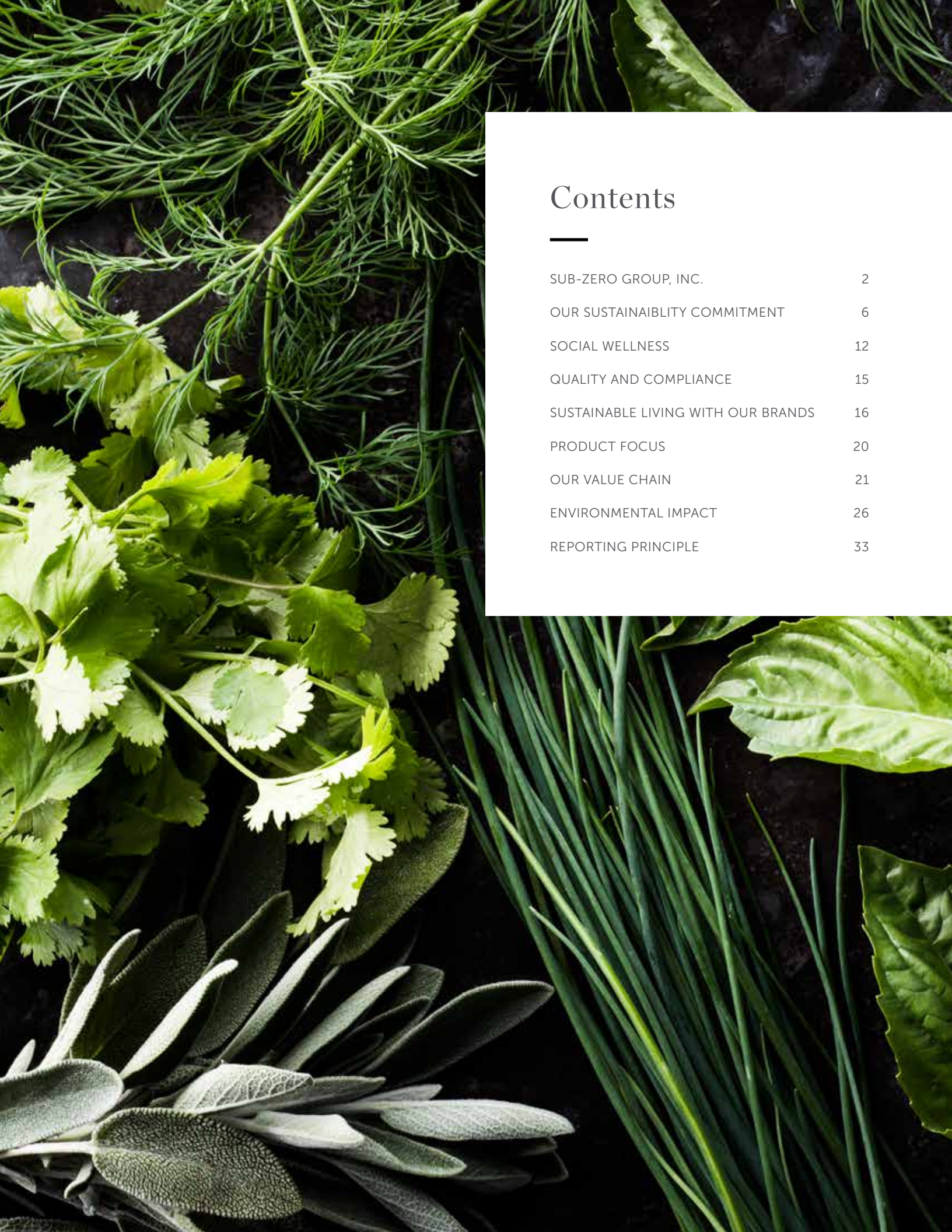




*Sub-Zero Group, Inc.*

# Sustainability Report

—  
2022



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*James J. Bakke is president and chief executive officer of Sub-Zero Group, Inc.. He represents the third generation of the Bakke family to lead Sub-Zero, which was founded in 1945 by Westye F. Bakke, his grandfather. James Bakke was named president of the company in 1990 and CEO in 1992.*

*Among Mr. Bakke's accomplishments is the introduction of three highly innovative Sub-Zero product lines. In 2000, Mr. Bakke brought the residential portion of Wolf Range Company into the Sub-Zero family and has greatly expanded the cooking appliance brand: Wolf. Most recently, in 2018, Mr. Bakke launched Cove, a new brand representing the company's own line of luxury dishwashers.*

*During his tenure, Mr. Bakke has made core investments in the latest technologies and manufacturing processes. His commitment to keeping his production facilities in the United States is strong, ensuring best-in-class quality in every unit manufactured.*

We are committed to doing right by our owners, employees, communities, and the environment. Our holistic approach to sustainability ensures we support social wellness and minimize our negative environmental impacts.

We continue to grow our employee wellness program and support our communities through philanthropic programs and events. The ways in which we manufacture—from the materials used to the processes followed—everything is done with an eye towards sustainability. Additionally, we craft products that better our owners' lives, promising fresher food, more delicious meals, and spotless dishes—all in support of the planet. While we are proud of what we have accomplished, we continue to challenge ourselves to do more, more often.

Sincerely,

A handwritten signature in black ink that reads "James J. Bakke". The signature is fluid and cursive, with the first letters of each name being capitalized and prominent.

**JAMES J. BAKKE**

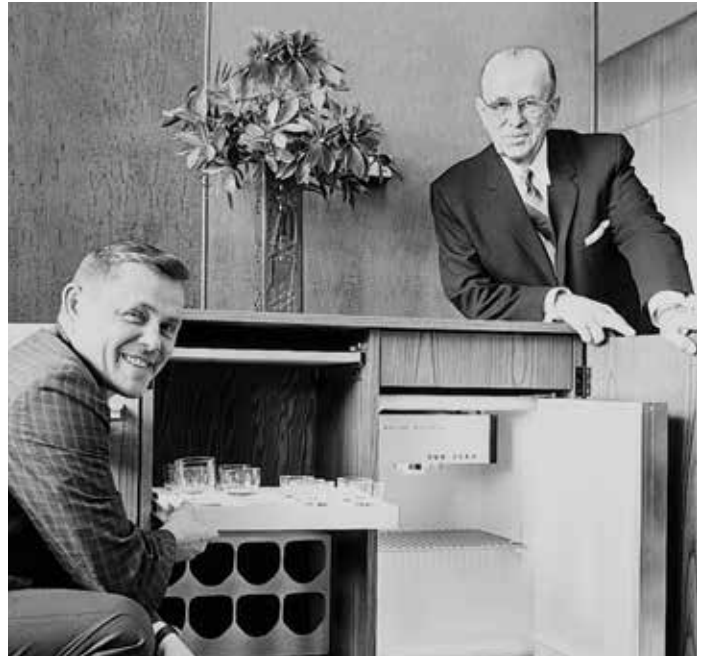
President and CEO

In 1943, Westye F. Bakke built the first freestanding freezer in the basement of his Madison, Wisconsin home. A businessperson with a keen ability to anticipate post-World War II refrigeration trends, he founded Sub-Zero Freezer Company just two years later. From its modest beginnings, Sub-Zero has become the leading manufacturer of premium built-in home refrigeration. For more than 75 years, Sub-Zero has offered innovative, aesthetically appealing, and technologically advanced solutions to meet nearly any home refrigeration need.

In 2000, Sub-Zero introduced Wolf cooking appliances, bringing professional temperature control into the hands of home cooks with an impressive fifty-product launch. Refined by more than eight decades of commercial kitchen experience, the technology, durability, and design of Wolf make it the ideal kitchen companion to Sub-Zero.

In 2018, Sub-Zero introduced Cove dishwashing, the culmination of decades of research, testing, and technology to ensure sparkling clean and dry dishes with every wash. Like Wolf, Cove was created in the same spirit of quality and innovation as Sub-Zero—and similarly serves as a single-focused specialist.

Today, Sub-Zero, Wolf, and Cove are the specialists in refrigeration, cooking, and dishwashing. Continually inspired by Westye's desire to build the best, we never compromise on quality. The materials, premium grade; the technologies, state of the art; the craftsmanship, of the highest caliber. As we look to the future, we will continue our pursuit of bringing best-in-class appliances, beautiful design, and memorable moments to luxury homes around the world.



#### COMPANY MILESTONES

**1926** — Westye F. Bakke packed up his family and their belongings, and moved from Northern Wisconsin to Madison in search of new opportunities.

**1943** — A self-taught engineer, Westye built his first freestanding freezer in the basement of his home.

**1945** — Armed with a strategy to build the best, highest quality refrigeration, Westye founded Sub-Zero Freezer Company.

**1950s** — No more fishy ice cubes. Sub-Zero pioneers dual refrigeration—separate, sealed systems for refrigerator and freezer. Additionally, Sub-Zero revolutionizes kitchen design with the invention of built-in refrigeration.

**1970s** — Sub-Zero leads the way in making energy-efficient products. Today, the average Sub-Zero unit consumes less energy than a 75-watt light bulb.

**1999** — Cheers! Sub-Zero uncorks the first wine storage system that cools and protects wine bottles from its enemies: UV light, heat, vibration, and improper humidity.

**2000** — Sub-Zero acquires the residential side of Wolf, a legend in commercial kitchens. Two specialists, now corporate companions and kitchen soul mates.

**2008** — Adapting technology used by NASA, Sub-Zero introduces an air purification system.

**2018** — On a mission to conquer clean, the company announces its newest brand, Cove, and sets a new standard in luxury dishwashing.

Sub-Zero Group, Inc., designs and manufactures products in several facilities throughout Wisconsin and Arizona. In partnership with regional distributors, distribution centers, and showrooms, we distribute our products globally.

**CORPORATE OFFICE    INNOVATION CENTER**

Madison, WI

Fitchburg, WI

**TRAINING CENTER**

Bakke Center - Fitchburg, WI

Harvest Haven - Fitchburg, WI

**DISTRIBUTORS, DISTRIBUTION CENTERS,  
AND SHOWROOMS**

Our distributors are located in several areas throughout the United States and internationally.

**MANUFACTURING**

Fitchburg, WI

Goodyear, AZ

Phoenix, AZ

**Ownership and legal form**

Since 1945, Sub-Zero Group, Inc., has been a family-owned and operated company. Today, the company is led by the third generation of the Bakke family and a board of executives.

**Markets served**

Sub-Zero Group, Inc., creates luxury refrigeration, cooking, and dishwashing appliances for residential use, available globally.

**Scale of organization and collective bargaining agreement**

Sub-Zero Group, Inc., is a privately-owned company and reserves the right to keep detailed employee information confidential, including our collective bargaining agreement.

**Stakeholder engagement**

We are dedicated to engaging and collaborating with our stakeholders: customers, current members of our sustainability steering committee, suppliers, local bargaining units, and members of the communities where we live and work. We regularly connect with stakeholders to better understand their perspectives and to share essential information about our performance and projects.



### OUR VISION

We inspire moments worth savoring in the home.

### OUR MISSION

To provide highly refined, specialized appliances and memorable experiences that bring substance to luxury.

- *Deliver on our Promise*  
World Class Operation delivering the right product at the right time.
- *Product with Purpose*  
Market inspired and driven to innovate.
- *Experience Worth Sharing*  
Delight the customer throughout their journey.

### CORE VALUE

Together, do the right thing with purpose.

- *People with Passion*  
Foster a culture of passionately engaged people.

### GOVERNANCE AND ETHICS

Each department focuses on complying with all legal and regulatory requirements in the jurisdictions where we do business and strive to go beyond compliance in our communities. We continue to strengthen the way in which we govern our company and invest in opportunities that create an innovative, safe, and efficient products that best fit our customer's needs.

### CORPORATE GOVERNANCE STRUCTURE

Sub-Zero Group, Inc., is a third generation, family-owned company that incorporates a framework of transparency amongst the Board of Director, Chief Operations Officer, and Executive team. With over 75 years of experience, we are committed to conducting our business with the highest level of ethics and integrity.

### ETHICS

Ethical decision making is demonstrated in every choice we make. Our code of ethics, which applies to all Sub-Zero Group, Inc., employees, is our guide to ethical decision making and how we conduct business every day, throughout our value chain.

Sub-Zero Group, Inc., is influenced by government decisions and legal requirements. We incorporate guidelines based on issues throughout the manufacturing industry, such as, hazardous substances and the circular economy. Corporate representatives contribute their expertise to domestic and international committees and associations.



“With a clearer understanding of our environmental performance across our operations, we developed a five-year sustainability strategy plan, confirming our intention to drive innovation and address the global issues of conserving natural resources and improving our social responsibilities.

Sara Northouse

*Sustainability Project Lead*



#### CORE VALUES

Promote sustainability initiatives throughout Sub-Zero Group, Inc., while striving to produce the most energy-efficient luxury appliances available.

Be a leader in the sustainable manufacturing of refrigeration, cooking, and cleaning equipment and in the preservation of our planet.

Create a well-balanced workplace with emphasis on health, safety, social innovations, and resourcefulness, which will also strengthen our communities.

#### OBJECTIVES

Our brands instill a sense of confidence in food preservation, cooking, and cleaning needs. We endeavor to also inspire a sense of pride in representing a healthy environment for our families. Therefore, we will lead sustainability initiatives throughout the company and communicate our progress through an annual sustainability report that includes our successes in energy, water, and waste conservation, as well as improvements in our products' energy efficiency.

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## OUR SUSTAINABILITY COMMITMENT

We believe our environmental and social responsibilities should be incorporated into everyday processes at Sub-Zero Group, Inc. The categories and goals listed below aim to enhance our product longevity, efficiency, and quality, as well as enhance our consumers' and employees' quality of life and environments.



### ENERGY AND CLIMATE

- Be a leader in product innovation and efficiency throughout our markets
- Continue to develop products with healthy environmental and social performance
- Expand energy efficiency programs throughout our company by engaging all facilities
- Increase our percentage of renewable energy throughout our manufacturing, showrooms, and R&D facilities
- Improve our emissions across our entire value chain of our products



### RESOURCE CONSERVATION

- Continue to improve our waste diversion rate throughout our manufacturing and R&D facilities
- Establish collaborative strategies through design innovation and supply chain integration to transition to a circular economy
- Implement a best-in-class system for improving our compliance and regulatory concerns
- Improve water conservation efforts throughout our manufacturing, training, and R&D facilities



### SOCIAL WELLNESS

- Improve OSHA recordable rates throughout our manufacturing facilities
- Create an influential culture throughout the company with our People with Passion initiatives
- Improve our marketing and communication efforts to strengthen our sustainability program





#### COMMITMENT

Continue to support employee health and safety through wellness initiatives and production incentives

Ensure that our supply chain is responsible for social and environmental practices that are required

Create incentive approaches for the triple bottom line by minimizing negative environmental impacts, promoting economic improvements, and integrating the social elements into everyday business practices

Share our story with consumers and trade professional via our website as part of our brand communication strategy.

#### IMPORTANT ISSUES

We face new challenges and extraordinary opportunities every day. The manufacturing process has a direct impact on our organization, our employees, and our customers. We will address the global issues of conserving our natural resources and improving our social responsibilities.

#### ABILITY *and* DUTY TO ACT

As our customers become increasingly mindful of the food they eat, they seek ways to extend the life of their food, improve energy conservation in their homes, and reduce their carbon footprint.

At Sub-Zero Group, Inc., we believe it is important to design and manufacture our products in an environmentally responsible manner. We strive to manufacture our products while minimizing environmental impact, from supply chain to production. Additionally, using our products should also contribute to household sustainability, which is why we strive to not only meet but exceed federal standards for energy efficiency and quality compliance.

#### REPORTING

- We will report our sustainable progress internally, quarterly, against our OKR corporate goals
- Internal senior management will evaluate reports and goals bimonthly
- Management evaluations will be reviewed quarterly

We align our efforts to several industry-recognized standards and frameworks.

**GRI STANDARDS**

We generate an annual sustainability report in accordance with the GRI Standards, a globally recognized framework for disclosures on environmental, social, and governance performance topics most important to our business and communities.

**AHAM**

Sub-Zero Group, Inc., continues to support AHAM’s work throughout major federal and state legislation in improving our safety and energy efficiency standards for appliances.

**ENERGY STAR**

Energy Star is a government-backed symbol for energy efficiency. Together with EPA, they deliver cost-savings energy efficiency solutions and with several Sub-Zero Energy Star certified products, we continue to help save energy while protecting our climate.

**CDP**

We utilize the Carbon Disclosure Project (CDP) internally to track our climate progress towards a sustainable economy.

**MATERIALITY MATRIX**



In 2021, the Sustainability Steering Team conducted our second internal sustainability materiality survey to determine our economic, environmental, and social responsibility impacts. We also reviewed categories that would influence the decisions of our stakeholders.

We define our stakeholders to be individuals who can impact or be impacted by our operations. The internal stakeholders that participated in the assessment included executives who lead business positions both globally and regionally. Topics were selected and aligned based on peer and industry benchmarking, reporting standards, Sub-Zero Group, Inc., strategic priorities and risk assessments.

The results of this process are integrated into our strategy, engagements, and assessments of risk and opportunity for our business. We plan to conduct our next survey in 2023 to ensure our actions and our reporting reflect current environmental and social impacts.



Energy Star is the government-backed symbol for energy efficiency, providing information for consumers and businesses to make educated decisions on environmentally friendly products. Sub-Zero Group, Inc., has been a member for 20 years with several Energy Star approved appliances.



Association of Home Appliance Manufacturers (AHAM) helps manufacturers bring efficient, sustainable home appliances into the homes of consumers in the United States, Canada, and around the world. Sub-Zero Group, Inc., has been a member for over 30 years and has helped create several certification processes in refrigeration, cooking, and dishwashers.



CSA Group supports and conducts research in new and emerging areas that have the potential to impact the world around us. Findings and recommendations from this research inform the development of future standards solutions, provide interim guidance to industries on the development and adoption of new technologies, and help to demonstrate our on-going commitment to building a better, safer, more sustainable world.

Sub-Zero Group, Inc., is influenced by government decisions and legal requirements. We incorporate guidelines based on issues throughout the manufacturing industry, such as, hazardous substances and the circular economy. Corporate representatives contribute their expertise to domestic and international committees and associations.



**GOOD  
DESIGN**

**Builder**  
BRAND LEADER

remodeling  
**BRAND**  
LEADER



**+ X**

**WIRED**



**M Series Contemporary Built-In Wall Oven**

Good Design - 2017

Innovation In Design - Gold - 2016

**Sub-Zero Integrated Refrigeration Line**

Idea - Bronze - 2015

**Wolf New Generation / M Series Line**

Idea - Finalist - 2015

**30" Integrated Tall Refrigerator**

Good Design - 2014

**Built-In Refrigerator, Internal Water And Ice Dispenser**

Good Design - 2012

**42" Outdoor Gas Grill With Side Burner**

Good Design - 2010

**E Series Built-In Wall Ovens**

J.D. Power And Associates

Customer Satisfaction Award Rank #1 - 2010

Good Design - 2003

Excellence In Design Appliances Runner Up - 2004

**Dual Fuel Range, 30, 36, 48-inch**

J.D. Power And Associates

Customer Satisfaction Award Rank #1 - 2010

Good Design - 2003

Excellence In Design Appliances Runner Up - 2004

**Sub-Zero And Wolf Appliance, PRO Collection**

J.D. Power And Associates

Customer Satisfaction Award Ranked #1 - 2010

Top Ten Home Wired Tools - 2005

Good Design - 2006

Excellence In Design Appliances Runner Up - 2004

**Built-In Refrigeration Line**

Good Design - 2009

Excellence In Design Appliances Silver - 2009

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## SOCIAL WELLNESS

Our sustainability efforts extend past protecting the environment—we commit to protecting our people and communities. Our Wellness Team is responsible for creating a well-balanced workplace with an emphasis on health, safety, social innovation, and resourcefulness, and to strengthen the communities in which we live. In addition to our insurance benefits, we offer a variety of preventative health initiatives, including a tobacco cessation program, mindfulness practices, weight management programs, financial health education, on-site snack choices, nursing mothers' rooms, along with tools that help participants focus on their emotional, physical, and financial health.



### LIVING WELL NEWSLETTER

An internal newsletter was created based on employee feedback for increasing communication on what we are doing as a company to support employee wellness and how our products and facilities support sustainable living. The newsletter is released every two months and includes topics such as: employee health, our chef's favorite dishes and tips, product highlights, safety guidelines, resource conservation and upcoming employee events.



### CLINIC AND FITNESS

At our Fitchburg campus, we have an on-site UW Health clinic which allow employees the flexibility and ease to attend medical appointments. We also built on site fitness center at our Fitchburg campus and offer convenient training opportunities for our employees and their family. In tandem with our employee run Wellness Team, these facilities support our employees' work/life balance, encourage healthy behavior, and create a stronger community within Sub-Zero Group, Inc. To further support our employees on their journey to healthier lifestyles, we collaborated with Well Beats, an online health platform that enables our employees to participate in various wellness activities. This program provides flexibility for our employees, so they can join wellness classes from the safety and convenience of their own home.



### WELLNESS WALKING PATH

In our quest to ensure the health and well-being of all our employees we created this path to provide a place where employees can go outside, take a walk, and reconnect with nature. We created a video overview that is available for our employees to see all our wellness program venues including the brand-new Wellness Walking Path, our fitness center, and UW Health Employee Clinic. The path is a beautiful new addition to our Fitchburg campus, even during the winter months.

We created a program called People with Passion that encompassed a team of cross functional peers. The selected peers established a process to conduct meaningful, open discussions with 100 employees in various roles about employee engagement within our organization. With over 1,000 ideas generated, four key focus areas were determined: leadership and culture, employee focus, engagement with company and community support. Within these four key areas, various opportunities have been selected and will be implemented in the next several years. This program has been a successful method of employee engagement and we are honored to have supportive employees that want to enhance the growth of Sub-Zero Group.



**LEADERSHIP AND CULTURE**

Our HR team implemented a one-day training course called “People Development Training.” This training was created and customized to Sub-Zero Group specifically. It draws from the people development definition and incorporates training activities and tools leaders can use to further develop their teams.



**EMPLOYEE FOCUS**

This team focuses on creating a workplace environment where employees feel valued. The four categories that were created were: resource planning, employee recognition, budgets designated to employee recognition and improvements to the onboarding process.



**ENGAGEMENT WITH THE COMMUNITY**

The focus of this team is to create company organized and supported outreach activities or events that not only create community outreach, but also team building with employees.



**ENGAGEMENT WITH COMPANY**

Engagement with company focuses on building company pride and making all of our employees passionate brand ambassadors! In 2022, the team implemented the following: product tours, company store, informative communication methods and socialization events.

SAFETY

Sub-Zero Group, Inc., believes that our company has a financial, social, and environmental responsibility to the community to ensure a healthy future. We demonstrate our commitment in safety and environmental compliance in the following ways:

- Continuously integrate training and process improvements in our daily operations
- Comply with local, state, and federal environmental laws and regulations
- Actively promote and participate in pollution prevention activities

Embracing safety and health as a foundation of sustainability is good for employees and good for our company. A stronger commitment to safety and health can benefit workers by: decreasing employee illnesses and injuries, increasing employee engagement and satisfaction, and enabling employees to be productive participants in our facilities and their communities. When emphasizing the safety, health and welfare of



workers, businesses also see benefits in decreased costs associated with workers' compensation payments, training and recruitment, increased productivity and quality, and improved reputational and financial performance.

Our Safety Team is involved in early decision stages to assist in plant design, equipment selection, and OSHA requirements to ensure we meet our social obligations. Employee safety, along with environmental compliance, is an opportunity to achieve a sustainable, ethical, value-based company and community.

EDUCATION



We put our team members at the forefront of everything we do and we design our manufacturing process with their safety and well-being in mind. They are the engine that drives our ability to deliver more innovative, reliable products, sustainable operations, and solutions that help create a better society and future.



By creating an influential company culture through continuous learning and development programs, we provide our employees the building blocks to be successful in their roles. We can also provide stronger opportunities to seek careers that effectively utilize their skills and abilities.



Our Talent Management Team focuses on new opportunities to improve employee proficiency and knowledge in support of an ever-changing economy and environment. We continue to promote a best-in-class operation by empowering our team with safe working conditions, training opportunities, and continuous review of how we can be better together.

## QUALITY AND COMPLIANCE

Sub-Zero Group, Inc., produces luxury appliances and is committed to delivering safe, defect-free products to our customers worldwide. As a result, we depend on our suppliers to furnish products that conform to business requirements. Our Quality Management System is performance driven and employs a prevention strategy in lieu of inspection to ensure product quality and reliability.

Quality planning is completed cooperatively with suppliers and performed in the early stages of product and process development. We expect the supplier to embrace quality planning tools and exercise control over their process to:

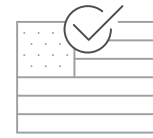
- Ensure all products meet specifications and requirements
- Minimize process variation
- Eliminate waste and add value

## QUALITY TESTING

Sub-Zero, Wolf, and Cove apply over 500 distinct product performance tests to ensure an unmatched level of quality, durability, and longevity. From dramatic temperature swings to sudden power surges, Sub-Zero systems and parts are pushed to the limits to pinpoint any possible weakness.

## OUR HYDROPONIC LAB

The primary objective of food preservation is to prevent food spoilage until it can be consumed. Food preservation refers to the processes you use to prepare food for safe, long-term storage, whether you plan to use it at home or for prep in a commercial kitchen. At Sub-Zero Group, we built a hydroponic lab to test how our preservation methods help inhibit bacterial growth and other types of spoilage, meaning the food is safe and satisfying to eat in the future. Unlike growing in soil, where there are so many different influences (pH, light, air temperature, microorganisms, tilth, etc.), hydroponic growing can be almost completely controlled. Hydroponic systems effectively remove the plants from natural impacts and instead creates an optimized environment designed to grow in the absence of soil. By optimizing the plants growing conditions, we can remove variables from our testing to advance our food preservation methods.



### AMERICAN MANUFACTURED

Our products are built in our own Wisconsin and Arizona facilities, where we control every step of the manufacturing process.



### A LIFETIME OF SUPPORT

We stand by our products with industry-leading warranties, a best-in-class customer service team of experts in Madison, Wisconsin, and a network of hand selected and trained installers and service technicians.

## DEVELOPING INNOVATIVE PRODUCTS

We provide safe, reliable, and long-lasting products that beautifully integrate into homes and inspire moments worth savoring. Putting our customers and employees first means we never lose sight designing high-caliber, specialized appliances.

51 ACTIVE PATENTS

72 PATENTS GRANTED SINCE 2000



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## SUSTAINABLE LIVING WITH OUR BRANDS

From design to installation, we stay true to following concepts in every product we create:

CUSTOMER FULFILLMENT

PRODUCT LONGEVITY

TIMELESS DESIGN

EFFECTIVE INNOVATIONS

QUALITY MATERIALS

PRODUCT EFFICIENCY

We continue to connect with our customers by providing products that support evolving lifestyles, enhance kitchen aesthetics, and create moments worth savoring at home.

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### *L.C. BUD BAKKE INNOVATION CENTER*

Innovation centers are powerful buildings because they allow an organization to grow with purpose in approaching new developments. With the ability to collaborate and bridge the gaps between our brands, we can accelerate time to market. With our new connected space, we demonstrate the importance of team building, mental health, and creative developments as we evolve our Sub-Zero, Wolf and Cove products.

The expansive floor plans, advanced technology labs, collaborative spaces, design aesthetics, and tall windows that fill the space with natural light makes L.C. Bud Bakke Innovation Center the perfect home for the future growth of our brands.

## SUSTAINABLE LIVING WITH OUR BRANDS

### HOW DOES SUB-ZERO SUPPORT SUSTAINABLE LIVING?

Each and every Sub-Zero appliance is rigorously stress-tested to perform for over 20 years of daily use and is backed by the strongest warranty in the industry. In times of high consumerism and climate effects, supporting products with advanced longevity helps improve our environmental impacts. We feel it is worth it to invest in products that last longer, are energy efficiency, reduces waste consumptions and improves the health of our kitchens.



#### FOOD PRESERVATION

From freshness storage cards to precision humidity control, and from seamless fits to industry-leading warranties, Sub-Zero refrigeration has been tested, crafted, and built to last – beautifully.

There's more to preservation than keeping food cold. Sub-Zero extends freshness with pioneering refrigeration technology that precisely controls temperature, optimizes humidity, and scrubs the air of impurities.

- Fluctuations in temperature negatively impact food's freshness. The microprocessor in a Sub-Zero maintains interior temperatures within one degree of setpoint, so your food lasts longer – and you waste less
- Split Climate™ intelligent cooling system revolutionizes Sub-Zero's already-superior preservation capabilities, keeping food even fresher for longer
- Many fresh foods, including apples, emit ethylene gas – a naturally occurring compound that hastens ripening and spoilage. Sub-Zero's air purification system, based on technology developed by NASA, scrubs the air of ethylene gas and odors every twenty minutes



#### ENERGY EFFICIENCY

- 100% of our refrigeration comply with global warming potential (GWP) regulations of transitioning away from hydrofluorocarbon (HFC) refrigerants to R600a. R600a is an HFC-free refrigerant with no ozone depletion potential and a lower GWP
- Sub-Zero, Wolf, and Cove offer several ENERGY STAR rated appliances that exceed the federal minimum standard for energy efficiency
- The average Sub-Zero product uses less electricity than a 75-watt bulb
- The standby/reduced energy mode is enabled out of the box for all appliances where possible to reduce consumption
- Night Mode optimizes the interior lighting based on the detected ambient light, reducing the brightness by 90% in dim environments
- ClearSight™ LED lighting system fully illuminates the interior and reduces shadows



#### PRODUCT RESOURCES

- 82% recycled material for stainless steel in our Sub-Zero products
- Use of simulation visualization to reduce build quantity waste
- Support returnable packaging from our tier one suppliers
- Commonization of parts across models
- Continuously reviewing product packaging to support a circular economy

## SUSTAINABLE LIVING WITH OUR BRANDS

### HOW DOES WOLF SUPPORT SUSTAINABLE LIVING?

Wolf offers a proven, professional kitchen pedigree, the service of a family-owned and -operated company, and pioneering products built and tested to last for over 20 years of predictably delicious dishes. From gas to electric, we support various cooking methods and requirements across the world.

Wolf, the brand synonymous with delicious results, presents Wolf Gourmet – countertop appliances and kitchen tools that embody the precise control of their larger counterparts. From prepping ingredients to the finished dish, Wolf Gourmet helps ensure the dish you have in mind is the dish you serve. Revel in each step of the process using our high performance appliances designed to withstand the rigors of any kitchen.



#### ENERGY EFFICIENCY

- We are moving towards LED lighting for improved reliability and longevity with reduced energy consumption
- The standby/reduced energy mode is enabled out of the box for all appliances where possible to reduce consumption
- Wolf's patented dual-stacked, sealed gas burners and Dual VertiCross™ convection electric ovens provide precise, high-to-low temperature control
- The oven offers self-clean, delayed start, timed cook, and Sabbath features



#### PRODUCT RESOURCES

- Moving towards EPS/Styrofoam free packaging in our Wolf Gourmet products
- Continuously reviewing product packaging to support a circular economy
- Commonization of parts across models
- 82% recycled material for stainless steel in our Wolf products
- Use of simulation visualization to reduce build quantity waste
- Support returnable packaging from our tier one suppliers



#### CONVECTION STEAM

- Cooking modes include Steam, Convection, Broil, Slow Roast, Bread & Pastry, Proof, Sous Vide, Reheat, Warm, Gourmet, and Gourmet+. Additional modes include Wellness, Cleanse, and Steam Clean
- 1750-Watt recessed broil element
- 1889-Watt dual convection system ensures even, multi-rack baking and consistent results



#### INDUCTION COOKTOPS

- Induction cooktops distributes heat more evenly with 40 percent faster temperature response than gas or electric and transfers heat more efficiently because the energy is supplied directly to the cookware
- Induction cooktops promotes safer and easier cooking with cookware sensing guards

## SUSTAINABLE LIVING WITH OUR BRANDS

### HOW DOES COVE SUPPORT SUSTAINABLE LIVING?

We create energy-efficient, long-lasting products that support consumers' commitment to living more sustainably. We have built and tested water-reducing features right into our products. Cove appliances are tested rigorously in order to pass the everyday test of your family for the next twenty years.



#### ENERGY EFFICIENCY

- Cove to implement Energy Star in 2023
- Interior LED lights provides better visibility and reduces energy consumptions
- The standby/reduced energy mode is enabled out of the box for all appliances where possible to reduce consumption
- Our new products are designed to meet not just current energy and water standards, but also future standards



#### PRODUCT RESOURCES

- Cove has transitioned to 100% recycled jean content in all of our Cove unit insulations
- 82% recycled material for stainless steel in our Cove products
- Use of simulation visualization to reduce build quantity waste
- Continuously reviewing product packaging to support a circular economy
- Commonization of parts across models
- Support returnable packaging from our tier one suppliers



#### WATER CONSERVATION

- Reduce water consumptions by implementing a new water system design
- Closed loop labs support manufacturing water conservation goals throughout the testing of our Cove products
- Energy cycle gives a longer wash cycle to help clean better while using less water to heat to temperature for the cycle and therefore is more energy efficient than using a shorter cycle

Just like our physical products, our app is built and tested to ensure optimal performance and provide satisfying benefit to our owners. Extreme care and thought went into the product, ensuring consumers receive only value-adding functionality, no gimmicks. Remote controls, voice commands, automatic detergent replacements, and mobile notifications simplify consumers’ lives so they have more time to spend on the experiences they enjoy most.



**WITH WOLF:**



- Remotely preheat
- Control mode, temperature, and timer
- Receive notifications

**WITH SUB-ZERO:**



- Monitor and adjust temperature
- Adjust mode and ice production
- Receive alerts and reminders

**WITH COVE:**



- Remote start
- Monitor wash cycles
- Track detergent and rinse aid levels

**PRIVACY AND CYBERSECURITY**

Sub-Zero Group is committed to protecting the privacy of our customers. In order to maintain a high level of data protection for our consumers’ personal data, we established data protection guidelines intended to prevent security issues throughout the entire life cycle of our products. The My Sub-Zero Smart Appliance Application product was architected to utilize industry best practices for securing data. For example, data is encrypted both at rest and in transit. In addition, regular pen testing and vulnerability assessments help identify issues that are addressed via regular application updates in the ever-changing security threat landscape. Sub-Zero Group is committed to conducting periodic audits and continuous training of our employees to further minimize the risk of unauthorized third parties gaining access to our products and our customer’s personal data.

**SIGNIFICANT CHANGES TO THE ORGANIZATION AND ITS SUPPLY CHAIN**

In 2016, the Wolf facility expanded to 806,000 square feet to support production for fabrication and assembly. This expansion enabled manufacturing of new Cove dishwashing products in 2018. In 2016, the Sub-Zero Goodyear facility expanded to 706,400 square feet to support production for fabrication and assembly of Sub-Zero products.

In 2019, we broke ground for our new 300,000-square-foot Innovation Center adjacent to our Fitchburg manufacturing and training facilities.

**PRECAUTIONARY PRINCIPLE OR APPROACH**

Sub-Zero Group, Inc., intends to improve our environmental impacts throughout our facilities, affiliates, as well as our design processes. We apply a precautionary principle—whereby we act responsibly despite the lack of full scientific indication of the negative impacts generated to ensure we are staying on a positive sustainable path with low potential risks.

Supply Chain consists of continuously evolving strategies and sourcing with the creation of our Sub-Zero, Wolf, and Cove products.

By managing and seeking action to ensure compliance with laws and regulations throughout our supply chain, we are supporting our principles to improve economics, the environment, and society.

The objective of supply chain sustainability is to create strategic practices that will continue adding value for all stakeholders involved in bringing exceptional products and services to market.



We select our suppliers for procurement of raw material and finished components used in the manufacturing of our products based on numerous parameters including cost, availability, and lead time. We also audit our suppliers' risks and responsibilities throughout the lifecycle of the product and service. We hold great value in the integrity of our brands and the products we create, and we continue to uphold that value to our suppliers when we evaluate their methods.

Suppliers' ability to perform and supply quality parts is reviewed through our internal risk management process. Our team carries out a risk classification scoring system to determine their risk factor level in accordance with our criteria.

*We place great emphasis on social and ecological factors when it comes to selecting suppliers.*

#### CULTIVATED SUPPLIER RELATIONSHIPS

To provide the highest-quality products, we pursue cultivated relationships with our suppliers and implement preventative measures throughout the entire value chain. We place great emphasis on social and ecological factors when it comes to selecting suppliers. With regularly scheduled audits, we can minimize environmental impacts and improve our social responsibilities.

#### ANTI-CORRUPTION AND INTERNATIONAL TRADE COMPLIANCE

We incorporate several requirements in our supplier audit process to solidify their commitment in eradicating corruption.

#### FORCED LABOR

By purchasing goods produced from socially responsible companies, we improve the lives of victims of slavery and human trafficking.

#### CORRUPT PRACTICES

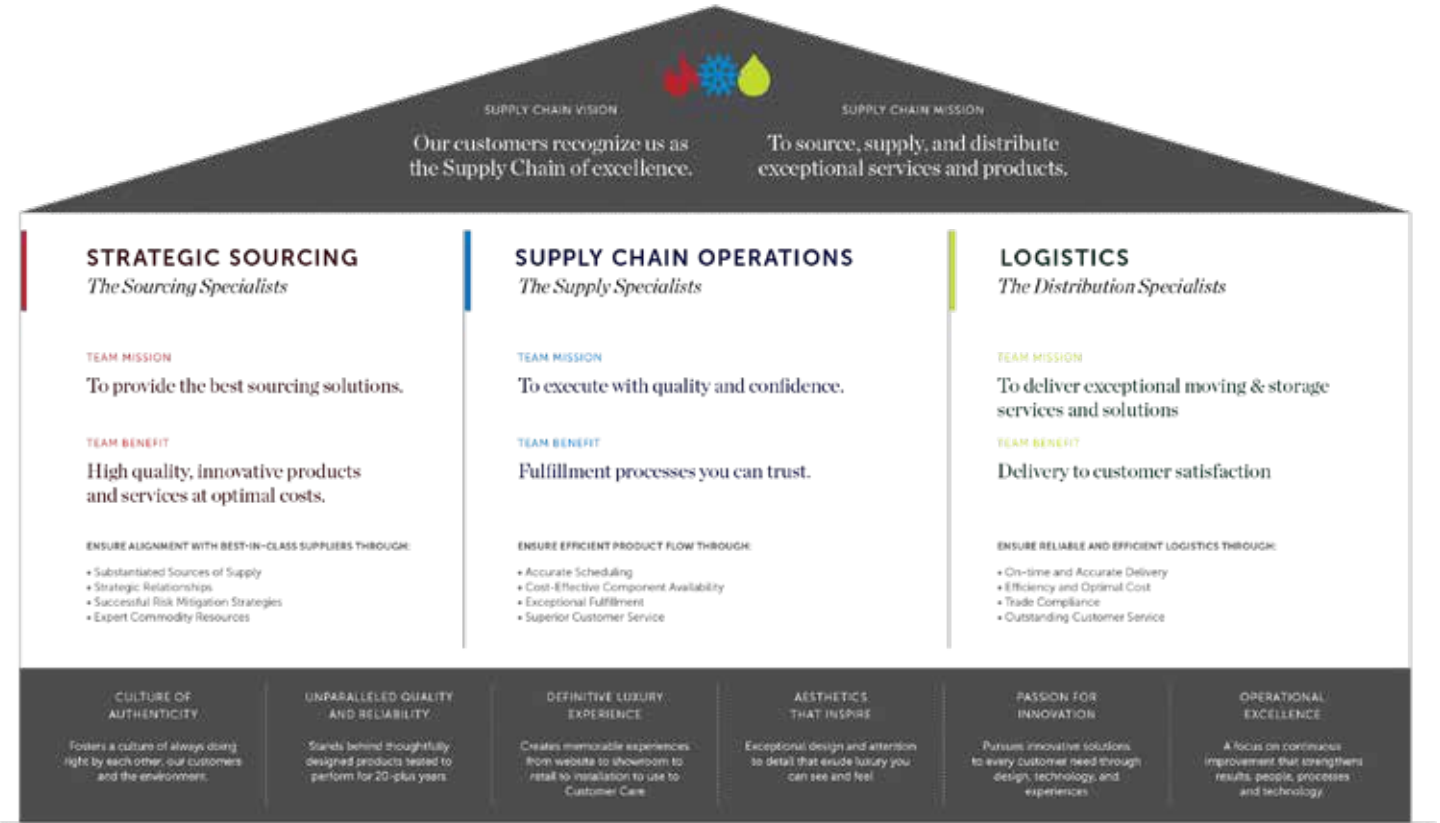
By integrating a culture of strong business values and displaying a transparent "no bribes" policy, we create effective relationships with our suppliers while reducing risks.

#### SANCTIONS

Sub-Zero Group, Inc., is committed to complying with the sanction laws and regulations of the United Nations, the European Union, and the United States, as well as all applicable sanction laws and regulations in the jurisdictions in which we operate.

#### CONFLICT-FREE SOURCING PROCUREMENT

The "conflict minerals" provision—commonly known as Section 1502 of the Dodd Frank Act—requires U.S. publicly-listed companies to check their supply chains for tin, tungsten, tantalum and gold, if they might originate in Congo or its neighbors, take steps to address any risks they find, and to report on their efforts every year to the U.S. Securities and Exchange Commission (SEC). We continue to audit our sourcing in compliance with the Dodd Frank Act.



OUR SUPPLY CHAIN HOUSE

Increasingly complex supply chains and scarcity of raw materials require more supply chain transparency. Strong partnerships and collaborative solutions are presented throughout our supply chain house. From sourcing with best-in-class suppliers to reliable and efficient logistics, supply chain continues to integrate new positive changes that support our sustainability opportunities.

Sub-Zero Group, Inc., takes a holistic approach to evaluating the impact we make throughout the global economy in every aspect of our business. Using a continuous improvement value stream as a framework for our sustainability approach, we create a process flow that grounds our thinking, improves our efficiencies, and supports our rapidly changing communities. We conduct in-depth audits on quality, environment, health, and safety for our current key suppliers. Supply chain operations includes processes, systems, and structures to plan and implement the flow of goods and services from supplier to customer. Effective supply and manufacturing processes create efficient supply-and-demand planning. From raw materials to manufacturing to distribution, we incorporate predictive analytics to help forecast our demand and minimize overproduction.





**CONTINUOUSLY IMPROVE OUR EFFICIENCIES AND FULFILLMENT**

Quarterly surveillance audits help identify improvements for our suppliers. Each audit is followed by action plans and a close follow-up process, all designed to support our supplier partnerships in overcoming challenges together. To improve our ecological footprint and our social responsibilities, we diligently integrate positive opportunities across our supply chain.

**REDUCE INVENTORY COSTS**

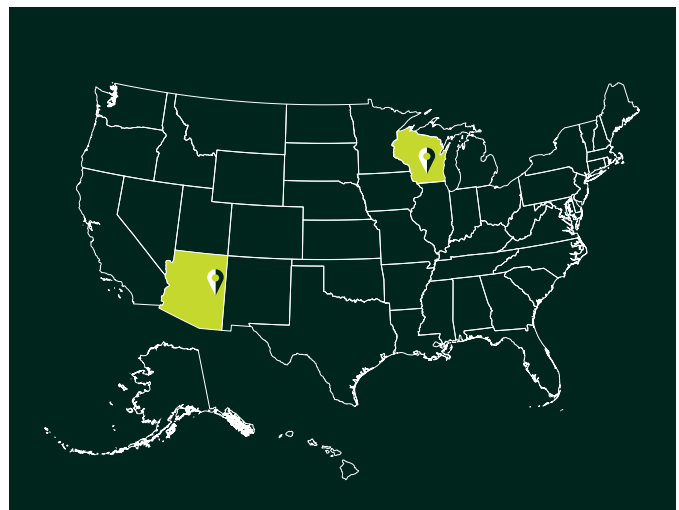
Our Supply Chain Operations team works effectively, efficiently, and economically with suppliers of components and services to meet our customers’ demands. Traceability and sustainability are intertwined in our tracking of products, space optimization methods, and production planning.

**TO REDESIGN SUPPLY CHAIN PROCESSES AND ENHANCE OVERALL PERFORMANCE**

A pioneer of the home luxury appliances market, Sub-Zero Group, Inc., continues to meet individual customer needs for our high-end products by offering many different Manufacturing Execution System (MES) options. By transitioning our system to a web-based platform, we have reduced costs, improved product quality, and elevated our customer satisfaction. To help identify opportunities, we continue to improve transparency in our material flow framework.

**LOCAL PROCUREMENT PRACTICES**

In 2021, 50% of our total spend on direct materials went to our Tier 1 suppliers that were within 300 miles of either of our Wisconsin or Arizona manufacturing facilities. Our procurement practice considers our local economic impact in the cities where we do business. One way we measure our impact is by reviewing our spending with Tier 1 suppliers. Tier 1 suppliers are companies that supply parts directly to OEMs. These relationships result in suppliers participating further in the economic mainstream, which ensures a stronger local supplier base for the future. By helping businesses around us, we contribute to the economic stability and vitality of their communities.



Logistics involves the shipment of goods from one location to another while resourcefully reducing carbon emissions. Partnering with companies involved in the SmartWay Program, we streamlined a more sustainable solution in lowering our carbon footprint. The SmartWay Program has helped raise awareness concerning freight's economic importance, underscored its prominence in the value chain, and made it clear that optimizing the transportation network can help businesses and government policy-makers achieve their environmental goals. We will continue to partner with other environmental and socially responsible companies to further strengthen our commitment to a greener transportation industry.

**10%** IMPROVEMENT  
IN TRUCKLOAD  
UTILIZATION  
SINCE 2018

**90%** OF TOTAL TRANSPORTATION  
MILES WITH U.S. EPA  
SMARTWAY APPROVED  
CARRIERS



#### ROUTE OPTIMIZATION SOFTWARE

By measuring, benchmarking, and assessing freight transportation activities and strategically reducing emission, Sub-Zero Group, Inc., has made a significant impact in achieving cleaner air. Our Logistics team utilizes a transportation lifecycle management software that optimizes routes, increases efficiency, and reduces the environmental impact. Smart technologies work with GPS devices to optimize international, national, and local shipping routes. Advanced analytics update routes in real time to take account of congestion and other issues. Utilizing this software, we improve our transportation and distribution center methods.

#### REGIONAL DISTRIBUTION CENTERS

Compared to other large greenhouse gas emitters, the building sector has the greatest potential for significantly reducing emissions, according to the World Green Business Council. In fact, buildings use more energy in the U.S. than either the industrial or transportation sectors. With our logistic software capabilities, we investigate distribution facilities that will reduce energy consumption and emissions. We strategically select locations that will have the greatest impact on sustainability. We review the distribution centers operating costs and worker safety and comfort to determine if the building aligns with our goal to mitigate harmful effects to the environment.

*Smart technologies reduce environmental impacts.*

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## ENVIRONMENTAL IMPACT

Each department conscientiously aids our efforts—in production, employee awareness, and environmental responsibility—to become a sustainable business. From Marketing to Engineering and Supply Chain to Operations, everyone has helped reduce energy consumption, increase recycling, and become more aware of how a single change can lead to lasting positive effects to our ecosystems. With new adaptive processes in mind, we hope to continue our efforts as we expand our business.



### MANUFACTURING

- Our appliances are built in our own USA facilities
- Over 82% of the stainless steel we use is from recycled material
- No wastewater is produced in the manufacturing for either Sub-Zero or Wolf products
- Nearly all the shipping containers we use are returnable



*We are dedicated  
stewards of our  
natural resources  
and communities.*

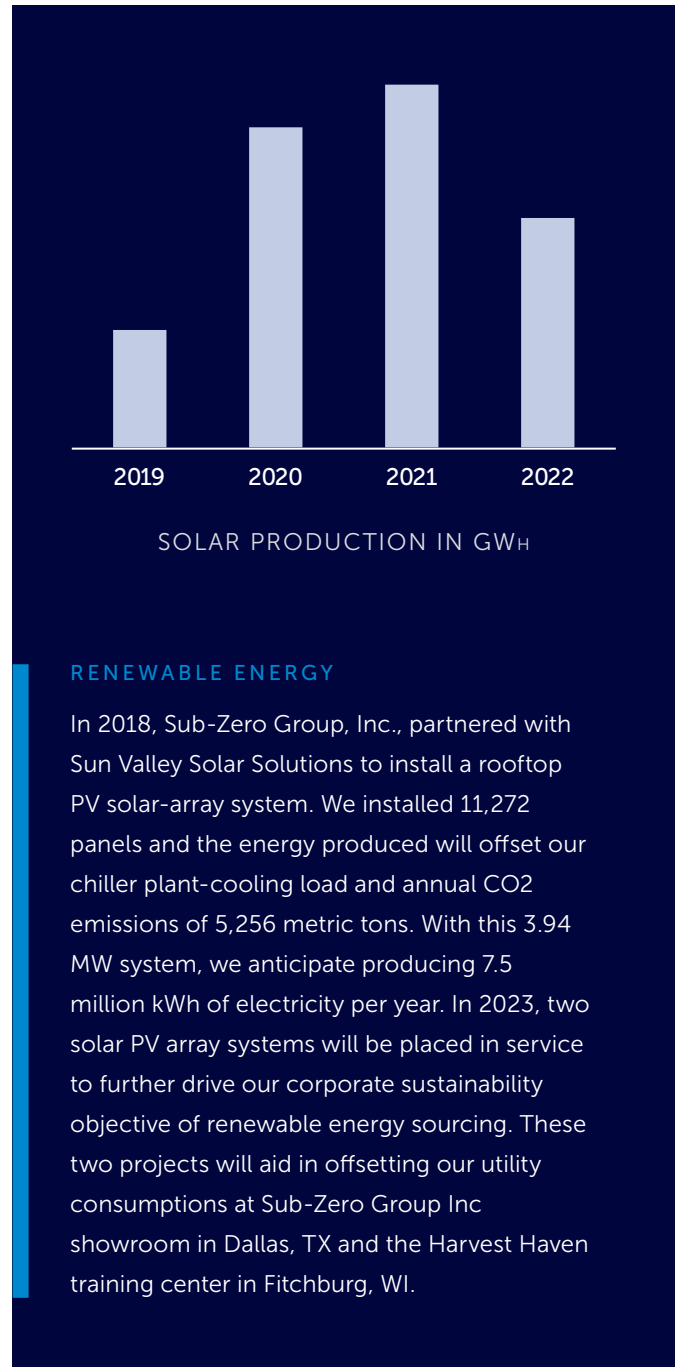
We review energy usage annually to determine how to increase energy efficiency and minimize environmental impacts, including greenhouse gas emissions. In Wisconsin, we partnered with Focus on Energy and MG&E to review our facilities and create energy-efficient solutions. In Arizona, we partnered with Energy Management Advisors LLC and APS to review the lighting structure, create energy savings, and reduce costs.



[Focus on Energy](#) Focus on Energy partners with utilities throughout Wisconsin to help consumers reduce energy consumption and create programs that promote smart energy improvements. Sub-Zero Group, Inc., has been a member since 2009 and has participated in several programs to improve our conservation strategies. Our recent partnership with Focus on Energy was during our build of the L.C. Bud Bakke Innovation Center.

The L.C. Bud Bakke Innovation Center boasts green features including, electric vehicle charging stations, bike racks and showers as well as bike path accessibility, closed loop water systems in our testing labs and several waste-reduction efforts to further support our environmental and social goals, consisting of:

- 30% improved chiller efficiency using an ice bank chiller system
- gas boiler with 95% peak efficiency
- natural gas furnace with 90% thermal efficiency
- occupancy sensor control of zone ventilation utilizing CO2 sensors
- occupancy sensor control of zone temperatures for office space
- 100% of space with dimming daylighting control
- average 50% of space with lighting occupancy sensor control
- installation for R-24 (U-0.042) windows with glazing medium solar gain
- exterior site lighting reduced by 2.22kW to reduce light pollution



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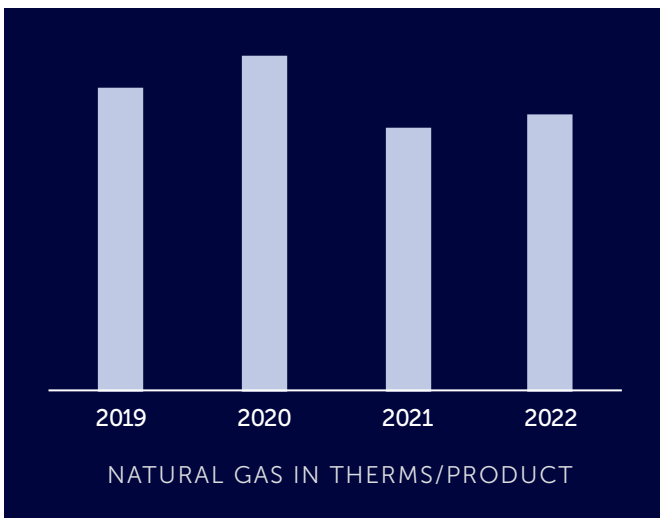
**ENVIRONMENTAL IMPACT****ENERGY****ELECTRIC VEHICLE CHARGING**

Electric vehicles, or EVs (Electric Vehicle), are a fundamental component of sustainable transportation. Sub-Zero Group, Inc., is committed to expanding the global EV (Electric Vehicle) infrastructure, by installing several EV charging stations for our employees. Since starting the program in 2018, we have significantly increased the number of EV charging stations at our Wisconsin and Arizona facility to support the growing number of employees that have transitioned to electric and hybrid plug-in vehicles.

**TRAVEL REDUCTION PROGRAM**

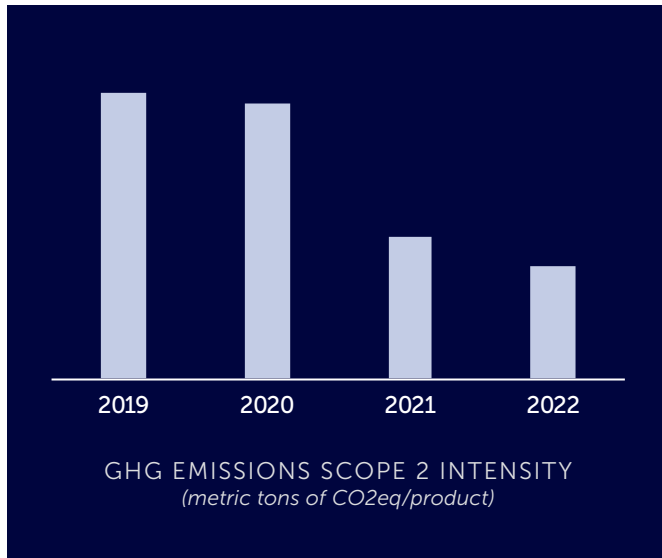
In our Arizona facilities, we participate in the state's travel reduction program. This program began in 1989 to reduce air pollution created by commuter traveling. We support their efforts by promoting employee carpooling and EV transportation.

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**ENVIRONMENTAL IMPACT****NATURAL GAS**

As the world's population expands, energy needs continue growing. Fossil fuels meet a vast majority of our energy needs; however, they produce dangerous levels of greenhouse gas emissions that are harmful to our ecosystems.

Natural gas is widely accepted as a cleaner fossil fuel. Natural gas extraction has become more efficient thanks to improved technologies. However, during the combustion process, conventional gas power plants still generate CO<sub>2</sub>. On its own, natural gas consists mostly of methane, a very potent GHG that contributes to climate change. Sub-Zero Group, Inc., continues to review our consumptions, inspect our equipment, and improve our processes.



### What are Scopes?

- 1 Emissions that come directly from our facilities.
- 2 Emissions from energy we purchase to power our facilities.
- 3 Emissions generated through manufacturing and distribution of our products, business travel, customers using our products and other indirect sources.

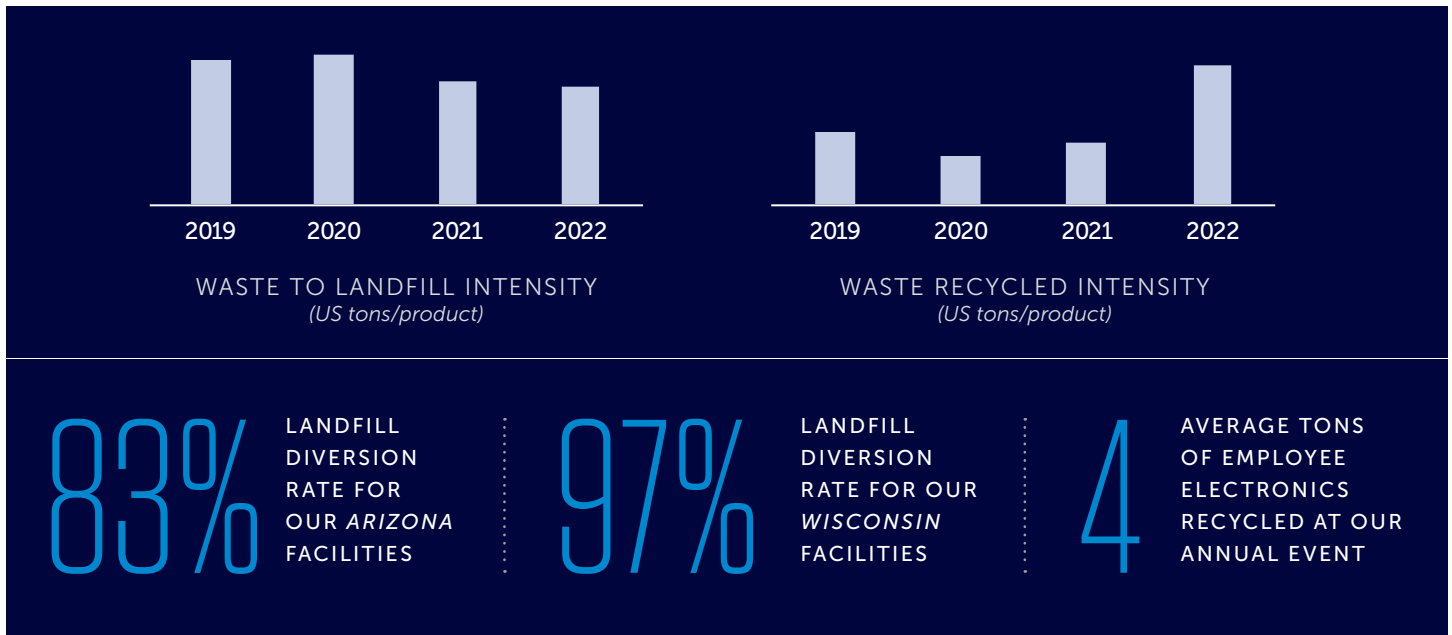
We aim to build, refresh, and operate efficient buildings and spaces that are designed with our long-term impact on the environment in mind. We have a responsibility to encourage projects that reduce our greenhouse gas emissions.

We conduct an annual air leak audit to detect leaks throughout our manufacturing and R&D facilities in Wisconsin and Arizona. By establishing this preventative measure process, utilizing infrared cameras, we have avoided on average 6 million pounds of CO<sub>2</sub>.

Our Scope 1 and Scope 2 GHG emissions and emissions consumptions directly measure our environmental performance and help us understand climate transition risk. For example, our ability to manage GHG emissions can help us measure flexibility to emerging carbon tax regulation.

From reducing the impacts from sourcing raw materials or generated through manufacturing and logistics, we know we can drive change in the industry to support a healthier community. We will continue to audit and track our Scope 1 and 2 emissions throughout our value chain.

In 2012, we started focusing on our recycling capabilities and how we could decrease our landfill consumptions. Partnering with socially responsible waste vendors, we identified several opportunities to improve our current process. By rethinking how we view waste as someone else’s problem, we can create more meaningful manufacturing processes to reduce our environmental footprint. Currently, we are trending at 90% combined waste diversion rate in our Wisconsin and Arizona facilities and will continue to implement changes that support a circular economy. From eliminating plastic cutlery in our office to partnering with local suppliers to divert recyclable waste, we will keep striving for effective solutions and shift our procedures to more circular operations



**OUR PACKAGING**

We focus on using environmentally conscious packaging that does not sacrifice our products’ quality. Currently we utilize 64% recycled content in our corrugated cardboard and between 10-50% in various plastic packaging. We continue seeking alternatives that enhance our sustainability efforts while protecting our products.



**METAL RECYCLING**

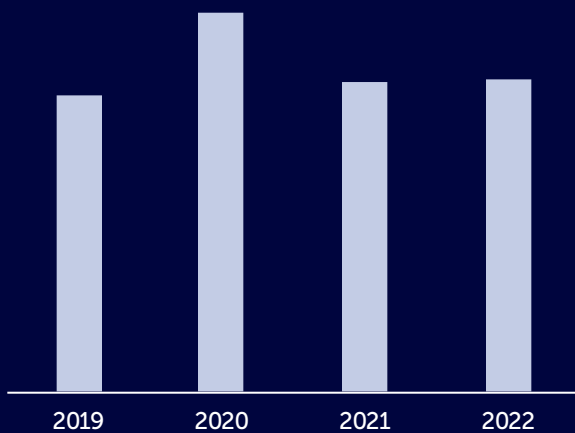
100% of our scrap metal is recycled by our partnering vendors. We believe it is important to support conservation of our natural resources, while reducing greenhouse gas emissions and using less energy than making metal from virgin ore. Our scrap units and fabrication scrap are recycled at each production facility in Wisconsin and Arizona.



**ELECTRONIC RECYCLING**

Electronic products are made from valuable resources and materials, including metals, plastics, and glass. 100% of our internal electronics are recycled, along with employee electronics recycled during a corporate-hosted, annual event. In 2022, several Sub-Zero Group Affiliates conducted their own employee electronic recycling events to further elevate our commitment to recycling. We applaud their efforts and will continue to collaborate on projects to further improve on environmental impact.

We work with our Facilities and Safety teams consistently in creating sustainable water management programs that address climate change, storm water flows, chemical management, and implementation of state and/or federal regulations.



WATER INTENSITY (MG/PRODUCT)

SOME OF OUR ACHIEVEMENTS:

**2021** — Transitioned our Wolf facility chiller from hard water make-up to soft water make-up that resulted in saving 1,650,000 gallons per year. This supports our Sustainability Path to 2025 goal of decreasing our water consumptions by 20% from the 2019 baseline in our manufacturing facilities.

**2018** — Our launch of Cove dishwashers included recycled products with recycling symbol, clear view package design, and a wash system focused on sustainable water and energy usage.

**2015** — The Sub-Zero Long Term Test Labs Design Engineer Team worked with Facilities Engineering and found a way to save more than 500 gallons of water each day. The collaboration led to a method of collecting condensation from the humidity system and sending it back through the reverse osmosis (RO) system for recycling. This effort resulted in more consistent test conditions and energy savings by running the RO system less frequently. Estimated annual water savings is a minimum 182,500 gallons.

**2013** — Goodyear Facility incorporated a closed loop system in our plastic molding process.

In our Fitchburg, WI campus, we extended our retention ponds and bio-filtration systems to slow heavy water flows, avoid floods, and improve the quality of urban runoff from nearby roads and parking lots. We landscaped the area with non-invasive vegetation to help remove sediments and pollutants.

In creating a natural landscape around our ponds, we continue to support several species of birds that migrate through the area. eBird.Org is a website that displays all the species seen at our Sub-Zero Parkway Ponds.



At Harvest Haven we bring gardening to the Sub-Zero Group, Inc., table of excellence. Our gardens are an excellent addition to our Fitchburg, WI campus. With our brilliant culinary team, we can provide organic fresh fruits, vegetables, and honey during our sales team training events to highlight our product capabilities.

Every year, we host about 2,500 kitchen designers, architects, builders, and appliance dealers for product training and education. Part of our training includes a tour of our two-acre organic garden and barn. Throughout the training, our corporate chefs serve seasonal menus featuring fresh food from the garden. Nearly 65–70% of the produce used at our training facility comes from the garden.



## REPORTING PRINCIPLE

We lead sustainability initiatives throughout the company and communicate in an annual sustainability report our successes in social wellness, energy, water, and waste conservation, as well as improvements in the energy efficiency of our products. All data presented in this report has been calculated according to industry standard methodology and is explained in chart footnotes where appropriate.

## COMMUNICATION AND 2021 GRI INDEX REPORTING PERIOD

Sub-Zero Group, Inc., recognizes the importance of sustainability reporting standards and transparent communication about our achievements and challenges. The report illustrates our efforts between January 1 and December 31, 2021. This report has been prepared in accordance with the GRI Standards: Core option. Please see our detailed GRI index in this report to locate specific GRI indicator information. Our reports are issued annually, with last report issued in March 2021.

<b>DATE</b> 04/2023	<b>PREPARED BY</b> SUSTAINABILITY FOCUS TEAM	
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