



2022 ESG Report

A water technology leader focused on a culture of innovation

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Letter from Kevin Wheeler

Chairman, President & CEO



A. O. Smith is very proud to present our third Environmental, Social, Governance (ESG) report, which is a testament to the hard work of our team members and the company's long standing commitment to sustainability. As a water technology company, sustainability is always top of mind: from our engineers to our products teams and – of course – to our Director of ESG and the ESG Council. Sustainability is ingrained in who we are as an organization and what we do every day.

We are constantly innovating today for the needs of tomorrow, and sustainability is inextricably linked with innovation. Our ability to stay competitive – especially in the midst of the pandemic, a volatile market and challenges with supply chain – depends on our ability to be agile and pivot to meet changing market needs.

I want to take this opportunity to thank my fellow employees for their dedication and ingenuity as we work to overcome these challenges and deliver value to meet strong market demand and deliver for our customers. I'm proud to say that we've been able to do this successfully as you'll see demonstrated throughout the report.

— Kevin

“We are committed to a culture of innovation while investing in environmentally sustainable and efficient technologies to heat and treat water.”

Our Approach to ESG

Following a cross-functional, company-wide effort, we issued our first Corporate Responsibility & Sustainability (CRS) report in 2018 and second in 2020. As our approach has evolved, we have elected to rename our sustainability program Environmental, Social & Governance (ESG).

CRS → **ESG**

Focusing on Environment, Social and Governance (ESG) is good for the bottom line, beneficial to our shareholders, critical to our customers, meaningful to our employees and has a positive impact on society and the planet.

“

As part of our program's evolution, we are proud to introduce Noelle Brigham, our company's first corporate ESG director. We are confident Noelle will lead our organization's continuous improvement in the areas of energy efficiency, water conservation and water stewardship."

– Chuck Lauber, CFO



We Are A. O. Smith

● OUR VISION

To be the leading provider of innovative, highly efficient and differentiated solutions used to heat and treat water, creating exceptional long-term value for our global customers and stakeholders in a socially responsible manner.

OUR VALUES



Profitable Growth

Global manufacturer of water heaters, boilers and water treatment products delivering profitable organic and inorganic growth.



Innovation

Water technology leader with a demonstrated culture of innovation; using product development to capitalize on new technology adoption, decarbonization efforts and sustainability trends.



Good Place to Work

Investing in our people to develop a diverse and inclusive workforce that delivers outstanding performance; retaining talent through competitive benefits and an emphasis on a collaborative and innovative work environment.



Good Corporate Citizen

Contributing to the well-being of the communities in which we operate by providing financial support for civic activities and ensuring our operations always comply with the highest environmental standards.



Preserve Our Good Name

Encouraging employees to always do the right thing no matter the situation, while committing to upholding the highest ethical standards throughout our businesses worldwide.

● Sustainability

Underpinning our corporate values is a commitment to ESG matters, which includes doing business honestly and ethically, being committed to high quality, innovative products and profitable growth and creating an environment where our employees thrive and feel a sense of purpose in their work. Our recent efforts, as documented in this third sustainability report, demonstrate how our corporate values have always been - and will continue to be - inextricably linked to our commitment to ESG.

Our Sustainability Journey

1889: C. J. Smith and Sons enters bicycle industry, eventually becoming world's largest bicycle parts manufacturer, paving the way for a future of diversified and innovative manufacturing opportunities

1899: Develops world's first pressed steel automobile frame, a lighter, more cost-effective alternative

1906: Develops world's first mass production process for assembling automobile frames. By 1908, more than 60% of new passenger cars are built on an A. O. Smith frame

1918: Diverts manufacturing and production to support war efforts

1936: Patents process of glass-lining a water heater tank, making hot water an affordable convenience for homeowners

1942: Diverts manufacturing and production to support war efforts

1954: Creates safety standards, prior to establishment of OSHA; initiation of the annual Lloyd B. Smith President's Safety Award formally recognizing workplace safety

1955: Establishes A. O. Smith Foundation

1974: Celebrates 100th anniversary; introduces conservationist line of residential water heaters focused on energy efficiency

1985: Launches Matching Gift Program through the Foundation

1988: Arthur and Ray Smith inducted into the Automotive Hall of Fame, the first father and son to earn the honor

1996: Introduces the Cyclone, a high efficiency commercial condensing water heater, the most efficient in the marketplace at the time

2009: Enters the water purification industry in China through acquisition of Chanitex

2010: Manufactures first residential high-efficiency electrical water heater pump

2010: Co-founds The Water Council; establishes Milwaukee as the world's leading water technology hub

2011: Acquires Lochinvar, Inc., the industry's leading high-efficiency boiler producer

2013: Celebrates the opening of The Water Council's Global Water Center in Milwaukee

2015: Introduces Women's Resource Network to support professional development

2016: Partners with Good360 to distribute thousands of water filters to residents in Flint, Michigan

2017: Launches The Water Council's Tech Challenge as founding sponsor

2018: Issues inaugural Corporate Responsibility & Sustainability (CRS) Report

2018: Unveils L. R. Smith Corporate Technology Center in Milwaukee

2019: Introduces the first whole-house filter available direct to consumers under the Aquasana brand

2020: Ranks 11th in *Harvard Business Review's* "Top 20 Business Transformations of the Last Decade"

2020: Adopts first greenhouse gas (GHG) emissions goal: 10% intensity reduction by 2025

2021: Issues 2020 CRS Report

2021: Introduces analytical tool to help states and policymakers in building decarbonization efforts in order to meet U.S. GHG reduction goals

2021: Acquires Montreal-based Giant Factories, Inc., a leading producer of electric commercial and residential water heaters

2021: Earns ENERGY STAR Partner of the Year Sustained Excellence Award for second consecutive year

Employee Spotlights



Kate Kyle
Senior Director
Product Management

- “My favorite things about working for A. O. Smith are:
- our friendly and approachable culture
 - the investment in water treatment technologies
 - the dedication of my team members

It is clear that everyone within A. O. Smith is behind the strategy and plan of the organization. I am invigorated by the company's culture of collaboration, where my products team works closely with product engineering and the Corporate Technology Center, working as one cohesive team. My passion for water treatment centers on healthy living by providing products that promote a healthy home without any chemical additives; ensuring what is good for us as humans is also good for the environment."



Josh Greene
Vice President
Government & Industry Affairs

- “My favorite things about working for A. O. Smith are:
- the people and the workplace culture we've created
 - the team's dedication to achieving our business goals and objectives
 - the professional development opportunities within the organization

A. O. Smith has been practicing and living many of the principles underlying ESG for decades, long before any of the terms used today were made popular. I am proud to have been part of the original CRS Council, and I continue to participate in the company's evolving sustainability efforts."

ESG Accountability

● Driving Accountability and Results

As part of holding ourselves accountable, we established ESG oversight at the board and management levels. In 2018, we formed an ESG Council comprised of a cross-section of leaders from operations: environment, health and safety; government affairs; investor relations; human resources and supply chain. The Council makes recommendations about ESG priorities and goals, key performance indicators and potential reporting enhancements, while also identifying improvement areas regarding ESG activities at A. O. Smith. Our Director of ESG manages the Council and reports directly to our CFO. Additionally, the Board of Directors provides oversight of the company's ESG efforts, receives regular sustainability updates, and reviews the Company's ESG efforts including its periodic ESG reports.

ESG Oversight


Board of Directors


**CEO & Senior
Leadership Team**


ESG Director


ESG Council

04

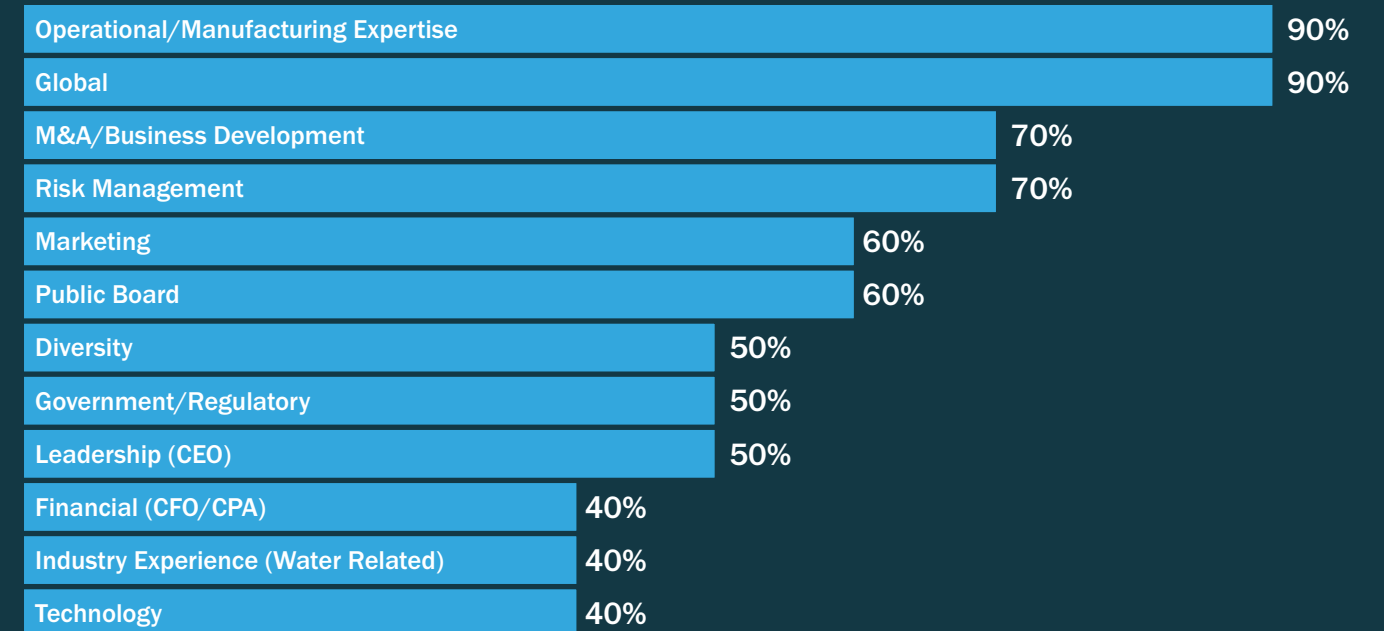
Board Leadership



The makeup of our board is tailored to the ever-evolving needs of our company. Our goal is to have a board that represents the interests of all our shareholders.

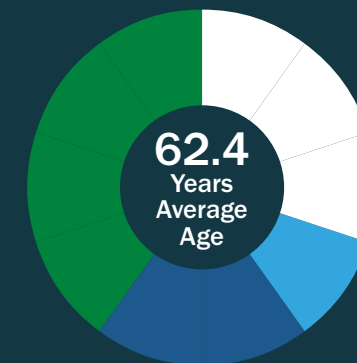
A Commitment to Board Diversity

Diversity has been empirically shown to promote creativity and innovation and is a priority within our company, driven by our CEO and with full support from our Leadership Team and Board of Directors. Our Board represents broad gender, ethnic, racial and professional experience diversity.



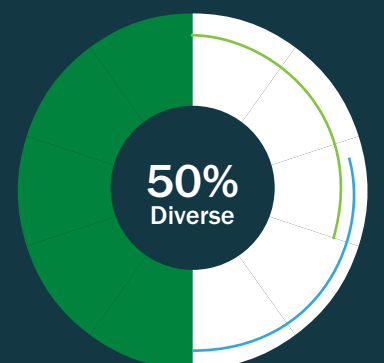
DIRECTOR AGE

- 3 Less than 55 years
- 1 55-60 years
- 2 61-66 years
- 4 67-72 years



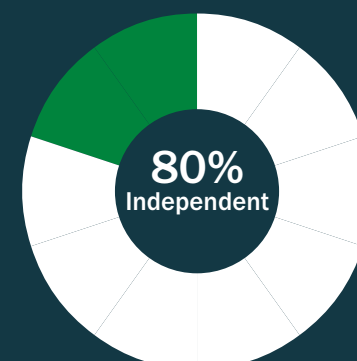
DIVERSITY

- 5 Non-Diverse
- 5 Diverse
- 3 Women
- 3 Ethnically/Racially Diverse



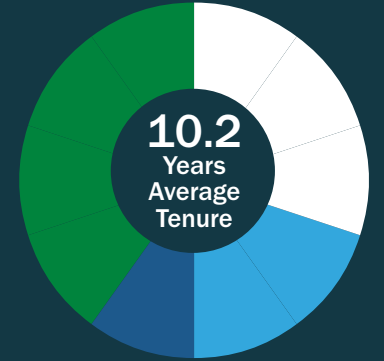
INDEPENDENCE

- 8 Independent
- 2 Non-Independent



TENURE

- 3 0-3 years
- 2 4-7 years
- 1 8-12 years
- 4 13+ years



Spotlight on...



Victoria Holt: Chair of the Nominating and Governance Committee and member of the Personnel and Compensation Committee.

Ms. Holt currently serves on the boards of Waste Management, Inc., Piper Sandler Companies and Process Sensing Technologies.

Q: In your opinion, what is the importance of having Board oversight of ESG? How has your involvement on the Board at Waste Management – a company renowned for its sustainability efforts – influenced your role as chair of the Nominating and Governance Committee at A. O. Smith?

A: A robust ESG plan for a business is essential to ensuring long term value for all stakeholders. As companies work to maximize value they must navigate risks and opportunities presented by changing environmental and social conditions. This requires planning and good governance including; strong boards providing insights and guidance as companies develop and execute on their ESG plans. I have learned the value of these at Waste Management where our people first, technology-led focus drives our mission to always work for a more sustainable tomorrow. As an A. O. Smith Board member, I bring this commitment to strategic ESG planning and execution.



Dr. Ilham Kadri: Member of the Nominating and Governance Committee and the Personnel and Compensation Committee.

Dr. Kadri is currently Solvay S.A.'s CEO and serves on its Finance and ESG Committee, its Board and she also serves as a Director of L'Oréal.

Q: What have you learned from being on Solvay's ESG Committee that has helped inform your role on the Nominating and Governance Committee at A. O. Smith, which has ESG oversight?

A: The launch of Solvay's ESG Committee last year was an important governance game changer, which brought more oversight to our Board of Directors on Solvay's sustainability roadmap, Solvay One Planet, and the overall ESG program. One of the ESG Committee's first decisions was to recommend its approval of our 2050 carbon neutrality goals to the Board of Directors. It also reinforced the need for a yearly sustainability training for all Board members. The ESG Committee supported an increasing variable compensation for the CEO and the management team linked to ESG. This helped me as a member of A. O. Smith's Nominating and Governance Committee to support the management team in their ambition to raise the bar towards best in class ESG and sustainability practices and its inclusion in a new compensation approach.



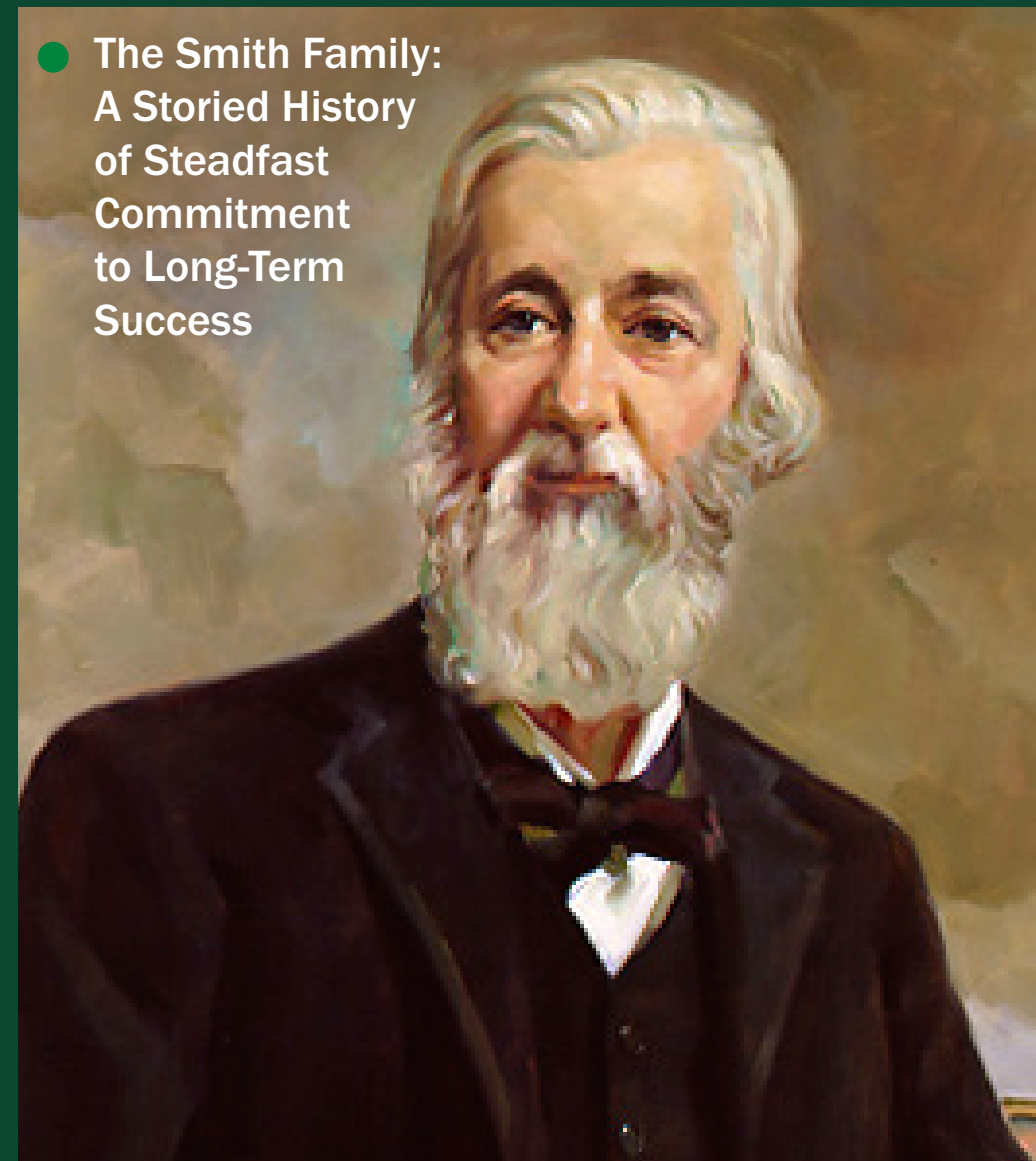
Mark D. Smith: Member of the Nominating and Governance Committee and the Personnel and Compensation Committee.

Mr. Smith is a fifth generation family member involved in key decision making, serving as a director for the company.

Q: What are you particularly proud of regarding the board's influence on the Company's sustainability progress?

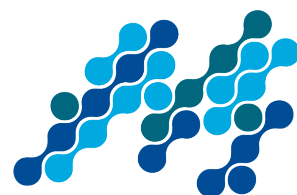
A: As a member of the Smith family, I am personally very proud to see the board's active engagement and assessment of the Company's ESG efforts. Our board leverages the diverse background and experiences of our directors to support the Company's efforts to continuously improve the efficiency of our products and processes, providing value to our customers and lessening the environmental impact.

The Smith Family: A Storied History of Steadfast Commitment to Long-Term Success



The Smith family's legacy lives on within the company in many ways, with **six generations of family members** having worked at A. O. Smith since its founding in 1847. To this day, there are members of the Smith family providing value and working within the organization. Throughout the 148 years of our company's existence, the family has remained committed to long-term success and their interest provides stability, in the face of short-term market pressures. We believe the Smith family involvement and ownership is one of our company's greatest strengths. At the same time, the role is limited to guidance and support. For nearly 40 years, the company's chief executive officer has been a non-Smith family member and 80% of the company's board members and 100% of its committee members are composed of independent directors.





THE WATER COUNCIL

Demonstrating our commitment to water stewardship, we are proud to be a founding member of The Water Council, a Milwaukee-based non-profit dedicated to solving global water challenges by driving freshwater innovation and advancing water stewardship efforts. We support the Council's water stewardship efforts as a natural complement to water innovation.

Operating Sustainably

We provide consumers with thoughtful, innovative water solutions. As a global water technology company, we are acutely aware of the importance of— and access to— clean, fresh and hot water. This awareness drives our internal operations and has been a pivotal part of setting new goals for the future with regard to water stewardship and technological innovations.

As part of the next step in our ESG journey, we are embarking on a new process to better understand our own water consumption and usage so that we can develop a water stewardship plan that's right for A. O. Smith. Developed by The Water Council, the WAVE process helps companies gather the necessary data, craft a corporate water policy, prioritize sites with highest water risks and publicly communicate a corporate action plan, goals and timeline.

WAVE participants' efforts are independently verified by SCS Global Services, a global leader in third-party verification of sustainability claims. Upon verification, companies can use the WAVE seal (below), signifying they are strategically addressing water challenges based on global best practices.



The Value of WAVE:

Corporations that successfully implement the WAVE methodology will advance their water efforts beyond traditional usage-focused water management, to a more holistic water stewardship approach.



This is such an exciting time in the company's ESG journey. We have ambitious plans for the future and I'm proud to bring my 20+ years of sustainability experience to a company that is so committed to operating and growing the business in a sustainable way."

– Noelle Brigham, ESG Director





As a company with a global footprint, we have a responsibility to do our part to reduce our greenhouse gas emissions. In 2020, we proudly announced our first greenhouse gas emissions reduction goal:

10%
intensity
reduction by
2025

Measuring and Managing Our Environmental Impact

From our operations to our product innovations, A. O. Smith works diligently to reduce greenhouse gas emissions.

Metric	Unit	2019	2020	2021
Greenhouse Gas Emissions Intensity	Metric Tons CO ₂ e/\$MM Revenue	54.22	54.62	44.80
Total Greenhouse Gas Emissions*	Metric Tons CO ₂ e	162,270	158,133	158,538
Greenhouse Gas Avoidance from water heaters and boilers	Metric Tons CO ₂ e	487,383	473,724	494,825

Our own environmental footprint is inextricably linked with the environmental impact of our products. While we work diligently to reduce our own carbon emissions internally, we continue to ensure our customers are able to do the same by introducing new products and product enhancements that have a smaller carbon footprint. This is one important component of our commitment to being good stewards of the environment.

* At all manufacturing facilities, excluding three small sites



ESG Scorecard

The Chairman’s Green Star Award

A. O. Smith created the Chairman’s Green Star Award in 2009 to encourage natural resource conservation efforts throughout the company. The award is earned by the plant that achieves the most year-over-year reductions in natural gas consumption, electricity usage and water consumption. A total of 15 facilities worldwide compete each year to receive the annual award.



● ESG Scorecard

2021 UPDATE

Climate ^{1,2}	2019	2020	2021	2021 vs 2019	2025 goal
Greenhouse Gas Emissions Intensity (Metric Tons CO ₂ e/\$MM rev) ³	54.22	54.62	44.80	▼	48.80
Total Greenhouse Gas Emissions (Metric Tons CO ₂ e)	162,270	158,133	158,538		
Total Natural Gas Usage (MWh)	373,071	381,757	382,281		
Total Electricity Usage (MWh)	191,052	180,819	188,454		
Total Water Usage (gallons 000s)	362,129	351,127	347,650		
Health & Safety					
Total Recordable Incident Rate (TRIR) ⁴	0.94	0.94	1.06		
Development & Stability					
Full-Time Salaried Employees with documented development plan	100.0%	100.0%	100.0%	◀▶	100.0%
Average tenure of executive leaders (years)	22.0	19.0	18.0		
Ethics					
Full-Time Salaried Employees certifying adherence to code of conduct	100.0%	100.0%	100.0%	◀▶	100.0%
Suppliers certifying adherence to code of conduct ⁵	n/a	34.3%	59.0%	▲	90.0%
Product Stewardship					
Revenue from Green Products ⁶	30.5%	32.1%	30.0%		
GHG Avoidance from water heaters and boilers ^{2,6} (Metric Tons CO ₂ e)	487,383	473,724	494,825		
Displacement of Single-Use Plastics (millions of bottles)	1,200	1,400	1,300		
Diversity					
Women employees among full-time global workforce	42.0%	41.0%	39.0%		
Employees with racial/ethnic diversity among U.S. workforce			28.0%		
Community Support					
A. O. Smith Foundation grants (\$MM)	\$1.6	\$1.7	\$1.6		

¹ All manufacturing operations, excluding three small facilities. ² 2019 baseline and 2020 data revised from 2020 CRS report published January 2021. GHG calculations incorporate the most recent grid emissions factors on Jan. 1 of the reporting year. ³ 2021 metric reflects energy efficiency improvements and product pricing initiatives. ⁴ TRIR defined as significant work-related injuries or illnesses beyond first aid, calculated per OSHA formula (# of incidents x 200,000/total number of hours worked in one year). Performance is benchmarked against an AOS derived enterprise-wide standard TRIR of 2.96; the average of the 2021 Bureau of Labor Statistics standards that are applied to each AOS facility depending on their NAICS code. ⁵ North America direct suppliers. ⁶ Defined relative to energy efficiency industry standards and other internal benchmarks

Efficiency of Our Commercial Water Heating Products

As a global water technology manufacturer, we are a leader in applying innovative and energy-efficient solutions to products marketed worldwide.

We are one of the world's leading manufacturers of residential and commercial water heaters and boilers with operations in the U.S., Canada, China, India, Mexico and Europe.



Cyclone

An industry leader, the Cyclone is one of the highest efficiency commercial gas water heaters on the market with thermal efficiencies of up to 98 percent. Based on installations in 2019, Cyclone units help save 2,400 MMft³ of natural gas and avoid 131,500 MTCO₂ of GHG emissions in North America annually.

- Advanced electronic controls, developed by A. O. Smith, offer precise temperature control, diagnostics and remote connectivity
- New Cyclone LV and XL models deliver inputs up to 1M BTUs and storage up to 250 gallons. These new high input models are perfect for hotels and other applications requiring large amounts of hot water
- Sensor technology incorporates Intelligent Demand Response (IDR) that improves water delivery by anticipating large demands
- Multiple vent options allow flexibility and common vent capability



CREST

The CREST with Hellcat combustion technology features an O₂ sensor system designed for a condensing, hydronic boiler combined with Lochinvar's SMART TOUCH control that adapts to rapidly changing environmental conditions. Seasonal changes, significant weather shifts and altitude are all compensated for. The control platform learns the optimal settings, so that as those same environmental conditions arise, the combustion system automatically adjusts.

- Minimum modulation turndown of 20:1 and as high as 25:1. This means that CREST with Hellcat can burn less fuel and potentially emit fewer emissions than competing products
- 150' of vent and air piping. This allows engineers to use CREST with Hellcat in retrofit applications where lower efficiency products were originally installed
- Independently adjusted fuel and air. CREST with Hellcat will read the O₂ content in the combustion chamber and adjust combustion to optimize performance and emissions
- CON-X-US remote connect is standard equipment allowing remote monitoring of boiler status and combustion readings

The ENERGY STAR® certification applies to CREST boilers with Hellcat technology up to 2 million BTU/hr



Efficiency of Our Residential Water Heating Products



Gas Tankless Condensing with X3

An expert in both water heating and treatment, A. O. Smith has combined the two technologies to achieve unparalleled protection on our existing condensing gas tankless water heaters. X3® Scale Prevention Technology eliminates the need for regular scale-related maintenance as it prevents scale from ever building up, meaning virtually zero lifetime descaling maintenance and three times longer product life. A. O. Smith now offers a full suite of ENERGY STAR® Ultra-Low NOx condensing gas water heaters.

- Extends the life of the unit up to three times longer
- Eliminates the need for regular scale-related maintenance
- Highly efficient performance/ENERGY STAR® qualified
- Maintains “like new” performance longer
- Ultra-Low NOx emissions

Voltex Heat Pump Water Heater

Heat Pump Water Heaters are one of the most efficient water heating technologies for household use. Each year, based on 2019 installations, our Voltex units help homeowners save 120,000 MWH of energy and avoid 51,900 MT CO₂ of GHG emissions in North America.

- The new Voltex AL is exceptionally efficient with up to a 4.02 Uniform Energy Factor rating which can reduce the cost of water heating by up to 78% compared to a standard electric water heater
- The user-friendly electronic controls make setup and operation easy. The Voltex AL includes integrated iCOMM smart connectivity allowing you to connect to a local Wi-Fi network. Monitor and control your water heater through the A. O. Smith app
- The Voltex AL features both top and front water connections for easy installation in new construction and retrofits
- New leak protection features like leak detection, automatic notifications and optional automatic water shutoff provide homeowners additional peace of mind

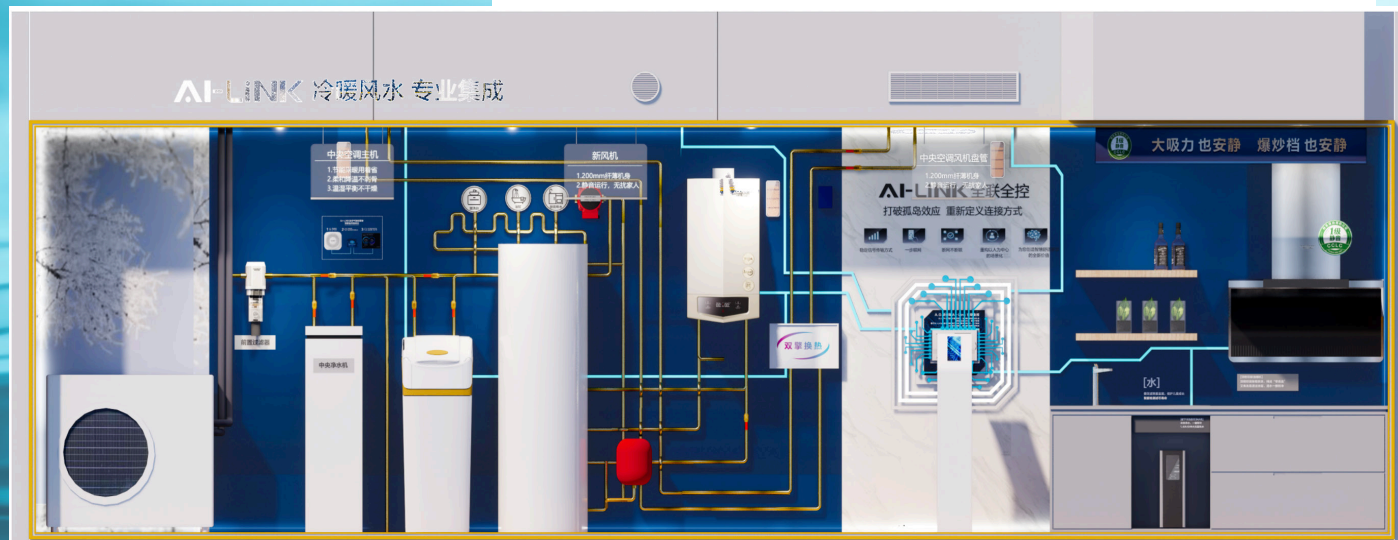


Efficiency of Our Residential Water Heating Products

Boiler + HVAC System

Residential owners are often required to buy separately branded HVAC, kitchen and bathroom appliances that do not work together to save energy, cost and time. We created an efficient solution, the combined combi boiler with heat pump HVAC system. This product is a one-stop service.

- Sophisticated temperature and humidity control while monitoring parameters in each room, including, $PM_{2.5}$, CO_2 and formaldehyde. Using Artificial Intelligence, this provides a digitalized and futuristic home experience
- In winter, this system heats the room fast pumping $65^{\circ}C$ hot water from combi boiler into fan coils, and helps the performance of the heat pump in very low ambient temperature. The Artificial Intelligence dynamically switches between combi boiler and heat pump based on energy prices of the specific locality and time, thereby achieving an optimal balance that delivers maximum energy efficiency and cost saving
- In summer, this system pumps $7^{\circ}C$ water into fan coils providing more comfort than the traditional VRF system



Water heaters
are the
#2
energy user
in the home

The average
household uses
64
gallons
of hot water a day

We are proud to offer over
1,000
ENERGY STAR® certified
products through our
family of brands

- The A. O. Smith family of brands offers over 1,000 ENERGY STAR® products designed to ensure hot water at the lowest possible cost, saving homeowners up to 78% or roughly \$521 in annual energy bills, depending on the size of the unit. (Source: ENERGY STAR®. Energy Efficient Products - A. O. Smith.)
- An ENERGY STAR® certified gas storage water heater uses 12% less energy through better insulation and heat traps. (Source: ENERGY STAR. Save Big with an ENERGY STAR Certified Water Heater)
- An ENERGY STAR® certified tankless water heater can save a family of four more than \$1,500 over its lifetime on gas bills compared to a standard gas storage model by heating water only when you need it. (Source: ENERGY STAR. Save Money and More with ENERGY STAR Qualified Whole-Home Gas Tankless Water Heaters)
- If all residential water heaters sold in the U.S. were ENERGY STAR® certified, the energy cost savings would grow to nearly \$13.4B annually, preventing more than 155 billion lbs of greenhouse gas emissions—equal to the emissions from nearly 15 million vehicles, every year! (Source: ENERGY STAR. Upgrade Now and Warm Up to Savings)



Fourth consecutive
ENERGY STAR® Partner of
the Year Award and second
consecutive award for
Sustained Excellence

GOOD FOR YOU. GOOD FOR THE PLANET.

Water Treatment

BEST-IN-CLASS ACQUISITIONS

As arguably the world's most precious resource, water – and access to clean, fresh water specifically – is one of the most important assets in the global conversation about sustainability. A. O. Smith is an industry leader in the water treatment and filtration space both through innovation and acquisition. As consumer awareness of aging infrastructure and unhealthy water situations rises, we have actively added water companies to our portfolio to address these important issues.







FILTRATION

We diligently engineer state of the art water filtration systems

Our filtration products are designed to give customers easy access to clean, filtered water in their home. From concerns about contaminants including per- and polyfluoroalkyl substances (PFAS - a.k.a. "forever chemicals"), lead, arsenic, bacteria, viruses, pharmaceuticals and pesticides, to questions about water quality and issues of access, the world is worried about its water supply. A. O. Smith is responding to these concerns by investing significantly in the development of water filtration technologies. In fact, this is one of the fastest growing parts of our business and will continue to be a focus for us both through innovation and acquisition.

A need for water treatment & filtration on a global scale:

-  **3.6 billion people, over half of the global population, lack safe sanitation**
-  **2.3 billion people around the world lack basic hygiene services (e.g., handwashing facilities with soap and water)**
-  **2 billion people around the world lack access to safe drinking water**
-  **Many countries have increased basic access to water, sanitation and hygiene services but relatively few have reduced the gap between the richest and poorest**

Source: UNICEF, Progress Report on Household Drinking Water, Sanitation and Hygiene

SOFTENER SOLUTIONS

Cutting costs and increasing the longevity of water-based appliances

Hard water is a global problem and A. O. Smith is working diligently to provide water softening systems that deliver the following benefits:



Cleaner dishes and silverware, and whiter, brighter laundry

Using a soft water system enables your dishwasher to use 70% less soap and your washing machine to use 50% less detergent.



Soft, cleaner feeling hair & skin

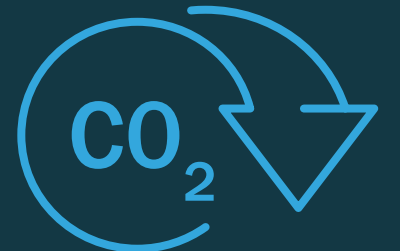
Water softeners remove mineral ions that are found in hard water, preventing the water from becoming completely soluble with soaps, leaving a precipitate known as soap scum. Soft water also protects the body against a loss of natural oils within skin and hair.



Longer lasting appliances

Water softeners protect appliances against hard water deposits such as calcium and magnesium; and prevent narrowing, congestion, puncturing and abrasion of pipe fittings caused by lime. Appliances run more efficiently and sustainably with softer water.

Studies show a 14.8% reduction in carbon footprint over a 15-year period when utilizing a water softening system



Source: Water Quality Association. Softened Water Benefits Study

Innovation Has A Name.



Lloyd R. Smith Corporate Technology Center in Milwaukee, WI

07



Robert O'Toole Global Engineering Center in Nanjing, China

We are a global water technology company working to bring new, sustainable solutions to market

The needs of our customers drive our innovation efforts. Changing environmental regulations, an increased focus on greenhouse gas reduction efforts and a heightened sense of urgency around climate change have accelerated our already robust efforts to integrate ESG-friendly solutions into our product offerings. We are constantly reinvesting capital to further enhance our innovation efforts at our **Global Engineering Centers** to bring new, sustainable options to market.

A. O. Smith, along with its wholly owned subsidiary, Lochinvar LLC, is the largest manufacturer and seller of gas and electric residential and commercial water

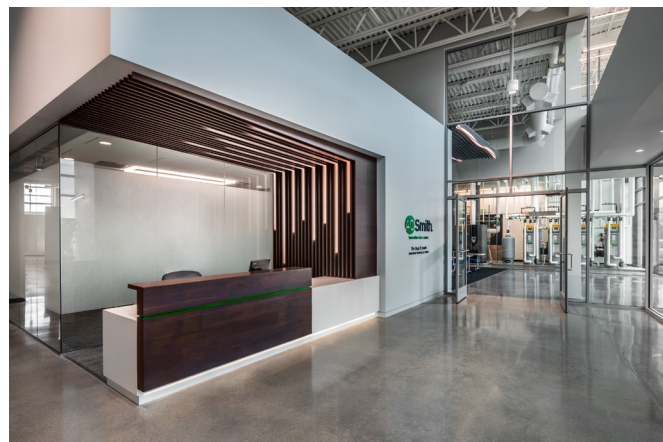
heating equipment, high efficiency residential and commercial boilers and pool heaters. A. O. Smith's commitment to innovative, customer-centric and efficient products throughout history has enabled it to become a global leader in delivering water heating and hydronic heating technologies.

As a leader in such technologies, the efficiency innovations of our products have a substantial positive impact on our planet. "Innovation Has a Name" is the A. O. Smith motto, and our commitment to innovation results in products that are highly efficient and meet the needs of our customers.

We're Innovating Today for Tomorrow's Technology

Research & Development

As an industry leader, we refuse to sit quietly. Each and every day at A. O. Smith, we are working on developing state-of-the-art solutions that are pushing new boundaries and paving the way in our industry. Our responsibility is to meet existing customer needs and to anticipate future needs.



Global Engineering Centers

At our global engineering centers we support new product development teams for all our related businesses.



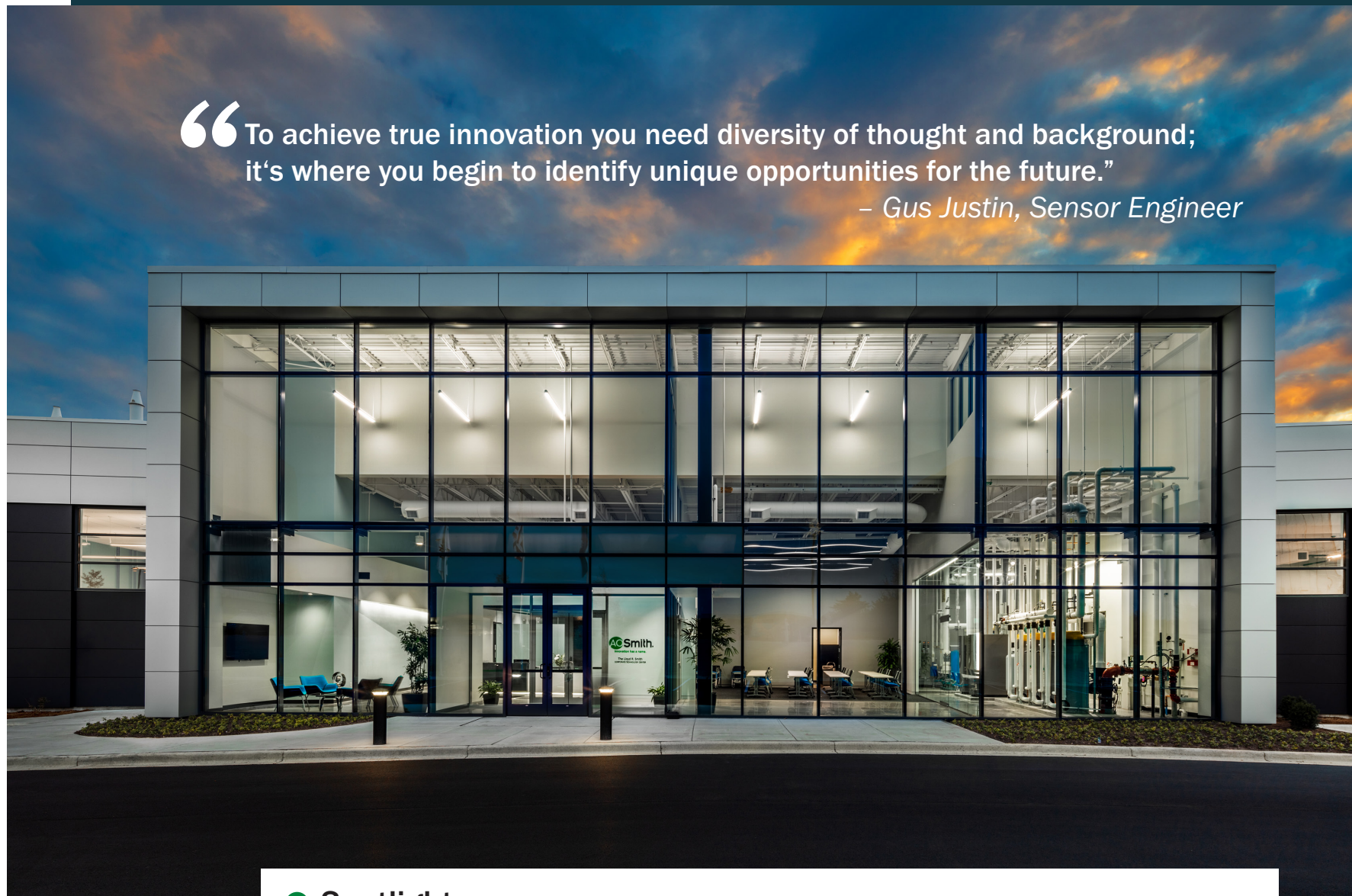
We are engaged in efforts to:

- Improve efficiency and water conservation of our own products
- Use less water and energy in our manufacturing processes

The new Lloyd R. Smith Corporate Technology Center

In 2018 we opened the Lloyd R. Smith Corporate Technology Center (CTC) in Milwaukee, Wisconsin. This facility is dedicated to the development of new energy efficient and water conserving products and processes. The 42,700-square-foot research and development lab employs a team focused solely on technology development, and serves as the company's global innovation hub, where teams of engineers concept, test and finalize core technologies to be used in A. O. Smith products around the globe.

“To achieve true innovation you need diversity of thought and background; it's where you begin to identify unique opportunities for the future.”
– Gus Justin, Sensor Engineer



● Spotlight on...

Gusphyl (Gus) Justin, PhD, Sensor Engineer

“My passion for innovation initially brought me to a serendipitous landing at A. O. Smith. I found a kinship working alongside a diverse group of individuals, both with national origin and educational backgrounds.”

As an R&D engineer at the CTC, Gus works to identify and develop sensor technologies to detect environmental contaminants and to provide feedback on the performance of the A. O. Smith products. An important part of his role is to foster the necessary internal collaborations and external partnerships that progress innovation in sensors and their applications to the business and industry.



“We strive to identify technologies that can help us grow our business.”

– Robert Heideman, PhD
SVP & Chief Technology Officer

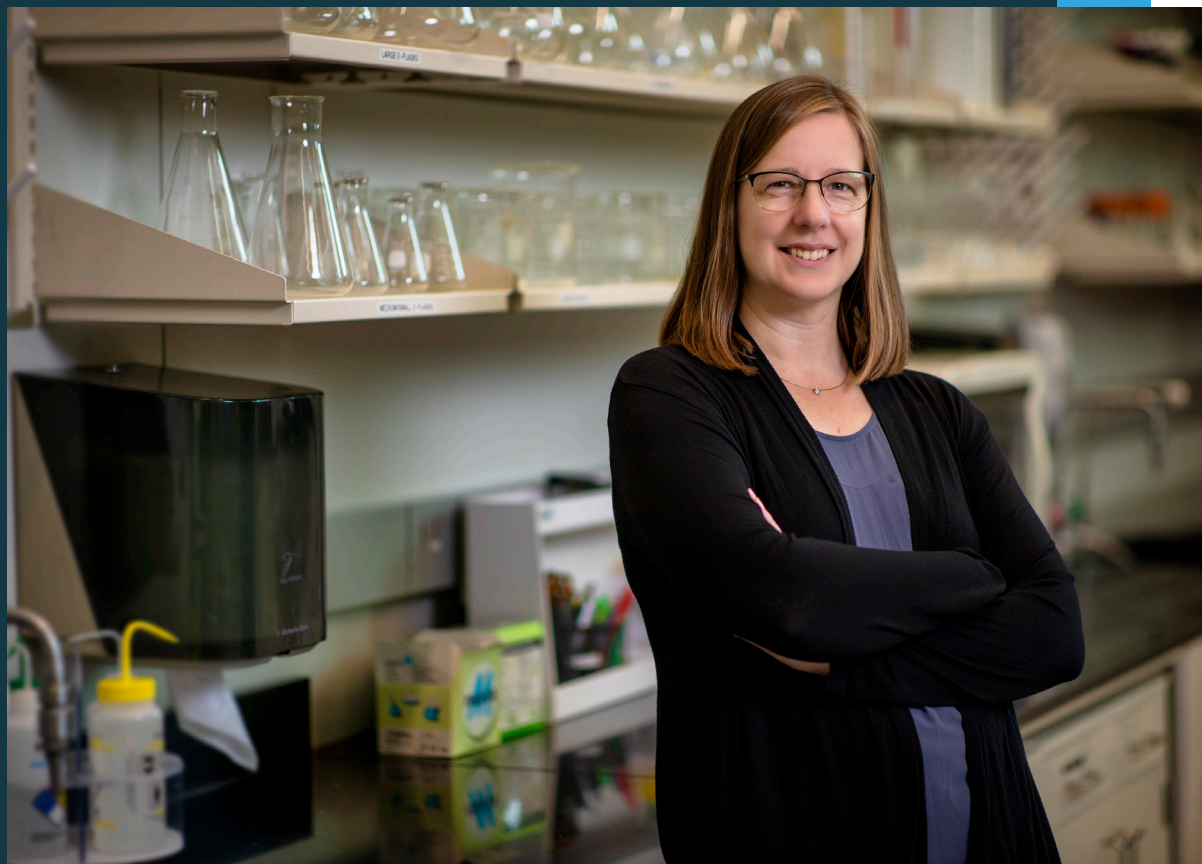
We Shine a Light on Emerging Innovations

● Spotlight on...

Becky Tallon, PhD, Director, Water Treatment Technologies

Q: What about A. O. Smith's commitment to ESG is particularly interesting or inspiring to you?

A: What excites me is our longstanding investment to driving innovation in a way that supports our research and development teams to achieve success. Specifically, my CTC teams identify, develop and implement technologies and then they are passed on to our product and development manufacturing teams which in turn improves our sustainability.



Becky is a Water Treatment Technology Engineering Director. She successfully managed the launch of our water treatment products in North America and continues to assist in shepherding newly acquired water treatment companies into the A. O. Smith family. Aside from her achievements within the A. O. Smith business operations, she also is among the first women to sit on the Water Quality Associations (WQA) Women in Industry Advisory Council.

In 2021, Becky won the Manufacturing Institute's Step Ahead Award, which recognizes women in science, technology, engineering and production careers who exemplify leadership within their companies.

Tech Challenge

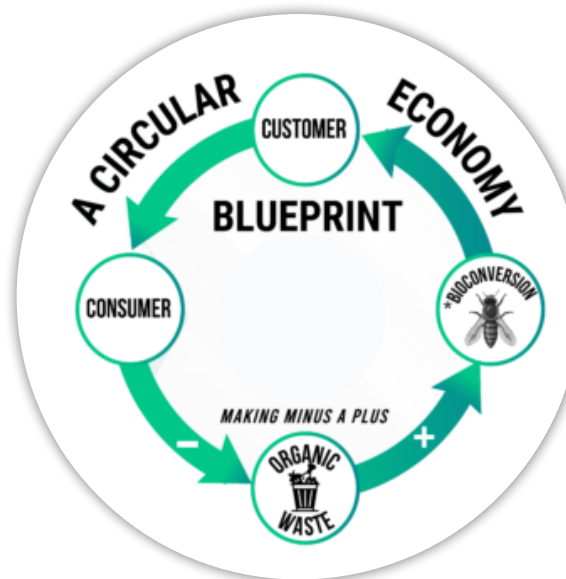
The Tech Challenge is put on by The Water Council and co-sponsored by A. O. Smith. Its purpose is to “accelerate innovation for all.” Every spring and fall, targeted topics are chosen by sponsoring companies. Innovators from all over the world, including university students, researchers, water professionals, private sector and government labs, are invited to submit their innovative ideas for new water technology. This semi-annual competition taps into a global network of water innovators allowing for the discovery of new ideas, talent and investment opportunities. Each innovator competes for prize money, access to corporate R&D resources and the opportunity to partner on the development, marketing, licensing and/or sale of their proposed new water technology.

SPRING 2022 WINNER

TOPIC: Reducing operating expenses in waste management

Biovert Protein: Bangkok, Thailand

This team of food manufacturing industry experts pivoted their focus to address the increasing impact of the world's current waste management practices on climate change. They established a Waste to Resource (WTR) business model to recover more from organic waste to help offset the food supply chain issues. In turn creating an “optimized life-cycle for waste reduction and biomass production.”



SPRING 2022 WINNER

TOPIC: Non-turbine energy harvesting

MIS7: Westerbork, the Netherlands

CONCRETE2ENERGY

This winning team is made up of engineers from The Netherlands who works to store electric energy in concrete. In their next phase of research, they aspire to generate electric energy in the same concrete with paint to not only create energy but store it as well. The future hope is to create a new energy grid with a network of bike roads and buildings, which are able to generate, store and manage electric energy 24/7.



08

A Commitment to Water Stewardship

Water stewardship is a humanitarian issue and a business issue; it is the sustainable use of water achieved through stakeholder engagement that aligns actions at the site with conditions in the watershed. Unlike carbon emissions, water stewardship can't be measured by a single metric or simple framework. Every company faces different challenges based on how they use water and where their operations or supply chains are located. A. O. Smith executives are heavily involved in the leadership of the **Water Quality Association** (WQA), a not-for-profit trade association representing the residential, commercial and industrial water treatment industry, and the **Water Quality Research Foundation** (WQRF), the industry's research arm. The WQA serves as a resource and information source, a voice for the industry, an educator of professionals and laboratory for product testing. Through WQRF, significant resources are being dedicated to independently conduct studies that show the benefits of treated water.



While water stewardship helps companies mitigate risk, it also creates opportunity. Companies that demonstrate credible water action enhance brand value and show investors they take water seriously, something that's important not only to ESG investors but also to any investor that values long-term operational and financial stability.



Water Stewardship in Action

● Spotlight on...



Jim Stern
EVP, General Counsel and Secretary

In 2009, Jim Stern helped A. O. Smith enter the water treatment industry. With his efforts and leadership, the Company evolved from one focused primarily on water heating to a global water technology company. Jim has chaired the Milwaukee-based Water Council since 2018. In April 2022, he became the president of the Water Quality Association (WQA). In these roles, he champions the awareness of water quality and the pursuit of responsible water stewardship, important and fundamental values shared by A. O. Smith, The Water Council and WQA. Stern's leadership at WQA further demonstrates the Company's commitment to the betterment of water quality and is in alignment with WQA's vision to improve awareness and knowledge of water quality.

Q: A. O. Smith leaders are actively involved in two prominent water stewardship organizations: The Water Council and the Water Quality Association; what is the significance of this for the Company?

A: At our core, we are a water company, and we practice what we preach so what we say and what we do are in alignment with one another; our actions – both now and those planned for the future – match our values. As such, it is critical that we work closely with other influential voices in our industry to be a powerful thought leader and change maker around water stewardship. Our partnership with The Water Council and the Water Quality Association are fundamental to who we are as a company and are an important part of influencing the water stewardship agenda, particularly as we innovate around new sustainable water technologies, such as the work we're currently involved in at our Global Technology Centers.

Jim Stern currently serves as EVP, General Counsel and Secretary for A. O. Smith and is responsible for overseeing the corporation's legal, governance, compliance, securities law and government relations functions, and he spends a significant portion of his time on corporate development, sustainability efforts and the company's global water treatment business.

OUR WATER STEWARDSHIP STATEMENT

A. O. Smith acknowledges that water is essential for the global community and for our products. We recognize that many of our most important water resources are stressed. In alignment with our corporate values and legacy culture of continuous improvement, we are committed to understanding water risks and challenges. With an increased focus on water stewardship, we will pursue opportunities where we can have a positive impact within our operations, communities, and products.

“

Water crises are here and now. There's lack of water, there's contaminated water, there's flooding. Not future tense – now. Managing that today is something that companies need to prioritize.”

— **Samuel Karge, President, North American Water Treatment**





Nurturing Leadership & Expertise in the Water Industry

ACSmith
UNIVERSITY

Lochinvar

- Continuing education and training
- In-person and virtual
- New studio with cutting edge technology
- Product labs that provide real-world scenarios in a controlled environment
- Conceptual theory in the classroom and practical application in the lab makes efficient use of students' time and helps them develop the skills they need to further their career

Helping Policymakers with Decarbonization Efforts

As state and local governments continue to take the lead in acting to reduce greenhouse gas (GHG) emissions across their economies, policymakers across the United States are focusing on the role that buildings play in meeting climate change mitigation goals.

A. O. Smith Contributions

To assist policymakers in analyzing the data in their municipalities to find the best practical and affordable approaches, A. O. Smith has developed an analytical tool that models energy usage, environmental impact and potential electrification proposals.

Our tool:

- Is designed to help states, policymakers, utilities, installers and consumers by analyzing energy use data to help attain achievable solutions to meet GHG reduction goals for the future
- Provides a pragmatic roadmap to reducing GHG emissions resulting from water and space heating in buildings
- Can be used to quantify energy use and environmental impact through various policy scenarios for residential and commercial space and water heating solutions in buildings

Policymakers have identified building decarbonization as an important and necessary pathway to significantly reduce greenhouse gas emissions from the building sector.

A. O. Smith is committed to helping policymakers as part of the energy efficiency transformation. In order for this effort to be successful, there must be sustained policies that promote high efficiency technology solutions, customer education, incentives for the purchase and installation of high efficiency equipment.

“A. O. Smith’s research demonstrates the complexities of decarbonizing space and water heating, illustrating that one size does not fit all. Various approaches including electrifying new construction, incorporating demand response, using hybrid heating in cold climates and the customer value proposition should be considered as we look at decarbonization options for existing buildings.”

– Steve Nadel, Executive Director
American Council on an Energy-Efficient Economy (ACEEE)

Commercial and residential buildings accounted for **40%** of total 2020 U.S. energy consumption

Source: U.S. Energy Information Administration. How Much Energy is Consuming in U.S. Buildings?

70M American homes and businesses use natural gas, oil or propane on site for space and water heating

Source: RMI. The Economics of Electrifying Buildings

A Good Place to Work

A Focus on The Safety of our Employees

EHS Council Mission Statement:

The Environment, Health and Safety (EHS) Council provides proactive leadership to internal and external stakeholders that upholds A. O. Smith's values and supports its business objectives. The Council will carry out its mission by developing and implementing a comprehensive EHS program that creates standardization and consistency, meets the Company's compliance objectives and leverages best management practices. Our goal is to continually review, improve and update our EHS program with innovative and sustainable practices throughout the company's worldwide operations.



Great People Make Great Workplaces

Our commitment:

A. O. Smith will be a good place to work

In operating our company, we will attract imaginative and ambitious people. We will emphasize teamwork and welcome diversity in seeking our objectives. We will:

- Create a climate where respect for the individual is fundamental
- Encourage the freedom and personal growth that comes with self-discipline and enthusiasm for work
- Treat each other fairly and without discrimination
- Pay individuals equitably according to their contributions
- Always insist on safe practices

On Diversity & Inclusion:

We believe encouraging diverse perspectives from all employees drives enhanced innovation and results in more creative solutions and higher levels of performance. To that end, Diversity and Inclusion (D&I) is a key component of our People Strategy and is driven by our Chief Executive Officer with the full support from our Leadership Team and Board of Directors. We believe by having a diverse and inclusive workplace, we enhance productivity, improve collaboration, and are able to attract and retain a talented team. Building upon the work we started in 2018 with an initial focus on gender diversity, we broadened our focus in 2021 and 2022 to include racial diversity in the United States. We utilize diversity scorecards to identify opportunities for improvement and track progress in all aspects of D&I. In 2022, we also identified the need to enhance our inclusive leadership capabilities, and have embarked on a multi-year journey to enhance those skills for all supervisors and managers globally. Progress on all of these activities are regular topics of discussion with both the Senior Leadership and with our Board of Directors to ensure continued focus and attention to this important topic.

● Spotlight on...

Alexandria Johnson, Director of Human Resources

“A. O. Smith truly lives by its values, first and foremost, by making this a good place to work. From the CEO to the employees on the shopfloor, you can always count on people to do the right thing. As the company has evolved to meet the ever-changing needs of our team members, we identified an opportunity to expand the way we do business and adopted a remote work policy that provided flexibility. Our first goal was to ensure that this new policy would not detract from the culture of collaboration and innovation that is so deeply engrained at A. O. Smith, so we created a hybrid model (includes both remote and in-office options).”

Alex - a human resources leader - and her team exhibited exceptional leadership in developing a new hybrid work model that included thoughtful consideration of productivity levels. Alex looks forward to continuing to contribute to important human capital related efforts as the company continues to evolve and grow.

31%

of open positions
filled by existing
employees
(Market average:
15.25%)*

Average tenure of
global workforce is

9 years

69%

of employees
are eligible to
work remotely

100%

of employees have
a professional
development plan

*Source: Jobvite Recruiting Funnel
Benchmark Report, 2022



The Model Line Approach

“We’re creating stability in an increasingly unstable world by building a culture of highly engaged people who are solving problems and innovating to drive business performance.”

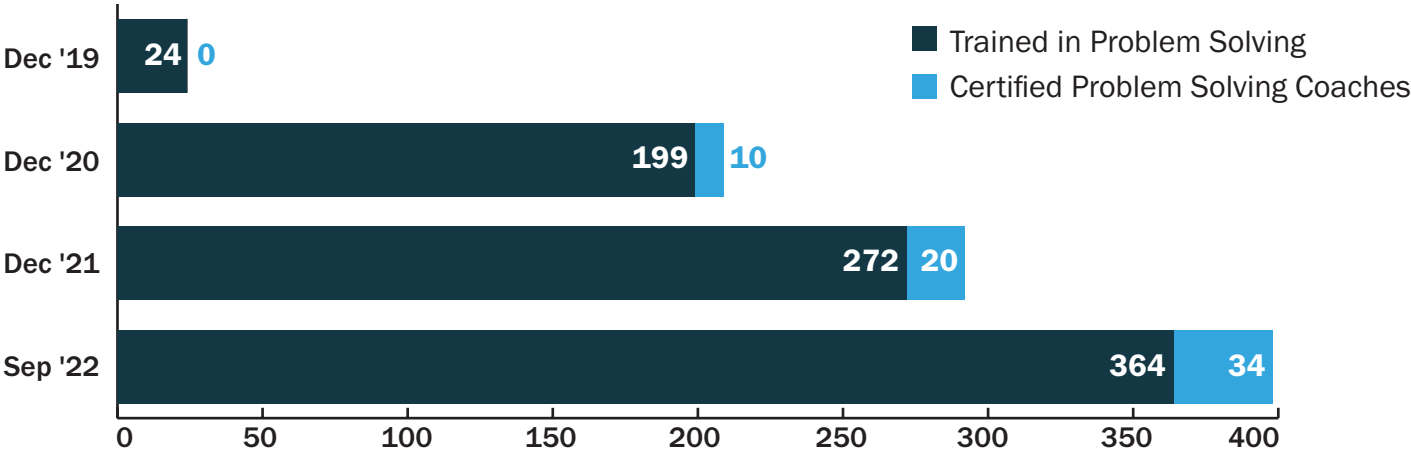
— Cindy Hinds, Global Director, Enterprise Excellence

The A. O. Smith Model Line approach is teaching leaders and their team members how to utilize problem solving strategies themselves as part of their daily operations through professional development programs focused on innovative problem-solving techniques. The objective is that regardless of the problem that manifests itself, A. O. Smith has the capacity to flag problems and address them while they’re relatively small, thus creating little to no business disruption. While the Model Line approach started on the manufacturing floor, it is intended to eventually roll-out enterprise wide.

Working together to codify the behaviors we expect and accept at A. O. Smith and clarifying how we want our culture to be maintained in the long run.



Development of Certified Coaches and Problem Solvers

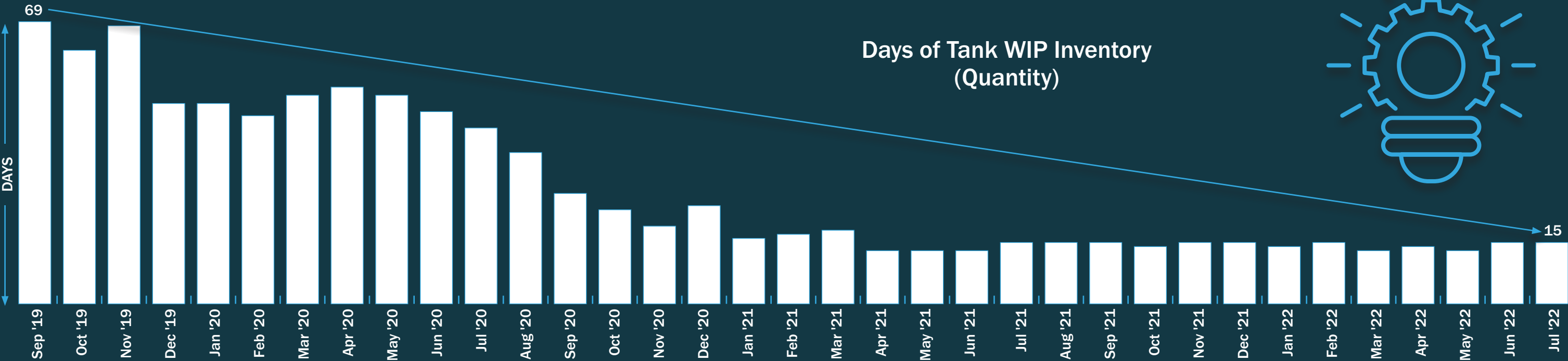


Efficiencies of the Model Line Approach

Problem: One of our main water heater manufacturing sites had 70+ days’ worth of finished tanks sitting in inventory, resulting in lengthy time period between material purchased and goods sold

Solution: Moved from batch production to pattern production, thus allowing manufacturing to run multiple tank SKUs per day (from 1 per day to 10-12 per day)

Impact: This past year, this site hasn’t had more than 15 days of tanks in inventory (down from 70+ in 2019)



The A. O. Smith Foundation

Our Philanthropic Values

Since 1955, the A. O. Smith Foundation has been committed to bettering the communities in which we live and work. We continue to achieve our mission by partnering with a broad range of local organizations in which we feel most passionate in supporting. In addition to providing financial support, we continue to utilize our expertise in innovative technologies and energy efficient solutions to provide clean, safe and hot water to our communities.

Education

The Foundation recognizes that education is perhaps the most important investment an individual can make in their future. We strive to support A. O. Smith individuals in fulfilling their goals in continuing and completing education and we do this through:


- **Our Matching Gift Program:** Providing financial support to adequately assist high schools, qualified colleges and universities.
- **Our Scholarship Program:** Assisting employees' children who plan to continue education in college or vocational technical school, through renewable scholarships. Eligible students can receive awards up to \$3,000.

61 SCHOLARSHIPS
awarded in 2021,
equal to **\$112K** 



In 2021, made
\$1.6M
in donations to nonprofit
community organizations

193 nonprofit
organizations
funded annually 

\$100K donation to the
American Red Cross  to
support humanitarian relief
efforts in Ukraine

Human Services

In times of need, basic necessities like clean, hot water can go miles in not only providing physical support to individuals but also in raising spirits. The Foundation has been fortunate to provide support to communities who have been impacted by environmental natural disasters and housing and accessibility challenges. Some ways in which we have responded to community needs include:

- **Partnership with Habitat for Humanity:** Donated 30 high-efficiency water heaters to the Greater Fox Cities Area Habitat for Humanity in Menasha, Wisconsin. "We assisted the organization in their efforts in empowering families and inspiring community wide action to break the cycle of poverty," said Rita Schwalbach, Manager, A. O. Smith Foundation.
- **Partnership with House of Hope Village:** Donated 24 tankless water heaters valued at \$25,000 to the House of Hope Village in Florence, South Carolina. We are proud to assist in alleviating a large portion of costs for each home and in addition to providing clean, hot and healthy water for this community.
- **Partnership with Good360:** Announced a \$1.5M donation to provide access to clean drinking water to communities in need. Partnering with Good360, thousands of water filters were donated to charitable organizations dedicated to supporting Indigenous families living on reservations, families impacted by natural disasters and more.



Launched a
buy one, gift one
gifting campaign

to provide families impacted by recent natural disasters with access to clean drinking water

Donated more than **2,000**
filtered water bottles to the
Boys & Girls Clubs
of Greater Milwaukee



CASE STUDY: Alverno College update



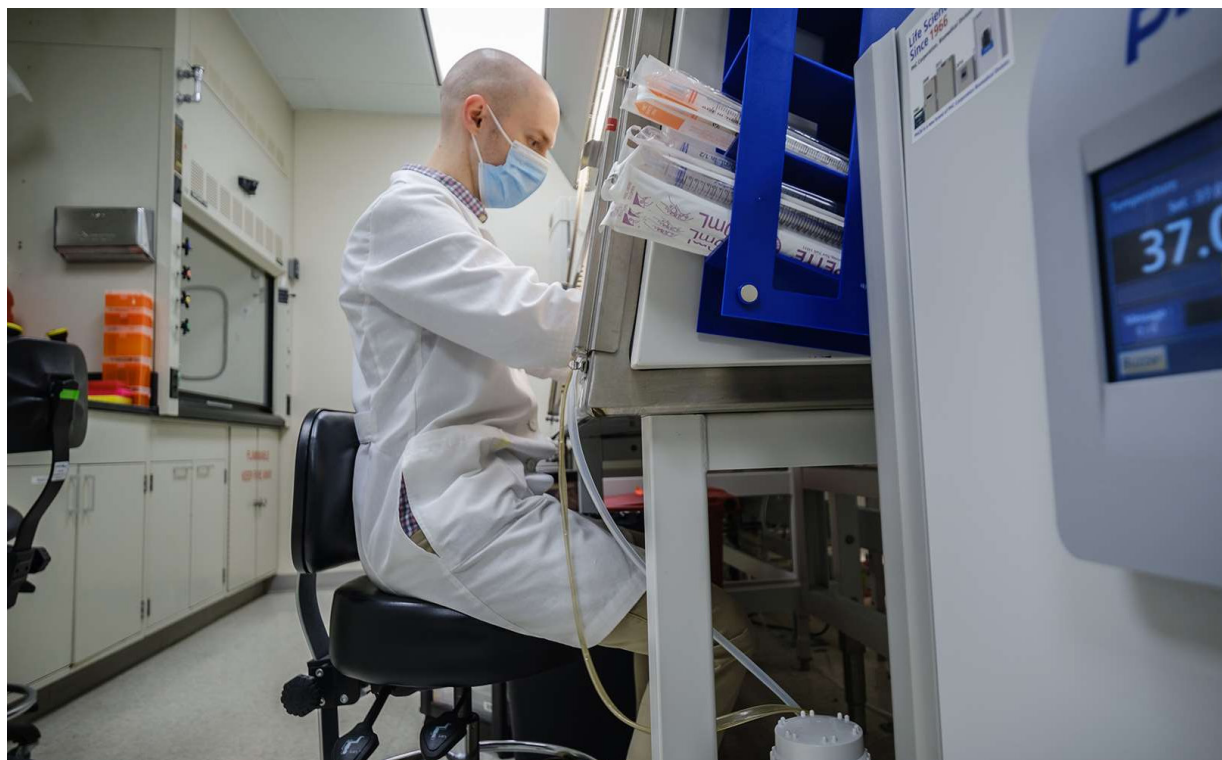
The Alverno College Greenhouse is a living laboratory that allows individuals to participate in engaging and hands-on learning. "The A. O. Smith Foundation was the spark that lit the flame," stated Rebekah Klinger, Director of the Alverno College Greenhouse. It catalyzed the establishment of a sustainability focused, science and nutrition learning center for the College for all students, staff, faculty and community members to enjoy. Over 400 people have visited and experienced it and over 60 student researchers and assistants have utilized and sharpened their skills in the greenhouse since its building in October 2021. This 1,400 square-foot greenhouse includes a classroom space with a state-of-the-art aquaponics facility that sustainably grows plants, vegetables and perch. Individuals explore focuses on food, urban agriculture, water research, conservation and human services industries. The A. O. Smith Foundation is proud to be a major sponsor, providing funds over a 5-year span for startup as well as maintenance and staff costs. This partnership opens opportunities for women to discover STEM careers, feel empowered to thrive and lead, and learn how science, education, arts and more are uniquely intertwined. The goal for the future is to have this greenhouse a centerpiece for the campus, igniting interest and growing more as faculty create space in their courses for this new tool.

The A. O. Smith Foundation

Health

We are dedicated in providing support through innovation, research and continued education specifically within hospitals, substance abuse treatment programs, diseases, medical research, mental health and crisis services.

- In 2016, with our 50-year partnership with the **Medical College of Wisconsin (MCW)**, specifically with the **Cardiovascular Center (CVC)**, we established a postdoctoral fellowship program to support the training of the future generations of cardiovascular scientists. The program unites the best of academic medicine, inspiring research and diverse talent to advance new treatments and procedures. Our funding provides support to 6 postdoctoral trainees per year, since its establishment the program has appointed 11 postdoctoral fellows including 4 individuals who belong to underrepresented groups in science and medicine. This year, we renewed our five-year commitment to the fellowship program and look forward to the future of our important partnership in healthcare with the CVC.



Art & Culture

We contribute to arts and culture organizations and recognize their contribution and impact within our communities. Empowering, preserving, and commemorating events, places and cultures that remain key to the nation.

- We support the **United Performing Arts Fund (UPAF) in Eastern Wisconsin**; it is a performing arts nonprofit organization that's sole intention is to provide financial stability to local artists and groups and to preserve and raise the community up. UPAF supports over 40 diverse performing arts organizations which in turn produces "confident and energized" youth from the community, shared experiences connecting individuals from across the community and finally, performances that "inspire, challenge minds and emotions." The A. O. Smith Foundation is proud to recognize and support UPAF who in turn provides stability to empower the creativity of our youth.



CASE STUDY:

Waverly Water Heater Donation



On August 21st, 2021, detrimental storms swept through the community of Waverly, Tennessee, claiming 20 lives and leaving many with the need to rebuild their homes. 80% of them are people 70 years or older and most of these homeowners live on only social security wages. Although FEMA helped the community at the start of its redevelopment, extensive damages continued to put intense pressure on its people. To support this community, we were honored to donate 200 water heaters to those in need hoping to alleviate the financial burden that comes with rebuilding homes.

“When our family began rebuilding, we had no idea how long the process would take or just how expensive it would be. We're grateful for the money we've saved by not having to purchase a water heater, but the impact of A. O. Smith's donation goes beyond that - it's a huge step toward making our home livable once again, and it's raised our spirits along the way.”

— Susan Hodges, a Waverly resident

Awards & Recognition

2021 Awards

- **Red-Top Award (2)** from the China Household Electrical Appliances Association for the **A. O. Smith QuietFresh** range hood and soft water heating/hot water boiler
- **Vision Award** from *FacilitiesNet* for the **Lochinvar-branded CREST® with Hellicat™ Combustion Technology Boiler**
- **Great Place to Work®** in India
- **Best Places to Work Award** by *Milwaukee Business Journal*
- **ENERGY STAR® Partner of the Year Sustained Excellence Award**
- **Model Enterprise for Environmental Protection** by Jiangsu Province's Department of Ecology & Environment
- **Best Employers in China** (sixth consecutive year)
- **Aquasana** named an **Eco Excellence Award** winner for **Claryum® Direct Connect filter** (sixth consecutive year)
- **Best Water Purifier Brand** by Vietnam's leading newspaper *VN Express* and Ministry of Science and Technology

2022 Awards*

- Ranked #1 for **Hot Water Systems** category in the **Green Builder Brand Index**
- Ranked #4 on **India's Most Trusted Consumer Appliance Brands** and **Most Trusted Water Heater Brand** for the 4th consecutive year by TRA Research
- **Best Places to Work Award** by *Milwaukee Business Journal*
- **Best Water Purifier Brand** by Vietnam's leading newspaper *VN Express* and Ministry of Science and Technology
- **Aquasana** named an **Eco Excellence Award Winner** for **Clean Water Machine** (seventh consecutive year)
- China Household Electrical Appliances Association (CHEAA) Awards: two **Most Valuable Product**, two **Outstanding Channel Performance Product**, **Green Brand for Carbon Reduction Goals**, **Industry Contribution Award**
- **Best Commercial Application of Heat Pump Technology** in the 7th annual "Energy-Saving Cup" Heat Pump System Application Design Competition
- Fourth consecutive **ENERGY STAR® Partner of the Year Award** and second consecutive award for **Sustained Excellence**
- Bronze recognition in **ACHR News Dealer Design Awards** for **X3® Scale Prevention Technology** and **CREST® with Hellicat™ Combustion Technology** from Lochinvar

* Select awards and recognitions received as of time of publication.

Looking Forward

In 2024, we will be announcing water stewardship goals



Operations

We are committed to using water efficiently in our global operations.



Products

We will focus on innovation with our products to provide water and space heating solutions that are energy and water efficient and reduce waste.



Community

We will partner with interested policymakers, regulators, and customers to address water quality and scarcity issues impacting our communities.

10

Forward Looking Statement

This presentation contains statements that we believe are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements generally can be identified by the use of words such as “may,” “will,” “expect,” “intend,” “estimate,” “anticipate,” “believe,” “continue,” “forecast,” “guidance” or words of similar meaning. All forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those anticipated as of the date of this presentation. Important factors that could cause actual results to differ materially from these expectations include, among other things, the following: negative impacts to our businesses, including demand for our products, particularly commercial products, operations and workforce dislocation and disruption, supply chain disruption and liquidity as a result of the severity and duration of the COVID-19 pandemic; lengthening or deepening of supply chain bottlenecks; an uneven recovery of the Chinese economy or decline in the growth rate of consumer spending or housing sales in China; negative impact to our businesses from international tariffs, trade disputes or geopolitical differences; potential weakening in the high efficiency boiler market segment in the U.S.; significant volatility in raw material availability and prices; our inability to implement or maintain pricing actions; a failure to recover or further weakening in U.S. residential or commercial construction or instability in our replacement markets; foreign currency fluctuations; inability to successfully integrate or achieve our strategic objectives resulting from acquisitions; competitive pressures on our businesses; the impact of potential information technology or data security breaches; changes in government regulations or regulatory requirements; and adverse developments in general economic, political and business conditions in the key regions of the world. Forward-looking statements included in this presentation are made only as of the date of this presentation, and the company is under no obligation to update these statements to reflect subsequent events or circumstances. All subsequent written and oral forward-looking statements attributed to the company, or persons acting on its behalf, are qualified entirely by these cautionary statements. This presentation contains certain non-GAAP financial measures as that term is defined by the SEC. Non-GAAP financial measures are generally identified by “Adjusted” (Adj.) or “Non-GAAP.”