SUSTAINABILITY REPORT 2019

wilo

ABOUT WILO

The Wilo Group is one of the **world's leading premium providers** of pumps and pump systems for the building services, water management and industrial sectors. In the past decade, we have developed from a hidden champion into a visible and connected champion. Today, Wilo has around 8,000 employees worldwide.

Our innovative solutions, smart products and individual services move water in an intelligent, efficient and climate-friendly manner. We are also making an important contribution to climate protection with our sustainability strategy and in conjunction with our partners. We are systematically pressing ahead with the digital transformation of the Group. We are already the digital pioneer in the industry with our products and solutions, processes and business models.

OUR MARKET SEGMENTS

BUILDING SERVICES RESIDENTIAL
We are a full-range supplier and customers' first choice.

BUILDING SERVICES COMMERCIAL
We are market, innovation and smart solution leader.

OEM
We are the preferred partner for smart integrated solutions.

WATER MANAGEMENT
We are global market player and digital solution provider.

INDUSTRY
We specialise in selected sectors and applications.

NET SALES

1.48 billion euros

The Wilo Group can look back on a decade of steady and profitable growth. In the past financial year, net sales increased by a further 1.0 %.

EMPLOYEES

7,749

An annual average of more than 7,700 people were employed at the Wilo Group worldwide. They are the basis for and the driving force behind its economic success.

CAPITAL EXPENDITURE

155.7 EUR million

The Wilo Group is continuing to make substantial investments in the future. In the past financial year, more than EUR 155 million was invested in the construction and expansion of new and existing sales and production locations, state-of-the-art manufacturing technologies and company acquisitions, among other things.

RESEARCH AND DEVELOPMENT

67.4 EUR million

Wilo intends to establish itself as the digital pioneer of the pump industry and set new standards as an innovation leader. This means research and development traditionally play an important role. At EUR 67.6 million or 4.6 % of net sales, expenditure for research and development exceeded the high prior-year level.

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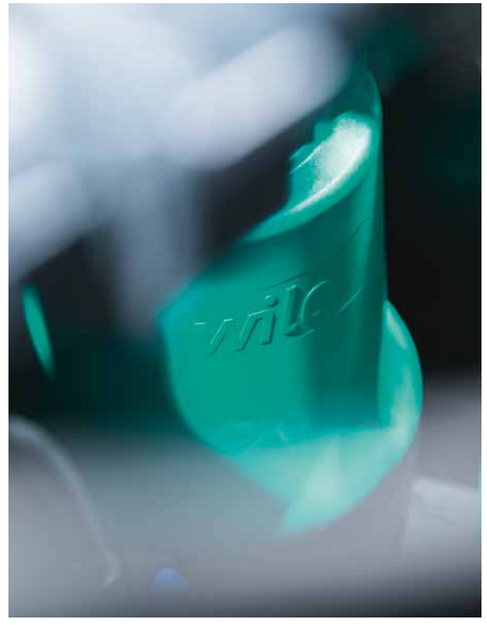

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FOREWORD BY THE EXECUTIVE BOARD

DEAR LADIES AND GENTLEMEN,

The sociopolitical discourse around global environment and climate policy has livened considerably and is rightly a vital issue of our age on all levels of industry, politics and society. Climate change is becoming increasingly visible and tangible, not only in Europe. It is clear that the world's climate needs leaders and pioneers!

The world is currently facing an historic test in the coronavirus crisis. But it is this very crisis that proves that the Wilo Group, as an industrial and technology group, plays a significant role in keeping systemically important sectors functional and is thus a fundamental part of critical infrastructures. Our products, systems and solutions are used in applications without which daily life would be virtually impossible. This means that we have a responsibility to society. The Wilo Sustainability Report 2019 is our bid to document that the Wilo Group is aware of its responsibility to the environment, society and its employees – in a word, its stakeholders. Mitigating and offsetting the ecological, economic and social impact of climate change requires a strong economy. Not only that, but a responsible economy that is willing to commit to a challenging and complex task like this and cooperate across national borders to find solutions worthy of the name.

As we know from the time before the coronavirus crisis, long-term trends are having a severely adverse impact on the climate, which therefore remains one of the main issues of our age at all levels of society. Future generations, too, will still be faced with this issue after the pandemic has been dealt with.

As a climate protection company, sustainability is therefore firmly enshrined in our corporate culture. We are convinced that sustainable thinking and action are imperative when working with the valuable resources of water and energy and addressing climate protection. Accordingly, the central tenet of our Wilo sustainability strategy is to provide more people around the world with clean water while simultaneously reducing our ecological footprint. Between now and 2025, we aim to facilitate access to clean water for at least 100 million people through our innovative and smart products and intelligent systems, solutions and services.

Vast potential for energy and CO_2 savings can be leveraged by exchanging obsolete technology for the latest generation of modern high-efficiency pumps. The majority of the pumps used today are outdated and inefficient. According to realistic estimates, pumps are thought to account for around 10 % of the world's electricity consumption. Globally, this could save up to 246 TWh in electricity for heating, cooling and air conditioning applications alone – equivalent to the capacity of around 80 medium-sized coal-fired power plants that would no longer be required. With our products and system solutions here, we are making an important contribution to slowing climate change and achieving the climate protection targets.

Last year, the European Commission presented the European Green Deal. Besides climate protection, a central objective is to promote a circular economy. The sparing use of raw materials and the reuse and recycling of materials used have always been important at Wilo. Our products are almost entirely recyclable, and the proportion of reused components from production or unused product returns is being continuously increased. We also promote sustainability when it comes to the packaging materials used: reuse systems reduce waste packaging while increasing the efficiency of the production processes.

In addition to climate- and resource-policy discourses, greater attention is being paid to questions of ethics and social responsibility. Companies' responsibility to respect human rights is described in the UN Guiding Principles on Business and Human Rights, which are particularly relevant in the present crisis situation. For us, it goes without saying that sustainability does not end with climate protection and resource efficiency. Wilo pursues a holistic approach that prioritises the responsibility to the environment and humankind.

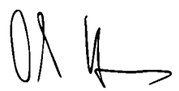
Oliver Hermes
CEO & President Wilo Group

"As a matter of principle, working with the precious resources of water and energy requires sustainable thinking and action, and this fact is firmly enshrined in Wilo's corporate culture."

This problems of this world cannot be solved unilaterally. Sustainable development requires international solidarity. The goals of the 2030 Agenda can be achieved only in global partnership. To this end, Wilo maintains a global network of politicians, NGOs, associations and relevant partner companies; we put corporate political responsibility into practice.

I am confident that climate change and its consequences can be slowed and the ambitious global climate protection targets achieved. Against this backdrop, I would like to encourage you to join us in advancing the topic of sustainability beyond company and national boundaries.

Stay healthy, and best wishes,



Oliver Hermes
CEO & President Wilo Group

SUSTAINABILITY STRATEGY

Overview of Wilo's sustainability goals for up to 2025

Wilo has developed an explicit sustainability strategy on the basis of its Ambition 2025 corporate strategy and the identification of key issues. The central tenet of this strategy is to provide more people with clean water while simultaneously reducing the ecological footprint. A total of 17 goals have been formulated within four action areas. These goals are integrated into the functional strategies of the individual departments and are therefore part of regular reporting. There are also reviews with the Sustainability Council twice every year to analyse the progress made in achieving these goals.

WATER

We are facilitating better access to clean water for **100 million people**.

Increased provision of innovative water solutions: Annual growth rate **7.5 %**.

Expansion of smart water system portfolio: Annual growth rate **35 %**.

Expansion of strategic partnerships.

Reduction in drinking water consumption at Wilo's sites: **20 %**.

ENERGY & EMISSIONS

We are reducing CO_2 emissions by **50 million t**.

Energy savings through high-efficiency pumps: **1.8 TWh** per year.

Increase in energy solution projects: **10,000** projects per year.

Expansion of smart product portfolio: Annual growth rate **15 %**.

Reduction in CO_2 emissions at Wilo's sites: **climate-neutral production**.

MATERIAL & WASTE

We are reducing the consumption of raw materials by **250 t**.

Increase in the number of reused components: **30,000** items per year.

Reduction in material consumption: **12 t** of copper per year.

Increased use of reusable packaging: **100 %**.

Increase in recycling rate at Wilo's sites: **90 %**.

EMPLOYEES & SOCIETY

We **act responsibly** towards employees and society.

Promotion of training programmes: **20** new training centres.

Ensuring social compliance: **90 %** training coverage.

Effective development programs: **70 %** of managers developed internally.

Strengthening the culture of diversity: **20 %** of management positions filled by women.

Ensuring a safe working environment: **0** accidents.

SUSTAINABILITY STRATEGY

Description of our goals and action areas

WATER

Our strategic goal is to supply 100 million people with clean water by 2025. We will achieve this by implementing the following operating sustainability goals:

- We will increase the growth rate of our innovative water solutions, especially in the emerging markets. This is the only way to supply 7.5 % more people with clean water every year.
- We will strive to grow our smart water systems by at least 30 % a year, because we are convinced that connectivity, operational reliability and maximum efficiency are the key factors needed for saving more resources in the future.
- We will intensify our involvement in our strategic partnerships, as sustainable solutions can be created only through the collaboration of a wide range of experts and interest groups.
- We will reduce drinking water consumption (by 20 % to 2025) at our production sites, especially by applying technologies for more efficient use, water purification and rainwater utilisation.

In this action area, Wilo will make a significant contribution to SDGs 6, 9 and 11.

→ Section starting on p. 12

ENERGY AND EMISSIONS

Our strategic goal is to reduce CO_2 emissions by 50 million tonnes by 2025. We will achieve this by implementing the following operating sustainability goals:

- We will achieve an energy saving of at least 1.8 TWh a year thanks to our high-efficiency pumps. This will be achieved firstly due to ever greater demand for highly efficient products outside of Europe and secondly through increasingly efficient technologies. Up to 2025, it will result in a cumulative CO_2 reduction of over 50 million tonnes.
- We will increase the number of our energy solution projects to at least 10,000 a year, as inefficient pumps will thus be systematically replaced by more efficient ones, providing a clear advantage for customers and the environment.
- We will expanding our portfolio of smart products. We see annual energy-saving potential of 15 % here.
- We will strive to achieve climate-neutral production at our own sites by 2025 through efficiency measures, ecological energy procurement and investments in climate protection projects.

In this action area, Wilo will make a significant contribution to SDGs 9, 11 and 13.

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MATERIAL AND WASTE

Our strategic goal is to consume 250 tonnes less material resources by 2025. We will achieve this by implementing the following operating sustainability goals:

- We will increase the number of reused components in our products to at least 30,000 a year. Keeping materials in circulation is the best way to conserve resources, so Wilo is investing intensively in the expansion of the corresponding processes.
- We will save at least 12 tonnes of material a year in our products. At the moment, we are primarily looking at copper, cast and aluminium casting, which make up the largest proportion of the weight of our products. New technologies will drastically reduce material requirements.
- We will save packaging materials. As a first step, we are concentrating on the increased use of reusable packaging in the inbound segment, In which we are targeting a ratio of 100 % by 2025.
- We will increase in recycling rate at Wilo's sites. Thanks to the separation of materials, the increased purchase of recyclable materials, and reuse systems, we are plan to achieve a rate of at least 90 % by 2025.

In this action area, Wilo will make a significant contribution to SDG 12.

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EMPLOYEES AND SOCIETY

We are committed to acting responsibly towards employees and society. We will achieve this by implementing the following operating sustainability goals:

- We will promote the sustainable development of people, organisations and municipalities and engage mainly in training and educational initiatives focusing on our core topics of water and energy. Our aim is to establish at least 20 training centres worldwide by 2025.
- We will challenge ourselves to ensure global compliance with all applicable laws and regulations. A vital requirement for this is the regular training of all employees on compliance topics; we are striving for training coverage of at least 90 %.
- We will invest in the development and promotion of our employees. We see the internal recruitment of our managers as one measure of success. Our aim is to achieve a rate of at least 70 %.
- The appreciation and promotion of individuality and difference will be given special attention. One indicator for lived equality is the proportion of women in management positions, which we want to increase to 20 % by 2025.
- We will promote workplace health and safety and have embraced "Vision 0" at all Wilo sites with the goal of achieving zero accidents and zero work-related illnesses.

In this action area, Wilo will make a significant contribution to SDGs 8 and 17.

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WILO'S CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS

In 2015, the United Nations adopted the Sustainable Development Goals (SDGs). The action plan describes the path to more prosperity and quality of life – while consuming fewer resources. Wilo aspires to help ensure a sustainable future. We are therefore also taking responsibility for the achievement of the Sustainable Development Goals. In 2018, the Executive Board of the Wilo Group signed the UN Global Compact, underscoring our commitment. As a result of its business activities, Wilo has a particular influence on the achievement of Goals 6, 8, 9, 11, 12, 13 and 17.

SDG 6 – Clean Water And Sanitation: Our aim is to supply more people with clean water. Sustainability is firmly enshrined in Wilo's core business. In this way, we are making a substantial contribution to Goal 6, which involves expanding activities and programmes in the area of water and sanitation between now and 2030.

SDG 8 – Decent Work And Economic Growth: As a global employer, Wilo contributes to employment and economic growth in numerous countries. Like the support and promotion of employees around the world, decent working conditions are the rule.

SDG 9 – Industry, Innovation And Infrastructure: We see ourselves as an innovation leader and digital pioneer in the industry. Goal 9 involves establishing robust infrastructures and promoting sustainable industrialisation and innovation. Wilo is contributing to this goal through the use of its environmentally friendly, highly efficient technologies and its innovations in the area of digitalisation.

SDG 11 – Sustainable Cities And Communities: Urbanisation is one of the key developments of the 21st century. More than half of the world's population lives in cities, and this figure is expected to rise to nearly 70 % by 2050. At the same time, urbanisation is presenting serious challenges. Cities have an enormous ecological footprint. Wilo is using smart technologies to meet this challenge.

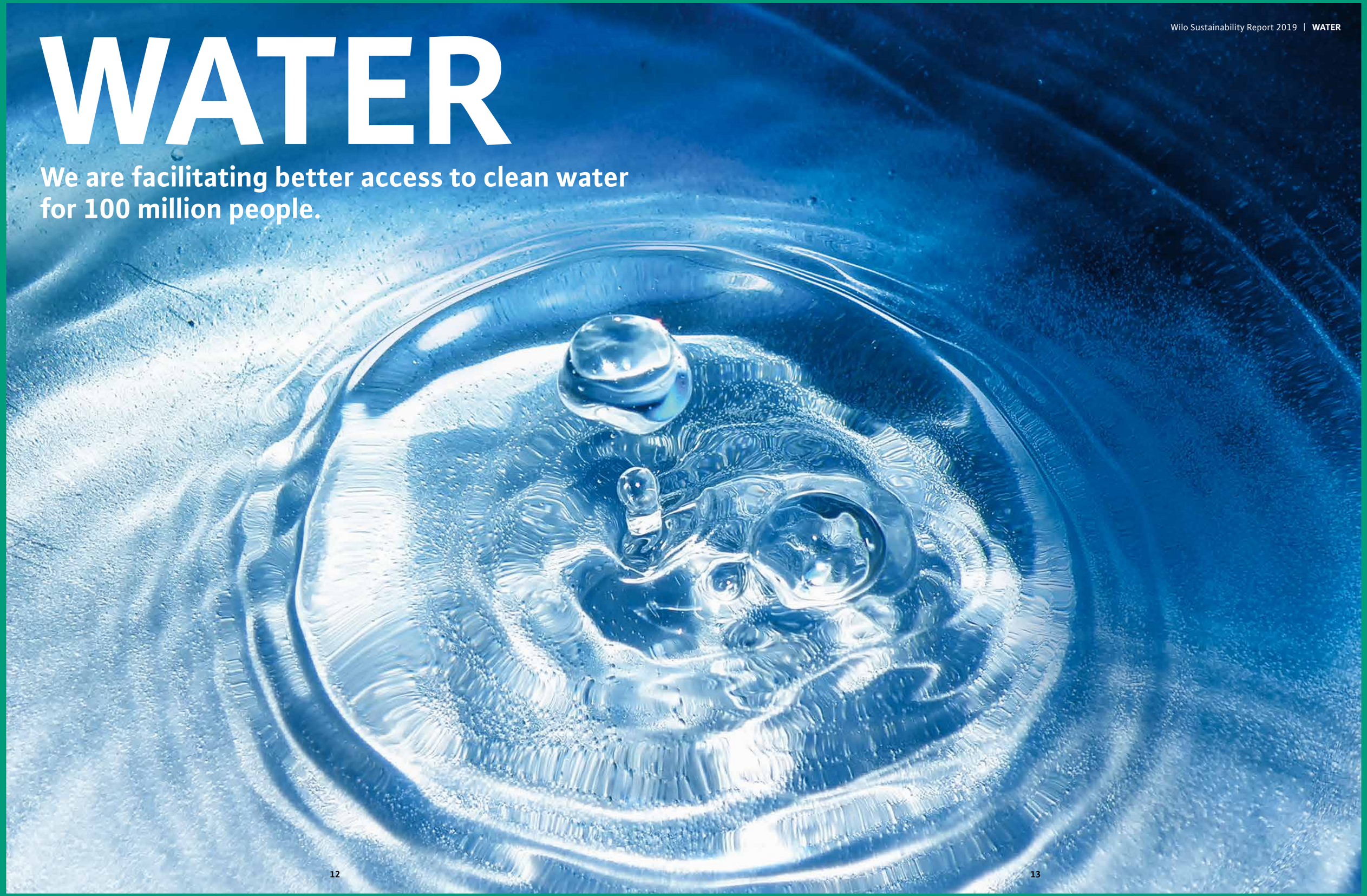
SDG 12 – Responsible Consumption And Production: The world's population is currently consuming more resources than its ecosystems can provide. So that social and economic development can take place within the limits of what ecosystems can handle, the way in which our society produces and consumes goods must undergo a fundamental change. Wilo works resource-efficiently and supports initiatives to promote the circular economy. Wilo wants to continuously reduce its use of primary raw materials by expanding its infrastructure for the returning and recycling of old products.

SDG 13 – Climate Action: Climate change is a central challenge for sustainable development. The warming of the Earth's atmosphere is triggering changes in the global climate system, which will make themselves felt in all areas of life. Wilo has always strived to optimise the energy consumption of its pumps. New technologies have consistently allowed it to be a market pioneer in terms efficiency. Through the use of highly efficient pumps, Wilo is helping pumps to use less energy and thus emit less CO_2 during their running time.

SDG 17 – Partnerships For The Goals: The only way to achieve the sustainability goals is by working together. Companies, governments and other organisations will have to cooperate in order to increase the leverage of their respective contributions. For Wilo, partnerships are an essential function of business success. The expertise gained from working in networks is also used to collaborate on sustainability issues.

WATER

We are facilitating better access to clean water for 100 million people.



WATER SOLUTIONS

The uninterrupted supply of clean water for drinking, for agriculture and for industry is one of the greatest challenges of the future. Our aim is to offer innovative solutions to these challenges with an average annual growth rate of 7.5 %.

We group all products relating to the water cycle under water solutions: from raw water intake and water supply to sewage removal and treatment. Last year, we achieved growth of 5 % with our water solutions. This was driven mainly by the Asian markets, especially India, in which major investments were made in the improvement of sewage disposal and irrigation.

Irrigation for the Madhya Pradesh region, India
In India, only 35 % of land is irrigated, which is a massive disadvantage for agriculture under uncertain monsoon conditions. In Madhya Pradesh (Central Province), a project was therefore implemented with the goal of irrigating 50,000 hectares of land and giving the rural population a sustainable source of income through agriculture and access to drinking water in around 158 villages. Wilo India successfully installed 36 highly efficient vertical turbine pumps, which now transport water through 500 metres of altitude and a 600 kilometre pipe network. This will provide an uninterrupted and reliable supply for this water-scarce region of Central India, stimulate agriculture and sustainably improve the population's quality of life.

Wilo expects significant growth in this segment in 2020. Firstly, demand for innovative solutions is seeing a disproportionately large rise due to climate change, water shortage and population growth. Secondly, we have further expanded our portfolio with new products such as Wilo-Actun ZETOS and Wilo-Atmos GIGA-N. Improved, more robust materials and new production processes save weight and costs. This means they can be used for challenging applications in developing areas.

5 %

growth in the water solutions segment

Key sustainability indicator	2017	2018	2019
Growth rate (%)	–	9	**5**

Vertical turbine pumps irrigate 50,000 hectares of land in Madhya Pradesh, India

One of our overriding sustainability goals is to supply more people with clean water. Sustainable water management not only concentrates on the production and supply of drinking water. The disposal and treatment of sewage are also of central importance. They help to manage the valuable resource of water efficiently and to avoid increased contamination.

Wilo-Atmos GIGA-N
The new pump generation Wilo-Atmos GIGA-N consumes up to 48,000 kWh less electricity and reduces CO_2 emissions by up to 26 tonnes compared with previous models.

Wilo offers an extensive range of products for all areas of water management and works continuously to broaden its product portfolio. The following products are examples of our innovations in this area:

1 Raw water intake: Wilo-Actun ZETOS is the most efficient solution for drinking water supply. It guarantees that the valuable resource of water is managed sustainably. At the same time, it creates energy savings of up to 20 %.

2 Water transport: The new pump generation Wilo-Atmos GIGA-N sustainably improves the municipal water supply. It consumes up to 48,000 kWh less electricity and reduces CO_2 emissions by up to 26 tonnes.

3 Sewage transport: Wilo-Rexa SOLID-Q with Nexos intelligence minimises pipe friction losses, reduces energy costs by up to 20 % and CO_2 emissions by up to 20.7 tonnes per year/pump.

4 Sewage treatment: Through the use of our sewage works technology such as Wilo-EMU TRE 326-3, we provide for efficient sewage treatment, meeting the steadily growing demand for fresh water. Minimal power consumption enables a CO_2 reduction of up to 19.7 tonnes per year.

Reference

Mumbai monsoon

Mumbai, India

6,000 litres per second

Pumps against floods

With around 25 million inhabitants, Mumbai is the world's sixth-largest metropolitan region and India's economic centre. Located in the tropics, 95 % of the city's annual precipitation falls in just four months. Mumbai has constructed storm water pumping stations in order to handle the repeated catastrophic flooding that has resulted from the summer monsoon weather in the past. They are fitted with 29 Wilo axial submersible pumps, each of which is six metres in height and can pump out 6,000 litres of water – every second.

SMART WATER SYSTEMS

The complexity of the challenges for water infrastructure in the future requires holistic solutions that digitally and intelligently interlink various areas of life. Wilo seeks to develop interconnected systems and solutions for these requirements and to achieve annual growth of 35 % in this area.

When we talk about smart water systems, we mean pump systems that have intelligent control electronics and communicate with each other via digital interfaces. This enables an intelligent connection between users and individual components of the water cycle, which increases transparency and guarantees efficient operation in line with requirements. Our applications in sewage disposal are one example. The interconnection of pump, piping and station ensures that flow rates can be automatically adjusted to requirements. This prevents clogging and service expenses as well as excessive water flow, ultimately resulting in a significant reduction of energy use and costs.

Wilo is targeting annual net sales growth of at least 35 % in the area of smart water systems. In the area of intelligent pump systems, we are only the beginning of the opportunities for development, and there is a lot of upgrade potential. We achieved a notable increase of 62 % last year. This positive development was chiefly driven by significant demand for our waste water systems with Nexos intelligence. These innovative pressure drainage systems connect, monitor and control individual pumping stations and thus ensure reliable, energy-efficient pressure drainage.

Innovations for a smart future

In order to achieve our sustainable growth targets, we are investing intensively in product innovations along the entire water cycle and in the further development of existing solutions. For example, Wilo-SiBoost Smart Helix EXCEL is a product innovation from last year. This pressure-boosting system allows leakages to be quickly detected via digital interfaces. At the same time, the intelligent control electronics ensure needs-driven and stable water pressure up to the highest heights – while reducing energy consumption by up to 15 %. The system thus contributes to the sustainable management of two of the world's key resources: water and energy.

Key sustainability indicator	2017	2018	2019
Growth rate (%)	–	300*	**62**

*Market launch

62 %

growth in the smart water systems segment

Wilo-SiBoost Smart Helix EXCEL ensures needs-driven and stable water pressure up to the highest heights – while reducing energy consumption by up to 15 %.

Reference

Baobab Children Foundation

Kissi, Ghana

Local solutions that help people and protect the environment

Independent and solar-powered

The BAOBAB CHILDREN FOUNDATION looks after children and young people in a remote region of Ghana. Like many other places in the world, the village is not connected to the water network. It can be supplied only via a local pump. These pumps often run on petrol. This is expensive and harmful to the environment. Wilo has developed the Actun OPTI series as a solar-powered alternative – powerful, low-maintenance, and environmentally friendly.

WATER PARTNERSHIPS

Sustainable development requires international solidarity. The goals of the 2030 Agenda can be achieved only in global cooperation. Our aim is to continuously expand our strategic partnerships.

An expanding population, global economic growth and the intensification of the trends toward globalisation and urbanisation mean that energy and water requirements are continuously rising – while there are huge losses and inefficiencies on the consumption side. Around the world, Wilo is not only helping to modernise energy and water supply systems and make them fit for the future, but is also making a sustainable contribution to slowing the growth in energy and water consumption with its intelligent solutions.

To this end, Wilo maintains a global network of politicians, NGOs, associations and relevant partner companies. In 2019, this network was expanded further with numerous projects and initiatives. There was a particular regional focus on cooperations in Eastern Europe, Asia and Africa.

German Eastern Business Association (OAOEV)
President Tokayev meets German business representatives.

German Eastern Business Association (OAOEV)

A particular highlight of last year was the appointment of Oliver Hermes, CEO of WILO SE, as the new Chairman of the German Eastern Business Association (OAOEV). In this role, he welcomed the Kazakh President Kassym-Jomart Tokayev to a business dinner organised by German industry in Berlin on 5 December.

German Near and Middle East Association (NUMOV)

On 25 June, NUMOV (the German Near and Middle East Association) and Wilo jointly hosted an event for more than 250 high-profile guests from politics and business. The event focused on business and diplomatic between Germany and the nations of the Near and Middle East.

German Near and Middle East Association (NUMOV)
More than 250 guests from politics and business met at NUMOV.

Expansion of relations with India

In February 2019, North Rhine-Westphalia's State Minister for Economic Affairs, Prof. Andreas Pinkwart, joined business leaders from the state on a trip to India. While there, they discussed the latest economic developments and explored market opportunities for North Rhine-Westphalian companies. Company visits, networking events and attendance at the Bengal Global Business Summit provided good opportunities to make contact with relevant players from politics and business.

Better relations in India
Guests from 32 nations at the Bengal Global Business Summit in Kolkata.

German Asia-Pacific Business Association (OAV) Infrastructure Alliance

On 10 April 2019, the German Asia-Pacific Business Association (OAV)'s Infrastructure Alliance hosted a round table at the bauma trade fair in Munich with a delegation of business leaders from the construction industry in the Philippines. The Philippine delegation was led by Undersecretary Rowel Barba from the Department of Trade and Industry, who expressed his country's high level of interest in German technology and

expertise. He outlined his government's extensive infrastructure plans and invited the representatives of German companies present to consider the existing and arising business opportunities. In additional to regional work, the arrangement of and participation in international congresses and specialist symposia are central components of our networking. In 2019, knowledge transfer and cooperative collaboration were cultivated in this way.

German Asia-Pacific Business Association (OAV) Infrastructure Alliance
Undersecretary Rowel Barba with OAV representative Gero Böhmer (Wilo Group).

Bonn Symposium 2019

Representatives from municipalities in various regions of the world discussed the challenges of the 2030 Agenda with scientists, business representatives and activists at the Bonn Symposium on 27/28 November 2019. It was hosted by the Development and Peace Foundation (SEF) together with the Service Agency Communities in One World (SKEW)/Engagement Global, the state of North Rhine-Westphalia and other supporters.

Bonn Symposium 2019
Companies as partners for sustainable development.

Water Conference, Mongolia

The second Murun Water Conference was held on 14 and 15 October 2019 in Mongolia, implemented by the non-profit organisation Khuvsgul Club Germany e. V. together with the towns of Murun and Baruth/Mark (Germany). At the two-day event, scientists, experts, municipal representatives and practitioners discussed the Sustainable Development Goal "clean water and sanitation". They discussed the protection of Lake Khuvsgul as Mongolia's most important freshwater reserve as well as potential measures to raise awareness in the population and industry regarding water as a resource.

WATER IN PRODUCTION AND PROCESSES

Wilo's sustainability strategy centres on supplying more people with clean water. We are also committed to using this valuable resource responsibly at our own sites. Our aim is to consume 20 % less water by 2025.

Water is one of our Earth's most valuable resources and indispensable for life. However, unrestrained consumption in one part of the world leads to scarcity in another. It is therefore important not only to provide people access to drinking water by way of our products, but also to conserve as much water as possible at our own sites.

In our target for 2025, we aim to reduce drinking water consumption at our production sites by 20 % compared with the base year 2018. In 2019, we saw a pleasing 6 % reduction in per capita consumption. We are therefore on track to achieve our target. This shows the positive impact of raised awareness among employees and the implementation of various savings measures and projects relating to rainwater utilisation and water purification.

Wilo's production processes are not highly water-intensive. Water is consumed primarily in sanitation, so this is where most savings programmes begin. The exception is locations at which particularly high-performance pumps for water supply are manufactured. Here, water is required for hydraulic product tests.

Key sustainability indicators	2017	2018	2019
Water consumption (m³)	93,091	94,209	**90,295**
Water consumption per employee (m³/employee)	17.9	17.5	**16.4**

6 %
reduction of per capita consumption

Water conservation programme in Pune, India

In India, the availability of clean water is already a significant challenge. In 2018, a water conservation programme was therefore launched at our site in Pune, with the aim of significantly reducing drinking water consumption. A wide range of measures were generated and implemented as part of this programme. A major contribution was made by systematically switching toilet flushes and outdoor watering from drinking water to treated rainwater. In addition, pipes and water installations were repaired to stop leaks. Water-saving taps and reduced pressure also helped to reduce water consumption. Overall, these measures generated a saving of approximately 3,000 m³ last year alone. This equates to 15 % of the previous year's consumption.

ENERGY AND EMISSIONS

We are reducing CO_2 emissions by 50 million tonnes.

HIGH-EFFICIENCY PUMPS

A considerable portion of global energy consumption is caused by electric pumps. We are aware of the enormous potential of efficient technology and want to spread this more widely in the interests of climate protection. Our aim is to save 1.8 TWh of electricity a year by using high-efficiency pumps.

Key sustainability indicator	2017	2018	2019
Energy savings (in TWh) through high-efficiency products	1.82	1.81	**1.77**

1.77 TWh

energy savings through high-efficiency pumps

In 2019, we achieved a global energy saving of 1.77 TWh with our high-efficiency pumps. This figure is the electricity saved by high-efficiency pumps compared with the corresponding uncontrolled previous models, which in individual cases can be as much as 80 %. Europe is currently the key region for the use of our high-efficiency technologies, as there is high awareness of energy efficiency here, which is also being promoted with corresponding regulations. However, future savings potential lies primarily in the markets of Eastern Europe and Asia, where outdated technologies are still in widespread use. Societal discussions about climate change and the accompanying increase in requirements for energy efficient products will mean that many of the existing uncontrolled pumps in these regions will also be replaced by high-efficiency pumps in the years to come. This will have a significant and positive effect on CO_2 emissions.

High-efficiency technology in all areas of application

Wilo supplies highly efficient technology for all areas of application in building services, water management and industry. The focus is on maximum reliability and energy-saving, reliable operation.

High-efficiency pumps are electronically controlled and adapt to the system's actual requirements. A special drive, the permanent magnet motor, forms the basis of the energy-saving potential of Wilo's high-efficiency pumps. A pump with this technology consumes an average of 80 % less electricity than a comparable uncontrolled pump.

Wilo-Stratos GIGA

Example product: Wilo-Stratos GIGA

With the Wilo-Stratos GIGA, Wilo offers a universal, smart and flexible glanded pump for diverse applications. This high-efficiency pump can be used to pump heating water and cold water in corresponding heating, cold water and cooling systems. It is particularly suited to large buildings in which large quantities have to be pumped. The pump has IE5 motor technology, which uses less electricity thanks to its better efficiency, which means energy and thus CO_2 savings while also resulting in cost savings for the end-user.

Reference

Central Bank

Dublin, Ireland

Sustainable and energy efficient

These aspects are united by the campus of the Central Bank in Dublin. The modern building at North Wall Quay in Dublin, Ireland, offers a state-of-the-art workplace that enables open communication and promotes teamwork at all levels. Wilo equipped the new campus with green pumps, including the Wilo-Stratos GIGA, and thus made a significant contribution to the building's environmental efficiency. North Wall Quay is the first office building in Ireland to receive an "Outstanding" rating in the Building Research Establishment's Environmental Assessment Method (BREEAM). The building energy rating (BER) is aligned to A2, which equates to an improvement in energy consumption of 72 % compared with earlier basic directives for buildings.

ENERGY SOLUTIONS

The majority of all pumps in use worldwide are technologically outdated. Vast potential for energy and CO_2 savings can be leveraged by exchanging old, uncontrolled pumps for modern, highly-efficient pumps. Our aim is to implement 10,000 energy solution projects a year.

In 2019, we concluded 10,159 projects and thus exceeded our target. Extraordinarily positive results were achieved in the United Arab Emirates. A large number of projects were carried out in cooperation with environment agencies and real estate companies there. In order to further expand the energy solutions segment, we are continuously improving the distribution of system solutions. The service organisations at each location around the world are the means to engage in conversation with customers and persuade them to optimise existing systems.

Key sustainability indicator	2017	2018	2019
Energy solution projects completed	6,789	8,381	**10,159**

10,159

energy solution projects

Comprehensive service range

Wilo-Energy Solutions is part of our service range, which covers the entire life cycle of our products. Try & Buy, Wilo-Care and Wilo-Energy Solutions allow us to offer customers the optimum solution and simultaneously ensure smooth and efficient operation throughout the entire service life.

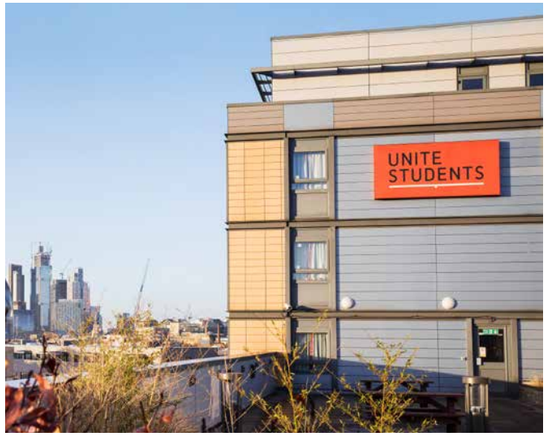
Try & Buy

In addition to the energy efficiency of the motors, the design of the pump system also plays a key role for energy-saving potential. Increased energy efficiency can be achieved only with adequate dimensioning. With Try & Buy, customers can make sure that the product operates efficiently and is reliable.

WiloCare

WiloCare guarantees the monthly evaluation of the current condition of our products in operation. Customers receive information about energy consumption, optimisation measures and upcoming maintenance dates. This allows optimum adjustment for greater reliability and lower energy consumption.

Wilo-Energy Solutions advises customers to proactively replace uncontrolled pumps with high-efficiency pumps. This has an economic and a sustainable effect at the same time. The replacement can save up to 90 % of the end-user's electricity costs. The reduction of the electricity requirement also leads to CO_2 savings and thus contributes to the development of a climate-neutral economy.



UNITE STUDENTS designs and provides student residences in England

UNITE STUDENTS

The UNITE Group is the largest provider of university student accommodation in the United Kingdom. It provides housing for over 600,000 students in 22 cities. With its solution-oriented full-service packages, Wilo takes care of the replacement of outdated pumps, maintenance, adjustments and the monitoring of energy consumption.

SMART PRODUCTS

The digital transformation provides enormous opportunities to further increase the system efficiency of our products. Wilo is therefore investing in the development of smart products and aiming for an annual growth rate of at least 15 %.

In 2019, we began selling the Wilo-Stratos MAXO heating pump, the world's first smart-pump. The trend towards digitalisation and the emerging opportunities for further efficiency increases mean that smart solutions are becoming an essential tool in the fight against climate change. Wilo expects growing demand for smart products in the years to come and will therefore equip more pumps in all application areas of heating and cooling technology, but also in water supply and disposal, with smart control and bring them to market. The success of the market launch of the Wilo-Stratos MAXO heating pump proves that there is great demand for smart products that protect the environment.

expansion of smart product portfolio: Growth rate

15 %

Wilo-Stratos MAXO
heating pump. The world's first smart-pump.

Up to 10 MWh energy saved by each pump every year.

Smart-pump definition

We define smart-pumps as an entirely new pump category that goes far beyond our high-efficiency pumps or pumps with pump intelligence. Only the combination of the latest sensor technology and innovative control functions (e.g. Dynamic Adapt plus and Multi-Flow Adaptation), bidirectional connectivity (e.g. Bluetooth, integrated analogue inputs, binary inputs and outputs, Wilo Net interface), software updates and excellent usability (e.g. thanks to the Setup Guide, the preview principle for predictive navigation and the tried and tested Green Button Technology) make this pump a smart-pump.

Additional application areas

Alongside the Wilo-Stratos MAXO, we have also launched a smart sewage pump, the Wilo-Rexa SOLID-Q. Intelligent control electronics and the digital interface with other system components result in increased efficiency and operational reliability.

Intelligent and communication-enabled components are essential elements in urban spaces in particular. By digitally interconnecting infrastructures and areas of life, we can meet the challenges of climate change and tap into additional energy saving potential.

Reference

GOLDBECK

Bielefeld, Germany

The future in the basement

Since 2019, twelve Wilo-Stratos MAXO pumps have ensured the energy-efficient operation of GOLDBECK's new building in Bielefeld. GOLDBECK, a construction company, is special not only because of its 47 locations in Germany and Europe or the approximately 90,000 tonnes of steel that the company handles every year. At GOLDBECK's headquarters in Bielefeld in eastern Westphalia, there is a hidden special feature. The basement of a new, futuristic extension to the building is the workplace of 13 Wilo pumps – including twelve brand-new Wilo-Stratos MAXOs, the first of their kind. Energy efficiency was the top priority for the new building. That was the reason for the selection of the new Wilo-Stratos MAXO, the pump with the highest system efficiency on the market.

EMISSIONS IN PRODUCTION AND PROCESSES

Industry causes a significant portion of global CO_2 emissions. In order to contribute to a carbon-neutral economy, in addition to our products, we have set ourselves an ambitious target for our own processes. Wilo wants to make its primary production sites around the world carbon-neutral by 2025.

Key sustainability indicator	2017	2018	2019
Reduction of CO_2 emissions through savings projects (t)	254	376	**590**

590 t

reduction in CO_2 emissions at Wilo's sites

CO_2 emissions

For the target of carbon-neutral production by 2025, we will initially be considering Scope 1 and 2 emissions. This means primarily the emissions arising due to the purchase of electricity and the consumption of primary energy at the site. In 2019, the CO_2 emissions of all production sites amounted to 16,383 tonnes. This equates to a year-on-year reduction of over 600 tonnes. Firstly, this is because less energy was required for heating due to the mild European winter. Secondly, our energy saving projects contributed to a total saving of 590 tonnes.

Energy consumption

Wilo has set itself the target of a year-on-year reduction in energy consumption of at least 1 %. The measures taken are having the desired effect: In 2019, they generated an energy saving of 1,032 MWh or 1.3 % of prior-year consumption. The energy saving projects are chiefly implemented in the areas of lighting, heating, and compressed air and electricity generation.

The path to climate neutrality

In 2020, Wilo will compile an extensive concept for becoming carbon-neutral, which will be based on three pillars: I. Energy saving through efficiency measures, II. Purchase of green electricity/self-generation of electricity and III. Investment in climate protection projects.

	2017	2018	2019
Absolute emissions (t)	15,738	17,046	**16,383**

	2017	2018	2019
Relative emissions (kg/net sales)	11.05	11.64	**11.09**

	2017	2018	2019
CO_2 savings through green electricity (t)	16,031	11,393	**10,877**

Photovoltaic system in Kolhapur, India

Investments in climate protection projects

In 2019, we increased our proportion of self-generated electricity through a project in India. At our site in Kolhapur, a total of 325 solar panels were installed over an area of 6,284 m^2. Due to the high number of sunshine hours, India is an ideal location to generate electricity from solar energy. The installed maximum output of the system is 401 kWp. The expected annual electricity yield is estimated at approximately 576,000 kWh per year. This means a CO_2 reduction of 457 million tonnes per year.

MATERIAL

We are reducing the consumption of raw materials by 250 tonnes.

REUSE OF MATERIALS

We take responsibility for our products based on the principle of “prevention and use before recycling and disposal”. Our aim is to keep at least 30,000 components a year in circulation.

Key sustainability indicator	2017	2018	2019
Number of reused components	35,000	32,000	**45,774**

45,774

components reused

We believe that economical and ecological product recycling can be controlled only by the manufacturer itself. Therefore, our primary objective is to continuously increase the reuse rate of components and materials in order to conserve resources to the greatest possible extent.

Our aim is to reuse at least 30,000 products/components a year. In 2019, we significantly exceeded this target with nearly 46,000 products/components.

To date, most of the potential for reuse has been generated from internal processes. It is therefore particularly important for Wilo to continue recovering old products from the market in the future in order to make use of further potential.

All internal and external product returns undergo an analysis at the in-house repair & recycling centre. Subsequently, the products/components are professionally repaired, reused or recycled. In addition, all analysis results are used to develop and optimise our products.

Thanks to our processes, which help the environment while also being profitable, we create a win-win situation.

Recycling-friendly product design

Wilo thinks about the potential end of life of a product even in the design and production phase. In addition to their general environmental compatibility, all the materials and components used are examined in terms of their reusability or recyclability after the end of use. The potential recycling rate for a Wilo pump is almost 100 %. Almost the entire pump can be returned to the material cycle.

We place particular emphasis on the reuse of resource-critical rare earth permanent magnets. In 2019, we kept more magnets from internal processes in circulation than in the previous year. In the future, we also want to recover them from old products.

Sustainability breeds sustainability

In cooperation with various group partners and the German Federal Environmental Foundation, we tested processes that would allow us, in the future, to recover even more old products from the market and then professionally disassemble them at our in-house repair & recycling centre. During the pilot phase, more than 3,000 pumps with a total weight of 13 tonnes were collected and recycled. By selling the disassembled materials, we generated proceeds of EUR 2,840 with our certified recycling partner.

We donated the proceeds to the Neven Subotic Foundation. The money was used to support the WASH (water, sanitation and hygiene) project in Ethiopia, providing 60 people with access to clean water. This product was therefore sustainable in two senses of the word, since besides the donation for the urgent access to clean water for the people in Ethiopia, it was also ecologically worthwhile and forward-looking.

With the knowledge gained from this project, we launched further activities to recover more old pumps from the market.

Component analysis at the repair & recycling centre

Handover of the cheque to the Neven Subotic Foundation

Neven Subotic Foundation video

Resource efficiency through smart pumps

While previously the focus was on energy efficiency in the usage phase of high-efficiency pumps, there is now a research project exploring the resource efficiency potential of smart pumps for their optimum use. To achieve this goal, Wilo has joined forces with the Fraunhofer Institute for Material Flow and Logistics and TH Köln – University of Applied Sciences. The ResmaP (resource efficiency through smart pumps) project is funded by the Federal Ministry of Education and Research.

The technical possibilities offered by smart pumps are expected to help to further reduce resource consumption by extending the lifetimes of products and components and recycling them in a targeted manner. The aim is to develop new processes to increase resource efficiency. These new processes are being tested and evaluated in a pilot project.

MATERIAL EFFICIENCY

One of the main contributions we can make to conserve resources is to use as few resources as possible in manufacturing our products. We aim to reduce the use of copper by at least 12 tonnes per year.

Key sustainability indicator	2017	2018	2019
Copper saved per year in t	12.17	13.60	**8.2**

8.2 t

of copper saved per year

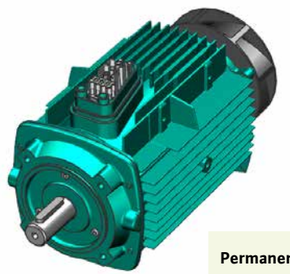
Reducing the consumption of raw materials

Our aim is to continuously optimise the use of materials in our products. Technological development means the consumption of raw materials has decreased significantly across all product groups. Today's pumps weigh only a fraction of their predecessors while delivering at least the same performance and higher efficiency.

In line with our sustainability strategy, we are focusing initially on materials that we can use in our motors, as technological innovations make a particular impact here. Our target is to consume at least 12 tonnes less copper every year through the increased sale of high-efficiency motors compared with previous models. Last year, we achieved a saving of more than 8 tonnes despite a reduced growth rate in this segment. New and expanded series will result in much higher figures in the future.

Besides the reduction of copper, however, the use of high-efficiency technology also makes a notable contribution to the conservation of other resources as a result of compactness. In 2019 alone, we required around 62 tonnes less iron and 10 tonnes less aluminium for the manufacture of relevant products. Across all materials, the ratio of material used to kW power fell by more than 60 %. Translated into CO_2 emissions generated by the manufacture of the corresponding material, that is around 250 tonnes per year.

Asynchronous 4 kW/3,000 rpm	
Copper	**3.94 kg**
Neodymium	**No magnet**
Iron	**18.3 kg**



Permanent- magnet 4 kW/3,000 rpm	
Copper	**0.810 kg**
Neodymium	**0.28 kg**
Iron	**4.38 kg**

Material consumption of an asynchronous motor versus a high-efficiency motor

PRODUCT PACKAGING

A central objective of our sustainability strategy is to use packaging in a matter that is as resource-conserving and environmentally friendly as possible. For our inbound logistics and intralogistics goods flows, we will be using exclusively reusable packaging by 2025.

Key sustainability indicator	2017	2018	2019
Reusable packaging (%)	–	77	**85**

85 %

reusable packaging

Inbound logistics and intralogistics

In 2019, we further increased the proportion of reusable packaging for semi-finished products between individual production phases to 85 %. The high proportion has already brought several advantages. Firstly, it results in much lower resource consumption and less packaging waste. Secondly, it also makes it easier for us to handle materials in production and supports the "5+1 Lean Production" approach. This involves realising production support processes with limited inventories (5 days in stock + 1 day in production). By improving stackability and using foldable containers, our reusable packaging supports the optimisation of internal transport. This decreases CO_2 emissions.

Outbound logistics

We pursue similar aims in our outbound logistics. Here, too, Wilo is continuously working on resource-conserving, environmentally friendly packaging.

In 2018, we began switching to modular size systems in order to guarantee optimised capacity utilisation of products per pallet. In 2019, we expanded the modular packaging variants at many of our production lines. The greatest advantage offered by our modular packaging is its stackability and thus the possibility for optimised capacity utilisation of transport loads. The numbers of transports can thus be significantly lowered, saving considerable amounts of CO_2.

Packaging materials

We are making sure to use more and more sustainable materials in our transport packaging. For example, last year we began avoiding dual-component foams for product padding and replacing them with a film. This allows 180 tonnes of the non-recyclable foam to be saved every year.

In addition, there are already initial concepts for going without films and plastics almost completely, or substituting them with more environmentally friendly alternatives, such as bioplastics. The work on this is continuing intensively in order to present a comprehensive solution in the near future.

Reusable packaging in the new smart factory.

MATERIALS IN PRODUCTION AND PROCESSES

The use of resources is important not only in our products, but also at our production sites. We therefore aim to achieve a Group-wide recycling rate of at least 90 % by 2025.

Key sustainability indicator	2017	2018	2019
Recycling rate (%)	–	83.4	**87.9**

Waste management is an established element of the local environmental programmes and one of the conditions for ISO 14001 certification, which is mandatory for all Wilo's larger production sites. In addition, the development of the recycling rate is part of the Group-wide sustainability strategy and is subject to quarterly reporting.

Recycling allows us to keep materials in the reusable material cycle. Our aim here is to establish a Group-wide recycling rate in excess of 90 % by 2025. At 87.9 % in 2019, we achieved a considerable increase in the recycling rate compared with the previous year (83.4 %).

Key measures to achieve this include the use of recyclable materials and the systematic separation of all materials obtained. The increased focus on this issue is proving successful, such as in the reduction of non-recyclable packaging materials. Compared with the previous year, the portion of non-recyclable waste was reduced by nearly 400 tonnes, while the recyclable portion increased by more than 500 tonnes. This is a clear demonstration of the effectiveness of our measures.

In addition, local projects are being launched and assessed in terms of their effectiveness, so that they can then be implemented in a similar form at other locations. For example, there is a project for compacting wood waste at our site in Hof, Germany. This could save storage capacity and transport costs as well as CO_2 emissions of around three tonnes per year. Such solutions are discussed and adapted in the existing network of all production sites. At the same time, they serve the exchange of expertise, for example in the handling of new requirements or the use of effective management tools and the development and implementation of Group-wide standards.

87.9 %

recycling rate at Wilo's sites

Neuer Recycling Park in Laval, Frankreich

Laval recycling park

In 2019, we started a new construction project at one of our largest sites in Laval, France: a recycling park.

Once it is completed in May 2020, the recycling park will be a central hub for waste and recycling. In the future, all waste will be stored and professionally recycled at a central location here. There will be separate areas for hazardous waste, ample space for goods flows, and professional equipment for the recycling processes.

The building is designed to operate 100 % self-sufficiently. This means that the installed photovoltaic system will cover the entire energy requirement of 155 MWh, and all of the necessary 70 m^3 of water will come from rainwater. The PV panels, which move with the sun, will increase the system's efficiency by 50 %. We will thus ensure that enough electricity is generated for the whole recycling park. The rainwater will be collected by our own rainwater utilisation system, the Wilo-RAIN3.

EMPLOYEES AND SOCIETY

We act responsibly towards employees and society.

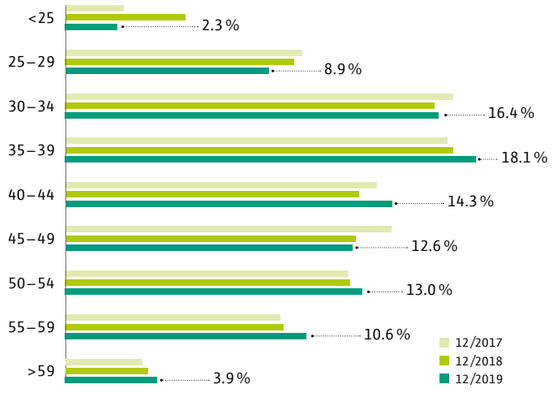
GLOBAL RESPONSIBILITY

Roughly 7,750 employees at more than 60 locations worldwide are essential for Wilo's success. Our aim is to develop high-performing employees and diverse teams within a consistent, people-oriented corporate culture.

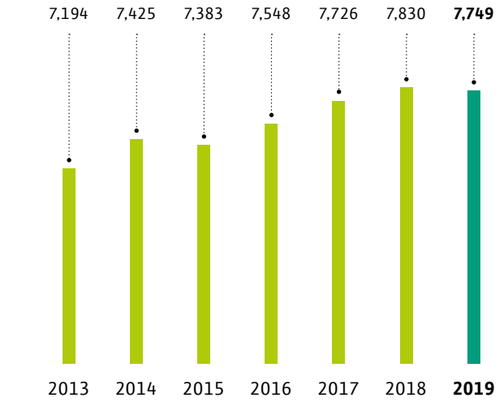
Megatrends like globalisation and digitalisation not only affect our business activities, but also pose new challenges in terms of HR management in particular. In particular, this means helping employees tackle the challenges of today and tomorrow.

The basis is provided by our global Wilo values and internal standards like the Code of Conduct and the Wilo Labour Relations Policy. Fair treatment, upholding employees' rights at an international level and assuming social responsibility are key aspects of our HR policy.

Wilo's age structure
in %



Development in the number of employees



Remuneration and additional benefits

It goes without saying that we reward the work of our employees with appropriate remuneration. The Wilo Group is committed to implementing worldwide standards when it comes to remuneration. This is based on clearly documented job profiles that are formulated uniformly throughout the Group. The remuneration system comprises fixed and variable salary components and additional benefits. For example, the Wilo Group assists its employees in their pension provision and offers pension benefits in line with the specific circumstances and regulations of individual countries.

The performance management process (PMP) is a system aligned with the corporate strategy that ensures that the results generated in the organisation match the objectives and requirements of the company. The employees' personal goals should be aligned with the corporate objectives. A shared understanding of objectives and their binding agreement strengthens the dialogue between managers and employees. In addition, it improves motivation and commitment. For example, the goals of the sustainability strategy are incorporated into the target-setting for those responsible. In the annual performance evaluation, the management's variable remuneration is determined by target attainment.

In the annual salary increase process (SIP), we provide our managers with planning data in order to help them review the salaries of their employees. Market changes, macroeconomic developments, and the employees' individual performance are taken into account in order to allow fair and performance-based salary adjustment.

Employer branding and culture

In times of demographic change and skills shortage, it is more important than ever for companies and organisations to pay more attention to their presence as an employer. The quality of the employer brand is an important criterion not only for acquiring the best applicants, but also for retaining employees within the company.

An important factor in connection with the employer brand is the lived corporate culture. Wilo surveyed over 600 employees to find out which corporate culture is lived at Wilo and what makes everyday work at Wilo special. This result is the employer value proposition (EVP):

Wilo's EVP: Keep it fluent

This employer value proposition shows what Wilo stands for as an employer, what Wilo offers its employees and potential candidates and what makes Wilo stand out against its competitors. This can be summed up by the guiding principle "Move minds. Move water. Move the future." Wilo's employer value proposition shows that our employees are the crucial factor for our success. We communicate this message via a wide range of media – both internally to our employees and externally to potential applicants.

The attractiveness of Wilo's employer brand was confirmed again in 2019 by the results of the study by the Top Employers Institute. Wilo was again awarded the title "Top Employer Deutschland 2019". This honour was announced on the basis of the Top Employers Institute's global research results and bestowed only on the best employers in the world.

Move minds. Move water. Move the future.

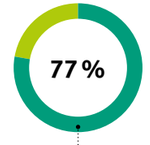
Communication

We evaluate the engagement and aptitude of all employees around the world by conducting the regular Wilo employee survey, a tool for dialogue between managers, colleagues and employees. The results of the survey indicate strengths and potential improvements to work-related issues. The necessary changes derived from the survey are developed and implemented in the local units together with the managers in charge there.

In 2019, 7,359 employees from nearly 80 countries were invited to give their feedback. The unusually high participation rate of 81 % illustrates the degree of employee interest in shaping the development of our company as well as the importance that is placed on a culture of open and constructive feedback and learning.

In addition to the employee survey, there is an increasing focus on dialogue. For example, the CTO Café is a regular event at which Chief Technology Officer Georg Weber talks to employees from various departments in a casual atmosphere.

Results of the 2019 employee survey



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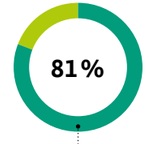


performance motivation

EMPLOYEE DEVELOPMENT

We promote our employees' talents and potential on an individual basis and support them with numerous teaching and learning solutions. One of our primary goals is to recruit at least 70 % of our managers from our own ranks.

We endeavour to enable our employees to perform new tasks in order to prepare them for changes in an environment of accelerating change. We measure success among other things by how successful we are at meeting our requirement for senior executives. Our target is a ratio of at least 70 %. We have consistently achieved this target in recent years; in 2019, the figure was 73 %.

73 %

internally developed managers

The top-priority components for internal development are talent promotion, manager development and building on individual skills.

The Group Academy

The Group Academy focuses on the internal training of Wilo employees. This includes technical training (products, systems, applications), the communication of soft skills and the development of young professionals (qualification of trainees). The Group Academy thus wishes to guarantee that all employees can continue learning as required.

The main priority is digitalisation (eAcademy), i.e. the ability to learn all over the world regardless of time or place. International academies are also being developed. Among other things, they ensure that the training offered is translated into local languages. Five new academies were established in 2019, including in China, India and Korea.

Key sustainability indicator	2017	2018	2019
Internally developed managers (%)	–	70	**73**

In 2019, there was a significant rise in the number of courses and participants in the eAcademy. This is due primarily to the continual growth in the acceptance of this medium, which also means that the range of subjects for e-learning is constantly widening. More and more departments are using the platform to conduct specific training and benefit from the efficiency and transparency.

Leadership principles

Our values play a central role in the leadership culture. They provide stability, guidance and a common ground of basic moral values. They are intended to answer the question of how managers treat others, but also how one would like to be treated oneself. Good leadership at Wilo must be guided by values, including our Wilo values such as integrity, respect, fairness, passion and responsibility. Wilo takes a transparent approach to its values and continues to work on its value-based leadership culture. Wilo provides continuous and consistent training on this in its leadership labs, the 22nd iteration of which involved the participation of 170 international managers.

The Wilo career promise establishes the five pillars of individual development.

Career and talent promotion

A career at Wilo means that employees can develop both professionally and personally in a global environment. All employees are encouraged to think about their professional future and potential career developments independently. Wilo supports equal opportunities for all. In addition, it is particularly important to Wilo as an employer to promote people from its own ranks in order to realise internal careers.

The global management development programme is aimed at Wilo's managers around the world and serves to support particularly talented managers in their professional development and in the acquisition of strategic skills.

In this two-year programme, participants have the opportunity to enhance their intercultural skills and leadership ability in various workshops at different Wilo locations. Alongside the workshops, the programme also places significant emphasis on individual responsibility by requiring participants to focus on their own development issues through the inclusion of personal focus areas, the implementation of project work and not least the reflection on their own behaviour.

Example of a Wilo career: Solène Grimault

"As a French engineering graduate, I began my professional career in the aviation industry. In 2007, I joined Wilo in Laval, France. After four very interesting years in the preventive quality department, I received the chance to lead an engineering project in 2011.

For me, the new position meant developing and launching major engineering projects and products together with international colleagues from China, India and Korea.

Intercultural understanding was also very important to me: I personally place a lot of importance on treating people with respect. The European talent pool programme, in which I was able to participate and which focuses on this area among others, broadened my perspective here even further – I use the knowledge I gained there every day.

In addition to various nationalities, people in various life situations also work at Wilo. I discovered that support is also prioritised here when I started a family and worked part-time for a few years. Wilo's extremely flexible working hours and conditions were a great help to me. For some years, I was able to reduce my weekly working hours without having to leave my career path at Wilo or disrupt my professional development.

Today, I manage the Product Engineering Multistage department in France and am responsible for around 15 employees. I find my job vary varied, diverse and incredibly exciting. Our innovative technologies and products capture my imagination every day!"

DIVERSITY

Wilo defines diversity management as appreciation and respect for individual differences in our company. Wilo's economic success is positively influenced by different lifestyles, backgrounds and characteristics. Together, we create an open culture in which everyone feels valued.

Key sustainability indicator	2017	2018	2019
Women in management positions (%)	17	16	**18**

18 %

women in management positions

Our aim is to encourage and utilise diversity in the company. One of the indicators we measure ourselves against is the ratio of women in management positions. In mechanical engineering, it remains a challenge to recruit female managers and develop them for the relevant positions. Last year, we improved slightly to a Group-wide figure of 18 %. This is a small success, especially as the general proportion of women at Wilo has stayed largely stable in recent years.

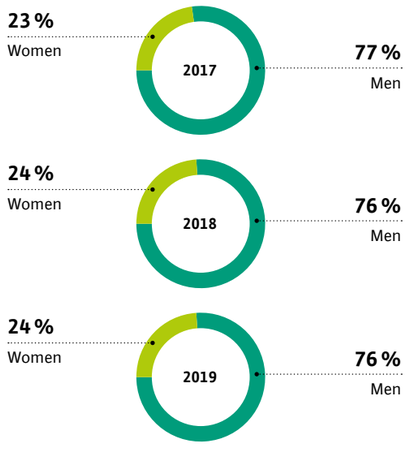
Key measures to increase this ratio are the consistent selection and the promotion of women in our talent pools. In addition, we are making our company more attractive with numerous offers such as individual working time models, remote working and needs-based training. We are thus promoting work-life balance, which is having a positive effect on career development.

In 2019, Wilo was recognised for its efforts and activities relating to equal opportunities for the second time in a row. The TOTAL E-Quality association recognised our extensive programme in this field with its award of the same name. We may now once again use the award's logo in our communications for the next three years.

"We are exceedingly delighted about this award, but also see it as an incentive not to let up in our efforts regarding equal opportunities at Wilo," explains Dr Patrick Niehr, member of the WILO SE Executive Board. The award was for the overall concept with which Wilo pursues professional equality between men and women.

Wilo receives TOTAL E-Quality award 2019

Male/female ratio
in the overall workforce 2017-2019



There are of course lots of other facets to diversity besides equal opportunities. We are particularly proud of the many different nations that work productively and effectively together at Wilo.

Respect for every individual is deeply rooted in our values. We are therefore particularly proud of this figure from the global employee survey of 2019: 79 % of employees feel that they are treated with respect as an individual.

Diversity Day

2019 saw the third Wilo Diversity Day. This year, there was again a global campaign inviting Wilo employees to join in, giving them the opportunity to make a statement expressing what diversity means to them and how it makes itself felt at Wilo. Here is a small excerpt from the many important statements:

To me, diversity means ...
... finding out what we have in common
... learning from different perspectives
... accepting each other's differences
... cooperation in global teams
... respect, variety and perspective
... openness and equal opportunities
... tolerance and individuality
... freedom
... being a citizen of the world
... humanity

Diversity Day 2019 – Morocco

104 nationalities work together

Commitment to diversity, equity and inclusion

On 21 November 2019, 73 international companies with a branch in France signed a manifesto as a commitment to diversity, equity and inclusion at the workplace. Michael Ranft, CEO of Wilo Intec S.A.S., was among them.

By signing the manifesto, Wilo Intec S.A.S. pledges to develop internships, increase diversity in recruitment and career advancement, and develop sponsorships for young, working-class people. The aim is for support, academic success and career integration not to depend on one's background but solely on one's talent.

Delivery of the "Diversity, Equity and Inclusion" manifesto at Sorbonne University in Paris.

OCCUPATIONAL HEALTH AND SAFETY

One of the most important goals for Wilo is to create a safe working environment that is conducive to the health of all employees. Our aim by 2025 is to implement Vision 0: zero accidents, zero work-related illnesses.

Key sustainability indicator	2017	2018	2019
Accident rate (LTIR)	9.8	9.2	**6.5**

6.5 accident rate

Last year, we made a big step in the improvement of occupational safety: Around the world, the number of workplace accidents fell by more than 30 %. The accident rate LTIR (the number of workplace accidents for every 1 million hours worked) dropped from 9.2 to 6.5. There are various measures to achieve this target. A significant tool was the top-down integration of targets down to management level at all production sites. This is connected to consistent, monthly reporting of every workplace accident and cross-site communication on causes and possible measures. This monitoring is flanked by the implementation of standard, Group-wide preventive measures for the main risk factors. These include internal transport, working with electricity, and handling heavy loads. Across all key risk factors, plants and activities, the central focus is on avoiding causes of accidents resulting from behaviour and promoting safer conduct.

Risk prevention

In risk prevention, we continue to pay particular attention to traffic safety within the company. Blue warning lights and a maximum speed limit of 6 km/h are compulsory at all Wilo sites. The safety of driverless transport systems was an important topic last year, as these are being used more and more in Wilo's plants. Experience shows that, in addition to technical safety measures, intensive employee training is what is most necessary to dispel fears and guarantee smooth cooperation. At our site in Aubigny, where these systems have been in use the longest, the experiences have been nothing but good so far.

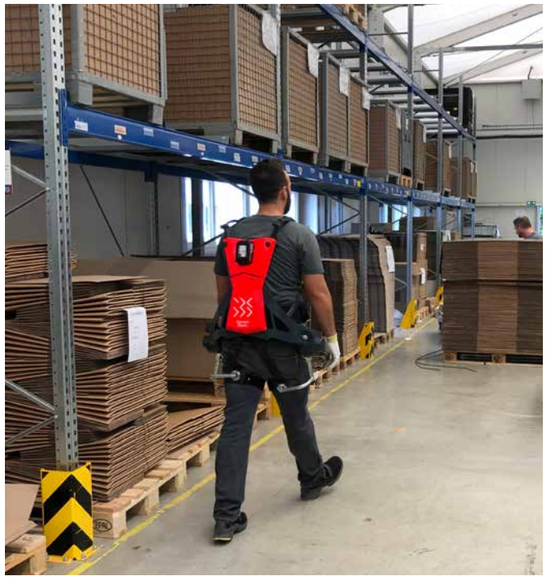
At our production site in Beijing, China, Vision 0 became reality in 2019: Not a single workplace accident with days lost was reported all year. This is a remarkable success and demonstrates the effectiveness of the various measures of the Vision 0 programme.

Work safety real-time board in Beijing, China

Ergonomics and health promotion

The ergonomic evaluation and improvement of workplaces is standard practice at all Wilo sites. Changing processes and/or new technologies mean that there are always new challenges and solutions here. At the Dortmund site, a pilot project was carried out last year with smart exoskeletons that can provide support for standing activities in the new factory.

Health promotion programmes help prevent illnesses and avoid work-related impairments to health in the long term. Extensive medical check-ups, vaccination programmes, ergonomic training and specific courses, such as on how to cope with stress or crisis situations, are part of everyday life at Wilo.



Ergonomic support from smart exoskeleton

Safe behaviour

Behaviour-based occupational safety is a key topic for Wilo. Here, the locations are testing various methods and instruments on the basis of local requirements and cultural particularities. The findings will then be reviewed at Group level and transferred to suitable sites or even established as standard.

In Qinhuangdao, last year saw the start of an initiative to name a new focus topic relating to safe behaviour every month and to organise various activities in this regard. As a result, the individual topics are dealt with intensively and attention on occupational safety is maintained at a continuously high level.

In Korea, a sophisticated system has been implemented to encourage reporting of unsafe conditions and near-accidents. Reports received must be processed within a defined period. They provide the starting point for proactive improvement of occupational health and safety. At the same time, the reports are evaluated and rewarded according to the potential for improvement and reach. This has resulted in a high participation rate and ultimately made the system an effective prevention tool.

Sicherheit.jetzt.

At the Dortmund site, WiloPark workplace safety days under the motto "*Sicherheit.jetzt.*" ("safety.now.") were held for all of the plant's employees in preparation for the move to the new smart factory. The event aimed to raise awareness of risks in the new working environment in order to avoid workplace accidents in the new factory.

In total, around 400 employees completed the interactive safety course over two days. Safety principles and general rules of conduct for the new working environment were explained at five stations. The key topics of traffic safety, ergonomics, cuts, hand injuries and tripping accidents were also discussed. All employees committed themselves symbolically to the five safety principles, which define the framework for working safely in the new factory.

Safe in the new factory: Safety days in Dortmund, September 2019

SOCIAL PROGRAMMES

The global population continues to grow and is already at 7.75 billion, 1.8 billion of whom are young people. They are the foundation for our future.

This young generation has high expectations for their own future. It has enormous potential to advance a society economically, politically and socially and to make it sustainable. In the implementation of our programmes, we therefore pay particular attention to education for sustainable development.

We intend to establish at least twenty training centres around the world by 2025. This will allow us to pass on our experience, knowledge and pioneering spirit in the field of water and energy management to the next generation.

Last year, we realised three of these training centres in cooperation with local educational institutions in both Mongolia and Argentina. Further training centres are planned in Africa, Latin America and Central Asia.

As well as education, intercultural dialogue is also important. As a global company, we support projects that encourage international encounters and thus strengthen intercultural understanding. Wilo helps young people become citizens who think and act on a global scale.

AFRIKA KOMMT! (young professionals)

We also attach particular importance to a sustainable focus in the implementation of our projects. We commit for the long term and try to steadily increase our participation in programmes. This also applies to our participation in the AFRIKA KOMMT! initiative of the development agency Gesellschaft für Internationale Zusammenarbeit (GIZ), which we first presented in 2018. This initiative prepares talented young African professionals for the challenges of the future at German companies.

As a partner company of the initiative, this year Wilo hosted Sammy Mugalo, a Kenyan participant in the eighth year of AFRIKA KOMMT!. Like him, 47 other participants from eleven African countries are taking part in the one-year programme. At Wilo, the agricultural and biosystems technology engineer is working in the Water Management segment at the production site in Hof, gaining insights into German work processes and management methods. He is helping Wilo to establish sustainable and safe drinking water supply systems on the African continent. Sammy Mugalo qualified for the 2019–2020 AFRIKA KOMMT! programme as one of a total of 5,524 applicants.

"AFRIKA KOMMT! builds a unique bridge for reciprocal learning as well as mutual understanding and respect. As an engineer, I am very interested in innovation, and working at Wilo enables me to build up my skills, especially in the field of water solutions. Water is of supreme importance for humanity. Nonetheless, access to clean drinking water is still not a matter of course for many people of the world. My goal is to draw on my experiences and become a positive force for change in my environment – in Africa and the world as a whole."

RuhrFellows 2019 at Ruhr-University Bochum

Ruhr Fellowship (university students)

Ruhr Fellowships allows students of American elite universities to gain an insight into the potential of the Rhine-Ruhr region, which is Germany's largest metropolitan area with a population of over 10 million, in a two-month summer programme. This programme, organised by the University Alliance Ruhr, has promoted academic, cultural and scientific exchange since 2012. In addition to an intensive language and culture programme, which comprises topical issues such as the energy transition, cybersecurity and intercultural communication, the students complete an internship at a global company from the region, which stands for innovation, digitalisation and sustainability.

In 2019, Wilo welcomed Christopher Valencia to the headquarters in Dortmund and gave him the opportunity to experience the Research & Predevelopment division up close. This division is already investigation innovations for the world of tomorrow. Christopher Valencia is an ambitious student at the University of Pennsylvania, majoring in mechanical engineering. At Wilo, he was worked mainly with the topic of 3D printing and its use in relation to new products, demonstrating his particular affinity for technology. In the future, he would like to work in the energy sector or a field that combines his two interests of mechanical design and computer science.

Jugend forscht

In 2019, WILO SE, the Wilo Foundation and the German Federal Institute for Occupational Safety and Health as a new sponsoring institution started supporting the *Jugend forscht* regional contest in Dortmund, which is held every February, in the interest of promoting talent and engagement in STEM. *Jugend forscht* is Germany's best-known youth competition. It encourages and supported talented young people in the fields of science, technology, engineering and mathematics (STEM). It seeks to get children and young people between the ages of 10 and 21 interested in STEM topics and to give them a space to prove their talent in this field.

On 13 February 2019, this year's *Jugend forscht* regional contest was held at the DASA Working World Exhibition in Dortmund. Around 70 participants from Dortmund and neighbouring towns presented their research projects. First place was taken by 14-year-old Samuel Khadra. His idea was to communicate with people who speak different languages via a voice service and with intelligent translations. The work, taken from real life, was received favourably by the high-calibre jury of experts in research, teaching and industry.

WILO FOUNDATION

WILO SE is involved in a range of social projects together with its main shareholder, the Wilo Foundation. In addition to ensuring continuity within the company, the family-run foundation provides financial assistance for projects with an emphasis on science, education and social welfare, culture and sport and thus works actively for the public good.

Thematically, the focus is on relevant future issues such as the environment, water and technology, especially global ecological questions – above all the responsible use of the valuable resource of water. In view of the fact that an estimated 2.1 billion people have insufficient access to safe drinking water and over 4.3 billion people worldwide only have inadequate sanitation facilities, the Wilo Foundation explicitly supports projects in countries that are significantly affected. In the area of education, the primary focus is on STEM subjects, i.e. natural science, technology and digitalisation, as well as careers guidance and entrepreneurship. Among other things, this takes the form of funded scholarships, symposiums, conferences, labs, camps and competitions.

Geographically, the Wilo Foundation supports projects around the world with a focus on the countries in which WILO SE has its international locations. Under the motto "empowering young people", the priority is to support young scientists, students, artists, competitive rowers, young people and children in order to give them opportunities to enhance their existing skills or discover new talents and aptitudes.

In addition to international support, local responsibility in particular also plays a significant role in the family-run foundation's projects. Together with partners from other foundations, science, business and municipalities, projects are accompanied and supported with a view to sustainably promoting Dortmund, where the headquarters are located, and the Ruhr area and making them particularly good places to live.

StartUP.InnoLab – Westfälisches Ruhrgebiet

The "StartUP.InnoLab – Westfälisches Ruhrgebiet" incubator programme supports young company founders making the leap into independence. The project is coordinated by Hamm-Lippstadt University together with the Centrum für Entrepreneurship & Transfer (CET) at TU Dortmund and Fachhochschule Dortmund. The participants are also assisted by a network of experts. The Wilo Foundation endowed monetary prizes for the first three winning teams in 2019 and is continuing its support in 2020.

Egypt – Water Engineering master's scholarships

Since the academic year 2018/19, the Wilo Foundation has supported the "Water Engineering" master's course at Campus El Gouna in Egypt, a satellite campus of TU Berlin, in the form of master's dissertation scholarships. The master's dissertations contribute to the field of water management in Egypt and Africa.

Water tower for a clean water treatment system in Ethiopia.

Ethiopia – WASH project in the Somali region

The Somali region in the southeast of the country on the border with Kenya and Somalia is suffering from persistent drought. Our support partner arche noVa has been working in Ethiopia since the 2010/2011 drought and in the Somali region since 2017. Project support from the Wilo Foundation (2018-2020) is intended to sustainably improve the lives of the people there. A water supply with ultra-filtration systems was installed in the Bursaredo kebele to process the polluted water from the Shebelle River into drinking water. In Bursaredo, a water management team is also being trained and equipped with tools in order to maintain and ensure the flawless operation of the system. Roughly 11,000 people will benefit from the improvement to the drinking water supply and from measures to improve the sanitation and hygiene situation. The project will also make a contribution to food security for around 600 particularly needy people and prepare them for the measures necessary in order to adapt to climate change.

NRW Junior Ballet 2019: #zauberflöte 3.0

Colombia – drinking water in rural areas

In Colombia, the Wilo Foundation has now supported the second project of the Global Nature Fund with the local partner Fundación Humedales. The project involved the clean-up and expansion of the existing drinking water supply in the rural community of Bocas del Carare and the construction of new infrastructure in Puerto Parra. Simple but reliable filtration technology for drinking water purification and a corresponding storage and pipe system were installed for the people's basic supply. This improved the drinking water situation of more than 800 people.

Germany – dancing with the future: NRW Junior Ballet

In 2014, Xin Peng Wang, Ballet Director at Theater Dortmund, created the NRW Junior Ballet, which has since been supported by the Wilo Foundation through the granting of scholarships. Twelve young, highly talented dancers from all over the world are given the opportunity to spend two years acquiring experience of working on the stage in a professional setting in order to pave the way for their future artistic careers. The project is supported primarily by state funds and additional private sponsors and promotes the dance landscape in North Rhine-Westphalia.

Germany – CoBiKe 4.0 – Holidays for Future

In order to promote forward-looking careers guidance, the Wilo Foundation is providing the CoBiKe 4.0 education programme (CoBiKe being a German acronym for "exploring cool jobs in the field of climate change") at the Children and Youth Technology Centre in Dortmund with financial assistance in 2019 and 2020. It uses work camps to provide student and apprentices aged 14 to 25 with the opportunity to learn about green, sustainable fields of study and jobs.

Cuba/Germany – "Barocco!" orchestra project

In order to promote young talents and international understanding, since the 2018/19 season the Wilo Foundation has supported the transatlantic orchestra projects of the Cuban-European Youth Academy (CuE) and the Balthasar Neumann Choir and Ensemble in cooperation with the Dortmund-based Orchesterzentrum | NRW and the Lyceum Mozartiano de La Habana.

USA – STEAM education initiative in Cedarburg

Starting in 2019, the Wilo Foundation will support the Cedarburg School District's STEAM initiative for a period of four years with a total sum of more than USD 100,000. STEAM stands for science, technology, engineering, art and mathematics. The large-scale education project, which includes several types of school, is creating new worlds of learning and innovative learning concepts.

Kick-off event with Cedarburg Education Foundation, March 2019

COMPLIANCE

In times of globalisation, complying with all the applicable laws and regulations around the world is a growing challenge. But compliance is a necessity, not an option. Accordingly, we have introduced a compliance management system (CMS) that we are working to continuously enhance. The individual elements of our CMS intertwine and reinforce a great deal of the culture of active compliance on the basis of our values and management guidelines.

Key sustainability indicator	2017	2018	2019
Training coverage (%)	–	56	**90**

Compliance objectives

The compliance objectives, derived with a focus on risk, are currently anti-corruption and anti-trust and competition law, particularly with a view to the necessary formalisation with the aim of certification of the CMS. In light of the heightened requirements resulting from the GDPR, our activities are also focused on data protection.

Compliance organisation

In addition to the four-strong Compliance Office in Dortmund, Wilo's compliance organisation includes 29 local compliance coordinators at the subsidiaries, who serve as decentralised contact persons and multipliers. They also have knowledge of regional practices and legal requirements and speak the language of the employees at their location.

In addition, the Compliance Committee was appointed in 2019. It comprises representatives from various areas of the company and thus covers different interests and perspectives. The Compliance Committee has mainly an advisory and supervisory function with regard to the compliance programme.

Compliance programme

Our compliance programme consists of the elements of prevention, detection and response. Each of these elements involves different measures. The most important element is prevention, which is shaped in particular by our Code of Conduct. The latter was implemented as a binding guideline at all Wilo companies as long ago as 2011. As the Wilo Group combines some very different cultures under one roof, the Code of Conduct provides a shared system of principles and values across all cultural areas.

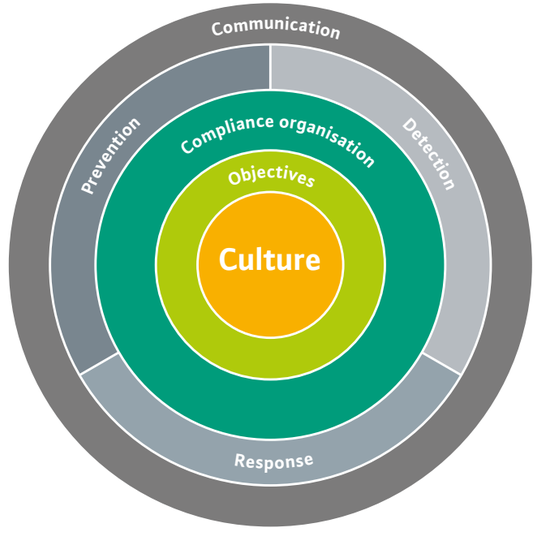
90 %

training coverage

It is accompanied by rules of conduct for suppliers, which ensure that our supply chain also complies with basic employment and ethical norms and health, safety and environmental standards in line with the respective ILO conventions. The Supplier Code of Conduct is an important and binding framework for supplier relationships. Compliance training is adjusted to reflect the different functional areas in the company in order to convey the required knowledge. Compliance is an element of face-to-face training and is imparted via e-learning.

In order to detect potential compliance violations, we provide the SpeakUp whistleblower system, which allows employees and third parties to report cases anonymously. When the previous system was replaced by the new SpeakUp system, case management was also implemented in order to follow up suspicious cases in a standardised, verifiably documented and objective manner and, if a response is required, to sanction them appropriately. In addition, it goes without saying that compliance topics are always covered by our internal audits.

Fundamental responsibility for compliance with laws and rules lies with managers. However, the extensive compliance programme is essentially set up by the compliance organisation.



Compliance communication

The tone from the top plays a key role when implementing a sustainable compliance culture. Therefore, the Executive Board regularly addresses compliance topics on the TeamWeb. We also report regularly on topical issues in the TeamApp and on Wilo TV.

However, compliance is actually practised in the company only when all employees know and understand the rules. It is therefore necessary to train employees regularly and according to target group. For example, we offer special manager training in which Wilo-specific situations are used to stimulate joint discussions and reflection. Through our e-learning, commercial employees are repeatedly trained on various topics. Our target for 2019 was to reach 90 % of all commercial employees through needs-driven e-learning. The general training on the Code of Conduct was rolled out in 2019. In addition, there were four special training sessions, each of which aimed at specific target groups or regions. The general training did not start until December, but we still met our target. For 2020, four e-learning courses are planned: one general and three special training sessions.

In 2019, a total of 10,573 e-learnings on various compliance issues were completed.

SUSTAINABLE MANAGEMENT

We act responsibly along the entire value chain.

For Wilo, sustainability is the guiding principle when it comes to ensuring that the company is economically successful while also demonstrating social and ecological responsibility. Logically, then, the efficient and intelligent use of resources is one of the Wilo Group's overarching aims and forms part of its vision: "Wilo, the water solution leader for a smart and resource efficient world" expresses our company's strong commitment to making a contribution to central sustainability issues.

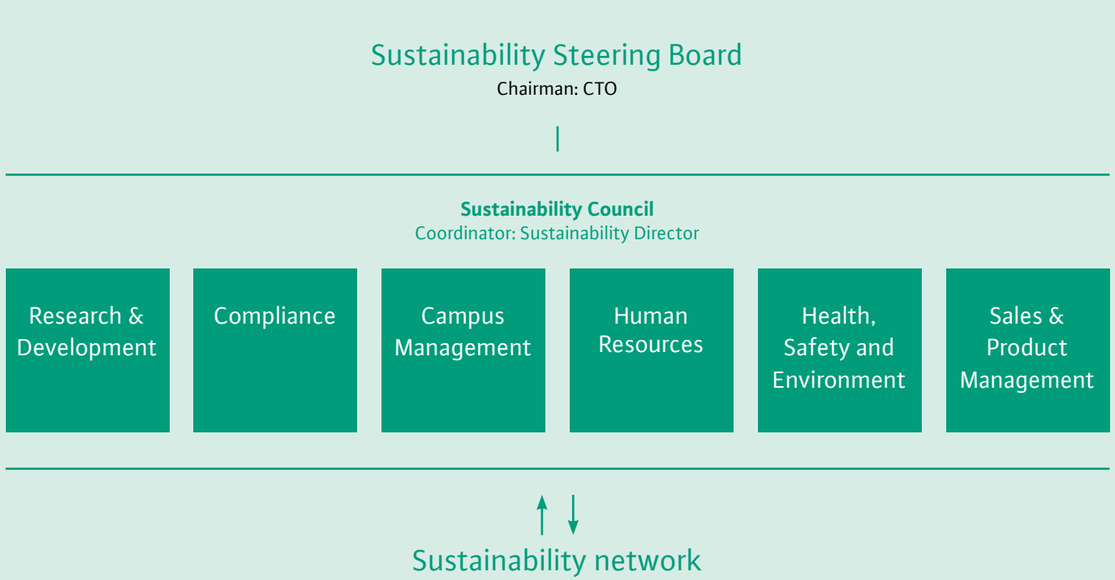
SUSTAINABILITY ORGANISATION

Wilo sees sustainability management as a cross-divisional function. Promoting integration, communication and dialogue between the specialist departments is the top priority. To facilitate efficient cooperation, Wilo has defined clear structures and responsibilities.

The Sustainability Steering Board is the central decision-making body. It comprises managers from selected specialist departments and is chaired by the Chief Technology Officer (CTO), Georg Weber. This is where the strategic direction for sustainability management is defined. The Sustainability Council is responsible for developing the content of the sustainability strategy and ensuring its implementation within the organisation. It has an interdisciplinary membership covering all of Wilo's specialist departments that are associated with the main sustainability challenges identified.

The members of the Council serve as sustainability officers within their respective departments. The Council is coordinated by the Sustainability Director.

The sustainability network is not a specific body, but describes all the employees at Wilo's more than 60 locations who are involved in the achievement of the sustainability goals in their daily activities. Their suggestions are taken into account in the further development of the sustainability strategy via their managers.



STAKEHOLDER DIALOGUE

In this era of growing digitalisation, a company's success is closely linked to knowing the needs of its stakeholders. Continuous, intensive and mutual dialogue is indispensable and therefore a central element of Wilo's sustainability management. We aim to understand the requirements and expectations of our stakeholders and to anticipate changes at an early stage.

STAKEHOLDERS AND FORMS OF DIALOGUE	
Customers	– Dialogue in daily sales and customer service discussions – Work in associations – Meetings, congresses, trade fairs – Market research – CUSAT (Customer Satisfaction Analysis)
Suppliers	– Early supplier integration – Standardised supplier development – Regular audits and training – Supplier days, theme days
Employees	– Employee discussions – Employee surveys – Complaints procedure – Internal corporate communication – Digital collaboration platforms
Government organisations	– Contribution of expert knowledge in expert bodies – Participation in standardisation committees
Research and development	– Participation in and initiation of research projects – Cooperation with universities and educational institutions – Support for scientific publications
Society	– Involvement in local initiatives – Support for social programmes
Associations	– Membership of numerous business and professional associations

Communication

The stakeholder dialogue is implemented via various specialist departments and channels. We pursue a particularly intensive dialogue with our customers. In addition to routine day-to-day communication along the sales channels, we focus on cooperation in associations, organising meetings and congresses, and participating in joint projects.

A particular highlight in 2019 was the symposium for water and sewage management in Switzerland. This was the fourth time that Wilo Schweiz AG had hosted this event on Mount Pilatus. System operators, engineering firms, universities, experts and guest speakers discussed topical issues in their industry.

Cooperation

As a global company, we are a member of various national and international associations and organisations. The shared goal of most of the cooperations is the responsible, sustainable treatment of the precious resource of water and the environment. The emphasis is on expanding the cooperations in Eastern Europe, Asia and Africa (see section on water partnerships).

Partnership with suppliers

Intensive dialogue with suppliers starts during the selection process in the form of early integration and standardised processes. This contact in a spirit of mutual partnership is maintained through continuous supplier development. There are also regular supplier days, which provide an opportunity to discuss topics, make contacts and recognise outstanding suppliers outside of day-to-day business. The 2019 supplier days were a complete success. With the theme "The Future is Connected", they were attended by over 135 suppliers in Beijing in November.

Dialogue with employees

One key component of employee communication is constructive cooperation with employee representatives. Wilo places great value on partnership-based interaction that offers benefits for both parties. All the relevant guidelines are developed and realised in close cooperation, leading to significantly higher acceptance and faster implementation. Modern digital channels like the internal teamOne offer the opportunity to inform employees about all company topics in a timely and comprehensive manner. These media are also used intensively as collaboration platforms. There are regular meetings in the FORUM dialogue platform launched in 2019 in order to strengthen the communication between company management and employees.

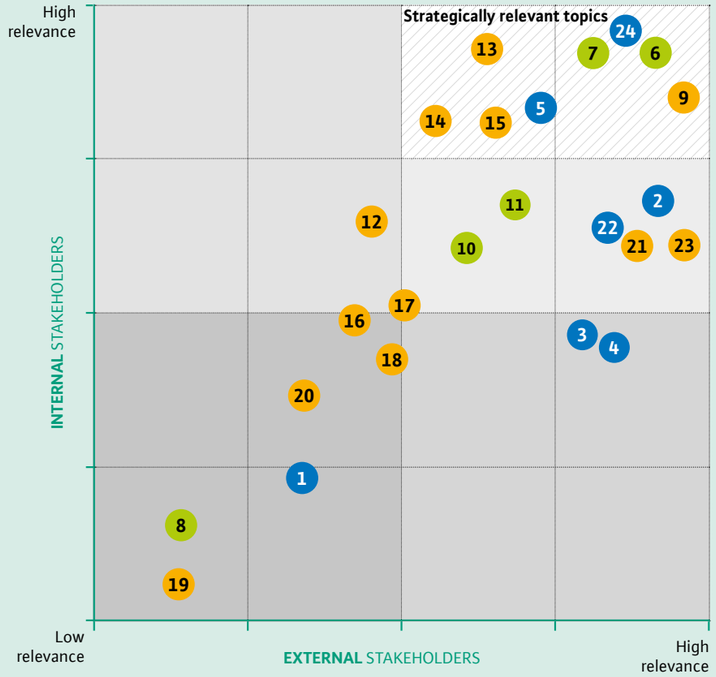
MATERIALITY ANALYSIS

Wilo applied a number of sources in identifying the material topics for its sustainability strategy:

- UN Sustainable Development Goals
- Topic-specific GRI standards
- Wilo megatrends
- Industry-specific challenges
- Statutory provisions
- Results of the stakeholder dialogue

The resulting topic lists were analysed by the sustainability department with the support of the specialist departments. Wilo's key stakeholder groups were compiled and an evaluation of the individual sustainability challenges was performed with a view to the future. A distinction was made between low and high relevance for internal and external stakeholders in order to reflect Wilo's positioning on the respective topic. In the next stage, the resulting picture was discussed with the Steering Committee and the prioritisation of the material sustainability topics was finalised. These form the basis for the sustainability strategy.

Materiality analysis



	Topic
1	Indirect Economic Impacts
2	Sustainable Procurement Practices
3	Anti-corruption
4	Anti-competitive Behaviour
5	Materials
6	Energy & Emissions
7	Water
8	Biodiversity
9	Cooperations
10	Waste
11	Environmental Compliance
12	Labour/Management Relations
13	Occupational Health and Safety
14	Training and Education
15	Diversity and Equal Opportunity
16	Freedom of Association and Collective Bargaining
17	Child Labour
18	Forced Labour
19	Rights of Indigenous Peoples
20	Local Communities
21	Customer Health and Safety
22	Marketing and Labelling
23	Customer Privacy
24	Digital transformation

EXTERNAL EVALUATIONS

External evaluations provide transparency and highlight areas with potential for improvement. As part of sustainability management, there are therefore an important tool for continuously scrutinising and enhancing our activities.

Ecovadis

For the first time, we had our sustainability management evaluated by Ecovadis, an independent rating agency with experience gathered from over 50,000 company evaluations. We successfully achieved a Silver rating, which puts us among the top third of companies in the same sector.

German Sustainability Award

Wilo's nomination for the 2020 German Sustainability Award was an outstanding accolade. It highlighted the firm establishment of the issue of sustainability in the vision and mission of our company.

The results are simultaneously a confirmation and an incentive: The detailed analysis identifies specific potential for improvement. In particular, the increased consideration of supply chains and the expansion of environmental performance indicators at international locations will be priorities for future work. At the same time, the sustainability strategy aligned to the core business activity was assessed positively. The same applies to the good successes in the areas of energy efficiency and social responsibility.

German Sustainability Award statuette

VALUE CHAIN

Wilo's sustainability strategy focuses on the product life cycle along the entire value chain and on measures to improve the ecological footprint.

Wilo's ecological footprint results less from its production processes and more from the products themselves. On the one hand, our products supply people with clean water; on the other hand, manufacturing products requires raw materials. Pumps consume electricity all throughout their useful life and must be disposed of when they are no longer needed. This is why our sustainability strategy focuses on our products along the entire value chain and on measures to improve their ecological footprint.

Development is where the course is mainly set in terms of our products and their sustainability. From innovative solutions for the water supply of tomorrow and improvements to the energy efficiency of our products through to reducing the consumption of raw materials or increasing recyclability, all these goals are influenced in the first stage of the value creation process. As part of a standardised Group-wide development process, standards and methods are therefore implemented in order to ensure that these goals are taken into account.

The primary sustainability goal when it comes to procurement is to select suppliers that satisfy our social and ecological standards. All suppliers are required to sign the Supplier Code of Conduct and perform an HSE assessment. An approval committee examines the results and authorises only suppliers that exceed defined thresholds. Sustainable goals in production and at the production sites primarily involve the careful use of the resources of energy and water as well as waste prevention. Quantities and consumption levels are reported on a company-wide basis and reduction measures are planned and implemented.

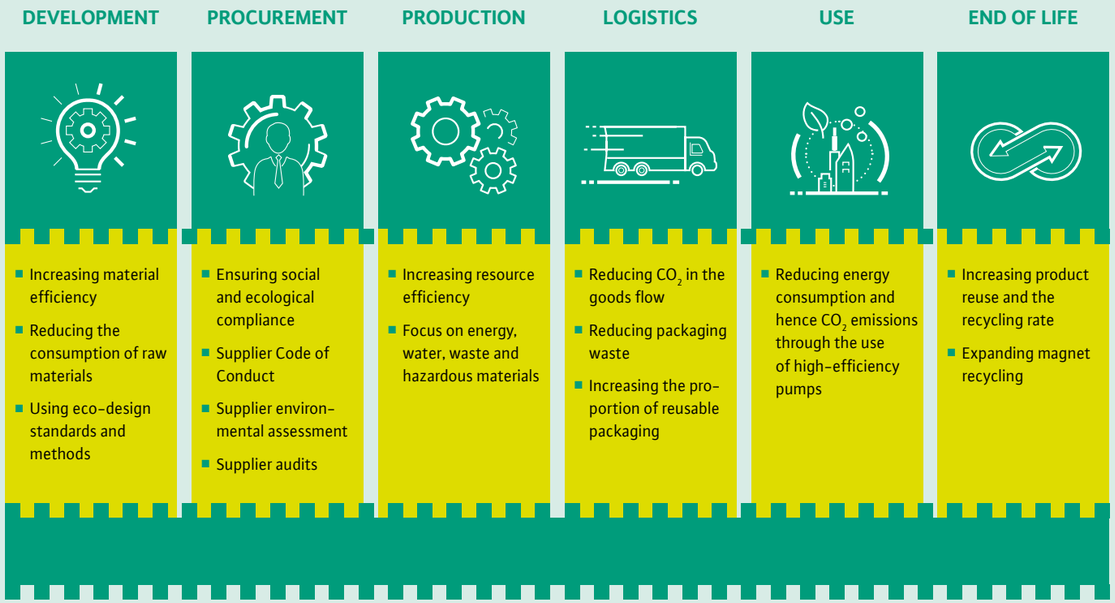
The key goals for logistics are to reduce the CO_2 consumption of our goods flow and to optimise the use of packaging materials. Crucial measures include bundling transport runs, selecting appropriate modes of transport, and optimising packaging to make it easier to transport. The proportion of reusable packaging has also increased.

In the usage phase of our pumps, the main sustainability goal is to reduce energy consumption. Wilo has always been and remains a pioneer within the industry, with its high-efficiency pumps making a significant contribution in terms of reducing energy consumption and hence CO_2 emissions. The latest generation of smart-pumps (Wilo-Stratos MAXO) represents the next step towards the future.

End of life: The aim is to increase the reuse rate and the recyclability of our products. Our pumps are already largely recyclable (> 95 %). However, our high-efficiency pumps have placed the focus on specific materials: rare earth elements. These are needed to manufacture permanent magnets. Our aim is to recover these valuable materials at our in-house recycling centre and use them to produce new magnets.

SUSTAINABILITY ALONG THE VALUE CHAIN

The value creation process at Wilo can be broken down into the main phases of development, procurement, production, logistics, use and end of life. The illustration below shows the central sustainability goals and instruments in the individual phases.



APPENDIX

ABOUT THIS REPORT

Format
This report is published online. The content is available to download as a full document in PDF format.

Reporting standard: GRI
This report is based on the internationally recognised standards of the Global Reporting Initiative (GRI) and was prepared in accordance with the “core” GRI standard option. The GRI content index refers to the additional content in the sustainability report or in other published sources. Wilo transparently reports all data and information that is relevant and material from a company perspective.

UN Global Compact
As a signatory of the UN Global Compact, we are obliged to report on our progress in terms of implementing the ten principles. This sustainability report also includes the required annual “Communication on Progress” (CoP).

Sustainable Development Goals
The report also refers to the United Nations Sustainable Development Goals. The goals on which Wilo focuses and the company activities undertaken to achieve these goals are discussed in the respective sections.

Reporting cycle
Wilo’s sustainability report is published every year in fully revised form. The key indicators are updated every year.

Report content
This Wilo sustainability report provides information on the strategic orientation and management of sustainability within the company. The target readers of this publication include customers, employees, suppliers, media representatives and other interested stakeholders.

We conducted a materiality analysis in order to define and evaluate the material sustainability topics for our business activities.

The report provides information on the material activities and impacts along the entire value chain, with a particular focus on the topics of “Water”, “Materials”, “Energy and emissions” and “Employees and society”.

Targets and measures have been formulated as part of an extensive sustainability programme. These are presented in the report in a transparent and comprehensible manner.

The reporting period corresponds to Wilo’s 2019 financial year (1 January 2019 to 31 December 2019). The editorial deadline for the report was 30 April 2020.

Some figures are rounded.

Terms used
We typically describe our workforce as “employees” and use gender-neutral terms to improve readability.

Contact
Your opinion is important to us. E-mail us with your questions and suggestions at: responsibility@wilo.com

ADDITIONAL KEY FIGURES

	Unit	2017	2018	2019	Note
Business metrics					
Net sales	€ million	1,424.8	1,463.5	1,477.8	
Net sales growth	%	7.4	2.7	1	
EBITDA	€ million	106.6	153.5	180.1	
Consolidated net income	€ million	85.9	64.2	72.4	
Capital expenditure	€ million	195.7	154.8	155.7	
R&D costs	€ million	63.6	66.3	67.6	
Equity	€ million	707	738.4	792.4	*Including capitalised development costs
Equity ratio	%	51.6	49.5	48.3	
Water					
Water solutions growth rate	%	9.1	9.2	5	
Smart water systems growth rate	%	–	300	62	First launched in 2018
Water consumption	m^3	93,091	94,209	90,295	
Water consumption per employee	m^3/employee	17.9	17.5	16.4	
Energy and Emissions					
Energy savings through high-efficiency products	TWh	1.82	1.81	1.77	
Energy solution projects completed	Number	6,786	8,381	10,159	
Smart product growth rate	%	–	–	3,368*	Launched in 2018
CO_2 emissions*	t	15,738	17,046*	16,383	Scope 1 and 2
CO_2 emissions/net sales*	kg/€ thousand	11.05	11.65	11.09	
Total energy consumption*	MWh	70,383	75,935	73,027	
Heating energy (oil and gas)*	MWh	27,761	30,371	29,008	
Electricity consumption	MWh	42,622	45,564	44,019	
Proportion of green electricity	%	70	67	61	Green electricity purchased in Germany and France
CO_2 savings (green electricity)	t	16,031	11,393	10,877	
LEED building certifications	%	21	35	35	Based on production locations
Business travel					
By car	km	1,058,515	1,062,554	738,785	Rental cars booked in Germany
By air	km	–	4,832,139	5,335,188	Booked in Germany
By rail	km	687,493	560,154	564,641	Local and long-distance rail in Germany + Thalys
Car/CO_2	t	133	137	106	
Rail/CO_2	t	4.2	3.4	2.9	Local rail only, long-distance rail is carbon-neutral
Air/CO_2	t	–	1,446	1,536	Flights booked in Germany

*Comparative figures were adjusted retrospectively

	Unit	2017	2018	2019	Note
Material					
Components reused	Number	35,000	32,000	45,774	Germany
Copper saved	t	12.17	13.6	8.2	
Reusable packaging (inbound)	%	–	77	85	
Waste recycled*	t	–	6,856	7,477	
Recycling rate	%	–	83	88	
Total waste*	t	–	8,254	9,148	
Proportion disposed of	t	–	1,398	1,671	
Employees and Society					
Establishment of training centres	Number	–	3	3	
Employees trained on compliance issues	%	53	56	90	
Internally developed managers	%	–	70	73	
Women in management positions	%	17	20	18	
LTIR (accident rate)		9.8	9.2	6.5	
Total employees	Number	7,726	7,830	7,749	
Proportion of men	Number	5,949	6,029	5,889	
Proportion of women	Number	1,777	1,801	1,860	
Proportion of women	%	23	23	24	
Proportion of men	%	77	77	76	
By contract type:					
Fixed-term	Number	983	1,009	967	
Of which women	Number	281	266	261	
Of which men	Number	705	745	706	
Permanent	Number	6,743	6,821	6,782	
Of which women	Number	1,521	1,574	1,574	
Of which men	Number	5,219	5,245	5,208	
By employment type:					
Part-time	Number	217	279	240	
Of which women	Number	166	193	187	
Of which men	Number	51	86	62	
Full-time	Number	7,509	7,551	7,509	
Of which women	Number	1,611	1,608	1,682	
Of which men	Number	5,898	5,943	5,827	
Trainees	Number	136	130	129	
Proportion of temporary staff	%	6.2	8.4	8.8	Germany
Employees by region:					
Emerging markets	Number	2,356	2,409	2,464	
Mature markets	Number	5,370	5,421	5,285	
Fluctuation rate	%	5.63	5.91	5.61	
Proportion of employees with severe disabilities	%	3.2	3.1	3.97	Germany
Absenteeism due to illness	%	6.25	6.64	7	Germany
Employees covered by collective bargaining	%	82.7	83	84.7	Germany
Training hours	Hours	13,900	60,500	62,100	Germany

*Comparative figures were adjusted retrospectively

CERTIFICATION OVERVIEW

Location		9001	14001	18001	50001
44263 Dortmund-Nortkirchenstr., Germany, central functions (admin)	WILO SE	yes	yes	yes	yes
44263 Dortmund-Nortkirchenstr., Germany (production)	WILO SE	yes	yes	yes	yes
44357 Dortmund-Strümpenbusch, Germany	WILO SE	yes	yes	yes	yes
44263 Dortmund-Felicitasstr., Germany	WILO SE	yes	yes	yes	yes
39387 Oschersleben, Germany	WILO SE, Oschersleben plant	yes	yes	yes	yes
95030 Hof, Germany	WILO SE, Hof plant	yes	yes	yes	yes
53005 Laval Cedex, France	Wilo France SAS	yes	yes	yes	no
53950 Louverné, France	Wilo France SAS	yes	yes	yes	no
78400 Chatou, France	Wilo France SAS	yes	yes	no	no
36070 Trissino, Italy	STEMMA S.R.L.	yes	no	no	no
18700 Aubigny-sur-Nère, France	Wilo INTEC SAS	yes	yes	no	no
91105 Trenčín, Slovakia	Wilo INTEC SAS organizačná zložka Slovakia	yes	no	no	no
Beijing 101300, P. R. China	Wilo China Ltd.	yes	yes	yes	no
Qinhuangdao City, Hebei Province, P. R. China 066004	Wilo China Ltd.	yes	yes	yes	no
Qinhuangdao City, Hebei Province, P. R. China 066004	Wilo ELEC CO. LTD.	yes	yes	yes	no
Busan 618-260, South Korea	Wilo Pumps Limited	yes	yes	yes	no
Pune – 411 019, India	Wilo Mather and Platt Pumps Private Limited	yes	yes	yes	no
Pune – 411 019, India (sales)	Wilo Mather and Platt Pumps Private Limited	yes	yes	yes	no
Kolhapur – 416 234, India	Wilo Mather and Platt Pumps Private Limited	yes	yes	yes	no
34956 Istanbul, Turkey	Wilo Pompa Sistemleri A.Ş.	yes	yes	yes	no
Noginsk, Russian Federation	Wilo RUS LLC	yes	no	no	no
2351 Wiener Neudorf, Austria	Wilo Pumpen Österreich GmbH	yes	no	no	no
352 45 Växjö, Sweden	Wilo Nordic AB	yes	no	no	no
1083 Ganshoren, Belgium	Wilo nv	yes	no	no	no
05-506 Lesznowola, Poland	Wilo Polska Sp. z o.o.	yes	no	no	no
H-2045, Törökbálint, Hungary	Wilo Magyarország Kft.	yes	no	no	no

GRI OVERVIEW

GRI standard		Source	Page	UN Global Compact	SDG	Note
1. Organisational profile						
102-1	Name of the organisation	Publishing information	71			
102-2	Activities, brands, products and services	About Wilo	U2			
102-3	Location of headquarters	Publishing information	71			
102-4	Location of operations	About Wilo	U2			
102-5	Ownership and legal form	About Wilo	U2			
102-6	Markets served	About Wilo	U2			
102-7	Scale of the organisation	About Wilo	U2			
102-8	Information on employees and other workers	Global responsibility	40	Principle 6		
102-9	Supply chain	Annual Report 2019				https://cms.media.wilo.com/cdndoc/wilo394395/4309305/wilo394395.pdf
102-10	Significant changes to the organisation and its supply chain	Annual Report 2019				https://cms.media.wilo.com/cdndoc/wilo394395/4309305/wilo394395.pdf
102-11	Precautionary principle or approach	Sustainability Strategy	6	Principle 7		
		Water partnerships	19			
102-12	External initiatives	Stakeholder dialogue	57		SDG 17	
102-13	Membership of associations				SDG 17	**Associations in the area of technical building services:** – German Engineering Federation (VDMA) – German Federal Association of the Technical Building Services Industry (BTGA) – German Energy Efficiency Association for Heating, Cooling and CHP (AGFW) – German Federal Association of the Heating, Energy and Environmental Technology Industry (BDH) – German Heat Pump Association (BWP) – German Solar Industry Association (BSW) – German Association for Air Conditioning and Ventilation in Buildings (FGK) – German Association of Gas and Water Companies (figawa) – German Association for Gas and Water (DVGW) – German Professional Association for Efficient Energy Use (HEA) – Association of the European Heating Industry (ehi) – European Heat Pump Association (ehpa) **Associations in the area of water management:** – German Association of Gas and Water Companies (figawa) – German Association for Gas and Water (DVGW) – German Association for Water, Wastewater and Waste (DWA) – German Water Partnership (GWP)

GRI standard		Source	Page	UN Global Compact	SDG	Note
2. Strategy						
102-14	Statements from senior decision-makers	Foreword	4			
3. Ethics and integrity						
102-16	Values, principles, standards and norms of behaviour	Compliance Diversity	52	Principle 10	SDG 8	
4. Governance						
102-18	Governance structure	Annual Report 2019			SDG 8	https://cms.media.wilo.com/cdndoc/wilo394395/4309305/wilo394395.pdf
5. Stakeholder engagement						
102-40	List of stakeholder groups	Stakeholder dialogue	57		SDG 17	
102-41	Collective bargaining agreements	Additional key figures	64	Principle 3	SDG 8	
102-42	Identifying and selecting stakeholders	Stakeholder dialogue	57			
102-43	Approach to stakeholder engagement	Stakeholder dialogue	75		SDG 17	
102-44	Key topics and concerns raised	Sustainability strategy Materiality	6 58			
6. Reporting practice						
102-45	Entities included in the consolidated financial statements	Annual Report 2019				https://cms.media.wilo.com/cdndoc/wilo394395/4309305/wilo394395.pdf
102-46	Defining report content and topic boundaries	Sustainability strategy Materiality	6			
102-47	List of material topics	Materiality	58			
102-48	Restatements of information	–				
102-49	Changes in reporting	–				
102-50	Reporting period	About this report	61			
102-51	Date of most recent report	About this report	61			
102-52	Reporting cycle	About this report	61			
102-53	Contact point for questions regarding the report	Publishing information	71			
102-54	Claims of reporting in accordance with the GRI standards	About this report	61			
102-55	GRI content index	GRI overview	67			
102-56	External assurance	–				The report has not been reviewed externally.

GRI standard		Source	Page	UN Global Compact	SDG	Note
103 Management approach						
103-1	Explanation of the material topic and its boundary	Sustainability strategy Materiality	6 58			
103-2	The management approach and its components					The management approach is discussed in the respective section.
103-3	Evaluation of the management approach	Sustainability organisation	56			
200 Economic disclosures						
201	Economic Performance	About Wilo Smart water systems Energy solutions Smart products	U2 17 26 27	Principle 9	SDG 6, 8, 9, 13	
203	Indirect Economic Impacts	Water partnerships Social programmes	19 48	Principle 8, 9	SDG 6, 8, 9, 11, 13, 17	
204	Procurement Practices	Value chain	60			
205	Anti-corruption	Compliance	52	Principle 10	SDG 8	
206	Anti-competitive Behaviour	Compliance	52		SDG 8	
300 Environmental disclosures						
301	Materials	Material and Waste	30	Principle 8	SDG 9, 12, 13	
302	Energy	Energy and Emissions	22	Principle 7, 8, 9	SDG 8, 13	
303	Water	Water	12	Principle 7, 8, 9	SDG 6, 8, 13	
305	Emissions	Energy and Emissions	22	Principle 7, 8, 9	SDG 8, 13	
306	Effluents and Waste	Water Material and Waste	12 30	Principle 7, 8	SDG 12, 13	
308	Supplier environmental assessment	Value chain	60	Principle 7, 8	SDG 6, 13	

GRI standard		Source	Page	UN Global Compact	SDG	Note
400 Social disclosures						
401	Employment	Employees and Society Additional key figures	38 64		SDG 8	
402	Labour/Management Relations	Employees and Society	38	Principle 6	SDG 8	
403	Occupational Health and Safety	Occupational health and safety	46		SDG 8	
404	Training and Education	Employee development	42		SDG 8	
405	Diversity and Equal Opportunity	Diversity	44	Principle 6	SDG 8	
406	Non-discrimination	Diversity Compliance	44 52	Principle 6	SDG 8	
407	Freedom of Association and Collective Bargaining	Compliance	52	Principle 3	SDG 8	
408	Child Labour	Compliance	52	Principle 5	SDG 8	
409	Forced or Compulsory Labour	Compliance	52	Principle 4	SDG 8	
412	Human Rights Assessment	Compliance	52	Principle 1, 2	SDG 8	
414	Supplier Social Assessment	Value chain Compliance	60 52	Principle 2	SDG 8	
419	Socioeconomic Compliance	Compliance	52	Principle 1	SDG 8	

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