2025 SUSTAINABILITY PROGRESS REPORT



A Message From Our CEO



At A. O. Smith, sustainability is not just a goal, it's a core part of who we are and what we do every day. It's woven into our culture, products, operations and commitment to our customers. As a global leader in water technology, we recognize the responsibility we carry to protect our planet while improving lives through the products and solutions we deliver.

Our purpose statement—To Find a Better Way—drives us to continually invest in environmentally sustainable and energy-efficient technologies that heat and treat water. From our advanced water heaters to our state-of-the-art water treatment systems, we are focused on creating solutions that serve our customers and safeguard the communities where we live and work.

This Sustainability Progress Report highlights our dedication, commitment and purposeful action toward meeting and exceeding the goals we've set as a company over the past five years. These reports are more than just metrics—they're a reflection of our values and our unwavering commitment to doing what's right.

Whether it's through innovation, collaboration or stewardship, we're dedicated to finding better ways to serve our customers and protect the world we all share.

Stephen M. Shafer
President and Chief Executive Officer

Energy Efficiency Leader Advancing Sustainability

A. O. Smith continues to demonstrate leadership in energy and water efficiency, driven by our commitment to innovation in water heating and treatment technologies. Our high-efficiency water heaters, boilers, and hybrid heat pumps consistently exceed regulatory standards that lower our customers energy use, greenhouse gas emissions, and operational costs.



Voltex Heat Pump



Quad Pro RO Water



Adapt Tankless



Crest Boiler



Cyclone Commercial

Manufacturing Innovation and Continuous Improvement
5-Year Progress on Environmental Goals

2019
- Established Greenhouse Gas Goal

2023
- Water Stewardship Program Launched
- The Water Council - WAVE Verified

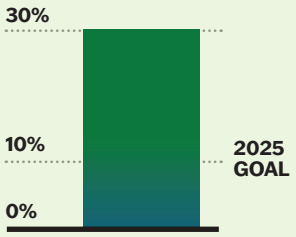
2024
- Established Water Goal

2025
- The Water Council – WAVE Action Verified
- Established Landfill Waste Diversion Goal

Greenhouse Gas

GOAL: 10% intensity reduction by 2025[1]

STATUS: Achieved 30% intensity reduction in 2024, exceeding our 2025 goal





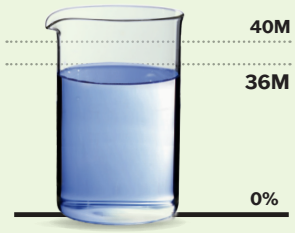
Spotlight on China

Installed on-site solar electricity at our plant in Nanjing, China and recognized the first full year of operation in 2024, which provided 26% of the facility annual energy.

Water

GOAL: Annual savings of 40M gallons by 2030[2]

STATUS: 36M gallons saved





Spotlight on Tennessee

A. O. Smith Product Development Center in Lebanon, Tennessee USA: test water recirculation system commissioned in 2025.

Waste

GOAL: 525,000 pounds of waste diverted from the landfill by 2027[3]

STATUS: Established 2024 baseline





Spotlight on South Carolina

Capturing glass enamel from our McBee, South Carolina, USA tank manufacturing process and returning to the Protective Coatings Division manufacturing plant for re-use as a raw material. This has benefits of energy and water savings and avoids landfilling 650,000 pounds (294,835 kilograms) of glass per year.

[1]2019 baseline

[2]2023 baseline, Water savings = water reduced + water recycled. M = million

[3]2024 baseline, 7 largest North America Manufacturing Plants, Landfill diversion = waste reduction, recycling, energy recovery.

Sustainability Scorecard

2025 UPDATE	2019	2020	2021	2022	2023	2024	2024 vs 2023	Goal[4]
CLIMATE AND ENVIRONMENT[1]								
Greenhouse Gas Emissions Intensity (Metric Tons CO_2e/$MM rev)[2,3]	59.52	60.31	49.14	42.72	41.28	41.23		53.56
Greenhouse Gas Emissions (Metric Tons CO_2e)[2,3]	172,181	166,577	165,017	147,708	146,991	145,007	▼	
Natural Gas Usage (MWh)[2,3,5]	445,033	398,052	360,580	322,853	285,603	250,091		
Electricity Usage (MWh)[2,3,6]	190,707	182,014	188,643	175,121	179,316	176,630		
Total AOS Greenhouse Gas Emissions (Metric Tons CO_2e)[7]	174,861	169,419	168,002	150,685	149,783	148,650		
Water Usage (gallons 000s)[2]	362,129	351,127	347,650	348,096	358,200	335,655		
Water Goal Usage (gallons 000s)[8]					420,747	384,005	▼	380,747
Waste to Landfill (lbs 000s)[9]						12,129		11,604
HEALTH & SAFETY								
Total Recordable Incident Rate (TRIR)[10]	0.94	0.94	1.06	1.13	1.38	1.11		100%
DEVELOPMENT & STABILITY								
Full-Time Salaried Employees with documented development plan	100%	100%	100%	100%	100%	100%	◄ ►	100%
Average tenure of executive leaders (years)	22	19	18	16	16	14		
ETHICS								
Full-Time Salaried Employees certifying adherence to code of conduct[11]	100%	100%	100%	100%	100%	100%	◄ ►	100%
Suppliers certifying adherence to code of conduct[12]	n/a	34%	59%	76%	80%	83%	▲	90%
PRODUCT STEWARDSHIP								
Revenue from Green Products[13]	30.5%	32.1%	30.0%	31.7%	32.2%	30.9%		
GHG Avoidance from water heaters and boilers[2,13] (Metric Tons CO_2e)	487,383	473,724	494,825	584,725	562,243	585,633		
Displacement of Single-Use Plastics (millions of bottles)	1,200	1,400	1,300	1,800	2,121	3,611		
DIVERSITY								
Women employees among full-time global workforce	42%	41%	39%	32%	30%	31%		
Employees with racial/ethnic diversity among U.S. workforce			28%	27%	29%	30%		
COMMUNITY SUPPORT								
A. O. Smith Foundation grants ($MM)	$1.6	$1.7	$1.6	$1.8	$1.7	$2.1		

1. The Greenhouse Gas Emissions Intensity, Greenhouse Gas Emissions, Natural Gas Usage, Electricity Usage for 2019-2023 are restated based on a changes from a 3rd party verification audit: data corrections, updates to emission factors and inclusion of processes.
2. Locations included in greenhouse gas goal: manufacturing operations, excluding three small facilities and acquisitions since 2019.
3. Greenhouse gas calculations incorporate the most recent electric grid emissions factors on Jan 1 of the reporting year.
4. Goal Years: GHG (2025), Water (2030), Waste (2027).
5. Includes natural gas and bulk propane.
6. Includes purchased electricity and on-site solar electricity.
7. Total AOS greenhouse gas emissions including >95% of operational boundary.
8. Water goal locations including 99% of operational boundary.
9. Includes 7 largest North America manufacturing plants generating 85% of total waste to landfill.
10. 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 A.O. Smith derived enterprise-wide standard TRIR of 2.69; the average of the 2021 Bureau of Labor Statistics standards that are applied to each A.O. Smith facility depending on their NAICS code.
11. Includes attestations for individuals employed as of 3/5/24.
12. North America direct suppliers.
13. Includes annual revenue from North America water heaters and boilers performing above the Department of Energy minimum efficiency standard, including ENERGY STAR products, China heat pump water heaters and condensing boilers and global water filtration products. 13. Calculation: Annual greenhouse gas (CO_2e) emissions from a standard efficiency equivalent product minus annual greenhouse gas emissions (CO_2e) from North America water heater and boiler units sold performing above the Department of Energy minimum efficiency standard, including ENERGY STAR products.