2019 | SUSTAINABILITY UPDATE

WOW

wienerberger

Quantitative targets of the Sustainability Roadmap 2020

Target definitions	*Deadlines set*	*Performance*			
Employees		**2017**	**2018**	**2019**	**Status**
Safety of our employees					
Group level: Zero accidents	*Every year*	*5*	*5*	*6*	*The group-wide accident frequency value [1] regrettably increased by almost 10% from 5.1 to 5.6. We thoroughly investigated the circumstances of every accident and consistently pursued our efforts to further improve safety at work for our employees. Compared to 2014, the frequency of accidents in the Wienerberger Group has been halved.*
Health of our employees					
Group level: Percentage of ceramic production sites reporting core indicators on protection from exposure to respirable crystalline silica: > 95%	*2020*	*98%*	*No data collected*	*98%*	*The survey via NEPSI, the shared online platform (Negotiation Platform on Silica, www.nepsi.eu), is conducted every two years. Independent of this development, Wienerberger is currently working on a new group-wide standard for protection against respirable crystalline silica.*
Production					
Energy efficiency [2]					
PREVIOUS target for North America: Reduction of natural gas consumption at selected production sites by 5% per site compared to 2015	*2018*	*-4%*	*-5%*	*–*	*By 2017, all production sites were converted from emission-intensive energy sources to natural gas, an energy source with lower emission intensity.*
NEW target for North America: Reduction of natural gas consumption at selected production sites by 5% per site compared to 2017	*2019*	*Reference year*	*-2.1% and -13.7%*	*-5.2% -5.5% -11.1%*	*In 2019 it was decided to use the consumption of 2017 as the new reference value to permit comparisons on the basis of identical energy sources. The target was reached by the three selected production sites and even significantly surpassed by one of them in 2019.*
WBS Bricks and Tiles: Reduction of specific energy consumption in production by 20% compared to 2010	*2020*	*-12%*	*-13%*	*-13,3%*	*In 2019 specific energy consumption in production was reduced by 13.3% compared to 2010 (calculated as an index in % based on kWh/ton; 2010 = 100%). On the one hand, this development is attributable to the success of our climate conservation projects and process optimization measures; on the other hand, it has also been strongly influenced by the product mix and by acquisitions in this product segment. In clay block production, for example, we are ahead of target at -22%.*
WPS Plastic Pipes: Reduction of specific total energy consumption in production by 3% compared to 2010	*2020*	*0%*	*+1%*	*+7%*	*In 2019 total specific energy consumption was slightly above 107% of the 2010 value, i.e. above the reference value.*
Climate action [2] [3]					
WBS Bricks and Tiles: Reduction of specific CO_2 emissions from primary sources of energy by 20% compared to 2010.	*2020*	*-4%*	*-6%*	*-6%*	*The indicators refer to 2013 as the reference year. The development is attributable to measures taken to enhance energy efficiency and the step-by-step substitution of CO_2-intensive energy sources, such as coal, with natural gas; at the same time, it has also been strongly influenced by the product mix and by acquisitions.*
WPS Plastic Pipes: Reduction of specific indirect CO_2 emissions from electricity used in production by 11% compared to 2010.	*2020*	*-16%*	*-11%*	*-8%*	*The reversal of the trend in 2019 was primarily caused by higher electricity consumption, despite a lower production volume in tons, due to changes in the product mix (e.g. lower percentage of large-diameter pipes) and the machinery used in production.*
WPS Ceramic Pipes: Compensation of 5% of the annual CO_2 emissions generated in the respective plant through climate protection projects	*2019*	*>5%*	*>5%*	*>5%*	*The target was again achieved in 2019.*
Water usage					
WPS Plastic Pipes: Reduction of specific water usage from public networks to 0.85 m^3 per ton of products produced	*2020*	*0.95 m^3/t*	*1.02 m^3/t*	*0.99 m^3/t*	*Although water usage was lower than in the previous year, the target for 2020 is still highly ambitious.*
Resource efficiency and waste management					
WBS Concrete Pavers: Reduction of the scrap rate to 2%	*2020*	*2.6%*	*2.14%*	*2.18%*	*Owing to the percentage of premium products, the scrap rate increased slightly in 2019. We intend to further reduce the scrap rate through targeted improvements of selected production equipment and monthly evaluations by plant and production line.*

1) Unit of measurement for accident frequency: Number of occupational accidents / number of hours worked x 1,000,000; including temporary and agency workers as well as employees under term contracts. // 2) Reduction targets: a negative value (-) of the performance indicator represents a reduction; a positive value (+) of the performance indicator represents an increase. // 3) Since the change-over to the third emissions trading period of the European Emissions Trading System we have used the 2013 indicators as a reference value to calculate the index of specific CO_2 emissions from primary energy sources (in % based on kg CO_2/ton).

Target definitions	*Deadlines set*	*Performance*			
Products		**2017**	**2018**	**2019**	**Status**
Innovative products					
WBS Bricks and Tiles: 25% share of innovative products in total revenues	*Every year*	*31%*	*31%*	*33%*	*As in the previous year, the target was surpassed.*
WBS Concrete Pavers: 30% share of innovative products in total revenues	*Every year*	*38%*	*35%*	*38%*	*As in the previous year, the target was surpassed.*
WPS Plastic Pipes: 20% share of innovative products in total revenues	*Every year*	*19%*	*17%*	*18%*	*The target was missed. This is attributed to the product development cycles in this product group. We expect the percentage of innovative products in total revenues to rise again in 2020.*
WPS Ceramic Pipes: 35% share of innovative products in total revenues	*Every year*	*42%*	*43%*	*49%*	*As in the previous year, the target was surpassed.*
North America: 50% share of innovative products in total revenues	*Every year*	*51%*	*51%*	*51%*	*The target was again achieved.*
Recyclability, recycling and re-use					
***PREVIOUS** target for WPS Plastic Pipes: Increase of the amount of secondary raw materials to 85 kg per ton of products produced*	*2020*	*67.2 kg/t*	*75.02 kg/t*	*85.12 kg/t*	*The new target for 2020 set in 2018 was reached in 2019, i.e. earlier than planned.*
***NEW** target for WPS Plastic Pipes: Increase of the amount of secondary raw materials to 90 kg per ton of products produced*	*2020*	*67.2 kg/t*	*75.02 kg/t*	*85.12 kg/t*	*As the target (85 kg per ton of product produced) was reached one year ahead of the deadline set, we defined a new and even more ambitious target for 2020.*
WPS Plastic Pipes: Increase of the amount of external secondary raw materials to 50 kg per ton of products produced	*2020*	*30.89 kg/t*	*39.18 kg/t*	*42.93 kg/t*	*Irrespective of the success achieved in increasing the use of external secondary raw materials, the target set for 2020 is extremely ambitious.*
Corporate Social Responsibility					
Business Ethics & Compliance					
At Group level: zero incidents of corruption	*Every year*	*0*	*0*	*0*	*The target was again achieved in 2019.*

*Our **Sustainability Roadmap 2020** represents a conscious, self-imposed commitment to continuously improve our ecological, social, societal and economic performance along the entire value creation process of the Wienerberger Group (diagram on page 40/41).*

This process is based on four main **value chains**: bricks and tiles, concrete pavers, plastic pipes and ceramic pipes. Along these value chains, in 2014 about 500 stakeholders specified the topics and challenges that they regarded as most important for the Wienerberger Group and its impacts on society (detailed process description starting on page 42). The aspects and challenges identified by our stakeholders as the most important ones for the Wienerberger Group were incorporated into the sustainability strategy and the sustainability program for the period from 2015 to 2020: the Sustainability Roadmap 2020 (details on page 44). The roadmap contains the quantitative targets we want to achieve every year, such as zero accidents or zero incidents of corruption at Group level, or by 2020 at the latest.

The table on these two pages shows whether we have reached our quantitative targets as of 31/12/2019 or how far we have come in our efforts. For a more detailed presentation of our activities along the Wienerberger Sustainability Roadmap 2020, complete with further explanations, please refer to the chapters starting on pages 85 (Employees), 111 (Production) and 135 (Products and System Solutions).

Wienerberger is currently working on its Sustainability Strategy 2020+ (effective as of 2021). Essential input is being derived from the results achieved to date in implementing the Sustainability Roadmap 2020 and the consequences identified, as well as the global challenges that Wienerberger is exposed to and those that it is ready and able to actively address (see "Impact and risk analysis", page 51). Our commitment to the "European Green Deal", as well as the results of the materiality analysis to be updated in 2020, will also be important elements on which we base our new sustainability strategy.

Mission Statement

Our Vision

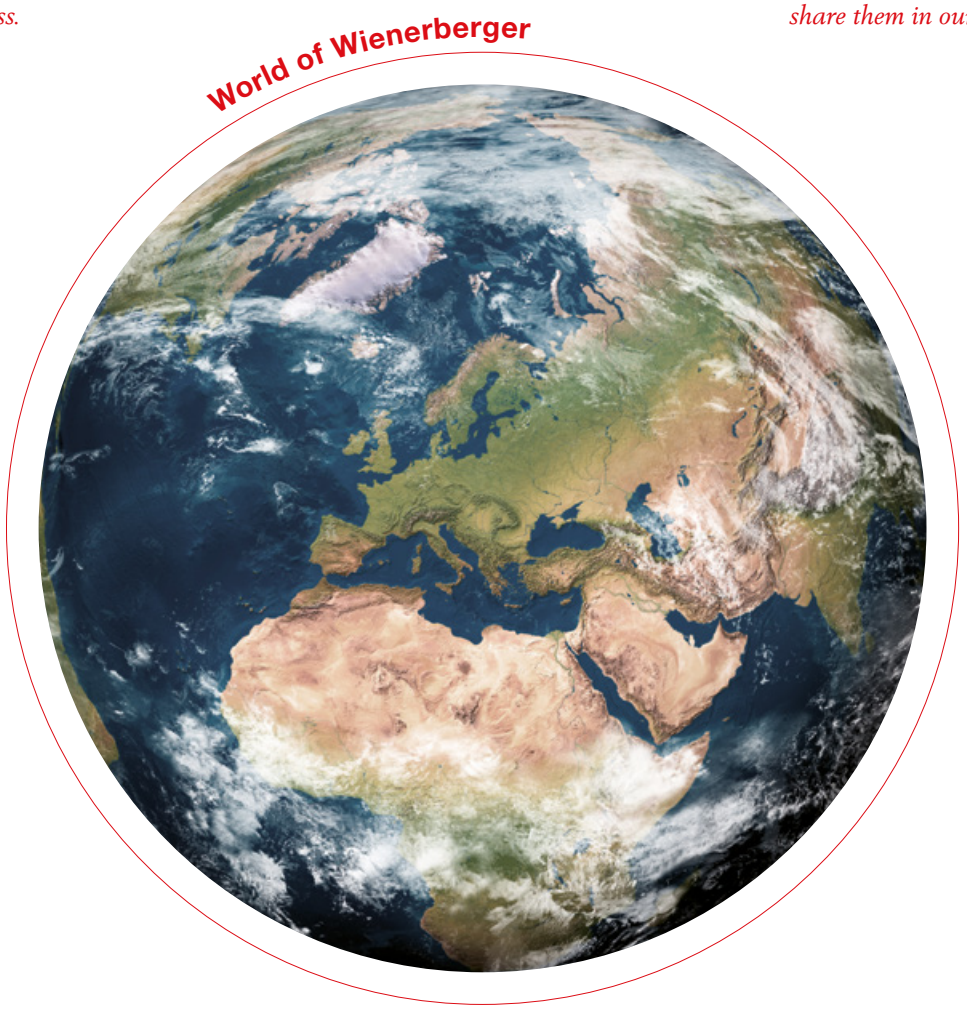
We want to be the most highly regarded producer of building materials and infrastructure solutions and the preferred employer in our markets. We share our values, our knowledge, our experience and our success.

Our Mission

We improve people's quality of life by providing outstanding, sustainable building material and infrastructure solutions.

Our Values

Expertise, Passion, Integrity and Respect, Customer Orientation, Entrepreneurship, Quality and Responsibility. Our values form the basis of our entrepreneurial activities. We live by our values and share them in our day-to-day cooperation.



Our Culture

Together, we live our values, we share our mission, our vision and our success. Our corporate identity and our corporate culture are characterized by international diversity and positive, forward-looking dynamics.

Our Goal

The primary goal of our entrepreneurial activities is to achieve a sustainable increase in the value of the company in accordance with ecological, social and economic principles.

Our Employees

Our employees are crucially important for the success of our company. Thanks to their professionalism, their passion and their entrepreneurial spirit we can seize opportunities, take purposeful action, and create value for our shareholders.

WOW – World of Wienerberger – stands for our self-concept to provide solutions that make the world a better place

For more than 200 years, we have been seeking and finding solutions to meet old and new needs of our customers – with expertise and with passion.

We create lasting values, because our best-in-class products and system solutions ensure a high quality of life for generations to come.

Our portfolio is being designed to make a positive contribution to decarbonization and the restoration of biodiversity for present and future generations. In the future all our products and system solutions are to be completely re-usable or recyclable – and thus come full circle with sustainability.

Key Indicators – Wienerberger Group

Corporate indicators		2017	2018	2019	Chg. in %
Revenues	*in MEUR*	3,119.7	3,305.1	**3,466.3**	+5
EBITDA	*in MEUR*	415.0	442.6	**610.0**	+38
EBIT	*in MEUR*	178.7	239.8	**362,7**	+51
Profit before tax	*in MEUR*	144.9	195.3	**315.3**	+61
Free cash flow [1)]	*in MEUR*	152.5	272.5	**286,0**	+5
Net debt	*in MEUR*	566.4	631.6	**871.4**	+38
Gearing	*in %*	29.6	32.6	**42.0**	+29

Employees		2017	2018	2019	Chg. in %
Ø Employees as at 31/12	*Full-time equivalents (FTE)*	16,297	16,596	**17,234**	+3.8
Employees as at 31/12	*Headcount*	16,258	16,284	**16,311**	+0.2
Accident frequency	*Number of occupational accidents / number of hours worked x 1,000,000*	5.4	5.1	**5.6**	9.9
Accident severity	*Accident-related sick-leave days / number of hours worked x 1,000,000*	173	155	**158**	2.4
Ø Sick-leave days / employee [2)]	*in days*	10.2	10.5	**10.7**	+1.7
Ø Training hours / employee [3)]	*in hours*	13.6	15.8	**16.0**	+1.3
Ø Training costs / employee	*in €*	255	283	**323**	+14.0
Percentage of women	*in %, relative to total headcount*	13.8	14.3	**14.8**	-
Employee turnover [2) 4)]	*in %*		12.2	**11.3**	-

Production		2017	2018	2018	Chg. in %
Total energy consumption [5) 6)]	*in GWh*	7,889	8,211	**8,194**	-0.2
Specific energy consumption [5) 6)]	*Index in % based on kWh/ton (2013 = 100%)*	99.1	98.7	**98.6**	0.0
Total CO_2 emissions [6) 7)]	*in kilo tons*	2,171	2,312	**2,316**	+0.2
Specific CO_2 emissions [8) 9)]	*Index in % based on kg CO_2/ton (2013 = 100%)*	94.0	92.0	**92.1**	0.1
Waste	*in t*	167,084	147,569	**158,626**	7.5
Water usage	*in million m³*	4.2	4.4	**4.4**	-0.9
Water usage from public networks	*in %*	33.7	34.9	**36.6**	-

Products		2017	2017	2018	Chg. in %
Share of innovative products in total revenues	*in %*	26.7	29.0	**30.7**	-

1) Indicator for 2018 adjusted in mid-2019. // 2) Excluding North America, as the indicators are not fully comparable to those of other Business Units due to specific local regulations regarding employee-related data collection. // 3) Internal and external initial and further training measures per employee. International training events are not included. // 4) The indicator for 2017 cannot be shown on account of the new corporate structure. // 5) Total energy consumption comprises energy consumed in production, excluding administration, except in countries where separate accounting is not possible. // 6) The energy and emission indicators of a site (ceramic production) newly acquired in 2018 were included for 2018 after the required data collection structures were implemented. The corresponding indicators for 2018 were therefore restated. // 7) Only direct absolute CO_2 emissions. // 8) Specific CO_2 emissions exclusively refer to fuel emission in ceramic production. // 9) In the context of reporting process emissions for 2019, the primary-energy-related indicators of CO_2 emissions were changed as well. The indicators concerned were adjusted and therefore deviate slightly from those published in the 2019 Annual Report. // 10) Exclusively Wienerberger Piping Solutions Business Unit, Plastic Pipes

***General statements applying to all parts of the 2019 Sustainability Update:** The rates of change compared with the previous year's periods are calculated for all non-financial indicators on the basis of non-rounded values. // Free cash flow equals cash flow from operating activities minus cash flow from investing activities plus growth capex. // The methods of calculating the indicators are explained in the respective chapters of the report; the reporting scope is explained in the chapter "Reporting Profile". // Total energy consumption comprises energy consumed in production, excluding administration, except in countries where separate accounting is not possible. // Rounding differences may be due to electronic data processing. // From 2017 onwards, all agency and temporary workers have been included in the calculation of accident indicators from their first hour of work at Wienerberger, as are full-time equivalents.*

Key Non-Financial Indicators by Product Group

Bricks and tiles		2017	2018	2019	Chg. in%
Employees as at 31/12	*Headcount*	11,970	12,032	**11,957**	-0.6
Accident frequency	*Number of occupational accidents / number of hours worked x 1,000,000*	5.3	5.4	**6.6**	+22.7
Percentage of women	*in %, relative to total headcount*	13.3	13.6	**14.1**	-
Employee turnover [2)]	*in %*	8.5	11.9	**11.5**	-
Specific energy consumption [5)]					
Clay blocks	*Index in % based on kWh/ton (2010 = 100%)*	77.5	77.3	**77.5**	+0.3
Roof tiles	*Index in % based on kWh/ton (2010 = 100%)*	85.7	84.3	**83.0**	-1.5
Facing bricks	*Index in % based on kWh/ton (2010 = 100%)*	103.6	101.2	**103.1**	+1.9
Specific CO_2 emissions [8)]					
Clay blocks	*Index in % based on kg CO_2/ton (2013 = 100%)*	89.6	89.7	**90.2**	+0.6
Roof tiles	*Index in % based on kg CO_2/ton (2013 = 100%)*	87.4	85.7	**84.5**	-1.5
Facing bricks	*Index in % based on kg CO_2/ton (2013 = 100%)*	93.0	90.2	**91.9**	+1.9
Specific water usage	*in m^3/ton*	0.15	0.15	**0.15**	+4.3
Share of innovative products in total revenues	*in %*	33.0	33.1	**34.5**	-
Ceramic pipes					
Employees as at 31/12	*Headcount*	539	451	**414**	-8.2
Accident frequency	*Number of occupational accidents / number of hours worked x 1,000,000*	9.8	15.5	**5,7**	-63.6
Percentage of women	*in %, relative to total headcount*	8.7	9.8	**10.6**	-
Employee turnover	*in %*	2.6	25.2	**5.5**	-
Specific energy consumption [5)]	*Index in % based on kWh/ton (2013 = 100%)*	122.0	116.4	**100.7**	-13.5
Specific CO_2 emissions [8)]	*Index in % based on kg CO_2/ton (2013 = 100%)*	123.8	111.7	**101.8**	-8.9
Specific water usage	*in m^3/ton*	0.24	0.43	**0.22**	-48.4
Share of innovative products in total revenues	*in %*	42.0	43.0	**49.0**	-
Plastic pipes					
Employees as at 31/12	*Headcount*	2,662	2,746	**2,822**	+2.8
Accident frequency	*Number of occupational accidents / number of hours worked x 1,000,000*	3.8	2.6	**1.4**	-44.4
Percentage of women	*in %, relative to total headcount*	14.9	16.0	**16.0**	-
Employee turnover [2)]	*in %*	10.9	11.3	**11.5**	-
Specific energy consumption [5)]	*Index in % based on kWh/ton (2010 = 100%)*	98.9	100.2	**107.2**	+7.0
Specific indirect CO_2 emissions from electricity [10)]	*Index in % based on kg CO_2/ton (2010 = 100%)*	84.0	89.0	**92.3**	+3.7
Specific water usage	*in m^3/ton*	5.04	5.25	**5.19**	-1.2
Share of innovative products in total revenues [10)]	*in %*	19.1	16.7	**18.1**	-
Concrete pavers					
Employees as at 31/12	*Headcount*	963	904	**945**	+4.5
Accident frequency	*Number of occupational accidents / number of hours worked x 1,000,000*	9.5	5.0	**6.5**	+30.7
Percentage of women	*in %, relative to total headcount*	16.2	16.3	**16.2**	-
Employee turnover	*in %*	16.6	12.7	**11.4**	-
Specific energy consumption [5)]	*Index in % based on kWh/ton (2010 = 100%)*	95.0	78.2	**83.5**	+6.8
Specific water usage	*in m^3/ton*	0.05	0.06	**0.06**	+3.8
Share of innovative products in total revenues	*in %*	37.6	35.0	**38.1**	-

Information on the footnotes and general statements applying to all parts of the 2019 Sustainability Update are included on page 2.

Wienerberger 2019 Sustainability Update

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Heimo Scheuch
Chief Executive Officer of the Wienerberger AG

Introduction
by the Chief Executive Officer

Ladies and Gentlemen:

In 2019, we generated record revenues and delivered the best result ever in the 200-year history of our company thanks to our forward-looking approach and our well-thought-out corporate strategy. In recent years, we have consistently realigned our mix of products and system solutions, focusing intensively on innovation, the digitalization of processes, new forms of digital interaction with our customers, and the development of new business models. In the course of our transformation from a supplier of building materials into a system provider for innovative building and infrastructure solutions for the future, we have always remained true to our mission, which is to improve people's quality of life by providing intelligent and sustainable building material and infrastructure solutions.

2019 was a record year for Wienerberger.

From the early days of our history, searching for and finding new solutions to meet old and new needs of our customers has been part of our DNA. Innovation has always been the decisive factor of success in the long-term development of our Group. To this very day, this approach has enabled us repeatedly not only to overcome crises, but to emerge even stronger than before. The COVID-19 crisis still has the world firmly in its grip. We at Wienerberger, too, are feeling the full impact of this crisis. However, we have a crucial advantage: Thanks to the portfolio optimization measures taken in recent years, the enhancement of our cost and resource efficiency, our innovative strength, and our highly motivated employees, we find ourselves in a very strong position.

In 2019, innovative products accounted for more than 30% of our total revenues.

As in previous years, we generated about one third of our revenues with innovative products; in two of our Business Units, such products accounted for a full half of their revenues. With our innovative and sustainable products for residential construction, renovation and infrastructure, we are well positioned to further improve our ecological performance by contributing to the fight against climate change and making the necessary adjustments to its consequences; at the same time, we are setting the pace for the building industry's future development through innovation.

Innovation and digitalization have been the greatest opportunities for the building industry in the past 30 years. As a leading provider of smart building material and infrastructure solutions, we are advancing digitalization in all areas of the company and giving our employees the chance to actively contribute to the future of building construction. We are pursuing our Digital Agenda on three levels: optimization and automation of our production and back-office processes, new forms of digital interaction with our customers, and the development of new digital business models. There are numerous examples, such as digital product information for prefabrication on the basis of 3D models, digital planning tools for crafts businesses, such as our All4Roof platform, and smart products, such as smart pumping stations that will supply households with relevant additional information for water and wastewater management, from meteorological data to reminders of upcoming maintenance dates.

From the early days of our 200-year history, searching for and finding new solutions to meet old and new needs of our customers has been part of our DNA.

Recent months have shown that, thanks to our investment in digitalization and the commitment and discipline of our employees, we are able to reliably supply our customers with building materials and tailor-made infrastructure solutions, even in difficult times like the COVID-19 crisis. It goes without saying that minimizing health risks in order to keep our employees, customers, partners and all other stakeholders safe is our top priority in everything we do.

During the past ten years, we succeeded in reducing the accident frequency rate by almost 80%.

Nothing matters more to us than our over 17,000 employees. Their safety and health are at the top of our agenda. In recent years, all normal capex and standard activities for the maintenance and modernization of our plants have been carried out with the safety and health needs of our employees in mind. The Wienerberger Safety Initiative, launched ten years ago, implemented uniform, group-wide safety standards aimed at reducing the frequency and severity of occupational accidents. Despite a slight increase in 2019, we succeeded in reducing the accident frequency rate by almost 80% over the past ten years. However, we continue to pursue our zero-accident target.

As co-owners, our employees, as well as all our shareholders, will benefit in the long run.

In accordance with our mission statement, we share not only our values, our expertise and our experience with our employees, but also our success. In 2019, we created an opportunity for our employees to invest in the company via a private foundation managing an Employee Participation Program. The second round of the Employee Participation Program was launched at the beginning of 2020. Over 4,400 employees in Austria, Great Britain, the Netherlands and the Czech Republic were eligible for participation. The high rate of participation of up to one quarter of all eligible employees clearly reflects the strength of Wienerberger, especially in difficult times like these. It shows that our employees believe in Wienerberger's future. This impressive success encourages us to roll out the Employee Participation Program to additional countries in the years to come.

We are approaching the finish line of our Sustainability Roadmap 2020.

During the past five years, we have been working hard to achieve the targets we set ourselves in our Sustainability Roadmap 2020. While we again reached our target of zero incidents of corruption in 2019, we are still striving to achieve our goal of zero accidents.

As regards our environment-related targets, the results also show a mixed picture. In the production of bricks and tiles, Wienerberger Building Solutions (WBS) reported a decrease in specific energy consumption of more than 13% overall and more than 22% in clay block production. Across the Group, the volume of specific CO_2 emissions from primary energy sources used in ceramic production dropped by almost 8% compared to 2013. Regrettably, we did not reach our reduction targets in plastic pipe production by Wienerberger Piping Solutions (WPS). Conversely, our target of increasing the amount of secondary raw materials to 85 kg per ton of products produced by 2020 was already reached in 2019, which motivated us to increase the target for 2020 to 90 kg/t.

We rely on good relations with local residents in the vicinity of our plants and clay pits.

Our production activities have a direct impact on local residents and the environment in the vicinity of our plants and raw material extraction sites. We are making every effort to minimize this impact through the use of state-of-the-art technologies in our plants, efficient emission-reducing measures, and optimized logistics. In the case of our lighthouse project in Belgium, a six-meter earth dam, embedded in the landscape, not only shields the local residents from the brick plant, but also forms part of an eco-corridor connecting the nature reserve on the Belgian side of the Albert Canal with the Dutch nature reserve along the River Meuse. Together with the neighboring renatured clay pit, the entire area, which is crossed by a public cycle path, now extends over 12 hectares.

We are committed to the ten principles of the UN Global Compact.

Respect for human rights and zero tolerance of child and forced labor and any form of discrimination has always been an absolute must for Wienerberger. This is in line with our values and one of the reasons why we acceded to the UN Global Compact in 2003. Through this move, we officially committed to the ten principles regarding human rights, labor standards, environmental protection, including the precautionary principle, and the fight against corruption, and undertook to implement them within the framework of our own possibilities. For our Communication on Progress on the UN Global Compact for 2019, please refer to pages 156–162.

We hold our suppliers to account.

We also expect our suppliers to act responsibly with regard to people and the environment. In 2019, we replaced the previous, business-specific supplier codes of conduct with a uniform, group-wide Supplier Code of Conduct. To ensure compliance with minimum ESG (environmental, social, governance) standards along the entire supply chain, we have our suppliers in selected areas of procurement assessed by a specialized rating agency. Additionally, we contracted an external institute to train some of our employees in the performance of supplier audits. In 2020, we will start to conduct our own supplier audits.

We fully support the "European Green Deal".

Climate change and the progressive destruction of the natural environment constitute an existential threat for Europe and the entire world. To counteract this trend, the new European Commission intends to advance the transition to a zero-emission economy in the EU with its "European Green Deal". By 2050, greenhouse gas emissions are to be reduced to net-zero (climate neutrality), economic growth is to be decoupled from resource use, and measures are to be taken to restore biodiversity and to fight against environmental pollution. We fully support the "European Green Deal", as it demands and promotes what we have been working on for years in our core business: innovative, resource-efficient, intelligent products and system solutions for the construction sector.

Our Sustainability Strategy 2020+ focuses on decarbonization, the circular economy, and biodiversity.

Our Sustainability Strategy 2020+ will focus on decarbonization, the circular economy, and biodiversity. The Sustainability Program 2020+, which comprises measures in these thematic areas and replaces our Sustainability Roadmap 2020, will enter into force at the beginning of 2021. Thereby, we are not only renewing our self-imposed commitment to continuous improvement of our ecological, social, societal and economic performance, but also have undertaken to make a contribution to the "European Green Deal".

The Wienerberger portfolio will make a positive contribution to decarbonization.

Decarbonization of the energy sector is only the first step. We are also planning substantial future investments in the decarbonization of our portfolio. In doing so, we want to ensure that Wienerberger products and system solutions make a positive contribution to decarbonization of buildings and infrastructure throughout their entire life cycles.

To this end, we will employ novel production technologies, such as the first industrial heat pump for high-temperature operation. This technology, developed in cooperation with a partner within the framework of the EU DryFiciency project, can be used to convert industrial waste heat from the brick dryer into usable energy for the kiln.

At the same time, innovative products, such as energy-efficient bricks, which save more greenhouse gases during their service life than are emitted during production, also contribute to decarbonization of the building sector. During the phase of transition to climate-friendly technologies we will offset our remaining greenhouse gas emissions through a variety of measures, the objective being to significantly reduce the carbon footprint of the Wienerberger Group.

Our aim is to make Wienerberger products completely recyclable.

The circular economy is the only meaningful alternative to the so-called linear economy. It is one of the crucial pillars of resource efficiency. We have already made good progress with the use of secondary raw materials in the production of plastic pipes by Wienerberger Piping Solutions (WPS). Going beyond that, we intend to foster the circular economy throughout the Wienerberger Group. We are committed to resource efficiency and conversion to the circular economy and will take all the steps necessary to ensure that all Wienerberger products are fully recyclable.

Wienerberger will make a positive contribution to restoring biodiversity.

Wienerberger is firmly committed to respecting nature reserves and minimizing the environmental impact of its production activities and the extraction of raw materials. It goes without saying that Wienerberger complies with all legal and regulatory requirements as well as nature conservation guidelines. These regulations are an essential part of any approval process preceding the issue of an official permit for a new clay pit. The permit issued specifies in detail how plant and animal life is to be protected and how biodiversity is to be preserved when a clay pit is opened, operated and closed down. Once a clay pit is depleted, Wienerberger will of course make the abandoned clay pit available for the intended subsequent use or restore it to the agreed condition.

In the future, Wienerberger will go one step further and proactively support the preservation of biodiversity as well as the protection and restoration of ecosystems. We will take all the measures necessary to make a positive contribution to the increase of biodiversity and the preservation or restoration of ecosystems in the regions in which Wienerberger operates.

Health-preserving, affordable housing is a basic human right.

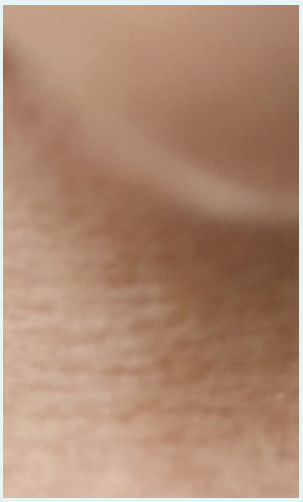
Housing must be both health-preserving and affordable. For a long time, Wienerberger has therefore advocated the provision of affordable housing. At the beginning of the 20th century, Wienerberger was actively involved in the pioneering social housing movement in Vienna. Our interest in this issue has continued to this day, as our long-term partnership with Habitat for Humanity shows. Together with this international non-profit organization, we are not only helping to build public awareness of the need for affordable housing. Since the inception of our cooperation with Habitat for Humanity, we have also contributed to the provision of healthy living space for far more than a thousand socially underprivileged people in seven countries.

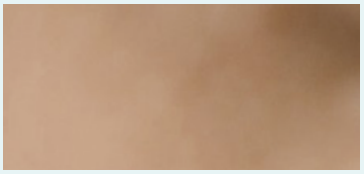
In the years to come, we will of course continue to report openly and transparently on what we have done to reach our goals and whatever success we have achieved. You may look forward with interest to our next Sustainability Report, which will be our first publication outlining our Sustainability Strategy 2020+ with a special focus on decarbonization, the circular economy and biodiversity. We will be describing how we plan to contribute to the goal of making Europe climate-neutral by 2050.

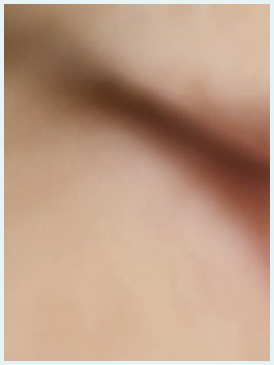
I will be greatly pleased to see you, our esteemed readers, accompany us on this path.

What makes us proud

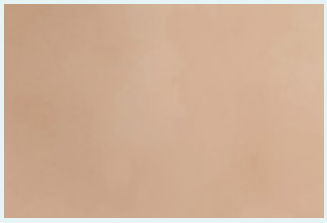
31%
*of **group-wide revenues from innovative products** results in more than 1 in 3 euros of our revenues being generated by innovative products.*

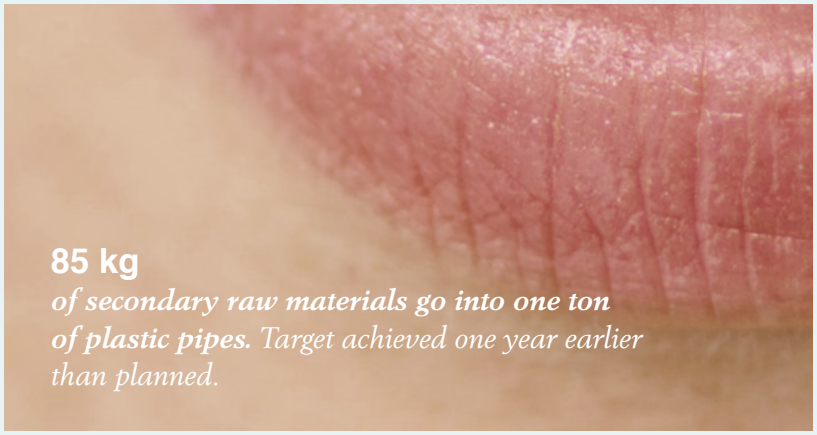






Zero
*As in previous years, **zero incidents of corruption** within the Wienerberger Group.*





85 kg
***of secondary raw materials go into one ton of plastic pipes.** Target achieved one year earlier than planned.*

22%
***less energy consumed** for the production of clay blocks than in 2010.*

Responsible supplier management

Group-wide uniform "Supplier Code of Conduct" as minimum standard and numerous other new supplier management measures implemented.

Green Finance

*For the first time, Wienerberger opted for a **sustainability-oriented form of finance** in 2019. The rate of interest on a bank loan is inter alia linked to the sustainability rating.*

948 people

***in need,** among them close to 90 families, were **given a new home** in cooperation with Habitat for Humanity.*

-78%

*Over the past ten years, we succeeded in **reducing accident frequency within the Wienerberger Group** by almost four fifths.*

Share of women

33.3% women on the Managing Board through in-house appointment of new Chief Performance Officer (CPO). 36% women on the Supervisory Board. Share of women in senior and executive positions increased to 12%.

What will make us work even harder

Wienerberger will make a positive ***contribution toward restoring biodiversity.***

We are determined to sustainably reduce the frequency and severity of accidents in all production areas. ***Our target is zero accidents.***

Absolute CO_2 emissions across the Group and specific CO_2 emission from primary energy sources used in ceramic production in 2019 were almost at the same level as in 2018. With our portfolio, we want to make a ***positive contribution to decarbonization.***

We see ourselves as a company that respects human rights and does not tolerate child and forced labor or any form of discrimination. By 2021, we will therefore lay down our commitment in a binding ***Wienerberger Code of Conduct*** *in order to communicate it in an even more transparent and comprehensible way.*

We intend to further harmonize our definitions of product innovations, drawing a ***clearer line between innovation and sustainability criteria.***

We intend to make Wienerberger products and system solutions reusable or fully recyclable.

We will consistently roll out and apply our newly implemented instruments of ***responsible supplier management.*** *These include supplier audits, supplier ratings by an external sustainability rating agency, and checks of our suppliers against international sanctions lists.*

Wienerberger at a Glance

Company Profile

Wienerberger is an international supplier of innovative building material and infrastructure solutions with headquarters in Vienna. We are the only multinational producer of clay blocks, facing bricks and clay roof tiles, pipe systems made of plastics and ceramics, and concrete and clay pavers. As at 31/12/2019, Wienerberger had 201 production sites operating in 30 countries and exported its products to international markets. We are the worldwide market leader in bricks and the number one producer of clay roof tiles in Europe. Moreover, we are among the leading suppliers of pipe systems in Europe and concrete pavers in Central and Eastern Europe. For details on our production sites and market positions, please refer to the diagrams on pages 24–25.

Wienerberger is a free float company with 100% of its shares being publicly traded. For details on the shareholder structure of Wienerberger, please refer to pages 32–33 of the 2019 Management Report.

History of the Company

Wienerberger was founded by Alois Miesbach in 1819 as an Austrian brick factory in the Wienerberg district on the southern outskirts of Vienna. In 1869, it became one of the first companies to be listed on the Vienna Stock Exchange.

The company took its first step toward internationalization with the takeover of the German Oltmanns Group in 1986, which was followed by successful expansion into Eastern Europe, France and the Benelux countries in the 1990s. At about the same time, Pipelife (plastic pipes) was established as a joint venture and the activities of the Group were diversified to include ceramic pipes and concrete pavers. After a further period of expansion in Europe, the Wienerberger Group developed into a global player with the takeover of General Shale in the USA in 1999. Another strategic milestone was the Group's entry into the roof sector through the acquisition of Koramic in 2003. This line of business was steadily expanded in the following years. With the takeovers of Semmelrock (2010), Steinzeug-Keramo (2010), Pipelife (2012) and Tondach Gleinstätten (2014), Wienerberger completed its transformation into an international supplier of building material systems.

Since 2019, Wienerberger's organizational structure has comprised the following Business Units: Wienerberger Building Solutions, Wienerberger Piping Solutions, and North America (see "New Corporate and Reporting Structure" on page 18).

Mission Statement

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

Our mission is to improve people's quality of life by providing outstanding, sustainable building material and infrastructure solutions. The primary goal of our entrepreneurial activities is to achieve a sustainable increase in enterprise value in accordance with ecological, social and economic principles. Day after day, 17,234 employees are making every effort to translate this vision into reality through their commitment and their professional approach. This excellent cooperation is based on a firmly rooted corporate culture, which provides the foundation for our organization and is characterized by shared values – expertise, passion, integrity and respect, customer proximity, entrepreneurship, quality and responsibility.

Business Model

Wienerberger's business model is focused on providing innovative building and infrastructure solutions for all our fields of application, from sustainable and energy-efficient buildings to environment-friendly pavers to pipe systems designed to ensure maximum security of supply.

Value Creation

Our value creation process is fundamental to the achievement of our corporate goal of sustainably increasing the enterprise value in ecological, social and economic terms. This is how we create added value for our company, our stakeholders and society at large. The diagrams shown on pages 40–41 of the chapter "Management Approach" illustrate our value creation process.

Corporate Strategy

Our corporate strategy defines the framework for our business activities. As a leading provider of building material and infrastructure solutions 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 the environment-friendly extraction of raw materials to a sparing use of resources and efficient production processes to durable and recyclable product solutions.

This strategy is the foundation on which opportunities arise for the future development of our strong industrial and commercial platforms. It is based on three pillars: organic growth, operational excellence, and the implementation of value-enhancing growth investments.

Moreover, by observing strict financial discipline, we keep our balance sheet strong and ensure an attractive profit distribution policy.

Organic growth

From product supplier to system provider

Wienerberger is evolving from a manufacturer of sustainable building materials into a provider of system solutions, transforming its business model to focus even more intensively on customer proximity and value creation. With our innovative and efficient solutions, we contribute to environmental protection, broaden our potential market and increase our share in the value chain.

Market proximity and digitalization

In view of the growing complexity of building and infrastructure projects, customer proximity has become an essential factor in everything we do. We constantly strive to support our customers in addressing their challenges and provide them with tailor-made solutions. To this end, we offer end-to-end advisory and ancillary services, employ digital tools and support projects from the planning phase right through to execution.

Operational excellence

Continuous improvement of our internal processes is one of the main pillars of our corporate strategy. The Fast Forward program provides the framework for all measures aimed at enhancing efficiency and improving profitability throughout the Wienerberger Group. Across the Group, our efforts to generate improvements along the entire value chain are concentrated on six clearly defined work streams – optimization of procurement, implementation of best-in-class production processes, digitalized stockyards, automated back-office processes, and new ways of interacting with our customers.

Growth projects and portfolio optimization

Our organic growth potential is underpinned by value-accretive 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 value management criteria, enhance 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 meet our profitability targets or do not comply with our sustainability principles and strategic priorities. The proceeds can then be reinvested in more attractive high-margin operations 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 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.

Group policies, such as a compliance code to prevent insider trading and a code of conduct for lobbying activities, provide the framework for our actions. A compliance officer, assisted by a deputy, has been appointed to monitor compliance with all rules of conduct.

In 2019, Wienerberger was almost in full compliance with the rules of the Austrian Corporate Governance Code, including its R Rules. Slight non-compliance was reported in respect of two C Rules of the Code's total number of 83 rules. These deviations, as well as further activities in the reporting year, are explained and described in detail in the consolidated 2019 Corporate Governance Report, starting on page 6. This report is also available on the Wienerberger website.

Further information on corporate governance at Wienerberger can also be found in this report in the chapter "Management Approach", starting on page 28.

New Corporate and Reporting Structure

With its innovative solutions, Wienerberger is evolving from a supplier of building materials into a provider of building and infrastructure system solutions. In the interest of greater customer proximity, we have restructured our Business Units.

Wienerberger Building Solutions provides our European customers with a comprehensive, innovative range of products in the wall, facade, roof and paver segments.

Wienerberger Piping Solutions is to be developed 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.

In the North America Business Unit, we intend to pursue our growth strategy through organic growth, while contributing to market consolidation and strengthening our presence in the North American market through acquisitions.

As of the 2019 business year, we report on our activities in line with the new corporate structure. The developments and activities relating to our European business in ceramic building materials for the building envelope, together with those of the European concrete paver business, are being communicated within the framework of the Wienerberger Building Solutions Business Unit. We report on the development of our European plastic pipe business and our ceramic pipe operations in the Wienerberger Piping Solutions Business Unit. Reporting on North America as a separate Business Unit will remain unchanged in the future.

Review of the Year 2019

2019 marked a milestone in Wienerberger's 200-year history. Over the past ten years, Wienerberger has successfully evolved from an Austrian brick producer with international operations into an international player, headquartered in Austria and providing building material and infrastructure solutions.

Despite a mostly flat market environment and low rates of economic growth, the Wienerberger Group generated record revenues of approximately € 3.5 billion, up by 5% from the previous year. EBITDA grew by 38% to € 610 million, while EBITDA LFL[1)] increased by 24% to € 587.5 million. Our profit after tax rose steeply from €133.5 million in 2018 to € 249.1 million in 2019. The ratio of net debt to EBITDA remained unchanged from the previous year at a year-end value of 1.4. This impressive success is attributable to the determined implementation of our growth strategy.

Within the framework of our Fast Forward program of optimization measures, we identified significant potential for improvement in all operating segments already in the second half of 2018. Through consistent and swift project implementation, Fast Forward contributed a total of € 50 million to EBITDA in 2019, € 10 million more than originally planned.

The results achieved in 2019 clearly show that, even in a flat market environment, the consistent implementation of our value-creating growth strategy enabled us to further broaden our portfolio and significantly improve the profitability of the Group.

In 2019, a dividend of € 0.50 per share, adding up to a total of € 57.3 million, was paid out to our shareholders from our 2018 net profit. Payout of the hybrid coupon amounted to € 14.3 million. Given the growth achieved in 2019, the Managing Board proposed to the Annual General Meeting that the dividend be increased by 20% from € 0.50 to € 0.60 per share, with payout being postponed to October 2020.

Financial flows to stakeholders *in € million*	2017	2018	2019	Chg. in %
Corporate revenues [1)]	3,180.2	3,363.5	**3,514.4**	+4
Operating expenses [2)]	-1,944.0	-2,039.9	**-1,997.0**	-2
Wages, salaries and benefits [3)]	-794.5	-853.5	**-880.9**	+3
Payments to providers of equity [4)]	-61.5	-48.4	**-71.6**	+48
Payments to providers of foreign capital	-38.5	-38.3	**-36.5**	-5
Payments to public bodies [5)]	-75.5	-75.1	**-92.0**	+22

1) Revenues and other operating income // 2) Cost of goods sold, selling expenses, administrative expenses and other operating expenses, excluding wages, salaries and benefits, depreciation and amortization, impairments and taxes other than taxes on income // 3) Excluding company cars; including employee-related restructuring costs // 4) Hybrid coupon and dividend recognized in the year of cash flow // 5) Excluding deferred taxes

General note: The first three lines are expense- and/or income-based; the last three lines are cash transactions.

1) Including the effect on earnings of first-time adoption of IFRS 16 Leases; adjusted for effects from changes in the scope of consolidation, foreign exchange effects, the sale of non-core assets, and structural adjustments.

Our Product Segments and their Applications; Customer Groups and Users of our Products

A central principle of product development at Wienerberger is the creation of lasting value for our customers by supplying them with durable and innovative building and infrastructure solutions.

As of 2019, our reporting is aligned with the new corporate structure. For further information on our new corporate and reporting structure, please refer to page 18 in this chapter.

Wienerberger Building Solutions

Covering our European markets, the Wienerberger Building Solutions Business Unit (WBS) offers a broad range of innovative products and system solutions for the building envelope and an integrated product mix for outdoor applications. Its roof tiles, clay blocks and facing bricks are essential innovation drivers for energy-efficient, sustainable and affordable system solutions for the building envelope, while concrete pavers represent high-quality solutions for outdoor applications. The information provided and the targets outlined for this Business Unit also apply to our clay block production site in India.

In a process of ongoing dialogue, we are making every effort to adapt our building solutions to our customers' needs. We therefore respond to the expectations of individual customer groups by supporting them with comprehensive advisory services from the planning phase to project execution. We increasingly rely on digital and mobile solutions to facilitate fast data and information exchange. In the following, we present an overview of the core properties and main applications of our products for walls, facades and roofs as well as our paving solutions.

Wall

Wienerberger clay blocks today fulfil the demanding standards of building physics that will have to be met by the energy-efficient buildings of tomorrow. Depending on local building traditions, they are used for load-bearing exterior monolithic or cavity walls of single-family homes as well as multi-story buildings. They are also used for load-bearing interior walls and for non-load-bearing partitions or infill walls.

Facade

Facing bricks are used, above all, in visible brick architecture as the most striking esthetic exterior feature of a building. A facing brick wall provides optimum protection from weather influences, but still allows the building envelope to breathe. Thanks to the durability of facing bricks, there is no need for costly renovation as the building gets older. Through the combination of different colors, formats and surface structures, facing bricks are ideally suited for modern and cost-effective urban brick architecture.

Roof

Clay roof tiles are used for pitched roofs, low slope roofs and as design elements on facades. They protect the building and its facade from weather influences and moisture for many years. On account of their long useful life and their color-fastness, they are the preferred building material for renovation works. A broad range of roof tiles and accessories is available for creative applications in modern building construction as well as for traditional solutions in renovation work and for classified buildings.

Pavers

Concrete and clay pavers offer outstanding advantages in terms of durability, lifetime esthetics and a great potential for circular use. They are used for a wide variety of applications, from public spaces and heavily trafficked roads to private buildings and gardens. Customers appreciate the high-quality surface finish as well as the variations in design and setting patterns.

Solutions for buildings and outdoor applications

Wienerberger Piping Solutions

In-house installations for water, energy and data transmission

Wienerberger Building Solutions

Clay blocks, facing bricks, roof tiles, concrete and clay pavers

North America

Facing bricks, concrete products, calcium silicate products

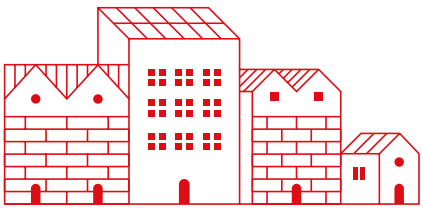
In-house installations

Wall

Facade

Roof

Concrete and clay pavers



Building solutions

Single- and two-family houses, multi-family residential, non-residential

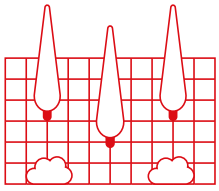
New construction, renovation and repair, preservation of listed buildings

Decision-makers, customer groups

Architect, designer, public principal, private investor, building contractor, processor, distribution partner, dealer

Product users

Users of buildings, the public



Pavers

Public spaces, private homes and gardens, streets

New construction, renovation and repair

Decision-makers, customer groups

Architect, designer, building contractor, processor, distribution partner, dealer, public principal, private customer

Product users

Users of buildings, the public

Wienerberger Piping Solutions

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

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

- In-house solutions
- Infrastructure applications
- Water management in agriculture

Our focus lies on enhancing our problem-solving expertise for the benefit of our customers. On the one hand, we benefit from in-house developments pursued in the Group's own research centers; on the other hand, we continuously explore possibilities of value-creating acquisitions in order to diversify into new applications and broaden our geographic market coverage.

In the following, we present an overview of the core properties and main applications of our ceramic and plastic pipes.

Ceramic pipes

Ceramic pipes (including fittings, manholes and accessories) are used in open-trench and trenchless sewer construction, providing sustainable system solutions for municipal waste-water disposal. Thanks to their durability, stability, ease of maintenance and resistance to effluents, ceramic pipes meet all the requirements of modern sewer systems.

Plastic pipes

Plastic pipes (including fittings and accessories) are suited for a wide variety of applications for public and private as well as industrial use. The range of high-quality, durable pipe systems includes products for in-house installation, drinking water supply, irrigation, wastewater and rainwater management, drainage, energy supply, data transfer and special products for industrial applications.

North America

The main focus of the North America Business Unit is on innovative products and system solutions with facing bricks, concrete and calcium silicate products, and plastic pipes. The core properties and applications of facing bricks as well as concrete and calcium silicate products in North America are comparable to those of the wall and facade products of Wienerberger Building Solutions (WBS). This also holds for plastic pipes produced in North America, which are comparable to those produced by Wienerberger Piping Solutions (WPS).

The information provided on the core properties and applications of products supplied by WBS and WPS therefore also applies to North America.

Infrastructure solutions

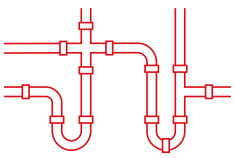
Wienerberger Piping Solutions

Ceramic pipes, plastic pipes

North America

Plastic pipes

Ceramic pipes



Infrastructure
Sewer construction

Open and trenchless construction, municipal sewage disposal

New construction, renovation

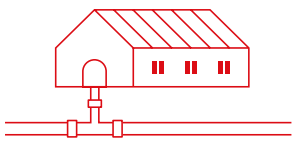
Decision-makers, customer groups

Designers, contractors, distribution partners, dealers, public principals, private investors

Product users

Users of buildings, the public

Plastic pipes



Infrastructure
Pipe systems – public – private – industrial

Water management, energy supply, data transmission, special products for industrial applications

New construction, renovation, repair

Decision-makers, customer groups

Investors, public principals, designers, building contractors, processors, distribution partners, dealers, private customers

Product users

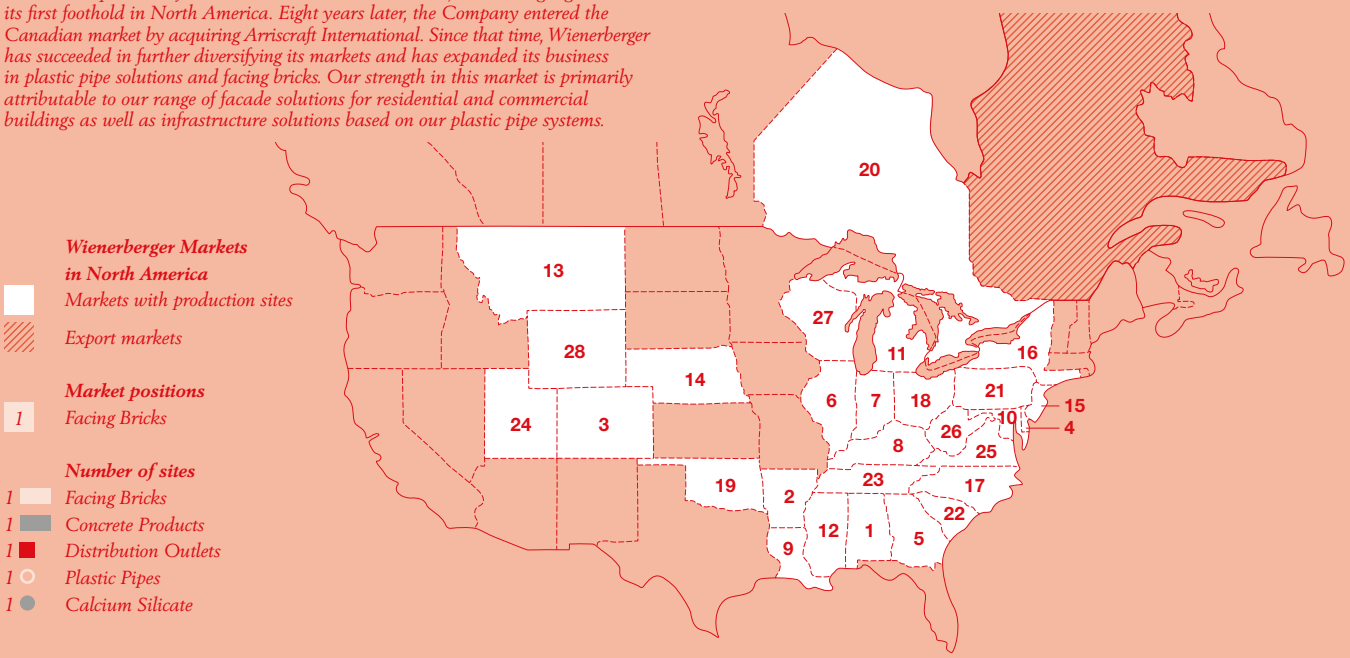
End customers, users of buildings, the public, network operators

Production sites and market positions

Wienerberger is a leading international provider of smart solutions for the entire building envelope and for infrastructure. Currently, we have 201 production sites in operation in 30 countries and export our products to markets all over the world. We are the world's largest brick producer and Europe's number one in clay roof tiles. Moreover, we hold leading market positions in pipe systems in Europe and in concrete pavers in Central and Eastern Europe.

Wienerberger in North America

With the acquisition of US-based General Shale in 1999, Wienerberger gained its first foothold in North America. Eight years later, the Company entered the Canadian market by acquiring Arriscraft International. Since that time, Wienerberger has succeeded in further diversifying its markets and has expanded its business in plastic pipe solutions and facing bricks. Our strength in this market is primarily attributable to our range of facade solutions for residential and commercial buildings as well as infrastructure solutions based on our plastic pipe systems.



1	Alabama	3			1 ■			15	New Jersey*	3						
2	Arkansas*	4				1 ○		16	New York*	3						
3	Colorado	1	1 ▭		1 ■			17	North Carolina	1	2 ▭			4 ■		
4	Delaware*	5						18	Ohio*	2						
5	Georgia	1	1 ▭				1 ●	19	Oklahoma*	6						
6	Illinois	3			2 ■			20	Ontario							1 ●
7	Indiana	1	1 ▭		2 ■			21	Pennsylvania*	3	1 ▭					
8	Kentucky*	1						22	South Carolina	4				1 ■		
9	Louisiana*	2						23	Tennessee	1	1 ▭	1 ▬		6 ■		
10	Maryland*	2						24	Utah*	2						
11	Michigan	2			2 ■			25	Virginia	1	1 ▭			1 ■		
12	Mississippi	1	1 ▭					26	West Virginia*	1						
13	Montana	1			1 ■			27	Wisconsin*	5						
14	Nebraska*	6						28	Wyoming	1						

** Markets are served through exports from neighboring states.*

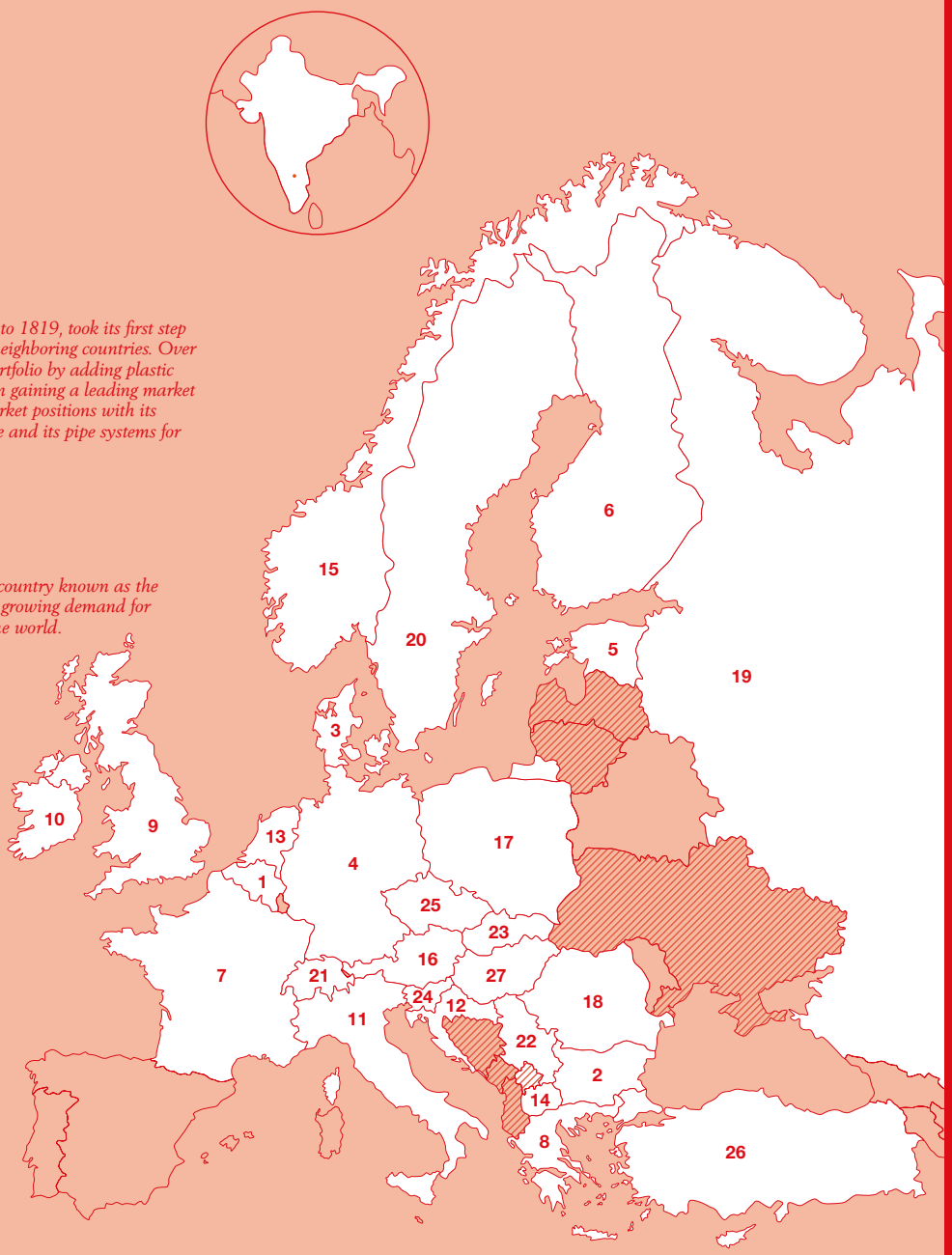
Status December 2019

Wienerberger in Europe

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

Wienerberger in India

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



Wienerberger Markets in Europe
- *Markets with production sites*
- *Export markets*

Market positions
- *1* *Clay Blocks and/or Facing Bricks*
- *1* *Clay Roof Tiles*

Number of sites
- *1* *Clay Blocks*
- *1* *Facing Bricks*
- *1* *Roofing Systems*
- *1* *Pavers*
- *1* *Plastic Pipes*
- *1* *Ceramic Pipes*

1	*Belgium*	*1*	*1*	*3*	*6*	*2*		*2*	*1*	**15**	*Norway**							*3*
2	*Bulgaria*	*1*	*2*	*1*			*1*	*1*		**16**	*Austria*	*1*	*1*	*7*		*2*		*1*
3	*Denmark**				*5*					**17**	*Poland*	*1*	*2*	*7*	*1*	*1*	*5*	*2*
4	*Germany*	*1*	*4*	*13*	*3*	*4*	*1*	*1*	*1*	**18**	*Romania*	*1*	*1*	*4*			*3*	
5	*Estonia*	*1*			*1*			*1*		**19**	*Russia*	*1*		*2*				*1*
6	*Finland**				*1*			*4*		**20**	*Sweden**				*2*			*2*
7	*France*	*2*	*4*	*4*	*1*	*3*		*2*		**21**	*Switzerland*	*3*	*1*	*1*		*2*		
8	*Greece*							*1*		**22**	*Serbia*		*1*			*1*		
9	*Great Britain*	*2*	*1*		*9*	*5*				**23**	*Slovakia*	*1*	*1*	*2*			*1*	
10	*Ireland*							*1*		**24**	*Slovenia*	*1*	*1*	*1*		*1*		
11	*Italy*	*1*		*4*						**25**	*Czech Republic*	*1*	*1*	*7*		*3*	*1*	*2*
12	*Croatia*	*1*	*1*	*1*		*1*	*1*			**26**	*Turkey*							*1*
13	*Netherlands*	*1*	*1*	*1*	*10*	*3*	*5*	*2*		**27**	*Hungary*	*1*	*1*	*6*		*2*	*2*	*1*
14	*North Macedonia*		*1*			*1*												

** In the clay business the Nordic markets (Denmark, Finland, Norway and Sweden), in which we hold a No. 2 market position, are managed by a regional management.*

Status December 2019

Keeping the big picture in mind:
Improving people's quality of life and creating lasting values, in closed cycles, without jeopardizing the natural bases of our lives – this is our responsibility.

Management Approach

Management Approach

Wienerberger is determined to provide appropriate and well-balanced insights into the essential topics addressed by our group of companies as well as into the related impacts on people, the environment and society at large. We also want to provide information about how we manage these impacts at Group level and in our operating segments. We therefore decided to focus our report above all on those issues that are of material importance not only for Wienerberger, but also for our stakeholders. This approach meets the requirements of the GRI standards which we follow in our reporting. This chapter comprises the following parts:

Our management approach: Presentation of our management approach to the individual topics and the way we pursue our economic, ecological, social and societal targets.

Our sustainability management: The most important structures and instruments that are firmly rooted within the Wienerberger Group in terms of organization and corporate culture.

Our Management Approach

Mission statement and strategy

Wienerberger views the economy as an integral part of society that has the obligation to serve people and create value for all. Our mission is to improve people's quality of life by providing sustainable building and infrastructure solutions of outstanding quality.

Our reputation is the basis of our success. Our goal is to be the most highly regarded provider of building and infrastructure solutions and the preferred employer in our markets. Our entrepreneurial activities are based on our values: expertise, passion, integrity and respect, customer orientation, entrepreneurship, quality and responsibility.

The primary goal of our entrepreneurial activities is to sustainably increase the value of the company in accordance with ecological, social and economic principles. To achieve this corporate goal, we have defined a clear strategy focused on organic growth and operational excellence as well as growth projects and portfolio optimization.

In our strategic considerations, we take into account the interests of our organization as well as those of our stakeholders, with whom we are closely associated through long-term relations. We are convinced that well-balanced decisions can lead to a convergence of these interests. This enables us to broaden the basis for our growth and create optimal prerequisites for sustainable value creation. To make our progress measurable, we have set ourselves clear financial and non-financial targets.

We take our 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, involvement in the creation of a transparent economic environment, personal accountability for everything we do, and acting as a reliable and valuable member of society. By acceding to the UN Global Compact in 2003, Wienerberger officially committed itself to observing its ten principles regarding human rights, labor standards, environmental protection – including the precautionary principle – and the fight against corruption.

Corporate Governance at Wienerberger

Commitment to the Corporate Governance Code

The responsible management of the Wienerberger Group with a view to its long-term development is an essential prerequisite for the achievement of our corporate goal: to sustainably increase the value of the company in accordance with ecological, social and economic principles. As a listed company with international operations, Wienerberger is committed to the strict principles of good corporate governance and transparency as well as to the continuous further development of an efficient system of corporate control.

The framework for the company's actions is provided by Austrian law, the Austrian Corporate Governance Code, the Articles of Association, the rules of procedure of the Boards of the company, and internal policies. Since 2002, Wienerberger has been committed to full compliance with the rules of the Austrian Corporate Governance Code (see https://www.wienerberger.com/en/investors/corporate-governance.html). Some of the most important aspects are described in the following sections. The complete consolidated Wienerberger Corporate Governance Report can be found as a separate part of the 2019 Annual Report on the Wienerberger website (https://www.wienerberger.com/en/investors/corporate-governance.html).

The implementation of the Code and the correctness of our public statements were evaluated by the external auditor, Deloitte Audit Wirtschaftsprüfungs GmbH, Vienna, within the framework of its review of the corporate governance report as part of the 2019 Annual Report; the auditor's report is also published on our website (https://www.wienerberger.com/en/investors/corporate-governance.html). In 2019, Wienerberger was almost in full compliance with the rules of the Austrian Corporate Governance Code, including its R Rules. Slight non-compliance was reported in respect of two C Rules of the Code's total number of 83 rules. These deviations, as well as further activities in the reporting year, are explained and described in detail in the consolidated Corporate Governance Report, starting on page 6 (as a separate part of the 2019 Annual Report). This report is also available on the Wienerberger website.

Compliance

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

In order to prevent insider trading and the unlawful disclosure of inside information, the company has a compliance policy in place, which was updated in 2018. This policy implements the provisions of European and Austrian stock exchange law. A compliance officer, supported by a deputy, has been appointed to monitor compliance. Moreover, training sessions, for example on issuer compliance, are held regularly at the Vienna headquarters for both Wienerberger Holding and the individual Business Units.

In many countries, Wienerberger is subject to comprehensive and increasingly stringent environmental regulations as well as health and safety rules. Wienerberger considers itself dutybound to observe all these rules and regulations, if necessary through investments in optimization measures, at all times.

The principles governing lobbying activities have been laid down in a code of conduct based on the provisions of the Austrian Lobbying and Transparency Act, which applies to all boards and employees of Austrian companies in which Wienerberger AG holds a majority interest. This code of conduct can be downloaded from the Wienerberger website (https://www.wienerberger.com/en/investors/corporate-governance.html).

On account of the market position held by the Wienerberger Group in certain markets, the price policies of our subsidiaries are followed attentively by the antitrust authorities. Investigations can be initiated even in the absence of a specific reason. We take such proceedings very seriously. We support the investigations to the best of our abilities in order to clarify issues raised by the authorities swiftly and thoroughly. Despite all efforts made, such proceedings usually take several years. Within the framework described above, we communicate all proceedings initiated and/or concluded during the respective reporting year and disclose the payment of fines, where applicable.

In 2019, no new proceedings were initiated, nor were any decisions taken or fines imposed. The fact that there were no negative findings by the competent authorities confirms the effectiveness of our compliance measures. Price fixing is not part of Wienerberger's business practices and therefore explicitly prohibited by our internal guidelines, which provide for severe sanctions in the event of violations.

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

Among other topics, the policy sets out strict rules regarding contacts with competitors in respect of market activities, information exchange, pricing and delivery terms, as well as possible forms of cooperation. As regards contacts with customers, distributors and suppliers, strict rules apply to the determination of re-sale prices or other re-sale restrictions as well as exclusivity arrangements. The policy also contains provisions on intellectual property rights and merger control.

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

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

Since 01/01/2015, a policy on compliance with economic and financial sanction laws has been in force to ensure compliance with sanctions against certain countries and/or nationals of such countries within the Wienerberger Group. Deliveries to and business contacts with individuals and/or organizations under sanctions are prohibited. Since 2019, Wienerberger has systematically performed monthly screenings of all its suppliers and customers registered in the SAP system via an interactive data platform, checked them against international sanctions lists (published by the United Nations, the EU and the Office of Foreign Asset Control (OFAC) of the US Department of the Treasury), and taken the necessary steps, where required (for further information, please refer to the section on supplier management starting on page 35).

Internal audit

In order to further improve Wienerberger's system of risk management, an internal audit function has been set up as a staff unit reporting to the Managing Board. The Managing Board and Internal Audit regularly analyze operational processes for potential risks and possible improvements in efficiency; they also monitor compliance with legal provisions, internal policies and processes. These activities are based on an audit plan approved by the Managing Board and agreed upon with the Audit Committee of the Supervisory Board, as well as a group-wide system of risk assessment covering all the company's operations. Internal Audit reports to the Managing Board and the Audit Committee on the audit findings.

Prevention of corruption

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 2019, no charges were brought against Wienerberger for suspected corruption; no court judgment was pronounced and no penalty payments were due.

In 2019, 27 companies (listed in the Management Report, published as a separate part of the 2019 Annual Report, on page 122, "Group Companies"), were audited by Internal Audit with a special focus on organization, purchasing, materials management, sales, human resources, and corruption and anti-trust legislation. Other focus areas of the audits included compliance with the group-wide health and safety standards for our employees. In the course of these audits, it was ascertained that the internal policies had been implemented in the companies audited and that the employees concerned were adequately informed. Deviations from the policies, if any, were reported to the Managing Board and the Audit Committee, and appropriate measures, such as improvements of documentation processes, were agreed upon with the respective local management.

Another important instrument for the prevention of corruption is the four-eyes principle applicable to the signing of business transactions with third parties. Whenever rights and obligations are established, modified or terminated, the signatures of two competent authorized persons from the local entity are required. This instruction is laid down in international Group policies and supports the prevention of corruption at international level, as does the group-wide policy on business gifts, which was updated in 2016 and continued to apply in 2019.

Human resources management

Our values provide the basis for our entrepreneurial activities. The values of responsibility, integrity and respect also apply, in particular, to Wienerberger's relationship with its employees. Human resources management is based on the following principles, which apply throughout the Group:

- Health and safety at the workplace
- Diversity and equal opportunities, regardless of age, gender, culture, religion, origin or other diversity features (for information on our diversity policy, see pages 9–11 of the consolidated 2019 Corporate Governance Report)
- Advancement and development of each individual employee and succession management
- Open communication within the company and consistent involvement of our employees
- A work environment that motivates employees to pursue demanding targets, assume personal responsibility, and think and act in an entrepreneurial spirit
- Fair and performance-oriented remuneration and flexible working-time models to facilitate the reconciliation of work and family life

With the signing of the Social Charter in 2001, Wienerberger committed itself to creating group-wide employment and working conditions that meet national legal provisions or collective bargaining agreements as a minimum standard. Thus, Wienerberger complies with the recommendations of the International Labor Organization (ILO, a specialized agency of the United Nations). At Wienerberger it goes without saying that human rights are respected and child and forced labor or any form of discrimination are not tolerated.

Occupational health and safety is a matter of special importance to us. The Wienerberger Safety Initiative contains binding rules on safety standards and provides for activities ensuring the highest possible level of occupational safety at all production sites of the Wienerberger Group. These activities, as well as the additional initiatives of the various Business Units, are described in detail in the chapter "Employees" starting on page 60.

In addition to its commitment to providing adequate, safe and healthy working conditions, our human resources management is based on fair remuneration, freedom of association and the right of our employees to engage in collective bargaining. In 2019, approximately 72% of all Wienerberger employees were covered by collective bargaining agreements.

The responsibilities of Human Resources (HR) include the recruitment of new employees, the promotion of cross-border know-how transfer, occupational safety, employee communication, talent management and succession planning. The organization of training and learning platforms, appropriate compensation and bonus systems, industrial relations, as well as socially responsible headcount reduction measures within the framework of restructuring programs, are among the core tasks of HR.

The following HR instruments are employed to support human resources management at Wienerberger:

- ***Management Review:*** Annual appraisal of senior management and succession planning for senior management positions to ensure well-structured and transparent career and succession planning. In 2019, 147 persons were listed in the management database, excluding Managing Board members.
- ***Safety, Health and Education (SHE) Reporting:*** Tertiary key data collection on developments in the fields of occupational safety, health, and initial and further training as a basis for targeted management measures.
- ***Wienerberger Safety Initiative:*** Mandatory safety standards and continuous activities to ensure maximum occupational safety at all plants of the Wienerberger Group. These activities are described in details in the chapter "Employees" starting on page 68.

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. Additionally, all our ceramic pipe production sites and the plastic pipe production site in Germany are certified according to DIN EN ISO 50001:2011 Energy Management.

Ongoing optimization programs, such as the Plant Improvement Program (PIP+) in the brick segment and the Production Excellence Program (PEP) in our concrete paver business, primarily aim at sustainable resource conservation and cost reductions through improvements of production processes. With our "demo plant" project for brick production in Europe, we are pursuing the ambitious goal of reducing natural gas consumption in production by up to 50%. In 2019, the rollout of selected technologies employed in the demo plant projects to other plants was begun.

In our plastic pipe business, we continue to apply the Lean Six Sigma management approach to implement quality enhancements and optimize our processes.

For many years, Wienerberger has been working intensively on the voluntary preparation of ecobalances and environmental product declarations (EPDs) for its entire product range. All ceramic pipes and fittings produced by Wienerberger Piping Solutions have been successfully certified according to the Cradle to Cradle® concept and are being re-certified at regular intervals.

Stakeholder management

As a responsible member of society, Wienerberger takes the concerns of its stakeholders into account in its corporate strategy. We place great emphasis on open, continuous and target-group-oriented dialogue, as it fosters mutual understanding of one another's interests, expectations and targets. In 2014 we therefore performed a materiality analysis that involved both internal and external stakeholders. The results were laid down as binding targets and measures in the Wienerberger Sustainability Roadmap 2020 and form an integral part of our corporate strategy. In 2020, the materiality analysis will be updated, again involving internal and external stakeholders.

Our stakeholders include our employees, customers and business partners, investors, analysts and banks, local residents and local authorities, suppliers, politicians, regulators, organized interest groups, research institutions and universities, media and non-governmental organizations (NGOs). These groups are extremely diverse and have different needs, interests and concerns.

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

- ***Our employees*** are kept informed of corporate targets and strategies as well as current developments and measures in a timely and comprehensive fashion, the aim being to provide a motivating work environment and stimulate personal initiative. For details regarding our internal communication channels and measures taken to actively involve our employees, please refer to the chapter "Employees" (starting on page 77).
- ***Our customers and business partners*** – end customers as well as building material dealers, developers, design engineers and contractors – are mainly interested in high-quality, durable and affordable products for buildings that ensure a safe, healthy and comfortable environment. In our role as the technology and innovation leader of our industry, we offer one-stop-shop solutions for the digital design of building projects as part of our Digital Agenda. Thus, we are able not only to efficiently simulate the effects of design changes, but also offer more reliable projections of construction time and project costs. Our mobile All4Roof platform, for example, provides roofers with a digital end-to-end solution for our roof systems. On this basis, roofers can design and finalize their projects with just a few mouse clicks. Another example is the Electro Spider concept, a prefabricated, tailor-made system solution for electrical installations, which reduces installation time on site by up to 80% and saves both material and costs. BIM (Building Information Modelling), for example, is ideally suited as a one-stop system for seamless digital design of entire construction projects. Our well-trained and highly qualified employees as well as our service centers are available to support our customers in the application of our products and system solutions.
- ***Capital market participants*** – investors, analysts and banks – are interested primarily in the company's sustainable performance. Comprehensive and transparent reporting as well as timely communication and a regular exchange of information with the Managing Board are of crucial importance for them. These requirements are met through our annual and quarterly reports, presentations, and press releases on current developments. Roadshows, participation in investor conferences, personal talks, and the annual Capital Markets Day are instruments well suited to ensure continuous and active dialogue with all capital market participants.

- ***Suppliers*** are particularly interested in fair business relations. Wienerberger's interest lies in the long-term and sustainable sourcing of the required natural resources, materials and products in accordance with the principles of sustainability. Within the framework of our business relations, we therefore make sure that our suppliers comply with our ecological and social standards, which we explicitly communicate to them. For detailed information, please refer to the chapter "Production", in particular the section "Sustainability in our supply chain", starting on page 35.

- ***Local residents, local authorities and non-governmental organizations (NGOs)*** are also among our important stakeholders. Every production site is a neighbor, a local employer, a taxpayer. Good and trusting relationships not only with neighboring residents, but also with local government authorities, associations and citizens' initiatives are essential for a stable production environment. We therefore value the importance of direct on-site dialogue. We adjust our contacts with neighbors and local authorities to local traditions – sometimes opting for strictly formalized stakeholder committees as a framework for structured exchanges, sometimes choosing a more informal setting. Regardless of the specific mode of contact, the most important point for Wienerberger is to be open and transparent in its relations with its stakeholders and take their concerns seriously. As regards the extraction of clay, Wienerberger has committed itself to taking extensive health and safety measures and protecting employees and local residents from exposure to noise and dust. It goes without saying that depleted extraction sites are made available for the type of subsequent use prescribed by the authorities.

- ***Policy-makers*** determine the legal framework and thereby exert a major influence on Wienerberger's entrepreneurial environment. To a growing extent, we have been publicly advocating the provision of affordable and social housing in Europe. Moreover, we are trying to convince policy-makers of the need for state aid for renovation measures and the construction of water supply and wastewater disposal networks. The members of the Managing Board therefore meet regularly with high-ranking politicians and representatives of the public administration. Moreover, Wienerberger is a member of various European and national representative bodies, platforms and technical committees and thereby actively contributes to the process of political opinion-shaping. We are determined to address the trends and developments in the individual markets, such as increased urbanization, and to offer decision-makers practical, sustainable and, above all, affordable solutions for new construction and renovation of residential buildings as well as essential components of infrastructure, such as supply and disposal systems or the paving of outdoor surfaces.

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

- ***The media*** expect targeted and timely information on strategic and current issues. Wienerberger, for its part, expects to receive fair media coverage. With a view to satisfactory cooperation, we keep the media informed on current issues through press releases and press conferences. Journalists' questions are answered as quickly as possible, and enough time is allowed in personal interviews for a meaningful exchange of ideas.

Complaints management

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

In order to understand our customers' concerns even better and adapt our products to their needs as far as possible, it is crucial to engage in continuous dialogue with them. Moreover, we inform our customers not only about the technological properties of our products, but also about their ecological characteristics.

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 confidentially and in accordance with data protection regulations. We continuously invest in data security measures 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 operates at Wienerberger AG and in the country organizations.

Together with external specialists, a quality standard for data protection was elaborated and successfully implemented throughout the Group. Regular internal controls are performed to review and optimize the quality standards and the data protection measures already implemented. These controls concern all business areas and country organizations.

Supplier management

Within the framework of our business relations, we ensure that our suppliers also comply with social and ecological standards. In 2019, the scope of Wienerberger's procurement function (Corporate Procurement) was further extended 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. Several new processes and tools were implemented to facilitate efficient supplier management in respect of non-financial matters.

Code of conduct for suppliers

In 2019, a uniform, group-wide Supplier Code of Conduct was elaborated in cooperation with internal and external experts and rolled out to almost all operating segments, replacing the previous segment-specific supplier codes of conduct. The implementation of the uniform, group-wide Supplier Code of Conduct was supported by the new group-wide procurement structure managed by the Head of Corporate Procurement.

Performance of supplier audits

In 2018, a formal training program run by external certification bodies was introduced in order to train employees working in Corporate Procurement to perform supplier audits. In 2019, employees working in the procurement units of the country organizations were selected to receive the same type of training for the performance of supplier audits. Corporate Procurement, as a staff function, nominated the employees on the basis of strategic considerations and will roll 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.

In 2019, Corporate Procurement also began to define uniform follow-up processes to be observed following the supplier audits on the basis of the audit results. Once the process has been fully defined, supplier audits are to be initiated in those areas of procurement and geographic locations where the biggest potential risks are assumed to exist.

These audits will cover significant non-financial matters, 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 will then be informed of corrective measures to be taken and deadlines will be set for the implementation of improvements.

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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 (environmental, social, governance – 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), containing information on the financial terms and conditions of all Wienerberger suppliers, has been implemented. The ratings of the suppliers' sustainability performance by EcoVadis are also stored on the data platform. This enables Wienerberger to evaluate suppliers on the basis of their sustainability and risk ratings in combination with their financial terms and conditions.

Screening of suppliers and customers against international sanctions 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 sanctions lists (published by the UN (United Nations) the EU and the Office of Foreign Asset Control (OFAC) at the US Department of the Treasury) and appropriate steps will be taken. 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 supplier or customer concerned must be communicated to Corporate Legal Services for further coordination. All decisions taken in this context are documented in the sanctions management software.

Self-commitment to compliance with the ten principles of the UN Global Compact

Wienerberger acceded to the UN Global Compact in 2003 and is a founding member of respACT, Austria's leading platform for corporate social responsibility. Thus, Wienerberger is officially committed to implementing the ten principles of the UN Global Compact on 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 this charter, which is published on our website (https://www.wienerberger.com/en/sustainability/management.html), Wienerberger 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. It therefore goes without saying that Wienerberger tolerates neither child and forced labor nor any form of discrimination.

Wienerberger's most recent Communication on Progress (CoP) for 2019 is reproduced in this report, starting on page 156, and can also be found on the Wienerberger website (https://www.wienerberger.com/en/sustainability/management.html).

Our Sustainability Management in Detail

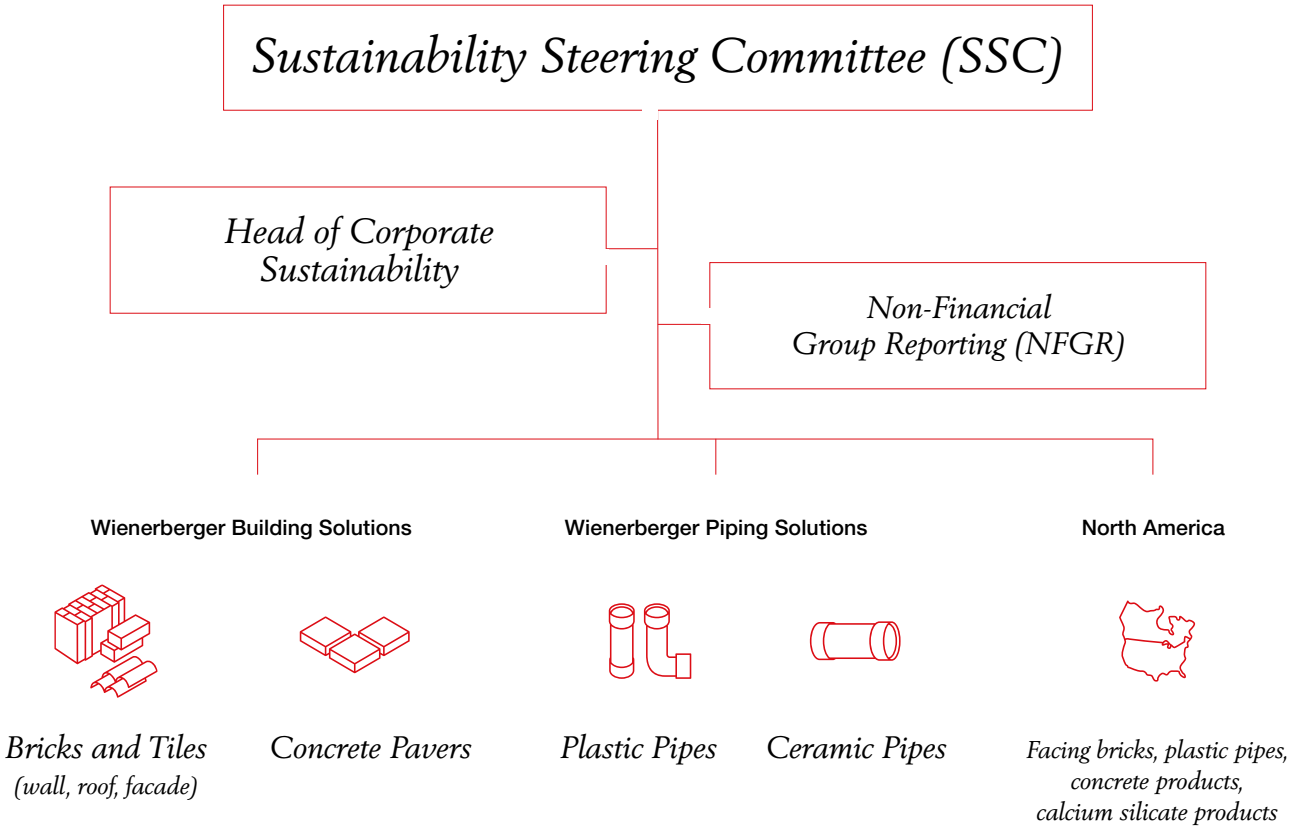
Wienerberger's voluntary commitment to sustainability covers all stages of the Group's value chain. To ensure a uniform approach and the efficient implementation of the measures adopted and the attainment of our targets, we introduced clear structures and responsibilities for sustainability management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

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 extended Managing Board of the Wienerberger Group (CEO, CFO and CPO of the Wienerberger Group = Managing Board of Wienerberger AG, and the CEOs of the Business Units) and is the top-level body in charge of sustainability management. Corporate Sustainability is a staff function exercised by the Head of Corporate Sustainability, who reports directly to the Chief Executive Officer of Wienerberger AG, ensures group-wide coordination of sustainability management and the sustainability strategy, and compiles Wienerberger's sustainability reports.

The CEOs of the Business Units are responsible for implementing the sustainability targets in their respective Business Units. They are supported by sustainability officers engaged in continuous exchange with the Head of Corporate Sustainability on current developments and the progress achieved. This structure enhances the responsibilities of the individual Business Units and strengthens their influence on the integration of our sustainability strategy.

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



The Sustainability Steering Committee is continuously working on topics relating to innovation, digitalization and sustainability as crucial components of Wienerberger's corporate strategy. At the end of 2019, the Supervisory Board established a Sustainability and Innovation Committee, the objective being to have the focus on sustainability reflected in the Supervisory Board's work. This Committee is to ensure that all topics relating to sustainability, innovation and digitalization are discussed by the Supervisory Board. This reflects the importance attributed to sustainability and innovation in Wienerberger's corporate strategy. The Committee started its work at the beginning of 2020.

Our value creation process

In 2014, we specifically analyzed the value chains of our four main product segments. The analyses covered procurement along the entire supply chain, production and use of our products, and possible end-of-life scenarios for the respective products. We distinguished between the following product segments:

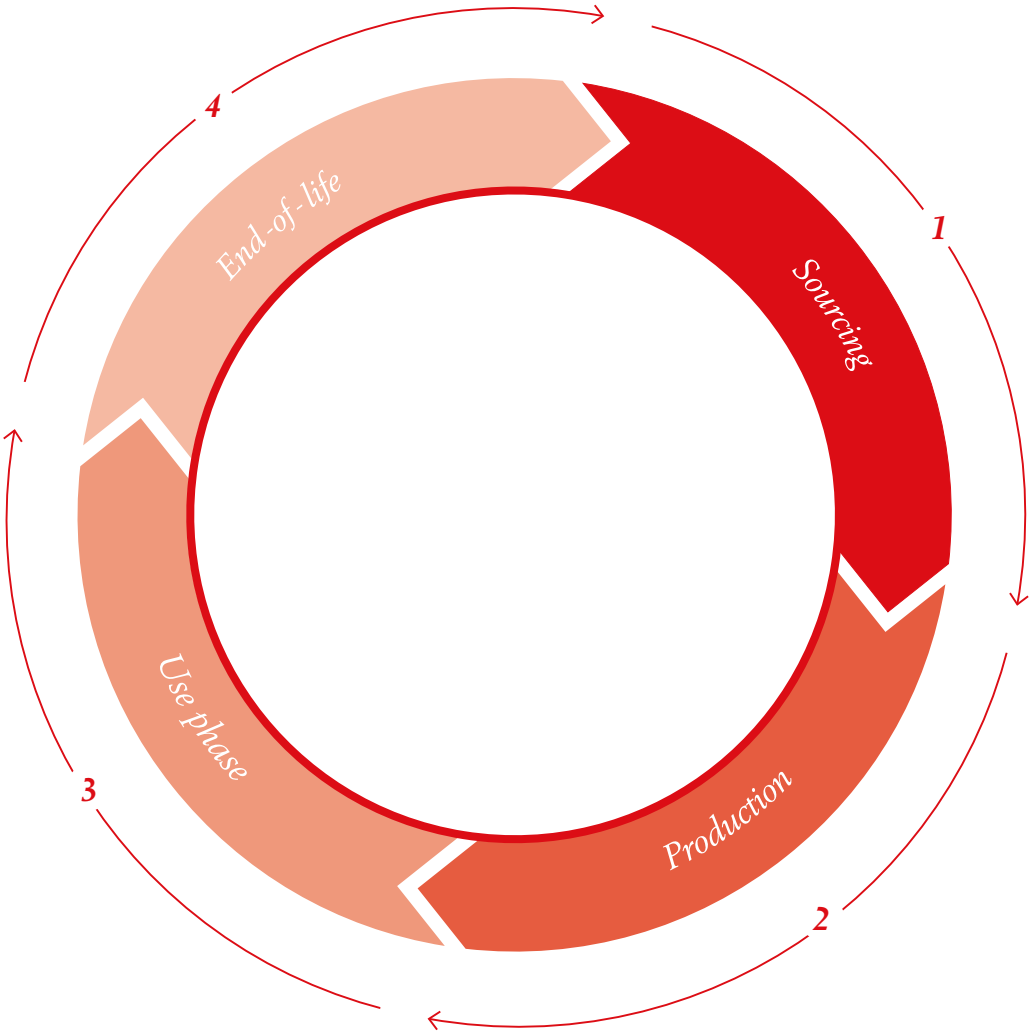
- ***Bricks and tiles:*** Clay blocks, facing bricks, clay roof tiles and clay pavers (Wienerberger Building Solutions and North America).
- ***Concrete pavers and concrete facade elements*** (Wienerberger Building Solutions and North America)
- ***Plastic pipes*** (Wienerberger Piping Solutions and North America)
- ***Ceramic pipes*** (Wienerberger Piping Solutions)

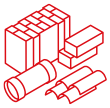
We then allocated potential ecological, social, ethical, regional and/or macroeconomic topics, as well as topics relating to the security of supply, to the individual stages of the four value chains. These topics provided the basis for our stakeholder survey, which served to establish which topics our stakeholders regarded as material for Wienerberger and its impacts on society.

For a more detailed presentation of the individual value chains, please refer to the 2014 Sustainability Report (https://www.wienerberger.com/en/sustainability.html). The materiality analyses were performed in 2014 in accordance with the requirements of GRI G4, "Core" option.

The diagram on pages 40–41 provides an overview of Wienerberger's entire value creation process.

Value Creation





Ceramic segment

Concrete pavers

Plastic pipes

Sourcing

- Extraction from own clay reserves or supply by third parties
- Additives and aggregates
- Packaging material
- External secondary raw materials
- Energy

- Cement
- Aggregates
- Packaging material
- External secondary raw materials
- Energy

- PVC, PP and PE granulates
- External secondary raw materials
- Additives
- Packaging material
- Energy

- Water from own wells and public networks

Production

- Delivery / Storage
- Preparation
- Shaping
- Drying
- Processing
- Glazing
- Firing
- Packaging

- Storage
- Mixing
- Shaping
- Processing
- Drying
- Packaging

- Preparation
- Extrusion
- Injection molding
- Cooling
- Postprocessing
- Packaging

Use phase

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

- Pavers and slabs
- Walls and fences
- Steps, edging stones, design elements

- Plastic pipes
- Fittings
- Accessories

Products and Solutions

- Transformation of basic products into all-in-one solutions
- Accessories for installation
- Prefabricated elements / Installation
- Software
- Digital tools for submission of offers

End-of-life

Re-use

Recovery
- Internal production
- External use

Energy recovery

Proper disposal

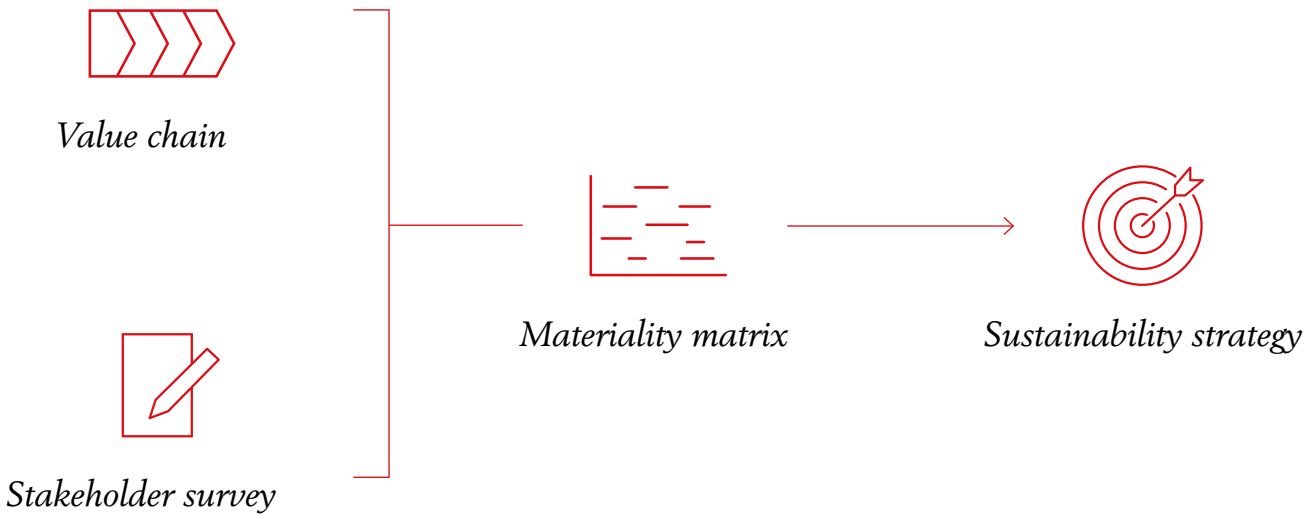
The stakeholder survey

The view of our internal and external stakeholders regarding the materiality of the topics 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 topics. The stakeholder survey was performed and evaluated by an external partner, who also provided the necessary tools for the survey.

To begin with, the relevance of the various stakeholder groups for each product segment was rated on the basis of their interest in and influence on the company.

On the basis of this rating we were able to define which stakeholder groups had to be included in the survey and how many people from each group had to be questioned in order to obtain a well-founded and informative result.

We invited close to 500 stakeholders to participate in the survey – 80% of them external stakeholders. Based on the stakeholders' responses, the material aspects for the four product segments along their respective value chains were determined by our partner. The significance (medium to high) of individual topics, as perceived by internal and external stakeholders, was entered into a matrix.



Result of the materiality analyses

It turned out that the stakeholders perceived certain topics as being of similarly high significance across all four product segments. Additionally, the topics identified as material were aggregated at Group level.

The result shows the topics along the value chains of the four product segments that are equally relevant to the entire Wienerberger Group. They are presented in the following chapters "Employees", "Production", "Products and System Solutions", and "Social and Societal Commitment".

The result provided the basis for the further development of our sustainability strategy and the identification of targets and measures for our Sustainability Roadmap 2020, a five-year plan of action for the ecological, social and societal performance of Wienerberger.

The detailed results of the individual materiality analyses for each product segment are described in our 2014 Sustainability Report, which can be downloaded from the Wienerberger website (https://www.wienerberger.com/en/sustainability.html).

The diagram on page 44 shows which topics and/or challenges were identified by the stakeholders as highly relevant for the Wienerberger Group as a whole and were therefore incorporated into the Wienerberger Sustainability Roadmap 2020.

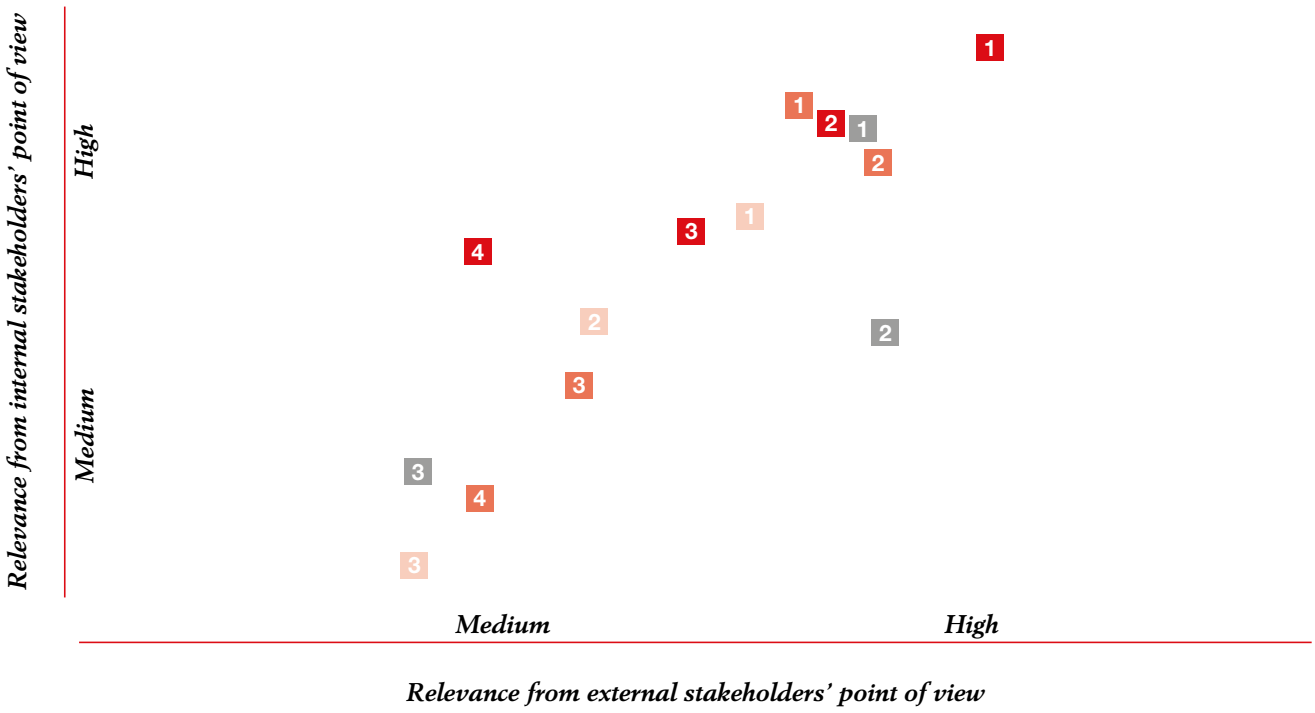
The process of updating the materiality analysis was prepared in 2019 and will be finalized in 2020 (see section on the Sustainability Strategy 2020+ on page 56 in this chapter).

The Wienerberger Sustainability Roadmap 2020

The Wienerberger Sustainability Roadmap 2020 describes the sustainability targets being pursued by the Wienerberger Group up to 2020. These targets are based on the results of the materiality analysis performed in 2014.

The measures implemented and the targets attained in 2019, as well as the steps planned by the Wienerberger Group and/or the individual Business Units for 2020, are summarized in the tables on pages 45–49 and described in detail in the respective chapters of this report.

The most relevant topics as the basis of the Sustainability Roadmap 2020



Caption

Group-wide sourcing topics	Group-wide product topics
1 *Availability of raw materials*	1 *Innovative and durable products*
2 *Avoidance of hazardous substances*	2 *Recyclability, recycling and re-use of products*
3 *Protection of local residents and employees, nature conservation, subsequent use of depleted extraction sites*	3 *Product-group-specific properties*

Environmental topics in production	Social topics in production
1 *Energy efficiency*	1 *Safety and health of the employees*
2 *Climate action*	2 *Business ethics and compliance*
3 *Resource efficiency and waste management*	3 *Employee satisfaction and training*
4 *Sparing use of water*	4 *Communication with and involvement of employees*

Wienerberger Sustainability Roadmap 2020 – Overview 2019

Material topics	*Holding*		*WBS, Bricks and Tiles*		*WBS, Concrete Pavers*		*WPS, Plastic Pipes*		*WPS, Ceramic Pipes*		*North America*	
QT ... Quantitative targets *M ... Measures*	*QT*	*M*	*QT*	*M*	*QT*	*M*	*QT*	*M*	*QT*	*M*	*QT*	*M*
Sourcing												
Availability of raw materials			◎	👍	◎	👍	◎	👍	◎	👍	◎	👍
Avoidance of hazardous substances				👍		👍		👍		👍		👍
Protection of local residents and employees; nature conservation and subsequent use of depleted clay pits		👍 W +		👍		👍		👍		👍		👍
Environmental topics in production												
Energy efficiency			◎	👍		👍	◎	◐		👍	◎ ✓	👍
Climate action			◎	👍		👍	◎	◐	◎	👍		◐
Resource efficiency and waste management				👍	◎	👍		👍				👍
Sparing use of water				👍		👍	◎	◐				👍
Social topics in production												
Safety of our employees	◎ W	👍 W	◎ W	👍	◎ W	👍	◎ W	👍	◎ W	👍	◎ W	👍
Health of our employees	◎ W	👍	◎ W	👍		👍			◎ W	👍	◎ W	👍
Business ethics and compliance	◎ W ✓	👍 W	◎ W ✓	👍 W	◎ W ✓	👍 W	◎ W ✓	👍 W	◎ W ✓	👍 W	◎ W ✓	👍 W
Employee satisfaction		👍 W		👍 W		👍 W		👍 W		👍 W		👍 W
Products												
Innovative and durable products			◎ ✓	👍	◎ ✓	👍	◎	◐	◎ ✓	👍	◎ ✓	👍
Recyclability, recycling and re-use of products				👍		👍	◎ ✓	👍		👍		👍
Contribution to energy efficiency of buildings				👍				👍				
Ease of installation				👍				👍				

WBS: Wienerberger Building Solutions
WPS: Wienerberger Piping Solutions
M: Measures, including measures relating to non-quantified targets

◎ *Quantitative target being implemented*
✓ *Realized*
W *Group-wide target or group-wide measure*

👍 *Measure implemented*
◐ *Partially realized/implemented*
\+ *New target defined*

Wienerberger Sustainability Roadmap 2020 – Overview 2020

Material topics	*Meilen-steine*	*Holding*		*WBS, Bricks and Tiles*		*WBS, Concrete Pavers*		*WPS, Plastic Pipes*		*WPS, Ceramic Pipes*		*North America*	
QT ... Quantitative targets M ... Measures		*QT*	*M*	*QT*	*M*	*QT*	*M*	*QT*	*M*	*QT*	*M*	*QT*	*M*
Sourcing													
Availability of raw materials	*2020*			◎	○	◎	○	◎	○	◎	○	◎	○
Avoidance of hazardous substances	*2020*				○		○				○		○
Protection of local residents and employees; nature conservation and subsequent use of depleted clay pits	*2020*		○ W		○ W		○ W		○ W		○ W		○ W
Environmental topics in production													
Energy efficiency	*2020*			◎	○		○	◎	○		○	◎	○
Climate action	*2020*			◎	○		○	◎	○	◎	○		
Resource efficiency and waste management	*2020*				○	◎	○		○				○
Sparing use of water	*2020*				○		○	◎	○				○

WBS: Wienerberger Building Solutions
WPS: Wienerberger Piping Solutions
M: Measures, including measures relating to non-quantified targets

◎ *Quantitative target being implemented*
○ *Qualitative targets and measures planned*
W *Group-wide target or group-wide measure*

Material topics	*Meilen-steine*	*Holding*		*WBS, Bricks and Tiles*		*WBS, Concrete Pavers*		*WPS, Plastic Pipes*		*WPS, Ceramic Pipes*		*North America*	
QT ... Quantitative targets M ... Measures		*QT*	*M*	*QT*	*M*	*QT*	*M*	*QT*	*M*	*QT*	*M*	*QT*	*M*
Social topics in production													
Security of our employees	2020	◎ W	○	◎ W	○	◎ W	○	◎ W	○	◎ W	○	◎ W	○
Health of our employees [1]	2020	◎ W	○	◎ W	○		○			◎ W	○	◎ W	○
Business ethics and compliance	2020	◎ W	○ W	◎ W	○ W	◎ W	○ W	◎ W	○ W	◎ W	○ W	◎ W	○ W
Employee satisfaction	2020		○ W		○ W		○ W		○ W		○ W		○ W
Products													
Innovative and durable products	2020			◎	○	◎	○	◎	○	◎	○	◎	○
Recyclability, recycling and re-use of products	2020				○		○	◎ +	○		○		○
Contribution to energy efficiency of buildings	2020				○				○				○
Ease of installation	2020				○				○				

WBS: Wienerberger Building Solutions
WPS: Wienerberger Piping Solutions
M: Measures, including measures relating to non-quantified targets

W *Group-wide target or group-wide measure*
◎ *Quantitative target being implemented*
○ *Qualitative targets and measures planned*
\+ *New target defined*

1) *Group-wide target exclusively for ceramic production*

Quantitative targets of the Wienerberger Sustainability Roadmap 2020

Target definitions	*Deadlines set*	*Performance*			
Employees		**2017**	**2018**	**2019**	**Status**
Safety of our employees					
Group level: Zero accidents	*Every year*	*5*	*5*	*6*	*The group-wide accident frequency value [1] regrettably increased by almost 10% from 5.1 to 5.6. We thoroughly investigated the circumstances of every accident and consistently pursued our efforts to further improve safety at work for our employees. Compared to 2014, the frequency of accidents in the Wienerberger Group has been halved.*
Health of our employees					
Group level: Percentage of ceramic production sites reporting core indicators on protection from exposure to respirable crystalline silica: > 95%	*2020*	*98%*	*No data collected*	*98%*	*The survey via NEPSI, the shared online platform (Negotiation Platform on Silica, www.nepsi.eu), is conducted every two years. Independent of this development, Wienerberger is currently working on a new group-wide standard for protection against respirable crystalline silica.*
Production					
Energy efficiency [2]					
PREVIOUS target for North America: Reduction of natural gas consumption at selected production sites by 5% per site compared to 2015	*2018*	*-4%*	*-5%*	*–*	*By 2017, all production sites were converted from emission-intensive energy sources to natural gas, an energy source with lower emission intensity.*
NEW target for North America: Reduction of natural gas consumption at selected production sites by 5% per site compared to 2017	*2019*	*Reference year*	*-2.1% and -13.7%*	*-5.2% -5.5% -11.1%*	*In 2019 it was decided to use the consumption of 2017 as the new reference value to permit comparisons on the basis of identical energy sources. The target was reached by the three selected production sites and even significantly surpassed by one of them in 2019.*
WBS Bricks and Tiles: Reduction of specific energy consumption in production by 20% compared to 2010	*2020*	*-12%*	*-13%*	*-13,3%*	*In 2019 specific energy consumption in production was reduced by 13.3% compared to 2010 (calculated as an index in % based on kWh/ton; 2010 = 100%). On the one hand, this development is attributable to the success of our climate conservation projects and process optimization measures; on the other hand, it has also been strongly influenced by the product mix and by acquisitions in this product segment. In clay block production, for example, we are ahead of target at -22%.*
WPS Plastic Pipes: Reduction of specific total energy consumption in production by 3% compared to 2010	*2020*	*0%*	*+1%*	*+7%*	*In 2019 total specific energy consumption was slightly above 107% of the 2010 value, i.e. above the reference value.*
Climate action [2] [3]					
WBS Bricks and Tiles: Reduction of specific CO_2 emissions from primary sources of energy by 20% compared to 2010.	*2020*	*-4%*	*-6%*	*-6%*	*The indicators refer to 2013 as the reference year. The development is attributable to measures taken to enhance energy efficiency and the step-by-step substitution of CO_2-intensive energy sources, such as coal, with natural gas; at the same time, it has also been strongly influenced by the product mix and by acquisitions.*
WPS Plastic Pipes: Reduction of specific indirect CO_2 emissions from electricity used in production by 11% compared to 2010.	*2020*	*-16%*	*-11%*	*-8%*	*The reversal of the trend in 2019 was primarily caused by higher electricity consumption, despite a lower production volume in tons, due to changes in the product mix (e.g. lower percentage of large-diameter pipes) and the machinery used in production.*
WPS Ceramic Pipes: Compensation of 5% of the annual CO_2 emissions generated in the respective plant through climate protection projects	*2019*	*>5%*	*>5%*	*>5%*	*The target was again achieved in 2019.*

Target definitions	*Deadlines set*	*Performance*			
Production		**2017**	**2018**	**2019**	**Status**
Water usage					
WPS Plastic Pipes: Reduction of specific water usage from public networks to 0.85 m³ per ton of products produced	*2020*	*0.95 m³/t*	*1.02 m³/t*	*0.99 m³/t*	*Although water usage was lower than in the previous year, the target for 2020 is still highly ambitious.*
Resource efficiency and waste management					
WBS Concrete Pavers: Reduction of the scrap rate to 2%	*2020*	*2.6%*	*2.14%*	*2.18%*	*Owing to the percentage of premium products, the scrap rate increased slightly in 2019. We intend to further reduce the scrap rate through targeted improvements of selected production equipment and monthly evaluations by plant and production line.*
Products					
Innovative products					
WBS Bricks and Tiles: 25% share of innovative products in total revenues	*Every year*	*31%*	*31%*	*33%*	*As in the previous year, the target was surpassed.*
WBS Concrete Pavers: 30% share of innovative products in total revenues	*Every year*	*38%*	*35%*	*38%*	*As in the previous year, the target was surpassed.*
WPS Plastic Pipes: 20% share of innovative products in total revenues	*Every year*	*19%*	*17%*	*18%*	*The target was missed. This is attributed to the product development cycles in this product group. We expect the percentage of innovative products in total revenues to rise again in 2020.*
WPS Ceramic Pipes: 35% share of innovative products in total revenues	*Every year*	*42%*	*43%*	*49%*	*As in the previous year, the target was surpassed.*
North America: 50% share of innovative products in total revenues	*Every year*	*51%*	*51%*	*51%*	*The target was again achieved.*
Recyclability, recycling and re-use					
***PREVIOUS** target for WPS Plastic Pipes: Increase of the amount of secondary raw materials to 85 kg per ton of products produced*	*2020*	*67.2 kg/t*	*75.02 kg/t*	*85.12 kg/t*	*The new target for 2020 set in 2018 was reached in 2019, i.e. earlier than planned.*
***NEW** target for WPS Plastic Pipes: Increase of the amount of secondary raw materials to 90 kg per ton of products produced*	*2020*	*67.2 kg/t*	*75.02 kg/t*	*85.12 kg/t*	*As the target (85 kg per ton of product produced) was reached one year ahead of the deadline set, we defined a new and even more ambitious target for 2020.*
WPS Plastic Pipes: Increase of the amount of external secondary raw materials to 50 kg per ton of products produced	*2020*	*30.89 kg/t*	*39.18 kg/t*	*42.93 kg/t*	*Irrespective of the success achieved in increasing the use of external secondary raw materials, the target set for 2020 is extremely ambitious.*
Corporate Social Responsibility					
Business Ethics & Compliance					
At Group level: zero incidents of corruption	*Every year*	*0*	*0*	*0*	*The target was again achieved in 2019.*

1) Unit of measurement for accident frequency: Number of occupational accidents / number of hours worked x 1,000,000; including temporary and agency workers as well as employees under term contracts. // 2) Reduction targets: a negative value (-) of the performance indicator represents a reduction; a positive value (+) of the performance indicator represents an increase. // 3) Since the change-over to the third emissions trading period of the European Emissions Trading System we have used the 2013 indicators as a reference value to calculate the index of specific CO_2 emissions from primary energy sources (in % based on kg CO_2/ton).

The impact and risk analysis and the identification of the relevant SDGs

In 2018, an impact and risk analysis for Wienerberger's four main product segments – clay blocks and roof tiles, ceramic pipes, plastic pipes and concrete pavers – was launched on the basis of their specific value chains. The entire analytical process was accompanied and methodologically supported by independent external experts.

It included the following core steps:

- Documentation of all potential thematic fields, broken down by impacts on and/or risks and opportunities for the environment, employees, and society, including respect for human rights and the fight against corruption.
- Qualitative evaluation of the significance of all potential impacts and risks identified by internal experts.
- Identification of all relevant SDGs to the attainment of which Wienerberger is contributing, based on the specific impact and risk analyses of the four main product segments.

The internal analysis is based on comprehensive expertise regarding relevant production topics and product characteristics. Procurement topics are based on assumptions by internal experts.

The impacts and risks relating to non-financial topics of each main product segment, which have been identified as material, are summarized and described on pages 48–53 of the 2018 Sustainability Report. Further information on the management approaches and concepts applied is briefly presented in section "Our Management Approach", starting on page 28, and covered in greater detail in the chapters "Employees", "Production", "Products and System Solutions", and "Social and Societal Commitment".

Results of the impact and risk analysis of the Wienerberger Group

The impacts and risks of the four main product segments identified as material were aggregated for the Wienerberger Group.

In the procurement phase of the product life cycle, our activities have a potential impact, in particular, on employment and equal opportunities, technological development and know-how as well as emissions in raw material sourcing, energy input and the use of secondary raw materials. For the latter topic, quantitative targets are included in our Sustainability Roadmap 2020. Human rights violations in energy and raw material sourcing, environmental contamination, and corruption were identified as potential risks of our activities in the procurement phase. The topic of corruption is also covered in our Sustainability Roadmap 2020.

In the production phase of the product life cycle, employment, equal opportunities and skills development were classified as particularly relevant social impacts. Energy input and emissions from the production process, the use of primary and secondary raw materials, and occupational safety were classified as particularly relevant risks. The latter five topics are also part of our Sustainability Roadmap 2020, some of them with quantitative targets.

In the life cycle phase of product use, solutions for a contribution to climate protection and/or potential adaptations to climate change as well as the efficient use of resources were classified as particularly relevant positive impacts, followed by working conditions and impacts on product users and/or society as a whole. The efficient use of natural resources was seen as an opportunity.

An overview of the impacts and risks relating to non-financial matters and currently identified as material are shown in the following section, aggregated at Group level.

Results of the analysis: Overview of impacts, risks and opportunities for the Wienerberger Group

	Input // Sourcing	Production	Output // Products – End-of-life
	Employment	*Employment*	*Climate action and adaptation to climate change*
	Technological development, know-how	*Equal opportunities*	*Efficient use of natural resources*
	Equal opportunities	*Skills development*	*Working conditions, product use, and impacts on society (e.g. health and hygiene)*
	Energy input	SR *Energy input in production*	
	Emission from raw material sourcing	SR *Emission from production*	
SR	*Use of secondary raw materials*	SR *Raw material input*	
SR	*Environmental contamination*	*Use of secondary raw materials*	
	Human rights violations in energy and raw material sourcing	*Energy input in transport*	
		Emission from transport	
SR	*Corruption*	SR *Occupational safety*	

Methode: *The topics indicated in the table have been identified as material for at least two product groups of the Wienerberger Group. For the lifecycle stage shown under Output // Products – End-of-life, the topics, being product-group-specific and therefore very heterogeneous, have been grouped in higher-order clusters. // Topics marked* ***SR*** *were classified as highly relevant in the Wienerberger materiality matrix (2014) and therefore provided the basis for the Wienerberger Sustainability Roadmap 2020. // Topics marked ■ were classified as impacts. // Topics marked ■ were classified as risks or opportunities.*

The UN Sustainable Development Goals relevant to Wienerberger

Based on the findings of the impact and risk analysis, those UN Sustainable Development Goals (SDGs) and their related targets that are relevant to Wienerberger were identified. They show where and how Wienerberger can make or already makes targeted contributions to the 2030 Global Agenda. This analytical process was accompanied and methodologically supported by independent external experts.

The relevance of the SDGs was evaluated by the following method:

- Evaluation of the material impacts and risks on the basis of the impact analysis performed in 2018 and 2019, taking into account the top third of all evaluations by the workshop participants for each product segment and each step in the value chain.
- Allocation of relevant SDGs and targets on the basis of the impact description and external sources: GRI, UN Global Compact and the SDG Compass of the World Business Council for Sustainable Development (WBCSD) (https://sdgcompass.org/); PwC: Business Reporting on the SDGs: An analysis of the goals and targets; European Commission, 2018: Mapping the role of raw materials in sustainable development goals.
- Determination of the relevance of the SDGs by the number of relevant targets per impact and SDG, and weighting on the basis of the impact assessment (impact assessment weight multiplied by the number of applicable targets).
- Aggregation at Group level along the entire value chain.

SDGs relevant to the Wienerberger Group

As we will see, along Wienerberger's value chain, thirteen of the seventeen SDGs are more or less relevant, albeit in different life cycle phases and product segments.

Detailed information on the SDGs that are relevant to the individual product segments and the contributions made by these segments can be found on pages 54–61 of the 2018 Sustainability Report.

Activities of the Wienerberger Group relating to the relevant SDGs and their targets

The SDGs identified as relevant and their respective targets as well as examples of Wienerberger's contribution to the attainment of these targets are summarized in the following.

Relevant SDGs – Relating to the entire Wienerberger Group

SDGs relevant to the Wienerberger Group [1]	Targets of SDGs relevant to the Wienerberger Group	Examples of the Wienerberger Group's contributions to the SDGs and their targets
3. Good health and well-being	*3.3 By 2030, end water-borne diseases and other communicable diseases*	*Our pipes can be used for the construction of drinking-water supply and wastewater disposal systems, which has a positive impact on hygienic conditions and the health of the population.*
	3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination	*Wienerberger meets all legal requirements regarding the avoidance and substitution of hazardous materials, especially in raw materials, at European, national and regional level. Compliance is being monitored continuously and, where appropriate, corrective measures are taken without delay.*
4. Quality education	*4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship*	*Wienerberger promotes and supports its employees in a targeted manner and facilitates cross-border knowledge exchange. Its training programs comprise internal and external initial and further training measures. All Wienerberger training programs are designed to encourage networking and international knowledge transfer. They provide tailor-made training for employees in their respective fields of work and aim at long-term succession management.*
6. Clean water and sanitation	*6.1 By 2030, achieve universal and equitable access to safe and affordable drinking water for all*	*Our pipes can be used for the construction of drinking-water supply and wastewater disposal systems, which has a positive impact on hygienic conditions and the health of the population.*
	6.3 By 2030, among other measures, halve the proportion of untreated wastewater	
	6.4 By 2030, substantially reduce the number of people suffering from water scarcity	
7. Affordable and clean energy	*7.2. By 2030, increase substantially the share of renewable energy in the global energy mix*	*Wienerberger's absolute energy consumption is aggregated and reported at Group level. In 2019, renewable energy accounted for 40% of total electricity consumption, compared to 31% in 2016. In 2019, 100% of the electricity used in the production of ceramic pipes again came from renewable sources.*
	7.3. By 2030, double the global rate of improvement in energy efficiency	***Consumption:*** *On account of their thermal insulation properties, our clay blocks contribute toward increasing the energy efficiency of buildings.* ***Production:*** *In brick and tile production in Europe, in particular, we are continuously working on measures to increase energy efficiency. By 2019, we succeeded in reducing specific energy consumption by 13% compared to 2010.*
8. Decent work and economic growth	*8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation*	*In 2019, innovative products accounted for 31% of the Wienerberger Group's total revenues.*
	8.4 Improve progressively, through 2030, global resource efficiency in consumption and production	***Consumption:*** *Our portfolio includes clay blocks with high thermal insulation properties, new facing brick formats for double-shell exterior walls, and energy-efficient upon-rafter insulation for pitched roofs.* ***Production:*** *By 2020, we intend to increase the amount of secondary raw materials used in plastic pipe production to 90 kg, 50 kg of which to be sourced externally, per ton of products produced. In 2019, the respective amounts were 85 kg/t and 43 kg/t.* *Our target for the production of concrete pavers is to reduce the scrap rate to 2% by 2020, compared to 2.2% in 2019.* *In clay block production in Europe we use pore-forming agents to achieve optimal thermal insulation properties, including secondary raw materials from biogenic sources, such as saw dust, rice husks or sunflower seed shells.*

1) For easier orientation, ranked in numerical order and not by relevance of the SDGs.

SDGs relevant to the Wienerberger Group [1]	Targets of SDGs relevant to the Wienerberger Group	Examples of the Wienerberger Group's contributions to the SDGs and their targets
8. Decent work and economic growth	*8.5 By 2030, achieve full and productive employment and decent work and equal pay for work of equal value for all* *8.7 Take immediate and effective measures to eradicate forced labor, end modern slavery and (by 2025) child labor* *8.8 Protect labor rights*	*Wienerberger demonstrates its global commitment to respect for human rights, fair working conditions, payment of adequate remuneration, the avoidance of excessive working hours, permanent employment relations and respect for the freedom of assembly as well as the right of employees to engage in collective bargaining. Within its sphere of influence, Wienerberger guarantees the protection of fundamental human rights. It therefore goes without saying that Wienerberger tolerates neither child labor nor forced labor, nor any form of discrimination. Within the framework of our business relations, we pay attention to the observance of ecological and social standards by our suppliers; we explicitly communicate these standards in our group-wide, uniform "Supplier Code of Conduct".*
9. Industry, innovation and infrastructure	*9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes.*	*We continuously strive to develop new systems for innovative infrastructure solutions. We have set ourselves quantitative targets for the annual volume of innovative products as a percentage of total revenues. Raineo Smart Meter, a measuring station consisting of several sensors, is a fitting example. It monitors water throughput in pipes and is able to predict floods.*
10. Reduce inequalities	*10.2 By 2030, empower and promote the social, economic and political inclusion of all.* *10.3 Ensure equal opportunity and reduce inequalities by eliminating discrimination*	*The principles of Wienerberger's human resources policy ensure equal rights and opportunities for all employees, regardless of age, gender, cultural background, religion, origin or other diversity features. In line with these principles, discrimination is not tolerated in any form. Developments regarding diversity and equal opportunities have been recorded since 2009 within the framework of our sustainability reporting. Not a single incident of discrimination has been reported since the beginning of data collection.*
11. Sustainable cities and communities	*11.5 By 2030, significantly reduce the number of deaths and the number of people affected by disasters, including water-related disasters, with a focus on protecting the poor and people in vulnerable situations* *11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management* *11.7 By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities*	*We are continuously striving to develop new systems for innovative building and infrastructure solutions. The definition includes product innovations with added value for the customer on account of their cost-effectiveness, their technical properties or their ecological benefits, such as concrete paver systems for unsealed surfaces. Their quality features, such as water permeability, have a positive impact on the micro-climate and on groundwater, and help to avoid flooding.*
12. Responsible consumption and production	*12.2 By 2030, achieve the sustainable management and efficient use of natural resources*	***Consumption:*** *Our product and system solutions (e.g. high-performing insulating materials made from mineral raw materials) facilitate compliance with the new energy standards.* ***Production:*** *The pilot partnership established to test the use of masonry robots and prefabricated brick wall elements was continued in 2019.*

1) For easier orientation, ranked in numerical order and not by relevance of the SDGs.

SDGs relevant to the Wienerberger Group [1]	Targets of SDGs relevant to the Wienerberger Group	Examples of the Wienerberger Group's contributions to the SDGs and their targets
12. Responsible consumption and production	*12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle and significantly reduce their release to air, water and soil*	***Production:*** *An internal guideline on the use of secondary raw materials and the avoidance of hazardous substances in brick production in Europe has been in place since 2017.* *As a matter of course, we comply fully with the requirements of the EU Chemicals Regulation (Registration, Evaluation, Authorization and Restriction of Chemicals). To ensure the health and safety of our employees and our customers in the best possible manner, we regularly verify if any of the substances used in this product segment might in future be classified as hazardous under REACH.*
	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and re-use	*We contribute toward reducing the volume of waste through the use of internal and external secondary raw materials in plastic pipe production.* *We participate in research project on the use of recycled concrete and cement produced in a climate-friendly way.*
13. Climate action	*13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries*	*Our products and system solutions are well-suited, for example, for the construction of tornado-proof houses; with our infrastructure solutions, such as permeable paved surfaces, we contribute toward the prevention of floods and the design of climate-friendly cities.*
14. Life below water	*14.1 By 2025, prevent and significantly reduce marine pollution of all kinds*	*Our pipes can be used for the construction of sewer systems; wastewater can thus be treated before being discharged into bodies of surface water or the sea.*
15. Life on land	*15.1 By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands*	*Biodiversity, nature conservation and meaningful subsequent use are crucial sustainability criteria for the operation of clay pits. For Wienerberger, this includes non-interference with protected areas and efforts to make the company's own depleted sites available for their intended subsequent use.* *Within the framework of our business relations, we pay attention to the observance of ecological and social standards by our suppliers; we communicate these standards clearly in our group-wide "Supplier Code of Conduct".*
16. Peace, justice and strong institutions	*16.3 Promote the rule of law at the national and international levels and ensure equal access to justice for all* *16.5 Substantially reduce corruption and bribery in all their forms* *16.6 Develop effective, accountable and transparent institutions at all levels* *16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels*	*As a listed company with international operations, Wienerberger is committed to the strict principles of good corporate governance and transparency as well as to the continuous further development of an efficient system of corporate control. The framework for the company's actions is provided by Austrian law, the Austrian Corporate Governance Code, the Articles of Association, the rules of procedure of the Boards of the company, and internal policies. Since 2002, Wienerberger has been committed to full compliance with the rules of the Austrian Corporate Governance Code.* *Wienerberger has always pursued the target of "zero incidents of corruption" and expects all its employees to act accordingly.* *Within the framework of our business relations, we pay attention to the observance of ecological and social standards by our suppliers; since 2019, we have explicitly communicated these standards in our group-wide "Supplier Code of Conduct".*

1) For easier orientation, ranked in numerical order and not by relevance of the SDGs.

Our Sustainability strategy 2020+

In 2019 Wienerberger took a first step toward the new orientation of its sustainability strategy for the coming decade (and beyond) by evaluating the results achieved through the implementation of the Sustainability Roadmap 2020 and identifying the consequences to be drawn from it. Moreover, the global challenges confronting Wienerberger, including issues that the Company has a strong impact on and others to which it is exposed (see "Impact and Risk Analysis" starting on page 50 of this chapter), were analyzed. This internal analysis was performed by the Wienerberger Sustainability Steering Committee and the Head of Corporate Sustainability in cooperation with experts from the Business Units and the corporate level. At the same time, the performance of a new materiality analysis in 2020 was prepared. Its results, as well as those of the impact and risk analysis and the SDGs relevant to Wienerberger (see page 52 of this chapter), will provide input for the Sustainability Strategy 2020+. Alongside this process, ideas will be exchanged with the newly established Sustainability and Innovation Committee of the Supervisory Board.

Within the framework of the Sustainability Strategy 2020+ we will define the overarching, long-term targets – in line with our vision, our mission and our values – which we intend to pursue in the years to come and how we propose to attain these targets.

With a view to our commitment to the "European Green Deal", the Sustainability Strategy 2020+ will focus on the following action areas:

- Decarbonization
- Circular economy
- Biodiversity

In our sustainability program 2020+ we will outline the path to be taken toward the attainment of our long-term targets in clear and transparent terms, including short- and medium-term targets or milestones, specific deadlines, measurable indicators and concrete measures, projects and activities. Our Sustainability Strategy 2020+, our sustainability program 2020+ and the updated materiality analysis will be published as part of our report on the 2020 business year. In doing so, Wienerberger reiterates its commitment to continuous improvement of its ecological, social, societal and economic performance.

Our sustainability reporting

Wienerberger's sustainability reports have been published annually since 2010. The reports focus on the ecological and social aspects of our activities along the entire value chain and on measures to be taken in the future regarding employees, production, products and system solutions as well as our social and societal commitment. In combination with the current sustainability program (Sustainability Roadmap 2020), the sustainability report is an essential instrument supporting Wienerberger in the pursuit of its long-term goals.

Wienerberger's sustainability reports are compiled by the Head of Corporate Sustainability in coordination with the Business Units and the specialized departments; they are released for publication by the Sustainability Steering Committee (Managing Board of the Wienerberger Groups and the CEOs of the Business Units).

All Wienerberger sustainability reports meet the requirements of the Global Reporting Initiative (GRI). This sustainability report was prepared in accordance with the "Core" Option of the GRI Sustainability Reporting Standards.

Sustainability reporting follows the scope of consolidation of the Wienerberger Group, which is described in detail on page 46 of the Notes to the 2019 Annual Report. In substantive terms, this report covers the fully consolidated subsidiaries operating in Wienerberger's product segments, i.e. the wall, roof and facade product groups, ceramic pipes, plastic pipes, and concrete and clay pavers.

The two sites in the Netherlands that were acquired in 2018 but excluded from non-financial reporting for 2018, as the structures required to compile the non-financial indicators were not yet in place, have been included in the 2019 report. Five sites newly acquired in 2019 have been excluded from the 2019 report, as the structures required for the collection of non-financial indicators have yet to be implemented. Other deviations of individual indicators from the reporting scope are indicated wherever they apply.

As of the business year 2019, we report on our activities in accordance with the new corporate structure (see also chapter "Wienerberger at a Glance", page 18). Developments and activities relating to our European business in ceramic building materials for the building envelope, together with those of the European concrete paver business, are being communicated within the framework of the Wienerberger Building Solutions Business Unit. Developments in our European plastic pipe business and our ceramic pipe operations are being reported in the Wienerberger Piping Solutions Business Unit. North America remains a separate Business Unit with its own reporting framework. The indicators reported separately under Holding & Others up to 2018 are now allocated to and reported within the three aforementioned Business Units on a pro-rata basis. Since 2019, the brick production site in India has been part of the Wienerberger Building Solutions Business Unit.

Further details on the reporting profile of this Sustainability Report are contained in the chapter "Reporting Profile" on page 148.

In addition to the 2019 Sustainability Report, the Wienerberger Group published a 2019 Non-Financial Report as part of the 2019 Annual Report.

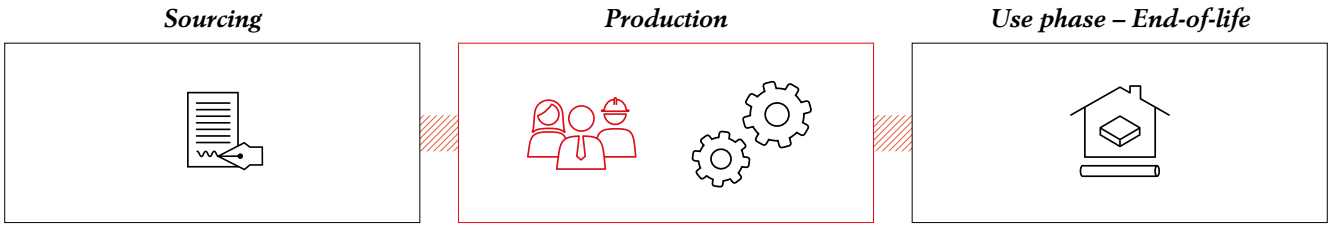
Our value creation is focused on people's quality of life. *This includes our responsibility for the safety, health and personal satisfaction of our employees.*

Employees

Employees
Coordinates at Group Level

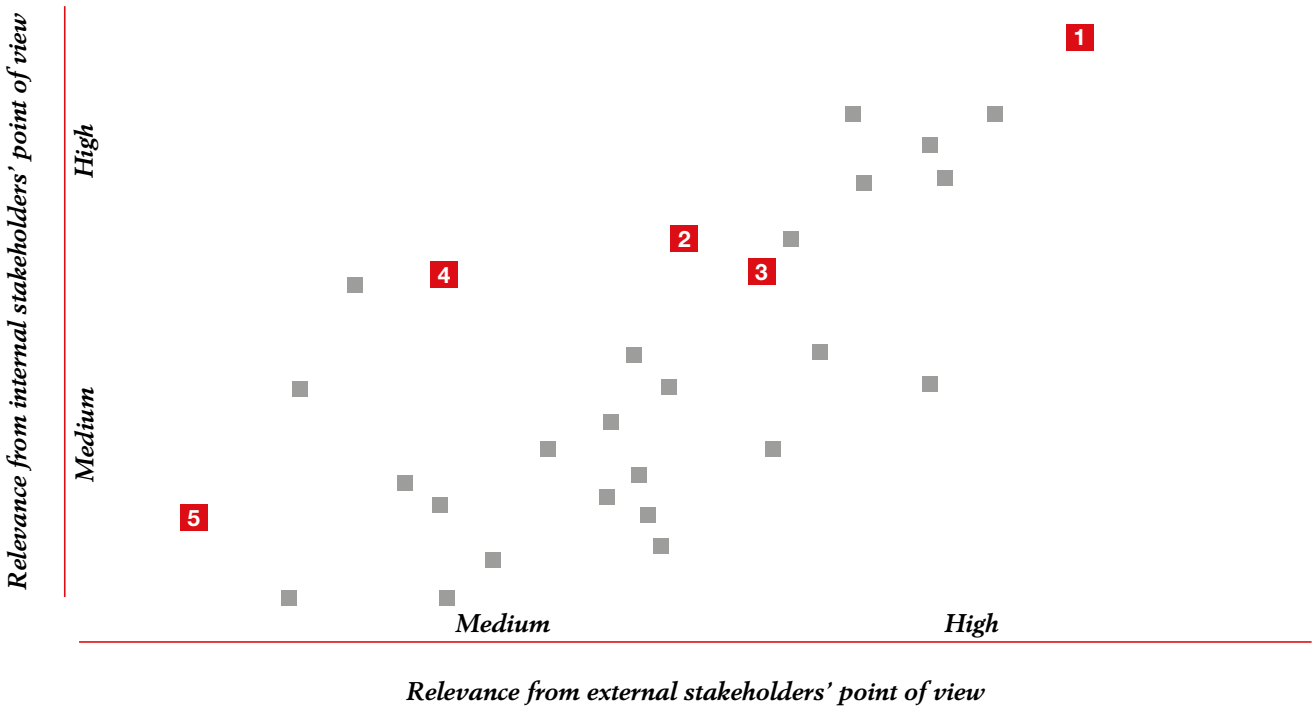
Stage in the value creation process

In this chapter, we address the topics relating to our employees. The subjects covered are part of the social topics to be dealt with in the production stage of the value creation chain.



Excerpt from the Materiality Matrix – Relating to our Employees

In the 2014 materiality analysis, the topics highlighted were identified as particularly important in relation to our employees. In 2019 we started a new materiality analysis. We will complete the analysis in the course of 2020 and publish its results, as well as the Sustainability Strategy 2020+ and our sustainability program 2020+, together with our report on the 2020 business year.



Caption

Social topics in production

1	*Safety and health*	4	*Communication with and involvement of employees*
2	*Employee satisfaction*	5	*Diversity and equal opportunities*
3	*Training of employees*		

Results of the Impact and Risk Analysis – Relating to our Employees

In 2018, an impact and risk analysis for Wienerberger's four main product groups – bricks (wall, facade and roof products), ceramic pipes, plastic pipes and concrete pavers – was launched on the basis of the specific value chains. The entire analytical process was accompanied and methodologically supported by independent external experts.

The impacts and risks of the four main product segments currently identified as material have been aggregated for the Wienerberger Group. The table above shows the topics relating to our employees classified as relevant at Group level.

Sourcing	Production	Use phase – End-of-life
	Employment	
	Equal opportunities	
	Skills development	
	SR *Occupational safety*	

Method: *The topics indicated in the table have been identified as material for at least two product groups of the Wienerberger Group. // Topics marked* ***SR*** *were classified as highly relevant in the Wienerberger materiality matrix (2014) and therefore provided the basis for the Wienerberger Sustainability Roadmap 2020. // Topics marked ■ were classified as impacts. // Topics marked ■ were classified as risks or opportunities.*

Relevant SDGs – Relating to our Employees

On the basis of our impact and risk analysis, the Sustainability Development Goals of the United Nations highlighted in color have been classified as particularly relevant for our employees.

Employees

Principles, Processes and Instruments

Our employees are the basis of our success and a key factor for the successful development of our company. We are committed to creating the necessary basis and the best possible conditions for the safety, health and satisfaction of our employees. To this end, we are making every effort to achieve continuous improvements in the fields of occupational health and safety, diversity and equal opportunities, and initial and further training. A culture of open communication in our company, the consistent involvement or our employees, and a motivating working environment are essential in this context. Our values provide the basis for our entrepreneurial activity. Responsibility, integrity and respect are the values we regard as particularly important in our relationship with our employees.

Results of our 2014 Materiality Analysis

The social topics relating to our employees identified as particularly important in the course of the 2014 materiality analysis are summarized on page 60. They provide the basis for our five-year plan of action, the Wienerberger Sustainability Roadmap 2020. The employee-related targets and measures within the framework of the Wienerberger Sustainability Roadmap 2020 are summarized at the end of this chapter under "Targets and Measures Relating to Employees".

Collection of Indicators, Restatement

On account of the new corporate and reporting structure (see chapter "Wienerberger at a glance" starting on page 18), the indicators of employee turnover for the 2019 reporting year can only be shown in a two-year comparison. The indicators of employee turnover are calculated by relating the number of employees leaving the company to the average headcount (headcount: mean value of numbers of employees in the reporting year and the prior year). The new reporting structure was implemented as of 2017. For the calculation of employee turnover in 2017, however, the employee indicators based on the new structure would be required for 2016, which are not available. As of the 2020 reporting year, these indicators will again be shown as a three-year trend.

All non-financial indicators are calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences. Further information on the reporting scope and the reporting profile of this sustainability report is contained in the chapter "Reporting Profile" on page 148.

Restatement

Core indicators on respirable crystalline silica, Wienerberger Building Solutions, Bricks and Tiles: The percentage of reporting production sites for 2017 was corrected and is now shown accordingly.

Employment Trends

Number of employees

In 2019, Wienerberger employed a workforce of 17,234 people (full-time equivalents), i.e. 3.8% more (638 FTEs) than in 2018. The highest increase (in FTEs) was reported by the Wienerberger Building Solutions Business Unit (+554), followed by the North America Business Unit (+51). Wienerberger Piping Solutions West was the only region to report a decrease in the number of employees; the reduction by 14 full-time equivalents corresponds to -0.7% compared to 2018.

Ø Employees by operating segment [1] *Full-time equivalents*	2017	2018	2019	Chg. in %
Wienerberger Building Solutions East	5,628	5,650	**5,853**	+3.6
Wienerberger Building Solutions West	6,121	6,262	**6,613**	+5.6
Wienerberger Building Solutions	11,749	11,912	**12,466**	+4.7
Wienerberger Piping Solutions East	1,342	1,393	**1,439**	+3.3
Wienerberger Piping Solutions West	1,884	1,892	**1,879**	-0.7
Wienerberger Piping Solutions	3,226	3,285	**3,317**	+1.0
North America	1,322	1,399	**1,450**	+3.6
Wienerberger Group	**16,297**	**16,596**	**17,234**	**+3.8**

1) All non-financial indicators are calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences. // Temporary and agency workers are included as of their first hour of work at Wienerberger.

In 2019, the number of employees increased significantly in all functional areas, most strongly in sales (including marketing and inventories) with 264 additional full-time equivalents (+6.4%), followed by production with 205 additional full-time equivalents (+1.9%).

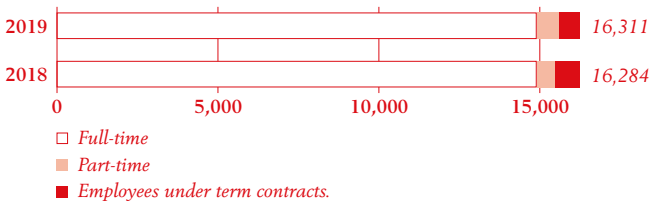
In administration, the additional 169 full-time equivalents translate into the highest increase in percentage terms (+11.3%), as the number of employees in this area is relatively low.

Ø Employees by functional area [1] *Full-time equivalents*	2017	2018	2019	Chg. in %
Production	10,962	10,992	**11,197**	+1.9
Administration	1,507	1,499	**1,668**	+11.3
Sales (including marketing and inventories)	3,828	4,105	**4,369**	+6.4
Wienerberger Group	**16,297**	**16,596**	**17,234**	**+3.8**

1) All non-financial indicators are calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences. // Temporary and agency workers are included as of their first hour of work at Wienerberger.

As at 31/12/2019, 93% of the total workforce (headcount) employed by the Wienerberger Group was working full-time and 4% part-time. Employees under term contracts accounted for the remaining 3%, down by two percentage points from the previous year's figure. A very small part of the work at Wienerberger is performed by staff legally defined as self-employed. Altogether, the breakdown of employees by type of employment contract has remained almost unchanged since 2018, except for an increase in the number of employees under permanent employment contracts by just under 2% (+267 employees, headcount).

Employees by type of employment contract [1]
based on headcount



1) Employees directly employed by Wienerberger

Employees with permanent employment contracts [1] *based on headcount*	2017	2018	2019	Chg. in %
Wienerberger Building Solutions East	5,468	5,433	**5,552**	+2.2
Wienerberger Building Solutions West	5,832	5,796	**5,872**	+1.3
Wienerberger Building Solutions	11,300	11,229	**11,424**	+1.7
Wienerberger Piping Solutions East	1,196	1,249	**1,315**	+5.3
Wienerberger Piping Solutions West	1,736	1,729	**1,716**	-0.8
Wienerberger Piping Solutions	2,932	2,978	**3,031**	+1.8
North America	1,299	1,280	**1,299**	+1.5
Wienerberger Group	**15,531**	**15,487**	**15,754**	**+1.7**

1) All non-financial indicators are calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences.

As at 31/12/2019, 97% of all Wienerberger employees (= 15,754 based on headcount) had permanent employment contracts. Wienerberger Building Solutions, in particular, reported a notable increase in the number of employees under permanent contracts by 195.

The headcount of employees under term contracts of the Wienerberger Group was 557 as at 31/12/2019, down by 30.1% from the previous year. Owing to the higher number of trainees at Wienerberger Holding in 2018, which is reported as part of the North America Business Unit, the percentage accounted for by the holding company resulted in a value above zero. In the North America Business Unit itself, it is common practice not to define the term of the employment contract in advance. Therefore, employers do not distinguish between permanent and non-permanent employment contracts, which means that the number of employees under term contracts is always indicated as zero.

Employees under term contracts [1] *based on headcount*	2017	2018	2019	Chg. in %
Wienerberger Building Solutions East	171	225	**218**	-2.9
Wienerberger Building Solutions West	399	410	**221**	-46.1
Wienerberger Building Solutions	570	635	**439**	-30.8
Wienerberger Piping Solutions East	46	17	**21**	+28.3
Wienerberger Piping Solutions West	111	143	**96**	-32.9
Wienerberger Piping Solutions	157	160	**117**	-26.5
North America	0	2	**0**	-88.3
Wienerberger Gruppe	**727**	**797**	**557**	**-30.1**

1) Employees directly employed by Wienerberger. // All non-financial indicators are calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences.

Employee turnover

Compared with the previous year, the rate of employee turnover (defined in footnote 1 in the following table) in the Wienerberger Group decreased from 12.2% in 2018 to 11.3% in 2019. The only exception was Wienerberger Building Solutions West, where employee turnover increased from 9.7% to 10.7%. As in previous years, the figures of the North America Business Unit are reported separately, as they are not fully comparable due to specific national legal provisions. The percentage of the holding company, which belongs to the North America segment but, given its geographic location, is not subject to these specific national provisions, is included in the total of the Wienerberger Group.

A total of 1,625 employees, i.e. 118 fewer than in 2018, left the company in the reporting year (headcount; excluding North America, as the figures are not comparable to those of other Business Units due to specific national legal provisions). Restructuring measures, such as plant closures, led to the elimination of 207 jobs. 1,418 employees – 224 women and 1,194 men – left the Wienerberger Group for other reasons. 335 of these employees were younger than 30, 733 were between 30 and 49 years of age, and 350 were over 50 years of age.

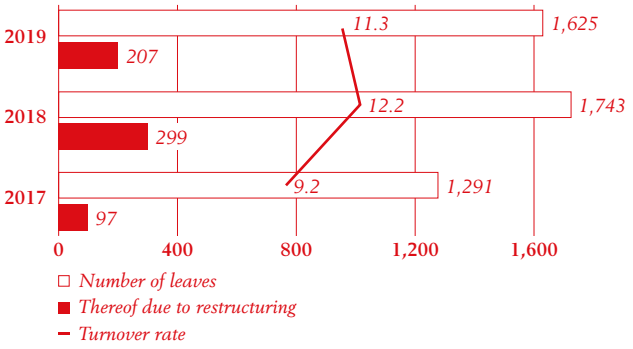
Owing to the new corporate and reporting structure, employee turnover by operating segment cannot be shown for the 2017 reporting year (see "Collection of indicators" on page 62). As of the 2020 reporting year, these indicators will again be shown in a three-year trend.

Employee turnover by operating segment [1] *in %*	2017 [2]	2018	2019
Wienerberger Building Solutions East	-	14.3	**12.3**
Wienerberger Building Solutions West	-	9.7	**10.7**
Wienerberger Building Solutions	-	11.9	**11.5**
Wienerberger Piping Solutions East	-	11.0	**10.0**
Wienerberger Piping Solutions West	-	15.1	**11.3**
Wienerberger Piping Solutions	-	13.4	**10.7**
Wienerberger Group, excluding North America	-	12.2	**11.3**
North America [3]	-	31.1	**27.7**

1) Ratio of persons leaving the Wienerberger Group (termination by employee or employer or mutually agreed termination) to average number of employees (headcount) in permanent employment in the reporting year, excluding temporary and agency workers as well as workers under term contracts; persons retiring or on leave do not count as persons leaving the company. // All non-financial indicators are calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences. // 2) On account of the new corporate and reporting structure, employee turnover by operating segment cannot be shown for the 2017 reporting year. // 3) Figures not comparable with those of the other Business Units due to special national legislation.

Employee turnover excluding North America [1)]

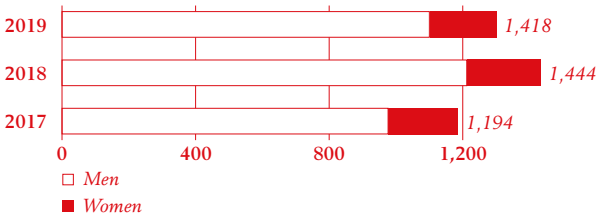
based on headcount



1) Employees with permanent employment contracts

Leaves excluding restructuring by gender (excluding North America) [1)]

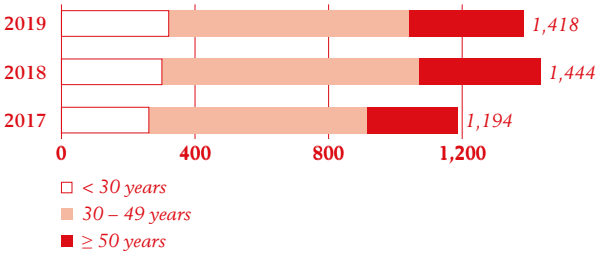
on headcount



1) Employees with permanent employment contracts

Leaves excluding restructuring by age (excluding North America) [1)]

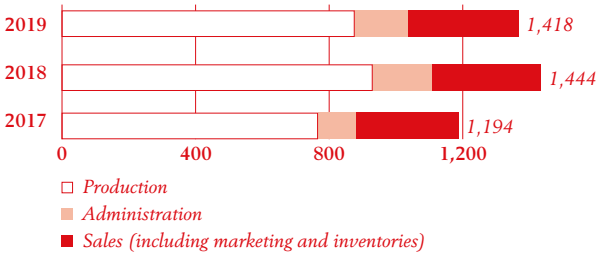
based on headcount



1) Employees in permanent employment

Leaves excluding restructuring by functional area (excluding North America) [1)]

based on headcount



1) Employees in permanent employments

A breakdown of the number of persons leaving the company by functional area shows that sales was the only area in which the number of leaves increased over the previous year's level (+6.1%). In all other areas the number of leaves declined: -2.9% in production and even -10.6% in administration. The differentiated presentation of employee turnover, broken down by functional area, age and gender, facilitates our efforts to counteract employee turnover through targeted measures.

In 2019, the number of employees newly recruited by the Wienerberger Group dropped by 4% compared to the previous year (based on headcount). In particular, the North America Business Unit reported 115 fewer new entrants in 2019 than in the previous year, which corresponds to a 27.7% reduction. This is partly due to an acquisition in 2018. In contrast, the Wienerberger Piping Solutions Business Unit reported 31 more new employees (headcount), a figure 7.2% above the previous year's

value. In general, unemployment in Europe and North America was low in 2019, which resulted in higher employee turnover and lively recruiting activities in some sectors. In principle, we aim to rely less on temporary and agency workers and to recruit more own employees under direct employment contracts with Wienerberger.

The average length of service with the company remains high at 13 years. We regard this as a strong vote of confidence in the Wienerberger Group by our employees and an indication of a high level of employee satisfaction.

Newly recruited employees by operating segment [1] *based on headcount*	2017	2018	2019	Chg. in %
Wienerberger Building Solutions East	787	921	**861**	-6.6
Wienerberger Building Solutions West	793	660	**707**	+7.1
Wienerberger Building Solutions	1,580	1,581	**1,568**	-0.9
Wienerberger Piping Solutions East	127	187	**195**	+4.3
Wienerberger Piping Solutions West	244	244	**267**	+9.4
Wienerberger Piping Solutions	371	431	**462**	+7.2
North America	284	417	**301**	-27.7
Wienerberger Group	**2,235**	**2,429**	**2,331**	**-4.0**

1) Employees directly employed by Wienerberger. // All non-financial indicators are calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences.

Employee satisfaction

We are planning to implement measures targeted at increasing employee satisfaction. Between 2015 and 2018, a comprehensive employee survey was performed at all sites of the Wienerberger Group in cooperation with an experienced external partner. Based on a detailed set of criteria, the degree of satisfaction of our employees was ascertained. The results, broken down by department cluster, were communicated to all employees at the respective locations. In the course of 2019, we initiated and/or continued to implement the follow-up measures derived from the results of the survey. These include improvements to the work environment (renovation, organizational changes in production, working tools), measures regarding the leadership style, team-building efforts, and engaging in dialogue with external stakeholders. The package also comprises targeted initial and further training measures and the optimization of workflows and communication processes.

The next employee survey will take place in 2021 and is to be conducted simultaneously among all employees of the Wienerberger Group. The primary purpose is to evaluate the effectiveness of the measures taken. From then on, group-wide employee surveys are to be conducted at regular intervals of two years.

Occupational Safety and Health

Wienerberger takes its responsibility for providing safe and healthy working conditions for its employees very seriously. The materiality analysis performed in 2014 confirmed this topic as an aspect of special relevance in our value chain. All normal capex and standard maintenance activities are carried out with the health and safety needs of our employees in mind. The Wienerberger Safety Initiative, launched in 2010, implemented group-wide safety standards aimed at reducing the frequency and severity of occupational accidents. In 2014, the existing standards were further developed for the entire Wienerberger Group and activities undertaken within the framework of the Safety Initiative were stepped up.

As in previous years, the implementation of this initiative was consistently pursued. The Wienerberger Safety Initiative and the related safety standards are binding throughout the Group, regardless of the geographic location of the production sites. No further provisions on occupational health and safety have been laid down in collective bargaining agreements.

Additionally, each operating segment implements its specific internal programs to protect and foster the health and safety of our employees at the workplace. Despite all measures and training programs on occupational health and safety, the Wienerberger Building Solutions Business Unit reports a regrettable increase in the frequency and severity of accidents in 2019, which influenced the development of the indicators of the entire Wienerberger Group. Nevertheless, our indicators on the frequency and severity of accidents at Group level over the past ten years confirm the success of the activities described above (-78% in accident frequency in 2019 compared to 2009). The safety measures taken by the individual operating segments are described at the end of this chapter under "Targets and Measures Relating to Employees".

Accident frequency

Within the framework of Safety, Health and Education (SHE) reporting by the Wienerberger Group, all accidents that lead to a loss of at least one working day for the person concerned are recorded. In 2019, the frequency of accidents at Group level – defined as the number of occupational accidents per million hours worked – regrettably increased by almost 10% compared to 2018 as a result of the developments at Wienerberger Building Solutions. Notable differences between the individual Business Units were recorded.

In the Wienerberger Building Solutions Business Unit (WBS), accident frequency rose by 24.8% compared to the previous year. Broken down by region, Wienerberger Building Solutions West reported a 13.7% increase, while Wienerberger Building Solutions East saw its accident frequency surge by 51.7%. This is primarily due to acquisitions of companies in which the Business Unit's safety standards and/or safety programs are yet to be implemented. The circumstances of all accidents were thoroughly analyzed and individual causes identified. Measures have been implemented and targeted 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. Irrespective of the rise recorded in 2019, WBS succeeded in significantly reducing the frequency of accidents over the past five years and almost halving it between 2014 and 2019.

In contrast, the significant decrease in accident frequency reported by the Wienerberger Piping Solutions Business Unit (WPS) is particularly noteworthy. In 2019, the Business Unit succeeded in reducing the frequency of accidents by another 55.8%, reaching the lowest accident frequency rate since the beginning of accident recording in this segment. Wienerberger Piping Solutions West made the biggest contribution to this highly satisfactory development by reducing the frequency of accidents in WPS by 62.5%; the ceramic pipe segment even reported a 69.2% reduction. In the North America Business Unit, accident frequency was reduced by 27.4%. In both Business Units, this outstanding success was achieved through the consistent implementation of entire packages of occupational health and safety measures.

We analyze the circumstances of each and every accident in great detail and consistently upgrade our measures to further improve the health and safety conditions for our employees. We are continuing our intensive cooperation with employees across all management levels. Our main focus is on drawing employees' attention to potential sources of hazards and on driving home the binding nature of safety rules and the use of personal protective equipment. We are steadfastly pursuing our zero-accident target for the entire Group.

Accident frequency by operating segment [1]	2017	2018	2019	Chg. in %
Wienerberger Building Solutions East	6.1	3.5	**5.3**	+51.7
Wienerberger Building Solutions West	6.0	8.0	**9.0**	+13.7
Wienerberger Building Solutions	6.0	5.8	**7.2**	+24.8
Wienerberger Piping Solutions East	1.5	1.1	**1.1**	-1.5
Wienerberger Piping Solutions West	7.4	7.3	**2.7**	-62.5
Wienerberger Piping Solutions	4.8	4.5	**2.0**	-55.8
North America	1.5	1.3	**0.9**	-27.4
Wienerberger Group	**5.4**	**5,1**	**5.6**	**+9.9**

1) Number of occupational accidents / number of hours worked x 1,000,000 // Including temporary and agency workers (from their first hour of work at Wienerberger) and employees under term contracts. // All non-financial indicators are calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences.

Accident severity

The severity of accidents, measured as the number of accident-related sick-leave days per million hours worked, also increased at Group level from 155 in 2018 to 158 (+2.4%) in 2019. The higher accident frequency in the Wienerberger Building Solutions Business Unit also led to more accident-related sick-leave days (+3%), which was primarily attributable to the Wienerberger Building Solutions East region (+51.7%), where individual accidents resulted in longer sick-leave periods. Conversely, the Wienerberger Building Solutions West region saw a reduction in accident severity by almost one quarter (-24.9%) compared to the previous year. We reacted to this development by fine-tuning our programs of occupational safety measures for these segments. One of the measures taken was to link the variable remuneration of all management functions of the WBS Business Unit to the attainment of targets relating to core health and safety indicators.

In the Wienerberger Piping Solutions Business Unit, the intensive occupational safety programs not only resulted in a lower frequency of accidents, but also had a positive impact on accident severity (-12.3%).

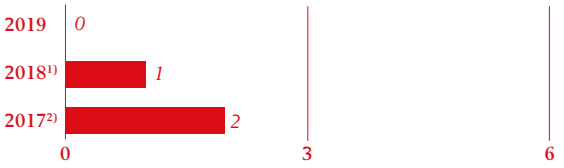
Minor changes of low numbers can easily lead to significant changes in percentages (e.g. a change from 1 to 2 corresponds to a 100% increase, whereas a change from 100 to 101 only corresponds to a 1% increase). This explains why the severity of accidents in North America increased by more than 100% compared to 2018, although the frequency of accidents declined. It is, however, important to note that North America, compared to the other Business Units, reports a very low indicator of accident severity. Due to various factors of influence, the accidents resulted in longer absences from work despite the mild nature of the injuries suffered by the workers concerned.

Accident severity by operating segment [1]	2017	2018	2019	Chg. in %
Wienerberger Building Solutions East	189	146	**221**	+51.7
Wienerberger Building Solutions West	216	239	**179**	-24.9
Wienerberger Building Solutions	203	194	**200**	+3.0
Wienerberger Piping Solutions East	49	17	**14**	-20.3
Wienerberger Piping Solutions West	175	148	**132**	-11.0
Wienerberger Piping Solutions	120	89	**78**	-12.3
North America	50	9	**24**	>100
Wienerberger Group	**173**	**155**	**158**	**+2.4**

1) Number of accident-related sick-leave days / number of hours worked x 1,000,000 // Including temporary and agency workers (from their first hour of work at Wienerberger) and employees under term contracts. // All non-financial indicators are calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences.

We are happy to report that not a single fatal accident occurred throughout the Wienerberger Group in 2019. We will not tire in our efforts to draw our employees' attention to potential sources of hazards and strengthen their awareness of the binding nature of safety rules and the obligatory use of personal protective equipment. The Health & Safety portal designed by Wienerberger Building Solutions is an important tool employed for this purpose. In 2019, it was used extensively to report accidents, hazards and near accidents; it also served as a training platform and for the sharing of documents.

Number of fatal occupational accidents within the Wienerberger Group



Reported on account of the high relevance of this indicator, even if it is outside the reporting scope.
1) Including one accident in a 50% subsidiary of Wienerberger.
2) Exclusively in a 50% subsidiary of Wienerberger.

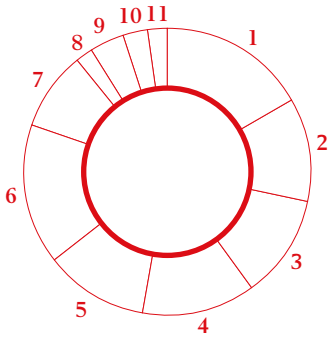
Going beyond the group-wide safety standard, each Business Unit of the Wienerberger Group has implemented its own safety programs. These are summarized in the 2018 Sustainability Report, starting on page 77. The activities reported there for Clay Building Materials Europe (roof tiles, clay blocks, facing bricks) and Semmelrock (concrete pavers) are now part of the safety program of Wienerberger Building Solutions, while the activities of Pipelife (plastic pipes) and Steinzeug-Keramo (ceramic pipes) are included in the safety program of Wienerberger Piping Solutions. The activities implemented in 2019 or planned for 2020 by the individual Business Units are described in detail in the section "Targets and Measures Relating to Employees".

Types of injuries

Due to the fact that the individual Business Units work with different production processes and have their own specific safety programs, the figures for the individual types of injuries are aggregated at Group level and reported separately for each operating segment.

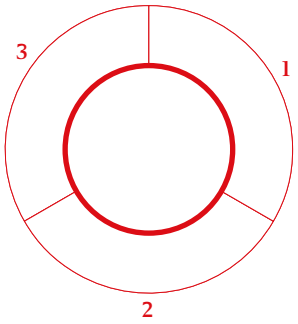
As in the previous year, the most frequent types of injuries at Group level were fractures, followed by cuts, bruising, sprains and strains. The circumstances and causes of every accident are analyzed in detail. Based on these findings, we consistently implement measures to increase the safety of our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

Types of injuries [1)]
Wienerberger Building Solutions
in %



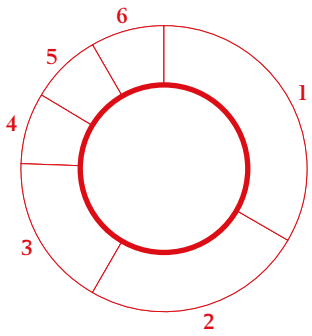
1 *Fracture 17%*
2 *Cut 12%*
3 *Bruising 12%*
4 *Sprains & strains 13%*
5 *Crush 12%*
6 *Other 16%*
7 *Swelling 9%*
8 *Amputation 2%*
9 *Superficial 4%*
10 *Puncture/Rupture 3%*
11 *Dislocation 2%*

Types of injuries [1)]
North America
in %



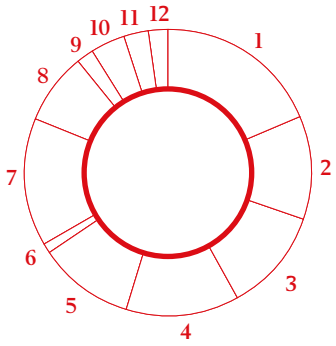
1 *Fracture 33%*
2 *Sprains & strains 33%*
3 *Burn 33%*

Types of injuries [1)]
Wienerberger Piping Solutions
in %



1 *Fracture 33%*
2 *Cut 25%*
3 *Bruising 17%*
4 *Sprains & strains 8%*
5 *Burn 8%*
6 *Other 8%*

Types of injuries [1)]
Wienerberger Group
in %



1 *Fracture 19%*
2 *Cut 12%*
3 *Bruising 12 %*
4 *Sprains & strains 13%*
5 *Crush 11%*
6 *Burn 1%*
7 *Other 15%*
8 *Swelling 8%*
9 *Amputation 2%*
10 *Superficial 4%*
11 *Puncture/Rupture 3%*
12 *Dislocation 2%*

1) Injuries resulting in at least one day of sick leave // Based on the specific definitions used by the individual operating segments

Sick-leave days

The average number of sick-leave days (accident-related and non-accident-related) per employee of the Wienerberger Group (excluding the North America Business Unit) increased slightly from 10.5 in 2018 to 10.7 days in 2019. In particular, the Wienerberger Building Solutions Business Unit reported an increase in the average number of sick-leave days from 10.6 to 11.2 (+5.1%); Wienerberger Building Solutions West recorded an increase from 12.5 to 13.4 days (+7.7%). Among other factors, the increase is primarily due to the higher accident frequency in Wienerberger Building Solutions East and longer sick-leave periods.

Sick-leave days per employee by operating segment [1]	2017	2018	2019	Chg. in %
Wienerberger Building Solutions East	8.9	8.6	**8.8**	+2.1
Wienerberger Building Solutions West	11.4	12.5	**13.4**	+7.7
Wienerberger Building Solutions	10.3	10.6	**11.2**	+5.1
Wienerberger Piping Solutions East	7.1	7.1	**5.6**	-20.9
Wienerberger Piping Solutions West	12.1	12.1	**11.3**	-6.8
Wienerberger Piping Solutions	10.1	10.1	**8.9**	-12.0
Wienerberger Group, excluding North America	**10.2**	**10.5**	**10.7**	**+1.7**
North America [2]	2.9	3.1	**2.2**	-26.4

1)Accident-related and non-accident-related sick-leave days. Agency and temporary workers are included in data on accident-related sick-leave days. Data on non-accident-related sick-leave days include all employees directly employed by Wienerberger. // All non-financial indicators are calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences. // 2) Due to special national legal provisions (regarding employees on sick leave) the indicators are not comparable to those of other Business Units and therefore reported separately.

The number of non-accident-related sick-leave days per employee of the Wienerberger Group (excluding North America) increased almost negligibly from 10.2 in 2018 to 10.3 in 2019. The number remained almost unchanged, because the increase in long-term sick-leave periods in Wienerberger Business Solutions (+5.1%) more than offset the positive developments in the other Business Units.

Our main focus is on motivating the management to take the needs of our employees into account and to be fully committed to their leadership roles. Improving the working conditions in our plants is equally important, because employee satisfaction is a decisive key to sustainable success.

Non-accident-related sick-leave days per employee by operating segment [1]	2017	2018	2019	Chg. in %
Wienerberger Building Solutions East	8.6	8.3	**8.4**	+0.5
Wienerberger Building Solutions West	11.1	12.0	**13.1**	+8.7
Wienerberger Building Solutions	9.9	10.3	**10.8**	+5.1
Wienerberger Piping Solutions East	7.0	7.1	**5.6**	-20.9
Wienerberger Piping Solutions West	11.8	11.8	**11.0**	-6.8
Wienerberger Piping Solutions	9.8	9.9	**8.7**	-12.0
Wienerberger Group, excluding North America	**9.9**	**10.2**	**10.3**	**+1.6**
North America [2]	2.8	3.0	**2.2**	-27.5

1) Employees directly employed by Wienerberger. // All non-financial indicators are calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences. // 2) Due to special national legal provisions (regarding employees on sick leave) the indicators are not comparable to those of other Business Units and therefore reported separately.

In view of the increasing numbers of long-term sick-leave periods, prevention is a particularly important health-promoting factor. Besides regular health screenings, company physicians are available across the Group, workplaces are analyzed for their ergonomic characteristics, and individual fitness and health programs are available.

In the USA all full-time employees of the North America Business Unit are covered by supplementary health insurance, the scope of which exceeds that of the Affordable Care Act (ACA).

Apart from the indicators on the protection of employees from exposure to respirable crystalline silica (see following section), Wienerberger does not collect any other data on potential occupational diseases, as there is no reason to do so.

It goes without saying that Wienerberger complies with all provisions on occupational health and safety and the protection of employees from health hazards. Going beyond that, we actively work towards solutions for optimal protection of the health of our employees, especially at our production sites. For example, work on a health standard to be developed by Wienerberger Building Solutions was started in 2019. It covers a broad range of topics, such as: health screenings for employees (procedure and frequency), alcohol and drug abuse, smoking, blood pressure, cholesterol, mental health, ergonomics (manual handling, display screen equipment, noise, dust and vibrations of hands, arms and body). The standard is being finalized in 2020 and will then be implemented. Moreover, the Business Unit drafted and integrated a new and extremely detailed section on occupational health and safety for the audit protocol, the criteria of which will in future be used for all plant audits.

Protection against respirable crystalline silica

Since 2008, companies from numerous industries have reported regularly, on a voluntary basis, on measures taken to protect employees from exposure to respirable crystalline silica. The survey is conducted every two years within the framework of the NEPSI social partnership agreement between employees and employers (Negotiation Platform on Silica, https://www.nepsi.eu/). The NEPSI system collects data on potential hazards for employees, health checks, training, the distribution and use of personal protective equipment, and technical measures, such as the enclosure of the production lines concerned.

For the 2017 survey Wienerberger for the first time collected additional indicators, for which comparative values from previous years are not available. Additionally, the definitions of individual indicators were further specified, which again means that they are not fully comparable with those used in previous years.

Within the framework of the 2019 survey, Wienerberger again remained within the scope of the NEPSI system and exclusively reported data for its ceramic production sites. However, we went beyond the geographic scope of NEPSI in order to obtain a clearer picture of all ceramic production sites of the Wienerberger Group. Details on the geographic scope are indicated in the footnotes of the following tables.

Core indicators on respirable crystalline silica at Wienerberger Building Solutions, Bricks and Tiles [1] *in %*	2015	2017	2019
Percentages of production sites concerned:			
Reporting sites [2]	97.7	97.7	**97.7**
Production sites with technical measures to reduce the generation/dispersion of respirable crystalline silica	92.9	98.4	**99.2**
Production sites with organizational measures to reduce the generation of respirable crystalline silica	92.1	100.0	**100.0**
Production sites where personal protective equipment is distributed to and used by employees	99.2	100.0	**100.0**
Percentages of employees at the production sites concerned:			
Employees potentially exposed to respirable crystalline silica	87.4	84.9	**85.9**
of which employees potentially exposed to respirable crystalline silica who are subject to hazard assessment [3]	n.a.	100.0	**100.0**
of which employees potentially exposed to respirable crystalline silica who are covered by monitoring measures [4]	96.7	80.7	**90.5**
of which employees potentially exposed to respirable crystalline silica who are subject to general health screening	98.5	97.7	**96.5**
of which employees potentially exposed to respirable crystalline silica who have received training	90.6	94.5	**94.8**
of which employees potentially exposed to respirable crystalline silica requiring medical screening for silicosis [3]	n.a.	36.1	**69.1**
of which employees potentially exposed to respirable crystalline silica for whom a silicosis health check file was created [3]	27.3	48.4	**70.5**

1) Wienerberger Building Solutions, Bricks and Tiles, including Russia and India. // All non-financial indicators were calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences. // 2) The calculation of the percentage of reporting production sites was wrong in 2017 and has now been corrected. // 3) n.a.: No information available, as data were not collected or not included at the time of the survey. // 4) In 2017 the term "monitoring" was specified and differentiated into "hazard assessment" and "dust measurement". Therefore, the indicator of "employees potentially exposed to respirable crystalline silica and subject to dust monitoring" is not directly comparable with previous years.

The percentage of reporting WBS production sites in 2019 was the same as in 2017. Likewise, the percentage of employees potentially exposed to respirable crystalline silica was almost the same as in 2017 (+1 percentage point).

Since the 2017 survey, Wienerberger has reported the indicator of "employees potentially exposed to respirable crystalline silica subject to hazard assessment". This allows a more precise differentiation between hazard assessment and dust monitoring, which in turn has a direct influence on the indicator of "employees potentially exposed to respirable crystalline silica subject to dust monitoring". Since 2017, this indicator has been based exclusively on on-site measurements for the purpose of dust monitoring. Compared to 2017 this indicator increased by 12 percentage points.

"Employees potentially exposed to respirable crystalline silica requiring medical screening for silicosis" was also introduced as a new indicator in 2017. The indicator shows how many employees had to undergo medical screening for silicosis, e.g. as required by the labor inspectorate and/or by national legislation. The percentage of "employees potentially exposed to respirable crystalline silica for whom a silicosis health check file was created" shows how many employees potentially exposed to respirable crystalline silica underwent a specific medical check for respirable crystalline silica and for whom a silicosis health check file was created.

Since 2015, non-ceramic production sites in North America have been included in the calculations, which has an influence on the core indicators at Group level (see table on the following page).

Core indicators on respirable crystalline silica at Group level [1] *in %*	2015	2017	2019
Percentages of production sites concerned:			
Reporting sites [2]	98.0	97.8	**97.9**
Production sites with technical measures to reduce the generation/dispersion of respirable crystalline silica	93.8	98.5	**99.3**
Production sites with organizational measures to reduce the generation of respirable crystalline silica	88.3	100.0	**99.3**
Production sites where personal protective equipment is distributed to and used by employees	99.3	100.0	**100.0**
Percentages of employees at the production sites concerned:			
Employees potentially exposed to respirable crystalline silica	84.3	85.4	**86.5**
of which employees potentially exposed to respirable crystalline silica who are subject to hazard assessment [2]	n.a.	99.0	**99.9**
of which employees potentially exposed to respirable crystalline silica who are covered by monitoring measures [3]	95.2	79.3	**89.4**
of which employees potentially exposed to respirable crystalline silica who are subject to general health screening	95.9	96.2	**96.7**
of which employees potentially exposed to respirable crystalline silica who have received training	90.6	92.2	**92.5**
of which employees potentially exposed to respirable crystalline silica requiring medical screening for silicosis [2]	n.a.	34.4	**63.2**
of which employees potentially exposed to respirable crystalline silica for whom a silicosis health check file was created [2]	26.1	47.7	**65.3**

1) Comprises: Wienerberger Building Solutions, Bricks and Tiles (including Russia and India), North America (including non-ceramic production sites), Wienerberger Piping Solutions, Ceramic Pipes. // All non-financial indicators were calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences. // 2) n.a.: No information available, as data were not collected or not included at the time of the survey. // 3) In 2017 the term "monitoring" was specified and differentiated into "hazard assessment" and "dust measurement". Therefore, the indicator of "employees potentially exposed to respirable crystalline silica and subject to dust monitoring" is not directly comparable with previous years.

Apart from the NEPSI social partnership agreement, Wienerberger is making every effort to provide the best possible protection against respirable crystalline silica for its employees. In 2019, work on a new standard for the protection of employees against respirable crystalline silica was begun. It will be finalized and implemented in 2020. The standard sets obligatory minimum requirements regarding the frequency of exposure monitoring, health screening, inspection at the workplace, training and personal protective equipment (PPE).

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

When we examined the supply chain within the framework of our materiality analysis, we first took a closer look at our own clay pits. Within its sphere of influence, Wienerberger guarantees the protection of fundamental human rights. When signing the Wienerberger Social Charter, Wienerberger undertook to comply with the conventions and recommendations of the International Labor Organization (ILO). It goes without saying that these also apply to our clay extraction sites. Avoiding occupational accidents and protecting workers from dust emissions and noise at our own extraction sites are our top priorities. Wienerberger's safety standards and the safety programs implemented at its plants apply across the Group for all workers at clay pits operated by Wienerberger. Following the introduction of a group-wide, uniform Supplier Code of Conduct, these requirements have been made obligatory also for operators of other clay extraction sites doing business with Wienerberger.

Communication and Employee Involvement

Our goal is to further strengthen the values of our corporate culture through continuous communication measures and to translate them into practice throughout the Group. We use a variety of communication channels and platforms to inform our employees about corporate targets and strategies as well as current developments relating to our shared values: competence, passion, integrity and respect, customer orientation, entrepreneurship, quality and responsibility.

To a growing extent, we rely on interactive communication processes and use two-way communication tools that facilitate dialogue. Examples of communication measures used at Group level and in the individual operating segments to foster employee involvement are listed on page 82 of the 2018 Sustainability Report.

Employee participation program

In 2019, Wienerberger created an opportunity for its employees to become co-owners. As a first step, the employee participation program was implemented in Austria in a pilot run. All employees having been employed by any of the participating companies under an active civil-law employment contract of at least twelve months were eligible for participation. Employees in Austria were thus offered the opportunity to acquire Wienerberger shares on very attractive terms via the private foundation managing the program. In accordance with the legal provisions, the foundation holds the shares in trust for all participating employees and collectively exercises their voting rights as shareholders. The opportunity was taken up by a large number of employees, as the relatively high rate of participation shows.

In 2020, the employee participation program is being rolled out to other countries. In the second round, employees in Austria, Great Britain, the Netherlands and the Czech Republic have the chance to become co-owners.

Industrial Relations

Employees in Europe as well as in non-European countries are covered by a broad range of provisions, such as laws and regulations, collective bargaining agreements, wage agreements, trade union agreements, works agreements or individual arrangements.

The Wienerberger Social Charter, which confirms the company's commitment to compliance with the relevant conventions and recommendations of the International Labor Organization (ILO), was signed in 2001 by the Managing Board of Wienerberger AG and the chairman of the European Forum, a social partnership body, in Strasbourg. Through this charter, Wienerberger demonstrates its global commitment to the respect of 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. In 2019, about 72% of all Wienerberger employees were covered by collective bargaining agreements.

The European Works Council was established in 2011 as the successor to the European Forum. The goals of the European Works Council are to engage in constructive social dialogue and to facilitate networking among local bodies representing employee interests. Other important objectives of the European Works Council are to improve workplace conditions (protection of employees against hazards, implementation of safety standards) and to protect the health of employees. The European Works Council also strives to ensure fair and just remuneration.

Currently, 11 countries are represented on the European Works Council by 34 delegates. The Steering Committee of the European Works Council includes five elected delegates from Austria, France, Poland, Hungary and Great Britain. The European Works Council meets twice a year; the Steering Committee also holds at least

two meetings a year. Several employee representatives are members of the Supervisory Board of Wienerberger and, as such, are closely involved in the strategic development of the Wienerberger Group.

A Group Works Council with employee representatives from all Wienerberger companies was established in Austria in November 2013. Currently, it has eight members and meets at least four times a year, or more often, if required. Similar structures also exist in other European countries. Colleagues in North America are represented by their trade union; in Canada employees are represented by a works council.

Initial and Further Training and HR Development

At Wienerberger, we believe in advancing and supporting our employees in a targeted fashion and in facilitating the cross-border exchange of knowledge. The training programs offered include internal as well as external initial and further training measures. The average number of hours per employee spent in training increased slightly from 15.8 in 2018 to 16.0 in 2019 (+1.3%). Efforts in the field of safety training were stepped up as well. In particular, training within the framework of our safety programs enjoys a high priority and is being thoroughly and consistently implemented.

The following table, broken down by operating segment, does not include international training events and on-the-job-training. International training measures include group-wide programs, such as Ready4Excellence or the Leadership Journey, which are organized centrally and financed by the holding company. In 2019, we succeeded in increasing the number of hours of international training per employee by almost 26%. This development is attributable to the fact that the international Ready4Excellence program was reorganized and therefore temporarily suspended in 2018, before it was relaunched in the new format in 2019. Excluding international training events and on-the-job training, the number of hours per Wienerberger employee spent in training amounted to 16.4 in 2019, up from to 16.1 hours in 2018.

Training hours per employee and year by operating segment [1]	2017	2018	2019	Chg. in %
Wienerberger Building Solutions East	14.7	16.1	**18.9**	+17.0
Wienerberger Building Solutions West	13.7	16.0	**15.8**	-0.9
Wienerberger Building Solutions	14.2	16.0	**17.3**	+7.9
Wienerberger Piping Solutions East	11.7	14.5	**7.3**	-49.9
Wienerberger Piping Solutions West	13.3	18.1	**15.0**	-17.4
Wienerberger Piping Solutions	12.6	16.7	**11.7**	-29.8
North America	10.9	11.8	**15.0**	+27.1
Wienerberger Group	**13.6**	**15.8**	**16.0**	**+1.3**

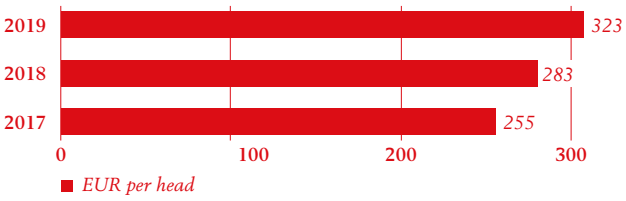
1) Internal and external initial and further training measures per employee. International training events are not included in this table. // Employees directly employed by Wienerberger. // All non-financial indicators are calculated on the basis of non-rounded figures. // Electronic data processing may result in rounding differences.

The data collection tools currently used by Wienerberger do not permit a group-wide breakdown of hours spent in training by gender, age group, functional area or position of the employee. In the interest of further differentiation, indicators on safety training will be included as of 2019 and published in our 2020 Sustainability Report.

We are convinced that investments in the development of our employees generate added value for Wienerberger. The average training expenses per employee in 2019, including international training programs, increased by € 40 to € 323 (+4%).

Average training expenses per employee [1)]

based on headcount



1) Internal and external initial and further training measures per employee directly employed by Wienerberger. International training hours are included in this table.

All Wienerberger training programs are designed to promote networking and facilitate international knowledge transfer. They are aimed at providing training that is tailored to the employees' specific areas of work and foster long-term succession management. As in the previous year, initiatives aimed at promoting and supporting employees and facilitating international knowledge transfer were implemented in 2019. Two examples are described in detail in on page 84 of the 2018 Sustainability Report.

Diversity and Equal Opportunities

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 with a variety of 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.

The principles of human resources management at Wienerberger ensure that all employees, regardless of age, gender, culture, religion, origin or other diversity features, have the same rights and opportunities. Based on these principles, Wienerberger does not tolerate any form of discrimination. In 2009, we started to collect data on diversity and equal opportunities within the framework of our sustainability reporting. Since the beginning of data collection, no incidents of discrimination have been reported.

Our values include integrity and respect. As an international Group with a decentralized corporate structure, we respect national cultures and make sure that they are adequately represented among our workforce. We regard regionally recruited teams as a crucial factor of success. In our human resources planning, we therefore make every effort to employ regional staff and executives (e.g. as plant managers and managing directors), which enables us to gain a better understanding of the regional market and to consider the specificities of the region in decisions taken at Group level. The international character

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

Gender

As at 31/12/2019, the total percentage of women employed by the Wienerberger Group was 14.8%, i.e. slightly above the previous year's value (14.3%). The percentages of women in the individual functional areas remained almost unchanged compared to 2018.

Numbers and percentages of women by functional area [1]		31/12/2017	31/12/2018	31/12/2019	Chg. In %
Female employees	*headcount*	2,248	2,328	**2,414**	+3.7
Production	*in %*	4.3	4.5	**4.6**	+2.1
Administration	*in %*	47.3	47.9	**46.7**	-2.5
Sales (including marketing and inventories)	*in %*	25.1	25.9	**26.1**	+0.9
Wienerberger Group	*in %*	**13.8**	**14.3**	**14.8**	**+3.5**

1) All employees directly employed by Wienerberger. // All non-financial indicators are calculated on the basis of non-rounded figures. // Electronic data processing may result in rounding differences.

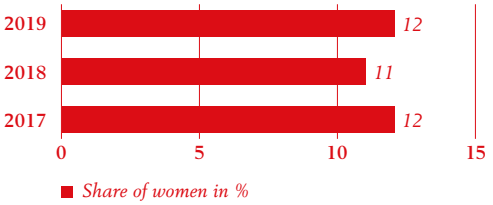
We are convinced that a higher percentage of women in executive positions has a positive impact on a company's success. We are therefore determined to increase the number of women in senior management and executive positions. By nominating an above-average number of women for internal training and talent development programs for future executives, we ensure that high-potential women candidates are guided toward senior management positions and have the chance to embark on a suitable career path.

In 2019, the percentage of women in senior management positions across the Group increased to 12% compared to 11% in the previous year, which corresponds to an 11.6% increase. We continue to give preference to women in new appointments to senior management and executive positions, provided their qualifications are equivalent to those of male candidates.

As of 1 June 2019, an internal female candidate was appointed to the newly created position of Chief Performance Officer on the three-member Wienerberger Managing Board, which brought the percentage of women on the Managing Board up to 33.3%. Ms. Solveig Menard-Galli, who has been responsible for the management of the Fast Forward 2020 program, remains in charge of this program, driving the associated cultural change within the Group and steering Wienerberger's digitalization strategy in her capacity as Chief Performance Officer (CPO). We are convinced that the greater diversity on the Managing Board will have a positive impact on the entire Wienerberger Group.

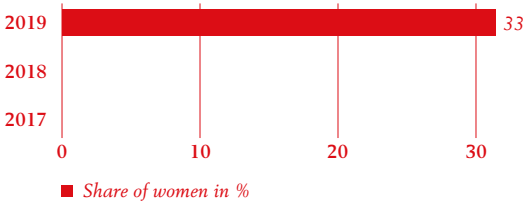
Share of women in senior management positions

based on headcount



Share of women on the Managing Board

based on headcount



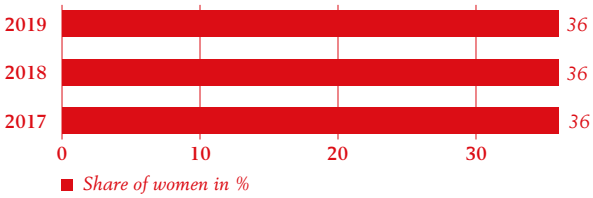
In an international group of companies like Wienerberger, the members of the top executive body must have outstanding professional qualifications and international leadership experience. The Managing Board of Wienerberger AG fully meets this requirement, consisting of personalities distinguished by international careers of different length, complementary professional expertise, a profound knowledge of the industry, and different national and cultural backgrounds. In the event of a new appointment, this qualifications profile guides the search for suitable candidates, which is to include both women and men.

In the interest of long-term succession planning, 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 based on a uniform catalogue of criteria, which is used for the evaluation of both internal and external candidates.

In 2019, six nationalities were represented among the eight capital representatives on the Supervisory Board. The mandatory 30% quota for women on supervisory boards introduced in 2018 has been more than fulfilled by Wienerberger since 2015, with 36% of its Supervisory Board members being women.

Share of women on the Supervisory Board

based on headcount



For further information on our diversity policy, please refer to the 2019 Consolidated Corporate Governance Report, pages 9–11.

We collect data not only on the percentage of women in the functional areas, but also on the numbers and percentages of newly recruited women and men and on employees working part-time. Alongside data on the percentage of women in permanent employment, broken down by full-time and part-time work, we also collect data on the percentage of women under term contracts. On the basis of these indicators, we can take a more differentiated approach in human resources management in order to position the company as an attractive employer now and in the future.

Numbers and percentages of newly recruited employees by gender and functional area [1]

Headcount as at 31/12/2019

	Women	Women in %	Men	Men in %
Production	62	4.4	1,349	95.6
Administration	154	48.6	163	51.4
Sales (including marketing and inventories)	196	32.5	407	67.5
Wienerberger Group	**412**	**17.7**	**1,919**	**82.3**

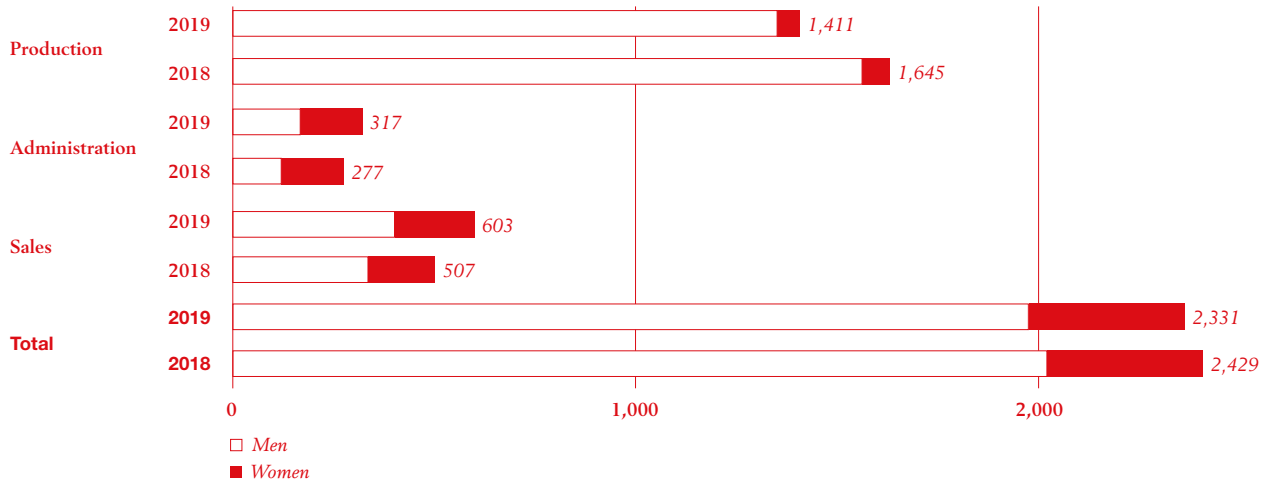
1) Employees directly employed by Wienerberger. // All non-financial indicators are calculated on the basis of non-rounded figures. // Electronic data processing may result in rounding differences.

In 2019, the number of new entrants was 2,331, i.e. 98 less than in 2018. The number of women among the new entrants continued to rise from 390 to 412 in 2019, while the number of men dropped from 2,039 to 1,919. The percentage of women among the new entrants increased further from 16.1% to 17.7%, while the percentage of men declined accordingly from 83.9% to 82.3%.

The reconciliation of work and family life is an issue of special concern to Wienerberger. We therefore offer our employees the possibility of working part-time. This offer is being taken up by a growing number of women as well as men employed by Wienerberger.

Number of new entrants by gender and functional area 2018/2019 [1)]

based on headcount



1) Employees directly employed by Wienerberger. // All non-financial indicators are calculated on the basis of non-rounded figures. // Electronic data processing may result in rounding differences.

Numbers and percentages of permanently employed women and men working part-time [1] *Headcount as at 31/12/2019*	Total	Of which part-time	Part-time in %
Women	2,337	359	15.4
Men	13,417	240	1.8
Total	**15.754**	**599**	**3.8**

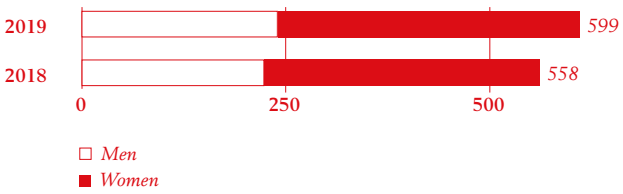
1) Employees with permanent employment contracts. // All non-financial indicators are calculated on the basis of non-rounded figures. // Electronic data processing may result in rounding differences.

In 2019, the percentage of Wienerberger employees in permanent employment working part-time increased slightly to 3.8% over the previous year's level (+0.2 percentage points). The percentage of permanently employed women working part-time increased by 0.2 percentage point to 15.4%. The percentage of men in permanent employment working part-time also increased slightly to 1.8% in 2019 (+0.1 percentage points). Nevertheless, the percentage of women working part-time remains comparatively high.

The percentage of employees directly employed in the Wienerberger Group under term contracts and working part time cannot be differentiated by gender for the time being. No such differentiation is being planned, as the percentage of employees concerned is very low. In 2019, the percentage of employees under term contracts across the Group was 3% (see also section "Employment trends" on page 63).

Numbers and percentages of permanently employed women and men working part-time 2018/2019 [1]

based on headcount



1) Employees in permanent employment // All non-financial indicators are calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences.

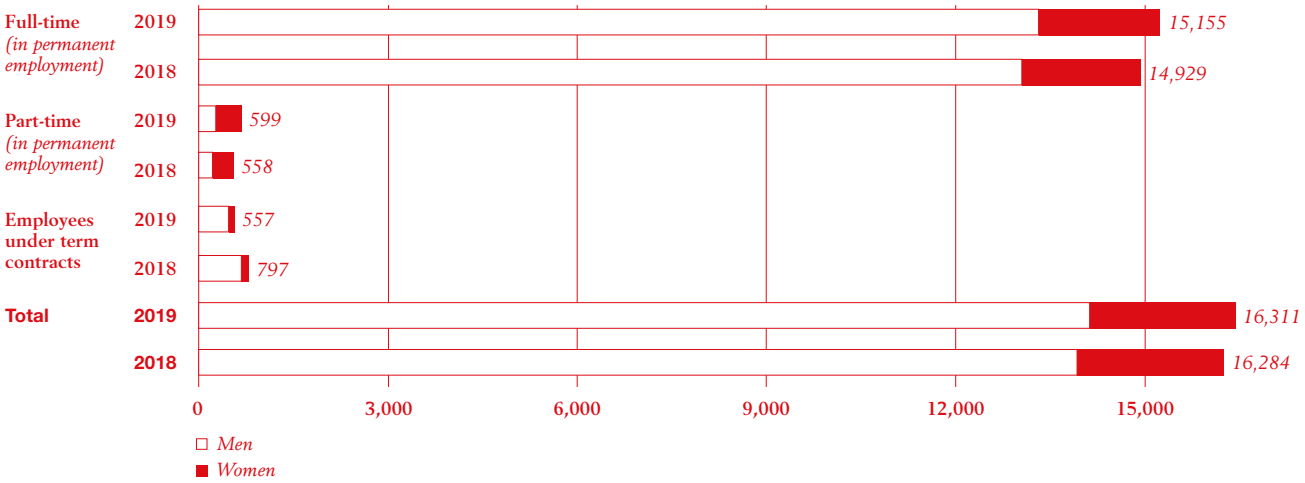
Employees by type of employment contract and gender [1] *as at 31/12/2019*	Women	Women in %	Men	Men in %
Full-time (in permanent employment)	1,978	81.9	13,177	94.8
Part-time (in permanent employment)	359	14.9	240	1.7
Employees under term contracts	77	3.2	480	3.5
Wienerberger Group	**2,414**	**100.0**	**13,897**	**100.0**

1) Employees directly employed by Wienerberger. // All non-financial indicators are calculated on the basis of non-rounded figures. // Electronic data processing may result in rounding differences.

The percentage of women directly employed by Wienerberger under term contracts is 3.2%, i.e. slightly lower than the corresponding percentage of men directly employed by Wienerberger under term contracts (3.5%).

Employees by type of employment contracts and gender 2018/2019 [1)]

based on headcount



1) Employees directly employed by Wienerberger. // All non-financial indicators are calculated on the basis of non-rounded figures. // Electronic data processing may result in rounding differences.

Age

As in previous years, the long average length of service of 13 years with the company was reflected in the age structure of our permanently employed workforce in 2019, which hardly changed in comparison with 2018. In 2019, 50% (-1 percentage point) of our employees were between 30 and 49 years of age. As in the previous year, 12% were younger than 30 and 38% (+ 1 percentage points) were older than 50 years.

Age structure of our employees [1)]

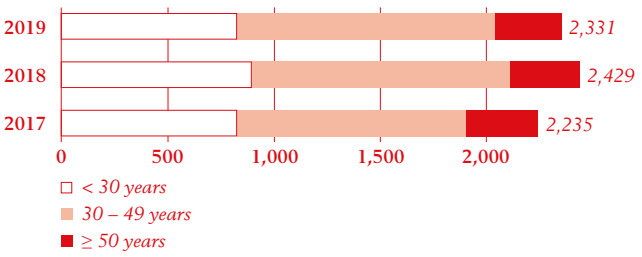
based on headcount

1) Employees in permanent employment

Among new entrants, the number of employees between 30 and 49 years of age increased from 1,208 to 1,209, which corresponds to almost 52% of all new entrants and is 2 percentage points higher than in the previous year. The number of new entrants younger than 30 dropped from 894 in 2018 to 829 in 2019, which corresponds to 36% of all new entrants. The percentage of new entrants above the age of 50 dropped from 327 to 293, which, as in the previous year, corresponds to 13% of all new entrants.

New entrants by age structure [1)]

based on headcount



1) Employees in permanent employment

In this context, we pay special attention to group-wide training and development measures for young employees and to long-term succession management. In order to ensure continuity in positions that are critical for Wienerberger's success, we have defined key positions and prepared succession plans for them. At the same time, we are identifying internal talents and high-potential employees, who are to be gradually prepared for succession to such key positions through targeted training measures, such as the new Ready4Excellence Program or the Plant Manager Program (see pages 83–84 of the 2018 Sustainability Report). Through this process, we ensure that critical key positions can be filled with the right people at the right time and in line with our corporate culture.

Targets and Measures Relating to Employees

The targets and measures described in the following were defined by the Managing Board of Wienerberger AG and the management of the respective Wienerberger Business Units on the basis of the materiality matrix developed in 2014. They are part of the Wienerberger Sustainability Roadmap 2020.

Social topics in production

Safety of our employees

At Group level

Quantitative target

- The long-term target is zero accidents within the Wienerberger Group.

2019

- Compared to 2009, accident frequency was reduced by 78%.
- Not a single fatal occupational accident occurred in the entire Wienerberger Group in 2019.
- Compared to the previous year, however, accident frequency increased by 9.9% and accident severity by 2.4%. We thoroughly analyzed the circumstances of every accident and consistently implemented the necessary measures to improve the safety of our employees.

Wienerberger Building Solutions, Bricks and Tiles

2019

- Compared to 2014, the frequency of accidents was almost halved.
- The Safety Award was again given out to the production sites with the best occupational safety performance.
- Compared to the previous year, accident frequency increased by 24.8% and accident severity by 3.0%. This was primarily due to the acquisition of companies in which our safety standards are yet to be implemented. We are making every effort to implement our standards there. We thoroughly analyzed the circumstances of every accident and consistently implemented the necessary measures to improve the safety of our employees.
- The Health & Safety portal was used extensively to report accidents, hazards and near accidents. It also served as a training platform and for the sharing of documents.
- The data of Wienerberger Building Solutions (WBS) Bricks and Tiles and WBS Concrete Pavers were integrated into the Health & Safety portal to ensure comparability of the data for the two product groups.
- New features, such as best practices, controlling of contractors or risk assessment, were added to the Health & Safety portal.
- The Health & Safety standard was updated with an even stronger focus on monitoring, LOTOTO (Lock Out, Tag Out, Try Out), surveillance standards, protection against respirable crystalline silica, and Visual Management Leadership (VML).
- Safety audits were performed by the central audit team and by local teams at all plant sites. The audit priorities were the safe interruption of power supply (LOTOTO), monitoring and locking of machines, and working at height.
- Within a few months after the launch of the new Safety App more than 3,500 safety concerns (near accidents) were reported and fed into the Health & Safety portal.
- The standardization of workwear and personal protective equipment (PPE) was rolled out to additional countries.
- The new remuneration system with targets set for occupational safety was rolled out to all executive levels in production.

2020

- Special attention will be paid to production sites with poor occupational safety performance.
- A Safety Award will again be given out to production sites with outstanding safety performance.

Safety of our employees

Wienerberger Building Solutions, Bricks and Tiles

2020

- Safety audits will again be performed at all production sites.
- The data of other areas will be integrated into the Health & Safety Portal.
- The language platforms and packages for the remaining countries will be finalized.
- The standardization of workwear and personal protective equipment (PPE) continues and will be finalized in the remaining countries.
- The development of a safety standard for existing and newly acquired vehicles (Wienerberger Vehicle Safety Standard) will start.
- The new remuneration system with targets set for occupational safety will be applied fully at all executive levels in production.

Wienerberger Building Solutions, Concrete Pavers

2019

- Each plant used its own Safety Improvement Plan (SIP) as a guideline and a monitoring tool.
- The Safety app was used to record, analyze and track accidents, hazards and near accidents.
- Compliance with and implementation of the guidelines was checked through internal safety audits.
- Conformity and workplace assessments (machine safety strategy) were performed in additional plants.
- Nationally organized leadership training sessions for shift leaders were begun.
- The WBS safety team began to check the effectiveness of poster campaigns organized to foster awareness for safety at work.

2020

- Checks of compliance with and implementation of the guidelines through internal safety audits will continue.
- Conformity and workplace assessments (machine safety strategy) will be performed at additional plants.
- In accordance with the WBS safety policy, training measures will focus on safety behavior.
- Risk analyses will focus on measures to minimize the risk of falls.
- Further nationally organized leadership training sessions for shift leaders will be organized.

Wienerberger Piping Solutions, Plastic Pipes

2019

- Through the appointment of a safety engineer, a newly created position, the occupational safety department was equipped with additional resources needed to implement the safety standards and advance the safety program.
- The best occupational safety performance since the inception of data collection in the Wienerberger Group (2012) was achieved, with excellent developments of the accident frequency and accident severity indicators, i.e. 2.0 occupational accidents per million hours worked (-55.8%) and 78 accident-related sick-leave days per million hours worked (-12.3%) compared to the previous year.
- The "Take Care" campaign and the WPS Plastic Pipes Safety Portal were continued.
- Best practices were exchanged not only within WPS Plastic Pipes and between the individual plants and country organizations, but also with other member companies of TEPPFA (The European Plastic Pipes and Fittings Association).
- Within the framework of the Zero Accident Club, the organization reporting the longest accident-free period within the Business Unit was honored with the WPS Plastic Pipes Safety Award for the year 2018.

Safety of our employees

Wienerberger Piping Solutions, Plastic Pipes	**2020** › The measures described above are being continued. › An upgraded version of the WPS Plastic Pipes Safety App will be launched. › Within the framework of the Zero Accident Club, the organization reporting the longest accident-free period within the Business Unit will be honored with the WPS Plastic Pipes Safety Award for the year 2019.
Wienerberger Piping Solutions, Ceramic Pipes	**2019** › The Health & Safety standard for WPS Ceramic Pipes was defined. › DuPont™ STOP® (safety training observation program) was continued at all production sites. › Further risk analyses of workplaces in production were carried out. › Again, a complete assessment of accidents and near-accidents was performed. › Health and safety targets were again set for the variable wage and salary components of all production workers up to plant manager and management level. › A Health & Safety Day was organized at the production sites of Bad Schmiedeberg (Germany) and Hasselt (Belgium). › Monthly health days were organized, for example on healthy nutrition. **2020** › The activities described above are being continued.
North America	**2019** › The "hazard alert" system introduced in 2018 remained in operation. The system collects data on near-accidents, which did not result in injuries but could have done so if conditions had only been slightly different. Data on the sources of danger identified were compiled on a monthly basis and telephone conferences were organized with the employees working in production to raise awareness and ensure that everyone knows what to do in a given situation. › At one production site, the grinding and powdering processes were relocated from the main factory floor to another site, which will have a direct positive impact on occupational health and safety for the employees (less dust and noise pollution) in two areas. › The installation of an electronic locking system for improved protection of our employees, e.g. during repair, maintenance and cleaning work, was begun. This "Lock-out Tag-out" (LOTO) system disconnects the power supply to machines and equipment while repair and maintenance work is going on and starts them up again when the work is finished. It prevents unauthorized access to or manipulation of machines. **2020** › Installation of the Lock-out Tag-out (LOTO) system will be completed.

Health of our employees

At Group level	**Quantitative target** › At least 95% of all ceramic production sites reporting on measures to protect employees from respirable crystalline silica. **2019** › 97.7% of all ceramic production sites reported on measures to protect employees from respirable crystalline silica. › As scheduled, data on exposure to respirable crystalline silica and measures to protect employees from exposure were collected via the shared online platform NEPSI, (Negotiation Platform on Silica, https://www.nepsi.eu). **2020** › The measures to protect our employees from exposure to respirable crystalline silica are being continued.
Wienerberger Building Solutions, Bricks and Tiles	**2019** › In parallel with the NEPSI survey, data from dust and silica measurements at the production sites of the entire Business Unit, including from concrete paver production, were entered into the Health & Safety portal. › Protection against respirable crystalline silica was given more room in the updated Health & Safety standard. › A standard for respirable crystalline silica was elaborated. › Work on a health standard covering a broad range of topics was continued. › Work on best practice documents on the avoidance of dust pollution was continued. › Further technological improvements were implemented wherever necessary. **2020** › The new standard on respirable crystalline silica will be finalized and implemented. › The health standard will be finalized and rolled out. › Further improvements are being implemented to protect employees from exposure to respirable crystalline silica and best practice examples will be rolled out.
Wienerberger Building Solutions, Concrete Pavers	**2020** › Dust removal from machinery, especially the design and introduction of dust extraction devices, will be at the focus of attention. › Noise abatement measures will focus on noise measurements and the definition of suitable personal protective equipment (PPE).
Wienerberger Piping Solutions, Ceramic Pipes	**2019** › All working areas were analyzed for potential exposure to respirable crystalline silica. › Technical equipment for the reduction of respirable crystalline silica pollution was further optimized. **2020** › The measures aimed at protecting employees from respirable crystalline silica are being continued.

Health of our employees

North America

2019

- The measurements of respirable crystalline silica performed by an external expert were not continued. Instead, we began to train our own staff to perform such measurements, as we received feedback more quickly and were thus able to adjust and optimize our technical and administrative checks without delay. By the end of 2019, we provided practical on-site training for our own staff at about 50% of all production sites.
- Supplementary health insurance coverage was provided for all full-time employees of the North America Business Unit, the scope of which goes beyond the provisions of the Affordable Care Act (ACA) in some respects.

2020

- Supplementary health insurance coverage will again be provided for all full-time employees of the North America Business Unit, the scope of which goes beyond the provisions of the Affordable Care Act (ACA) in some respects.

Employee satisfaction

At Group level

2019

- Action plans derived from the results of employee surveys were developed and implemented. The measures taken are based on the survey results and will therefore differ from country to country.

2020

- The next employee survey will be prepared for 2021 and then performed simultaneously for all employees of the Wienerberger Group. Above all, the effectiveness of the measures taken is to be evaluated. In the future, group-wide employee surveys are to be performed every two years.

Communication and employee involvement

At Group level

2019

- The first round of the employee participation program was implemented as a pilot run in Austria. Wienerberger offered its employees the opportunity to become co-owners and to invest in the company through a private foundation in charge of managing the program. As provided for by law, the foundation holds the shares in trust for all employees participating in the program and collectively exercises their voting rights as shareholders.
- Town Hall meetings were webcast across the Group at regular intervals. The Group's employees had a chance to participate in real time and put questions to the Managing Board anonymously.
- A CEO blog was launched. Through video messages and written contributions, our CEO regularly informed all employees about current issues.
- Within the framework of the Fast Forward program, a special site was implemented on the Intranet (iComm) for best practice sharing among all Business Units, organizations and countries at all levels.
- Various new software features for upgrades of the Intranet (iComm) were evaluated. The objective was to broaden the range of applications for all employees and further improve the communication and collaboration options.

2020

- The next round of the employee participation program will take place not only in Austria, but also in Great Britain, the Netherlands and the Czech Republic.
- The CEO blog will be continued.
- Regular Town Hall meetings will again be webcast across the Group. Employees will have the chance to participate in real time and put questions to the Managing Board anonymously.
- The Intranet site (iComm) of the Fast Forward program will again be available for the sharing of best practices among all Business Units, organizations and countries at all levels.
- New software will be implemented for the Intranet.
- We will apply more interactive communication processes and use two-way communication instruments to facilitate dialogue. Our objective is to foster interaction among employees, inform them about current developments within the company and provide a framework for all employees to contribute to current topics.

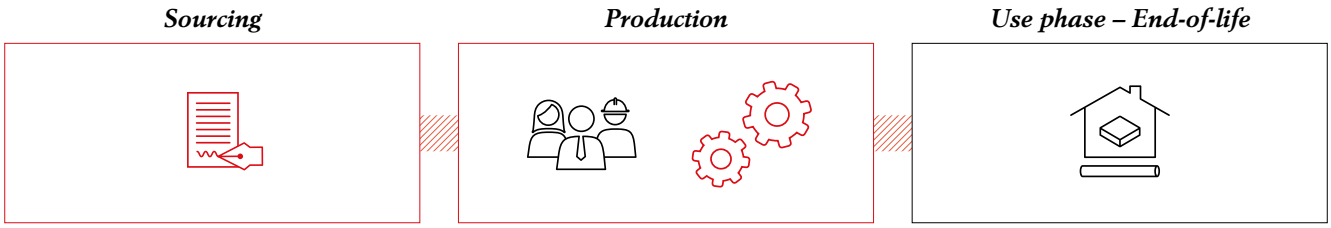
People's quality of life directly depends on the natural bases of life on Earth.
It is our responsibility to minimize the impact of our value creation cycle on the environment and, at the same time, provide products and system solutions for the best possible quality of life.

Production

Production Coordinates at Group Level

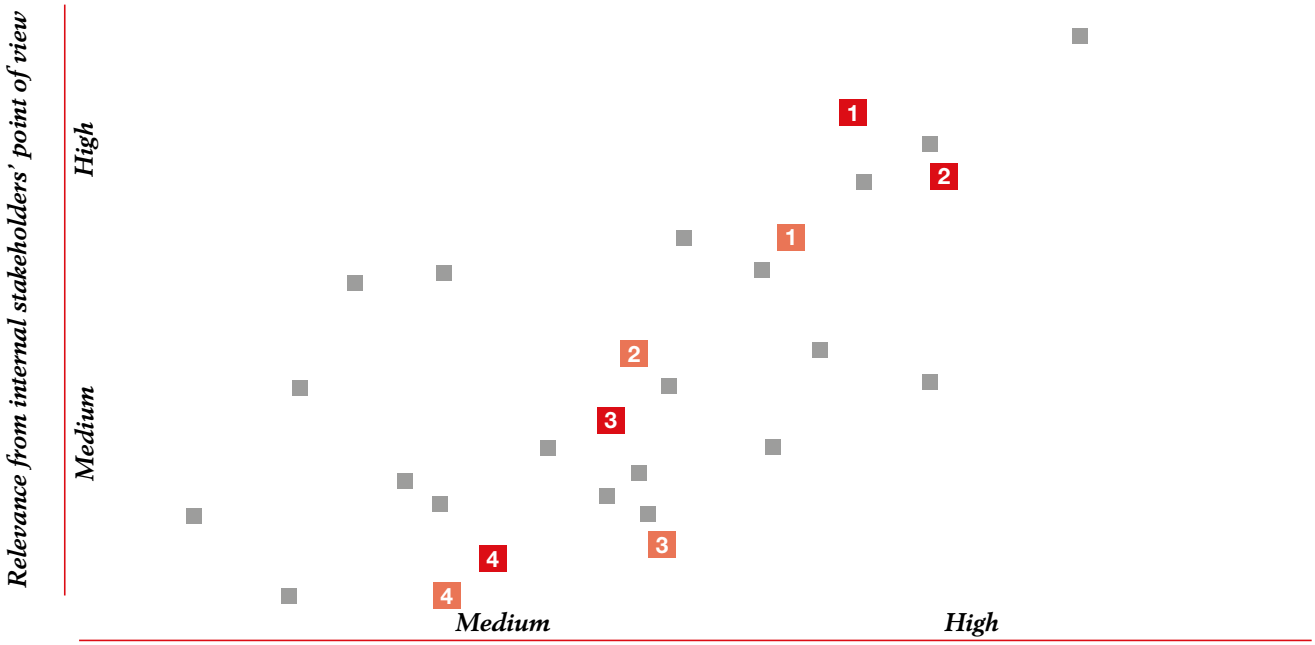
Stages in the value creation process

In this chapter, we address the topics relating to production. The subjects covered relate to the sourcing stage of the value chain and the environmental topics to be dealt with in the production stage of the value chain.



Excerpt from the Materiality Matrix – Relating to Sourcing and to our Production

In the 2014 materiality analysis, the topics highlighted were identified as particularly important in relation to our supply chain and to environmental topics in production. In 2019 we started a new materiality analysis. We will complete the analysis in the course of 2020 and publish its results, as well as the Sustainability Strategy 2020+ and our sustainability program 2020+, together with our report on the 2020 business year.



Caption

Group-wide topics in sourcing	Environmental topics in production
1 *Availability of raw materials*	1 *Energy efficiency*
2 *Avoidance of hazardous substances*	2 *Climate action*
3 *Nature conservation and subsequent use of supplier-operated depleted clay pits*	3 *Resource efficiency and waste management*
4 *Use of secondary raw material*	4 *Sparing use of water*

Results of the Impact and Risk Analysis – Relating to Environmental Topics in Sourcing and Production

In 2018, an impact and risk analysis for Wienerberger's four main product groups – bricks (wall, facade and roof products), ceramic pipes, plastic pipes and concrete pavers – was launched on the basis of the specific value chains. The entire analytical process was accompanied and methodologically supported by independent external experts.

The impacts and risks of the four main product segments currently identified as material have been aggregated for the Wienerberger Group. The above table shows the environmental topics relating to sourcing and production classified as relevant at Group level.

	Sourcing		Production		Use phase – End-of-life
	Energy efficiency	SR	Energy input in production		
	Emissions from raw material sourcing	SR	Emissions from production processes		
SR	Input of secondary raw materials	SR	Raw material input		
SR	Environmental contamination	SR	Input of secondary raw materials		
			Energy input in transport		
			Emissions from transport		

Method: *The topics indicated in the table have been identified as material for at least two product groups of the Wienerberger Group. // Topics marked* ***SR*** *were classified as highly relevant in the Wienerberger materiality matrix (2014) and therefore provided the basis for the Wienerberger Sustainability Roadmap 2020. // Topics marked ■ were classified as impacts. // Topics marked ■ were classified as risks or opportunities.*

Relevant SDGs – Relating to Sourcing

Relevant SDGs – Relating to Environmental Topics in Production

On the basis of our impact and risk analysis, the Sustainability Development Goals of the United Nations highlighted in color have been classified as particularly relevant for our sourcing activities and for the environmental topics in production.

Production

Principles, Processes and Instruments

Wienerberger strives to make its production processes as environment-friendly as possible. For us, the conservation of resources is a key aspect in production. In particular, we focus on the responsible and efficient use of raw materials, energy and water.

We constantly work towards contributing to the fight against climate change through greater energy efficiency and the reduction of our CO_2 emissions. At the same time, we make every effort to increase the amount of secondary raw materials used in all Business Units, wherever technically and economically feasible.

Research and development (R&D) are among the priorities of Wienerberger's strategic planning. Among the core activities of our R&D are the optimization of production processes and the development of innovative products and services (see chapter "Products and System Solutions" from page 130). R&D expenditure in 2019 amounted to almost € 17.5 million, which corresponds to 0.5% of the Group's revenues.

Environmentally relevant aspects have also been integrated into the company's quality management systems (QMS), which are certified according to ISO 9001 at almost all production sites. Where appropriate, some production sites have additionally been certified according to ISO 14001 (Environmental Management Systems). Additionally, all our ceramic pipe production sites and the plastic pipe production site in Germany have been certified according to DIN EN ISO 50001:2011 (Energy Management Systems).

Technical controlling systems have been installed in all fields of production of the Wienerberger Group. These systems record all production-related data required for the management of the company and permit the internal benchmarking of production sites.

Results of our 2014 Materiality Analysis

The environmentally relevant topics relating to production and the associated sourcing identified as particularly important in the course of the 2014 materiality analysis are summarized on page 94. They provide the basis for our five-year plan of action, the Wienerberger Sustainability Roadmap 2020. The production-related targets and measures within the framework of the Wienerberger Sustainability Roadmap 2020 are described in detail at the end of this chapter under "Targets and Measures Relating to Production".

Collection of Indicators, Restatements

Given the differences in our various production processes and the related impacts, we report our production-related, non-financial indicators not only in accordance with our corporate structure, but differentiated by product group. The data contained in this chapter, unless otherwise indicated, exclusively refer to our production sites. In the course of the further development of our data collection methods throughout the Wienerberger Group, the indicators concerned were adjusted accordingly. In the interest of transparency and comparability, the previous year's figures were restated. All restatements and adjustments are explained in the following and, in addition, shown in footnotes to the tables.

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

All non-financial indicators are calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences. Further information on the reporting scope and the reporting profile of this sustainability report are contained in the chapter "Reporting Profile" on page 148.

Calculation methods and conversion factors

Production volume

The production volume is a value measured exclusively on the basis of finished products ready for sale and reported in tons. The conversion factor for the respective product weight is included in the product-group-specific

data collection system and updated annually. The production volume provides the basis for the calculation of the specific indicators (energy input, CO_2 emissions, water usage) relative to the quantity of products produced and ready for sale.

Energy input

The data on the use of energy sources correspond to the actual consumption values of the entire Group. Absolute energy consumption and the data on specific energy consumption, relative to the respective production volume, are converted on the basis of the measured consumption values into a unit harmonized across the Group.

For the calculation of specific energy consumption, absolute energy consumption in kWh is related to the volumes of production in tons. Specific energy consumption is represented as an index in % relative to the defined reference year, the values of which are set at 100%.

Direct CO_2 emissions (Scope 1)

Direct CO_2 emissions result from the combustion of fossil fuels and the release of CO_2 from lime/dolomite and/or the combustion of organic components in the raw materials used in ceramic production (process emissions). The absolute volume of CO_2 emissions in kilotons (= 1,000 t) is recorded and calculated throughout the Group in accordance with the calculation method of the European Union Emissions Trading System (EU ETS). The data source used is the EU Transaction Log (EUTL).

The specific CO_2 emissions are calculated on the basis of the absolute CO_2 emissions relative to the production output in tons (kg CO_2/t of products). We report this value as an index in % relative to the defined reference year, the values of which are set at 100%

.

Details on the calculation methods and conversion factors used to calculate our energy input, direct CO_2 emissions (Scope 1) and indirect CO_2 emissions from the consumption of electricity are contained in our 2018 Sustainability Report on pages 101–102.

Restatements

Indicators of energy input and CO_2 emissions of Wienerberger Building Solutions (WBS), Bricks and Tiles: For two production sites in the Netherlands newly acquired in 2018 the necessary data collection structure for non-financial indicators were implemented; both sites are included in the indicators for 2019. For reasons of comparability, the energy and emission indicators as well as the production volume of one of these sites (ceramic production) were included in the 2018 figures; the indicators for 2018 were therefore restated accordingly.

CO_2 *emissions non-ETS:* The indicator of the CO_2 emission of plants not covered by the Emissions Trading System of the European Union for 2018 and the comparable value of the prior year had a wrong header in the 2018 Sustainability Report, which has now been corrected.

CO_2 *emissions Wienerberger Piping Solutions (WPS), Ceramic Pipes:* In the context of reporting process emissions (from the raw material) for 2019, the primary-energy-related indicators of CO_2 emissions for this product group were changed as well. The indicators concerned were adjusted and therefore deviate slightly from those published in the 2019 Annual Report.

All restatements are indicated in the respective tables of indicators.

Volumes Sold by Product Group

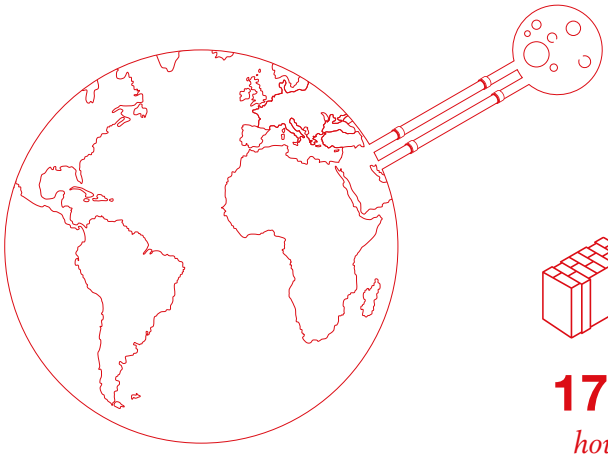
The total volumes of products supplied by the Wienerberger Group for building construction and infrastructure solutions in 2019 are illustrated on the following page:

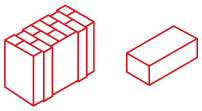
Volumes Sold by Product Group

757,425
km of pipes laid

Once to the moon and back …

Or more than 19 times around the world with our pipes: Roughly 757,425 kilometers of plastic pipes and ceramic pipes are laid every year – enough to go around the world more than 19 times.

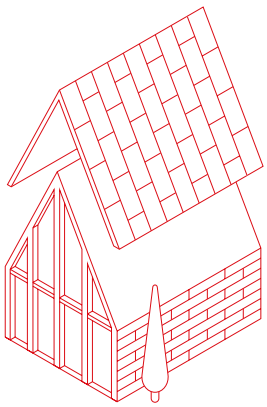




170,000
houses built

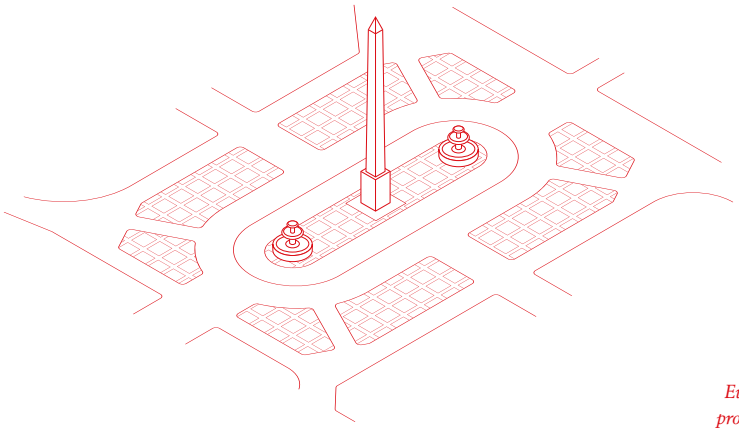
Every year a small town …

From facing bricks for the facade to clay blocks for interior walls: Every year, about 170,000 houses are built with Wienerberger bricks, corresponding to the size of a small town.



293,000
roofs covered

For new construction or renovation: Every year, 293,000 roofs are covered with Wienerberger clay roof tiles. These durable products based on natural raw materials open up a whole range of possibilities for roof and facade design.



11,700,000
m² of surface paved

171 times the size of Place de la Concorde

From pedestrian precincts to private patios: Every year, surfaces adding up to 1,700 hectares are protected and embellished with Wienerberger products. To visualize the size, this corresponds to 171 times the surface of Place de la Concorde in Paris.

Data based on 2019 sales volumes.

Environmental Topics in Production: Energy Efficiency

The following indicators of energy consumption cover the entire Wienerberger Group. Compared to the previous year, the Group's total energy consumption decreased slightly (-0.2%) in 2019, the main reason being a slightly reduced consumption of natural gas in ceramic production, which accounts for the major part of the Wienerberger Group's energy consumption (see figure on next page).

The percentage of renewable energy sources in the consumption of electricity in 2019, based on kWh per ton, increased by two percentage points over the previous year's level. Apart from that, we do not record the consumption of other renewable energy sources, as the percentages used in our production processes have been negligible so far. Data on energy sold is irrelevant and therefore not reported.

Consumption of energy sources [1] *in GWh*	**2017**	**2018**	**2019**	**Chg. in %**
Natural gas [2]	6,665	6,978	**6,945**	-0.5
Coal	50	32	**43**	+33.6
Fuel oil	7	8	**9**	+3.1
Liquefied natural gas	55	52	**54**	+3.8
Electricity [2]	1,112	1,141	**1,142**	+0.2
Wienerberger Group [2]	**7,889**	**8,211**	**8,194**	**-0.2**
Share of renewable energy in total electricity consumption	37%	37%	**40%**	-

1) Total energy consumption includes energy consumed in production, but excludes administration, except for countries where separate accounting is not possible. // 2) For two production sites newly acquired in 2018 the necessary data collection structures for non-financial indicators were implemented and both sites are included in the indicators for 2019. For one of these sites, the energy and emission indicators (ceramic production) were also included for 2018; the respective indicators for 2018 were therefore restated. // All non-financial indicators are calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences.

Wienerberger is making continuous efforts to convert production processes to low-emission energy sources. Nevertheless, in 2019 the consumption of coal, fuel oil and liquefied natural gas increased over the previous year's level although their shares in total energy consumption are extremely low at less than 1% each (see also the diagram on energy input and energy use in production on page 100). The substitution of coal and liquefied natural gas with other sources of energy remains a high priority for us. Compared to the previous year, the group-wide consumption of coal increased by more than one third (+33.6%) in 2019, which was primarily due to the conversion to coal at our production site in India on account of a national regulation. For reasons of production technology, this also led to a slight increase in liquefied natural gas (LNG) consumption in India. In 2020, production in India will be converted to natural gas. Higher production volumes in Sweden and Macedonia also contributed to a slight increase in the Wienerberger Group's comparatively low consumption of LNG. The comparatively low absolute consumption of fuel oil increased slightly in 2019. This is attributable to a higher volume of concrete roof tiles produced and a production increase in a ceramic pipe plant after completion of the restructuring measures taken in 2018.

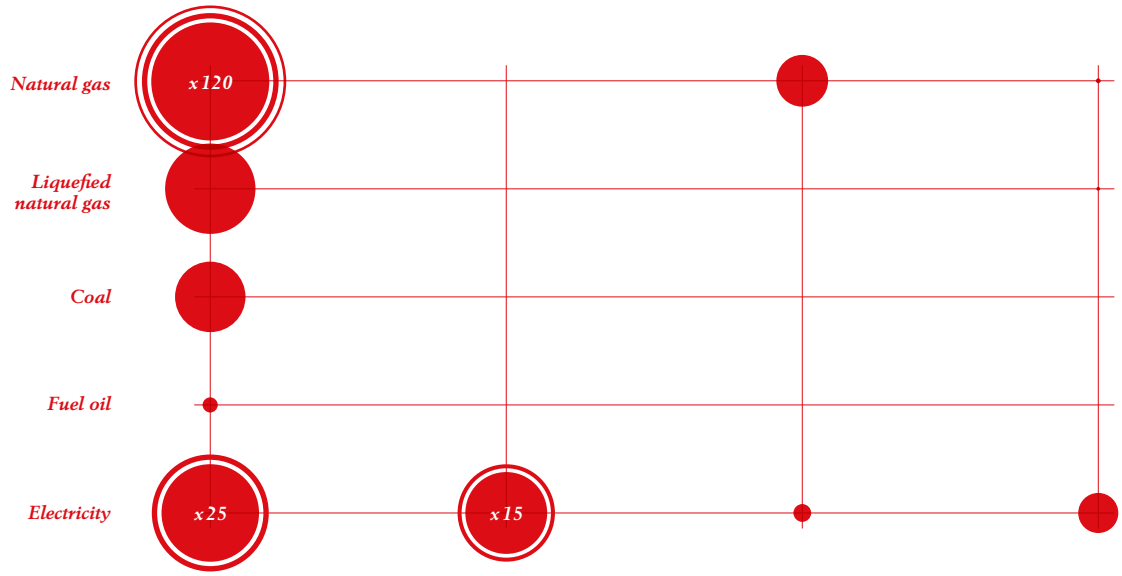
Energy sources used in our production processes

The use of the various sources of energy and their consumption in our production processes are described in detail in the 2018 Sustainability Report on pages 104 and 105. We distinguish between the following fields of production:

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

Energy input and types of energy use in production

broken down by energy source and field of production



Ceramic production

Mainly thermal energy for the drying process and to heat the tunnel kiln for firing of products. Electrical energy for raw material mixing and preparation, extrusion, and grinding and transport equipment

Plastic pipes

Mainly for the operation of equipment and machinery to heat the plastic granulate in the extruder and for molding through the extrusion die

Concrete and calcium silicate products in North America

Mainly for heat treatment of products under overpressure for steam curing (autoclaving)

Concrete pavers

Mainly for the operation of equipment and machinery for mixing, molding, drying and surface treatment (washing, grinding, sandblasting or coating)

Specific energy consumption

Specific energy consumption (calculated as an index in % based on kWh/ton) reflects the development of the individual product groups over time, with the values reported for a specific reference year (here: 2013) serving as the basis for index calculation. Up to 2016, the figures from 2010 were used as a basis. However, due to the further development of data collection methods and the integration of new product groups in 2016 (see 2016 Sustainability Report, pages 58 and 59, Collection of Indicators, Restatements), 2010 can no longer be used as the reference year for certain product groups, as the data are no longer comparable. This concerns data on ceramic pipes as well as concrete products in North America. Since 2017, we have therefore used the indicators from 2013 as the new reference value for these product groups to calculate the index of specific energy consumption (based on kWh/ton) for the entire Wienerberger Group.

In 2019, the Wienerberger Group's specific energy consumption, relative to 2013 as the reference year, was reduced by 1.4%. Compared to the previous year's value, the change was in the decimal range.

Index of specific energy consumption [1] *in % based on kWh/ton (2013 = 100%)*	**2017**	**2018**	**2019**	**Chg. against 2018 in %**	**Chg. against 2013 in %**
Clay blocks	91.2	91.0	**91.2**	+0.3	-8.8
Roof tiles	87.8	86.3	**85.0**	-1.5	-15.0
Facing bricks [2]	101.1	98.7	**100.6**	+1.9	+0.6
Ceramic pipes	122.0	116.4	**100.7**	-13.5	+0.7
Ceramic production [2]	**97.6**	**95.9**	**95.7**	**-0.2**	**-4.3**
Plastic pipes	101.5	102.9	**110.1**	+7.0	+10.1
Concrete and calcium silicate products North America	100.3	108.7	**88.1**	-18.9	-11.9
Concrete pavers	100.1	82.4	**88.0**	+6.8	-12.0
Wienerberger Group [2]	**99.1**	**98.7**	**98.6**	**-0.0**	**-1.4**

1) Total energy consumption includes energy consumed in production, but excludes administration, except for countries where separate accounting is not possible. // 2) For two production sites newly acquired in 2018 the necessary data collection structures for non-financial indicators were implemented and both sites are included in the indicators for 2019. For one of these sites, the energy and emission indicators (ceramic production) were also included for 2018; the respective indicators for 2018 were therefore restated. // All non-financial indicators are calculated on the basis of non-rounded values. Electronic data processing may result in rounding differences. Differences against the previous year are partly in the decimal range.

Although measures aimed at reducing specific energy consumption were continuously implemented in 2019, they did not always yield the desired success. In ceramic production, specific energy consumption was reduced by 0.2% compared to the previous year and by 4.3% compared to 2013. In roof tile production, in particular, energy conservation projects and process optimization brought specific energy consumption down by 1.5% from the previous year's level and by as much as 15% compared to 2013. In this product group, the utilization of production facilities was optimized and the scrap rate was reduced. At the same time, we invested in new, energy-efficient machinery. In facing brick production, specific energy consumption increased in 2019, partly due to changes in the product mix and partly as a result of acquisitions. It was 1.9% higher than in the previous year and 0.6% above the 2013 reference value. Wienerberger Building Solutions (WBS) further advanced the consistent rollout of the "Plant Improvement Program (PIP+) throughout 2019 and performed the energy audits required in this context. By 2019, our "demo plant" at Uttendorf succeeded in reducing natural gas consumption by 30% and has since been operating at a stable level. The rollout of some of the technologies employed at the demo plant to other plants was begun in 2019.

Details on the "demo plant" project, the current "Plant Improvement Program" and ongoing WBS activities to enhance energy efficiency are described in the section "Targets and measures relating to production", starting on page 112.

In the field of ceramic pipes, the closure of a plant in Germany in 2018 resulted in lower specific energy consumption in 2019 than in the previous year (-13.5%). This was partly due to higher capacity utilization at the other production sites remaining in operation. Moreover, the resultant change in the product mix led to lower energy input in production.

The 2019 increase in specific energy consumption in plastic pipe production was primarily attributable to lower capacity utilization and higher energy consumption than in the previous year, the latter being due, above all, to changes in the product mix (lower demand for large pipes, the production of which requires less specific energy) and the use of more energy-intensive machinery. Within the framework of the Sustainability Roadmap 2020, our target for plastic pipe production in Europe is to reduce specific energy consumption from electricity in production by 3% compared to 2010. In 2019, specific total energy consumption was above the reference value, equaling 107.3% of the value reported in 2010. This is primarily attributable to the long-term trend toward lighter plastic pipe products with lower pipe diameters (which has a significant influence of the specific value measured per ton of net additions to inventories).

In concrete paver production, a higher share of premium products in the product mix, product tests and longer production periods associated with higher heating requirements led to an increase in specific energy consumption over the previous year's level (+6.8%). Nevertheless, energy consumption is significantly below that of other product groups and clearly below the 2013 reference value (-12.0%).

In the North America Business Unit specific energy consumption for concrete and calcium silicate products dropped by 18.9% in 2019 compared to the previous year and by 11.9% compared to 2013. This is primarily due to the product mix with a smaller share of cut products, which are more energy-intensive in production.

The Wienerberger Building Solutions Business Unit (WBS) is developing new roof tile and facing brick products, one of the objectives being to increase resource efficiency and to further improve the product properties. To reflect this development, the index of specific CO_2 emissions from primary energy sources for these two product groups is also shown per square meter of product surface (kWh per m²). The indicators for 2019 confirm the successful implementation of measures taken by WBS to enhance energy efficiency and/or reduce specific energy consumption in the production of roof tiles (-1.9%). In the field of facing bricks, changes in the product mix and new acquisitions have led to a slight increase in specific energy consumption per m² in 2019 (+0.6%).

Index of specific energy consumption WBS, Bricks and Tiles [1] *in % based on kWh/m² (2013 = 100%)*	**2017**	**2018**	**2019**	**Chg. against 2018 in %**	**Chg. against 2013 in %**
Roof tiles	83.6	**82.6**	**81.0**	-1.9	-19.0
Facing bricks [2]	95.2	**91.9**	**92.5**	+0.6	-7.5

1) Total energy consumption includes energy consumed in production, but excludes administration, except for countries where separate accounting is not possible. // 2) For two production sites newly acquired in 2018 the necessary data collection structures for non-financial indicators were implemented and both sites are included in the indicators for 2019. For one of these sites, the energy and emission indicators (ceramic production) were also included for 2018; the respective indicators for 2018 were therefore restated.

For Wienerberger Building Solutions (WBS) and Wienerberger Piping Solutions (WPS), the indicators from 2010 continue to serve as reference values for the quantitative targets regarding the increase in energy efficiency by 2020. We are therefore able to additionally present the index of specific energy consumption for most of the product groups (excluding concrete and calcium silicate products in North America and ceramic pipes) relative to 2010. The target of minus 20% set for WBS was not only achieved but in fact surpassed at minus 22.5% for clay blocks in 2019. We are also making good progress with roof tiles (-17%). In all other product groups, we will step up our efforts to reach our self-defined targets in terms of the highest possible level of energy efficiency. Our targets and activities within the framework of the Wienerberger Sustainability Roadmap 2020 are described in this chapter in the section "Targets and measures relating to production" on pages 112–114.

Index of specific energy consumption [1] *in % based on kWh/ton (2010 = 100%)*	**2017**	**2018**	**2019**	**Chg. against 2018 in %**	**Chg. against 2010 in %**
Clay blocks	77.5	77.3	**77.5**	+0.3	-22.5
Roof tiles	85.7	84.3	**83.0**	-1.5	-17.0
Facing bricks, only WBS [2]	98.0	95.9	**96.8**	+1.0	-3.2
WBS, ceramic production in total [2]	**88.3**	**87.0**	**86.7**	**-0.3**	**-13.3**
Facing bricks including North America	103.6	101.2	**103.1**	+1.9	+3.1
Plastic pipes	98.9	100.2	**107.2**	+7.0	+7.2
Concrete pavers	95.0	78.2	**83.5**	+6.8	-16.5

1) Total energy consumption includes energy consumed in production, but excludes administration, except for countries where separate accounting is not possible. // 2) For two production sites newly acquired in 2018 the necessary data collection structures for non-financial indicators were implemented and both sites are included in the indicators for 2019. For one of these sites, the energy and emission indicators (ceramic production) were also included for 2018; the respective indicators for 2018 were therefore restated.

Environmental Topics in Production: Climate Protection and CO_2 Emissions

Carbon dioxide equivalents (CO_{2e})

"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. On this basis, any quantities and types of greenhouse gases in different compositions can be expressed as carbon dioxide equivalents by multiplying the quantity of each greenhouse gas by its global warming potential and adding up the products to obtain a total value. The reference value for all greenhouse gases is fossil carbon dioxide with a GWP of 1. Greenhouse gases with a significantly higher GWP, such as methane, nitrous oxide or chlorofluorocarbons (CFC), are irrelevant in our production. The absolute CO_2 emissions from our production processes therefore correspond to carbon dioxide equivalents. In our climate action management and our reporting we therefore focus on carbon dioxide emissions (CO_2) rather than carbon dioxide equivalents (CO_2).

Detailed information on the emission of carbon dioxide equivalents in ceramic production are contained in the 2018 Sustainability Report on pages 108–109.

Our CO_2 emissions

For the collection of CO_2 emission data, we apply the method of the European Union Emissions Trading System (ETS system), which only records direct CO_2 emissions resulting from production processes, but excludes indirect CO_2 emissions resulting from the electricity used. Accordingly, the most relevant data are CO_2 emissions from our ceramic production (Scope 1), as the quantities of fuels consumed there are higher. The only source of energy used

in the production of plastic pipes and concrete pavers (see diagram on page 100 in this chapter) is electricity, with CO_2 emissions from electricity being attributable to the power generator. We record and report the direct CO_2 emissions of the entire Wienerberger Group, including plants not covered and regulated by the EU ETS.

CO_2 emissions from primary energy sources (fuels) vary in line with energy consumption in production, whereas so-called process emissions in ceramic production result from the raw material and, in clay block production, from the use of pore-forming agents. The increase in absolute CO_2 emissions in all categories results primarily from the higher volume of production due to more incoming orders and from the higher carbon content of clay in some countries.

CO_2 emission in kilotons per year	2017	2018	2019	Chg. in %
From primary energy sources [1]	1,126	1,162	**1,155**	-0.6
From processes [1]	800	887	**891**	+0.5
Total – within ETS [1] [2]	**1,926**	**2,049**	**2,047**	**-0.1**
Plants not covered by ETS [3] [4]	**245**	**263**	**269**	**+2.2**
From biogenic inputs [5]	268	296	**289**	-2.5

1) For two production sites newly acquired in 2018 the necessary data collection structures for non-financial indicators were implemented and both sites are included in the indicators for 2019. For one of these sites, the energy and emission indicators (ceramic production) were also included for 2018; the respective indicators for 2018 were therefore restated. // 2) Source: EU Transaction Log (EUTL). // 3) Calculation in accordance with national rules (Switzerland) or EU standard emission factors. For plants in the USA, CO_2 process emissions are also reported. // 4) The indicator of CO_2 emissions of plants not covered by the ETS had a wrong header in the 2018 Sustainability Report which has now been corrected. // 5) Quantities from Wienerberger's CO_2 monitoring corresponding to national rules.

In the interest of increased transparency in reporting the development of our CO_2 emissions, these are presented in absolute figures, broken down by product group, and shown in a three-year trend. This form of presentation shows the development of the product groups that cause direct CO_2 emissions from production processes, primarily through drying and firing as well as steam curing.

Direct CO_2 emissions again were highest in clay block production, amounting to over 1,500 kilotons in absolute terms. The volume was almost the same as in the previous year. Facing brick production resulted in 695 kilotons of CO_2 emissions, up by 3.2% from the previous year. This is due to acquisitions, changes in the product mix and the resultant rise in absolute energy consumption, as well as higher process emissions attributable to the type of clay used for this product group. Roof tile production generated 345 kilotons of CO_2 emissions in 2019, but absolute CO_2 emissions were lower than in 2018 on account of reduced production volumes (-5.6%).

In the field of ceramic pipes, the closure of a plant in mid-2018 and the resultant decrease in absolute energy consumption as well as changes in the product mix led to a significant reduction in absolute CO_2 emissions to 26 kilotons (-15.5%).

Absolute CO_2 emissions from the production of concrete and calcium silicate products in the North America Business Unit decreased by two kilotons, as production volumes were lower than in the previous year. Given the relatively low quantities of CO_2 emissions (2019: 6 kilotons) of this product group, the decrease is the highest in percentage terms (-22.9%).

CO_2-emissions in kilotons per year, ETS and non-ETS [1]	2017	2018	2019	Chg. in %
Clay blocks	1,412	1,531	**1,532**	+0.1
Roof tiles	360	366	**345**	-5.6
Facing bricks [2]	617	673	**695**	+3.2
Ceramic pipes	43	31	**26**	-15.5
Concrete and calcium silicate products North America	7	8	**6**	-22.9
Wienerberger Group [2]	**2,439**	**2,608**	**2,604**	**-0.1**

1) ETS source: EU Transaction Log (EUTL). Non-ETS: Calculation in accordance with national rules (Switzerland) or EU standard emission factors. For plants in the USA, CO_2 process emissions are also reported. Including CO_2 emissions from biogenic inputs. Quantities from Wienerberger's CO_2 monitoring corresponding to national rules. // 2) For two production sites newly acquired in 2018 the necessary data collection structures for non-financial indicators were implemented and both sites are included in the indicators for 2019. For one of these sites, the energy and emission indicators (ceramic production) were also included for 2018; the respective indicators for 2018 were therefore restated.

Specific CO_2 emissions

Within the framework of the materiality analysis performed in 2014, our stakeholders ranked only fuel-related CO_2 emissions which can be directly influenced by Wienerberger as a material topic in the fight against climate change.

This is also reflected in the target definition of Wienerberger Building Solutions for the reduction of specific CO_2 emissions from primary energy sources in ceramic production by 20% as compared to 2010. Changes in specific energy consumption provide an approximate basis for the assessment of target attainment, as the volume of CO_2 emissions correlates with the quantity and composition of fossil primary energy sources used. Reductions of specific CO_2 emissions can be achieved through enhanced efficiency in production (i.e. lower energy consumption per ton of products produced), on the one hand, and the replacement of CO_2-intensive fuels (coal, fuel oil, LNG) by less CO_2-intensive or renewable energy sources, on the other hand. Thus, the ongoing conversion to natural gas as a fuel also contributes to the reduction of specific CO_2 emissions. So far, the amounts of renewable sources of energy used in our production processes have been negligible and can therefore be disregarded for our purposes.

Since the transition to the third trading period of the European Union Emissions Trading System, the indicators from 2013 have been used as the reference base for the calculation of specific CO_2 emissions from primary energy sources (in % based on kg CO_2/ton).

Index of specific CO_2 emissions [1] *in % based on kg CO_2/ton (2013 = 100%)*	2017	2018	2019	Chg. against 2018 in %	Chg. against 2013 in %
Clay blocks	89.6	89.7	**90.2**	+0.6	-9.8
Roof tiles	87.4	85.7	**84.5**	-1.5	-15.5
Facing bricks [2]	93.0	90.2	**91.9**	+1.9	-8.1
Ceramic pipes [3]	123.8	111.7	**101.8**	-8.9	+1.8
Ceramic production [2] [3]	**94.0**	**92.0**	**92.1**	**+0.1**	**-7.9**

1) Specific CO_2 emissions exclusively refer to fuel emissions. // 2) For two production sites newly acquired in 2018 the necessary data collection structures for non-financial indicators were implemented and both sites are included in the indicators for 2019. For one of these sites, the energy and emission indicators (ceramic production) were also included for 2018; the respective indicators for 2018 were therefore restated. // 3) In the context of reporting process emissions for 2019, the primary-energy-related indicators of CO_2 emissions were changed as well. The indicators concerned were adjusted and therefore deviate slightly from those published in the 2019 Annual Report. // Differences against the previous year are partly in the decimal range.

In 2019, specific CO_2 emissions from primary energy sources in ceramic production were 7.9% below the value from 2013, while specific energy consumption decreased by only 4.3%. This is attributable to the gradual substitution of CO_2-intensive sources of energy, such as coal, with natural gas. However, 2019 was special in that specific energy consumption decreased by 0.2% from the previous year's level, whereas specific CO_2 emissions from primary energy sources remained almost unchanged during the same period. This is due to the temporarily higher consumption of CO_2-intensive energy sources, such as coal, LNG and fuel oil, and the declining percentage of natural gas in 2019 (see energy consumption and percentages of energy sources used, on pages 99–103). Wienerberger is consistently pursuing the target of converting to low-emission energy sources wherever possible. In 2020, for instance, the production process at the site in India will be converted from coal to natural gas.

In roof tile production (-1.5%) specific CO_2 emissions were reduced in 2019 through optimized utilization of capacities, lower scrap rates and investments in new production machinery. In 2019, specific CO_2 emissions from primary energy sources in facing brick production, which increased by 1.9% over the previous year's level as a result of changes in the product mix and acquisitions, were 8.1% below the 2013 reference value. The 30% reduction in natural gas consumption in the "demo plant" project in 2019 also led to a corresponding reduction in absolute and specific CO_2 emissions.

In the field of ceramic pipes, specific CO_2 emissions declined significantly (-8.9%) as a result of a plant closure. As already pointed out in the context of specific energy input in this product group (see page 102), this led to higher capacity utilization at the other sites remaining in operation. Moreover, the resultant change in the product mix led to lower specific CO_2 emissions in production. However, specific CO_2 emissions of this product group were 1.8% above the value reported in 2013.

The Wienerberger Building Solutions Business Unit (WBS) is developing new roof tile and facing brick products, one of the objectives being to increase resource efficiency and to further improve the product properties. To reflect this development, the index of specific CO_2 emissions from primary energy sources for these two product groups is also shown per square meter of product surface. This indicator is developing in line with the reduction in fuel consumption. As the following table of the index of specific CO_2 emissions relative to square meters of product surface (in % based on CO_2 per m²) shows, WBS reduced the index of specific CO_2 per square meter in roof tile production through optimized capacity utilization, lower scrap rates and investments in new production machinery by 1.8% compared to 2018 and by 19.5% compared to 2013. In contrast, in facing brick production the index of specific CO_2 emissions per square meter remained the same compared to 2013 and increased slightly compared to 2018 (+0.8%).

Index of specific CO_2 emissions WBS, Bricks and Tiles [1] *in % based on kg CO_2/m² (2013 = 100%)*	**2017**	**2018**	**2019**	**Chg. against 2018 in %**	**Chg. against 2013 in %**
Roof tiles	83.2	82.0	**80.5**	-1.8	-19.5
Facing bricks [2]	93.2	90.1	**90.9**	+0.8	0.0

1) Specific CO_2 emissions exclusively refer to fuel emissions. // 2) For two production sites newly acquired in 2018 the necessary data collection structures for non-financial indicators were implemented and both sites are included in the indicators for 2019. For one of these sites, the energy and emission indicators (ceramic production) were also included for 2018; the respective indicators for 2018 were therefore restated. // Differences against the previous year are partly in the decimal range.

A major part of the total carbon footprint of paver production by the Wienerberger Building Solutions Business Unit is generated upstream in raw material production (Scope 2). Cement production is particularly energy-intensive and, consequently, CO_2-intensive. Within the framework of the Sustainability Roadmap 2020, we are making every effort to reduce these emissions, for instance by implementing research projects on the use of recycled concrete and cement produced in a climate-friendly way.

In the opinion of our stakeholders, other types of indirect CO_2 emissions, such as those caused by the transport of raw materials and finished products, only account for a relatively small part of the total carbon footprint of our products, compared with direct emissions from ceramic production and/or the CO_2 intensity of the raw materials used in the production of plastic and concrete products.

Within the framework of the Sustainability Roadmap 2020, we set ourselves the target of reducing specific indirect CO_2 emissions from the use of electricity in plastic pipe production by 11% from the level reported in 2010. In 2019, we recorded a value slightly below 8%.

Decarbonization as part of our new sustainability strategy as of 2021

Wienerberger is already working on its new Sustainability Strategy 2020+, which will provide the basis for the sustainability program from 2021 onward. Decarbonization will be one of the three central action areas.

Wienerberger will ensure that its products and system solutions make a positive contribution to the decarbonization of buildings and infrastructure over their entire life cycles.

Our targets and activities in this area will be communicated in our report on the year 2020.

Environmental Topics in Production: Resource Efficiency and Waste Management

Wienerberger is making a continuous effort to further improve the properties and the high quality of its products and, at the same time, to enhance resource efficiency in production. Our particular focus is on reducing raw material consumption and using secondary raw materials in those areas of production where it is economically and technically feasible. We are also working on the recycling of production waste and residual substances into production. The steady reduction of scrap rates is another essential topic.

In concrete paver production, we reduced the scrap rate by 45% between 2014 and 2017 and we intend to reduce the scrap rate by another 23% compared to 2017 by 2020. Figures on the total amount of raw materials used by the Wienerberger Group cannot be disclosed for reasons of proprietary formulations and production technologies.

Resource efficiency and the use of secondary raw materials

From the viewpoint of resource efficiency, the use of secondary raw materials is an important topic for the future. However, technical feasibility largely depends on the types of materials and the applications concerned. The use of secondary raw materials has become common practice in plastic production. In ceramic production, secondary raw materials are used as additives. However, using secondary as a substitute for primary raw materials is a major challenge. While residual material from our own plants can easily be fed back into production on account of its high degree of purity, the use of secondary ceramic material from external sources is inefficient in most cases, at least for the time being. In order to obtain secondary raw materials of adequate quality, construction debris needs to be carefully sorted and processed.

In the production of clay blocks in Europe, we use pore-forming agents to optimize their thermal insulation properties. Some of the pore-forming agents used are secondary raw materials, such as saw dust, rice husks or sunflower seed shells as well as ash and slag. The quantities are recorded in the raw material report for the product group. In 2019, 9% of the raw materials used were secondary raw materials.

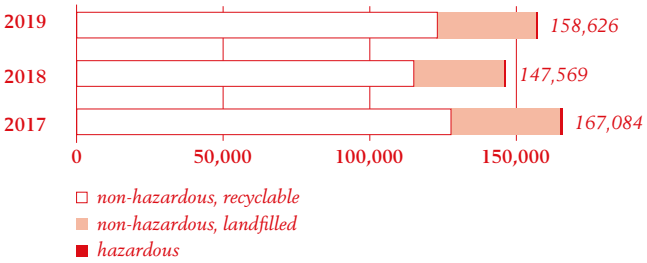
Our target set for the use of secondary raw material in plastic pipe production in Europe by 2020 was already surpassed in 2018. We therefore set ourselves a higher target for 2020. As the new target was reached already in 2019, we defined an even more ambitious target for 2020. See chapter "Products and System Solutions" (starting on page 134).

Waste management

A total of 158,626 tons of waste was generated by the Wienerberger Group in 2018, 99% of which was non-hazardous waste. Over four fifths (81%) were recyclable. Less than 1% of the total waste volume was hazardous waste.

Waste generation

in tons



Circular economy as part of our new sustainability strategy as of 2021

Wienerberger is already working on its new Sustainability Strategy 2020+, which will provide the basis for the sustainability program from 2021 onward. Promoting the circular economy will be one of the three central action areas.

Wienerberger is committed to an efficient use of resources and the circular economy. Every effort will be made to ensure that all products produced by Wienerberger are either reusable or fully recyclable.

Our targets and activities in this area will be communicated in our report on the year 2020.

Environmental Topics in Production: Sparing Use of Water

Water usage

We are making every effort to use water sparingly, for instance by running it in closed circuits and drawing primarily on our own wells. Water usage is a topic of particular relevance in plastic pipe production, given that water is used for cooling in the production process. The Wienerberger Group's absolute water usage in 2019 was almost 1% lower than in the previous year. This was primarily due to lower water usage in the production of plastic and ceramic pipes as well as concrete and calcium silicate products in North America. Usage of water from public networks and from our own wells increased, while water drawn from our own ponds or similar sources was reduced.

Water usage		2017	2018	2019	Chg. in %
Wienerberger Group	*in Mio. m³*	**4.2**	**4.4**	**4.4**	**-0.9**
Of which from public networks	*in %*	33.7	34.9	**36.6**	+5.1
Of which from own sources (wells)	*in %*	21.2	21.4	**23.2**	+8.3
Of which from own ponds, etc.	*in %*	45.1	43.7	**40.2**	-8.1

In 2018, we set ourselves the target to reduce specific water usage from public networks for plastic pipe production to 0.85 m³ per ton of products produced by 2020. In 2019, specific water usage amounted to 0.99 m³/t, down by 3% from the previous year's level.

Specific water usage

Specific water usage, based on net additions to inventories, decreased in 2019 in almost all product groups. Apart from the Wienerberger Group's commitment to a sparing use of water, wherever possible in closed circuits, changes in the product mix of ceramic pipes as well as concrete and calcium silicate products in North America resulted in lower specific water demand.

According to the World Meteorological Organization, 2019 was the second-hottest summer in 253 years of recorded history. Owing to the drought in many regions, raw material, such as clay excavated for brick production, was drier and more water was needed to soften it. Overall, water usage in brick production increased by 4.3%.

In the field of ceramic pipes, the reduced production of jacking pipes, which are milled and therefore require more water in production, led to a reduction in specific water usage. Specific water usage is relatively high in plastic pipe production, where water is needed for cooling. Despite the hot summer of 2019, specific water usage in this field of production was reduced (-1.2%), which was partly due to changes in the product mix. Water from public networks accounted for 16.6% of total specific water usage for this product group. Water from sources other than public networks (e.g. water from rivers, lakes and, in Scandinavia, the sea) is returned to the environment after the cooling process in conformity with the legal provisions in effect.

Water usage in concrete paver production increased over the previous year's level on account of the higher percentage of washed products.

Reduced water usage for the production of concrete and calcium silicate products in North America is attributable to the lower volume of wet-cut products.

Specific water usage *in m³/ton*	2017	2018	2019	Chg. in %
Brick products	0.148	0.147	**0.153**	+4.3
Ceramic pipes	0.242	0.429	**0.221**	-48.4
Plastic pipes	5.040	5.250	**5.189**	-1.2
Concrete pavers	0.050	0.055	**0.057**	+3.8
Concrete and calcium silicate products North America	0.329	0.509	**0.387**	-23.9

Sustainability Topics in Sourcing

Supplier management

Wienerberger attaches prime importance to the long-term security of supply and the sourcing of natural resources, materials and products in accordance with the criteria of sustainability. In our business relations, we want to ensure that our suppliers comply with our ecological and social standards, which we clearly communicate to them.

In cooperation with internal and external experts, a uniform, group-wide Supplier Code of Conduct was elaborated and implemented in almost all operating segments in 2019.

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). An internal data platform (supplier relationship management tool), 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. This enables Wienerberger to evaluate suppliers on the basis of their sustainability and risk ratings in conjunction with their financial terms and conditions.

Moreover, employees working in the procurement units of the country organizations were trained by an external certification body for the performance of 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 supplier audits. For detailed information on activities and tools for the integration of sustainability criteria into our supplier management system, please refer to the chapter "Management Approach", starting on page 35.

Availability of raw materials

The long-term availability of raw materials is a crucial aspect of corporate performance. Wienerberger aims to have raw materials available for at least 20 years. To avoid the risk of potential shortages, we are making special efforts to enhance raw material efficiency through a reduced scrap rate and less waste, increased recycling and the use of secondary raw materials (see above), as well as the early identification of possible shortages and a diversification of sources of supply.

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. For additional information on this topic, see the section "Health and safety of our customers and product users" on page 135 in the chapter "Products and System Solutions".

Protection of employees at and local residents in the vicinity of clay extraction sites

The health and safety of our employees working at our own clay extraction sites are of special importance for us. Preventing occupational accidents, minimizing dust exposure and protecting workers from noise are matters of top priority. Wienerberger's safety standards and its safety programs in brick production apply across the Group, covering all employees working in clay pits operated by Wienerberger. Clay for ceramic pipe production does not come from our own clay pits. Developments regarding the health and safety of our employees at our own clay pits are included in the indicators recorded by us. For further information on occupational health and safety, please refer to the chapter "Employees" (from page 68).

The health and safety of local residents in the vicinity of clay extraction sites and good relations with them are matters of importance for Wienerberger. We therefore engage in open dialogue with the residents concerned.

Biodiversity, nature conservation and the subsequent use of depleted clay extraction sites

Biodiversity, nature conservation and a meaningful subsequent use of depleted sites are significant criteria for the responsible operation of clay pits. For Wienerberger, this includes 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 subsequent use of depleted clay pits at the time of approval of clay extraction. Environmental impact assessments and ecological studies are always part of the approval procedure.

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.

Depleted clay pits can be subsequently used for a variety of purposes: landfilling, agricultural use, conversion into recreational areas for leisure-time activities, or complete renaturalization, which leads to an improvement in local biodiversity.

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 renaturalize 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, based on expert advice, we support the planting of vegetation likely to attract rare animals that are at risk of extinction.

Biodiversity as part of our new sustainability strategy as of 2021

Wienerberger is already working on its new Sustainability Strategy 2020+, which will provide the basis for the sustainability program from 2021 onward. Preserving and fostering biodiversity will be one of the three central action areas.

Wienerberger is committed to preserving biodiversity and will take all measures that are necessary to foster biodiversity in the regions the Group operates in.

Our targets and activities in this area will be communicated in our report on the year 2020.

Targets and Measures Relating to Production

The following targets and measures were defined by the Managing Board of Wienerberger AG and the management of the individual Business Units on the basis of the materiality matrix developed in 2014. They are part of the Wienerberger Sustainability Roadmap 2020.

Environmental topics in production

Energy efficiency

Wienerberger Building Solutions, Bricks and Tiles

Quantitative target

- By 2020, specific energy consumption in production is to be reduced by 20% compared to 2010.

2019

- Specific energy consumption in production was reduced by 13.3% compared to 2010 (calculated as an index in % based on kWh/t; 2010 = 100%).
- Retrofitting of the Uttendorf plant as a demo plant was continued. Within the framework of the EU-funded DryFiciency project, the first industrial heat pump for high-temperature applications was designed in cooperation with the AIT (Austrian Institute of Technology). Industrial waste heat from the dryer can thus be converted into useful energy for the kiln. By 2019, gas consumption in our "demo plant" project was reduced by 30%. Since then, the plant has been operating at a stable level.
- Rollout of the findings from the retrofitting of the Uttendorf plant to other plants was begun.
- Implementation of the Plant Improvement Program (PIP+) and the Fast Forward projects continued.
- Best practice examples from the operating units were again exchanged and the audit results were used as a basis for further improvements.
- Energy conservation projects were implemented and evaluated in individual plants.
- Energy conservation training was provided for employees in ten countries.
- The Energy Award was again handed out as an incentive for the local organizations.

2020

- Retrofitting of the Uttendorf plant as a demo plant continues.
- Rollout of the findings from the demo plant to other plants continues.
- The TOREtech Project is being launched. The project permits the computer simulation of complete kilns and aims to develop a pure gas burner based on jet pump technology (Venturi nozzle).
- Implementation of the Plant Improvement Program (PIP+) and the Fast Forward projects continues.
- Energy audits are being performed within the framework of the PIP+ strategy.
- Energy conservation training for employees will be provided in the countries not covered in 2019.
- Further specific investments will be made in order to reduce energy consumption.
- Energy Awards will again be handed out as an incentive for the local organizations.

Energy efficiency

Wienerberger Building Solutions, Concrete Pavers

2019

- At one plant thermal insulation was applied to the curing chamber and an investigation of its influence on the energy required for the process was initiated.

2020

- The energy conservation effect of the thermal insulation applied to the curing chamber will be evaluated.
- At one plant an energy audit of the generation and distribution of compressed air will be performed.

Wienerberger Piping Solutions, Plastic Pipes

Quantitative target

- By 2020, total specific energy consumption in production (electricity plus other energy sources, such as fuels) is to be reduced by 3% compared to 2010.

2019

- At 107.3% of the value reported in 2010, total specific energy consumption was 7.3% above the reference value. This was primarily attributable to the long-term trend towards lighter plastic pipe products with smaller pipe diameters (which has a strong influence on the specific value measured per ton of net additions to inventories).
- Old machines with a low degree of energy efficiency were replaced by new ones requiring less energy.
- Best practice examples were again exchanged and benchmarks set.
- Energy checks were again performed. A group of experts analyzed negative influences and positive developments in energy efficiency at various production sites.

2020

- The scheduled, regular investments will be continued in order to replace old extruders and injection molding machines by new ones requiring less energy.
- Best practice examples are being exchanged and benchmarks set.
- Energy checks will again be performed.

Wienerberger Piping Solutions, Ceramic Pipes

2019

- Energy efficiency monitoring at the production sites was continued.
- The working group set up jointly with Wienerberger Building Solutions, Tiles and Bricks, continued its activities and scientific data were regularly exchanged with the Business Unit.
- Projects aimed at a continuous increase in energy efficiency were implemented.

2020

- The processes described above are being continued.

Energy efficiency

North America

Previous quantitative target

› By 2019, the North America Business Unit was to reduce its absolute natural gas consumption at selected production sites by 5% per site compared to 2015.

By 2017, all production sites were converted from emission-intensive energy sources to natural gas, an energy source with lower emission intensity. In 2019 it was decided to use the 2017 consumption data as the new reference base in order to permit a comparison on the basis of identical energy sources.

New quantitative target

› By 2019, the North America Business Unit will reduce its absolute natural gas consumption at selected production sites by 5% per site compared to 2017.

2019

› Energy consumption was reduced at three selected production sites by 5.2%, 5.5% and 11.1% respectively, which shows that the new target was surpassed.
› Specific energy consumption (fuels and electricity) for the production of concrete and calcium silicate products dropped by 18.9% compared to 2018 (expressed as an index in % based on kWh per ton).

2020

› Measures to reduce specific energy consumption continue to be implemented and monitored.

Climate action

Wienerberger Building Solutions, Bricks and Tiles

Quantitative target

› By 2020, specific CO_2 emissions from primary energy sources used in production are to be reduced by 20% compared to 2010.

2019

› Specific CO_2 emissions from primary energy sources in production were reduced by 5.5% compared to 2013.
› Retrofitting of the Uttendorf plant as a demo plant was continued and the rollout of the findings to other plants was begun.
› Possibilities of using alternative energy generation systems / sustainable energy sources were further explored at various production sites.

2020

› The measures aimed at the enhancement of energy efficiency and the use of alternative energy generation systems / sustainable energy sources are being continued.
› Additional R&D projects to explore new technologies for kilns, dryers and heat pumps as well as new methods of raw material preparation and industrial clay building material production are being implemented.

Wienerberger Building Solutions, Concrete Pavers

2019

› A three-year project for the development of products made from eco-concrete (concrete with a reduced carbon footprint) was launched.
› The long-term test with geopolymer binders was started.

2020

› The three-year project for the development of products made from eco-concrete (conrete with a reduced carbon footprint) is being continued.

Climate action

Wienerberger Piping Solutions, Plastic Pipes	**Quantitative target** › By 2020, specific indirect CO_2 emissions (from electricity used in production) are to be reduced by 11% compared to 2010. **2019** › Indirect CO_2 emissions (from electricity in production) were almost 8% below the base value from 2010. This improvement compared to 2010 was primarily due to the higher degree of energy efficiency. › Indirect CO_2 emissions (from electricity in production) were 3.3% higher than in 2018. The increased consumption of electricity, despite a lower production volume in tons, was attributable to the product mix (e.g. a smaller share of large-diameter pipes) and the machinery in operation. › Old machines with a low degree of energy efficiency were replaced by new ones requiring less energy. **2020** › The scheduled, regular investments to replace old machines by new ones requiring less energy are being continued.
Wienerberger Piping Solutions, Ceramic Pipes	**2019** › 100% of the electricity used came from renewable sources. › Within the framework of Cradle to Cradle® re-certification, 5% of the annual CO_2 emissions of the respective plant were offset by climate protection projects. **2020** › 100% of the electricity used will again come from renewable sources. › Within the framework of Cradle to Cradle® re-certification, 5% of the annual CO_2 emissions of the respective plant will again be offset by climate protection projects.
North America	› See above: Energy efficiency targets and measures

Resource efficiency and waste management

Wienerberger Building Solutions, Bricks and Tiles

2019

- The guideline on the use of secondary raw materials and the avoidance of hazardous substances continued to be applied.
- Regular benchmarking of scrap rates – a key performance indicator (KPI) of our Plant Improvement Program (PIP+) – was again performed and measures to reduce scrap were taken. In 2019, the reduction of scrap rates resulted in total savings of about € 2 million.
- Within the framework of all R&D projects dealing with "new materials", various tests were performed to explore the feasibility of the internal use of scrap.
- New products based on production waste were developed, e.g. use of crushed bricks as an additive to thermal insulation blocks made from ceramic compounds. The initiative is being pursued in cooperation with the concrete paver segment.
- The optimization of roof tiles by means of the finite elements method (FEM) was continued.
- Projects were launched to investigate the production of eco-bricks. Eco-bricks are extremely slim facing bricks developed by WBS for double-shell brick masonry. On account of their dimensions, eco-bricks are energy- and resource-efficient in production and easy to use; they leave more room for insulating material or a larger useful surface.

2020

- The measures described above are being continued.
- The scrap rate and the consumption of raw material were reduced through automatic production checks.

Wienerberger Building Solutions, Concrete Pavers

Quantitative target

- The scrap rate in production, which was 2.1% in 2018, is to be reduced to 2.0% by 2020, corresponding to a 23% reduction.

2019

- The scrap rate in production was 2.18% (2018: 2.14%).
- Additional efforts were made to improve poorly performing plants, e.g. through on-site training for machine operators, audits, personal support for local teams and improved machine operation. Monthly evaluations were performed per plant and production line.
- The three-year project aimed at developing products made from eco-concrete (concrete with a reduced carbon footprint) was launched; one of the measures taken concerns the reduction of scrap rates.

2020

- The measures initiated in 2019 are being continued.

Resource efficiency and waste management

Wienerberger Piping Solutions, Plastic Pipes

2019

- More than one hundred companies and associations from the entire plastics value chain, including TEPPFA, joined the Circular Plastics Alliance. We support all efforts aimed at increasing the use of secondary raw materials in Europe to 10 million tons by 2025. The mission statement of the Circular Plastics Alliance can be downloaded here: https://ec.europa.eu/docsroom/documents/36361/attachments/1/translations/en/renditions/native
- As a signatory to Operation Clean Sweep®, we introduced measures at all production sites of WPS Plastic Pipes to ensure that no loss of plastic granulate occurs during the production process. Operation Clean Sweep® has already been implemented in three of our plants. By the end of 2021, all plants of WPS Plastic Pipes are to be equipped accordingly.
- We continued working intensively on the product environmental footprint (PEF) of plastic pipes for in-house hot and cold water supply in close cooperation with TEPPFA (The European Plastic Pipes and Fitting Association). Since the inception of the EU's PEF pilot project in 2013, we have been cooperating with TEPPFA on the elaboration and introduction of uniform PEF rules (Product Environmental Footprint Category Rules (PEFCR)) for this sector.
- In cooperation with TEPPFA, we performed PEF calculations for plastic pipes for in-house hot and cold water applications in accordance with the rules developed within the framework of the EU's PEF pilot project. These rules apply up to and including 31/12/2020. A decision by the European Commission on the future of PEF is still outstanding.
- We participated in the revision of various European standards, the objective being to permit a more extensive use of secondary raw materials. WPS Plastic Pipes holds the chair of the respective TEPPFA working group.

2020

- The measures initiated in 2019 are being continued.

1) Product Environmental Footprint Category Rules (PEFCR) for hot and cold water supply plastic piping systems in the building. Version 6.3, Date: 11/09/2018. Validity date: 31/12/2020. Prepared by the Technical Secretariat of the PEF pilot on in-house plastic piping systems for hot and cold water supply. https://ec.europa.eu/environment/eussd/smgp/pdf/PEFCR_hotcold_watersupply.pdf

Resource efficiency and waste management

North America

2019

- Continued efforts were made to reduce the volume of waste generated. Our target is zero waste at all production sites.
- Our work on optimizing the closed resource cycle continued. At several brick production sites, fired brick waste was returned into the production process.
- At two production sites the share of secondary raw materials used in production was successfully certified. On average, the products contained approx. 35% of secondary raw materials, which qualifies them for LEED certification[2].
- As in the previous year, new possibilities of using secondary materials as additives were tested.
- At a number of production sites fired bricks were crushed and marketed as landscaping material.
- At numerous production sites in the vicinity of local recycling facilities equipped to accept post-consumer waste, plastic, paper, aluminum and cardboard waste was sorted and collected for recycling.

2020

- The measures described above are being continued.

Sparing use of water

Wienerberger Building Solutions, Bricks and Tiles

2019

- The first industrial heat pump for high-temperature applications was developed at the Uttendorf demo plant. The condensate produced through heat recovery from dryer air is used for clay preparation and steam generation. Surplus water is used to sprinkle the driveways to reduce dust pollution.
- The engineering project to introduce digital moisture measurements of the clay mix (during preparation) was continued; the project is intended to optimize and/or minimize the addition of water to the process.
- As in previous years, the water used to wash the molds was re-used in the clay mix.

2020

- The projects described above are being continued and further efforts will be made to minimize water usage.
- Projects aimed at optimizing water usage through moisture measurements of the clay mix are being implemented.

2) LEED certification (Leadership in Energy and Environmental Design) is an internationally recognized symbol of sustainability performance. It was developed by the U.S. Green Building Council (USGBC) to promote the construction of energy- and resource-efficient buildings for healthy indoor living. Other countries have introduced similar quality seals, for example the German Gütesiegel Nachhaltiges Bauen, BREEAM (Building Research Establishment Environmental Assessment Methodology) in Great Britain or GRIHA (Green Rating for Integrated Habitat Assessment) in India.

Sparing use of water

Wienerberger Building Solutions, Concrete Pavers	**2019** › At the Ocsa plant (Hungary) the installation of a new water recycling facility for paver and slab production was completed during the 2018/2019 winter maintenance period. **2020** › Water recycling facilities will be installed at the GLI plant in Poland and the ELI plant in Bulgaria. › The re-use of water from a pilot washing facility at the OGU plant in Croatia is being tested.
Wienerberger Piping Solutions, Plastic Pipes	**Quantitative target** › By 2020, specific water usage from public networks is to be reduced to 0.85 m³ per ton of plastic pipes produced. **2019** › Compared to the previous year (1.02 m³/ton), the quantity of water drawn from public networks was reduced to 0.99 m³/t of products. **2020** › Regular checks for leakages are being continued
North America	**2019** › In 2018, several plants installed water treatment and recycling systems for the cutting of thin facing bricks. In 2019, the effectiveness of these systems was evaluated and optimization measures were taken. Currently, 95% of the total production of thin-cut facing bricks comes from plants using recycled water. **2020** › The optimization of the water treatment and recycling systems is being continued.

Group-wide topics relating to our sourcing

Availability of raw materials

Wienerberger Building Solutions, Bricks and Tiles	**2019** › All relevant clay pits and their characteristics were monitored and measures were taken to ensure the availability of raw materials for at least 20 years. › Regular exchanges with Corporate Procurement regarding the availability of raw materials and additives also included supplier ratings. › A risk management system was introduced to assess the supply of clay from external sources. **2020** › The measures described above are being continued.
Wienerberger Building Solutions, Concrete Pavers	**2019** › The raw material procurement strategy, coordinated with WBS Procurement, was consistently implemented by all country organizations and at all plant levels. **2020** › The raw material procurement strategy continues to apply.
Wienerberger Piping Soutions, Plastic Pipes	**2019** › In order to secure the availability of the required quantity and quality of secondary raw materials, price quotations were obtained from various suppliers and the materials offered were tested in the production process. **2020** › Additional price quotations are being obtained and secondary raw materials that appear suitable in principle are tested for use in production.
Wienerberger Piping Solutions, Ceramic Pipes	**2019** › Supplier audits were again performed in accordance with the internal audit plan. No critical risks were identified. **2020** › Additional supplier audits are being performed in accordance with the internal audit plan.
North America	**2019** › Regular monitoring of raw material availability from our own clay pits for at least 20 years of operation on the basis of the "raw material availability map" was continued. **2020** › The measures described are being consistently implemented.

Avoidance of hazardous substances

At Group level	It goes without saying that Wienerberger meets all European, national and regional legal requirements regarding the avoidance and substitution of hazardous substances. Compliance with all legal provisions is continuously monitored and the necessary measures are taken without delay.
Wienerberger Building Solutions, Bricks and Tiles	**2019** › The internal guideline on the use of secondary raw materials and the avoidance of hazardous substances was again applied by all local organizations. Reports were submitted to central WBS Raw Materials Management, as required. In 2019, all country organizations submitted their annual raw material reports for 2018, including the results of chemical analyses. Within the framework of their internal approval procedures, the managing directors on site confirmed in writing that the types of materials used and the results of the analyses performed were known to them and in line with the authorizations obtained. › The internal guideline was updated. › Central Engineering again supported the local organizations in the performance of chemical analyses and the evaluation of raw materials. **2020** › The measures provided for by the internal guideline are being implemented.
Wienerberger Building Solutions, Concrete Pavers	**2019** › The substitution of substances classified as potentially hazardous on the basis of safety data sheets (SDS) with less hazardous substances was begun. **2020** › In accordance with the guideline on the use of secondary raw materials and the avoidance of hazardous substances, the substitution of substances identified as potentially hazardous with less hazardous substances is being continued.

Avoidance of hazardous substances

Wienerberger Piping Solutions, Plastic Pipes	**2019** › The semi-annual updates performed by the HSE group (Health, Safety, Environment) of TEPPFA in 2019 showed that none of the substances used by Pipelife have been newly classified as hazardous substances. › ADCA (azodicarbonamide, a blowing agent) remained on the list of substances of very high concern (SVHC) of the REACH[3)] Regulation of the European Union. A decision by ECHA, the European Chemicals Agency, as to whether ADCA is to be included in Annex XIV of the REACH Regulation, which would make it subject to authorization, is still outstanding. › ADCA continues to be used in very small quantities in just a few products **2020** › Cooperation with TEPPFA is being continued.
Wienerberger Piping Solutions, Ceramic Pipes	**2019** › No materials or products containing potentially hazardous substances were obtained from first-level suppliers. This had already been verified and ruled out within the framework of the Cradle to Cradle® re-certification in 2018 **2020** › Continuous checks are being performed within the framework of Cradle to Cradle® re-certification and/or the preparations for re-certification.
North America	**2019** › Information and training for all employees regarding the standards to be observed when handling hazardous substances was continued. › A survey was performed in order to find out how much our employees know about hazardous substances. **2020** › Information and training for all employees regarding the standards to be observed when handling hazardous substances is being continued. › The results of the survey performed to establish the level of knowledge of our employees are being evaluated and the necessary follow-up measures are being taken.

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

Protection of local residents and employees, nature conservation and subsequent use of clay pits

At Group level

2019

- A uniform "Supplier Code of Conduct" was rolled out for the entire Wienerberger Group. It summarizes our minimum requirements regarding working and employment conditions, health and safety, environmental protection, material compliance, the fight against corruption, business ethics and corporate governance. It applies to suppliers of primary and secondary raw materials from all countries.
- Work on the definition of uniform follow-up processes to be implemented after the performance of supplier audits on the basis of the audit results was started.
- First ratings of the sustainability performance and potential supplier risks in selected areas of procurement were obtained from EcoVadis, an international partner for sustainability ratings (ESG ratings).
- An internal data platform (supplier relationship management tool) containing information on the general and financial terms and conditions of all of Wienerberger's suppliers was implemented. The ratings of the suppliers' sustainability performance by EcoVadis are also stored on this platform. This enables Wienerberger to evaluate suppliers on the basis of their sustainability and risk ratings in conjunction with their financial terms and conditions.
- Monthly screenings of all of Wienerberger's suppliers and customers registered in the SAP system were performed via an interactive data platform and checked against international sanctions lists (published by the United Nations, the EU, and the Office of Foreign Asset Control (OFAC) of the US Department of the Treasury). All measures and decisions taken in this context were documented in the sanctions management software.
- Employees working in the procurement units of the local organizations were 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 supplier audits.

2020

- The group-wide uniform "Supplier Code of Conduct" will be rolled out to all countries in which the Wienerberger Group is represented.
- Additional Wienerberger employees will be trained by external certification bodies to perform supplier audits.
- First supplier audits will be performed by Wienerberger employees trained for this purpose. These audits will cover essential sustainability topics, such as health and safety of employees, human rights, the fight against corruption and bribery, and environmental protection. On the basis of the audit results, the suppliers will then be informed of corrective measures to be taken and deadlines will be set for the implementation of improvements.
- Cooperation with EcoVadis will be continued and additional suppliers from selected areas of procurement will be assessed in terms of their sustainability performance and potential risks.

Protection of local residents and employees, nature conservation and subsequent use of clay pits

Wienerberger Building Solutions, Bricks and Tiles	**2019** › Own clay pits were renaturalized. › The issue of renaturalization was raised in respect of clay pits operated by third parties. **2020** › The measures described above are being continued.
North America	**2019** › The regular annual checks for dust emissions and water quality were performed at the production sites. › Open and transparent communication with local residents and local authorities was continued. We engage in an active open-door policy with our neighbors. **2020** › The measures described above are being continued.
Wienerberger Piping Solutions, Ceramic Pipes	**2019** › Measures relating to nature conservation and the meaningful subsequent use of external clay pits were implemented according to the company's own standards. › A supplier audit was performed. **2020** › WPS Ceramic Pipes will continue the measures described above.

Use of secondary raw materials

The quantitative targets and activities are presented in the chapter "Products and System Solutions", as the use of secondary raw materials is, above all, a topic of product quality.

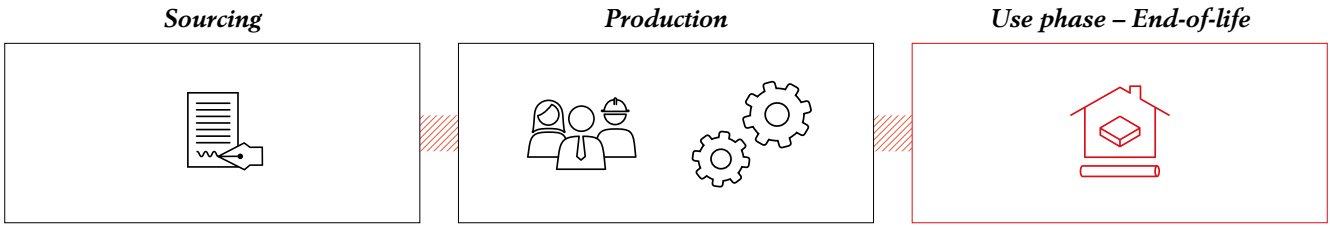
We think in terms of generations.
We improve people's quality of life today by providing innovative and durable products and system solutions that will also meet the building and infrastructure requirements of the future.

Products and System Solutions

Products and System Solutions Coordinates at Group Level

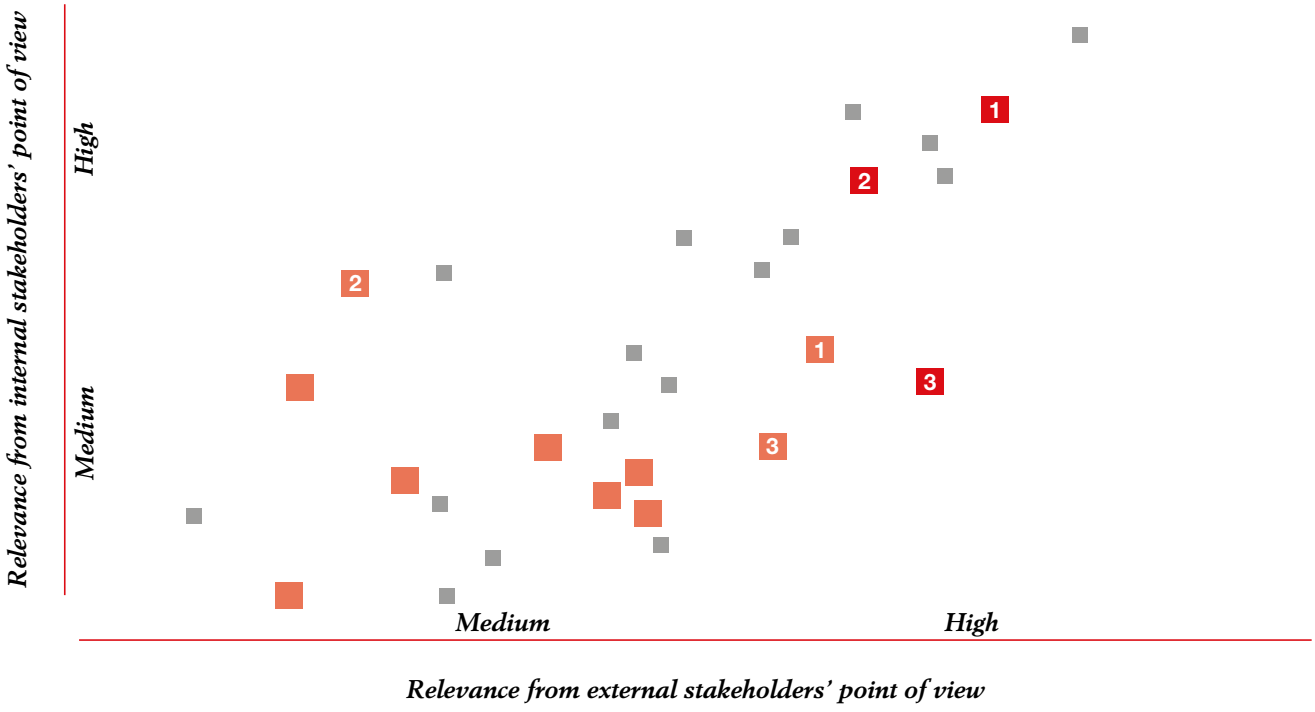
Stage in the value creation process

In this chapter, we address the topics relating to our products and system solutions. The subjects covered relate to the use phase of our products and system solutions and their end-of-life phase.



Excerpt from the Materiality Matrix – Relating to our products and system solutions

In the 2014 materiality analysis, the topics highlighted were identified as particularly important in relation to our products. In 2019 we started a new materiality analysis. We will complete the analysis in the course of 2020 and publish its results, as well as the Sustainability Strategy 2020+ and our sustainability program 2020+, together with our report on the 2020 business year.



Caption

Group-wide topics relating to products and system solutions	
1	*Durability and lasting value of products*
2	*Innovative products*
3	*Recyclability, recycling and re-use of products*

Product-group-specific topics	
1	*Contribution to energy efficiency of buildings*
2	*Ease of installation*
3	*Maintenance and repairability*
	Other product-group-specific topics

Results of the Impact and Risk Analysis – Relating to our Products

In 2018, an impact and risk analysis for Wienerberger's four main product groups – bricks (wall, facade and roof products), ceramic pipes, plastic pipes and concrete pavers – was launched on the basis of the specific value chains. The entire analytical process was accompanied and methodologically supported by independent external experts.

The impacts and risks of the four main product groups currently identified as material have been aggregated for the Wienerberger Group. The above table shows the topics relating to products classified as relevant at Group level.

Input // Sourcing	Production	Use phase – End-of-life
		Climate action and adaptation to climate change
		SR Efficient use of natural resources (e.g. through durability)
		Working conditions, product use and impact on society (e.g. health and hygiene)
		SR Efficient use of natural resources

Method: *The product-group-specific topics are highly heterogeneous and have therefore been grouped in higher-order clusters. // Topics marked* ***SR*** *were classified as highly relevant in the Wienerberger materiality matrix (2014) and therefore provided the basis for the Wienerberger Sustainability Roadmap 2020. // Topics marked ■ were classified as impacts. // Topics marked ■ were classified as risks or opportunities.*

Relevant SDGs – Relating to our Products

On the basis of our impact and risk analysis, the Sustainability Development Goals of the United Nations highlighted in color have been classified as particularly relevant for our products.

Products and System Solutions

Principles, Processes and Instruments

A central principle of product and system development at Wienerberger is the creation of lasting value for our customers by supplying durable and innovative building material and infrastructure solutions. By continuously improving and broadening its product portfolio, Wienerberger has evolved from a supplier of building materials into a provider of systems for innovative building and infrastructure solutions for the future.

Rising expectations to be met in the design of affordable and energy-efficient housing and high-performance infrastructure represent new challenges we have to address with our system solutions. We are therefore committed to working on the continuous improvement of our processes and system solutions.

Durability and innovative strength are quality criteria that we regard as particularly important across all product groups. Wienerberger brick products and system solutions are an integral part of sustainable building concepts. They are extremely durable and resource-efficient, guarantee a high quality of indoor air, reduce indoor heating requirements and thus contribute to the fight against climate change, not least on account of their heat storage capacity. In the field of pipes and pavers, we offer system solutions for all present-day challenges, including the demands on water management resulting from climate change and increasing urbanization.

In view of what users and developers expect of a modern building, and considering the numerous regulatory requirements to be met, such as the Energy Performance of Buildings Directive (EPBD), a 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 product portfolio with products supplied by our partners in the field of building services and facilities in order to obtain the best possible results.

Research and development

Wienerberger operates several research centers in Europe specializing in our various product groups. Our own development work undertaken at research facilities across the Group enhances the innovative strength of our infrastructure solutions for our customers. Our product management experts cooperate closely with the marketing and sales departments of the individual operating segments in order to adapt new developments to the needs of our customers. The market launch of new products across several countries is managed centrally, but the products are adjusted to local market conditions by our specialists on site. Thus, successful developments can be rolled out quickly and efficiently to the entire Group.

With our L.A.B. (Learn-Act-Build), an internal service unit established to support Wienerberger's innovation teams in the development of new business models, we provide a platform for projects and ideas focused on innovation, Industry 4.0 and digitalization outside the usual structures.

Wienerberger aims to secure and further strengthen its market positions through leadership in cost efficiency and technology as well as product innovations. Therefore, research and development (R&D) are among the priorities of Wienerberger's strategic planning.

Environmental product declarations and certifications

For many years, Wienerberger has been working intensively on the voluntary preparation of eco-balances and environmental product declarations (EPDs) for its entire product range.

All ceramic pipes and fittings produced by Wienerberger Piping Solutions and some of the pavers produced by Wienerberger Building Solutions, Concrete Pavers, have been certified according to the Cradle to Cradle® concept. This means that our products do not have to be disposed of as waste at the end of their useful life, but can be returned into the production cycle as raw materials for new products. Regular re-certification ensures continuous improvement of the products in accordance with the Cradle to Cradle® principles.

Results of our 2014 Materiality Analysis

The environmentally relevant topics relating to our products and system solutions identified as particularly important in the course of the 2014 materiality analysis are summarized on page 128. They provide the basis for our five-year plan of action, the Wienerberger Sustainability Roadmap 2020. The targets and measures within the framework of the Wienerberger Sustainability Roadmap 2020 relating to products and system solutions are described in detail at the end of this chapter under "Targets and Measures Relating to Products".

Innovative and Durable Products and System Solutions

Taking the lead in innovation is part of our commitment to our shareholders; it enables us to create value and distinguish ourselves from our competitors. As the innovation leader in our industry, we are striving to steadily improve and further develop our products and system solutions for all fields of application. We take advantage of our strong market positions for the supra-regional introduction of successful innovations. Our development priorities include:

- Innovations in the application and use of our products
- Research on new materials
- Optimization of existing production processes and development of new ones
- Resource-efficient use of raw materials
- Re-use of our products
- Digital business models

As early as 2015, we elaborated definitions of the innovative character of the products and system solutions within our product groups on the basis of current market requirements, which facilitate group-wide comparisons. These definitions refer, in particular, to properties identified by our stakeholders as being material, depending on the type of product or system solution. Durability, recyclability, recycling and re-use, contributions to energy efficiency, climate protection and the preservation of the architectural heritage, as well as cost efficiency and ease of installation, are considered to be of material importance.

In our role as a leading provider, we actively shape the future of building construction and regard digitalization as the greatest opportunity for the construction industry of the past 30 years. 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 are thus able to create sustainable added value. Process automation, the use of prefabricated components and complete systems make for enhanced efficiency at the construction site and a sparing use of resources.

In 2019, innovative products and system solutions accounted for almost 31% of the Group's total revenues. The specific quantitative targets of the individual Business Units and their product groups regarding the contribution of innovative products and system solutions to revenues, as well as the results for 2019, are show in the table on page 132.

Target: Contribution of innovative products to revenues	Period	2018 in %	2019 in %	Innovations are defined as:
Wienerberger Building Solutions, Bricks and Tiles 25%	Annually	30.9	**32.5**	New products and system solutions that are durable and cost-efficient, contribute to climate protection and to the energy efficiency of buildings, ensure safety and health for users of the buildings, facilitate the work of design engineers and are easy to use and well-suited for interesting architectural applications.
Wienerberger Building Solutions, Concrete Pavers 30%	Annually	35.0	**38.1**	Product innovations that offer added value for customers in terms of cost efficiency, technical properties or ecological advantages, such as water-permeable paving systems for unsealed surfaces.
Wienerberger Piping Solutions, Plastic Pipes 20%	Annually	16.7	**18.1**	Product innovations that represent either a completely new development or a significant improvement of an existing product in respect of the production process, cost efficiency, technical properties or ecological advantages.
Wienerberger Piping Solutions, Ceramic Pipes 35%	Annually	43.0	**49.0**	Recently introduced products (e.g. KeraPort manholes), products for particularly innovative applications (e.g. jacking pipes for trenchless installation), and particularly sustainable products in terms of energy efficiency and climate protection.
North America 50%	Annually	50.8	**50.5**	Products and system solutions that facilitate compliance with the new energy standards (International Energy Conservation Code, IECC), offer a higher level of energy efficiency and are well-suited for the construction of tornado-proof houses. Moreover, these products allow for greater flexibility in terms of design and execution.

Innovations of Wienerberger Building Solutions

The Wienerberger Building Solutions Business Unit is committed to supplying its customers with products and system solutions for the entire building envelope. In selected countries we also want to offer integrated solutions for outdoor applications. The construction of wall and roof systems is another field of application. Through prefabrication and the sale of accessories, we are in a position to offer customers a complete system on a one-stop-shop basis. Prefabricated assemblies shorten shell construction times and digital planning tools accelerate and facilitate work on the construction site. Here are a few examples:

All4Roof

By means of the mobile All4Roof tool, roofers can plan and finalize their projects with a few mouse clicks. 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. The roofer's customer instantly receives a detailed quote generated by the tool. All4Roof makes it easy for roofers to do business with Wienerberger and simplifies order processing.

Cost and resource efficiency through prefabrication and robotics

Innovations such as prefabricated wall assemblies or novel types of brick that can be handled by masonry robots and laid more quickly are our response to rising costs due to the shortage of skilled labor. The Building Solutions Business Unit also employs robots farther upstream, i.e. in production, to achieve a higher level of precision and reduce potential occupational hazards.

Climate-friendly bricks

The principle of our climate-friendly bricks is based on three pillars: First of all, direct greenhouse gas emissions are reduced to a minimum along the entire production chain. Secondly, we reduce our consumption of electricity, which is generated from renewable sources of energy, as much as possible. Thirdly, we offset the remaining emissions by supporting certified climate protection projects. We contribute to the protection of carbon sinks, such as forests and marshland, in Brazil, India, Rwanda and Germany and support renewable energy projects. All these projects have been registered with the United Nations Framework Convention on Climate Change (UNFCCC). The perlite-filled clay block itself creates a healthy indoor climate and reduces heating costs by up to 25% on account of its excellent thermal insulation values. The brick was certified by TÜV NORD Austria, a technical inspection body.

V11 – The Porsche roof tile

Together with the F.A. Porsche Studio, Wienerberger Austria designed the V11 clay roof tile, an innovation of particular interest for architects and principals. The number "11" in the product name stands for the number of tiles needed for one square meter of roof surface. Thanks to its unique "V" shape, the V11 has a drainage function. Moreover, the faceting of the V11 makes for an entirely new appearance of the roof. This innovative and elegant product is our contribution to inspiring architectural ideas.

Additional innovative building solutions introduced and continuously further developed by Wienerberger are described in the 2018 Sustainability report on page 135.

Innovations of Wienerberger Piping Solutions

The Piping Solutions Business Unit primarily focuses on innovative solutions that support our customers in addressing their individual challenges and create added value. To a growing extent, digital, network-based and collaborative models are being used to increase productivity and enhance resource and energy efficiency. For example, we support private customers through data management services for smart network-based pumps. Intelligent pipe fittings equipped with sensors to detect leakages are another smart application designed especially for utility companies. Some examples are described in the following.

The Electro Spider concept

SPIDER is a prefabricated, tailor-made system solution for electrical installations. It consists of smart electro conduits, which are delivered pre-wired on the basis of a digital design ready for swift and safe installation. Working time for installation on the construction site is reduced by up to 80%; material wastage is avoided and costs are saved. Step by step, we are coming closer to the smart home, for example through the installation of wireless light switches, which in turn opens up new opportunities for crafts businesses as our partners.

Smart Pumping Stations

With our smart pumping stations, we support private customers with data management services for smart, network-based pumps. These pumps receive, monitor and transmit meteorological data and trigger flood alarms. Private households will thus be supplied with relevant additional information for their water and wastewater management: from meteorological data to reminders of maintenance due dates.

Smart Probe

Based on an entirely new technology, this add-on greatly facilitates the attachment of different types of sensors to the pipe. Smart probes are able to accurately locate defects in the pipe and perform measurements without any interruption of supply to the user.

Cradle to Cradle® certification

For the time being, Wienerberger is the only supplier certified according to strict criteria of the Cradle to Cradle® concept of circular production, both as a producer and for its complete range of ceramic pipes and fittings. All the parts used are up to 100% recyclable at the end of their useful life.

Additional innovative infrastructure solutions introduced and continuously further developed by Wienerberger are described in the 2018 Sustainability report on pages 135–136.

Recyclability, Recycling and Re-use of Products

From the viewpoint of resource efficiency and the circular economy, the use of secondary raw materials and the re-use or subsequent use of products at the end of their useful life are particularly important topics for the future. However, technical feasibility largely depends on the types of products and their applications.

In ceramic production, secondary raw materials are used as additives. In 2019, secondary raw materials and/or recycled materials accounted for roughly 9% of the raw material used by Wienerberger Building Solutions (WBS), Bricks and Tiles (see also chapter "Production", section "Resource efficiency and use of secondary raw materials" starting on page 107). WBS Bricks and Tiles records information on the percentage of external secondary raw materials used within the framework of its raw material monitoring regime. External raw materials include saw dust and sunflower seed shells as well as recycled ceramic materials, such as refractory materials used in the production of clay pavers.

In plastic pipe production, the topic of resource efficiency and/or the use of secondary raw materials are particularly important. With 75.02 kg of secondary raw material used per ton of products produced, the original target for 2020 (70 kg/t) was already reached in 2018, i.e. two years earlier than planned. Given the high relevance of this matter, we set ourselves a new and more ambitious target of 85 kg/t to be reached by 2020. This target, too, was reached ahead of schedule with 85.12 kg/t in 2019. Our new target for 2020 now is to further increase the amount of secondary raw materials to 90 kg/t. Moreover, in 2018 we introduced a clear distinction between external and internal secondary raw material and defined an additional target for the percentage of secondary raw material exclusively coming from external sources. By 2020, we intend to increase the amount of exclusively external secondary raw material to 50 kg per ton of products produced, which corresponds to a 250% increase compared to 2010. In 2019, the amount of exclusively external secondary raw material used was almost 43 kg/t, which corresponds to a 214% increase compared to 2010.

A research project on the re-use and/or recycling of plastic pipe material introduced the concept of color coding of different pipe generations, which permits the cascading use of plastic materials. What begins its life as a yellow low-pressure gas pipe could be converted into a red cable conduit and finally recycled into a grey sewer pipe. All in all, the PVC raw material can be used up to three times. Given that PVC has a useful life of at least 100 years, the total life cycle of the material can, in theory, be prolonged to more than 300 years. The "Pipe with Three Lives" concept won the bronze medal in the "Sustainable Innovations" category of the Inovyn Prize at the K-2019 International Plastics and Rubber Trade Fair in Düsseldorf.

We will continue working on our research projects, aiming to establish the optimal ratio between primary and secondary raw materials in our products. The technical feasibility of using secondary raw material will be analyzed and production sites suitable for practical implementation will be identified.

Safety and Health of our Customers and Users of our Products

Contributing to the health and safety of our customers and users of our products is part of our commitment to improving people's quality of life with our building and infrastructure solutions. Our well-trained and qualified employees as well as our service centers provide optimal support to our customers in the application of our products and system solutions.

It goes without saying that Wienerberger meets all legal requirements at European, national and regional levels regarding the avoidance and substitution of hazardous substances. Compliance with all laws and regulations is being monitored and corrective measures are taken immediately whenever necessary.

The Wienerberger Building Solutions Business Unit, for instance, applies an internal guideline for the avoidance of hazardous substances. The guideline provides for strict classification of all inputs and contains clear and binding instructions for the individual production sites regarding the use of secondary raw materials and the avoidance of hazardous substances. Compliance with the guideline is verified on the basis of an annual raw materials report. The guideline has been very well accepted in all countries. Since its adoption, the topic has received increasing attention and is being managed professionally throughout the Business Unit. The guideline was revised in 2019. On the one hand, it had to be adjusted to the structural changes within the Wienerberger Group, as we have been reporting on our European activities in ceramic building materials for the building envelope and our business in concrete pavers for outdoor applications within the framework of the Wienerberger Building Solutions Business Unit since 2019 (see also chapter "Wienerberger at a Glance", section on "New corporate and reporting structure" on page 18). On the other hand, the scope of the analysis was adjusted to the materials and substances used, taking the currently relevant parameters into account.

Plastic pipe production is subject to REACH, the EU regulation on chemicals (Registration, Evaluation, Authorization and Restriction of Chemicals). As a matter of course, Wienerberger Piping Solutions complies fully with the requirements of this regulation. To ensure the health and safety of our customers and our employees in the best possible manner, WPS regularly verifies if any of the substances used could in future be classified as hazardous under REACH.

Targets and Measures Relating to Products and System Solutions

The following targets and measures were defined by the Managing Board of Wienerberger AG and the management of the individual Business Units on the basis of the materiality matrix developed in 2014. They are part of the Wienerberger Sustainability Roadmap 2020.

Group-wide topics relating to our products and system solutions

Innovative and durable products

Wienerberger Building Solutions, Bricks and Tiles

Quantitative target

- The percentage of innovative products is to be maintained at no less than 25% of the Business Unit's total revenues through continuous product development activities and market launches.

2019

- Innovative products accounted for 32.5% of the Business Unit's revenues (2018: 30.9%).
- Innovative products were rolled out to additional markets (e.g. the new Urban facing brick for a seamless transition from the roof to the facade or the new S8-MW Poroton plane-ground brick).
- Ongoing product optimization processes and innovation management activities were continued.

2020

- The product optimization processes and innovation management activities described above will be further advanced.

Wienerberger Building Solutions, Concrete Pavers

Quantitative target

- The percentage of innovative products is to be maintained at no less than 30% of the Business Unit's revenues through continuous product development activities and market launches.

2019

- Innovative products accounted for 38.1% of the Business Unit's revenues.
- Tests were performed in cooperation with a materials testing institute (MPVA) to investigate the specific infiltration performance of unsealed paved surfaces.
- A new, modern grass paver was designed, production of which is to be started up in Hungary in 2020.
- The prototype of a new permeable surface with high rain water seepage potential ("draining concrete") was tested internally and externally.

2020

- Further tests are being planned to ascertain the infiltration performance of concrete pavers.
- Production of the newly designed grass pavers will be started up in Hungary.
- "Draining concrete" is being developed to market maturity.
- Additional product solutions for permeable surfaces and paver laying machines are being developed.

Innovative and durable products

Wienerberger Piping Solutions, Plastic Pipes

Quantitative target

- The percentage of innovative products is to be maintained at no less than 20% of the Business Unit's revenues through continuous product development activities and market launches.

2019

- Innovative products accounted for 18.1% of the Business Unit's revenues.
- The planned launch of the new Stormbox II had to be postponed.
- Development work on a smart probe was continued and practical tests and validations were performed in cooperation with customers.
- One of our concepts for the circular economy developed in the Netherlands was awarded the bronze medal in the "Sustainable Innovations" category of the Inovyn Prize at the K-2019 International Plastics and Rubber Trade Fair in Düsseldorf. The award-winning concept called "Pipe with Three Lives" uses color coding for different pipe generations to permit a cascading use of plastic materials. The useful life of the material can thus be prolonged to 300 years and beyond.

2020

- The new large-volume Stormbox II will be launched. With a capacity of 415 liters, it cannot only hold far more water than the old Stormbox (216 l), but is easier to assemble without additional connecting elements. The patented base plate and the side walls have been optimized to facilitate inspection and cleaning.
- The new Raineo.meter, a smart meter which continuously monitors and predicts the water level in the seepage facility (e.g. Stormbox and Stormbox II), will be launched. Users are reminded of scheduled inspections of the system and receive early warnings whenever heavy rainfall is to be expected.
- Development work on a smart probe is being continued. Additional practical tests will be performed and evaluated, and a first lot will go into production.
- Projects aimed at developing further innovative products are being continued.

Wienerberger Piping Solutions, Ceramic Pipes

Quantitative target

- The percentage of innovative products is to be maintained at no less than 35% of the Business Unit's revenues through continuous product development activities and market launches.

2019

- Innovative products accounted for 49% of the Business Unit's revenues.
- Activities aimed at stimulating the innovation process were continued.

2020

- Activities aimed at stimulating the innovation process are being continued.

Innovative and durable products

North America

Quantitative target

- The percentage of innovative products is to be maintained at no less than 50% of the Business Unit's revenues through continuous product development activities and market launches.

2019

- As in the previous year, innovative products accounted for almost 51% of the Business Unit's revenues.
- Product tests were again performed at the production sites and reported to the Research Committee.
- The Research Committee again held its quarterly review meetings, which either released products to be placed on the market or decided on a change of direction in product development.

2020

- The activities described above are being continued.

Recyclability, recycling and re-use // Use of secondary raw materials

Wienerberger Building Solutions, Bricks and Tiles	**2019** › Secondary raw materials continued to be used in production wherever this was technically feasible, economically viable and in line with our internal guideline. › The projects set up to investigate possible applications of secondary raw materials were continued. › The internal use of own ceramic waste was further investigated and, where appropriate, introduced and/or continued (e.g. use of dust from the production of plane-ground clay blocks as raw material). › New products based on production waste were developed, e.g. use of crushed bricks as an additive for thermal insulating blocks made from compound ceramic materials. These products were developed in cooperation with WBS Concrete Pavers. **2020** › Ongoing initiatives and projects are being continued. › Further possibilities of developing new products based on waste from brick production are being investigated.
Wienerberger Building Solutions, Concrete Pavers	**2019** › The pilot project set up to test the preparation of cured concrete waste and the possible use of recycled concrete was continued. › The three-year project for the development of products made from eco-concrete (concrete with a reduced carbon footprint) was launched. › Work on the substitution of primary raw materials with secondary raw materials, with product quality remaining the same, was continued. **2020** › Work on current initiatives and projects is being continued.

Recyclability, recycling and re-use // Use of secondary raw materials

Wienerberger Piping Solutions, Plastic Pipes

Previous quantitative targets

- Increasing the amount of secondary raw materials to 85 kg per ton of products produced by 2020.
- The use of secondary raw materials is particularly relevant in plastic pipe production. As this target was already reached in 2019, a new target was set.
- Increasing the amount of exclusively external secondary raw materials to 50 kg per ton of products produced by 2020, with a clear distinction made between externally and internally sourced secondary raw materials.

New quantitative target

- Increasing the amount of secondary raw materials to 90 kg per ton of products produced by 2020.
- The target for exclusively external secondary raw materials (50 kg per ton of products produced) remains unchanged.

2019

- 85.12 kg of secondary raw materials were used per ton of products produced (2018: 75 kg), 42.93 kg of which were external secondary raw materials.
- Studies on the technical feasibility of using secondary raw materials and the suitability of production sites for this purpose were continued.
- The "Pipe with Three Lives" concept was further developed. Color coding for different pipe generations permits the cascading use of plastics and has the potential to prolong the useful life of the material to 300 years and more. What starts its life as a yellow low-pressure gas pipe can be converted into a red cable conduit and finally recycled into a grey sewage pipe.
- Environmental product declarations (EDPs) were issued for new products and updated for existing ones.
- Pipelife's environmental product declaration calculator app for use on an iPad or iPhone (https://apps.apple.com/cv/app/pipelife-epd-calculator/id989794425) was comprehensively updated. It now shows the environmental impact of various plastic pipe systems in different environmental categories and makes comparisons, where applicable, with alternative materials and other products

2020

- The use of additional external secondary raw materials is being investigated.
- The new environmental product declarations will be published on the website of Wienerberger Piping Solutions, Plastic Pipes (pipelife.com), and can be downloaded via our EDP app (available for IOS and Android).

Recyclability, recycling and re-use // Use of secondary raw materials

Wienerberger Piping Solutions, Ceramic Pipes	**2019** › All the necessary steps were taken to prepare for the scheduled Cradle to Cradle® re-certification. › Further possibilities of improving the technical properties of the materials used, while increasing the recycling rate as much as possible, were evaluated. **2020** › All the necessary steps are being taken with a view to the scheduled Cradle to Cradle® re-certification. › Further possibilities of improving the technical properties of the materials used, while increasing the recycling rate as much as possible, are being evaluated.
North America	**2019** › The closed resource cycle in production was reviewed for possible further optimization. We are aiming at zero waste at all production sites. › The percentage of secondary raw materials contained in the finished products was successfully certified at two production sites. On average, the products contain roughly 35% secondary raw materials, which is an excellent value for LEED certification[4]. › The guideline for suppliers, which is aligned with the group-wide supplier management strategy and aims to promote the re-use and/or recycling of packaging material, was applied in practice for the first time. **2020** › Further studies are being performed to investigate the possibility of using secondary raw materials.

4) LEED certification (Leadership in Energy and Environmental Design) is an internationally recognized symbol of sustainability performance. It was developed by the U.S. Green Building Council (USGBC) to promote the construction of energy- and resource-efficient buildings for healthy indoor living. Other countries have introduced similar quality seals, for example the German Gütesiegel Nachhaltiges Bauen, BREEAM (Building Research Establishment Environmental Assessment Methodology) in Great Britain or GRIHA (Green Rating for Integrated Habitat Assessment) in India.

Product-group-specific topics relating to our products and system solutions

Contribution to the energy efficiency of buildings

Wienerberger Building Solutions, Bricks and Tiles

The continuous further development of product solutions that contribute to the energy efficiency of buildings is a high priority for WBS, Bricks and Tiles. In recent years, clay blocks filled with insulating material, high thermal insulation clay blocks without infill material but with a special hole geometry, new facing brick formats for double-shell exterior walls, energy-efficient upon-rafter insulation for pitched roofs, etc. were developed.

2019

- Continuous efforts were made to achieve further improvements of products and building solutions. For example, studies aimed at the development of alternative inorganic infill materials (foams) for bricks were initiated in cooperation with an external partner.
- Research projects focused on the possibility of reducing the heat conductivity of our products were continued.

2020

- The solutions available for the applications described above are being further optimized and upgraded.

Wienerberger Piping Solutions, Plastic Pipes

2019

- WPS continuously optimized and enlarged the range of planning tools that can be used to calculate the heat loss and the heat requirements of individual residential units and entire buildings as a basis for the design of more efficient heating systems.
- The new SLAB-16 heating and cooling system was placed on the market.

2020

- The development of innovative products contributing to the energy efficiency of buildings is being continued.

North America

2019 and 2020

- North America is working continuously on the development of new products and system solutions that facilitate compliance with the new energy standards (International Energy Conservation Code, IECC) and offer a higher degree of energy efficiency.

Ease of installation

Wienerberger Building Solutions, Bricks and Tiles

2019

- The development of new products and/or system solutions designed to speed up and facilitate flawless masonry work on the construction site was continued with a view to further optimization.
- Special digital planning tools as well as personal support services were provided to familiarize architects and designers with the best possible ways of using brick and tile products. The All4Roof platform is but one example of many. By means of this mobile tool, roofers can plan and finalize their projects with just a few mouse clicks.
- The pilot partnership to test the use of masonry robots for the on-site construction of walls was continued with an external partner.
- The pilot partnership to test the prefabrication of wall elements was continued with another external partner.

2020

- The solutions available for the applications described above are being further improved and upgraded.
- Activities within the framework of "pilot partnerships" are being continued.

Wienerberger Piping Solutions, Plastic Pipes

2019

- The planned launch of the new Stormbox II had to be postponed.
- The Electro Spider concept was tested for the first time in the Netherlands. This prefabricated, tailor-made system solution for electrical installations reduces on-site installation time by up to 80%.

2020

- The new, large-volume Stormbox II will be placed on the market. With a capacity of 415 liters, it cannot only hold far more water than the old Stormbox (216 l), but is easier to assemble without additional connecting elements. The patented base plate and the side walls have been optimized to facilitate inspection and cleaning.
- Work on the Electro Spider concept is being continued.

Our strong focus is on our responsibility to people and the environment.
Our success benefits not only our shareholders and our employees, but also society at large. Through our societal commitment and our donations we improve the quality of life of people in need and, above all, help to create a better future for their children.

Social and Societal Commitment

Social and Societal Commitment

Principles

Wienerberger views the economy as an integral part of society that has the obligation to serve people and create value for all. 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.

Results of our 2014 Materiality Analysis

In the course of a differentiated analysis of the impact of our various fields of production on society, business ethics and compliance were identified as aspects of material importance that are equally relevant for all product segments. Details relating to these topics can be found starting on page 29 of the chapter "Management Approach", which also outlines our quantitative targets and the corresponding measures.

Targets and Measures

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 2019, 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 2019. Details relating to this topic can be found on page 29–30 of the chapter "Management Approach", which also outlines our measures taken in this area.

Social Commitment and Donation Activities

As a supplier of building material and infrastructure solutions, we want to use our products and our know-how to the greatest possible benefit of society. We continuously support a large number of social projects and organizations in almost all the countries we operate in. We are convinced that we can help best in our fields of core competence, i.e. through the provision of innovative and durable solutions for building construction and infrastructure and the application of sustainable building know-how. We therefore focus primarily on supporting people in need in a targeted manner through product donations. The Wienerberger donations guideline, which was revised in 2017 and clearly differentiates between social commitment and cooperation with local initiatives, was applied across the Group also in 2019.

Cooperation with Habitat for Humanity

We are convinced that affordable housing is a fundamental human right. In 2012, Wienerberger therefore began to cooperate with Habitat for Humanity, an international non-profit organization. Habitat for Humanity was founded in the USA in 1976. Its activities 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 to help themselves". Habitat for Humanity actively advocates every human being's right to shelter. By cooperating with Habitat for Humanity, we contribute toward building public awareness of the need for affordable housing.

Within the framework of the third period of cooperation, which will be running until 2021, activities are now covering seven countries (Bulgaria, Republic of North Macedonia, Poland, Romania, Slovakia, Hungary and Great Britain). In 2019 alone, help was provided for another 948 socially underprivileged people, among them close to 90 families, within the framework of our partnership with Habitat for Humanity.

Moreover, a cooperative volunteering campaign was organized, with Wienerberger employees helping on site and providing hands-on assistance in the construction of houses. This form of cooperation is to be continued in the future.

Big Build is an annual volunteer event at which hundreds of people voluntarily join forces to build homes for families in need. In October 2019, Habitat for Humanity in Romania, helped by partner families and volunteers, built ten houses for families in Vaideeni in just five days. Wienerberger Building Solutions in Romania donated the building materials and provided the necessary know-how, while twelve of our employees were on site to offer hands-on assistance with house building within the framework of Big Build.

As in previous years, so-called "housing forums" were co-organized with Habitat for Humanity, the objective being to make politicians as well as pubic authorities aware of the importance of social housing.

Local partnerships and cooperation projects

Besides our cooperation with Habitat for Humanity, which is coordinated at Group level, we also carry out joint projects with other partners at local level, such as Caritas or the ELIJAH Association, aimed at the creation of housing for people in need.

In Romania, Wienerberger donates products to the Elijah Association (https://elijah.ro/en) 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. In 2019, for instance, five residential buildings for Roma families, some of them with animal housing, and three community facilities were set up, including a boarding school for children from families living in extreme poverty, a social center for about one hundred children, and a construction yard as a training center for young people. Wienerberger provided clay blocks and roof tiles for these projects.

Our commitment to social causes 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.

Reporting Profile

Wienerberger reports once a year on the Group's non-financial indicators. In accordance with past practice, a full Sustainability Report is published every two years, which alternates with a concise update presenting the most essential facts and figures for the year between. The last full Sustainability Report for 2018 was published in June 2019. The 2020 Sustainability Report will be published according to schedule in June 2021.

The present Sustainability Update covers Wienerberger's activities in 2019. The indicators shown also refer to the years 2018 and 2017, reflecting a three-year trend. The report focuses on the ecological, social and societal aspects of Wienerberger's activities and their impacts. For more detailed information on Wienerberger's economic performance, the company's organizational profile and its corporate governance structure, please refer to the 2019 Annual Report, which is available online at (https://www.wienerberger.com/en/investors/annual-report-2018.html#!/).

Sustainability reporting follows the scope of consolidation of the Wienerberger Group, which is described in detail on page 46 of the Notes to the 2019 Annual Report. In substantive terms, the present report covers the fully consolidated subsidiaries operating in Wienerberger's product segments, i.e. products for walls, roofs and facades, ceramic pipes, plastic pipes, and concrete and clay pavers.

Two sites in the Netherlands acquired in 2018, which were excluded from non-financial reporting in 2018 as the necessary data collection structures were not yet in place, are now included for the 2019 reporting year. For reasons of comparability, the energy and emission indicators of one of these two sites (ceramic production) have now been included also for 2018 and the values for that year were restated accordingly. Five sites newly acquire in 2019 have been excluded from the 2019 report, as the structures required from the collection of non-financial indicators are yet to be implemented. Further deviations of individual indicators from the reporting scope are indicated wherever applicable.

The data presented in the chapter "Production" only refer to our production sites, whereas all other data include all sites of the Wienerberger Group. Deviations from the reporting scope are indicated in the respective sections.

The topics and key indicators presented in this report are based on the materiality analysis performed in 2014. They were elaborated by subject-specific working groups in cooperation with the Head of Corporate Sustainability (formerly Corporate Sustainability Officer). The decisions regarding the selection of topics were taken by the Wienerberger Sustainability Steering Committee (SSC).

Wienerberger's sustainability reports are compiled by the Head of Corporate Sustainability in consultation with the Business Units and the specialized departments. They are approved for publication by the Sustainability Steering Committee (members of the Managing Board of Wienerberger AG and the managing boards of the Business Units).

The 2019 Sustainability Update was prepared in accordance with the Sustainability Reporting Standards of the Global Reporting Initiative (GRI), "Core" Option.

The data presented in this report are based primarily on internal statistics. Important topics covered by the report were validated by an independent external auditor. In the year under review, the audit focused on facts and figures regarding occupational safety, health, employee turnover, energy consumption and emissions. The audit also covered the underlying sustainability management system and the processes employed to collect data and to implement the sustainability strategy.

GRI Content Index

GRI 102 (2016): General Disclosures

	Disclosure	Page in Sustainability Report	Omission, Explanation	Part of external assurance	UN Global Compact Principles
	Organizational profile				
102-1	Name of the organization	162			
102-2	Activities, brands, products, and services	16–23			
102-3	Location of headquarters	16, 162			
102-4	Location of operations	16, 24–25			
102-5	Ownership and legal form	16, Management Report and Consolidated Financial Statements 32–33			
102-6	Markets served	16–17, 20–25			
102-7	Scale of the organization	16, 18–19, 24–25			
102-8	Information on employees and other workers	62–64			
102-9	Supply Chain	39–41			
102-10	Significant changes to the organization and its supply chain	18, Management Report and Consolidated Financial Statements 46			
102-11	Precautionary Principle or approach	28, 159–162			UNGC 7
102-12	External initiatives	31, 37			
102-13	Membership of association	37			
	Strategy				
102-14	Statement from senior decision-maker	7–11			
102-15	Key impacts, risks, and opportunities	50–51			
	Ethics an integrity				
102-16	Values, principles, standards, and norms of behavior	28–32, 146–147			
	Governance				
102-18	Governance structure	38, Consolidated Corporate Governance Report		CG-Report reviewed by Deloitte	
	Stakeholder engagement				
102-40	List of stakeholder groups	33–34			
102-41	Collective bargaining agreements	31–32			
102-42	Identifying and selecting stakeholders	42			
102-43	Approach to stakeholder engagement	33–34, 42			
102-44	Key topics and concerns raised	33–34, 42–44, Materiality Analysis 2014			

Note: *The Annual Report as well as the Sustainability Analysis 2014 can be found on the Wienerberger Website (www.wienerberger.com)*

GRI 102 (2016): General Disclosures

	Disclosure	Page in Sustainability Report	Omission, Explanation	Part of external assurance	UN Global Compact Principles
	Reporting practice				
102-45	Entities included in the consolidated financial statements	148, Management Report and Consolidated Financial Statements 122–125			
102-46 - 102-47	Defining report content and topic Boundaries, list of material topics	42–44		2014 by PwC	
102-48	Restatements of information	62, 97 and in the respective footnotes to the individual indicators			
102-49	Changes in reporting	none			
102-50 - 102-52	Reporting period, date of most recent report	148			
102-53	Contact point for questions regarding the report	162			
102-54	Claims of reporting in accordance with the GRI Standards	148			
102-55	GRI content index	149–155			
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Topic-specific Standards – Economic

	Disclosure	*Page in Sustainability Report*	*Omission, Explanation*	*Part of external assurance*	*UN Global Compact Principles*
	GRI 201 (2016): Economic performance				
103-1 - 103-3	*Explanation of the material topic and ist Boundary, the management approach and its components, evaluation of the management approach*	*17–19, 28–57*			
201-1	*Direct economic value generated and distributed*	*Management Report and Consolidated Financial Statement, Financial Review*			
201-3	*Defined benefit plan obligations and other retirement plans*	*Management Report and Consolidated Financial Statements 85–88*			
	GRI 203 (2016): Indirect economic impacts				
103-1 - 103-3	*Explanation of the material topic and its Boundary, the management approach and its components, evaluation of the management approach*	*17, 28–57, 146*			
203-1	*Infrastructure investments and services supported*	*146–147*			
	GRI 205 (2016): Anti-corruption				
103-1 - 103-3	*Explanation of the material topic and its Boundary, the management approach and its components, evaluation of the management approach*	*28–31, 28–57*			*UNGC 10*
205-1	*Operations assessed for risks related to corruption*	*31, 36*			*UNGC 10*
205-3	*Confirmed incidents of corruption and actions taken*	*31, 36*			*UNGC 10*
	GRI 206 (2016): Anti-competitive behavior				
103-1 - 103-3	*Explanation of the material topic and its Boundary, the management approach and its components, evaluation of the management approach*	*28–31, 28–57*			
206-1	*Legal actions for anti-competitive behavior, anti-trust, and monopoly practices*	*29–30*			

Note: *The Annual Report as well as the Sustainability Analysis 2014 can be found on the Wienerberger Website (www.wienerberger.com)*

Topic-specific Standards – Environmental

	Disclosure	*Page in Sustainability Report*	*Omission, Explanation*	*Part of external assurance*	*UN Global Compact Principles*
	GRI 301 (2016): Materials				
103-1 - 103-3	*Explanation of the material topic and its Boundary, the management approach and its components, evaluation of the management approach*	*28, 38, 43–57, 130–131*			*UNGC 7, 8, 9*
301-2	*Recycled input materials used*	*134–135, 139–141*	*For the time being, the input of recycled raw material can only be indicated as a percentage for brick production in Europe and in kg/ton for plastic pipes. Data collection in other operating segments is being evaluated.*		*UNGC 7, 8, 9*
	GRI 302 (2016): Energy				
103-1 - 103-3	*Explanation of the material topic and its Boundary, the management approach and its components, evaluation of the management approach*	*28, 32, 36, 43–57, 94–97*		*yes*	*UNGC 7, 8, 9*
302-1	*Energy consumption within the organization*	*97–99*		*yes*	*UNGC 7, 8, 9*
302-3	*Energy intensity*	*97, 101–103*		*yes*	*UNGC 7, 8, 9*
302-4	*Reduction of energy consumption*	*97, 99–103*			*UNGC 7, 8, 9*
	GRI 303 (2016): Water				
103-1 - 103-3	*Explanation of the material topic and its Boundary, the management approach and its components, evaluation of the management approach*	*28, 32, 36, 43–57, 94–96*			*UNGC 7, 8, 9*
303-1	*Water withdrawal by source*	*108–109*			*UNGC 7, 8, 9*

	Disclosure	Page in Sustainability Report	Omission, Explanation	Part of external assurance	UN Global Compact Principles
	GRI 304 (2016): Biodiversity				
103-1 - 103-3	Explanation of the material topic and its Boundary, the management approach and its components, evaluation of the management approach	28, 32, 36, 43–57, 94–96			
304-3	Habitats protected or restored	111, 125	Quantitative information on the size and location of the protected or restored areas at depleted clay pits and the status of these areas is not available. The subsequent use of clay pits is determined in the course of the approval procedure and depleted clay pits are made available accordingly by Wienerberger.		
	GRI 305 (2016): Emissions				
103-1 - 103-3	Explanation of the material topic and its Boundary, the management approach and its components, evaluation of the management approach	28, 32, 36, 43–57, 94–97		yes	UNGC 7, 8, 9
305-1	Disclosure 305-1 Direct (Scope 1) GHG emissions	96–97, 103–105		yes	UNGC 7, 8, 9
305-4	GHG emissions intensity	96–97, 105–108		yes	UNGC 7, 8, 9
305-5	Reduction of GHG emissions	96–97, 103–108			UNGC 7, 8, 9
	GRI 308 (2016): Supplier environmental assessment				
103-1 - 103-3	Explanation of the material topic and its Boundary, the management approach and its components, evaluation of the management approach	28, 35–37, 43–57, 110			UNGC 7, 8
308-2	Negative environmental impacts in the supply chain and actions taken	36–37, 110, 121	Information on supplier audits is currently not available; supplier audits are conducted as of 2019.		UNGC 7, 8

Note: *The Annual Report as well as the Sustainability Analysis 2014 can be found on the Wienerberger Website (www.wienerberger.com)*

Topic-specific Standards – Social

	Disclosure	*Page in Sustainability Report*	*Omission, Explanation*	*Part of external assurance*	*UN Global Compact Principles*
	GRI 401 (2016): Employment				
103-1 - 103-3	*Explanation of the material topic and its Boundary, the management approach and its components, evaluation of the management approach*	*28, 31–32, 43–57, 60–62*		*yes*	*UNGC 3, 4, 5, 6*
401-1	*New employee hires and employee turnover*	*63–67, 81–82, 85*		*yes*	*UNGC 3, 4, 5, 6*
	GRI 403 (2016): Occupational health and safety				
103-1 - 103-3	*Explanation of the material topic and its Boundary, the management approach and its components, evaluation of the management approach*	*28, 31–32, 43–57, 60–62, 68–69*		*yes*	
403-2	*Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities*	*68–76*	*Occupational diseases: Complete and detailed data are not yet available. A GRI-compliant presentation is being evaluated.*	*yes*	
403-3	*Workers with high incidence or high risk of diseases related to their occupation*	*74–76*			
403-4	*Health and safety topics covered in formal agreements with trade unions*	*74*			
	GRI 404 (2016): Training and Education				
103-1 - 103-3	*Explanation of the material topic and its Boundary, the management approach and its components, evaluation of the management approach*	*28, 31–32, 43–57, 60–62, 78–79*			
404-1	*Average hours of training per year per employee*	*78–79*	*Training programs broken down by functional area and diversity feature: Complete and detailed data are not yet available. Additional detailed reporting, in order to gradually achieve GRI-compliant presentation, is being planned for the next report.*		
	GRI 405 (2016): Diversity and equal opportunity				
103-1 - 103-3	*Explanation of the material topic and its Boundary, the management approach and its components, evaluation of the management approach*	*28, 31–32, 43–57, 60–62*			*UNGC 6*
405-1	*Diversity of governance bodies and employees*	*80–85*	*Employees under term contracts, broken down by age group: Complete and detailed data are not yet available. GRI-compliant presentation is being evaluated.*		*UNGC 6*

Note: *The Annual Report as well as the Sustainability Analysis 2014 can be found on the Wienerberger Website (www.wienerberger.com)*

	Disclosure	Page in Sustainability Report	Omission, Explanation	Part of external assurance	UN Global Compact Principles
	GRI 406 (2016): Non-discrimination				
103-1 - 103-3	Explanation of the material topic and its Boundary, the management approach and its components, evaluation of the management approach	28, 31–32, 37, 43–57			UNGC 6
406-1	Incidents of discrimination and corrective actions taken	79			UNGC 6
	GRI 412 (2016): Human rights assessment				
103-1 - 103-3	Explanation of the material topic and its Boundary, the management approach and its components, evaluation of the management approach	28, 31–32, 35–36, 43–57, 76			
412-1	Operations that have been subject to human rights reviews or impact assessments	35–36, 76	In 2018 an impact and risk analysis was performed at Group level.		
	GRI 413 (2016): Local Communities				
103-1 - 103-3	Explanation of the material topic and its Boundary, the management approach and its components, evaluation of the management approach	28, 33–34, 43–57			
413-2	Operations with significant actual and potential negative impacts on local communities	110–111, 124–125			
	GRI 414 (2016): Supplier social assessment				
103-1 - 103-3	Explanation of the material topic and its Boundary, the management approach and its components, evaluation of the management approach	28, 36, 43–57, 110			
414-2	Negative social impacts in the supply chain and actions taken	35–37	For the time being, GRI-compliant presentation is not possible, as the information is not yet available. Supplier audits are performed as of 2019.		UNGC 1, 2
	GRI 416 (2016): Customer health and safety				
103-1 - 103-3	Explanation of the material topic and its Boundary, the management approach and its components, evaluation of the management approach	28, 32, 43–57, 128–130			
416-2	Disclosure 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	135			
	GRI 419 (2016): Socioeconomic compliance				
103-1 - 103-3	Explanation of the material topic and its Boundary, the management approach and its components, evaluation of the management approach	28–30, 43–57			
419-1	Non-compliance with laws and regulations in the social and economic area	30			

UN Global Compact: 2019 – Communication on Progress

The activities of large industrial companies, such as Wienerberger AG, have a strong impact on society and the environment. Such companies therefore bear a special responsibility and should act in an exemplary manner. The minimum standards to be complied with include, above all, the principles of the UN Global Compact regarding human rights, labor standards, environmental protection and the fight against corruption. Through its accession to the UN Global Compact in 2003, Wienerberger officially committed to its ten principles and undertook to advance their implementation within the framework of the company's possibilities.

In the course of its 200-year history, Wienerberger has always assumed responsibility for present and future generations. Once a year, we report on progress achieved in respect of our self-imposed obligations, especially in the context of our sustainability program (Sustainability Roadmap 2020) and our commitment to the UN Global Compact.

The 2019 Communication on Progress in respect of the UN Global Compact forms part of our 2019 Sustainability Update. In order to ensure maximum transparency and to make it easier for our readers to find the individual examples, we have aggregated the most important statements on the ten principles and, in addition, marked the corresponding indicators in the GRI Index and added references to the pages concerned.

Global Compact Principles – Human Rights

Principles 1 and 2

Businesses should support and respect the protection of internationally proclaimed human rights, and make sure that they are not complicit in human rights abuses.

Commitment

Within its sphere of influence, Wienerberger guarantees the protection of fundamental human rights. By adopting the Wienerberger Social Charter in 2001, Wienerberger committed to complying with the conventions and recommendations of the International Labor Organization (ILO). This includes providing safe and healthy working conditions. Respecting human rights has always been a matter of course for Wienerberger. Safety and health is a topic of particular importance to us. We are doing our utmost to make the workplaces of our employees safe, healthy and fit for the future and to reach the Wienerberger Group's target of zero accidents. We also expect our suppliers to respect human rights in their operations and to act accordingly.

Progress in 2019

In 2014, the group-wide safety standards implemented in 2010 were upgraded for the entire Wienerberger Group and activities within the framework of the Safety Initiative were stepped up.

Additionally, each Business Unit implements its specific internal occupational safety programs, which are described in detail on pages 77 and 78 of the 2018 Sustainability Report. As in the previous year, targeted measures were taken by each Business Unit in 2019 to further increase safety at the workplace for our employees. Every occupational accident is analyzed by the operating segment concerned; core aspects of occupational safety and individual initiatives are evaluated annually. In 2019, the frequency of accidents within the Wienerberger Group increased from 5.1 to 5.6 occupational accidents per million hours worked, which corresponds to an increase by 9.9%. Despite the increase recorded in 2019, Wienerberger succeeded in substantially reducing group-wide accident frequency over the past five years and halving it between 2014 and 2019. Accident severity, expressed in accident-related sick-leave days per million hours worked, also increased from 155 in 2018 to 158 in 2019 (+2.4%). The circumstances of every accident were thoroughly analyzed and the individual causes were identified. Specifically targeted measures continue to be implemented and tailor-made training is being provided to ensure a constant attention curve among our employees and, at the same time, minimize risk-taking behavior. We are happy to report that not a single fatal accident occurred throughout the Wienerberger Group in 2019.

We will not tire in our efforts to draw our employees' attention to potential sources of hazards and strengthen their awareness of the binding nature of safety rules and the obligatory use of personal protective equipment. Health is a human right. This is why Wienerberger ensures that working conditions at all its production sites are safe and healthy. The average number of non-accident-related sick-leave days per employee of the Wienerberger Group increased only negligibly from 10.2 in 2018 to 10.3 in 2019. The North America Business Unit is not included in this indicator, as the numbers and percentages of sick-leave days are not comparable with the figures for the rest of the Wienerberger Group on account of local legal regulations. Our focus is on a management style committed to leading our employees responsibly and bearing their needs in mind. Improving the working conditions in our plants is equally important to us, as the satisfaction of our employees is a crucial key to sustainable success.

In view of the increasing numbers of long-term sick-leave periods, prevention is a particularly important health-promoting factor. Besides regular health screenings, company physicians are available across the Group, workplaces are analyzed for their ergonomic characteristics, and individual fitness and health programs are organized.

In the USA all full-time employees of the North America Business Unit are covered by supplementary health insurance, the scope of which exceeds that of the Affordable Care Act (ACA).

Being aware of its responsibility for the health and well-being of its employees, Wienerberger for years has been making every effort to minimize their exposure to potentially hazardous substances. Since 2008, Wienerberger has voluntarily reported extensively on its measures to protect employees from exposure to respirable crystalline silica. The survey is conducted every two years within the framework of the NEPSI social partnership agreement between employees and employers (Negotiation Platform on Silica, https://www.nepsi.eu).

Our target at Group level is to ensure that at least 95% of all ceramic production sites report on measures taken to protect employees from respirable crystalline silica. The periodic survey conducted via the joint online NEPSI platform in 2019 showed that the percentage of reporting ceramic production sites across the Group now stands at almost 98%.

Irrespective of the NEPSI social partnership agreement, Wienerberger is making every effort to protect its employees against respirable crystalline silica. In 2019, a new standard on the protection of employees from exposure to respirable crystalline silica was elaborated, which will be finalized and implemented in 2020. The standard sets out mandatory minimum requirements regarding exposure monitoring and monitoring frequency, health screenings, workplace checks, training and personal protective equipment (PEE).

To a growing extent, Wienerberger is also monitoring compliance with the principles of the UN Global Compact along its supply chains. In 2019, a uniform, group-wide Supplier Code of Conduct was elaborated and implemented, which replaces the previously applied, segment-specific supplier codes of conduct. The new code demands that the ten principles of the UN Global Compact regarding human rights, occupational safety, environmental protection and the fight against corruption be observed also along the supply chain. For details on implementation, see the section "Global Compact Principles – Implementation in the Supply Chain" at the end of this Communication on Progress.

Global Compact Principles – Labor Standards

Principles 3, 4, 5 and 6

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced and compulsory labor; the effective abolition of child labor; and the elimination of discrimination in respect of employment and occupation.

Commitment

Zero tolerance of child and forced labor and any form of discrimination is an absolute must for Wienerberger. Even before its accession to the UN Global Compact in 2003, Wienerberger committed itself, by signing the 2001 Social Charter, to creating employment and working conditions throughout the Group that comply with national legislation and/or are based on collective bargaining agreements as a minimum standard. Thus, Wienerberger acts in accordance with the recommendations of the International Labor Organization (ILO).

Besides safe and healthy working conditions, fair remuneration and our employees' right of assembly and collective bargaining are high priorities for us. In our effort to rule out discrimination in recruitment and employment, we consider it essential to offer our female employees an attractive working environment and the same opportunities as their male colleagues. At the same time, we want to make sure that our male employees benefit from the same flexible solutions that enable them to reconcile work and family obligations as their female colleagues.

Progress in 2019

In 2019, close to 72% of all Wienerberger employees were covered by a collective bargaining agreement. Being aware of the great diversity of talents in our society, Wienerberger is making every effort to identify, address and tap this talent pool for the benefit of our company. We therefore want to bring together people of any gender and with a variety of talents, personality features, career histories and cultural backgrounds. As at 31/12/2019, women accounted for 14.8% of the Wienerberger Group's employees, which represents yet another slight increase over the previous year (14.3%). The percentages in the individual functional areas have remained almost the same as in 2018. We are convinced that a higher percentage of women in executive positions has a positive impact on a company's success. We are therefore determined to increase the number of women in senior management and executive positions at Wienerberger. By nominating an above-average number of women for internal training and talent development programs for future executives, we ensure that high-potential women candidates are guided toward senior management positions and have the chance to embark on a suitable career path. In 2019, the percentage of women in senior management positions across the Group increased to 12% compared to 11% in the previous year, which corresponds to an 11.6% increase.

In 2019, the number of new entrants was 2,331, i.e. 98 less than in 2018. The number of women among the new entrants continued to rise from 390 to 412 in 2019, while the number of men dropped from 2,039 to 1,919. The percentage of women among the new entrants increased further from 16.1% to 17.7%, while the percentage of men declined accordingly from 83.9% to 82.3%. We continue to give preference to women in new appointments to senior management and executive positions, provided their qualifications are equivalent to those of male candidates, as we are firmly convinced that diversity adds value to our company. As of 1 June 2019, an internal female candidate was appointed to the newly created position of Chief Performance Officer on the three-member Wienerberger Managing Board, which brought the percentage of women on the Managing Board up to 33.3%.

The reconciliation of work and family life is an issue of special concern to Wienerberger. We therefore offer our employees the possibility of working part-time. This offer is being taken up by a growing number of women as well as men employed by Wienerberger. In 2019, the percentage of Wienerberger employees in permanent employment working part-time increased slightly to 3.8% over the previous year's level (+0.2 percentage points). The percentage of permanently employed women working part-time increased by 0.2 percentage point to 15.4%. The percentage of men in permanent employment working part-time also increased slightly to 1.8% in 2019 (+0.1 percentage points). Nevertheless, the percentage of women working part-time remains comparatively high.

Global Compact Principles – Environmental Protection

Principles 7, 8 and 9

Businesses should support a precautionary approach to environmental challenges; undertake initiatives to promote greater environmental responsibility; and encourage the development and diffusion of environmentally friendly technologies.

Commitment

Our goal is to minimize the environmental impact of our production and procurement processes. A responsible way of operating our clay extraction sites, the best possible conservation of resources, and an increase in the percentage of secondary raw materials used are central principles observed in our production.

Progress in 2019

Specific energy consumption and specific CO_2 emissions are two of the essential indicators of environmentally friendly production technologies. Wienerberger's target is to reduce these indicators by 20% each in the largest ceramic production segment by 2020 compared to 2010. Compared to the previous year, the Wienerberger Group's total energy consumption decreased slightly (-0.2%) in 2019. The main reason is the somewhat lower consumption of natural gas in ceramic production, which accounts for the major part of the Wienerberger Group's consumption of energy.

Specific energy consumption (calculated as an index in % based on kWh/ton of products) reflects the development over time, with the values reported for a specific reference year serving as the basis for index calculation. In 2019, the Wienerberger Group's specific energy consumption, relative to 2013 as the base year, was reduced by 1.4% overall and even by 4.3% in ceramic production. However, compared with the previous year's value, the change overall was in the decimal range.

Within the framework of the Sustainability Roadmap 2020, our target for plastic pipe production in Europe is to reduce specific energy consumption from electricity in production by 3% compared to 2010. In 2019, specific total energy consumption was above the reference value, equaling 107.3% of the value reported in 2010. This is primarily attributable to lower utilization of production capacities and higher energy consumption than in the previous year, the latter being mainly due to demand-related changes of the product mix (reduced production of large-diameter pipes, production of which requires less specific energy) and the operation of more energy-intensive machinery.

Wienerberger is consistently pursuing the target of converting to low-emission energy sources wherever possible. Nevertheless, the consumption of coal, fuel oil and liquefied natural gas increased over the previous year's level. Although these sources of energy account for less than 1% each of total energy consumption, Wienerberger is making every effort toward the substitution of coal and liquefied natural gas. Compared to the previous year, the share of renewable energy sources in electricity consumption, based on kWh per ton, was increased by two percentage points.

In 2019, specific CO_2 emissions from primary energy sources in ceramic production were 8% below the value reported in 2013, while specific energy consumption decreased by only 4.3%. This is attributable to the gradual substitution of CO_2-intensive sources of energy, such as coal, with natural gas. However, 2019 was special in that specific energy consumption decreased by 0.2% from the previous year's level, whereas specific CO_2 emissions from primary energy sources remained unchanged during the same period. This is due to the temporarily higher consumption of CO_2-intensive energy sources, such as coal, LNG and fuel oil, and the declining percentage of natural gas in 2019. Wienerberger is consistently pursuing the target of converting to low-emission energy sources wherever possible. In 2020, for instance, the production process at the site in India will be converted from coal to natural gas.

In roof tile production, optimized utilization of production capacities, a reduced scrap rate and investments in new production machinery in 2019 brought the volume of specific CO_2 emissions down by 1.5% from the previous year's level. In facing brick production, specific CO_2 emission from primary energy sources, compared to the previous year, increased by 1.9% in 2019, partly due to changes in the product mix and partly as a result of acquisitions, but were 8.1% below the value of 2013. The fact that our "demo plant" project at Uttendorf succeeded in reducing natural gas consumption by 30% also led to a corresponding reduction in absolute and specific CO_2 emissions.

In the field of ceramic pipes, specific CO_2 emissions declined significantly in 2019 (-10.4%) as a result of a plant closure. This led to higher capacity utilization at the other sites remaining in operation. Moreover, the resultant change in the product mix led to lower specific CO_2 emissions in production. However, specific CO_2 emissions of this product segment were 0.1% above the value reported in 2013.

Wienerberger is making a continuous effort to enhance resource efficiency in production and, at the same time, to further improve the properties of its products. Essential aspects are savings in raw material consumption and the use of secondary raw materials in those areas of production where it is economically and technically feasible, as well as a steady reduction of scrap rates and the recycling of production waste and residual materials into production. In concrete paver production, we reduced the scrap rate by 45% between 2014 and 2017, and we intend to achieve a further reduction by 23%, compared to 2017, by 2020. On the basis of improved technologies, tools and processes as well as a growing awareness in our plants for the importance of resource efficiency, we are working on further reducing the scrap rate.

Our target set for plastic pipe production in Europe, i.e. to increase the amount of secondary raw material to 85 kg per ton of products produced by 2020, was already surpassed in 2019. We therefore set ourselves a new and more ambitious target: By 2020, we want to increase the amount of secondary raw material per ton to 90 kg, with at least 50 kg coming from external sources.

A total of 158,626 tons of waste was generated by the Wienerberger Group in 2019, 99% of which was non-hazardous waste, as in previous years. Over four fifths of the total amount of waste (81%) was recyclable. Less than 1% of the total waste volume was hazardous waste.

Specific water usage is another indicator of environment-friendly technologies. Specific water usage, based on net additions to inventories, decreased in 2019 in almost all product segments. Apart from the Wienerberger Group's commitment to a sparing use of water, wherever possible in closed circuits, changes in the product mix of ceramic pipes as well as concrete and calcium silicate products in North America also resulted in lower specific water demand. Despite the hot summer of 2019, specific water usage in plastic pipe production was reduced (-1.2%), which was partly due to changes in the product mix. Water drawn from public networks accounted for 16.6% of total specific water usage for this product segment. Water from sources other than public networks (e.g. water from rivers, lakes and, in Scandinavia, the sea) is returned to the environment after the cooling process in conformity with the legal provisions in effect.

In line with the precautionary principle applied in dealing with environmental problems, Wienerberger has for many years been working intensively on the voluntary preparation of eco-balances and environmental product declarations (EPDs) for its entire product range. Moreover, all ceramic pipes and fittings produced by Wienerberger Piping Solutions, as well as certain pavers produced by Wienerberger Building Solutions, Concrete Pavers, have been certified according to the Cradle to Cradle® concept.

Global Compact Principles – Fight against Corruption

Principle 10

Businesses should work against corruption in all its forms, including extortion and bribery.

Commitment

Wienerberger is committed to fair and free competition; this 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.

Progress in 2019

In 2019, 27 companies (listed in the Management Report, published as a separate part of the 2019 Annual Report, on page 122, "Group Companies"), were audited by Internal Audit with a special focus on organization, purchasing, materials management, sales, human resources, and corruption and anti-trust legislation. Other focus areas of the audits included compliance with the group-wide health and safety standards for our employees.

Another important instrument for the prevention of corruption is the four-eyes principle applicable to the signing of business transactions with third parties. Whenever rights and obligations are established, modified or terminated, the signatures of two competent authorized persons from the local entity are required. This instruction is laid down in international Group policies and supports the prevention of corruption at international level, as does the group-wide policy on business gifts, which was updated in 2016 and continued to apply in 2019.

As in previous years, no charges were brought against Wienerberger for suspected corruption in 2019; no court judgment was pronounced and no penalty payments were due. This confirms the effectiveness of our compliance measures.

Global Compact Principles – Implementation in the Supply Chain

To a growing extent, Wienerberger is also monitoring compliance with the principles of the UN Global Compact along its supply chains and therefore obliges its suppliers to observe social and ecological minimum standards.

In 2019, the scope of Wienerberger's procurement function (Corporate Procurement) was further extended 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. Several new processes and tools were implemented to facilitate efficient supplier management in respect of non-financial matters.

Code of Conduct for suppliers

In 2019, a uniform, group-wide Supplier Code of Conduct was elaborated and implemented in almost all operating segments, which replaces the previously applied, segment-specific supplier codes of conduct. The new code demands that the ten principles of the UN Global Compact regarding human rights, occupational safety, environmental protection and the fight against corruption be observed also along the supply chain.

Performance of supplier audits

In 2018, a formal training program run by external certification bodies was introduced to train employees working in Corporate Procurement to perform supplier audits. In 2019, employees working in the procurement units of the country organizations were selected to receive the same type of training for the performance of supplier audits. Corporate Procurement nominated the employees on the basis of strategic considerations and will roll 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.

In 2019, Corporate Procurement also began to define uniform follow-up processes to be observed following the supplier audits on the basis of the audit results. Once the processes have been fully defined, supplier audits are to be initiated in those areas of procurement and geographic locations where the biggest potential risks are assumed to exist.

These audits will cover significant non-financial matters, such as safety and health of employees, respect for human rights, the fight against corruption and bribery, and environmental protection. On the basis of the audit results, the suppliers will then be 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 (environmental, social, governance – 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), containing information on the financial terms and conditions of all Wienerberger suppliers, has been implemented. The ratings of the suppliers' sustainability performance by EcoVadis are also stored on the data platform. This enables Wienerberger to evaluate suppliers on the basis of their sustainability and risk ratings in conjunction with their financial terms and conditions.

Screening of suppliers and customers against international sanctions 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 sanctions lists (published by the UN (United Nations), the EU and the Office of Foreign Asset Control (OFAC) of the 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 supplier or customer concerned must be communicated to Corporate Legal Services for further coordination. All decisions taken in this context are documented in the sanctions management software.

For further information:

Christine Vieira Paschoalique
Head of Corporate Sustainability
Wienerberger AG
A-1100 Vienna, Wienerbergerplatz 1
T +43 1 60 192 10 180
christine.paschoalique@wienerberger.com

Courtesy Translation of the Independent Assurance on Non-Financial Reporting*)

Introduction

We performed procedures to obtain limited assurance on whether, based on our audit procedures, matters have come to our attention that cause us to believe that the non-financial performance indicators "GRI 302-1 Energy consumption within the organization", "GRI 302-3 Energy intensity", "GRI 305-1 Direct (Scope 1) GHG emissions", "GRI 305-4 GHG emissions intensity", "GRI 401-1 New employee hires and employee turnover" and "GRI 403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities" stated in the Sustainability Report 2019 have not been prepared, in all material respects, in accordance with the reporting criteria.

Responsibility of the management

The preparation of the Report in accordance with the reporting principles as well as the selection of the scope of the engagement is the responsibility of the management of Wienerberger AG. The reporting principles include the in the GRI Standards 2016 contained principles of reporting issued by the Global Sustainability Standards Board (GSSB).

This responsibility of the management 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 also includes designing, implementing and maintaining internal controls, which have been determined as necessary for the preparation of the Report free from material – intended or unintended – misstatements.

Responsibility of the auditor

Our responsibility is to express an opinion with limited assurance on whether, based on our audit procedures, matters have come to our attention that cause us to believe that the non-financial performance indicators "GRI 302-1 Energy consumption within the organization", "GRI 302-3 Energy intensity", "GRI 305-1 Direct (Scope 1) GHG emissions", "GRI 305-4 GHG emissions intensity", "GRI 401-1 New employee hires and employee turnover" and "GRI 403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities" stated in the Sustainability Report have not been prepared, in all material respects, in accordance with the reporting criteria.

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 above mentioned non-financial Standard disclosures have not, in any material aspect, been prepared in accordance with the reporting criteria of the GRI Standards.

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.

**) The German wording of the signed Independent Assurance Report, which refers to the German Version of the Report, is the only binding one. The English translation is not binding and shall not be used for the interpretation of the English Version of the Report.*

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
- Inspection of the relevant documentation of the systematics and processes for the collection, analysis and aggregation of the data of the audit-relevant performance indicators of the Report during the reporting period
- Execution of a media analysis
- Due to the restrictions to combat COVID-19 the audit of an Austrian production site has been conducted without our physical presence at the company's premises using electronic forms of communication
- Video conference with the responsible parties for non-financial data at country level in Sweden
- Comparison of the non-financial disclosures shown in the Sustainability Report and lying within the audit scope, with the calculation documents provided

Summarized Conclusion

Based on our work, nothing has come to our attention that causes us to believe that the non-financial performance indicators "GRI 302-1 Energy consumption within the organization", "GRI 302-3 Energy intensity", "GRI 305-1 Direct (Scope 1) GHG emissions", "GRI 305-4 GHG emissions intensity", "GRI 401-1 New employee hires and employee turnover" and "GRI 403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities" stated in the Sustainability Report as of December 31st, 2019 have not, in any material aspects, been prepared in accordance with the reporting criteria of the GRI Standards.

Engagement approach

The basis for this engagement are the "General Conditions of Contract for the Public Accounting Professions" ("Allgemeine Auftragsbedingungen für Wirtschaftstreuhandberufe", "AAB 2018") as issued by the Austrian Chamber of Tax Advisers and Auditors on April 18th, 2018. In accordance with chapter 7 of the AAB 2018, our liability shall be limited to intent and gross negligence. In cases of gross negligence, our liability is limited to a maximum of five times the auditor's 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, June 29th, 2020

Deloitte Audit Wirtschaftsprüfungs GmbH

Mag. Gerhard Marterbauer
Certified Public Accountant

Mag. Christof Wolf
Certified Public Accountant

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Publisher
Wienerberger AG
Wienerbergerplatz 1
A-1010 Vienna
T +43 1 601 92 0

Inquiries may be addressed to
Christine Vieira Paschoalique,
Head of Corporate Sustainability

Scientific advice
BZL Kommunikation und
Projektsteuerung GmbH, Oyten (D)

Concept and Design
Brainds, Marken und Design GmbH

Photography
Robert Staudinger
Uwe Strasser (portrait Heimo Scheuch)

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Julia Schlager (product illustrations)

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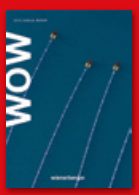
Remark

The Wienerberger Update 2019 is available in English and German. Both documents are available online and can be downloaded under www.wienerberger.com.

WOW – World of Wienerberger

World of Wienerberger is diverse.
Many topics that all deserve attention.



Annual Report 2019

Management Report and Consolidated Financial Statements 2019

Non-Financial Performance 2019

Consolidated Corporate Governance Report 2019