

Human rights policy statement – Vaillant Group

As an international family business with more than 140 years of history, the Vaillant Group takes a long-term approach in terms of its planning and activities. When making business decisions, we take not only economic but also environmental and social aspects into account. This is reflected both in our vision – “Taking care of a better climate. Inside each home and the world around it.” – and in our strategic direction.

Observing and strengthening human rights is a fundamental part of our corporate ethos. Our aim is to ensure respect for human rights within our company, work towards compliance across our global supply and value chains, achieve transparency in respect of potential risks and take action wherever human rights have been breached.

Scope

This Vaillant Group human rights policy statement is binding on all employees. We respect the human rights of interest groups closely linked to our operations, such as temporary staff, customers, neighbours and local communities.

We also expect our suppliers to comply with our principles.

Relation to international standards and guidelines

To ensure compliance with human rights and labour standards, the Vaillant Group bases its principles on internationally applicable standards and guidelines, including:

- The United Nations Universal Declaration of Human Rights (UNUDHR)
- The fundamental Conventions of the International Labour Organization (ILO)
- The United Nations Guiding Principles on Business and Human Rights (UNGPs)

As a long-standing participant in the **UN Global Compact**, the Vaillant Group expressly recognises the Ten Principles of the Global Compact initiative – which cover the areas of human rights, labour standards, environmental protection and the fight against corruption – and promotes them within its sphere of influence. As stipulated within our general purchasing terms, we also expect our suppliers to commit to the Ten Principles of the UN Global Compact.

We publish regular declarations pursuant to the **UK Modern Slavery Act**, the aim being to prevent modern slavery and human trafficking along our value chains.

With our **occupational health and safety and environmental management systems** in accordance with DIN EN ISO 45001 and DIN EN ISO 14001, we take responsibility for the health and safety of our employees and partners, as well as for the environment.

Our **Code of Conduct** sets out the values, rules and behaviours that underpin our commercial activities.

Analysis of key human rights for the Vaillant Group

The Vaillant Group takes compliance with all human rights seriously. It is our stated aim to avoid breaches of human rights.

In particular, we focus on the following issues and areas of activity:

We respect the right of all to life, liberty and (social) security. We reject all forms of slavery, torture – including degrading treatment – and child labour. No one may be employed against their will or forced to work. On the basis of this principle, we prohibit illegal employment, recognise each individual as a legal person and acknowledge the right to privacy.

We uphold freedom of association and respect the right of all employees to establish workers' representative bodies in line with statutory provisions and to conduct collective bargaining in relation to working conditions. Members of employee organisations are neither at an advantage nor at a disadvantage. We support and safeguard the freedom of opinion of our employees and the right to freedom of expression.

The Vaillant Group observes applicable laws and regulations on pay. The company ensures that all employees receive appropriate remuneration. We adhere to applicable working time regulations around the world, which goes hand in hand with the right to leisure and rest.

We do not tolerate discrimination or harassment due to characteristics such as gender, age, ethnic/national origin, religion, sexual orientation or political beliefs. All forms of discrimination and harassment in the workplace are unacceptable. We also foster and expect effective occupational health and safety management, both from our suppliers and from all companies affiliated with the Vaillant Group.

Our supplier management

We procure a broad range of products and services from suppliers around the world. Effective governance, clear guidelines, sound risk assessment and close cooperation with our suppliers are the key pillars of a targeted approach to combating human rights breaches along the supply chain. At the Vaillant Group, we incorporate mechanisms to prevent human rights breaches at various phases, such as when selecting suppliers, working with them, evaluating them and during their ongoing development.

Our quality handbook for suppliers not only covers product- and process-related quality aspects, but also environmental and social matters such as compliance with the principles of the UN Global Compact. New suppliers are subjected to an audit that encompasses quality, compliance, environmental and social aspects. We also audit existing suppliers on a regular basis.

Responsibilities and management

The senior management team is responsible for the implementation of, and compliance with, the Vaillant Group human rights policy statement.

All employees are obligated to incorporate the human rights policy statement within their day-to-day work and to observe it in their behaviour, with our Code of Conduct serving as the basis in this regard.

In order to prevent human rights breaches, we provide the relevant company divisions with ongoing training on the topic of human rights and on how to carry out social audits. These audits also cover aspects such as child labour, forced labour, working times or discrimination.

Grievance mechanism

We have put an electronic whistle-blowing system (BKMS) in place for employees and customers as well as business partners and their employees, thus making it possible to report breaches of the law and internal guidelines.

This online tool is an external communication platform with special security features that enables users to pass information to the Vaillant Group in the strictest confidence, with the whistle-blower themselves deciding whether to give their name or whether to remain anonymous. All information is treated as strictly confidential. The IT system used is certified and technologically ensures the anonymity of our whistle-blowers at all times.

Information can also be addressed to superiors or the Compliance Officer responsible.

Continuous improvement

We are conscious that the implementation of human rights due diligence is an ongoing process, both in terms of our own business activities and in relation to supply and value chains. We accept this challenge and regularly review our strategic approaches and measures with the aim of continuous improvement. We also provide regular and transparent information on implementation status and developments as part of our sustainability reporting.



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