# Sustainability MOVING US FORWARD

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#### 2023 SUSTAINABILITY PROGRESS REPOR



YEAR FIVE

2023

### LETTER FROM OUR CEO

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## LOOKING AHEAD TO 1015

For nearly 100 years, Rheem has been a leader in heating, cooling and water heating innovation. And we continue to lead with our bold approach to improvements for our products and processes to dramatically cut our impact on the environment, while empowering both our customers and employees to work and live sustainably. It's all a part of our bold vision for the future and equally bold commitment.

\*By Rheem Family of Brands products sold since January 2019. For calculation methodology, visit Rheem.com/ProductSustainability



### **Letter from Our CEO**

To everyone who has opened this Sustainability Progress Report, I want to say thank you. Your interest in Rheem's sustainability program affirms our commitment to environmental stewardship and compels us to work even harder, smarter and bolder to protect our planet. We are doing just that. Five years into our sustainability initiatives, we are designing and selling more sustainable products, building sustainability excellence into world-class operations and leveraging sustainability outreach and training to empower employees, customers and partners.

When we launched our sustainability program in 2019, we set some of the most ambitious goals in the industry. I am proud of the accomplishments you will read about in the following pages. But goals are just one part of the story.

Sustainability is more than an initiative at Rheem. It's moving us forward and shaping our future. Sustainability is core to who we are." I believe Rheem is at an inflection point where we will be measured not just by the goals we achieve, but also by how deeply we integrate sustainability into every corner of the business.

This is hard work. It takes time. But customers expect it. Consumers demand it. And, with a new wave of regulations, governments around the world want action now. The industry is facing a seismic shift with decarbonization. As pioneers in sustainability, we must continue to innovate high-efficiency solutions like heat pumps, introduce sustainability across more product lines and launch more products that use low-global warming potential (GWP) refrigerants. Fortunately, the people at Rheem are up to the challenge because they are genuinely passionate about sustainability.

That passion gets results: We have already exceeded our 2025 goal of training 250,000 plumbers, contractors, and key influencers on sustainability; the sale of Rheem's high-efficiency products has avoided the release of almost 32 million metric tons of carbon dioxide equivalent emissions; and in 2023 we were named an ENERGY STAR Partner of the Year for the third year in a row and a Green Builder Eco-Leader for the sixth consecutive year. Together we are creating a climate of sustainability that transcends the goals we set and will become, more importantly, how we operate as a company.

Protecting the planet is a collective effort. Individuals, governments, and industries are taking action to keep the environment out of harm's way. And at Rheem, our responsibilities as a market leader are clear: we will continue to advance our sustainability efforts, building momentum and making meaningful progress day after day. Sustainability is more than an initiative at Rheem. It's moving us forward and shaping our future. Sustainability is core to who we are.

Chris Peel President and CEO

Rheem Sustainability Progress Report 2023



# About Rheem®

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### Who We Are

Founded in 1925, Rheem® is a global leader committed to delivering residential and commercial innovations that save energy and support a more sustainable future. Rheem is America's #1 water heating brand and the only manufacturer in the world that produces heating & cooling, water heating, pool & spa heating and commercial refrigeration products, with products available in more than 80 countries.

We embrace our opportunity and responsibility to serve our customers and the planet with sustainable solutions and practices, with our efforts magnified throughout our 50+ brands trusted by millions around the world.



commitment to sustainability helps us serve our customers, increase our operational excellence and empower our people and our partners to be changemakers for good." Mike Branson, President, Global Air

#### OUR GLOBAL FAMILY OF BRANDS







### Sustainability was Rheem's motivation for innovation in 2023, inspiring the launch of more market-leading, high-efficiency products, and helping us drive the global decarbonization movement forward."

Rich Bendure, President, Global Water





**Countries Where Rheem Products** Are Sold



24

Manufacturing **Plants Around** the Globe

### Who We Are CONTINUED

#### **What Rheem Stands For**

Rheem<sup>®</sup> is growing, and as our global footprint expands, it's important that our mission, vision and values continue to reflect who we are and where we are going as a company.

Rheem's refreshed mission, vision and values align with our belief that impact is not only about what we do, but how we do it. They emphasize action and define what it looks like to behave purposefully in all areas of our business and beyond.

AT RHEEM, OUTZ MISSION, VISION AND VALUES LIVE IN EVETZYTHING WE DO. MISSION

**Heat. Cold. Water. Air.** These are the essential elements of life, vital to keeping us alive and making sure we stay comfortable and productive. These are the elements that we transform into meaning every day through innovative design, creation and delivery. And they are what we aspire to take to every corner of the planet as we grow with purpose.

# VISION

We are connected by the elements of life at Rheem. Every day at Rheem is made up of many different elements. How we focus on our customers, how we treat each other, how we innovate and collaborate, how we manufacture and how we impact our environment. When our elements come together, we are connected on a global scale. It is through this connection that our mission is fully realized.

Hearing Speakin Thinking Doing: A

"

At Rheem, we've experienced and will

continue to experience growth and change. We look to our mission, vision and values to connect and guide us now and in the future."

**Dipa Homer**, Executive Vice President, Human Resources and Communications







ALVES

- Hearing: Listening to understand
- Speaking: Contributing respectfully
- Thinking: Thinking creatively
- Doing: Acting with responsibility



### Who We Are CONTINUED

#### **Our Culture of Sustainability**

Around the world, Rheem<sup>®</sup> employees value working for a company striving to positively impact the planet, each other and the communities where they live. In fact, over half of US-based salaried employees who joined in 2023 reported that Rheem's culture of sustainability was a contributor to their decision to become a part of our team.

Rheem's focus on sustainability attracts talent and fosters a world-class culture, enabling us to deliver on our commitments for a better today—and tomorrow."

Sheila Patel, Director, Talent Acquisition and Strategy, Rheem Air, Water and Enterprise Divisions



" I'm proud to work for a company that is dedicated to

integrating sustainability into all of its unique business units."

Catherine Scott, Senior Marketing Manager, RPD (Replacement Parts Division)





While sustainability may not be my exact job title, working at Rheem allows me to have a positive impact on the environment."

Lynn Tan, Regional Marketing Manager, Rheem Singapore



# "



**Sustainability has** been an integral part of everything we do in MEA. It is now part of our lifestyle, and we are proud of it."

Ansar Fasillulah, Regional Service Manager, Rheem MEA

## "

#### **Rheem's sustainability** initiative has helped

us become more aware of how our work impacts us environmentally. and has helped us elevate the work we are doing at Eemax."



"

"

**Tony Fera**, Manufacturing Engineer, Eemax



Working for an organization that shares my own personal values amplifies my commitment and engagement to our company, our customers and our planet."

Kyle Druding, Senior Human Resources Programs and Projects Manager, US Air Conditioning Division





#### Our sustainability goals motivate our staff and create a way to recognize their involvement to protect the planet."

Izamar Aldrete, EHS Coordinator, Rheem Mexico

### Our Commitment to A Greater Degree of Good<sup>™</sup>

#### **Our Sustainability Program**

From the launch of Rheem's environmental sustainability program, A Greater Degree of Good<sup>™</sup>, in 2019, our commitment to sustainability excellence has moved usand our industry-forward. Our commitment to growing our positive impact remains stronger than ever as we continue to work toward and surpass our first goals by 2025 and look forward to setting new ones, with sustainability increasingly becoming part of everything we do.

At the core of our initiative are three fundamental pillars, each accompanied by a corresponding goal. This framework channels our efforts for greatest



impact, enabling us to leverage our unique position to contribute meaningfully to a sustainable future.

#### **Our Pillars and Goals**



Our 2025 Goal: Launch a line of heating, cooling and water heating products that boast a 50% reduction in greenhouse gas footprint.\*

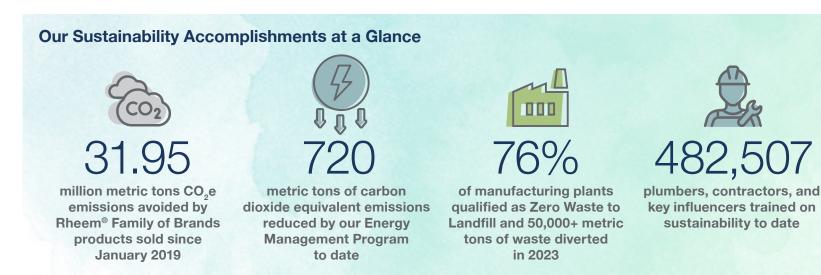
Learn more



Our 2025 Goal: Reduce greenhouse gas emissions by 50% and achieve Zero Waste to Landfill in our global manufacturing operations.\*\*

Learn more





\*Reduction calculations will be based on the products' use phase emissions only and utilize average emission factors to account for variability in electricity grids. Reduction calculations will not consider upstream or manufacturing impacts but use phase emissions to account for most of the products' impact. At this time, these figures have not been independently verified by a third party.

\*\*Rheem's goal is to reduce greenhouse gas emissions by 50% by 2025 from a 2018 baseline. This metric will be based on intensity emissions normalized by units produced and includes Scope 1, 2, and elements of Scope 3, as defined by the Greenhouse Gas Protocol. At this time, these figures have not been independently verified by a third party.

Our 2025 Goal: Train 250,000 plumbers, contractors, and key influencers on sustainable products or sustainable installation and recycling best practices. Learn more



### How We're Working to Integrate Sustainability Into Everything We Do

At Rheem<sup>®</sup>, we're striving to embed A Greater Degree of Good<sup>™</sup> in everything we do, bringing a sustainability mindset to every function, every customer and partner and every country and community in which we do business. Here are examples of what we're doing to deliver sustainable action and impact through our products, processes, and people.



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### **Our Progress on Sustainability**

By designing and manufacturing innovative products, reducing the environmental footprint of our operations and amplifying our positive impact through training, Rheem<sup>®</sup> continues to protect the planet and propel our aspirations, with sustainability always moving us forward.

> Kicked Off Life Cvcle Launched Energy Assessment Pilot Management Program in North America 2023 Held the Inaugural Global I aunched A Greater Sustainability Summit Achieved Degree of Good<sup>™</sup> and Sustainability 2025 Commitments Training Goal Captured GHG Baseline in North America 2021 2022 . . Completed Waste Audits / Captured North • Met with Industry American Diversion Rates Thought Leaders/ Internal Stakeholders Began Integrating Sustainability Initiated into the Product Materiality Research Captured GHG **Development Process** MATZKING MILESTONES AT OUTZ Baseline and Formalized Launched Sustainability 1013 GEOBAL SUSTAINABILITY SUMMIT Waste Diversion Sustainability 2020 Product Training Rates Globally **Business Strategy** In November, our Enterprise Sustainability team united hundreds of employees in a global Released Rheem's First Sustainability celebration of our progress while shedding light on industry transformations and what lies ahead Progress Report as we approach our centennial anniversary and fulfill our 2025 goals. I aunched The theme of the virtual event, Amplifying Our Impact, underscored the opportunity each of us has 2019 Decarbonization to impact sustainability both within and far beyond Rheem. In this spirit, the Summit included an Initiative interactive ideation facilitating expansive thinking, and a live panel with Rheem plumber, contractor

Launched GoodWorks<sup>™</sup>

Sustainability Elements

and Sustainability Steering Committee

Released Second

**Progress Report** 

Piloted Product

Sustainability

Continued Extending Product Sustainability

Elements to

Task Force

**Global Markets** 

Finalized Pilot Life Cycle Assessment

Launched Refrigerant

Rheem is ahead of the curve.'

2017

& 2018

#### 2024

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2025

- Conducted Global Materiality Research
- Held Second Global **Sustainability Summit**
- **Expanded Product Life Cycle Assessments**
- Launched Sustainable **Packaging Task Force**
- Completed Six Global Waste Audits

Learn more about our 2025 plans and targets

and multi-trade customers exploring sustainability trends and opportunities in HVAC and water heating. "The younger generation has a more sustainable viewpoint of the world," said panelist Seth Rawson, Chief Operating Officer of Capital Heating, Cooling & Electric, "and in my mind,

## **2023 Sustainability Recognition**

2023

ECO-LEADERS



- 2023 ENERGY STAR<sup>®</sup> Partner of the Year. Sustained Excellence Award
- 2023 Green Builder Eco-Leader

## PRODUCT HONORS

- 2023 CES Innovation Award–Sustainability, Eco-Design & Smart Energy Category for ProTerra<sup>®</sup> Plug-in Heat Pump Water Heater
- 2023 Green Builder Sustainable Product of the Year for ProTerra Plug-in Heat Pump Water Heater
- 2024 AHR Expo Innovation Award, Triton<sup>®</sup> Light-Duty Commercial Gas Water Heater
- 2023 Engineered Systems Commercial Comfort **Product of the Year Award** for Resolute<sup>®</sup> 30-ton Packaged Air Conditioner





- 2023 Manufacturing Leadership Award, Finalist, Sustainability and the Circular Economy
- 2023 Climate Control Awards Gulf **Cooperation Council** (GCC) Region, Manufacturer of the Year

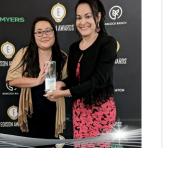


- 2023 New South Wales Sustainability Award, Net Zero Action
- 2023 MarCom Award, Platinum for 2022 Sustainability Progress Report

- 2023 Good Design Awards, Building Materials, Resolute 30-ton
- 2023 ACHR Dealer Design–Silver Medal in HVAC **Commercial Equipment** for Resolute 30-ton
- 2023 ACHR Dealer Design–Gold Medal in Refrigeration and Ice Machines for HTPG Packaged Refrigeration System, HPO and HPH Series
- 2023 Edison Award, Silver Medal for Renaissance® 15-25-ton Commercial HVAC Line



- 2023 Best Tested in the Consumentenbond for Intergas<sup>®</sup> Xtreme<sup>®</sup> Boiler
- Technology Award for Combi Boiler
- 2023 Canstar Blue Innovation Excellence for AMBIHEAT<sup>®</sup> Heat Pump







2023 China National Household Union Excellent Quality Award for Heat Pump RHPC-PIM and Advanced





### What Matters Most to Our Stakeholders

Since we began our sustainability journey, materiality assessments have guided us in uncovering and addressing critical concerns for our stakeholders worldwide. As we continuously strive to understand our impact, now and into the future, we conducted a materiality assessment in 2023 to ensure our priorities continue to align with the needs of those we impact.

Through analyzing sustainability topics against internationally recognized frameworks and benchmarks and engaging internal and external stakeholders, we identified our most material sustainability opportunities. We are continuing to use the results to drive strategy and aid in business decisions, including the development of our next-generation sustainability goals.

The most material sustainability topics to Rheem<sup>®</sup> as identified in the assessment are Sustainable & Energy-Efficient Products, Product Sustainability Innovation, **Regulatory Policy & Lobbying, Sustainability Training** for the Trade, Sustainable Product User Experience and Sustainability Education for Residential and **Commercial End-Users.** 

This continuous reassessment of our key opportunities for impact reinforces our commitment to advancing sustainability and meeting evolving global challenges.

A RUSSON

### SUSTAINABILITY VOICE OF CUSTOMETZ RESEATZCH AT HTPG

In another effort to align with the needs of our key customers and stakeholders, our commercial refrigeration business, HTPG, deployed a sustainability voice of customer (VOC) market research study in 2023 to better understand customer perceptions of sustainability and identify strategies to communicate the benefits of sustainable products. Researchers conducted 16 interviews with representatives from supermarket chains, food service companies, OEMs and contractors.

The findings revealed that commercial refrigeration customers consider sustainability a key driver in reducing their total cost of ownership, thus benefitting their bottom line. For example, refrigeration can account for up to 70% of electricity usage in grocery stores, and switching to reliable commercial refrigeration equipment not only leads to a decrease in expenses associated with food loss, but by preventing waste, it also prevents emissions associated with the growing and transporting of food products that eventually go to the landfill.

Breaking down the concept of sustainability into categories of how commercial refrigeration customers experience it—as quality, reliability, longevity and efficiency—can help messaging go far. By leveraging these insights, HTPG will continue its leadership in promoting sustainability in this high-impact sector.





Rheem Ability to Impact & Alignment with Strategy

### As sustainability continues to evolve globally, Rheem remains focused on working with stakeholders across our value chain to drive positive impact for the environment and our industry."

Chee Wee Gan, Senior Vice President, Strategy and Sustainability

Products Process People

#### 17 Material Topics Evaluated

- 1. Sustainable & Energy-Efficient Products
- 2. Product Sustainability Innovation
- 3. Regulatory Policy & Lobbying
- 4. Sustainability Training for the Trade
- 5. Sustainable Product User Experience
- 6. Sustainability Education for Residential and Commercial End-Users
- 7. Energy & Greenhouse Gas Reduction
- 8. Trade Workforce Development
- 9. Sustainability Education for Employees
- 10. Sustainability Stakeholder Engagement
- 11. Waste Management
- 12. Responsible Packaging
- 13. Air Pollution Management
- 14. Sustainable Sourcing
- 15. Design for Recyclability
- 16. Water Management
- **17.** Product Circularity Programs



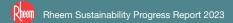
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#### **DEGREES OF INNOVATION**

# Intelligent Products

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### **Designing Sustainable Products**

Our dedication to moving sustainability forward includes protecting the planet by becoming leaders in our industry's evolution to a greener, brighter future. As leaders, we engineer innovative products that combine superior quality and safety with eco-conscious design, enriching the lives of our customers while championing environmental stewardship.

#### Our 2025 Goal

We are committed to pursuing innovations that enhance environmental sustainability. Rheem<sup>®</sup> has set an ambitious 2025 goal to introduce a line of heating, cooling and water heating products that reduce greenhouse gas emissions during the product use phase by at least 50% compared to Rheem products available in 2019\*.



#### 2023 Progress

In 2023, we progressed on our goal and accelerated our broader product sustainability efforts through a variety of new and expanded initiatives.

In order to develop more environmentally friendly products, it's important that we study the environmental impacts of our products through their full life cycle—from materials sourcing to manufacturing, use and end-oflife, and act to mitigate areas of greatest impact. In 2023 we conducted a life cycle assessment (LCA) at



our Nuevo Laredo, Mexico plant, gathering datadriven insights into the environmental impacts of our heat pump water heaters at every stage of their life. With this comprehensive assessment, the second of its kind at Rheem, we've learned that the majority of environmental impacts from our water heaters are upstream—from materials procurement, such as the extraction and production of metals, and downstream—from the energy consumed by our products during their time in use in homes and businesses.

\*Reduction calculations will be based on the products' use phase emissions only and utilize average emission factors to account for variability in electricity grids. Reduction calculations will not consider upstream or manufacturing impacts but use phase emissions to account for most of the products' impact. At this time, these figures have not been independently verified by a third party.





### **Designing Sustainable Products CONTINUED**

With the goal of leveraging our LCA insights to continuously improve each new product we innovate, we hosted Sustainability Strategy Sessions for a selection of new products in development, convening diverse global teams to ideate on sustainable features to improve lifetime impact. "Our strategy sessions embed sustainability practices at the beginning of the development process, where the greatest impact to the final design is made," said **Jeff Haney**, Director, Global Product Management, US Water Heating Division and a co-lead of one of the 2023 sessions.

By designing higher efficiency products, we address one of our top areas of sustainability impact and partner with our customers to create a positive compounding effect on the environment. As of 2023, we have already avoided 31.95 million metric tons of CO<sub>2</sub>e since 2019 from the sale of our higher efficiency products, an increase of 13.42 million metric tons avoided in just one year. This metric is tracked by our EcoMeter, which includes the impact of products from Rheem's US Water Heating Division, Eemax, Raypak, IBC and HTPG, as well as US Air Conditioning Division and Rheem<sup>®</sup> Middle East & Africa (MEA) as of 2023. Said **Sarkis Teghararian**, Senior Director, Engineering at IBC, "Contributing to the EcoMeter encourages us to continue to innovate and reduce the impact of our products." Our sustainable solutions are fueling the expansion of our business, including our acquisition in 2023 of MHG, a leading manufacturer of premium heating systems and components serving Germany and surrounding countries. We announced plans to build a new manufacturing plant in Slovakia for Rheem company DEJONG, which manufactures stainless steel tanks for all-electric heat pumps, further facilitating the European energy transition. We also demonstrated leadership in heat pump innovation in the US by succeeding in the US Department of Energy's Cold Climate Heat Pump Technology Challenge, developing a prototype solution that delivered dependable heat and exceptional efficiency when tested in sub-zero temperatures.



### HOW RHEEM SUPPOTETS UTILITIES WITH DEMAND RESPONSE

We innovate smart connected products to drive decarbonization and support consumers, contractors, utilities and the environment. In October, we launched heat pump water heaters and electric resistance water heaters with demand response features that help consumers save on their energy bills and help utilities manage the electric grid for better reliability and sustainability.

Our demand response-ready water heaters, powered by EcoNet<sup>®</sup>, heat water during off-peak hours and act as a thermal battery, storing hot water for later use during peak usage times. By shifting energy use away from peak times, demand response improves energy awareness and prevents service disruptions. Beyond the US, Rheem is at the forefront of smart water heater innovation in Australia with the development of the PowerStore 315L, a smart water heater with advanced demand response capabilities.

We work closely with contractors to help drive adoption by providing them with information about rebates, incentives and tax credits available for customers who purchase smart connected water heaters and participate in their utilities' demand response programs. Rheem is committed to helping utilities reach their goals and ensure overall grid stability, all while ensuring comfort and cost savings for our customers.

# "

Sustainability isn't just a box to check, it's an embedded value. We focus on fostering partnerships with like-minded suppliers who share our commitment to protecting the planet."

Geoffrey Williams, Director, Global Procurement







### **Designing Sustainable Products** CONTINUED

Our commitment to sustainable products extends to the way they are packaged. In 2023 we formed our Sustainable Packaging Task Force, convening global teams to share best practices and metrics. Rheem® Vietnam removed expanded polystyrene (EPS) foam from the packaging of newly launched 160-liter commercial and residential tanks to be sold in Australia. swapping it for cardboard bumpers—part of a broader initiative that has resulted in the elimination of over 80% of EPS from Rheem's packaging sold in that country. Additionally, Raypak removed popcorn plastic fillers from their packaging. Furthermore, RPD was honored with the Environmental Impact Award from Pratt Industries for the second consecutive year in recognition of that division's use of 100% recycled content cardboard for its shipping boxes.

We strive to make it easy to shop with sustainability in mind. In addition to our continued partnership with ENERGY STAR<sup>®</sup> to designate energy-efficient offerings, we benchmark our products with our Sustainability Standout<sup>™</sup> seal, a marker that designates our overall best-of-the-best products for sustainability based on a proprietary scoring system. In 2023, we extended our Sustainability Standout seal to products offered by Rheem Canada, Friedrich Air Conditioning, Rheem MEA and Rheem China. Additionally, we made products earning the seal easier to identify by integrating seal designations for the first time into Rheem's contractor app and in product information pages on HomeDepot.com.



### PATETNETZING TO PROMOTE SUSTAINABLE PRODUCTS

In 2023, Rheem partnered with A&P Air Conditioning, a Rheem Pro Partner, and social media influencers Katerina and Yinon Horwitz to help customers better understand the innovative solutions available for their home cooling needs. By installing Rheem's multi-stage Endeavor® Line Classic Plus<sup>®</sup> Series Variable Air Conditioner and 3-Stage Air Handler, the Horwitzes have experienced lower utility costs and increased comfort and cooling with less noise.

"The main features that we love are the connectivity with the EcoNet<sup>®</sup> app, the fact that it's saving us energy and our bill is going to go down, as well as how efficiently the system is working when it needs to cool off," said Katerina.





#### Introduction | Letter from Our CEO | About Rheem | Intelligent Products | Responsible Processes | Inspired People | Looking Ahead to 2025

#### **Government Affairs Leadership for Product Sustainability**

Rheem<sup>®</sup> is committed to spearheading transformative change for the benefit of the planet and our industry. Through our government affairs efforts, we strive to serve as a link between policymakers and our sector at large, advocating for policies that support better products, healthier built environments and a more sustainable future. To embed enduring sustainability standards and best practices in policy and practice, our team of regulatory and policy experts work across the globe to collectively influence and promote:

- The widespread adoption of more energy-efficient, sustainable products
- The phasedown of hydrofluorocarbon (HFC) refrigerants and transition to low-global warming potential (GWP) refrigerants
- · The adoption of building decarbonization technologies to lower building emissions
- The development of energy efficiency standards for HVAC, refrigeration and water heating products

#### North American Leadership in 2023 Leading through National Policy

In the past year, Rheem has taken significant strides toward advancing sustainability in the HVAC and water heating industry through government affairs. One of our most critical accomplishments was ensuring the effective implementation of regulations that achieve the goals of the American Innovation and Manufacturing (AIM) Act. This involved industry-leading advocacy to support the US EPA in promulgating equipment rules, particularly those that restrict high-GWP refrigerants in residential and light commercial air conditioning systems.

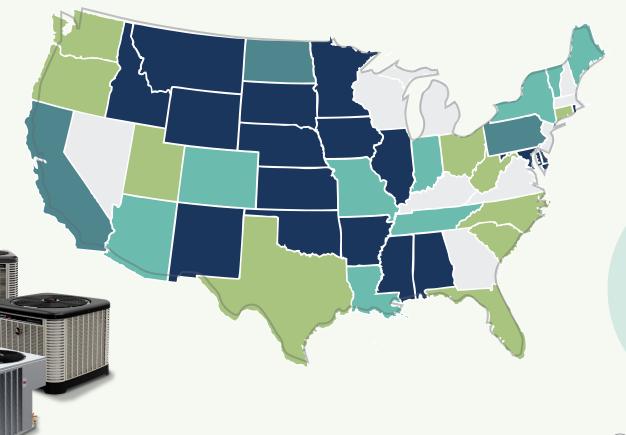
Simultaneously, we played a pivotal role in influencing refrigerant policies and guidance in the states. We contributed our technical expertise and advocacy to the completion of building code and legislative changes in many states to allow for safe installation of equipment containing low-GWP refrigerants. Collaborating with other industry players, we created an initiative to educate legislators on the importance of updating building codes to help accelerate a sustainable transition.

Finally, Rheem actively promoted international harmonization, strategically positioning Canada for accelerated emission reductions in HVAC and water heating equipment.

#### Adoption of More Environmentally-Friendly HVAC Equipment Codes

From 2022 to 2023, states made progress updating building codes to permit the installation of HVAC equipment that contains lower-GWP refrigerants:









January 2023 PA. ND. CA

**July 2023** ID, MT, WY, NM, SD, IL, RI, DE, NE, KS, OK, MN, IA, MD, AR, MS, AL

#### Leading Through Advocacy

Heat pump advocacy was at the forefront of Rheem's government affairs efforts in 2023. In April, our President and CEO, Chris Peel, participated in the White House Executive Roundtable on Heat Pump Manufacturing and Deployment. While there, Peel shared two transformative opportunities to increase heat pump installations with heat pump water heaters and cold climate heat pumps and discussed strategies for increasing consumer uptake of these products.

In October, we committed to helping California meet its goal of installing six million heat pumps in the state by 2030 by pledging to support the state's Heat Pump Manufacturers Commitment. The commitment's launch event convened government officials, industry leaders and academic and community partners to discuss the development of equitable and cost-effective strategies for building electrification. Alongside industry peers, we committed to developing production capabilities necessary to support the state's objective and working with the California Energy Commission to drive heat pump adoption.

To provide consumers, investors and the public with industry-information on the total expected lifetime emissions from our products, Rheem<sup>®</sup> is collaborating with peers through our principal industry trade association, the Air Conditioning, Heating and Refrigeration Institute (AHRI), to standardize equipment values and inputs to reliably calculate a product's lifetime emissions. Rheem embraces the philosophy that effective environmental management is rooted in sound measurement of our products' total environmental footprint.



Rheem President and CEO Chris Peel and United States Secretary of Energy Jennifer Granholm

#### **Global Leadership in 2023**

#### Rheem at COP 28

In December 2023, Karen Meyers, Vice President of Government Affairs, traveled to the United Arab Emirates for the 28th Conference of the Parties to the United Nations Framework Convention on Climate Change, known as COP 28. While there, Meyers participated as a credentialed public participant and industry observer to the Global Cooling Pledge. This agreement, signed by 60 countries, marked the introduction of the first worldwide policy aimed at controlling emissions from the air conditioning and refrigeration sectors, essential in mitigating further climate change impacts.

Our government advocacy strategy supports achieving a durable and clear roadmap to reduce greenhouse gas emissions."

Karen Meyers, Vice President, Government Affairs

#### Recent Highlights in Global Heat Pump Advocacy

Europe's push for decarbonization, while largely fueled by the need for energy security, is also establishing unprecedented environmental protections at a time when they are most needed. Rheem takes pride in helping lead this movement across Europe, promoting awareness through our sustainable products, practices, investments and involvement in government affairs that decarbonization can be feasible and affordable.

Rheem<sup>®</sup> Europe has played a key role in increasing confidence among EU policymakers of meeting decarbonization targets through the adoption of a hybrid solution-heat pumps combined with gas-fired boilersthat avoids the need for expensive grid overhauls. Since the Dutch government has acknowledged the necessity for a hybrid solution, policymakers are adjusting their views on the role of this critical technology in the European heating transition. The European Commission is expected to publish the EU Heat Pump Action Plan, a strategy to install ten million heat pumps by 2027 and 30 million by 2030, in the second half of 2024. We aim to add hybrids to these ambitious plans of the European Commission.

Arno La Haye, Managing Director, Rheem Europe





#### **Sustainability Regulatory Compliance**

To address emerging global regulations on climate disclosure, Extended Producer Responsibility (EPR) and other critical sustainability topics, Rheem has assembled multidisciplinary teams and systems to ensure full compliance. While compliance may inform our sustainability program, it does not define it. We strive to go beyond minimum requirements to innovate our products, educate our workforce and partners and challenge what is possible.

**Despite political and** societal challenges, **Rheem Europe** advocates for the decarbonization of the built environment through innovative products and a data-driven approach to the energy transition."



### **Designing Sustainable Products** CONTINUED

#### **2024** Priorities

In 2024, we are committed to continuing to innovate products that offer smart, connected features and reduce both costs and environmental impact. At Rheem<sup>®</sup>, many of these innovations begin at our Sustainability Strategy Sessions or emerge from LCA guidance. We will continue to hone robust tools that can enhance our product development strategy. Finally, we will roll out the Sustainability Standout seal to more global businesses to make sustainability the easy choice for customers worldwide.



# SUSTAINING ENERGY-EFFICIENT EXCELLENCE WITH ENERGY STAR®

In 2023, Rheem received recognition once again from the US EPA as an ENERGY STAR<sup>®</sup> Partner of the Year. an accolade reserved for companies demonstrating dedication to energy conservation and environmental stewardship. This marked our third consecutive year of being honored with this distinction, which provided us with an additional special recognition for Sustained Excellence. Among the 222 award winners, we stood out as one of 10 companies featured in the EPA's press

release, lauded for our pivotal role in advancing the heat pump water heater market with the launch of ENERGY STAR-certified 120-volt plug-in units.

Committed to providing customers with high-efficiency air and water products, we introduced an array of ENERGY STAR-certified offerings in 2023. These include the Rheem IKONIC<sup>™</sup> S- and SR-Series Condensing Tankless Water Heaters, which provide

11,000+**ENERGY STAR-certified** products offered by Rheem

**Family of Brands** 

\$5,600+

lifetime utility bill savings from an ENERGY STARcertified heat pump water heater\*

17,100

pounds of lifetime greenhouse gas emissions avoided by an ENERGY STAR-certified air-source heat pump\*\*

\*For a household of four compared to a standard electric water heater. \*\*Compared to standard systems.

continuous, no-wait hot water, and the Rheem Prestige® Series Variable Speed Heat Pump (RP20), which provides consumers with efficiencies up to 54% higher for cooling and 34% higher for heating when compared to typical heat pump designs. Products that earn the ENERGY STAR label are independently verified to meet the EPA's standards for energy efficiency.



### **Product Sustainability Showcase**

Across our global businesses, Rheem<sup>®</sup> launched innovative, sustainable HVAC and water heating products in 2023 that propelled us and our industry forward.



CALLEY STAR

Rheem Triton® Light DutyPrestige Commercial GasWater Heaters (US)Superior leak protectionthrough LeakGuard™ andLeakSense™





Rheem ThermaForce™ High Efficiency Combi-Boiler, Boiler Line (US) 96% AFUE





Rheem Endeavor™ Line *Classic Plus®* Series R951V Ultra Low NOx Gas Furnace (US) 95% AFUE



Friedrig R-32 R Availab



Raypak Crosswind<sup>®</sup> V Pool Heat Pump (US) Small footprint and lightweight design Rheem Renaissance® 3-5-ton Classic Plus Gas/Electric (US) Higher 17 SEER efficiency level





Rheem Sustainability Progress Report 2023



Rheem RTGH Series Condensing Tankless Water Heater (US) Reduces NOx emissions by up to 65%



#### Friedrich Kühl<sup>®</sup> Smart Room Air Conditioners, R-32 Refrigerant Models

Available in cooling-only and efficient heat pump models, featuring low-GWP refrigerant

### Product Sustainability Showcase CONTINUED



IBC BlueSky EBX™ Series, 4KW to 12KW Electric Boiler Series (US & Canada) Suited for locations without fossil fuel connections or venting



Intergas XTEND<sup>®</sup> Hybrid Heat Pump (Europe) Can reduce gas consumption by up to 80%



Rheem® Royal Tankless Electric Instant Water Heater (Singapore) Provides antibacterial protection



Rheem Condensing Combi Boiler (Rheem Huayue Series) (China) Saves up to 30% energy while increasing hot water by 30%



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Rheem GHE-R Commercial Gas Tank (China) Thermal efficiency up to 107%



IBC HPX<sup>™</sup> Series, A2W Monobloc Hydronic Heat Pump (US & Canada) Up to 400% efficiency





Rheem AmbiPower® MDc-180 Heat Pump (Australia) Coefficient of Performance up to 4.5x better than standard electric storage water heaters



Rheem YF Series Commercial Heat Pumps (Australia) Use ultra-low-GWP refrigerant

Rheem Eclipse Commercial Electric Continuous Flow (Australia) Touchscreen displays water consumption and flow rate





### **DEGREES OF EFFICIENCY**

# Responsible Processes

### IN THIS SECTION

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### **Reducing Greenhouse Gas Emissions**

Recognizing the opportunity and responsibility inherent in being a large global manufacturer, Rheem® is committed to measuring and mitigating the greenhouse gas emissions from our manufacturing operations in addition to reducing the carbon footprint of our products.

#### Our 2025 Goal

Rheem's ambitious 2025 goal is to reduce greenhouse gas emissions from our global manufacturing operations by 50%. Compared to our 2018 baseline, we are targeting for reduction by 2025 our manufacturing plant-related Scope 1 and 2 emissions, plus elements of Scope 3, per the Greenhouse Gas Protocol.\* Our largest source of emissions in our manufacturing process is the refrigerant charge in our products. By transitioning from R-410A to refrigerants with lower GWP, such as R-454B (representing a 78% GWP reduction), and taking measures to reduce our energy consumption, we are on track to achieve our goal.

Our 2025 goal pertains only to emissions from our manufacturing operations. However, we are working simultaneously to expand our understanding of our full footprint, completing our inventory of emissions across Scope 1 (Rheem's direct emissions). Scope 2 (indirect emissions from purchased energy we consume) and Scope 3 (all other indirect emissions in our value chain) so that we can chart a path to other meaningful reductions.

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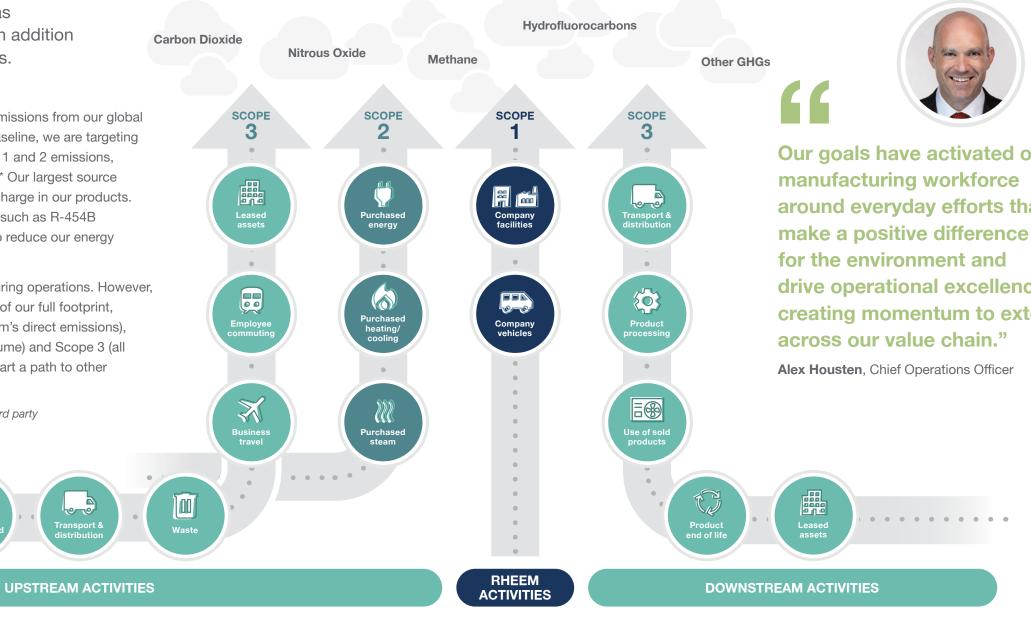
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\*At this time, these figures have not been independently verified by a third party

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#### **Greenhouse Gas Scopes and Emissions Across Rheem's Value Chain**



Our goals have activated our around everyday efforts that drive operational excellence, creating momentum to extend



### **Reducing Greenhouse Gas Emissions** CONTINUED

#### **Top Manufacturing Emissions**

Refrigerants (47%) and purchased electricity (34%) are the largest contributors to our global manufacturing plant emissions. We've made significant strides in our journey to curtail refrigerant emissions in our global plants. Understanding the root causes of refrigerant leaks is pivotal, driving home the importance of their reduction. A mere one pound leak of R-410A refrigerant translates to 2,088 pounds of carbon dioxide emissions—the equivalent of driving 2,422 miles by an average gasolinepowered passenger vehicle. Our concerted efforts and progress through 2023, led by our global Refrigerant



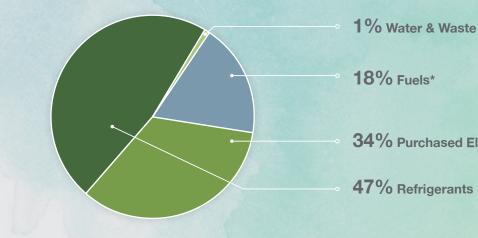
Task Force, were substantial, particularly in driving the implementation of advanced leak detection best practices to minimize environmental impact.

"Driven by this initiative, Plant AC 52 is focusing efforts on the seamless migration to A2L refrigerant and finding suppliers with sustainable solutions for commodities and services," said Marvin Hernandez, Senior Project Engineer, Mexico Operations and task force member.

Meanwhile, our North American plant electricity emissions are being addressed through an Energy Management Program utilizing a three-step process: efficiency, generation and procurement. Efficiency is the primary focus to reduce energy consumption via no-cost and low-cost actions, such as performing compressed air leak detection and implementing controls to turn off equipment when not in use. Capital improvements are also part of our strategy by investing in our plants with







\* Includes process fuels and onsite vehicles. Percentage based on tCO<sub>2</sub>e (metric tons of CO<sub>2</sub> equivalent)

HVAC system upgrades, LED lighting, electric forklifts, and higher efficiency air compressors. We've installed solar photovoltaic arrays at several of our global plants to generate power for use onsite. Some Rheem<sup>®</sup> sites also procure a portion of their electricity from renewable sources. Location, electricity cost and grid generation sources are the primary factors in deciding where electric generation and procurement measures should be implemented. Where advantageous, all three steps of the process are completed in parallel to further reduction efforts. Our efforts are paying off, with 720 metric tons of carbon dioxide equivalent emissions reduced by our Energy Management Program in 2023 alone.

#### **2023 Progress**

**34%** Purchased Electricity

In 2023, we reduced greenhouse gas emissions across our global manufacturing plants by employing a multifaceted approach that encompassed no-cost, lowcost and capital improvement initiatives.

At our Rydalmere, Australia plant, we began producing renewable energy onsite through the installation of a solar array. Our Dubai site also installed a solar array for clean, onsite energy production. Our plant in Santiago, Chile renewed a contract with the electricity vendor Enel Chile to procure energy from renewable sources.

### **Reducing Greenhouse Gas Emissions** CONTINUED

We also focused on increasing energy and water efficiency at our North American plants. At our air conditioning manufacturing plant in Fort Smith, Arkansas, we improved efficiency in our existing infrastructure by developing and implementing monthly air leak detection protocols and lighting controls, and we replaced our process cooling tower and air compressors. Our Fort Smith factory is also participating in OG&E's Continuous Energy Improvement program, driving additional nocost and low-cost initiatives. At our HTPG plant in Scottsboro, Alabama, we partnered with the local utility and TVA to facilitate an in-depth compressed air leak audit that allowed us to reduce the plant's electricity consumption by 2.9%. We also upgraded HTPG's HVAC system to high-efficiency Rheem<sup>®</sup> rooftop units and implemented a full lighting controls system for the manufacturing plant, further reducing the site's electricity and gas consumption.

Our Raypak plant in Oxnard, California also improved compressed air leak detection protocols and implemented a water recycling program that reuses boiler test water in its cooling tower. In our Friedrich Air Conditioning manufacturing plant in Monterrey, Mexico, we completed the first phase of refrigerant transition, which will enable charging new products with low-GWP refrigerant and made equipment changes that allow for the reuse of cool air in testing products. As a leader in this space, Friedrich has already sold more than one million low-GWP products.

#### **2024 Priorities**

Our 2024 priorities include advancing efforts to achieve our 2025 goal, building out our Scope 3 emissions inventory and preparing to comply fully with global GHG disclosure requirements in the jurisdictions in which we operate.

# "

Our commitment to leading the way in sustainability with a data-driven approach is evident through the tangible impacts made by our innovative products and responsible processes."

Jessica Steinhoff, Sustainability Manager, Rheem Europe



## GREENHOUSE GAS REDUCTION PROGRESS IN RHEEM EUROPE

Rheem's businesses in Europe have achieved remarkable progress in greenhouse gas reduction initiatives, including laying the groundwork for meaningful change by completing our first comprehensive carbon footprint assessment across all scopes for our Intergas<sup>®</sup> and DEJONG facilities. We were able to use the analyses to plan for new projects that will further reduce emissions.

In 2023, we installed 1,200 solar panels at Intergas which produce the equivalent of one-third of the total electricity used onsite. We also secured a new contract for 100% renewable electricity to cover the remaining electricity use. With zero  $CO_2$  emissions associated with electricity consumption at Intergas and DEJONG already operating on 100% wind electricity, we celebrate these achievements as a testament to sustainability moving us forward.

We also recognize that our emissions impact extends well beyond our own operations. In April 2023, Intergas launched Xtend<sup>®</sup>, a hybrid heat pump combined with a gas boiler that reduces gas consumption by up to 80% during the use phase. Because 98% of Intergas's total emissions come from our products' use phase, this product launch was critical for reducing our environmental impact.







### **Striving for Zero Waste to Landfill**

Further underscoring our commitment to sustainable operations, Rheem<sup>®</sup> is on a journey to ensure in our global manufacturing plants that materials that would otherwise be waste find a greater purpose. Achieving our Zero Waste to Landfill (ZWTL) vision requires collective action from Rheem employees and our network of suppliers and partners.

#### Our 2025 Goal

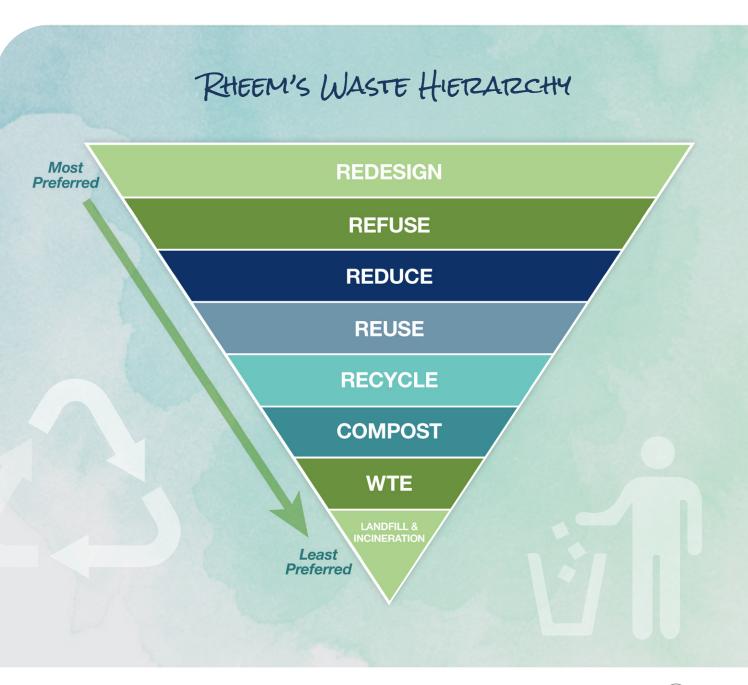
Understanding the impact waste has on the environment, communities and our entire business, Rheem has set a Zero Waste to Landfill goal, on track to be completed by 2025 at each of our manufacturing plants. A Rheem plant is considered to have reached Zero Waste to Landfill when it achieves a rate of at least 90% diversion of nonhazardous solid waste away from landfill, waste-to-energy (WTE) and incineration. In 2023, we removed our former waste-to-energy allowance and adjusted our target from 97% to 90% in line with the Zero Waste International Alliance and widely accepted certification bodies. By avoiding less environmentally preferred methods of waste treatment, we instead prioritize redesigning, refusing, reducing, reusing, recycling and composting materials for productive use in nature or the economy.



#### 2023 Progress

We are proud of our substantial progress in ZWTL over the past year. A significant portion—76%—of our manufacturing plants qualified as Zero Waste to Landfill by the end of 2023, and across our global operations we diverted over 50,000 metric tons of waste last year. Remaining sites are close to achieving the goal.

Conducting six comprehensive waste audits spanning Rheem sites in Australia, New Zealand and Vietnam, we delved deep into our operations in 2023 to unearth opportunities for improvement and engage global teams to foster a lasting zero waste culture. "Participating in the waste audit heightened my understanding of operations, paving the way for improved sustainable practices to minimize waste in our processes," said **Tracey Gwiazdzinski**, Marketing Executive, Rheem New Zealand.



(**26**)

### Striving for Zero Waste to Landfill CONTINUED

Focusing first on redesign to reduce waste, Rheem® Vietnam leveraged supplier relationships to reduce the use of silica gel packets by half. Additionally, HTPG evaluated the full lifecycle of pallets and identified pathways to return pallets to vendors, reuse and repair pallets onsite or create wood mulch from damaged wood pallets and crates for landscape application. HTPG also invested in reusable pallets for internal material handling, further reducing wood waste. "Developing circular initiatives for our pallets has conserved resources and helped us make bold progress toward Zero Waste to Landfill," said Bryan Stewart, Manager, Environmental Health and Safety, HTPG.

**Our Fort Smith, AR** was proud to be the pilot facility for **ZWTL** several years ago. The impact since that time is not only diverted waste, but a powerful initiative and message that rallies the entire team."

Andrew Welch, Director, Operations, US Air Conditioning Division-Fort Smith, AR Plant

In 2023, our teams identified and implemented other innovative solutions to foster a circular economy at our global sites. At our Fort Smith, Arkansas plant, we implemented a wood recycling program, while Rheem China explored creative solutions for repurposing ceramic waste from water heater manufacturing as decorative pottery. Friedrich Air Conditioning in San Antonio, Texas repurposes a portion of its waste cardboard by using it to create packing fill, and Rheem Chile implemented a composting program that provides a nutrient-rich soil amendment for employee use, as well as for use in the onsite garden. "Adding compost services did not happen overnight, but it was so rewarding-not only in terms of its impact on our site's diversion rate, but in making employees proud of our program," said **Pilar López** Fuenzalida, Sustainability Coordinator, Rheem Chile.

Circularity is only possible with education and engagement. Our Rydalmere, Australia team developed an online training module to educate employees on proper sorting and implemented new bin signage. Global teams convened regularly in Zero Waste to Landfill Idea Exchange meetings to share best practices for employee engagement and waste management.

#### **2024** Priorities

In 2024, Rheem is focused on supporting remaining manufacturing plants in achieving Zero Waste to Landfill and providing sites with internal certification for reaching and maintaining at least 90% diversion. However, sites that have already achieved over 90% diversion are not stopping, and our team members continue to generate ideas.



#### View Our Videos on YouTube



Learn more about Rheem Australia's Zero Waste to Landfill progress







Learn more about Rheem Vietnam's Zero Waste to Landfill progress



#### **DEGREES OF LEADERSHIP**

# Inspired People

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### **Training the Trade on Sustainability**

Rheem's plumbers, contractors and influential partners across the globe play a critical role in improving our collective impact on the environment. By equipping the industry's workforce with advanced knowledge and skills, we are preparing them for the future of consumer demand. Rheem<sup>®</sup> recognizes that the trade plays a key role in transitioning home and business owners to new and different sustainable products, and we're proud to support and educate this group to empower them to promote, install and service these products.

#### Our 2025 Goal

In 2022, we achieved our 2025 goal to train 250,000 plumbers, contractors and key influencers on sustainable products and best practices. We continue to emphasize sustainability training for the trade because it's essential to inspire this influential, high-impact audience to take further steps toward sustainability. In 2023, we trained more than 170,000 people around the world on high-impact sustainability topics such as heat pump installation, refrigerant management, decarbonization, electrification and more.

#### 2023 Progress

Despite already reaching our 2025 goal, our commitment to progress did not slow down. We proudly expanded our global footprint by opening new Innovation Learning Center (ILC) facilities in Utrecht, Netherlands and Fort Smith, Arkansas, and boosting our global ILC count to 24 facilities by the end of 2023.

Elevating our dedication to sustainability training, we developed programs and new innovations aimed at empowering technicians to provide sustainable options to consumers. We harnessed the power of virtual reality to better demonstrate how to install heat pump water

heaters and install and service HVAC products, such as heat pumps, air handlers, commercial products and more. Our US Air Conditioning Division offers 230 courses including virtual reality training. Rheem Mexico offered an energy calculator in commercial training to calculate the required heat in a process based on the water demand, energy usage, annual consumption and cost.

We are constantly working on expanding our audience as well. In 2023, our MEA team trained ASHRAE Young Engineers on sustainability in Dubai. We hosted A2L refrigerant transition webinars and other training with the world's largest refrigerant manufacturer, Chemours, training nearly 1,000 attendees on how to properly install and service systems utilizing lower-GWP refrigerants.





"By targeting common concerns and myths, our A2L Steps to Success webinar helped contractors embrace this change as an important step for global sustainability," said Jose De La Portilla, Senior Manager, Education & Training, US Air Conditioning Division.

Rheem doubled down on product and program awareness for California installers through participation in the TECH Clean California Program. This program teaches installers about heat pump water heaters and provides in-depth training for contractors interested in working with Rheem. Contractors participating in the program who replace gas or electric water heaters with a Rheem heat pump water heater can receive significant financial incentives.

### Training the Trade on Sustainability CONTINUED

In 2023, we also launched our first sustainability training e-learning course for global employees. This immersive course simulates traveling to different Rheem® locations, exploring examples of how we're achieving Rheem's sustainability goals and integrating sustainability into our products, manufacturing processes and training for the trade, and learn how they can get involved, bringing their passion and unique talents to help us deliver A Greater Degree of Good™.

#### **2024 Priorities**

In 2024, we will continue to train the trade and key influencers to be champions for sustainability, identifying new opportunities to equip key stakeholders with the tools and incentives to promote sustainable products and adopt sustainable practices.









#### Training the Trade to Make a Difference for Customers and the Planet

Rheem® set a first-of-its-kind goal in 2019 by setting out to train 250,000 key influencers in our industry on the sustainability issues they need to be ahead of the curve on to be successful. Since then, we've trained hundreds of thousands of customers and partners worldwide on innovative and energy-efficient products, the impact of these products, sustainable installation and service procedures, regulatory changes, waste reduction practices, refrigerant management considerations and more. By promoting our most sustainable products and teaching the trade how to sell, install and service them, we're making real progress toward decarbonization and helping our stakeholders not only survive but thrive through a time of industry-wide transition.

### WOTZDS FTZOM OUTZ TTZAINETZS

### "

After our training, students understand that if we change our behavior now, we will

not be too late. Rheem and Intergas products make this change possible."

Erwin de Haan, Training Manager, Intergas Netherlands

### "

It is important for Rheem to empower the end user on products

that are the most efficient and drive greater energy savings."

eem Sustainability Progress Report 2023

Miguel Martinez, Customer Service and After Sales Manager, Rheem Mexico



" Sustainability is THE message. We train contractors on highefficiency inverter heat pump

technology and they leave ready to share the benefits of our sustainable products."

Jerad Adams, Senior Manager, Product Management, Friedrich Air Conditioning

## "

**XTEND®** equipment that adds to our boilers helps our customers step into a lower-carbon future without too many

uncomfortable or scary changes."

Mike Hook, Training Manager, Intergas UK



## WOTZDS FTZOM OUTZ TTZAINEES

" **Rheem's commitment to** the innovation of energy efficient products has



"

positioned our multi-trade

technicians ahead of the field when we recommend air and water products."

Josh Brooker, Owner, TE Certified Electrical, Plumbing, Heating & Cooling, US

## "

Thanks to Rheem's sustainability training, our business grows while helping customers make eco-friendly choices. It's a win-win

for us and the environment."



### "

As a new member of the Rheem family, it is rewarding to know we are part of an organization providing products and training to make our world a better place."

Michelle Bridges, Vice President, Multifamily Housing, Century A/C Supply









Sustainability is the purpose of my business. The training I've obtained from Rheem has helped me stay up-todate with the sustainable options I can offer my customers."

Ricardo Hernández, Owner, Ingeniería & Confort Sustentable, Mexico

Intergas' sustainability training has equipped me to promote heat pumps as an addition to existing boilers, significantly reducing gas consumption and my customers' bills."

Neil Armstrong, Proprietor, PlumbWise, United Kingdom







### GoodWorks<sup>™</sup> Around the Globe

Making a difference for people and the planet is what Rheem's GoodWorks<sup>™</sup> program is all about. Through it, we empower our more than 13,000 employees to take direct action to drive sustainability. Acting as GoodWorks Explorers and Ambassadors, participants from our global workforce collaborate to advance environmental stewardship in our offices, manufacturing plants and communities. Their passion helps shape our company's culture and leaves a positive impact on the world.

Many of our sustainability achievements can be attributed to the commitment and contribution of our GoodWorks members. Any employee at Rheem® may join the GoodWorks program as a GoodWorks Explorer. Explorers improve the sustainability of our global workplaces and drive sustainability culture through community outreach events. Meanwhile. GoodWorks Ambassadors. designated by their function to play a direct role in tracking and driving progress toward our sustainability goals and initiatives, are identified at each global business unit and share updates regularly with leadership to ensure engagement, alignment and accountability. In 2023, our GoodWorks teams and leaders played a critical part in moving us forward.







Rheem Mexico: Launched a program to give employees pins for each GoodWorks activity



Save the Kiwi









Friedrich Air Conditioning, Texas **Received sustainability certification** from City of San Antonio





### GoodWorks<sup>™</sup> Around the Globe CONTINUED



Sustainability transcends Rheem's walls, and the seeds we have planted through GoodWorks initiatives are germinating for the benefit of the planet."

#### Iya Massah

GoodWorks Steering Committee Lead, Global Air Division



Our GoodWorks team is passionate about learning, implementing and sharing sustainable practices, not only in the office, but in our personal lives as well!"

Jeri Bruegger GoodWorks Explorers Committee Lead, Rheem Enterprise



# "

Thanks to this initiative encouraging us to take small actions every day, our employees are now reducing, recycling and composting even at home!"

Fabiola Cortez GoodWorks Explorers Lead, Friedrich Air Conditioning



# "

As members of GoodWorks Explorers, we believe that the only way to protect our environment is with everybody's help."

Leoveth Noches GoodWorks Explorers Lead. Rheem<sup>®</sup> Mexico



Rheem's education on sustainability aims to integrate knowledge into action, to implement responsible practices in business decisions and daily life."

#### **Rebecca Foo**

GoodWorks Explorers Lead & Steering Committee Lead, Rheem China





# GOODWORKS



We are committed to empowering every employee to actively join our sustainability initiatives, at work and even beyond, reflecting our dedication to meaningful change."

Natalie Mok GoodWorks Explorers Lead & Steering Committee Lead, Rheem Australia



2025

### Looking Ahead to 2025

As we approach our 100-year anniversary in 2025, we are on track to meet our sustainability goals. However, for Rheem<sup>®</sup>, sustainability is a journey of continuous improvement, and even as we celebrate our progress, we are working to craft our next-generation sustainability goals that will guide our strategy for years to come and continue to move us forward.

2024

From our GoodWorks<sup>™</sup> program that gives our employees the power to drive our initiatives, to our work in promoting sustainability in government affairs, we demonstrate a commitment to making a meaningful impact both within and beyond our four walls. Our focus on intelligent products, responsible processes and inspired people underscores our dedication to elevating sustainability in our organization and with the partners we work with every day.

We strive to set a high bar in our industry. As we approach the finish line of our 2025 targets, we reaffirm our commitment to empowering individuals to foster a better future for generations to come. Rheem is proud to be an important part of the transition toward a brighter, more sustainable world.

2023





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