

Wolftank Group (Wolftank-Adisa Holding AG)

AI-Rating: **Very Sustainable**

Wolftank-Adisa Holding AG is set for changing its name to Wolftank Group as of June 7th, 2024.

June 4th, 2024

WKN (Germany): **A2PBHR**

ISIN:

AT0000A25NJ6

Sector: **Industrials** Subsector: **Environmental & Facilities Services**

ESG Management: very good

Ecological: very good | Social: very good | Governance: very good

Company Profile

Wolftank-Adisa Holding AG ("Wolftank"), based in Innsbruck (Austria), is the parent company of an international group of companies, operating in eight countries on three continents and with about 450 employees. Wolftank offers sophisticated technology solutions for environmental challenges. One focus is on the protection and maintenance of tank facilities and pipelines. Applying the same coatings technology, water protection solutions are offered, as well. A second business area concentrates on the remediation of contaminated soil, water, and facilities, but also offers waste management services and environmental consulting. Last but not least, Wolftank develops technologies for hydrogen and renewable energies and has built a portfolio covering areas such as hydrogen transport, hydrogen distribution or its conversion to electricity.

Sustainability Summary

The business areas of Wolftank are of high ecological importance and have a huge sustainable impact. Wolftank significantly supports the Sustainable Development Goals (SDGs) 6, 7, 9, 13, 14, and 15, at least. With in-house solutions, the company assumes responsibility for avoiding environmental damage as far as possible and for establishing an infrastructure suitable for carbon-neutral energy systems.

Some of Wolftank's activities might prolong the acceptance and use of climate-damaging fossil fuels by preventing direct pollution, but due to the clear and conscientious attitude of the company committing itself towards carbon-neutral energy solutions, we see Wolftank as a company that makes significant ecological contributions as well as to the transformation to a more climate-friendly economy.

There are no violations of exclusion criteria besides the indirect involvement in fossils. The company's ESG risk management, social activities and governance structures are partly best practice. We do not find significant negative indications in these areas. We therefore rate the company as "Very Sustainable" and the ESG (Environmental, Social, and Governance) performance of Wolftank as **very good**.

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Sustainability Impact: ✓

The management of Wolftank clearly attaches great importance to bringing its own claim of uncompromising environmental technology to life. The company's vision was formulated in an inclusive process with the employees which ensures a stable internal basement for the vision to prosper.

The business areas are essentially linked to aspects of environmental protection. This is quite obvious for the hydrogen activities which cover a big deal of the value chain. Wolftank provides mobile storage systems for the efficient transport of hydrogen over short or medium distances and temporarily stored at a hydrogen refueling station or a consumption terminal. A second product group are hydrogen dispensing solutions which are able to refuel all kinds of fuel cell electric vehicles or hydrogen internal combustion engine vehicles, regardless of whether they are heavy vehicles (bus, truck and train) or light vehicles (passenger cars and forklifts). Turnkey hydrogen refueling stations are offered as well. They require less than 10 minutes for refueling a bus and have a close to 100% availability due to its design also considering the redundancy of critical components. Another field of application for Wolftank's technology is the fuel supply of power generators which supply electricity produced from hydrogen as emergency backup for buildings or data centers.

As always when it comes to hydrogen, one has to bear in mind that hydrogen technology can never be restrained to green hydrogen. However, the production of hydrogen by electrolysis, based on low-carbon electricity, is described by the European Commission as the preferred process on the way to a carbon-free future, and Wolftank convincingly states that their intention is to back the idea of a carbon-free energy system. This is also underlined by another product group, a complete solution to construct large networks of Electric Vehicle Chargers, mainly DC Fast and Hyperchargers up to 300kW of DC Power, but also AC Chargers up to 22 kW. Turnkey project management for the installation and commissioning of large High Power Charging (HPC) networks are provided throughout Europe.

While Wolftank helps building the new energy world, it is also active in cleaning up the damage mostly done by the hitherto existing fossil world. The company restores soil to a healthy state by removing contaminants, such as hydrocarbons and organic or inorganic materials like heavy metals. It also has a long-term experience in cleaning, sanitizing, and restoring water when damage such as a spill has occurred. Additionally, Wolftank has expertise in the treatment of special, hazardous and non-hazardous waste, including giving a second life to waste such as soil, sludge and liquid waste.

A third business area aims to avert damage by applying coating technologies. Wolftank's terminals and storage products withstand continuous contact with crude oil, light and heavy oil derivatives, as well as fuels, providing long-term corrosion protection. But also

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tanks, vessels, and pipelines which are in contact with aggressive liquids such as modern biofuels (containing ethanol, methanol, or biodiesel) are protected and refurbished. This area additionally includes the sustainable upgrading of service stations. The solutions for tanks, pipes, sumps and forecourts of retail fuel systems prevent spills, which would lead to soil and water pollution as well as to fuel loss, and extend the lifespan of these facilities.

The coating technology can also be used for foodstuffs, especially for water, and is also used in other segments and industries, e.g. chemical or pharmaceutical industries. Consequently, the product portfolio includes high-quality coating systems to seal water sumps and to protect vessels and pipes, irrespective of whether they contain fresh, hot, saline or wastewater.

In summary, every business activity of Woltank is related to an ecological benefit. If an activity does not help reducing carbon emissions, it either prevents ecological damage or preserves natural resources. Of course, one expects that these benefits are not foiled by the own business operations. Actually, Woltank shows a great awareness of this threat and manages sustainability risks quite carefully. They established an ongoing stakeholder dialogue, and within this framework, a materiality matrix was developed to address the relevant sustainability topics. As a result, quality management and assurance system are established which are approved by, beside others, the "ISO 9001 Quality Management Systems" and the "ISO 14001 Environmental Management Systems" standards. The topics supply chain, energy consumption, water consumption or carbon footprint are closely monitored and overseen. As one result, Woltank is able to show that the company saves ten times more carbon than it emits as a result of its business activities.

Transformation Capability: ✓

By its hydrogen and other renewable energy activities, Woltank supports the independence and substitution of fossil fuels and thus the transition to a climate-friendly economy. It contributes to an immediate reduction in carbon emissions. With these activities, Woltank operates in the very center of the energy transformation, which is a key issue for a successful ecological transformation.




On the contrary, the coating businesses related to the clean storage of fossil fuels might prolong the acceptance and use of those climate-damaging fossil fuels by preventing direct pollution. This would impede the necessary transformation if lock-in effects were triggered. But there is no evidence for such effects: Extending the lifespan of fossil infrastructure does not evoke new investment in this area. Given the fact that an immediate global shutdown of fossil fuel technology is no realistic option, avoiding ecological damage rather expresses a responsible attitude. Woltank's credibility is enhanced by the structure of its business areas, as the company benefits from the fossil dawn by the adjunctive rise of carbon-neutral energy systems. In the end, Woltank with its clear and conscientious attitude maps the general transformation of the energy systems within the own company.

We also consider the company's willingness to explore new business areas and synergies with existing economic activities to be very ambitious. We therefore consider the corporate and product strategy to be deeply sustainable and favorable for an ecological transformation.

SDG – Sustainable Development Goals

Each of the 17 UN Sustainable Development Goals (SDGs) is specified by subordinate targets. For the following list, activities are considered particularly SDG-effective if they precisely support an aspect explicitly mentioned in the respective description of the goal or its sub-goals.

The company significantly contributes to at least the following UN Sustainable Development Goals:

Goal	Target
	<p><u>SDG 6: Clean Water and Sanitation</u></p> <p>Wolftank's remediation processes protect water resources by removing petroleum-based contaminants from the soil, as does the removal of plastic waste from flowing waters. Additionally, high-quality coating systems seal water sumps and preserve the quality of the water stored. All this contributes to the goal of "Clean Water", as says target 6.3: "(...) Improve water quality by reducing pollution, eliminating dumping, and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater, and substantially increasing recycling and safe reuse globally."</p>
	<p><u>SDG 7: Affordable and Clean Energy</u></p> <p>Improving the storage and the transport of energy which was carbon-neutrally produced by using green hydrogen supports the sub goal 7.2 which demands to "(...) increase substantially the share of renewable energy in the global energy mix".</p>
	<p><u>SDG 9: Industry, Innovation, and Infrastructure</u></p> <p>Upgrading existing gas pipeline networks supports sub goal 9.4., which postulates to "upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities".</p>

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SDG 13: Climate Action:

By extracting hydrocarbons, their release as greenhouse gases during biodegradation is prevented, which mitigates soil pollution's contribution to climate change and supports efforts to reduce emissions. As well, improving the storage and transport of carbon-neutral energy is a "climate protection measure" and meets the request of this goal to "take urgent action to combat climate change and its impacts".



SDG 14: Life below Water

Wolftank's soil remediation activities reduce the risk of hydrocarbon pollutants entering aquatic ecosystems, preserving marine life and maintaining healthy oceans and coastal regions. This way, "Life below Water" is supported via its sub-goal 14.1: „(...) Prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution.



SDG 15: Life on Land

Mitigating hydrocarbon pollution means preserving the ecological balance of ecosystems. Consequently, soil quality is improved, and biodiversity recovery and sustainable land use are promoted. This helps achieving sub-goal 15.3, to " (...) restore degraded land and soil, (...) and strive to achieve a land degradation-neutral world" and hereby does promote "Life on Land".

Wolftank additionally states that it takes into account the goals 3, 8, 11, and 12. We are able to relate to the company's arguments and fully accept this claim. However, in this section, we apply a rather narrow interpretation of the SDG's which postulates a direct impact of the product portfolio on an explicitly mentioned aspect of the respective goal. Therefore, there's no contradiction between our list of SDG'S to which Wolftank contributes on the one hand and the company's statement on the other hand because the respective selections base on different interpretations.

EU-Taxonomy

Currently, the European Union defines six environmental objectives in its “EU Taxonomy for Sustainable Activities” which have been detailed by EU Regulation 2020/852 and by subsequently issued regulation documents. Specifically, certain business activities have been defined as essential for achieving these targets. As a consequence, the compliance of a company with the EU-Taxonomy is not a binary decision; rather, the share of complying business activities gauged by sales or inventories has to be stated. It is important to notice that the matching of the company’s activities has to be performed on the detailed business activities level, not on the level of the six objectives. Additionally, for compliance, DNSH criteria (“Do No Significant Harm”) must be met as well.

Currently, Woltank does not provide detailed information for mapping the business activities. But the company started the according analysis and plans to develop the appropriate classification during 2024.

Without the means for a proper analysis, however, we can just assume a high probability that certain activities of Woltank may qualify for specific climate change mitigation related business activities mentioned in the respective EU-Taxonomy regulations, especially:

EU Taxonomy Target	Explanation
Substantial contribution to Climate Change Mitigation	<p>3.1. Manufacture of renewable energy technologies</p> <p>3.2. Manufacture of equipment for the production and use of hydrogen</p> <p>4.12. Storage of hydrogen</p> <p>4.14. Transmission and distribution networks for renewable and low-carbon gases</p> <p>6.15. Infrastructure enabling low-carbon road transport and public transport</p> <p>The requirements mentioned in the technical annex of the EU Taxonomy under the specified sub-points are supposed to be fulfilled.</p>

Sustainability ESG: Ecological, Social and Governance ✓

Wolftank exhibits an overall above-average ESG performance. This is primarily, but not solely, due to the high sustainable impact of the core business. The company's materiality lies in the ecological area. The dynamic focus on the energy source hydrogen, which is potentially free of greenhouse gas, should be emphasized.

The company is exposed to some sustainability risks from its customer base. Wolftank is partly a service provider for the petrochemical industry that is burdened with high social, environmental, and climate-related risks. Some of Wolftank's partners are located in countries with low minimum social and environmental standards. This also increases socio-ecological risks. According to our analysis, Wolftank perceives these risks and answers the challenge by rigorously applying appropriate policies.

The company's goals are ambitious and sensible in the sense that sustainable and social solutions are emphatically pursued. The company comprehensively applies the management of sustainability potentials and risks to all business activities, with regard to the self-developed materiality matrix. Sustainability is thus at the core of the company's strategic orientation, due diligence, and product development. Earlier this year, Wolftank has signed for being participant in the UN Global Compact.

Overall, the company positioning in all three ESG criteria is rated as **"very good"**.

E – Ecological

The huge positive ecological impact of Wolftank's whole range of business activities is depicted in the chapter "Sustainability Impact", while some possible controversies are discussed in the chapter "Transformation Capability". Summing up the facts and arguments, there is no doubt that Wolftank's impact on the ecological environment is positive and well above average in scale.

There is also ample evidence that outside risks on the company are very well managed. We find ambitious management tools for monitoring, reducing, and recycling in the fields of waste, of water consumption, and of energy consumption; Wolftank makes efforts to use carbon free electricity as far as possible. Concerning carbon emissions, the company has defined reduction goals for all group areas.

In addition, the company shows great commitment to the development of new, sustainable business areas and a willingness to recognize and rectify weaknesses.

As the company's economic activities imply ambitious goals to address various environmental issues with a sustainable strategy, and as the company has evaluated risks

and impacts and developed strategies and measures that are systematically embedded in the corporate strategy, we rate the handling of environmental topics as **very good**.

S – Social

Wolftank obviously aims to involve employees in the company by taking many appropriate measures, including training, anti-discrimination, and equal opportunities. However, the ratio of women stagnates slightly above one fourth, but it should be recognized that Wolftank primarily operates in a traditionally male-dominated sector. An Equal Opportunities and Diversity Policy is in place.

Employment contracts, occupational health and safety, safety instructions, and job descriptions are all clearly structured and subject to ISO 9001 quality management, which ensures external control. Supplier requirements have been systematically reviewed and controlled by internal and external auditors and are subject to an ISO 14001 certification. There are no known negative indications with regard to occupational health and safety, which is underlined by the low number of occupational injuries.

We found no evidence for a violation of employee rights. Wolftank commits itself clearly to the fundamental international standards for human rights.

Overall, the handling of social risks is rated as **very good**.

G – Governance

As far as can be determined, the company does not violate any laws or regulations. Sustainability goals (vision and strategy) are integrated into governance and publicly communicated.

Appropriate guidelines for Anti-Corruption, Cybersecurity, Privacy, Data Breach, And Whistleblowing are in place just as for Suppliers' Monitoring. ISO standard 14001 endorses the sobriety of these policies. Critical suppliers are regularly evaluated with a set of Key Performance Indicators (KPIs) regarding their ESG performance. Supplier assessments are one of several tools to ensure that the critical suppliers meet Wolftank's requirements concerning topics as, e.g., respect for human rights, anti-corruption, or management of confidential information.

Conflicts of interest among key individuals do not appear to exist.

The overall governance is rated as **very good**.

Sustainability Risks: ✓

Wolftank does not violate any of the key exclusion criteria of sustainable investors.

Weapons:

The company does not manufacture controversial nor conventional weapons nor significant components for them.

Nuclear Energy:

The company does not mine uranium, does not base its electricity generation on nuclear energy, does not operate nuclear power plants, and does not manufacture significant components for nuclear power plants.

Fossil Fuels:

The company does not extract any fossil fuels, especially coal or oil sands, and does not use fracking technologies. It also does not produce electricity using fossil fuels.

The company's customers include companies that mine fossil fuels or use them to generate electricity. However, the services provided as part of this customer relationship are aimed at avoiding ecological damage. At the same time, the company is establishing a division for fossil-free energy alternatives, thereby contributing to the rapid transformation of the energy system and making it clear that it does not want to base its own future on fossil fuels.

Human Rights:

There is no evidence of serious and/or systematic violations of human rights as defined in the UN Universal Declaration of Human Rights and the Charter of Fundamental Rights of the European Union.

Labor Rights:

There is no evidence of serious and/or systematic violations of ILO core labor standards and their four fundamental principles (freedom of association and the right to collective bargaining; elimination of forced labor; abolition of child labor; prohibition of discrimination in employment and occupation).

Environmental Protection:

There is no evidence of serious and/or systematic violations of environmental legislation and/or massive environmental destruction.

Corruption:

There is no evidence of serious and/or systematic corruption or bribery.

Appendix 1: ISO 9001

ISO 9001 is an internationally recognized standard for Quality Management Systems (QMS), defining how companies address environmental, social, and governance (ESG) responsibilities, as well as sustainability. Key points in the ESG-relevant strategy include:

- 1. Enhanced Process Control: ISO 9001 emphasizes the efficient and consistent execution of processes. This enables companies to reduce their environmental impacts, utilize resources more efficiently, and integrate social responsibility into their business practices.*
- 2. Risk Management: ISO 9001 encourages companies to develop risk management strategies. This is crucial for ESG and sustainability as companies need to identify and minimize risks related to environmental impacts, social responsibility, and governance.*
- 3. Continuous Improvement: Companies focusing on sustainability and ESG must continuously improve to achieve their goals related to environmental protection, social responsibility, and ethical corporate governance.*
- 4. Accountability and Transparency: The standard promotes clear definition of responsibilities and transparency of processes. This is crucial to ensure that companies pursue sustainable and ethical practices and be accountable to stakeholders.*

In summary, ISO 9001 provides a valuable foundation for integrating ESG and sustainability goals within the company. It enables more efficient operations, risk management, while fulfilling obligations related to environment, social responsibility, and sustainability.

Appendix 2: ISO 14001

ISO 14001 is an internationally recognized standard for Environmental Management Systems (EMS), which plays a central role in addressing environmental, social, and governance (ESG) aspects, as well as sustainability in businesses. Key points in the ESG-relevant strategy include:

- 1. Enhanced Environmental Performance: ISO 14001 focuses on efficient control and improvement of environmental performance by complying with legal requirements and identifying environmental aspects and impacts. This enables companies to reduce their environmental impacts and utilize resources more efficiently.*
- 2. Risk Management: ISO 14001 encourages companies to develop risk management strategies for environmental aspects and minimize environmental impacts. This is crucial for ESG and sustainability as companies need to identify and control environmental risks.*
- 3. Continuous Improvement: The standard promotes continuous improvements in environmental management to constantly enhance environmental performance. Companies must continuously improve to achieve their goals in environmental protection.*
- 4. Accountability and Transparency: ISO 14001 promotes clear definition of responsibilities and transparency in environmental practices. This is crucial to ensure that companies follow environmentally sound practices and be accountable to stakeholders.*

In summary, ISO 14001 provides a valuable foundation for integrating environmental, social, and governance goals into the company. It enables companies to improve their environmental performance, manage risks, and fulfill their obligations regarding environment, social responsibility, and sustainability.

Rating System

Rating Level	Description
Very Sustainable	The company demonstrates an exceptionally outstanding sustainability performance: <ul style="list-style-type: none"> ✓ The business sectors predominantly support sustainability goals. ✓ The capacity for transformation is very high. ✓ The business practices achieve well above-average ESG levels.
Sustainable	The company demonstrates a significantly above-average sustainability performance: <ul style="list-style-type: none"> ✓ The business sectors predominantly support sustainability goals. ✓ The capacity for transformation is high. ✓ The business practices achieve above-average ESG levels.
Quite Sustainable	The company demonstrates an even above-average sustainability performance: <ul style="list-style-type: none"> ✓ The business sectors also support sustainability goals. ✓ A capacity for transformation is evident. ✓ The business practices achieve a solid ESG level.
Average	The company has an average sustainability performance: <ul style="list-style-type: none"> ✓ The business sectors do not harm sustainability goals. ✓ Transformation capacity is addressed. ✓ The business practices do not show significant violations of good ESG practices.
Not Sustainable	The company has a below average sustainability performance: <ul style="list-style-type: none"> ✓ The business sectors partially harm sustainability goals. ✓ Transformation capacity is not apparent. ✓ The business practices show significant violations of good ESG practices.

For the assessment of ESG subcategories:

Rating scale: inadequate (0-20%) - sufficient (20-44%) - solid (45-59%) - good (60-75%) - very good (76-89%) - excellent (90-100%)

Basis for assessment: how ambitious (2) goals, (3) strategies, (4) measures & processes after thorough (1) analysis are carefully and comprehensively integrated into corporate governance (5) and lead to (6) measurable results.