

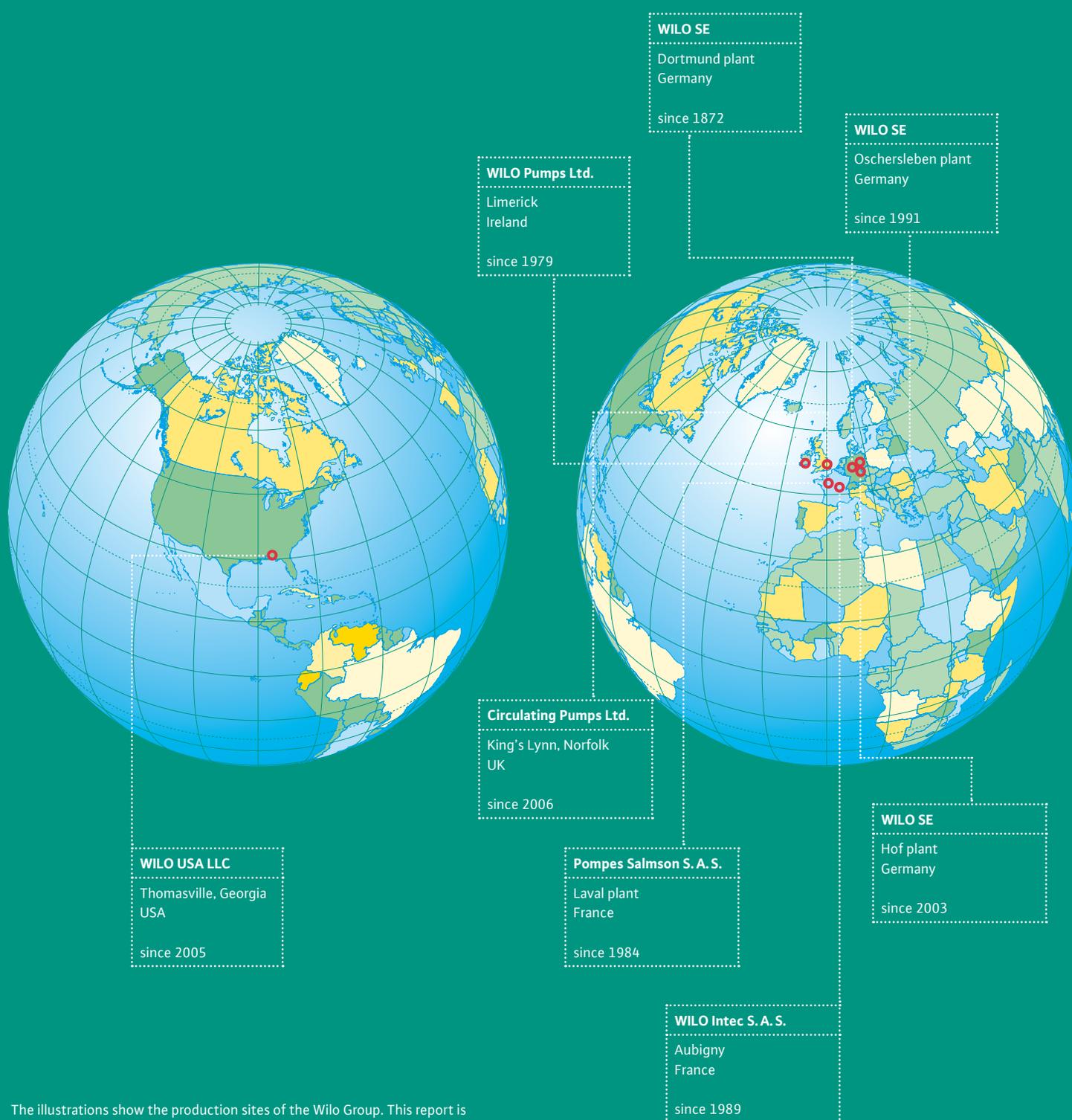


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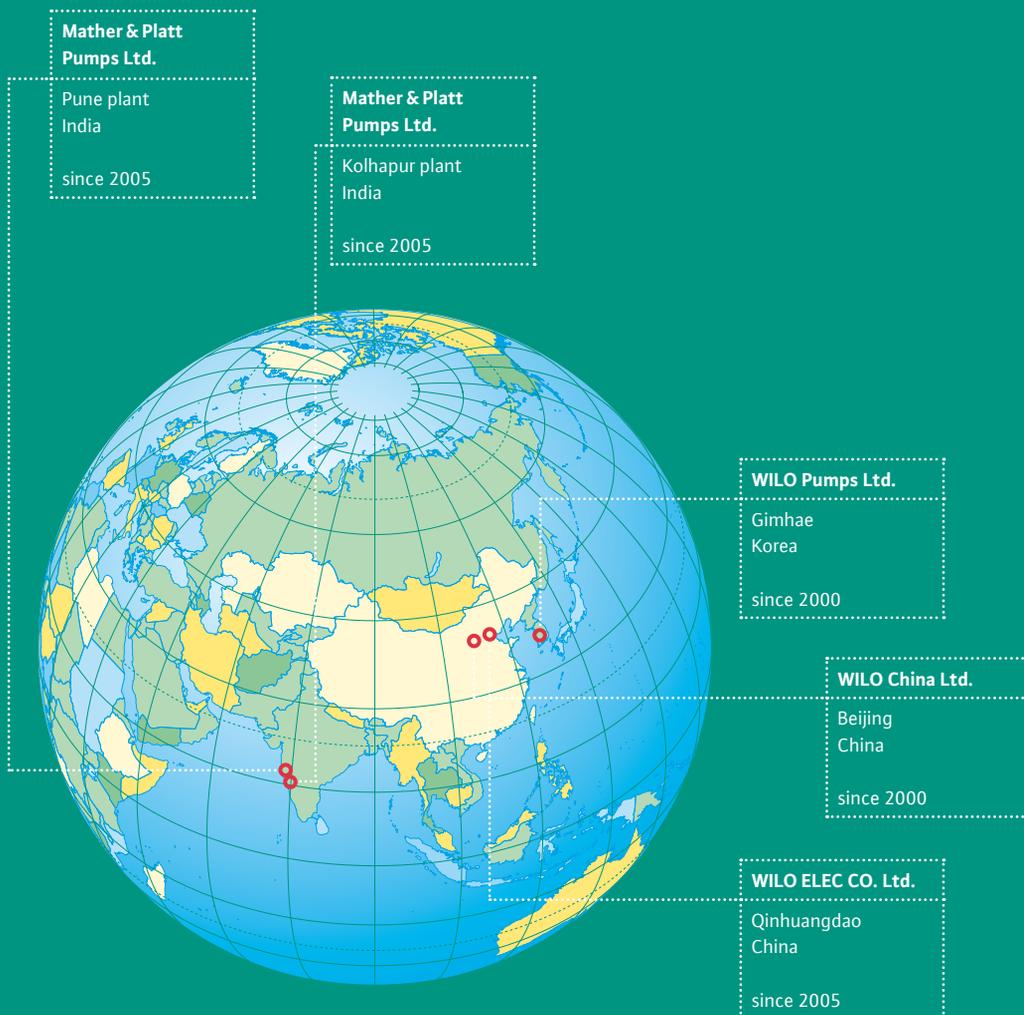
Together. Global. Sustainable.

# Wilo worldwide

WILO SE has its headquarters in Dortmund and is one of the leading manufacturers of pumps and pump systems for heating, cooling and air conditioning, water supply and sewage disposal. Wilo is at home all over the world with 13 production sites, over 60 subsidiaries and more than 6,200 employees.



The illustrations show the production sites of the Wilo Group. This report is based on the data from these sites. The annual figures show the production plant's or company's contribution to the Wilo Group.



### Technological leader with a long tradition

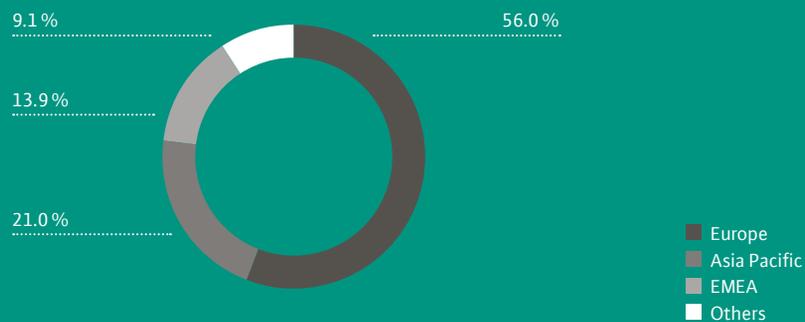
Founded in 1872 as the Louis Opländer Copper and Brass Goods Factory, the company has developed to become the leading innovator in the high-tech pump sector. In 2010, Wilo achieved a turnover of EUR 1,021.4 million. Wilo has always made a contribution to technological progress – 1928 saw the world’s first circulation accelerator, 2001 the Stratos, the world’s first high-efficiency pump for heating, air conditioning and cooling applications, 2009 the revolutionary Wilo Geniix decentralised pump system, and 2011 the world’s first high-efficiency glanded pump: the Stratos GIGA.

# Together. Global. Sustainable.

In the business year 2010, the Wilo Group reorganised its regional sales structure so that it now comprises the following four reportable operative segments and their corresponding countries:

- Europe: All European states except Russia, Belarus and Ukraine
- Asia Pacific: India, China, South Korea, South-East Asian states, Australia and Oceania
- EMEA: Russia, Belarus, Ukraine, Caucasian states, the states of the Gulf region, African states
- Others: States of the American continent and other countries not allocated to any of the above regions

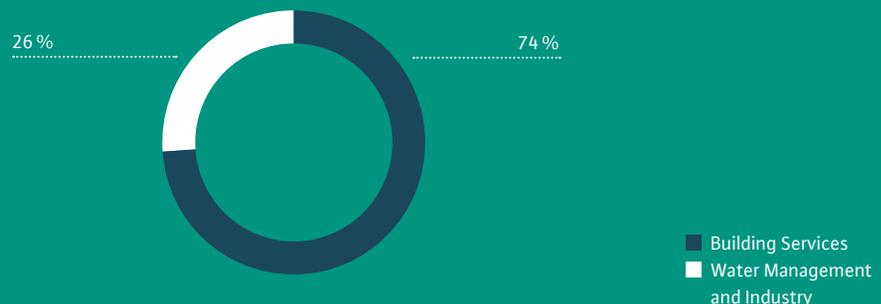
## Regional sales in %



## Employees by region (as of deadline date) in %



## Wilo Group sales revenue by market segment in %





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## Foreword by the Executive Board

### Dear readers,

The demand for innovative and highly efficient products continues to grow day by day – this positive development has played no small part in enabling Wilo to emerge from the global economic crisis with renewed energy and confidence. 2010 was the most successful financial year in our company's 139-year history. This served to prove the effectiveness of our product strategy, which focuses heavily on resource-conserving innovations. In some parts of the world, water is already being referred to as "blue gold". Our entire product range is designed to handle and transport this precious resource in an environmentally friendly and highly efficient manner. Our commitment to the German Water Partnership network is further evidence of the fact that we also use the initiatives of our own company to campaign for energy and resource efficiency, climate protection and, most importantly, water conservation. In our global environment, we understand this to be our responsibility.

We have taken great care to establish a universal strategy across the company and to prepare it for continued and sizeable international growth. For it is our avowed goal to promote the continued independent and profitable expansion of our company on a global scale. We attach great importance to implementing a business policy which is based on sustainability and innovation. That is why we once again invested more than EUR 30 million in the research and development of our products throughout the year.

We have divided our sustainability management strategy into three areas of activity:

In the area of activity of "International growth with sustainable product innovations" we continuously achieve record levels of performance. As in previous years, the topic of resource productivity is still one of the top priorities on our agenda. With regard to the launch of the Wilo-Stratos GIGA in 2010, this area was responsible for successfully preparing the ground-breaking innovation for its market debut. High efficiency is now an additional feature of the high-performance pump class, meaning that there is now a considerably lower material requirement and a significant reduction of CO<sub>2</sub> emissions can be achieved in heating and air conditioning applications.

The driving force behind our successful operation is our employees. In 2010, our intensive and intercultural collaboration became the centre of focus in our second major area of activity, "Sustainable partnership born from tradition".

With respect to the demographic change, we maintain a clear overview of all age groups and their diverse requirements: we motivate the young with our versatile and modern training initiatives. This helps us to inspire talented and highly motivated individuals to join the next generation of Wilo employees. Against the backdrop of a society in which the average working life duration continues to rise, we additionally place particular emphasis on sustaining the well-being, working capacity and motivation of our current staff members.





“Sustainability in production and infrastructure” defines our third and final area of activity. In 2010, the enhanced development of our production system focused primarily on the systematic incorporation of the planning processes. Furthermore, we follow the objective of universally aligning all new processes and systems to the methods for efficient production.

With a plethora of innovative ideas and initiatives, a product range that is constantly increasing in efficiency, and a staff of motivated, responsible and culturally diverse employees, Wilo is in an excellent position to harmoniously combine the traditional values of a family company with the challenges of an internationally active corporate group.

Many thanks for taking an interest in the seventh edition of our sustainability report.

Oliver Hermes

Dr. Holger Krasmann

Eric Lachambre

Dipl.-Oec. Oliver Hermes (40)

Spokesman for  
the Executive Board

Globally responsible for Finance,  
Controlling & Human Resources



Dr.-Ing. Holger Krasmann (49)

Executive Board member  
Technology & Production

Globally responsible for pro-  
duction sites and the research  
and development activities  
of the Wilo Group



Eric Lachambre (44)

Executive Board member  
Sales & Marketing

Responsible for global sales and  
marketing activities





*Electronics production employees,  
Dortmund plant, Germany*

# SUSTAINABILITY STRATEGY

*Wilo*





## Our sustainability strategy



### Ethics

Wilo has defined strategic objectives for 2015, which are derived from our corporate mission statement and which are a response to the future challenges facing the company (Ambition 2015). The Perform to Grow (P2G) programme has been the foundation we use to realise these objectives since 2010: we are further strengthening our position as an important global player, we have profitable growth, we are investing in our position as a leading innovator and we will remain independent.

The Wilo sustainability strategy addresses the company's goals and reflects them in the global challenges of environmental protection, water management and the productivity of energy and raw materials. We remain focused on the three fields of action we defined in 2009: international growth with sustainable product innovations, sustainable partnership born from tradition, and sustainability in production and infrastructure. In these fields, one can see the concrete work carried out by our sustainability management team. Each member of the company's Executive Board bears responsibility for our society and the environment. This can be seen in the Wilo Group's many international operations and projects.

Wilo's corporate mission statement defines a high level of responsibility for the company and its employees with regard to society and the environment. The charter for sustainable corporate development is derived from the corporate mission statement and fleshes out the demands we make of ourselves with regard to ecological, economical and social factors (the sections of the charter, see page 9, are allocated to the corresponding texts in the report). Responsible corporate conduct as defined in our Code of Conduct becomes a maxim for all who accept a job at Wilo.

## Corporate Guideline

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1. We are customer-centric.
2. We are focused on performance and success.
3. We are innovative and go on improving.
4. We have confidence in our people and nurture them.
5. We manage our company responsibly.
6. We take responsibility for the environment and society.
7. We stand for seamless quality excellence and applications expertise.
8. We secure and fine-tune our core competencies within the company.
9. We ensure openness, transparency and flexibility in our organization.
10. We are a forward-thinking family business rooted in tradition.





## Ethics



The complete Code of Conduct is available for download in PDF format online at: [www.wilo.com/CodeofConduct](http://www.wilo.com/CodeofConduct)

# “Acting Responsibly” the Wilo Group’s Code of Conduct

Over the 139 years it has existed, Wilo has grown into an internationally successful company. We have a presence in the markets of over 40 countries, and subsidiaries on three continents. The Wilo Group unifies a diverse range of cultures under one roof. As such, establishing a common set of principles and values for all cultures is a fundamental part of our approach: our Code of Conduct summarises our traditional values as a global company. The Code serves as an instrument for strengthening the loyalty of all Wilo employees, and guarantees trusting and productive cooperation with our customers, suppliers and service providers. It is our express aim to implement this Code of Conduct sustainably as an integral basis for our corporate operations.

## Facing the challenges of the future

Interview with Christian Blessinger, Compliance Director of WILO SE

***In 2010, Wilo developed a Code of Conduct that became effective on 1 January 2011.***

***What were the objectives behind the Code?***

Wilo is an international company operating in many different cultures and legal structures. In order to allow our employees, customers and suppliers to navigate the principles of these structures, we needed a universally applicable standard – especially for countries which have a different understanding of the applicable legal regulations. A standardised set of rules such as those provided in our Code of Conduct puts us in a better position to face the challenges of the future.

***How has the Wilo Code of Conduct altered the company’s approach?***

Wilo has always been compliant – we have observed rules and regulations, and operated on the basis of fundamental values. What is new is that we have given the system of values we have been using for years a standardised framework which we have set down in writing and which we will communicate to the outside world. Another new aspect of this is that we have entered into voluntary agreements, so that we actually do more than is required by the national legal systems.

***A Code of Conduct needs to take into account the different values held by different cultures.***

***How have you managed to achieve this?***

Without doubt, this task is the biggest challenge one faces when introducing a Code of Conduct and implementing the entire project. There were a lot of internal discussions on this subject. Our Code of Conduct serves as a basic set of regulations that must be observed by Wilo employees all around the world. It was important that we left enough flexibility to allow employees to adapt to local customs. This was essential in obtaining the acceptance of our employees. Otherwise, we would have had to work with a system of checks and sanctions, which is not what we are aiming for. Instead, we are working with a common understanding, a “Wilo culture”, which is what the Code of Conduct is meant to define. Of course, developing such an understanding takes time.





### ***To what extent does the Code of Conduct influence the day-to-day work and operations of Wilo employees?***

With the Code, we have defined the general framework conditions. These are a quick reference for defining desirable and undesirable conduct. In the near future, as many of these conditions as possible will become more concretely defined in the form of guidelines.

## In dialogue with our stakeholders

For the individual companies within the Wilo Group, 2010 offered many opportunities to talk to individual stakeholders. In addition to the day-to-day dialogue between employees, customers and suppliers, our website, the financial and sustainability reports, and – for our employees – teamwork are just some of the specific media that provide open, transparent information on the company. At this point, we would like to highlight two of the numerous activities in 2010 that enabled personal contact with our stakeholders. This will allow us to document the cultural bandwidth and initiative displayed by our companies. Over the coming years, we plan to systematically survey our stakeholders on the topic of sustainable economics. We will begin in 2011 with our employees and customers.

### **Family day at WILO Pumps Korea (WPK)**

Every two years since 2001, WPK has organised a large excursion – the Wilo family day. Employees, their families and suppliers and business partners are all invited – almost 600 people come together for this event. Last year, the family day was held at a leisure complex very close to the production plant in Gimhae. Sports tournaments and team-building activities boosted the team spirit, and a barbecue helped to replenish everybody's energy. A particular highlight of the 2010 event was the singing competition, which was even shown on local television.

The family day offers the sales company employees who are not based in Gimhae the opportunity to spend time with their colleagues and strengthen that “Wilo feeling”. The same also applies to the suppliers and business partners, who can talk about business in an informal atmosphere and build their contact network. As part of the “Wilo family”, this helps them to garner a sense of belonging and community, which has a positive effect on loyalty and cooperation in the company. After the day out, the participants were asked how they felt about the event – they were all impressed.



### **Involvement with stakeholders**





IX

## Involvement with stakeholders

### Sustainability week at WILO Intec, Aubigny/France

Since 2007, the first week of July at WILO Intec has been about sustainability. Over the course of a whole week, employees, business partners and the public are informed of the company's main activities with regard to sustainability. The event looks back at what has already been achieved and sheds some light on processes that are both ongoing and in the planning stages. One important method of communication – besides the Wilo sustainability report – is a local sustainability brochure, which provides details of the activities of the past twelve months. This is supplemented by posters hung on a home-made “train” comprised of transport crates from the Production department, which then carries participants through the entire Production department. In order to ensure that our administrative colleagues are also kept informed of any progress, the posters are also hung in the corridors near the offices.

One day of sustainability week is traditionally reserved as a public information day. Business partners, local government officials, representatives of other companies, and the local press take up this offer. The 2010 event focused on product innovations, the opening of the new WIFIT fitness centre, and especially on the theme of an ergonomic working environment. Designers worked closely with employees in configuring work stations for the production of the new product families. Stationed in exact cardboard replicas of their U-shaped work cells, Production employees simulated every action, thus contributing to the optimisation of ergonomics, quality and maintenance (see the section “Wilo Production System”, page 23).



In the WIFIT centre: participants in sustainability week at WILO Intec

Did you know that the WIFIT centre was used by 40 active Wilo employees in 2010?





# Charter for sustainable company development

## Ten demands we make on ourselves

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I

### **Ethics**

We run our international business in accordance with all the relevant laws, regulations and standards.

II

### **Employees**

We train and motivate our employees so that they can commit themselves individually to the sustainable development of Wilo in protecting the environment and conserving resources, as well as playing an active role in society.

III

### **Working environment**

We strive to make the working environment and conditions safe, motivational and innovative for all our employees and at all sites.

IV

### **Product innovation**

We promote innovations. The highly efficient way in which our innovative pumps and pump systems operate means that they reduce energy consumption and thereby contribute to cutting CO<sub>2</sub> pollution in the environment.

V

### **Process work**

We apply our "Product Development Guideline", our "Integrated Management Systems" (quality, environment, health & safety), the Wilo Production System and the "Total Quality Management" method in order to improve our products and processes on a continuous and sustainable basis.

VI

### **Product life-cycle**

We take account of the life-cycle of our products with regard to sustainability aspects in development, production, sales, maintenance and disposal/suitability for recycling.

VII

### **Resource productivity**

We continuously measure our use of resources and strive to reduce it. We aim to reduce or avoid harmful emissions as well as increasing the recycling quota.

VIII

### **Society**

We strive to make any impact of our plants on the neighbourhood and surrounding areas socially acceptable. We take our responsibility as a corporate citizen seriously.

IX

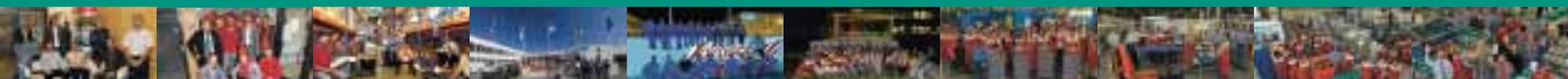
### **Involvement with stakeholders**

Our sustainability approach derives from continuous contact with our stakeholders and from an intensive and critical commitment to the public debate on this matter.

X

### **Continuous improvement**

We encourage all interested and affected parties to support us actively and creatively in our efforts towards sustainable economic activity.



Employees at a WPS board in motor production,  
Dortmund plant, Germany



INTERNATIONAL GROWTH  
*with sustainable product innovations*





## The Wilo-Stratos family

### our active contribution to protecting the environment



#### Product innovation

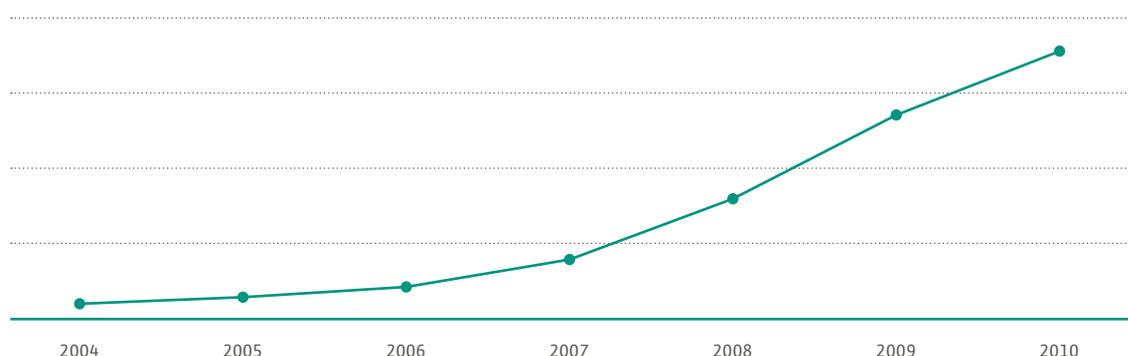
In November 2009, the Ecodesign Directive 2009/125/EC came into effect. The key difference compared to the previous directive: the scope of the directive has been extended from “Energy-using products” to “Energy-related products” (ErP). As such, it now also includes passive products, such as insulation and windows. The aim of the directive still is to promote environmentally friendly product design – thus saving energy and resources throughout the entire life-cycle, from development to recycling.

The ErP Directive differentiates between various kinds of pumps: “glandless circulation pumps”, “pumps with a glanded design” and “electric motors”. The “Regulation on the Efficiency of Glandless Circulation Pumps” requires an Energy Efficiency Index of  $EEI \leq 0.23$  by 2015. This can be achieved by using EC motor technology. Pumps in the Wilo-Stratos series already meet this requirement.

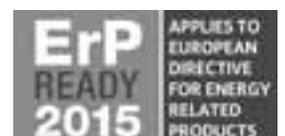
Since June 2011, a further “Regulation on the Efficiency of Electric Motors” has defined progressively increasing requirements. At first, new motors need to match energy level IE2. From 2015 (for 7.5–375 kW motors) and 2017 (for motors 0.75 kW and higher), the stricter IE3 energy level will become the valid access requirement for the European market. Alternatively, the motors must meet efficiency level IE2 and be equipped with speed control. This regulation applies to glanded pump motors.

The “Regulation on the Efficiency of Water Pumps (applicable to pump components (hydraulic) without a motor)” has yet to come into effect, but is expected to be published in 2011. The following will then apply for glanded pumps: both the motor and the pump component must match the specific efficiency criteria.

#### Development in market share of Wilo high-efficiency pumps – Glandless pumps Energy efficiency class A



Based on results for glandless heating pumps up to 2.5 kW. From 2015 onwards, pumps in this efficiency class will represent the minimum standard on the European market. Wilo is already ErP ready.





## Wilo-Stratos GIGA – the future built in today



Efficiency level IE2 for electric motors has only just come into effect, but with the Stratos GIGA, Wilo has already launched a pump that goes one better than the best limit planned for the future: IE4 (according to IEC TS 60034-31 Ed.1). This high-efficiency pump series, intended for utilisation in heating, cold-water and cooling applications, is a completely new development and the first product to use extremely energy-saving EC motors to drive glanded pumps (HED – High Efficiency Drive).

Until now, the EC motor technology had been reserved for the glandless heating pumps in the Stratos series. Here, the heating water is used to cool the motor up to a motor output of 1.3 kW. Any further demands placed on the pump output are covered using a glanded pump, which requires a separate fan to cool its motor.

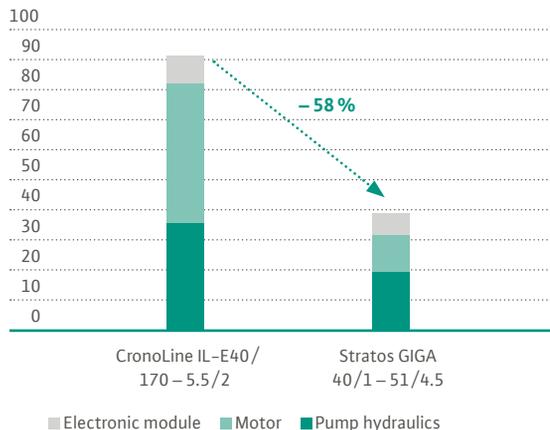
Now, Wilo has succeeded in transferring its years of experience with EC motor technology to glanded pump types. Based on motor efficiencies of up to 94 percent, the Stratos GIGA works with new pump hydraulics that are perfectly tailored to match the drives in order to achieve extremely high overall efficiency. Material savings of over 50 percent compared to an equivalent product with conventional motor technology (see digram, bottom left) make the pump much lighter and smaller, thus making a significant contribution to saving resources.

Compared to the uncontrolled pumps on the market, this gives an overall energy saving\* of up to 70 percent. And that's not all, you can also reduce your CO<sub>2</sub> emissions by up to 12.5 t per pump (German energy generation mix). Compared to older, electronically controlled glanded pumps with asynchronous motors, this offers potential energy savings of up to 40 percent\* – resulting in very quick amortisation of investment costs (usually within two years).

\*Based on the "Blue Angel" load profile

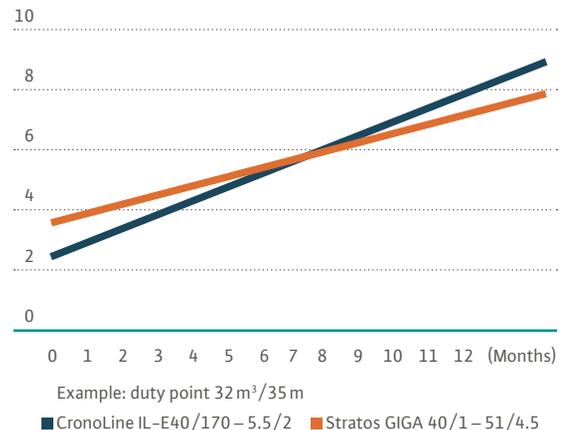


### Comparison of pump weights in kg



The new HED motor technology and adapted pump hydraulics result in greater material savings, particularly with regard to the motor.

### Comparison of life-cycle costs: Stratos GIGA and CronoLine IL-E in TEUR





# Tested: the ecological balance of small heating pumps



## Product life-cycle



### What ecological benefits do Wilo's new, highly efficient, small heating pumps offer?

Before the ErP Directive comes into effect in stages in 2013 and 2015 and bans most of today's products from the market, we arranged a comparison study of three product groups. The study included the pioneering Wilo-Stratos PICO and Wilo Yonos PICO pumps, which already match all the limits of the ErP Directive, and the Wilo-Stratos ECO. The latter is an electronically controlled high-efficiency heating pump in energy efficiency class A, but it does not match the ErP limits applicable from 2015 onwards. Two Wilo Star RS pumps (energy efficiency classes B and C) were included as representatives of the older generation of pumps that do not have electronic speed control.

The study focused on the entire life-cycle of the products from the production phase, through sales, installation and use to disposal. All the components, raw materials and materials required to manufacture the pumps were taken into account for the study. Furthermore, the effects that the pumps have on the environment during their different life-cycle

phases were also measured using eleven environmental indicators. The calculations were based on a utilisation phase of ten years with 5,000 hours per year.

Stratos PICO and Yonos PICO beat their predecessor products in all eleven environmental indicators. Their CO<sub>2</sub> emissions are six times lower than those of the type RS 25/4 pumps with efficiency class C, and 2.5 times lower than the Stratos ECO. The surface waters also profit from the high efficiency of the latest pump generation: the eutrophication factor, i.e. the entry of nutrients such as nitrates and phosphates into the surface waters, is three times lower than for the Stratos ECO.

The Yonos PICO showed the best environmental balance – this is due to it not having an LCD monitor and its electronics being simpler. Both of these factors further reduce power consumption.

The study was carried out by BUREAU VERITAS, France, 2011.



Motor production employees,  
Dortmund plant, Germany



SUSTAINABLE PARTNERSHIP  
*born from tradition*





# Human Resources



## Employees

### Wilo on the way to becoming “employer of choice”

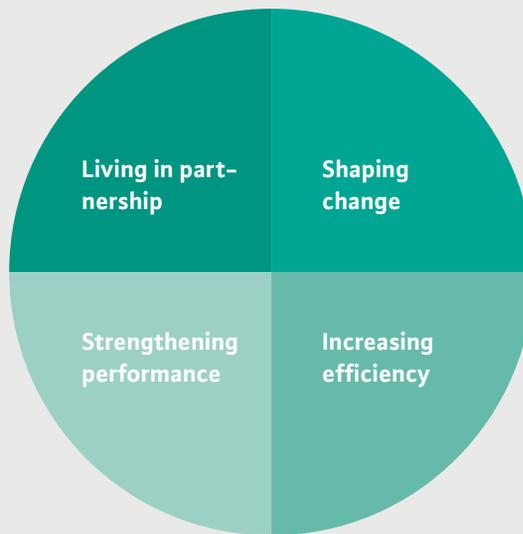
The competition to be the best employer is getting harder and harder – and only a motivated and skilled team can produce profitable and sustainable growth. With this in mind, the Human Resources department (HR) has developed a Group-wide strategy that closely follows the corporate objectives of the “Ambition 2015” programme: “be an employer of choice”. This particularly concerns the workforce required to design an optimum organisational structure that is also slimline and flexible. HR is contributing to the further development and promotion of the global corporate culture, e. g. by creating platforms for international, intensive HR discussions and globally harmonised processes and standards. At the centre of these activities is also the aim of identifying employees with great potential and systematically adding to their qualifications.

**Living in partnership:** We achieve our goals as a team. That applies not only to our day-to-day work, but also to our entire careers. We see ourselves as the management’s strategic partner. By strengthening individuals, we strengthen the entire company. Because employees who take responsibility facilitate slimline structures, transparent business processes and smooth cooperation across all segments of the company.

**Strengthening performance:** Each employee is in the best position to utilise his or her talent to its full extent if we ensure that they are in the right place at the right time. People are not machines. In order to realise their full potential, they need personal stimuli, encouragement and inspiration. This is why we see ourselves as mentors who discover talents, develop them and support them throughout their entire careers.

**Shaping change:** The demands placed on us in our professional lives are constantly changing. If we are prepared to learn, we can ensure constant self-development. This path holds not just one milestone that we must reach; new goals are always appearing on it. In the modern world of work, nothing is more constant than change. As such, self-development means always discussing with others, looking beyond the current perspective and working together to reach new horizons.

**Increasing efficiency:** The better our structure and organisation, the more each individual will move with their work. If we work together to achieve this, we will increase our overall efficiency. In other words: each individual will use their abilities to make progress themselves, thus driving the entire team forward with them.





## Employees

## WILO SE launches innovative training projects

Train at the company first, then study: this pioneering concept kicked off as early as 1991, and was first established in Wilo's administrative sector. It takes the form of a dual course of study combining a Bachelor of Arts programme with 18 months' training as an industrial clerk. Wilo's experience of this concept was so good that, in 2007, a mentoring programme was also set up in the Engineering department in order to build up a force of qualified apprentices and offer young people attractive prospects for the future. Wilo now trains industrial mechanics for two years before sending them on a Mechanical Engineering course at Dortmund University of Applied Sciences. Still unique to Dortmund: for the first time, the students can follow up the dual study programme with a Master's degree or promotion.

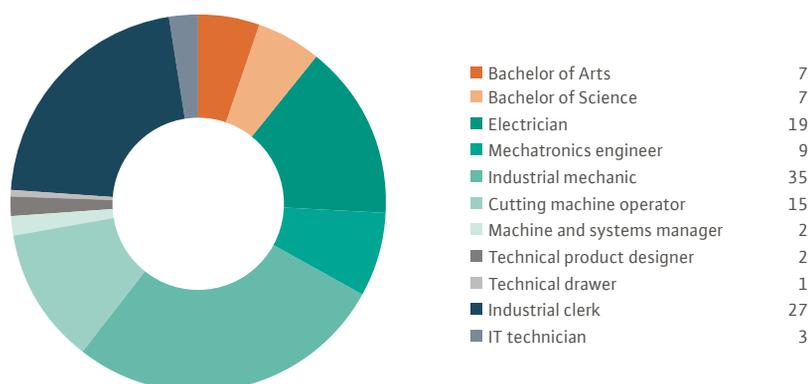
The initiative for the joint venture with Dortmund University of Applied Sciences came entirely from Wilo; the faculty represents an important partner for the company. The advantages of intermeshing vocational training with a course of study are clear for all to see: right from the beginning, the students received insights into practical applications of what they had learned and got to know how a typical working day goes at the company. This gives them outstanding qualifications for their job and thus more opportunities later in their careers. During the course of the entire six-year programme, they receive intensive support from trainers and qualified personnel, as well as engineers at Wilo and Dortmund University of Applied Sciences. The two first guinea pigs began their dual technical study programme in autumn 2007. Following the two shortened years of training, they are now signed up for the Mechanical Engineering study programme, for which they receive a Bachelor's degree upon completion. The students can submit their dissertations in the form of a technical project for WILO SE.

### Further development of the training concept at national level

Wilo has also been offering training at its Oschersleben site in collaboration with Otto-von-Guericke University of Magdeburg since 2009, and at its Hof site in collaboration with Hof University of Applied Sciences as a dual Bachelor of Science study programme since 2010.

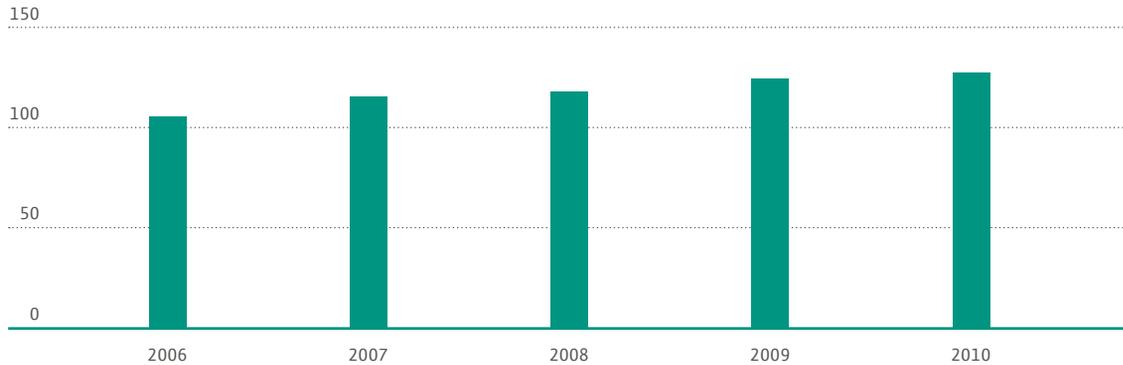
### Diversity of training qualifications and dual study courses

at Wilo in Germany Number of apprentices per course in 2010





### Number of apprentices in Germany



### Employee key figures – Wilo production companies

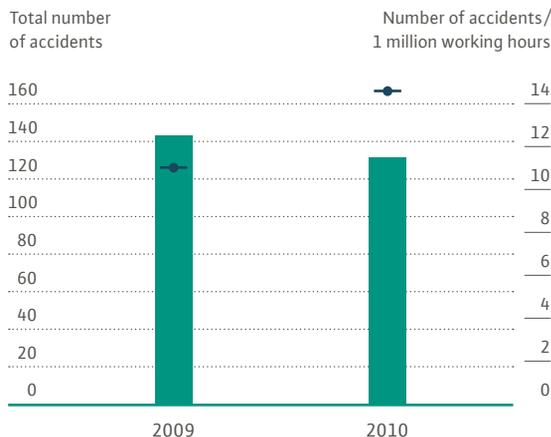
2009 2010

Category	Unit	2009	2010
Employees	Total	4,702	4,953
Percentage of jobs held by women	in %	30	30
Percentage of jobs held by men	in %	70	70
Percentage of jobs held by people with disabilities	in %	2.3	1.5
Fluctuation rate	in %	3.8	4.5

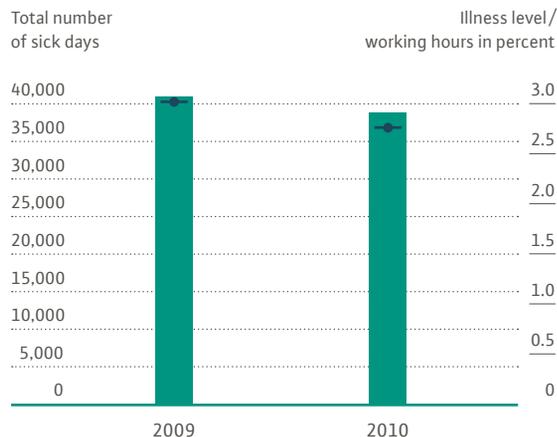
The Group key figure is an aggregate of the figures for the production companies in the Wilo Group. The data for the sites which previously reported separately have remained approximately constant during the reporting period.

Aggregation to create a Group key figure will be continued in the coming reporting years. Regarding the composition of the key figures, please also see the section "About this report".

### Accidents at work – Wilo production companies



### Illness levels – Wilo production companies



■ Number of accidents at work causing more than one day off sick  
● Accident rate: Number of accidents at work per million working hours

■ Sick days  
● Illness level in relation to working hours in percent

**Accident at work:** This shows the total number of accidents per year and the number of accidents in relation to the total working time in hours, as the accident rate. No fatal accidents occurred during the reporting period.

**Illness level:** This shows the total number of sick days per year and the number of sick days in relation to the total working time in hours.

The overall key figures are in line with what would be expected for internationally operating companies in the engineering/plant construction sector.





## Employees

# Employees at Wilo

*Respect and tolerance – these are the two cornerstones on which Wilo’s corporate culture is built. Wilo employs people all around the world, thus unifying a wide range of socio-cultural backgrounds that must be understood and promoted. This diversity is particularly apparent at the celebrations with which each nation and group creates its symbolical aesthetic identity.*

## Wilo China

### New Year Gala 2011

The most important public holiday in the traditional Chinese calendar is the New Year or Spring celebration. Since 3 February 2011, we have been in the Year of the Rabbit, which promises everyone serenity, happiness and pleasure. Wilo China’s New Year Gala has now also become something of a tradition, and on 24 January 2011, employees gathered in Beijing to say goodbye to the old year in a glorious and exuberant ceremony. The Gala was set up to pay homage to the successes of the past year, honour the employees of the year and strengthen the overall “Wilo feeling”.

The main attraction of the Gala was the talent show, where song, dance and theatre performances were on display. The preparations for the talent show began six weeks in advance, for Wilo employees only. There were two preliminary rounds before we chose the eight best performers from the final 15 to demonstrate their talents on Gala night. Here are just a few examples of what the show had to offer: belly dancing from the HR ladies, the “Dance of the Grateful Heart”, performed by Production employees, and the Finance department’s hilarious theatre performance. The performances all received a generous round of applause.

## Wilo India

### Dashera – Navaratri – Vishwakarma

The Dashera festival is one of the most important public holidays in the whole of India – and also beyond, as this day is also celebrated in other East Asian countries and regions. The word “Dashera” comes from Sanskrit and means “saviour from unhappiness”. According to legend, this was the day on which Rama defeated Ravana, the demon king of Lanka, and freed his wife, Sita. Thus, during Dashera, the people celebrate the victory of good over evil.

Across the Indian subcontinent, people celebrate Dashera in different ways. While in the north, the festivities focus on Rama and his victory over the demon king, more eastern regions concentrate on Durga, the mother goddess, and call the festival Durga Puja. In the south and west, the festival is celebrated under the name Navaratri, with one region honouring Kali, the dark side of the mother goddess, and the other honouring Amba, the great mother. The common theme in all these festivities is the celebration of the woman as the guardian of the family, culture and national unity.





Dashera and its different forms also extend into Vishwakarma Puja, the Indian labour day. Legends describe Vishwakarma, the divine architect of the universe, as the god of building and creation, especially crafts. Traditionally, he is the protective deity of factories, manufacturers and craftsmen. At Mather & Platt, Vishwakarma is honoured as part of the Dashera celebrations. At this time of year, vehicles and machines become embodiments of Vishwakarma – through their tools, the people thank Vishwakarma for his blessing. The festival is a great celebration for the employees at Mather & Platt and helps to forge a special connection between their workplace and environment. In keeping with the theme of sustainability, it also increases awareness of the importance of the machines and tools the employees use in their daily work.



## Wilo Oschersleben

### 15 years of Wilo expertise from Oschersleben ...

... a good reason for Wilo to hold a big anniversary celebration at the production site in eastern Germany on 24 September 2010. The Wilo Group's centre of expertise for pressure boosting systems, switchgears and rainwater utilisation systems has 142 employees. More than 500 guests took part in the celebrations, with employees joined by customers, sales partners and politicians.

In his celebratory speech, Dr. Holger Krasmann, Executive Board member Technology & Production, highlighted many of the site's achievements, including the excellent qualifications of the personnel and management. Dr. Krasmann sees these as key factors in the successful development of the plant thus far, and predicted that they will continue to be influential in the future. Peter Stamm, Head of Sales for Germany, Austria and Switzerland at WILO SE, highlighted the Oschersleben site's significance from a Sales point of view. The plant produces pumps and pump systems for pressure boosting, sewage technology, rainwater utilisation and fire extinguishing technology that is used all over the world.

One highlight of the anniversary celebrations was the "Wilo Championship": those who showed particular skill in operating pumps were rewarded with valuable prizes. The celebratory atmosphere really got going with the Wilo Advancement Award to the three best sanitary and heating apprentices in the state of Saxony-Anhalt. The three recipients were very pleased with their prizes – a total of EUR 3,250.





## Pompes Salmson, France

### One week in the name of safety

As part of European Safety Week, Pompes Salmson, Laval, dedicated a whole week in October to a safety campaign to draw employees' attention to related topics and improve their safety awareness. Posters, discussion groups and a competition were used to provide employees with comprehensive information. The "Risk Hunt" event required their active participation: notices warning of risks were placed throughout the plant for employees to fill out.

Safety Week 2010 focused on traffic and movement within the plant, covering people, material transport cars and road traffic. All employees were required to fill in a survey on the risks in this area. The "Risk Hunt" campaign highlighted 40 concrete risks and saw the development of suggestions on how to prevent them. The ten best suggestions received a prize.

An example of the "Risk Hunt": one employee pointed out the lack of safety measures at the exit to the plant, particularly to protect pedestrians. In response to this information, the local government of Laval worked together with Pompes Salmson to introduce suitable measures. The road was made narrower and a zebra crossing was set up.





## Corporate citizenship

### Wilo brings hope – the Shikeng Wilo Hope Primary School in Yangxin

Almost half a century after their school was founded, pupils at the Shikeng Primary School have once more been given reason to look towards the future with hope in their hearts. Even though the school has a long and successful history – many former pupils go on to study at university – the public coffers did not have enough money for the permanent maintenance of the building. As a result, the school was deemed an “unsafe building”, and a rebuild was required.

In 2008, Wilo China initiated a campaign for donations to rebuild the Shikeng Primary School. Employees collected donations amounting to RMB 170,000, and Wilo added a further RMB 50,000 – bringing the total to RMB 220,000 (around EUR 23,500). In collaboration with the Yangxin Schools Office, RMB 200,000 were spent on rebuilding the Shikeng Primary School, with the remaining 20,000 going towards the building of a library for another primary school.

The building for the renamed Shikeng Wilo Hope Primary School was completed in 2010. The school is currently home to 456 pupils, with 20 teachers and administrative staff. As a symbol of gratitude, the wall next to the school gate bears the names of all the donors together with the logo of the Wilo Group.

### 1,000 gingerbread hearts and a generous donation

More than 3,000 visitors – employees together with their friends and families combined the festive mood with a largeness of heart at the Christmas-market-themed Christmas party at the company’s headquarters in Dortmund. Wilo’s Executive Board used the opportunity of the joyous occasion to thank their employees for their outstanding performance in 2010: the company looked back on a very positive business year, which would not have been possible without the complete dedication of the entire workforce on all levels.

The Executive Board, Hans-Jörg Banack, was especially pleased to be able to present the Chair of the Dortmund Association of Parents of Children Suffering from Leukaemia and Tumor-Related Illnesses with a generous employee donation of more than EUR 6,000. In addition to this, five slot-car racing tracks were given to Ward K1 of the Youth and Children’s Clinic at the Dortmund Clinic and to families in need.



### Company





Final assembly,  
WILO Pumps Korea, Gimhae plant, Korea

# SUSTAINABILITY

*in production and infrastructure*





# Wilo Production System

Over the past few years, use of the Wilo Production System (WPS) as a corrective instrument has led to many improvements to existing production equipment. Of course, this continuous improvement process is still on-going. In addition, 2010 saw the systematic introduction of the WPS philosophy into planning processes right from the very beginning: in product development, system extensions, procurement of new systems and even conception of new sites. How did we “get it right from the very beginning”? Here are a few examples:

## WPS in product development

In the Hof plant in Germany, the principles of efficient production are integrated into the early phases of product development with the aim of meeting the requirements for globally standardised assembly processes. To this end, a project was set up to reduce the complexity of the products in a series by introducing a modular system, and to develop a design that was easier to produce. In the end, the harmonisation and standardisation gained through this project allowed us to give local markets locally-produced goods of consistently high quality.

## Using WPS methods to extend existing systems for more slimline production

The increased demand for high-efficiency heating pumps means that we need to expand production capacity at our German and French sites. The additional assembly lines are more than simple copies of the existing ones – they have been redesigned with a new conception using WPS methods. Cardboard models were used to configure the workstations and material flow, which were then successively optimised for more efficient movement sequences and a logical chain of individual assembly steps.

## Focus on ergonomics in production redesign

In the Pompes Salmson plant in Laval, France, plans are in place to convert large production areas to new technology that fulfils the Ecodesign Directive (ErP), under which only high-efficiency heating pumps will be permitted for sale in Europe from 2013. With the ERGO+ project, this workstation redesign will include state-of-the-art ergonomics – intended to tackle the increase in work-related illnesses stemming from strain at workstations. The extension of the working life also presents the world of ergonomics with increased challenges. The project was introduced 18 months ago, and should be completed by 2014. The design of the workstation, the definition of the work process and employee training are being carried out in three phases.



Process work



Continuous improvement



Working environment





In phase one, a virtual 3D simulation of a realistic working situation will be carried out in two phases for the redesign of the workstation. Sensors are placed on the employee's body to record the strain on the body during the work and the risks that it poses. The employee is recorded in slow motion in his or her working situation, and each movement is then examined thoroughly. This data is then used in the design of the workstation and environment and, in some cases, also passed on to external machine manufacturers. This is an all-encompassing, integrated approach that involves everyone: technicians, logistics employees, purchasers, planners, workers, packers. Currently, four groups are working on the redesign of four representative workplaces. The aim is to have redone all 15 to 20 different workstation groups at the Laval plant by 2014.



Phase two looks at the work process. According to research, 50 percent of illnesses stemming from the workplace are due to workplace ergonomics, and 50 percent are caused by the employee moving incorrectly. It is therefore important to define standard movements in order to minimise the number of incorrect movements as much as possible. Under the motto, "What movements are suitable and how should they be performed?", all movements are being scrutinised and compiled to form a new standard using the RULA (Rapid Upper Limb Assessment) model. The RULA method was developed to evaluate the ergonomic qualities of workstations, and classifies the strains caused by movements into seven stages. The aim of the ERGO+ project is to reduce the degree of strain to stage three. The second phase ends with the definition of a movement standard for the workstation. The third phase is concerned with training employees and with the implementation of audits to ensure that employees have learned and use correct movements. Employee quote: "How did I ever work differently?!"

Total duration of an ERGO+ project: 14 days. The information acquired during the ERGO+ project is used for the further development of the WPS, in order to ensure that all plants benefit from the use of the best-practice examples as standards.



### Process work

#### New plant designed according to WPS principles

At Mather & Platt in Kolhapur, India, the production plant finished in 2010 was designed in accordance with the WPS philosophy with slimline production in mind. It was essential that intercultural factors also were taken into account for this project. Thanks to the WPS methods, the designers succeeded in merging previously different ways of working, and in introducing the necessary change with a focus on the issues of "flexible production", "ergonomics in the workplace", "process stability" and "continuous flow of materials". Particular attention was paid to the alignment of all the processes along the value stream. The value stream method constantly asks the question, "Will this action create added value for the customer?", and keeps the value creation process constantly flowing to the customer. Here too, the goal is to achieve low-waste production. In addition to the high investment costs for systems and buildings, care was taken to ensure that the new plant would follow a modern process design and be run according to the Wilo philosophy.





## Achieving a lot together: “green packaging” at WILO Intec, Aubigny/France

Can we make shipping logistics more efficient but also more environmentally friendly? This was the question that one of WILO Intec’s key customers presented us with. In order to find the best possible solution, a work group was formed in 2007. The customer, representatives from WILO Intec and a provider of recyclable packaging worked intensively on potential solution and improvement methods.

The result was presented in 2010: instead of conventional cardboard that can only be used once, the new packaging is made of alveolar propylene, i.e. propylene with cavities. The packaging can be stacked and re-used; only the inner separating elements still need to be made out of one-way cardboard. However, the overall cardboard content has been reduced to 30 percent.

Once the pumps have been unpacked, the packaging can be folded up so that it only takes up 20 percent of its original volume. The whole lot is then sent back to Wilo via a logistics platform provided by the packaging supplier. Thanks to their high rigidity, multiple packaging units can be stacked on top of one another – something that would be impossible with conventional cardboard packaging. This increases the number of pallets that can be stored and allows much more efficient use of the truck’s load volume – up to twice as many pumps can now be transported as before, reducing the number of kilometres travelled by 45 percent.

Of course, such packaging requires tailor-made logistics organisation that must also be implemented by the customer. As such, the use of innovative, sustainable packaging solutions stands and falls with the customer’s willingness to be an active part in the operation. WILO Intec and their customer have approached this with a good and – above all – pragmatic and feasible example. In total, 15 percent of all the pumps WILO Intec supplied in 2010 were shipped in the new packaging.



### Resource productivity



### Product life-cycle



### Green packaging at WILO Intec, Aubigny/France

From top to bottom:

- conventional box
- new “green” box
- inside of new “green” box





## Employees



## Resource productivity

### Environmentally friendly driving

Driving in an environmentally friendly manner can reduce your car's fuel consumption and thus huge quantities of CO<sub>2</sub> – you simply need to know how. Pompes Salmson, Laval, France has been training all 80 of its field staff in ecological and safe driving since January 2010. The training programme was mapped out and carried out by an external service provider certified by the French Agency for Environmental and Energy Management.

The training lasts one day and proceeds as follows: in the morning there is a practical assessment. The field employees take a drive accompanied by a driving instructor, who assesses their driving style. This is followed by theory: instructors work with the employees to thoroughly investigate and discuss their driving styles; the employees receive tips and instructions on how they can improve. In the afternoon, the employees are given the chance to apply what they have learned in a second practical module.

The result: an ecological driving style saves 5 to 20 percent on fuel and also reduces CO<sub>2</sub> emissions by 5 to 20 percent. Employee feedback on the driving training has been positive. Following initial scepticism of the initiative, by the end of the training day the employees were highly satisfied and impressed. Once the project has been completed this year, there will be a thorough investigation into fuel consumption as a subcategory of corporate environmental indicators.





# Key figures for resource management

## Key figures for resource management

Wilo production sites		2009	2010
Specific energy consumption	MJ per TEUR DME*	446	432
Specific water consumption	m <sup>3</sup> per TEUR DME*	0.33	0.37
Specific waste quantity	t per TEUR DME*	0.02	0.01
Recycling quota of waste	in %	76.6	70.57
Proportion of waste requiring special monitoring (hazardous waste)	in % (rel.)	11.5	6.41

\*DME: Direct Manufacturing Expenditure



## Resource productivity



## Product life-cycle

Sites in China, India, Great Britain and Ireland have been included in figures since 2009; 2010 saw the additional integration of the Thomasville site in the USA. Regarding the composition of the key figures, please also see the section "About this report".

It is worth highlighting the significant reduction in the quantity of hazardous waste in 2010. This can be traced back to measures in all plants, e.g. the conversion to new production technology in the ELEC plant in China as part of a "Clean Production Programme" which the site has been following since 2006. In the Oschersleben plant in Germany, the drainage and sewage from the painting system was analysed once more for water-based paints – they were dropped from the hazardous waste category.

## ISO certificates

### Wilo production sites

Sites	Quality ISO 9001	Environment ISO 14001	Health and safety at work OHSAS 18001
WILO SE, Dortmund plant /Germany	fulfilled	fulfilled	fulfilled
WILO SE, Oschersleben plant /Germany	fulfilled	fulfilled	fulfilled
WILO SE, Hof plant /Germany	fulfilled	fulfilled	fulfilled
Pompes Salmson, Laval plant /France	fulfilled	fulfilled	fulfilled
WILO INTEC, Aubigny /France	fulfilled	fulfilled	
WILO Pumps, Limerick /Ireland	fulfilled		
Circulating Pumps, King's Lynn /UK	fulfilled	fulfilled	
WILO USA LLC, Thomasville, Georgia /USA	fulfilled	fulfilled	
WILO China, Beijing /China	fulfilled	fulfilled	
WILO ELEC, Qinhuangdao /China	fulfilled	fulfilled	fulfilled
WILO Pumps Korea, Gimhae /Korea	fulfilled	fulfilled	fulfilled
Mather & Platt, Pune /India	fulfilled	fulfilled	



## Process work





Company HQ in Dortmund, Jörg Wiele, kinetic plastic wind sculpture, "Rotor Spiral Whorls" 2010, loaned from the Dortmunder Kunstverein e. V. (Dortmund Art Association)

## About this report

The Global Reporting Initiative (GRI) is a network-based organisation which has developed internationally recognised rules for sustainability reporting. In order to ensure the maximum technical quality, comprehensibility and relevance in reports, international representatives of companies, workers, professional institutes and of civil society work together in a consensus-based process. See also [www.globalreporting.org](http://www.globalreporting.org)

### Key performance indicators of the Wilo Group

Wilo has based the structure and content of the report on the recommendations contained in the GRI G3 guidelines. The sustainability reports in 2004–2008 listed key figures of the individual production sites for social and ecological performance indicators. In the 2009 report, we integrated the sites in India, China, the UK and Ireland for the first time, and aggregated the individual sites' key figures into one key figure each for the Wilo Group. In the 2010 report, we have also integrated the plant in Thomasville, USA, and the KPIs for the Group have been continued.

### Male and female employees

The term "employees" is used throughout this report.

This should be regarded as referring to male and female employees equally.

### Reporting period

Unless specified otherwise, the reporting period is from 1 January 2010 to 31 December 2010. The one-year reporting interval as well as the German original version and English and French translations will also be retained in the future.

**We would like to thank all the employees whose information contributed to the writing of this sustainability report.**



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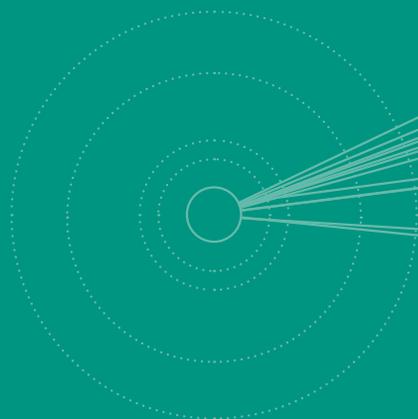
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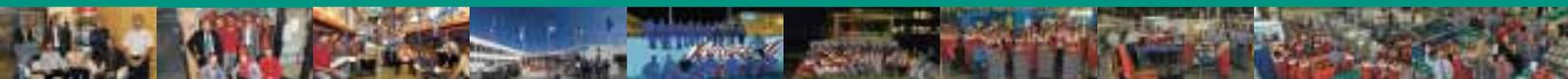
## Certification



## Limited liability

In publishing the sustainability report, Wilo is following the OECD guidelines for multinational companies ("publication of information") from the year 2000. All the facts, figures and dates contained in this report have been obtained at the sites using a defined process, and were then verified and validated at headquarters in Dortmund. In spite of the greatest possible care having been taken, however, it is possible for individual items of data to be subject to uncertainty. Aspects which are not relevant or only slightly relevant to Wilo or its stakeholder group have not been taken into account. Also, this report does not include data which was incomplete because it had not been recorded in the past.

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