



# 2022

## ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT

Published April 2023

# A MESSAGE FROM OUR CHAIRMAN & CEO

I am excited to share our 2022 Environmental, Social, and Governance (ESG) Report, which includes important updates on our ESG initiatives that align with our enterprise strategy of Powering A Smarter World, and our purpose to lead the evolution to more resilient, efficient, and sustainable energy solutions.

Since publishing our 2021 ESG Report, we've made progress in better identifying ESG topics that deserve attention and resources, defining metrics to measure our performance, and setting goals to improve outcomes.

To address the increasing importance of ESG among all stakeholders, Generac's ESG program transitioned to the Corporate Development function in 2022, under the leadership of our Chief Strategy Officer. Program oversight is provided by the newly-created ESG Executive Committee and from the Nominating and Corporate Governance Committee of Generac's Board of Directors. 2022 milestones include:

- Engaging external consultants to advise us on advancing our ESG program.
- Extending our ESG organization by adding dedicated resources and updating the ESG Steering Committee and Task Forces.
- Developing an ESG market assessment and benchmarking analysis to better understand industry standards and expectations.
- Completing a comprehensive Materiality Assessment, highlighting key ESG priorities.
- Establishing a plan to improve our enterprise-wide data and reporting processes.

We also began to build out the infrastructure for incorporating climate change risks and opportunities into our business planning processes using the Task Force on Climate-related Financial Disclosures ("TCFD") reporting framework.

This year's report focuses on having better alignment with recommended disclosures from the key ESG reporting frameworks. We have provided a considerable expansion of relevant disclosures throughout our report including an expanded Appendix section, with a more formal presentation of the alignment of our disclosures relative to recognized reporting standards. We've also provided numerous links to supplementary information, providing additional clarity and transparency.

We are excited to continue our ESG journey and look forward to sharing our progress as we seek to make the world a better place through our products, our people, and the communities we serve.

Thank you,



**AARON P. JAGDFELD**

*Chairman, President, and Chief Executive Officer*



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# ABOUT THIS REPORT

## Report Scope & Boundaries

This is Generac's ESG Report for the full 2022 calendar year (January 1 to December 31, 2022) and builds on the previously published reports for the calendar years 2021 and 2020. The scope of this report includes all of Generac's subsidiaries and international operations, as described in our Annual Report for the fiscal year ended December 31, 2022, unless otherwise noted. In this document, we discuss Generac's overall ESG strategy and how we are executing on our mission to lead the world's evolution to more resilient, efficient, and sustainable energy solutions. This report is a helpful resource for stakeholders to review the progress of Generac's ESG strategy and our performance on key ESG metrics.

As part of our efforts around continuous improvement, we have expanded this report, in alignment with material topics across the most established and recognized frameworks and standards, including the **Sustainability Accounting Standards Board ("SASB")**, the **United Nations Sustainable Development Goals ("SDGs")**, the **Task Force for Climate-related Financial Disclosures ("TCFD")**, and with reference to the **Global Reporting Initiative ("GRI")**.

Any re-statements of information made from previous reporting periods will be explained accordingly. The data included in this report has been collected based on Generac's internal systems and processes and is not externally assured. Select data and content has been reviewed by Generac's Internal Audit function.

## Generac's Commitment to Transparency

Generac is committed to regular, transparent communication of various ESG metrics and its progress toward its ESG goals. These metrics and goals will receive oversight by our ESG Executive Committee and Steering Committee, as well as board-level oversight by our Nominating and Corporate Governance Committee and other Board committees, as applicable. Generac intends to make further enhancements to our reporting process and encourages shareholders and other interested parties to share their questions and comments with us at [sustainability@generac.com](mailto:sustainability@generac.com).

## Forward Looking Statements

Certain statements made throughout this report, as well as other information provided from time to time by Generac or its employees, may contain forward-looking statements and involve risks and uncertainties that could cause actual results to differ materially from those in these forward-looking statements. Please see our [SEC filings](#) for a list of words or expressions that identify such statements and the associated risk factors. Forward-looking statements give Generac's current expectations and projections relating to the Company's financial condition, results of operations, plans, objectives, future performance and business. Any such forward-looking statements are not guarantees of performance or results, and involve risks, uncertainties (some of which are beyond the Company's control) and assumptions.



# ABOUT THIS REPORT

## Materiality Assessment

This year, Generac engaged a third-party ESG consultant to conduct a materiality assessment\* to help identify the relative importance of specific ESG topics and to further guide our ESG priorities and strategy. Priority topics were identified through the evaluation of over 2,300 unique data points derived from ESG ratings agencies, recommended by key industry frameworks, and disclosed by peers. A total of 280 stakeholders participated in the materiality assessment — most individuals completed an online materiality assessment survey and key stakeholders participated in a one-hour, in-depth interview with our third-party ESG experts. Stakeholders engaged in the materiality assessment included investors, customers, suppliers, Generac's Board of Directors, executive management, and employees.

Key takeaways from the assessment centered on building more formalized programs across our prioritized ESG topics. Aligned with our enterprise strategy and continuous improvement culture, we aim to use this feedback to build upon our ESG program by developing or enhancing policies and targets, and formalizing our tracking and reporting infrastructure to evaluate and disclose progress.

### 280 Stakeholders Participated in Generac's 2022 Materiality Assessment



*\*As used in this Report, the term "materiality assessment" refers to a process of identifying those ESG topics that may be considered relevant to the Company, as determined through a series of surveys and interviews. "Materiality" as used herein is not intended to be, and should not be construed as "materiality" or "material" as used in the U.S. securities laws, for financial reporting, or for any other purposes.*

RANKING OF TOP ESG TOPICS BY PREVALENCE AND INFLUENCE	
1	Health & Safety
2	Human Capital Management
3	Cybersecurity
4	Energy Management
5	Stakeholder Engagement
6	Business Ethics
7	Social Impact of Supply Chain
8	Water Management
9	Human Rights
10	Materials & Waste Management
11	Environmental Impact of Supply Chain
12	Critical Incident & Risk Management
13	Compensation Practices
14	Emissions Management
15	Management of the Legal & Regulatory Environment
16	Climate Change
17	Environmental Protection & Biodiversity Impact
18	Diversity, Equity & Inclusion
19	Community Involvement
20	Board Composition

● ENVIRONMENTAL ● SOCIAL ● GOVERNANCE



# OUR COMPANY

GENERAC AT A GLANCE

CORPORATE VALUES

ENTERPRISE STRATEGY

FINANCIAL OVERVIEW

# GENERAC AT A GLANCE

Generac is a leading energy technology company providing advanced power grid software solutions, backup and prime power systems for home, commercial and industrial (C&I) applications, solar + battery storage solutions, energy management devices and controls, virtual power plant platforms, and engine- and battery-powered tools and equipment. Founded in 1959 and publicly traded since 2010 (NYSE: GNRC), Generac launched the first affordable backup generator and later created the category of automatic home standby generator. Today, with 9,500 employees worldwide – including more than 1,000 engineers – and thousands of independent dealers, we are a market leader in our category in North America, with an expanding presence internationally.

## Technology for Tomorrow

Generac is working to lead the evolution toward more resilient, efficient, and sustainable energy solutions. The current grid is dated and underinvested. To support our customers' power needs, we are working to accelerate the transition to a much more distributed and sustainable grid. Merging our rich history in power generation with what we see in the future of energy technology, we remain focused on Powering A Smarter World.

A more sustainable energy ecosystem begins with decarbonization, digitalization, and decentralization; but no single product or solution can achieve all three. Taking a dynamic and diverse approach, and extending our reach beyond traditional power generation, Generac is leveraging strategic acquisitions with research and development to expand our energy technology portfolio with products that support better optimized and resilient energy usage, benefiting our customers and the grid alike.

Generac Holdings Inc.



Founded in  
**1959**



2022 Net Sales  
**22% Growth**  
*vs. prior year*



**9,500**  
Employees  
Worldwide  
*as of December 31, 2022*



**Omni-Channel  
Distribution**  
Thousands of Dealers,  
Wholesalers,  
Retailers, and  
E-Commerce Partners



2022  
Net Sales  
**\$4.6 Billion**



**1,000+**  
Engineers  
Worldwide



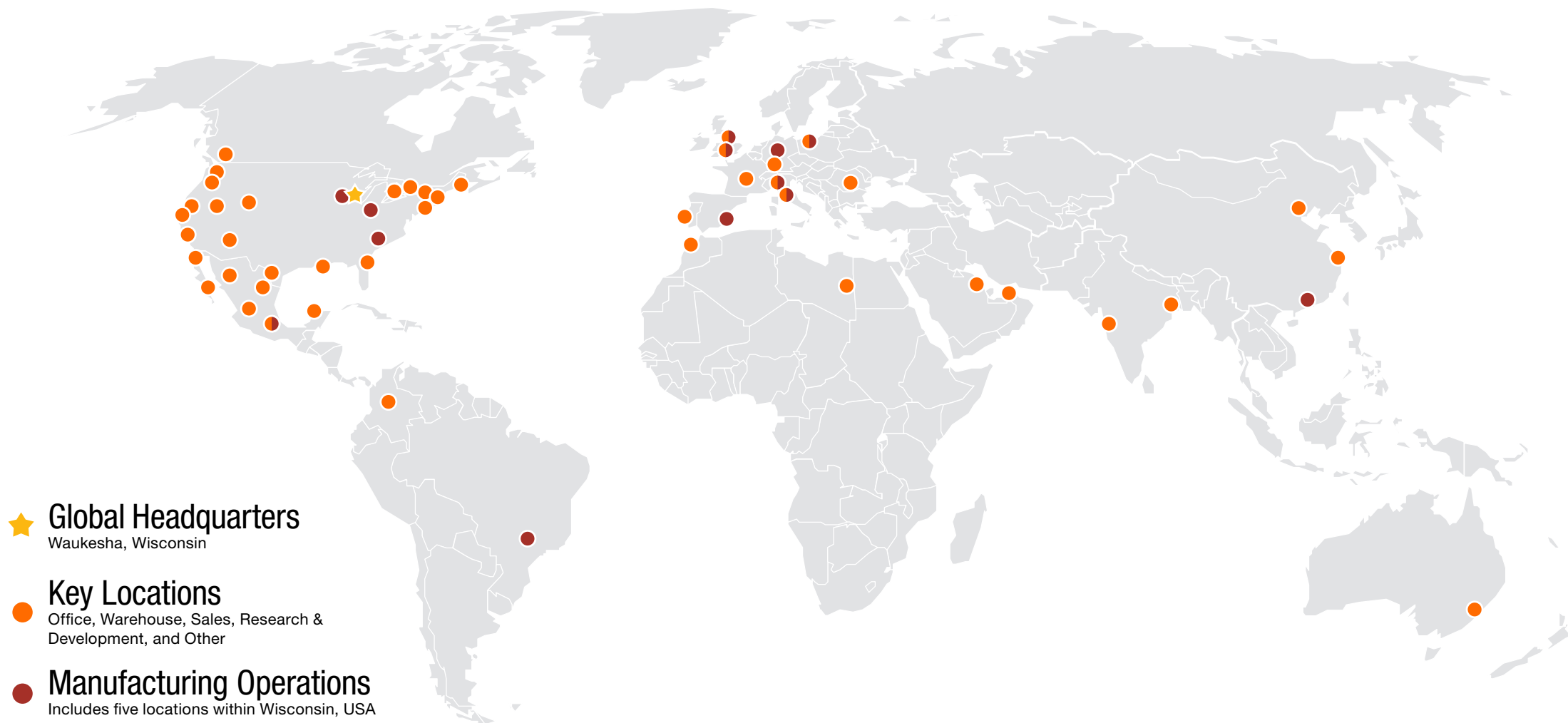
Doing Business in **~150 Countries**



NYSE: GNRC  
**S&P 500**

# GENERAC AT A GLANCE

Generac is global. With 9,500 employees in 25 countries as of December 31, 2022, we operate manufacturing plants, distribution facilities, research and development labs, and offices worldwide.





# CORPORATE VALUES

Corporate values are the responsibility of everyone at Generac to uphold. We promote a culture of continuous improvement through the development of policies, strategies, training, and procedures that reinforce our values.

## Integrity

We practice the highest ethical standards by honoring our commitments and treating everyone with fairness, trust, and respect.

## Environment

We are committed to being a leader in environmental stewardship through sustainable operations and cleaner and more efficient power solutions.

## Agility

We move with urgency and precision to take advantage of market opportunities and out-execute competitors. We are progressive and focused on the future and improving every day. With our scale and resources, we shape market dynamics, not react to them.

## Excellence

We are committed to delivering quality and performance by continuously reaching for excellence in everything we do.

## Innovation

We inspire innovation and creativity, and make significant investments in gaining insights, developing and applying new technologies to deliver advanced energy solutions.

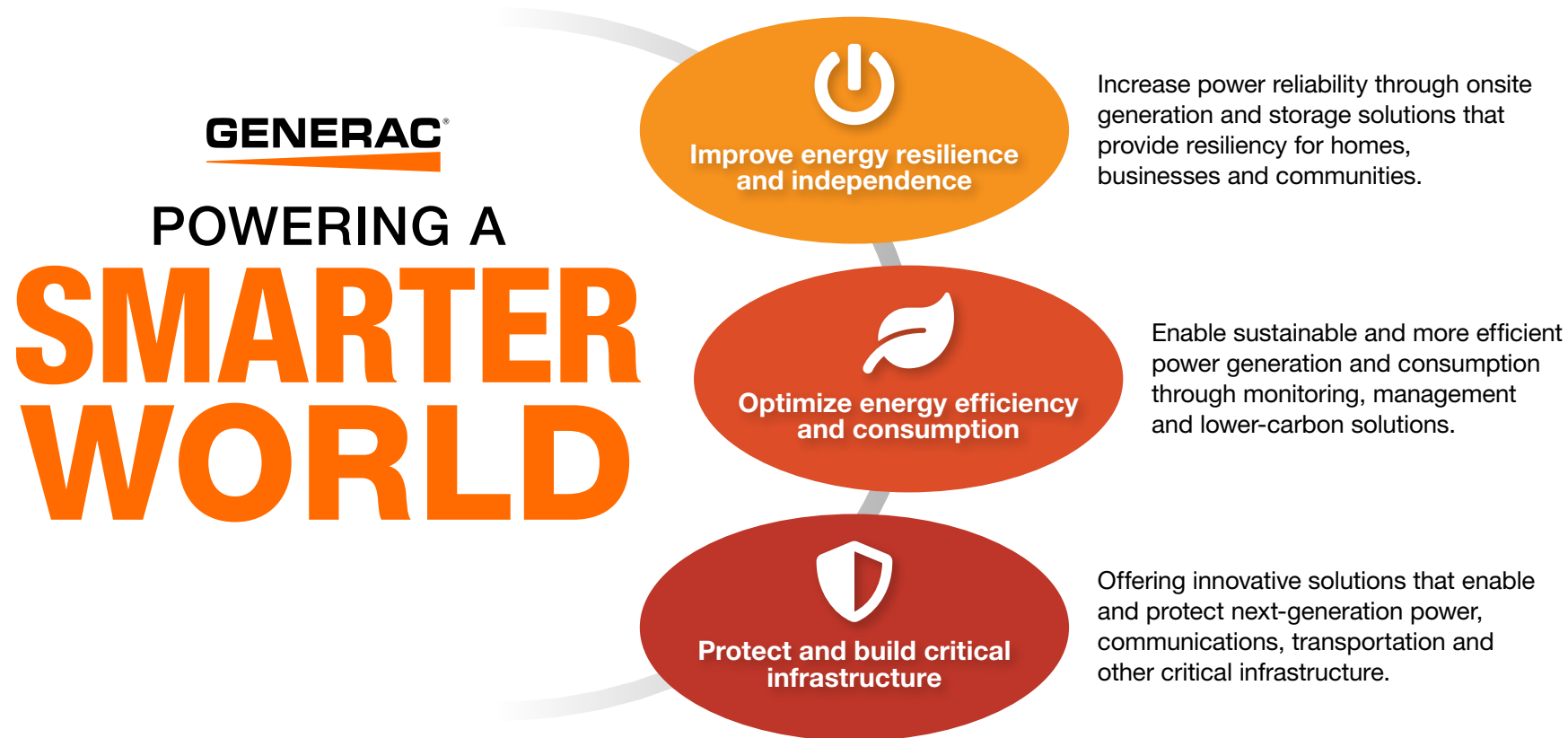
## People

Our success is directly tied to our employees' professional growth and personal well being, combined with strong families and communities. As an inclusive workplace, our employees embrace diversity, celebrate differences, and treat others with equality and respect.



# ENTERPRISE STRATEGY

Our Purpose: Lead the evolution to more resilient, efficient & sustainable energy solutions.



**OUR PEOPLE • CUSTOMER EXPERIENCE • CONTINUOUS IMPROVEMENT • TECHNOLOGY LEADERSHIP**

# BRINGING TOGETHER THE ENERGY ECOSYSTEM

A more sustainable energy ecosystem begins with decarbonization, digitalization, and decentralization, but no one product or solution can achieve all three. Multiple pillars of Generac’s energy ecosystem play a part in creating a better optimized, more resilient future. At Generac, we are leveraging our decades of expertise and wide array of energy offerings, from residential products to industrial gensets and beyond, to help address today’s vexing energy issues.

## Residential Power Generation

Generac’s home standby generators provide scalable backup power that has withstood the test of time. Our Smart Grid Ready technology enables customers to participate in grid resiliency efforts that help to keep communities powered up.



## Residential Battery Storage

By storing energy for later use when utility rates spike or when there’s a grid outage, Generac’s PWRcell battery storage systems and emission-free Portable Power Stations help customers increase their energy independence and find peace of mind during outages.



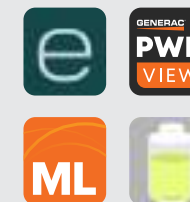
## C&I Power Generation and Storage

Our commercial-, industrial-, and mobile solutions bring power at scale. We’ve made additional investments in industrial connectivity and initiated new partnerships – such as the market entrance and development of stationary and mobile battery energy storage and the distribution of E0Dev’s hydrogen fuel cell generators – to further pave the way for cleaner, more efficient industrial energy technologies.



## Monitoring & Management Devices | Platform & Controls

Connected devices and distributed energy resources (DERs) make it possible to be more intentional about energy usage. With a variety of devices including our smart thermostats, energy monitors, and load management controllers, combined with integrated platforms and control systems, energy usage is optimized to fit the needs of homes and businesses, all without impacting comfort or ease-of-use. Our ultimate vision is to make it easy for the end user by eventually putting it all together on one platform and under a single pane of glass.



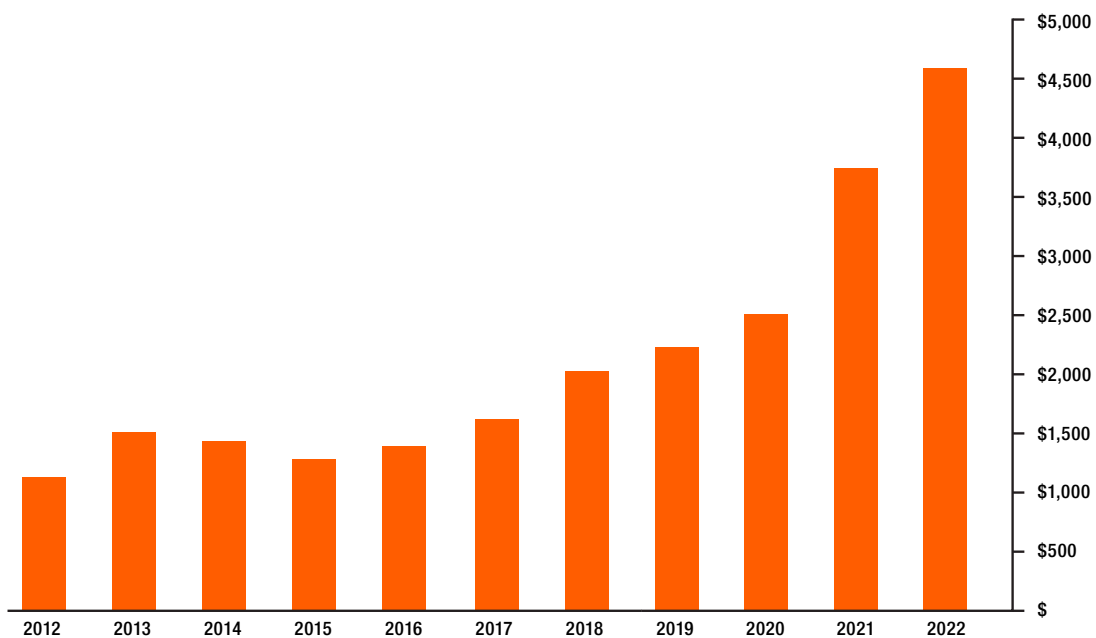
## Generac Grid Services

Generac’s Concerto™ Distributed Energy Resource Management System (DERMS) helps to support a balanced grid. Using Concerto™, utilities, grid operators, and other energy companies can – when granted permission – autonomously control distributed energy resources (DERs) and gensets. The flexibility and versatility of the Concerto™ platform has led to documented contributions to grid resiliency in times of need.

# FINANCIAL OVERVIEW

## Track Record of Growth

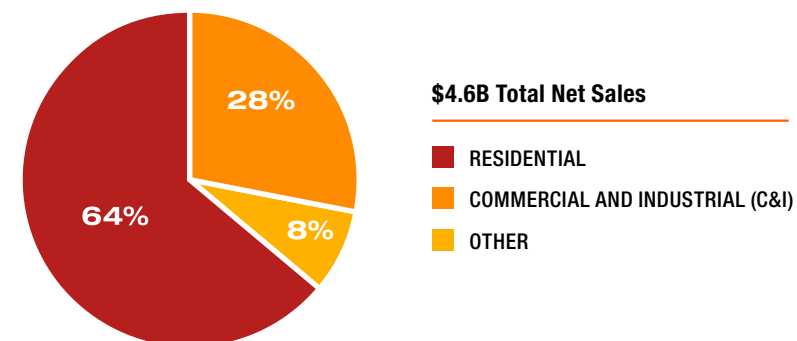
14% Revenue CAGR (2022 vs. 2012)



Note: \$ amounts in millions. Figures include results from acquisitions completed during 2011-present. CAGR measures revenue growth through 2022 off the 2012 base year.

## 2022 Net Sales

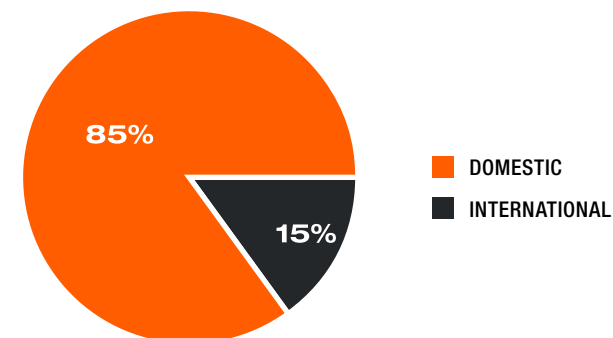
Product Classes



\$4.6B Total Net Sales

- RESIDENTIAL
- COMMERCIAL AND INDUSTRIAL (C&I)
- OTHER

Reporting Segments



- DOMESTIC
- INTERNATIONAL



# ESG AT GENERAC

ESG HIGHLIGHTS

COMMITMENT TO QUALITY

COMPANY AWARDS & RANKINGS

PRODUCT SUSTAINABILITY

SUSTAINABLE DEVELOPMENT GOALS

# 2022 ESG HIGHLIGHTS

## Commitment & Accountability to Our Value Chain

We continue to deliver on our commitment to improve ESG efforts at Generac. In 2022, we completed a materiality assessment, incorporated ESG topics into our strategic planning process, formalized cross-functional leadership across global engagement and metric tracking, and announced ESG as a key strategic enterprise priority for the year ahead.

### Leadership in Energy Technology

With an ongoing commitment to sustainable and cleaner energy products, we further built out our **Energy Technology** organization and offerings in 2022. We made key leadership hires and **expanded our energy ecosystem** to include more battery power, more zero- and lower emissions power solutions, and more distributed energy monitoring and controls.



**ecobee Smart Thermostat Premium**  
named as one of the **The Best Inventions of 2022** by TIME Magazine.



We take a comprehensive approach to strengthening our value chain which includes how we **invest in our communities** and the future workforce. In 2022, we delivered hands-on STEM (Science, Technology, Engineering, Mathematics) experiences to young people – **impacting over 30,000 students**, including those in underserved and underrepresented populations.



In 2022, our employees contributed **2,044 volunteer hours** in the communities in which we live and work, across the United States and Canada.



We revised our Supplier Code of Conduct to help ensure that Generac's values are upheld across our supply chain.



We developed a greenhouse gas emissions inventory for our global operations to help us track our environmental impact.



We began referencing the UN Sustainable Development Goals when qualifying new product development initiatives.



We contributed significantly to grid reliability, with Generac Grid Services providing 10 GWh of capacity during peak demand in 2022.



We continued developing our people. In 2022, professional employees completed over 38,000 modules of coursework across 144 diverse learning topics.

# COMMITMENT TO QUALITY

## The Importance of Quality, Safety & Satisfaction

Generac's residential products are designed and manufactured to protect homes, families, and quality of life. Meanwhile, our commercial and industrial products help businesses safeguard employees and protect inventory. We are committed to continually improving our products and finding new and better ways to serve our customers.

### Product Safety

- A cross-functional team from Engineering, Corporate Quality and Legal participates in hazard reviews as part of the Generac Development Process (GDP) for new products. In 2022, we conducted 36 hazard reviews for products in development.
- Once products are released, overall product field health is monitored by Corporate Quality Project Managers following a Customer Quality Management System (CQMS) procedure.
- Generac's Product Safety Review Board (PSRB) includes the Vice President of Global Quality and the Senior Vice President of Operational Excellence. The PSRB meets routinely in an effort to ensure that our products meet applicable internal engineering design and other safety standards and certifications.

### Product Quality

- Our Quality Management System is ISO 9001 certified, a designation we earned by consistently providing products and services that meet customer and regulatory requirements.
- Excellence is one of our Corporate Values. Our product quality team exemplifies this value through vigorous involvement in both our new product development and production processes.
- We also regularly perform design reviews and testing to maximize the quality and value of our products for our customers.
- Delivery of the highest quality products and services to our customers is critical to their satisfaction. To that end, we continuously strive to enhance the performance of our product offerings.

### Customer Satisfaction

- Customer Experience is a core element of our enterprise strategy, and is measured monthly.
- We focus on process improvement and waste elimination to positively impact our customers.
- Our 24/7, 365-day customer support team is available to assist our customers, and we are constantly improving our order and contact management tools.
- We continue to expand our distribution network to ensure prompt local response and help our dealers better service customers.
- During Hurricane Ian, our Storm Response Team was deployed across the state of Florida, helping more than 200 families and small businesses regain lost power.

# COMPANY AWARDS & RANKINGS

## Fortune 1000 LIST

For the second year in a row, Generac continued to advance our position on the Fortune 1000 list, moving up to number 723 from our position of 845 the year prior.

## Fortune – 100 Fastest Growing Companies in 2022

Separately, and also for the second consecutive year, Generac earned a position on Fortune's annual 100 Fastest Growing Companies list, placing us alongside the world's top employers.

## Newsweek – America's Most Trustworthy Companies

In 2022, Generac was named to Newsweek Magazine's first annual ranking of "America's Most Trustworthy Companies." The list was compiled based on the results of an independent survey of 25,000 U.S. residents who rated companies they know in terms of three touchpoints of trust – customer trust, investor trust, and employee trust.

## ENERGY STAR® – 2022 Partner of the Year

For the second year in a row, ecobee received the 2022 ENERGY STAR Partner of the Year Award from the Environmental Protection Agency and the U.S. Department of Energy.

## Solar Builder Magazine – Residential Project of the Year

Solar Builder Magazine recognized Generac and Sunnova for the Navajo Nation Hard Rock Chapter House project. The project increased energy resiliency at the Chapter House, which provides access to critical services for 14,000 families in the Navajo Nation. Solar Builder bestows awards annually to innovative projects in the solar industry.

## Grid Forward – Annual Grid Innovator Award

Grid Forward honored Generac Grid Services with the 2022 Grid Innovator Award. Generac Grid Services received recognition for our leadership in demonstrating how Virtual Power Plants (VPPs) can be deployed in turnkey and vendor-agnostic applications.

## Forbes – Mexico's Best Employers

Among other domestic and multinational companies, Generac was named one of Mexico's Best Employers on the publication's 2022 list of honorees.

## Great Place to Work™ Canada Recognized ecobee

The Canadian Great Place to Work organization recognized ecobee for our dedication and commitment to create an outstanding employee experience and an amazing workplace culture.

## Motortech – FaMi-Siegel Award

For the third time, Motortech received the FaMi Seal for supporting employees in balancing their families and careers. Presented by FaMi-Siegel, the award recognizes companies in Germany for excellence in creating a family-friendly environment.

## Additional Accolades for the ecobee Smart Thermostat Premium

The ecobee Smart Thermostat Premium earned several positive reviews for its state-of-the-art thermostat technology. Recognitions included best smart thermostat overall on Forbes' "The Best Smart Thermostats for Efficient Heating and Cooling," best voice integration on CNET's "Best Smart Thermostats for 2022," and one of "The 200 Best Inventions of 2022" in TIME Magazine.





# OUR COMMITMENT TO ENERGY TECHNOLOGY

## Natural Gas

Generac is a global leader in residential, commercial, and industrial generators powered by natural gas – a progressive alternative to diesel and coal. We believe natural gas will play a critical role in the energy transition; providing power when it's needed most, and supplementing wind and solar when these renewable energy resources are less dependable.

Our experience and innovative technological advances in natural gas generators have led to designed efficiencies and adaptability across many applications:

- Addressing the fuel storage, environmental permitting, and reliability challenges for diesel-fueled generators
  - Per mmBTu, natural gas combustion emits almost 30 percent less carbon dioxide than diesel fuel (per U.S. EPA, "Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990-2020")
  - A 100 kW generator powered by natural gas is expected to emit almost 20 percent less carbon dioxide per hour of use than a similar unit burning diesel fuel (per Generac internal estimates)
  - Modular Power System paralleling reduces expenses, emissions, and space requirements
- Reducing sound emissions and improving fuel efficiency with Electronic Fuel Injection and economy mode on some of our portable generators
- Aggregating home standby generators into virtual power plants for grid resiliency and reduced cost of ownership

By pairing natural gas generators with renewable energy resources and providing grid services, energy management solutions and microgrids, Generac can make meaningful contributions to improving energy resilience and independence and optimizing energy generation and consumption. We can also protect and build critical infrastructure in alignment with our enterprise strategy of Powering A Smarter World.

As we continue our evolution into an energy technology company, we have also had to consider that internal combustion engines, which rely on fossil fuels, may become increasingly replaced over time in certain applications as cleaner technologies become more feasible. This has led us to broaden our product portfolio over the last several years, as well as to make significant investments in developing and expanding energy technology products and services.

# PRODUCT SUSTAINABILITY

Generac believes the fundamental ways energy is generated, distributed, and used will change radically in the years to come. Today's electrical grid is facing an unprecedented set of challenges. Aging infrastructure and extreme weather events continue to cause power disruptions. At the same time, demand continues to rise as more people electrify their homes and vehicles.

We are preparing for the future of energy by focusing on improving energy resilience and independence, optimizing energy efficiency and consumption, and protecting and building critical infrastructure. Through a series of strategic acquisitions, commercial relationships, and organic initiatives, we continue to further expand our efforts and offerings to utilities, grid operators, energy markets, and communities.

**MAY**

## Charging Solutions for Utilities

Generac Grid Services introduces a new program that provides utilities and electric vehicle owners with important information, such as charging duration and average power per charge session.



**SEPTEMBER**

## Portable Power Stations

Generac enters the portable battery market with clean, emission-free Portable Power Stations, which help provide access to clean energy indoors and outdoors.

**OCTOBER**

## Zero-Emissions Hydrogen Fuel Cell Generators

New agreement allows Generac to bring E0Dev's hydrogen fuel cell generators to North America.



**Blue Pillar**

**OCTOBER**

## Industrial Internet of Things Platform

Generac acquires Blue Pillar, expanding our energy monitoring and control solutions for commercial and industrial customers.

**DECEMBER**

## Low Emissions Solid Oxide Fuel Cell Collaboration

Generac acquires a minority equity interest in WATT Fuel Cell Corp to further its research and development efforts in innovative, low-emission energy solutions.



# PRODUCT SUSTAINABILITY

## Connected Devices

In 2022 alone, ecobee thermostats delivered over 6.4 TWh of energy savings\*, the equivalent of:



Keeping **1.1 million tons\*\*** of CO<sub>2</sub>e out of the atmosphere



Charging **140 billion** smartphones



Removing **250,000** gas-powered cars from the road for the entire year

*\*Based on internal measurements of thermostat runtime data at the end of 2022*

*\*\*Not inclusive of impacts delivered by eco+*



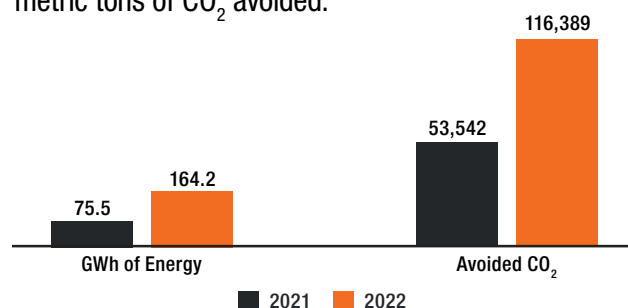
ecobee  
a Generac Company

# PRODUCT SUSTAINABILITY

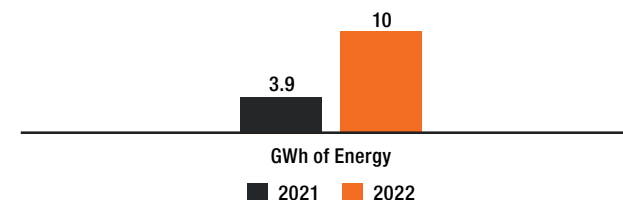
## Clean Energy & Grid Services



**164.2 GWh** produced by PWRcell units; equivalent to 116,389 metric tons of CO<sub>2</sub> avoided.



Generac Grid Services delivered over **10 GWh** of energy to the grid during peak demand or times of instability or intermittency. This represents nearly 3x growth year-over-year for grid reliability solutions.



**2.5 million** individual distributed energy resource (DER) dispatches



**7,912 hours** of cumulative DER dispatch from more than 20,500 commercial, industrial, and residential devices



**12 months** of Concerto™ use 24/7 for automatic frequency restoration reserve by one customer



**36,495 events** from 18 utility clients and three wholesale energy markets served

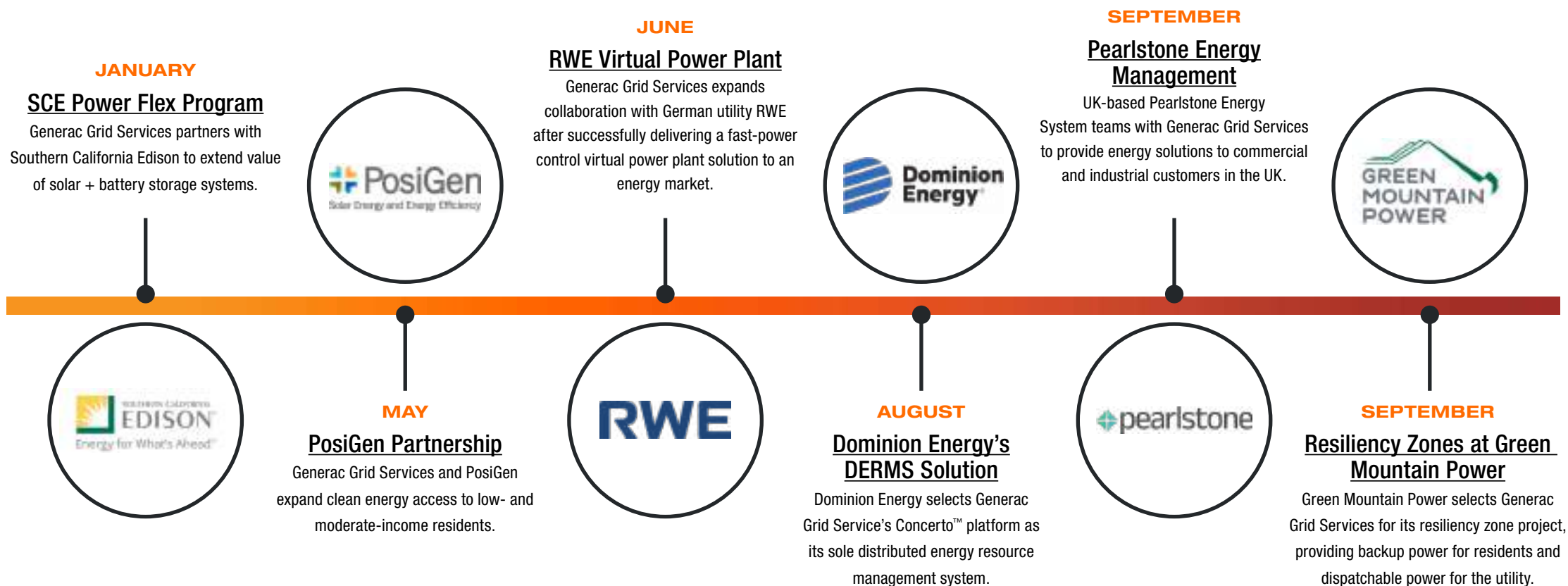


**Global footprint** with programs in North America, Europe, Middle East, and Asia-Pacific

# PRODUCT SUSTAINABILITY

## Clean Energy & Grid Services

In 2022, Generac partnered with communities and electric utilities to help deliver additional grid capacity and expand access to reliable power.



# ADVANCING THE SUSTAINABLE DEVELOPMENT GOALS

Adopted by the United Nations in 2015, the 17 Sustainable Development Goals (SDGs) were designed to address some of the most important challenges of our time and ignite change on a global scale. Generac is in a unique position to help support these global initiatives across our operations and stakeholders to create a more peaceful, prosperous, and sustainable world. Our contributions include the impact our products, operations, and supply chain make on the environment and the work we do in our communities.



- Generac cares about the health of our employees. Generac's Total Rewards program is designed and evaluated through the lens of our four pillars of wellness: Physical, Emotional, Financial, and Social.
- During power outages, our products help to ensure that hospitals can continue to operate, homeowners dependent on electrified devices are prepared, and community centers and emergency locations can accommodate those in need.



- As a founding sponsor of GPS Education Partners, nearly 50% of our corporate giving in 2022 was dedicated to promoting youth engagement through STEM programs and youth apprenticeships.
- We are committed to developing our people. In 2022, Generac employees completed over 38,000 modules of coursework across 144 diverse learning topics.



- Generac's Professional Women's Business Employee Resource Group empowers female Generac employees and allies to serve as outstanding leaders and community members.
- Generac is a member of Women in Manufacturing.
- In 2022, BizTimes Milwaukee recognized two female leaders at Generac as Notable Women in Manufacturing.
- Pay equity across women and men at Generac is 99%.



- Generac's purpose to lead the evolution to resilient, efficient, and sustainable energy solutions drives our strategy of Powering A Smarter World.
- In 2022, we launched portable electric power stations, announced distribution of hydrogen fuel cell generators, and invested in residential fuel cell technology.
- Our effort to support the Navajo Nation was named the "Residential Project of the Year" by Solar Builder Magazine.



- Generac is committed to creating an outstanding employee experience.
- Numerous Generac locations won awards for providing a positive workplace culture. In 2022, Generac entities were recognized with the following awards:
  - Great Place to Work®, Canada
  - Forbes - Mexico's Best Employers
  - Waukesha County Business Alliance's "Large Business of the Year"

# ADVANCING THE SUSTAINABLE DEVELOPMENT GOALS



- Innovation is one of Generac's core [corporate values](#).
- We are committed to promoting a culture of innovation and quality. Our energy technology products and solutions drive technological innovation, advanced engineering capabilities, and specialized manufacturing competencies.
- Numerous members of the Generac family of companies were featured in publications and “best of” lists, highlighting the quality and versatility of our products and services.



- Generac is building understanding and awareness of Diversity, Equity, and Inclusion through education and communication. In 2022, all people leaders completed at least one DE&I-focused course or activity.
- Our Talent Acquisition team in the United States is 100% AIRS CDR certified – a proactive measure to prevent discrimination during recruitment. All people leaders have been assigned 2023 performance goals related to DE&I.



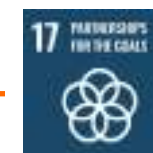
- An energy industry leader, Generac is committed to producing sustainable products and technologies benefiting our communities.
- We support programs and organizations dedicated to empowering youth to tackle STEM and environmental challenges.
- In 2022, Generac donated over \$1 million and supported more than 460 organizations, programs, and events in local communities across our global operations.



- Being good stewards of our resources includes adopting best-in-class benchmarks. We align with the Organization for Economic Cooperation and Development’s Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.
- We have put in place waste management and prevention operations, and noise reduction and energy efficiency initiatives.
- In 2022, we updated our [Environmental & Sustainability Policy](#), began incorporating SDGs into our product development process, and hired a dedicated ESG Supplier Compliance resource to progress our efforts.



- Generac is committed to energy resiliency, which includes incorporating the development of more sustainable and efficient power solutions into our enterprise strategy.
- We prioritize energy efficiency across our operations. In 2022, we began calculating, documenting and disclosing Scope 1 & 2 GHG emissions for our global operations using the Task Force on Climate-related Financial Disclosures (“TCFD”) framework.
- We support programs and organizations that respond to urgent needs. As part of our Storm Response initiative, Generac deploys trained and dedicated team members out to storm-ravaged communities, helping to provide access to energy.



- Partnerships are key to the successful deployment of Generac's enterprise strategy. We collaborate with trade associations, peer networks and academic institutions, and engage stakeholders across our value chain to ensure we are meeting corporate goals and helping support the SDGs.
- Our Energy Alliance and Builders Alliance programs connect our dealers and installers with organizations aiming to improve energy resiliency and community infrastructure.
- In 2022, Generac Grid Services' partnership with PosiGen offered battery backup and load management systems to low- and moderate-income households.



# ENVIRONMENTAL

CLIMATE RESILIENCE

EMISSIONS MANAGEMENT

ENERGY MANAGEMENT

ENVIRONMENTAL IMPACT

WATER MANAGEMENT

MATERIALS & WASTE MANAGEMENT





# CLIMATE RESILIENCE

At Generac, we understand that addressing climate change isn't just the right thing to do for the environment - it's also important for our long-term success as a business. That's why we've made a commitment to reviewing climate-related risks and opportunities across strategic planning, risk management, and daily operations. As part of this commitment, we're beginning the process of evaluating climate-related risks and opportunities in alignment with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), to help shape our path forward.



## Governance

Generac is committed to expanding our framework for board and management oversight of climate-related risks and opportunities. See [Board ESG Oversight](#) for more details. Climate risks and opportunities are in the process of being integrated into strategic planning, risk management, and governance structures across products, operations, and supply chains.



## Strategy

Generac is committed to addressing climate change by incorporating climate-related risks and opportunities into our strategic planning and risk management cycles. We are in the process of expanding the use of the TCFD framework to evaluate climate change scenario planning on strategy and financial planning, and members of our ESG Steering Committee will be working with leaders across the business in evaluating various scenario analyses to develop a climate risk assessment.



## Risk Management

Generac recognizes the importance of climate risk management and in 2022 engaged a third-party consultant to advise on the development of a comprehensive climate risk assessment. We expect this assessment to be completed in 2023 and integrated into our Enterprise Risk Management (ERM) framework, ensuring that climate risks are better incorporated into our overall risk management approach. By doing so, we aim to enhance our ability to identify, assess, and manage climate-related risks, and opportunities.



## Metrics & Targets

Generac is planning to set internal targets and metrics to manage climate risks and opportunities. A Climate Risk Assessment is expected to be integrated into the 2023 ERM cycle, including measuring GHG emissions, assessing revenues and Cost of Goods Sold (COGS), and identifying affected revenue streams. We established a GHG Inventory Management Plan in 2022, measuring the impact using the Greenhouse Gas Protocol Corporate Standard. Generac is planning to reduce emissions, with the development of a long-term roadmap for phasing our progress.

# COMMUNITY RESILIENCY

## Storm Response Initiatives

As a provider of home standby power in the United States, Generac offers its expertise to help customers manage power outages after significant climate events. Before the storm strikes, we alert customers of potential weather impacts. After the storm, we take our expertise on the road, mobilizing our Storm Response Team in the aftermath of the disaster to the affected area. Generac's Storm Response Team includes specially-trained employees who voluntarily travel to impacted areas to help ensure residents and communities affected by a disaster regain access to power as quickly as possible. As Generac expands our solution offering across connected devices and grid services, we're now improving our ability to respond to disasters remotely, helping with swifter recovery and greater grid resiliency.

### Mobilization for Hurricane Ian

During Hurricane Ian, Generac's Storm Response Team worked with our dealer network to identify residents and communities that had lost power. The teams were deployed across the state of Florida to repair generators of any brand, helping more than 200 families and small businesses regain lost power.

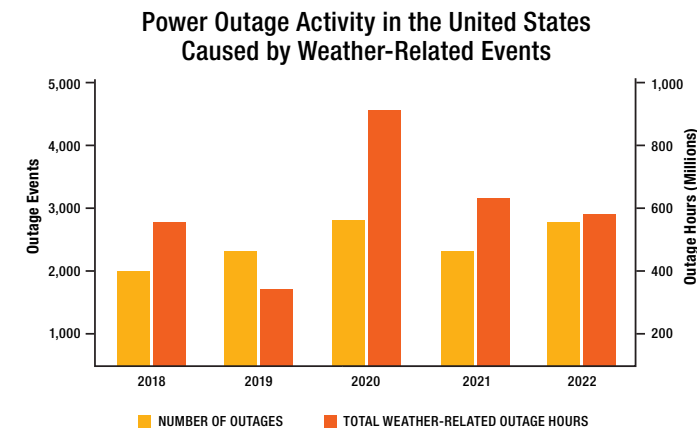
### Winter Storm Elliott Support

Winter Storm Elliott was a bomb cyclone that affected a large portion of North America in December 2022. This fast-developing storm, which resulted from a rapid drop in atmospheric pressure, brought heavy snowfall, record temperatures, blizzards and high winds, stressing the North American electrical grid. Generac helped to stabilize the grid and increase resiliency by reducing 16 MW of non-essential demand by partnering with a west coast utility. Additionally, more than 85,000 ecobee thermostats in eight states participated in an eco+ Community Energy Savings event to help other local utility providers manage load and conserve energy during the storm.



Being part of Generac's Storm Response Team was an incredible opportunity to serve the Florida community in the aftermath of Hurricane Ian. It was humbling to witness their resilience and rewarding to help wherever we could.

**LISA ROOHR**  
Sales Coordinator



Source: Generac. The following are defined as weather-related outage events; Hurricanes, Tropical Storms, Strong Storms, Snow/Ice Storms, High Winds, Floods, and Tornadoes.



# ENHANCING RESILIENCY

## Case Study: Delivering Power When It's Needed Most

As part of our commitment to build a more sustainable and resilient future, we're proud to offer innovative solutions that enable and protect next-generation power, communications, transportation and other critical infrastructure.

### Generac Partners with California Utility to Provide Essential Power

In California, wildfire season often means Public Safety Power Shutoffs (PSPS). For many residents, the only way to keep the lights on and stay safe during wildfire season comes from alternative sources of power generation.

One California utility wanted to ensure their most vulnerable customers had access to power during PSPS events through a residential backup power program. The utility partnered with Generac to provide fully-funded home standby generators to customers affected by PSPS events, providing essential power during uncertain times.

Today, there are nearly 1,000 home generators deployed in the utility's territory, with plans to add over 300 more each year for the next five years.

To further safeguard the communities they serve, the utility developed a solution featuring PWRcell solar + battery storage systems and industrial generators in established Community Resource Centers (CRCs) as locations where those without power can gather during outages and seek shelter and assistance. A similar solution was deployed at several mobile home parks.

### The ecobee Energy Emergency Demand Response Pilot

In September 2022, ecobee launched a pilot program with a utility in southern California designed to help prevent power outages caused by extreme weather, sustained high heat, and natural disasters. On September 9th, the California Independent System Operator (CAISO) called an EEA1 (Energy Emergency Alert 1) event. In coordination with the utility, ecobee dispatched an emergency event to 900 of our thermostat customers not currently involved in any demand response programs. This pilot automated the steps ecobee customers needed to take to participate in the EEA1 event – making it easier for the utility and CAISO to increase the volume of load shifting to help further stabilize the grid during an emergency, helping to prevent a potentially costly and life-threatening blackout.





Thanks to the growth of energy storage, renewables, and connected smart devices, homes are no longer the simple consumers of energy they were in the past. More and more homes are becoming energy producers, and a more intelligent, dynamic grid will be necessary as we continue to fight climate change.

**NORM TAFFE**

*President – Energy Technology at Generac*





# EMISSIONS MANAGEMENT

Generac is working to develop a clear strategy to implement measures aimed at reducing energy use and emissions related to its global operations. To start, we have engaged a third-party consultant to evaluate our global emissions and energy use. Based on the results of the assessment, we will create a strategy for continuous improvement.

In 2022, we also established a formal enterprise-wide process to collect activity data and calculate emissions from our global operations. Our published emissions use the Greenhouse Gas (GHG) Protocol Corporate Standard for Scope 1 & 2 emissions, with operational control boundary.

## Greenhouse Gases

In line with climate resiliency reporting and our commitment to environmental stewardship, Generac established a formal GHG Emissions Inventory in 2022 to calculate emissions from our facilities.

As a manufacturer of generators and related equipment, we have identified that testing of generators as part of the Quality Assurance and Quality Control (QA/QC) process is one of our primary sources of greenhouse gas emissions. We recognize that reducing emissions from our operations is an important step to reducing our environmental impact. To address this, Generac is investigating new, energy-efficient technologies and processes to help us develop more sustainable testing methods and reduce our environmental impact.

## Other Air Emissions

Where applicable, other regulated air emission evaluations of our manufacturing operations are conducted in accordance with local regulatory requirements.

SCOPE 1 & 2 GHG EMISSIONS	
<b>Scope 1 Emissions</b> <i>Metric tons (Mt) CO<sub>2</sub>e</i>	<b>35,719</b>
<b>Scope 2 Emissions - Location-Based</b> <i>Metric tons (Mt) CO<sub>2</sub>e</i>	<b>27,414</b>
<b>Total Scope 1 &amp; 2 Emissions</b> <i>Metric tons (Mt) CO<sub>2</sub>e</i>	<b>63,133</b>
<b>Total Scope 1 &amp; 2 GHG Intensity per Sales</b> <i>Metric Tonnes CO<sub>2</sub>e/\$ Million USD</i>	<b>13.83</b>
ENERGY CONSUMPTION	
<b>Total Energy Consumed</b> <i>GJ</i>	<b>754,525</b>
<b>Total Electricity Consumed</b> <i>GJ</i>	<b>201,976</b>
FUEL USE	
<b>Total Fuel Consumed</b> <i>GJ</i>	<b>552,549*</b>

\*Value updated from 1,989,173 GJ on May 18, 2023, to address a unit conversion error

# ENERGY MANAGEMENT

## Domestic Energy Initiatives

As part of Generac's energy management strategy, we strive to optimize energy consumption and promote energy efficiency across our global operations.

In 2022, we implemented location-level initiatives, such as LED lighting upgrades, energy optimization studies, and air compressor studies to reduce energy consumption, waste, and greenhouse gas emissions. Green Teams at our local facilities, comprised of cross-functional employee teams, identify opportunities for environmental advancements and develop actionable solutions. Leveraging our expertise in energy technology and controls, we are continually taking measures in enhancing energy management, reducing energy consumption, and promoting sustainability.

### Internal Energy Audit

Generac conducted an internal energy efficiency audit of select locations in 2022 to guide our prioritization of energy and emission reduction investments. The findings from this audit led to the development of several 2023 location-level initiatives, including the following:

- **Behavioral changes to create a culture of sustainability:** Incentivizing reusable food and beverage containers reduces waste and promotes sustainability among employees. This is an important step in creating a culture of sustainability within Generac.
- **Facility re-lighting projects to drive down electrical use:** By upgrading lighting systems to more energy-efficient solutions, we significantly reduce electrical use and achieve cost savings.
- **Air compressor study and repairs:** Air compressor leaks are a significant source of energy waste, as they cause compressors to run longer and use more energy than necessary. Detection of these leaks provide another opportunity to reduce energy consumption and achieve cost savings.

These efforts demonstrate Generac's commitment to being a leader in optimizing energy efficiency and consumption.

### Energy Savings in Wisconsin

#### PROJECT

Generac's 240,000-square-foot manufacturing facility located in Oshkosh, Wisconsin worked with a local third-party contractor to conduct an air compressor leak study. An estimated leak rate of 54 cubic feet per minute was identified. Detection of the leak presents an opportunity for our Oshkosh facility to save 78,324 kWh annually.

#### PROJECT

Generac's customer support team is located in our 100,000-square-foot Pewaukee, Wisconsin office, where the local Facilities team replaced light bulbs with higher energy efficiency bulbs to save on energy costs and usage.

Our Pewaukee office will now save 40,820 kWh per year on lighting, which is equivalent to powering 3.6 homes for one year.

# ENERGY MANAGEMENT

## International Facility Initiatives

In line with our enterprise-wide energy management strategy, in 2022, Generac's global facilities worked to reduce waste, conserve resources, lessen environmental impact, and achieve cost savings.



In Spain, Generac's efforts to reduce environmental impact and improve sustainability included the following:

- **Sheet metal waste reduction:** We reduced the amount of materials going to landfill, while also saving on raw material costs.
- **Water consumption reduction:** We reused reject water from our paint tunnel operations, saving energy on treatment and pumping.
- **Welding gas consumption reduction:** We established gas control devices at each welding station to reduce the consumption of welding gas, conserve resources, and reduce cost.
- **Transition to energy efficient lighting:** We switched to lower consumption luminaries to reduce energy consumption and costs. In 2022, Pramac upgraded 213 spotlights to efficient LED bulbs.



Motortech worked diligently on several initiatives to improve energy efficiency and sustainability, including:

- **Transition to heat pump heating:** We reduced reliance on natural gas and greenhouse gas emissions by switching from gas to heat pump heating.
- **Waste heat integration:** We improved energy efficiency and conserved resources by integrating waste heat into our heating system.
- **LED lighting conversion:** We completed conversion of LED lighting to reduce energy consumption and achieve cost savings.



# ENVIRONMENTAL IMPACT

## Commitment to Environmental Protection

One of Generac’s Corporate Values is a commitment to being a leader in environmental stewardship through sustainable operations and cleaner, more efficient power solutions. We are committed to compliance with environmental regulations and continuous improvement of our sustainability initiatives. We are leading the evolution to more resilient, efficient, and sustainable energy solutions, and have a broad suite of products that support this energy transition, with more on the way. We have adopted a Drive to Zero strategy across our operations globally, which seeks to enhance reductions in energy, water, waste, and emissions to protect our planet and improve the quality of life for our employees, their families, and our communities.

## Biodiversity & Ecosystems

Generac is committed to being a leader in environmental stewardship through more efficient power solutions and sustainable operations. Our path toward sustainability is guided in part by the United Nations Sustainable Development Goals. These goals focus on preserving biodiversity and ecosystems for future generations and creating value for underserved populations. We believe that Generac is part of the solution to preserve the ecosystems in which we operate. That is why we are committed to supporting the integration of measures that promote sustainable practices throughout our business.

As a company, Generac strives for continuous improvement that will be reflected in superior quality, safety, and efficiency in our manufacturing methods, including various means of reducing environmental impact. We continue to develop and offer products that improve energy resilience and optimize energy efficiency, and take measures to reduce negative environmental impacts of our business operations.

Generac is committed not only to taking measures to reduce our environmental impact, but also to helping our customers do the same. Regarding our products, Generac is renowned for innovation and exercises continuous improvement in product development. Our residential systems help protect homes, families, and quality of life. Our commercial and industrial systems help businesses safeguard their employees, customers, and inventory. Through the use of our products, we are helping our customers reduce their energy use to achieve their own goals and priorities.

As a multi-national corporation, with suppliers and customers on six continents, our value chain has a significant impact on biodiversity. An updated Supplier Business Code of Conduct, introduced in 2023, ensures our values are communicated across our supply base. In conveying our efforts to reduce our environmental impact, we expect our community of stakeholders to increase their efforts to protect our planet.



### Growing Branches at HQ

Generac’s Facility and Maintenance teams in Waukesha, Wisconsin worked with a local nursery to plant trees around the campus perimeter of our headquarters. Not only will these trees beautify our headquarters, they will also help to absorb and diffuse nearby industrial noise and sequester carbon dioxide from the atmosphere.

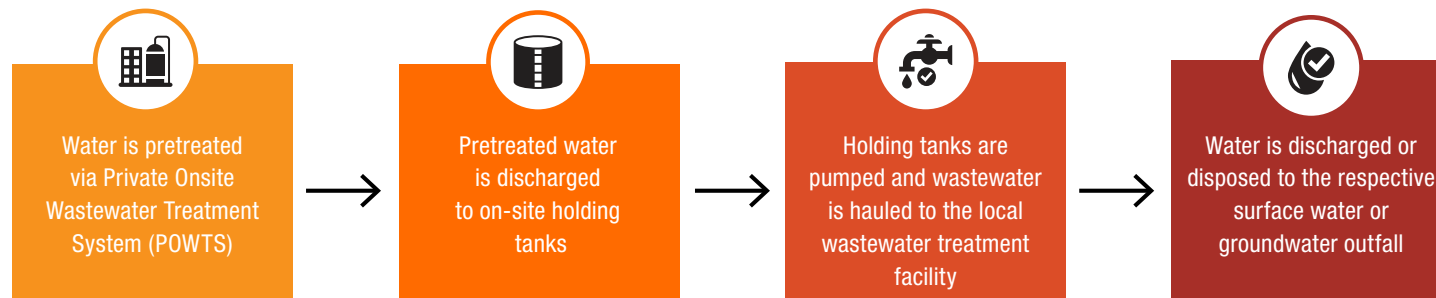


# WATER MANAGEMENT

## Wastewater Treatment in the United States & Canada

Generac's Environmental and Sustainability Policy includes a commitment to support measures that reduce water consumption and waste. With the exception of Generac's Waukesha headquarters that uses well water, most of our manufacturing facilities draw water from local utilities. Water is consumed primarily through the use of sanitary requirements in the office and on the plant floor. Other uses of water include component washing in our manufacturing, as described below.

### Water Use in Manufacturing



### Rainwater Recycling at ecobee

Most of the water used at ecobee's Toronto, Ontario headquarters is attributed to fulfilling sanitary requirements. In an effort to reduce water waste, the facility has implemented a system to collect rainwater for usage in toilets. This water is sourced from the rooftop of the building and flows directly into our washroom facilities. By implementing this water conservation method, we are reducing our reliance on traditional water sources and are actively working toward integrating more sustainable practices into our daily operations.



### Water Management in Europe

Water is an important commodity for communities, especially near our Balsicas, Spain facility where irrigation of neighboring farmland is essential to the local economy. Our Balsicas facility aims to reduce its water consumption by reusing reject water from its paint tunnel operations, saving energy on treatment and pumping.

# CRITICAL MATERIALS

As the global economy drives towards electrification, Generac will contend with the global allocation of materials critical to the energy transition. Critical materials are defined as materials vulnerable to supply chain disruption and serving an essential function in the manufacturing of a product, whose absence would have significant consequences. We continue to prioritize a stable supply chain through diversifying our supply base, where feasible, to mitigate geopolitical risks, promote resource recovery, recycling, conservation, and qualify viable alternatives throughout our supply base.



*Generac is committed to following regulatory guidance and requirements related to materials handling and waste management in all our production processes and facilities worldwide, including our Whitewater, Wisconsin facility, where we manufacture home standby generators*

# MATERIALS & WASTE MANAGEMENT

Efficient waste management is a critical part of our manufacturing operations. We monitor and record waste streams in our facilities on a regular basis. Third parties entrusted with managing facility waste must comply with our company standards and local, state, and federal regulations.

## Pramac – Balsicas, Spain & Pavia, Italy

- Our Balsicas, Spain facility is ISO 14001 certified
- Waste streams are isolated and then waste is either recycled, treated, and/or disposed of by authorized waste haulers
- Total shrink wrap consumption was reduced by 80% from 2021 to 2022.
- “Zero waste assembly islands” were improved, unifying the collection of waste and reducing internal waste management transport
- We improved oil sorbing sand use across our operations by increased controls, actions and reporting
- Waste-related ambitions include:
  - Improving waste system across the assembly line areas
  - Improving waste systems in our new storehouse
  - Reducing sheet metal waste
  - Reducing single-use packaging

## Deep Sea Electronics – UK

- Our team printed circuit board support frames which diverted circuit boards from landfills and allowed for sale of metal extraction

## Motortech – Europe

- We reduced non-recyclable waste in production and optimized product development in Germany and Poland
- We educated consumers about the [proper disposal](#) of electrical and electronic waste products

## Generac – North America

- We encouraged environmentally conscious behavior and use of resources among our facility employees
- We continued to work actively to automate waste stream monitoring and reporting
- Our efforts to divert and recycle foam resulted in a 17,000-pound reduction in foam sent to landfills

## The Benefits of De-Trashing

We've established dedicated waste collection areas at our facilities, making it easier to manage, sort, and transport waste. These areas take the guesswork out of waste disposal, allowing employees to quickly and efficiently disassemble incoming packed product, helping to reduce internal waste transport and ensure waste is disposed of correctly.

The following provides some examples of initiatives taken at some of our domestic facilities

### SCRAP METALS

- Various scrap metals generated throughout our facilities, including steel, copper, and aluminum, are appropriately recycled, melted down, or resold by the scrapper

### WOOD PALLETS

- Wood pallets used to ship components to facilities are repurposed or, if unsalvageable, hauled offsite for conditioning and reuse
- End-of-life pallets may be chipped and reused as mulch

### WASTEWATER TREATMENT

- At our Wisconsin facilities, a Private, Onsite Wastewater Treatment System (POWTS) pretreats wastewater and discharges it to the municipality for final treatment

### CARDBOARD

- Used cardboard is gathered during the de-trashing process
- Cardboard is compacted onsite and hauled to appropriate recycling facilities

### CABLE DRUMS

- Municipal solid waste (MSW) is collected and disposed of in a landfill

### OTHER WASTE DISPOSAL

- Municipal solid waste is collected and disposed of in a landfill
- Plastics unsuitable for recycling are disposed of in a landfill

# GIVING BATTERIES A SECOND LIFE

## Case Study: Pramac & Jaguar Land Rover Partnership

In 2022, Pramac partnered with Jaguar Land Rover to develop the Off Grid Battery Energy Storage System (ESS), a portable zero-emission energy storage unit powered by second-life Jaguar I-PACE batteries. The battery used for the Off Grid Battery ESS originally helped Jaguar TCS Racing prepare for the 2022 ABB FIA Formula E World Championship.

The Off Grid ESS is charged from solar panels with the battery linked to a bi-directional converter and control management systems, supplying zero-emission power where access to the electric grid is limited or unavailable.

Second-life battery supply for stationary applications, like renewable energy storage, could exceed 200 gigawatt-hours per year by 2030. Pramac and Jaguar Land Rover are leading the way.



This announcement is a great example of how we will collaborate with industry leaders to deliver our sustainable future and achieve a truly circular economy. We're delighted to be working with Pramac to use Jaguar I-PACE second-life batteries to provide portable zero-emissions power.

**ANDREW WHITWORTH**

*Battery Manager, Circular Economy Team at Jaguar Land Rover*

# DESIGNED EFFICIENCIES

## Continuously Improving Generators Through Our Product Development Process

We continue to rethink the ways that we can integrate sustainable features into our current product portfolio and advance new ideas for next-generation products. The following are just a few examples:

- Quiet-Test™ self-test on Guardian series Home Standby generators allows the units to operate at lower speeds during testing, reducing noise and fuel consumption
- Compact design of our industrial generators optimizes fuel efficiency during transportation and logistics
- Modular Power System paralleling for industrial gensets reduces expense and space required and offers redundancy for the entire system
- Design for Manufacturing (DfM) initiatives, initiated in 2022 on new product development projects, drives improvements in assembly efficiency through fastener count reductions and optimized assembly operations
- Design for serviceability requirements extends maintenance intervals and reduces repair times



*Whether it's adding efficiency features into our generator products, using more environmentally friendly packaging or managing electronic waste, Generac is committed to improving efficiency and sustainability*

## ecobee is Committed to Sustainability

### TACKLING ELECTRONIC WASTE

- **Long-lasting products:** Planned obsolescence and frequent upgrade cycles contribute to electronic devices ending up in landfills. To address this, ecobee works to design devices that last. The average lifespan of an ecobee thermostat is 4x longer than a smartphone. ecobee also helps smart homeowners to do more and buy less by designing home monitoring hubs with integrated solutions
- **Certified refurbished thermostats:** ecobee's customers can reduce e-waste with refurbished thermostats that balance value and quality, backed by a 3-year warranty
- **Recycling programs:** ecobee funds thermostat recycling and e-waste programs

### REDUCING PACKAGING WASTE

- In 2022, ecobee launched two new thermostats with more sustainable packaging, including tapioca starch trays which use significantly less water and energy to produce
- Each package size was reduced by 30%, allowing more product to fit into each shipment, lowering the carbon footprint of shipping the thermostats
- ecobee is working on an experiment to decompose ecobee packaging using a vermiculture composting method

# GOING BEYOND RECYCLING

## Case Study: Giving Office E-Waste a Second Life

When she saw a stack of aging, outdated laptops sitting in ecobee's Toronto office, Nalini Ally, Facilities Manager, also saw an opportunity for those who need it most. She had recently visited her home country of Guyana, and saw firsthand what access to education, technology, and support could do for impoverished children.

Inspired, Nalini led the charge to build an extensive network of collaboration to donate the devices for reuse. She worked diligently with leadership and IT departments at ecobee and Generac, as well as with administrators at the Guyanese school, Ministry of Education, and other government officials, to personally deliver the technology to the school.

In total, ecobee gathered six 300-pound crates of laptops and peripherals, while parent company Generac contributed an additional two crates of desktop phones and computers to be donated to the Guyanese Ministry.

Nalini looks forward to future opportunities to give back to her communities near and far, empowering underprivileged youth in Guyana with tools to access knowledge that will power possibilities for their future.



**We need to take accountability for our outdated devices. It may be old tech for us, but for the kids, it can be a way to educate themselves to a better future.**

**NALINI ALLY**

*Facilities Manager at ecobee*



**GENERAC**

# SOCIAL

SUPPLY CHAIN

OUR PEOPLE

DIVERSITY, EQUITY & INCLUSION

COMMUNITY INVOLVEMENT

HUMAN RIGHTS

# SUPPLY CHAIN

Generac is dedicated to sourcing materials in a responsible and ethical manner. ecobee has been a member of the Responsible Business Alliance since 2021, the world's largest industry coalition dedicated to corporate social responsibility in global supply chains. In 2022, we laid the foundation to cover all of Generac through this membership, enabling all of our business groups to leverage this resource.

## Use of Responsible Materials

We strive to source conflict-free materials and expect our suppliers to operate in an ethically, socially, and environmentally responsible manner. All Generac suppliers are expected to adhere to our publicly available Conflict Minerals Policy, and our annual SEC disclosure is available on our website. Our due diligence framework was designed to be consistent with the Organization for Economic Cooperation and Development Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, and utilizes the Responsible Minerals Initiative's (RMI) process and template for Conflict Minerals.

As part of our standard supplier agreement, Generac expects suppliers to agree to the following terms with respect to conflict minerals:

- Acknowledge that Generac is required to meet the requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act
- Agree to provide Generac with Conflict Minerals content and country of origin information on products supplied to Generac

In 2023, suppliers will be invited to report on cobalt and mica through the RMI's Extended Minerals Reporting Template, as cobalt is a critical component in lithium-ion batteries, and fundamental to our electrification strategy. In instances where a supplier fails to demonstrate commitment to our policies, or fails to implement corrective actions to improve performance, we may temporarily cease work with the supplier.



*Materials at our Whitewater, Wisconsin facility*



# SUPPLY CHAIN

## Material Procurement

With over 15,000 global suppliers, we have a strong supplier qualification strategy that maximizes value for our customers, provides the best possible quality at a competitive price, and ensures compliance with applicable social and environmental regulations and standards. Current factors considered as part of the supplier qualification process may include:

- Presence of ISO 9001 certification
- Presence of ISO 14001 certification
- Environmental policies based on ISO 14001; an EMS and/or EMAS
- Human rights policies based on UN Declaration of Human Rights, UN Guiding Principles on Business and Human Rights, and/or Social Accountability International
- Published global product compliance data
- Conflict and Extended Minerals Reporting
- Responsible Business Alliance Membership or similar

## Social Accountability

As part of our supplier qualification process and as evidenced by our Supplier Business Code of Conduct, Generac has identified important areas of social accountability we expect from suppliers. Such areas include sustainable labor practices, and ethical and safe working conditions. Suppliers are expected to comply with all applicable laws requiring fair treatment of employees.

We strongly believe in the importance of supporting the communities in which we operate. We encourage suppliers to partner with local communities to improve the education, cultural, economic, and social well-being of the communities in which they operate.

## Supplier Diversity

We recognize the value and importance of building mutually beneficial relationships with diverse suppliers. Generac strives to support small, minority-owned, women-owned, disadvantaged/disabled, and veteran-owned businesses in our supply base, subject to comparable delivery, cost and quality. We began tracking diverse supplier participation in new product quotations in 2022 and are working on incremental improvement.





# OUR PEOPLE PROMISE

Our People Promise was introduced in June of 2022. Rooted in the four pillars of Inspire, Impact, Influence, and Innovate, the promise outlines our commitment to providing our employees with a meaningful work experience and reflects what it means to be part of the Generac family.

## WE PROVIDE YOU THE OPPORTUNITY TO...

## WE ASK YOU TO...

### Have Purpose and Impact.

Learn on the job, advance your career and be proud of your work.

**INSPIRE** change for a better world

### Be Your Best. Develop Personally and Professionally.

Be a supportive team member by helping others and continuously learning every day.

### Support. Assist. Thrive.

Be heard and valued while contributing your time and skills to help others in need.

**IMPACT** our people and community

### Build Customer Trust. Care for the Community.

Be part of the Generac family and respect the trust of our customers and community.

### Inspire. Collaborate. Succeed.

Make meaningful connections, receive recognition for results and gain growth opportunities.

**INFLUENCE** and achieve positive results

### Embrace Differences. Take Accountability. Share Successes.

Drive to win while respecting others.

### Grow. Innovate. Evolve.

Work with hardworking, dedicated teams and be part of the solution.

**INNOVATE** the industry and push boundaries

### Engage. Speak Up. Listen.

Share your ideas, challenge yourself and bring your best energy to work each day.

# HEALTH & SAFETY

Generac promotes healthy and safe work practices and a workplace free from recognized hazards. Generac empowers all employees to prevent accident and injury, correct unsafe conditions, and promptly report any hazard that may develop.

In turn, we have developed an Environment Health and Safety (EHS) Management system that analyzes risk and prioritizes risk reduction to provide a common process for achieving the Health, Safety, Security, Environmental and Sustainability Drive to Zero. This covers Leadership Commitment, Incident Investigation, Risk Management, and many other topics.

## Leadership

Generac leaders actively review and maintain best practice safety standards across our facilities. This includes reviewing the current state of safety performance, goals, and projects to achieve key industry benchmarks. Site safety leadership teams include operations, EHS, value stream, quality, human resources, maintenance and engineering.

## Safety & Awareness Training

Strives to ensure employees are knowledgeable, and can make informed decisions regarding safe, secure, and environmentally sound practices.

All Generac employees complete annual safety training through various sources. Awareness training is provided at the start of employment during New Hire Orientation. Additionally, opportunities for further training are provided to employees throughout the year. This helps ensure employees are aware of current health and safety policies, reduces risk, and keeps employees safe.

## Awareness Training

Generac completes safety awareness training through several channels, including:

- Townhall meetings
- Weekly talks provided by supervisors and team leaders
- Classroom-style training
- Online and self-guided digital courses in the Generac Learning Center



Employees at the Jefferson, Wisconsin facility

# OUR PEOPLE

## Recruiting & Retaining Top Talent

Today’s job market is competitive. As a destination employer, Generac invests resources to help ensure that we are recruiting and retaining top talent. We’ve armed our Talent Acquisition team with the tools and knowledge they need to attract the best. We offer competitive compensation and benefit packages, follow DE&I best practices, and deliver a world-class employee experience.

### Attractive, Fair Compensation & Benefits

Working with external compensation and benefits consultants, we consistently review and analyze our Healthy and Thriving Total Rewards offerings, compared to industry benchmarks. Our programs are designed and evaluated through the lens of our four pillars of wellness – physical, emotional, financial, and social – and help ensure we are competitive. Our benefits feature cost-effective health insurance, including plan choice, health and wellness incentives, and disease management programs.

Our Healthy Living Program gives employees the opportunity to further lower the cost of insurance by voluntarily participating in a variety of personal wellness activities, including annual physical and dental exams, disease management, and screening for certain cancers. This year, 39% of our eligible population in the United States participated in the program and received health insurance credits.

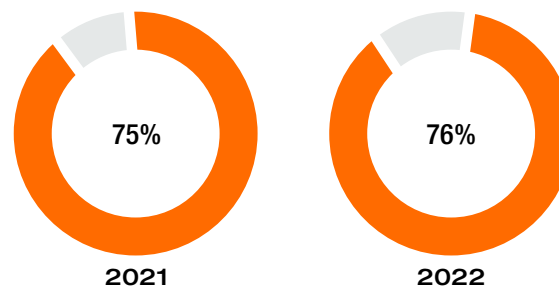
### Employee Engagement Survey

To retain top talent, we recognize that we need to listen to employees and make positive, meaningful changes in the organization. In 2022, we completed our most ambitious employee engagement survey yet, which asked 46 questions of every employee.

In 2022, we also held numerous feedback sessions and took other actions to gain insights and help support engagement efforts, including:

- Hosted engagement sessions to further amplify employee voices
- Conducted root cause analysis exercises with 120 top leaders to ensure meaningful improvement planning
- Offered a robust digital resource library to support leader efforts
- Identified and leveraged engagement leaders across the organization to inspire action and champion positive change

### High Year-Over-Year Engagement Survey Response Rates



### Finding Our People

Below are examples of how we recruit and retain talent at Generac:

#### TALENT ACQUISITION TRAINING

- Providing our talent acquisition team with the latest skills and training, including training to safeguard against inherent bias in the hiring process
- Ensuring our team is certified in Advanced Internet Recruitment Strategies (AIRS) and Diversity and Inclusion recruitment

#### ROBUST JOB POSTINGS

- Effectively leveraging best-in-class online recruiting platforms to source top candidates
- Encouraging referrals from Generac employees, higher education institutions, and professional recruiters
- Implementing software tools to ensure that postings feature inclusive language

#### EDUCATION-DRIVEN HIRING

- Enhancing internship experiences and campus recruiting
- Improving intern-to-full-time hire conversion from 20 percent to 35 percent
- Emphasizing diversity in various internal events and activities

# OUR PEOPLE

## Developing & Growing at Generac

Our employees are key to our organizational strategy, ongoing growth, and overall success. We are committed to developing our talent and providing opportunities to learn, grow, and build a career at Generac. The following are examples:

### Build Your Career at Generac

- In 2022, we launched the Building Your Great Career at Generac guide to help employees understand Generac's 70-20-10 development philosophy and the many formal (10%), experiential (20%), and on-the-job (70%) learning opportunities available. This resource provides a valuable roadmap for the ongoing development of Generac's talent.
- Generac's comprehensive catalog of product knowledge, business effectiveness, and professional and leadership skills development courses are offered to professional employees worldwide.

### Foundational & Skill-Building Courses

- Foundational courses help new employees transition into their role and provide a better understanding of Generac's values and culture.
- Generac offers employees a variety of skill-building learning opportunities, including diversity, equity, and inclusion, change management, financial acumen, project management, and more.

### Generac Lean Academy & Continuous Improvement (CI)

- Generac, in partnership with Waukesha County Technical College, offered the Generac Lean Academy Bronze and Silver programs where participants spent weeks learning Lean methodologies while working on a team continuous improvement project.
- Generac also provided additional Lean leadership training, with leaders investing more than 4,000 hours in 2022 developing their Lean management skills.
- Generac offers a curriculum of Continuous Improvement and Lean online courses including Introduction to Continuous Improvement and ten modules on Lean Methods. In 2022, more than 2,400 professional employees completed our online Introduction to CI course and overall, employees spend more than 6,900 hours in CI training.

### Project Management Training

- In 2022, Generac partnered with the University of Wisconsin-Milwaukee to offer sessions of three different multi-week Project Management training programs to employees, globally.

### Leadership Development

- In 2022, Generac partnered with an external leadership and HR consulting firm to develop and launch its first Leadership Development Program. The program was designed to develop and reinforce essential behaviors of agile leaders, like systems thinking and change resiliency and is comprised of in-person interactive workshops, group coaching sessions, and application activities to reinforce the learning.
- In 2022, we also continued to partner with the Center for Creative Leadership to offer select leaders specialized learning opportunities, such as "Leading for Organizational Impact" and "Leadership at its Peak."
- We continued the development of our frontline leaders in 2022 by launching a refreshed version of our program "Every Day Coaching for Supervisors." We also introduced a new learning program for team leads called "Leading Through Communication" to help ensure their successful transition to a supervisory role.

In 2022, Generac professional **employees completed over 38,000 modules** of coursework across 144 diverse learning topics.

# DIVERSITY, EQUITY & INCLUSION

Generac is an equal opportunity employer and demonstrates this commitment in its employment practices, including recruitment and hiring, compensation, benefits, promotions, transfers, training, counseling, and employment terminations. Generac does not discriminate in employment opportunities or practices based on race, color, religion, age, gender identity, national origin, disability, ancestry, sexual orientation, marital status,

veteran status, arrest or conviction record, or any other basis prohibited by state or federal law.

At Generac, Diversity, Equity and Inclusion (DE&I) is foundational to our success. The DE&I purpose statement is directly connected to our corporate strategic priorities. Our DE&I program aims to foster a culture of diversity and engagement to strengthen our company while

supporting achievement, equity, inclusivity, and good corporate citizenship globally. DE&I is intricately threaded throughout how we operate. Our efforts are focused on the following pillars:

- Workforce - Talent & Development
- Workplace - Business Input
- External - Community Engagement



*At Generac our people aid in building partnerships and supporting thriving diverse communities*

# DIVERSITY, EQUITY & INCLUSION ENGAGEMENT

## Workforce - Talent & Development

### Launch of African American BERG

By establishing a network of support and empowerment, this Business Employee Resource Group (BERG) brings employees together to broaden awareness about specific issues related to the Black community.

### Expanding Educational Opportunities

Generac strives to provide an inclusive environment where employees embrace diversity, celebrate differences, and treat others with equity and respect. Employee opportunities for cultural competence and growth are vast with offerings on topics such as Gender Diversity, Diverse Career Paths, and Adaptability in the Workplace.

### Lead the Movement

Generac's CIO discussed how tech leads change and disrupts the status quo at a conference where diversity and technology meet.



Generac's CIO spoke at the 2022 Lead the Movement Conference

## Workplace - Business Input

### Learning & Development

Generac is committed to expanding our understanding and appreciation of each other and facilitating equity, inclusivity, and respect. Diversity, Equity and Inclusion (DE&I) Foundations, an online course, introduces vital DE&I concepts and highlights actions Generac is taking to foster a culture of diversity and engagement, including strategies to mitigate bias, align with others, and promote inclusivity.

### Generac's Global Commitment to DE&I

Celebrating diversity not only boosts cultural awareness, but also creates spaces of inclusion and fosters belonging where people feel valued. Inclusive behavior and community engagements create better working environments for our employees and helps us achieve stronger business outcomes.



Mexico Pride Month celebrated the importance of diversity and inclusion

## External - Community Engagement

### Volunteering in the Community

Generac employees volunteer to make a positive impact in our communities while sharing learning experiences on topics spanning early career advice, the importance of internships, the opportunities for women and people of color in traditionally underrepresented fields, and opportunities in rewarding technical careers.

### Season of Giving

Members of the Generac family worldwide are encouraged to participate in opportunities to give back and impact local charities during the holiday season. The annual charitable campaign consists of employee volunteerism and collection drives to support those in need where we live and work.



Generac employees volunteered more than 2,000 hours in 2022

# DIVERSITY, EQUITY & INCLUSION

In 2022, Generac achieved all seven of our diversity, equity and inclusion commitments:

1. Provided educational content to employees and leaders to expand our mutual understanding and appreciation for each other.
2. Evaluated our talent practices to ensure that we are attracting and retaining diverse individuals through meaningful career development.
3. Established DE&I reporting practices to fully measure and understand where we are with workforce diversity and better understand the work we need to do.
4. Provided an inclusive candidate hiring and onboarding experience, including partnerships with targeted universities and professional organizations in the United States and Canada.
5. Built partnerships with job agencies representing clients with disabilities and workforce programs to provide job opportunities to those who face barriers to employment.
6. Listened to employees to build a workplace and culture based on integrity, respect, and a feeling of belonging.
7. Celebrated events and milestones that represent the racial and religious heritages of our employees and communities.

We will continue to prioritize DE&I work as part of the larger Environmental, Social and Governance (ESG) strategic priority in 2023.

## Attracting Diverse Candidates

We demonstrate our strong commitment to DE&I through employee training and community outreach. More than 99% of our leaders have already completed training to safeguard against unconscious bias. In 2022, we expanded our campus recruiting efforts with members of our African American Business Employee Resource Group participating in African-American-focused events at diverse institutions, such as Bay View High School, University of Wisconsin-Madison, Milwaukee School of Engineering, University of Wisconsin-Milwaukee, and Marquette University.

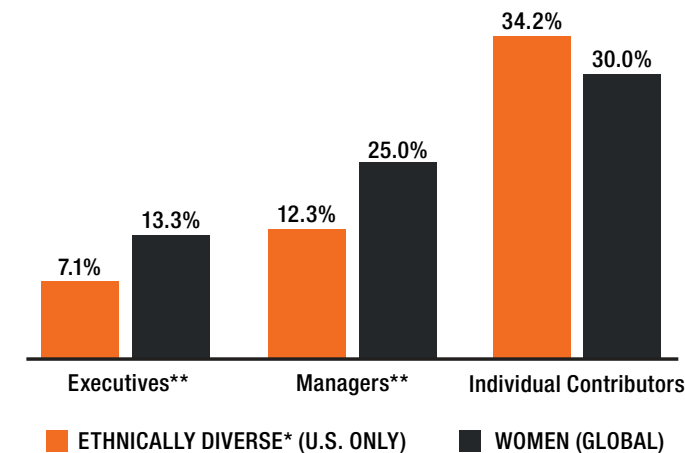
## Events

In 2022, Generac sponsored the Society of Woman Engineers National Conference, the Women in Manufacturing National Summit, and the Society of Hispanic Professional Engineers National Convention.

## DE&I Community Partnerships

We supported DE&I within our community by donating to College Possible, National Center for Women and Information Technology, MAYDM, Boys and Girls Clubs, GirlStart, and National Girls Collaborative. We also became members of the Wisconsin LGBT Chamber of Commerce, Wisconsin African American Chamber of Commerce, and Wisconsin Veterans Chamber of Commerce.

	2020	2021	2022
<b>ALL EMPLOYEE DIVERSITY</b>			
<b>Ethnically Diverse* (U.S. only)</b>	n/a	28.6%	28.2%
<b>Women (Global)</b>	26.8%	28.5%	28.1%



\*Includes Asian, Black or African American, Hispanic/Latino, Native Hawaiian or Other Pacific Islander and two or more races. Information not available for 2020.

\*\*Executives include direct reports to CEO only; Managers include VPs, directors, supervisors, and managers.



# DE&I SUPPORTING WORKFORCE DEVELOPMENT

## Business Employee Resource Groups (BERGs)

These employee-driven groups based in the United States focus on strategic initiatives such as talent and development (Workforce), business input (Workplace), and community engagement (External). The BERGs provide professional development opportunities for Generac employees and offer perspective on corporate initiatives and programs. This includes sharing ideas for business success and growth and broadening awareness of specific business-related topics. The BERGs also develop and maintain strong relationships between Generac and the communities where we live and work. BERG participation has nearly doubled year-over-year, and engagement continues to grow. We currently have three BERGs:



### African American BERG

Fostering a culture of diversity and creating an inclusive environment that positively impacts business outcomes by supporting and empowering African American employees.



### Military Employees and Families BERG

Providing mentorship and a common connection for Generac employees with a strong connection to the military to confidently progress in their careers while serving as outstanding contributors, leaders, and community members.



### Professional Women's Resources (PWR) BERG

Empowering Generac women to serve as outstanding contributors, leaders, and community members through mentorship and inclusive programs and events.



*Generac's Business Employee Resource Groups focus on strategic initiatives, business input and community engagement*



Indigenous artist Philip Cote III from Moose Deer Point First Nation created custom artwork inspired by the Seven Grandfather Teachings for ecobee's headquarters in Toronto, Ontario. Read the full story [here](#).





Generac is committed to being a responsible member of the communities where we live and work. We demonstrate our corporate citizenship through our engagement programs that include volunteering and giving in our local communities. Generac's community engagement efforts focus on four key areas — **Education, Responders, Sustainability, and Our Communities.**



### Education

We aim to engage and inspire underserved and under-represented youth through hands-on STEM programs and learning.



### Responders

We contribute to programs and organizations that support veterans, disaster response and preparedness, community volunteering, and first responders.



### Sustainability

We partner with charitable organizations to foster greater sustainability efforts, including education on innovations in renewable and resilient clean energy.

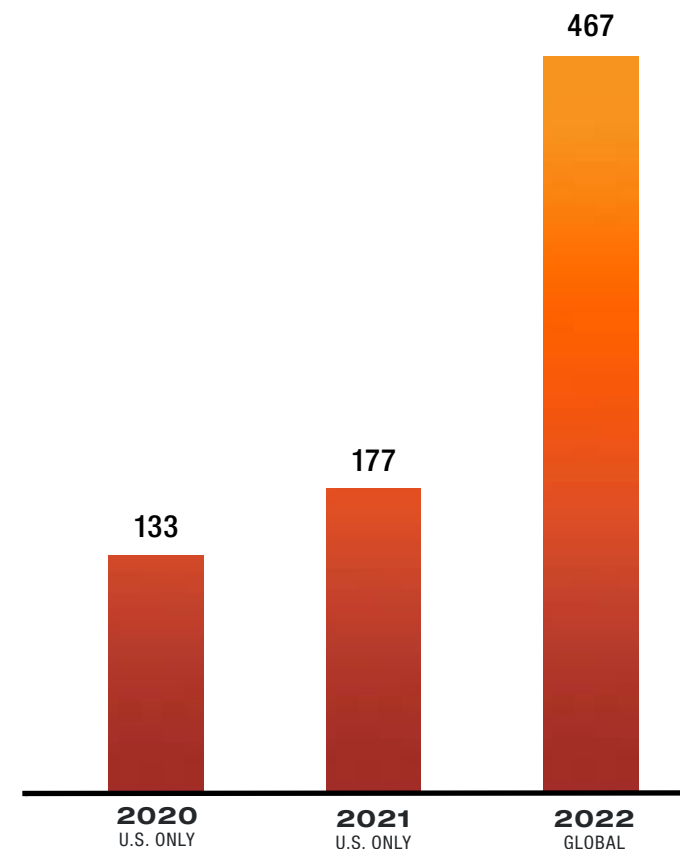


### Our Communities

We strive to be good neighbors by supporting local needs that enhance the quality of life in the communities where we live and work.

### Total Community Programs Supported

Generac more than doubled the number of community programs supported from 2021 to 2022.





## Education

Our investments in education are intended to power possibilities, drive inspiration, and create opportunities for youth to engage in science, technology, engineering, and math (STEM). Supporting learning and education is our top priority for Generac Gives. We partnered with dozens of organizations and schools to reach underserved and under-represented youth, in providing hands-on, engaging STEM programs.

### GPS Education Partners

More than 20 years ago, Generac founded what has become an independent non-profit organization, GPS Education Partners, that is inspiring the next generation through work-based learning. One of its learning centers is located inside our Eagle, Wisconsin facility. In 2022, Generac sponsored 17 youth apprenticeships at our Eagle education center. These students are with us for two years and will graduate with a high school diploma. In addition, 30 students from the area attended a hands-on workshop as part of a larger learning opportunity sponsored by Generac and other area businesses.

### Enhancing STEM in Schools

We helped bring STEM learning and tools directly to students in classrooms throughout 2022. Because of a grant we provided to the Foundation for Portland Public Schools, robotics and coding programs were expanded to elementary classes using Bee-Bots. In Berlin, and Oshkosh, Wisconsin we made it possible for the “STEM shuttle” (aka Dream Flight USA Foundation) to bring its hands-on programming to multiple classrooms. In addition, we funded Project Lead the Way (PLTW) curriculum and STEM materials to enrich learning at La Casa de Esperanza in Waukesha Wisconsin.

### Advancing STEM Beyond School

Generac supported STEM education outside of the formal classroom, too.

- **FIRST Robotics:** Engaging thousands of high school students across the globe, FIRST Robotics machine competitions give youth the opportunity for teamwork, problem-solving, communication and technical skill development. In 2022, we sponsored teams in communities near some of our facilities, including the Ferradermis team in Whitewater, Wisconsin, the Ridgebotics in Denver, Colorado, the M’Aiken Magic Robotics in Trenton, South Carolina, and the Puddle Jumpers in Vancouver, British Columbia.
- **After School and Summer STEM Camp:** This included after school programs at Boys and Girls Clubs across the U.S., the Sarah Holbrook Community Center in Vermont, and GirlStart in Boston. We also supported summer youth STEM camps with colleges and universities in Wisconsin and Maine.



*Generac partnered with Discovery World in Milwaukee, Wisconsin to sponsor their summer STEM camp*



## Responders

Generac provided grants to address needs for disaster response, veteran support, first responders, and community volunteers.

### American Red Cross - Sound the Alarm

The Red Cross responds to a disaster every eight minutes and the vast majority are home fires. In both Wisconsin and South Carolina, we supported the Sound the Alarm program which installs free, new smoke detectors in at-risk homes, and provides educational information about escape plans and safety preparedness.

In addition, we support the Red Cross by organizing employee blood drives. In 2022, we also hosted a charity auction featuring autographed guitars from headliners that performed on the Generac stage at the Summerfest music festival benefiting the Red Cross.

### They Served Week Helps Veterans

We sponsored They Served week in partnership with Habitat for Humanity of Wisconsin. The week puts a spotlight on the construction of Habitat homes for veterans and repair of homes owned by veterans across the state. The initiative also mobilizes volunteers to help, including our veterans who work at Generac. Our veterans made an impact on two projects by rebuilding ramps at a tiny home village in Racine, Wisconsin and repainting a home in Waukesha, Wisconsin.

### Honoring Veterans with our Community

In 2022, Generac employees joined members of our community in southeastern Wisconsin to honor those who serve our country. We became a leading sponsor of the Wisconsin Veterans Day parade and festival in downtown Milwaukee. We hosted Military Appreciation Day at Summerfest which provided free admission to soldiers and their families. We also partnered with the Milwaukee County War Memorial to showcase an exhibit sharing the history of military medals of valor, and the stories of Wisconsin soldiers who received them.

In South Carolina, we contributed to the USO of South Carolina to help provide needed supplies and services to active duty military members. We also supported the South Carolina National Guard Foundation to provide outreach and support services to participants and their families.

In addition, we supported several other organizations that provide services and support to veterans at various locations.



*Military Appreciation Day at Summerfest in Milwaukee, Wisconsin*



## Sustainability

Through our corporate philanthropy, we focus on energy education, inspiring innovation in clean energy and energy conservation initiatives.

### Inspiring Innovation Through Solar Energy Exploration

In 2022, we sponsored the Solar Decathlon hosted by the U.S. Department of Energy. It is a collegiate competition that inspires thousands of students worldwide to design and build high-performance, low-carbon buildings powered by renewables.

Tapping into the power of the sun for educational purposes was the focus of additional grants we provided in 2022. Examples included the Solar Education Project, which focuses on solar ovens as a learning tool for middle school students and Everybody Solar, helping non-profit organizations use solar energy to power their facilities. We also provided a grant to We Share Solar, enabling high school students to create two solar suitcases, one for their school and one that will be delivered to a school in an energy scarce region of the world.

### Outdoor Environmental Learning Center

We worked in partnership with the city of Whitewater, Wisconsin and Friends of the Arboretum at Starin Park to create the Generac Education Center, an outdoor shelter for school groups to participate in hands-on science activities and to explore the elements of nature.

### Energy Education Supports Long-Term Sustainability

Many young people are motivated to find ways to reduce energy consumption. In 2022, we made donations to support educational programs focused on reducing overall impact to the environment. We contributed to the Vermont Energy Education Program (VEEP) to help deliver training to teachers and hands-on classroom activities to provide a greater understanding of energy and choices that can have positive results on our shared environment. Our support of Kid Wind (aka Gale Force Foundation) provided training to educators to activate their classrooms. Our investment in the National Energy Education Development Project (NEED) provides free resources to teachers, enabling them to include smart grid, energy storage, and electrification into their curriculums.



*Generac provides grants to We Share Solar, a global STEM education and service-learning program*



## Community

Being a good neighbor and corporate citizen means helping the people and organizations where we operate, and where our employees live and work. Through the Community pillar of Generac Gives, we contribute to building strong, equitable communities.

### Community-Based Giving & Sponsorships

Through our employee-directed donation program, employees can nominate non-profit organizations to receive a cash grant or portable product donation. This includes sponsoring local events, such as the Peach Blossom Festival in Trenton, South Carolina and the holiday parade in Jefferson, Wisconsin.

### Generac Volunteers in Action

In 2022, Generac employees in the United States and Canada volunteered more than 2,044 hours. Our volunteer initiatives included "powering up" education through career talks, school-based programs, and STEM events. Additionally, groups of employees supported their communities by sorting food donations, participating in blood donation drives, assembling emergency preparedness kits, and much more.

### Volunteer Time Off Expands Opportunities

In spring of 2022, we introduced a new volunteer time off (VTO) policy in the United States to further encourage employees to give their time to help others. Each employee can designate up to four hours to support the cause of their choice during work hours.



Employee group volunteer project at Feeding America in Milwaukee, Wisconsin

# GENERAC GIVES GLOBALLY

Generac’s commitment to being a good neighbor extends worldwide. Our family of companies continues to stay focused on activities and partnerships that improve the quality of life globally, whether it’s investing in renewable energy, supporting education research, or promoting sustainability.



## Latin America

In 2022, Generac Latin America launched Generac Gives in Mexico, with a focus on education and community. Recognizing the need to invest in education and improve students’ learning experience, we sponsored scholarships and donations of school kits and books. We also supported initiatives to help benefit the community, including a tree planting campaign in Mexico City and LGBTQ+ allyship activities.



ecobee technology helps families and communities across North America conserve energy while creating a more sustainable world. To help families fighting energy poverty, ecobee partnered with community housing organizations, cities, non-governmental organizations, and utility providers to donate hundreds and subsidize thousands of thermostats. Since 2018, ecobee’s Income Qualified (IQ) program has distributed more than 30,000 smart thermostats.



At Pramac, community giving supports education and sustainability. In 2022, Pramac partnered with educational institutions and sponsored two PhD programs, supporting the advancement of renewable energy, sustainable electricity generation, and energy efficiency management. Additionally, Pramac donated to local European organizations advancing STEM skills in school-aged students.



Motortech embraces local European communities with donations, including an oncological center and fire brigade in Germany and a local sports club and emergency services in Poland. Monetary support and more than 1,200 kg of food was donated to Ukraine this year.







*These students at School Benito Juárez, Hidalgo State, are all smiles as they receive their book and school kits thanks to a joint effort between Generac Latin America and Lazos Civil Association*

# COMMUNITY ENGAGEMENT

## Case Study: Donate Your Data Initiative

ecobee's one-of-a-kind [Donate Your Data](#) program allows ecobee users to share their anonymized thermostat data with scientists building the clean energy grid and homes of tomorrow. More than 200,000 ecobee Smart Owners have participated in the program, creating a unique window into energy use in the home, and making it one of the world's largest home energy efficiency datasets.

By sharing the anonymized data from customers who have opted in, ecobee is helping researchers around the globe in their studies aimed at creating a more sustainable and healthier future for communities. For example, [researchers for the state of Indiana](#) used the data to demonstrate that

connected thermostats could save ratepayers between \$448 million and \$2.3 billion over 10 years and reduce the need to construct a new power plant costing hundreds of millions of dollars. More recently, the data helped the [Lawrence Berkeley National Laboratory](#) develop recommendations to protect at-risk communities during power outages, and even informed policies to protect ourselves from [extreme indoor heat](#) during heatwaves in British Columbia.

Dr. Howard Chong at Cornell University devised a "[leaky house test](#)," which is a simple, straightforward model that produces a score for your home, indicating how effective

it is at retaining heat. The resulting "leakiness" score is an indicator of how the home retains heating and cooling. The ecobee Smart Thermostats are programmed to both "home" and "away" settings and track the fluctuation of temperatures in the home. The resulting data can be interpreted, lending insight into various regions and neighborhoods. This data can be measured against building codes, age of homes, and has provided significant contributions highlighting the risk of inadequate air filtration in the home.



# COMMUNITY PROJECTS

## Case Study: Navajo Nation Community Gains Energy Independence Through Solar + Storage from Generac and Sunnova

Generac's [PWRcell energy storage system](#) supports energy efficiency and storage of clean energy. It also helps provide energy resiliency - an important benefit for any community.

In 2022, Generac and Sunnova teamed up to give the Navajo Nation Hard Rock Chapter House the gift of energy independence through the installation of a PWRcell system. Thanks to the donation and initiative, 14,000 families in the Navajo Nation have dependable access to the services provided by the Chapter House.

The Navajo Nation Hard Rock Chapter House is like a town council where community members can gather for key meetings and have access to services, such as distribution of hay, free trash disposal, printing, notarizing, blading

unpaved roads, and more. Instead of having to drive long distances beyond their remote communities to complete daily tasks, residents can stay local, save time, and even save money on gas.

"The addition of a Generac PWRcell energy storage system to the solar installation means that the lights will stay on and the water will continue to run, even when the grid goes down," said Mike Rather, VP of Sales, Clean Energy, Generac Power Systems. "Batteries allow for self-sufficiency in a way that solar alone doesn't."

Recognizing the valuable community benefits of this project, Solar Builder Magazine named this project the [Residential Project of the Year](#).



**With this new project, we can finally shift to renewables and show our entire community the benefits and resilience of nature by harnessing clean energy from the sun to power our daily activities at the Chapter House, while combating climate change.**

**JAY BEGAY**

*Hard Rock Chapter House President, Navajo Nation*



# HUMAN RIGHTS

## Policies & Procedures

Generac's [Human Rights policy](#) recognizes the dignity of all human beings and embraces the inalienable right of all people to live their lives free from all forms of discrimination or abuse. We seek to prevent or mitigate adverse human rights impacts that are linked to our operations, products, or services. Independent contractors, consultants, agents, and sales representatives who represent Generac are expected to apply the same high standards while working on behalf of the Company.

We are committed to promoting and upholding a workplace that is respectful of personal differences and free of discrimination and harassment. Accordingly, we expect our employees and those we do business with, including contractors, business partners, and suppliers, to abide by the values and expectations outlined in our Human Rights policy.

Generac recognizes the importance of human rights philosophies expressed in global frameworks, such as the United Nation's Universal Declaration of Human Rights and the Organization for Economic Co-operation and Development guidelines for multinational enterprises (OECD), aimed at promoting and protecting the fundamental human rights of all people. In addition, all Generac employees, agents, officers and directors must conduct any actions on behalf of Generac in compliance with all applicable international and national rules and regulations.

The fundamental human rights of all individuals shall be respected and protected equally and without discrimination in all facets of Generac's businesses. The tenets of our values pertaining to human rights include:

- **Anti-Discrimination:** Everyone is entitled to the same human rights without discrimination based on race, religion, creed, national origin, ancestry, gender, age, sexual orientation, disability, citizenship, veteran status, or any other legally protected characteristic.
- **Equal Protection:** All individuals are entitled to the right to a remedy and equal protection under applicable law if their human rights are violated.
- **Prohibition on Forced Labor & Child Labor:** All individuals have the right to safe, fair, ethical, and humane working conditions, including no forced labor, compulsory labor, child labor, modern forms of slavery, bonded labor and any form of human trafficking.
- **Anti-Harassment:** Generac will not condone any type of harassment or abuse, whether corporal, mental or physical, of an employee by a director, officer or other employee or any partner, customer or supplier of the Company.

### Engagement & Due Diligence Practices

We believe that local issues are most appropriately addressed at the local level. Where appropriate, we will engage with a wide range of stakeholders on human rights issues related to our business. All individuals and entities subject to Generac's Human Rights policy are responsible for promptly alerting violations to a responsible supervisor, the Human Resources or Legal department, or notifying Generac through the Company's confidential corporate governance hotline, as explained in Generac's Whistleblower Policy.



# GOVERNANCE

CORPORATE GOVERNANCE

BUSINESS ETHICS & INTEGRITY

RISK MANAGEMENT

LEGAL & REGULATORY

# CORPORATE GOVERNANCE

## Board Composition & Leadership

Our Board of Directors maintains an independent majority and is currently made up of 11 Directors, all but one of whom are independent. Board leadership is comprised of both an independent Lead Director position, held by Bennett Morgan, and our CEO and Chairman, Aaron Jagdfeld. The Lead Director is responsible for overseeing our independent directors and conducting performance reviews of our Chairman and CEO. The Lead Director also serves as a liaison between the independent directors and our Chairman and CEO. Mr. Jagdfeld has served on our Board since 2006, and as Chairman since 2016. The Board periodically reviews this structure and has determined that it is currently in Generac's best interest, as it provides decisive and direct leadership, allows the Board to maintain effective oversight of management, and creates clearer accountability to stockholders, customers, and stakeholders.

### Committees

Several committees have been established to review, assess, and support the needs of the Board. The Nominating and Corporate Governance Committee holds primary responsibility regarding ESG matters, advising the full Board when appropriate. Additional ESG oversight comes from the Human Capital and Compensation Committee and Audit Committee when within their scope.

### Evaluations

Under the oversight of the Nominating and Corporate Governance Committee, both the Board and its committees conduct annual self-evaluations of their performance.



*President and CEO Aaron Jagdfeld at Generac's Annual Dealer Conference in Las Vegas, Nevada*

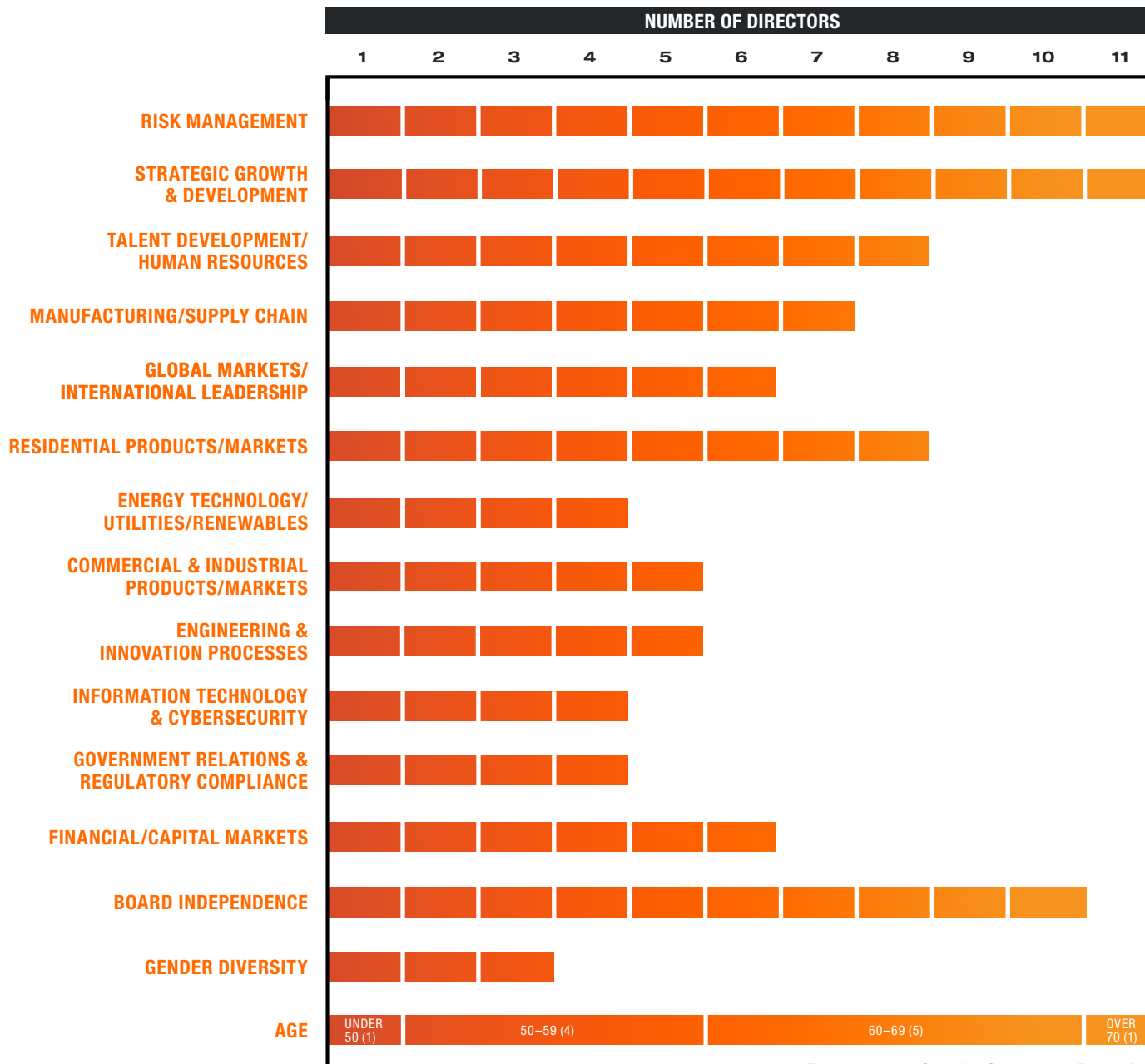


# CORPORATE GOVERNANCE

## Board Skills, Experience & Diversity

Our Board of Directors is committed to seeking out highly qualified and diverse candidates to serve as directors. When selecting new directors, the Board considers whether candidates possess the required skill sets and fulfill the qualification requirements of directors approved by the Board, including integrity, objectivity, sound judgment, leadership, courage, and diversity, in all aspects of that term, including differences of perspective, professional experience, education, skills, and other individual qualities, such as gender, race, and ethnicity, and the variety of attributes that contribute to the board's collective strength.

Generac has committed in its Corporate Governance Guidelines to ensure that in all future director searches, any search firm engaged by the Board will include qualified women, racially or ethnically diverse candidates, and/or other candidates from underrepresented groups in all prospective director candidate pools. At present, the Board currently has three female members and one ethnically diverse member.



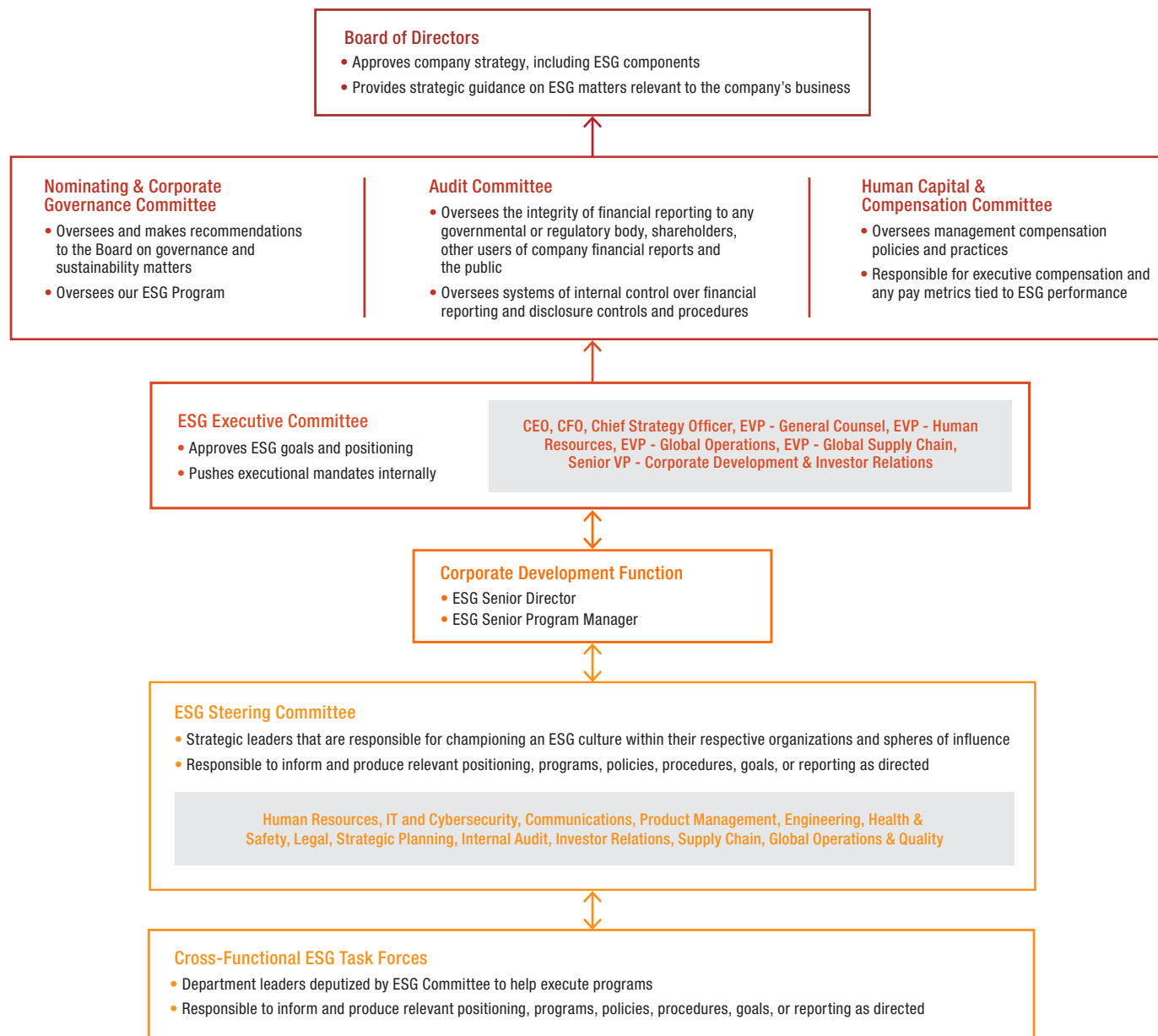
# CORPORATE GOVERNANCE

## Board ESG Oversight

Our Nominating and Corporate Governance Committee has primary responsibility for reviewing and assessing Generac’s initiatives, policies, and practices with respect to ESG matters, as well as advising the full Board on these matters when appropriate. Both the full Board and our Human Capital and Compensation Committee and Audit Committee provide further oversight of specific ESG matters falling within their scope of responsibility. For example, our Human Capital and Compensation Committee regularly reviews the Company’s progress on diversity, equity, and inclusion initiatives, and the Audit Committee receives regular updates on our cybersecurity efforts. The Board views ESG matters as critically important to the Company’s success and consistently receives updates from management on a wide range of ESG topics.

The Nominating and Corporate Governance Committee regularly reviews relevant continuing education topics, including sustainability and ESG-related topics.

Given the increasing importance of ESG to our shareholders and expanding regulatory requirements, the Board of Directors recently revised the Company’s Corporate Governance Guidelines to specifically define the Board’s role in overseeing ESG matters, including evaluating management’s efforts to align ESG initiatives and practices with the Company’s long-term strategy. The Board Committee charters were also recently amended to recognize the various Committees’ roles in ESG oversight.





# BUSINESS ETHICS & INTEGRITY

## Our Code of Ethics & Business Conduct

Our Code of Ethics and Business Conduct is one of our strongest tools for ensuring our employees and business partners are held to the highest standards of honesty and ethical conduct. As the foundation of our culture of compliance, Generac requires compliance with the Code, which sets forth expectations for ethical business conduct and requires the highest standards of honesty, integrity, diligence, and fairness from all employees, officers, and directors in all business activities. The Code provides guidance for all employees in carrying out their responsibilities, fostering an environment of mutual trust and respect, continuing to build on our reputation of integrity, and observing the highest standards of ethical conduct.

Contractors, consultants, agents, and others who do business with Generac are expected to apply the same high standards while working on Company business. This culture also extends to our suppliers, whom we expect to comply with our Supplier Business Code of Conduct.

We promote accountability and adherence to these Codes of Conduct by enforcing various policies that are critical to our commitment to ethics and good governance. Copies of many of our policies are available on our [Investor Relations](#) website.

- [Code of Ethics and Business Conduct](#)
- [Corporate Governance Guidelines and Principles](#)
- [Supplier Code of Conduct & Sustainable Procurement Policy](#)
- [Anti-Corruption Policy](#)
- [Antitrust Policy](#)
- [Sanctions Compliance Policy](#)
- [Related Persons Transaction Policy](#)
- [Whistleblower Policy](#)
- [Insider Trading Policy](#)
- [Clawback Policy](#)
- [No Harassment Policy](#)
- [Conflict Minerals Policy](#)
- [Human Rights Policy](#)
- [Environmental & Sustainability Policy](#)



# BUSINESS ETHICS & INTEGRITY

## Responsibility for Ethics Issues

Generac employees are responsible for exercising good judgment, applying ethical principles, and raising questions when in doubt. Managers are expected to lead by example, promote Generac's values and open communication, support the policies of the Code of Ethics and Business Conduct, monitor compliance, and report any potential or actual violations.

Our Board of Directors and management monitor the material risks facing Generac, including monitoring and assessing for ethical risks. Management regularly reports to the Board on its monitoring and mitigating of these risks, including reporting to individual Board committees as appropriate. See the Risk Management section for additional information regarding the enterprise risk assessment, which includes assessment and reporting of ethical risks.

## Training

Generac employees are required to complete a certificate attesting to compliance with the Code of Ethics and Business Conduct upon becoming an employee, officer, or director.

We engage in annual communication and training for all employees regarding adherence to our various corporate policies, including our Code of Ethics and Business Conduct Policy, Anti-Corruption Policy, Anti-Harassment Policy, and Whistleblower Policy.

## Anti-Corruption and Anti-Bribery

Generac is committed to conducting business fairly, honorably, with integrity, and in compliance with all applicable laws. Our Anti-Corruption Policy prohibits bribes and corrupt payments, provides guidance and examples of what might constitute a bribe, and defines and prohibits facilitation payments. Our Code of Ethics and Business Conduct Policy and Travel, Gifts, and Entertainment Guidelines contain provisions providing guidance on gift giving, gratuities, and business courtesies. Every Generac director, officer, employee, associate, and third-party representative is required to comply with the Policy requirements.

Generac's Code of Business and Ethics Conduct provides guidance on conflicts of interest. The Code prohibits every employee, officer, and director from engaging in conduct or business relationship that could result in a conflict of interest for Generac or otherwise have an appearance of impropriety. The Code defines and provides examples of when conflicts of interest may arise, and requires reporting of any actual or apparent conflicts.

We implemented mandatory programs to provide ongoing anti-corruption law education and training to Generac employees, officers, directors, and representatives.

Generac suppliers are required to certify compliance with the Supplier Business Code of Conduct requiring suppliers to comply with federal and local laws regarding corrupt practices and anti-bribery. The Supplier Code of Conduct prohibits suppliers from engaging in bribery.

The code requires suppliers to keep a written accounting of all payments made on behalf of Generac or with funds provided by Generac.



# BUSINESS ETHICS & INTEGRITY

## Anti-Competitive Behavior

We comply with all antitrust and competition laws.

We recognize that the fundamental objective of the antitrust laws is to protect and promote free and fair competition, and they reflect the belief that a competitive marketplace will enable consumers to obtain the highest quality goods and services at the lowest price. We support the public policy that is the foundation of these laws, and comply with all antitrust and competition laws.

Generac does not condone or approve of any employee, officer or director attempting to gain a competitive advantage at the expense of compromising the various ethical principles identified in its policies or others in violation of any law. Employees, officers, and directors are prohibited from discussing or entering into any arrangement or understanding with a competitor regarding the pricing or costing of products, favoring or withholding business from particular customers or vendors, or any other activity that may have antitrust or anti-competition implications.

## Reporting Concerns

Generac expects all employees to exercise good judgment, apply ethical principles, and raise questions when in doubt. All employees are encouraged to communicate concerns relating to the lawful and ethical conduct of business, and audit and accounting procedures or related matters. It is also the policy of Generac to protect those who communicate bona fide concerns from any retaliation for such reporting.

Generac offers confidential and anonymous mechanisms for reporting relevant and detailed concerns, via a whistleblower hotline at +1 (877) 778-5463, operated by a third-party, and via a web submission platform at [www.reportit.net](http://www.reportit.net). Employees may also seek guidance about concerns from a responsible supervisor or other appropriate internal authority. All complaints received from employees are treated confidentially to the extent that is reasonable and practical under the circumstances. Generac's policy expressly prohibits retaliation for exercising good faith reporting obligations.

## Whistleblower Policy

The Audit Committee has established procedures to receive, retain, investigate, and act on complaints and concerns of employees, shareholders and others regarding accounting, internal accounting controls and auditing matters. The [Whistleblower Policy](#) sets the responsibilities of the Audit Committee for such complaints, as well as procedures for receiving and investigating such complaints.

Complaints and concerns may be made in writing, anonymously via web submission or anonymously via hotline. Our Whistleblower and [Code of Conduct](#) policies are publicly available on the Investor Relations website, and includes reporting mechanisms available to suppliers, customers and third-parties.

Our Whistleblower and Code of Conduct policies are delivered to subsidiaries in local languages, as applicable.

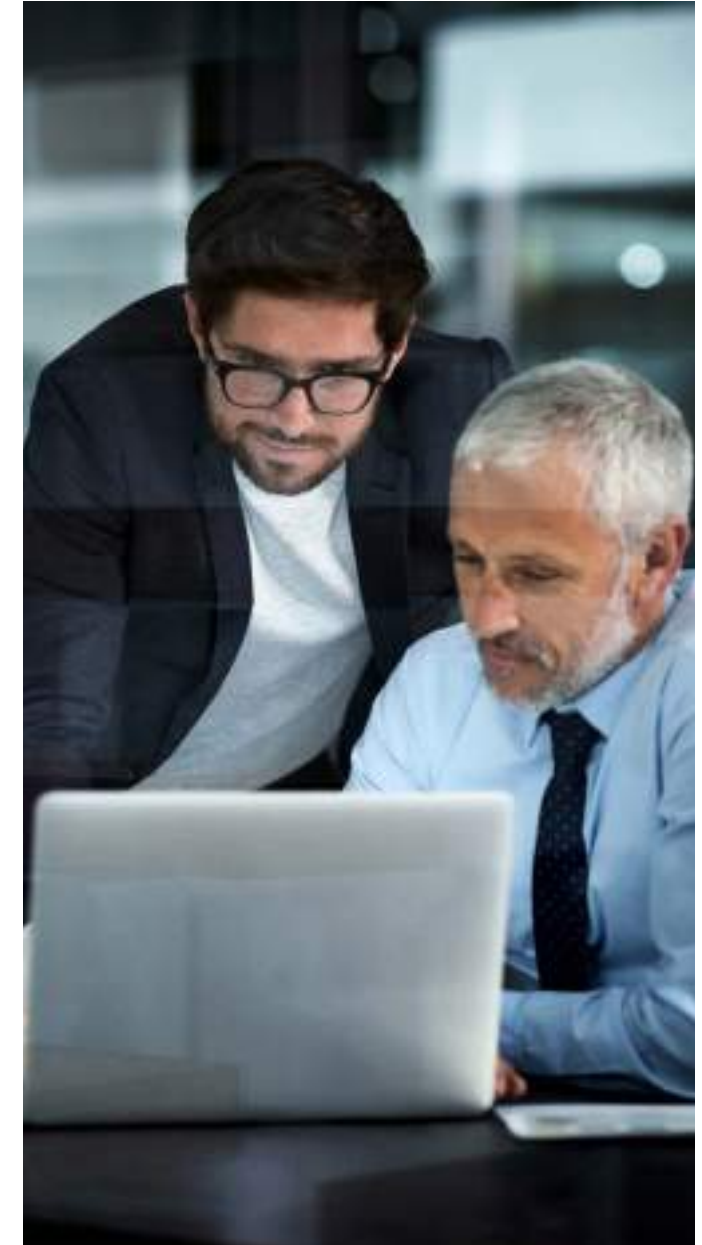
# RISK MANAGEMENT

Our Board of Directors and management continually monitor the material risks facing Generac, including, but not limited to, financial risk, strategic risk, operational risk, and legal and compliance risk. Management regularly reports to the Board on its activities in monitoring and mitigating these risks, including making reports to individual Board committees in situations where the risk falls within the committee's area of focus or expertise. Generac's Compliance Committee, which is chaired by our General Counsel, annually performs a thorough enterprise risk assessment, where it assesses all material risks facing the Company and reports to both the Audit Committee and the Board of Directors on material risks and their potential impact to the Company. We also periodically perform surveys of our executives and key compliance employees to ensure we have the best information available regarding enterprise risks and their potential impacts.

As part of the enterprise risk assessment, controls are reviewed and updated to address all current and future mitigation plans and the adequacy of processes and controls to address the identified risks, current and future mitigation plans, and resources to mitigate the risk. Each of these topics are reviewed by the Compliance Committee, management, the Audit Committee, and the Board of Directors.

We have also devoted significant time and resources to developing a robust compliance program that receives Board-level oversight, including at least quarterly compliance reviews with our Audit Committee. The program includes a dedicated global Compliance Committee composed of a cross-functional group of employees which annually executes a number of projects designed to improve our governance and compliance practices. In 2022, we also began the process of creating and implementing Centers of Excellence around our various compliance functions, which we expect will drive consistency and improved performance globally.

More information on risk factors that could impact our business is available in our [FY22 Form 10-K](#).



# COMPENSATION

The Human Capital and Compensation Committee has decision-making authority with respect to all compensation decisions for our executive officers, including base pay, annual and long-term incentives, and other equity awards. The Human Capital and Compensation Committee is responsible for finalizing and approving the performance objectives relevant to the compensation of our CEO and other executive officers. The Human Capital and Compensation Committee's recommendations are developed with input from our CEO and, where appropriate, other senior executives. The Human Capital and Compensation Committee reviews management recommendations and input from compensation consultants, along with other sources of data when formulating its independent recommendations to the Board of Directors. A discussion and analysis of Generac's compensation decisions regarding executive officers appears in the proxy statement under the heading "EXECUTIVE COMPENSATION — Compensation Discussion and Analysis."

The Human Capital and Compensation Committee has the authority to engage outside consulting firms for assistance with performing its duties. Since 2014, the Human Capital and Compensation Committee has engaged Willis Towers Watson & Co. ("Willis Towers Watson") as its independent compensation consultant. In its capacity as outside and independent compensation consultants, Willis Towers Watson reports directly to the Human Capital and Compensation Committee.

# APPROACH TO TAX

In meeting our obligations to the various taxing jurisdictions, our shareholders, and our investors, Generac is committed to:

- Conducting the Company's tax activities in a professional and ethical manner consistent with those stated in the Corporate Governance Guidelines and Principles, the Code of Ethics and Business Conduct and the Supplemental Code of Ethics and Business Conduct (collectively, the Code), with Board oversight provided by the Audit Committee.
- Complying with local tax filing requirements in each jurisdiction in which we do business.
- Examining our business activity regularly against existing tax laws and making necessary changes to meet our obligations.
- Reviewing newly enacted tax laws against our existing business activity and making necessary changes to meet our obligations.
- Reviewing material tax return positions, with the objective of understanding the underlying business activity, and employing appropriate professional care and judgment to arrive at a well-reasoned conclusion regarding the appropriate tax treatment.
- Managing Generac's tax position, ensuring the tax obligations are commensurate with its activities, and verifying the Company is not overpaying its tax obligation to the detriment of our shareholders.
- Supporting the business activities of Generac and communicating the tax consequences of the various options available.

Material risks identified are evaluated by Generac's senior management who determine if additional actions are needed to eliminate or mitigate the risk. If the identified risks are deemed material, management will raise these risks with the Generac Board of Directors and provide plans for managing them.

Total amount paid in taxes is reported in Generac's annual report in the Consolidated Statement of Cash Flows. Every significant accounting method applied in jurisdictions where Generac operates (US GAAP, IFRS, UK GAAP, etc.) has specific rules regarding accounting for income taxes. These rules create book/tax differences that are reported in the financial statements and result in differences between the financial statement tax provision and the statutory tax rate.



# CYBERSECURITY

## Protecting & Securing Data

Generac continues to invest heavily in cybersecurity measures, aiming to ensure that any customer data that is collected or stored is done so in a safe and compliant manner. These investments include vendor and customer due diligence, employee training and communication, tabletop exercises, adoption of a Global Security and Acceptable Use Policy, third-party intrusion testing, system hardening, email and web filters, regular patching, surveillance, and encryption, among other measures. Generac employees with access to digital technologies or data are required to complete annual cybersecurity training, along with monthly phishing campaigns supplemented with remediation training when needed.

Alongside Board-level oversight of cybersecurity and data protection initiatives, we employ a dedicated Vice President of Cybersecurity, who is responsible for all elements of our cybersecurity program, including implementation and maintenance of our Cybersecurity Incident Response Plan as well as managing the development and implementation of robust policies and standards.

### Safeguarding Digital Assets

Safeguarding digital assets and data are core tenets of Generac's global cybersecurity program. The program utilizes the National Institute of Standards and Technology (NIST) Cybersecurity Framework to guide implementation of risk-based controls, both internally and externally. Generac follows country-specific laws and regulations regarding Internet services and is driving additional programs and projects to further safeguard consumer privacy. Additional details can be found within our [privacy policy](#).

### Connected Devices & Consumer Data

Our evolution into an energy technology company includes a strong emphasis on safeguarding our customers' privacy, as set forth in our privacy policy. This extends to connected devices and any voluntarily supplied data from customers used to optimize their experience.

# LEGAL & REGULATORY

## Policy & Political Involvement

Generac's policies prohibit any directors, officers, and employees from making, directly or indirectly, any political contributions without the prior written approval of Generac's General Counsel, either on behalf of Generac or for any purpose related to Company business. Moreover, any political contribution in excess of \$20,000 USD requires Board approval. Any use of the funds or assets of Generac or any subsidiary to make political contributions must be approved in advance. There is not a Political Action Committee affiliated with Generac. No political contributions were made in 2022.

All directors, officers, and employees of Generac, as well as all third-parties acting on behalf of Generac, are expressly required to comply with the letter and spirit of the Foreign Corrupt Practices Act (FCPA), prohibiting the bribery and corruption of foreign public officials. Generac has designed systems to provide reasonable assurances against any accounting errors and fraud.

In 2022, Generac created a dedicated Policy team to provide regulatory and policy support for its new energy technology businesses and initiatives. The Senior Vice President of Policy and Market Development oversees a team that represents Generac before federal and state agencies and legislatures to unlock opportunities to grow Generac's clean energy, energy efficiency, and grid resiliency businesses. The Policy team engages with non-profit clean energy and regulatory associations including the California Solar and Storage Association. Generac is working to apply its 60+ years of traditional distributed reliability experience to the increasing climate-related challenges by offering distributed solar, battery, home, and grid energy management solutions. The Policy team is advocating for expanded state and federal incentives to support these climate mitigation solutions and has applied to the U.S. Department of Energy for funding to deploy grid resiliency projects.



*Generac's corporate headquarters in Waukesha, Wisconsin*

# LEGAL & REGULATORY

## Involvement In Other Professional Organizations

At Generac, we prioritize our engagement across the industries and communities we serve. As a member of numerous regional and national associations globally, we stay attuned to industry best practices and innovations. A sample of key associations that Generac and its operating entities and subsidiaries are members of are shown below:



Electrical Generating Systems Association



General Confederation of Italian Industry



Outdoor Power Equipment Institute



National Fire Protection Agency / National Electric Code







# APPENDIX

## Industry Framework Indexes

KEY PERFORMANCE INDICATORS

SUSTAINABLE DEVELOPMENT GOALS (SDGs)

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB)

GLOBAL REPORTING INITIATIVE (GRI)



## KEY PERFORMANCE INDICATORS

## SUSTAINABLE DEVELOPMENT GOALS

## SUSTAINABLE ACCOUNTABILITY STANDARDS BOARD

## GLOBAL REPORTING INITIATIVE

## KEY PERFORMANCE INDICATORS

All metrics, data points and key performance indicators used in this report are summarized below.

METRIC	UNITS	2022 DATA
<b>BUSINESS SCALE</b>		
Revenue	\$M USD	\$4,565
Number of Employees	Number	9,500
Number of Countries with employees	Number	25
Number of Manufacturing Facilities	Number	19
<b>ENVIRONMENTAL</b>		
<b>EMISSIONS MANAGEMENT</b>		
<b>GHG EMISSIONS</b>		
Scope 1 Emissions	Metric tons (t) CO <sub>2</sub> e	35,719
Scope 1 Intensity per Sales	Metric Tonnes CO <sub>2</sub> e/\$ Million USD	7.82
Scope 2 Emissions	Metric tons (t) CO <sub>2</sub> e	27,414
Scope 2 Intensity per Sales	Metric Tonnes CO <sub>2</sub> e/\$ Million USD	6.01
Total Scope 1 & 2 GHG Emissions	Metric tons (t) CO <sub>2</sub> e	63,133
Total Scope 1 & 2 GHG Intensity per Sales	Metric Tonnes CO <sub>2</sub> e/\$ Million USD	13.83
<b>OTHER AIR EMISSIONS - WISCONSIN ONLY</b>		
NOx Emissions	Metric Tons	110.48
SOx Emissions	Metric Tons	0.19
VOC Emissions	Metric Tons	52.73
Particulate Emissions	Metric Tons	3.61
<b>ENERGY MANAGEMENT</b>		
<b>ENERGY CONSUMPTION</b>		
Total Energy Consumed	GJ	754,525
Total Electricity Consumption	GJ	201,976
Percent of Grid Electricity Used	Percentage (%)	27%
<b>FUEL USE</b>		
Total Fuel Consumption	GJ	552,549*
<b>ENVIRONMENTAL IMPACT</b>		
<b>SPILLS - DOMESTIC MANUFACTURING OPERATIONS ONLY</b>		
Number of Spills	Number	0
Amount of Spills	Barrels (bbbls)	0
Amount of Spills Recovered	Barrels (bbbls)	0
<b>MATERIALS &amp; WASTE</b>		
<b>HAZARDOUS WASTE</b>		
Hazardous Waste - Total	Metric Tons	360.81
Total Hazardous Waste Recycled - Total	Metric Tons	67.03
Percent Hazardous Waste Recycled - Total	Percentage (%)	19%
Hazardous Waste - Wisconsin Only	Metric Tons	52.71
Hazardous Waste Recycled - Wisconsin Only	Metric Tons	0

\*Value updated from 1,989,173 GJ on May 18, 2023, to address a unit conversion error

METRIC	UNITS	2022 DATA
<b>ENVIRONMENTAL</b>		
<b>MATERIALS &amp; WASTE</b>		
<b>NON-HAZARDOUS WASTE - WISCONSIN ONLY</b>		
Non-Hazardous Waste	Metric Tons	11,232
Non-Hazardous Waste Recycled	Metric Tons	9,808
Non-Hazardous Waste Sent to Landfill	Metric Tons	1,424
Percent Non-Hazardous Waste Recycled	Percentage (%)	87%
<b>TOTAL WASTE - WISCONSIN ONLY</b>		
Total Waste	Metric Tons	11,285
Total Waste Recycled	Metric Tons	9,808
Percent Total Waste Recycled	Percentage (%)	87%
<b>SOCIAL</b>		
<b>COMMUNITY</b>		
<b>COMMUNITY INVOLVEMENT</b>		
Volunteer Hours Total	Hours	2,044
Generac GIVES: Organizations Supported	Number of Organizations/Events	467
Generac GIVES: Dollar Value	\$ Million USD	>\$1 million
<b>PRODUCT SAFETY</b>		
Number of Non - Technical Delays	Number	0
Number of Recalls	Count	2
Total Units Recalled	Count	381,912
<b>DIVERSITY, EQUITY &amp; INCLUSION</b>		
<b>DIVERSITY STRATEGY</b>		
Gender Pay Equity - Women to Men	Percentage (%)	99%
<b>DIVERSITY, EQUITY &amp; INCLUSION</b>		
<b>EEO BREAKDOWN</b>		
Percent of Women All Employees	Percentage (%)	28.1%
Percent of Women Executives	Percentage (%)	13.3%
Percent of Women Managers	Percentage (%)	25.0%
Percent of Women Individual Contributors	Percentage (%)	30.0%
Percent of U.S. Ethnically Diverse - All Employees	Percentage (%)	28.2%
Percent of U.S. Ethnically Diverse - Executives	Percentage (%)	7.1%
Percent of U.S. Ethnically Diverse - Managers	Percentage (%)	12.3%
Percent of U.S. Ethnically Diverse - Individual Contributors	Percentage (%)	34.2%

METRIC	UNITS	2022 DATA
<b>SOCIAL</b>		
<b>HEALTH &amp; SAFETY</b>		
<b>HSE METRICS</b>		
Total Recordable Incident Rate (TRIR) - Employees	Rate	2.04
Lost Time Injury Rate (LTIR) - Employees	Rate	0.72
Days Away, Restricted or Transferred (DART) - Employees	Rate	1.06
Fatality Rate - Employees	Rate	0
<b>HUMAN CAPITAL</b>		
<b>EMPLOYEE TRAINING &amp; CAREER DEVELOPMENT</b>		
Learning - Supervisors EDC	Hours	735
Learning - Certified in Lean	Hours	4,000
Learning - CI Training	Hours	6,900
Learning - CI Course	Number of Employees	2,400
Intern-to-Full-Time Hire Conversion	Percentage (%)	35%
<b>EMPLOYEE TURNOVER</b>		
Average Employee Tenure	Years	4.6
<b>STAKEHOLDER ENGAGEMENT</b>		
Employee engagement as a percentage	Percentage (%)	76%
<b>GOVERNANCE</b>		
<b>BOARD OVERSIGHT</b>		
<b>BOARD DIVERSITY</b>		
Percent of Women on Board	Percentage (%)	27%
Percent of Minorities on Board	Percentage (%)	9%
<b>BOARD AGE</b>		
Percent of Board < 50	Percentage (%)	9%
Percent of Board 50 - 59	Percentage (%)	36%
Percent of Board 60 - 69	Percentage (%)	45%
Percent of Board > 70	Percentage (%)	9%
<b>BUSINESS ETHICS</b>		
<b>ANTI-BRIBERY &amp; ANTI-CORRUPTION</b>		
Amount Of Fines For Bribery And Corruption	\$ Million USD	0
Number of Fines For Bribery And Corruption	Count	0
<b>ANTI-COMPETITION</b>		
Amount of Anti-Competition Fines	\$ Million USD	0
Number of Fines for Anti - Competition	Count	0
<b>COMPENSATION</b>		
Say on Pay Support Level	Percentage (%)	92%



# SUSTAINABLE DEVELOPMENT GOALS (SDGs)

GOAL	DESCRIPTION	LOCATION	INITIATIVES	PROGRESS
	Ensure healthy lives and promote well-being for all at all ages	<ul style="list-style-type: none"> <li>Refer to <a href="#">Company Awards &amp; Rankings</a></li> <li>Refer to <a href="#">Our People</a></li> </ul>	<ul style="list-style-type: none"> <li>Generac's Healthy and Thriving Total Rewards are based on the four pillars of wellness – physical, emotional, financial, and social</li> <li>Our Healthy Living Program gives our employees the opportunity to reduce their medical premium by participating in a variety of personal wellness activities and through community events, like blood drives and charity walks/runs</li> <li>We provide awareness training at the beginning of an employee's employment with Generac in New Employee Orientation (NEO)</li> </ul>	<ul style="list-style-type: none"> <li>For the third time, MOTORTECH received the FaMI Seal for supporting employees' work-life balance</li> <li>In 2022, 39% of our eligible population participated in the Healthy Living Program and received health insurance credits</li> </ul>
	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	<ul style="list-style-type: none"> <li>Refer to <a href="#">Company Awards and Rankings</a></li> <li>Refer to <a href="#">Community Involvement</a></li> <li>Refer to <a href="#">Our People</a></li> </ul>	<ul style="list-style-type: none"> <li>On the job skills training at all manufacturing sites</li> <li>Communication skills courses for frontline customer-facing employees</li> <li>Leadership skills: LDP, Everyday Coaching, and Leading Through Communication</li> <li>Supply Chain Leadership Development Program helps early career employees (three-year program)</li> </ul>	<ul style="list-style-type: none"> <li>Generac was the recipient of the Waukesha Education Foundation Corporate Partner Award for supporting the School District of Waukesha and education initiatives</li> <li>Our investments in education are intended to power possibilities, drive inspiration, and create opportunities for youth to engage in STEM</li> <li>In 2022, we hosted 17 youth apprentices in our operations and 30 students utilized the GPS Education learning center located at our manufacturing facility in Eagle, Wisconsin</li> </ul>
	Achieve gender equality and empower all women and girls	<ul style="list-style-type: none"> <li>Refer to <a href="#">Diversity, Equity &amp; Inclusion</a></li> </ul>	<ul style="list-style-type: none"> <li>Expanded diversity outreach on campuses</li> <li>Attend six diverse and two military recruiting events</li> </ul>	<ul style="list-style-type: none"> <li>Talent Acquisition team is 100% AIRS CDR certified</li> <li>All People Leaders were assigned 2023 Performance Goals related to DE&amp;I and engagement</li> <li>Joined Women in Manufacturing in 2022 and continued this sponsorship in 2023</li> <li>The Board currently has three female members</li> </ul>
	Ensure access to affordable, reliable, sustainable and modern energy for all	<ul style="list-style-type: none"> <li>Refer to <a href="#">Company Awards &amp; Rankings</a></li> </ul>	<ul style="list-style-type: none"> <li>Projects like Navajo Nation help offset electricity costs, increase energy resiliency</li> <li>Provide industry-leading smart home technologies that continue to make a lasting impact on energy efficiency for both customers and the planet</li> </ul>	<ul style="list-style-type: none"> <li>With the goal of offsetting electricity costs, increasing energy resiliency, Generac (along with partner organizations) won "Residential Project of the Year" awarded by Solar Build Magazine</li> <li>ecobee named "Energy Star Partner of the Year" 2022 for second year in a row</li> </ul>
	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	<ul style="list-style-type: none"> <li>Refer to <a href="#">Company Awards &amp; Rankings</a></li> </ul>	<ul style="list-style-type: none"> <li>Create an outstanding employee experience and an amazing workplace culture</li> </ul>	<ul style="list-style-type: none"> <li>The Canadian Great Place to Work organization gave ecobee its certification through July of 2023</li> <li>Named one of Mexico's Best Employers on its 2022 list of domestic and multinational companies</li> <li>Awarded "Large Business of the Year" 2022 by the Waukesha County Business Alliance, which recognizes top-performing businesses that have a significant presence in the county</li> <li>Generac advanced its position on the Fortune 1000 list and earned a position on Fortune's annual 100 Fastest Growing Companies list, in 2022</li> </ul>
	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	<ul style="list-style-type: none"> <li>Refer to <a href="#">Company Awards &amp; Rankings</a></li> </ul>	<ul style="list-style-type: none"> <li>Promote a culture of innovation for best-in-class product development</li> </ul>	<ul style="list-style-type: none"> <li>Named some of the "best" products for household needs across Generac, DR Power, and Mean Green</li> <li>Generac Grid Services received the 2022 Grid Innovator award</li> <li>Generac Grid Services Concerto™ platform ranked as a Leader in both DERMS and VPP platform vendor leaderboards</li> <li>ecobee Smart Thermostat Premium earned several positions on "Best Of" lists for smart thermostats, "best" inventions, and best smart thermostat overall, in 2022</li> </ul>
	Reduce inequality within and among countries	<ul style="list-style-type: none"> <li>Refer to <a href="#">Diversity, Equity &amp; Inclusion</a></li> </ul>	<ul style="list-style-type: none"> <li>Attend six diverse recruiting events</li> </ul>	<ul style="list-style-type: none"> <li>Talent Acquisition team is 100% AIRS CDR certified</li> <li>All People Leaders were assigned 2023 Performance Goals related to DE&amp;I and engagement</li> <li>The Board currently has one ethnically diverse member</li> </ul>
	Make cities and human settlements inclusive, safe, resilient and sustainable	<ul style="list-style-type: none"> <li>Refer to <a href="#">Environmental Impact</a></li> <li>Refer to <a href="#">Community Involvement</a></li> </ul>	<ul style="list-style-type: none"> <li>Seek to minimize adverse impacts on the environment through good management practices</li> <li>Support programs and organizations that respond to urgent needs</li> <li>Provide partnerships to foster greater sustainable efforts and innovations</li> <li>Strive to be good neighbors in our Generac communities</li> </ul>	<ul style="list-style-type: none"> <li>In 2022, we donated to local food pantries, libraries and volunteer fire departments</li> <li>We sponsored fairs and festivals such as the Ridge Peach Festival near our plant in Trenton, South Carolina; Kettle Moraine Days near our plant in Eagle, Wisconsin; and Operation Pumpkin near our Mean Green plant in Hamilton, Ohio</li> <li>We supported organizations dedicated to help first responders</li> <li>In 2022, our employees volunteered 2,044 hours</li> </ul>
	Ensure sustainable consumption and production patterns	<ul style="list-style-type: none"> <li>Refer to <a href="#">Materials &amp; Waste Management</a></li> </ul>	<ul style="list-style-type: none"> <li>Waste management and waste prevention practices in place</li> <li>Noise reduction and energy efficiency initiatives in place</li> </ul>	<ul style="list-style-type: none"> <li>All suppliers must adhere to the Conflict Minerals Policy and will be asked to complete an "extended Minerals Reporting template" starting in 2023</li> </ul>
	Take urgent action to combat climate change and its impacts	<ul style="list-style-type: none"> <li>Refer to <a href="#">Climate Resilience</a></li> <li>Refer to <a href="#">Materials &amp; Waste Management</a></li> </ul>	<ul style="list-style-type: none"> <li>Air compressor leak studies and repairs</li> <li>LED lighting replacement</li> <li>Updating lighting switches with occupancy sensors</li> <li>Sleep mode on display screens implemented in Waukesha and Pewaukee Wisconsin</li> </ul>	<ul style="list-style-type: none"> <li>ESG introduced into annual Strategic Planning cycle</li> <li>Developing a climate change scenario-planning strategy and financial planning using the Task Force on Climate-Related Financial Disclosures ("TCFD") framework</li> <li>Metrics development initiated in 2022 through Strategic Planning Process and developing Climate Risk Assessment for inclusion in 2023 ERM</li> </ul>
	Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development	<ul style="list-style-type: none"> <li>Refer to <a href="#">Legal &amp; Regulatory</a></li> </ul>	<ul style="list-style-type: none"> <li>Active engagement with trade associations and peer networks like California Solar Energy, Midwest Renewable Energy Association, and Michigan Energy Innovation Business Council</li> </ul>	<ul style="list-style-type: none"> <li>Over 10 energy technology memberships and five product compliance organizations</li> </ul>



# SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) DISCLOSURE INDEX

SASB DESCRIPTION	UNITS	2022 RESPONSE	SASB CODE
<b>OPERATIONS</b>			
Number of employees	Number	9,500	RT-CP-000.C
Number of Manufacturing Facilities	Number	19	TC-ES-000.A
<b>ENVIRONMENTAL</b>			
<b>EMISSIONS MANAGEMENT</b>			
Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Metric Tons CO <sub>2e</sub>	See <a href="#">Emissions Management</a> section	RT-CP-110a.1
Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Description	See <a href="#">Emissions Management</a> section	RT-CP-110a.2
Air emissions of the following pollutants: (1) NOx (excluding N <sub>2</sub> O), (2) SOx, (3) volatile organic compounds (VOCs), and (4) particulate matter (PM)	Metric Tons	<ul style="list-style-type: none"> <li>• Wisconsin only:</li> <li>(1) NOx - 110.48 Metric Tons (includes N<sub>2</sub>O)</li> <li>(2) SO x - 0.19 Metric Tons</li> <li>(3) VOCs - 52.73 Metric Tons</li> <li>(4) PM - 3.61 Metric Tons</li> </ul>	RT-CP-120a.1
<b>ENERGY MANAGEMENT</b>			
(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Percentage (%)	See <a href="#">Emissions Management</a> and <a href="#">Energy Management Sections</a>	RT-EE-130a.1
<b>ENVIRONMENTAL IMPACT</b>			
Number and duration of project delays related to ecological impacts	Number	Number of Delays: 0 for domestic operations	RR-ST-160a.1
Number and aggregate quantity of reportable spills, quantity recovered	Metric Tons	No reportable spills for domestic manufacturing	RT-EE-150a.2
<b>ENVIRONMENTAL</b>			
<b>MATERIALS &amp; WASTE</b>			
Description of approach to manage use, reclamation, and disposal of hazardous materials	Description	See <a href="#">Key Performance Indicators</a> section	RR-FC-410b.3
Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	Description	See <a href="#">Key Performance Indicators</a> section	RT-CP-410a.3
Amount of hazardous waste generated, percentage recycled	Metric Tons	<ul style="list-style-type: none"> <li>• Total hazardous waste generated: 360.81</li> <li>• Total hazardous waste recycled: 67.03</li> <li>• Percentage recycled: 19%</li> <li>• Wisconsin only hazardous waste generated: 52.71</li> <li>• Wisconsin only hazardous waste recycled: 0</li> </ul>	RT-EE-150a.1
Percentage of eligible products, by revenue, that meet ENERGY STAR® criteria	Percentage (%)	See <a href="#">Company Awards &amp; Rankings</a> section	RT-EE-410a.2
Description of the management of risks associated with the use of critical materials	Description	See <a href="#">Materials &amp; Waste Management</a> section	RT-EE-440a.1
Total amount of waste from manufacturing, percentage recycled	Metric Tons	<ul style="list-style-type: none"> <li>• Wisconsin only - total waste 11,232</li> <li>• Wisconsin only - total waste recycled 9,808</li> <li>• Wisconsin only - percent total waste recycled 87%</li> </ul>	TR-AU-440b.1
<b>WATER MANAGEMENT</b>			
Description of water management risks and discussion of strategies and practices to mitigate those risks	Description	See <a href="#">Water Management</a> Section	RT-CP-140a.2



# SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) DISCLOSURE INDEX

SASB DESCRIPTION	UNITS	2022 RESPONSE	SASB CODE
<b>SOCIAL</b>			
<b>COMMUNITY</b>			
Discussion of process to identify and manage emerging materials and chemicals of concern	Description	See <a href="#">Commitment to Quality</a> section	RT-CP-250a.2
Number of recalls issued, total units recalled	Number	Number of Recalls: 2 Total Units Recalled: 381,912  An official recall is one carried out in conjunction with a governmental agency.	RT-EE-250a.1
Total amount of monetary losses as a result of legal proceedings associated with product safety	Million Reporting Currency	Not Reported	RT-EE-250a.2
<b>DIVERSITY, EQUITY &amp; INCLUSION</b>			
Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	Percentage (%)	See <a href="#">Diversity, Equity &amp; Inclusion</a> section	TC-HW-330a.1
<b>HEALTH &amp; SAFETY</b>			
(1) Total recordable incident rate (TRIR) and (2) near miss frequency rate (NMFR) for (a) direct employees and (b) contract employees	Rate	<ul style="list-style-type: none"> <li>• Employee TRIR: 2.04</li> <li>• Employee LTIR: 0.72</li> <li>• Employee DART: 1.06</li> <li>• Employee Fatality Rate: 0</li> </ul>	TC-ES-320a.1
<b>STAKEHOLDER ENGAGEMENT</b>			
Employee engagement as a percentage	Percentage (%)	See <a href="#">Materiality Assessment</a> and <a href="#">Recruiting &amp; Retaining Top Talent</a> sections	TC-SI-330a.2
<b>SUPPLY CHAIN</b>			
Description of the management of environmental risks associated with the polysilicon supply chain	Description	We are aware of the environmental and social risks associated with the polysilicon supply chain, especially with regards to the concerns relating to human rights abuses in the Xinjiang Uyghur Autonomous Region (XUAR) in China. We continue to actively monitor the situation and perform all due diligence to ensure compliance with the Uyghur Forced Labor Prevention Act.	RR-ST-440a.2
<b>GOVERNANCE</b>			
<b>BUSINESS ETHICS</b>			
Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behavior	Description	See <a href="#">Business Ethics &amp; Integrity</a> section. Generac is committed to conducting business fairly, honorably, with integrity, and in compliance with all applicable laws. Our Anti-Corruption policy strictly prohibits bribes and corrupt payments; provides guidance and examples of what might constitute a bribe; and defines and prohibits facilitation payments. Our Code of Ethics and Business Conduct Policy and Travel, Gifts and Entertainment Guidelines also contain provisions that provide guidance on the giving of gifts, gratuities, and business courtesies. Every Generac director, officer, employee, associate, and third party representative is required to learn, understand, and comply with the policy requirements.	RT-EE-510a.1
Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Million Reporting Currency	0	RT-EE-510a.2
Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	Million Reporting Currency	0	RT-EE-510a.3
<b>CYBERSECURITY</b>			
Description of approach to identifying and addressing data security risks in products	Binary (Y/N)	See <a href="#">Cybersecurity</a> section	TC-HW-230a.1
Description of policies and practices relating to behavioral advertising and user privacy	Binary (Y/N)	See <a href="#">Cybersecurity</a> section	TC-SI-220a.1



# GLOBAL REPORTING INITIATIVE (GRI) DISCLOSURE INDEX

GRI 202: MARKET PRESENCE 2016	
DISCLOSURE	LOCATION
Statement of Use:	Generac has reported the information cited in this GRI content index for the period January to December 2022 with reference to the GRI Standards.
GRI 1 Used:	GRI 1: Foundation 2021

GRI STANDARD: GRI 2: GENERAL DISCLOSURES 2021	
DISCLOSURE	LOCATION
2-1 Organizational details	Our Company - Generac at a Glance
2-2 Entities included in the organization's sustainability reporting	About This Report - Reporting Scope and Boundaries
2-3 Reporting period, frequency and contact point	About This Report - Generac's Commitment to Transparency
2-4 Restatements of information	About This Report - Reporting Scope and Boundaries
2-5 External assurance	About This Report - Generac's Commitment to Transparency
2-6 Activities, value chain and other business relationships	Our Company - Generac at a Glance
2-7 Employees	Diversity, Equity and Inclusion
2-8 Workers who are not employees	Not reported this year
2-9 Governance structure and composition	Corporate Governance - Board Composition and Leadership
2-10 Nomination and selection of the highest governance body	Annual Proxy Filing
2-11 Chair of the highest governance body	Annual Proxy Filing
2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance - Board ESG Oversight
2-13 Delegation of responsibility for managing impacts	Corporate Governance - Board ESG Oversight
2-14 Role of the highest governance body in sustainability reporting	Corporate Governance - Board ESG Oversight
2-15 Conflicts of interest	Business Ethics and Integrity - Our Code of Ethics and Business Conduct
2-16 Communication of critical concerns	Business Ethics and Integrity - Reporting Concerns
2-17 Collective knowledge of the highest governance body	Corporate Governance - Board Skills and Experience
2-18 Evaluation of the performance of the highest governance body	Corporate Governance - Evaluations
2-19 Remuneration policies	Compensation
2-20 Process to determine remuneration	Compensation
2-21 Annual total compensation ratio	Compensation
2-22 Statement on sustainable development strategy	A Message From Our Chairman and CEO

GRI STANDARD: GRI 2: GENERAL DISCLOSURES 2021	
DISCLOSURE	LOCATION
2-23 Policy commitments	<a href="#">Company Policies</a>
2-24 Embedding policy commitments	<a href="#">Company Policies</a>
2-25 Processes to remediate negative impacts	<a href="#">Company Policies</a>
2-26 Mechanisms for seeking advice and raising concerns	Business Ethics and Integrity - Reporting Concerns
2-27 Compliance with laws and regulations	Legal and Regulatory - Involvement in Trade Associations
2-28 Membership associations	Legal and Regulatory - Involvement in Trade Associations
2-29 Approach to stakeholder engagement	Stakeholder Engagement
2-30 Collective bargaining agreements	Human Rights - Policies and Procedures

GRI 3: MATERIAL TOPICS 2021	
DISCLOSURE	LOCATION
3-1 Process to determine material topics	About This Report - Materiality Assessment
3-2 List of material topics	About This Report - Materiality Assessment
3-3 Management of material topics	About This Report - Materiality Assessment

GRI 201: ECONOMIC PERFORMANCE 2016	
DISCLOSURE	LOCATION
201-1 Direct economic value generated and distributed	<a href="#">FY22 Form 10-K</a>
201-2 Financial implications and other risks and opportunities due to climate change	Climate Resilience
201-3 Defined benefit plan obligations and other retirement plans	<a href="#">Benefits and Perks</a>
201-4 Financial assistance received from government	Policy and Political Involvement

GRI 202: MARKET PRESENCE 2016	
DISCLOSURE	LOCATION
202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Not reported this year
202-2 Proportion of senior management hired from the local community	Not reported this year

GRI 203: INDIRECT ECONOMIC IMPACTS 2016	
DISCLOSURE	LOCATION
203-1 Infrastructure investments and services supported	<a href="#">FY22 Form 10-K</a>
203-2 Significant indirect economic impacts	<a href="#">FY22 Form 10-K</a>

GRI 204: PROCUREMENT PRACTICES 2016	
DISCLOSURE	LOCATION
204-1 Proportion of spending on local suppliers	Not reported this year

GRI 205: ANTI-CORRUPTION 2016	
DISCLOSURE	LOCATION
205-1 Operations assessed for risks related to corruption	Business Ethics and Integrity - Anti-Corruption and Anti-Bribery
205-2 Communication and training about anti-corruption policies and procedures	Business Ethics and Integrity - Anti-Corruption and Anti-Bribery
205-3 Confirmed incidents of corruption and actions taken	Business Ethics and Integrity - Anti-Corruption and Anti-Bribery

GRI 206: ANTI-COMPETITIVE BEHAVIOR 2016	
DISCLOSURE	LOCATION
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Business Ethics and Integrity - Anti-Corruption and Anti-Bribery

GRI 207: TAX 2019	
DISCLOSURE	LOCATION
207-1 Approach to tax	Risk Management - Generac's Approach to Tax
207-2 Tax governance, control, and risk management	Risk Management - Generac's Approach to Tax
207-3 Stakeholder engagement and management of concerns related to tax	Risk Management - Generac's Approach to Tax
207-4 Country-by-country reporting	Risk Management - Generac's Approach to Tax

GRI 301: MATERIALS 2016	
DISCLOSURE	LOCATION
301-1 Materials used by weight or volume	Not reported this year
301-2 Recycled input materials used	Not reported this year
301-3 Reclaimed products and their packaging materials	Materials and Waste Management



# GLOBAL REPORTING INITIATIVE (GRI) DISCLOSURE INDEX

GRI 302: ENERGY 2016	
DISCLOSURE	LOCATION
302-1 Energy consumption within the organization	Energy Management
302-2 Energy consumption outside of the organization	Energy Management
302-3 Energy intensity	Energy Management
302-4 Reduction of energy consumption	Energy Management
302-5 Reductions in energy requirements of products and services	Energy Management
GRI 303: WATER AND EFFLUENTS 2018	
DISCLOSURE	LOCATION
303-1 Interactions with water as a shared resource	Water Management
303-2 Management of water discharge-related impacts	Water Management
303-3 Water withdrawal	Not reported this year
303-4 Water discharge	Not reported this year
303-5 Water consumption	Not reported this year
GRI 304: BIODIVERSITY 2016	
DISCLOSURE	LOCATION
304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Environmental Impact - Biodiversity
304-2 Significant impacts of activities, products and services on biodiversity	Not reported this year
304-3 Habitats protected or restored	Environmental Impact - Biodiversity
304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Environmental Impact - Biodiversity
GRI 305: EMISSIONS 2016	
DISCLOSURE	LOCATION
305-1 Direct (Scope 1) GHG emissions	Emissions Management - Greenhouse Gas Emissions
305-2 Energy indirect (Scope 2) GHG emissions	Emissions Management - Greenhouse Gas Emissions
305-3 Other indirect (Scope 3) GHG emissions	Not reported this year
305-4 GHG emissions intensity	Emissions Management - Greenhouse Gas Emissions
305-5 Reduction of GHG emissions	Emissions Management - Greenhouse Gas Emissions
305-6 Emissions of ozone-depleting substances (ODS)	Emissions Management - Other Air Emissions
305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Emissions Management - Other Air Emissions; SASB RT-CP-120a.1

GRI 306: WASTE 2020	
DISCLOSURE	LOCATION
306-1 Waste generation and significant waste-related impacts	Materials and Waste Management - Waste Management Products and Procedures
306-2 Management of significant waste-related impacts	Materials and Waste Management - Waste Management Products and Procedures
306-3 Waste generated	SASB RT-EE-150a.1 and TR-AU-440b.1
306-4 Waste diverted from disposal	SASB RT-EE-150a.1 and TR-AU-440b.1
306-5 Waste directed to disposal	SASB RT-EE-150a.1 and TR-AU-440b.1

GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016	
DISCLOSURE	LOCATION
308-1 New suppliers that were screened using environmental criteria	Supply Chain
308-2 Negative environmental impacts in the supply chain and actions taken	Supply Chain

GRI 401: EMPLOYMENT 2016	
DISCLOSURE	LOCATION
401-1 New employee hires and employee turnover	Our People - Recruiting and Retaining Top Talent
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Our People - Recruiting and Retaining Top Talent
401-3 Parental leave	Our People - Recruiting and Retaining Top Talent

GRI 402: LABOR/MANAGEMENT RELATIONS 2016	
DISCLOSURE	LOCATION
402-1 Minimum notice periods regarding operational changes	Not reported this year

GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018	
DISCLOSURE	LOCATION
403-1 Occupational health and safety management system	Health and Safety
403-2 Hazard identification, risk assessment, and incident investigation	Health and Safety
403-3 Occupational health services	Health and Safety
403-4 Worker participation, consultation, and communication on occupational health and safety	Health and Safety
403-5 Worker training on occupational health and safety	Health and Safety
403-6 Promotion of worker health	Our People - Recruiting and Retaining Top Talent
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and Safety
403-8 Workers covered by an occupational health and safety management system	Health and Safety
403-9 Work-related injuries	SASB TC-ES-320a.1
403-10 Work-related ill health	SASB TC-ES-320a.1

GRI 404: TRAINING AND EDUCATION 2016	
DISCLOSURE	LOCATION
404-1 Average hours of training per year per employee	Not reported this year
404-2 Programs for upgrading employee skills and transition assistance programs	Our People - Developing and Growing at Generac
404-3 Percentage of employees receiving regular performance and career development reviews	Not reported this year

GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016	
DISCLOSURE	LOCATION
405-1 Diversity of governance bodies and employees	Corporate Governance - Board Diversity
405-2 Ratio of basic salary and remuneration of women to men	99%

GRI 406: NON-DISCRIMINATION 2016	
DISCLOSURE	LOCATION
406-1 Incidents of discrimination and corrective actions taken	Not reported this year

# GLOBAL REPORTING INITIATIVE (GRI) DISCLOSURE INDEX

GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016	
DISCLOSURE	LOCATION
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Human Rights - Policies and Procedures

GRI 408: CHILD LABOR 2016	
DISCLOSURE	LOCATION
408-1 Operations and suppliers at significant risk for incidents of child labor	Human Rights - Policies and Procedures

GRI 409: FORCED OR COMPULSORY LABOR 2016	
DISCLOSURE	LOCATION
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Rights - Policies and Procedures

GRI 410: SECURITY PRACTICES 2016	
DISCLOSURE	LOCATION
410-1 Security personnel trained in human rights policies or procedures	Human Rights - Policies and Procedures

GRI 411: RIGHTS OF INDIGENOUS PEOPLES 2016	
DISCLOSURE	LOCATION
411-1 Incidents of violations involving rights of indigenous peoples	Human Rights - Policies and Procedures

GRI 413: LOCAL COMMUNITIES 2016	
DISCLOSURE	LOCATION
413-1 Operations with local community engagement, impact assessments, and development programs	Community Involvement
413-2 Operations with significant actual and potential negative impacts on local communities	Community Involvement

GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016	
DISCLOSURE	LOCATION
414-1 New suppliers that were screened using social criteria	Supply Chain
414-2 Negative social impacts in the supply chain and actions taken	Supply Chain

GRI 415: PUBLIC POLICY 2016	
DISCLOSURE	LOCATION
415-1 Political contributions	Legal and Regulatory - Policy and Political Involvement

GRI 416: CUSTOMER HEALTH AND SAFETY 2016	
DISCLOSURE	LOCATION
416-1 Assessment of the health and safety impacts of product and service categories	Commitment to Quality - The Importance of Quality, Safety, and Satisfaction
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Not reported this year

GRI 417: MARKETING AND LABELING 2016	
DISCLOSURE	LOCATION
417-1 Requirements for product and service information and labeling	Commitment to Quality - The Importance of Quality, Safety, and Satisfaction
417-2 Incidents of non-compliance concerning product and service information and labeling	Not reported this year
417-3 Incidents of non-compliance concerning marketing communications	Not reported this year

GRI 418: CUSTOMER PRIVACY 2016	
DISCLOSURE	LOCATION
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Not reported this year





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