



2021 Corporate Social Responsibility Report



Hunter[®]



2021 Corporate Social Responsibility Report

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Greg R. Hunter
CEO, Hunter Industries



“I am excited to celebrate our achievements with a renewed strategy and dedication to our CSR goals.”

A Word from Our CEO

At Hunter Industries, 2021 was a year of reflection. Today, I look back proudly at both our 40-year history of industry leadership and our 10-year commitment to transparency through Corporate Social Responsibility (CSR) reporting. Across the globe, we experienced challenges big and small. To adapt, we relied on our core values to overcome another difficult year. Despite the uncertainty, we doubled down on our CSR commitments. I am excited to celebrate our achievements with a renewed strategy and dedication to our CSR goals.

When I was eight years old, I spent the summer with my grandparents. It was then that I had the chance to build my very first sprinkler — on a carousel that wasn’t yet working. That was the moment I fell in love with Hunter Industries, and this company has been my lifelong journey ever since. I am honored to stand on the shoulders of my aunt, uncle, and father as we reflect on our progress. Of course, everything we’ve accomplished is because of you, our stakeholders.

The success of Hunter Industries is due to our loyal customers, our hardworking employees, and the diverse vendors, suppliers, and partners we have done business with over the past four decades.

Although Hunter Industries is steeped in the consistency of our relationships, we also continue to shape our industry with new solutions and transformational initiatives. Our core value of Innovation guides us to develop better ways of doing things, from manufacturing to customer support. Now more than ever, we are embedding CSR into our culture. This will help us ensure that our products and processes remain as efficient and socially responsible as possible in the years ahead.

As we reflect on our past and celebrate our successes, we also look to our future. We take seriously our obligation to play a leading role in our industry when it comes to CSR initiatives. I look forward to the day 40 years from now when I can reflect on the decisions we made today to build a brighter tomorrow.



Warren Gorowitz
Director of Corporate
Social Responsibility,
Hunter Industries

A Word from Our CSR Director

As we celebrate the 10th anniversary of our Corporate Social Responsibility Report, I want to emphasize that our successes over the years have come from the efforts of many employees across our organization. Our CSR Council is integral in guiding our CSR strategy. Our Focus 3P groups are helping us implement projects that impact our entire organization, from reducing our environmental impacts to supporting our communities.

The challenges of 2021 did not stop our efforts to make progress toward our CSR goals. I'm proud to say that we have continued to integrate CSR into

all aspects of our business. We grew our team with the addition of [Allison DeGeorge](#), our new CSR Coordinator, and we have lots of exciting initiatives planned for the coming months and beyond.

Social Responsibility is one of our core values, and we are excited about our goals. As a key stakeholder, your input is important to me.

I welcome your feedback and suggestions about our CSR efforts, and I encourage you to reach out to [me directly](#).



“The challenges of 2021 did not stop our efforts to make progress toward our CSR goals.”



About Us

Founded in 1981, Hunter Industries is a family-owned manufacturer of best-in-class solutions for the landscape irrigation, outdoor lighting, dispensing technology, and custom manufacturing sectors. Headed by CEO Greg Hunter, our Global Operations Team provides leadership for the entire company. The core mission of Hunter Industries will always remain the same: to deliver valued products and services backed by unwavering customer support, grow the company conscientiously, and remain true to the culture that makes our employees proud to work at Hunter.

Landscape Irrigation and Outdoor Lighting

Hunter Industries offers thousands of products in over 120 countries, including a complete spectrum of water and energy efficient solutions for residential, commercial, and golf course irrigation systems. We also offer industry-leading landscape, architectural, and facade lighting solutions through our FX Luminaire and Lumascape brands.

Agricultural Irrigation

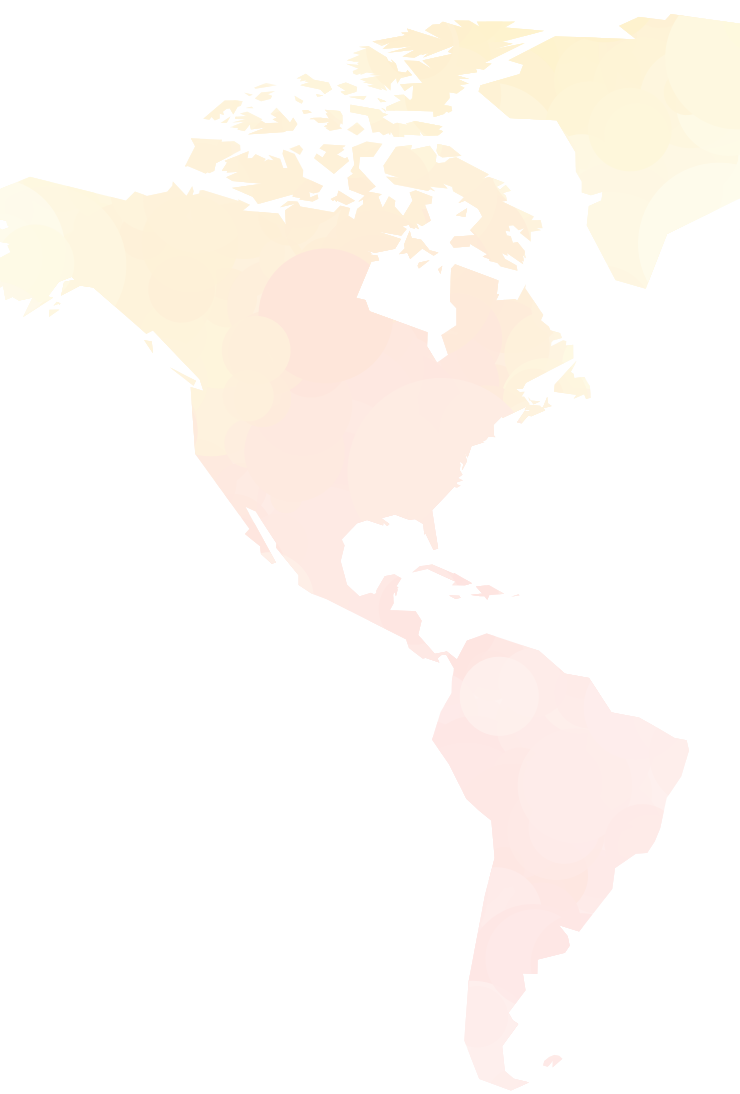
Senninger Irrigation is a leading designer and manufacturer of premier irrigation solutions for agricultural, horticultural, and industrial applications. With over 50 years of experience in more than 50 countries worldwide, Senninger is one of the most trusted names in the agricultural industry.

Custom Manufacturing

Hunter Custom Manufacturing provides innovative manufacturing, molding, and production services of the highest quality to build long-term relationships with valued partners from diverse industries. Our global reach enables us to produce raw materials with more than 100 injection molding machines and deliver finished goods around the world.

Dispensing Technologies

As leading innovators of the away-from-home dispensing category, Dispensing Dynamics is proud to continue its longstanding tradition of developing washroom dispensing systems that offer unsurpassed reliability, design, performance, hygiene, sustainability, and value.



Mission, Vision, Values

Mission

To deliver valued products and services, grow the company conscientiously, and remain true to the culture that makes our employees proud to work at Hunter.

Vision

To be the customers' first choice for products and services, respected for preserving our culture and values of *Customer Satisfaction, Innovation, Family, and Social Responsibility* wherever we do business.

Values

Customer Satisfaction

We are dedicated to achieving the highest level of customer satisfaction. We act with integrity, we are respectful, and we honor our commitments.

Innovation

We are empowered to develop innovative products, services, and processes of the highest quality through teams fueled by collaboration and creativity.

Family

We value our employees and foster an environment of personal and professional development with a healthy work-life balance. We treat each other with the same respect that we show our customers.

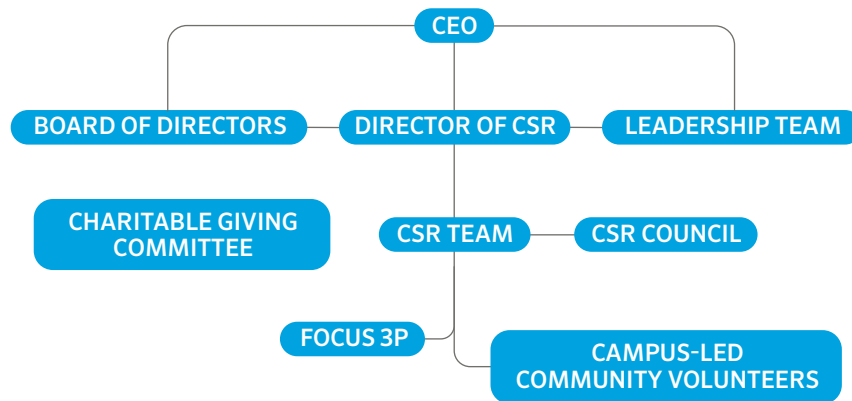
Social Responsibility

We are committed to supporting and improving the communities in which we live, work, and play. We develop products and technologies that enable efficient use of our natural resources and reduce our environmental footprint.



Hunter Governance and CSR Oversight

Our Board of Directors is made up of three members of the Hunter family and six independent members. The Leadership Team (LT) oversees day-to-day operations at Hunter, ensuring top performance while preserving our core values. Hunter has a dedicated CSR Director who manages the CSR functional team and a CSR Council comprised of management-level employees from various business units to help guide and implement company CSR initiatives. The CSR Director provides updates during quarterly board meetings and participates in weekly LT meetings. The CSR Council meets quarterly. Each campus also has a Focus 3P (People, Planet, Profit) group that taps into employee passions to promote innovation and communication about CSR issues. Our corporate grant funding is determined by our Hunter Charitable Giving Committee, and we have campus-led community groups to help coordinate local volunteer events throughout the year.



OVERVIEW



The Year in Review

7 WaterSense certified products by the U.S. Environmental Protection Agency



12 Products designed specifically to increase water savings

Launched the Virtual Engagement Center in response to the COVID-19 pandemic



10 Years of CSR reporting

Created a functional CSR team




4.3 ★ rating on Glassdoor, and an 86% CEO approval rating



Reassessed our materiality matrix and defined new topics

Won the CE Pro Best Product Award at the 2021 CEDIA Expo for the NL Up/Down Light



Won the New Product Contest at the 2021 Irrigation Show for the SRP Strip Light



Won three first-place awards at the 2021 Turf & Ornamental Communicators Association Conference for excellence in marketing

40 years in business!





A Materiality Refresh

Last year, we reevaluated our material topics in partnership with third-party counsel. We engaged our Leadership Team, employees, and customers across the world in a materiality survey. The survey evaluated a range of topics most relevant to our organization and the current global landscape of social responsibility. To determine the final list of topics, our cross-functional CSR Council evaluated the results of the survey, the topics that presented the greatest opportunity for impact, and the context of current global issues.



Putting People First	Prioritizing the Planet
Community Development	Climate Impacts and GHG Emissions
Employee Development and DEI	Energy Use and Renewable Energy
Employee Health and Safety	Product Responsibility
Responsible Supply Chain Practices	Waste
	Water Use

The new material topics listed above informed the creation of dedicated teams to develop targeted strategies and goals for each topic. The procedures and targets published throughout this report are the product of this cross-functional collaboration toward accountability and improvement.





PUTTING PEOPLE FIRST



At Hunter Industries, putting people first isn't just something we say; we incorporate this philosophy into every aspect of our business. Our core value of Family drives our creation of employee health and safety programs, helps us create new learning and development programs, and guides our efforts to support a diverse and inclusive workforce. Our value of Social Responsibility means that we aren't just focused on our employees — we also support people throughout the communities where we operate. We give back to our communities directly as an organization and we empower employees to give back in ways that are meaningful to them.



“Our value of Social Responsibility means that we aren't just focused on our employees.”



Community Development

Community development means supporting our local communities with purposeful initiatives to improve the places where we live, work, and play. We do that through our campus-led community volunteer groups, employee donation matching, and corporate charitable giving. In 2022, we plan to enhance our community development initiatives, and we're thrilled to announce the selection of our new giving platform: Benevity. Our implementation of Benevity will empower us to take our employee volunteer groups and employee donation matching programs to the next level with equity and access for all eligible employees, a key focus throughout the launch of our new program. Our initial launch will support employees in the U.S. and smaller international locations. In the future, we hope to accommodate our entire employee population. We look forward to better supporting all forms of employee giving and recognizing every employee's contribution to the community with a platform that acknowledges not only financial gifts, but time given as well.



Goal

\$2.5 Million

Charitable giving will reach \$2.5 million per year by 2030.

How We're Doing

30%

30% of goal achieved;
34% increase from 2020.



Engaging with the Community During a Pandemic



While the pandemic continued to present challenges to in-person volunteering, our campus-led volunteer groups still found ways to support their communities and help others in need during the holiday season.

Clermont, Florida: This year, Senninger Helping Others (SHO) supported the Clermont Police Department's annual Heroes and Helpers shopping event. Thanks to Senninger's donation, the department gave 50 children a \$100 gift card to Walmart. Each child could shop for gifts for themselves and their loved ones with the help of a local police officer or firefighter. Beyond supporting families in need, the event also serves to build a stronger relationship with the police department and local Clermont community. This year's shopping excursion was the seventh consecutive Heroes and Helpers event. Without the support of SHO, the department would not have had the funding to continue the program.



Tijuana, Mexico: Our Mexico chapter of Hunter Helping Others (H2O) hosted a drive to collect holiday gifts for children living with HIV at a local shelter.

San Marcos, California: With the support of H2O, San Marcos employees teamed up to make the holidays brighter for local families in need through two different programs. Employees donated goods to support the Community Resource Center's holiday basket drive, which provides families with essential household items. Additionally, employees collected gifts for children in our community through a drive with Toys for Tots.



Charitable Giving

Our Charitable Giving Committee is made up of employees throughout the organization. Each year, the committee reviews funding applications from nonprofit organizations focused on education, community, and the environment. Our goal is to fund initiatives that will maximize impact across our communities. Generally, we donate to organizations based where our largest employee populations live: San Diego County, California; Tijuana, Mexico; and Clermont, Florida.

In 2021, we provided \$742,719 to more than 80 organizations. We are proud to celebrate this milestone and we look forward to increasing our charitable contributions to \$2.5 million per year by 2030.



Engaging Employees Around CSR

We know that CSR is not the work of a single department — it takes the support of our entire organization to make genuine impacts, and to reduce our environmental footprint as well. That's why employee engagement is a crucial component of our CSR programs. In addition to our employee-led volunteer groups, we ensure that our CSR values are visible throughout each campus, and that we engage our employees consistently in meaningful ways.

Our campus-specific Focus 3P groups — aptly named after the triple bottom line concept of People, Planet, and Profit — are one of the ways that we collaborate cross-functionally. In 2021, we took the challenge of having an unconsolidated workforce due to COVID-19 and turned it into an opportunity to bring our campus-led volunteer Focus 3P groups together virtually. We held quarterly global meetings where we analyzed our CSR goals and outlined our progress toward achieving them. In addition, we held three workshops virtually for interested employees and discussed campus water use, campus energy use, and how we track CSR metrics in our new software platform, [FigBytes](#).



At our headquarters in San Marcos, a CSR feature wall ensures that our employees see our commitment to our values and feel inspired to live them at work every day. When Wendy Hoth, a Senninger employee and member of our CSR Council, saw the wall during a visit to San Marcos in 2019, she knew they needed a version of their own in Clermont. In August 2021, Senninger installed a new CSR wall with monitors to keep employees engaged and up to date. Employees and guests can now stay informed about Focus 3P goals, our CSR commitments, and local volunteer opportunities.



Employee Development

We know that our people are our most valued asset. We launched several new initiatives in 2021 to help grow leaders inside Hunter and promote the retention of top talent by empowering employees to nurture their careers. New programs include:

Level Up Workshop Series: A series of short workshops that help employees boost their business acumen and leadership skills.

Self-Leadership: Teaches individual contributors the mindset and skills they need to become empowered, proactive self-leaders.

The SLII Experience™: The best leaders are situational leaders. SLII® by The Ken Blanchard Companies teaches leaders the skillset they need to guide their people through all stages of development and provides them with the direction and support they need to succeed.



Goal

85%

Increase employee satisfaction with training and development opportunities to 85% by 2030.

How We're Doing

73%

We send out our employee satisfaction survey every other year; in 2020, we had a 73% satisfaction rate — a 5% increase from our 2018 rate.





Mandla Sibanda
Marketing and Business
and Analyst, Former Intern,
Hunter Industries

With our core value of Family in mind, our Learning and Development team designs programs to support employees during all stages of their career journey. We help employees navigate career transitions and develop goals to keep them here with our family of companies. Mandla Sibanda first joined Hunter in the summer of 2019 as a business data analyst intern. During his internship, he received career training that included resume and LinkedIn support, product installation education, and immersion into our culture at our annual summer picnic.

Our company culture, cross-functional collaboration, and focus on continual learning all inspired Mandla to return to Hunter as a full-time marketing and business analyst in 2021. Since his return, he has attended several training programs, and his manager has encouraged him to expand his learning through a variety of avenues. Although Mandla's story is his own, we seek to encourage similar stories across the organization. We want to ensure all employees feel supported in their own career goals and empowered to pursue the training and education opportunities that matter to them.





Diversity, Equity, and Inclusion



Diversity, equity, and inclusion (DEI) is a new material topic for Hunter Industries based on our refreshed materiality assessment in 2021. We took several steps to integrate formal DEI programs into our recruiting, human resources, and employee development teams. Our Board of Directors formed a subcommittee to solidify our introduction of DEI efforts and hold teams accountable for this new area of focus. In 2021, we launched mandatory unconscious bias e-learning for all managers, interviewers, and

talent acquisition team members within the organization. We're also hosting optional, instructor-led Level Up Workshops on unconscious bias on an ongoing basis. Although this is the first time that DEI has been included in our material topic list, our core value of Family has long inspired us to strive to ensure all employees have equal career opportunities, feel included, and are heard. We look forward to growing our formalized DEI programming with a renewed focus driven by our 2021 material topics. To keep the momentum

going, we will establish an employee DEI Council in 2022. We intend to share more details about the council and our roadmap in next year's report as these programs become more formalized.

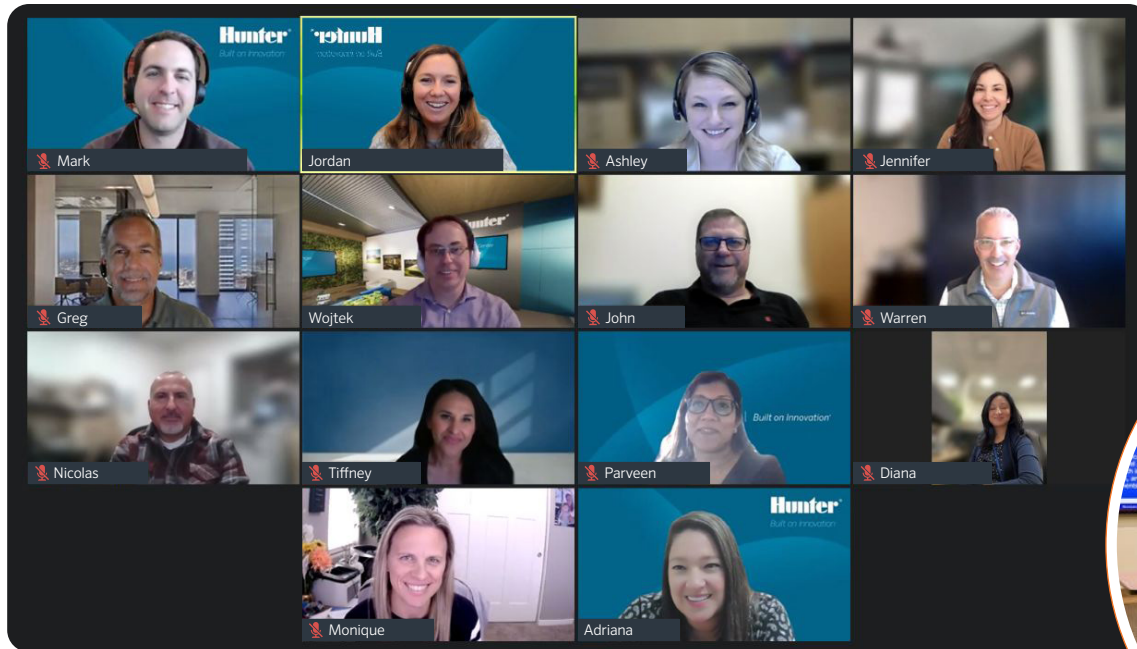


Goal

As a new material topic, DEI is of utmost importance for all our stakeholders. After our DEI Council is formed, we will publish specific DEI goals.



PUTTING PEOPLE FIRST



We developed unconscious bias training and rolled it out on a limited basis to gauge effectiveness. We sought feedback from a broad range of employees who took the workshop and were pleased to hear that 71% felt that the training shifted their perspectives on bias. Others shared that although it may not have shifted their

perspectives, it helped bring the topic back into the foreground. Several employees also shared that the training has changed the way that they respond to situations at work and in their personal lives.



Employee Health and Safety

As the world navigates the ongoing COVID-19 crisis, Hunter has continued prioritizing the health and safety of all employees. Our COVID-19 Preparedness and Response Plan includes all relevant safety measures adopted throughout the pandemic. Additionally, as vaccines became available in 2021, Hunter Industries hosted dozens of on-site clinics to ensure all our employees could protect themselves. In Tijuana, we procured vaccinations directly to ensure that they were available to our employees. Altogether, we achieved a 98% vaccination rate in Tijuana, 98% vaccination rate in San Marcos, and 94% vaccination rate in Clermont.

Beyond our pandemic response, we consistently invest in our facilities and our people to keep our workplaces as safe as possible. In 2021, we made updates and programmatic changes at each facility, continuing to stay on top of best practices in workplace health and safety.



Goal

Year-over-year reduction in recordable incidents.

How We're Doing

19%

We've achieved a 19% reduction in recordable incidents from 2020.





PUTTING PEOPLE FIRST

San Marcos: We equipped new robotic machines with state-of-the-art safety laser scanners to help employees work collectively alongside the robots without injury. A safety-first mindset when engineering new production machines — along with Health and Safety’s approval before starting production — has led to a dramatic decrease in repetitive motion injuries. Our fleet program has seen a 54% decrease in accidents from 2019 to 2021 through 24/7 monitoring, hands-free technology on all company vehicles, and online defensive driver training for all approved drivers.



Clermont: In 2021, we rolled out a Toolbox Talk Safety Program. This program highlights weekly topics chosen to enhance employee knowledge and understanding. It focuses on employee engagement around health and safety topics and empowers employees to take ownership of their safety. The Clermont facility also implemented a Restricted Job Duty Matrix. This tool enables employees with work restrictions after an injury to return to work earlier in a job that is safe during their restriction period. Data shows that employees heal faster when they maintain a consistent schedule and keep moving; the job matrix allows employees to get back to work quickly and supports speedier recovery.



Tijuana: We developed procedures for emergency response involving personnel in all shifts, designed and deployed engineering controls for noise reduction on ultrasonic equipment, and completed safety certification for 25 additional employees during the fall protection program.



PUTTING PEOPLE FIRST



Wellness

Inspired by our core value of Family, we want all employees to have fulfilling lives and achieve the best possible balance between work, health, and personal endeavors. We created our Hunter Wellness Centers with this goal in mind so employees can exercise and get wellness support directly on campus. In Tijuana, we also offer an on-site cafe and health facility to support a well-balanced lifestyle for employees. In 2021,

we continued adapting our wellness programming due to the COVID-19 pandemic, focusing on virtual activities to encourage employees to stay active regardless of whether they were coming on-site to work. Our virtual challenges included training support and encouraged employees to submit photos of their participation to create a sense of community. We were thrilled to have hundreds of employees from across the globe participate in our

2021 Wellness Center challenges, which included activities from our annual 5K Walk/Run to swimming and everything in between. Looking to the future, we will continue adapting our programs as the pandemic landscape evolves, seeking ways to bring our wellness programs back together in person and determining the best metrics to track success across all our campuses.





Responsible Supply Chain Practices

During our 2021 materiality reassessment, we saw that responsibility within our supply chain was a prominent topic across both environmental and social indicators. We made the decision to approach supply chain responsibility holistically. This will help us customize our evaluation of each supplier to ensure that our relationships around CSR are geared toward the most relevant issues. As part of this new holistic view, we have removed our previous goals for supplier relations. We plan to implement a customized supplier evaluation process that will help us support supplier CSR development.

We are currently evaluating the best way to launch a new supplier evaluation process where all suppliers will be scored based on key CSR indicators. By 2025, we will have audited our suppliers against a new responsibility scorecard that considers both environmental and social aspects of each supplier's operations. If a supplier does not meet our minimum requirements, we will issue a Corrective Action Report and work with that supplier to improve the areas of concern. This process will align with our supplier risk assessments and the accompanying audit and corrective procedures



Goal

2025

Audit our suppliers against a CSR scoring framework by 2025.

How We're Doing

This is a new goal, established as a result of this year's materiality assessment, we look forward to sharing our progress in our 2022 report.



PRIORITIZING THE PLANET



Reducing our impact on the planet isn't the job of one team — to achieve meaningful results, we need the support of all our employees. After refreshing our materiality assessment, we identified new opportunities to engage with every area of our business. To ensure that we are progressing toward our goals, we have revisited our material topics with process owners so that every goal we've set has a strategy in place to help us achieve it. Beyond our dedicated project teams,

we continue to provide expanded education for all employees. The connections between our work and our impacts on the world aren't always obvious. We want to teach our workforce about water use, greenhouse gas emissions, and climate change to help break down these complex topics into actionable insights.



“The connections between our work and our impacts on the world aren't always obvious.”





Climate Impacts and GHG Emissions

Climate impacts and greenhouse gas (GHG) emissions are new to our list of material topics. However, we've been calculating, reporting on, and putting plans in place to reduce our emissions for many years. We've outlined our updated process for reducing our emissions from purchased electricity in more detail later in this section. We acknowledge that our GHG emissions and climate impacts are far larger than the energy we use. Our detailed climate action plan focuses on energy efficiency and renewable energy procurement, the electrification of our vehicle fleet, and the replacement of older, less efficient HVAC systems.

Although we haven't yet compiled our Scope 3 inventory, we intend to do so by 2025. This year, we're also proud to share that we plan to complete the first Life Cycle Assessment (LCA) for one of our product lines in 2022. This LCA will be the initial step in gaining a much more thorough understanding of our Scope 3 impacts. The results will also inform our product responsibility roadmap.



Goal

50%

Reduction in Scope 1 and Scope 2 emissions from our 2019 baseline by 2030; measure Scope 3 emissions by 2025.

How We're Doing

Our GHG emissions are approximately the same despite record-breaking production and hours of operation.

PRIORITIZING THE PLANET



We focus our reporting efforts on the environmental impacts under our direct control. As we work to further reduce our own environmental footprint, we're also proud to see our customers around the world using our products to mitigate climate change impacts. Across Europe and Asia, Hunter products are bringing new green spaces to cities that otherwise wouldn't have had the space to do so. Our products are installed in France, Spain, Hungary, and China to support the development of greenbelts of natural turf, providing an innovative approach to reducing noise pollution and improving the appearance of landscapes. In turn, the turfgrass reduces runoff, replenishes air, regulates the temperature, and sequesters carbon. In Barcelona, more than 18 miles (29 km) of turf tramway are irrigated by our products using recycled water.



Energy Use and Renewable Energy

We're committed to both reducing the energy used during our manufacturing processes and growing our on-campus renewable energy generation capabilities. This dual strategy will shape our approach to reducing Scope 2 emissions by lowering our reliance on energy purchased from utilities.

We focus our renewable energy procurement and energy reduction efforts at our headquarters in San Marcos, California. There, we've been collaborating with our local utility since 2018 to reduce our energy consumption through their Strategic Energy Management (SEM) program. Over the past 2.5 years, we've completed 42 energy reduction projects despite the challenges posed by the pandemic. These improvements would not have been possible without the support of our Energy Champion group in San Marcos, with special gratitude for Todd Melton, our Central Systems Manager. We will apply our experience with this program to both our Tijuana and Clermont manufacturing facilities over the coming years to continue reducing our energy demands whenever possible.

We also plan to initiate our approach to renewable energy generation on-site at our manufacturing facilities. In 2021, we solidified a roadmap to grow our existing solar generation. We plan to construct four large solar projects at our headquarters in San Marcos, and we estimate that this initiative will cover nearly 25% of our total energy demand there. In addition to new solar arrays, we will add more electrical vehicle charging stations for our employees. We expect to kick off these projects in 2022. The four buildings slated for completion in 2022 represent Phase 1 of a two-part construction project. We will further expand our portfolio of on-site solar upon its completion. After finishing our San Marcos solar projects, we will look to develop our renewable energy strategies at our other manufacturing facilities. Beyond our solar projects, we continue to evaluate the feasibility of emerging technologies, including fuel cells and battery storage, to mitigate risk and reduce peak demand charges.



Goal

50%

Reduction in Scope 1 and Scope 2 emissions from our 2019 baseline by 2030; measure Scope 3 emissions by 2025.

How We're Doing

Our GHG emissions are approximately the same despite record-breaking production and hours of operation.

PRIORITIZING THE PLANET



In **San Marcos**, our SEM program helped us realize that we needed a new speed door for our Mold Shop. Due to consistent forklift traffic, the rollup door was open 24 hours a day, posing both security and environmental concerns. With our HVAC system fighting against the open door to keep the space cool, this situation was an avoidable use of electricity. The new door opens as needed automatically. We also identified an opportunity to adjust our venting system, bringing in cool air from outside whenever possible. Together, the new speed door and venting configuration have reduced HVAC energy consumption in the shop by one-third.

We're proud of the industry-leading efficiency of our lighting solutions. In stride, we continually seek ways to help our customers install our products to achieve their own energy-use goals. This year, the iconic Casino Montreal in Quebec, Canada, selected architectural luminaires from Lumascape to replace outdated static mercury vapor lighting. The project features energy-efficient, color-changing LED technology that beautifies the landmark casino while significantly reducing energy consumption within the space and improving health and safety of its occupants.





Product Responsibility

We've always taken tremendous pride in the quality of our products. We design them specifically to deliver long-lasting performance while exceeding our customers' highest standards and limiting environmental impacts. We also have a long history of prioritizing the development of low-impact products, from water-efficient nozzles and smart irrigation controllers to U.S. EPA WaterSense certified products.

In 2022, we plan to expand our product responsibility efforts by executing our first full Life Cycle Assessment (LCA) for one of our best-selling product lines. The LCA will give us detailed information about the embodied carbon emissions of our products, as well as a broad understanding of the less apparent environmental impacts of the product line across its life cycle. We look forward to sharing our findings next year and determining the metrics necessary to hold us accountable to our product responsibility goals.



Goal

2022

In order to set a comprehensive goal that will best serve to reduce our environmental impacts, we have chosen to complete an LCA of one of our best-selling product lines in 2022. We look forward to setting a goal after we have evaluated the findings of our LCA.

How We're Doing

We look forward to updating our stakeholders in our 2022 CSR report.

PRIORITIZING THE PLANET



Since Hunter Industries was founded 40 years ago, product quality has always been a critical component of our success. Our core value of Innovation guides us to develop and deliver best-in-class products that help our customers improve their own efficiencies. Our first product, the PGP® Rotor — which we released in 1981 — continues to set the standard for rotor technology with an industry-leading efficiency of nearly 80%. Our revolutionary MP Rotator® Nozzles offer multi-trajectory rotating streams that help customers reduce water consumption by up to 30%. Our complete family of micro irrigation products provides water savings of up to 40%. Our sensors and central control solutions can reduce water consumption by up to 40%. We also understand that our customers must install and maintain these products correctly to maximize their efficiency. That's why we provide free, comprehensive education for our customers and continually work to educate stakeholders about the many ways we can support their environmental impact goals.



Our Dispensing Dynamics products are frequently sold under the branding of our customers. This year, we are particularly proud to share that we launched an innovative product with Italian manufacturer Sofidel. We collaborated with Sofidel to manufacture the HyTech Seas product line, which delivers solutions made from ocean plastics. Sofidel recovers fishing nets discarded in the ocean, then refines and recycles the nets to create an injectable material. Our team at Dispensing Dynamics utilizes this material to produce durable dispensers. We believe that collaboration is a key component to delivering innovative, environmentally friendly products in evolving markets. We were honored to partner with a trailblazing customer who is leading the industry in material reuse efforts.





Waste

As a manufacturing company that produces scrap waste and delivers products in packaging, we know that waste will always be a material topic for us. That's why we're doubling down on our goal to reach net zero waste in landfills by 2030. We've developed a two-sided approach to this issue: reducing the waste that we produce and finding creative and responsible ways to process the waste that we can't avoid. We will conduct our first Life Cycle Assessment (LCA) in 2022. In addition to the efficiency projects that we continually evaluate to minimize our manufacturing waste, we know this assessment will help us identify opportunities to reduce packaging and byproduct waste.

In 2022, we will expand our national Irrigation Controller Recycling Program, which offers free recycling for all irrigation controllers. We plan to cover shipping fees up to a specified weight to incentivize Hunter Preferred Program members to recycle outdated controllers. We offer this program in partnership with Blue Star Recyclers,



a nonprofit organization that creates jobs for people with autism and other disabilities. Since launching the program as a pilot in 2019, we have responsibly recycled 12,316 lb (5,586 kg) of controllers.

Holistically, scrap waste continues to be a challenge for us. However, we are seeking partners and avenues to responsibly repurpose as much waste as we can. We are still determining how to accurately measure and improve our waste handling, and we look forward to publishing our diversion rates for all three of our large manufacturing facilities next year.



Goal

0

Zero net waste to landfill by 2030.

How We're Doing

We will publish diversion rates for all three of our large manufacturing facilities in 2022.



PRIORITIZING THE PLANET



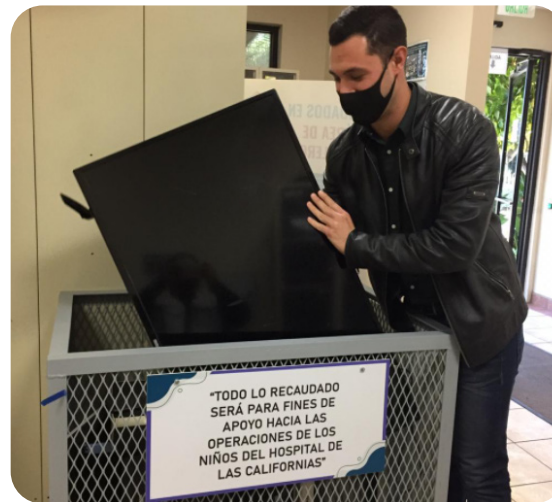
In 2021, we launched our new print-on-demand literature marketplace with Mimeo to astonishing results. In 2018, we printed 854,468 pieces of literature for our sales team, distributors, and customers. These ranged from single-sheet brochures to product catalogs with hundreds of pages. Jeff Falk, Director of Content Marketing in San Marcos, knew there was a better way to reduce spending and minimize the waste generated by product marketing. He empowered Dina Newcomb, Senior Creative Development Manager, to solve this challenge. In 2021, the rollout of this marketplace optimized efficiency by allowing our teams to print items only as needed, leading to just 151,304 pieces of literature being printed — an incredible 82% reduction. The entire Marketing team was proud to support such an important initiative.

“This has been one of the best projects I have been asked to work on. Once we realized the magnitude of the waste, it was clear there was no going back.”

-Dina Newcomb, Senior Creative Development Manager, Hunter Industries



While holistic waste programs and tracking continue to be a challenge, our employees are banding together across our facilities to support responsible waste diversion. Our Senninger office launched the Employee Battery Recycling Program at the end of 2020. Since then, they have responsibly disposed of more than 250 lb (113 kg) of battery waste.



In Tijuana, a recycling project sought to collect e-waste from employees. The initiative was incredibly successful, collecting 2,000 lb (907 kg) of e-waste. This waste was then responsibly recycled, providing funding for 10 children from low-income families to receive medical consultations.



Water Use

As a leading manufacturer of irrigation solutions, water is a key material issue for our organization. Our impact on water expands far beyond our own facilities, since our products also affect our customers' water use. Today, our water usage targets focus on the water footprint that we control directly at our facilities. However, we constantly evaluate how we can better understand our downstream water impacts as well. Our San Marcos and Tijuana facilities are in climates that experience extreme drought conditions. We acknowledge that this reality makes our water conservation efforts even more critical.



In 2021 at our Clermont facility, we experienced a complication between the city and our well water that led to the accidental use of extraneous water. We detected and resolved this issue in a timely manner due to our ongoing data evaluation, which prompted the investigation into the increased water consumption. We determined the cause of the issue and took immediate corrective action. While we continue to evaluate ways to reduce our water consumption at each of our campuses, we will also strive to improve our reporting and monitoring processes to ensure that future challenges like this are promptly detected and resolved.

We provide more details on how we promote water conservation with our products and our customer relationships in the Product Responsibility section of this report. With a wide range of EPA WaterSense certified products designed to support customers in their water efficiency journeys, water use will always be a top priority for us.



Goal

30%

Reduce water consumption by 30% by 2030 against 2019 benchmark.

How We're Doing

23%

23% water reduction to date against 2019 benchmark.

PRIORITIZING THE PLANET



have obtained an average of 25% savings on both water and electricity” since installing Senninger irrigation products. Rens is a Senninger customer who grows primarily pasture crops for dairy cattle. He switched from running conventional sprinklers four days per week to using LEPA bubblers that provided the same yield with only three days per week of operation.

We’re incredibly proud that our products help increase productivity while reducing water dependencies for our customers. This is becoming an increasingly critical component of agriculture, as the climate crisis exacerbates challenges with unpredictable weather and prolonged seasons of drought. Senninger customer Pieter Rens in South Africa reports that “during the current dry season, combined with high wind speed conditions, we



A Senninger customer in Guatemala increased the yield of their sugarcane field by approximately 25% using Xcel-Wobbler® Technology. Guatemala is one of three major producers of sugarcane in Latin America, where planted areas have expanded by an average of 3% per year. However, with changing climates and poor soil quality, production is becoming a greater challenge. One grower decided to take a chance in an area with poor soil quality, where the land is rocky, and the soil is shallow and dry. The grower initially installed impact sprinklers and drip irrigation to maximize water efficiency. However, with the production of 90 to 100 tons of sugarcane on average, the field was struggling to produce adequate yields. Since installing the new products, the field has maintained the same treatment, fertilization, mechanization, and water consumption as before while boosting production by 25%.



DRIVING PURPOSE FROM PROFIT

At Hunter Industries, we don't believe in generating profit strictly to grow our business. To lead our industry in accordance with our values, we've adopted the triple bottom line: People, Planet, and Profit. Our innovative spirit and the high quality of our products drive the profits that enable us to support people and the planet. We believe so strongly in this philosophy that we also share our profits with our employees. We think they deserve to be recognized for their hard work, and we're proud to thank every employee for their contributions to our success.



“At Hunter Industries, we don't believe in generating profit strictly to grow our business.”



Profit Share

Our profit share program is continually evolving. The percentage of profits that we share with employees changes annually to reflect organizational performance. Each year, the Leadership Team sets a targeted goal for profit sharing and regularly updates employees on our progress toward the goal. Over the last three years, employees have received an average profit share distribution of 14% of eligible earnings. In 2021, after a year off from in-person celebrations during the height of the pandemic, we were excited to once again celebrate outdoors with smaller groups of employees.



In 2021, we were excited to once again celebrate profit sharing with employees in person.



How We're Doing

16.75%

Profit share achieved in 2021.





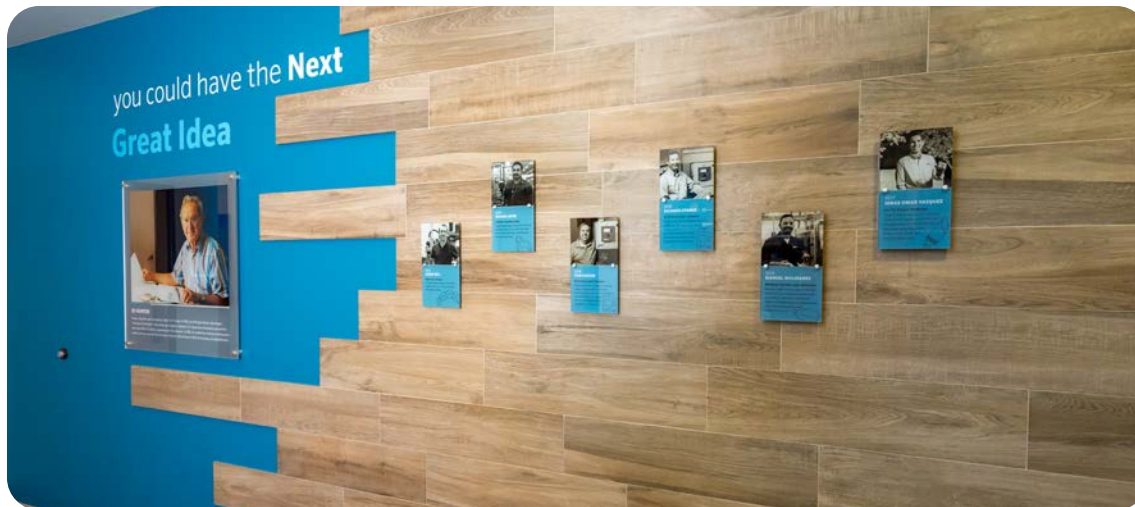
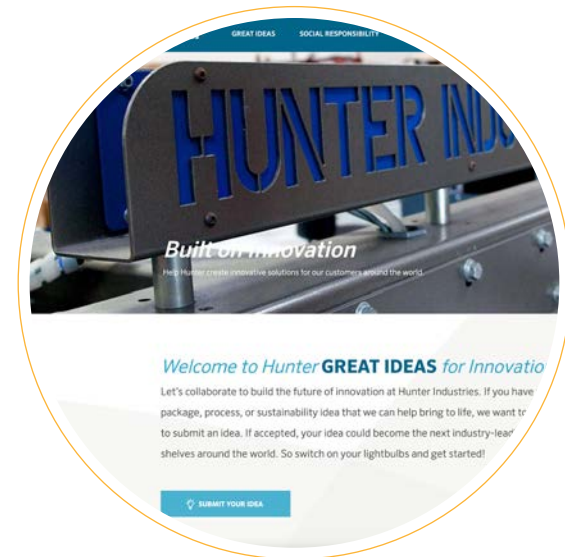
Built on Innovation Program

Our core value of Innovation propels us to stay ahead of the competition and inspires us to continually create new products with social responsibility in mind. To encourage innovative thinking, we engage employees and customers through our Built on Innovation Program. Despite the challenges of the last few years, participants have continued contributing a range of creative ideas to promote the success of our organization. In 2021, we achieved incredible results through the program.



How We're Doing

- Ideas submitted by employees: 151
- Ideas submitted by customers: 67
- Ideas approved for development: 30
- New products launched: 23
- Patents issued: 19
- CEO Innovation Awards given out: 34





Edwin J. Hunter Innovator of the Year Award

My Design: The Easy Way to Light the Night

Congratulations to Scott Allison (center), Web Development Manager, and Gary Saunders, Senior UX/UI Engineer, for being selected as the winners of the Edwin J. Hunter Innovator of the Year Award. UX/UI Designer Kate Smith also contributed to the success of this launch.

Getting property access at night to conduct an in-person lighting demo can be challenging. Now lighting professionals of all skill levels can create a nighttime lighting demo from anywhere with My Design!

My Design with Night Mode is a simple editing tool that lets users design renderings with illustrative night lighting. It shows essential details like direction, intensity, and more. Users simply snap a picture of any landscape, then turn on Night Mode to reveal the stunning effects of landscape lighting in their design. It's easy to create a professional proposal in just a few clicks.

“We focused on speed to design and simplicity with My Design,” said Scott. “Using simple tools, lighting pros can present illustrative lighting concepts to their customers in a fraction of the time compared to complex and expensive software.”



My Design is free to use for all customers. All the project information is stored in the cloud, so users can access it 24/7 from their home, office, or on the go.





Co-founder Ann Hunter-Welborn initiated our long-term sustainability movement.

Ann Hunter-Welborn Circle of Excellence Award

When Hunter Industries was established in 1981, co-founder Ann Hunter-Welborn initiated steps to develop a long-term sustainability movement for our organization. Her efforts helped us realize that we can't achieve our goals alone. The Ann Hunter-Welborn Circle of Excellence Award — presented annually since 2018 — aims to identify, congratulate, and publicly recognize customers and partners who exemplify socially responsible practices within our industry and inspire others to join the movement. We invite you to meet our 2021 award winners and discover how they're setting the standard for CSR excellence in the green industry.

Bill Cohn, Massey Services

Bill and the Massey family understand the critical importance of protecting the environment while supporting local communities. The team at Massey Services actively seeks new ways to mitigate the company's environmental footprint while positively impacting the diverse communities they serve. In 2021, they started participating in the Hunter Irrigation Controller Recycling Program — recycling over 1,500 lb (680 kg) of irrigation controllers with our partner, nonprofit organization Blue Star Recyclers.

Jon Lauer, Professional Irrigation Systems

In 2020, Jon and his team at Professional Irrigation Systems hosted their 10th-annual food drive. With 17,000 cans of food collected from customers, vendors, distributors, and community members, Jon matched the donation 100% and delivered a truckload of food to the Powell Terrace Food Pantry in St. Charles, Missouri.

Shawn Maestretti, Studio Petrichor

Shawn is a proponent of forward-thinking environmental initiatives that embody ethical practices and nature-based solutions. His goal is to mitigate the effects of global climate change through local landscape design. Shawn also educates his community on the benefits of hügelkultur, a traditional European method of gardening that uses raised beds of wood and plant debris.

Paul Vecchia, Collaborative V Design Studio

Paul and his team at Collaborative V Design Studio have long demonstrated their commitment to environmental conservation by sponsoring innovative design projects. Their collaborative approach to client relationship management encourages environmentally minded solutions for projects around the globe.



Putting People First

Engaging Employees Around CSR

Contributions by Type	2019	2020	2021
Community	\$213,888	\$189,338	\$388,495
Education	\$168,148	\$171,660	\$157,550
United Way	\$96,476	\$97,723	\$126,065
Water and Environment	\$56,500	\$27,500	\$62,500
Product Donation	\$8,603	\$1,547	\$8,010
Employee Request	\$460	\$336	\$100
Total	\$544,076	\$488,105	\$742,719

Employee Development

Year	Average Training Hours per Employee
2019	21.5
2020	16.4
2021	14.24

Diversity, Equity, and Inclusion

All Full-Time Employees

Ethnicity	2019	2020	2021
Hispanic or Latino	1,927	2,588	2,506
White	498	470	470
Not Specified	109	195	177
Asian	119	103	107
Black or African American	31	31	36
Two or More Races	28	27	34
Native Hawaiian or Other Pacific Islander	9	10	11
American Indian/Alaska Native	7	7	7
Total	2,728	3,431	3,348

Diversity, Equity, and Inclusion

All Full-Time Employees

Gender	2019	2020	2021
Male	1,526	1,893	1,493
Female	1,202	1,538	1,855
Total	2,728	3,431	3,348

Diversity, Equity, and Inclusion

Managers by Ethnicity

Ethnicity	2019	2020	2021
Hispanic or Latino	-	189	197
White	-	141	140
Not Specified	-	10	14
Asian	-	14	9
Black or African American	-	3	2
Two or More Races	-	5	6
Native Hawaiian or Other Pacific Islander	-	0	0
American Indian/Alaska Native	-	2	2
Total	-	364	370

*To increase visibility into our DEI metrics, we began tracking employee role by ethnicity in 2020.

Diversity, Equity, and Inclusion

Managers by Gender

Gender	2019	2020	2021
Male	287	284	291
Female	82	80	79
Total	369	364	370



Putting People First (cont.)

Diversity, Equity, and Inclusion

Executive Leadership Team

Gender	2019	2020	2021
Male	6	6	6
Female	1	1	1
Total	7	7	7

Diversity, Equity, and Inclusion

Executive Leadership Team

Ethnicity	2019	2020	2021
White	7	7	7
Total	7	7	7

Employee Health and Safety

Date	Hazard Identification Rate
2019	16.6
2020	8.4
2021	9.73

Employee Health and Safety

Date	Recordable Incident Rate
2019	1.66
2020	1.68
2021	1.37

Prioritizing the Planet

Climate Impacts and GHG Emissions

Emissions in MTCO2E by Scope	2019	2020	2021
Scope 1 Total	4,169	3,788	3,677
San Marcos, California	2,027	1,871	1,547
Clermont, Florida	3	14	3
Tijuana, Mexico	971	979	1,065
Other Offices	26	25	24
Fleet Vehicles	1,143	899	1,037
Scope 2 Total	15,263	18,046	15,771
San Marcos, California	3,033	2,958	2,791
Clermont, Florida	1,879	1,919	2,106
Tijuana, Mexico	8,848	12,188	10,838
Other Offices	1,502	706	37
Total Emissions	19,432	21,559	19,448

Notes:

1. Hunter Industries considers all facilities under our direct control within our boundary. We do not include contract manufacturers outside of our direct operation within our Scope 1 and Scope 2 inventory.
2. Within our boundary, we collect consumption data directly from our utility sources. We do not have utility data available for three small office buildings. In these cases, we applied CBECS industry standards as estimates.
3. We updated certain emissions factors from our 2020 report and applied them retroactively for more accurate reporting. Due to this update, our published data for 2019 and 2020 is slightly varied from previous publications.
4. We apply a location-based methodology to calculate all GHG emissions. We use the following standards: U.S. EPA emissions factors for all renewable energy, diesel, purchased electricity, cogeneration, motor gasoline, propane, and natural gas emissions within the United States; IEA emissions factors for international purchased electricity; DEFRA emissions factors for international natural gas and propane; and EC emissions factors for motor gasoline in Canada.



Prioritizing the Planet

Energy Use and Renewable Energy

Total kWh Consumption by Campus	2019	2020	2021
Total	58,220,040	62,967,695	63,886,535
San Marcos, California	25,778,303	25,496,143	23,696,330
Clermont, Florida	4,085,935	4,531,707	5,381,819
Tijuana, Mexico	22,016,065	29,733,982	34,549,688
Other Offices	6,339,737	3,205,863	258,698

Energy Use and Renewable Energy

Energy Use from Purchased Electricity (kWh)	2019	2020	2021
Total	42,092,828	47,364,768	49,841,721
San Marcos, California	12,695,984	13,082,709	13,545,643
Clermont, Florida	4,075,065	4,520,335	5,371,579
Tijuana, Mexico	19,123,099	26,692,684	30,797,592
Other Offices	6,198,680	3,069,040	126,906

Energy Use and Renewable Energy

Energy Use from Fuel (kWh)	2019	2020	2021
Total	13,404,195	13,329,991	12,091,942
San Marcos, California	10,359,302	10,140,498	8,197,815
Clermont, Florida	10,870	11,372	10,240
Tijuana, Mexico	2,892,966	3,041,298	3,752,096
Other Offices	141,058	136,823	131,791

Energy Use and Renewable Energy

Co-gen Energy Generation in kWh	2019	2020	2021
San Marcos	2,005,174	1,524,554	1,254,276

Energy Use and Renewable Energy

Solar Energy Generation in kWh	2019	2020	2021
San Marcos	717,843	695,496	698,596

Product Responsibility

EPA WaterSense Certified Products	60
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Water Use

Water Consumption by Campus in Gallons	2019	2020	2021
Total	58,959,113	43,415,794	45,568,443
San Marcos, California	19,883,336	22,400,356	20,105,886
Municipality	5,411,032	4,779,720	4,347,376
Well	14,472,304	17,620,363	15,758,510
Clermont, Florida	31,859,430	12,602,680	17,722,640
Municipality	17,275,000	5,978,000	16,938,000
Well	14,584,430	6,624,680	784,640
Tijuana, Mexico	7,216,347	8,412,758	7,739,917



Driving Purpose from Profit

Profit Share

Employee Profit Share %	2019	2020	2021
	10.25%	15.25%	16.75%



We'd love to hear from you! Join the conversation at sustainability@hunterindustries.com.



Hunter Industries Family of Companies:  |  |  |  |  | 

