

Simone Rockenfeller, Vaillant Group employee

I 
MY
Green IQ



22

With success comes responsibility
A wager on the future. What it means to win the German Sustainability Award.



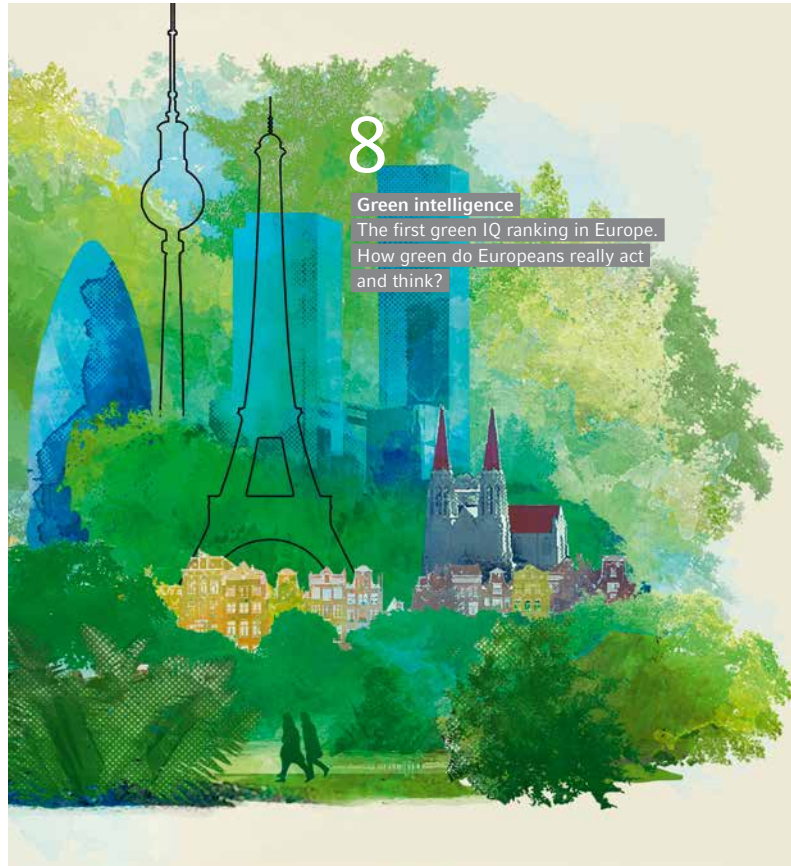
56

Grow to be big and strong
From the heart. With conviction. Vaillant donates warmth to SOS Children's Villages.



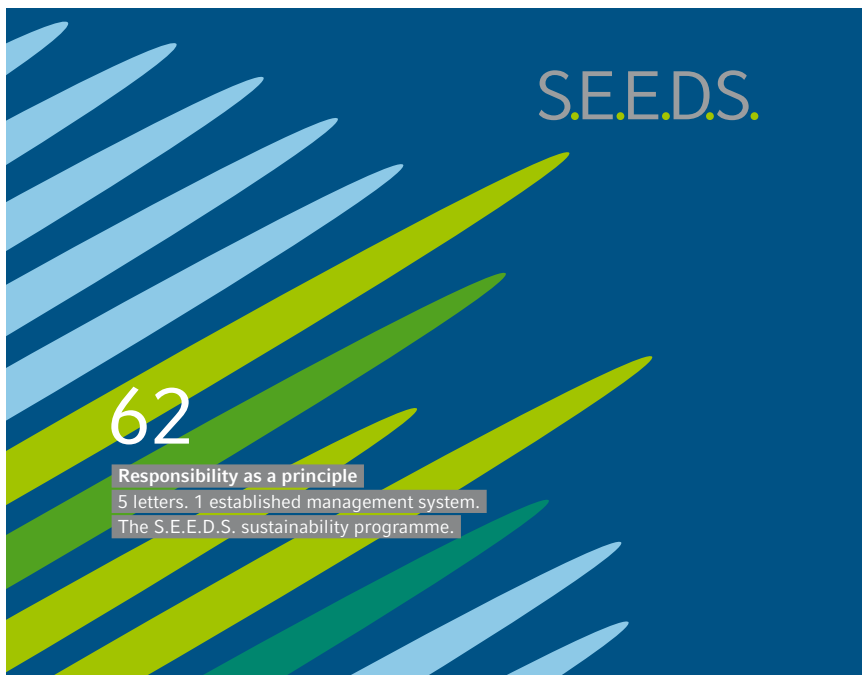
44

Let's have some honesty
Walk the talk? How important is sustainability to our employees? We found out.



8

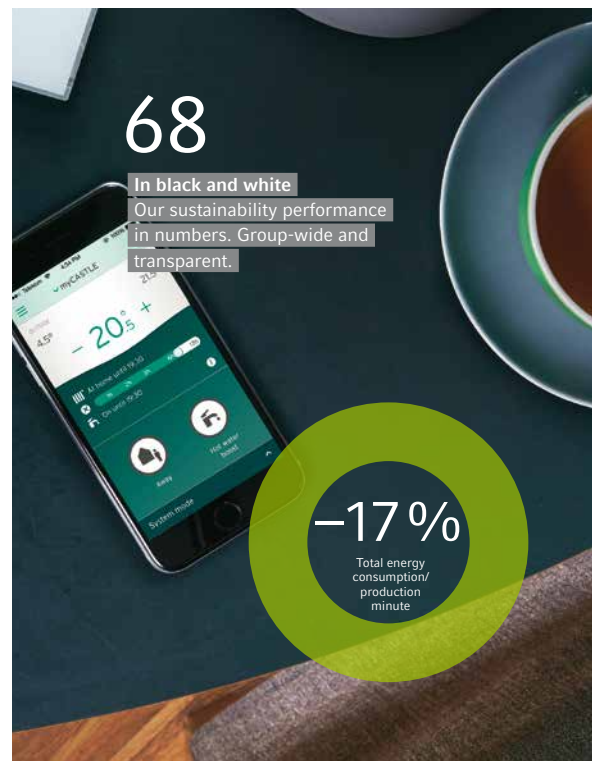
Green intelligence
The first green IQ ranking in Europe. How green do Europeans really act and think?



S.E.E.D.S.

62

Responsibility as a principle
5 letters. 1 established management system. The S.E.E.D.S. sustainability programme.



68

In black and white
Our sustainability performance in numbers. Group-wide and transparent.

-17%

Total energy consumption/production/production minute



Dr Carsten Voigtländer, Dr Andree Groos, Dr Dietmar Meister, Dr Norbert Schiedeck

CONTENTS

- 3 Foreword by the Management Board
- 4 Our company
- 6 Our brands and products
- 8 Green IQ study
- 18 Top-level talk
- 22 German Sustainability Award
- 26 Green product development
- 30 Green iQ product range
- 32 Resource efficiency
- 36 Intelligent energy usage
- 38 Smart production
- 42 S.E.E.D.S. around the world
- 44 Employees' views
- 50 Meaningful jobs
- 54 Hoppelhasen
- 56 SOS Children's Villages
- 62 Sustainability strategy
- 68 Key figures
- 72 Sustainable printing
- 74 At a glance

IMPRINT

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 2191 18-2754
Fax +49 2191 18-2895

Design
gerlach&partner, Cologne

Photos
Frank Fendler, Horst Gerlach,
Hoppelhasen, iStock, Mike König,
Uwe Schinkel, Joachim Stretz,
Studios Garnier, Vaillant Group

Illustrations
Visualize.my

Printing
Kunst- und Werbedruck,
Bad Oeynhausen

Dear reader,

Sometimes you have to take a moment to stop and reflect. This year we have not one but two reasons to do this. Firstly, S.E.E.D.S. – the Vaillant Group's strategic sustainability programme – is now five years old, which means we are halfway to reaching our Group-wide sustainability targets for 2020. This is a good time to take stock of what we have achieved so far; to highlight successes but also actively address where there is still room for improvement.

Secondly, our family-owned company was given an extraordinary honour in 2015. The Vaillant Group received the **German Sustainability Award (p. 22)**, naming it Germany's most sustainable large company. The award recognises the work of our over 12,000 employees around the globe and makes us even more determined to continue along the same path as we work towards our goal.

Insightful and somewhat unexpected findings came out of the first Europe-wide survey on green intelligence. The **Green IQ study (p. 8)** reveals the level of importance people in Europe attach to various sustainability topics and shows how sustainability influences the way people think and act across 13 countries.

We also put ourselves under the spotlight and asked five of our colleagues from different countries what a sustainable lifestyle means to them and where they would pitch the green intelligence quotient of our company. **Their views (p. 44)** make for honest, uncensored incentives.

The fact that our core business – highly efficient and pioneering heating technology – is capable of generating direct added value in society is emphasised once more in the partnership with **"SOS Children's Villages worldwide" (p. 56)**. The impressive work carried out by the children's aid organisation is shaped by values that have also been close to the heart of our family-owned company since the very start.

In light of the wide range of topics, we can already anticipate one point that will feature in our interim appraisal: the strategic **sustainability programme (p. 62)** is branching out ever further and ever more naturally into the most diverse parts of the company. It influences our development, which is increasingly oriented towards green criteria. It improves our production, as quality, efficiency and use of resources are considered together. It enhances the way we are perceived by customers and partners, as the slogan "Green is the new premium" can be felt in our products and services. It scripts stories that convey the things that spur on the Vaillant Group and its employees every single day. We are excited to see what the next five years bring.

Join us as we move forward.

Dr Carsten Voigtländer

Chief Executive Officer

Dr Andree Groos

Managing Director
Sales, Marketing
and Service

Dr Dietmar Meister

Managing Director
Finance and Services

Dr Norbert Schiedeck

Managing Director
Technology

Johann Vaillant lays the foundation stone for today's Vaillant Group, which is still 100 per cent family-owned.



1874

2001



Vaillant takes over the British Hepworth Group. The brands of the new group continue to be marketed separately.

WELCOME TO THE VAILLANT GROUP

Heating for the home – our company develops innovative solutions for hot water, room heating and cooling. Today, in more than 60 countries all around the world, the Vaillant Group supplies its customers with high-efficiency products that save energy, conserve resources and improve quality of life.

The Group's vision is clear: "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."

To this day, the Vaillant Group remains a family business. It is still entirely family-owned – and is therefore not only committed to genuine feats of engineering but also to values such as reliability and responsibility. The family business now provides highly efficient technologies, products that use renewable energies and individually combinable systems in over 60 countries. And it does so via eight different brands, all under the umbrella of the Vaillant Group.

Core business shaped by sustainability

Sustainability is integral to the Vaillant Group, which received the 2015 German Sustainability Award as Germany's most sustainable large company. The Vaillant Group's core business is shaped by sustainability, which, after all, is the most powerful tool for promoting the success of the energy

revolution, meeting UN climate targets and tackling global resource conflicts.

More than 40 per cent of all primary energy within the European Union is used in and for buildings. Of this, the lion's share – around 90 per cent – is needed to heat homes and provide hot water. This offers huge potential for savings and therefore to conserve resources and protect the environment.

Conserving resources every step of the way

It is our responsibility to make the most of this potential – and each and every one of our over 12,000 employees helps us to do so. Many of them work within an international network of eleven production and development sites spread across six European countries and the People's Republic of China. The company's sites are structured on the basis of combined competencies. Expertise and the production of specific components are focused at selected sites and centres of expertise for individual technologies are created – including in the development departments. Teams of experts make new product generations more efficient than ever.

The Vaillant Group acquires the majority interest in Turkish heating and air-conditioning specialist Türk Demirdöküm Fabrikaları.



2007

2011



ecoPOWER 1.0, the first micro-CHP system for detached and semi-detached houses, receives the German Sustainability Award as the most sustainable product.

S.E.E.D.S. is selected as one of the top three sustainability strategies in Germany within the scope of the German Sustainability Award.



2013

2015



Green iQ is the first label in Germany for high-quality, sustainable products that are networked in a future-oriented way.

The Vaillant Group receives the German Sustainability Award as Germany's most sustainable large company.



2015

We strive to innovate

Company founder Johann Vaillant would have approved. In 1894, he revolutionised German bathrooms with his gas-fired bathroom boiler: instead of people having to arduously heat the bath water in a kettle over a coal-heated stove, the bathroom boiler now heated the water in a closed system. The company's history is full of innovations, such as the first central heating boiler, which Vaillant unveiled in 1924, and more recently the world's first zeolite heat pump, Europe's first micro-com-

bined heat and power system for detached houses and a fuel cell heating unit.

Warmth for the family

However, Johann Vaillant's innovative spirit did not stop at technology. He introduced Saturday as a day off in 1909 and campaigned for the abolition of the luxury tax on hot water. His sense of social responsibility still shapes the company today, both internally and externally. The partnership with "SOS Children's Villages worldwide" is a prime example of this. After all, family and warmth belong together – and to the Vaillant Group.

Vaillant Group production and development sites



VAILLANT
SINCE
1874



A SMART FUTURE

The Vaillant Group's eight brands offer a full range of heating, ventilation and air-conditioning technologies and thus the perfect systems to meet almost any requirements. The company is committed to providing innovative and efficient products, intelligent control units and optimum service.

All from a good home: the Vaillant Group encompasses eight different brands. This diversity means it can be relied upon to offer the ideal solution for almost any requirement – for users and the environment. In this regard, the Vaillant Group's long-established Vaillant brand represents the very best in user friendliness, design, efficiency and sustainability, as well as having a forward-looking approach. For "The good feeling of doing the right thing".

Vaillant offers a broad range of products with multiple product versions and innovative solutions. It has made a promise to its customers that it will stay ahead of the pack when it comes to sustainable and responsible system solutions and services in the fields of heating, cooling and hot water. Sustainability is a core concept within the brand promise, as reflected in the products and services.

The Saunier Duval brand group, with its seven brands (Saunier Duval, AWB, Bulex, DemirDöküm, Glow-worm, Hermann Saunier Duval and Protherm), makes up a significant part of the Vaillant Group's product range. It specialises in products for the high-volume mid-range price segment. The Saunier Duval Group's brands are characterised by intelli-

gent, simple and reliable heating technology. And, of course, the same high standards of quality, safety and efficiency apply to all Vaillant Group products.

Highly diverse

The markets are all very different: climates, construction methods and habits differ from one region to the next: from Seville to Liverpool, Oslo to Moscow and Istanbul to Shanghai. As such, the Vaillant Group offers an extremely broad range of products which are always focused on efficiency: whether floor-standing or wall-hung gas-fired condensing boilers, solar panels, photovoltaic systems, air or geothermal heat pumps and combined heat and power systems for detached, semi-detached or multiple-dwelling houses through to water storage tanks, ventilation systems and control units. We have just the thing for your every need.

By using efficient systems based on renewable energies, we are already able to vastly reduce primary energy consumption. For example, heat pumps that use heat from the air or the earth can be combined with collectors for photovoltaic or solar thermal energy and supplemented with water storage tanks for peak periods. Thanks to the eloPACK battery storage system, self-produced electrical power can now also



be stored. This marks a further milestone in the energy revolution as systems like this get the most out of renewable energies.

Intelligent management

The more individual and tailored the heating system, the greater the importance of an intelligent control unit. After all, it is about making the individual components work together as efficiently as possible. This also includes an intuitive control unit that meets the standards of today’s users.

In 2015, Vaillant launched Green iQ, a product range that stands for even greener premium technology and embodies sustainability – from the first draft to the point of disposal. The three devices in the range are characterised by optimum efficiency, sustainability from the outset and smartness, thanks to their interactive nature. This makes Green iQ a pioneer in user-centred controls.

The intelligent Internet communication module VR 900 makes Vaillant heating units web-compatible. In combination with the multiMATIC control unit, the VR 900 module responds to changes in user habits: for example, you can switch on the heating in your bathroom at home while you’re still at the office or switch off your heating after setting off on holiday – intelligently, efficiently and conveniently. And with profiDIALOG our service partners can identify and deal with a problem before the user has even noticed it. It’s that smart.

Brands of the Vaillant Group



GREEN IQ STUDY

Green intelligence

How does sustainability affect our everyday lives? Do we behave as we should – knowing what we do about the consequences of our actions? And how much do we actually know? Every day, we make multiple decisions that affect the environment. Is it possible to determine how intelligent people are in terms of sustainability in the same way as we can calculate our general IQ score or use an emotional intelligence score to indicate how successfully we are able to perceive and understand our own feelings and those of others? The Vaillant Group commissioned a study across Europe to determine people's green IQ. The results are surprising – and extremely informative.



13

countries

participants

13,500

“We wanted to know if there was such a thing as a green IQ,” explains Nicole Gharadjedaghi, responsible for sustainability communication and the Green IQ study project at the Vaillant Group. “We wanted to find out how green people are in the way they think and act, as well as whether there are any differences between individual countries or within societies and, if so, what these are.”

To achieve these aims, the Vaillant Group joined forces with the well-known market research institute TNS Infratest. “In cooperation with TNS, we spent a long time considering how to calculate this kind of green IQ,” explains Thorsten Wintrich, Head of the Vaillant Group Market Research team, who helped develop the calculation method used in the study. “We believed that it was particularly important to not only question people’s attitudes but also look at their actual conduct. We tested several models in this regard.” The green IQ score is based two-thirds on a person’s behaviour and one-third on their attitude. This basic formula was then used to conduct an extensive online survey of over 13,000 people in 13 European countries.

At least 1,000 people per country took part in the study, each answering over 100 questions online. As when assessing

Gender: on average across all countries, women have a higher green IQ than men.

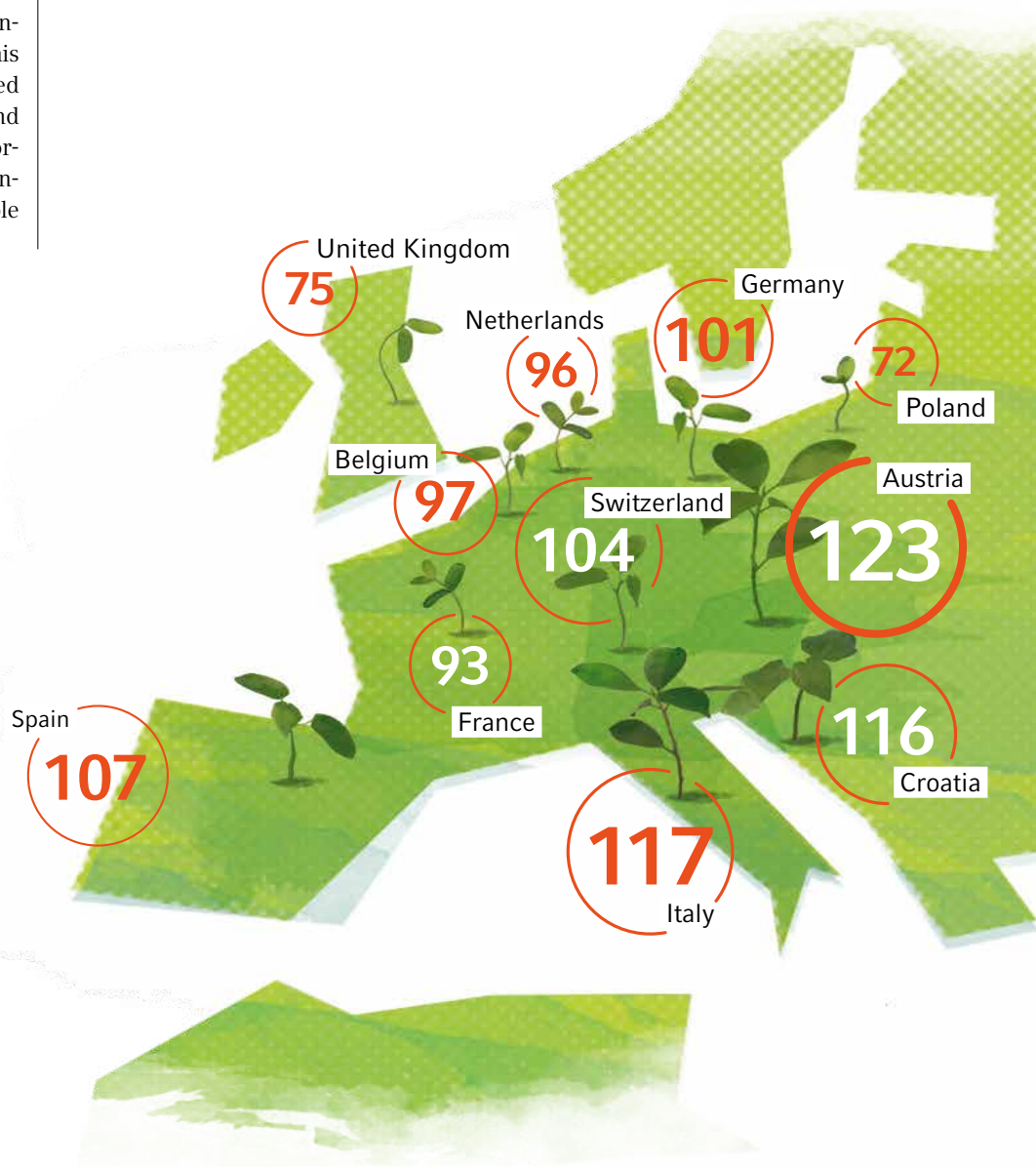
the usual intelligence quotient, the green IQ score was based on a standard value of 100 as the mean IQ score for all countries. The study’s creators focused on topics that affect the everyday lives of the people surveyed: purchasing and environmental behaviour, energy consumption, mobility, society and nature conservation. Whereas the questions relating to the first two topics only looked at the actual behaviour of the people surveyed, the sections relating to the other topics also included questions about their attitude.

What do you regard as the most important political and social challenges right now? Do you use green electricity or electricity from renewable energies? Have you ever replaced a mobile phone with a new one despite it still working? How often do you take non-business flights? Do you prefer buying loose or pre-packaged fruit? The market researchers used these and many other questions to calculate green IQ in countries from Spain to Turkey – with surprising results.

Turkey turned out to be the country with the highest green IQ. This was so unexpected that the market researchers even conducted a control survey using a different channel – which confirmed the initial results. The green IQ of the Turkish survey participants was much higher

How green is the Vaillant Group mindset?

Our employees took the test to find out (from page 44).



than the average in all areas. What's more, the participants were all very modest: their actual behaviour was always greener than their attitude. Sustainable behaviour is particularly important to them in relation to society and nature.

Austrians and Italians also achieved high green IQ scores. Whereas the level of green intelligence seems to be uniform across all topic areas in Austria, Italian participants, similarly to those in Turkey, expressed a particular awareness in the areas of society and nature.

Age: older Europeans are, on average, more intelligent than younger ones.

Women are more intelligent than men, older participants are more intelligent

than younger ones, and not everyone who acts green is fully aware of doing so, like in Turkey for example. Even the Polish, who performed worst in the survey, are greener than they think. Awareness and behaviour mainly tally with regard to energy consumption. In places where energy is precious, the people surveyed keep a close eye on their consumption. This applies in Italy and Spain, for example – or, in other words, in countries that import almost all of their energy. Furthermore, not everyone with a green mindset actually acts green. Germany and Austria are the best examples of this. If we were only to look at the questions about attitude, the green IQ score in these countries would be far higher. In terms of behaviour, however, the scores came in lower, especially with regard to consumer habits.

The income of those surveyed has no major impact on their green IQ.

“The study primarily showed us that we need to keep on informing and educating ourselves; we need to continue in our efforts to promote sustainability,” explains Gharadjedaghi. “The study highlights a general willingness to support sustainability, which we are delighted to see. However, there are certain things that make it more difficult to actually act sustainably, for example if there is a lack of knowledge or if sustainable behaviour costs money or is inconvenient. This is where we can help.”



Mobility



27%



Responsible travel: **27 per cent of Italians switch off their engine at a red light to save fuel.** And cars are certainly important to Italians: **less than four per cent of Italian households are carless.** This makes Italy the frontrunner for car ownership. The Italians also actively use their cars. Things are very different in Switzerland, where people are passionate about using public transport, with one in four doing so as often as possible and most people stating that they have good local public transport connections. **This makes travel more convenient for the Swiss, who do not have to spend time looking for a parking space.** In France, about half of those surveyed drive to work – on their own. Similar statistics apply to their German neighbours too.

A matter of comfort?



Consumer behaviour

Conscientious: **43 per cent of those surveyed in Russia avoid products that contain palm oil**, which, incidentally, is not only found in food but also cleaning products. When it comes to responsible electronics consumption, the French lead the way: **76 per cent use technical devices until they actually break**. And this is clearly not a matter of course: on average across all the countries surveyed, 55 per cent of users replace mobile phones that still work with newer models. **When purchasing technical devices, 35 per cent of respondents nevertheless look at the energy efficiency label**. The Austrians lead the way here with 45 per cent.

43%

Distilled water
 · Cyclopentasiloxane (8%) · Lime (2%) · C12-15 alkyl benzoate · Persea gratissima oil · Benzyl alcohol (0.8%) · Palm oil · Linalool · Alpha-isomethyl ionone · Citronellol · Parfum

Alexander

RUSSIA

Fatma

TURKEY

9%

Onions
Apples
Carrots
Grapes
Buckwheat
Spaghetti



Diet

Carnivores and vegans: **nine per cent of those surveyed in Turkey said that they are vegan.** This is a significantly higher rate than in any of the other countries surveyed. For example, despite Austria coming second highest in the overall ranking, only two per cent of people here are vegan. **34 per cent of those surveyed in Austria said that they eat meat daily** – although 19 per cent did say that they make a conscious effort to eat less meat. **And 42 per cent of Austrians opt for organic eggs.** Anyone wanting to shop sustainably needs to take a leaf out of Turkey's book and purchase regional, seasonal fruit and vegetables, ideally as loose items rather than pre-packaged goods. This might cost more – in terms of both time and money.

42%

Lukas

AUSTRIA



Ingrid

GERMANY



83%

Energy

Turn off the tap! **83 per cent of Germans turn off the tap while brushing their teeth.** This is a higher ratio than in any other country. Spaniards say that they prefer to have showers than baths in order to save water, something that 49 per cent of them generally do whenever possible. They also monitor their energy consumption and only “lose out” to the Belgians, Turks and Croatians in this regard. When choosing a home, energy consumption is also a decisive factor for Croatians. **Furthermore, Croatians also have the greatest propensity to invest in intelligent technology (22 per cent of those surveyed).** The Austrians show a greater interest than anyone else in where their power comes from. They do not want energy from nuclear power plants – **almost 70 per cent of those surveyed reject nuclear power and 55 per cent use green electricity.**





**“THE INTRODUCTION OF
THE GREEN iQ PRODUCT
LINE IS A GENUINE
HIGHLIGHT.”**

TOP-LEVEL TALK

The S.E.E.D.S. sustainability strategy is now five years old – a good time to take stock with Dr Carsten Voigtländer, Chief Executive Officer, and Dr Jens Wichtermann, who is responsible for the strategy in his capacity as Director Corporate Communications, Sustainability & Politics.

Dr Voigtländer, Dr Wichtermann. We are here to talk about 2015 in terms of sustainability. What immediately springs to mind?

Dr Voigtländer: The German Sustainability Award. We were honoured with the award in 2015 after being named Germany's most sustainable large company. It's fantastic! The award recognises all the effort, passion and ideas fed into the company by our over 12,000 employees, while also spurring us on to do even more, to work even harder, to take an even closer look at things and to engage in even more demanding projects. It is both our reward and our mandate.

Dr Wichtermann: The accolade that comes with the German Sustainability Award and being named Germany's most sustainable large company has a huge impact on the entire Group. It honours all of our colleagues, not least our Sustainability Management team, which has already achieved so much with S.E.E.D.S. in just five years. It stresses the significance of sustainability for the entire company. But it is important to us that we don't see the award as honouring our life's work, but rather as a wager on the future.

You just said it yourself: S.E.E.D.S. is now five years old. How would you sum up these first few years?

Dr Voigtländer: We have set ourselves some extremely ambitious goals with S.E.E.D.S. In terms of environmental management, we have almost achieved several of our 2020 targets at this halfway point, and there are some that we have even surpassed! The Group-wide strategic approach has proven successful here. We can look back on a number

of highlights – in addition to the accolades.

Dr Wichtermann: Absolutely! The introduction of the Green iQ product line stands out in the field of Development & Products. It carries weight for the markets, but also means a lot to us internally as we reviewed everything based on these products. We learned a great deal from doing this. The Hoppelhasen childcare centre is also another great achievement to come out of five years of S.E.E.D.S.

Dr Voigtländer: The partnership with "SOS Children's Villages worldwide" is really important to me. It enabled us to put into action all of the demands that came out of our stakeholder survey. We offer support through our core business – providing efficient heating technology – and help an extremely prestigious children's aid organisation in our capacity as a family-owned company. Many of our employees clearly identify with this partnership; they want to do their bit and are proud of the initiative.

Where is S.E.E.D.S. yet to flourish?

Dr Voigtländer: There certainly remains a lot to be done. For instance, we still have to launch many more Green iQ products onto the market and apply everything we learn to the entire range. However, one thing is clear: anything marked as Green iQ must be based on green intelligence. This label is only given to appliances that are especially efficient, that were designed and produced under the highest sustainability standards from start to finish and that can be intelligently networked. And we are by no means prepared to lower these criteria.

Dr Wichtermann: On the contrary: we are continuously developing the criteria. Moreover, we are already well on our way to systematically implementing sustainability criteria, such as the recyclability of materials, as part of the Group Development Process. Quite frankly, this is taking us too long, even if we understand the reasons why. In general, the topic of sustainability is rarely black and white. We have already made headway in many areas, but the next stages will be more strenuous. Just take a look at the Global Compact for example.

An exciting topic. The Vaillant Group procures 100 per cent of its standard purchase volume from suppliers who acknowledge the UN Global Compact. At first glance this would appear to be a success. But what does it really mean?

Dr Wichtermann: That's right. We could say that we have been successful in pledging our commitment to the Global Compact and implementing its principles. If we are to take our commitment to sustainability seriously, however, we have to scrutinise our actions and ask ourselves what this figure is really worth. In short: we take our pledge seriously, which is precisely why we have to keep pushing the topic of supplier audits and retain a closer eye on the situation surrounding responsibility in the supply chain. At the end of day we cannot fool ourselves: there is still a long way to go before we have a truly sustainable supply chain from start to finish.

Are there any sticking points beyond the field of Development & Products?

Dr Wichtermann: Certainly. A key area where we had hoped for more progress in terms of our sustainability targets concerns our employees. With this I'm mainly referring to employee satisfaction, which has not progressed as positively as we had hoped. But also with regard to a better work-life balance, which is undoubtedly a multifaceted topic in an international company. We have also not quite reached our target with regard to leadership development.

What is happening here?

Dr Voigtländer: A lot. We are currently working on this in the Group HR division.



We will start making changes here and move things along more quickly than in the past – with our goals and the future in mind. A new challenge for our company and the industry as a whole is digitalisation. We need more employees with expertise in this field and we have to take a targeted approach to finding them. We shouldn't forget the fact that we are by no means doing a bad job; we just want to see more improvements at a faster pace.

Let's look ahead to the next five years of S.E.E.D.S., to 2020. What are the most pressing goals?

Dr Voigtländer: We have some intriguing tasks ahead, such as raising our environmental targets – some of which we have already achieved. We are setting the bar even higher here for 2020. The next step is to make the concept of sustainability more ingrained in the organisation and to give it a broader foundation. Put simply: nobody in the Vaillant Group will be able to ignore our sustainability ambitions. From the apprentices to the sales representatives, right up to senior management.

How will this work?

Dr Voigtländer: We will come at this from two angles. On the one hand, we want to push forward with expanding S.E.E.D.S. to the sales companies. Croatia has led the way in a pilot project. The Sustainability Management team is currently putting together a modular system that will be made available to the sales companies and which can then be used to develop a S.E.E.D.S.-based local strategy that fits their market and structure.

We look forward to hearing about every sales company that takes advantage of this modular system. On the other hand, we are looking to introduce S.E.E.D.S. ambassadors in the areas that are especially significant for sustainability.

What would these S.E.E.D.S. ambassadors do and who would choose them?

Dr Wichtermann: They would wear the sustainability trousers, as it were, in their area. They should view everything that goes on with an eye to sustainability and encourage colleagues in their division to think sustainably. This also, and especially, applies if certain sustainability targets do not mesh with other requirements. Besides this, they should use their knowledge of the division to develop their own ideas; the Sustainability Management team will be happy to support them.

Dr Voigtländer: Selecting the right ambassadors is of course essential. They have to be passionate about the topic yet also have the tenacity and a position that gives them a good overview of their area and that enables them to put things in motion.

Does the company already hold the potential to do this? Are there enough people that would suit the role?

Dr Voigtländer: In principle, I would say yes. Although we will also adjust our approach to recruitment in future and place more emphasis on addressing people who have a similar mindset to us; people who value sustainability as much as the company does.

Dr Wichtermann: Support from the top is absolutely essential and also provided by management. However, we'd like to see even more passion from a couple of senior managers with regard to one or two things.

What do you think we will be able to achieve over the next five years?

Dr Voigtländer: Firstly, all our 2020 targets by 2020 at the very latest. We have, of course, achieved a great deal in the first five years of S.E.E.D.S. Just not everything. The rest is yet to come. We have to meet these goals on time wherever possible.

Dr Wichtermann: In management we like to speak of "low-hanging fruit". We have reviewed the potential; now we have to keep pushing ourselves. It is only going to get more difficult. In some areas – such as the topic of employees – it will take longer to see results. Right now we have to anchor the sustainability mindset more firmly in the organisation and encourage more colleagues to offer their expertise and come up with new ideas. By doing this, we will prove once again that we truly deserve the German Sustainability Award.

Dr Voigtländer: The accolade did not come as a surprise. I believe that we have come a very long way in the first five years and have already made a great deal of progress. I'm really happy that, after five years, we are already at a point where we can revise several targets upwards, spread sustainability responsibility across more pairs of shoulders and develop sustainability management even further.

“THE PARTNERSHIP WITH ‘SOS CHILDREN’S VILLAGES WORLDWIDE’ IS REALLY IMPORTANT TO ME.”

Dr Carsten Voigtländer



GERMAN
SUSTAINABILITY AWARD



Vaillant

Three men in dark suits are standing on a stage, silhouetted against a large, glowing circular award trophy. The trophy features the Vaillant logo and brand name. The scene is lit with dramatic blue and white lights.

With success comes responsibility

The German Sustainability Award 2015 was presented to Vaillant as Germany's most sustainable large company. We are proud to have received the accolade and more motivated than ever to pursue and further our goals.



A scene of celebration, a prize of significance. In handing Vaillant the German Sustainability Award, the renowned jury primarily acknowledged the consistent implementation of the S.E.E.D.S. sustainability strategy, which specifies binding, quantifiable targets and measures success year after year. When explaining why they chose Vaillant, the jury remarked that as a provider of key technologies for the energy revolution, Vaillant fulfils its environmental and social responsibility by creating value in an exemplary way. The celebratory award ceremony took place in November 2015 in Düsseldorf. Vaillant had previously received the coveted trophy in 2011 for the most sustainable product.

The S.E.E.D.S. sustainability programme was ranked among the top three sustainability strategies in Germany in 2013.

“We are tremendously proud of the award as it acknowledges the consistency with which we systematically underpin the concept of sustainability throughout our company,” says Dr Carsten Voigtländer, CEO of the Vaillant Group. “With the Green iQ product line, we have also integrated this concept into our core business. Green is our new premium.” And simultaneously an assurance for the future. “The achievement places us under an obligation. We do not view it as our ultimate prize. Instead, we see it as a duty, incentive and confirmation to continue working with the same amount of passion and tenacity.” At the end of the day, our aim is to develop systems that are ever more efficient in an ever more sustainable way.



One thing is clear: effectuating sustainable actions in a company that functions and produces on an international level is neither easy nor ever complete. The value chains are highly complex, the players diverse and not always fully visible. Although the Vaillant Group has indeed made distinct improvements with S.E.E.D.S., the company does not yet work in a fully sustainable manner.

“In order to operate in a truly sustainable way, we have to move to the next stage, which takes us further down the supply chain,” says Claudia Altenrath, who took on the role of Head of Sustainability Management in December 2015. Looking ahead, she goes on: “We cannot do this by merely accepting acknowledgements that the Global Compact criteria are being fulfilled. We also need to see concrete evidence in order to establish transparency and certainty. This involves a huge amount of work; it is arduous and will not deliver impressive results right away.”

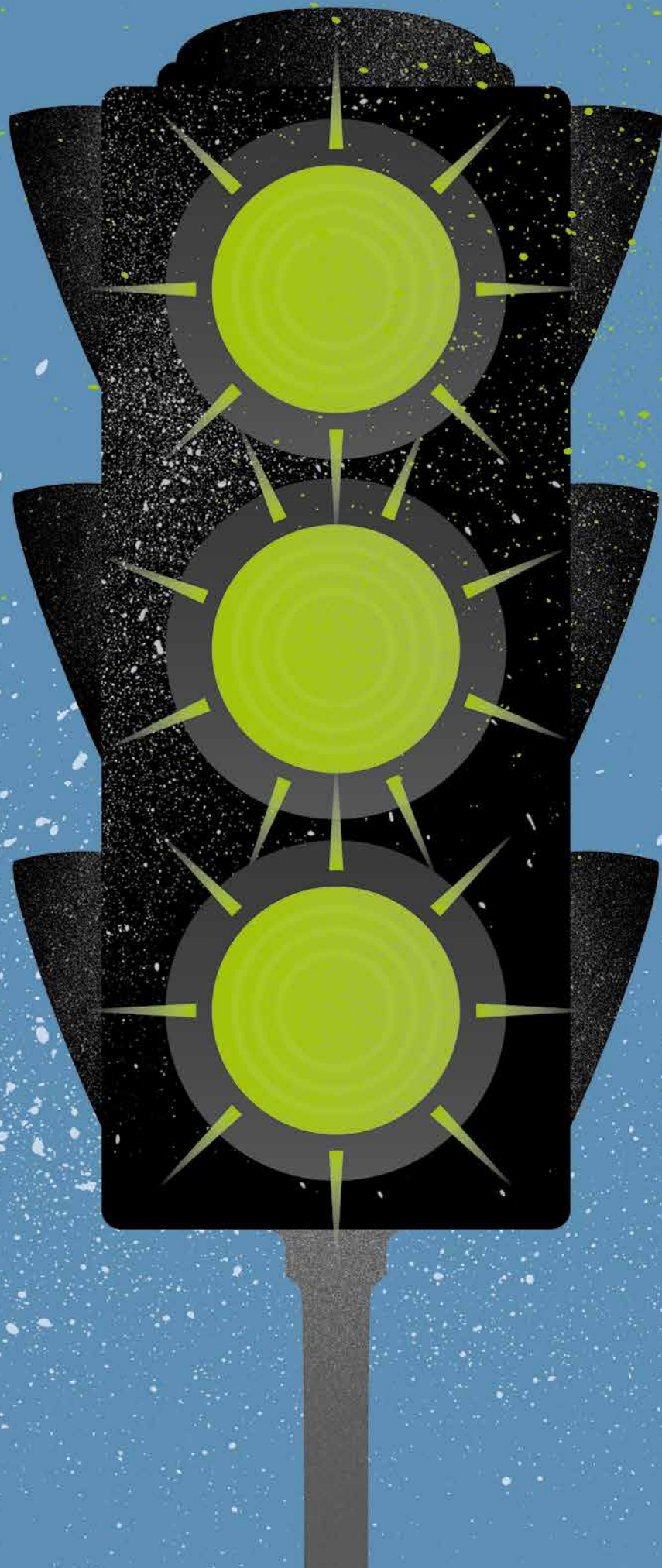
About the German Sustainability Award

The German Sustainability Award recognises companies that set examples in combining economic success with social responsibility and environmental care and which therefore promote the concept of a sustainable society. It is seen as the most significant sustainability award in Germany.

The focus is on consistent sustainability management and sustainability issues in brand management. The award encourages companies to act sustainably and to make the principles of sustainable development more prominent among the general public. The award is an initiative of the German Sustainability Award Foundation in cooperation with the German Federal Government, the Council for Sustainable Development, business associations, organisations in civil society and also research institutions.

“We do not view the award as our ultimate prize. Instead, we see it as a duty, incentive and confirmation to continue working with the same amount of passion and tenacity.

Dr Carsten Voigtländer, CEO



Green lights all the way

What makes products sustainable? Their energy efficiency during use, of course. But that's not all: we also need to look at products both before they are used – during development and production – and after they have reached the end of their life. Making the entire product life cycle sustainable is a complex task that presents many different challenges and potential solutions – a task the Vaillant Group is only too happy to take on.



It's all about the details – and there are certainly a lot of them when you consider a product life cycle in its entirety. Marion Storch, engineer in the Vaillant Group Sustainability Management team, is committed to identifying details that can be tweaked to make things more sustainable. She does this by taking a systematic approach. “Integrating sustainability criteria into products means taking a holistic view of things, from the idea to the product right through to its end of life. It covers all aspects of development, production, sales, usage and servicing. Ideally, it should be possible for materials to be reused and fed back into the materials cycle,” says Storch. “To achieve this, we need to look at many little details. We sometimes go into great depth here, yet it's important that we don't lose sight of the bigger picture.” The engineer works to identify all of these details and to arrange them in product development guidelines.

“We try to carve out new paths,” explains Storch. In summer 2015, a workshop took place that covered the entire value chain. This aimed to identify the sustainability potential offered by the materials used. Among the attendees was Dr Jochen Wriske, Head of Pre-Development Management: “I was focused on waste. At the end of the life cycle, some of the recyclable materials are re-used, especially the metals. But what about the plastics?”

“
*We try to
find and carve
out new paths.*”

Marion Storch
Sustainability Manager

This led to the creation of two pre-development studies. In autumn, the upstream suppliers of the injection-moulded parts suppliers were invited to a joint workshop intended to find new solutions – for fibreglass composites that couldn't previously be reused as well as for alternative bio-based plastics. “We've consciously taken things a step further by talking to the upstream suppliers. We hoped that this would enable us to identify even more potential for innovation beyond the areas we're already aware of,” explains Storch. “We

6
Sustainability, as we understand it, is deeply entrenched in the processes of a modern industrial company.

Marion Storch
 Sustainability Manager

asked very specific questions in order to achieve very specific results. It's important to us that the composites meet the technical specifications, which are extremely strict for our devices, and that they really are sustainable," explains Wriske.

The criteria were clearly defined: the amount of waste should be reduced, materials should be reused and the range of materials should be streamlined. "We quickly learned that certain fibreglass composites are reusable. Our colleagues in the Centre of Competence for Hydraulic Modules in Skalica are now working with one of the upstream suppliers on a study that looks at ways to specifically implement these," comments Wriske.

The workshop with the upstream suppliers also dealt with another topic of great promise: the new opportunities that come with embracing biological raw materials and using biodegradable and biocompatible materials. A team in Remscheid is currently developing a heat cell for gas-fired condensing boilers made from bio-based composites. Wriske reports that these materials are still extremely expensive and can therefore only be used for certain parts.

The workshops were primarily shaped by discussions about expectations and new possibilities. "The participants from the four companies were extremely open to and happy about the idea of working together to develop something," comments Wriske. "Their involvement at this early stage means they can work with us to develop something we all want."

We are taking small steps along a very long road. Wriske and Storch are aware of the technical difficulties and challenges that have to be overcome when modifying materials. "Do you know what that means?!" Marion Storch grins. She apparently hears this phrase a lot. Of course, she knows what it

means to modify a material, what far-reaching consequences this can have and which departments need to be involved in the process – from Research and Development through Purchasing, Production and Quality to Sales. Despite this, it is important that the material selection is made more environmentally friendly.

The next, slightly larger step will be to anchor the sustainability criteria in the Group Development Process (GDP). This acts as the basis for all developments and outlines criteria and process steps. "We have created what we refer to as our *Six Green Rules*," says Storch. These relate to products' energy efficiency and durability, the responsibility faced when selecting materials, which also includes their production, as well as their servicing, usage and end of life. They are incorporated into the process descriptions for product development –

and therefore ensure that sustainability criteria are considered right from the outset, when a product is first created.

This is a project that Marion Storch has been managing since 2014 and which is now nearing completion. "Sustainability, as we understand it, is deeply entrenched in the processes of a modern industrial company. Of course, this doesn't always happen as quickly as we'd like. However, the implementation of the *Six Green Rules* in the GDP is systemic – and therefore needs to not only be carefully planned but also reviewed by all those involved." To get green lights all the way, we need to take many steps, both big and small.

Holistic thinking

The aim is to create a closed loop; a materials cycle that does not recognise waste or rubbish, only resources.

Everything should return to where it began; any materials used should remain in the cycle and be reused or at least recycled. To achieve this aim, products need to be holistically thought-out and the entire product life cycle needs to be considered from the very earliest stages of development onwards.

We are far from being able to guarantee a closed loop at all stages of a Vaillant product life cycle. Production waste is still generated – albeit less than before. The Sales team uses paper and cannot guarantee that it is all fed back in to the materials cycle, although it can create the conditions required to make this possible.

The most waste is created at the end of a product life cycle. Not all of the materials are returned to the start. To make this possible in future, developers and product designers are working hard on every last detail, such as connectors that render soldering and screws unnecessary and make it easier to separate materials when disassembling devices.

GREEN AND SMART

Green iQ products have been on the market for a year now. There are three criteria whereby such products distinguish themselves from others: they are unbeatably efficient, strictly sustainable and smartly networked. This is why Vaillant is keen to work within the green premium segment.

2015 was the year of Green iQ – the name of the new premium line-up which Vaillant launched in spring 2015. Since then three appliances have started to sell on nearly all European markets: a wall-hung gas-fired condensing boiler, the ecoTEC exclusive, and two heat pumps, the flexoTHERM and flexoCOMPACT. In autumn 2016 Vaillant is planning to launch the ecoTEC in Italy, France and the UK.

“We are pleased at the way those markets have accepted our products,” says Tanja Brinks, Marketing Director of the Vaillant Group. This is particularly true for markets that were expecting good sales anyway. They actually exceeded their own expectations – for instance Germany, Belgium and Austria. Marketing is not without its challenges; this is a new product line and therefore requires some explanation. “We need to be available and explain the product at all points of customer contact,” says Brinks. “We were aware that marketing Green iQ products was not going to be a foregone conclusion. However, we still decided for Green iQ – out of conviction. Sustainability is part of the essence of Vaillant as a brand. And Green iQ represents this essence more than any other product.”

Sabine Ryheul, Marketing Director at Vaillant Belgium, knows that a lot of hard work is required. “We really invested a lot in explaining the Green iQ benefits and added value to the relevant professionals, from installers and architects to endusers.” It was worth it. “We will continue with our PR activities and we will keep communicating our promise to deliver on the essence of the Green iQ label – efficiency, sustainability and connectivity.”

Green iQ products are the result of a project in which we recorded all the carbon

emissions of the gas-fired condensing boiler ecoTEC throughout its life cycle, followed by a critical appraisal of all the materials it contains. We took a close look at even the tiniest little bolts, so that we could make it even greener. Eventually this led to our idea of a new product line: all our departments had a hand in it and contributed the best they could offer – Research and Development, Quality, Market Research, Design, Marketing and Sustainability Management.

The Green iQ label is to signal to the customer that this product meets the highest sustainability standards across the entire value chain. This means being efficient – considering that over 90 per cent of carbon emissions are caused during the usage phase – and, in particular, selecting sustainable materials as early as the design stage, materials which can easily be recycled again at the end of the product lifetime.

The insights gained in implementing the guidelines for Green iQ products were eventually summed up in the form of *Six Green Rules*. These rules became part of the Group Development Process, ensuring that sustainability criteria are mandatorily covered in all new developments. “Eventually we want our green product development rules to impact the entire product range of Vaillant. For Green iQ products the regulations are, of course, particularly strict,” says Marion Storch who works in Sustainability Management.

In 2016 Vaillant is marketing a combined version of the ecoTEC exclusive with an integrated plate heat exchanger for hot water. Further products are expected to be launched in 2017. After all: “Each product must deserve this label. This is why we don’t automatically produce two

or three new Green iQ products per year,” Brinks explains.

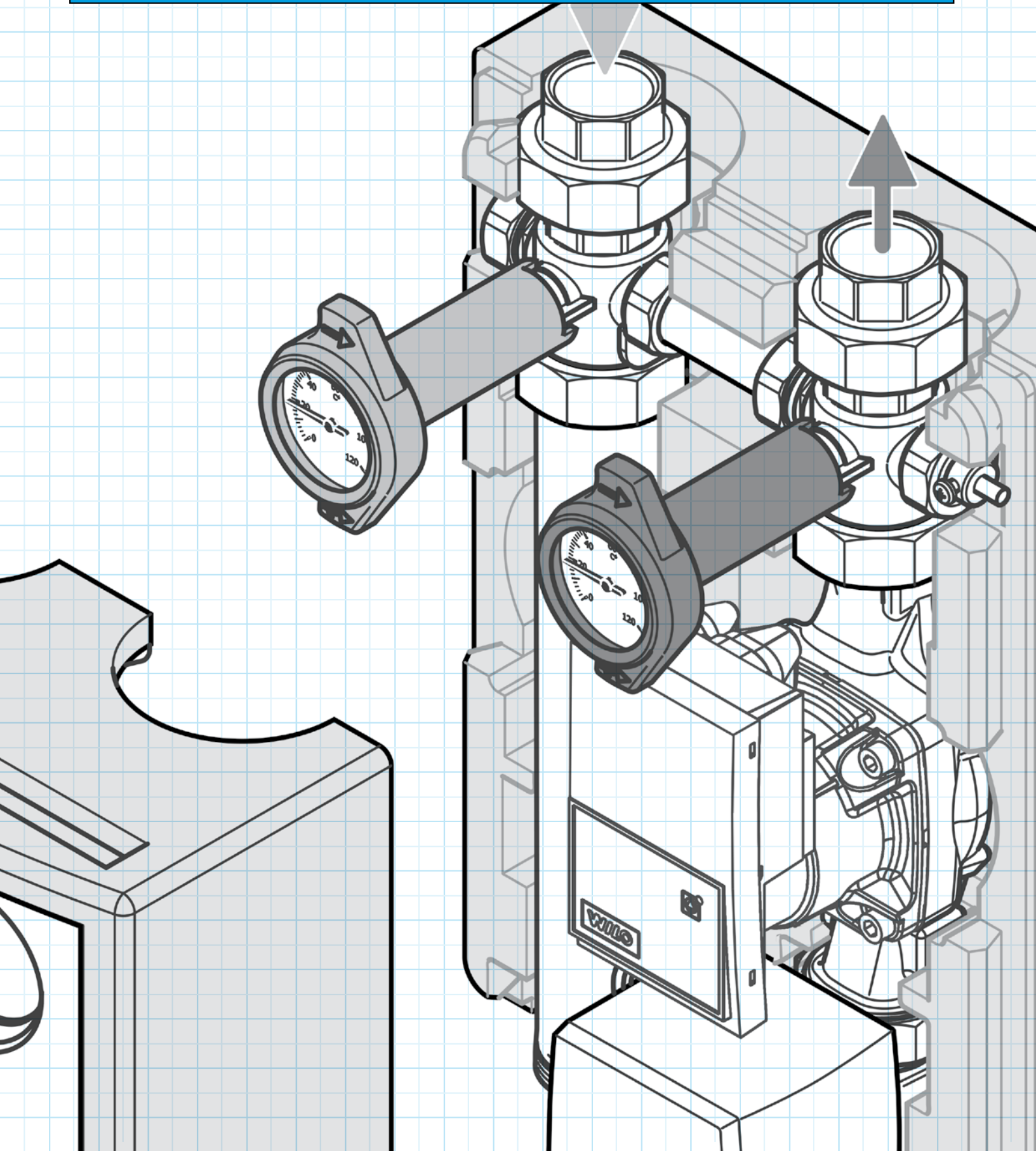
Efficient, sustainable and smart: these are three qualities that sum up Green iQ products. They are also arguments towards the customer – three pillars on which all marketing is based – and it then depends on each market which argument should be more at the focus. Germany, for instance, has mainly opted for sustainability, while Belgium is concentrating on smartness and connectivity. “It’s the most tangible part of the label and very much talked about on the Belgian market – both by installers and end users,” says Sabine Ryheul. Green iQ products are the first Vaillant appliances that come with a smart communication interface as a standard. The web-enabled control unit multiMATIC 700 makes it even easier and more convenient to control Green iQ appliances and to ensure they respond to usage patterns. This can be done via a smartphone or tablet – from anywhere. It’s because they’re green – and smart.





RESOURCE EFFICIENCY

Streamlined where possible



Thousands of letters, text after text – in more than 40 language versions. The operating instructions for Vaillant Group products have to conform to legal requirements and answer all the key questions that an installation technician or end user may have. But is there not an easier way of getting this information across? The Documentation team asked itself this very question, and responded by streamlining the instructions – a move that earned it the S.E.E.D.S. Award.

Going paperless is not an option. For legal reasons. Carsten Auf dem Kampe, Head of Technical Information Management, is all too aware of this limitation. “Our operating instructions not only have to satisfy the legal requirements, they also warn against dangers and aim to make the products as efficient and easy to use as possible.”

Since 2011, the team has taken a systematic approach to improving the instructions, making them less bulky yet – or perhaps and therefore – easier to follow. Originally only planned for the Vaillant brand, this project was expanded in 2012 to include the additional brands.

This was all based on a new content management system and style guide. “We considered absolutely everything, ensuring consistency throughout: from formatting to layout specifications right over to content,” explains Auf dem Kampe. A lot of things had simply slipped in. For example, it had been customary to start each main chapter on a new page – regardless of how full the previous page was. A waste of paper. This was done in response to apparent consumer preferences determined in a consumer test.

Not only was this specification changed; the format can now be chosen more flexibly, not just A4 but also A5; repetitions were systematically avoided and some information was even omitted. “Anything that isn’t useful, that the user doesn’t need in the instructions.” Sounds simple, but it wasn’t. “It was in fact a difficult process,” reports Auf dem Kampe. “We had to do a lot of persuading.”

Since 2012, any instructions drafted from scratch are created in accordance with the revised style guide, the “Technical Documentation Guideline”. The result is immediately clear – the instructions have

shrunk. Paper use for the calorMATIC 350 control unit instructions, for instance, was cut from 76 A4 pages to 68 A5 pages, a reduction of more than 50 per cent. The 1.6 million square metres of paper saved for this range of control units alone is enough to cover the Vatican City four-ply or to stack nine-and-a-half paper towers as high as the Eiffel Tower – or to wrap Berlin’s Reichstag 16 times. Artists Christo and Jeanne-Claude did in fact wrap up the Reichstag in 1995. Their spectacular art project used almost 100,000 square metres of polypropylene fabric. “That’s colossal,” emphasises Auf dem Kampe.

When applying for the S.E.E.D.S. Award, Auf dem Kampe calculated the paper saving for five sample documents as an example. Around 313 tons of paper a year can be saved by making editorial changes to the instructions. This also corresponds to a CO₂ reduction of 276 tons a year. And the actual savings are much higher, as not only paper is saved: shorter printing processes and a lighter end product are just two other advantages.

The Documentation team are by no means through with their ideas. One suggestion is to not rely completely on text. Sometimes images are enough, as seen in the instructions for the auroFLOW

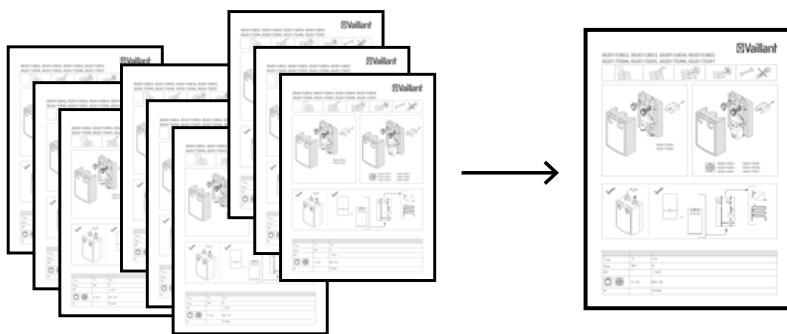
VMS 70 solar station. This not only saves paper, it also simplifies matters when it comes to other language versions.

“Our content management system is capable of much more,” says Auf dem Kampe. “At present, we deliver a printable PDF. But there are many more ways in which we can provide this information, including digitally.” We might not yet be able to go completely paper-free. But we can use less and less.

S.E.E.D.S. AWARD

Which internal projects and measures made the greatest contribution towards the Vaillant Group’s sustainability targets last year? The S.E.E.D.S. Award, which was handed out for the third time in 2015, commends teams for projects that improve sustainability in the Vaillant Group.

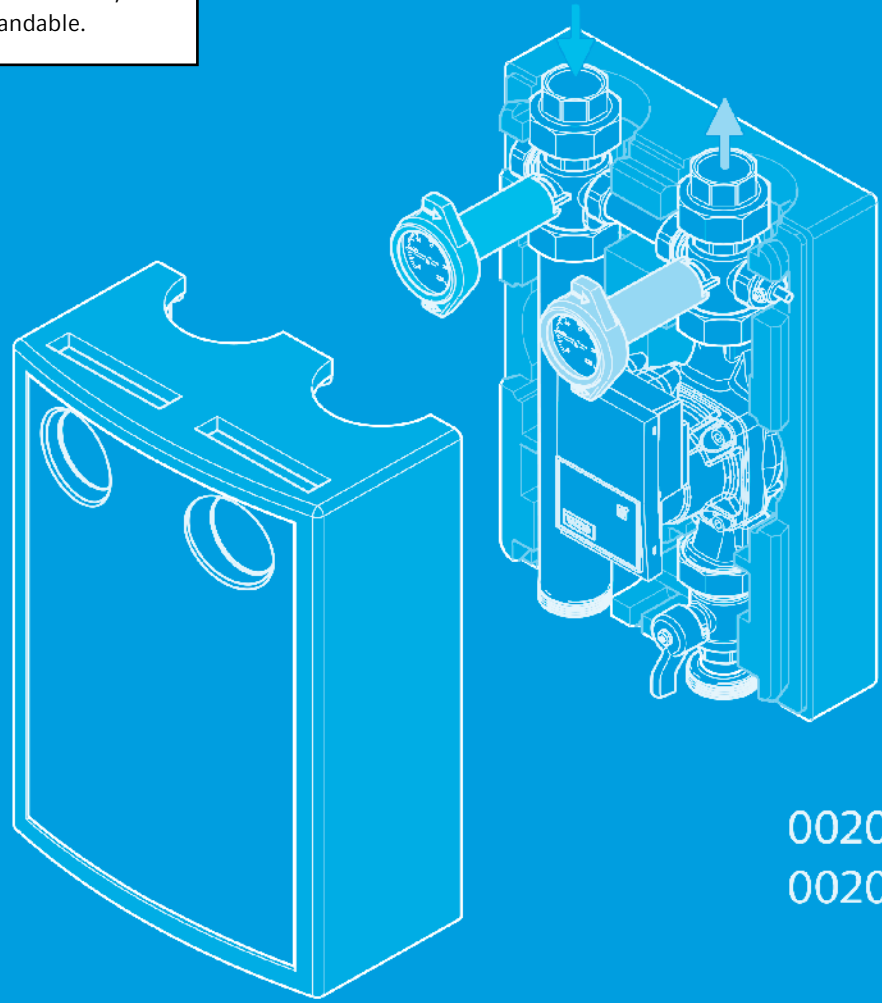
30 projects were in the running for the 2015 S.E.E.D.S. Award; eight of the participating teams were honoured with the accolade. The teams were rewarded with certificates and prizes, which they each received at their respective sites.



0020153852, 0020153853, 00
0020175094, 0020175095, 00

We don't have to rely on text

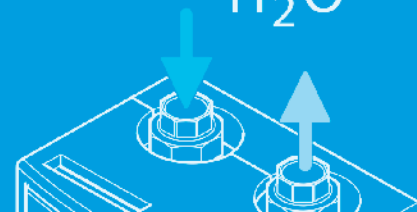
The instructions for the auroFLOW VMS 70 solar station harness the power of visual imagery. The graphical representations are instantly identifiable, memorable and internationally understandable.

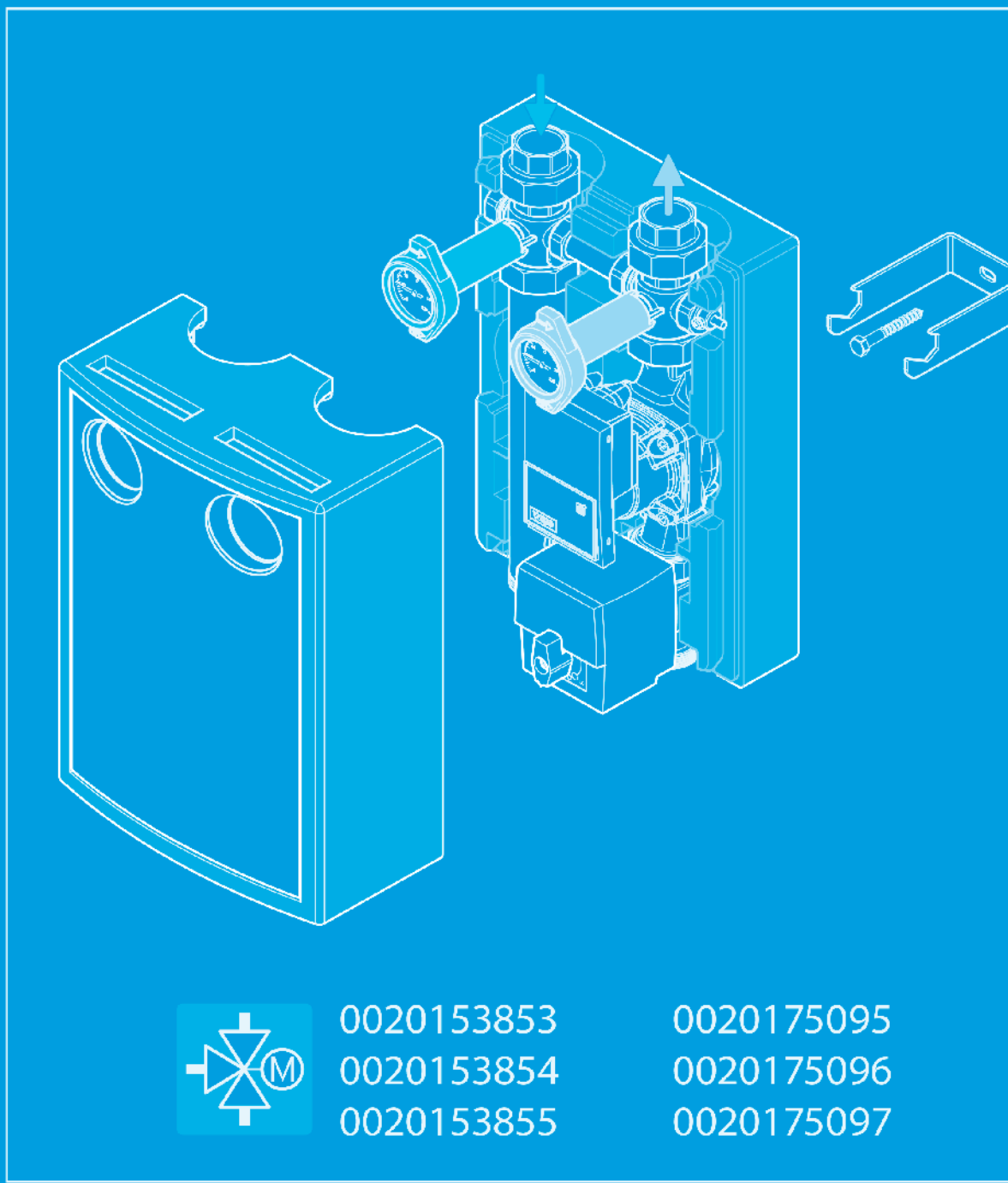
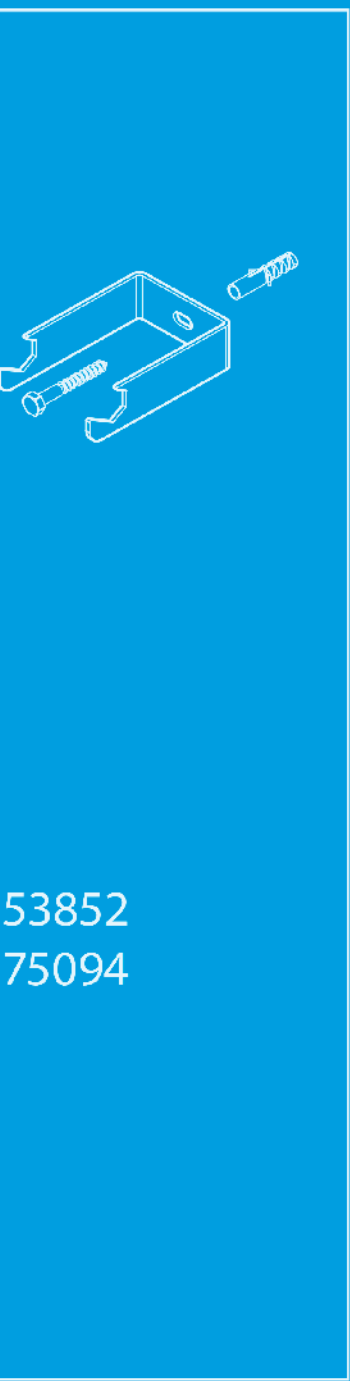


00201
00201



H₂O



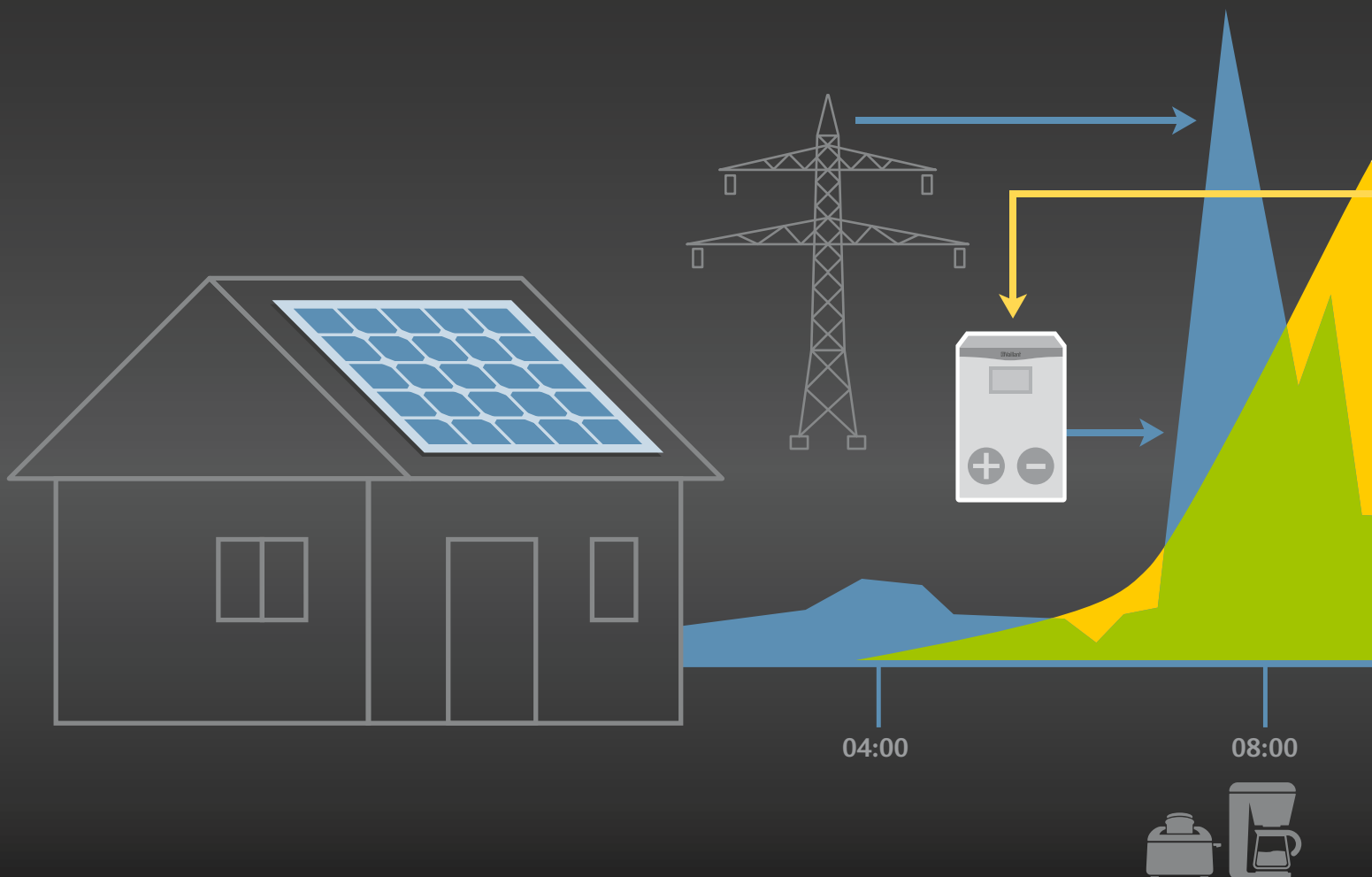


The solution

Renewable energies have a decisive disadvantage: they are often only available at certain times, for example when the wind is blowing or the sun is shining. Vaillant presented a solution to this basic energy revolution problem at ISH, Germany's largest sector trade fair: the eloPACK battery storage system.

We need electricity when doing things at home. In the morning, from when we get up to when everyone leaves the house, and towards evening, when everyone has returned home and we eat, do housework or watch television. The problem is that the sun is mainly out at the times when we barely need electricity. The power generation and usage times simply don't coincide.

The eloPACK battery storage system closes this gap. It stores generated energy in high-performance, durable lithium iron phosphate batteries ready to be discharged when needed. Together with an intelligent device management system, which automatically starts the washing machine or heat pump during the day, for example, this enables customers to increase their own consumption ratio from 30 to 85 per cent. If the sun is shin-



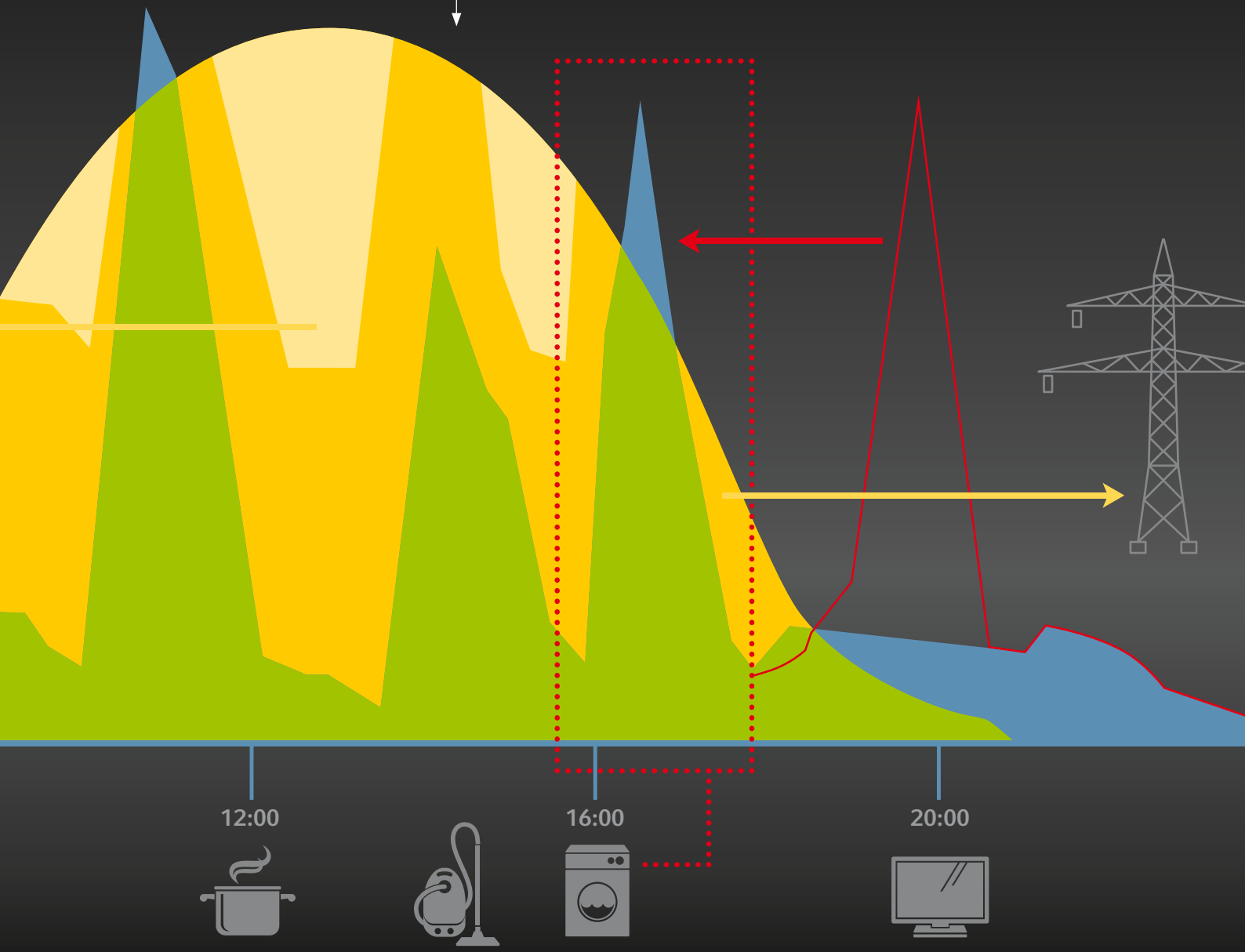
ing brightly and more energy is produced than can be stored, the surplus is fed into the public grid.

This approach is kind on both your pocket and the environment. The eloPACK is furthermore designed for at least 10,000 charge cycles, equating to a product life of about 20 years, and works with all forms of energy generators, whether photovoltaic systems, fuel cells or other combined heat and power systems – all in line with the consumer’s needs: from 2 to 12 kW.

The eloPACK battery storage system can be easily connected to solar stations and any CHP system using the plug-and-play facility. It can be conveniently operated via a touchscreen or even from the comfort of your own sofa using an app.

Huge potential for efficiency

The combination of power generators, power storage systems and intelligent household appliances makes it possible to increase a household’s use of self-generated electricity to 85 per cent. The electricity that is generated in a photovoltaic system during the day but not used (light yellow) is stored in the eloPACK ready to be accessed when required (blue). Smart energy management enables mains-powered devices such as dishwashers and washing machines to run at times when particularly high levels of self-generated electricity are available. If more electricity is generated than used during the day, homeowners benefit even further as the surplus is fed into the public grid.



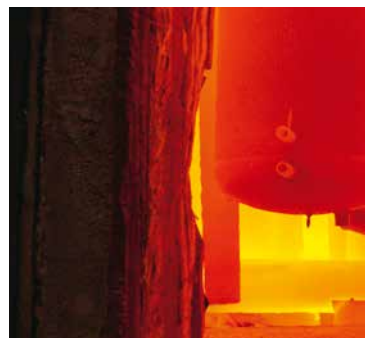


SMART PRODUCTION

WPS

ABOUT HUMANS AND MACHINERY

THE VAILLANT GROUP WORKS WITH ADVANCED PRODUCTION TECHNOLOGY, AND ITS PLANTS ARE HEADING FOR INDUSTRY 4.0. NETWORKED COMPUTER TECHNOLOGY HELPS TO INCREASE QUALITY AND EFFICIENCY. AND THE EXPERTISE AND PASSION OF THE WORKFORCE ARE OF COURSE PRICELESS ASSETS.





The sparks are flying in Bergheim. This plant is one of the few production facilities of the Vaillant Group that still smells properly of heavy industry. René Petersen is welding a seam on the smartly coiled heat exchanger.

Nearby – the steel cylinders are emerging from a furnace – a brightly glowing inferno where the enamel is being burned into the inner wall of the hot-water tank. Bergheim specialises in the production of hot-water storage systems and has manufacturing processes which handle the bending of pipes, formation of sheet metal, welding, enamelling, powder coating and final assembly. This is where the indirectly heated storage tanks are made for all the brands of the Vaillant Group. Such storage vessels play a crucial role in heating systems which use renewable energies, e.g. solar thermal power, heat pumps and cogeneration (CHP).

But although the sparks are flying, the plant is brimming with state-of-the-art engineering and highly sophisticated production processes.

The Bergheim plant has made substantial investments in new manufacturing facilities. For instance, it has a new circumferential seam welding machine which ensures perfect fit between the wall and cover of a cylinder, using an automatic welding process. “The automation of welding routines helps us produce competitive hot-water cylinders. All welding seams are created with perfect precision by a robot. This means we can be sure of excellent product quality,” says Plant Manager Dr Frank Fuchs.

Humans and machinery complement each other perfectly at the Bergheim plant. But although the plant has taken a big step towards Industry 4.0, the human workforce is apparently the most important factor, and so Fuchs says: “When we planned our new flexible production lines for the platforms, we drew substantially on the experience of our manufacturing staff, in line with VPS.”

VPS is the Vaillant Group Production System. The majority of modern industrial enterprises now use such a production system.

Many of them are quite similar, avoiding waste, structuring and standardising work routines and keeping their processes flowing. The aim is always the same: to ensure a lean and robust production. By setting up its VPS, the Vaillant Group has developed a production system of its own which is also designed to ensure continuous improvements and, above all, to integrate and motivate the workforce.

Abdullah Akdağ knows that it works well. He uses one of the welding robots. It happens very rarely these days that he has to send an item off for further processing, thanks to a protective ring which now ensures that no welding spatter can occur in the robot while welding. This is due to the VPS Value Walk, a special procedure which has been created in order to investigate waste. Akdağ got together with colleagues, group and team leaders and an expert from the Maintenance department with the purpose of watching and questioning every single move. Together, they developed a number of ideas. The idea of a protective ring was then put into practice. “I’ve worked here for 33 years now. VPS now makes it much easier for us to discuss and implement ideas. Collaboration has improved,” says Akdağ as he turns round to discuss a new idea with VPS Plant Coach Kai Sturmberg, who is confident about it all: “One thing that has changed greatly is that everyone is asking themselves: what can I do to improve things?”

All plants in the Vaillant Group are now working with VPS, including the French facility in Nantes, 800 kilometres from Bergheim.



Nantes, too, has the very latest in production technology. Yolande Lecoq, a production worker, has received the green light, and her monitor tells her that everything is fine and has been done correctly. The trolley on which the heating unit is assembled in a one-piece flow has been released for the next station in the process. In all, the system in Nantes has twelve stations, where a new condensing platform has been in production since April 2015. It was a lot of work until the green light was eventually received for all the parts of the system and it was finally possible to launch AMS+.

AMS+ stands for Assembly Management System Plus, the new software which was introduced in nine plants of the Vaillant Group in summer 2015.

The program is web-based, linked to SAP and supplies all the data required for production management, planning, monitoring and reporting. Each assembly trolley has an ID code which is transmitted to the various stations by radio. AMS+ contains all the steps for all the products: “AMS+ knows every single step and all the production and test variables of a product, down to the number of screws and bolts, as well as the torque values which are required for attaching them,” says Production Test Development Manager Christian Kron.

Even the predecessor of this program – AMS, which had also been created in-house – was customised to suit production at all the plants of the Vaillant Group. The system has its origin in the conversion from water to air pressure tests, making it possible to save large volumes of water. It then evolved into a state-of-the-art production management system. “Our aim is to give the workforce direct, interactive feedback on production quality and thus to enhance the efficiency and quality of the manufacturing processes,” says Kron. If anything goes wrong, AMS+ indicates the problem straightaway on the monitor of the relevant manufacturing station: it refuses to give the green light and withholds approval for the next manufacturing stage.

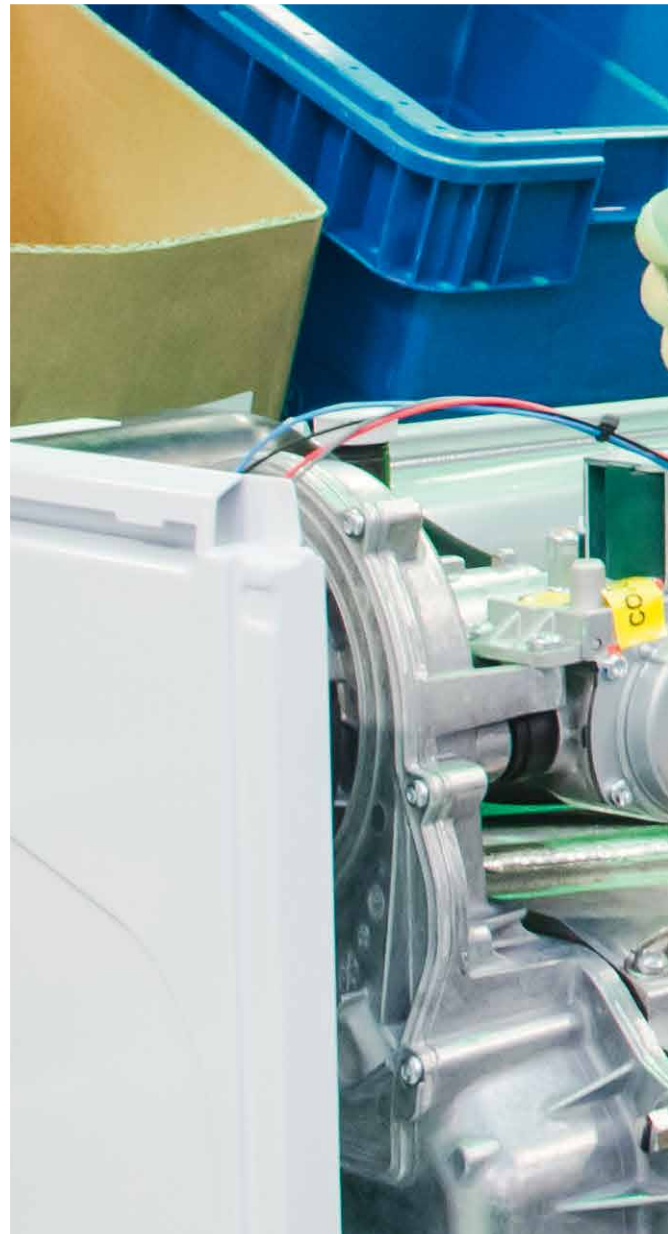
AMS+ links the manufacturing processes of all the plants in the Group via their local production databases.

This means that production details can be exchanged in real time and presented to local teams for analysis and planning purposes. Any adjustments can be implemented quickly, as the system has been standardised for all the plants. “AMS+ is the next stage towards Industry 4.0. With AMS+,” says Kron, “we have taken a major step forward in the digital transformation of production in the Vaillant Group.”

The Nantes team makes good use of its network with the other plants.

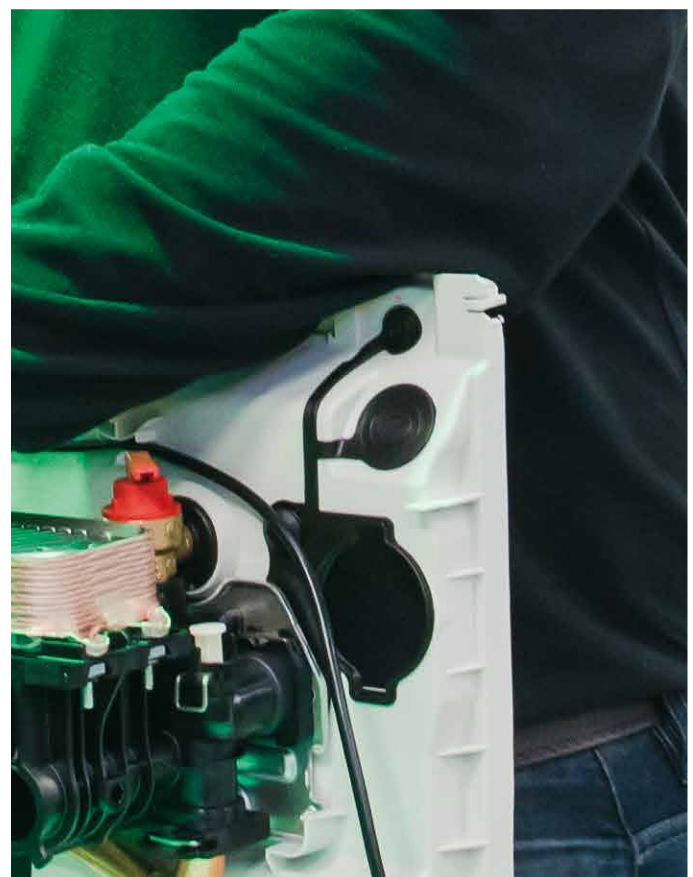
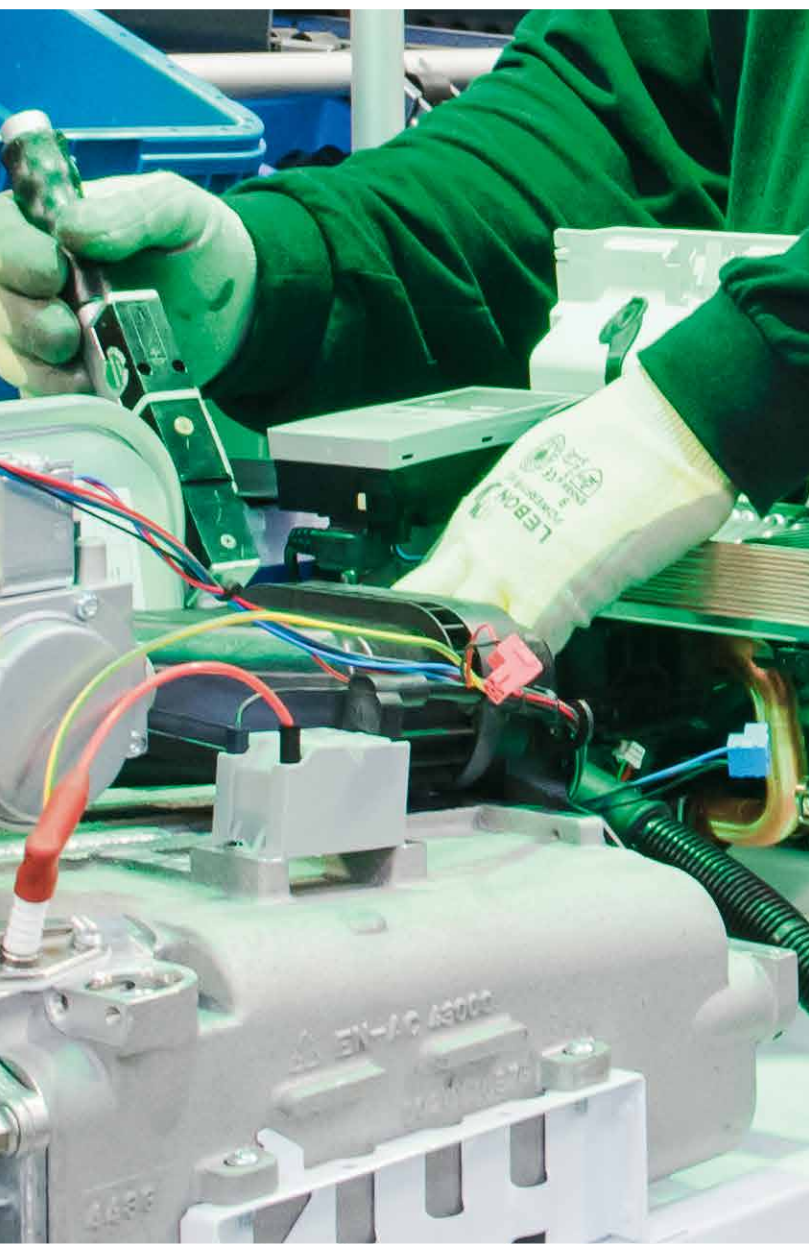
Mickaël Gueraud, Head of Industrial Projects at his plant, just takes one look at his computer, and he knows straightaway how his colleagues have set up their production process 800 kilometres from Nantes – in Belper, Northern England. “We can see exactly what kind of settings our colleagues in Belper have chosen for certain screws or bolts at their manufacturing station. And so we can benefit in Nantes from their experience in Belper. It’s so quick and easy. We’re working extensively with the new system,” he says.

The same is true for Christian Kron’s team in Remscheid. “We are continually working on the system, optimising it and making new features available whenever they are requested by plants.” The team provides ongoing support for the plants. Whenever there is an IT problem in production somewhere, the team springs into action. “The issue needs to be solved within two hours. If the IT doesn’t work, production comes to standstill,” says Kron. Obviously, this has to be avoided, and all the lights must be green.





AMMS+



S.E.E.D.S. AROUND THE WORLD

Passionate about piloting

Country Manager Mario Opačak has decided to set up a sustainability strategy for the Croatian sales company. It is based on S.E.E.D.S. as a Group-wide strategy and is suited perfectly for Croatia which has now become the pilot project country in the Group.

Why? Mario Opačak has no problem answering this question: “In early summer 2015 a plan was presented at the Managers’ Meeting for Eastern Europe, requesting national sales companies – NSCs – in the Vaillant Group to use the sustainability strategy S.E.E.D.S. and adapt it to their local situations. I knew immediately that we should do this in Croatia. We had actually done quite a lot until that point – both major and minor things – but we had not been working to a comprehensive strategy.” However, this changed when a specially tailored strategy was set up which now suits the needs of partners, custom-

ers and the NSC. “Also, additional funds were provided for the pilot project – which helped us perfectly in realising the ideas we had already.”

Things went very quickly, and quite soon, in September 2015, the strategy was in place. The Vaillant Group Sustainability Management presented an initial policy and then supported the NSC in working out the details. After all, S.E.E.D.S. had to be broken down in more detail to suit the relevant local conditions at each of the NSCs.

“We want to support the sales companies in using S.E.E.D.S. as a basis for develop-

ing and implementing a new sustainability strategy for themselves – one that fits in with the wider Group strategy, the S.E.E.D.S. programme, and which is also geared towards the needs of their markets,” says Claudia Altenrath, Head of Sustainability Management. “We are currently working on some kind of a modular system where sales companies can pick and choose the modules that are relevant to them and which will help them make progress.” Croatia is a pilot project country which has taken great strides ahead, followed closely by its big neighbour in the North, as the Austrian sales company is set to implement its own sustainability strategy in 2016.

The NSC in Croatia started by analysing its status for each subject area and then defined certain goals which it wants to reach by 2020. This is largely done through specific projects: for instance, reducing its carbon footprint, making the

“We want to support the sales companies in using S.E.E.D.S. as a basis for developing a new sustainability strategy for themselves.”

Claudia Altenrath, Head of Sustainability Management



office building self-sufficient in terms of electric power, etc. Some of this has been realised already. The photovoltaic system has now been up and running since January 2016, and although the building is not yet carbon-neutral, it is already independent of any external power supply. An electric car, too, is now in use and can be recharged right outside the company's doorstep. The charging station is also available to customers. Although this service has not met with any demand yet, electric mobility is a major point of discussion in Croatia and is generously supported by the state, says the Country Manager.

But why should the Group-wide sustainability strategy be adapted in Croatia? “Because it suits us,” Mario Opačak repeats. “Obviously, we, as Vaillant, are ahead of our time here in Croatia. But that's precisely what it's all about. We're

market leaders and we're always ahead of the pack. We were the first ones to create a customer loyalty programme, to offer a training centre and a mobile information centre, to run a free customer hotline, a YouTube channel, a special training centre on renewable energies, etc. We are pioneers. And that includes this area, in particular.” Christian Honert, Head of Business Development Eastern Europe, adds: “It's important that the term sustainability should become meaningful in Croatia – and this hasn't happened yet.” The strategy is particularly well served by Green iQ products, launched in early 2016, which are being supported through numerous media, including new ones.

The next steps for 2016 have been planned already: On 16 September, the International Day for the Preservation of the Ozone Layer, the company will be holding a Green Day when selected cus-

tomers can obtain information. One major aim is to gain partners for sustainability. “Our second step will be active integration, which we want to initiate between 2018 and 2020. The first part of the strategy is a matter of demonstrating sustainability in real life, providing information and generating enthusiasm.”

Opačak knows that he can count on his team. Obviously, it's a small team, with only 20 members, and he admits: “I was concerned that the additional workload might have a demotivating effect. However, the team wholeheartedly supports the implementation of S.E.E.D.S. in Croatia and keeps developing new ideas. Why? Because the sustainability strategy suits us.”



EMPLOYEES' VIEWS

LET'S HAVE SOME HONESTY

What's the green IQ of our employees? Are there differences between nationalities, or do we all tick along the same lines in the Vaillant Group? Five colleagues from four countries tested themselves on www.mygreeniq.com, commented on their scores and also rated the Vaillant Group as a whole.



The UK didn't do quite so well in the Green IQ study. However, Brits do excel in eco-friendly motoring. They say they often drive below the speed limit in order to save fuel.

Ryan Mouncy
UK, 30 years old

What do you think of your score in the test?

I think it's super! I'm very pleased with it. But then things are actually quite easy for me in many ways. For instance, I live in a big city with an underground system which I like and use frequently. Obviously, I'm prepared to invest in an efficient heating system – partly because it's my job. Also, I do refrain from buying leather products – unless it's shoes. On reflection I found the test interesting, there are a few things where I haven't been consistent, e.g. footwear, or which haven't actually been on my radar as being environmental aspects, such as palm oil and the true impact this can have.

What do you think of the average score in your country?

In all, the UK didn't do very well – which came as a surprise. On the other hand, though, the overall ranking is equally surprising. I think we could do better and continuously improve. The UK has all the conditions in place for people to be more environment-friendly in their behaviour. For many people it comes down to a simple calculation regarding return on investment. For instance, there's clearly a low motivation to invest in renewable technology if the payback period is deemed too long, it is not uncommon in the UK to move every five to ten years. One direct change of behaviour can be related to plastic bags. Now that we pay 5 pence per bag in the shops, the number of new plastic bags has dropped dramatically and people are investing in "bags for life".

How do you see the value of sustainability when a person opts for the Vaillant Group as an employer? What were your expectations when you joined?

It's definitely important for me that I should be able to identify with my employer on this point. If anyone asks me – and I do get asked quite a lot – I advise

them to buy their heating from Vaillant. And I do this out of conviction – because I know that it's really good, efficient and gentle on the environment and your wallet. I know that I work for a company which can make a difference and a positive contribution.

What would be the green IQ of the Vaillant Group?

From my perspective, the Vaillant Group would be somewhere in the mid-to-upper range. We've got some good ideas, but we've got a long way to go and there is still quite a lot to do. I think we can achieve much more with the next generation of appliances and a proactive approach. Although the standard is good, it can definitely be improved even further. Lots of things are being prepared already. As an employer, the Vaillant Group is good. The company understands the needs of its workforce, and it provides opportunities for professional development.



Germans clearly think much greener than they act. With a green IQ of 101, Germany is no more than average. But people do pay attention to small things and mainly use their own baskets, crates and bags for shopping.

Simone Rockenfeller
Germany, 36 years old

What do you think of your score in the test?

I wouldn't have thought that I'd do so well. I answered in all honesty, even though I had a bit of a guilty conscience with some of the questions. Take for instance the question whether I avoid products with palm oil in them. Yes, I do, except for my favourite chocolate spread. Or the question about bags: I often do my shopping after I've been jogging, and so, obviously, I don't carry a basket with me and I have to buy a paper bag. That's not very German, is it? When it comes to clothing, I'm afraid I don't trust manufacturers at all: I don't

believe that their production is really fair or eco-friendly, even if some of them say so. The bottom line is that I try to do my best, but I'm not totally consistent.

What do you think of the average score in your country?

I'm actually surprised at the rather mediocre position. But what surprises me even more is which countries are so high at the top. It really doesn't match my experience of those countries. However, I can easily imagine that people in our country are very much attached to certain things, for instance a fast car, comfort, convenience, and – as in my own case – this sometimes influences our behaviour, even if we've got the right attitude.

How do you see the value of sustainability when a person opts for the Vaillant Group as an employer? What were your expectations when you joined?

To be quite honest, I didn't know much

about the company's sustainability strategy which was, of course, still under development when I joined the Vaillant Group four years ago. What was important for me at the time was that it was a family business. And you can tell.

What would be the green IQ of the Vaillant Group?

Definitely above average. Also, I'm proud of my employer. I particularly like Vaillant's commitment to SOS Children's Villages. It's something I can totally identify with. The Vaillant Group is a good employer when I compare it with previous workplaces or with those of my friends. Obviously, it would be possible to do even better. When I think of my own department, Purchasing, we could potentially work more closely with our suppliers, for instance on issues such as recyclability and supply systems for outsourced parts. And I'm sure we can be much greener in purchasing. All of us keep developing, learning new things and having new ideas.

With a score of 96, the Netherlands is below average – and confirms a cliché: whenever the Dutch travel short distances, they just go by bike. They really can't be beaten on this point. They're also a long way ahead in renewable energies and are only beaten by the Austrians.

Antoin Linssen

Netherlands, 33 years old

What do you think of your score in the test?

Oh, my score is OK. I think it's the Dutch average. There are a few things which I never thought of as having a strong impact on the environment, for instance whether I'd look out for palm oil in food and cosmetics.

What do you think of the average score in your country?

The Dutch green IQ of 96 is slightly below average. This rather surprises me,

as I do think our country does quite a lot to improve the world, for instance in energy production where we use a lot of hydroelectric and wind power. On the other hand, I can also see that people are a bit reluctant when it means spending more money. The cost is important for Dutch people, and I think this is why we generally don't do quite so well in our households and as consumers.

How do you see the value of sustainability when a person opts for the Vaillant Group as an employer? What were your expectations when you joined?

I wanted to work for a company that makes a contribution for a better world. But this was only one of many factors, such as: Is the job exciting? Do I have development opportunities? And do I like this guy, my future boss?

What would be the green IQ of the Vaillant Group?

Vaillant's green IQ is very high when you look at the areas of Environment and Development & Products. I believe companies may occasionally have to make short-term decisions that are not totally sustainable and use the generated revenues to invest in a sustainable long-term future. The Vaillant Group also makes extremely good use of its potential to protect the environment. It offers a lot to its employees, though really no more than similar companies. I think CSR is an area where the Vaillant Group could do even more. In fact, this is something where I haven't noticed much so far, except that I was asked whether I'd like to donate the cents in my salary to SOS Children's Villages – which I'm happy to do. But it would be possible to do even better. So on the whole, the Group should be slightly above average.



Turkey got the best score in the Green IQ study. This came as a surprise to many, including our Turkish colleagues. So we decided to interview two people, not just one: Umutcan Ünlü, who works at the Bozüyük plant, and Hüseyin Özkan, who now works in Remscheid and has lived in several European countries.

Umutcan Ünlü

Turkey, 30 years old

What do you think of your score in the test?

I'm happy with it. I always try to make sure my behaviour doesn't harm the environment. I also try to get this across to my children and my younger siblings. For instance, I very much like buying things on the market and from farmers near us, as they're people I know and trust. However, one thing was certainly negative: the new plastic bags. To be quite honest, it would actually be impossible to do without them in Turkey. They're handed out everywhere.

What do you think of the average score in your country?

I wouldn't have expected Turkey to come right at the top of the ranking and to be the winner in the Green IQ study. However, I do believe that the study reflects the behaviour and attitudes of the people who were asked. There are big differences in Turkey – regionally, but especially also in education, in people's knowledge of complexities and in their awareness that we must sustain the environment for the benefit of future generations.

How do you see the value of sustainability when a person opts for the Vaillant Group as an employer? What were your expectations when you joined?

This was a really important point for me. I wouldn't want to work for the Vaillant Group if they weren't committed to sustainable management. Whenever I interview prospective employees, I always explore whether they have any basic environmental awareness. If they don't

have it, if they're not open and if they won't accept it, then we can't really have them at Bozüyük where I work as an engineer with responsibility for quality. The Vaillant Group is clearly committed to sustainability, though there is of course still room for improvement...

What would be the green IQ of the Vaillant Group?

Not a bad one, though it's not a top value, either. I can speak above all from the perspective of the Bozüyük plant. It's clean and modern, and we've won several awards so far. Ultimately, however, we need to make sure that everything we do becomes tangible. We can't just explain things in theory, but we need to show it in real life and practise it. So we need to keep training our workforce. I'm sure it's an area where we can invest even more. And the Vaillant Group could go even further and have a greater impact on society, for instance through schools, and provide information about the environment and sustainability. In the end, it all boils down to education.





Hüseyin Özkan
Turkey, 33 years old

What do you think of your score in the test?

The score is a compromise between the aim and reality. For instance, I'd love to commute without using a car. But I can't, because public transport connections between where I live and where I work are not really convenient.

What do you think of the average score in your country?

It's almost unbelievable and it certainly came as a great surprise that Turkey generally has such a high green IQ. I am doubtful that this result represents the whole nation's attitude but rather more those with an eco-friendly mindset. Legal requirements are still not the same as in Western Europe and people's mindset towards sustainability is still not sufficient. Think of waste, for example. It's quite possible that it was mainly educated Internet users who took part in

the study, people with a totally different attitude to the whole issue.

How do you see the value of sustainability when a person opts for the Vaillant Group as an employer? What were your expectations when you joined?

When I joined the Vaillant Group six years ago – DemirDöküm, to be precise – it was important for me, above all, to work for an international company. I was very keen to work internationally, just as I had previously spent some time in Germany, France and Portugal as part of my academic career and also for my dissertation. Since then I've noticed how much of an effort the company makes. I was also attracted by the way the Vaillant Group treats its workforce and the professional development opportunities it offers. Five years ago the Vaillant Group set up S.E.E.D.S. and started to head for sustainability. Now this is gradually becoming part of our culture. But it wasn't a decisive criterion for me at the time.

What would be the green IQ of the Vaillant Group?

Hard to tell. Above average? Clearly above average within its industry, though not very high on a global scale. There is still quite a lot to do. I'm thinking of expatriates, for instance, i.e. people who move to a different country as part of their job within the company. There are not many who do this, and there's not much systematic HR support. This is an area where the Vaillant Group could do a lot more. In fact, generally speaking, it would be good to pay more attention to other countries regarding sustainability. Obviously, the main focus is on Remscheid and therefore on Germany as the headquarters, and also on France as an important market. But there's a lot more, there are plenty more ideas, and there's a lot more potential that could be leveraged. In all, perhaps slightly above average.

Meaningful jobs > Search x +

← Meaningful jobs > Search

Hits News Images More Settings

Meaningful jobs

Norman Gehrke has been Group Director of Human Resources since January 2016 and is passionate about personnel matters. A qualified lawyer, Gehrke has already worked for several international industrial companies and, most recently, a listed, family-run retailer. He came to the Vaillant Group to put his stamp on things. In an interview, he reveals how he is finding his new role as the most senior member of the HR team.

Mr Gehrke, why did you want to join Vaillant? ▼

I'd decided it was time for a change. Several things attracted me to the Vaillant Group: not only the chance to work internationally, but also to be part of a company I can actually put my stamp on. I also wanted to return to the industrial sector with its holistic value chain. And people I spoke to convinced me that the Vaillant Group was the right company for me.

Did anything else influence your decision? ▼

(Laughs.) To be honest, moving to the Bergisches Land region and joining the heating sector wasn't something I'd always dreamed of. As to whether it was an idea that I could warm to – after seeing products like the renewables, the answer is a clear "yes". The idea of joining a company with such a strong focus on sustainability is something that I found both appealing and important.

How have things gone in the first few months? ▼

I want to further enhance the quality of the existing HR management processes. In other words, to further develop, stabilise and improve on the things that are already in place. However, there are also lots of things that simply don't yet exist, at least not to the extent that I believe is necessary for a company of our size.

Where do you see the greatest need for action? ▼

We have a framework in place for manager training and development, but how can we be sure that we're giving our managers the right tools for the job? Furthermore, to take things back a step, are we sure that we're choosing the right managers in the first place? Companies often promote their best experts to managerial positions. However, this sometimes means losing a brilliant expert to gain a poor manager. We have to make sure that doesn't happen.

Page 1

Small print

Is there anything else at the top of your agenda? ▼

The second thing that concerns me is the high average age of the workforce – in the Western countries at least. In days when the recruitment market is clearly shrinking, we're facing an upcoming wave of retirement. We therefore need to push hard to find new staff and assist them in their development, at all levels: from apprentices to managers. To do this, we need strategic human resource planning – in both quantitative and qualitative terms. We don't have that at the moment.

Anything else? ▼

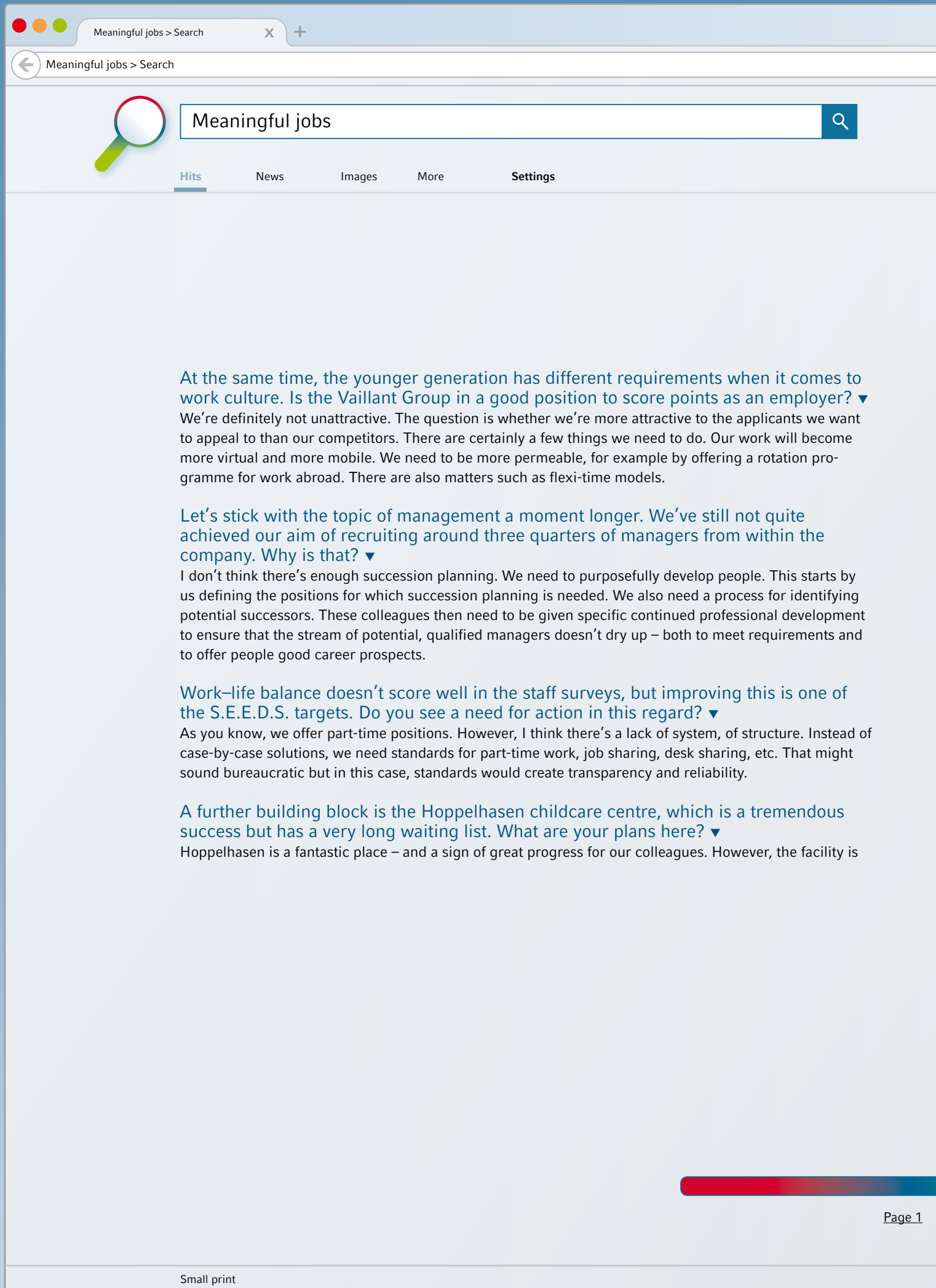
Yes, of course! We have to try to make our employees see us as more authentic, dependable and consistent again. Communication and consistency are key factors here, as feedback from staff surveys has shown. The scores we're given are continually moderate, yet not enough is changing to improve them! Actually doing something with staff feedback isn't our strong point. We need to manage this better, more consistently. We've done some good things and achieved some success, but it's still nowhere near enough.

The responsibility for making changes based on the feedback lies with the individual managers. Do you want to change that? ▼

It's right that the managers should take the initiative to begin with. However, it's the HR department's job to structure, moderate, communicate and implement the things they initiate. The feedback needs to result in consequences; two or three projects have to be organised and implemented. There's also an element of expectation management, where we clearly communicate what is and isn't possible. We have to deal with the feedback professionally. It's like being in a close family, where you can cope with criticism.

Right at the start of our interview, you mentioned the topic of management. The question of how good the managers are once again arises... ▼

I can't give you a final answer on that yet. However, it is definitely something we need to look at. There are also historical reasons for this. The Vaillant Group has grown from a medium-sized German company to one that operates internationally. This has completely changed the processes, the culture and the requirements. We still have a mindset that is too German and too male; we are lacking a really good balance.



The image shows a browser window with a search engine interface. The browser tab is labeled 'Meaningful jobs > Search'. The search bar contains the text 'Meaningful jobs' and has a magnifying glass icon on the right. Below the search bar are navigation links: 'Hits' (underlined), 'News', 'Images', 'More', and 'Settings'. The main content area displays three search results, each with a blue heading and a dropdown arrow.

At the same time, the younger generation has different requirements when it comes to work culture. Is the Vaillant Group in a good position to score points as an employer? ▼
 We're definitely not unattractive. The question is whether we're more attractive to the applicants we want to appeal to than our competitors. There are certainly a few things we need to do. Our work will become more virtual and more mobile. We need to be more permeable, for example by offering a rotation programme for work abroad. There are also matters such as flexi-time models.

Let's stick with the topic of management a moment longer. We've still not quite achieved our aim of recruiting around three quarters of managers from within the company. Why is that? ▼
 I don't think there's enough succession planning. We need to purposefully develop people. This starts by us defining the positions for which succession planning is needed. We also need a process for identifying potential successors. These colleagues then need to be given specific continued professional development to ensure that the stream of potential, qualified managers doesn't dry up – both to meet requirements and to offer people good career prospects.

Work-life balance doesn't score well in the staff surveys, but improving this is one of the S.E.E.D.S. targets. Do you see a need for action in this regard? ▼
 As you know, we offer part-time positions. However, I think there's a lack of system, of structure. Instead of case-by-case solutions, we need standards for part-time work, job sharing, desk sharing, etc. That might sound bureaucratic but in this case, standards would create transparency and reliability.

A further building block is the Hoppelhasen childcare centre, which is a tremendous success but has a very long waiting list. What are your plans here? ▼
 Hoppelhasen is a fantastic place – and a sign of great progress for our colleagues. However, the facility is

Page 1

Small print

only available in Remscheid. We have to do far more here – and at all the other sites too. There are lots of possibilities, such as partnerships with local childcare centres or agreements with local municipalities. We need solutions that are tailored to local requirements. In the long term, we also need solutions for care periods. Otherwise, reality will quickly catch up with us.

How do sustainability factors affect Vaillant's position as an employer? Meaningful jobs are said to be more sought-after than ever. Is this the case for the Vaillant Group? ▼

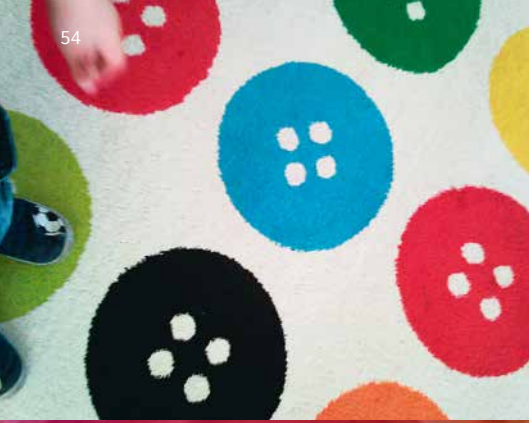
Absolutely! As an international company, however, there are a number of different views on this matter. In saturated Western countries, it is increasingly important as applicants have an ever greater freedom of choice. Here, sustainability and meaningful jobs will definitely progress from being something of a bonus to an absolute must.

What else needs to be considered in this regard? ▼

We need to put greater emphasis on sustainability when addressing potential employees. This includes us clearly stating who we are right from the recruitment stage – for example, highlighting the fact that we won the German Sustainability Award. Furthermore, we need to be aware of who we are looking for. We want people who are committed to sustainability and play their part in climate protection. A further matter is that of better and more consistently putting the concept of sustainability into practice. There are still lots of little things that we can and have to change here. For example, the cardboard coffee cups that we still use.

Would you say that positioning the company as a green employer is one of your main priorities? ▼

Yes, it has to be. We have to consistently position ourselves as a green employer. This is a USP that we need. Companies that don't take this matter seriously will end up paying for it. As to whether I'm certain that I want to be the one to drive this? Yes, 100 per cent!



HOPPELHASEN

INQUISITIVE MINDS

Play, try, learn. The Hoppelhasen ("Hopping Bunnies") childcare centre is shaped by fun and games – and it's the perfect place for 30 little ones aged between six months and six years to simply enjoy being children. Setting up a childcare centre for employees' children was an important part of the sustainability strategy, which aims, among other things, to improve the balance between work and family life.

The childcare centre opened in October 2013. All the spaces have been taken and there is a long waiting list, which is indicative of the ideal services on offer. Unlike other centres, the Hoppelhasen doesn't shut for long periods during school holidays and its opening hours are tailored to people with jobs. The operating company Kita-Concept, commissioned by the Vaillant Group, supports the facility's seven childcare workers, enabling them to focus on what matters the most: the children.

The team organises regular excursions and project days to keep things varied and constantly stimulate the children. The hopping bunnies even helped us create this sustainability report by eagerly reaching for the camera and giving us a few snapshots of their everyday life at the childcare centre: life that is both fast-paced and structured, colourful and chaotic and filled with spontaneity and a sense of security.





Grow to be big and strong



Ute Friedrich loves her job, despite it being neither easy nor what she originally intended to do. Since 1991, she has worked in the SOS Children's Village in Lüdenscheid. She does arts and crafts, paints, makes pottery and works on various other handicraft projects with children and teenagers from the village. She keeps hold of the creations they leave behind – just like she does their stories.



“When they're here with me, the children can just be themselves, I don't expect anything, I don't analyse anything. I accept everyone for who they are, and they can sense this.”



Ute Friedrich's empire takes the form of the workshop. As the SOS Children's Village in Lüdenscheid celebrates its 50th birthday in 2016, the room breathes almost fifty years of history. The village has helped 750 children since being founded. It has given them a home, security and comfort – sometimes for a couple of days, sometimes for 18 years or more. 750 names: in Ute Friedrich's workshop, they are all jotted down. Every child has a sign: colourful, playful or with modern graphics. Together with a colleague, she has rendered visible every name, every life, and hung them from a tree that was decorated on 18 June 2016 for the open day and birthday celebration of the SOS Children's Village. A village tree – as bright and diverse as village life itself.

Art and stories

She has no idea how many of these 750 children and teenagers she has met in person over the past 25 years. "Maybe 300." But she does know which child made which piece of art. The workshop is brimming with creations. As is the windowsill, and a workbench acts as a display area. "A while back I redecorated, and then a former SOS child, now an accomplished father, stopped by to say hello. The first thing he asked was: 'Where's mine? You haven't thrown it away have you?'" Friedrich laughs and shakes her head. "I don't throw anything away!" The children's artwork, just like their stories, stays with her. Ute Friedrich is positively glowing. And tells her story. It is obvious that she is in her element here, that the workshop is more than just a workplace for her.

In actual fact she is a qualified teacher. However, after moving to the Sauerland region from former East Germany in 1989 together with her husband and son, her qualification was not recognised by the German Federal Republic. "I took on a few jobs here and there, including as a German teacher for non-native speakers." She can teach German, maths, handicrafts and PE, and she can work with children. In 1991, on a Sunday stroll around the SOS Children's Village, she learned about a vacancy, sent off an appli-

cation and got the job – albeit on a temporary basis. "I was afraid at first," she admits. Afraid that she wouldn't meet the expectations and demands, afraid for her livelihood. "I really buckled down, became more and more assured – and started to enjoy my job." Now it is her vocation.

Supported by SOS Children's Villages, she continued to study and is now a qualified play and relaxation therapist. Any child can go to Ute Friedrich. But nobody has to. "Every child receives an invitation. If anyone wants to come back, they are more than welcome. But they have to decide for themselves," she stresses, as this is important to her. "When they're here with me, they can just be themselves. I don't expect anything, I don't analyse anything. I accept everyone for who they are, and the children can sense this." If necessary, she will share her views with the teachers and carers. But the children should see her as completely unbiased. From time to time, she will of course address problems and ask how things are. "But if they don't want to talk, then so be it."

Stability for the future

Ute Friedrich's door is open to every child from the village, regardless of whether they live in an SOS family or shared housing. The SOS Children's Village in the tranquil Sauerland region has seen a number of changes since Ute Friedrich started working there in 1991, the latest taking the form of shared housing for underage refugees who fled to Germany without their families. One such facility is in the village, another is in the city of Lüdenscheid. This goes far beyond the original concept of the SOS families. "SOS Children's Villages wants to contribute its expertise wherever it is needed," explains Elke Tesarczyk, Head of Marketing at SOS Children's Villages in Germany. The earlier, the better, also in the form of services available to children outside the village. She comments that SOS Children's Villages emanates a feeling of family life across all its facilities. Irrelevant of location: in youth facilities, vocational training centres or the public areas – there is always a sense of belonging to a family. "We are family – this remains our slogan and our belief. We are

of the opinion that family, and everything it offers in terms of love and comfort, is exactly what is needed to also provide stability for the future."

This was the idea that had occurred to Hermann Gmeiner when he built the first SOS Children's Village in Imst, Austria, together with friends in 1949: "Every child should grow up in a family – loved, regarded, encouraged and protected." There were many orphans after the Second World War. The SOS Children's Village enabled these children and teenagers to grow up in families and become fun-loving, independent and responsible individuals. The SOS mother is at the heart of the village. Gmeiner once described her as a figure who "helps, protects and uses a gentle hand to knit back together the threads that have torn apart between the abandoned or lonely child and the world". He was a firm believer that every child needs motherly care as well as a place to sleep, clothing and their daily bread.

Hermann Gmeiner's idea migrated from Austria to the wider world. Today, there are more than 560 SOS Children's Villages in 134 countries around the world. The SOS Children's Villages charity has developed and grown, and its needs have changed with it. The traditional SOS family is now one of many initiatives offered. Today, SOS Children's Villages are more active than ever before, for example in conflict areas and in the poorest regions of the world, offering protection and accommodation, food and medical care, education and a family connection. Big cities, with their problem neighbourhoods and families, are also shifting into focus.

Creating protected spaces

The SOS Children's Village in Lüdenscheid still looks like a traditional village: tranquil and green. It is nestled into a hillside; there is a village square in the middle next to which the village office can be found; this is where everything comes together. There are not many children around as it is midday and most are still at school.

Damiano is the only child to pass by, speeding along on his scooter. He ex-

changes a few words with Ute Friedrich before darting off, apparently looking for someone to chat and play with. Jeremy is also back and slumps down on the pavement in front of the village office in his sports gear, exhausted. He is grumbling because he can't get into the room he wants to go in. "Despite the national school games!" Ute Friedrich chuckles and leaves her colleague to solve Jeremy's problem. She often shows groups of visitors around the village, giving them a good overview. Not everyone understands why the SOS family houses are out of bounds, that the children's rooms are safe places. Ute Friedrich has long since learned how to get this point across: with charm and conviction.

Public relations activities are important; the work is diverse and the resources scarce. "We welcome any form of support for our work," confesses Elke Tesarczyk. "Many of our villages are getting a little old. It's great that Vaillant is renewing the heating systems for us; we are literally donating warmth." Several years ago she began to ramp up company partnerships, giving them a more professional basis. "It has to work – for both sides," she emphasises. And in our case it does.

Ute Friedrich is also thankful for donations, for a couple of litres of glue, for wood she can use in the workshop. "Collect and improvise – that's what I've learned to do," she says, laughing. The rooms are full, the drawers and cupboards labelled with pictures so the children know what is where. The floor in the workshop is full of scars from woodwork, sawing, filling and hammering. Many of the children who come here are also scarred – mentally, sometimes also physically. They come to the SOS Children's Village because they have no family or because their family is unable to care for them, because the parents have problems of their own – with life, with themselves, with the children.

Reliability, protection and time

"Sadly there are many different reasons why children become neglected – serious issues such as abuse, or parents who are addicted to drugs or alcohol. It is really difficult for the children if, for example,

they have no way of getting home from school, or if there is no one at home to help them with their homework or give them something to eat. Some children are not allowed to go home until the evening; they sleep there and then go to school with an empty stomach. The conditions they have to live in can be dreadful. If violence is also a factor, the authorities have to step in," reports Tesarczyk. Children need reliability, protection – and time. "If we manage to win the trust of a child, so they know that they have someone who will always be there for them, a place where no one will hurt them and people only want the best for them, then they can start to grow and become strong."

Ute Friedrich has come to know many fates over the years – yet she often finds herself lost for words. Parents who disappear, who never get in touch with their child again, who purport to be seriously ill to avoid having to care, thus causing their child to be scared and anxious... "If I'm aware of this kind of background, I can understand the children's behaviour. How are they expected to cope well given those circumstances?" Some children become withdrawn, others fill with rage. Ute Friedrich has experienced many things. "Of course I sometimes experience borderline situations where I'm not sure how I should best conduct myself, when a child's rage boils over and I don't know why." She talks a lot of things over with colleagues and makes notes; a lot of things she also takes home with her. Her husband Volker listens to her; he knows many of the children and they know him – which isn't surprising considering the two of them live right next to the SOS Children's Village.

Knowing what she does about the children's backgrounds, it can be challenging for Ute Friedrich to work with the parents – but this is so hugely important for the children. The work done with the parents is key to SOS Children's Villages. "We know that the children love their parents. Irrelevant of what has gone on in the past or is still going on today," says Friedrich. "It is important for the children to see that their parents are accepted." In some cases, the children are also able to return to their families. If this is possible, the SOS Children's Village supports the process. This is not easy – either for the bio-

logical parents or for the children or their carers in the village.

Brimming with pride

Time spent in the workshop often acts as a catalyst for the children. "A lot of things come out when they are hammering away or making pottery." The workshop offers free reign and protection. Art provides a form of expression, a pedagogic medium. It allows the children to commit to something from start to finish, overcome difficulties, plan an approach – and then hold their creation in their hands. Jeremy is currently working on a model of the Titanic, which he is making out of wood. The hull is almost finished; it just needs another lick of paint before he can move on to the intricate task of creating the superstructure. "It is so lovely to see the children enjoy themselves or to find them waiting impatiently at the door just before they are due to come in – and then to proudly take their creations away with them." Ute Friedrich works with many children in one-on-one slots – 45 minutes, just for them. In the case of larger or special assignments, she also arranges workshop sessions with small groups.

For the past three years, the images for the Vaillant advent calendar have also originated from Ute Friedrich's workshop. "We create them around Easter. We shut ourselves away, turn up the Christmas tunes, sing and have a huge amount of fun," she says, laughing. Odd – but the children love it. "This year's winner was a girl who had given it a go three times before." Ute Friedrich is happy for her, pleased that her commitment and perseverance was finally rewarded. "It is of course brilliant that she has now won the trip for the rest of the group." Every year, Vaillant employees organise and accompany a trip with all the children who took part in the art project. They can't wait to go. Ute Friedrich also joins the trip, as the person in charge of the project and an experienced leisure time coordinator.

There is only one thing that really makes her feel uneasy: retirement. She says she has another two and a half years. "But I'm not ready. I still have so many things to do here." Right now she's needed back in the workshop. Jeremy is probably already waiting. He wants to keep working on his Titanic.



I often hear that our colleagues are really proud of the partnership we have with SOS Children's Villages. I feel exactly the same way. Something very special has happened here in a short space of time.

In his capacity as Senior Manager Corporate Communications, Frederik Lippert bears Group-wide responsibility for the partnership with SOS Children's Villages. In this interview, he explains how the project came about and looks ahead to its future.

Mr Lippert, the partnership with "SOS Children's Villages worldwide" has been in place for three years now. How would you sum up the project so far?

I have nothing but praise for the project. The partnership slots into our strategy perfectly; it hits the mark with our employees and our trade partners can also relate to the initiative. But strategy aside, our main priority is to be able to support the SOS Children's Villages and the individual children and teenagers there. A colleague and I visit the SOS Children's Village in Lüdenscheid several times a year. It's always nice to go there and speak to people. We have got to know the children; we've watched them grow and open up. All the colleagues involved in the project feel the same way – and more are joining the cause. I often hear that our colleagues are proud of this partnership. And so they should be!

How did the partnership between the Vaillant Group and "SOS Children's Villages worldwide" come about?

We were searching for a suitable flagship social responsibility project; "suitable" meaning committed to climate protection and nature conservation as well as to families and social servic-

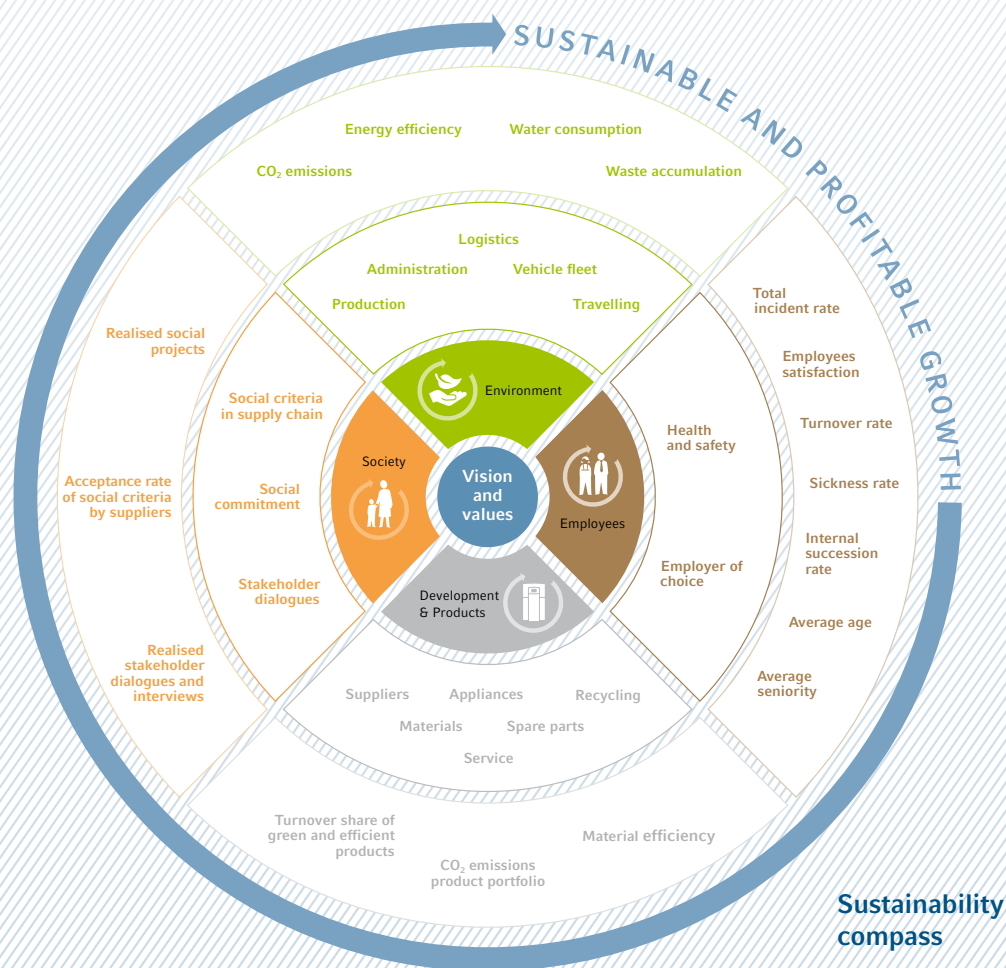
es providers. One that satisfies clear criteria. Then we received a report from Hungary. Colleagues there had acted quickly in autumn 2011, just before the onset of winter, when the heating had stopped working in the SOS Children's Village in Battonya. The response was so good that it inspired us to turn this one-off initiative into something bigger. We got talking to the children's aid organisation, sounded out common goals and soon after entered into a Group-wide partnership.

What exactly does the partnership entail?

The partnership is based on two pillars. The first of these is a Group-wide agreement that makes us the number one partner for providing heating technology. The individual sales companies are responsible for implementing the agreement in their respective countries. Heating technology will always form the heart of the project. However, we can also offer other forms of support through the second pillar. We don't want to provide a mere "flash in the pan", one-off commitment; we want to use well-established technological support to create the foundations of a long-term partnership.

How will the partnership continue?

Several engineering projects are under way, for example in Macedonia, Russia and Germany. Others are in the pipeline. But the second pillar of the partnership, promoting social projects, is also progressing extremely well. Our national subsidiaries, for instance, offer job application training, organise sponsored runs and donate the proceeds generated from the sale of a cookery book. In Germany, an initiative was recently introduced which offers employees an easy, straightforward way of donating the cent amount of their monthly salary. We are presently working on other, more personal ways of involving our employees in the partnership.



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., binding, quantifiable targets have been set in the following fields of focus: Environment, Employees, Development & Products and Society. We develop specific measures based on these targets and continuously monitor the results. Transparently and Group-wide.

For an industrial company that develops environmentally friendly, highly efficient heating technologies, addressing the complex subject of sustainability seems a logical step. Our customers, in particular, have clear-cut expectations regarding the energy and resource efficiency of our devices. However, the guiding principle of sustainability means more than just marketing particularly energy-efficient products. It dictates that the strategic and operational decisions taken by a company must always consider factors related to sustainability. As such, the basic question must always be asked

as to what direct and indirect effects a decision will have on people and the environment – now and in the future.

Sustainability programme

S.E.E.D.S., which stands for Sustainability in Environment, Employees, Development & Products and Society, identifies the strategic areas of focus that the family-owned company is pursuing to make its vision of sustainability a reality. These fields are defined based on a broad understanding of sustainability that addresses the main challenges in our core

S.E.E.D.S. programme



STRATEGIC
SUSTAINABILITY PROGRAMME

Sustainability in
Environment
Employees
Development & Products
Society



Sustainability bodies

business. In this regard, the Vaillant Group's Sustainability Management department makes an important contribution to ensuring the company's success in the long term. The department forms part of Corporate Communications, Sustainability Management & Politics and reports directly to the CEO of the Vaillant Group. The team 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. In addition, the Group-wide environmental management system is also controlled centrally from here.

Sustainability bodies

Several sustainability bodies are involved with implementing and developing the Vaillant Group sustainability strategy. As the most important body, the Vaillant Group Sustainability Board meets once a year. This is made up of the Management Board members, the Sustainability Management team and key senior management representatives. This Board discusses and makes all strategic decisions in the field of sustainability. The Sustainability Management team forwards these to the specialist depart-

ments and initiates and manages the sustainability activities. The department provides support for the regular Vaillant Group Sustainability Forums – the environment forum, the health and safety at work forum and regional forums. They discuss issues concerning resource-optimised production processes, health and safety measures and programmes in the different markets. In addition, sustainability-related topics are also presented and discussed within other specialised committees.

Global Compact

"As a family-owned company, we understand how important it is to commit to sustainable business practices. For this reason, we would like to take this opportunity to once again declare our commitment to the Ten Principles of the United Nations Global Compact. Every year, we use this sustainability report and detailed documentation that we publish online to report on the progress that has been made in implementing these principles into everyday practices along the entire value chain."

The Vaillant Group Management Board



METHOD IN OUR SUCCESS

Making an international high-tech company like the Vaillant Group more and more sustainable is an ambitious task. That is why we drew up challenging sustainability targets that we aim to achieve by 2020 – targets that require us to make a real effort. Five years after launching the S.E.E.D.S. programme, it is time to take stock of what we have achieved so far and present our findings in this sustainability report. We have put in place a targeted process based on key figures in order to manage our performance.

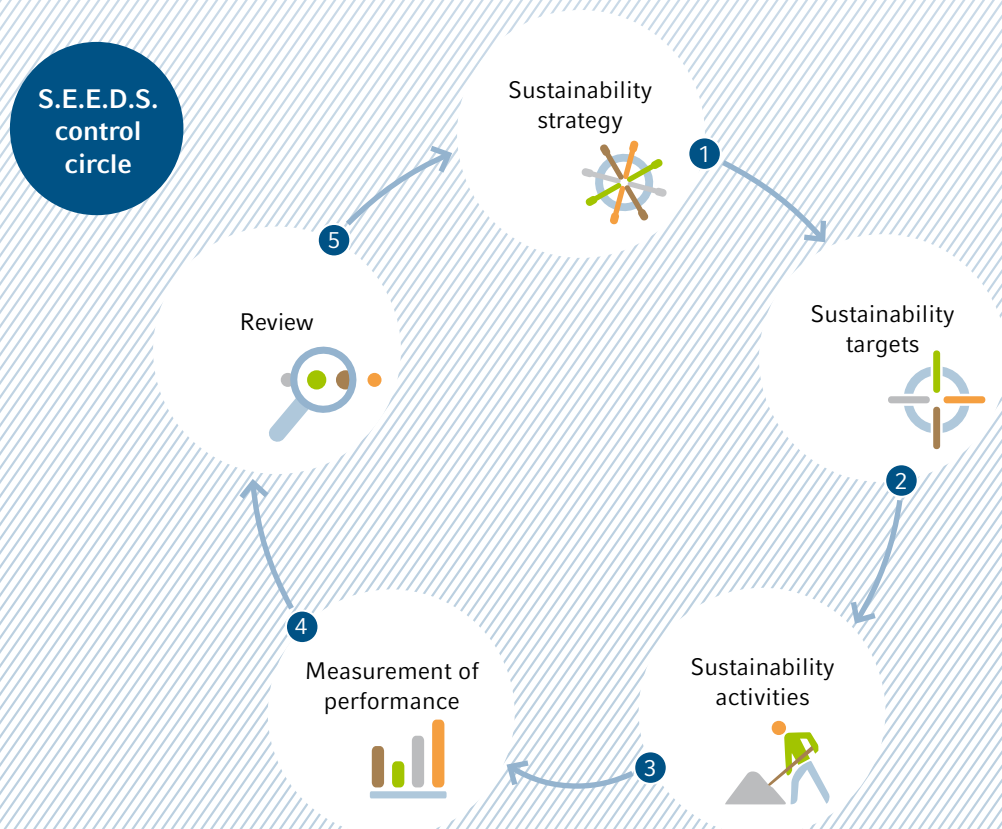
Management approach

We manage our sustainability performance using an established approach: the classic control circle applied to 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, reducing CO₂ emissions by 25 per cent in the field of environment. In order to meet these targets we then implement operational measures **3** in all relevant areas of the company. In order to test how effective these measures are, key performance indicators (KPIs) and a target figure **4** are established for all targets. Every quarter, we survey all relevant data on a Group-wide basis to calculate the individual KPIs. These are

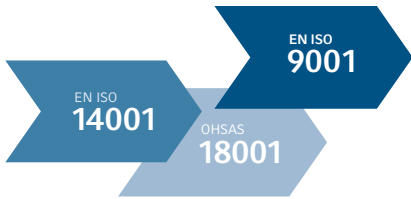
brought together in a central control tool, the Vaillant Group Sustainability Scorecard. When interpreting the figures, we take into account specific factors such as changes to production capacities, current production volumes and production minutes. By comparing figures from the same period in the previous year against the long-term targets during the annual review **5**, we are able to gain an accurate picture of the current state of our sustainability performance.

Materiality Matrix

There are few business-related topics that affect more areas than sustainability does. This means that we do not only need a clear strategy whose success is measured against binding targets. We must also



be clear about which areas of activity are particularly important – from the point of view of both the company and its stakeholders. As part of a materiality analysis we carried out a systematic survey of customers, partners, suppliers, employees, owners and other relevant stakeholders and thus precisely defined the sustainability-related topics that are most important for our business activities. These topics are aggregated into fields of focus in the Vaillant Group Materiality Matrix.



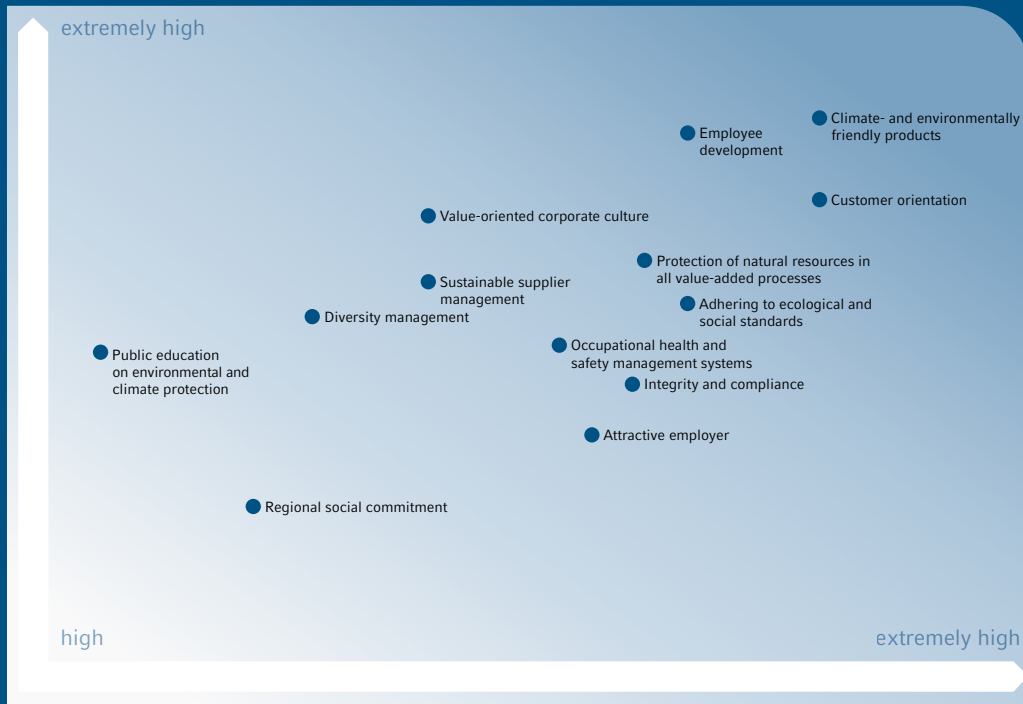
Systems and processes

Driving these topics forward in an international company requires a common language in the form of processes. This is because Group-wide processes are needed to lay 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 starts at the product development stage and covers the entire product life cycle. The Group Production Pro-

cess (GPP) describes production steps in a standardised manner. The Group Market Process (GMP) addresses customer requirements and retention. Last but not least, the Group Service Process (GSP) describes the activities of our service technicians and specialist partners.

To manage company performance in terms of environmental protection, occupational health and safety and quality, the Vaillant Group uses differentiated management systems that are determined by standards valid throughout Europe. The Vaillant Group regularly commissions independent institutes to audit the application of these standards as part of a “multi-site certification process”. All of our production and development sites have been certified as compliant with quality standard EN ISO 9001 and environmental standard EN ISO 14001. And we are just as ambitious when it comes to occupational health and safety. Steps are currently being taken to certify our occupational health and safety measures across the Group compliant with the international standard OHSAS 18001. Our plants in Remscheid, Gelsenkirchen, Belper, Skalica, Trenčín, Nantes and Bozüyük are already certified. By the end of 2016, all Vaillant Group sites are to have achieved OHSAS certification.

Materiality Matrix



Business relevance from the company's point of view

OUR SUSTAINABILITY TARGETS

In spring 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 are resolved to be transparent – not only about where we are on track, but also about where we need to become even better. Now, five years on, we have decided to cast a critical eye over how we are doing so far. More detailed key figures relating to sustainability can be found on the pages that follow.



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.

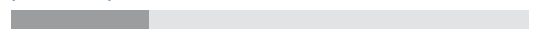
We have now integrated material efficiency criteria into the Group Development Process, which forms the basis for developing all products.

80

% Turnover of high efficiency products



-15 % Greenhouse gas emission of the product portfolio



+15 % Material efficiency



Go-ahead 50% of target value achieved 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 CO₂ emissions, prevent negative influences on the environment and actively use opportunities for improvement.

We are unsatisfied with our waste figures and are currently looking for ways to reduce the amount we produce. The greatest leverage is in the area of metal and packaging waste.

-25

% CO₂



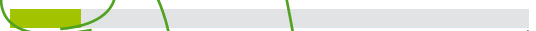
+20 % Energy efficiency



-20 % Water



-20 % Waste



Go-ahead 50% of target value achieved Target achieved

The reduction in water consumption is a success story in itself. We have already saved twice as much water as originally planned.

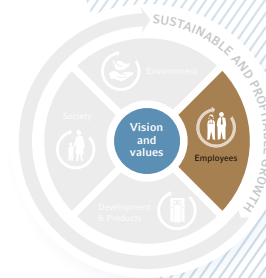
A very positive development. Despite having massively expanded the test centre capacities at the plant sites, we were able to consistently reduce energy consumption levels.

The renewable energy markets in Europe are experiencing modest development. The Vaillant Group recently benefited from the Energy-related Products (ErP) Directive; introduced in September 2015, it lays out minimum standards for efficient heating technology in the EU.

The Vaillant Group has a very firm footing with regard to occupational safety. The huge amount of work that has gone into this area and the systematic OHSAS certification are paying off.

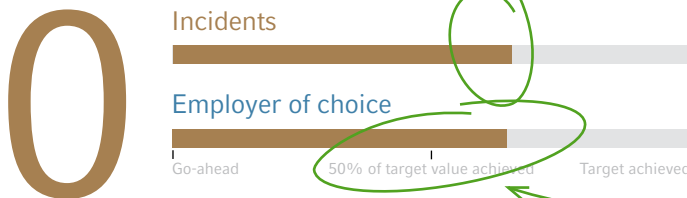
Sustainability

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

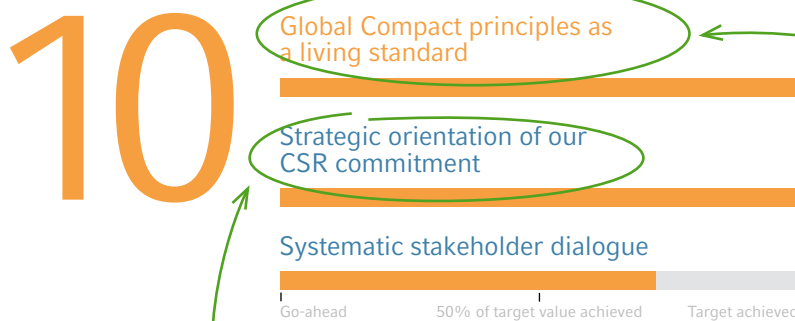
Our employees form the foundation and the soul of the Vaillant Group. We pursue the goal of being the employer of choice for job applicants and current employees.



The results of the Great Place to Work survey clearly show where we need to improve. The number of managers appointed from within has increased.

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.



Recognition of the principles of the UN Global Compact forms an integral part of our purchasing terms, which apply for all suppliers. We now need to conduct more far-reaching reviews into whether these principles are really put into practice in the supply chain.

Our CSR commitment is closely linked to our core business. The partnership with "SOS Children's Villages worldwide" is an authentic fit for our corporate and brand values. We will continue to drive the internationalisation of this partnership forward.

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

This sustainability report provides comprehensive and transparent information about the alignment of the company with the guiding principle of sustainable, responsible business practices.

ABOUT THIS REPORT

SCOPE OF THE REPORT

This report contains information about the strategic direction of the Vaillant Group in terms of sustainability management. The report discusses Group-wide developments in the S.E.E.D.S. programme's four fields of focus. The target readers of this publication include customers, partners, suppliers, employees, owners, media representatives and other interested stakeholders.

MATERIALITY AND INCLUSION OF STAKEHOLDERS

When planning the report's contents, we took into account feedback from different groups of stakeholders gathered from various dialogue formats. In addition, we used a materiality analysis of internal and external reference groups to identify and evaluate sustainability topics that are important for our business activities.

REPORTING PERIOD AND DATA COLLECTION

The last sustainability report was published in 2015. The reporting period for all of the key performance indicators in the current report covers the 2015 calendar year from 1 January 2015 to 31 December 2015. The editorial deadline for reports on matters related to sustainability was 31 May 2016.

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 that they concern both absolute and relative figures. This allowed us to account for all factors feeding into them, e.g. expansion of our production capacity.

GLOBAL REPORTING INITIATIVE (GRI)

Our reporting on the Group's sustainability performance has been adapted to the internationally recognised standards of the Global Reporting Initiative (GRI). An external audit of the Vaillant Group's adherence to the GRI in its reporting has neither been conducted, nor is it planned.

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). You can find a systematic overview of our initiatives in this area, updated annually, at www.vaillant-group.com.

PRINT AND ONLINE

The sustainability report is published in German and English. Further to the hard copy, a PDF version is also available at www.vaillant-group.com. In case of doubt, solely the German version published in printed form is binding.



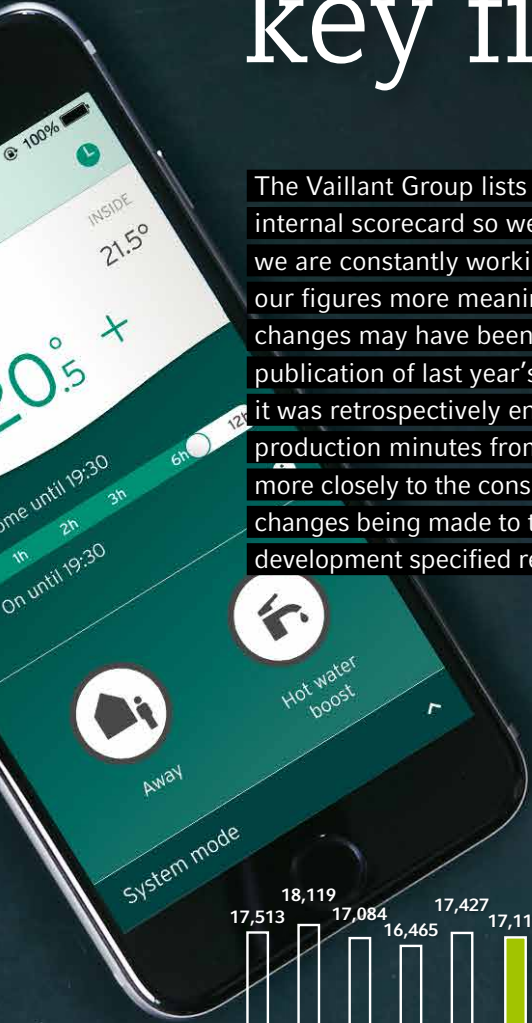
-17%

Total energy consumption/
production minute

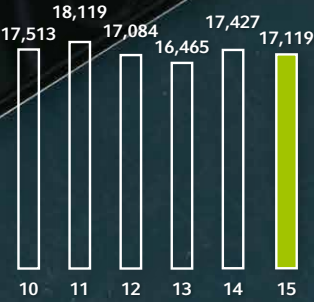
-41%

Water consumption/
production minute

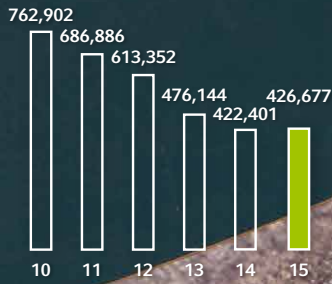
Sustainability key figures



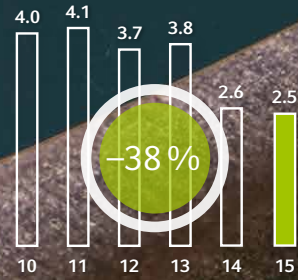
The Vaillant Group lists all key figures relating to sustainability on an internal scorecard so we can manage our activities in this field. As we are constantly working to improve the quality of data and make our figures more meaningful by successively expanding their scope, changes may have been made to the previous year's figures since the publication of last year's report. In relation to the figures from 2014, it was retrospectively ensured that the reference value solely includes production minutes from the machine runtimes and therefore relates more closely to the consumption figures reported. This led to respective changes being made to the previous year's figures. The percentage development specified relates to the reference year 2010.



Waste t



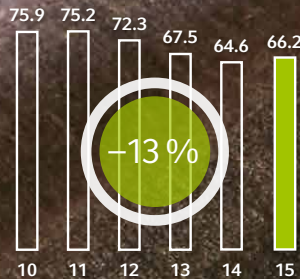
Water consumption m³



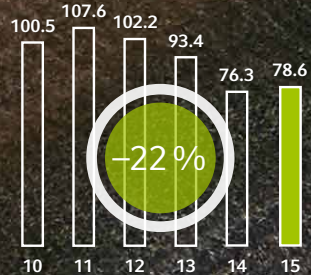
Oil consumption GWh



Total energy consumption GWh



Electricity consumption GWh



Gas consumption GWh

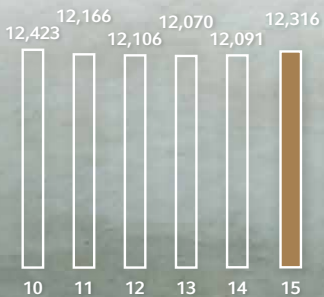
Vaillant

-42%*

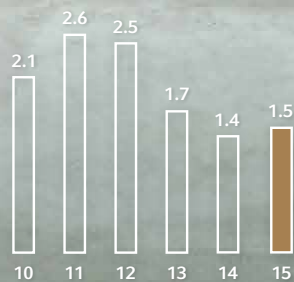
Accidents at work

+16%

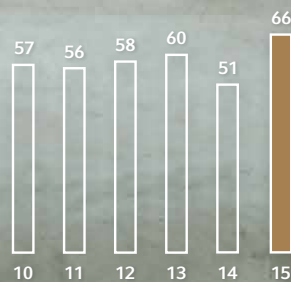
Management positions filled internally



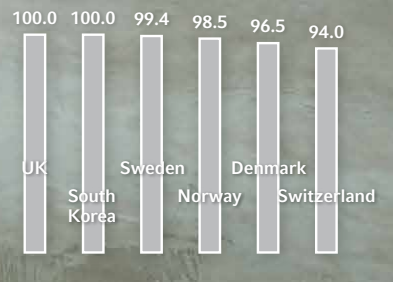
Employees
Headcount



Accidents at work
per 100 employees

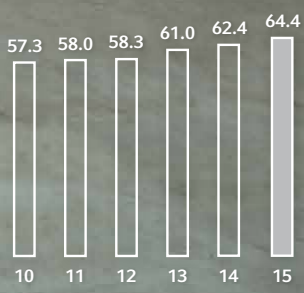
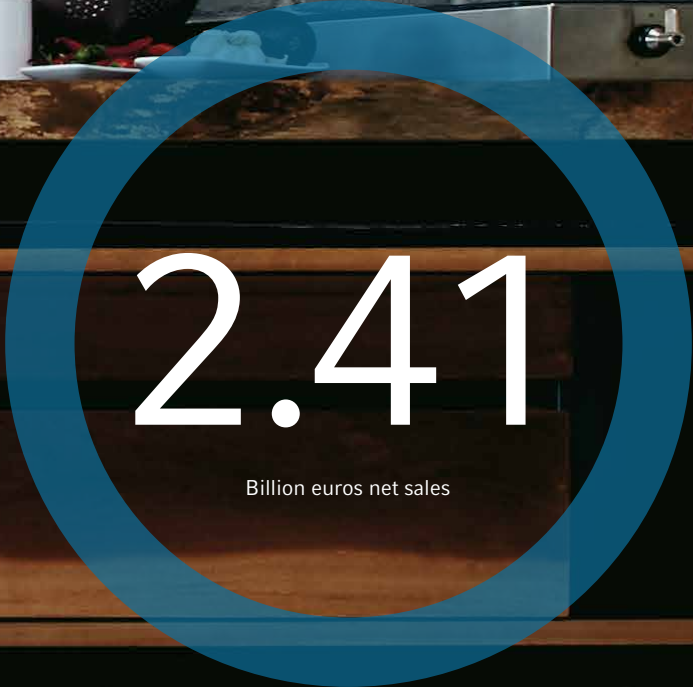


Management positions filled internally
%

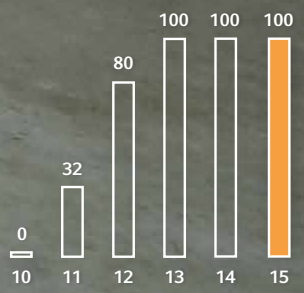


Markets with the greatest share of renewable energies in sales
%

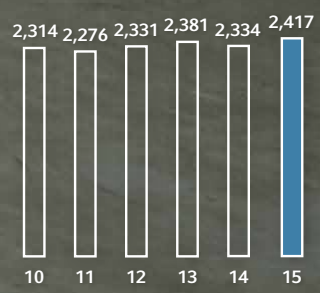
* Compared to 2011



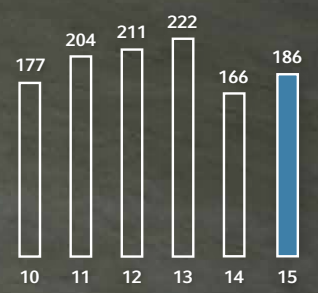
Efficient/renewable technologies – share of overall sales %



UN Global Compact purchase volumes %



Sales in millions of euros



EBIT in millions of euros

Ink on paper

As well as dealing with the topic of sustainability, this report 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. 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 report. We also save resources by publishing a short sustainability brochure which is specifically intended for our customers. Finally, the CO₂ emissions that inevitably do result from the production of this report are offset via certified schemes. The sustainability report is therefore exactly what people should expect from a sustainable report: ink on paper.



At a glance



The race has been run. Who in Europe has the highest green IQ, who can resist the urge for succulent meat and which country goes crazy for efficiency labels.
Green intelligence (p. 8)



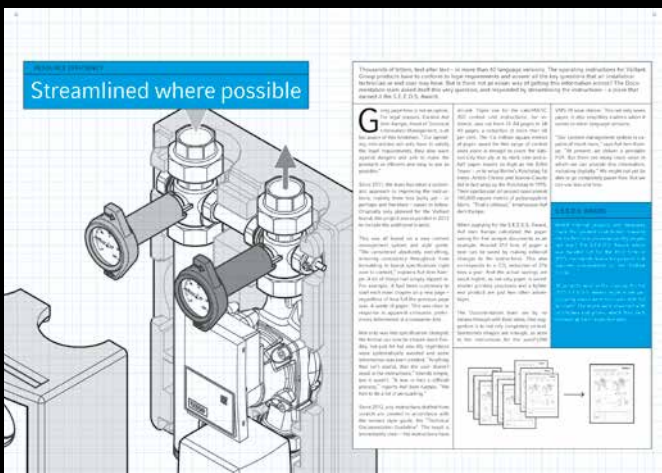
Looking back and ahead. Five years of S.E.E.D.S. make for a real success story. Continuing this success will require every ounce of tenacity and passion.
Top-level talk (p. 18)



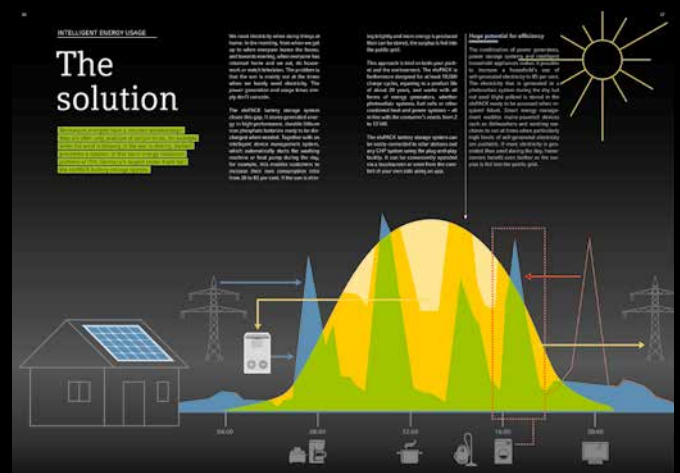
Vailant is Germany's most sustainable large company, as confirmed by the jury of the German Sustainability Award. Now is not the time to sit back and relax.
With success comes responsibility (p. 22)



Going around in circles: an unconventional approach to developing products which really are sustainable. Again and again and...
Green lights all the way (p. 26)



Christo and Jeanne-Claude would have been proud. The paper we saved after revising just one product instruction leaflet is enough to wrap up Berlin's Reichstag 16 times.
Streamlined where possible (p. 32)



The key to an energy self-sufficient house lies in a small, nondescript box: the eloPACK battery storage system. Let the sun fill your home with warmth, whatever the weather.
The solution (p. 36)

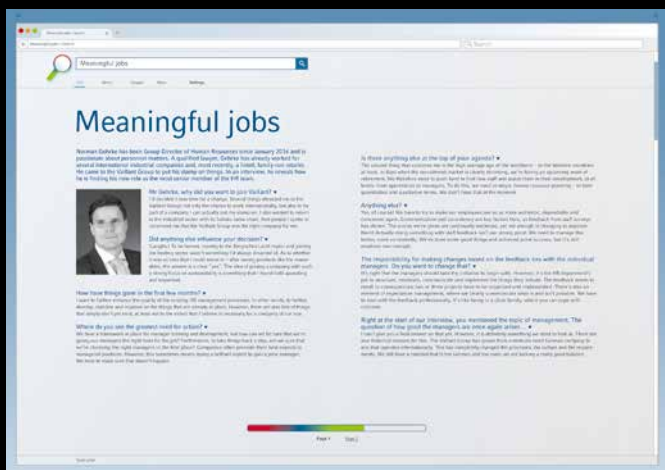
Are you passionate about sustainability but haven't yet found the time to read this report? Here are twelve good reasons why you should put your feet up and catch up on all the latest news.



The next industrial revolution is digital. And it's already in full flow. Yet as much as we may admire mechanisation: our employees' expertise and passion remain priceless. **About humans and machinery (p. 38)**



Time to show our true colours. Our employees take the green IQ test and tell us openly and honestly just how green they perceive their employer to be. **Let's have some honesty (p. 44)**



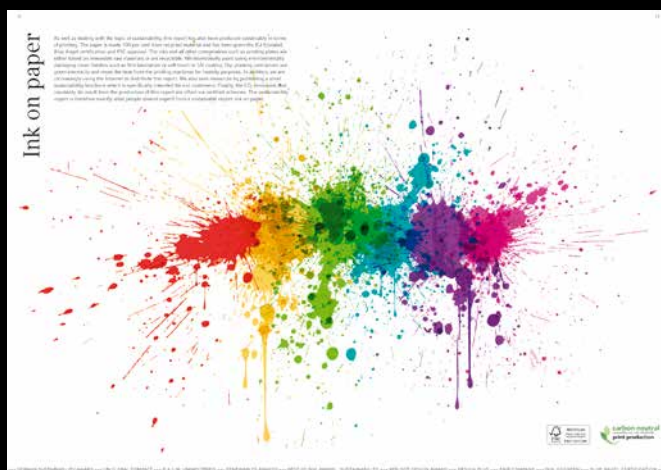
Meaning is the new currency. As a global family-owned company, there are many reasons why the Vaillant Group appeals to applicants and employees. But will they be as relevant in the future? **Meaningful jobs (p. 50)**



A topic close to our heart. Vaillant and SOS Children's Villages enjoy a close partnership. Find out more about the impressive, day-to-day work done by the children's aid organisation. **Grow to be big and strong (p. 56)**



The plain facts. Scrutinised to the decimal five years on. From reduced water consumption to new managers and the long road to a green supply chain. **Our sustainability targets (p. 66)**



Stripped back. The medium you are holding in your hands has been printed in accordance with all the principles of sustainable production, leaving us with just one thing: the bare essentials. **Ink on paper (p. 72)**

“Be innovative.
Listen to your customers.
Always extend your
knowledge.”

Johann Vaillant (1851–1920), company founder and
inventor of the “closed system” gas-fired bathroom boiler

