

VAILLANT GROUP

SUSTAINABILITY
PROGRESS REPORT
2024





TAKING CARE OF A BETTER CLIMATE.

Inside each home and
the world around it.

ABOUT THIS REPORT

The Sustainability Progress Report 2024 provides information on the Vaillant Group's activities in the area of sustainability. It covers our management approach, strategic focus areas, sustainability targets for 2030 and the sustainability activities derived from them. Key performance indicators used for monitoring purposes within the Vaillant Group supplement this information.

Our Communication on Progress (CoP) for the United Nations Global Compact (UNGC) can be accessed on the UNGC website.

Further information on our sustainability activities and our SEEDS sustainability programme can be found on our website:

<https://www.vaillant-group.com/our-responsibility/sustainability/>

The key figures presented in this report relate to the 2024 financial year. All key sustainability indicators from the first period of our sustainability programme (2010–2019) are included in the Sustainability Progress Report 2019 | 2020, which is available on the company's website.

<https://www.vaillant-group.com/news-stories/media-downloads/overview.html>



SEEDS – the Vaillant Group’s sustainability programme

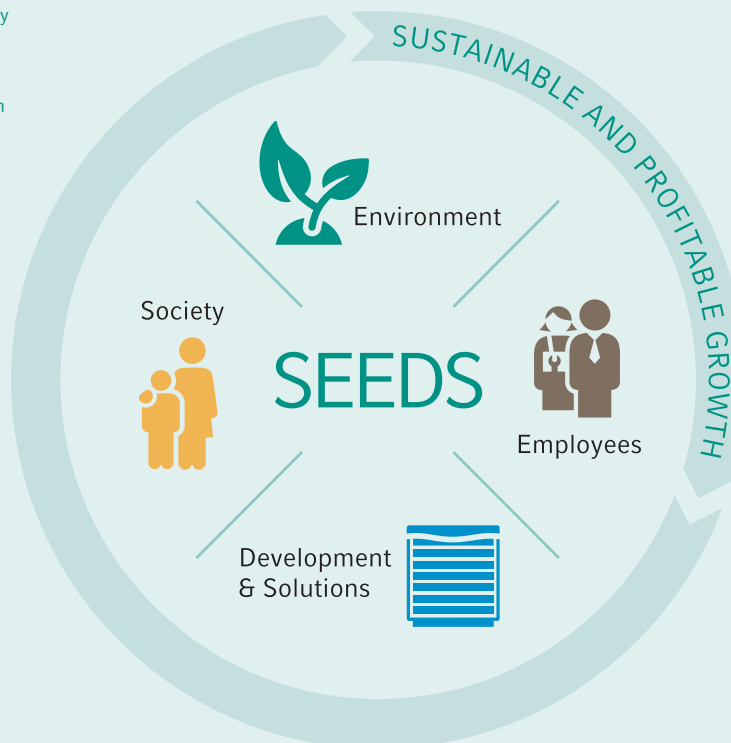
In order to secure the long-term economic success of the company, the Vaillant Group focuses on ecological and social aspects as well as economic ones. Our customers have clear-cut expectations regarding the energy and resource efficiency of our devices. For us, however, sustainability means more than developing and selling particularly energy-saving products. It means that the strategic and operational decisions taken by a company consider factors related to sustainability. We therefore always have to ask ourselves what direct and indirect effects business decisions and the company’s actions will have on people and the environment.

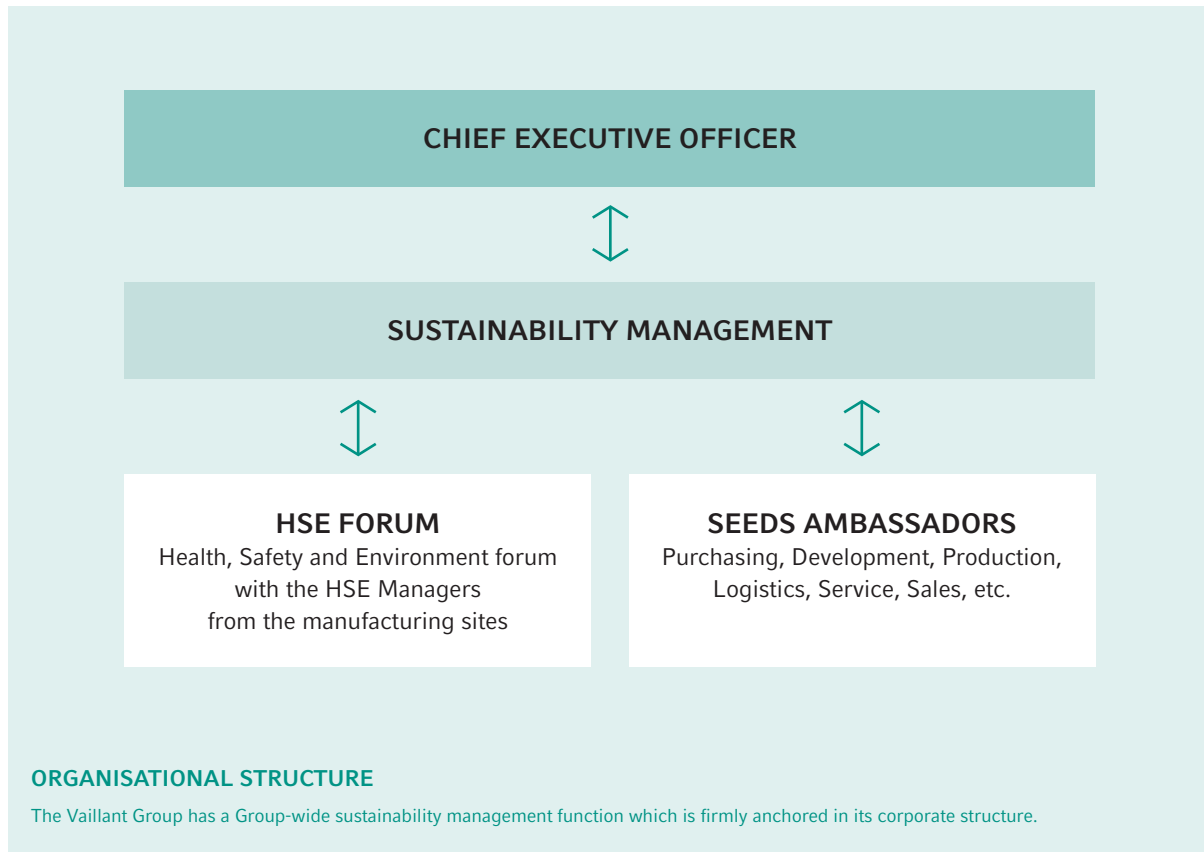
SUSTAINABILITY PROGRAMME

The Vaillant Group consolidates its sustainability activities in the strategic programme SEEDS. The name of the programme stands for Sustainability in Environment, Employees, Development & Solutions and Society. Binding, quantifiable targets have been set in the following focus areas: Environment, Employees, Development & Solutions and Society. We develop specific measures based on these targets and regularly monitor the results. SEEDS forms the ethical foundation of the Vaillant Group. The programme is based on a holistic understanding of sustainability and supports the Vaillant Group’s corporate vision “Taking care of a better climate. Inside each home and the world around it”. All activities in the area of sustainability are related to the company’s core business and thus contribute to the long-term success of the company.

FOCUS AREAS

Our sustainability strategy comprises four focus areas. We have defined and continuously pursue long-term targets in each of these areas.





SUSTAINABILITY ORGANISATION

The Sustainability Management department is assigned to the Corporate Communications, Sustainability & Politics division. It reports directly to the CEO of the Vaillant Group. The team sets sustainability targets in close consultation with the Management Board, the individual departments and the company's business units, systematically monitors their progress and provides impetus for improving company-wide sustainability performance. In addition, the Group-wide energy management and the certified environmental management system, which is compliant with the ISO 14001 standard, are also controlled centrally from here.

In order to ensure that sustainability is enshrined within the organisation on an ongoing basis, we operate an international network of internal sustainability representatives (SEEDS Ambassadors) who record and assess sustainability aspects in the respective core areas and international subsidiaries of the company. The recent developments relating to various sustainability topics are presented and discussed as part of an annual meeting of the SEEDS Ambassadors. In addition,

there are experts in some divisions who deal with specific sustainability aspects from the perspective of the respective department. Beyond the confines of the Vaillant Group, we support responsible business practices as part of several initiatives. Among others, we are a member of the Development and Climate Alliance, econsense's Sustainability Competence Programme and B.A.U.M. e.V. In that context, we are particularly involved in the B.A.U.M. e.V./Nordakademie Sustainability Leadership Forum.

We endeavour to raise awareness of sustainability issues among our employees. New Vaillant Group employees in Germany take part in an introductory event on the company's sustainability management as part of their induction. This training is also open to all other employees and can be booked by anyone interested via an online system. Sustainability is a focal point of the Vaillant Group's international graduate programme "SustainabiliTeam".

SEEDS- management system

MANAGEMENT APPROACH

We manage our sustainability performance using an established standard: the classic control circle applied to corporate management systems. On the basis of the sustainability strategy, binding and verifiable targets are set for all four focus areas in the SEEDS programme. To meet these targets, operational measures are defined and implemented together with the relevant divisions. In order to test how effective these measures are, key performance indicators (KPIs) and target figures are established for all targets. We regularly survey all relevant data on a Group-wide basis to calculate the individual KPIs. These are brought together in a central control tool, the Vaillant Group Sustainability Scorecard. The scorecard is updated every six months and made available internally. When analysing the figures, we take into account specific variable factors such as changes to production capacities and current production volumes. In the annual review, we compare the current values with the same periods in the previous year and the long-term targets in order to establish a reliable picture of our sustainability performance.

PRIORITISATION

Sustainability affects many different topics, functions and processes in a company. In order to successfully implement comprehensive sustainability management, a clear strategy, the success of which is measured against binding targets, is thus required. This includes a shared understanding of which fields of action are particularly important.

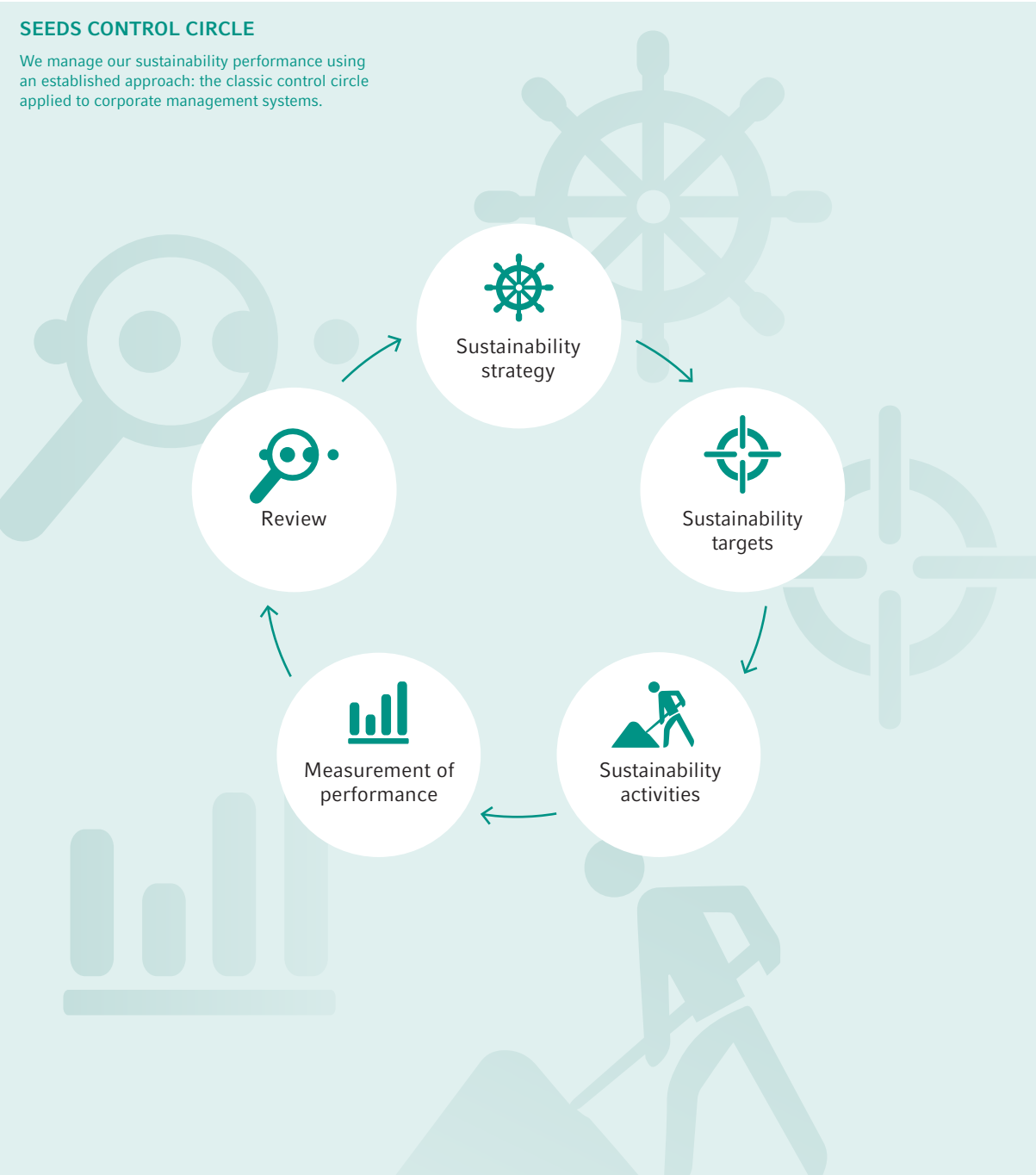
In future, the Vaillant Group will be subject to the reporting requirements of the European Corporate Sustainability Reporting Directive (CSRD). The fulfilment of the associated reporting obligations also involves a structured materiality analysis. In preparation for the CSRD, the Vaillant Group carried out an analysis of the material sustainability topics in line with the specified methodology. According to this, nine topics are particularly relevant to us: product quality, product and service portfolio, sustainable product design, climate strategy, occupational safety, worker's rights, employer attractiveness, fair business practices and supply chain responsibility.

SYSTEMS AND PROCESSES

Uniform, company-wide processes are necessary to improve the sustainability performance in an international company. This is because Group-wide processes are needed to lay down standards that ensure sustainability aspects are taken into account throughout the value chain. We take this approach both in relation to our products and to our own business activities. For example, sustainability aspects are anchored in the product development processes, from product strategy to market launch, by defined criteria. To manage company performance in terms of environmental protection, occupational health and quality, the Vaillant Group uses differentiated management systems that are based on internationally recognised standards. The Vaillant Group regularly has the implementation of these systems audited by independent institutes as part of certification processes. Our production and development sites have been certified in accordance with quality standard ISO 9001, environmental standard ISO 14001 and international health and safety standard ISO 45001.

SEEDS CONTROL CIRCLE

We manage our sustainability performance using an established approach: the classic control circle applied to corporate management systems.



Environment
focus area



Employees
focus area



Development & Solutions
focus area



Society
focus area

SEEDS SUSTAINABILITY TARGETS FOR 2030

Since the introduction of the Group-wide SEEDS sustainability programme, the Vaillant Group has achieved many of the targets it has set itself. In the period from 2010 to 2018, absolute energy consumption fell by around 14 per cent despite sales growth and significantly higher production volumes. In the same period, CO₂ emissions were reduced by 16 per cent.

With the relaunch of SEEDS, the Vaillant Group has set new sustainability targets for 2030 in its four focus areas. These are presented below. The base year of most new targets is 2018. We have also set ourselves further targets for reducing our greenhouse gas emissions; these take 2019 as the base year and are in accordance with the SEEDS target to reduce Scope 1 and 2 emissions by 50 per cent by 2030.

All sustainability indicators are continuously recorded across the company and pooled together in a central reporting tool, the Vaillant Group Sustainability Scorecard. A sustainability software program is used to assist with analysing, managing and reporting on key sustainability indicators.



100%

social checks
in supplier audits



Min. 2

projects with
SOS Children's Villages

¹ In production plants, in relation to product turnover

² Per million euros value added, base year 2019



100%

electricity from renewable
energy sources



-50%

CO₂ emissions
(Scope 1+2)



-40%¹

energy
consumption



85%

net promoter score
(SENSOR)



0

work related
incidents



-55%²

CO₂ emissions
(Scope 3)



65%

internally filled
management positions



ENVIRONMENT FOCUS AREA

CONCEPT

Our corporate vision includes a strong link to environmental sustainability: "Taking care of a better climate. Inside each home and the world around it." The basis for the implementation of this vision is our environmental policy, in which we have defined the key principles of our actions. This framework is supported by Group-wide, binding environmental targets in the two SEEDS focus areas Development & Solutions and Environment. When it comes to climate protection, we follow science-based targets. The Vaillant Group set itself ambitious climate targets in accordance with the requirements of the Science Based Targets initiative (SBTi) in order to substantially reduce CO₂ emissions within its own area of business responsibility (Scopes 1 and 2) and in the value chain (Scope 3) and thus make a significant contribution to compliance with the global climate protection targets to limit global warming to a maximum of 1.5 degrees Celsius set out in the Paris Agreement. In concrete terms, the Vaillant Group will gradually reduce CO₂ emissions for which it is responsible by almost half from 56,742 tonnes in 2019 to 30,527 tonnes by 2030. In the Greenhouse Gas Protocol, these emissions fall within Scope 1 and Scope 2. This will be achieved through the consistent use of electricity from renewable energy sources, efficiency measures in buildings and production and switching to an electric vehicle fleet. In accordance with the Greenhouse Gas Protocol, the Vaillant Group factors in all other relevant greenhouse gases under the Kyoto Protocol alongside CO₂. Emissions of these gases are converted into so-called CO₂ equivalents and included in the calculation of the Vaillant Group's carbon footprint.

Since 2020, 100 per cent of the electricity that cannot be generated internally by the company has been acquired from renewable energy sources. Since 2020, we have been offsetting all remaining greenhouse gas emissions that arise within our own area of business responsibility (Scopes 1 and 2) despite intensive CO₂ reduction measures with high-quality CO₂ certificates from a Gold Standard-certified land use and afforestation project in Central America. In addition, in 2022, together with other partners, we initiated our own afforestation project in the north of Costa Rica. The newly emerging forest was planted on an area of over 1,000 hectares that was formerly used as pasture. The aim of this afforestation is to restore the near-natural rainforest. This supports biodiversity and improves water quality in the region. The project offers local people long-term employment opportunities through new jobs. The afforestation activities were certified according to the internationally recognised Gold Standard.

As part of the environmental management system, we implement measures on an ongoing basis at our production and development sites to reduce energy and water consumption, as well as waste volume. To this end, we systematically analyse potential to increase energy efficiency at our sites, among other things. The focus is on the consumption of energy and in particular gas in the production processes and the buildings. The expansion of the regulations on mobile work a few years ago has created opportunities to reduce office space and thus save energy. The office space at the headquarters in Remscheid, which is still in use, is mainly located in buildings with low energy requirements. We recirculate the required water, if possible. In addition, we use recyclable packaging for production materials. Environmental training including job-specific environmental aspects is carried out regularly, especially in production. We check the compliance with and effectiveness of our environmental management system through annual internal and external audits. We also expect our suppliers to comply with applicable legal environmental standards and, where possible, to establish and further develop a certified environmental management system.

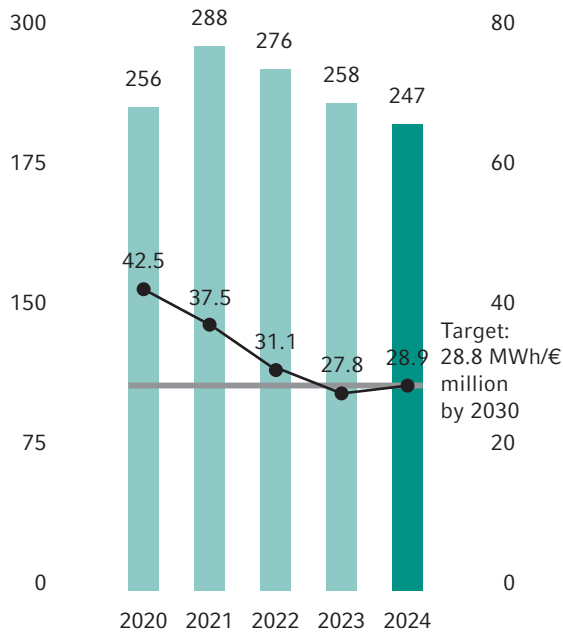
PROGRESS

Climate targets:

New construction at production sites: in November 2024, we put our new electronics production facility in Remscheid into operation. The plant supplies all Vaillant Group production sites worldwide with electronic components for heat pumps and gas-fired heating appliances. The electronics production facility is supplied with green electricity. Heat pumps provide heating and cooling. This allows us to ensure operation with very low greenhouse gas emissions. In addition, in 2024, our production in Wuxi, China, moved to a new, efficient location.

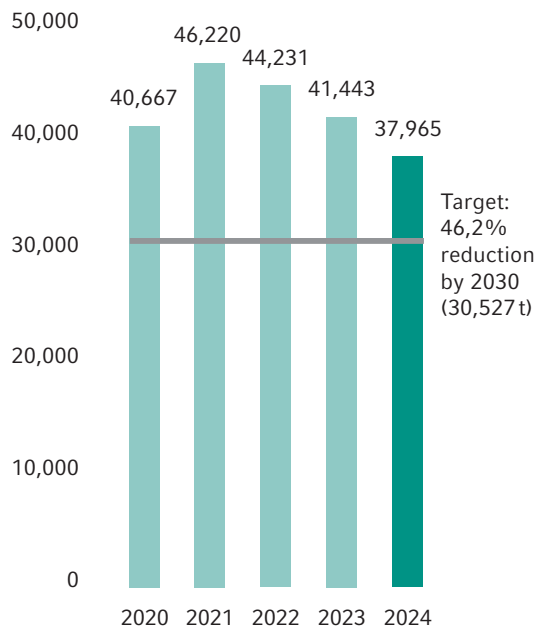
Vehicle fleet: we are planning measures to improve the environmental sustainability of our vehicle fleet (passenger cars and commercial vehicles). This includes, in particular, switching from vehicles with combustion engines to electrically powered vehicles. In the Vaillant Group national sales companies with the eight largest vehicle fleets, around 429 electric vehicles are in use thus far. In addition, we are further expanding the charging infrastructure at our company locations.

Energy consumption



Total energy consumption encompasses our electricity, gas, district heating and fuel consumption. Gas and fuel consumption decreased further compared to the previous year. Energy consumption in relation to product sales is also considerably below the linear target achievement path for 2030.

Greenhouse gas emissions from our own business activities (Scopes 1 and 2)

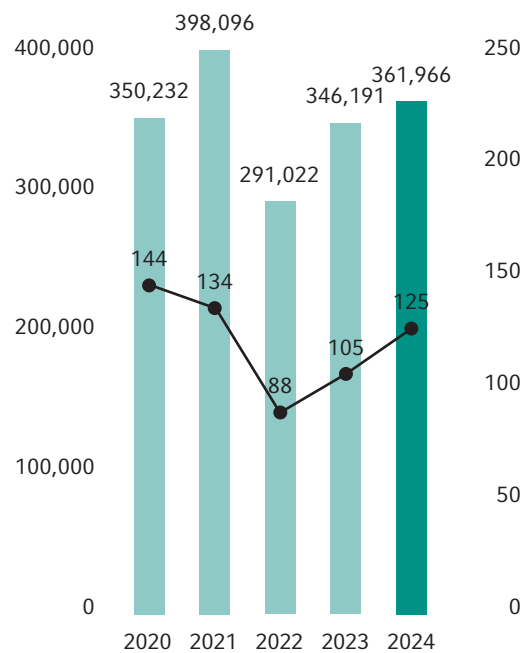


As the basis for its climate strategy, the Vaillant Group has been recording its greenhouse gas emissions in accordance with the internationally recognised Greenhouse Gas Protocol standard since 2018. Since 2020, only electricity from renewable energy sources has been used. The biggest remaining areas of leverage to reduce our greenhouse gas emissions are the vehicle fleet and gas consumption in production and for heating buildings. The emissions from our vehicles fell in 2024 and are now clearly below the level of 2019. At the Vaillant Group's production sites, natural gas consumption was further reduced in 2024 in production and heating energy consumption, which led to an overall reduction in Scope 1 greenhouse gas emissions. Compared to the base year 2019, we had reduced the CO₂ emissions from our own business operations by 33 per cent by the end of 2024. The approximately 36,654 remaining tonnes of CO₂ in Scopes 1 and 2 from 2024 were offset by certificates from a Gold Standard-certified afforestation project in Central America.

■ CO₂ emissions in metric tons
— Target for 2030

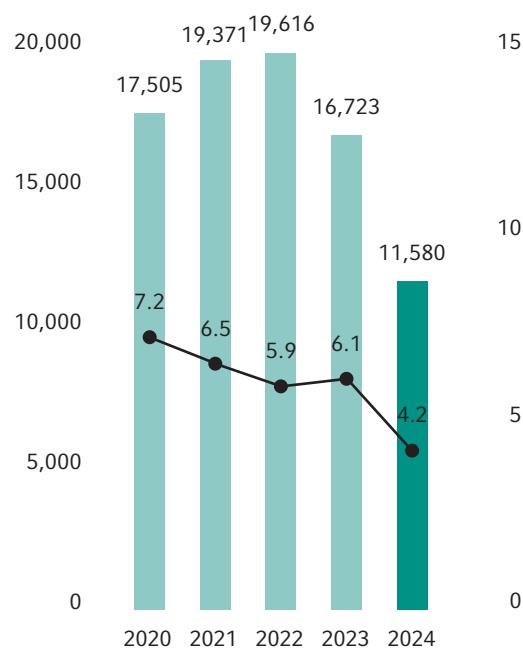


Water consumption



The development of water consumption is dependent on production volumes and processes. In 2024, there was a slight increase in water consumption. Overall, this is about the same as in previous years. We will analyse our production processes to identify any opportunities to save water.

Waste volume



A decline in waste volume was recorded in 2024, which was mainly due to lower production volumes. We are continuously identifying and analysing potential levers and measures to reduce the amount of waste.



EMPLOYEES FOCUS AREA

CONCEPT

Corporate culture

We cultivate an open and friendly corporate culture, in which we treat each other fairly and offer mutual respect and support. Our employees see themselves as part of a large, international team and appreciate the family atmosphere within the Vaillant Group. Many of them have been with the company for a long time and share their knowledge and experience with younger colleagues. This culture of partnership is supported by our strategic priority “We Make It Happen” (WMIH). This programme encourages collaboration across departments. It is based on open communication that supports working as one team and emphasises customer orientation, innovative strength and a focus on results.

Further training and qualification

Continuous learning is decisive in keeping up with change. The Vaillant Group offers first-class qualifications worldwide using modern methods. We support our employees in their targeted development. In Germany, we are training 37 trainees (as of December 2024) in five professions: mechatronics engineers, electronics technicians for industrial engineering, industrial electricians, technical product designers and industrial sales representatives. Since December 2024, ten trainees have been trained in the new and environmentally friendly profession of “Low-Carbon Heating Technician” in the UK. They gain extensive knowledge and skills in electrical engineering, bricklaying and plastering, in order to contribute to a sustainable future. Moreover, we offer cooperative study courses for 31 students in Germany and 18 in the UK. These include subjects such as business administration, mechanical engineering, electrical engineering, IT, business informatics and building technology. Other countries also train junior staff within the framework of local conditions. In the process, our motto is: “The best skilled workers? Let’s do it ourselves!”

We support the continuous learning of our employees and their cross-departmental networking. In the Vaillant Group Academy, we bring together job-specific qualifications and provide targeted further training concepts internationally. Functional Academies offer global learning opportunities in areas such as production, sales, purchasing and service to strengthen the professional skills of our employees. The Leadership Academy for management-level leaders offers a specific learning portfolio to master the challenges of modern everyday management and promotes Group-wide networking among managers. Additionally, there are local training courses for new managers and managers at the operational level.

The development and retention of our talented employees are close to our hearts. Four years ago, we founded the Group Talent Pool to promote long-term and targeted career development. This global network across functions and countries also increases the visibility of its members within the Vaillant Group.

Employee surveys

Employee surveys are a key instrument in terms of engaging with the workforce, improving working conditions and boosting employee motivation. That is why we at the Vaillant Group have been conducting regular employee surveys for many years – under the name “SENSOR” since 2018. The next Group-wide survey will take place at the end of 2025. Since 2023, we have been using a new survey platform that also enables us to conduct short surveys for specific divisions or countries flexibly and in line with demand, in order to capture the mood among employees quickly at any time. “Leadership feedback” is another part of our feedback portfolio.

Diversity, equity and inclusion

A range of measures are taken to implement our diversity, equity and inclusion (DEI) strategy. These include the promotion of international exchange and cooperation, awareness-raising measures and the commitment of local groups of DEI ambassadors. We review our processes and adapt them where necessary. One example of this is the recruitment training for all managers, which addresses the topic of unconscious bias.

Digital information and services

Digitalisation plays an important role in informing and networking our employees and providing them with easy and secure access to information and services at any time, no matter where they are. Since 2023, all employees in Production and Service have also had worldwide access to these services, such as digital remuneration statements or holiday notices, via their private devices. We are developing further content and offers that will gradually be made available to employees in different countries.

Recruiting and onboarding

We have introduced an app, which is now filled with country-specific content, in order to integrate new employees quickly and to provide them with comprehensive information even before their first day at work. This allows new staff members to get to know the Vaillant Group as an employer as soon as they have signed their contract and means they are ideally prepared to get started with the company.



Employee appraisals and employee reviews

To a very large extent, employee appraisals are conducted on the basis of standardised interview forms and recorded in the HR system. As a result, the conversations are largely uniform and we are able to monitor when they are taking place. In this way, we ensure that all employees have the opportunity to talk about their development and targets. This helps to increase motivation and foster a culture in which performance is valued. We conduct employee Reviews or Calibration Conferences to make the appraisals fair and comparable.

Remuneration systems and employee benefits

We develop our remuneration systems on a continuous basis in order to meet the requirements of today's working world. Transparent and fair salary structures are important to ensure motivated employees are paid appropriately and to support the principle of equal pay. We are increasingly focusing on flexible benefits that allow employees to customise their remuneration packages, in order to respond better to personal needs and circumstances. In Germany, for example, additional days of leave can be purchased or salary components can be paid into long-term accounts.

The success of HR work at the Vaillant Group is demonstrated not only by official standards such as the "Investors in People" Gold accreditation in the UK, but also by positive reviews from our employees on platforms such as Kununu and Glassdoor. The Vaillant Group has already been named a Kununu Top Company three times.

Safety and health

The Vaillant Group attaches great importance to the safety and health of its employees. To this end, it maintains an effective occupational health and safety management system in which the active involvement and participation of employees plays an important role. Safety hazards are identified and assessed preventively in order to derive and implement the necessary protective measures. If an accident does occur, an accident analysis with appropriate measures to safeguard against the identified risk in the future is carried out as soon as possible. Learnings from accidents, as well as best practices from the various Vaillant Group sites, are systematically shared internationally. This is an example of effective knowledge management and makes an important contribution to our continuous improvement. At the production sites and our headquarters in Remscheid, the occupational health and safety management system is certified in accordance with ISO 45001.

PROGRESS

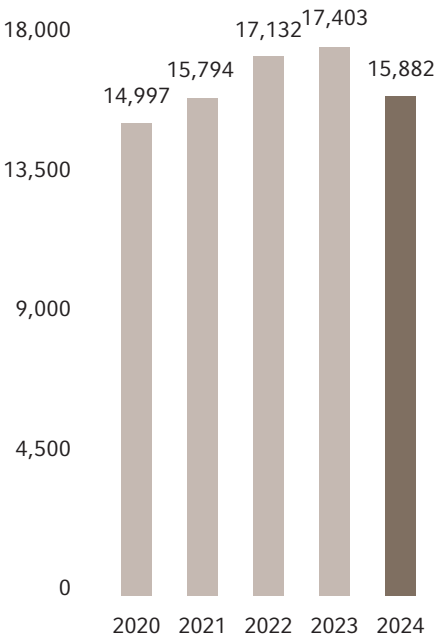
Artificial intelligence is an important topic in the HR sector. We want to ensure that AI is used sensibly and that our employees can reach their full potential. To this end, we have conducted special training courses for the HR department and defined use cases. These will be brought together in an HR-specific library that will be easily available to all HR employees. In the process, we make sure that AI tools are used securely and compliantly.

The early recognition of developments and trends is becoming increasingly important. Virtual dashboards make it easier to quickly retrieve up-to-date data, allowing us to better track key performance indicators (KPIs) and create transparency. This applies to general employee data as well as to specific topics such as succession management. In this way, we can identify and work on relevant fields of action more quickly.

Succession management has now also been implemented throughout the Group at the middle levels of local hierarchies. More and more potential successors are being recorded in the system and can thus be specifically supported so that they are prepared for new positions if necessary.

Various programmes and measures are being implemented at the Vaillant Group's production sites in order to positively develop the corporate culture in terms of occupational health and safety. This includes measures for leadership development, as well as the use of various methods and instruments to more firmly establish the importance of compliance with occupational health and safety requirements and generate the necessary awareness. In 2024, Group-wide uniform standards for safety in the maintenance and repair of machines were introduced. In addition to the implementation of uniform methods for securing corresponding systems, the necessary specialist personnel received training. Focus was also placed on strengthening accident prevention through the systematic recording and communication of dangerous events. The aim was to identify unsafe situations preventively and to transfer the findings to other locations. This can prevent accidents and raise employees' awareness of risks and dangers.

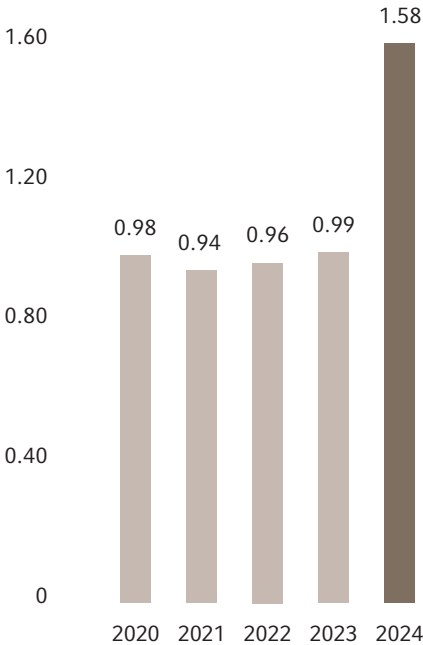
Number of employees



The number of employees stood at 15,882 as of 31 December 2024. We are an internationally oriented company that has sales companies in more than 20 countries and is active in over 60. This is also reflected in the cultural diversity of our employees. In 2024, we employed people from a total of 77 nations.

Accident rate

Accidents at work total, TIR



Since 2024, the indicator for accidents at work has been the lost time injury frequency rate (LTIFR, absences due to work-related accidents per 200,000 hours worked). As of this reporting year, in addition to work-related accidents at our production sites, we centrally record incidents that occur at our national sales companies. In 2024, the LTIFR was 1.58.



Internal filling of management vacancies

55%

Our aim is to fill about two-thirds of management positions from within our own ranks. Having achieved a score of 44 per cent in 2023, we filled approximately 55 per cent of these positions internally in 2024. The internal fill rate is dependent on various factors, including the type of positions being filled.



DEVELOPMENT & SOLUTIONS FOCUS AREA

CONCEPT

The Vaillant Group develops and produces energy-efficient and resource-saving products for heating, cooling and hot-water supply. In this way, we make an important contribution to the energy transition in the buildings sector. To this end, the Vaillant Group provides its customers with future-oriented solutions, including heat pumps, solar thermal or photovoltaic systems, ventilation units for low-energy buildings, split air-conditioning units, efficient gas-fired boilers and hybrid systems. This portfolio is complemented by digital service offerings that enable contactless remote monitoring and diagnostics as well as energy management of the devices.

In the field of heating technology, the Vaillant Group is increasingly putting its faith in heat pump systems, which cover around 75 per cent of its energy requirements with environmental heat. Heat pumps can be connected with photovoltaic modules and battery storage systems to form intelligent systems that can increase the usage rate of renewable energies. The portfolio comprises heat pumps for all types of buildings, which can be used for both renovation and new constructions.

We are reducing the environmental footprint of our existing products on an ongoing basis. Vaillant plans to only launch heat pumps with the natural, environmentally friendly coolant R290 on the market. The greenhouse gas potential of R290 is significantly lower than that of conventional coolants. At the same time, R290 allows high flow temperatures.

The Vaillant Group is driving forward its transformation into a leading manufacturer of heat pumps. This development has a positive impact on our carbon footprint, as the use phase of our products accounts for the

largest share of the Vaillant Group's Scope 3 CO₂ emissions. The establishment of a science-based climate target for Scope 3 greenhouse gas emissions underlines our ambitions to successfully help shape the heating transition in Europe. In terms of value creation, our aim is to reduce the Scope 3 emissions by 55 per cent by 2030.

In order to allow sustainability criteria to be systematically observed from the very start of product development, we compiled the "6 Green Rules" in 2017, which are firmly anchored in our product development processes. These were fundamentally further developed in the reporting year. This has resulted in requirements for the following product aspects: material efficiency, material responsibility, carbon footprint, packaging, durability and recyclability. The consideration of these sustainability criteria must be documented in the development process.

We are driving forward the development of sustainable packaging concepts on the basis of our packaging strategy. Our goal is to save packaging material and avoid single-use plastics.

In order to promote the market ramp-up of heat pumps and drive the transformation to renewable energies in the heating sector, the Vaillant Group offers its installers a wide range of training courses. These include the whole customer journey, training, planning and installation as well as system support for heat pumps.

PROGRESS

In recent years, the Vaillant Group has significantly increased its production capacity for heat pumps, especially at its site in Slovakia. With a total of four heat pump factories in Europe, the company is able to react flexibly to increasing demand for heat pumps.

In the reporting period, the Vaillant Group defined internal, measurable targets for product sustainability based on the “6 Green Rules” criteria. In addition to our own level of ambition in terms of sustainability, we have incorporated both regulatory changes and market requirements into the development of the criteria. They are now being successively integrated into the product development projects.

In the reporting period, employees in Product Development were continuously made aware of the need to apply the sustainability criteria in product development – “6 Green Rules” – and regularly received support from the Sustainability department with their product development projects.

On account of the myriad regulatory requirements concerning the circular economy and product sustain-

ability, Vaillant has initiated an interdepartmental project in preparation for new national and EU rules. The aim is to meet the additional requirements and thereby strengthen the competitive position of the Vaillant Group with regard to product sustainability. In the reporting year, the main areas of activity were making product sustainability measurable on the basis of key performance indicators, examining options for closed-loop approaches and engaging intensively with suppliers and other stakeholders along the value chain regarding product sustainability requirements.

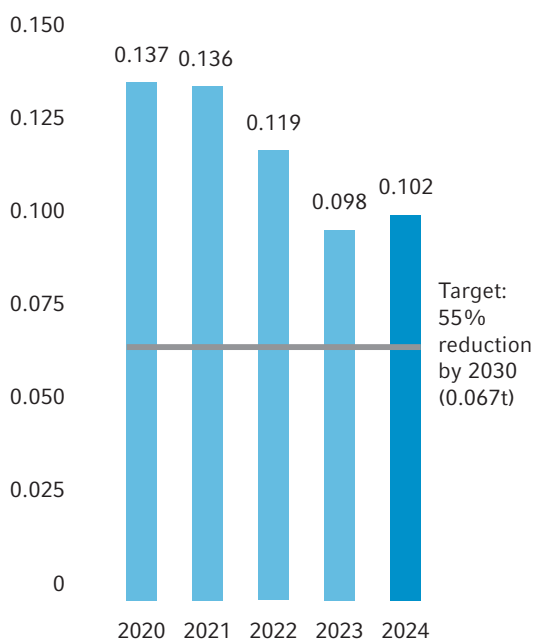
In 2024, Vaillant trained more than 62,000 installers across Europe, with more than 35,000 of these receiving heat pump training. Installers can continue their training with 1,200 digital learning courses that are available around the clock.

Efficient use of raw materials

96%

It is important to the Vaillant Group to use materials efficiently. The proportion of offcuts and scrap metal in our production is demonstrably very low. At almost 96 per cent, the efficiency rate of the raw material used is at a very high level, as in previous years.

Intensity of indirect emissions (Scope 3)



The largest share of our greenhouse gas emissions occurs in the upstream and downstream value chain (Scope 3) and, above all, in the use phase of our products (Scope 3.11). We have been able to continuously reduce the intensity of our Scope 3 emissions in recent years. In 2024, the figure was 0.102 tonnes of CO₂ per euro of value created and thus at a similar level to the previous year. Our target for 2030 is 0.067.

■ CO₂ emissions in t/m € added value
 — Target for 2030



SOCIETY FOCUS AREA

CONCEPT

As an internationally oriented family-owned company, social responsibility is a matter of course for us. Social sustainability aspects, such as acting responsibly within our sphere of influence and partnering with non-profit organisations, form a part of this.

Observing and strengthening human rights is a fundamental part of our corporate ethos. Our aim is to ensure respect for human rights within our company, work towards compliance across our global supply and value chains within our scope of influence, achieve transparency in respect of potential risks and take action wherever human rights have been breached. As a way of expressing our corporate responsibility, we drafted a declaration of principles to respect human rights, which was published in early 2020. The whole management team is responsible for the implementation of, and compliance with, the policy statement. All employees are obligated to incorporate the human rights policy statement within their day-to-day work and to observe it in their behaviour. In addition to standards for environmental protection, we have also enshrined respect for human rights in our Group-wide Code of Conduct.

The aim of our Social Compliance Management System is to firmly establish human rights and environmental due diligence obligations within the Vaillant Group. This is derived from recognised frameworks such as the UN Guiding Principles on Business and Human Rights or the OECD Guidelines for Multinational Enterprises and applicable legal requirements. The associated Group policy contains guidelines on elements of due diligence such as our social compliance governance, risk-related responsibilities, risk management and a complaints mechanism. In addition, a Human Rights Officer has been appointed to coordinate, support and monitor the due diligence processes.

We systematically analyse the impact of our actions on human rights and the environment in order to identify potential violations and those affected. On the basis of evaluation criteria, we analyse the probability of occurrence of violations, the severity of possible legal infringements, the reparability of potential damage and the possibility of influence from the Vaillant Group. In Purchasing, we have implemented a tool for this purpose. It supports risk analysis through an automated risk assessment and a questionnaire for suppliers with increased abstract risks. The risk analysis is carried out regularly and its methodology is developed on an ongoing basis.

With regard to the supply chain, the Vaillant Group has a Supplier Code of Conduct that defines our guidelines on human rights, working conditions, health and safety, the environment, responsible and ethical business conduct and critical raw materials. The Supplier Code of Conduct is being continuously expanded to other suppliers. In addition, we oblige our suppliers to comply with the principles of the United Nations Global Compact through our General Purchasing Terms.

We randomly check compliance with our sustainability requirements for suppliers in "social checks" as part of supplier audits. The standardised questionnaire used here covers the areas of human rights and occupational safety, environmental protection and grievance mechanisms. We regularly conduct training on the methodology of social checks for our auditors.

As part of the Social Compliance Management System, the Vaillant Group has an electronic incident reporting system for employees, customers and business partners to enable them to report violations of laws and internal guidelines. This explicitly includes human rights and environmental aspects. Rules of procedure have been published in the violation reporting system for this purpose. Complaints can be made anonymously if required and are reviewed by an independent company-internal authority without mandate. We effectively protect complainants from any potential unjustified discrimination and investigate any possible violations of human rights and environmental standards.

Works councils are recognised and supported. There are works councils at different levels, from the local works council to the central works council and Group works council to the European Works Council. The latter was founded in April 2001, which makes it clear that we have been committed to employee participation also at international level for over 20 years. Our constructive cooperation with the works councils in Germany goes back even further than that.

The Vaillant Group enters into targeted partnerships with non-profit organisations in order to make a contribution to society that goes beyond its own business activities. In this context, we have been a strategic partner of "SOS Children's Villages worldwide" since 2013. We support the international children's charity with environmentally friendly and energy-efficient heating technology. This partnership has long been a key part of our company's social engagement. The aim behind our cooperation with WWF is to work together for the benefit of the heating transition and to add weight to the topic of climate-friendly heating in the

energy and climate debate by drawing attention to the relevance of heat pumps as a particularly environmentally friendly and energy-saving heating technology. In addition, the Vaillant Group supports WWF nature conservation projects to preserve biodiversity and protect endangered species.

PROGRESS

We have established a Social Compliance Management System to ensure our environmental and human rights due diligence obligations are adhered to. It lays down internal responsibilities and processes, such as regular risk analyses. The Management Board of the

Vaillant Group is informed at least once a year about the implementation and results of the management system.

In 2024, the Vaillant Group rolled out its Supplier Code of Conduct, which was revised in the previous year, to additional suppliers.

Those potentially affected and other stakeholders can submit reports on human rights and environmental aspects via a incident reporting system. The underlying processes have been further developed and awareness-raising measures for employees have been carried out.

Support for SOS Children’s Villages

14

heating technology projects

As part of the international partnership with the charitable organisation SOS Children’s Villages, a total of 14 heating technology projects were carried out in 2024. The Vaillant Group also supported SOS Children’s Villages with 7 social projects, including charity runs in France and the Spare Cents fundraising campaign in Germany.

Supplier acceptance of our Supplier Code of Conduct

1,300

suppliers

By the end of 2024, around 1,300 suppliers, covering about 79 per cent of our purchase volume, had accepted our guidelines. In relation to the purchasing volume with suppliers operating in countries classified as risk countries by the Vaillant Group, the share is 83 per cent.

Implementation of supplier checks

111

supplier audits

A total of 111 supplier audits were carried out in 2024. In 71 per cent of these audits, a social check was also carried out.

GREENHOUSE GAS INVENTORY AND TARGETS

	Einheit	2020	2021	2022	2023	2024	vs base year	Target 2030	Target 2050	Base year emissions covered by targets
Scope 1	t CO ₂ e	39,605	44,686	42,989	39,984	36,438				
Scope 2 "market based"	t CO ₂ e	238	297	259	207	216				
Scope 2 "location based"	t CO ₂ e	25,345	28,328	24,506	23,972	25,344				
Biogenic land-related emissions and removals from bioenergy feedstocks	t CO ₂ e	824	1,237	983	1,252	1,311				
Combined scope 1 and 2 including biogenic land-related emissions and removals from bioenergy feedstocks	t CO ₂ e	40,667	46,220	44,231	41,443	37,965	-33%	30,527	5,674	100%

Target definition in accordance with SBTi

2030

Vaillant GmbH commits to reduce absolute scope 1 and 2 GHG emissions by 46,2% until 2030 from a 2019 base year.*

2050

Vaillant GmbH commits to reduce absolute scope 1 and 2 GHG emissions by 90% until 2050 from a 2019 base year.*

Scope 3.11: Use of sold products	1.000 t CO ₂ e	163,756	190,392	178,515	153,165	133,159				
Emissions from use of sold products per million EUR value added	t CO ₂ e/ mio Euro	0.137	0.136	0.119	0.098	0.102	-31%	0.067	0.004	84%

Target definition in accordance with SBTi

2030

Vaillant GmbH commits to reduce scope 3 GHG emissions from use of sold products by 55% per million EUR value added until 2030.

2050

Vaillant GmbH commits to reduce scope 3 GHG emissions by 97% per million EUR value added until 2050.

Remark: Emissions in category 3.11 account for ca. 99% of total scope 3 emissions. Other categories are therefore negligible.

*The target boundary includes biogenic land-related emissions and removals from bioenergy feedstocks.

TAKING CARE OF A BETTER CLIMATE

INSIDE EACH HOME
AND THE WORLD AROUND IT

Published by

Vaillant GmbH
Berghauser Straße 40
42859 Remscheid
Germany

www.vaillant-group.com
info@vaillant.de

VC Corporate Communications,
Sustainability Management & Politics
Phone +49 2191 18-2754
Fax +49 2191 18-2895

The sustainability progress report is a
translation of the original German version,
which remains definitive.