

INNOVATION TO IMPACT

2023 Impact Report



Hunter®

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A MESSAGE FROM OUR CEO

WELCOME *To Our 2023 Impact Report!*

Innovation has been ingrained in our culture at Hunter Industries since the very beginning. Over the years, our company has grown and developed long-standing relationships in the industry based on our track record of delivering innovative products that help our customers succeed.

As we continue to grow our business, we see sustainability as a powerful driver of innovation. Its principles give us new ideas for improving our products and our operations: how we can use more environmentally responsible materials, generate less waste, and create new ways to save water and energy. These goals are increasingly a priority in our own operations and for our customers, whether they're working with us due to our best-in-class irrigation and outdoor lighting solutions, cutting-edge custom manufacturing, or advanced dispensing technologies.

Our commitment to putting people first — and making a positive social impact — is also a source of innovation. This commitment continually challenges us to consider the best way to make a meaningful difference in our communities, especially as the needs of those communities change over time. It also reminds us that we must always strive to meet the evolving professional and personal needs of our employees.

The accomplishments you see in this report are a result of the dedication, hard work, and ingenuity of our more than 3,500 employees. I'm grateful for all their contributions, particularly the hundreds of hours they volunteered in 2023 through our Hunter Helping Others (H2O) Program and the dozens of forward-thinking ideas they submitted through our Built on Innovation® platform.

Our people are the power behind Hunter's innovative spirit. They help us lead the industry, and I'm excited to see what we can do, together with all of our stakeholders, to impact an even brighter future.

Greg R. Hunter
CEO



A MESSAGE FROM OUR
*Sustainability and
Social Impact Director*

THANK YOU ***For Reading This Year's Report***

This is the 11th year that Hunter Industries has published an annual Impact Report and, once again, seeing the results of all our hard work makes me very proud. This year's report has a new, vibrant look that we're excited to unveil. You may also notice some other significant changes; most notably, that we're moving away from our long-standing use of the phrase "Corporate Social Responsibility" and embracing the language of "impact" instead.

There are many important reasons why we've made this shift. While our overall goal is to act responsibly in every aspect of our business, we don't stop there. We want to actively make a difference — or positive impact — that benefits our customers, employees, and communities as well as our own operations.

In 2023, we surveyed our customers to learn more about how they perceived our sustainability and social impact efforts. Were they aware of what we were doing? Did it matter to them? It was encouraging to learn that a majority of our customers said our work in this area positively influenced their decision to choose Hunter.

We were even more encouraged to learn that our customers value our commitment to environmental sustainability, particularly through the development of innovations that help them save water and energy while generating less waste. They also support our commitment to making Hunter an excellent place to work for our employees and giving back to our communities, which are at the heart of our social impact programs.

Thank you for reading this year's report. I hope you'll continue to visit our website for updates on our progress throughout the year, and I invite you to [reach out to me](#) directly with comments, ideas, or questions about our sustainability and social impact programs at any time.

Warren Gorowitz
Sustainability and Social Impact Director

OUR Highlights



Helped our customers save more than **40 BILLION GALLONS OF WATER** with our highly efficient Hydrawise® enabled Hunter Controllers¹

¹ Estimated based on a comparison with traditional controllers that do not adjust the irrigation schedule in response to weather conditions

Assisted our Hunter Preferred Program members with **RECYCLING MORE THAN 1,700 LB OF IRRIGATION CONTROLLERS** through our Irrigation Controller Recycling Program

RECEIVED 123 SUBMISSIONS from employees through our Built on Innovation platform and presented 22 CEO Innovation Awards for winning ideas

COMPLETED THE FIRST PHASE of our solar expansion project at our San Marcos, California, location with the addition of a 216 kW system



HOSTED 1,900 CUSTOMERS at our newly opened Customer Experience Center

Supported **80 NONPROFIT ORGANIZATIONS** with more than \$760,000 in Community Impact Grants



Hosted four sign language courses for 65 employees at our Tijuana location, **PROVIDING OVER 1,000 HOURS OF LEARNING TO SUPPORT** our colleagues with hearing impairments

LOGGED MORE THAN 990 EMPLOYEE VOLUNTEER HOURS through our Hunter Helping Others (H2O) Program



RECEIVED OUR THIRD EPA WATERSENSE® EXCELLENCE AWARD, this time for increasing the visibility of our WaterSense-labeled products

OUR *Approach*

At Hunter Industries, we help our customers, employees, and communities thrive through innovations that promote sustainability and programs that make a positive impact on people's lives.

By incorporating the principles of sustainability into our product design and manufacturing processes, we not only uncover new ways to make our own operations more efficient, less wasteful, and better for the environment but also unlock opportunities to help our customers save water and energy, meet increasing environmental standards, and successfully grow their businesses.

By applying a social impact mindset to how we work together, we form a collective force for good: encouraging our teammates to grow professionally and personally while celebrating their achievements along the way, working with our business partners to extend our positive impact beyond our own operations, and joining forces with community organizations to make the places where we live and work happier, healthier, and more prosperous places to be.

As our business grows, so does our commitment. Sustainability and social impact are drivers of innovation and core to our success as a company.



OUR *Material Issues*

We engage our customers, employees, and senior leadership to understand the topics that are important to them and identify the greatest opportunities for impact. These topics guide the development of our goals and strategies as well as the content of this report.



We completed our most recent materiality assessment in 2023. Our current material topics, in order of importance, are as follows:

- Air and greenhouse gas emissions
- Energy use and clean energy sourcing
- Water use
- Product safety
- Climate resilience
- Community development
- Recycled materials in products
- Procurement practices
- Hunter economic performance
- Customer satisfaction
- Waste to landfill
- Supplier assessments for environmental issues
- Employee development
- Employee health and safety
- Compensation policies
- Diversity, equity, and inclusion
- Biodiversity
- Cybersecurity/data privacy

OUR Goals



HERE'S HOW WE DEFINE PROGRESS

Achieved: Met goal

On track: Expected to meet the goal on time

Making progress: Progressing more slowly than expected

Reassessing: Formulating a new approach



Employee Development

GOAL

Achieve 85% employee satisfaction by 2030

2023 PERFORMANCE **ON TRACK**

We currently have a 74% employee satisfaction rate.



Responsible Supply Chain Practices

GOAL

Audit our suppliers against a scoring framework by 2025

2023 PERFORMANCE **ACHIEVED**

After sending out our newly created supplier survey in December 2022, we received responses from 50% of our top suppliers.



Community Impact Grants

GOAL

Donate \$2.5 million annually by 2030

2023 PERFORMANCE **ON TRACK**

We increased the total amount of our Community Impact Grants to \$760,035.



Climate Impacts and GHG Emissions

GOAL

Reduce Scope 1 and Scope 2 emissions by 50% from the 2019 baseline by 2030

2023 PERFORMANCE **MAKING PROGRESS**

Our total Scope 1 and Scope 2 emissions increased by 3.5%. However, we made progress in reducing our Scope 1 emissions by 26% from the baseline.

GOAL

Measure Scope 3 emissions by 2025

2023 PERFORMANCE **ON TRACK**

We're continuing our efforts in this area and expect to meet this goal on time.



Water Use

GOAL

Achieve a 30% reduction in water use against the 2019 baseline by 2030

2023 PERFORMANCE **ON TRACK**

We've reduced our water consumption by 18.6% to date from the 2019 baseline.



Diversity, Equity, Inclusion, and Belonging (DEIB)

GOAL

Continue to build our global DEIB strategy

2023 PERFORMANCE **REASSESSING**

We are reevaluating our DEIB metrics to support identifying areas of opportunity.



Employee Health and Safety

GOAL

Continue to reduce recordable incidents year over year

2023 PERFORMANCE **REASSESSING**

Our recordable incident rate increased to 1.67. We are in the process of strategically evaluating risk-reduction projects, specifically at our Tijuana plant where increased production and employee head count has led to increased injury rates.



Product Responsibility

GOAL

Complete a life cycle assessment (LCA) for one of our best-selling product lines in 2024

2023 PERFORMANCE **MAKING PROGRESS**

While we expect to complete the LCA in 2024, the work is progressing more slowly than expected.



Waste Management

GOAL

Achieve zero net waste to landfill by 2030

2023 PERFORMANCE **MAKING PROGRESS**

The percentage of waste diverted held relatively steady at two of our major sites, but we experienced a setback at our Clermont, Florida, site. We are making changes to address the issue, including identifying a new waste hauler.



OUR *Customers*

Areas of Focus

Our innovative products and solutions help our customers unlock opportunities for more successful and sustainable businesses.

This includes helping our customers save water and energy, minimizing the amount of packaging our customers need to dispose of, and making our products easier to recycle when they reach the end of their service.

In 2023:

- We supplied four landscaping projects with wildlife-friendly Lumascape LEDs to help prevent biodiversity loss in turtles and other wildlife.
- We partnered with Sofidel to recycle plastic fishing nets collected from the ocean, refining them into an injectable material that Dispensing Dynamics uses to create HyTech Seas paper dispensing products.
- We recognized five customers for their innovative sustainability practices with the Ann Hunter-Welborn Circle of Excellence Award.





OUR Communities

Areas of Focus

We're actively engaged in making our communities more vibrant and livable through our volunteering and giving programs.

Our more than 3,500 employees are at the heart of our community impact, joining together to contribute countless hours of volunteering each year and donating to meaningful causes.

In 2023:

- Our employees donated more than \$97,000 to support 433 nonprofit organizations during our Season of Giving campaign.
- We hosted 47 volunteer events at our main manufacturing campuses and recorded more than 990 hours of employee volunteer time through our Hunter Helping Others (H2O) Program.
- We supported 80 nonprofit organizations with more than \$760,000 in Community Impact Grants.





OUR People

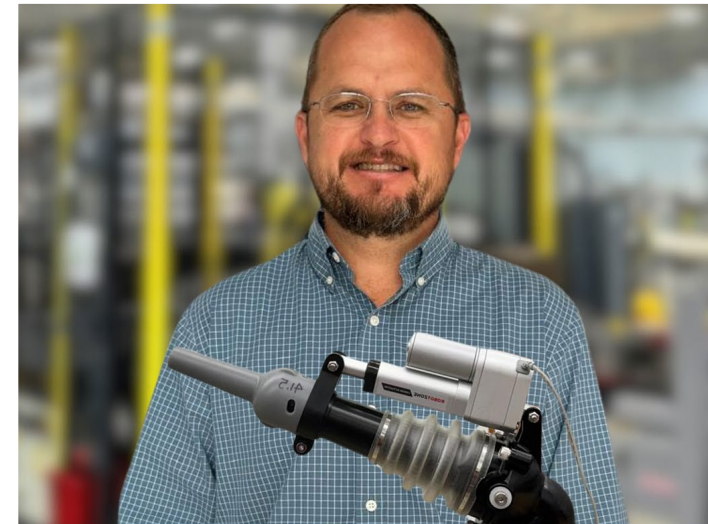
Areas of Focus

We put our employees first, offering a rewarding work environment that encourages personal and professional growth as well as a culture that embraces collaboration and creativity.

We're committed to creating a welcoming culture where everyone feels valued, respected, and empowered to contribute.

In 2023:

- Nearly 2,000 employees participated in our wellness challenges throughout the year.
- Our High Five Recognition Program saw a 60% increase in peer-to-peer recognition compared to 2022.
- We awarded the Edwin J. Hunter Innovator of the Year Award to two Senninger employees for their roles in developing the concept for a new, unique Senninger sprinkler. The new device offers growers enhanced control over end-of-pivot irrigation distribution.
- We held our Established Leaders Program in San Marcos for 19 leaders from Brazil, Germany, Mexico, and the U.S. This transformative program equips Hunter leaders with intensive feedback and learning experiences to enhance their insights and develop effective tools for leading high-performing teams.
- We made adjustments to our Tijuana facilities to enhance accessibility for employees with physical disabilities, including ramp inclination, time clock height, restroom access, sink height in restrooms and the cafeteria, adjustable workstation tables, and designated parking for buses with automatic ramps.





OUR Business

As our business grows, so does our commitment to making a positive impact. We work to integrate practices that are better for the environment and beneficial for people. Our values of Customer Satisfaction, Innovation, Family, and Social Responsibility guide us in everything we do, helping us grow the company in a way we can all be proud of.

In 2023:

- We completed five capital projects focused on energy efficiency at our San Marcos campus, which are anticipated to save approximately 500,000 kWh of energy per year going forward.
- We decreased our total energy use by more than 6 million kWh compared to 2022.
- We decreased our total water use by 18.6% from the 2019 baseline.
- We removed all non-recyclable packaging from our Hydrawise-enabled Controllers and introduced recycled material into our controller cases.
- We launched a project to remove all plastics from Lumascape product packaging and are on target to complete the project in 2024.



ABOUT *Hunter Industries*

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.

3,000+
EMPLOYEES
&
13 GLOBAL
LOCATIONS

● Manufacturing Facilities

- Clermont, Florida, U.S.
- Jaguariúna, Brazil
- Jiangsu, China
- Tijuana, Mexico
- San Marcos, California, U.S.

● Sales Offices and Warehouses

- Amman, Jordan
- Barcelona, Spain
- Beijing, China
- Dubai, United Arab Emirates
- Grand Island, Nebraska, U.S.
- Hawthorn, Australia
- Lubbock, Texas, U.S.
- Queensland, Australia



ABOUT *This Report*

This is the 11th year that we've reported on our sustainability and social impact programs, progress, and performance. The information in this report describes our policies, programs, and goals and includes performance data for the 2023 calendar year for all business units unless stated otherwise. All references to dollars are to U.S. dollars unless otherwise noted. Information in this report represents the best information available as of the publication date.

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards. For more information, please see the Reporting Index that accompanies this document and visit our sustainability and social impact website for updates throughout the year.

For questions or feedback, please email sustainability@hunterindustries.com.

MEMBERSHIP *Associations*

We participate in and hold leadership positions with local and national trade groups and associations to advocate for our customers, collaborate on the development of standards and codes, and elevate and enhance our industry as a whole.

- Alliance for Water Efficiency
- American Sports Builders Association
- American Society of Irrigation Consultants
- American Society of Landscape Architects
- Association of Outdoor Lighting Professionals
- Association of Professional Landscape Designers
- European Irrigation Association
- Golf Course Builders Association of America
- Golf Course Superintendents Association of America
- Green Roofs for Healthy Cities
- Illuminating Engineering Society
- International Federation of Landscape Architects
- Irrigation Association
- Irrigation Australia
- International Sanitary Supply Association
- Maquiladora Industry and Export Manufacturing Association
- National Association of Landscape Professionals
- Professional Grounds Management Society
- South African Irrigation Institute
- Synthetic Turf Council
- Sports Field Management Association
- The GRCETA of Basse Durance
- Western Maquiladora Trade Association