

# NEW PERSPECTIVES

SUSTAINABILITY REPORT 2023



*wilo*

# TIME TO ACT!

HOW SUSTAINABILITY DETERMINES OUR STRATEGY.



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# WILO PROFILE

The Wilo Group is one of the **world's leading premium suppliers** 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 about **9,000 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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# TIME TO ACT!

## HOW SUSTAINABILITY DETERMINES OUR STRATEGY.



**Oliver Hermes**, President & CEO of the Wilo Group

LADIES AND GENTLEMEN,

**2023 was another year marked by crisis. In turbulent times such as these, it becomes all the more important to act consistently and not lose sight of long-term sustainability goals. Our sustainability report shows that Wilo has successfully kept its focus on the end objective over the past year. The progress documented here is thanks to all of Wilo's approximately 9,000 employees. They put themselves in the service of sustainability with their work every day.**

At the same time, we have to constantly question ourselves and break new ground. We are convinced that in order to overcome the major crises of our time and become even more sustainable as a company, we need the courage to constantly look at things from new angles. We recently embarked on a very comprehensive change of perspective by redefining our strategic priorities:

**From now on, we consider our Group-wide sustainability strategy to be overarching. All other functional corporate strategies are subordinate to it – without exception.**

Once again, we're leading the way as a sustainability pioneer. Wilo's long-term financing strategy, which reflects our clear commitment to sustainability, is an

example of how this strategic realignment manifests itself in our day-to-day business. In December 2023, we concluded a comprehensive financing package including a promissory note loan totalling 270 million euros, which includes a strong ESG component. The high level of interest from national and international investors can also be attributed to our excellent EcoVadis rating: Last year, Wilo was once again awarded the platinum medal by Europe's most important sustainability rating agency. Only one per cent of the more than 100,000 companies assessed by EcoVadis each year receive this rating.

For the Wilo Group, this far-reaching change of perspective on the overarching role of the sustainability strategy is accompanied by a second change. We have used the past year to reformulate our sustainability strategy. More than ever before, it now focuses



on the long-term impact of our actions. Wilo's new sustainability strategy is consistently aligned with the three impact areas Creating, Caring and Connecting, for which Wilo has defined long-term targets to be achieved by 2030. Each impact area in itself shows that Wilo has a sustainable impact.

### **Creating: Innovations that make a difference**

The **CREATING** impact area covers the sustainable contribution of Wilo products, systems and solutions to decarbonisation and improving water supply, among other things. A responsibility that is nothing new for Wilo: Wilo innovations have been making a difference for more than 150 years.

Today, for example, the Wilo-Stratos MAXO is proof of our commitment to being a sustainable innovation leader. It exemplifies high communication capability and fully integrated connectivity, for example through various options for integration into the building management system. The smart-pump provides our customers with answers to tomorrow's questions today, drives the digital transformation and thus points the way to a more sustainable future. Because the smartest solutions are the most sustainable. At Wilo, we are convinced of this.

In addition to its pump intelligence, it is above all its efficiency that makes the Wilo-Stratos MAXO such a sustainable and future-proof solution. It maximises system efficiency with innovative energy-saving functions and control modes. The pump technology is therefore a clear response to the megatrend of energy shortage. Worldwide, the use of high-efficiency pumps could save 246 terawatt hours of energy per year in the areas of heating, cooling and air conditioning alone. The political players attending the COP28 Climate Change Conference in Dubai also recognised this potential.

The final declaration from December 2023 not only calls for a tripling of global renewable energy capacity, but also for a doubling of energy efficiency by 2030. Although it remains unclear why very few of the countries involved in the declaration have so far actually incentivised measures to reduce energy demand or even specifically pushed ahead with the replacement of

uncontrolled pumps with high-efficiency pumps, the declaration sends an important signal. Saving energy is the order of the day! The global political community has apparently finally come to this simple realisation.

However, our commitment to sustainability is not only reflected in our highly efficient and therefore energy-saving technology. The fact that Wilo's pumps and pump systems are used in critical infrastructure all over the world also shows why **CREATING** is one of three central impact areas in our strategy. Only by helping to secure and, more importantly, improve critical infrastructure can we actually improve people's quality of life in the long term.

In cities, for example, where the population is constantly growing due to the megatrend of urbanisation. Cities are increasingly growing together to form Smart Urban Areas – sustainable and digitalised conurbations. Last year, we discussed the advantages and challenges of these networked conurbations and how Wilo products, systems and solutions help provide a liveable urban space during our International Management Meeting and the Wilo Industry Conference in Singapore.

Whether in urban or rural areas, people all over the world need water to live. Wilo's pumps and pump systems move this precious resource reliably and efficiently. Just how important they are for the water supply is demonstrated by the visionary projects that the Wilo Group is able to deliver on a large scale. The Toshka project in Egypt is making around one million hectares of desert usable for agriculture and significantly improving the country's water and food security. Wilo is contributing to this project with around 400 axially split case pumps.

And in the Moroccan Sebou project, which connects the Sebou dam with the Sidi Mohamed Ben Abdellah dam, twelve Wilo-Vertical Turbine pumps have been used to date. They move the water over a distance of 70 kilometres and thus provide water for the cities of Rabat and Marrakesh as well as the surrounding areas. It is clear that such bold initiatives are needed for the supply of water, but also for sewage disposal and water treatment, in order to overcome the challenges associated with the megatrend of water shortage.

# WE ARE FOCUSED ON THE **LONG-TERM** **IMPACT OF OUR** ACTIONS.

However, it is becoming increasingly clear that more depends on the availability of clean water than is apparent at first glance. Last year was the warmest since records began, with devastating droughts dominating the headlines in 2023. One example is in East Africa, where more than 36 million people are suffering from the consequences of a drought that has lasted for years and led to a major hunger crisis. Water therefore always means food, as water is essential for functioning agriculture.

But more than that: water goes hand in hand with health! Diseases spread like wildfire in areas without an adequate supply of water, sanitation and hygiene (WASH). The COP28 Climate Change Conference also sent out important signals in this area. By officially putting the topic on the agenda for the first time, those attending underlined the importance of health for the sustainable development of our world.

Our products, systems and solutions have a direct impact on people's health – because they provide them with clean water, but also because they're an integral part of public health care. Wilo-SiFresh is a prime example of this. This compact drinking water circulation system is in particular demand from hospitals and care homes, i.e. institutions where a

lack of drinking water hygiene has particularly severe consequences. Wilo-SiFresh combines drinking water hygiene and sustainability by continuously monitoring the fluid temperature during circulation, preventing stagnation and automatically replacing the water only when necessary.

### **Caring: Taking responsibility and taking care**

The second impact area **CARING** included in our sustainability strategy describes Wilo's responsible behaviour towards the environment, employees and society and includes goals such as reducing emissions in production processes and creating a healthy working environment. Integrity, fairness, respect, passion and responsibility are the irrefutable values by which Wilo works and acts.

Last year, we honoured our commitment in this impact area not only by taking measures to reduce emissions at our sites, opening state-of-the-art main production sites in India and China and presenting a very comprehensive Diversity & Inclusion Strategy, but also by breaking ground for the construction of the new Health Cube at the Wilopark. We're building an innovative health centre at our company headquar-



**At the “Building Bridges – Africa” conference that Wilo organised, high-level guests discussed the possibilities for raising the profile of and stepping up German economic activities on the African continent.**

ters in Dortmund that will benefit all Wilo employees worldwide as well as the entire region. We are therefore investing heavily in the health of the Wilo family.

In 2023, we have also taken responsibility for charitable projects and collaborations and are taking care of them. In cooperation with the non-profit aid agency Welthungerhilfe, we donated Mini Cubes – small ultrafiltration modules from our ABIONIK brand – to East Africa. As part of the “develoPPP” project, we helped modernise schools and kindergartens in Mongolia by providing high-efficiency pumps. We also supplied our solutions to Heriot-Watt University in Dubai: At the university’s Wilo Academy, mechanical engineering students learn about and with them as part of their practical training.

Having already donated over 140 PAULs to Ukraine in 2022, we also sent these water backpacks to the regions affected by earthquakes in Turkey, Syria and Morocco last year. The mobile water treatment systems contain an ultrafiltration membrane that reliably removes impurities, pollutants and pathogens from the water. And in 2023, apprentices at the Dortmund site also spent a day helping to distribute food for the TAFEL. For many years, it has been an integral part of the training programme to get involved with the aid organisation once a year and look after those in need.

### **Connecting: We build bridges – networked throughout the world**

The third impact area stands for increasing sustainable impact through involvement in strong international partnerships: **CONNECTING**. Only together can we overcome the global challenges of our time. Wilo therefore cultivates a strong partner network around the world – this was especially the case last year. This is evident from the numerous events in which we have participated or to which we have invited.

In May, together with the German-African Business Association (Afrika-Verein), we welcomed high-ranking guests to the “Building Bridges – Africa” conference at the Wilopark. Under the patronage of the Federal Minister for Economic Cooperation and Development, Svenja Schulze, we discussed with attendees how to raise the profile of and step up German economic activities on the African continent.

“Smart Urban Areas – Connecting Minds for a Multilateral World” was the title of the Wilo Industry Conference, which took place in September in Singapore, one of the smartest and most sustainable cities in the world. Guests from the realms of politics, business and science discussed the city of the future, exchanged ideas and networked with each other. A few weeks earlier, smart buildings were the subject of a similar format in Vietnam: together with the Technical University of Dortmund, the Wilo Group organised a kick-off conference for the “Smart Urban Areas” research project.

In November, Wilo and the German Sustainability Award Foundation presented the International German Sustainability Award for the first time in Düsseldorf.

The award is a recognition of partnerships between German companies and companies based in the Global South, and thus the all-important exchange between North and South. The COP28 Climate Change Conference mentioned above also focused on interna-

tional networking, but above all on reaching concrete agreements to achieve the Paris climate targets. The Wilo Group also shared its insights at the event.

We will continue along this path in 2024. With events focussing on the highly interesting and dynamic Central Asian market. With conferences once again focussing on the exciting development of Smart Urban Areas. And, of course, in the form of the dialogue that the approximately 9,000 Wilo employees worldwide maintain every day with each other and with our customers.

### **The sustainability strategy: the driving force behind our actions**

Creating, Caring, Connecting. This three-pronged approach determines the work of the Wilo Group today and in the future. The sustainability strategy is nothing less than the driving force behind our multinational technology group Wilo.

Yours,

Oliver Hermes  
President & CEO of the Wilo Group



READ MORE CEO STANDPOINTS  
ON WILO.COM

# A MAJOR TASK, BUT WE ARE ON THE RIGHT TRACK AND MAKING GOOD PROGRESS.

**GEORG WEBER**, member of the Executive Board and CTO of the Wilo Group, sits down for an interview in which he explains the technology company's central sustainability goals.



**Georg Weber, member of the Executive Board and Chief Technology Officer (CTO) of the Wilo Group, is responsible for sustainability management. His other areas of responsibility include research and development, procurement and supply chain management, operations, quality and location management.**

## **Mr Weber, Wilo has a new sustainability strategy. Why?**

We realised that it was time to make sustainability a much higher priority in our strategic direction and especially in our day-to-day activities. That is why we have tightened up our strategy and focused it even more sharply on the areas where Wilo makes a sustainable difference – so where we have an impact. I am very excited to be rolling up my sleeves again and to get cracking with all 9,000 or so of my colleagues.

## **Where does Wilo make a concrete impact then? Can you give us an example, please?**

We concentrate on three major impact areas: Creating, Caring, Connecting. Let's look at a very obvious example: our water solutions, which we have assigned to the Creating impact area. The strategic goal is to increase our market presence in the area of sustainable water solutions and thus to provide better access to clean water for 200 million people by 2030.

## **An ambitious goal.**

It is ambitious, yes, but then so is Wilo. We have the products, systems and solutions to achieve this goal – covering everything from water supply through sewage disposal to water treatment. We have updated or completely revamped a third of the products just in this portfolio over the last five years. We can provide our customers all around the world with tailor-made solutions, whether they are in sub-Saharan Africa, in Southeast Asia or in Ireland. And always with the customary high energy efficiency.

## **But customers don't want products that are sustainable only in operation any more; they've long wanted products that are sustainable during the whole life cycle.**

That's right. Which is why we have set ourselves the goal of providing life cycle analyses for 80 percent of our portfolio by 2030. These calculations offer two benefits: they create transparency for our customers about a product's carbon footprint. And they help us identify where we can be even better.

## **We all know what comes at the end of a product life cycle: recycling. What is Wilo's approach here?**

We are proud that the potential recycling rate of our products is almost 100 percent thanks to our recycling-friendly product design. What's more, we initiated a process together with our customers a few years ago to take back decommissioned pumps from the market and to enable us to recycle them. And we are going to reach another milestone very soon: After several years of research, we are about to start producing magnets made of reclaimed magnetic powder. Magnets, which we urgently need for our high-efficiency pumps, actually contain rare earths. The switch to recycled raw materials therefore protects the environment and reduces dependencies.

## **A key factor in the sustainability management of industrial enterprises is their in-house energy consumption. What progress has Wilo made here?**

Production at all of Wilo's European and Chinese sites is currently climate neutral, and this will be the case for all of our sites worldwide by 2025. This means we will achieve an ambitious goal that we set for ourselves a few years ago. This success is thanks to significant investments that we have made in the past few years – for example, in photovoltaic systems. Our current capacity is 20 megawatt peak. In Hof, we gave the green light for the start of an innovative concept that is primarily based on local heating. And in Dortmund we famously invested in the innovative H<sub>2</sub>POWER-PLANT hydrogen facility, which is now an important component of the Wilopark energy concept.

## **What makes the H<sub>2</sub>POWERPLANT at the Dortmund site stand out?**

The pilot plant in Dortmund produces green hydrogen from energy generated by the photovoltaic system on the roof of the Smart Factory. A fuel cell can then be used to convert the hydrogen back into electrical energy when it's needed. The waste heat is either used in the interconnected system for heating, stored or converted into cooling on-site.



**Let's look at Wilo's supplier network. How do you manage to take sustainability into account early in the procurement process?**

By conducting training programmes that encourage our suppliers to do this – and by emphasising how important sustainability is to us right from the procurement process. Our sustainability strategy also highlights this. The aim here is for 100 percent of our key suppliers to be able to display EcoVadis certification by 2030. For classification purposes: We already expect the proportion to reach 20 percent in 2024. It's a major task, but we are on the right track and making good progress.

**Another major task is to reduce scope 3 emissions, meaning the emissions that Wilo products, systems and solutions cause when they are in operation.**

Reducing the key scope 3 figure is indeed a major task. Wilo has grown continuously for several years. That means we have been selling ever greater numbers of pumps and pump systems. The consequences are firstly that more and more old, uncontrolled pumps are being replaced by high-efficiency Wilo pumps. And secondly that more efficient pumps are being used in new projects. Emissions are avoided in both cases.

**You have undertaken to reduce scope 3 emissions by 25 percent by 2030. How are you going about that?**

We have launched some major initiatives. A lot of our colleagues have contributed some wonderful ideas. The fact is, our products need electricity. But it should be green electricity whenever possible. We thus rely on the cooperation of our customers – on the one hand to reduce actual emissions and on the other, to build up more precise knowledge about how our products operate and thus to be able to calculate the scope 3 emissions much more accurately and then to reduce them. In all the calculations of these performance indicators, we can't lose sight of the fact, however, that every new, high-efficiency Wilo pump that replaces an older pump with higher energy consumption is effectively saving energy.

**If we look at the social component of sustainability, we look at the employees.**

I'm very happy to. At Wilo, it is people that take centre stage – that is our promise. Everything we do is ultimately aimed at making life easier for people. That is why the satisfaction and well-being of our employees is so important to us, as can be measured, for example,

**EVERYTHING WE DO IS  
AIMED AT IMPROVING  
PEOPLE'S LIVES.**



**The H<sub>2</sub>POWERPLANT pilot hydrogen facility at the Wilopark, the company's headquarters in Dortmund, is an important element of the Wilopark energy concept, as it stores the electricity generated by the photovoltaic system on the factory roof and then distributes it when it is needed.**

by the Employee Engagement Score, where we score higher than the industry average. We have just broken ground on the construction of the Health Cube – this project represents a significant investment in the health of our employees. And we have now hit the benchmark level globally in the number of accidents at the workplace, to mention just a few examples here.

**Wilo's sustainability management is exemplary when we look at the environment and people. That is clearly demonstrated by awards such as the EcoVadis**

**platinum rating. But what are you doing to share your knowledge with other people?**

This is where our impact area Connecting comes into play. We are involved in a large number of strong partnerships. But this isn't just about sharing our knowledge – it's also about learning from other people! It is only in this way that the major challenges of our times – meaning climate change – can be tackled and that synergies can be leveraged. This is why we are involved in networks around the world and, in fact, to a far greater extent than is customary.



# SUSTAINABILITY 2030



**OUR** new sustainability strategy means we are undertaking a trail-blazing change of perspective. Sustainability has always been an integral feature of the Wilo Group – it's part of our DNA. From now on, however, the sustainability strategy is Wilo's overarching business strategy, to which all other functional business strategies are now subordinate.

**CREATING**



**CARING**



**CONNECTING**



# THE STRATEGY AT A GLANCE

Our sustainability strategy consists of three impact areas. Within these, we have defined 10 key issues and assigned specific goals to them.



## CREATING

**We offer sustainable solutions.**

Wilo technology moves water – highly efficiently, reliably, sustainably.

We are improving the quality of life of people everywhere in the world through our innovative system solutions and services.

### RELIABLE WATER SOLUTIONS

Improve access to clean water

### HIGHLY EFFICIENT TECHNOLOGIES

Drive decarbonisation and climate protection

### SUSTAINABLE PRODUCT DESIGN

Create transparency about the environmental footprint of our products and promote the circular economy



## CARING

**We are a responsible company.**

Integrity, fairness, respect, passion and responsibility are the inviolable values by and with which Wilo works and lives.

### AMBITIOUS CLIMATE ACTION

Reduce group-wide greenhouse gas emissions and accelerate the transformation to climate neutrality.

### FIRST CHOICE EMPLOYER

Encourage employee engagement, guarantee a safe and healthy working environment and strengthen diversity in Wilo teams

### SUSTAINABLE SUPPLY CHAIN

Reduce emissions from purchased materials and improve sustainability in the supply chain

### RESPONSIBLE BUSINESS CONDUCT

Anchor ethical company values through the Group



## CONNECTING

**We live strong partnerships.**

The global challenges of our times can only be tackled by working together. We maintain a strong network of partners around the world and take responsibility for a more sustainable future.

### EFFECTIVE CAPACITY DEVELOPMENT

Empower people & organizations to shape sustainable growth

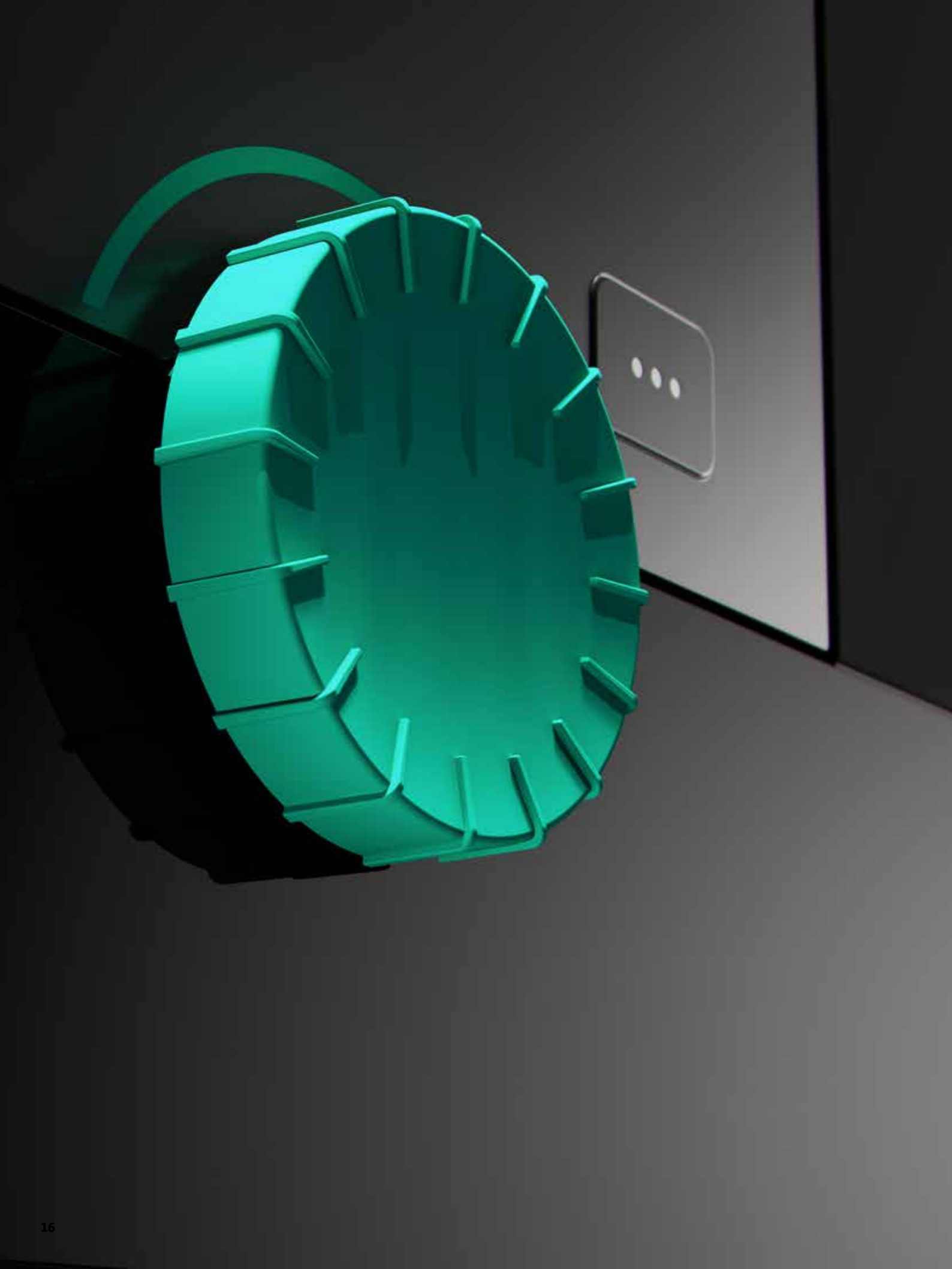
### STRONG GLOBAL RELATIONS

Strengthen engagement in global initiatives and networking activities

### CORPORATE POLITICAL RESPONSIBILITY

Foster political engagement to design the socio-political conditions





## + IMPACT AREA

# CREATING

**We are improving people's quality of life – around the world.**

Wilo has a positive impact on people's living conditions all around the world.

**We are creating sustainable urban living spaces.**

Megacities are growing, new planned cities are being developed. We are making a contribution here with our products, systems and solutions.

**We are increasing energy security.**

Energy is in scarce supply. High-efficiency Wilo pumps and pump systems save electricity.

**We are improving access to clean water.**

We move the world's most important component of food: water.

**We are ensuring food security.**

We deliver visionary large-scale projects that ensure the water supply for agriculture.

**We are slowing climate change.**

Wilo products, systems and solutions help tackle what is probably the greatest crisis of our times.

**We are developing products, systems and solutions for the digital age.**

Because the most intelligent solutions are the most sustainable.



# IMPACT AREA: CREATING SPOTLIGHTS



**Wilo-Rexa SOLID-Q**

### Sustainable ideas for the city life of tomorrow

They are the embodiment of visionary, urban spaces: planned cities. As smart and, above all, sustainable living, working and social spaces, they offers answers to the challenges that accompany global megatrends such as climate change and water stress. At least eleven of these new urban centres are being developed around the world, but especially in the Global South, including Nusantara in Indonesia, Alatau in Kazakhstan, Tashkent New City in Uzbekistan and NEOM in Saudi Arabia. Wilo is playing its part in realising these bold “cities of the future” with high-efficiency products, systems and solutions – for everything from building services through water supplies all the way up to safe sewage disposal.



**Wilo-Atmos GIGA-B**

### High-efficiency technology for energy security

Global demand for energy is increasing, but the capacity of fossil fuels is limited. The consequence: In order to guarantee energy security in the long term, energy-intensive technologies have to be replaced and substituted with high-efficiency technology. China has therefore issued binding regulations governing energy efficiency in public buildings. The Zhaoguli Community Center is the largest residential construction project in Tianjin, a metropolis that is home to 13 million residents. Wilo has equipped the project with efficient Wilo-Atmos GIGA-B pumps that have helped reduce the energy consumption used in transmission and distribution by 45 percent.



**Wilo Vertical Turbine pump**

### Intelligent irrigation for food supplies

Agriculture is a pillar of the Indian economy and of immense importance for the supply of food for what is now the most populous country in the world. It is, however, critically dependent on the monsoon rains, which alternate with periods of severe drought. The Narmada-Malwa-Gambhir link project aims to level out these sharp fluctuations in the area of the Upper Chambal Basin, where only around 5.5 percent of cultivated areas is irrigated as of yet. Intelligent irrigation systems will provide water for around 50,000 hectares of arable land. The project will also improve the provision of drinking water and water for industrial purposes. More than 150 villages will benefit from this project, for which Wilo has delivered Wilo Vertical Turbine pumps, among others.





## + IMPACT AREA

# CARING

**We are reducing emissions.**

Consistent investments and innovative concepts are helping us continuously reduce our carbon footprint.

**We are improving employee health.**

The Health Cube is the new focal point of our international company health management.

**We live diversity.**

The Wilo family is colourful. We promote diversity through a strong strategy.

**We remain a first choice employer.**

Wilo will also remain attractive for skilled workers from all over the world.

**We organise sustainable supply chains.**

Wilo also pays attention to sustainability in upstream and downstream steps in the value chain.

**We promote a value-based corporate culture.**

We act responsibly and in compliance with rules and regulations.



# IMPACT AREA: CARING SPOTLIGHTS



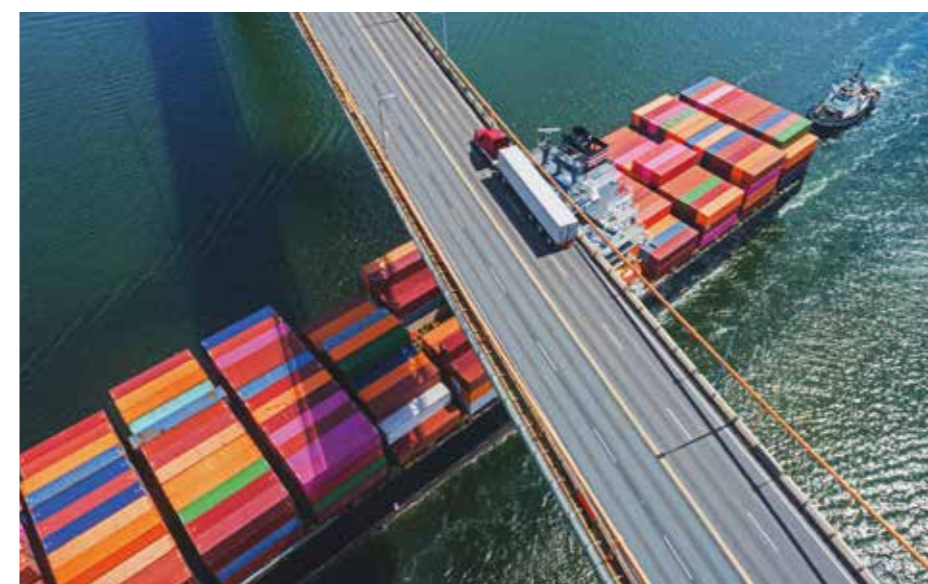
### Global centre for employee health

Wilo is setting the standard at the Group headquarters in Dortmund and investing in health with the Health Cube. Wilo employees worldwide and the entire Dortmund region will benefit from the innovative health centre. The official opening of the Health Cube is planned for the start of 2026. The concept: General practitioners, specialists and therapists will work on an outpatient basis to resolve their patients' acute problems as well as actively support their long-term health at this modern location that will offer an integrated approach to medicine and high-quality treatments. All of this is made possible by a comprehensive offering of premium-quality diagnostic and therapeutic services



### Consistent investments to reduce emissions

As a climate protection company, the Wilo Group has been driving a systematic reduction in its emissions for some time now. This is why the technology group set itself an ambitious goal several years ago: Production at all of the Wilo Group's plants will be climate neutral by 2025. All of Wilo's European and Chinese sites have now been made climate neutral. A success that was preceded by consistent investments. For example, Wilo has made substantial investments in photovoltaic technology at the site and gradually increased the proportion of the electricity supply that it generates in-house in the past few years. Today, Wilo generates a capacity of 20 megawatt peak. The plant in Hof also plays its part here, as in 2023 Wilo implemented a new energy supply concept for the site.



### EcoVadis ratings for sustainable supply chains

EcoVadis awarded Wilo's sustainability engagement a platinum rating, the highest distinction awarded by the rating agency, for the second year in a row in 2023. The Wilo Group is now using the most internationally renowned sustainability rating to work together with its suppliers on a more sustainable future. The goal: All of Wilo's key suppliers will be able to display an EcoVadis rating by 2030, making Wilo's supply chains even more sustainable – verifiably. Following initial test runs in 2023, the first full survey will follow in 2024 with the aim of reaching a target rate of 20 percent. The initial feedback is extremely promising.





## + IMPACT AREA

# CONNECTING

**We are empowering people.**

Wilo is creating the general conditions for sustainable growth through capacity development projects in countries all around the world.

**We are strengthening our relationships.**

We are actively involved in associations and exchange ideas in formats such as industry conferences with global market, research, political and financial partners.

**We are playing an active part in shaping the sociopolitical environment.**

Wilo is making contributions to strategic policy projects and initiatives around the world.

**We focus on sustainable financing.**

Sustainability is a central component of our financing strategy.

**We advocate cross-border cooperation.**

In these times of protectionism, we are building bridges between people, companies and economies.

# IMPACT AREA: CONNECTING SPOTLIGHTS

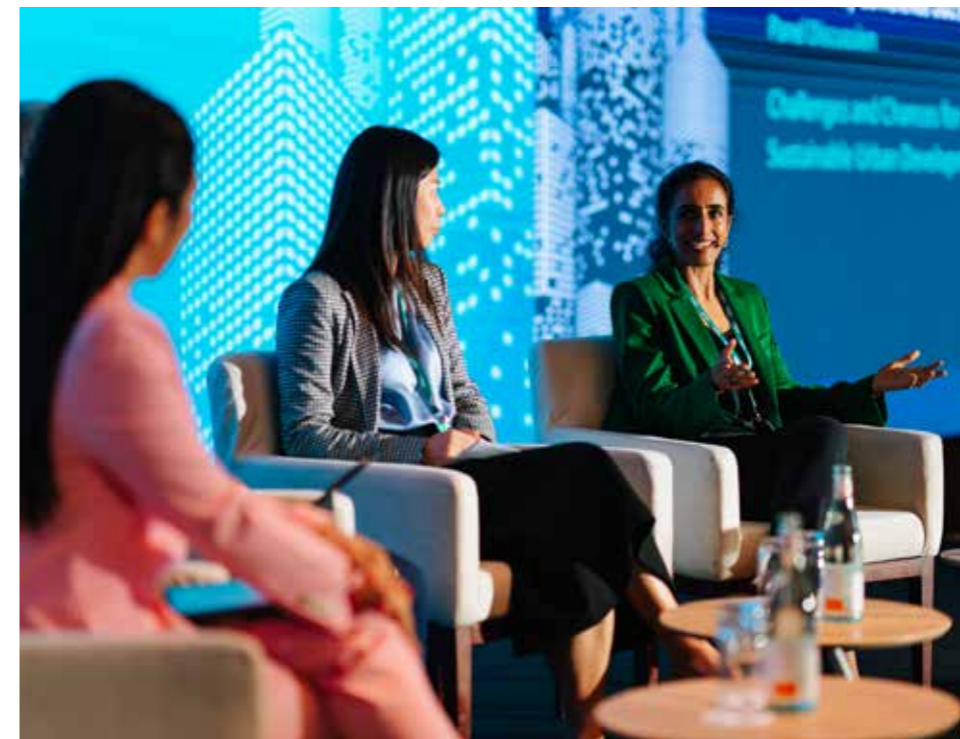


### International prize for cooperation with the Global South.

To drive global sustainability development, the Global North and the Global South have to engage in partnerships on an equal footing with each other. The International German Sustainability Prize IDNP, which Wilo and the German Sustainability Award Foundation presented for the first time in 2023, is an expression of this: As part of the German Sustainability Award (DNP), Europe's biggest award for environmental and social commitment, the IDNP category recognises partnerships between German companies and companies based in the Global South. Awards were presented to two partnerships: Jeckybeng and its Taiwanese partner HerMin Textile and coffee cooperative Kaffeekoop and its Rwandan partner Rwashoscco.

### ESG components for sustainable financing

Sustainable – even in its financing: The Wilo Group set down another powerful marker for sustainability together with its financing partners at the end of 2023. The largest financing package in the company's history to date – consisting of a promissory note loan for EUR 270 million and a syndicated loan for EUR 300 million – reflects Wilo's integrated sustainability strategy. An ESG aspect is incorporated in both the promissory note loan and the syndicated loan. These sustainability components are playing an ever greater role for Wilo's financing partners and have contributed to the great demand.



### High-level dialogue for sustainable smart urban areas

70 percent of the world's population will live in cities by 2050. This development calls for infrastructure that is smart and sustainable: Smart urban areas are emerging all around the world. But designing the transformation to an intelligent city requires a dialogue between the fields of economics, science, politics and society. Wilo created an important format for exchanging information and ideas with the Wilo 2023 industry conference, which was held in Singapore under the title "Smart Urban Areas – Connecting Minds for a Multilateral World". High-level guests discussed the opportunities and challenges that accompany smart urban areas in what is probably the smartest city in the world.

# KEY ACHIEVEMENTS 2023



**2.0 TWh**

Energy savings generated by high-efficiency Wilo pumps



**Platinum**

Best rating received once again from EcoVadis



**2.9 LTIR**

Benchmark level in accident rates achieved



**200**

Participants at the Wilo industry conference in Singapore



**17%**

Reduction in scope 1 and scope 2 emissions since 2020



**67 tonnes**

Old pumps from the take-back process



**24%**

Increase in net sales in the area of clean water treatment



**77%**

Employee engagement score



# SUSTAINABILITY REPORT 2023

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## GENERAL DISCLOSURES

Sustainability management seen as an Executive Board responsibility

Sustainability strategy forms the overarching framework for the “Ambition 2030” corporate strategy

Double materiality determines the relevant matters, opportunities and risks

### 1. ROLE OF THE ADMINISTRATIVE, EXECUTIVE AND SUPERVISORY BODIES IN SUSTAINABILITY MANAGEMENT

The corporate organisation of the Wilo Group is described in the management report (see p. 60 ff.). Sustainability management is integrated in the organisational structure on a cross-functional basis. The leading management function for the sustainability activities in the company is performed by the chief technology officer (CTO). The Sustainability Steering Board, which comprises the Executive Board as a whole (CEO, CTO, CCO and CFO), additionally decides on cross-functional sustainability issues and projects. The Sustainability Management department reports directly to the governance function and is responsible for developing and implementing the sustainability strategy. At regular six-week intervals, the department and the Sustainability Steering Board agree within the Sustainability Steering Committee on the implementation of the strategy and any decisions that have to be made. The Sustainability Council, which meets every quarter, consists of all the relevant department heads, who are responsible for managing the sustainability goals within their respective department. The council is tasked with tracking progress in achieving the goals as well as mutually agreeing on and exchanging information and ideas on requirements and measures.

In interplay with the sustainability strategy, Ambition 2030 sets out the overarching corporate objectives, development and strategic growth path up to 2030 and beyond. In addition to financial performance indicators and ratios, non-financial factors are also important for the company's success. Parts of the Executive Board's variable remuneration are linked to the company's sustainability performance. The implementation of the necessary measures is the responsibility of individual functions, regions and sites. They develop concrete roadmaps and implementation plans and report on these regularly to the Sustainability Management department.

### 2. CORPORATE AND SUSTAINABILITY STRATEGY

In the course of its regular strategy review, the Wilo Group examined and refined its corporate strategy in the year under review, adjusting it to new challenges that are emerging from changes in the social, economic and technological environment.

The successful Ambition 2025 corporate strategy has been expanded and developed into Ambition 2030. One element that has to be especially highlighted in this connection is the now much closer linkage and harmonisation with the sustainability strategy. In the future, the sustainability strategy will form the overall framework for the corporate strategy and the

functional strategies derived from it. Climate protection is a core element of the Wilo Group's business model and is thus an integral part of its corporate culture. On the one hand, highly efficient pumps and pump systems enable Wilo customers from all areas of application in building services, water management and industry to save energy and thus achieve their own climate goals. On the other, the Wilo Group organises its entire value chain to keep its impacts on the environment as low as possible and even to totally eliminate them. The Wilo Group is fully aware of its social responsibility here and endeavours to ensure that its ambitions for growth are always consistent with environmentally and socially responsible action. In this respect, sustainability and social responsibility play an important role in all decision-making and business processes at Wilo. This has been reinforced by the overarching position given to the sustainability strategy and the explicit inclusion of sustainability goals in the strategy development process.

The Wilo sustainability strategy is consistently focused on three impact areas, for which long-term goals up to 2030 have been defined: Creating, Caring and Connecting. This approach allows integrated sustainability management to be incorporated and progress in achieving key goals to be documented transparently.

**Creating** covers the sustainable contribution made by Wilo products and solutions to improving people's quality of life. Wilo technology moves water – highly efficiently, reliably and sustainably. Wilo thus plays an influential role in reliably covering the fundamental need for water infrastructure and on enabling more people to access clean water. At the same time, the high-efficiency technology creates enormous potential for saving energy and thus represents a significant level for achieving the climate protection goals.




**Caring** describes Wilo's responsible action in relation to the environment, the company's employees and society in general. The focus here is placed on the goals to reduce emissions and achieve climate neutrality at the production sites and also along the entire value chain. In terms of its own workforce, the emphasis is placed on encouraging employee engagement, creating a healthy working environment and implementing the Wilo diversity strategy. Because Wilo is an industrial company with operations

around the world, ensuring a sustainable supply chain is also a central goal in this impact area.

**Connecting** stands for increasing sustainable impacts through the commitment to strong international partnerships. The global challenges of our times can only be tackled by working together. Wilo maintains a strong network of partners around the whole world and takes responsibility for designing a more sustainable future.

Specifying the long-term goals in detail is done in the sustainability programme, which breaks the global issues down into measurable targets and KPIs. To this end, 10 strategic directions including a total of 14 specific goals have been formulated within the three impact areas. These goals are integrated in the functional strategies of the individual departments and thus form an integral part of the regular reporting.

## SUSTAINABILITY STRATEGY AND PROGRAMME UP TO 2030

IMPACT AREA	SUBJECT	STRATEGIC GOAL	KPI	
 <b>Creating</b>	Reliable water solutions	Improve access to clean water	Growth rate cold water applications Growth rate water treatment	Page 51
	Highly efficient technologies	Drive decarbonisation and climate protection	Annual energy saving (TWh)	Page 43
	Sustainable product design	Provide transparency about the environmental footprint of our products	Availability of environmental footprints (%)	Page 56
		Contribute to the circular economy transition	Ratio of recycling content (%)	Page 56
 <b>Caring</b>	Ambitious climate action	Reduce group-wide greenhouse gas emissions and accelerate the transformation to climate neutrality	Scope 1 and scope 2 emissions (t CO <sub>2</sub> ) Scope 3 emissions (t CO <sub>2</sub> )	Page 46-47
	First choice employer	Promote employee engagement	Engagement score	Page 65
		Ensure a safe and healthy working environment	LTIR (work-related accidents)	Page 65
	Sustainable supply chains	Increase diversity in Wilo teams	Women in management positions (%) Nationalities in Wilo teams (%)	Page 65
		Reduce emissions from purchased material	CO <sub>2</sub> emissions (t)	Page 47
	Improve sustainability in the supply chain	Ratio of certified suppliers (%)	Page 72	
Responsible business conduct	Anchor ethical company values through the Group	Coverage rate business ethics training (%)	Page 84	
 <b>Connecting</b>	Effective capacity development	Empower people & organizations to shape sustainable growth	Programmes implemented and people enabled (number)	Page 75
	Strong global relations	Strengthen engagement in global initiatives and networking activities	Connected people from science, economics, politics and civil society from around the world (number)	Page 82
	Corporate political responsibility	Foster political engagement to design the socio-political conditions		

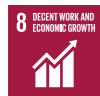


### 3. WIL0'S CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS

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



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



**SDG 8** – Decent Work and Economic Growth: As a global employer, Wilo contributes to employment and economic growth in a large number of countries. Providing decent working conditions is just as self-evident as supporting and advancing employees worldwide.



**SDG 9** – Industry, Innovation and Infrastructure: Wilo sees itself as a leading innovator and a digital pioneer in the industry. Goal 9 involves establishing robust infrastructures and promoting sustainable industrialisation and innovation. Wilo is contributing to this goal by using its environmentally friendly, highly efficient technologies and its innovations in the area of digitalisation.



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



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



**SDG 13** – Climate Action: Climate change is a central challenge for sustainable development. The warming of the Earth's atmosphere is triggering changes in the global climate system, which will make themselves felt in all areas of life. Wilo has always strived to optimise the energy consumption of its pumps. New technologies have consistently allowed it to be a market pioneer in terms efficiency. Through the use of highly efficient pumps, Wilo is playing its part in developing pumps that use less energy and thus emit less CO<sub>2</sub>.



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

### 4. RISK MANAGEMENT

The Wilo Group has a modern, integrated and globally available risk management system that enables climate risks and opportunities to be assessed. It ensures that business risks are identified at an early stage and that effective countermeasures are initiated.

Risk management at the Wilo Group is structured as a distributed organisation. The second-level managers act as risk management officers. They are responsible for identifying and submitting reports on risks throughout the group. The risk management officers work in close collaboration with the Group Risk Manager and are assisted by Controlling. Check lists and risk classification ensure that risk assessments are conducted uniformly and that procedures can be compared throughout the entire Wilo Group. Software that meets the requirements is used as a communication and information platform.

The Executive Board bears overall responsibility for risk management and also defines the risk strategy for the Wilo Group. The risk strategy is implemented throughout the Group using uniform guidelines and processes.

The opportunities and risks associated with climate change for the company have also been defined in the business strategy. Climate change has a material impact on all five of the Wilo Group's market segments in all of the regions in which the company has a presence.

The key, medium-term physical risks of climate change lie for the Wilo Group in the increase in severe weather events and the associated impacts on the supply chain. Storm damage, floods but also droughts can affect the entire supply chain and bring massive economic consequences with them in addition to the impacts on people. These risks are countered through the use of professional monitoring and management systems. The risk of supply constraints is primarily prevented by ensuring that second-source suppliers are available. Suitable insurance is also taken out to offset the financial consequences.

But climate change also offers a number of opportunities for the Wilo Group: with intelligent pumps and pump systems, Wilo plays an extensive and reliable role in covering the basic

requirements for water infrastructure and in countering the negative consequences of climate change, such as floods. The requirements for energy and resource efficiency are also on the rise, especially in major conurbations. Innovative city infrastructure based on smart systems and digital solutions is emerging all over the world.

The tightening of minimum standards that are enshrined in law will stimulate demand for forward-looking, resource-saving products and system solutions. The Wilo Group aspires to shape the future as a leader in innovation and a digital pioneer and to play its part in reducing the impacts on the environment caused by CO<sub>2</sub> by reducing energy consumption.

The Risk Management Directive of the Wilo Group sets out the principles for handling risks. It additionally governs the risk reporting requirements, the risk assessment procedures and binding reporting thresholds. Furthermore, it defines the duties and authorisations of everyone involved in the risk management process.

The risk atlas defines uniformly applicable categories for how the risk identification has to be structured. It is continuously reviewed to ensure it is complete and updated accordingly if necessary. This guarantees that all relevant risk areas are covered at all times.

The respective risk management officers ensure that risks are identified and controlled in the business units they are responsible for. In this way, the risks for the individual sales regions and central functions are specifically identified and reported on. The Group risk manager coordinates this decentralised risk management process and reports to the Wilo Group's Executive Board every quarter and also on an ad hoc basis as necessary.

Wilo assesses the identified risks based on a uniform methodology that is set out in the Risk Management Policy. The specific probability of occurrence (in the next twelve months), gross and net risk are calculated for each identified risk. Net risks include suitable risk prevention or mitigation procedures. These procedures aim to reduce the potential damage and/or the probability of occurrence. Binding reporting thresholds are additionally laid down in the Risk Management Policy. This means that the risk management officers must report every risk where the net potential damage exceeds a defined value

regardless of its probability of occurrence. The risk management system reflects the risks reported by the different business areas in aggregate at Group level. The Executive Board receives quarterly reports on the results of the risk analyses and, if necessary in individual cases, ad hoc and immediate reports as well. In addition, the Supervisory Board and the Audit Committee it appoints are comprehensively and constantly informed of the status and development of the risk management system.

## 5. STAKEHOLDER INTERESTS AND VIEWS

Continuous dialogue with stakeholders is indispensable and therefore a central element of Wilo's sustainability management. The aim is to understand their requirements and expectations and to anticipate possible changes at an early juncture.

### Customers

A key point of reference for Wilo is its customers and their specific needs and requirements. This is why the business strategy and the operational focus of the roughly 9,000 employees is consistently geared towards them. Wilo has a history of working closely together with OEM partners, planning offices, specialist retailers and tradesmen as well as general contractors, investors and end users in a spirit of mutual trust. In addition to the routine day-to-day communications along the sales channels, we focus on cooperation in associations as well as organising conferences and congresses and participating in joint projects.

### Suppliers

The intensive exchange of information and ideas with suppliers starts during the selection process in the form of early integration and standardised processes. This contact is conducted as a partnership and maintained through continuous relationship management. Regular dialogue days provide the opportunity to discuss topics, make contacts and recognise outstanding suppliers outside of the day-to-day business.

### STAKEHOLDERS AND FORMS OF DIALOGUE

Customers	<ul style="list-style-type: none"> <li>– Dialogue in daily sales and customer service conversations</li> <li>– Association work</li> <li>– Conferences, congresses, trade fairs</li> <li>– Market research</li> <li>– CUSAT (customer satisfaction analysis)</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>– Early supplier integration</li> <li>– Standardised supplier development</li> <li>– Regular audits and training</li> <li>– Supplier days, theme days</li> </ul>
Employees	<ul style="list-style-type: none"> <li>– Staff appraisals</li> <li>– Employee surveys</li> <li>– Complaints procedure</li> <li>– Internal company communication</li> <li>– Digital collaboration platforms</li> </ul>
Government organisations	<ul style="list-style-type: none"> <li>– Contribution of expert knowledge in expert bodies</li> <li>– Participation in standardisation committees</li> </ul>
Research and development	<ul style="list-style-type: none"> <li>– Participation in and initiation of research projects</li> <li>– Cooperation with universities and educational institutions</li> <li>– Support for scientific publications</li> </ul>
Society	<ul style="list-style-type: none"> <li>– Involvement in local initiatives</li> <li>– Support for social programmes</li> </ul>
Associations	<ul style="list-style-type: none"> <li>– Membership of numerous business and professional associations</li> </ul>

### Employees

A key component of employee communication is constructive cooperation with the employee representatives. Wilo places great value on partnership-based interaction that is beneficial for both parties. All the relevant guidelines are developed and realised in close cooperation, which leads to significantly higher acceptance and faster implementation. Digital communication channels, such as our intranet (TeamOne), offer the opportunity to inform employees about all topics having to do with the company in a prompt and comprehensive manner.

## 6. PROCEDURE FOR IDENTIFYING AND ASSESSING THE MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

Identifying the material matters fulfils the requirements pursuant to the Global Reporting Initiative (GRI) and additionally takes into account the consideration of double materiality in accordance with the European Sustainability Reporting Standard (ESRG). Wilo has carried out the materiality assessment in preparation for its obligation to produce a report in accordance with the CSRD that will be required from 2026 onwards.

### Identifying the issues

At the beginning of the materiality assessment, a list of sustainability issues that are potentially relevant and their associated impacts, opportunities and risks was initially prepared. To this end, not only the matters that Wilo has already identified in previous materiality assessments, but also the ESG sub-(sub-) topics, frameworks such as the GRI standards or the industry standard of the Sustainability Accounting Standards Board (SASB), the topics of sustainability ratings as well as sustainability matters of comparable enterprises were analysed and consolidated into a comprehensive list. The intention behind this step was to ensure that a comprehensive view of potentially relevant issues is guaranteed.

### Identifying IROs

In a second step, both positive and negative impacts as well as opportunities and risks were identified for each of the issues. For this purpose, existing internal Wilo analyses, such as the human rights risk analysis, product-specific environmental declarations and the non-financial risks and opportunities in the risk atlas were considered. This assessment was supplemented by research into IROs typical in industry. Criteria applied during the identification process were:

- Consideration of the economic activities as well as of Wilo's direct and indirect business relationships worldwide
- Consideration of affected stakeholders as well as users of sustainability information by internal Wilo experts who maintain contacts with them

- Review of completeness and possible interdependencies by deriving opportunities/risks from positive/negative impacts and grouping them into thematic clusters.

As a result, an inventory comprising over 300 potentially relevant IROs related to the ESRS sub-(sub-) topics for Wilo along the entire value chain has been produced.

### Assessing IROs

To determine the sustainability aspects that are subject to reporting requirements, the individual IROs in the inventory were assessed in the next step. The European Financial Reporting Advisory Group (EFRAG), which also produced the ESRS, has prepared guidance for this purpose. Wilo's specialists, supported by external consultants, follow this guidance closely when assessing the inventory in order to ensure that the ESRS requirements are complied with.

In accordance with the assessment logic proposed by EFRAG, different assessment models result for positive and negative impacts, assessments and risks. In terms of the impacts, a distinction has to be drawn to begin with between a potential and an actual as well as a positive and a negative impact. The severity of the impact is assessed for all four of these variants. In the case of positive impacts, the severity is divided into their scale and scope. Negative impacts that are identified are additionally assessed to see whether they are irreversible. If actual impacts are involved, only their severity is included in the assessment, but the probability of occurrence is additionally assessed when potential impacts are involved.

Risks and opportunities are treated in the same way as each other when they are assessed. As is the case with the severity of the impacts, the financial scale as well as the probability of occurrence have to be assessed for both risks and opportunities. All of the assessments along the different types of IROs were conducted using a scale system with values ranging from one to five, which were assigned on the basis of the EFRAG recommendations with specific definitions and boundaries. A time frame for when the relevant IRO will in all probability materialise to the greatest possible extent was additionally defined in all assessments. An example here would be a risk for which the time frame relates to the greatest possible



damage for Wilo. The time frames were assessed for each IRO based on the dimensions “short term” (less than one year), “medium term” (one to five years) and “long term” (more than five years).

Because of the different criteria used in the assessments and the different time frames to be considered, the materiality assessment carried out for the first time in accordance with the ESRS took place without the dedicated involvement of Risk Management. Close coordination and dovetailing is planned for future processes. The first step for this purpose involved comparing the identified material risks and opportunities with the risk atlas.

### Derivation of key reporting matters

The link between the IROs that were assessed and the reportable disclosures that are material for Wilo is formed by the thresholds relating to materiality. As soon as an impact, a risk or an opportunity is given an assessment that is above the defined threshold, the relevant matter becomes material for Wilo. In this event, Wilo is required to publish qualitative and quantitative disclosures on the matter in question in its sustainability report. The specific disclosure requirements are again defined here by the ESRS in order to guarantee the greatest possible comparability between the various reporting enterprises.










In the final analysis, the materiality assessment showed that, of the 37 possible sub-topics of the ESRS in total, 17 are material for Wilo. These can be aggregated into the overarching matters in the areas of environmental (climate change, water and marine resources, circular economy), social (own workforce and workers in the value chain, affected communities, consumers and end users) and governance (corporate policy). The topics of biodiversity and pollution were not included, as the probability of material impacts, risks or opportunities can be classified as low.

The results of the materiality assessment were validated internally at Wilo in various expert committees and approved by the Executive Board. A new review of the results of the materiality assessment is scheduled for 2024.

## 7. OVERVIEW OF THE DISCLOSURE REQUIREMENTS

A list of the disclosure requirements based on the results of the materiality assessment is provided on page 87.

### MATERIAL SUSTAINABILITY ASPECTS

SUBJECT	SUB-TOPIC	STRATEGIC RELEVANCE	PAGE
Climate change	Climate change adaptation	 	from p. 42
	Climate change mitigation		
	Energy		
Water and marine resources	Water		from p. 50
Resource use and circular economy	Resource inflows, including resource use		from p. 54
	Resource outflows related to products and services		
	Waste		
Own workforce	Working conditions		from p. 60
	Equal treatment and equal opportunities for all		
Workers in the value chain	Working conditions		from p. 70
	Equal treatment and equal opportunities for all		
	Other work-related rights		
Affected communities	Communities' economic, social and cultural rights		from p. 73
Consumers and end-users	Personal safety of consumers and/or end users		from p. 76
Business conduct	Corporate culture	 	from p. 80
	Political engagement		
	Corruption and bribery		



# ENVIRONMENTAL



**The Wilo Group is shaping the ecological transformation of its business model and making a significant contribution to limiting climate change, improving water supply and promoting a sustainable circular economy.**



# CLIMATE CHANGE



High-efficiency pumps and system solutions play a key role in decarbonisation and climate protection

Significant energy savings of 2.0 terawatt hours in 2023 through the use of Wilo high-efficiency technology

Reduction of scope 1 and scope 2 emissions by 17 percent set against the base year of 2020

## 1. STRATEGY

Climate change is one of five megatrends that Wilo is gearing its long-term strategy towards. Growing populations, more stringent environmental standards and higher requirements for energy and resource efficiency are posing new challenges especially in major conurbations. Wilo products, systems and solutions enable customers to improve energy efficiency significantly throughout the entire operating phase. High-efficiency pumps reduce power consumption by up to 80 percent compared with older, unregulated pumps. As a leading provider of pumps and pump systems, the Wilo Group aims to make a major contribution to the protection of the climate through tailor-made, intelligent and resource-efficient solutions.

The megatrends of climate change and energy shortage offer substantial growth opportunities for all five of the Wilo Group's market segments in all of the regions in which the company operates. At the same time, Wilo is making an important contribution with its high-efficiency pumps and sustainable products to mitigating the impact of CO<sub>2</sub> on the environment by reducing energy consumption.

Wilo considers the greenhouse gas emissions at its own sites and along the entire value chain to be a further material matter. As a mechanical engineering company, Wilo is part of the climate-intensive sector. Reducing emissions in the company's upstream and downstream processes can in particular make a significant contribution to decarbonisation.

## 2. MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

The procedure for analysing and assessing the material positive and negative impacts and the risks and opportunities in connection with climate change is described in the section "General disclosures".

The impacts, risks and opportunities in connection with climate change that are material for Wilo relate to the energy-efficient solutions and to the emissions in the value chain.

## 3. ENERGY SAVINGS AND HIGH-EFFICIENCY TECHNOLOGIES

### Policies and governance

The development of the company's market profile in the area of high-efficiency technologies and the expansion of the related energy savings have been defined as goals in the 2030 sustainability strategy. Key functions are assigned to smart systems and solutions here. Wilo has recognised how important digital technologies and automation are for the intelli-

gent, efficient and sustainable management of pumps and pump systems in operation. This means that there is a clear correlation between digital transformation, energy efficiency and climate protection, each of which makes up a key component of the strategy. Product Management and the Research & Development department are responsible for group-wide implementation.

### Measures

Technologies for the intelligent management of pumps offer considerable potential for increasing efficiency. These include what is known as multi-flow adaptation, which Wilo continued to develop and make significant improvements to in the year under review. With this innovative energy-saving function, the primary pump always adapts its flow rate precisely to the requirements of the connected secondary pumps installed in the manifold it supplies. This technology enables electricity consumption in the primary pump to be reduced by up to 80% compared to conventional controls.

Multi-flow adaptation has so far been offered within the functional scope of the Wilo-Stratos GIGA2.0-I and Wilo-Stratos MAXO smart pumps for heating, air conditioning and cooling applications. Both of these high-efficiency and intelligent pumps are a byword for maximum communication capability and fully integrated connectivity, for example through various options for integration in building management systems,

Another key lever is provided by market communications. As part of its Energy Solutions service offer, Wilo supports its customers in identifying potential energy savings and increasing these through the optimal design and optimised operation of the products.

### Parameters and goals

As part of the group-wide sustainability strategy, Wilo has set itself the goal of saving 1.8 terawatt hours of electricity annually by using high-efficiency technologies. This figure is the electricity saved by using high-efficiency pumps compared to the corresponding uncontrolled previous models. Savings of 2.0 terawatt hours were generated in 2023. The positive result can essentially be attributed to the continuing high demand for environmentally friendly and efficient products.

For example, there was much greater demand for new heating systems and highly efficient pumps and pump systems throughout Europe in 2023 as a consequence of the energy price shock as well as the planned tightening of the laws governing CO<sub>2</sub> savings and increases in energy efficiency.

### ENERGY SAVINGS THROUGH HIGH-EFFICIENCY TECHNOLOGIES (TWH)

	2022	2023
	2.2	2.0

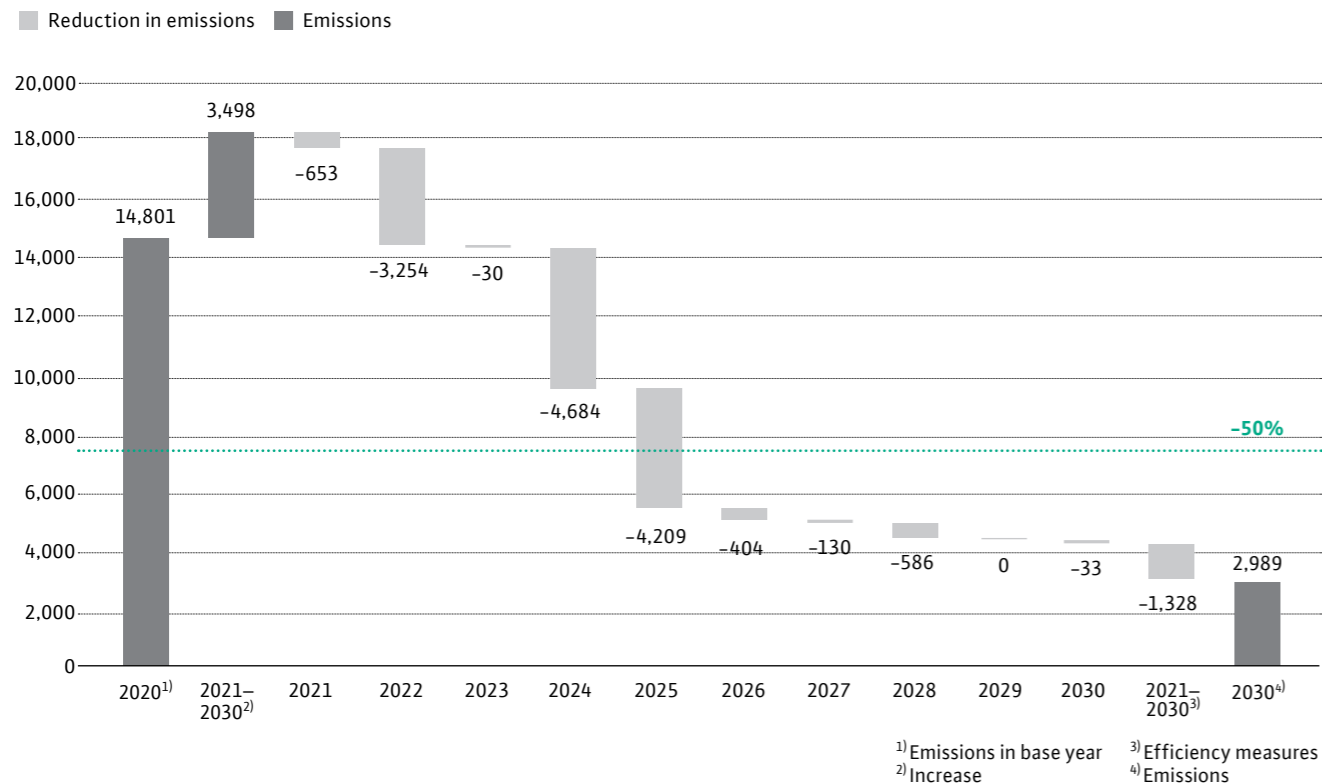
## 4. GREENHOUSE GAS EMISSIONS

### Policies and governance

Wilo has formulated a medium-term climate strategy up to 2030 and a long-term climate strategy up to 2050 that includes ambitious targets along the entire value chain. The strategies apply throughout the Group. This ambition was confirmed once again when Wilo signed the Business Ambition for 1.5°C as part of the campaign of the Science Based Targets Initiative (SBTi).

As part of its climate strategy, Wilo has set itself ambitious group-wide targets for its scope 1 and scope 2 emissions and specified these in more detail using a climate plan. Site-specific transformation plans outline the paths to achieving the goals and are agreed with the management of each Wilo site. An energy team consisting of local energy managers and representatives of the Group functions analyses potential and defines the necessary measures, Continual tracking and any adjustments that are required ensure that the greenhouse gas reduction targets are met. Responsibility for the climate plan lies with the Sustainability Management and Campus Management units, which also monitor the effectiveness of the measures. The investments required to implement the plans are approved by the Executive Board.

## TRANSFORMATION PLAN OF THE WILO GROUP (SCOPES 1 AND 2; t CO<sub>2</sub>e)



Both growth factors and emission reduction measures are taken into account in the transformation plans. A major reduction in scope 2 emissions was achieved in 2022 as a result of the switch to green electricity. The other production sites will also switch to green electricity by 2025 as part of the climate plan. Measures to reduce scope 1 emissions, such as the electrification of the processes for drying paint finishes or the replacement of gas heating by local heating, as well as other energy efficiency measures, round off the plan. A reduction of up to 80% of scope 1 and scope 2 emissions can be achieved by 2030, for example.

In the area of scope 3 emissions, the company's material emissions can be found in the upstream and downstream value chain. The goals in the 2030 sustainability strategy have been formulated in line with this. The Purchasing department defines the measures necessary for implementation in the supply chain (upstream) and reports on the progress to the Executive Board in regular reviews.

More than 90 percent of the emissions in the downstream part of the value chain are caused during the usage phase of the products. Appropriate reduction targets are defined in the sustainability strategy. A key lever is provided by the high-efficiency technologies described above, which contribute to enormous energy savings. Market strategies are additionally required in order to create transparency concerning operations and the potential for optimisation.

### Measures

Scope 1 and scope 2 primarily include emissions caused by the consumption of primary energy and the sourcing of electricity. The implementation of the Wilo climate strategy is based on four types of decarbonisation levers to which the reduction measures can be allocated: enhancing energy efficiency, increasing in-house electricity generation, purchasing green electricity and substituting fossil fuels.

Key drivers for reducing scope 1 and 2 emissions include purchasing green electricity at our sites and cutting the consumption of heating energy. Moreover, the installation of photovoltaic systems will drive increased production of the company's own green electricity. Eight new PV systems with an output totalling more than 6,000 kilowatt peak were installed in the year under review.

Wilo is continually implementing new technologies to achieve the reduction targets relating to greenhouse gas emissions. These include redesigning the energy supply for paint finishing systems and using alternative options for operating buildings, such as hydrogen cogeneration installations. The increased use of heat pumps is additionally planned. The site in Hof was connected to local heating generated from biogas and woodchips from neighbouring farms in the year under review, which will reduce the emissions from heating energy to almost zero after the planned completion in 2024.

The investments required for the measures are researched and budgeted for every year. The transformation plan will be developed by the Wilo energy team and submitted to the Executive Board for approval. In order to ensure that the measures are implemented effectively and the potential is tapped to the full, over EUR 4 million has been provided as a central budget by the Wilo Executive Board. The group-wide Location Management unit is responsible for implementation.

Wilo is developing supplier engagement programmes in order to reduce the upstream emissions at suppliers (scope 3.1). Moreover, the proportion of suppliers with sustainability ratings is gradually being increased. Identifying the material emission drivers and calculating the emissions using real data were the focus in the year under review. The measures will be driven and monitored by Purchasing.

Wilo is working on further efficiency increases and new, smart pumps to reduce the emissions from sold products (scope 3.11). In addition, initiatives were launched in the 2023 year under review to obtain greater transparency concerning the operations of the products focused on. A key lever can additionally be found in the promotion and consideration of decarbonisation measures of Wilo's customers, especially within the framework of major projects in which Wilo products are operated using renewable energy.

### Parameters and goals

By joining the Science Based Targets initiative (SBTi), Wilo has undertaken to comply with the 1.5-degree climate target as well as to reduce emissions in full (net zero) by 2050. SBTi has confirmed the short and long-term, scientifically substantiated emission reduction targets of the Wilo Group and verified the scientifically substantiated net zero target to be reached by 2050. Wilo has undertaken to reduce absolute scope 1 and scope 2 greenhouse gas emissions by 50 percent by 2030 and by 90 percent by 2050 in relation to the base year of 2020. For absolute scope 3 emissions, the goal is to reduce these by 25 percent by 2030 and by 90 percent by 2050 from the same base year. In addition, the annual procurement of electricity from renewable sources will be increased from 40 percent in 2020 to 100 percent by 2030.

Other targets that will have a positive impact on reducing emissions include expanding in-house energy generation to 20 percent by 2030 as well as improving energy efficiency. Wilo intends to implement energy efficiency projects every year that produce energy savings of at least 1 percent on the previous year's consumption.

Future developments relating to increases in sales volumes were taken into account in the decarbonisation plans in the form of an increase in emissions. The increase in emissions was included here at the equivalent level of the expected growth in net sales.



## GREENHOUSE GAS EMISSION TARGETS

	Base year 2020	Goal for 2030 (in relation to base year)	Goal for 2050 (in relation to base year)
Scope 1	4,867 t CO <sub>2</sub> e	-50%	
Scope 2	9,935 t CO <sub>2</sub> e	7,401 t CO <sub>2</sub> e (scopes 1 and 2)	-90% / net zero
Scope 3	59,745,169 t CO <sub>2</sub> e	-25% / 44,808,877 t CO <sub>2</sub> e	

### Energy consumption and energy mix

The energy consumption for the 2023 year under review and a comparison with the 2020 base year are mapped in the table Energy consumption and energy mix. This shows that the energy consumption from fossil fuels has been significantly reduced from the base year of 2020 (-19 percent). Alongside

the decrease in the consumption of heating oil, a major measure is the procurement of electricity from renewable energy sources. The proportion of total power consumption these account for has been increased to 65 percent. The proportion of electricity generated in-house has also been increased to 9 percent thanks to extensive investments in photovoltaic systems.

## ENERGY CONSUMPTION AND ENERGY MIX

Type	2020 (base year)	2023
Fuel consumption from crude oil and petroleum products (MWh)	3,312	1,410
Fuel consumption from natural gas (MWh)	21,980	21,297
Consumption from purchased or acquired electricity, steam, heating and cooling and from fossil fuels (MWh)	29,117	17,184
<b>Total consumption of fossil fuels (MWh)</b>	<b>54,409</b>	<b>39,891</b>
Proportion of fossil fuels in total power consumption (in %)	75	56
Consumption from purchased or acquired electricity, steam, heating and cooling and from renewable sources (MWh)	17,511	28,237
Consumption of energy generated in-house where this does not involve fossil fuels (MWh)	792	3,717
<b>Total consumption of renewable energy (MWh)</b>	<b>18,302</b>	<b>31,954</b>
Proportion of renewable energy in total power consumption (in %)	25	44
Proportion of renewable energy (green electricity) in total power consumption (in %)	39	65
<b>Total energy consumption (MWh)</b>	<b>72,711</b>	<b>71,845</b>

## IN-HOUSE ENERGY GENERATION 2023

Type	2022	2023
Generation of energy from renewable sources (PV) (MWh)	1,442	4,031
Proportion of total electricity consumption (in %)	3	9

### Greenhouse gas emissions

Wilo has selected the consolidation approach under commercial law in accordance with IFRS 10 for the calculation of the greenhouse gas inventory, as WIL0 SE directly or indirectly holds 100 percent of the shares in virtually all of the subsidiaries around the world. In accordance with the requirements of the SBTi, all sites are included in the footprint; overall, they account for more than 95 percent of total emissions. Emission trading systems are not relevant for Wilo.

Overall, it has proved possible to improve the greenhouse gas intensity significantly; total emissions have fallen by 13 percent in relation to net sales. Scope 1 and scope 2 emissions declined here by 20 percent set against the base year of 2020.

This result is essentially due to the reduced consumption of heating oil and gas and the gradual expansion of the procurement of green electricity. Scope 3 emissions, in contrast, increased by 9 percent from 2020. As well above 90 percent of the scope 3 emissions relevant for Wilo can be found in the usage phase of the sold products, the major cause of this is the growth in net sales. Wilo products and solutions in particular can have a major influence in improving the water supply here thanks to their high performance and long service life. Work will be continued here on further improving the data situation in the future in order to be able to take application-specific parameters, such as the usage profile and the actual energy mix, into adequate account.

## SCOPE 1 AND SCOPE 2 EMISSIONS

	Retrospectively 2020 (base year)	Current 2023	Comparison % (2023 to 2020)
<b>Scope 1 greenhouse gas emissions</b>			
Scope 1 gross GHG emissions (t CO <sub>2</sub> e)	4,867	4,303	-12
Percentage of scope 1 greenhouse gas emissions from regulated emission trading systems (in %)	0	0	-
<b>Scope 2 greenhouse gas emissions</b>			
Location-based scope 2 gross GHG emissions (t CO <sub>2</sub> e)	16,778	16,109	-4
Market-based scope 2 gross GHG emissions (t CO <sub>2</sub> e)	9,935	8,000	-19
<b>Scope 1 and market-based scope 2 greenhouse gas emissions</b>			
Total scope 1 and market-based scope 2 gross GHG emissions (t CO <sub>2</sub> e)	14,801	12,303	-17

## MATERIAL SCOPE 3 EMISSIONS

	Retrospectively 2020 (base year)	Current 2023	Comparison % (2023 to 2020)
<b>Scope 3 greenhouse gas emissions (relevant in accordance with materiality assessment)</b>			
Total indirect material (scope 3) gross GHG emissions (t CO <sub>2</sub> e)	59,687,138	65,000,882	9
1 Purchased goods and services (t CO <sub>2</sub> e)	501,762	530,701	6
11 Use of sold products (t CO <sub>2</sub> e)	59,185,376	64,470,181	9

**TOTAL SCOPE 1, SCOPE 2 AND SCOPE 3 GREENHOUSE GAS EMISSIONS**

	Retrospectively 2020 (base year)	Current 2023	Comparison % (2023 to 2020)
<b>Total scope 1, scope 2 and relevant scope 3 greenhouse gas emissions</b>			
Location based (t CO <sub>2</sub> e)	59,766,814	65,089,936	9
Market based (t CO <sub>2</sub> e)	59,759,970	65,081,828	9

The resulting emission intensities were as follows:

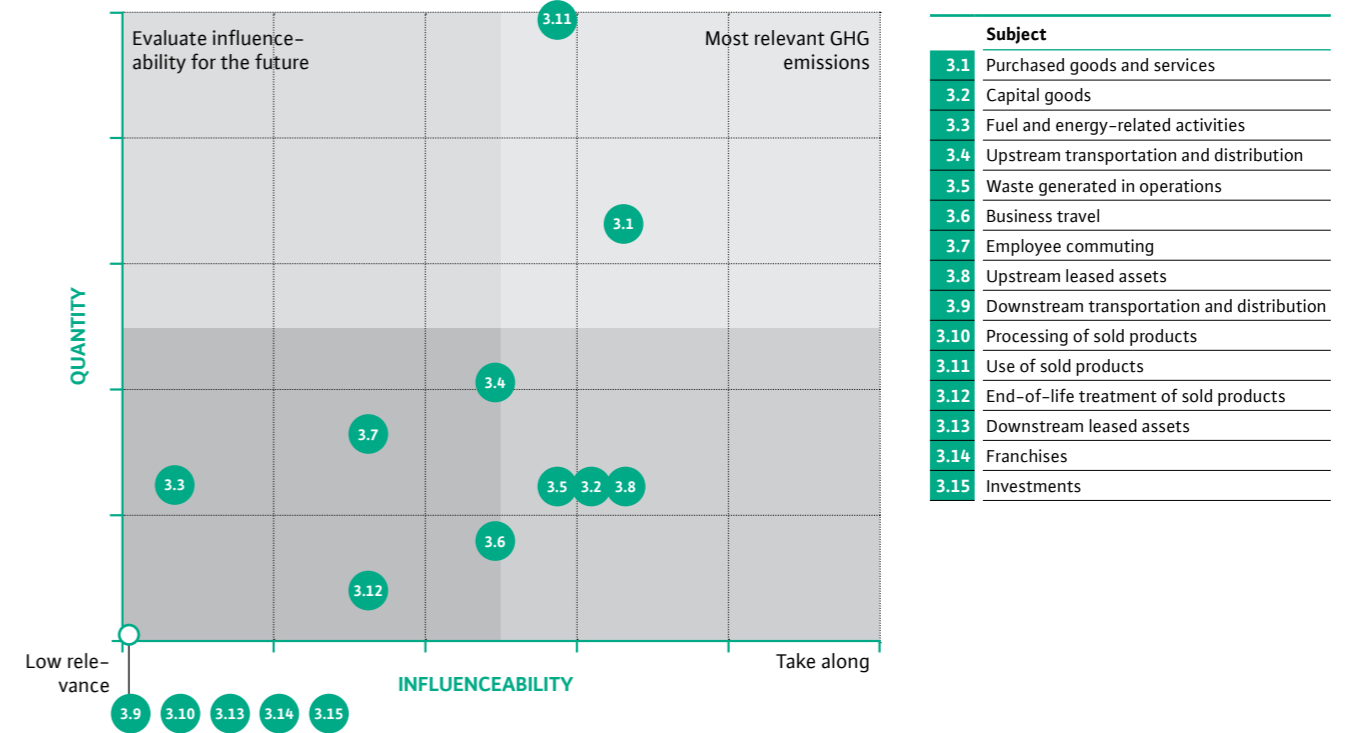
**CONNECTIVITY OF THE GREENHOUSE GAS INTENSITY ON THE BASIS OF THE INCOME WITH INFORMATION ON THE FINANCIAL REPORTING**

Greenhouse gas intensity per net income	2020	2023	Comparison (%)
Total GHG emissions (location based) per net income	41.176	32.960	-20
Total GHG emissions (market-based) per net income	41.171	32.956	-20

The 15 categories of scope 3 emissions according to the GHG Protocol were subjected to a materiality assessment in order to identify the priority emission types. The ability to influence the relevant scope 3 category and the level of that category are taken as parameters. The result of the assessment con-

firms that two categories are especially relevant for Wilo: category 11 (Use of sold products) and category 1 (Purchased goods and services). A list of all scope 3 categories can be found in the appendix on page 87.

**MATERIALITY ASSESSMENT FOR SCOPE 3 CATEGORIES**



Wilo purchased offset certificates worth a total volume of 750 tonnes of CO<sub>2</sub> in 2023. These were used to make sites climate neutral and come from projects outside the EU that feature a gold standard. There are no carbon credits that will have to be eliminated in the future.

In addition to our European production sites, our plants in China (Changzhou and Beijing) were also made climate-neutral in 2023. The carbon footprint of all European and Chinese plants is thus balanced. The certificates are used to offset remaining emissions from heating energy.



# WATER

Wilco water solutions are essential for mitigating the consequences of climate change

Sustainable water solutions provide better access to clean water and make a significant contribution to food security

Wilco is committed to the creation of a European water strategy

## 1. STRATEGY

The increasing shortage of water around the world is one of five megatrends that Wilco is gearing its long-term strategy towards. Due to the fast pace of urbanisation and climate change, water as a raw material is becoming an ever-scarcer commodity around the world. Providing the rapidly growing global population with sufficient clean drinking water is already a fundamental problem in many regions of the world. This also has serious consequences for food security, as a functioning agricultural sector depends on water. Health risks are increasing at the same time, as polluted water is frequently a trigger for illnesses. Wilco's products and solutions have a direct impact on people's quality of life and health – because they provide them with clean water, but also because they are an integral component of public health services. As one of the leading companies in the water industry, Wilco emphasizes the need for a coherent and comprehensive water strategy in Europe.

## 2. MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

The procedure for analysing and assessing the material positive and negative impacts and the risks and opportunities in connection with water and marine resources is described in the section "General disclosures".

The impacts, risks and opportunities in connection with water and marine resources that are material for Wilco can be found in the area of water solutions and also water consumption at the company's own sites.

Wilco thus plays an influential role in reliably covering the fundamental need for water infrastructure and on enabling more people to access clean water through its products, systems and solutions from the Water Management market segment. At the same time, strengthening the global market presence in the water management industry creates enormous opportunities for growth in the Water Management market segment.

Water consumption at the company's own sites is regarded as another material matter. The production processes at the production sites of the Wilco Group do not generally consume a lot of water. Innovative technologies, such as the use of Wilco clean water treatment solutions, can reduce the extraction of fresh water even further and thus play a part in conserving resources.

## 3. WATER SOLUTIONS

Providing more people with clean water is a central goal of the sustainability strategy geared towards 2030. To this end, Wilco is continually expanding the portfolio of innovative products and solutions along the entire water cycle. The group-wide Market Segment Management unit is responsible for implementing the strategy in consultation with Product Management and the sales regions. Key cross-functional initiatives have been formulated to ensure that the operating business is specifically aligned with the strategy. Action-based and project-driven measures that will be implemented over the coming years have been defined as part of these initiatives. The steering committee meets regularly to discuss the current implementation status of the respective measures.

### Measures

Key measures to implement the strategy in the area of water solutions include the development of the product portfolio, the enhancement of the company's market profile and its involvement in international partnerships and networks. Investments in the development of the cold water and filtration solutions are allocated in the group-wide Product Strategy unit. These are scheduled in product development.

A new solution that Wilco launched on the market in the 2023 year under review is Wilco-SiFresh. This cold water circulation system fulfils the highest demands for hygiene and saves water and energy at the same time by reducing the necessary rinsing processes. This compact cold water circulation system is in great demand especially from hospitals and nursing homes, i.e. facilities where a lack of drinking water hygiene can have particularly drastic consequence. Wilco-SiFresh combines drinking water hygiene and sustainability by continually monitoring water temperature during circulation, preventing stagnation and replacing water automatically only when required.

Another product highlight is the Wilco-Extract FIRST, a small submersible pump for pumping rainwater from rainwater storage tanks. The pump is essentially designed to save precious drinking water by providing rainwater collected in storage tanks for watering gardens, for example.

Examples of projects in which Wilco water solutions play a key role in improving water supplies include the Toshka project in Egypt and the Sebou project in Morocco. The goal of the Toshka mega project is to make the water of the Nile usable for agricultural purposes and thus to guarantee the food security of millions of people. Wilco is supplying high-efficiency split case pumps for this, which can be used to convey water to the areas required for agriculture. Wilco vertical turbine pumps are being used in the Sebou project in Morocco, which will connect the Sebou dam to the Sidi Mohamed Ben Abdellah dam. These pumps help transport water over a distance of 70 kilometres and thus secure the supply of water for the metropolises of Rabat and Casablanca as well as the surrounding areas.

### Goals and parameters

As part of the group-wide sustainability strategy, Wilco has set itself the goal of improving growth in the area of cold water solutions by 7 percent and in the area of water filtration by 15 percent. Applications in these areas play an especially large role in supplying more people with clean water. Growth areas can be found in particular in the Global South, as the water stress already being suffered here in any case is being exacerbated even more by climate change. At the same time, the existing infrastructure is falling well short of covering the need for water. Wilco's water solutions make a valuable contribution here to ensuring that people's basic need for water is met.

Net sales in the area of water solutions increased substantially in the past year under review. Growth drivers were the markets in Southeast Asia as well as the Middle East, where it has proved possible to realise a large number of major projects involving the improvement of water supplies. Examples here also include the Toshka project in Egypt and the Sebou project in Morocco that are described above.

### GROWTH RATE IN WILCO WATER SOLUTIONS (%)

	2022	2023
Growth rate in cold water	-	10
Growth rate in water treatment	-	24

## 4. WATER CONSUMPTION AT THE WILO SITES

### Policies and governance

Handling water in a way that conserves this valuable resource in terms of extraction and consumption at the the company's sites is a central element of the QHSEE Policy (Policy for Quality, Health, Occupational Safety, Environment, Energy) approved by the Wilo Executive Board. Here, monitoring as well as continually reducing consumption per capita are defined as group-wide goals. Location Management is responsible for implementation and monitoring. The results are reported and measures are derived in quarterly environmental reviews conducted with the sites.

In principle, Wilo's production processes are not highly water-intensive. Water is primarily consumed in sanitation. The exception is sites at which particularly high-performance pumps for water supply are manufactured. The water quantities required here for the hydraulic tests on the products are constantly recycled and recirculated in order to conserve resources.

At all sites, Wilo procures most of the fresh water it requires from public providers. Ground water and rainwater supplement the water supply and are used in particular to irrigate outdoor facilities. Four of Wilo's production sites are located in regions that suffer from high water stress: Kolhapur and Pune in India and the plants in Dubai and Istanbul. The group-wide goals are also applicable to these sites, where particular attention is paid to the recycling of water – for example, in the test basins.

### Measures

Requirements for monitoring and ensuring compliance with statutory regulations and for preventing any waste or contamination of water are implemented on the basis of ISO 14001, which is mandatory for all operating sites. The measures to save water are agreed centrally by the Location Management department with the sites each year.

Various individual measures were implemented in 2023 to achieve the targets. A rainwater utilisation plant for irrigation purposes was installed in Kesurdi, a production site in India. A filtration system additionally supports the recycling of water in the test basin so that it does not have to be refilled with fresh water. The installation of water-saving taps has saved 1,000 cubic metres of water at the sites in China. The air conditioning technology has been optimised at the Dortmund site, and this led to a reduction in water usage of more than 3,000 cubic metres.

Quarterly reporting as well as annual internal and external audits are carried out to check compliance with the requirements and identify possible deviations. The effectiveness of the measures is monitored on a central basis and reported on to the Executive Board in the management review.

### Goals and parameters

Wilo pursues the goal at its own sites of continually monitoring and reducing the consumption of fresh water per capita. Total water consumption increased in the 2023 year under review as a result of the commissioning of new sites (Changzhou in China and Kesurdi in India), the expansion of production and test capacity and the increase in the need for air conditioning. Consumption per capita has remained virtually unchanged.

#### TOTAL WATER CONSUMPTION (m<sup>3</sup>)

2022	2023
114,442	121,632

#### WATER CONSUMPTION PER CAPITA (m<sup>3</sup>)

2022	2023
18.75	18.97

#### TOTAL WATER CONSUMPTION (m<sup>3</sup>)/ NET INCOME IN EUR MILLION

2022	2023
60.69	61.59

#### TOTAL WATER CONSUMPTION AT SITES WITH HIGH WATER STRESS (m<sup>3</sup>)

	2022	2023
Kesurdi	-	11,530
Kolhapur	3,774	6,035
Dubai	9,428	7,744
Istanbul	2,285	2,470

#### WATER CONSUMPTION PER CAPITA AT SITES WITH HIGH WATER STRESS (m<sup>3</sup>)

	2022	2023
Kesurdi	-	26.03
Kolhapur	13.7	21.0
Dubai	205.0	143.4
Istanbul	22.9	23.8



# RESOURCE USE AND CIRCULAR ECONOMY

- + Concentration on the circular economy and reduction in the use of raw materials
- + Recycling rate of around 90 percent
- + 67 tonnes of old pumps returned to Wilo through the take-back concept in the past year alone

## 1. STRATEGY

The circular economy and the conservation of resources are essential levers for achieving the sustainability goals. Wilo aims to make a significant contribution to the circular economy. Numerous initiatives have therefore been launched to implement the relevant principles in the company. These extend from product innovations optimised for recycling, through take-back systems and all the way up to circular business models. In general, the Wilo Group pursues the goal of generating not only environmental but also economic benefits through its activities in the circular economy by increasing resource efficiency, reducing costs and tapping new business opportunities.

## 2. MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

The procedure for analysing and assessing the material positive and negative impacts and the risks and opportunities in connection with resource use and circular economy is described in the section “General disclosures”. The impacts, risks and opportunities in connection with resource use and

circular economy that are material for Wilo can be found in the area of inflows and outflows of resources as well as waste.

The most varied of materials are required to produce Wilo pumps and system solutions, and these are predominantly metals and electronics components as well as a small proportion of plastics. Wilo can derive a significant economic benefit from the further expansion of recyclability. Improving the possibilities for reuse and recycling can reduce the need for raw materials and thus raw material and disposal costs. The dependence on the commodity market is reduced at the same time. Increasing recyclability is an important strategic goal of the Wilo Group for this reason.

## 3. CIRCULAR ECONOMY

### Policies and governance

The obligation to the circular economy is laid down in the 2030 sustainability strategy. The focus here is on creating basic transparency around the environmental footprint of Wilo products and solutions as well as on reducing the consumption of raw materials by increasing the use of reused and

recycled materials. Wilo here follows the principle of “prevention and application before use and disposal”. Implementation is the responsibility of Research & Development as well as Repair & Recycling.

Moreover, handling natural resources responsibly and taking account of environmental aspects along the entire product life cycle are stipulated as part of the group-wide QHSEE Policy (Policy for Quality, Health, Occupational Safety, Environment, Energy). This policy has been approved by the Executive Board and broken down by the responsible functions in the QHSEE area to the level of the sites. The implementation status and progress are reviewed and measures are derived in the course of the quarterly HSE Review.

### Measures

#### Product innovations to avoid the use of resources

Wilo develops energy-efficient products, systems and solutions that have an especially long service life, a factor that makes a key contribution to reducing the consumption of resources. At the same time, measures are continually being implemented to reduce the use of raw materials in the manufacturing process and, in particular, not to use materials that are harmful to the environment. Numerous product innovations have allowed the use of copper per manufactured product to be significantly reduced, for example.

#### Reuse

A material that is critical both in terms of the environment and in terms of supply and that Wilo pays special attention to is rare earths, such as those found in permanent magnets. These are highly significant in high-efficiency technology and are almost impossible to replace or can be replaced only at great expense. The reuse and recycling of rare earths is therefore a major determining factor in a sustainable materials cycle. The process of extracting magnets from production scrap and reusing them in production is already established at Wilo. Moreover, the first 1,700 rare-earth magnets have been successfully dismantled from new pumps and fed back into the production process using a non-destructive approach. This is possible only thanks to the recycling-friendly development processes introduced back in the 1990s.

To increase the quantities, a take-back concept for old pumps was developed in 2022 in cooperation with the company’s customers. This required certification as a primary treatment facility, which Wilo received in 2022. A total of 410 collection points had been set up by the end of the 2023 year under review, from which 67 tonnes of old pumps have already been returned to Wilo.

#### Recycling

It is possible to recycle nearly 100 percent of a Wilo pump. Almost every component of a pump can be returned directly to the material cycle at the end of its service life. Here, too, Wilo pays special attention to recycling rare-earth magnets, as over 90 percent of these resource-critical materials come from China and are lost forever if they are disposed of in the usual way. There is as yet no technology that is able to separate the rare earths after other materials have been shredded.

Which is why Wilo entered into a partnership with Heraeus Remloy. In collaboration with this technology company, Wilo has developed a process for recycling rare earth magnets. Heraeus Remloy has subsequently invested in an industrial recycling system that can be used to produce reusable magnetic powder from used magnets from the most varied of applications (pumps, wind turbines, motor vehicles, etc.). The next step will see Wilo use this powder to manufacture magnets in its in-house magnet production that can then be used in new pumps. The take-back concept for old pumps is also an important prerequisite for this step, because it provides an adequate increase in the quantities required.

#### Waste

Waste management is a permanent and integral element of the local environmental programmes at all Wilo production sites. It is additionally a requirement for certification in accordance with ISO 14001, which is mandatory for all production sites. Key measures for achieving our goals include the use of recyclable materials and the systematic separation of all materials obtained. In addition, measures to reduce specific types of waste are being initiated and implemented. These included a project at the site in Hof in 2023, for example, where single-use hollow packaging has been replaced by reusable packaging made of paperboard.

## Parameters and goals

The Wilo Group has set itself the goal in its sustainability strategy of identifying an environmental footprint for 80 percent of its products and increasing the recycling content of the materials used by 30 percent.

The processes and methods as well as the data basis for achieving the goal and for measuring the progress being made were implemented in the 2023 year under review. Verified life cycle analyses are currently available for 10 percent of the product portfolio. This performance indicator is measured by the number of verified life cycle analyses for selected reference products in the best-selling product groups in relation to the entire product portfolio.

### AVAILABILITY OF ENVIRONMENTAL FOOTPRINTS (%)

	2022	2023
Proportion of verified environmental footprints	-	10

In order to identify the content of reused and recycled materials in all Wilo products, the data basis required for this first has to be created. This can be completed only in stages on account of the large number of products, materials and suppliers. The necessary material categories were therefore defined as a first step in the year under review. The goal is to identify the recycling content for the most important material categories and to derive initial measures in the forthcoming report.

### RECYCLING CONTENT OF USED MATERIALS

	2022	2023
Increase in recycling content (%)	-	-

Data on material categories, weights and recycling content defined

## Waste

The group-wide goal is to increase the recycling rate of all waste generated at the Wilo sites to over 90 percent. By recycling, Wilo means all processes that serve to reuse or recycle materials and thus keep them in circulation. Thermal recovery is not included in this.

The recycling rate was successfully increased to 91 percent in the year under review. The key factors in this are the ongoing measures to prevent waste and to collect and separate recyclable materials.

### TYPES OF WASTE (t)

	2022	2023
Metal	2,946.48	2,903.57
Electronic waste	90.04	154.73
Cardboard/paper	1,623.38	1,298.41
Plastics	197.08	213.13
Wood	2,221.88	2,720.19
Chemical waste	902.89	890.96
Mixed waste	663.24	461.95
Other waste	173.63	183.28

### WASTE VOLUMES

	2022	2023
Total waste volume (t)	8,818	8,826
Recycling rate (%)	89	91
Disposed of (t)	616	450
Recycled (t)	7,848	8,042
Hazardous waste (t)	354	334





# SOCIAL



**The Wilo Group assumes social responsibility and is committed to fairness and progress. Wilo offers employees a healthy and safe working environment as well as a wide range of development opportunities.**

# OWN WORKFORCE

Employee engagement score of 77 percent illustrates a high level of employee engagement

Offers such as Erasmus programmes for apprentices promote young talents

Lost time injury rate (LTIR) improved from previous year to benchmark level of 2.9

Wilo is investing in the health of its employees with the innovative Health Cube medical centre:

## 1. STRATEGY

Promoting and continuously developing the employees is one of the strategic pillars of the 2030 business strategy. Well-educated, motivated and highly capable employees are a key factor in maintaining and expanding the company's position as one of the world's leading premium suppliers of pumps and pump systems. The increasing requirements in an ever more rapidly changing and ever more complex world of work demand continuous learning and targeted personnel development measures.

Intensive employee communications and engagement play a central role in Wilo's corporate culture. Interactive formats for developing new internal processes and refining existing ones allow fresh and different perspectives to be integrated in decision-making. They also result in greater satisfaction and motivation among the employees. Open communication and cooperation exercised in a spirit of trust have always been the basis for the day-to-day activities and decisions at Wilo and ensure the interests and rights of the employees are protected.

## 2. MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

The procedure for analysing and assessing the material positive and negative impacts and the risks and opportunities in connection with the company's own workforce is described in the section "General disclosures".

The impacts, risks and opportunities in connection with the company's own workforce that are material for Wilo can be found in the subject areas involving fair working conditions and equality. In addition to traditional hygiene factors as well as flexible working time models and appropriate compensation, fair working conditions also include occupational health and safety and the opportunities for further training and continuous professional development. The subject of equality encompasses equal opportunities for all employees and high performance through diversity.

Both topics are key levers for maintaining and expanding the company's position as one of the world's leading premium suppliers of pumps and pump systems. Attractive remuneration, integrated education and training programmes and the

guarantee of equal opportunities, diversity and inclusion represent an opportunity for Wilo to be recognised as a first-choice employer on the employment market and to attract and retain qualified staff. At the same time, these factors reduce the risks of capacity constraints, a brain drain and the loss of company-specific expertise.

## 3. FIRST CHOICE EMPLOYER

### Policies and governance

Strengthening Wilo's position as an employer of choice is an explicit goal of the Wilo 2030 sustainability strategy. Working conditions are specified in detail by group-wide policies and standards, which apply to all employees around the world. The governance of the policies is performed by the company management. Alongside the Code of Conduct, which references compliance with the principles of the United Nations Universal Declaration of Human Rights, Wilo's Labour Relations Policy ensures strategies that relate to working conditions and equality. The Labour Relations Policy specifies the general principles of conduct in detail and describes the strategies in the areas of diversity, inclusion, freedom of association and collective bargaining agreements, occupational safety as well as working hours and appropriate compensation. It is emphasised that the Wilo Group respects freedom of opinion within the meaning of Article 19 of the Universal Declaration of Human Rights and encourages its employees to express their opinion without having to fear any negative repercussions for doing so. Employees of the Wilo Group additionally have the right to form and join or to organise themselves in trade unions.

The People & Culture department is responsible for developing, implementing and monitoring the Labour Relations Policy.

In the area of occupational health and safety, the Wilo Group pursues a zero accident strategy, which is laid down and published in the QHSEE Policy. The Wilo site management and the managers of the Group Functions are responsible for implementing the strategy. Monitoring and reporting is carried out by the Health, Safety & Environment department. Measures are derived from the analysis of the accident reports and implemented by the HSE team in cooperation with the local HSE managers. The number of accidents and the preventive measures to be derived from them are additionally an integral part of the Operations Manager meeting, which are held every month.

### Measures

Measures to implement the strategic goals in the area of the employees are derived each year from the analysis of the material impacts, risks and opportunities. The scope of and also the responsibility for the implementation and management of the measures varies depending on the subject area. In principle, the implementation of measures and the achievement of goals are measured and assessed at Wilo using OKRs (objectives and key results). Quarterly review meetings within the responsible teams are used to assess the progress of the measures.

### Working hours and work-life balance

The Wilo Group complies with the applicable laws and collective agreements on working hours, breaks and public holidays. The regular working hours per week are defined by national law and limited to a maximum of 48 hours. Overtime is permitted only in conjunction with the applicable provisions of the employment contract. The flexible structure of working time models is also offered. Employees in Germany have been able to take an additional break from work since 2023 by means of the "Mini Sabbatical". The company's cooperation with local kindergartens provides employees with improved chances to find a place at a day-care facility in the immediate vicinity of their workplace. Thanks to this and other family-friendly programmes, we create the optimal conditions for a good work-life balance.

### Appropriate compensation

The Wilo Group is committed to implementing worldwide standards when it comes to remuneration. The starting point here is provided by clearly documented job profiles that are formulated uniformly throughout the Group and assessed on the basis of skills requirements. Wilo offers additional benefits alongside the employees' salaries. For example, Wilo assists its employees in providing for their retirement and offers pension benefits in line with the specific circumstances and regulations of individual countries. Managers are provided with planning data in the course of the annual salary adjustment process in order to support the review of the salaries of their staff. Changes in the market and macroeconomic developments are taken into account alongside an employee's individual performance so that salaries can be adjusted fairly and based on performance.

The remuneration system comprises fixed and partially variable salary components and additional benefits. The Harmonisation Framework for Variable Pay is applied for employees who receive a variable component in their remuneration. The Harmonisation Framework has set long-term standards for the structure of all variable remuneration systems within the Wilo Group since 2023. It provides a summary of variable remuneration parameters that guarantees a fair and motivational bonus remuneration structure for everyone.

#### **Occupational health and safety**

Wilo introduced a group-wide occupational health and safety management system in 2016 that is implemented at all production sites with more than 20 operating personnel. This ensures that standards and processes are put into practice throughout the Group. This occupational health and safety system is certified in accordance with ISO 45001. The coverage rate amounts to more than 90 percent of locations and 93 percent of employees.

The core of the management system is the risk assessments, which are created and regularly updated for all activities at all sites. They form the basis for selecting and implementing the necessary technical, organisational and personal protection measures. The involvement of the employees in this assessment is laid down in the group-wide standard. Group-wide safety standards are defined for activities with a high risk potential. These include speed controls for forklift trucks, technical requirements for crane equipment and principles of conduct for performing electrical work, for example. New standards for the warehouse and also for the handling of hazardous substances were implemented in the 2023 year under review. Regular internal audits are conducted to monitor compliance and identify potential for improvement. The results are incorporated into central, quarterly reporting.

Regular safety training courses are an important requirement for preventing accidents. They are therefore mandatory for all Wilo employees worldwide. Their scope and frequency are dependent on the respective area of work. In administration, training on key risks and new developments in occupational health and safety is carried out at least once per year. The average amount of training is three to four hours.

In accordance with the group-wide ISO 45001 certification, committees have been set up in all plants to involve employees in relevant safety concerns. Regular safety days or weeks are additionally held in which issues critical for safety are examined in more intensive detail.

In addition to the occupational health and safety standards, health management also plays a central role in the corporate culture at Wilo. Offers on voluntary medical check-ups directly at the employer's premises increase the chance that health risks will be identified and treated at any early stage. Preventive offers on subjects, such as healthy diets and stress management in day-to-day life, are examples of successful measures that were carried out in 2023. An innovative health centre will also be completed at the Dortmund site in the next few years. With a modern location, a holistic approach to medicine and high-quality treatments on offer, a number of general practitioners, specialists and therapists will work on an outpatient basis in the Health Cube to resolve their patients' acute problems as well as actively support their long-term health.

#### **Training programs and skills development**

We conduct a wide variety of measures to proactively prepare our employees for possible career developments. In addition to classic coaching and mentoring programmes and the global Leadership Accelerator Programme, Wilo has initiated a large number of local continuing professional development programmes. One example of this is the Leadership Journey – a management development programme in Germany that provides employees who are performing a management function for the first time with support in their new role. In addition, a new global concept for talent management and one for succession planning were successfully piloted in one country each in 2023.

The long-term goal is to apply a holistic approach to talent management and succession planning at Wilo around the world in order to provide a focus for the development of talent and for sustainable succession planning.

Regular performance appraisals form part of successfully promoting employees and developing their skills. The Performance Development process was rolled out in 2022 through the WiPeople HR tool and has gradually been expanded to enable all employees around the world to take part in it. The process involves agreeing targets (individual and/or team targets) at the start of the year, regularly tracking the targets and providing feedback on them during the year and assessing these targets at the end of the year, which includes a feedback meeting between the employee and their manager.

In addition, employees in Germany and France receive annual performance appraisals that are used to define development and career plans.

## **4. EQUALITY**

### **Policies and governance**

A new Diversity & Inclusion Strategy was adopted by the Executive Board in 2023 alongside the Labour Relations Policy. It highlights the great importance of diversity and inclusion of people for the company. The goal is to create a workplace that is free of any discrimination. That includes discrimination on the basis of ethnic background, religion, skin colour, nationality, origin and all other forms of discrimination that come under the scope of EU regulations and national law. Qualifications, work experience and ability are the top priorities when hiring and promoting employees.

### **Measures**

#### **Diversity**

Wilo has set itself the goal of creating a sustainable environment for all its employees and placing diversity and inclusion at the heart of the company's DNA. Wilo signed up to the Diversity Charter back in 2016.

The development of an integrative and supportive workforce that values the diversity of all of our employees is the key to future innovations and sustainability. The new Diversity & Inclusion Strategy focuses on various dimensions of diversity

– such as gender, age, nationality, mental and physical abilities, sexual orientation and social background – both globally and locally in order to guarantee equal opportunities and to create a culture of inclusion. This involves equal opportunity as early as the recruitment processes, but also equal opportunity in the promotion and further development of employees within the jobs that already exist.

The whole of the company plays a part in implementing the D&I strategy. Defined ambassadors from various functions and levels of the company launch global and local initiatives. A global D&I Council, which has close links with the top management, supports these activities and ensures that the goals relating to diversity and inclusion are achieved. The lecture series TALKS by WiLearn and local events on D&I action days back up the internal communications on this topic.

The theme of women and career advancement was the subject of discussion in the Female Empowerment Workshop in 2023. The workshop looked at how women at Wilo can develop their full potential. A total of 20 participants from different functions and roles defined specific actions and established that a large part of this subject revolves around the issues of visibility, networking, a sense of community and an individual's own development planning.

Wilo also provides numerous offers such as individual working time models. These support a good work-life balance, which has a positive effect on career development for women. One sign that people are happy to take up the opportunity of individual working time models is the growing number of part-time employees.



## 5. EMPLOYMENT AND INCLUSION OF PEOPLE WITH DISABILITIES

Potential exists regardless of any disability. Each and every person should have the opportunity to develop this potential. A world of work and a workplace for every person is therefore created at Wilo – regardless of physical and mental abilities. To promote this concept internationally, the employment and inclusion of people with disabilities is also a permanent and integral part of the D&I strategy. As with the other dimensions of the strategy, global and local ambassadors have been recruited for this purpose. The respective ambassadors work together to develop measures to reinforce the awareness of inclusion at the workplace around the world. In addition, global campaigns in the form of action days, for example on the subject of mental health, raise and support the awareness of the workforce as a whole – whether the employees are affected by the issue or not.

A major component of employee participation is constructive cooperation with the employee representatives. In Europe, Wilo has a European works council that represents the employees. Employees of the Wilo Group additionally have the right to form and join or to organise themselves in trade unions. In situations where the right to freedom of association and collective bargaining is restricted by national laws, the Wilo Group facilitates the free election of the workforce’s own representative body.

The dialogue and consultations with the Executive Board take place both with local employee representatives and, at the higher level, with the union representatives. The representatives are informed of the company’s strategies in detail on a regular basis. The results of the open and constructive cooperation between Wilo and the employee representatives include, for example, a better work–life balance, health protections offers and offers in the area of pension provision. The standards that have been developed are laid down in works agreements, which come under the responsibility of the Executive Board member for People & Culture.

Digital communications channels, such as the Wilo intranet (TeamOne), offer the opportunity to inform employees about all topics having to do with the company in a prompt and comprehensive manner and to involve them through a variety of methods. Some analogue lines of communication are also

used in addition to digital communication channels, however. For example, the innovative TALKS by WiLearn format was introduced in 2023. The aim of this format is to obtain new inspiration of various subjects from different internal and external speakers and interactive discussions and to exchange ideas on them. Subjects of the events that have been held so far include “Diversity & Inclusion” and “New Leadership”. A further instrument for interaction is the Wilo innovation portal called WINGS. Employees around the world can submit ideas through an online platform that are then assessed by an independent committee. The WINGS Champion Summit is held once a year, at which awards are presented for the best innovations and to the employees who have generated the best ideas.

So that Wilo can continue to develop as an employer with a focus on its targets, an Employee Listening Strategy was developed and rolled out in 2023. The primary goal of the Employee Listening Strategy is to enhance the employee experience in a holistic way and to give a voice to the employees that will be heard. The Employee Listening Strategy is based on the principle of giving the employees the opportunity to share feedback anonymously on various issues and processes. This ranges from a comprehensive engagement survey, through specific surveys on HR processes that are offered, up to unit-specific questionnaires – for example, in the context of change processes. The results are reflected in the course of an integrated follow-up process involving managers and employees and appropriate actions and measures are derived from this.

## 6. COMPLAINTS PROCEDURE

Wilo encourages open communication that allows and values different perspectives. Reports on breaches of laws, internal policies or the Code of Conduct can be submitted using the Speak Up tool. This is an externally operated, protected communications platform that allows users to leave confidential messages for Wilo by phone or online in their local language.

The effectiveness of the tool is reviewed once a year by Internal Audit & Compliance and the results are presented to the Supervisory Board.

## 7. PARAMETERS AND GOALS

The goals “Encouraging employee engagement”, “Guaranteeing a secure working environment” and “Increasing diversity in Wilo Teams” are of particular strategic relevance in the area of the company’s own workforce. All the goals are consolidated in the Wilo sustainability strategy under the general goal of “First choice employer”.

### Promoting employee engagement

The goal here is to raise the Wilo engagement score to 80 percent by 2030. The foundation of the engagement score is provided by a tool-based survey in which all the employees of the Wilo Group are invited to take part twice a year. Questions are asked about how likely employees are to recommend Wilo as an employer and to experience their own job as meaningful. The sense of inclusion that the employees feel and their well-being are also asked about. The methodology was developed and compiled for the first time in the year under review. The result already presents a very positive value that is also higher than the industry benchmark (76 percent).

#### EMPLOYEE ENGAGEMENT

KPI	Result 2022	Result 2023
Engagement score (%)	-	77

### Ensuring a safe and healthy working environment

As part of its “Vision Zero” strategy, Wilo has set itself the goal of preventing all accidents and work-related illnesses. This goal is measured using the lost time injury rate (LTIR). The rate measures the number of work accidents per 1 million hours worked. It proved possible to significantly improve the accident rate again over the past year.

#### ACCIDENT RATE

KPI	Result 2022	Result 2023
Lost time injury rate (LTIR)	3.4	2.9

### Equality

Wilo has set itself the goal of increasing the proportion of women in management positions to 30 per cent by 2030. All managers in the top management level group-wide are included in the calculation here.

In addition to increasing the proportion of women in management positions, a further goal has been set that takes into account the diversity of the teams: to increase the proportion of different nationalities in the Wilo teams to at least 15 per cent by 2030. The nationality dimension is thus used as a criterion in addition to the gender dimension. The proportion of women in management teams declined slightly in the past year as a result of personnel changes. Data on the nationalities in Wilo teams was collected for the first time.

#### DIVERSITY AND EQUALITY

KPI	Result 2022	Result 2023
Women in management positions (%)	19	18.31
Nationalities in Wilo teams (%)	-	5.3

**Characteristics of the company's employees** (as at the reporting date of 31 December 2023)

NUMBER OF EMPLOYEES BY GENDER		
Gender	2022	2023
Male	6,621	6,979
Female	2,022	2,093
Other	0	0
Not indicated	0	12
Total number of employees	8,643	9,084

HEADCOUNT IN COUNTRIES IN WHICH WILO HAS AT LEAST 50 EMPLOYEES		
Country	2022	2023
Germany	2,983	3,079
France	1,243	1,245
India	1,063	1,151
China	914	917
USA	371	453
Russia	338	335
Korea	306	319
Poland	115	129
Turkey	101	113
Italy	110	104
United Kingdom	89	93

**EMPLOYEES BY TYPE OF CONTRACT, BROKEN DOWN BY GENDER (NUMBER OF PEOPLE)**

	Female		Male		Other*		Not specified		Total	
	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
Number of employees	2,022	2,093	6,621	6,979	0	0	0	12	8,643	9,084
Number of permanent employees	1,775	1,815	5,745	5,839	0	0	0	4	7,519	7,659
Number of fixed-term employees	244	278	880	1,139	0	0	0	8	1,124	1,425
Number of employees with no guaranteed working hours	0	0	0	0	0	0	0	0	0	0
Number of full-time employees	1,734	1,818	6,368	6,732	0	0	0	12	8,102	8,563
Number of part-time employees	286	275	258	245	0	0	0	0	545	521

\* Gender based on employees' own statements

**EMPLOYEES BY TYPE OF CONTRACT, BROKEN DOWN BY REGION (NUMBER OF PEOPLE)**

	Mature markets		Emerging markets		North America		Total	
	2022	2023	2022	2023	2022	2023	2022	2023
Number of employees	5,194	5,346	3,051	3,233	398	505	8,643	9,084
Number of permanent employees	4,814	4,841	2,355	2,314	396	503	7,565	7,659
Number of fixed-term employees	380	497	696	925	2	2	1,078	1,425
Number of employees with no guaranteed working hours	0	0	0	0	0	0	0	0
Number of full-time employees	4,563	4,826	3,048	3,232	398	505	8,009	8,563
Number of part-time employees	631	520	3	1	0	0	634	521

## Diversity parameters

EMPLOYEES BY AGE GROUP	Number of employees (number of people)	
	2022	2023
<b>Age group</b>		
Under 30 years old	1,230	1,372
30 to 50 years old	4,988	5,354
Over 50 years old	2,426	2,358

EMPLOYEES BY GENDER	Number of employees in the top management level (one or two levels below the administrative and supervisory bodies, number of people)	
	2022	2023
<b>Gender</b>		
Female	70	78
Male	165	173
Other	0	0
Not indicated	0	0

## Appropriate compensation

All Wilo employees received an appropriate salary in accordance with the applicable reference values.

## Social protection

Wilo's employees enjoy social protection against any loss of earnings as a result of public programmes and benefits offered by Wilo. The events that are covered include:

- Illness
- Unemployment from the time at which the employee starts working for the company
- Work-related accidents and occupational disability
- Parental leave
- Retirement

## PEOPLE WITH DISABILITIES

	2022	2023
Germany	5.14%	4.87%

## PARAMETERS FOR OCCUPATIONAL HEALTH AND SAFETY

Gender	2022	2023
People who are covered by the company's health and safety management system on the basis of legal requirements and/or recognised standards or directives	100%	100%
Fatalities as a consequence of work-related injuries and work-related illnesses	0	0
The number and rate of reportable accidents at work	3.4 (LTIR)	2.9 (LTIR)
Number of days lost on account of work-related injuries and fatalities as a consequence of work-related injuries and work-related illnesses and from fatalities as a result of illnesses.	0.09 (ASR)	0.09 (ASR)

## PAY GAPS

**Gender-specific pay gaps**, i.e. the difference between the average earnings of female and male employees, expressed as a percentage of the average earnings of male employees

	2022	2023
Germany	Data not collected	11.9%

## INCIDENTS, COMPLAINTS AND SERIOUS IMPACTS IN CONNECTION WITH HUMAN RIGHTS

	2022	2023
Total number of incidents involving discrimination, including harassment, reported in the period under review	2	3
Number of complaints that were submitted via channels through which people within the company's own workforce can express concerns (including complaint mechanisms)	2	3
Number of serious incidents relating to human rights	0	0



# WORKERS IN THE VALUE CHAIN

Wilco published its human rights strategy in the 2023 year under review

70 suppliers received training in China, India and Korea on the expectations relating to human rights due diligence

The Supplier Engagement Program is designed to ensure that all suppliers are assessed by EcoVadis or comparable recognised rating agencies by 2030

## 1. STRATEGY

The Wilco Group is committed to the principles of the United Nations Universal Declaration of Human Rights and the European Convention on Human Rights and is dedicated to compliance with the UN Global Compact. Wilco accepts responsibility for the entire value chain and defines clear rules of conduct for suppliers concerning compliance with the applicable law, human rights and non-discrimination, labour, ethics, health, safety and the environment.

The rules of conduct are described in Wilco's Code of Conduct and in the Supplier Code of Conduct. Both codes define the legal and moral guidelines for day-to-day activities in all areas of the company and supply chain. Wilco endeavours to maintain close and sustainable relationships based on a spirit of trust with suppliers. The principle of an open communication culture is also described in the Code of Conduct. Employees in the supply chain can contact Wilco using the complaints procedure if the principles of conduct outlined here are not complied with.

## 2. MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

The procedure for analysing and assessing the material positive and negative impacts and the risks and opportunities in connection with workers in the value chain is described in the section "General disclosures".

In the context of Gesetz über die unternehmerischen Sorgfaltspflichten zur Vermeidung von Menschenrechtverletzungen in der Lieferkette (LKSG – German Act on Corporate Due Diligence Obligations for the Prevention of Human Rights Violations in Supply Chains), Wilco has implemented a comprehensive risk management system. The results of the risk analysis to be conducted each year have been incorporated in the double materiality assessment.

The impacts, risks and opportunities in connection with workers in the value chain that are material for Wilco can be found in the area of fair working conditions and, within that, the main subjects involving compliance with appropriate labour, salary and social standards as well as equality, primarily at suppliers in the Asian region and in relation to materials that feature a high proportion of manual processing (casting, steel, components).

## 3. RESPONSIBLE SUPPLY CHAIN

### Policies and governance

The Wilco Executive Board has described the company's human rights strategy in a statement of principles and, within that, declared its commitment to the United Nations Universal Declaration of Human Rights and the European Convention on Human Rights. The basis for this is formed by Wilco's Code of Conduct and the Supplier Code of Conduct. Other core elements are the risk management system and the complaints procedure, which is described below.

The Procurement & Supply Chain Management department is responsible for the risk assessment in the value chain and for implementing the necessary prevention and corrective measures. The Group Executive Team is informed of the results at least once a year and on an ad hoc basis. The effectiveness of the risk management system and the suitability of the methodology used are assessed during the annual risk analysis. In addition, the Internal Audit & Compliance department performs an audit.

### Measures

Wilco has initiated a number of measures to ensure compliance with the human rights obligations at the suppliers. This includes in particular the Wilco Code of Conduct, the Supplier Code of Conduct and the complaints procedure, which can be used by internal and external affected parties in the event of violations.

Human rights and environmental expectations are taken into consideration when direct suppliers are selected. Signing the Wilco Supplier Code of Conduct is mandatory for qualifying as a supplier. Direct suppliers thereby pledge to comply with the human rights and environmental expectations defined by the company and to address these appropriately along the supply chain. In addition, suppliers with priority risks are subject to in-depth audits based on the SMETA methodology in order to find out details about the local situation and to define concrete measures for improvement. The audits are carried out by an accredited certification institute.

A total of 40 high-risk suppliers were identified in the course of the regular risk assessment in the past year. The number was narrowed down to 20 after measures already in place, such as certificates or audits, were taken into account. An action plan was drawn up for this group, with a SMETA audit also included in the plan in six cases. No serious violations of human rights were identified or reported in any case in 2023.

Regular training programmes and information days ensure that both the company's own workforce and the suppliers know and understand Wilco's expectations and are aware of risks to human rights. Around 90 percent of the relevant Wilco employees (Purchasing, Supplier Quality) and more than 70 suppliers in China, Korea and India received training in the 2023 year under review.

Violations of human rights or environmental obligations are remedied immediately. If corresponding incidents occur at direct suppliers, the managers responsible for purchasing develop an action plan together with the affected supplier and monitor its implementation. The goal is to reduce or avoid violations. If the violations cannot be remedied, other measures will be implemented that could culminate in the termination of the business relationship. Wilco applies the same procedure to indirect suppliers if there are serious grounds to suspect violations.

No reports of corresponding human rights violations involving workers in the supply chain were received through the complaints channels or through the external Sphera monitoring system in the 2023 year under review.

### Stakeholder involvement

In the course of the annual risk analysis, Wilco takes numerous sources into account that provide information about the actual or potential impacts on the affected stakeholders. These include information on specific risks to human rights in the countries in which Wilco operations (the UNICEF For Every Child Index or the ITUC Global Labour Index, for example) as well as sector-specific information on risks in the relevant product groups.

Another important source is the Sphera monitoring system, which evaluates and sends to Wilo up-to-date risk information on the value chain on a daily basis. Internal information from supplier audits and visits is additionally included.

### Complaints procedure

Wilo has set up the SpeakUp tool as instrument that is available both inside and outside the company for reporting possible violations of human rights and environmental regulations. The tool enables reports to be made in 60 different languages, both in writing as well as verbally. It is operated externally to ensure maximum anonymity and confidentiality. The Code of Procedures for Complaints defines how relevant reports are handled. It is available both internally on the Wilo

Intranet as well as externally on the Wilo website. This ensures that human rights and environmental risks and violations at indirect suppliers can also be reported.

### Parameters and goals

Ensuring a responsible value chain is set out as a strategic goal in the Wilo 2030 sustainability strategy. A Supplier Engagement Programme has been set up for this purpose, in the course of which an external assessment is conducted by EcoVadis or comparable recognised rating agencies. The goal is to produce a rating for every supplier by 2030. The processes and methods necessary for this were established and a pilot study was conducted in the past year under review.

#### PROPORTION OF SUPPLIERS ASSESSED

	2022	2023
Proportion of suppliers assessed (%)	-	Development of methodology and implementation of pilot study

## AFFECTED COMMUNITIES



- + Cooperation in international partnerships reinforce Wilo's contribution to secure water supplies
- + Participation in WASH projects to improve access to clean (drinking) water and sanitary facilities
- + Capacity development programmes further developed in 2023 and 17 training centres implemented

### 1. STRATEGY

Global challenges, such as climate change, energy and food security, and the management of increasingly scarce resources, such as water, can be solved only by working together. For Wilo, partnerships are an essential function of business success. At the same time, the expertise gained from working in networks is used to collaborate on sustainability issues and to enhance the impact on improvements being made to living conditions.

### 2. MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

The procedure for analysing and assessing the material positive and negative impacts and the risks and opportunities in connection with affected communities is described in the section "General disclosures".

A sustainable improvement in living conditions is possible only if people have safe access to clean water and sanitary facilities. Wilo therefore focuses on working with international partners to make a significant contribution to reliable water supplies.

The implementation of these activities is frequently bundled in programmes that go far beyond simple product application. Rather, they are far more about establishing an integrated approach: Wilo trains and involves local groups and integrates them in existing structures and sustainable management and, by doing so, plays a part in safeguarding employment in the regions in question. A programme of this kind comprises all the elements for developing local capacity and thus supports sustainable development in the local area.

### 3. INTERNATIONAL PARTNERSHIPS AND LOCAL DEVELOPMENT PROGRAMMES

#### Policies and governance

The support for global network activities and the implementation of programmes to develop local capacity are formulated as strategic goals in Wilo's 2023 sustainability strategy. They are driven forward by the Government & Public Affairs division, which, as a responsibility of the Executive Board, reports directly to the Group Executive Team.

## Measures

Together with international partners, Wilo promotes programmes to develop local capacity in order to empower people, organisations and communities to shape their own development in a sustainable way. In implementing these programmes, Wilo pays particular attention to education for sustainable development. The younger generation in particular has high expectations for their own future. It possesses enormous potential for advancing society economically, politically and socially and, moreover, in shaping it in a sustainable manner.

Wilo works together with local vocational training colleges from the sanitation and HVAC sector and in close coordination with competent ministries as well as subordinate agencies to jointly define effective learning contents. Recognition and certification of the education and training modules is key to the long-term success and sustainability of the programmes.

Within the framework of WASH projects, Wilo meets basic humanitarian needs by creating access to clean (drinking) water and sanitary facilities. The cooperation in public-private development projects (develoPPPs) helps initiate regional, sustainable development. An example of a develoPPP programme from 2023 is the modernisation of schools in Mongolia. In addition to providing efficient technologies, the programme also involves sharing knowledge. To this end, teachers visited the Wilopark and took part in a training course on energy efficiency and control technology. An exchange programme involving trainees was also arranged.

As a multinational technology company, Wilo is looking to empower future generations to shape the globalised living environment and world of work. This is why the Wilo Group supports international youth promotion programmes that help young specialists and managers to become more professional and establish their own networks and that encourage intercultural exchanges. One example here is the TADREEB programme of the German Emirati Institute that Wilo supported in 2023. Students specialising in industrial engineering at Khalifa University in Dubai completed a total of three months' practical training both at the Wilo subsidiary in the United Arab Emirates in Dubai and at the Dortmund and Hof production sites in Germany.

The younger generation in particular possesses enormous potential for advancing society economically, politically and socially and additionally in shaping it in a sustainable manner. Which is why Wilo supports student "Social Entrepreneurship Teams" from all around the world. At the Enactus World Cup 2023 in Utrecht, for example, Wilo backed the competition on the theme of "Action with Africa" that was held for the first time and presented the Wilo Water Excellence Awards worth a total of EUR 6,000 to innovative teams that are bringing about a sustainable impact and a positive change, based on the 17 UN Sustainable Development Goals, in the field of water on the African continent.

## Stakeholder involvement

As a multinational company, Wilo is an active member of various national and international associations and organisations. The goal of the major part of this cooperation is the responsible, sustainable management of the precious resource of water and of the environment.

Political and economic institutions are supporting Wilo in the international networking activity and the development of highly effective concepts with the aim not only of strengthening education and training capacity, but additionally of raising the awareness of the population about the subject of energy and resource efficiency.

## Parameters and goals

The development of global network activities and programmes to promote sustainable development is a strategic goal in Wilo's 2030 sustainability strategy. The Wilo capacity development programmes were further expanded in the 2023 year under review. The performance indicator measures the number of training centres initiated by Wilo. The definition of the KPI is currently being adjusted and extended to include other capacity development formats, such as training programmes on sustainability issues or competitions involving specific themes. The intention here is to empower 50,000 people by 2030 to help shape sustainable development. The number of people reached will be reported from 2024 onwards.

### INTERNATIONAL PARTNERSHIPS AND CAPACITY DEVELOPMENT PROGRAMMES

	2022	2023
Programmes for developing capacity (number of training programmes)	15	17



# CONSUMERS AND END-USERS

- + High potential of Wilo products, systems and solutions to improve quality of life
- + Customers' needs are given top priority
- + Zero defect strategy and quality management 4.0 ensure the highest level of quality, Reliability and safety

## 1. STRATEGY

A key point of reference for Wilo is its customers and their specific needs and requirements. This is why the business strategy and the operational focus of the roughly 9,000 employees is consistently geared towards them. Wilo has a history of working closely together with OEM partners, planning offices, specialist retailers and tradesmen as well as general contractors, investors and end users in a spirit of mutual trust. This approach forms the foundation of the Wilo Group's market success. As a leading global premium supplier, Wilo has always stood for reliability, safety and compliance. The goal is to develop intelligent cutting-edge technologies that make people's daily lives noticeably easier. This is the principle behind the claim "Pioneering for You".

Preventive and integrated quality management is one of the core tasks within the company. It begins when products are already in development and when components are purchased and continues on through production all the way to customer service. At the core of the quality assurance measures are the customers with their specific requirements and their satisfaction with the services provided by the Wilo Group. Through the intensive involvement of suppliers, laboratories, service and sales units as well as customers, a new understanding of predictive quality assurance is being developed together: quality management 4.0.

## 2. MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

The procedure for analysing and assessing the material positive and negative impacts and the risks and opportunities in connection with consumers and end users is described in the section "General disclosures".

The analysis of the material impacts, risks and opportunities of the Wilo business model on consumers and end users shows the high potential of Wilo products, systems and solutions for improving the climate, water supplies and the quality of life. These positive impacts are described in detail in the sections on climate protection and water and marine resources.

Only trained specialists are permitted to install and also to repair and maintain Wilo products and systems, which is why safety risks for consumers and end users can be classed as very low. Relevant safety instructions are presented in the installation and operating instructions enclosed with each and every product. Comprehensive quality management guarantees that all safety requirements are complied with along the entire value chain.

## 3. PRODUCT SAFETY

### Policies and governance

Wilo pursues a zero-defect strategy along the entire supply chain. This means that – from development to the end-of-life of the Wilo products, systems and solutions – no deviations from the defined safety and technical requirements are tolerated. The consideration of potential risks for the customers is always the top priority here. The zero defect strategy has been approved by the Wilo Executive Board and is defined in the QHSEE Policy that has been communicated. The Quality & Qualification department is responsible for implementing and further developing the quality strategy. The results and necessary corrective measures are assessed together with the sites and functional areas involved as part of the monthly quality reporting process.

Wilo has implemented a quality management system certified in accordance with ISO 9001 at all of its production sites. The necessary processes, standards and tools, which are applicable throughout the Group, are organised by the House of Quality. It defines all relevant activities along the entire value chain process – from development through to recycling. The effectiveness of the measures is reviewed using the regular reporting and also by means of the annual internal and external audits.

All potential safety and technical risks are identified by means of a failure mode and effects analysis in the early phase of product development and limited or remedied using appropriate measures. As the performance indicator, the risk coverage rate provides transparency about the status and progress of the measures. Approval to proceed to the next stage of development is given only when all safety risks have been covered. The process is defined in the development policy, which is applicable throughout the Group. Compliance with the requirements for the relevant milestone reviews is checked by Quality & Qualification and reported on during Steering Committee meetings that are held on a regular basis.

### Involvement of consumers and end users

Wilo has established two key processes in the Group to take customers' assessments and feedback into account: on the one hand, a regular survey is conducted in the key markets in which customers are asked about numerous parameters and

also their satisfaction with the safety, reliability and quality aspects. The technical responsibility for the survey lies with the Digital Business & Marketing department. The results are discussed with the competent sales managers and actions plans are developed.

In addition, all instances of quality defects are recorded and assessed in global claim statistics. Using a standardised lessons-learned process, relevant findings are sent to the Research & Development department, which carries out appropriate product adjustments if necessary. An instance of a serious quality or safety defect is regulated in the recall process. This enables the Quality & Qualification department to stop further sales of the product in question and to coordinate the campaign to recall it from the market.

### Complaints procedure

Wilo customers can contact the company at any time through the existing communication channels if they come across actual or suspected safety defects. The SpeakUp tool is also available for submitting reports anonymously if human rights violations or compliance breaches are identified.

### Parameters and goals

Wilo pursues a consistent zero defect strategy as part of its quality management. The goal is to produce error-free results in all stages of the value-added process and thus to place on the market a completely safe and compliant product. No complaints or feedback relating to product safety were received from customers in the 2023 year under review, and no safety incidents were reported.



# GOVERNANCE



**Wilo counts on strong partnerships to meet the challenges of our times together. Wilo acts on the basis of group-wide ethical values and accepts responsibility for a more sustainable future.**

# BUSINESS CONDUCT



Wilo emphasises the importance of corporate political responsibility to shape sociopolitical issues

A value-oriented corporate culture forms the basis for ethical conduct

Wilo's compliance management comprises several measures involving prevention, detection and response

## 1. STRATEGY

As part of its corporate political responsibility, Wilo takes on an active role in order help shape the sociopolitical environment. Wilo takes a clear position on issues such as climate protection, energy and the shortage of resources – global developments that will shape human lives and societies in the coming decades. Together with international network partners, Wilo is driving future-oriented, environmentally friendly solutions and proactively encouraging dialogue with governments, NGOs, associations and relevant partner companies.

Wilo highlights the importance of actions to ensure energy and food security, illustrates the need for energy and resource efficiency, raises awareness about the correct management of the precious resource that is water and emphasises the relevance of hydrogen as an energy source of the future. In order to raise awareness of issues that are of great relevance for society and in order to share its knowledge and experience, Wilo plays an active part in networking and expert events. The company also regularly looks to hold discussions with key stakeholders through its own campaigns and events.

Responsible corporate management focused on fundamental ethical principles here constitutes a central prerequisite for credibility and reputation both inside and outside the company. This is why integrity, fairness, respect, passion and

responsibility are the inviolable values by and with which Wilo works and lives. They form a shared foundation. To a large extent, the sustainable success of the Wilo Group has traditionally been based on these shared values.

## 2. MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

The procedure for analysing and assessing the material positive and negative impacts and the risks and opportunities in connection with responsible corporate policy is described in the section "General disclosures".

Promoting dialogue and cooperation between the worlds of politics, economics and business is a central prerequisite for tackling the global challenges posed by climate change. Solutions that are sufficiently scalable in scope and reach can be developed and implemented only by working together. It is for this reason that Wilo is committed to strong corporate political responsibility.

A value-oriented corporate culture shared by all employees here forms the basis for ethical conduct. Promoting and shaping this corporate culture is of central importance for Wilo. It offers the frame of reference that ensures the values are complied with across countries and cultural groups. This is the

prerequisite for legally compliant conduct in all areas of the economic activities and is a key factor in preventing relevant compliance risks such as corruption, conflicts of interest and anti-competitive behaviour.

## 3. CORPORATE POLITICAL RESPONSIBILITY

### Policies and governance

Initiating and promoting international formats for political dialogue is formulated as a strategic goal in the 2030 sustainability strategy. The Government and Public Affairs department, reporting directly to the Executive Board, is responsible for implementation.

### Measures

Wilo understands exchanging different perspectives, opinions and experiences to be the foundation for solidarity and community. As a climate-protection company that operates around the world, it is of great relevance for the Wilo Group that it exchanges views in knowledge networks and is proactive in strengthening the dialogue with the stakeholder groups. That is why Wilo is engaged in societies and associations, plays an active part in events, discussion panels and similar formats serving the exchange of information that are organised by third parties or hosted by Wilo itself. To this end, the company develops its positions and communicates them to political institutions and stakeholders.

### Strong partner network across the whole world

The 2023 international industry conference was organised in one of the smartest and most sustainable cities in the world. Supported by Enterprise Singapore and the German Asia-Pacific Business Association and organised under the motto "Smart Urban Areas – Connecting Minds for a Multilateral World", Wilo brought together in Singapore around 200 leading government, economics and science experts in the field of sustainable development to discuss the very latest technologies and strategies for the sustainable development of urban areas and future megacities. The conference combined Wilo's expertise in the field of smart and sustainable water solutions and Singapore's role as a real-world urban laboratory and facilitated cooperation projects that promote the development of intelligent, connected and sustainable cities throughout Asia.

Africa can become the first region in the world to combine economic prosperity with environmental sustainability and social justice. With the aim of raising the profile of and stepping up German business activities on the African continent, the Wilo Group welcomed around one hundred high-ranking guests from business, politics and society to the Wilo Business Conference "Building Bridges – Africa" in cooperation with the German-African Business Association. Even now, only around 3% of German companies are active in Africa. Which is why the Wilo Group, which can look back on around 30 years of business and experience in Africa and moves the scarce resource of water, especially in sub-Saharan Africa, issued the invitation, under the aegis of the Federal Minister for Economic Cooperation, to take part in lectures, panel discussions and project insights and offered attendees the opportunity to exchange experiences and network. The importance of German-African partnerships was highlighted here, because it is only together with Africa that the great challenges of our times can be resolved.

International networking was also the focus at the International German Sustainability Awards, which Wilo and the German Sustainability Award Foundation presented for the first time in 2023. The award recognises successful partnerships between German companies and companies located in the Global South – and thus the hugely important dialogue between North and South. The decisions on transformation are being made globally, while international technology transfer is a core element of the efforts to create a more just world economic order. It is for this reason that, in the future, the International German Sustainability Awards will also recognise pioneering contributions to the transformation to a sustainable future – especially through environmental and high-efficiency technology.

### Sustainable impact through networking

The climate crisis is also a water crisis. Greater attention must be dedicated to water in the negotiations on climate policy. The Wilo Group is therefore involved in top-level climate change conferences and plays an active part in political discussions in order to highlight the importance of water and the urgent need for action.

Fresh water resources around the world are coming under increasing pressure – a situation that is being exacerbated by the impacts of climate change and putting society, ecosystems and economic development at risk. Wilo played an active



role in the 28th United Nations Climate Change Conference (COP28) in Dubai with the aim of emphasising the need for sustainable water management. By participating in the UN 2023 Water Conference in New York, the multinational technology group sent out a signal highlighting the need for more sustainable use of this vital resource. Water efficiency is a decisive factor in facilitating resilience, sustainability and security in the management of water resources.

Politicians and the private sector must work together across national borders to balance the needs of communities, industry, agriculture and ecosystems for water. As Europe is putting itself forward as a trailblazer here, the Wilo Group is calling on the European Commission to make water a higher priority and emphasising the need for a coherent and comprehensive water strategy. Closer cooperation and partnerships at all levels are required for this, and, as a leading company in water management, Wilo will also drive this forward consistently in the future.

### Political influence and lobbying

Lobbying means representing interests. It provides the foundation for a healthy democracy and social progress. Wilo takes part in the political dialogue in a non-partisan and constructive way. In the interests of transparency and accountability, the activities are disclosed in the German and European registers of lobbyists. Wilo is reporting the annual activities and financial expenditure in the area of lobbying since 2022 under register number R003240. The people authorised to represent these interests are the Wilo Group Executive Board and the employees who directly perform the lobbying activities in the name of the Wilo Group.

### Parameters and goals

In accordance with the 2030 sustainability strategy, the goal is to further increase the involvement in shaping the socio-political environment relating to issues such as climate protection, energy and the resource scarcity. To this end, Wilo initiates and promotes dialogue formats, events and subject-specific conferences that connect a large number of people. KPIs, methodology and reporting process were developed in the year under review. The number of participants will be reported from 2024 onwards.

#### POLITICAL DIALOGUE FORMATS

	2022	2023
Connected people from science, economics, politics and civil society from around the world (number)	-	KPIs and methodology developed

## 4. VALUE-ORIENTED CORPORATE CULTURE

### Policies and governance

Based on a stable foundation of values, Wilo has developed a code of conduct that acts as a radar for the daily actions and helps all employees to take the right decisions in critical situations. The Code of Conduct summarises all of the company's important principles and basic rules. It has been approved by the Wilo Group Executive Team and communicated to all the sites. Embedded in a global, regionally adapted compliance management system, the Code of Conduct is supplemented by a large number of specific Group guidelines, local policies and work instructions that apply to all Wilo Group employees without exception.

Promoting a value-oriented corporate culture is additionally a goal of the sustainability strategy geared towards 2030. The focus here is communicating the company's ethical values and preventing compliance breaches by designing and implementing appropriate training offers. The Internal Audit & Compliance department is responsible for implementing the strategy.

### Measures

Wilo's compliance management system consists of the elements of prevention, detection and response and provides a general framework that covers all relevant compliance issues.

#### Prevention

Training programmes and e-learning courses are the core of the system for preventing compliance risks. Real situations are simulated here that enable the employees to respond appropriately in critical situations. The Wilo Compliance Office is also regularly consulted as a point of contact on questions or problems. Regular global compliance surveys provide insights into potential for improvement within the preventive activities (e.g. training contents or information requirements). In addition to the usual communication channels, employees have the option of using the Compliance Office's Wilo AskMe tool to ask about how to behave correctly in specific circumstances.

#### Investigation and detection

Various points of contact can be used to detect potential compliance breaches, including both personal reporting channels, for example through the local compliance representative or direct supervisors, or by submitting reports through the SpeakUp whistleblower system. The reporting system is totally anonymous in order to protect whistleblowers. The SpeakUp tool is available for both company employees and external parties. A total of 23 potential compliance breaches were reported using the tool in the past year. Some 16 further reports were made through other communication channels. The detection activities additionally include the compliance risk analysis, which is used to identify and assess risks of corruption and bribery. And it goes without saying that compliance issues are always covered by internal audits.

#### Response

In addition to the SpeakUp tool, there is a case management process for following up on suspicious activities in a standardised, verifiably documented and objective manner and, if a response is required, for sanctioning them appropriately. Reporting duties and responsibilities are assigned to certain functions transparently and on a case-by-case basis. Case management also provides analyses of the lessons learned in order to ensure that the compliance management system and the related activities can be continuously improved.

### Corruption and bribery

Wilo pursues a zero tolerance strategy when it comes to corruption. The Anti-corruption Policy defines the group-wide operating principles in the fight against corruption. Regular e-learning courses simulating real situations and enabling employees to react appropriately in critical situations were conducted in the past year. The right way to act in especially sensitive situations, such as on business trips or when gifts are offered, is defined in the Hospitality and Gifts Policy. Moreover, a hospitality and gifts register is maintained that is linked to an approval process. Risks of corruption can also arise as a result of the cooperation with business partners. Customers especially in potentially high-risk countries are currently investigated at Wilo for possible breaches or sanctions using the DowJones risk assessment tool.

### Anti-competitive behaviour

Preventing anti-competitive behaviour also forms part of the effort to ensure responsible business practices and is defined as a goal in the sustainability strategy. Fair competition is a fundamental requirement for innovation, growth and prosperity in a society. Wilo is committed to open markets and fair competition and complies with the nationally and internationally applicable legal regulations. By acting in compliance with the rules, all the employees play a part in preventing risks – especially risks of unfair competition – at the Wilo Group. The Internal Audit & Compliance department is responsible for implementing the strategy.

### Data and information security

Customers, suppliers and employees generate information and entrust it to Wilo. This information can be business and trade secrets, intellectual property and personal data. Wilo institutes targeted technical and organisational measures. For example, personal data is kept only for a temporary period in accordance with a prescribed deletion concept.

The permissions concept means that not every employee can access all internal data.

Wilo bases all its measures on the applicable data protection legislation as well as the relevant standards governing information security and the prevention of cyber risks. Data and information security has increased sharply in importance in the last few years. The chief information security officer is responsible for driving the topics relating to information security and data protection.



### Conflicts of interest

The company's economic success is based on objective decisions. Wilo relies on our employees not being guided by personal interests but instead aligning their actions with objective criteria. A conflict of interest arises if personal interests are not in line with the interests of the Wilo Group. This must be avoided by making business decisions exclusively in the best interests of the Wilo Group. Employees who have a conflict of interest are expected to let their superiors know in order to find a joint solution. Transparent disclosure of the situation can prevent conflicts of interest from the outset and protect those involved.

### Parameters and goals

The goal as defined in the Wilo sustainability strategy is to communicate the company's ethical values and to implement appropriate training offers. The achievement of the goal is measured using the coverage rate of training programmes on business ethics. The goal is a coverage rate of 95 percent. The training concept was thoroughly revised in the year under review and piloted using in-person events with 70 international participants.

A new training series was launched in the 2023 year under review, in the course of which 71 in-person training classes were initially conducted for employees in Purchasing who are exposed to risks. The group-wide e-learning courses that are mandatory for all employees will be rolled out starting in 2024.

### Confirmed incidents of corruption and or bribery

A total of 23 potential compliance breaches were reported using the SpeakUp tool in the past year. Some 16 further reports were made through other communication channels.

No convictions or fines were issued for breaches of corruption or bribery regulations in the year under review.

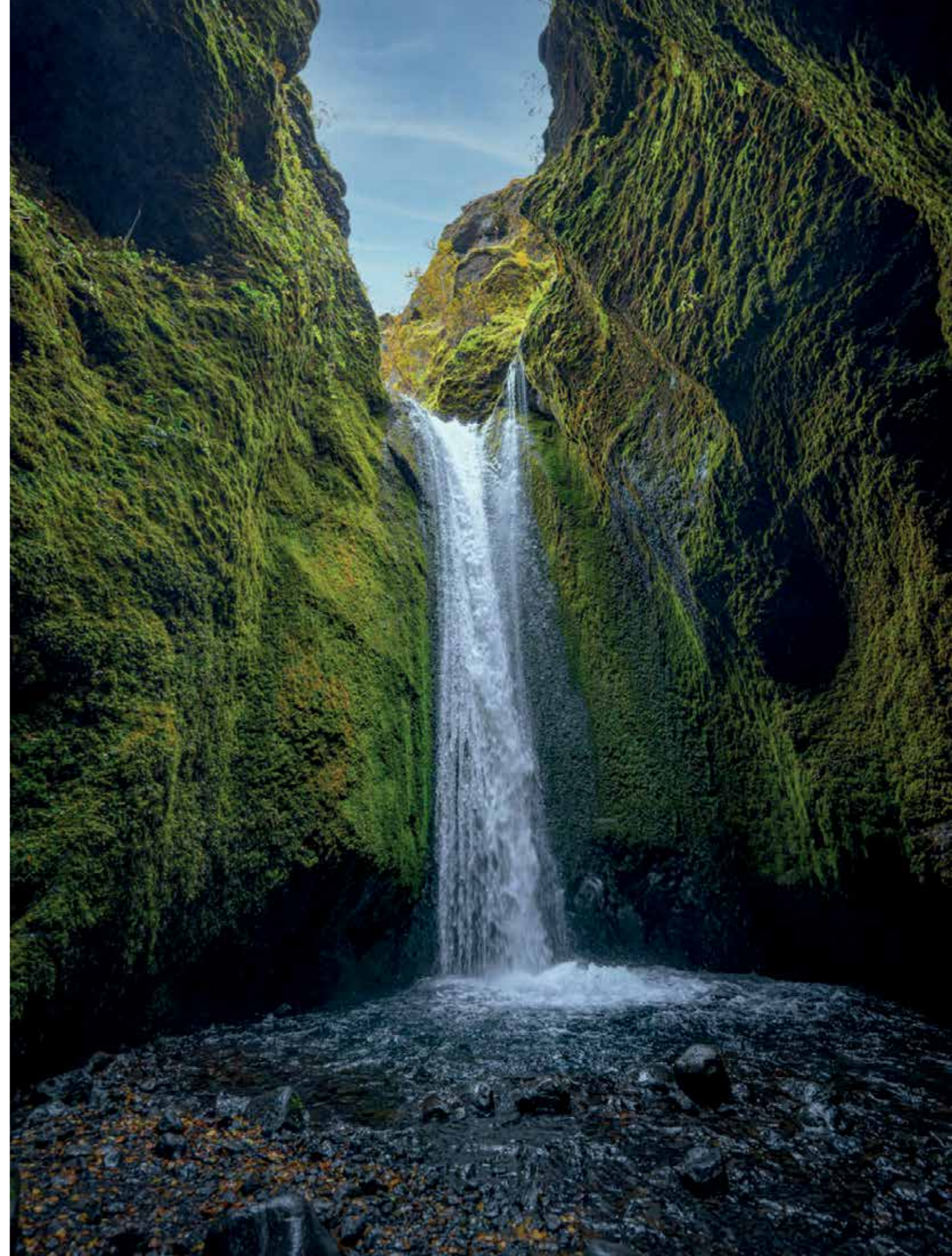
### TRAINING PROGRAMMES ON ETHICAL BUSINESS PRACTICES

	2022	2023
Coverage rate of training courses on business ethics (%)	49	Design and piloting of a new training series

### Confirmed cases of corruption or bribery

In the past year, 23 potential compliance violations were reported via the SpeakUp tool. A further 16 were reported via other communication channels.

There were no convictions or fines in the reporting year for violations of corruption or bribery regulations.





# APPENDIX

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## ABOUT THIS REPORT

### Format

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

### Reporting standard: GRI

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

### Preparation for ESRS

Wilo will be subject to the reporting requirements pursuant to the Corporate Sustainability Reporting Directive (CSRD) from the 2025 financial year onwards. In preparation for the reporting in line with the relevant European Sustainability Reporting Standards (ESRS), Wilo has already adopted and implemented some initial ESRS elements in this report. These include in particular the principle of double materiality and the restructuring of the relevant section of the report in line with the material matters that have been identified. The ESRS index shows which report contents have already been fulfilled and which are still being worked on.

### UN Global Compact

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

### Sustainable Development Goals

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

### Reporting cycle

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

### Report content

This Wilo sustainability report provides information on the strategic orientation and management of sustainability within the company and relates to the whole of the Wilo Group. The target readers of this publication are customers, employees, suppliers, media representatives and other interested stakeholders. A materiality assessment has been conducted in order to define and evaluate the material sustainability matters. Targets and measures have been formulated in conjunction with the sustainability strategy. These are presented transparently and verifiably in the report.

If information that has previously been reported needs to be revised, it is corrected or restated directly in the report and marked.

The reporting period covers the whole of Wilo's 2023 financial year (1 January to 31 December 2023). The editorial deadline for the report was 20 April 2024. Some figures have been rounded.

### Contact

Your opinion is important to us. E-mail us with your questions and suggestions at: [responsibility@wilo.com](mailto:responsibility@wilo.com)



# ADDITIONAL KEY FIGURES

	Unit	2022	2023	Note
<b>Key business figures</b>				
Net sales	EUR million	1,885.7	<b>1,974.8</b>	
Net sales growth	%	14.2	<b>4.7/10.4*</b>	*Adjusted for exchange rate effects
EBITDA	EUR million	196.7	<b>216.8</b>	
Consolidated net income	EUR million	61.1	<b>75.2</b>	
Capital expenditure	EUR million	155.3	<b>198.6</b>	Investments in intangible assets and property, plant and equipment as well as acquisitions
R&D costs	EUR million	70.6	<b>77.7</b>	
Equity	EUR million	930.9	<b>962.6</b>	
Equity ratio	%	42.7	<b>40.4</b>	
<b>Water</b>				
Total water consumption	m <sup>3</sup>	114,442	<b>121,632</b>	
Water consumption per capita	m <sup>3</sup>	18.75	<b>18.97</b>	
Total water consumption / EUR million net revenue	m <sup>3</sup> /EUR million	60.69	<b>61.59</b>	
<b>Energy and emissions</b>				
<b>Energy consumption and mix</b>				
Changed data basis compared to 2022 report due to recalculation in accordance with SBTi				
Fuel consumption from coal and coal products	MWh	0	<b>0</b>	
Fuel consumption from crude oil and petroleum products	MWh	1,455	<b>1,410</b>	
Fuel consumption from natural gas	MWh	27,204	<b>21,297</b>	
Fuel consumption from other fossil sources	MWh	0	<b>0</b>	
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	MWh	16,727	<b>17,184</b>	
Total fossil energy consumption	MWh	45,386	<b>39,891</b>	
Share of fossil sources in total energy consumption	%	57	<b>56</b>	
Consumption from nuclear sources	MWh	0	<b>0</b>	
Share of consumption from nuclear sources in total energy consumption	%	0	<b>0</b>	
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.)	MWh	0	<b>0</b>	
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	MWh	33,366	<b>28,237</b>	
The consumption of self-generated non-fuel renewable energy	MWh	1,442	<b>3,717</b>	
Total renewable and low carbon energy consumption (MWh)	MWh	34,808	<b>31,954</b>	
Share of renewable and low carbon sources in total energy consumption	%	43	<b>44</b>	
Total energy consumption	MWh	80,194	<b>71,845</b>	

	Unit	2022	2023	Note
<b>Own energy production</b>				
Non-renewable energy production	MWh	0	<b>0</b>	
Renewable energy production	MWh	1,442	<b>4,031</b>	
Energy savings through high-efficiency pumps	TWh	2.2	<b>2</b>	
<b>GHG emissions</b>				
2020 Baseline values in chapter Climate Change				
Biogenic emissions	t CO <sub>2</sub> e	0	<b>0</b>	
<b>Scope 1 GHG emissions</b>				
Gross Scope 1 GHG emissions	t CO <sub>2</sub> e	5,344	<b>4,303</b>	
Percentage of Scope 1 GHG emissions from regulated emission trading schemes	%	0	<b>0</b>	
<b>Scope 2 GHG emissions</b>				
Gross location-based Scope 2 GHG emissions	t CO <sub>2</sub> e	17,199	<b>16,109</b>	
Gross market-based Scope 2 GHG emissions	t CO <sub>2</sub> e	7,656	<b>8,000</b>	
<b>Scope 3 GHG emissions</b>				
Total Gross indirect (Scope 3) GHG emissions	t CO <sub>2</sub> e	68,868,667	<b>65,069,524</b>	
1 Purchased goods and services	t CO <sub>2</sub> e	718,120	<b>530,701</b>	
2 Capital goods	t CO <sub>2</sub> e	7,400	<b>8,133</b>	
3 Fuel and energy-related activities	t CO <sub>2</sub> e	5,066	<b>5,200</b>	
4 Upstream transportation and distribution	t CO <sub>2</sub> e	34,056	<b>26,567</b>	
5 Waste generated in operations	t CO <sub>2</sub> e	5,034	<b>5,351</b>	
6 Business travels	t CO <sub>2</sub> e	865	<b>1,644</b>	
7 Employee commuting	t CO <sub>2</sub> e	14,209	<b>14,932</b>	
8 Upstream leased assets	t CO <sub>2</sub> e	5,979	<b>6,124</b>	
9 Downstream transportation and distribution	t CO <sub>2</sub> e	0	<b>0</b>	
10 Processing of sold products	t CO <sub>2</sub> e	0	<b>0</b>	
11 Use of sold products	t CO <sub>2</sub> e	68,077,112	<b>64,470,181</b>	
12 End-of-life treatment of sold products	t CO <sub>2</sub> e	826	<b>690</b>	
13 Downstream leased assets	t CO <sub>2</sub> e	0	<b>0</b>	
14 Franchises	t CO <sub>2</sub> e	0	<b>0</b>	
15 Financial investments	t CO <sub>2</sub> e	0	<b>0</b>	
<b>Total GHG emissions</b>				
Total GHG emissions (location-based)	t CO <sub>2</sub> e	68,891,210	<b>65,089,936</b>	
Total GHG emissions (market-based)	t CO <sub>2</sub> e	68,881,668	<b>65,081,828</b>	
<b>GHG intensity per net revenue</b>				
Total GHG emissions (location-based) per net revenue	t CO <sub>2</sub> e/EUR	36,533	<b>32,960</b>	
Total GHG emissions (market-based) per net revenue	t CO <sub>2</sub> e/EUR	36,528	<b>32,956</b>	
<b>Removals and carbon credits</b>				
Removals	t CO <sub>2</sub> e	0	<b>0</b>	
Carbon credits	t CO <sub>2</sub> e	227	<b>750</b>	

	Unit	2022	2023	Note
<b>Material</b>				
Total amount of waste	t	8,818	<b>8,826</b>	
Recycling rate	%	89	<b>91</b>	
Disposed	t	616	<b>450</b>	
Recycled	t	7,848	<b>8,042</b>	
Hazardous waste	t	354	<b>334</b>	
<b>Own workforce</b>				
Total number of employees	Number	8,643	<b>9,084</b>	As at the reporting date 31 December
Men	Number	6,621	<b>6,979</b>	
Female	Number	2,022	<b>2,093</b>	
Other	Number	0	<b>0</b>	
not specified	Number	0	<b>12</b>	
<b>By Gender</b>				
Proportion of men	%	76.6	<b>76.8</b>	
Proportion of women	%	23.4	<b>23.04</b>	
Proportion of other	%	0	<b>0</b>	
Proportion of undeclared	%	0	<b>0.132</b>	
<b>According to employment contract</b>				
temporary	Number	1,124	<b>1,425</b>	
Of which men	Number	880	<b>1,139</b>	
Of which women	Number	244	<b>278</b>	
Other	Number	0	<b>0</b>	
Of which undeclared	Number	0	<b>8</b>	
Not disclosed	Number	7,519	<b>7,659</b>	
Of which men	Number	5,745	<b>5,839</b>	
Of which women	Number	1,775	<b>1,815</b>	
Of which other	Number	0	<b>0</b>	
Of which undeclared	Number	0	<b>4</b>	
<b>By Age Group</b>				
Under 30 years of age	Number	1,230	<b>1,372</b>	
30 to 50 years	Number	4,988	<b>5,354</b>	
Over 50 years	Number	2,426	<b>2,358</b>	
<b>By employment relationship</b>				
Part-time	Number	545	<b>521</b>	
Of which men	Number	258	<b>245</b>	
Of which women	Number	286	<b>275</b>	
Other	Number	0	<b>0</b>	
Of which undeclared	Number	0	<b>0</b>	

	Unit	2022	2023	Note
Full time	Number	8,102	<b>8,563</b>	
Of which men	Number	63,68	<b>6,732</b>	
Of which women	Number	1,734	<b>1,818</b>	
Of which other	Number	0	<b>0</b>	
Of which undeclared	Number	0	<b>12</b>	
<b>Employees by region</b>				
Emerging markets	Number	3,051	<b>3,233</b>	
Mature markets	Number	5,194	<b>5,346</b>	
North America	Number	398	<b>505</b>	
<b>Number of employees in countries with at least 50 employees</b>				
Germany	Number	2,983	<b>3,079</b>	
France	Number	1,243	<b>1,245</b>	
India	Number	1,063	<b>1,151</b>	
China	Number	914	<b>917</b>	
USA	Number	371	<b>453</b>	
Russia	Number	338	<b>335</b>	
Korea	Number	306	<b>319</b>	
Poland	Number	115	<b>129</b>	
Turkey	Number	101	<b>113</b>	
Italian	Number	110	<b>104</b>	
United Kingdom	Number	89	<b>93</b>	
<b>Other HR-related key figures</b>				
Gender pay gap	%		<b>11.9</b>	
Women in leadership positions	%	18.5	<b>18.31</b>	
Nationalities in Wilo teams	%		<b>5.3</b>	
Fluctuation rate	%	3.9	<b>4.8</b>	
Proportion of severely disabled employees	%	5.14	<b>4.87</b>	The key figure is currently only collected for Germany
Accident frequency	LTIR	3.4	<b>2.9</b>	
Occupational accident severity rate	ASR	0.09	<b>0.09</b>	
Engagement Score	%		<b>77</b>	
Employees covered by collective bargaining	%	78.4	<b>80.83</b>	The key figure is currently only collected for Germany
Continuing Education Hours	hours	804	<b>1,018</b>	Only Leadership Accelerator Trainings
Average training hours per employee	hours/ Employee	4.7	<b>3.9</b>	Only Leadership Accelerator Trainings
<b>Business policy</b>				
Trainings on ethical business conduct	%	49	<b>-</b>	Conceptualisation and piloting of a new training series
Number of reports via whistleblower proceedings	Number	31	<b>23</b>	

# CERTIFICATION OVERVIEW

Location		9001	14001	45001	50001
44263 Dortmund-Wilopark, Germany	WILO SE	x	x	x	x
44263 Dortmund-Felicitasstraße, Germany	WILO SE	x	x	x	x
44357 Dortmund-Breisenbachstraße, Germany	WILO SE	-	-	-	x
95030 Hof, Germany	WILO SE, Werk Hof	x	x	x	x
09224 Chemnitz, Germany	Wilo IndustrieSysteme GmbH	x	-	-	-
53005 Laval Cedex, France	Wilo France SAS	x	x	x	-
53950 Louverné, France	Wilo France SAS	x	x	x	-
78400 Chatou, France	Wilo France SAS	x	x	-	-
36073 Cornedo Vicentino, Italy	STEMMA S.R.L.	x	-	-	-
70123 Bari, Italy	Wilo Italia SRL	x	-	-	-
18700 Aubigny-sur-Nère, France	Wilo INTEC SAS	x	x	-	-
91105 Trenčín, Slovakia	Wilo INTEC SAS organizačná zložka Slovakia	x	-	-	-
Jebel Ali Free Zone – South, PO Box 26720 Dubai, United Arab Emirates	Wilo Middle East FZE	x	-	-	-
Beijing 101300, P. R. China	Wilo China Ltd.	x	x	x	-
Qinhuangdao City, Hebei Province, P. R. China 066004	Wilo ELEC CO. LTD.	x	x	x	-
Changzhou 213002, China	Wilo Pump Co., Ltd.	x	-	-	-
Busan 618-260 South Korea	Wilo Pumps Limited	x	x	x	-
43300 Seri Kembangan, Selangor, Malaysia	Wilo Malaysia Sdn. Bhd.	x	-	-	-
Jakarta Utara 14350, Indonesia	PT Wilo Pumps Indonesia	x	-	x	-
Pune – 411 019, India	Wilo Mather and Platt Pumps Private Limited	x	x	x	-
Kolhapur – 416 234, India	Wilo Mather and Platt Pumps Private Limited	x	x	x	-
34956 Istanbul, Turkey	Wilo Pompa Sistemleri A.Ş.	x	x	x	-
QLD 4172 Brisbane / Australia	Wilo Australia Pty Ltd	x	-	-	-
Russian Federation, Noginsk	Wilo RUS LLC	x	-	-	-
A-2351, Wiener Neudorf, Austria	Wilo Pumpen Österreich GmbH	x	-	-	-
352 45 Växjö, Sweden	Wilo Nordic AB	x	-	-	-
1083 Ganshoren, Belgium	Wilo nv	x	-	-	-
05-506 Lesznowola, Poland	Wilo Polska Sp. z o.o.	x	-	-	-
H-2045, Törökbálint, Hungary	Wilo Magyarország Kft.	x	-	-	-

# ESRS OVERVIEW

## ESRS 2 GENERAL DISCLOSURES

Disclosure Requirement	Designation	Page	Note	Significant
Disclosure Requirement GOV-1	The role of administrative, management and supervisory bodies	pp. 31-39		
Disclosure Requirement GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	pp. 31-39		
Disclosure Requirement GOV-3	Integration of sustainability-related performance in incentive schemes	pp. 31-39		
Disclosure Requirement GOV-4	Statement of due diligence		Excluded	
Disclosure Requirement GOV-5	Risk management and internal controls over sustainability reporting	pp. 31-39		
Disclosure Requirement SBM-1	Strategy, business models and value chain	pp. 31-39		
Disclosure Requirement SBM-2	Interests and views of stakeholders	pp. 31-39		
Disclosure Requirement SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model		Excluded	
Disclosure Requirement IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	pp. 31-39		
Disclosure Requirement IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	pp. 31-39		



## ENVIRONMENT

### ESRS E1 Climate change

Disclosure Requirement	Designation	Page	Note	Significant
E1 – Disclosure requirement related to ESRS 2 GOV-3	Integration of sustainability related performance in incentive schemes		Excluded	
Disclosure Requirement E1 – 1	Transition plan for climate change mitigation	pp. 42-49	Excluded: EU-Taxonomy regulations	
E1 Disclosure Requirement related to ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model		Excluded	
E1 Disclosure Requirement related to ESRS 2 IRO-1	Description of the processes to identify and assess material climate related Impacts, risks and opportunities	pp. 42-49	Excluded: Climate risks, transition risks & opportunities; climate-related scenario analysis	
Disclosure Requirement E1 – 2	Policies related to climate change mitigation and adaptation	pp. 42-49		
Disclosure Requirement E1 – 3	Actions and resources in relation to climate change	pp. 42-49	Excluded: CapEx and OpEx required to carry out the measures taken or planned	
Disclosure Requirement E1 – 4	Targets related to climate change mitigation and adaptation	pp. 42-49		
Disclosure Requirement E1 – 5	Energy consumption and mix	pp. 42-49		
Disclosure Requirement E1 – 6	Gross Scopes 1, 2, 3 and total GHG emissions	pp. 42-49		
Disclosure Requirement E1 – 7	GHG removals and GHG mitigation projects financed through carbon credits	pp. 42-49		
Disclosure Requirement E1 – 8	Internal carbon pricing		Excluded	
Disclosure Requirement E1 – 9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities		Excluded	

## ENVIRONMENT

### ESRS E2 Pollution

Disclosure Requirement	Designation	Page	Note	Significant
E2 – Disclosure Requirement related to ESRS 2 IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities			No
Disclosure Requirement E2 – 1	Policies related to pollution			No
Disclosure Requirement E2 – 2	Actions and resources related to pollution			No
Disclosure Requirement E2 – 3	Targets related to pollution			No
Disclosure Requirement E2 – 4	Pollution of air, water and soil			No
Disclosure Requirement E2 – 5	Substances of concern and substances of very high concern			No
Disclosure Requirement E2 – 6	Anticipated financial effects from pollution-related impacts, risks and opportunities			No

### ESRS E3 Water and marine resources

E3 Disclosure Requirement related to ESRS 2 IRO-1	Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	pp. 50-53		
Disclosure Requirement E3 – 1	Policies related to water and marine resources	pp. 50-53		
Disclosure Requirement E3 – 2	Actions and resources related to water and marine resources	pp. 50-53		
Disclosure Requirement E3 – 3	Targets related to water and marine resources	pp. 50-53		
Disclosure Requirement E3 – 4	Water consumption	pp. 50-53		
Disclosure Requirement E3 – 5	Anticipated financial effects from water and marine resources-related impacts, risks and opportunities		Excluded	

## ENVIRONMENT

### ESRS E4 Biodiversity and ecosystems

Disclosure Requirement	Designation	Page	Note	Significant
Disclosure Requirement E4 - 1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model			No
E4 Disclosure Requirement related to ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model			No
E4 Disclosure Requirement related to ESRS 2 IRO-1	Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities			No
Disclosure Requirement E4 - 2	Policies related to biodiversity and ecosystems			No
Disclosure Requirement E4 - 3	Actions and resources related to biodiversity and ecosystems			No
Disclosure Requirement E4 - 4	Targets related to biodiversity and ecosystems change			No
Disclosure Requirement E4 - 5	Impact metrics related to biodiversity and ecosystem-related risks and opportunities			No
Disclosure Requirement E4 - 6	Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities			No

### ESRS E5 Resource use and circular economy

E5 Disclosure Requirement related to ESRS 2 IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	pp. 54-57		
Disclosure Requirement E5 - 1	Policies related to resource use and circular economy	pp. 54-57		
Disclosure Requirement E5 - 2	Actions and resources related to resource use and circular economy	pp. 54-57		
Disclosure Requirement E5 - 3	Targets related to resource use and circular economy	pp. 54-57		
Disclosure Requirement E5 - 4	Resource inflows		Excluded	
Disclosure Requirement E5 - 5	Resource outflows		Excluded	
Disclosure Requirement E5 - 6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities		Excluded	

## SOCIAL

### ESRS S1 Own workforce

Disclosure Requirement	Designation	Page	Note	Significant
S1 Disclosure Requirement related to ESRS 2 SBM-2	Interests and views of stakeholders	pp. 60-69		
S1 Disclosure Requirement related to ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	pp. 60-69		
Disclosure Requirement S1 - 1	Policies related to own workforce	pp. 60-69		
Disclosure Requirement S1 - 2	Process for engaging with own workers and workers' representatives about impacts	pp. 60-69		
Disclosure Requirement S1 - 3	Processes to remediate negative impacts and channels for own workers to raise concerns	pp. 60-69		
Disclosure Requirement S1 - 4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	pp. 60-69		
Disclosure Requirement S1 - 5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	pp. 60-69		
Disclosure Requirement S1 - 6	Characteristics of the undertaking's employees	pp. 60-69		
Disclosure Requirement S1 - 7	Characteristics of non-employee workers in the undertaking's own workforce		Excluded	
Disclosure Requirement S1 - 8	Collective bargaining coverage and social dialogue	pp. 60-69		
Disclosure Requirement S1 - 9	Diversity metrics	pp. 60-69		
Disclosure Requirement S1 - 10	Adequate wages	pp. 60-69		
Disclosure Requirement S1 - 11	Social protection	pp. 60-69		
Disclosure Requirement S1 - 12	Persons with disabilities	pp. 60-69		
Disclosure Requirement S1 - 13	Training and skills development metrics		Excluded	
Disclosure Requirement S1 - 14	Health and safety metrics	pp. 60-69		
Disclosure Requirement S1 - 15	Work-life balance metrics		Excluded	
Disclosure Requirement S1 - 16	Compensation metrics (pay gap and total compensation)	pp. 60-69		
Disclosure Requirement S1 - 17	Incidents, complaints and severe human rights impacts	pp. 60-69		

**SOCIAL**

**ESRS S2 Workers in the value chain**

Disclosure Requirement	Designation	Page	Note	Significant
S2 Disclosure Requirement related to ESRS 2 SBM-2	Interests and views of stakeholders	pp. 70-72		
S2 Disclosure Requirement related to ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	pp. 70-72		
Disclosure Requirement S2 - 1	Policies related to value chain workers	pp. 70-72		
Disclosure Requirement S2 - 2	Processes for engaging with value chain workers about impacts	pp. 70-72		
Disclosure Requirement S2 - 3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	pp. 70-72		
Disclosure Requirement S2 - 4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	pp. 70-72		
Disclosure Requirement S2 - 5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	pp. 70-72		

**SOCIAL**

**ESRS S3 Affected communities**

Disclosure Requirement	Designation	Page	Note	Significant
S3 Disclosure Requirement related to ESRS 2 SBM-2	Interests and views of stakeholders	pp. 73-75		
S3 Disclosure Requirement related to ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	pp. 73-75		
Disclosure Requirement S3 -1	Policies related to affected communities	pp. 73-75		
Disclosure Requirement S3 -2	Processes for engaging with affected communities about impacts	pp. 73-75		
Disclosure Requirement S3 -3	Processes to remediate negative impacts and channels for affected communities about impacts	pp. 73-75		
Disclosure Requirement S3 -4	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	pp. 73-75		
Disclosure Requirement S3 -5	Targets related to managing material negative impacts advancing positive impacts, and managing material risks and opportunities	pp. 73-75		



## SOCIAL

### ESRS S4 Consumers and end-users

Disclosure Requirement	Designation	Page	Note	Significant
S4 Disclosure Requirement related to ESRS 2 SBM-2	Interests and views of stakeholders	pp. 76-77		
S4 Disclosure Requirement related to ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	pp. 76-77		
Disclosure Requirement S4 - 1	Policies related to consumers and endusers about impacts	pp. 76-77		
Disclosure Requirement S4 - 2	Processes for engaging with consumers and endusers about impacts	pp. 76-77		
Disclosure Requirement S4 - 3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	pp. 76-77		
Disclosure Requirement S4 - 4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	pp. 76-77		
Disclosure Requirement S4 - 5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	pp. 76-77		

## GOVERNANCE

### ESRS G1 Business conduct

G1 Disclosure Requirement related to ESRS 2 GOV-1	Role of the administrative, supervisory and mangement bodies	pp. 31-39		
G1 Disclosure Requirement related to ESRS 2 IRO-1	Description of the processes to identify and assess material imapcts, risks and opportunities	pp. 31-39		
Disclosure Requirement G1 - 1	Corporate culture and Business conduct policies and coporate culture	pp. 80-85		
Disclosure Requirement G1 - 2	Management of relationships with suppliers			No
Disclosure Requirement G1 - 3	Prevention and detection of corruption and bribery	pp. 80-85		
Disclosure Requirement G1 - 4	Confirmed indicents of corruption and bribery	pp. 80-85		
Disclosure Requirement G1 - 5	Political influence and lobbying activities	pp. 80-85		
Disclosure Requirement G1 - 6	Payment practices			No

# GRI OVERVIEW

<b>Statement of use</b>	WILO SE has reported in accordance with the GRI Standards for the period 01.01.2023 – 31.12.2023; Structure of reporting follows ESRS.
<b>Benutzer GRI 1</b>	GRI 1: Foundation 2021
<b>Applicable GRI Sector Standard(s)</b>	None

## GRI CONTENT INDEX MATERIAL TOPICS (GRI 201–419)

GRI-Standard	Reference / Page	Note / Explanation for Omission
<b>General Disclosures 2021</b>		
2-1	Organizational details	Annual report from p. 56
2-2	Entities included in the organization's sustainability reporting	From p. 87
2-3	Reporting period, frequency and contact point	From p. 87
2-4	Restatements of information	From p. 87
2-5	External assurance	External assurance is planned starting with the sustainability report 2024.
2-6	Activities, value chain and other business relationships	Annual report from p. 56
2-7	Employees	pp. 66–69
2-8	Workers who are not employees	Information unavailable
2-9	Governance structure and composition	Annual report pp. 60–63
2-10	Nomination and selection of the highest governance body	Annual report pp. 60–63
2-11	Chair of the highest governance body	Annual report p. 175
2-12	Role of the highest governance body in overseeing the management of impacts	Annual report pp. 60–63
2-13	Delegation of responsibility for managing impacts	p. 31
2-14	Role of the highest governance body in sustainability reporting	p. 31
2-15	Conflicts of interest	Annual report pp. 60–63
2-16	Communication of critical concerns	Annual report pp. 60–63
2-17	Collective knowledge of the highest governance body	p. 31
2-18	Evaluation of the performance of the highest governance body	Information unavailable
2-19	Remuneration policies	Annual report p. 174
2-20	Process to determine remuneration	Annual report p. 174
2-21	Annual total compensation ratio	Information unavailable

GRI-Standard	Reference / Page	Note / Explanation for Omission
2-22	Statement on sustainable development strategy	pp. 2–39
2-23	Policy commitments	Website <a href="https://wilo.com/en/Compliance/">https://wilo.com/en/Compliance/</a>
2-24	Embedding policy commitments	Website <a href="https://wilo.com/en/Compliance/">https://wilo.com/en/Compliance/</a>
2-25	Processes to remediate negative impacts	Website <a href="https://wilo.com/en/Compliance/">https://wilo.com/en/Compliance/</a>
2-26	Mechanisms for seeking advice and raising concerns	Website <a href="https://wilo.com/en/Compliance/">https://wilo.com/en/Compliance/</a>
2-27	Compliance with laws and regulations	No violations present
2-28	Membership associations	pp. 81–82
2-29	Approach to stakeholder engagement	p. 36
2-30	Collective bargaining agreements	p. 91

## GRI 3: Material Topics 2021

3-1	Process to determine material topics	pp. 37–39
3-2	List of material topics	p. 39
3-3	Management of material topics	pp. 42–85 Throughout the report

## GRI 201: Economic Performance 2016

201-1	Direct economic value generated and distributed	Annual report pp. 120–174
201-2	Financial implications and other risks and opportunities due to climate change	pp. 35–36 Financial evaluation in preparation
201-3	Defined benefit plan obligations and other retirement plans	Annual report pp. 120–174
201-4	Financial assistance received from government	Annual report pp. 120–174

## GRI 204: Procurement Practices 2016

204-1	Proportion of spending on local suppliers	Information unavailable
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## GRI 205: Anti-corruption 2016

205-1	Operations assessed for risks related to corruption	p. 83
205-2	Communication and training about anti-corruption policies and procedures	p. 83
205-3	Confirmed incidents of corruption and actions taken	p. 83

## GRI 206: Anti-competitive Behaviour 2016

206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No violations present
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GRI-Standard	Reference / Page	Note / Explanation for Omission
<b>GRI 301: Materials 2016</b>		
301-1	Materials used by weight or volume	In preparation
301-2	Recycled input materials used	pp. 54-56
301-3	Reclaimed products and their packaging materials	p. 55
<b>GRI 302: Energy 2016</b>		
302-1	Energy consumption within the organization	pp. 42-49
302-2	Energy consumption outside of the organization	pp. 42-49
302-3	Energy intensity	pp. 42-49
302-4	Reduction of energy consumption	pp. 42-49
302-5	Reductions in energy requirements of products and services	pp. 42-49
<b>GRI 303: Water and effluents 2018</b>		
303-1	Interactions with water as a shared resource	pp. 52-53
303-2	Management of water discharge-related impacts	pp. 52-53
303-3	Water withdrawal	Information unavailable
303-4	Water discharge	Information unavailable
303-5	Water consumption	pp. 52-53
<b>GRI 305: Emissionen 2016</b>		
305-1	Direct (Scope 1) GHG emissions	pp. 42-49
305-2	Energy indirect (Scope 2) GHG emissions	pp. 42-49
305-3	Other indirect (Scope 3) GHG emissions	pp. 42-49
305-4	GHG emissions intensity	pp. 42-49
305-5	Reduction of GHG emissions	pp. 42-49
305-6	Emissions of ozone-depleting substances (ODS)	Not applicable
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Not applicable

GRI-Standard	Reference / Page	Note / Explanation for Omission
<b>GRI 306: Waste 2020</b>		
306-1	Waste generation and significant waste-related impacts	pp. 54-56
306-2	Management of significant waste-related impacts	pp. 54-56
306-3	Waste generated	p. 56
306-4	Waste diverted from disposal	p. 56
306-5	Waste directed to disposal	p. 56
<b>GRI 308: Supplier Environmental Assessment 2016</b>		
308-1	New suppliers that were screened using environmental criteria	p. 72
308-2	Negative environmental impacts in the supply chain and actions taken	pp. 43-45; p. 55
<b>GRI 401: Employment 2016</b>		
401-1	New employee hires and employee turnover	From p. 87
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	pp. 60-69
401-3	Parental leave	Information unavailable
<b>GRI 402: Labor/Management Relations 2016</b>		
402-1	Minimum notice periods regarding operational changes	pp. 60-69
<b>GRI 403: Sicherheit und Gesundheit am Arbeitsplatz 2018</b>		
403-1	Occupational health and safety management system	pp. 60-69
403-2	Hazard identification, risk assessment, and incident investigation	pp. 60-69
403-3	Occupational health services	pp. 60-69
403-4	Worker participation, consultation, and communication on occupational health and safety	pp. 60-69
403-5	Worker training on occupational health and safety	pp. 60-69
403-6	Promotion of worker health	pp. 60-69
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	pp. 60-69
403-8	Workers covered by an occupational health and safety management system	pp. 60-69
403-9	Work-related injuries	pp. 60-69
403-10	Work-related ill health	Information unavailable



GRI-Standard	Reference / Page	Note / Explanation for Omission
<b>GRI 404: Training and Education 2016</b>		
404-1	Average hours of training per year per employee	From p. 87
404-2	Programs for upgrading employee skills and transition assistance programs	pp. 60-69
404-3	Percentage of employees receiving regular performance and career development reviews	pp. 60-69
<b>GRI 405: Diversity and Equal Opportunity</b>		
405-1	Diversity of governance bodies and employees	Annual report pp. 60-63;
405-2	Ratio of basic salary and remuneration of women to men	pp. 60-69
<b>GRI 406: Non-discrimination 2016</b>		
406-1	Incidents of discrimination and corrective actions taken	No incidents
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Information will be published in the BAFA Human Rights Due Diligence Report in the course of 2024
<b>GRI 408: Child Labor 2016</b>		
408-1	Operations and suppliers at significant risk for incidents of child labor	Information will be published in the BAFA Human Rights Due Diligence Report in the course of 2024
<b>GRI 413: Local Communities 2016</b>		
413-1	Operations with local community engagement, impact assessments, and development programs	pp. 73-75
413-2	Operations with significant actual and potential negative impacts on local communities	Information will be published in the BAFA Human Rights Due Diligence Report in the course of 2024
<b>GRI 414: Supplier Social Assessment 2016</b>		
414-1	New suppliers that were screened using social criteria	p. 72
414-2	Negative social impacts in the supply chain and actions taken	Information will be published in the BAFA Human Rights Due Diligence Report in the course of 2024

GRI-Standard	Reference / Page	Note / Explanation for Omission
<b>GRI 415: Public Policy 2016</b>		
415-1	Political contributions	Not applicable, as not available
<b>GRI 416: Customer Health and Safety 2016</b>		
416-1	Assessment of the health and safety impacts of product and service categories	pp. 76-77
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	No violations present

**TOPICS IN THE APPLICABLE GRI SECTOR STANDARDS DETERMINED AS NOT MATERIAL**

Topic	Explanation
GRI 202 Market Presence 2016	Double materiality shows low probability of relevant impact, risk or opportunity
GRI 203 Indirekte ökonomische Auswirkungen 2016	Double materiality shows low probability of relevant impact, risk or opportunity
GRI 207 Tax 2019	Double materiality shows low probability of relevant impact, risk or opportunity
GRI 304 Biodiversity 2016	Double materiality shows low probability of relevant impact, risk or opportunity
GRI 409 Forced or Compulsory Labor 2016	Double materiality shows low probability of relevant impact, risk or opportunity
GRI 410 Security Practices 2016	Double materiality shows low probability of relevant impact, risk or opportunity
GRI 411 Rights of Indigenous Peoples 2016	Double materiality shows low probability of relevant impact, risk or opportunity
GRI 417 Marketing and Labeling 2016	Double materiality shows low probability of relevant impact, risk or opportunity
GRI 418 Customer Privacy 2016	Double materiality shows low probability of relevant impact, risk or opportunity

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