









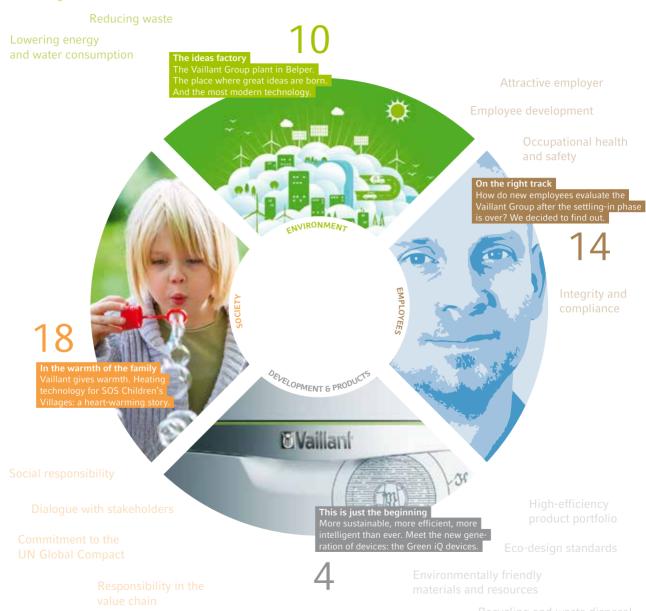






Environmenta management

Reducing CO₂ emissions





Ladies and Gentlemen,

If you want to lead the way, you have to take the first step. If you want to shape the future of heating technology you have to have a clear goal. This especially applies if you are moving towards even greener products that combine efficiency and intelligent features with ease of use and responsibility. And especially if you are on the path to becoming a sustainable, future-oriented and yet profitable company that thinks in terms of generations rather than quarters. This year we have come a lot closer to this future. With Green iQ Vaillant has unveiled a new generation of appliances that are consistently eco-friendly, intelligent and efficient at the same time. The Green iQ products are the result of a far-reaching ambition to achieve sustainability that applies to all areas of the company. On the following pages, a number of selected projects and stories are presented; these were written by the Vaillant Group, a family company.

Yours sincerely,

Dr Carsten Voigtländer

Chief Executive Officer of the Vaillant Group





t first glance, they might not look too different to the other items in the Vaillant Group product range, white with a simple shape. But, in fact, the devices with the little green logo are in a class of their own. Green iQ is shorthand for a range of extremely environmentally friendly and efficient products that must meet the highest sustainability standards throughout their entire product life cycle – from the initial stage of development to being recycled after use. They also have intelligent communication interfaces. In addition to an intelligent control unit, this also enables remote troubleshooting of the appliances by skilled technicians. What is more, the appliances can be controlled via smartphone from almost anywhere in the world. This turns heating systems into social networks. The first three products from the new Green iQ range are the ecoTEC exclusive wall-hung gas-fired condensing boiler and the flexoTHERM and flexoCOMPACT heat pumps. Additional devices will follow. Going green the smart way.









Communications about the new product range should be as sustainable and intelligent as Green iQ. The Green iQ campaign is slightly humorous and is aimed at quality-conscious and environmentally aware end customers through the use of statements such as "We turn your heating system into a social network" and "Intelligence today is a measure of how good it is for the planet". The most important message is that sustainability is smart, sustainability is efficient and sustainability is possible

without making sacrifices. Due to the unique nature of the Green iQ concept it was possible to occasionally depart from the "Vaillant green" colour that is an integral part of our corporate design.



THE IDEAS FACTORY

The Vaillant Group's UK plant in Belper was recently presented with a Sustainable Manufacturing Award by the leading trade magazine *The Manufacturer*. But the team certainly does not intend to rest on its laurels.





he Vaillant Group plant in Belper, England, has enjoyed a series of successes in recent years, achieving zero landfill waste in 2011 and winning the National EEF/ENER-G Sustainable Manufacturing Award in 2013 and the Manufacturer Award for Sustainable Manufacturing in 2014. As a result, the plant has been named the most sustainable production facility in the UK. Large, international high-tech companies all clamoured for the prestigious accolade but the expert jury was ultimately most impressed with the familyowned Vaillant Group. The secret to the success is visible to everyone in the newly designed entrance area, where a sign reads: "Welcome to where great ideas are born. From the hearts and minds of our people." This is not just a boiler plant, but an ideas factory. The aim is for every employee to feel responsible and able to flag up and describe problems. Every idea that will help to attain the Group-wide 2020 S.E.E.D.S. targets is welcome. The statistics are impressive. Compared to 2010, water consumption has been reduced by 64 per cent, energy consumption by 16.6 per cent, CO₂ emissions by 16.3 per cent and waste generation by 28.7 per cent. Furthermore, the number of occupational accidents in 2014 was an impressive zero. Sustainability has become part of the culture in Belper; this is an area in which we are successful time after time, and it also represents our unvielding aspiration to achieve.

ON THE RIGHT TRACK

The Vaillant Group has set its sights on becoming the employer of choice. What do applicants think about the company? What role does sustainability play? And how do new employees rate the Vaillant Group after the settling-in phase is over? We decided to find out.

66 In terms of being a really green company, the Vaillant Group is almost there. We just need to be a little braver, a bit more radical in a couple of areas.

Tim Richter,
41, Head of Group Design, with the
Vaillant Group since June 2014

fter working in China for eleven years I wanted to return to Germany, preferably to a familyowned company. I was looking for an employer who could offer me what I wanted for the next stage of my career and I searched for guite a while. The Vaillant Group job ticked all the right boxes. I wanted to design durable products and work for a company that thinks in the long-term – sustainably. In this respect, sustainability played a role in several different senses. Heating and climate systems are an ideal field, of course. The company's technologies are exciting and future-oriented. The systems have a long product lifespan, so the design must be just as sustainable and long-lasting. In my view, the Vaillant Group is well on its way to becoming a green company. The cornerstones are there, in terms of strategy, projects, products, staff management and communication. We're almost there. We just need to be a little braver, a bit more radical in a couple of areas in order to redefine and anchor our position as a really green company. I'm sure the design department can help to achieve this goal. We designers aren't just here to make things look pretty. We bring specialist technical expertise to the table and our ideas combine the requirements of both the development and the manufacturing departments. Design is like a brand ambassador.

Dr Frank Steineke, 45, Head of Human Resources for Central Europe, with the Vaillant Group since July 2013

Anna Augustyniak, 34, Marketing Specialist with the Vaillant Group Poland since February 2014

Michael Zeddies, 44, Head of Group Production Engineering, with the Vaillant Group since June 2014

Melanie Kathke, 29, Service Operations Consultant, with the Vaillant Group since September 2014



66 The Vaillant Group's sustainable approach was definitely an important criterion for me.



66 We could make more of an effort to spread the word to the general public about our sustainability efforts in Poland.



66 In the production department we need to take the next step and link "lean" and "green".



IN THE WARMTH OF THE FAMILY

SOS Children's Villages provide new homes to children and teenagers. As a heating technology partner, the Vaillant Group helps to keep the villages warm. This year the company was mainly active in its home country, equipping three children's villages in Germany with heating systems.











armth is important, but it is not something all children can take for granted. Luca and Tamara live in the SOS Children's Village in Worpswede. Like the other 65 children and teenagers who currently live here, they cannot be brought up by their fam-

ilies for various reasons. Instead, they live with a village mother in small family-like units where they receive the warmth and security they need. 400 children have already grown up in the village, which is near Bremen. Action was needed in relation to the village's outdated heating technology. The village will be celebrating its 50th anniversary in 2015. The Vaillant Group brought new warmth to the village by replacing the old heating system and its two completely outdated oil boilers with a modern, highly efficient gas-fired condensing boiler cascade. This work was all performed within the scope of Vaillant's partnership with SOS Children's Villages Worldwide, which has been in place since 2013. Worpswede is the third SOS Children's Village in Germany that Vaillant has equipped with new heating technology. But the Vaillant Group has also delivered on its promise in other countries, providing new, urgently needed systems in France, Belgium, Croatia, Poland, Romania, Russia, Hungary, Ukraine and China as an outstanding heating technology partner. This is a matter that the family-owned company is truly passionate about.



RESPONSIBILITY AS A PRINCIPLE

The Vaillant Group has combined all its sustainability activities into one strategic programme. Under the name S.E.E.D.S., we set binding, verifiable targets in the focus areas Environment, Employees, Development & Products and Society, develop specific measures based on these targets and continuously monitor the results – transparently and Group-wide. Sustainability is therefore an overall ambition to be met through our corporate actions. 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?" We do not consider the S.E.E.D.S. programme as detached from our commercial goals. On the contrary, S.E.E.D.S. actively strives to contribute to the sustainable and profitable growth of the Vaillant Group. In order to guarantee sustainability in all areas of our company, we need a concise management approach, as well as binding targets and transparent and comprehensive reporting on the achievement of these.



OUR 2020 SUSTAINABILITY TARGETS



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 emissions 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 CO₂ emissions, prevent negative influences on the environment and actively use opportunities for improvement.

25

+20 % Energy efficiency

-20 % Water

-20 % Waste

Go-ahead 50 % of target value achieved Target achieved

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.



Global Compact principles as a living standard*

Strategic orientation of our CSR commitment

Systematic stakeholder dialogue

Go-ahead

% of target value achieved

Target achieved

All percentages refer to the 2010 reference year and are dependent on volume.

^{*}Our target to assign 80 per cent of our total purchase volume to suppliers that recognise the Ten Principles of the UN Global Compact was reached as early as 2012. We have gone one step further and already managed to meet the next target – 100 per cent – which was originally set for 2020.

A SUSTAINABILITY BROCHURE WORTHY OF ITS NAME

As well as dealing with the topic of sustainability, this **brochure** has also been **produced sustainably** in terms of printing. The paper is made **100 per cent from recycled material** and has been given the EU Ecolabel, Blue Angel certification and FSC approval. The inks and all other consumables such as printing plates are either based on **renewable raw materials** or are recyclable. Our printing contractors use **green electricity** and reuse **the heat from the printing machines for heating purposes.** In addition, we are increasingly using the **Internet** to distribute this brochure and are offsetting any CO₂ emissions that cannot be avoided during its production via **certified schemes.**



Published by Vaillant GmbH Berghauser Straße 40 42859 Remscheid Germany

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

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

Fax +49(0)2191/18-2895

Design

gerlach&partner, Cologne

Photos

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