

Horsburgh & Scott Sustainability Report 2026



HORSBURGH & SCOTT
DELIVERING THE DIFFERENCE

To Our Stakeholders



The gearing industry enables all of us to survive on planet Earth. Gears will, for the foreseeable future, remain a critical driver of the Earth's ever-expanding population. Gears are utilized in everything from wastewater treatment to the generation of clean electricity to the recycling of plastics, metals, paper, and rubber, and in a multitude of other applications that make our world a better place.

We are proud of our 140 years in business and our continuous improvements. Alongside our long-standing environmental achievements in operating one of the largest custom-engineered drives businesses in North America, we are committed to providing a safe working environment that supports continuous improvement for both our valued customers and our employees.

Horsburgh & Scott calls this “DELIVERING THE DIFFERENCE”!

Randy Burdick

President & CEO

To Our Stakeholders



Gears are the unsung heroes of our modern world. They are often overlooked until they no longer function, but they literally drive everything around us. Almost all industries rely on gears to make the things you and I use daily. Even the sugar in your coffee needed a gear to make it. I'm proud to be the EHS Manager for a company that has been driving progress for 140 years. I'm happy that our employees value safety, and we do our best to be good environmental stewards.

Gear manufacturing is energy-intensive, especially for the large, bespoke equipment we make. Hardening steel utilizes a lot of energy, but that energy provides reliable drives for our customers. This is our first year tracking our emissions, so this is a baseline for our impact on the world around us. As such, this is our first step at showing how we Deliver the Difference, not just for our customers, but also to our children who will inherit this earth.

Jim Chambers, CSP
EHS Manager

Environmental Impact

5,986 Tons

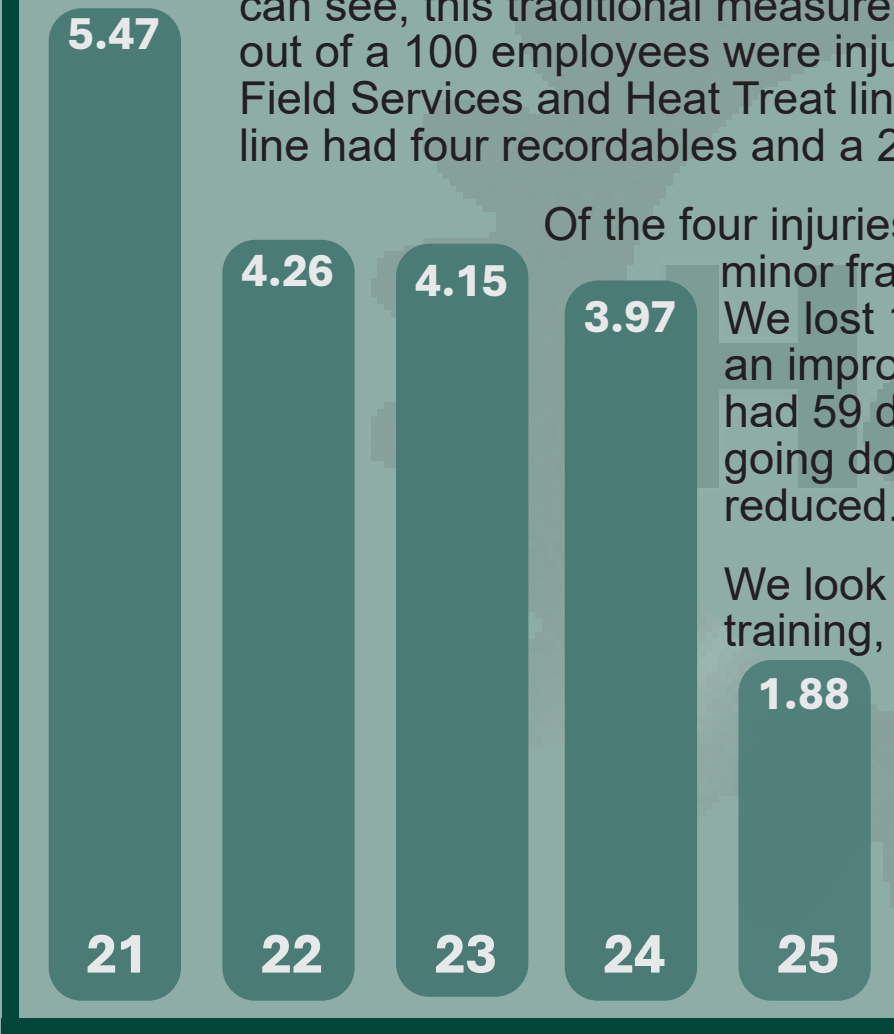
The total Scope 1 and 2 CO2 emissions for 2025 was 5,810 metric tons. This is the first year we have calculated emissions, so this becomes our baseline.

2,820 tons is attributed to burning natural gas for heating our facilities and carbonizing gears, shafts, and pinions. Our Heat Treat Facility accounts for 58% of natural gas burned in the year.

3,041 tons is attributed to our purchased and consumed electricity. Our Main Plant accounts for about 55% of the energy used in production. Given the square footage of the main plant is only 300 sq. Feet smaller than all other locations combined, this makes sense. For the most part, emissions factors for our sites are similar with the exception of Canada; strong hydro-electric and renewables in their grid cut factors by nearly 90%.

Safety and Health

The Total Recordable Incident Rate (TRIR) is the traditional safety metric; it measures how many injuries rise to the level of an administrative function. As you can see, this traditional measure is trending in a positive direction. In 2025, 1.8 out of a 100 employees were injured to this level across all lines of business. Our Field Services and Heat Treat lines had zero injuries in 2025. Our Manufacturing line had four recordables and a 2.14 TRIR.



Of the four injuries in 2025, two were hand lacerations, one was a minor fracture of a pinky, and one was a slip, trip, and fall. We lost 123 days and had 13 days of restrictions. This is an improvement over 2024 where we lost 360 days and had 59 days of restrictions. While the number of injuries is going down, the severity of the injuries has also been reduced.

We look forward to keeping our employees safe with training, both for our front-line employees as well as our supervisors. We conducted supervisor accountability training to emphasize the supervisor’s role in safety. Combined with managing by walking about, employee engagement, and cultural maturity, we hope to see our lagging indicators become even more representative of the leading actions we are taking.

Social Responsibility



**Greater Cleveland
Food Bank**

MEMBER OF FEEDING AMERICA

H&S Cleveland contributed to the Greater Cleveland Safety Council and American Society of Safety Professional's food drive to support the Greater Cleveland Food Bank. We raised \$140 cash and 170 lbs of food. This donation helped support the Cleveland community in need around the holiday season.

H&S was proud to support the Journey Center for Safety and Healing's (formerly the Domestic Violence and Child Abuse Center) twinkle shop. The Twinkle Shop is an opportunity for local abuse survivors have a holiday. Local abuse survivors can get gifts for their children (or their parents). We donated so much, Safety Jim had to use his wife's car to transport it. We hope to make him take multiple trips next year.



Employee Welfare

We held our first ever Wellness and Health Fair in September. This was an opportunity for employees to take charge of their own health. Activities included:

- Biometric screening
- Flu shots and other vaccines
- Talk to a health coach
- Talk to a retirement specialist
- Order Rx safety glasses
- Chair massages

The event was well received and over 90 employees participated.



Event Sponsors



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Labor and Human Rights

The people of H&S are truly our greatest asset. To protect this asset, we strive to always do the right thing for our clients, our employees, and our communities. We are committed towards social impact and strive for sustainability across every function. Aside from upholding the laws and regulations of the respective countries we operate in, we endorse the highest standards of economic, social, ethical, and environmental practices.

We work towards being an ethical company by working to prevent money laundering, fraud, bribery, corruption, conflicts of interest, and data security issues. We believe in the principles of the UN Universal declaration of human rights- prohibition of slavery and the use of forced, bonded, or child labor across our supply chain. We also prohibit unlawful discrimination and harassment to provide a safe and inclusive work environment.

To develop our community, we provide our employees with a living wage. Our most recent living wage analysis showed our lowest paid employee was at 1.2x greater than the living wage. We understand the improvement for our employees is a continuous process and look forward to becoming more sustainable.



Data and Metrics

Scope 1 Emissions

	CO ₂ -e (metric tons)
Stationary Combustion (Natural Gas)	2,820
Mobile Sources	125
Purchased Gas	0.1

Scope 2 Emissions

	CO ₂ -e (metric tons)
Purchased and Consumed Electricity	3,041

VOC Emissions

	VOC (Pounds)
VOCs from Spray booth	213.03

Goals and Achievements

Horsburgh & Scott has partnered with Science Based Targets and Ecovadis to understand our impacts and aspects. As we are just beginning our sustainability journey, science based targets will allow us to see how we compare with our peers and help us to set realistic targets for reduction. As much as saying we can reduce emissions by X% by 20XX would sound nice, it would be green washing at best, and a lie at worst. We owe it to our stakeholders to commit to realistic and science based targets. We plan on being able to set a goal in the next 3-5 years when we have solid data.

Our partnership with Ecovadis will give us a rating for our sustainability. Our 2023 rating was bronze, we are hoping to maintain that rating or better for our 2025 rating. As we learn and grow our sustainability programs, we will strive for silver, then gold, and potentially platinum in the future.



The Future

We thank you for joining us on our sustainability tracking journey. As we learn more about ourselves, and how to best track our impacts on the environment, we hope to do better by our stakeholders, especially our children.

Goals for this coming year:

- Gathering more accurate and detailed information on our emissions
- Accounting for our recycling and reuse programs
- Continuing to write a Safety Management System that is ISO45001 compliant, and meaningful to our workers
- Reducing not only the number of injuries, but also the impact of them

Horsburgh & Scott has been around for 140 years, and we intend to be around for at least another 140 years. So watch this space for the exciting things we are doing, and will do.

