



**COMFORT  
SYSTEMS** **USA**

# SUSTAINABILITY REPORT

2024



PEOPLE



PARTNERS



PLANET

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# ABOUT THIS REPORT

The executive leadership team and Board of Directors at Comfort Systems USA (“Comfort Systems USA,” “Comfort,” or the “Company”) are proud to present our annual Sustainability Report.

Comfort Systems USA reported in accordance with the Global Reporting Initiative (GRI) Standards for the period January 1st, 2024, to December 31st, 2024. This reporting period is in alignment with our financial reporting period. The report was also prepared using the Sustainability Accounting Standards Board’s (SASB) Standards for the Engineering & Construction Services industry.

The climate-related disclosures in this report have been prepared, to the extent possible for this year, applying International Financial Reporting Standards (IFRS) S2 Climate-related Disclosures<sup>1</sup>, which has incorporated the Task Force on Climate-related Financial Disclosures (TCFD). IFRS S2 disclosures that have been omitted are described

in the report, along with the reasons why they have not been reported at this time.

This report describes our impact in supporting relevant United Nations (UN) Sustainable Development Goals (SDGs) and associated targets and supports our Communication on Progress (CoP) for the UN Global Compact. Certain statements in this report are “forward-looking” based on management’s views on future events and underlying assumptions. Forward-looking statements involve risks and uncertainties that could cause actual results to differ from those expressed or implied in such statements. The forward-looking statements contained in this report speak only as of the date of publication of this report, and Comfort does not assume any obligation to update them.

For questions about this report, please contact:

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675 Bering Dr. Suite 400 Houston, TX 77057

**Phone:** (713) 830-9600

**Email:** [information@comfortsystemsusa.com](mailto:information@comfortsystemsusa.com)

<sup>1</sup> The IFRS S1 Standard, General Requirements for Disclosure of Sustainability-related Financial Information, is not applied in this report. Given this is the first year Comfort Systems USA is incorporating the IFRS Sustainability Disclosure Standards in our reporting, we opted to use the climate-first reporting approach.



## A MESSAGE FROM THE CEO

**Brian E. Lane**

Our journey is guided by a clear vision and a deep sense of responsibility to our people, partners, and the planet. Together, we will continue to build a sustainable future for generations to come.

As we embark on a new year, I am proud to share Comfort Systems USA's continued commitment to sustainability and our progress in integrating these principles into every aspect of our business. This report marks a significant milestone as it is our first using the IFRS Sustainability Disclosure Standards, ensuring we stay aligned with the latest global standards for climate-related reporting.

Our vision remains steadfast: to lead with integrity, innovate sustainably, and create lasting value for our stakeholders. While staying rooted in our vision, we continue to embrace growth. This year, we have welcomed new acquisitions into the CSUSA family, each bringing unique strengths that enhance our collective capability to drive sustainable growth.

Our sustainability endeavors are deeply threaded with our operations, from reducing greenhouse gas (GHG) emissions to enhancing our supply chain's resilience. This year, we set an ambitious GHG reduction target—a significant undertaking for a company of our size—which further reflects our dedication to mitigating climate impact and meeting expectations from our customers, investors, and other stakeholders. I am also pleased to say that we remain proud participants in the UN Global Compact and voluntarily report to EcoVadis and CDP. These platforms allow us to transparently share our progress and challenges, building trust and confidence among our stakeholders.

Our Sustainability Committee has been instrumental in taking action to meet our evolving goals and strategies. This year, the Committee's actions included overseeing a comprehensive corruption risk assessment, reinforcing our commitment to safety and integrity. The Committee also strengthened our sustainability policies to better capture our values and future aspirations. Additionally, as a company, we proudly donated over \$2 million to charity. These achievements reflect our collective effort and commitment to our mission.

Our people are the heart of Comfort Systems USA. Throughout 2024, we continued to support our employees' growth and well-being through extensive talent and training programs. Many of these programs were spearheaded by the Talent Advisory Group, which aims to foster an inclusive environment that attracts, retains, and develops a diverse workforce reflective of the communities we serve.

As we move forward, we remain committed to continuous improvement and innovation. Our journey is guided by a clear vision and a deep sense of responsibility to our people, partners, and the planet. Together, we will continue to build a sustainable future for generations to come.

*Thank you for your continued support and trust in Comfort Systems USA.*

Sincerely,  
Brian E. Lane  
CEO, President, & Director

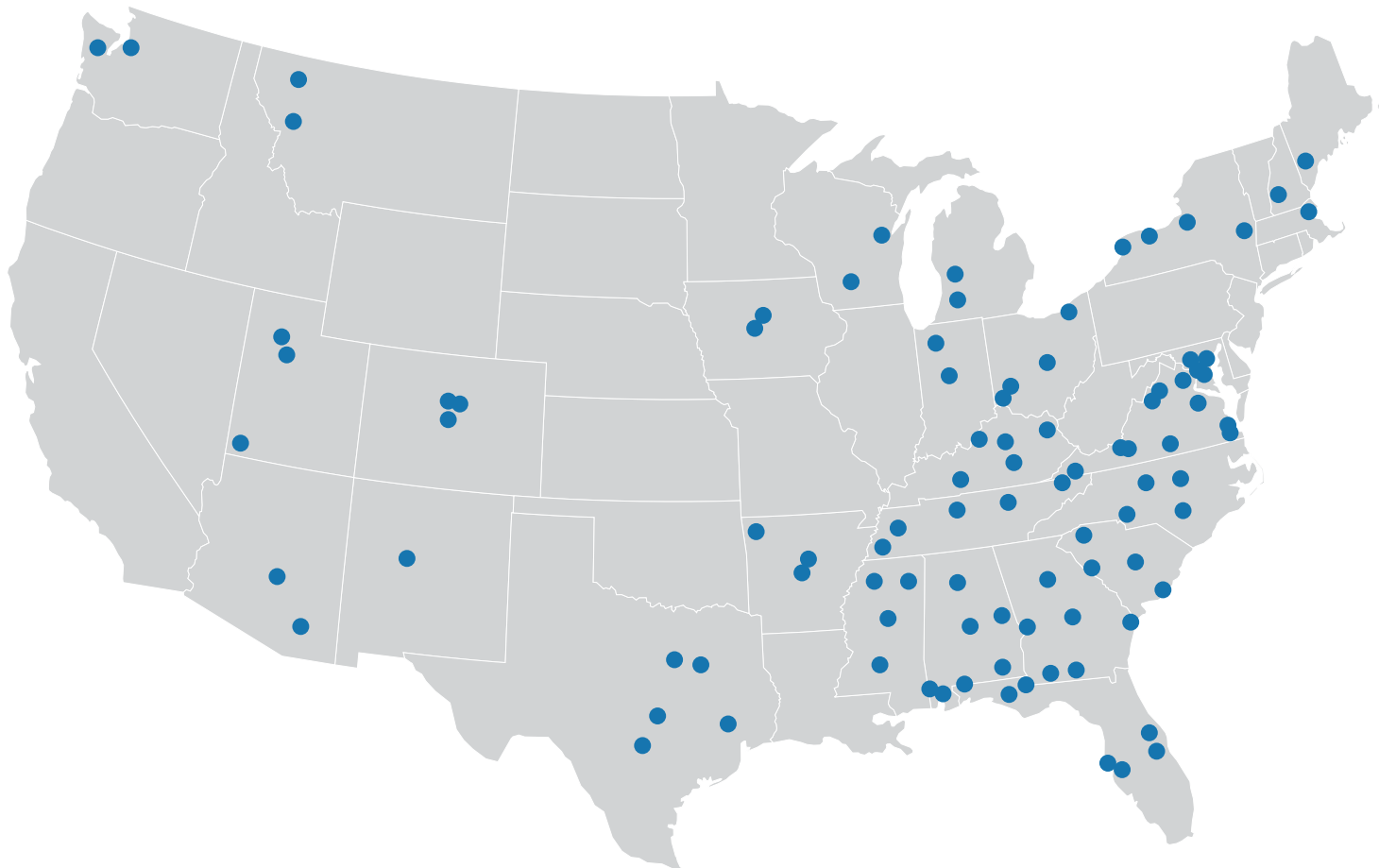
# ABOUT COMFORT SYSTEMS USA

Headquartered in Houston, Texas, Comfort Systems USA, Inc. is composed of more than 40 operating companies in approximately 170 locations across the United States. We are a leading building and service provider for mechanical, electrical, and plumbing building systems. Our national footprint allows us to meet our customers' objectives to build and maintain safe, comfortable, and efficient facilities.

Across the United States, companies turn to Comfort Systems USA for our unparalleled expertise in mechanical and electrical services, process piping, modular construction, controls, energy efficiency, and countless other nonresidential building renovation and service needs. We focus on a long-term approach by emphasizing safety and sustainability in everything we do. Our customers can count on Comfort Systems USA to integrate planning, engineering, and implementation to provide a customized approach to complex building needs.

Comfort Systems USA is a publicly traded company (NYSE: FIX).

## Our Locations



## WE BUILD LEGACIES WITH OUR

### CUSTOMERS

by safely installing and maintaining their most critical building systems

### PEOPLE

by providing the tools and paths for individual career achievement

### ACQUISITIONS

by preserving and advancing their life's work



## OUR VALUES

Our values define, inform, and guide how we operate within our Company and in the communities where we do business. Our core values are:



BE SAFE



BE HONEST



BE RESPECTFUL



BE INNOVATIVE

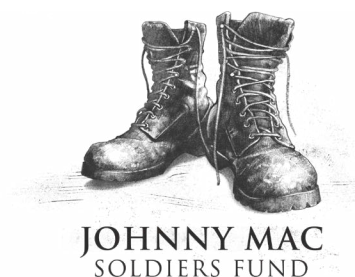


BE COLLABORATIVE

These values set the foundation for our [Code of Conduct](#), business processes, and sustainability program.

## OUR MEMBERSHIPS

- Associated Builders and Contractors (ABC)
- Association of Energy Engineers National Safety Council (ASHRAE)
- INVets (Indiana's primary veteran recruitment and transition resource)
- Johnny Mac Soldiers Fund
- National Association of Women in Construction (NAWIC)
- Society for Human Resource Management (SHRM)
- The American Society of Safety Professionals
- U.S. Army Partnership for Your Success (PaYS) program
- United Service Organization (USO)



# 2024 IN REVIEW

## PEOPLE



Named a Best Company to  
Work For by U.S. News and  
World Report



Voted one of the top five  
mechanical contractors in  
Arizona in the Best of Arizona  
Business Awards

**\$2 MILLION+**

Donated to  
charitable organizations

## PARTNERS



Completed a corruption risk  
assessment



Updated policies to stay up to  
date with the latest standards  
and frameworks

**3X LEED  
CERTIFICATIONS**

30 LEED certifications  
achieved, more than  
tripling the number of LEED  
certifications achieved in 2023

## PLANET



Committed to a scope 1 and 2  
GHG reduction target



Completed a scope 3  
readiness assessment



Completed a GHG assurance  
readiness assessment

# MATERIALITY

In 2023, Comfort Systems USA completed a materiality assessment in accordance with the Global Reporting Initiative's (GRI) guidance for double materiality. We worked with an independent, third-party consulting firm to identify actual, potential, negative, and positive, impacts, risks, and opportunities (IROs).

Our IROs were identified through desktop industry research and key stakeholder group interviews. Impacts were assessed for significance based on severity (scale, scope, and, if applicable, irremediable character) and likelihood. Risks and opportunities were evaluated as a part of Comfort's financial reporting processes and organizational strategic planning.

In line with the principles of double materiality, our IROs were categorized into sustainability-related topics. Then, those topics were prioritized based on their potential to influence our financial position or our potential to impact society, the economy, and the environment.

The double materiality assessment culminated in our list of material topics, which are the cornerstones of our sustainability strategy, actions, and reporting.



## MATERIAL TOPICS



- **Employee Hiring and Retention**
- **Training and Development**
- **Occupational Health and Safety**
- **Diversity and Inclusion**



- **Data Privacy and Cybersecurity**
- **Risk Management**



- **Energy Efficiency**
- **Greenhouse Gas Emissions**

# UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The UN SDGs, which comprise 17 interconnected goals, are a universal blueprint adopted by all UN Member States in 2015 to address global challenges and achieve a better, more sustainable future for all by 2030. We have identified five SDGs that are aligned with our material topics. Throughout this report, the SDG icons denote where our progress, commitments, and goals align with an SDG. The corresponding targets for each goal are summarized below.



## SDG 4 Quality Education

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

Material Topic: Training and Development

- Target 4.3 – Ensure equal access for all women and men to affordable and quality technical, vocational, and tertiary education, including university
- Target 4.4 – Substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs, and entrepreneurship

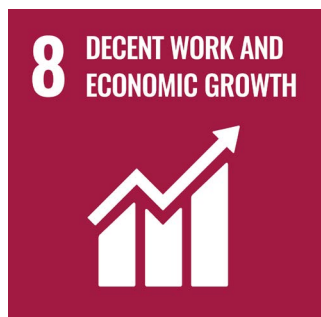


## SDG 7 Affordable and Clean Energy

Ensure access to affordable, reliable, sustainable, and modern energy for all.

Material Topic: Energy Efficiency

- Target 7.3 – Double the global rate of improvement in energy efficiency



## SDG 8 Decent Work and Economic Growth

Promote sustained, inclusive, and sustainable economic growth; full and productive employment; and decent work for all.

Material Topic: Employee Hiring and Retention

- Target 8.5 – Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value

Material Topic: Occupational Health and Safety

- Target 8.8 – Protect labor rights and promote safe and secure working environments for all workers

Material Topic: Risk Management

- Target 8.2 – Achieve higher levels of economic productivity through diversification, technological upgrading and innovation



### SDG 10 Reduced Inequalities

Reduce income inequality within and among countries.

Material Topic: Diversity and Inclusion

- Target 10.3 – Ensure equal opportunity and reduce inequalities of outcomes by eliminating discriminatory policies and practices and promoting appropriate legislation, policies, and action in this regard
- Target 10.4 – Adopt policies, especially fiscal, wage, and social protection policies, and progressively achieve greater equality



### SDG 16 Peace, Justice, and Strong Institutions

Peace, Justice, and Strong Institutions: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

Material Topic: Data Privacy and Cybersecurity

- Target 16.5 – Substantially reduce corruption and bribery in all their forms
- Target 16.6 – Develop effective, accountable and transparent institutions at all levels

## UNITED NATIONS GLOBAL COMPACT

Since 2021, Comfort Systems USA has participated in the UN Global Compact. As a participant of the UN Global Compact, we pledge to uphold the [UN Global Compact's Ten Principles](#) on human rights, labor, the environment, and anti-corruption.

**WE SUPPORT**



## ECOVADIS

Throughout 2024, Comfort Systems USA prepared our submission to EcoVadis, a leading assessment for environmental, social, and ethical performance ratings for global supply chains. In March 2025, we earned a bronze medal and are proud to be ranked in the top 19% of companies across the world.



# SUSTAINABILITY GOVERNANCE

Comfort Systems USA's Board of Directors ("Board") supplies high-level oversight of our corporate sustainability performance and material sustainability issues, as applicable, through the Nominating, Governance, and Sustainability Committee. This Committee reviews and advises on updates from our internal Sustainability Committee, made up of a diverse set of corporate leadership, on at least a biannual basis. Further information about our Board's role, responsibilities, and competencies is in our [Proxy Statement](#).

Guided by our material topics, the Sustainability Committee of our management team executes our sustainability strategy. Our governance practices build accountability into our processes and provide us with the resources to manage sustainability-related matters effectively.

## GOVERNANCE PRACTICES

- Comfort Systems USA's Board is actively involved in overseeing the Company's risk management process. These activities are aligned with the Company's strategy. The Audit Committee, the Compensation and Human Capital Committee, and the Nominating, Governance, and Sustainability Committee consider risks that fall within their respective areas of responsibility.
- The Board's Nominating, Governance, and Sustainability Committee oversees the Company's sustainability practices, including identifying climate-related risks and opportunities and overseeing the process of setting GHG emissions reduction targets.
- The Board's Audit Committee annually reviews the enterprise risk management matrix, which addresses sustainability and climate-related risks.

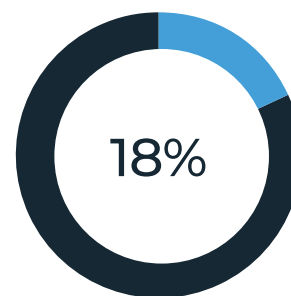
Our governance practices build **accountability** into our processes and provide us with the resources to manage sustainability-related matters effectively.

- The Sustainability Committee, composed of the Company's senior leadership team, tracks and reports the Company's sustainability program and plan progress.
- Executive compensation is directly linked to performance on safety and other sustainability metrics. Additional performance metrics included in remuneration are in our Proxy Statement.
- The Compensation and Human Capital Committee oversees the Company's compensation and human capital practices.

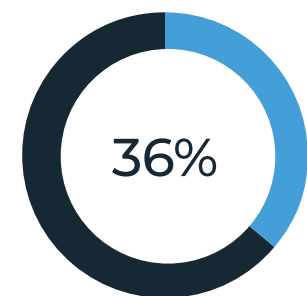
## BOARD COMPOSITION

Comfort Systems USA's Board of Directors has an independent supermajority (91%) and a fully independent Chairman of the Board, Franklin Myers.

- 2/11 (18%) directors are female
- 4/11 (36%) directors are racially/ethnically diverse



DIRECTORS ARE  
FEMALE



DIRECTORS ARE  
RACIALLY/ETHNICALLY  
DIVERSE



Our **SUSTAINABILITY MISSION** is to provide the best value mechanical, electrical, and plumbing building systems to realize superior returns for our stockholders while caring for our People, Partners, and Planet

## SUSTAINABILITY COMMITTEE

Our Sustainability Committee is composed of executive-level management representing a broad range of business functions, including the following positions:

- Chief Executive Officer
- Chief Financial Officer
- Chief Operating Officer
- Vice President of Tax
- Vice President of Risk
- Senior Vice President of Talent and Leadership Development
- Chief Accounting Officer
- General Counsel
- Vice President of Internal Audit
- Corporate Controller

The Sustainability Committee is responsible for setting goals, defining initiatives, and tracking progress related to our material topics and other sustainability-related issues.

The Sustainability Committee meets monthly and reports directly to the Board of Directors' Nominating, Governance, and Sustainability Committee.

### 2024 Committee Initiatives:



Complete a corruption risk analysis



Set a GHG reduction target



Complete a scope 3 GHG emissions data collection readiness assessment

### 2025 Committee Goals:



Conduct pilot facility audits to identify decarbonization solutions



Expand talent acquisition and retention initiatives



Identify opportunities to further integrate climate-related risks and opportunities into the Company's strategy



Kick off an electric vehicle pilot program

# PEOPLE

At Comfort Systems USA, we invest in our people's safety, well-being, and professional growth. Our [Labor and Human Rights Policy](#) defines our commitments regarding:

- Anti-discrimination
- Anti-harassment
- Career development and training
- Diversity and inclusion
- Employee health and safety
- Fair wages and benefits
- Working hours
- Zero child labor
- Zero compulsory or forced labor

This policy applies to all employees, directors, contractors, and suppliers. Our General Counsel reviews it annually to maintain alignment with evolving standards and regulations. Any reported violations of this policy are addressed through our whistleblower procedure.

Our Code of Conduct and employee handbooks reinforce principles of equal employment, workplace conduct, employee benefits, and time away. Our Board of Directors, specifically our Board's Compensation and Human Capital Committee, plays a pivotal role in providing oversight of the Company's policies and strategies relating to human capital management, including safety, culture, diversity, and inclusion.

Through cultivating a workplace that is welcoming, empowering, and meaningful for our employees, we maintained a six-year average tenure, exceeding the national median years of tenure in the construction industry.<sup>2</sup>

## MATERIAL TOPICS



PEOPLE

- **Employee Hiring and Retention**
- **Training and Development**
- **Occupational Health and Safety**
- **Diversity and Inclusion**



<sup>2</sup> [Bureau of Labor Statistics: Employee Tenure in 2024](#)

# EMPLOYEE HIRING AND RETENTION

Comfort Systems USA is committed to cultivating a workplace where our team members feel valued, supported, and empowered.

Because the building construction industry has a high demand for qualified workers, Comfort’s continued success depends, in large part, on our ability to attract, retain, and motivate qualified craft workers, engineers, service technicians, field supervisors, and project managers. By establishing multiple pipelines for craftworkers to join our team, we strengthen our position in the competition for talent. We are also keenly aware of the risks associated with the high turnover rate in our industry. As such, we focus on worker retention to continue building our overall expertise, efficiency, and productivity.

Our national footprint means we have career opportunities across the USA, ranging from entry-level field and office positions to experienced professionals supporting various projects. Regardless of the position, in our hiring process,

Comfort Systems USA, together with our subsidiaries, is an equal opportunity employer and prohibits discrimination and harassment of any type. Our hiring process is merit-based, ensuring we grow our team of quality individuals who work each day to build solutions in our communities.

We believe a comprehensive benefits package is an important aspect of retaining qualified employees. We provide our employees with a benefits package including:

- Medical, vision, and dental insurance
- Life insurance
- Short- and long-term disability
- Employee Assistance Program
- Family medical leave
- 401(k) plan

We administer satisfaction surveys to collect employee feedback. We then use the data to inform our efforts for continual improvement.



4,718  
NEW HIRES  
in 2024

Table 1: Turnover

2021	2022	2023	2024
28%	34%	31%	32%

Table 2: Average Tenure

2021	2022	2023	2024
6 years	5 years	6 years	6 years

# TRAINING AND DEVELOPMENT

Comfort Systems USA has one of the largest skilled workforces in the building construction industry. We view training and development as an opportunity to boost worker engagement, satisfaction, and retention, counteracting the risk of high turnover in our industry. Additionally, upskilling our workforce gives us a competitive advantage by fostering innovation and leadership and enabling our workers to become advanced professionals in their craft.

We provide opportunities for personal and professional growth and development and invest in leadership training, mentoring, and succession planning initiatives to equip our future leaders for generations to come. We have created in-house training courses specific to leadership, communication, relationship management, diversity and inclusion, ethics, conduct in the workplace, and many more key competencies for our employees’ development. Our training programs are tailored

by our operating companies and supported nationally by our Corporate Learning and Development Department to meet our workforce’s specific needs.

In addition to our training programs, our employees complete regular performance reviews with their managers to set annual objectives and receive feedback on their performance. These reviews and self-assessments allow our employees to reflect on their past performance and plan for their future.

32 classes offered

829 total participants

100% of employees at the corporate level received performance and career development reviews

## SPOTLIGHTS



### Comfort University: Empowering Excellence

Comfort University is our commitment to fostering growth, innovation, and excellence across Comfort Systems USA. This platform is designed to provide employees at every level with access to industry-specific training, professional development, and skill-building opportunities tailored to our unique business needs.

With curated courses in service, construction, leadership, skilled crafts, safety, and more, Comfort University equips our teams with the knowledge and tools to excel in their roles and adapt to the industry's evolving demands.

Comfort University is more than a training platform—it's an investment in the future of our workforce and the continued success of Comfort Systems USA. Together, we are building a foundation of learning and growth that drives innovation and excellence across all our operations.



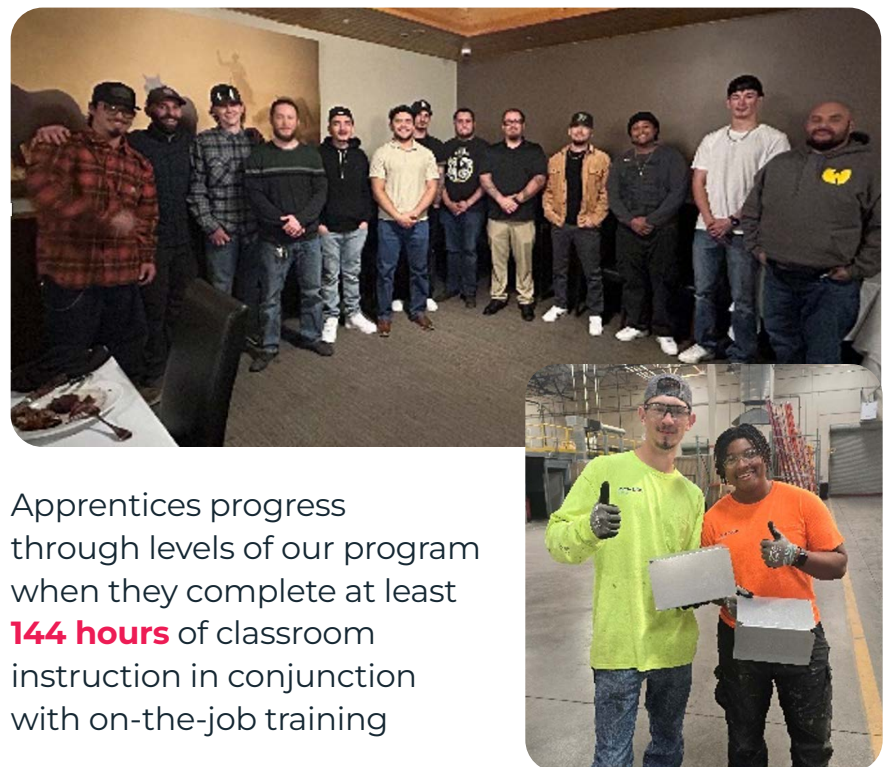
### ADTC x CSUSA HVAC Training Program

Comfort Systems USA is proud to partner with American Diesel Training Centers (ADTC), an organization with a mission to be the leading catalyst for driving positive change in the recruitment, training, and retention of technicians across various industries. In 2024, we celebrated the graduation of 64 students from the ADTC x Comfort Systems USA HVAC training program. Through this training program, dedicated individuals spend six weeks gaining essential skills and hands-on experience, preparing them for success in the HVAC industry.



### Apprenticeship Programs

Comfort Systems USA Southwest is one of several operating companies that offers apprenticeship programs in sheet metal, pipefitting, and plumbing—the foundational trades that power modern buildings and infrastructure. The four-year apprentice program is accredited and registered with the National Center for Construction Education and Research. As part of this nationally recognized program, participants voluntarily attend classes and receive a pay raise when they complete a semester. Apprentices progress through levels of the program when they complete at least 144 hours of classroom instruction in conjunction with on-the-job training. We currently have 16 apprentices who have advanced to the next level, each gaining work experience and learning from a mentor committed to their success. Graduates of this apprenticeship program are equipped with certifications and confidence to build long-term careers.



Apprentices progress through levels of our program when they complete at least **144 hours** of classroom instruction in conjunction with on-the-job training

# OCCUPATIONAL HEALTH AND SAFETY

Safety is an integral part of everything we do. We focus on company-wide accident prevention, not just OSHA compliance. Our employees receive a health and safety orientation, company-specific safety training, project-specific safe work practices training, and certification in OSHA 10-Hour. Managers and supervisors receive OSHA 30-hour safety training. We also provide our employees with the necessary safety equipment to perform their work. Our “Think 5 x 5” initiative increases worker awareness and enhances the company culture to “Safely take 5 seconds and 5 steps back” to think about their surroundings and work area to ensure a safe environment. We strictly adhere to all federal, state, and local regulations.

We benchmark and track safety in many areas, including workplace safety, automobile accidents, and general liability to ensure that we’re proactively addressing any arising concerns. Managers at all levels of our organization can affect the safety culture and continually motivate positive change to avoid complacency. Staying committed and involved keeps our workplace and worksites actively working to achieve a harm-free environment.

We continue to manage safety risks through health and safety risk assessments conducted at each site to identify and address potential safety hazards. The risks identified from the assessments are managed and mitigated by implementing corrective measures that are monitored for effectiveness.

Comfort Systems USA’s health and safety expectations are outlined in our Code of Conduct, along with the steps to report



situations that may pose a health, safety, or environmental hazard. Reports made in good faith can be made without fear of negative repercussions. Although there is no expectation for every employee to be an expert in every health and safety requirement, employees are expected to understand the requirements that apply to their area of responsibility and to seek advice if they face an issue raising possible health and safety concerns.

Despite our continuous efforts to create a culture that empowers each of our employees to work safely on every task, we deeply regret the loss of a teammate in 2024 at a customer’s site. A thorough investigation was conducted, and the lessons learned have been integrated into our safety protocols. Each incident reinforces our commitment to improving and maintaining a safe and healthy work environment for all.

## SPOTLIGHT



### Beyond Safety Days

Comfort Systems USA Shoffner, Inc. launched “Beyond Safety Days,” where employees across operating companies paused their job duties to attend sessions focused on improving physical and mental safety outside of work. The week began in Knoxville, TN, and extended to Tri-Cities, TN, and Roanoke, VA. The events featured guest speakers covering topics like nutrition, healthcare, retirement planning, and mental health. An employee panel shared practical tips for health and time management.

WELLNESS

Every September, National Suicide Prevention Month, the construction industry dedicates a week to raising awareness about the unique challenges workers face in construction that can lead to suicide and what we can do to prevent it. During Construction Suicide Prevention Week 2024, Comfort Systems USA shared resources to stand against the stigma around mental health and help cultivate a culture of checking

in with each other. Year-round, Comfort Systems USA employees have unlimited access to an employee assistance program that provides confidential emotional support, work-life solutions, legal guidance, and financial resources for all employees and their family members.

*If you or someone you know is struggling or in crisis, help is available. Call or text 988 or chat at [988lifeline.org](https://988lifeline.org) to reach the 988 Suicide & Crisis Lifeline.*

Table 3: Data Points<sup>3</sup>

METRIC	2023		2024	
	Comfort Systems USA	BLS Construction Industry Average <sup>4</sup>	Comfort Systems USA	BLS Construction Industry Average <sup>5</sup>
Lost Workday Case Incidence Rate	0.24	1.0	0.18	1.0
Days Away, Restricted or Transferred	0.52	1.5	0.40	1.5
OSHA Recordable Incident Rate	1.10	2.4	0.97	2.3



100% of operational sites have employee health and safety risk assessments conducted

DIVERSITY AND INCLUSION

Comfort is committed to fostering a culture of inclusion and innovation where all employees feel respected and represented with full and equal access to development and education to further their careers. Comfort brings together employees with various backgrounds, skills, and cultures to create diverse teams that drive results. We support laws prohibiting discrimination based on protected characteristics; we evaluate colleagues, job applicants, and business partners based on their qualifications, demonstrated skills, and achievements. As described in our Code of Conduct, across our business, we operate by:

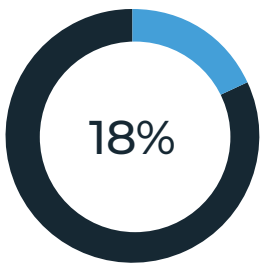
- Treating others respectfully and professionally
- Promoting diversity in hiring and other employment decisions
- Never discriminating against others based on any characteristic protected by law or Company policy

Supporting our employees and representing the communities we serve are important to our leadership team. Diversity is a competitive advantage that helps drive growth and innovation. Our employees’ unique capabilities, knowledge, and experiences build our collective strength as an organization.

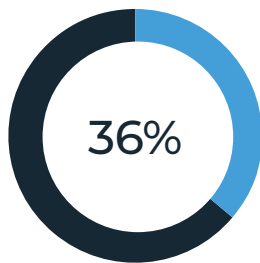
Through outreach and engagement programs, we seek to attract, develop, support, and retain our talented and productive workforce. The Compensation and Human Capital Committee of our Board of Directors oversees our diversity and inclusion strategy.

Data Points

BOARD OF DIRECTORS



DIRECTORS ARE FEMALE



DIRECTORS ARE RACIALLY/ETHNICALLY DIVERSE

<sup>3</sup> Comfort Systems USA's safety metrics include full-time employees and temporary workers under Comfort Systems USA's supervision.

<sup>4</sup> [TABLE 1. Incidence rates of nonfatal occupational injuries and illnesses by industry and case types, 2022: U.S. Bureau of Labor Statistics](#)

<sup>5</sup> [TABLE 1. Incidence rates of nonfatal occupational injuries and illnesses by industry and case types, 2023 U.S. Bureau of Labor Statistics](#)



*National Association of Women in Construction Conference*



## SPOTLIGHT



### Sponsor of the National Association of Women in Construction

Comfort Systems USA is a proud sponsor of the National Association of Women in Construction (NAWIC). This organization hosts conferences focused on women in construction, provides women-centered industry resources and publications, fosters connectivity across member organizations, and advocates for women in the field. Through our sponsorship, we support the NAWIC's efforts to create a welcoming and inclusive construction industry.

The Director of Marketing at ColonialWebb, a Comfort Systems USA Company, attended the 2024 NAWIC conference where she connected with industry leaders, celebrated women's accomplishments in the construction industry, and partook in educational breakout sessions.



# PARTNERS

Comfort Systems USA works with business partners, such as consultants, agents, suppliers, contractors, and other third parties. These partners are expected to follow our Code of Conduct, all applicable laws, and any applicable contractual provisions when working on our behalf. Our Code of Conduct promotes integrity, transparency, and accountability across direct operations and partnerships. The section of our Code of Conduct covering working with business partners includes requirements and guidelines on:

- Supplier relations
- Human rights
- Confidential information
- Conflicts of interest
- Nepotism
- Gifts and entertainment

Compliance and enforcement procedures are also specified in our Code of Conduct. Our Compliance Committee, which meets at least annually, consists of the General Counsel, Corporate Controller, Vice President of Tax, Vice President of Treasury and Risk, Chief Accounting Officer, Vice President of Internal Audit, Chief Operating Officer, and the Chief Financial Officer, and with such deletions and additions from time to time as the Chief Executive Officer may approve.

## MATERIAL TOPICS



**PARTNERS**

- Data Privacy and Cybersecurity
- Risk Management



# DATA PRIVACY AND CYBERSECURITY

Comfort Systems USA has adopted processes designed to identify, assess, and manage material risks from cybersecurity threats. The Company’s full Board and management, particularly the Risk Committee and Chief Information Security Officer, oversees the risk management process. These processes include responding to and assessing internal and external threats to the security, confidentiality, integrity, and availability of Company data and systems.

The Audit Committee is briefed on cybersecurity risks at least once each calendar year and as necessary regarding any material cybersecurity incidents. The Audit Committee also reviews an overall assessment of Comfort Systems USA’s compliance with cybersecurity policies, including topics such as risk assessment, risk management and control decisions, service provider arrangements, test results, security incidents and responses, and recommendations for changes and updates to policies and procedures.

As part of our risk management process, Comfort Systems USA periodically assesses and tests the Company’s policies, standards, processes, and practices designed to address cybersecurity threats and incidents. These efforts include a wide range of activities, such as audits, assessments, tabletop exercises, threat modeling, vulnerability testing, and other exercises focused on evaluating the effectiveness of our cybersecurity measures and planning.

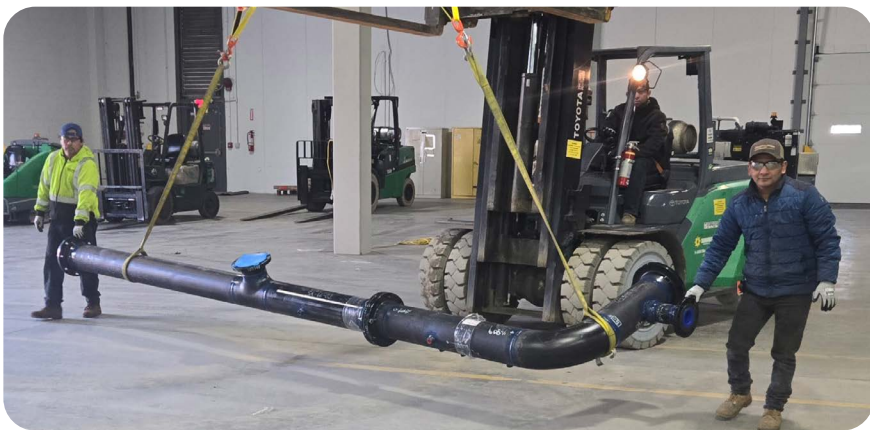
Comfort Systems USA regularly engages third parties to assess our cybersecurity measures, including information security maturity assessments, audits, and independent reviews of our information security control environment and operating effectiveness. The findings from these assessments, audits, and reviews are reported to the Board, and the Company adjusts its cybersecurity policies, standards, processes, and practices as necessary.

Comfort Systems USA’s cybersecurity program is focused on the following key areas:

- Departmental collaboration
- Technical safeguards
- Incident response and recovery planning
- Third-party risk management
- Education and awareness
- Governance

Table 4: Data Points

Number of complaints received concerning breaches of customer privacy	0
Number of identified leaks, thefts, or losses of customer data	0
Percent of employees completed information security training	8%



**1,544** employees completed information security training

# RISK MANAGEMENT

The Company’s Board is actively involved in overseeing the Company’s risk management process. A group of the Company’s executive officers serves on the Risk Committee, which is directly responsible for the Company’s risk management process. The Company’s President and Chief Executive Officer, who is also a member of the Board, serves on the Risk Committee. The Risk Committee is a committee of management, not of the Board.

Any risks identified through Comfort Systems USA’s compliance and ethics program are included in the Risk Committee’s processes, along with operational, financial, environmental, cybersecurity, social, governance, and strategic risks. The Risk Committee meets at least annually to define and improve the risk-mapping process and at least quarterly to review updates to the risk management system. In addition, the Risk Committee presents comprehensive reports directly

to the Board at least once per year through the enterprise risk management matrix, which the Audit Committee reviews.

For each risk identified by the Risk Committee, a risk manager and owner are identified to manage day-to-day monitoring, mitigation, and trend analysis. For more information on our sustainability and climate-related risks and management, please refer to this report's [Climate Risk and Governance section](#).

## SPOTLIGHT



### Code of Conduct

Comfort Systems USA adopted a compliance policy in 1997, the year the Company was founded. That policy, with subsequent amendments discussed, approved, and adopted by the Board, including an amendment to change the title of the policy to our “Code of Conduct,” remains in effect and applies to the Company’s directors, officers, and employees who are subject to disciplinary action, including termination, for violations of the code.

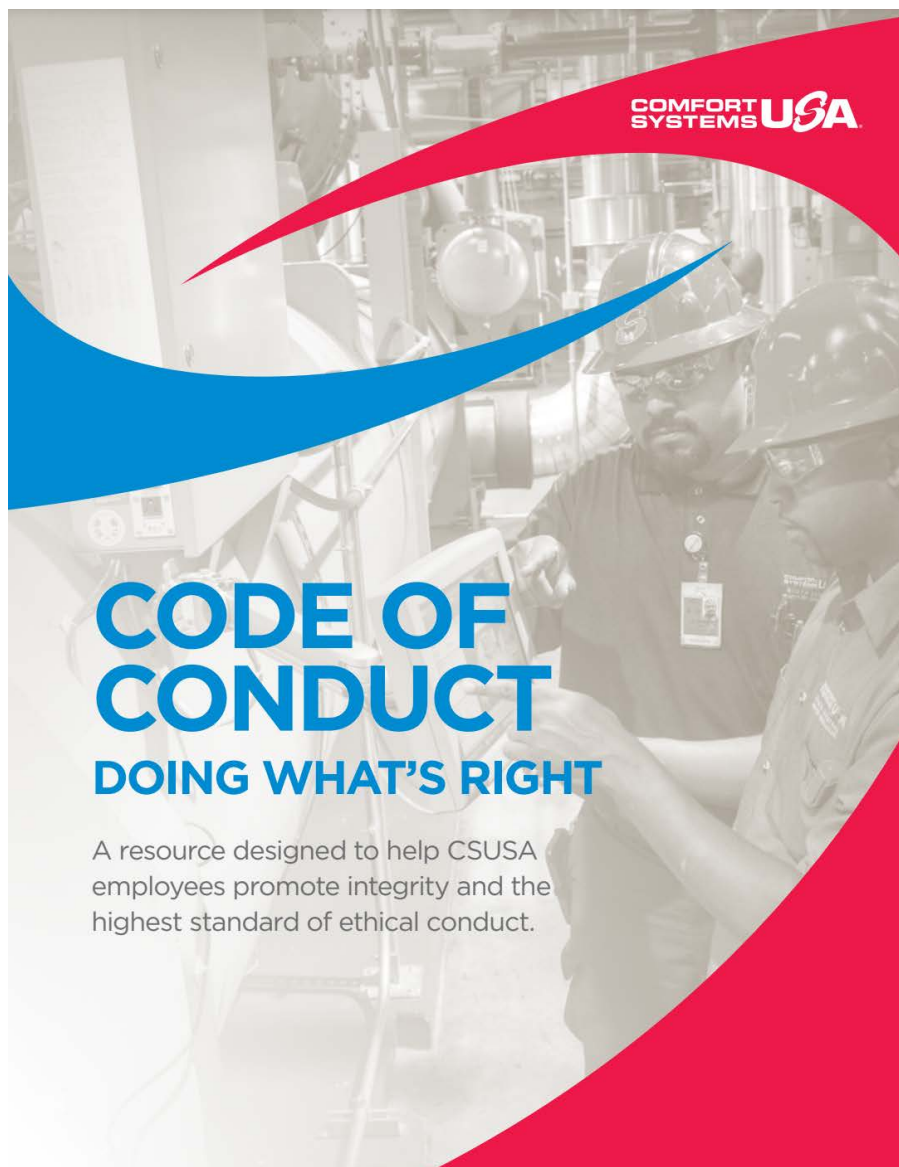
The code forms the basis of the Company’s ethics and compliance program, and it summarizes company policies, like conflict of interest, insider trading, confidentiality, human rights, and compliance with all laws and regulations applicable to the conduct of the Company’s business. The Code of Conduct is regularly reinforced to the Company’s employees and management through periodic ethics, equal opportunity employment, and anti-corruption training.

In 2024, in alignment with the principles outlined in our Code of Conduct, we conducted a corruption risk assessment to evaluate our existing anti-corruption practices and controls against industry best practices. The findings of the assessment yielded no major corrective actions and affirmed that our commitments and controls mitigate corruption and bribery risks.

Amendments to the Code of Conduct or the grant of a waiver from a provision of the policy requiring disclosure under applicable SEC rules will be disclosed to the public. The Code of Conduct is posted in both English and Spanish under the “Governance” tab of the Company’s website at <http://investors.comfortsystemsusa.com>. Printed copies of our Code of Conduct and our corporate governance standards may be obtained upon written request to our General Counsel at our headquarters address.

Table 5: Data Points

Percent of employees trained on business ethics	4%
Percentage of operational sites for which an internal audit/ risk assessment concerning ethics has been conducted	100%



## SPOTLIGHTS



### Supplier Diversity Program

Comfort Systems USA, Inc. is committed to finding the best suppliers, promoting sustainability, and addressing local community needs while delivering superior customer service. We recognize that sourcing from diverse suppliers benefits our company by providing multiple procurement channels. Concurrently, supporting diverse suppliers through our purchasing power can uplift the local communities where those suppliers are located by generating revenue that can be used to create jobs and increase wages.

To meet the requirements laid out in our [Supplier Code of Conduct](#), we established a [Supplier Diversity Policy](#). The guidelines in this policy are recommended to our operating companies to build a stronger, more resilient supply chain. The policy outlines our Supplier Diversity Program, which encourages our operating companies to partner with certified diverse suppliers that meet our competitive quality, pricing, and other business requirements. Our definition of diverse suppliers includes businesses that are disability-owned, women-owned, LGBTQ-owned, minority-owned, or veteran-owned businesses or businesses located in a HUBZone.

### Community Partnership: Supporting Hurricane Helene Relief Efforts

Hurricane Helene caused devastating damage, impacting infrastructures across Western North Carolina and leaving towns like Spruce Pine, NC, without vital winter equipment. Recognizing the urgent need for snow removal equipment with the winter weather, one of Comfort Systems USA's operating companies, Environmental Air Systems (EAS), and partnering organizations stepped forward to donate a snowplow and tools to Spruce Pine. This donation helped the town effectively clear roads and pathways as restoration efforts continued. In the future, the equipment will aid in the operation of essential services and ensure safe travel for residents.

The contributing companies were:

- EAS Companies (High Point, NC)
- TAS (Houston, TX)
- Amteck (Lexington, KY)
- Atlantic Electric (Charleston, SC)
- Eldeco (Piedmont, SC)
- Summit Industrial (Houston, TX)
- Ivey Mechanical (Kosciusko, MS)



"At EAS Companies, we believe in giving back to the communities where we live and work. It is a testament to the power of businesses working together for the greater good."

—Romaine Camera, CEO of EAS Companies

# PLANET

Comfort Systems USA is committed to environmental stewardship within our operations and our partners' operations. Our [Environmental Policy](#), sustainable procurement guidelines, and sustainable transportation guidelines apply to all employees and companies within our organization and guide our approach to responsible environmental practices. Senior leadership implements these policies and guidelines and annually reviews their relevance and effectiveness.

Our Board of Directors, through the Nominating, Governance, and Sustainability Committee, ensures that environmental considerations are integrated into our decision-making processes. Progress and initiatives related to our environmental performance are regularly communicated to our Board. In addition, we have completed a climate risk assessment to determine our material transition and physical climate risks and are currently assessing the feasibility of measuring their impacts. In 2024, as well as submitting a CDP Climate Change assessment, we submitted a CDP Water Security assessment for the first time. Our CDP Water Security assessment set a foundation for measuring and benchmarking the management of our water-related impacts, risks, and opportunities.

Our two largest environmental impact areas are energy consumption and GHG emissions. Through our efforts, we strive to uphold our commitment to environmental responsibility and contribute to a more sustainable future for all.

We are committed to:

- Investing in process efficiency improvements and technology innovations when applicable and beneficial to the environment.
- Striving to evaluate and improve our supply chain, including reducing related GHG emissions and waste produced.
- Implementing policies and procedures that help to reduce our carbon footprint and reduce energy use, including transportation guidelines, green facilities, and accredited reporting frameworks.
- Regularly evaluating our resource consumption and waste management practices.
- Ensuring hazardous waste is handled and disposed of responsibly and in accordance with local, state, and federal regulations.

## MATERIAL TOPICS



- **Energy Efficiency**
- **Greenhouse Gas Emissions**



# ENERGY EFFICIENCY

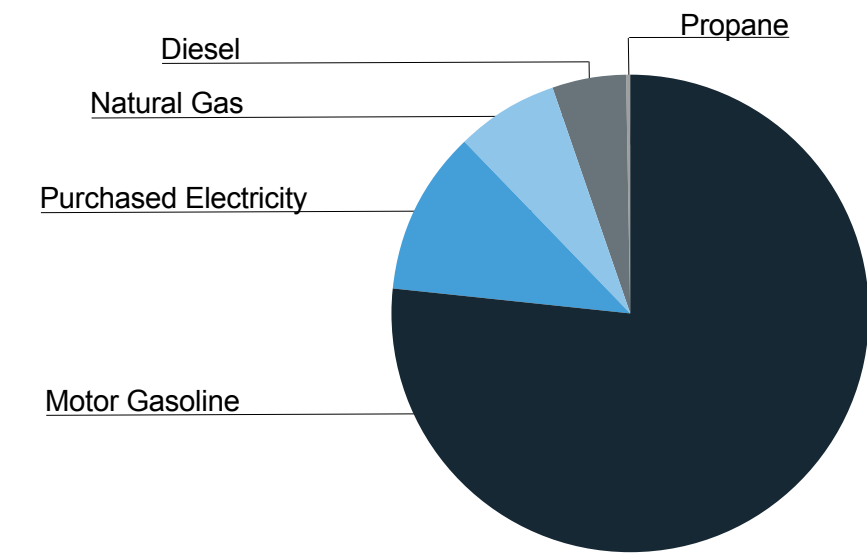
At Comfort Systems USA, our approach to energy efficiency extends to our direct operations, supply chain, and customers' operations. To address the evolving sustainability needs of our customers and our planet, Comfort Systems USA continues to implement service offerings that incorporate high-efficiency building systems.

The Board's Nominating, Governance and Sustainability Committee oversees our energy efficiency efforts, while our management-level sustainability committee directly manages them. Our Environmental Policy governs our commitments and practices, applying to all our operating companies and undergoing an annual review.

We leverage a software program to help us automate the collection and analysis of our utility data. In doing so, we have enhanced the accuracy and availability of our energy consumption data, which allows us to more easily identify energy efficiency opportunities. In addition to our focus on internal operational improvements, we know that we play a pivotal role in enhancing the energy efficiency of our customers' facilities through the installation of a range of mechanical, electrical, and plumbing building systems. By prioritizing these energy-efficient solutions and practices, we aim to minimize environmental impact while maximizing the value and long-term resilience of our operations and those of our clients.

In 2024, our energy usage was 1,232,865 gigajoules, a 1.58% decrease from 2023. A reduction in fleet fuel usage drove this decrease. We achieved a 15% decrease in energy intensity when comparing energy usage to annual revenue. In part, this decrease is attributed to improved company efficiencies.

## Data Points



2024 Energy Use by Source:

ENERGY SOURCE	2024 (GIGAJOULES)
Purchased Electricity	141,608
Natural Gas	91,525
Propane	2,222
Motor Gasoline	940,915
Diesel	56,594
<b>TOTAL</b>	<b>1,232,865</b>

## Energy Intensity (GJ/SQFT)

2023	2024
.26	.22



# GREENHOUSE GAS EMISSIONS

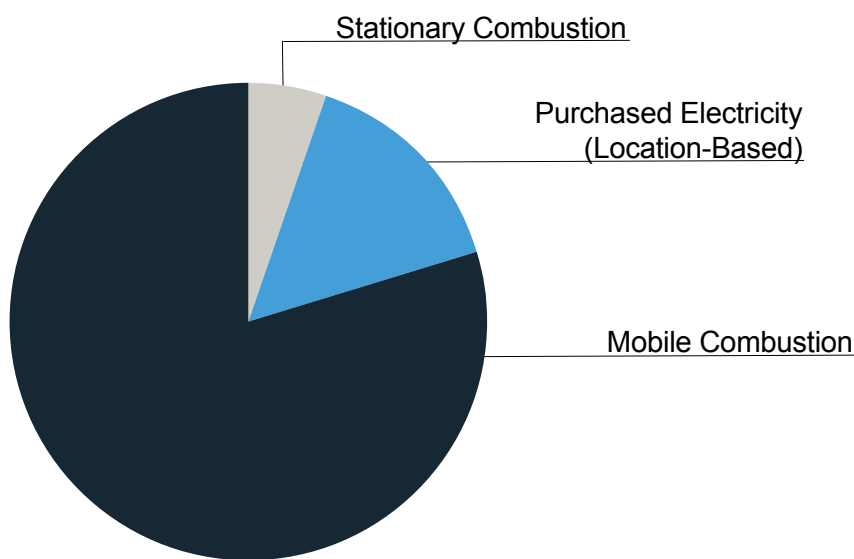
Comfort Systems USA is committed to reducing our carbon footprint as part of our sustainability efforts. This commitment and our approach to our emissions are outlined in our Environmental Policy and overseen by the Nominating, Governance, and Sustainability Committee of our Board of Directors. Comfort Systems USA identified opportunities to enhance our construction and service offerings to align with both our customers' and our climate objectives and targets.

Comfort Systems USA plays a pivotal role in our industry in upgrading outdated building systems with emerging, energy-efficient alternatives. We anticipate a growing societal emphasis on energy efficiency and carbon

**Table 8: Data Points**

METRIC	2022	2023	2024
Scope 1 (MT CO <sub>2</sub> e)	71,980	76,034	74,122
Scope 2 – Location-Based (MT CO <sub>2</sub> e)	13,458	13,928	13,400
Scope 2 – Market-Based (MT CO <sub>2</sub> e)	Not calculated	Not calculated	14,926
Emissions Intensity (kg CO <sub>2</sub> e/SQFT)	Not calculated	18.99	15.96

**2024 Emissions Use by Source:**



Purchased Electricity (Location-Based): 15%  
 Stationary Combustion: 5%  
 Mobile Combustion: 79%

These percentages are based on our scope 1 and location-based scope 2 GHG emissions.

All GHG emission calculations were completed in alignment with the GHG Protocol Corporate Standard using an operational control approach.

emissions reduction. To capitalize on this market potential, we oriented our business strategy toward continuous investment and provision of innovative processes and technologies to our customers.

A milestone in our journey was completing a scope 3 emissions readiness assessment and screening, which gave us valuable insights into the indirect emissions associated with our activities and the feasibility of measuring and reporting them. These analyses allowed us to identify key areas for expanded data collection and optimization. We take pride in knowing that our service offerings support our customers' GHG reduction endeavors.

Tracking and minimizing our GHG emissions is important to our business model. In 2024, we set an intensity-based target of reducing combined scope 1 and 2 emissions per square foot by 35% by 2035, from a 2023 baseline. We plan to meet these targets by continuing to improve our energy efficiency, investing in renewable energy, and transitioning to more efficient vehicles.

We are committed to optimizing our fleet operations and reducing the associated emissions. We developed Sustainable Transportation Guidelines that outline best practices regarding fleet management, business travel, route optimization and employee commuting. We recommend the adoption of these guidelines to all our operating companies. Our commitment includes exploring the transition to low-emission vehicles and alternative fuel options such as electric and hybrid vehicles.

In 2024, our absolute scope 1 and 2 (location-based) GHG emissions were 87,522 MT CO<sub>2</sub>e, a decrease of 2.7% compared to 2023. The GHG emissions inventory comprised natural gas, propane, transportation fuel (diesel and motor gasoline), and purchased electricity. Transportation fuel is our largest source of emissions, accounting for 79% of our corporate scope 1 and 2 emissions. Compared to 2023, our 2024 transportation-related GHG emissions decreased by 4%.

Comfort Systems USA reduced GHG intensity (kg CO<sub>2</sub>e/SQFT) by 16%.

## SCOPE 3 EMISSIONS

In our ongoing commitment to sustainability, Comfort Systems USA completed a scope 3 emissions screening and readiness assessment. Scope 3 emissions encompass indirect emissions that occur throughout our value chain, including purchased goods and services, employee commuting, and waste disposal. While not directly under our operational control, these emissions account for a portion of our total GHG emissions. Purchased goods and services are identified as our largest source of emissions within scope 3, emphasizing the importance of supply chain sustainability in our overall carbon footprint. The scope 3 screening and readiness assessment findings informed our targeted strategies to mitigate our environmental impact and enhance our overall sustainability performance.



## SPOTLIGHT



### Summit Industrial, Gray Construction, and Hanwha Qcells Manufacturing Facility

Summit Industrial ("Summit"), a Comfort System USA operating company, partnered with Gray Construction and their customer Hanwha Qcells to construct a 3.3 gigawatt (GW) crystalline silicon solar manufacturing facility in Cartersville, Georgia. Summit was contracted by Gray Construction to execute various processes and mechanical scope of work for this project. With the addition of this manufacturing facility, Hanwha Qcells became the only company in North America to produce all the key components required for solar panels across the entire supply chain. Summit's work for this project improved overall operation efficiency and contributed to greater productivity and manufacturing capacity of solar components.



## CLIMATE RISK AND GOVERNANCE

Comfort Systems USA recognizes the urgency of mitigating the impacts of global climate change and is committed to participating responsibly and actively in the transition to a sustainable future. This section outlines our approach to identifying, mitigating, and adapting to climate risks. It reflects our dedication to safeguarding the resilience of our operations and contributing to broader climate goals. Our focus is on two key areas:

**1. Climate Risk Assessment:** Understanding how climate-related risks, such as extreme weather events, emerging regulations, and the overall general transition to a low-carbon economy, may affect our operations, supply chains, and stakeholders.

**2. Mitigation and Adaptation Strategies:** Reducing our GHG emissions through innovative technologies, operational efficiencies, and investments in renewable energy and enhancing the resilience of our infrastructure, processes, and communities to ensure we thrive in a changing climate.

## CLIMATE RISK ASSESSMENT

Comfort Systems USA collaborated with a third-party consulting firm to identify climate-related risks and opportunities. Using various warming scenarios and short-to-long-term time horizon considerations, both physical and transition risks were compiled, categorized, and assessed based on the magnitude of impact and probability of the event occurring. In addition to examining risks, we identified business opportunities aimed at mitigating the potential impacts of the identified risks.

The following transition risk categories were considered<sup>6</sup>:

- Policy and legal risks
- Technology risks
- Market risks
- Reputational risks

The following types of opportunities were considered:

- Energy efficiency projects
- Regular reporting and measuring of emissions
- Infrastructure upgrades
- Business continuity plans for facilities
- Insurance coverage for natural disasters

The following acute<sup>7</sup>, physical risks were considered:

- Drought
- Flood
- Freeze
- Severe storm
- Hurricane
- Wildfire
- Winter storms

The following chronic<sup>8</sup>, physical risks were considered:

- Sea level rise
- Changing temperature
- Changing precipitation
- Water stress
- Air quality

For more information on the findings of the climate risk assessment, see the Climate-related disclosures index in the Appendix.

## MITIGATION AND ADAPTATION STRATEGIES

We address sustainability and climate-related risks through periodic revisions to our business continuity and disaster recovery planning procedures for each operating company. These procedures are designed to enable operational continuity in the event of various disruptions, including interruptions related to extreme weather events. Transition risks related to policy changes, technological advancements, and market fluctuations are also considered as part of the annual enterprise risk management process. Through our climate risk assessment, several opportunities were identified to mitigate and adapt to the biggest impacts Comfort Systems USA is likely to face from climate change.

For additional information on our risk management process, please see the [Risk Management section](#) of our report.

6 The identified risks can be found in the table located in the ISSB and Climate-related Disclosure Index for IFRS S2 in the Appendix of this report.

7 Acute climate risks refer to the immediate and severe impacts of climate change, typically from extreme weather events. These risks are characterized by their sudden onset, intensity, and short duration.

8 Chronic physical climate risks refer to the long-term, gradual impacts of climate change that occur over extended periods. These risks are persistent and often cumulative, resulting in changes in the climate system.

# APPENDIX

GRI Index 28  
SASB Index 32  
ISSB Climate-Related Disclosure Index  
for IFRS S2 33  
Additional Metrics 41



# GRI INDEX

## Statement of Use

Statement of use	Comfort Systems USA reported in accordance with the GRI Standards for the period January 1, 2024, to December 31, 2024.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	No applicable GRI section standards were used.

## General Disclosures

GRI DISCLOSURE	PAGE/RESPONSE
2-1 Organizational details	<a href="#">2024 Sustainability Report, Page 4</a> <a href="#">2025 Proxy Statement, Cover Page</a> <a href="#">Comfort Systems USA Website: Locations</a>
2-2 Entities included in the organization's sustainability reporting	<a href="#">2024 Sustainability Report, Page 4</a>
2-3 Reporting period, frequency, and contact point	<a href="#">2024 Sustainability Report, Page 2</a>
2-4 Restatements of information	There are no restatements from our prior reporting period.
2-5 External assurance	This report is not externally assured.
2-6 Activities, value chain, and other business relationships	<a href="#">2024 Sustainability Report, Page 4</a>
2-7 Employees	<a href="#">2024 Sustainability Report, Page 13, 41-42</a>
2-8 Workers who are not employees	Comfort Systems USA does not disclose this data for reasons of confidentiality.
2-9 Governance structure and composition	<a href="#">2024 Sustainability Report, Page 10-11</a> <a href="#">2025 Proxy Statement, Page 5-7, 14-23</a>
2-10 Nomination and selection of the highest governance body	<a href="#">2025 Proxy Statement, Page 14-25</a>
2-11 Chair of the highest governance body	<a href="#">2024 Sustainability Report, Page 10</a>
2-12 Role of the highest governance body in overseeing the management of impacts	<a href="#">2024 Sustainability Report, Page 10-11</a>
2-13 Delegation of responsibility for managing impacts	<a href="#">2024 Sustainability Report, Page 10-11</a>
2-14 Role of the highest governance body in sustainability reporting	<a href="#">2024 Sustainability Report, Page 10-11</a>
2-15 Conflicts of interest	<a href="#">Code of Conduct, Page 18-20</a>
2-16 Communication of critical concerns	<a href="#">2024 Sustainability Report, Page 20</a> <a href="#">Code of Conduct, Page 43-44, 49</a>
2-17 Collective knowledge of the highest governance body	<a href="#">2025 Proxy Statement, Page 14-20</a>
2-18 Evaluation of the performance of the highest governance body	<a href="#">2025 Proxy Statement, Page 26</a>

GRI DISCLOSURE	PAGE/RESPONSE
2-19 Remuneration policies	<a href="#">2025 Proxy Statement, Page 33-49</a>
2-20 Process to determine remuneration	<a href="#">2025 Proxy Statement, Page 33-49</a>
2-21 Annual total compensation ratio	<a href="#">2025 Proxy Statement, Page 62</a>
2-22 Statement on sustainable development strategy	<a href="#">2024 Sustainability Report, Page 7-9</a>
2-23 Policy commitments	<a href="#">Comfort Systems USA: Website : Sustainability</a>
2-24 Embedding policy commitments	<a href="#">Comfort Systems USA: Website : Sustainability</a>
2-25 Process to remediate negative impacts	<a href="#">Code of Conduct Page 43-44, 49</a>
2-26 Mechanisms for seeking advice and raising concerns	<a href="#">Code of Conduct Page 43-44, 49</a>
2-27 Compliance with laws and regulations	<a href="#">2024 Sustainability Report, Page 42</a> <a href="#">Code of Conduct, Page 39</a>
2-28 Membership associations	<a href="#">2024 Sustainability Report, Page 5</a>
2-29 Approach to stakeholder engagement	<a href="#">2024 Sustainability Report, Page 7</a> <a href="#">2025 Proxy Statement, Page 9, 26</a>
2-30 Collective bargaining agreements	<a href="#">2024 Form 10k, Page 7 SEC Filing   Comfort Systems USA</a>

## Material Topics

GRI DISCLOSURE	PAGE/RESPONSE
3-1 Process to determine material topics	<a href="#">2024 Sustainability Report, Page 7</a>
3-2 List of material topics	<a href="#">2024 Sustainability Report, Page 7</a>
3-3 Management of Material Topics	<a href="#">2024 Sustainability Report, Page 10-11</a>

## Energy

GRI DISCLOSURE	PAGE/RESPONSE
302-1 Energy consumption within the organization	<a href="#">2024 Sustainability Report, Page 23</a>
302-2 Energy consumption outside of the organization	Comfort Systems USA does not report this data due to insufficient data availability.
302-3 Energy intensity	<a href="#">2024 Sustainability Report, Page 23</a>
302-4 Reduction of energy consumption	<a href="#">2024 Sustainability Report, Page 23</a>
302-5 Reductions in energy requirements of products and services	Comfort Systems USA does not report this data due to insufficient data availability.

Emissions

GRI DISCLOSURE	PAGE/RESPONSE
305-1 Direct (Scope 1) GHG emissions	<a href="#">2024 Sustainability Report, Page 24</a>
305-2 Energy indirect (Scope 2) GHG emissions	<a href="#">2024 Sustainability Report, Page 24</a>
305-3 Other indirect (Scope 3) GHG emissions	Comfort Systems USA does not report this data due to insufficient data availability.
305-4 GHG emissions intensity	<a href="#">2024 Sustainability Report, Page 24</a>
305-5 Reduction of GHG emissions	<a href="#">2024 Sustainability Report, Page 24</a>
305-6 Emissions of ozone-depleting substances (ODS)	Comfort Systems USA does not report this data due to insufficient data availability.
305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Comfort Systems USA does not report this data due to insufficient data availability.

Employment

GRI DISCLOSURE	PAGE/RESPONSE
401-1 New employee hires and employee turnover	<a href="#">2024 Sustainability Report, Page 13</a>
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	<a href="#">2024 Sustainability Report, Page 13</a>
401-3 Parental leave	Comfort Systems USA's parental leave policies vary across our operating companies.

Occupational Health and Safety

GRI DISCLOSURE	PAGE/RESPONSE
403-1 Occupational health and safety management system	<a href="#">2024 Sustainability Report, Page 15</a> <a href="#">Code of Conduct, Page 14-15</a>
403-2 Hazard identification, risk assessment, and incident investigation	<a href="#">2024 Sustainability Report, Page 15</a>
403-3 Occupational health services	<a href="#">2024 Sustainability Report, Page 15</a>
403-4 Worker participation, consultation, and communication on occupational health and safety	<a href="#">2024 Sustainability Report, Page 15</a> <a href="#">Code of Conduct Page 43-44, 49</a>
403-5 Worker training on occupational health and safety	<a href="#">2024 Sustainability Report, Page 15</a>
403-6 Promotion of worker health	<a href="#">2024 Sustainability Report, Page 15-16</a>
403-7 Prevention and mitigation of occupational health and safety management system	<a href="#">2024 Sustainability Report, Page 15</a> <a href="#">Supplier Code of Conduct, Page 4-5</a>

403-8 Workers covered by an occupational health and safety management system	Comfort Systems USA does not currently have a centralized occupational health and safety management system.
403-9 Work-related injuries	<a href="#">2024 Sustainability Report, Page 16,42</a>
403-10 Work-related ill health	<a href="#">2024 Sustainability Report, Page 16, 42</a>

Training and Education

GRI DISCLOSURE	PAGE/RESPONSE
404-1 Average hours of training per year per employee	Comfort Systems USA does not report this data due to insufficient data availability.
404-2 Programs for upgrading employee skills and transition assistance programs	<a href="#">2024 Sustainability Report, Page 13-14</a>
404-3 Percentage of employees receiving regular performance and career development reviews	<a href="#">2024 Sustainability Report, Page 13</a>

Diversity and Equal Opportunity

GRI DISCLOSURE	PAGE/RESPONSE
405-1 Diversity of governance bodies and employees	<a href="#">2024 Sustainability Report, Page 10</a>
405-2 Ratio of basic salary and remuneration of women to men	Comfort Systems USA does not disclose this data for reasons of confidentiality.

Non-discrimination

GRI DISCLOSURE	PAGE/RESPONSE
406-1 Incidents of discrimination and corrective actions taken	Any claims of discrimination reported through the Company's whistleblower hotline or directly to the Company's compliance department are promptly and thoroughly investigated and appropriate remedial action is taken in each case.

Customer Privacy

GRI DISCLOSURE	PAGE/RESPONSE
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	<a href="#">2024 Sustainability Report, Page 19</a>

## SASB INDEX

## Activity Metrics

TOPIC	SASB ACCOUNTING METRIC	CATEGORY	SASB CODE	PAGE/RESPONSE
Environmental Impacts of Project Development	Number of incidents of noncompliance with environmental permits, standards, and regulations	Quantitative	IF-EN160a.1	0
	Discussion of processes to assess and manage environmental risks associated with project design, siting, and construction	Discussion and Analysis	IF-EN160a.2	Comfort Systems USA maintains and complies with environmental laws and regulations. We support our customers in managing environmental risks.
Structural Integrity and Safety	Amount of defects and safety-related rework costs	Quantitative	IF-EN250a.1	As an installer of equipment, Comfort Systems USA is not responsible for defects in manufactured equipment.
	Total amount of monetary losses as a result of legal proceedings associated with defect- and safety-related incidents	Quantitative	IF-EN250a.2	N/A
Workforce Health and Safety	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	Quantitative	IF-EN320a.1	1. Comfort Systems USA had a total recordable incident rate (TRIR) of 0.97. 2. Comfort Systems USA had 1 fatality in 2024.
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	Quantitative	IF-EN410a.1	1. Comfort Systems USA achieved 30 LEED certifications in 2024. 2. Comfort Systems USA does not centrally track active projects seeking LEED certification.
	Discussion of process to incorporate operational-phase energy and water efficiency considerations into project planning and design	Discussion and Analysis	IF-EN410a.2	Comfort System USA partners with our customers to satisfy their energy and water efficiency goals.
Climate Impacts of Business Mix	Amount of backlog for (1) hydrocarbon related projects and (2) renewable energy projects	Quantitative	IF-EN410b.1	N/A
	Amount of backlog cancellations associated with hydrocarbon-related projects	Quantitative	IF-EN410b.2	N/A
	Amount of backlog for non-energy projects associated with climate change mitigation	Quantitative	IF-EN410b.3	N/A
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	Quantitative	IF-EN510a.1	1. 7,935 active projects 2. 0 projects with backlog in the countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index
	Total amount of monetary losses as a result of legal Proceedings associated with charges of (1) bribery or corruption and (2) Anticompetitive practices	Quantitative	IF-EN 510a.2	\$0
	Description of policies and practices for prevention of (1) bribery and corruption, and (2) anti-competitive behavior in the project bidding processes	Discussion and Analysis	IF-EN 510a.3	Employees are required to acknowledge and abide by the Code of Conduct. Furthermore, Comfort Systems USA conducts ethics training sessions covering bribery and corruption prevention.

General Accounting

GENERAL ACCOUNTING METRIC DISCLOSURES	UNIT OF MEASURE	CATEGORY	RESPONSE
Number of active projects	Quantitative	IF EN 000.A	7,935 active projects
Number of commissioned projects	Quantitative	IF EN 000.B	14,306
Total backlog	Quantitative	IF EN 000.C	\$5.99 billion

ISSB CLIMATE-RELATED DISCLOSURE INDEX FOR IFRS S2

DISCLOSURE DESCRIPTION		PAGE/RESPONSE
<b>GOVERNANCE</b>  1. Disclose information about the governance processes, controls and procedures an entity uses to monitor, manage and oversee climate-related risks and opportunities. Specifically, an entity shall disclose:	a. The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities.	<a href="#">2024 Sustainability Report, Page 10-11</a> <a href="#">2025 Proxy Statement, Page 5-7</a> <a href="#">Committee Charters, Page 1-11</a>  As per disclosure 1-a-i, Comfort Systems USA does not currently tie climate-related targets to remuneration policies.
	b. Management’s role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.	<a href="#">2024 Sustainability Report, Page 10-11</a> <a href="#">2025 Proxy Statement, Page 8, 23</a>
<b>STRATEGY</b>  2. Disclose strategy for managing climate related risks and opportunities. Specifically, an entity shall disclose:	a. The climate-related risks and opportunities that could reasonably be expected to affect the entity’s prospects.	<a href="#">2024 Sustainability Report, Page 25-26, 40-41</a> <a href="#">2024 Form 10k, Page 14-15 SEC Filing   Comfort Systems USA</a>
	b. The current and anticipated effects of those climate-related risks and opportunities on the entity’s business model and value chain.	For additional information about CSUSA’s climate-related risks and opportunities and the anticipated effects please visit our 2024 CDP submission.  <a href="#">2024 Form 10k, Page 14-15 SEC Filing   Comfort Systems USA</a>
	c. The effects of those climate-related risks and opportunities on the entity’s strategy and decision-making, including information about its climate-related transition plan.	Comfort Systems USA has not developed a formal climate transition plan. We continue to assess climate-related risks and opportunities in the context of our broader business strategy and evolving regulatory landscape. While we have not established a structured transition plan, we remain committed to monitoring industry developments and best practices to inform our approach to climate-related considerations. Future updates regarding our climate strategy will be disclosed as they become relevant.
	d. The effects of those climate-related risks and opportunities on the entity’s financial position, financial performance and cash flows for the reporting period, and their anticipated effects on the entity’s financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how those climate-related risks and opportunities have been factored into the entity’s financial planning.	Comfort Systems USA has not quantified the effects of climate-related risks and opportunities on our financial position, financial performance and cash flow. However, we have noted qualitative effects in our 2024 CDP submission.
	e. The climate resilience of the entity’s strategy and its business model to climate-related changes, developments and uncertainties, taking into consideration the entity’s identified climate-related risks and opportunities.	<a href="#">2024 Sustainability Report, Page 25</a>

DISCLOSURE DESCRIPTION		PAGE/RESPONSE
<b>CLIMATE-RELATED RISKS AND OPPORTUNITIES</b>  3. Disclose the climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects. Specifically, the entity shall:	a. Describe climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects.	<a href="#">2024 Sustainability Report, Page 25, 40-41</a> <a href="#">2024 Form 10k, Page 14-15 SEC Filing   Comfort Systems USA</a>
	b. Explain, for each climate-related risk the entity has identified, whether the entity considers the risk to be a climate-related physical risk or climate-related transition risk.	<a href="#">2024 Sustainability Report, Page 40-41</a>
	c. Specify, for each climate-related risk and opportunity the entity has identified, over which time horizons – short, medium or long term – the effects of each climate related risk and opportunity that could be reasonably be expected to occur.	For additional information on Comfort Systems USA's climate-related risks and opportunities and the anticipated effects, please visit our 2024 CDP submission.
	d. Explain how the entity defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the entity for strategic decision-making.	Time Horizons:  Short-term (0-1) years: A short-term time horizon encompasses an event that would commence and be completed within a 1-year time horizon and/or similarly a short-lived, acute impact on the business.  Medium-term (N/A): Comfort Systems USA does not define any medium-term time horizons.  Long-term (1+ years): A long-term time horizon encompasses an event occurring greater than 1 year in the future and/or has a longer-lived, sustained impact on the business.
<b>BUSINESS MODEL AND VALUE CHAIN</b>  4. Disclose the current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain. Specifically, the entity shall disclose:	a. A description of the current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain.	For additional information about Comfort Systems USA's climate-related risks and opportunities and the anticipated effects, please visit our 2024 CDP submission.  <a href="#">2024 Form 10k, Page 14-15 SEC Filing   Comfort Systems USA</a>
	b. A description of where in the entity's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	<a href="#">2024 Sustainability Report, Page 40-41</a>
<b>STRATEGY AND DECISION-MAKING</b>  5. Disclose the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the entity shall disclose:	a. Information about how the entity has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the entity plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation.	<a href="#">2024 Sustainability Report, Page 23-26</a>  As per disclosure 5-a-iv, Comfort Systems USA has not developed a formal climate transition plan. We continue to assess climate-related risks and opportunities in the context of our broader business strategy and evolving regulatory landscape. Future updates regarding our climate strategy will be disclosed as they become relevant.
	b. Information about how the entity is resourcing, and plans to resource, the activities disclosed in accordance with disclosure 5(a).	
	c. Quantitative and qualitative information about the progress of plans disclosed in previous reporting periods in accordance with disclosure 5(a).	

DISCLOSURE DESCRIPTION		PAGE/RESPONSE
<b>FINANCIAL POSITION, FINANCIAL PERFORMANCE, AND CASH FLOWS</b>  6. An entity shall disclose information that enables users of general purpose financial reports to understand:	a. The effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period (current financial effects).	<a href="#">2024 Sustainability Report, Page 19-20, 25-26</a>  Comfort Systems USA has not yet quantified the financial effects of climate-related risks and opportunities on our financial position, financial performance, or cash flows for the reporting period. We are in the process of evaluating methodologies to assess and measure these impacts in alignment with emerging industry practices and regulatory expectations. Additionally, we have not yet determined the anticipated financial effects of climate-related risks and opportunities over the short-, medium-, and long-term. While we recognize the importance of integrating climate-related considerations into financial planning, further analysis is required to develop a comprehensive assessment.
	b. The anticipated effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows over the short, medium and long-term, taking into consideration how climate-related risks and opportunities are included in the entity's financial planning (anticipated financial effects).	
7. Disclose quantitative and qualitative information about:	a. How climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period.	Comfort Systems USA has not yet conducted a detailed assessment of the financial impact of climate-related risks and opportunities. We recognize the importance of these assessments and are in the process of evaluating appropriate methodologies to conduct this analysis. As our approach to climate-related financial disclosures evolves, we will provide updates in future reporting periods.
	b. The climate-related risks and opportunities identified in disclosure 7(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	
	c. How the entity expects its financial position to change over the short, medium and long-term, given its strategy to manage climate-related risks and opportunities.	
	d. How the entity expects its financial performance and cash flows to change over the short, medium and long-term, given its strategy to manage climate-related risks and opportunities (for example, increased revenue from products and services aligned with a lower-carbon economy; costs arising from physical damage to assets from climate events; and expenses associated with climate adaptation or mitigation).	

DISCLOSURE DESCRIPTION		PAGE/RESPONSE
<p><b>CLIMATE RESILIENCE</b></p> <p>8. Disclose the resilience of the entity's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the entity's identified climate-related risks and opportunities. The entity shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with the entity's circumstances. In providing quantitative information, the entity may disclose a single amount or a range. Specifically, the entity shall disclose:</p>	<p>a. The entity's assessment of its climate resilience as at the reporting data.</p>	<p><a href="#">2024 Sustainability Report, Page 25</a></p> <p>As per disclosure 8-a-ii-iii, Comfort Systems USA is aware that there are various uncertainties involved when assessing our climate-related risks. These include unpredictable climate patterns, regulatory changes, supply chain and resource availability and market risks. While we recognize that these are risks to us, there is difficulty in making precise predictions. As we move forward, we plan to adapt our strategies towards climate-related risks proactively, even with some levels of uncertainty about the future.</p> <p>We acknowledge the importance of these assessments and will continue to monitor industry practices and relevant methodologies to inform our future approach to climate resilience evaluation and disclosure. Any updates will be provided in subsequent reporting periods as our analysis evolves.</p> <p>Comfort Systems USA's risk assessment looked at two types of climate scenarios: Shared Socioeconomic Pathways (SSPs) for risks related to economic and social changes and Representative Concentration Pathways (RCPs) for risks from physical climate change impacts. SSPs, developed by the Intergovernmental Panel on Climate Change (IPCC) in their latest report, explore how factors like population, education, energy use, and technology could shape our ability to address climate change. RCPs, from an earlier IPCC report, focus on how different levels of greenhouse gas emissions might impact the climate through the year 2100. SSPs are used for transition risks because socioeconomic factors, such as population and technology, can influence GHG emissions. RCPs were used for physical risks as they are considered best practice for assessing physical climate risks. The assessment looked at climate-related risks based on Comfort System USA's operating locations.</p>
	<p>b. How and when the climate-related scenario analysis was carried out.</p>	<p>Comfort Systems USA's risk assessment looked at two types of climate scenarios: Shared Socioeconomic Pathways (SSPs) for risks related to economic and social changes and Representative Concentration Pathways (RCPs) for risks from physical climate change impacts. SSPs, developed by the Intergovernmental Panel on Climate Change (IPCC) in their latest report, explore how factors like population, education, energy use, and technology could shape our ability to address climate change. RCPs, from an earlier IPCC report, focus on how different levels of greenhouse gas emissions might impact the climate through the year 2100. SSPs are used for transition risks because socioeconomic factors, such as population and technology, can influence GHG emissions. RCPs were used for physical risks as they are considered best practice for assessing physical climate risks. The assessment looked at climate-related risks based on Comfort System USA's operating locations.</p> <p>As per disclosure 8-b-ii-iii, the risk assessment was completed in 2022 and looked at various factors in assessing both transition and physical climate-related risks. These included which climate-related policies and regulations were relevant in jurisdictions where we have operating locations, trends in the market focusing on existing products and services, customer behavior, increased pricing of GHG emissions, increased cost of raw materials and developments in lower emissions technology. For physical risks, Comfort Systems USA used sources such as the National Oceanic and Atmospheric Administration (NOAA) data to understand weather patterns and the probability of specific weather and/or climate-related events taking place in areas we operate as well as chronic, long-term physical risks our operating locations may face.</p>

DISCLOSURE DESCRIPTION		PAGE/RESPONSE
<b>RISK MANAGEMENT</b>  9. Disclose the entity's processes to identify, assess, prioritize and monitor climate-related risks and opportunities, including whether and how those processes are integrated into and inform the entity's overall risk management process. Specifically, an entity shall disclose:	a. The process and related policies the entity uses to identify, assess prioritize and monitor climate-related risks.	<a href="#">2024 Sustainability Report, Page 19-20, 25-26</a>  As per disclosure 9-a-iii, Comfort Systems USA currently uses qualitative factors to assess the magnitude and likelihood of climate-related risks. To measure the magnitude of these risks we use factors including; revenue sensitivity, cost implications, exposure to assets, regulatory impact, supply chain vulnerability, infrastructure resilience, workforce impact, consumer preferences, brand and reputation, industry competition. When assessing the likelihood of these climate-related risks (e.g., the probability of occurrence), we look at factors including regional climate trends, frequency of extreme events, water and resource availability, government regulations, legal and compliance trends, advancements in technology, consumer and other stakeholder expectations, and internal climate governance and risk management.  As per disclosure 9-a-vi, Comfort Systems USA has not changed the process used from previous reporting periods.
	b. The processes the entity uses to identify, assess, prioritize and monitor climate-related opportunities, including information about whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related opportunities.	Comfort Systems USA uses climate scenario analysis to identify opportunities to mitigate and adapt to climate-related risks. Through this exercise, we analyze market trends, competitor actions, technological advancements in low-carbon solutions, monitor evolving climate regulations, carbon pricing mechanisms and renewable energy incentives. We then assess and prioritize opportunities by using criteria such as environmental impact and alignment with our sustainability goals, feasibility and scalability of certain projects, market demand and competitive advantage where we can enhance our current market position, and financial viability. As of now, we are working to implement more energy efficiency measures in our operations to reduce operational costs and lessen our environmental impact. However, we continuously track opportunities through key performance indicators and annual sustainability strategy reviews.
	c. The extent to which, and how, the processes for identifying, assessing, prioritizing and monitoring climate-related risks and opportunities are integrated into and inform the entity's overall risk management process.	The risks and opportunities identified in the scenario analysis are integrated into our broader enterprise risk management system, where we continuously evaluate and revise the array of risks to our business operations.
	<b>METRICS AND TARGETS</b>  10. Disclose an entity's progress in measuring, monitoring and managing its significant climate-related risks and opportunities, including progress towards the targets it has set. Specifically, an entity shall disclose:	
	a. Information relevant to the cross-industry metric categories.	
	b. Industry-based metrics that are associated with particular business models, activities or other common features that characterize participation in an industry.	<a href="#">2024 Sustainability Report, Page 32</a>
	c. Targets set by the entity, and any targets it is required to meet by law or regulation, to mitigate or adapt to climate-related risks or take advantage of climate-related opportunities, including metrics used by the governance body or management to measure progress towards these targets.	<a href="#">2024 Sustainability Report, Page 24</a>  Comfort Systems USA uses the annual MT CO <sub>2</sub> e to track our progress on our target.

DISCLOSURE DESCRIPTION		PAGE/RESPONSE
<b>CLIMATE-RELATED METRICS</b>  11. Disclose information to the cross-industry metric categories of:	a. Greenhouse gas emissions:	<a href="#">2024 Sustainability Report, Page 24</a>  Comfort Systems USA has not yet quantified our scope 3 emissions. However, we have conducted a scope 3 feasibility assessment to evaluate data availability, materiality, and potential methodologies for measuring these emissions.  The methodology used to calculate our GHG emissions is in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard. More information on this can be found in the Greenhouse Gas Emissions section of this report.
	b. Climate-related transition risks – the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Comfort Systems USA has identified climate-related transition risks, physical risks, and opportunities relevant to our operations. However, we have not yet determined the amount and percentage of assets or business activities vulnerable to these risks or aligned with climate-related opportunities. Additionally, we have not yet identified or quantified capital deployment, including capital expenditure, financing, or investments directed toward climate-related risks and opportunities.
	c. Climate-related physical risks – the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	
	d. Climate-related opportunities – the amount and percentage of assets or business activities aligned with climate-related opportunities.	
	e. Capital deployment – the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	Comfort Systems USA has not established an internal carbon price. While we recognize the role of internal carbon pricing in assessing climate-related risks and opportunities, we have not implemented a formal pricing mechanism within our operations or decision-making process.
	f. Internal carbon prices	
	g. Remuneration – the entity shall disclose:  i) a description of whether and how climate-related considerations are factored into executive remuneration; and  ii) the percentage of executive management remuneration recognized in the current period that is linked to climate-related considerations.	
<b>CLIMATE-RELATED TARGETS</b>  12. Disclose the quantitative and qualitative climate-related targets an entity has set to monitor progress towards achieving its strategic goals, and any targets it is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the entity shall disclose:	a. The metrics used to set the target .	<a href="#">2024 Sustainability Report, Page 24</a>
	b. The objective of the target (for example, mitigation, adaptation or conformance with sector or science-based initiatives).	
	c. The part of the entity to which the target applies (for example, whether the target applies to the entity in its entirety or only a part of the entity, such as a specific business unit or specific geographical region).	
	d. The period over which the target applies.	
	e. The base period from which progress is measured.	
	f. Any milestones or interim targets.	N/A
	g. If the target is quantitative, whether it is an absolute target or an intensity target.	<a href="#">2024 Sustainability Report, Page 24</a>
	h. How the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	Comfort Systems USA's target has not used international agreements related to climate to inform the target.

DISCLOSURE DESCRIPTION		PAGE/RESPONSE
13. Disclose information about an entity's approach to setting and reviewing each target, and how it monitors progress against each target, including:	a. Whether the target and the methodology for setting the target has been validated by a third party .	Comfort Systems USA has established a climate-related target; however, this target has not been validated by a third party. While we have developed our target based on internal assessments and industry benchmarks, we have not yet sought external verification or validation from an independent organization.
	b. The entity's processes for reviewing the target.	<a href="#">2024 Sustainability Report, Page 24</a>
	c. The metrics used to monitor progress towards reaching the target.	
	d. Any revisions to the target and an explanation for those revisions,	N/A
14. Disclose information about an entity's performance against each climate-related target and an analysis of trends or changes in the entity's performance. For each greenhouse gas emissions target disclosed in accordance with disclosure 12-14, an entity shall disclose:	a. Which greenhouse gases are covered by the target.	<a href="#">2024 Sustainability Report, Page 24</a>
	b. Whether scope 1, scope 2, or scope 3 greenhouse gas emissions are covered by the target.	
	c. Whether the target is a gross greenhouse gas emissions target or net greenhouse gas emissions target. If the entity discloses a net greenhouse gas emissions target, the entity is also required to separately disclose its associated gross greenhouse gas emissions target.	
	d. Whether the target was derived using a sectoral decarbonization approach.	The target was not derived using a sectoral decarbonization approach.
	e. The entity's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits	Comfort Systems USA does not currently have plans to use carbon credits to offset greenhouse gas emissions to achieve our target.

TABLE 9 – CLIMATE-RELATED RISKS AND OPPORTUNITIES

RISK TYPE	RISK	WHERE IN THE VALUE CHAIN RISK OCCURS	GEOGRAPHY	APPLICABILITY TO COMFORT SYSTEMS USA
Transition Risks	Policy Risk: Changes to regulation of existing products and services	Direct Operations	USA	Legislation, nationwide protocols, regulations or other restrictions related to climate change could negatively impact our operations or our customers' operations. Increasing concerns about climate change and other environmental issues may result in additional environmental regulations and restrictions. Compliance with more stringent laws or regulations, as well as more rigorous enforcement policies of the regulatory agencies could increase the costs of projects for our customers or, in some cases, prevent a project from moving forward, which could, in turn, have an adverse effect on our financial condition and results of operations.
	Legal Risk: Exposure to sanctions and litigation	Direct Operations	USA	With the increase in regulatory requirements, Comfort Systems USA faces the risk of non-compliance, which may lead to legal action and sanctions, affecting our business operations.
	Policy Risk: Carbon pricing mechanisms	Direct Operations	USA	New legislation, regulation, regulatory actions or other requirements at the local, state, or federal level regarding carbon pricing could negatively affect our business due to an increase in costs associated with carbon emissions resulting from our operations.
	Market Risk: Lack of availability and/ or increased cost of certified sustainable materials	Direct Operations	USA	Comfort Systems USA is exposed to market risk primarily related to changes in consumer demand and the increased cost of equipment, materials, and the cost and scarcity of labor. Extreme weather conditions (e.g., storms, droughts, wildfires, and floods), as a result of climate change, may limit the availability of resources, increase our costs, or cause projects to be delayed or canceled. With limited resources, supply might not be able to meet the demand. To the extent climate change results in an increase in extreme weather and adverse weather conditions, the likelihood of a negative impact on our results of operations may increase.
	Reputational Risk: Increased partner and stakeholder concern or negative partner and stakeholder feedback	Direct Operations	USA	A failure to comply with climate-related laws and regulations or not meeting our stakeholder's expectations could result in reputational harm. Should Comfort Systems' customers set their own emission reduction targets, they will likely be looking for transparency on emissions data from the companies with which they work that make up their scope 3 emissions. As a service provider, Comfort Systems USA is likely to be part of several different supply chains ranging across different companies. Failing to meet these requirements could result in losing customers to other providers that are perceived to be doing more to reduce their emissions and lessen their environmental impact. Additionally, as federal requirements are enacted to reduce emissions, it is likely that federal contracts may require suppliers to disclose their GHG emissions or submit to assessments that collect that information (e.g., CDP).
	Technology Risk: Transition to lower emissions technology and products	Direct Operations	USA	Our focus on environmental stewardship and improving productivity drives not only our efforts to become more energy efficient, but also improvements in our customers' impact on climate change. Replacing an aging building's existing systems with modern, energy-efficiency systems significantly reduces a building's energy consumption and carbon footprint while improving cost, air quality, and overall system effectiveness. Comfort Systems USA is committed to continuously monitoring and researching emerging technologies that will impact our business. It is unlikely that we will not keep up with emerging technology, but if we do not, then it could reduce demand for our services.
	Market Risk: Changing Customer Behavior	Direct Operations	USA	Comfort Systems USA is exposed to market risk primarily related to changes in customer demand and the increased cost of equipment and materials. There is a risk of our customers wanting to work with suppliers who offer more sustainable products and services, which could put our operations at risk for loss of revenue and reduced demand.

RISK TYPE	RISK	WHERE IN THE VALUE CHAIN RISK OCCURS	GEOGRAPHY	APPLICABILITY TO COMFORT SYSTEMS USA
Physical Risks	Acute Physical Risk: Droughts	Direct Operations	USA: Texas, Georgia	Both Texas and Georgia face the risk of droughts that are likely to get worse as the climate continues to warm. Droughts and wildfires will likely build upon each other and continue to worsen. A drier environment as a result of drought leads to conditions well-suited for wildfires.
	Acute Physical Risk: Severe Storms, Floods, and Tropical Cyclones	Direct Operations	USA: Texas, Georgia, South Carolina, North Carolina, Virginia, Florida, and Alabama	All of these states face an increased likelihood and impact of severe storms, flooding and tropical cyclones. This will likely be further exacerbated by sea level rise. The storm surge associated with hurricanes is likely to have a larger reach (impacting larger amounts of land). However, some of these states have already taken action to mitigate the impact of these risks. For example, North Carolina, South Carolina, and Virginia have all taken key steps to mitigate and/or adapt to these acute risks.
	Chronic Physical Risk: Changing precipitation patterns and types (rain, hail, snow/ice)	Direct Operations	USA	Extreme weather conditions (e.g., changing temperature, changing precipitation, sea level risk, and water stress), influenced by climate change, may limit the availability of resources, increase our operating costs, reduce workforce productivity, or cause projects to be delayed or canceled. Additionally, these chronic risks are likely to exacerbate or worsen acute risks that have been identified. Through our climate analysis, we assessed all of our operating locations throughout the United States. We found that most of our locations are not facing a large threat when it comes to physical risks. However, some locations are subject to risks that are likely to worsen as temperatures increase.
Opportunities	Expansion to new markets	Direct Operations	USA	We believe there is a growing importance, among our current and prospective clients, in understanding and reducing GHG emissions. With this growing importance, we predict there will be a growing market for products and services that will help reduce these emissions. To support our customers, we continue to identify, research, and offer services that will better support their emissions reduction plans.

ADDITIONAL METRICS

People

METRIC	2023 RESPONSE	2024 RESPONSE
EMPLOYEE HIRING AND RETENTION		
Employee turnover rate	31%	32%
Average tenure (years)	6	6
Percent of workforce that has been with Comfort Systems USA for at least 3 years	53%	58%
Percent of workforce that has been with Comfort Systems USA for at least 4 years	46%	42%
Percent of workforce that has been with Comfort Systems USA for at least 5 years	40%	37%
Percent of workforce that has been with Comfort Systems USA for at least 6 years	35%	33%
TRAINING AND DEVELOPMENT		
Percent of employees receiving regular performance and career development reviews	100% (at the corporate level)	100% (at the corporate level)
Number of classes offered through Comfort University	35	32
Total number of Comfort University participants	741	829

METRIC	2023 RESPONSE	2024 RESPONSE
Total number of executive leadership participants at Comfort University	42	47
OCCUPATIONAL HEALTH AND SAFETY		
Percent of sites that have conducted a health and safety risk assessment	100%	100%
Rate of recordable work-related injuries (TRIR)	1.1	0.97
Lost Workday Case Incident Rate (LWDIR)	0.24	0.2
Days Away, Restricted, or Transferred (DART)	0.52	0.4
Number of fatalities as a result of work-related injury	0	1
Total number of hours worked for all employees	34,298,595	42,807,946
DIVERSITY AND INCLUSION		
Number and percent of males on the Board of Directors	8 (80%)	9 (82%)
Number and percent of females on the Board of Directors	2 (20%)	2 (18%)
Number and percent of Board of Directors that identify as racially or ethnically diverse	3 (30%)	4 (36%)
Number and percent of males across all employees	13,999 (90%)	16,285 (89%)
Number and percent of females across all employees	1,614 (10%)	1,948 (10.7%)
Percent of generational demographics across all employees		
Gen Z (up to 26)	18%	22%
Millennials (27-43)	39%	38%
Gen X (44-59)	32%	30%
Boomers (60-78)	11%	9%
Silent Generation (79+)	<1%	<1%
Percent of race/ethnicity demographics across all employees		
White	63%	60%
Hispanic or Latino	16%	22%
Black (African American)	6%	6%
Other*	15%	13%

\*Includes Native Hawaiian or Other Pacific Islander, Asian, Indian, American Indian or Alaska Native, or Two or More Races, and others.

Partners

METRIC	2023 RESPONSE	2024 RESPONSE
DATA PRIVACY AND CYBERSECURITY		
Number of complaints received concerning breaches of customer privacy	0	0
Number of identified leaks, thefts, or losses of customer data	0	0
ETHICS		
Number of confirmed incidents of corruption	0	0
Percentage of all operational sites with an information security management system certified to ISO 27000 (or similar)	0%	0%
Percentage of all operational sites for which an internal audit/risk assessment concerning ethics has been conducted	100%	100%
Percentage of all operational sites with certified anti-corruption management system	0%	0%
Percentage of total workforce trained on business ethics issues	5%	4%
Number of reports related to whistleblower procedure	12	13
Number of incidents of non-compliance of regulations	0	0

Planet

METRIC	2023 RESPONSE	2024 RESPONSE
ENERGY		
Energy use (Gigajoules)	1,252,655	1,232,865
Energy use intensity (Gigajoules/ Million \$ revenue)	247	193
GREENHOUSE GAS EMISSIONS		
Scope 1 (MT CO <sub>2</sub> e)	76,034	74,122
Location-Based Scope 2 (MT CO <sub>2</sub> e)	13,928	13,400
Market-Based Scope 2 (MT CO <sub>2</sub> e)	Not calculated	14,926
Scope 1 and 2 GHG emissions intensity (kg CO <sub>2</sub> e/SQFT)	18.99	15.96
WATER		
Water withdrawn (Megaliters)	112.6	114.8
WASTE		
Waste to landfill (Metric tons)	3,464	3,177

