



2018

# SUSTAINABILITY REPORT

# HERE'S TO A MORE SUSTAINABLE FUTURE...



Since our founding in 1988, AAON has maintained a commitment to design, develop, manufacture and deliver heating and cooling products to perform beyond all expectations and to demonstrate AAON's quality and value to our customers. AAON equipment is designed with energy efficiency in mind, without sacrificing premium features and options. In addition to our high standard of product performance, is a commitment to sustainability for our employees, our shareholders, and our customers.

At AAON, we strive to conduct our business in a socially responsible and ethical manner with a focus on environmental stewardship, team member safety and community engagement . We comply with industry regulations and requirements while pursuing responsible economic growth and profitability.

AAON strives to manufacture equipment through sustainable business practices. We have increased our recycling efforts to reuse and reduce our waste streams, while continuing to identify sustainable improvements. We have focused on energy conservation and waste reduction and have replaced inefficient incandescent and fluorescent lighting with LED lighting fixtures throughout our manufacturing facilities – providing significant energy cost savings and brighter work spaces. The company is committed to providing a cost effective, energy efficient, and productive work environment.

AAON partners with suppliers and vendors who assist with and share our sustainability goals. We utilize a closed loop recycling process for all fluid spills, which keeps toxic fluids out of our landfills. We dispose of refuse at the nearby waste-to-energy facility, which makes us nearly zero landfill capable.

The enclosed AAON Sustainability Report provides a glimpse of our commitment to uphold and continually improve our sustainability practices.

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# WHERE WE ARE NOW

## Accountability

AAON has joined the Sustainable Tulsa Initiative, and signed on to their Scor3card program, which helps us keep track of our sustainable transformation. The program helps us document and recognize opportunities for us to create and maintain sustainable manufacturing processes throughout the corporation (Tulsa, Longview and Parkville). We recognize that sustainability is both profitable and economical.

## Employee Engagement

The corporation has developed an internal goGreen committee to educate our workforce and help identify employees that want to actively assist with our sustainability efforts. The goGreen committee has identified numerous waste streams and offered suggestions to recycle, repurpose, reuse, or reduce materials. We also provide regular sustainability updates through our monthly employee newsletter.

## Energy Conservation

### LED Lighting Cost Savings

One of our very first initiatives was to replace our inefficient incandescent and fluorescent lighting with LED lighting fixtures. We have achieved 90% of that goal at our Tulsa facilities.

At our Tulsa facility alone, new LED lighting is estimated to save the company \$343,000 in electricity a year, with an additional \$50,000-100,000 savings from the lighting control system utilizing LED fixtures. AAON has also received over \$440,000 in rebates from the local utility company over the past three years.

## Longevity

The LED lighting fixtures have an estimated lifespan of 15 years. Florescent and metal halide fixtures have a much more limited lifespan, with bulbs needing to be replaced every two years and ballasts every four years. We have an Encelium building lighting control system that detects occupancy and dims lights in common areas and classrooms. As we do building upgrades and expansions we are incorporating additional improvements.

## Work Environment Benefits

LED lighting produces a brightly lit work environment, which studies have shown lead to a more stimulated productive worker. A well-lit work area is particularly important in a manufacturing facility, where safety is the number one concern. LED lighting puts out less heat, which not only reduces heat related costs, but makes the work environment cooler than incandescent lighting.

It is important in a manufacturing facility, where the climate is generated by manufacturing equipment and operations, to limit any factors that can contribute to employee discomfort – a cooler work environment during hot summer months is a much more comfortable work environment.

## Waste Reduction and Recycling Efforts

At the Tulsa, OK facility we currently recycle wood, paper, electronics and metals. We are implementing Lean Strategies to reduce waste streams in our manufacturing operations. We began Lean training in the fall of 2016. Since then, we have trained over 100 employees, and completed 4 Rapid Improvement Events to reduce waste. We are reusing cardboard for production purposes and packaging plastic parts in it. We are re-using scrap metal for signs in production, and purchasing hand dryers for the restrooms to reduce paper usage. Long-term, we will continue to work with vendors and team members to be a zero waste facility.

At the Longview, TX facility, we currently recycle metal, cardboard, and wood.

At the Parkville, MO facility, our newest addition, we recycle electrical components and are researching other opportunities.

## AAON SAFETY

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The safety of all AAON employees, visitors, business partners and our environment is a fundamental value of our organization. Our efforts are directed at developing processes and systems that demonstrate our commitment to safe practices. Implementing programs that support our philosophy of continuous improvement is a key part of our success. Safety is the responsibility and accountability of every employee.

Every individual working in our facilities is very important to AAON's success. Our goal is to ensure that we all go home each day to our families in the same condition that we left them.

We continue to see a reduction in our overall injury rates year after year through the implementation of programs that drive hazard elimination and risk reduction. Ergonomic studies, machine guarding assessments, risk assessments, root cause analysis, and product/pedestrian flow improvements contribute to our safety success.

Safety committees and safety focus groups allow opportunities for employee engagement and activity in safety improvements. Our frontline leaders contribute greatly in the improvement of safety for our employees and customers by providing feedback and solutions to product and process challenges.

## AAON HEALTH

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We believe that happier, healthier workforce is a more productive workforce.

The AAON Wellness Club promotes fitness by covering the costs of numerous local cycling and running competitions in Tulsa and surrounding areas. AAON's wellness club is free to employees located at the Tulsa facility. AAON supports employee participation in team sports such as softball, soccer and basketball by covering league fees.

AAON promotes healthy lifestyles through health fairs, free health and fitness related lunch and learns, free on-site personal health assessments, and free on-site flu shots. AAON encourages healthy eating by offering "Healthy Selection" discounted items in the vending machines, and we have installed water bottle filling stations to encourage water consumption.

All of our facilities are tobacco and e-cigarette free and all team members have access to our Employee Assistance Program which offers stress management, health information, and online tools.

# High Efficiency

## AAON WATER-SOURCE HEAT PUMPS

Water-source heat pumps recover otherwise wasted energy, and employ it to cool, heat, and provide dehumidification to a building – making it one of the most efficient and environmentally friendly systems. AAON Water-Source Heat Pumps offer a variety of configuration options, innovative design, premium performance, and unmatched serviceability.

Small packaged AAON WH Series Horizontal and WV Series Vertical configuration Water-Source Heat Pumps lead the industry with innovative design, performance, and serviceability. Quality is designed into the WH and WV Series with standard designs that include an all-aluminum cabinet with closed cell neoprene foam rubber insulation, induction brazed copper piping, and a stainless steel condensate drain pan.

We also manufacture water-source heat pumps with mass customization in a variety of configurations - Rooftop Units, Indoor Vertical Self-Contained Units and Modular Units - with capacities ranging from 2-230 tons.



## AAON PACKAGED ROOFTOP SERIES WITH TWO-STEP COMPRESSORS

Optimized for the highest efficiency without sacrificing the AAON ease of control, service and maintenance. RQ Series 2-6 ton and RN Series 7-15 ton high efficiency packaged rooftop units with two-stage scroll compressors feature ultra-high part load efficiency and simple control. Two-stage compressors, optimized evaporator and condenser coils, and variable speed fans lead to an AHRI Certified performance up to 19.15 SEER and 20.2 IEER.

# AAON PRODUCTS

## V3 SERIES ENERGY RECOVERY WHEEL VERTICAL AIR HANDLING UNITS

Provide energy efficient 100% outside air ventilation, while being easy to install because of a compact footprint, and easy to maintain because of large service access. Available from 450 to 10,000 cfm with overlapping cabinet sizes for application flexibility, the high performance V3 Series with energy recovery wheel includes high efficiency variable speed ECM driven direct drive backward curved plenum supply and exhaust fans, and double wall rigid polyurethane foam injected panel construction with lockable-hinged service access doors. These features make AAON HVAC units more energy efficient; thereby consuming less energy.



## AAON TOUCHSCREEN CONTROLLER

An economical HVAC unit control solution for energy savings applications. It controls complex energy saving operations without requiring the expense of a large building automation system. The AAON Touchscreen Controller includes a user friendly touchscreen interface and can function as a stand-alone unit controller or as part of a networked system.



## LZ SERIES PACKAGED OUTDOOR MECHANICAL ROOM

Engineered to maximize the efficiency of the complete hydronic system. A walk-in service access vestibule allows the complete hydronic system with pumping package to be serviced in the outdoor mechanical room. Available from 45-540 tons, the high performance chiller is available with VFD controlled variable speed scroll compressors or Turbocor variable capacity oil-free magnetic bearing centrifugal compressors. Factory installed 98% efficiency boilers with pumping packages are available for applications that require a hot water system. Energy saving waterside economizers are available for chilled water systems that require cooling at low ambient conditions.



# AAON Core Values

All AAON employees are expected to know and adhere to the AAON Core Values:



## AAON ETHICS

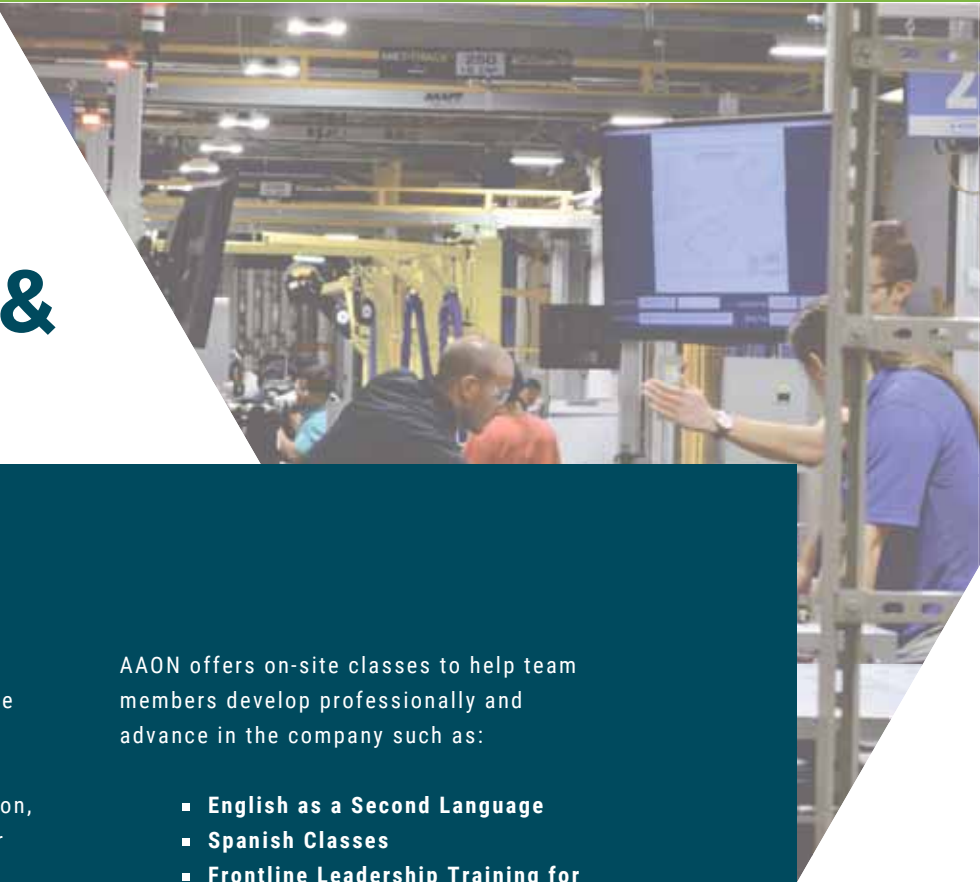
AAON Code of Business Conduct covers a wide range of business practices and procedures. It does not cover every issue that may arise, but sets out basic principles to guide our employees. All of our employees must conduct themselves accordingly and seek to avoid even the appearance of improper behavior. AAON provides The Code of Conduct to the Company's agents and representatives, including consultants.

AAON expects these standard codes of conduct to be followed:

1. Compliance with Laws, Rules and Regulations
2. Conflicts of Interest
3. Insider Trading
4. Corporate Opportunities
5. Competition
6. Discrimination, Harassment and Fraternization
7. Health and Safety
8. Record-Keeping
9. Confidentiality
10. Protection and Proper Use of Company Assets
11. Payments to Government Personnel
12. Waivers of the Code of Business Conduct and Ethics
13. Reporting any Illegal or Unethical Behavior
14. Compliance Procedures



# AAON DIVERSITY & INCLUSION



A diverse and inclusive workplace is integral to our business strategy and critical to our continued success. We are committed to hiring, retaining and promoting a diverse workforce while advancing a workplace culture of inclusion, in which each team member is valued for their ideas, identities, experiences and talents. Diversity and inclusion are key drivers for furthering innovation, productivity and team member engagement at AAON. AAON employs people from over 32 countries.

AAON is proudly involved in the Society of Women Engineers, a non-profit service organization founded in 1950, which helps to foster a supportive environment for women to excel in engineering. Their mission is to “Stimulate women to achieve full potential in careers as engineers and leaders, expand the image of the engineering profession as a positive force in improving the quality of life, and demonstrate the value of diversity.”

AAON also participates in the Tulsa Chamber’s Mosaic Diversity and Inclusion Index and has been recognized as a Mosaic Inclusive Workplace. Mosaic is the Tulsa Regional Chamber’s diversity business council committed to “educate, lead, and influence businesses on creating diverse and inclusive workforce cultures to enhance their competitive advantage.”

AAON offers on-site classes to help team members develop professionally and advance in the company such as:

- **English as a Second Language**
- **Spanish Classes**
- **Frontline Leadership Training for new and existing leaders**

AAON regularly promotes employee achievements with our internal AAON Aim High program. This program highlights employees from various cultural and educational backgrounds to showcase their career achievements and career advancement at AAON.

AAON has also launched an Employee Resource Group for Veterans, AAON V.E.T.S., with a mission of unifying the core values, beliefs and understanding of active, reserve, National Guard service members, veterans and military family members with that of our AAON business culture.

# AAON COMMUNITY INVOLVEMENT

AAON is dedicated to corporate social responsibility through our **AAON Serves** initiative. We define quality and build comfort in the communities in which we operate through volunteerism and strategic investments.

**3000**

*Volunteer hours in  
2018*

**40+**

*nonprofits supported*



We support organizations and initiatives that **foster career readiness and lifelong learning** for adult and youth populations, such as the Tulsa Regional STEM Alliance, Junior Achievement, Resonance Center for Women, Women in Recovery and Reading Partners.

We value strong **families and communities**, and AAON team members contribute their time and resources by volunteering at local schools, participating in mentoring programs and supporting the Tulsa Area United Way, Big Brothers Big Sisters, The Child Abuse Network, Family and Children's Services and many other organizations.

AAON is committed to **environmental stewardship** and ensuring future quality of life. We have an active internal goGreen sustainability committee, and we are a proud participant in the Sustainable Tulsa Scor3card sustainability benchmarking initiative. We are continuously improving our environmental and social impact.

## AAON ACCOLADES & AWARDS

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### 2018

- AAON RN Series rooftop unit wins the Bronze Award Dealer Design Award in the HVAC Commercial Equipment category from ACHR News.
- AAON received the 2018 A Pocket Full of Hope Community Partner Award.
- 2018 Oklahoma Certified Healthy Business
- 2018 Mosaic Inclusive Workplace
- 2018 United Way Caring Company
- 2018 Oklahoma Works Work Based Learning Employer

### 2017

- AAON received the 2017 Sustainable Tulsa Scor3card Bronze Award.
- AAON won the United Way Leadership Giving Award.
- AAON was given the 2017 Workforce Innovation Award by Dream It Do It Oklahoma.
- AAON V3 Series Air Handling unit named 2017 Product of the Year – Gold in the Air Movement, Dehumidification, Humidification category by Consulting-Specifying Engineer Magazine.
- AAON V3 Series Air Handling unit wins ACHR News Dealer Design Award - Silver in the Commercial Equipment category.
- AAON Touchscreen Controller named 2017 Product of the Year – Bronze in the BAS, Controls, Energy Management category by Consulting-Specifying Engineer Magazine.
- AAON WH Series Water-Source Heat Pump named 2017 Product of the Year – Bronze in the Pumps, Pump Controls category by Consulting Specifying Engineer Magazine
- AAON WH Series Water-Source Heat Pump wins ACHR News Dealer Design Award - Gold in the Light Commercial Equipment category.

### 2016

- AAON LZ Series Packaged Outdoor Mechanical Room wins ACHR News Dealer Design Award- Gold in the HVAC Commercial Equipment category.
- Consulting-Specifying Engineer magazine awarded LZ Series Outdoor Mechanical Room Product of the Year - Gold, Chiller category.
- Consulting-Specifying Engineer magazine awarded RN Series Horizontal Configuration Rooftop Unit Product of the Year - Gold, HVAC/R category.
- 2015
- AAON Low Leakage Dampers wins ACHR News Dealer Design Award- Gold in the Ventilation Products Category.
- AAON Low Leakage Dampers named 2015 Product of the Year – Gold in the Air Movement category by Consulting-Specifying Engineer Magazine.
- AAON M2 Series Modular Geothermal Heat Pumps named 2015 Product of the Year – Gold in the HVAC category by Consulting-Specifying Engineer Magazine.

### 2014

- AAON LN Series Chiller wins ACHR New Dealer Design Award – Bronze in the HVAC Commercial Equipment category.

AWARDS





## Tulsa

2425 S Yukon Ave, Tulsa, OK  
p:918.583.2266



## Longview

203 Gum Springs Road, Longview, TX  
p:903.236.4403



## Parkville

8500 NW River Park Drive, Suite 108A,  
Parkville, MO  
p:866.918.1100



[www.AAON.com](http://www.AAON.com)

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