



®

for **LIFE**

Commercial HVAC, Industrial &
Commercial Refrigeration, Power
Generation and Industrial Process

EVAPCO SUSTAINABILITY REPORT

Committed to making life easier, more reliable
and more sustainable for people everywhere.

www.evapco.com



Letter from EVAPCO

Pat Strine, President and Chief
Operating Officer

Sustainable Leadership... for LIFE.

I am proud to present our inaugural Corporate Sustainability Report. As a global leader in heat transfer products and services, we embrace our responsibility to inspire a culture of environmental conservation. This report highlights our unwavering commitment to investing in people, products, and processes that shape a sustainable future.

Our goal is to provide innovative solutions that meet the needs of our customers’ performance and operational requirements with the highest levels of quality and efficiency. From the initial design and material selection to final production and delivery, we strive to minimize our environmental footprint while maximizing the efficiency, performance, and longevity of our products.

EVAPCO’s achievements in sustainability outlined in this report are the result of the collective efforts of our dedicated team and support from our industry partners. However, we recognize that sustainability leadership is a mindset, not a task, and there is always more to be done. As we move forward, we remain committed to continuous improvement and innovation in our sustainability practices, benefiting the world for generations to come.

“Our goal is to provide innovative solutions that meet the needs of our customers’ performance and operational requirements with the highest levels of quality and efficiency.” – Pat Strine

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Who We Are



EVAPCO World Headquarters, Taneytown, Maryland

About EVAPCO

Founded almost 50 years ago in Baltimore, Maryland, EVAPCO Inc. is an employee-owned manufacturing company with global resources and solutions for worldwide heat transfer applications. Through the visionary leadership of co-founders William E. Kahlert and Wilson E. Bradley, with financial advisor John A. Luetkemeyer, the company was set on a path of long-term success inspired by a simple principle: treating people right.

Today, with over 3,000 employees across six continents, we are proud of our company's passionate dedication to expert craftsmanship and fanatical customer service. As a testament to our enduring commitment to nurturing long-term relationships, our first customer who purchased an evaporative condenser remains a loyal customer to this day. Our

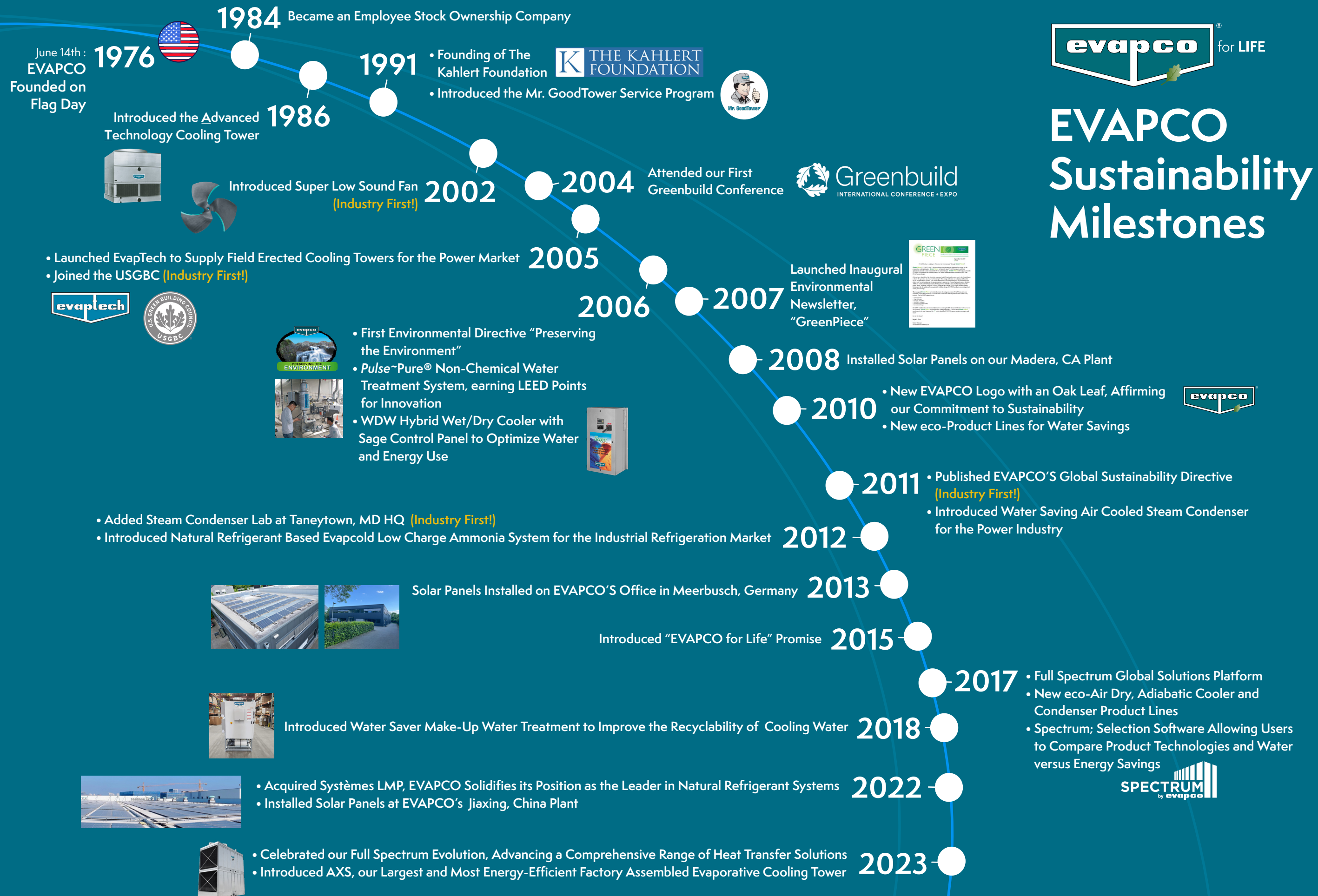
culture of excellence and continuous improvement enables us to manufacture high quality, innovative products and services that you can count on. At EVAPCO, our mission is to be your team not just for a lifetime, but for generations to come.



William (Bill) Kahlert, co-founder of EVAPCO, passionately believed the company would always succeed as long as it is led by dedicated, capable employees. In 1984, EVAPCO formally became an employee owned and operated company.



Wilson E. Bradley and William E. Kahlert



EVAPCO for Life

The green leaf of the white oak tree in our EVAPCO For Life company logo is a visual representation of our commitment to sustainable business operations. This pledge is a part of our ethos of care, which begins with our employees and extends to all people – including our customers and our local communities – and the environment.

At EVAPCO, our success is based on five core principles: dependable products, innovative technologies, dedication to sustainability, a commitment to customer satisfaction, and a passion for excellence in action. These principles have enabled our company to grow from humble beginnings towards a vision of EVAPCO as one global team, united to be universally recognized as the superior provider of a full spectrum of heat transfer solutions.



Theme Song

"I can count on you
Not something I'm used to
It'll always, always be you
When the working day is done
If I call you make me feel number one
It'll always, always be you"

Chorus of the EVAPCO for Life theme song,
performed by Devon Nickoles, October 2023
[\[See Performance Here\]](#)



Mission & Values

Our Vision

EVAPCO is one global team, united to be universally recognized as the superior provider of a full spectrum of heat transfer solutions.

Our Mission

EVAPCO is more than a company name - it is the team you can count on for a lifetime. We are a manufacturer of high quality, innovative products and services that thrives through our core principle of treating people right. We are empowered by a culture of excellence and an environment of continuous improvement. We put people first, fellow employees and customers alike. We shine through expert craftsmanship and passionate dedication to fanatical customer service. We are EVAPCO - we are your team not just for a lifetime, but for generations to come.



Global Operations

Headquartered in Taneytown, Maryland, USA, EVAPCO products are supported by facilities in 28 locations in 13 countries and supplied through a sales network of more than 170 offices. We service four main global markets: Commercial HVAC, Industrial & Commercial Refrigeration, Power Generation and Industrial Process.





Our Products

EVAPCO proudly offers a full spectrum of heat transfer product solutions from 100 percent evaporative to 100 percent dry. Our products are built to meet customer needs, from factory assembled units to the largest field-erected solutions.

Our voracious commitment to Research and Development has led to innovative solutions for our constantly changing world, prioritizing energy efficiency, water conservation, sound reduction, use of natural refrigerants and minimization of chemicals.



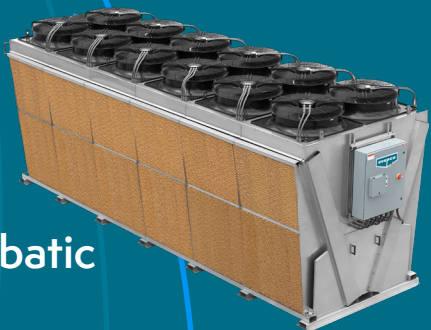
Over EVAPCO’s decades-long history, we have applied for hundreds of patents. As of February 2024, EVAPCO has 89 active US patents and 392 counterparts to those patents in foreign countries.



Evaporative



eco-Hybrid

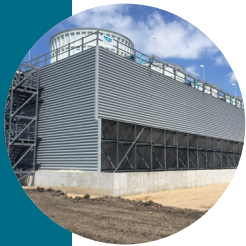


Adiabatic

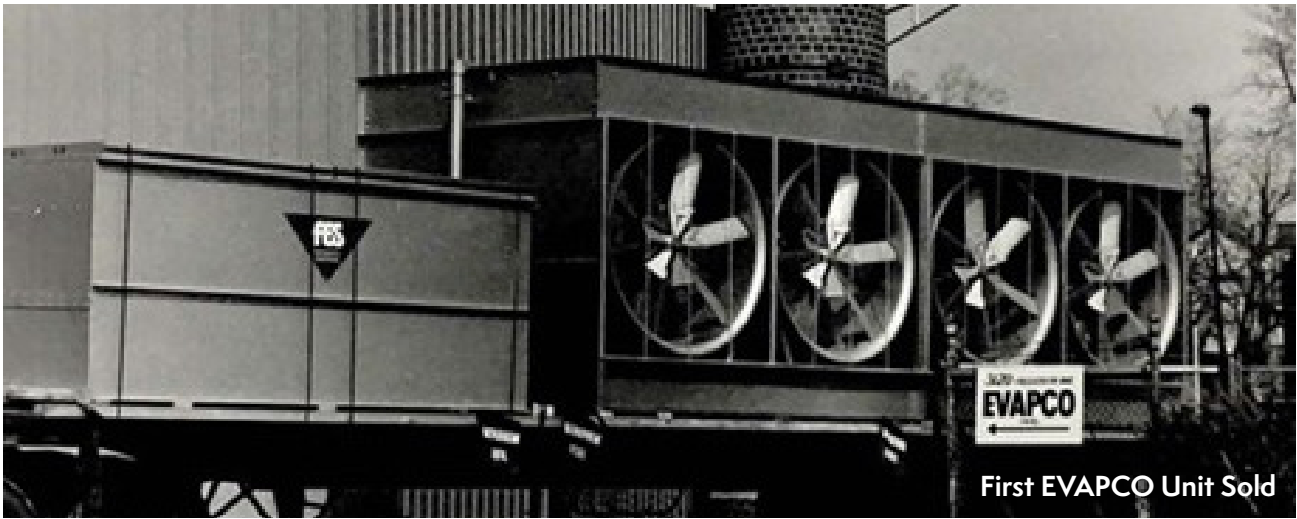
 EVAPCO provides a full spectrum of global product solutions for the Commercial HVAC, Industrial & Commercial Refrigeration, Power Generation and Industrial Process markets.”



Dry



Sustainability Program Overview



Historic Commitment to Sustainability

From the beginning, EVAPCO was positioned as a pioneer in sustainable product development and was an early adopter of sustainability principles. EVAPCO was at the forefront of environmentally friendly products as the “Manufacturer of Water Saving Equipment”. Designing and producing water and energy efficient evaporative condensers formed the cornerstone of EVAPCO’s success.

EVAPCO was an early advocate for the use of the natural refrigerant ammonia (NH₃). The first product that EVAPCO manufactured back in 1976 was an ammonia PMC evaporative condenser. Today, natural refrigerants are the most climate-friendly solutions for the industry, expanding to include CO₂.

Now we are leading the industry in advancing water and energy saving technologies, notably through the introduction of dry and adiabatic cooling systems and the AT Atlas Cooling Tower. EVAPCO maintains a legacy of environmental innovation in the industry.



Today's
PMRC Evaporative Condenser
with Optional SmartShield
Water Treatment System

Global Sustainability Directive



EVAPCO’s Global Sustainability Directive has guided our action on sustainability for the last decade and acts as a driver for innovation. To continue to better serve our customers and empower environmental impact reduction, EVAPCO commits to:

One Product Development

Develop environmentally friendly solutions for the Commercial HVAC, Industrial & Commercial Refrigeration, Power Generation and Industrial Process markets.

Two Industry Consultation

Help direct the consulting engineering community and end users to these environmentally friendly solutions utilizing EVAPCO products.

Three Customer Support Efforts

Assist our customers by informing them of how EVAPCO products will contribute to their environmental rating standards.



Click the image to read the
Global Sustainability Directive.

Impact Reduction Objectives

In addition to guiding EVAPCO’s sustainable product development, the Global Sustainability Directive outlines ten objectives to reduce the impact of EVAPCO’s global operations. Reducing our operational impact is closely connected to our ability to help customers lower their emissions. Let’s review our operational impact progress up to 2023 in the table on the next page.

Sustainability Statement



EVAPCO strives to provide new products that sustain our environment, leading the industry with a directive to develop and manufacture innovative and environmentally friendly solutions.”

- EVAPCO Global Sustainability Directive, 2011



| # | OBJECTIVE | PROGRESS UP TO 2023 | INITIATIVES |
|----|---|---------------------|--|
| 1 | Reduce energy and energy costs expended to develop, produce, and sell our products | | <ul style="list-style-type: none">• LED lighting retrofits in office and shop with motion sensors• Modified manufacturing hours based on Demand Response requirements• Incorporated Evapcold ammonia refrigerant based cooling system for plant in Taneytown, MD• Installed a Thermal Ice Storage system, which allows us to divert peak electricity use to the evening at our Shanghai, China location |
| 2 | Integrate renewable energy sources into our power supply | | <ul style="list-style-type: none">• Installed solar panel arrays in Madera, Jiaxing, and Meerbusch with the capacity to generate 960 MWh annually• Engaged with power suppliers to purchase more renewable energy in our mix• EVAPCO generated 8,965 MWh of renewable electricity in 2023. |
| 3 | Reduce Greenhouse Gas (GHG) Emissions | | <ul style="list-style-type: none">• Completed GHG inventory to establish baseline emissions• Incorporated in-house nitrogen generators for our laser cutting processes, eliminating weekly transport of compressed nitrogen bottles• Incorporated bulk weld gas supplies processes, eliminating weekly transport of weld gases.• Installed Evapcold Chiller in Taneytown using the natural refrigerant ammonia |
| 4 | Reduce the release of Volatile Organic Carbons | | <ul style="list-style-type: none">• Incorporated a low VOC adhesive for PVC gluing operations, investigating a zero-VOC adhesive |
| 5 | Improve the quality of the indoor environment | | <ul style="list-style-type: none">• Installed high volume, low RPM fans to provide comfort cooling for our employees at the plant• Installed adjustable LED lighting with Motion Sensors in the Taneytown office |
| 6 | Reduce potable water consumption and implement reclaimed water strategies | | <ul style="list-style-type: none">• Incorporated water bottle (filtered) fill-up stations throughout EVAPCO HQ in office cafeteria and kitchenette areas• Installed water-less urinals in many locations• Installed eco-Air Adiabatic Cooler on Taneytown plant for water savings in comfort cooling• Re-use water for leak testing in units• Test tanks utilize water filtration systems to keep water clean allowing reuse |
| 7 | Reduce scrap by utilizing the latest manufacturing technologies that optimize material usage resulting in precise and efficient product fabrication | | <ul style="list-style-type: none">• Reduced steel scrap by incorporating improved manufacturing processes (i.e. NC nesting, fiber-optic laser cutting machinery) |
| 8 | Reduce and recycle waste to diminish our burden on local landfills | | <ul style="list-style-type: none">• Incorporated improved PVC manufacturing practices• All PVC scrap including pipe, and thermo-former material is purchased by a recycling company• All wood products minus plywood are turned into mulch• In China, reusable steel pallets are used in lieu of wood |
| 9 | Implement a sustainable purchasing policy | | <ul style="list-style-type: none">• Eliminated mercury switches in damper motor actuators• Require recycled content in our material purchases |
| 10 | Follow sustainable exhibition guidelines globally for all trade shows | | <ul style="list-style-type: none">• EVAPCO prioritizes reusable exhibition booths• Minimize paper brochures in the booth during trade shows |

Progress Legend: Growth Same



Corporate Governance

The Journey Ahead

Building on the progress made over the last half a century, EVAPCO remains committed to environmental stewardship and social responsibility. Our focus is on continual improvement in product innovation, reducing our operational impact, and continuing to have a positive impact on our employees and communities. This inaugural report presents data-driven narratives detailing our progress towards fulfilling these commitments to date. With clear objectives and determination, we are leading positive change and creating lasting impact.

EVAPCO is governed by its Board of Directors, which consists of 12 individuals comprised of current employees, former executives, and outside directors. The Chairman of the Board and the Chairman Emeritus provide administrative direction, and all directors vote on significant matters facing the Company. All critical functions of the Company are represented on the Board, including HVAC, Refrigeration, Power, International, Operations, Legal and Sustainability.

The Board considers ESG impacts in all facets of its decisions. More specifically, the Board has assigned corporate responsibility for specific ESG tasks to the Company's Executive Vice President and his direct report, the Director of Environmental Technologies. This work includes overseeing the creation of this Sustainability report and overseeing the compliance efforts pertaining to specific regulations in Europe and other jurisdictions. The EVP is also a member of the Board of Directors and reports to the Board on ESG issues and initiatives. The EVP provides the formal Sustainability report during the annual Board of Directors meeting, and there are informal reports provided throughout the year. The Board oversight includes not only monitoring regulatory compliance on ESG matters, but also specifically directing the Company in ways that enhance its impact on the environment. Most recently, for capital projects the Company is adding ESG considerations to its decision-making process to ensure that investment decisions are

not only made based on financial metrics like return on investment, but also the ESG impact of deciding to move forward with a particular project (or not).

Two current examples of Board-driven ESG initiatives include projects where a team is evaluating the potential to deploy renewable energy sources in various locations and a CO₂ natural refrigerant based air conditioning system for our World Headquarters. The Company already generates solar power at its Madera, CA, Jiaxing, China and Meerbusch, Germany locations. Presently, the Company is actively considering proposals for a wind turbine in Belgium, and committed to installing solar at our European HQ in Tongeren, Belgium and our World HQ in Taneytown, MD. The plan is to use lessons learned from these locations to evaluate deploying similar resources at all locations with a manufacturing or major assembly facility. In deciding whether to employ these resources, the decision will not be made solely based on the financial returns, but also the ESG considerations such as the environmental impact and the ability to reduce the company's carbon footprint and greenhouse gas emissions.

Beyond the Board level, individual executives and managers are tasked with keeping Sustainability principles in mind as they complete projects and evaluate their operations. The Board dictates a "Culture of ESG Responsibility." The President and

CEO embrace and live this culture, and the EVP and Director of Environmental Technologies are the primary ambassadors to carry this culture to the rest of the organization. To be successful, however, every level of management is encouraged to embrace and spread this culture in everything we do.

One example of this culture is in the EVAPCO Ethics Policy. EVAPCO's leadership ensures company integrity and upholds high ethical standards as mandated by our Ethics Policy. Compliance with stringent business ethics is required for all directors, officers, supervisors, and employees to instill stakeholder confidence and mitigate legal risks. The policy demands adherence to both legal and ethical standards, prohibiting conflicts of interest and bribery while emphasizing accurate bookkeeping and fair dealings. It provides guidelines for accepting gifts and hospitality, advocates fair competition, and promotes corporate citizenship. Employees are urged to promptly report violations to the CEO or General Counsel. Reports concerning the CEO or General Counsel can be made to any officer or any member of the EVAPCO Board of Directors for investigation and appropriate action. Consistent with this policy, EVAPCO has implemented compliance training regarding the UK Bribery Act and the US Foreign Corrupt Practices Act, which are two of the most stringent ethical laws in the world.



Daryn Cline
Director of Environmental Technologies

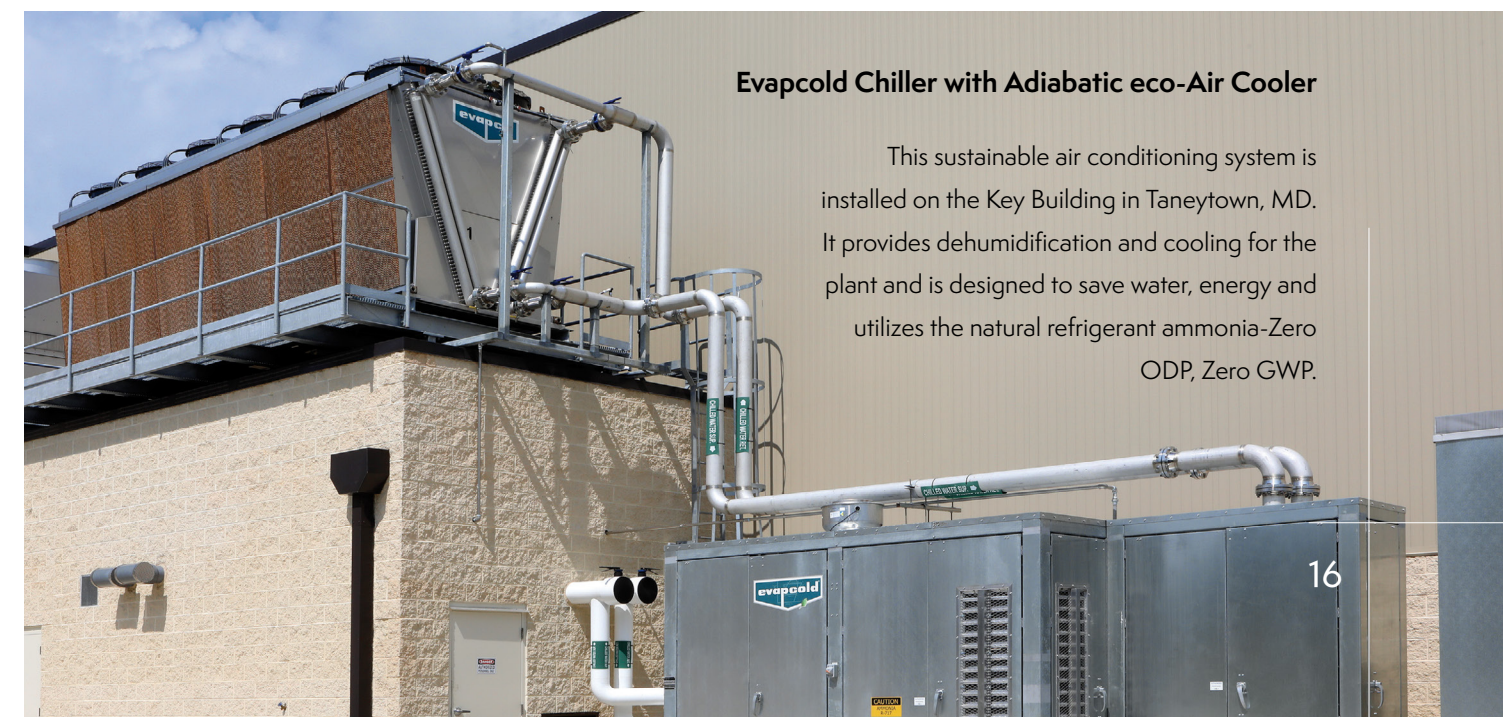


EVAPCO was founded on the principles of sustainability and has always been naturally positioned with our products and systems to meet the challenges of changing environmental concerns in the marketplace.

From energy savings using evaporative cooling with our AT product lines to earning LEED points using chemical-free *Pulse~Pure*® water treatment or the use of natural refrigerants like ammonia and carbon dioxide, EVAPCO has a product to meet your environment friendly requirements.

EVAPCO will continue to focus its research and development efforts on improving current product lines and developing future products with an eye toward sustainability.

Additionally, with this first Sustainability Report, EVAPCO is establishing a baseline for how our operations impact the environment on a global scale."



Evapcold Chiller with Adiabatic eco-Air Cooler

This sustainable air conditioning system is installed on the Key Building in Taneytown, MD. It provides dehumidification and cooling for the plant and is designed to save water, energy and utilizes the natural refrigerant ammonia-Zero ODP, Zero GWP.



The Built Environment

The built environment encompasses all of the structures and spaces that form the backdrop to our everyday lives. It includes the places we call home, the buildings where we work, and the infrastructure that we rely on for mobility, utilities, and leisure. The built environment’s importance extends beyond mere functionality; it is a major consumer of natural resources and a substantial contributor to environmental pressures. Yet, there is a growing recognition that our built environment holds the key to addressing many of the environmental challenges we face.

Since its inception, EVAPCO has pioneered green building solutions, setting the benchmark for sustainability by offering advanced heat transfer technology that embodies principles of sustainable development. Our products are designed not only for optimal performance and resource efficiency but also with a focus on sustainability and future adaptability, ensuring relevance amidst the evolving regulatory and technological landscape.

EVAPCO’s role extends beyond providing environmentally conscious HVAC, industrial, power generation, and refrigeration solutions; we actively partner with clients to help them achieve their own green building and sustainability ambitions. However, our commitment to environmental stewardship is not limited to our products. We also embrace sustainability within our own operations, adhering to a philosophy of transparency and continuous improvement. By diligently tracking and analyzing our own energy usage, greenhouse gas emissions, water consumption, and waste generation, we set a precedent for sustainable business practices for our own operations.

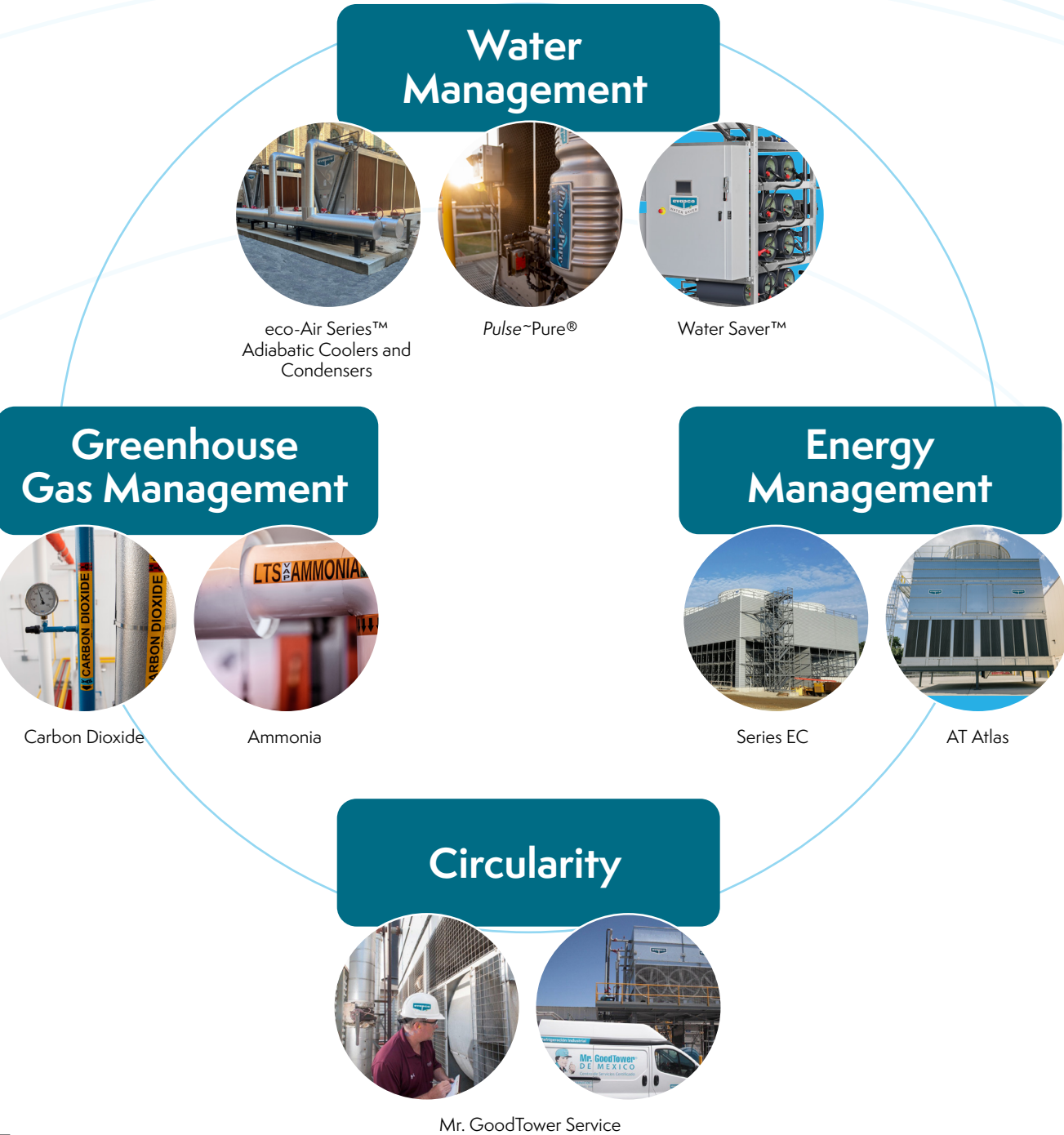
In the following pages, we will outline our commitment to environmental stewardship in our products we design and manufacture by featuring the key sustainability topics of Water Management, Energy Management, Circularity and Greenhouse Gas Management.



Environmental Stewardship

EVAPCO's Product Benefits

Our products' environmental benefits range from significant water savings with air-cooled products to enhancing water quality to increase cycles of concentration. We reduce greenhouse gas emissions from increased energy efficiency and the use of natural refrigerants, and our Mr. GoodTower program contributes to circular economic principles. By integrating these benefits into our product design and operation, EVAPCO fosters a more sustainable and environmentally conscious industry.



Green Building Associations

EVAPCO's full spectrum of sustainable products for the Commercial HVAC, Industrial & Commercial Refrigeration, Power Generation and Industrial Process markets exemplifies our commitment to the water, energy and greenhouse gas management guidelines and standards set forth by [USGBC](#), [LEED](#), [ASHRAE](#), [CTI](#), [IIAR](#), [ATMO](#) and [NASRC](#).



Water Management

EVAPCO has long recognized the critical importance of water as a fundamental resource for our operations and our ecosystem. EVAPCO's strategic approach to water management includes rigorous measurement and tracking of water usage across all facilities and investing in research and development to pioneer innovative solutions that reduce the water consumption of our products.

With a history that underscores a deep commitment to water conservation and quality, EVAPCO offers responsible water management features for our products, ensuring water savings for our customers. This commitment is manifested through implementing advanced water reduction and pretreatment technologies, efficient cooling systems designed to minimize water use, and developing products that require less water for operation and maintaining or enhancing water quality by minimizing hazardous chemical constituents.

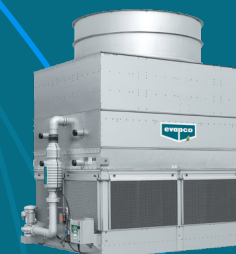
EVAPCO's products are designed with water in mind.



Factory Assisted
Passivation



Water Saver™
Pre-Treatment System



Pulse~Pure®
Non-Chemical Treatment



Smart Shield®
Factory Mounted
Solid Chemistry
Water Treatment



Smart Shield®
For Open Towers and
Remote Sump Applications

Full Spectrum of Water Treatment Solutions

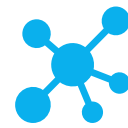


HIGHLIGHT: Pulse~Pure®

Our commitment to water quality and conservation is highlighted in our patented non-chemical water treatment system “Pulse~Pure®.” EVAPCO’s Pulse~Pure® technology represents a significant advancement in the water treatment industry, primarily due to its environmental benefits. By leveraging pulsed electric fields to treat cooling water, Pulse~Pure® eliminates the need for chemical biocides and scale inhibitors traditionally used in cooling towers and evaporative condensers. This chemical-free approach substantially reduces the risk of chemical spills and the environmental impact associated with the production, transportation, and disposal of hazardous chemicals. Additionally, by preventing scale and microbial growth without chemicals, Pulse~Pure® technology enhances water reuse and conservation efforts, allowing for higher cycles of concentration. This leads to a decrease in water consumption and a reduction in water discharge, aligning with global sustainability goals and water scarcity challenges. Furthermore, the adoption of Pulse~Pure® technology in the commercial HVAC and industrial markets supports organizations in achieving their sustainability objectives by minimizing their environmental footprint, earning LEED credits, enhancing operational efficiency, and promoting a safer workplace.



Earn LEED Points



Controls Microbiological Growth, Scale and Corrosion



Low Energy Consumption

HIGHLIGHT: Water Saver™ Technologies

The EVAPCO Water Saver™ is a pioneering technology that aims to significantly reduce water consumption in evaporative cooling equipment.

The Water Saver is a pre-treatment system focused on improving water efficiency. The EVAPCO Water Saver™ utilizes capacitive deionization technology to reduce dissolved ion concentration, thus lowering the makeup water conductivity prior to use in an

evaporative cooling system. Makeup water entering the Water Saver™ passes through individual cylinders that contain oppositely charged supercapacitors. Dissolved ions (except silica) are removed from the water as they are absorbed onto the charged capacitors. A typical 50% ion reduction allows the operating cycles of concentration to be safely doubled without an increase in scale or corrosion potential.

Furthermore, by minimizing water waste, the Water Saver contributes to the company’s overall environmental stewardship efforts, reducing the strain on local water resources and lessening the ecological footprint of the cooling process. Yet another demonstration of EVAPCO’s dedication to providing solutions that enhance system performance while prioritizing environmental responsibility.



Water Saver Benefits

- Improves Water Efficiency by Increasing Operating Cycles of Concentration
- Reduces Blowdown and Treatment Chemicals Sent to Drain
- Routine Monitoring by EVAPCO Authorized Service
- Low Cost of Ownership
- 75-90% Recovery Rate
- LEED Points

HIGHLIGHT: eco-Air Series™ Coolers

In recent years, factors such as rising water costs, water shortages, and code changes have driven conscientious building owners and engineers to reduce water consumption on cooling applications across all industries.

The eco-Air Series of Dry and Adiabatic Coolers are designed with a strong focus on water efficiency and 100% thermal performance, an excellent choice for sustainable cooling solutions. The eco-Air Double Stack V Series Dry Fluid Cooler (shown below) is the latest breakthrough in EVAPCO's eco-Air Series of dry and adiabatic coolers and marks a new era in our commitment to sustainability, efficiency, and water conservation. The eco-Air Double Stack is a high-capacity, CTI Certified dry cooler designed to maximize heat rejection capability for a given footprint.

The eco-Air adiabatic models (shown next page) only use water when the ambient conditions and load require it. Reducing water consumption also reduces the ongoing expenses related with the cooling equipment such as purchasing, treating, and disposing of water.

Unlike other dry coolers currently on the market, the EVAPCO eco-Air Series units are 100% fully rated for dry performance. Every eco-Air unit is tested per CTI ATC-105DS and comes with EVAPCO's exclusive 100% thermal performance guarantee, ensuring peace of mind in selecting the ideal cooling solution for your needs. The eco-Air Cooler is the culmination of EVAPCO's ongoing dedication to providing worldwide comprehensive, environmentally responsible heat transfer solutions.



Location: Paris, France



eco-Air Series Benefits:



Maximize Dry
Operation & Water
Efficiency



Reduce Installed
Footprint



Reduce Field
Piping & Wiring

Application:



Industrial
Processes



Data
Centers



HVAC



Power
Generation



Liquid Immersion
Cooling



Cold Storage
Warehouses

Energy Management

At EVAPCO, we are keenly aware of the importance of minimizing energy use, boosting efficiency, and preserving resources—not only within our own operations but also for our clients. Creating products that lead the industry in energy and water efficiency is only part of our mission. We set the bar high, exemplifying sustainability through a holistic strategy that includes the diligent monitoring, assessment, and reduction of energy use in all our worldwide facilities. Our corporate vision places environmental responsibility at the heart of operational excellence and as a cornerstone of maintaining our competitive edge.



Location: Meerbusch, Germany



Location: Jiaxing, China



Location: Madera, California

EVAPCO's Energy Saving Strategies at Facilities

EVAPCO has implemented various energy-saving initiatives. These efforts not only contribute to significant energy savings and reduced greenhouse gas emissions but also align with EVAPCO's broader sustainability goals, underscoring our role as a responsible corporate citizen for generations to come.

EVAPCO's Place in Supporting the Renewable Energy Transition

HVAC systems are crucial for maintaining indoor comfort and healthy air quality in buildings, but they are also significant contributors to the overall energy consumption of buildings. The importance of efficient HVAC systems in reducing the energy and environmental impacts of buildings cannot be overstated, given their role in energy usage and the potential for reducing GHG emissions. This is why at EVAPCO, we have always prioritized energy efficiency, which is needed more than ever to meet the growing demand for green buildings and a global transition to renewable energy.

EVAPCO Taneytown Plant:

- Converted all lights to LED, including buildings, offices, and outdoor areas.
- Utilize photo sensors for automatic light shutdown.
- Incorporated energy efficient Evapcold ammonia refrigerant based cooling system.
- Designing a CO₂ Air Conditioning System for our new World HQ expansion.

Refrigeration Vessels and Systems (RVS): Texas

- Currently converting shop lights to LED.

FanTR: Brazil

- Approximately 93% of production area and 97% of office rooms are equipped with LED lighting.

EVAPCO Italy:

- Sondrio plant: In process to replace all fluorescent lights with LED in 2024.
- Yard and external areas already equipped with LED lighting.
- Milan: Offices, yard, and external areas already upgraded to LED lighting.

EVAPCO China:

- Installed on-site solar in Jiaxing facility: Majority of workshops and offices in Shanghai factory now use LED lighting.
- Installed Thermal Ice Storage System in Shanghai, to make ice at night and save electricity costs.

Renewable Energy Investments at EVAPCO Facilities

- On-site solar at our Madera, CA, Meerbusch, Germany, Jiaxing, China facilities, and future Tongeren, Belgium installation.



HIGHLIGHT: AT Atlas Cooling Towers

EVAPCO's AT Atlas cooling towers are notable for their substantial energy efficiency improvements. AT Atlas cooling towers deliver up to 60% more cooling capacity per cell compared to traditional factory-assembled cooling towers while simultaneously reducing fan power requirements by up to 40% per ton of cooling. This significant reduction in energy consumption directly translates to lower greenhouse gas emissions and operational costs, aligning with sustainability goals of reducing environmental impact.

In addition to their energy efficiency, the AT Atlas towers are constructed from durable materials, which ensure longevity and minimize the need for frequent replacements, thereby reducing material waste. Combined with certifications from the Cooling Technology Institute (CTI) and compliance with the International Building Code (IBC), these features underscore the AT Atlas cooling tower as a sustainable choice for commercial HVAC and industrial process cooling applications.

Up to **60%** more
cooling capacity
per cell



Up to **40%** less
fan power
per ton of cooling



Location: Wolfspeed Utica



Location: Key Building in Taneytown



Circularity

(Waste & Materials)

EVAPCO is committed to minimizing scrap, reducing waste, enhancing recycling rates, and integrating circular economy principles into our product design and operations. By embedding sustainability into the lifecycle of our products, EVAPCO ensures that each component is designed for durability, reparability, and end-of-life recyclability, significantly reducing environmental impacts. Some of our global waste reduction efforts include:

EVAPCO Taneytown:

- PVC scrap from our main building, pipe, and thermoformer material is purchased by a recycling company for reuse.
- Wood products (excluding plywood) are sent to our partner company for mulching, reducing landfill waste. Previously, this material was disposed of in landfill-bound trash.

FanTR:

- Waste management process involves recycling wood, plastic, and aluminum, as well as coprocessing chemicals.

China:

- Utilizes steel pallets for the turnover of sheet metal raw materials and PVC sheets, minimizing waste.

Average Supplier Recycled Content

| World Region | Galv. Steel | Cold Rolled Steel | S/S | Aluminum | PVC Film |
|--------------|-------------|-------------------|-----|----------|----------|
| USA | 67% | 51% | 79% | 42% | 64% |
| Europe | 25% | 24% | 83% | 23% | 80% |
| China | 16% | 30% | 25% | 10% | 19% |
| Brazil | 91% | 92% | 93% | NA | 80% |

Key Components Of Our Circular Economy Strategy:

- 1 Product design**, which includes the use of recycled content and end of life reuse and recycling
- 2 Elimination of waste**, within our operations
- 3 Partner with customers** to create end-of-life solutions for building retrofits



Mr. GoodTower Program

The Mr. GoodTower program is an exemplary initiative by EVAPCO that underscores the company’s commitment to sustainability and circular economy principles. This program is designed to extend the lifespan of not only EVAPCO cooling towers but our competitors’ as well through refurbishment and upgrades, promoting a sustainable approach by reducing the need for new resources and minimizing waste. We offer customers a cost-effective and environmentally friendly alternative to replacing aging equipment, emphasizing preventive maintenance and the use of high-quality, durable parts. Through the Mr. GoodTower program, EVAPCO not only helps clients increase operational efficiency and reliability by extending equipment life but also contributes to the broader goal of reducing environmental footprints, showcasing how sustainability principles can be seamlessly integrated into business models for mutual benefit.

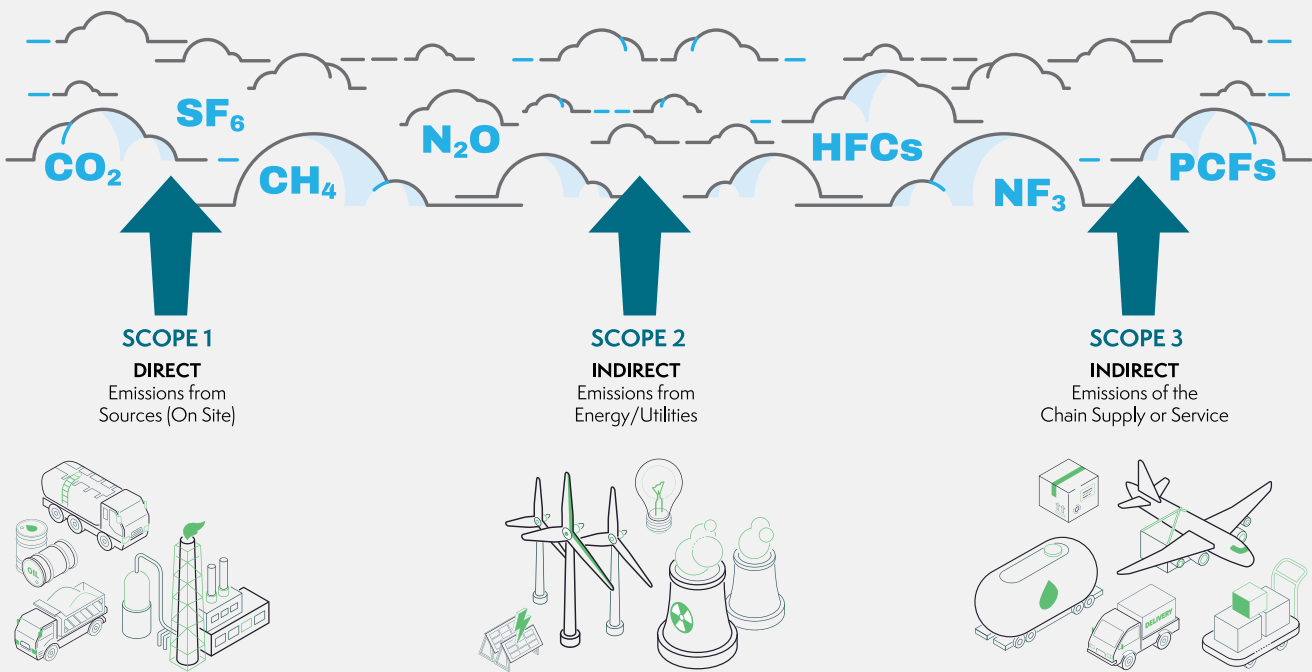


Greenhouse Gas Management

EVAPCO's Greenhouse Gas Inventory

EVAPCO monitors and reports its environmental impact to facilitate the setting of specific, actionable reduction goals. This process embodies EVAPCO's long-standing commitment to transparency, providing stakeholders with a clear view of its environmental performance and progress towards achieving our sustainability objectives. Moreover, this initiative aligns with EVAPCO's global sustainability directive and reinforces its role as a responsible corporate citizen.

Scopes of Greenhouse Gas Emissions



Greenhouse Gas Emissions

EVAPCO has completed our first global greenhouse gas (GHG) inventory, a testament to our enduring commitment to environmental stewardship and transparency. This significant milestone underscores EVAPCO's dedication to accurately measuring and understanding our carbon footprint across all facets of our operations globally. Adhering to the World Resources Institute's (WRI) Greenhouse Gas Protocol, the most widely used international accounting standard for government and business leaders to understand, quantify, and manage greenhouse gas emissions, EVAPCO's inventory

provides a detailed insight into our emission sources. This initiative is more than a measure of accountability; it is a critical step toward identifying and prioritizing opportunities for impactful reduction efforts.

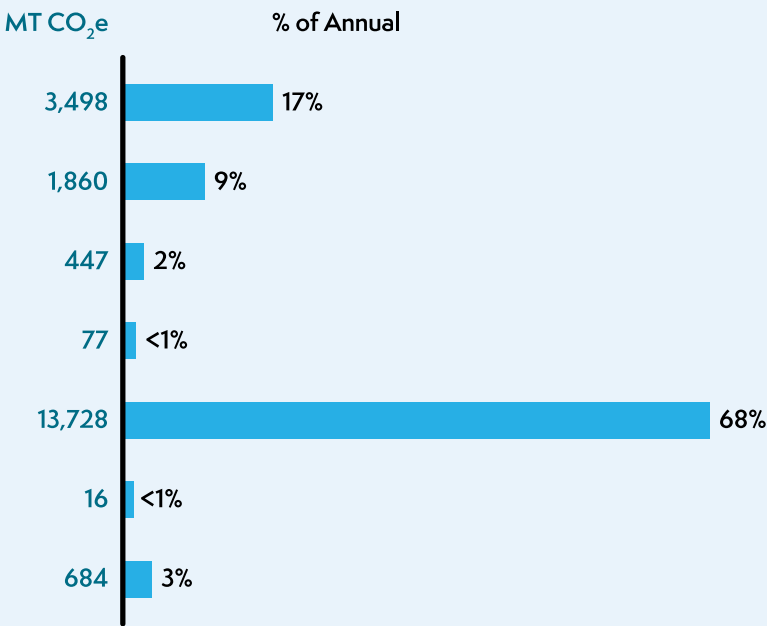
EVAPCO's inaugural sustainability report includes comprehensive data on Scope 1 and Scope 2 GHG emissions. This encompasses emissions related to our facilities, vehicles, and electricity consumption. Our primary focus is on these direct and indirect energy-related emissions to establish a solid foundation for our reporting. By concentrating on these

categories, we have gained valuable insights into the GHG emissions associated with our operations, enabling us to identify key areas for improvement and action.

Our initial inventory includes limited Scope 3 data and we have prioritized key environmental impact categories such as water consumption and waste generated during operations. This targeted approach allows us to address immediate environmental concerns while laying the groundwork for more comprehensive future assessments.

| Emissions Source | |
|------------------|-----------------------------------|
| SCOPE 1 | Stationary Fuel Combustion |
| | Vehicle Emissions |
| | Process Emissions |
| | Fugitive Emissions (Refrigerants) |
| SCOPE 2 | Electricity (Market-Based) |
| SCOPE 3 | Waste Generated in Operations |
| | Water Consumption |

2023 Inventory



MT CO₂e Total: 20,310

This report is based on 2023 data.

HIGHLIGHT: The Benefits of Natural Refrigerants

EVAPCO recognized the environmental benefits and energy efficiency of natural refrigerants well before the Montreal Protocol, the Kigali amendment, and the Paris Accords were inked. Natural refrigerants have been at the core of EVAPCO's success since our founding in 1976, when we developed our first evaporative condenser designed for ammonia operation. Since then, EVAPCO has focused on the innovation and manufacturing of industrial & commercial refrigeration equipment and systems designed for use with the two leading natural refrigerants in the world – Ammonia (NH₃) and Carbon Dioxide (CO₂).

In late 2023, the EPA published a final ruling on phasing down harmful HFCs. This rule will restrict the use of refrigerants by their global warming potential (GWP). Equipment that uses more than 200 lbs. of refrigerant will be subject to a GWP limit of 150 and will require an increased focus on safety, as many "next generation" refrigerants can pose flammability and/or toxicity risks if not properly managed in addition to having much higher GWP.

Today, natural refrigerants are the most climate-friendly and safest solutions in the industry.

Ammonia (R-717) is the most environmentally friendly refrigerant available because it has zero potential for Ozone Depletion (ODP) and Global Warming (GWP). These benefits for our planet, combined with the refrigerant's unmatched thermodynamic properties and energy efficiency, have made it the world's most widely used natural refrigerant.

Carbon Dioxide (R-744) is becoming more popular in the refrigeration industry as an alternative to synthetic refrigerants. With an ODP of 0 and a GWP of 1, CO₂ is substantially more eco-friendly than any synthetic refrigerant. Also, some end users may choose CO₂ over NH₃ because of the lower toxicity, even though both refrigerants have proven to be safe to utilize when good engineering practices are followed.

Benefits of Natural Refrigerants



Inherently Safer Technology



Environmentally Friendly Ammonia & Carbon Dioxide



Lower Energy & Water Consumption

Evapcold represents one of our latest ammonia innovations. Featuring a low-charge ammonia refrigeration system that uses significantly less refrigerant than other designs, our Evapcold products also include enhanced safety features in a factory-assembled, easy to install package.



Evapcold LCR-P Penthouse Package (NH₃)

The EVAPCO LMP Transcritical CO₂ System is a great choice for many applications, including cold storage of all sizes and smaller industrial applications where previously, synthetic refrigerants may have been used. LMP systems offer an efficient, environmentally friendly and sustainable solution for your refrigeration needs.



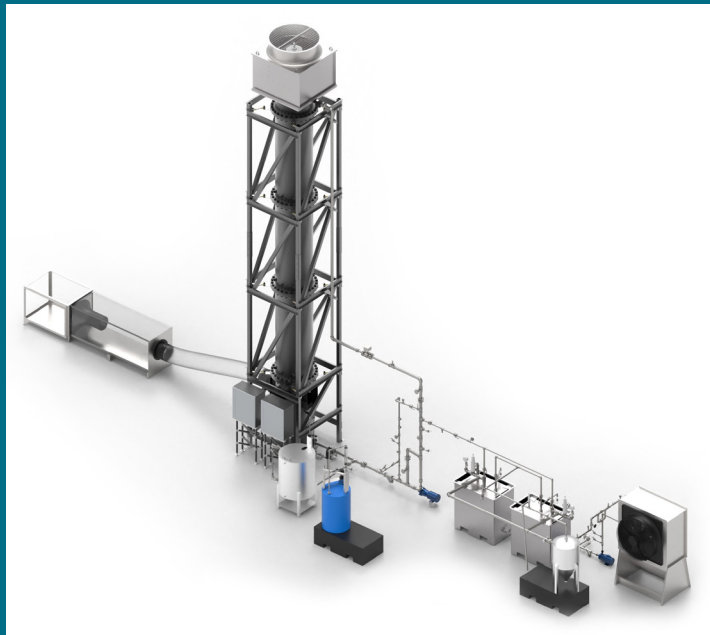
LMP Purity (CO₂)

HIGHLIGHT: Carbon Capture Tower

EVAPCO is deeply committed to addressing climate change and actively contributing to its solutions. Our investment in innovative technologies, such as Direct Air Capture [DAC], is a cornerstone of our strategy to mitigate climate change and its effects.

According to the Paris Agreement and the latest Intergovernmental Panel on Climate Change (IPCC) reports, achieving Net Zero greenhouse gas emissions by 2050 is necessary to avoid potentially catastrophic effects associated with a warming planet. Achieving Net Zero by 2050 likely requires reducing the amount of greenhouse gases emitted and removing them from the atmosphere. Both approaches will be required to ensure there is no net increase in global greenhouse gas levels.

DAC is an essential technology in this pursuit. There are many different DAC technologies that various companies are exploring, including some that use a working fluid to induce chemical reactions that pull carbon from the ambient air. EVAPCO studied these technologies and recognized the similarities between liquid solvent-style air contactors and EVAPCO's Field-Erected and Factory-Assembled Cooling Tower products.



Many of the principles are similar, except that the DAC technology relies upon mass transfer rather than heat transfer. Believing we could help advance DAC technology, EVAPCO expanded our Research and Development capabilities by commissioning a working DAC laboratory in 2021 at the Wilson E. Bradley Research and Development Center at our headquarters in Taneytown, MD. We have used this working laboratory to better understand DAC performance across many different variables and to develop a new mass transfer material specifically designed and optimized for capturing CO₂.

EVAPCO has used knowledge gained from the DAC lab to provide input to companies actively working in this space on considerations such as equipment size, material composition, ideal temperatures for carbon capture, and the advantages and disadvantages of different working fluids.

EVAPCO's commitment to Net Zero is not limited to liquid solvent DAC technology. One fundamental challenge of all DAC technology is the need to process very large amounts of air due to the relatively low concentration of ambient CO₂. Based on our extensive experience with cooling towers, EVAPCO is an expert in designing and optimizing air movement systems and is well-equipped to develop and build systems at scale to serve the DAC industry.





Commitment to Our Employees



Working at EVAPCO



Bill Bartley
EVAPCO Chairman & C.E.O.
2024 ESOP Meeting Taneytown, MD

Employee-Owned Company-Ownership Structure

In alignment with our commitment to creating a supportive work environment, we have implemented initiatives to empower our employees while driving business success. Our approach includes a combination of an Employee Stock Ownership Plan (ESOP) and a profit sharing program, providing tangible benefits to our workforce and fostering a culture of shared ownership and responsibility.

Employee Stock Ownership Plan (ESOP): At the heart of our commitment to employee ownership is our ESOP program in the U.S., which embodies the principle that our employees are partners in our business. The ESOP is a retirement plan designed to provide each eligible employee with a stake in the ownership of the Company. By becoming shareholders, employees are more deeply invested in the long-term success and sustainability of the organization.

Profit Sharing Program: To build a sense of shared success and ensure that all employees have a stake in our achievements, we have established a profit-sharing program available to USA, Brazil, Canada and China employees. Through this program, employees can directly and immediately participate in EVAPCO’s financial success. By sharing in the profits generated by the business, employees are incentivized to contribute to the company’s growth and performance, aligning individual interests with organizational goals.



One of the several things I love about working at EVAPCO is the people. Everyone I work with is pleasant, can have fun but know when to get things done and help each other out. Also, the company is very transparent and there for the employees. Since we are an ESOP company, everyone has the best interest of the people and the company in mind.”



Laura Chilcote
Controller of EVAPCO Power

Working alongside fellow Employee Owners creates an atmosphere characterized by cooperation, empowerment, and commitment. With everyone having “skin in the game,” employees are motivated to contribute their best efforts and take ownership of their work processes. This sense of ownership translates into a stronger sense of accountability, innovation, and collaboration throughout the organization.

reinforcing the link between individual efforts and positive business outcomes.

By combining profit-sharing initiatives with the ESOP, we not only reward employees for their contributions but also align their interests with the long-term sustainability and growth of EVAPCO. This integrated approach not only enhances employee engagement and morale but also contributes to our broader sustainability goals.

The ESOP enhances financial security for employees by providing them with an additional retirement benefit tied to the performance of the company. As the business prospers, so too do the retirement savings of our employees,

As we continue to drive success and shape the future of our business together, our commitment to employee ownership remains a cornerstone of our corporate culture.



Working for EVAPCO over the last 17 years has been a positive, challenging and rewarding experience. I consider myself lucky to have found not only a great career, but also a great community. EVAPCO values hard work, innovation, and teamwork. The success that EVAPCO has achieved, I believe, is rooted in the founder’s core principles that have been maintained over the years.”




David Kardos
Global Manager
Replacement Market Services


EVAPCO Employee Wellness


At EVAPCO, nothing is more important than our employees’ overall sense of well-being. We are committed to offering a comprehensive benefits package that goes beyond providing the industry’s best healthcare coverage by including the following benefits for our U.S. operations:

- 1. Comprehensive Health Insurance
- 2. Pharmacy Program
- 3. CloseKnit and Urgent Care Video Visit
- 4. Vision
- 5. Dental
- 6. Health Advocate Advice Services
- 7. Employee Assistance Programs
- 8. TravelConnect
- 9. Life, Accidental Death & Dismemberment Insurance
- 10. Disability Coverage
- 11. Tuition Reimbursement
- 12. Weight Management Program
- 13. Tobacco Cessation Program
- 14. ADP Employee Self Service
- 15. Vacation
- 16. Profit Sharing
- 17. Employee Stock Ownership Program (ESOP)
- 18. 401(k) Pretax Saving Investment Plan (PSIP)
- 19. Eagle Wellness Newsletter (sent out quarterly)
- 20. Financial Wellness Programs & Advisors: EVAPCO provides programs and financial advisors that help our employees take control of their financial fitness.



Eagle Wellness Newsletter






Eagle Wellness Newsletter

Endorsement From Our President/CEO

Introducing the Eagle Wellness Newsletter

If there is a silver lining associated with the Covid-19 Pandemic, it might be the renewed focus that many of us have about our health and safety. This heightened awareness about personal wellness has also led to a greater awareness that our health and safety at work and home are connected and cannot be independently considered. In the spirit of our renewed focus about the importance of employee wellness at work and outside of work, Evapco is publishing a health and safety newsletter for the benefit of all employees – called Eagle Wellness. This first publication of Eagle Wellness will be followed by similar quarterly publications.



The beauty about safety and good health is that the more you care the better off you will be – no matter what your starting point is, no matter what pre-existing conditions you may have, and no matter what your job responsibilities entail.

Personally speaking, at 62 years old, renewed focus on my own wellness for the past year has me conducting business with the best physical and mental health I have enjoyed since I was in high school! And my quality of life outside work is as good as I can remember it ever being. I realize that each person's health and safety improvement opportunity is uniquely formed by their own work experiences, lifestyles and personalities. Therefore, as part of helping form the safest work environment and healthiest workforce we can achieve for our Evapco family members, I invite you to pick and choose what works for you from the Eagle Wellness newsletter – and do not hesitate to invite your family members outside of Evapco to join you on your wellness journey. Stay safe and be well!

Best Personal Regards,
—Bill Bartley, President & CEO



EVAPCO's Nature Trail, World HQ, Taneytown, MD.

These benefits aim to provide financial security, support employees’ well-being, and promote a healthy work-life balance.



Occupational Health & Safety

In line with our unwavering dedication to fostering a culture of well-being, we have instituted initiatives to prioritize the occupational health and safety of our employees. Through the implementation of robust occupational health and safety measures, including comprehensive training programs, regular safety audits, and the provision of state-of-the-art protective equipment, we ensure that our employees operate in environments that prioritize their safety and security. This commitment underscores our belief in shared ownership and responsibility, reinforcing our company’s culture of care and mutual success.



EVAPCO also places a strong emphasis on fostering a culture of health and safety through proactive engagement with our employees. We actively encourage and value employee feedback, particularly regarding safety concerns. To facilitate this, we have established a dedicated platform called “Positive Performance Observations” on our shared file system, designed specifically to recognize and acknowledge employee contributions to safety. Additionally, we maintain a comprehensive system for tracking all accidents and near-misses, ensuring that safety critiques are meticulously reviewed by our Senior Vice President of Operations, Director of Global EHS, plant management, and safety coordinators. Furthermore, we prioritize ongoing training initiatives, providing thorough training for all new employees and conducting weekly training sessions for existing staff members. To further enhance our training resources, we are exploring the integration of additional 3rd party training platforms to augment our existing programs, demonstrating our commitment to continuous improvement and ensuring the utmost safety and well-being of our workforce.



Training & Professional Development

At EVAPCO, we believe that investing in our employees' growth and development is essential to our collective success.

EHS/Operations Training Program

We uphold a robust training framework designed to equip our workforce with the necessary skills and knowledge to excel in their roles. Upon joining our team, every new shop employee undergoes comprehensive New Employee Introductory Training within their first week of employment. This program encompasses a company introduction, general safety protocols, and basic procedures, ensuring a solid foundation for their journey with us.

We also prioritize specialized training initiatives tailored to specific job functions. Our Forklift Training, facilitated by certified trainers, is mandated for all employees operating powered industrial trucks within our plant. This program not only ensures compliance with safety regulations but also enhances operational efficiency and risk mitigation.

Looking ahead, we are actively developing a Crane Operation Training program to address the diverse needs of our workforce. This initiative aims to provide comprehensive crane training for all plant employees, with the curriculum tailored to their level of involvement with crane operations.

From basic awareness to in-depth proficiency, our goal is to empower employees with the skills necessary to safely and effectively utilize the shop machine and tools in their daily activities. We are proud to support our employees' professional development and look forward to continuing to see the positive impact of this program on our team and our business.

EvapCollege

We also invest heavily in the growth and development of our sales representatives. That is why we were thrilled to establish our formal training program, *EvapCollege*, designed to empower our sales representatives with the knowledge and skills they need to excel in their roles.

This comprehensive multi-step program, led by a trained EVAPCO Professor, offers opportunities for our sales team members to earn higher commissions as they progress through the program levels. By investing in their professional development, we aim to empower our team to excel in their role, win more business, and increase their earnings. As the representatives complete each stage of the training, they also earn a commission bonus on associated orders, recognizing their dedication and new expertise. Our commitment to having the best-trained sales force in the industry is unwavering, and we are proud to reward our sales team's hard work and dedication to product knowledge.

Providing comprehensive training opportunities reflects our dedication to cultivating a talented and knowledgeable workforce. By equipping our team members with the tools that they need to succeed, we not only enhance individual performance but also strengthen our company as a whole.



A fantastic knowledge retention program done right
by our friends at EVAPCO. Proud to be a
partner of yours.”

~ EVAPCO Sales Representative

Additional Programs & Training

EVAPCO recognizes the importance of investing in our employees' skills and supporting their career advancement. As part of this commitment, EVAPCO offers comprehensive programs aimed at upgrading employee skills and facilitating career transitions. One such initiative is our Tuition Reimbursement Program, which supports employees in furthering their education by pursuing degrees from accredited colleges or universities. Through this program, employees can pursue higher education opportunities that align with their career aspirations, enhancing their expertise and contributing to their professional development. Additionally, EVAPCO provides additional on the job training and promotional opportunities for all employees. We believe that by investing in our employees' education and facilitating career growth, we not only empower individuals to reach their full potential but also strengthen our organization.



Investment In Our Community



Serving Our Customers



At EVAPCO, we believe in building strong and enduring relationships with our customers. Fostering open dialogue and facilitating firsthand experiences with our products are instrumental in building trust and loyalty. To this end, our EVAPCO Factory Visit Program stands as a crucial aspect of serving our customers.

The EVAPCO Factory Visit Program has proven itself to be a highly effective tool for cultivating lasting customer relationships. We invite our customers to join us at our plant, where they can engage with our team and explore our full spectrum of products. Whether discussing specific projects or seeking a deeper understanding of EVAPCO’s offerings, our factory visits provide a valuable platform for meaningful interactions. In addition to our plant visits, we highly prioritize engaging with our customers in interactive settings beyond the confines of our facility. We believe that these experiences offer invaluable opportunities for us to deepen our relationships and foster

stronger connections. Whether it’s exploring our town together, enjoying a round of golf at a local course, cheering on the Baltimore Orioles at a game, or participating in other memorable activities, we strive to create meaningful experiences that go beyond business interactions.

In summary, our commitment to serving our customers extends beyond product excellence to encompass meaningful engagement opportunities and seamless support.

Grassroots Outreach Initiatives

EVAPCO remains steadfast in its commitment to local outreach and charitable contributions, recognizing the profound impact they have on the communities we serve. The company’s philanthropic efforts encompass a diverse range of community organizations and initiatives. Over the years, we have consistently contributed

to various groups, reflecting our commitment to supporting the local community. Among the top five types of groups we contribute to are youth sports leagues, educational institutions including local Elementary Schools, public safety organizations like the Community Fire Department, community events such as the local art and music festivals, and cultural organizations such as Historical Societies and History Museums. These contributions underscore our belief in the importance of investing in education, youth development, public safety, community events, and cultural enrichment, all of which play a vital role in fostering a vibrant and thriving community.

We have maintained consistency in our annual donations - from 2016 to the present year, we have contributed to over 135 non-profit organizations, underscoring our dedication to making a difference. These contributions extend beyond mere financial support; they reflect our belief in the importance of actively engaging with and supporting the well-being of our local communities. As a company, we understand that investing in our communities is not only a moral imperative but also a strategic decision that fosters goodwill, strengthens relationships, and ultimately contributes to the long-term sustainability of both our business and the communities we serve.



EVAPCO’s Suite at Oriole Park at Camden Yards



Global Outreach Initiatives

Our company is deeply committed to making a positive impact beyond borders, exemplified through various philanthropic endeavors across different regions:

Canada

Partnering with Fondation Charles-Bruneau, under the motto “L’espoir passe par la recherche” (Hope lies in research), we support their mission to advance pediatric oncology research, offering hope and healing to children and families affected by cancer.



Furthermore, our collaboration with the Chambre de commerce et d’industrie de Laval underscores our commitment to local economic development and community prosperity. Through this partnership, we contribute to initiatives aimed at fostering entrepreneurship, innovation, and sustainable growth in the Laval region.

Additionally, we proudly support the Children’s Wish Foundation of Canada, granting wishes to children with life-threatening illnesses, bringing joy and strength to their lives during challenging times.

Through these diverse initiatives, we strive to extend our impact beyond borders, creating positive change and embodying our core values of compassion, community, and global citizenship.

China

Over the years, our contributions to China’s social welfare have been significant. Notable among them are donations to critical causes such as the Sichuan Earthquake in 2008 and support for Stepping Stones, an education program benefiting migrant students. Additionally, we work with Heart to Heart Shanghai (h2h shanghai), a charitable organization dedicated to providing medical assistance and support to children with congenital heart disease in China. Our engagement with the Heart to Heart foundation in Shanghai, particularly through our employee donation drives since 2016 and active participation in charity events, reflects our ongoing commitment to this community.



Europe

In Belgium, our participation in the annual De Warmste Week (Warmest Week) exemplifies our dedication to community welfare. De Warmste Week is an annual charity event held in Belgium, where various fundraising activities and events are organized to support different charitable causes. Through collaborative efforts, including our winter market activities alongside our #Evapcolleagues, we have consistently raised substantial funds during this event for a range of charities, including supporting youth with mental illness.

Our commitment to fostering a close-knit community is underscored by our support for this initiative, with a special focus on this past year’s theme highlighting the importance of ensuring every child’s warmth and security within their family environment. We have also proudly supported the Cups for Dogs initiative in Belgium. Through this program, we not only reduce single-use plastic waste by offering eco-friendly cups but also contribute to noble causes. A portion of the proceeds from each cup sold goes towards supporting blind guidance dogs, enhancing their training and care. Additionally, we are excited to announce our partnership with a bike lease program in Belgium, promoting eco-friendly transportation options and reducing carbon emissions.

In Denmark, our company has a history of supporting the Aalborg community through an initiative called Cool East. Through this, we support cultural and sporting activities in eastern Aalborg, to create cohesion among residents and support the pride of living and working in eastern Aalborg, specifically. We also participate in local CSR/ESG initiatives and activities that create value for the local community, which all meet at least one of these four United Nations Sustainable Development Goals (SDGs):

Health and Well-being |
Decent Work and Economic Growth |
Reducing Inequality | Partnerships for Action

Furthermore, in 2023, EVAPCO provided contributions to Ukraine. This signifies our global humanitarian efforts, reflecting corporate responsibility and solidarity in times of need.

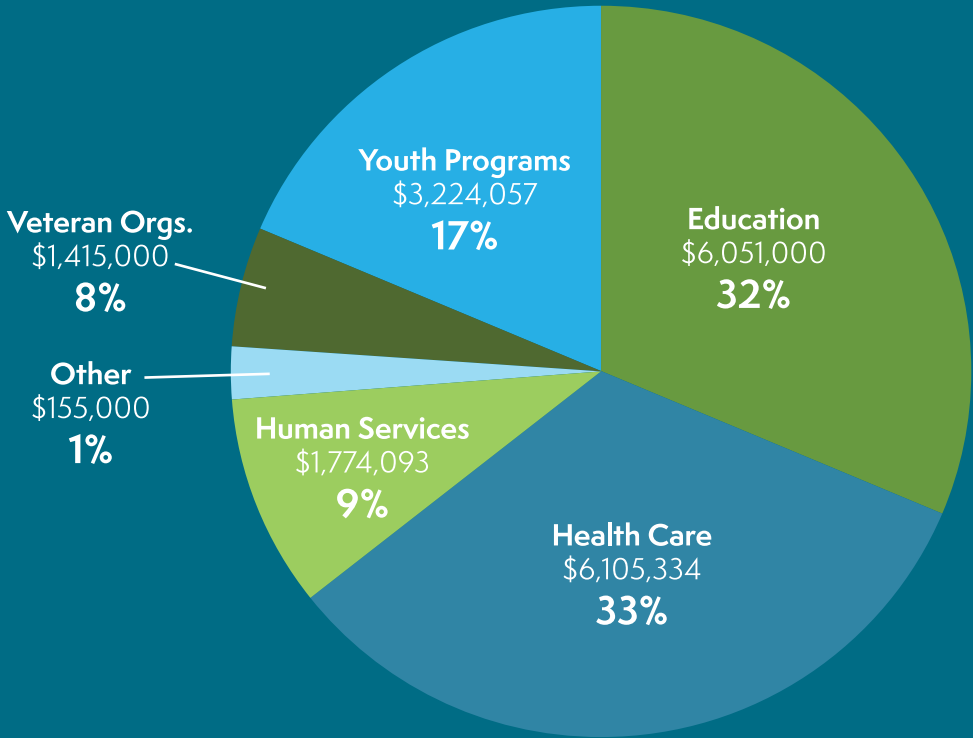


K THE KAHLERT FOUNDATION

At the core of our company’s values lies the steadfast commitment of our late Founder, William (Bill) E. Kahlert, to foster life-changing impact across the communities we call home. Founded on the principle of corporate responsibility, Bill established a dedicated foundation, generously funded primarily by EVAPCO. The Kahlert Foundation provides grants to non-profit organizations aimed at improving the quality of life and well-being of our local communities. Our Foundation enhances EVAPCO’s impact, ensuring that we go above and beyond in contributing to local communities. It stands as a testament to our unwavering dedication to community outreach, a core pillar of our sustainability initiatives.

With a focus on health care, education, youth programs, veteran organizations, and human services in both Maryland and Utah, The Kahlert Foundation gives to improve the lives of others – and communities as a whole. In fiscal year 2023, The Kahlert Foundation granted nearly \$19 million to 183 non-profit organizations.

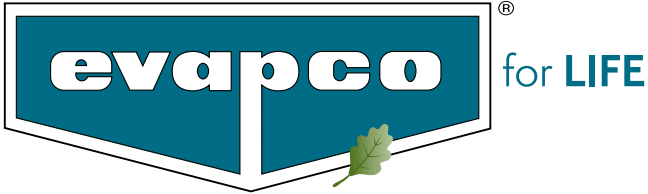
By incorporating the foundation into our narrative, we not only showcase our commitment to corporate citizenship but also demonstrate our genuine desire to make a positive difference in the lives of those around us. Through strategic investments, partnerships, and programs, our foundation serves as a vehicle for driving meaningful change and fostering sustainable development in the communities we serve. We are proud to weave the story of our foundation into the fabric of EVAPCO, embodying our belief that businesses have a profound responsibility to contribute to the greater good.



My dad is the reason The Kahlert Foundation is the organization it is today. He was an extremely generous individual who always put his family and his community before himself. It is an honor to keep his legacy alive through the Foundation’s work and the partnerships we have with so many incredible non-profits.”

Greg Kahlert
Member, EVAPCO Board of Directors





In Conclusion

As we conclude our inaugural sustainability report, we reflect on the journey we’ve embarked upon together—a journey guided by our commitment to sustainability, responsibility, and positive impact. Through these pages, we’ve shared our achievements and aspirations, striving for transparency and accountability in every step.

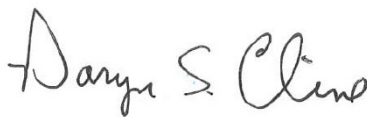
Looking ahead, we see continued opportunities to further integrate sustainability into our business practices and collaborate with stakeholders to address global challenges. Our dedication to sustainability is not just a goal; it is a continuous evolution of learning and adaptation.

We extend our deepest gratitude to all who have supported and contributed to this endeavor—our employees, partners, customers, and communities. Your passion, insights, and collaboration inspire us to reach higher and do better.

As we turn the page to the next chapter, we invite you to join us in shaping tomorrow together. Together, we can build a more resilient world for generations to come.

We hope you’ve found this report insightful and engaging, and we welcome your feedback as we strive for continuous improvement.

Thank you for being part of our sustainability journey.



Director, Environmental Technologies



GRI Index

Our report, which is based off 2023 CY Financials, references and incorporates the Global Reporting Initiative (GRI) Standards.

General Disclosures

| DISCLOSURE | DISCLOSURE TITLE | LOCATION | NOTES |
|---------------------------------|--|---|--|
| GRI 2: General Disclosures 2021 | 2-1 Organizational details | PP 2, 7, 8 | |
| | 2-2 Entities included in the organization's sustainability reporting | See notes. | This sustainability report encompasses all entities and subsidiaries that fall under the direct or indirect control of EVAPCO, Inc. |
| | 2-3 Reporting period, frequency and contact point | See notes. | i. Reporting period is the 2023 calendar year for financials. ii. Publication Date: October 2024 |
| | 2-4 Restatements of information | See notes. | Not applicable, as this is our first sustainability report. |
| | 2-5 External assurance | See notes. | External assurance was not conducted for our first sustainability report. |
| | 2-6 Activities, value chain and other business relationships | PP 7-10, and see notes and 2-28 in the GRI Index. | The EVAPCO supply chain includes global and local suppliers of materials like metals, motors, fans, and electrical components. We partner with OEMs (Original Equipment Manufacturers) for specific parts. |
| | 2-7 Employees | P. 2 | |
| | 2-9 Governance structure and composition | PP 15, 16 | |
| | 2-12 Role of the highest governance body in overseeing the management of impacts | PP 15, 16 | |
| | 2-13 Delegation of responsibility for managing impacts | PP 15, 16 | |
| | 2-14 Role of the highest governance body in sustainability reporting | PP 15, 16 | |
| | 2-15 Conflicts of interest | PP 15, 16, and see notes. | Employees are expected to prioritize the Company's interests and avoid conflicts of interest, where personal interests could interfere with those of the Company. This includes refraining from personal gain from opportunities that should rightfully benefit the Company. Situations that may create conflicts of interest should be disclosed and addressed promptly, with employees discontinuing any activities that could compromise their duty to the Company. |
| | 2-16 Communication of critical concerns | PP 15, 16, and see 2-15 | |
| | 2-17 Collective knowledge of the highest governance body | See notes. | The Board's sustainability knowledge grows through expertise within the company, including meetings with the Director of Environmental Technologies. |
| | 2-18 Evaluation of the performance of the highest governance body | PP 15, 16 | |

General Disclosures (cont.)

| DISCLOSURE | DISCLOSURE TITLE | LOCATION | NOTES |
|---------------------------------|---|--------------|--|
| | 2-22 Statement on sustainable development strategy | P. 5, 11, 12 | |
| | 2-23 Policy commitments | P. 16 | |
| | 2-24 Embedding policy commitments | P. 16 | |
| GRI 2: General Disclosures 2021 | 2-25 Processes to remediate negative impacts | See notes. | The company has established formal customer satisfaction mechanisms for its customers, which include a dedicated support and information email channel. Recognizing the importance of customer satisfaction, the majority of inquiries are received via telephone. |
| | 2-26 Mechanisms for seeking advice and raising concerns | P. 16 | |
| | 2-28 Membership associations | See notes. | Operations-specific associations: National Association of Manufacturers AWS - American Welding Society SMU - Steel Market Update ASME - American Society of Mechanical Engineers Green Building associations: USGBC (LEED) – U.S. Green Building Council ASHRAE – American Society of Heating, Refrigerating, and Air-Conditioning Engineers CTI – Cooling Technology Institute IIAR – International Institute of Ammonia Refrigeration ATMO – ATMOSphere NASRC – North American Sustainable Refrigeration Council People Team-specific associations: Society of Human Resource Management (SHRM) International associations: AEFYT – Spain American Chamber of Commerce - AmCham Anima – Assoclima Milan - (Cooling Towers Group) Association of Ammonia Refrigeration (India) Chinese Association of Refrigeration - CAR Deutscher Kälte- und Klimatechnischer Verein e.V. (DKV) Energy Technology List (in the UK) Eurammon Eurovent Association IIR International Institute of Refrigeration Shanghai Cold Chain Association - SCCA Verband Deutscher Kühlhäuser und Kühllogistikunternehmen e.V. (VDKL) |
| | 2-29 Approach to stakeholder engagement | See notes. | EVAPCO places great emphasis on engaging with various stakeholders to foster mutually beneficial relationships and ensure the sustainability of our operations. Firstly, we identify key stakeholders across different categories, including customers, employees, suppliers, local communities, regulatory authorities, and industry associations, through regular assessments and feedback mechanisms. Secondly, our stakeholder engagement serves multiple purposes, ranging from gathering insights on customer needs and preferences, to fostering collaboration with suppliers and maintaining positive relationships with regulatory bodies. Lastly, we strive to ensure meaningful engagement with stakeholders by employing diverse communication channels, such as surveys and meetings to facilitate open dialogue, active listening, and responsiveness to stakeholder concerns and feedback. By prioritizing stakeholder engagement, we aim to build trust, enhance transparency, and drive continuous improvement across our business practices. |
| | 2-30 Collective bargaining agreements | See notes. | For employees not covered by collective bargaining agreements, the organization determines their working conditions and terms of employment independently, without reference to collective bargaining agreements that cover other employees or agreements from other organizations. The company establishes these conditions based on its internal policies, industry standards, legal requirements, and individual employment contracts. |

Material Topics

| DISCLOSURE | DISCLOSURE TITLE | LOCATION | NOTES |
|-----------------------------|--|-----------------------|---|
| GRI 3: Material Topics 2021 | 3-1 Process to determine material topics | See notes. | For our first sustainability report, we determined the social, governance and environmental issues that are of particular importance to us and our stakeholders primarily using internal data, landscape assessments, and sector-specific material topics via SASB. |
| | 3-2 List of material topics | P. 19, and see notes. | GHG Emissions, Energy Management, Water Management, Waste & Hazardous Materials Management, Product Quality & Safety, Product Design & Lifecycle Management, Materials Sourcing, Business Ethics, Employee Health & Safety, Employee & Community Engagement |

Anti-Corruption

| DISCLOSURE | DISCLOSURE TITLE | LOCATION | NOTES |
|-------------------------------|--|----------|-------|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | P. 16 | |
| GRI 205: Anti-corruption 2016 | 205-2 Communication and training about anti-corruption policies and procedures | P. 16 | |

Water & Effluents

| DISCLOSURE | DISCLOSURE TITLE | LOCATION | NOTES |
|---------------------------------|---|------------|--|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | P. 21 | |
| GRI 303: Water & Effluents 2018 | 303-1 Interactions with water as a shared resource | PP. 23-25 | |
| | 303-2 Management of water discharge-related impacts | See notes. | EVAPCO operations ensures strict adherence to regulatory and industry standards for the quality of water effluent discharge. EVAPCO continuously monitors and manages the effluent treatment process to meet or exceed the minimum legal requirements in efforts to safeguard environmental and public health. |
| | 303-4 Water discharge | See notes. | Assumption is 100% of water consumed is treated as wastewater. |
| | 303-5 Water consumption | See notes. | Water consumption is broken down below by country (in megalitres). Australia: 0.17 Brazil: 3.60 Denmark: 3.03 Germany: 0.01 Belgium: 0.92 Italy: 1.57 UAE: 0.06 US: 66.56 China: 23.72 Canada: 3.14 Malaysia: 0.20 |

Emissions

| DISCLOSURE | DISCLOSURE TITLE | LOCATION | NOTES |
|-----------------------------|---|------------|--|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | P. 33 | |
| GRI 305: Emissions 2016 | 305-1 Direct (Scope 1) GHG emissions | P. 34 | 5,877.70 mt CO ₂ e. |
| | 305-2 Energy indirect (Scope 2) GHG emissions | P. 34 | 13,728.36 mt CO ₂ e |
| | 305-3 Other indirect (Scope 3) GHG emissions | P. 34 | 700.39 mt CO ₂ e |
| | 305-6 Emissions of ozone-depleting substances (ODS) | See notes. | HFCs: 39.22 kg PFCs: 0.51 kg |
| | 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions | See notes. | N2O: 399.36 kg SF6: 0.002 kg NF ₃ 0.0002 kg |

Waste

| DISCLOSURE | DISCLOSURE TITLE | LOCATION | NOTES |
|-----------------------------|--|------------|---|
| GRI 3: MATERIAL TOPICS 2021 | 3-3 Management of material topics | PP. 31, 34 | |
| GRI 306: Waste 2020 | 306-1 Waste generation and significant waste-related impacts | See notes. | The primary waste types generated by EVAPCO operations are scrap metal, waste paint, waste oil, and municipal solid waste (MSW). Manufacturing likely contributes to some of the MSW generation as well, however, it is likely that the primary source of MSW is general office waste. Because of these assumptions, it is likely that emissions from MSW contributed most significantly to company emissions. Other waste includes wood, paper, and cardboard. |

Employment

| DISCLOSURE | DISCLOSURE TITLE | LOCATION | NOTES |
|-----------------------------|-----------------------------------|----------------|---|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | PP. 41, 42, 43 | |
| | 401-3 Parental leave | See notes. | Parental leave is included as part of our comprehensive Employee Wellness Benefits package. |

Occupational Health & Safety

| DISCLOSURE | DISCLOSURE TITLE | LOCATION | NOTES |
|--|---|----------------------------|--|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | P. 44 | |
| GRI 403: Occupational Health and Safety 2018 | 403-1 Occupational health and safety management system | P. 44 | |
| | 403-2 Hazard identification, risk assessment, and incident investigation | See notes. | All employees are expected to report unsafe conditions and unhealthy conditions to management so that appropriate action can be taken. Any report should be documented. |
| | 403-3 Occupational health services | PP. 44, 45, and see notes. | Facilities shall conduct safety audits to evaluate the quality of the company's safety and environmental management system design and performance. Plants will self-assess environmental, safety, quality, information security, and welding requirements compliance using dedicated attribute checklists for each area. Headquarters will routinely check plant self-assessments. Corrective actions should be documented, and scoring will be typically allocated. Future improvements may include: regional cross auditing by facilities, performance of cause mapping to address root causes, and increased reaching out to environmental and safety State regulatory authorities. |
| GRI 403: Occupational Health and Safety 2018 | 403-4 Worker participation, consultation, and communication on occupational health and safety | See notes. | A Safety and Environmental Coordinator shall be established at each plant and be responsible for administering the safety and environmental program. Safety coordinators are members of the plant management team. As such, safety coordinators work with the plant management team to effectively address safety issues with the workforce. Goal is to mainstream ownership of safety ultimately to every individual worker. Plant management teams should also work to establish strong relationships with the workforce. In this way, the likelihood of dishonest claims is significantly reduced. |
| | 403-5 Worker training on occupational health and safety | PP. 44, 45 | |
| | 403-6 Promotion of worker health | PP. 43-45 | |
| | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | PP. 44, 45 | |
| | 403-8 Workers covered by an occupational health and safety management system | See notes. | 100% of the shop workers are covered by the occupational health and safety management system. |

Training & Education

| DISCLOSURE | DISCLOSURE TITLE | LOCATION | NOTES |
|-----------------------------|--|------------|---|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | PP. 45, 46 | |
| | 404-2 Programs for upgrading employee skills and transition assistance programs | PP. 45, 46 | |
| | 404-3 Percentage of employees receiving regular performance and career development reviews | See notes. | 100% of employees receive an annual performance review. |

Local Communities

| DISCLOSURE | DISCLOSURE TITLE | LOCATION | NOTES |
|---------------------------------|--|-----------|-------|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | P. 49 | |
| GRI 413: Local Communities 2016 | 413-1 Operations with local community engagement, impact assessments, and development programs | PP. 49-54 | |

Marketing & Labeling

| DISCLOSURE | DISCLOSURE TITLE | LOCATION | NOTES |
|--------------------------------------|---|------------|---|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | See notes. | EVAPCO is committed to ensuring that all marketing and labeling practices are transparent, accurate, and compliant with relevant regulations. We are committed to continuous improvement in our marketing and labeling practices. This includes staying informed about industry trends and best practices, and making necessary adjustments to our policies and procedures. |
| | | | Our labels cover a range of safety considerations such as seismic certification, lubrication instructions, equipment warnings, and operational guidelines to ensure safe handling and usage. Other labeling requirements include ASHRAE 90.1 compliance and CTI Certification. |
| GRI 417: Marketing and Labeling 2016 | 417-1 Requirements for product and service information and labeling | See notes. | |

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Locations

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