2023 Boland Annual **Sustainability Report**

How we're making an impact on our industry, community, and beyond.

BOLAND

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Executive Summary

Our Company

Boland's rich history as a family-owned company is rooted in service – service to our clients, associates, community, and the planet. Established in 1960 as an HVAC equipment sales company, Boland has evolved into the largest commercial HVAC & energy services company in the Washington, DC area. Because HVAC consumes around half of a commercial building's utility bill, Boland recognizes the responsibility we have to help our clients build, operate, and modernize their buildings sustainably. We also recognize our responsibility to operate our business sustainably and serve as an example to our clients, partners, and community.

"Today, more than ever, the successful manager must be a change seeker - always have a constructive discontent with existing practices. An organization without change will become rigid and atrophied."

-Louis J. Boland, Founder

Vision

Today, Boland's mission is simply to make buildings better. Better buildings are healthy, energy efficient, and productive – which is better for people and the planet. Boland helps clients optimize their buildings while meeting their building, business, and sustainability goals – from providing comfortable indoor environments and saving money to meeting greenhouse gas (GHG) emissions reduction goals.

"Boland can help our clients with their decarbonization goals by first making buildings more energy efficient, which we have been doing for more than 60 years."

-Sean Boland, President

BOLAND

Sustainability Highlights

In 2023, Boland progressed in all areas of our sustainability commitments. Our goals and targets are categorized into these four commitments:

Reduce Client GHG Emissions

Lead By Example

People & Philanthropy

Market Leadership

We reduced our clients' GHG emissions by 3,790 metric tons of CO2e. In addition to this, we also helped our clients apply for and win $1.5 million in utility incentive dollars and grants, thus helping them justify and move these energy efficiency projects forward. For our own operations, we achieved goals ranging from reducing our GHG emissions intensity by 22% to being named by the Washington Business Journal as a "Best Places to Work" for the 16th year.

In 2023, Boland decided to advance our sustainability efforts by rating our company using the EcoVadis Sustainability Rating system. Ecovadis is the world's largest ESG ratings platform, used by 130,000 companies in 180 countries around the world. We scored 60/100 which is in the 77th percentile of companies rated and received a "Silver" rating.

Environment: 60 *out of 100*

Labor and Human Rights: 60 *out of 100*

Sustainable Procurement: 50 *out of 100*

Ethics: 70 *out of 100*

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2023 Goals & Progress Summary

Objectives and progress in these four commitment areas are summarized below.

Reduce Client GHG Emissions

Objective: Help clients reduce their GHG emissions

Highlights:
- Reduced client emissions by 3,790 metric tons CO2e
- Set goal to reduce emissions by 4,030 metric tons CO2e in 2024
- Saved clients over 1 million gallons of water through optimized water treatment programs

Lead By Example - GHG Emissions

Objective: Reduce Boland GHG emissions intensity by 25% by 2030

Highlights:
- Reduced GHG emissions intensity by 22% over 2018 baseline
- Performed audits at two Boland facilities
- Replaced fleet vehicles with more fuel-efficient models resulting in a 23% GHG intensity reduction over 2018 baseline
- Eliminated 27.3 metric tons CO2e through remote services program

Lead By Example - Water

Objective: Reduce water usage at Boland facilities

Highlights:
- 22% kGal reduction in sewer water from 2021 to 2023 due to water treatment optimizations
- Set goal to determine whether it is feasible for Boland to measure and create a baseline for water usage for Chantilly, Lanham, Largo locations

Lead By Example - Waste

Objective: Reduce waste to landfill in business operations

Highlights:
- Initiated an automated tracking process for waste and recycling tonnage at Gaithersburg, Lanham, and Largo sites
- Identified areas for reduction in waste to landfill
- Set a goal for a 65% waste diversion rate by 2030

People and Philanthropy

Objective: Create a positive and productive working environment in which our diverse team of associates, partners, and clients are empowered to work, learn, grow, and thrive

Highlights:
- Recognized as Washington Business Journal “Best Places to Work” for the 16th year
- Increased gender diversity in our engineering teams
- Safety education and behaviors resulted in best-in-class safety record, as demonstrated by EMR rating of 0.56
- Actively worked to make a positive impact on our community through direct donation, volunteerism, and environmental impact

Market Leadership

Objective: Empower and educate HVAC professionals and tradespeople to provide solutions that directly impact the world’s clean energy future. Represent, inform, and advocate for the HVAC industry as a decarbonization solution

Highlights:
- Delivered energy & sustainability classes to 570 associates, clients, and peers
- Presented building energy legislation training to Mechanical Contractors & MEP’s
- Served on Montgomery County Building Performance Improvement Board, USGBC NCR Chapter Market Leadership Advisory Board, and as Building Innovation Hub Ambassador

Helping Clients and the Planet

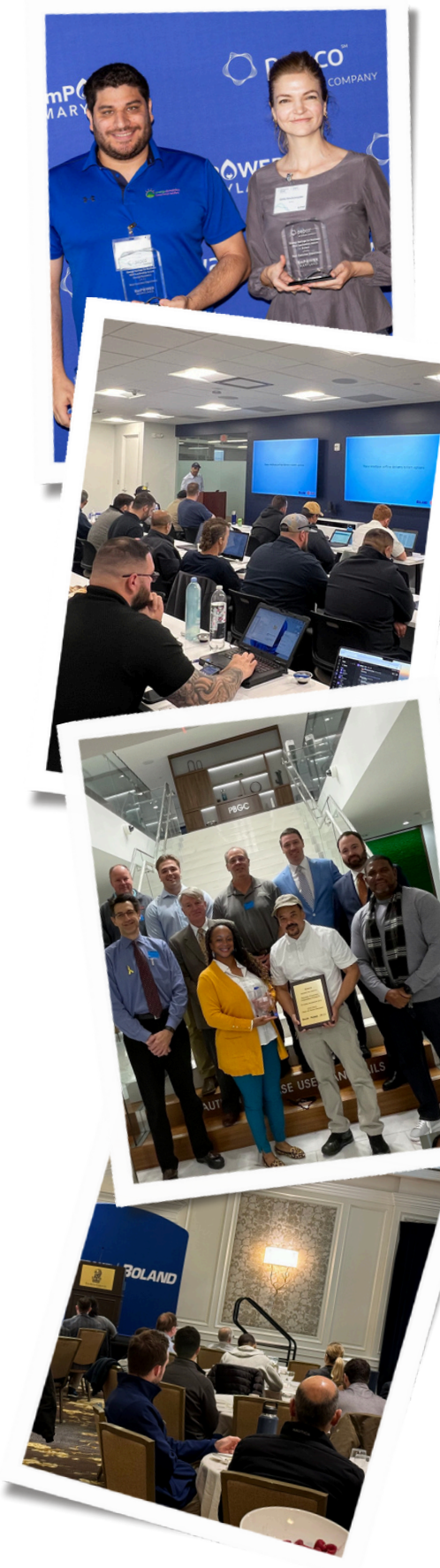
Boland's services are inherently sustainable – the purpose of the work we do each day is to optimize HVAC equipment and systems operation and prolong service life. We support clients' building energy systems throughout their entire life cycle – from original design and construction, throughout operation and maintenance, to restoring and modernizing equipment and systems when they are past their useful life.

Our HVAC experts provide design assistance to ensure clients have access to the latest technologies, applied in the most energy efficient manner, to help them make smart investments that meet their goals. Our innovative and sustainable product offering gives clients the options they need to provide the desired performance for any building type.

When it comes to maintaining those systems, Boland's service team uses an onsite, hands-on approach in combination with remote services and analytics to help clients achieve their building and energy performance goals. We form collaborative partnerships with clients, educating them on best practices while providing insights for continuous improvement and constant visibility into their buildings.

When it is time to modernize systems, Boland helps clients weigh their technical options with their budget, timeline, sustainability goals, and any applicable compliance requirements. We help clients find financial resources to move projects forward, and then monitor performance post-install to ensure sustained performance and continually prove investment value.

Our clients are challenged with achieving organizational sustainability goals while also complying with evolving federal, state, and local climate legislation and building codes. There are more resources than ever to meet these challenges, yet clients struggle with available personnel to take advantage of them. Boland serves as a center of excellence for our clients as well as the local building and HVAC community, working to educate, advocate, and remove barriers to healthy, efficient buildings. Since our geographic area is the epicenter of climate legislative activity, Boland participates in local legislative and industry boards and associations, serving as a technical resource and advocate for creating policies and standards that make sense for our buildings, our people, and our planet.



BOLAND

Sustainability Goals & Commitments

Boland's commitment to sustainability starts with our operations, extends to our network of suppliers and partners, and broadens to our local community of commercial buildings. This commitment leads to a more sustainable operation, workforce, and market built to support building owners in their effort to achieve sustainability and decarbonization goals. Boland focuses our efforts in four key areas:

Reduce Client GHG Emissions

- Increase energy efficiency in buildings
- Transition out of high-global warming potential refrigerants
- Promote clean technologies that heat and cool buildings sustainably

Lead By Example

- Reduce Boland operations' GHG emissions by 25% by 2030
- Reduce water usage at Boland facilities
- Reduce waste to landfill in Boland operations

People & Philanthropy

- Create a positive and productive working environment in which our diverse associates, partners, and clients are empowered to work, learn, grow, and thrive
- Utilize recruitment, hiring, and retention strategies that embrace diversity and increase participation of underrepresented groups
- Inspire others by making a positive impact on our community through direct donation, volunteerism, and environmental impact

Market Leadership

- Empower and educate HVAC professionals to provide solutions that directly impact the world's clean energy future
- Represent, inform, and advocate for the HVAC industry as a decarbonization solution

Reduce Client Greenhouse Gas Emissions

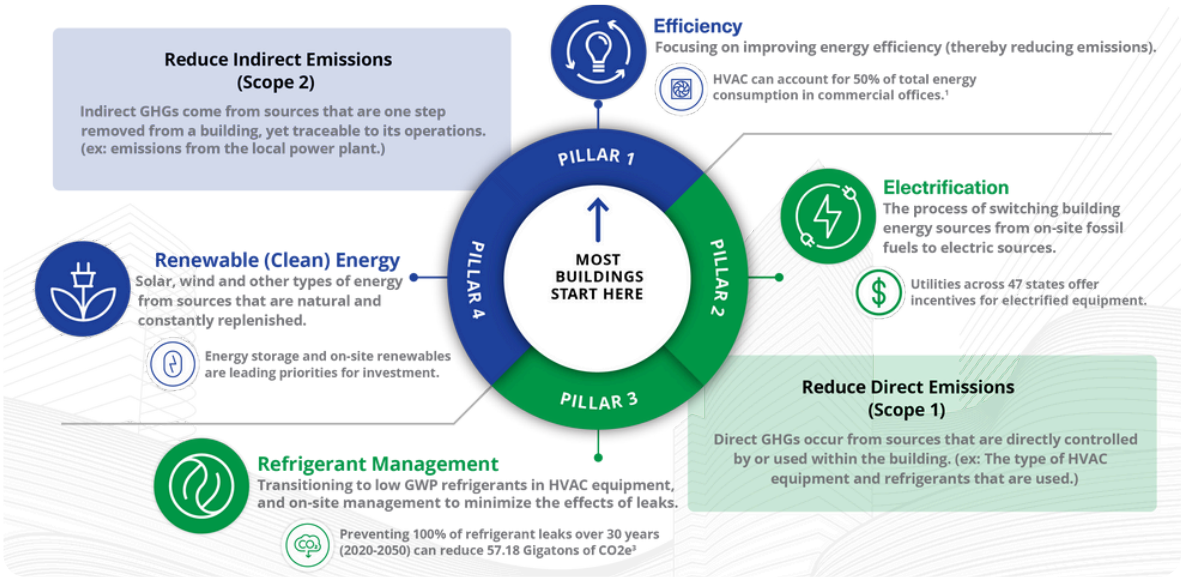
Boland provides service and solutions to thousands of buildings in the Washington, DC metropolitan area. Since HVAC is generally 40-50% of a building owner's utility bill, and buildings use 40% of the U.S.'s primary energy use*, that means buildings are a significant part of the solution to helping clients meet their decarbonization goals. Our technicians, engineers, and other experts are in our clients' buildings every day. We know our clients' systems, equipment, and people. We serve as trusted advisors and subject matter experts on HVAC and building energy systems, decarbonization, building legislation, and incentives while making recommendations accordingly. Therefore, Boland's influence is critical to helping clients achieve their goals while helping the planet. In 2022, we reduced our clients' GHG emissions by 10,226 metric tons of CO2e.

3,790 metric tons of CO2e reduced in partnership with our clients **in 2023**

In 2023, Boland reduced GHG emissions for clients by 3,790 metric tons CO2e through the implementation of various projects. This number went down when compared to 2022 due to several factors, the most impactful being a change in our local grid factor (additional information can be found at **Emissions & Generation Resource Integrated Database (eGRID) | US EPA**). Because of this, our goal for 2024 has been reset to 4,030 metric tons which is a 10% improvement over 2023.

Boland's approach to meeting this goal starts with educating building owners on the sources of carbon emissions within their buildings, and the process to decarbonize.

Four Pillars of Building Decarbonization



We help establish the link between their buildings and carbon footprint, and the significant role their HVAC system has on their bottom line. Boland works with clients to set achievable building performance goals, taking into account local legislation such as Building Energy Performance Standard (BEPS) laws and available resources to fund projects such as utility incentives, grants, and green banks. Boland then evaluates the client's building to determine the efficiency of existing systems, discusses refrigerant management and transition, evaluates electrification and renewable energy options, then makes recommendations to meet the client's emissions goals.

We calculate energy and CO2e savings, as well as help clients build a financial case to meet their procurement requirements. In 2023, we helped our clients apply for and win approximately $1.5 million in utility incentive dollars and grants for energy efficiency projects, thus helping them justify and move these energy efficiency projects forward.

Because HVAC accounts for approximately half of a commercial building energy's use, our solutions directly impact the planet.

Lead By Example - Boland Operations

Boland believes it is our responsibility to not only provide clients with sustainable solutions but to apply them to our own buildings and business operations. To do this, a GHG emissions inventory was developed and documented using the EPA's "Simplified GHG Emissions Calculator" following the World Resources Institute, The Greenhouse Gas Protocol. A 2018 baseline was established and used as a basis for establishing reduction targets. In addition, we are evaluating our water usage and waste to landfills resulting from our operations to set baselines and corresponding reduction goals.

01

GHG Emissions

Reduce GHG emissions intensity by 25% by 2030

02

Water

Develop a plan to measure and create a baseline & goal for reducing water usage at Boland facilities

03

Waste

Reduce waste to landfill by increasing waste diversion rate to recycling, and educating employees on recycling best practices

Greenhouse Gas (GHG) Emissions

Virtually all of Boland Scope 1 and 2 emissions result from energy used by our four facilities located in Gaithersburg, Lanham, Largo, Maryland; and Chantilly, Virginia; and our fleet of service vehicles. Therefore, we are focusing primarily on energy initiatives for these sources to achieve our goal of a 25% GHG emissions reduction intensity by 2030.

2022

Boland reduced GHG emissions intensity by **20%** compared to a 2018 baseline

2023

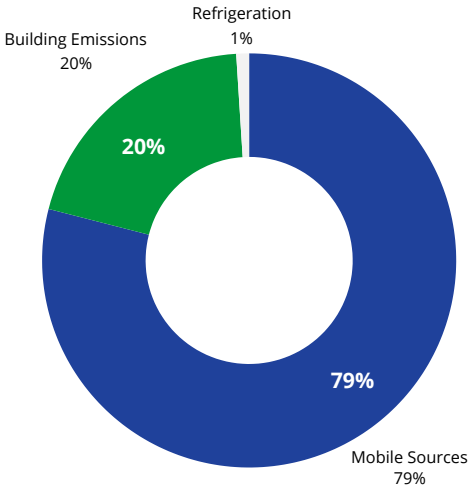
Boland reduced GHG emissions intensity by **22%** compared to a 2018 baseline

Building Energy

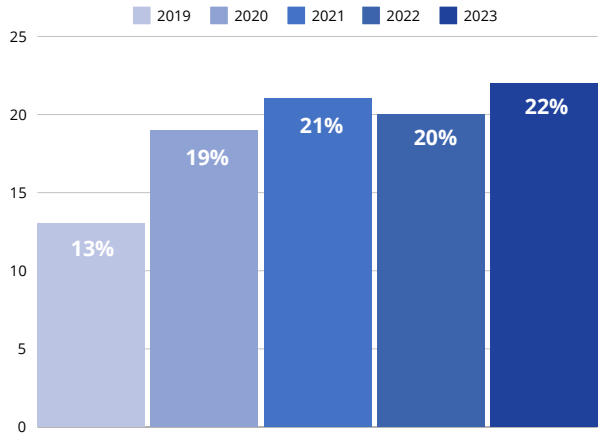
As a building energy systems expert, Boland understands the importance and challenge of making buildings more energy efficient. We evaluate all buildings in terms of energy supply and demand side and thus plan to evaluate all our facilities' energy supply contracts, as well as audit their energy consumption and demand to determine reduction opportunities.

In 2023, Boland reduced total building energy usage for our facilities including locations in Gaithersburg, Largo, and Lanham, Maryland; and Chantilly, Virginia, resulting in a 21% GHG emissions reduction (metric tons CO2e) compared to a 2018 baseline.

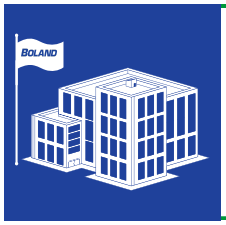
2023 Boland Emissions



GHG Intensity Reduction Compared to 2018



Boland uses site EUI, or Energy Usage Intensity (kBTU/SF), to measure energy performance in our buildings. The chart below details energy reduction by site, resulting in a net total GHG emissions reduction between 2018-2023 of 78.4 metric tons of CO2e.



GAITHERSBURG, MD: Boland HQ

kTBU Reduction 2018 vs. 2023: 18.7%
CO2e net reduction 2018-2023: 78.8 metric tons

Site EUI
99.8 ↓ 94.3

CHANTILLY, VA: Boland Supply

kTBU Reduction 2018 vs. 2023: 37.8%
CO2e net reduction 2018-2023: 2.5 metric tons

Site EUI
28.7 ↓ 20.9

LARGO, MD: Boland Supply

kTBU Reduction 2018 vs. 2023: -13.2%
CO2e net reduction 2018-2023: -3.2 metric tons
**facility expansion increased square footage*

Site EUI*
21.2 ↑ 23.7

LANHAM, MD: Boland Warehouse

kTBU Reduction 2018 vs. 2023: 2.2%
CO2e net reduction 2018-2023: 0.3 metric tons

Site EUI
23.2 ↓ 15.3

Future efforts include the following initiatives:

- Perform energy audits at Largo facilities. Evaluate and implement recommendations from the energy audit at Lanham and the lighting audit at Chantilly
- Evaluate electricity and gas supply contracts at all facilities upon renewal (2024 for Gaithersburg) to include more renewable energy
- Evaluate Lanham facilities for lighting upgrades (Gaithersburg and Largo completed)
- Evaluate installation of solar PV at Boland facilities

Fleet Energy

Boland provides HVAC maintenance and repair services to thousands of buildings throughout the Washington, DC metropolitan area. Our team of 150+ technicians performs maintenance as well as responds to emergency service calls both onsite and remotely. Our technician truck fleet represents the largest portion of our company's carbon footprint. To reduce emissions and lower operational costs, Boland has been converting our fleet of service vans systematically over time to more compact, fuel-efficient vehicles.

In addition to this, Boland service coordinators make an effort to create efficient and effective routes for our technicians. In 2023, Boland realized a 23% fleet GHG emissions intensity reduction based on a 2018 baseline. This is a result of converting the fleet systematically over time to more compact, fuel-efficient vehicles.

Boland technicians took 631 remote service calls, eliminating 505 truck rolls, preventing an estimated 25.3 metric tons of GHG emissions.

In 2012, Boland developed a remote services program giving our technicians the ability to securely connect to qualified systems via the internet to resolve issues and perform certain maintenance tasks without driving to the site. In 2023, Boland technicians took 631 remote service calls, eliminating 505 truck rolls, and preventing an estimated 25.3 metric tons of GHG emissions. This innovative technology has helped drive faster responses for the client, save them money, as well as help Boland better manage our labor pool.

In addition to the Smart Desk which addresses reactive issues, in 2023 Boland started tracking and utilizing remote services to perform scheduled maintenance service. In 2023, technicians performed 40 scheduled maintenance visits remotely, avoiding truck rolls and preventing an estimated additional two metric tons of GHG emissions. This number plus the avoided service calls adds to preventing 27.3 metric tons of GHG emissions in 2023. This is a 22% improvement over 2022. Boland plans to formalize and expand this program even further in 2024.

Other progress made in 2023 includes a study of converting our fleet to electric vehicles. We analyzed potential environmental impact, cost implications, behavioral changes required, supply chain issues, and feasibility for our technicians in outlying areas. We are continuing to evaluate this as a potential option. For example, converting 5 of our gas-powered service vans to EV would avoid 68 metric tons of CO2 each year.

Future efforts include evaluating the feasibility of the following initiatives:

- Implement a policy to reduce vehicle idling
- Install alternative fuel infrastructure such as vehicle charging stations at Boland facilities for both associate- and company-owned vehicles
- Continue to evaluate converting the fleet to electric or hybrid vehicles (including forklifts)
- Minimize vehicle miles traveled
- Consider replacement or elimination of F-550 diesel truck

Other GHG Emission Sources

In addition to building and fleet energy, additional sources of GHG emissions were investigated as part of the GHG inventory including HVAC refrigerants, industrial gases, and fire suppression equipment. It was determined that no industrial gases or fire suppression equipment had reportable releases in 2018-2023.

Regarding HVAC refrigerant, the “Screening Method” was chosen for the GHG inventory to incorporate reported releases in addition to a standard leakage rate. All HVAC equipment at all Boland locations is maintained by Boland technicians. This equipment receives regular scheduled maintenance including leak checks and repairs as needed.

Water

Boland understands that water is a finite resource, and therefore is committed to analyzing how water is used in all locations for cafeterias, bathrooms, water fountains, irrigation systems, and HVAC systems. In the absence of historical usage data for all locations, a plan to measure, baseline, and set reduction goals accordingly will be developed in 2024. Water for the Gaithersburg location comes from the Potomac and Patuxent Rivers.

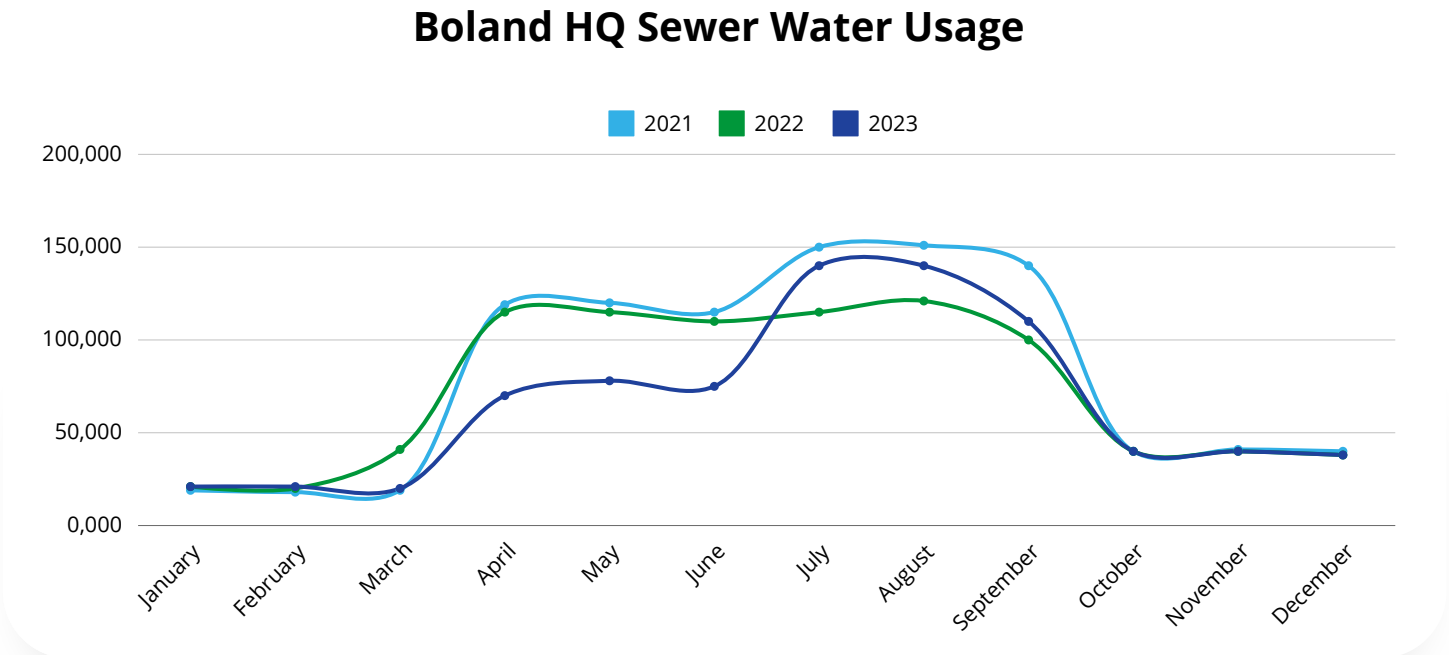
The local water company, WSSC Water, maintains six water resource recovery facilities in Montgomery County and Prince George’s County. Since this water goes back to the Chesapeake Bay, Boland realizes its responsibility to use less water to help maintain the bay levels as well as reduce water pollution.

2024 Planned Initiatives:

- Continue to monitor water usage and identify reduction and management strategies

Boland's approach to reducing water consumption starts with reviewing contracts at leased spaces to determine how we are charged for water. In 2023, Boland evaluated the existing leases at our locations and determined Boland should focus on the HQ building in Gaithersburg for measuring and reducing water usage. Boland will work with property management company to evaluate installing water meters. Metering is an important step to understanding how the buildings are performing and creating a baseline for a future goal to be set.

Currently at the Gaithersburg location, Boland identified a 22% reduction in sewer water usage in 2023 compared to the baseline year of 2021 due to Water Treatment control optimizations. For more information on how this was achieved, see our **Water Treatment highlight** under the **Client Focused Solutions section**.



Additional items to be evaluated include the irrigation systems at our facilities, fixtures at the Largo, Lanham, and Chantilly locations, and an education program for associates.

Waste

At Boland, we are committed to responsible decision-making about our everyday waste and byproducts. We seek to better understand the options available to us to lessen the impact on our environment that results from our business operations.

Our goal for 2024 is to continue to expand our awareness of our waste practices, consult with local experts in waste management, and implement policies and procedures that reduce our overall waste to landfill.

2024 Planned Initiatives:

- Set a goal of increasing waste diversion at Boland owned and leased facilities to 65% by 2030
- Implement identified improvement measures in waste reduction and increase diversion rate
- Explore options to expand reduce/reuse/recycling capabilities
- Establish a feedback loop for vendor packaging in the vendor management program

We have classified our waste into five categories: Products, Services, Packaging, Office, and Recycling. Below are some examples of how we plan to reduce waste in each of these classifications:

Product Waste

Boland strives to responsibly ensure that our products are recycled or reused whenever possible. If a product is at the end of its life, we encourage our hauler to recycle scrap metal and components from the equipment to reduce waste to landfill. If equipment still has useful life, we pursue other options such as using it for our rental business or reusing durable parts as approved.

We support Trane Technologies in its **circularity mission**. Trane has invested in its circularity approach by joining the Circularity Council in 2021 and REMADE Coalition in 2022. When Boland encounters a piece of equipment (like a compressor or a motor) that Trane can refurbish, we will send it back to them to give that equipment new life. This reduces waste to landfills while increasing affordability for clients.

Service Waste

Boland is a service-minded organization, and with that, is also mindful of the everyday waste that results from the way that we do business with our trucks. Our fleet of more than 150 technicians generate scrap and byproducts because of the countless repairs we make daily. We intend to educate and empower our technicians regarding increased disposal options for recyclable and reusable materials, and materials that need special disposal (refrigerant, oil, chemical cleaners, lightbulbs, batteries, etc.).

Currently, our policy is for the technician to leave the job spotless and take any waste with them when they leave. Some of our client sites have recycling programs in place that we can utilize, while some do not. Our goal is to better understand the waste that technicians bring home with them every day and give them responsible disposal options. Developing easy-access technician recycling centers at each of our supply locations is one potential option to encourage best practices among our fleet.

565

refrigerant leaks repaired by our Boland service technicians **since 2018**

We have programs in place to responsibly reclaim used refrigerants and recycle oil according to EPA guidance. Since 2018, we have repaired 565 refrigerant leaks, which avoided hidden refrigerant release into the atmosphere. Continued increases in our preventative maintenance contract base will further increase our reach in this specialty while helping our clients achieve their Scope 1 fugitive GHG emissions goals. This is especially crucial for buildings with high GWP refrigerants, like R-22 and R-410a.

We are exploring options for measuring the impact of these increased recycling measures. Ideally, a baseline for current service waste recycling is determined and then tracked annually, however, it is unknown if this is currently feasible. Another option would be to have our recycling weighed before being hauled.

Packaging Waste

Boland has hundreds of business partners across all our lines of business. With this, we have thousands of suppliers with varying sustainability efforts. Our philosophy is to encourage our suppliers to make responsible packaging decisions, then make the best out of what we receive in our warehouses. We also support Trane Technologies' **Supplier Packaging Guidelines** that give preference to returnable, reusable, and recyclable packaging, in that order.

Boland has programs in place to reuse packaging as much as possible. This includes using small boxes and air pillows for internal shipping among warehouse locations, donating larger boxes to associates for their personal use (moving boxes, storage, or hobbies), and giving wood pallets away for associates that do woodworking or donating to local nonprofits that need them.

Another example of reuse is Boland donates 55-gallon containers to an associate for his Boy Scout Troop to use for their annual floating dock project. This gives the containers another life and prevents the Troop from having to buy new containers.

Our goal in this category is to better understand and expand our recycling options with the county or private recycling collectors. We plan to have consultations with local recycling experts to determine where we can increase our recycling efforts. We also will provide feedback to our suppliers for packages that are irresponsibly packed. Continued and repeated environmentally irresponsible packaging will result in a decreased preference for that supplier.

Office Waste

Boland aims to operate our office environments with minimal waste. We recycle cardboard, plastics, and aluminum wherever possible. We strive to operate our business with minimal impact on the environment. We underwent a paperless transition in 2019 that resulted in an average of 67% less paper consumption each year. We invested in our business platforms and applications (Microsoft Office Suite, Client Portal, DocLink, Paperless Billing, etc.) that have all had an impact on our paper use. Boland also invested in reusable drinking thermoses and upgraded water coolers to further reduce our waste to landfill.

Our IT department donates refurbished laptops to associates, interns, and schools. We recycle copier toner in addition to hardware such as phones, monitors, servers, and networking gear.

Our IT Department has a program in place to donate refurbished laptops in good condition to associates, interns, and local schools.

Recycling

Boland participates in county or private recycling as included in our property management agreements. We intend to explore additional ways to recycle beyond what is already being provided. Some of our waste (pallets, wood crates, chemical buckets) is difficult to recycle, but we plan to investigate options to reuse or repurpose these items.

We plan to do more by educating associates and custodial staff on the best recycling practices. Many of our associates live in a different county than where they work, so they may be unfamiliar with the local recycling capabilities at Boland facilities. We also plan to expand our packaging reuse program, as this is the least energy-intensive option for our waste. Lastly, we are reaching out to our vendors to inquire whether they will accept returned packaging.

People and Philanthropy

Since 1960, Boland has understood that our people are our greatest asset. We are proud of our positive company culture and work hard to cultivate and maintain it. Our core values are teamwork, excellence, integrity, service to others, collaboration, continuous learning, safety, and passion. At Boland, our associates are like family, and we believe this is a significant reason our associates remain with our organization for an average of 11 years, twice the industry average associate tenure.

We are proud to be consistently recognized as a “Best Place of Work” in the Washington, DC metropolitan area. Annually, the Washington Business Journal surveys employees across greater Washington to gauge employee engagement and job satisfaction.

Giving back to the communities where we live and work has been a core value at Boland since 1960.

At Boland, our associates’ health and wellness are the priority, along with keeping their loved ones safe, happy, and healthy. We have worked hard to build a span of benefits that help our associates to live life fully, including paid Volunteer Time Off, a Charitable Matching Program, an Education Reimbursement Program, and a new Public Transportation Policy in 2023 that will provide associates an incentive to utilize public transportation.

The Boland Team

Boland is a team of 400+ associates committed to providing sustainable building solutions. From top executives to our part-time interns, we all have one mission in mind: making our clients' buildings work better for them, their occupants, their bottom line, and the planet. When it comes to hiring, we have one mission: hire the best and support their career growth.

Boland was founded by a Navy veteran, Lou Boland, Sr in 1960. He made sure that bringing veterans onto the team became a standard at Boland. Today, we are proud of the many veterans on our team. We will continue to promote and encourage our veterans by recruiting through veteran career fairs and other similar events.

Boland's robust internship program offers training and experience for students looking to explore mechanical, energy, and other business-related career options. We recruit through area colleges as well as support under-resourced high school students through a work-study program. In this program, students work part-time at Boland to gain on-the-job training and mentorship while earning money to help pay for their education.

Boland promotes alternative career options through our apprenticeship program. Through the **UA Steamfitters Local 602** Apprenticeship Program, associates learn and grow in the HVAC industry and develop into highly skilled professionals.

Diversity and Inclusion

The Boland organization was built upon a foundation of teamwork and equal opportunity. We believe that inclusion and diversity are a strength and are fundamental to the success of our company. At Boland, we strive to create a positive and productive working environment in which our diverse associates, partners, and clients are empowered to work, learn, grow, and thrive.

At Boland, we know diverse perspectives help generate new ideas, drive innovation, and bring a positive impact to help our company and our culture grow. We are proud of our team of professionals, who come from diverse backgrounds and are focused every day on creating successful outcomes for our clients. We strive to further foster diversity in our workforce through our recruitment, hiring, development, and retention strategies. We are proud of our partnerships with Historically Black Colleges and Universities (HBCUs) as well as organizations and clubs within local universities and high schools that help us increase opportunities for underrepresented groups.

At Boland, we take action to promote diversity and inclusion, and to prevent discrimination and harassment. We ensure that equal employment opportunity is provided in the employment and advancement for all persons regardless of race, religion, color, national origin, sex, age, sexual orientation/gender identity, and status as a protected veteran or individual with a disability at all levels of employment, including the executive level.

Boland does not and will not discriminate against any applicant or employee regardless of race, religion, color, national origin, sex, age, sexual orientation/gender identity, and status as a protected veteran and/or individual with a disability to any position for which the applicant or employee is qualified. All phases of employment, including, but not limited to, recruiting, hiring, selection for training, promotion, demotion, discipline, rates of pay or other compensation, transfer, layoff, termination, recall, use of all facilities, and participation in all company-sponsored activities will be administered to further the principle of equal employment opportunity.

Code of Conduct

Our Code of Conduct applies to all Boland associates and our vendors, subcontractors, and business partners.

These principles are paramount:

- We treat people inside and outside the company with fairness, dignity, and respect.
- We report facts, especially corporate financial facts, honestly and openly. We will not tolerate the creation of false, misleading, or fraudulent documents, reports, or statements.
- Ignorance of our standards is no excuse for violating them. If we have doubts, we have the personal responsibility to raise questions and get answers.

The spirit of the code is to do what is right and to protect the company's integrity. All associates are expected to act with the highest business ethics in all activities and transactions.

Safety

At Boland, we are proud of our commitment to safety. Boland's safety program has been developed to ensure compliance with Federal, State, and Local regulations with particular emphasis on the OSHA requirements that apply to our operations. Regard for the safety of the general public, our associates, our clients, and our subcontractors is a core responsibility at all levels of our organization. Our ultimate goal is to keep our associates and business partners accident and injury free! Our Experience Modification Rate or EMR decreased in 2023 from .59 to .56, which is significantly lower than the industry average (1.0). For more on safety at Boland see our website **here** or request a full copy of our Safety Plan by emailing us at **info@boland.com**.

Professional Development

Continuous learning is a core value within the Boland culture. We work to foster an environment of continuous learning for our internal associates as well as our external clients and peers. Each year, Boland hosts more than 75 professional development opportunities. We partner with Trane and Mitsubishi Trane Electric US to offer a variety of classes and certifications, as well as host custom classes that reflect our local market needs. Boland classes are proudly taught by our HVAC Service Technicians, Field Team Leaders, and Energy Engineers. Classes range from Basic HVAC to 3-Day VRF City Multi Startup & Service Essentials Course to Energy & Sustainability 101. For the current class schedule, see **here**.

In addition to Boland-hosted training, we support our associates in taking classes to help advance their careers and grow to become subject matter experts in their field. As a result of this effort, many of our associates have received professional accreditations and certifications including CFC Certified Technicians, Professional Engineers (PEs), Certified Energy Managers (CEMs), LEED® Accredited Professionals, WELL Accredited Professionals, and more. For a full list, see **here**.

Each year, Boland hosts more than 75 professional development opportunities.

Community Involvement

Giving back to our associates, clients, and community is an important part of our Boland culture. In addition to sponsorships and monetary donations, we give our time to make our community a better place to live and work. Our associates earn paid volunteer hours to encourage volunteerism yearly.

Our Boland family assists a variety of organizations in the area, each that does very different things for our community. Some of the events that we are proud to have hosted through Boland Cares include Rise Against Hunger, Children's Inn at NIH, Habitat for Humanity, Operation Second Chance/Ride Allegheny, Heats On Water's Off (MCAMW & Local 602).

Market Leadership

As the largest HVAC & energy services company in the Washington, DC area, we believe it is Boland's responsibility to actively lead in our industry and local market. Better training and shared knowledge within our local HVAC and energy services community results in healthier, more efficient buildings that benefit our community, businesses, and the planet. This effort starts with Boland's technical training program that is offered to internal associates, clients, peers, and competitors, and now extends to advocacy and technical advisement.

"Service to others is a core value at Boland. We know that by working together we can each make an impact to better our community. Being a local business since 1960, we are deeply committed to our community and the people who live and work here. "

-Jim Boland, CEO and Chairman of the Board

"It is our objective to empower and educate professionals to provide solutions that directly impact the world's clean energy future; and to represent, inform, and advocate for the HVAC industry as a decarbonization solution."

-Julie Wolfington, Energy and Sustainability Leader

Education & Empowerment

From our experience of remotely monitoring hundreds of HVAC and energy systems in the area, we understand that small choices made by building operators can have big impacts on the planet. For example, putting a 10-ton heat pump on a schedule versus running it all the time can save the equivalent of removing nineteen cars from the road.

It is our mission to educate building owners and operators to help them understand the tie between their actions and carbon footprint, and to give them the knowledge and tools to make the best decisions for their occupants, their business, and the planet.

Since our HVAC technicians serve as our client's trusted technical advisors, we strive to empower and educate them to be energy efficiency advocates. As such, Boland developed and implemented an annual energy and sustainability training class geared specifically toward HVAC technicians. We also train all new associates on basic energy and sustainability concepts, understanding that each of them impacts Boland's operations and their carbon footprint at home.

Advocacy & Technical Advisement

Since our geographic area is the epicenter of US climate-based legislative activity, Boland participates in local government and industry boards and associations, serving as a technical resource and advocate for creating policy and standards. As HVAC equipment and system technology advances, the application and operation of these systems can become more complex. Ensuring these systems are properly applied and operated is key to not just lowering but maintaining the highest level of energy efficiency. Since building HVAC systems have such a significant effect on a building's carbon footprint, this is key to decarbonization.

In addition to environmental advocacy, Boland strongly believes in the value of and promotes Union Journeyman, Apprentice, and Mechanical Assistant careers in our industry. We hold leadership roles in the Steamfitter's Local UA 602 and the Mechanical Contractors Association of America. Through these organizations, we advocate for fair wages for workers and against wage theft – all resulting in a better life for workers. Additionally, the world's clean energy future needs more skilled tradespeople, and Boland strives to do its part to ensure those needs are met.

Progress:

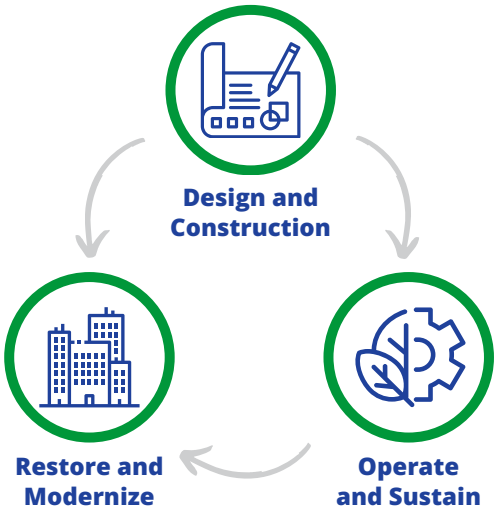
- Published article in NEBB publication **"Decarbonization Goals and Challenges"**
- Presented to multiple local Mechanical Contracting & MEP Design firms to educate on federal and local building energy legislation such as the Inflation Reduction Act (IRA) & Building Energy Performance Standards (BEPS)
- Delivered **Energy 101, Sustainability 101**, and Decarbonization 101 classes annually to Boland associates, clients, and partners
- Educated local building community on DC Building Energy Performance (BEPS) law through publications and events, and served as a Building Innovation Hub Ambassador
- Published multiple articles to inform the market and create educational or insightful discussion in the HVAC industry (**linked here**)
- Served on Market Leadership Advisory Board for USGBC NCR Chapter in 2023
- Served on Montgomery County BEPS Building Performance Improvement Board in 2023
- Hosted recurring "Breakfast with Trane" events to educate the design engineering community on decarbonization solutions

In 2023, Boland continued the leadership and advisory roles established in 2022. Considering the significant new federal, state, and county climate legislation passed in 2022, Boland understands our responsibility to track regulations as they materialize further, and relay information and solutions accordingly to clients and our local community.

Client-Focused Solutions

At Boland, client satisfaction is at the heart of everything we do. To exceed our client's expectations, we must not only provide premier client service, but we must also provide solutions that solve their building and business problems. Because HVAC accounts for approximately half of a commercial building energy's use, our solutions directly impact the planet. It is our responsibility to help our clients build, operate, and modernize their buildings sustainably. Boland and our primary HVAC equipment partner, Trane, lead the industry in solving our clients' big decarbonization challenges by innovating more efficient and sustainable ways to provide heating and cooling to people around the world.

Because HVAC accounts for approximately half of a commercial building energy's use, our solutions directly impact the planet.



Products

Boland recognizes that sustainability efforts from our product vendors and suppliers directly impact the sustainability of our business. We strive to align ourselves with partners that have like-minded sustainability missions and goals.

Our philosophy is that we work together to do what is best for our planet and our community while continuing to provide premier products and services to our clients in the same way we have since we opened our doors in 1960.

Below are some of Boland's partner commitments:

- **Trane Technologies** has published 2030 sustainability commitments and science-based targets. Some highlights include an absolute reduction of Scope 1 and 2 GHG emissions by 50% below 2019 levels by 2030, reduce Scope 3 GHG emissions by 55% per cooling ton below 2019 levels by 2030, reduce client carbon footprint by 1 gigaton by 2030, and achieve net-zero by 2050. There are also distinct goals surrounding safety metrics, volunteer hours, diversity and inclusion, water use, and waste reduction goals.
- **Mitsubishi Electric** has a published sustainability report with short-, medium-, and long-term goals across all of their business streams and value chain. The overarching long-term target is value chain net-zero by 2050 as guided by their Environmental Sustainability Vision 2050. Medium-term targets include reducing Scope 1 and 2 emissions by 18% by 2030 compared to 2017 levels and reducing Scope 3 emissions by 15% by 2030 compared to 2019 levels. Their short-term goals are laid out in targeted interim plans published every 3 years. Additional goals include promoting human rights initiatives, improving diversity and inclusion, and reducing workplace injuries.
- Systecon (via parent company, **Equans**) has defined sustainability goals including Net Zero by 2030 for Scope 1 and 2 emissions, and Net Zero by 2045 for Scope 3 emissions. Their plan also includes professional equality metrics surrounding diversity and inclusion.

In 2023, we executed our goal to add sustainability questions to our new vendor onboarding process so that we may track and report key performance indicators. This vendor management program will allow us to encourage our vendors to set goals and report while gathering information on climate goals and sustainable policies upfront to better understand and report on our supply chain.

As a family-owned, local business, we recognize that some of our partners may not have the resources to develop and implement sustainability plans. For these partners, we make ourselves available to consult on creating sustainability policies and plans that benefit their businesses, clients, and the planet.

Sustainability is at the heart of each building's custom maintenance program.

Services

Boland supports clients' building energy systems throughout their entire life cycle – from original design and construction, throughout operation and maintenance, to restoring and modernizing equipment and systems when they are past their useful life. Our services are inherently sustainable – they are designed to optimize equipment operation and prolong service life, which is good for clients and the planet.

Our HVAC experts provide design assistance to ensure clients have access to the latest technologies, applied in the most efficient manner, to help them make smart investments that meet their goals. Our innovative and sustainable product offering gives clients the options they need to provide the right performance for any building type.

Boland's service team consists of over 1 technicians serving the DC-Maryland-Virginia area and supports all types of commercial HVAC systems. Our technicians are factory trained on the latest manufacturers as training becomes available to ensure the latest information and technologies are applied to each building. This training includes energy and sustainability classes, to ensure technicians recognize not only operational issues but also energy efficiency issues. Sustainability is at the heart of each building's custom maintenance program – including predictive and preventive maintenance to ensure the longest equipment life cycle, leak detection to avoid refrigerant leakage into the atmosphere and energy efficiency.

Our Trane intelligent predictive services detect small problems before they become big issues, and our maintenance and repair services extend system lifetimes and reduce wear that drives up energy costs. We also provide comprehensive rental services for short- or long-term solutions, such as for planned maintenance or contingency planning. As technologies and regulations change, our clients stay on the cutting edge of efficiency and sustainability with building optimization tools that support clients in integrating, monitoring, and managing their building systems remotely. Our advanced remote service capabilities allow us to correct many controls issues without putting a technician on the road. This is a win-win-win for the client, us, and the environment. We can solve issues faster, be more efficient with our technician's time, and decrease truck mileage therefore GHG emissions.

When it is time for an equipment upgrade or to modernize systems, Boland provides an assessment to determine whether replacing an existing system or retrofitting will offer a better return on investment as well as meet the client's sustainability goals and any applicable compliance requirements. For equipment not quite ready for replacement, an upgrade or retrofit can replace critical components to regain efficiency and extend equipment life. We also support our clients with proper refrigerant management and documentation in accordance with regulations, especially during a transition to low-GWP refrigerants. In partnership with EPA-certified reclaimers across the U.S. and our Trane Supply locations, we encourage the collection of used refrigerants to reduce high-GWP HFC emissions.

Sustainability Services Highlight: Water Treatment

Boland's Water Treatment services provide a holistic approach to water treatment that considers not only HVAC equipment health but also reducing health and safety risks for building staff and occupants, saving energy and water, as well as overall building costs.

In 2022, the Water Treatment team established a 2023 goal to help key clients reduce their makeup and sewer water costs. This focus resulted in over 1 million gallons of makeup water saved for 17 clients (this does not account for sewer savings due to lack of measurement capability). The primary focus was on cooling tower systems. Cooling towers use a high volume of makeup water to replace water lost through evaporation. Additionally, the systems bleed off water regularly to help mitigate the concentration of dissolved solids and mineral content, which can be detrimental to equipment.

Boland's Water Treatment programs utilize state-of-the-art chemicals that bind to minerals, thus preventing them from settling on HVAC equipment. These chemicals give us the freedom to increase "cycles of concentration" (COC) in cooling tower systems. Increasing cycles means allowing the mineral concentration to increase safely with the assistance of high-performance water treatment chemistry. The table below illustrates the water savings that can be achieved by increasing cycles.

		Tower Size (Tons of Refrigeration)		
		250	**600**	**3,000**
Daily Water Requirements (Gallons)	2 Cycles	10,800	25,920	129,600
	5 Cycles	6,750	16,200	81,000
Yearly Water Costs	2 Cycles	$972	$2,332	$11,664
	5 Cycles	$607	$1,458	$7,290

Note: Calculations based on 12 hr/day operation, 180 days/year, at a water cost of $0.50/1000 gallons and 3 gpm per ton of refrigeration circulation rates at 10°F △ T.

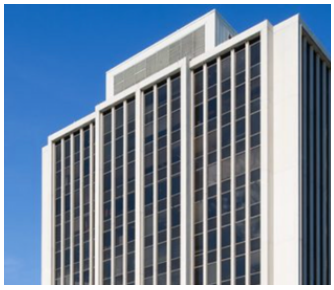
Maximizing cycles of concentration saves water and lessens water and sewage costs. The Water Technologies team will target accounts that have not yet maximized their COC. Each technician will be given specific accounts to increase cycles and track makeup and blowdown readings. Combined water and sewer water savings will be reported each quarter.

Case Studies

Below are examples of energy efficiency projects:

- **Berkeley Dunn Building:** 33% decrease in facility energy consumption from ice-enhanced chiller plant upgrade
- **Market Square North:** 26% reduction in electric spend after BAS controls upgrade with optimizations
- **Chevy Chase:** 34% reduction in facility electric consumption after comprehensive solution install (chiller upgrade, LED lighting upgrade, and BAS controls upgrade and optimizations)
- **Berkeley County Judicial:** 32% decrease in facility energy costs after the addition of occupancy sensors and schedule tuning






Client Satisfaction

Boland is obsessed with client satisfaction. It is not only one of our overarching corporate strategies, it is ingrained into our culture. We listen to clients, provide feedback to our associates, and evolve processes as needed to meet and exceed client expectations. Our client satisfaction score is well above the industry average, and a continual focus area for each Boland associate and work team.

Clients have said...

★★★★★

We have a great rapport with your team. Communication, response, and service couldn't be better.

Great customer service.

It is such a good feeling that we have a MEP company that can ALWAYS help us out.

We have been well serviced by Boland over the years. We are very pleased with all aspects of your attention to our needs.

Technicians are very knowledgeable.

Boland technicians are very dedicated, hardworking, and knowledgeable in their work.

Boland is always quick to respond to requests and can schedule work to be done quickly.

Good products, good management, professional, and knowledgeable account manager.

Leadership & Data Assurance

Sustainability Leadership

This report reflects a commitment from Boland's leadership team for a more sustainable company, community, and planet. In addition to our responsibility as corporate citizens, better understanding and alignment with our clients' sustainability goals helps us better support and serve them. The development of this report was led by Sean Boland, President, in collaboration with Boland's Sustainability Team including:

- Julie Wolfington, CEM, Energy & Sustainability Leader
- Danielle Morrow, Marketing Manager
- Meaghan Trentacost, CEM, WELL AP, DCEP, Senior Energy Engineer
- Brianne Widmoyer, CEM, Business Development Engineer
- Kaitlyn Arnold, Digital Marketing Specialist
- Geoffrey Gilg, PE, CMVP, Energy Engineer

GHG Accounting

To execute our goal to "lead by example," a GHG emissions inventory was developed and documented using the EPA's "Simplified GHG Emissions Calculator" following the World Resources Institute, The Greenhouse Gas Protocol.

For this GHG Inventory, Scope 1 and 2 were calculated, and all Boland facilities were included: Boland Headquarters in Gaithersburg, MD, Parts and Supply locations in Gaithersburg, MD, Largo, MD, Chantilly, VA, as well as our warehouse location in Lanham, MD. Since Boland Trane Services is a tenant in the Gaithersburg office building, the total consumption for electricity, gas, and water were calculated based on square footage ratio. A 2018 base year was chosen, with the assumptions listed in the Appendix. This is a change from the 2022 report in which case emissions and energy associated with the Gaithersburg office building were calculated as a whole building versus tenant square footage approach.

Appendix

Assumptions made in GHG emissions inventory:
No data available for 2018 propane use (mobile sources). Used the same amount as in 2019.

No data is available for “refrigerant quantity” for the Computer Room AC Unit Model #MHWX-36-H-1, Serial #WQHC3607090850 at the Gaithersburg location. Made assumption based on the average amount for the equivalent 3-ton unit.

Only one invoice is available for diesel fuel for a generator at the Gaithersburg location going back 5 years. Divided total gallons on an invoice by 5 years and entered evenly (45.2/yr) into inventory accordingly.

No reported refrigerant leaks at any location due to transferring or storing refrigerant onsite. Per Kip Canavan’s email on 2/29/24, “Any release would be during recovery operations and would fall under de minimis.”