



Policy statement on the Supply Chain Due Diligence Act

Status January 2024

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I. Introduction

1. Our company

WOLF is one of the leading suppliers of heating and ventilation systems. Since January 2023, WOLF is part of the Ariston Group (Ariston Holding N.V.) - a listed global specialist for heating systems and the provision of hot water.

As an international company, WOLF is aware of its great responsibility for the environment and people. Sustainability and the responsible use of energy are key quality features of WOLF products.

WOLF takes responsibility - not only for the quality of its products and services, but also for the environment, employees and society.

The topic of sustainability is therefore a central element of WOLF's corporate strategy. Numerous projects have already been implemented in this area and constantly new ideas are being worked on to continuously improve our own sustainability - including along the supply chain.

WOLF sees diversity as potential and actively promotes it - both within the organization and in its business activities. All employees at WOLF contribute to the big picture. It is their knowledge and experience that makes WOLF so strong.

WOLF is committed to sustainable and human rights-related behaviour within the framework of corporate due diligence and obliges business partners and suppliers along the value chain to comply with these principles as well.

2. The Supply Chain Due Diligence Act (LkSG)

The Supply Chain Due Diligence Act came into force on 01.01.2023.

Due to its company size, WOLF is obliged to implement the LkSG from 01.01.2024 in accordance with Section 1 (1) LkSG.

In accordance with Section 6 (2) LkSG, WOLF has to issue a policy statement on its human rights strategy, i.e. the company's strategy for protecting human rights and fulfilling its environmental obligations.



The core elements of this policy statement are the description of the strategies and procedures with which WOLF fulfills its obligations under the LkSG to protect human rights and the environment and to pass on and monitor this within the supply chain. On this basis, an annual or event-driven risk analysis is carried out to present identified human rights and environmental risks and expectations of WOLF employees and suppliers.

The results of the risk analysis for the 2024 financial year will be available at the end of 2024. On January 1, 2025, WOLF will update the declaration of principles based on risks and events - this also applies to all subsidiaries.

Mainburg January 2024

WOLF GmbH
The Management Board



II. Respect for human rights and the environment in the supply chain

WOLF is a passionate designer of life-quality. For WOLF, the focus is on people and the preservation of their environment. For them, WOLF fulfills the elementary desire for comfort and security in harmony with sustainable action. Human rights, complying with the applicable health and safety regulations and ensuring a safe and healthy working environment are therefore top priorities for WOLF. To ensure this, WOLF has its own sustainability team, which works continuously as part of the **WOLF Sustainability Program** to lead the company into a sustainable and diverse future.

As part of the **RISE!2025** corporate strategy, WOLF encourages all employees to make continuous improvements. The cornerstones of the **RISE!2025** strategy are not only sustainability, but also personal interaction within and outside the company. WOLF employees are encouraged to implement and continuously improve these in their daily work.

1. Respect for human rights

a) Compliance with the law

Laws and other regulations of the applicable legal systems are strictly observed by and at WOLF.

This applies in particular to

- the global pact of the United Nations (United Nations Global Compact),
 - the UN Universal Declaration of Human Rights,
 - the UN Guiding Principles on Business and Human Rights (UN Principles of Business and Human Rights),
- the OECD Guidelines for Multinational Enterprises (OECD Guidelines for Multinational Enterprises)
- the International Labor Organization Declaration on Fundamental Principles and Rights at Work (1989 International Labor Organization Declaration on Fundamental Principles and Rights at Work) and
- the German Supply Chain Due Diligence Act (LkSG).



b) Regulations within the company

Diversity is an important factor at WOLF and should be further promoted within the company. The aim is to create an open working environment in which everybody feels welcome and comfortable. Diversity encompasses many different dimensions, such as age, gender and gender identity or nationality.

WOLF has created rules to implement a healthy and good working environment in the company. The following therefore applies at WOLF:

- Remuneration in accordance with the collective agreement
 - Compliance with working time regulations
 - Freedom of assembly and association as well as the right to strike
 - Compliance with health and safety at work
 - Prohibition of discrimination of any kind, including equal pay
 - Prohibition of child labor
 - Prohibition of forced labor
 - No psychological or physical coercion; prohibition of torture
 - Prohibition of forced eviction
 - Protection of livelihoods and prohibition of causing harmful soil change, water pollution, air pollution, harmful noise emissions or excessive water consumption

WOLF's approach is also based on the **Diversity Charter**, an initiative to promote diversity in companies and institutions. Together with WOLF, more than 4,900 companies and organizations with a total of 15 million employees have already signed the Diversity Charter. www.charta-der-vielfalt.de

2. Environmental protection

The responsible use of energy and the environment is a key feature of WOLF products. The goal of enhancing energy efficiency applies equally to WOLF's business activities.

WOLF complies with all environmental laws, regulations and standards to the extent necessary.

In order to fulfill these tasks efficiently, WOLF has installed a system to identify and avoid potential hazards. WOLF encourages its suppliers to establish and maintain an appropriate environmental protection management system, to promote climate-friendly products and to incorporate this into their manufacturing processes.



III. Expectations of employees and suppliers

WOLF actively lives all of these principles within the company and expects each and every one of its employees to live by and respect these principles.

WOLF employees are obliged by the ARISTON Code of Ethics ([Ariston Group](#)) to commit themselves to the requirements set out therein for sustainable, environmentally conscious and diverse cooperation in daily working life and to live by them.

WOLF expects nothing less from its suppliers and expresses this in its Code of Conduct for Suppliers.

IV. Measures for effective risk management, risk management, risk analysis

The risk analysis and assessment of WOLF's own business area and of suppliers are an essential part of risk management within risk management.

WOLF has a web-based risk management system for risk monitoring and risk analysis in its own business area. This is used to report, and record identified risks from all business areas. In order to initiate specific remedial measures, the abstractly identified risks are then analyzed in several stages and weighted and prioritized according to the severity of the breach and the potential impact, among other factors.

The risk analysis is carried out at least twice a year or on an ad hoc basis (when a risk is reported).

WOLF also has a web-based risk management system for purchasing. In addition, AI-based procedures have been developed and linked to the existing system in order to comply with the obligation under the German Supply Chain Due Diligence Act (LkSG) and identify potential risks in the supply chain.

The risk analysis in Purchasing Department is repeated and carried out at least once a year or on an ad hoc basis (if a direct supplier becomes aware of violations of the prohibitions of the LkSG, or in the case of new suppliers or the purchase of new products).



V. Preventive Approach

WOLF regularly conducts a wide range of training courses for its employees, which include compliance issues, occupational safety issues, human rights and environmental issues and the WOLF Code of Conduct and the ARISTON Code of Ethics. WOLF also has an appropriate health and safety management system.

Suppliers are required to sign the WOLF Code of Conduct for Suppliers ([Supplier portal | WOLF Heating, Ventilation & Airhandling](#)), as this is an indispensable part of our contractual documents, such as the terms and conditions of purchase and order forms. Alternatively, a code of conduct of the supplier can be used, which has been checked for suitability by WOLF. Potential suppliers are audited as part of an audit with regard to compliance with WOLF's LkSG and ESG requirements. In addition, risk-based feedback meetings are held and corrective measures are defined for suppliers with anomalies. In addition, qualified suppliers are monitored for compliance with ESG criteria using an AI-supported monitoring system. This is integrated into the general risk management system of supplier risk management. The existing system is continuously being expanded in terms of scope and quality in cooperation with the parent company ARISTON.

VI. Remedial Measures

Effective remedial action must be taken if a violation of a human right or environmental obligation occurs or is imminent.

WOLF shall initiate remedial measures immediately after identifying a corresponding violation. WOLF develops customized remedial measures for each situation and each direct supplier in order to end violations in a targeted manner. At the same time, WOLF has developed a series of framework measures that can be activated immediately as a modular system and filled with specific content in response to violations.

For each remedial measure, WOLF defines a process, success targets and clear internal company responsibilities. Each corrective action contains a concrete timetable and can be provided with interim targets.

WOLF will only consider discontinuing business if the violation of a protected legal position or an environmental obligation is serious, the remedial concept developed does not provide a remedy and WOLF has no milder means at its disposal, also because WOLF cannot increase its own influence.



VII. Controls and Complaint Management

1. Controls

As already stated under points III and IV, WOLF's own business area and qualified suppliers are monitored for compliance with due diligence obligations using an AI or web-based risk analysis system. The corresponding checks are carried out at least once a year or as required by an AI-based risk control system.

2. Complaint management

The ARISTON Group has set up a barrier-free complaints system for the entire Group to implement the EU Whistleblower Directive.

The ARISTON Group is available for reporting compliance and LkSG violations and has set up a complaints management system for this purpose ([ARISTON GROUP | Home \(integrityline.com\)](#)).

Employees, suppliers, employees of customers or third parties can contact the ARISTON Group at any time to report violations of the WOLF Code of Conduct or the LkSG.

VIII. Documentation and Reporting

The implementation of all due diligence obligations is documented on an ongoing basis. WOLF uses the risk analysis tool to record all information available to us about identified risks. In addition, preventive and remedial measures taken are documented.

The ARISTON Group reports on the Group's activities on an ongoing basis for the entire Group, which includes WOLF. The European Social Governance (ESG) requirements have been integrated for implementation.

The corresponding reports can be accessed at any time via the following link:

[Ariston Group](#)

Documentation and reporting under the LkSG are carried out using AI-supported tools and WOLF will publish the corresponding results at least once a year or as required.

IX. Cooperation

WOLF has also joined organizations in order to focus even more on the topics of diversity and the environment in the future, as this is an important part of the sustainability and human rights strategy.

- Corporate initiative OHA - Ostbayern handelt ([OHA – OSTBAYERN HANDELT! | CO₂-Fußabdruck kennen. Reduzieren. Gemeinsam. \(oha-initiative.com\)](https://oha-initiative.com))
- Diversity Charter Diversity Charter - For diversity in the world of work ([Charta der Vielfalt - Für Diversity in der Arbeitswelt \(charta-der-vielfalt.de\)](https://charta-der-vielfalt.de))

and is supported by the

- Environmental and Climate Pact Bavaria ([Umwelt- und Klimapakt Bayern](https://umwelt-und-klimapakt.bayern.de)) certified by the Free State of Bavaria.

X. Priority Risks Identified

WOLF's corporate due diligence begins with the timely identification of potential industry-related and country-specific violations of human rights and environmental risks. This involves weighing up how likely a human rights violation is, how serious the impact could be and how well and probably it could be avoided through WOLF's influence.

With regard to countries in which there is a high risk of corruption, lack of freedom of association, inadequate working conditions, no regulated working hours, inadequate occupational health and safety, excessive water consumption and lack of water availability and for which there is an associated risk of a violation of human rights and environmental rights positions under the LkSG, we respond with the staggered measures described above. This applies in particular - but not exclusively - to suppliers from the metal, electrical and transportation and logistics sectors in South East Asia. We prioritize the areas in which WOLF can have the greatest influence as well as the biggest impact on people



XI. Outlook

The results of the risk analysis for the 2024 financial year will be available at the end of 2024. WOLF will publish these accordingly on January 1, 2025 or as required.

Mainburg, January 2024

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