

BEYOND

T H E O B V I O U S

Solutions by Wilo



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.

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BEYOND THE OBVIOUS

WILO IS GOING BEYOND

“Successfully positioning ourselves for the future means doing more than just the obvious. We need to think and act beyond what is obvious. We have taken change as an opportunity and adopted a clever strategic position for the challenges that lie ahead.”

Oliver Hermes
President & CEO, Wilo Group

GLOBAL CHALLENGES DEMAND GLOBAL ANSWERS

2020 will undoubtedly go down in history. The coronavirus crisis illustrated all too clearly that change is a part of life. Things changed more rapidly than at almost any time previously. While we are all very aware of its negative consequences, change always brings opportunities, too. Identifying and exploiting these opportunities is our responsibility as a company. Successfully positioning ourselves for the future means doing more than just the obvious. We need to think and act above and beyond this, which is why our motto this year is “Beyond the Obvious”.

SYSTEMICALLY IMPORTANT

Exceptional situations like the coronavirus crisis show how vital it is to maintain activities that serve the interests of the general population and that support public services.

The Wilo Group safeguards its customers' processes. For example, operators of residential and commercial properties, hospitals, residential homes, waterworks and sewage treatment plants all work with our products, systems and solutions, which include comprehensive services. Wilo is an integral part of critical infrastructures – not least during the pandemic.

To this end, at a time when many companies have reduced their capacities and introduced short-time work, we have ramped up our capacities since April in order to allow us to serve existing and expected customer demand.

We obtained special permission to continue our production activities in Germany, the USA, Russia and other major countries. Among other things, individual hospi-

tals in Germany classified us as systemically important. Furthermore, the German Federal Ministry of the Interior considers sanitary, heating and air conditioning companies to be a part of the critical infrastructure.

CLIMATE CHANGE REMAINS ONE OF THE BIGGEST GLOBAL CHALLENGES

Climate change is another major challenge of our time. The dramatic consequences of failing to significantly reduce emissions are illustrated in the two most recent special reports by the Intergovernmental Panel on Climate Change (IPCC). While the economic damage caused by climate change remains uncertain, there can be no doubt that it is considerable. Although the consequences will become clearly visible and tangible only in the years and decades to come, the time to act is now. This also requires thinking “Beyond the Obvious” – not only addressing the problems that are evident, but also anticipating and mastering the long-term challenges.



Oliver Hermes,
President & CEO,
Wilo Group

The signatories to the Paris Agreement are being urged to tighten up their climate targets. With the European Green Deal, the new European Commission has declared climate protection to be one of its focal points for the coming years and presented numerous measures aimed at ensuring that the European Union has net-zero greenhouse gas emissions by 2050. Climate protection is also one of the objectives of the United Nations 2030 Agenda for Sustainable Development.

We are already seeing the impact of climate change in Germany. As an industrialised nation, Germany also bears particular responsibility when it comes to combating climate change. Accordingly, it is seeking to play a leading role in climate protection as well as supporting other countries through international climate financing.

As an industrial company, Wilo is committed to sustainability and climate protection. We also play an active political role as part of our politically sustainable corporate governance. The Wilo Group believes it is important to take politi-

cal responsibility. As far as we are concerned, it is essential for companies to invest in stable and efficient democratic institutions, the rule of law and an informed and vibrant civil society. For this reason, Wilo works hard to counteract political threats and regulatory deficits and meets the expectations of its various stakeholders, from customers and suppliers to our employees and shareholders.

For Wilo, sustainability is a fixed component of our corporate strategy and climate protection is an elementary part of our DNA. At Wilo, we are confident that we can work together to slow climate change and achieve the global climate protection targets.

For example, we intend to facilitate better access to clean water for 100 million people by 2025. Our products, systems and solutions help to supply people around the world with water in an intelligent, efficient and climate-friendly manner.

THE WORLD'S CLIMATE NEEDS PIONEERS

Wilo has around 8,000 employees. All of them are pioneers in the field of climate protection, and this has been true throughout the company's around 150-year history. This is why we are delighted that our efforts have been recognised and rewarded externally. Wilo won the renowned German Sustainability Award (DNP) 2021 in the “Climate” transformation field. We have also been selected as one of 50 global “Sustainability & Climate Leaders”.

The only way to defeat climate change is by working together with a global mindset rather than reactively and at a national level. This is why we are pleased that the new US government under Joe Biden has decided to rejoin the Paris Agreement.

DIGITAL AND SUSTAINABLE

At Wilo, we firmly believe that digital transformation makes it easier to transition to a climate-neutral society, because the smartest and most digital products are also the most energy-efficient. As such, there is an established correlation between digital transformation, energy efficiency and climate protection. This is why we aspire to be the digital pioneer in our industry.

The Wilo Group is systematically driving the digital transformation in the dimensions of products and solutions,

MEGATRENDS

As part of its long-term strategic planning, Wilo has defined five megatrends that influence the Wilo Group's business both now and in the future.



URBANISATION



WATER SHORTAGE



GLOBALISATION 2.0



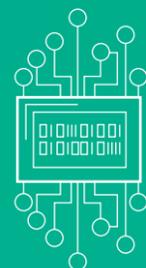
CLIMATE CHANGE



ENERGY SHORTAGE

DIGITAL TRANSFORMATION

These are supplemented by digital transformation, which is a key factor in all five megatrends.



BEYOND THE OBVIOUS

processes, business models and human resources. To give a specific example, the Wilo-Live Assistant provides our customers with digital support on their smartphone and is unique within the pump industry. It allows our Wilo experts in 48 countries around the world to provide digital support for all kinds of technical challenges without having to be present in person. As well as being good for the environment thanks to the energy saved as a result of less travel, this is ideal for the pandemic as it allows us to stay close to our customers without the need for physical proximity. This is just one of many examples of how an intelligent approach to change can result in new and better solutions.

As part of its focus on climate protection, the Wilo Group intends to include the future technology of hydrogen as an area of application. Our products and solutions can make an essential contribution to the generation, distribution and utilisation of blue and green hydrogen.

“BEYOND THE OBVIOUS” STRATEGIES

Our response to the pandemic was swift and pragmatic. We also took the crisis as an opportunity to gain market share and improve customer retention. Instead of being reactive or adopting a wait-and-see stance, the Wilo Group went “Beyond the Obvious” by taking long-term strategic decisions.

Our approach is based on three central pillars: the continuous enhancement of our internationalisation strategy, the lessons learned from the coronavirus crisis, and our responsibility as a climate protection company.

Unfortunately, the world economy of the future will be shaped in part by the drive toward self-reliance and protectionism. We are seeing a “Globalisation 2.0” that will be characterised by the more pronounced regionalisation of value chains in the three major economic centres of North America, the EU and Asia, as well the strategic pursuit of sovereignty with regard to systemically important goods that serve critical infrastructures. In other words, we firmly believe that there will be three “tectonic plates” in future with their centres in the USA, Europe and Asia, the focal points of the latter being China and India.

Thanks to the “region-for-region” approach we have practised for many years, the Wilo Group is well prepared for this development. As part of this, we are systematically pursuing the goal of meeting regional customer requirements with



“REGION-FOR-REGION”

In future, the Wilo Group will manage its global business from three headquarters.

products that are manufactured regionally. Our organisation is designed to allow as much decentralisation as possible and as little centralisation as necessary. At the same time, we want to make greater use of global standards and products.

We will continue to intensify our “region-for-region” approach over the coming years. In the short to medium term, Wilo will establish a second headquarters in China in 2021 followed by a third in the USA. Additional production sites are also being established in China and India. These measures will enable us to operate with even more of a regional focus. This will make Wilo more resilient and crisis-resistant, as well as protecting the environment.

In terms of specific impacts, it means that we have performed a critical analysis of our make-or-buy strategy. We intend to increase the degree of vertical integration in future, meaning we will produce more ourselves and bring additional activities back into the company. This applies to critical components in particular. To avoid being dependent

on individual suppliers, we will expand multiple sourcing and maintain larger stock buffers in our warehouses.

CHANGE AS AN OPPORTUNITY

The coronavirus has changed a lot of things for many people. At Wilo, we have demonstrated our ability to shape change not only tactically and reactively, but proactively and with a long-term strategic focus. Around 8,000 employees are confidently seizing the opportunities presented by these changes. And we are courageous enough to break new ground – “Beyond the Obvious”.

Join us on our journey!

Yours
Oliver Hermes

RELEVANT

**ON THE
WAY TO THE
FUTURE**

DIGITAL

SUSTAINABLE

“Change is always accompanied by opportunities.”

From dealing with the pandemic to the hydrogen strategy: Wilo’s Executive Board looks back on an eventful year and forward to a promising future.

2020 will go down in the history books as the year of the coronavirus pandemic. Looking back now, what were the biggest challenges for you?

OLIVER HERMES 2020 was an extraordinary year in every respect. The coronavirus pandemic is the most serious crisis since the Second World War. The Wilo Group was also confronted with a number of challenges. The health of our employees enjoyed and continues to enjoy top priority for us. At the same time, we had to ensure that our business activities and processes were able to continue efficiently even under these difficult conditions – which we achieved thanks to forward-looking planning and the considerable dedication

of all our employees. For me personally, crisis management in all its different forms was one of our biggest challenges in the past year. We took various measures to ensure transparent communication with our employees and stakeholders during this difficult time in order to provide them with a degree of reassurance. From my CEO letters and public articles in national media through to the newly launched video format, Wilo TV, it was also important for me to make sure I was involved personally. This was supported by the outstanding work of our task force, which we formed at an early stage. I think we can safely say that so far we have mastered these tasks extremely well thanks to a combination of team spirit, creativity and solidarity.

GEORG WEBER During the pandemic, we were repeatedly confronted with new situations and conditions and had to anticipate the next challenges and act accordingly. What made things more difficult was the fact that

we were often unable to rely on tried-and-tested solutions. That was when it was important to remain confident and optimistic even in the face of difficult circumstances, and to not allow ourselves to be excessively guided by our emotions. I would say that keeping a clear head was another big challenge in 2020. We also had to keep our factories running in order to meet customer demand for system-critical applications in particular – all while meeting the highest hygiene and safety standards. After all, hospitals could not afford to come to a standstill due to a shortage of efficient pumps.

MATHIAS WEYERS To enable the majority of sales and administrative staff around the world to do the same work from home, we began proactively procuring IT network capacities and bandwidth at the start of the year. That in itself was a real feat of strength. One of the biggest challenges in 2020 was to reduce planning uncertainty and make it tangible. During the year, we prepared various scenario calculations which we adjusted to reflect the latest developments, allowing us to respond quickly and flexibly with corresponding

measures. It was important for me to find a balance even amidst all the uncertainty. That meant reducing expenditure and investment while continuing to press ahead with strategically important projects and being open to new opportunities.

DR. PATRICK NIEHR Fortunately, we had already started to establish working from home and remote working as an integral part of Wilo’s work culture some years ago. This meant the majority of our employees already had the corresponding equipment and there was nothing unusual about working in this way. As such, many employees found it easy to switch to remote working as standard during the first lockdown.

“We succeeded in looking past the coronavirus and thinking ‘Beyond the Obvious’.”

Oliver Hermes
President
& CEO, Wilo Group



Wilo acted quickly and decisively, in other words.

DR. PATRICK NIEHR That's right. But it also soon became clear to us that dealing with the pandemic would be a marathon and not a sprint. That made it important to think about employee motivation. The crisis may present opportunities, but it remains a crisis first and foremost. And I believe we handled it extremely well with

the extensive measures we took. Among other things, we offered various e-learning programmes and provided psychological counselling as part of our occupational health management, as we were well aware that we were all having to cope with a stressful situation in many respects – not just for those working remotely, but for all our staff members who were unable to work from home, like our production employees. We developed extensive hygiene concepts and introduced safety measures with a view to ensuring a safe workplace for all.

OLIVER HERMES And we set up the Wilo solidarity fund for all employees. As a sign of solidarity, the Executive Board of WILO SE and members of Wilo Group senior management made contributions amounting to 50 percent of their variable remuneration for 2020 in order to relieve the financial burden on the company during the coronavirus crisis. Dr. Jochen Opländer, shareholder and Honorary Chairman of the Supervisory Board of WILO SE and founder of the Wilo-Foundation, also made substantial financial contributions together with his family. This financial scope and additional contributions from WILO SE allowed the solidarity fund to support members of the Wilo workforce in occupations that were exposed to particular risks during the coronavirus crisis.

GEORG WEBER Our guiding principle for 2020 was to always be a step ahead. Our task force teams did excellent work in this respect. And, of course, we also met the challenges of the pandemic with technological solutions. With KINEXON SafeZone, we established an absolutely state-of-the-art tool for contact

warning and tracing in production. This enables our employees to work at a safe distance wherever they may be. We also optimised the air conditioning in our offices to provide near-outdoor air quality. Concentrations of CO₂ in indoor areas are continuously monitored. And we identified additional digital solutions to allow us to keep working safely and more or less without interruption.

MATHIAS WEYERS As the CFO, one important area for me was monitoring and safeguarding our liquidity, of course. No one could have predicted how the situation would develop or what restrictions we would encounter in terms of supply chains, production and distribution – for Wilo and our customers alike. Among other things, we responded by establishing a liquidity task force in order to ensure our ability to act and meet our payment obligations at all times. We also significantly intensified communication with our financing partners, including providing regular updates on the economic situation of the Wilo Group. This transparency has met with a very positive response and underlines the successful cooperation we have enjoyed over many years in a spirit of mutual trust.

What were your Wilo highlights over the past year?

OLIVER HERMES The coronavirus is an event with far-reaching consequences. I am extremely pleased that Wilo succeeded in seeing the long-term challenges beyond the acute crisis – in other words, thinking past the coronavirus and “Beyond the Obvious”. We have been observing the changes in globalisation and the drive toward protectionism and self-reliance for some time now. We have seen the emergence of a Globali-

sation 2.0 that is characterised by the more pronounced regionalisation of value chains. Whatever your opinion on it, this development is a fact and Wilo has modified its strategy accordingly. We have been pursuing a “region-for-region” approach for some years. We firmly believe that there will be three major economic areas in future: the Americas, Europe and Asia, with the focal points of the latter being China and India. When China and 14 Asia-Pacific countries signed the world's largest free trade agreement in 2020 – the Regional Comprehensive Economic Partnership (RCEP) – this was not only good news in itself, but also served to support our view. Covering a population of 2.2 billion and almost 30% of global GDP, the RCEP has the potential to become an

“One particular personal highlight for me was the acquisition of the Abionik Group in late 2020.”

Mathias Weyers, CFO, Wilo Group



Dr. Patrick Niehr

“In 2020, we presented our new corporate strategy in which we set out the further diversification of our product portfolio.”

Dr. Patrick Niehr, CCO, Wilo Group



Mathias Weyers

economic powerhouse. I also believe this agreement can act as a model for Europe. As such, this reinforcement of our international strategic orientation was undoubtedly one of the highlights of the past year. I was also extremely pleased that we were able to make considerable progress once again in terms of climate protection – another megatrend of our time, and perhaps the most important one of all. As we demonstrated in 2020, climate protection has been part of Wilo's DNA throughout its history dating back almost 150 years. We were a part of the global "50 Sustainability & Climate Leaders" campaign and we won the German Sustainability Award (DNP) 2021, which is something we are very proud of.

GEORG WEBER Yes, the systematic pursuit of our sustainability strategy and the recognition we obtained in the form of the German Sustainability Award at the end of the year were also among the big highlights of 2020 for me. Another highlight was the way in which we maintained our global supply chains even in the face of adversity thanks to the impressive dedication of all involved. This also applies to our production facilities around the world, which largely continued their work without interruption – even in Pune, India, in the midst of the greatest difficulties. I would also like to point out that we continued all our major product development projects more or less as planned, even with a large proportion of people working remotely.

DR. PATRICK NIEHR In 2020, we presented our new corporate strategy in which we set out the further diversification of our product portfolio. We intend to accelerate our growth in the area of cold water applications, and our most recent acquisitions have been made with this in mind. This change process will affect all areas of the company and will also mean expanding our position as a solution provider for our customers.

MATHIAS WEYERS In this respect, one particular personal highlight for me was the acquisition of the Abionik Group in late 2020, which will expand our expertise as a provider of solutions for water purification. Abionik is represented at eleven production and distribution locations in Europe and Asia. With the Abionik Group, we have acquired a highly profitable and innovative company whose products fit well into our existing portfolio. This will allow Wilo to offer its customers a significantly broader range of applications in the water management and industry market segments in future.

OLIVER HERMES We laid important foundations for the future in 2020. Following the first phase of the coronavirus, where our overriding priority was to minimise the impact of the pandemic and the health risks for our employees, we very quickly began looking ahead. What does the new global situation mean for us? Where do we need to modify our strategy? Where are new opportunities arising? After all, change is always accompanied by new opportunities. In other words, we thought "Beyond the Obvious". There is no doubt that climate change is and remains the most important topic of our time. With its highly efficient and sustainable products and solutions, Wilo can make a huge positive contribution in this area. To this end, we will be providing further evidence of our innovative strength with the rollout of our hydrogen strategy in 2021 and the following years. Green hydrogen in particular is a fundamental technology of the future when it comes to achieving the goals of the Paris Agreement, and it has the potential to strengthen Europe's international competitiveness. Wilo will make a decisive contribution to the generation, storage and distribution of green hydrogen, as well as blue hydrogen as an interim technology. The pandemic has also served to underline Wilo's systemic importance. What we do is crucial to



Georg Weber

“Winning the German Sustainability Award in recognition of our sustainability strategy was one of the big highlights of 2020 for me.”

Georg Weber, CTO, Wilo Group

our society – and to all societies around the world. We are a part of the critical infrastructure. And we are a pioneer when it comes to the process of digital transformation that is in progress at various levels. Relevant, sustainable, digital – these are the three pillars of our strategy and the foundations of our continued success over the coming years.

If you were to imagine yourself looking back from the end of 2021, what would you hope to be able to say?

DR. PATRICK NIEHR That the integration of the Abionik Group was a success, because that will be an exciting project in 2021, and not only for me personally. I hope we will be able to look back and say that we performed well once again even in the face of the challenges posed by the coronavirus. And I will be delighted if we can succeed in bringing our employees with us and enabling them to make a further contribution to Wilo's exciting journey.

MATHIAS WEYERS That we were able to take advantage of some interesting M&A opportunities once again in 2021, and that it was another financially successful year.

GEORG WEBER That we were finally able to open our smart factory up to visitors and show off the incredible things we have achieved there. And I hope to be reminiscing about the return to exciting events with lots of people in attendance, face-to-face meetings at our international locations, full canteens, and the opportunity to enjoy a beer or two together.

OLIVER HERMES If we can say that we succeeded in energetically pressing ahead with the digital transformation of our sales and marketing processes, that would be a great success from a business perspective. And if I can say that I enjoyed some interesting encounters with our customers, partners and employees around the world, I would be satisfied at a personal level too. Time will tell – but we are looking ahead with confidence!



RELEVANT

MOUNT AND MAINTAIN

RELEVANT

From water supply to flood control, from hospitals and schools to waterworks – reliable products, solutions and services from Wilo are systemically important and an indispensable part of our modern life.

PART OF THE CRITICAL INFRASTRUCTURE

Wilo supplies critical infrastructure for airports and dams, administrations and hospitals, and agricultural and industrial applications around the world.

THE PLOVDIV DAM in Bulgaria is supplying around 40,000 people with drinking water with the help of Wilo pumps.

OUR CIVILISATION would be unthinkable without modern water infrastructure. From heating to hygiene, from agriculture to drinking water – key areas of life would grind to a halt without pumps and pump systems. The coronavirus crisis underlined just how important Wilo's solutions and products are for our society. This is also clearly reflected in the fact that Wilo is classified as a systemically important company in many countries.

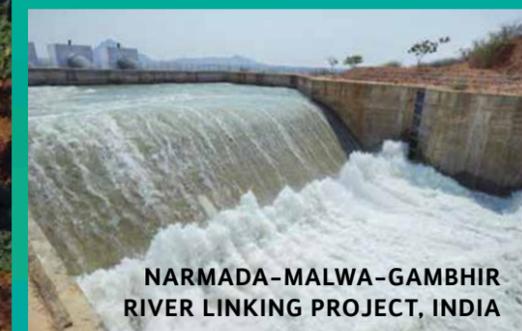
IN 2020, Wilo continued to deliver on this remit by installing millions of pumps and system solutions and completing numer-

ous projects around the world. Wilo pumps were used in Bulgaria's first dam project for drinking water, which is now helping to supply more than 40,000 people with fresh water.

36 pumps each with an output of 3 MW were installed as part of the Narmada-Malwa-Gambhir River Linking Project in the Indian state of Madhya Pradesh. Across several levels, the large vertical turbines move an impressive 54,000 cubic metres of water every hour, thus enabling large-scale agricultural irrigation as well as water supply for the local population.



WILO PUMPS are used around the world, from the King Faisal Airbase in Saudi Arabia and Sonda Technologies in Santiago de Chile to the large-scale river linking project in Madhya Pradesh in the heart of India.



AROUND TWELVE MILLION EUROS was provided by the Government of Kazakhstan in March 2020 for the construction of a modular hospital for infectious diseases to help combat the coronavirus pandemic. The hospital in the capital city of Nur-Sultan is around 7,000 square metres in size and was completed in just 13 days, allowing it to commence operations in April.

TO MEET THE SPECIFIC requirements under pandemic conditions, the modular construction took particular account of the safety of medical staff and patients. It also included a medical gas system and a low-temperature station, an oxygen station and a compressed air station. In response to the specific challenges of handling respiratory diseases, which are particularly common in patients with coronavirus infections, the project included the construction of a hundred special chambers in which life-saving mechanical ventilators can be used simultaneously. These are supplemented by several intensive care units. In addition, a Wilo pressure-boosting system with three horizontal multi-stage high-pressure



A HOSPITAL IN 13 DAYS
The coronavirus hospital in the Kazakh capital Nur-Sultan is one of 16 hospitals in Kazakhstan where Wilo pumps are in use, including the Wilo-Helix for pressure boosting.



centrifugal pumps works around the clock to ensure continuous hospital operations. The system is responsible for water supply and disposal at the hospital and also feeds a drip irrigation system and the fire-extinguishing system.

IN ADDITION TO THE PILOT PROJECT in the Kazakh capital, Wilo pumps and system solutions are used in a further 15 hospitals around the country, including in the major cities of Almaty and Shymkent.

WHEN IT COUNTS

DEPENDABLE BUILDING SERVICES are an essential element of every hospital. They need to work reliably, 24 hours a day, every day – as a matter of life and death.



WILO HAS BEEN FITTING OUT hospitals for several decades now. This expertise became all the more relevant in the year of the coronavirus pandemic. In Russia alone, more than 70 hospitals specialising in combating the pandemic and its consequences have been fitted out with state-of-the-art pump technology from Wilo. This extraordinarily high order volume was thanks to Wilo's excellent product quality, extensive experience and comprehensive services as well as its outstanding delivery performance. Wilo continued to guarantee full delivery capacity even under the difficult conditions imposed by the pandemic.

IN GERMANY, Wilo technology was installed at the St. Franziskus Hospital in Münster this year. More than 40 Wilo-Stratos MAXO pumps were chosen in part because of the remarkable system efficiency they offer as the most state-of-the-art and efficient generation of pumps. This means reduced electricity consumption and hence lower costs for the hospital.



THE CONSIDERATIONS FOR THE Black Lion Hospital in the Ethiopian capital, Addis Ababa, were very different. The hospital looks after around 400,000 patients every year. However, it has experienced such serious problems with its pump system over the past eight years that nurses were having to carry water to the upper floors in buckets. Following the installation of a new **Wilo pressure-boosting system**, these conditions are thankfully a thing of the past, and a reliable and efficient water supply is guaranteed – on every floor.





DIGITAL

DEVELOP AND DEPLOY



DIGITAL

As a digital pioneer in its industry, Wilo sets standards – from smart production and intelligent solutions through to connected products. Wilo's digital services are ground-breaking. They allow us to achieve new dimensions of customer satisfaction and efficiency.

DIGITAL SERVICE: THE WILO-LIVE ASSISTANT

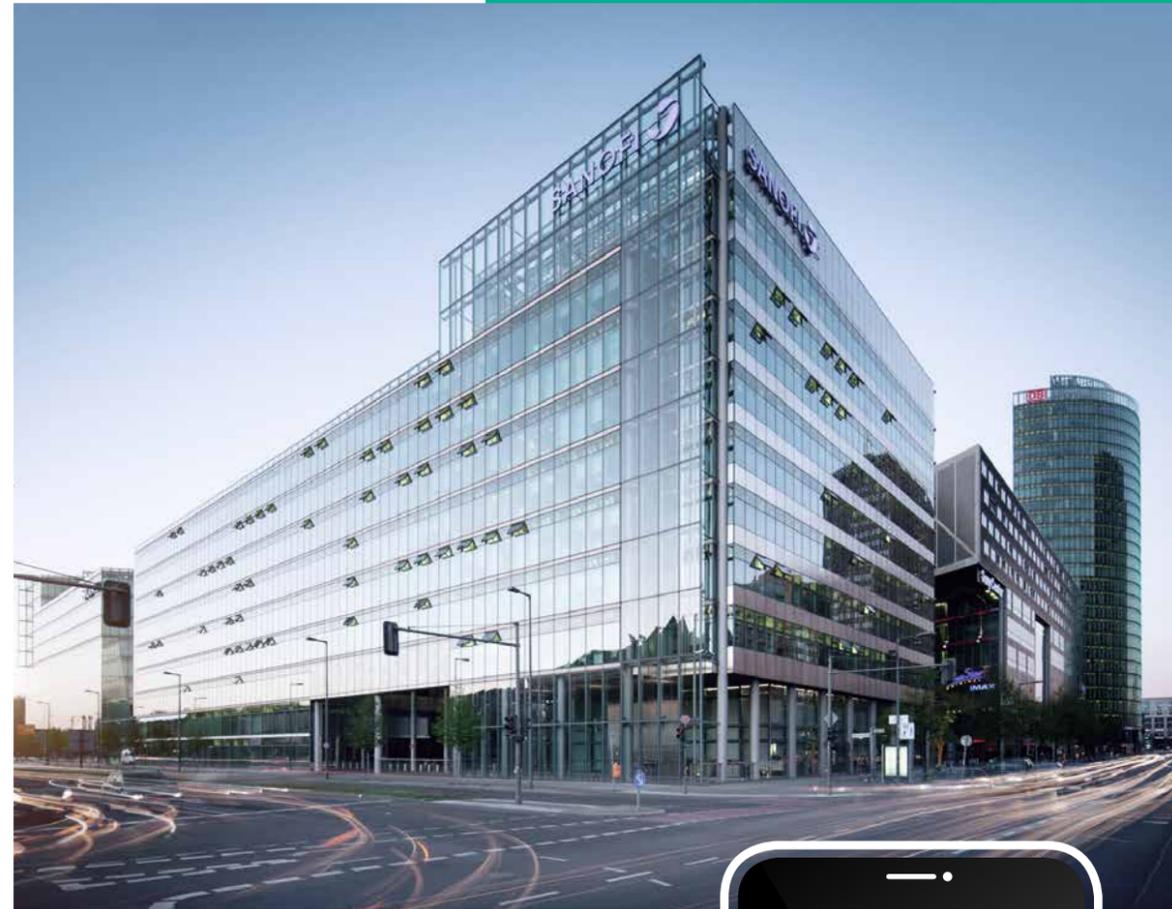
In 2020, Wilo launched a ground-breaking concept for mobile services: the Wilo-Live Assistant.

IN ADDITION TO WILO'S efficient and dependable pumps and solutions, our customers all around the world are increasingly interested in premium services. In order to meet this demand and further enhance the quality of our services, 2020 saw the launch of the Wilo-Live Assistant. It represents a milestone in terms of service quality, availability and value added for the customer and uses a simple object that almost every technician, fitter or facility manager has with them at all times: the smartphone. Following an extensive test phase in locations including Germany, Austria, Russia, the United Kingdom and

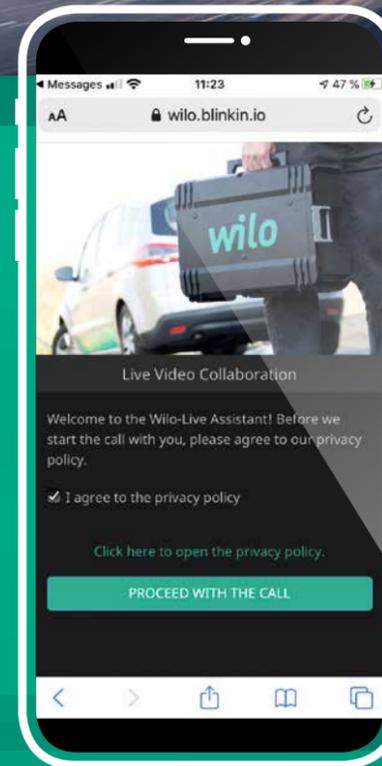
Dubai, the Wilo-Live Assistant was successfully launched in around 25 countries in February 2020, followed by another 15 in March.

THIS PUT us in a position to provide broad-based service during the early phase of the coronavirus pandemic, allowing us to perform maintenance and troubleshooting while complying with social distancing requirements. Another of the development objectives was to keep the barriers to using the Wilo-Live Assistant as low as possible. It is available free of charge and does not require users to download an additional

app. The Wilo-Live Assistant uses standard smartphone technology and service and sales experts ensure that the entire portfolio is covered, from building services to water management and industry to OEM.



A LOCAL PRESENCE EVERYWHERE
*Quick, secure and professional –
the Wilo-Live Assistant takes service
to a new level.*





BESANÇON | FRANCE

THE BANK THAT SAVES

Crédit Agricole Consumer Finance S.A. is a subsidiary of Crédit Agricole and the European market leader for consumer loans. Wilo supplied intelligent pump systems with smart energy management for the company's headquarters in Besançon.

SMART PRODUCTS FOR SMART BUILDINGS

Smart homes and intelligently connected buildings are no longer a rarity – they have become the gold standard for all new builds.

SUSTAINABILITY CONSIDERATIONS are increasingly being taken into account in today's building design and construction. The less energy a building consumes, the better. After all, the use of renewable energy sources on the supply side alone will not be enough to reduce CO₂ emissions to the extent required to slow climate change. Intelligent building control is playing an increasingly important role in this respect. And pumps and pump systems are a central component of building services.

THE WILO-STRATOS MAXO is the world's first smart pump* and sets standards in terms of energy efficiency, installation, customer comfort and connectivity. It combines the qualities of Wilo's traditional high-efficiency

pump with the requirements of smart buildings. Thanks to its numerous interfaces, it can be easily integrated into complex building systems across a wide range of applications. In this way, the Wilo-Stratos MAXO achieves outstanding efficiency ratings that allow it to make a significant contribution to a building's overall energy efficiency.

WILO-STRATOS MAXO

The world's first smart pump.*





WILOPARK

OUR NUMBER 1
DIGITAL LOCATION

FACTS

180,000

square metres is the size of the construction project – about the same as 26 football pitches.

2,000

employees work at the Wilopark.

4,000

solar modules save 3,500 tons of CO₂ every year.

166

Wilo pumps are used throughout the Wilopark.

THE CONSTRUCTION of the new headquarters in Dortmund is the biggest investment project in the company's history at around EUR 300 million. The new smart factory commenced production in full in 2020. As well as meeting Industry 4.0 standards, production will be carbon-neutral starting from 2021 – four years earlier than planned.





SUSTAINABLE

**PRESERVE
AND
PROCEED**

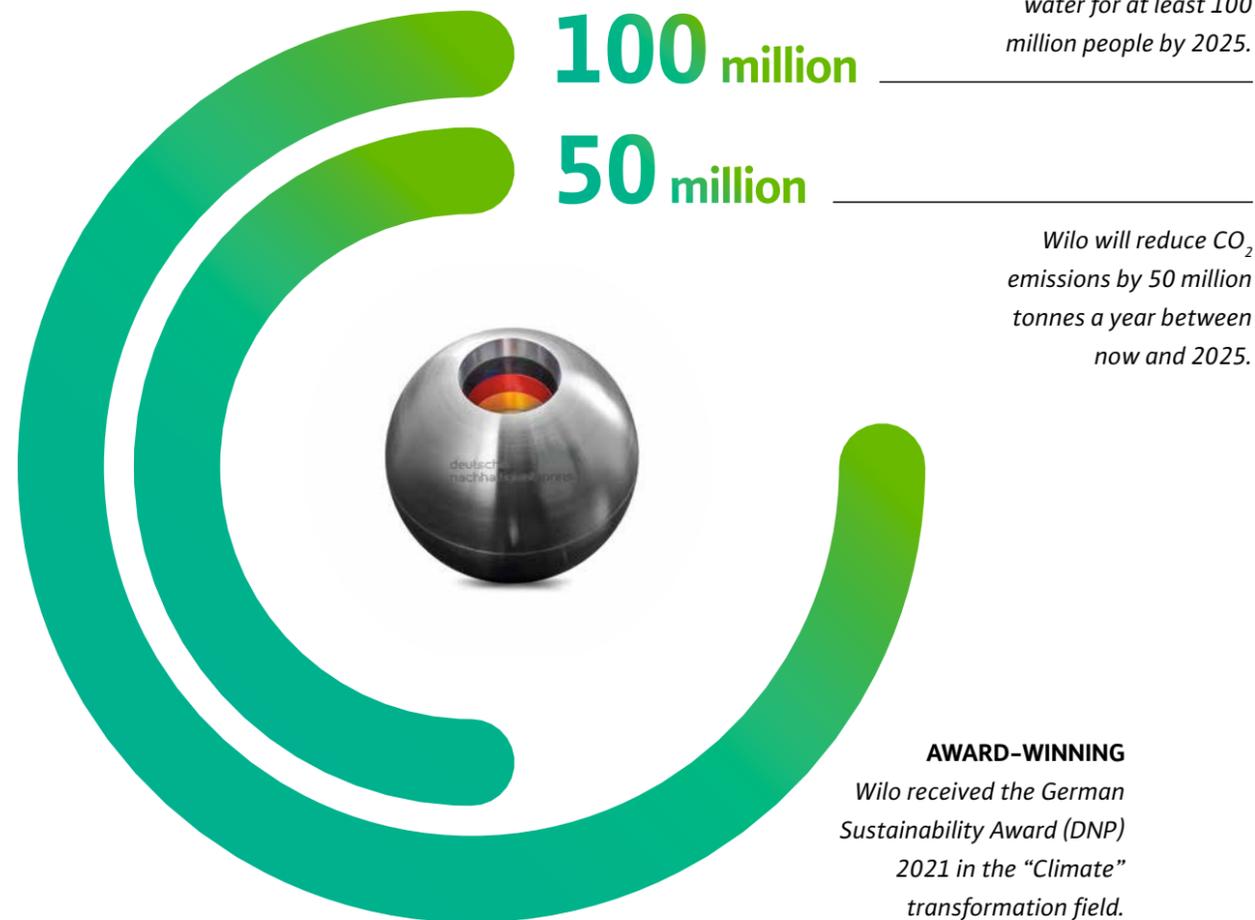


SUSTAINABLE

Wilo offers sustainable solutions and takes responsibility for society. Our highly efficient products and systems help to save energy. And by 2025, all of Wilo's production sites around the world will be carbon-neutral.

CLEAN WATER, CLEAN ENERGY

The central tenet of our sustainability strategy is to use intelligent products, solutions and services to provide more people with clean water while simultaneously reducing the ecological footprint.



50 SUSTAINABILITY & CLIMATE LEADERS

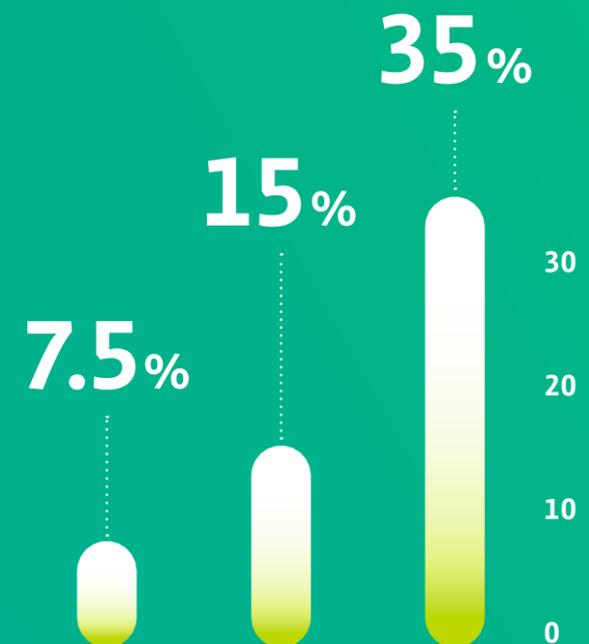
A RACE WE CAN WIN 

IN 2020, Wilo was selected to participate in the global "50 Sustainability & Climate Leaders" initiative alongside 49 other companies with international operations. The participating companies all demonstrate excellence in the

pursuit of sustainability strategies based on the United Nations Sustainable Development Goals (SDGs) with the aim of slowing climate change. They take a clear stand on topics such as climate protection, energy and resource efficiency and

digital transformation. Working with global network partners, the Sustainability & Climate Leaders promote future-oriented, climate-friendly solutions and proactively encourage dialogue with politics, business and NGOs.

THE SMARTEST SOLUTIONS ARE ALSO THE MOST CLIMATE-FRIENDLY



OUR TARGETS FOR 2025

- 7.5% Annual growth in our range of innovative water solutions.
- 15% Annual growth in our smart product portfolio.
- 35% Annual growth in our portfolio of smart water systems.

EFFICIENT, DURABLE, SUSTAINABLE

With their exceptional system efficiency, innovative concepts and outstanding reliability, Wilo's products and solutions make a relevant contribution to climate protection.

PUMPS CONSUME AROUND TEN PERCENT of the electricity generated around the world. At the same time, many of the pumps currently in use are outdated and inefficient. In other words, vast potential for energy and CO₂ savings can be leveraged simply by exchanging obsolete technology for the latest generation of modern high-efficiency pumps.

WILO OFFERS A wide range of products, solutions and services for different applications and different conditions. While mod-

ern smart buildings and cities require technological solutions and smart products, different qualities are often required in agricultural regions or extreme climatic conditions. Longevity and reliability are important characteristics of the pumps used, as are sustainability and – depending on the conditions – the ability to operate off-grid using solar modules, for example.

IN ADDITION TO REDUCING CO₂ emissions and hence mitigating the greenhouse effect, Wilo contributes to a sustainable approach

to the consequences of climate change in other areas. Innovative and resilient products and concepts are used to combat water shortage, which is posing huge challenges for more and more regions of the world. Extreme weather events like heavy rainfall or flooding can also be effectively countered using Wilo solutions.



WARSAW SPIRE, POLAND

SKY-HIGH Wilo fitted out the Spire office complex in Warsaw with innovative solutions and a wide range of coordinated products.

ENERGY FROM THE EARTH

Indonesia is beginning to harness the power of its volcanic resources with large-scale geothermal power plants – Wilo is supplying the necessary pump technology.

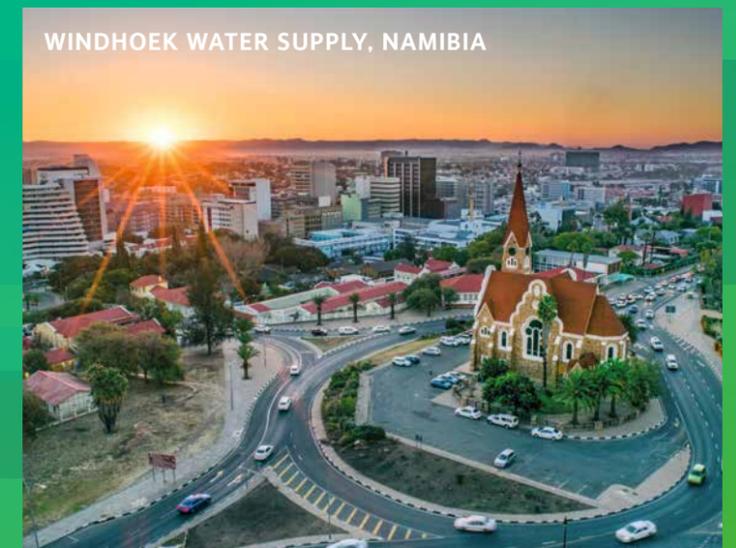


IJEN GEOTHERMAL PROJECT, INDONESIA



WILO-ACTUN ZETOS K8

As well as being the most efficient in its class, the borehole pump is extremely reliable – making it ideal for challenging infrastructure projects like water supply in the Namibian capital Windhoek.



WINDHOEK WATER SUPPLY, NAMIBIA



“Hydrogen technologies and systems have been defined as a value chain of strategic interest, meaning that Wilo’s solutions in this area are also systemically important. In future, our products and systems will make an essential contribution to the generation, distribution and utilisation of blue and green hydrogen.” *Oliver Hermes*

THE STUFF THE FUTURE IS MADE OF

From industry and transportation to heating, our society requires green energy in every area of life. This demands a solution that is both CO₂-free and capable of being stored and transported: hydrogen. It has vast potential as the energy source of the future. And Wilo has the potential to be a global player for the generation, storage, distribution and use of hydrogen.

IN THE TWO DECADES FROM 2000 to 2020, the share of total electricity consumption attributable to renewable energies has increased from six percent to 46 percent – and this development is set to continue. However, this alone will not be enough to meet the necessary goals of the Paris Agreement and slow climate change. Methods of efficiently storing, transporting and distributing renewable energy are also required. Green – CO₂-free – hydrogen is not merely an ideal solution, but an essential one. Generated from wind, solar or hydro power, it can be used in a wide range of applications: in fuel cells for generating electricity and heat, as a feed stock in industry, or as a source of fuel for

transportation. It is the component that is urgently required to link the energy sectors and establish a sustainable global energy system. Countries that generate an excess of green energy can use hydrogen to export it, thereby facilitating the global energy transition. In this respect, green hydrogen has the potential to become the oil of the future. Wilo offers products and solutions along the entire value chain, from generation and storage through distribution to use in buildings, industry and transportation.



HYDROGEN – THE EMERGENCE OF A GLOBAL MARKET

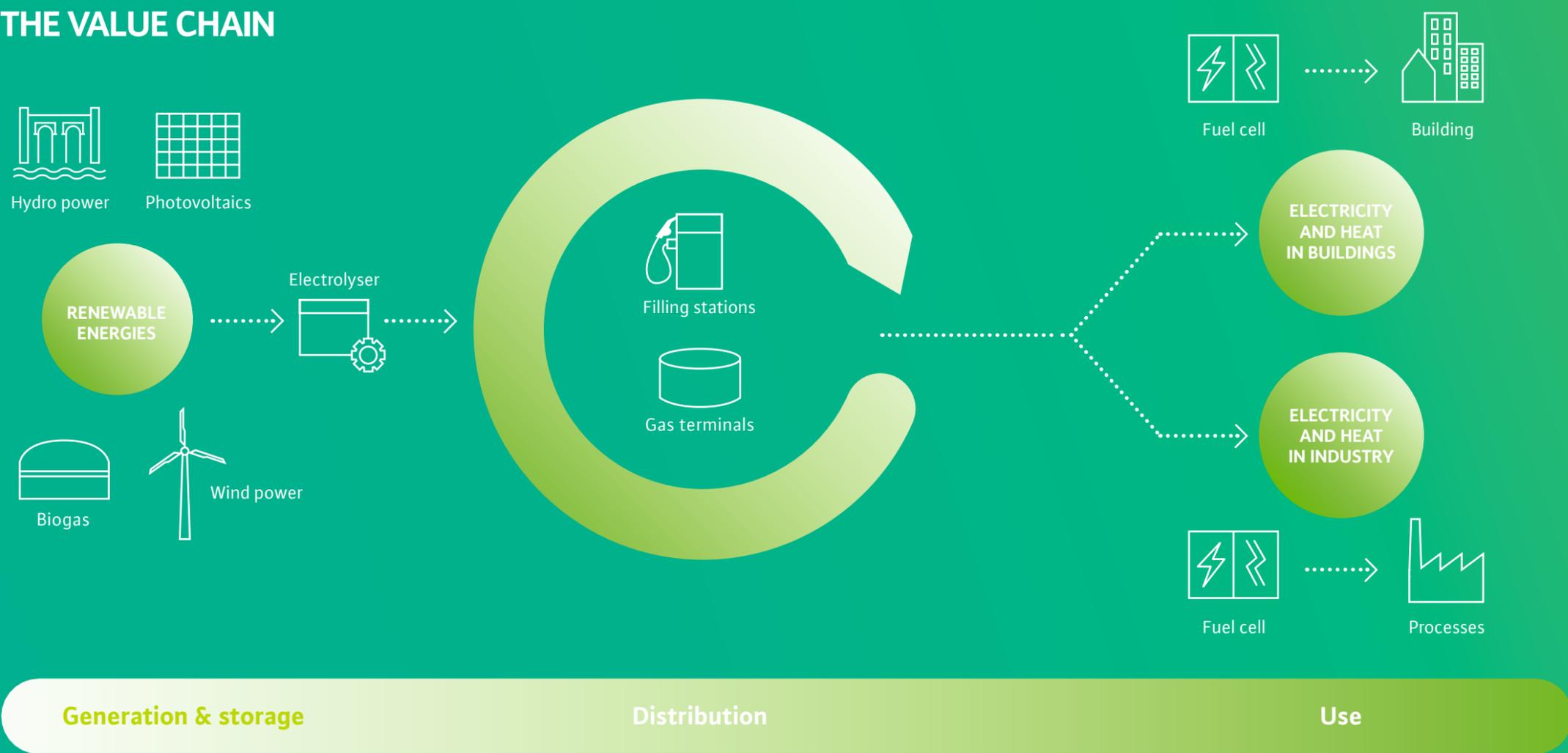
The advance of hydrogen technology around the world is opening up huge opportunities and potential – including for Wilo.

THERE ARE DIFFERENT ways of producing hydrogen. To use it as a clean form of energy, it is necessary to generate it via the electrolysis of water using only electricity from renewable sources, meaning that the resulting hydrogen is carbon-neutral. Wilo already has numerous products and solutions in its portfolio that can be used in the first stage,

i.e. generation and storage, from reverse-running pumps for driving hydropower generators and pumps for cooling circuits in wind turbines through to rotor drive actuators for these turbines. And as hydrogen makes its way to the end user, there are further wide-ranging possibilities for using Wilo's products, solutions and services, including in areas such as fuel cell

technology. This applies not just nationally, but globally: From the USA to Japan, from Russia to the Netherlands, a number of countries are energetically advancing the growth of hydrogen as an energy source.

HOW HYDROGEN MOVES ALONG THE VALUE CHAIN



THE COLOURS OF HYDROGEN

- GREY HYDROGEN** is obtained from fossil fuels and intensifies the greenhouse effect.
- BLUE HYDROGEN** is grey hydrogen whose CO₂ is separated during production and stored, meaning it is only partially carbon-neutral.
- GREEN HYDROGEN** is produced via the electrolysis of water using electricity only from renewable sources. Green hydrogen is CO₂-free.
- YELLOW HYDROGEN** is generated using nuclear power.
- TURQUOISE HYDROGEN** is produced via methane pyrolysis and is only partially carbon-neutral.

GLOBALISATION 2.0

International thinking, regional
action, connected work.



“I AM AN INCURABLE OPTIMIST”

Deglobalisation, advances in digital transformation and the importance of cross-cultural cooperation – Professor Olaf Plötner from the European School of Management and Technology in Berlin talks about the opportunities and risks of a changing world economic order and why he is still looking to the future with optimism.

Between Trump, Brexit and the coronavirus, globalisation has faced a number of serious tests in recent years. What events or trends do you consider to be the most important and most fundamental? What can we expect to see over the next ten years?

In the past year, the pandemic and the upturn in nationalism were the biggest bottlenecks for the world economy. However, signs of an end to the growth in global trade had already been emerging in recent years. The global movement of people and goods had encountered resistance, including from a climate change perspective. We now know that the global movement of people and goods will become increasingly less important in any case. After all, in recent months we have learned that we can meet people on Zoom and new technologies could reduce the export of products. As the wage differential between countries has narrowed, it is often no longer viable to manufacture products in a low-wage country in order to sell them in a more expensive country. This applies to China in particular. I expect all of these trends to continue and, in some cases, intensify over the next ten years.

What do the changes in globalisation mean for companies' strategic orientation?

Companies that operate around the world need to adapt to global developments. We are currently seeing the deglobalisation of the trade in goods, while the movement of goods and services within regions is increasing. As such, companies are being forced to think more regionally again.

What opportunities will emerge from these changed circumstances?

As a matter of principle, companies that adapt swiftly to changing market conditions are more successful than those that miss the boat. For example, companies that are less affected by new import duties will have lower costs. Companies that can meet customer demand in a given region better than others will be in a position to grow their sales. Particularly good opportunities are available to companies that continue to reap the rewards of trans-regional cooperation even as regionalisation increases. Generating these kinds of synergies requires an open and diverse corporate culture – something that is still all too rare.

What are the particular new risks of “Globalisation 2.0”?

The demographic, political and sociological problems go beyond my business management perspective. Speaking from that perspective, however, I see two principal risks: that company management will respond too slowly to external developments, and that employees will be unwilling to buy into the necessary changes. In my experience of business practice, the latter is a greater risk than the former.

Some companies have highly integrated value chains spanning regional boundaries. Do you believe that they will increasingly regionalise or even localise these value chains in future?

Yes, that is exactly what I expect to happen. The argument of resilience has come into considerable focus during the pandemic crisis. And as I mentioned, there are additional reasons for the growing regionalisation of the economy.

What impact will the reshoring and nearshoring of production and supply chains have on companies’ profitability?

The main reasons why it used to be commonplace for companies to offshore their production and administrative processes and establish large, centralised production sites was because this allowed them to leverage wage cost advantages and generate economies of scale. Once these reasons no longer apply, this can initially mean higher costs for companies with a corresponding impact on profitability. At the same time, the increased use of modern technology can reduce costs. And if nearshoring allows a company to avoid the import duties its competitors are incurring, this can give rise to relative profitability advantages.

How can a “region-for-region” approach be intelligently combined with an open, multilateral orientation at an international level?

Exchange between regions is tremendously important. If great product ideas are developed in a certain region,



OLAF PLÖTNER

is a professor at the European School of Management and Technology (ESMT) in Berlin. His research and teaching focuses on strategic management in global B2B markets. Among other things, his work is compiled in his book “Counter Strategies in Global Markets”. In addition to his position in Berlin, he is a visiting professor at Darden School of Business in Virginia, USA, and the China Executive Leadership Academy Pudong in Shanghai.

business units in other regions should also be able to benefit from them. This strengthens a company’s overall success. There are many tools for ensuring this kind of cooperation, from the establishment of international project groups through to sophisticated incentive systems. In my opinion, however, strengthening interpersonal connections between colleagues in different regions is the most effective approach. After all, people across all cultures help their friends without expecting financial incentives. Of course, senior management also needs to set an example when it comes to cross-cultural cooperation. In this respect, I believe that German companies are ahead of their counterparts in the USA and China, where medium-sized companies in particular tend to still have an extremely national focus.

Will it be easier or more difficult to find joint responses to global challenges like climate change in future?

OK, let me look beyond my business management perspective for once and try to assess the wider contexts of the world. At the start of this interview you mentioned Trump and Brexit. Neither of them made a contribution to combating climate change; instead, they had the effect of weakening the western power bloc. At the same time, nationalism in other countries is on the rise – look at Brazil, India and Turkey, to name just a few examples. But adopting a national mindset is counter-productive when it comes to global climate change. While the benefits of climate-damaging behaviour are primarily enjoyed by your own citizens in the short term, many of the disadvantages are subsequently borne by others. If we continue to see the fragmentation of national interests, I would expect it to become more difficult to find joint responses to climate change in future. At the same time, China has been gaining geopolitical influence for decades now. It is hard to say to what extent China will use this influence for climate protection. However, my observation is that environmental protection is becoming increasingly important in China, which gives me cause for optimism. Trump’s election defeat has reinforced this sense of optimism.

And I am also allowing myself to hope that Europe and our continent’s key countries will soon join forces more closely than before, as this would give us a louder voice in the global debate on climate protection. As you can tell, I am an incurable optimist.

The coronavirus pandemic has accelerated the digital transformation. Is this a one-off event, or will the trend continue at the same pace? How do you see things developing in future?

The pandemic is just one of many accelerating events. Previous examples include the launch of the Internet or the smartphone, and there will be many more in future. Digital technologies will continue to become increasingly more important, not least since developments like artificial intelligence are still in their early stages. The same is true for “Industry 4.0”, incidentally, and I am quite sure that we will see further substantial developments in this area in the near future.

What risks and opportunities could arise for companies as the digital transformation progresses?

Digital technologies present great opportunities for improving process efficiency, driving innovative development and making the value chain more sustainable. I mainly see risks for those who respond too slowly or who close themselves off from these developments altogether. This applies to companies that lose touch with their competitors, but also to employees who lose out on attractive career opportunities due to mental stagnation. And it also holds true for countries – after all, they are participants in a global competition too.

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*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.



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