



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) 0.58 total recordable frequency rate for employees
		(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) 285,407 MWh
		(2) Percentage grid electricity	(2) 43%
		(3) Percentage renewable	(3) 6.5%
Hazardous Waste Management	RT-EE-150a.1	Amount of hazardous waste generated, percentage recycled	In 2023, our operations generated 247 metric tons of hazardous waste, as defined by the authorities that regulate each of our facilities. 98% 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 2023.
Product Safety	RT-EE-250a.1	Number of recalls issued, total units recalled	1; about 9,255
	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	<p>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</p> <p>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 diversifying the geographic locations of our suppliers and regional sourcing teams. When sourcing new suppliers in strategic categories, geographical and climate risk are included in our decision matrix. 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.</p>
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 2023, 53% 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.



TOPIC	SASB CODE	DESCRIPTION	RESPONSE
Business Ethics	RT-EE-510a.1	Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behavior	<p>The Lennox Code of Business Conduct, and related policies on preventing corruption, bribery, and anti-competitive behavior, 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.</p> <p>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.</p> <p>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.</p> <p>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:</p> <ul style="list-style-type: none"> » Report conduct inconsistent with our Code » Disclose potential conflicts of interest and » Confirm compliance with the Insider Trader Policy. <p>Any issues raised in the questionnaire are addressed.</p>
	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 ¹	As of December 31, 2023, we employed approximately 12,600 people. Of these employees, approximately 4,800 were salaried and 7,800 were hourly. The number of hourly workers varies in order to match our labor needs during periods of fluctuating demand.