2024 — 2025

Sustainability Report



About This Report

This report covers BAC's sustainability initiatives and performance from October 1, 2023 to September 30, 2025 and applies to all global operations unless otherwise noted.



Message from the President

Don Fetzer, President, BAC

Across industries and communities, digital transformation is reshaping how we interact, learn, work, design and operate buildings.

As many aspects of our society become increasingly digital, addressing the challenges of climate change requires capabilities our BAC workforce has traditionally cultivated: an innovation mindset. Our teams have been trained in this mindset with the intention of re imaging how we operate, collaborate, design our products, and serve our customers.

Innovation has long guided our approach to sustainability—from designing cooling technologies that improve energy and water efficiency to reducing the environmental impact of our operations and strengthening the resilience of our global supply chain.

As the global manufacturer in evaporative cooling, a highly energy efficient cooling technology, we uphold a responsibility to advance solutions designed to help customers meet their energy and water efficiency goals and demonstrate facility operations leadership.

The progress highlighted in this report reflects the dedication of our global teams and the strength of our culture. Over the past two years, we have continued to build momentum across our business.

Successes in Operational Sustainability

85 Percent Global Renewable Electricity. BAC expanded our global use of renewable electricity from 55 percent in 2023 to 85 percent in 2025. In the next several years, we look forward to achieving 100 percent renewable electricity across all BAC plants and offices to help green the regional and national grids we rely on for power.

Surpassing Our Operational Emissions Target. BAC has set a target of reducing operational emissions by 50 percent by 2030, compared to our 2019 base year. By the end of 2025, BAC needed to achieve a 27 percent reduction to stay on track to meet our target.

However, in 2025, we surpassed our annual target and achieved a 41 percent reduction, putting us three years ahead of schedule.

Minimizing Landfill Waste. During the reporting period for this report, BAC decreased the landfill waste of our production plants by more than 20 percent, from approximately 1,000 metric tonnes in 2023 to 791 metric tonnes in 2025.

A Challenge for Sustainable Operations

Between 2023 and 2025, BAC saw increases in our use of potable water. In addition to the use of water for restrooms and kitchens, BAC requires water to carry out product testing for quality and performance.

While BAC is not a major water user compared to industrial users in sectors such as agriculture and food and beverage, we recognize the importance of responsible water management and remain committed to identifying practical opportunities to strengthen our water stewardship in the years to come.

BAC's Collective Ingenuity

BAC has continued to invest in technologies that we believe will define the future of sustainable cooling.

Through new product introductions and ongoing engineering advances, we are helping customers operate more efficiently while reducing energy and water consumption. These innovations have been built from the same spirit of curiosity and ingenuity that has defined BAC since our founding.

Our people remain the driving force behind this progress. From 2024 through 2025, our workforce has continued to grow, while employee retention has remained strong.

We believe this reflects BAC's focus on collaboration, meaningful employee experiences, and our commitment to pursuing sustainability across our operations, supply chain, and product design. Through leadership development, global learning platforms, and programs such as BAC's *iMentors*, we are working to ensure a culture where creativity thrives.

In addition to strengthening our organizational culture, we are proud to support volunteer initiatives at both the local and global level.

These efforts include community engagement activities and a global partnership with the nonprofit organization Just a Drop to help fund clean water infrastructure in under-served communities.

We recognize the criticality of clean water for all communities and remain committed to supporting efforts that improve access to this vital resource.

As we reflect on this progress and consider the important work ahead, we are pleased to share this report to inform our customers, suppliers, workforce, and our industry community.

By publishing this report, we are proud to reflect BAC's commitment to openness, to addressing our impacts, and challenging our industry peers and competitors to join us in these commitments and pursuits.

Together, we ask you to join us in our journey to **Reinvent Cooling to Sustain the World.**



Healthy, Sustainable, and Resilient Built Environments:

BAC Solutions for Both People and the Planet



Bill McQuade, P.E., LEED® AP, CDP, Fellow ASHRAE

Global Vice President and Head of Government Affairs and Sustainability, 2025–26 ASHRAE Society President

This has been a unique year for me, serving simultaneously as ASHRAE's 2025–26 Society President and Global Vice President and Head of Government Affairs & Sustainability at BAC.

I have traveled the world, visited every inhabited continent, listened to people on the ground, and witnessed the transformation of markets, technologies, and the regulatory landscape.

What has become clear to me is that our industry is driving toward healthy, sustainable, and resilient built environments.

Healthy, meaning that in our efforts to reduce energy use and carbon emissions from buildings, we cannot compromise on indoor environment quality (IEQ). We must maintain clean air, thermal comfort, proper acoustics and lighting, and — consistent with BAC's long-standing focus — access to safe, clean drinking water.



Sustainable in terms of minimizing energy use and life-cycle carbon emissions.

For BAC, this is not a political statement or a fleeting movement; it is the logical result of world-class engineering and a commitment we make to our customers, our employees, and our planet.

We aim to provide solutions that meet our customers' needs while minimizing the resources (carbon, water, and energy) BAC uses to create them—and the resources our customers use to operate them throughout their life cycle. At the same time, BAC is committed to reducing the environmental impact of our own operations on our communities and the planet.

Resilient in creating buildings that can adapt to a changing climate or shifting use cases, protect occupants from extreme weather, and recover quickly when conditions normalize.

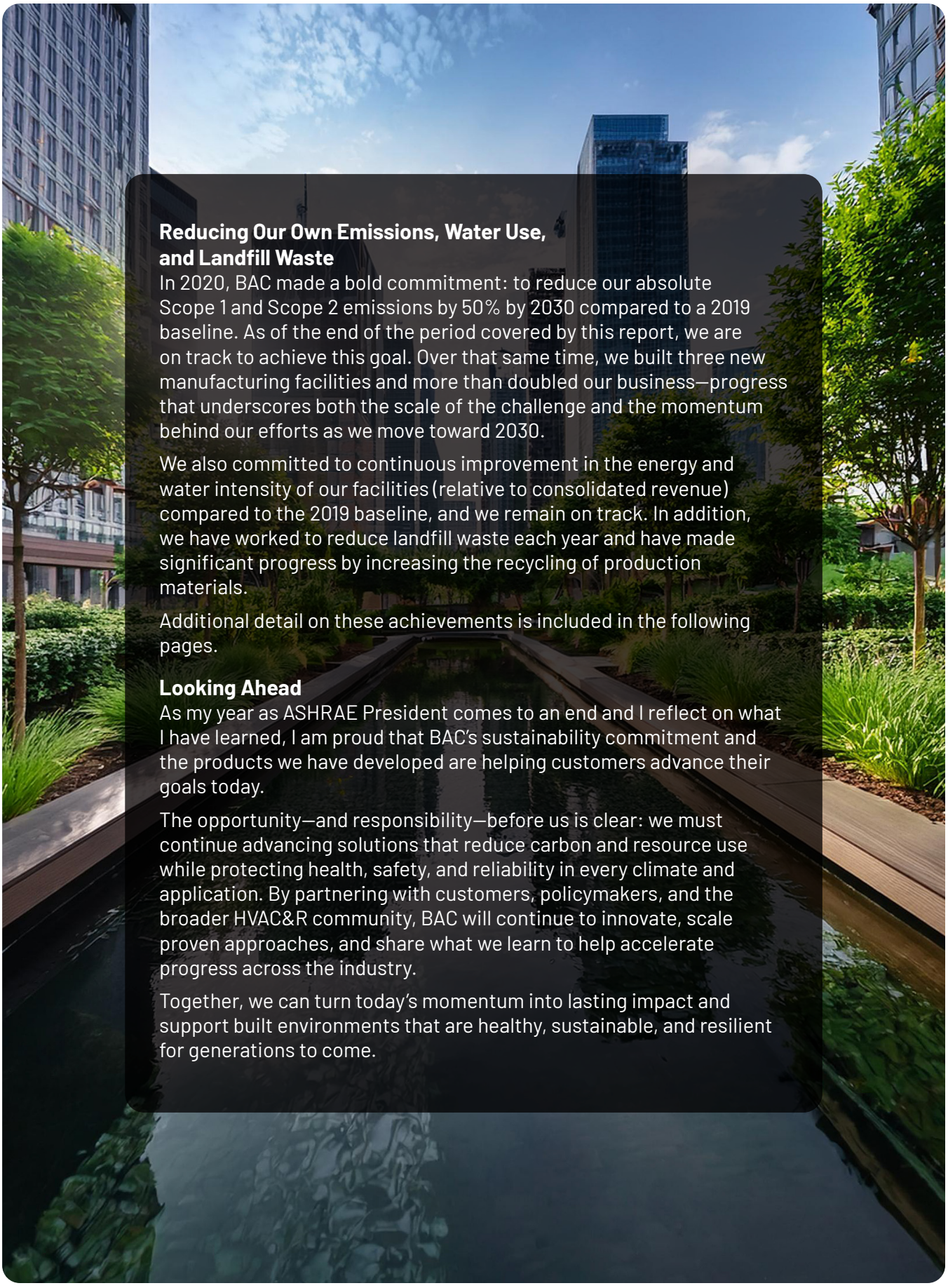
Our products are built to last in all types of environments, can dynamically adjust to changing loads, and operate reliably in the most extreme temperature conditions.

Innovations in Sustainable Thermal Management

At BAC, our products provide customers with a range of options to meet their specific needs by balancing energy, water, and carbon emissions.

Our open cooling towers, hybrid and adiabatic solutions, and dry coolers help customers maximize energy efficiency based on local water availability. Our thermal energy storage systems, along with the new Cobalt immersion cooling solutions for data center servers, can significantly reduce energy use compared to traditional systems and, in turn, help minimize life-cycle carbon emissions.

BAC's product portfolio directly complements the direction of the industry and accelerates the market's ability to design and operate more sustainable buildings.



Reducing Our Own Emissions, Water Use, and Landfill Waste

In 2020, BAC made a bold commitment: to reduce our absolute Scope 1 and Scope 2 emissions by 50% by 2030 compared to a 2019 baseline. As of the end of the period covered by this report, we are on track to achieve this goal. Over that same time, we built three new manufacturing facilities and more than doubled our business—progress that underscores both the scale of the challenge and the momentum behind our efforts as we move toward 2030.

We also committed to continuous improvement in the energy and water intensity of our facilities (relative to consolidated revenue) compared to the 2019 baseline, and we remain on track. In addition, we have worked to reduce landfill waste each year and have made significant progress by increasing the recycling of production materials.

Additional detail on these achievements is included in the following pages.

Looking Ahead

As my year as ASHRAE President comes to an end and I reflect on what I have learned, I am proud that BAC's sustainability commitment and the products we have developed are helping customers advance their goals today.

The opportunity—and responsibility—before us is clear: we must continue advancing solutions that reduce carbon and resource use while protecting health, safety, and reliability in every climate and application. By partnering with customers, policymakers, and the broader HVAC&R community, BAC will continue to innovate, scale proven approaches, and share what we learn to help accelerate progress across the industry.

Together, we can turn today's momentum into lasting impact and support built environments that are healthy, sustainable, and resilient for generations to come.

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About BAC

OUR HISTORY

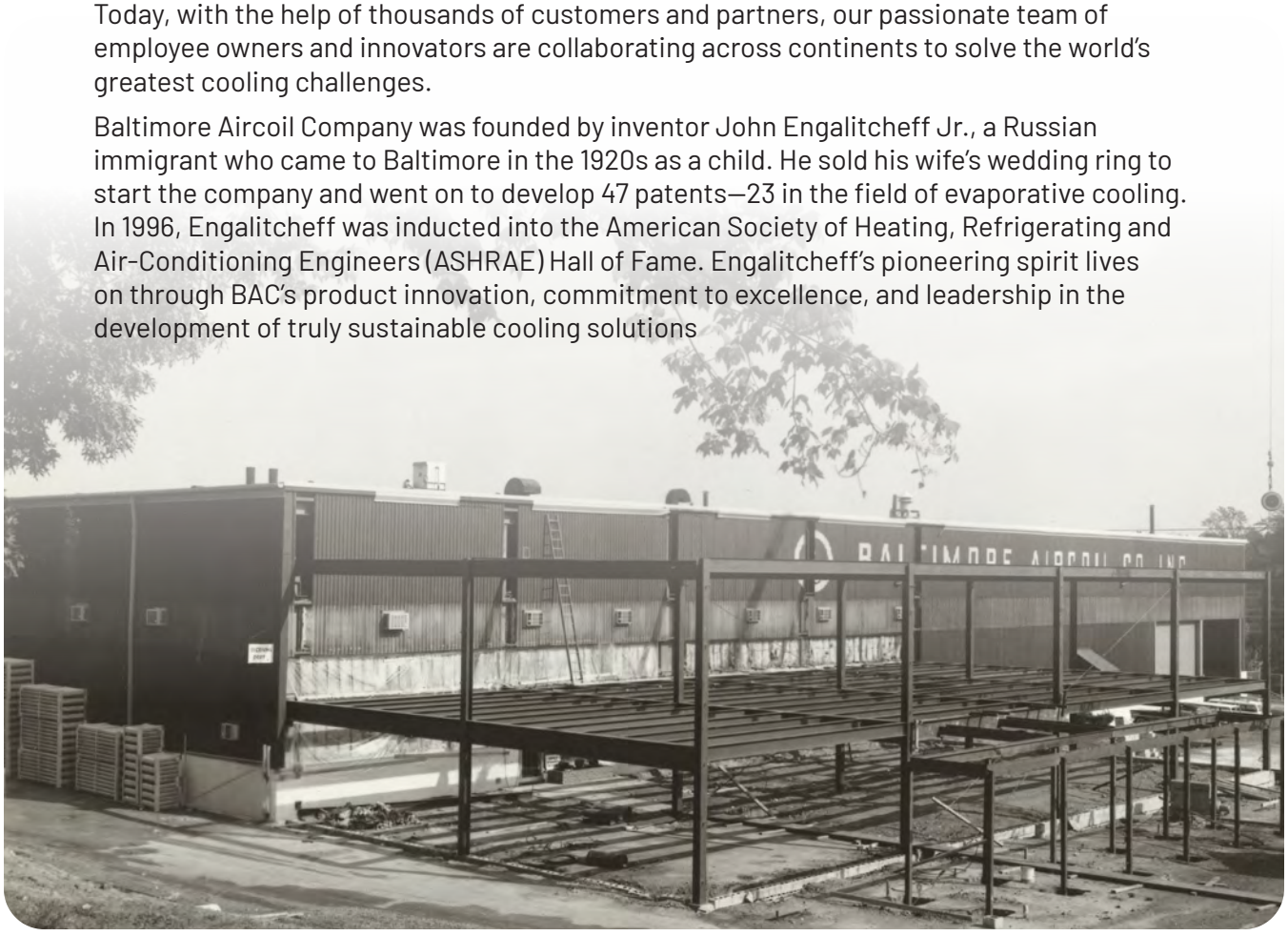


BAC is a global leader in developing and manufacturing a full range of evaporative, hybrid cooling, and ice thermal storage products.

BAC is a global leader in developing and manufacturing a full range of evaporative, hybrid cooling, and ice thermal storage products. Our story begins in 1938 with a single cooling coil, handcrafted in our founder's garage. Within just a few decades, BAC's products and solutions could be found around the world, helping societies grow and thrive.

Today, with the help of thousands of customers and partners, our passionate team of employee owners and innovators are collaborating across continents to solve the world's greatest cooling challenges.

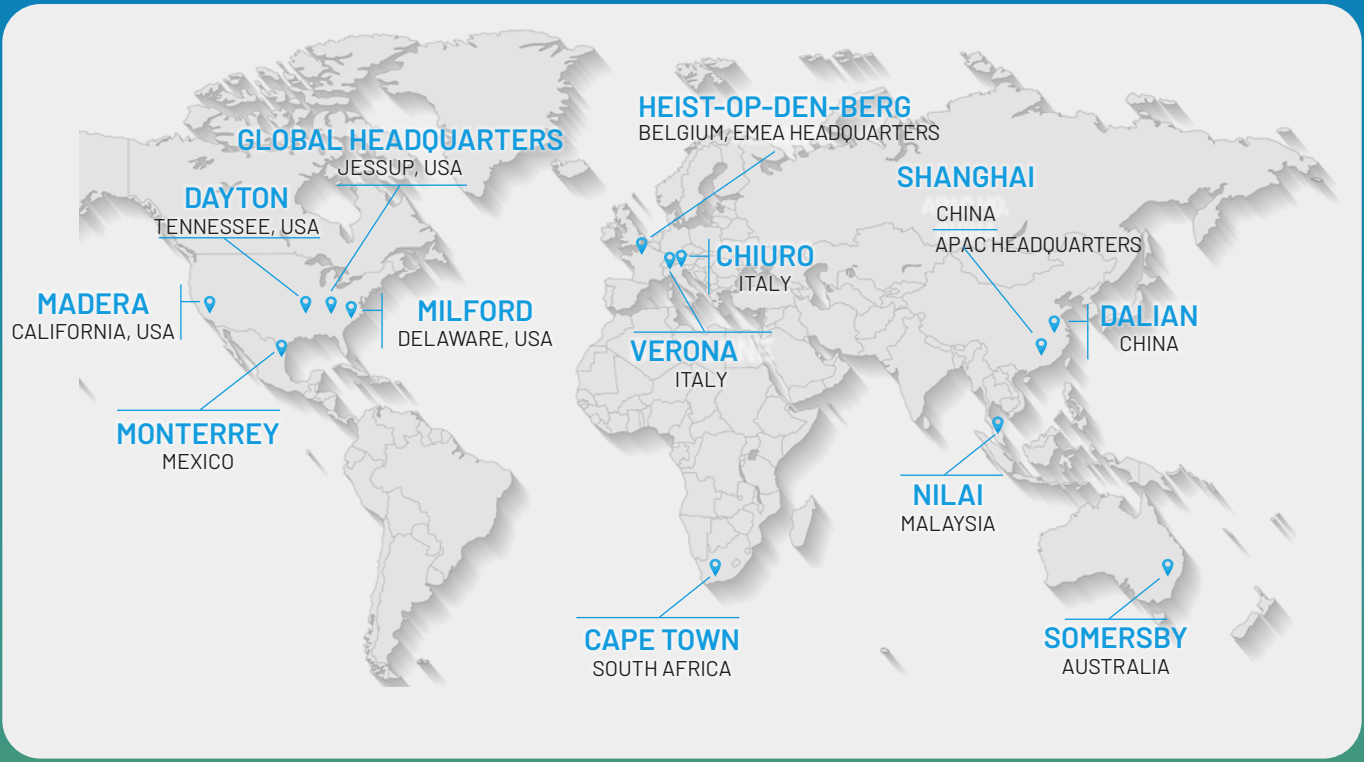
Baltimore Aircoil Company was founded by inventor John Engalitcheff Jr., a Russian immigrant who came to Baltimore in the 1920s as a child. He sold his wife's wedding ring to start the company and went on to develop 47 patents—23 in the field of evaporative cooling. In 1996, Engalitcheff was inducted into the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) Hall of Fame. Engalitcheff's pioneering spirit lives on through BAC's product innovation, commitment to excellence, and leadership in the development of truly sustainable cooling solutions

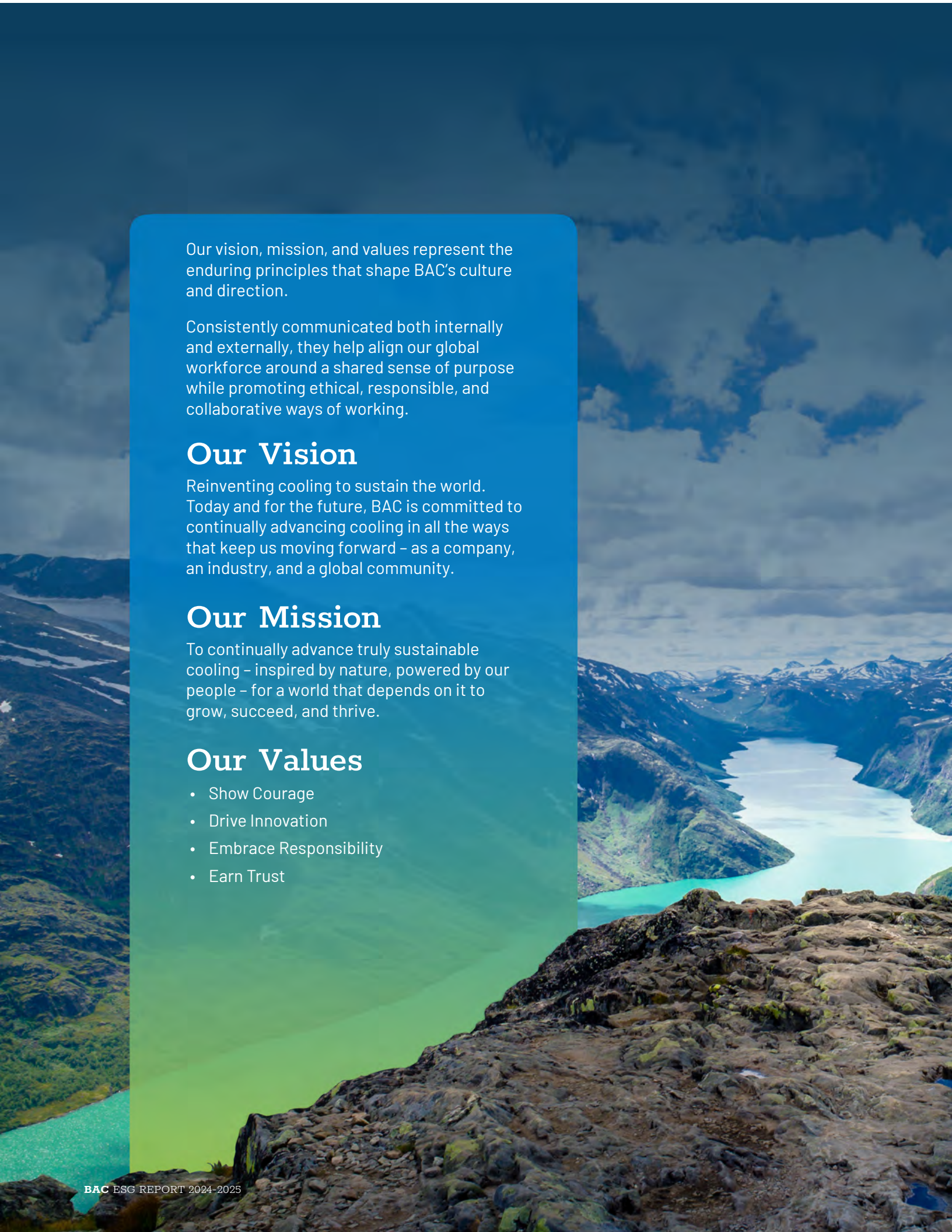


Global Reach, Local Focus

BAC maintains manufacturing, engineering, testing, and technical capabilities across multiple regions. This global presence enables the company to support customers worldwide through locally-based operations and expertise.

BAC's Major Facilities





Our vision, mission, and values represent the enduring principles that shape BAC's culture and direction.

Consistently communicated both internally and externally, they help align our global workforce around a shared sense of purpose while promoting ethical, responsible, and collaborative ways of working.

Our Vision

Reinventing cooling to sustain the world. Today and for the future, BAC is committed to continually advancing cooling in all the ways that keep us moving forward – as a company, an industry, and a global community.

Our Mission

To continually advance truly sustainable cooling – inspired by nature, powered by our people – for a world that depends on it to grow, succeed, and thrive.

Our Values

- Show Courage
- Drive Innovation
- Embrace Responsibility
- Earn Trust



OUR MARKETS

BAC develops heat rejection solutions that support space cooling, industrial processes, and refrigeration applications. We focus on delivering energy- and water-efficient products that meet evolving market needs and contribute to sustainable building design and construction. Across our portfolio and partnerships, we work to continuously improve performance and advance innovations that support more efficient and sustainable built environments.

HVAC Applications

Temperature-controlled environments support daily activities across a range of climates. BAC cooling solutions are applied across various HVAC systems, including commercial buildings, healthcare facilities, and large-scale infrastructure, contributing to comfortable indoor environments.





Data Centers

As demand for digital services grows in many regions, reliable thermal management plays a critical role in data center performance, including reliability and uptime. Hyperscale, colocation, and enterprise facilities apply BAC cooling technologies to pursue greater energy and water efficiency.[1]

Refrigeration

Reliable cooling supports food preservation, public health, and the continuity of supply chains. BAC's refrigeration solutions are used across a range of applications, including cold storage and distribution facilities, food and beverage manufacturing, and supermarkets, helping these services maintain consistent performance, energy efficiency, and (in many cases) cost savings.[1]





Industrial

Cooling systems are often a key component of operational stability in manufacturing. BAC solutions support uptime and efficient operations in industrial facilities across a range of sectors, including automotive, pharmaceuticals, power generation, primary metals, chemicals, oil and gas, industrial gases and EV Battery Production.

1 Compared to air-cooled systems in certain regions.

Highlights from 2024 & 2025

Environmental & Social Impact Achievements

26%
Reduction in Operational GHG Emissions

Reduced a combined Scope 1 and Scope 2 (market-based) GHG emissions by 26% between 2023 and 2025.

20%
Reduction of Landfill Waste

Between 2023 and 2025, BAC reduced landfill waste, even as production increased.

30%
Improvement on Energy Intensity

for manufacturing operations based on production throughput.

85%
of Global Electricity Use from Renewable Sources

BAC expanded our global use of renewable electricity from 55% (2023) to 85% (2025).

A Second BAC Plant Achieved ISO 14001 Certification

In 2025, our Heist, Belgium plant achieved this certification on environmental management systems.

Fostered a Culture of Engagement & Stewardship

BAC employees participated in a range of environmental, community improvement, and family-friendly events throughout 2024 and 2025.

Access to Clean, Safe Water for 2,000+ People

BAC employees raised funds for water infrastructure projects in rural Nicaragua and Zambia expected to provide health and educational benefits.

Recognized as a Top US Employer

2024: Listed on Forbes America's Best Midsize Employers

2025: Listed on Forbes America's Best-In-State Employers for Maryland

Shaping Market Transformation

Engaged on sustainability issues within MEP associations: ASHRAE, Eurovent, & IIAR



Culture of Innovation

Innovating for a More Sustainable Future

Innovation is the engine of BAC's sustainability leadership.

Innovation is embedded in our culture and emphasized in our corporate mission: *to reinvent cooling to sustain the world.*

Internally, BAC fosters innovation through a disciplined approach that transforms promising ideas into scalable solutions. This same mindset extends beyond our organization, as we continuously monitor the global innovation ecosystem for emerging opportunities that have the potential to transform our industry. This includes tracking scientific breakthroughs, engaging with startups, and monitoring policy developments to identify innovations that may shape the future of our industry.

Our global teams bridge market needs, technology development, and corporate strategy. With a clear vision and agility, BAC moves on opportunities to solve known customer problems. Beyond business as usual, BAC invests in research and development that leaves room for exploration with an intention of delivering step-change advances.



Recognizing that sustainable cooling is a global challenge, BAC engages with climate tech incubators and deployment programs to identify and evaluate innovations with the potential for partnership and deployment. Our teams meet founders where they build, assess real-world readiness, and co-develop use cases in areas like advanced materials, water stewardship, sensors, controls, and digital optimization.

These communities help us translate research into building applications, structure pilots with customers, and inform supplier and partner selection—accelerating time from concept to scaled solution.

One area of focus is to integrate new technologies within BAC product systems, including sensors and controls, enabling digital optimization. Through collaborative partnerships, we explore opportunities in areas such as advanced materials and water stewardship, working with partners to uncover innovative solutions to some of our industry's most persistent challenges.



We engage our experts in the ecosystems that matter, bring the best of the outside world into our products and operations to speed adoption across our industry.

This work is intended to accelerate progress for our customers and communities through lower carbon emissions, smarter water use, greater resilience, and a more sustainable future for the cooling sector.

Our Products

Since 1938, BAC has built a long history of innovation in cooling technology. BAC has continued to develop solutions designed to support energy and water efficiency. Innovation and the pursuit of excellence are part of BAC's core values.

Over the past 88 years, the company has continued to evolve its technologies in response to changing industry needs and customer requirements.





Energy

Our Objective:

Continuously increase the energy efficiency of our products with successive product developments.

Direct Drive Systems

Direct-drive systems enable optimal energy efficiency by minimizing drive losses. They also increase reliability by eliminating wear parts such as belts and gears, which can reduce drive maintenance costs by up to 90 percent and avoid associated waste. In addition, they eliminate the costs and risks associated with field wiring.

BAC leads the industry with the broadest portfolio of direct-drive systems across multiple product lines. This portfolio includes direct-drive technology on the Nexus® hybrid modular cooler, Polairis® condenser, and the Vertex® condenser; the ENDURADRIVE® fan system, available with FXV3, CXVT, and Series 3000 product lines; and the MATRXDRIVE™ fan system, available with the FXV and CXVB product lines.

Compared to traditional belt or gear drive systems, BAC estimates that its direct-drive systems sold since 2015 have reduced customer energy use by an estimated 238 gigawatt hours of energy,[2] enough to power ~22,000 average U.S. households, corresponding to approximately 113,000 metric tons of CO_2e avoided.[3]









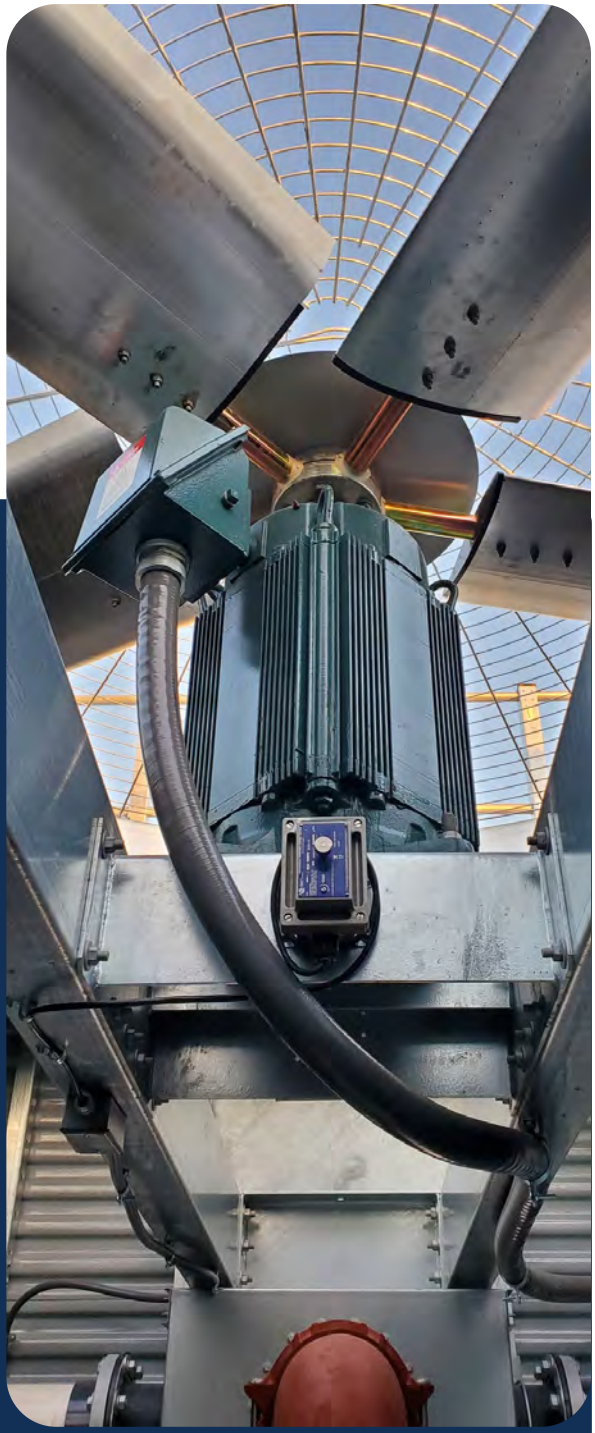
Extreme Efficiency (XE) Models

BAC's XE models are among the industry's most energy efficient products and can exceed ASHRAE 90.1 efficiency requirements by at least two times.

These models help support customers' projects pursuing Energy and Atmosphere LEED® Credits (EAc1) while reducing energy and energy related costs.

With an average payback period of less than two years, these products are a smart business decision for customers focused on energy efficiency and sustainability.

BAC XE models sold have reduced the cumulative energy use of evaporative equipment by an estimated 1,300 gigawatt hours since 2015[4] - enough to power a 10 megawatt data center for approximately 15 years. These energy savings contributed to approximately 636,000 metric tons of avoided CO_2e.[5]

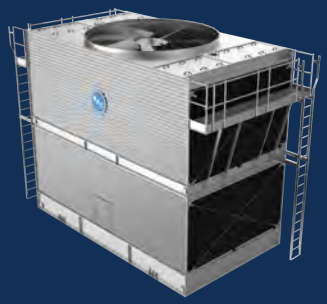


2 **"reduced customer energy use," phrase from page 17**. Energy savings estimated based on total units sold since 2015 and the average motor kilowatt savings per model. Kilowatt-hours of savings are based on assumptions of equivalent Full Load Hours per year in standard applications: 2000 for HVAC; 5242 industrial applications; 6989 for refrigeration. Only full-load energy savings are included in the calculations, although energy savings also occur at partial load.

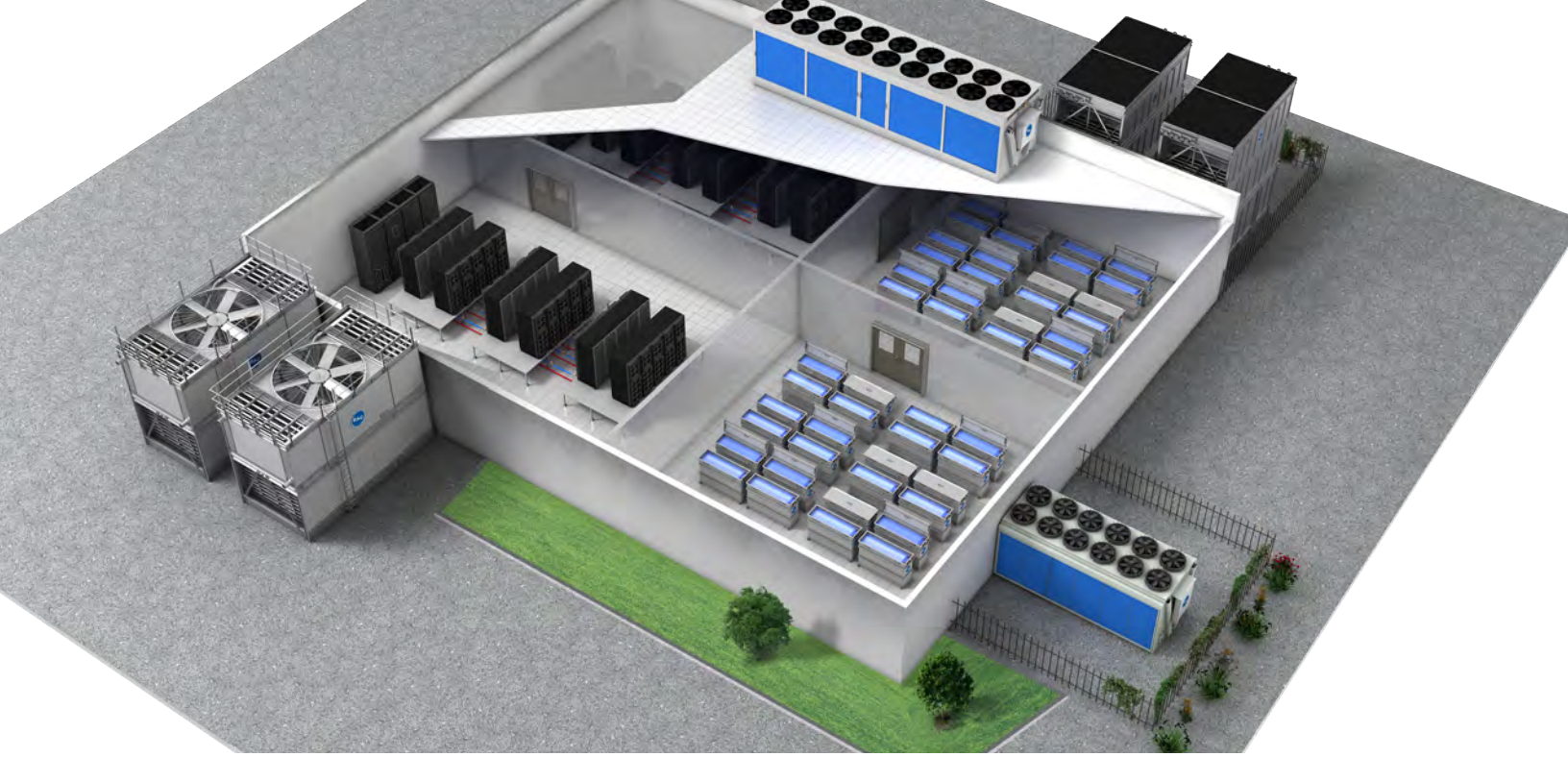
3 **"113,00 metric tons of CO_2e avoided," phrase from page 17.** This emissions savings was estimated using annual global grid averaged emissions factors from 2015 to 2023, as published by the International Energy Agency (IEA) in their 2025 Emission Factors Database (AR6 GWP).

4 This energy savings estimate is based on aggregate kilowatt-hours savings from XE models sold from 2015 to 2025. Total kilowatt-hours saved per year are based on end use estimations: 2000 hours for HVAC, 5,242 hours for industrial applications, and 6,989 for refrigeration.

5 This estimate is based on BAC sales and annual regional emissions factors for electricity grids from 2015 to 2023 as published by the International Energy Agency (IEA) in their 2025 Emission Factors Database (AR6 GWP).







COBALT™ immersion cooling system

Immersion Cooling Systems – Delivering energy efficiency for data centers

BAC's COBALT™ immersion cooling system pairs BAC's patented immersion cooling tank with a range of outdoor heat rejection solutions, including dry coolers, hybrid coolers, adiabatic coolers, and evaporative products. This enables more scalable and reliable data center operations from a single source, while reducing energy usage for cooling by approximately 50 percent and contributing toward a PUE as low as 1.05 – compared to other cooling systems.



Harnessing the power of intelligent controls

Smart controls for the HVAC, industrial, and refrigeration markets help optimize our customers' cooling system operation in order to reduce energy, water, and chemical usage, as well as maintenance needs. BAC was the first to offer the Polairis® condenser with smart-enabled fans and DiamondClear® technology launched in 2017, and the product is now in its third generation.



Our objective:

Continuously increase the proportion of annual revenue attributable to water-saving products.

Baltibond® and TriArmor® coatings

To support our customers' water management goals, BAC has developed Baltibond and TriArmor coatings that can reduce up to 30 percent of water and chemical usage for corrosion, scale, and biological fouling prevention. These coatings can allow equipment to operate at higher cycles of concentration by improving resistance to a wider range of water conditions.

Baltibond coating's smooth surface finish helps reduce the development of biofilm, which can decrease the need for aggressive biocides.

TriArmor coating's impermeable barrier helps prevent leakage and lowers the risk of water treatment chemicals being discharged into soil or groundwater.

Both coating technologies are also designed to extend the lifespan and reduce the maintenance needed.

TriArmor® CORROSION PROTECTION SYSTEM





Serving Customers' Sustainability Priorities

Compared with alternative air-cooled technologies, water-cooled systems can reduce energy use by up to 50 percent. For regions facing water scarcity, or limited water-related infrastructure, BAC has pioneered water-saving technologies that combine dry and wet operation tailored to optimize site-specific conditions to serve customer priorities.

BAC provides a wide range of products that serve different water and energy portfolios.

TrilliumSeries® Adiabatic Condenser

BAC's TrilliumSeries adiabatic condenser is designed to help reduce the environmental impact of supermarket refrigeration systems. On typical systems, it can reduce peak energy usage by up to 44 percent.

For systems using CO_2 as a refrigerant, it can also reduce overall energy consumption by 18 percent. In addition to reducing energy use, systems using CO_2 (R-744) as a refrigerant can reduce potential greenhouse gas emissions associated with refrigerant leaks.

A typical supermarket refrigeration system often uses R-407C, which has a global warming potential (GWP) of 1,624[6], compared to a global warming potential (GWP) of 1 for CO_2.

Since 2015, XE models sold globally have collectively avoided an estimated 45.8 gigawatt hours (GWh) of system energy consumption compared with conventional dry cooler alternatives.[7]



TrilliumSeries® Dry Cooler

In 2025, BAC launched the TrilliumSeries dry cooler to provide energy savings for applications where water conservation is the top priority.

Because dry coolers eliminate the need for evaporative water use, they can help facilities to reduce potable water consumption while also avoiding the chemicals, field piping, and wiring associated with cooling tower water treatment.



6 This estimate is based on the California Air Resources Board's refrigerant reference tables for high global warming potential (GWP) refrigerants and the IPCC Fifth Assessment Report (AR5).

7 Figure based on an assumed energy savings rate applied to the cumulative lifetime energy consumption of products sold since 2015, calculated using each unit's installed capacity, remaining years of operation, and an assumed 6,989 operating hours per year.



Life Cycle Product Management Mindset

BAC values data-driven decisions. Life Cycle Assessments (LCA) calculate environmental impacts across different stages of a product's life cycle and across multiple environmental impact categories, helping BAC identify our hot spots and improvement opportunities.
LCA studies also allow decision makers other than engineers to gain greater visibility and transparency into product-level inputs and outputs. BAC has completed several cradle-to-gate LCAs. These assessments provide a baseline for evaluating future product improvements.

Our Target:
Conduct cradle-to-gate Life Cycle Assessments (LCAs) for product lines that cumulatively represent at least 75% of our annual revenue by 2030.



Sustainability Metrics

BAC is dedicated to improving our products by integrating sustainability metrics into product development. We have onboarded sustainability experts and trained our product design engineers to apply sustainability practices and metrics to inform our product lifecycle. Informed by customer feedback, we have created a process that integrates a set of sustainability metrics to guide our design and material selection, with a focus on reducing energy and water consumption during the product's use phase.

Design for Durability & Serviceability

By placing the product use phase at the heart of how we design, BAC provides equipment for easy installation and straightforward part replacement. By making parts replaceable, our products' life spans are significantly extended. BAC also provides OEM replacement parts engineered to restore equipment to peak design performance, helping protect water and energy efficiency and minimizing long-term operational losses. When OEM parts are used, ratings and certifications such as FM Approval or CTI Certification can be maintained post-retrofit.

Innovation Matters

More than 90 percent of the carbon footprint of BAC's products occurs during the use phase.[8] These findings indicate that we can make our greatest impact by designing products and solutions that are more energy and water efficient than BAC's predecessors and applying those solutions to maximize overall system efficiency.

Leading in Market Transformation

BAC's progress in product sustainability is reflected in our recent innovations, with newer products incorporating smart controls and improved energy and water efficiency. BAC tracks this through the Product Vitality Index (PVI), which measures the percentage of total sales generated by products launched in the past five years.

The PVI helps BAC assess success in product innovation and the extent to which the sustainability value of our products is reflected in customer demand. As BAC continues to innovate in energy and water efficiency, a higher PVI year over year indicates that newer products are meeting customer demand for solutions that lower their water and/or carbon footprint.



8 Based on internal Life Cycle Assessments. Results are under typical operating conditions and conventional grid electricity assumptions. This share may be lower in applications powered by renewable electricity.



Industry-Driven Sustainability & Product Certifications

BAC participates in the following industry associations to support and remain engaged in sustainability related initiatives.

MEP 2040 Committing to Zero

ASHRAE

AHRI we make life better®

EUROVENT

iiar The International Institute of All-Natural Refrigeration

Our product performance is certified by

COOLING TECHNOLOGY INSTITUTE MEMBER

EUROVENT CERTIFIED PERFORMANCE www.eurovent-certification.com

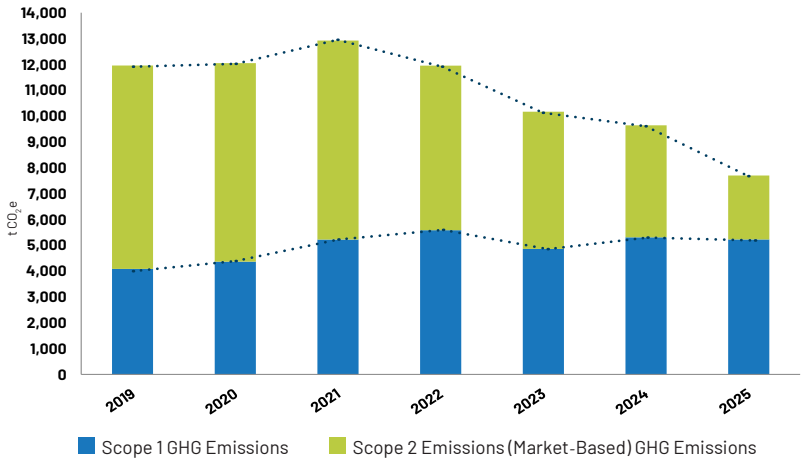


Sustainable Manufacturing

Decarbonizing Our Operations

Since first publishing a global decarbonization target in 2022, BAC has made measurable progress.

Annual Scope 1 and Scope 2 Greenhouse Gas (GHG) Emissions, 2019 to 2025



2030 Decarbonization Target:

BAC has committed to reducing our combined Scope 1 and Scope 2 (market-based) GHG emissions by 50 percent by 2030, using 2019 as the base year.

BAC's global decarbonization target requires an average annual reduction of approximately 4.5 percent from 2019 to 2030. This rate exceeds a widely used external benchmark of 4.2 percent annual reduction for ambitious near-term Scope 1 & 2 decarbonization targets aligned with climate science.[9]

Decarbonization Progress

Since 2023, BAC has reduced Scope 1 and Scope 2 (market-based) GHG emissions at an average annual rate exceeding 4.5 percent, placing the company ahead of the pace required to achieve its 2030 target. Continued progress will require addressing the challenges associated with increased electrification and anticipated business growth, both of which may place additional demands on energy consumption and emissions reduction efforts.

Scope 1 Emissions

- BAC's Scope 1 emissions primarily result from natural gas used for winter heating, essential manufacturing processes, and product certification testing.
- Although our absolute Scope 1 emissions have increased since 2019, they have remained stable and in proportion to significant increases in production throughput and manufacturing capacity.

9 The Science Based Targets initiative (SBTi) is an organization that develops methods and criteria for companies to set greenhouse gas reduction targets consistent with climate science. Under SBTi's absolute contraction approach, a 1.5°C-aligned near-term target for Scope 1 and Scope 2 emissions generally requires a minimum annual linear reduction of 4.2 percent relative to 2020. BAC's 2030 target applies to Scope 1 and Scope 2 market-based emissions only and does not include Scope 3 emissions.

Scope 2 (Market-Based) Emissions

- Scope 2 (market-based) emissions reflect BAC's purchased electricity after accounting for contractual instruments, including energy attributes certifications (EACs) where applicable.
- Our company has decreased these emissions by 85 percent between 2019 and 2025.

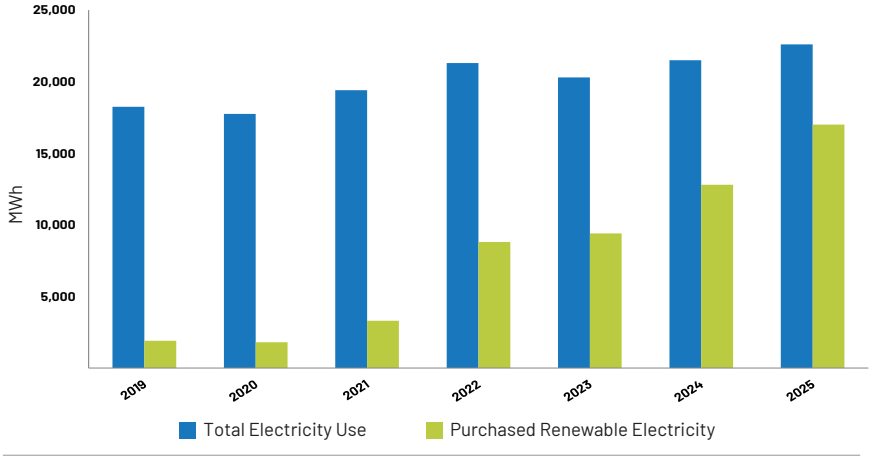
The most significant contributor to BAC's GHG emissions reductions has been the increased use of renewable electricity secured through supply contracts across most major facilities.

Decarbonization Priority Areas

- Invest in energy efficiency
- Prepare for electrification of natural gas-powered systems
- Pursue and maintain 100% renewable electricity globally

Annual Investments in Renewable Electricity

Renewable electricity procurement and on-site solar generation are key drivers of decarbonization.



Procurement of Renewable Electricity

As of 2025, eight of BAC's eleven major sites have been sourcing renewable electricity.

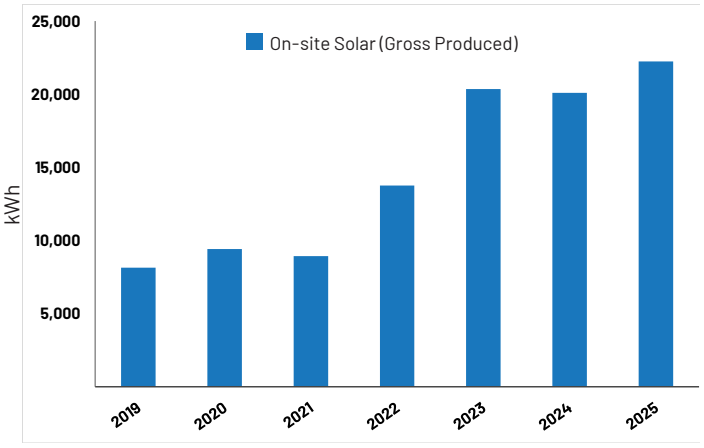
Looking Ahead

BAC's path forward is grounded in collaboration, innovation, and operational excellence.

As we advance toward our 2030 decarbonization target, BAC's teams will aim to prioritize fuel conservation, operational efficiency, and electrification initiatives across the following areas of operation:

- Comfort heating
- Process heating
- Use of mobile equipment

Renewable Electricity Produced





Energy Efficiency

Since 2019, BAC has assessed monthly energy consumption across our major facilities on five continents. This data-driven approach helps our teams manage climate impacts and resource use and enables informed decision-making on energy-related investments.

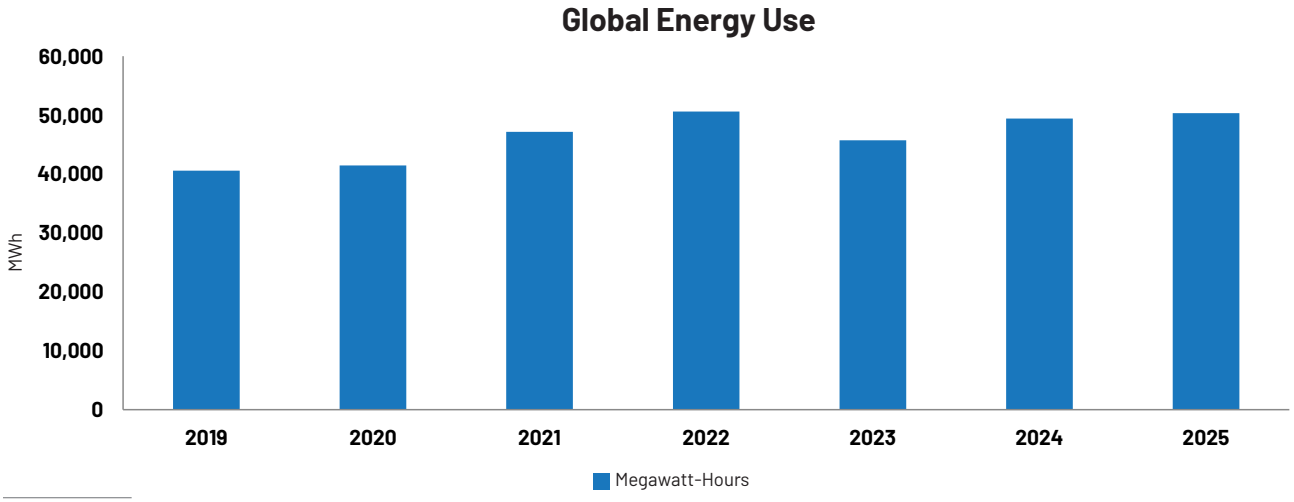
While global production increased significantly in 2024 and 2025, BAC improved our energy efficiency, achieving a 9 percent reduction in energy intensity[10] compared to 2019. BAC also tripled its onsite solar electricity generation, reducing dependence on purchased electricity and exposure to increasing energy prices.

BAC improved energy efficiency, achieving a 9 percent reduction in energy intensity in 2025



Source of Energy Use

BAC facilities primarily use energy for manufacturing equipment, comfort heating and cooling, process heating, mobile equipment, and lighting.

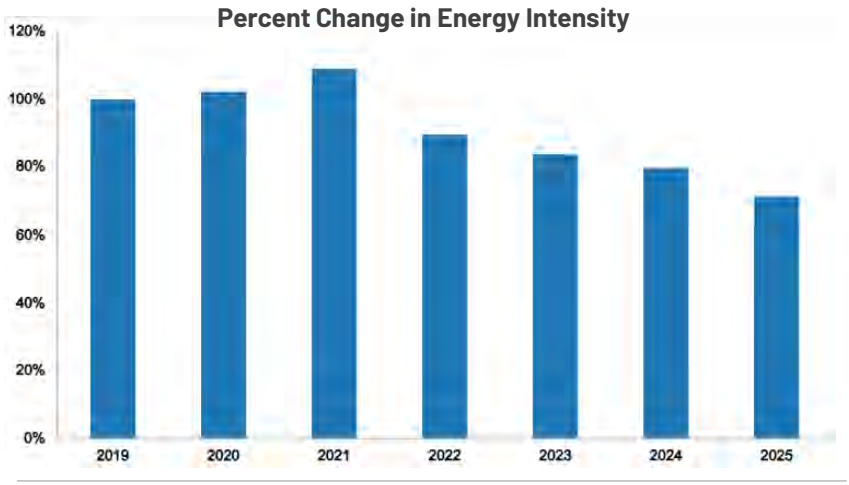


10 Energy intensity for BAC is based on global production energy consumption per production throughput.

Energy Intensity – Energy Use (MWh) Relative to Production Throughput

Measuring energy intensity[11] helps BAC evaluate the energy efficiency of its production activities. Although global energy consumption increased by 24 percent between 2019 and 2025, production grew at a faster rate, resulting in improved energy efficiency and a reduction in energy intensity.

In 2025, BAC's energy intensity was 26 percent lower than the 2019 baseline, indicating that the company used less energy per unit of production than it did six years earlier.



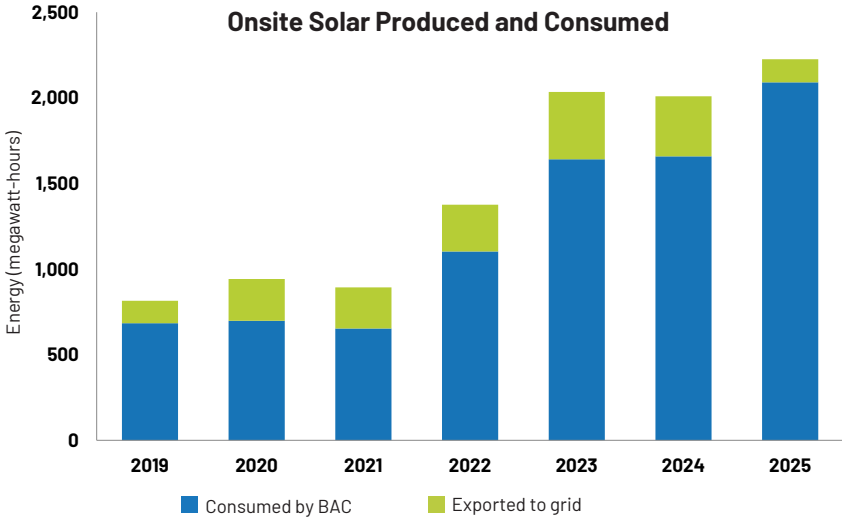
Energy Produced On-Site

BAC has nearly tripled on-site solar generation since 2019.

In 2024, four BAC facilities generated more than 2,000 megawatt-hours of renewable electricity on-site, supplying approximately 9 percent of the company's global electricity consumption.

With the commissioning of a new solar array at BAC's Verona, Italy facility in 2025, on-site solar generation increased to account for 10 percent of the company's global electricity consumption.

On-site solar generation reduces BAC's reliance on purchased electricity and provides an opportunity to supply excess renewable electricity to the local grid, supporting a lower-carbon electricity system in the communities where we operate.



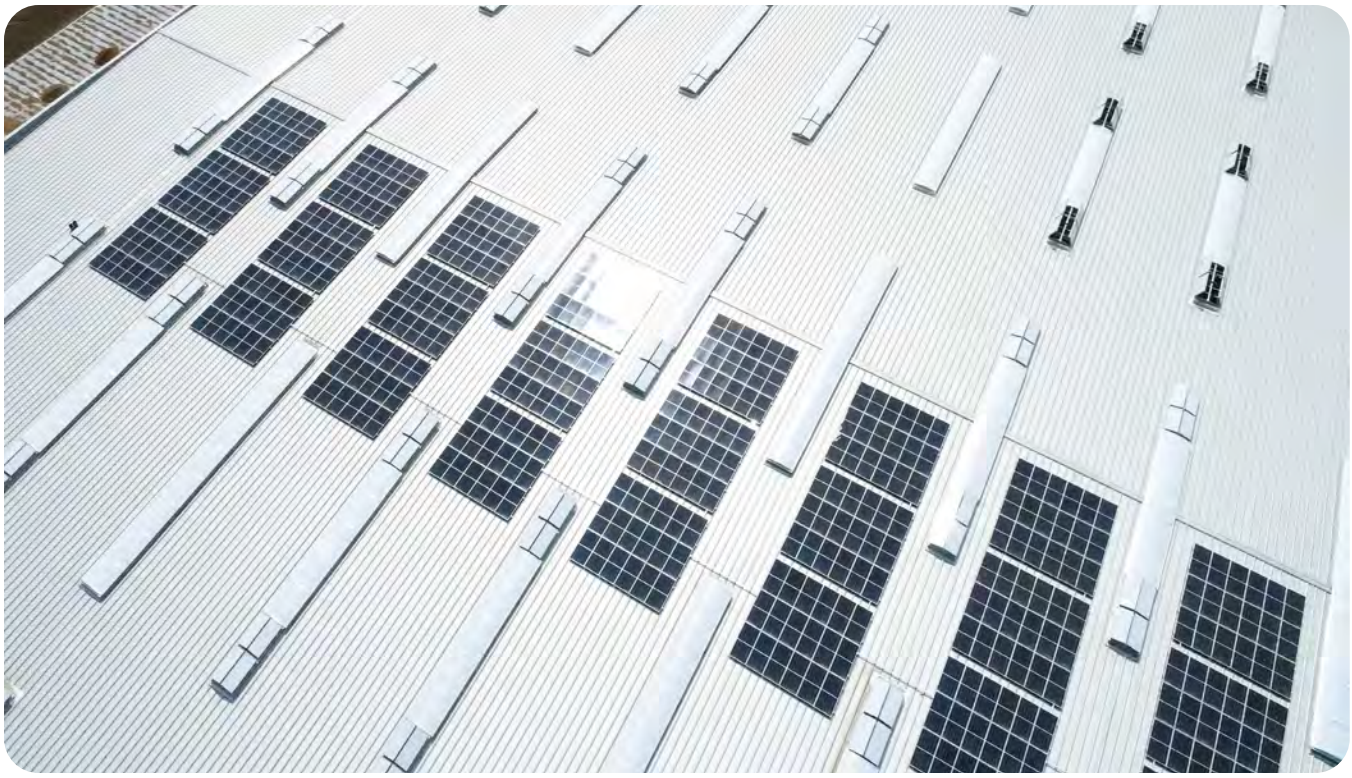


Energy Efficiency Investments

Throughout 2024 and 2025, BAC's plant and operations teams implemented a range of energy efficiency projects that improved operational performance and helped reduce the energy required to support growing production levels. Below are several examples of key projects that were deployed.

Heist, Belgium. Installed a heat pump that simultaneously cools an on-site data center and pre-heats the wash cycle of our Balitibond powder coating line.

11 Energy intensity for BAC is based on global production energy consumption per production throughput.



Dalian, China. Upgraded the compressed air system with variable frequency drive (VFD)-based controls, allowing air compressors to adjust energy use based on demand. The site also continued energy monitoring to optimize compressor performance and sustain savings.

Dayton, Tennessee, USA. Installed new air compressors with lower-horsepower motors and a moisture separator, improving compressed air system efficiency. Based on operating conditions, the system has the potential to reduce energy use by more than 35 percent.

Heist-op-den-Berg, Belgium. Optimized the burner controls for process heating, resulting in an estimated 5% reduction in gas consumption. The site also upgraded portions of the building envelope, including roof and window improvements, to improve indoor comfort and thermal performance.

Somersby, New South Wales, Australia. Installed LED lighting with motion sensors to reduce electricity use when spaces are unoccupied.

Chiuro, Italy. Captured and re-used heat from the factory compressed air system for potable hot water and comfort heating in the office.

BAC Dalian Achieves LEED® Gold Certification

LEED (Leadership in Energy and Environmental Design) is a globally recognized rating system administered by the US Green Building Council (USGBC).

The LEED standard defines a points-based certification and covers multiple impact areas—including energy and water efficiency, indoor environmental quality, materials selection, site design, and operational practices.

In 2024, BAC's new facility in Dalian, China, received LEED Building certification at the Gold Level, making BAC one of the first in our sector to receive this leadership achievement for high performing manufacturing facilities.

To achieve LEED Gold, BAC underwent a rigorous, third-party audit and demonstrated an integrated approach to sustainable design and construction.

LEED Certified Facility Profile:

Footprint:

Over 62,000 square meters

Annual Solar Generation Capacity:

1,100 MWh

Green Design Features:

- Solar-powered boiler for warm water
- Skylights for natural indoor lighting
- Green spaces inside with a garden and relaxation area on the roof
- Rainwater harvesting

Membership in the Better Plants Program

In 2025, BAC joined manufacturing leaders across the US in becoming a member of the U.S. Department of Energy's Better Plants Program.

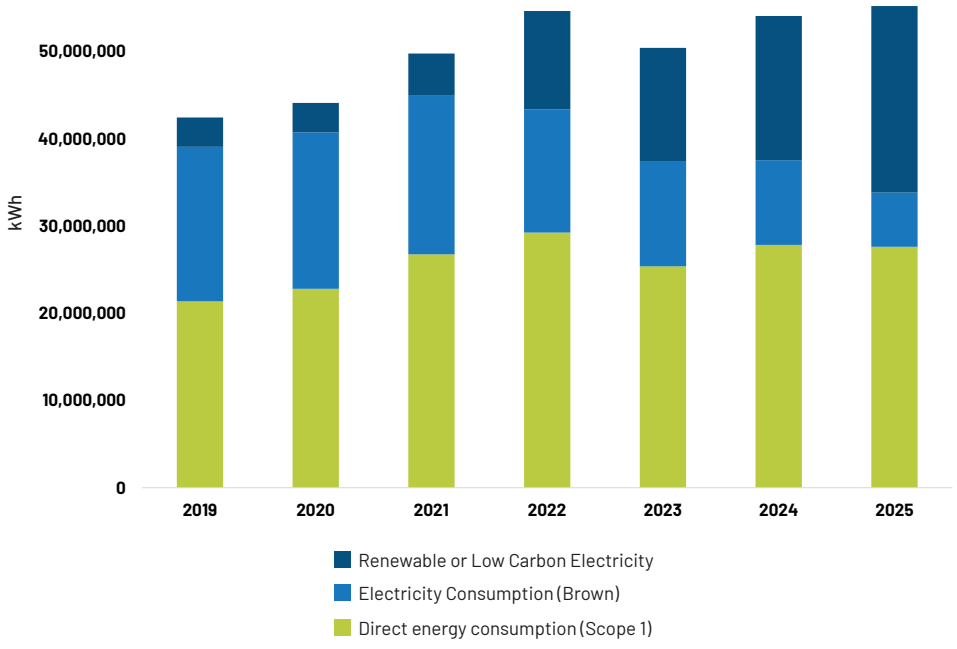
Through this program, manufacturers set energy efficiency targets and receive technical guidance and assessment tools to support continuous improvement. These resources have helped BAC strengthen operational energy management and incorporate energy efficiency into long-term facility planning.

Looking Ahead at Energy Efficiency

As electrification becomes a larger part of BAC's decarbonization strategy, our teams plan to conduct more detailed analyses of when and how each facility uses energy.

These insights will help BAC plan future investments in equipment, controls, and infrastructure. BAC aims to expand smart metering, continue energy audits, and share best practices across its global operations to support ongoing efficiency improvements.







Water Stewardship

BAC recognizes water as an important resource for communities, ecosystems, and public health. With more than 2 billion people worldwide lacking access to safely managed drinking water,[12] BAC seeks to use water responsibly within its operations and support efforts to improve long-term water availability.

Monitoring and Managing Water Use

BAC's major facilities track water withdrawal[13] monthly, and performance data is reported monthly at the plant, regional, and global levels.

Regional committees review results quarterly to assess performance trends, challenges, and improvement opportunities. Plant and process optimization teams use this information to identify site-specific opportunities to improve water efficiency.

Reducing Our Reliance on Potable Water

The U.S. EPA defines "potable water" as water that meets applicable standards for safe human consumption. In several locations, BAC uses non-potable water (grey water), such as captured rainwater, for activities that do not require drinking water quality, helping to reduce demand on local water supplies. By reducing potable water use, BAC seeks to improve our operational efficiency, conserve local water resources, and mitigate risks associated with water scarcity and supply constraints.

Sources of Water Use

BAC facilities and production plants use water for routine employee needs and production operations including pressure testing of coils.

Our R&D lab in Jessup, MD uses water in the performance testing and certification of our products and for other product development needs.

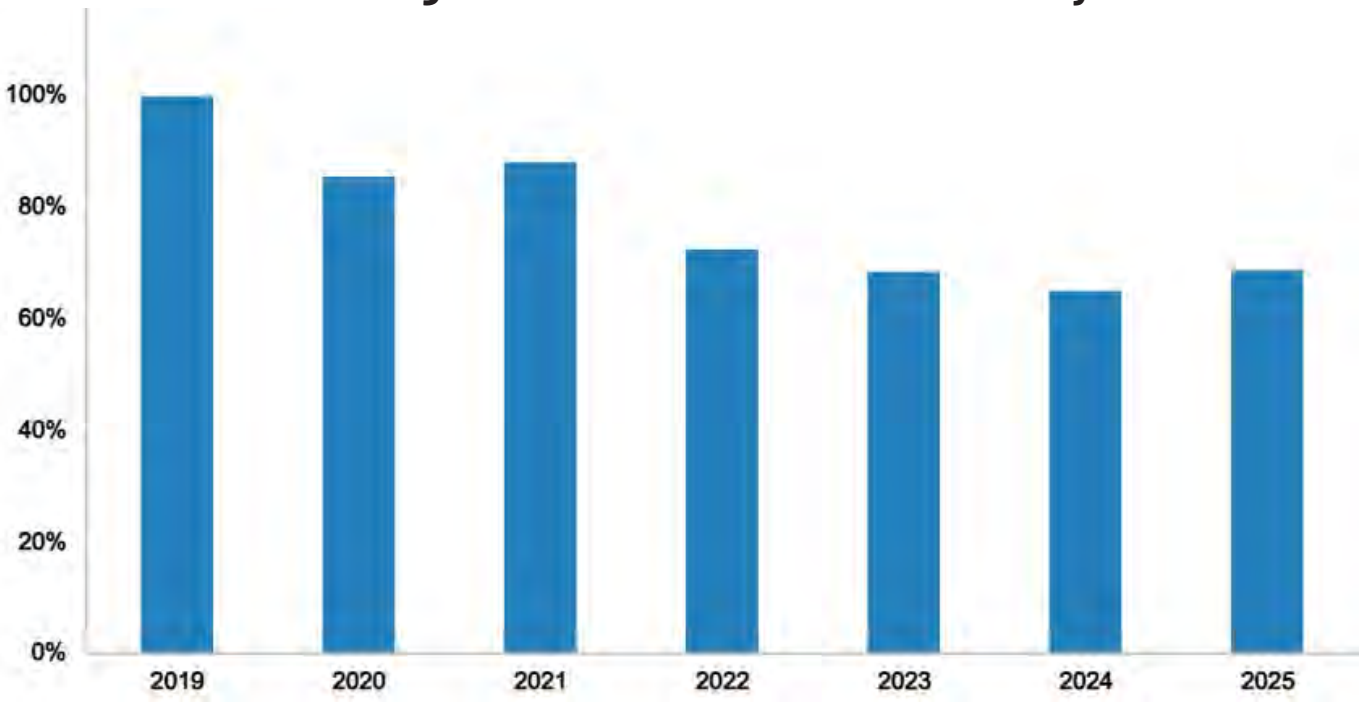
Water Management Achievements

- Four BAC facilities collect rainwater in onsite cisterns for use in landscape irrigation: Cape Town, South Africa; Dalian, China; Heist, Belgium; and Somersby Australia. In 2024, BAC's Heist facility expanded its rainwater storage capacity and began using harvested rainwater in selected production processes.
- BAC's Somersby, Australia plant underwent bathroom renovations in 2024 to install low-flow fixtures for water conservation. This plant also uses rainwater for toilet flushing.
- BAC's Madera, California plant maintains a closed loop water filtration system for its testing tanks.

12 The estimate of 2 billion people is based on the United Nations' World Water Development Report, *Water for All People*, published in 2026.

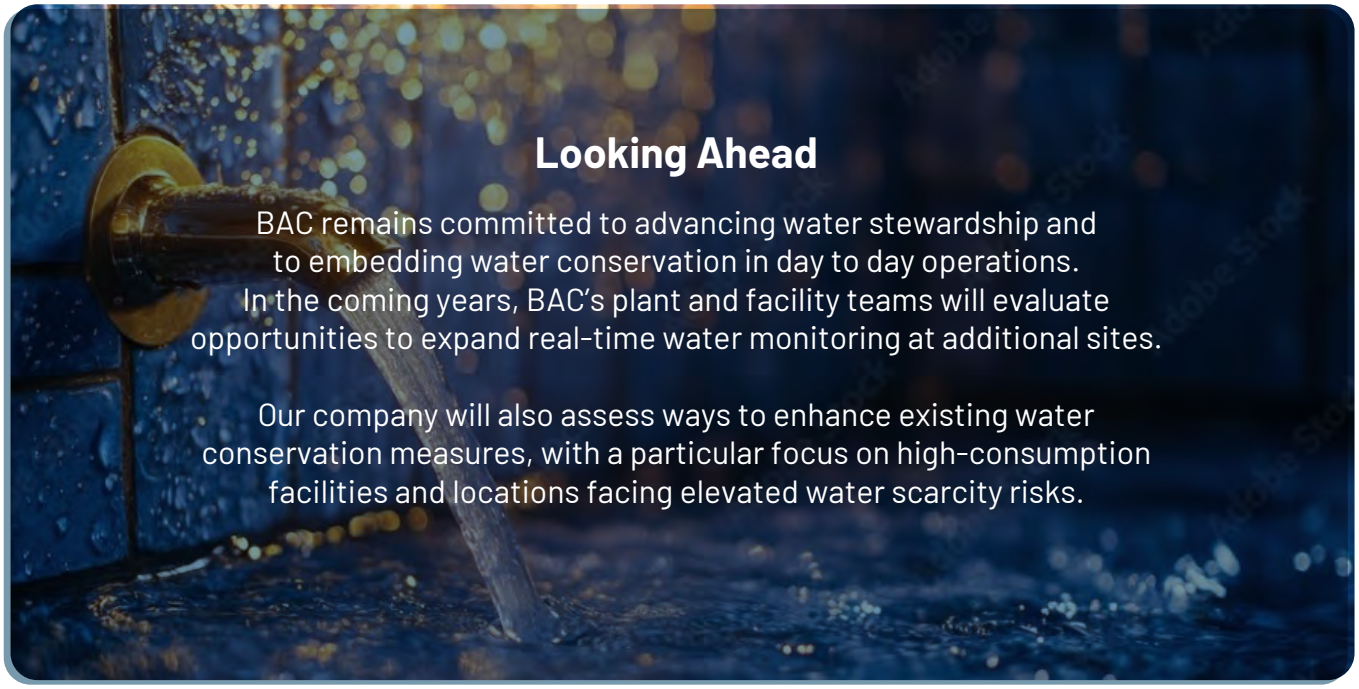
13 Water withdrawal from immaterial sources, including collected rainwater, is excluded from this total because data is not readily available.

Change in Water Withdrawal Intensity



To protect commercially sensitive information, BAC uses a normalized production metric when evaluating resource efficiency. Based on this measure, water withdrawal intensity (water withdrawal per production throughput) decreased by nearly 31 percent between 2019 and 2025, despite year-to-year fluctuations.

This improvement indicates that BAC used water more efficiently relative to production output over the period.



Looking Ahead

BAC remains committed to advancing water stewardship and to embedding water conservation in day to day operations. In the coming years, BAC's plant and facility teams will evaluate opportunities to expand real-time water monitoring at additional sites.

Our company will also assess ways to enhance existing water conservation measures, with a particular focus on high-consumption facilities and locations facing elevated water scarcity risks.



Waste Minimization

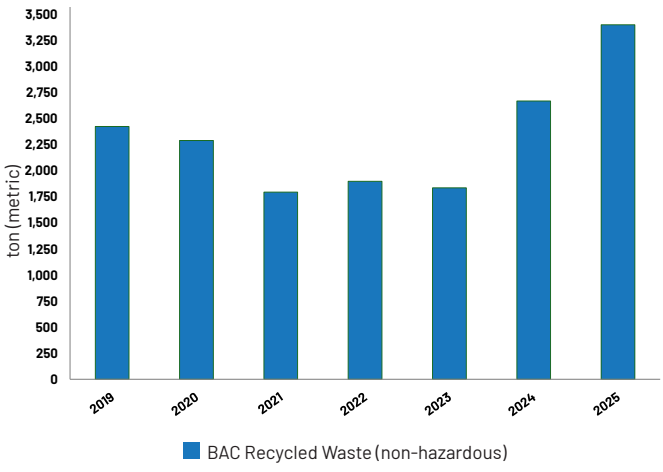
Global Achievements

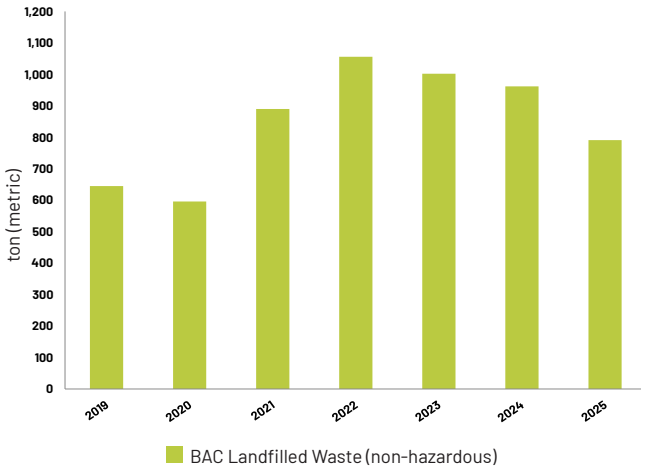
At BAC, our teams are committed to improving waste management systems, lowering landfill waste, and minimizing scrap through manufacturing process optimization. For more than a decade, BAC has tracked landfill waste, recycled waste, and metal scrap generated across its facilities on a monthly basis. Landfill waste and scrap generation are reviewed and reported to global leadership each month as key indicators of environmental performance and manufacturing efficiency.

18% Reduction in Landfill Waste in 2025

14% Increase in Recycled Waste

33% Reduction in Landfill Waste Intensity[14]





14 Landfill waste intensity for BAC is based on global production landfill waste per production throughput.

BAC's reductions in landfill waste from 2024 through 2025 were supported by targeted operational changes, new solutions for recycling damaged pallets and other wood waste, and increased employee awareness around responsible resource use.

Plant and Facility Teams Driving Progress

Across BAC, cross-functional teams have worked to address waste management challenges by developing and piloting practical solutions that reduce environmental impacts without disruption to operations. Below are examples of waste-related improvements.

- Dalian, China. Introduced a cart to organize and improve sorting efficiency of production materials. Switched to reusable steel pallets for metal handling.
- Madera, California, USA. Expanded its material sorting and recycling programs, ensuring wood and cardboard are consistently separated and diverted to recyclers.
- Somersby, Australia. Reduced wood waste by returning wooden pallets to steel suppliers for reuse and recycling plywood scrap. The team also improved parts packing practices to make better use of container space.

Building a Culture of Responsible Resource Use

Beyond operational changes, our approach to waste management emphasizes accessibility and employee engagement. Environmental managers at each plant help reduce waste by identifying barriers, improving processes, and making responsible resource use easier for employees. With support from plant managers and global leaders, they help bring BAC's value of "Embrace Responsibility" to life across our facilities.

Small Changes, Meaningful Impacts

In 2024, our Jessup, Maryland headquarters introduced a dedicated battery recycling collection container, making it easier for employees to recycle used batteries. This initiative helps divert potentially hazardous materials from landfill, supports the recovery of valuable resources, and promotes responsible waste management throughout the workplace.

Also in 2024, an employee-led initiative from the Jessup Green Team led to the introduction of reusable ceramic mugs at BAC's Jessup headquarters, reducing single-use waste and supporting responsible resource use.

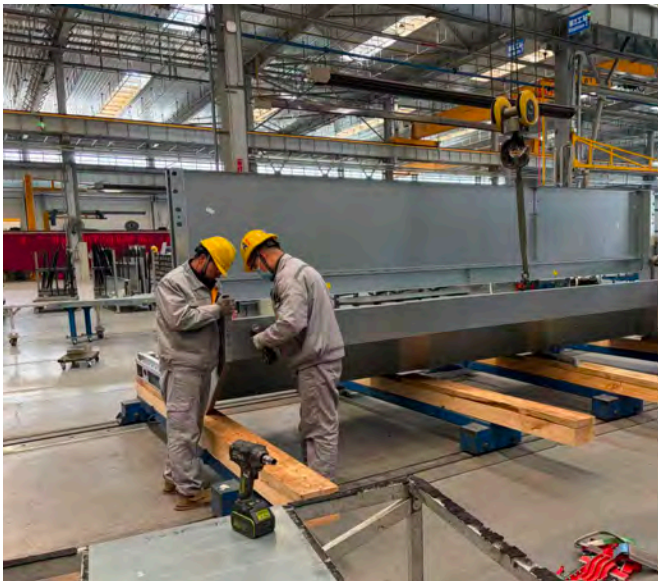
These types of initiatives help reduce waste at the source and support more sustainable consumption practices across BAC's workplace. By making environmentally responsible choices more convenient and visible, BAC is fostering a culture of resource stewardship throughout the organization.

Recycling for Global Positive Impact

Certain BAC waste reduction initiatives deliver both environmental and social value. At BAC's Somersby, Australia facility, employees collect and recycle aluminum cans, with proceeds supporting clean water infrastructure projects through our philanthropic partner organization Just a Drop. This employee-led program demonstrates how everyday sustainability actions can contribute to meaningful community impact.

Looking Ahead: Increasing Circularity

The results presented in this section demonstrate how data-driven decision-making, operational innovation, and employee engagement have contributed to meaningful improvements in waste reduction performance. As we look to the future, BAC aims to continue advancing our waste reduction efforts by minimizing material use, expanding opportunities for reuse and recycling, and further applying circular economy principles.





Partnering with Our Suppliers

By manufacturing within the regions it serves, BAC maintains largely regional supply chains that enhance responsiveness, support supply continuity, and foster strong supplier relationships.

We believe that strong and consistent performance in environmental management, health and safety, and workforce engagement reflects corporate resilience, and we therefore integrate these performance expectations into our supplier onboarding and ongoing relationship management.

BAC's Approach to Cultivating Responsible Supply Chains Around the Globe

From 2021 to 2023, our global and regional teams collaborated to develop a supplier engagement system for supplier performance on sustainability and ethical business practices. BAC rolled out this system globally from 2024 to 2025. The system includes two key tools:

- Our Supplier Code of Conduct
- A Supplier Self-assessment

BAC's Code of Conduct defines the commitments across three key areas:

- Ethical business conduct
- Labor practices and human rights
- Environmental responsibility.

Across BAC's global supply chains, our procurement teams provide this Code to our suppliers and track the number of signatories.

Our target is to have 100% compliance for all significant suppliers by end of 2027.

Code of Conduct Response Goal:
100% Response Rate for All Significant Suppliers

2024-2025 Participation Rate
75%

Helping our Suppliers Set a Baseline for Sustainability Performance

In addition to our Code of Conduct, BAC engages suppliers through a global self-assessment, as well as through direct outreach to deepen our understanding of our suppliers' sustainability practices.

Supplier Self-Assessment Participation Goal:
100% Response Rate for All Significant Suppliers

2024-2025 Participation rate:
68%



Direct Engagement with Our Suppliers

BAC connects with our suppliers to gain insight into their plans for offering products and services with lower environmental impacts to foster an exchange of knowledge and best practices. Through these collaborative relationships, we continue to set the foundation for reducing supply chain environmental impacts.



Looking Ahead:

Supplier Engagement for Supply Chain Carbon Assessments

At BAC, we are continuing to build and improve how we understand our Scope 3 (value chain) emissions. We calculate our greenhouse gas emissions in line with the widely recognized Greenhouse Gas Protocol, covering Scope 1, Scope 2, and Scope 3.

In 2025, we took an important first step by completing our initial internal upstream Scope 3 assessment, beginning with a "hotspot" analysis to map the carbon footprint of our purchased goods and services using financial data as a foundation.

In the years ahead, we see an opportunity to work more closely with our suppliers to gather data related to the carbon footprint of the materials we procure. By using more supplier-specific data, we can gain a clearer picture of the carbon embedded in our products and focus our efforts where they matter most.

Our People



> “We’re proud of the successes we’ve achieved in 2024 and 2025, and we’re committed to continuing to build a strong, workforce with teams that are safe, skilled, supported, and inspired to lead.”
>
> **Dasie Thames**
> *Global Vice President and Head of Human Resources*





At BAC, our people power everything—from bold ideas in product design to our trusted partnerships with customers. When we invest in our teams, we invest in our future, strengthening the technical excellence and curiosity that keeps BAC firmly in place as a global industry leader. That leadership reflects the culture we uphold, rooted in four values— Show Courage. Drive Innovation. Embrace Responsibility. Earn Trust. These values guide how we hire, manage, define priorities, and recognize achievements.

In the following sections of this report, you will see how much we’ve achieved together across the following key actions:

Attracting Exceptional People

To lead our industry, we execute recruitment exceptionally — using innovative, competitive, and data-driven practices to attract talent with diverse skills and perspectives. We look for technical strength and a growth mindset, ensuring the people who join us are energized by problem-solving, collaboration, and the purpose of our work.

With a goal of attracting tomorrow’s future industry leaders, BAC has established a strong and visible presence at career fairs, university programs, and industry associations worldwide—making our brand synonymous with innovation and positioning us as an employer of choice.

Enabling Career Development

BAC enables growth at every level — nurturing emerging leaders, strengthening current leaders, and giving every manager the tools to communicate clearly and help teams do their best work. Building the right workforce means high-quality onboarding, globally accessible learning platforms, and leadership development to prepare our people—and our company—for what's next.

Empowering and Strengthening Teams

BAC empowers our workforce, across all tiers and functions, through structured development programs, experiential learning, mentorship, and cross-functional exposure, all designed to build the next generation of technical and operational leadership.

Pairing Profit with Purpose

With production sites on 5 continents, BAC is one global team rooted in many local communities. Across regions, our people fundraise to support water-positive projects and lead environmental activities intended to benefit ecosystems near to our facilities-living our stewardship mindset together. Across regions, our teams strengthen local communities, raise funds for water-positive projects, and build awareness around resource efficiency, connecting personal pride with our purpose.

BAC has entered a phase of wider global collaboration, accelerated innovation, and sustainability-focused growth. As you'll see in the following chapters of this report, BAC is a community of designers, producers, market experts, and facilitators. We're proud of the successes we've achieved in 2024 and 2025, and we're committed to continuing to build a strong workforce with teams that are safe, skilled, supported, and inspired to lead.







Health & Safety

Embrace Responsibility: Keeping Our People Safe, Healthy, and Prepared

Safety is fundamental to who we are at BAC and how we care for our people and our world.

Everyone who comes to work at our sites—employees, contractors, and visitors alike—deserves to return home safe and healthy at the end of each day.

Guided by our parent company, Amsted Industries, we work to embed safety into our business planning, everyday decisions, and daily operations, knowing that strong safety cultures are built through commitment, learning, and focus over time.

Safety Highlights

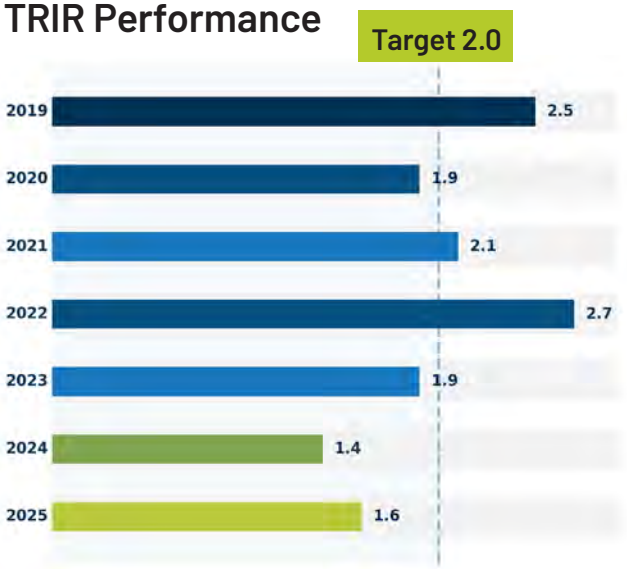
Over the past two years, BAC has expanded our team of environment, health and safety (EHS) leaders, and started implementing the global BAC management system to achieve and sustain safety excellence across the organization.

During this time, BAC has also advanced a comprehensive set of initiatives to strengthen workplace safety and operational discipline across global operations.

Our programs have focused on:

- Deploying global standards for high-risk work, such as machine safeguarding, hazardous energy control, work at height, and crane safety
- Ensuring appropriate personal protective equipment (PPE)
- Implementing safety talks during shift meetings to reinforce a proactive culture
- Conducting critical equipment risk assessments and improving machine safeguarding
- Providing workforce skill development that incorporates safety practices
- Implementing specialized trainings, such as heat fatigue management, based on the unique profiles of our sites

TRIR Performance



Global total recordable injuries (TRIR) is one of the safety performance metrics for BAC.

BAC's Global Target and Improvement Goal:

Achieve an annual TRIR that is below 2.0 and achieve year-over-year improvement.

Investing in Risk Reduction

Preventing harm also means investing in safer equipment and engineering solutions. Over the past two years, BAC has made important investments to reduce hazards at their source, including automation and updates to existing equipment designed to minimize physical exposure. We remain committed to strengthening our environments as our operations evolve.

Safety is Prioritized, Analyzed, Highlighted, and the Focus of Investments

Across our production sites, EHS leaders come together in quarterly global meetings to review incidents, share lessons, and discuss preventative measures. In these discussions, we are identifying challenges, celebrating conscientiousness, and reviewing our company standards.

Our leaders encourage accountability and transparency at the local level. Plant managers provide monthly reporting on incidents, near misses, planned safety-related investments, reinforcing shared responsibility and continuous learning. These regular check-ins help us track progress, respond quickly to emerging risks, and support sites as they strengthen their safety practices.

Safety is Practiced in All BAC Settings

While production environments naturally present the highest risks, our responsibility for safety extends to all BAC settings. Our office workers and field service teams undergo annual trainings based on the hazards at their site, and all new workers join in-person safety trainings as well, in order to maintain our culture of safety, prevention, and hazard awareness.

EHS Governance

Our EHS governance provides a high-level framework of standards, audits, and leadership accountability, helping ensure our practices remain effective and compliant while identifying opportunities for improvement. Together, these efforts reflect BAC's ongoing commitment to caring for our people through learning, prevention, and steady improvement.

We are proud of the steps we have taken, transparent about where growth is still needed, and dedicated to continuing this journey focused on protecting our people and investing in a safer future.

Looking Ahead

We know that building and sustaining a strong safety culture requires ongoing attention, resources, and trust across teams.

As our operations grow and evolve, we will continue to invest in safer equipment, trainings, and systems that support prevention and learning. Implementation of our Global EHS management system marks an important step in this journey, and we see it as a foundation for continued growth rather than a finish line.

With the shared commitment of our teams around the world, we remain focused on listening, learning, and improving—recognizing that keeping our people safe is a responsibility that never stands still.

Awareness-driven safety for every task

We also continue to build our safety culture through training and shared expectations. In 2025, BAC prepared to pilot a new safety program, and has rolled out this program at two locations in the Americas in 2026.

We have implemented a behavior-based safety awareness training program designed to reduce injuries at work and home by teaching individuals how to prevent critical errors caused by human factors like rushing, frustration, fatigue, and complacency. It provides practical techniques for improving situational awareness and making safer decision in real-time.

Learning & Development



A Force for Performance, Sustainability, and Value Creation.

Research has proven: Workforce training and leadership development are critical drivers of organizational sustainability performance, resilience, and employee well-being.[15]

Guided by this evidence, BAC intentionally invests in Learning & Development as a strategic priority. BAC's Learning & Development strategy plays a key role in our broader commitment to being an employer of choice by equipping our people with the tools they need to grow, lead responsibly, and contribute positively to the communities and industries we serve.

Open-Source Learning for Self-Driven Skills Development

In 2025, BAC launched the MyLearning platform globally. MyLearning is a centralized digital hub designed to track, scale, and elevate learning across our organization. Since its introduction, BAC has significantly expanded the library of self-paced trainings, with nearly half of our global workforce completing at least one course in 2025. The early success of MyLearning reflects that BAC's workforce is building a shared commitment to personal and professional growth.

By providing MyLearning and other valuable development tools, systems, and providing trainings implemented by external experts in professional development, BAC ensures that our workforce has the resources and support they need to establish their expertise in product design, global markets, heat transfer, digital infrastructure, managerial and interpersonal skills, and many other core competencies.

Learning & Development Achievements

- Between 2023 and 2025, BAC has tripled the number of live trainings offered globally on professional development, including topics such as "Giving Feedback" and "Time Management"
- BAC has provided or collaborated to offer leadership trainings across all regions.
- As part of the Amsted family of companies, in 2025, BAC has been able to send 15 individuals to leadership trainings at the University of Chicago Booth School and 10 participated in ExecOnline, an executive education program offering courses taught by partners in top US business schools.

Through a wide range of opportunities and experiences, BAC has worked to empower our teams and the results have included stronger cross-regional collaborations over the last two years.

15 The source for this statement is a report released by the UK government, *What Do We Know About the Nature Hof the Relationship Between Learning and Development and Employee Engagement, Wellbeing, Attraction and Retention?*, published in 2025.



What's Next? An Updated Global Leadership Framework

In 2026 and beyond, BAC will continue to offer self-paced online courses, live trainings, and in-person group-based initiatives. With these investments and strong support from our global leaders, BAC is ensuring that we will have a fueled and confident workforce needed to sustain our green and responsible growth.

Additionally, in 2026 and beyond, BAC will launch new global leadership competencies framework:

A.C.T.
Accountability, Communication, Talent Development

A.C.T. establishes a consistent definition of leadership behaviors and will include self-assessments and multi-media training tools available in English, Dutch, Chinese, and Spanish.

Our Culture and Shared Practice of Innovation



At BAC, innovation has always been a core part of who we are and a powerful engine for value creation. Since 2021, through the work of BAC's Innovation Center of Excellence, we have implemented intensive cohort programs, mindset trainings, and realized millions of dollars in value from innovation-fueled projects led by our 120+ iMentors.

At BAC, innovation thrives through a combination of a clear, structured methodology, practical tools, visible leadership support, and a strong emphasis on consistent practice.

iMentors, trained as experts in BAC's Innovation Methodology, act as catalysts across the business, lowering the activation energy needed for innovative solutioning. As facilitators, iMentors guide teams through a creative problem framework that helps them break free from established ways of thinking, overcoming the often-unconscious boundaries that restrict how they approach problems and limit creativity. In addition to the active role that iMentors play in guiding teams, all BAC employees are trained in the Innovation Mindset – giving them questions they can ask to better problem solve in their day-to-day work. BAC's leaders are also trained to model and openly recognize the practice of innovation in daily work.

In 2024 and 2025, BAC expanded the capacity and reach of the Innovation Center of Excellence by:

- Training 42 new iMentors globally
- Welcoming a new program manager
- Appointing an Innovation Champion in APAC
- Training a trainer in our APAC region
- Implementing 6 Innovation Mindset Trainings
- Implementing 4 sessions for BAC's leadership on enabling innovation
- And providing ThinkDifferently sessions to support iMentors in maintaining their skills and agility in applying BAC's Innovation Methodology

What's Next?

BAC will continue to train cohorts of iMentors, provide ongoing training and education for past cohorts, and provide innovation courses to all levels of our company to further embed innovation as a practice and tool.



Talent that Powers Our Future

Hiring With Purpose: How BAC Builds a Responsible, High-Impact Workforce

BAC is building the workforce that will lead the next era of sustainable cooling—engineers, manufacturing experts, and other innovators who advance water- and energy-efficient solutions for global markets.



That's why we invest in strong recruitment, a forward-looking talent pipeline, and innovative approaches to identify, attract, and develop the next generation of BAC leaders.

For BAC, corporate responsibility begins with recruiting thoughtfully and ethically—setting the foundation for employee satisfaction, long-term growth, and fulfilling careers.

Across 2024 and 2025, BAC attracted top talent and filled critical roles across regions and functions.

These successes position us for responsible growth and ensure we have the diverse, high-performing teams needed to sustain our competitive advantage.

Our approach combines market-smart sourcing with internal mobility and cross-functional hiring teams.

We design pipelines that align with both today's needs and tomorrow's strategy, and we use a collaborative approach so managers, HR, and peers share accountability for the candidate review and selection process.

The goal is a workforce that performs, remains engaged, and thrives as BAC grows.

In 2024 and 2025, we advanced several initiatives, including:

- Updating BAC's onboarding experience.
- Expanding internal mobility opportunities
- Investing in emerging talent to build future-ready capabilities
- Sharing recruitment practices and expertise across our Amsted community
- Strengthening relationships with leading academic programs
- Hosting interns and career mixers to attract top-tier graduates
- Deploying software and automation to improve speed and consistency in hiring
- Upholding fair, ethical, and equitable hiring practices

These advancements—and our enduring best practices—ensure BAC remains a competitive, recognized, and responsible employer. This is how we compete—and how we contribute—through our people.



Global and Local Engagement





As a company, BAC has long been committed to water conservation and responsible water management, recognizing water as both a shared global resource and a critical input to healthy communities and sustainable buildings.

Today, 703 million people globally still lack access to basic drinking water, underscoring the urgent need for action.

We understand the profound role that access to safe, clean water plays in enabling children to attend school, reducing the spread of waterborne diseases, and easing pressure on local health services.

BAC is focused on expanding access to dependable water supplies in under-served communities.

BAC addresses this challenge through our partnership with the international non-governmental organization, Just a Drop. Just a Drop delivers practical, community-owned water solutions including sustainable infrastructure, hygiene education, menstrual health initiatives, and long-term monitoring.

BAC has partnered with Just a Drop since 2018.

Between 2019 and 2023, BAC's employee fundraising supported a diverse portfolio of projects across Uganda, India, Nicaragua, Cambodia, and Zambia, reaching tens of thousands of people.

BAC's
company-wide goal:

positively impact

50,000

people

by 2030

Expanding Access to Clean, Safe Water Through Partnership and Employee Engagement

Founded in 1998, Just a Drop works with local partners to develop sustainable water solutions that help improve health, education, livelihoods, and long-term community resilience.

The need for water infrastructure and services remains significant across many regions of the world; unsafe water remains a leading contributor to preventable illness and death.[16]

BAC and Just a Drop address these challenges by implementing practical water, sanitation, and hygiene projects that serve schools, healthcare facilities, and communities, with a focus on creating lasting improvements in quality of life and economic opportunity.

Six Years of Expanding Access to Safe, Clean Water

BAC-supported projects in the communities listed below have included rainwater harvesting systems, handwashing stations, hygiene education programs, water wells, borehole drilling, electric and gravity-fed water distribution systems, biosand filtration systems, and improved sanitation infrastructure such as latrines.

BAC's Water Ambassadors

Water Ambassadors are employee volunteers who help lead our company's fundraising and engagement efforts in support of Just a Drop projects. Working across BAC's global locations, they organize fundraising activities and team events that bring employees together while celebrating local cultures and traditions.

Through these efforts, Water Ambassadors help raise awareness of global water challenges and encourage employee participation in BAC's mission to expand access to safe water in under-served communities.

Additionally, BAC's Water Ambassadors play a key role in BAC's annual celebration of the United Nation's World Water Day in March and help organize celebrations that mark the completion of each BAC "WaterYear," when fundraising achievements and project milestones are recognized across the company.

Annual Site Visits

Following project completion, a small group of BAC's Water Ambassadors and company leadership representatives visit selected project sites to better understand the project's impact, engage with local stakeholders, and share in the achievement with community members who will be responsible for the long-term stewardship of the infrastructure.

Fundraising Period	Project Locations	Approximate Number of Individuals Gaining Access to Clean, Safe Water
2018 to 2019	Kyeni Primary School, Kenya. Kudo, India. And El Roblar, Nicaragua	1,350
2019 to 2020	Zzinga and Chance Primary School, Uganda	23,400
2020 to 2021	Shahpura, India, and El Chaparral, Nicaragua	400
2021 to 2023	Lieb, Cambodia, and Nantale and Tara Primary School, Zambia	1,700
2023 to 2024	Tempisque and La Jícara, Nicaragua	250
2024 to 2025	Eight villages within the Mumbwa District of Zambia	2,100

16 The source of this information is a report released by the World Health Organization and UNICEF, *Progress on Household Drinking Water, Sanitation and Hygiene*, published in 2025.



BAC's Just a Drop Project in 2024:

Tempisque and Jicara, Nicaragua

Through its partnership with Just a Drop, BAC fundraised for a clean water infrastructure project in the remote communities of Tempisque and La Jícara in Nicaragua. Prior to the project, the village's residents lacked reliable access to safe drinking water; the community is inaccessible by vehicle and families relied on transporting limited quantities of water by horse or collecting water from untreated local sources that were vulnerable to contamination.



Water Infrastructure Project: A Sustainable Water Distribution System

The project involved the construction of a gravity-fed water distribution system, including an elevated storage tank, a piped network, and household water connections. The system provides reliable access to safe water while operating without electricity, reducing both operating costs and long-term maintenance requirements.

Community Collaboration & Longterm Benefits

Community participation was central to the project's success. Residents contributed time and effort throughout construction, assisting with activities such as transporting materials, digging and backfilling trenches, compacting soil, mixing cement, and installing piping. This collaborative approach strengthened local ownership of the infrastructure and helped build the skills necessary to support the system's long-term operation and maintenance.

The project is expected to generate meaningful social, economic, and environmental benefits for the community. Improved access to safe water can help reduce water-related illnesses, support higher school attendance, lower household healthcare expenses, and increase opportunities for productivity and economic activity by reducing the time spent collecting water.





BAC's Just a Drop Project in 2025:

Restoring Access to Safe Water in Zambia

Through BAC's partnership with Just a Drop, borehole rehabilitation projects were completed in eight villages in Zambia's Mumbwa District, restoring reliable access to safe water for approximately 2,090 people. The project supported the communities of Mafwele, Ntembelwa, Shimbwanga, Machele, Shamwakula, Kabanze, and Mwanamango, with a second borehole also rehabilitated in Mafwele.

Before the project, many residents relied on distant, unprotected water sources that were often contaminated. Families spent hours collecting water, and waterborne illnesses were common. Many village boreholes had been out of service for years due to damaged equipment and limited repair resources. During a period of severe drought in Zambia, restoring these boreholes provided a reliable source of safe water for local communities.





Fostering Community Ownership

To support the long-term success of the project, local water committees were established to oversee borehole management and maintenance, with community members contributing small user fees to fund future repairs and upkeep. Residents also received training on performing minor pump repairs and routine maintenance. In addition, hygiene education was provided on topics including personal hygiene, handwashing, safe water storage, water point cleanliness, and latrine maintenance, helping communities maximize the health benefits of improved water access.

The rehabilitated boreholes are expected to generate lasting social and health benefits across the participating villages. Year-round access to safe water can help reduce water-related illness, improve hygiene, and support healthier communities.

Children are expected to spend less time collecting water and may be able to attend school more consistently, while women and families can redirect time previously spent fetching water toward education, livelihoods, and other productive activities.



Purpose-Driven Employee Initiatives

Each year, BAC's teams are invited to celebrate two United Nations observances:

World Water Day in March

World Environment Day in June



For World Water Day, BAC's Water Ambassadors organize a simple and engaging activity that brings employees together for a shared purpose, fostering connections across regions and teams.

For World Environment Day, BAC teams around the world join locally led activities that support environmental stewardship and raise environmental awareness. Many of these activities focus on protecting local ecosystems while bringing employees together for a shared purpose. Many BAC leaders participate in and champion these events, recognizing them as opportunities to strengthen teamwork and demonstrate one of BAC's values: "Embrace Responsibility."

World Water Days, 2024 and 2025

In 2024, the United Nations designated **"Water for Peace"** as the theme for the day, highlighting the connection between water access and the stability of communities.

To build awareness and understanding of the theme, BAC employees were invited to create water peace mandalas and share them with coworkers, friends, and family.

Mandalas are circular designs often associated with harmony, balance, and interconnectedness. Through this activity, employees reflected on the importance of water as a shared resource, the value of collaboration in managing and protecting it, and the role reliable water access plays in supporting community well-being.

In 2025, BAC employees recognized the year's theme of "Glacier Preservation." To build awareness of the importance of glaciers as freshwater resources, employees participated in a glacier melting challenge and estimated how long it would take for an ice block to completely melt.

The activity provided an engaging way to encourage discussion about glacier loss, climate change, and the role glaciers play in supporting global water resources.

In addition, the Penguins on Glacier activity encouraged employees' younger family members to learn about glacier preservation and the importance of protecting freshwater resources for future generations.

World Environment Days, 2024 and 2025

World Environment Day provides an opportunity for BAC teams to come together in support of environmental stewardship through hands-on activities, community engagement, and environmental education.

In 2024 and 2025, BAC teams participated in cleanups, restoration projects, sustainable commuting initiatives, educational outreach, and environmental awareness activities. The results of these efforts demonstrated how collective action can contribute to cleaner communities.

Examples of World Environment Day Activities

Dalian, China
Hosted basketball-themed environmental activities, including: Eco-Puzzle, where teams assembled sustainability facts while passing a basketball; Basketball vs. Plastic Bottles, which used plastic bottle targets to symbolize reducing waste and plastic pollution. The winning team earned the opportunity to name four baby squirrels living at the facility.

Somersby, Australia
Organized a street cleanup within the local industrial park, with participants collecting litter to help improve the surrounding environment; hosted an electronic waste collection program; and promoted environmental awareness by displaying World Environment Day educational videos on lunchroom information screens throughout the week.

Singapore
Hosted an environmental learning journey for children from Yishun Family Service at Children's Society; brought a team to visit gardens and learn about sustainability and water management; and organized kite-flying activities.

Shanghai, Dalian, and Kunshan, China
Hosted local community cleanups in parks, neighborhoods, and public spaces, removing litter and promoting awareness of pollution prevention.

Cape Town, South Africa
Employees volunteered to clean the street surrounding the facility as a demonstration of community and environmental care.

Dayton, Tennessee, USA
Collected more than 100 pounds of trash from facility grounds and nearby roads. Planted evergreen and redbud trees, along with more than ten shrubs and other plants, to help enhance local green spaces.

Milford, USA
Organized a cleanup of BAC's adopted stretch of roadway; reinforced the message that everyday actions can contribute to a healthier environment.

EUROCOIL, Italy
Organized a cleanup of the Pasetto-Giovannoni square located near the facility; encouraged employees to choose lower-emission commuting options by biking to work or carpooling with colleagues; and recognized participants and promoted environmental awareness through a shared team celebration following the event.



Examples of World Environment Day Activities

Heist, Belgium
In 2025, employees came together for the seventh annual cleanup event, collecting litter around the facility and helping to keep the local environment clean.



Asia Pacific Leadership Team
Participated in a tree-planting initiative at Awana Bio Park in the Genting Highlands and learned about biodiversity conservation.

Dalian, China
Hosted the second BAC World Environment Cup Basketball Tournament with a theme of land restoration and soil protection; champion and runner-ups named the flower gardens at the facility.

Chiuro, Italy
Encouraged employees to choose lower-impact commuting options, including biking, walking, running, and carpooling to work; and promoted sustainable transportation.



Jessup, Maryland, USA
Partnered with the nonprofit organization Blue Water Baltimore to participate in a cleanup effort at Middle Branch Park.







Appendix, Data Tables

Disclosure Topic	Unit of Measure	2019	2020	2021	2022	2023	2024	2025	Page #
Energy									
Global energy consumption[17]	megawatt-hour	40,573	41,468	47,166	50,621	45,726	49,431	50,339	28
Global energy consumption – Production plants, including adjoining offices[18]	megawatt-hour	36,025	34,738	37,985	40,043	38,990	40,625	42,945	NA
Change in energy use compared to 2019 base year	percent	—	2%	12%	25%	13%	22%	24%	28
Change in energy intensity compared to 2019 base year	percent	100%	102%	109%	90%	84%	80%	72%	28
Global energy consumption, fuels	megawatt-hour	21,363	22,788	26,741	29,236	25,357	27,809	27,609	NA
Global purchased electricity (excluding vehicle charging)	megawatt-hour	17,452	16,792	18,582	19,995	18,319	19,577	20,462	NA
District heating	megawatt-hour	944	944	944	—	—	—	—	NA
Consumed self-generated renewable electricity	megawatt-hour	684	698	653	1,103	1,641	1,658	2,090	27
Gross self-generated electricity	megawatt-hour	814	941	893	1,376	2,035	2,010	2,224	27
On-site and off-site car charging	megawatt-hour	1	3	11	14	19	95	154	NA
Greenhouse Gas (GHG) Emissions / Decarbonization									
Global combined Scope 1 and Scope 2 market-based GHG emissions	metric tonne CO_2e	10,891	10,679	11,568	10,600	8,745	8,320	6,374	26
Scope 1 GHG emissions	metric tonne CO_2e	4,086	4,365	5,223	5,584	4,859	5,309	5,234	26
Scope 2 market-based GHG emissions	metric tonne CO_2e	6,804	6,314	6,345	5,016	3,886	3,012	1,141	26
Scope 2 location-based GHG gas emissions	metric tonne CO_2e	6,760	6,189	6,705	7,275	6,506	6,497	6,881	NA
Change in emissions intensity compared to 2019 base year	NA	100%	99%	99%	68%	57%	51%	33%	NA
Change in GHG emissions compared to 2019 base year	percent	—	-2%	6%	-3%	-20%	-24%	-41%	26
Minimum annual percent reduction required to meet 2030 emissions target, based on a linear reduction trajectory	percent	—	4.55%	9.10%	13.65%	18.20%	22.75%	27.30%	NA

17 BAC's organizational boundary includes all owned and leased facilities.

18 This annual dataset excludes energy consumed by BAC's testing laboratories and sales offices.

Disclosure Topic	Unit of Measure	2019	2020	2021	2022	2023	2024	2025	Page #
Water Withdrawal									
Global water withdrawal - Production plants including adjoining offices and test laboraries, and stand-alone offices	cubic meter	51,103	43,965	48,834	56,291	50,457	50,850	60,490	32
Water withdrawal, production - Including production and adjoining offices	cubic meter	45,115	36,305	38,541	40,686	39,841	41,526	51,653	NA
Change in water withdrawal intensity compared to 2019 base year	NA	100%	85%	88%	73%	69%	65%	69%	32
Waste, Landfill and Recycled									
Global generation of non-hazardous waste to landfill (excluding resold scrap)	metric tonne	645	596	890	1,056	1,002	962	791	33
Global recycled waste (excluding resold scrap)	metric tonne	2,422	2,288	1,793	1,897	1,834	2,666	3,397	33
Change in landfill waste intensity compared to FY19 base year	NA	100%	98%	142%	133%	115%	100%	67%	33
Change in landfill non-hazardous waste compared to 2019 baseline	percent	—	-8%	38%	64%	55%	49%	23%	33
Waste diversion rate	percent	76%	76%	63%	61%	62%	70%	78%	33
Global Philanthropic Partnership, Just a Drop									
Estimated individuals reached by BAC funded water-infrastructure projects	individual	1,349	23,376	383	1,691	252	2,090	3,359	50
Donations from company and employee giving	US dollar	$53,500	$70,000	$82,000	$75,000	$59,363	$63,582	$65,834	NA
Estimated total individuals reached, 2018 to 2025	individual							32,500	NA



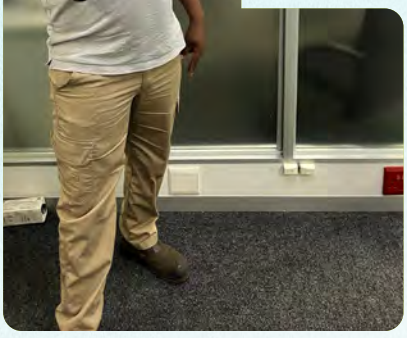

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Kappa


YOU CAN MAKE AN IMPACT HERE
YOU CAN BELONG HERE
YOU CAN FEEL VALUED HERE
YOU CAN GROW HERE




WORLD WATER
World Water Day 2026








EXIT









Thank you for taking the time to read this sustainability report, which highlights BAC's progress during fiscal years 2024 and 2025.

This report reflects our commitment to transparency, accountability, and continuous improvement.

It outlines the actions we are taking to reduce our environmental impacts, support our employees and communities, strengthen our business, and develop cooling solutions that help meet evolving sustainability challenges.

It also shares our approach, progress, and performance across the environmental, social, and governance topics most relevant to our business and stakeholders.

As a global manufacturer, we recognize our responsibility to continually improve our operations and contribute positively to the communities we serve.

We remain committed to advancing our sustainability journey through collaboration, innovation, and measurable progress while creating long-term value for our customers, employees, and other stakeholders.

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