

VAILLANT GROUP

Sustainability Report

2025

Vaillant Group UK



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Introduction



Welcome from our UK Managing Director

As part of the wider Vaillant Group, we build on more than 150 years of innovation in heating technologies, alongside a long-standing manufacturing heritage in Belper, Derbyshire. Since 2010, Vaillant Group's SEEDS (Sustainability in Environment, Employees, Development & Solutions, and Society) framework has helped establish a more structured approach to managing environmental and social impacts across the entire business. In the UK, we have continued to build on these foundations, strengthening our people, operations, products and community engagement.

These principles influence how we develop products, invest in our operations, support our people, contribute to the communities in which we operate and deliver for our customers. Bringing these elements together in one place provides greater transparency around our approach, priorities and performance.

As the UK continues its transition towards net zero, we recognise the important role heat decarbonisation will play and the responsibility we have as a manufacturer to support the transition. Sustainability and innovation are therefore closely linked, shaping how we develop products, technologies and services that help meet the changing needs of customers while maintaining quality and reliability.

During 2025 we continued to focus on strengthening our ability to support the future of heating in the UK. This included continued investment in heat pump solutions, the ongoing development of high-efficiency boiler technologies, and greater connectivity through digital products and services, alongside programmes and partnerships that support installers and the wider supply chain. We were also proud to see our Derby manufacturing facility complete its first full year of operation. The facility plays an important role enabling the deployment of low carbon heating technologies and creating skilled jobs in the local economy.

Both our employees and our partners remain central to our success. Throughout the year, developing our workforce remained a priority as we continued our apprenticeship and training programmes, helping to build the skills needed both within our organisation and across the wider heating industry. This supports future talent, strengthens capability across the sector and ensures we continue to deliver the high standards our customers expect. They also help us attract, develop and retain talented people, supporting our ambition to create a workplace where colleagues can build rewarding and long-term careers.

We were proud to receive the RoSPA President's Award in 2025, recognising ten consecutive years of RoSPA Gold Award status at our Belper manufacturing facility. This achievement reflects the commitment and dedication shown by colleagues across the organisation and reinforces the importance we place on creating a safe and supportive working environment.

This publication establishes a clear baseline for how we measure and communicate our sustainability performance. We recognise that both our approach and reporting will continue to evolve, and we remain committed to strengthening transparency, accountability and data quality over time. All this underpins our vision: *Taking care of a better climate. Inside each home and the world around it.* This vision guides our decisions and actions as we work towards supporting a more sustainable future.



Henrik Juhl Hansen
Managing Director
Vaillant Group UK & Ireland

About Vaillant Group UK

Vaillant Group UK is part of the wider Vaillant Group, a family-owned business with more than 150 years of experience in heating technologies.¹ In the UK, Vaillant Group manufactures heating and hot water solutions under two brands, Vaillant and Glow-worm.

The Vaillant journey began in 1874 in Remscheid, Germany, when Johann Vaillant began working on ideas that would help change how buildings are heated. Today across the Vaillant Group, we continue to focus on developing innovative heating and hot water solutions that support the transition to low carbon homes and buildings.

Our UK headquarters is in Belper, Derbyshire, where we manufacture high-efficiency boilers and heat pumps. We have also expanded our UK manufacturing footprint to include a facility in Derby that produces hot water cylinders, enabling the deployment of low carbon heating systems.

Across the UK, our activities span manufacturing, distribution, installer support and servicing. With more than 700 colleagues based across Derbyshire sites and over 300 colleagues located around the nation, we strive to support customers and partners throughout our supply chain.

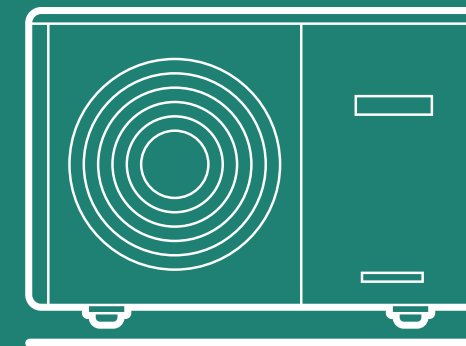
We are proud to be the first boiler manufacturer to produce heat pumps in the UK. Since launching our heat pump line in 2022, we have invested over £50 million in heat pump manufacturing and installer training, demonstrating our commitment to the UK's net zero ambition. Through our six Centres of Excellence across the UK and our college partnerships, we upskill and train installers to support the growth of the UK's clean heating supply chain. At full capacity, this investment will create 300 new jobs and apprenticeships for the local economy.

As a business, our corporate vision is "Taking care of a better climate. Inside each home and the world around it." All our employees are working to achieve this shared vision. Innovation and sustainability are at the centre of our business, with an increasing focus on low carbon technologies, including heat pumps and smart systems, that have the potential to improve energy efficiency and reduce emissions.



¹ Please see page 60 for legal entities.

Six Centres of Excellence across the UK



Manufacturing footprint
373,084 m²



Investment in low carbon
manufacturing and skills
£50m+
* since 2022



250+
service
engineers



45,000+
installers registered
through myREWARDS



Number of employees
over 1,000

Introduction to sustainability at Vaillant Group UK

Our structured and evolving approach to sustainability reflects both the scale of our operations in the UK and our role in supporting the transition to low carbon heating.

As a manufacturing-led business operating across production sites, logistics networks and customers' homes, we recognise that sustainability is closely linked to how we manage risk, deliver quality and create long-term value.

As part of the wider Vaillant Group, our sustainability approach is guided by the SEEDS framework, which provides a structured approach to setting priorities, monitoring performance and integrating sustainability into decision-making based on a materiality assessment. In the UK, we have undertaken a further materiality assessment to understand what specific sustainability topics matter most to our UK organisation and how they relate to our SEEDS framework.

This report brings together these activities, setting out how our UK business contributes to the wider Vaillant Group targets and addresses our most material sustainability topics. It establishes a baseline for how we understand, manage and report on sustainability, creating a foundation for further development.



Vaillant in the UK

Key milestones across manufacturing, product development and sustainability

1874

Vaillant is founded

1905

The Geyser makes its mark

1966

The Belper plant opens as the new home of Glow-worm

1936

Glow-worm is founded

1992

Glow-worm launches the EnergySaver, the world's first mass-produced condensing boiler

1967

Vaillant launches the world's first combi boiler

1999

Glow-worm launches Micron, the smallest boiler on the market at the time

2001

Glow-worm joins Vaillant Group, and Vaillant Group UK operations move to Belper

2007

Vaillant's heat pump wins in consumer goods test

2010

Vaillant Group's sustainability platform, Sustainability in Environment, Employees, Developments & Solutions, and Society ("SEEDS"), launches

2020

Vaillant launches the aroTHERM plus heat pump

2022

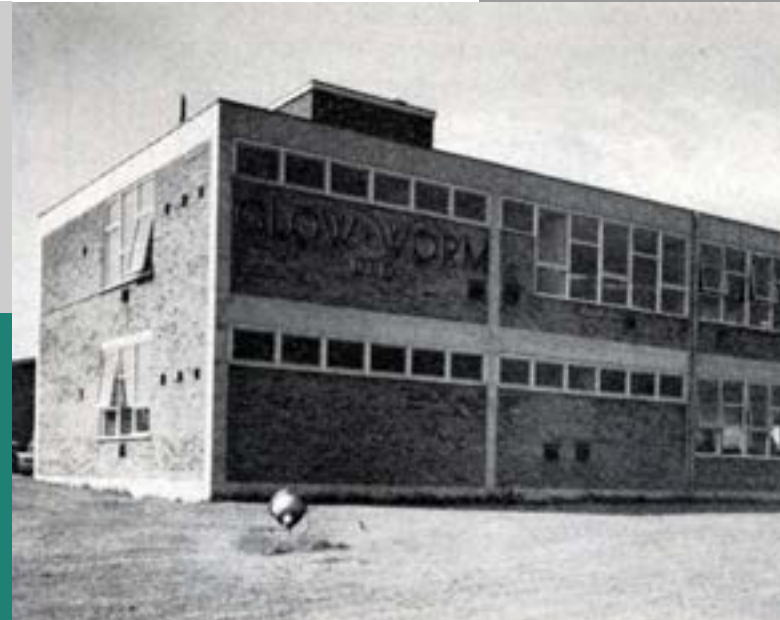
Belper begins producing heat pumps

2025

Vaillant Group UK's new Corporate Social Responsibility platform launches

2025

Vaillant Group expands to Derby, manufacturing cylinders at Indurent Park





SEEDS

At Vaillant Group level, sustainability is guided by the SEEDS programme, which provides a clear strategic framework across four focus fields: Environment, Employees, Development & Solutions, and Society. Each focus field contains mission statements, key topics and binding targets for 2030.

The SEEDS programme covers the entire Vaillant Group. It is characterised by a holistic view on sustainability. In addition to this strategic framework, we conducted a UK-specific materiality assessment to understand our direct impacts, as well as the requirements of our stakeholders. This ensures a consistent foundation while allowing us to focus on the impacts, risks and opportunities most relevant to our UK operations.

Materiality assessment

To focus our efforts where they matter most, we undertook a structured materiality assessment. This considered stakeholder perspectives alongside the potential risks and opportunities faced by our business, helping us identify the sustainability topics most significant to Vaillant Group UK.

The assessment was informed by a review of recognised sustainability frameworks, industry guidance and peer disclosures alongside targeted stakeholder engagement. This included an online survey and a series of structured discussions with internal and external stakeholders to understand priority topics, perceived impacts, and key risks and opportunities.

In parallel, we conducted a business impact assessment, evaluating the principal risks and opportunities associated with each topic, as well as their potential financial impact on the business. Stakeholder importance and business impact were then combined to prioritise topics and complete our materiality assessment.

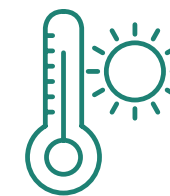
This process resulted in seven material topics, which form the core of this report and reflect the key themes shaping our activities. These include the transition to low carbon heating, increasing regulatory expectations and the need to maintain operational resilience and trust.

We also identified three further strategically important topics. While not deemed material through the formal process, these areas remain relevant to our long-term success and provide a more complete view of our sustainability approach.

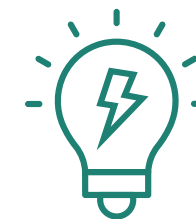
Material topics



Health, safety
and wellbeing



Climate
change



Innovation



Energy
efficiency



Product
quality



Cybersecurity and
digital responsibility



Responsible marketing
and labelling

Strategically important topics



Community
engagement



Public policy
engagement



Workforce capability
and skills

These priorities shape how we structure this report, where we focus our efforts and how we measure progress over time. We recognise that materiality will continue to evolve, and we will review our priorities annually in line with changes in regulation, customer expectations and our business activities.

Sustainability governance

Our sustainability approach is supported by governance structures that combine UK ownership with Vaillant Group oversight. Vaillant Group sets our strategic direction related to sustainability. This is all captured within the SEEDS strategy.

In the UK, responsibility for sustainability is embedded throughout the business, with topic owners leading activity and performance across relevant functions to support Vaillant Group in achieving its SEEDS targets. This reflects the cross-cutting nature of sustainability and allows teams to respond to the priorities and requirements of the UK market while contributing to wider Group objectives and reporting. Through our various departments, we then report performance data to the Group each month. This is supported by working sessions to understand the reasons for the data and identify actions to improve performance.

As our approach matures, we are focused on further strengthening governance. This includes formalising roles and responsibilities, enhancing performance tracking through KPIs and targets, and improving the consistency of data collection and reporting.



Environment

Introduction

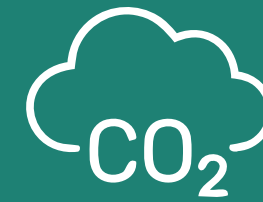
Heating in buildings is a significant source of greenhouse gas (GHG) emissions in the UK, and reducing these emissions is central to achieving the UK's net zero target. As a manufacturer of heating technologies, we play a direct role in this transition through both our operations and the products we place on the market.

This section covers our approach to **climate change** and **energy efficiency**, our material environmental topics, comprising emissions from our operations (Scopes 1 and 2) and the use of our products (Scope 3), and our focus on managing energy demand as production grows.

We reduce emissions within our direct control through improvements to our manufacturing operations, our fleet and our facilities, including on-site energy efficiency measures, the electrification of heating systems and the transition of our fleet to electric vehicles. In parallel, we improve the efficiency of our products to help customers reduce emissions during use. While these emissions sit outside our direct control, addressing them remains critical to Vaillant Group UK. This places greater emphasis on the role we can play in shaping the future of low carbon homes for the UK and our customers. This includes developing low carbon products such as heat pumps and optimising our boilers to deliver the same level of heating and hot water while using less energy, without compromising product quality or effectiveness.

This reflects the structure of our overall footprint, where the majority of emissions sit outside our operations.

2025 highlights



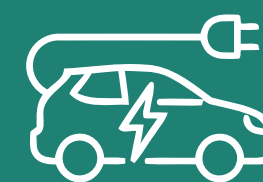
Scope 1 emissions reduced by 9.1% vs 2019 baseline

Reduction driven by fleet transition and operational changes across sites



100% renewable electricity across all sites

Transition to renewable supply supported reduction in market-based Scope 2 emissions



30% of company car fleet fully electric

Progress supported by introduction of an "electric cars only" policy in 2025



Energy consumption broadly stable at 22,596 MWh despite increased production

Reflecting improved energy efficiency and control as operations scale



Scope 1 emissions

Scope 1 emissions are direct greenhouse (GHG) emissions from sources owned or controlled by Vaillant Group UK. They arise from activities such as fuel use in our company vehicles, manufacturing processes, and the heating of our facilities. As these sources are under our direct operational control, addressing them is a key focus of our emissions reduction efforts.

Scope 2 emissions

These are indirect GHG emissions associated with the electricity purchased and consumed across our manufacturing sites, warehouses and offices. Although these emissions are generated off-site by electricity producers, they result from the energy we use to operate our business and are therefore an important part of our overall emissions footprint.

Scope 3 emissions

These are indirect emissions that occur across our value chain, from our suppliers to our customers, rather than from our direct operations. They can include emissions associated with purchased goods and services used to make our products, as well as emissions generated during the use of our products in customers' homes. As these emissions are outside our direct control, addressing them requires significant collaboration with partners, installers, suppliers, customers and other value chain members, making them challenging to address. However, we continue to focus on reducing emissions during the use phase of our products through the design of more efficient and lower carbon products.



Climate change

Heating in buildings is a significant source of GHG emissions globally, primarily through space and water heating. The UK Climate Change Committee’s Seventh Carbon Budget (2025) reported that, in 2023, 12% of the UK’s emissions came from residential buildings, of which 96% resulted from fossil fuel use for space heating and hot water.

Decarbonising heating and cooling systems in buildings is central to delivering the UK’s target of net zero GHG emissions by 2050. As a manufacturer and supplier of these technologies, we have a direct role to play in reducing emissions.

Our focus is twofold: reducing the direct emissions generated by our operations and influencing the much larger emissions impact associated with product use. This dual approach underpins how we support decarbonisation in practice.

Approach

Carbon management is coordinated across both Group and UK operations, combining strategic direction with operational delivery. Led by our Germany-based parent company, Vaillant GmbH, on behalf of the wider Vaillant Group, the central sustainability team sets the overall ambition through the SEEDS programme, with clear 2030 targets:²

- 50% reduction in Scope 1 and 2 emissions
- 55% reduction in use phase (Scope 3) emissions

At UK level, this strategy is translated into site-level action through structured processes and defined accountability. Our facilities management team and fleet department are responsible for managing Scope 1 and 2 emissions, overseeing energy use across warehousing, office and fleet environments, and working in close collaboration with the industrial management team responsible for manufacturing sites and operations. This includes managing fuel consumption, heating systems and electricity use, as well as implementing measures such as fleet electrification, improved energy efficiency and the transition away from fossil-fuel-based systems where feasible.

Transport and fleet operations are key priorities, given their scale and operational importance, while manufacturing sites are targeted due to their reliance on heating and process energy. Controls are implemented through a combination of infrastructure improvements and operational initiatives, such as the electrification of heating systems and measures to increase fleet efficiency.

Progress

Overall, emissions performance in 2025 reflects modest operational reductions alongside the continued challenge from product use. Since the 2019 baseline year, combined Scope 1 and 2 emissions have reduced by approximately 7%, driven by targeted interventions across our vehicle fleets and sites. However, Scope 3 emissions continue to dominate the overall footprint, reflecting the significant impact of products in use.

	2019 (baseline)	2024	2025
Scope 1 emissions (tCO ₂ e)	4,200	4,014	3,819
Scope 2 emissions (location-based) (tCO ₂ e)	788	923	831
Scope 2 emissions (market-based) (tCO ₂ e)	301	0	0
Scope 3 emissions (tCO ₂ e) ³	19,525,877	17,179,410	18,063,810

² Official target language can be found here: <https://sciencebasedtargets.org/target-dashboard>.
³ Vaillant Group only captures Scope 3 data for three categories: Category 3, Category 7 and Category 11.

Scope 1 emissions

Vaillant Group UK's Scope 1 emissions are driven by mobile combustion from the vehicle fleet and stationary combustion from fuel used for manufacturing processes and site heating. Reduction efforts have therefore focused on fleet electrification and removing fossil fuel use from operations.

Company car fleet

Vaillant Group UK's journey towards reducing Scope 1 emissions and transitioning its vehicle fleet began in 2020, when we identified that 97% of our company cars were traditional internal combustion engine (ICE) vehicles and 3% plug-in hybrid electric vehicles (PHEVs). This made us recognise that we must begin to transition if we are to achieve our SEEDS target of a 50% reduction in emissions by 2030. In 2021, we implemented "Project Carbon", our internal plan to replace ICE company cars with PHEVs and electric vehicles (EVs). In 2025, 30% of our car fleet transitioned to fully electric EVs, with 69% PHEVs and only 1% ICE. This places us in a strong position to meet our current target of achieving at least 95% fully EV company cars by 2030.⁴

Commercial vehicle fleet

Our commercial vans and vehicles used by our engineers are also transitioning. By the end of 2029, we aim for 80% of commercial vehicles to be plug-in hybrids, with the remaining 20% comprising electric vehicles.

In 2025, around 50% of our commercial fleet comprised plug-in hybrid vehicles, with the remainder consisting of traditional ICE vehicles. While this represents strong progress, we intend to increase the percentage of PHEVs within the fleet to 60% by the end of 2027 as we continue to move towards our target.

⁴ Dependent on lease terms ending.

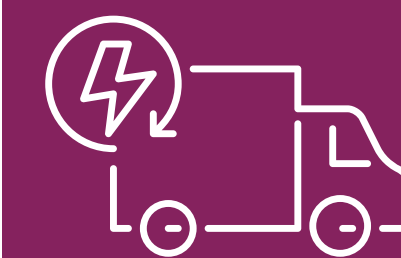


Scope 2 emissions

Our Scope 2 emissions arise from electricity consumption across our manufacturing, warehousing and office environments. We have focused on reducing demand through improved monitoring, control and efficiency measures, while transitioning to renewable electricity. All our sites around the world operate on 100% renewable energy, sourced through the purchase of renewable energy certificates. In addition, the rollout of energy meters and an energy management system has enabled more granular tracking of energy consumption. This supports more targeted interventions as well as ongoing monitoring of energy use against production. Efficiency initiatives have also contributed to emissions reductions.

These included widespread LED lighting upgrades, the introduction of sensor-based lighting and compressed air leakage audits. Collectively, in the UK, these measures contributed to a 9.9% reduction in electricity-related Scope 2 emissions compared with 2024 performance.

In 2025



30%
fully electric EVs

69%
PHEVs

1%
ICE

Scope 3 emissions

Scope 3 emissions represent the largest share of our GHG footprint. However, unlike Scope 1 and 2 emissions, they occur across our wider value chain and are therefore outside Vaillant Group UK's direct control. Our ability to influence these emissions varies significantly across categories, meaning that while we can support reductions in certain areas, we will not always have complete visibility of, or direct control over, the activities that generate them.

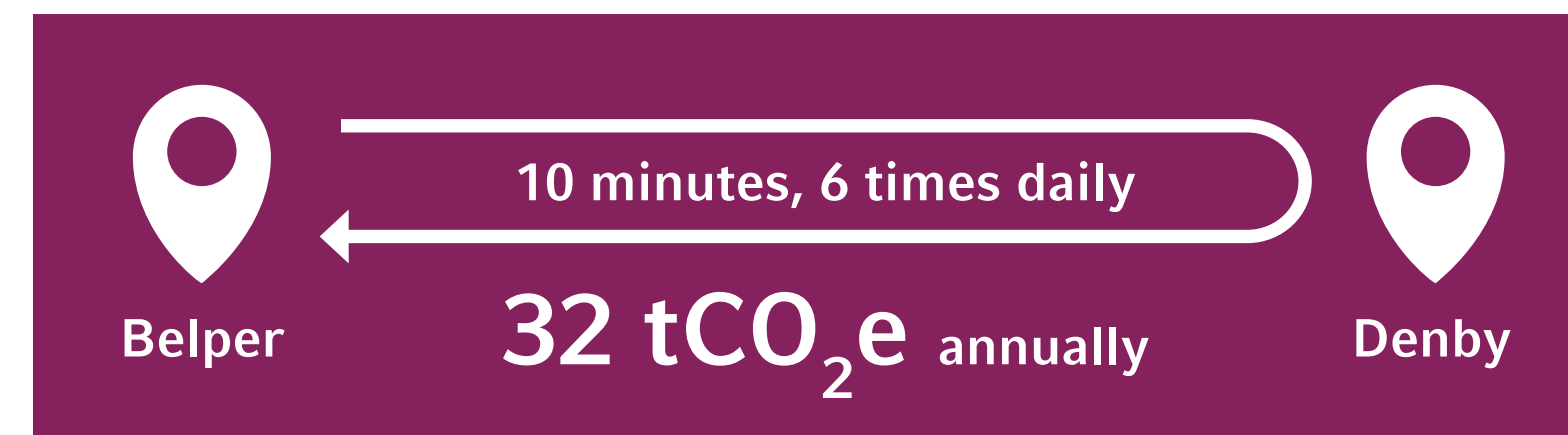
The most significant source of our Scope 3 emissions is the use of our products in customers' homes. Boilers and heat pumps require energy to provide heating and hot water, meaning emissions associated with product use remain central to both our overall footprint and the wider transition to low carbon heating in the UK. The most effective lever to reduce Scope 3 emissions is to transition the boiler market to heat pumps.

As our product portfolio becomes increasingly connected, we are improving our ability to understand how systems perform in use and provide customers with data and insights that may help them identify opportunities to optimise energy consumption. Where these insights are acted upon, customers may be able to reduce energy use, energy costs and associated operational emissions. Further information on this approach can be found in the Innovation section of this report.

Beyond product use, we seek opportunities to work collaboratively with suppliers and partners across our value chain where we have greater influence. One example is the downstream distribution of our products, where close engagement with logistics partners enables us to identify opportunities to improve efficiency, optimise transport routes and explore lower carbon transport solutions.

Working with our suppliers to improve downstream distribution and transportation emissions

To support the distribution of finished goods, we move products from our production sites to our Derbyshire distribution hubs. This is carried out in partnership with our delivery partner Kinaxia. These journeys are undertaken using two shunting trucks that haul finished goods from Belper to Denby, before final distribution to our merchants, installers and customers. This 10-mile round trip is made approximately six times a day by each truck and accounts for approximately 32 tCO₂e annually.



As such, in 2025 we worked with Kinaxia and Volvo to trial a new type of shunting vehicle, a fully operational battery-powered EV. The vehicle has an approximately 150-mile range and the potential to reduce our fossil-fuel-related emissions from our shunting operations by approximately 50% per year. Once this trial is complete at the end of 2027, we will explore the possibility of transitioning our entire shunting fleet to EVs. This will help us work towards our target of a 55% reduction in total Scope 1, 2 and 3 emissions by 2030.

Looking ahead

In 2026, fleet transition will continue to be a central priority, supported by ongoing vehicle replacement. Given the scale of transport-related emissions, progress in this area will be critical to overall performance. We will also continue to monitor the progress of the shunting vehicle trial and identify additional measures to improve infrastructure to support our uptake of EVs.

Further improvements are planned, including the removal of remaining non-LED lighting and the introduction of a building management system to optimise building performance. These measures will help reduce our location-based Scope 2 emissions.

We will also continue to review emissions data across our operations and value chain to support decision-making and identify opportunities where we can have the greatest influence. Given the nature of Scope 3 emissions, visibility and influence vary across different categories. However, improving our understanding of these emissions, particularly where we can have the greatest influence, and of how our products and services support the energy transition will remain important as we work towards our target of a 55% reduction of Scope 1, 2 and 3 emissions by 2030.

Energy efficiency

Improving energy efficiency is fundamental to how we manage operational performance, cost and production output. As a manufacturing business producing boilers, heat pumps and their ancillary products, our energy demand is driven by production processes and building operations. The more energy efficient we are, the greater the impact on operational resilience and our ability to scale production effectively.

While closely linked to wider sustainability outcomes, energy efficiency focuses on reducing the amount of energy required to deliver the same level of output. This is especially important as production continues to grow, driven by the expansion of heat pump manufacturing and the opening of a second plant in Derby dedicated to cylinder production. Improving efficiency allows us to manage this growth without a proportional increase in energy demand.

Approach

Energy efficiency is managed through a combination of central direction and local operational control. While activity spans the entire business, energy demand is primarily associated with our manufacturing processes, meaning our greatest focus is on improving efficiency within manufacturing environments.

All operations are governed by environmental management systems, which provide a structured framework for managing energy use and continuous improvement. Targets are determined at both Group and site level. The SEEDS programme sets overarching ambitions, with clear set targets for 2030, including:

- 40% reduction in energy consumption⁵
- 100% electricity from renewable energy sources

To support the delivery of these ambitions, we monitor energy performance through site-specific measures, including energy intensity KPIs such as kWh per unit produced and overall energy consumption. This helps us assess efficiency relative to output, providing a clearer view of performance as production levels change over time.

Responsibility for energy efficiency is clearly defined across the UK business, and performance is reviewed regularly through plant-level scorecards and at Group Production Executive level, embedding energy efficiency into operational decision-making.



⁵ Manufacturing sites only.

Progress

Energy performance is shaped by the need to decouple energy consumption from increasing production. This is particularly important as processes electrify, as we recognise that increasing reliance on electricity can add to demand on the wider energy system as the UK transitions to net zero. This makes it critical to manage energy intensity (kWh per unit), introduce targeted efficiency measures and improve control of when and how energy is used.

As we continue to enhance data visibility and introduce efficiency measures, we are working to measure our total energy consumption more accurately. In 2025, our total energy consumption was 22,596 MWh, representing a 1.8% increase compared with the 2019 baseline, but a slight reduction compared with 2024. This indicates that overall demand has remained relatively stable despite increases in operational activity. This reflects a combination of efficiency improvements and changes in our energy mix, including the opening of the Derby plant, which operates without natural gas and relies primarily on electricity.⁶

Oil and gas consumption

Oil and gas consumption increased slightly in 2025, reaching 7,526 MWh compared with 7,256 MWh in the 2019 baseline year and 7,344 MWh in 2024. This increase was primarily linked to climate factors and increasing heating demand across facilities, including our Denby site and Belper headquarters.

However, mobile fuel consumption from passenger and light commercial vehicles decreased by 10.2% compared with the 2019 baseline year, and by 5.4% in 2025 compared with 2024, reaching 10,007 MWh. This reduction was largely driven by the electrification and hybridisation of the fleet, resulting in a reduced reliance on ICE vehicles and fossil fuels.

⁶ While no natural gas is used for our Derby operations, other processes – particularly welding – require other gases such as argon and oxygen.

In 2025, our total energy consumption was

22,596 MWh

representing a **1.8% increase** compared with the 2019 baseline, but a slight reduction compared with 2024



Electricity consumption

Electricity consumption has increased consistently over time, reaching 5,063 MWh in 2025, which is a 33.3% increase compared with 2019 and a 5.4% increase year on year. This is driven by production, with electricity consumption in 2025 rising to 3,886 MWh, a 64.5% increase compared with 2019 and a 58.1% increase compared with 2024, as well as greater use of on-site EV charging. The opening of our Derby manufacturing plant, which has supported the onshoring of hot water cylinder manufacturing, has contributed to this increased electricity demand. This step change in production explains most of the rise in total electricity consumption.

Outside production and EV charging, electricity consumption either stabilised or reduced across several areas. Consumption associated with logistics operations decreased significantly over time, while non-production buildings showed year-on-year variability, likely reflecting changes in site usage, consolidation of activities and improved control of energy use. Operational consumption remained relatively stable overall, with a modest increase since 2019, reinforcing that these operations are not a primary driver of overall demand.

This trend highlights a key dynamic in energy performance. Efficiency improvements are being delivered through monitoring, controls and operational initiatives identified through the ESOS (Energy Savings Opportunity Scheme) assessment process, but these gains are partially offset by increased production. As a result, total consumption alone does not fully reflect underlying efficiency gains. The focus is therefore shifting towards energy intensity metrics, allowing performance to be measured relative to output.

It is crucial that we continue to monitor our consumption and identify ways that may reduce our reliance on the UK electricity grid, helping to limit additional pressure on supply capabilities. Since 2020, we have procured 100% of our electricity from renewable energy sources for our manufacturing sites and warehouses. While this is an important achievement, as the UK continues its transition to net zero, more organisations will obtain their electricity from renewable sources. This means we must focus on two priorities:

1. Exploring opportunities to contribute to the generation of renewable energy through installations on our sites
2. Reducing our own energy consumption to limit grid demand and potential strain through operational initiatives

Work on this has already begun. At our Belper headquarters, solar photovoltaic panels installed on the main office building generate on-site renewable electricity, supporting the building's electricity requirements. We also have a ground-source heat pump system installed, which uses energy captured through boreholes to heat the office building, reducing reliance on conventional heating systems.

Alongside these technologies, we continue to focus on practical operational improvements to reduce energy consumption across our sites. These include LED lighting upgrades, the introduction of sensor-based lighting, compressed air leakage audits and optimisation of boiler timings. Together, these measures help improve energy efficiency, reduce operational costs and support our wider decarbonisation objectives.



Looking ahead

Priorities for 2026 focus on accelerating the transition from identified opportunities to implementation. The ESOS assessment provides a clear pipeline of technically viable measures, particularly in building controls, monitoring systems and fleet efficiency, which will require dedicated investment and a focus on delivery.

As production continues to grow, the challenge will be to prevent this from driving a corresponding increase in energy demand. Maintaining or reducing energy intensity will therefore be critical, ensuring that efficiency gains translate into real operational improvements rather than being absorbed by higher output.

We will continue to explore opportunities to improve energy efficiency and optimise energy use across our sites, supporting our long-term ambitions to reduce consumption, strengthen operational resilience and contribute to the transition to lower carbon operations.

Over time, the focus will move from monitoring performance to embedding energy efficiency into everyday decision-making. Strengthening the connection between energy data, operational planning and investment decisions will be key to delivering sustained and measurable improvements across sites.

Social



Introduction

Our approach to our people and the communities we serve is shaped by our role as a UK manufacturer, employer and provider of heating technologies.

We operate across manufacturing sites, warehouses, training Centres of Excellence, remotely and in customers' homes. Across these settings, our activities are closely linked to key priorities such as workforce safety, skills development and contributing to our communities.

This section covers our approach to our material social topic of **health, safety and wellbeing**, alongside our strategic focus on **workforce capability and skills** and **community engagement**.

We maintain safe working environments through structured health and safety management systems supported by training, clear accountability and ongoing monitoring of performance. In parallel, we invest in workforce capability through apprenticeships, technical training and partnerships with education providers, helping to build a pipeline of skilled talent needed to design, manufacture and support low carbon heating technologies. This capability also benefits the wider heating sector, including installers and partners who play a key role in bringing these systems into homes. Our community engagement activity combines local initiatives, partnerships and the application of our products and expertise to deliver practical support to the communities in which we operate.

Our approach is aligned with the frameworks of our parent Group in Germany and embedded within day-to-day operations across our UK sites. We continue to strengthen how our social activity is measured, managed and implemented in practice. The following highlights outline our progress during 2025.



2025 highlights



Achieved the RoSPA President's Award in 2025

Recognising ten consecutive years of RoSPA Gold Awards at our Belper manufacturing site for health and safety performance



Supported 57 active apprenticeships across the business

Developing technical and operational capability across multiple disciplines



Strengthened the near-miss and hazard reporting culture

Reflecting increased workforce engagement and improved processes for identifying and reporting potential risks at an earlier stage



Delivered 10,651 learning hours across the workforce

Covering mandatory, professional and role-specific development



Launched the Growing Communities platform

Providing a more structured approach to community engagement and partnerships



Contributed 272 employee volunteering hours and 58 charitable donations

Combining employee involvement with financial and practical community support

Health, safety and wellbeing

Keeping our people safe is fundamental to how we operate. As a manufacturing-led business working across sites, warehouses, training Centres of Excellence and customers' homes, including environments where colleagues may be working alone, we consider health and safety to be one of our most important responsibilities. We support this with clear policies, oversight and training.

This goes beyond just compliance. Safe and supported employees are better able to carry out consistent, high-quality work, which is particularly important as we help drive the transition to low carbon heating in UK homes. From manufacturing through to installation and servicing, getting this right underpins both operational performance and customer trust.

We have been evolving our approach over several years, with an increasing focus on proactive safety management. This includes identifying risks earlier, encouraging reporting and embedding a culture where potential issues are addressed before they result in incidents.

Our long-standing commitment to health and safety is reflected in sustained external recognition. In 2025, our Belper manufacturing plant earned its tenth consecutive RoSPA (Royal Society for the Prevention of Accidents) Gold Award and received the President's Award in recognition of this achievement. This milestone demonstrates consistent performance over time and reinforces our focus on continuous improvement and further reducing incidents.

Approach

We manage health, safety and wellbeing through a combination of Group-level oversight and local operational delivery. This ensures a consistent baseline of standards across the organisation, while allowing us to respond to the specific risks and requirements of our UK operations.

Our manufacturing sites operate under structured health and safety frameworks aligned with the ISO 45001 standard for occupational health and safety management systems, with the Belper site formally accredited to the standard. These management systems are also integrated with environmental and quality processes, providing a consistent and controlled foundation.

Clear accountability sits at the heart of this approach. Everyone is responsible for maintaining safe working practices, supported by defined roles and governance structures. Performance is actively managed through regular leadership and compliance meetings, where trends are reviewed and actions agreed.

Training is a key part of how we manage risk. All employees receive induction and job-specific training, with refresher training delivered at defined intervals depending on the topic. This is supported by regular toolbox talks throughout the year, helping to reinforce key safety messages and ensure that risks are understood and managed in day-to-day roles.





We track a range of indicators, including lost-time injuries (LTIs), medical treatment cases, first aid cases and near misses, alongside Group-level measures such as LTI frequency rates (LTIFR) and severity rates. This enables us to identify trends and focus on prevention, rather than reacting after incidents occur.

Our approach is also aligned with Group-level health and safety ambitions, including a target to reduce LTIFR by 25% by 2030. While this is a Group-wide objective focused on reducing LTIFR across all sites globally, maintaining strong standards in the UK remains important in supporting this collective ambition.

Alongside safety, we provide access to a range of wellbeing resources to help maintain a healthy and engaged workforce. This includes an Employee Assistance Programme (“Help at Hand”), offering access to counselling, GP services, physiotherapy and legal advice, alongside a more coordinated wellbeing programme across the business. A cross-functional wellbeing committee was established in 2025 to improve consistency, with activity structured around monthly themes and a mix of communications, events and on-site initiatives.

Progress

In 2025, we continued to strengthen our proactive approach to safety, with a focus on improving visibility of risks and encouraging earlier intervention. Increased near-miss and hazard reporting reflected this shift, structured around sustained efforts to promote reporting and reinforce its importance across the workforce.

Throughout Vaillant Group UK’s operations, the LTIFR⁷ varied across different parts of the business, reflecting the differing risk profiles of our operations. Across our manufacturing sites, LTIFR remained low, with Belper recording 1.12 and Derby recording zero LTIs in its first year of operation. Derby’s performance reflects the strong health and safety management embedded from the outset, supported by a highly automated manufacturing environment and modern operational processes. At Belper, performance remained stable compared with 2024, demonstrating the continued effectiveness of established health and safety practices.

Within our National Sales Company, where field-based engineers and installers work in customers’ homes, the LTIFR was 2.48. While higher than at our manufacturing sites, it reflects the different working environment, including work in confined spaces and the handling of heavy equipment such as boilers and heat pumps. These differing risk profiles reinforce the importance of maintaining targeted health and safety controls throughout our operations.

Across the business, increased reporting helped to improve visibility of risks and enable more timely interventions. This is a core part of our approach, as identifying hazards and near misses early helps reduce the likelihood of more serious incidents occurring.

Overall, performance reflected a continued shift towards a more proactive safety culture, supported by improved awareness, stronger reporting and targeted action based on identified risks. This also supported our contribution to Group-level ambitions to reduce LTIFR.

⁷ LTIFR is calculated as (number of lost-time injuries ÷ total hours worked) × 200,000. The rate is standardised to 200,000 working hours, equivalent to approximately 100 full-time employees working for one year.

Case study

RoSPA President's Award – recognising sustained safety performance

RoSPA (the Royal Society for the Prevention of Accidents) awards are widely recognised as a benchmark for workplace safety, assessing areas such as leadership, risk management and workforce engagement.

In 2025, our Belper manufacturing plant achieved its tenth consecutive RoSPA Gold Award and received the President's Award in recognition of this milestone. This reflects a sustained, consistent approach to health and safety management over time, rather than a single year of performance.

For us, this milestone highlights the strength of our systems and governance but also the role our people play in maintaining safe working environments. Participation in reporting, training and continuous improvement is central to this.

External recognition provides important validation, but it also reinforces the need to maintain momentum and continue improving.

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Receiving the RoSPA Gold Award for a tenth consecutive year is a testament to all of the staff at the Belper manufacturing facility and their attention to health and safety awareness and management. To then receive the prestigious President's Award is recognition of this hard work, and something we will continue to work hard to maintain in a bid to drive a proactive safety culture in the workplace."

Joe Dunn, Belper and Derby Plant Director

Looking ahead

We will continue to build on this progress by enhancing our reporting systems, training and governance, and by strengthening a culture where risks are identified early and addressed proactively.

Reducing incident rates remains a priority as we work towards our ambition of zero lost-time injuries. While incidents can occur, our focus is on continually improving performance by identifying risks early and addressing them proactively.

We will continue to invest in training and capability and further develop our digital incident management systems. Wellbeing will also remain an area for development, building on existing programmes to provide events and support throughout the year for our UK workforce. This will include working with external agencies to offer professional health and wellbeing services, alongside the introduction of dedicated wellbeing rooms to support staff when needed.



Workforce capability and skills

Developing workforce capability is essential to our ability to deliver low carbon heating solutions in practice. As demand for technologies such as heat pumps grows, we require a workforce with the technical expertise, practical experience and customer understanding to install, service and support these systems effectively in UK homes.

While heat pumps are a key driver of the transition to low carbon heating in homes, our capability requirements go beyond this. We rely on skilled engineers, technicians, operational staff and external partner installers across manufacturing, sales and service, all of whom must be trained to deliver products safely and to the required standard. Supporting the transition means equipping people with the skills needed to operate in a low carbon future, while maintaining core capability across the business.

This creates a dual focus on current capability and future talent. Alongside upskilling our existing workforce and external partners, we are building a pipeline of skilled individuals entering the sector, with a particular focus on addressing skills gaps in low carbon heating systems installation.

Approach

We develop workforce capability through a coordinated approach that spans the full talent and skills lifecycle, combining external partnerships, apprenticeships, role-specific development pathways and ongoing training.

External partnerships form the starting point of this approach. We work closely with schools, colleges and education providers to raise awareness of engineering and low carbon careers, including through careers fairs, classroom engagement and work placement programmes. This has contributed to an increased awareness of both Vaillant and low carbon technologies among students, supporting a growing pipeline of applicants into the business.

Apprenticeships are a central part of how we develop future capability. We deliver programmes from Level 2 to Level 7 across a wide range of disciplines, including engineering, manufacturing, digital, business, leadership and specialist technical roles such as mechatronics and welding. This breadth reflects the range of skills required across the business, from hands-on technical roles through to leadership and support functions.



A key focus is the Low Carbon Heating Technician (LCHT) apprenticeship, delivered in partnership with Derby College Group. Accredited to the King's Standard and recognised by the Government's Skills England agency, the course was developed by MCS (Microgeneration Certification Scheme) with support from employers across the low carbon heating sector, including MCS-certified contractors. In 2023, Vaillant Group UK welcomed the first cohort of apprentices onto this programme, helping to establish a new industry pathway for developing specialist low carbon heating skills. As one of the first programmes of its kind in the UK, the LCHT apprenticeship demonstrates our role in shaping the skills needed for the wider energy transition and the future needs of our customers. Since its launch, 22 apprentices have progressed through the programme.

These programmes combine classroom-based learning with practical experience. Apprentices initially complete a foundation year, learning additional skills in areas such as plastering, brickwork and advanced electrics alongside their core plumbing and heating studies. This builds their practical experience and helps them transition into the workplace when they are on placements alongside service engineers. Such placements include those with partner installers that support the development of the skills needed to design, install and service low carbon heating systems. Alongside this, apprentices develop broader practical skills across areas such as solar, underfloor heating, commercial installations and cylinders, ensuring they are well equipped to deliver high-quality installations in real-world settings.

We also invest in additional training to expand capability, particularly in low carbon roles. This includes developing skills beyond core installation, such as electrical work and practical construction skills, enabling engineers to deliver end-to-end solutions more effectively. This helps ensure that installations can be completed more efficiently and with fewer dependencies on additional trades.

Alongside apprenticeships, we deliver role-specific development pathways for existing employees. These are supported by two distinct training streams. Learning and development covers mandatory and professional training across the workforce, including compliance, data protection and leadership. In parallel, our technical training teams deliver specialist training for engineers, installers and external partners, including hands-on product training, continuing professional development programmes delivered through colleges and support for the wider installer ecosystem.

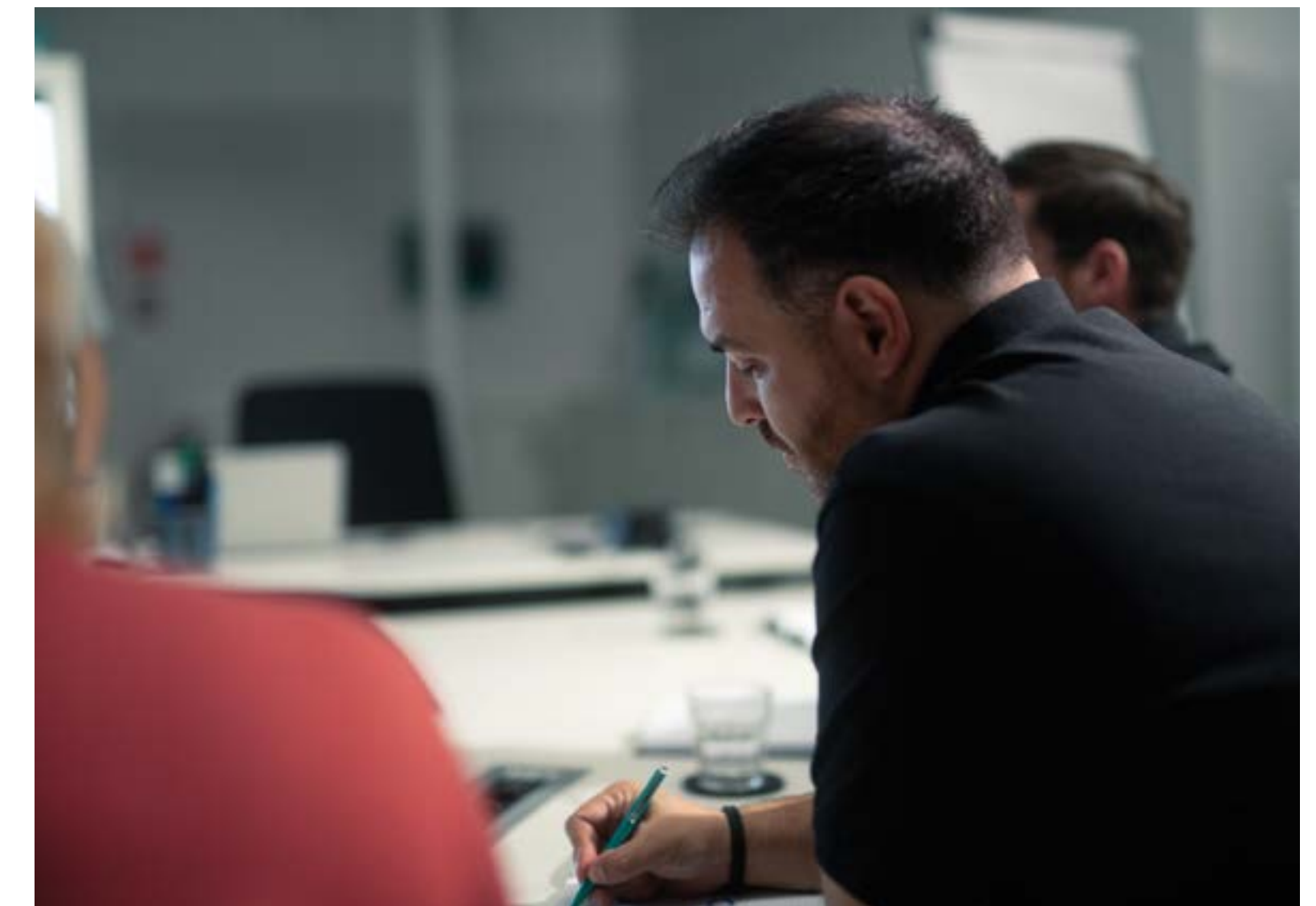
This distinction reflects the different objectives of each function: maintaining core workforce capability internally while also supporting the development of skills across the wider heating sector. In doing so, we invest in our own workforce while helping build the expertise needed to advance industry-wide adoption of low-carbon technologies.

Governance is coordinated through structured oversight, including our Training and Learning Council, which was established in 2025 to bring together expertise across the business and align training activity to business priorities.

Progress

In 2025, we focused on strengthening workforce capability across both core learning and technical training, with particular emphasis on supporting the rollout of low carbon heating solutions and maintaining operational performance across the business.

Workforce development activities included a combination of mandatory training, professional development and specialist technical programmes. These activities ensured that employees are equipped to perform effectively in their roles today, while also building the additional skills required to support new technologies and ways of working.



Learning and development activity - employees (2025)

Metric	Value
Employees completing learning	869
Successful learning completions	6,491
Total learning hours	10,651.88

Learning and development activities covered mandatory and professional training delivered across the full workforce. This included areas such as compliance, operational processes and leadership, ensuring that employees maintain core capabilities across both operational and office-based roles.



Technical training delivery - installation partners and external audiences (2025)

Metric	Value
Face-to-face training attendees	7,055
Online learning hours	2,124

In parallel, technical training supported installation partners and other external audiences through practical learning, particularly for installation and service roles linked to low carbon technologies.

The balance between face-to-face and online delivery supported both hands-on learning and wider access to training, helping to develop consistent skills across the business. This training was delivered not only to our own workforce, but also to partner installers, colleges and lecturers, building capability across the wider heating sector.

Apprenticeships continued to expand, forming a key part of the long-term talent pipeline. In 2025, 57 active apprentices were enrolled across a wide range of programmes, including engineering, manufacturing, digital and leadership. These programmes combined structured learning with practical experience, helping apprentices develop the skills needed for operational roles.

Our approach also contributed to increased interest in careers within the sector. Engagement with education providers and early talent initiatives resulted in a significant increase in apprenticeship applications in recent years, reflecting growing awareness of both Vaillant and low carbon career pathways.

- Applications for the Low Carbon Heating Technician apprenticeship increased by 541.4% in 2025
- Mechatronics apprenticeship applications increased by 727.3% in 2025



Case study

Developing low carbon heating skills through apprenticeships

The Low Carbon Heating Technician apprenticeship is a central part of our approach to building the skills required for the transition to low carbon heating.

Developed in partnership with Derby College Group, the programme combines classroom-based learning with hands-on experience alongside qualified engineers. Apprentices apply their knowledge in real-world environments, building a practical understanding of how low carbon heating systems are installed and used in UK homes. This enables them to develop the skills required to work effectively in practical settings from an early stage.

We also support the development of broader practical skills, in areas such as plumbing, bricklaying, plastering, electrics and customer service to ensure apprentices are fully equipped to carry out quality work at every job.

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I have learned so much about low carbon heating systems and how you can make a home more energy efficient."

James Wilson, Low Carbon Heating Technician Apprentice

By contributing to the development of a new technical standard and training pathway, the programme supports immediate workforce needs while helping to build the skills required across the sector in the long term. It also helps increase the availability of skilled installers, supporting wider heat pump adoption.



Case study

Building early talent through education partnerships

Partnerships with education providers continued to support early talent development in 2025, including an annual work placement programme delivered in July.

The programme is designed to provide students with practical insight into the business through activity-based learning. During the placement week, students engaged with teams across service, engineering, HR, project management and other functions, gaining a broad understanding of how the business operates. Participants also had the opportunity to engage directly with senior leadership, helping to build confidence and awareness of potential career pathways.

This approach helps put learning into context and provides a more meaningful experience than traditional observational placements. It also supports increased engagement, with some students referring to their placement experience in subsequent apprenticeship applications. The recruitment of a low carbon apprentice further demonstrates the programme's role in encouraging future talent to enter the industry.

More broadly, these initiatives help raise awareness of engineering and low carbon careers, while enabling us to connect with emerging talent at an early stage.

Looking ahead

In 2026, the focus will be on strengthening the structure and long-term planning of our workforce capability.

A key priority is the development of clearer career pathways across the organisation, helping define role requirements and progression routes while aligning skills development with future workforce needs. Our Investors in People Gold accreditation in 2025 is a credit to the business and reflects the progress made in developing our workforce. We will continue to build on this and strive to achieve more.

We will also work to expand our apprenticeship and training programmes, supported by ongoing partnerships with education providers. Alongside this, we will focus on improving the consistency and visibility of workforce data, to strengthen performance management and allow for the potential introduction of formal targets over time.

Community engagement

Our community engagement reflects our long-standing presence in the regions where we operate, particularly around Derby and Belper. As a manufacturer of heating technologies and a major local employer, we recognise our responsibility to contribute to the wellbeing of the communities we serve. We play an active role in supporting local communities through practical initiatives, partnerships and employee involvement.

This work is closely linked to the realities our customers and communities face, and includes improving access to heating, working with charities that provide services to people experiencing financial hardship and helping young people develop skills for future careers. In 2025, we brought this activity together under a more structured and coordinated approach through our “Growing Communities” platform.

Our approach

Our community engagement is delivered through our Growing Communities framework, which provides a consistent structure for how we support communities across the UK. Growing Communities brings together a broad range of activities, including employee volunteering, charitable giving, product donations and community initiatives, while also providing a foundation for longer-term partnerships with charities, housing providers, educational organisations and community groups.

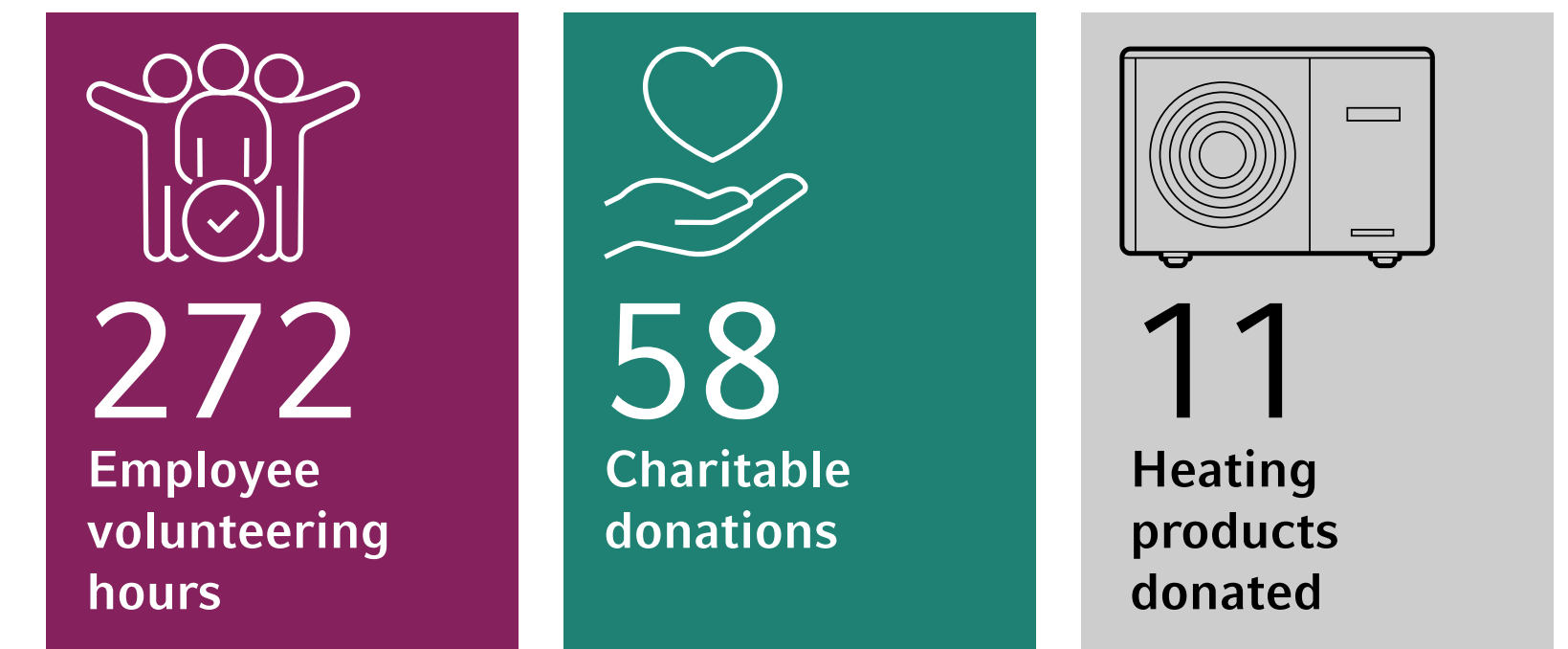
Through this approach, we are able to respond to immediate community needs while also supporting longer-term programmes that create lasting social value. Together, these activities demonstrate how we contribute as a local employer, a manufacturer of heating technologies and a business committed to supporting the communities in which we operate.

Our activity is organised around three focus areas:

- **Locally:** engaging communities across the UK through education, youth engagement and local initiatives
- **Sustainably:** using our products and expertise to deliver practical support
- **Giving:** supporting charities through donations, partnerships and employee involvement

Progress

The Growing Communities platform was launched in 2025, bringing together activity that was previously delivered across different parts of the business. Across our focus areas, activity in 2025 included employee volunteering, charitable giving and the provision of heating systems to community initiatives, demonstrating a combination of local engagement, practical support and longer-term partnerships.



These figures illustrate the scale of community engagement in 2025, combining employee involvement, charitable support and practical use of our products.

Locally: supporting people and building future skills

We focus on supporting the communities where our colleagues live and work, particularly through education, youth engagement and local partnerships that improve access to opportunities and develop long-term skills. While many of our activities are concentrated in Derbyshire and the surrounding region, the Growing Communities framework enables us to work with communities across the UK where there is a clear opportunity to create positive impact.



Spotlight: building future skills and careers

Supporting the development of future skills is a key part of our community engagement approach.

The “Launch into Engineering” programme, delivered in partnership with Derby Museums, provides students with hands-on experience of engineering and manufacturing. Combining practical learning at the Museum of Making with visits to Vaillant’s manufacturing facilities, the programme introduces young people to both traditional and modern engineering techniques, from blacksmithing and woodturning to 3D printing and laser cutting. It also provides direct exposure to engineers, apprentices and manufacturing professionals.

In 2025, the programme engaged 24 students from The Bemrose School and Belper School and Sixth Form Centre. Participants developed practical skills, increased their confidence using engineering tools and gained greater awareness of careers in engineering and manufacturing. Across both cohorts, 100% of participants agreed that the programme was interesting and engaging, while many reported that it had encouraged them to consider future study and career pathways in engineering and wider STEM subjects.

By helping young people understand the opportunities available within engineering and low carbon technologies, the programme supports the development of the future workforce needed for the energy transition, while equipping participants with valuable skills and experience.

Alongside this, partnerships with organisations such as Derby County Community Trust, Derbyshire Cricket Foundation and Derbyshire Institute of Sport support grassroots participation, health and wellbeing programmes, youth development and education, and wider community engagement initiatives. Together, these partnerships help create opportunities for people of all ages to build confidence, develop skills and engage more closely with their local communities.



Sustainably: using our products and expertise to deliver impact

As a manufacturer of heating technologies, we see using our products and technical expertise to deliver direct community benefit as a key part of our approach to community engagement. In 2025, this included donating 11 heating systems to initiatives where reliable heating is essential, including community and support facilities.

Using technology to deliver local impact

Community engagement is closely linked to how we apply our products and expertise. We have long contributed to our communities in this way, applying that expertise to meet local needs. At Cromford Mills, we helped deliver the installation of low carbon heat pump technology within a historic site, demonstrating how modern systems can be integrated into heritage building.

At Adrenaline Alley, an internationally recognised urban sports facility, we supported the installation of a Vaillant aroTHERM plus heat pump to provide low carbon heating for a newly refurbished spectator lounge. Previously an unheated space, the lounge now offers a warmer and more comfortable environment for parents, carers and visitors throughout the year, while providing the charity with an energy-efficient heating solution suited to its long-term needs.

These projects demonstrate how our core technologies can contribute directly to community outcomes, combining environmental benefits with local social value.



Giving: supporting communities through partnerships and charitable activity

Our partnerships approach enables us to make a sustained contribution to our communities, combining funding, volunteering and practical intervention. In 2025, this included **58 charitable donations**, as well as employee-led fundraising and volunteering.

Spotlight: YMCA Derbyshire – sustained community support

As Vaillant Group UK's affiliated charity partner since 2024, YMCA Derbyshire works with individuals and families experiencing homelessness, poverty and social isolation through a combination of supported accommodation, training, wellbeing services and community programmes.

In 2025, we helped restore heating and hot water for 87 residents in Derbyshire, ensuring continued access to essential services. Alongside this, employee fundraising, volunteering and practical donations contributed to YMCA Derbyshire's wider activities, including programmes for young people and community initiatives.

Our partnership extends beyond financial support. During the year, Vaillant colleagues contributed to projects across YMCA Derbyshire, such as improving early years facilities, donating equipment to community spaces and collaborating on initiatives that help young people build confidence, skills and aspirations for the future. This included involvement in the Launch into Engineering programme, which provides young people with practical exposure to engineering and manufacturing careers.

Through its supported accommodation services alone, YMCA Derbyshire assists more than 200 young people each year, while its wider community services benefit thousands of individuals across the region. This combination of technical expertise, funding and employee involvement helps address immediate needs while creating longer-term opportunities for stability, wellbeing and personal development.



Vaillant's impact has been immediate and deeply appreciated by our staff, volunteers, residents and learners. Their generosity, expertise and hands-on support have helped create opportunities, environments and experiences that would otherwise not have been possible. Vaillant answered our call in a time of real need, and since then the level of support, commitment and partnership they have shown has been truly invaluable."

Gillian Sewell, CEO, YMCA Derbyshire



Spotlight: Upbeat Clean – creating social value through our supply chain

Upbeat Clean is a Derby-based commercial cleaning social enterprise that creates employment opportunities for refugees, particularly women. Established by Upbeat Communities, the organisation supports individuals to access stable employment, improve their English, provide for their families and integrate into local communities. In 2025, Upbeat Clean was awarded the King's Award for Enterprise in the Social Mobility category in recognition of its work to improve access to employment for refugees.

Since 2024, we have partnered with Upbeat Clean, which provides commercial cleaning services at our Derby and Belper sites. The collaboration goes beyond a traditional supplier relationship, reflecting a shared focus on quality, community impact and creating meaningful opportunities.

Our work with Upbeat Clean helps address significant barriers to employment faced by refugees, including limited English, lack of UK work experience and reduced access to flexible employers. Through this model, Upbeat Clean provides Real Living Wage roles alongside training, mentoring and ongoing support.

In 2025, the partnership created employment and training opportunities for over 40 individuals, representing more than £200,000 per year in Real Living Wage employment. More broadly, the contract contributes over £300,000 annually to the social enterprise, supporting its long-term sustainability and generating funding for its parent charity.

These achievements demonstrate how procurement decisions can create social value alongside operational outcomes, helping individuals and families move from uncertainty towards greater stability, confidence and long-term opportunity. The partnership has also helped strengthen Upbeat Clean's ability to expand its impact, including through the development of a social franchising model that creates similar opportunities in communities across the UK.



Partnerships like this show the incredible difference businesses can make through the way they choose to spend their money. Vaillant Group UK's support has helped create not just jobs, but confidence, stability and opportunity for people rebuilding their lives in the UK, and their families."

**Michael Gladwell, Managing Director,
Upbeat Clean**



Spotlight: Torus Foundation – investing in communities and young people

Torus Foundation is the charitable arm of Torus, one of the North West's largest affordable housing providers. The Foundation supports communities by focusing on areas such as employment and skills, health and wellbeing, financial inclusion and youth programmes, with a particular emphasis on reducing inequality and improving opportunities for young people.

Since 2019, Vaillant Group UK has partnered with Torus Foundation through a per-boiler donation model, supporting community initiatives linked to FireFit Hub in Toxteth, Liverpool. FireFit Hub provides a safe and inclusive environment where young people can build confidence, skills and social connections through sport, wellbeing and development programmes.

The partnership supports communities facing significant social and economic challenges, including child poverty, financial hardship and mental health pressures. Over time, funding has contributed to a range of initiatives ranging from fuel and food support to youth memberships, a free Duke of Edinburgh programme and improvements to community spaces used by young people.

In 2025, the partnership continued to support frontline services and refurbishment works at FireFit Hub, helping to establish new and digital spaces designed to raise aspirations and develop future skills. Since the partnership began, more than £30,000 has been invested through the donation model, alongside support for hundreds of young people and families through memberships, wellbeing initiatives and practical financial assistance.



As a long-term, valued partner, Vaillant Group UK has helped us create lasting opportunities for young people. Their continued investment in our community is making a meaningful difference to the experiences, confidence and aspirations of those who access FireFit Hub."

Helen Cibinda Ntale, Head of Health, Wellbeing and Youth, Torus Foundation



Spotlight: Band of Builders – supporting the construction community

Band of Builders is a UK charity that helps tradespeople, construction workers and their families affected by illness, injury or financial hardship by offering practical assistance, home adaptations and wellbeing programmes. Alongside rapid-response projects, the charity also provides national crisis support, including a 24-hour text service.

Promoting wellbeing across the wider installer and construction community is an important part of Vaillant Group UK's role within the heating industry. During 2025, our Glow-worm brand supported Band of Builders by strengthening relationships with organisations working across the construction sector and recognising the growing importance of mental health, financial wellbeing and crisis support within the industry.

In 2025, Band of Builders continued to provide practical and emotional assistance to construction workers facing difficult times in their lives, including serious illness, bereavement and financial hardship.

The partnership reflects our shared commitment to supporting the wellbeing of people working across the construction and heating sectors while encouraging more open conversations around mental health and access to help.

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With demand for our services continuing to grow, it is vital that more companies across the industry work alongside us. Glow-worm's support will help us extend the reach and impact of our work, ensuring more people within the construction community receive help when they need it most."

Gavin Crane, CEO, Band of Builders



Supporting local organisations and grassroots initiatives

Alongside these partnerships, we work with a wide range of organisations including **Marketing Derby**, **Derby Theatre**, **Rebuild East Midlands**, **Sprint Renewables** and **Belle Isle Tenant Management Organisation**.

These partnerships have a wide-ranging impact, from collaborating on initiatives with other local businesses to improving access to opportunities for young people, supporting adult survivors of human trafficking and modern slavery, promoting financial inclusion, strengthening community wellbeing and enabling social mobility.

While varied in scale and focus, these activities reflect a consistent approach: working locally to deliver practical, targeted support where it is most needed.



Looking ahead

In 2026, we will focus on strengthening how we manage and track community engagement, building on the structure introduced in 2025.

As this is the first year of the Growing Communities framework, it provides a foundation for tracking activity over time. We are continuing to strengthen how impact is measured and reported, with the aim of developing more consistent and meaningful insights in future reporting.

We will also continue to prioritise initiatives that reflect our key priorities, particularly skills development, support for young people and local community impact, while expanding our activities where appropriate.



Product governance

Introduction

Product governance is central to how we design, manufacture, communicate and support heating technologies that are safe, reliable and fit for use in UK homes. As products become more connected and digitally enabled, our approach needs to cover both physical product performance and the systems that customers rely on over time.

This section covers our material topics of **innovation, product quality, responsible marketing and labelling, cybersecurity and digital responsibility**, and our strategic topic of **public policy engagement**. Taken together, these topics reflect the full product lifecycle, from development and testing through to customer communication, digital services and in-use performance, as well as how we engage externally to support the transition to low carbon heating.

We manage product governance through structured development processes, quality systems, certification, testing, responsible claims controls and cybersecurity frameworks. These processes help ensure products are developed with customer needs, regulatory requirements and operational risks in mind.

Our approach is underpinned by Group-level systems and UK operational controls, with increasing use of data and connectivity to improve product performance, service response and customer support. We continue to strengthen how our product, digital and governance processes work together as low carbon heating technologies scale. The following highlights outline our progress during the year.



2025 highlights



More than 5,700 customers used subscription-based connected services

Supporting increased visibility of product performance and system management



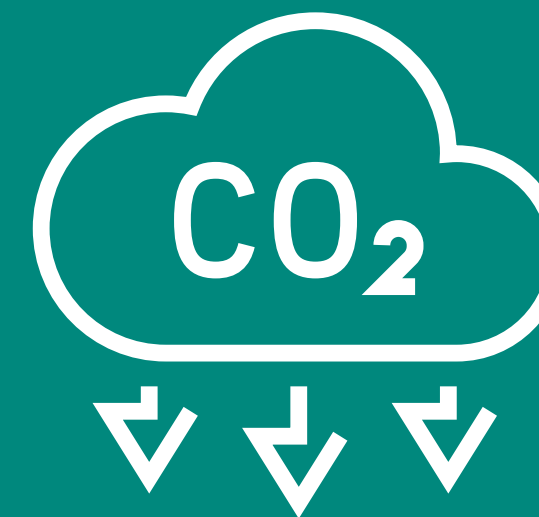
Quality control testing surpassed targets

Reflecting strong quality performance across boilers, heat pumps and cylinder production



Continued ISO 9001 Quality Management System certification⁸

Reinforcing structured quality controls



Engagement with UK policymakers, including a visit by Ed Miliband, the former Secretary of State for Energy Security and Net Zero, to the Derby manufacturing facility

Demonstrating how product development and UK manufacturing support the delivery of low carbon heating technologies

⁸ Vaillant Industrial UK Limited and Vaillant Group UK are certified to ISO 9001.

Innovation

Innovation is central to ensuring our products remain relevant, effective and easy to use as heating systems become increasingly connected and digitalised. As the market shifts towards electrified technologies such as heat pumps, customers are not only looking for reliable hardware but also for systems that are intuitive, responsive and capable of adapting to their needs over time.

This means innovation is no longer limited to physical product development. Instead, it spans the full system experience, combining hardware, digital platforms and ongoing services. Collectively, these elements enable customers to better understand how their systems perform in practice while supporting installers to diagnose, maintain and optimise systems more effectively.

Our focus is therefore on developing products and ecosystems that deliver value at all stages of the installation process and beyond, making them easier to use, simpler to maintain and better able to meet the evolving needs of customers and installers.

Approach

Innovation is shaped by a continuous feedback loop between customers, installers and development teams. Insight is gathered through app interactions, support channels, surveys and direct engagement, and then translated into product requirements and feature requests. This ensures development is informed by how systems are actually used in real-life situations.

This insight is incorporated into a structured and rigorous development process at Group level, moving through clearly defined and auditable stage gates from strategy to roadmap, roadmap to specification, and specification through to prototyping, testing, validation and market launch. Each stage is subject to detailed review so that products and services meet technical, regulatory and customer requirements before progressing. Within the UK, teams contribute to this process by ensuring solutions reflect local customer needs, installer feedback and regulatory requirements, while performing effectively in real-world conditions.

Innovation spans both hardware and digital services. Product requirements are defined by innovation teams and translated into detailed specifications for the research and development team. The team then engineers solutions before progressing into testing and validation. Physical products are designed to integrate with connected platforms, enabling monitoring, diagnostics and control in use. This creates a system-level approach where data from the field informs continuous improvement of our products and services.

Products are also certified against applicable UK and European requirements for safety, energy efficiency and performance, including recognised schemes such as MCS and Keymark for low carbon technologies. Additional certifications and accreditations further support product performance and customer confidence. These include International Electrotechnical Commission (IEC) standards for product safety and cybersecurity, as well as customer-facing recognitions such as Quiet Mark, Which? and ServiceMark.

Testing and validation are a critical part of this process. New products and services are trialled with customers and installers before wider rollout, allowing feedback to be captured early and refinements made before wider implementation. This includes pilot activity for both hardware and digital solutions, ensuring they deliver value in practice.

“Our focus is on developing products and ecosystems that deliver value at all stages of the installation process and beyond...”

Progress

In 2025, innovation activity strengthened the connected ecosystem around Vaillant products, improving how systems perform in use.

Updates to digital platforms were driven by customer feedback, with a focus on simplifying user journeys and improving usability. This included reducing the number of steps required to complete common actions and making systems easier to navigate, resulting in more intuitive day-to-day use.

This improved usability was then carried through into service and support. Connected services continued to expand, enabling more responsive and flexible support models. Tools such as Vaillant's remoteGO mini and Glow-worm's MiGo Xpert platforms provide installers with remote support and installation quality assurance, helping to resolve issues more quickly and reducing the need for a site visit direct from Vaillant Group UK. At the same time, connected appliances are changing how assistance is delivered. Systems can now identify potential issues remotely, allowing us to better understand the likely cause and enabling more effective service responses. This represents a shift from reactive diagnosis towards more proactive support, improving response times and reducing unnecessary disruption for customers.

As these capabilities develop, customer engagement with connected services continues to grow. By the end of 2025, more than 5,700 customers were signed up to subscription-based offerings. This reflects increasing demand for tools that provide greater visibility, ongoing insights and improved system management.

This shift has wider implications beyond customer experience. Enhanced connectivity and data visibility can provide homeowners with greater clarity about their energy usage, enabling them to make more informed choices about operating their systems more efficiently. This, in turn, can support better optimisation of heating output, reducing unnecessary energy use and extending product lifespans through earlier intervention and system maintenance. As electrification continues, these capabilities will become increasingly important in managing energy demand and reducing pressure on the wider energy system.



Case study

The myVaillant ecosystem

The myVaillant ecosystem connects products, services and data into a single system that improves performance after installation. It reflects a shift from standalone appliances to connected solutions where hardware, digital tools and services work together.

Connectivity begins with the myVAILLANT connect internet gateway device, which links the appliance to Vaillant's digital services. It is compatible with all Vaillant boilers produced since 2005, as well as most Vaillant heat pumps, enabling a large share of the installed base to be brought online.

Once connected, customers use the myVaillant app to control heating, adjust settings such as heat curves and monitor performance. This improves visibility and enables more informed optimisation. Through myVaillant Web, customers can book engineer visits and access digital offerings, including subscription services that provide ongoing insights such as health checks, usage data and guidance to improve performance.

The ecosystem is evolving with more proactive support. Services such as remoteGO mini provide flexibility for remote heat pump installation support, and myVaillant Pro Service enables remote monitoring of customers' internet connected systems. Installers can better support their customers by being notified of any issues, remotely viewing or amending settings and data, and having access to relevant literature and part numbers.

These elements create a connected system where appliance data informs both customer behaviour and service response, supporting more efficient operation, earlier intervention and improved system longevity.



Looking ahead

In 2026, innovation will continue to focus on strengthening the connected ecosystem and adapting Group-led developments to UK-specific needs, while maintaining a structured, customer-led approach grounded in real-world use. We will also continue to develop new products that support the delivery of warm homes across the UK.

Priorities include the rollout of enhanced subscription services, such as Smart Home Subscriptions BOILER360° and HEATPUMP360°, which provide more tailored insights, proactive fault notifications and clearer guidance on next steps. Alongside this, we will enhance onboarding and help for heat pump customers and expand guided services, within myVaillant Pro Service, to support engineers with installing and commissioning Vaillant products.

Together, these activities will embed connectivity, data and service more deeply into the product experience, improving system performance in use and supporting customers to manage their heating more effectively over time.

Product quality

Product quality ensures that innovation translates into systems that perform reliably and efficiently in UK homes. While this builds on the product development journey, it stands as a critical discipline in its own right, focused on delivering products that work as intended from day one and continue to operate effectively over time. The objective is not only compliance but also sustained performance that supports comfort, product longevity and customer confidence as our portfolio expands, particularly in low carbon technologies.

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Every product undergoes 100% end-of-line testing before release."



Approach

Product quality is a continuation of the innovation process, embedded from design right through to manufacturing, testing and in-field performance. This helps ensure products are built right first time, operate efficiently and perform as intended in use.

Once manufacturing begins, it is controlled through an assembly management system, which acts as both a traceability and control system. Each stage is subject to formal review, ensuring products can be built consistently at scale, meet safety and performance requirements and are fully validated before entering the production floor. Every product is tracked via a unique serial number, with tools and test equipment feeding results directly into the system. When required parameters are not met, the product is not released to the next workstation. This prevents non-conforming products from progressing through the line.

Testing is comprehensive. Every product undergoes 100% end-of-line testing before release. For boilers and heat pumps, this can involve more than 300 individual checks, generating many thousands of individual data points. These checks include leak detection, ignition performance, valve operation and simulated operating conditions. Heat pumps also undergo additional high-pressure and helium leak testing to detect very small defects prior to final assembly. For each product type, we set annual quality targets linked to test performance. These targets are reviewed each year as we continue to strive for excellence.

Quality is further reinforced through external certification and audit. Vaillant Group UK operates a quality management system certified to ISO 9001.⁹ Product compliance is supported through external bodies such as Kiwa and the British Standards Institution, alongside annual audits covering relevant legal and certification requirements. Before we launch an appliance into the UK market, products must undergo a multi-layered compliance process. This covers safety checks, performance checks, energy efficiency, environmental impact and manufacturing consistency to ensure products meet stringent safety standards.

Once products are in use, quality is maintained through ongoing monitoring of field performance. Increased connectivity helps identify faults earlier, enabling teams to understand issues more quickly, identify practical next steps and respond with greater accuracy. These insights are then used to refine manufacturing processes and product design on an ongoing basis.

⁹ Vaillant Industrial UK Limited and Vaillant Group UK are certified to ISO 9001.

Progress

The year saw significant progress for Vaillant Group in the UK. Our ISO 9001 quality management system was recertified,¹⁰ demonstrating our continued progress in maintaining high standards across our processes and assembly management system.

It was also an important year in terms of product quality performance. In Belper, quality control performance met and exceeded our targets, reflecting disciplined execution on the line and a clear focus on consistent quality.

With the launch of the new cylinder facility in Derby, the opportunity to expand into a new product line presented both excitement and challenge for the Vaillant Group UK. Bringing together new products, processes and a new workforce required a strong focus on quality control and rapid learning.

Cylinder production introduces different manufacturing requirements, including welding and pressure integrity controls, which had not previously been part of Vaillant Group's UK operations. At the end of production, all cylinders are tested and the results recorded to track successful testing, providing a chance for the team to learn as production continues to scale.

Despite launching a new facility, product line and workforce simultaneously, the site significantly exceeded its first-year quality targets. This demonstrates the effectiveness of established quality systems and the ability to maintain standards during a period of significant operational change.

Looking ahead

Maintaining high-quality standards will remain a priority as new products are introduced and production scales, because consistent quality is fundamental to ensuring safe and reliable operation in customers' homes. Focus areas include making greater use of production and field data to identify root causes more quickly and strengthen feedback loops, while ensuring rigorous validation for new product launches.

From 2026, our manufacturing sites will trial in-line product audits undertaken independently by the quality team. This is intended to detect potential issues earlier in the manufacturing process and further strengthen prevention-led quality management.

As systems and data maturity advance, we expect additional development in performance monitoring and transparency, supporting continuous improvement in product reliability, longevity and in-use performance.



¹⁰ Vaillant Industrial and Vaillant Group UK entities are ISO 9001 certified.

Responsible marketing and labelling

Responsible marketing and accurate product labelling are a critical part of how we bring products to market and maintain customer trust. This is increasingly important as low carbon heating solutions, particularly heat pumps, become a larger part of our offering, where performance, efficiency and environmental attributes must be communicated accurately and supported by evidence. This represents the final stage of the product journey, translating validated product data into information that supports informed customer decisions.

Approach

Our approach to responsible marketing and labelling is built on validated product specifications, testing data and certification outcomes. Claims are developed in collaboration with product and legal teams to ensure they are accurate, evidence-based and appropriate for the intended audience.

This process involves defined approval processes across marketing, product and legal teams, with shared accountability. We operate in line with UK regulatory requirements, including the Green Claims Code and Advertising Standards Authority (ASA) guidance.

We place strong emphasis on clarity and substantiation. Claims are supported by testing, certification or validated data, and are carefully worded to reflect real-world performance. Absolute or unqualified statements are avoided where outcomes may vary in practice.

To ensure this, teams are encouraged to consider sustainability implications in campaign development, helping embed more responsible decision-making across marketing activities. The relevant teams – marketing, product and legal – have received training on the UK Green Claims Code, and we have increasingly embedded responsible marketing principles into onboarding and day-to-day activity.

Progress

In 2025, we focused on improving consistency in how product claims are developed and communicated, particularly in response to evolving regulatory expectations.

Internal guidance was updated following changes to ASA requirements, providing clearer direction on how claims should be substantiated and applied. This supported stronger alignment across teams and improved consistency across marketing channels.

Training and informal knowledge sharing also helped embed responsible marketing practices into day-to-day activity, enabling potential issues to be identified earlier and addressed more efficiently.

Our approach continues to be shaped by the UK regulatory environment. We operate in line with the UK Green Claims Code and ASA guidance and, in some cases, adapt Group-level marketing content to ensure compliance with UK-specific requirements, particularly for sustainability-related claims.

Looking ahead

In 2026, we will focus on embedding a more structured and scalable approach to responsible marketing. This includes expanding training, strengthening internal guidance and improving consistency in approval processes. We will continue to monitor regulatory developments and refine our practices to ensure communications remain accurate, compliant and aligned with evolving expectations.

Cybersecurity and digital responsibility

As our products and services become increasingly digital and connected, cybersecurity plays a critical role in ensuring safe, reliable and trusted customer experiences. This extends beyond protecting customer data to safeguarding the wider systems, platforms and operational data that support connected heating technologies.

This is particularly important as we manage both customer and business data across an increasingly integrated ecosystem. As heating systems become more connected and reliant on digital platforms, customers expect not only reliable performance but also assurance that their data and the systems that support it are handled securely and responsibly. Meeting these expectations requires a coordinated and robust approach to cybersecurity.

Approach

We manage cybersecurity and digital responsibility through a structured information security management system aligned with ISO 27001 principles. This provides a consistent framework for identifying, assessing and managing risks across systems, data and digital services.

Cybersecurity considerations are embedded across the lifecycle of our products and services. This includes protecting customer data generated through digital interactions and connected products, alongside wider business and operational data that supports digital services, product performance and day-to-day operations.

In accordance with ISO 27001 management system principles, responsibility is shared between Group and UK teams. The Group information security function defines the overall framework and control requirements, while operational accountability in the UK sits with the Head of IT and the UK Data Protection Officer, supported by compliance and legal teams, with oversight provided through Group governance structures.

Given the evolving nature of cyber threats, our approach focuses on continuous risk management. This includes maintaining visibility of emerging risks, adapting controls where needed, and improving employee awareness and resilience to potential threats. Controls are embedded into day-to-day operations through defined processes, including system monitoring, access management and incident response.

Employee awareness is a key component of this approach. All employees receive cybersecurity training through induction and annual refresher programmes, supported by phishing simulations and awareness campaigns. This helps ensure that employees can recognise and respond to potential risks in practice, particularly in relation to the handling of customer data.



Progress

In 2025, we continued to operate and strengthen cybersecurity controls across our UK systems, supporting a stable and resilient environment for both business operations and customer-facing services.

Our activity during the year focused on improving our ability to detect and respond to evolving threats through measures such as endpoint protection, access management and system resilience. This enabled earlier identification and mitigation of potential risks.

We also continued to prioritise employee awareness. All relevant employees receive mandatory cybersecurity training through induction and refresher programmes, supported by phishing simulations and awareness campaigns, to help reinforce consistent behaviours in relation to data protection and system security.

Looking ahead

Cybersecurity will remain a priority in 2026, with an emphasis on maintaining strong controls and responding to evolving risks across customer-facing platforms, internal systems and wider operational data. This includes strengthening employee training and awareness, which will remain a key priority, contributing to continued improvement in how risks are identified and managed in practice. These activities will help ensure systems remain secure and resilient, supporting the safe and reliable operation of our products and services.

Public policy engagement

Public policy engagement is a key part of how we support the transition to low carbon heating in the UK and contribute to delivering warmer, more energy-efficient homes for customers. As the policy and regulatory landscape continues to evolve, we have an opportunity to share practical insight from our product development, manufacturing and customer experience, helping shape policy that can be implemented effectively in real-world settings.

We engage with policymakers, regulators, trade associations and industry bodies in a transparent and evidence-led way. This includes providing technical, market and consumer insight across areas such as decarbonisation, affordability, product performance and consumer confidence. We draw on practical experience, including supply chain capability and installer readiness, to help ensure that policy reflects how systems are delivered in UK homes.

Approach

We engage in public policy through a range of activities designed to provide practical input and support policy development. This includes responding to government consultations, participating in industry working groups and advisory forums, and engaging directly with policymakers, regulators and wider stakeholders.

Our engagement focuses on areas where we can provide relevant expertise, including heat pumps, retrofit, new-build standards and wider system integration. Alongside technical input, we share insights on market readiness, workforce capability and consumer outcomes, recognising that policy needs to work across the full value chain.

A key part of our approach is bringing practical experience into policy discussions. This includes contributing insights from product development, manufacturing and installation, as well as facilitating site visits and stakeholder engagement to demonstrate how technologies are designed, produced and deployed. These interactions help connect policy development with delivery considerations, including supply chain capacity, skills and consumer adoption.

We work both directly and indirectly through trade associations and industry bodies to support sector-wide dialogue. Our contributions are based on available evidence and aligned with our business values and sustainability objectives. This approach is supported by internal controls and an annual set of Guiding Principles that define how positions are developed, reviewed and communicated.



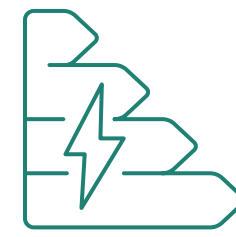
Progress

In 2025, the UK policy environment for heating and energy became increasingly defined and fast-moving, with higher levels of consultation activity linked to the government's clean energy agenda. This resulted in a greater volume and concentration of engagement across heat policy, regulation and consumer-facing market reform.

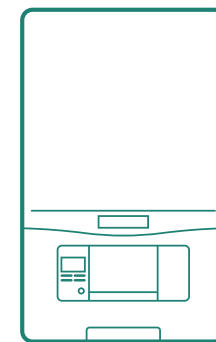
In response, we maintained active engagement with policymakers, regulators and industry bodies, contributing both directly and through trade associations. Our activity included consultation responses, participation in industry working groups and ongoing dialogue with government departments and wider stakeholders.



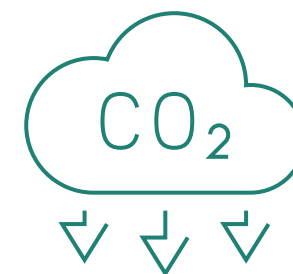
Our engagement focused on key policy areas where regulation plays a critical role in enabling the transition to low carbon heating. These included:



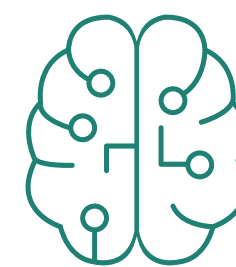
Energy Performance of Buildings reform – shaping how energy efficiency is measured and improved across UK housing



Boiler Upgrade Scheme – supporting the rollout of heat pumps and market-based incentives



Product standards and F-gas phase-down – influencing performance requirements and the transition away from high-emission refrigerants



Smart systems and electricity integration – enabling more flexible and connected heating solutions



Across these areas, we provided technical and practical input based on product development, manufacturing and delivery experience. This helped inform discussions on how policy can be implemented in practice, including considerations such as supply chain capacity, installer readiness and consumer adoption.

While workforce capability remains an important enabler of the transition to low carbon heating, it featured less prominently in consultation activity during the reporting period, reflecting the focus of the policy agenda at the time.

In addition to formal consultation activity, we undertook targeted, high-profile engagement with policymakers and stakeholders in 2025. These interactions provided opportunities to demonstrate how policy ambition translates into delivery in the UK market.

Case study

Ed Miliband visit to Vaillant Group UK's Derby manufacturing facility

In March 2025, the former Secretary of State for Energy Security and Net Zero Ed Miliband visited our £40 million hot water cylinder manufacturing facility in Derby.

The visit provided an opportunity to demonstrate how UK-based manufacturing supports the rollout of heat pump systems, including the role of hot water cylinders as a core system component. It also highlighted the scale of investment required to deliver the transition, alongside the importance of product design, installation flexibility and compatibility with existing housing stock.

The facility, which is expected to create around 200 jobs, served as a practical example of how manufacturing investment contributes to both supply chain capacity and workforce development. It demonstrated how products are developed and tested in response to installer and customer needs, supporting deployment in real-world conditions. As noted by the former Energy Secretary:

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By building heat pumps in Britain and continuing their rollout, we can not only ensure people have warmer, lower carbon homes but support jobs like these in Derby."

Ed Miliband, the former Secretary of State for Energy Security and Net Zero

This engagement provided a direct link between policy ambition and delivery, showing how manufacturing capability, product development and skills investment underpin the transition to low carbon heating.



Case study

HRH The Princess Royal visit to Derby facility

In October 2025, we hosted HRH The Princess Royal at our Derby manufacturing facility.

The visit focused on demonstrating how investment in manufacturing, skills and local partnerships supports the delivery of low carbon heating at scale. This included showcasing the production of hot water cylinders designed for low temperature systems and how these products fit within wider heat pump solutions.

A key theme of the visit was workforce development. Apprenticeships in engineering and welding were presented as part of our approach to building the skills required for the transition, alongside collaboration with local education providers and community organisations. This highlighted how long-term capability is developed through both training and local partnerships.

The visit also brought together local stakeholders, including community partners and regional representatives, providing a practical example of how national policy objectives connect to local delivery, employment and skills development.

This engagement demonstrated that scaling low carbon heating depends not only on technology but on coordinated investment in manufacturing, skills and regional capability.

Looking ahead

In 2026, we will continue to take an evidence-led approach to public policy engagement, supporting regulatory and market frameworks that enable the transition to low carbon heating. Through this work, we will help protect consumers and enable practical delivery.

Our focus will remain on key areas such as heat pump deployment, expanding the UK heat pump supply chain, product standards and building performance policy across both retrofit and new-build homes. We will also continue to engage on consumer affordability, smart systems and future technology pathways, alongside contributing to discussions on skills and workforce readiness where relevant.

We recognise the importance of preparing both new homes and existing housing stock for low carbon heating. Our engagement will continue to support policy development in areas such as enhanced energy efficiency in buildings, effective retrofit pathways and a coordinated transition across the housing sector.

Looking ahead and about this report

Looking ahead

This report marks an important step in our sustainability journey in the UK. It brings together activity that has been embedded across our business for many years and provides a clearer, more consistent view of our approach and performance.

As our first standalone UK Sustainability Report, it establishes a baseline from which we will continue to develop. We recognise that both our sustainability approach and our reporting will evolve over time, and we are committed to strengthening our governance, data and performance tracking in future years.

Looking ahead, we will continue to focus on the areas that matter most to our business and our stakeholders, supporting the transition to low carbon heating while delivering long-term value through responsible and sustainable operations.



Understanding our forward-looking statements

This report provides an overview of Vaillant Group UK's sustainability activities, performance and ambitions during the reporting period. It is intended to provide information to our stakeholders and should be read in conjunction with other publicly available information.

Certain statements contained in this report are forward-looking statements, including statements regarding our environmental and social goals, commitments, strategies and related business and stakeholder impacts. These forward-looking statements reflect our current expectations and assumptions concerning future events and performance. Actual outcomes may differ materially from those expressed or implied by such statements.

Forward-looking statements are subject to a range of risks, uncertainties and other factors, many of which are beyond our control. These may include changes in economic conditions, government policy and regulation, technological developments, climate-related impacts and weather events, market developments, the availability and quality of data and the actions of third parties upon whom we rely.

Any forward-looking statement speaks only as at the date on which it is made. Unless required by law, Vaillant Group UK undertakes no obligation to update or revise any forward-looking statement as a result of new information, future events or otherwise.

Many of the assumptions, methodologies, metrics and estimates used in preparing this report continue to evolve and are based on information available at the time of publication. As a result, reported information may be subject to revision as methodologies, standards and data quality improve over time.

Unless otherwise stated, the information contained in this report has not been independently assured.



About this report

This Sustainability Report covers the 2025 reporting period and relates to Vaillant Group UK operations and manufacturing. It has been informed by our materiality assessment and focuses on the sustainability topics identified as most relevant to our business, alongside a small number of topics of strategic importance.

The report has been prepared in line with recognised best practice sustainability reporting approaches and reflects the Global Reporting Initiative Reporting Principles, supporting the provision of clear, balanced and decision-useful information.

Scope and boundaries

This report covers the operations and manufacturing activities of **Vaillant Group UK**. Unless otherwise stated, references to “Vaillant Group UK” throughout this report include the following UK legal entities. Where relevant, Group-level policies, frameworks and systems are referenced to provide additional context.

- **Vaillant Group UK Limited** (Company Registration No. 00294316) – sales, marketing and service operational entity
- **Vaillant Industrial UK Limited** (Company Registration No. 01064184) – Belper manufacturing plant
- **Vaillant Limited** (Company Registration No. 01279010) – Derby manufacturing plant
- **Technocargo Logistics Limited** (Company Registration No. 5476414) – Logistics and supply chain entity
- **Vaillant Holdings Limited** (Company Registration No. 00965093) – UK holding company, responsible for central functions including legal, compliance, tax and pensions

Data and limitations

Data in this report is based on internal systems, stakeholder input and the 2025 data collection process. As our reporting continues to develop, data availability and coverage may vary across topics. We are committed to improving data quality and consistency over time.

Contact and feedback

We welcome feedback on this report and our approach to sustainability.

For questions, please contact: info@vaillant-group.co.uk

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