

Policy Statement on Human Rights and Environment

Commitment to Upholding Human Rights

Human Rights Due Diligence

Results of our 2023 risk analysis

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I. Commitment to Upholding Human Rights

“Viessmann Climate Solutions SE, as part of Carrier Global, is committed to the highest standards of ethics and business conduct. It is our responsibility to ensure transparency in our supply chain, measure our risks and mitigate them. This encompasses not only the solutions we offer, but also our approach to designing, manufacturing, and delivering a comprehensive portfolio throughout our entire supply and value chain.”

Thomas Heim, CEO Viessmann Climate Solutions SE

Viessmann Climate Solutions SE (CS SE) as part of the residential and light commercial HVAC solution offering of Carrier Global, is a global leading provider of energy and climate solutions. Responsibility is a core value of our company culture. Hence, assuming social and environmental responsibility as an employer and business partner along the value chain of our products and services is fundamental in our day-to-day operations.

Our approach to sustainability entails our goal of a transparent value and supply chain that creates no harm to people or the environment anywhere. This policy statement by CS SE including its sister companies regarding human rights integrates human rights principles into our corporate strategy, complementing our Code of Ethics and Supplier Code of Conduct.

Accordingly, this policy statement, the Carrier Global Code of Ethics, the Viessmann Supplier Code of Conduct and the sustainability approach are founded on our commitment of upholding and respecting human rights as laid out in international human rights and environmental standards and treaties. Thereafter, we orient our business conduct along and align it with those international norms, standards and treaties. Key ones are listed below:

- International Covenant on Economic, Social and Cultural Rights
- ILO Core Labour Conventions
- UN Guiding Principles on Business and Human Rights
- OECD Guidelines for Multinational Enterprises
- Universal Declaration of Human Rights

Further ones are listed in the Viessmann Informative Human Rights and Due Diligence Annex which can be found on: <https://www.viessmann-climatesolutions.com/en/sustainability.html>.



Thomas Heim

II. Human Rights Due Diligence

Our human rights strategy is based on the following core elements.

Risk Management

CS SE's risk management identifies, evaluates, and ranks human rights and environmental risks within its business operations and supply chains. The primary aim of this approach is to enhance transparency within the company's value chain. After the prioritization of the findings of this risk assessment, CS SE implements suitable preventive and corrective measures to mitigate or halt any actions causing harm to individuals or the environment as promptly as possible.

CS SE delegated responsibilities for the monitoring of its risk management. In order to ensure that both internal and external stakeholders are informed, the risk managers report on an annual basis the identified risks to the Board of Directors; or as soon as events occur like in the case of an identified incident.

Viessmann CS SE's regular risk analysis and event related risk analysis are a core part of the risk management led by the company. The regular risk analysis is conducted on a yearly basis and involves two phases : the abstract risk analysis and the concrete risk analysis. The first phase consists of mapping abstract country and industry risks for all active business partners and for our own businesses. The country risk is being assessed by using various human rights and environmental indicators together with the support of an artificial intelligence tool. The industry risk assessment is based on historic media screening results per industry. Subsequently, within the concrete risk analysis, all suppliers with identified abstract risks are screened continuously to check for plausibility and to concretize the results of the abstract analysis. All identified risks are prioritized based on the four appropriateness criteria (type and scope of business activity, degree of influence, severity and probability, causal contribution) and undergo appropriate preventive measures.

Additionally, our event related risks analysis is led into two phases : whether it be because a significant change in our supply chain occurs (such as the introduction of a new product) or in the case where there is a concrete incident that has happened.

Reporting Procedure

In addition to our risk management, and to enable our employees, suppliers and other stakeholders to speak up about a concern or to hint to any human rights or environmental related risk or actual violation – anonymously, if preferred – CS SE set up a reporting procedure via Carrier's Speak Up program provided by Navex. It helps CS SE not only to become more aware of the risks or violations so they can be tackled with an adequate measure, but it also enriches the information basis for the regular risk analysis.

Measures

Determined from the risk analysis and other forms of risk identification results, preventive measures are derived for risks and remedial measures for violations. Action plans are then defined for each measure with a clear time frame and responsibilities.

In order to uphold human rights and minimize the risk of violations, CS SE has implemented several preventive measures. These include integrating sustainability into the corporate strategy, establishing Supplier Codes of Conduct and Ethics as part of our contractual agreements with our suppliers, and providing training on these standards for both employees and suppliers. Additionally, adjustments have been made to the supplier selection process to align with human rights expectations, with a strong emphasis placed on fostering dialogue and development with suppliers. At CS SE, we firmly believe that by enhancing transparency throughout our supply chains, both CS SE and its suppliers

can effectively mitigate risks and uphold human rights.

The effectiveness of implemented measures is assessed and compared with the inherent risks at least annually, or more frequently if necessary. This evaluation of residual risks allows us to derive lessons aimed at achieving a risk-free environment.

Documentation & Reporting

Open and transparent communication regarding human and environmental risks is integral to our human rights due diligence process. To establish an effective communication framework, we prioritize ongoing documentation. In terms of risk assessment for example, we meticulously document our analysis and maintain a comprehensive risk inventory. This inventory includes descriptions of identified risks, associated measures and action plans with timelines, evaluations of implemented measures, lessons learned and responsibilities for monitoring risks and relevant actions. This documented information is consolidated in our annual report on the Supply Chain Due Diligence Law.

Review and Communication

The human rights strategy policy statement undergoes an annual review and is subsequently communicated directly to our employees, the workers council and tier-1 suppliers identified with human rights or environmental risks. The revised policy statement is also made available on our website for the benefit of all stakeholders.

III. Results of our 2023 risk analysis

Please note that as of 01.01.2024, the business areas Refrigeration Solutions (RS) and Invest are not part of Viessmann CS SE anymore. Hence evidence and remediations regarding risks and violations reported here below remain with these legal entities and should be contacted separately. In this regard, you will find the results divided per business area in the following sections.

Risks taken into account

In the course of the reporting period, and according to the German Supply Chain Due Diligence Act we have been screening our value and supply chain for the following human rights and environmental risks:

HUMAN RIGHTS RISKS:

- M1 Prohibition of child labour
- M2 Prohibition of forced labour and all forms of slavery
- M3 Disregard for occupational health and safety and health hazards
- M4 Disregard for freedom of association – freedom of association and right to collective bargaining
- M5 Prohibition of unequal treatment in employment
- M6 Prohibition of withholding a reasonable wage
- M7 Destruction of natural resources by environmental pollution
- M8 Unlawful violation of land rights
- M9 Prohibition of the assignment or use of private/public security forces which may lead to impairments due to lack of training or control
- M10 The prohibition of [...] Acts or omissions in breach of duty, which are directly capable of impairing a protected legal position (resulting from the human rights conventions within the meaning of § 2 para. 1) in a particularly serious manner and whose legal validity is obvious on reasonable assessment of all relevant circumstances

ENVIRONMENTAL RISKS:

- U1 Prohibited production, use and/or disposal of mercury (Minamata Convention)
- U2 Prohibited production and/or use of substances in the field of application of the Stockholm Convention (POPs) and non-environmentally sound handling of waste containing POPs
- U3 Prohibited import/export of hazardous waste within the meaning of the Basel Convention

Accordingly, all of those risks are of similar significance until salient human rights risks have been identified.

We expect from all of our employees and our suppliers to not contribute to such risks in any way so that we jointly respect and promote the underlying human rights as listed in our Viessmann Informative Human Rights and Due Diligence Annex which can be found on <https://www.viessmann.family/en/sustainability>.

Further detailed expectations towards our employees and suppliers are laid out in our Code of Conduct and Supplier Code of Conduct.

Prioritized risk in our own business area:

Within the Viessmann CS SE business area, one risk was prioritized in regards to:

- M3 Disregard for occupational health and safety and health hazards

This risk was immediately handled and measures are now set to monitor the plant concerned and ensure the respect of the latter in the long run.

Prioritized risks at direct suppliers:

All risks hold comparable significance until prominent risks are pinpointed. In 2023, based on the results of our abstract risk analysis and media screening, and after prioritization here is the list of both human and environmental risks we have identified at direct suppliers across the three business areas Viessmann CS SE used to be part of during the reporting period.

HUMAN RIGHTS RISKS:

- M2 Prohibition of forced labor and all forms of slavery: 1 prioritized risks (CS)
- M3 Disregard for occupational health and safety and health hazards: 3 prioritized risks (2 CS, 1 RS)
- M4 Disregard for freedom of association – freedom of association and collective bargaining: 1 prioritized risk (CS)
- M7 Destruction of natural resources due to environmental pollution: 9 prioritized risks (8 CS, 1 RS)
- M8 Unlawful violation of land rights: 2 (1 CS, 1 RS)
- M9 Prohibition of the assignment or use of private/public security forces which may lead to impairments due to lack of training or control: 4 (CS)
- M10 The prohibition of [...] Acts or omissions in breach of duty, which are directly capable of impairing a protected legal position (resulting from the human rights conventions within the meaning of § 2 para. 1) in a particularly serious manner and whose legal validity is obvious on reasonable assessment of all relevant circumstances: 2 (1 CS, 1 RS)

ENVIRONMENTAL RISKS:

- U1 Prohibited production, use and/or disposal of mercury (Minamata Convention): 5 (CS)
- U2 Prohibited production and/or use of substances within the scope of application of the Stockholm Convention (POPs) and non-environmentally sound handling of waste containing POPs: 1 (CS)

Prioritized risks at indirect suppliers:

Following the Supply Chain Act requirements and as per the risk management described earlier, here are the prioritized risks we have identified at our indirect suppliers during the reporting period:

HUMAN RIGHTS RISKS:

- M2 Prohibition of forced labour and all forms of slavery: 2 (CS)
- M3 Disregard for occupational health and safety and health hazards: 3 (1 CS, 2 RS)
- M4 Disregard for freedom of association – freedom of association and collective bargaining: 2 (RS)
- M5 Prohibition of unequal treatment in employment: 1 (CS)
- M7 Destruction of natural resources due to environmental pollution: 1 (CS)
- M9 Prohibition of the assignment or use of private/public security forces which may lead to impairments due to lack of training or control: 1 (CS)

ENVIRONMENTAL RISKS:

- U1 Prohibited production, use and/or disposal of mercury (Minamata Convention): 1 (CS)
- U3 Prohibited import/export of hazardous waste within the meaning of the Basel Convention: 1 (CS)

Results of our event-related risk analysis

Throughout the reporting period and according to the risk management process described earlier, we have been monitoring our suppliers and indirect suppliers when possible on a live basis.

HUMAN RIGHTS RISKS:

- M2 Prohibition of forced labor and all forms of slavery: 7 remedial measures (5 CS, 2 Invest)
- M3 Disregard for occupational health and safety and health hazards: 2 remedial measures (CS)
- M7 Destruction of natural resources due to environmental pollution: 1 remedial measure (Invest)

Out of these measures, 4 are still ongoing.

REMEDIAL MEASURES AT INDIRECT SUPPLIERS:

- M2 Prohibition of forced labor and all forms of slavery: 4 (CS)

These 4 remedial measures are still being handled.

We anticipate that all our employees and suppliers refrain from any actions that could contribute to such risks, thereby collectively upholding and advancing the fundamental human rights outlined in our Viessmann Informative Human Rights and Due Diligence Annex, accessible through the following link:

<https://www.viessmann-climatesolutions.com/en/sustainability.html>

Further detailed expectations towards our employees and suppliers are laid out in the Carrier Global Code of Ethics and Viessmann Supplier Code of Conduct.

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