

Wolftank-Adisa Holding AG

AI Rating: **Very Sustainable**

4 February 2021

WKN: A2PBHR

ISIN: AT0000A25NJ6

Sector: Industry

Subsector: Environmental and facility services

Company profile

Wolftank-Adisa Holding AG ("Wolftank"), based in Innsbruck (Austria) and employing over 200 people, is the parent company of an international group of companies focusing on remediation and monitoring of tank farms and environmental protection services for contaminated soils and facilities. With a new line of business, organically grown from long experience in CNG and LNG plant construction, Wolftank is now developing solutions for the transport, storage and distribution of (green) hydrogen. Wolftank's management 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.

The business areas are essentially linked to aspects of environmental protection. For example, Wolftank's single-walled storage tanks are upgraded to double-walled tanks with special resin coatings developed in-house, with longer service lives than with conventional newly produced tanks. The tanks are primarily used for fossil fuels, but also for foodstuffs, for example. In the event of damage, Wolftank carries out an environmental due diligence and implements appropriate remediation measures, up to and including the complete cleaning of the affected site while avoiding new environmental damage through disposal. In addition, Wolftank acts as EPC supplier for LNG and hydrogen refuelling stations. The hydrogen activities were bundled in a separate subsidiary a few weeks ago and are to be expanded significantly. The production of hydrogen by electrolysis, based on low-CO₂ electricity, is described by the European Commission as the preferred process on the way to a CO₂-free future.

Sustainability Summary

The business segments of Wolftank-Adisa Holding AG are of high ecological importance and have "Sustainable Impact". There are no violations of exclusion criteria. With in-house solutions, the company takes responsibility for avoiding environmental damage as best as possible. In view of the upcoming transformation of the oil and gas industry, Wolftank is committed to a reorientation towards CO₂-neutral energy storage systems. The company's governance structures are sound. There are no negative indications in the social area.

We therefore rate the company as "Very Sustainable". We do this despite the fact that Wolftank's activities seem partly likely to prolong the acceptance and use of climate-damaging fossil energies beyond an unavoidable transition period by preventing immediate pollution. Due to the clear and conscientious attitude of the company, which is also expressed in the

simultaneous avoidance and elimination of environmental damage at the highest level of ambition and the forced orientation towards hydrogen, we see Woltank as a company that makes significant contributions to more ecology and the transformation to a more climate-friendly economy.

Sustainability Impact:

Woltank is one of those companies whose objectives are not limited to financial success, but whose business activities also consciously seek to eliminate or reduce ecological damage or to avoid it in the first place.

SDG - Sustainable Developments Goals

Each of the seventeen UN Sustainable Development Goals ("SDGs") is concretised by sub-goals. Activities are considered SDG-impacting in particular if they precisely support a sub-goal. The company makes significant contributions to the following UN Sustainable Development Goals:

Goal	Target Impact Description
<p>6 SAUBERES WASSER UND SANITÄR-EINRICHTUNGEN</p>	<p>In particular, the sealing of tank farms and the remediation of contaminated soils contribute to the "Clean Water" goal, but so does a new project field that cleans flowing waters of plastic waste. Sub-goal 6.3 calls for "improving water quality (inter alia) by 2030 by reducing pollution and ending the discharge and minimising the release of hazardous chemicals and substances (...)".</p>
<p>7 BEZAHLBARE UND SAUBERE ENERGIE</p>	<p>Improving the storage and transport of CO₂-neutral produced energy by means of green hydrogen supports the aim of "Access to affordable, reliable, sustainable and modern energy", in particular sub-goal 7.2: "By 2030, significantly increase the share of renewable energy in the global energy mix".</p>
<p>9 INDUSTRIE, INNOVATION UND INFRASTRUKTUR</p>	<p>Upgrading existing gas pipeline networks supports sub-goal 9.4: "By 2030, modernise infrastructure and retrofit industries to make them sustainable, with more efficient use of resources and increased use of clean and environmentally sound technologies and industrial processes".</p>
<p>13 MASSNAHMEN ZUM KLIMASCHUTZ</p>	<p>Improving the storage and transport of CO₂-neutrally produced energy is a "climate change mitigation measure" and is in line with this goal's call to "take urgent action to combat climate change and its impacts".</p>
<p>14 LEBEN UNTER WASSER</p>	<p>The sealing of tank farms supports the goal "Life under Water" via sub-goal 14.1: "By 2025, prevent and significantly reduce all forms of marine pollution, in particular from land-based activities (...)".</p>

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Goal (continued)

Description of impact (continued)



Remediation of contaminated soils helps to achieve sub-goal 15.3 "rehabilitate (...) the damaged areas and soils (...) by 2030" and thus promotes "life on land".

Other of the UN Sustainable Development Goals play a role for the company, but cannot be completely clearly assigned:

Goal	Impact description
	<p>In particular, the sealing of tank farms and the remediation of contaminated soils potentially support the goal "Health and well-being" and especially sub-goal 3.9: "By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and the pollution and contamination of air, water and soil". However, since hazardous chemicals are again being used in part for this purpose, albeit largely reduced to what is currently unavoidable, and the causal activities (above all fossil fuels) are not being avoided, we do not have the necessary resources for this goal. Uniqueness of effect.</p>
	<p>There is some overlap in the activities of the company with sub-goal 11.6 "By 2030, reduce per capita urban pollution (...). " However, we only recognise an indirect and partial chain of effects here for activities whose contributions to the achievement of other goals have a much more direct effect.</p>

EU - Taxonomy

Currently, the European Union defines six environmental targets in its sustainability taxonomy (according to EU Regulation 2020/852 of 18 June 2020) and identifies sectors whose activities are considered essential for achieving these targets. Of the six targets, only the two climate change-related targets have been fully elaborated so far.

Under the EU taxonomy, some of the company's activities contribute to the achievement of the first objective "Substantial contribution to climate change mitigation". Significant harm to one or more of the other five objectives listed in the taxonomy or in social terms is not caused.

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Aim of the EU taxonomy Explanation

Substantial contribution to climate protection	<p>The hydrogen activities can be assigned:</p> <ul style="list-style-type: none"> 4.12 Storage of hydrogen 4.14. Retrofitting of gas transmission and distribution networks 6.4 Infrastructure for land-based low-carbon transport. <p>The conditions specified in the technical annex of the EU taxonomy under the sub-items indicated are fulfilled.</p>
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<p>DNSH (Do no significant harm) Ecology:</p> <p>No substantial violation of the objectives (2) to (6)</p>	<p>The company's activities are not in substantial conflict with the other five objectives.</p> <ul style="list-style-type: none"> (2) Adaptation to climate change (3) Sustainable use and protection of water and marine resources (4) Transition to a circular economy (5) Pollution prevention and control (6) Protection and restoration of biodiversity and ecosystems
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<p>DNSH (Do no significant harm) Social:</p>	<p>The company does not violate any of the relevant protection standards.</p>
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Sustainability ESG: Ecology, Social and Good Corporate Governance

Wolftank has an above-average ESG performance. This is mainly due to the high sustainable impact of the core business. The company's materiality lies in the ecological area. For other ESG criteria, the company is partly adequate and partly well positioned. Some sustainability risks arise for the company from its clientele. The dynamic orientation towards hydrogen, a potentially greenhouse gas-free energy source, should be emphasised.

E - Ecology

Wolftank is currently a major service provider for the petrochemical industry, which is burdened with high social, environmental and climate-related risks. In addition, economic risks are to be expected because the sector is facing unavoidable restructuring as part of compliance with the Paris climate goals. Some of Wolftank's partners are located in states with low minimum social and environmental standards. This also increases socio-ecological risks. The assessment of the sustainability impact must therefore be classified as complex.

In the context of these challenges, the company assumes responsibility in the best possible way and strives for processes that monitor and minimise risks, conserve natural resources, increase the useful life and recyclability and reduce the harmfulness of products. The technologies for this are continuously developed and taught in training courses. Floor cleaning is carried out by a separate company. We rate positively that the company takes responsibility by avoiding risks with the help of in-house expertise and control.

In addition, the company shows a strong commitment to the development of new, sustainable business areas and a willingness to identify and address weaknesses. It is developing filling stations and tanks that can be used for green hydrogen and thus support the development of post-fossil infrastructures. In addition, a pilot project was installed in the Tiber River (Rome) to retain and sort out plastic waste. The conversion of the own vehicle fleet to e-vehicles is already well advanced, and a CO₂ compensation project is being pursued with personal commitment.

S - Social

There are no known negative indications with regard to occupational health and safety, human and labour rights and stakeholder engagement. The company involved employees in the visioning of the company and supports an engaged employee culture, as evidenced by an internally produced monthly employee magazine.

G - Good corporate governance

The holding company announces a sustainability report for the year 2021. The company aims for a 50% quota of women on the supervisory board. The corporate governance does not show any critical aspects. Therefore, the governance of the company is also rated positively.

Sustainability Risks:

Wolftank does not violate any of the central exclusion criteria of sustainable investors, especially the UN Global Compact. A particular materiality exists in the handling of fossil energy sources; in this area, the company engages in purely damage-avoiding activities.

Weapons:

The company does not manufacture controversial or conventional weapons or essential components for them.

Nuclear energy:

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

Fossils:

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

The company counts among its customers companies that mine fossil fuels or use them to generate electricity. However, the services provided within the framework of this customer relationship have the content of avoiding ecological damage. At the same time, the company is building up an area for fossil-free energy alternatives, thus 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 are no indications 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.

Labour rights:

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

Environmental protection:

There are no indications of serious and / or systematic violations of environmental legislation and / or massive environmental destruction.

Corruption:

There are no indications of serious and/or systematic corruption or bribery.