

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

2024 UPDATE



M O V I N G M A T E R I A L S T H A T M A T T E R ™

A MESSAGE FROM MARK SHEAHAN

Dear Stakeholders,

Thank you for your continued interest in Graco's environmental, social and governance (ESG) program. This year's update highlights our progress to advance responsible growth, strengthen global alignment and enhance how we serve our customers, employees and communities.

In 2024, we introduced a new operating model to unify our global teams around a shared, customer-focused structure. Through improved collaboration and accelerated innovation, we can deliver the high-quality, reliable products our customers value, while helping them reduce material waste, improve efficiency and support cleaner technologies.

As we evolve, we are also investing in long-term capabilities and partnerships. Our 2024 acquisition of

Corob S.p.A., a global leader in tinting, mixing and dispensing systems, reflects our strategy to grow responsibly. Like Graco, Corob designs durable, efficient products that help customers reduce waste, making it a strong strategic fit.

We also opened two major facilities in 2024 that support our focus on innovation and sustainability. Our new Worldwide Distribution Center in Dayton, Minnesota, was designed with automation, safety and quality in mind, and features a 1.4-megawatt rooftop solar array made up of more than 3,100 panels. Our Gema powder finishing business opened a new headquarters and production site in Gossau, Switzerland, built to modern environmental standards and powered by geothermal and solar systems.

OTHER HIGHLIGHTS FROM 2024 INCLUDE:

- Launching a Global Safety Awareness Program and introducing "Start with Safety," a continuous improvement program that empowers employees to take proactive steps to enhance workplace safety.
- Appointing a Global Environmental, Health & Safety Leader and introducing a new global safety policy to align expectations across regions.
- Completing our first double materiality assessments, aligned with the European Union (EU)'s Corporate Sustainability Reporting Directive (CSRD).
- Being recognized as a 2024 Community Partner by Achieve Twin Cities for our support of youth and community engagement.



I am incredibly proud of what Graco accomplished together in 2024. The progress we have made, along with the efforts already in motion, positions us well for the future. We look forward to building on this momentum and remain focused on creating long-term value, while doing what is right for all of our stakeholders. Thank you for your continued support.

Mark Sheahan

President and Chief Executive Officer

2024 BY THE NUMBERS

A GLOBAL FOOTPRINT WITH LOCAL IMPACT



SERVED CUSTOMERS
IN MORE THAN

100

COUNTRIES



SUPPORTED BY

30,000+

OUTLETS AND DISTRIBUTORS



OVER

80%

OF PRODUCTION
BASED IN THE U.S.



47%

OF EXPENDITURES
SUPPORTED LOCAL
MINNESOTA BUSINESSES

DELIVERING STRONG FINANCIAL RESULTS



NET SALES OF

\$2.1

BILLION



ADJUSTED EARNINGS PER
SHARE OF

\$2.77



CAPITAL INVESTMENT OF

\$107

MILLION



DIVIDENDS PAID PER SHARE
INCREASED BY

8%

EMPLOYEES AT THE HEART OF EVERYTHING WE DO



~4,300

TOTAL EMPLOYEES



~1,900

EMPLOYEES OUTSIDE
THE U.S.



10

YEARS AVERAGE TENURE
FOR EMPLOYEES



22

YEARS AVERAGE TENURE
FOR GLOBAL EXECUTIVE
MANAGEMENT



OUR COMMITMENT TO ESG

Graco is dedicated to doing the right thing by all our stakeholders. We recognize that our future is closely tied to the success of our customers, employees and communities, and we are committed to creating long-term value for all.

We use resources wisely to reduce our environmental impact and help our customers do the same. We also work to support the well-being of our employees and the communities where we live and operate.

Central to these efforts is our commitment to operate with integrity and to comply with all applicable laws. As ESG regulations evolve, we continue to meet state-specific climate reporting obligations in the U.S., such as California's climate reporting legislation. In 2024, we also completed our first double materiality assessments, aligned with the EU's CSRD. These insights will inform our future disclosures and help guide ESG priorities across our operations.



This update includes highlights from January through December 2024. For a more comprehensive overview of **Graco's ESG commitments and disclosures**, please refer to our [2023 ESG Report](#) and visit our [ESG website](#).

OUR APPROACH



MAKING DECISIONS

- We focus on decision-making that is long-term and fact-based.
- We are committed to making ethical decisions and following applicable laws.



DESIGNING PRODUCTS AND PROCESSES TOGETHER

- We value innovation and efficiency.
- We improve our ESG practices as a team.



FOCUSING ON SUSTAINABLE OPERATIONS

- We continuously improve our manufacturing operations with long-term sustainability in mind.



SUPPORTING OUR CUSTOMERS

- We design products that help our end users reduce their environmental footprint.
- We serve industries whose participants strive for energy conservation.



DOING THE RIGHT THING

- We strive to do the right things for our customers, employees and the communities where we work and live.
- We aim to conduct our business for the benefit of all of our stakeholders.

2024 HIGHLIGHTS



STRENGTHENING OUR GLOBAL FOOTPRINT WITH COROB

In 2024, Graco completed the acquisition of Corob, a global leader in high-performance tinting, mixing and dispensing solutions. With more than 600 employees and global operations, Corob enhances Graco's global manufacturing footprint and expands our strong position in the growing paint and coatings equipment category. Corob's facility in Italy is ISO 14001-certified, which reflects our shared commitment to innovation, quality and sustainability.

Corob's portfolio includes durable, energy-efficient systems that help customers reduce waste, improve precision and lower long-term operating costs. For example, the EVOPLUS dispenser uses recirculation technology to eliminate the need for purging, minimizing product waste and environmental impact.



ADVANCING INNOVATION AND SUSTAINABILITY AT GEMA

Gema, a Graco subsidiary and global leader in powder coating systems, opened its new headquarters and production facility in Gossau, Switzerland. Powder coating offers cost and material savings, along with a lower carbon footprint than other surface processes.

Designed to advance both innovation and sustainability, the facility of over 200,000 square feet features modern manufacturing areas, a high-bay warehouse, and an expanded customer application lab with four advanced coating lines. These enhancements strengthen Gema's ability to simulate real-world conditions and deliver application-specific, resource-efficient solutions for global customers. Built to modern environmental standards, the site generates energy with on-site solar and geothermal systems, supporting our commitment to reducing its operational footprint.



SUPPORTING YOUTH AND COMMUNITY DEVELOPMENT

Graco was recognized as a 2024 Community Partner by Achieve Twin Cities, a nonprofit advancing career and college readiness for local students. In 2024, The Graco Foundation contributed a \$30,000 grant to support Achieve Twin Cities' Step Up Program and hosted a college intern, providing hands-on experience and mentorship. In total, Achieve Twin Cities served more than 18,000 students across Minneapolis and St. Paul public high schools last year, and Graco is proud to support these efforts.

SPOTLIGHT: ELEVATING SAFETY GLOBALLY AT GRACO

At Graco, our vision for safety is to maintain an injury-free work environment. Our operations are conducted in a way that prioritizes and enhances the safety and wellness of all our employees, because protecting our people is fundamental to our success.



In 2024, we advanced this commitment through coordinated global initiatives that emphasized alignment, engagement and continuous improvement. Highlights from the year include:

STRENGTHENING LEADERSHIP AND ACCOUNTABILITY

In 2024, we introduced a new global safety policy, aligning expectations across all operations. The policy affirms our commitment to maintaining an injury-free work environment and reinforces that every task at Graco begins with a deliberate focus on safety.

We also appointed a Global Environmental, Health & Safety Leader to guide strategic safety initiatives and drive consistency and continuous improvement globally across Graco. Our safety committees were strengthened with clearer expectations and responsibilities, and we continue to promote a culture of learning, greater awareness and proactive safety practices.

DRIVING DAILY IMPROVEMENT THROUGH START WITH SAFETY

We launched “Start with Safety,” a version of our continuous improvement program. Fully digital and available globally across Graco, the platform empowers employees to share actionable safety ideas. Within the first months, more than 250 ideas were submitted, spanning categories such as housekeeping and slip prevention, electrical safety and ergonomics. Submissions were reviewed and categorized to help drive targeted improvements across operations, and several enhancements have already been implemented.

At our White Knight Fluid Handling business, in Kamas, Utah, this approach led to targeted upgrades such as enhanced machine guarding, non-slip stair treads and expanded first aid access. These improvements reflect a proactive mindset, focusing not just on responding to incidents, but on preventing them.

SIMPLIFYING AND STREAMLINING SAFETY REPORTING

To improve responsiveness and reporting accuracy, Graco implemented a new incident reporting system in 2024. The system supports real-time reporting, faster approvals and greater visibility of safety trends across all locations.

SCALING SAFETY AWARENESS GLOBALLY

Our annual Safety Week evolved into a more flexible Global Safety Awareness Program, giving sites the opportunity to host activities throughout the month of June. What began as individual, site-driven efforts in the U.S. has become a global company-wide initiative with guidance from our Health & Safety team.

This year’s program included emergency drills, hands-on training, ergonomics sessions and introduction of Graco’s “Work Ready Warm-Up” and site-specific initiatives tailored to local needs. The expanded structure increased participation and aligned teams across geographies under a shared commitment to safety.

By scaling proven safety practices globally and embedding safety in everyday operations, Graco empowers employees to take ownership in preventing injuries before they happen. Our strength lies in shared responsibility: one team, one goal – Start with Safety.

2024 PERFORMANCE DATA

PROTECTING THE ENVIRONMENT

ENERGY AND EMISSIONS*				
		2024**	2023	2022
Energy	Energy intensity (MWh/\$MM revenue)	56.04	53.59	56.87
	Direct energy (MWh)	44,334	41,062	44,621
	Indirect energy (MWh)	80,010	76,592	77,274
	Total energy (MWh)	124,344	117,654	121,895
	Natural gas consumption (therms)	1,452,438	1,401,433	1,522,908
Emissions	Emissions intensity (metric tons CO ₂ e/\$MM revenue)	21.95	21.70	22.53
	Scope 1 (metric tons CO ₂ e)	15,131	14,247	14,718
	Scope 2 (metric tons CO ₂ e – location based)	33,586	33,394	33,565
	Total Scope 1 and 2 (metric tons CO ₂ e)	48,717	47,641	48,283
RECYCLING				
		2024**	2023	2022
Material Recycled	Recycled cardboard (millions of pounds)	2.0	2.1	1.5
	Recycled pallets and wood (millions of pounds)	4.3	2.5	2.7
	Recycled metal (millions of pounds)	10.7	18.5	12.7
	Antifreeze and used oil (gallons)	14,000	11,000	10,000

*Approximate unaudited data. Calculations included Greenhouse Gases (GHGs) as applicable by variable per the U.S. Environmental Protection Agency for locations in the U.S. Where data was unavailable, estimates were made using similar operational characteristics shared between our manufacturing facilities.

**Corob operations data is presented for the full 2024 calendar year, including pre-acquisition activity.



PUTTING PEOPLE FIRST

WORKFORCE AND EMPLOYEE ENGAGEMENT				
		2024	2023	2022
Workforce	Female board of directors (percentage)	33%	33%	27%
	Female executive management (percentage)	33%	24%	25%
	Female global employees (percentage)	21%	22%	23%
	Internship program*	117	140	145
Employee Engagement	Employee participation in employee stock purchase program	2,532	2,518	2,245
	Employees contributing to U.S. 401(k) retirement savings plan	2,469	2,587	2,651
	Employee enrollment in medical coverage	2,218	2,283	2,301
	Employees participating in biometric screenings	1,368	1,454	2,017
	Tuition reimbursement participants	105	133	109
	Tuition reimbursement funding (USD)	\$402,757	\$486,985	\$346,687
WORKPLACE HEALTH AND SAFETY				
		2024	2023	2022
Safety	Total recordable incident rate (TRIR)**	2.21	2.17	3.19
	Days away, restricted or transferred rate (DART)**	1.24	1.10	2.05
	Fatalities	-	-	-
	Hours of safety training**	4,047	3,639	3,120
COMMUNITY				
		2024	2023	2022
Contributions	Foundation contributions (USD)	\$1,584,558	\$1,725,835	\$1,180,581
	Volunteer hours	4,810	4,043	3,735
	Nonprofit organizations benefited	421	474	439

*Number of interns who participated in the internship program.

**Data reflects U.S. operations only.

OPERATING WITH INTEGRITY

PRODUCT QUALITY AND SAFETY				
		2024	2023	2022
Product Quality and Safety	Product development as a percentage of sales	4.1%	3.8%	3.7%
	Warranty expense as a percentage of sales	0.50%	0.51%	0.42%
	Product development spend (millions of USD)	\$87	\$83	\$80
	Percentage of sales from electrified products	30%	24%	26%

SASB INDEX

The **SASB STANDARDS** overseen by the [Value Reporting Foundation](#) guide the disclosure of financially material sustainability information by companies to their investors. Our reporting uses the standard for Industrial Machinery and Goods as defined by SASB's Sustainable Industry Classification System®. All data is for Graco's wholly owned global operations for the year ended December 31, 2024, unless otherwise noted.

TOPIC	ACCOUNTING METRIC	CODE	RESPONSE
Energy Management	(1) Operational energy consumed, (2) percentage grid electricity, (3) percentage renewable	RT-IG-130a.1	(1) 447,602 GJ (2) 64% (3) 38%
Employee Health & Safety	(1) Total recordable incident rate (TRIR), (2) fatality rate and (3) near miss frequency rate (NMFR)	RT-IG-320a.1	(1) 2.21 TRIR (2) 0 (3) Not currently reported
Fuel Economy & Emissions In Use-Phase	Sales-weighted fleet fuel efficiency for medium- and heavy-duty vehicles	RT-IG-410a.1	Not applicable
	Sales-weighted fuel efficiency for nonroad equipment	RT-IG-410a.2	Not applicable
	Sales-weighted fuel efficiency for stationary generators	RT-IG-410a.3	Not applicable
	Sales-weighted emissions of: (1) nitrogen oxides (NOx) and (2) particulate matter (PM) for (a) marine diesel engines, (b) locomotive diesel engines, (c) on-road medium- and heavy-duty engines and (d) other nonroad diesel engines	RT-IG-410a.4	Not applicable
Materials Sourcing	Description of management of risks associated with the use of critical materials	RT-IG-440a.1	Conflict Minerals Policy
Remanufacturing Design & Services	Revenue from remanufactured products and remanufacturing services	RT-IG-440b.1	Not applicable
Activity Metric		Code	Response
Number of units produced by product category		RT-IG-000.A	Not available for disclosure
Number of employees		RT-IG-000.B	~4,300



FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements generally use words such as “expect,” “foresee,” “anticipate,” “believe,” “project,” “should,” “estimate,” “will,” and similar expressions, and reflect our Company’s expectations concerning the future. All statements, other than statements of historical fact, are forward-looking statements. Forward-looking statements in this report may include, but are not limited to, statements regarding the Company’s mission, commitment to ESG, approach to ESG reporting, material ESG topics, product design, environmental benefits of certain products, energy consumption and GHG emissions, culture, employee health, wellness and safety, community engagement, governance and ethics, sourcing, cybersecurity and data privacy. Forward-looking statements are based upon currently available information, but various risks and uncertainties may cause our Company’s actual results to differ materially from those expressed in these statements.

The Company undertakes no obligation to update these statements in light of new information or future events. The inclusion of information in this report should not be construed as a characterization regarding the materiality of that information to our business, financial condition or results of operations.

Future results could differ materially from those expressed due to the impact of changes in various factors. These risk factors include, but are not limited to, those identified in our filings with the Securities and Exchange Commission, including in Item 1A of our most recent Annual Report on Form 10-K and in our most recent Quarterly Report on Form 10-Q. These reports are available on the Company’s website at www.graco.com and the Securities and Exchange Commission’s website at www.sec.gov. Shareholders, potential investors and other readers are urged to consider these factors in evaluating forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements. Shareholders, potential investors and other readers should realize that factors other than those identified in our filings with the Securities and Exchange Commission might prove important to the Company’s future results. It is not possible for management to identify each and every factor that may have an impact on the Company’s operations in the future as new factors can develop from time to time.