

# 2023 ESG Report

Environmental, Social & Governance

**GENERAC**<sup>®</sup>



Published April 2024



# A Message From Our Chairman & CEO



As Generac celebrates its 65th anniversary, we reflect on our journey from five employees working in our founder's garage to the global energy technology company we are today.

We've come a long way. As our journey continues, I'm pleased to share Generac's 2023 Environmental, Social, and Governance (ESG) Report. It updates our progress on ESG initiatives that align and drive our enterprise strategy of Powering a Smarter World as we lead the evolution to more resilient, efficient and sustainable energy solutions.

The importance of having reliable, efficient, and cost-effective sources of power has never been more apparent for homeowners and business owners around the world. As the trend to decarbonizing the electrical grid accelerates and homes and businesses move to further electrify, Generac is ready to lead the way and positively impact this energy evolution.

Since publishing our 2022 ESG Report, we have further refined our internal processes to support program improvement and enhanced our data acquisition capabilities to provide more comprehensive ESG disclosures.

2023 milestones include:

- Linking our sustainability efforts to better align with our Enterprise Strategy and Corporate Values by prioritizing Energy Management Ecosystems, Continuity of Power and Human Capital initiatives;
- Establishment of an executive ESG committee to oversee creation of multi-year roadmaps for each of our ESG material topics;
- Utilizing ESG risk and opportunity assessment tools to improve Generac's long-range planning and strategy process;
- Adding greater ESG disclosures in accordance with industry-standard frameworks such as the Sustainability Accounting Standards Board (SASB), Global Reporting Initiative (GRI), and the United Nations Sustainable Development Goals (UN SDG); and,
- Improving our enterprise-wide data and reporting processes to align with stakeholder expectations and regulatory requirements.

This year's report provides more comprehensive and enterprise-wide disclosures and better alignment with key ESG reporting frameworks. We include a year-over-year comparison of key metrics and supplementary information, such as policy documents and a comprehensive view into Generac's environmental and social programs and progress.

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

Thank you,

A handwritten signature in black ink, appearing to read 'A. Jagdfeld', written over a white background.

**Aaron P. Jagdfeld**

Chairman, President, and Chief Executive Officer

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# About This Report

## Report Scope & Boundaries

This is Generac's ESG Report for the full 2023 calendar year (January 1 to December 31, 2023). It builds on previously published reports, and unless otherwise noted, includes all Generac subsidiaries and international operations, as described in our Annual Report for the fiscal year ended December 31, 2023. In this document, we discuss Generac's overall ESG strategy and how we are executing our mission to lead the world's evolution to more resilient, efficient, and sustainable energy solutions. This report is a helpful resource for stakeholders across our value chain to understand Generac's progress on its ESG strategy and our performance on key ESG metrics.

We continue to report in alignment with material topics across the most established and recognized frameworks, guidelines, and standards, including the **Sustainability Accounting Standards Board** ("SASB"), the United Nations **Sustainable Development Goals** ("SDGs"), the **Task Force on Climate-related Financial Disclosures** ("TCFD"), and with reference to the **Global Reporting Initiative** ("GRI").

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

## Generac's Commitment to Transparency

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

## Forward-Looking Statements

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





# About This Report

## Materiality Assessment

In 2022, Generac performed a materiality assessment\* to determine the relative importance of specific ESG topics and to guide our ESG priorities and strategy. We evaluated over 2,300 unique data points derived from ESG ratings agencies, peer disclosures and industry frameworks.

Stakeholders engaged in the materiality assessment included investors, customers, suppliers, and Generac employees, executives and directors.

The results of the assessment are used to build formalized ESG programs for priority topics and guide our short-, medium- and long-term strategy for improvement and disclosure.

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

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

● Environmental   ● Social   ● Governance

Stakeholder Engagement Connecting and staying accountable across our value chain	
Customers	We are committed to ensuring peace of mind and dependable service for Generac products. Our call centers are available 24 hours a day, 365 days a year. Customer satisfaction and net promoter scores are evaluated quarterly.
Employees	Our People Promise is rooted in the four pillars of Inspire, Impact, Influence, and Innovate. We conduct annual goal setting, performance reviews, and employee engagement surveys to ensure we're listening to our people.
Board of Directors	The <a href="#">Nominating and Corporate Governance</a> committee discusses ESG quarterly, at minimum. The Board and its committees conduct annual self-evaluations of their performance.
Executive Leadership	The <a href="#">Executive ESG Committee</a> engages monthly reviews and approves annual ESG goals for the CEO and certain executives related to incentive compensation.
Suppliers	Supplier ESG Initiatives & Compliance are material topics in Quarterly Business Reviews with Critical and Strategic Suppliers. Suppliers with significant growth and maturity in ESG topics are nominated for our annual Supplier Excellence in ESG Award.
Commercial Delivery Partners	Our network of dealers, wholesalers, retailers and e-commerce partners are invited to Generac's annual conference, and engage regularly with dedicated account leaders.
Government & Trade Associations	Generac's Policy team collaborates with various stakeholders, including U.S. federal agencies, Congress officials, state public service commissions, energy offices, and other state executive branch agencies and legislatures.
Local Communities	Generac is committed to being a responsible member of the communities where we live and work. We demonstrate our corporate citizenship through our engagement programs that include <a href="#">volunteering and giving</a> in our local communities.
Investors & Analysts	Executive leadership engages in quarterly Q&As both virtually and in-person.

# 01

## Our Company

Generac at a Glance

Corporate Values

Enterprise Strategy

Financial Overview





# Generac at a Glance

Generac is a leading global energy technology company, offering advanced power grid software solutions, backup and prime power systems for home, commercial, and industrial (C&I) applications, solar + battery storage solutions, energy management devices and controls, virtual power plant platforms, and engine- and battery-powered tools and equipment. Established in 1959 and publicly traded since 2010 (NYSE: GNRC), Generac revolutionized the industry by introducing the first affordable backup generator and pioneering the automatic home standby generator category. Today, with 8,600 employees worldwide – including over 1,000 engineers – and an extensive network of independent dealers, we are a leader in the residential backup power market in North America and continue to expand our global footprint.

## Technology for Tomorrow

Generac is committed to providing resilient, efficient and sustainable energy solutions. Given our current electrical grid's limitations, we are accelerating the transition to a more distributed and sustainable approach for tomorrow's energy needs. Our experience in power generation and our vision for future technology fuel our mission to Power a Smarter World.

Improving energy sustainability has three key elements: decarbonization, digitalization and decentralization.

Generac's dynamic and diverse approach enables us to offer products supporting resilient energy usage for our customers and communities.



Founded in  
**1959**



**10%** Compound  
Annual Growth Rate  
Over Ten Years



**8,600**  
Employees  
Worldwide



2023  
**Net Sales**  
\$4.0 Billion



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



**~ 1,100**  
Engineers  
Worldwide



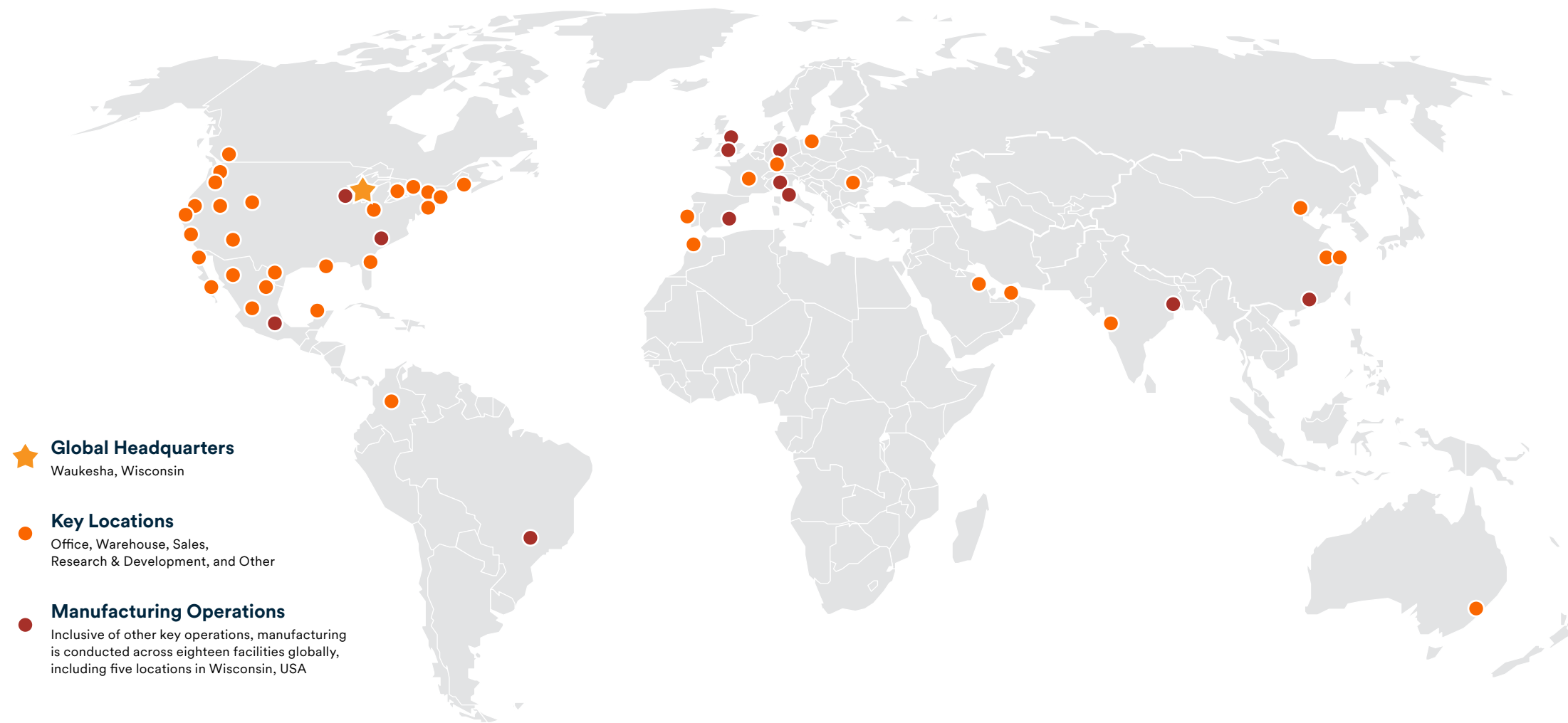
Doing Business in **Over 150 Countries**



NYSE: GNRC  
**S&P 500**

# Generac at a Glance

Generac is a global company with a physical presence in 20 countries, doing business in over 150 countries with a workforce of 8,600 employees, as of December 31, 2023. Our operations span manufacturing plants, distribution facilities, research and development labs, and offices across the globe. In 2023, we commenced construction on a new \$70 million facility in Beaver Dam, Wisconsin, opened a Clean Energy Engineering Technology Center of Excellence in Reno, Nevada and invested in capacity for high-growth markets in the Middle East, India and Mexico.





# Corporate Values

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

## Integrity

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

## Agility

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

## Environment

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

## People

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

## Innovation

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

## Excellence

We are committed to delivering quality and performance by continuously reaching for excellence in everything we do, with a focus on product safety and compliance.



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

**GENERAC**  
**Powering a  
smarter world.**

**Improve energy  
resilience and  
independence.**



Increase power reliability through onsite generation and storage solutions that provide resiliency for homes, businesses and communities.

**Optimize energy  
efficiency and  
consumption.**



Enable sustainable and more efficient power generation and consumption through monitoring, management and lower-carbon solutions.

**Protect and  
build critical  
infrastructure.**

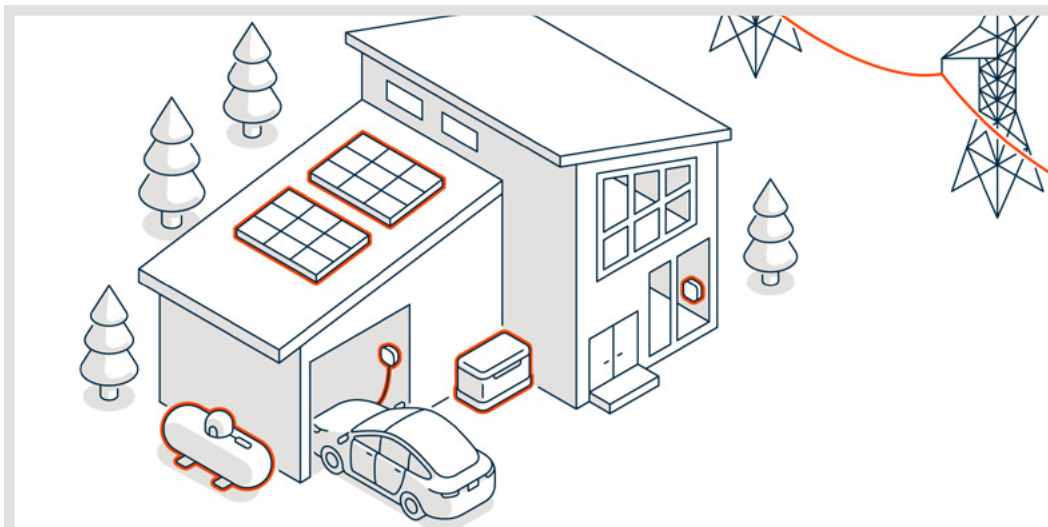


Offering innovative solutions that enable and protect next-generation power, communications, transportation and other critical infrastructure.



# Bringing Together the Energy Ecosystem

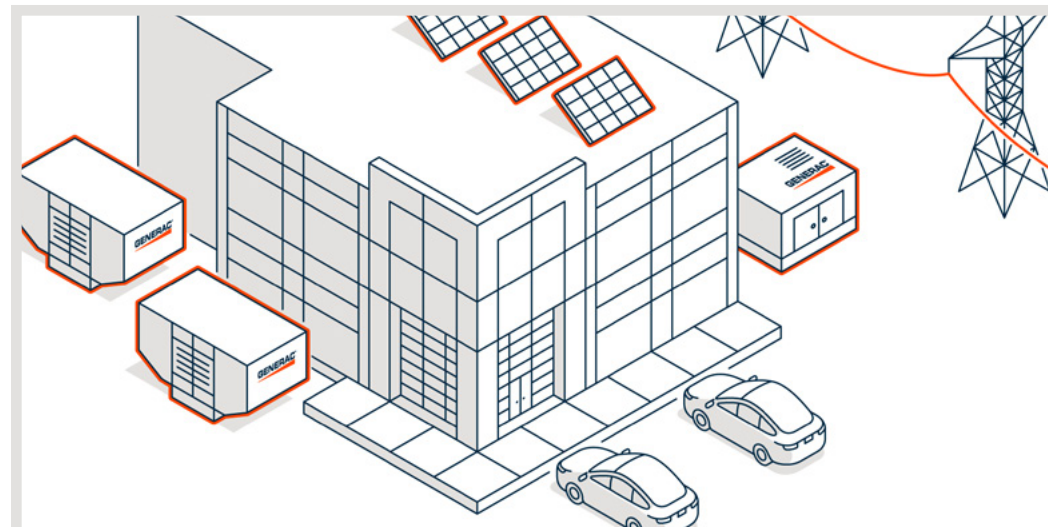
Sustainable energy begins with decarbonization, digitalization and decentralization. Generac's suite of product offerings all combine to create more optimized and resilient energy solutions.



## Residential

Multiple hardware devices connected to a single interface to optimize the consumption and generation of energy within a home.

<b>Power Generation &amp; Storage</b> 	<b>Monitoring &amp; Management Devices</b> 	<b>Platform &amp; Controls</b> 	<b>Grid Services</b> 
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## Commercial & Industrial

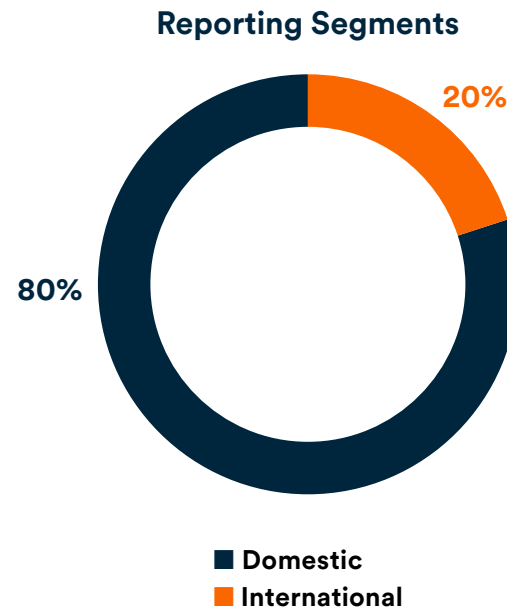
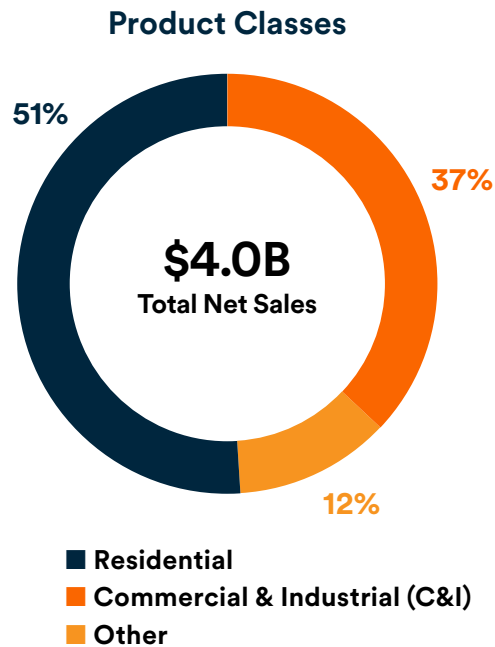
Turnkey solutions managed through a single interface integrating multiple distributed energy resources (DERs) to optimize consumption and generation of energy.

<b>Power Generation &amp; Storage</b> 	<b>Monitoring &amp; Management Devices</b> 	<b>Platform &amp; Controls</b> 	<b>Grid Services</b> 
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# Financial Overview

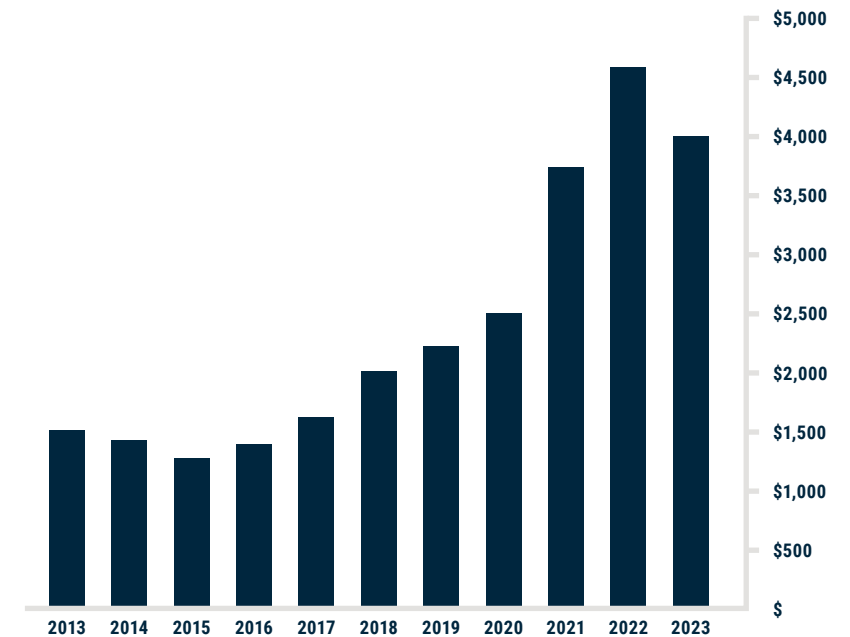
Generac's strong balance sheet and long-term cash flow generation allows for flexibility to execute on future shareholder-value enhancing opportunities.

## 2023 Net Sales



## Track Record of Growth

10% Revenue CAGR Over 10 Years



CAGR measures revenue growth through 2023 off the 2013 base year.



# 02

## ESG at Generac

ESG Highlights

Commitment to Quality

Company Awards & Rankings

Product Sustainability

Sustainable Development Goals





# 2023 ESG Highlights

## Commitment & Accountability to Our Value Chain

In 2023, Generac continued its commitment to enhancing ESG efforts by integrating ESG principles into our strategic planning process, engaging cross-functional leaders globally, and reaffirming ESG as a key strategic enterprise priority for the upcoming year, with a focus on advance metrics and targets for key ESG themes aligned with enterprise strategy and values.

### Improving Energy Efficiency Through Connected Devices

This year we launched integrations across our product lines, optimizing energy conservation and home comfort with connected thermostats, generators, tank monitors, and home energy management systems.



### Responsible Sourcing

We updated Generac's [Supplier Code of Conduct & Sustainable Procurement Policy](#) and launched a campaign to have all suppliers acknowledge The Code on an annual basis.



### Continuous Improvement in Health & Safety

With prevention as our key focus, we achieved a 10%+ reduction in our total recordable incident rate.



### Innovations in Packaging

We've enhanced Guardian Series Home Standby Unit packaging, reducing wood and eliminating metals, for easier unpacking and recycling.



### 82% Engagement Survey Participation

Our ambitious employee engagement survey garnered record responses, informing our strategy to become an employer of choice.



### Inclusion Learning & Development

In 2023, **95%** of Generac leaders completed a stereotype training course emphasizing respectful communication.



### Empowering Energy Resiliency in Low and Moderate Income Communities

Generac was selected by the United States Department of Energy to partner with local non-profits in Puerto Rico. Together, they installed and maintained rooftop solar PV and battery storage systems for homes in low-income communities.



In 2023, our employees contributed more than **3,580 volunteer hours** in the communities in which we live and work, across the United States, Canada and Mexico.

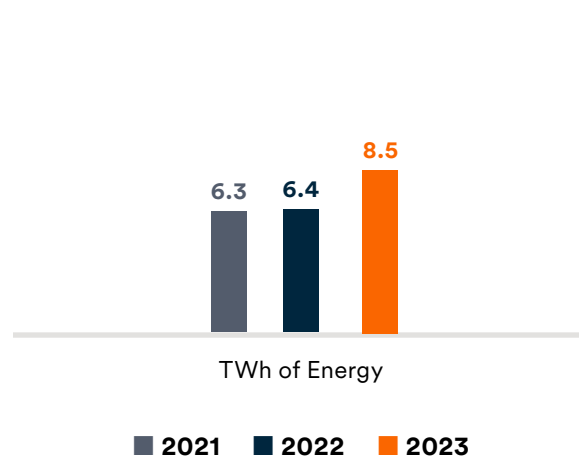
# Optimizing Energy Efficiency and Consumption

In 2023, we expanded our sustainable product offerings while delivering significant energy and environmental benefits through the growth and deployment of our battery, smart thermostat, solar and grid services technologies.

## Connected Devices



ecobee thermostats delivered over **8.5 TWh** of energy savings in 2023. The emission reductions associated with this energy savings is equivalent to removing over 335,000 gas-powered cars from the road for the entire year.\*

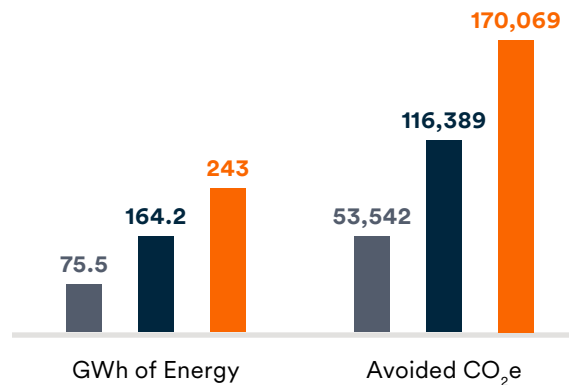


\*Based on internal measurements and methodology described on [www.ecobee.com/savings](http://www.ecobee.com/savings)

## Clean Energy



PWRcell solar+storage units produced **243 GWh**. This is equivalent to 170,069 metric tons of CO<sub>2</sub>e avoided, or removing over 37,000 gas-powered cars from the road for the entire year.\*\*

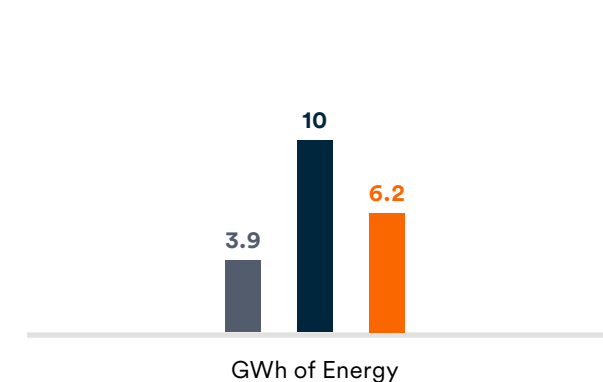


\*\*Based on the [EPA Greenhouse Gas Equivalencies Calculator](#)

## Grid Services



Generac delivered over **6.2 GWh** of energy to the grid during peak demand or times of instability or intermittency.



# Commitment to Quality

## The Importance of Quality, Safety & Satisfaction

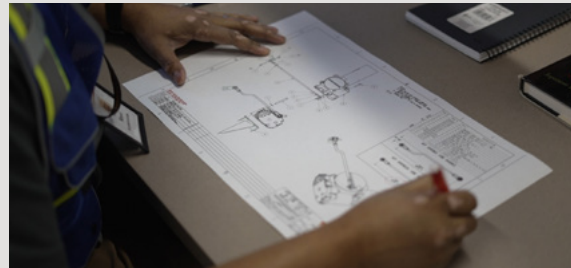
We are committed to producing safe and quality products designed to protect homes, businesses and critical infrastructure. Through our focus on continuous improvement and customer experience, we increase the value we deliver to our customers.

### Product Quality



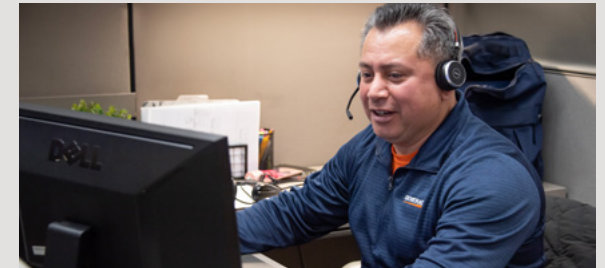
- Our emphasis on product, customer, and employee safety is integral to process quality and product reliability.
- Guided by our corporate value of excellence, our product quality team collaborates cross-functionally to enhance the value of each product.
- Our Quality Management System is designed to improve safety, product reliability, process quality, and process efficiency.
- Rigorous stress tests in our quality assurance/quality control (QA/QC) processes allow us to identify potential long-term concerns and develop corrective actions that result in more reliable energy solutions.

### Product Safety



- Generac's Product Safety Review Board (PSRB), comprised of a cross functional team with members from Product Safety, Quality, and Engineering, convenes regularly and manages the creation, implementation, and continuous improvement of product safety processes and procedures for the organization.
- A cross functional team conducts hazard reviews of new products as part of the Generac Development Process, with the team conducting 29 hazard reviews in 2023.
- Corporate Quality Project Managers monitor the overall field health of released products following Customer Quality Management System procedures.

### Customer Satisfaction



- Continuously measuring and evaluating our customer service strategy and contact center operations is pivotal for sustaining brand loyalty and driving business performance.
- Expanding our distribution network enables prompt local responses and enhances service delivery from our dealers to customers.
- Our 24/7/365 technical customer experience team plays a crucial role in establishing trust and reliability in our products and brand by providing support whenever it's needed.



# Company Awards & Rankings

Our focus on quality is tied to our enterprise strategy of Powering A Smarter World and our guiding principles, including excellence. With a focus on product safety and compliance, we strive for excellence in everything we do. We continue to set the standard for excellence within our industry.

## Fortune 1000 LIST

This [prestigious annual list](#) recognizes America's largest companies that continue to thrive financially in an ever-challenging economic climate. Generac ranked 690 in 2023, rising more than 30 spots from its 2022 ranking.

## New York Post

Two of Generac's Home Standby Generators made the [New York Post's list](#) of 8 best home generators to keep your power running.

## ENERGY STAR® – 2023 Partner of the Year

The U.S Environmental Protection Agency has named ecobee an [ENERGY STAR Partner of the Year](#) for the third year in a row.

## Great Place to Work™ Canada Recognized ecobee

[ecobee](#) has been recognized by [Great Place to Work® Canada](#) and named one of the 2023 Best Workplaces™ for our commitment to creating an outstanding employee experience.

## Forbes - Mexico's Best Employers

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

## U.S. Department of Energy

Generac was chosen for federal funding to increase power grid resilience in Massachusetts and to install rooftop solar and batteries in Puerto Rico.

## Men's Health

Generac's GB1000 Portable Power Station won for best power station in Men's Health [26 Best Camping Essentials](#) for 2024.

## 2023 Good Design® Awards

[Accolades for multiple products](#) from Generac, including the Portable Power Station, Mobile Battery Light Tower (MBLT), PWRmanager home energy management solution and the DR branded zero-turn battery-powered mower.



*Generac's GB1000 Portable Power Station provides emission-free power on demand and was well received with features in Men's Health magazine and the 2023 Good Design® award*



# Product Sustainability

The way energy is generated, distributed, and used is changing radically. Today's electrical grid is facing an unprecedented set of challenges, including aging infrastructure and increasingly frequent power disruptions due to extreme weather events. Simultaneously, demand is rising as we electrify our homes and vehicles.

Generac aims to enhance energy resiliency and independence, optimize energy efficiency and consumption, and safeguard critical infrastructure. Through strategic acquisitions, commercial partnerships, and investments in product development, we expand offerings for homes, businesses, communities, grid operators and energy capacity providers that aim to power a smarter and more sustainable world.

Unlocking the potential of Generac's distributed energy resources (DERs) is paramount. Solutions like solar + storage and standby generators shift reliance from the traditional centralized model of energy generation to a decentralized approach that harnesses the collective power of DERs when needed most. Generac DERs allow homes and businesses to enhance their ability to withstand grid emergencies, helping ensure uninterrupted power supply and resiliency.

Distributed energy mitigates "single points of failure" risks associated with centralized generation and transmission networks - supporting continuous power supply and critical services. During grid failures, decentralized systems facilitate faster recovery and reduce downtime, minimizing disruptions. Distributed energy resources such as rooftop solar, batteries, smart thermostats, and generators empower consumers to take control of their energy consumption, save money, and attain peace of mind, while also bolstering grid flexibility to meet evolving energy demands.



# Product Innovation

In 2023, Generac continued to invest and develop across new and sustainable energy solutions.



Pramac acquired [REFU Storage Systems](#), expanding the company's commercial and industrial energy systems portfolio



Mean Green launched a [new compact electric commercial mower](#) designed to allow access to areas that most other commercial mowers are too wide to enter



Launched the [new zero-emissions SBE series of stationary battery energy storage systems \(BESS\)](#), which pairs with on-site solar and Generac's line of generators for a reduced carbon footprint and full-facility resilience



[ecobee thermostats](#) now able to integrate with **Generac Home Standby Generators**



[New Engineering Center of Excellence](#) opened in Nevada for the development and testing of batteries, switches, power electronics, and other clean energy solutions

JAN

FEB

MAR

APR

MAY

SEP

DEC



DR Power Equipment introduced [battery-powered brush mower](#) for quieter, emissions-free land maintenance



Launched the [GP18000EFI Portable Generator with COsense@](#) for powerful protection against hazardous carbon monoxide



[ecobee smart thermostats](#) now integrate with **Generac Propane Tank Monitors** as part of the companies' single energy management hub for the home



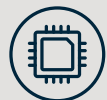
Launched the [GS100 Solar Panel](#) for Off-Grid Charging of Generac's Portable Power Stations



Invested in [Wallbox](#), a global leader in smart electric vehicle (EV) charging and energy management solutions



[New Guardian Series Home Standby Unit packaging](#) launched, reducing wood and eliminating metals for easier unpacking and recycling



We dedicated **4.3% of 2023 sales** to **research & development.**





**“** With the growth of energy storage, renewables, connected smart thermostats and EV chargers, homes and businesses are now at the center of a more distributed and efficient energy system. By combining our energy technologies and smart energy management with a dynamic grid and supportive public policies, we are playing a critical role in the fight against climate change.”

**Norm Taffe**

*President – Energy Technology at Generac*




# Our Commitment to Energy Technology

## Natural Gas

As Generac develops and deploys its range of clean energy technology solutions, we maintain our global leadership in residential, commercial, and industrial generators powered by natural gas—an essential alternative to diesel and coal.

Our expertise and innovative technological advancements in natural gas generators have resulted in designed efficiencies and versatility across various applications:

- Addressing challenges related to fuel storage, environmental permitting, and refueling for diesel-fueled generators.
- Paralleling of Generac’s Modular Power System allows a single unit to replace multiple generators, reducing expenses and space requirements.
- Decreasing sound emissions and enhancing fuel efficiency through integration of electronic fuel and ignition control, with low-speed exercises in most of our portable, residential, commercial, and industrial units.
- Enhancing grid resiliency by integrating home standby generators into virtual power plants and reducing ownership costs.



Natural gas combustion emits nearly **30% less carbon dioxide** than diesel fuel.\*

Generac is also perfecting the technology to efficiently pair natural gas generators with batteries and renewable energy resources. Together these resources can provide grid services, energy management solutions and microgrids -- improving energy resilience and independence, while optimizing energy generation and consumption.

\*Per unit of energy, as per the U.S. [EPA's Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990-2020](#)





# Advancing the Sustainable Development Goals

The 17 United Nations Sustainable Development Goals (SDGs) address challenges facing the developing world and ignite global change. Generac's activities support these goals through our operations, our products and our supply chain and can help make a positive impact. Details of how Generac advanced SDGs in 2023 is available in the [appendix](#).



Generac's commitment to providing a meaningful work experience to our employees includes a Total Rewards program structured around four pillars that prioritize wellness: Physical, Emotional, Financial, and Social.



In 2023, almost 50% of our corporate and Foundation giving was directed towards STEM education and youth initiatives. With the support of Generac, these programs reached over 50,000 students.



Generac's Professional Women's Resource (PWR) group empowers women to become outstanding leaders in the organization and the community by hosting inclusive programs, events, and a focused mentoring program.



Our purpose to lead the evolution to resilient, efficient, and sustainable energy solutions drives our strategy of powering a smarter world.



As an employer of 8,600 people across 20 countries, Generac is dedicated to fostering an exceptional employee experience and cultivating a remarkable workplace culture.



Innovation is one of Generac's core [corporate values](#). In 2023 we improved the packaging of our flagship Home Standby generator for easier unpacking and recycling.



Generac is actively promoting understanding and awareness of Diversity, Equity, and Inclusion within our human resource practices through education, communication, and assessment of our processes and metrics.



An energy industry leader, Generac is committed to producing sustainable products and technologies that benefit families, businesses and communities.



We continuously seek opportunities to minimize our environmental impact, including water and energy usage, waste generation and air emissions.



We are steadfast in our commitment to energy resiliency, which includes integrating the development of more sustainable and efficient power solutions into our enterprise strategy.



Generac collaborates with trade associations, peer networks, academic institutions, and engages stakeholders across our value chain to ensure we meet corporate goals and contribute to supporting the SDGs.



# 03

## Environmental

Climate Resilience

Emissions

Energy

Water

Environmental Impact

Materials & Waste



# Climate Resilience

At Generac, we recognize that addressing climate change isn't merely an environmental responsibility; it's also essential for our long-term business success. That's why Generac includes climate-related risks and opportunities in our strategic planning and risk management processes. To aid in this effort, we are pleased to include in this report a summary of climate-related reporting in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). For further details, please refer to the [appendix](#).



## Governance

Generac's Nominating and Corporate Governance Committee oversees ESG, including climate risks. Executive leadership overseeing climate management include the Chief Strategy Officer and EVP, Global Corporate Strategy and Development.



## Strategy

Climate change has been a mega-trend influencing Generac's enterprise strategy [since 2019](#). In order to proactively address climate resiliency within our business, we engage our leaders annually through the strategic planning process to identify climate change risks and opportunities that may affect business groups and strategic initiatives in the short (0-3 year), medium (3 to 10 year), and long-term (10 - 25 year).



## Risk Management

Generac manages its climate-related risks and opportunities through our annual enterprise risk assessment process, business continuity plans and annual strategic planning process.



## Metrics & Targets

In 2022, Generac launched a greenhouse gas inventory plan, prioritizing Scope 1 and 2 emissions calculations in alignment with the Greenhouse Gas Protocol Corporate Standard.

### RISKS

Generac recognizes the potential physical risks to communities from climate change, such as severe storm activity and wildfires, as well as market risks inherent in the transition to a lower-carbon economy.

### OPPORTUNITIES

Generac's product mix promotes resource efficiency and lower-carbon options for our customers and communities while improving overall grid resiliency.



# Providing Climate Resiliency to Our Customers

As a leading provider of home standby power in the United States, Generac offers its expertise to help customers manage power outages after significant climate events. Before the storm strikes, we alert customers of potential weather impacts. After the storm, we take our expertise on the road, mobilizing our Storm Response Team to the affected area in the aftermath of the disaster.

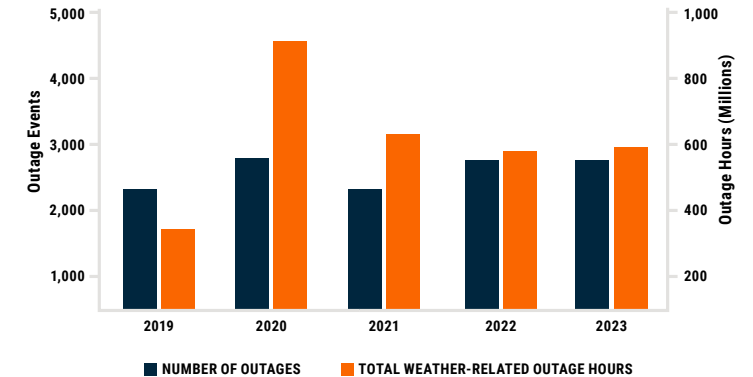
## Outage Preparedness

Generac offers [free guides](#) to empower our customers in preparing for hurricane season, high winds, tornadoes, and thunderstorms. Additionally, our free tool, [Power Outage Central](#), consolidates utility outage data from across the nation into a user-friendly interface. This tool enables users to easily visualize the impact of power outages at both local and statewide levels in near real-time.

## Storm Response Dispatch

Generac's Storm Response Team is made up of trained employees who travel to areas affected by disaster to help residents and communities restore access to power as quickly as possible. During Hurricane Ian in 2022, our team worked to identify residents and communities without power and provided brand-agnostic generator repair to over 200 families and small businesses.

## Power Outage Activity in the United States Caused by Weather-Related Events



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







## Supporting Community Infrastructure and Disaster Preparedness

In 2023, Generac and the Generac Foundation awarded grants aimed at addressing disaster preparedness. Our focus has been on supporting key agencies pivotal in mobilizing resources and establishing infrastructure services before, during, and after disasters.

- We contributed to the Information Technology Disaster Resource Center, which helps expedite the recovery of communications and technology during disasters.
- Our donation to St. Bernard Project ([SBP](#)) supports the positioning of resources for immediate deployment of aid when disaster strikes.
- Generac provided a grant to the [American Logistics Aid Network](#) enabling the delivery of essential materials to disaster sites.
- Generac provided additional funding to [ToolBank USA, Inc.](#) for disaster services, [Team Rubicon](#), [Footprint Project](#), and the American Red Cross to support community disaster response and preparedness operations.





**“ We will continue seeing increased severe weather activity result in power outages - which pose immense risk to safety and security. Backup power is the cornerstone of a well thought out preparedness plan.”**

**Aaron Jagdfeld**

*President and Chief Executive Officer at Generac*



# Emissions Management

Generac remains committed to developing a clear strategy aimed at implementing measures to reduce energy consumption and emissions associated with our global operations. In 2023, we improved our enterprise-wide process to gather activity data and calculate emissions stemming from our global operations with the support of an expert third-party. Our published emissions adhere to the Greenhouse Gas (GHG) Protocol Corporate Standard for Scope 1 and 2 emissions, employing an operational control boundary.

## Greenhouse Gases

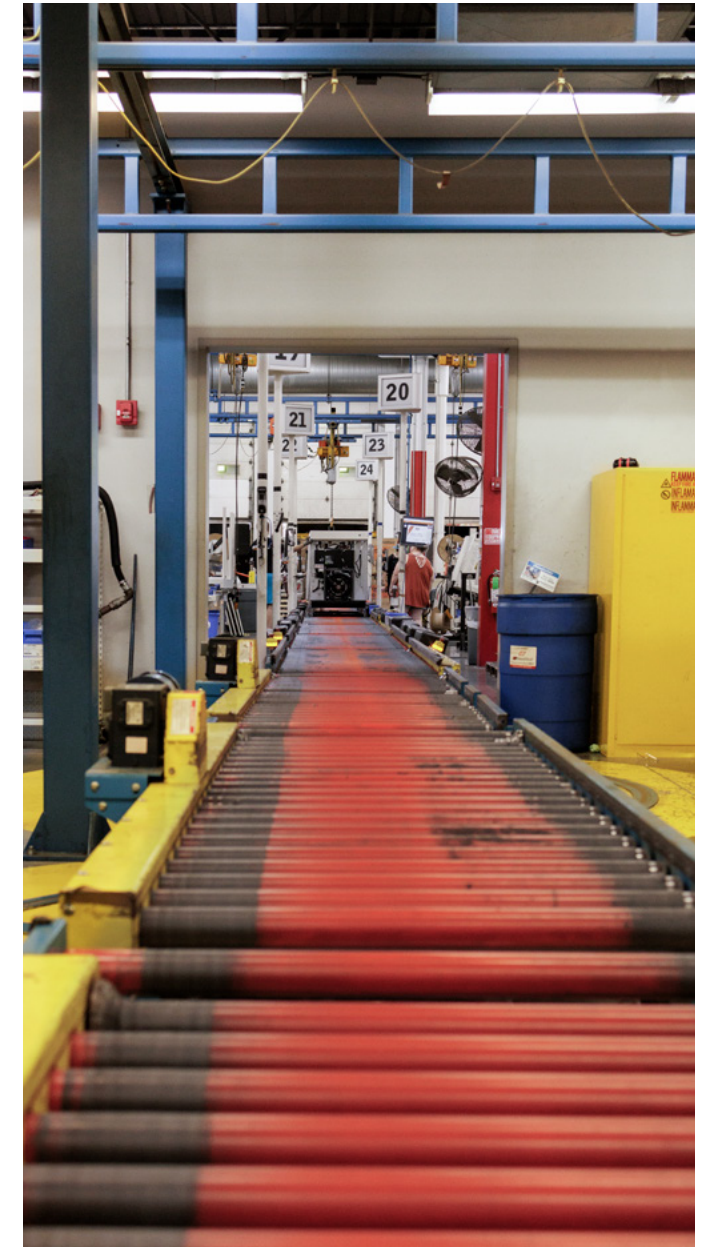
In 2022, Generac established a formal GHG Emissions Inventory. In 2023, we refined our approach by developing standard operating procedures for acquiring and analyzing GHG calculation data, which will improve the reliability and accuracy of our disclosures.

To address GHG emissions from our operations, we are exploring new technologies and processes to reduce our environmental impact.

## Other Air Emissions

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

	2022	2023
<b>Scope 1 &amp; 2 GHG Emissions</b>		
<b>Scope 1 Emissions</b> <i>Metric tons (Mt) CO<sub>2</sub>e</i>	35,719	34,280
<b>Scope 2 Emissions - Location-Based</b> <i>Metric tons (Mt) CO<sub>2</sub>e</i>	27,414	26,534
<b>Total Scope 1 &amp; 2 Emissions</b> <i>Metric tons (Mt) CO<sub>2</sub>e</i>	63,133	60,814
<b>Total Scope 1 &amp; 2 GHG Intensity per Sales</b> <i>Metric Tonnes CO<sub>2</sub>e/\$ Million USD</i>	13.83	15.12





# Energy Management

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

Energy management at Generac starts with Green Teams at local facilities. Comprised of cross-functional employees that identify grassroots opportunities for environmental advancements and develop actionable solutions. By leveraging our expertise in energy technology, we are continually innovating and improving on energy management, reducing energy consumption and promoting operational sustainability.

	2022	2023
<b>Energy Consumption</b>		
<b>Total Energy Consumed</b> <i>GJ</i>	754,525	758,859
<b>Total Electricity Consumed</b> <i>GJ</i>	201,976	214,622
<b>Fuel Use</b>		
<b>Total Fuel Consumed</b> <i>GJ</i>	552,549	544,235

## GENERAC®

### Eagle

We conducted a compressed air leak study to identify sources of energy waste in order to improve energy efficiency in our manufacturing operations. Results from our Eagle, Wisconsin facility identified up to 146 MWh of annual savings.

### The Hub

Green Team treasure hunts at Generac's distribution facility located in Jefferson, Wisconsin identified an opportunity to save 618 MWh annually by upgrading to light-emitting diodes (LED).

## MOTORTECH®

Manufacturing in Celle, Germany installed heat pump technology and integrated waste heat into the heating system in order to improve energy efficiency and conserve resources.



In 2022, our Balsicas, Spain manufacturing facility upgraded 213 spotlights to efficient LED bulbs and established gas control devices at each welding station to reduce the consumption of welding gas, conserve resources and reduce cost.



Our North Yorkshire, United Kingdom manufacturing facility upgraded all surface mount line ovens to more energy efficient units, replaced a 300 kg solder pot with four smaller, 30 kg solder pots to save on energy and improved insulation of air conditioners in high-heat zones.

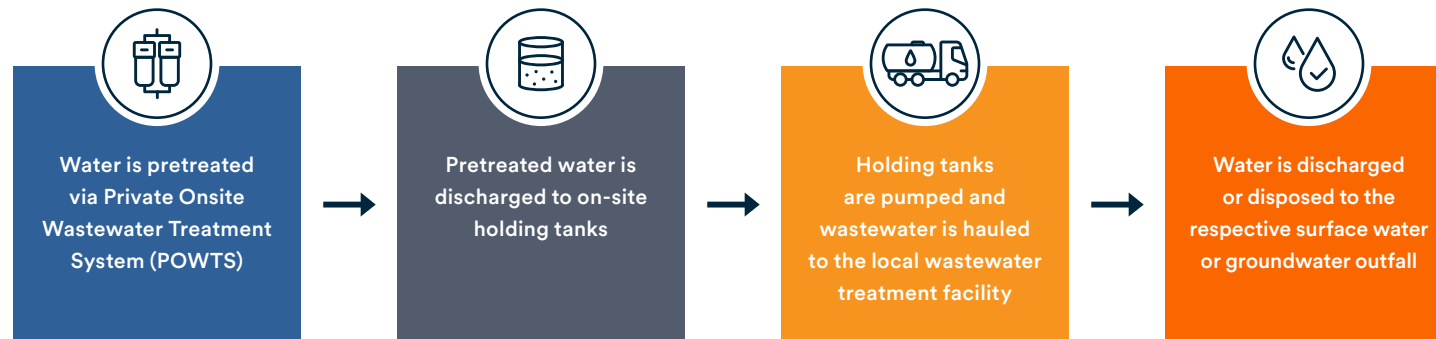
# Water Management

Generac's Environmental and Sustainability Policy underscores our commitment to identifying opportunities to reduce water consumption and waste generation. Effective water management practices are key in helping manufacturing businesses decrease water usage and preserve water quality.

In 2023, we implemented a formal enterprise-wide process to gather water consumption data across all our global operations, focusing on facilities exceeding 10,000 square feet. Our findings are documented in the [Key Performance Indicators](#). This year we also conducted a water stress assessment by cross-referencing our key facilities with the [World Resource Institute's National Water Stress Rankings](#).

## Wastewater Treatment in the United States

Wastewater refers to the water used in manufacturing processes then discharged into the environment. Effective wastewater management in manufacturing is essential for safeguarding the environment and mitigating risks associated with contaminated water.



## Water Reduction in Trenton, South Carolina

Generac's 421,000 square-foot manufacturing facility in Trenton, South Carolina, uses water for washing generator components before painting and assembly. Instead of allowing this water to go to waste, it is collected and repurposed for use in other stages of the assembly process. Since its implementation in mid-2023, our Trenton facility has saved **240,000 gallons** (908.5 m<sup>3</sup>) of water through this initiative.



## Water Management in Europe

Water is a crucial resource for communities, particularly near our facility in Balsicas, Spain, where irrigation of neighboring farmland plays a vital role in the local economy. Our Balsicas facility is committed to reducing its water consumption by repurposing reject water from paint tunnel operations. This initiative not only conserves water but also saves energy on treatment and pumping processes.



# Environmental Impact

Generac promotes environmental stewardship by implementing sustainable operations and providing cleaner, more efficient power solutions. We seek opportunities to minimize our environmental impact by focusing on reducing water and energy usage, waste generation and air emissions.

When planning our [new manufacturing facility](#) in Beaver Dam, Wisconsin, considering factors like resource efficiency, waste management and regulatory compliance helped minimize our environmental footprint by reducing transportation needs and implementing energy and resource management systems.

We reduce the environmental impact from our products by enhancing their efficiency and strive to reduce the impact from our suppliers by encouraging them to identify and implement environmental improvements.





# Designed Efficiencies

We are consistently exploring ways to improve Generac’s product sustainability by incorporating features into our current product portfolio and innovating for next-generation products. Here are a few examples:

- Quiet-Test™ self-test functionality on all Home Standby generators enables units to operate at lower speeds during testing – reducing noise and fuel consumption.
- The compact design of our industrial generators optimizes fuel efficiency during transportation and logistics.
- Our Modular Power System paralleling for industrial generators combines the output of multiple units into a single output — often requiring less space, which reduces land use while offering redundancy for the entire system.
- Design for Manufacturing (DfM) initiatives, which were launched in 2022 as part of Generac’s new product development process, drive optimized assembly operations and reductions in material use.
- Generac’s Design for Serviceability requirements extend maintenance intervals, reduce waste and reduce repair times for some of our products.
- Products equipped with electronic fuel and ignition controls consistently outperform the competition without this technology in their respective product categories.

## Sustainability is Built-In at ecobee

ecobee’s commitment to sustainability is ingrained in its product design and operations, aligning with circular economy principles to conserve finite resources and minimize waste. Some of the key designed efficiencies in ecobee products include:

- Devices that last – with an average lifespan of 10 years.
- Devices that maximize functionality through seamless integrations across thermostats, doorbells, propane tank monitors and Home Standby generators.
- Cutting-edge packaging that includes bio-based options such as tapioca or potato starch trays.
- A Certified Refurbished program that has brought over 35,000 devices back to life since its launch in September 2021.
- Recycling initiatives for devices that cannot be refurbished undergo a certified e-cycling processes.

Learn more about ecobee’s designed efficiencies at [ecobee.com/sustainability](https://ecobee.com/sustainability)



# Designed Efficiencies

## The Power of More Sustainable Packaging

In December 2023, our Guardian Series air-cooled home standby generators underwent a sustainability transformation with the introduction of redesigned craft brown packaging. Aligned with American Society for Testing and Materials (ASTM) standards, the updated packaging offers several benefits, including reduced weight, quicker unpacking, elimination of nails and staples, and enhanced recyclability. This innovative packaging is 12 lbs (5.4 kg) lighter and fully recyclable. We anticipate that this packaging will save over 2 million nails, 3 million staples, and 100 thousand cubic feet of wood in 2024 alone.

“Identifying ways to improve operational sustainability is an effective and responsible strategy to lessen the environmental impact of our production and transportation processes... I’m extremely proud of the team’s innovative efforts that have received positive reception from our dealers.”

**John Gray**  
Senior Director – Project Management





# Materials & Waste Management

Efficient waste management is integral to our manufacturing operations. We conduct regular monitoring and recording of waste streams across our facilities. Our employees are actively encouraged to adopt environmentally conscious practices when utilizing resources. Third-party entities responsible for managing facility waste must adhere to our company standards as well as local, state, and federal regulations. Below are some examples of initiatives implemented at select domestic facilities:

## Scrap Metals

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

## Wood Pallets

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

## Paper

- Many Generac facilities integrated a system to automatically stop auto-print. Making this simple change allowed Generac to save 1,760 lbs (798 kg) of paper

## Foam

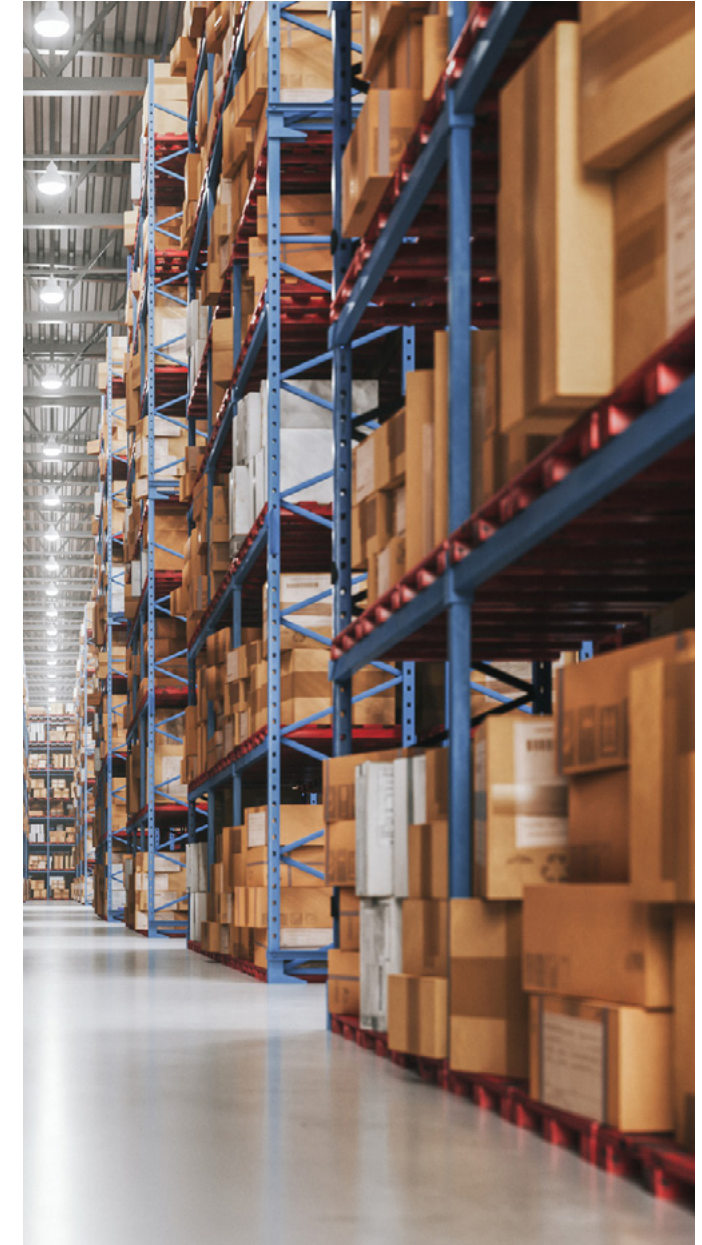
- Foam is reused in the manufacturing process to protect parts from scratches after paint application
- Generac facilities diverted 36,918 lbs (16,746 kg) of foam from the landfill through recycling

## Cardboard

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



**79% of waste** from global operations was **recycled** in 2023.





# Addressing E-Waste & Supporting Education

Discarded electrical and electronic devices are commonly referred to as e-waste. More than 50 million metric tons of e-waste is generated globally each year. Generac has continuously prioritized the secure and sustainable disposal of end-of-life assets to ensure the safety of company data. We mitigate our impact and prevent environmental risks of e-waste ending up in landfills through various programs across our operations.

## Electronics Recycling

In 2023, the Environment Sustainability and IT departments collaborated to explore innovative new solutions for e-waste disposal. We identified a local electronics recycling organization that was able to repurpose our end-of-life tech hardware and provide us with over \$10,000 in return. This additional capital was then allocated to the Generac Gives program to support STEM and sustainability causes within the local southeastern Wisconsin community.

## Electronics Donation

In 2022 and 2023, ecobee and Generac donated seven crates filled with electronic devices to help Guyanese students access technology and improve their education. The donation included approximately 256 monitors, 120 laptops, 120 mice, 100 keyboards, and some phones.

## Laptops for Kids

In 2021, ecobee also launched the 'Laptops for Kids' program, dedicated to supplying laptops to the children of employees to facilitate online learning. These laptops, refurbished from devices previously used by our team, are meticulously cleaned and prepared to be ideal tools for young learners accessing the internet for homework assignments. The program has made a meaningful impact by donating over 150 laptops to local community charities, including Events for Life Centre Inc, Our Children's Medicine, and Eva's Youth Homeless Shelter. In 2023 alone, 50 laptops were contributed.





# 04

## Social

Our People

Health & Safety

Diversity, Equity & Inclusion

Community Involvement

Human Rights





# Our People Promise

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

## WE PROVIDE YOU THE OPPORTUNITY TO...

### Have Purpose and Impact.

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

**Inspire** change for a better world

### Support. Assist. Thrive.

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

**Impact** our people and community

### Inspire. Collaborate. Succeed.

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

**Influence** and achieve positive results

### Grow. Innovate. Evolve.

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

**Innovate** the industry and push boundaries

## WE ASK YOU TO...

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

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

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

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

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

Drive to win while respecting others.

### Engage. Speak Up. Listen.

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



# Recruiting & Retaining Top Talent

To stay competitive in today's job market, Generac has begun to establish an employment brand and create well-defined and efficient recruitment processes. Strong brand recognition attracts candidates and helps to retain employees. Recruitment events and marketing campaigns were conducted to reach top talent and share key messages. A Talent Acquisition Center of Excellence was created to develop global best practices, focus on DEI and create talent pipelines for strategic initiatives. Our HR People Promise highlights our dedication to winning the talent war.

## Attractive, Fair Compensation & Benefits

Our programs are designed and evaluated through the lens of our four pillars of wellness – physical, emotional, financial, and social – and help ensure we are competitive. Generac continues to evaluate our benefits programs - working with external compensation and benefits consultants, we consistently review and analyze our Healthy and Thriving Total Rewards offerings, compared to industry benchmarks. In 2023, we began providing company paid short term disability insurance to all full-time employees and increased the company match for those participating in the 401(k) retirement plan.

Our Healthy Living Program gives employees the opportunity to further lower the cost of insurance by voluntarily participating in a variety of personal wellness activities, including annual physical and dental exams, disease management, and screening for certain cancers. This year, 25% of our eligible population in the United States participated in the program and received health insurance credits.

## Employee Engagement Survey

To retain top talent, we recognize that we need to listen to employees and make positive, meaningful changes in the organization. In 2023, we launched our most ambitious employee engagement survey yet, extending our reach to all global employees. We gathered input from 82% of our employee population giving them a platform to shape our strategy and contribute to our efforts to become an employer of choice.

In 2023, we further improved our robust leader-driven Engagement Program by (i) hosting engagement focus groups to further amplify employee voices and gather ideas for sustainable improvement, (ii) conducting root cause analysis exercises with leaders to ensure meaningful improvement planning, and (iii) offering a robust digital resource library and training to support leader efforts throughout the year.

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



## Finding Our People

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

### Talent Acquisition Training

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

### Robust Job Postings

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

### Education-Driven Hiring

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

# Developing & Growing at Generac

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

## Build Your Career at Generac

Generac's development philosophy follows a 70-20-10 model, emphasizing on-the-job (70%), collaborative (20%), and formal (10%) learning. Our "Build Your Great Career" guide offers a roadmap for talent development. We provide a wide range of courses worldwide, covering product knowledge, business effectiveness, and professional and leadership skills.

## Building a Strength-Based Culture

In 2023, Generac collaborated with Gallup, a leading research firm, to adopt the CliftonStrengths Assessment to foster a Strengths-based culture. Over 500 employees have completed the assessment, providing insight into team talents and strengths.

## Generac Lean Academy & Continuous Improvement (CI)

Generac partnered with Waukesha County Technical College for Lean Academy Bronze and Silver programs. Employees undertook weeks-long Lean methodology training, applying their knowledge in team-based improvement projects. In 2023, over 2,400 professionals finished our online Introduction to CI course, dedicating 6,900 hours to CI training.

## Project Management Training

In 2023, Generac partnered with the University of Wisconsin-Milwaukee to provide three multi-week Project Management training programs and introduced custom Agile methodology training to employees.

## Leadership Development

Generac's Leadership Development Program was designed to develop and reinforce essential agile behaviors such as systems thinking and change resiliency. The program was developed in partnership with an external leadership and HR consulting firm to deliver in-person interactive workshops, group coaching sessions and applied activities to reinforce the learning.

In 2023, we also introduced a new classroom learning program called "Leading Through Communication" for team leaders at our manufacturing facilities.

## Foundational & Skill-Building Courses

We provide diverse learning opportunities, covering values, culture, diversity, equity, inclusion, change management, financial acumen, and project management. In 2023, we introduced a skill-building eLearning program focused on developing essential skills like Active Listening, Developing a Growth Mindset, and Managing Time with Prioritization.

**“ I appreciated being able to participate in the Leadership Development Program with my peer group. It showed Generac’s commitment to developing its leaders and investing in their growth. Our cohort had a safe space to talk openly about our challenges, learn leadership strategies, and help one another with specific situations. I was able to put those learnings into practice right away and they are enabling me to be a better leader for my team.”**

**Elizabeth Anderson**

*Director of Operations at Jefferson and 2023 LDP program participant*



# Health & Safety

Generac is committed to ensuring a safe and secure working environment for all employees and onsite personnel. We continuously improve our safety program and empower associates to identify and mitigate hazards through the Generac Safety Index (GSI). Our efforts made a positive impact in improving employee engagement and year-over-year Total Recordable Incident Rate performance.

We dedicated 2023 to improving existing "Critical Element" policies to prevent Serious Injury or Fatality (SIF) incidents.

## Generac Safety Index (GSI)

Generac Safety Index drives continuous improvement of safety performance across a diverse approach:



### Hierarchy of Controls Tracking

Ensures implementation of corrective actions that address the root of the problem to eliminate identified hazards.



### Engagement Tracking

Frequent and impactful safety-related conversations through participation in Health, Safety & Environment (HSE) related site meetings, and touchpoints between employees and supervisors, increase awareness and reduce incidents.



### Drive to Zero Cards (DTZ)

The DTZ process empowers employees to report perceived worksite risks to health and safety, and escalate HSE related concerns to site leaders.



### 24-Hour Hazard Containment

Hazards noted in our incident investigation process are addressed promptly. Initial containment actions are implemented immediately, and we track our actions to ensure improvements are sustained.



### Layered Process Auditing

Built-in open-ended behavior-based safety questions help employees voice concerns regarding potential workplace hazards so that leadership teams can address hazards before they become an incident.



### HSE Compliance Calendars

Our scheduled compliance tasks provide the framework for health and safety training.



### Job Safety Analysis

Pro-active cross-functional teams focus on pre-incident investigations of individual job tasks to identify and risk rank hazards for triage before an incident occurs.

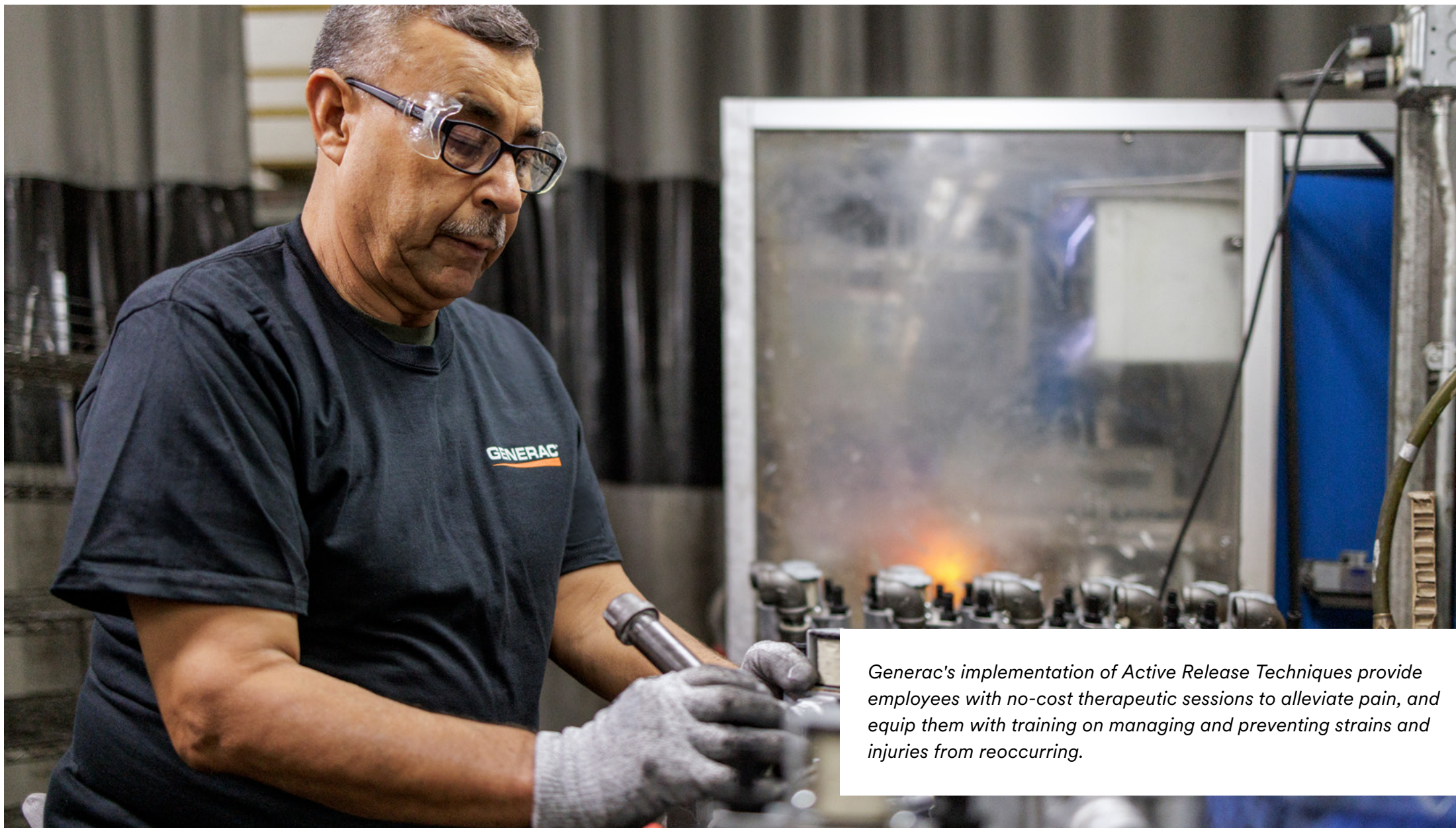


### Cumulative Trauma Prevention

Prioritize prevention of soft-tissue/cumulative trauma type injuries by conducting quantitative ergonomic assessments and implementing Active Release Techniques at several of our production sites.







*Generac's implementation of Active Release Techniques provide employees with no-cost therapeutic sessions to alleviate pain, and equip them with training on managing and preventing strains and injuries from reoccurring.*



# Diversity, Equity & Inclusion

At Generac, diversity, equity and inclusion are not just moral imperatives, they are integral to the success of our business. DE&I helps us attract and retain the best talent that makes us more innovative, competitive, and responsive to our marketplace. Advancing DE&I is an ongoing process that requires shared vision, deep collaboration, and a commitment to drive an evolution of policies and practices. Our DE&I work is led by our Executive VP Human Resources and Director of Diversity, Equity & Inclusion, and is founded on a deep partnership with our Human Resources business function. Our DE&I purpose statement is aligned to our corporate strategic priorities and is operationalized through three key pillars: our workforce, our workplaces, and the communities where we live and work.

## DE&I Purpose Statement

Our DE&I program aims to foster a culture of diversity and engagement to strengthen our company while supporting achievement, equity, inclusivity, and good corporate citizenship globally.

### Workforce Hiring and Developing the Best



We actively incorporate DE&I strategies to find and recruit top talent. Generac employees are offered learning experiences like training courses, educational sessions and cultural events. We continuously and consciously invest in the development of our employees.

### Workplace Fostering an Inclusive Culture



We believe that people do their best work when they feel valued, included, and appreciated. We measure employee perception of inclusion in our annual workforce engagement survey and use this feedback to drive an inclusive culture across Generac with programs like our Business Employee Resource Groups, and reviews of our HR processes to ensure equity.

### Community Engaging With Those Around Us



Our desire to drive inclusion extends beyond the walls of our Generac facilities. We care for the communities where our employees live and work by supporting causes and organizations that matter to them. Our employees volunteer with a variety of diverse community organizations.

# Diversity, Equity & Inclusion

## Commitments

In 2023, Generac honored all seven of our diversity, equity and inclusion (DE&I) commitments by executing in each of these key areas:

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

We will revise and recalibrate our DE&I commitments annually as we continue our DE&I journey.

### Talent Attraction and Development

We established recruitment relationships with the National Society of Black Engineers, National Association of Black Accountants, and Women in Manufacturing to expand our reach and introduce Generac to a new diverse candidate base.

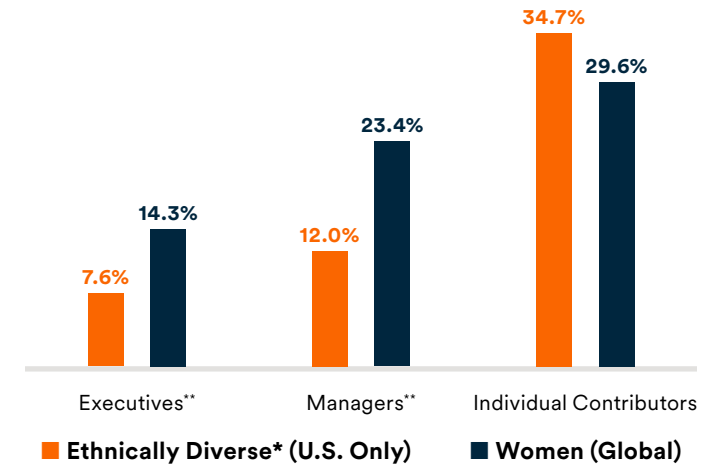
Our PWR Business Employee Resource Group piloted a mentoring program to support the development of women at Generac. This pilot helped us identify an opportunity to expand mentoring to a broader group of employees across Generac to continue developing our best talent.

### DE&I Partnerships

We renewed our partnerships with the Veterans Chamber of Commerce of Wisconsin, the LGBT Chamber of Commerce of Wisconsin, and the Wisconsin African American Chamber of Commerce to complement the community engagement efforts of our Business Employee Resource Groups.

We also supported College Possible, National Center for Women in Information Technology, MAYDM, Boys and Girls Club, and GirlStart to help inspire the next generation of energy technology leaders.

	2021	2022	2023
<b>All Employee Diversity</b>			
<b>Ethnically Diverse* (U.S. only)</b>	28.6%	28.2%	26.6%
<b>Women (Global)</b>	28.5%	28.1%	27.2%



\*Includes Asian, Black or African American, Hispanic/Latino, Native Hawaiian or Other Pacific Islander and two or more races.

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



# Supporting an Inclusive Workplace

## Business Employee Resource Groups (BERGs)

These employee-driven groups help create a sense of community and belonging by uniting like-minded individuals around shared values and experiences. The BERGs focus on diversity recruitment, professional development, awareness and education, business input, and volunteerism. We nearly doubled the number of BERGs in 2023 and currently have seven active BERGs with over 1,000 members engaged in total.



### African American

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



### Pride

Engaging and empowering LGBTQIA+ employees and allies to succeed and grow at Generac. Standing to provide an all-inclusive community by fostering an environment built on acceptance, inclusion and equity.



### Emerging Leaders

Delivering opportunities that teach leadership skills across the organization in accordance with three foundational areas of growth, including 'Leveling Up' Leaders, Engagement and Connection, and Social Involvement.



### Mental Health and Ability

Promoting an environment where employees can develop a sense of belonging by supporting and empowering those whose own lives or those of their family members have been affected by mental health or disabilities.



### Hispanic/Latino

Cultivating a sense of community and foster diversity and inclusion, while also empowering employees by enhancing representation, education and support.



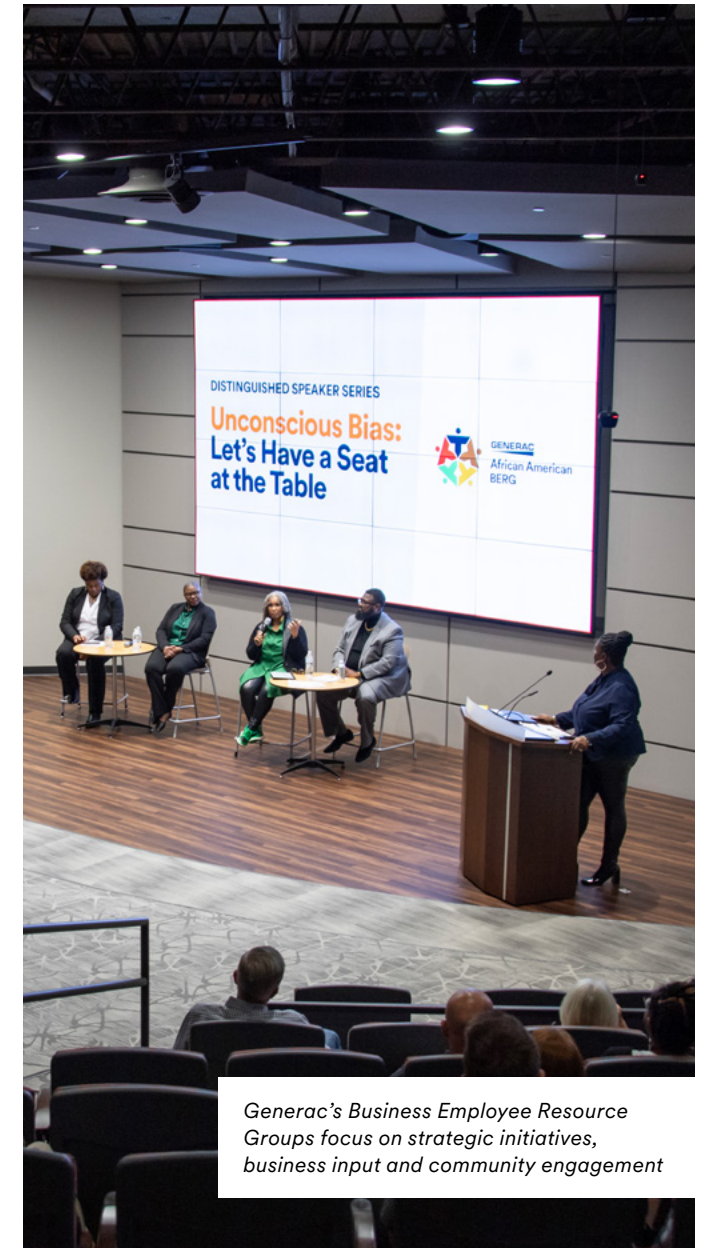
### Military Employees and Families

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



### PWR

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



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



# Community Involvement

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



## Education

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



## Responders

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



## Sustainability

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



## Our Communities

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

In 2023, **Generac supported or sponsored 509 programs globally** through charitable giving.



# Education

Our investments in education are intended to power possibilities, drive inspiration, and create opportunities for youth to engage in science, technology, engineering, and math (STEM).

## Generac Youth Engineering Design Academy

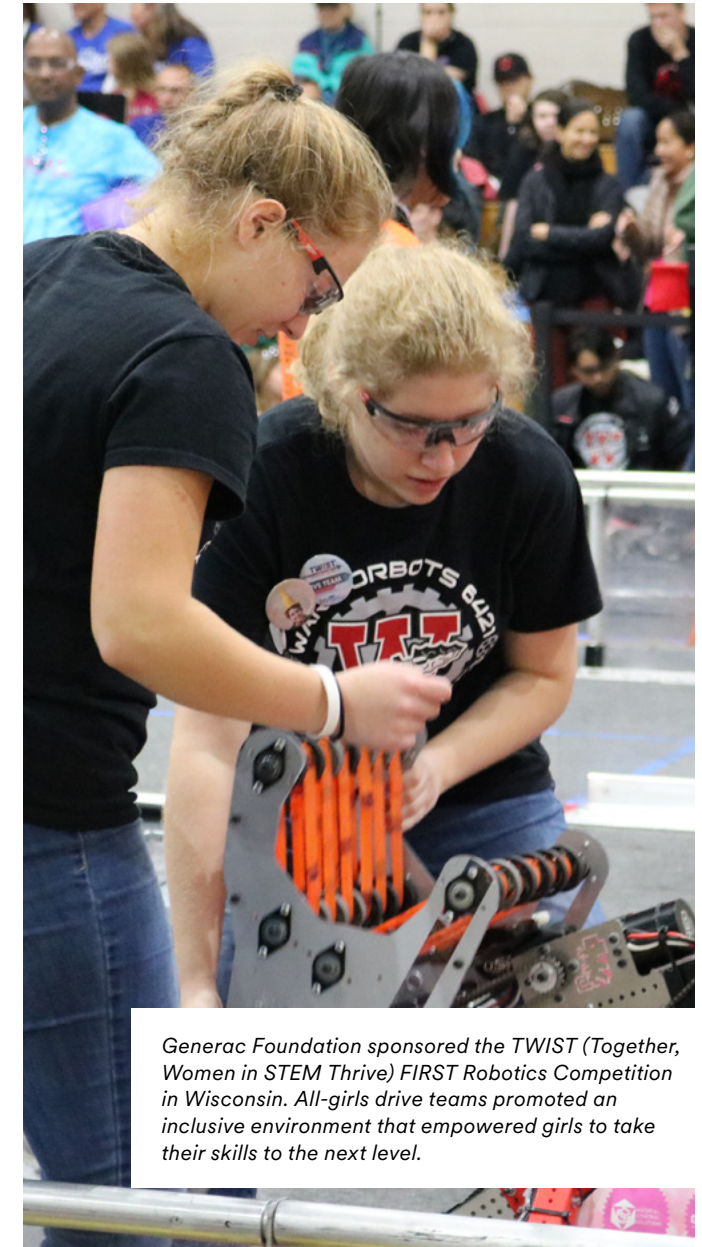
Responding to growing demand for in-depth learning, Generac collaborated with the Milwaukee School of Engineering STEM Center to establish the Generac Youth Engineering Design Academy. Middle schoolers attended five lessons, delving into engineering design processes. They tackled problems using basic engineering and design software, transitioning concepts from 2D to 3D designs, and mastering the creation of scaled drawings alongside the fabrication steps.

## STEM-focused Programs and Events

We support numerous programs and events in our communities to inspire learners and engage students in STEM programs. In the Future City competition held in Milwaukee, WI and Aiken, SC, middle schoolers were challenged to design cities incorporating climate change adaptations and mitigation strategies. We also sponsored activities including the Science Olympiad in Vermont, STEM Forward's Contrapt event, FIRST Robotics Wisconsin regional competition, and the UW-Milwaukee engineering student poster contest.

Contributions were extended to organizations conducting STEM summer camps at the Ruth Patrick STEM Education Center in Aiken, SC, Waukesha County Technical College, Marquette University, and Girls Inc. in Denver. We partnered with organizations such as SHARP Literacy, Junior Achievement in South Carolina, GPS Education Partners, and the STEM Shuttle to bring hands-on programs to life in classrooms.

**In 2023, more than 50,000 students participated in STEM education programs supported by Generac and the Generac Foundation.**



*Generac Foundation sponsored the TWIST (Together, Women in STEM Thrive) FIRST Robotics Competition in Wisconsin. All-girls drive teams promoted an inclusive environment that empowered girls to take their skills to the next level.*





**Powering Up Education:** Generac employees are an integral part of our STEM education outreach. Throughout the school year, Generac volunteers visit classrooms to share their career journey, welcome students to our facilities to witness how we use STEM, and host events such as *Careers Uncovered* to bring the real world of work to educators.





## Responders

Generac and the Generac Foundation provided grants to address [disaster preparedness and response](#), [veteran support](#), first responders and community volunteers.

### Supporting the American Red Cross

#### Sound the Alarm

In many communities, home fires are the most prevalent disaster. In both Wisconsin and South Carolina, we supported the Sound the Alarm program which installs free, new smoke detectors in at-risk homes and provides educational information about escape plans and safety preparedness.

#### Blood Services

Additionally in 2023, we hosted Power Up with a Purpose in conjunction with our stage at Summerfest. The promotion generated enough funds for us to provide a new blood services vehicle to the American Red Cross in Wisconsin. We also supported the Red Cross by hosting multiple employee blood drives.





**Honoring Our Veterans:** Showing our support and respect for veterans is a tradition at Generac, and part of our Responders pillar of giving. In 2023, we showed our commitment with the community by becoming the presenting sponsor of the Wisconsin Veterans Day Parade, giving to the Maine Troop Greeters, enabling the creation of the *Until They are Home* exhibit at the Milwaukee County War Memorial, providing resources to the USO and National Guard Foundation in South Carolina and more.







# Sustainability

Through our corporate philanthropy, we prioritize energy education, aiming to inspire innovation in clean energy and promote energy conservation initiatives.

## Inspiring Innovation in Clean Energy

In 2023, we sponsored the Solar Decathlon (hosted by the U.S. Department of Energy) which tasks students to design and construct high-performance, low-carbon buildings to increase affordability and energy efficiency. This Decathlon affects thousands of students, deepening their love for sustainability.

In 2023, we became a sponsor of the Massachusetts Institute of Technology (MIT) Climate and Energy Prize student competition. This initiative aims to drive positive change within the energy landscape. Teams participating in this competition will identify challenges and devise solutions through collegiate start-ups, with some being recognized and rewarded for their developments.

## Promoting Energy Education for Long-Term Sustainability

Motivated by the enthusiasm of young minds seeking to reduce energy consumption, we actively support educational programs focused on renewable energy. In 2023, Generac Foundation made a contribution to the Vermont Energy Education Program (VEEP), facilitating clean energy workshops for students and educators to enhance their understanding and engagement with clean energy. In addition, in 2023, our partnerships included wind energy, supporting the Wisconsin Energy Institute Kid Wind Challenge and the Ohio Energy Project STEM Design Challenge.

Additionally, Generac Foundation made a grant to the TREC Charitable Foundation Relay Education to provide hands-on learning experiences in classrooms in Canada, allowing students to experiment with renewable energy systems and gain insights into energy conservation.



*The Wisconsin Energy Institute Kid Wind Challenge empowers youth in our community to learn about renewable energy*





# Community

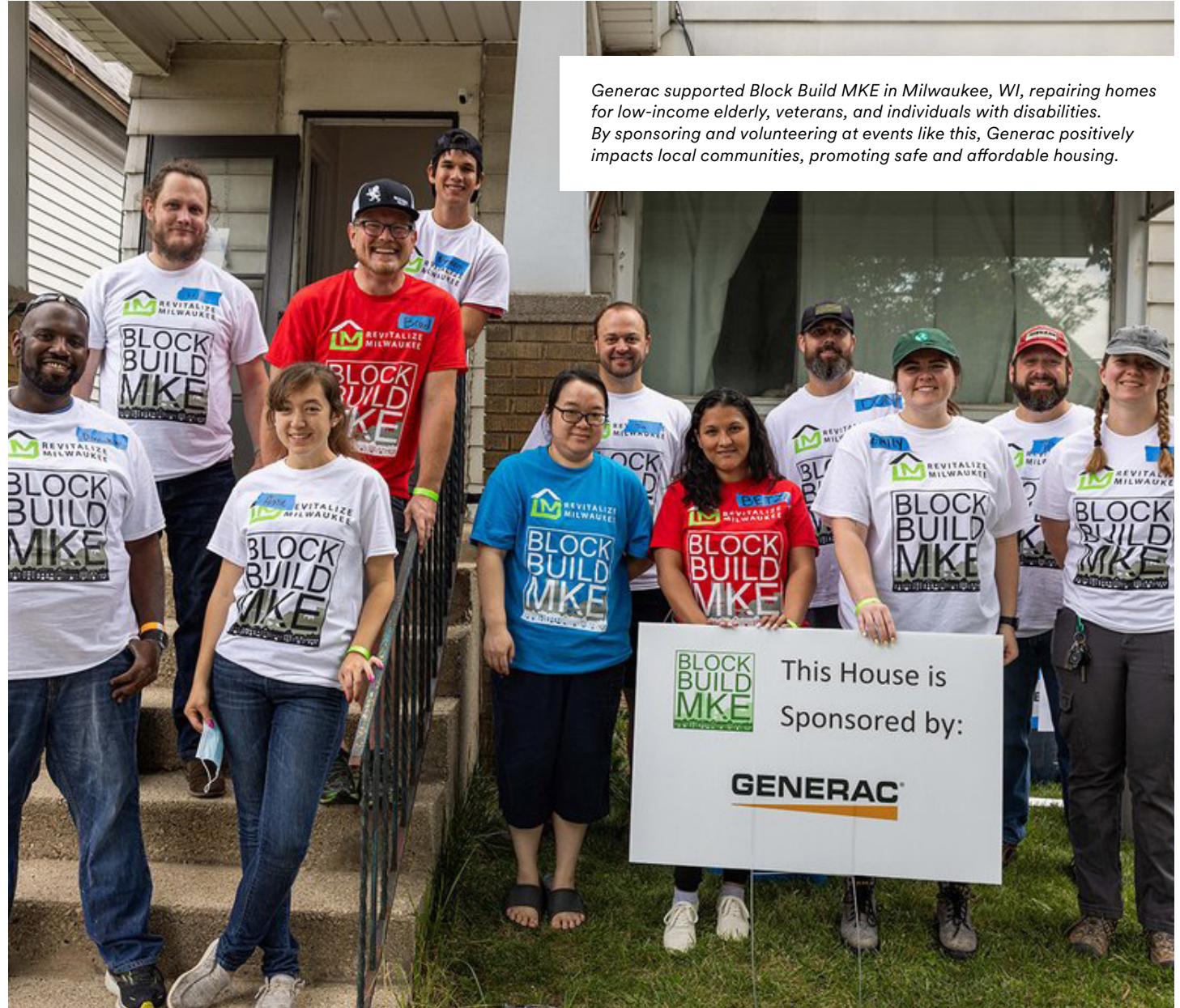
Being a good neighbor and corporate citizen means helping the people and organizations where we operate, and where our employees live and work. Through the Community pillar of Generac Gives, we contribute to building strong, equitable communities.

## Community-Based Giving & Sponsorships

Through our employee-directed donation program, employees can nominate non-profit organizations to receive a cash grant or portable product donation. We also make donations to local charities and sponsor local events such as the Peach Blossom Festival in Trenton, South Carolina and National Night Out in Green Lake County, Wisconsin.

## Generac Volunteers in Action

Generac's Volunteer Time Off (VTO) policy allows employees to participate in community service during work hours. In 2023, our employees in the United States, Canada, and Mexico **volunteered over 3,580 hours**, supporting various community initiatives, including food sorting and blood donation drives. In 2024 we will be doubling the VTO available for every employee.



*Generac supported Block Build MKE in Milwaukee, WI, repairing homes for low-income elderly, veterans, and individuals with disabilities. By sponsoring and volunteering at events like this, Generac positively impacts local communities, promoting safe and affordable housing.*



# Generac Gives Globally

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



## Latin America

In 2023, Generac Latin America focused on helping young students and addressing community needs. Students were provided with school kits and books, we worked with children undergoing medical treatments, and contributed to support sustainable development.



ecobee uses technology to increase our impact on communities and fight for energy equity. ecobee's Income Qualified (IQ) program has helped over 37,000 families across North America lower their energy bills and fight energy poverty. Another program, ecobee Acts, encourages employees to get involved by funding actions such as donating a device, volunteer days, and raising funds for a cause they care about. In 2023, ecobee partnered with Habitat for Humanity that resulted in ecobee employees donating Smart Thermostat Premium for 54 homes being built in Toronto.



At Pramac, community giving supports education and sustainability. In 2023, Pramac contributed to charities and events in Italy, Spain and France. This included the SOS children’s village in France and Jesús Abandonado Foundation in Spain that helps with basic needs to access to housing or employment, as well as the University in Italy.



Motortech engages with local European communities. In 2023, Motortech supported Ukraine with a donation and helped provide swimming lessons to a children’s home.



# Case Study: ecobee Donate Your Data Program

## Leveraging Big Data in Academic Research

ecobee's one-of-a-kind [Donate Your Data](#) program allows ecobee users to share their anonymized thermostat data with scientists building the clean energy grid and homes of tomorrow. More than 230,000 ecobee Smart Owners have participated in the program, creating a unique window into energy use in the home, and making it one of the world's largest home energy efficiency datasets.

By sharing the anonymized data from customers who have opted in, ecobee is helping researchers around the globe in their studies aimed at creating a more sustainable and healthier future for communities.

For example, a team of researchers from [Ubilab](#) (Ubiquitous Health Technology Lab) at the University of Waterloo, Ontario, Canada, from which Arlene Oetomo who focuses on the intersection of our climate crisis and the Internet of Things, used data from Donate Your Data (DYD), to [learn more about how community housing residents](#) become vulnerable to heat waves – and what we can do to better protect them. Following their findings, the researchers created a report for British Columbia housing with recommendations on being more prepared for heatwaves, informing their tenants on how to protect themselves, and advocating for more funding to prioritize the health of their tenants.

Across North America, heating and cooling costs account for about [half of all residential energy use](#). From the start of the program to today, ecobee's Donate Your Data research dataset has provided insights into residential heating and cooling behaviors that were previously unavailable to scientists and researchers. [A joint paper from academic Alan Meier](#) and several of his associates concluded that evaluating the dataset can provide valuable—and actionable—insights into policymaking, including establishing energy use guidelines and simulating the energy use of a building.





# Case Study: Building a More Sustainable Energy Future for Ontario

## Engaging Communities to Support Grid Reliability and Affordability

Ontario's Independent Electricity System Operator (IESO) forecasts electricity demand to grow by 40 percent across the province over the next 20 years. With the shift to electrification and cleaner sources of energy, Ontario will reduce emissions in the long-term, but also expects to see an increase in energy demand over the short-term, with forecasted energy supply shortages as early as 2026.

To support Ontario's need for added demand flexibility and capacity planning, ecobee partnered with the Ontario Ministry of Energy, IESO, and Hydro One to launch two new community energy saving programs to help strengthen the electricity grid in communities across the province. These programs are part of a larger [provincial plan](#) to deliver total peak electricity demand savings of 285 megawatts (MW) and annual energy savings of 1.1 terawatt hours (TWh) across by 2025.

The [Save on Energy Peak Perks](#) program and the [Hydro One myEnergy Rewards](#) program are now accessible through the ecobee app to residents of Ontario who own an ecobee smart thermostat. Eligible customers will receive \$75 for opting in. Once enrolled, program participants will experience slight, temporary, and automatic temperature adjustments of a few degrees on their ecobee smart thermostat during periods of high energy demand.

Since their launch in the Spring of 2023, these programs have recruited over 100,000 customers across all participating thermostat brands. Six energy savings events were dispatched to ecobee customers in 2023.

As these programs continue to scale, the IESO and the Ontario Ministry of Energy have set a target to reach 137,000 enrollments in 2024, which would generate 123 MW in demand response capacity by the end of the year.





# Human Rights

## Policies & Procedures

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

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

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

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

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

### Engagement & Due Diligence Practices

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





# 05

## Governance

- Corporate Governance
- Business Ethics & Integrity
- Risk Management
- Supply Chain
- Legal & Regulatory





# Board Composition & Leadership

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

## Committees

The Nominating and Corporate Governance Committee holds primary responsibility regarding ESG matters, advising the full Board when appropriate. Additional ESG oversight comes from the Human Capital and Compensation Committee and Audit Committee when within their scope.

## Evaluations

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



Generac's Board of Directors at our Corporate Headquarters in Waukesha, WI.

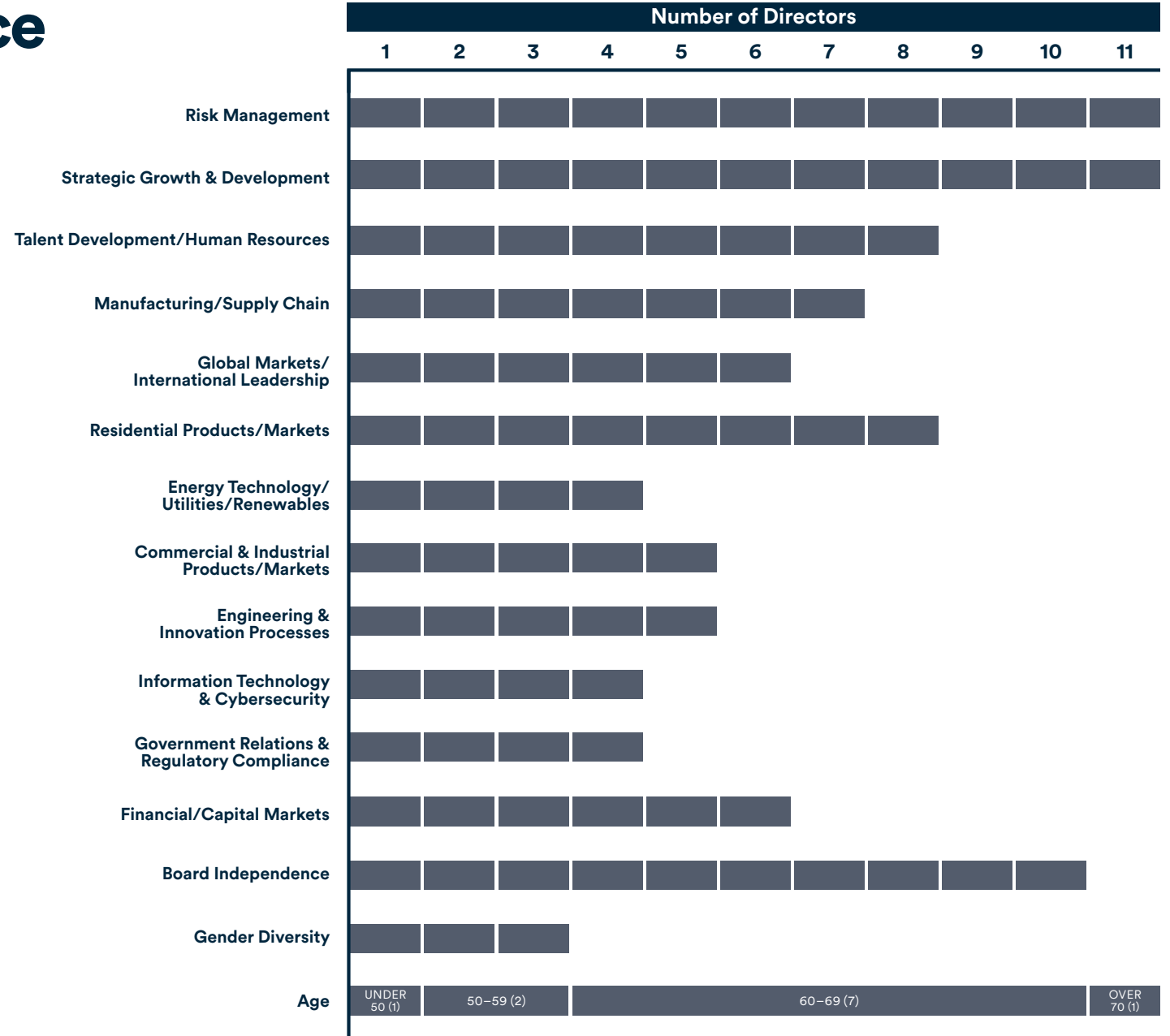




# Board Skills, Experience & Diversity

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

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



# Board ESG Oversight

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

The Nominating and Corporate Governance Committee regularly receives ESG updates from the Generac ESG team, including regulatory developments and the progress of critical internal initiatives and programs.

## Board of Directors

- Approves company strategy, including ESG components
- Provides strategic guidance on ESG matters relevant to the company’s business

## Nominating & Corporate Governance Committee

- Oversees and makes recommendations to the Board on governance and sustainability matters
- Oversees our ESG Program

## Audit Committee

- Oversees the integrity of financial reporting to any governmental or regulatory body, shareholders, other users of company financial reports and the public
- Oversees systems of internal control over financial reporting and disclosure controls and procedures

## Human Capital & Compensation Committee

- Oversees management compensation policies and practices
- Responsible for executive compensation and any pay metrics tied to ESG performance



## ESG Executive Committee

- Approves ESG goals and positioning
- Pushes executional mandates internally

CEO, CFO,  
EVP - General Counsel, EVP - Human Resources,  
EVP - Global Operations, EVP - Global Supply Chain,  
EVP - Global Corporate Strategy and Development



## ESG Steering Committee

- Led by the ESG Senior Director and Senior Manager
- Strategic leaders that are responsible for championing an ESG culture within their respective organizations and spheres of influence
- Responsible to inform and produce relevant positioning, programs, policies, procedures, goals, or reporting as directed

Human Resources, IT and Cybersecurity, Communications,  
Product Management, Engineering, Health, Safety, Security and  
Environment, Legal, Corporate Development & Strategy,  
Internal Audit, Supply Chain, Environmental Sustainability



## Cross-Functional ESG Task Forces

- Department leaders deputized by ESG Committee to help execute programs
- Responsible to inform and produce relevant positioning, programs, policies, procedures, goals, or reporting as directed



# Business Ethics & Integrity

## Our Code of Ethics & Business Conduct

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

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

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

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





## Responsibility for Ethics Issues

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

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

## Training

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

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

## Anti-Corruption and Anti-Bribery

Generac is committed to conducting business fairly, honorably, with integrity and in compliance with all applicable laws. Our Anti-Corruption Policy prohibits bribes and corrupt payments, and provisions on gift giving, gratuities and business courtesies are contained in our Code of Ethics, Business Conduct Policy and our Travel, Gifts and Entertainment Guidelines. All Generac employees, officers, directors and third-party representatives are required to comply with these requirements.

Our Code of Business and Ethics Conduct prohibits Generac employees from engaging in conduct that could have an appearance of impropriety or result in a conflict of interest.

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

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

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





## Anti-Competitive Behavior

We comply with all antitrust and competition laws.

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

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

## Reporting Concerns

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

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

## Whistleblower Policy

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

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

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

# Risk Management

Our Board of Directors and management continually monitor the material risks facing Generac, including, but not limited to, financial risk, strategic risk, operational risk, and legal and compliance risk. Generac's Compliance Committee, which is chaired by our General Counsel, annually performs a thorough enterprise risk assessment, where it assesses material risks facing the company, reporting to the Audit Committee and the Board of Directors on these material risks and their potential impact to the Company. We also incorporate risk management into our strategic planning process and periodically perform surveys of our executives and key compliance employees to ensure we have the best information available regarding enterprise risks and their potential impacts.

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

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

More information on risk factors that could impact our business is available in our [FY23 Form 10-K](#).





# Cybersecurity

## Protecting & Securing Data

We prioritize customer data protection through significant investments in cybersecurity measures, and continue to focus on collecting and storing customer data in a secure and compliant manner. We do this through employee training, vendor due diligence, policy implementation, testing and system hardening.

Generac mandates annual cybersecurity training for all employees and uses phishing campaigns to test employee ability to detect and report harmful emails. Generac's Chief Information Officer and Vice President of Cybersecurity oversees all aspects of our cybersecurity program and briefs the Board of Directors quarterly, providing board-level oversight.

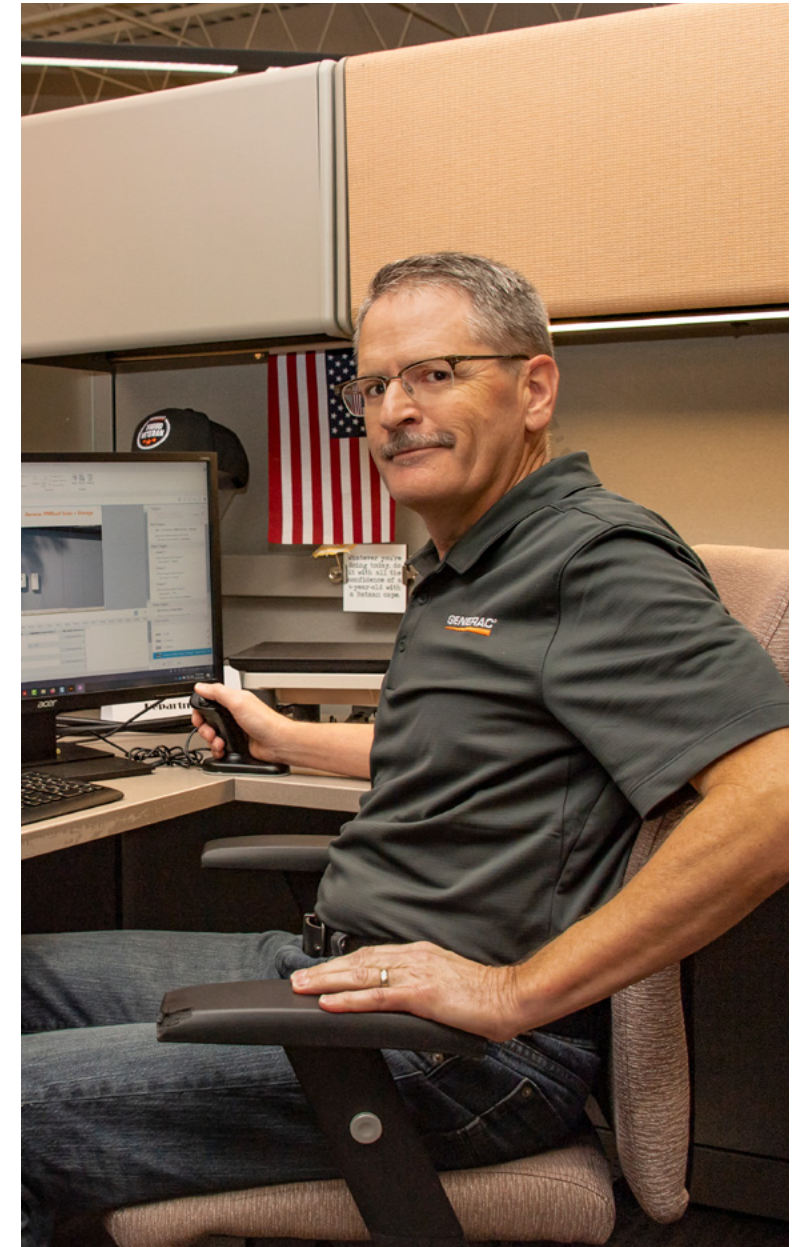
## Safeguarding Digital Assets

Generac maintains a steadfast commitment to safeguarding the digital assets of our customers, partners, and employees by utilizing the NIST Cybersecurity Framework for risk-based controls, both internally and externally. Adherence to relevant country-specific laws and regulations governing internet services is a priority. Continuous development and implementation of programs and projects enhance consumer privacy and security, addressing emerging cybersecurity threats in a rapidly evolving digital landscape.

Acknowledging the SEC Cybersecurity Breach Notification requirement, Generac ensures a plan in place for prompt and transparent communication of potential breaches, in compliance with all applicable legal requirements. Our emphasis on timely and comprehensive communication demonstrates our commitment to maintaining stakeholder trust and safeguarding digital assets and customer privacy.

## Connected Devices & Consumer Data

Generac places a strong emphasis on protecting customer privacy as outlined in our [privacy policy](#). Commitment extends to data voluntarily shared by customers to optimize their experience with our connected devices and services. Priority is given to ensuring all collected and handled data is done with the utmost privacy and security in mind.



# Compensation

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

The Human Capital and Compensation Committee has the authority to engage outside consulting firms for assistance with performing its duties. In 2023, the Human Capital and Compensation Committee engaged Pay Governance as its independent compensation consultant. In its capacity as outside and independent compensation consultants, Pay Governance reports directly to the Human Capital and Compensation Committee.

# Approach to Tax

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

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

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

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



# Supply Chain

As a member of the Responsible Business Alliance, the world's largest industry coalition dedicated to corporate social responsibility in global supply chains, Generac is committed to upholding our values in our supply chain and sourcing materials in a responsible and ethical manner.

## Material Procurement

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

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

We expect all Generac suppliers to comply with and adhere to all applicable social and environmental laws in their respective countries and/or jurisdictions, as stated in our Supplier Code of Conduct & Sustainable Procurement Policy. In 2023, we launched a campaign to require suppliers to acknowledge The Code on an annual basis to reiterate our expectations and standards.

Suppliers are expected to undertake initiatives to promote greater environmental, social, and governance responsibility such as:

- Material substance compliance
- Pollution prevention and natural resource conservation
- Stakeholder engagement and community development
- Supply chain visibility and traceability
- Global sustainability standards alignment



# Responsible Sourcing

## Responsible Materials

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

Generac's Code of Conduct requests suppliers to abide by the following terms with respect to conflict minerals:

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

We commit to engaging with suppliers to improve the content and participation of their questionnaire responses and to assess and respond to supply chain risks. We continue to prioritize supply chain stability through diversification of our supply base aimed to mitigate geopolitical risks, promoting resource recovery, recycling, and conservation, and qualify viable alternative suppliers, regions, and materials where feasible.

## Critical Materials

Generac will contend with the global allocation of materials critical to the energy transition as we continue to electrify our products. Securing critical materials, defined as vulnerable to supply chain disruption and essential for product manufacturing, is of utmost importance. We have increased our dual sourcing efforts to protect the supply of these material critical to our product.

Additional due diligence measures for critical materials were added in 2023, with select suppliers being invited to report on cobalt and mica in their products through the RMI's Extended Minerals Reporting Template, as they are fundamental to our electrification strategy.

## Social Accountability

As part of our supplier qualification process and reiterated in our Supplier Business Code of Conduct, Generac has identified important areas of social accountability we expect our suppliers to prioritize, including sustainable labor practices and ethical and safe working conditions.

Stakeholder engagement is a vital part of how Generac conducts our business. We support the communities in which we operate and expect our suppliers to do the same. We encourage our suppliers to partner within their local communities to improve the education, cultural, economic, and social well-being of the communities in which they operate.

## Supplier Diversity

As a diverse organization, we recognize the importance of having a supply base that reflects the diversity of our customer base. In 2023, we published a formal [Supplier Diversity Policy](#), outlining our commitment to provide opportunities for competitive companies owned by minorities, women, veterans, people with disabilities, and members of the LGBTQ+ community to grow their business, subject to comparable delivery, cost and quality.





# Legal & Regulatory

## Policy & Political Involvement

Generac's policies prohibit any directors, officers, and employees from making, directly or indirectly, any political contributions without the prior written approval of Generac's Executive VP & General Counsel, either on behalf of Generac or for any purpose related to Company business. Moreover, any political contribution in excess of \$20,000 USD requires Board approval. Any use of the funds or assets of Generac or any subsidiary to make political contributions must be approved in advance. There is not a Political Action Committee affiliated with Generac. No political contributions were made in 2023.

All directors, officers, and employees of Generac, as well as all third-parties acting on behalf of Generac, are expressly

required to comply with the letter and spirit of the Foreign Corrupt Practices Act (FCPA), prohibiting the bribery and corruption of foreign public officials. Generac has designed systems to provide reasonable assurances against any accounting errors and fraud.

In 2023, Generac expanded its dedicated Policy team to provide regulatory and policy support for its new energy technology businesses and initiatives. General Council and the Senior Vice President of Policy and Market Development oversee a team that represents Generac before federal and state agencies and legislatures to unlock opportunities to grow Generac's clean energy, energy management, and grid resiliency businesses. The Policy team engages with

non-profit clean energy and regulatory associations such as the California Solar and Storage Association, the Solar Energy Industry Association, Advanced Energy United and the California Efficiency and Demand Management Council (CEDMAC). Generac is working to apply its 60+ years of traditional distributed reliability experience to the increasing climate-related challenges by offering distributed solar, battery, home and grid energy management solutions. The Policy team advocated for expanded state and federal incentives to support these climate mitigation solutions resulting in two funding awards for Generac from the U.S. Department of Energy to deploy grid resiliency projects in Massachusetts and Puerto Rico.



*Local partner installing Generac Clean Energy solution on a home in Puerto Rico.*

# Involvement in Professional Organizations

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



Electrical Generating Systems Association



General Confederation of Italian Industry



Cellular Telecommunications Industry Association



Outdoor Power Equipment Institute



Association of Energy Services Professionals





# 06

## Appendix

### Industry Framework Indexes

Key Performance Indicators (KPI)

Sustainable Development Goals (SDG)

Task Force on Climate-related  
Financial Disclosures (TCFD)

Sustainability Accounting  
Standards Board (SASB)

Global Reporting Initiative (GRI)





## Key Performance Indicators (KPI)

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

Metric	Units	2022	2023
<b>Business Scale</b>			
Revenue	\$M USD	\$4,565	\$4,023
Number of Employees	Number	9,500	8,600
Number of Countries with Employees	Number	23*	20
Number of Manufacturing Facilities	Number	19	17
<b>Environmental</b>			
<b>Emissions Management</b>			
<b>GHG Emissions</b>			
Scope 1 Emissions	Metric Tons (t) CO <sub>2</sub> e	35,719	34,280
Scope 1 Intensity per Sales	Metric Tons CO <sub>2</sub> e/\$ Million USD	7.82	8.52
Scope 2 Emissions	Metric Tons (t) CO <sub>2</sub> e	27,414	26,534
Scope 2 Intensity per Sales	Metric Tons CO <sub>2</sub> e/\$ Million USD	6.01	6.60
Total Scope 1 & 2 GHG Emissions	Metric Tons (t) CO <sub>2</sub> e	63,133	60,814
Total Scope 1 & 2 GHG Intensity per Sales	Metric Tons CO <sub>2</sub> e/\$ Million USD	13.83	15.12
<b>Other Air Emissions</b>			
NOx Emissions - Enterprise-wide**	Metric Tons	not available	576.31
NOx Emissions - United States mfg. Only	Metric Tons	110.48	107.22
SOx Emissions - Enterprise-wide**	Metric Tons	not available	5.03
SOx Emissions - United States mfg. Only	Metric Tons	0.19	0.14
VOC Emissions - Enterprise-wide**	Metric Tons	not available	32.75
VOC Emissions - United States mfg. Only	Metric Tons	52.73	30.58
Particulate Emissions - Enterprise-wide**	Metric Tons	not available	9.42
Particulate Emissions - United States mfg. Only	Metric Tons	3.61	1.61
<b>Energy Management</b>			
<b>Energy Consumption</b>			
Total Energy Consumed	GJ	754,525	758,859
Total Electricity Consumption	GJ	201,976	214,622
Percent of Grid Electricity Used	Percentage (%)	27%	28%
<b>Fuel Use</b>			
Total Fuel Consumption	GJ	552,549	544,235

\* Restatement of previously reported disclosure

\*\* Enterprise-wide totals include emissions from fuel combustion (for all facilities) and emissions from process equipment (for United States mfg. only)

\*\*\* 2022 United States manufacturing operations only

Metric	Units	2022	2023
<b>Environmental</b>			
<b>Environmental Impact</b>			
<b>Spills</b>			
Number of Spills	Number	0***	0
Amount of Spills	Barrels (bbls)	0***	0
Amount of Spills Recovered	Barrels (bbls)	0***	0
<b>Water Management</b>			
Water Consumption	Thousand Cubic Meters (m <sup>3</sup> )	not available	320
Water Withdrawal - Enterprise-wide	Thousand Cubic Meters (m <sup>3</sup> )	not available	1,417
Water Discharge	Thousand Cubic Meters (m <sup>3</sup> )	not available	1,097
<b>Materials &amp; Waste</b>			
<b>Hazardous Waste</b>			
Hazardous Waste - Enterprise-wide	Metric Tons	360.81	376.14
Hazardous Waste Recycled - Enterprise-wide	Metric Tons	67.03	149.01
Percent Hazardous Waste Recycled - Enterprise-wide	Percentage (%)	19	39.61
<b>Non-Hazardous Waste</b>			
Non-Hazardous Waste - Enterprise-wide	Metric Tons	not available	19,695
Non-Hazardous Waste - Wisconsin Only	Metric Tons	11,232	11,443
Non-Hazardous Waste Recycled - Enterprise-wide	Metric Tons	not available	15,767
Non-Hazardous Waste Recycled - Wisconsin Only	Metric Tons	9,808	10,260
Non-Hazardous Waste Sent to Landfill - Enterprise-wide	Metric Tons	not available	3,928
Non-Hazardous Waste Sent to Landfill - Wisconsin Only	Metric Tons	1,424	1,183
Percent Non-Hazardous Waste Recycled - Enterprise-wide	Percentage (%)	not available	80
Percent Non-Hazardous Waste Recycled - Wisconsin Only	Percentage (%)	87	90
<b>Total Waste</b>			
Total Waste - Enterprise-wide	Metric Tons	not available	20,071
Total Waste - Wisconsin Only	Metric Tons	11,285	11,499
Total Waste Recycled - Enterprise-wide	Metric Tons	not available	15,916
Total Waste Recycled - Wisconsin Only	Metric Tons	9,808	10,260
Percent Total Waste Recycled - Enterprise-wide	Percentage (%)	not available	79
Percent Total Waste Recycled - Wisconsin Only	Percentage (%)	87	89





## Key Performance Indicators (KPI)

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

Metric	Units	2022	2023
<b>Social</b>			
<b>Diversity, Equity &amp; Inclusion</b>			
<b>Diversity Strategy</b>			
Gender Pay Equity - Women to Men	Percentage (%)	99	100
<b>EEO Breakdown</b>			
Percent of Women - All Employees	Percentage (%)	28.1	27.2
Percent of Women - Executives	Percentage (%)	13.3	14.3
Percent of Women - Managers	Percentage (%)	25.0	23.4
Percent of Women - Individual Contributors	Percentage (%)	30.0	29.6
Percent of U.S. Ethnically Diverse - All Employees	Percentage (%)	28.2	26.6
Percent of U.S. Ethnically Diverse - Executives	Percentage (%)	7.1	7.6
Percent of U.S. Ethnically Diverse - Managers	Percentage (%)	12.3	12.0
Percent of U.S. Ethnically Diverse - Individual Contributors	Percentage (%)	34.2	34.7
<b>Community</b>			
<b>Community involvement</b>			
Volunteer Hours - US and Canada Only	Hours	2,044	3,401
Volunteer Hours - US, Canada and Mexico Only	Hours	not available	3,584
Generac GIVES: Organizations Supported	Number of Orgs/Events	467^	509
Generac GIVES: Dollar Value	\$ Million USD	>1	>1
<b>Product Safety</b>			
Number of Recalls	Count	2	5
Total Units Recalled	Count	381,912	75,399
<b>Health &amp; Safety</b>			
<b>HSE Metrics</b>			
Total Recordable Incident Rate (TRIR) - Employees	Rate	2.04	1.83
Lost Time Injury Rate (LTIR) - Employees	Rate	0.72	0.43
Days Away, Restricted or Transferred (DART) - Employees	Rate	1.06	0.99
Fatality Rate - Employees	Rate	0	0

^ 2022 US and Canada Only

Metric	Units	2022	2023
<b>Social</b>			
<b>Human Capital</b>			
<b>Employee Training &amp; Career Development</b>			
Learning - Supervisors EDC	Hours	735	788
Learning - Certified in Lean	Hours	4,168	1,824
Learning - CI Course	Number of Employees	2,556	856
<b>Employee Turnover</b>			
Average Employee Tenure	Years	4.6	5.1
<b>Stakeholder Engagement</b>			
Employee Engagement Survey Response Rate	Percentage (%)	76	82
<b>Governance</b>			
<b>Board Oversight</b>			
<b>Board Diversity</b>			
Percent of Women on Board	Percentage (%)	27	27
Percent of Minorities on Board	Percentage (%)	9	9
<b>Board Age</b>			
Percent of Board < 50	Percentage (%)	9	9
Percent of Board 50 - 59	Percentage (%)	36	18
Percent of Board 60 - 69	Percentage (%)	45	64
Percent of Board > 70	Percentage (%)	9	9
<b>Business Ethics</b>			
<b>Anti-Bribery &amp; Anti-Corruption</b>			
Amount Of Fines For Bribery And Corruption	\$ Million USD	0	0
Number of Fines For Bribery And Corruption	Count	0	0
<b>Anti-Competition</b>			
Amount of Anti-Competition Fines	\$ Million USD	0	0
Number of Fines for Anti - Competition	Count	0	0







# Sustainable Development Goals (SDG)

Goal	Description	Location	Initiatives	Progress
<p><b>3 GOOD HEALTH AND WELL-BEING</b></p>	<p><b>Good Health &amp; Well-Being</b></p> <p>Ensure healthy lives and promote well-being for all ages</p>	<p>Refer to:</p> <ul style="list-style-type: none"> <li>• <a href="#">Company Awards &amp; Rankings</a></li> <li>• <a href="#">Our People</a></li> </ul>	<ul style="list-style-type: none"> <li>• Generac's Healthy and Thriving Total Rewards are based on the four pillars of wellness: physical, emotional, financial, and social</li> <li>• Our Healthy Living Program gives our employees the opportunity to reduce their medical premium by participating in a variety of personal wellness activities and through community events like blood drives and charity walks/runs</li> <li>• We provide awareness training at the beginning of an employee's employment with Generac in New Employee Orientation (NEO)</li> </ul>	<ul style="list-style-type: none"> <li>• In 2023, we received committee approval to provide company-paid short-term disability insurance to all full-time employees and increase the company match for those participating in the 401(k) retirement plan.</li> <li>• In 2023, 25% of our eligible population participated in the Healthy Living Program and received health insurance credits</li> <li>• ecobee's award-winning smart thermostat has been featured in the 2023 BBC documentary <a href="#">Technology's Golden Age</a> as an inclusive and accessible technology that can help enable long lives, well lived</li> <li>• Starting January 2024, Generac's United States Parental Bonding Leave Program provides additional time off to welcome new family members</li> </ul>
<p><b>4 QUALITY EDUCATION</b></p>	<p><b>Quality Education</b></p> <p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p>	<p>Refer to:</p> <ul style="list-style-type: none"> <li>• <a href="#">Company Awards and Rankings</a></li> <li>• <a href="#">Community Involvement</a></li> <li>• <a href="#">Our People</a></li> </ul>	<ul style="list-style-type: none"> <li>• On the job skills training at all manufacturing sites</li> <li>• Communication skills courses for frontline customer-facing employees</li> <li>• Leadership skills: Leadership Development Program (LDP), EveryDay Coaching, and Leading Through Communication</li> <li>• Supply Chain Leadership Development Program helps early career employees (three-year program)</li> <li>• ecobee's Laptops for Kids program gives kids a free laptop to help with their schooling and online education</li> </ul>	<ul style="list-style-type: none"> <li>• In 2023, nearly 50% of our corporate giving was focused on STEM education and youth. More than 50,000 students were reached through a program supported by Generac</li> <li>• We continue to partner with the University of Wisconsin-Milwaukee to offer sessions of three different multi-week Project Management training programs to global employees</li> <li>• Since ecobee's Laptops for Kids program started in 2021, we've donated over 100 laptops to kids alongside charities in the Toronto area, such as Our Children's Medicine</li> <li>• In 2023, Pramac hosted 20 students studying Energy and Environment at ITS (Technical Institute School) in Colle di Val d'Elsa (Siena), Italy. The students conducted their internships across Pramac's Italy and Spain facilities through an exchange project in the European Union</li> </ul>
<p><b>5 GENDER EQUALITY</b></p>	<p><b>Gender Equality</b></p> <p>Achieve gender equality and empower all women and girls</p>	<p>Refer to:</p> <ul style="list-style-type: none"> <li>• <a href="#">Diversity, Equity &amp; Inclusion</a></li> </ul>	<ul style="list-style-type: none"> <li>• We measure and track workplace representation and engagement by gender to drive equity in the experience of women at Generac</li> <li>• Generac's Professional Women's Resource (PWR) group empowers women to become outstanding leaders in the organization and the community by hosting inclusive programs, events, and a focused mentoring program.</li> </ul>	<ul style="list-style-type: none"> <li>• Executive leaders reviewed DEI progress towards representation of women across Generac on a quarterly basis</li> <li>• The Board currently has three female members</li> <li>• Gender Pay Equity at Generac is 100%</li> <li>• The Milwaukee Business Journal featured Generac's Vice President of Engineering among its 2023 Women of Influence in recognition of inspiring innovation</li> <li>• Generac sponsored Women Can Do, an event hosted by Vermont Works for Women. Nearly 400 high school girls attended this STEM and skilled trades career exploration conference to converse with female professionals from many career fields.</li> <li>• Women in Technology Wisconsin (WIT) held a panel discussion at Generac Power Systems, titled Shattering Glass Ceilings in Tech</li> </ul>
<p><b>7 AFFORDABLE AND CLEAN ENERGY</b></p>	<p><b>Affordable and Clean Energy</b></p> <p>Ensure access to affordable, reliable, sustainable and modern energy for all</p>	<p>Refer to:</p> <ul style="list-style-type: none"> <li>• <a href="#">Product Sustainability</a></li> </ul>	<ul style="list-style-type: none"> <li>• Our purpose to lead the evolution to resilient, efficient, and sustainable energy solutions drives our strategy of Powering A Smarter World</li> <li>• Provide industry-leading smart home technologies that continue to make a lasting impact on energy efficiency for both customers and the planet</li> </ul>	<ul style="list-style-type: none"> <li>• In 2022, we launched portable electric power stations, announced the distribution of hydrogen fuel cell generators, and invested in residential fuel cell technology</li> <li>• In 2023, we launched a portable solar panel, a commercial-grade battery energy storage system, a battery-powered brush mower and compact electric commercial mower</li> <li>• Pramac acquired REFU Storage Systems, eExpanding our commercial and industrial energy systems portfolio</li> <li>• ecobee named "Energy Star Partner of the Year" in 2023 for the third year in a row</li> <li>• In 2023, Generac announced the opening of a new engineering center of excellence in Reno, Nevada. The facility will house the development and testing of batteries, switches, power electronics and other clean energy solutions</li> <li>• The United States Department of Energy selected Generac to deploy rooftop solar PV and battery storage systems to the homes of low income and vulnerable residents in Puerto Rico, building energy-resilient and sustainable communities</li> </ul>
<p><b>8 DECENT WORK AND ECONOMIC GROWTH</b></p>	<p><b>Decent Work and Economic Growth</b></p> <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<p>Refer to:</p> <ul style="list-style-type: none"> <li>• <a href="#">Company Awards &amp; Rankings</a></li> </ul>	<ul style="list-style-type: none"> <li>• Create an outstanding employee experience and an amazing workplace culture</li> <li>• Began development for a <a href="#">new manufacturing facility in Beaver Dam</a>, Wisconsin that will employ up to 400 people</li> </ul>	<ul style="list-style-type: none"> <li>• Generac advanced its position on the Fortune 1000 list, from 723 in 2022 to 690 in 2023</li> <li>• In 2023, we gathered input from 82% of our employee population through our employee engagement survey, giving them a platform to shape our strategy and contribute to Generac's efforts to become an "employer of choice"</li> <li>• Named one of Mexico's Best Employers on its 2022 list of domestic and multinational companies</li> <li>• Awarded "Large Business of the Year" 2022 by the Waukesha County Business Alliance, which recognizes top-performing businesses that have a significant presence in the county</li> <li>• Through a partnership with Independent Electrical Contractors, Inc. (IEC), more than 3,000 apprentices and field contractors receive training on rigorous backup power installation standards, as the need for backup power and alternative energy sources continues to grow</li> <li>• Generac was selected for the Grid Resilience and Innovation Partnerships (GRIP) Program by the United States Department of Energy. Generac is partnering with leading Massachusetts and national organizations to ensure that communities across the nation have a reliable grid that is prepared for extreme weather while also delivering affordable, clean energy and creating robust local opportunities for economic investment and jobs. Generac's partners and collaborators include Interstate Renewable Energy Council (IREC), Fraunhofer USA, Building Energy Systems, Action for Boston Community Development (ABCD) and the energy efficiency program administrators, Massachusetts Clean Energy Center and utilities across the state</li> </ul>





## Sustainable Development Goals (SDG)

Goal	Description	Location	Initiatives	Progress
	<b>Industry, Innovation and Infrastructure</b> Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	Refer to: <ul style="list-style-type: none"> <li>• <a href="#">Company Awards &amp; Rankings</a></li> </ul>	<ul style="list-style-type: none"> <li>• Promote a culture of innovation for best-in-class product development</li> <li>• All Corporate New Product Introductions (NPI) under the Generac Development Process (GDP) have assigned Sustainable Development Goals to enable tracking metric report out in 2026</li> <li>• Joined <a href="#">Buildertrend</a> to make it easier for builders and their homeowners to specify and integrate backup power and energy management tools into the design and construction process</li> </ul>	<ul style="list-style-type: none"> <li>• Generac Grid Services received the 2022 Grid Innovator award</li> <li>• ecobee Smart Thermostat Premium earned several positions on “Best Of” lists for smart thermostats, “best” inventions, and the best smart thermostat overall, in 2022</li> <li>• ecobee was recognized as the Best Home Tech Innovator in Canadian Business Magazine’s Innovation Awards</li> </ul>
	<b>Reduced Inequalities</b> Reduce inequality within and among countries	Refer to: <ul style="list-style-type: none"> <li>• <a href="#">Diversity, Equity &amp; Inclusion</a></li> </ul>	<ul style="list-style-type: none"> <li>• Published Generac’s <a href="#">Human Rights Policy</a> and continue to abide by our <a href="#">No Harassment Policy</a></li> <li>• Generac’s Business Employee Resource Groups engage with the communities in which we live and work</li> <li>• The Learning and Development team also created and delivered new on-demand classroom-style training on Gender Diversity and Generational Differences to enhance our DEI curriculum</li> <li>• Partnering with <a href="#">Independent Electrical Contractors, Inc.</a> (IEC) to address entrance barriers in the electrical trade, offering best-in-class training to prepare the many electricians for the future</li> </ul>	<ul style="list-style-type: none"> <li>• All People Leaders were assigned 2023 Performance Goals related to DE&amp;I and engagement</li> <li>• The Board currently has one ethnically diverse member</li> <li>• In 2023, 95% of Generac’s leaders completed an additional learning course called “Ouch, That Stereotype Hurts” focused on addressing stereotypes. The Learning and Development team also created and delivered new on-demand classroom-style training on Gender Diversity and Generational Differences to enhance our DEI curriculum</li> <li>• The Pride BERG supported the Whitewater PRIDE Rally and donated funds to Courage MKE.; the African American BERG volunteered at Samuel Clemens School; the PWR BERG donated to the Women’s Center of Waukesha</li> <li>• Ethnic Minority and Gender workforce representation is tracked and reviewed with executives quarterly</li> </ul>
	<b>Sustainable Cities and Communities</b> Make cities and human settlements inclusive, safe, resilient and sustainable	Refer to: <ul style="list-style-type: none"> <li>• <a href="#">Environmental Impact</a></li> <li>• <a href="#">Community Involvement</a></li> </ul>	<ul style="list-style-type: none"> <li>• Seek to minimize adverse impacts on the environment through good management practices</li> <li>• Support programs and organizations that respond to urgent needs</li> <li>• Provide partnerships to foster greater sustainable efforts and innovations</li> <li>• Strive to be good neighbors in our Generac communities</li> </ul>	<ul style="list-style-type: none"> <li>• Generac sponsored the Solar Decathlon, engaging students around the globe in designing and building high-performance, low-carbon buildings that mitigate climate change and improve our quality of life through greater affordability, resilience and energy efficiency</li> <li>• We supported organizations dedicated to helping first responders</li> <li>• In 2023, our employees contributed more than 3,580 volunteer hours in the communities in which we live and work across the United States, Canada and Mexico</li> </ul>
	<b>Responsible Consumption and Production</b> Ensure sustainable consumption and production patterns	Refer to: <ul style="list-style-type: none"> <li>• <a href="#">Materials &amp; Waste</a></li> </ul>	<ul style="list-style-type: none"> <li>• Waste management and waste prevention practices in place</li> <li>• Noise reduction and energy efficiency initiatives in place</li> <li>• E-waste programs in place</li> </ul>	<ul style="list-style-type: none"> <li>• Suppliers are required to complete an annual Conflict Minerals Declaration and relevant suppliers were asked to complete an Extended Minerals Declaration</li> <li>• Improved packaging on our Guardian series Home Standby Generator was launched in December 2023, reducing the volume of wood and metals required in transporting this top-selling item</li> </ul>
	<b>Climate Action</b> Take urgent action to combat climate change and its impacts	Refer to: <ul style="list-style-type: none"> <li>• <a href="#">Climate Resilience</a></li> <li>• <a href="#">Materials &amp; Waste</a></li> </ul>	<ul style="list-style-type: none"> <li>• Generac’s Storm Response initiative includes teams that voluntarily travels to impacted areas to help ensure residents and communities affected by a disaster regain access to power as quickly as possible</li> <li>• Climate Change is a megatrend considered in Generac’s annual strategic planning process</li> <li>• Our free tool Power Outage Central aggregates utility outage data nationwide into a single, easy-to-use interface, making it simple to see the impacts of power outages on a local and statewide scale in near real time</li> </ul>	<ul style="list-style-type: none"> <li>• During Hurricane Ian in 2022, Generac’s Storm Response teams were deployed across the state of Florida to repair generators of any brand, helping more than 200 families and small businesses regain lost power</li> <li>• ESG was introduced into annual Strategic Planning cycle in 2022; Climate change risks and opportunities were incorporated into 2023 Strategic Planning</li> <li>• Climate physical risk assessment on Generac operations was initiated</li> <li>• Submitted to CDP for the first year</li> <li>• Sponsoring the Massachusetts Institute of Technology (MIT) Climate and Energy Prize student competition in 2024</li> </ul>
	<b>Partnerships for the Goals</b> Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development	Refer to: <ul style="list-style-type: none"> <li>• <a href="#">Legal &amp; Regulatory</a></li> </ul>	<ul style="list-style-type: none"> <li>• Partnerships are key to the successful deployment of Generac’s enterprise strategy. We collaborate with trade associations, peer networks and academic institutions, and engage stakeholders across our value chain to ensure we are meeting corporate goals and helping support the SDGs</li> <li>• Our Energy Alliance and Builders Alliance programs connect our dealers and installers with organizations aiming to improve energy resiliency and community infrastructure</li> <li>• Our partnership with Independent Electrical Contractors, Inc. (IEC) to address entrance barriers in the electrical trade, offering best-in-class training to prepare the many electricians for the future</li> </ul>	<ul style="list-style-type: none"> <li>• Member of numerous energy technology industry associations and various health, safety and product compliance organizations</li> <li>• Each year, more than 3,000 apprentices and field contractors across three local IEC chapters will have the opportunity to receive training in Generac product installation and earn their certification in accordance with Generac’s rigorous installation standards</li> <li>• Generac was selected for the Grid Resilience and Innovation Partnerships (GRIP) Program by the United States Department of Energy. Generac is partnering with leading Massachusetts and national organizations to ensure that communities across the nation have a reliable grid that is prepared for extreme weather while also delivering affordable, clean energy and creating robust local opportunities for economic investment and jobs. Generac’s partners and collaborators include Interstate Renewable Energy Council (IREC), Fraunhofer USA, Building Energy Systems, Action for Boston Community Development (ABCD) and the energy efficiency program administrators, Massachusetts Clean Energy Center and utilities across the state</li> </ul>



KPI

SDG

TCFD

SASB

GRI

## Task Force on Climate-related Financial Disclosures (TCFD)

Pillar	Topic	Response
Governance	(a) Boards oversight of climate	At Generac, the Nominating and Corporate Governance Committee is responsible for board-level oversight of ESG, including climate-related risks and opportunities. This committee is composed of directors with over 30 years of experience leading organizational transformation, talent and succession management, culture change, corporate social responsibility and over a decade in renewable energy and sustainable infrastructure. The committee is updated quarterly on climate-related matters by the General Counsel and Executive VP Global Corporate Strategy and Development.
	(b) Managements role in addressing climate related risks and opportunities	Management of climate-related issues is incorporated into Generac's Environmental Social Governance (ESG) program, which is overseen by the Executive Vice President of Global Corporate Strategy and Development. The program is administered by a dedicated team of ESG professionals, with an established ESG Steering Committee composed of cross-functional and strategic leaders responsible for identifying climate risks and opportunities. We have begun integrating these risks and opportunities into our strategic planning, enterprise risk management, and governance structures. At the leadership level, Generac maintains an ESG Executive Committee that provides guidance on overall ESG strategy and execution across the enterprise. This ESG Executive Committee contains several members of our senior leadership team, including the CEO, CFO, General Counsel, and leaders of other affected core functions.
Strategy	(a) The climate-related risks and opportunities the entity has identified over the short, medium and long term	<p>Generac understands the critical global challenge posed by climate change and acknowledges the urgency to address its causes and impacts. To proactively address climate risks and opportunities, we are evaluating methodologies for climate risk and opportunity assessment. This effort is currently underway, with the aim of identifying and mitigating risks across short (0-3 year), medium (3 to 10 year), and long-term (10 - 25 year) horizons. Our approach is intended to align with TCFD guidance, where climate risks are categorized into two broad categories: physical and transition risks.</p> <p><b>Physical Risks:</b> Generac recognizes that climate change poses acute and/or chronic physical risks that could have financial implications for organizations, including direct damage to assets, supply chain disruption, changes in water availability, food security, extreme temperature changes, and impacts on employee safety. Generac is in the process of building and refining a physical climate risk assessment, utilizing an inventory of Generac operated facilities in climate-sensitive regions and performing analysis to establish natural hazard exposure across our operations.</p> <p><b>Transition Risks:</b> Transition risks are the potential financial and reputational risks that organizations may face during the transition to a low-carbon economy. A brief summary of some of these risks follows.</p> <p><b>Policy &amp; Legal:</b> Generac proactively works to identify policy and legal risks related to climate change, such as new regulations restricting the use of gas and/or carbon emissions, and takes steps to comply with relevant laws and regulations.</p> <p><b>Technology:</b> Technological advancements can bring significant opportunities for the company, such as potential improvements in battery energy density, more energy-efficient backup generators and next-gen grid solutions.</p> <p><b>Market:</b> The shift to lower-carbon economy has significant potential market implications, leading to changes in supply and demand for goods and services as well as shifts in consumer and investor sentiment.</p> <p><b>Reputational:</b> Generac believes that addressing reputational risks related to climate change will enhance our reputation as a responsible corporate citizen and build long-term trust with our stakeholders.</p> <p><b>Climate Opportunities:</b> At Generac, we believe that efforts to mitigate and adapt to climate change not only address pressing environmental challenges, but can also create opportunities for our business. By promoting resource efficiency and cost savings, adopting low-emission energy sources, developing new products and services, accessing new markets, and building supply chain resilience, we see a path towards sustainable growth.</p> <p><b>Resource Efficiency:</b> Focusing on areas like energy efficiency, materials management, water management, and waste management, organizations can achieve direct cost savings in their operations over the short, medium to long term.</p> <p><b>Energy Sources:</b> The transition to lower-emission energy sources is essential to meeting global emission-reduction goals, according to the International Energy Agency (IEA). Generac meets this demand by offering lower-carbon energy solutions, including solar energy and energy management and storage solutions including batteries. In addition, utilizing natural gas as a combustion source for generators avoids additional emissions that would be generated by fuels such as diesel or fuel oil.</p> <p><b>Products &amp; Services:</b> Generac's product mix enhances power resiliency for customers by preventing downtime, and providing lower-carbon energy backup sources to reduce dependency on the national power grid.</p> <p><b>Markets:</b> As climate change progresses, increasing supply/demand imbalances across the power grid appears likely to drive a significant focus on power resiliency. The North American Electric Reliability Corporation (NERC) has identified approximately 25% of Americans at high risk of resource adequacy shortfalls during peak conditions in the 2023-2027 period. Combined with the increase in severe weather events, the need for reliable, decentralized energy solutions will likely rise.</p> <p><b>Resilience:</b> Generac's product mix is designed to enhance our customers' resiliency to power outages by building adaptive capacity. As the likelihood of outages increases due to grid degradation and extreme weather events, this resiliency and capacity enables them to better manage climate-related physical and transition risks.</p>
	(b) The impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning	We understand that addressing climate change is not just good for the environment, but also makes good business sense. By incorporating climate-related risks and opportunities into strategic planning, we are better positioned to respond to changes in the market and ensure the long-term success of our business. In 2023, Generac incorporated ESG risks and opportunities (including climate risk) into our annual strategic planning cycle and made advances in capturing climate risk in our enterprise risk management process. We continue to evaluate opportunities to evolve and enhance ESG risk and opportunity analysis in our planning processes.
	(c) The resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2-degree or lower scenario	Generac has not yet formally evaluated the resilience of our climate strategy or performed formal scenario analysis. As our program continues to evolve, we may explore opportunities to further evaluate our climate resilience using incremental methodologies and best practices.
Risk Management	(a) Processes for identifying and assessing climate-related risks and opportunities	Generac's Compliance Committee annually performs an enterprise risk assessment, where it assesses material risks facing the Company and reports to both the Audit Committee and the Board of Directors on risks and their potential impact to the Company. We also periodically perform surveys of our executives and key compliance employees to ensure we have the best information available regarding enterprise risks and their potential impacts. Climate risk is included in those enterprise risk assessments. ESG risks and opportunities (including climate topics) were incorporated into Generac's strategic planning process in 2023, where leaders across our business groups and core functions participated in identifying ESG risks and opportunities over short, medium and long-term time horizons. The results of this process were utilized in establishing business unit strategies.
	(b) Processes for managing climate-related risks	There are three primary assessment methodologies currently utilized to manage Generac's climate-related risks and opportunities: i) Climate change risk is included as a topic in Generac's annual enterprise risk assessment process; ii) Generac's business continuity plans include preparation for interruptions to operations due to extreme weather events; iii) Generac's annual strategic planning process reviews and accounts for climate risks and opportunities and their importance to company strategy.
	(c) How processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.	Climate-related risks are integrated into Generac's enterprise risk assessment process.
Metrics & Targets	(a) The metrics by the organization to assess climate related risks and opportunities in line with its strategy and risk management process	Climate risk management has been incorporated into Generac's strategic planning process and annual risk management process. As our program continues to evolve, we may explore opportunities to further evaluate our climate related risks and opportunities using incremental methodologies and best practices.
	(b) Scope 1, Scope 2, and, if appropriate, Scope 3 green house gas emissions and the related risks.	See <a href="#">Emissions Management</a>





## Sustainability Accounting Standards Board (SASB) Disclosure Index

SASB Description	Units	2023 Response	SASB Code
<b>Operations</b>			
Number of employees	Number	8,600	RT-CP-000.C
Number of Manufacturing Facilities	Number	17	TC-ES-000.A
<b>Environmental</b>			
<b>Emissions management</b>			
Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Metric Tons CO <sub>2</sub> e	See <a href="#">Emissions Management</a> section	RT-CP-110a.1
Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Description	See <a href="#">Emissions Management</a> section	RT-CP-110a.2
Air emissions of the following pollutants: (1) NOx (excluding N <sub>2</sub> O), (2) SOx, (3) volatile organic compounds (VOCs), and (4) particulate matter (PM)	Metric Tons	See <a href="#">Key Performance Indicators</a> section	RT-CP-120a.1
<b>Energy Management</b>			
(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Percentage (%)	See <a href="#">Emissions Management</a> and <a href="#">Energy Management</a> sections	RT-EE-130a.1
<b>Environmental Impact</b>			
Number and duration of project delays related to ecological impacts	Number	Number of Delays: 0	RR-ST-160a.1
Number and aggregate quantity of reportable spills, quantity recovered	Metric Tons	No reportable spills	RT-EE-150a.2
<b>Environmental</b>			
<b>Materials &amp; Waste</b>			
Description of approach to manage use, reclamation, and disposal of hazardous materials	Description	See <a href="#">Key Performance Indicators</a> section	RR-FC-410b.3
Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	Description	See <a href="#">Materials &amp; Waste</a> section	RT-CP-410a.3
Amount of hazardous waste generated, percentage recycled	Metric Tons	<ul style="list-style-type: none"> <li>Total hazardous waste generated: 376.14</li> <li>Total hazardous waste recycled: 149.01</li> <li>Percentage recycled: 39.61%</li> </ul>	RT-EE-150a.1
Percentage of eligible products, by revenue, that meet ENERGY STAR® criteria	Percentage (%)	See <a href="#">Company Awards &amp; Rankings</a> section	RT-EE-410a.2
Description of the management of risks associated with the use of critical materials	Description	See <a href="#">Supply Chain</a> section	RT-EE-440a.1
Total amount of waste from manufacturing, percentage recycled	Metric Tons	<ul style="list-style-type: none"> <li>Total waste: 20,071</li> <li>Total waste recycled 15,916</li> <li>Percent total waste recycled 79%</li> </ul>	TR-AU-440b.1
<b>Water Management</b>			
Description of water management risks and discussion of strategies and practices to mitigate those risks	Description	See <a href="#">Water Management</a> section	RT-CP-140a.2
(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Thousand Cubic Meters (m <sup>3</sup> ), Percentage (%)	(1) 1,417 (2) 320, not assessed in this report	RT-CP-140a.1



## Sustainability Accounting Standards Board (SASB) Disclosure Index

SASB Description	Units	2022 Response	SASB code
<b>Social</b>			
<b>Community</b>			
Discussion of process to identify and manage emerging materials and chemicals of concern	Description	See <a href="#">Commitment to Quality</a> section	RT-CP-250a.2
Number of recalls issued, total units recalled	Number	Number of Recalls: 5 Total Units Recalled: 75,399  An official recall is one carried out in conjunction with a governmental agency.	RT-EE-250a.1
Total amount of monetary losses as a result of legal proceedings associated with product safety	Million Reporting Currency	Not Reported	RT-EE-250a.2
<b>Diversity, Equity &amp; Inclusion</b>			
Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	Percentage (%)	See <a href="#">Diversity, Equity &amp; Inclusion</a> section	TC-HW-330a.1
<b>Health &amp; Safety</b>			
(1) Total recordable incident rate (TRIR) and (2) near miss frequency rate (NMFR) for (a) direct employees and (b) contract employees	Rate	<ul style="list-style-type: none"> <li>Employee TRIR: 1.83</li> <li>Employee LTIR: 0.43</li> <li>Employee DART: 0.99</li> <li>Employee Fatality Rate: 0</li> </ul>	TC-ES-320a.1
<b>Stakeholder Engagement</b>			
Employee engagement as a percentage	Percentage (%)	See <a href="#">Materiality Assessment</a> and <a href="#">Recruiting &amp; Retaining Top Talent</a> sections	TC-SI-330a.2
<b>Governance</b>			
<b>Business ethics</b>			
Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behavior	Description	See <a href="#">Business Ethics &amp; Integrity</a> section.  Generac is committed to conducting business fairly, honorably, with integrity, and in compliance with all applicable laws. Our Anti-Corruption policy strictly prohibits bribes and corrupt payments; provides guidance and examples of what might constitute a bribe; and defines and prohibits facilitation payments. Our Code of Ethics and Business Conduct Policy and Travel, Gifts and Entertainment Guidelines also contain provisions that provide guidance on the giving of gifts, gratuities, and business courtesies. Every Generac director, officer, employee, associate, and third party representative is required to learn, understand, and comply with the policy requirements.	RT-EE-510a.1
Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Million Reporting Currency	0	RT-EE-510a.2
Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	Million Reporting Currency	0	RT-EE-510a.3
<b>Cybersecurity</b>			
Description of approach to identifying and addressing data security risks in products	Binary (Y/N)	See <a href="#">Cybersecurity</a> section	TC-HW-230a.1
Description of policies and practices relating to behavioral advertising and user privacy	Binary (Y/N)	See <a href="#">Cybersecurity</a> section	TC-SI-220a.1



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GRI

# Global Reporting Initiative (GRI) Disclosure Index

GRI 202: Market Presence 2016	
Disclosure	Location
Statement of Use:	Generac has reported the information cited in this GRI content index for the period January to December 2022 with reference to the GRI Standards.
GRI 1 Used:	GRI 1: Foundation 2021

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

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

GRI 3: Material Topics 2021	
Disclosure	Location
3-1 Process to determine material topics	About This Report - Materiality Assessment
3-2 List of material topics	About This Report - Materiality Assessment
3-3 Management of material topics	About This Report - Materiality Assessment

GRI 201: Economic Performance 2016	
Disclosure	Location
201-1 Direct economic value generated and distributed	<a href="#">FY23 Form 10-K</a>
201-2 Financial implications and other risks and opportunities due to climate change	Climate Resilience
201-3 Defined benefit plan obligations and other retirement plans	<a href="#">Benefits and Perks</a>
201-4 Financial assistance received from government	Policy and Political Involvement

GRI 202: Market Presence 2016	
Disclosure	Location
202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Not reported this year
202-2 Proportion of senior management hired from the local community	Not reported this year

GRI 203: Indirect Economic Impacts 2016	
Disclosure	Location
203-1 Infrastructure investments and services supported	<a href="#">FY23 Form 10-K</a>
203-2 Significant indirect economic impacts	<a href="#">FY23 Form 10-K</a>

GRI 204: Procurement Practices 2016	
Disclosure	Location
204-1 Proportion of spending on local suppliers	Not reported this year

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

GRI 206: Anti-competitive Behavior 2016	
Disclosure	Location
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Business Ethics and Integrity - Anti-Corruption and Anti-Bribery

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

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





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# Global Reporting Initiative (GRI) Disclosure Index

GRI 302: Energy 2016	
Disclosure	Location
302-1 Energy consumption within the organization	Energy Management
302-2 Energy consumption outside of the organization	Energy Management
302-3 Energy intensity	Energy Management
302-4 Reduction of energy consumption	Energy Management
302-5 Reductions in energy requirements of products and services	Product Sustainability

GRI 303: Water and Effluents 2018	
Disclosure	Location
303-1 Interactions with water as a shared resource	Water Management
303-2 Management of water discharge-related impacts	Water Management
303-3 Water withdrawal	Key Performance Indicators
303-4 Water discharge	Key Performance Indicators
303-5 Water consumption	Key Performance Indicators ; SASB RT-CP-140a.1

GRI 304: Biodiversity 2016	
Disclosure	Location
304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Environmental Impact - Biodiversity
304-2 Significant impacts of activities, products and services on biodiversity	Not reported this year
304-3 Habitats protected or restored	Environmental Impact - Biodiversity
304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Environmental Impact - Biodiversity

GRI 305: Emissions 2016	
Disclosure	Location
305-1 Direct (Scope 1) GHG emissions	Emissions Management - Greenhouse Gas Emissions
305-2 Energy indirect (Scope 2) GHG emissions	Emissions Management - Greenhouse Gas Emissions
305-3 Other indirect (Scope 3) GHG emissions	Not reported this year
305-4 GHG emissions intensity	Emissions Management - Greenhouse Gas Emissions
305-5 Reduction of GHG emissions	Emissions Management - Greenhouse Gas Emissions
305-6 Emissions of ozone-depleting substances (ODS)	Emissions Management - Other Air Emissions
305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Emissions Management - Other Air Emissions; SASB RT-CP-120a.1

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

GRI 308: Supplier Environmental Assessment 2016	
Disclosure	Location
308-1 New suppliers that were screened using environmental criteria	Supply Chain
308-2 Negative environmental impacts in the supply chain and actions taken	Not reported this year

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

GRI 402: Labor/Management Relations 2016	
Disclosure	Location
402-1 Minimum notice periods regarding operational changes	Not reported this year

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

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

GRI 405: Diversity and Equal Opportunity 2016	
Disclosure	Location
405-1 Diversity of governance bodies and employees	Corporate Governance - Board Diversity
405-2 Ratio of basic salary and remuneration of women to men	100%

GRI 406: Non-discrimination 2016	
Disclosure	Location
406-1 Incidents of discrimination and corrective actions taken	Not reported this year



## Global Reporting Initiative (GRI) Disclosure Index

### GRI 407: Freedom of Association and Collective Bargaining 2016

Disclosure	Location
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Human Rights - Policies and Procedures

### GRI 408: Child Labor 2016

Disclosure	Location
408-1 Operations and suppliers at significant risk for incidents of child labor	Human Rights - Policies and Procedures

### GRI 409: Forced or Compulsory Labor 2016

Disclosure	Location
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Rights - Policies and Procedures

### GRI 410: Security Practices 2016

Disclosure	Location
410-1 Security personnel trained in human rights policies or procedures	Human Rights - Policies and Procedures

### GRI 411: Rights of Indigenous Peoples 2016

Disclosure	Location
411-1 Incidents of violations involving rights of indigenous peoples	Human Rights - Policies and Procedures

### GRI 413: Local Communities 2016

Disclosure	Location
413-1 Operations with local community engagement, impact assessments, and development programs	Community Involvement
413-2 Operations with significant actual and potential negative impacts on local communities	Community Involvement

### GRI 414: Supplier Social Assessment 2016

Disclosure	Location
414-1 New suppliers that were screened using social criteria	Supply Chain
414-2 Negative social impacts in the supply chain and actions taken	Not reported this year

### GRI 415: Public Policy 2016

Disclosure	Location
415-1 Political contributions	Legal and Regulatory - Policy and Political Involvement

### GRI 416: Customer Health and Safety 2016

Disclosure	Location
416-1 Assessment of the health and safety impacts of product and service categories	Commitment to Quality - The Importance of Quality, Safety, and Satisfaction
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Not reported this year

### GRI 417: Marketing and Labeling 2016

Disclosure	Location
417-1 Requirements for product and service information and labeling	Commitment to Quality - The Importance of Quality, Safety, and Satisfaction
417-2 Incidents of non-compliance concerning product and service information and labeling	Not reported this year
417-3 Incidents of non-compliance concerning marketing communications	Not reported this year

### GRI 418: Customer Privacy 2016

Disclosure	Location
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Not reported this year

