VAILLANT GROUP



SUSTAINABILITY

AT THE VAIL





Industrial revolutions are usually only labelled as such after they have happened. However, we are already certain that we have completely revolutionised the product development process.



Time for some honesty: is it exciting to be named Sustainability Ambassador? What drives people to continuously whip themselves and their colleagues into shape? We found out.



Sometime you have to do something a little crazy if you want to raise awareness of the dramatic consequences of climate change – like run 127 kilometres through the Brazilian jungle.



Responsibility doesn't stop at the factory gate. That's why we asked to be evaluated by the very people who, by profession, are well versed here: our suppliers.



SOS Children's Village Berlin opens up opportunities to those who struggle to find a break elsewhere. We report on the organisation's work and on the biggest smile in the world.



The plain facts. All about green products, water savings by the bucket and the mammoth task of increasing responsibility along the global supply chain.

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Dear reader,

Lighthouses are measured not only by their size, but also by how far they shine. We have set up a number of lighthouses since launching the strategic S.E.E.D.S. sustainability programme – systematically and with passion. This led to the Vaillant Group being named Germany's most sustainable large company.



This award not only honours what we've already done, it also spurs us on to achieve even greater things in the future. It makes us even more determined to fulfil the demands of our vision "Taking care of a better climate"; to transform a sustainable mindset into a matter of course in our company. Also, and especially, in areas where this isn't so straightforward. The following pages offer several examples of what motivates every one of us day in, day out, in our efforts to shine the spotlight on every single part of the company.

Best wishes, Dr Carsten Voigtländer Chief Executive Officer of the Vaillant Group



THE 6 GREEN RULES

With the 6 Green Rules, the Vaillant Group is ensuring that sustainability criteria are taken into account during the product development process, from the first sketch throughout the entire product life cycle. A milestone for more sustainability.



arion Storch is the engineer in the Vaillant Group's Sustainability Management team. She was heavily involved in drafting the 6 Green Rules and has thus anchored her vision of sustainability in the development process.

Ms Storch, what exactly are the 6 Green Rules?

The 6 Green Rules are, quite literally, six rules we've established to make sure sustainability criteria are considered in the development process from the very first brushstroke onwards. They form a fixed part of the development process and apply to each and every product we develop at the Vaillant Group. The criteria are important: customers are demanding sustainable products, as are legislators both in Germany and across Europe. These are demands we also place on ourselves.

How do they work?

The beauty of the rules is that they work in exactly the same way as any other criterion in the development process. Product Management determines the requirements. The engineers can then find everything they need in one central document, which prompts them to check that the criteria are being fulfilled at appropriate stages in the development process. They are simply integrated into the existing process and will therefore become a natural part of product development – just like sustainability is a natural part of the Vaillant Group. However: this doesn't mean the process is complete. We will continue to improve the criteria.

You can read more about the specific criteria behind the 6 Green Rules in the Vaillant Group sustainability report.

OUR PARTNERS'

The Vaillant Group has conducted a survey of its key suppliers to discover just how sustainable they believe the company is. It wants to incorporate the results into its future strategies and join forces with the suppliers to become more sustainable.







How sustainable is the Vaillant Group?

The surveyed suppliers view the company as being very sustainable.

> The Vaillant Group's performance in the area of sustainability is excellent.

> > Compared with other customers, the Vaillant Group has a leading role when it comes to sustainability.

> > > Awareness

How well-known and credible are our activities?

Our suppliers' perspective on selected projects.

Green iO The most sustainable and intelligent range of heating technology products

50

Credibility

1,75

Credibility

SOS Children's Villages Our worldwide cooperation with the children's aid organisation

Awareness

40

S.E.E.D.S. The Vaillant Group's strategic sustainability programme

1.85

2.17

2.²¹

Credibility

Awareness

38%

1.85

Sustainability report Inspirational stories and

10

transparent facts on the topic of sustainability

Awareness Credibility **2**.05 24



On a scale <u>of 1 to 5, t</u>he highest score being 1.

> Credibility rated on a scale of 1 to 5, the highest score being 1.

CO, he survey covers three areas: the suppliers' own sustainability, the suppliers' view of sustainability at the Vaillant Group and topics that look at improving sustainability aspects by way of collaboration. Responses in the first area quickly made it clear that sustainability is extremely important to the suppliers who took part in the survey, with 98.9 per cent responding that their company was committed to sustainability. This is an important finding and commonality. Furthermore, over 80 per cent of the companies stated that they would be willing to work with the Vaillant Group on sustainability matters and develop sustainable products. In all, the suppliers view the Vaillant Group as being extremely sustainable, however they also highlight where they see room for improvement. Social sustainability is an area of great importance to our partners here. More than a third of those surveyed are aware of the Vaillant Group's partnership with "SOS Children's Villages worldwide"

and regard it as highly credible. At the same time, however, they believe that social commitment is one of the three areas that the Vaillant Group should be investing more time in, alongside sustainable supplier management processes and treating business partners fairly. All in all, we have received the mandate and means to make improvements.

> Take a look at the Vaillant Group sustainability report for more interesting findings from the supplier survey.

THE AMBASSADORS

The idea is simple: S.E.E.D.S. Ambassadors promote sustainability in their area. They have the know-how and are on top of all the latest developments. They call for sustainability aspects to be considered whenever important decisions are made. So what is their take on sustainability at the Vaillant Group?





Marjon Sanders / HR Manager / Amsterdam / 51 years old

14

1. Ms Sanders, speaking as S.E.E.D.S. Ambassador, where do you see the major challenges?

I represent a region comprising the Netherlands, Belgium, Russia, the Scandinavian countries and our Export region. Pooling our needs and defining joint goals is our greatest challenge. Everyone I work with in the mentioned countries is truly committed to this project. Communicating and generating awareness of the topic is key. The S.E.E.D.S. programme is a great aid here as it makes the buzzword "sustainability" tangible.

2. What changes can you bring about based on your role?

It goes without saying that I have a good handle on sustainability topics as well as the support of my boss, the regional director, and the country managers. I am, however, absolutely convinced that the role of S.E.E.D.S. Ambassador doesn't necessarily depend on a person's normal position. It's mainly about raising awareness of sustainability aspects. This is something everyone can do in his or her remit. Everyone who aspires towards a more sustainable approach is a Sustainability Ambassador by nature.

3. How would you rate the Vaillant Group in terms of sustainability?

I think the Vaillant Group has a pretty good setup in this regard, especially when it comes to our products, but I would like to see us make an even greater contribution towards social initiatives. We're on the right path in the area of Employees. But there is always more that can be done, we're not short on ideas. The Ambassadors are a good way of getting the Group strategy S.E.E.D.S. out into the different countries. Then we can be even better.

Take a look at the Vaillant Group sustainability report to discover what our other S.E.E.D.S. Ambassadors view as challenges on the path to an even greener company.



15

Gökhan Felek Group Advanced Purchasing Engineer Remscheid / 35 years old

Bernhard Leidinger Marketing Director Vaillant Austria Vienna / 48 years old

FINDING THE RIGHT PATH

Paulina is completing her training at the SOS Children's Village Berlin. For her and 45 other young people, this is a chance to learn a profession and stand on their own two feet; a chance they would have likely not had otherwise. It is for this very reason that SOS Children's Villages Germany is committed to providing training and qualifications.





pile of heavy stones sits in wait. 22-year-old Paulina knows exactly what to do with them: lay edgings and pave patios and paths, for example. She is training to be a gardener in the fields of gardening, landscaping and creating sports facilities. There are also a number of three-metre-high trees. "They're for the exam," explains Paulina. "At the end of the practical exam, we have to plant each of them with two stakes and then secure them with raffia." The final practical exam Paulina is referring to will take place in September. She will have four hours to show what she has learned during her training at the SOS Children's Village Berlin. She's already passed the theory exam, but the practical one had to wait. Not because Paulina was not ready, but for a reason beyond her control. Cancer. The chemotherapy and radiation treatment forced her to take a year out. Her body is still weak after overcoming the illness and going through the tough therapy, but you wouldn't know it to look at her: she brims with energy and a zest for life. The training at the SOS Children's Village provides her and the 45 other young people with more than just expertise. Alongside trainers, also social workers and teachers work with the young trainees, assisting them wherever they need help giving opportunities to those who might otherwise never get them.

Read the whole story and find out more about the global partnership between Vaillant and SOS Children's Villages in the Vaillant Group sustainability report.

ENDANGERED TREASURES

The Amazon rainforest is the largest continuous tract of rainforest in the world, home to a unique variety of plant and animal life. It's seen as the lung of the planet – and it's under threat. Representing Vaillant, Friedhelm Weidemann took on the Jungle Marathon in the "green hell" of Santarém to raise awareness of the devastating consequences of climate change.



kilometres, 40 degrees, 99 per cent humidity. Set in the Brazilian Amazon rainforest, the Jungle Marathon is viewed as one of the toughest races on the planet. Running through

deep water, below a practically impenetrable forest canopy, surrounded by an unfamiliar world of flora and fauna: ultramarathoner Friedhelm Weidemann took up the challenge on behalf of Vaillant and crossed the "green hell" of Santarém, drawing on his experience of around 300 marathons and ultras over six continents and relying on the rigorous tests he had put his equipment through in the Vaillant Group's climatic chamber in Remscheid. Together, the family enterprise and extreme athlete want to raise awareness of climate protection, of places worth protecting. Of areas around the world that will one day simply disappear if the two-degree target is not achieved.

Delve into the Brazilian jungle with Friedhelm Weidemann – in the Vaillant Group sustainability report.

Alles and all



S.E.E.D.S.

The Vaillant Group combines 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. We see sustainability as an overall ambition in our corporate actions. The ambition to make strategic and operative decisions with both economic and sustainability aspects in mind.

An important question here 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 economic goals. On the contrary, S.E.E.D.S. actively strives to help the Vaillant Group grow in a sustainable and profitable way. In order to support sustainability in all areas of the company, we need target-oriented management – and binding goals, the achievement of which we report back on, transparently and comprehensibly.



STRATEGIC SUSTAINABILITY PROGRAMME

Sustainability in Environment Employees Development & Products Society



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.



% Turnover of high-efficiency products

-15% Greenhouse gas emissions of the product portfolio

+15% Material efficiency

Go-ahead

50% of target value achie

Target achieved



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_2 emissions, prevent negative influences on the environment and actively use opportunities for improvement.



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.



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

SUSTA

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® certification. The inks and all other consumables such as printing plates are either based on renewable raw materials or are recyclable. We intentionally avoid using environmentally damaging cover finishes such as film lamination or soft-touch or UV coating. 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. Finally, the CO₂ emissions that inevitably do result from the production are offset via certified schemes. The sustainability brochure is therefore exactly what people should expect from a sustainable brochure: Ink on paper.

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