



2021 HILLENBRAND SUSTAINABILITY REPORT

SHAPE WHAT
MATTERS FOR
TOMORROW™

HILLENBRAND

Table of Contents

02 About Hillenbrand DRIVE TO DELIVER

- 02 Message from Kim Ryan
- 03 Note from the Chief Sustainability Officer
- 04 Introducing our Purpose and Core Values
- 05 Who we are
- 05 Operating segments and markets served
- 06 Our Operating Companies
- 07 Location of HQ and major operations
- 08 Key performance indicators
- 09 How we think about sustainability

11 Governance MAKE IT MATTER

- 12 Hillenbrand’s approach to ethics and anti-corruption
- 12 Compliance procedures
- 13 Stakeholder feedback
- 13 Cybersecurity and data privacy
- 14 Supplier standards
- 15 Supplier diversity
- 16 Executive compensation
- 16 Conflict minerals

17 Environmental Responsibility PARTNER WITH POSSIBILITY

- 18 Our operating model
- 18 Energy and emissions
- 19 Our approach to energy reduction
- 21 Clean technology
- 22 Operational efficiency
- 22 ISO certifications
- 23 Recycling and material efficiency

24 Social/Our People WIN AS ONE

- 25 Approach to associates/talent
- 27 Diversity, Equity, & Inclusion (DEI)
- 31 Compensation, benefits, and work life balance
- 32 Collective bargaining
- 32 Associate training and education
- 33 Our response to COVID-19
- 34 Worker safety

36 Living our Core Values

- 37 Supporting our customers & their sustainability goals
- 38 Operating Company highlights
- 44 Spotlight on program progress
- 46 Community involvement
- 48 Community engagement and feedback
- 48 Customer engagement and feedback

50 Indices & Approach to Reporting

- 51 Approach to reporting
- 54 Global Reporting Initiative (GRI)
- 62 Sustainability Accounting Board Standards (SASB)
- 63 Reconciliation table
- 64 Cautionary note regarding Forward-Looking Statements

A Message from Kim Ryan

Dear Stakeholders,

This past year proved to be transformational for people and organizations everywhere. During the ongoing pandemic, the world slowly returned to what can now only be described as a new way of living and working. Companies have been challenged to attract and retain talent, navigate complex supply chain issues, and adjust to meet customer demand in a strained macro-economic environment. Like many companies, Hillenbrand faced many of these pressures and embarked on a transformation of our own.

As I began my transition into the CEO role in 2021, I began an initiative to renew our company's Purpose and identify, for internal and external stakeholders, the role Hillenbrand plays in the world. Collectively, we play a unique part in the development of a sustainable future, providing solutions to a wide variety of customers, who manufacture what the world needs to thrive today and partnering with them to develop new solutions for the needs of the future.

Our Purpose, **Shape What Matters for Tomorrow™**, embodies key tenets of sustainability, and reflects our unique position as industry leaders, creating innovative solutions and end products that impact how people live, work, play, travel, eat, and heal. Our people play a vital role in bringing this to life and are the life blood of a culture centered around four key unified Core Values: **Win As One, Partner With Possibility, Make It Matter, and Drive to Deliver.** Living these values allows us to better serve one another, our communities, and our customers while we continue to generate exceptional performance and generate long-term shareholder value.

In this year's sustainability report, you will learn more about our Core Values, see how the equipment and systems we create contribute to a sustainable future, and better understand how Hillenbrand confirms its support of the Ten Principles of the United Nations Global Compact

in the areas of Human Rights, Labor, Environment, and Anti-Corruption. In this annual Communication on Progress, we disclose our continuous effort to integrate the Ten Principles into our business strategy, culture, and daily operations, and contribute to the United Nations goals, particularly the Sustainable Development Goals (SDGs).

Contributing to those goals is a priority that aligns closely with our Purpose, and our report outlines the progress we made in several key areas during the last year. I'm proud to highlight strides we made in Diversity, Equity, and Inclusion through actions such as our public commitment to provide a diverse and inclusive environment for our associates and launching five associate-driven Business Resource Groups.



Our Purpose, **Shape What Matters for Tomorrow**, was carefully crafted to highlight three key areas of Hillenbrand's unique position as an industry leader:

SHAPE—We are the engineers, designers, manufacturers and molders, who take pride in their expertise and technical ability—and allow the company to put the right pieces together to bring forward new solutions for our customers.

WHAT MATTERS—Our end products affect the world. They impact how people live, work, play, travel, eat, and heal.

FOR TOMORROW—We continue to look for what's next. As innovators in our respective industries, we work to shape a stronger future for our world.

We are also living our Purpose by helping meet increasing consumer demands for sustainable solutions by investing in innovation centers and introducing new products and systems designed to meet the rising need for advances in plant-based proteins, recycling, biopolymers, and batteries.

Climate change is a key focus of our stakeholders, and we prioritized our understanding of energy and emissions and are continually working to increase our understanding of how they affect our company, our associates, and our communities. Along with understanding comes action, and we are continuing to work to reduce our own impact, and the addition of our first Chief Sustainability Officer in 2021 has added greater strategic focus to our sustainability approach in each of these areas.

Hillenbrand's sustainability progress and ability to respond to numerous challenges isn't possible without our committed associates, customers, suppliers, partners, and communities. Our renewed vision of our Purpose and our drive toward more sustainable practices and products will work to propel us forward, and I hope, will drive results for years to come.

I look forward to sharing this year's progress with you. On behalf of Hillenbrand and our more than 10,000 associates, we share our commitment to continuing to publicly share our progress and remaining transparent in our sustainability efforts.

Sincerely,



Kim Ryan

President and Chief Executive Officer



Note from Hillenbrand's Chief Sustainability Officer

I have said many times in my first year in this role that I don't want a sustainability strategy. This often surprises our associates, but they understand why once I tell them my goal: to have sustainability so tightly integrated into how we do business that it becomes a core element of our business strategy.

We made progress on this goal in the last year, embedding standard practices and a sustainability mindset deeper into our organization, as well as being sure valuable information about our operations is flowing upward so we are properly prioritizing, taking the right actions, and making the right decisions.

Most recently, our efforts have focused on understanding our impact on Climate Change, and to do this we needed to start with our data. We have been intently focused on working with our Operating Companies to develop KPIs, collect key metrics, improve our approach to energy and emissions, and continue to increase our transparency.

As Kim noted, exceptional global challenges have persisted—but so have we. In this year's report, you will see the culmination of our efforts in the form of associate trainings, strategy meetings, Purpose discussions, reported data, an energy reduction strategy, and a variety of other activities that have brought us to where we are today. I want to personally thank the Hillenbrand Executive Management Team, our ESG Council, and our Working Groups for all their hard work this year.

And yet, we recognize that we have more work to do. Sustainability is not just reporting data; it is knowing how to use that data to solve some of the most pressing challenges of our time. While in 2021 we were primarily focused on our own operations, you will notice that we are gradually expanding outside our operational boundaries into ongoing partnerships with non-profit organizations, suppliers, and customers. As we grow, we plan for these practices and more to grow as well.

Sustainability plays a clear and vital role in Hillenbrand's Purpose and future. Because we make what matters, it matters how we make it.

Tory Flynn

Chief Sustainability Officer

Introducing Our Purpose and Core Values

Core Values are evidence of our Purpose in our daily actions. Core Values describe who we are at our best and inspire our actions for the future.

VISION
WHERE WE'RE GOING
We are a world-class, global diversified industrial company with a proven record of success driven by the Hillenbrand Operating Model (HOM).

CORE VALUES
WHO WE ARE
Win As One
Partner With Possibility
Make It Matter
Drive To Deliver

OPERATING MODEL
HOW WE DELIVER
The HOM drives us toward operational excellence by understanding the business, focusing on critical areas, and improving the way we work.

MISSION
WHAT WE DO
We strive to provide superior return for our shareholders, exceptional value for our customers, great professional opportunities for our employees, and to be responsible to our communities through deployment of the HOM.

PURPOSE
WHY WE EXIST

SHAPE WHAT MATTERS FOR TOMORROW™

Our Purpose, **Shape What Matters for Tomorrow**, was carefully crafted to highlight three key areas of Hillenbrand's unique position as an industry leader:

SHAPE—We are the engineers, designers, manufacturers and molders, who take pride in their expertise and technical ability—and allow the company to put the right pieces together to bring forward new solutions for our customers.

WHAT MATTERS—Our end products affect the world. They impact how people live, work, play, travel, eat, and heal.

FOR TOMORROW—We continue to look for what's next. As innovators in our respective industries, we work to shape a stronger future for our world.

Who We Are

Hillenbrand is a global diversified industrial company headquartered in Batesville, Indiana, USA and serves a wide variety of industries around the world. Hillenbrand’s Mission is to provide superior return for our shareholders, exceptional value for our customers, great professional opportunities for our associates, and to be responsible to communities through the deployment of the Hillenbrand Operating Model. Hillenbrand is publicly traded on the NYSE under “HI.”

In summer 2021, under the leadership of then-incoming-CEO Kim Ryan, we embarked on a journey to excavate and articulate Hillenbrand’s Purpose. We believe our Purpose is a powerful tool in uniting our people and our Operating Companies and serves as a catalyst toward achieving a common set of goals and impacts.

Our Purpose is: Shape What Matters For Tomorrow™. This means we lead in our industries by creating products, solutions, and most importantly, impacts that will define the future, not only for our business, but for the world. Hillenbrand plays a unique role as we address challenges in supply chain, talent management, sustainability, health and safety, and beyond.

Embedded in our Purpose is a set of four Core Values unifying Hillenbrand’s more than 10,000 global associates: Win As One, Partner With Possibility, Make It Matter, and Drive To Deliver. These Core Values activate our Purpose, challenge us to be better, and guide our decision making. Our actions are further supported by our Code of Ethical Business Conduct (our “Code”), which serves as a guide to understanding and holding each other accountable to our ethics and compliance standards.

Operating Segments and Markets Served

Advanced Process Solutions (APS)

Advanced Process Solutions designs, engineers, manufactures, markets, and services differentiated process and material handling equipment and systems for a wide variety of industries, including plastics, food and pharmaceuticals, chemicals, fertilizers, minerals, energy, forest products, and other general industrials. Advanced Process Solutions uses its strong applications and process engineering expertise to solve problems for customers.

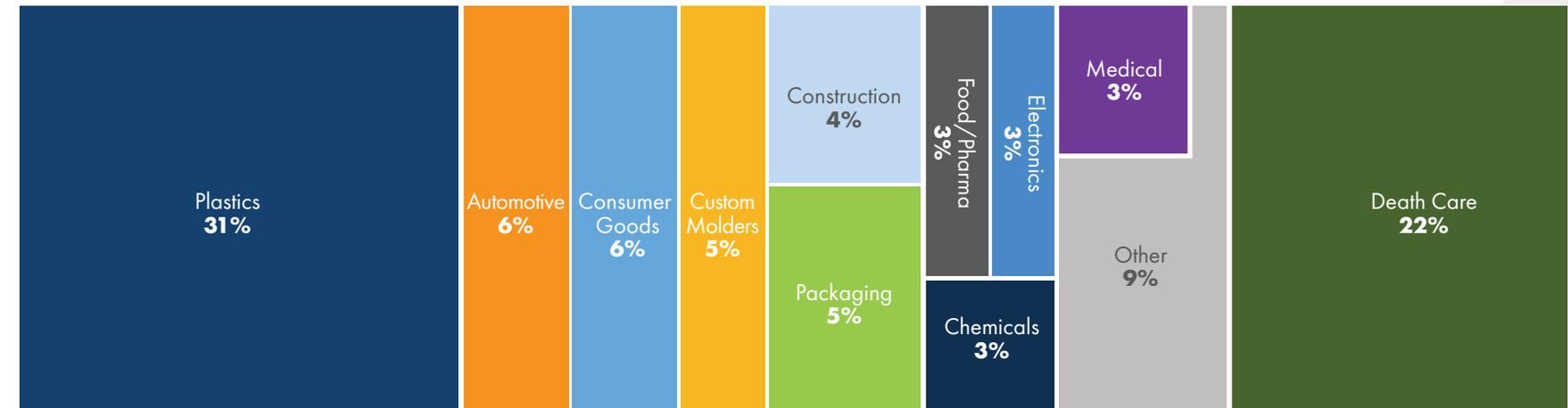
Molding Technology Solutions (MTS)

Molding Technology Solutions is a global leader in highly engineered and customized equipment and systems in plastic technology and processing. The product lines within Molding Technology Solutions have strong brand recognition and an established global footprint, and we believe are well-positioned to benefit from continued robust industry growth in both developed and emerging markets. Molding Technology Solutions’ breadth of products, long history, and global reach have resulted in a large installed base of plastic processing equipment and hot runner systems.

Batesville

Batesville® is a recognized leader in the death care industry in North America, where it has been designing, manufacturing, distributing, and selling funeral service products and solutions to licensed funeral directors operating licensed funeral homes for more than 115 years.

Diversified End Markets



End Markets are as of 9/30/21 and are adjusted for the divested Red Valve, ABEL, and TerraSource Global businesses.

Our Operating Companies

Coperion

Coperion is an international industry and technology leader in extrusion and compounding systems, feeding technology, bulk material handling systems, and services. It designs, develops, manufactures, and maintains systems, machines, and components for the plastics, chemicals, pharmaceutical, food, and minerals industries.



DME

DME is a leading global manufacturer of mold technology products with worldwide operations. For 80 years, DME has provided mold designers and molders with innovative solutions. DME's standard-setting, comprehensive product line—including hot runner systems, control systems, and mold-making and molding supplies—is composed of more than 15,000 products.



MILACRON

Milacron Injection Molding & Extrusion (Milacron) is a manufacturer of industry-leading plastics processing technology and solutions. It offers a wide range of highly engineered machinery, auxiliary equipment, and aftermarket parts and services supporting the global plastic processing market.



Mold Masters

Mold-Masters is one of the world's leading suppliers of hot runner technology and co-injection systems. It designs, manufactures, and supports a full range of products, including hot runner systems, temperature controllers, hot halves, auxiliary injection units, and various gating technologies.



ROTEX

HIGH PERFORMANCE SCREENERS

Rotex is an innovative pioneer in the technological development of screening machines that are used in dry separation of products from size analysis to conveying, screening, and separating.



Batesville

Batesville is a recognized leader in the death care industry in North America through the manufacturing and sale of funeral service products, including burial caskets, cremation caskets, containers and urns, other personalization and memorialization products, and technology solutions for funeral homes.



Location of Hillenbrand & Major Operations



Additional information regarding markets served is included in our FY21 annual report. [▶](#)

- ★ **Headquartered in Batesville, Indiana, USA**
 Our corporate headquarters is in Batesville, Indiana, in a facility that we own. We own or lease several manufacturing and assembly, warehouse distribution centers, service centers, and sales offices located all over the world. On this map above are significant manufacturing facilities.
- **Advanced Process Solutions (APS) Major Manufacturing Facilities**
 Excluding warehouse distribution centers, service centers, and sales offices
- **Molding Technology Solutions (MTS) Major Manufacturing Facilities**
 Excluding warehouse distribution centers, service centers, and sales offices
- **Batesville Manufacturing Facilities**
 Excluding warehouse distribution centers, service centers, and sales offices

Key Performance Indicators

Hillenbrand tracks progress across a wide variety of metrics, from Environmental, Social, and Governance, to Economics and Health & Safety. This snapshot showcases the numbers at the heart of our sustainability story, which is outlined in greater detail in this year's report. We're proud to share what we're doing today, our progress toward goals, and where we're headed next.

| | 2020 | 2021 |
|--|-----------|-----------|
| ECONOMIC | | |
| Revenue (M USD) | \$2,517.0 | \$2,864.8 |
| Adjusted EBITDA (M USD) ¹ | \$ 464.4 | \$ 538.2 |
| GOVERNANCE | | |
| % Supplier Diversity | – | 9% |
| ENVIRONMENTAL | | |
| GHG Emissions (MT CO ₂ e) | 70,333 | 72,321 |
| GHG Emissions (MT CO ₂ e/million hours) | 5,685 | 4,989 |
| Energy Consumption (GJ) | 798,885 | 812,096 |
| SOCIAL | | |
| Gender | | |
| % Women in Board of Directors | 27% | 45% |
| % Women in Global Management | 29% | 38% |
| % Women in Global Leadership | 26% | 30% |
| % Women in Global Workforce | 16% | 16% |
| Race/Ethnicity | | |
| % Non-White in Board of Directors | 9% | 27% |
| % Non-White in U.S. Management | 8% | 18% |
| % Non-White in U.S. Leadership | 12% | 23% |
| % Non-White in U.S. Workforce | 20% | 20% |
| Associated Training Completion | | |
| % Code of Business Ethics & Conduct | – | 99% |
| % Anti-Bribery Anti-Corruption | – | 99% |
| % Data Protection Basics | – | 100% |
| % U.S. Focused Trade Controls | – | 100% |
| % General Overview Trade Controls | – | 100% |
| Safety | | |
| H&S RIR (Recordables/hours) | 1.84 | 1.72 |

¹Adjusted EBITDA is a non-GAAP measure. See page 63 for GAAP reconciliation.
For all other footnotes, please click on each section to view full detail.

How We Think About Sustainability

Since formally establishing a sustainability program in 2021, Hillenbrand has made strides in developing plans and actions to improve our sustainability performance. The Hillenbrand Operating Model continues to enable us to deliver excellence through a consistent and repeatable framework of tools and key management practices, and the company continues to embed sustainability in the way it does business.

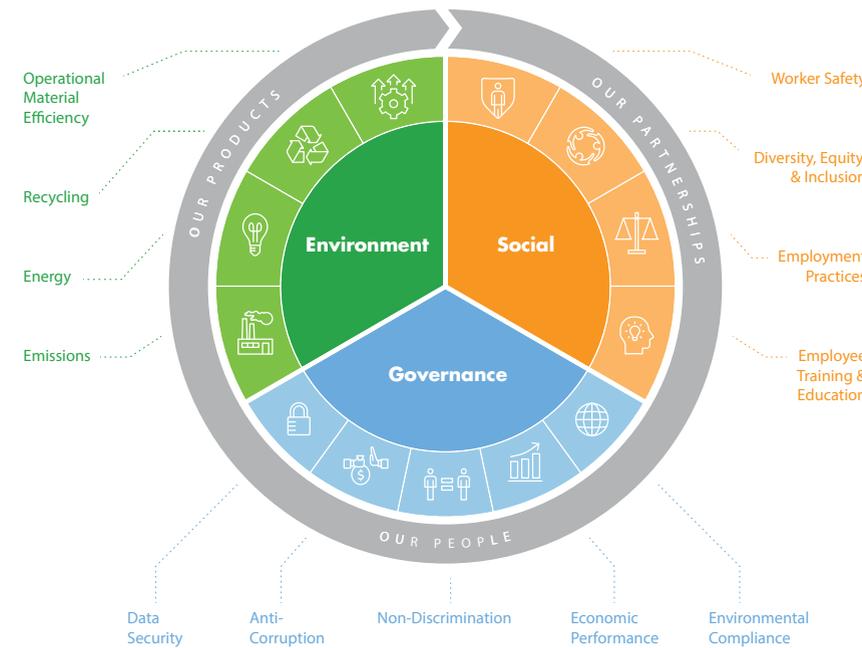
When considering the sustainability impact of our Operating Companies and our overall Environmental, Social, Governance (ESG) profile, we look to best practices from our Operating Companies and benchmark against peers. As a United Nations Global Compact (UNGC) participant, we align our material topics to the UNGC framework.

Hillenbrand's sustainability program is ultimately overseen by the Board of Directors. Our Board of Directors maintains the following standing committees:

- » **Audit Committee:** Oversees the integrity of our financial statements and compliance with legal and regulatory requirements, as well as compliance with the Code, the independence, qualifications, and performance of our external auditors, and the performance of our internal audit function. In fulfilling these responsibilities, the Audit Committee also discusses with senior management Hillenbrand's guidelines and policies that govern our enterprise risk management (ERM) process. Beginning in 2022, potential ESG risks were included as a formal category in this process.
- » **Compensation and Management Development Committee:** Has overall responsibility for evaluating and approving the structure of our executive compensation plans, policies, and programs, including determining whether compensation arrangements for executives and other associates are appropriate and thoughtful risk-taking to enhance shareholder value and do not incentivize unnecessary and excessive risk-taking. Has oversight of Hillenbrand's plans for executive officer development and succession and related disclosures, as well as its diversity, equity, and inclusion program and other human capital management matters.

- » **Nominating/Corporate Governance Committee (NCGC):** All independent directors serve on this committee, which is responsible for ensuring that Hillenbrand is operated in accordance with prudent and practical corporate governance standards. Also oversees the composition of the Board of Directors by regularly reviewing membership and nominating prospective members. This committee is the primary reviewer of sustainability matters and does so regularly.

HILLENBRAND SUSTAINABILITY MODEL



NCGC

This Board Committee reviews Hillenbrand's objectives, progress, practices, and strategy relating to sustainability and ESG topics on at least a quarterly basis. The NCGC's regular meeting agenda includes discussion of sustainability priorities and strategies, action plans and status, and metrics relating to topics defined by our materiality assessment executed in 2019:

- » Material Efficiency, Recycling, Energy, Emissions.
- » Worker Safety, Diversity Equity & Inclusion, Employment Practices, and Employee Training & Education.
- » Data Security, Anti-Corruption, Non-Discrimination, Economic Performance, Environmental Compliance.

We recognize the importance of climate change, and in 2021 added Energy and Emissions to our sustainability model to better align with ongoing stakeholder feedback.

Sustainability Structure

Having the best people and practices in place to lead Hillenbrand through our sustainability journey is essential. Hillenbrand has established a Sustainability Steering Committee consisting of executive leaders from across the organization with varied functional expertise. Today, Hillenbrand's Sustainability Steering Committee is led by our Chief Sustainability Officer (CSO), who reports directly to Hillenbrand's President and Chief Executive Officer (CEO) and leads reporting to the NCGC. In addition to the CSO, the Sustainability Steering Committee is composed of:

- » President and CEO.
- » Senior Vice President and Chief Financial Officer.
- » Senior Vice President, General Counsel, Secretary, and Chief Compliance Officer.
- » Senior Vice President, Chief Human Resources Officer.
- » Senior Vice President, Operations Center of Excellence and Hillenbrand Operating Model.
- » Vice President, Global Supply Management and Chief Procurement Officer.

The Sustainability Steering Committee meets quarterly to review strategies, action plans, and KPIs.

One of the many challenges companies face is how to effectively implement changes and advance and embed sustainability initiatives deep inside their organizations. Hillenbrand’s CSO manages this challenge through an internal ESG Council, which consists of working groups and subject matter experts from each of the key global functions and each of Hillenbrand’s Operating Companies. This Council meets monthly to discuss sustainability initiatives, solicit feedback on business concerns and recommendations, and align on implementation and resource planning. The ESG Council is a critical path for the flow of information between the Operating Companies, the Sustainability Steering Committee, and the NCGC.

Sustainability Governance Structure*



*Chief Sustainability Officer role added in 2021; responsible for building the framework, developing a strategy to accelerate progress, and overseeing all sustainability activities.

Sustainability Risk Management

Hillenbrand has a well-developed enterprise risk management (ERM) process. This involves an annual assessment of material risks facing the company, during which, participants rank risks based on potential financial impact and likelihood of occurrence. The results are reviewed with Hillenbrand’s Executive Management Team and Board of Directors. In 2021, the CSO compiled an assessment of global risks—for our ERM team to review in advance of completing their risk assessments—from the following sources:

- » World Economic Forum.
- » United Nations.
- » Global Business Risk Barometers.
- » Top Policy Trends and Risks.

The company has now embedded ESG topics into our ERM process to better understand long-term risks, climate change, and other key topics around sustainability. This process was adapted from recommendations developed by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission and the World Business Council for Sustainable Development (WBCSD). This process allows Hillenbrand to better understand the longer timelines involved in sustainability, which could stretch to 10, 20, and even 30 years, as well as the associated unpredictability and emergent risks.

Climate and Governance

While the risks from climate change are many, we believe that through working together with our customers, suppliers, communities, and associates, we can support efforts to correct the trajectory of climate change and mitigate the devastating impact it could have on our planet and our communities. Hillenbrand recognizes the opportunities we have for improvement in this area, including to refine our approach to our energy use and emissions.

Conclusion

Although we are in the early stages of our sustainability journey and have only just begun to understand our company’s potential impact on climate change, we have fully embraced this effort by embedding sustainability into the Hillenbrand Operating Model. From ERM to a new [internal energy reduction strategy](#), sustainability has become part of our culture of continuous improvement and leadership, and we are proud of the accomplishments we have made to date.

Environmental Compliance
Economic Performance
Non-discrimination
Anti-corruption
Data Security

Governance

MAKE IT MATTER

INTEGRITY | MISSION CRITICAL | SUSTAINABILITY

Because we make the things that matter, it matters how we make them. We take pride in our impact on the way people live, work, play, eat, heal, and travel. We safely manufacture the future for a planet that depends on the mission-critical thinking of an organization that plans, operates, and leads with integrity. We have been the muscle that keeps the world moving for decades. And we won't stop.

99%

of the 5,522

associates offered the online Code of Ethical Business Conduct training successfully completed their assignments in 2021.

99%

of the 4,014

associates offered the online Anti Bribery and Anti Corruption training successfully completed their assignments in 2021.

Hillenbrand's Approach to Ethics and Anti-Corruption

The choices we make each day reaffirm our commitment to our Core Values and help shape Hillenbrand's corporate culture. Our Code and our Core Values convey our strengths and create a solid foundation for ethical business behavior. Our Code applies everywhere we do business, and we believe it also serves as a practical guide to understanding our ethics and compliance standards.

Everyone who works for or on behalf of Hillenbrand must follow the Code, as well as related laws and policies. This includes all associates, but also consultants, agents, sales representatives, distributors, and independent contractors. Associates are expected to comply with the formal requirements of the Code, applicable laws and regulations, and company policies.

Hillenbrand's anti-corruption program is designed to prevent, detect, and remediate risks of corruption against multiple anti-corruption standards, including the U.S. Foreign Corrupt Practices Act and the UK Bribery Act of 2010. We work with each Operating Company on a risk-adjusted basis to implement controls to increase awareness, limit improper or undesirable behavior, and test the effective implementation of those controls.

The company provides guidance to all associates regarding corruption in the form of a Global Anti-Bribery, Anti-Corruption Policy Statement and Compliance Guide ("ABAC Policy"). The ABAC Policy supplements the Code and applies to all associates, officers, and agents of Hillenbrand, anywhere in the world. Compliance with the ABAC Policy and the Code is mandatory. Depending on their respective areas of responsibility, associates, officers, and agents may be asked to certify as to their understanding of and compliance with the ABAC Policy and the Code.

We provide several targeted trainings on ethics and compliance-related issues throughout the year for our associates and select functional teams. These include trainings on relevant policies for associates who need to be familiar with the respective subject matter. All associates are provided training on the Code, and we deploy an annual recertification to all managers. Our part-time associates are also trained on the Code. In addition, relevant managers and above, as well as relevant lower-level associates, complete an annual recertification process in Anti-Bribery and Anti-Corruption.

Compliance Procedures

We believe that everyone must do their part to maintain our high standards for ethics and integrity. Associates are expected to act with courage when they see wrongdoing and are required to make prompt and full disclosure regarding any concerns they have about a potential ethics or compliance-related issue—or, if they don't understand the Code, a law, or policy to ask about it.

Potential concerns or questions may be reported confidentially to any member of Hillenbrand's Ethics & Compliance Department, Legal Department, or Audit Committee of the Board of Directors, or an associate's manager, supervisor, or Human Resources representative. Additionally, a toll-free Code of Ethics and Compliance Help Line and web portal are available to confidentially raise concerns or questions. Anonymous reporting is also supported, where allowed by law, as part of our concern raising process. This is sometimes referred to by outside parties as a "whistleblower" process.

The Code will be vigorously enforced in the best interests of the company. When a violation of the Code, policies, or the law occurs, appropriate disciplinary action will be taken, up to and including termination of employment. Hillenbrand will not tolerate retaliation against anyone who reports a problem in good faith, nor will we tolerate retaliation against anyone who participates in an investigation.

Certain actions may also result in legal proceedings, penalties, or criminal prosecution. Any information reported through our reporting hotline, or any other channel, will be treated confidentially. If an investigation is needed, information may be shared on a need-to-know basis. Hillenbrand may also be required by law to report certain types of activities.

As an indication of our efforts to encourage a healthy environment for reporting, in fiscal 2021, the Ethics & Compliance Department logged 199 reports about potential concerns or questions, which is in line with the external benchmarks that the company focuses on. All reports were duly investigated or resolved in accordance with the Code and applicable procedures.



Our CEO, Kim Ryan, met with Fred Payne, Commissioner, Indiana Department of Workforce Development, in early 2022 to discuss workforce and other industry-related topics.

Stakeholder Feedback

Stakeholder feedback helps us better understand their long-term interests and how Hillenbrand's activities impact the broader community. We receive feedback from associates, customers, shareholders, communities, suppliers, and government entities. We seek different ways to engage with our stakeholder audiences on differing topics, including environmental matters.

These engagements occur in a variety of ways, including in connection with our periodic materiality assessments and strategic outreach. We plan to next update our materiality assessment in 2022 to refine how we prioritize issues and opportunities. For example, in addition to our traditional investor relations outreach efforts, we annually engage with shareholders on sustainability and governance topics important to them. Throughout 2021, such engagements covered a range of sustainability topics and outreach was made to parties representing more than 70% of our outstanding shares. We use stakeholder feedback to gain valuable insights to shape our sustainability program, to help identify potential risk, and to inform business decisions. We share our learnings with the NCGC, and at the start of our annual sustainability reporting process, we review the insights received and adjust our reporting where appropriate.

We engage with our industry groups and associations to drive sustainability through our businesses and industry and engage with local government to provide business insight and thought leadership about key and industry-related topics such as workforce, diversity, and health.

Cybersecurity and Data Privacy

Cybersecurity and data privacy in a global organization continue to be of increasing importance, especially as world events continue to evolve. Our Code and our Core Values shape our overall mindset and how we do business—both highlight integrity and the importance of protecting valuable information. This is particularly relevant to how we think about the protection of the confidentiality, integrity, and availability of data pertaining to our associates, customers, suppliers, and proprietary information.

Cybersecurity begins at the top of our organization, where company leadership consistently communicates the requirements for vigilance and compliance throughout the organization and leads by example. The cybersecurity program is led by Hillenbrand's Chief Information Security Officer (CISO), who provides quarterly updates to the Audit Committee of our Board of Directors and regularly reports to the Executive Management Team about the program, including information about cyber risk management governance and the status of Hillenbrand's continued efforts to strengthen cybersecurity effectiveness. Our Audit Committee charter specifically empowers the Committee to monitor cybersecurity and other information security matters.

Our Cybersecurity organization provides leadership, harmonized security standards, and effective security tools in support of our defense in depth strategy, as well as an incident response program. Our cybersecurity standards are modeled on the International Organization for Standardization (ISO) 27001/02 and National Institute of Standards and Technology (NIST) frameworks for information security management systems, regularly tested by independent third parties, and externally audited against the ISO 27001 standard.

We educate and share best practices globally with our associates to raise awareness of data security threats. As part of our onboarding process, we train all new associates (those who receive computers/email addresses) on cybersecurity and maintain an annual retraining for all associates on cybersecurity standards, as well as how to recognize and properly respond to phishing and social engineering schemes. Hillenbrand has deployed the phishing detection system to report suspicious emails, which are then automatically logged for further review. We also have an automated monthly process to retrain associates who did not maintain an acceptable pass rate

on our phishing recognition training. To round out our robust awareness program, we have specific training for our IT professionals, including Privileged Access Management and Secure Coding.

In addition, at the corporate level, our data privacy and data protection efforts are guided by our Privacy Steering Committee, which includes Management Team members. We strive to make our associates aware of the risks associated with data, training all new associates as part of their onboarding, and regularly retraining our associates on data privacy and data protection. Training, deployed in FY 2022, focused on topics like the European Union General Data Protection Regulation (GDPR), California Consumer Privacy Act (CCPA), and other targeted training on applicable laws, such as the Health Insurance Portability and Accountability Act (HIPAA) and China's Personal Information Protection Law (PIPL).

“Our Cybersecurity organization strives to be a strategic partner to understand the risk appetite of our business, and then act on that understanding with policies and tools to minimize vulnerabilities, improve our response in the event of a crisis, and ensure the right people have the right access. This results in a balance between compliance and risk, supported by Defense in Depth controls to protect stakeholder data.”

Andrew Wilder, Chief Information Security Officer
Hillenbrand



Supplier Standards

We hold ourselves and our suppliers to high standards. Our suppliers must comply with all applicable legal requirements in the countries and regions they conduct business. We also require our suppliers to comply with our Supplier Standards, our Human Rights Policy, our Global Environmental Policy, our Supplier Diversity Policy, our Supply Chain Transparency Policy, our Anti-Corruption Policy, our Conflict Minerals Policy, and our Code of Ethical Business Conduct.

Our suppliers are valued partners and are a critical part of Hillenbrand’s success, and we continue to work together to make a difference in the communities in which we operate. All policies can be found on our website.

The Hillenbrand Operating Model reinforces the importance of using data analytics and a continuous improvement mindset to perform at our best and create the supply chain agility customers expected and deserved in 2021. That model coupled with our approach to working with the best suppliers helped us to achieve success by securing pricing through negotiated, long-term agreements and strategically sourcing raw materials, generating millions of dollars in cost avoidance and productivity. We consolidated freight and payment services to leverage parcel, ocean, and trucking services to reduce costs and optimize performance of our suppliers.



This graphic represents the Hillenbrand GSM organization’s path to maturity. The actions on the right-hand side lay out our planned migration to world-class performance.



Mike Prado
VP Global Supply Management,
Chief Procurement Officer
Hillenbrand

“2021 represented one of the most challenging years ever recorded by supply chain management leaders at multinational companies, and certainly one of the most challenging I have seen in the past 30 plus years of my career. Labor shortages, commodity inflation, global transportation delays, and other pandemic-related impacts forced companies to be adaptable, agile, and aligned to their internal and external customers. The velocity of change has never felt greater and to continue to be successful, we plan to step up our efforts to support the localization of supply, including a focus on making products where we sell them and buying supplies and other services where we’re making products. Our continued success will be directly supported by the efficiency of our supply chains and our ability to reduce risk and waste and meet our customer commitments.”

The concept of AAA was initially created by Hau Lee, Thoma Professor of Operations, Information and Technology at the Stanford Graduate School of Business. It was published in the Harvard Business Review in 2004 and updated in 2021.

Supplier Diversity

We are committed to strengthening our supply base through partnerships with small, minority, veteran, and women-owned businesses in North America and have built a robust process designed to enhance our ability to identify, attract, and engage these suppliers.

Our commitment to partnering with diverse suppliers enables us to expand our supply base and identify businesses that contribute to innovation and to the success of products and the communities in which we operate.

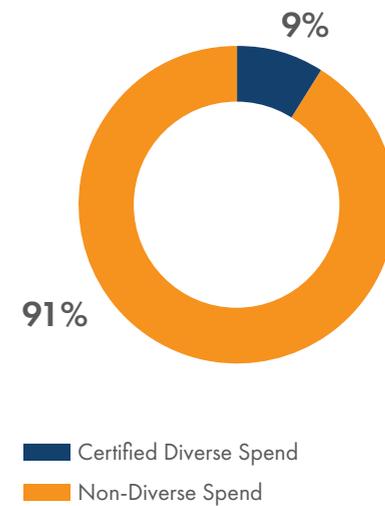
In 2021, 9% of Hillenbrand’s purchases of goods and services in North America were from suppliers who are qualified as a small, minority, women, veteran, or disabled-owned business.

We have established a Supplier Diversity Policy to embed the practice of soliciting and including qualified diverse suppliers in strategic sourcing opportunities.

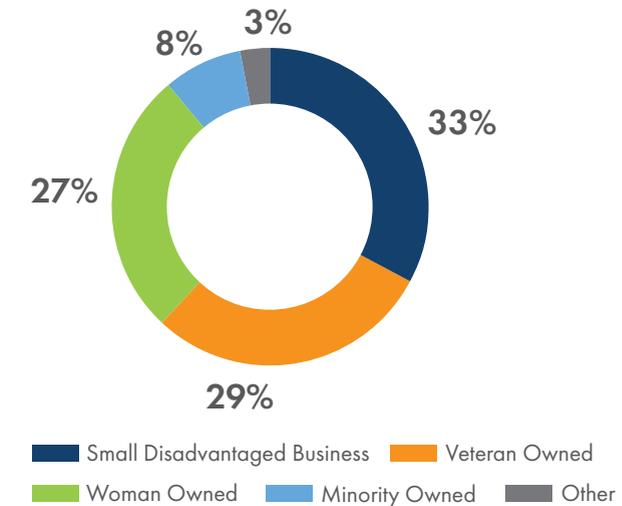
Hillenbrand also established a Supplier Diversity Steering Committee, sponsored by executive leadership, and composed of associates across the organization. The Committee works to promote the program internally and externally, build and cascade the reporting and tools critical for program success, and partner with non-profit organizations which certify and empower diverse suppliers.

Hillenbrand is committed to continued investment in diverse supplier growth with suppliers who follow the requirements outlined in our Global Procurement Policy. Largely, this growth is focused on North America where diverse suppliers are defined in common classifications listed right.

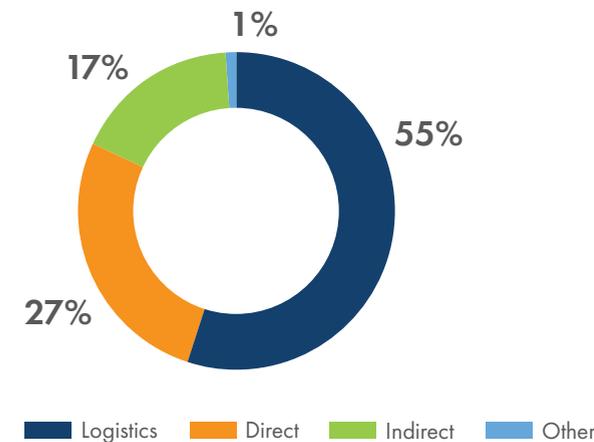
North America Spend Overview



Certified Diverse Spend by Certification Type



Certified Diverse Spend by Category



Executive Compensation

We believe that Hillenbrand's executives should be fairly compensated for creating appropriate long-term returns for shareholders. Our Compensation and Management Development Committee ("Compensation Committee") has adopted an executive compensation philosophy, which we have published in our annual proxy statement, describing the principles of our executive compensation program.

[Link To Proxy Statement](#) 

The central theme of the compensation philosophy of Hillenbrand and our Compensation Committee is that a significant portion of executive officer compensation will be "performance-based" and, therefore, is not guaranteed as it is variable based on performance. Hillenbrand's executive compensation program has also historically included a collective performance goal for its Executive Management Team to maintain a strong, deep, and diverse talent pool, the execution of which is a factor used in determining annual incentive payouts. Beginning in 2021, the Compensation Committee added the creation of specific plans to increase diversity of our associates as part of this collective performance goal. In addition, at each Annual Meeting of Hillenbrand's shareholders since 2011, the company has held a "say on pay vote," which is a non-binding advisory resolution stating that shareholders approve the compensation paid to Hillenbrand's named executive officers. The Compensation Committee carefully considers the results of this vote each year. Company shareholders have approved the say on pay vote with more than 94% support each year for the past nine years (97.58% in February 2022).

Conflict Minerals

Hillenbrand supports ending the violence and human rights violations related to the mining of certain minerals from the region situated in the eastern portion of the Democratic Republic of the Congo (DRC) and surrounding countries. Furthermore, the company is committed to complying with applicable legislation in all parts of the world, including requirements related to conflict minerals and other laws adopted in relation to understanding the content and associated sourcing of materials in our products and our supply chain.

"Conflict minerals" refer to tin, tantalum, tungsten, and gold (often referred to as 3TG), regardless of where they are sourced, processed, or sold. Hillenbrand's Operating Companies are purchasers of materials and parts with complex supply chains and are many steps downstream in the minerals supply chain from raw mineral sourcing, smelters, and refiners. We do not purchase raw ore or unrefined 3TG and do not directly purchase materials or parts from countries covered by applicable law. Thus, we rely on the information provided by direct suppliers to determine the origin of the 3TG contained in the parts and materials supplied to us, including the 3TG provided to Hillenbrand's suppliers from sub-tier suppliers.

Hillenbrand has established a cross-functional conflict minerals team, consisting of representatives from the corporate center and our Operating Companies, including members of our legal, compliance, and global supply management groups. We conduct periodic team meetings to assess the progress of Hillenbrand's conflict minerals due diligence, to share lessons learned across Hillenbrand's supply chain, and to identify steps to strategically improve our due diligence program.

Each year, we conduct a Reasonable Country of Origin Inquiry to determine whether any of the necessary 3TG contained in our products manufactured in the prior year originated in any country covered by applicable law. We continually analyze the findings and learnings of Hillenbrand's due diligence, and we are continuing to revisit the due diligence design to include different risk management approaches tailored to each individual business. Ultimately, information gathered from Hillenbrand's due diligence

process is summarized and reported to members of Hillenbrand's Executive Management Team. Any actual and potential risks identified in the Reasonable Country of Origin Inquiry and the due diligence exercise are reported to and monitored by members of the dedicated conflict minerals team.

Suppliers who cannot provide the required data demonstrating that conflict minerals used in their products provided to Hillenbrand are conflict-free may be prohibited from engaging in future projects with the company, and the company may terminate supplier relationships or require improved compliance where it deems necessary.

[Link To Conflict Minerals Policy](#) 

"Hillenbrand is committed to addressing the important issues raised by SEC rules relating to Conflict Minerals and other applicable laws now and in the future, and we will continue to evaluate our supply chain with regard to Conflict Minerals and other issues. Cooperation from our suppliers is necessary in order for Hillenbrand to obtain the information required for us to ensure compliance with these laws."

Conflict Minerals Policy

Hillenbrand

Operational Material Efficiency
Recycling
Energy
Emissions

Environmental Responsibility

PARTNER WITH POSSIBILITY

CUSTOMER FOCUS | EXPERTISE | INNOVATION

We are problem solvers with a passion for our customers. The technical expertise that flows throughout our organization empowers us to overcome the challenges in front of us and to find the breakthroughs that lie ahead. Our determination gives us the courage to keep moving forward, elevating standards, and providing tailor-made solutions that open new possibilities for everyone we serve. We believe this can and should be achieved while also reducing our environmental impact, streamlining our operational efficiency, and creating a more sustainable way of doing business.



We are committed to being a company where the positive impacts of our people, products, and partnerships help better the environments in which we operate. In 2021, the top operational leaders at each of our Operating Companies came together to form our Environmental Council, which is jointly led through Sustainability and Hillenbrand Operating Model functions to help drive our environmental practices and priorities. Climate change remains at the forefront of sustainability decision-making and risk-assessment, and the topic remains important to multiple stakeholders. For Hillenbrand, this means understanding our energy use and tracking data around our energy and emissions for the first time.

Hillenbrand
Operating Model
(HOM)



Our Operating Model

The Hillenbrand Operating Model is a consistent and repeatable framework that is designed to produce sustainable and predictable results. It incorporates key management practices in Strategy Management, Segmentation, Lean, Talent Development and Acquisitions, and prescribes three steps (Understand, Focus, and Grow). It is a common language used across our company and, because of this, has become an integral part of our sustainability strategy. As we continue our sustainability journey, we are focused on leveraging the Hillenbrand Operating Model to embed key sustainability practices as a tool that can be used in our company.

Energy and Emissions

As we highlighted in last year’s report, we recognized the need to further enhance our environmental disclosures. Our Chief Sustainability Officer made this a key priority for the company when she joined the organization last year, and we engaged a consultant to accelerate data collection for historical periods at our largest manufacturing sites, which include sites at 100,000 sq. ft. and above. With this data, we were able to better understand our energy use, establish key performance indicators around energy and emissions, and develop a data collection methodology.

We spent a large portion of 2021 setting foundational tools for our company and creating organizational support and understanding. We helped establish reporting programs to continue to track our largest sites’ energy footprint on a monthly cadence. We also trained nearly 30 of our associates and leaders involved with operations and data collection on greenhouse gas accounting, while simultaneously preparing a broad scope of potential mitigation strategies, including energy management, operational efficiency, and investments in clean technology.

“We are continuing to develop a greater understanding of our overall environmental impacts and using that information to make decisions about our own operations and to help our customers meet their sustainability goals.”

Kathleen Engberg
Director, Global Supply, HOM and Strategy Management
Mold-Masters



Our Approach to Energy Reduction

One of our key sustainability initiatives is to understand our energy use and reduce our emissions. Hillenbrand’s end goal is better energy management, and the best energy solutions are those that meet the needs of a company while minimizing any wasted consumption. Waste elimination is a key principle.

To help our companies with this process, we have built an energy-reduction toolkit that we will continue to update and embed in our operations. The toolkit is structured around a standard greenhouse gas mitigation hierarchy, which provides strategic guidance on how and where to focus emissions reduction efforts. It is intended to facilitate Operating Company and site-level reduction of energy and emissions whether it is a new initiative, or they have been focused on reducing emission for several years.

It defines key terms, highlights existing achievements, and provides high-level guidance, education, and resources within an established framework, describing ways to avoid, reduce, replace, and offset emissions. It also includes best practices and actions that have already been implemented within our Operating Companies, so that they can learn from and share strategies with one another.

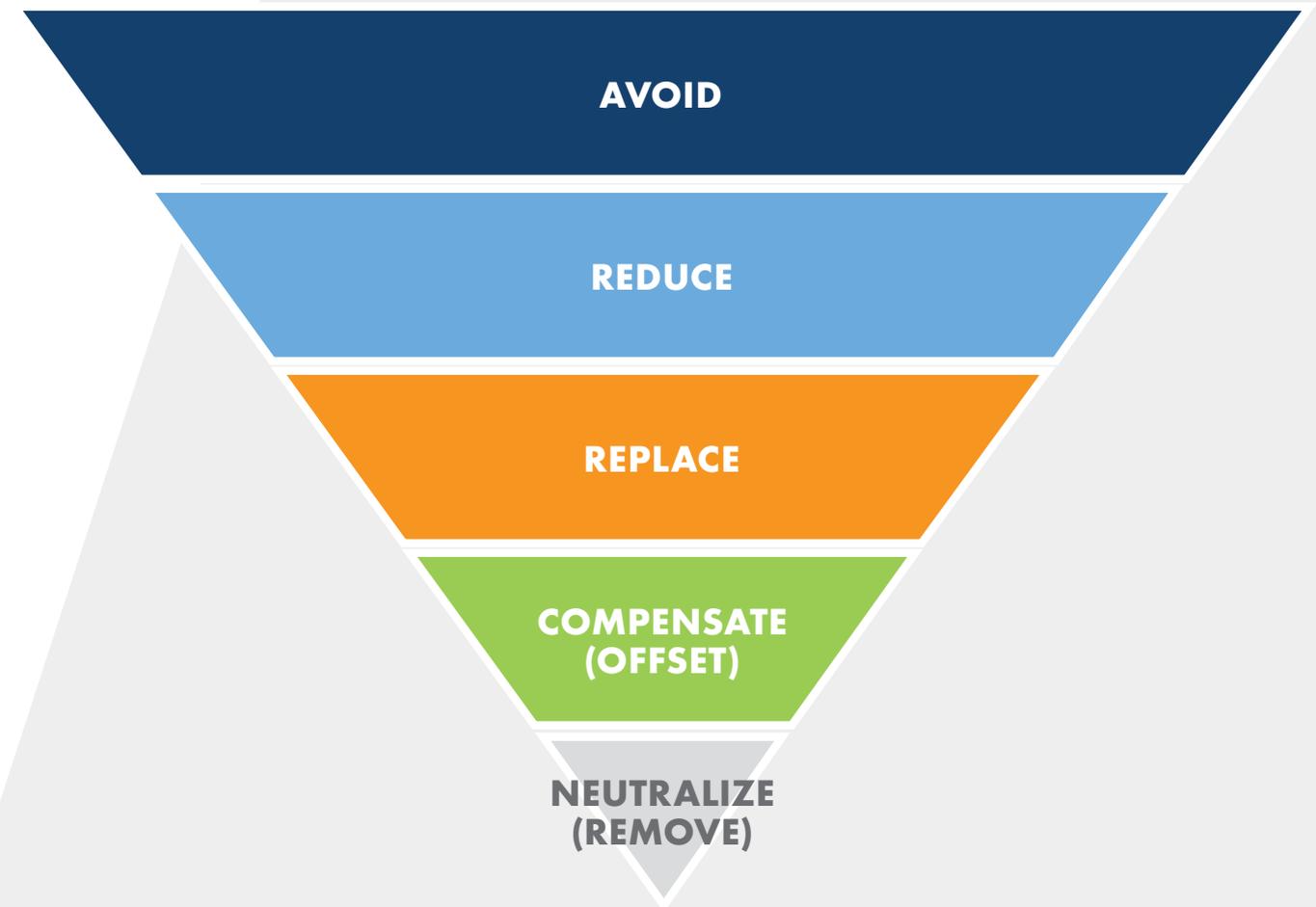
This also provides a standard of work for all new facilities as they are brought on board. From behavioral changes and energy audits to guidance around carbon offsets and renewable energy credits, this living document will grow and change as we do. We look forward to continuing to support our Operating Companies throughout their journey to better energy management.

Baseline Setting

Once we collected our historical energy data, our priority was to analyze and define our energy usage, and to calculate the Scope 1 and 2 emissions. Electricity-sourced emissions were calculated using regional electricity grid data, as provided by the International Energy Agency. The remainder of our greenhouse gas (GHG) emission factors were calculated using data from the U.S. Environmental Protection Agency. All energy metrics were converted into gigajoules (GJs), while GHGs were converted into metric tons of carbon dioxide equivalents (CO₂e).

This is the first year we are disclosing Scope 1 and 2 emissions, and we have selected 2020 as our reporting baseline. We recognize that this decision could distort our results due to the unnatural use activity in 2020 because of the COVID-19 pandemic and subsequent increase in working hours in 2021, which caused normalized emissions to decrease. However, as a result of the acquisition of Milacron in 2019, we believe it makes sense to start with the 2020 data. We will continue to monitor the trends and update our baseline in the future if need be. For this initial round of disclosures, we are focusing solely on our manufacturing sites with a footprint greater than 100k sq. ft.; this methodology is consistent with how we report other facility-related information. In line with the Greenhouse Gas Protocol, we define the reporting boundary for our climate-related impacts in terms of operational control.

Greenhouse Gas Mitigation Hierarchy



Energy Consumption & Emissions Reduction

Our Scope 1 and 2 energy sources fall into the categories of electricity, natural gas, boiler fuel, heating oil, diesel, biogas, gasoline, and liquid propane. For year over year comparisons, this data is normalized against direct labor hours (millions).

The table below summarizes our energy consumption and emissions for 2020 and 2021.

Energy and Emissions

| | 2020 | 2021 | CHANGE |
|---|---------|---------|--------|
| Energy (GJ) | | | |
| Electricity | 459,359 | 471,949 | 3% ↑ |
| Other* | 339,526 | 340,147 | 0.2% ↑ |
| GHG Emissions (MT CO₂e) | | | |
| Scope 1 | 15,085 | 14,702 | 3% ↓ |
| Scope 2 | 55,249 | 57,620 | 4% ↑ |
| GHG Emissions (MT CO₂e) per Million Working Hours | | | |
| Scope 1 | 1,219 | 1,014 | 17% ↓ |
| Scope 2 | 4,466 | 3,975 | 11% ↓ |

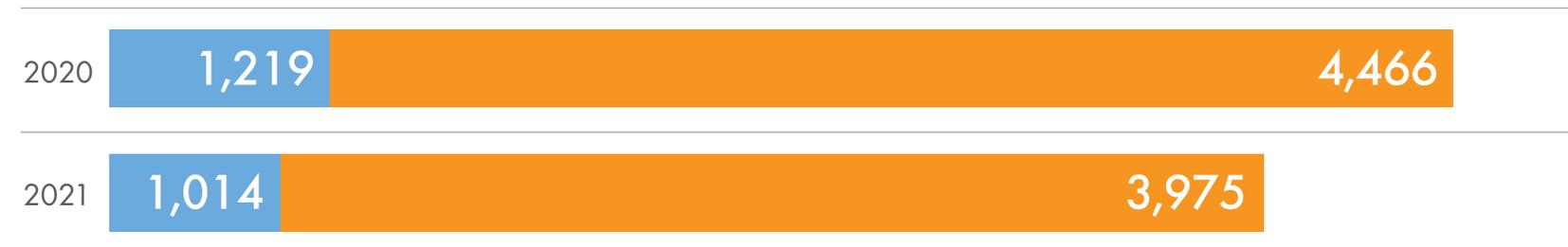
*Natural gas, boiler fuel, heating oil, diesel, biogas, gasoline, and liquid propane

“The Arbor Day Foundation provides tremendous thought leadership in the environmental space. We recognize that our approach to reducing emissions must start with our company’s internal actions and while we do that, we plan to also actively focus on trees and forests as an environmental solution in our efforts to reduce our emissions.”

Tory Flynn, CSO

GHG Emissions per Million Working Hours

■ Scope 1 ■ Scope 2



This Energy and Emissions data reflects 18 sites (manufacturing facilities with a footprint greater than 100k sq. ft.). Working hours reflects the same data used in Worker Safety reporting. See the Worker Safety section for details.

The primary component of Hillenbrand’s energy usage is categorized as Scope 2 (electricity), which makes up approximately 80% of Hillenbrand’s overall GHG emissions. As part of our efforts to better understand our energy consumption, we plan to work with utility providers to conduct energy audits where we see fit. Several sites are also in the process of pursuing renewable energy generation opportunities, in addition to the purchase of renewable energy credits (RECs).

Despite our progress, we recognize that there is still much work to be done in this area, and we are actively implementing the foundational internal structures necessary to align our ambitions with those of the UNGC and other key frameworks.

Partnership Highlight: The Arbor Day Foundation

Recognizing that our emissions have a negative impact on the environment, Hillenbrand has selected the Arbor Day Foundation, the world’s largest non-profit membership organization dedicated to tree planting, to establish a long-term partnership. Trees can help slow climate change, support biodiversity, create stronger communities, and provide additional economic and environmental benefits if strategically planted in the forests and communities that need them most.

Hillenbrand’s purchase will be used to benefit three different projects: Green Trees ACRE (Advanced Carbon Restored Ecosystem) in the Mississippi River Valley; the Keo Siema Wildlife Sanctuary REDD Project in Cambodia; and the Massachusetts Tri-City Improved Forest Management Project.

Founded in 1972, the Arbor Day Foundation has grown to become the largest non-profit membership organization dedicated to planting trees, with more than 1 million members, supporters, and valued partners. Over the past 50 years, almost 500 million Arbor Day Foundation trees have been planted in neighborhoods, communities, cities, and forests throughout the world. Its vision is to lead toward a world where trees are used to solve issues critical to survival.



Clean Technology

Hillenbrand pursues continued growth through innovation, new product development, and strategic acquisitions that position us for continued success in key end markets and applications. We are investing in areas with attractive long-term growth characteristics that play to our strengths, in addition to serving our goal of supporting a more sustainable future. Key focus areas include food, recycling, biopolymers, and batteries. We excel in supporting highly technical, large-scale processes where our technology and process expertise makes us a valued partner to our customers, and our global footprint and service network position us to support our customers throughout the lifetime of the equipment. While we are investing in innovation to enhance the technical capabilities of our product and service offerings, we are also evaluating strategic acquisitions that can further strengthen our position.

Operating Companies in our portfolio also play a key role in the development of clean technology with some examples outlined below.



Battery Technology

Batteries play a major role in the advancement of electromobility, and as a result, there has been greater focus on process improvements in the production of battery masses. Existing challenges include developing the ability to ensuring continuous, high product quality and preventing the escape of toxic materials. Coperion and Coperion K-Tron produce continuously operating extrusion systems designed especially for this type of application. The Coperion ZSK twin screw extruder, together with high-accuracy Coperion K-Tron feeders, offer high reliability, long uptimes, and numerous other characteristics that help ensure consistent production of high quality end-product. A continuous production process allows for greater material efficiency and speed, resulting in a more cost-efficient and climate-friendly battery cell production as compared to conventional processing.

Research Partnerships

Coperion maintains several research and development partnerships with respected universities in Europe and the U.S. Coperion supports the Technical University of Braunschweig, in Braunschweig, Germany, in researching smart production solutions in the extrusion of battery compounds, aiming to develop new Industry 4.0 approaches to produce lithium-ion batteries and to use the findings for more efficient and effective manufacturing. Other partnerships include Chalmers University of Technology in Gothenburg, Sweden; Eastern Switzerland University of Applied Sciences in St. Gallen, Switzerland; Purdue University in West Lafayette, Indiana; Karlsruhe Institute of Technology in Karlsruhe, Germany; and the Institute for Plastics Technology at the University of Stuttgart in Stuttgart, Germany. Coperion recently supplied a twin screw extrusion system to Ghent University in Belgium for comprehensive research and development around chemical recycling of post-consumer plastic waste.



Mold-Masters' technological capabilities have long supported the plastics industry's desire for increased use of post-consumer resin (PCR). This specialized co-injection process created from two separate resins provides molders with the ability to incorporate recycled resins as the core layer of their products, allowing them to use up to 50% recycled material while retaining the look and feel of virgin resin without any penalty to cycle time. Their co-injection equipment expands their production capabilities even further as it is also compatible with sustainable bio-resins and high-performance barrier materials.



Coperion ZSK twin screw extruder



Twin Screw Extrusion - Dispersion, Degassing, Introduction of Energy

Operational Efficiency

Efficient use of resources is vital for protecting our planet’s natural resources and the environment. Throughout the past year, our Operating Companies have continued to develop and implement cost-effective processes and technologies that reduce wasted energy and materials.

Our Operations strategy is enhanced by the Hillenbrand Operating Model, a consistent, repeatable framework for reducing consumption and waste in our own operations without sacrificing quality for our customers. The Hillenbrand Operating Model pushes us to deliver excellence by using specific tools and key management practices and to continuously drive improvement in our operations.

Hazardous Waste and Water Usage

Each of Hillenbrand’s Operating Companies has taken steps to minimize or eliminate the amount of hazardous chemicals consumed and hazardous waste produced in its operations. All existing hazardous waste complies with the applicable local regulations and restrictions around safety, disposal, and reporting, including the Toxics Release Inventory (TRI) Program, the Resource Conservation and Recovery Act (RCRA), and rules and guidance of the U.S. Environmental Protection Agency (EPA).

In 2021, Batesville also invested in a new wastewater treatment system at its manufacturing site in Batesville, Indiana. The previous system treated only heavy metals, whereas the new system is designed to remove both heavy metals and oils more efficiently. As water scarcity continues to increase around the world, we plan to better understand our own water footprint and strategically reduce our consumption of this resource.



ISO Certifications

An International Organization for Standardization (ISO) certification verifies that a management system, process, service, or documentation procedure meets all the applicable requirements for standardization and quality assurance. While we do not require all our sites to have specific ISO certifications, many of them do to establish a consistent practice across their businesses. Twenty of our sites are currently ISO 9001:2015 Quality Management System Certified, three are ISO 14001 Environmental Management System Certified, and one is ISO 45001 Occupational Health and Safety Management Certified. Locations without official ISO certifications have internal methodologies for managing these areas.

ISO 9001: 2015 Quality Management Certifications

- » **Coperion**
 - Stuttgart, Germany
 - Weingarten, Germany
 - Niederlenz, Switzerland
 - Salina, Kansas
 - Wytheville, Virginia
 - Nanjing, China
- » **Mold-Masters**
 - Georgetown, Ontario
 - Baden-Baden, Germany
 - Kunshan City, China
 - Coimbatore, India
- » **Milacron**
 - Ahmedabad, India
 - Batavia, Ohio
 - Mt. Orab, Ohio
 - Chamblee, Georgia
- » **Rotex**
 - Runcorn, United Kingdom
- » **DME**
 - Madison Heights, Michigan
 - Greenville, Michigan
 - Windsor, Ontario
 - Shinoli, India
 - Zeletava, Czech Republic

ISO 14001: 2015 Environmental Management Certifications

- » **Milacron**
 - Ahmedabad, India
 - Batavia, Ohio
 - Mt. Orab, Ohio

ISO 45001: 2015 Occupational Health and Safety Certification

- » **Coperion**
 - Stuttgart, Germany
(field service department)

Recycling and Material Efficiency

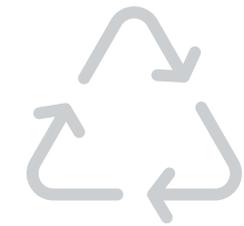
Companies like Hillenbrand have a responsibility to minimize the impact of waste on the environment. We strive to reduce, reuse, and recycle materials internally and externally, and we seek to phase out the use of hazardous materials wherever safer replacements are available. Our Operating Companies are constantly innovating processes to reduce the footprint of our products without sacrificing their quality.



r e d u c e



r e u s e



r e c y c l e

coperion

Coperion's Stuttgart location continues to reap the benefits of their recently updated LED lighting system, energy-efficient windows, and newer gas furnace. In addition, in 2021, Coperion's Wytheville facility installed a chip compactor to increase the efficiency of their metal chip recycling. Previously, metal chips were collected, stored, moved to a dumpster, and then hauled to a recycler approximately twice a day; the frequency of trips resulted in high handling costs and a loss of value. The new compactor compresses the chips into a sealed container, producing a single load. This minimizes the environmental exposure and reduces the number of trips required to once every two to three weeks. Furthermore, the chips are now being recycled by a specialized environmental contractor, further reducing their impact on the environment.



DME replaced their grinding process with a new top-and-bottom milling process to support ongoing recycling efforts. The old process resulted in a grinding sludge that had to be disposed of as waste and had no value. In comparison, the milling process produces metal chips that are sold and recycled. This process efficiency allows DME to reduce their impact by feeding metal waste back into the supply chain, which supports a circular economy. Finally, DME maintained their energy-efficient LED lighting system, as well as their Power Factor Max system that provides extensive energy monitoring for their Windsor facility.



Milacron performs routine bi-weekly inspections at some of their sites for facility for maintenance and repair, and they continue to support their local greenspace with treated wastewater from their site. In addition, some of their sites recently added an evaporator that boils oil-coolant mixtures so the oil can be recycled. An added benefit is that the resulting mixture is water-soluble, and thus it does not have to be disposed of as hazardous waste.



Mold-Masters has continued their ongoing waste-reduction practices, including paper digitization, separated waste streams, and scrap and material recycling. They have also recently replaced a lathe that was near the end of its life, unable to fully hold tolerance and with a high setup time. The components made on the old lathe could not be fully finished and required a final grind, which in turn required an additional 300 labor hours per year. This replacement eliminated the need for a final grind, resulting in an estimated productivity improvement of 37%.



Rotex has continued to focus on reusing and recycling material. They use returnable containers for their international plant-to-plant shipments, a process fully implemented in 2021. Rotex has also established a mixed material recycling program for paper, glass, and plastic waste. In addition, they have installed a new heat press for the manufacturing of mineral screens, which reduces the required cycle time by nearly 20%, and switched to a more energy-efficient air compressor.



Batesville has continued to practice integrated waste management by using sawdust and scrap wood to fuel their boilers, which has greatly reduced their use of heating oil, and by providing product information packets digitally, which has reduced the need for paper. In 2021, Batesville brought their sustainability mindset to bear in implementing an enhanced casket packaging process.

The waste reduction alone is significant, eliminating the 200,000 pounds of plastic wrap and ~60,000 pounds of blankets previously used annually for packaging. This new packaging also reduces casket transit damage by 50% and reduces the amount of resources necessary to repair products damaged in transit.

Worker Safety
 Diversity, Equity, & Inclusion
 Employment Practices
 Employee Training & Education

Social/Our People

WIN AS ONE

COLLABORATION | INCLUSION | ACCOUNTABILITY

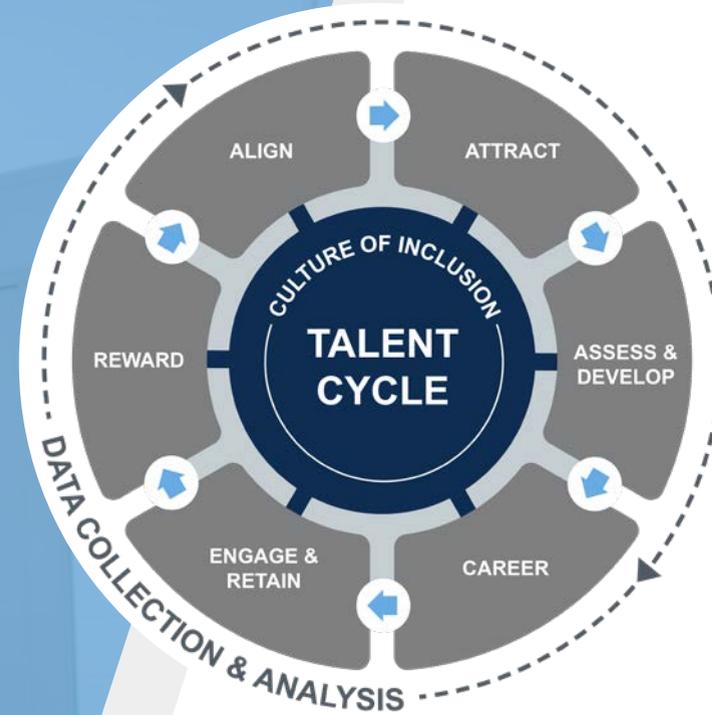
We push each other to perform at our best, listening and acting with the care and respect that unites us. Collaboration gives us the strength to compete wherever our work takes us. We believe the diverse knowledge within our global teams should always sit at the same table. By embracing our individuality and trusting in each other's strengths, we will stand out as one by standing together.



Our people shape Hillenbrand’s success. They are the designers, engineers, manufacturers, makers, and shapers that bring our leading products and brands to life. We are constantly evolving ourselves and our teams, so Hillenbrand can Shape What Matters for Tomorrow.

Over the last year, we focused on unifying our culture while reaffirming our commitment to Diversity, Equity, and Inclusion (DEI) by developing additional governance measures for our internal and external DEI efforts. We also enhanced our efforts to attract and retain talent and improve worker safety as we responded to the challenges posed by COVID-19.

Everyday our people live out our Purpose through our Core Values: Win As One, Partner With Possibility, Make It Matter, and Drive To Deliver. These values also serve as a lens to transform the way we interact with our communities and create new partnerships, such as those we’ve formed in support of the UN Sustainable Development Goals (SDGs).



Approach to Associates/Talent

Hillenbrand is committed to the growth of our people by developing talent and building a growth-minded culture. We believe our associates give us the strength to compete, and we must in turn help our associates reach their potential. We continue to use the Talent Cycle and supporting tools to guide our associate experience. Following the pandemic, we recognized that we needed to adapt our practices to match new expectations from current and future associates and meet the evolving dynamics of our business. In 2021, we focused on improvement efforts in the areas of **Align, Attract, Assess & Develop, and Engage & Retain.**

Align reflects our process for understanding the organizational capability needs across the enterprise.

Our senior leaders meet annually to discuss organizational capability building needs, succession strategy, internal talent mobility, and development plans to improve readiness of potential successors. Leadership Talent Reviews are business leader-led and supported by HR partners. In 2021, all Hillenbrand Global Functions and Milacron, Mold-Masters, and DME businesses were integrated into this process, which gave us a common language across our enterprise. Leadership Talent Reviews are conducted for the top two levels of leadership with plans to cascade through other levels of the business.



“We believe that our differences truly unite and strengthen us and that collaborating allows us to deliver value and make a difference in the world around us.”

Aneesha Arora
Sr. Vice President, Chief Human Resources Officer
Hillenbrand



Attract reflects our practice of sourcing, attracting, hiring, and onboarding talent to our organization.

In 2021, we saw record recruitment volume across our footprint. Both business growth and higher attrition that most companies are experiencing contributed to this increase. To respond, U.S.- and Canada-based recruiters augmented quickly which gave us the capacity to become more successful in developing candidate pipelines and doubling our recruitment staff to better serve the company. Teams focused on passive candidate outreach, investing in new digital sourcing channels, associate referrals, and local career fairs.

Recruitment practice changes and local campaigns helped the company overcome competitive labor market challenges. We instituted and implemented practices such as regular market checks on wages and associate-referral bonuses, and established open interviews and community and trade school partnerships. In early 2022, our Milacron business established a new apprenticeship program, called Kick Start, with high school students. Adopting a more flexible approach to remote work also increased our candidate pools particularly in Batesville and within our Corporate organization.

Overall recruitment practice changes and local campaigns combined to overcome competitive labor market challenges:

- » Remote work flexibility
- » New mobile channel for logistics recruitment
- » Simplified requirements in job descriptions
- » Referral bonuses
- » Upskilling existing workforce
- » Career fair events
- » Trade school partnership and apprenticeship program
- » Community connections
- » Open interviews

In DME's Greenville facility, we partner directly with the State of Michigan's Going Pro Grant for training and apprenticeships and have a strong partnership with the local Montcalm Community College.

Assess & Develop reflects our approach to associate-focused performance feedback and ongoing development.

Effectively managing associate performance and linking to pay is a critical part of our approach to performance management. In 2021, we fully integrated Milacron, Mold-Masters, and DME into this process, aligned the whole company to one standard, and developed a robust training program to develop all managers. Training resources are available for each phase of the process—Priority Setting, Mid-Year Check-In, Frequent Coaching, and Year-End Summary—and continues to be leveraged today to train newly hired managers and reinforce the process for existing managers.

Engage & Retain reflects the work environment and team dynamics that make up our associate experience.

In 2021, we began a cultural transformation project to clearly define our company's purpose and update our unifying Core Values. An associate survey¹ was the primary method used to collect the voice of our workforce. This survey asked associates to reflect on their current understanding of and connection to both their Operating Company's and Hillenbrand's Purpose and Core Values. Associates shared strengths common across the enterprise as well as areas of opportunity for growth.

We also collected qualitative data by listening directly to associates during focus groups². Associates gathered in cross-functional, facilitated sessions to discuss key themes about our culture and share stories of our culture in action.

Associates expressed a strong connection to their Operating Companies, identifying strengths like collaboration, innovation, quality, and customer-focus as the top attributes of our companies. Looking ahead, fostering a unified culture, creating connections, and sharing best practices across the Hillenbrand portfolio is a predominant part of our culture-shaping efforts in 2022.

Stakeholder feedback is a critical component of how we work and is an important element of our operating model. Operating Companies made strong efforts this year to listen to associates within their own organizations, gather feedback on continuous improvement opportunities, and navigate change:

- » **Coperion's** Wytheville, Virginia, site improvement survey was conducted as a continuous improvement effort. Working teams were established to address survey feedback and make operational improvements.
- » **Mold-Masters'** China continuous improvement survey generated more than 5,500 improvement proposals from associates on ways to increase product quality, operational safety, and efficiency. Project teams prioritized efforts and implemented projects, including optimizing the furnace cooling tower, which resulted in savings of \$30,000 per year.
- » **Batesville's** remote work engagement survey was delivered to non-production associates located in Batesville, Indiana. Associates expressed satisfaction with the current remote work arrangements implemented during the pandemic. As a result, Batesville approached a "remote-first" mentality with their office associates.



Diversity, Equity, & Inclusion

Last year, we committed to strengthening our culture and formalizing our diversity, equity, and inclusion (DEI) efforts. As part of that commitment, we officially launched our DEI Roadmap in 2021, which included a clear focus on actions. We believe that DEI is a journey that evolves with additional learning, transparency, data, and cultural adoption.

Key Elements of our DEI Roadmap

Leadership Commitment

Leaders are accountable for driving a diverse, equitable, and inclusive culture and have made specific business commitments.

Culture

Inclusion is an expected behavior for all leaders and associates to demonstrate as we live our Core Value, Win as One.

Talent Cycle

Hillenbrand's Talent Cycle guides our associate experience, and we are embedding DEI best practices into the way we attract, retain, develop, reward, and advance our associates.

Learning

Leaders and associates are equipped with DEI mindsets and skillsets through education and development opportunities.

Measurement and Reporting

We established measurement and reporting practices to increase transparency, identify our opportunities, and benchmark our progress.

We know that diverse teams drive better business outcomes. By listening and acting with respect, embracing our individuality, and trusting in each other's strengths, we will create a more inclusive culture, which will help promote diversity and equity. In early 2022, Hillenbrand President and CEO Kim Ryan publicly expressed commitment to embedding DEI in our operations. This commitment can be found on our [website](#).



Inclusion at Hillenbrand Council

The Inclusion at Hillenbrand Council (IHI), formed in 2021, was a critical piece in the launch of our Business Resource Group (BRG) program in 2022. Throughout 2021, IHI sub-committees collaborated to develop BRG toolkits and actively support the development of BRG proposals. Their dedication to robust program setup positioned BRGs for a successful launch.

About the logo: The IHI logo was designed by a collaborative, cross-functional, creative team of Hillenbrand associates to symbolize "inclusivity". The lowercase "i's" on either side of the H represent people. The "H" represents Hillenbrand, and the mark is fully formed in the center with embraced hands, representing a bridge bringing people together. The various colors of the logo represent diversity.



“Being a part of the Inclusion at Hillenbrand Council and serving as an Executive Sponsor for our Business Resource Groups allows me to live my intention of creating a fully integrated, diverse work environment that leverages and celebrates our associates’ uniqueness and strengths. Creating an environment to better serve our customers by leveraging diverse perspectives not only heightens our value creation capabilities but also allows us to build stronger communities in which we play a key role.”

Lawrence Rentz, *President*
Rotex

DEI Governance

Hillenbrand's DEI efforts are overseen by the Chief Human Resources Officer, who reports progress to the CMDC on a quarterly basis. In 2021, we created a Hillenbrand DEI Steering Committee, chaired by our President and CEO, to provide key executive oversight to our DEI initiatives.

DEI GOVERNANCE STRUCTURE:

» **DEI Steering Committee (Steer Co.)**

Comprised of key executives to approve the strategic direction of Hillenbrand's DEI programs.

» **Executive Management Team (EMT)**

The full Hillenbrand management team engages in DEI action planning.

» **Inclusion at Hillenbrand Council (IHI)**

A cross-functional, diverse team of Hillenbrand associates to consult on DEI programs like Business Resource Groups (BRGs) and develop and drive DEI actions across the enterprise. IHI communicates progress to the DEI Steer Co.

» **Business Resource Groups (BRGs)**

Associate-driven voluntary groups within the workplace comprised of people who share characteristics and/or life experiences, as well as those who are allies. BRGs receive direct guidance from IHI and report strategic progress to the DEI Steer Co.



To coincide with International Women’s Day, which takes place annually on March 8, we announced the launch of the Women of Hillenbrand Business Resource Group. A global launch event was held to commend women’s achievements, raise awareness against bias, and promote empowerment and equality. Several leaders across the organization were featured, including Women of Hillenbrand co-Executive Sponsors, Kim Ryan, President and CEO of Hillenbrand, and Mac Jones, President of Milacron. The Women of Hillenbrand also supported a social media takeover to #BreaktheBias.

The BRG program originated with the launch of five BRGs in early 2022:

GLOBAL

Women of Hillenbrand: The group’s mission is to advocate for the women of Hillenbrand and create global connections that elevate the voices and impact of women.

NextGen: The group’s mission is to foster career growth and build a global community of early career professionals at Hillenbrand, its Operating Companies, and its Global Functions.

Culture Hive (multicultural/multinational): The group’s mission is to champion the gift of culture by fostering an environment where diversity of perspectives is welcomed and celebrated.

REGIONAL (U.S.)

HI Pride (LGBTQ+): The group’s mission is to build a community for our LGBTQ+ associates and their allies by engaging, developing, and fostering a more inclusive workplace through awareness, education, and active LGBTQ+ outreach within our communities.

SERVE (Veterans): The group’s mission is to build a more diverse and inclusive culture by leveraging Veteran insights and increasing education about Veterans and the U.S. Military.

We intend for BRGs to be an integral component of Hillenbrand’s ongoing commitment to DEI. The BRGs create an engagement opportunity across the enterprise and focus on taking meaningful action toward four key pillars: career, culture, commerce, and community.

Not every associate is provided the same protections under U.S. law, which is why in July 2021, Hillenbrand joined a coalition of businesses in calling on Congress to pass the Equality Act. This would ensure that members of the LGBTQ+ community are protected equally under existing nondiscrimination laws.

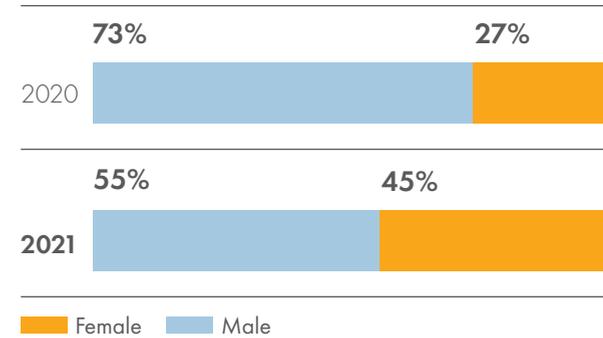
“India is a country with a variety of ethnicities and cultures, and we have immense opportunity to include diversity in our workforce. Gender diversity in manufacturing has always been a challenge; but with focus and support from leaders we have been able to move the needle in the right direction. Associates are embracing the change and enhancing gender diversity at our locations in India. The journey of building a diverse workforce continues by creating awareness, accepting diversity, partnership, and courage.”

Sumy Reji,
India HR Operations Leader
Milacron

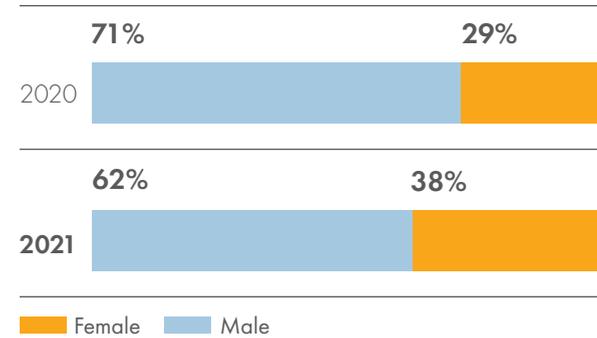


Diversity Metrics

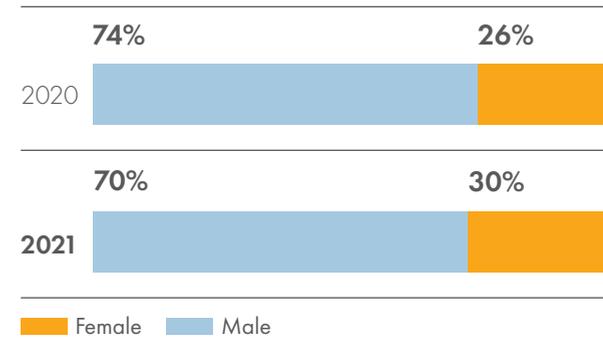
Board Gender



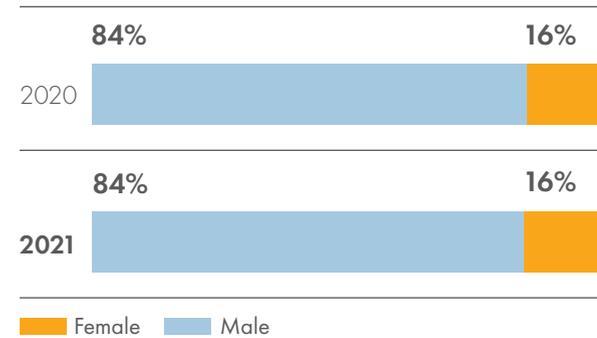
Management Team Global Gender



Leadership Global Gender



Workforce Global Gender



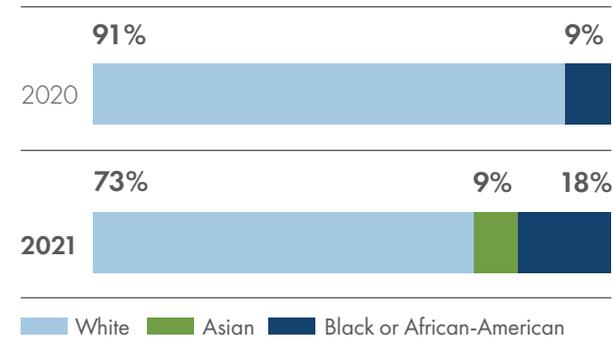
We are driving accountability and contribution through the company. Operating Company and Functional Leaders contribute to the overall DEI culture and the development of business-specific focus areas. In 2021, we chose to participate in the Bloomberg Gender Equality Index. Our contribution to disclosure helped provide transparent data to our journey in providing an inclusive environment to our associates and sharing the data directly with investors, and our results can be viewed in Bloomberg's 2022 Gender Equality Framework.

Data Footnotes:

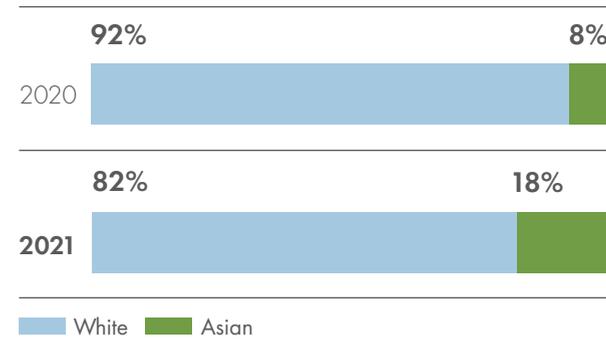
- **Scope for Board:** Board data for both 2020 and 2021 now aligns to our annual proxy statement disclosures.
- **Scope for Management Team:** Executive Team as of 6/2/2021 (for 2020 Report) 2/28/2022 (for 2021 Report) to include CEO and direct reports. For gender and U.S. race/ethnicity, self-disclosed reporting information.
- **Scope for Leadership Team:** Leadership defined as the direct reports of the Management Team as of 6/2/2021 (for 2020 Report) and 2/28/2022 (for 2021 Report), not including executive administration. For gender and U.S. race/ethnicity, self-disclosed reporting information.
- **Scope of Workforce:** Global workforce defined as full-time and part-time associates as of 5/11/2021 (for 2020 Report) and 12/31/2021 (for 2021 Report) as self-disclosed.
- **Scope for U.S. Workforce:** U.S. only workforce defined as full-time and part-time associates as of 5/11/2021 (for 2020 Report) and 12/31/2021 (for 2021 Report) as self-disclosed.
- **Scope of Race/Ethnicity:** U.S. workforce self-disclosure reporting information aligned to definitions from the EEO-1 reporting guidelines. Specific race/ethnicity demographics are only represented when the population is at 1% or greater.
- **Scope for Age:** Data for date of birth as of 12/31/2021 as self-disclosed.

Diversity Metrics (Continued)

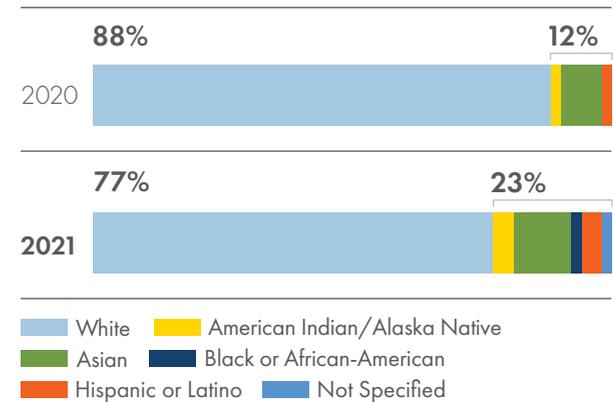
Board Race/Ethnicity



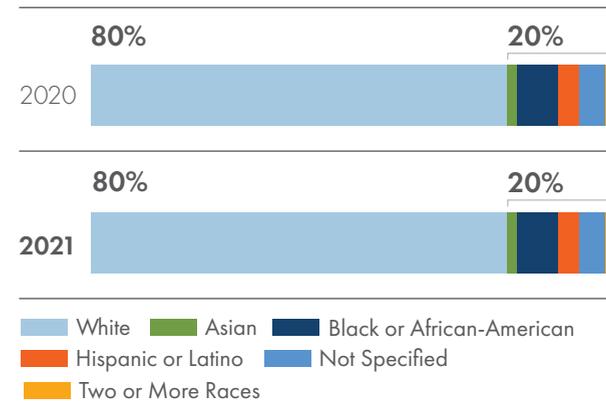
Management Team Race/Ethnicity



U.S. Leadership Race/Ethnicity



U.S. Workforce Race/Ethnicity



Data Footnotes:

- **Scope for Board:** Board data for both 2020 and 2021 now aligns to our annual proxy statement disclosures.
- **Scope for Management Team:** Executive Team as of 6/2/2021 (for 2020 Report) 2/28/2022 (for 2021 Report) to include CEO and direct reports. For gender and U.S. race/ethnicity, self-disclosed reporting information.
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- **Scope for Age:** Data for date of birth as of 12/31/2021 as self-disclosed.

Age of Workforce

Embracing a multi-generational workforce combines new ways of thinking and deep experience. A multi-generational view provides diversity of thought and approach.

| Management Team | 2020 | 2021 |
|--------------------|-----------|-----------|
| AGE | | |
| Under 30 years old | 0 | 0 |
| 30–50 years old | 6 | 6 |
| Over 50 years old | 8 | 7 |
| Total | 14 | 13 |

| Workforce | 2020 | 2021 |
|--------------------|---------------|---------------|
| AGE | | |
| Under 30 years old | 18% | 18% |
| 30–50 years old | 52% | 53% |
| Over 50 years old | 30% | 29% |
| Total | 10,535 | 10,681 |

Compensation, Benefits, and Work Life Balance

Choose Well, Live Well

Hillenbrand is committed to the health and wellness of our associates. We offer benefits focused on supporting associates and their families as they navigate new challenges in work and life.

In the United States, this includes the choice of several health and welfare plans, various paid leave plans (including short-term disability, long-term disability, vacation, parental leave, sick leave, bereavement, and holidays), and associate assistance programs. More than 50% of our U.S. associates and their families have access to on-site wellness clinics. Our paid parental leave policy was expanded in 2020 to include both mothers and fathers in recognizing the birth or adoption of a child or a foster care placement as a significant life event. More than 50 associates benefited from this policy in 2021, marking a 13% increase from 2020.

Coverage employees can elect:

- » Medical
- » Dental
- » Health Savings Account (HSA), if enrolled in eligible plan
- » Health Care Flexible Spending Account (FSA)
- » Dependent Care FSA
- » Transit and Parking FSA
- » Adoption Assistance FSA
- » Voluntary Group Term Life Insurance
- » Voluntary Accidental Death and Dismemberment (AD&D) Insurance
- » Critical Illness Insurance
- » Accident Insurance
- » Hospital Indemnity Insurance
- » Identity Theft Insurance

Coverage automatically provided to employees:

- » Basic Life Insurance
- » Basic AD&D Insurance
- » Short-Term Disability Insurance
- » Long-Term Disability Insurance (if eligible)
- » Business Travel Accident (BTA) Insurance (if eligible)
- » Employee Assistance Program (EAP)
- » Expert Medical Opinion (if enrolled in the medical plan)
- » Telemedicine (if enrolled in the medical plan)
- » Prescription Advocacy Program (if enrolled in the medical plan)
- » Care Management Program (if enrolled in the medical plan)

Global Benefits

Outside of the U.S., Hillenbrand provides an array of benefits to support associates and their families, which comply with all local, regional, and federal regulations. This includes planned increases in the statutory leave for maternity and paid childcare leave in several regions in China, which were announced in 2021. Highlights of key benefits in our most populated countries are in the chart below. Approximately 58% of our associates are located in these countries.

Germany

- » Retirement plan
- » Medical
- » AD&D (some)
- » Short-term disability
- » Long-term disability (some)
- » Paid leaves
- » Paid holidays

India

- » Medical
- » Personal accident
- » Life insurance
- » Short-term disability
- » Long-term disability
- » Paid leaves
- » Paid holidays

China

- » Retirement
- » Medical
- » Life insurance (some)
- » AD&D (some)
- » Paid leaves
- » Paid holidays

Mexico

- » Medical
- » Life insurance
- » AD&D
- » Short-term disability
- » Long-term disability
- » Paid leaves
- » Paid holidays

Canada

- » Retirement plan
- » Medical and Rx
- » Dental
- » Vision
- » Life insurance
- » Short-term disability
- » Paid leaves
- » Paid holidays
- » Employee Assistance Program

Future of Work

Much of our professional workforce was provided flexibility regarding workplace location during the COVID-19 pandemic, with a formal global policy being adopted in August 2020. In the time since, we heard from many associates that they enjoyed that flexibility and continued to desire flexibility as offices began reopening in 2021 and 2022. In response, the company has maintained its global policy on flexible work. This global policy supports a variety of flexible work arrangements for associates whose work can be accomplished outside of the office. Flexible work arrangements may include flexibility in schedule (including flexible start and finish times) or flexibility in location (including working from home or other company sites certain days of the week). As an example, our Batesville business adopted a “remote-first” approach for associates whose work does not require on-site presence, providing a wider market for talent and greater flexibility to associates.

Compensation Philosophy

Hillenbrand’s compensation programs are designed to ensure associates are effectively compensated in terms of base salary, incentive compensation, and other benefits that support the health and wellness of our associates. The compensation programs aim to attract and retain superior talent with pay for performance. We strive to pay within pay ranges developed based on market data and internal pay equity. Pay decisions are influenced by key factors including job scope, business environment, impact and contribution to the business, internal and external markets, legislation, and budgets.

Collective Bargaining

Hillenbrand recognizes and respects the rights of associates to join or not join any lawful organization of their own choosing. We are committed to complying with laws pertaining to freedom of association and collective bargaining. Of Hillenbrand’s more than 10,000 associates worldwide, approximately 3,200 work under collective bargaining agreements, including unions and worker’s councils. Hillenbrand strives to maintain respectful relationships with all its associates, including the unions and workers’ councils representing those associates. As a result, we have not experienced a significant work stoppage due to labor relations in more than 20 years.

Associate Training and Education

Developing talent for capabilities needed today and preparing leaders for tomorrow are critical to Hillenbrand’s success. This year, we dedicated more resources toward enterprise learning programs to meet near-term business needs and, coming out of the pandemic, re-engaged in leadership development initiatives. Additionally, our Operating Companies expanded on-the-job learning programs for skill-building within our manufacturing workforce.

Leadership Unconscious Bias Training

We have further embedded an inclusion mindset by implementing robust unconscious bias training for our management team, leadership, and HR staff. In early 2022, we completed this training for our top two levels of leadership.

We believe development should drive near-term associate performance and support our associates’ long-term career aspirations. Our performance management process, called Performance Development, directly links associate performance to development actions.

In February 2021, we hired our first Learning Solutions Designer to build upon our training portfolio. Following this, we were able to design 11 new course offerings, each delivered based on an associate’s role with the organization. Some of the topics included: our Code, Anti-Bribery Anti-Corruption (ABAC), Data Protection, The Health Insurance Portability and Accountability Act, and Trade Controls. Courses are deployed in a centralized learning management platform with monthly completion tracking. Course titles are accessible to end-users in multiple languages. We conduct training offline for associates without email addresses.

2021 Top Foundations Training Courses

| | Population Size | Completion Rate |
|-----------------------------------|-----------------|-----------------|
| Code of Business Ethics & Conduct | 5,522 | 99% |
| ABAC | 4,014 | 99% |
| Data Protection Basics | 4,584 | 100% |
| U.S. Focused Trade Controls | 127 | 100% |
| General Overview Trade Controls | 613 | 100% |

Data is from our two Learning Management Systems:

- Code of Ethics and ABAC (online), Data Protection Basics deployed to all professional staff (salaried) globally.
- Trade Controls deployed to all professional staff in USA.
- The U.S. Focused Trade Controls deployed to professional staff who directly impacts importing/exporting actions.
- The General Overview Trade Controls deployed to all professional staff in USA.

It is important that associates understand our commitment to Human Rights. To enable this understanding, and in alignment with our overall goal to be a company where our people, products, and partnerships better the environments in which we operate, we will be deploying a course on human trafficking in supply chains. Associates completing the training will learn how to identify and report suspected cases of human trafficking.

SUSTAINABILITY SERIES

HILLENBRAND

We recognize that sustainability is a new topic for many within our company and want to make sure our associates are part of this journey. To educate, motivate, and embed sustainability into our culture, we introduced an internal program, the Sustainability Series, in 2021. The Sustainability Series is a set of presentations, Q&A sessions, and workshops open to all Hillenbrand associates. At least once per month, a short seminar covers a relevant topic within sustainability and describes how it relates to our business. These presentations aim to foster a greater awareness of the many avenues through which we support sustainability, inspiring our associates to share their own stories and learnings as we continue to integrate these practices into our business.

Topics Covered in 2021:

- » Sustainability and the Environmental indicators of ESG
- » How to Read Our Sustainability Report
- » Climate Change
- » Sustainability and Social indicators of ESG
- » Diversity, Equity, Inclusion
- » Sustainability and Governance indicators of ESG
- » Cybersecurity
- » What are sustainability scores?
- » Sustainability and the Environmental indicators of ESG (offered in German)

Our Response to COVID-19

As it has been since the beginning of the pandemic, Hillenbrand's primary focus has been protecting the health and well-being of associates, their families, and our customers. Throughout 2021, Hillenbrand continued to follow guidance from the Centers for Disease Control and Prevention, OSHA, and the World Health Organization, and complied with federal, state, and local regulations when making decisions related to COVID-19.

Best practices in place since the start of the pandemic remained in 2021, including mask and social distancing requirements in our facilities, opportunities to limit potential exposure to COVID-19 through remote or hybrid work arrangements, and the balancing of the needs of the business and its customers with the safety of associates when considering or approving travel.

Once vaccines became more widely available, Hillenbrand provided information to associates to help them make vaccination decisions for themselves and their families as well as hosted a few on-site vaccine clinics.

Supporting Remote Work

At the beginning of the pandemic (March 2020), Hillenbrand encouraged associates who could work remotely to do so and be in the office only when necessary. Our initial efforts to support remote work required the swift action of many functions across our organization. That commitment to responding to the needs of associates and customers continued throughout 2021.

Our IT and HR teams continued supporting associates who were working remotely, and our facilities teams maintained necessary supplies of personal protective equipment including masks, thermometers, and enhanced cleaners where appropriate and necessary. We continue to enhance our virtual interviewing and onboarding capabilities to ensure we can attract talent across the enterprise.

Our Future Workplace

As a result of the world's reaction to COVID-19, the way we work has changed, and Hillenbrand's Executive Management Team has continued to examine the needs of the future workplace and the talent that makes us successful.

Manufacturing associates and many others in different functions or Operating Companies around the world have been working in offices or facilities throughout the pandemic. Hillenbrand began to take steps in 2021 to designate roles and positions as remote, hybrid, or in-office, and started welcoming those in-office and hybrid associates who have been working remotely back into facilities under our new normal when it was appropriate and safe to do.

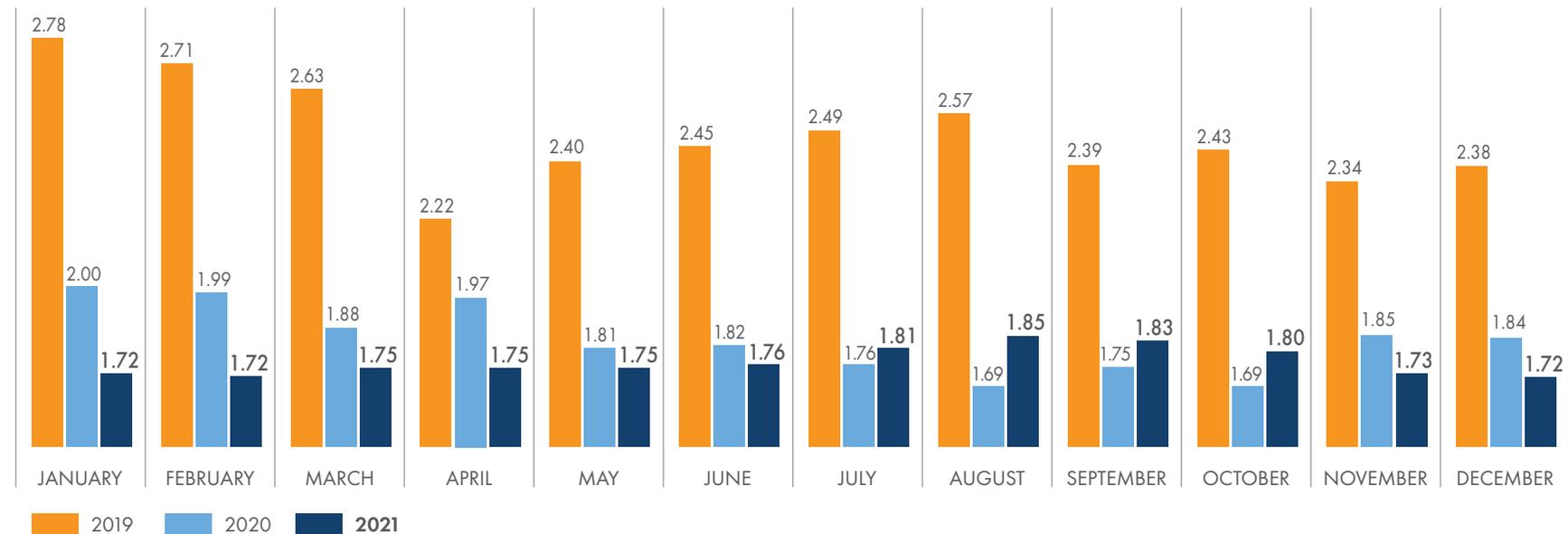
Worker Safety

At Hillenbrand, safety is everyone’s responsibility, and the health and safety of our associates remains one of our top priorities. In 2021, with both our people and our Core Values in mind, we expanded our focus into driving standardization across our operations. Our Health & Safety (H&S) Council, which is composed of EHS representatives, leads our safety strategy and continues to provide a forum for collaboration as we focus on operational improvement.

While COVID-19 remained a health and safety focus for us in 2021, we continued to integrate company policies. In late 2021, the H&S Council began to develop our Global Health & Safety Policy, which has since been rolled out company-wide and can be found here on our [corporate website](#). This policy serves as a milestone in our journey to standardize and implement company-wide Health & Safety procedures, and it reinforces Hillenbrand’s commitment to providing a safe work environment across all our operations.

Continuing the work published in our last report, we have captured historic and ongoing safety data from all our facilities, which is now included in our monthly safety scorecard. Our Rolling Recordable Incident Rate (RIR), shown below, decreased from 1.84 in 2020 to 1.72 in 2021. We have made a variety of safety improvements across our six Operating Companies (some of which are highlighted on page 35). The relatively large decrease from 2019 to 2020 can be largely attributed to expanding our data collection process to additional sites. In addition, some changes in RIR from 2020 to 2021 may stem from adding sites that were not included in the prior year and removing sites of companies from which we divested in 2020 and 2021.

ROLLING RECORDABLE INCIDENT RATE



Historical data has been corrected in this year’s report to reflect the correct YoY calculation. Prior reports should not be relied upon for this data.

Rolling Recordable Incident Rate is calculated on a 100-full-time-equivalent-employee basis.

The following sites were not included in 2020 data:

- Coperion—China and India
- Milacron—China and India
- Mold-Masters—Japan, South Korea, Singapore, and Brazil
- DME—Lewistown, PA, U.S., Canada, India, and Czech Republic
- Abel and Red Valve were excluded due to divestiture

Coperion Weingarten is reporting a partial year in 2020, and DME Bangalore is reporting a partial year in 2021.

All sites are now included for 2021. This excludes TSG, which was included in 2020, but is no longer included due to divestiture of the company.

The Health & Safety Council meets monthly to collaborate on key initiatives and share best practices established through each of our Operating Companies. Here are just a few ways that we have made safety improvements in the past year:



Coperion's sites have made several significant improvements to safety. In 2021, Coperion Wytheville sustained its Safety & Health Achievement Recognition Program Certification, which recognizes businesses for operating exemplary health and safety programs. Coperion's Wytheville and Salina locations increased overall associate safety training. Coperion's Stuttgart and Weingarten locations provided associates with improved personal protective equipment (PPE), conducted first aid training and evacuation drills, and performed physical and psychological risk assessments of each workplace.



Milacron has taken multiple actions to improve safety at its sites. Milacron created site-specific job safety analyses resulting in improved PPE at multiple sites. Milacron in McPherson addressed a common safety concern among associates in regard to moving heavy loads across the site floor. As a result, they manufactured a custom motorized cart to transport heavy loads across the floor safely.



Rotex provided additional safety training to its associates on hearing conservation, PPE, fire protection, emergency response, waste management, and more. Rotex also increased their internal near-miss reporting through goal setting.



DME continued their safety practices, providing a New Associate Safety Orientation upon hiring, which includes Safety Procedures, First Aid directions, Emergency Action points, Personal Work Habits, and Potential Hazards. We also have created Hazard Assessments for each job which lists bodily risks, required PPE, and general guidelines. Lost Time incidents, which are typically a result of an associate needing to miss work due to sustaining an injury during work, are reported to all locations in U.S. and Canada and describe the injury, the root cause, and guidelines to prevent similar injuries.



Mold-Masters has improved safety by raising greater H&S awareness at multiple sites through additional training regarding first aid, chemical awareness, emergency awareness, and proper heavy machinery operation. Mold-Masters in Germany implemented a modular concept for their safety practice, which includes site-specific risk assessments, protective measures, and safety regulations.



Batesville has continued to focus on site safety in 2021 through focused emphasis on Hillenbrand Operating Model framework basics, accident/incident root cause investigations and compliance training. Batesville increased its enterprise Kaizen expectations to "find and fix" at least five EHS safety opportunities inside all Supply Chain rapid event engagements (70 in FY21). In addition to the overall Kaizen strategy, Batesville ran 12 specific, safety-focused 5S Kaizen events—a 50% increase from prior year. Batesville also enhanced its Daily Management Systems by adding more proactive daily KPIs at the Manufacturing's Group Level Daily Accountability Meetings and added 10 accident root-cause training sessions to enhance daily problem solving. Batesville also once again achieved 100% completion of compliance training for required associates.

Living our CORE VALUES

Our Purpose and Core Values guide the commitments we make and where we get involved in activities around the world. How we serve our customers and support our communities clearly align to our Purpose, which guides our ambitions, actions, and impact.

Our engagements with external partners involve more than simply making financial contributions in support of somebody else's efforts. Hillenbrand has aligned its charitable giving strategy to its Purpose, preferring to demonstrate our commitments by partnering with organizations who, like Hillenbrand, strive to continually shape the world around us.

This includes listening to our stakeholders and understanding their needs and what's important to them. We match these needs with the unique capabilities of our company and our associates so we can together shape our communities.

We are continuously working on embedding the principles of sustainability into our everyday activities. Through this practice, we believe we can find efficiencies for customers, communities, and programs that preserve and protect natural resources and teach the next generation skills for future success.

In short, Hillenbrand doesn't simply make commitments, we embody them in our core values through daily actions.

Supporting Our Customers & Their Sustainability Goals

coperion

Coperion's experts are continuously working on ways to decrease energy consumption of their products to benefit customers' businesses and reduce environmental impact. Within the extrusion and compounding process, the extruder and its components typically consume a large amount of energy. To address this, these experts focus on ensuring that Coperion extruders reliably deliver the highest product quality at high throughput rates and that the amount of energy required for extrusion and compounding is as minimal as possible. With innovative technology, Coperion has found that its extruders have achieved an average energy savings of 8-14%.



To solve the problem of cracked cavities on customer polyethylene terephthalate (PET) preform molds, which result in lost cycle time in production, DME began offering its CoolingCare Maintenance Machine as a solution to customers. The function of the CoolingCare Machine is to remove cooling channel build-up, which causes restriction on the flow of cooling fluids to increase cycle time, flow rate, and heat removal. DME allows customers to lease, rent, or purchase these machines, to best serve customers and their budgets. DME also offers ProService, a program where one of DME's technicians travels to the customer with the machine and performs the cleaning for them. In addition to improved cycle times and lower maintenance costs to their facilities, DME customers also benefit from time saved as the machine cleans automatically and unmanned.



Milacron has utilized strategically located engineering centers to drive new product development and promote global thinking and local action. The insights from the design and technology center teams have helped Milacron better understand customer needs, develop innovative technologies, and pursue opportunities in many regions to deliver differentiated solutions with enhanced customer value. With associates in various locations, Milacron engages in partnerships globally to supplement specialized skills in high demand and decrease the time from ideation to production. The resulting solutions allow customers to produce the highest quality parts at an optimal performance level and total cost of ownership. Examples include the M-Powered IoT solution, the energy efficient eQ and M-series, extrusion solutions that can process 35-50% Post-Consumer Recycled (PCR) materials, and Integrated Pipe systems on extrusion solutions.



As the industry leader in co-injection technology, Mold-Masters' newest co-injection system made it possible for customers to create products utilizing up to 50% PCR. This advancement significantly minimizes the amount customers spend on expensive virgin materials. This technology can be applied to a variety of applications for such items as buckets/pails, chemical containers, refrigerator handles, toilet seats and more. Additionally, Mold-Masters' co-injection systems can be used with customers' existing tooling and equipment and do not affect cycle times or overall productivity.



In 2019, Rotex established an aftermarket service team within its business to better meet specific customer needs and provide a higher caliber of customer service for its specialized product lines. In 2020, service visits increased despite initial COVID-19 travel restrictions, indicating a need for Rotex to continue to support essential businesses. Since then, the group and program have expanded, with the implementation of standardized global service documentation. Meetings with Rotex engineering associates are held regularly to review observations from the field and enhance the service group offerings and process, upholding Hillenbrand's standard of continuous improvement. The service group is also instrumental in identifying trends in product design improvement that allow the business to now get ahead in addressing customer opportunities.



As a leading casket manufacturer, Batesville's products were at the forefront throughout the pandemic. But as restrictions on group gatherings continued to impact services, funeral directors increasingly turned to Batesville to bridge the gap by leveraging the digital capabilities on their Batesville-designed websites to help create meaningful funerals. Unable to meet in person, Batesville's Meaningful Selections® virtual showroom became a valuable tool that allowed families to select and configure products from their homes and to collaborate with others in remote locations. Batesville technology experts assisted funeral directors using livestreaming capabilities—many for the first time—which enabled family and friends to watch services from the safety of their homes. These digital capabilities and Batesville's partnership helped create ease for customers during a difficult time.

coperion Sustainability Highlights

FROM OLD TO NEW – ECONOMICAL AND FDA-COMPLIANT RECYCLING OF PET FLAKES

Coperion’s specialized recycling technology with its ZSK twin screw extruder represents an opportunity to simplify the process of compounding shredded Polyethylene terephthalate (PET). PET is a material that is on course to play a key part in the plastic industry’s path to a more circular economy. It is important for recycling because it makes up a large volume of packaging materials, like single-use bottles, and can be reprocessed.

Before PET can be reprocessed it must first be shredded to flakes and then cleaned. Standard technologies require pre-drying, crystallization, or agglomeration of the PET flakes following washing.

With Coperion’s PET recycling technology, shredded and cleaned PET can be directly fed into the ZSK twin screw extruder and compounded, reducing operating costs and energy consumption. Pellets made from recycled PET on Coperion extruders meet the quality of virgin material and have received the FDA’s Letter of Non-Objection, meaning they are certified as food-safe plastics and can be reprocessed into bottles once again.

Partnering with Customers

Following comprehensive studies in Coperion’s extrusion test lab in Stuttgart, Germany, Coperion and RenCom, a Swedish innovation company now known as Lignin Industries, developed the innovative extrusion process of RENOL®, a thermoplastic biomaterial. Using Coperion’s ZSK twin screw extruder technology, lignin from plants can now be transformed into durable, reusable biomaterial. The system has been successfully commissioned and with this technology, Lignin Industries will be able to produce more than 1,000 tons of RENOL® per year.



RENOL transforms wood to biodegradable thermoplastic material.

DEI

Coperion made improvements to increase DEI in 2021 including conducting a mandatory equal pay analysis at their site in Niederlenz, Switzerland, which resulted in no unacceptable results. Coperion also expanded their hiring focus beyond regional and country borders and enhancing candidate slates, which has led to talent improvements including their diverse procurement team composed of individuals from 17 different countries speaking nine different languages. These efforts are only the beginning of Coperion’s DEI journey in line with Hillenbrand’s DEI commitment.



Coperion ZSK twin screw extruders provide very good properties that contribute to high end product quality.

Coperion by the Numbers

1 Innovation Award
for innovation of the ZSK Food Extruder in hybrid design

1 ISO 45001:2015 Certification

6 ISO 9001:2015 Certifications

In 2021, Coperion Wytheville sustained its Safety & Health Achievement Recognition Program Certification





Sustainability Highlights

DME QR CODE INSERT

DME developed a new molding capability that allows customers to add a QR code directly in the molding process. The QR codes are permanently affixed and do not wear off, which allows customers to offer their audiences easy-to-use, cost-effective inserts that can be easily replaced and updated. These QR codes link to online destinations and can be used to share instructional information and connect with the consumer.

Community Story

DME participated in a program called, "The Hospice Dove Pin Campaign" to support the local community near its Windsor, Canada, plant. The program provides care at no cost in two local Hospice Residences to meet the needs of the community and address the physical, social, and emotional needs of patients and their families. DME donated a mold base to Mega Mold International Inc., who produced a "hospice dove" plastic figure, which was donated to the local hospice program to sell as a way to raise money to fund the Hospice.



Serving Customers

DME routinely collects customer feedback after shipping products via their quality assurance department. Quality Assurance Incidents (QAI) are resolved and stored in a QAI management system. DME maintains a strong record of product quality, with successful shipping and distribution of thousands of orders. The on-time to customer report average was 96% for mold bases and 97% for mold components, exemplifying DME's commitment to serving customers with quality.

DME by the Numbers

0

quality assurance incidents for Master Unit Die mold bases

1

sustainable packaging innovation, replacing foamed chemicals with paper packaging

5

ISO 9001:2015 Certifications



DME QR Inserts can benefit the medical industry by providing product instructions and safety warnings.

MILACRON Sustainability Highlights

SHAWNEE STATE PARTNERSHIP

Milacron exemplifies its commitment to sustainability through community partnerships, such as its long-standing partnership with Shawnee State University (SSU) in Portsmouth, Ohio. In 2021, the company donated two injection molding machines to the school's Plastics Engineering Technology program, allowing students to receive hands-on training. The students learned skills such as operation, maintenance, and troubleshooting of the machines, and as part of their senior project, were asked to design, build, and produce their own plastic mold for a fully developed part. Milacron also contributed a scholarship to SSU and invited students to the facility for a tour and presentation on the manufacturing industry.

Partnering with Customers to Reduce Environmental Impacts
Milacron encourages customers to use its Servo and all-electric products when feasible. These products not only reduce energy consumption but also water consumption, oil consumption and disposal, noise, and heat emission. Milacron also continuously consults with and provides input to customers to improve product quality, as well as reduce scrap, energy consumption, and resin used per part.



Milacron's all-electric Roboshot injection-molding machine.

Community Partnerships at Milacron

Milacron India has a strong history of supporting the local community. In 2021, Milacron partnered with the Deaf and Mutes School in Ahmedabad, India, where children can study free of cost, and covered the cost of a solar power installation for the school. Milacron also provided financial support to the Blind People's Association to provide education, employment opportunities, and medical treatment for the blind. Additionally, Milacron partnered with HelpAge, an organization that works to improve quality of life for the elderly. Milacron is sponsoring HelpAge's mobile health units for the next three years, which provide health consultations to the elderly, particularly those in rural communities.



Mac Jones, President of Milacron, meets with HelpAge, an organization that supports mobile health units.



Shawnee State Students Visiting a Milacron Facility.

Milacron by the Numbers

1

hazardous
chemical
elimination

2

product development
centers located in
emerging markets

4

ISO 9001:2015
Certifications

Mold Masters Sustainability Highlights

REFORK PARTNERSHIP

Mold-Masters values its role in helping customers achieve their sustainability goals, which often involves converting materials of existing products to more sustainable alternatives. One customer, Refork, a company that makes sustainable single-use utensils from bio-resins, uses Mold-Masters hot runner and controller systems to manufacture their products.

Refork’s proprietary bio-resin blend consists of various renewable materials and is fully biodegradable in-home compost, soil, or marine environments. Refork made sure its proprietary bio-resin blend would be suitable for injection molding by involving Mold-Masters from an early stage. Mold-Masters supplied several optimized Master-Series hot runner systems that allowed Refork to overcome their primary challenges, including prevention of material degradation, achieving a consistent cycle time that was scalable to mass production, and minimizing injection pressure to allow for utilization on a smaller injection molding machine. Mold-Masters hot runners are currently used to produce more than 12 million bio-resin utensils each month*.

*based on Refork company estimates

Energy Reduction

Mold-Masters’ Brazed Heater Technology and other special designs help customers significantly reduce their energy consumption. The Master-Series hot runner systems are one of the most energy-efficient in the industry. Mold-Masters uses this technology to help customers reduce their energy consumption.

Learning and Development

At its China location, Mold-Masters introduced a Skill Level and Evaluation Development Program. The purpose of the program was to upgrade associate skills and specifically recognize associates who excel. As a result, Mold-Masters’ associate retention rate increased. In 2021, approximately 50 associates participated in the program.



Mold-Masters’ Brazed Heater Technology enhances thermal performance and lowers energy consumption.



Refork utensils based on bio resin, Mold Masters adjusted the injection molding process to meet Refork’s challenges.

Mold-Masters by the Numbers

4 Regions
with ISO 9001:
2015 Certifications

50 Associates
participated in the Skill Level
and Evaluation Development
Program

151 Million
Refork utensils produced per
year using Mold-Masters’
hot runner systems.*



Sustainability Highlights

Rotex’s mission is to **“improve lives through optimizing the use of our world’s natural resources.”** This mission is exemplified by the hundreds of Rotex separators across the globe that help process potash, a highly impactful nutrient used to efficiently grow crops, like corn, to feed our world. In 2019, in the U.S. alone, 91 million acres of corn were planted. ^[1] For each of those acres, approximately 150 pounds of potash, some produced from processes using Rotex separators, were used to provide nutrients to the soil. ^[2] Rotex separators also help improve production efficiency and save energy to curb the effects of greenhouse gases as a byproduct of potash production. The separators screen materials ahead of the crushing process to ensure product captured is already within specification prior to crushing, which is the process step that consumes significant energy. This prevents quality potash from being reintroduced into the crusher and unnecessarily recomacted and avoids the consumption of excess energy required to compact the material a second time.



Rotex’s Minerals Separator™/MEGATEX XD™, a recommended machine for fertilizer application.

[1] USDA Economic Research Service:
[2] SFGate Corn Potash Requirements:

Focused on our Associates

Rotex invested in associate engagement events throughout 2021, including a golf outing, company picnic, Halloween costume contest, and Thanksgiving potluck. In September, they held a “Thanks for a Great Year” associate appreciation event, and in December, continued their annual tradition of supporting a local non-profit for which associates donated household items. Rotex also rolled out a new associate engagement program for shop associates, including upgraded break areas and increased weekend flex time.

Through Hillenbrand’s Corporate Learning and Development function, Rotex conducted “The 4 Essential Roles of a Leader,” a new leadership training for all salaried associates.

Rotex also provides ongoing in-house training (on-the-job, safety, cross training) for labor and production roles.



Rotex 2021 Halloween Costume Contest.

Rotex by the Numbers

1

ISO 9001:2015
Certification

2

new recycling/
reuse programs

4

years supporting
DePaul Cristo Rey’s
work-study program



Rotex Executive Assistant Allen Burke and DePaul Cristo Rey Senior Donovan Thompson.



Batesville Sustainability Highlights

PLASTIC PACKAGING REDUCTION

By leveraging the tools of the Hillenbrand Operating Model to capture the voice of its customers, Batesville confirmed that quality and on-time delivery are two of the most important factors that influence customer satisfaction. Batesville developed prototypes of new packaging designs to help prevent damages that can occur during transit. These prototypes were evaluated based on factors such as shipping protection, safety, cost, and the number of times the packaging could be reused. The new packaging resulted in a 50% reduction in casket transit damage, eliminated over 200,000 pounds of plastic wrap and ~60,000 pounds of protective blankets each year. The sustainable packaging materials can be reused 12-15 times, strengthening Batesville’s focus on reducing and reusing materials.

Living Memorial® Program

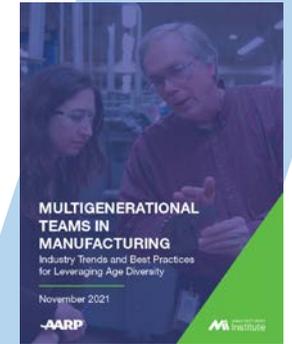
Since 1976, Batesville has been operating the Living Memorial Tree Planting Program, providing families a tangible way to honor the lives of those they love. With the purchase of a qualifying Batesville product, a Funeral Director can request a tree seedling to be planted in a national forest or woodland in the U.S., Canada, or Australia. The Living Memorial Program creates a living legacy to celebrate the unique lives of those who have passed away.

Diversity: Multigenerational Teams in Manufacturing

In 2021, Batesville contributed to a study by AARP and the Manufacturing Institute titled, “Multigenerational Teams in Manufacturing.” The Manufacturing Institute and AARP state that the purposes of the study were to highlight how the manufacturing industry utilizes multigenerational teams, uncover the extent to which companies in the manufacturing sector are changing policies to retain older workers, and illustrate the nature of the industry’s concerns surrounding the aging workforce. Batesville weighed in on this important conversation with insights on how it bridges the gap between generations using Kaizen events and mentorships through its engineering management development program. Additionally, Batesville leverages associates’ institutional knowledge coupled with technology to identify business problems and develop solutions.

Partnering with Customers

In 2021, Batesville continued its educational webinar series for funeral professionals with presentations from leading industry experts. This education series provided a cost-free way for busy funeral professionals to enhance their skills and knowledge without leaving the office.



Batesville participated in the “Multigenerational Teams in Manufacturing” study, which was published in November 2021 by the AARP and Manufacturing Institute. The study highlighted research of Industry Trends and Best Practices for Leveraging Age Diversity in the manufacturing industry. Batesville contributed to the report’s findings.

Batesville by the Numbers

OLD



200
Thousand +
pounds of plastic
wrap eliminated

NEW



600
Associates

nominated by peers and leaders for Values In Action awards, for exemplary demonstration of our Core Values since the program’s inception

1 CFO
of the Year
award from
the Indianapolis
Business Journal



Dan Harmeyer, CFO of Batesville, awarded CFO of the year by the Indianapolis Business Journal.

Spotlight on Program Progress

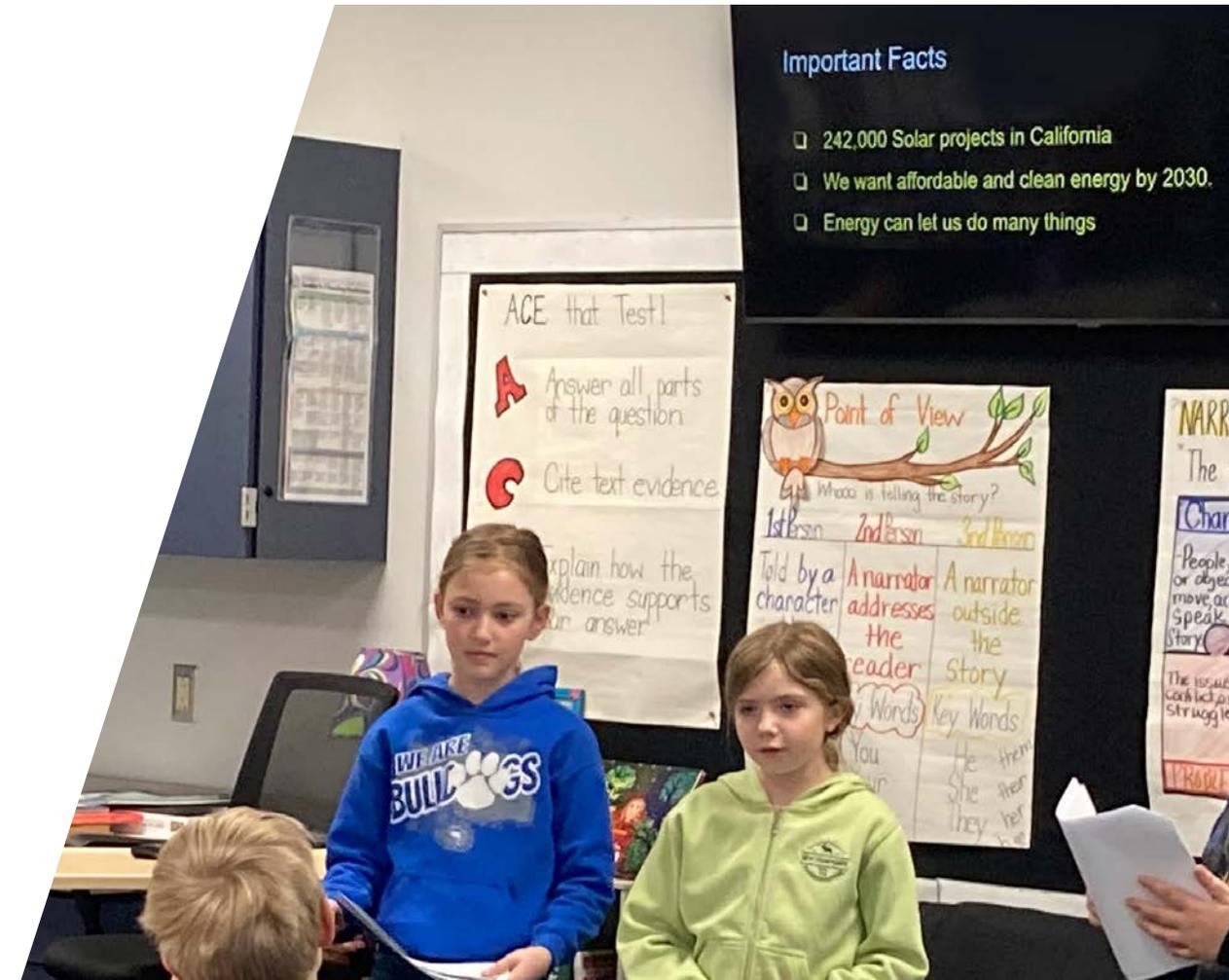
Junior Ambassadors Program

Hillenbrand and the Batesville Community School Corporation partnered in 2019 to create a pilot program focused on teaching students about the principles of sustainability adopted by the United Nations (UN). With Hillenbrand’s support, Batesville Intermediate School (BIS) piloted the Junior Ambassadors Program, which provides third-, fourth-, and fifth-grade students opportunities to read books, conduct research, create projects, present findings, and spread awareness of the UN’s global sustainability goals. The company developed the idea with the UN’s initial framework in mind after it signed the UN Global Compact and sought a partner to help localize the principles of the global goals. BIS created the curriculum to help students better understand global issues. The program helps students focus on big causes and realize that no matter where they live, they can make meaningful contributions toward solutions.



“The Junior Ambassadors Program at Batesville Intermediate School provides all students with the opportunity to learn about how others live throughout our world while also highlighting the challenges we face as a global community. This program creates an environment in which students can become school leaders through book clubs, guided research, and classroom presentations.”

Karen Kaiser, Media & Instructional Technology Specialist,
Batesville Intermediate School



Students present to their class on affordable and clean energy, Sustainable Development Goal #7.

Program Metrics

24
Students
Year 1 – 2019

22
Students
Year 2 – 2020
(decrease in membership largely impacted by COVID-19 restrictions)

54
Students
Year 3 – 2021



“As we move toward our sustainability goals, it is important to make sure we are taking our stakeholders along on the journey.”

Kim Ryan, President & CEO
Hillenbrand



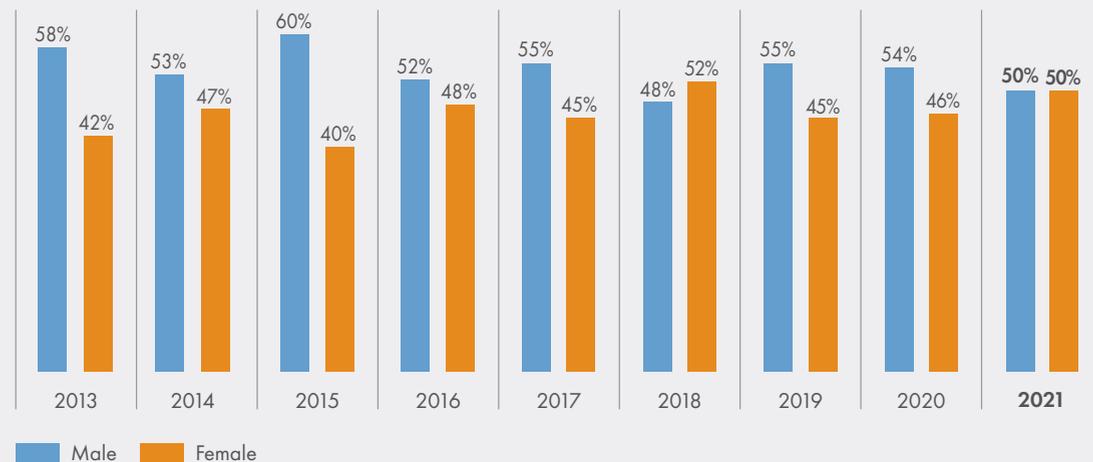
STEAM Camp

In 2016, Hillenbrand began to host a Manufacturing Camp for middle school students jointly with a conglomerate of local businesses, non-profits, and educational institutions. In its early years, the camp membership was anywhere from 35-50 students, with only one or two of the participants being female. This led us to think: What can we do to encourage more girls to enter into STEM programming at an earlier age, which can lead to an interest in manufacturing?

In 2018, we began a journey to link the love of STEM with a younger demographic through the title sponsorship and program support partnership with the Kids Discovery Factor (KDF) in Batesville, Indiana. The group’s mission is to “inspire young learners to innovate and create through exploration of Science, Technology, Engineering, Art, and Mathematics (STEAM).” Since its inception in 2013, KDF’s STEAM Camp held each summer has grown from a small gathering of local students to a regional tradition serving more than 1,000 kindergarten through sixth grade students.

Since 2018, the company has provided a group of volunteers to support STEM learning and engage our associates. Due to the program’s increased popularity, there continues to be an increase in regional participation. In fact, the 2021 camp drew students from 18 communities outside of Batesville. And, during a time when many STEM organizations struggle to engage girls and young women, there has also been an increase in female participation, with a 50-50 male to female ratio, up from a 60-40 male to female ratio in 2013.

Male to Female Student Ratios



Kids Discovery Factory Camp.



“Hillenbrand volunteers have been a wonderful asset to our camp throughout the years — helping prepare materials, working one-on-one with students, building hands-on mobile exhibits, and more. Knowing we have a reliable source of volunteers has allowed us to focus more on crafting experiences that are engaging, educational, and fun for young children. We have been especially proud to see a rise in female participation. Studies show that earlier engagement in STEM leads to higher participation in STEM initiatives long-term. Having so many girls, kindergarten through sixth grade, involved in our camp gives us hope that we will see a rise in girls pursuing STEM opportunities in middle school and beyond.”

Emili Uden, Executive Director, Kids Discovery Factory

Community Involvement

Hillenbrand understands that sustainability-related problems cannot be solved by one business alone. Developing and maintaining partnerships with organizations in the communities in which we operate is one key to effecting positive environmental and social change.

Many of our Operating Companies have built community partnerships that create educational opportunities for students while developing Hillenbrand’s future workforce. These partnerships are vital as we compete for qualified workers in a tight labor market and are important to the development of our future workforce, while at the same time strengthening our communities and industries.

Educational Partnerships

Hillenbrand has focused sustainability partnerships with Indiana University in Bloomington, Indiana, and Drake University in Des Moines, Iowa.

Since 2019, Hillenbrand has had an active partnership with the McKinney Climate Fellows (MCF) program at Indiana University (IU). The MCF is a workforce development program for undergraduate and graduate students that focuses on climate change, sustainability, and community resilience. Each summer, Fellows gain valuable experience in a professional setting and get involved full-time with real-world sustainability projects. Hillenbrand has hosted three Fellows, each of whom has personally contributed to our sustainability efforts. We are proud to develop a strong network of sustainability professionals in the midwestern U.S. through this partnership with IU.

Drake University is recognized as a leading institution in the Midwest that focuses on experimental learning. In 2021, Hillenbrand approached Drake’s Environmental Science and Sustainability Department to pilot an experimental learning opportunity for the students that allows them to focus on a real business sustainability challenge. During the program, the students work directly within a company function on the sustainability challenge and receive feedback through weekly meetings. The students have access to business professionals and company information related to the challenge throughout the semester. At the end of the semester, the students present a possible solution to the company and discuss key learnings.

Coperion has established a relationship with the University of Ghent in Belgium to support comprehensive research and development of chemical recycling of plastic waste. Coperion designed a laboratory system and provided an extruder, feeder, and vacuum unit. Ghent University is a trailblazer in the chemical recycling of plastic waste and this partnership is supporting the scale-up of innovative recycling technologies aimed at minimizing waste streams and energy consumption.

(Coperion partnerships continued on next page)



“Real world ‘consulting’ experiences such as Drake’s partnership with Hillenbrand are vital to building the critical thinking and communication skills necessary to move from theoretical discussions of sustainability to effective application of strategies. The professional preparation and personal growth seen in these students was transformative.”

Keith Summerville

*Professor of Environmental Science
Drake University*

The first class researched partnership opportunities for Milacron related to Hillenbrand’s new charitable giving strategy.



Educational Partnerships *(continued)*

Coperion has also partnered with the Technical University of Braunschweig in Germany to support the research of smart production solutions for the extrusion of battery compounds. The goal of this collaboration is to identify industry 4.0 solutions to produce lithiumion batteries and to use the finding to create more efficient and effective battery manufacturing.

Additionally, several years ago Coperion K-Tron partnered with Kansas State University, along with government agencies and other companies, to create the Kansas State Bulk Solids Innovation Center. This Center continues working today to develop a better understanding of bulk solids material handling. This Center provides continuing education to research fellows, doctoral candidates, and students, all while serving as a material handling test lab for Coperion and Coperion K-Tron.



Coperion K-Tron's partnership with Kansas State Bulk Solids Innovation Center.

DME and Milacron have a long-standing relationship with Shawnee State University (SSU) based in Portsmouth, Ohio. Through the partnership, the companies have donated equipment, education, and training. The donation allows students in the university's Plastics Engineering Technology program to receive hands-on training with essential machinery and technology in the plastics industry—from operating the equipment, to creating fully developed plastics parts, to maintaining and troubleshooting.

Milacron also provides scholarships at both SSU and Southern State Community College (SSCC). At SSU, the programs range from a 4-year Plastics Engineering Technology degree or an associate program that specializes in Computer-Aided Design or Electro-Mechanical Engineering. The programs at SSCC include two-year programs in Mechanical Design Technology, Electro-Mechanical Technology, or various Computer Science programs that specialize in Robotics, Cybersecurity, or Programming. These opportunities serve as a tool for recruitment and the promotion of STEM fields for incoming students.

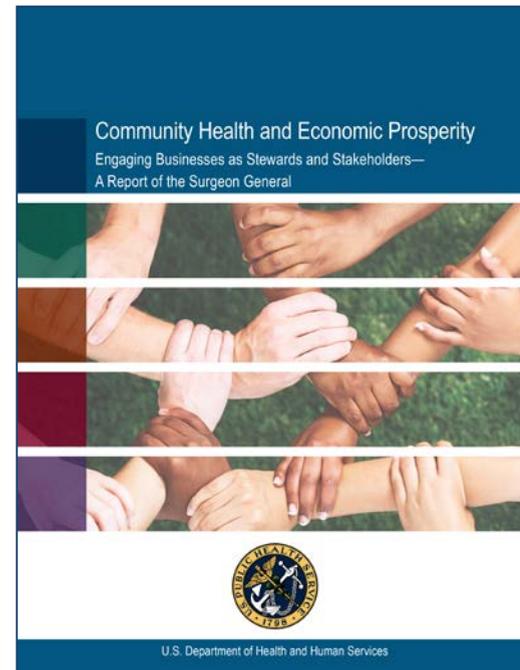
Mold-Masters has worked with McMaster University and the University of Toronto, enabling students to gain work experience through internships with the intent to hire them full-time upon graduation. Mold-Masters also frequently reaches out to universities aligned with their footprint to develop apprenticeship programs in Canada and Germany and provides a workforce training program with Jiangsu Vocational College of Electronics and Information in China.

Rotex has partnered with DePaul Cristo Rey, a college preparatory high school in Cincinnati, since 2017, for its Corporate Work Study program. Students accepted to the program work at Rotex for one to two days per week during the school year in departments that interest them, including engineering, manufacturing, IT, accounting, and HR. Rotex supervisors engage with the students and provide valuable insights and critical learning opportunities that teach hard and soft skills. Students have the opportunity to assist with critical projects and gain visibility to potential career paths.

Batesville worked with the University of Cincinnati to evaluate potential predictive analytics capabilities for funeral industry customer demand. Batesville's Manchester, Tennessee, plant partners with the Tennessee College of Applied Technology to provide training and skill development to prepare students for maintenance associate and tool & die positions. Batesville's Chihuahua, Mexico, plant engages with the Technological Institute of Chihuahua to provide internships and identify potential future hires.

Community Engagement and Feedback

In 2021, the United States Surgeon General published a report on “Community Health and Economic Prosperity: Engaging Businesses as Stewards and Stakeholders” where they featured eight short case studies of “exemplars,” short stories that depict a company and its actions to solve a business problem while addressing a societal challenge. Hillenbrand’s community stakeholder engagement program was noted as one of the eight exemplars in the report as a leading example of community partnership.



“Hillenbrand, Inc., established such a dialogue in their community of Batesville, Indiana. The Hillenbrand Community Leadership Series annually assembles 20 people from the company and community to engage in strategic discussions with business and civic leaders. The group is often used as a “think tank” for the community, studying and solving large issues facing the community, including diversity and inclusion, workforce skills, and the development of a vibrant downtown to build Batesville and Southeastern Indiana into attractive places to live and work.”

2021, US Surgeon General Report

[Click](#) to read the full report

Customer Engagement and Feedback

Customers are critical stakeholders and understanding their satisfaction with our company and our products is key to our performance. Our Operating Companies seek feedback from our customers and implement positive changes based on their responses. For example:

- » **Coperion** conducts various customer satisfaction surveys throughout its organization. This typically occurs after the completion of large projects, the delivery of products, and test runs and product trials at their test centers.
- » **DME** routinely collects customer feedback after shipping products via their quality assurance department. Quality Assurance Incidents (QAI) are resolved and stored in a QAI management system. DME maintains a strong record of product quality, with shipping and distribution of thousands of component orders and mold bases.
- » **Milacron** conducts automated randomized customer satisfaction surveys through the aftermarket segment of the business. Voice of Customer research is also conducted to gain global brand intelligence and drive improvements.
- » **Mold-Masters** performs annual customer satisfaction surveys where they survey key customer accounts globally. The survey is organized by Mold-Masters’ global marketing team. Customer satisfaction is measured using a net promoter score (NPS). Key questions cover product quality, lead time, communication, Mold-Masters representatives, competition satisfaction, and future expectations. Data is used to improve products and services based on key customer touchpoints.
- » **Batesville** performs a customer satisfaction survey every two years, where they survey hundreds of customers through a third party. In addition, they conduct routine surveys throughout the year to measure overall customer satisfaction by product segments and key attributes.

Community Partnership/ Charitable Giving Strategy

Our Core Value **Make it Matter**, reinforces Hillenbrand’s call to action for sustainability, as it articulates our specific commitment to acting in a way that positively impacts how people live and work and our pride in doing so. In 2021, we worked to design a new [community partnership strategy](#) to help us align to our business strategy, engage with associates, and further connect to our Purpose—Shape What Matters for Tomorrow™.

Aligning our partnership and giving strategy with our Core Values allows us to:

- » Connect our products to end-markets.
- » Meet customers’ needs.
- » Better understand our connection and impact on broader society.
- » Focus on our people and help build our culture.

We also aligned our charitable giving strategy to our Purpose, under four key pillars, which streamline our engagement with organizations that are relevant and meaningful to our business.

Our global charitable giving policy sets out conditions and criteria through which we define and approve contributions to qualified charitable organizations and furthers our commitment to our Core Values and our support of DEI. This policy requires that organizations receiving company contributions have non-discrimination policies in place and fit into one of the established categories for charitable giving.

Enterprise-Wide Partnership Criteria

KEYSTONE PILLARS



Health & Safety



Diversity, Equity, & Inclusion Focus



Education & Trade Skills



Benefit the Environment

GOALS FOR PARTNERSHIP

1

2

3

New Partnerships

We recently announced the following new partnerships developed under our new sustainability strategy:

NET IMPACT

» **Net Impact:** Hillenbrand and Net Impact, a global non-profit focused on engaging students on critical social and environmental issues, partnered to address circularity in plastics. This partnership calls upon student innovators at all levels of study in 2022 to ask, “how might we rethink the plastics supply chain to improve material circularity to keep plastics in the economy and out of the environment?”



Tory Flynn, Hillenbrand CSO and Hilary Manzo, Net Impact Program Manager, present on innovative partnerships at a Sustainability & Recycling Conference.



» **Girls Inc.:** Hillenbrand is a national sponsor of the STEM and College and Career Readiness program of Girls Inc., a national non-profit that equips girls with the skills to navigate through economic, gender, and social barriers.



Arbor Day Foundation®

» **Arbor Day:** Hillenbrand has partnered with Arbor Day to embrace planting trees in critical areas as a means for natural climate solutions. These reforestation projects will work to help accelerate progress on climate change.

“Working with organizations like Hillenbrand helps us fulfill our mission to inspire people to plant, nurture, and celebrate trees. Our partners are a key part of our success, and the work we do together helps drive long-term positive impact on vital forests, communities, and ecosystems.”

Dan Lambe, CEO, Arbor Day Foundation



INDICES AND APPROACH TO REPORTING



Approach to Reporting

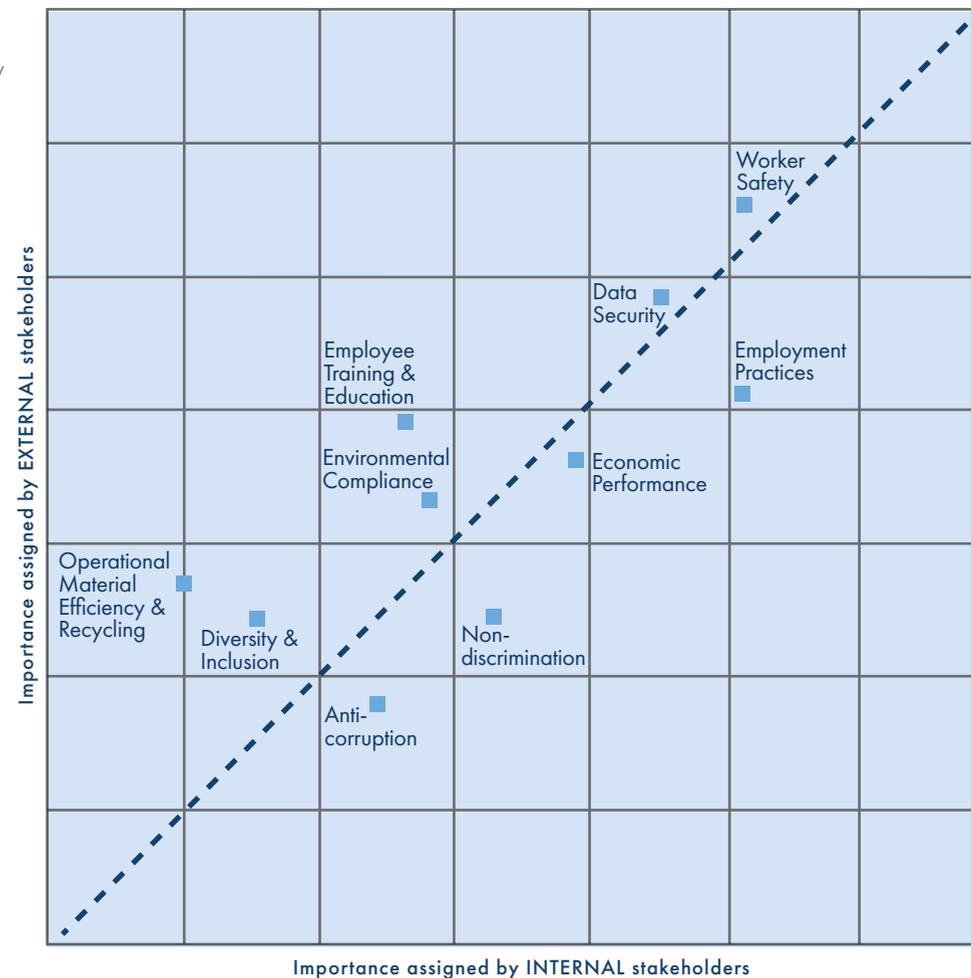
This is Hillenbrand’s third annual sustainability report. This report outlines our efforts to address the topics that matter to our stakeholders as determined by our [2019 materiality assessment](#), with additional topics based on emerging sustainability trends, reporting frameworks, and industry best practices. As stated in our [2020 Sustainability Report](#), we are planning to begin the process to update our materiality assessment this year.

MATERIALITY MATRIX

Sustainability topics are presented in this matrix to analyze the materiality (i.e., “importance”) of such matters to both internal stakeholders (X-axis) and external stakeholders (Y-axis). Material topics are defined as those that are in the quadrant when all survey topics are mapped against increasing importance to stakeholders.

The topics identified as material include:

- ▶ Worker Safety
- ▶ Data Security
- ▶ Employment Practices
- ▶ Economic Performance
- ▶ Employee Training & Education
- ▶ Environmental Compliance
- ▶ Non-discrimination
- ▶ Operational Material Efficiency & Recycling
- ▶ Diversity & Inclusion
- ▶ Anti-Corruption



The use of “material” or “materiality” in this report is not related to, or intended to convey, matters or facts that could be deemed “material” to a reasonable investor as referred to under U.S. securities laws or similar requirements of other jurisdictions.

This report includes narrative outlining our actions to advance the 10 principles of the United Nations Global Compact and the United Nations Sustainable Development Goals. This report is written in conformance with GRI 101 Foundation: 2016 standards. To increase the scope of our reporting, we have also included our first-ever SASB index.

Hillenbrand’s Internal Audit Department conducts a limited review of select quantitative data in the Sustainability Report, including that related to safety; emissions; Diversity, Equity, and Inclusion; and associate training. The scope of such limited review includes an evaluation of the design and operating effectiveness of controls related to identification, calculation, and disclosure in the report.

Uncertainties may sometimes occur in collecting data from a wide range of facilities and operations in a global company such as Hillenbrand. We reserve the right to change the internal guidelines applicable to the collection of the data published in this report without prior notice. Due to rounding, some of the numbers presented in this report may not add up exactly to the presented totals and percentages may not exactly reflect the absolute figures to which they refer. The data included in this report (other than audited financial data) are good faith estimates and have not been externally assured. We expect our data collection systems to evolve, and we seek to continually improve our processes for collecting and disclosing data.

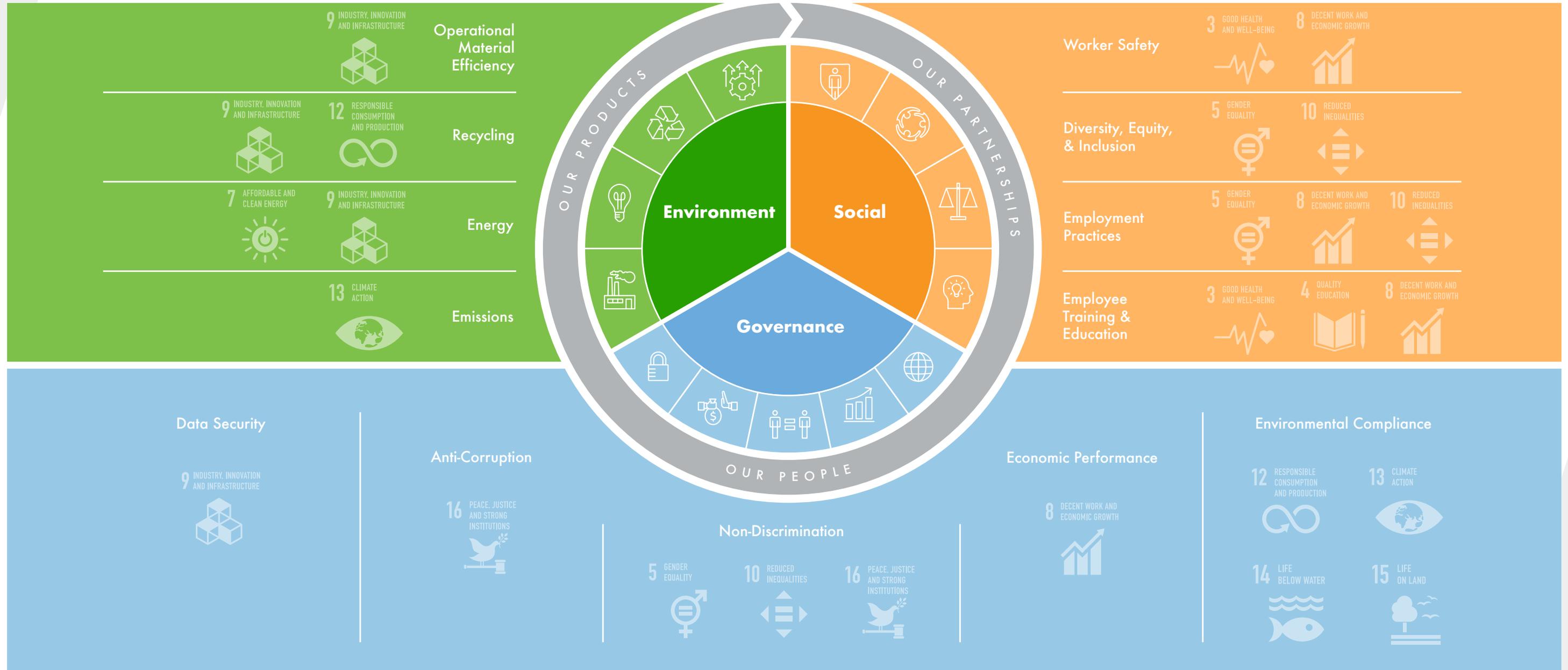
We are continually seeking to make our report more global and robust. As a result, we distributed a sustainability questionnaire across our businesses globally to collect additional qualitative data more thoroughly and accurately. Our sustainability report has also undergone evaluation internally and by a panel of peers to ensure accuracy and is attested to by our Sustainability Steering Committee. For any questions, comments, or concerns about our sustainability report, please contact sustainability@hillenbrand.com.

United Nations Global Compact Index (UNGCI)

| THE TEN PRINCIPLES OF THE UN GLOBAL COMPACT | | PAGE NUMBERS |
|---|---|---|
| <i>Human Rights</i> | | |
| Principle 01 | Businesses should support and respect the protection of internationally proclaimed human rights | See <i>Approach to Ethics and Anti-Corruption</i> , p. 12 |
| Principle 02 | Make sure they are not complicit in human rights abuses | See <i>Approach to Ethics and Anti-Corruption</i> , p. 12 See <i>Supplier Diversity</i> , p. 15 See <i>Supplier Standards</i> , p. 14 |
| <i>Labor</i> | | |
| Principle 03 | Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining | See <i>Collective Bargaining</i> , p. 32 |
| Principle 04 | The elimination of all forms of forced and compulsory labor | See <i>Approach to Ethics and Anti-Corruption</i> , p. 12 See <i>Supplier Diversity</i> , p. 15 See <i>Supplier Standards</i> , p. 14 |
| Principle 05 | The effective abolition of child labor | See <i>Conflict Minerals</i> , p. 16 See <i>Associate Training & Education</i> , p. 32 See <i>Supplier Diversity</i> , p. 15 See <i>Supplier Standards</i> , p. 14 |
| Principle 06 | The elimination of discrimination in respect of employment and occupation | See <i>Diversity, Equity, and Inclusion</i> , p. 27 |
| <i>Environment</i> | | |
| Principle 07 | Businesses should support a precautionary approach to environmental challenges | See <i>How We Think About Sustainability</i> , p. 9 |
| Principle 08 | Undertake initiatives to promote greater environmental responsibility | See <i>Environmental Responsibility</i> , p. 17 |
| Principle 09 | Encourage the development and diffusion of environmentally friendly technologies | See <i>Clean Technology</i> , p. 21 See <i>Operational Efficiency</i> , p. 22 |
| <i>Anti-corruption</i> | | |
| Principle 10 | Businesses should work against corruption in all its forms, including extortion and bribery | See <i>Approach to Ethics and Anti-Corruption</i> , p. 12 |

United Nations Sustainable Development Goals (SDGs)

The following chart maps our material topics to the SDGs



Global Reporting Initiative (GRI)

GRI Index items that do not appear in the below index can be counted as “not disclosed”.

| Disclosure Number | Disclosure Title | Response |
|-------------------------------|--|--|
| Organizational Profile | | |
| 102-1 | Name of the Organization | Hillenbrand, Inc. |
| 102-2 | Activities, brands, products, and services | See <i>Our Operating Companies</i> , p. 6 |
| 102-3 | Location of headquarters | 1 Batesville Boulevard Batesville, IN 47006, U.S. |
| 102-4 | Location of operations | See <i>Location of Hillenbrand & Major Operations</i> , p. 7 |
| 102-5 | Ownership and legal form | Hillenbrand is a publicly-traded corporation listed on the New York Stock Exchange: HI |
| 102-6 | Markets Served | See <i>Operating Segments and Markets Served</i> , p. 5 |
| 102-7 | Scale of the Organization | <ul style="list-style-type: none"> • Total # of employees: 10,681 • Total number of locations: 40+ • Total revenue: \$2.86 billion See <i>2021 Annual Report Form 10-K</i> , p. 5, 27, 37 |
| 102-8 | Information on employees and other workers | See <i>2021 Annual Report Form 10-K</i> , p. 5 See <i>Win As One</i> , p. 24 |
| 102-9 | Supply Chain | See <i>Supplier Standards</i> , p. 14 See <i>Conflict Minerals</i> , p. 16 |
| 102-10 | Significant changes to the organization and its supply chain | See <i>Supplier Standards</i> , p. 14 See <i>2021 Annual Report Form 10-K</i> , p. 3 |
| 102-11 | Precautionary Principle or Approach | See <i>Sustainability Risk Management</i> , p. 10 |
| 102-12 | External Initiatives | See <i>UNGC Signatory Letter</i> Hillenbrand is a signatory of the United Nations Global Compact (See Letter) |
| 102-13 | Membership of associations | See <i>Statement on Lobbying Activity</i> |
| 102-14 | Statement from key decision-maker | See <i>A Message From Kim Ryan</i> , p. 2 |

Global Reporting Initiative (GRI) *(Continued)*

| Disclosure Number | Disclosure Title | Response |
|-------------------|---|---|
| 102-15 | Key impacts, risks, and opportunities | See <i>How We Think About Sustainability</i> , p. 9 See <i>2021 Annual Report Form 10-K</i> , pp. 17-27 |
| 102-16 | Values, principles, standards, and norms of behavior | See <i>Our Purpose and Core Values</i> , p. 4 |
| 102-17 | Mechanisms for advice and concerns about ethics | See <i>Hillenbrand's Approach to Ethics and Anti-Corruption</i> , p. 12 |
| 102-18 | Governance Structure | See <i>How We Think About Sustainability</i> , pp. 9-10 |
| 102-19 | Delegating authority | See <i>How We Think About Sustainability</i> , pp. 9-10 |
| 102-20 | Executive-level responsibility for economic, environmental, and social topics | Our Chief Sustainability Officer (CSO) is responsible for overseeing our approach to sustainability. Our CSO provides reports directly to the highest governance body. |
| 102-21 | Consulting stakeholders on economic, environmental, and social topics | See <i>2019 Materiality Assessment</i> See <i>Stakeholder Feedback</i> , p. 13 |
| 102-22 | Composition of the highest governance body and its committees | See <i>2022 Proxy Statement</i> pp. 24-25 |
| 102-23 | Chair of the highest governance body | F. Joseph Loughrey is the Chair of the Hillenbrand Board of Directors See <i>Recent Leadership Announcement</i> |
| 102-24 | Nominating and selecting the highest governance body | See <i>2022 Proxy Statement</i> pp. 34-35 See <i>How We Think About Sustainability</i> , pp. 9-10 |
| 102-25 | Conflicts of interest | See <i>2022 Proxy Statement</i> p. 36 |
| 102-26 | Role of highest governance body in setting purpose, values, and strategy | See <i>2022 Proxy Statement</i> p. 30 |
| 102-27 | Collective knowledge of highest governance body | See <i>2022 Proxy Statement</i> p. 23 |
| 102-28 | Evaluating the highest governance body's performance | See <i>2022 Proxy Statement</i> p. 28 |
| 102-29 | Identifying and managing economic, environmental, and social impacts | See <i>2022 Proxy Statement</i> pp. 24-25 See <i>How We Think About Sustainability</i> , pp. 9-10 See <i>2019 Materiality Assessment</i> |

Global Reporting Initiative (GRI) *(Continued)*

| Disclosure Number | Disclosure Title | Response |
|-------------------|--|--|
| 102-30 | Effectiveness of risk management processes | See 2021 Annual Report Form 10-K , pp. 17-27 See Sustainability Risk Management , p. 10 See 2022 Proxy Statement pp. 24-25 |
| 102-31 | Review of economic, environmental and, social topics | <i>Economic, environmental, and social topics are reviewed annually</i> See How We Think About Sustainability , pp. 9-10 |
| 102-32 | Highest governance body's role in sustainability reporting | See 2022 Proxy Statement p. 30 |
| 102-33 | Communicating critical concerns | See Hillenbrand's Approach to Ethics and Anti-Corruption , p. 12 |
| 102-34 | Nature and total number of critical concerns | See Compliance Procedures , p. 12 |
| 102-35 | Remuneration policies | See 2022 Proxy Statement pp. 35, 44-48, 70-76 |
| 102-36 | Process for determining remuneration | See 2022 Proxy Statement pp. 49-55 |
| 102-37 | Stakeholders' involvement in remuneration | See 2022 Proxy Statement pp. 56-70 |
| 102-38 | Annual total compensation ratio | <i>Annual total compensation of the CEO compared to the median employee as determined under SEC regulations: 155:1</i> |
| 102-39 | Percentage increase in annual total compensation ratio | <i>Hillenbrand's CEO pay ratio is defined and disclosed in our 2022 Proxy Statement</i> |
| 102-40 | List of stakeholder groups | See 2019 Materiality Assessment |
| 102-41 | Collective bargaining agreements | See 2021 Annual Report Form 10-K , p. 5 See Collective Bargaining , p. 32 |
| 102-42 | Identifying and selecting stakeholders | See 2019 Materiality Assessment See Stakeholder Feedback , pp. 13, 51 |
| 102-43 | Approach to stakeholder engagement | See 2019 Materiality Assessment See Stakeholder Feedback , pp. 13, 37, 48 |
| 102-44 | Key topics and concerns raised | See 2019 Materiality Assessment See Stakeholder Feedback , pp. 13, 51 |
| 102-45 | Entities included in the consolidated financial statements | See 2021 Annual Report Exhibit 21.1 |
| 102-46 | Defining report content and topic boundaries | See Approach to Reporting , p. 51 |

Global Reporting Initiative (GRI) *(Continued)*

| Disclosure Number | Disclosure Title | Response |
|-------------------|--|---|
| 102-47 | List of material topics | See 2019 Materiality Assessment See <i>Approach to Reporting</i> , p. 51 |
| 102-48 | Restatements of information | See <i>Approach to Reporting</i> , p. 51 |
| 102-49 | Changes in reporting | Changes in reporting include the following new disclosures: Partnership strategy, embedding sustainability in our business strategy, energy and emissions data (Scope 1 and 2), training metrics, and supplier diversity. |
| 102-50 | Reporting period | 2021 |
| 102-51 | Date of most recent report | 2020 Report issued on Sept. 1, 2021 |
| 102-52 | Reporting cycle | Annual, Calendar Year |
| 102-53 | Contact point for questions regarding the report | sustainability@hillenbrand.com |
| 102-54 | Claims of reporting in accordance with the GRI Standards | See <i>Approach to Reporting</i> , p. 51 |
| 102-55 | GRI content index | See <i>Global Reporting Initiative</i> , p. 54 |
| 102-56 | External assurance | This report is not externally assured, but did undergo internal assurance. |
| 201-1 | Direct economic value generated and distributed | See 2021 Annual Report on Form 10-K pp. 56-60 |
| 201-2 | Financial implications and other risks and opportunities due to climate change | See <i>How We Think About Sustainability</i> , pp. 9-10 See 2021 Annual Report Form 10-K , pp. 3, 23, 26 |
| 201-3 | Defined benefit plan obligations and other retirement plans | See <i>Compensation, Benefits, and Work Life Balance</i> p. 31 |
| 201-4 | Financial assistance received from government | See 2021 Annual Report Form 10-K , p. 50 |

Global Reporting Initiative (GRI) *(Continued)*

| Disclosure Number | Disclosure Title | Response |
|--|--|--|
| 103: Management Approach to Energy | | <i>See Operational Efficiency pp. 22-23</i> |
| 301-3 | Reclaimed products and their packaging materials | <i>See Operational Efficiency pp. 22-23</i> |
| 103: Management Approach to Energy | | <i>See Energy and Emissions pp. 18-20</i> |
| 302-1 | Energy consumption within the organization | <i>See Energy Consumption & Emissions Reduction p. 20</i> |
| 302-4 | Reduction of energy consumption | <i>See Energy Consumption & Emissions Reduction p. 20</i> |
| 302-5 | Reductions in energy requirements of products and services | <i>See Clean Technology p. 21</i> <i>See Operational Efficiency p. 22</i> |
| 103: Management Approach to Water and Effluents | | <i>See Hazardous Waste and Water Usage, p. 22</i> |
| 303-1 | Interactions with water as a shared resource | <i>See Hazardous Waste and Water Usage, p. 22</i> |
| 303-2 | Management of water discharge-related impacts | <i>See Hazardous Waste and Water Usage, p. 22</i> |
| 103: Management Approach to Emissions | | <i>See Energy Consumption & Emissions Reduction p. 20</i> |
| 305-1 | Direct (Scope 1) GHG emissions | <i>See Energy Consumption & Emissions Reduction p. 20</i> |
| 305-2 | Energy indirect (Scope 2) GHG emissions | <i>See Energy Consumption & Emissions Reduction p. 20</i> |
| 305-4 | GHG emissions intensity | <i>See Energy Consumption & Emissions Reduction p. 20</i> |
| 305-5 | Reduction of GHG emissions | <i>See Energy and Emissions pp. 18-20</i> |

Global Reporting Initiative (GRI) *(Continued)*

| Disclosure Number | Disclosure Title | Response |
|--|--|---|
| 103: Management Approach to Effluents and Waste | | <i>See Hazardous Waste and Water Usage, p. 22</i> <i>See Operational Efficiency pp. 22-23</i> |
| 306-3 | Significant spills | <i>Such material incidents, if any, would be disclosed on pp. 3 or 26-27 of Hillenbrand's 2021 Annual Report on Form 10-K</i> |
| 306-4 | Transport of hazardous waste | <i>See Hazardous Waste and Water Usage, p. 22</i> |
| 103: Management Approach to Environmental Compliance | | <i>See Sustainability Governance</i> <i>See Compliance Procedures</i> <i>See How We Think About Sustainability</i> |
| 307-1 | Non-compliance with environmental laws and regulations | <i>Such material incidents, if any, would be disclosed on pp. 3 or 26-27 of Hillenbrand's 2021 Annual Report on Form 10-K</i> |
| 103: Management Approach to Supplier Environmental Assessment | | <i>See Supplier Standards p. 14</i> |
| 308-2 | Negative environmental impacts in the supply chain and actions taken | <i>See Supplier Standards p. 14</i> |
| 103: Management Approach to Employment | | |
| 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | <i>See Compensation, Benefits, and Work Life Balance p. 31</i> |
| 401-3 | Parental leave | <i>See Compensation, Benefits, and Work Life Balance p. 31</i> |

Global Reporting Initiative (GRI) *(Continued)*

| Disclosure Number | Disclosure Title | Response |
|--|--|---|
| 103: Management Approach to Occupational Health and Safety | | <i>See Worker Safety pp. 34-35</i> |
| 403-1 | Occupational health and safety management system | <i>See Worker Safety pp. 34-35</i> |
| 403-2 | Hazard identification, risk assessment and incident investigation | <i>See Sustainability Risk Management See Compliance Procedures See Worker Safety pp. 34-35 See 2021 Annual Report p. 3</i> |
| 403-3 | Occupational health services | <i>See Worker Safety pp. 34-35</i> |
| 403-4 | Worker participation, consultation, and communication on occupational health and safety | <i>See Worker Safety pp. 34-35</i> |
| 403-5 | Worker training on occupational health and safety | <i>See Worker Safety pp. 34-35</i> |
| 403-6 | Promotion of worker health | <i>See Worker Safety pp. 34-35</i> |
| 403-7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | <i>See Worker Safety pp. 34-35</i> |
| 403-8 | Workers covered by an occupational health and safety management system | <i>See Worker Safety pp. 34-35</i> |
| 403-9 | Work-related injuries | <i>See Rolling Recordable Incident Rate p. 34</i> |
| 103: Management Approach to Diversity and Equal Opportunity | | <i>See Diversity, Equity & Inclusion p. 37</i> |
| 405-1 | Diversity of governance bodies and employees | <i>See Diversity Metrics pp. 29-30</i> |
| 406-1 | Incidents of discrimination and corrective actions taken | <i>See Code of Ethics See Compliance Procedures, p. 12</i> |
| 407-1 | Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | <i>See Collective Bargaining, p. 32</i> |

Global Reporting Initiative (GRI) *(Continued)*

| Disclosure Number | Disclosure Title | Response |
|---|---|--|
| 103: Management Approach to Local Communities | | |
| 413-1 | Operations with local community engagement, impact assessments, and development programs | See <i>Living Our Core Values</i> p. 36 |
| 103: Management Approach to Supplier Social Assessment | | |
| | | See <i>Supplier Standards</i> p. 14 See <i>Supplier Diversity</i> p. 15 |
| 414-1 | New suppliers that were screened using social criteria | See <i>Supplier Standards</i> p. 14 See <i>Supplier Diversity</i> p. 15 |
| 414-2 | Negative social impacts in the supply chain and actions taken | See <i>Supplier Standards</i> p. 14 See <i>Supplier Diversity</i> p. 15 |
| 103: Management Approach to Customer Health and Safety | | |
| | | See <i>Worker Safety</i> pp. 34-35 |
| 416-2 | Incidents of non-compliance concerning the health and safety impacts of products and services | Such material incidents, if any, would be disclosed on pp. 3 or 26-27 of Hillenbrand's 2021 Annual Report on Form 10-K |

Sustainability Accounting Standards Board (SASB)

| Topic | Accounting Metric | Unit of Measure | Code | Disclosure |
|---------------------------------------|---|-----------------------------|--------------|---|
| Energy Management | (1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable | Gigajoules, percentage | RT-IG-130a.1 | 1. 812,096 2. Not disclosed 3. Not disclosed |
| Employee Health and Safety | (1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR) | Incidents per working hours | RT-IG-320a.1 | 1. 1.72 2. Not disclosed 3. Not disclosed |
| Fuel Economy & Emissions in Use-phase | Sales-weighted fleet fuel efficiency for medium- and heavy-duty vehicles | Gallons per 1,000 ton-miles | RT-IG-410a.1 | Not disclosed |
| | Sales-weighted fuel efficiency for non-road equipment | Gallons per hour | RT-IG-410a.2 | Not disclosed |
| | Sales-weighted fuel efficiency for stationary generators | Watts per gallon | RT-IG-410a.3 | Not disclosed |
| | Sales-weighted emissions of: (1) nitrogen oxides (NOx) and (2) particulate matter (PM) for: (a) marine diesel engines, (b) locomotive diesel engines, (c) on-road medium- and heavy-duty engines, and (d) other non-road diesel engines 2 | Grams per kilowatt-hour | RT-IG-410a.4 | Not disclosed |
| Materials Sourcing | Description of the management of risks associated with the use of critical materials | n/a | RT-IG-440a.1 | Conflict Minerals- p.16 Supplier Standards- p.14 Environmental Responsibility- p.17 |
| Remanufacturing Design & Services | Revenue from remanufactured products and remanufacturing services | USD | RT-IG-440b.1 | Not disclosed |
| Activity Metrics | Number of units produced by each category | Number | RT-IG-000.A | Not disclosed |
| | Number of employees | Number | RT-IG-000.B | 10,681 employees |

Reconciliation Table

Non-GAAP Operating Performance Measures

(M USD)

| | 2019 | 2020 | 2021 |
|--|---------|----------|----------------|
| Consolidated net income (loss) | \$126.2 | \$(53.4) | \$255.2 |
| Interest income | (1.1) | (3.2) | (3.4) |
| Interest expense | 27.4 | 77.4 | 77.6 |
| Income tax expense | 50.5 | 34.9 | 98.6 |
| Depreciation and amortization | 58.5 | 130.6 | 115.2 |
| EBITDA | 261.5 | 186.3 | 543.2 |
| Impairment charges | – | 144.8 | 11.2 |
| Business acquisition, disposition, and integration costs | 16.6 | 77.2 | 34.5 |
| Restructuring and restructuring-related charges | 10.6 | 9.3 | 14.5 |
| Inventory step-up | 0.2 | 40.7 | – |
| (Gain) loss on divestiture | – | 3.5 | (67.1) |
| Loss on settlement of interest rate swaps | 6.4 | – | – |
| Other | – | 2.6 | 1.9 |
| Adjusted EBITDA | \$295.3 | \$464.4 | \$538.2 |

Disclosure Regarding Non-GAAP Measures

While we report financial results in accordance with United States generally accepted accounting principles (GAAP), we also provide certain non-GAAP operating performance measures. We believe this information provides a higher degree of transparency, as further set forth in our applicable filings with the SEC and other public disclosures, including the latest earnings release for the quarter preceding publication of this sustainability report. These non-GAAP measures are referred to as “adjusted” measures and exclude the following items:

- business acquisition, disposition, and integration costs;
- restructuring and restructuring related charges;
- impairment charges;
- inventory step-up charges;
- intangible asset amortization;
- certain debt financing activities;
- gains and losses on divestitures;
- COVID-19 pandemic-related costs;
- the related income tax impact for all of these items; and
- the interaction of tax benefits and expenses related to the foreign income inclusion tax provisions and certain tax carryforward attributes associated with the acquisition of Milacron and divestitures, including the tax provisions related to the imposition of tax on Global Intangible Low-Taxed Income (GILTI) earned by certain foreign subsidiaries, the Foreign Derived Intangible Income Deduction (FDII), and the Base Erosion and Anti-Abuse Tax (BEAT) and their impact on loss carryforwards and foreign tax credits and the revaluation of deferred tax balances as a result of functional currency fluctuations.

One important non-GAAP measure Hillenbrand uses is adjusted earnings before interest, income tax, depreciation, and amortization (“adjusted EBITDA”). A part of our strategy is to pursue acquisitions that strengthen or establish leadership positions in key markets. Given that strategy, it is a natural consequence to incur related expenses, such as amortization from acquired intangible assets and additional interest expense from debt-funded acquisitions. Accordingly, we use adjusted EBITDA, among other measures, to monitor our business performance. Adjusted EBITDA is not a recognized term under GAAP and therefore does not purport to be alternatives to net (loss) income. Further, Hillenbrand’s measures of adjusted EBITDA may not be comparable to similarly titled measures of other companies.

Hillenbrand calculates the foreign currency impact on net revenue in order to better measure the comparability of results between periods. We calculate the foreign currency impact by translating current year results at prior year foreign exchange rates. This information is provided because exchange rates can distort the underlying change in sales, either positively or negatively.

All financial data is displayed for the corresponding fiscal and not calendar year (e.g., 2019 is fiscal year 2019).

Cautionary Note Regarding Forward-Looking Statements

Throughout this document, we make a number of “forward-looking statements” that are within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995, and that are intended to be covered by the safe harbor provided under these sections. As the words imply, these are statements about future sales, earnings, cash flow, results of operations, uses of cash, financings, share repurchases, ability to meet deleveraging goals, and other measures of financial performance or potential future plans or events, strategies, objectives, beliefs, prospects, assumptions, expectations, and projected costs or savings or transactions of the Company that might or might not happen in the future, as contrasted with historical information. Forward-looking statements are based on assumptions that we believe are reasonable, but by their very nature are subject to a wide range of risks. If our assumptions prove inaccurate or unknown risks and uncertainties materialize, actual results could vary materially from Hillenbrand’s (the “Company”) expectations and projections.

Words that could indicate that we are making forward-looking statements include the following:

| | | | | | | | |
|--------|-----------|----------|---------|----------|-----------|--------|------------|
| intend | believe | plan | expect | may | goal | would | project |
| become | pursue | estimate | will | forecast | continue | could | anticipate |
| target | encourage | promise | improve | progress | potential | should | impact |

This is not an exhaustive list, but is intended to give you an idea of how we try to identify forward-looking statements. The absence of any of these words, however, does not mean that the statement is not forward-looking.

Here is the key point:

Forward-looking statements are not guarantees of future performance or events, and actual results or events could differ materially from those set forth in any forward-looking statements. Any number of factors, many of which are beyond our control, could cause our performance to differ significantly from what is described in the forward-looking statements. These factors include, but are not limited to: risks related to the Russian Federation’s invasion of Ukraine (referred to herein as the “Ukraine War”) and resulting geopolitical instability and uncertainty, which could have a negative impact on our ability to sell to, ship products to, collect payments from, and support customers in certain regions, in addition to the potential effect of supply chain disruptions that could adversely affect profitability; the impact of contagious diseases such as the COVID-19 pandemic and the escalation thereof due to variant strains of the virus and the societal, governmental, and individual responses thereto, including supply chain disruption, loss of contracts and/or customers, erosion of some customers’ credit quality, downgrades of the Company’s credit quality, closure or temporary interruption of the Company’s or suppliers’ manufacturing facilities, travel, shipping and logistical disruptions, domestic and international general economic conditions, such as inflation, exchange rates and interest rates; loss of human capital or personnel, and general economic calamities; increased costs, poor quality, or unavailability of raw materials or certain outsourced services and supply chain disruptions; increasing competition for highly skilled and talented workers as well as labor shortages; the risk of business disruptions associated with information technology, cyberattacks, or catastrophic losses affecting infrastructure; risks that the integration of Milacron disrupts current operations or poses potential difficulties in employee retention or otherwise affects financial or operating results; the ability to recognize the benefits of the acquisition of Milacron or any other acquisition or disposition, including potential synergies and cost savings or the failure of the Company or any acquired company to achieve its plans and objectives generally; impairment charges to goodwill and other identifiable intangible assets; competition in the industries in which we operate, including on price or from nontraditional sources in the death care industry; impacts of decreases in demand or changes in technological advances, laws, or regulation on the revenues that we derive from the plastics industry; our reliance upon employees, agents, and business partners to comply

with laws in many countries and jurisdictions; the impact of incurring significant amounts of indebtedness and any inability of the Company to respond to changes in its business or make future desirable acquisitions; the ability of the Company to comply with financial or other covenants in its debt agreements; global market and economic conditions, including those related to the financial markets; our level of international sales and operations; cyclical demand for industrial capital goods; continued fluctuations in mortality rates and increased cremations; the dependence of our business units on relationships with several large customers and providers; competition faced by our Batesville business from non-traditional sources; the impact to the Company’s effective tax rate of changes in the mix of earnings or tax laws and certain other tax-related matters; involvement in claims, lawsuits and governmental proceedings related to operations; uncertainty in the United States political and regulatory environment or global trade policy; adverse foreign currency fluctuations; labor disruptions; and the effect of certain provisions of the Company’s governing documents and Indiana law that could decrease the trading price of the Company’s common stock. Shareholders, potential investors, and other readers are urged to consider these risks and uncertainties in evaluating forward-looking statements and are cautioned not to place undue reliance on the forward-looking statements. For a more in-depth discussion of these and other factors that could cause actual results to differ from those contained in forward-looking statements, see the discussions under the heading “Risk Factors” in Part I, Item 1A of Hillenbrand’s Form 10-K for the year ended September 30, 2021, filed with the Securities and Exchange Commission (“SEC”) on November 17, 2021, and in Part II, Item 1A of Hillenbrand’s Form 10-Q for the quarter ended March 31, 2022, filed with the SEC on May 9, 2022. The forward-looking information in this document speaks only as of the date hereof, and we assume no obligation to update or revise any forward-looking information.



SHAPE WHAT
MATTERS FOR
TOMORROW™

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