



2022 SUSTAINABILITY REPORT

**Putting People
First in Enabling
a Sustainable
Future**



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A Message From the CEO

We are pleased to launch our inaugural Sustainability Report with our investors, customers, PremiStar associates, subcontractors, and suppliers, the communities we serve, and other interested stakeholders. We aim to communicate PremiStar's sustainability-related initiatives and results and share more information about our efforts.

At PremiStar, sustainability is not just a fad or a buzzword — it is embedded in all aspects of our business. We do not consider sustainability separate from the business or even a unique initiative. It is the foundation upon which we operate, make key decisions, mitigate risk, and help our customers and the communities we serve flourish.

Sustainability principles anchor PremiStar's core business: improving the energy efficiency of our customers' facilities every day by servicing heating, ventilation, and air conditioning (HVAC) equipment. The building industry accounts for about 40% of global carbon emissions. Additionally, the COVID-19 pandemic has highlighted the importance of healthy and safe indoor environments. These are the big problems PremiStar helps customers solve, and this is core to our purpose.

Our commitment to sustainability not only relates to the environment — it's about our people, culture, and mission. Therefore, the key elements of our sustainability strategy include:

- Recruiting, developing, engaging, and rewarding our team.
- Investing in technology and processes to

continuously improve safety and productivity.

- Increasing our service capabilities to attract new customers and capitalize on opportunities to reduce their facility-related energy consumption.

Our executive leadership team and board of directors are committed to advancing our ongoing sustainability initiatives and creating value for our stakeholders.

We are pleased to share some of our highlights for the calendar year 2022:

Sustainability Program Development

- Completed a materiality analysis and developed our sustainability strategy framework.

Environmental Solutions

- Established our Scope 1 and 2 greenhouse gas (GHG) emissions.

People First

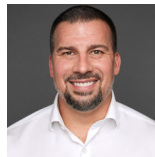
- Launched our first annual Employee Appreciation Day.

Responsible Business Practices

- Established the Sustainability and Risk Committee of the board of directors.

While we are in the early stages of our sustainability journey, we intend to exemplify excellence in our industry. We look forward to updating you on our future progress.

Joe Kirmser
CEO, PremiStar



“At PremiStar, sustainability is not just a fad or a buzzword — it is embedded in all aspects of our business. We do not consider sustainability separate from the business or even a unique initiative. It is the foundation upon which we operate, make key decisions, mitigate risk, and help our customers and the communities we serve flourish.”

About Us

Founded in 1930 as Reedy Industries, PremiStar is a nationwide network of commercial HVAC, building control, and plumbing experts committed to making a difference in our communities. Every day, our nearly 2,000 office and field associates keep over 10,000 commercial, municipal, government, healthcare, educational, and industrial organizations safe and operational.

Serving Critical Facilities

Many of our customers’ facilities are critical operations. For example, at the beginning of the COVID-19 pandemic, our technician associates worked around the clock to install necessary HVAC systems in a Chicago-area hospital to house critically ill patients when capacity was running out. There are many similar stories of how our team has kept critical facilities running. Serving and supporting each other, our communities, and our customers is our mission.

Sustainability Is Our Business

Many of our daily business activities create sustainability-related benefits, such as improving energy efficiency for our customers. According to the U.S. Energy Information Administration, space heating, cooling, and ventilation account for 38% of total electricity and 53% of total energy consumed by U.S. commercial buildings. Putting this into perspective, HVAC systems in U.S. commercial buildings consume 12% of all electricity used in the United States.¹ Each time PremiStar replaces or maintains HVAC equipment in our customers’ facilities, we improve the energy

efficiency of these buildings, thus reducing their environmental impact and GHG footprint. This creates a truly massive opportunity for PremiStar to help our customers and deliver environmental benefits.

Focus on Safety

Our field associates can be exposed to dangerous situations in our customers’ facilities daily, as they maintain, repair, and replace HVAC equipment. Our culture, built over almost 100 years and reflected in our People First philosophy, involves a continuous focus on safety through investments in training, tools, best practices, and personal protective equipment. We take the goal of a “journey to zero” safety incidents seriously. Our foremost priority is for our associates to remain safe and healthy. We outline more of what we are doing with respect to safety in the Workforce Health and Safety section of this report.

Our Commitment

Our business is local due to the on-site nature of our work. Therefore, we manage our business on a local and regional basis to ensure that our leaders stay close to our customers and operations. Many of our local operations originated from acquired businesses, which have different processes and procedures. As a result, we recognize that building our shared culture of sustainability and social responsibility will take time. We are committed to continuing to assess our policies, procedures, systems, and data to drive consistency throughout our organization.

OUR BUSINESS AT-A-GLANCE



Employees

1,900 employees including 1,400 field-based technicians



Customers

10,475 customers and 5,095+ preventive maintenance contracts









Locations

41 brick and mortar locations and service offerings across 12 states

¹ US Energy Information Administration - Commercial Building Energy Consumption Survey, 2018

Our Values

Our values speak for themselves. Collectively, our values and business strategies define “the PremiStar Way,” the operating model we use when communicating with our PremiStar associates and partners.

OUR VALUES		
 <p>People Who Care One team working together to improve lives & our communities</p>	 <p>Safety Above All Everyone returns home the way they left</p>	 <p>Unwavering Integrity Always do the right thing</p>
 <p>Customer-Driven We solve our customers' toughest challenges</p>	 <p>Unprecedented Results We deliver consistent profitable growth to reinvest in our team</p>	 <p>Sustainable Future Continuously improving to help deliver a more sustainable future</p>

Our Approach to Sustainability

Sustainability Strategy

Our sustainability strategy is rooted in the PremiStar Way — to recruit, develop, and reward our team; operate safely and efficiently; expand geographic reach, density, and capabilities; grow long-term relationships with our customers; and help our

customers improve the energy efficiency and reliability of their HVAC and mechanical systems. We believe in embedding sustainability into our business strategy and are committed to delivering a more sustainable future for all our stakeholders.



This inaugural report outlines our current sustainability initiatives, practices, and objectives and highlights progress along our journey in three core areas.



Enabling a Sustainable Future

We are proud to help deliver energy efficiency solutions for our customers and strive to continue minimizing the environmental impact of our own operations.



People First

We are committed to maintaining an open and inclusive culture, a focus on safety and well-being, and development opportunities to empower our people to achieve great things, both personally and professionally.



Responsible Business Practices

We manage our business responsibly and ethically, in line with our values, and drive accountability by ensuring oversight by the board of directors. We strive to always do the right thing for our employees, customers, vendors, and local communities.

Sustainability Oversight

PremiStar’s Board of Directors and leadership team are committed to delivering environmental and social efforts throughout our business, and we ensure that an appropriate governance structure is in place to support these efforts. In 2022, the board of directors created the Sustainability and Risk Committee comprising four members of the board of directors. The board of directors delegated formal oversight of sustainability matters to the Sustainability and Risk Committee in accordance with its charter. The Sustainability and Risk Committee is tasked with periodically reviewing and approving PremiStar’s policies, strategies, and external reporting with respect to sustainability and corporate risk matters, as well as any material breaches of policy or events. Specifically, the committee charter includes the company’s plans, metrics, and performance, as well as material events related to the environment, diversity practices, cybersecurity and data protection, nonethical behaviors such as bribery and corruption, and employee whistleblower reporting. The committee ensures that appropriate financial and other resources are available to execute approved initiatives.

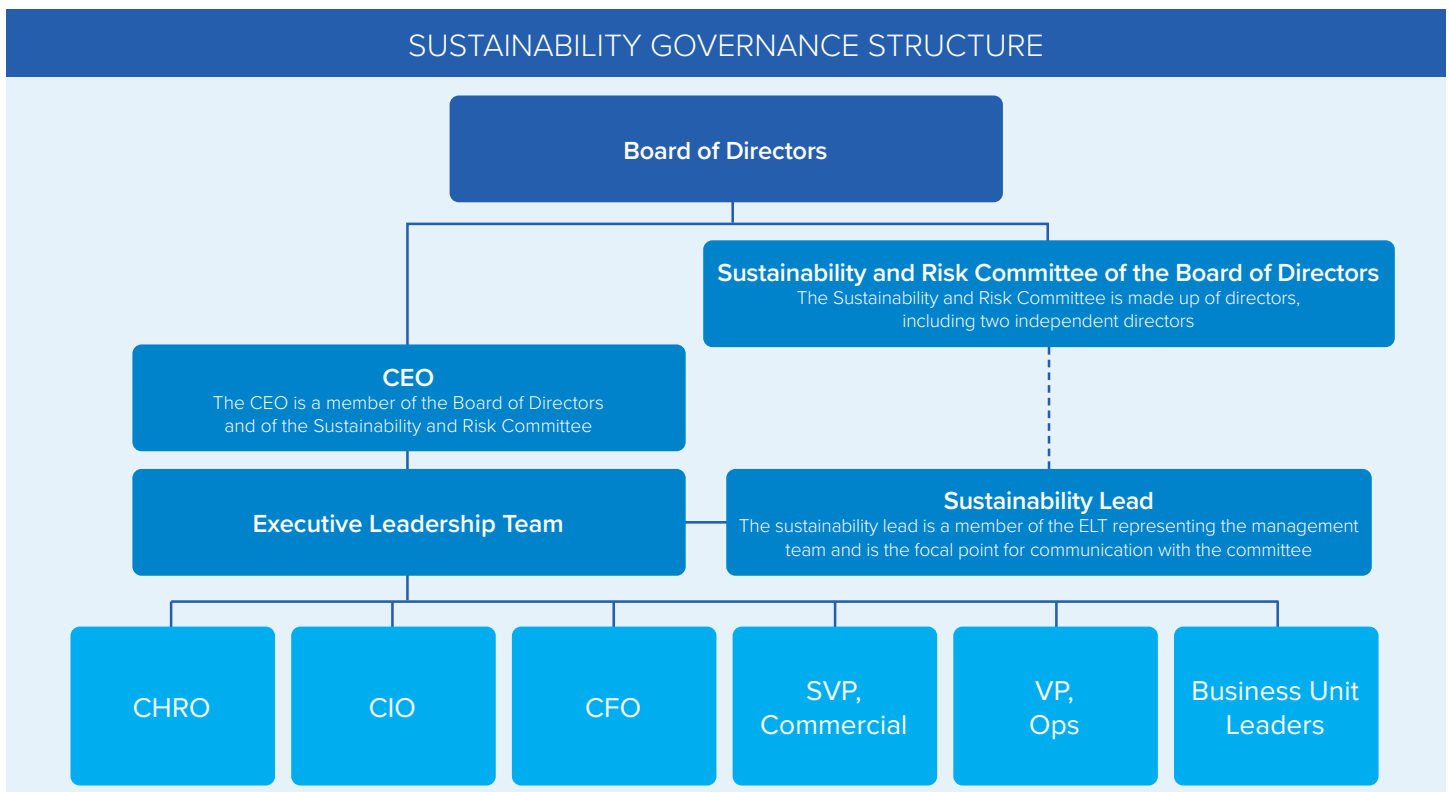
PremiStar’s Executive Leadership Team (“ELT”) is

a cross-functional team comprising of the CEO and leaders in each key business area. The ELT is responsible for the development, implementation, and day-to-day management of sustainability strategies, initiatives, processes, and verifiable data and performance metrics.

The ELT generally meets quarterly to review, develop, and oversee the implementation of sustainability initiatives. The team includes representatives from human resources, information technology, operations, finance, and commercial functional leadership, as well as division presidents responsible for PremiStar’s business units.

A sustainability lead is assigned from the ELT to be the focal point for coordinating overall strategies, implementation plans, and communication with the Sustainability and Risk Committee. Functional leaders retain accountability for sustainability-related initiatives that fall within their scope.

The ELT provides reports to the Sustainability and Risk Committee of the board of directors regularly, typically each quarter.



Materiality Assessment

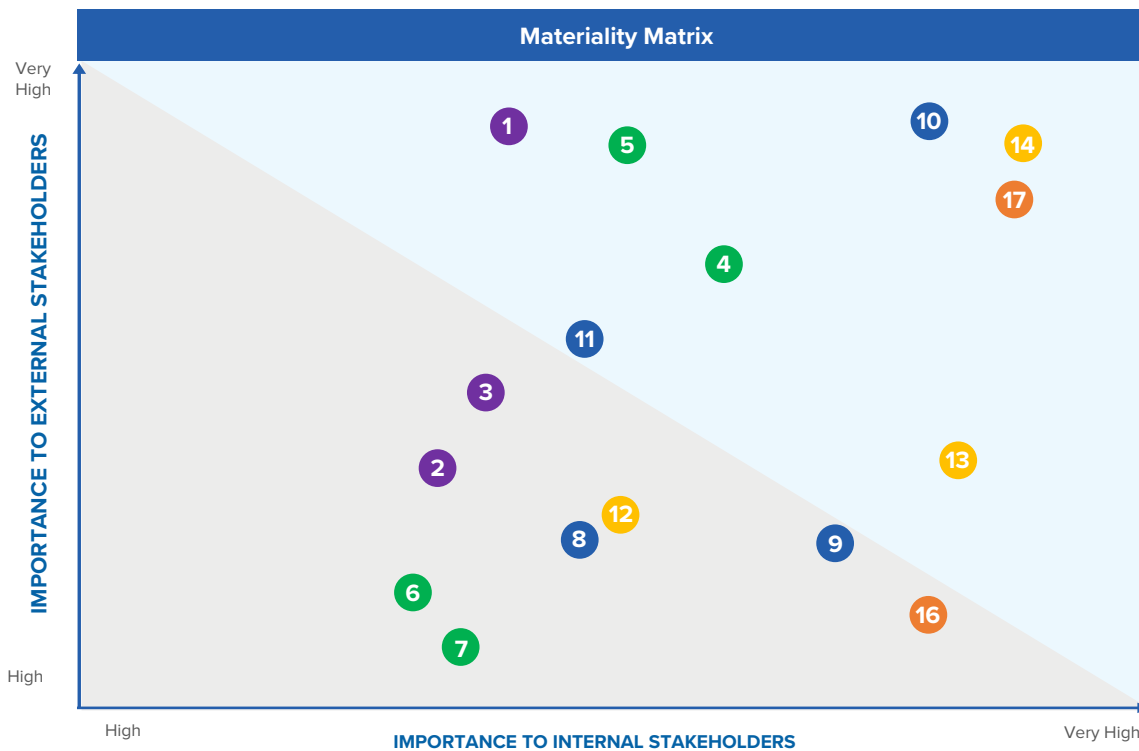
In 2022, PremiStar performed a materiality assessment led by an independent sustainability consultant to identify the sustainability factors that were most important to internal and external stakeholders. The results of our materiality assessment, summarized below, have guided the development of this first sustainability report and will help inform our future sustainability roadmaps as we build on existing efforts.

The assessment helped us identify 17 factors of priority, incorporating expectations from key sustainability ratings, frameworks, and standards, as well as industry and peer best practices. We then surveyed a cross-functional group of internal stakeholders to determine which sustainability factors were viewed as the most important and had a significant impact on our business strategy, financial success, and reputation.

As a result of the materiality survey, seven factors were identified as the most important for both external and internal stakeholders:

- Sustainability products and innovation
- Energy and GHG management
- Environmental impacts of project development
- Business ethics
- Employee engagement, training, and development
- Workforce health and safety
- Service quality and safety

The following pages describe how we manage the risks and take advantage of the opportunities brought about by our material sustainability factors.



LEGEND

BUSINESS MODEL & INNOVATION

- 1. Sustainability Products & Innovation
- 2. Impacts of Climate Change
- 3. Vendor Management

ENVIRONMENT

- 4. Energy & GHG Management
- 5. Environmental Impacts of Project Development
- 6. Waste Management
- 7. Waste Management (repeat)

GOVERNANCE

- 8. Board Governance & Diversity
- 9. Business Continuity & Risk Management
- 10. Business Ethics
- 11. Governance of Sustainability

HUMAN CAPITAL

- 12. Diversity, Equity & Inclusion
- 13. Employee Engagement, Training, & Development
- 14. Workforce Health & Well-being

SOCIAL

- 15. Community Engagement & Impact
- 16. Data Security & Customer Privacy
- 17. Service Quality & Safety

About This Report

This report aligns with the Sustainability Accounting Standards Board (SASB), specifically the accounting standards for the engineering and construction services industry. We have also identified several United Nations Sustainable Development Goals (SDGs) that we believe our business activities and key priority areas support, which can be found in the appendix.

Unless otherwise noted, all quantitative company data covers our fiscal year 2022, reflecting the period

from January 1 through December 31, 2022. We have also included certain initiatives that occurred after the end of FY2022, which we have endeavored to note as such. Throughout the report, we guide readers to additional sources of information on our corporate website and other website references for convenience. Please see our forward-looking statements at the end of this report for more information.



Enabling a Sustainable Future



PremiStar recognizes that embedding sustainability principles into what we do is a continuous process and acknowledges that we are early in our journey to adopt more formalized reporting frameworks. In 2022, we built a sustainability strategy based on our materiality assessment and benchmarking process, adopted the SASB framework for transparent reporting of our results and progress, established the Sustainability and Risk Committee of the board of directors, and baselined our GHG emissions and other important environmental and social metrics.

In 2023, we will build on this foundation to:

- Adopt a PremiStar-wide code of conduct and environmental policy statement to supplement and standardize information in our employee handbooks.
- Implement systems and processes to scale the collection of energy, GHG, and certain people-related data and metrics, which will improve visibility into our performance in these areas, increase the efficiency of our data collection and assurance procedures, and provide more frequent and timely reporting.
- Add additional data collection and reporting capabilities for various environmental elements, such as waste and water.
- Consolidate employee handbooks used in various parts of our business to reference a code of conduct and an environmental policy statement applicable to all PremiStar operations.
- Institute a formalized escalation process for our associates to report concerns or potential violations of policies or the code of conduct.

Energy Efficiency and Environmental Solutions

For decades, PremiStar has provided services and solutions that reduce the environmental impact and improve the energy efficiency of our customers' facilities. Our services optimize asset performance to create more cost-effective, energy-efficient, and healthier environments.

Examples of services include:

- HVAC and mechanical system replacements and retrofits
- Preventive maintenance for HVAC and building automation systems
- Building automation system implementation and performance optimization
- Rooftop solar photovoltaic design
- Indoor air quality technology installation
- Energy efficiency audits
- Facility retrocommissioning
- Energy analytics

Accreditations

Our accredited experts provide expertise for each project and manage environmental considerations and compliance. PremiStar's team includes associates holding key accreditations, including Certified Energy Manager (CEM), UA Energy Auditor certification, and completion of exams in HVACR Mastery, UA Star Commercial Refrigeration, and BPI Building Analysis. PremiStar supports training and certification programs for employees who require accreditation for their roles or express interest in becoming accredited.

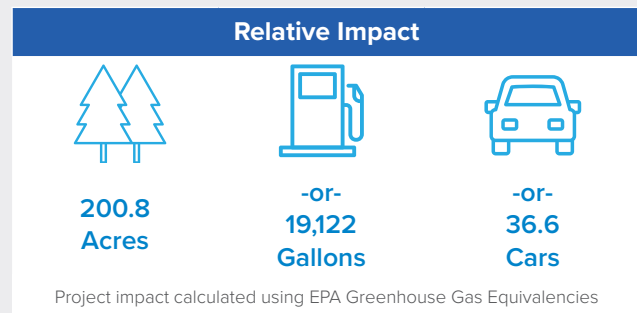
Business Unit Case Studies

PremiStar specializes in building automation systems that provide workplace comfort and energy-saving solutions for customers.

Control System Upgrade at an Illinois Elementary School

PremiStar replaced an older, less efficient control system with a direct digital control building automation system at an elementary school in Illinois. The old system was limited in its flexibility, did not allow the mechanical equipment to operate in an energy-efficient manner, and was causing comfort issues for building occupants. PremiStar developed a solution to reduce the school buildings' energy spend and improve the learning environment. Several of the municipal energy efficiency incentive programs were also utilized to reduce the school district's out-of-pocket expenses. As a result, the school district saves 163,706 kWh in energy a year, which equates to over \$19,000 in annual savings.

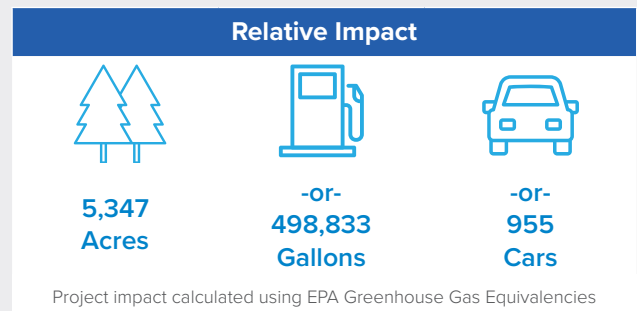
Project Highlights	
Measures Implemented	Control System Upgrade
Annual Energy Savings	163,706 kWh 10,190 therms
Annual Cost Savings	\$19,000



Energy Conservation Project at an Illinois College

In assisting our customers with achieving energy conservation and savings over the long term, we sometimes participate in years-long projects. For example, PremiStar partnered with a local college in 2017 to assess their building and HVAC system's energy baseline and implement energy conservation measures. Over the course of three years, PremiStar installed several new systems and controls to improve building energy utilization, such as meters on the chilled water system, boiler controls, and LED lighting with daylight harvesting. This resulted in cumulative electric and gas savings of over \$631,000. From an electricity perspective, this equates to more than 7,000,000 kWh saved and 321,000 therms in natural gas savings.

Project Highlights	
Measures Implemented	Energy Conservation System
Annual Energy Savings	3,393,142 kWh 233,996 therms
Annual Cost Savings	\$383,381.00






PremiStar offers sustainable and energy-efficient solutions that consider environmental impact while maintaining a low operational budget. As a solar provider, we have CEM-accredited professionals on staff who use their expertise to find solutions for commercial and industrial facilities’ energy use issues.

We are proud to have earned both the STAR and HVAC GreenSTAR designations from the Mechanical Service Contractors Association (MSCA), which only one percent of all HVAC contractors in America can claim.

Solar Project

As part of their commitment to becoming the leading mechanical service provider of sustainable solutions in Illinois, PremiStar completed a solar PV array project in a local Illinois school district in 2022. Covering the gymnasium’s roofs, the array consists of 545 solar panels over 17,000 square feet. Monitored data since the system was connected to the grid shows the average daily production at 1080 kWh, which equates to 47% of the school’s average daily usage since 2018. On an annual basis, the estimated cost savings for the school are over \$27,000.

Project Highlights	
Measures Implemented	Solar Photovoltaic Array
Annual Energy Savings	47% Average Daily Usage 250,532 kWh
Annual Cost Savings	\$27,000

Relative Impact		
		
210 Acres	-or- 19,978 Gallons	-or- 38.3 Cars
Project impact calculated using EPA Greenhouse Gas Equivalencies		

Environmental Impacts of Project Development

As a subcontractor working with facility owners or general contractors on most jobsites, we do not make project design or siting decisions. While procurement, equipment, and waste handling decisions depend on individual project specifications, we promote energy-efficient equipment and responsible waste management whenever possible.

Waste Management

The safe removal of hazardous materials and other waste from a jobsite is typically the responsibility of the customer or customer's representative (such as a general contractor or construction manager) and is handled independently of PremiStar. When a customer program does not exist or is less stringent, PremiStar's General Waste Management Policy ensures that efficient and compliant waste management occurs within our scope of work. The policy addresses waste estimation, segregation of waste streams, and a recycling protocol when possible, and includes a comprehensive waste matrix.

Health and Safety

We keep a health and safety guidebook accessible to employees at jobsites along with safety data sheets in accordance with the OSHA Hazard Communication Standard. More information on our safety practices can be found in the Health and Safety section of this report.

Employees are provided with the necessary personal protective equipment (PPE) onsite and receive training on the management and proper disposal methods of generated waste.

Sustainability Within Our Operations

Energy Management and Greenhouse Gas Emissions

We are committed to improving the environmental sustainability of our corporate office locations. As a starting point, we have established our 2022 energy consumption and GHG emissions baseline. PremiStar consumes energy and generates GHG emissions in two primary areas: our company facilities and vehicle fleet.

PremiStar primarily occupies commercial and light industrial facilities to accommodate our field staff and operations. The facilities we occupy are almost exclusively leased. As a lessee, energy efficiency or other environmental upgrades to these facilities require us to consider several factors, such as our rights to make leasehold improvements, the remaining term of the lease agreement, and the costs, risks, and benefits of any potential upgrades. We consider the energy efficiency of new facilities in our leasing decision criteria when renewing leases or evaluating new ones.

Our vehicle fleet is a necessary part of our business. Our field teams must travel to our customers' facilities to maintain, repair, or replace HVAC and other equipment. We must also transport equipment and materials to worksites. As a result, our fleet consists largely of light-to medium-duty trucks. We routinely upgrade older vehicles in our fleet with newer vehicles, and estimate that the average fleet vehicle age is approximately five years. New vehicles will be inherently more energy efficient than older vehicles. However, we are experiencing ongoing vehicle availability challenges resulting from continuing COVID-19 supply chain disruptions that have limited the pace at which we can replace vehicles. We will consider options to reduce the GHG intensity of our fleet as we further define our long-term sustainability roadmap, such as improved route management, fuel switching, and electrification.

Energy and GHG Emission Intensity Metrics for 2022

In 2022, we calculated our baseline energy consumption and Scope 1 and 2 GHG emissions. As our sustainability program develops, we will also evaluate how to track and report Scope 3 emissions. The following tables provide a summary.

2022 Greenhouse Gas: Scope 1 and 2 Emissions

Scope	Activity	CO2 Intensity - CO2e (MT) / USD \$MM Revenue
Scope 1	Stationary combustion – Natural gas in facilities	1.11
Scope 1	Mobile combustion – Fleet fuel consumption	23.73
Subtotal: Scope 1		24.84
Scope 2	Purchased electricity	2.05
Total: Scope 1 + 2		26.89

2022 Energy Consumption

Type	Description	Amount (MWh equivalent)	Percent of Total
Purchased electricity	Renewable	320	0.6%
Purchased electricity	Nonrenewable	2,192	4.1%
Self-generated electricity	Solar PV	28	0.1%
Natural gas		3,331	6.2%
Vehicle fuel	Gasoline	46,076	85.9%
Vehicle fuel	Diesel	1,681	3.1%
Total		53,628	100%

1. Based on published EPA source generation mix using eGRID 2020 data and the Power Profiler tool.

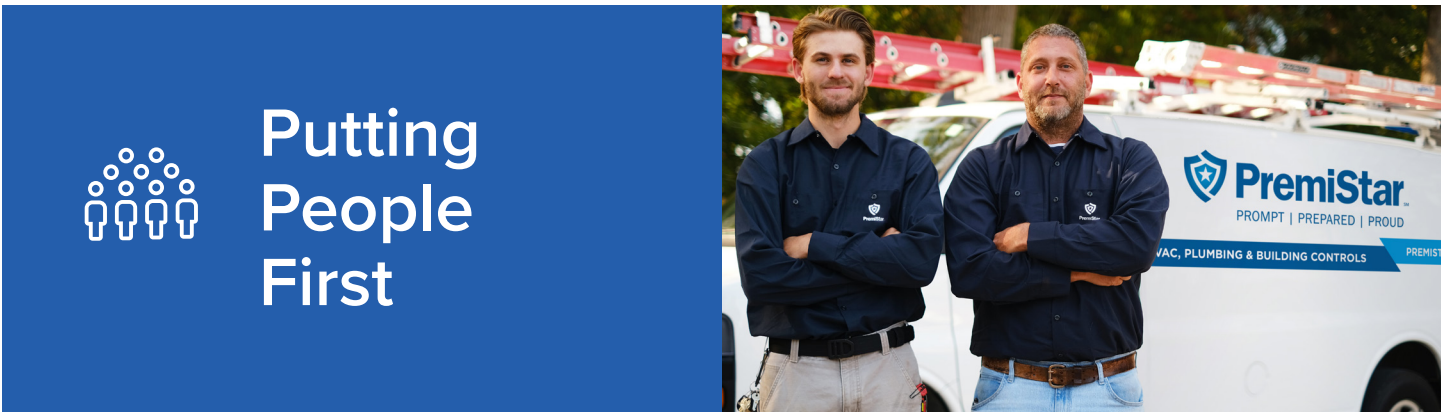
2022 Renewable¹ Electricity Consumption by Resource Type

Subtype	Amount (MWh)		
	Purchased Electricity	Self-Generated	Total
Solar	22	28	50
Wind	180		180
Hydro	95		95
Biomass	22		22
Geothermal	-		-
Total	320	28	347

Impacts of Climate Change

We recognize the effects of global climate change and are committed to taking measurable action to address climate risks and opportunities. Our primary lever to mitigate global climate change is through the energy efficiency work we perform for our customers. However, we will also look for opportunities to reduce the impact from our operations.

While it is difficult to predict whether an increase in climate-related disasters and rising temperatures brought on by climate change will impact our business, we believe PremiStar is well positioned to support the needs of our customers. Building owners and occupants will continue to need conditioned space. As temperatures rise and weather extremes become greater, it is reasonable to assume that this will increase demand for our services. PremiStar typically sees a higher demand for services during extreme heat or cold weather periods. Increasingly extreme weather patterns may also generate demand for energy efficiency technologies and solutions to help mitigate the increased cost of providing conditioned space in more extreme conditions.



Oversight and Approach

At PremiStar, our ultimate objective is to foster a culture where employees can achieve their goals, develop their skills, create long-lasting careers in the organization, and do meaningful work to further our industry.

Every day, our nearly 2,000 office and field associates keep tens of thousands of commercial, municipal, government, healthcare, educational, and industrial organizations safe and operational. Keeping our employees safe, engaged, and successful is not only critical in our industry but paramount to our legacy as a family business committed to serving our customers and our communities.

Workforce Health and Safety

We have a strong commitment to ensuring the safety of our employees, subcontractors, and vendors while delivering the best quality services, maintaining the highest ethical practices, and acting responsibly within the communities in which we work.

We strive to provide a safe, respectful, and professional work environment for all employees by following commonsense rules and safe practices, and by escalating to management when any health or safety issues are identified. Employees are expected to take every safety precaution, starting with the responsibility and obligation to stop work when a suspected unsafe condition or certain action may compromise safety. Employees are expected to adhere to Stop Work Authority (SWA) statements and follow the safety rules outlined in the company’s Safety Manual.

Our commitment to safety comes from the top, starting with the board of directors and cascading through each level of our organization. On a monthly basis, the safety director reports on safety matters and metrics

that are reviewed at all levels of the organization, from the board of directors and ELT to individual PremiStar business units.

Safety Training and Preparedness

All PremiStar employees are trained on health and safety policy through a combination of training methods, including quarterly hands-on sessions, and Safety Skills, a third-party learning management system that administers training across three job functions: sales, field, and office. Training is mandatory for all employees upon being hired.

Field employees take over 50 courses, such as Asbestos Hazard Awareness, Electrical Safety, Fall Protection, and Materials Handling, with up to four courses monthly, amounting to 12 hours of instruction per year. Sales and office employees are required to complete up to 36 courses, such as Driver Safety, Construction Safety, and HIPAA Compliance Training. Employees are required to complete refresher training annually.

2022 Employee Safety and Training Metrics

Description	Metric
Total recordable incident rate per 200,000 working hours	3.42
Lost time injury rate per 200,000 working hours	0.76
Number of employee or contractor fatalities	0
Total compensation claims, liability claims, and fines related to health and safety incidents	Compensation claims – 117 Liability claims – 20
Percentage of all operational sites for which H&S risk assessment has been conducted	90%

PremiStar’s health, safety, and well-being activities are also maintained through the following ongoing training initiatives.

Identification of Risks and Hazards

PremiStar provides guidelines for identifying, assessing, and controlling workplace risks and hazards to ensure that potential new hazards are identified before they are introduced into the workplace. The guidelines classify risks and hazards based on severity, with a risk analysis matrix outlining severity and probability.

Existing worksite hazard identifications are formally reviewed annually or repeated at reasonably practicable intervals to prevent the development of unsafe and unhealthy working conditions.

To ensure safety on each jobsite, PremiStar provides access to safety data sheets for all employees to understand any hazardous material risks. Employees are also trained in the use and care of PPE upon hire, and audited annually.

Emergency Response Systems

Employees receive training during their initial orientation and refresher training annually on fire and emergency procedures, including what responsibilities and actions are required to carry out the plan in their worksite area.

Injury Reporting

PremiStar takes injury reporting very seriously for all employees on its jobsites. All injuries must be reported to the safety professional or safety champion, who will determine treatment (onsite first aid, clinic, or hospital). The safety professional or safety champion will notify PremiStar’s corporate safety director and complete an incident/accident report as soon as possible.

Monitoring for Safety and Quality

To mitigate safety risks across our jobsites, PremiStar conducts routine external audits at our locations based on performance. This includes visits from corporate safety managers to audit items such as emergency action plans, toolbox training completion rates, access

to health and safety programs, safety data sheets, PPE, ladder condition, electrical tools/equipment, material handling, aerial lifts, fall protection, hazardous communication, and asbestos-containing material. The observations from these visits are shared with the management team.

Part of the close-out process on each jobsite involves a thorough site walk-through to ensure that project specifications have been met, the quality of the work has been delivered, and the jobsite was operated safely.

IT HAPPENED TO US



To develop best practices across jobsites and geographies, PremiStar has implemented a safety alert process called “It Happened to Us,” a communication tool to share incident learnings with a wider group. What starts as an isolated incident on one jobsite turns into a common workplace issue to be shared, and our team works to tell a story to bring awareness to the issue. We pick an incident monthly across the platform, complete a simple one-page write-up, and send it out to the team as an awareness and training tool.

Employee Engagement, Training, and Development

Recruitment

PremiStar has been hiring extraordinary people for over a century, from experts in the field to problem solvers at the corporate level. Our process starts with recruiting for positions across multiple jobs, geographies, and trades, and ends with our goal to hire candidates with diverse perspectives, experience, and skills. Additionally, our team of extraordinary people knows great talent, and we have invested in providing a referral bonus program to reward those who help us attract top talent to the team.

VETERANS

We hold a special place in our hearts and in our company for veterans.

Your Service has made you a leader.
Your Training has made you a disciplined thinker.
Your Commitment to your country exemplifies loyalty.
Your Time served made you strong.

If you're a proud member of this group, we'd be thrilled to talk to you.

We hold a special place in our hearts and in our company for veterans, and have engaged in targeted outreach to veterans on our careers site. Throughout 2023, we plan to increase our engagement with veterans by piloting a partnership with the Department of Defense's SkillBridge Program, which connects returning service members to career training opportunities. We also plan to increase our engagement with Hiring our Heroes, a program run through the U.S. Chamber of Commerce, and expand our investment in veteran-hiring job boards.

Partnerships With Industry Organizations and Trade Schools

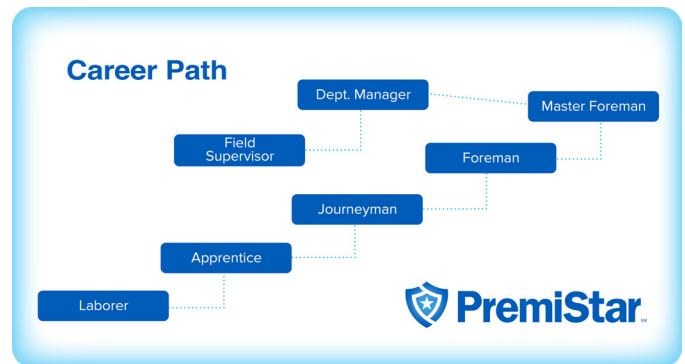
Commercial HVAC, building automation, and plumbing companies face increasingly difficult challenges in maintaining and growing their businesses. These challenges include acute shortages of qualified field team members and the retirement of experienced team members. To address these industry challenges, PremiStar's employees engage with a number of industry organizations and trade schools as members of their advisory boards to help build a curriculum and pipeline of future talent for the trades.

Onboarding

Supporting our newly hired employees is a key goal. Onboarding is completed at a local level, including job-specific training and handbook signoff, in accordance with local laws. In 2023, we are working toward deploying a common HR system to standardize onboarding processes across PremiStar locations and enhance career planning and employee development.

Career Advancement

Developing our employees and providing a path toward career growth is important to us. To enable internal promotion and upleveling of skills, PremiStar maintains partnerships with local trade schools and unions to help our employees develop their skills and feel invested in the company. Many of our businesses assemble career maps to clearly outline the path to advancement for designated roles. In the coming year, we will be enhancing performance reviews to include career development and actionable training plans. We also support employees with tuition assistance to complete certifications (such as HVAC readiness) according to discipline.



Sample Career Map

Engagement and Retention

PremiStar supports a culture focused on providing performance feedback to employees through reviews and one-to-one coaching. Open communication is encouraged between employees and managers, as well as between employees. In 2022, PremiStar formed "peer groups" to enable employee-led conversations on topic areas like service, building automation, and construction to share best practices and ways of solving common problems.

In 2021, we initiated in-person "listening sessions" with employees across our business units to gather feedback, answer questions, and understand concerns. Our CEO and ELT have also conducted roadshow visits, hosting all-employee meetings as a mechanism for dialogue and engagement across the organization. Several of our business units currently conduct engagement surveys to better understand areas of improvement and to continue providing for employee needs. We also collect feedback from employees

leaving the company through formal exit interviews, overseen by human resources.

Employee “All Stars” are recognized at each location annually with a day of celebration filled with All Star branded gifts, food trucks, and handwritten notes from leadership. In 2023, PremiStar will launch a formal recognition program aligned with our core values to further celebrate the extraordinary achievements of our teams.

Employee Metrics

Metric	2021	2022
Direct full-time employees	1,799	1,875
Total employee retention rate	69%	65%

Leadership Development

We are committed to building and maintaining a pipeline of great leaders. PremiStar has created individual development plans for our high-potential leaders, and our goal is to launch a leadership development program for them in 2023. This year-long program will focus on critical leadership competencies, including financial acumen, leading change and influence, results orientation, talent management, and emotional intelligence.

Employee Assistance and Well-Being

The health and well-being of employees is crucial to PremiStar’s success. As a benefit, PremiStar employees have access to an employee assistance program, offering five counseling sessions on topics like family, work, money, legal services, health, and identity theft recovery. This includes services like estate planning, caring for an elderly family member, and coping with anxiety or depression. PremiStar also offers personalized financial planning through an independent investment advisor to ensure financial wellness in addition to health and well-being. Additionally, a wellness program is offered through the medical insurance program that provides incentives and rewards for engagement in wellness and health related activities.

Beyond employee assistance, PremiStar offers performance-based bonuses and a compensation culture designed to pay and reward employees for meeting objectives and financial targets.

Diversity and Inclusion

PremiStar recognizes that diversity and inclusion are drivers of innovation, growth, and business resilience. We are committed to building strategies and taking action to promote a unified culture of inclusivity that celebrates diversity of backgrounds and perspectives.

In 2023, we will lay the foundation for improving diversity and inclusion by identifying areas for improvement and building action plans addressing hiring partnerships, training, and mentorship programs.

Anti-harassment and Fair Employment Policies

We’re dedicated to creating workplaces free of harassment and discrimination. We do not tolerate harassment of employees in the workplace. Every reported complaint is investigated thoroughly, promptly, and confidentially wherever possible.

We are committed to principles of equal employment and comply with all federal, state, and local laws. We believe in providing our employees with fair and equitable compensation.

Subcontractor and Vendor Management

We look at vendors and subcontractors (collectively, our “supplier partners”) as an extension of PremiStar’s business and as important partners in delivering quality services that meet or exceed our customers’ expectations. As a result, supplier partner relationships are very important to us. Our supplier partners primarily fall into the following categories: equipment suppliers, manufacturer representatives, local parts suppliers, and subcontractors who provide skilled labor. We endeavor to select supplier partners who share our commitment to responsible business practices and transparency and, whenever possible, choose those who have sustainability policies and programs in place.

Our subcontractor management plan, applicable to all locations using subcontractors, includes selection criteria such as safety considerations, environmental performance, and labor conditions. In some cases, our subcontractors are minority, and/or women-owned businesses. We use a detailed questionnaire for qualifying subcontractors.

Environmental, Health, and Safety Practices for Subcontractors

- PremiStar’s practice is to prequalify subcontractors by reviewing their safety track record and metrics, such as the experience modification rating (EMR), total recordable incident rate (TRIR), and fatality rate.
- PremiStar and our subcontractors follow safety standards and requirements established by our customers while completing work at their facilities or jobsites. These requirements may include onsite

safety orientations, monitoring and inspections, and compliance documentation.

In 2023, we will develop and implement a formalized supplier partner code of conduct, which will require our major supplier to acknowledge our code of conduct and abide by its provisions. Over time, we will expand this requirement to smaller supplier partners. We will also begin collecting information from our larger suppliers about their sustainability-related performance to enable us to begin tracking Scope 3 emissions in the future.

Community Engagement

The PremiStar culture is anchored in a passionate commitment to serving our communities and each other, and in volunteering time to enrich the lives of our community members.

As a company with a footprint across the Midwest, Mountain West, and southern U.S., our focus is on serving our local communities. Below are several examples at the business unit level of different community engagement events and partnerships.

Case Studies

Our Ft. Meyers, FL office has sponsored and participated in the American Heart Association fundraiser and Heart Walk events for the last 10 years. In 2022, 20 employees volunteered to participate.



Our Waco, TX office partners with the Greater Waco Advanced Manufacturing Association (GWAMA) to assist students with mock interviews to prepare them for the workforce. They also participate in the Leadership, Education, and Development (LEAD) Program, a business and education partnership that pairs high school students with business leaders to foster mentoring relationships that educate and expose students to various business fields. In 2022, PremiStar endowed a \$25,000 scholarship to the Baylor School of Engineering and Computer Science and a \$25,000 scholarship to the MCC Engineering Department to further the education of young professionals in the engineering field. We also provide a yearly \$5,000 scholarship to the Texas State Technical College HVAC Department.

Our Macon, GA office launched the Backpack Ministry Food Drive to provide school-age children who would otherwise not have food over the weekend with food choices that are healthy and kid-friendly. With the help of our customers and every employee, we donated over 5,000 food items to help fill the shelves of Backpack Ministries.





Responsible Business Practices



Corporate Governance and Business Ethics

Board Composition

To represent and promote the long-term interests of our stakeholders, our corporate governance structure starts with a highly experienced, independent, and engaged board of directors. Some of the director's responsibilities are further assigned to committees of the board of directors, such as the Sustainability and Risk Committee.

Diversity is an important consideration for the composition of our board of directors, and we will continue to assess the experiences, skills, and backgrounds of future director candidates to ensure that it includes the right mix of skills, experience, and backgrounds.

Business Conduct

Our company is founded on our commitment to the highest ethical principles and standards, and we value honesty and integrity above all else. Upholding these commitments is essential to PremiStar's continued success. Our Employee Handbook lays out our expectations of ethical conduct for employees, leadership, and the board of directors.

Incident Reporting

We encourage employees to make good faith disclosures of any company-related or employee misconduct to human resources or senior management. PremiStar prohibits retaliation against employees who have opposed unlawful discrimination of any kind. Complaints are promptly investigated and resolved, and confidentiality is maintained wherever possible.

Conflicts of Interest

To maintain the highest degree of integrity and responsibility, PremiStar tracks conflicts of interest that create actual or potential job-related concerns, especially in the areas of confidentiality, customer relations, safety, security, and morale. Any actual or potential conflict of interest between an employee of the company and a competitor, supplier, distributor, or subcontractor to the company must be disclosed by the employee to their manager and the organization.

2023 Actions

In 2023, we plan to consolidate the business conduct requirements contained in the various employee handbooks into a PremiStar code of conduct for use across the PremiStar platform. The PremiStar code of conduct will address and supersede similar requirements in the Employee Handbook. Topics included in the PremiStar code of conduct will include legal and regulatory compliance, diversity and nondiscrimination, anti-harassment, health and safety, government contracting, supplier relations, handling confidential information, protecting company assets, company representation, antitrust and fair competition, anti-corruption and bribery, environmental matters, and similar topics.

Additionally, to support adherence to our policies and the code of conduct, we plan to implement a formalized whistleblower process, including a hotline for submitting anonymous tips or complaints. The Sustainability and Risk Committee of the board of directors will be provided with regular reports about hotline submissions and the status of any resulting investigations.

Business Continuity and Risk Management

Business Continuity

As part of our safety management system, we take several precautions to ensure that essential business functions can survive a natural disaster, technological failure, human error, or other disruption. This includes maintaining an emergency action plan and preparedness documents for specific events, such as hurricanes or the COVID-19 pandemic. Certain business units under PremiStar also maintain business continuity plans. These documents provide guidance for employees to respond safely and quickly to natural and man-made events that may impact business activities.

For cybersecurity, an assessment was conducted in 2022 by a third-party consultant to quantify risk areas, implement plans to address discovered gaps, and provide more business continuity assurance. Based on the results of the assessment, we will develop and implement certain mitigation measures in 2023, subject to board of directors approval.

Data Security and Customer Privacy

PremiStar is committed to protecting the data entrusted to the company by our customers, employees, vendors, and job applicants. Oversight of cybersecurity sits with the Sustainability and Risk Committee of the board of directors, with day-to-day management led by our chief information officer.

Our Cybersecurity Policy outlines our guidelines and provisions for preserving the security of our data and technology infrastructure, including secure data transfers and multifactor authentication for employees and third-party vendors. We consult the National Institute of Standards and Technology (NIST) cybersecurity framework in structuring our security program, as well as complying with the California Consumer Privacy Act (CCPA) and the Health Insurance Portability and Accountability Act (HIPAA) where required.

Our information security programs include the following activities:

Employee Training

- All employees receive security training quarterly and are tested on a fully simulated phishing attack. Our goal is to limit the number of phishing test failures by keeping our phish-prone percentage below 10%. Since rolling out the training in 2019, PremiStar has maintained a phishing failure rate of 4.5% across our company of 900+ employees.

Incident Response Plan

- PremiStar's incident response plan is managed by a leading third-party security vendor, which covers risk consultation and maintains a hotline for reporting incidents. Whenever an incident takes place, PremiStar's incident management team is mobilized and escalates the situation to the leadership team, depending on the incident type.

Vulnerability Scans and Risk Audits

- We have undertaken ongoing vulnerability scans since 2021 to understand how we perform against top critical security controls and to implement best practices.

Vendor Due Diligence

- PremiStar requires vendors to be SOC Type 2 compliant, ensuring that there are proper security protocols in place for managing customer data.

APPENDIX

United Nations Sustainable Development Goals (SDGs)

The United Nations SDGs are a collaborative global effort to achieve a better and more sustainable future for all. Represented by 17 global goals and 169 targets, the SDGs address the challenges of poverty, inequality, climate change, environmental degradation, peace, and justice. We identified the key areas where we have the greatest influence and impact through our business strategy, products, and services.

Topics linked to report section

Goal	Description	Alignment to PremiStar	Report Section
7 AFFORDABLE AND CLEAN ENERGY 	Ensure access to affordable, reliable, sustainable, and modern energy for all	<ul style="list-style-type: none"> Energy efficiency services Renewable energy services 	<ul style="list-style-type: none"> Environmental Solutions Impacts of Climate Change
8 DECENT WORK AND ECONOMIC GROWTH 	Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all	<ul style="list-style-type: none"> Ensuring health and safety of our employees, subcontractors, and vendors through our safety program Supporting local communities Partnerships with industry organizations and trade schools to develop skilled technicians Providing performance-based bonuses and compensation based on meeting strategic growth objectives 	<ul style="list-style-type: none"> Workforce Health and Safety Subcontractor and Vendor Management Community Engagement Employee Engagement, Training, and Development
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation	<ul style="list-style-type: none"> Energy efficiency services Renewable energy services 	<ul style="list-style-type: none"> Energy Efficiency and Environmental Solutions Impacts of Climate Change
10 REDUCED INEQUALITIES 	Reduce inequality within and among countries	<ul style="list-style-type: none"> Working to implement a diversity and inclusion strategy in 2023 Supporting local communities Partnerships with industry organizations and trade schools to develop skilled technicians 	<ul style="list-style-type: none"> Diversity and Inclusion Community Engagement
11 SUSTAINABLE CITIES AND COMMUNITIES 	Make cities and human settlements inclusive, safe, resilient, and sustainable	<ul style="list-style-type: none"> Ensuring health and safety of our employees, subcontractors, and vendors through our safety program Supporting local communities 	<ul style="list-style-type: none"> Environmental Solutions Workforce Health and Safety Community Engagement and Impact
12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	Ensure sustainable consumption and production patterns	<ul style="list-style-type: none"> Measuring and disclosing our carbon footprint 	<ul style="list-style-type: none"> Sustainability Within Our Operations Environmental Impacts of Project Development
13 CLIMATE ACTION 	Take urgent action to combat climate change and its impacts	<ul style="list-style-type: none"> Energy efficiency services Renewable energy services Measuring and disclosing our carbon footprint 	<ul style="list-style-type: none"> Energy Efficiency and Environmental Solutions Sustainability Within Our Operations Impacts of Climate Change

Sustainability Accounting Standards Board (SASB)

The following tables incorporate the accounting standards from the SASB related to engineering and construction services. They include the relevant topic metric(s) where available and/or references to sections within this report where specific topics are discussed.

					Topics linked to report section
Topic	Accounting Metric	SASB Code	Response		Report Reference
Environmental Impacts of Project Development	Number of incidents of noncompliance with environmental permits, standards, and regulations	IF-EN-160a.1	0		Environmental Impacts of Project Development
	Discussion of processes to assess and manage environmental risks associated with project design, siting, and construction	IF-EN-160a.2	Not applicable. As a subcontractor, PremiStar does not control project design, siting, or construction.		
Structural Integrity and Safety	Amount of defect- and safety-related rework costs	IF-EN-250a.1	Not currently tracked. Evaluating for 2023.		Workforce Health and Safety
	Total amount of monetary losses as a result of legal proceedings associated with defect- and safety-related incidents	IF-EN-250a.2	Not currently tracked. Evaluating for 2023.		
Workforce Health and Safety	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	IF-EN-320a.1	1) 3.42 2) a) 0 2) b) 0	Workforce Health and Safety	
Lifecycle Impacts of Buildings and Infrastructure	Number of (1) commissioned projects certified to a third-party multi-attribute sustainability standard and (2) active projects seeking such certification	IF-EN-410a.1	Not applicable.		Enabling a Sustainable Future
	Discussion of process to incorporate operational-phase energy and water efficiency considerations into project planning and design	IF-EN-410a.2	Not applicable. As a subcontractor, PremiStar does not perform project planning or make design decisions.		
Climate Impacts of Business Mix	Amount of backlog for (1) hydrocarbon-related projects and (2) renewable energy projects	IF-EN-410b.1	0		Enabling a Sustainable Future
	Amount of backlog cancellations associated with hydrocarbon-related projects	IF-EN-410b.2	Not relevant to PremiStar.		
	Amount of backlog for nonenergy projects associated with climate change mitigation	IF-EN-410b.3	0		

Continued on next page

Topic	Accounting Metric	SASB Code	Response	Report Reference
Business Ethics	(1) Number of active projects and (2) backlog in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	IF-EN-510a.1	None.	Corporate Governance and Business Ethics
	Total amount of monetary losses as a result of legal proceedings associated with charges of (1) bribery or corruption and (2) anticompetitive practices	IF-EN-510a.2	None.	
	Description of policies and practices for prevention of (1) bribery and corruption, and (2) anticompetitive behavior in the project bidding processes	IF-EN-510a.3		

Forward-looking Statements

All information, including performance information, has been prepared in good faith; however, PremiStar, LLC makes no representation or warranty, express or implied, as to the accuracy or completeness of the information, and nothing herein shall be relied upon as a promise or representation as to past or future performance. Unless stated otherwise, any opinions expressed herein are current as of the date hereof and are subject to change at any time.

Certain information contained in this presentation constitutes "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may," "will," "should," "expect," "anticipate," "target," "project," "estimate," "intend," "continue," or "believe" or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events or results or the actual performance of PremiStar, LLC may differ materially from those reflected or contemplated in such forward-looking statements.