2024
Sustainability Report

Message From Our CEO

For 130 years, Lennox has provided energy-efficient climate control solutions for residential and commercial markets. Founded in 1895, our legacy is built on innovation, customer experience, and product quality. Today, we continue that tradition, by delivering sustainable solutions that meet customer needs and serve our stakeholders. Our heating, cooling, air quality, and refrigeration systems reduce energy use, support the shift towards electrification, and deliver reliable performance.

Our ability to innovate and deliver exceptional customer experience begins with the people behind the product. Our global workforce is guided by our core values of **INTEGRITY**, **RESPECT** and **EXCELLENCE**. We foster a culture where we win as a team ensuring that our employees come, stay and grow with Lennox.

Sustainability is one of our guiding behaviors, as we care deeply about our planet and the communities where we work and live. Our sustainability commitment ensures that we continually enhance customer experience and shareholder returns.

– ALOK MASKARA
Lennox, CEO

About Lennox

We began manufacturing equipment nearly 130 years ago in Marshalltown, Iowa. Today, we manufacture and assemble the most energy-efficient residential heat pumps[1], air conditioners[2], and furnaces[3] available to consumers. As of December 31, 2024, we employed approximately 14,200 people globally and are an industry-leading provider of sustainable, energy-efficient climate-control solutions. Our advanced products and services showcase our deep expertise and reflect the success of our established business processes. We are dedicated to providing our customers with the most effective and energy-efficient heating, air conditioning, indoor air quality, and refrigeration systems.

Major Business Segments

Home Comfort Solutions

Lennox Residential HVAC

Allied Air Enterprises

Advanced Distributor Products

Building Climate Solutions

Lennox Commercial HVAC

Heatcraft Refrigeration

Lennox National Account Services

Lennox AES

[1]Efficiency claim based on comparison of highest Designated Tested Combination SEER of the SL25XPV as compared to the Designated Test Combination SEER of the competitive variable capacity compressor units as published in AHRI (June 2021). Actual system combination efficiency may vary; consult AHRI for exact system efficiencies. [2]Efficiency claim based on comparison of the average SEER of the SL28XCV as compared to the average SEER of the competitive variable capacity compressor units as published in AHRI (December 2020). Actual system combination efficiency may vary; consult AHRI for exact system efficiencies. [3]Based on AFUE efficiency rating of Lennox SLP99UH090XV60C and leading competitive units listed in AHRI directory as of December 2019. Efficiency ratings established per test standard ANSI/ASHRAE 103-1993.
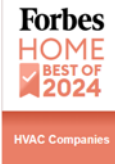
Our Core Values and Guiding Behaviors

Accountability
We deliver on our commitments.

INTEGRITY

Positive Engagement
We energize and motivate others.

Trust
We are honest, ethical, and safe.

RESPECT

Customer Experience
We earn the loyalty of our customers.

Sustainability
We care for our community and planet.

Talent
We foster belonging and create opportunities to grow.

Innovation
We embrace original ideas and creative solutions.

Quality
We strive for continuous improvements.

EXCELLENCE

Results
We prioritize superior outcomes for our stakeholders.

Awards and Recognition

Forbes
Best Air Conditioning Brand of 2024

Forbes
Best HVAC Companies of 2024 List

GOOD DESIGN® Award
Lennox's EL297V Gas Furnace wins award.

Dealer Design Awards 2024
Lennox won three Gold Dealer Design awards in 2024.

IoT Breakthrough Award 2024
The Lennox Ultimate Comfort System was recognized in 2024 as 'The Smart Heating and Cooling Product of the Year'.

IBS
Finalist Best of IBS Awards 2025
The SL22KLV Cold Climate Heat Pump was recognized for its energy efficiency.

Energy Star
Energy Star Most Efficient 2024
Includes Lennox's SL25XPV Heat Pump, EL 18XPV Heat Pump, EL22XSPV Heat Pump, and Healthy Climate® HCWHD4 Whole-Home Dehumidifier.

MSCI
MSCI AAA Rating 2024
Received AAA Rating regarding Lennox's dedication to sustainability and recognized as an industry leader.

Barron's
Barron's 100 Most Sustainable Companies
Ranked 13th against 100 other companies.

Wall Street Journal's
Wall Street Journal's 2024 Best Managed Companies
Honored on this list for the second consecutive year.

US News & World Report
Best Companies to Work For

Great Place to Work Institute
Great Place to Work Institute
Lennox India Technology Centre was recognized as one of the Top 50 Best Workplaces for women.

Product Stewardship & Innovation

Research and Development

For over a century, Lennox has been at the forefront of technological innovation, launching market-leading products that improve our customers' quality of life through advanced heating, cooling, indoor air quality, and refrigeration solutions.

Our research and development initiatives extend beyond product leadership; we strive to deliver cost-effective, energy-efficient solutions that maximize comfort and help our customers achieve their electrification and decarbonization goals. We conduct annual strategic assessments to evaluate market trends and identify energy efficiency priorities that guide our R&D efforts. Over the past decade, an estimated 30% of our patent applications have been tied to energy efficiency improvements, demonstrating our commitment to sustainable, marketing-leading solutions.

In 2024, we allocated $93.6 million to develop more efficient products and services that meet customer expectations and comply with regulatory standards.

$5.34 B
Revenue
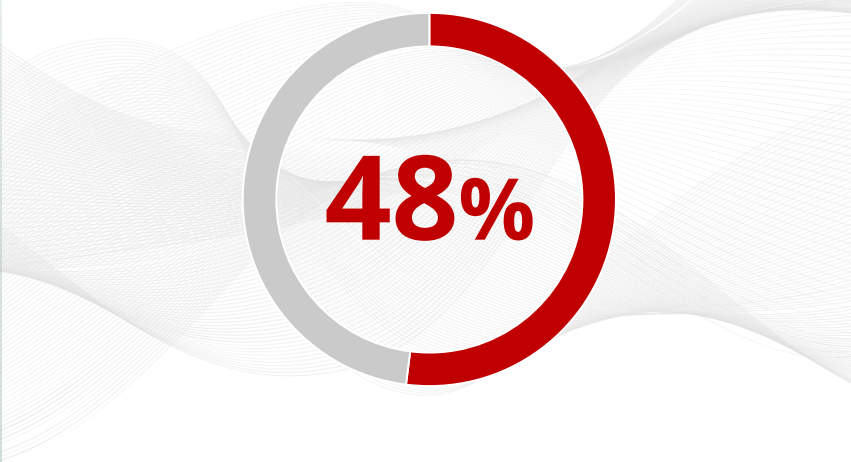
$93.6 Million
R&D Expenditure

Product Efficiency

We are reducing our climate impact by improving product energy efficiency, integrating smart controls, and adopting low global warming potential (GWP) refrigerants. Today, many of our next-generation control systems, as well as our heating, cooling, and refrigeration products, lead the industry in energy efficiency in their respective categories.

Product Vitality Index

We measure innovation success through our Product Vitality Index (PVI). The PVI tracks sales of products launched in the past three years as a percentage of total sales. A higher PVI indicates that our newest, most energy-efficient products are driving both customer satisfaction and strong business performance. Our high PVI of 48% highlights our success in delivering lower carbon products. Through our investment in energy-efficient products, we continue to drive market-wide adoption of sustainable climate control technologies.

48%

56%
Revenue from Highly-Efficient Products

Core products that exceed the minimum energy efficiency standards for their respective product types in the U.S.

53%
Home Comfort Solutions
Highly-Efficient Products

63%
Building Climate Solutions
Highly-Efficient Products

Excludes revenue from supplies, parts, and services, as well as commercial refrigeration products.

Examples of Our Efficient Products

24 SEER

DAVE LENNOX SIGNATURE COLLECTION SL25XPV HEAT PUMP

The SL25XPV Heat Pump leads the industry as the most precise and efficient heat pump currently on the market for heating and cooling. Recognized as a 2024 ENERGY STAR® product, it features cutting-edge Precise Comfort™ and TruHeat Performance technologies, enabling minute-by-minute adjustments to optimize heat output and enhance energy efficiency. These advancements enable U.S. homeowners in a range of climates to save on annual heating and cooling costs. Built for long-term performance, its corrosion-resistant Quantum™ Coil is designed to withstand harsh environmental conditions while maintaining consistent cooling capacity over time. This durability not only extends the product's lifespan but also environmental impact over time.

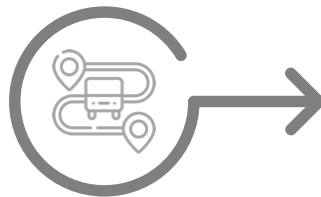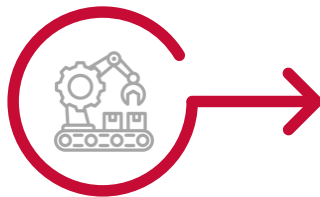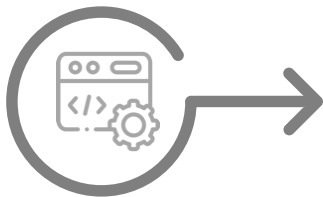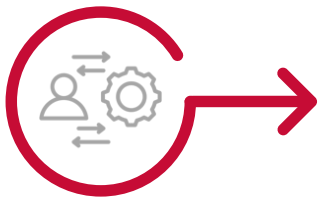## INTELLIGEN™ RETROFIT KITS FOR BEACON II & QRC CONTROLLERS

The intelliGen™ retrofit kits enable users to upgrade and unify existing refrigeration equipment built with Beacon II™ Refrigeration Controller and Quick Response Controller™ (QRC) into one intelligent control platform. The intelliGen™ controller provides simple, intuitive, and easy to use user interface, and quick start setup that saves time for the contractors and end users. With an optional webserver card added, it can be remote monitored anywhere via the Internet. It also sends out alarm and alert messages when the system is not functioning optimally to avoid breakdown and minimize potential business disruption. The intelliGen controller has a Smart Defrost mode that detects when the system needs defrost and optimizes the defrost cycles. It could save up to 30% in energy usage.

22.5 SEER2 **23.3 IEER** **15.0 EER2**

MODEL L

The Model L showcases the best of our innovation for enhanced efficiency. With its variable-speed components and Humiditrol™ optimized humidity controls, the Model L Ultra-High Efficiency Rooftop Unit holds industry-leading energy efficiency ratings. The Model L's Ultimate IAQ System features a High Efficiency MERV 16 air filter, UVC Germicidal lamp, and bipolar ionization to reduce air contaminants, microbes, pathogens, pollutants and odors—supporting a healthier indoor environment for our customers.

LENNOX S40 SMART THERMOSTAT

Our smart thermostats are fully communicating. Not only do they help consumers save energy, but they can also send alerts when a unit is not functioning optimally, avoiding a breakdown and ensuring comfort and air quality. The Lennox S40 Smart Thermostat's Smart Away® Mode uses the location services in smartphones to detect when consumers are away from home and automatically adjusts the temperature to a more energy-efficient setting. When they return home, Smart Away® Mode adjusts the system to its normal schedule and a more comfortable temperature. The S40 thermostat can also run performance reports that show how often and how long heating or cooling systems have run for the month, empowering users to manage their own energy consumption.

Product Life Cycle Management

Approach	Design and Development	Manufacturing	Transportation	Recyclability
As part of our commitment to reduce environmental impacts and build a circular economy, we strive to design, manufacture, monitor, and manage our products sustainably throughout their life cycle. Sustainability is integrated into our New Product Introduction Process, which includes a formal requirement to identify environmental impacts for all new products launched, assessing factors such as landfill reduction and greenhouse gas impact.	We design our products for high efficiency, easy transport, maintenance, and adaptability to different operating environments. The quality and efficiency of our products contribute to their long operating lifespans of more than a decade, which minimizes the need for replacements and reduces environmental impact. We also design our products with technician service and repair in mind. Thoughtful design includes features like front-facing screws for ease of access and component replacement. Diagnostics and smart features help technicians quickly identify the failure mode and type of repair needed. Repair parts are backwards compatible when feasible in order to extend effective lifetimes and simplify stocking for our customers. Standardized components reduce the variety of materials and increase efficiency of the production process. We routinely review products for opportunities to reduce material and save on weight and scrap, without sacrificing performance or durability.	Sustainability is also integrated into our material choices. Where possible, our sourcing team procures materials with recycled content, such as steel, aluminum, and copper. To further reduce waste, we work with suppliers to use reusable shipping containers with metal or hard plastic dividers, replacing traditional sing-use packaging materials such as cardboard and foam.	We aim to be as efficient as possible when transporting our products to customers. We have optimized shipments to reduce emissions and minimized shipping materials to enhance efficiency. Our patented shorter-profile furnace design maximizes truckload capacity, reducing transportation emissions and costs. Additionally, we have replaced heavy wooden crates with employee-designed stacking brackets, eliminating excess materials while improving space utilization. Our direct-to-customer shipping model reduces transportation distances, further lowering our carbon footprint. To enhance fleet sustainability, we retire older vehicles that are less efficient. Currently, our fleet includes some hybrid vehicles, and in 2025, we plan to pilot electric vehicles (EVs) to evaluate their performance and cost-effectiveness across select regions.	We strive to maximize the recyclability of our products to reduce cost and waste. Our AES Reclaim business enhances our capability to recycle HVAC equipment at end-of-life from our customers, providing a full lifecycle solution. Additionally, Lennox has partnered with the Thermostat Recycling Corporation (TRC) to facilitate the proper disposal of mercury-containing thermostats. Drop-off sites are available at participating Lennox store locations. For refrigerant end-of-life management, refer to our Refrigerant Management section.

Refrigerant Management

A core element of our product design strategy is the adoption of alternative, low-carbon refrigerant technologies. As of January 1, 2025, Lennox has transitioned most of our products to use lower global warming potential (GWP) refrigerants, further reducing our carbon footprint. Many of our commercial products use microchannel coil technology instead of standard coils, reducing refrigerant charge by up to 65%. This delivers environmental benefits and enhances operational efficiencies. Made from recyclable aluminum alloy, these coils are lighter than traditional tube-and-fin coils.

Despite these advances, we recognize that refrigerants remain a significant source of GHG emissions. To address this, we have implemented controls to track, reclaim, and optimize refrigerant use throughout our product lifecycle by leveraging innovative technologies and strategic partnerships for end-of-life refrigerant management.

Partner Engagement

As the industry phases out high-GWP refrigerants, reclaimed refrigerants play a vital role in reducing environmental impact. By reclaiming refrigerants, the demand for new production is significantly reduced, helping to lower emissions and offset costs associated with manufacturing. To support this transition, Lennox is strengthening its end-of-life refrigerant management through strategic partnerships.

Hudson Technologies

Through our partnership with Hudson Reclaim, we provide a comprehensive refrigerant disposal and reclaim program for our residential dealer network. This program reduces the emissions impact of refrigerant disposal while offering financial incentives to our participating dealers. Dealers benefit from no-cost refrigerant pickup and can earn up to $7 per pound of reclaimed refrigerant. In 2024, 285 dealer locations participated, reclaiming nearly 175,000 pounds of refrigerant. This program also supports compliance with the California CARB R4 program for R-410A, which requires OEMs use at least 10% reclaimed refrigerant annually for 2023 and 2024. Building on this success, we aim to expand participation and utilization in 2025.

AES Reclaim

Acquired in 2023, AES provides light commercial refrigerant recovery and HVAC equipment recycling. With AES integrated into our operations, we are able to deliver a full lifecycle solution for HVAC systems, unlocking new value for our national account customers while ensuring environmental responsibility.

Environmental

Environmental Management

At Lennox, environmental stewardship is a core part of our commitment to sustainable operations. Our Environmental Management System is embedded within our broader Environmental, Health, and Safety (EHS) Management System and aligns with the principles of the ISO 14001 standard. We continuously improve our processes by identifying and mitigating environmental risks through risk assessments, observations, audits, and inspections.

Additionally, our largest factory holds both ISO 14001 and ISO 50001 certifications, reflecting our dedication to environmental and energy management best practices. Notably, Lennox has paid no significant fines or penalties related to environmental or ecological issues for over a decade. For further details, please see our full EHS Policy, which outlines our commitment and approach to maintaining sustainable operations.

Lennox EHS Policy

Our EHS-Management System Includes:

- Monitoring and measuring EHS performance and actions to prevent or correct non-conformance, while maintaining thorough records.

- Promoting compliance with all applicable local and federal laws and regulations governing employee safety and environmental protection.

- Maintaining an EHS compliance program, including standards, procedures, and audits.

- Encouraging the use of non-polluting technologies and waste minimization in the design of products and processes.

- Encouraging the conservation of resources and protection of the environment through recycling, reuse, and proper disposal of materials.

- Identifying potential hazards and environmental impacts associated with our operations, products, wastes, or services, and proactively addressing public concerns.

- Continuing to improve EHS performance, considering technical developments, scientific understanding, consumer needs and community expectations.

- Providing job-specific training and education on EHS processes and procedures to promote awareness and address inherent risks present at each facility.

- Promoting consultation and participation of employees in the development of the EHS-MS.

- Maintaining clear procedures for internal and external communication of EHS information and incidents.

Energy Management

Reducing energy consumption is a key priority for our company, essential to both environmental sustainability and operational efficiency. We actively monitor energy usage across our facilities to identify improvement opportunities and implement site-specific projects aligned with operational needs and consumption patterns. To strengthen these efforts, we enhanced our sustainability platform to track electricity and natural gas performance, including intensity metrics. We also introduced new scorecards and KPIs to help operations teams drive energy efficiency initiatives.

Energy initiatives are assessed for technical and economic feasibility, with investments prioritized based on cost-effectiveness and environmental impact. In addition to our ongoing energy conservation and reduction efforts, we are exploring opportunities to diversify our energy mix. This includes evaluating the potential expansion of our renewable energy procurement portfolio and exploring partnerships to support an increase in the use of renewable energy. These efforts are part of our broader strategy to reduce reliance on non-renewable energy sources and increase our renewable energy capacity. We surpassed our 2024 target of reducing revenue-normalized energy use by 25% compared to our 2014 baseline.

Energy Usage Intensity

(MWh/Millions USD in Normalized Revenue)

Year	Intensity
2014	87.3
2024	62.4

-29%
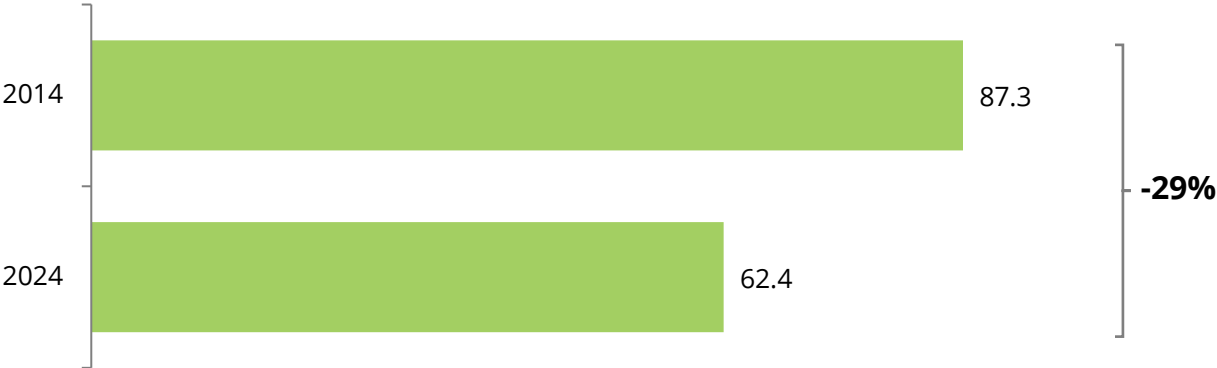
Our reported energy usage covers over 95% of our operational facilities. All data includes only current operational facilities as of December 31, 2024. The 2014 baseline was not adjusted to include our AES Reclaim business as the addition would not be material to our consolidated financial statements.

Examples of Initiatives Implemented at Select Locations in Recent Years

⚡ **Energy Audits**

Identified high-consumption areas at select sites to guide targeted reduction projects.

⚡ **Energy Treasure Hunts**

Conducted employee-led energy assessments to uncover additional energy savings opportunities.

⚡ **Employee Training**

Provided facility teams with tools and knowledge to identify and act on energy-saving opportunities.

⚡ **Compressed Air System Improvements**

Performed periodic leak detection and repairs, upgraded compressor horsepower (HP), and installed variable frequency drives (VFDs) at select locations.

⚡ **Lighting & Controls Upgrades**

Installed high-efficiency LEDs, motion sensors, and skylights in select stores, offices, manufacturing facilities, and distribution centers.

⚡ **Renewable Energy Procurement**

Maintained an eight-year contract with our Texas electric provider to source 100% renewable electricity through RECs, accounting for approximately 6% of our total electricity consumption in 2024.

Water Management

Water is an essential resource, and we recognize the importance of conservation and responsible management. Although our operations do not use or consume significant amounts of water—most usage is limited to irrigation and sanitary services — we are actively working to reduce our operational water consumption and safely manage wastewater, especially in water-stressed areas. We surpassed our 2024 target of reducing revenue-normalized water withdrawal by 25% compared to our 2014 baseline.

Water Withdrawal Intensity

(Cubic Meters/Millions USD in Normalized Revenue)

Year	Value
2014	66.1
2024	48.2

-27%
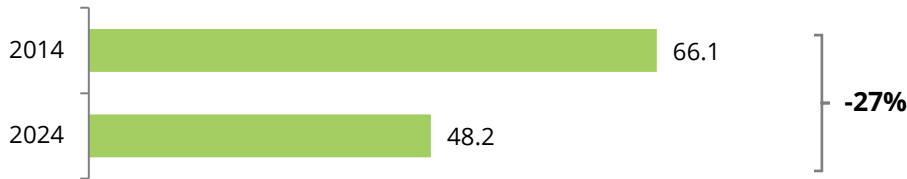
Our reported water usage covers over 95% of our operational facilities. All data includes only current operational facilities as of December 31, 2024. The 2014 baseline was not adjusted to include our AES Reclaim business as the addition would not be material to our consolidated financial statements.

Facility Monitoring and Water use Strategy

Our water stewardship efforts are focused on implementing efficient water usage practices throughout our operations. By doing so, we aim to minimize our environmental impact while maintaining the highest standards of service and efficiency. We monitor water usage via our sustainability platform and encourage employees to report visual water leaks. Any unusual water usage is promptly investigated by facility personnel. Facilities leverage water usage data to identify improvement opportunities and guide appropriate actions, which are integrated into annual business plans.

Effluent Management

In facilities with effluent treatment requirements, specialized wastewater treatment systems are maintained to manage relevant pollutants and ensure compliance with local regulations. Permitted facilities monitor and measure effluents to meet regulatory requirements, and periodic sampling is conducted to identify and classify potential water pollutants. In the event of an exceedance, investigations and corrective actions are implemented. For facilities with minimal effluents, options include storing effluent in totes and disposing of it via third-party vendors. For example, at our Saltillo, Mexico facility, we are implementing specific measures to reduce Biological Oxygen Demand (BOD) levels in effluent as required by the local industrial park.

Examples of Initiatives Implemented at Select Locations In Recent Years

- Installation of touchless and low-flow faucets, flush valves, and waterless urinals.
- Implementation of drought-tolerant landscaping and irrigation management.
- Employee training and communication to promote a culture of water conservation.

Looking ahead, we are exploring new solutions to further enhance water efficiency across our operations. Planned projects include:

- Reducing or eliminating water-intensive irrigation systems.
- Continuing the transition to high-efficiency sanitary fixtures.
- Identifying and implementing water recovery projects across our facilities.

Waste Management

Our goal is to significantly reduce landfill waste by enhancing recycling efforts and adopting more sustainable practices. We are committed to minimizing both hazardous and non-hazardous waste, diverting waste from landfills, and maximizing material reuse. Our commitment extends to both hazardous and non-hazardous waste reduction, with a long-term objective of achieving zero waste to landfill through targeted initiatives, strategic partnerships, and continuous improvement. In 2024, solid waste generated from our operations included less than 1% of hazardous waste. We have met our waste reduction target to reduce our revenue-normalized landfill solid waste by 25% for 2024 (from a 2014 baseline).

Landfill Solid Waste Intensity (Metric Tons/Millions USD in Normalized Revenue)

Year	Value
2014	1.3
2024	0.97

-26%

Breakdown Of Absolute Solid Waste Generated In 2024

(Metric Tons)

86%	13%	<1%	<1%
Non-Hazardous Waste (Recycled)	Non-Hazardous Waste (Landfilled)	Non-Hazardous Waste (Incinerated)	Hazardous
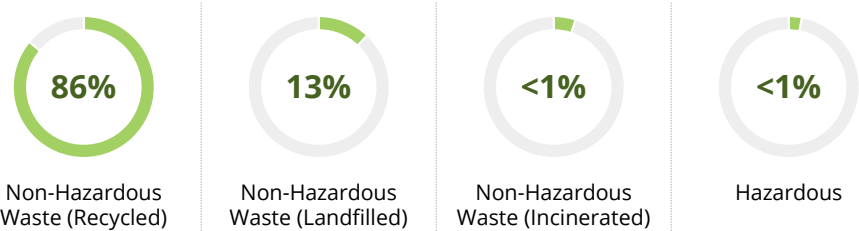
Our reported waste production covers over 95% of our operational facilities. All data includes only current operational facilities as of December 31, 2024. The 2014 baseline was not adjusted to include our AES Reclaim business as the addition would not be material to our consolidated financial statements.

Facility Monitoring and Waste Reduction Strategy

Our facilities systematically track and analyze waste output by type, volume, and source to identify trends and opportunities for improvement. This data-driven approach guides targeted actions to reduce waste, optimize recycling, and enhance material recovery. Moving forward, our waste strategy will focus on minimizing waste at the source through operational improvements, expanding reuse and recycling programs across facilities, and strengthening partnerships to support waste-to-energy and material recovery initiatives.

Production Waste Management

Our facilities partner with vendors to recycle and dispose of materials such as cardboard, e-waste, metals, and used oil. Corrugated cardboard is compressed and recycled, while metal scraps–including copper, aluminum, and steel—are reused or recycled.

Select sites work with vendors to incinerate solid waste, repurpose it as fuel, or recover fluids for reuse. For example, our Orangeburg facility partners with VLS Environmental Solutions, which processes non-hazardous waste into energy. Similarly, at our Tifton facility, a waste treatment process has been implemented to convert pallets into woodchips, which are used as biofuel by energy-producing companies.

Many facilities have also transitioned to using reusable absorbent materials for machinery oil containment, minimizing reliance on single-use materials. Ongoing efforts include optimizing metal scrap recycling and enhancing initiatives focused on reducing plastic and cardboard waste.

Business Waste Management

Office locations have designated collection areas for waste sorting, including paper shredding, recycling, and general disposal. Certified vendors manage collection, ensuring proper recycling and disposal of various business-related materials, including e-waste.

Chemical Waste Management

Used refrigerants are reclaimed and either reused on-site or sent to certified vendors for processing and reuse. For more details see our Refrigerant Management section. Additionally, used oil, paint, and batteries are recycled or disposed of in accordance with regulatory requirements. In 2025, we will implement new chemical waste reduction initiatives, including standardized waste handling and recycling procedures and operational changes aimed at minimizing chemical waste across our portfolio.

Hazardous Waste Management

Hazardous waste generation remains minimal across our facilities. All hazardous waste is identified, profiled, and tracked via manifests to ensure proper disposal through certified vendors. To improve compliance, we are addressing storage challenges by enhancing employee training on proper organization, labeling, and segregation in central accumulation areas. Additionally, we are planning to increase signage and provide targeted employee training programs to prevent mismanagement and ensure compliance with hazardous waste regulations.

Social

Belonging

Our employees are at the heart of everything we do. We recognize that when people feel valued, empowered, and supported, they do their best work – and that's how we continue delivering innovative products and solutions for our customers.

To support our high-performance culture, we focus on attracting and retaining top talent, offering continuous learning opportunities, maintaining a highly engaged workforce, and cultivating community through our LII Lennox Foundation and employee resource groups (ERGs). By cultivating an environment where unique skills and perspectives are valued, we create opportunities for meaningful contributions and career growth.

We are guided by
Our culture

The Guiding Behaviors that define our Core Values of Integrity, Respect, and Excellence influence our daily decisions and interactions. We strive for all employees to have a voice and feel welcome. At Lennox, our employees take pride in our brands, knowing that they are part of something special.

FEEL THE LOVE
LENNOX

Employee Resource Groups

One of the many ways we show our commitment to belonging is through our employee-led ERGs. Our ERGs are open to all employees through voluntary participation and contribute to our inclusive culture through professional and personal development, mentorship, networking, and community engagement.

Each ERG is guided by an Executive Sponsor to ensure alignment with our broader business objectives and organizational strategy. This accountability model strengthens the impact of our ERGs by connecting employee-led initiatives with leadership support, driving greater employee engagement, and innovation.

LWBC
Lennox Women Building Community

LYPA
Lennox Young Professionals Association

LAPEX
Lennox Asian Professionals for Excellence

LEAD
Lennox Employees of African Descent

PRIDE
Programs Representing Individual Diversity Equality

HOLA
Hispanic Organization for Leadership & Achievement

Employee Engagement

We value employee feedback and gather input through global engagement surveys, pulse surveys, and lifecycle surveys. In 2024, we conducted a global engagement survey with an 86% response rate and an engagement score of 73. Through the survey, most employees indicated that they are happy working at Lennox and would recommend Lennox as a great place to work. Insights from employee feedback shape our ongoing communication, career development, and coaching efforts.
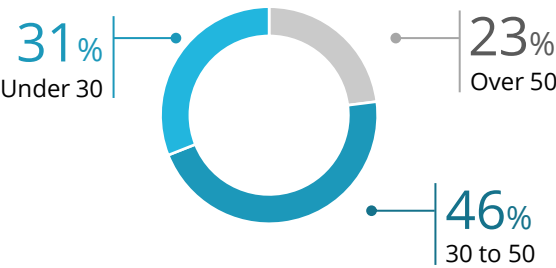
Global Workforce Metrics
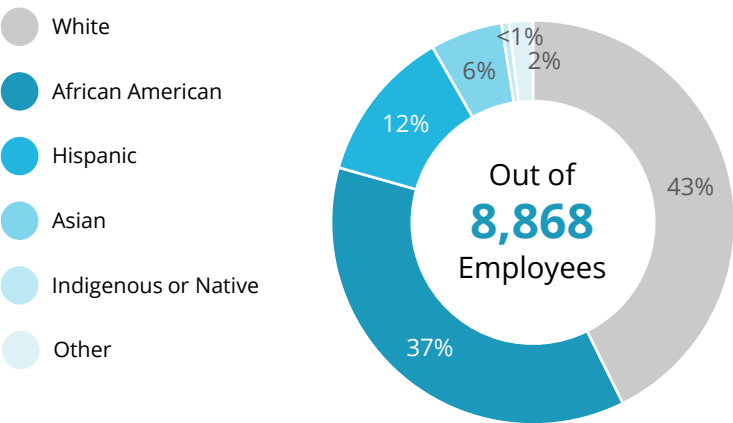
Global Workforce Structure

14,197 Employees

62% U.S. Based

37% Salaried

32% Covered by Union Contracts

Age Composition of Global Workforce

31% Under 30

23% Over 50

46% 30 to 50

Ethnic/Racial Composition of U.S. Workforce

- White
- African American
- Hispanic
- Asian
- Indigenous or Native
- Other

Out of **8,868** Employees

43%
37%
12%
6%
2%
<1%

Gender Composition of Global Workforce

Out of **14,197** Employees

36% Female

64% Male

Manager & Above	77%	23%
All Other Salaried	68%	32%
Hourly	59%	41%
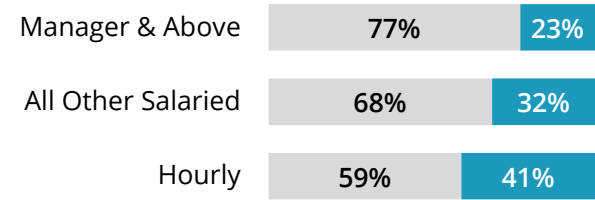
Female Representation in Global Leadership

Executive	78%	22%
Middle Management	72%	28%
Junior Management	79%	21%
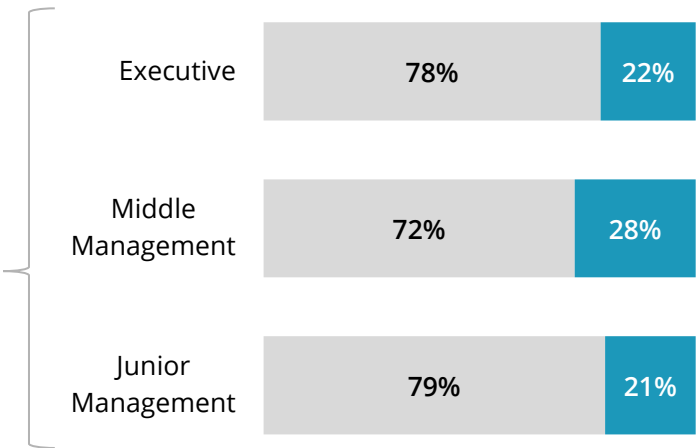
Ethnic/Racial Composition of U.S. Leadership

- White
- African American
- Hispanic
- Asian
- Indigenous or Native
- Other

Manager & Above

64%
14%
11%
8%
2%
1%
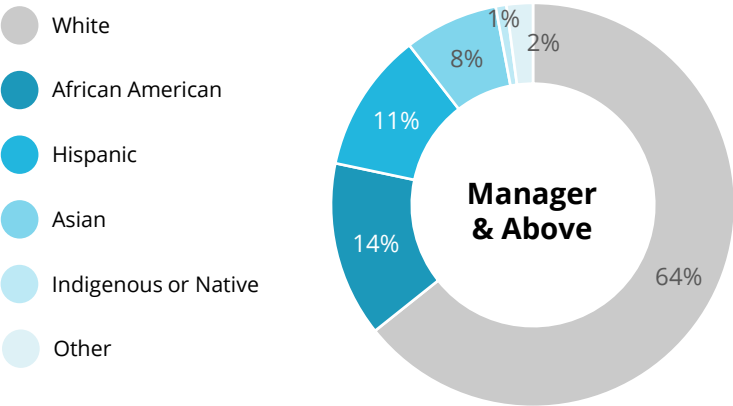
Recruitment

At Lennox, we are constantly looking for individuals who bring creativity, expertise, and a passion for innovation - individuals who are driven to solve problems and make an impact. Our recruitment approach is centered on attracting candidates with varied backgrounds, experiences, and perspectives, ensuring our candidate pools reflect a broad range of talents and ideas.

Our Talent Acquisition team provides regular training sessions for hiring managers focused on inclusive and effective recruitment strategies. These sessions reinforce our commitment to mitigating bias in the hiring process and equipping leaders with the tools to make merit-based decisions. Additionally, we believe fair and equitable compensation is fundamental to helping us attract and retain top talent. To support this, we conduct annual compensation reviews to ensure equitable pay across the organization.

Come, stay and
grow with us

Lennox is not just a workplace; we are a global community that values each team member's contributions. We are proud of the many employees who have built their careers at Lennox. Our employees can realize their potential by taking ownership of their career journey with support and commitment from our leaders.

Building Talent

To build a well-rounded workforce, we actively recruit from a wide range of colleges and universities and offer robust internship programs that provide meaningful, hands-on experience in a range of roles.

Our Summer Internship Program provides approximately 75 college interns with the opportunity to gain hands-on experience through meaningful project work over a 12-week period. Interns are placed across our various business locations and recruited from colleges central to these areas. We offer positions in a wide range of fields, including finance, marketing, engineering, sales, supply chain, and operations, giving students valuable exposure to real-world business challenges while contributing to our company's success.
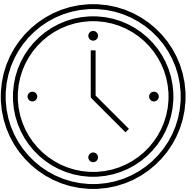
Partnerships

We are also committed to supporting and advancing women in the industry through strategic partnerships with the Society of Women Engineers (SWE) and Women in HVACR. These partnerships provide networking, mentorship, and professional development opportunities for women in engineering and technical roles, helping us to reach a broad range of talent.

Employee Development

At Lennox, we are deeply committed to the professional growth of our employees. We offer continuous learning opportunities and foster a culture that supports development at every career stage. We believe in empowering our employees to own their careers and provide them with a variety of tools to grow in their current roles and to prepare for their future aspirations. Our employees have access to a range of career development resources, including self-directed mentorship programs, leadership development tracks, and advanced training courses.

For employees in technical roles, we conduct skills assessments to identify competency gaps and offer targeted training to meet evolving business needs. We also measure the effectiveness of our learning programs through employee feedback. Course evaluation surveys are provided upon completion of facilitated training, while courses accessed through our Learning Management System (LMS) are rated on a five-point scale.

Succession Planning

To improve organizational performance and drive our long-term success, Lennox conducts regular Talent Development Reviews focused on identifying and developing employees to fill future critical roles within the company. These reviews also identify talent gaps and retention risks, along with corresponding risk mitigation plans. Our CEO is actively involved in this process for all executives and high-potential managers.

Investing in leadership development is a critical component of our people strategy. We believe that empowering leaders at all levels fosters a high-performance culture, drives innovation, and strengthens our ability to serve our customers. Through structured development programs, targeted training, and ongoing learning opportunities, we equip our leaders with the skills and tools needed to lead with integrity, respect, and excellence.

Leading the Lennox Way is a framework that defines what we expect of people leaders at all levels of the organization. As part of our commitment to continuously developing our people leaders, we host quarterly training sessions. In 2024, topics included emotional intelligence, inclusive leadership, difficult conversations, and an overview of our guiding behaviors.

The **Leadership Development Program** and **Lennox Inclusive Talent** are cohort-based programs designed to accelerate continuous growth and development. These programs focus on enhancing key leadership skills such as strategic thinking, business acumen, presentation skills, and emotional intelligence. They provide structured mentorship, targeted development opportunities, and cross-functional networking experiences. By investing in these programs, we not only ensure a strong leadership pipeline that reflects a broad range of skills, experiences, and backgrounds, but also foster innovation, operational efficiencies, and more informed decision-making.

22 Hours

2024 average online learning per salaried employee

Tuition Assistance Program

Lennox supports employees who seek to further their education outside of work. Our Tuition Assistance Program provides employees with the opportunity to expand their knowledge, enhance their skill sets and achieve their professional goals. Eligible employees may receive education reimbursement up to $5,250 per year for undergraduate courses and up to $10,000 per year for graduate courses.

Employee Well-Being

Health & Wellness

At Lennox, we promote employee well-being through the LIIveWell Wellness Program. This free program is available to all employees and their families, offering annual health screenings, personalized health coaching, and resources for fitness, nutrition, sleep, and mental health. Lennox provides free telemedicine options with Doctor on Demand, which treats 90% of common conditions. Doctor on Demand also includes mental health counseling and assists in providing our employees with convenient health care alternatives.

Our commitment extends to practical workplace support like dedicated lactation facilities for nursing employees and on-site health care clinics at certain locations. Lennox also provides employees with subsidized gym membership options. These amenities are available to ensure all employees have access to essential health and support services.

Mental Health Support

We recognize that mental health is as important as physical health. Through open discussion and various resources, we are working to break the stigma surrounding mental well-being. We empower employees to seek the resources they need without hesitation. Through comprehensive wellness initiatives such as Well-Being Time Off, our Employee Assistance Program, and ongoing awareness efforts, we create an environment where everyone can thrive - personally and professionally.

Leave and Dependent Care

Lennox is committed to supporting our employees through comprehensive leave and dependent care policies. These initiatives reflect our dedication to fostering a supportive and inclusive workplace, enabling employees to effectively balance their professional and personal responsibilities.

Lennox provides comprehensive leave options, including:
- Family and Medical Leave Act (FMLA)
- Maternity & Birthing Leave
- Bonding Leave
- Short-Term and Long-Term Disability

Lennox also provides employees with the support they need for childcare responsibilities. We offer an Adoption Reimbursement Program, providing direct financial assistance for adoption-related expenses, helping employees offset the costs of expanding their families. Through our Employee Assistance Program employees can also find referrals for childcare.

Financial Wellness

At Lennox, we recognize that financial health is a critical component of overall well-being. We offer a variety of resources to help employees manage their finances, regardless of their financial status or stage of life. Our programs include the Lennox 401(k) plan with company matching, tools for tracking financial milestones, and access to personalized financial advice. Employees can also utilize Fidelity's Financial Wellness Check-Up and explore educational content in the Financial Wellness Learning Center.

LIIveWell Wellness Program

Employee Assistance Program

Adoption Reimbursement Program

Employee Leave Policies

Lennox Financial Resources

Employee Health and Safety

At Lennox, the health and safety of our employees is our utmost priority. We are committed to maintaining a safe work environment through comprehensive safety planning, employee training, and performance management. We promote a zero-harm philosophy and encourage all employees to work together to identify, report, and address safety and ergonomics risks.

Our Occupational Health and Safety (OHS) Management System is integrated into our broader Environmental, Health and Safety (EHS) Management System and aligns with the principles of the ISO 45001 standard. We continue to improve our processes by focusing on risk identification and reduction using information and data from risk assessments, observations, audits, inspections, and incidents. For further details, please see our full EHS Policy, which outlines our commitment and approach to maintaining the highest standards of health and safety across all our operations.

➤ Lennox EHS Policy

Safety Performance

Every year, we set company-wide safety targets both at the business unit and site level depending on their performance in the prior year. These site-level targets are embedded into management's performance appraisals and remuneration to reflect our focus on safety. Supervisory operational roles have activity-based and/or safety-related performance goals included in their annual evaluations. Our design and sourcing engineers focus on reducing safety and ergonomics risks introduced into our operations from new components, machinery, and process or product changes.

We are proud of our record of zero workplace fatalities since 2011 for both contractors and employees. Year over year, we continue to achieve strong absolute performance. In 2024, one of our facilities successfully maintained ISO 45001 certification, further affirming our commitment to prioritizing safety and well-being in our workplace.

Employees and Contractors

0

Number of Fatalities

0.44 Recordable Frequency Rate

0.15 Lost-time Frequency Rate

Per 200,000 hours worked during 2024

Safety 24/7

Our Safety 24/7 initiative integrates proactive programs and best practices to prevent accidents and injuries across our operations. As part of our broader strategy to reduce injury risks, we have implemented targeted actions in our factories, distribution centers, and business units, focusing on the following key areas of safety and engagement:

Leader Engagement

Engaging leaders in conducting safety assessments, upholding operational discipline, recognizing safety achievements, and coaching employees for continuous improvement.

Employee Engagement

Encouraging employees to participate in "Stop & Think" activities, near-miss reporting, safety observations, and Safety Champion initiatives.

Machine Safeguarding

Enhancing machine safety through rigorous procedures, training, ongoing assessments, and risk mitigation, including a dedicated Press Brake Initiative.

Ergonomics

Reducing strain-related injuries through ergonomic assessments, role-specific training, and material handling optimization such as force-measured carts and control measures.
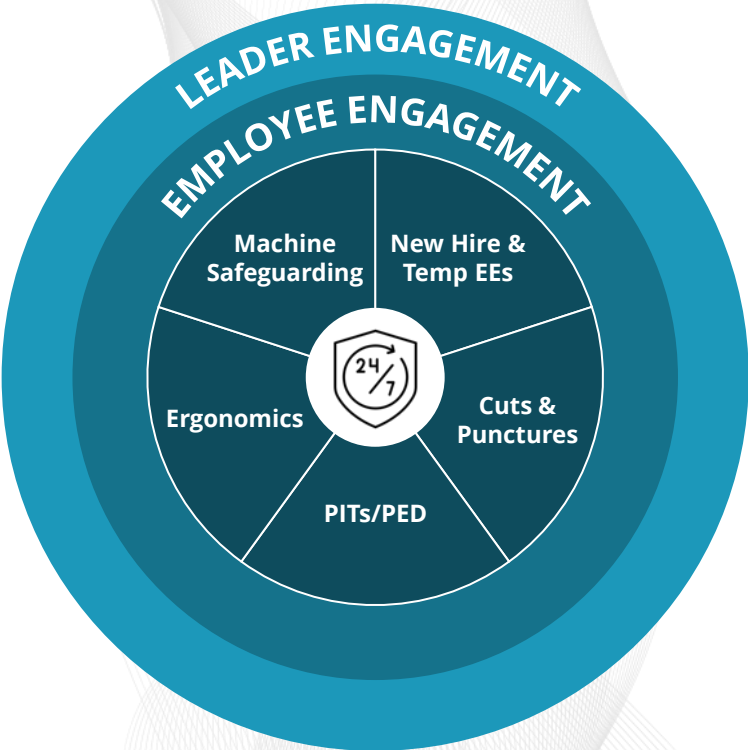
New Hire & Temporary Employees

Providing high-visibility clothing, structured onboarding, frequent touch points, and coaching sessions to reinforce safety procedures from day one.

Cuts & Punctures

Equipping employees with cut- and puncture-resistant gloves and sleeves, along with safer tools such as auto-retracting knives and concealed blade cutters.

PITs & PEDs

Conducting risk assessments for powered industrial trucks (PITs) and pedestrians (PEDs) at all factories and distribution centers, safety specifications for new PITs, ensuring regular PIT safety system checks, operator training, and annual PED training on PIT-related risks to reduce workplace hazards.

Incident Management and Investigations

Incident Notification

- Identification of incident type (Near Miss, First Aid, Recordable, Environmental)
- Employees immediately report incidents; sites report to Corporate EHS within 24 hours

Investigation

- Investigation completed by OPS & EHS leadership
- Identification of causes using Root Cause Analysis, Cause & Effect, Multiple Path 5 Why, etc.

CEO Review

- Corporate EHS coordinates review of all recordable incidents
- Site OPS/EHS leadership submits findings prior to review
- Review includes multiple causes and corrective actions

Sharing: Findings & Corrective Actions

- Corporate EHS facilitates best practice sharing
- Safety Alerts developed by site and Corporate EHS; distributed to all businesses
- Corrective actions implemented across sites

Emergency Response

Lennox's Emergency Preparedness Policy requires all sites and businesses to evaluate site-specific risks and develop and maintain a written emergency response plan that addresses building evacuations and shelter procedures. Each facility conducts annual evacuation drills and reviews its emergency response plan every six months. Emergency responders receive annual training to ensure continued readiness.

Protection of Workers Exposed to Hazardous Substances

We take comprehensive measures to safeguard our employees by implementing programs that minimize exposure to hazardous substances. Each facility, division, or business segment develops and maintains an Industrial Hygiene Program and a written Hazardous Chemicals and Materials / Hazardous Communication Program, both of which are accessible to employees upon request. These programs include, but are not limited to, the following components:

Assessment & Monitoring
Conducting air monitoring and other assessments to evaluate and manage respiratory and chemical exposure risks, with results shared with employees within 15 working days.

Information Access
Ensuring Safety Data Sheets (SDS) are available for all hazardous chemicals, detailing hazardous ingredients, health effects, safe handling, and emergency protocols.

Engineering Controls
Reducing exposure through hazard isolation, ventilation systems, and the substitution of hazardous chemicals with safer alternatives whenever feasible.

Personal Protective Equipment
Providing appropriate PPE (i.e., gloves, sleeves, safety glasses), and other protective gear as supplementary protection when necessary.

Administrative Controls
Implementing safe work practices, limiting time in high-risk tasks, and rotating job assignments to reduce exposure.

Training & Education
Providing initial and annual refresher training on chemical hazards, safe handling and storage, PPE use, and emergency response procedures.

Customers and Product Responsibility

Product Design and Development Phase

At Lennox, we prioritize security throughout our product design and development process. We follow industry-recognized best practices to build security into our products from the start, with continuous checks from initial design to final testing, incorporating past testing insights to ensure comprehensive security development. We use specialized and industry standard tools to scan code for potential risks during development and conduct thorough post-production testing to catch any remaining vulnerabilities.

To safeguard our products and customer data we conduct regular security audits, penetration testing, and collaborate with internal and external security experts to simulate potential attacks. These proactive measures strengthen our defenses and ensure our products are secure against evolving threats.

We follow a Zero Trust security model, meaning every user and device must be verified before accessing our systems, regardless of their location. Additionally, we follow a Zero Trust Manufacturing model, where we secure manufacturing processes to prevent unauthorized code from being added to devices, ensuring product integrity from production to delivery.

We integrate advanced security features, such as device authentication and encryption, to prevent unauthorized access and protect sensitive data. Our IoT devices use unique certificates during manufacturing to ensure integrity and establish secure connections.

To protect against supply chain risks, we work closely with suppliers to ensure materials meet quality, security, and authenticity standards.

Product and Service Safety Program

We rigorously test our products to ensure they meet all applicable quality and safety standards.
Our approach includes:
- Conduct internal product and process audits, including new audits for product-specific "Critical-to-Quality" features and processes.
- Use monthly quick market intelligence (QMI) processes that connect our engineering team with Field Technical Consultants to identify any issue. If an issue is reported and/or trending in the field, we receive real-time notifications that enable a cross-functional team to move quickly to investigate, problem solve, and implement corrective actions.
- Use a gated multi-step product development process with market concept, specification development, proof-of-design, manufacturing, and supply chain process verification. This process also includes postproduction checkpoints to ensure our products meet market and customer needs, product performance, reliability, serviceability, safety, and environmental objectives.
- Conduct monthly warranty data analysis to identify and correct emerging product quality issues that are not reported through the QMI process.
- Provide regular training for our Field Technical Consultants and technical support contact center personnel throughout the year, including two annual in-person meetings.

We also have an early launch containment process that monitors recently launched products, and any warranty claims associated with these products, as well as a technical support contact center that monitors products broadly for any safety related information.

Product Use Phase

Once products are in use, we regularly monitor for security threats and system weaknesses. Real-time threat detection, regular audits, and penetration testing help us quickly identify and address vulnerabilities. Our robust patch management process keeps software and systems up to date with the latest security protections, including over-the-air (OTA) updates for connected products, so customers always have the most current security features without needing to take action. If a security issue is detected, we promptly inform customers and provide guidance or automatic updates to resolve the issue, minimizing potential risk.

By implementing layered security measures across product development, manufacturing, and ongoing monitoring, Lennox remains committed to protecting customers and delivering secure, high-quality products.

Quality Management System

Our Quality Management System is structured within a Center of Excellence to standardize quality practices, ensuring the highest quality products for our customers through design, execution, and continuous improvement of products and processes that consistently result in meeting specifications, regulations, and customer requirements. All of Lennox factories maintain and operate under quality management systems aligned with the intent and principles of ISO 9001. Approximately 42% of all Lennox manufacturing sites are ISO 9001 certified.

Responsible Marketing

We are committed to truthful, balanced, accurate marketing that is not misleading. Our goal is to provide easily accessible information for all our customers while safeguarding their data and privacy. We are committed to ensure clarity in all marketing communications including avoiding product placement, disguising advertisements as market research, or using user-generated content inappropriately. We are against producing potentially offensive marketing materials for sensitive product groups.

Our commitment extends to only making product claims that can be substantiated and maintaining transparency regarding potential product risks. We are against promoting products prior to approval of certifications or ratings and uphold marketing standards for all third parties, expecting full compliance.

Supply Chain

Supplier Audits

We perform on-site audits of all new suppliers, including worker interviews. Following an audit, we identify areas of improvement and require suppliers to provide us with a supplier action plan. We collaborate with the supplier to prepare their action plans to address flagged areas. Depending on the flagged areas, we conduct follow up or surveillance audits to evaluate the supplier's performance on corrective actions, improvement progress on quality systems, plans to improve quality process control planning, and performance capability. In 2023, we added 20 new specific sustainability questions to our Supplier Audit.
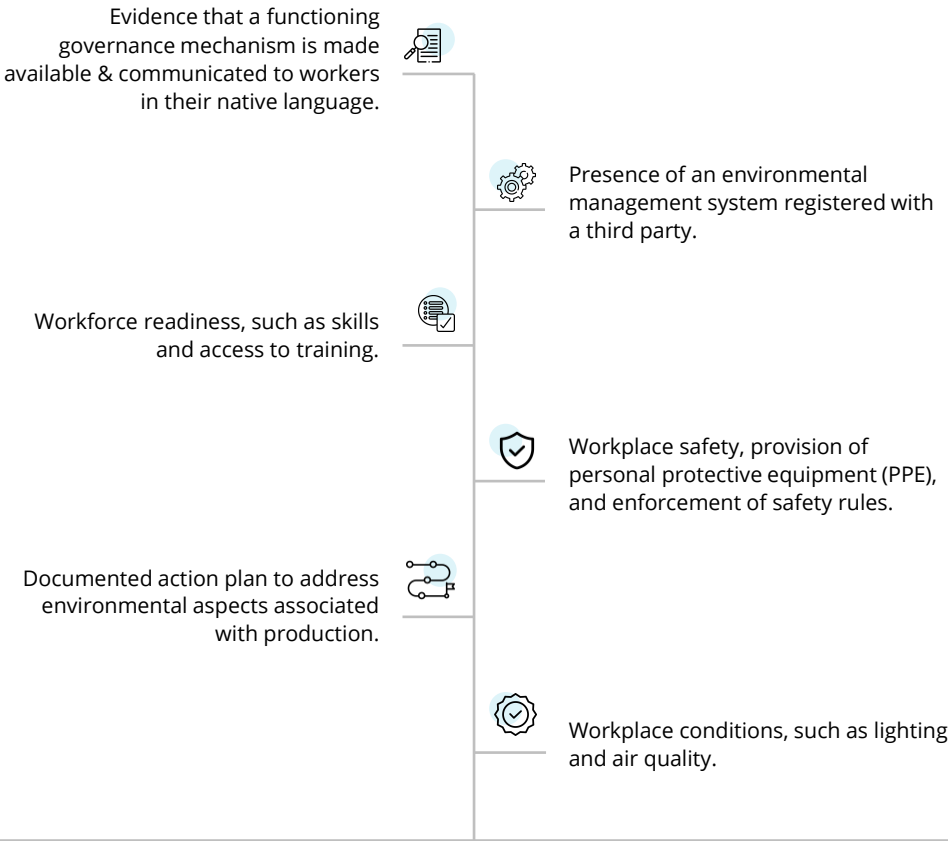
Risk Mitigation

From a Commodity-Risk perspective, we have a Dual Sourcing Tool that identifies which parts are qualified or sourced from a single supplier and use the tool to prioritize those parts that have the highest revenue impact. From a Country-Risk perspective, we use two third parties, Resilience and Supply Chain Monitor, to monitor various supplier risks, including country, financial, operational, macro-economic, geo-political, natural disaster, and other risks.

Sustainability and Product Compliance Monitoring

We use a third party, Assent, to conduct an annual survey of our top 1,000 suppliers, evaluating key sustainability areas such as climate impact, data protection and privacy, human trafficking and slavery, labor rights, organizational commitment, and resource utilization. In our contract templates, we require suppliers to comply with applicable labor laws and our Business Partner Code of Conduct, which includes our Human Rights Policy.

Examples Of Sustainability Topics and Risks that are Assessed as Part of Our Audit:

Evidence that a functioning governance mechanism is made available & communicated to workers in their native language.

Presence of an environmental management system registered with a third party.

Workforce readiness, such as skills and access to training.

Workplace safety, provision of personal protective equipment (PPE), and enforcement of safety rules.

Documented action plan to address environmental aspects associated with production.

Workplace conditions, such as lighting and air quality.

Supplier Policies

Community Engagement and Philanthropy

Driven by employee engagement, the LII Lennox Foundation supports communities where Lennox employees live and work through various grants. To encourage employee volunteerism, the LII Lennox Foundation executes an annual company-wide multi-day volunteer event, Lennox Days of Good, where teams work together to support their communities.

The Foundation Board of Directors oversee the activities and operation of the Foundation with assistance from a Charitable Giving Committee that is comprised of representatives appointed by the Foundation Board. The Foundation's president also serves as Lennox's Chief Ethics and Compliance Officer. The Foundation officers meet quarterly with the Foundation Board following Charitable Giving Committee meetings and at other times as needed.

Support Provided Through The LII Lennox Foundation Programs

Community Grants

Grants requested by Lennox employees can be awarded to qualified charities focused on Health, Education, or the Environment, where there is significant Lennox employee engagement. Community Grants generally complement volunteer efforts.

Matching Grants

Grants are awarded to match a Lennox employee's qualified charitable donation, with the LII Lennox Foundation matching up to $10,000 annually per employee in the US and equivalent amounts at global locations.
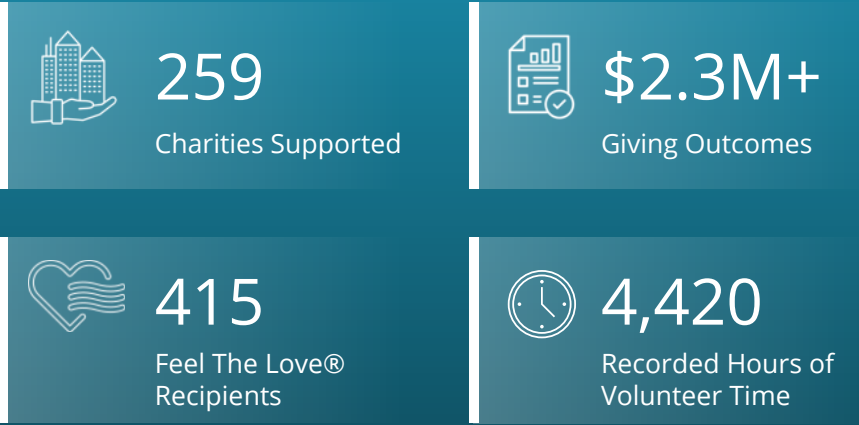
Volunteer Grants

Grants are awarded to qualified charities where Lennox employees volunteer. In the US, the Foundation donates $50 per hour, up to $5,000 annually per employee, for hours volunteered and matched. Equivalent matching rates are offered at Lennox locations outside the US.

Lennox also offers employees annual Volunteer Time Off (VTO) to encourage volunteering for causes they care about.

Our Impact

In 2024, thanks to employee engagement, the LII Lennox Foundation greatly expanded its impact in communities across all major Lennox locations.

259 Charities Supported

$2.3M+ Giving Outcomes

415 Feel The Love® Recipients

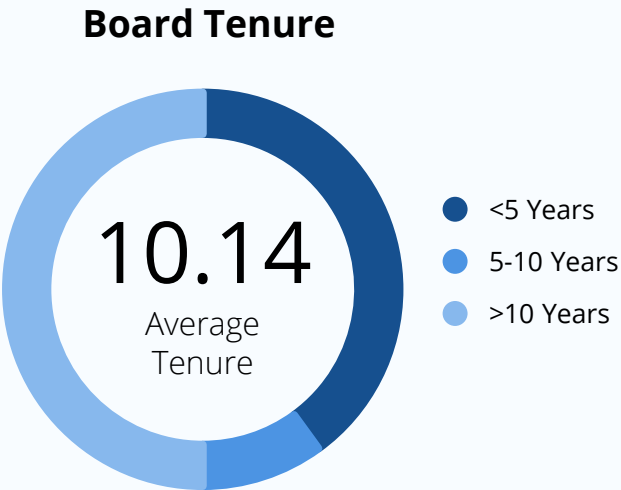**4,420** Recorded Hours of Volunteer Time

Governance

Board Composition

We maintain a well-rounded Board that is best positioned to guide and provide robust oversight of Lennox's business direction and integration of sustainability activities. Our Lennox Corporate Governance Guidelines stipulate that the Board will seek the best qualified candidates with consideration for diversity, including a diversity of professional experience, race, ethnicity, gender, age, and cultural background.
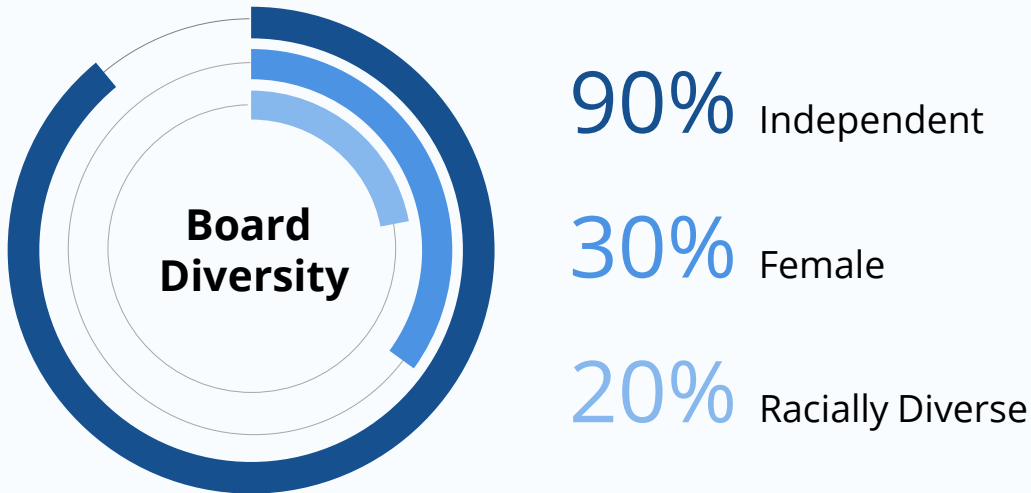
Our current Board reflects this effort. In 2024, three of the Lennox Directors were female. The Board and the Board Governance Committee are committed to developing a diverse pool of potential candidates for future Board service. Our Board Chair and each Committee Chair are independent.

- 2025 Proxy Statement
- 2024 Form 10-K
- Board Of Directors
- Corporate Governance Guidelines
- Committee Charters
- Board Skills & Expertise

Board Tenure

10.14
Average Tenure

- <5 Years
- 5-10 Years
- >10 Years

Average Director Age

62 Years

Board Diversity

90% Independent

30% Female

20% Racially Diverse

Risk Management

Board-level Risk Oversight

The Lennox Board of Directors and its committees play a key role in driving risk management excellence.

The Board reviews the company's overall risk profile to ensure risks are adequately managed and incorporated into our strategy and outlook, where appropriate. The Audit Committee is responsible for overseeing Enterprise Risk Management (ERM) processes and policies. Our CEO, Executive Leadership, and members of senior management assist the Board and each of its committees with risk oversight through routine discussions of risks relevant to their respective areas of responsibility.

At periodic intervals throughout the year, our senior leaders report to the Board on the company's strategic planning activities, risks relevant to the execution of the company's strategy, measures in place to address these risks, and the effectiveness of these measures. Key areas of strategy and risk for the company include cybersecurity, innovation, talent, human capital management, and climate change.

Risk Management And Compliance Oversight

Our CFO and Executive Leadership set control standards for risk management through the ERM process and oversee compliance.

Independent Audit Unit

The Vice President of Corporate Audit, who reports administratively to the CFO and functionally to the Audit Committee of the Board, facilitates the ERM process and annual risk assessment, as well as the ongoing monitoring and updates throughout the year. The Lennox corporate audit team also conducts independent assurance on the effectiveness of the ERM and compliance processes at least annually.

Operational Risk Oversight

Front-line employees are responsible for executing our ERM program, which assesses a broad spectrum of risks that can have a material impact on the businesses. The ERM is designed to identify, assess, and monitor risks that can have a material impact on the business, as well as facilitate the communication of key strategic business risks across various categories such as strategic, operational, compliance, financial, information technology, cybersecurity, and related action plans. The ERM process also includes sustainability and climate-related risks.

Business Ethics and Compliance

Our Board of Directors and Chief Executive Officer provide active oversight of the company's ethics and compliance efforts. Our Chief Ethics & Compliance Officer ("CECO") and their team (collectively, the "E&C team") have operational responsibility for the program. The E&C team promotes an organizational culture that encourages ethical conduct and a commitment to compliance with the law by:

✓ Establishing and maintaining our Code of Business Conduct and related policies.

✓ Providing awareness and training built on our core values and guiding behaviors.

✓ Delivering Anti-Bribery/Corruption (ABC) training both in-person and online based on employee job responsibilities and location.

✓ Conducting due diligence on select business partners as part of our risk-based ABC program.

✓ Collaborating with Internal Audit to enhance internal controls with respect to ABC, gifts, expense reports, facilitation payments, accurate books and records, and other related topics.

✓ Fostering a speak-up culture to encourage ethical decision-making and accountability.

✓ Responding to, investigating, and resolving issues raised in a timely and thorough manner.

✓ Continuously monitoring and improving the program to adapt to emerging risks.

The CECO reports directly to the Chief Legal Officer and has direct access to the Board's Audit Committee. To ensure visibility and accountability, the CECO presents a comprehensive annual review of the E&C team's activities to the Board's Audit Committee and leads a Compliance Committee comprised of compliance risk-owners from various functions including Internal Audit, Finance, Global Trade Compliance, Safety, Risk, Legal, HR, and Environmental. Lennox offers several avenues for our employees and others to report concerns confidentially and without fear of retaliation. Please refer to our Speak Up FAQs.

> **Lennox Speak Up FAQs**

Ethics Training and Education Topics

- Anti-Bribery & Corruption

- Antitrust & Fair Competition

- Insider Trading

- Anti-Retaliation

- Conflicts of Interest

- Anti-Harassment & Discrimination

- Bystander Intervention

- Lessons learned from real situations at Lennox

All employees[1] and our Board are required to complete annual Code training – either in person or online – and must review and acknowledge their understanding of the Code.

> **Lennox Code of Business Conduct**

Expectations for our business partners are outlined in our Business Partner Code of Conduct. We also provide ABC training to select business partners.

> **Lennox Business Partner Code of Conduct**

[1]Full-Time employees working at the time of the Code training. Those on short-term disability or other leave do not take the training.

Cybersecurity and Data Privacy

In our increasingly digital world, we recognize cybersecurity and data privacy as key aspects of our business. We have invested appropriately in our cybersecurity operations and infrastructure and conduct robust risk mitigation, assessments, and planning for our global operations. Our IT security controls are designed to align with the NIST standard and are periodically assessed by a third-party auditor. For applicable business segments, we are certified for Payment Card Industry Data Security Standards (PCI) compliance. We test all our infrastructure on an ongoing basis.

Operationally, we employ three core teams: cybersecurity engineering, data privacy, and a security operation center (SOC). These teams are responsible for overseeing data safety during new system and infrastructure deployments, maintaining appropriate cybersecurity controls, and monitoring, documenting, and investigating any anomalies affecting employees, suppliers, and customers. Our Chief Technology Officer, part of the executive management team, is responsible for overseeing cybersecurity at Lennox and reports to the Board twice a year on Lennox's cybersecurity tactical responses and strategic roadmap. The entire Board reviews significant cybersecurity risks and works with the Audit Committee to address these issues. Several members of the Board have specific expertise in managing cybersecurity risk. We also have an internal, cross-functional cybersecurity team, our Data Protection & Cybersecurity Steering Committee, that meets on a quarterly basis. The committee oversees Lennox data protection and cybersecurity policies & procedures.

Examples of Key Initiatives That Strengthen Our Cybersecurity and Data Privacy Management

Mandatory cybersecurity training for all employees, ongoing awareness campaigns, simulated phishing attempts multiple times a year to reinforce learnings, and escalation within the organization of any instances of poor performance in cybersecurity training.

External security specialists are engaged to assist in ongoing monitoring for emerging threats.

Dedicated 24/7 team that monitors activities on the Lennox infrastructure and systems, with a documented escalation plan that reaches executives if incidents occur.

Expansion of advanced analytics, artificial intelligence, and machine learning capabilities to detect anomalies that could indicate potential security threats and to automate incident response activities.

Rigorous breach simulations conducted twice a year, including participation in the Department of Homeland Security's Cyber Storm.

Train executive leadership on how to respond to ransomware events.

Vulnerability scans and analysis, including simulated hacker attacks, by a third party at least once a year, and internally on an ongoing basis for our environment and the applications Lennox deploys to the public domain.

Public Policy

We produce many of the most efficient products on the planet. Lennox supports a wide array of sustainability related policies, which are aligned with decarbonization and the goals of the Paris Agreement. We advocated for an accelerated transition to lower GWP refrigerants and continue to support the broad use of reclaimed refrigerants.

We actively participate in and work with various industry associations, sustainability-focused coalitions, environmental advocates, and other stakeholders to influence and promote:

- Energy conservation standards for HVACR products
- Certification, verification, and testing for product efficiency ratings
- Phasedown of high global warming potential refrigerants
- Air quality and emissions standards
- Tax policy or other government incentives that encourage the purchase and installation of energy-efficient and lower carbon footprint products

Transition To Low GWP Refrigerants

Lennox transitioned most of our products to lower GWP refrigerants on January 1, 2025, in line with federal regulations. We supported the passage of the U.S. AIM Act, which facilitated an accelerated transition to lower GWP refrigerants nationally and strongly supported the adoption of corresponding safety codes and standards at the state level. Aligned with the Kigali Amendment, the AIM Act directs the EPA to phase down HFCs by 85% over the next 15 years. We continue to work with the EPA and other stakeholders to shape the phasedown process and the types of refrigerants and equipment that will be impacted.

Political Activity

In compliance with federal regulations, Lennox does not contribute to political parties or candidates, including corporate funds or in-kind contributions, to national party committees, campaigns, or candidates for federal office. Lennox does not contribute to Section 527 organizations or independent expenditure political action committees, also known as "Super PACS". We strictly prohibit political and charitable contributions that act as a means of bribery and corruption. Except for the Lennox Government Affairs function, our employees are prohibited from engaging in political activity on behalf of the company or as a company employee, and our Code of Business Conduct states our respect for the political process. Lennox belongs to trade associations that take part in activities to shape future legislation, regulations, building codes, and safety standards in the policy areas that affect our business. Expenses related to lobbying and trade associations are provided as we believe it is important to be transparent on our advocacy and political involvement.

Examples of Lennox Advocacy Partners and Formal Positions

Founding member of the Global Food Cold Chain Council

Member of the Air Conditioning, Heating & Refrigeration Institute (AHRI)

Partner and contributor to the American Council for an Energy-Efficient Economy (ACEEE)

Supporter of the United Nations Kigali Amendment to the Montreal Protocol

Member of the Alliance for Responsible Atmospheric Policy

$310,000 CY 2024 — **Lennox Expenses Related to Lobbying Activities**

Data and Frameworks

Sustainability Accounting Standards Board (SASB)

SASB standards enable businesses around the world to identify, manage and communicate financially-material sustainability information to their investors. SASB provides a complete set of 77 globally applicable industry-specific standards that identify the minimal set of financially material sustainability topics and their associated metrics for the typical company in an industry. The following table references topics from the "Electrical & Electronic Equipment" and "Industrial Machinery & Goods" industry standards. Upon reviewing both industry standards, we included relevant topics to our strategy and operations.

TOPIC	SASB CODE	DESCRIPTION	RESPONSE
Employee Health & Safety (Industrial Machinery & Goods)	RT-IG-320a.1	(1) Total Recordable Incident Rate (TRIR)	(1) 0.44 total recordable frequency rate for employees and contractors
		(2) Fatality rate	(2) 0 fatality rate
		(3) Near Miss Frequency Rate (NMFR)	(3) Not disclosed
Energy Management	RT-EE-130a.1	(1) Total energy consumed	(1) 306,914 MWh
		(2) Percentage grid electricity	(2) 48.1%
		(3) Percentage renewable	(3) 6.1%
Hazardous Waste Management	RT-EE-150a.1	Amount of hazardous waste generated, percentage recycled	In 2024, our operations generated 241 metric tons of hazardous waste, as defined by the authorities that regulate each of our facilities. 97% of hazardous waste is recycled, while the remaining is properly disposed.
	RT-EE-150a.2	Number and aggregate quantity of reportable spills, quantity recovered	We had no reportable spills in 2024.
Product Safety	RT-EE-250a.1	Number of recalls issued, total units recalled	0
	RT-EE-250a.2	Total amount of monetary losses as a result of legal proceedings associated with product safety	$0
Materials Sourcing	RT-EE-440a.1	Description of the management risks associated with the use of critical materials	Our top three component purchases are compressors, motors, and controls, while steel, copper, and aluminum account for the bulk of our raw material purchases. We continuously evaluate critical suppliers by component and region to better identify ways to manage associated risks. Communication, both internal and external, and continued planning around critical materials are key tools we use to reduce our materials-related risk. We recognize that with a global supply chain, climate-related risks may be present. As such, we mitigate our risk and build supply chain resiliency by dual sourcing and near-shoring, when possible. We monitor our top 750 direct material suppliers using our supplier risk management system, Resilinc. We also survey our top 1000 direct material suppliers for sustainability and product compliance using a third party, Assent.

TOPIC	SASB CODE	DESCRIPTION	RESPONSE
Product Life Management	RT-EE-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	Data not available
	RT-EE-410a.3	Revenue from renewable energy-related and energy efficiency-related products	In 2024, 56% of revenue from core products (which excludes revenue from supplies, parts, and services) was generated from products that are more energy efficient than minimum standards for their respective product types in the U.S. The number excludes commercial refrigeration products.
Business Ethics	RT-EE-510a.1	Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behavior	The Lennox Code of Business Conduct and related policies, including those on conflicts of interest, insider trading, and preventing corruption, bribery, and anti-competitive behavior, among others, are shaped by our core values. The Code guides us on how to apply our core values in daily decision-making, in alignment with our expectations and legal requirements. The Code applies to our Board and all employees, regardless of role or location. We have a separate Business Partner Code of Conduct that includes standards for our partners to operate in a manner consistent with our core values and the Lennox Code of Business Conduct. We conduct due diligence requisite with the risk before engaging third parties to provide products and perform services on behalf of the company. We are continuing to develop processes to evaluate and assess the performance of our partners against our ethical standards. The Lennox Code of Business Conduct and Business Partner Code of Conduct can be found on our website and include how to report violations or suspected violations, with an option to remain anonymous through an ethics hotline or online form operated by a third party. To educate employees on our Code and supporting policies, we regularly communicate and train employees on a variety of topics, including anti-bribery/corruption, antitrust, insider training, anti-retaliation, anti-harassment/discrimination, conflicts of interest, bystander intervention, and lessons learned from real situations at Lennox. We consistently achieve more than 95% completion on required training. Also on an annual basis, executives, members of the Board of Directors, and other selected employees are required to complete an Ethics & Compliance Questionnaire where they are asked to: » Report conduct inconsistent with our Code » Disclose potential conflicts of interest and » Confirm compliance with the Insider Trader Policy Any issues raised in the questionnaire are addressed.

TOPIC	SASB CODE	DESCRIPTION	RESPONSE
Business Ethics	RT-EE-510a.2	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	$0
	RT-EE-510a.3	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	$0
Activity Metrics	RT-EE-000.A	Number of units produced by product category (indoor climate control electronics)	Proprietary data
	RT-EE-000.B	Number of employees	As of December 31, 2024, we employed approximately 14,200 people. Of these employees, approximately 5,200 were salaried and 9,000 were hourly. The number of hourly workers varies in order to match our labor needs during periods of fluctuating demand.

Task Force on Climate-related Financial Disclosures (TCFD)

TCFD is a market-driven initiative, set up to develop a set of recommendations for voluntary and consistent climate-related financial risk disclosures in mainstream filings. The work and recommendations of the Task Force help firms understand what financial markets want from disclosure in order to measure and respond to climate change risks and encourage firms to align their disclosures with investors' needs.

TOPIC	RESPONSE

GOVERNANCE

Board oversight of climate-related risks and opportunities

The Board is responsible for oversight of our strategy, including our strategy around climate-related issues. In 2024, our Board's Public Policy Committee specifically discussed our climate-related strategy, and action plans around climate change semiannually, with the CEO in attendance. Starting in 2025, that responsibility will transition to the full Board.

Our Enterprise Risk Management program identifies and addresses climate-related risks that were presented to and discussed with the Board twice in 2024, though specific risks may be reviewed by the Board more frequently.

Management's role in assessing and managing climate-related risks and opportunities

The full Board has oversight over climate topics.

Our CEO sets our objectives, including those related to climate, and is actively engaged in managing the company's approach to climate change. Our CEO is the ultimate decision-maker regarding reporting of sustainability metrics and objectives, as well as annual funding of capital expenditures to address sustainability related opportunities. The responsibility to set and execute on goals that support these objectives is delegated to our Executive Staff, which is comprised of senior executives responsible for all our major business segments and corporate functions. Our CEO and Executive Staff have sustainability embedded into their performance goals.

To deliver on our strategy, we established the Sustainability Working Group to provide structure for enterprise-wide sustainability management and to streamline engagement across diverse business segments and corporate functions. The Sustainability Working Group is comprised of senior leaders across our businesses including our Vice President of Government Affairs and Sustainability. Members of the Sustainability Working Group brief the CEO and Executive Staff on a regular basis. The Board is briefed semi-annually on sustainability progress.

BOARD OF DIRECTORS

- Audit Committee
- Board Governance Committee
- Compensation & Human Resources Committee

CEO & EXECUTIVE STAFF

SUSTAINABILITY WORKING GROUP

TOPIC	RESPONSE

STRATEGY

Short-, medium-, and long-term climate-related risks

Our business and financial planning horizons are based on quarterly, annual, and three-year increments, and consider climate-related risks. Our Enterprise Risk Management process, which incorporates these risks, is described below under "Risk Management."

SHORT-TERM (<1 YEAR)

Physical Risks (Acute): As climate change advances, severe weather events may increase. The ability to plan for and mitigate the effects of severe weather events is important for our operations and the operations of our key suppliers. We have robust business continuity planning processes and dual sourcing projects to improve supply chain resiliency in the face of severe weather events. To identify potential exposures, we digitally map (geographic information system) our key suppliers to pinpoint their locations relative to weather and other natural catastrophe hazard zones. We do this to improve our awareness of assets subject to acute hazards, including flooding, earthquakes, windstorms, extratropical storms, volcanos, tsunamis, tropical cyclones, hail, tornados, lightning, storm surges and coastal flooding. In addition to identifying assets exposed to risks, we also conduct live tracking of significant weather events and distribute event notices to key stakeholders. By identifying potential issues early, we are able to take action to reduce risks to employees and better protect our assets.

MEDIUM-TERM (1-5 YEARS)

Transition Risks (Regulatory and Market-Related): We are subject to extensive and changing federal, state, and local laws and regulations designed to protect the environment. These laws and regulations could impose liability for remediation costs and civil or criminal penalties in cases of non-compliance. Compliance with environmental laws increases our costs of doing business. As part of the climate scenario analysis conducted, we evaluated the potential risks and opportunities a range of possible climate futures may have on our business. We identified potential risks of aggressive policies that could force faster transitions away from HFC refrigerant, higher product efficiency standards, and a transition away from gas-consuming heating equipment. Although these laws are subject to frequent changes, we have calculated estimates of the financial impact noncompliance with these regulations would have on our business. Changes in environmental and energy efficiency standards and regulations, such as the UN Montreal Protocol's Kigali Amendment to phase down the use of HFCs, may have a significant impact on the types of products that we develop and sell, and the types of products that are developed and sold by our competitors. Our inability or delay in developing or marketing products that match customer demand and that meet applicable efficiency, and environmental standards may negatively impact our results. The demand for our products and services could also be affected by the size and availability of tax incentives for purchasers of our products and services. Our future success depends on our continued investment in research and new product development as well as our ability to commercialize new HVACR products. If we are unable to successfully develop and market new products and achieve technological advances in response to climate change, our business and results of operations could be adversely impacted.

LONG-TERM (5-15 YEARS)

Physical Risks (Chronic): Longer-term shifts in climate patterns (e.g., sustained higher temperatures) that may cause sea levels to rise or chronic heat waves are understood to be a great challenge for the world but are not considered relevant in our current Enterprise Risk Management processes since the nature of our manufacturing and distribution processes can adapt to changing chronic conditions. Should we identify risks associated with chronic physical changes in the future, we will integrate them into our Enterprise Risk Management system.

Transition Risks (Reputation): There are potential negative impacts associated with various stakeholder perceptions of our response to climate change. Energy efficiency and refrigerants are key components of products across our business units. If we are unable to continue to timely and successfully develop and market new products, achieve technological advances or extend our business model and technological advances into international markets, in response to many factors, including climate change, our reputation and results of operations could be adversely impacted.

TOPIC	RESPONSE

STRATEGY

Impact of climate-related risks on business, strategy, and financial planning

We recognize that the identified climate-related risks may have a significant impact on our business. Therefore, we are focused on addressing these risks by integrating climate considerations into our R&D, product development, and public policy strategies.

R&D: In 2024, we spent $93.6M on R&D to develop new products and services that are more efficient and sustainable, align with customer needs, and comply with regulatory requirements. An estimated thirty percent of the patent applications we filed over the last 10 years are tied to energy efficiency improvements. We leverage improvements in product development cycle time and product data management systems to commercialize new products to market more rapidly. Lennox transitioned most residential and commercial products to lower GWP refrigerants on January 1, 2025, in line with regulatory requirements.

Product Development: In accordance with the Kigali Amendment to the Montreal Protocol and the AIM Act, Lennox transitioned to refrigerants with a lower global warming potential (GWP) that also do not deplete the ozone. We offer the most energy-efficient heat pumps, air conditioners, and furnaces available on the market today. Our cold climate heat pumps are designed to deliver efficient heat in colder climates than standard heat pumps. Variable speed products deliver better comfort and more efficient operation. Our products support a transition to zero-emission sources of energy. Our smart communicating controls execute precise comfort control to meet heating and cooling loads and ventilation requirements comfortably and efficiently, allowing customers to use less energy than non-communicating HVAC systems. Our product development efforts provide the highest levels of comfort, reduce energy use and, help our customers reach their electrification and decarbonization goals.

Facility Operations: Over the past few decades, we replaced CFC and HCFC refrigerants with HFC refrigerants to eliminate the ozone depleting potential (ODP) of the refrigerants used in our products. In 2025 we begin the transition of most of our products to lower global warming potential (GWP) refrigerants that do not deplete the ozone and have a significantly lower GWP than HFC refrigerants. However, refrigerants remain a significant source of greenhouse gas emissions and we are implementing additional controls to track and improve our refrigerant management practices.

Regulations and Public Policy: We innovate, produce and distribute some of the most energy efficient products on the planet. We continue to lead the global HVACR industry's transition to more environmentally friendly refrigerants by advocating for faster transitions to low GWP refrigerants and supporting the broad use of reclaimed and recycled refrigerants. We actively participate in and work with various industry associations, sustainability focused coalitions and other stakeholders to promote, among others:

- » Energy conservation standards for HVACR products
- » Product certification, verification, and testing for product efficiency ratings
- » Phaseout of high global warming potential refrigerants
- » Air quality and emissions standards
- » Tax policy or other government incentives that encourage the purchase and installation of energy-efficient products

Our businesses also monitor and conduct stress testing for regulatory risks, particularly as it relates to potential future regulations around increasing energy efficiency, lower GWP refrigerant regulatory requirements, and extended producer responsibility. During our annual strategic assessment, we evaluate likely transition timelines and adjust our product plans to adapt to anticipated changes.

TOPIC	RESPONSE
Resilience of strategy using 2°C or lower scenarios	The Lennox Sustainability Working Group evaluates the potential risks and opportunities across a range of possible future scenarios. In addition, each business segment (Building Climate Solutions and Home Comfort Solutions) conducts an annual strategic assessment to evaluate product planning in response to customer needs, future markets, environmental trends, and regulatory compliance. The impact and scope of various transitions (refrigerant, efficiency, emissions, regulatory) are evaluated quarterly at Quarterly Product Planning meetings.

Lennox has considerable opportunities to support future transitions aimed at reducing emissions and moving toward the electrification and decarbonization of our products. Lennox anticipates and will meet the demand for more energy-efficient and lower-emission products as consumer demand and the regulatory landscape evolves. Lennox has a rich history of innovation and continues to produce some of the most energy efficient and environmentally friendly HVACR products on the planet. Lennox was also the first HVACR manufacturer to meet the Department of Energy's Cold Climate Heat Pump challenge, which is a large step in transitioning heating products for cold climates from fossil fuels to electricity.

We understand and evaluate the risks associated with accelerated policies resulting in quicker transitions to higher energy conservation standards, to products with lower operational emissions and away from higher global warming potential refrigerants.

Our annual strategic assessment facilitates product strategy discussions and business priorities to support investment decisions and marketing priorities. These decisions prepare us for the expected shifts in the market that impact product selection and demand. |

RISK MANAGEMENT

TOPIC	RESPONSE
Process to identify and assess climate-related risks	We view climate change as a driver that indirectly influences varying components of our top risks. For example, climate-driven risks to the regulatory landscape are assessed as part of our overall assessment of regulatory risk in our ERM process. The ERM process consists of a comprehensive bottom-up approach: from risk identification and response planning by operating management to risk assessments and monitoring by our executive team, and finally, reviews of top prioritized risks and corresponding risk response plans by the Board. All risks are addressed with a plan to accept, mitigate/reduce, share/ transfer, or avoid risks, and all Risk Response Plans are encouraged to follow SMART guidelines—be Specific, Measurable, Achievable, Relevant, and Time bound.

Top risks are identified, ranked, and risk-response plans are developed with business unit leadership teams monitoring progress and reporting to our CEO and Executive Staff. Our Board reviews and monitors our top risks and corresponding mitigation plans. In this process, risks are placed in "impact/likelihood" and "impact/significant" quadrants. Likelihood is scored on a 1-5 scale, from "least likely" to "almost certain," considering frequency, probability, and time horizon. Significance is also scored on a 1-5 impact scale, with the following dollar amounts considered:
1. Insignificant: profit/cash flow impact less than $1 million
2. Minor: profit/cash flow impact $1-$5 million
3. Moderate: profit/cash flow impact $5-$25 million
4. Major: profit/cash flow impact $25-$100 million
5. Catastrophic: profit/cash flow impact more than $100 million |

TOPIC	RESPONSE
Process to identify and assess climate-related risks *(contd.)*	Factors for scoring potential impacts of the risk include, but are not limited to, financial, operational, brand, and health and safety impact. Climate-related risks and considerations may also influence a risk's level of impact. Combined, the highest quadrant of concern (i.e., substantive financial or strategic impact) is any issue with impact and likelihood ratings of 3 or higher and a likelihood rating of 3 or higher. Separate from the ERM, we have developed comprehensive Lennox facility risk profiles for our major locations to determine the probability and potential severity of climate-related physical risks– including coastal erosion, extreme heat, floods, hailstorms, tornadoes, hurricanes, severe winters and thunderstorms. For each facility, we quantified the potential severity and occurrence of each climate-related risk and identified possible risk mitigation strategies for the most impactful risks across our facilities.
Process to manage climate-related risks	We manage and reduce our operational and reputational risks related to climate change through sound environmental and business management. Our facilities vary in function, geography, size, and surrounding natural environments, which gives rise to varying exposure levels to severe weather events, different regulatory requirements, and different levels of environmental quality. Although our facilities have their own operating plans depending on their location, all function under a standard ERM process which provides an effective foundation for environmental stewardship. We have specific processes that help us manage our short-, medium-, and long-term climate-related risks: **SHORT-TERM (<1 YEAR)** We have a robust business continuity planning (BCP) process, with oversight from our Risk Management team, to manage acute, physical climate risks. The process includes educating stakeholders and facilitating BCP scenario testing. Two operational business segment champions and site-specific BCP team leaders train team members and update and house BCP documents within the BCP SharePoint system. Each manufacturing facility has five to 15 employees at manufacturing sites (based on size and complexity) who participate in training, documentation, and testing. We believe this process builds site specific resiliency in the face of potential climate-related impacts. We also transfer some of these physical climate risks to insurers. We purchase property insurance covering replacement costs for damage to our facilities, business interruption loss resulting from physical damage, and more limited contingent business interruption loss from suppliers disrupted by a physical damage loss. **MEDIUM-TERM (1-5 YEARS)** To mitigate our medium-term climate-related transition risks related to regulations, Lennox leverages our leadership position in the HVACR industry to actively participate in the development and implementation of climate-related policies that increase energy efficiency and reduce emissions. We work through various industry associations and coalitions to shape future climate-related legislation, regulations, building codes and safety standards in the policy areas that affect our business.

TOPIC	RESPONSE
Process to manage climate-related risks *(contd.)*	**LONG-TERM (5-15 YEARS)** A vital way we are addressing long-term climate-related transition risks to our reputation is by increasing the quality and quantity of our disclosure around our sustainability commitments and approach to managing material issues. Our Enterprise Risk Management system is regularly reviewed and adapted to meet the needs of our changing risk landscape, in which climate change is expected to assume a larger part. We believe we are well positioned to manage climate change issues both in our operations and in product development with the ultimate result being that our reputation for innovative and responsible HVAC solutions remains intact. Further actions we take to manage climate-related risks include: » Setting environmental performance objectives and monitoring our progress » Complying with applicable environmental laws and regulatory requirements globally » Providing strategic training and guidance to our environmental and compliance professionals to help them stay informed on environmental issues and best practices that could impact our business » Publicly disclosing environmental performance through reporting frameworks such as the Sustainability Accounting Standards Board (SASB) and the TCFD. The reporting process helps us manage and measure our progress as well as engage with our internal and external stakeholders on climate-related issues.
Integration of risk processes into overall risk management	Although climate-related risks are already indirectly incorporated into our ERM, described under "Process to identify and assess climate-related risks," we are working on formally incorporating climate-related risks. This year, we are providing education on climate and human capital risks as they relate to our business. Our ERM results and progress were presented to the full Board twice a year, though specific risks may be reviewed by the Board more frequently.

METRICS AND TARGETS

Metrics used to assess climate-related risks	We track and monitor several environmental performance metrics to assess climate-related risks. These metrics include but are not limited to: » Scope 1 emissions – direct emissions from sources owned or controlled by a company including energy use related to our direct operations, and refrigerant loss from our manufacturing facilities. » Scope 2 emissions – indirect emissions from purchased electricity, steam, heat, and cooling. » Scope 3 emissions – all other emissions associated with a company's activities. » Energy efficiency ratings of our products, such as SEER (Seasonal Energy Efficiency Ratio), AFUE (Annual Fuel Utilization Efficiency), and HSPF (Heating Seasonal Performance Factor). » Percentage of our product portfolio, by revenue, that is above the federal minimum energy conservation standard. » Water usage related to our direct operations.

2024 Lennox Data Tear Sheet

Product Stewardship and Innovation

Business Overview	2024
Revenue	$5.35B
R&D Expenditure	$93.6M
Product Vitality Index	48%

Energy-Efficient Solutions	2024
Core products, by revenue, that are highly-efficient	56%
Home Comfort Solutions products, by revenue, that are highly-efficient	53%
Building Climate Solutions products, by revenue, that are highly-efficient	63%

Hudson Reclaim	2024
Dealer Location Participants	285
Pounds of Refrigerant Reclaimed	174,875

Certifications

ISO Certified Status	2024
ISO 14001 Certified Manufacturing and R&D Facilities	6%
ISO 50001 Certified Manufacturing and R&D Facilities	6%
ISO 45001 Certified Manufacturing and R&D Facilities	6%
ISO 9001 Certified Manufacturing Facilities	42%

Environmental

Energy	Unit	2024
Energy Consumption		
Non-Renewable Energy	MWh	288,149
Renewable Energy	MWh	18,765
Total Energy Consumption	MWh	306,914
• Non-Renewable	%	93.9%
• Renewable	%	6.1%
• Grid Electricity	%	48.1%
Energy Intensity		
Energy Intensity	MWh / Million USD in Normalized Revenue	62.4
Energy intensity reduction compared to 2014 baseline	%	29%
Non-Renewable Energy Consumption by Source		
Purchased Electricity	MWh	147,731
Direct Fuel Usage	MWh	159,183
• Natural Gas	MWh	74,776
• Gasoline	MWh	73,142
• Diesel	MWh	2,109
• Flex Fuel E20	MWh	124
• Propane	MWh	8,813
• Propylene	MWh	200
• Liquefied Petroleum Gas (LPG)	MWh	19
Renewable Energy Consumption by Source		
Renewable Energy Purchased	MWh	18,765

Waste	Unit	2024
Waste Generated		
Hazardous	Metric Tons	241.4
Non-Hazardous	Metric Tons	35,884
Total Weight	Metric Tons	36,125
• Percent Hazardous	%	0.7%
• Percent Non-Hazardous	%	99.3%
Hazardous Waste		
Recycled	Metric Tons	234.5
Disposed	Metric Tons	6.9
• Incinerated without energy recovery	Metric Tons	6.3
• Other recovery operations	Metric Tons	0.6
Percent Recycled	%	97%
Percent Disposed	%	3%
Number and aggregate quantity of reportable spills, quantity recovered	Metric Tons	0
Non-Hazardous Waste		
Recycled	Metric Tons	30,880
Disposed	Metric Tons	5,003
• Landfilled	Metric Tons	4,782
• Incinerated with energy recovery	Metric Tons	221
Percent Recycled	%	86.1%
Percent Landfilled	%	13.3%
Percent Incinerated	%	0.6%
Landfill Intensity		
Landfill Intensity	Metric Tons / Million USD in Normalized Revenue	0.97
Landfill Intensity reduction compared to 2014 baseline	%	26%

Water	Unit	2024
Water Consumption		
Total Water Withdrawal	Cubic Meters	237,151
Total Water Discharge	Cubic Meters	140,685
Total Water Consumption	Cubic Meters	96,466
Water Withdrawal Intensity		
Water Withdrawal Intensity	Cubic Meters / Million USD in Normalized Revenue	48.2
Water withdrawal intensity reduction compared to 2014 baseline	%	27%
Water Withdrawal by Source		
Third party sources	Cubic Meters	237,151
Water Withdrawal by Country		
United States	Cubic Meters	197,729
Canada	Cubic Meters	1,076
Mexico	Cubic Meters	31,788
India	Cubic Meters	6,160
Puerto Rico	Cubic Meters	91
China	Cubic Meters	307
Water Use at Water-Stressed Locations		
Low	%	22%
Low-Medium	%	13%
Medium-High	%	26%
High	%	23%
Extremely High	%	16%
Water withdrawal from areas of high to extremely high water-stress	Cubic Meters	121,563
Number of facilities in areas of high to extremely high water-stress	Number	144
Percentage of operations in areas of high to extremely high water-stress	%	39%

Water Discharge by Source		
Third party sources	Cubic Meters	140,685
Water Discharge by Country		
United States	Cubic Meters	101,263
Canada	Cubic Meters	1,076
Mexico	Cubic Meters	31,788
India	Cubic Meters	6,160
Puerto Rico	Cubic Meters	91
China	Cubic Meters	307

Workforce Structure	2024	
	Number	**Percentage**
Total Global Employees	14,197	
Union Representation of Total Global Employees	4,581	32%
Global Employees by Region		
U.S.	8,868	62%
International	5,329	38%
Global Employees by Employment Type		
Full-Time	14,174	99.8%
Part-Time	23	0.2%
Global Employees by Compensation Type		
Salaried	5,206	37%
Hourly	8,991	63%

Gender Composition of Global Workforce	2024	
	Female	**Male**
Overall	36%	64%
Gender Distribution by Employment Level		
All Management Positions	23%	77%
• Executive	22%	78%
• Middle Management	28%	72%
• Junior Management	21%	79%
All Other Salaried	32%	68%
Hourly	41%	59%
Gender Distribution in Specific Functions		
Revenue Generating Functions	14%	84%
STEM-Related Positions	18%	82%

Racial and Ethnic Composition of U.S. Workforce	2024
Racial and Ethnic Composition of Total U.S. Employees	
White	43%
African American	37%
Hispanic	12%
Asian	6%
Indigenous or Native	0.6%
Other	2%
Racial and Ethnic Composition of U.S. Management (Manager & Above)	
White	64%
African American	14%
Hispanic	11%
Asian	8%
Indigenous or Native	0.9%
Other	2%

Age Composition of Global Workforce	2024	
	Number	Percentage
Under 30 years old	4,338	31%
30-50 years old	6,554	46%
50+ years old	3,305	23%

Employee Engagement Survey Results	2024
Participation Rate	86%
Average Employee Engagement Survey Score	73

Salaried Training	2024
Average Hours of Training per Employee	22
Average Hours of Training by Employment Level	
All Management Positions	22
• Executive	2
• Middle Management	13
• Junior Management	26
All Other Salaried	22
Average Hours of Training by Gender	
Male	23
Female	18

Product Safety	2024
Total amount of monetary losses as a result of legal proceedings associated with product safety	$0
Recalls Issued	0
Total Units Recalled	0

Occupational Health & Safety	2024		
	Employees	Contractors	Total
Work-Related Fatalities	0	0	0
Recordable Injuries	58	5	63
Recordable Frequency Rate (per 200,000 hours worked)	0.40	0.04	0.44
Lost Time Frequency Rate (per 200,000 hours worked)	0.13	0.02	0.15

Corporate Citizenship	2024
Number of Organizations Supported	259
Feel The Love® Recipients	415
Total Volunteer Hours	4,420
Charitable Giving	
Total Philanthropic Giving	$2,330,319
• Community Grants	$1,260,532
• Matching Grants	$149,819
• Volunteer Grants	$16,490
• In-Kind Giving	$903,478

Governance

Board Composition	2024
Total Board Members	10
Female	30%
People of Color	20%
Independent	90%
Average Director Age (years)	62
Board Tenure	
10+ Years	50%
5-10 Years	10%
<5 Years	40%
Average Board Tenure	10.14

Ethics and Compliance	2024
Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	$0
Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	$0

Lobbying Expenditure	2024
Expenses Related to Lobbying Activities	$310,000

About This Report

This report references the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-related Financial Disclosures (TCFD) reporting frameworks. For any questions related to this report please contact: **investor@lennox.com**

The reporting boundary for the quantitative metrics was drawn from available data covering the 2024 calendar year, whereas qualitative information includes the 2024 calendar year and partial year data from the 2024 calendar year.

This report contains forward-looking statements within the meaning of the federal securities laws. You can identify these statements by our use of the words "assumes," "believes," "estimates," "expects," "guidance," "intends," "plans," "projects" and similar expressions that do not relate to historical matters. You should exercise caution in interpreting and relying on forward-looking statements because they involve known and unknown risks, uncertainties, and other factors that are, in some cases, beyond our control and could materially affect actual results, performance, or achievements. We do not undertake a duty to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. The data and information herein are as of December 31, 2024, unless otherwise indicated. Stakeholders are urged to closely consider the disclosures and risk factors in our most recent Annual Report on Form 10-K and other reports on file with the Securities and Exchange Commission, available at **www.lennox.com**

As used in this report, the terms "material", "materiality", "immaterial", "substantive", "significant", and other similar terminology are not used, or intended to be construed, as they have been defined by or construed in accordance with the securities laws or any other laws of the United States or any other jurisdiction or are they are used in the context of financial statements and financial reporting.

The data presented in this report is collected using accepted and relevant scientific and industry accepted methodologies, which in some instances, are based on assumptions and estimates. Although our data has been internally vetted, there are inherent uncertainties and limitations in the collection and presentation of our data. For example, certain information in this report regarding our progress against our sustainability goals is estimated and comes from third-party sources and operations outside of our control. While we believe such information is reasonably accurate and is based on generally accepted principles and methodology, the collection of this data is beyond our direct influence. In addition, the achievement of certain of our sustainability goals and targets that are discussed in this report are dependent on the actions of our partners, suppliers and other third parties, all of which are outside of our control.

Historical performance data may be revised due to reasons such as new data availability; industry-driven changes to methodologies; improvement in data collection and measuring systems; or activities such as joint ventures, mergers and acquisitions or divestitures. In cases where historical information is revised, we will footnote the change with a clear explanation. Statements about future developments and past occurrences are based on information and assumptions available as of the date of publication. While we are committed to providing timely updates, Lennox holds no obligation to update information or statements.