

VAILLANT GROUP

SUSTAINABILITY
PROGRESS REPORT
2025



TAKING CARE OF A BETTER CLIMATE.

Inside each home and
the world around it.

ABOUT THIS REPORT

The Sustainability Progress Report 2025 provides information on the Vaillant Group's activities in the area of sustainability. It covers our management approach, strategic focus areas, our sustainability targets for 2030 and the sustainability activities derived from them. This information is supplemented by key performance indicators used for monitoring purposes within the Vaillant Group.

Our Communication on Progress for the United Nations Global Compact can be accessed directly on the initiative's 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 financial year 2025. 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 website.

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



SEEDS – the Vaillant Group’s sustainability programme

To secure the company’s long-term economic success, the Vaillant Group focuses on economic, environmental and social aspects alike. Our customers have clear expectations regarding the energy and resource efficiency of our devices. For us, however, sustainability means more than just developing and marketing particularly energy-efficient products. It means that strategic and operational decisions within a company are also made with sustainability in mind. The underlying question is: “What direct and indirect impacts do business decisions and our own business activities have on people and the environment?”

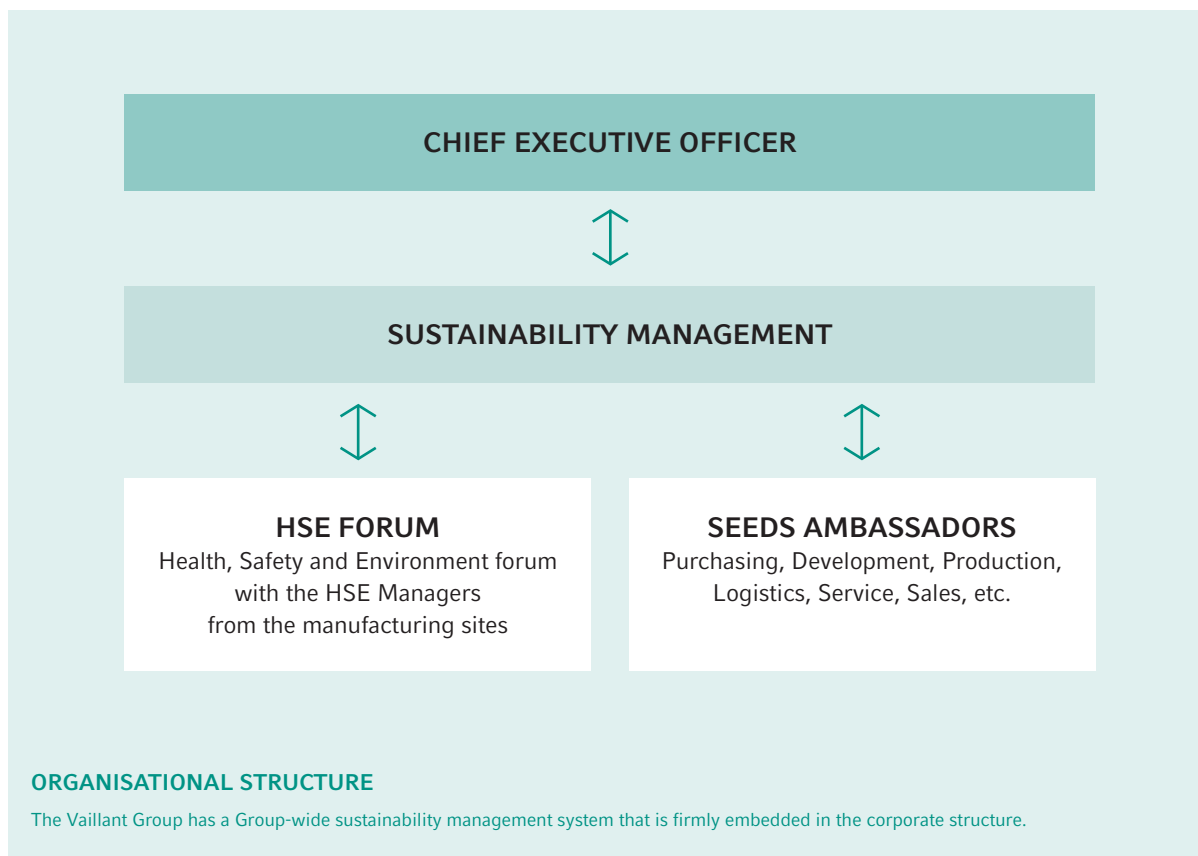
SUSTAINABILITY PROGRAMME

The Vaillant Group consolidates its sustainability activities in the strategic SEEDS programme. The name “SEEDS” stands for “Sustainability in Environment, Employees, Development & Solutions and Society”. These focus fields are linked to binding, measurable targets and concrete measures. The achieved results are regularly reviewed. 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 sustainability activities are related to the company’s core business and thus contribute to the long-term success of the Vaillant Group.

FOCUS AREAS

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





SUSTAINABILITY ORGANISATION

The Sustainability Management department is part of the Corporate Communications, Sustainability & Policy division. This division reports directly to the CEO of the Vaillant Group. The team sets sustainability targets in close consultation with the Management Board, the specialist departments and the business units of the company, systematically monitors progress towards achieving them, and drives initiatives to improve company-wide sustainability performance. It is also responsible for the central coordination of Group-wide energy management and the certified environmental management system in accordance with ISO 14001.

To ensure that sustainability remains firmly embedded within the organisation, we operate an international network of internal sustainability ambassadors (SEEDS Ambassadors), who plan and implement sustainability programmes in the respective central departments and the company's international subsidiaries. Current developments in various sustainability topics are presented and discussed at an annual

meeting of the SEEDS Ambassadors. Furthermore, in some business units there are experts who deal with specific sustainability aspects from the perspective of their respective specialist departments. Outside the Vaillant Group, we are committed to responsible business practices through several initiatives. Among other things, we are a member of the Foundation Development and Climate Alliance, the econsense Sustainability Competence Programme and B.A.U.M. e.V. There, we are particularly involved in the Sustainability Leadership Forum of B.A.U.M. e.V./Centre for Sustainability Management.

We take an approach aimed at raising awareness of sustainability issues among our employees. New Vaillant Group employees in Germany take part in an introductory session 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. The topic of sustainability is also a key focus of the Vaillant Group's international graduate programme "SustainabiliTeam".

SEEDS- management system

MANAGEMENT APPROACH

To manage our sustainability performance, we use an established standard: the classic control cycle of a corporate management system. Concrete, binding targets are derived from the sustainability strategy for all four SEEDS focus fields. To achieve these targets, operational measures are defined and implemented in collaboration with the relevant business units. To assess the effectiveness of these measures, key performance indicators (KPIs) and target values are set for all targets. All relevant data is regularly collected across the Group, from which the individual KPIs are calculated. These are consolidated into a central management tool, the Vaillant Group Sustainability Scorecard. The scorecard is updated every six months and made available internally. When analysing the data, we take into account specific, variable factors, including changes in production capacity and current production volumes. During the annual review, we compare the current figures with those from the same periods in the previous year and with the long-term targets to obtain a reliable picture of our sustainability performance.

In 2025, we updated the targets of our SEEDS programme. In doing so, we examined whether the existing targets were still valid, up to date and applicable. The revised targets were approved by the Managing Directors.

SETTING PRIORITIES

Sustainability touches on many different topics, functions and processes within a company. Therefore, in order to successfully implement comprehensive sustainability management, a clear strategy is required, the success of which is measured against binding targets. This also includes a shared understanding of which areas 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). Compliance with the associated reporting obligations involves a structured materiality analysis. In preparation for the CSRD, the Vaillant Group has carried out an analysis of material sustainability issues in accordance with the specified methodology. Accordingly,

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. We plan to update this analysis in 2026.

SYSTEMS AND PROCESSES

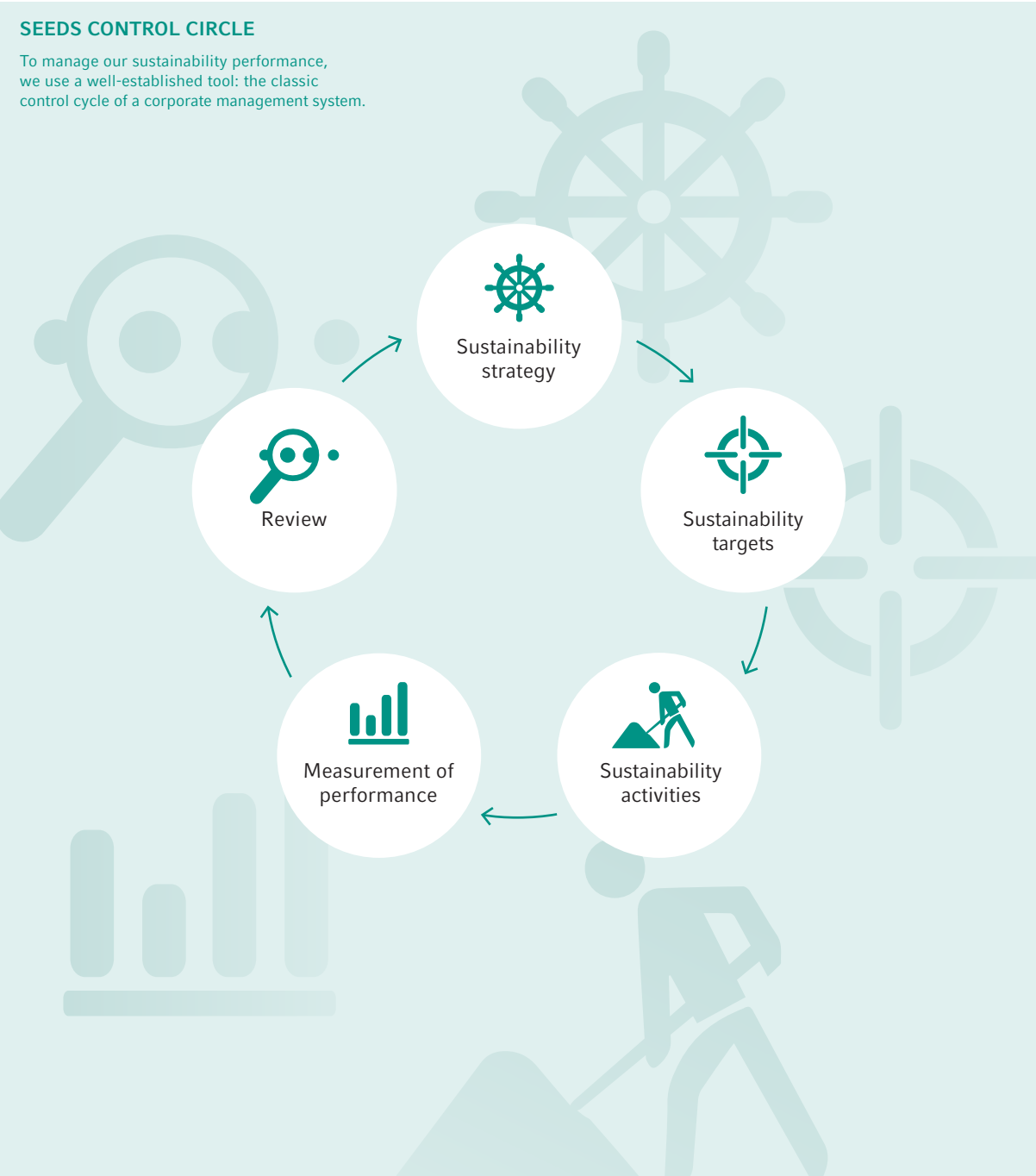
To improve the sustainability performance within an international corporation, standardised, company-wide processes are essential. It is only through such processes that standards can be defined to ensure sustainability considerations are addressed at every stage of the value chain. We apply this approach both to our products and to our own business activities. For example, sustainability aspects are embedded in our product development processes – from the assessment of viable technologies right through to market launch – through our product sustainability strategy, SPARC.



To manage the company's performance in relation to the environment, occupational health and safety, and quality, the Vaillant Group utilises differentiated management systems based on internationally recognised standards. The Vaillant Group has their application regularly reviewed by independent institutes as part of certification processes. Our production and development sites are certified in accordance with the ISO 9001 quality standard, the ISO 14001 environmental standard and the international ISO 45001 occupational health and safety standard. In Germany, selected companies within the Vaillant Group are also certified in accordance with the ISO 50001 energy management system.

SEEDS CONTROL CIRCLE

To manage our sustainability performance, we use a well-established tool: the classic control cycle of a corporate management system.



Environment
focus field



Employees
focus field



Development & Solutions
focus field



Society
focus field

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 set itself. For instance, between 2010 and 2018, absolute energy consumption fell by around 14 per cent despite growth in turnover and a significant increase in production volumes. Carbon emissions fell by 16 per cent over the same period.

With the relaunch of SEEDS, the Vaillant Group has set new sustainability targets for the four focus fields, to be achieved by 2030. These are outlined below. The base year for most of the new targets is 2018. In addition, we have set further targets for reducing our greenhouse gas emissions. These targets relate to the year 2019 and are in line with the SEEDS target to reduce Scope 1 and 2 emissions by 50 per cent by 2030.

All sustainability indicators are continuously collected across the company and summarised in a central reporting tool, the Vaillant Group Sustainability Scorecard. Sustainability software supports the analysis, management and reporting of key sustainability indicators.



¹ In production processes, in relation to product turnover.

² In relation to € value added, based on 2019.

³ Monitored as lost time injury frequency rate.

⁴ Suppliers of direct material which have a high abstract risk rating. At least one social check conducted within three years.



-50%

CO₂ emissions
(Scope 1+2)



-55%

Reduction of use
phase CO₂ emissions
(scope 3)²



-40%

Energy
consumption¹



100%

Electricity from
renewable energy
sources



85%

Employee promoter
score (SENSOR)



-25%

Lost time injury
frequency rate³



65%

Internally filled
management
positions



>85%

Recyclability



≥25%

Recycled content
in steel & plastics



-25%

Material carbon
footprint

SEEDS



FOCUS FIELD: ENVIRONMENT

CONCEPT

Climate strategy

A strong commitment to environmental sustainability is already evident in our corporate vision: "Taking care of a better climate. Inside each home and the world around it." The basis for implementing this vision is our environmental policy, in which we have set out the key principles guiding our actions. This framework is further defined by Group-wide, binding environmental targets in the two SEEDS focus fields Development & Solutions and Environment. When it comes to climate protection, we follow the approach of science-based climate targets. To this end, the Vaillant Group has set itself ambitious climate targets in line with the guidelines of the Science Based Targets initiative (SBTi) to substantially reduce CO₂ emissions and thus make a substantial contribution to meeting the global climate protection targets set out in the Paris Agreement to limit global warming to a maximum of 1.5 °C. Specifically, the Vaillant Group will gradually reduce its own CO₂ emissions from 56,742 tonnes in 2019 to 30,527 tonnes by 2030 – a reduction of almost 50 per cent. Under the Greenhouse Gas Protocol, these emissions fall under Scope 1 and Scope 2. This will be achieved through the consistent use of electricity from renewable energy sources, efficiency measures in buildings and in production and a switch to an electric vehicle fleet.

Since 2020, 100 per cent of the electricity that cannot be generated in-house has been sourced from renewable energy sources. Since that same year, we have been offsetting all remaining greenhouse gas emissions arising within our own sphere of responsibility (Scopes 1 and 2) – despite intensive CO₂ reduction measures – using high-quality CO₂ certificates from a Gold Standard-certified land-use and afforestation project in Central America. Furthermore, in 2022, together with other partners, we launched our own afforestation project in northern Costa Rica. The newly emerging forest has been planted across an area of over 1,000 hectares that was previously used as pastureland. The aim of this afforestation is to restore the near-natural rainforest. This promotes biodiversity and improves water quality in the region. The project offers long-term employment opportunities to local inhabitants through the creation of new jobs. This project is also certified in accordance with the Gold Standard.

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. We have also set a science-based climate target

for this type of emissions. This step underscores our ambition to successfully shape the heating transition in Europe. In relation to value added, we have set ourselves the target of reducing Scope 3 emissions by 55 per cent by 2030.

To promote the market uptake of heat pumps and drive the transition to renewable energy in the heating sector, the Vaillant Group offers its installer partners a comprehensive range of training programmes. These programmes cover the entire customer journey, including training, planning and installation, as well as the after-sales support for heat pumps.

Environmental management system

As part of our environmental management system, we continuously implement measures at our production and development sites to reduce energy and water consumption as well as waste volumes. To this end, we systematically analyse potential opportunities to increase energy efficiency at our sites. The focus is on energy consumption – and in particular gas consumption – in manufacturing processes and in buildings. The expansion of the mobile working policy a few years ago created opportunities to reduce office space and thus save energy. The office space still in use at our Remscheid headquarters is predominantly located in buildings with low energy consumption. Where possible, we recirculate the water we use. Furthermore, we use recyclable packaging for production materials. In production in particular, regular environmental training sessions are held to communicate job-specific environmental aspects. We verify the compliance 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, to the best of their ability, to establish and further develop a certified environmental management system.

PROGRESS

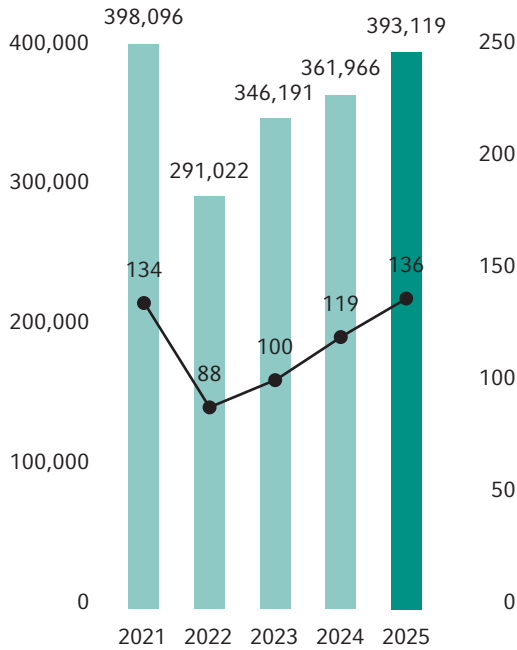
The Vaillant Group commissioned its second site in England at the end of 2025. The plant in Derby produces stainless steel water storage tanks. The site is heated entirely by heat pumps powered by green electricity. As early as 2024, our production facility in Wuxi, China, moved to a new, efficient site. In its first full year of operation, over 2 GWh of electricity consumption was covered by the site's own PV system.

We are planning measures to increase the environmental sustainability of our vehicle fleet (cars and commercial vehicles). This includes, in particular, the

switch from vehicles with combustion engines to electric vehicles. Around 526 electric vehicles are currently in use across the Vaillant Group's national subsidiaries

with the eight largest vehicle fleets. In addition, we are continuing to expand the charging infrastructure at our company sites.

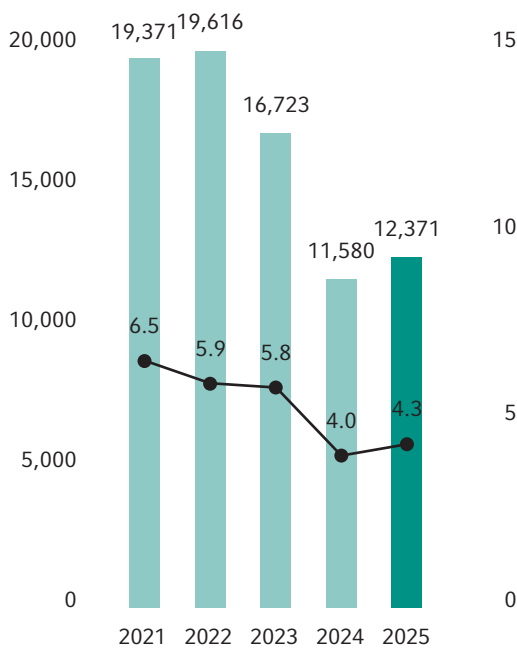
Water consumption



Water consumption trends are linked to production volumes and production processes. In 2025, there was a slight increase in water consumption. Overall, consumption remains roughly at the same level as in previous years. We will analyse our manufacturing processes to identify opportunities for water savings.

■ Water consumption in m³
● Water consumption in relation to product sales, m³/€ million

Waste volume

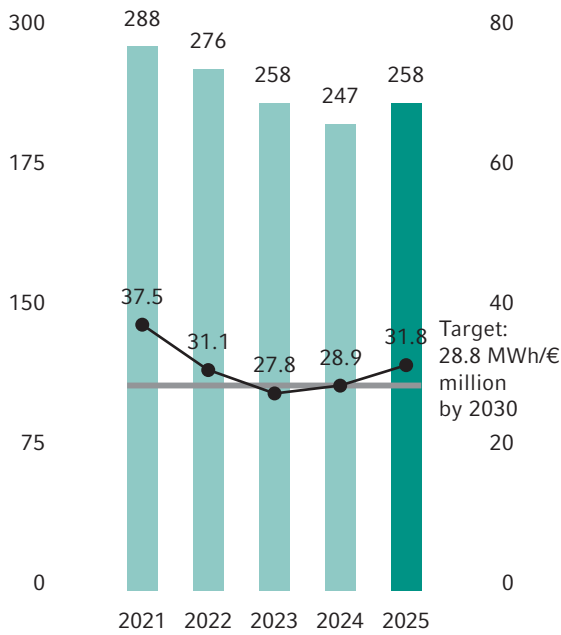


A slight increase in waste generation was recorded in 2025. The main reason is an increase in production volume. We continue to identify and analyse potential levers and measures to reduce waste volumes.

■ Waste volume in metric tons
● Waste volume in relation to product sales, t/€ million

FOCUS FIELD: ENVIRONMENT

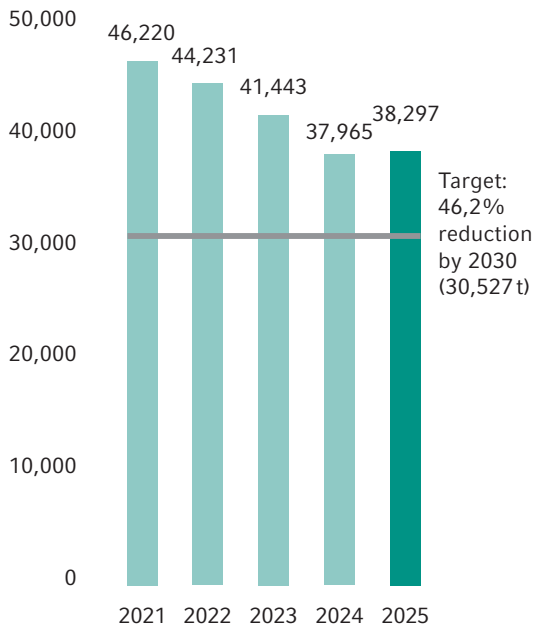
Energy consumption



Total energy consumption comprises our electricity, gas, district heating and fuel consumption. Fuel consumption has been further reduced compared with the previous year. Energy consumption relative to product revenue is also well below the linear target achievement path for 2030.

- Electricity, gas, district heating and fuel in GWh
- Energy consumption in production in relation to product sales, MWh/€ million
- Target for 2030

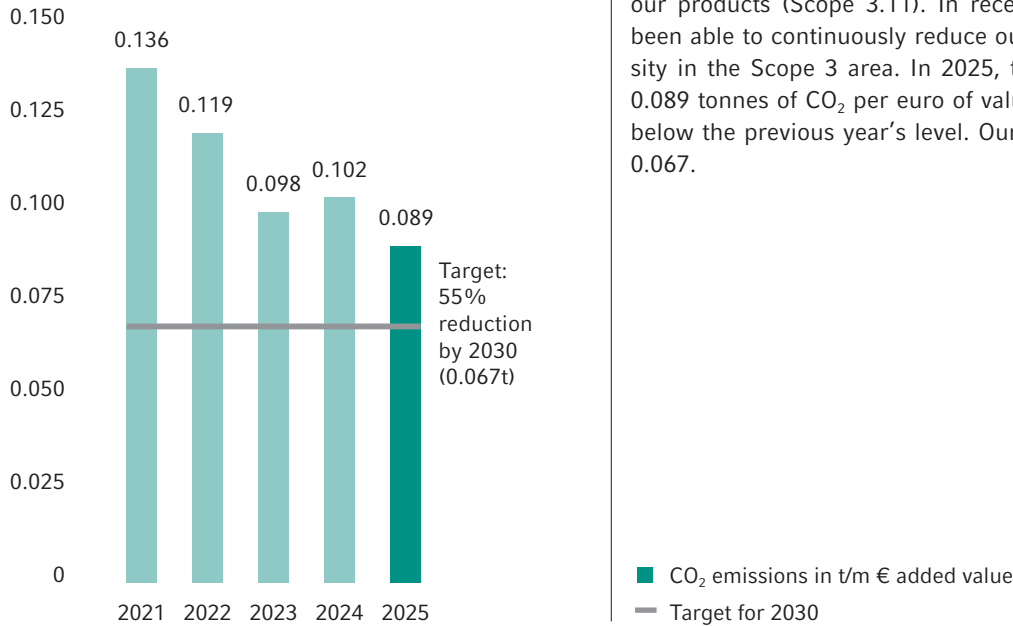
Greenhouse gas emissions from our own business activities (Scopes 1 and 2)



As the basis for its climate strategy, the Vaillant Group has been measuring its greenhouse gas emissions in accordance with the internationally recognised Greenhouse Gas Protocol standard since 2018. Accordingly, the Vaillant Group also accounts for all other relevant greenhouse gases under the Kyoto Protocol in accordance with the Greenhouse Gas Protocol. Emissions of these gases are converted into what are known as CO₂ equivalents and taken into account when calculating the Vaillant Group's carbon footprint. Since 2020, we have been using electricity exclusively from renewable energy sources. The biggest remaining levers for reducing our greenhouse gas emissions are the vehicle fleet and gas consumption in production and building heating. By 2025, emissions from our vehicles had fallen and are now significantly below 2019 levels. At the Vaillant Group's manufacturing sites, natural gas consumption increased in 2025 due to higher production volumes. As a result, Scope 1 greenhouse gas emissions have also risen. Compared with the base year 2019, we had reduced our CO₂ emissions from our own business operations by 33 per cent by the end of 2025. The remaining approximately 37,171 tonnes of CO₂ for 2025 in Scopes 1 and 2 were offset by certificates from a Gold Standard-certified afforestation project in Central America.

- CO₂ emissions in metric tons
- Target for 2030

Intensity of indirect emissions (Scope 3)



The largest proportion of our greenhouse gas emissions arises in the upstream and downstream value chain (Scope 3) and, above all, during the use phase of our products (Scope 3.11). In recent years, we have been able to continuously reduce our emissions intensity in the Scope 3 area. In 2025, the figure stood at 0.089 tonnes of CO₂ per euro of value added, which is below the previous year's level. Our target for 2030 is 0.067.

Training for installer partners

35,000

Installer partners

Worldwide Vaillant had trained about 62,000 installers by 2025, including more than 35,000 on the subject of heat pumps. Installers can further their training with approximately 4,100 digital learning resources, which are available around the clock.



FOCUS FIELD: EMPLOYEES

CONCEPT

Corporate culture

We cultivate an open and family-like corporate culture in which we treat one another with respect and fairness and support one another. Our employees see themselves as part of a large international team and value the family-like atmosphere within the Vaillant Group. Many 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 a culture of open communication, in which we take responsibility, reduce complexity and act decisively to achieve excellent results.

Training and development

Continuous learning is crucial to keeping pace with change. The Vaillant Group offers first-class training using modern methods.

We support our employees in their targeted professional development. In Germany, we are training 34 apprentices across five professions (as of December



FOCUS FIELD: EMPLOYEES

2025): mechatronics engineers, electronics technicians for industrial engineering, industrial electricians, technical product designers and industrial sales representatives. Since December 2024, 22 apprentices in the UK have been training in the new and environmentally focused profession of “Low Carbon Heating Technician”. The Vaillant Group is working with universities across the UK to further develop this training programme academically. We also offer dual study programmes for 30 students in Germany and 18 in the UK. These cover subjects such as Business Administration, Mechanical Engineering, Electrical Engineering, IT, Business Informatics and Building Technology. Other countries, such as Spain, are also training young professionals or providing further training for employees and installers in line with local conditions, particularly in the field of heat pumps.

In doing so, we follow the motto: “The best skilled workers? We train them ourselves!”

We support continuous learning and cross-functional networking among our employees through a variety of formats. At the Vaillant Group Academy, we bring together job-specific qualifications and offer internationally focused training programmes.

Functional Academies offer global learning programmes in areas such as production, sales, purchasing and service to strengthen our employees’ professional skills. We are also increasingly developing our own learning programmes by using AI-powered authoring tools to deliver modern, flexible and needs-based training.

The Leadership Academy for management-level leaders offers a specific learning portfolio to help them master the challenges of modern day-to-day leadership and promotes Group-wide networking among managers. In addition, there are local training courses for new managers and managers at operational level.

The development and retention of our talents are important to us. Five years ago, we established the Group Talent Pool to promote long-term and targeted career development. This global network, spanning functions and countries, also increases the visibility of its members within the Vaillant Group.

Employee surveys

Employee surveys are an important tool for engaging 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 “SEN-SOR” since 2018. The last Group-wide survey took

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 areas 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 and will next take place in 2026.

Diversity, equity and inclusion

Our diversity, equity and inclusion (DEI) strategy is implemented through various measures. These include promoting international exchange and collaboration, awareness-raising initiatives and the involvement of local groups of DEI ambassadors. We review our processes and adapt them as necessary.

Digital information and services

Digitalisation plays a key role in keeping our employees informed, connecting them and providing them with easy and secure access to information and services at any time, wherever they are. Since 2023, all employees in production and service have also had global access to these services, such as digital payslips or holiday requests, via their personal devices. We are constantly developing further content and offerings that are gradually made available to employees in different countries.

Recruiting and onboarding

To integrate new employees quickly and provide them with comprehensive information even before their first day at work, we have introduced an app that is now also being populated with country-specific content. This allows new employees to familiarise themselves with the Vaillant Group immediately after signing their contract and ensures they are well prepared for their start at the company. The content is continuously being expanded locally.

Performance reviews and People Reviews

Performance reviews are primarily conducted using standardised formats and are documented directly in the HR system. This enables us to create transparent and consistent development processes, ensuring that all employees are regularly given the opportunity for feedback, goal setting and personal development. In this way, we foster both motivation and a culture in which achievements are recognised and valued. To ensure fair and comparable assessment across all areas, we use structured People Reviews and Calibration Conferences.

Remuneration systems and employee benefits

We are constantly refining our remuneration systems to meet the demands of today’s working world. Transparent and fair salary structures are essential for

rewarding motivated employees appropriately and supporting the principle of equal pay. We are increasingly focusing on flexible benefits that allow employees to tailor their remuneration packages to better suit their personal needs and circumstances. In Germany, for example, employees can purchase additional days of leave or pay into long-term savings 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 and applicants on platforms such as Kununu and Glassdoor. For several years now, the Vaillant Group has consistently been ranked among the Kununu Top Companies.

Health and safety

The Vaillant Group attaches great importance to the health and safety 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 play a key role. Hazards are identified and assessed preventively in order to derive and implement the necessary protective measures. Should an accident nevertheless occur, an accident analysis is carried out as quickly as possible, with appropriate measures put in place to mitigate the identified risk in future. Lessons learnt from accidents, as well as best practices from the various Vaillant Group sites, are systematically shared internationally. This constitutes 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 important for optimising processes in the HR sector. We ensure that AI is used sensibly and that our employees can realise their full potential. To this end, we have conducted specialised training for the HR department and defined use cases. These are consolidated in an HR-specific knowledge database, which is available to all HR staff for immediate use. Through our participation in the Vaillant Group AI Office, we ensure that AI tools are used securely and in compliance with applicable guidelines.

The early identification of developments and trends is becoming increasingly important. Dashboards make it easier to quickly retrieve up-to-date data from processes, display key performance indicators (KPIs) and thereby create transparency across countries. This applies

both to general employee data and to specific topics, such as absences or succession management. This enables us to identify and address areas for action more quickly.

In keeping with our motto "We Make It Happen", we are pursuing initiatives to simplify processes and reduce complexity.

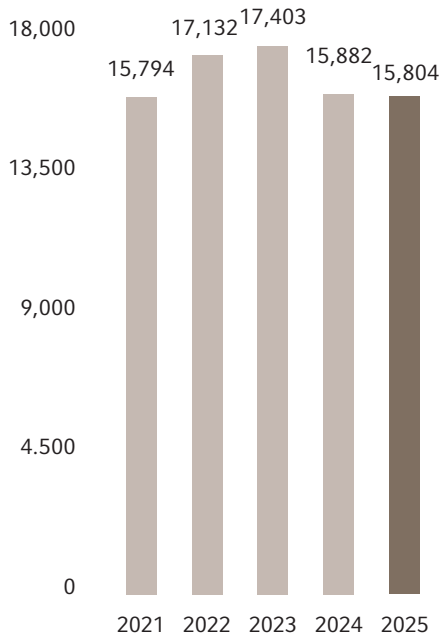
Group-wide succession planning is now also firmly established at the middle management level locally. An increasing number of potential successors are being systematically identified so that their development can be specifically supported. In this way, we ensure that qualified talent is identified at an early stage and prepared for future key positions.

At the Vaillant Group's production sites, various programmes and measures are being implemented to positively develop the corporate culture with regard to health and safety at work. These include measures for leadership development, as well as the use of various methods and tools to further embed the importance of compliance with health and safety requirements and to foster the necessary awareness of these issues. In 2025, we strategically further developed occupational health and safety at Group level. With the development of a new guideline on emergency preparedness, a uniform framework for unforeseen events at our production sites was established. In addition, systematic communication regarding accidents was further refined and extended to include high-potential incidents, in order to derive preventive measures at an early stage. A key focus was on establishing the Human and Organisational Performance (HOP) approach as a guiding principle for future occupational health and safety. This involves the targeted development of the work organisation and related conditions with the involvement of employees. This approach was developed Group-wide with the health & safety teams for the first time. Its implementation is scheduled for 2026.



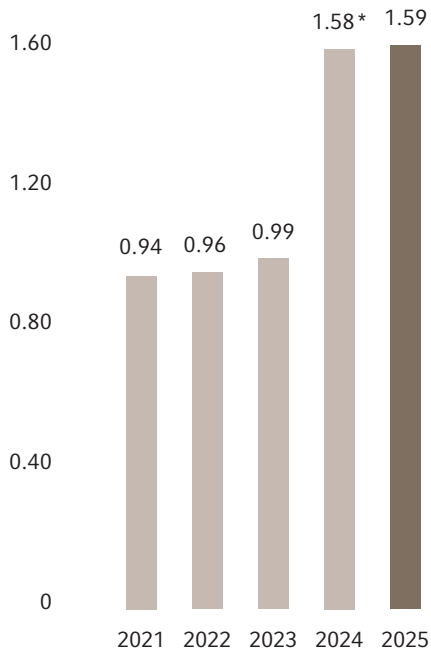
FOCUS FIELD: EMPLOYEES

Number of employees



The number of employees stood at 15,804 as of 31 December 2025. We are an internationally oriented company with sales organisations in more than 20 countries and business activities in over 60. This is also reflected in the cultural diversity of our workforce. In 2025, people from a total of 75 nations worked for us.

Accident rate



The Lost Time Injury Frequency Rate (LTIFR, absences due to work-related accidents per 200,000 hours worked) stood at 1.59 in the reporting year, which at 0.01 higher, is slightly above the previous year's figure. This marginal change is primarily attributable to the first-time inclusion of a subsidiary within the reporting scope. On a comparable scope basis, however, the LTIFR would have improved by 0.1.

* Adaptation of the calculation to LTIFR

Internal recruitment for management positions

63%

Our aim is to fill around two-thirds of management positions from within our own ranks. Having reached 55 per cent in 2024, an average of around 63 per cent of these positions were filled internally in 2025. The internal promotion rate depends, among other things, on the nature of the positions to be filled.



FOCUS FIELD: DEVELOPMENT & SOLUTIONS

CONCEPT

The Vaillant Group develops and manufactures energy-efficient and resource-saving products for heating, cooling and hot water supply. In doing so, we make an important contribution to the energy transition in the building sector. The Vaillant Group thus offers its customers 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 focusing on heat pump systems, which cover around 75 per cent of energy requirements using ambient heat. Heat pumps can be connected with photovoltaic modules and battery storage systems to form smart systems, thereby increasing the proportion of renewable energy used. The product portfolio offers heat pumps for various building types and is regularly adapted to market requirements. For example, the new aroTHERM perform pro, with output ratings of 15 and 20 kW, complements the existing solutions for larger residential buildings.

We are continuously working to reduce the environmental footprint of our existing products. The new generation of the aroTHERM mono heat pump will use only the natural refrigerant R290. The global warming potential of R290 is significantly lower than that of other refrigerants, whilst also enabling high flow temperatures.

We have been integrating sustainability criteria into our product development processes since 2017. With the new SPARC product sustainability strategy, these

were fundamentally further developed during the reporting year. SPARC stands for “Sustainable Product Architecture” and includes requirements for the following product aspects: material efficiency, material responsibility, carbon footprint, packaging, durability and recyclability. These dimensions are underpinned by measurable indicators and form the basis for a transparent and binding improvement in product sustainability. Compliance with the sustainability criteria is regularly reviewed and documented during the development process.

In line with our packaging strategy, we are driving forward the development of sustainable packaging concepts. Our aim is to reduce the amount of packaging material used and avoid single-use plastics. The new, sustainable packaging concept for the aroTHERM Split plus heat pump was awarded the German Packaging Award 2025 in the Logistics & Material Flow category.

PROGRESS

During the reporting period, the Vaillant Group defined new strategic targets for product sustainability with its SPARC product sustainability strategy. In addition to our own level of ambition regarding sustainability, we have incorporated regulatory developments, considerations regarding supply chain resilience and market requirements into the development of the criteria. The strategic goals are translated into concrete, measurable requirements for products and components and are being rolled out gradually in development projects. As part of the implementation, we engage in intensive dialogue with our suppliers and other partners along the value chain.

One element of implementing SPARC is conducting regular training sessions and workshops with employees from various departments. In addition to general



FOCUS FIELD: DEVELOPMENT & SOLUTIONS

and topic-specific training, our sustainability experts support the development projects with, among other things, product-related workshops.

Due to the diverse regulatory requirements regarding the circular economy and product sustainability, Vail-

lant has initiated a cross-divisional project to prepare for the new national and EU regulations. The aim is to meet the requirements and, in doing so, strengthen the Vaillant Group's competitive position in terms of product sustainability.

Key performance indicators related to product sustainability

>85%

Recyclability

To identify areas for improvement and measure progress in sustainable product design, the Vaillant Group is implementing a corresponding key performance indicator system. This includes, for example, indicators relating to the products' carbon footprint and their contribution to the circular economy. Our indicators are based, amongst other things, on the requirements and methods of the EU material efficiency standards. A corresponding internal and external reporting system is currently being developed.

-25%

Material carbon footprint

≥25%

Recycled content in steel & plastics



FOCUS FIELD: SOCIETY

CONCEPT

As an internationally oriented family-owned company, social responsibility is a matter of course for us. This includes acting responsibly within our sphere of influence as well as partnerships with non-profit organisations.

Respecting and promoting human rights is a fundamental part of our corporate identity. Our aim is to ensure the protection of human rights within our company, to work towards their observance throughout our global supply and value chains within the scope of our influence, to achieve transparency regarding potential risks and to take action in the event of human rights violations. As an expression of our corporate responsi-

bility, we have formulated a policy statement on respect for human rights. The entire management team is responsible for the implementation of and adherence to this policy statement. All employees are encouraged to integrate the principles of human rights compliance into their daily work and to take them into account in their conduct. In our Group-wide Code of Conduct, we have enshrined respect for human rights alongside standards for environmental protection.

Our Social Compliance Management System aims to embed 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 and the OECD Guidelines for Multinational Enterprises, as well

as applicable legal requirements. The associated Group policy sets out 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. Using established assessment criteria, we evaluate the likelihood of violations occurring, the severity of potential legal infringements, possibility of remediating potential harm and the Vaillant Group's ability to exert influence. In our Purchasing department, we have implemented a tool for this purpose which supports risk analysis through an automated risk assessment and a questionnaire for suppliers with heightened abstract risks. The risk analysis is carried out regularly and its methodology is continuously reviewed and further developed where necessary.

With regard to the supply chain, the Vaillant Group has a Supplier Code of Conduct that defines our requirements regarding human rights, working conditions, health and safety, the environment, responsible and ethical business conduct and critical raw materials. The Supplier Code of Conduct is continuously being extended to cover further suppliers. Furthermore, through our general terms and conditions of purchase, we require our suppliers to comply with the principles of the United Nations Global Compact.

We verify compliance with our sustainability requirements for suppliers on a random basis through "social checks" as part of supplier audits. The standardised questionnaire used for this covers the areas of human rights, occupational health and safety, environmental protection and grievance mechanisms. We regularly conduct training sessions on the methodology of social checks for our auditors.

As part of the Social Compliance Management System, the Vaillant Group operates an electronic whistleblowing system for employees, customers and business partners, enabling them to report breaches of laws and internal guidelines. This explicitly includes human rights and environmental aspects. Rules of procedure have been published within the whistleblowing system for this purpose. Complaints can be made anonymously if required and are investigated by an independent company-internal function without mandate. We effectively protect complainants from any potential unjustified discrimination and consistently investigate potential reaches of human rights and environmental standards.

Works councils are recognised and supported. There are works councils at various levels, ranging from the local works council to the General Works Council, the Group Works Council and the European Works Council. The latter was established as early as April 2001, which demonstrates that we have been committed to employee co-determination at an international level for over 20 years. Constructive cooperation with works councils in Germany has been in place for considerably longer.

The Vaillant Group enters into targeted partnerships with non-profit organisations to make a social contribution that goes beyond its own business activities. For example, we have been a strategic partner of "SOS Children's Villages worldwide" since 2013. We support the international children's rights organisation with environmentally friendly and energy-efficient heating technology. Our cooperation with the WWF aims to jointly champion the heat transition and give greater weight to the topic of climate-friendly heating in the energy and climate debate. The aim is to draw 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 aimed at preserving biodiversity and species diversity.

PROGRESS

To ensure we fulfil our environmental and human rights due diligence obligations, we have established a Social Compliance Management System. This sets out internal responsibilities and processes, such as regular risk analyses. In this way, we aim to ensure that potential, significant risks to human rights and the environment are addressed with appropriate risk mitigation measures. The Vaillant Group's management is informed at least once a year about the implementation and results of the management system.

Potentially affected parties and other stakeholders can submit reports on human rights and environmental issues via a whistleblowing system. Awareness-raising initiatives for employees are carried out regularly through training sessions and other information formats.



FOCUS FIELD: SOCIETY

Supplier acceptance of our Supplier Code of Conduct

74%

By the end of 2025, suppliers who have accepted our Supplier Code of Conduct accounted for around 74 per cent of our procurement volume. Compared to last year (79 per cent), there has been a slight decrease. This is because we base up-to-date coverage on purchasing volumes from previous financial years. In terms of procurement volume with suppliers operating in countries classified as high-risk by the Vaillant Group, the proportion stands at around 88 per cent in 2025.

Implementation of supplier checks

134

supplier audits

A total of 134 supplier audits were carried out in 2025. A social check was also carried out in 54 per cent of these audits.

Support for SOS Children's Villages worldwide

26

heating technology projects

As part of the international partnership with the charitable organisation "SOS Children's Villages worldwide", a total of 26 heating technology projects were carried out in 2025. In addition, the Vaillant Group supported SOS Children's Villages with six social projects, including charity runs in France and a "spare change" fundraising campaign in Germany.

GREENHOUSE GAS INVENTORY AND TARGETS

	Einheit	2021	2022	2023	2024	2025	vs base year	Target 2030	Target 2050	Base year emissions covered by targets
Scope 1	t CO ₂ e	44,686	42,989	39,984	36,438	36,922	-17%			
Scope 2 „market based“	t CO ₂ e	297	259	207	216	249	-98%			
Scope 2 „location based“	t CO ₂ e	28,328	24,506	23,972	25,344	24,928	-1%			
Biogenic land-related emissions and removals from bioenergy feedstocks	t CO ₂ e	1,237	983	1,252	1,311	1,126	41%			
Combined scope 1 and 2 including biogenic land-related emissions and removals from bioenergy feedstocks	t CO ₂ e	46,220	44,231	41,443	37,965	38,297	-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	190,392	178,515	153,165	133,159	127,561	-21%			
Emissions from use of sold products per million EUR value added	t CO ₂ e/ mio Euro	0.136	0.119	0.098	0.102	0.089	-40%	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.