

HILLENBRAND

2020 SUSTAINABILITY REPORT

EXECUTIVE SUMMARY

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CEO MESSAGE

We remain committed and aligned to the United Nations Global Compact with our unwavering support for the ten principles of the compact in the areas of human rights, labor, the environment, and anti-corruption.

Last year's national and global challenges helped us better understand where we have opportunity to better support our employees, customers, and other stakeholders. We have greater insight to the current state of sustainability at Hillenbrand, and we believe this insight sets us on course to advance progress.

Joe Raver

President & CEO, Hillenbrand, Inc.



SUSTAINABILITY GOVERNANCE STRUCTURE



Nominating/Corporate Governance Committee (NCGC): Composed of each of our independent directors and is responsible for approving overall sustainability strategy.

Sustainability Steering Committee (SSC): Composed of our CEO, CFO, General Council, and Chief Sustainability Officer*, and is responsible for establishing sustainability strategy, which is then presented to the NCGC for approval.

ESG Council: Composed of subject matter experts overseeing three key areas: E, S, and G. The council is responsible for driving execution of the strategy.

Working Groups: Composed of subject matter experts within the business and functions responsible for implementing standards, KPIs, and strategy across our operations.

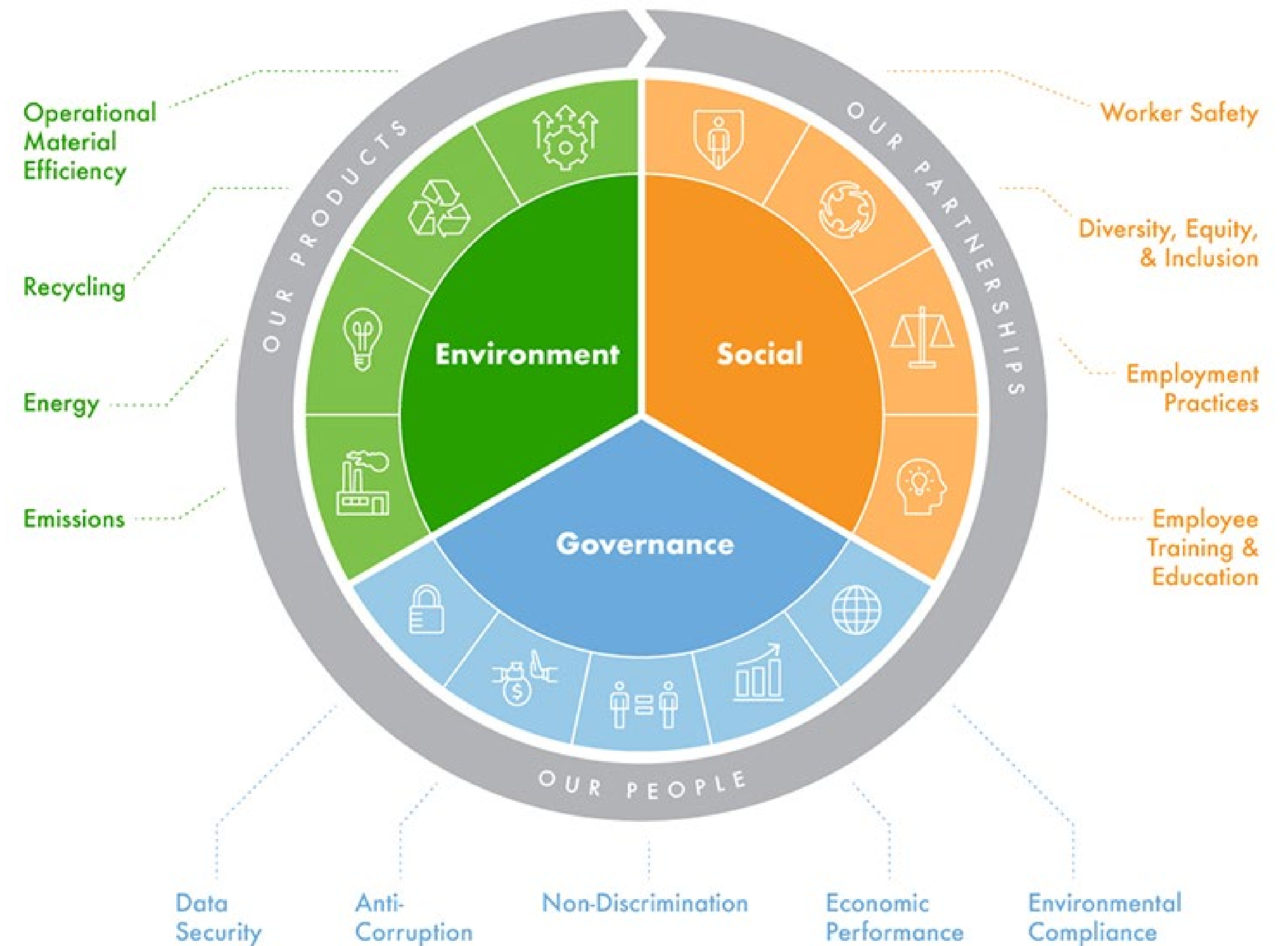
*Chief Sustainability Officer role added in 2021; responsible for building the framework, developing a strategy to accelerate progress, and overseeing all sustainability activities.

SUSTAINABILITY MODEL

This 2020 Sustainability Report Executive Summary provides an overview of Hillenbrand’s approach to managing key environmental, social, and governance topics. For more information about all of Hillenbrand’s sustainability topics, please visit our [2020 Sustainability Report](#).

We are still in the preliminary stages of our sustainability evolution. Like many companies, we started with a compliance-based approach mixed with philanthropy. We then started to weave proactive and strategic sustainability aspects into our model. We reviewed our material* topics and determined the need to add energy and emissions, which we believe will help us better understand our impact. This new model reflects all of our material topics in addition to energy and emissions.

We have mapped these topics into the ESG categories to clearly communicate to stakeholders our focus. The outer gray ribbon—our people, partnerships, and products—will be what helps us accomplish the work we have ahead of us in these areas. We know that sustainability has the potential to create return for our shareholders, value for our customers, development opportunities for our employees, and improvements to the communities in which we operate.



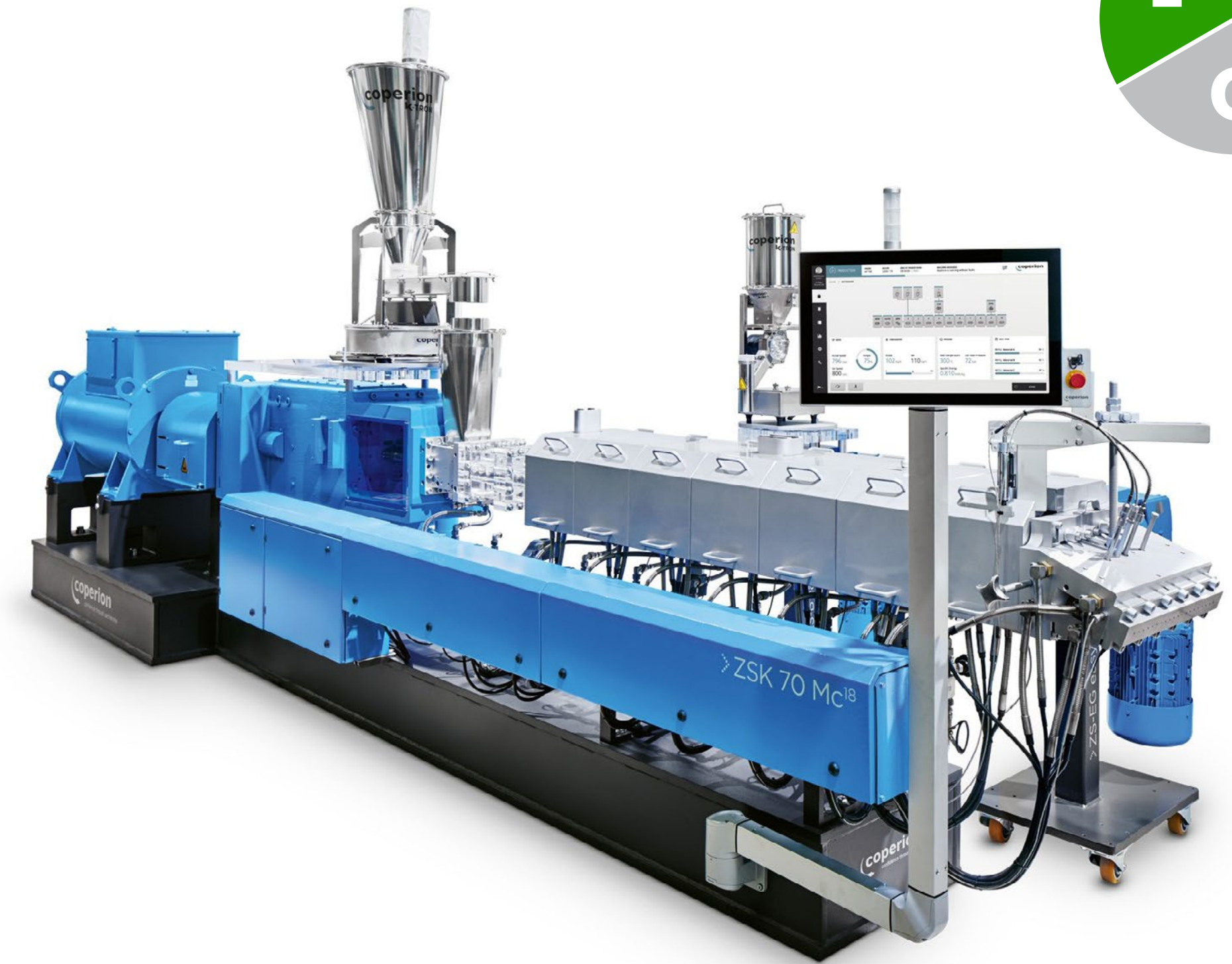
*The use of “material” or “materiality” in this report is not related to, or intended to convey, matters or facts that could be deemed “material” to a reasonable investor as referred to under U.S. securities laws or similar requirements of other jurisdictions.

ENVIRONMENTAL HIGHLIGHTS



WHAT WE'VE DONE

- Engaged a consultant to accelerate our energy and emissions data collection progress
- Created a focused Environmental Council and continuing our work with our Health and Safety Council
- Rolled out an educational webinar on the environmental aspect of sustainability
- Further developed our company products to support our customers' environmental goals. Some examples include:
 - Utilized our ZSK Twin Screw Extruders to develop a closed-loop approach in which up to 100% of multilayer film production waste can be reprocessed
 - Improved operational efficiency for customers with our M-powered IIOT solution



▶ With the ZSK Twin Screw Extruder, shredded production waste resulting from multi-layer film production can be re-added and re-processed at a rate of up to 100%

WHERE WE'RE GOING

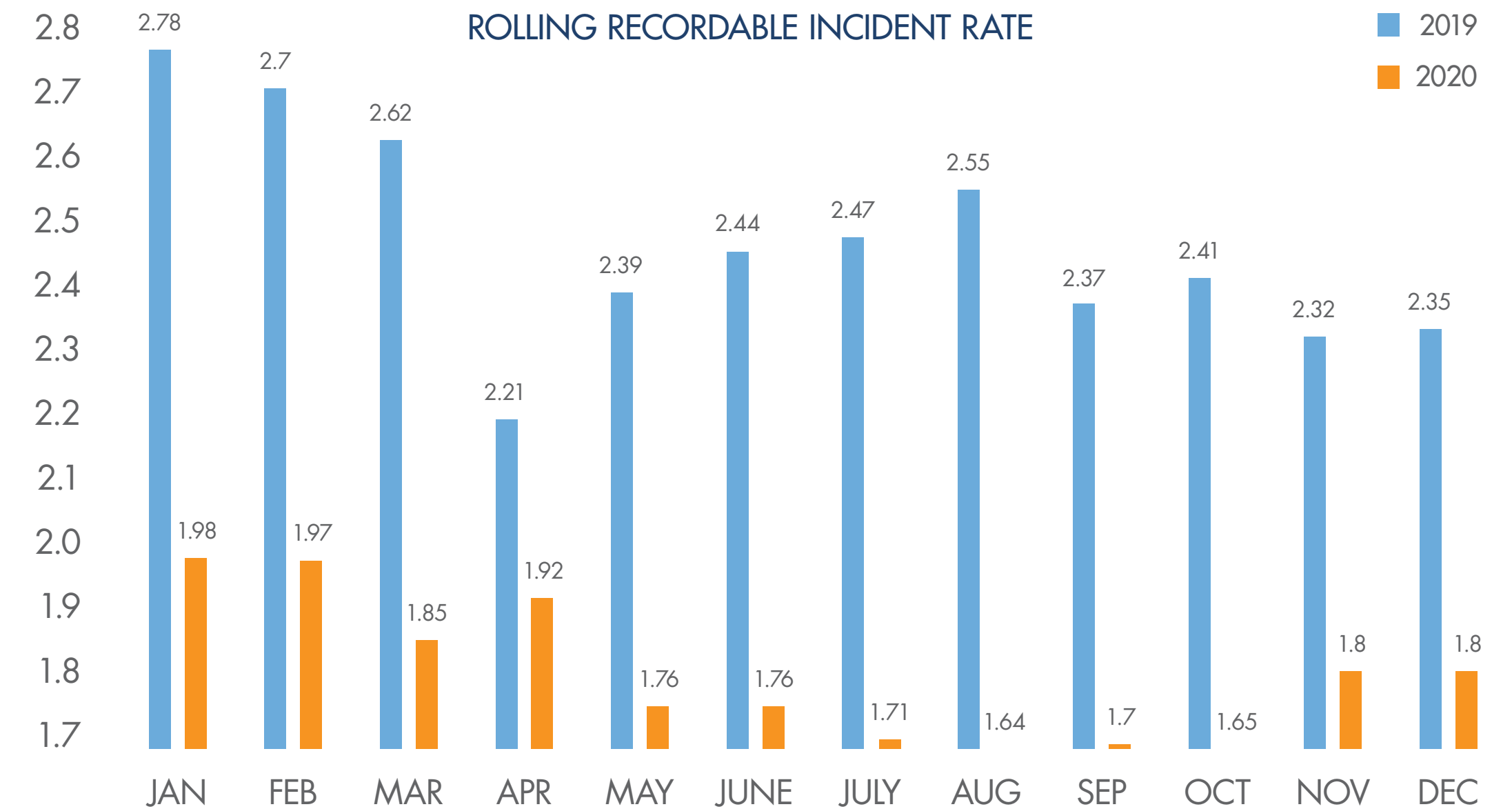
- Investigating ways to further reduce our energy and emissions footprint
- Determining next steps to define our environmental footprint in areas of waste, water, etc.

SOCIAL HIGHLIGHTS



WHAT WE'VE DONE

- Hired our first Director of Diversity, Equity, and Inclusion, who reports directly to our Senior Vice President, Chief Human Resources Officer
- Launched a cross-functional “Inclusion at Hillenbrand” Council
- Supported the LGBTQ+ Equality Act (U.S. - Federal)
- Hosted “Women in Engineering Day” and invited students to participate in “Introduce a Girl to Engineering Day”
- Launched unconscious bias training cascading with leader-led sessions
- Sponsored the “Girls with Goggles” program to encourage young women to join trade fields
- Donated \$67,500 to the Chief Minister’s fund in the state of Gujarat in India for COVID-19 disaster management
- Supported the fight against COVID-19 by volunteering at vaccination clinics, participating in blood drives, and donating N-95 masks
- Rolling Recordable Incident Rate decreased from 2.35 to 1.80^{1,2}



¹ Rolling Recordable Incident Rate is calculated on a 100-full-time-equivalent-employee basis.

² The following sites were not included in 2020 data, but we are working on including them in future reports:

Coperion—China and India; Milacron—China and India; Mold-Masters—Japan, South Korea, Singapore, India and Brazil; DME—U.S., Canada, India, and Czech Republic. All sites except Coperion Weingarten are reporting data as the full-year. Coperion Weingarten is reporting a partial year beginning in August 2020.

WHERE WE'RE GOING

- Increasing employee training regarding social topics, including unconscious bias training
- Establishing employee business resource groups

GOVERNANCE HIGHLIGHTS



WHAT WE'VE DONE

- Hired our first Chief Sustainability Officer
- Incorporated legacy-Milacron into Hillenbrand's global compliance program, including Anti-Bribery and Anti-Corruption programs
- Published Supplier Standards
- Increased training around phishing and data security
- Tied executive compensation to specific plans to increase diversity

Women at Hillenbrand*

36% Board

29% Management Team

26% Leadership

16% Workforce

*Scope for [Management Team](#)—team as of June 2021 to include recent CEO transition and subsequent changes. For gender and race/ethnicity self-disclosure reporting information. Scope for Leadership Team—leadership defined as the Direct Reports of the CEO and Management Team as of June 2021, not including Executive Administration Support. For gender and race/ethnicity self-disclosure reporting. Scope for Workforce—workforce defined as full-time global employees as of May 2021, as self disclosed.

WHERE WE'RE GOING

- Establishing a procurement policy to further extend environmental, ethics, and other compliance policies to our supply chain
- Incorporating diversity practices with our external supply base

SUSTAINABILITY JOURNEY HIGHLIGHTS



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 (the “Securities Act”), 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 they 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, and our actual results 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: 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, loss of human capital or personnel, and general economic calamities; 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; the risk of business disruptions associated with information technology, cyberattacks, or catastrophic losses affecting infrastructure; 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 the significant amount of indebtedness of the Company and its ability to meet its de-leveraging goals; 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; 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 environment or global trade policy; adverse foreign currency fluctuations; increased costs or unavailability of raw materials or certain outsourced services; labor disruptions; increasing competition for highly skilled and talented workers; 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, 2020, filed with the Securities and Exchange Commission (“SEC”) on November 12, 2020, and in Part II, Item 1A of Hillenbrand’s Form 10-Q for the quarter ended June 30, 2021, filed with the SEC on August 4, 2021. The forward-looking information in this document speaks only as of the dates covered hereby, and we assume no obligation to update or revise any forward-looking information.

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For more information, please visit our [2020 Sustainability Report](#) or contact: Sustainability@Hillenbrand.com