

Responsibility as a principle

Sustainability at the Vaillant Group



As a future-oriented family enterprise
we set a benchmark in the areas of
ecological, economical and social
sustainability.

Sustainability vision



Dear readers,

As a family business with our focus firmly on the future, we at the Vaillant Group see ourselves as having a special responsibility. We are convinced that our corporate targets can only be achieved if we think and act for the long term. Therefore, however fast-paced our business is, we continue to think in terms of generations – as well as about them.

Climate change and ensuring the continued availability of natural resources are two of the greatest challenges of our time. Finding sustainable answers requires us to consider the immense potential for energy savings in the building sector. Europe-wide, more than a third of today's energy is needed to generate room heating and hot water. The Vaillant Group's core business, developing innovative and highly efficient solutions in the provision of heating, cooling and hot water, is therefore a hugely significant area.

Yet it's not just with our products that we want to set standards – we want to lead the way in all areas relating to responsible business practices and corporate governance. To this end, our new S.E.E.D.S. programme has firmly rooted sustainability in the Vaillant Group's organisation and processes. While we've not yet achieved our goals, we're certainly on the way to doing so. We'd like to invite you to join us on our journey.

Yours sincerely,
Dr Carsten Voigtländer
Chief Executive Officer

A stylized, handwritten signature in dark ink, appearing to read 'C. Voigtländer'.

S.E.E.D.S.

Strategic sustainability programme

Sustainability in
Environment
Employees
Development & Products
Society



Tradition demands commitment. So does a future worth living in.

We've bundled our sustainability activities by creating the S.E.E.D.S. programme, with its four fields of focus: Environment, Employees, Development & Products, and Society. The programme doesn't just render our work more efficient and transparent; it also helps us to better track our successes and the challenges remaining in improving our sustainability performance. The clear targets across the four fields of focus, developed by the Vaillant Group's Sustainability Management in close cooperation with the management board, the departments involved and key stakeholders, help us to put the programme into practice.

We ensure we're on the right track by using performance indicators collated across the Vaillant Group and relating to all aspects of our business, from our energy consumption in production, internal recruitment for management positions and our product portfolio's greenhouse gas emissions to social standards at our sites and those of our suppliers. At the Vaillant Group, we don't just pay lip service to sustainability. It's a principle.



Our mission

Sustainability

Sustainability is an integral part of our corporate culture and strategy. Our goal is to take a leading position in key sustainability areas and to be perceived as a role model.

Environment

Protection of the environment and resources is an important part of the Vaillant Group's sustainability strategy. We aim to use resources responsibly, consistently lower CO₂ emissions, prevent negative influences on the environment and actively use opportunities for improvement.

Employees

Our employees form the foundation and soul of the Vaillant Group. We pursue the goal of being the employer of choice for job applicants and existing employees.

Development & Products

Our objective is to offer our customers energy-efficient products over the entire product life cycle – from development to purchasing, from production to use, and from service to recycling.

Society

The Vaillant Group acknowledges its social responsibility. The company makes an active contribution where it operates, for social progress and the welfare of people.



OUR TARGETS





Development & Products

- Expansion of the proportion of highly efficient technologies across our whole portfolio
- Minimisation of CO₂ emissions across all our product categories
- Further increase of our recycling rate at the end of the product life cycle



Environment

- Significant reductions in CO₂ emissions, energy and water consumption
- Waste reduction and a simultaneous increase of our recycling rate



Employees

- Increase of internally recruited and in-house trained management staff
- Improvement of our position as an attractive employer geared toward the future
- Continuous improvement of occupational health and safety standards



Society

- Joining the United Nations Global Compact, which propagates ten principles governing the areas of human rights, labour standards, environmental protection and the fight against corruption
- Intensification of our dialogue with stakeholders
- Further strengthening our community involvement at all our sites, focusing on *Education and Environment*



Hi-tech solutions for tomorrow's climate

There's an intimate, inseparable connection between the domestic and world climate. Heating technology therefore plays a central role in achieving climate change targets. It's for this reason that our product development efforts focus on renewable energy and system solutions and that we are continually increasing the proportion of highly efficient appliances in our product portfolio. At the same time, we aim to continuously improve the material efficiency of our products.

Professional advice and customer service help customers to make optimal use of our products. Environmentally friendly disposal of products at the end of their life cycle is not a new issue for us – it's a standard we put into practice every day. New developments will contribute to the continuation of this tradition in the future. The Vaillant Group offers perfectly tailored solutions which combine maximum energy efficiency with comfort.

137

years of accrued efficiency experience. From Vaillant's first "closed-system gas-fired bathroom boiler" to its ultra-modern heat pump.

2011

is the year in which the Vaillant Group won the German Sustainability Award. The ecoPOWER 1.0 micro-cogeneration system is Germany's most sustainable product. Award-winning companies are those that achieve an exemplary synthesis of business success and social and environmental responsibility.



92%

is the efficiency value achieved by the ecoPOWER 1.0 system. Europe's first micro-combined heat and power system (micro-CHP) designed for use in family homes simultaneously generates heating and power on site. Its performance compares favourably with modern industrial power plants, which reach an efficiency level of only around 60 per cent.



We see the big picture

Our environmental policies commit the Vaillant Group to the comprehensive protection of the environment and natural resources. In order to live up to this responsibility, we have devised a Group-wide environmental management system. In addition to this, regular meetings of those responsible for enforcing environmental standards at all our production sites ensure professional expertise is shared and successful projects are implemented across the Group.

Important issues in our environmental efforts are the reduction of our energy and water consumption, avoidance of waste and an increase in the proportion of waste we recycle at our sites. To ensure our goal of reducing CO₂ emissions is met, we monitor our logistics and our business travel policies alongside our consumption of energy. The Group-wide logistics project "L.O.G.O." is establishing what will be tomorrow's optimum transport network and, helping to bring it into being, modern conferencing technology will help to reduce the number of business trips. After all, the best emissions are the ones that are avoided before they occur.

96 %

of the waste generated across the Vaillant Group is recycled. And our appliances boast high recycling rates, too. A wall-hung Vaillant device is 99.8 per cent recyclable.

87 %

of the 17.8 million heating appliances and systems in Germany today aren't running efficiently. If they were all replaced with modern technology, the energy and CO₂ emissions saved could reach 40 per cent.



0

tons of landfill are generated at the Vaillant Group plant in Belper each year. In 2006 that figure was 357,000 kg – equivalent to the weight of 250 medium-sized limousines.



Investing in the future

Our employees are both the foundation and soul of the Vaillant Group. Their commitment, ideas and performance have made us one of the world's leading providers of heating technology. Reciprocal trust, acceptance of differences, passion and entrepreneurship are core values of our internationally oriented corporate culture.

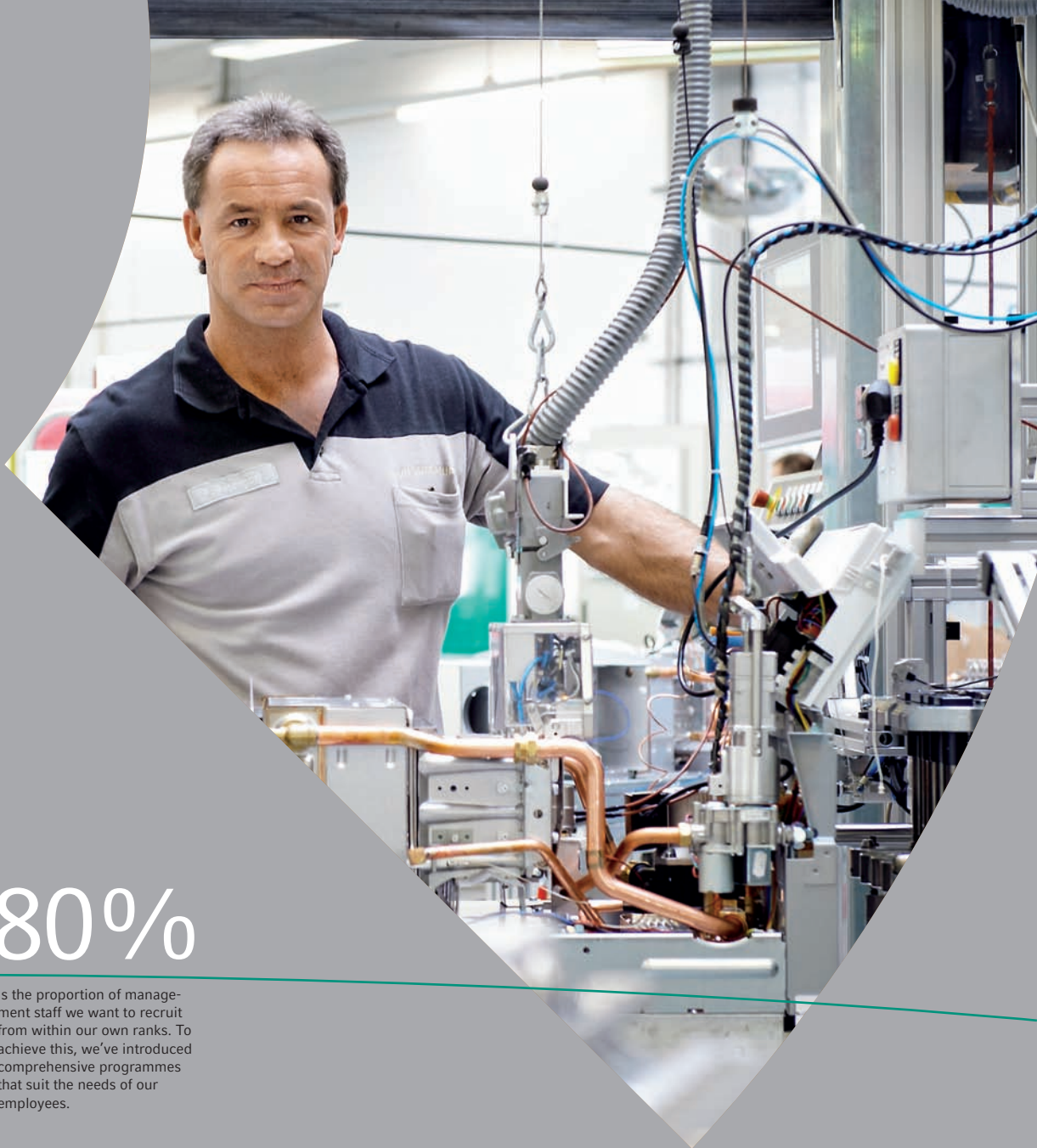
For this reason, the personal development of our staff is a matter particularly close to our hearts. We support the development of specific competencies by offering a comprehensive system of training programmes. We are able to create individual development profiles, from training needs analyses and detailed development plans to management training courses, and we help our vocational trainees become tomorrow's specialists by means of a range of business and technical training programmes and apprenticeships. These activities are complemented by additional schemes relating to subjects such as health promotion.

87

highly qualified employees work at different sites in our Research and Development department to develop ever more efficient heating, ventilation and air conditioning technology. That's the equivalent of four full-to-capacity Airbus A320s.

8

of 10 employees are satisfied with the Vaillant Group. Every two to three years, the Group conducts a large-scale employee survey. The results are communicated openly to employees and improvements are realised on the basis of the responses provided.



80%

is the proportion of management staff we want to recruit from within our own ranks. To achieve this, we've introduced comprehensive programmes that suit the needs of our employees.



Responsibility on the ground

The Vaillant Group sees itself as a “Corporate Citizen” – as a company that acts responsibly and makes an active contribution to society where it operates. We promote progress and development in society in a range of fields. Our sustainability strategy sets out principles and standards for the concrete expression of our commitment.

Nevertheless, we don’t express our social responsibility solely in individual projects. We believe that all business activities must add to the common good rather than detracting from it. In this spirit, it goes without saying that we comply with human rights and social standards and expect the same of those we contract to do work for us. The Vaillant Group is a member of the United Nations Global Compact, a strategic policy initiative for businesses that are committed to aligning their activities and strategies with ten principles in the fields of human rights, labour, environment and anti-corruption. Furthermore, the Vaillant Group’s business activities are subject to strict compliance guidelines wherever these are applicable.

350,000

euros is the amount raised by chimney sweeps for children suffering from cancer over the course of their “Glückstour” (“Good-Luck Tour”) cycling ride through Germany. Vaillant has been supporting their efforts for several years now.

85

young people have been invited by the Council for Sustainable Development to their Dialogues_Future_Vision2050 conference to develop a model for a sustainable future. Lars Heinen, an Innovation Engineer at Vaillant, was among them.



3,000

euros in heating costs are saved at Moorriem primary school every year thanks to the ecoPOWER mini-CHP that they won in a competition run by Vaillant and FOCUS-SCHOOL magazine.

Climate protection starts at home

Sustainability is amongst the Vaillant Group's most important strategic issues. We want to empower our customers to save energy and improve their quality of life through the use of easy-to-operate and environmentally friendly products. We do this, for instance, by providing a few simple everyday tips along with our modern technology – from information about the ideal room temperature through to efficient airing. In addition to this, you should have your heating system serviced regularly by a qualified heating engineer; this will make sure your system is always ready for operation, reliable and will give you a long service life. If your heating system is getting on, replacing it might be a sensible move; a modern heating system is the most efficient way to save on heating costs in the long term.

Technology that fits perfectly

The Vaillant Group offers tailor-made solutions which combine maximum energy efficiency with comfort, no matter what the area of application or the type of energy used. Intuitive systems link up the individual components of heating systems such as heating appliances, storage heaters and collectors, creating intelligent system solutions.

The potential for saving energy unlocked by a modern heating system is enormous. Only about one in eight German systems are up to date with the latest technological developments. The application of modern technology wouldn't just save a lot of money – it would reduce CO₂ emissions by up to 55 million tonnes in Germany alone. Every year.

Want to learn more?

More information on our sustainability management, our company's strategic focus, specific projects in our core fields of focus – Environment, Employees, Development & Products, and Society – as well as the people behind the scenes can be found in our latest sustainability report and at www.vaillant-group.com/sustainability.

If you have any questions, suggestions or feedback get in touch with us directly at: sustainability@vaillant.de

www.vaillant-group.com/sustainability





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