plan assets	-253,954	-319,702		
Net pension obligations	**98,315**	**105,871**		
Actuarial gains/losses resulting from pension plans				
Actuarial gains/losses from changes in demographic assumptions	-515	-725		
Actuarial gains/losses from changes in financial assumptions	27,407	59,211		
Actuarial gains/losses from experience adjustments	-10,785	-14,528		
Deviation of return on plan assets	-6,196	-27,637		
Actuarial gains (-)/losses (+) in other comprehensive income	**9,911**	**16,321**		

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 (46%; 2019: 42%), bonds (48%; 2019: 50%) and other assets (6%; 2019: 8%).

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.

Sensitivity of the gross pension obligation	Change of parameter *in basis points (bp)/years*	Increase of parameter *in TEUR*	Decrease of parameter *in TEUR*
Discount rate	+/- 25 bp	-12,675	12,922
Salary increases	+/- 100 bp	746	-731
Employee turnover	+/- 100 bp	-321	101
Life expectancy	+/- 1 year	13,652	-13,757

The payments to defined benefit pension plans are expected to total TEUR 8,235 in 2021. As of December 31, 2020, the weighted average duration of the pension obligations was 15 years (2019: 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 at 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	2020	2019
Discount rate	**0.4%**	0.5%
Expected salary increases	**1.8%**	2.0%
Average employee turnover	**1.5%**	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	2020	2019
Defined contribution plans	**1,393**	**1,214**
Defined benefit plans		
Service cost for defined benefit plans	**1,192**	1,257
Past service cost	**6**	-63
Effects of settlements	**32**	5
Net interest cost	**219**	512
Expenses for defined benefit plans	**1,449**	**1,711**
Expenses for severance payments	**2,842**	**2,925**

The severance compensation obligations in France are covered by plan assets, which are held in shares (12%; 2019: 11%), bonds (75%; 2019: 74%) and other assets (13%; 2019: 15%).

The following table shows the composition of the severance compensation obligations and their coverage through plan assets:

in TEUR	Defined benefit severance obligation 2020	Defined benefit severance obligation 2019	Fair value of plan assets 2020	Fair value of plan assets 2019
Value as of 1/1	**35,738**	**36,335**	**2,502**	**2,394**
Change in scope of consolidation	**311**	0	**0**	0
Foreign exchange increase/decrease	**-202**	-25	**0**	0
Service cost for defined benefit severance obligations	**1,192**	1,257	**0**	0
Interest cost	**231**	548	**0**	0
Expected income from plan assets	**0**	0	**12**	36
Effects of settlements	**32**	5	**0**	0
Actuarial gains/losses	**-1,371**	2,599	**100**	72
Past service cost	**6**	-63	**0**	0
Payments	**-2,497**	-4,918	**0**	0
Value as of 31/12	**33,440**	**35,738**	**2,614**	**2,502**
Fair value of plan assets	**-2,614**	-2,502		
Net severance compensation obligations	**30,826**	**33,236**		
Actuarial gains/losses resulting from severance payment plans				
Actuarial gains/losses from changes in demographic assumptions	**-344**	-728		
Actuarial gains/losses from changes in financial assumptions	**-874**	3,080		
Actuarial gains/losses from experience adjustments	**-153**	247		
Deviation of return on plan assets	**-100**	-72		
Actuarial gains (-)/losses (+) in other comprehensive income	**-1,471**	**2,527**		

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	-807	838
Salary increases	+/- 100 bp	3,204	-2,811
Employee turnover	+/- 100 bp	-642	656

The payments to defined benefit severance compensation plans are expected to total TEUR 714 in 2021. As of December 31, 2020, the weighted average duration of the severance compensation obligations was 11 years (2019: 12 years).

31. Deferred taxes

The following deferred tax assets and deferred tax liabilities as of December 31, 2020 and December 31, 2019 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	2020		2019	
	Assets	Liabilities	Assets	Liabilities
Intangible assets	2,372	-39,298	2,340	-48,327
Property, plant and equipment	10,443	-121,958	7,616	-136,760
Inventories	3,308	-5,617	3,238	-5,508
Receivables	22,023	-12,196	11,697	-22,055
Miscellaneous receivables	49,868	-53	55,210	-21
	88,014	-179,122	80,101	-212,671
Provisions	28,962	-4,345	29,081	-1,531
Liabilities	54,975	-6,986	65,454	-7,599
Prepayments received	826	-213	590	-210
	84,763	-11,544	95,125	-9,340
Tax losses carried forward	356,418		424,778	
Deferred tax assets/liabilities	**529,195**	**-190,666**	**600,004**	**-222,011**
Unrecognized deferred tax assets	-344,830		-396,165	
Offset within legal tax units and jurisdictions	-128,566	128,566	-145,094	145,094
Recognized tax assets/liabilities	**55,799**	**-62,100**	**58,745**	**-76,917**

At Group level there are deductible temporary differences and tax loss carryforwards (including pro-rata depreciation and amortization) in a total amount of TEUR 1,368,207 (2019: TEUR 1,554,559). Of this total, TEUR 253,763 (2019: TEUR 203,032) are accounted for by deductible temporary differences and TEUR 1,114,444 (2019: TEUR 1,351,527) by tax loss carryforwards (including pro-rata depreciation and amortization). No deferred taxes were recognized, as their effectiveness as a definitive tax relief is not secure enough within the framework of mid-term planning. This corresponds to non-recognized deferred tax assets of TEUR 344,830 (2019: TEUR 396,165) for temporary differences and tax loss carryforwards.

The following table shows when unused tax losses expire:

in TEUR	2020	2019
Expiry date of unused tax losses ≤ 5 years	16,740	32,098
Expiry date of unused tax losses 6 - 10 years	66,159	83,287
Expiry date of unused tax losses > 10 years	0	23,525
Expiry date of unused tax losses unlimited	1,031,545	1,212,617
Total of unused tax losses	**1,114,444**	**1,351,527**

Temporary pro-rata depreciation and amortization, which is tax-deductible under Austrian law, amounted to TEUR 98,618 (2019: TEUR 187,905) for Wienerberger AG. Deferred tax assets were not recognized for this amount in 2020 or 2019.

As at December 31, 2020, taxable temporary differences associated with investments in subsidiaries amounted to TEUR 203,411 (2019: TEUR 220,045), 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:

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**

2019 *in TEUR*	**Total**	**Remaining term < 1 year**	**Remaining term 1-5 years**	**Remaining term > 5 years**	**Thereof secured by collateral**
Interest-bearing loans	**821,418**	420,974	397,762	2,682	1,250
Lease liabilities	**215,039**	39,237	80,806	94,996	0
Financial liabilities	**1,036,457**	**460,211**	**478,568**	**97,678**	**1,250**
Trade payables owed to third parties	**335,627**	335,627	0	0	0
Trade payables owed to subsidiaries	**795**	795	0	0	0
Trade payables	**336,422**	**336,422**	**0**	**0**	**0**
Payables for current taxes	**25,516**	**25,516**	**0**	**0**	**0**
Contract liability	**10,307**	10,259	36	12	0
Amounts owed to tax authorities and social security institutions	**63,474**	63,474	0	0	0
Refund liabilities	**10,816**	10,816	0	0	0
Prepayments received	**9,274**	6,369	698	2,207	0
Miscellaneous liabilities	**206,906**	206,774	132	0	0
Other liabilities	**300,777**	**297,692**	**866**	**2,219**	**0**
Total liabilities	**1,699,172**	**1,119,841**	**479,434**	**99,897**	**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 at the balance sheet date, such arrangements will result in an increase in right-of-use assets and lease liabilities in the following year by approx. TEUR 7,223 (2019: TEUR 2,313). Owing to the Covid-19 pandemic, rental and lease agreement concluded with the lessor were partly deferred and waived in individual cases. The entire cash outflow for leases amounted to TEUR 49,092 (2019: TEUR 46,491).

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. As at the balance sheet date, they amounted to TEUR 13,192 (2019: TEUR 10,307). Revenues generated from these orders are recognized at the time of transfer of the goods/services to the customer.

Miscellaneous liabilities include TEUR 69,942 (2019: TEUR 72,155) due to employees and TEUR 130,919 (2019: TEUR 106,886) from accruals for bonuses and other sales deductions due to customers. Prepayments received include TEUR 5,429 (2019: TEUR 4,295) 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 50,262 (2019: TEUR 39,179).

Financial liabilities include the following derivatives with negative market values:

Derivatives

in TEUR	2020	2019
Derivatives from cash flow hedges	1,578	5,715
Derivatives from net investment hedges	377	3,396
Other derivatives	2,164	1,848
Derivatives with negative market value	**4,119**	**10,959**

Total liabilities thus include TEUR 2,242,940 (2019: TEUR 1,672,777) in financial liabilities measured at amortized cost, TEUR 17,558 (2019: TEUR 15,436) in other liabilities measured at fair value, TEUR 1,955 (2019: TEUR 9,111) in derivatives in hedge accounting, and TEUR 2,164 (2019: TEUR 1,848) 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

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**

2019 *in TEUR*	Carrying amount as at 31/12/2019	Total	< 6 months	6-12 months	1-2 years	2-5 years	> 5 years
Bonds	559,473	-587,000	-317,000	0	-5,000	-265,000	0
Liabilities to banks	232,389	-238,247	-98,506	-664	-28,254	-107,880	-2,943
Lease liabilities	215,039	-259,233	-23,043	-19,955	-32,914	-57,063	-126,258
Liabilities to non-banks	18,597	-18,902	-1,502	-387	-5,173	-11,840	0
Primary financial instruments	**1,025,498**	**-1,103,382**	**-440,051**	**-21,006**	**-71,341**	**-441,783**	**-129,201**
Interest rate derivatives	9,111	-10,320	-2,936	-1,379	-872	-5,133	0
Forward exchange contracts and swaps	1,848	-8,439	-5,317	-3,122	0	0	0
Derivative financial instruments	**10,959**	**-18,759**	**-8,253**	**-4,501**	**-872**	**-5,133**	**0**
Carrying amounts/ Contractual cash flows	**1,036,457**	**-1,122,141**	**-448,304**	**-25,507**	**-72,213**	**-446,916**	**-129,201**

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	31/12/2020	31/12/2019
Guarantees	18,138	14,198
Other contractual obligations	1,389	2,052
Contingent liabilities	**19,527**	**16,250**

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:

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**	

2019	Currency	Nominal value	Market value	Carrying amount as at 31/12/2019	Effective interest rate
		in 1,000 local currency	*in TEUR*	*in TEUR*	*in %*
Long-term loans	*EUR*	133,207	137,005	133,207	0.94
Roll-over	*TRY*	61,600	9,179	9,216	11.39
Short-term loans	*EUR*	35,116	35,663	35,116	0.88
Fixed interest liabilities due to financial institutions			**181,847**	**177,539**	

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**	

2019	Currency	Nominal value	Market value	Carrying amount as at 31/12/2019	Effective interest rate
		in 1,000 local currency	*in TEUR*	*in TEUR*	*in %*
Long-term loans	*EUR*	1,250	1,497	**1,250**	1.75
	DKK	10,697	1,553	**1,432**	2.16
			3,050	**2,682**	
Roll-over	*EUR*	40,000	39,921	**40,000**	0.80
	TRY	26,500	3,946	**3,965**	10.56
			43,867	**43,965**	
Short-term loans	*EUR*	4,084	4,097	**4,084**	1.51
	TRY	12,262	1,834	**1,834**	-
	DKK	9,080	1,215	**1,215**	-
	CAD	442	303	**303**	-
	USD	856	762	**762**	-
	PLN	18	4	**4**	-
	CHF	1	1	**1**	-
			8,216	**8,203**	
Derivatives	*other in EUR*	309,692	**10,959**	**10,959**	-
Variable interest liabilities due to financial institutions			**66,092**	**65,809**	

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**	

2019	Currency	Nominal value	Market value	Carrying amount as at 31/12/2019	Effective interest rate
		in 1,000 local currency	*in TEUR*	*in TEUR*	*in %*
Bonds – fixed interest (long-term)	*EUR*	250,000	273,735	**247,843**	2.21
Bonds – fixed interest (short-term)	*EUR*	300,000	302,690	**299,851**	4.03
Bonds – fixed interest (accrued interest)	*EUR*	11,779	11,779	**11,779**	-
Long-term loans – fixed interest	*EUR*	441	453	**441**	0.75
	DKK	17,446	2,335	**2,335**	-
Short-term loans – fixed interest	*TRY*	2,036	305	**305**	30.76
	DKK	600	80	**80**	-
Lease liabilities (long-term)	*other*		175,802	**175,802**	-
Lease liabilities (short-term)	*other*		39,237	**39,237**	-
Contingent purchase price liability	*other*		15,436	**15,436**	
Financial liabilities owed to non-banks				**793,109**	

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 195.

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 correspond 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, 2020, 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. At 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 at the balance sheet date, an interest rate swap to partially hedge the interest expense was 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 and 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 reporting year was booked for Wienerberger Building Solutions as at 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.

The expected purchase price for Meridian Brick in the USA was invested in a USD-denominated money-market fund. The change in value of the USD money-market investment due to foreign exchange fluctuations was designated as a cash flow hedge for the expected change of the purchase price for Meridian Brick due to exchange-rate differences and therefore measured through the hedging reserve.

	31/12/2020			31/12/2019		
	Currency	Nominal value	Market value	Currency	Nominal value	Market value
		in 1,000 local currency	*in TEUR*		*in 1,000 local currency*	*in TEUR*
Forward exchange contracts	*NOK*	**194,504**	**-300**	*NOK*	67,460	-57
	GBP	**74,838**	**326**	*GBP*	109,168	-6,504
	USD	**2,000**	**4**	*USD*	0	0
	DKK	**22,000**	**0**	*DKK*	90,000	0
	CZK	**140,154**	**-23**	*CZK*	127,618	-76
	HUF	**2,992,706**	**210**	*HUF*	2,711,763	56
	PLN	**53,931**	**355**	*PLN*	38,661	-180
	SEK	**96,433**	**-250**	*SEK*	112,053	-240
	RUB	**350,000**	**93**	*RUB*	0	0
	RON	**7,501**	**-9**	*RON*	0	0
	CHF	**22,100**	**100**	*CHF*	0	0
	EUR	**119,399**	**-1,791**	*EUR*	140,690	-198
	USD/NOK	**3,314**	**860**	*USD/NOK*	0	0
Interest rate swaps	*EUR*	**68,000**	**-893**	*EUR*	68,000	268
Cross currency swaps	*GBP/EUR*	**40,000**	**863**	*GBP/EUR*	40,000	-1,406
	USD/EUR	**80,000**	**7,474**	*USD/EUR*	108,000	1,591
	PLN/EUR	**60,000**	**723**	*PLN/EUR*	60,000	138
	CAD/EUR	**7,000**	**237**	*CAD/EUR*	7,000	-60
	CHF/EUR	**0**	**0**	*CHF/EUR*	8,000	-25
	CZK/EUR	**700,000**	**-182**	*CZK/EUR*	780,000	-1,267
			7,797			**-7,960**

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 4,500 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 8,670 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 Egernsund 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 4,388 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 31/12/2020
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**

in TEUR	Level 1	Level 2	Level 3	Carrying amount as at 31/12/2019
Assets				
Investments in subsidiaries and other investments			10,408	**10,408**
Stock	358			**358**
Shares in funds	5,851			**5,851**
Other		14	666	**680**
At fair value through profit or loss	**6,209**	**14**	**11,074**	**17,297**
Derivatives from cash flow hedges		429		**429**
Derivatives from net investment hedges		2,366		**2,366**
Other derivatives		204		**204**
Derivatives with positive market value		**2,999**		**2,999**
Liabilities				
Derivatives from cash flow hedges		5,715		**5,715**
Derivatives from net investment hedges		3,396		**3,396**
Other derivatives		1,848		**1,848**
Derivatives with negative market value		**10,959**		**10,959**
Contingent purchase price liability			**15,436**	**15,436**

The valuation of financial instruments classified under level 3 is shown in the following table:

	Investments		Other securities		Contingent purchase price liability	
in TEUR	2020	2019	2020	2019	2020	2019
Balance on 1/1	**10,408**	**11,890**	**666**	**701**	**15,436**	**6,000**
Additions	**0**	0	**0**	0	**3,500**	9,436
Results from valuation in income statement	**2,751**	-1,482	**13**	-35	**122**	0
Disposals	**0**	0	**0**	0	**-1,500**	0
Balance on 31/12	**13,159**	**10,408**	**679**	**666**	**17,558**	**15,436**

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

in TEUR	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3	Carrying amount as at 31/12/2020
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**

in TEUR	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3	Carrying amount as at 31/12/2019
Assets				
Other receivables		**11,432**		**11,432**
Liabilities				
Long-term loans		140,055		**135,889**
Roll-over		53,046		**53,181**
Short-term loans		43,879		**43,319**
Financial liabilities owed to financial institutions		**236,980**		**232,389**
Bonds	588,204			**559,473**
Long-term loans		2,788		**2,776**
Short-term loans		385		**385**
Lease liabilities		215,039		**215,039**
Financial liabilities owed to non-banks	**588,204**	**218,212**		**777,673**
Purchase price liability		**2,415**		**2,415**

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, as a rule, 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, provided they meet the criteria for recognition of IAS 38, are capitalized under the related asset category.

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: Wienerberger adopted IFRS 16 as of 1/1/2019 and applied the modified retrospective approach as a transitional method. The objective of the standard is to ensure that almost all leases and the associated contractual rights and obligations are recognized on the lessee's balance sheet. Upon conclusion of a contract, Wienerberger, as the lessee, reviews the contract to assess if it establishes or contains a lease and recognizes the present value of the lease payments as a lease liability at the commencement date. Lease payments comprise:

- fixed payments (including de-facto fixed payments, minus lease incentives received)
- variable lease payments linked to an index or (interest) rate
- amounts expected to be payable under a residual value guarantee
- the exercise price of a purchase option if the Group is reasonably certain to exercise it
- penalty payments for early termination of the lease, unless the Group is reasonably certain to rule out early termination of the lease.

If reliably determinable, the payments are discounted at the interest rate implicit in the lease. If the interest rate cannot be reliably determined, as is the case for the majority of contracts, Wienerberger applies its incremental borrowing rate. To determine the incremental borrowing rate, Wienerberger uses the interbank base rats of the respective currencies of the contracts and, additionally, takes the credit rating and the geographic location of the respective lessee (subsidiary), the contract term and the type of asset into account.

The right of use, recognized as an asset, corresponds to the lease liability at the time of addition, plus initial direct costs, pre-payments made and expected asset retirement obligations, minus payments received on account of lease incentives.

For the majority of asset classes, Wienerberger applied the practical expedient to account for lease and non-lease components as one lease. However, in the case of contracts for land and buildings, non-lease components are accounted for separately from lease components and therefore excluded from the valuation of the lease liability and the right-of-use asset.

As provided for by the practical expedient, payments for short-term leases with terms of not more than twelve months and lease contracts for low-value assets continue to be recognized on a straight-line basis as rental and leasing expenses over the term of the corresponding lease contract.

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 and 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, whereby valuation is 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, among other factors, on historical return rates.

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 EU Emission Trading Directives. If actual emissions exceed the free certificates, a provision 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 flow 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 at 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 as carrying 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 and 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 jubilee 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 provision 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 which 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 based on the resale price method. Prices for the provision of services between Group companies are established at arm's length 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, 2020). 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	
	31/12/2020	31/12/2019	2020	2019
British pound	0.89903	0.85080	0.88970	0.87777
Bulgarian lev	1.95583	1.95583	1.95583	1.95583
Danish krone	7.44090	7.47150	7.45421	7.46606
Canadian dollar	1.56330	1.45980	1.52999	1.48548
Croatian kuna	7.55190	7.43950	7.53838	7.41796
Norwegian krone	10.47030	9.86380	10.72279	9.85109
Polish zloty	4.55970	4.25680	4.44305	4.29762
Romanian lei	4.86830	4.78300	4.83828	4.74535
Russian ruble	91.46710	69.95630	82.72480	72.45534
Swedish krone	10.03430	10.44680	10.48475	10.58908
Swiss franc	1.08020	1.08540	1.07052	1.11245
Czech koruna	26.24200	25.40800	26.45508	25.67045
Turkish lira	9.11310	6.68430	8.05472	6.35777
Hungarian forint	363.89000	330.53000	351.24938	325.29675
US dollar	1.22710	1.12340	1.14220	1.11947

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 this process, strategic and operational risks along the entire value chain are being identified and their impact on cash flow is differentiated based on a medium-term (up to five years) and a long-term (six to ten years) time horizon.

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 or 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, whereby substantially higher volumes are sold during the months from April to October than in the rest of the year. Similar 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 subjects 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 on 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. The growth markets of Russia and India also carry a risk that production equipment may 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 correlates 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. This risk is met, with few exceptions, by developing alternative suppliers for raw materials.

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 2020 energy costs for the Wienerberger Group totaled TEUR 249,894 (2019: TEUR 276,223) or 7.4% (2019: 8.0%) 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 CO_2 certificates required free of charge.

In addition to price risk Wienerberger is also exposed to an energy supply risk, in particular with respect to natural gas and electricity. Any disruption of energy supplies would invariably lead to the standstill of production and could therefore have a negative effect on operating profit 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 rates 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, 2020. Part of earnings is used for 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 53% of its revenues for the reporting year in currencies other than the euro, predominately East European currencies (22%), the British pound (10%) and the US dollar (9%). 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, whereby the calculation of capital employed includes the effects of forward exchange contracts and foreign currency swaps:

Revenues	2020		2019	
	in MEUR	*Share in %*	*in MEUR*	*Share in %*
Euro	**1,591.7**	**47**	1,603.9	47
East European currencies	**754.6**	**22**	811.5	23
British pound	**340.0**	**10**	386.2	11
US dollar	**301.9**	**9**	310.4	9
Other	**366.4**	**12**	354.3	10
Group revenues	**3,354.6**	**100**	**3,466.3**	**100**

Capital employed	2020		2019	
	in MEUR	*Share in %*	*in MEUR*	*Share in %*
Euro	**1,747.1**	**68**	1,821.3	62
East European currencies	**416.4**	**16**	478.6	16
US dollar	**188.4**	**7**	283.6	10
British pound	**83.4**	**3**	80.3	3
Other	**158.8**	**6**	248.4	9
Capital employed after hedging effect	**2,594.1**	**100**	**2,912.2**	**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 another currency 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 at 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	2020			2019		
	Annual volatility	if the euro depreciates	if the euro appreciates	Annual volatility	if the euro depreciates	if the euro appreciates
EUR/NOK	15.79 %	1,466	-1,466	5.85 %	453	-453
EUR/GBP	8.83 %	471	-471	7.52 %	203	-203
EUR/PLN	7.49 %	373	-373	3.49 %	449	-449
EUR/SEK	8.04 %	371	-371	5.11 %	289	-289
EUR/RUB	21.24 %	318	-318	7.84 %	335	-335
EUR/CZK	8.71 %	197	-197	2.50 %	97	-97
EUR/HUF	8.17 %	192	-192	4.41 %	291	-291

Sensitivity of the consolidated statement of comprehensive income

in TEUR	2020			2019		
	Annual volatility	if the euro depreciates	if the euro appreciates	Annual volatility	if the euro depreciates	if the euro appreciates
EUR/USD	7.49 %	16,513	-16,513	4.72 %	1,224	-1,224
EUR/GBP	8.83 %	-7,214	7,214	7.52 %	-7,333	7,333
EUR/NOK	15.79 %	4,434	-4,434	5.85 %	1,325	-1,325
EUR/RUB	21.24 %	2,598	-2,598	7.84 %	1,255	-1,255
EUR/PLN	7.49 %	362	-362	3.49 %	195	-195
EUR/HUF	8.17 %	268	-268	4.41 %	404	-404

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 2.9 (2019: increase of MEUR 0.5) 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 (2019: 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 175 to 177) 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	2020		2019	
	Fixed interest rate	Variable interest rate	Fixed interest rate	Variable interest rate
Interest-bearing loans	1,286,249	311,266	964,648	71,809
Reclassification of short-term fixed interest rate loans	-288,057	288,057	-356,347	356,347
Effects of derivative instruments (hedging)	68,000	-68,000	0	0
Financial liabilities after hedging effects	**1,066,192**	**531,323**	**608,301**	**428,156**

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, 2020, classified by region:

Credit risk	2020		2019	
	in MEUR	*Share in %*	*in MEUR*	*Share in %*
Western Europe	188.3	58	193.0	59
Central-Eastern Europe	87.2	27	87.9	27
North America	35.3	11	31.8	10
Other	11.9	4	12.0	4
Total trade receivables and miscellaneous receivables	**322.7**	**100**	**324.7**	**100**
thereof insured against default	171.6		175.2	

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:

	2020			2019		
in MEUR	Gross receivable	Loss - allowance	Carrying amount	Gross receivable	Loss - allowance	Carrying amount
Not due	187.4	-2.2	185.2	172.6	-0.6	172.0
Up to 30 days overdue	22.1	-0.6	21.5	33.0	-0.4	32.6
31 to 60 days overdue	7.2	-0.4	6.8	6.4	-0.3	6.1
61 to 90 days overdue	9.4	-8.0	1.4	2.6	-0.4	2.2
More than 90 days overdue	9.7	-5.8	3.9	24.1	-15.4	8.7
Trade receivables	**235.8**	**-17.0**	**218.8**	**238.7**	**-17.1**	**221.6**

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. At 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	2020			2019		
in MEUR	Gross receivable	Loss - allowance	Carrying amount	Gross receivable	Loss - allowance	Carrying amount
Grade 1: Low risk	53.1	-0.1	53.0	29.1	0.0	29.1
Grade 2: Fair risk	7.7	-0.1	7.6	7.9	0.0	7.9
(Partial) Default	1.1	-0.9	0.2	1.0	-0.8	0.2
Loans granted and other non-current receivables	61.9	-1.1	60.8	38.0	-0.8	37.2

Loss allowances of trade receivables and loans granted can be reconciled as follows:

Loss allowance	2020		2019	
in MEUR	Trade receivables	Loans and other non-current receivables	Trade receivables	Loans and other non-current receivables
Balance on 1/1	**17.1**	**0.9**	**17.3**	**0.9**
Foreign exchange translation	**-0.6**	**-0.1**	0.0	0.0
Net impairment loss	**1.6**	**0.3**	0.9	0.0
Disposals	**-1.1**	**0.0**	-1.1	0.0
Balance on 31/12	**17.0**	**1.1**	**17.1**	**0.9**

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 22 days (2019: 23 days), the inventory turnover period averaged 87 days (2019: 91 days) and the payable turnover period averaged 36 days (2019: 37 days). This resulted in a cash conversion cycle of 73 days (2019: 77 days).

An analysis of the liquidity risks arising from liabilities is provided on page 174 (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.

Furthermore, Wienerberger voluntarily undertook to follow the recommendation of the Task Force on Climate-related Financial Disclosures (TCFD) and to implement them by 2023. This comprises the identification, assessment and management of climate-related risks and opportunities within the framework of our risk management processes, on the one hand, and the related reporting, on the other hand.

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 on 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 the introduction of 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 the ANC Private Foundation and its subsidiaries. Transactions with companies in which members of the Supervisory Board of Wienerberger AG are active are conducted on 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.

The ANC Private Foundation operates landfill 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 the 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, the 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 31,433 as of December 31, 2020 (2019: TEUR 26,269) and consist primarily of land and buildings totaling TEUR 8,008 (2019: TEUR 8,840) and securities and liquid funds of TEUR 17,519 (2019: TEUR 14,522). The foundation had provisions of TEUR 8,925 (2019: TEUR 9,431) and no financial liabilities as of December 31, 2020.

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 15,545 as of December 31, 2020 (2019: TEUR 14,891), while the comparable amount for non-consolidated subsidiaries was TEUR 5,587 (2019: TEUR 6,412). In addition, trade receivables due from joint ventures amounted to TEUR 920 (2019: TEUR 10,260), including the sale of an asset, while the comparable amount for non-consolidated subsidiaries was TEUR 8 (2019: TEUR 14) as of the balance sheet date. Revenues of TEUR 4,900 were recognized with joint ventures in 2020 (2019: TEUR 664).

Other related party transactions relate to clay supplies in the amount of TEUR 587 (2019: TEUR 612) as well as rental services of TEUR 321 (2019: TEUR 317) received by non-consolidated subsidiaries. In addition, products in the amount of TEUR 889 (2019: TEUR 735) were sold to a related party in the financial year 2020.

39. Significant events after the balance sheet date

The subordinated hybrid bond with a nominal value of TEUR 214,630, recognized in non-current financial liabilities since December 15, 2020, was called at the earliest possible date and redeemed on February 9, 2021.

On February 23, 2021, the Supervisory Board appointed Gerhard Hanke member of the Managing Board and Chief Financial Officer.

The consolidated financial statements were approved by the Managing Board of Wienerberger AG on March 16, 2021 and submitted to the Supervisory Board on March 26, 2021 for publication.

Vienna, March 16th, 2021

The Managing Board of Wienerberger AG

Heimo Scheuch	Gerhard Hanke	Solveig Menard-Galli	Harald Schwarzmayr
Chief Executive Officer	*Chief Financial Officer*	COO *Wienerberger Building Solutions*	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 16th, 2021

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	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	Hennersdorf	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	
Wienerberger-Cetera d.d. u likvidaciji	Karlovac	359,240	HRK	99.72%	VK	
IGM Ciglana 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	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	
SEMMELROCK 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.	Kolbiel	46,000,000	PLN	100.00%	VK	
Semmelrock Stein + Design S.R.L.	Bolintin-Vale	1,328,400	RON	100.00%	VK	
Semmelrock Tlakovci d.o.o.	Ormož	8,763	EUR	100.00%	OK	1)
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)
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%	VKE	
Ammonit GmbH & Co. KG	Hannover	100	EUR	100.00%	VKE	
Wienerberger S.p.A.	**Mordano**	**10,000,000**	**EUR**	**100.00%**	**VK**	
Fornaci Giuliane S.r.l. (in liquidation)	Cormons	100,000	EUR	30.00%	EQ	

Company	Headquarters	Share capital	Currency	Interest	Type of consolidation	Notes
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	
Wienerberger B.V.	**Zaltbommel**	**36,778,680**	**EUR**	**100.00%**	**VK**	
Van Hesteren & Janssens B.V.	Zaltbommel	363,024	EUR	100.00%	VK	
KDB Baukeramik Vertriebs-GMBH	Rhede	76,694	EUR	33.33%	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	
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	
BDP Holdings Limited	Sale	336,785	GBP	100.00%	VK	
Building Product Design Limited	Sale	612,720	GBP	100.00%	VK	
Glidevale Limited	Sale	84	GBP	100.00%	VK	
Passivent Limited	Sale	1	GBP	100.00%	VK	
Kingfisher Louvre Systems Limited	Sale	10,000	GBP	100.00%	VK	
Z-Led Limited	Sale	1	GBP	100.00%	VK	
Willan Building Services Limited	Sale	50	GBP	100.00%	VK	
Glidevale Building and Products Limited	Sale	68	GBP	100.00%	VK	
BPD Manufacturing Solutions Limited	Sale	100	GBP	100.00%	VK	
Co2nserve Limited	Sale	10,013	GBP	100.00%	VK	
Protect Membranes Limited	Sale	1	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	Rouffach	336,120	EUR	100.00%	VK	
Egernsund Wienerberger A/S	**Helsinge**	**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	
Vesterled Teglvaerk A/S	Sonderborg	1,600,000	DKK	85.00%	VK	
Helligso Teglvaerk A/S	Hurup	850,000	DKK	85.00%	VK	
Egernsund Tegl a.m.b.a.	Egernsund	9,000,000	DKK	85.00%	VK	
A/S Bachmanns Teglvaerk	Sonderborg	1,000,000	DKK	85.00%	VK	

Company	Headquarters	Share capital	Currency	Interest	Type of consolidation	Notes
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	
Columbus Brick Inc.	Columbus	20,950	USD	100.00%	VK	
Watsontown Brick Company	Watsontown	72,050	USD	100.00%	VK	
Pipelife Jet Stream, Inc.	Siloam Springs	0	USD	100.00%	VK	
Arriscraft Canada Inc.	**Halifax**	**18,500,000**	**CAD**	**100.00%**	**VK**	
Arriscraft Canada Acquisitions Ltd.	Vancouver	0	CAD	100.00%	VKE	
Wienerberger EOOD	**Sofia**	**12,500,000**	**BGN**	**100.00%**	**VK**	
Uspeh AD	Sofia	2,141,220	BGN	99.66%	VK	
OOO „Wienerberger Kirpitsch“	**Kiprevo**	**612,694,577**	**RUB**	**100.00%**	**VK**	
OOO „Wienerberger Kurkachi“	Kurkachi	593,108,404	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 Statybine Keramika	**Vilnius**	**10,100**	**LTL**	**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	Wiener Neudorf	4,360,370	EUR	100.00%	VK	
PIPELIFE Austria GmbH	Wiener Neudorf	36,337	EUR	100.00%	VK	
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	
Pipelife Finland OY	Oulu	33,637	EUR	100.00%	VK	
Talokaivo Oy	Kerava	2,000,000	EUR	100.00%	VK	
Pipelife France SNC	Aubevoye	35,605,800	EUR	100.00%	VK	
Pipelife Hellas S.A.	Thiva	24,089,735	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	
PIPELIFE IRELAND LTD	Cork	254	EUR	100.00%	VK	
Kenfern Investments Ltd (in Liquidation)	Cork	447	EUR	100.00%	OK	1)
Pipelife UK Ltd	Corby	244,001	GBP	100.00%	VK	
Pipelife Latvia SIA	Riga	426,600	EUR	100.00%	VK	
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%	VKE	
Inter ACT industrial automation B.V.	Apeldoorn	20,000	EUR	100.00%	VKE	
TeleControlNet B.V.	Apeldoorn	20,000	EUR	100.00%	VKE	
Inter Act GmbH.	Nordhorn	25,000	EUR	100.00%	VKE	
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	

Company	Headquarters	Share capital	Currency	Interest	Type of consolidation	Notes
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	250,000	EUR	100.00 %	VK	
Preflexibel France SAS	Salindres	370,000	EUR	100.00 %	VK	
Preflex France SAS	Salindres	46,500	EUR	100.00 %	VK	
Reddy S.A.	Seneffe	62,000	EUR	100.00 %	VK	
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	Angervilliers	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
EQ .... At equity consolidation
OK............... 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 1)

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, 2020, 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, 2020, 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 is sufficient and appropriate to provide a basis for our opinion.

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 the most importance 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 395 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.

1) Complimentary translation, German original prevails

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 1.756 million, representing 41% 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 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 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 goodwill 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, except the consolidated financial statements, the consolidated management report and the auditor’s report. We already have received the consolidated corporate governance report and the non-financial report. The other parts of the annual reports will be made available to us after the date of the auditor’s report.

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 beyond the consolidated non-financial statement 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.

Responsibilites 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 Responsibilites 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 taken together, they could reasonably be expected to influence the economic decisions of users taken based 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 give 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 by the annual general meeting on May 5, 2020 and commissioned by the supervisory board on May 26, 2020 to audit the consolidated financial statements for the financial year ending December 31, 2020. 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, March 17th, 2021

Deloitte Audit Wirtschaftsprüfungs GmbH

Mag. Gerhard Marterbauer m.p.
Certified Public Accountant

Mag. Christof Wolf m.p.
Certified Public Accountant

This report is a translation of the long-form 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 long-form audit report is solely valid and is the only legally binding version. Section 281(2) UGB applies.

Service

Glossary

Explanatory Notes on Management Report and Financial Statements

ADR American Depository 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 inter-company 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

Fast Forward 2020: Group-wide optimization program covering six specific work streams: manufacturing excellence, commercial excellence, procurement, supply chain management, general administration and turnaround cases

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 - intercompany 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

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.

CO_2 emissions from electricity
These CO_2 emissions refer to indirect emissions (Scope 2) from electricity (calculation according to market-based method) purchased by the entire Wienerberger Group.

CO_2 emissions from primary energy sources
These CO_2 emissions refer to direct fuel emissions (Scope 1); primarily relevant to ceramic production.

CO_2 emissions from raw materials (process emissions)
These CO_2 emissions refer to direct emissions (Scope 1) from raw materials in ceramic production.

CO_{2e} emissions versus CO_2 emissions
"Carbon dioxide equivalents" or "CO_{2e}" 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 CO_2 emissions (Scope 1) from our production processes are therefore to be equated with carbon dioxide equivalents. Indirect CO_2 emissions (Scope 2) from electricity are recorded as CO_{2e} (calculation according to market-based method). The absolute CO_2 emissions or the corresponding CO_2 indicators communicated in our reporting on climate protection thus always refer to emissions of carbon dioxide equivalents (CO_{2e}). 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 CO_2 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%. The index for ceramic production refers to 2013 as the reference year, while the reference year for plastic pipe production is 2010.

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%. The index is based on the reference year 2013.

Total energy consumption
Total energy consumption comprises energy consumed in production, excluding administration.

Financial Calendar

March 29, 2021	Publication of the 2020 Annual Report on the Wienerberger Website
April 21, 2021	*Start of the quiet period*
April 24, 2021	Record date for participation in the 152nd Annual General Meeting
May 4, 2021	152nd Annual General Meeting
May 6, 2021	Deduction of dividends for 2020 (ex-day)
May 7, 2021	Record date for 2020 dividends
May 10, 2021	Payment day for 2020 dividends
May 12, 2021	Results for the First Quarter of 2021
June 2021	Publication of the Sustainability Report 2020
July 19, 2021	*Start of the quiet period*
August 11, 2021	Results for the First Half-Year of 2021
October 18, 2021	*Start of the quiet period*
November 9, 2021	Results for the First Three Quarters of 2021

Information on the Company and the Wienerberger Share

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Thomson Reuters	WBSV.VI; WIE-VI
Bloomberg	WIE AV
Datastream	O: WNBA
ADR Level 1	WBRBY
ISIN	AT0000831706

Wienerberger Online Annual Report 2020:
https://www.wienerberger.com/en

Ten-Year Review

Corporate Data		2011 [3]	2012	2013	2014 [2]
Revenues	*in MEUR*	1,915.4	2,355.5	2,662.9	2,834.5
EBITDA	*in MEUR*	240.4	216.7	275.9	317.2
EBITDA margin	*in %*	12.6	9.2	10.4	11.2
EBIT	*in MEUR*	37.5	-21.7	64.7	-165.1
Operating EBIT	*in MEUR*	40.0	31.0	55.3	100.2
Profit before tax	*in MEUR*	47.4	-36.2	-3.1	-215.3
Profit after tax	*in MEUR*	39.4	-40.5	-7.8	-229.7
Free cash flow	*in MEUR*	135.0	163.6	92.9	134.0
Total investments	*in MEUR*	151.7	268.7	106.7	163.1
Net debt	*in MEUR*	358.8	602.0	538.9	621.5
Capital employed	*in MEUR*	2,652.1	2,931.3	2,767.6	2,591.9
Gearing	*in %*	14.8	25.5	23.9	31.3
Return on equity [4]	*in %*	1.6	-1.7	-0.3	-11.6
ROCE [5]	*in %*	0.9	0.4	1.3	2.7
Ø Employees	*in FTE*	11,893	13,060	13,787	14,836

Stock Exchange Data		2011	2012	2013	2014
Earnings per share	*in EUR*	0.07	-0.61	-0.34	-2.26
Adjusted earnings per share	*in EUR*	0.09	-0.25	-0.40	0.03
Dividend per share	*in EUR*	0.12	0.12	0.12	0.15
Dividend	*in MEUR*	13.8	13.8	13.8	17.5
Equity per share [6]	*in EUR*	16.6	16.3	15.3	12.9
Share price at year-end	*in EUR*	6.97	6.93	11.53	11.45
Shares outstanding (weighted) [7]	*in 1,000*	116,762	115,063	115,063	116,017
Market capitalization at year-end	*in MEUR*	819.2	814.3	1,354.5	1,345.1

Condensed Balance Sheet		2011	2012	2013	2014
Non-current assets	*in MEUR*	2,611.4	2,800.8	2,610.0	2,433.8
Inventories	*in MEUR*	576.6	700.9	666.0	701.4
Other assets	*in MEUR*	803.4	638.0	935.4	695.8
Total assets	*in MEUR*	3,991.4	4,139.7	4,211.4	3,831.0
Equity [8]	*in MEUR*	2,430.8	2,363.7	2,254.2	1,986.5
Provisions	*in MEUR*	197.2	265.9	224.5	253.5
Liabilities	*in MEUR*	1,363.4	1,510.1	1,732.7	1,591.0

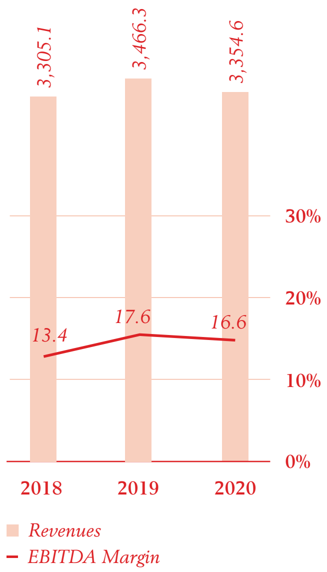
1) Total investments and free cash flow were adjusted according to the new capex definition. // 2) The figures for the year 2014 were restated in accordance with IAS 8. // 3) The data were adjusted to reflect a change in accounting policy. // 4) Profit after tax / Equity // 5) 2014 and 2012 calculated on pro-forma 12-month basis // 6) Equity including non-controlling interests; excluding hybrid capital // 7) Adjusted for treasury stock // 8) Equity including non-controlling interest and hybrid capital (2020 without hybrid capital)

2015	2016	2017 [1]	2018 [1]	2019	2020
2,972.4	2,973.8	3,119.7	3,305.1	3,466.3	**3,354.6**
369.7	404.3	415.0	442.6	610.0	**558.0**
12.4	13.6	13.3	13.4	17.6	**16.6**
163.1	190.6	178.7	239.8	362.7	**192.5**
167.6	197.7	194.2	248.2	362.7	**305.1**
107.0	158.5	144.9	195.3	315.3	**148.7**
69.8	115.3	140.6	146.9	262.8	**99.9**
135.1	246.5	179.2	272.5	286.0	**397.3**
147.8	181.1	163.2	215.8	255.5	**201.1**
534.1	631.6	566.4	631.6	871.4	**882.1**
2,569.9	2,460.0	2,459.2	2,536.7	2,912.2	**2,594.1**
26.0	34.2	29.6	32.6	42.0	**50.4**
3.4	6.2	7.4	7.6	12.7	**5.7**
4.5	5.8	7.3	7.5	10.6	**8.9**
15,813	15,990	16,297	16,596	17,234	**16,619**

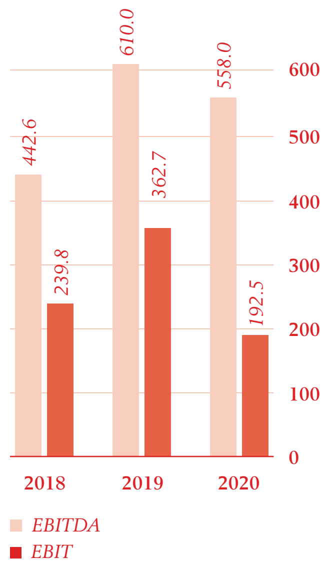
2015	2016	2017	2018	2019	2020
0.31	0.70	1.05	1.15	2.18	**0.79**
0.35	0.76	1.19	1.23	2.18	**1.79**
0.20	0.27	0.30	0.50	0.60	**0.60**
23.4	31.6	35.1	57.4	68.1	**67.4**
13.4	13.5	14.1	14.4	16.1	**15.5**
17.09	16.50	20.17	18.00	26.42	**26.08**
116,956	116,956	116,956	116,154	114,320	**112,680**
2,008.5	1,938.6	2,370.5	2,115,5	3,074.0	**3,004.1**

2015	2016	2017	2018	2019	2020
2,426.3	2,355.0	2,290.3	2,377.7	2,727.0	**2,475.7**
753.3	718.4	741.6	761.7	827.6	**729.0**
512.0	563.8	627.9	603.6	578.0	**1,122.3**
3,691.6	3,637.2	3,659.9	3,742,9	4,132.6	**4,327.0**
2,054.2	1,849.0	1,911.2	1,939.1	2,076.8	**1,749.0**
290.3	278.0	270.6	272.0	279.7	**251.3**
1,347.1	1,510.2	1,478.1	1,531.9	1,776.1	**2,326.7**

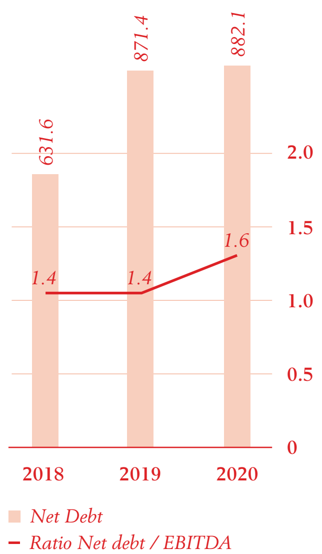
Revenues and EBITDA Margin
in MEUR and %



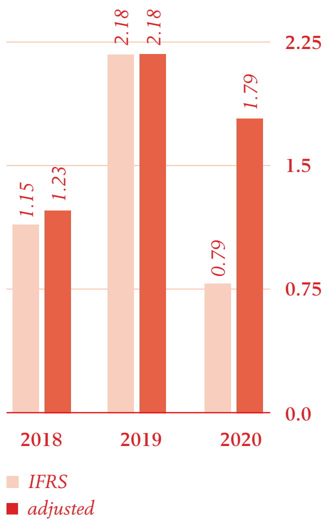
EBITDA and EBIT
in MEUR



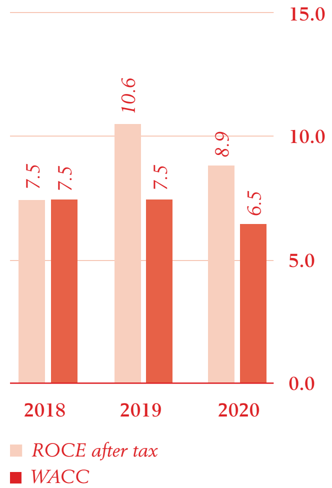
Net Debt and Net Debt / EBITDA
in MEUR



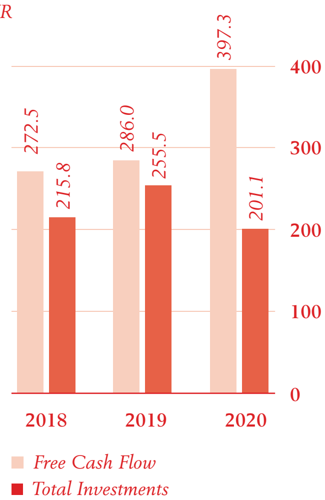
Earnings per Share
in EUR



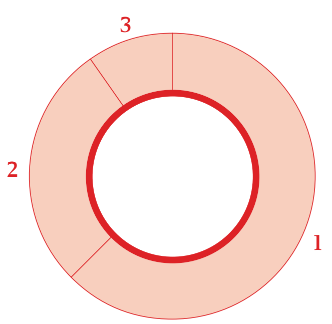
ROCE after tax and WACC
in %



Free Cash Flow and Total Investments
in MEUR

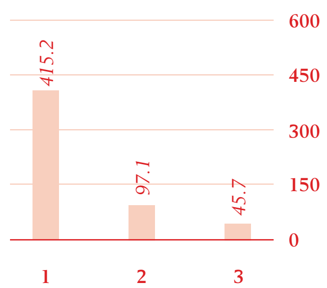


Revenues by Segment



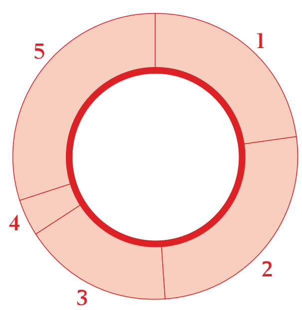
1 *Wienerberger Building Solutions 62%*
2 *Wienerberger Piping Solutions 28%*
3 *North America 10%*

EBITDA by Segment
in MEUR



1 *Wienerberger Building Solutions*
2 *Wienerberger Piping Solutions*
3 *North America*

Revenues by Product



1 *Wall 23%*
2 *Facade 26%*
3 *Roof 17%*
4 *Surface 4%*
5 *Pipes 30%*

Earnings Data		2020	2019	Chg. in %	2018
Revenues	*in MEUR*	**3,354.6**	3,466.3	-3	3,305.1
EBITDA LFL [1)]	*in MEUR*	**565.6**	594.2	-5	475.3
EBITDA	*in MEUR*	**558.0**	610.0	-9	442.6
Operating EBIT	*in MEUR*	**305.1**	362.7	-16	248.2
Impairment charges / Reversal of impairment charges to assets	*in MEUR*	**-22.3**	0.0	<100	-8.4
Impairment charges to goodwill	*in MEUR*	**-90.4**	0.0	<100	0.0
EBIT	*in MEUR*	**192.5**	362.7	-47	239.8
Profit before tax	*in MEUR*	**148.7**	315.3	-53	195.3
Net result	*in MEUR*	**88.5**	249.1	-64	133.5
Free cash flow [2)]	*in MEUR*	**397.3**	286.0	+39	272.5
Maintenance capex	*in MEUR*	**125.9**	140.1	-10	130.3
Special capex	*in MEUR*	**75.2**	115.4	-35	85.6
Ø Employees	*in FTE*	**16,619**	17,234	-4	16,596

Balance Sheet Data		2020	2019	Chg. in %	2018
Equity [3)]	*in MEUR*	**1,749.0**	2,076.8	-16	1,939.1
Net debt	*in MEUR*	**882.1**	871.4	+1	631.6
Capital employed	*in MEUR*	**2,594.1**	2,912.2	-11	2,536.7
Total assets	*in MEUR*	**4,327.0**	4,132.6	+5	3,742.9
Gearing	*in %*	**50.4**	42.0	-	32.6

Stock Exchange Data		2020	2019	Chg. in %	2018
Earnings per share	*in EUR*	**0.79**	2.18	-64	1.15
Adjusted earnings per share	*in EUR*	**1.79**	2.18	-18	1.23
Dividend per share	*in EUR*	**0.60**	0.60	0	0.50
Share price at year-end	*in EUR*	**26.08**	26.42	-1	18.00
Shares outstanding (weighted) [4)]	*in 1,000*	**112,680**	114,320	-1	116,154
Market capitalization at year-end	*in MEUR*	**3,004.1**	3,074.0	-2	2,115.5

Business Units 2020 *in MEUR and %* [5)]	Wienerberger Building Solutions		Wienerberger Piping Solutions		North America		Group eliminations	Wienerberger Group	
External revenues	2,092.1	*(-4%)*	932.6	*(-3%)*	325.0	*(-3%)*		3,349.7	*(-3%)*
Inter-company revenues	4.9	*(>100%)*	0.2	*(>100%)*	0.0	*(-100%)*	-0.2	4.9	*(>100%)*
Revenues	2,096.9	*(-3%)*	932.8	*(-3%)*	325.0	*(-3%)*	-0.2	3,354.6	*(-3%)*
EBITDA	415.2	*(-11%)*	97.1	*(-1%)*	45.7	*(+6%)*		558.0	*(-9%)*
EBITDA LFL	413.9	*(-9%)*	103.7	*(+4%)*	48.0	*(+23%)*		565.6	*(-5%)*
EBIT	227.9	*(-26%)*	37.4	*(-19%)*	-72.8	*(<100%)*		192.5	*(-47%)*
Total investments	135.5	*(-23%)*	55.2	*(-5%)*	10.4	*(-53%)*		201.1	*(-21%)*
Capital employed	1,736.7	*(-10%)*	563.8	*(+2%)*	293.6	*(-32%)*		2,594.1	*(-11%)*
Ø Employees (in FTE)	11,939	*(-4%)*	3,328	*(0%)*	1,352	*(-7%)*		16,619	*(-4%)*

1) Adjusted for effects from consolidation, FX, sale of core and none-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 interests and hybrid capital (2018, 2019; 2020 without hybrid capital) // 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 the automatic processing of data.

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