



Sustainability in the CENTROTEC Group

Sustainability Report 2010



Sustainability key figures

		2008	2009	2010
General*				
Revenue	EUR '000	476,081	466,613	479,650
CO ₂ per revenue	t CO ₂ /EUR '000	0.291	0.264	0.270
CO₂ based on scopes				
Scope 1 (direct emissions from heating and processing)	t CO ₂	4,814	5,120	5,472
Scope 2 (direct emissions from the consumption of purchased electricity)	t CO ₂	9,795	9,836	9,863
Scope 3 (other indirect emissions from transport, lease cars, business travel and raw materials)	t CO ₂	124,077	108,386	113,973
Total CO₂	t CO₂	138,685	123,341	129,308
CO₂ based on sources				
Heating and processing (Scope 1)	t CO ₂	4,814	5,120	5,472
Electricity (Scope 2)	t CO ₂	9,795	9,836	9,863
Transportation (Scope 3)	t CO ₂	7,442	6,851	6,863
Lease cars (Scope 3)	t CO ₂	3,371	3,397	3,856
Business travel (Scope 3)	t CO ₂	363	384	396
Raw materials (Scope 3)	t CO ₂	112,901	97,754	102,858
Total	t CO₂	138,686	123,342	129,308
Raw materials consumption				
Carbon steel	t	7,559	6,696	7,084
Galvanised steel	t	14,111	12,449	13,862
Stainless steel	t	1,080	1,153	1,133
Primary aluminium	t	1,179	783	817
Secondary aluminium	t	2,139	1,990	2,351
Polypropylene (PP)	t	2,461	2,713	2,608
High-density polyethylene (HDPE)	t	3,163	3,128	1,408
Polyvinyl chloride (PVC)	t	1,423	1,123	1,153
Other plastics	t	2,228	1,717	2,162
Other materials	t	5,967	5,176	5,913
Total	t	41,299	36,930	38,491
Energy consumption				
Total natural gas use	m ³	2,188,688	2,077,919	2,466,995
Total diesel use**	litres	26,802	35,938	40,119
Total fuel oil use	litres	100,540	257,240	110,515
Total LPG use	litres	1,700	6,900	11,340
Total electricity use	MWh	21,025	20,687	20,831
Water				
Total water use	m ³	23,504	24,243	24,183
Waste				
Waste, total	t	6,210	5,543	5,098
Waste recycled	t	5,558	4,920	4,358
Recycling rate	%	90	89	85
Health & safety				
Frequency of lost time incidents (LTI)	1/1 mill. h	8.7	11.5	13.1
Number of working days lost due to LTI	1/1 mill. h	72.6	82.0	137.8
Labour				
Employees	individuals	2,220	2,218	2,308
Female employees	%	17.03	18.30	18.24
Women in management positions (1 st and 2 nd management levels)	%	13.31	16.06	16.43
Part time employees	%	8.92	9.06	9.97
Disabled employees	%	4.50	6.00	5.24
Temporary employees	individuals	124	155	128
Apprentices	individuals	119	129	126

* Key financial indicators refer to the CENTROTEC Group, other key figures to production locations

** excluding consumption by lease cars (Scope 3)

Sustainability in the CENTROTEC Group

Sustainability Report 2010

Sustainability in the CENTROTEC Group

- 02** Introduction by the Management Board Chairman
- 04** Core Values
- 05** Sustainability management at CENTROTEC

Sustainable growth

- 11** Mileposts of growth
- 12** Key figures of corporate development

... with sustainable products

- 16** CENTROTEC products
- 23** Selected technologies and their market penetration

... in a sustainable way

- 28** CO₂ emissions at CENTROTEC
- 29** Use of resources
- 32** Environmental protection in production
- 34** Energy consumption and emissions
- 36** Use of other resources
- 37** Key measures

Employees & society

- 40** Key figures
- 49** Imprint



Introduction by the Management Board Chairman

Dear Reader, On behalf of the CENTROTEC Group I am delighted to present the company's first ever Sustainability Report. Shifting the spotlight onto sustainability at CENTROTEC is not something that has happened simply for the purpose of this report; it has long been an integral part of our corporate culture and, since 2004, has also been manifested in the very name CENTROTEC Sustainable AG. But even long before the change of name, CENTROTEC was promoting the resource-conserving use of energy in buildings through its ultra-efficient products and consequently makes a major contribution towards sustainable interaction with the world in which we live. Thanks to its product portfolio, CENTROTEC is therefore inherently sustainable.

The significance of the previously little-heeded building sector in terms of its energy consumption and pollutant emissions, and its scope to reduce the levels of both, are reflected in the fact that it accounts for some 40 % of Germany's entire energy consumption. However, the general debate on the need for climate protection and the sea change on energy that politicians are calling for have latterly increasingly shifted the focus of public attention onto this area. The wide variety of customer-friendly, efficient products made by the CENTROTEC companies plays a very prominent role specifically in heating, climate control and ventilation for buildings and helps to save substantial amounts of energy with comparatively little financial outlay, thus automatically avoiding pollutant emissions. This moreover noticeably reduces dependence on often-fraught relationships with international energy supplying countries; the necessary financial outlay is recouped rapidly and furthermore helps to safeguard jobs based almost exclusively back home.

Over and above this fundamental principle of sustainability, and setting aside the reporting formalities, sustainable ideas and actions have always been a key element of the strategies and operations of the individual companies and various hierarchical levels of the group. In the past, the group's non-central structure has meant that the focus of individual measures has often been determined very much by the people responsible for enacting them, because they traditionally enjoy considerable entrepreneurial leeway at CENTROTEC. This fundamentally non-central philosophy stems from the special corporate mentality of a German-Dutch enterprise and the long-term buy and build strategy.

Alongside the desire to protect the natural world is a major emphasis on the well-being of people, whether employees, suppliers, customers or shareholders, in all the company's various activities. This successful approach of prioritising individual measures will be adhered to in future. CENTROTEC's companies will continue to place the spotlight on people both in the products it creates and in its working processes.

As well as a large number of measures taken non-centrally in the past, group-wide projects have been launched to underpin sustainable action within the group. One such measure already introduced throughout the group is the adoption of an internal guideline in 2009 on the CO₂-neutral construction of new buildings; it has already been implemented successfully for two new buildings. And in 2011 all group companies adopted a video conferencing system that has significantly reduced the level of business travel needed; as well as imposing less of a burden on financial resources, it means the environment also benefits. Additionally, the process of collecting the data for the Sustainability Report at the individual companies inspired fresh ideas about how to help the environment, some of which have already been translated into firm action. For instance certain subsidiaries were prompted to rethink how the electrical power they use is generated and arrived at the surprising conclusion that power from renewable sources can in fact be purchased at competitive prices; this will therefore be done from 2012 on. All locations will also examine the scope for using renewable energies, generating power non-centrally and exploiting efficient heating, climate control and ventilation technology even more than at present. The same applies to the use of packaging materials and, in a very general sense, to waste products generated and the entire logistics chain.

Alongside such measures that focus more on the environment, CENTROTEC and more specifically the individual companies attach considerable importance to sustainability in the way they deal with people. The only point at which the Sustainability Report has so far touched on the effectiveness of the group's wide-ranging non-central measures in this respect is the workforce, but there is compelling evidence in the figures. This well-being of the individual of course has a lasting positive impact on all the different areas of CENTROTEC Sustainable AG, and ultimately always translates into economic success. The group supports a variety of projects aimed at helping others to share in the material rewards of the company's success. As was latterly the case in the Kenya project launched by the Dutch subsidiary Ubbink, there is a tie-in with our prime business, giving a particularly high reach to such aid projects that are designed to provide lasting support for people.

The group-wide analysis of the various relevant facts and figures for the Sustainability Report has fundamentally raised the already high level of appreciation and awareness of sustainability even further. This is the case at all the various levels of the CENTROTEC Group, promoting its continuing development into a group of companies that is sustainable in every respect. It is very important for the Supervisory Board, Management Board, employees and other groups involved in our corporate success to see their own strengths being acknowledged and developed, but also to witness how the individual companies and the group as a whole can identify and act upon the potential for improvements. In future, CENTROTEC will be reporting on its progress with this venture on a regular basis.

With best wishes,



Dr. Gert-Jan Huisman

Core Values

CENTROTEC bears social responsibility both for its employees and for its wider corporate environment.

It is important for us to regard employees as human beings, not merely a resource, and to address their individual needs as effectively as possible.

In addressing the corporate environment, CENTROTEC operates ethically and responsibly, and furthermore shows independent initiative in promoting living conditions and social cohesion within its direct sphere of influence (good corporate citizenship).

Social Responsibility

Integrity

For CENTROTEC, integrity means a consistently fair, transparent, honest and incorruptible way of behaving, both for the enterprise and for the individual.

For us, that means we have to say what we think, and do what we say!

Entrepreneurial Action

Sustainable Action

For every employee, entrepreneurial action means treating the company as if it were his or her own, and demonstrating the responsibility and foresight that that would entail. This offers opportunities for both the company and the individual.

CENTROTEC promotes this entrepreneurial spirit by granting its employees and subsidiaries the maximum possible freedom of scope.

Acting sustainably means meeting today's needs without endangering the scope of future generations to do likewise.

The way energy is used and the consequences of its use are of key importance for a sustainable society. To achieve that goal, CENTROTEC supplies affordable solutions for saving energy and putting renewable energies to a wide range of uses in buildings.

In developing, manufacturing and selling our solutions, we strive for the highest possible standards of resource efficiency and sustainability.

For each individual, this action begins with a sense of personal responsibility towards the wider community.

Sustainability

in the CENTROTEC Group. We seek to be a long-term leader for sustainability in our industry:

Sustainable growth → p. 9

with sustainable products → p. 16

in a sustainable way → p. 29

CENTROTEC sustainability management

Reporting structure of the first Sustainability Report

This first Sustainability Report of the CENTROTEC Group – hereinafter also referred to as CENTROTEC – covers the relevant productive activities of the group in 2010. The key figures quoted also refer to the years 2008 and 2009 and therefore provide a three-year trend. In future, we will publish annual reports on our progress in the field of sustainability. This report follows Application Level C of the GRI (Global Reporting Initiative) G3 Sustainability Reporting Guidelines. The medium-term intention is to have the report verified additionally by an external body and to attain Application Level B+.

The Global Reporting Initiative was established in 1997 and was launched by the United Nations Environment Programme. Its goal is to provide transparency with regard to how much organisations are contributing towards sustainable development. This information is of interest to the GRI's stakeholders, which span such areas as industry, employer or employee representative bodies, non-governmental organisations, investors and accountants. The GRI can therefore collaborate with an extensive network of specialists from all the above stakeholder groups on the compilation of the guidelines, and is steadily developing the reporting framework.

The data obtained in the preparation of the Sustainability Report furthermore constitutes the basis for the report submitted in May 2011 to the Carbon Disclosure Project (CDP), which is run by a large number of leading international institutional investors and is regarded as the leading international platform for information on greenhouse gas emissions. This report satisfied most of the comprehensive reporting requirements of this renowned international project for the first time in 2011. CENTROTEC consequently occupies a pioneering role in its field in having a detailed knowledge of its own carbon footprint, and in comprehensively publishing the information gathered (Carbon Disclosure Project homepage see www.cdp.com) it achieves the level of transparency that a wide range of target groups require.

Reporting boundaries

The content of the report covers all fully consolidated CENTROTEC subsidiaries that conduct manufacturing operations themselves. The companies covered by this process employed a total of 2,308 people in 2010. This represents 83 % of the total for the group. All activities, including non-productive ones, at each company are covered. Any departures from these reporting boundaries are indicated at the relevant points. It is planned to gradually extend the reporting boundaries over the next few years to include non-manufacturing subsidiaries as well. In this report, data for the following CENTROTEC subsidiaries was collected and incorporated:

Climate Systems	<ul style="list-style-type: none"> ...✚ Wolf GmbH, Mainburg, DE ...✚ Brink Climate Systems B.V., Staphorst, NL ...✚ Kuntschar & Schlüter GmbH, Wolfhagen, DE ...✚ Ned Air B.V., Kampen, NL
Gas Flue Systems	<ul style="list-style-type: none"> ...✚ Ubbink B.V., Doesburg, NL ...✚ CENTROTHERM Systemtechnik GmbH, Brilon, DE ...✚ CENTROTEC Composites GmbH, Brilon, DE
Medical Technology Engineering Plastics	<ul style="list-style-type: none"> ...✚ Möller Medical GmbH, Fulda, DE ...✚ Centroplast GmbH, Marsberg, DE ...✚ Rolf Schmidt Industri Plast A/S, Kolding, DK

Focus on ecological and social aspects

This Sustainability Report primarily presents the ecological and social aspects of CENTROTEC's activities. Because its economic development is described in detail in the Annual Report, this aspect has only been

referred to again here to a minor extent, wherever it appears to be particularly revealing. Information of a financial nature that is published in the Annual Report is referred to at the appropriate points.

Identification and definition of the core topics and key indicators

It is the clear objective of the company to report in accordance with the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI) (www.globalreporting.org). The relevant topics in the reports have correspondingly been addressed in accordance with the GRI report content principles and the key figures they contain collected in keeping with the definitions in the GRI guidelines. The data shown in the report is based predominantly on internal surveys, but has also to some extent been verified by external partners.

It was moreover a key requirement of the data to be collected that it should also fulfil the data collection requirements for reporting to the Carbon Disclosure Project (CDP).

Why have we chosen Level C?

We conducted a careful, self-critical analysis to establish the areas in which our company might meet the various requirements of GRI reporting. We arrived at the conclusion that it makes sense for an initial report to collect a manageable volume of data, as the data quality would otherwise suffer and the departments responsible for supplying this data would rapidly be overstretched by the task. This approach proved to be fundamentally helpful and the data collected was meaningful, adequately verified and also satisfied the GRI requirements. Nevertheless, this report is undoubtedly not exhaustive and may contain errors. However it is part and parcel of CENTROTEC's policy of transparency and credible communication not to conceal such omissions from our stakeholders by providing superficial answers to questions for which we have no effective strategies and programmes, or about which we have insufficient information. The choice of GRI Level C, the entry level, is therefore the right one for the CENTROTEC Group.

The GRI guidelines give the reader a useful basis for comparison but do not fully reflect the situation in the heating industry because a reporting structure for a cross-section of the reporting enterprises is in the course of being established and, for all its freedom of scope, necessitates a degree of definition of the reporting structure. It is our endeavour to keep improving the transparency and informativeness of our reporting, and to achieve a higher level in future years.

Some of the information missing here can be found in our Annual Report or on our website at <http://www.centrotec.de/en/investor-relations/annual-report.html>. References are included in this report at the appropriate points.

For more information about the GRI, please visit the website www.globalreporting.org.



Sustainable growth

through innovations for comfort, energy conservation and climate protection. The CENTROTEC companies are excellently placed in the global growth market for energy-saving solutions for buildings thanks to their strong market position and comprehensive product portfolio of energy-efficient systems. The group is noted for achieving high annual growth rates.



INNOVATION

We remain inquisitive, because we are not satisfied simply with what we have already achieved! We constantly ask ourselves how we can further improve comfort, ease and well-being, while at the same time using less energy. CENTROTEC's answer is a unique blend of expertise in heating, climate control and ventilation technology and renewable energy that enables it to keep refining its innovative product range.

Our aspiration of sustainability means more comfort from less energy!

Climate Systems

100 %

Brink Climate Systems B.V.
Staphorst, NL

Dreyer & Bosse Kraftwerke GmbH
(80 %) Gorleben, DE

EnEV-Air GmbH
Ahaus, DE

Kuntschar + Schlüter GmbH
Wolfhagen, DE

Ned Air B.V.
Ijsselmuiden, NL

Wolf GmbH
Mainburg, DE

Wolf France S.A.S.
Massy, FR

Wolf Iberica S.A.
Madrid, ES

Wolf Technika Grzewcza Sp.z.o.o.
Warsaw, PL

Wolf Heating UK Ltd.
Northwich, GB

Wolf Klimatechnik B.V.
Kampen, NL

Gas Flue Systems

100 %

Ubbink B.V.
Doesburg, NL

Ubbink N.V.
Gentbrugge, BE

Ubbink S.A.S
La Chapelle sur Erdre, FR

Ubbink UK Ltd.
Brackley, GB

Ubbink East Africa Ltd.
Naivasha, KE

Centrotherm Systemtechnik GmbH
Brilon, DE

Centrotherm Eco Systems
LLC, Albany, US

Centrotherm Gas Flue Technologies Italy S.R.L.
Verona, IT

Centrotec J I Asia Pte. Ltd.
Singapore, SG

Centrotec Composites GmbH
Brilon, DE

Industrial Solar GmbH
(38 %) Freiburg, DE

SOLAR23 GmbH
(60 %) Ungerhausen, DE

Bond-Laminates GmbH
(25 %) Brilon, DE

Corporate structure
CENTROTEC Sustainable AG

Medical Technology & Engineering Plastics

100 %

medimondi AG
Fulda, DE

Möller Medical GmbH
Fulda, DE

Centroplast Engineering Plastics GmbH
Marsberg, DE

Rolf Schmidt Industriplast A/S
Kolding, DK

CENTROSOLAR Group AG

26 %

Centrosolar AG
Hamburg / Paderborn /
Kempton, DE

Centrosolar Sonnenstromfabrik GmbH
Wismar, DE

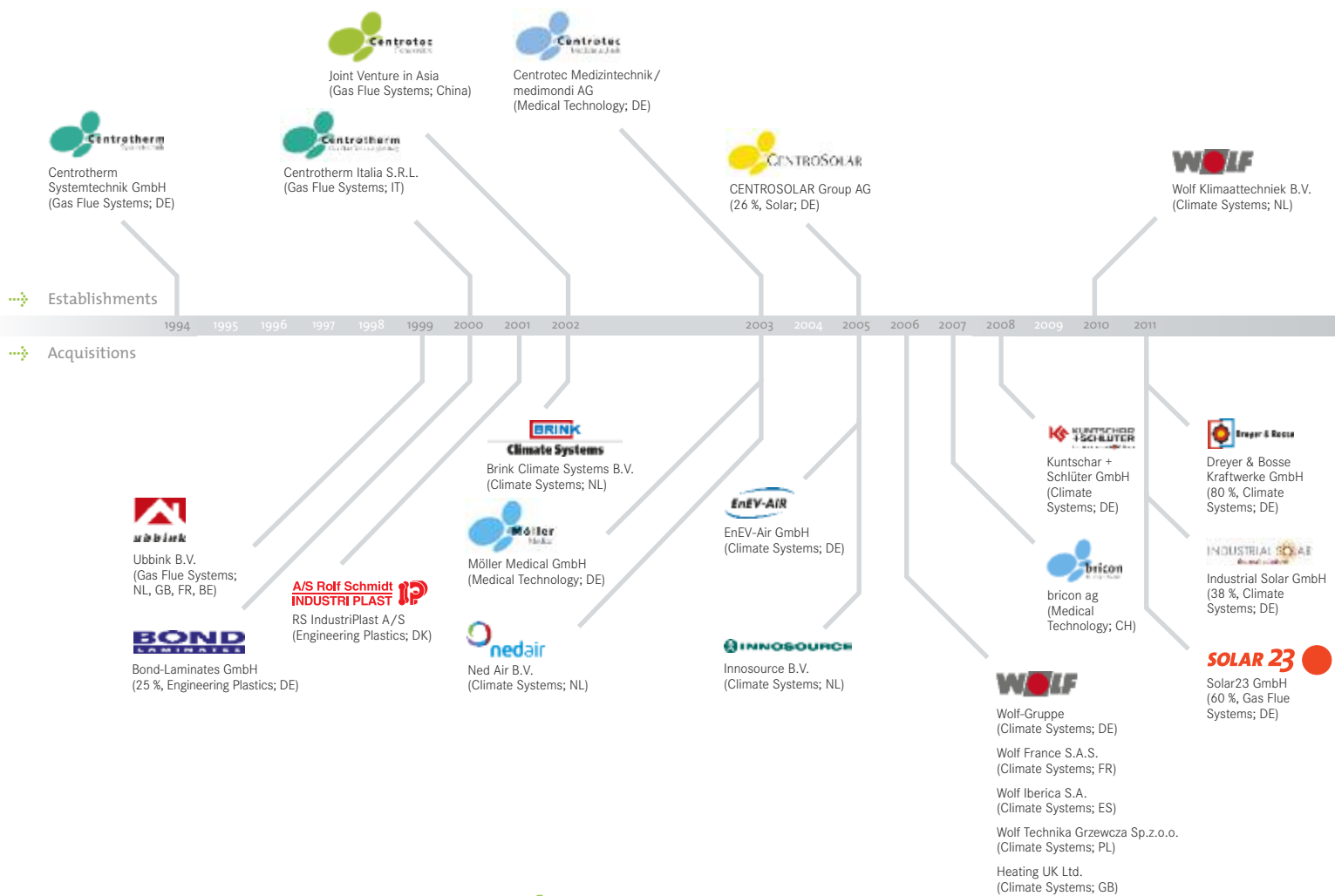
Renusol GmbH
Cologne, DE

Centrosolar Glas GmbH & Co. KG
Fürth, DE

Solarsquare AG
Berne, CH

Sustainable growth with sustainable products

Key figures of corporate development

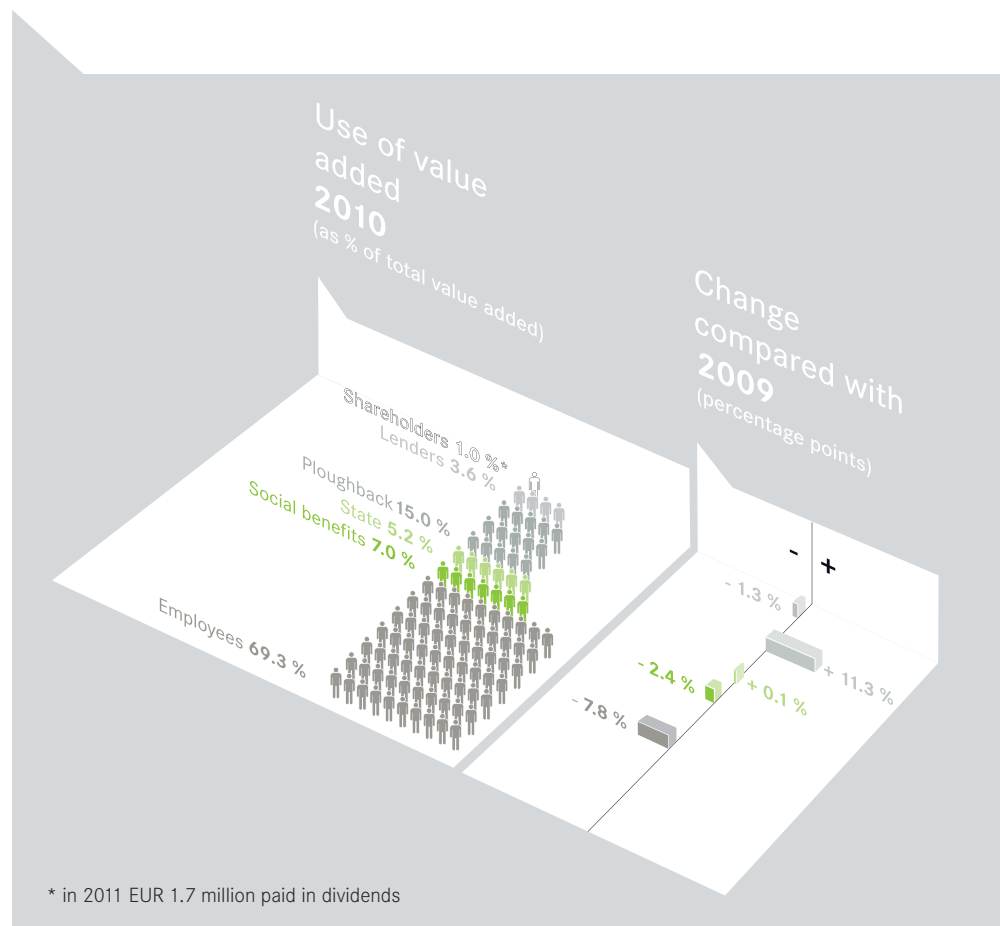


CENTROTEC companies at a glance

CENTROTEC Sustainable AG is Europe's only listed full service provider of integrated energy-saving solutions for buildings. With its mature products and integrated system solutions for the areas of climate control, heating, ventilation and renewables, CENTROTEC helps to save energy while also improving living comfort. Amid the worldwide debate on climate change and the need for a sea change on energy, this product range equips CENTROTEC with all the relevant technologies and system solutions for saving energy in buildings. With its 10 branches throughout Europe and a market presence in over 50 countries, the group is steadily increasing its market shares in its core markets.

Key figures of corporate development

The principal group companies are Wolf Heiztechnik, Brink Climate Systems and Ned Air which, within the core segment Climate Systems, have specialised in heating, climate control and ventilation technology, including solar thermal systems, heat pumps, CHP, climate control and ventilation systems with heat recovery for homes and industrial applications. In the second core segment by size, Gas Flue Systems, the two companies Ubbink and Centrotherm develop and make plastic gas flue and air ducting systems as well as technical roof products. CENTROTEC is therefore Europe's only listed full-service provider of solar thermal systems and energy-saving solutions for buildings; with a workforce of around 2,700, it generates annual revenue of more than EUR 500 million. For further information about CENTROTEC and its subsidiaries, visit www.centrotec.de.

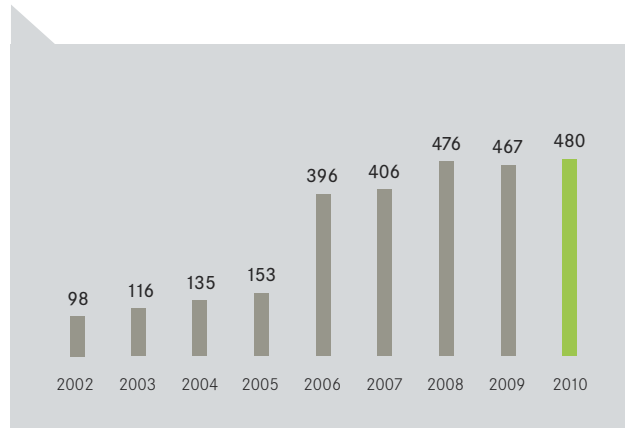


The value added calculation shows that the CENTROTEC Group generated value added of EUR 171.5 million in 2010 through its economic activity and illustrates how this figure was made up.

Revenue

[EUR million]

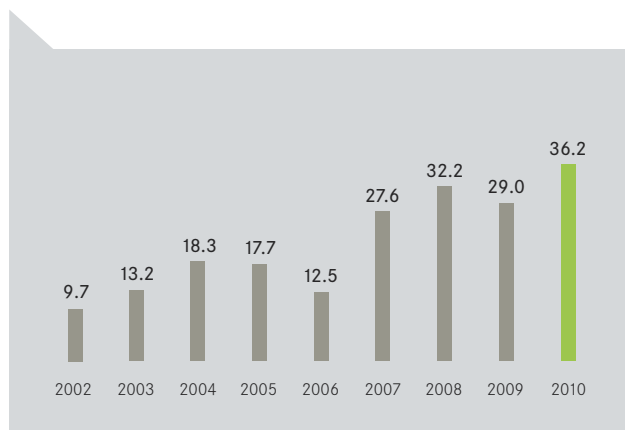
CAGR +22 % p. a.



EBIT

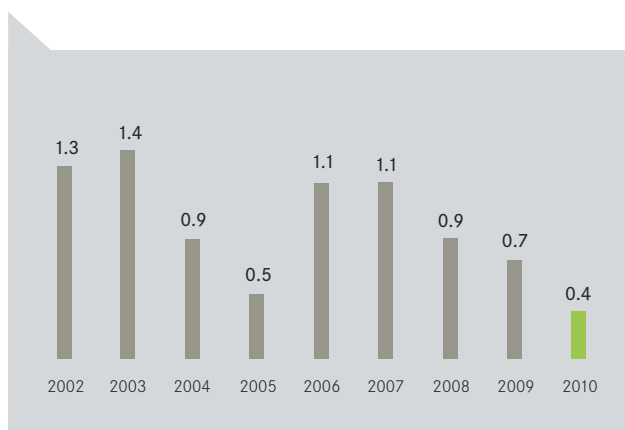
[EUR million]

CAGR +18 % p. a.



Debt/equity ratio

[net debt/equity]



CAGR: Compound annual growth rate



Fresh air for every breath

including indoors. People need fresh air, breathing on average 12 m³ of air a day. Air quality is key to a pleasant, healthy interior climate.



FRESH AIR

In increasingly heavily insulated buildings, the classic approach of opening the windows is no longer an appropriate way of keeping the air hygienic while conserving energy. Controlled ventilation maintains the quality of the air inside a building but also achieves a very high standard of energy efficiency. With a heat recovery rate of up to 95 %, ventilation energy losses are slashed by as much as two-thirds in highly insulated buildings. Living comfort is appreciably improved, energy is saved and damage to the building is prevented.

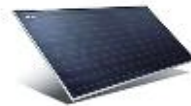
CENTROTEC products

Climate Systems

Heating, climate control and ventilation technology



Oil and gas-fired combustion systems



Solar thermal



Gas-solar centre



Heat pumps



Controlled ventilation with heat recovery



Passive-house systems



Air heaters



Biomass heating systems



Climate control technology



Combined heat and power plants



Biogas treatment



Evaporative cooling

Gas Flue Systems

Gas flue systems and roof products



Plastic gas flue systems



Metal gas flue systems



Cascade systems



Multi-boiler systems



Air ducting systems



Ubiflex - the environment-friendly lead substitute



Technical roof products



Solar mounting systems

Medical Technology & Engineering Plastics

(medimondi AG)



Neurosurgery



Spinal implants



Blood transfusions



Hose pumps

Selected products

CENTROTEC's portfolio of solutions for energy efficiency and the use of renewable energies in buildings comprises the following systems spanning the areas heating, climate control and ventilation:

Heating systems

Solar thermal heating systems

Solar thermal systems allow the sun's energy to be used both for producing hot water and for heating. An optimum combination that is an environmentally friendly form of heating is solar thermal plus a biomass boiler, with the system also incorporating a stratification cylinder. Thanks to intelligent control technology in such solar heating systems, up to two-thirds of the heating energy required can be generated by solar means.

Oil and gas-fired combustion systems

Oil and gas-fired condensing boilers also use the thermal energy present in the flue gas to achieve a standard utilisation ratio of up to 110 %. Condensing boiler technology is able to make use of virtually the entire energy content of the fuel, thus producing a considerable energy saving compared with conventional heating technology. Switching to condensing boiler technology specifically when existing heating systems are being modernised therefore makes a major contribution towards improving energy efficiency.

Oil heating boilers

Compared with older heating boilers, modern oil heating systems using low-temperature technology also achieve much lower-pollutant, soot-free combustion while also delivering improved energy efficiency.

Heat pumps

Heat pumps use ambient heat to generate heating energy and hot water all the year round. They do this by concentrating the energy stored in the environment, which ultimately comes from the sun's activity, to achieve the required temperature level by technical means. The electrical input energy needed to deliver the entire thermal energy amounts to only approx. 25 %.

Biomass heating systems

Biomass heating systems function by burning the renewable raw material wood, and therefore have a neutral impact on the climate. That is because the combustion process only releases as much CO₂ as the tree absorbed from the atmosphere while growing. With modest financial outlay and installation work, the user can thus contribute actively towards protecting the climate while also becoming largely independent of price movements on the world's energy markets.

Combined heat and power (CHP) units

Combined heat and power units are systems that simultaneously generate electrical energy and heat, preferably at the point where the heat will be used. They use the co-generation principle. Compared with the conventional combination of local heating and central power generation at a power station, this technology permits significantly higher primary energy efficiency. Central power generation facilities discharge the waste heat from the process into the surroundings and therefore achieve an efficiency level that is mostly well below 50 %. On the other hand non-central combined heat and power units, which use waste heat locally, are capable of using as much as 90 % of the primary energy.



Climate control and ventilation technology

Climate control and ventilation technology is becoming increasingly important for modern buildings because the more effectively the building's shell is insulated, the more important it becomes to manage the air exchange energy-efficiently if the quality of air inside is to remain good and damage to the building is to be prevented. The interior climate has a major impact on the well-being of the occupants and decisively affects their alertness.



Energy-saving climate control systems

With designs based on the latest hygiene regulations, modern climate control solutions establish and maintain a healthy interior climate while using less energy than conventional systems. The range of units spanning 16 different sizes is capable of air volume outputs of up to 100,000 m³/h with heat recovery.

Controlled ventilation with heat recovery

Central heat recovery ventilation systems achieve high energy savings and maintain a healthy interior climate particularly in highly insulated residential buildings. Non-central heat recovery ventilation technology with CO₂ monitoring offers similar advantages to central systems, but is also easy to retrofit as part of the energy-efficient modernisation of buildings.

Air heating

Air heating systems, which permanently combine heating and ventilation concepts, guarantee a consistently comfortable temperature as well as fresh air, while also filtering pollutants and allergens out of the incoming air.

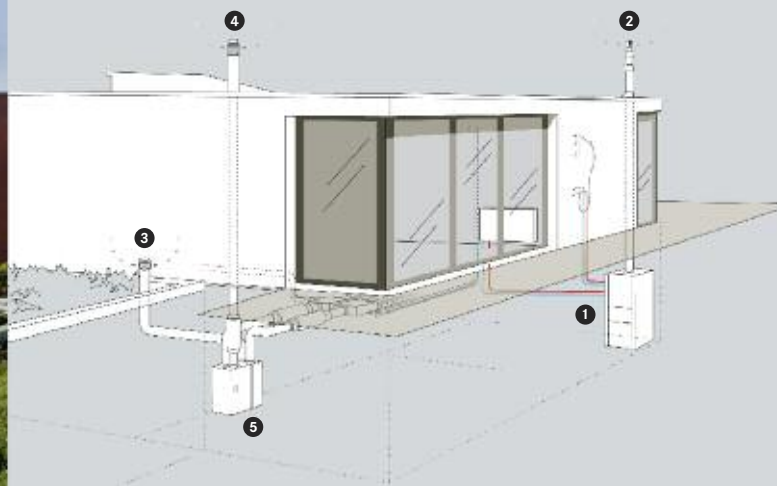
Wolf gas condensing boiler CGS 20/160 Controlled ventilation CWL 300

1. Condensing boiler technology (gas) for space heating and hot water
2. Plastic gas flue system
3. Fresh air
4. Chimney
5. Controlled ventilation CWL 300 (95 % heat recovery)

CO₂ saving*: 4,031 kg/year

* compared to a typical detached one-family house, floor area 150 m², year of construction 1970, standard boiler, indirectly heated calorifier

Additional CO₂ saving from controlled heat recovery ventilation.



The system principle and control technology

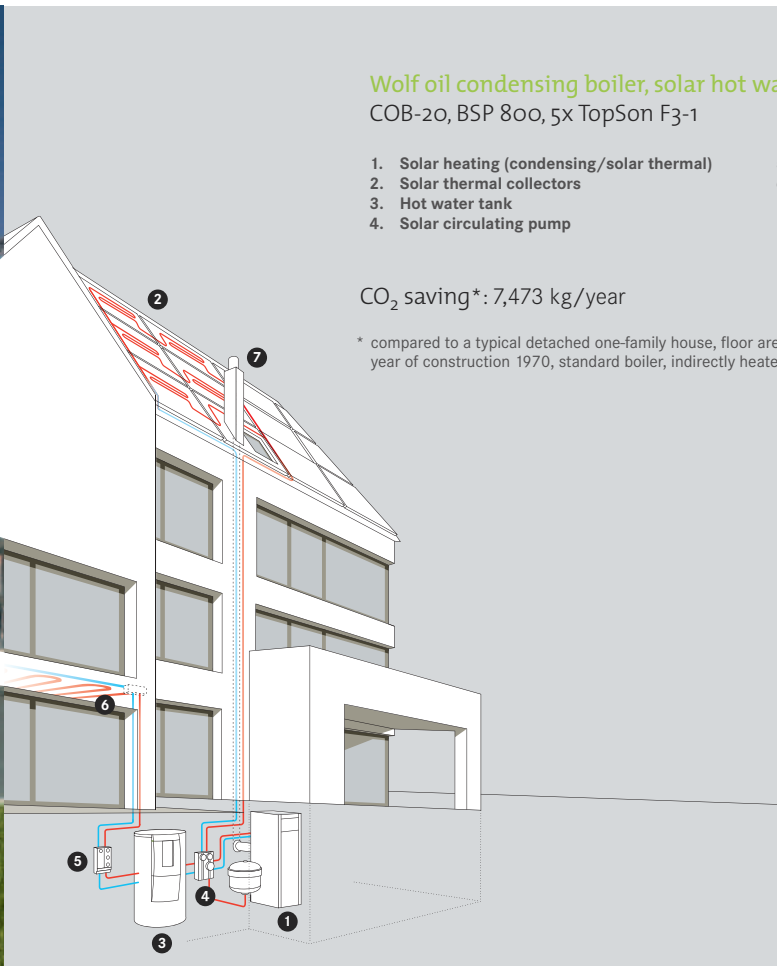
These individual building technology systems will fundamentally continue to converge because that is the only way they will manage to attain the standards of energy efficiency and interior climate quality that they currently need if they are to be a market success. Thanks to the CENTROTEC Group's ability to plan and manufacture these various systems all under one roof, it is particularly well placed to continue development work on them with an eye to optimising climate protection and well-being.

Gas-solar centre

The growing complexity and technical functionality of the various devices for heating, solar, climate control and ventilation technology and the trend towards all-in solutions will place steadily growing demands on the systems' control technology. Optimally regulating temperature zones inside a building over the course of the entire year is a challenge that has a considerable influence on the customers' comfort and on how efficiently the input energy is used. The real significance of this aspect lies in how well the various systems' regulation and control technology combines energy efficiency with user-friendly operation, commissioning and servicing.

Passive-house system

The CENTROTEC subsidiary Wolf proposes a control engineering concept that ideally coordinates how all the various system components are governed and monitored, and is straightforward to use for all its advanced technical capabilities. And this system is easy to start up thanks to the plug-and-play connections and pre-installed programs. A control module that can either be installed in the heat generator or be supplied as a remote device increases the range of user-friendly options. This continually optimised control system represents the state of the art and guarantees the effectiveness of the various component systems.



Wolf oil condensing boiler, solar hot water and heating COB-20, BSP 800, 5x TopSon F3-1

- | | |
|---|----------------------------|
| 1. Solar heating (condensing/solar thermal) | 5. Mixer circulating pump |
| 2. Solar thermal collectors | 6. Underfloor heating |
| 3. Hot water tank | 7. Plastic gas flue system |
| 4. Solar circulating pump | |

CO₂ saving*: 7,473 kg/year

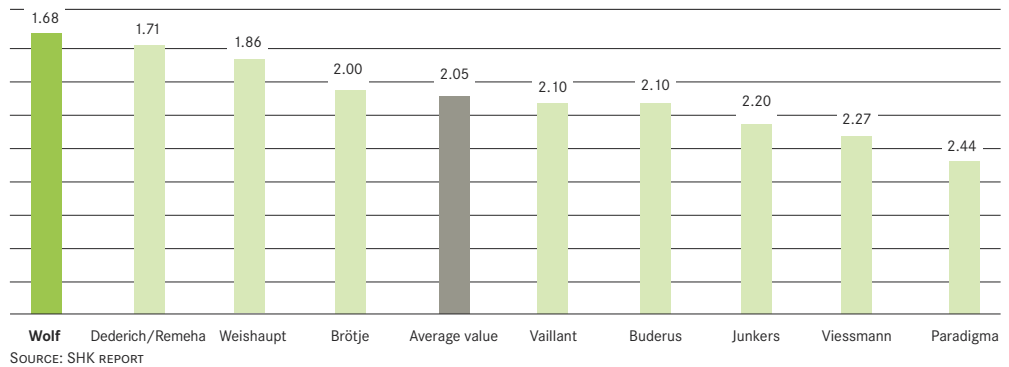
* compared to a typical detached one-family house, floor area 150 m², year of construction 1970, standard boiler, indirectly heated calorifier

Product quality and customer satisfaction

In totality, the CENTROTEC companies' comprehensive product range provides solutions of superlative quality and efficiency. This is reflected in the large number of awards, distinctions and certificates presented to the range by various bodies. Moreover, CENTROTEC products are held in increasingly high regard both by major customers and by installation engineers and consumers, as the results of surveys repeatedly show.

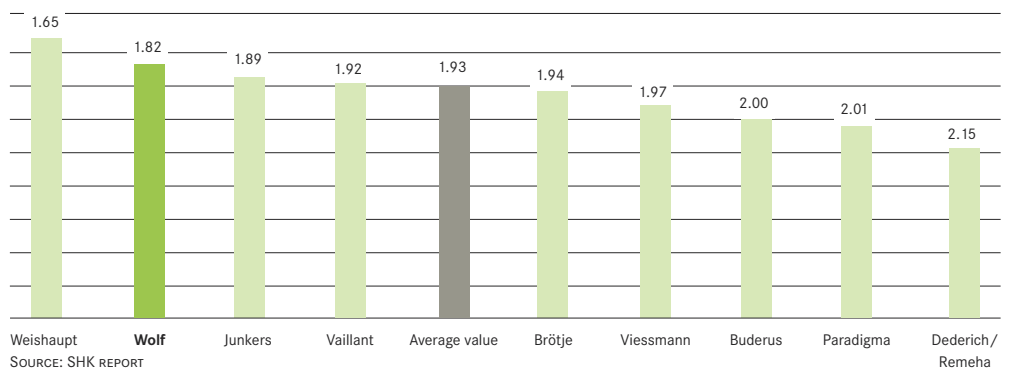
VALUE FOR MONEY

[School grading system from 1 (very good) to 6 (unsatisfactory)]



VERIFIABLE PREMIUM QUALITY COMPARED WITH THE INDUSTRY

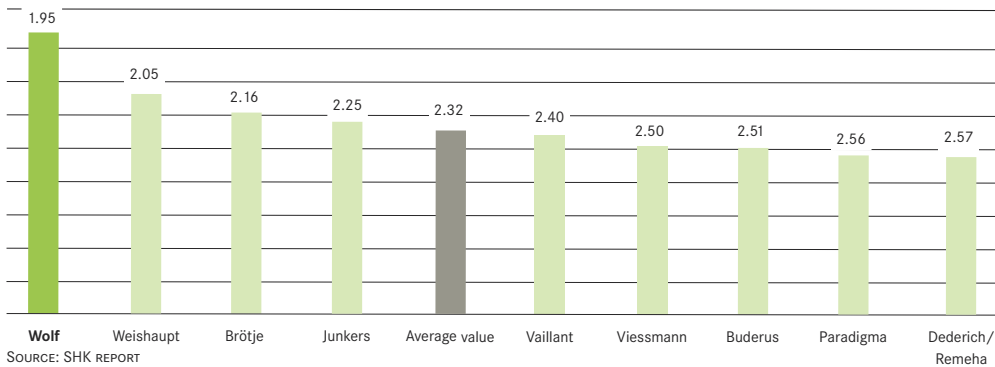
[School grading system from 1 (very good) to 6 (unsatisfactory)]



Continuing efforts will be made throughout the group to achieve even better satisfaction ratings in the future. To that end, CENTROTEC's companies will continue to put people at the centre of everything they do.

TRADE MARGIN / OBTAINABLE PRICE

[School grading system from 1 (very good) to 6 (unsatisfactory)]



Sustainable quality with guarantee

The CENTROTEC subsidiary Wolf is the first company in the industry to have achieved compliance with the strict ISO Quality Management standard.

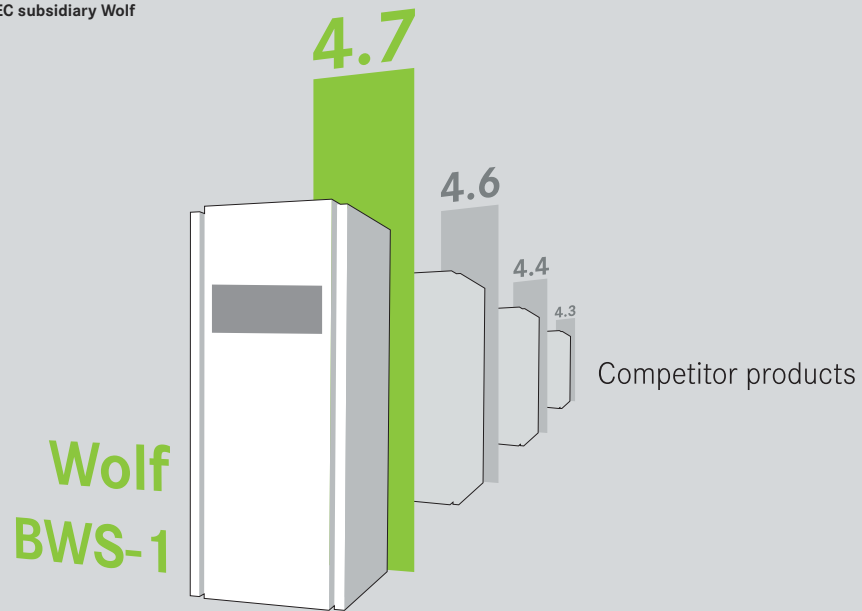
- ❖ Stiftung Warentest best-in-class award for CGS in 2006
- ❖ Stiftung Warentest best-in-class award for COB-20 in 2008
- ❖ Solar package Stiftung Warentest test winner in 2008
- ❖ CGB-20 with solar storage tank Stiftung Warentest test winner in 2010

- ❖ 6 years' warranty on heating boilers
- ❖ 5 years' warranty on collectors and storage tanks
- ❖ 2 years' warranty on heating appliances and electrical and moving parts
- ❖ 2 years' warranty on air-handling and air conditioning units

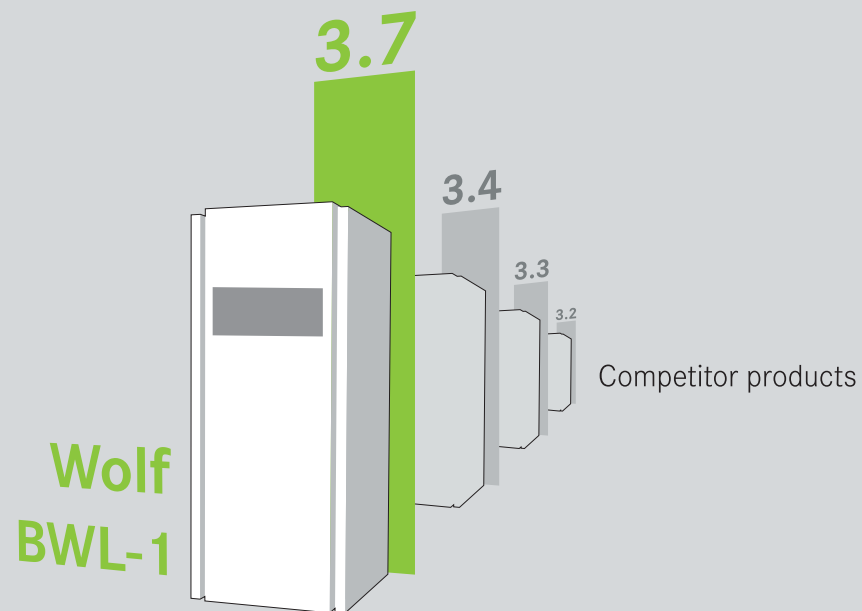


Key performance indicators of CENTROTEC heat pumps

Brine/water heat pump BWS-1 by the CENTROTEC subsidiary Wolf
[COP*]



Air/water heat pump Wolf BWL-1
[COP*]



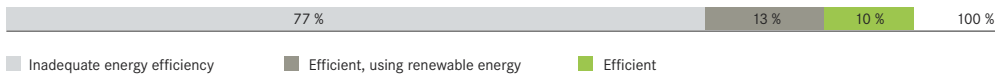
* COP = coefficient of performance = $\frac{\text{Heat output}}{\text{Work input (electrical energy)}}$

Selected technologies and their market penetration

CENTROTEC products help to save energy in a wide variety of areas; as a result, they also significantly reduce CO₂ emissions. Modern heating, climate control and ventilation technology, along with the use of renewable energies in buildings, have more potential than any other system in the world to cut fossil fuel based primary energy consumption and therefore CO₂ emissions. In Germany, the building sector for instance accounts for about 40 % of total primary energy consumption and is therefore a bigger source of consumption than industry or transport. Electricity makes up about 15 % of the building sector's energy consumption, with space heating and water heating accounting for the lion's share of 85 %. Given the obsolete nature of installed heating systems not just in Germany, the scope for improving efficiency by switching to modern heating technology and the increasingly widespread use of renewable energies, the building sector offers much greater potential for saving energy e.g. than transport, even though the latter is much more in the public eye no doubt because we witness its impact every day. Despite the ongoing debate, the public still remains broadly unaware of this sector's relevance and this is probably why state intervention in this important area has hitherto been sorely neglected.

Market development of heating systems in Germany and EU

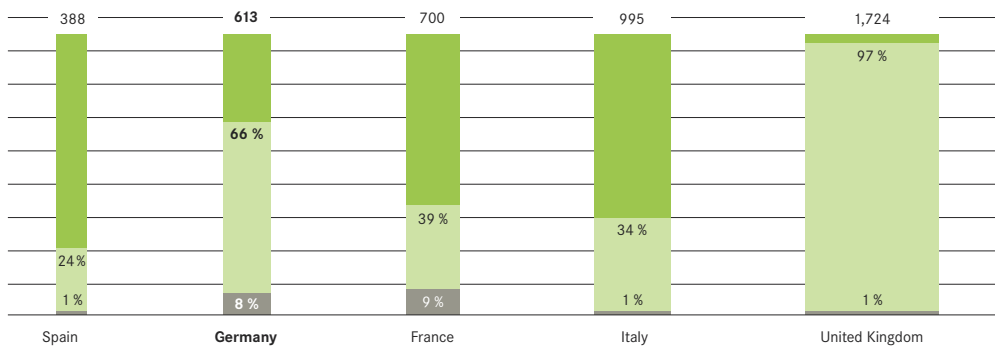
OBSOLETE HEATING SYSTEMS IN GERMANY



Source: Survey by flue gas inspectors trade, 2009, BDH industry association estimate

MARKET FOR HEATING SYSTEMS AND CONDENSING BOILER TECHNOLOGY & HEAT PUMP MARKET SHARES IN 2010

[thousand heating systems sold in 2010]

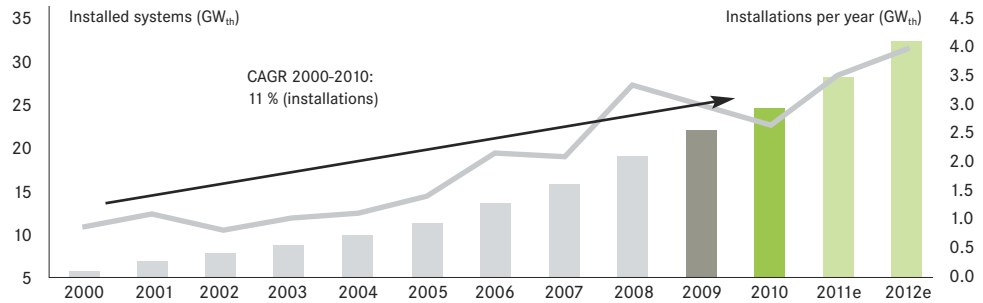


SOURCE: BDH 2011

- Condensing boiler technology as proportion of total sales of heat-generating systems in selected European countries in 2010
- Heat pumps as proportion of total sales of heat-generating systems in selected European countries in 2010
- Other heating technologies as proportion of total sales of heat-generating systems in selected European countries in 2010

However, a much greater effort will need to be made here if the CO₂ reduction targets laid down by the German government and also a growing number of other countries are to be met. Initial moves such as the tougher energy efficiency requirements for new buildings introduced through the German energy-saving order, the obligation arising from the German Renewable Energies Heat Act (EEWärmeG) that now requires the use of renewable energies in new buildings throughout Germany and other municipal and regional requirements nevertheless demonstrate that action is already being taken.

Market development for solar thermal systems EU27



Source: ESTIF

Yet the biggest single opportunity for the building sector to make progress, an extensive renovation drive, is currently only being inadequately addressed e.g. through isolated special loan arrangements. The recent calls for tax depreciation allowances to support this important area nevertheless reveal growing readiness to rethink matters.

Market development for ventilation and climate control in Germany

MARKET GROWTH OF VENTILATION AND CLIMATE CONTROL MARKET IN 2010

[in %]

Germany	+2.9
Export	+6.8

PROPORTION OF VENTILATION AND AIR CONDITIONING UNITS WITH HEAT RECOVERY

[in %]

2009	45 %
2010	54 %

AVERAGE HEAT RECOVERY RATE OF SYSTEMS

[in %]

2009	64.8 %
2010	67.2 %

CO₂ REDUCTION FROM NEWLY INSTALLED HEAT RECOVERY SYSTEMS

[in t]

2009	401,000
2010	543,000

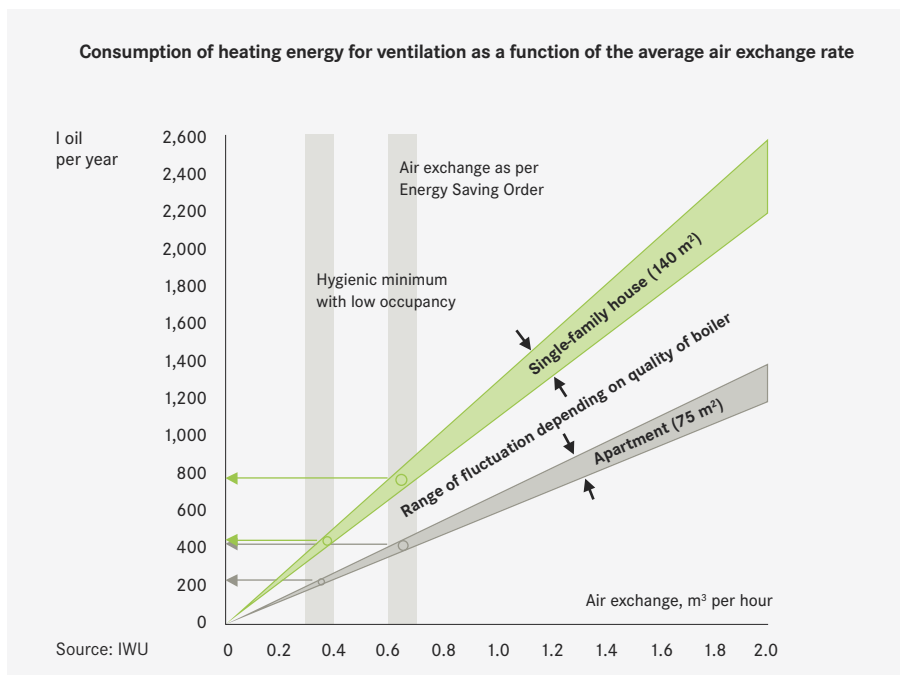
Source: RLT e.V./EVIA

TARGETED VENTILATION THAT SAVES ENERGY AND MAINTAINS A PLEASANT CLIMATE

People inside buildings use up oxygen and breathe out CO_2 , moisture and odours into the air. Then there are the emissions given off by domestic appliances, technical equipment, carpets, furniture, cleaning products, etc. Depending on their level of activity, a human needs about 30 m^3 of fresh air every hour to compensate for these effects. Given how increasingly well insulated the shells of modern or energy-modernised homes and offices are, the problem arises of how to reconcile the need for ventilation with the individual's desire for a pleasant atmosphere and the pressing importance of conserving energy. Research carried out by the Institute for Housing and the Environment (IWU) has

revealed that a minimum air exchange rate of 0.3 to 0.7 per hour is needed to maintain this sense of comfort, depending on how intensively a room is used. Because this ventilation is uncontrolled and not optimal if done manually, the actual air exchange rates may often be much higher and cause much thermal energy to be lost without the air quality actually being improved. At an air exchange rate of "1", these ventilation heat losses for a 75 m^2 apartment equate to about 600 l of heating oil per year, rising to more than 1,100 l for a 140 m^2 house. A heat recovery ventilation system can achieve a 75 to 90 % saving, while automatically establishing the optimum interior climate to suit the occupants' preferences.

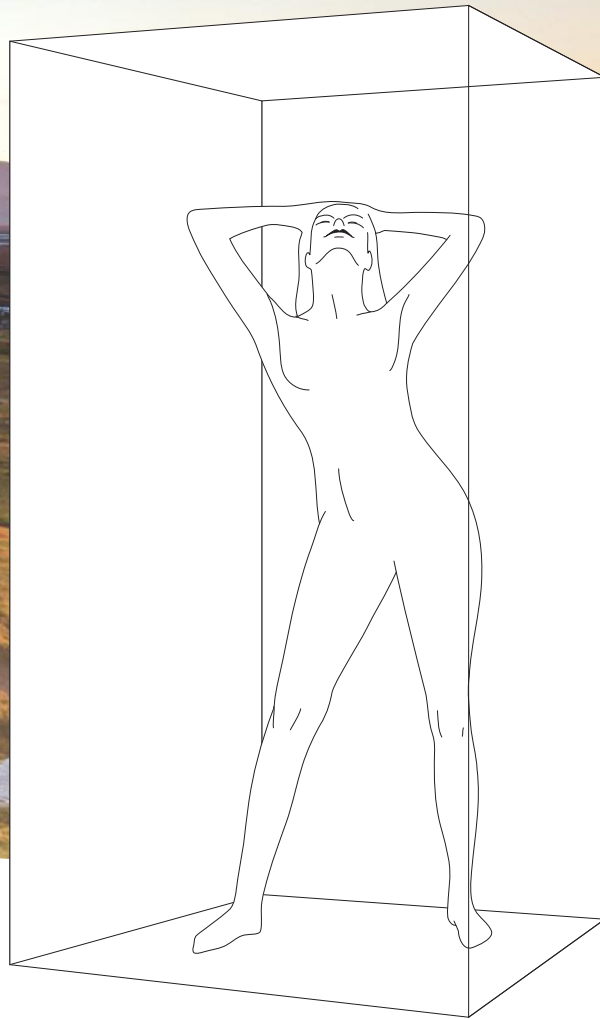
Source: FIZ Karlsruhe. BINE Information Service, Bonn (publ.): Lüften und Energiesparen. Basis Energie 12 (Ventilation and energy saving. Energy basis 12)





Solar thermal

Showering by the sun's power. Hot water is part of everyday life – these days, people take six showers a week on average.



HOT WATER

Innovative solar thermal systems use highly effective solar collectors, a well-insulated hot water tank and an intelligent control system to capture the sun's energy for washing – entirely without any climate-harming emissions. Solar thermal systems are capable of covering up to 60 % of the annual energy input for hot water and also provide backup for the heating system. Thanks to an innovative control concept, solar thermal systems can be combined with other heat-generating systems such as gas condensing boilers, heat pumps or pellet heating systems to form energy-efficient, environmentally friendly concepts for supplying hot water and heat.

CO₂ emissions at CENTROTEC

[tonnes/year]

	2010	2009	2008
Scope 1			
Heating and processing energy	5,472	5,120	4,814
Scope 2			
Electricity	9,863	9,836	9,795
Scope 3			
Transportation	6,863	6,851	7,442
Leased vehicles	3,856	3,397	3,371
Business travel	396	384	363
Raw materials		97,754	112,901



Total	2010	2009	2008
	129,308	123,341	138,685

Sustainable growth through sustainable products in a sustainable way

Use of resources

The data collected for the CENTROTEC Group's first Sustainability Report goes well beyond merely determining CO₂ emissions data, even if the company's desire to know the size of its own carbon footprint was the starting point in compiling this report. The findings obtained during the compilation process are actually much broader in scope and extend to areas that are also highly revealing from the perspective of the group or individual companies.

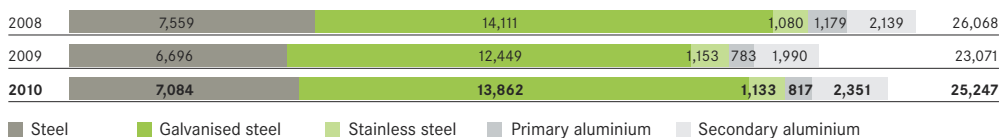
RAW MATERIALS CONSUMPTION, TOTAL VOLUME

[tonnes]



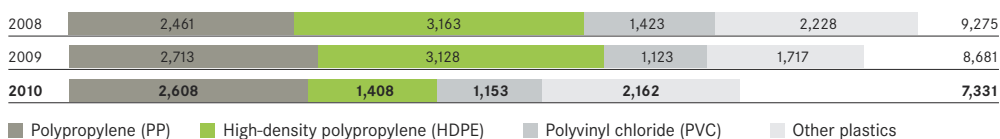
RAW MATERIALS CONSUMPTION, STEEL AND ALUMINIUM

[tonnes]



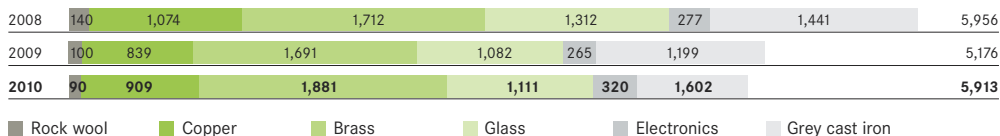
RAW MATERIALS CONSUMPTION, PLASTICS

[tonnes]



RAW MATERIALS CONSUMPTION, OTHER MATERIALS

[tonnes]





Climate control

Optimum conditions keep you alert and efficient. Humans have a body temperature of 37 °C and feel most comfortable at a room temperature of 20 to 22 °C and at humidity levels of between 50 and 65 %.



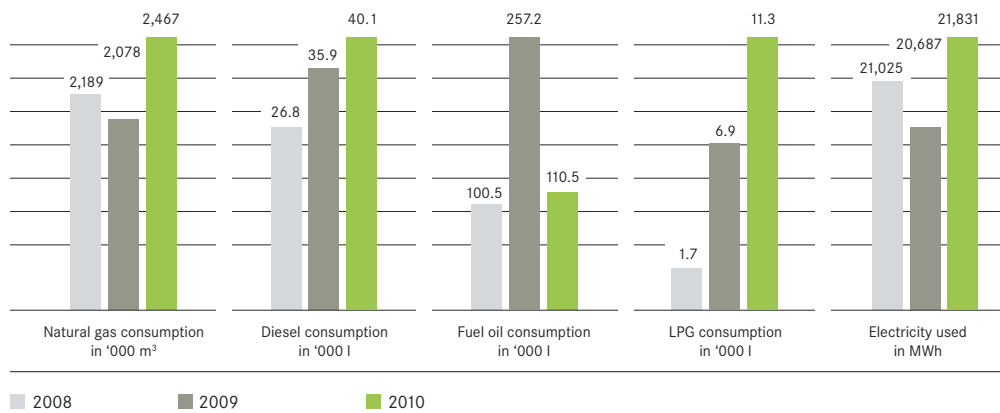
COOLING

A pleasant interior climate inside larger buildings is a key condition for its users to remain alert and comfortable. Central climate control systems are on-demand, efficient solutions that are suitable for a variety of uses – from office buildings to event complexes, sports stadiums and clinics. Innovative climate control solutions are configured to incorporate energy recovery for a primary energy saving of up to 70 %, or to use renewable energies for solar cooling.

Environmental protection in production

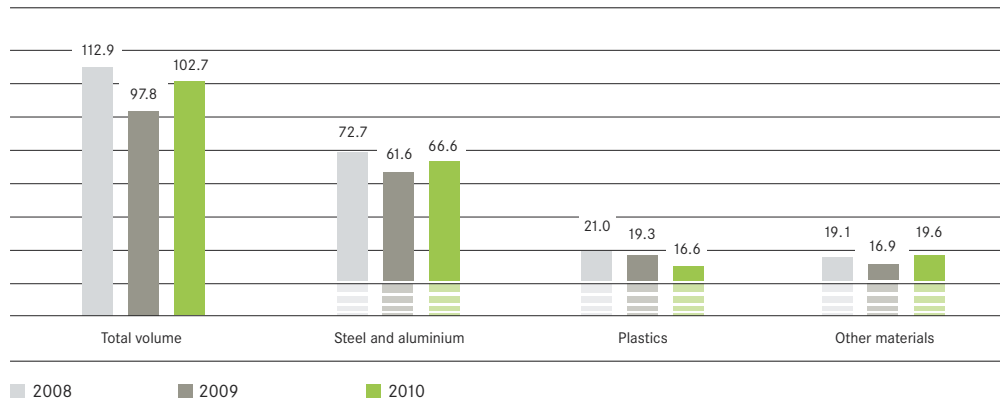
Alongside the positive environmental impact of the energy-efficient system solutions that it makes, CENTROTEC will remain committed to environmentally friendly business practices in all functional divisions, from product development and logistics to production and waste disposal. Because of the group's non-central structure, there are only few blanket requirements as yet, though the individual companies have already implemented a wide variety of measures, some of them very far-reaching. Merely the need to collect the consumption and emissions data for this report has already prompted greater awareness of this topic and given the process added momentum. The inclusion of carbon footprint considerations in the group-wide budgeting process for the first time from 2012 and the group-wide discussion of the best ways of avoiding emissions and promoting additional sustainability activities also provide encouraging evidence of progress towards becoming an increasingly environment-friendly group.

ENERGY CONSUMPTION, SCOPES 1 AND 2



CONSUMPTION OF VARIOUS RAW MATERIALS AND THEIR INHERENT CO₂ EMISSIONS (SCOPE 3)

['000 tons of CO₂]



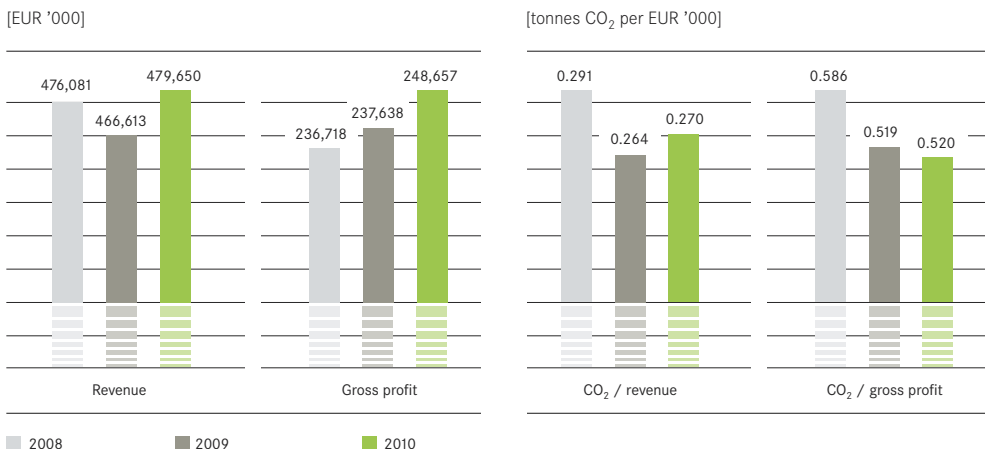
Based on this, the consumption and emission figures are set to fall significantly again in the future, and specific emissions should decline in relation to the group's economic output. The carbon footprint findings are undoubtedly interesting, but taken in isolation they are not actually especially revealing. This data only acquires its full meaning once its trend is considered over the period under review and viewed in relation to economic performance. On the other hand any comparison with other companies is of only limited meaning because even between companies in the same line of industry there are usually major differences in corporate structure, manufacturing penetration and the product range. The methods of data collection also vary because there has so far only been a limited degree of standardisation in this area.

SUBSTITUTION OF MATERIALS WITH HIGH CO₂ EMISSIONS, USING THE EXAMPLE OF PRIMARY ALUMINIUM

	2008	2009	2010
Primary aluminium consumption in t	1,179	783	817
Proportion in % of total consumption of materials	2.9	2.1	2.1
	▼	▼	▼
	2008	2009	2010
CO₂ emissions in t caused by primary aluminium	17,670	11,670	12,173
Proportion in % of CO₂ emissions from consumption of materials	15.6	11.9	11.8

The Carbon Disclosure Project (CDP) currently represents an initial step towards standardising the process for collecting CO₂ emissions data. CENTROTEC, too, is now making its first comprehensive submission to this world-renowned project based on the data collected for the 2010 Sustainability Report. The current CDP report for Germany and Austria has already made several references to the high level of transparency achieved in this initial submission.

CO₂ FOOTPRINT IN RELATION TO ECONOMIC PERFORMANCE



Energy consumption and emissions

The group's heterogeneous structure is also reflected in the consumption and emission data collected for the reporting period 2008 to 2010. Over that period, there was a noticeable rise in the group's direct overall energy consumption. Only a small part of that rise is attributable to the increased volume of business. In individual cases the change was prompted by modified production processes or increased manufacturing penetration. However, an opposite trend could be observed at certain locations included in the review and also for certain types of energy. For instance consumption of energy that was used directly for the production process and for heating but did not comprise externally sourced electricity rose by about 13 % between 2008 and 2010, more sharply than revenue over the same period. This increase in energy sources defined as Scope 1 in the Carbon Disclosure Project is attributable to the greater number of buildings, further automation in production and the use of the group's own combined heat and power plants. Although the latter increase Scope 1 energy, they simultaneously reduce the amount of externally sourced electricity (Scope 2) and, thanks to their high efficiency, also bring down overall CO₂ emissions. Emissions both for the purpose of this report and in Scope 3 are influenced first and foremost by the amounts of materials used. However, the specific carbon footprint of these materials also influences the emissions volume, with the result that increased consumption does not always lead to a parallel rise in emissions. This is particularly clear in the case of externally sourced electricity, where the highest emission factors were twice as high as the lowest.

Consumption of externally sourced electricity (Scope 2) over the period 2008 to 2010 fundamentally fell slightly, while there was a slight rise in revenue. Various consumption-cutting measures at the locations investigated and the use of the group's own co-generation systems consequently offset increased automation in the production process and its expanding infrastructure. However, there was a marginal rise in CO₂ emissions from externally sourced electricity following increased emission factors at the largest site at Wolf GmbH in Mainburg. These emission factors will become increasingly relevant in the future as energy is purchased on a group-wide scale.

Unlike the contents of Scopes 1 and 2, which are still relatively easy to define, the Scope 3 emissions generated in the areas of transport, leased vehicles, business travel and especially the use of raw materials are much more difficult to establish. Yet the volume of the CO₂ emissions generated in these areas, specifically through the consumption of raw materials, is of major significance in industrial companies.

ELECTRICITY USED

[MWh]

2008		21,025
2009		20,687
2010		20,831

This is where the biggest savings were realised, in both absolute and percentage terms, over the period under review. This development can be attributed to the optimisation measures implemented consistently within the CENTROTEC Group especially with regard to the use of raw materials. The purpose of these measures is first and foremost to improve profit margins, but they also have a major beneficial role in reducing emissions. In this area, too, greater emphasis will be given to the ecological impact of future optimisation measures.

EMISSION INTENSITIES OF SELECTED GERMAN COMPANIES ACCORDING TO SCOPES 1 AND 2

[tonnes CO₂/million EUR]

	2007	2008	Change 2007-2008	2009	Change 2008-2009
TUI	806.2	900.9	11.7 %	511.1	-43.3 %
Allianz	4.8	5.1	7.0 %	3.2	-37.5 %
HHL	117.9	108.4	-8.0 %	88.3	-18.6 %
Merck	42.1	46.1	-7.1 %	39.5	-14.2 %
RWE	3,714.7	3,623.2	-2.5 %	3,227.9	-10.9 %
Beiersdorf	14.7	12.5	-14.5 %	11.5	-8.3 %
Puma	17.9	13.5	-24.5 %	12.5	-7.2 %
Siemens*	54.7	45.8	-16.3 %	44.0	-3.9 %
Altana	107.1	114.1	-6.5 %	113.5	-0.5 %
BMW*	20.1	23.5	-17.2 %	23.8	1.2 %
Volkswagen*	59.1	60.7	2.7 %	61.9	2.0 %
Heidelberg Cement	5,552.9	4,319.4	-22.2 %	4,569.1	5.8 %
Leoni*	54.1	48.0	-11.3 %	52.8	10.0 %
E.ON	1,812.1	1,830.9	1.0 %	2,013.7	10.0 %
SAP	7.2	19.4	169.4 %	21.7	12.3 %
Fraport	100.1	113.9	13.8 %	128.1	12.4 %
Bayer	234.7	230.0	-2.0 %	259.9	13.0 %
Deutsche Telekom	40.8	45.7	11.9 %	52.0	13.9 %
Linde	1,197.8	1,121.4	-6.4 %	1,284.5	14.5 %
Wacker Chemie	244.1	230.1	-5.7 %	264.8	15.1 %
HOCHTIEF	4.0	6.4	59.5 %	7.5	18.4 %
Pfleiderer	99.9	138.3	38.3 %	166.5	20.4 %
MAN*	28.7	27.5	-3.9 %	33.4	21.4 %
BASF	474.8	444.4	-6.4 %	624.0	40.4 %
Munich Re	3.9	4.1	6.4 %	6.0	43.8 %
Dürr*	10.9	15.1	38.7 %	21.8	44.7 %
Q-Cells	1.8	2.4	37.8 %	4.8	97.3 %
Krones	4.4	4.8	10.3 %	10.3	114.3 %
CENTROTEC*	-	30.7	-	32.1	4.6 %
Average	520	476	-8.4 %	473	-0.8 %
Average excluding RWE	431	389	-9.8 %	396	1.8 %

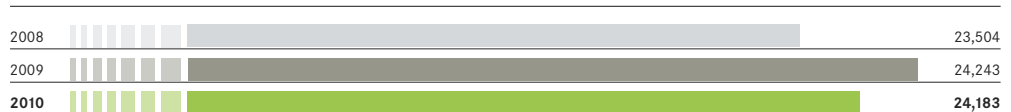
* Industrial companies with a high processing proportion of metals and other materials

Use of other resources

The increasingly acute water shortages that have been observed in many parts of the world, along with the drastic consequences that such shortages can have, mean we have now entered an era of increasing pressure on water resources. Water shortages are growing, yet demand and consumption are rapidly rising. Water is the most precious resource on this planet – for every living being, because without water, life is not possible. CENTROTEC acknowledges this trend and once it has assessed consumption throughout the group for the first time it will implement appropriate measures to promote the careful use of this resource.

WATER CONSUMPTION

[m³]

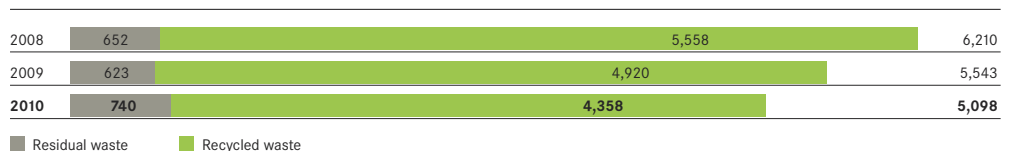


The volume of water used at the CENTROTEC Group's production plants depends on its widely varying production processes and rose slightly over the period under consideration, in line with business volume. Despite the variety of ways in which water is used, water is obtained from public utilities at all locations and waste water is fundamentally discharged into the public sewerage system. The slightly lower volume of water returned to the system than taken out of it is attributable to evaporation of some of the water during the production process.

Another aspect of sustainable economic activity is the way waste of all kinds is handled. Production waste is of particular significance for an industrial company such as CENTROTEC, as is packaging waste.

VOLUMES OF WASTE BY TYPE, AND PROPORTION OF RECYCLED WASTE

[tonnes]



■ Residual waste ■ Recycled waste

The total volume of waste generated group-wide was reduced by almost 20 % over the period under review. Thanks to the already advanced efforts of the individual companies to avoid waste and re-use production residue internally, the total volume of waste remaining was thus cut substantially during the period in question. However, as a result of increased internal re-use especially of production residue, the level of externally recyclable waste also fell slightly from 90 to 85 %. Efforts to avoid waste are beneficial not just for the environment; at a time of steadily rising commodity prices and high waste disposal costs, they are also a very immediate way of cutting costs. There is evidence of this in the fact that major environmental protection measures are often also necessary from a business viewpoint.

KEY MEASURES

Based on the initial analysis of how resources are used, the focus will initially be on measures that will achieve an impact in the short term and on ways of realising savings. Moving forward, efforts to preserve resources will then gradually be widened to encompass measures that will take effect over a longer timespan.

- The fundamentally environmentally conscious use of all resources used in the business process
- Reducing the total (Scope 1-3) CO₂ emissions by:
 - Steadily improving the efficiency of the production processes
 - Optimising logistics
 - Replacing individual raw materials with alternative materials
 - Making increased use of renewable energies
 - Optimising the building infrastructure
(internal guideline on the construction of CO₂-neutral buildings)
 - Systematic focus on sustainability when planning and implementing all business processes
- Reducing the volume of waste and increasing the recycling rate by planning products and processes accordingly
- Reducing water consumption by optimising its use in all areas



Combined heat and power plants

The pinnacle of energy efficiency. Electricity from the plug socket, and heat from the radiator. Both forms of energy, which are generated separately and with high losses in our traditional energy infrastructure, have become an integral part of modern life.



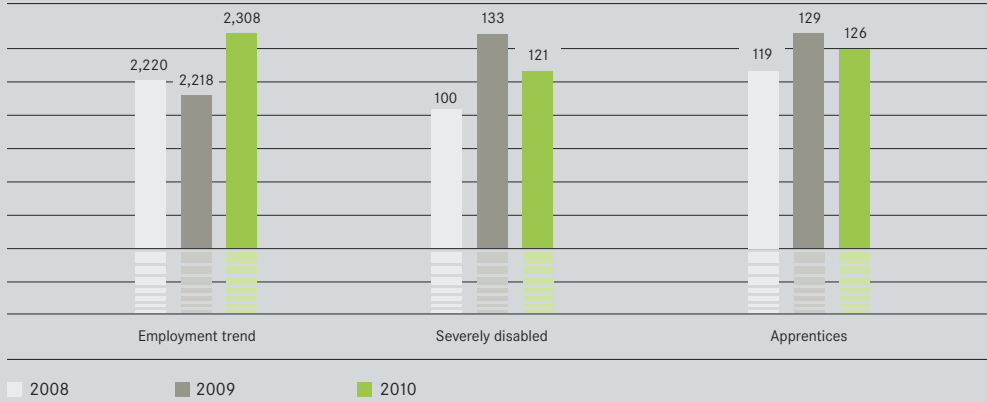
ELECTRICITY & HEAT

There is a more intelligent way of using scarce energy resources: the combined generation and use of electricity and heat by means of co-generation. Combined heat and power plants achieve an overall energy efficiency of up to 90 % of the energy sources used, thus cutting primary energy consumption by more than one-third. Combined heat and power units running on biogas are able to operate in an entirely climate-neutral way, using renewable energies and with a closed CO₂ cycle. Now that's what we call a bright idea.

Key figures

EMPLOYMENT TREND, COMMITMENT TO THE SEVERELY DISABLED, AND SIGNIFICANCE AS A VOCATIONAL TRAINING PROVIDER

[individuals]



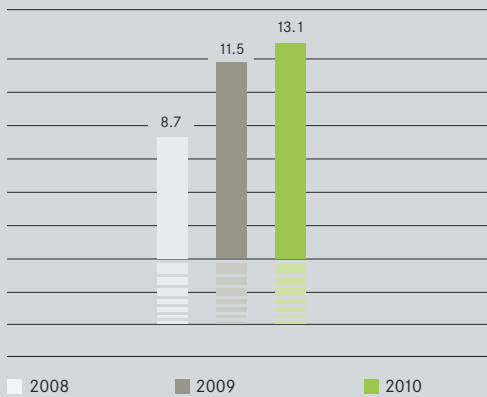
RISING PROPORTION OF PART-TIME EMPLOYEES AND FEMALE EMPLOYEES

[%]



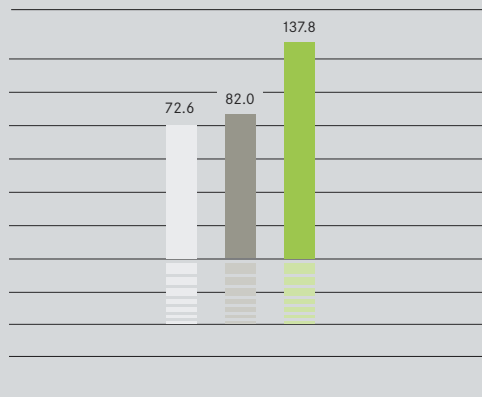
NUMBER OF LOST TIME INCIDENTS

[per 1 million hours worked]



SEVERITY OF LOST TIME INCIDENTS

[Number of working days lost due to LTI per 1 million hours worked]



Employees & society

The workforce comprising almost 2,700 employees at the CENTROTEC Group companies makes a decisive contribution towards the business success of the individual companies and therefore of the group as a whole. In keeping with CENTROTEC's philosophy, the group companies are granted ample entrepreneurial latitude. Likewise, employees are managed in a way that promotes entrepreneurial attitudes and individual responsibility. This approach serves to boost employee motivation and commitment, and supports the group's profitable growth that now stretches back more than a decade. One major effect of CENTROTEC's human resources policy is high employee loyalty and low fluctuation, including among companies that are newly integrated into the group. In view of its corporate growth, however, CENTROTEC too is forced to recognise that the labour market is a competitive environment and that it must increasingly reassess the levels of training and qualifications expected of employees, and adjust accordingly. The important issue of training and advancement at CENTROTEC's companies is duly acknowledged, with the measures implemented non-centrally by the individual group companies to reflect their various requirements. One typical example is Wolf GmbH, the largest group company, where the rate of further training was stepped up; statistically speaking, each employee now attends one further training course per year. Alongside such further training measures that are likewise conducted at the remaining group companies, both internally and with the involvement of external providers, vocational training is regarded as second, increasingly important aspect of safeguarding a successful future. Providing training for young people is regarded not simply as a question of competing for the services of young talents, but also as a matter of social responsibility.

It is fundamentally part of the corporate strategy to optimise the world of work both for the individual and for each group company, so that the ever more exacting demands of both sides are met. The aim is to place people at the very centre of every decision and to offer them attractive jobs that largely live up to their expectations, in return securing their enduring loyalty and high motivation. Apart from through appropriate pay, this can only be achieved by means of qualification schemes, increased efforts to promote women and part-time working arrangements that reflect the needs of employees. There is initial evidence that these efforts are proving effective in the growing proportion of people working part-time, the rising proportion of women within the group and the slight increase in women in management positions. The high number of long-term employees is another reflection of how successfully they have been bound into a relationship based on fairness and mutual esteem.

KEY EMPLOYMENT FIGURES

[based on the group's production locations]

	2008	2009	2010
Total employees	2,220	2,218	2,308
Proportion of female employees (%)	17.03 %	18.30 %	18.24 %
Proportion of women in management positions (%)	13.31 %	16.06 %	16.73 %
Proportion of part-time employees (%)	8.92 %	9.06 %	9.97 %
Proportion of disabled employees (%)	4.50 %	6.00 %	5.24 %
Total employees supplied by employment agencies	124	155	138
Total apprentices	119	129	126

Another important aspect of a work-life balance is health at work. At industrial enterprises this traditionally focuses on health and safety, but at the companies of the CENTROTEC Group it extends well beyond this basic aspect. There are thus a wide variety of measures organised non-centrally throughout the group, at the individual member companies, offering e.g. in-house physical exercise through courses such as exercises for the back, running groups and instruction on correct lifting and carrying techniques.

OCCUPATIONAL SAFETY

[based on the group's production locations]

	2008	2009	2010
Total number of hours worked	3,435,611	3,563,875	3,779,070
Total number of lost time incidents (LTI)	30	41	49
Frequency of lost time incidents per 1 million hours worked	8.7	11.5	13.1
Total number of hours lost as a result of lost time incidents	1,995	2,338	4,165
Number of working days lost due to LTI per 1 million hours worked	72.6	82.0	137.8
Total absence due to sickness	139,117	157,936	152,748
Absence due to sickness in percent	4.0	4.4	4.0

There are also courses on healthy eating, healthy meal options on offer at the company's own canteens, give-up-smoking courses, tie-ins with local sports clubs, and fruit is provided free of charge at the workplace, along with many other arrangements. In the sphere of occupational safety, extensive measures have also been implemented at the various locations to prevent accidents. These are continually brought up to date and ensure that the manufacturing companies within the CENTROTEC Group whose key figures are published here are able to offer safe, healthy workplaces. There is no operational explanation for the increase in the number of lost time incidents in 2009 and 2010. This rise, which is in line with normal statistical variation, nevertheless underlines the need to keep refining methods of cutting the number of lost time incidents and reducing their severity.

The number of people employed within the CENTROTEC Group has risen steadily over the past few years, in tandem with its successful economic development. In 1998, the year of the initial public offering, there were slightly fewer than 100 employees; ten years ago this figure exceeded 300. The 2005 figure of 1,124 reached four digits for the first time, more than doubling the next year mainly as a result of the takeover of Wolf. Despite the removal from consolidation of the CENTROSOLAR Group in 2007, with over 1,000 employees, as at December 31, 2010 there were 2,663 FTE (full-time equivalents) in the group as a whole, compared with 2,614 in the previous year. The average total for the year was 2,667 FTE (previous year 2,592 FTE). The year-to-date figure for 2011 has risen above 3,000.

EMPLOYEES IN THE CENTROTEC GROUP

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
87	101	340	385	600	852	926	1,124	2,745*	2,390	2,605	2,614	2,663

* since 2006 excluding CENTROSOLAR

The increase of 75 FTE is mainly attributable to the increased volume of business in the Climate Systems segment and the further international expansion of the Gas Flue Systems segment. In the Medical Technology & Engineering Plastics segment, which does not belong to the group's core operations, short-time ended mid-way through 2010. Short-time was introduced in 2009 to cushion the impact of the economic crisis on the peripheral area of Engineering Plastics; this arrangement, along with internal measures such as temporary employment, helped the group to avoid making redundancies among its core workforce. Of the total number of 2,781 persons employed at the end of 2010 (previous year 2,744), 50 % (previous year 55 %) were industrial workers, meaning that the remaining 50 % (previous year 45 %) were office staff. The employees of companies that are not comprehensively consolidated are not included in the CENTROTEC employee totals. The overwhelming majority of the employees not included for this reason work for the CENTROTEC Group, which employed 1,050 (previous year 1,071) people at the end of the financial year. To cushion operational peaks given the highly seasonal nature of its business in the heating sector, the CENTROTEC Group also uses temporary workers to a relatively minor extent. Wherever possible, the individuals employed at CENTROTEC Group companies on this basis are engaged on the same terms as the core workforce, in keeping with the guidelines that apply at the individual group companies.

In the 2010 financial year the CENTROTEC Group paid wages, salaries and social security contributions totalling EUR 130.8 million. This represents a rise of EUR 3.7 million or 2.9 % compared with the 2009 figure. For the current financial year, too, the volume of wages and salaries is expected to show a further rise as a result of anticipated or already collectively agreed wage and salary increases as well as continuing growth in the business volume.

These payments of more than EUR 130 million in wages, salaries and social security contributions focus almost exclusively on the European locations, which are overwhelmingly in Germany and the Netherlands, making the CENTROTEC Group a quite significant economic factor in the regions where it has operations. Furthermore, the group companies pay a significant amount in tax (approx. EUR 10 million) at these locations. In 2010 alone, CENTROTEC in addition spent over EUR 235 million for purchased goods and services and a further EUR 5.9 million in interest to lenders; it has also paid a dividend to its shareholders since 2011. For further information, please see page 16 or the current Annual Report.

As well as these business-related streams of payment, the various locations supported charities in ways that often extended beyond simply making donations. However these projects are consciously handled non-centrally in an approach that promotes the companies' sense of regional identity. Examples include financial and material support for schools, local sports clubs and other non-profit organisations. In response to requests by employees or the company management, international projects have also been supported. In a broader sense the establishment of Ubbink East Africa Ltd. in 2010 can be viewed as a project through which CENTROTEC seeks to demonstrate social responsibility in a very special way. This project attaches particular value to complying with high international standards of employment, environmental protection and local integration. To some extent the pressure to comply with these standards may conflict with entrepreneurial goals in the short term, but in the medium and long term such projects are expected to pay dividends for both the company itself and the wider corporate environment.



High-efficiency heating systems

Mastering fire is one of the landmark achievements of human history – one that has possibly changed the way we have evolved more than any other discovery. Even in today's advanced civilisation, fire and heat remain a key requirement of modern life.



HEAT

Modern heating systems now make it convenient to harness fire. Various different energy sources can be used very efficiently for diverse applications, from the gas combi-boiler to the industrial boiler.

What is more, innovative biomass heating systems and highly efficient heat pumps, which can also be combined with solar thermal systems, make it easy to tap the potential of renewable energies for heat and comfort while avoiding CO₂ emissions.

Climate Systems

Wolf GmbH
Germany · Mainburg · www.wolf-heiztechnik.de

Wolf France S.A.S.
France · Massy · www.wolf-france.com

Wolf Iberica S.A.
Spain · Madrid · www.wolfiberica.es

Wolf Technika Grzewcza Sp.z.o.o.
Poland · Warsaw · www.wolf-polska.pl

Dreyer & Bosse Kraftwerke GmbH
Germany · Gorleben · www.dreyer-bosse.de

Kuntschar + Schlüter GmbH
Germany · Wolfhagen-Ippinghausen
www.kuntschar-schlueter.de

Wolf Representative Offices
Russia · St. Petersburg · Moscow
Slovenia · Ljubljana

Brink Climate Systems B.V.
Netherlands · Staphorst · www.brinkclimatesystems.nl

Ned Air B.V.
Netherlands · Kampen · www.ned-air.nl

EnEV-Air GmbH
Germany · Ahaus · www.enev-air.de

Gas Flue Systems

Ubbink B.V.
Netherlands · Doesburg · www.ubbink.nl

Centrotherm Systemtechnik GmbH
Germany · Brilon · www.centrotherm.com

Ubbink France S.A.S.
France · Nantes · www.ubbink.fr

Ubbink NV
Belgium · Gentbrugge · www.ubbink.be

Ubbink UK Ltd.
United Kingdom · Brackley · www.ubbink.co.uk

Centrotherm Gas Flue Technologies Italy S.R.L.
Italy · Verona · www.centrotherm.it

Ubbink East Africa Ltd.
Kenya · Naivasha · www.ubbink.co.ke

Medical Technology Engineering Plastics

Möller Medical GmbH
Germany · Fulda · www.moeller-medical.com

Centroplast Engineering Plastics GmbH
Germany · Marsberg · www.centroplast.de

Rolf Schmidt Industri Plast A/S
Denmark · Kolding · www.rsip.com

Worldwide Market Presence



Imprint

Text

CENTROTEC Sustainable AG

Concept

CENTROTEC

MetaCom, Hanau

Georg Biekehör

Jens Gloger

Design/production

MetaCom, Hanau

Jens Gloger

Michaela Schäfer

Photos

CENTROTEC-Gruppe

Photo agencies

CENTROTEC Sustainable AG

Am Patbergschen Dorn 9

D-59929 Brilon, Germany

Phone: +49 (0) 2961-96 631 - 111

Fax: +49 (0) 2961-96 631- 100

ir@centrotec.de

www.centrotec.de