

2016 CORPORATE SOCIAL RESPONSIBILITY *REPORT*



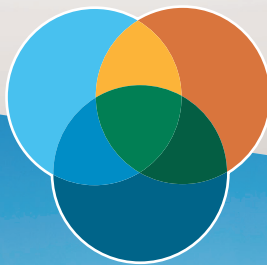
PEOPLE



PLANET



PROFIT





A Word from Ann Hunter-Welborn

Preface

Here at Hunter Industries, we have always highly valued sustainability and social responsibility. In fact, our sustainability efforts began long before the release of our first Corporate Sustainability Report in 2013. But we knew we could do more. We wanted to engage our employees, our customers, our community, and other stakeholders to find out what was most important to them and to develop long-term sustainability goals that reflected the progress we were already making in all aspects of our business.

In 2009, we began the long process of educating ourselves about the right way to go about doing so. We met with other companies around San Diego County that had budding sustainability departments and studied their corporate reports, as well as many others from around the world. Then, we turned our fact-finding mission into action. We created an internal committee dedicated solely to our vision of sustainability: the Focus 3P group (for **PEOPLE**, **PLANET**, and **PROFIT**).

The Focus 3P group immediately got to work. Thanks to careful planning and thoughtful input from the team, we returned two acres of grass on our property to its native state. It has since become a refuge for deer, birds, butterflies, and other wildlife. We now have solar panels, an on-site well, LEED-certified buildings, robust waste reduction strategies, and many other initiatives that you'll read about in the current report. I'm very proud of what we have accomplished so far, and I look forward to seeing what else we can achieve in our efforts to minimize our carbon footprint and develop more sustainable business practices.

I hope you enjoy the report. As always, we welcome your feedback.

Thanks for reading,

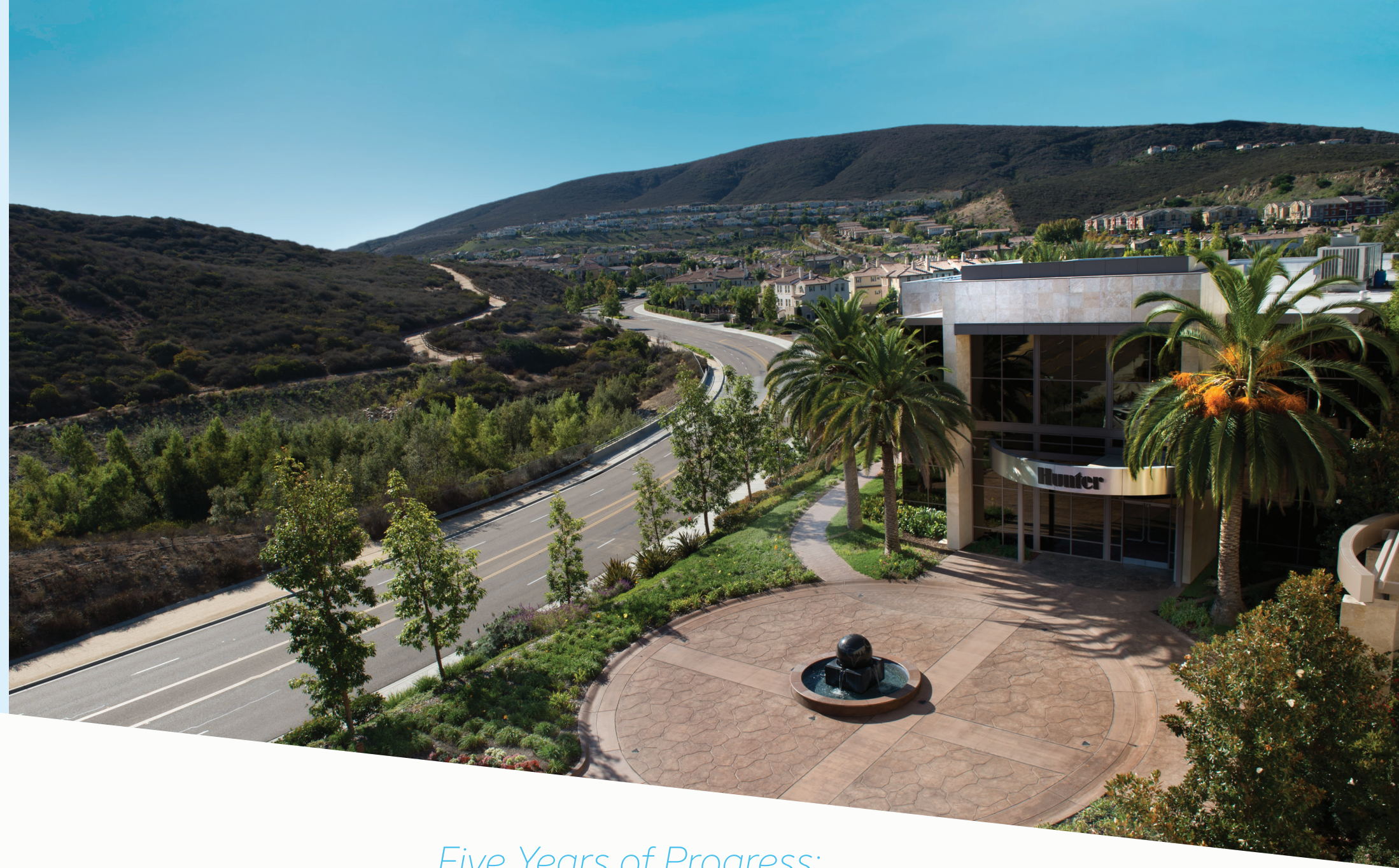
Ann Hunter-Welborn

Principal Shareholder and Retired Chair of the Board



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Five Years of Progress: A REFLECTION ON SUSTAINABILITY

As stewards of our environment and the communities in which we live, work, and play, Hunter Industries is committed to making decisions today that positively affect tomorrow. Over the last five years, we have steadily increased our annual production quantities, increased our positive impacts on our employees and communities, and decreased our negative impacts on the environment. As we reflect on our performance, we continue to engage our stakeholders to develop targeted economic, environmental, and community goals to complement our future growth plans. This year's Corporate Social Responsibility report represents a sincere analysis of our five-year efforts and a look ahead to our future goals.

Hunter



Gregory R. Hunter
President of Hunter Industries

A Word from **GREG HUNTER**

We at Hunter are happy to celebrate and share our fifth annual Corporate Social Responsibility report. Since 2012, we have worked hard to meet our target goals for more sustainable business practices, including the areas of energy production, water usage, carbon emissions, and waste diversion. Although we're pleased to have met or exceeded some of our projections and are in reach of achieving others, a few areas continue to be a challenge as our company expands. As we mark our accomplishments, we remain committed to do better.

Hunter has tackled waste reduction head-on as we embrace a mitigation and minimization approach. Our current waste-diversion-from-landfill rate of 85.1% brings us ever closer to becoming a zero-net-waste company. This strategy has also helped us increase the content of recycled plastic material in our products to 2.4%.

Resource efficiency programs have greatly reduced our water- and energy-use footprints. In fact, efficiencies in manufacturing and landscape practices have helped lower our water consumption by nearly 19% since 2012. In the same time span, we have boosted our solar power production by 463%. Successes aside, we know that if we want to meet our targets, we must develop a more robust carbon emissions reduction plan as we continue to grow.

Armed with the knowledge that our employees and communities are vital to our success, Hunter has taken additional steps to ensure the health and prosperity of both groups. Our Hunter Helping Others (H₂O) employee volunteer program continues to support a wide range of local community improvement projects, while our Human Resources team has helped facilitate more than 500 diversified training courses, ranging from personal growth strategies to safety protocols.

Over the past year, we have broadened our reach in the irrigation sphere with the acquisitions of Senninger and Hydrawise. We launched Holm, a new commercial lighting brand. We have further developed Hunter Custom Manufacturing. And finally, we have expanded our core brands of residential, commercial, and golf irrigation products alongside our FX Luminaire lighting products. As we look toward the future, we know that we must continue engaging our stakeholders to establish economic, environmental, and community targets that ensure Hunter's resiliency. That way, we will not only remain at the forefront of sustainable practices in our industry—we'll surpass even our own expectations.

Company OVERVIEW

Hunter Industries is a global manufacturer and provider of products and services for the landscape irrigation, agricultural, and lighting industries, as well as a provider of custom manufacturing services. Founded in 1981, the privately held company offers thousands of products that provide resource-efficient solutions for the industries that they serve. Hunter's core mission is to produce innovative products of the highest quality and back them with unwavering customer support. Hunter Industries holds more than 220 product patents and 80 trademarks.



Greg Hunter watches in 2008 as crew members break ground on the new Hunter Industries distribution center, located at 1840 La Costa Meadows Drive in San Marcos, California.

Our Story

Hunter Industries is headquartered in San Marcos, California, and our products are sold in more than 115 countries. We have state-of-the-art manufacturing and distribution facilities in California and Mexico. Today we have more than 1,800 employees, including a global salesforce, with satellite offices in Europe, the Middle East, Asia, and Australia. We are a privately held, primarily business-to-business manufacturer, and we sell our goods to irrigation and lighting distributors and contractors worldwide.

Since the beginning, our core business philosophy has been to produce professional irrigation products that use as little water and energy as possible to create optimal landscape function and ambiance. Founded in 1981 by irrigation industry pioneer and entrepreneur Edwin J. Hunter and his son Paul, Hunter Industries was built on the innovation of gear-driven rotors that allow a steady stream of water to flow through a sprinkler's nozzle and efficiently cover wide expanses of turf. This was revolutionary at the time, because the industry standard was "impact"-style sprinklers, which throw water haphazardly into the air and provide poor coverage.



Crew members break ground in 1983 at Hunter corporate headquarters, located at 1940 Diamond Street in San Marcos, California.



Ed (left) and Richard Hunter look on during construction.

In 1983, Hunter introduced the PGP gear-driven rotor to the world of irrigation. Its success as an efficient, reliable product quickly put Hunter on the map as a well-respected irrigation equipment manufacturer. In 1985, with growing demand for the PGP, Hunter opened international distribution channels in Australia and Europe. By 1994, the Hunter product offering grew to include short- and long-distance rotors, sprays, valves, and controllers. With the company stable and the future bright, Ed retired in 1994. His son Richard, an accomplished engineer and entrepreneur, continued growing the business.

Under the leadership of Richard Hunter, the product line expanded to include rotors that cover distances up to 160 feet, the water-saving MP Rotator, climate-based irrigation controllers, heavy-duty valves, modular residential and commercial controllers, the subsurface Eco-Mat, professional landscape dripline with built-in check valves, and several robust central control options.

In 2009, Hunter entered the lighting business with the acquisition of FX Luminaire. FX Luminaire produces a full line of low-voltage LED outdoor lighting fixtures, transformers, and accessories for landscape lighting. FX Luminaire is focused on the

advancement of LED lighting technology and digital lighting control combining zoning, dimming, and color adjustment capabilities.

In 2010, we entered the irrigation retail market and began selling residential products directly to homeowners through box stores.

In 2013, Richard's son Greg became the third generation to continue Hunter's legacy. Greg Hunter has continued to be a trailblazer in the irrigation and lighting spheres, introducing even more pioneering products that have revolutionized these industries.

Under Greg's leadership, Hunter Custom Manufacturing expanded its innovative, full-service manufacturing, molding, and production services in the industrial, medical, scientific, and automotive sectors, and diversified its production of various consumer goods, which range from dispensing products to paintball masks.

In 2016, Hunter strengthened its foothold in the lighting market with the introduction of commercial lighting brand Holm, which offers a comprehensive collection of elegant line-voltage and low-voltage luminaires designed specifically for architectural and commercial landscape applications.

That same year, Hunter acquired irrigation leaders Hydrawise and Senninger. Founded in Australia, Hydrawise uses real-time weather information and advanced wireless communication to create a simple-to-use irrigation control platform that is both convenient for homeowners and focused on the complex needs of professional contractors. Senninger, a Florida-based global irrigation leader since 1963, brings to Hunter its expertise in specialized irrigation solutions for the agriculture, dairy, and mining industries, as well as effluent and wastewater applications.

Looking ahead, we will embrace the burgeoning demand for smart technology and resource-efficient solutions. Our custom manufacturing division will continue to grow as we refine our production capabilities. New irrigation products will emphasize our commitment to water conservation, while our lighting brands will continue to offer energy-efficient, integrated solutions for residential and commercial spaces. As we expand further into the agricultural irrigation sector, we will identify even more opportunities for growth. The future is bright for Hunter Industries. In our quest toward sustainability, we look forward to meeting it with open arms.

Member ORGANIZATIONS

Membership organizations play a critical role in the livelihood of our company. They help us develop and maintain high performance standards, provide educational opportunities for members, engage with different levels of government, and elevate the relevance of our industry. Hunter is an active participant in a range of local, national, and global organizations. Several Hunter employees hold chair and board positions in these organizations, because as industry leaders we are acutely aware that investing in our partners helps strengthen our company and build a more resilient industry.



- AIA** – American Institute of Architects
- ARCOSA** – American Rainwater Catchment Systems Association
- ARHITAC** – Tijuana Industry Human Resources Association
- ASBA** – American Sports Builders Association
- ASIC** – American Society of Irrigation Consultants
- ASLA** – American Society of Landscape Architects
- AWE** – Alliance for Water Efficiency
- AWWA** – American Water Works Association

- DEITAC** – Tijuana Economic Development Corporation
- GRHC** – Green Roofs for Healthy Cities
- GSA** – Green Sports Alliance
- IA** – Irrigation Association
- IALD** – International Association of Lighting Designers
- IES** – Illuminating Engineering Society
- IF** – Irrigation Foundation
- INDEX** – Maquiladora Industry and Export Manufacturing Association
- LAF** – Landscape Architecture Foundation

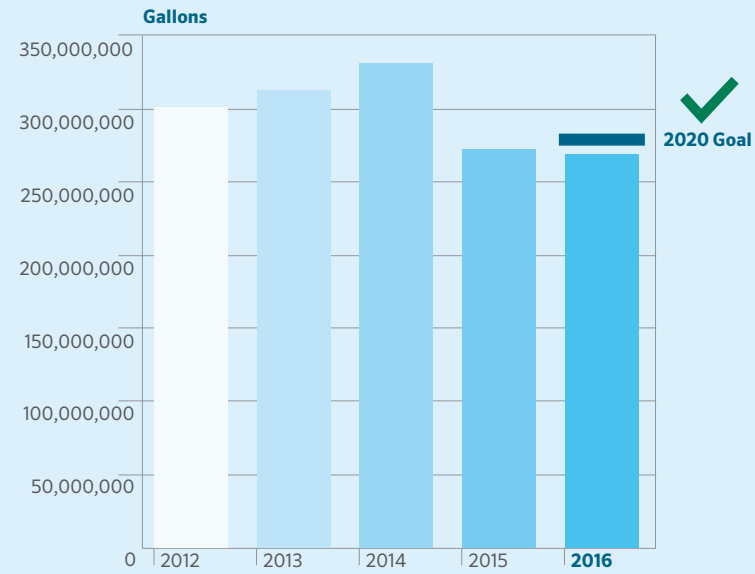
- LIRC** – Lighting Industry Resource Council
- NALP** – National Association of Landscape Professionals
- NIAAA** – National Interscholastic Athletic Administrators Association
- PGMS** – Professional Grounds Management Society
- STC** – Synthetic Turf Council
- STMA** – Sports Turf Managers Association
- USSF** – United States Soccer Federation
- WMTA** – Western Maquiladora Trade Association

Greg Hunter is introduced as the 2017 Irrigation Association (IA) President at the IA Show & Education Conference in Las Vegas, Nevada, in December 2016. The announcement continues a family tradition, with Greg following in the footsteps of his father and grandfather, who both served in the role. Greg looks forward to leading the IA by serving its members through education, innovation, and the promotion of efficient irrigation technologies and practices.

Impacts at a GLANCE

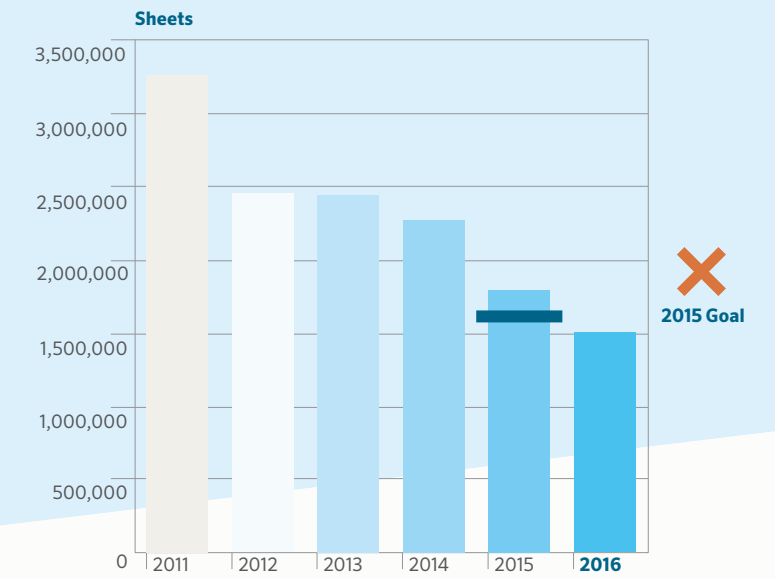
Achieving our sustainability targets and goals is a great accomplishment. Meeting a goal five years in advance with continued positive performance is outstanding. As a manufacturer of irrigation products, we understand that water is a finite resource that must be used efficiently. As a result, our water-use reduction strategies have been extremely successful. We look forward to continued efforts to reduce our water use in the coming years that will positively impact our **PEOPLE, PLANET, and PROFIT**.

Although not yet achieved, our efforts in waste diversion and solar power production are within reach.

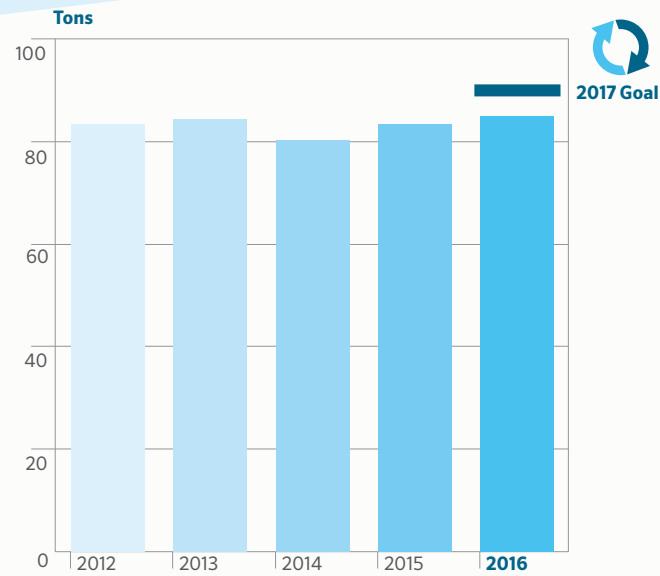


Water USE
 Goal achieved: We met our 2020 water-use reduction goal in 2015. In 2016, our water use continued to decrease, as we used 1.3 million fewer gallons than our goal amount.

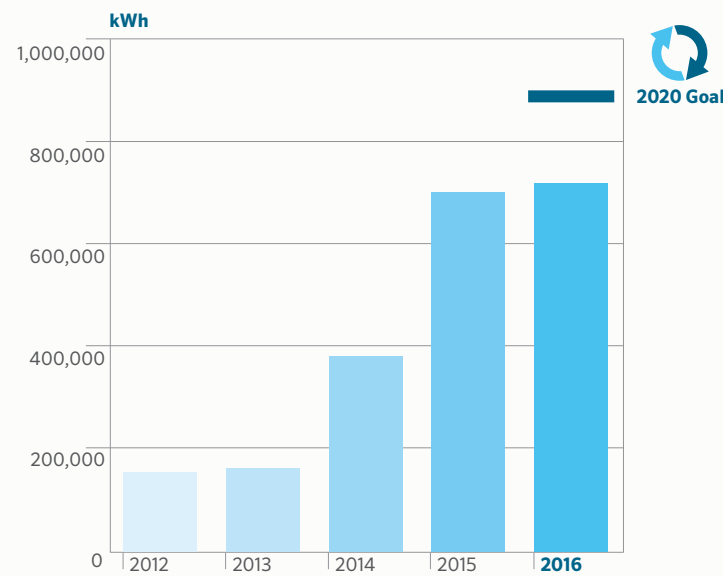
The creation of meaningful sustainability targets requires Hunter to research solutions, investigate implementation programs, and invest resources to drive behavioral change within our company. These targets are not designed to be easily achieved, but rather challenge us to be a better steward of our **PEOPLE, PLANET, and PROFIT**. Although we did not reach our paper-use reduction goal during our specified time frame, we did meet the goal a year later. Similarly, achieving our targets in CO₂ emissions reduction and recycled content inclusion remain a challenge. However, we remain committed to sustainability efforts and will continue to push harder to reach these goals.



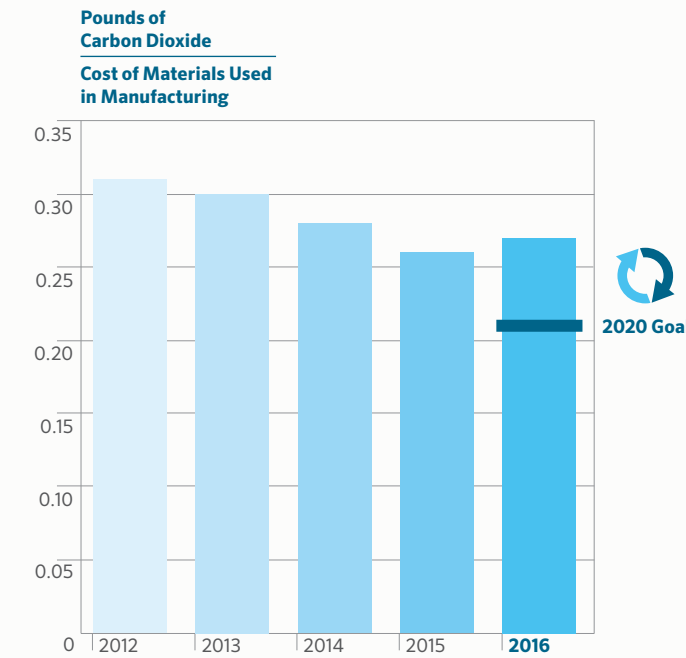
Paper USE
 Goal achieved: Although a year late, we have met our 2015 goal of a 50% paper reduction from our 2011 level.



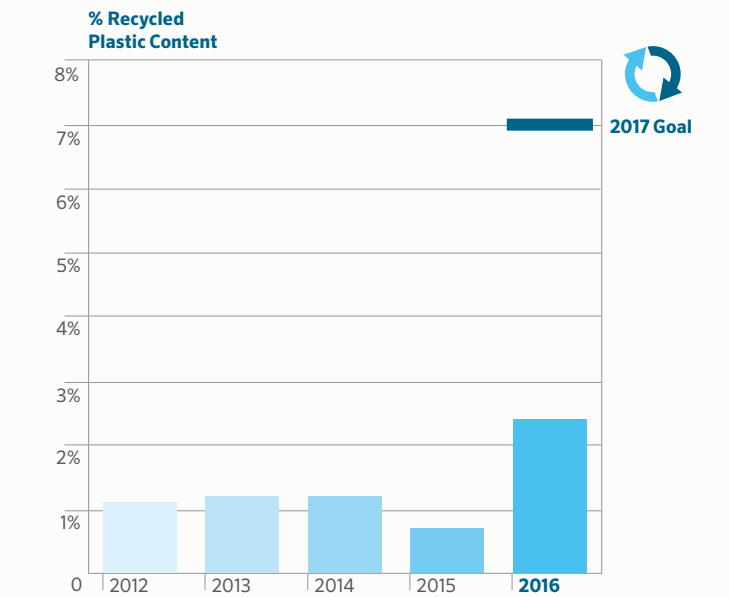
Waste DIVERSION
 Goal within reach: We are fewer than 5 percentage points away from accomplishing a 90% waste-diversion rate by 2017.



Solar POWER
 Goal within reach: We only need to produce 166,000 kWh more to reach our 2020 goal of 875,000 kWh.



CO₂ EMISSIONS
 Achieving this goal is proving to be a challenge: Our CO₂/dollar build ratio is decreasing, but we need to put in more work to achieve our goal of 0.21 pounds of CO₂/dollar build by 2020.



Recycled CONTENT
 Achieving this goal is proving to be a challenge: The amount of recycled plastic content in our products is increasing, but we need to put in much more work to achieve our goal of 7% by 2017.



Led by the Corporate Social Responsibility Manager, the Focus 3P group guides the sustainability efforts of Hunter Industries through strategic decision-making, reporting, and goal setting.



As Hunter continues to grow, we will place a greater emphasis on engaging our stakeholders to provide the knowledge and tools they need to make more sustainable decisions.

Focus 3P GROUP

Sustainability is Hunter’s ultimate goal. To achieve this, we must base our decisions on the balance between what we call the three Ps: **PEOPLE**, **PLANET**, and **PROFIT**. Our aptly named Focus 3P group is made up of volunteers from various departments company-wide. The group meets on a regular basis to develop and guide our sustainable movements, helping make decisions today that positively affect tomorrow.

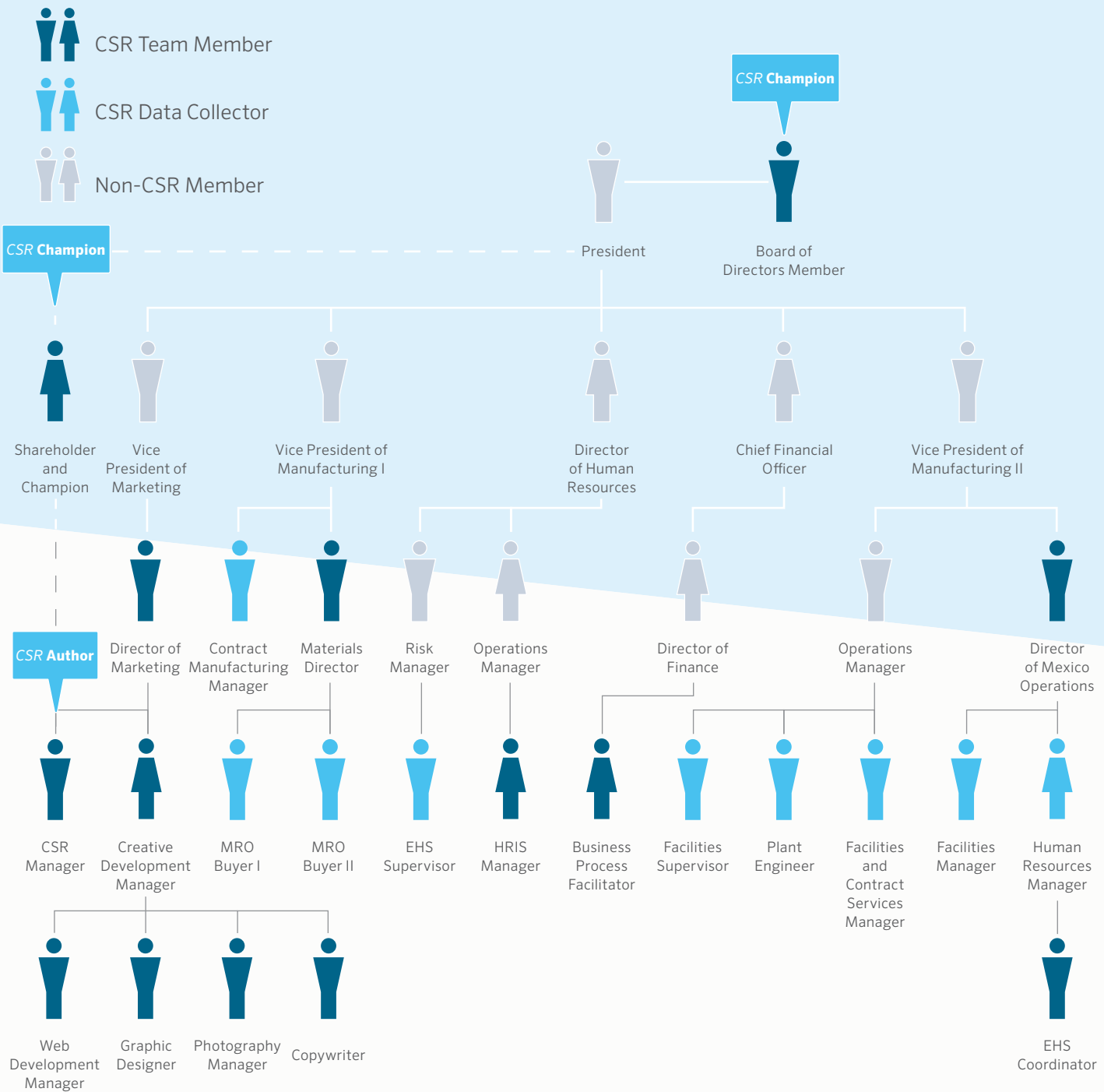
To formalize sustainability benchmarks at Hunter, the Focus 3P group created six strategic visions for key sustainability issues: Landfill Waste, Corporate Responsibility, Employee Satisfaction, Climate Change, Technology, and Globalization.

The following represents a summation of our strategic visions with notes on our 2016 progress:

- | | | |
|--|--|--|
| <p>1. To develop all products with the inclusion of cradle-to-cradle principles</p> <p>We partnered with a key distributor to continue a pilot program that encouraged contractors to recycle their used sprinkler heads. The used products are converted into material that can be used to make new irrigation products.</p> | <p>3. To have millennials equate Hunter as a proactive global citizen</p> <p>We expanded the reach of our Hunter Helping Others (H₂O) community volunteer group with quarterly community involvement projects.</p> | <p>5. To continuously develop and adopt the newest sustainable technologies</p> <p>We continued to convert product molds to hot-runner operation, decreasing our manufacturing waste.</p> |
| <p>2. To always remain ahead of regulatory requirements</p> <p>We hired a dedicated trade compliance manager to augment ongoing product compliance efforts.</p> | <p>4. To reduce our carbon footprint 5% annually</p> <p>We completed an LED lighting retrofit project in all San Marcos office spaces.</p> | <p>6. To meet the needs of the global middle class in an environment of reduced resources</p> <p>We introduced new, cost-effective water management products to serve residential and commercial markets.</p> |

Governance

Hunter Industries is a family-owned company that provides diversified irrigation, lighting, and custom manufacturing products and services to more than 115 countries worldwide. Our Board of Directors consists of two members of the Hunter family, seven independent members, and two employees from the Executive Leadership Team (ELT). The ELT oversees day-to-day operations at Hunter, ensuring top-level performance while preserving our core values. Sustainability updates during quarterly board meetings have become a permanent agenda item.



Corporate Social Responsibility REPORTING TEAM

The Corporate Social Responsibility (CSR) Reporting Team includes managers, employees from various departments company-wide, and family shareholders who provide a systematic methodology for strategic reporting decisions. From content selection and data visualization to stakeholder engagement analysis and company self-reflection, the team is responsible for shaping all areas of the report. A team of data collectors provide the team with analytics from their respective areas of expertise.

Mission, Vision, and Values

Our mission is to deliver high-quality products and services, grow the company conscientiously, and remain true to the vibrant, dynamic culture that makes our employees proud to work at Hunter. Our vision is to be our customers' first choice for products and services, to preserve our culture as we continue to expand, and to live out our core values of customer satisfaction, innovation, family, and social responsibility in all that we do.

Stakeholder ENGAGEMENT

Over the past five years, Hunter solicited genuine, holistic feedback regarding our CSR strategy and reporting practices. We actively engaged our stakeholders to develop a better understanding of issues that are most important to them, organize our thoughts on sustainability performance in a more cohesive manner, determine areas where we could improve, and develop a robust line of open discussion platforms to strengthen collaboration. Our stakeholders include employees, vendors, municipalities, contractors, distributors, landscape architects, and the Board of Directors.



Hunter Industries actively solicits feedback from our customers, including Tony (left) and Alfred Dilluvio, of Aqua Turf Irrigation in Elmsford, New York.

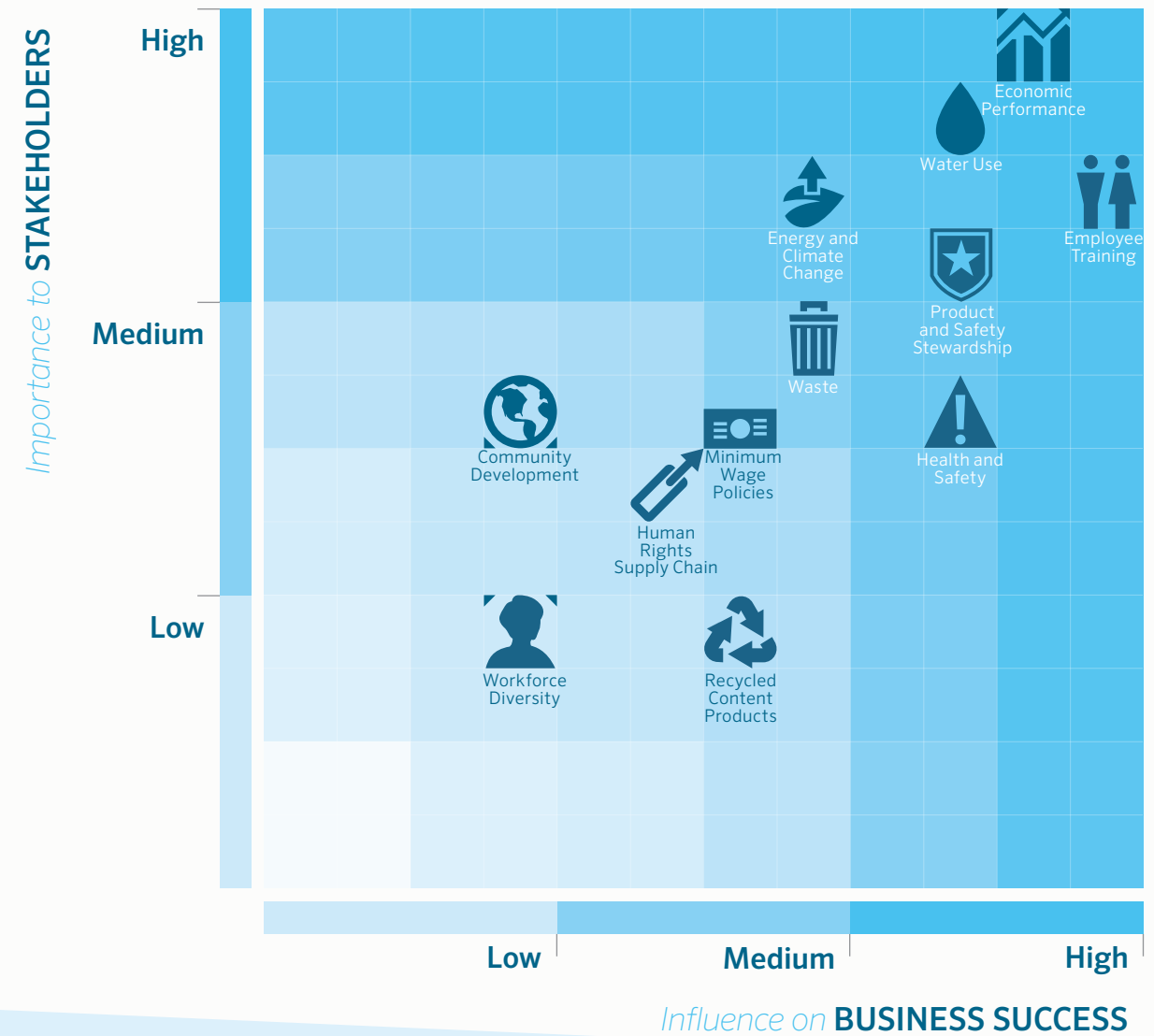
Stakeholders were engaged in person by a neutral third party without Hunter personnel present. Participants examined a list of 12 predetermined topics selected from past materiality assessment work and voted

for their top subjects of concern. The issues identified by each group were discussed and explored to create a framework for instituting directional recommendations. In addition, several vendor stakeholders were engaged in a similar manner over the phone.

A summation of our stakeholder feedback concludes that our priority areas of focus are:

- Economic Performance
- Energy and Climate Change
- Employee Training
- Water Use

In addition, our stakeholders requested that Hunter provide greater transparency and wider-reaching distribution of our CSR efforts.



Looking Forward

In response to this feedback, we plan to broaden the visibility of sustainability efforts with our stakeholders. We will offer better general education and more specific training on sustainability to our employees. To better illustrate Hunter's journey, we will use multimedia platforms

to deliver sustainability case studies and progress reports to our stakeholders. We will strengthen water-use efficiency efforts on campus and in our manufacturing process as we continue developing products and tools to help our customers improve their own water-use efficiency. With our

global supply chain and reach, we will encourage our suppliers to address their own environmental impacts and create plans to better serve their stakeholders. We will also develop a vigorous new stakeholder engagement plan as we transition into the next five years of CSR reporting efforts.

Materiality Matrix

This Materiality Matrix is based on past internal and external stakeholder engagement feedback along with our initial CSR survey. We have used this matrix to prioritize our sustainability initiatives and refine our goals. The 12 issues presented on the matrix were selected as the most impactful to Hunter from dozens of others

identified by stakeholders. Their placement on the matrix in relation to one another reflects how they were prioritized by our stakeholders. Hunter remains diligent in moving the needle for these issues despite their locations on the matrix. Our Materiality Matrix will be updated as we continue to seek input from our stakeholders.



Our impacts on our **PEOPLE**, **PLANET**, and **PROFIT** come together to paint a unified picture of our efforts to promote sustainability and social responsibility in all areas of our business.

Impacts OVERVIEW

Hunter Industries remains fiercely committed to being a strong advocate for the environment and a proactive member of the communities that we impact around the globe. As stewards, we understand the critical role that we play, the importance of our actions, and the impressions we create for our stakeholders. That’s why we have chosen to drive toward a sustainable future. Because sustainability means different things to different people, we define it simply as acting in a matter today that positively affects tomorrow. We know that to truly achieve sustainability, we must find a balance between the people we impact in our communities, the footprint we leave on our planet, and the profitability we achieve in our markets.

People

In 2016, Hunter donated more funds than ever before, with \$595,508 going toward philanthropic causes. [Read more on page 28.](#)

Planet

We have developed a process to collect, clean, regrind, and incorporate plastic waste back into the raw materials that we use for new product production. [Read more on page 44.](#)

Profit

Over the last five years, Hunter Industries has distributed \$37,589,493 to employees through profit sharing. [Read more on page 48.](#)



Hunter Helping Others (H₂O) volunteers build bicycles for the local Boys & Girls Club in October 2015.

People

The range of impacts we have on our people may differ, but regardless of scale, all of them remain significant. Investing to ensure the health, safety, and well-being of our employees, our communities, our customers, and our supply chain is vital to Hunter's success and plays a key role in creating a balance toward sustainability.

The Hunter Helping Others (H₂O) committee is a direct representation of our core company value of social responsibility and allows us to stay involved and positively affect the communities in which we live, work, and play.

Beyond impacting our surrounding communities, working together to give back nurtures the growth of an internal community and family that extends beyond our employees' professional careers.

"I have met and built so many relationships with people from different departments who I probably never would have met otherwise," said Monique Gagner, Business Analyst and Leader of H₂O. "I very much appreciate that Hunter fosters an environment that cultivates relationships internally, which in turn supports and improves our external communities."

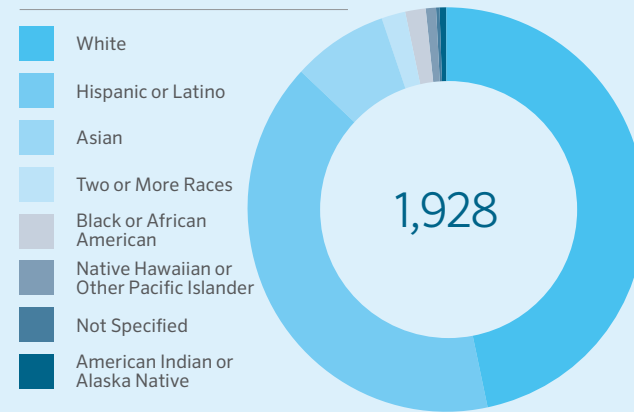


As the leader of Hunter Helping Others, Monique Gagner is instrumental in planning projects that positively impact our surrounding communities.

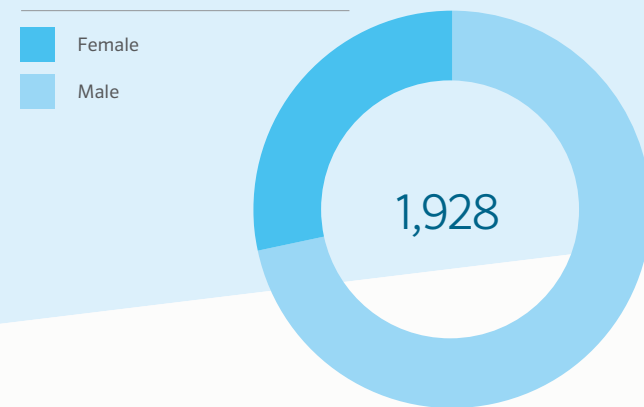
Employees

From the shop floor to the executive offices, our employees comprise a diverse group of highly talented professionals. We know that our employees are instrumental to the current and future success of Hunter Industries. In fact, this group of purpose-driven people is the company's greatest asset.

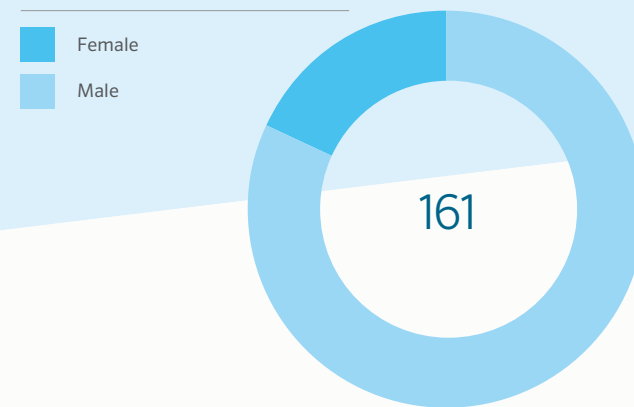
Employees by ETHNICITY



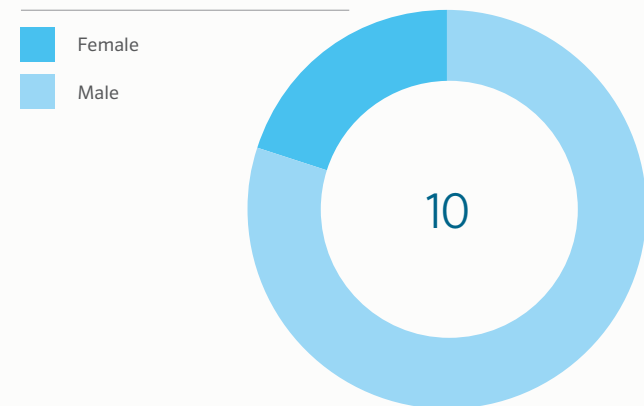
Employees by GENDER



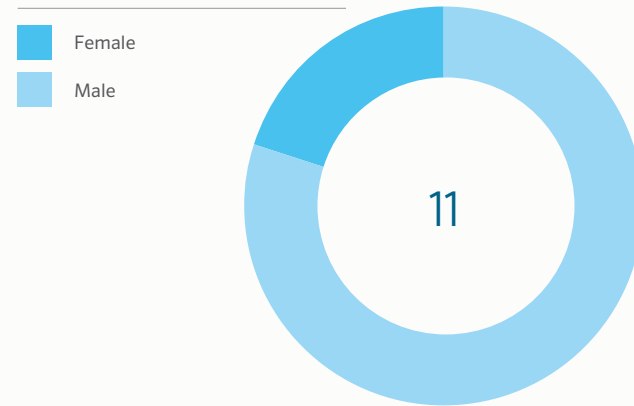
Managers by GENDER



Leadership Team by GENDER



Board of Directors by GENDER



At Hunter, all domestic and international employees are supported with fair wages, profit sharing, and retirement benefits.

Employee Wages, Entry-Level Wages, and Retirement Benefits

The workforce that collectively makes up our vertically integrated company consists of a variety of employment categories that span our facilities in San Marcos and Tijuana. Standard wages vary by location and employment category, with only a small portion of our workforce earning minimum wage. We are proud to report that most of our entry-level employees are paid more than the minimum wage at both our San Marcos and Tijuana facilities.

Hunter is proactive in helping our employees become financially secure in their retirement. More than 90% of our employees participate in our 401(k) retirement plan, with an average salary contribution rate of 5.9%. To support our employees' efforts, Hunter also contributes to their plans, adding another 5.75% of their salaries on average. Between 2012 and 2016, we contributed over \$9.2 million to our employee retirement accounts.

Employee Wellness
To help our employees stay healthy both at and away from work, we offer low-cost access to a 10,000-square-foot Wellness Center at our San Marcos facility. The center includes fitness classes, massage therapists, and individualized workout programs to help our employees achieve their personal goals. We have a similar state-of-the-art gym at our Tijuana facility.

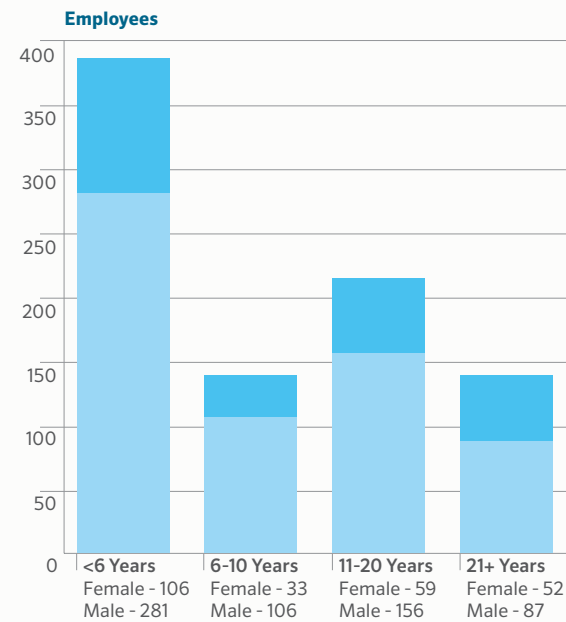
To further encourage our employees and their families to improve their health and achieve their wellness goals, we offer a health-and-wellness program called Lifeshift. Employees who participate in Lifeshift and achieve their health targets are rewarded with insurance premium reductions of up to 33%.

Employee Training
Continued employee training leads to a knowledgeable, safe, and resilient workforce that helps ensure Hunter's success. After launching our new cloud-based training in 2015, we set a goal for all employees to actively train using this program. Between our LMS and TRESS learning management programs, every employee receives training opportunities covering topics including general work safety, job performance training, personal development, and equipment operation.

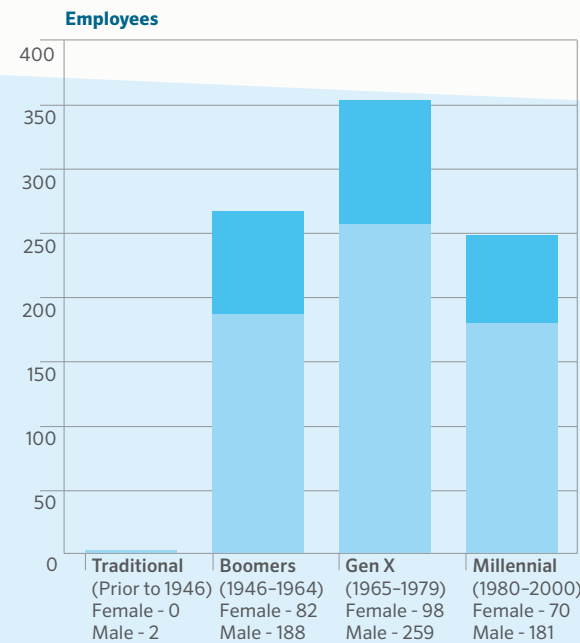
Employee Health AND SAFETY

Since the safety of our employees is paramount to our success as company, providing safe working conditions is a responsibility that Hunter takes seriously. In San Marcos, our risk management team leads the Hunter Safety Committee, which is made up of various department safety representatives and managers. In Tijuana, the Environmental Health and Safety supervisor leads the safety program, which includes members from each department. In total, nearly 5% of our workforce is represented on safety committees.

Employees by TENURE



Employees by GENERATION



Employee Counseling

Hunter has partnered with our health insurance provider, UnitedHealthcare, to offer a range of mental health, physical health, and financial counseling programs to our employees.

Employee Skills Management

The ability to achieve personal growth through higher education is not always an easy financial decision to make. However, Hunter values the benefits that education brings to both the company and individual employees, and encourages employees to enroll in higher education programs. Hunter reimburses tuition expenses of up to \$5,000 annually to employees enrolled in classes that enhance their professional or personal growth.

Employee Career Transitions

To encourage individual growth among our employees, our Talent Acquisition and Organizational Development Team offers an array of career counseling services such as resume workshops, interview skills training, and introductions to local companies and staffing agencies that have external career opportunities. These transition services are provided to assist employees who may be impacted by any reduction to our workforce. In addition, severance packages and access to employee assistance programs are provided to those who qualify.

Hunter embraces accident prevention as

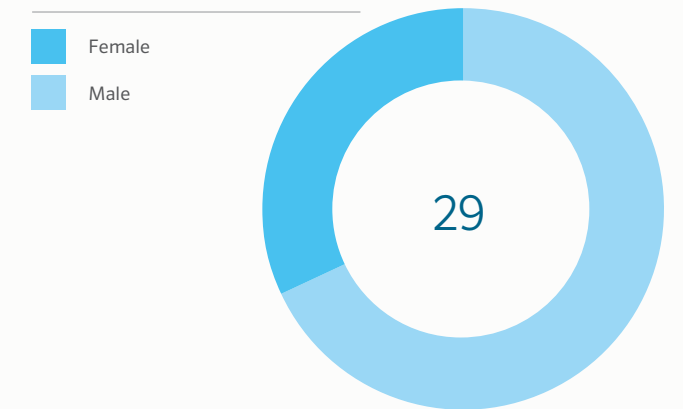
a core element of each employee's responsibility on the job. To achieve our workplace safety goals, we have established training, observation, coaching, and corrections programs for all employees.

Looking Forward

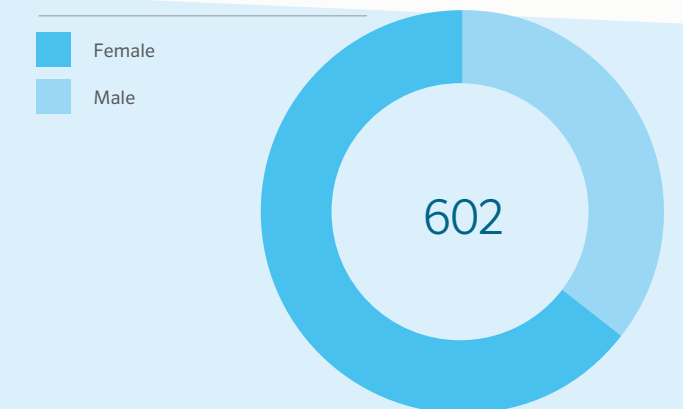
Building an educated, healthy, safe, and resilient workforce is key to Hunter's success. Because these aspects are crucial to our day-to-day operations, engaging employees on several levels will help ensure our continued growth. In the coming years, we will:

- Further develop our employee training programs.
- Encourage employees to get involved with sustainability efforts on and off campus.
- Conduct an employee satisfaction survey in 2017.
- Establish new goals for employee training hours.
- Set financial investment goals for employee training and higher education.
- Continue striving to reduce accident rates and lost days of work.

Recordable Injuries BY GENDER



Lost Work Days BY GENDER



Community

The success of Hunter Industries is directly intertwined with the health and prosperity of the communities in which we live, work, and play. Because family and social responsibility are core values here at Hunter, support for our surrounding communities through charitable donations and volunteer hours continues to blossom in stride with our company growth.

Charitable Donations

Hunter is dedicated to improving local communities through financial contributions to organizations that share our values. Hunter's Charitable Giving Committee seeks out organizations that help maintain a healthy environment, educate youth, and assist those in need. Generally, we invest our charitable resources in organizations serving the Southern California and Northern Baja California regions. Since most of our employees live in these communities, we feel that these areas are where our contributions will have the most impact.



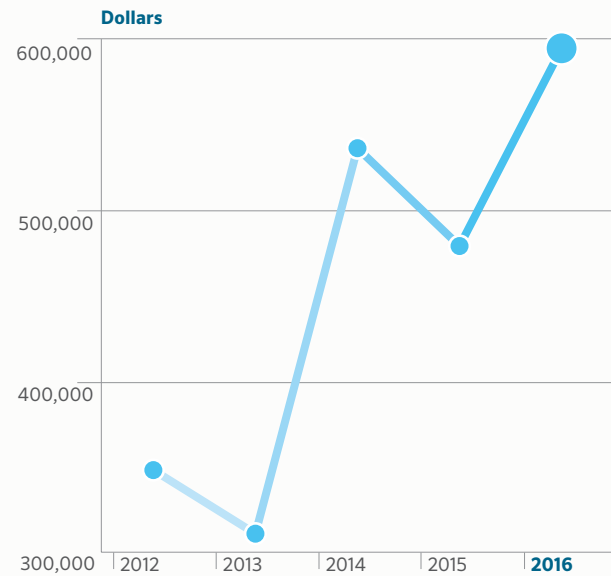
Hunter Industries is dedicated to improving local communities through service projects and charitable donations.



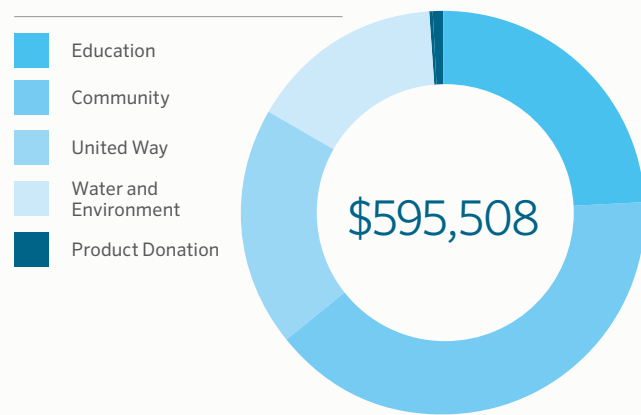
In 2016, Hunter donated more funds than ever before, with \$595,508 going toward philanthropic causes.



Charitable CONTRIBUTIONS



Contributions by TYPE



Hunter Helping Others H₂O

Our Hunter Helping Others (H₂O) group consists of employee volunteers from our San Marcos and Tijuana campuses who plan hands-on events that support local initiatives that reflect Hunter's dedication to family values, good citizenship, and responsible community development.

In 2016, the H₂O group organized four events with 99 volunteers who offered a total of 335 volunteer hours.

In March, H₂O members traveled to the Tijuana River Estuary, an intertidal salt-marsh wetland that straddles the border between San Diego and Tijuana. Volunteers worked together to remove invasive nonnative plant species and clean up debris.

In May, we partnered with Habitat with Humanity to provide home maintenance and landscape cleanup for a member of our local community in Temecula, California.

In September, volunteers built garden beds with irrigation systems at Foothill Oaks Elementary School in Vista, California, to help the school incorporate produce grown on site into their school lunches. These garden beds will help students learn how food grows and assist them in making healthier food choices.

The same month, we worked with the United Way of San Diego and Education Enrichment Systems to make beautification and infrastructure improvements to the David and Jillian Gilmour Early Education Preschool, also located in Vista.

In addition to our H₂O events, our sales and marketing employees joined forces in August to assist Friends & Family Community Connection in packing meals for communities in need in Tanzania, Africa. During the one-day event, more than 200 Hunter employees packed approximately 60,000 meals.

Looking Forward

Our contributions to our communities deliver an invaluable return to the success of our business. Hunter will continue to invest in our communities to ensure their health and resiliency. In the coming years, we will:

- Expand philanthropic activities in Tijuana and surrounding communities.
- Increase the frequency of H₂O events.
- Better track the benefits of H₂O events and charitable giving donations.



The Hunter Industries distribution center in San Marcos, California, houses many thousands of products and serves as the hub of our global shipping operations.

Customers

As a predominantly business-to-business operation, most of our direct customers are distributors who sell our products to the public through retail or wholesale operations. The end users of our products, however, are a larger, much more diverse group of people. All in all, we can include product specifiers, wholesale distributors, retail box stores, installation contractors, operations managers, maintenance contractors, municipalities, homeowners, and other private citizens as our customer base in the commercial and residential landscape irrigation and lighting markets.

In our 2015 CSR report, we set a goal to gauge our customers' satisfaction level with Hunter every three years. We recently accomplished this goal through surveys of domestic specifiers, distributors, contractors, and municipality customers. Over a two-week span, nearly 2,750 survey responders answered questions regarding customer service, reasonable response times on inquiries, marketing visibility, training, interactions with our salesforce, product preferences, and overall satisfaction with Hunter. The various groups surveyed responded as being between 80% and 91% satisfied or very satisfied in their interactions with Hunter Industries. Although these values are not as high as we had hoped, we now understand the areas where we can better serve our customers.

Looking Forward

We know that to cement our place as an industry leader, we must always seek to empower our customers. Educating our customers to use our products to their highest efficiency while simultaneously maintaining a strong customer satisfaction level will ensure our resiliency in the market. Looking ahead, we will:

- Provide better service to our customers to increase their level of satisfaction.
- Report on customer training in the 2017 CSR report.
- Train customers regarding sustainable business practices.

Supply Chain

A strong, steady global supply chain is vital to Hunter's success. As a responsible global citizen and steward of our environment and communities, we must hold our suppliers to the same high standards to which we hold ourselves regarding quality of work and ethical business practices. To support our needs, we require a skilled labor force that can produce quality finished goods using high-tech capabilities and modern equipment. Our sustainability goals include the balance of **PEOPLE**, **PLANET**, and **PROFIT** in our suppliers as well.

Supply Chain Audits

Since 2012, we have regularly audited our larger contract manufacturers and suppliers regarding quality, performance, and safety. These audits ensure that our suppliers offer healthy working conditions, treat employees fairly, and have acceptable environmental practices. In 2015, we conducted more detailed audits at two different suppliers that also included questions regarding waste reduction, recycling, and wastewater. The audits found that our suppliers are operating with a 97% acceptable range, with a lack of waste reduction and recycling programs being a concern.

In 2015, we added Hunter's Supplier Code of Conduct (CoC) agreement to every purchase order. The CoC recently underwent an internal audit and will be reintroduced in its new form to supplier agreements in 2017. This will help strengthen our supply chain's alignment with Hunter's values and business practices.

Anti-Corruption Training

To prevent corruption that can occur through interactions with vendors and customers, Hunter Industries offers training on extortion and bribery to comply with the Foreign Corrupt Practices Act.

Looking Forward

We will continue working with our contract manufacturers and suppliers to ensure they adhere to ethical business practices, protect the safety and well-being of their employees, and maintain high standards for quality. In the coming years, we will:

- Continue to audit our largest suppliers at least once every three years.
- Introduce our updated CoC and obtain supplier compliance agreements.
- Develop programs to assist suppliers meet and exceed CoC criteria.



At Hunter Industries, we purchase and consume energy from a multitude of sources. We also produce energy on site at our headquarters.

Energy USE

Energy Generated on Campus

At our facilities in San Marcos, we have five natural-gas-fired engines that comprise our cogeneration power plant, as well as 2,052 solar panels. Producing our own power at the source of manufacturing and business decreases the amount of energy lost in transmissions as well as our emissions of greenhouse gases.



San Marcos Creek flows directly through our main campus headquarters. On one side of the creek is Hunter Park, a dedicated multi-acre site where employees can eat, relax, and exercise.

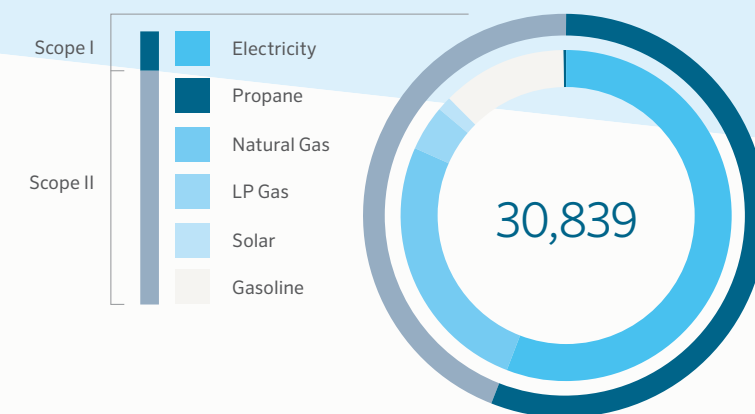
Planet

The impacts we have on our planet through our business and manufacturing processes must be understood so we can make decisions today that positively affect tomorrow. Decreasing our footprint on the environment while managing the efficient use of resources sets us on the right path toward achieving sustainability.

Our solar panel installations produced 709,000 kWh of energy in 2016, compared to 691,000 kWh in 2015. Our increase in solar energy production directly correlates with efficiencies in panel maintenance and management. Still more work needs to be done to accomplish our goal of 875,000 kWh of solar power production by 2020.

Between our cogeneration power plant and solar panels, 3,457 MWh of energy was produced on campus in 2016. This is an 819 MWh decrease from our 2015 production level of 4,276 MWh. The decrease in production is largely a result of the low cost of purchased energy compared to the higher cost of producing energy from our power plant on site.

Energy Use IN MWh

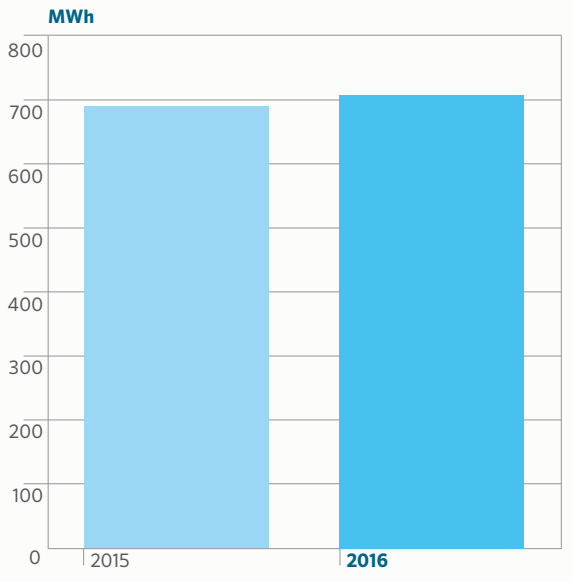




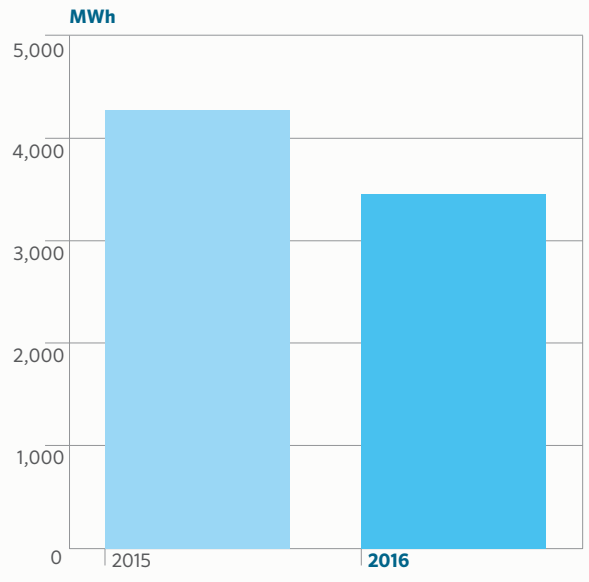
Carbon Emissions BY SCOPE

The consumption of fossil fuels emits CO₂ (or carbon dioxide, a greenhouse gas) into the atmosphere, which ultimately has a negative effect on our environment. Lowering our greenhouse gas (GHG) emissions is vital in our endeavor to become a more sustainable company. Monitoring our GHG emissions and comparing the quantity emitted to the total cost of materials that we purchase to build our products (dollar build) is the best way to measure our GHG emissions impact.

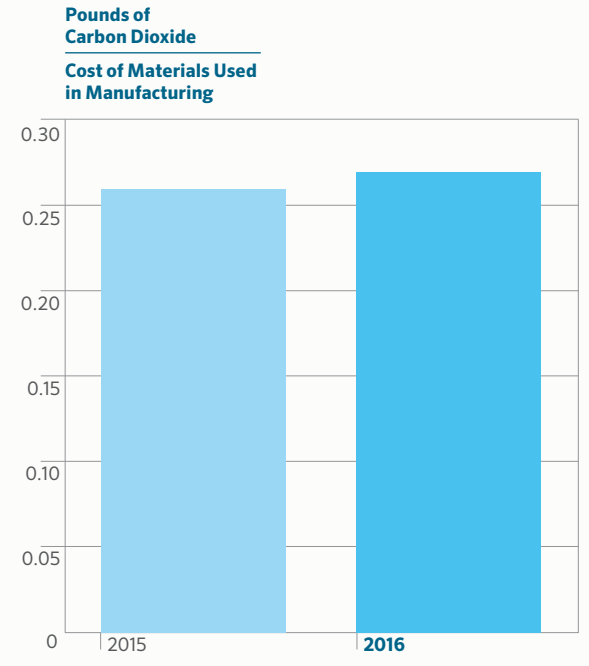
Solar ENERGY PRODUCTION



On-Site ENERGY PRODUCTION



CO₂/DOLLAR BUILD



Looking Forward

As our company continues to grow, curbing our GHG emissions and decreasing our environmental impact will remain an important target. For us to reach and surpass our goals, we will:

- Research on-site power production capabilities at our Mexico facilities.
- Analyze power consumption and GHG emissions for recently acquired companies.
- Expand solar power production capabilities at San Marcos facilities.
- Continue to press our energy providers for solutions tailored toward renewable energy sources.
- Research and implement efficiencies in our manufacturing processes.

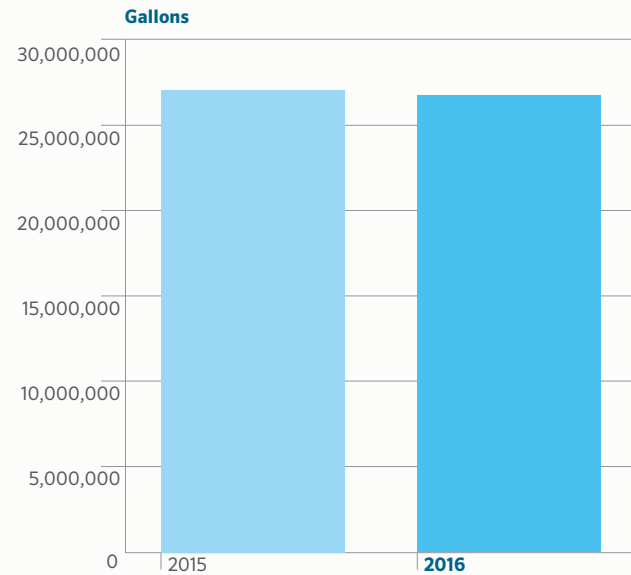


Water USE

The importance of water weighs heavily on all aspects of our business. Not only do our products apply and manage water for landscapes and facilities worldwide, water is vital to our business and manufacturing processes. As a steward of this resource, Hunter has made decisions to appropriately reduce our water consumption while continuing to bring products to the market that embody the spirit of water conservation.

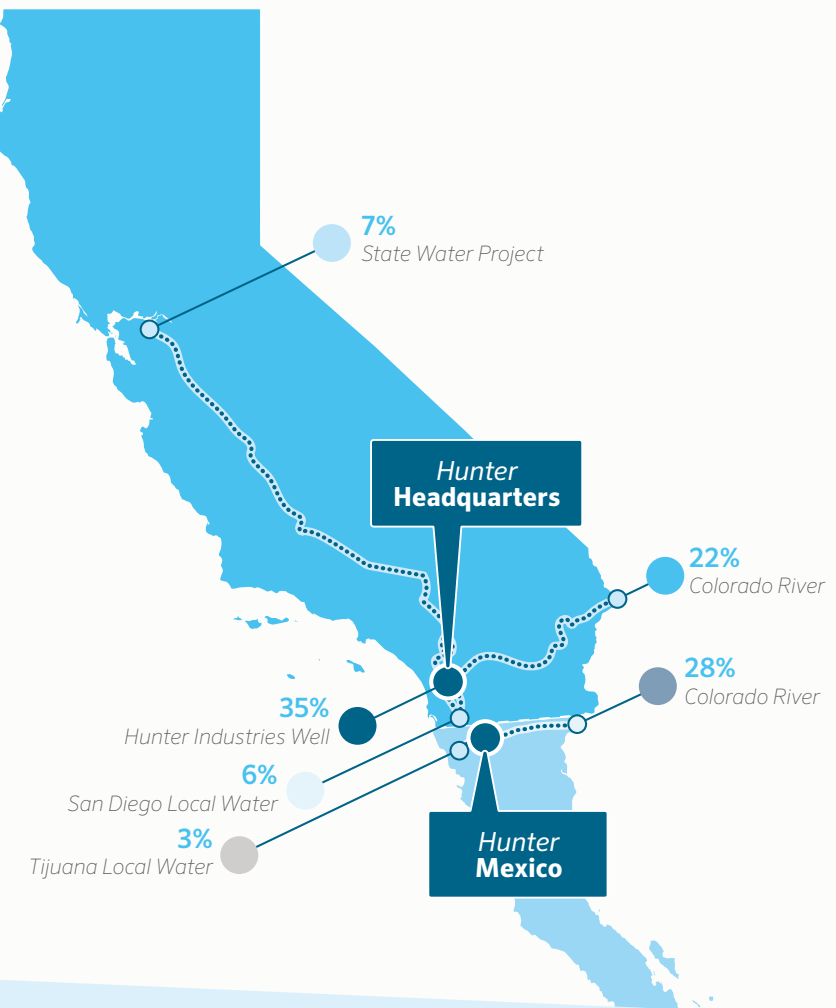
In 2016, we consumed 26.8 million gallons of water, compared to 27.2 million gallons in 2015. Our goal to reduce water use by 18% by 2020 from our 2014 consumption levels was accomplished in 2015, and we are now seeing a water-use reduction of 19%. We have continued landscape renovation efforts at our headquarters, removing unnecessary high-water-use plants and replacing them with climate-appropriate, low-water-use plants. We have also continued to use a gray-water recycling system at our Tijuana facility. This system is equipped with a 5,000-gallon tank that collects water from sinks, showers, and product test tanks. The collected gray water is treated and applied to the surrounding landscape at the facility.

Water CONSUMPTION



We converted several acres of property on the other side of San Marcos Creek opposite Hunter Park back to native chaparral habitat that is now home to deer, birds, and butterflies. Here, crews break ground on the restoration process.

Water Use BY SOURCE



The climate of our headquarters in

San Marcos and manufacturing facility in Tijuana continues to experience drastic weather changes, ranging from periods of extreme drought to periods of heavy rain. The larger watersheds from which we draw our water, the Sacramento Delta Basin and the Colorado River, have experienced similar climate patterns along with the burden of growing demand due to increases in population. The uncertainty of a consistent water supply from these sources is a risk reality we must manage, not only for our business but also our industry.

Hunter headquarters is uniquely located

in a local watershed in which water is abundant. As a result, we have steadily increased our on-site well production over the years, and have seen two great benefits:

1. Water delivered from the Sacramento Delta Basin and Colorado River is often pumped in open aqueducts. Upwards of 50% of the water carried in these aqueducts can be lost due to evaporation, never reaching the intended delivery site. By relying on our on-site well, we lower our dependence on the aqueducts and reduce our impact on water lost due to evaporation.
2. Moving large amounts of water over vast distances requires an enormous amount of energy. Understanding this water/energy nexus and its impacts, Hunter continues taking steps to decrease our reliance on these sources. As result, the impact that we have on these important watersheds is significantly reduced.



Water will always be a critical resource in the success of Hunter Industries. As our company grows, we will identify new opportunities for water conservation and continue existing successful methods.

Looking Forward

As part of our water-use mitigation strategy, we will:

- Research and introduce water recycling methods at our San Marcos facility.
- Research and introduce additional alternative water sources at our Tijuana facility.
- Analyze water consumption and impacts for recently acquired companies.
- Introduce accurate water-metering tools to better manage our water in manufacturing, business, and on-site landscapes.
- Continue landscape renovations where appropriate.
- Set new water consumption goals.

The health of the Colorado River is vital to our success as a company and is also critical to the well-being of many of the communities in which we do business. Hunter is resolute in its commitment to helping restore the Colorado River Delta, and has partnered with several organizations to guide watershed restoration efforts.



Waste

Achieving a zero-waste certification for our facilities by 2017, which requires that 90% of our waste is diverted from landfills, is an important goal for Hunter Industries. To ensure we meet our target diversion rate of 90%, we consistently analyze all aspects of our business in search of ways to reduce, reuse, and recycle.

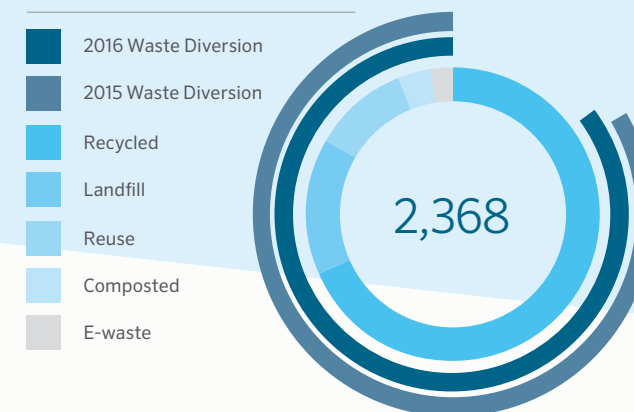
On the mitigation side of waste management, we continue to utilize our employee recycling centers. In their fifth year of deployment, these centers have

brought convenience to the recycling of nonstandard items as well as to awareness of proper methods of waste disposal. We launched an informative “Recycle Like You Do at Home” campaign that aired on closed-circuit TV monitors around campus. This campaign further educated our employees on appropriate waste-disposal techniques, with an emphasis on food packaging. In addition, our plastics regrind shop relocated to a different building on our San Marcos campus and began processing scrap plastics

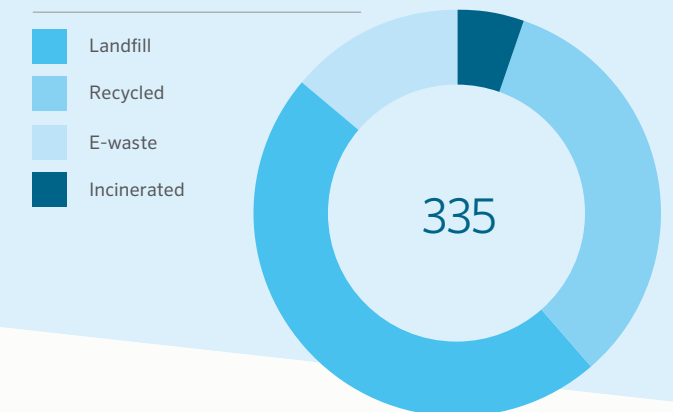
resins again in summer of 2016. The regrind process allows us to take resin waste produced during manufacturing and convert it back into material that can be used to make more products.

On the minimization side of waste management, we have taken further steps to reduce paper consumption in our business operations. In manufacturing, we continue to incorporate hot-runner production techniques that help us eliminate most of our plastic resin waste.

Waste Disposal METHOD



Hazardous Waste BY TON



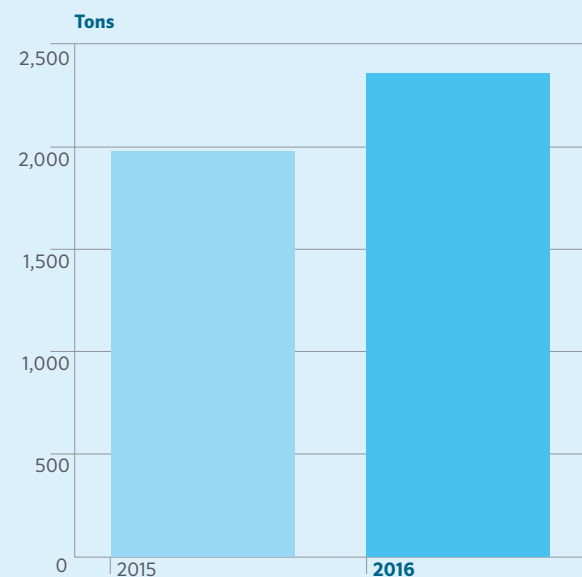
In 2016, we produced approximately 380 tons more waste than in 2015. This was mostly the result of the expansion and growth of product manufacturing. However, more streamlined execution of our waste-management programs helped increase our waste diversion rate to 85% in 2016, compared to 83.4% in 2015. To accomplish our goal of 90% diversion by 2017, we must

boost the effectiveness of our programs and create more opportunities for waste recycling.

Some of our manufacturing processes produce hazardous byproducts that are classified as waste. These include oils, fuels, antifreeze, corrosive waste, paint, and silicone grease. Our stringent hazardous

waste procedures ensure that we capture all hazardous byproducts. Although Hunter does not treat hazardous waste on site, we send all hazardous waste to local companies that employ various methods for treatment and disposal. While most waste is treated within its country of origin, we cannot always verify this is true.

Waste DIVERSION



Looking Forward

The volume of Hunter’s waste has increased with our growth. However, our diversion rate has grown as well. As we continue to expand, waste mitigation and minimization strategies will continue to play a critical role in achieving our waste-diversion goals. In the coming years, we plan to:

- Expand recycling capabilities at our San Marcos and Tijuana facilities.
- Analyze waste impacts for recently acquired companies.
- Research and introduce landscape practices to reduce landfill waste, including grass-cycling and composting.
- Continue expanding our hot-runner production systems.



As we continue expanding our manufacturing operations, we will seek more robust waste mitigation strategies.



Waste Minimization

As a vertically integrated manufacturer with on-site engineering and tooling facilities, we have total control of how most of our products are produced. This has allowed us to introduce technology referred to as “hot runners,” which helps us eliminate plastic resin waste and create efficiencies in resource consumption.





“At Hunter Industries, we are designing molds with hot-runner systems to minimize wasted resources,” said Dave Morice, Tooling Engineer Manager. “Molds with hot runners eliminate wasted electrical energy, wasted plastic, and wasted labor cost.”

Product and SERVICE INFORMATION

At Hunter, we know that we have a responsibility to ensure our products are used for their intended applications at maximum efficiency. That's why we offer an array of tools and resources to educate our customers on proper product installation and use, including an extensive library of online training videos, product certification training and testing, call-center support and troubleshooting, installation and application details, and on-site product training.

We conduct product reliability testing on all product lines to ensure our products are as safe, reliable, and cost-effective as possible. From on-site water testing of all valves to off-site third-party tests of lighting and irrigation controllers, we remain steadfast in our commitment to ensure every product leaves our facilities ready to perform at its best.

Waste-Disposal Methods

 Yes	<p>Content, particularly regarding substances that could produce an environmental or social impact</p> <ul style="list-style-type: none"> There are no known conflict minerals in our products, and our suppliers are working to certify all parts are free of conflict minerals. Our electronic and lighting products comply with the Restriction of Hazardous Substances (RoHS) Directive established by the European Union.
 Yes	<p>Safe use of products or services</p> <ul style="list-style-type: none"> Our products comply with domestic and international safety standards. Our training websites offer education on proper product use and setup.
 Yes	<p>Product disposal and environmental/social impacts</p> <ul style="list-style-type: none"> We comply with the Waste Electrical and Electronic Equipment (WEEE) Directive, a European law that sets collection, recycling, and reconvert rules for electronic goods. We comply with the RoHS Directive, a European law that restricts the use of substances of concern, including cadmium, lead, and mercury.
 No	<p>The sourcing of components of the product or service</p> <ul style="list-style-type: none"> We only track the sourcing of electronic products for compliance with the RoHS Directive and conflict mineral regulations.

End-of-Life PRODUCT MANAGEMENT

Effective end-of-life management of our products is one of the biggest environmental challenges we face at Hunter Industries. By sending plastic products to landfills, we may be contributing to a problem with unknown potential future ramifications because chemicals often seep into nearby land, contaminating soil and groundwater. Any product returned to Hunter for warranty replacement is first inspected to determine any performance issues or flaws and then dismantled and sorted by material for proper recycling. However, only a small fraction of our product is returned to us directly. We have very little control over the fate of most of our products after they have reached the end of their lives. Unfortunately, most of these products probably end up in landfills.

To combat this problem, Hunter is investing

in efforts to refine our product end-of-life strategies. Internally, our process engineering group is committed to finding better product materials. This approach will lessen the impact of our products on the environment while also developing a means to incorporate greater amounts of recycled content. Externally, we have implemented a pilot program to collect used Hunter rotors and spray heads, with the intent of capturing certain components for reintegration in new products.

Partnering with one of our principal

distributors, Ewing Irrigation & Landscape Supply, the program has been active since September 2015 and has run in three states: California, Texas, and Colorado. As part of the program, Ewing and Hunter employees encourage customers to return expired products to collection bins placed in Ewing branches. Although early measurements of the successfulness of the program vary, we remain focused on developing responsible end-of-life action plans for all our products.

Looking Forward

Hunter Industries will continue to provide safe, resource-efficient products of the highest quality. However, doing so in a way that is environmentally responsible across the full life cycle of our products remains a challenge. In the coming years, we will:

- Research and implement ways to increase the recycled plastic resin content in our products to at least 7%.
- Further develop recovery programs to ensure greater end-of-life control of our products.
- Report on conflict mineral declarations.



Product Responsibility, SAFETY, AND STEWARDSHIP

As an environmentally conscious company, we take seriously our responsibility to consider the entire life cycle of our products in all aspects of production, especially when ensuring they are safe to use and have a positive impact on sustainability. That's why Hunter is vertically integrated in our efforts to control the design, construction, and functionality of our products.

Material Use

To minimize our environmental footprint, we have chosen to conserve resources, reduce embodied energy, and generate less pollution during manufacturing. We also incorporate as much recycled content as possible in our products. Being a vertically integrated manufacturing company affords us a significant amount of control over our product material inputs. We continue to integrate large amounts of recycled metal material in our products; however, incorporating recycled plastic resins remains a challenge.

Our goal is to include 7% recycled resin material in our products by 2017. With 2.4% recycled resin inclusion in 2016, we saw a three-fold increase of our 2015 recycled resin content of 0.7%. Our on-site regrind machine, which takes plastic production waste and converts it into material that can be used for new products, has helped us significantly elevate our recycled content inclusion rate. However, we are still far from reaching our goal. Our unwavering adherence to stringent product

performance and safety parameters, our commitment to product warranty standards, and a lack of viable recycled resin material are all contributing factors to the challenges we face in trying to accomplish this goal.

Recycled Material Inclusion

		Corrugates	Stainless Wire	Brass	Plastic Resin
Tons of Materials Used	2015	827	1,100	142	9,313
	2016	980	1,223	175	10,355
Tons of Materials Recycled	2015	248	715	56.6	66
	2016	294	795	70	250
Percent of Total Material	2015	30%	65%	40%	0.71%
	2016	30%	65%	40%	2.4%



Waste Mitigation

Our manufacturing processes generate waste in the form of plastic resin runners. Rather than sending these runners to a landfill, we have developed a process to collect, clean, regrind, and incorporate the waste product back into the raw materials that we use for new product production.

“This process decreases raw material purchases and lessens scrap without reducing the quality of Hunter products,” said Rob Wessel, Manufacturing Engineering Inventory Control Manager.

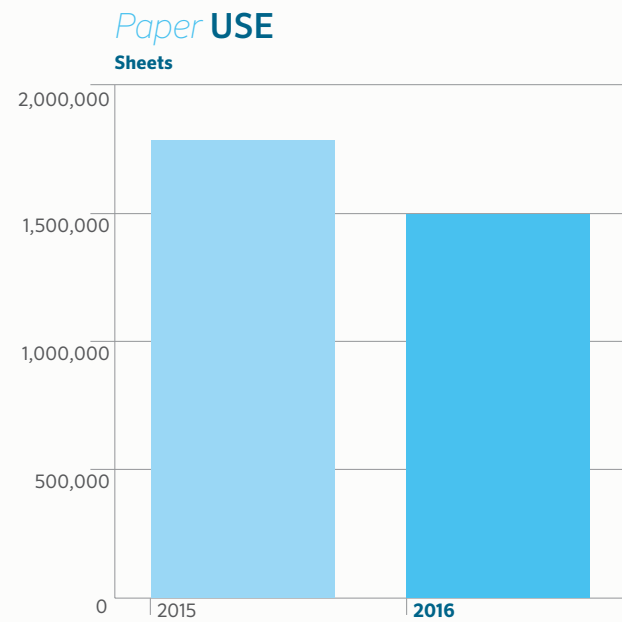
The “Regrind,” as we call it, helps us take responsibility for waste production, turns waste into a beneficial material, and decreases our impact on the environment. Last year, we recovered 250 tons of plastic resin waste and converted it into a usable material for new products.

“Regrinding at Hunter saves the company money while simultaneously reducing our carbon footprint,” said Zach Lewis, Quality Assurance Process Engineer.

Thanks to our regrind machine, we are incorporating more recycled plastic in our products than ever before.

Paper USE

Historically, paper use at our San Marcos facility has been unnecessarily high. With developing technologies and advanced business tools, we know that there is little excuse for continuing to use paper at such high levels. That's why we set a goal to reduce our paper use by 50% by 2015 compared to our 2011 use. As of 2015, we had reduced our paper consumption to 1,792,857 sheets, 45% less than our 2011 base. We had not yet met our reduction goal.



Looking Forward

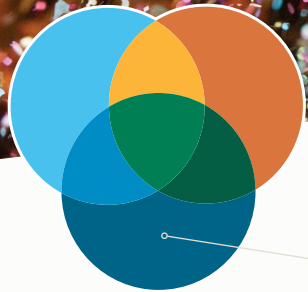
Using paper responsibly will remain important in our drive toward sustainability. We know that curbing our paper use as we grow will remain a challenge. To keep up, we will:

- Introduce more technology to store and share information without using paper.
- Remove unnecessary printers.
- Create new paper-waste strategies and goals.

In 2016, we redoubled our reduction efforts, resulting in a paper use of 1,505,000 sheets. That figure represents a 16% reduction from 2015 and a 54% reduction from our 2011 baseline.



As part of our commitment to recycling, we have established on-campus recycling centers to encourage employees to deposit compact fluorescent light bulbs, cell phones, printer cartridges, batteries, and other recyclable waste instead of sending these items to landfills.



Over the last five years, Hunter Industries has distributed \$37,589,493 to employees through profit sharing.

Profit

Our past stakeholder engagement work has demonstrated that our Board of Directors, employees, vendors, distributors, and other customers are all invested in Hunter's economic growth. A strong economic performance by Hunter Industries is vital as we seek to achieve our overall business goals. It also drives innovation and our commitment to social and environmental values. Taken together, this moves us toward sustainability.

Every year, Hunter offers profit-share opportunities to employees. Economic goals are set by the leadership team, including an accompanying profit-share percentage target. Up-to-date sales information and forecast data throughout the year keep employees aware of company performance toward achieving this goal.

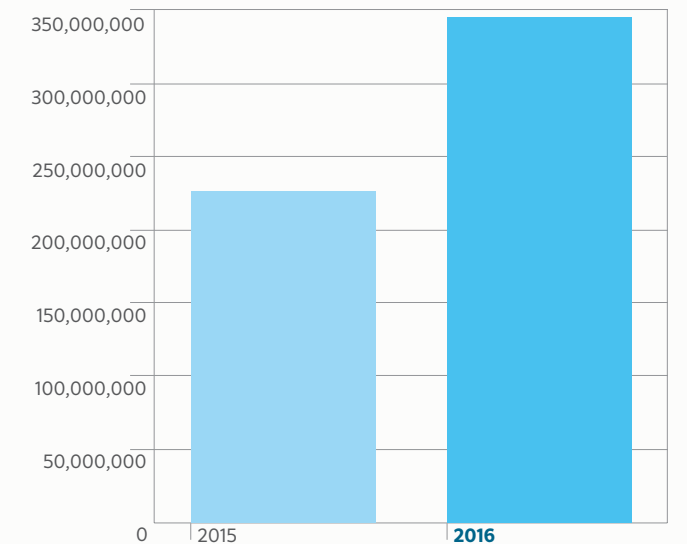
Looking Forward

Achieving sustainable growth year after year while finding a balance between our impacts on people and the planet will remain a challenge. Continued stakeholder engagement, investment in our social and environmental impacts, and wealth distribution will set us on track to reach our goals. In the coming years, we will:

- Build a better ROI research process of CSR projects and programs.
- Disclose risk management topics in future CSR reports.

Product UNITS

Units Produced



Report PARAMETERS

Scope and BOUNDARY

Our 2016 Corporate Social Responsibility report marks our fifth year in annual reporting on sustainability and social responsibility initiatives at our San Marcos and Tijuana facilities. As we did for our 2015 report, we are using the Global Reporting Initiative's G4 sustainability reporting guidelines. For now, our indicators remain the same as they did last year. However, we look forward to revisiting our indicators as we increase stakeholder engagement and gather data to reflect our recent acquisitions. Our customers and employees are our primary audience for this report, but we will also encourage suppliers, consultants, government entities, and nonprofit organizations to read and give feedback on the report.

Location

Most of our business initiatives are based out of our headquarters in San Marcos, California. From this site, we conduct human resources, customer service, technical support, marketing, financing, product development, design, molding, tooling, manufacturing, and all product distribution. The 22-acre campus is made up of nine buildings, three of which support manufacturing operations. We also conduct a large portion of our manufacturing in Tijuana, Baja California Norte, Mexico. This site contains two manufacturing buildings on seven acres. Select products are manufactured in China, Germany, Israel, and Italy.

Comparability Notations

In 2016, our Tijuana facility expanded manufacturing capabilities compared to 2015 levels.

Looking Forward

Because Hunter Industries has grown through acquisitions, our stakeholder groups have changed. Continued stakeholder engagement will guide us in developing an updated indicators list. In the coming years, we will:

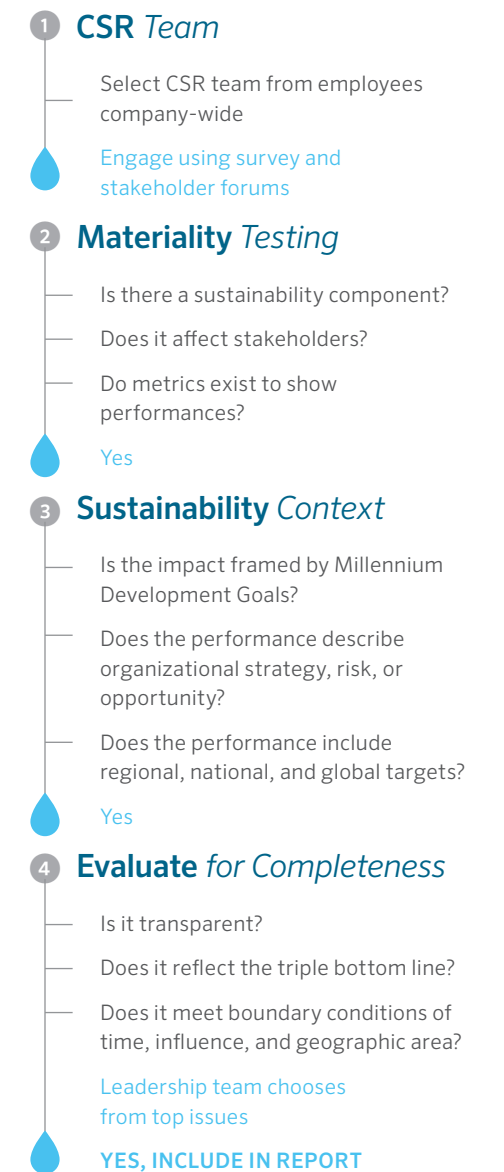
- Conduct renewed stakeholder engagement initiatives that include new stakeholders gained from acquisitions.
- Consider reporting on all selected indicators.

Selecting INDICATORS

During our first reporting cycle, we focused on developing a good foundation for future reporting and created a methodology for indicator selection. The process included the GRI principles that define report content and quality as stated in the G3.1. We considered dozens of possible indicators and asked both internal and external stakeholders to weigh in. The CSR team sent an indicator survey to a select group of customers, suppliers, the Board of Directors, and employees. The indicator survey included 54 core GRI indicators in rows categorized by people, planet, and profit. Seven members of the CSR team, 22 other Hunter employees, and eight external stakeholders took the survey. We then created consecutive tests based on the GRI reporting principles — Materiality, Stakeholder Inclusiveness,

Sustainability Context, and Completeness — to narrow down the number of indicators included in the report. For the next three reports, we updated our indicator selection process using a decision tree to eliminate inapplicable and/or unobtainable indicators. We then formalized the process, as represented in the following graphic.

We added new indicators as a result of this streamlined process, and we continue to use GRI principles for defining report content and quality. For the 2016 report, we focused on our impacts on people, planet, and profit according to past stakeholder engagement and used feedback from stakeholder forums conducted in 2014 and 2015 to prioritize indicators.



Targets and PERFORMANCE

Topic	Current	Goal	Deadline
Paper Use	1.5 million sheets, a 54% reduction from our 2011 baseline (San Marcos only)	50% reduction from our 2011 baseline of 3.26 million sheets (San Marcos only)	2015
Human Rights in Supply Chain	Since 2012, we have audited our largest overseas suppliers at least once	To audit our three largest suppliers at least once every three years	2016
Employees	All employees are actively using the learning management system (LMS)	For all employees to actively use the LMS	2016
Training	LMS fully implemented	For all employees to actively use the LMS	2016
Waste	85% landfill diversion rate	90% landfill diversion rate	2017
Product Responsibility	2.4% recycled plastic content in products	7% recycled plastic content in products	2017
Climate Change and Energy Use	GHG intensity of 0.27 lbs. of CO ₂ /dollar build	GHG intensity of 0.21 lbs. of CO ₂ /dollar build	2020
Water Use	26.8 million gallons (18% reduction, surpassing our 2020 goal)	28 million gallons (15% reduction from our 2014 baseline)	2020



GRI INDEX

General Standard Disclosures

Strategy and Analysis

Indicator	Description	Cross Reference
G4-1	Statement from the most senior decision maker	A Word from Greg Hunter (page 6)

Organizational Profile

Indicator	Description	Cross Reference
G4-3	Name of the organization	Company Overview (page 8)
G4-4	Primary products, brands, and services	Our Story (page 8)
G4-5	Location of headquarters	Our Story (page 8)
G4-6	Country operations	Our Story (page 8)
G4-7	Ownership/legal form	Our Story (page 8)
G4-8	Markets served	Our Story (page 8)
G4-9	Scale of organization	Our Story (page 8)
G4-10	Number of employees	Our Story (page 8)
G4-11	Collective bargaining agreements	Not Reported
G4-12	Organization's supply chain	Supply Chain (page 27)
G4-13	Significant changes during the reporting period	Comparability Notations (page 50)
G4-14	Precautionary principle	Not Reported
G4-15	Economic, environmental, and social charters; principles endorsed by organization	Hunter Helping Others H₂O (page 29)
G4-16	Membership associations	Member Organizations (page 10)

General Standard Disclosures

Identified Material Aspects And Boundaries

Indicator	Description	Cross Reference
G4-17	Entities included in the organization's consolidated financial statements	Company Overview (page 8)
G4-18	Definition of report content and boundaries	Scope and Boundary (page 50)
G4-19	List of material aspects	Materiality (page 50)
G4-20	Aspect boundaries	Materiality (page 50)
G4-21	Aspect boundaries	Materiality (page 50)
G4-22	Restatements of information	Scope and Boundary (page 50)
G4-23	Changes from previous reporting periods	Scope and Boundary (page 50)

Stakeholder Engagement

Indicator	Description	Cross Reference
G4-24	List of stakeholder groups	Stakeholder Engagement (page 18)
G4-25	Selection of stakeholders	Stakeholder Engagement (page 18)
G4-26	Approach to stakeholder engagement	Stakeholder Engagement (page 18)
G4-27	Key topics and concerns of stakeholders	Stakeholder Engagement (page 18)

Report Profile

Indicator	Description	Cross Reference
G4-28	Reporting period	2016 Calendar Year
G4-29	Date of most recent report	April 2017
G4-30	Reporting cycle	Annual
G4-31	Contact point for report	sustainability@hunterindustries.com
G4-32	In-accordance option and GRI Content Index	Core
G4-33	External assurance	Report is not externally assured

General Standard Disclosures

Governance

Indicator	Description	Cross Reference
G4-34	Governance structure	Governance (page 16)

Ethics and Integrity

Indicator	Description	Cross Reference
G4-56	Values, principles, codes of conduct	Mission, Vision, and Values (page 17)

Specific Standard Disclosures

Material Aspect: Economic Performance

DMA and Indicators	Description	Cross Reference
G4-DMA	Management approach to economic performance	Profit (page 48)
G4-EC3	Defined benefit plan obligations	Employees (page 20)

Material Aspect: Indirect Economic Impacts

DMA and Indicators	Description	Cross Reference
G4-DMA	Management approach to economic impacts	Community (page 28)
G4-EC7	Infrastructure investments and services supported	Charitable Donations (page 28)

Environmental

Material Aspect: Materials

DMA and Indicators	Description	Cross Reference
G4-DMA	Management approach to materials	Product Responsibility, Safety, and Stewardship (page 45)
G4-EN1	Materials used to produce primary product and packaging	Product Responsibility, Safety, and Stewardship (page 45)
G4-EN2	Percent of recycled input materials	Product Responsibility, Safety, and Stewardship (page 45)

Material Aspect: Energy

DMA and Indicators	Description	Cross Reference
G4-DMA	Management approach to energy	Energy Use (page 33)
G4-EN3	Energy consumption within the organization	Energy Use (page 33)
G4-EN4	Energy consumption outside the organization	Energy Use (page 33)

Material Aspect: Water

DMA and Indicators	Description	Cross Reference
G4-DMA	Management approach to water	Water Use (page 36)
G4-EN8	Total water withdrawal by source	Water Use by Source (page 37)
G4-EN10	Volume of water recycled and reused	Water Use (page 36)

Material Aspect: Emissions

DMA and Indicators	Description	Cross Reference
G4-DMA	Management approach to emissions and climate change	Carbon Emissions by Scope (page 35)
G4-EN15	Direct greenhouse gas emissions (scope 1)	Carbon Emissions by Scope (page 35)
G4-EN16	Indirect greenhouse gas emissions (scope 2)	Carbon Emissions by Scope (page 35)
G4-EN18	Greenhouse gas emissions intensity	Carbon Emissions by Scope (page 35)

Environmental

Material Aspect: Effluents and Waste

DMA and Indicators	Description	Cross Reference
G4-DMA	Management approach to waste	Waste (page 39)
G4-EN23	Total weight of waste by type and disposal method	Waste (page 39)
G4-EN25	Weight of waste deemed hazardous	Waste (page 39)

Social – Labor Practices and Decent Work

Material Aspect: Employment

DMA and Indicators	Description	Cross Reference
G4-DMA	Management approach to employment	Employees (page 20)
G4-LA2	Benefits provided to full-time employees	Employees (page 20)

Material Aspect: Occupational Health and Safety

DMA and Indicators	Description	Cross Reference
G4-DMA	Management approach to employee health and safety	Employee Health and Safety (page 23)
G4-LA5	Percentage of workforce represented in joint management-worker health and safety committees	Employee Health and Safety (page 23)
G4-LA6	Rates of injury and lost days at work	Employee Health and Safety (page 23)

Material Aspect: Training and Education

DMA and Indicators	Description	Cross Reference
G4-DMA	Management approach to employee training	Employees (page 20)
G4-LA9	Average hours of training per year per employee	Employees (page 20)
G4-LA10	Lifelong skills training	Employees (page 20)

Social – Labor Practices and Decent Work

Material Aspect: Diversity and Equal Opportunity

DMA and Indicators	Description	Cross Reference
G4-DMA	Management approach to diversity and equal opportunity	Employees (page 20)
G4-LA12	Composition of governance bodies and employees according to gender, age group, minority group membership, and other indicators of diversity	Employees (page 20)

Social – Human Rights

Material Aspect: Investment

DMA and Indicators	Description	Cross Reference
G4-DMA	Management approach to investment	Supply Chain (page 27)
G4-HR1	Significant investment agreements and contracts that include human rights clauses	Supply Chain (page 27)

Social – Product Responsibility

Material Aspect: Customer Health and Safety

DMA and Indicators	Description	Cross Reference
G4-DMA	Management approach to customer health and safety	Product Responsibility, Safety, and Stewardship (page 45)
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	Product Responsibility, Safety, and Stewardship (page 45)

Material Aspect: Product and Service Labeling

DMA and Indicators	Description	Cross Reference
G4-DMA	Management approach to customer satisfaction	Customers (page 30)
G4-PR5	Results of surveys measuring customer satisfaction	Customers (page 30)

As we look toward the future, we know that we must continue engaging our stakeholders to establish economic, environmental, and community targets that ensure Hunter's resiliency. That way, we will not only remain at the forefront of sustainable practices in our industry—we'll surpass even our own expectations.



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