

## Responsibility as a principle

Sustainability Report 2012

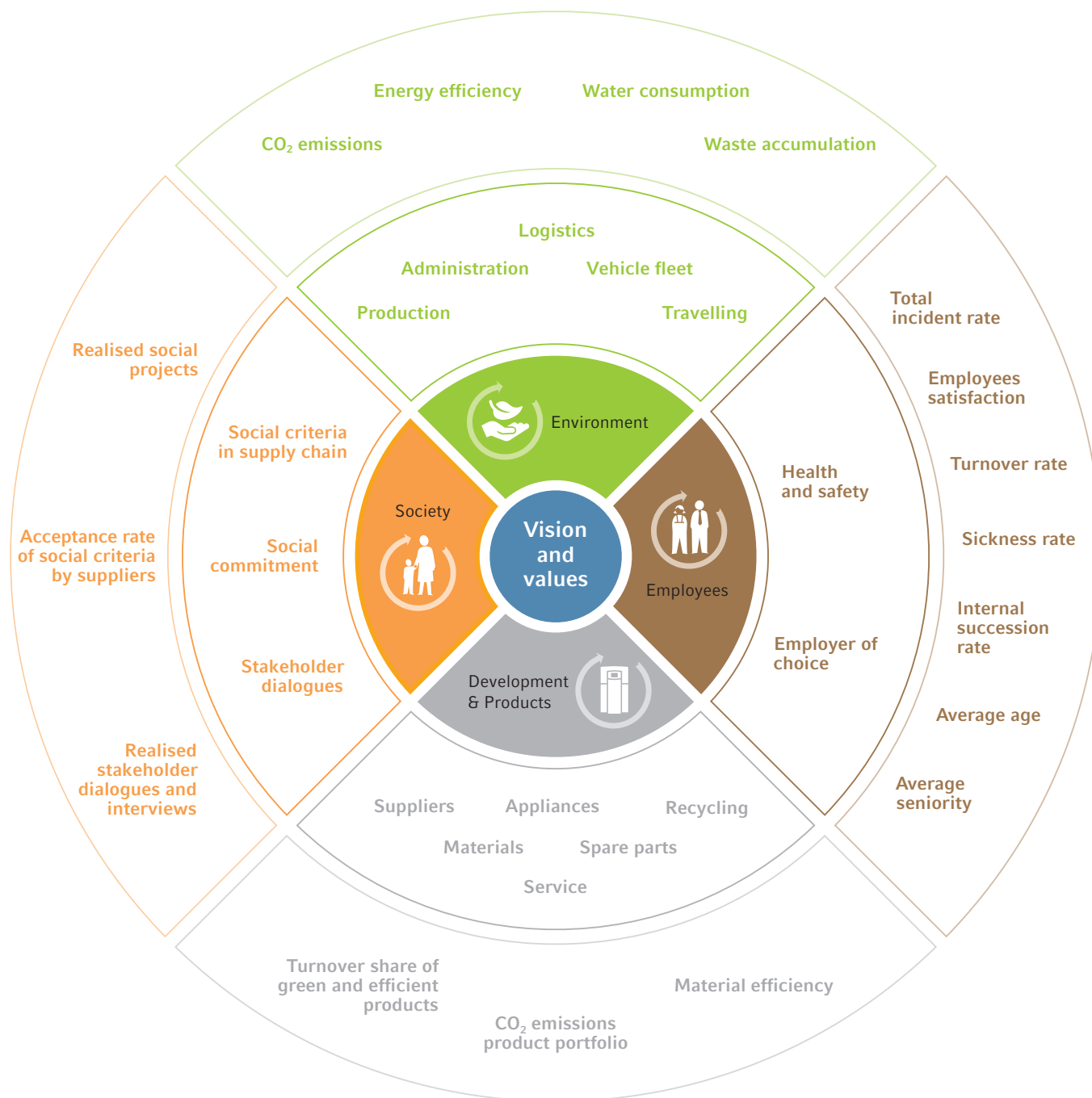
As a future-oriented family enterprise we set a benchmark in the areas of ecological, economic and social sustainability.

Sustainability vision

We aim to be the leading provider of environmentally friendly, energy-saving heating, cooling and hot water solutions that are simple to operate. Our goal is sustainable and profitable growth for our family-owned company.

Vaillant Group vision

# Vaillant Group Sustainability Compass



- 1 Foreword by the Management Board
- 2 The Vaillant Group introduces itself
- 8 Sustainable corporate governance
- 10 Sustainability strategy

- 20 Sustainability in action
- 22 Development & Products
- 30 Environment
- 38 Employees
- 46 Society

- 54 Sustainability in black and white
- 56 Principles of reporting
- 58 Sustainability key figures
- 64 Selected actions in the area of sustainability
- 66 Imprint





Dr Carsten Stelzer, Dr Carsten Voigtländer, Dr Dietmar Meister

Ladies and gentlemen,

Last year, we set out the first binding, verifiable sustainability targets for the years leading up to 2020. The measures apply to all Group-wide activities in the four fields of focus within our S.E.E.D.S. programme. In the following report, we take stock of our progress so far. We also provide transparent information about the targets we are on course with and where adjustments have to be made in order to comply with our sustainability vision.

We have systematised communication with our stakeholders even further. In order to define the key sustainability issues more precisely, we conducted a systematic survey among internal and external stakeholder groups for the first time this year. The results will not only shape the contextual framework of our reporting in the future, but also provide valuable impetus for the development of the Vaillant Group's sustainability strategy.

One of the key findings of this dialogue is of little surprise but by no means less relevant. The development of climate- and environmentally friendly technologies is perceived by survey participants as the field of action with the greatest significance for the success of the Vaillant Group. This is an important indicator that our product strategy, which focuses on high efficiency technologies, renewable energies and smart systems, is making a pioneering contribution to the turnaround in energy policy.

As a family-owned company, we are committed to conducting business in a responsible manner. At this point, we would again like to reaffirm our adherence to the Ten Principles of the United Nations Global Compact. We report annually on the progress we have made in incorporating these principles into daily practice, both in this sustainability report and in the form of a detailed report available online.

In the coming year, we plan to continue to implement the sustainability strategy, which is beginning to bear fruit thanks to a dependable KPI-based management system and the dedication of our employees. We shall continue along the path to achieving our sustainability targets by 2020.

Dr Carsten Voigtländer  
Chief Executive Officer  
Managing Director  
Sales & Marketing

Dr Dietmar Meister  
Managing Director  
Finance & Services

Dr Carsten Stelzer  
Managing Director  
Technology



- 1 The Vaillant Group markets its products in over 60 countries worldwide.
- 2 The Vaillant Group has more than 12,000 employees across the globe.
- 3 Since its foundation in 1874, the headquarters of the family-owned company have been located in Remscheid, Germany.



## Innovative by tradition

When Johann Vaillant founded his master craftsman installation business in Remscheid in 1874, he surely had little idea that the company would become one of the leading suppliers of intelligent, energy-saving systems for improving home comfort with over 12,000 employees worldwide.

**Big, bulky, heavy and a magnificent sight:** the “closed-system gas-fired bathroom boiler”, which can still be seen today at the Vaillant Group’s headquarters in Remscheid. In 1894, Johann Vaillant registered a patent for this system, which enabled water to be heated in a hygienic way for the first time – and revolutionised the German bathroom. The boiler replaced the laborious task of heating water on the coal stove kettle-by-kettle. Another revolution followed in 1924 when Vaillant developed the first central heating boiler.

To this day, the Vaillant Group stands for progressive ideas and new inventions. In recent years, the company has embraced Johann Vaillant’s pioneering spirit by developing the world’s first zeolite heat pump as well as Europe’s first micro combined heat and power (CHP) system for single-family houses. The company has remained entirely family-owned throughout its history and is therefore not only synonymous with innovation, but also with values such as reliability and responsibility.

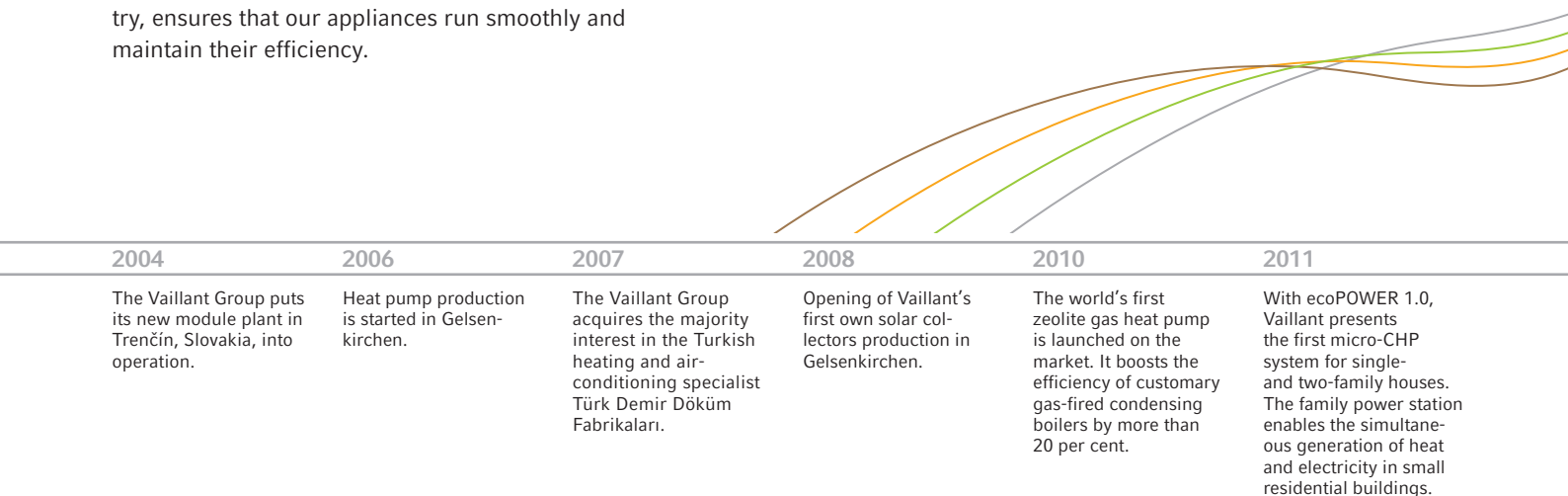
### History of the Vaillant Group

1874	1894	1924	1961	1995	2001
Johann Vaillant lays the foundation stone for today's Vaillant Group, which is still 100 per cent in family ownership.	Patent filing for the “closed-system gas-fired bathroom boiler”, which enables hygienic water heating for the first time.	Vaillant develops the first central heating boiler, meaning that only radiators were needed in rooms.	With the Circo Geyser, Vaillant is the first company in the world to market a wall-hung gas circulation water heater.	Vaillant markets its first self-developed and produced wall-hung condensing heating appliance.	Vaillant takes over the British Hepworth Group. The brands of the new group continue to be sold separately.



What started out in a small, half-timbered house in the Bergisches Land region over 135 years ago, is now a company with over 12,000 employees at production and R&D sites in six European countries and China. We offer energy-efficient technologies, products based on renewable energies and individually combinable systems in more than 60 countries. There are a total of eight brands under the umbrella of the Vaillant Group. Our team of service employees, one of the largest in the industry, ensures that our appliances run smoothly and maintain their efficiency.

The Vaillant Group is thus well prepared for a future in which heating with renewable energies and energy-efficient technologies will play a central role – thanks to innovative product developments that reflect the pioneering spirit of the company's founder.







Johann Vaillant founded his master craftsman's installation company in Remscheid in 1874. In the 138 years since then, the company has become a leading supplier of intelligent systems for domestic comfort.



Saunier Duval, based in Nantes, France, has been a pioneer of the industry since 1907. The brand covers the entire range of heating, ventilation and air-conditioning technology as well as many innovations.



The Dutch company, founded by Herman van Thiels almost 80 years ago, has grown to become an important Dutch supplier that offers a wide range of products with excellent value for money.



Under the Belgian brand Bulex, high-quality appliances for heating, hot water and air-conditioning in business complexes and residential buildings have been offered for 80 years. Today they fulfil the highest demands for comfort and good ecology.



DemirDöküm, founded in 1954, is the leading heating and air-conditioning technology specialist in Turkey. In addition, DemirDöküm products are sold in more than 50 countries in Europe, Asia and North Africa.



Since 1934, the focus of the leading heating appliance manufacturer in the UK has been on reliable, highly efficient products that work in both an energy-saving and an environment-friendly way.



The Italian brand Hermann began its activities in the heating technology business in 1970. Its focus is still on wall-hung compact heating appliances. The brand now trades under the name Hermann Saunier Duval.



Protherm, the youngest brand, came into being in 1991 and today has a leading position in several Eastern European countries. Protherm also exports to many other countries in Europe, Asia and Africa.







- 1 The premium brand Vaillant stands for innovative technologies and custom system solutions.
- 2 The Saunier Duval brand group encompasses seven brands that focus on the needs of the high-volume medium-price segment.
- 3 The company regularly presents its product portfolio at the most important trade fairs.

## For almost every demand

Eight different brands under one roof: The two brand groups Vaillant and Saunier Duval cater to different segments of the market.

**An intelligent remote heating control** that allows customers to regulate their central heating system via a smartphone, or heating systems that can be connected to solar panels on the roof or to a heat pump, thus enabling homeowners to be less dependent on fossil fuels – the Vaillant Group offers these kinds of systems under their green Vaillant brand. And this brand is truly “green”: innovative technologies and customised system solutions give customers the benefits of highly efficient, energy-saving systems. Premium products for customers with the highest demands in terms of innovation, design and efficiency make up the comprehensive portfolio of the Remscheid-based family-owned company’s biggest-selling brand.

It offers residential construction companies, property developers and installers a particularly high cost-performance ratio without compromising the most important energy-saving and environmentally friendly technologies.

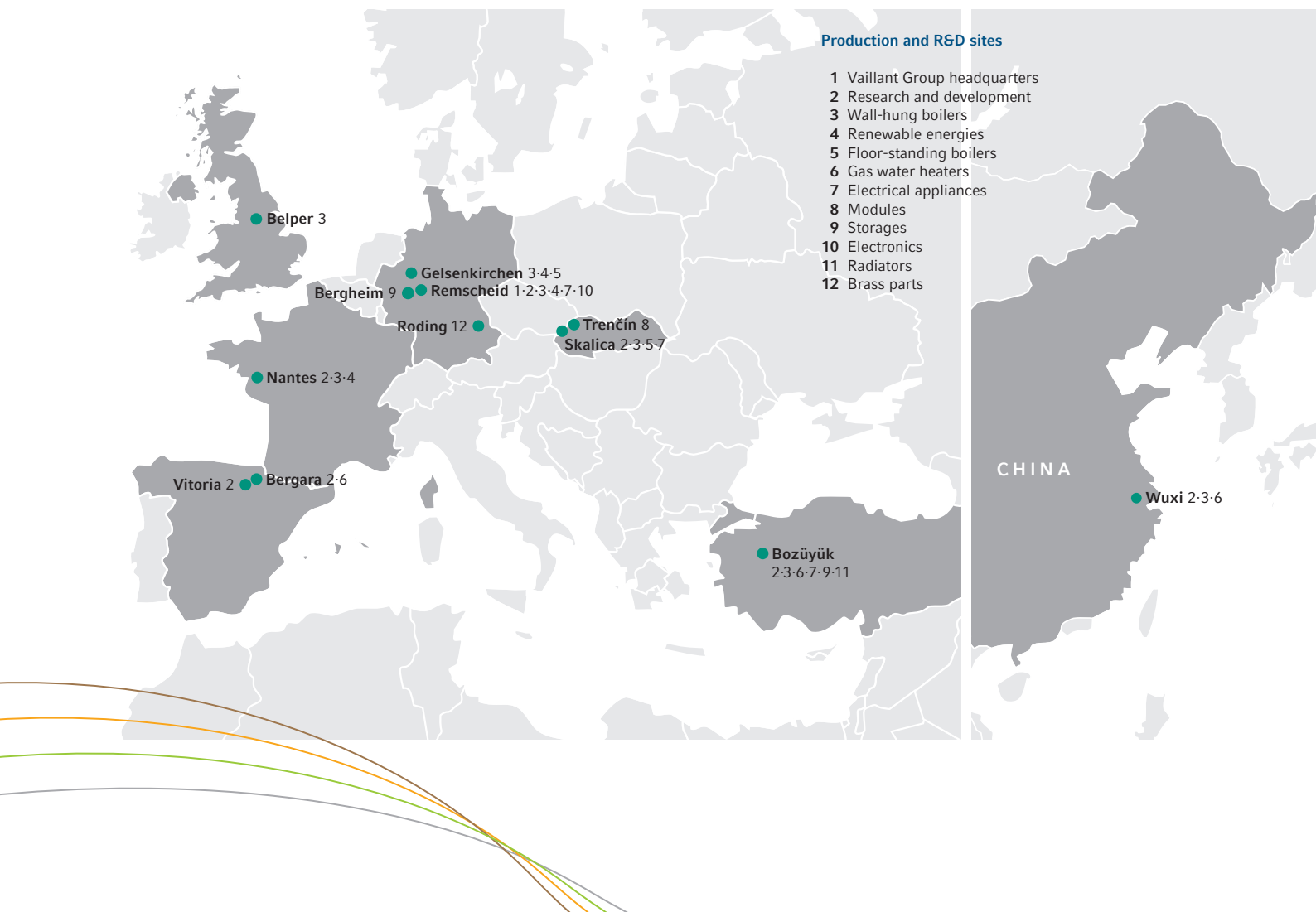
Quality, efficiency and operating comfort are at the heart of the product promise of both brand groups. A dense network of skilled technicians and service employees in more than 60 countries ensures that the products of the Vaillant Group meet the demands of our customers throughout the products’ life cycle.

The Saunier Duval brand group, with its seven “red” brands, has been an important part of the Vaillant Group’s world of products since 2001. The Group operates under the brands Saunier Duval in France, Spain and Austria, awb in the Netherlands, Bulex in Belgium, DemirDöküm in Turkey, Glow-worm in the United Kingdom, Hermann Saunier Duval in Italy and Protherm in Eastern Europe, and focuses on the high-volume, mid-price segments.





- 1 Vaillant Group employee Paméla Couthouis at the Nantes site (France)
- 2 High-efficiency technologies such as the mini-CHP system ecoPOWER are manufactured at the Vaillant Group plant in Gelsenkirchen.
- 3 Vaillant Group employee Robert Swift at the manufacturing site for wall-hung boilers in Belper (UK)





## Regionally focused

The Vaillant Group manufactures its products at seven international locations, in close proximity to the respective sales markets and primarily for regional demand. Shortening the supply chain not only enables us to draw on combined expertise and secure jobs, but also ensures that the impact on the environment is reduced to a minimum.

**Many companies today manufacture** products destined for the European market in low-wage countries. The Vaillant Group pursues a different approach, manufacturing predominantly for regional demand. For example, Skalica produces for Eastern Europe, Wuxi for China and Remscheid for the Central European market. This way, there is no need to transport appliances such as a gas-fired boiler or a CHP unit thousands of kilometres by road. As a result, these products have an extremely low carbon footprint, which is by no means a matter of course in these times of globalisation.

Reducing the distance to our customers not only cuts back on emissions but also saves time and money. Intelligent logistics processes, which are constantly monitored, ensure that our production sites are efficiently linked.

The company's site structure adheres to the principle of combined expertise. Expertise and the production of certain components are concentrated at selected locations, and centres of excellence are formed for specific technologies and R&D. Our teams of experts are continuously striving to improve new product generations so that they are even more efficient. This ensures that the Vaillant Group can live up to its aspiration of being a driver of innovation and a technology leader. An aspiration that is geared towards growth in all forward-looking product segments, particularly in the areas of environmentally friendly condensing boilers, combined heat and power, and renewable energies.





## Responsibility as a principle

As a future-oriented family enterprise, the Vaillant Group acknowledges its special responsibility – towards the environment, its employees and society. We are convinced that business success and commitment to social and environmental standards are inseparably intertwined.

**As a high-tech company** that develops innovative, efficient solutions in the fields of heating, cooling and hot water, addressing the complex subject of sustainability seems a logical step. Our customers, in particular, have clear-cut expectations regarding the energy efficiency of our devices. However, the guiding principle of sustainability means more than just marketing particularly energy-efficient products. It illustrates that a company's strategic and operative decisions are being made with both economic and sustainability aspects in mind. The underlying question is: "What are the direct and indirect consequences of a corporate decision for people and the environment?"

Sustainability management in the Vaillant Group was launched as a strategic core project. These projects have high priority for the company and

are instrumental to achieving the goal stated in the Vaillant Group Vision: the goal of sustainable and profitable growth.

Group-wide sustainability activities are now centrally coordinated so that sustainability issues become embedded in the normal course of business by integrating them in processes. The Vaillant Group Sustainability Management department is responsible for this task. The department is part of the **Corporate Communications, Sustainability Management & Politics** department and reports directly to the CEO of the Vaillant Group. This department sets sustainability targets in close consultation with the Management Board and the individual operational units, systematically monitors their progress and provides impetus for improving company-wide sustainability performance. Furthermore, the Group-wide environmental manage-



Sustainability Board	Sustainability Circle	Sustainability Forum
<ul style="list-style-type: none"> <li>• Management</li> <li>• Sustainability Management</li> <li>• Representatives of the top management levels</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainability Management</li> <li>• Representatives of central departments (Purchasing, Production, Logistics, Sales, Service, Quality, HR, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainability Management</li> <li>• Special environmental representatives of all plants</li> </ul>
<ul style="list-style-type: none"> <li>• Strategic decisions</li> </ul>	<ul style="list-style-type: none"> <li>• Operational measures</li> </ul>	<ul style="list-style-type: none"> <li>• Exchange of best practice standards</li> </ul>
Sustainability Management		

- 1 Originally a strategic core project, the Vaillant Group's sustainability activities are now managed centrally.
- 2 The Vaillant Group sustainability committees
- 3 Vaillant is committed to the Ten Principles of the United Nations Global Compact.



ment system is also centrally anchored in order to leverage the greatest potential synergies.

Various sustainability bodies meet at least once a year to discuss the ongoing implementation and development of the Vaillant Group's sustainability strategy. The **Vaillant Group Sustainability Board** discusses and approves all major strategic decisions related to sustainability. This committee includes the Management Board, the Sustainability Management department and representatives of top management. The **Vaillant Group Sustainability Circle** defines the most important sustainability multipliers and works out specific operational measures based on the strategic direction. The Circle is composed of the Sustainability Management department as well as members of central departments such as Purchasing, Production, Logistics, Sales, Service, Quality and HR. Together with special environmental representatives from all Vaillant Group plants, the Sustainability Management department discusses questions on environmentally friendly and resource-optimised production processes in the **Vaillant Group**

**Sustainability Forum.** In addition, specialised bodies, such as the international Supply Chain Manager meeting, and workshops with local markets, discuss sustainability issues and ways to improve them.

Issues arising from public debate on sustainability, which we actively support through our position in the debate, regularly flow into the work of the sustainability bodies. In this respect, the company is a member of the Sustainability Leadership Forum, which was initiated by the German Association of Environmental Management e.V. (B.A.U.M.) and the Centre for Sustainability Management (CSM) at Leuphana University Luneburg. The company is also a long-time partner of the German Sustainability Award Foundation.

By signing the Global Compact of the United Nations, we have reaffirmed our full responsibility in all dimensions of sustainable management. The initiative requires member companies to recognise and put into practice basic values in the field of human rights, labour standards, environmental protection and the fight against corruption. We report annually on the progress we have made in this area.



## We've come full circle

The Vaillant Group has combined all its sustainability activities into one programme. Under the name S.E.E.D.S., we set binding, verifiable targets in the fields of focus Environment, Employees, Development & Products and Society, develop specific measures based on these targets, and continuously monitor the results. Transparent and Group-wide.

The Vaillant Group has set itself ambitious sustainability targets. **S.E.E.D.S.**, short for **S**ustainability in **E**nvironment, **E**mployees, **D**evelopment & **P**roducts and **S**ociety, identifies the strategic fields of focus, which the company considers as the key elements in achieving its sustainability vision. Understanding sustainability as a whole forms the basis for defining these fields of action. This understanding also takes the main challenges in our core business into account. By doing so, the Sustainability Management department makes an important contribution to ensuring the company's economic success in the long term. A measure of success that is understood as sustainably increasing profitability in conjunction with balanced growth.

### Our management approach

Goal-oriented management across all company departments is crucial for the success of this project. Management of our sustainability performance follows the classical control circle of corporate management systems.

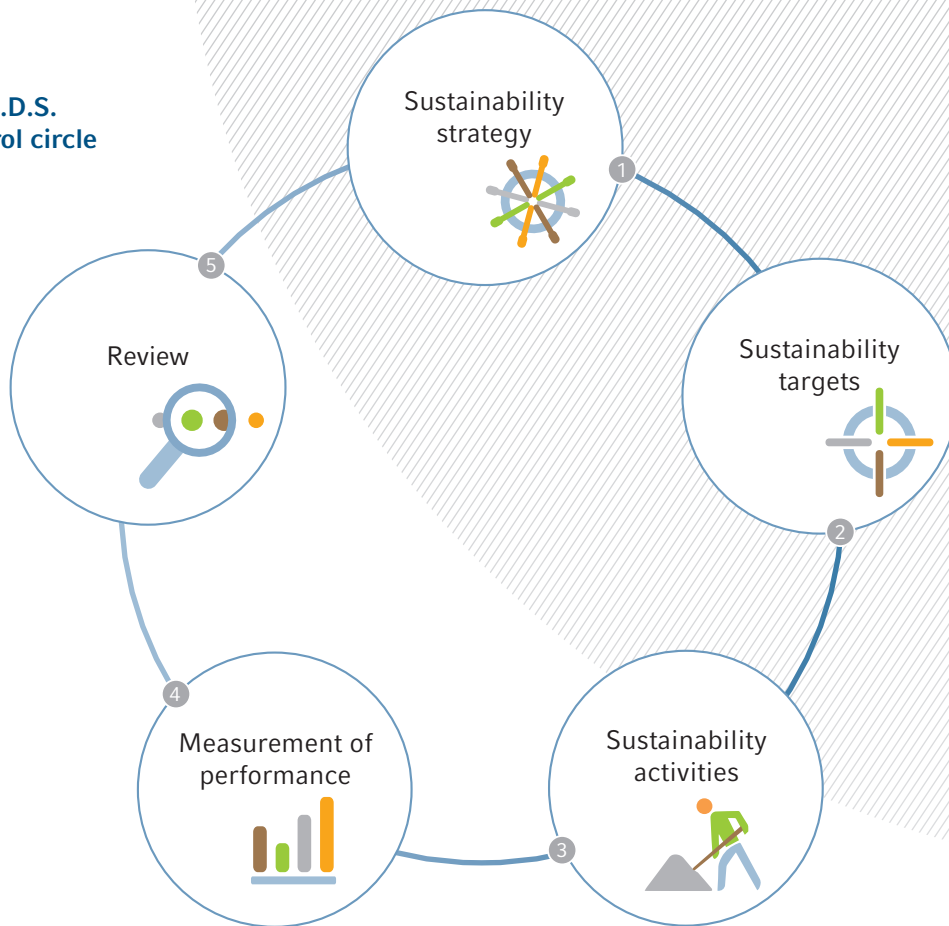
On the basis of the sustainability strategy ①, binding and verifiable targets ② are set for all four fields of focus in the S.E.E.D.S. programme. For example, in the field of environment, one target is to reduce CO<sub>2</sub> emissions by 25 per cent. All relevant departments such as Purchasing, Production, Logistics, Sales, Service, Quality, and HR then define and implement operational measures ③



Strategic sustainability programme

Sustainability in  
Environment  
Employees  
Development & Products  
Society

## S.E.E.D.S. control circle



in order to achieve these targets. However, sound management also requires accountability in order to be able to verify the effectiveness of the measures employed. We do so by defining so-called key performance indicators (KPIs) and target values <sup>4</sup> for all targets and sub-targets within the fields of focus. Every quarter, we survey all relevant data on a Group-wide basis to calculate the individual KPIs. These are then compiled into a central control tool, the Vaillant Group Sustainability Scorecard. When interpreting these figures, we take into account specific factors such as altering production capacities and current production volumes. By comparing figures from the same period in the previous year against the long-term targets during the annual review <sup>5</sup>, we are able to assess the current state of our sustainability performance.

As a result, S.E.E.D.S. constantly provides transparency and enables us to make adjustments where there is room for improvement. In this way, we are constantly developing our sustainability strategy, sharpening or reinitiating targets and individual measures – and the circle begins again. So that we always know if we're on the right path.

Management of our sustainability performance follows the classical control circle of corporate management systems.

## Method in our success

The Vaillant Group has set itself ambitious sustainability targets for the years ahead. But how can we implement and achieve them? By employing differentiated management systems and introducing Group-wide processes.

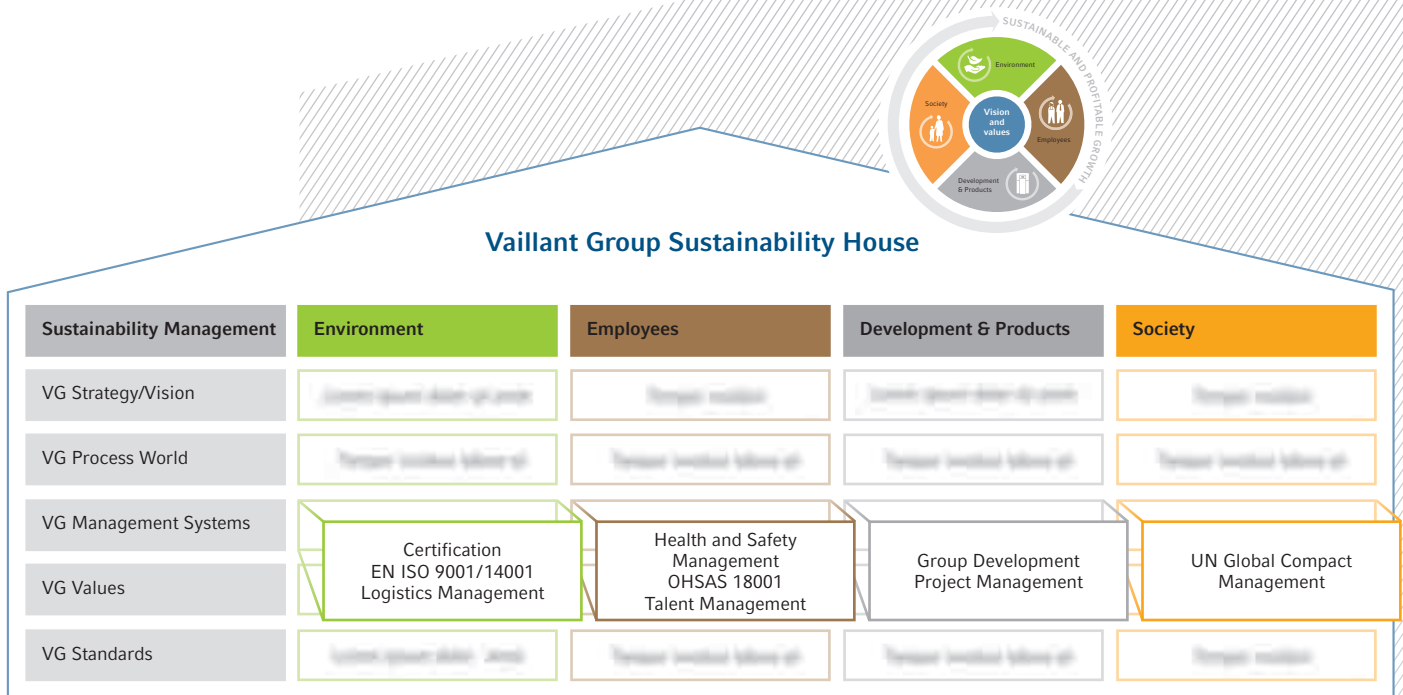
**A 25 per cent reduction in CO<sub>2</sub> emissions,** reducing the number of accidents at work to zero, living the Ten Principles of the Global Compact and increasing the share of high-efficiency products to 80 per cent – these are just some of the Vaillant Group's sustainability targets until 2020. If we realistically want to achieve these, we need Group-wide control mechanisms. This is where differentiated management systems come in. They enable us to control the company's performance in terms of environmental protection, health and safety, and quality.

Benchmarks for corporate management systems are set out in Europe-wide standards. The Vaillant Group regularly commissions independent institutes to audit application of and adherence to

these benchmarks as part of a so-called multi-site certification process. The majority of our sites have been certified as compliant with quality standard EN ISO 9001 and environmental standard EN ISO 14001. The former governs the standard for quality management in a company, the latter the continuous reduction of resource consumption and pollutant emissions. And we are just as ambitious when it comes to workplace health and safety. We are currently preparing for Group-wide certification of our policies on occupational health and safety in accordance with the international standard OHSAS 18001. The Vaillant Group's commitment to quality management, environmental and occupational health and safety policies is out in the open for all to see. What's more, the Group subjects its benchmarks to regular review.

The Vaillant Group Sustainability House accommodates all the company's sustainability activities within the S.E.E.D.S. fields of focus.

However, the management systems and the associated standards make up just one level in the Vaillant Group Sustainability House. The house accommodates all the company's sustainability activities in the fields of focus Environment, Employees, Development & Products and Society. Another important level in the Vaillant Group Sustainability House: the VG process landscape.



Driving sustainability forward in an international company requires a common language in the form of processes. This is due to the fact that Group-wide processes are necessary for laying down standards that ensure sustainability aspects are taken into account throughout the value chain. There are four major processes within the Vaillant Group. The first is the Group Development Process (GDP), which covers the entire product life cycle through to recycling already at the product development stage. The Group Production Process (GPP) describes production steps in a simple, standardised and clear manner. The Group Market Process (GMP) guarantees the fulfilment of customer requirements and long-term customer retention. Last but not least, the Group Service Process (GSP) describes the activities of our service technicians and installers.

A great deal of corporate responsibility lies behind these abbreviations. Our goal is to anchor sustainability in all company departments through these processes in order to comply with legal standards, conserve resources and the environment and conduct business in a socially responsible manner. "The Vaillant Group standard for environmentally friendly product design applies to all our developers," says Marion Storch, the Sustainability Manager responsible for Development & Products. "By considering the entire product life cycle as early on as possible, we are in a position to meet our customers' expectations of our products in terms of their environmental impact." It is a complex task, as processes ultimately control interaction beyond departmental and national boundaries. The goal is always to guarantee higher quality and thus ensure sustainability. At every level.

## What's essential

The Vaillant Group actively exchanges ideas, views and experiences with important stakeholders through diverse forms of dialogue. We do so because the expectations of customers, partners, suppliers, employees, owners, and other relevant stakeholders are of major relevance to the strategic direction of our sustainability management. This year, we conducted a systematic survey among internal and external stakeholder groups for the first time.

Through the S.E.E.D.S. programme, the Vaillant Group realigned its strategic sustainability management in 2011. Binding, measurable sustainability targets were defined in the following year. Based on these considerations, the Vaillant Group recently conducted a materiality analysis, which helps us to define sustainability issues that are essential to our business more precisely. In essence, the main issue was to establish which areas of action are of great significance for conducting sustainable, responsible business from the point of view of our stakeholders and the company.

All Top sustainability issues are dealt with systematically. We will focus in particular on the most relevant issues among them.

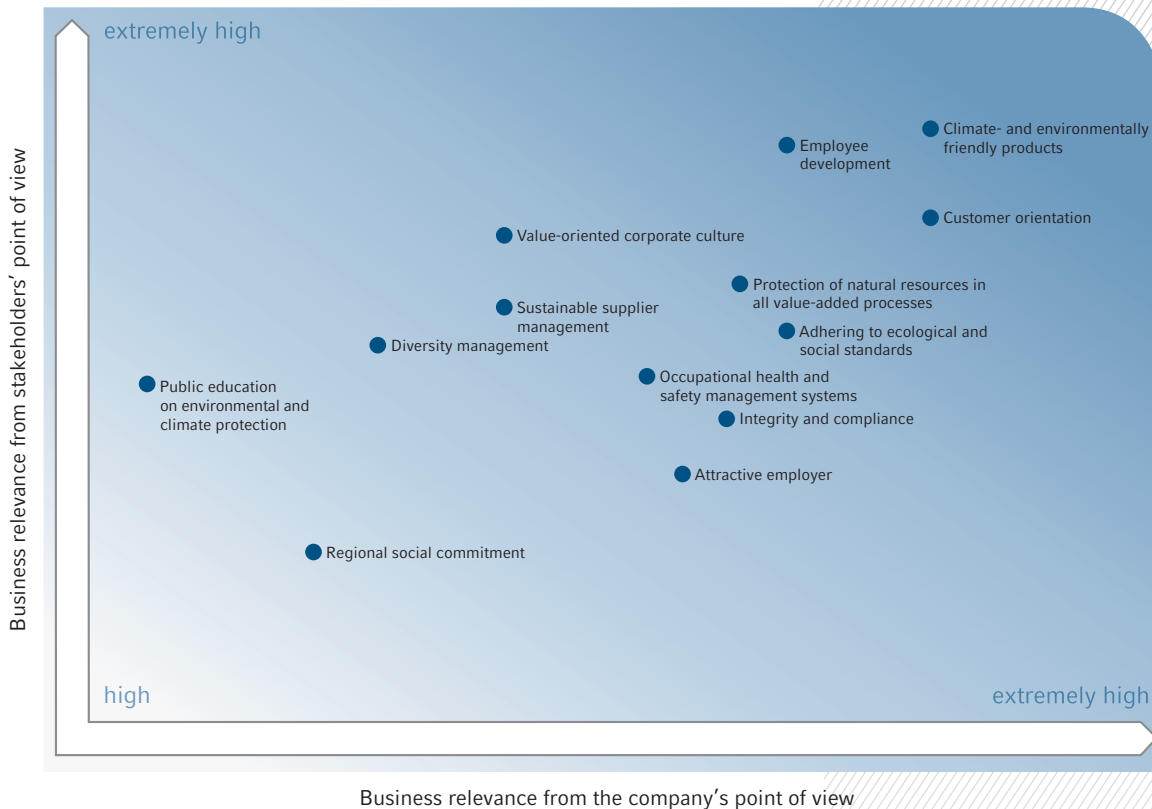
### Approach

In order to ensure that the methods used are accurate and appropriate, the Vaillant Group has adopted a step-by-step approach to analysing the main sustainability issues. First of all, the key issues within the fields of focus Environment, Employees, Development & Products and Society were specified in line with the provisions of the S.E.E.D.S. programme. This resulted in a list of the 20 most important sustainability issues based on the projects and activities already underway.

Following this, four subgroups were identified as the primary stakeholders from among the groups that are relevant to the company – customers/partners, suppliers, local authorities sustainability community, and owners. In a written survey, Vaillant asked these groups to assess the importance of the sustainability issues from a subjective point of view. In addition to this stakeholder survey, interviews were conducted with selected employees from central departments (R&D, Production, Finance, Marketing, HR, etc.). The results of the written survey and the internal discussions were compiled into the so-called field analysis. For this purpose, each of the 20 sustainability issues was evaluated based on the assessment by the stakeholders.



## Materiality Matrix



The third step in the materiality analysis consisted of the so-called business relevance analysis, bearing in mind the importance of the issues from the point of view of the company. The sustainability issues were evaluated in terms of three dimensions:

**Risk potential:** To what extent do risks arise if the Vaillant Group does not address the issue at all or not sufficiently?

**Efficiency potential:** How can sustainability performance be made more efficient if the issue is controlled and monitored extensively and in a targeted manner?

**Differentiation and growth potential:** How can we generate business growth or achieve differentiation towards our competitors by tackling issues extensively and in a targeted manner?

### A clear picture

The results of the field analysis and the business relevance analysis are combined and presented in a concise overview: the Vaillant Group Materiality Matrix. The 20 identified sustainability topics are aggregated to issue clusters. The higher up an issue is positioned in the matrix, the greater its importance from the point of view of our stakeholders. The further to the right an issue is positioned, the greater its relevance from the point of view of the Vaillant Group. Those Top sustainability issues that possess exceptionally high importance both for the Vaillant Group and its stakeholders are displayed in the upper right corner of the matrix. All of the Top issues will be dealt with systematically. Those possessing exceptionally high importance we will focus on in particular.

The Materiality Matrix fulfils two important tasks for sustainability management within the Vaillant Group. On the one hand, it serves as a tool for aligning our activities towards implementing the sustainability strategy in a targeted manner. On the other hand, it also represents a corrective measure for reviewing the sustainability strategy itself. In this respect, the insights gained pave the way for the years ahead.

# Our sustainability targets

In the spring of 2011, the Vaillant Group set itself the first binding, verifiable targets in all fields of focus within the S.E.E.D.S. programme. These goals are an indication of the direction we shall be taking until 2020. Until then, we not only intend to provide transparent information on which targets we are on track with but also on where we need to make adjustments to become even better.



## Development & Products

Our goal is to offer our customers energy-efficient and environmentally friendly products throughout the entire product life cycle – from development to purchasing, production and use, and all the way to service and recycling.

# 80

### % Turnover of high-efficiency products



### –15 % Greenhouse gas emission of the product portfolio



### +15 % Material efficiency



## Environment

Protecting the environment and resources is an important part of the Vaillant Group's sustainability strategy. We aim to use resources responsibly, to consistently lower CO<sub>2</sub> emissions, prevent negative influences on the environment and actively use opportunities for improvement.

# –25

### % CO<sub>2</sub>



### +20 % Energy efficiency



### –20 % Water



### –20 % Waste



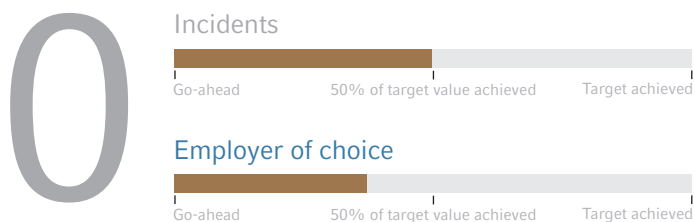
## Sustainability

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 serve as a role model.



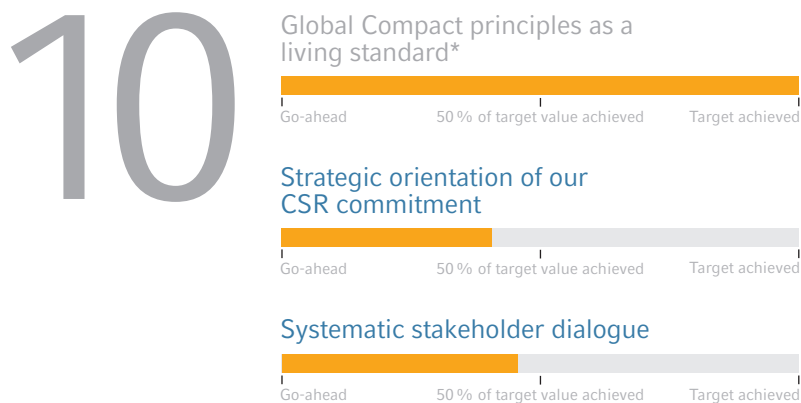
## Employees

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



## 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.



\*The target to procure 80 per cent of our purchasing volume from suppliers who follow the Ten Principles of the UN Global Compact was already reached in 2012. That is why we've raised our target figure to 100 per cent by 2020.

All percentages refer to the 2010 reference year.



“The focus on green products is a key part of our sustainability strategy.

Dr Carsten Voigtländer, Vaillant Group CEO

**You set Group-wide binding targets for the year 2020 for the first time in the previous year. What progress has the Vaillant Group made in achieving these targets?**

► The S.E.E.D.S. programme is proving to be effective and we are well on track for a lot of the targets. We are gradually getting closer to achieving our goal of reducing water consumption Group-wide by 20 per cent by the year 2020. And the condition to procure 80 per cent of our purchasing volume from suppliers who, on our initiative, have signed the Global Compact of the United Nations, has already been fulfilled, which is why we plan to raise this figure to 100 per cent by 2020.

**Are there any issues that you are not yet satisfied with?**

► Yes, without a doubt. Identifying such challenges is not least one of the most important tasks of a sustainability management system. We will be focusing more on the issue of waste prevention. We had planned to reduce waste by 20 per cent and, currently, the opposite is true, in the form of a slight increase in reference to 2010. That's why we have now launched a project to analyse and reduce the amount of waste. The project is being implemented internationally and at all sites. We see this as evidence that the strategic approach of the S.E.E.D.S. programme is working. As data is gathered within a close-knit structure, we learn where we need to make adjustments practically in real time.

**How have both the market and your customers reacted to the Vaillant Group's sustainability activities?**

► We have received extremely positive signals about our activities from our installers and the wholesale trade, but also from our retail customers. The stakeholder analysis of key sustainability issues not least demonstrated this. In this respect, we consciously position ourselves as a company that is serious about sustainability. Our presence at this year's ISH, the world's leading trade fair for energy, air conditioning technology and renewable energies, underlined our focus on environmentally friendly and efficient technologies – true to the motto: “Green is more than a colour. Green is an attitude.”

**What contribution do your products make in this respect?**

► The value of our products cannot be overestimated. As a technology and innovation leader in our industry, we must measure ourselves on how well-equipped our products are for the future. The focus on green products is therefore a significant part of our sustainability strategy and supports the European Union's climate goals as well as the energy turnaround in Germany. Our customers quite rightly have high expectations with regard to efficiency and environmental compatibility in modern heating technology. This explicitly includes the conditions under which they are manufactured.







# SUSTAINABILITY IN ACTION

Sustainability management at the Vaillant Group is built around four fields of focus: Development & Products, Environment, Employees and Society. On the following pages, we explain exactly what each of these entail. We'll show you what issues we're currently working on, what we've already achieved and what measures we're taking to reach our sustainability targets. The transparent figures we provide, and which we openly use as a benchmark, shall be proof that we take sustainability seriously.

We look forward to hearing from you if you have any questions or comments:  
[sustainability@vaillant.de](mailto:sustainability@vaillant.de)







Three questions for Paul de Bruin,  
Marketing Director Netherlands

**What contribution can the Vaillant Group's products make to protecting the climate and conserving resources?**

► In Europe, 40 per cent of energy consumption is attributable to buildings. Efficient heating technology therefore plays a major role in protecting the climate. Using modern technology makes it possible not only to cut energy consumption but also to reduce the emission of harmful greenhouse gases.

**What do your customers demand from sustainable products?**

► The wholesalers and installers among our customers have very specific expectations in terms of our products' energy consumption and eco-friendliness. A new generation of products has to go beyond merely needing less energy than the one before. More and more, people are asking about the materials used in production.

**How are you dealing with these expectations?**

► S.E.E.D.S. takes sustainability aspects into account early on in the development stage. It optimises the environmental impact of our production and downstream processes such as sales, service and the end of the life cycle. As a result, the Vaillant Group is able to position itself as a credible leader of innovation when it comes to green technologies.

## DEVELOPMENT & PRODUCTS

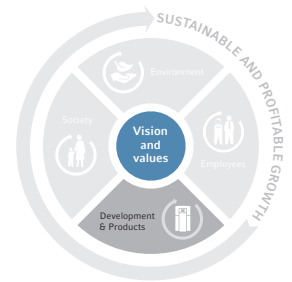
### High-efficiency portfolio

Use of  
**environmentally friendly**  
materials and resources

Implementation of  
**eco-design standards**

Outstanding  
**product safety** and longevity

Optimisation of  
**recycling** and  
waste disposal after use





# Think about tomorrow today

From micro-CHP units or condensing boilers in the basement of your home through to solar thermal collectors on the roof and outdoor heat pump units – the Vaillant Group's product portfolio adapts to almost any customer demand in terms of modern heating technology. This builds bridges towards a future-oriented energy supply.

A computer-controlled heating system that knows exactly how warm the residents want each room – the house of the future is a "smart building" that knows when each family member comes home and regulates the heating accordingly. This is an important factor as 90 per cent of energy used in the home is required for heating purposes. This is why improving the efficiency of modern heating technology is one of the main focuses of the Vaillant Group's sustainability strategy. The use of renewable energies and linking appliances to intelligent systems are others.

## Efficiency through intelligence

Intelligent interaction of all components in a heating system is important for ensuring that efficient individual components also optimally work to-

gether. This kind of system works with an intuitive control that can now also easily be activated via a mobile phone or tablet from the living room couch or even remotely: similar to a ground plan, the user can view all the rooms, including heat and light sources and windows. I'm not at home and want to turn down the heating? A quick swipe of a finger on your tablet is enough.

A step into this direction is the tablet-based control for the ecoPOWER 1.0 micro-CHP unit heating system, which received the German Sustainability Award in 2011. The system, which produces electricity using gas as an energy source, can achieve very high efficiency of over 90 per cent. While more than half of the energy generated by conventional power plants is lost as waste heat,





the domestic power generation system produces environmentally friendly, highly efficient heat and electricity in the basement of your home.

### Renewable and innovative

Thanks to its new developments in solar heating and heat pumps, Vaillant demonstrates innovative expertise on the path to a future with renewable energies. Due to rising energy prices and ecological responsibilities, switching to green energy or retrofitting existing systems is becoming more popular. Solar thermal panels collect energy from the sun and use it for water or home heating. This is one reason why the combination of solar energy and gas condensing technology is an ideal system.

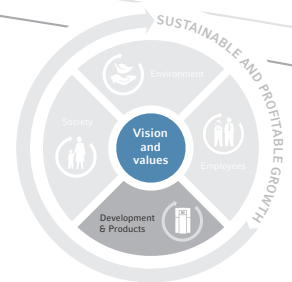
### Two technologies, one system


With the zeolite gas heat pump, the Vaillant Group has a unique technology, which combines condensing boilers, solar energy and the heat-generating property of the mineral zeolite into one system. When it comes into contact with water, zeolite releases heat of up to 80 degrees Celsius without the need for additional energy or CO<sub>2</sub> emissions. This cost-free heat has been introduced for the use in heating circuits for the first time by the zeoTHERM heat pump. The mineral never has to be renewed or replaced as it has a virtually unlimited lifetime.

All these examples show us: Regardless of whether it's for an apartment or a multi-family home in northern Europe or southern China, the Vaillant Group offers its customers efficient and environmentally friendly products that cover individual demands regarding personal comfort.

Efficiency, systems and renewable energies: By focusing our product strategy on these three areas, we provide answers to the question of the heating system of the future. So it really isn't any wonder that efficient and renewable technologies already account for the majority of the Vaillant Group's product sales. And we intend to increase this share in the future. To 80 per cent by 2020, to be exact.

Efficiency, systems and renewable energy are the three main areas of focus within our sustainable product strategy.





# Using geothermal energy along with gas

Gas condensing boilers and heat pump technology are the main products of the Vaillant Group. For the first time ever, these two systems have been combined into a hybrid system in order to utilise the most efficient and cost-effective energy source depending on heat requirements, the outside temperature and the current gas and electricity prices.

**The gas condensing boiler ecoTEC** and a small heat pump unit from the Vaillant geoTHERM product family hang next to one another on the wall: Vaillant's new hybrid system has been available since early September 2012. The heat pump extracts the majority of heat energy from the ground or the air; only a small part of the energy has to be supplied in the form of electricity. Alternatively, the heating can run on the additionally installed gas-fired condensing boiler, which saves up to 30 per cent of energy compared to older

devices. Heat energy is even extracted from the waste gases.

With this new hybrid system, the temperature regulator calorMATIC decides whether the heat pump, the condensing boiler or a combination of both cover the heating requirements. "triVAL" is the name of the process that selects the most efficient and cost-effective source of energy in accordance with heating requirements, the outside temperature and the current gas and electricity prices.

In this way, Vaillant offers users maximum efficiency at the lowest cost in every operating mode. In times of rising or fluctuating electricity and gas prices, the customer enjoys a high degree of flexibility and is well-equipped for the future. In addition, the wall-mounted heat pump increases living comfort in summer thanks to an integrated

The hybrid system provides our customers with efficient, low-cost heating in every operating mode.

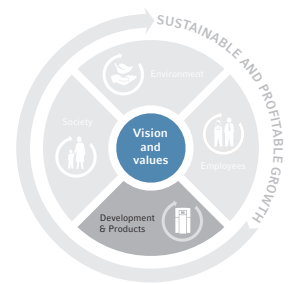


- 1 The new hybrid system is composed of the gas condensing boiler ecoTEC and a small heat pump unit from the Vaillant geoTHERM product family.
- 2 As an innovative project, the system embodies all three focus areas in the Vaillant Group's sustainable product strategy.
- 3 An intelligent temperature regulator decides whether the heat pump, the condensing boiler or both cover the heating demand.

cooling function. The unit can be used in combination with all Vaillant gas-fired condensing boilers that are equipped with eBUS controllers. This also makes it suitable for retrofitting into existing heating systems.

Incidentally, the wall-mounted heat pump was developed by teams of experts at the Vaillant Group site in Vitoria, Spain, as well as in Remscheid. The heat pump module has been manufactured at the Gelsenkirchen plant since the end of August

2012, while the air-heat exchanger is produced at the Vaillant Group plant in Nantes. As an innovative project, the hybrid system embodies all three areas of focus in the Vaillant Group's sustainable product strategy: it is efficient, uses renewable energies and works as an intelligent system.





## High-tech in series

### 1 Award-winning: British embassy built with green Vaillant technology

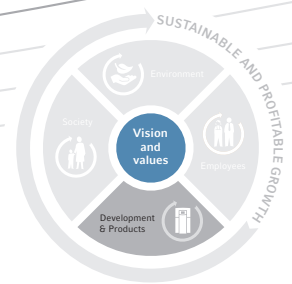
To reduce the carbon footprint – this was the aim of the British embassy in Zagreb when British and Croatian architects started on a new, green design for the building two years ago. Vaillant Croatia was involved in a consulting role, but also supplied a complete heating and cooling system. Four solar collectors and a ventilation unit were also installed in addition to a geoTHERM heat pump featuring a multi-functional storage, plus a drinking-water and solar-charging station. The overall concept won the “Award for Greening”, which is awarded by the British Foreign & Commonwealth Office. The British ambassador in Zagreb, David Slinn, said, “It is important that we only use technology that can be bought in Croatia.”

### 2 Prize for zeolite gas heat pump

“The most efficient gas heating system in the world for energy modernisation of single-family houses” – with these words, the Bundesarbeitskreis Altbauerneuerung “BAKA” (German committee for modernising old buildings) gave special praise to the Vaillant zeolite gas heat pump zeoTHERM. The “Award for Product Innovations 2013” was presented at the BAU trade fair in Munich under the patronage of the Federal Minister for Transport, Construction and Town Development, Peter Ramsauer. The award goes to pioneering ideas that are particularly suitable for modernising existing buildings. zeoTHERM combines the world’s first high-efficiency gas condensing technology with regenerative environmental heat in the form of solar energy plus the environmentally friendly mineral zeolite. The mineral reacts with water to produce heat, which is then fed into the heating circuit. This increases the efficiency of the system by up to 33 per cent in comparison to modern gas condensing technology.



- 1 The British embassy in Zagreb won the "Award for Greening" thanks to green Vaillant technology.
- 2 The innovation award for the Vaillant zeolite gas heat pump zeoTHERM was accepted by Dr Jens Wichtermann, Director Corporate Communications, Sustainability Management and Politics (2nd from left), and Corinna Wnuck, Manager Corporate Communications (4th from left).
- 3 Vaillant Group products are designed to be sustainable throughout their entire life cycle. That includes their design.
- 4 auroFLOW plus is the first Vaillant solar system with drainback technology.



### 3 For sustainable design

Vaillant Group products are designed to be sustainable throughout their entire life-cycle. There are two methods that help us to take a green approach in product design right down to the last detail: the internal standard "Environmentally Oriented Product Design" serves as a Group-wide basis for all developers to keep the ecological footprint of a particular product as low as possible. Our developers are careful to use pure materials, which make it easier to recycle the product later on. The Product Design Guide ensures that the entire portfolio conveys the same brand message. The design is meant to outwardly convey to the end user what we have achieved in the construction of products with regard to technological, economic and ecological demands. In combination with an interactive concept based on the use of intuitive control elements that makes it easier for our customers to utilise efficient, environmentally friendly modern heating technology, we offer a convincing product experience.

### 4 Product innovation in solar thermal energy

Vaillant released its first solar system with drainback technology for multi-family homes on the market in April 2013. auroFLOW plus is currently sold in 15 different European countries. The technology is particularly suitable for Southern Europe as the drainback system prevents solar fluid from stagnating and evaporating in strong sunlight. Instead, the collector empties itself and automatically fills with air as soon as the heat storage tank is full and no more solar energy is required. The auroFLOW plus devices are also made from recycled materials and the compounds easy to separate. The outlook is promising: the number of drainback systems sold in a year could save up to 2,700 tonnes of CO<sub>2</sub>.





Three questions for Lutz Forßmann,  
Head of Vaillant Group plant Remscheid

### How important is sustainability in manufacturing?

► Our products are modern and environmentally friendly – we also need to meet these standards in manufacturing. We already made immense strides forward in the past 20 years, halving energy consumption at the plant and even reducing water consumption by 80 per cent. S.E.E.D.S. is now an incentive to make even more improvements and achieve our environmental targets by 2020.

### At which stages is it possible to make manufacturing more ecological and environmentally friendly?

► We already have to think sustainably in the planning phase. For example, we stipulate environmental requirements in the technical specifications documents when we buy machinery, and consider the purchase of equipment as an ecological investment. Short-term, limited thinking and action often turn out to be a mistake later on.

### How important are strategies for greater sustainability in manufacturing?

► Strategic planning is essential. However, being a model of our own conduct and actions is important for our credibility. The issue thrives on the commitment of individuals and the initiative they show in manufacturing.

## ENVIRONMENT

# Comprehensive environmental management for the reduction of

CO<sub>2</sub> emissions,  
energy and  
water consumption,  
and waste,

at production and administration sites  
as well as in logistics







## Put to the test

They take a product from idea to market: the test centres at the Vaillant Group's various development sites. However, the extensive testing that is carried out on components and whole devices to assure function, durability and safety requires energy and water. With this in mind, Group-wide optimisation of processes is setting new standards to reduce fresh-water consumption, save energy and lower emissions.

**Gas condensing boilers, heat pumps and solar panels** undergo rigorous tests by the Vaillant Group prior to installation. They are tested for function, durability and safety. The company conducts these tests in its own test centres, which are located at each of the six development sites.

The Vaillant Group has established a Group-wide standard to increase the efficiency of the test runs and to reduce the amount of energy and water required. "One by one, we look at the consumption of resources, occupational safety and the availability of test facilities in every test centre," says Swen Engelhaupt, Vaillant Group Head of Product Safety, who developed the standard with his team during the past few months.

The team applied the standards for the first time at the test centre at the Vaillant Group site in Wuxi, China, which recently went into operation. This means that the total energy generated during the test runs can now be used at the plant. Sites where this is not possible due to structural conditions will be taking even greater care to use resources efficiently. "In Remscheid, for example, we reduced fresh-water consumption by 60 per cent within a year and doubled the cooling capacity by installing a closed water-cooling system," says Andreas Sander, who is responsible for all test centres in the Group. At the same time, our experts reduced noise emissions from the facilities to room volume out of consideration for nearby residents. In addition, a remote monitoring system



②

- 1 Put through their paces: Vaillant Group products undergo rigorous testing at the test centres.
- 2 The heart of the system at the Remscheid site: four cooling machines keep the water at a constant temperature.
- 3 The new closed recirculating cooling system significantly reduces fresh-water consumption – and by switching to passive cooling when the outside temperature is below 14 degrees, it is also environmentally friendly.



③



can provide information on energy consumption at any time in order to avoid energy-intensive peaks in demand. An advantage that pays off economically as well as ecologically: the savings on electricity, water and utilities total approximately €125,000 annually.

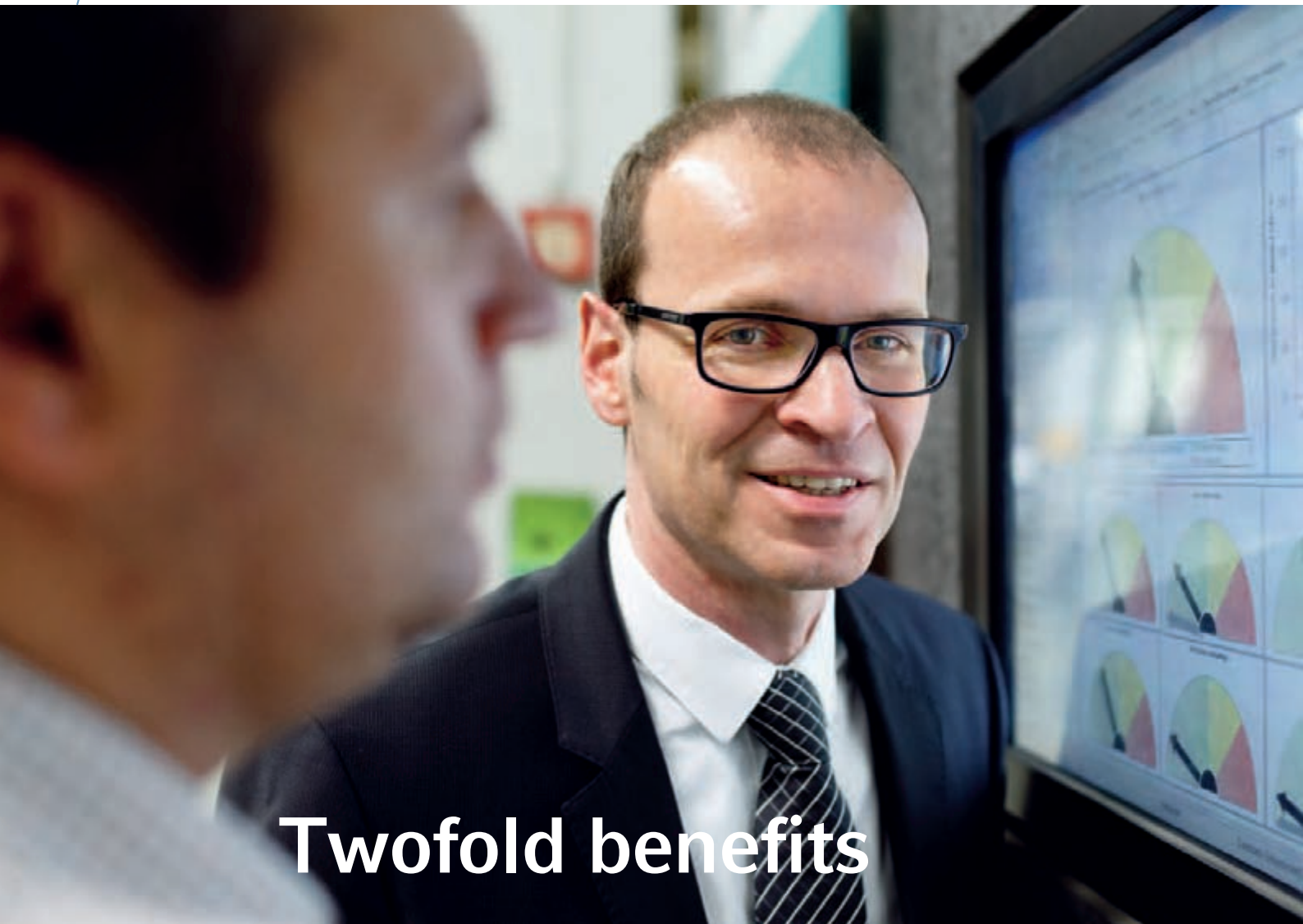
This continuous optimisation process is managed by a newly appointed team that assumes central responsibility for the test centres at the development sites in Remscheid, Nantes, Skalica, Wuxi, Vitoria and Bozüyük. "The advantages of centralised management are plain to see," explains Engelhaupt. "Besides optimising utilisation of capacity at the test centres, we can ensure that all Group-wide test centres meet the highest standards of environmental protection, energy efficiency and safety."

Regular investments are necessary in order to comply with state-of-the-art technical requirements. In fact, the Vaillant Group invested nearly

two million euros on infrastructure and test equipment company-wide in the last two years. An investment that brings us closer to a long-term goal of reducing consumption of fresh water and power at all development sites as well as guaranteeing optimum, standardised conditions for essential quality and safety tests through the use of targeted measures.

**The test centres at the Vaillant Group's development sites accompany a product from idea to market.**





## Twofold benefits

The Vaillant plant in Gelsenkirchen is exploring new avenues in energy efficiency: an extensive monitoring system indicates how much electricity, gas, water and compressed air are consumed and where. The readings are updated every second of every day. Various projects have been implemented as a result of these monitoring efforts, such as a new, more economical lighting concept.

**Those who look very closely** can see them at various points in the plant. There are 40 tiny sensors on electrical installations, water pipes and manufacturing equipment that digitally measure consumption of electricity, water, gas and compressed air. They are part of the energy monitoring system that was introduced at the Gelsenkirchen plant last year and give exact information about when, where and how much energy is being used. "The system allows me to look at the various levels of consumption for whole buildings, individual systems or even just the energy

requirements for heating and lighting," says Chris Scheibe, Head of Industrial Engineering at the Gelsenkirchen site. You can see how much energy is consumed for lighting, for example, with just a quick glance at a computer or tablet. Other displays show the daily costs incurred by the air compressors, for instance, or we can compare current energy consumption with that of a week or a year ago.

"Initially, we just wanted to see the actual status," says Scheibe. "But then it was, of course, a logical step to reduce energy consumption for the purpose of achieving the Group-wide targets and to increase efficiency. So we initiated various projects in order to do so." For example, we have replaced the entire lighting system in all manufacturing buildings at the Gelsenkirchen site, substituting the old mercury steam lamps for a highly flexible lighting system with modern,

Energy monitoring is an excellent way of permanently increasing energy efficiency at a production site.



- 1 Chris Scheibe, Head of Industrial Engineering at the Gelsenkirchen site, is able to calculate to the exact second where electricity, gas and water are being used at the plant.
- 2 Several projects to increase energy efficiency have since been initiated.
- 3 40 tiny sensors measure consumption at meters all over the Gelsenkirchen plant.



energy-saving fluorescent tube lighting. The total energy savings here amount to €120,000 annually. "We have reduced energy consumption by 16 per cent at the Gelsenkirchen site with the new lighting system alone," Scheibe stresses.

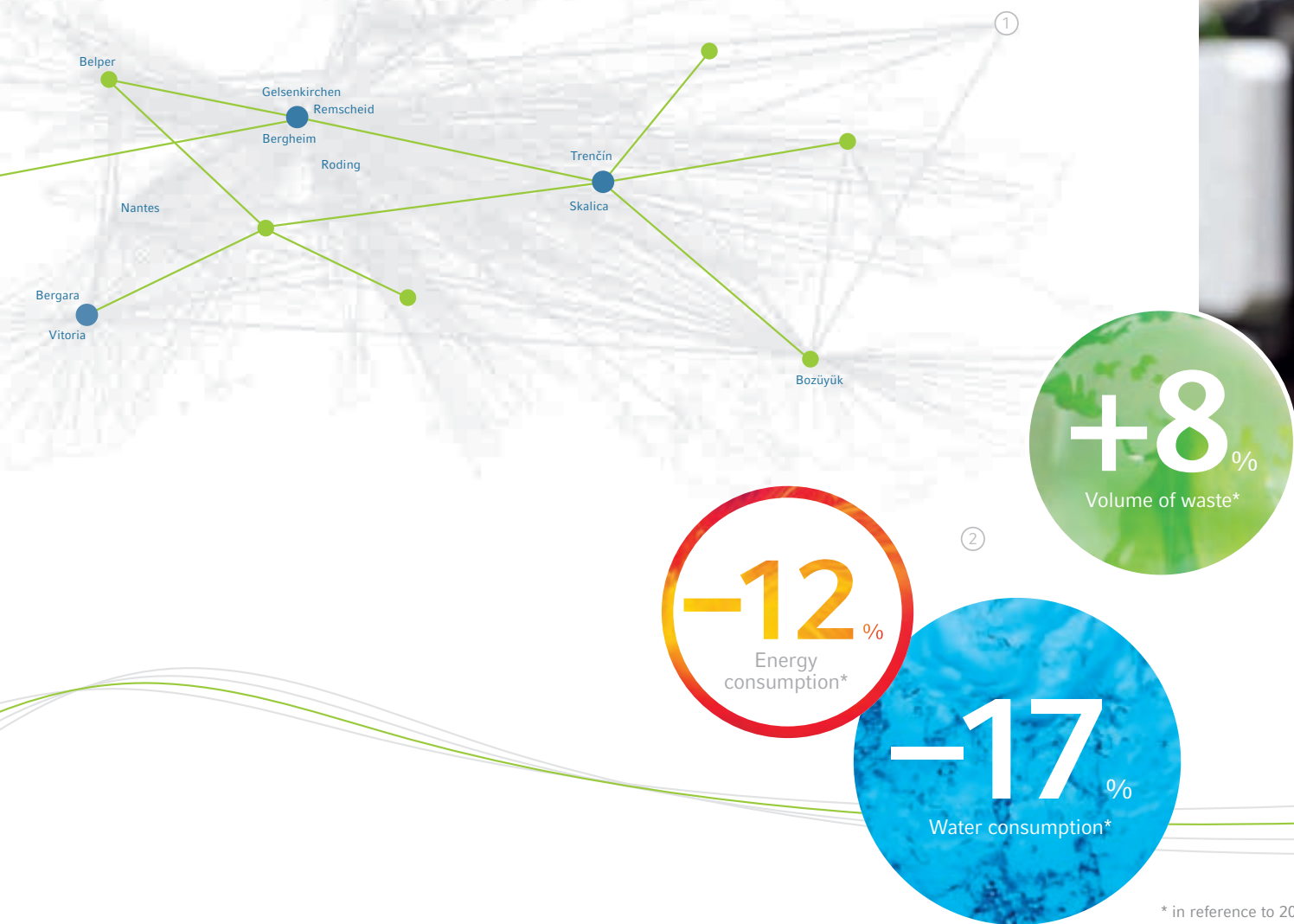
The monitoring system also revealed that the four existing air compressors were constantly running on full power. "By implementing a new method for regulating the compressed air and patching leaks, we were able to shut down two of the compressors. This allowed us to drastically reduce the consumption of compressed air, which is a very inefficient medium anyway, and save up to €40,000 every year," emphasises Scheibe. And by changing over to eight ecoCRAFT gas condensing boilers, which are manufactured at our own sites, an additional €40,000 can be saved in heating costs.

Another major advantage of the monitoring system: the system immediately reports any discrepancies or if limits have been exceeded. "So if water consumption suddenly increases dramatically at a particular point, my staff and I receive a text message or e-mail," says Scheibe. "We

can then immediately investigate the issue and intervene quickly. Before the monitoring system was introduced, we had one case where we didn't notice that too much fresh water was flowing into a cooling cycle until the water bill arrived two months later. These are costs we can now easily avoid." Even machines that haven't been switched off over the weekend can be identified and shut down in that way.

For Brigitte Kruse, Head of Sustainability Management at the Vaillant Group, energy monitoring is an excellent way to increase energy efficiency at a particular plant permanently. "Gelsenkirchen is a pilot project, which we intend to roll out at other Group locations," says Kruse. "As the site is our manufacturing base for solar systems, heat pumps and CHP units, it is where we employ the most renewable technologies. So it made sense to implement a tool to increase energy efficiency here first."

In Gelsenkirchen, we now want to install monitoring equipment on individual systems to find out which are the largest energy guzzlers at the plant. "This again poses huge potential for improvement."



## Step by step

### 1 Reducing CO<sub>2</sub> in the logistics chain

Given the aim to reduce CO<sub>2</sub> emissions in logistics processes, which is an important target in the S.E.E.D.S. Environment field of focus, the Vaillant Group has developed a "CO<sub>2</sub> reporting tool" in the Logistics division. This tool allows us to calculate the carbon footprint for all goods transported based on the weight of the goods, the length of the route, the mode of transport used and the respective energy consumption. So, for instance, we can see how much CO<sub>2</sub> is produced on the journey from Remscheid to Trenčín. It is also possible to simulate how this value changes when sections of a journey are moved from road to rail transport. The tool enables us to establish concrete steps for the reduction of CO<sub>2</sub> emissions in logistics – one of our binding sustainability targets aims to reduce levels by 15 per cent by 2020.

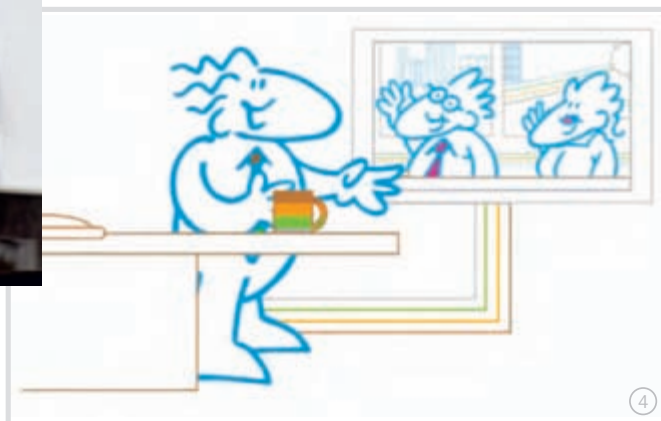
### 2 S.E.E.D.S. starts to make an impact

The figures for our environmental performance show it: The Vaillant Group's sustainability programme S.E.E.D.S. is already having a positive effect in many areas. By taking coordinated individual measures at the manufacturing sites, we have significantly improved energy efficiency and have already reduced total energy consumption by twelve per cent. The target for the year 2020 is to reduce consumption by 20 per cent. Water consumption has already been cut by 17 per cent and a reduction of 20 per cent by 2020 is realistic. However, the figures also show that a lot more needs to be done, such as in the area of waste prevention. The volume of waste has actually risen by eight per cent. In order to meet the target of producing 20 per cent less waste, therefore, a strategic project has now been launched to determine where improvements can be made throughout the Group and to apply appropriate measures.





- 1 The "CO<sub>2</sub> reporting tool" allows us to calculate the carbon footprint for all transported goods.
- 2 The figures for our environmental performance show it: S.E.E.D.S. is already having a positive impact.
- 3 A drinking-water station combined with a solar system saves up to 3.8 tonnes of CO<sub>2</sub> at the Remscheid plant each year.
- 4 Video conferencing instead of a business trip: in this way, employees can make a significant contribution to sustainability at the Vaillant Group.



### 3 Safe and efficient

Employees at the Vaillant plant in Remscheid are benefiting from a new technology incorporated into the showers and sanitary facilities. A drinking-water station combined with a solar system provides an efficient way of heating water, saving 3.8 tonnes of CO<sub>2</sub> per year. The storage cascade allSTOR supplies hundreds of people with fresh, hygienic, warm water every day. At the same time, the drinking-water station rules out contamination of drinking water with legionellae. These bacteria multiply in warm, stagnant water, such as occurs in hot-water storage tanks. The drinking-water station, however, instantly heats up the desired amount of water through a heat exchanger. This hygienic method of heating water is also particularly suitable for single- and multi-family homes.

### 4 As much as a refrigerator in 25 years

Remscheid in the morning, Moscow in the afternoon, and back in time for dinner. Thanks to video conferencing technology, this is no longer a problem for Vaillant Group employees. A Group-wide communication campaign has been launched to encourage employees to hold more virtual meetings. This kind of technology offers major benefits for an international company such as the Vaillant Group as it facilitates networking within the Group significantly. There's no need for employees to travel to and from meetings, which of course helps to cut down on expenses and resources. Virtual meetings are low-emission and save both time and money. Here's a comparison: An average business trip with participants from four different locations produces 2.2 tonnes of CO<sub>2</sub>. That's the equivalent to what a refrigerator produces in 25 years.







Three questions for Neil Partridge,  
Human Resources Director Region West

### How important is sustainability for potential employees?

► There is an increased awareness of this subject among job applicants and employees alike. Especially young professionals and graduates are looking to work with organisations that have a vision they can identify with. Applicants generally look for more in a job than mere financial benefits. During job interviews, they ask very explicitly about our approach to sustainability issues.

### How significant is this trend for you?

► The trend to sustainability is a global irreversible trend, and we are well advised to promote our credentials to the full. The quest for the best talents can only be successful if applicants are aware of the social relevance of our core business for climate and resource matters. Offering meaningful jobs with a green edge will be a central factor in future recruiting.

### What does this mean for your HR activities?

► Increasing our attractiveness as an employer is a binding target of our sustainability strategy. We have taken first measures and defined the road ahead within our "Spirit" culture of values. However, we are aware that we need to integrate sustainability and the S.E.E.D.S. targets even better into our daily work.

## EMPLOYEES

Raising our profile as an  
**attractive employer**

Tailored  
**employee development**  
programmes

Reduction of accidents at work through the  
**introduction of a**  
**management system**  
for occupational safety





# What sets us apart

Entrepreneurship, trust, integrity and passion – these are the four key values on which the Vaillant Group's corporate culture is based. They serve to provide guidance for our actions in day-to-day business. Specific principles and conduct guidelines have been established to ensure that every employee has a better idea of what each of these values stand for.

## A corporate culture based on values increases performance levels

– this is something that experts agree on. Companies whose actions are value-based are able to remain competitive in the long term and win over more committed employees. Corporate values set out common goals and guide us in our daily operations. The Vaillant Group Spirit has permeated the company since the middle of 2012. It is based on the central company values of entrepreneurship, trust, integrity and passion. "A world of values, which serves to indicate the direction our own actions should take," as Frank Liebelt, Vaillant Group HR Director, stresses. Each of the four values is based on three principles. How these can be lived as part of our daily work is laid down in the conduct guidelines – in a precise yet unpatronising manner.

"Entrepreneurship" also encompasses the issue of sustainability, which is of course firmly anchored in the new Vaillant Group Spirit. The principle of "We act sustainably" is illustrated by a concrete code of conduct: "As an employee I make sensible use of resources and consider financial, ecological and social responsibilities." The clear-cut, practical formulation is designed to make it easier for employees to embrace the new world of values. The same logic applies to the other values. For instance, in order to be able to get a better picture of what "integrity" entails, the associated principle of "We take responsibility" is made tangible in a concrete conduct guideline as follows: "As an employee I take ownership for my decisions, performance and results." The guideline for the principle of "We rely on each other", which is part of "trust", states



### ENTREPRENEURSHIP

- We exceed customers' expectations
- We go for ambitious goals
- We act sustainably

### TRUST

- We rely on each other
- We share our knowledge
- We learn from mistakes

### INTEGRITY

- We act respectfully
- We take responsibility
- We abide by laws and rules

### PASSION

- We inspire people
- We fight for our ideas
- We celebrate success



Sharing knowledge,  
inspiring people – just two  
of the underlying principles  
of the Vaillant Group Spirit

that: “As an employee I encourage team spirit and solidarity while respecting individual personalities of team members.”

“Values, principles and conduct guidelines apply to all company employees,” says Liebelt. For managers, however, there is an additional guideline for each principle. “At the end of the day, they have a special duty to act as role models.” So, for instance: “As a leader I create an environment in which individuality is accepted and our values implemented.” Managers also commit to ensuring that team members can integrate their skills according to their abilities, and that measures are taken to implement the corporate strategy, and to safeguard success in the long term.

There was an initial training course for managers to encourage the promotion of values within the company. Group-wide employee workshops on the Vaillant Group Spirit are to follow. In order to ensure that the Vaillant Group Spirit is upheld, the underlying values and how they are applied in daily work life are discussed in teams, at Spirit events

and on the intranet. But also in the context of HR tools such as the Junior Management Circle for future managers, or the Corporate Basics Training for new employees.

“We are convinced that the new world of values is part of responsible corporate governance throughout the Group, which therefore includes all employees internationally,” says Liebelt. “Respectful and sustainable actions are just as much a part of this global approach as sharing and developing skills, team spirit and, above all, mutual trust.”

**In the Vaillant Group Spirit,  
the issue of sustainability is  
also firmly anchored in the  
value “entrepreneurship”.**





# Up the career ladder

To fill 75 per cent of management positions internally – the Vaillant Group is committed to this goal as part of its sustainability strategy. One way of getting there is the new Vaillant Group myWay management development concept.

## Motivating and encouraging our employees

as well as offering them prospects for advancement – for the Vaillant Group, these are not just promises in order to increase our overall attractiveness as an employer. The goal of filling 75 per cent of management positions internally is clearly laid out in the sustainability strategy. This ensures that the company is strongly positioned for the future with a motivated workforce that can and wants to advance.

One instrument that will help us to achieve the 75 per cent mark is the new management development concept entitled myWay. The concept literally treads new paths as experts or project managers can now also rise into management positions besides traditional leaders – an approach that is new for the Group. “Until now, when someone moved into a management position, they usually also assumed (increased) responsibility for person-

①



Vaillant Group  
Management Development

nel,” explains Imke Niehaus, who is responsible for Group HR Development. “Our previous development programmes focused on employees with leadership potential. In the future, we intend to go a step further and also include project managers and experts in the programmes.”

There are many employees who have specific expertise or strong project management skills and



- 1 With the Vaillant Group myWay management development concept, the company is treading a new path.
- 2 Many paths lead to the top – myWay gives project managers and experts the opportunity to rise into management positions.
- 3 The basis for Vaillant Group myWay is the introduction of four management levels, which have a pyramid structure.



possess a wide range of experience, but who are not natural leaders. “These employees will also benefit from the new management development concept that aims to systematically develop the abilities of all managers,” says Niehaus. In this way, the existing talents and skills of employees are addressed and refined in greater depth.

For example, for an expert this means: He or she is a source of expertise in a particular subject area and is positioned at management level due to the high complexity of the task, or because of a high budget responsibility. An expert is responsible for imparting knowledge throughout the company as well as advising others, and frequently works on cross-functional projects or conducts his or her own specialised projects. “He or she is thus

sought after as an expert and at the same time has the interests of the entire company in mind,” says Niehaus.

The basis for Vaillant Group myWay is the introduction of four management levels, which have a pyramid structure. “Within this structure, the managers can continue to develop as experts, project managers or executives,” says Niehaus. However, the managers do not have to follow a set path.

Employees can acquire qualifications through participation in so-called “management training” and “management development programmes”. The training part qualifies them for their current position, whereas the development programmes are designed to prepare employees with potential for one of the next management levels.

The myWay concept is international: the events are to be held in English and attended by managers from across the Vaillant Group.

One instrument that will help us to fill 75 per cent of management positions internally is the myWay management development concept.





- 1 Junior Management Circle, the Vaillant Group's programme for preparing young talent for managerial roles, is now also open to the industrial divisions.
- 2 Vaillant trainees switch roles with apprentices from around the region.
- 3 The new Company Health Centre in Remscheid offers various courses and presentations on health issues.
- 4 Eight out of ten Vaillant employees expect their superiors to take sustainability aspects into account when making corporate strategic decisions: Rebecca Möller, Manager Corporate Communications, presents the results of her survey.



## Joint success

### 1 Career at the plant

Upgrading qualifications in order to be able to prove oneself in a management position – that's the idea behind the Vaillant Group Junior Management Circle. The programme has already been established for our employees in commercial areas, and now it has been extended to our industrial divisions. 13 candidates from the Remscheid, Gelsenkirchen and Bergheim plants have joined the programme to be trained as the next generation of managers. Our young colleagues from the industrial divisions now also have the opportunity to prepare for managerial roles such as team or group leader at the plants. This also helps Vaillant retain young up-and-coming talents. The programme is designed to impart knowledge on subjects such as personal development, team structures, values and leadership skills.

### 2 Trainees on exchanges

One is a mechatronics trainee at the Vaillant Group, the other is an apprentice plant mechanic for sanitary, heating and air conditioning systems at a Remscheid installation company. But the trainees are to switch roles for two weeks as part of a project between Vaillant and businesses in the region. While one trainee obtains practical experience on the job, the other can take advantage of the Vaillant Group training workshop and gain valuable insights into day-to-day operations at a large industrial company. This way, Vaillant aims to fill service technician positions from within its own ranks. By working at an installation company, Vaillant trainees can discover whether they enjoy working directly with the customers and whether they want to continue to qualify as a customer service technician.



4



3



### 3 Committed to health

Yoga, Pilates, autogenic training – since the new Company Health Centre opened, employees of the Vaillant Group in Remscheid are able to choose from various courses to keep fit. The centre also offers information about preventive health measures. The on-site health management service also stages events in cooperation with experts on key topics such as skin cancer, diabetes, addiction, allergies and mental illnesses. The health of our employees is a matter of major concern to the Remscheid-based family-owned company. Vaillant places great emphasis on providing preventive measures as well as comprehensive information to encourage the workforce to take responsibility for their own health.

### 4 Employee survey on sustainability

“What do you associate with sustainability?” Questions like this were answered by 250 Vaillant Group employees in a survey conducted in Germany at the end of 2012 as part of a master thesis on embedding sustainability into the company. Their own suggestions were also welcome. The main message: Sustainability has been recognised as an important issue. The survey revealed that eight out of ten respondents expect their superiors to take sustainability aspects into account when making strategic corporate decisions. The participants see specific potential for improvement in the use of renewable energies at the sites and in the reduction of product packaging. Another finding: Two thirds of the participants found that the pursuit of a sustainability strategy makes the Vaillant Group an attractive employer.







Three questions for Martin Jungbluth,  
Director Group Purchasing

### What role does membership in the UN Global Compact play in purchasing?

► The Vaillant Group has had high standards for purchasing for years. The introduction of the Ten Principles of the UN Global Compact is thus a logical step in its support of human rights, labour standards, environmental protection and anti-corruption measures.

### How are we implementing the Global Compact's Ten Principles in the value chain?

► Every supplier must confirm that its company is working towards implementing the Ten Principles. If it doesn't, we won't include it in the Vaillant Group's supplier panel. Our suppliers also pass this requirement on to the other companies in their supply chains.

### How many suppliers already fulfil these principles today?

► By late 2012, 80 per cent of suppliers had already responded to our enquiries. In general, there is no debate about fulfilling the Ten Principles. In order to reach an even higher rate, we have started including fulfilment of the UN Global Compact Principles in our standard agreements as well as our supplier audits.

## SOCIETY

Wide-ranging and strategic

## social commitment

at all company locations (CSR)

## Open dialogue

with stakeholders

## Commitment to the United Nations Global Compact





# Hot water for the children of Battonya

More than 60 boys and girls at an SOS Children's Village in Hungary can look forward to a nice warm room and a hot bath once again. Thanks to the commitment of Gábor Seidl, Managing Director of Vaillant Hungary, and his Hungarian team, the children's village received new heating systems.

**Camilla, Berni and Wanda are all smiles.** While they frolic on the jungle gym on the playground of the SOS Children's Village in Battonya, a town in south-eastern Hungary located near the Romanian border, the Vaillant installation team arrives. "They're bringing us hot water," say the girls, happy to see the workers.

Until now, hot water and well-heated rooms were anything but a matter of course for Camilla, Berni, Wanda and the other boys and girls at the SOS Children's Village. Its heating system was out of date, and rust and leaks led to regular outages.

Just last winter, the children and their families were forced to make do with the old heating system and indoor temperatures of just 16 degrees. And now they were facing a winter without any heating at all. "That's when the SOS Children's Village wrote a letter to us," says Gábor Seidl, Managing Director of Vaillant Hungary. "In Hungary, it's a tradition for big companies to make a donation at Christmas time. So we quickly decided we would help. And then we got straight to work."

Sixteen houses received new heating systems. To make this possible, local installers also got involved at short notice. "We are especially proud of the commitment of our employees at the plants in Remscheid and Skalice, who adjusted their production planning and manufacturing activities at short notice for a good cause," says Seidl. Four weeks later, all families in the village had new heating and hot water systems.

**We are particularly proud of the commitment of our employees.**



## VAILLANT GROUP CSR FRAMEWORK

The policy paper defines Group-wide target groups, fields of action and tools for corporate social responsibility (CSR). As a family-owned company, the Vaillant Group targets its support at educational and social institutions, families and disaster victims. The fields of focus are climate protection, energy efficiency and responsible use of resources. All partnerships and projects must fulfil binding criteria for support. These are: social needs, balance and credibility.



- 1 Vaillant equipped the SOS Children's Village in Battonya, Hungary, with new heating and hot-water systems.
- 2 The children at the SOS Children's Village are delighted with the Hungarian Vaillant team's efforts.

Gábor Seidl has himself visited the SOS Children's Village in Battonya on many occasions. He believes the idea behind SOS is excellent. "In every house, foster parents live with six or seven children who no longer have any parents, just like a normal family. They don't separate siblings, and there are no dormitories or a canteen. The houses are on a single campus, and children from 0 to 18 all live together. You can feel that the children are happy and content."

The media reaction to Vaillant's commitment to the children of Battonya was overwhelming. There were press materials and a press conference to mark the handover of the new systems, which was attended by some 30 journalists, radio and TV stations. "The press reported on our activities for about three months. There were almost 40 reports, and we reached a total of 3.2 million people in Hungary," says Seidl. That's about one third of the Hungarian population.

There were even more treats in store for the children of the village. They participated in a colouring-in competition in which they drew pictures about warmth and Vaillant. "Our wholesale

partners and installers had the opportunity to vote online on the three best pictures in two age categories," says Seidl. The six winners were invited to Budapest early this year. "We went to the parliament, the aquarium and the Palace of Wonders, where they explain physics. For these children, who live in very basic conditions in the country, the memories they took away from here will stay with them forever."

"Where we operate, we make an active contribution to social progress and the welfare of people." Those responsible for the SOS Children's Village project in Hungary acted in keeping with this guiding principle of the Vaillant Group's Corporate Social Responsibility Framework. The policy paper defines target groups, fields of action and tools for corporate social responsibility. "We were able to help children in need with our products and our core business, not just by writing a cheque, but through modern technology and personal commitment," explains Seidl.

By the way, the Vaillant team in Hungary is keen on keeping the connection to the SOS Children's Village alive. "We plan to take additional measures there as a team," says Seidl. "That not only brings our employees closer together, it also creates a sense of community for the children."







# Making a difference

Reducing energy consumption and tackling fuel poverty are issues facing communities across the globe. In the UK, Vaillant is engaging with a number of partners to help those who need help most.

**It's of course widely accepted** that modern, high-efficiency heating technology can play a significant role in reducing fuel consumption and cutting energy bills. But not everyone can afford the investment.

Bert and Phyllis Webb are very happy owners of a new Vaillant ecoTEC plus boiler. The retired couple from Sheffield were facing a financial crisis when their aging boiler failed during the bitterly cold weather in February 2013. "We didn't know what to do," says 76-year-old Bert. "We were quoted over £2,000 for a replacement boiler and simply didn't have access to that kind of money. We were very concerned."

Help came from the UK government's new Energy Companies Obligation (ECO) initiative – in cooperation with Vaillant who are taking action across the UK. ECO is a new programme designed to

help make heating more affordable for low-income households, to target insulation needs in the most deprived areas, and to help make hard-to-treat homes more energy efficient. It is a long-term commitment delivered to households via the "big six" energy companies that will see approximately £1.3 billion invested in energy efficiency improvements every year through to 2020.

The Webbs are typical of the households the ECO programme seeks to help – low-income, in fuel poverty and unable to afford the changes that would improve their living conditions. Local Vaillant installer Dave Smith of Valley Services met with the Webbs at their home and, after assessing their needs, home and financial situation, was able to process a claim on their behalf. Within days, their 25-year-old boiler was replaced with a high-efficiency ecoTEC model at zero cost to the couple.

"To say we're delighted would be an understatement," Bert Webb adds. "We can't get over how quiet and efficient the new boiler is. It warms the house in half the time it used to and we've already noticed our gas consumption reduce. It's wonderful firms such as Vaillant are working to help people like us to benefit from this scheme."

**Vaillant has already fitted more than 5,000 needy households with new ecoTEC devices.**



- 1 Vaillant equips low-income households with new heaters free of charge as part of the British government's ECO campaign.
- 2 Bert Webb with his new Vaillant ecoTEC plus heater
- 3 The ECO programme aims to help homeowners like the Webbs.

Elderly, disabled and young families are typically amongst the 4.75 million households classed as being in fuel poverty in the UK. A household is said to be in fuel poverty if it needs to spend more than ten per cent of its income on fuel to maintain a satisfactory heating regime. In a challenging financial climate and with fuel prices rising, more and more households are facing this scenario. A major barrier to households taking advantage of the funding available is information. "Our commitment therefore includes mobilising Vaillant's network of installers and equipping them with the tools needed to make contact with eligible households in their locality and educate them on the efficiency options available to them free of charge," explains Vaillant Group Western Europe Region Director Jim Moore. Vaillant's initiative goes far beyond the provision of heating technology.

For Vaillant, the opportunity to help those most needy has proved both compelling and rewarding. It is a big job – and an opportunity to play an active role in improving the living conditions of those households through high-efficiency condensing boilers. The UK business has forged partnerships with a number of energy suppliers to do so.



The ECO scheme was launched on 1 January 2013, and since then Vaillant's initiative has seen in excess of 5,000 of the UK's most vulnerable homes fitted with new ecoTEC boilers, a number which will rise to over 15,000 households by the end of 2013.



- 1 Vaillant released hares into the wild in the southern part of the Czech Republic with the help of local trade partners.
- 2 L'Arche mixed-use centre in Ljubljana for people with developmental disabilities is pleased to receive two heat pumps, presented by Vaillant Group Director Central Region Marc Andree Groos (right).
- 3 The company supports EnergyLab, a laboratory for school children in the Science Park Gelsenkirchen.
- 4 Vaillant and its trade partners take part in PrimaKlima's tree-planting initiative.



## For a good cause

### 1 Hopping off into the green

It's the animal in the Vaillant logo, but it's a rare sight in the wild these days: the European hare. To change this, a Vaillant Group project is helping increase biodiversity in forests and meadows in the Czech Republic. Several hare couples have been bred and released into the wild. Now their calling is to repopulate the countryside in the southern Czech Republic. Vaillant worked with local trade partners, who made the project a reality by personally releasing the hares into the wild. In doing so, the partners learned more about the importance of biodiversity and strengthened their sense of connection to the Vaillant brand. The reintroduction of hares into their natural habitat is just one of many activities contained in the package of sustainability measures put together last year by country managers in Eastern Europe.

### 2 Support for people with disabilities

The new L'Arche mixed-use centre in Medvode, near the Slovenian capital of Ljubljana, is a place where people with developmental disabilities can feel at home. Two heat pumps, which Vaillant gave to the non-profit project, provide heat. Control technology, a storage unit and ten auroTHERM solar collectors complete the heating system. The L'Arche low-energy house was built entirely of natural materials and insulated using woodchips treated with buttermilk. In addition to two flats for people with disabilities and the people who help assist them, the centre's 380 square metres also offer space for workshops, a kitchen, dining rooms and offices. The need for organisations such as L'Arche is immense – and can only be met with the support from the business sector.





**EnergyLab**   
Schülerlabor im Wissenschaftspark



4



### 3 Project for pupils receives award

EnergyLab, a laboratory in the Science Park Gelsenkirchen helping school pupils to explore science and a Vaillant partner project, has been awarded the Werkstatt N 2013 seal of quality by the German government's Council for Sustainable Development. The seal recognises forward-looking projects that are considered a beacon of responsible environmental policy and sustainable design and encourage people to come together. EnergyLab stimulates young people's interest in technical and scientific topics and careers in climate protection through hands-on experiments. Thanks to private-sector support, the lab is able to offer experiments on renewable energy, the greenhouse effect and energy efficiency for school classes as well as workshops and holiday courses – all free of charge.

### 4 Give trees a chance

Vaillant is helping its expert partners get the ball rolling on a project to protect the environment. Together with the organisation PrimaKlima, the company has issued a call to donate trees and is supporting its expert partners in spreading the word of their commitment. Over the next few months, Goldenstedt, a town in Lower Saxony's Vechta district, will see 2,615 trees planted, reforesting 7,300 square metres of land. The afforestation efforts will affect an area previously used for agriculture that will now be restored to its natural state, creating a mixed forest with oak trees, beech trees, maples and lime trees. An educational trail will also inform visitors about local vegetation. In addition to protecting the climate, the measure will also have a positive effect on soil and habitat development. What's more, the new forest is part of a school project, making a contribution to awareness of ecological interdependencies.





# SUSTAINABILITY IN BLACK AND WHITE

The Vaillant Group's sustainability reporting has been adapted to the Global Reporting Initiative's (GRI) internationally recognised standards. To make our sustainability performance transparent and hold ourselves accountable, we report Group-wide key performance indicators for all fields of focus of the S.E.E.D.S. programme. You'll find detailed information on the following pages.



Report section	Page	Collected GRI indicators	Global Compact Principles
Foreword	1	1.1, 4.11, 4.12	8
The Vaillant Group introduces itself	2–3	2.1, 2.2, 2.3, 2.4, 2.5, 2.6, 2.8, 4.1, 4.2, DMA-EC	
The Vaillant Group brands	4–5	2.2, DMA-EC	
Production sites	6–7	2.5, 2.7	
Sustainable corporate governance	8–9	1.2, 2.9, 4.1, 4.7, 4.8, 4.9, 4.11, 4.12, 4.13, SO3, SO5	
Sustainability strategy	10–17	1.2, 2.9, 3.5, 4.8, 4.9, 4.14, 4.15, 4.16, 4.17, EN14, EN16, PR1	8, 9
Interview with Dr Carsten Voigtländer	18	1.1, 1.2, 4.11, 4.12	
<b>Sustainability in action</b>		<b>3.4</b>	
Development & Products	22–29	2.8, 2.10, DMA-EC, DMA-EN, DMA-PR, EC2, EN6, EN7, EN18, EN26, PR1	8, 9
Environment	30–37	2.10, 4.11, EN4, EN5, EN6, EN7, EN18, EN26	8
Employees	38–45	4.7, 4.8, DMA-LA, DMA-HR, EC3, EC8, LA8, LA10, LA11, LA12	6
Society	46–53	4.8, 4.12, EC8, HR1, HR2, HR3, DMA-HR, DMA-SO, SO1	1, 2, 3, 4, 5, 6, 7, 8, 9
<b>Sustainability in black and white</b>			
Principles of reporting	56–57	3.1, 3.2, 3.3, 3.5, 3.6, 3.7, 3.8, 3.9, 3.10, 3.11, 3.12, 3.13, 4.12, 4.14, 4.15, 4.16, 4.17	7
Sustainability key figures	58–63	2.7, 2.8, DMA-EC, EC1, EN2, EN3, EN4, EN5, EN6, EN8, EN9, EN21, EN22, LA1, LA2, LA7	8
Imprint	66	3.4	
Online version with detailed comments			10

# Principles of reporting

Credibility requires transparency. This report, the fifth of its kind since 2009, is our way of informing readers in a comprehensive, comprehensible manner about the Vaillant Group sustainability programme.

## Scope of the report

This report contains information about the strategic direction of the Vaillant Group's sustainability management. The report discusses central developments in the S.E.E.D.S. programme's four fields of focus. The report's contents cover the Group's achievements and challenges in sustainability performance. As such, the report presents a cross-section of the company as a whole. Its target readers include Vaillant Group customers, installers, suppliers, employees, owners, media representatives and other interested parties.

## Materiality and inclusion of stakeholders

When we were planning the report's contents, we took into account feedback from different groups of stakeholders gathered from various forums for dialogue. In order to be able to define the material sustainability topics for our business activities more precisely, we conducted a systematic survey of internal and external stakeholders this year for the first time. The Materiality Matrix shown in the chapter entitled "Sustainability strategy" summarises this materiality analysis, which dealt with the question of what significance the Vaillant Group and its stakeholders assign to certain topics.

The findings listed not only specify the content of this report, but will also play an integral role in the future development of the Vaillant Group's sustainability strategy. Moreover, these findings enable us to continue systemising communication with our stakeholders.

## Report time frame and data collection

The last Sustainability Report was published in August 2012. The reporting period for all of the key performance indicators in the current report covers the calendar year from 1 January 2012 to 31 December 2012. The editorial deadline for reports on matters related to sustainability was 31 May 2013.

All production-relevant figures relate to the Vaillant Group production plants in six European countries and China. Figures were collected via a written survey filled in at our main sites and managed centrally. It should be noted in regard to the key indicators presented at the end of the report that they concern both absolute and relative figures. This allowed us to account for all factors feeding into them, e.g. expansion of our productive capacity.

## Global Reporting Initiative (GRI)

Our reporting on the Group's sustainability performance has been adapted to the Global Reporting Initiative's internationally recognised standards (GRI, [www.globalreporting.org](http://www.globalreporting.org)). You can download a detailed content index of the GRI indicators online at [www.vaillant-group.com/en/sustainability](http://www.vaillant-group.com/en/sustainability). GRI-G3 application level "B" matches up with our internal assessment. An external audit of the Vaillant Group's GRI reporting has neither been carried out nor is it on the agenda.

## Global Compact

The Vaillant Group is a member of the UN Global Compact. This report includes accounts of the progress we have made in our efforts to implement the pact's Ten Principles (Communication on Progress). The adjacent table shows where in the report we make reference to the principles found in the Global Compact. You can find an in-depth overview on our initiatives in this area, updated annually, at [www.vaillant-group.com/en/sustainability](http://www.vaillant-group.com/en/sustainability).

## Print and online

The report has been published in German and English. Along with the paper copy, PDF and Flipbook versions are also available at [www.vaillant-group.com/en/sustainability](http://www.vaillant-group.com/en/sustainability). In case of doubt, solely the German version published in printed form is binding.



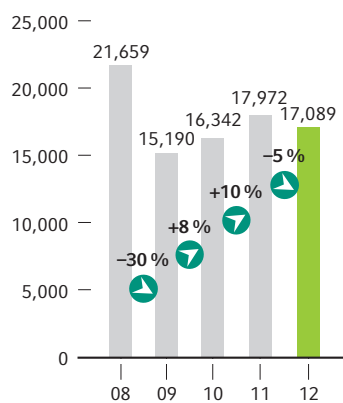
## Sustainability key figures

The Vaillant Group lists key figures relating to sustainability on an internal scorecard so we can manage our activities in this field. Our environmental performance indicators also include specific values that enable us to correlate overall figures with particular output quantities. As we are constantly working to improve the quality of data and make our figures more meaningful by successively expanding their scope, changes may have been made to the previous year's figures since the publication of last year's report.

### ENVIRONMENT

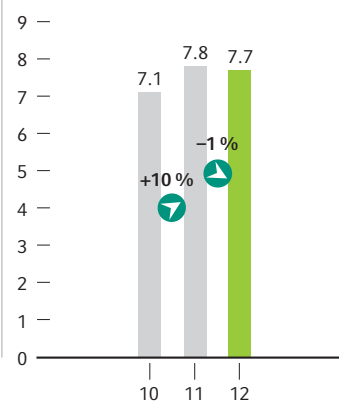
#### Waste

t



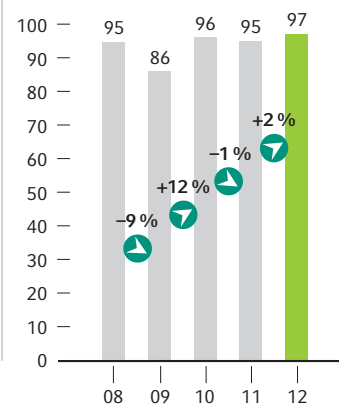
#### Specific waste

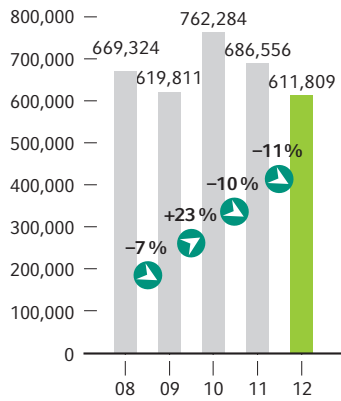
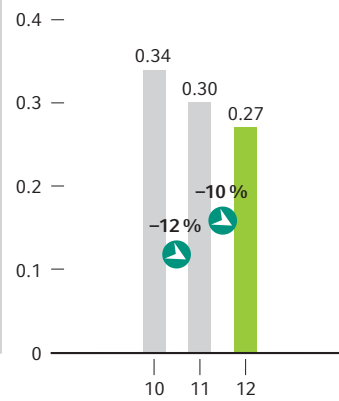
kg/unit



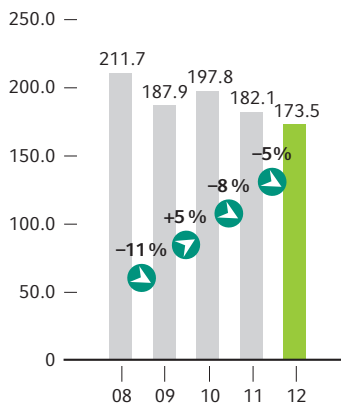
#### Rate of recycling

%

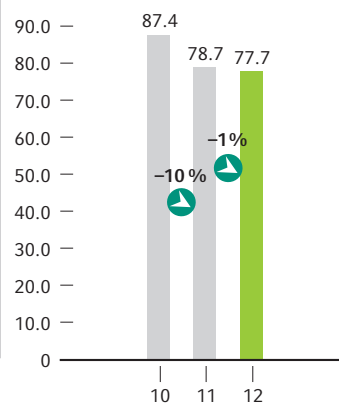


**Water consumption**m<sup>3</sup>**Specific water consumption**m<sup>3</sup>/unit**Total energy consumption**

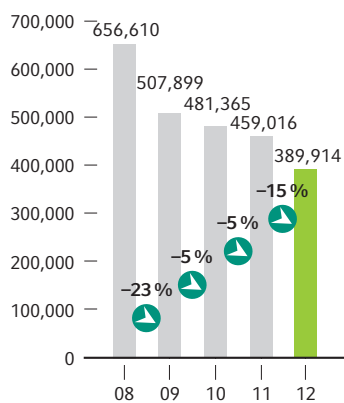
GWh

**Specific energy consumption**

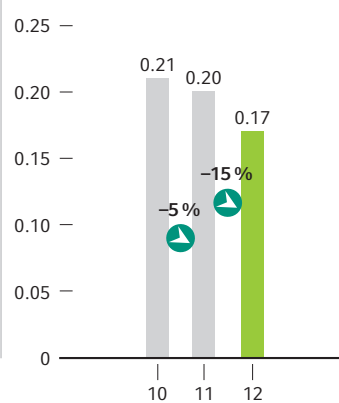
kWh/unit

**Oil**

l

**Specific oil consumption**

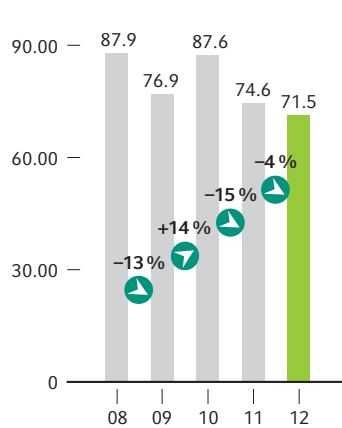
l/unit



## Sustainability key figures

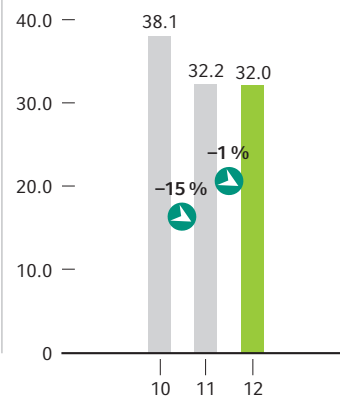
### Electricity consumption

GWh



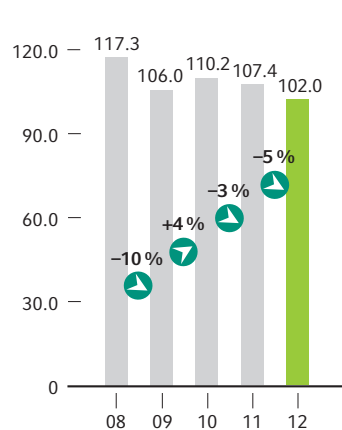
### Specific electricity consumption

kWh/unit



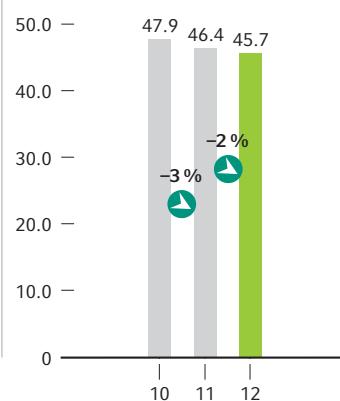
### Gas consumption

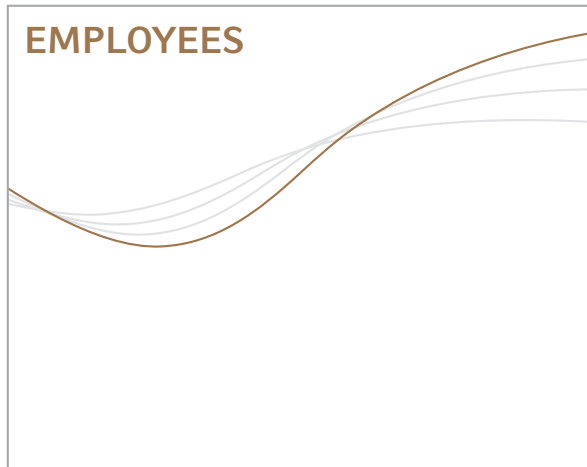
GWh



### Specific gas consumption

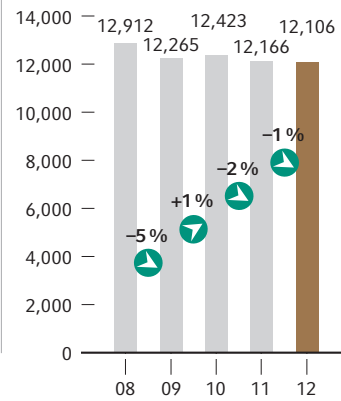
kWh/unit





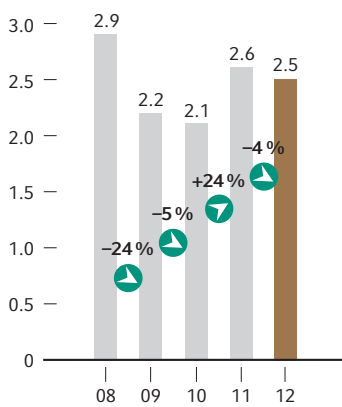
### Employees

Headcount



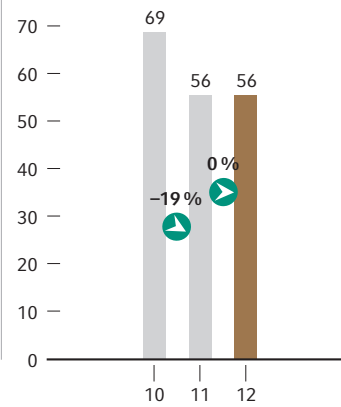
### Accidents at work

per 100 employees



### Management positions filled internally

%

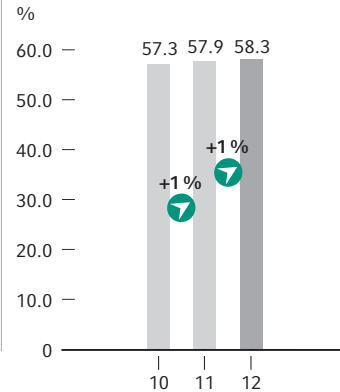




# Sustainability key figures

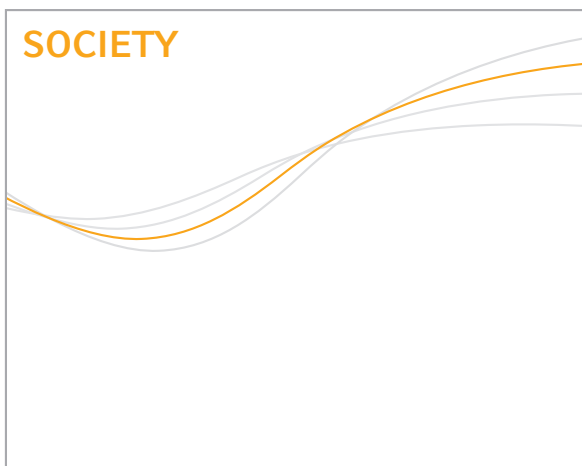
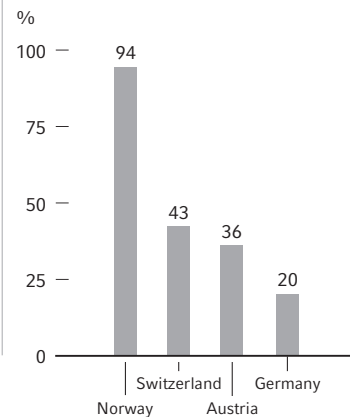


## Efficient/renewable technologies – share of overall sales

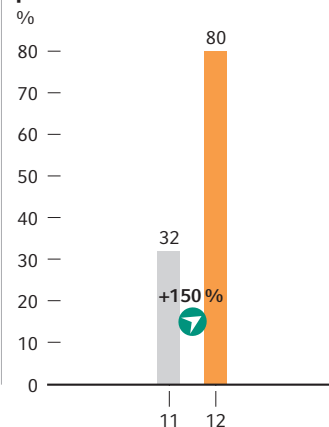


In 2012, efficient technologies and renewable energies again accounted for a large share of the Vaillant Group's product sales. Their share in our overall sales remained more or less unchanged compared to 2011.

## Markets with the greatest share of renewable energies in sales



## UN Global Compact purchase volumes



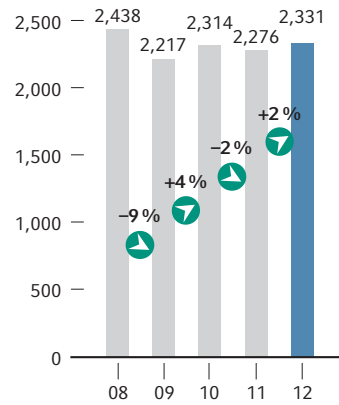
### Global Compact

The Vaillant Group signed up to the UN Global Compact in October 2011. As at 31 December 2012, suppliers that comply with the UN GC criteria accounted for 80 per cent of our total purchase volume. As a result, we have already reached our target, which was originally set for 2020. We have therefore raised our target for 2020 to 100 per cent of our total purchase volume.

## VAILLANT GROUP

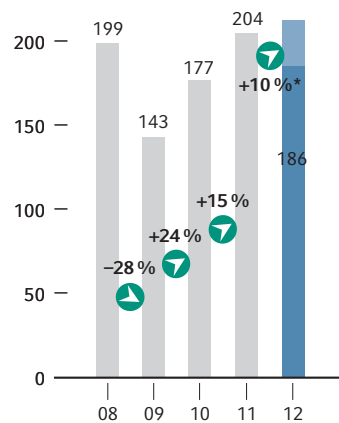
### Sales

in millions of euros



### Earnings (EBIT)

in millions of euros



\*Adjusted by goodwill amortisation and exceptional items

## Selected actions in the area of sustainability

Target	Measure	Status	Upcoming milestones target date
<b>Sustainability Management</b>			
Sustainability strategy	Formulation of a Group-wide sustainability strategy covering the fields of Environment, Employees, Development & Products and Society until 2020.	The sustainability strategy is set out in S.E.E.D.S., our sustainability programme. Currently, the Group is implementing activities that are due to be in place by 2020.	2015/2020
Sustainability culture	Communicating our sustainability strategy and getting employees involved.	The Group has conducted various initiatives aimed at raising employee awareness and involvement, including the Group-wide S.E.E.D.S. Award. Specialist workshops have been organised for different company departments. Sustainability is also part of the Vaillant Group's "Spirit" system of values.	ongoing
Integration of suppliers	Imparting Vaillant Group sustainability aspects to suppliers as part of our regular Supplier Days.	Discussed as part of Supplier Day 2012.	2014
<b>Environment</b>			
Environmental management of suppliers	Sustainability benchmarks are taken into consideration during our audits of suppliers. The Vaillant Group only works with companies that adhere to our minimum standards.	Introduced in 2006 and continually refined since then. Approx. 300 audits are conducted annually.	ongoing
	The Group pays increased attention to environmental issues when choosing suppliers and service providers.	Suppliers have been told about the changes and invited to inform us about product innovations and replacements that will result in an improved environmental performance.	ongoing
Energy efficiency projects to reduce energy consumption	As a general rule, new heating systems in company buildings must be equipped with highly efficient condensing boilers, CHPs and technologies based on renewable energy. Existing systems are gradually being modernised.	Along with modern condensing boiler technology, a number of Group sites use heat pumps, photovoltaic systems and solar thermal heating for energy generation and heat production. In addition, solar heating is used during manufacturing to generate heat for production processes. At the Gelsenkirchen plant, consumption of energy and resources can be monitored in real time. A Group standard was defined for the energetic optimisation of the test centres.	ongoing
Waste prevention	Increase in the amount of recyclable packaging used for manufacturing materials.	Materials used in manufacturing are already shipped in recyclable packaging to a certain extent. Plants have now defined a standard for packaging, which will be introduced by the majority of our suppliers.	2015
<b>Employees</b>			
Six Sigma training	More than 3,700 employees are being trained to meet specific goals as part of a programme based on a specialised belt concept.	Training sessions are continuously being held.	2015
Reduction of accidents at work	Certification of compliance with OHSAS 18001.	An occupational safety policy has been devised. Preparations for OHSAS certification are under way.	2015
Attractiveness as an employer	Improving work/life balance and making positive changes to the workplace.	Group HR has launched a programme to make the Vaillant Group more appealing as an employer. A Great Place to Work survey was carried out for the first time. The myWay management development concept supports internal recruitment for management positions.	ongoing
<b>Development &amp; Products</b>			
Increase the share of highly efficient products sold	Continuous refinement of the existing product portfolio; research and development of new energy-efficient, resource-conserving technologies.	Expansion of the CHP portfolio, field tests of fuel cell technology, received an award for the zeolite gas heat pump as "the world's most efficient gas heating system for energy-saving refurbishment of single-family homes" from Bundesarbeitskreis Altbauerneuerung e.V.	ongoing
<b>Society</b>			
Assumption of social responsibility where we operate	Defining social commitment benchmarks to be applied throughout the Group.	Creation of a CSR framework that defines the criteria for the direction of our social commitment. Strategic lighthouse projects are currently being developed.	2015
Commitment to Global Compact	Obliging suppliers to comply with the Global Compact's Ten Principles.	As of 31 December 2012, suppliers that account for 80 per cent of our purchasing volume had confirmed they meet the UN Global Compact criteria. The original target for 2020 has therefore already been reached. The new target has been raised to 100 per cent of the purchasing volume by 2020.	ongoing



**Samantha Stella**, Head of Personnel Development Germany, is integrating the goals of the S.E.E.D.S. programme into employee development.

**Müge Kurtoğlu**, Head of Quality, monitors the quality standards at the Vaillant Group site in Bozüyük.



**Raimund Heuser**, Senior Consultant ISO Certifications, is driving the development of a Group-wide management system for occupational health and safety.



**Ruth Duxbury**, Process Support Officer UK, monitors the carbon footprint of commercial logistics.



**Christian Honert**, Head of Business Development Eastern Europe, is in charge of sustainability in our Eastern European markets.



**Judith Strasmann**, Certified Partner Coordinator, is encouraging dialogue on sustainable business practices with Vaillant's expert partners in the trades.

## A sustainability report that truly deserves the name

Sustainability isn't just a word in the title and on the pages of this report; it has also been produced sustainably using every method known in the printing arts. Its paper is made from 100 per cent recycled material and has been certified with both the EU flower label and the FSC seal. All dyes, inks and other materials used, such as the printing plates, are based on renewable raw materials and/or are recyclable. Our printing partner uses green electricity and waste heat from the printing machines to keep its offices warm. Additionally, we are making increased use of the Internet to distribute this report. By releasing a compact, abridged sustainability brochure that directly addresses our customers' interests, we are saving additional resources. And whatever CO<sub>2</sub> we create by producing this report, we compensate via certified programmes.





**Published by**

Vaillant GmbH  
Berghauser Straße 40  
42859 Remscheid  
Germany

[www.vaillant-group.com](http://www.vaillant-group.com)  
[sustainability@vaillant.de](mailto:sustainability@vaillant.de)

VGC Corporate Communications,  
Sustainability Management & Politics  
Phone +49(0)2191/18-2754  
Fax +49(0)2191/18-2895

**Design**

gerlach&partner, Köln

**Photos**

chapel studio, EnergyLab, Bernd Gabriel,  
Christopher Holt, Mike König, PrimaKlima,  
Professional Images (UK) Ltd, Frank Reinhold,  
Uwe Schinkel, Joachim Stretz,  
SOS Children's Villages International,  
Saso Vrabic, Vaillant Group

**Printing**

Kunst- und Werbedruck, Bad Oeynhausen

**Translation**

Lennon.de Language Services

