



Franklin Electric

2023 Sustainability Report





MOVING WATER. MOVING FUEL.
MOVING FORWARD.

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WELCOME

About this Report

Franklin Electric Co., Inc. (“We,” “Franklin Electric,” or the “Company”) is pleased to present our 2023 Sustainability Report, providing transparency and insight into our Environmental, Social, and Governance (ESG) initiatives and progress. The report houses details on ESG topics that are or may be pertinent to our internal and external stakeholders and provides details on our 2022 performance.

Information in this report covers our fiscal year ended December 31, 2022, unless otherwise indicated.

We are proud to be a company that strives toward continuous ESG improvement and hope this report reflects that desire and dedication.

★★★★
**MOST
TRUSTWORTHY
COMPANIES
IN AMERICA
2023**

Newsweek

statista 





MESSAGE FROM THE CHAIRPERSON & CEO

2022 was an exceptional year for Franklin Electric, both strategically and financially. Franklin Electric employees around the globe should take great pride in their achievements and in the positive ways that they have impacted our communities.

Our team maintained its focus on our Key Factors for Success: Quality, Availability, Service, Innovation and Cost. As I introduce our latest Sustainability Report, I would like to focus on one of these Key Factors – Service. 2022 was a year of service; service to our customers, to our communities, and to our fellow employees.

This report highlights some of the concrete steps we have taken to channel our success into tangible improvements in our governance processes, societal impact and environmental footprint. Our employees have taken these opportunities to put service into action.

The products we design, manufacture and distribute are essential to peoples' lives and to the safe and efficient functioning of critical infrastructures. Our products allow for safe and reliable access to water, the filtration and treatment of that water, and the safe and effective movement of wastewater. Our fueling business is a world-leader in creating systems for the environmentally safe and sustainable handling of liquid fuels. We are pioneering efforts to improve the uptake of high-efficiency motors and are actively developing more energy efficient innovations. We will continue to champion the increased adoption of this environmentally responsible technology. We are also cognizant of the challenges implicit in the transition to electric vehicle technology, and our engineers

are creating solutions for our customers to monitor critical assets in their grid infrastructure. This report highlights those efforts.

During 2022, we continued to strive to reduce the environmental impact of our manufacturing and distribution processes, and this report details the progress we've made. I am proud of our manufacturing, supply chain and distribution teams that made these improvements possible. Despite a host of well-documented challenges in the macroeconomy, our customers were still able to get the products and service they needed, when and where they needed them, all while limiting the associated environmental impacts.

2022 also saw my colleagues invest in each other, using the tools that we established over the past several years to improve working conditions, increase training and improve advancement opportunities for all of our employees. Franklin continued to emphasize safety as its overriding priority, and this report will detail safety statistics that help us measure our performance and strive toward a Goal Zero safety-oriented culture. We implemented a company-wide safety system that will enable us to increasingly identify hazards in the workplace, track the efficacy of safety initiatives and investments, and identify and correct the root causes of any injuries sustained.



We also implemented safety awards for our top-performing facilities from a safety standpoint. These awards allow our employees to give back to their communities in the form of company donations to local safety-oriented charitable organizations.

As detailed in last year's report, we generated ideas from our first ever company-wide engagement survey. I am pleased to report that we have implemented improvements to make our employees' experiences with Franklin more flexible, fulfilling, and to allow their diverse perspectives to be heard and celebrated. We will revisit this survey in 2023, having established baseline data from the 2021 survey, and we will continue to improve on the Company's employment offerings. As you'll read in greater detail in this report, we have established the very first Franklin Employee Resource Group, known as the Franklin Women's Network, to build a welcoming, inclusive community, provide professional alliances, equip Franklin women with relevant development tools and resources, and guide Franklin women to identify and achieve career milestones. I hope that this Resource Group is the first of many, as we continue to work toward diversity, equity and inclusion in employment and advancement opportunities.

This report also outlines our employees' service to their communities. In 2022, we were able to harness our financial success to continue the important charitable work of the Franklin Wells for the World Foundation and the Franklin Electric Charitable and Educational Foundation. Our employees make these donations and activities possible, and they should be proud of the impact that they are having in communities around the globe.

I am pleased to release our Annual Sustainability Report for 2022. We will continue to provide updates to this report as we adapt to an evolving sustainability landscape. I am exceedingly proud of our employees around the world and, on behalf of the Board, I thank them for their continued focus on serving our customers, communities and colleagues.

Gregg C. Sengstack
Chairperson of the Board and Chief Executive Officer



Franklin Electric

Our **Key Factors for Success** are a roadmap to ensure we consistently offer the best value to our customers.

QUALITY: Above all, we are committed to providing high quality products and services to our customers.

AVAILABILITY: We are committed to delivering our products and services when and where our customer needs them.

SERVICE: We are passionate about providing industry-leading technical service, robust training programs and unwavering support and communication.

INNOVATION: We are driven to evaluate new technologies and develop new products, services and processes. Our drive to innovate is at the core of what we do.

COST: We consider cost in every decision we make. We strive to control cost for the benefit of all our stakeholders.



COMPANY OVERVIEW

Franklin Electric Co., Inc. (NASDAQ: FELE) is a global leader in the manufacturing and distribution of products and systems focused on the movement and management of water and fuel. We offer pumps, motors, drives and controls for use in a wide variety of residential, commercial, agricultural, industrial and municipal applications.

At Franklin Electric, we strive to achieve market and financial success, guided by our core values and focus on our Key Factors for Success – Quality, Availability, Service, Innovation and Cost. Along with maintaining a culture of safety and continuous improvement, every Franklin Electric employee is expected to make decisions based on our Key Factors for Success to ensure we offer the best value to our customers. We do this not solely because it is good business, but because it is the right thing for our customers, employees, shareholders and business partners.

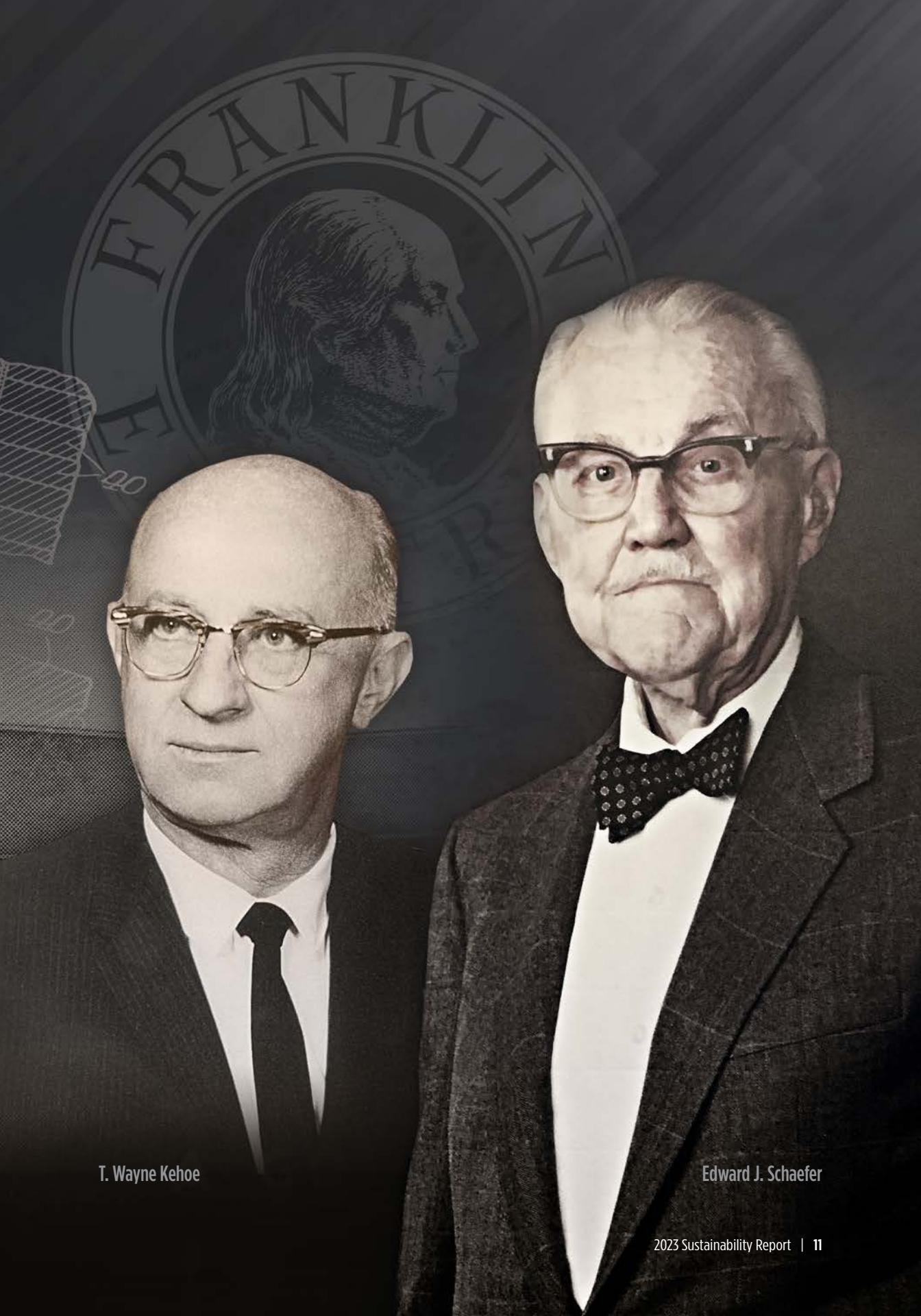
Franklin Electric has grown from a small motor manufacturing company into a leading global provider of systems and components for the movement of water and fuel. Named after America's pioneer electrical engineer, Benjamin Franklin, we continue to follow the core of our founders' strategy by continuously improving our products and processes to deliver valuable and innovative solutions that better serve our customers' needs.

Our vision is to be an indispensable partner to our customers. We consistently deliver products of the highest quality available in the market, provide training that reflects the importance of the safety of our customers and end-users, and develop innovative products that deliver unparalleled performance, protect the environment and support sustainable energy sources. Our goal is to accomplish these objectives in ways that deliver value to our customers and shareholders.

From driving greater productivity in our plants to delivering more efficiency in our global projects, Franklin Electric is committed to operational excellence. In our manufacturing locations, we rely on leading best practices to increase machine availability, yields and value. We are always looking for better ways to turn inputs into quality products; this forward-thinking approach is crucial to our long-term success.

OUR HISTORY

-
- 1944 Founded by Edward J. Schaefer & T. Wayne Kehoe in Bluffton, Indiana
Introduced the first fully submersible electric motor for water pumping.
 - 1963 First international location established in Germany
 - 1988 Established FE Petro Fueling Business
First explosion-proof submersible motor for fueling systems.
 - 2004 Entered water systems pump market with acquisition of JBD Pumps
 - 2006 Expanded into the water systems plumbing, heating, ventilation and air conditioning (P/HVAC) market with acquisition of Little Giant
 - 2013 Corporate Headquarters relocated to Fort Wayne, Indiana
 - 2017 Entered the water systems distribution business with establishment of Headwater Companies and the acquisition of DSI, 2M and Western Hydro
 - 2019 Entered the water treatment market with the acquisition of First Sales, LLC, and subsequent acquisitions of Waterite
 - 2021 Expanded water treatment footprint with acquisitions of Puronics and Aqua Systems



T. Wayne Kehoe

Edward J. Schaefer



Franklin Electric



CORPORATE GOVERNANCE

Under Gregg Sengstack's leadership, the executive team is responsible for the development and implementation of Franklin Electric's strategies, policies and goals related to economic, environmental and social impacts.



The logo for the Franklin Leadership Summit features a stylized blue mountain peak icon above the text "FRANKLIN LEADERSHIP SUMMIT". The background of the logo is dark grey, with a vertical green bar on the left side.

**FRANKLIN
LEADERSHIP SUMMIT**

CORPORATE GOVERNANCE

Board of Directors

Franklin Electric's Board of Directors drives our culture of compliance and commitment to safety, employee and customer training and engagement, innovative and efficient product offerings, and lean manufacturing activities. The primary responsibility of the Board is to oversee the affairs of the Company for the benefit of the Company's shareholders.

Board Structure & Governance

The Board has three standing committees: Audit, Management Organization and Compensation, and Corporate Governance. The Company's Corporate Governance Guidelines provide for an independent non-executive director to act as Lead Independent Director. The Lead Independent Director is appointed by a majority of the independent directors and serves for a three-year term. Jennifer Sherman currently serves as the Company's Lead Independent Director.

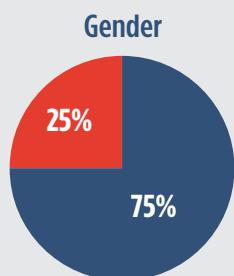
The principal functions of the Board of Directors are to:

- Review, approve and provide accountability for the long-term strategic objectives and direction of the Company, including oversight of the Company's investment in environmental, social and governance initiatives
- Select, advise, counsel, encourage, and evaluate the Chief Executive Officer and to select his or her successor
- Review and support the actions required to provide resources to pursue the objectives, strategies and plans of the Company
- Evaluate the performance of senior management
- Review the way the Company operates to help assure that it is managed both effectively and responsibly
- Nominate suitable candidates for election to the Board and to establish and carry out an effective system of board governance
- Review and advise on the Company's sustainability strategy

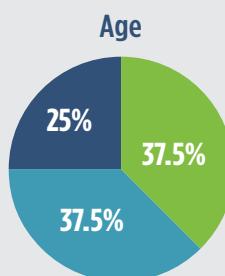
[Read More About the Board of Directors](#)

www.franklin-electric.com/company/board-of-directors

7 INDEPENDENT DIRECTORS

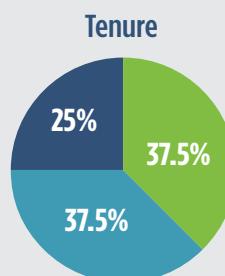


MALE | 6
FEMALE | 2

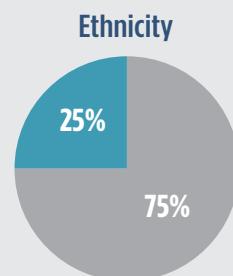


≤ 60 YEARS | 3
61-65 YEARS | 3
65+ YEARS | 2

1 NOT INDEPENDENT



≤ 4 YEARS | 3
5-9 YEARS | 3
10+ YEARS | 2



WHITE | 6
ASIAN | 2



Name	Age*	Director Since	Principal Occupation	Independent	Committees		
					Audit	Compensation	Governance
Gregg Sengstack	64	2014	Chief Executive Officer and Chairperson, Franklin Electric	CEO			
Victor Grizzle	61	2020	CEO, Armstrong World Industries	Yes		✓	✓ Chairperson
Renee Peterson	62	2015	CFO, The Toro Company	Yes	✓ Chairperson		✓
Alok Maskara	52	2021	CEO, Lennox International, Inc.	Yes	✓	✓ Chairperson	
Jennifer Sherman	58	2015	CEO, Federal Signal Corporation	Yes		✓	
David Wathen	70	2005	Retired; Formerly, CEO, TriMas Corporation	Yes			✓
Thomas VerHage	70	2010	Retired; Formerly, CFO, Donaldson Company	Yes	✓		✓
Chris Villavarayan	52	2022	CEO & President, Axalta Coating Systems, Ltd.	Yes	✓	✓	

*As of publication

Executive Officers



Gregg C. Sengstack

Chairperson of the Board and Chief Executive Officer

Gregg Sengstack joined the Company in 1988. Since then, Mr. Sengstack has held positions in various departments, with significant leadership experience both domestically and internationally. His long tenure with the company provides us with a unique depth of understanding into our markets and businesses and helps guide our strategy.

Elected Chairperson of the Board in 2015, Mr. Sengstack has served as Chief Executive Officer since 2014, at which time he also became a director. He served as President and Chief Operating Officer from 2011-2014. Prior thereto, he was Senior Vice President and President, Franklin Fueling Systems and International Water Group, and has held numerous positions in the Company's Finance organization before becoming Chief Financial Officer in 1999. He also serves on the board of Woodward, Inc. (WWD: NASDAQ).



Jeffery L. Taylor

Vice President, Chief Financial Officer

Mr. Taylor served as Chief Financial Officer for Blue Bird Corporation, a leading manufacturer of school buses, prior to joining Franklin Electric. He previously held the position of Senior Vice President and Chief Financial Officer of Wabash National Corporation and brings strong financial leadership, operational expertise and public company experience to our company. Mr. Taylor holds a bachelor's degree in chemical engineering from Arizona State University and a Master of Business Administration from the University of Texas.



DeLancey W. Davis

Vice President and President, Headwater Companies

Mr. Davis served as Vice President of Sales and Marketing for Flexcon Industries prior to joining Franklin Electric in 2005. Previously, he was a practicing attorney with the Washington D.C. office of Holland & Knight, LLP and for many years represented the water systems industry as a lobbyist for the Water Systems Council. In 2017 he was named Vice President and President, Headwater Companies, assuming responsibility for the Distribution segment of the Company.



Jonathan M. Grandon

Chief Administrative Officer, General Counsel
and Secretary

Mr. Grandon joined Franklin Electric in September 2016. He had most recently been Senior Vice President, General Counsel and Secretary of Biomet Inc., a leading multi-national health care and medical device company. He had also previously been a partner in the Chicago office of Ropes & Gray LLP, and prior to that was a partner at Mayer Brown LLP.



Donald P. Kenney

Vice President and President, Global Water

Mr. Kenney was hired as FE Petro employee number three in 1991, eventually becoming President of FE Petro in 2001, and then President of Franklin Fueling Systems in 2005. In 2013, Mr. Kenney was promoted to President, Energy Systems, then appointed to President, North America Water Systems in 2017. In 2019, Franklin Electric established a Global Water Organization, naming Mr. Kenney President, Global Water, responsible for all geographically arranged commercial organizations.



Jay J. Walsh

Vice President and President, Franklin Fueling Systems

Mr. Walsh has served as President of Franklin Fueling Systems since 2017 and is responsible for the growth and continued success of our Fueling and Grid Solutions businesses. He started with Franklin Electric in 1995 in the fueling business then known as FE Petro. Prior to taking over as the President of Franklin Fueling Systems, he was responsible for that division's marketing and sales.



Brent Spikes

Vice President, Global Manufacturing Operations

Mr. Spikes joined Franklin Electric in 2005. Since joining Franklin Electric, he has held several leadership positions in manufacturing, distribution and engineering. He most recently served as Vice President of Global Water Engineering. Prior to joining the Franklin Electric team, Mr. Spikes held manufacturing leadership roles in the HVAC manufacturing industry with both Trane Technologies, Inc., and Advanced Distributor Products, a business unit of Lennox International Inc. Mr. Spikes holds a bachelor's degree in industrial engineering from Louisiana Tech University and a Master of Business Administration from the University of Saint Francis.



Ken Keene

Vice President, Global Supply Chain

Mr. Keene joined Franklin Electric in November 2004 as Manufacturing Operations Manager and has since held various operations management, supply chain and sales leadership positions. He had most recently been Vice President of EMEA Manufacturing based in Izmir, Turkey. Prior to joining Franklin Electric, Mr. Keene was Senior Production Leader at Trane Technologies Inc., a leading manufacturer of heating, ventilating and air conditioning (HVAC) systems. Mr. Keene received a bachelor's degree in industrial engineering from Southern Polytechnic State University and Master of Business Administration degree from Georgia Southern University.

CORPORATE GOVERNANCE

Committees

The Board of Directors has adopted a Committee Charter for each of its committees that set forth such committee's duties and responsibilities. In accordance with independence standards set forth in the Company's Corporate Governance Guidelines and under the applicable NASDAQ rules, all members of every committee have been determined to be "independent directors."

[Read the Company Committee Charters](#)

www.franklin-electric.com/company/governance

A primary responsibility of our Board of Directors is overseeing the Company's strategy. The Corporate Governance Committee provides oversight of the Company's approach to sustainability and corporate social responsibility. The Audit Committee oversees reporting, internal control and continuous disclosures. The Management, Organization and Compensation Committee oversees the Company's goal to continuously improve diversity, equity and inclusion, as well as talent development. Our Vice President, Chief Administrative Officer and General counsel leads the Environmental, Social and Governance Committee, which includes the following cross-functional senior leaders:

Roles & Responsibility

Corporate Governance Committee: Provides oversight of ESG Program

VP, Chief Administrative Officer & General Counsel:
Executive management oversight of ESG Program

ESG Committee: Sets ESG Program goals and strategy and publishes Sustainability Report

Corporate Governance Committee

The current members of the Corporate Governance Committee (the “Governance Committee”) are Victor Grizzle (Chairperson), Thomas VerHage, Renee Peterson, and David Wathen. Under its charter, the Governance Committee reviews the size of the Company’s Board of Directors and committee structure and recommends appointments to the Board and the Board Committees; reviews and recommends to the Board of Directors the compensation of non-employee directors, including awards to non-employee directors under the Company’s equity-based compensation plans; and develops and recommends to the Board corporate governance guidelines deemed necessary for the Company. The Committee also directs the Board’s oversight of the Company’s ESG program. The Governance Committee engages in discussions with the ESG Committee regarding the Company’s ESG initiatives and goals at each of its scheduled meetings and works with the Company’s management team to set the Company’s sustainability strategy.

Director Nomination Process

The Governance Committee is responsible for identifying and recommending to the Board candidates for director. The Governance Committee considers diversity when identifying candidates for directorships. Although the Company does not have a written policy regarding diversity, the Governance Committee seeks to identify persons from various backgrounds and with a variety of life experiences who have a reputation for, and a record of, integrity and good business judgment and the willingness to make an appropriate time commitment. The Governance Committee takes into account the current composition of the Board and the extent to which a person’s particular expertise, experience and ability will complement the expertise and experience of other directors. The Governance Committee believes that candidates for director should also be free of conflicts of interest or relationships that may interfere with the performance of their duties. Based on its evaluation and consideration, the Governance Committee submits its recommendation for director candidates to the full Board of Directors, which is then responsible for selecting the candidates to be elected by the shareholders.

Environmental, Social and Governance Committee

In 2020, the Board empowered an executive-led Environmental, Social and Governance (“ESG”) Committee to focus on sustainability initiatives, including the compiling and disclosure of this Sustainability Report. The ESG committee is chaired by the Company’s Vice President, Chief Administrative Officer and General Counsel, and also includes the following members of senior management: Vice President, Chief Financial Officer; Associate General Counsel and Compliance Officer; Senior Director, Global IT Infrastructure and Operations; Director, Internal Audit; Director, Global Human Resources; and Director, Global Environmental Health & Safety.

The ESG Committee meets throughout the year and reports to the Governance Committee of the Board of Directors during its regularly scheduled meetings. The ESG Committee is also tasked with driving improvement of ESG targets and monitoring the ESG program alignment with the Company’s strategic objectives.

CORPORATE GOVERNANCE

Audit Committee

The current members of the Audit Committee are Renee Peterson (Chairperson), Chris Villavarayan, Alok Maskara, and Thomas VerHage. The Board of Directors has determined that each member of the Audit Committee is an “audit committee financial expert” as defined by Item 407(d)(5)(ii) of Regulation S-K of the Exchange Act.

Under its charter, the Audit Committee assists the Board of Directors in fulfilling its oversight responsibilities by reviewing the Company’s financial information and internal controls; the Company’s processes for monitoring compliance with laws and regulations; and the Company’s audit and risk management processes, including an annual risk assessment process. The Audit Committee is also responsible for the review, approval or ratification of transactions between the Company and “related persons,” as required by the Company’s policies.

Included in the Audit Committee’s oversight of risk management activities is a review of the Company’s environmental, sustainability and cybersecurity risks, and related risk and impact mitigation plans. The Company’s current Cybersecurity Response Statement is available online together with the Company Committee Charters.

[Read the Cybersecurity Response Statement](#)

[Cybersecurity Response Statement PDF](#)

Management Organization and Compensation Committee

The current members of the Management Organization and Compensation Committee (the “Compensation Committee”) are Alok Maskara (Chairperson), Jennifer Sherman, Chris Villavarayan, and Victor Grizzle. Under its charter, the Compensation Committee recommends to the Board of Directors the annual salary and bonus for the Chief Executive Officer, determines and approves the equity awards for the Chief Executive Officer, and the annual salary, bonus and equity awards of the other executive officers of the Company; reviews and submits to the Board of Directors recommendations concerning bonus and stock plans; periodically reviews the Company’s management benefits policies and programs; and oversees the Company’s management development and organization structure. As part of its oversight of management development, the Compensation Committee encourages consideration of diversity in senior management succession planning. The Compensation Committee will also consider the extent to which improvement upon the ESG metrics identified in this Sustainability Report will be tied to future executive compensation.

Product Review Committee

As part of our commitment to safety, we maintain a cross-functional Product Review Committee (the “PRC”) which includes representation from Global Engineering, Global Product Supply, Commercial Leadership and Legal. The PRC is responsible for overseeing the evaluation of new products prior to launch to mitigate the risk of personal injury or property damage as a result of the product’s installation, application or utilization by an end-user. The PRC also reviews reports of potential safety issues identified in the field and responds accordingly, with Franklin’s commitment to quality and safety guiding all decisions.



Franklin Electric

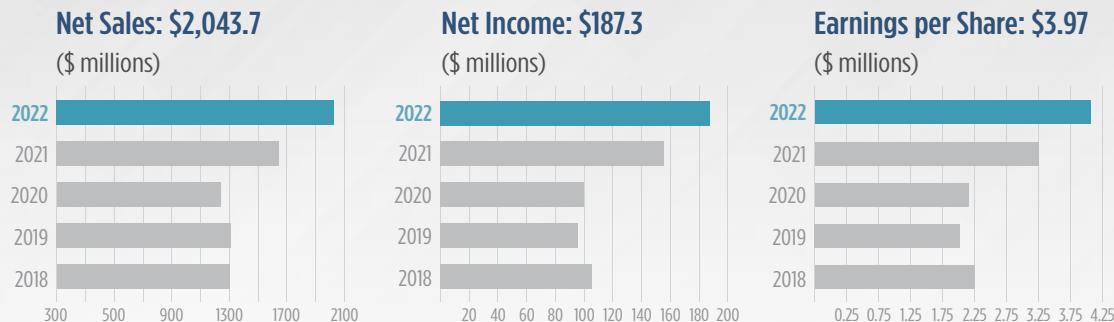


FINANCIAL SUMMARY



FINANCIAL SUMMARY

Financial Summary



(in millions, except per share amounts and ratios)

Operations	2022	2021	2020	2019	2018
Net sales	\$ 2,043.7	1,661.9	1,247.3	1,314.6	1,298.1
Operating income	\$ 257.2	189.2	130.5	127.1	132.0
Operating income as a percent of sales	% 12.6	11.4	10.5	9.7	10.2
Balance Sheet					
Debt net of cash, equivalents and investments ⁽¹⁾	\$ 170.2	148.0	(36.6)	50.6	147.2
Shareholders' equity	\$ 1,067.9	946.5	847.8	796.5	733.9
Net debt as a percent of equity	% 15.9	15.6	(4.3)	6.4	20.1
Cash Flow					
Net cash flow from operating activities	\$ 101.7	129.8	211.8	177.7	128.4
Capital expenditures, net ⁽²⁾	\$ 41.9	29.1	22.8	21.0	21.7
Acquisitions ⁽³⁾	\$ 5.0	235.7	55.9	20.8	45.0
Investment Data					
Return on average invested capital ⁽⁴⁾	% 16.4	13.8	12.6	12.0	12.2
Weighted average common shares outstanding		47.0	47.0	46.7	46.8
Income Per Share					
Per weighted average common share, assuming dilution	\$ 3.97	3.25	2.14	2.03	2.23
Dividends per common share	\$ 0.7800	0.7000	0.6200	0.5800	0.4675

(1) Debt, net of cash, equivalents and investments is comprised of total debt of \$216.0, \$188.5, \$94.5, \$115.0 and \$206.4 less cash and cash equivalents of \$45.8, \$40.5, \$130.8, \$64.4 and \$59.2 in 2022, 2021, 2020, 2019 and 2018, respectively.

(2) Capital expenditures, net is comprised of additions to property, plant, and equipment of \$41.9, \$30.1, \$22.8, \$21.9 and \$22.4 less proceeds from sale of property, plant, and equipment of \$0, \$1.0, \$0, \$0.9 and \$0.7 in 2022, 2021, 2020, 2019 and 2018, respectively.

(3) Acquisitions is comprised of cash paid for acquisitions, net of cash acquired of \$1.2, \$235.7, \$55.9, \$20.8 and \$45.0 plus deferred payments for acquisitions of \$3.8, \$0, \$0, \$0 and \$0 in 2022, 2021, 2020, 2019 and 2018, respectively.

(4) ROIC based on after-tax calculation

2022 Highlights

Investor Relations

www.franklin-electric.com/company/investor-relations

FRANKLIN ELECTRIC

\$2.0 B
RECORD SALES

\$3.97
RECORD EARNINGS
PER SHARE

Business Unit	Record Sales	Record Operating Income
Water Systems	\$1,158 M	\$172 M
Fueling Systems & Grid Solutions	\$334 M	\$97 M
Headwater Companies	\$668 M	\$55 M



Franklin Electric



OPERATIONS

In our engineering center and test labs around the world, each one of our more than 40,000 products is engineered to provide a reliable solution to our customers' challenges. From our global headquarters in Fort Wayne, Indiana, to our more than three million square feet of manufacturing and distribution facilities across the globe, the same uncompromising quality standards apply.





OPERATIONS MAP

**OVER 6,500 EMPLOYEES
LOCATED IN 18 COUNTRIES**



GLOBAL HEADQUARTERS



MANUFACTURING FACILITIES



OFFICE/WAREHOUSE FACILITIES

Every day, the world's population uses approximately three trillion gallons of fresh water and consumes approximately one billion gallons of fuel. And, every day, Franklin Electric produces 20,000 pumps, motors, drives and controls that make that possible. We understand how essential our products are to people's lives and livelihoods. Together we assure their reliability and availability to our millions of customers around the world.

OPERATIONS

Water Systems

Water is critical to communities around the world. The vast majority of the world's fresh water supply is held in underground aquifers, and Franklin Electric products have become a trusted solution to bring that water to the surface. Franklin Electric has been able to leverage its expertise in motor applications to grow and serve a number of different markets. Franklin offers pumps, motors, drives and controls for use in a wide variety of residential, commercial, agricultural, industrial and municipal installations for both clean and gray water applications, as well as water treatment systems for residential and commercial use.

Water Systems: Regions

US & Canada

Fort Wayne, Indiana



At Franklin Electric, innovation and sustainability work together to enhance our R&D process. We see these as catalysts that drive the development of solutions that add value to global markets. Providing efficient products of the highest quality will continue to be a cornerstone of our success and growth. From our Global Headquarters and Engineering Design Center, we collaborate with teams around the globe to meet the needs of our customers and markets.

Latin America

Linares, Mexico



To meet the tough water demands of Latin America, our strategic distribution partners and centrally located distribution centers offer complete groundwater pumping systems for submersible and surface pumps, submersible motors, and a robust family of electronics.

EMEA

Dueville, Italy



Offering a full line of submersible motors and pumps that can be used for residential, commercial and industrial pumping applications, our EMEA business is responsible for sales, distribution, and service in Europe, the Middle East and North Africa.

Southern Africa

Johannesburg, South Africa



Our presence in this region allows us to bring our expertise, along with a complete line of high quality submersible and surface pumps and motors, to key developing markets throughout southern Africa.

Asia-Pacific

Suzhou, China



The Asia-Pacific (APAC) region includes both mature and emerging markets, and we serve these diverse markets, and others around the world, from our manufacturing facilities and sales offices in Korea, Thailand, Singapore, China and Australia

OPERATIONS

Water Systems: Brands

Franklin Electric



Franklin Electric offers pumps, motors, drives, and controls for use in a variety of residential, commercial, agricultural, industrial and municipal applications. Our principal markets include clean water systems, water transfer and gray water systems.

Pioneer Pump®



Leading-edge hydraulic engineering makes our centrifugal Pioneer Pumps the highest performing pumps on the market. These pumps provide better flow, higher head, greater efficiency and unparalleled service designed to meet unique challenges.

Engineered Products



Franklin Electric offers a range of wastewater, centrifugal and booster pumps configurable to meet our customers' specific demands, offering the advantage of quality, availability, sizing, design and customized configuration support.

Little Giant® Pumps



Little GIANT®

The Little Giant brand specializes in the water transfer market with products including wastewater, sump, sewage, effluent, dewatering, condensate, magnetic drive, and utility pumps; as well as low pressure sewer systems, and water garden pumps and products.

Red Lion® Pumps



RED LION®

The Red Lion brand is an integral part of the retail hardware pump industry. We continue to use extensive market research to innovate and grow our product line.

Solar Pumping Systems



FH2OTON

In many remote locations around the world, operating submersible pumps and motors is challenging due to unavailable or unreliable power sources. We are committed to developing new systems for renewable energy while using our proven system technologies.

OPERATIONS

Water Treatment: Brands

Aqua Systems®



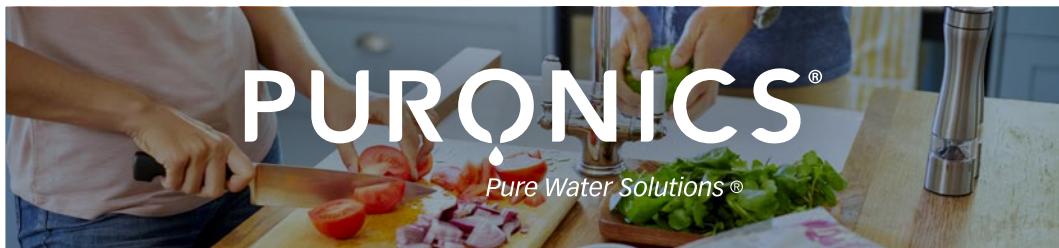
Aqua Systems is a direct-to-consumer retail water treatment provider based out of Avon, Indiana, that also has an extensive dealer network providing equipment to homeowners. These products are all modular with easily swappable parts to reduce waste and complexity on replacement.

Hellenbrand



Hellenbrand provides water treatment systems to both the dealer and commercial network to improve the quality of municipal or well water. Hellenbrand is known for quality products, expert training and technical support.

Puronics®



Puronics provides whole-house water softener treatment systems that filter drinking water to improve the quality of municipal or well water. Products include residential units, under-counter options, full commercial systems, solar-powered units, and even no-salt tank options.

Avid Water Systems



Avid Water Systems is a supplier of water treatment equipment to the plumbing and well supply trade. Avid offers a complete line of innovative filters, softeners and reverse osmosis systems. These products are available through licensed plumbers, well drillers and pump installers nationwide.

Sterling Water Treatment



Sterling Water Treatment offers a wide range of components including both residential and commercial water treatment control valves. Proudly manufactured in Indiana, USA, Sterling products are highly efficient, easy to service, and provide lifetime value to customers.

Waterite



Waterite is a manufacturing and distribution company that specializes in products for the water treatment, conditioning and purification industry. Its national Canadian network of distributors and water quality specialists supply the residential, industrial, institutional and municipal markets.

OPERATIONS

Headwater Companies



Headwater Companies, LLC is a collection of leading groundwater distributors. This collective and vested group ensures a focused groundwater distribution organization that delivers quality products and leading brands to the U.S. market, providing contractors with the availability and service they demand to meet their application challenges.



Fueling Systems, Grid Solutions and EV Systems

Our Fueling Systems, Grid Solutions and EV Systems businesses provide innovative products, services and system solutions for the movement of fuel and the monitoring of critical devices that protect human health and the environment, while delivering the lowest total cost of ownership. Consistent with the Company's commitment to safety, we are driven to be the world leader in equipment training for installers and maintenance personnel, utilizing the FFS PRO® and GRID PRO™ platforms to deliver the premier global online and live training. Our products make a difference in industries such as retail fueling, petroleum, telecom, data centers and electric utilities.



At Franklin Fueling Systems, everything we do focuses on providing petroleum marketers, distributors, installers and maintenance personnel with the optimal Total System Solution™. We provide several solutions that offer environmental protection, including our line leak detection and Corrosion Control products.



Sophisticated, high-value asset monitoring solutions for utility applications and advanced battery testing and monitoring for mission-critical standby power applications.



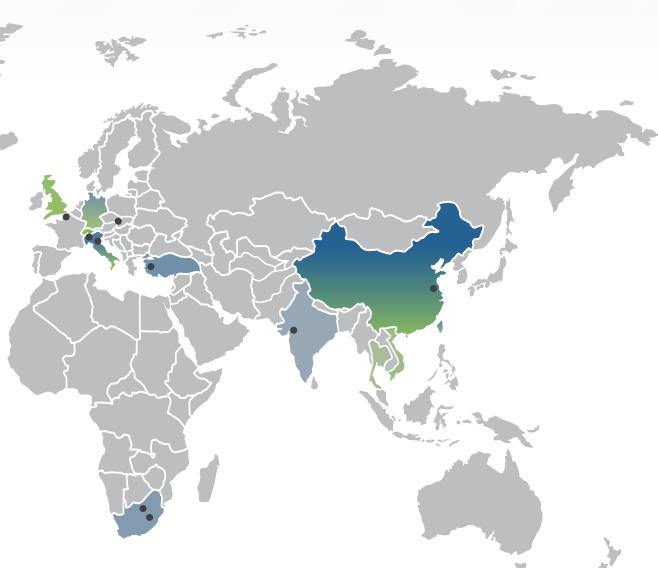
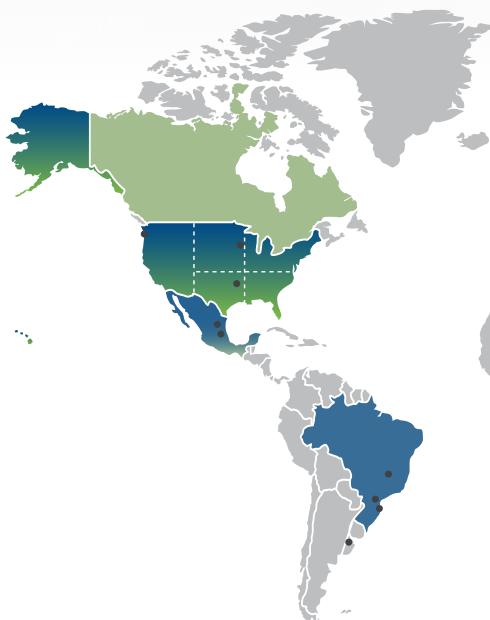
SUPPLY CHAIN

To build the almost 20,000 products produced by Franklin Electric each day, we must have a robust and efficient supply chain, focused on quality and availability.

APPROXIMATELY
3,100
SUPPLIERS
+ 300 since 2022

APPROXIMATELY
45,000
PARTS & COMPONENTS
+ 6,000 since 2022

18
MANUFACTURING
LOCATIONS
+ 2 since 2022



Supplies: Country of Origin (by spend)



More ← → Less

Water Systems	
1	United States, \$148M
2	China, \$96M
3	Mexico, \$58M
4	Italy, \$38M
5	Brazil, \$33M
6	Taiwan, \$25M
7	Germany, \$16M
8	India, \$15M
9	Turkey, \$14M
10	South Africa, \$7M

Fueling Systems	
1	United States, \$58M
2	United Kingdom, \$10M
3	China, \$6M
4	Italy, \$3M
5	Germany, \$2M
6	Switzerland, \$2M
7	Taiwan, \$1M
8	Vietnam, \$730K
9	Canada, \$400K
10	Thailand, \$300K

Manufacturing: Facility Locations

● Manufacturing Facility

Water Systems	
United States	Brazil
Czech Republic	South Africa
Italy	China
Turkey	India
Mexico	

Fueling Systems	
United States	
China	
Mexico	
United Kingdom	
India	

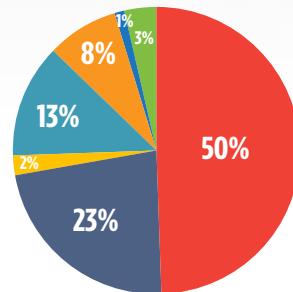
Water Systems

Supplies

Spend by Category (in order)		
1 Metal Products	8 Components, Specialized	15 Elastomers & Seals
2 Finished Goods, Purchased Complete	9 Heavy Fabrications	16 Fasteners & Hardware
3 Motors, Electric	10 Plastics	17 Chemicals
4 Castings	11 Light Fabrications	18 Bearings
5 Components, Electronics	12 Bar Stock, Rod & Extrusions	19 forgings
6 Wire	13 Electrical	20 Insulation
7 Engines	14 Packaging Material	

Manufacturing

Product Types & Number of Products		
Vertical Pumping Systems	16,058	Electronics & Controls
Large Centrifugal Pumping	767	Wastewater Pumping Systems
Surface Pumping Systems	7,321	Condensate & Specialty Pumps
Water Treatment	4,069	
TOTAL: 32,343 SKUs		



Third Party Customers

Headwater Companies U.S. Locations & Number of Branches

West	Midwest	East
Western Hydro, LLC	12	Headwater Wholesale
2M Company	18	Valley Farms Supply
Gicon Pumps & Equipment	7	Milan Supply Co.
TOTAL	37	20
		32

Headwater Corporate Office: Littleton, Colorado

Markets



OPERATIONS

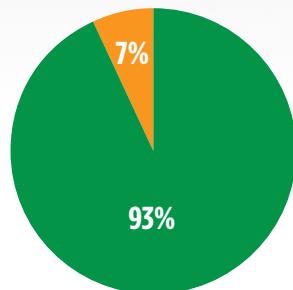
Fueling Systems

Supplies

Spend by Category (in order)		
1 Light Fabrications	8 Tubing, Blanks	14 Insulation
2 Plastics	9 Castings	15 Bearings
3 Components, Specialized	10 Chemicals	16 Bar Stock, Rod & Extrusions
4 Elastomers & Seals	11 Packaging Material	17 Motors, Electric
5 Fasteners & Hardware	12 Metal Products	18 Sintered
6 Electrical	13 Wire	19 Finished Goods, Purchased Complete
7 Components, Electronics		

Manufacturing

Product Types & Number of Products	
Fueling	5,107
Grid Solutions	373
TOTAL	5,480 SKUs



Distribution

Number of Franklin Fueling Systems Distributor Locations			
US/Canada	369	Asia	42
Australia	167	Latin America	37
China	87	Africa	30
Europe	78	W. Asia & Middle East	30
India	49	Russia	4
		TOTAL	893

Number of Grid Solutions Distributor Locations			
US/Canada	200	Middle East	5
Asia	35	Latin America	4
Europe	9	India	3
China	8	Australia	1
		TOTAL	265

Markets



Promoting a Sustainable Supply Chain

To increase efficiency and promote a sustainable supply chain, we focus on shortening the supply chain through localization efforts that align with our global manufacturing footprint. This reduces our greenhouse impact from the transportation of those goods. We also focus on manufacturing products that are built with high quality components to increase durability and reliability, and result in fewer product issues and replacements.

In 2023, we will begin to review the feasibility of returnable packaging, specifically targeting returnables related to heavy fabrication parts. As noted below in our Supplier Compliance section, our collaboration with Assent Compliance helps to reduce the risk of purchasing from suppliers who do not have a focus on environmental or social sustainability impacts.

Supplier Compliance

Conflict Minerals

An important factor in supply chain sustainability is responsible sourcing practices, particularly the sourcing of minerals used in our products. Tin, tungsten, tantalum and gold (3TG), commonly known as “conflict minerals,” are associated with human rights violations in the Democratic Republic of the Congo (DRC) and neighboring countries. Frank Electric communicates its expectations to all our suppliers so they have policies and procedures in place to ensure that any 3TGs used in the production of the products sold to Franklin Electric are DRC conflict-free. This means that the products must not contain 3TGs that directly or indirectly finance or benefit armed groups in the covered countries. Franklin Electric has invested in Assent, a compliance management solution, to collect, standardize, validate and communicate conflict minerals data from our supply chain.

Supplier Code of Conduct

To ensure that our suppliers conduct business with the same standards of integrity and compliance we hold ourselves to, we provide a Supplier Code of Conduct that applies to all direct suppliers. This Supplier Code of Conduct is based on industry and internationally accepted principles such as the United Nations Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance. Franklin Electric reserves the right, upon reasonable notice, to audit supplier compliance with our policies and applicable laws. The Supplier Code of Conduct is reviewed annually to ensure it continues to align with industry best practices. Violation of this code will be considered a breach of supplier’s other agreements with Franklin Electric.

OPERATIONS

Moving Forward

Our Global Product Supply team is focused on sustainability initiatives and is working collaboratively to improve our environmental, economic and social metrics. We identified the following as facility improvement opportunities that further our sustainability goals. In 2020, we began work on these initiatives in several of our facilities.

ESG Highlights: Progress Toward our Vision

UPGRADES & IMPROVEMENTS

The Wilburton facility is undergoing a remodel to replace lighting with LED options, installing sensing faucets and low-flush toilets, and upgrading exterior windows to improve heating and air efficiency.

2%

In Linares, air compressor dryers have been installed to keep humidity levels as low as possible, resulting in an increase of air flow and power. Newly installed smart thermostats have also accommodated a 2% increase in temperature.

OPTIMIZATION & EFFICIENCY

In Guadalupe, UV light has been reduced with window treatments, compressors have been optimized, receiver tanks have been installed to reduce the loading and unloading of the compressor (increasing efficiency and reducing pulsation, and a closed loop recycling fire system has been installed to reduce water consumption).

40%

The Joinville facility has installed automatic faucets and is now generating 40% of their power from solar panels.

CONVERSION & PERFORMANCE

Araquari, Monte Azul Paulista, Joinville, and Linares have converted either mostly or entirely to LED lighting, and motor performance has been optimized with the installation of variable frequency drives on air compressors in three of these facilities.



Water Consumption

- Ensure we have “closed loop” systems where possible
- Capture water (condensation) from our HVAC units to re-use for sanitary use (urinal flushing)
- Upgrade to “low flow” toilets
- Rain water collection
- Sensing faucets

Waste-Stream Audits

- Dumpster dive to assess waste generation
- Determine types and quantity
- Identify opportunities
- Aggressively tackle hazardous waste
- Work toward a zero landfill certification/focus on recycling

Furnace/Oven/Boiler Tuning

- Regular air/fuel checks
- Filter replacement schedules
- Inspect heating equipment for energy loss due to leaks and improper settings
- Infrared heaters

Lighting

- Smart LED
- Integrated light controls with occupancy sensors

HVAC Systems

- Smart thermostats
- Regular maintenance on outdoor condenser units
- Filter changes
- Adjusting thermostats +/- a few degrees depending on the season
- Window UV protection

Air Compressors

- Install variable frequency drives
- “Right-size” units and variable speed control compressors
- Pressure optimization
- Repair air leaks/regular maintenance
- Install storage tanks
- Review intake air quality and humidity
- Upgrade controls and monitoring systems

COMMITMENT TO SAFETY

Franklin Electric is committed to protecting the health and safety of our employees, customers and end users. We actively promote a culture in which we continually train employees on health and safety best practices with the goal of zero work-related injuries. We encourage employees to not only look out for themselves, but also for each other. Ultimately, our goal is to minimize potential safety risks in order to protect our people and assets, and to better position Franklin Electric for future growth.

There are a number of risks inherent in producing, assembling, distributing and servicing our products. In order to achieve our goal of zero work-related injuries, we work diligently to identify and reduce these risks through awareness, training and clear procedures. An Environmental, Health and Safety (EHS) Committee meets at least monthly to conduct assessments of reported incidents, review and revise policies and procedures, and communicate best practices across locations. Safety metrics are reviewed with our CEO and other senior leadership at least monthly.



Safety Training Hours by Location

Location	Hours
Turkey	1,165
Mexico	4,000
Czech Republic	685
South Africa	244
Italy	760
APAC	4,814
Germany	400
South America	1,896
UK	808
North America	5,688
2022 TOTAL	13,752

Safety Performance Improvement



In the interest of transparency, the 2021 data published in our last Sustainability Report has been revised to present the most accurate information available as we continue to improve our data gathering and validation processes.

Total Recordable Rate (TRR)

Work-related injury or illness requiring medical treatment beyond first aid, days away from work, restricted work, or transfer to another job.

Lost Time Rate (LTR)

Work-related injury or illness that results in days away from work.

Days Away Restricted Transferred (DART)

Work-related injury or illness that results in days away from work, restricted work, or transfer to another job.

Rates are based on 100 employees working 40 hours per week for 50 weeks out of the year.



Defining a Culture of Safety



Live Safety is the motto of the Company's safety program which promotes our Goal Zero stance. To further this philosophy, we established an Environmental, Health and Safety (EHS) Council, lead by three members of the executive leadership team and supported by a cross-functional team from operations and human resources. The EHS council meets at least monthly to review incidents and responses, approve changes to policies or procedures, and receive updates on training campaigns and completion rates.

As part of our safety program, we implemented the SafetySkills training system in 2021, and expanded its use to South America, Latin America and newly acquired US entities in 2022. In the last year, almost 3,500 employees used the SafetySkills system for EHS training, completing over 21,000 training sessions. Additionally, we developed seven new EHS programs to include Electrical Safety, Respiratory Protection, Return to Work, Crane Hoist and Sling Safety, Stop Work, Dock Safety, and Safety Meetings.

We continuously seek to improve our data collection efforts to aid in improving both performance and reporting transparency. In 2021, we implemented an environmental, health, safety and quality management software for use by all FE sites across the world. The system is used to report incidents, capture incident analysis findings, report and document action on Hazard IDs/Near Miss Events, record inspections and Gemba walks. Recently the inspection module, permits module and ESG (Environment, Social and Governance) modules were developed and implemented. The system will help document the Company's performance and inform our journey with ESG/Sustainability.

Excellence in Safety Awards

In 2022, we began an Excellence in Safety Award program to recognize the achievements of our teams around the world. The winners of the 2021 Excellence in Safety Awards were:

Facility	Lost Time Rate (LTR)	Total Recordable Rate (TRR)	G&O
Joinville, Brazil Manufacturing Facility	0.0	0.4	99%
Guadalupe, Mexico Manufacturing Facility	0.0	0.0	89%
Bolton, Ontario Distribution Center	0.0	0.0	76%

To recognize these achievements, the Company made donations to local charitable organizations selected by the teams, with a focus on organizations that promote safety. **The following donations were made in 2022:**

- \$10,000 to the Joinville Volunteer Fire Department
- \$5,000 to Cruz Roja, a local emergency medical service and \$5,000 to Patronato de Bomberos, the municipal fire service in Guadalupe, Mexico
- \$2,500 to the Achieving Beyond Brain Injury organization in Bolton, Ontario

Milestone Achievement Awards for Lost Time-Free Performance were awarded to the following facilities:

- Canby, Oregon manufacturing facility (2 Years)
- Franklin Water Treatment facility, Livermore, California (11 Years)
- Franklin Water Treatment facility, Barrie, Ontario (15 Years)

The following facilities achieved **One Year without a Lost Time Incident** in 2022:

- Monte Azul Paulista, Brazil
- Araquari, Brazil foundry
- Joinville, Brazil manufacturing facility



Franklin Electric



COMPLIANCE WITH LAWS

Franklin Electric's core principles will never be compromised for short-term results. We aspire to be the industry leader that endures, thereby providing genuine value to our customers, employees and stakeholders. Franklin Electric takes a strong and unwavering position on ethics, business conduct and compliance with laws.



COMPLIANCE WITH LAWS

Code of Conduct

Our Code of Conduct is our commitment to doing business with honesty and integrity. All employees of Franklin Electric have a duty to act with integrity and to treat our colleagues, customers and suppliers with dignity and respect. Integrity requires, among other things, being honest, ethical and candid.

The Code of Conduct requires that each director, officer and employee:

- Act ethically, consistent with our policies
- Observe all government rules and regulations
- Adhere to a high standard of business ethics

The Code of Conduct provides guidance for ethical decision-making and outlines our responsibility to abide by the law. The Code of Conduct touches on many topics and is enhanced by separate policies we require employees to acknowledge, including policies covering Anti-Bribery and Anti-Corruption, Environmental Matters, and Anti-Discrimination. All employees are provided training on the Code and other compliance policies through a combination of in-person and online programs. Targeted training is conducted with specific groups based on risk and need.

[Read the Full Code of Conduct](#)

[Code of Conduct - PDF](#)

Supplier Code of Conduct

In addition, we expect our suppliers to acknowledge a Supplier Code of Conduct which prohibits bribery, corruption and forced labor, and requires suppliers to abide by local health, safety and environmental standards. More information regarding our commitment to a sustainable supply chain can be found in the “Supplier” section.

[Read the Full Supplier Code of Conduct](#)

www.franklin-electric.com/company/for-our-suppliers

Ethics and Integrity

Our Code of Conduct outlines the ways an employee or stakeholder can report a concern or ask a question, and employees are trained to understand that each of them has a duty to speak up. We encourage employees to speak with their supervisor, the Company's Compliance Officer, or a Human Resources representative if they need assistance or to report a concern. The Company also maintains an Ethics and Integrity Hotline, which is a third-party service providing 24/7 confidential reporting over the phone or through a website portal. Reporting assistance is provided in over 100 languages. Individuals may report anonymously, where permitted by law.

[Ethics and Integrity Hotline](#)

ethics.fe.le.com

Anti-Corruption and Anti-Bribery

We strive to be an industry leader, but success without fair competition is not acceptable. We operate globally and have a responsibility to actively address the risks of corruption and bribery, including in our supply chain. We maintain high ethical standards throughout the value chain. Franklin Electric does not tolerate bribery or corruption by any person associated with our company. Generally speaking, our Anti-Bribery Policy prohibits the making of improper or unethical payments to government officials anywhere in the world. In some cases, the laws of the United States prohibit activities that may not be illegal under the laws of the countries where the activity occurs. Other business activities may raise concerns under both U.S. and local laws. For this reason, and as a general matter, we must not act in a manner in any country that would violate either U.S. or local law.

[Read the Full Anti-Corruption Policy](#)

[Anti-Corruption Policy - PDF](#)

Discrimination

To ensure our commitment to the principles of anti-discrimination and in furtherance of our commitment to a diverse and inclusive workplace, we prohibit discrimination in hiring, promotion, demotion, treatment during employment, rates of pay, and termination of employment on the basis of race, sex, sexual orientation, gender identity, age, color, religion, national origin, disability, citizenship status, Veteran status, or any other category protected under federal, state, or local law.

[Read About Equal Employment Opportunity](#)

[Equal Employment Opportunity - PDF](#)

Forced Labor

Franklin Electric will not tolerate, engage in or support human trafficking, forced labor or child labor in any of our business practices, including our international supply chain. It is our policy not to enter a business relationship with any supplier that uses or is suspected of using any form of these practices at any stage of the production process or at any point in its own supply chain. If it is suspected that a supplier or any of the supplier's subcontractors or other business partners is engaged in human trafficking or using forced or child labor, we will immediately commence an investigation and take necessary steps to ensure compliance with our Human Rights Policy, including termination of the supplier relationship if compliance is not achieved.

Senior management is fully committed to ensuring that we source product in compliance with all laws and in a socially responsible manner. Franklin Electric employees receive recurring training, appropriate to their responsibilities, to enable them to fulfill their obligations in accordance with this policy. We also endeavor to provide training on forced and child labor prohibitions to our direct suppliers and, to the extent possible, suppliers beyond the first tier in the supply chain.

[Read the Full Forced Labor Policy](#)

[Prohibition on Human Trafficking, Forced Labor and Child Labor - PDF](#)

[Read the Full Human Rights Policy](#)

[Human Rights Policy - PDF](#)

COMPLIANCE WITH LAWS

Conflicts of Interest and Related Party Transactions

We believe that each of us has a duty to avoid conflicts of interest, including any activity, enterprise, relationship, or association which might compromise or interfere with the obligations of Franklin Electric. Conflicts of interest and related party transactions are reported to the Compliance Officer and Internal Audit, and are reviewed and approved, as required, by the Audit Committee of the Board.

[Read the Full Conflicts of Interest Policy](#)

[Conflicts of Interest Policy – PDF](#)

Non-Retaliation Policy

We want our employees to feel safe when reporting behavior that may conflict with company policy. No retaliation of any kind is permitted against any employee for complaints or concerns made in good faith. No employee or other person acting on behalf of Franklin Electric who is attempting to comply with our reporting policies will be:

- Dismissed or threatened with dismissal
- Disciplined, suspended or threatened with either
- Penalized in the terms or conditions of employment
- Intimidated or coerced

[Read the Full Non-Retaliation Policy](#)

[Non-Retaliation Policy – PDF](#)

Environmental Compliance

Franklin Electric holds a strong commitment to both environmental performance and compliance. As a manufacturer with a widespread global footprint, this means that we must uphold this commitment at over 100 locations around the world. As part of our commitment to integrity, we have internal procedures and guidelines that govern the manner in which employees must handle, use, store, transport and dispose of environmentally sensitive materials. Our goal is to develop and maintain an environmental management system that sets high standards on pollution prevention, resources preservation and compliance with applicable laws.

We are committed to:

- Communicating sound environmental policies and practices
- Minimizing waste through source reduction, reuse and recycling
- Utilizing energy-efficient measures in all facilities
- Reducing and preventing pollution where possible
- Establishing and reviewing environmental objectives annually, including, to an extent, practicable key performance indicators
- Reviewing our environmental management system for continuous improvement opportunities
- Effectively communicating environmental performance to external stakeholders

[Read the Full Environmental Policy Statement](#)

[Environmental Policy Statement – PDF](#)

Cybersecurity

Data and information systems are a key part of how Franklin Electric delivers value to our customers, employees and stakeholders. Franklin Electric's cybersecurity program is committed to protecting our customers, employees, partners, infrastructure and systems. Franklin Electric's Cybersecurity program and approach is overseen by our Board of Directors and Senior Leadership. The Board of Directors and Senior Leadership review the strategy, tools, metrics and latest trends affecting cybersecurity. Franklin Electric utilizes the National Institute of Standards and Technology (NIST) Cybersecurity Framework as the foundation for our cybersecurity strategy and approach. Third parties are engaged to assess Franklin's cybersecurity posture and adherence to the NIST Cybersecurity Framework. Strategies and initiatives are developed based on these assessments.

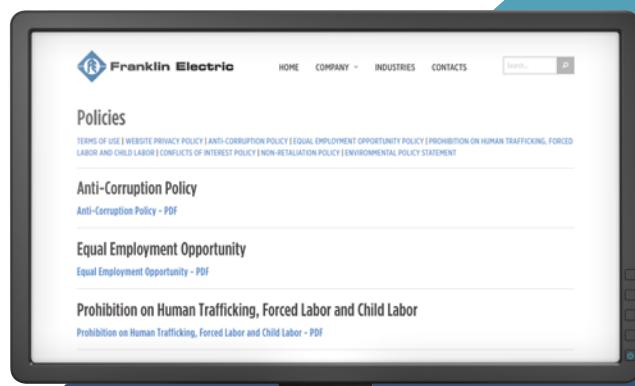
One key area for the Cybersecurity Program is employee cybersecurity education. Our employees play a key role in cybersecurity and receive mandatory cybersecurity training, phishing attack simulations, educational events, and news bulletins. Franklin Electric is committed to protecting the data of our customers, employees and partners. Our data protection and privacy program is designed to adhere to and adapt to global privacy and data protection laws.

[Read the Full Cybersecurity Risk Statement](#)

[Cybersecurity Risk Response - PDF](#)

Compliance Training

In 2021, we introduced online compliance training to our global workforce utilizing our learning management system. This allowed us to provide tailored training in employees' native languages and enhance employee understanding of compliance policies.



Visit franklin-electric.com/policies

to read these and more policies in full.



Franklin Electric



ENVIRONMENTAL IMPACT

At Franklin Electric, we manufacture products that improve lives and benefit society. Investing in our manufacturing processes ensures that we deliver value to our customers and foster growth within the business.



ENVIRONMENTAL IMPACT

We are committed to decoupling business growth from negative environmental impact. We dedicate significant resources to research and development, focusing on improvements to the efficiency of our products, all of which ease the reliance on fossil fuels. For example, our investment in innovation led to the development of our solar-powered Photon™ Drive, which provides a high-quality, sustainable solution for agricultural and commercial markets.



Water Systems

Pollution of groundwater aquifers represents a clear danger to human health, the environment and our business. We are committed to lowering our own environmental impact by mandating clean, sustainable manufacturing and distribution processes, and by designing products that protect against environmental damage. Additionally, Franklin Electric is a supporting member of the Water Systems Council, an organization that encourages the sustainable design and use of wells in the United States, and the Water Quality Association, a not-for-profit association that promotes education and professional standards for the water treatment industry. We work through the Water Systems Council and the Water Quality Association to address policy issues which promote sensible regulations for small water systems and water treatment systems development. This relationship also allows us to support a sustainable approach to groundwater and source water management and to water treatment.

Fueling Systems

Our fueling business pioneered advances in petroleum piping and containment systems, electronic leak detection, and overfill protection, all of which make it possible for providers to safely keep up with the world's liquid fuel needs. Through our *FFS PRO: University* program, we provide the industry's premier training for petroleum equipment installation professionals. We focus not only on training and certification, but we also aim to serve as the industry leader in fueling system safety and continued learning. *FFS PRO: University* takes a system approach to training, giving installers a complete view of a fueling system and a more comprehensive understanding of how one system component affects another – with the goal of eliminating installation errors that could negatively impact the environment.

CONSERVATION IN ACTION: OPERATIONAL IMPROVEMENTS IN BRAZIL

Power Purchase Agreement

Franklin Electric's three manufacturing facilities in Brazil will soon receive electrical power directly from the energy generator, rather than a local energy company. The use of the generator ensures that 100% of the energy provided is derived from renewable resources such as solar and wind, for which we receive a yearly certification. All three manufacturing facilities will be converted in 2023.

New Induction Furnace in Araquari

The furnace in the Araquari manufacturing facility was upgraded from natural gas to an induction furnace that utilizes electricity. Our 0.4 Kg carbon/ton of iron emissions in Q1 2022 is estimated to be reduced to 0.18 Kg carbon/ton of iron in Q1 2023. In this case, electrical power releases less carbon than natural gas and results in a reduced carbon footprint for this facility.

Araquari, Brazil



ENVIRONMENTAL IMPACT

Environmental Impact Data

The following pages provide emissions and resource consumption data for 2022 and compare those values to 2021 and 2020. During 2020, our manufacturing operations were impacted by the COVID-19 pandemic. Certain facilities experienced short-term closures, significant changes in production activities, and reduced in-person staffing to protect the health and safety of our global workforce. These measures resulted in larger year over year variances in our emissions and resource usage than we would anticipate during an average year, and are not necessarily reflective of long-term changes in the resource consumption and environmental impact of our operations.

In the interest of transparency, the 2021 data published in our last Sustainability Report has been revised to present the most accurate information available as we continue to improve our data gathering and validation processes.

Intensity

“Intensity” is a measurement of the total usage of each resource per U.S. dollar of manufacturing revenue. In 2022, global manufacturing revenue totaled \$1,491,600,000.

Managing Climate Risk Effectively

We invested significant time and resources into data collection efforts in order to publish environmental impact data in our first Sustainability Reports. We wanted to ensure that we had a full understanding of the current environmental impacts of our global operations before establishing and committing ourselves to GHG emissions reduction targets. Our viewpoint is that a general commitment to reduce environmental impacts by a set percentage, without disclosing specific plans to achieve those reductions, fails to account for the strategic growth that is necessary for long-term operational and financial stability that benefits all stakeholders. Through extended discussions with the senior leadership team during our long-range planning processes, we identified meaningful targets for reducing the intensity of our environmental footprint.

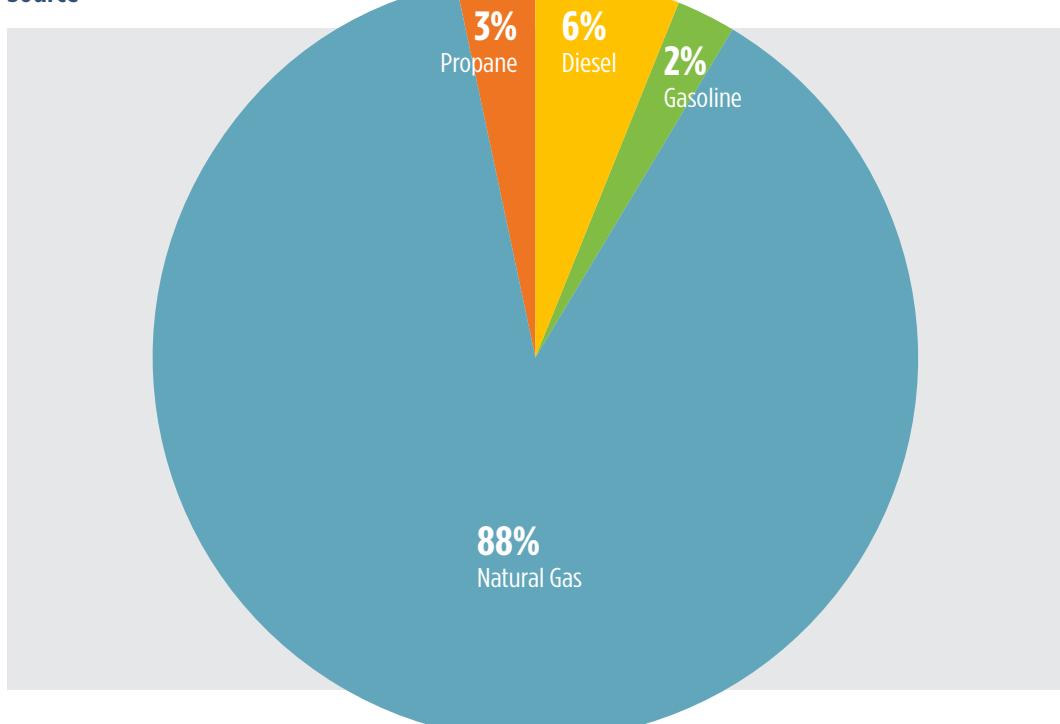
Greenhouse Gas Emissions

Source	2021		2022		
	Metric Tons	Intensity* Metric Tons/\$USD	Metric Tons	Intensity* Metric Tons/\$USD	Intensity Percent Change
TOTAL CO₂ EMISSIONS**	5,212.60	0.00000416	5,861.85	0.00000416	↓ - 6%
CO ₂ from Diesel	659.59	0.00000053	366.24	0.00000025	↓ - 53%
CO ₂ from Gasoline	105.55	0.00000008	140.15	0.00000009	↑ 12%
CO ₂ from Natural Gas	4,075.21	0.00000325	5,161.40	0.00000346	↑ 6%
CO ₂ from Propane	372.20	0.00000030	192.84	0.00000013	↓ - 56%

*Measured using Revenue for FE Manufacturing Segment

**All GHG CO₂ equivalent calculations were calculated using established U.S. EPA conversion factors. All air emission data is calculated based on fuel usage and was not physically measured.

Source



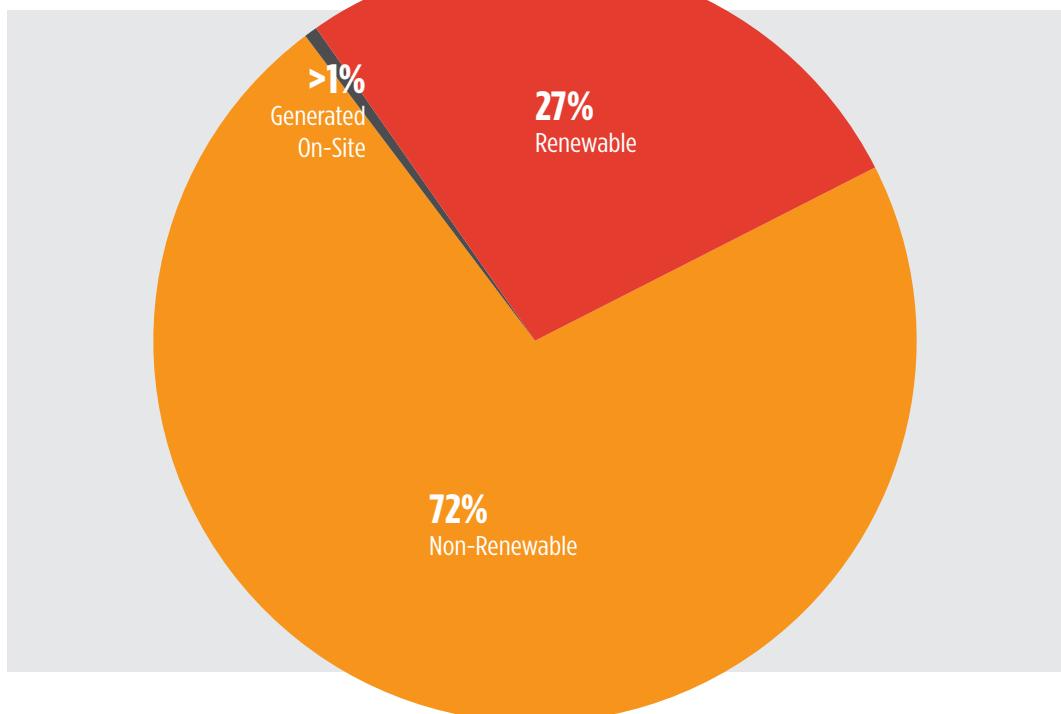
ENVIRONMENTAL IMPACT



Source	2021		2022		
	kWh	Intensity* kWh/\$USD	kWh	Intensity* kWh/\$USD	Intensity Percent Change
TOTAL ELECTRIC POWER USED	51,705,983	0.041	50,448,680	0.034	↓ - 18%
From Renewable Sources	13,708,549	0.011	13,796,166	0.009	↓ - 15%
Generated On-Site	516,368	0.0004	315,080	0.0002	↓ - 49%
Greenhouse Gas Emissions	kWh	Intensity kWh/\$USD	kWh	Intensity kWh/\$USD	Intensity Percent Change
From Electric Power Used	22,492	0.0000180	21,823	0.0000146	↓ - 19%

*Measured using Revenue for FE Manufacturing Segment

Source



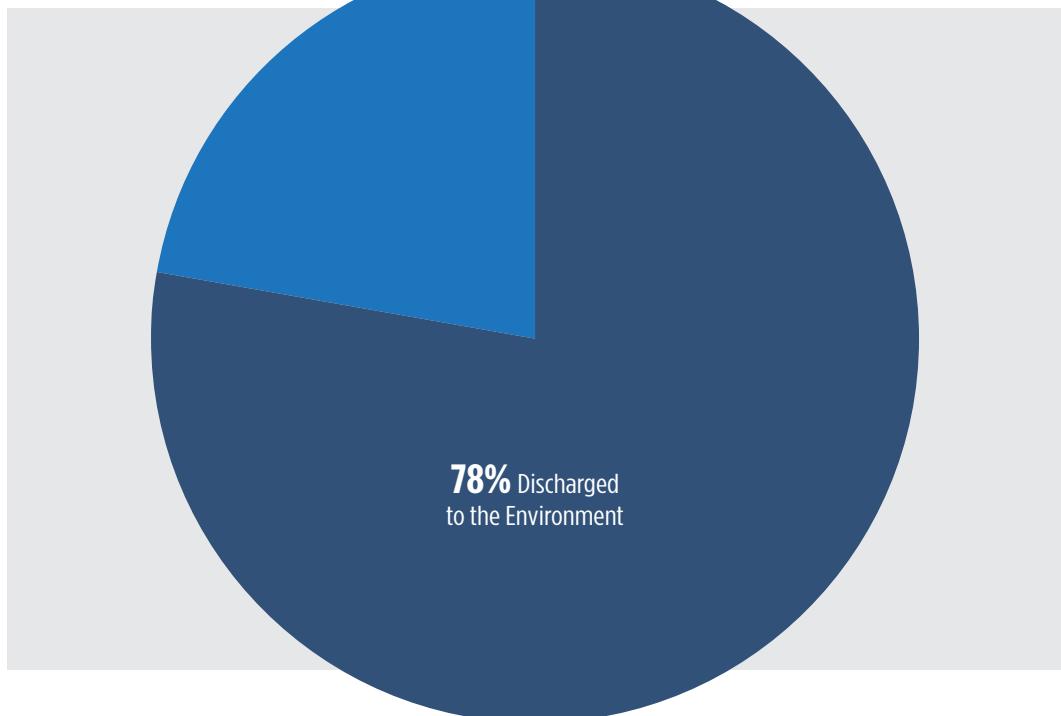
Water Usage

Usage	2021		2022		
	Gallons	Intensity* Gallons/\$USD	Gallons	Intensity* Gallons/\$USD	Intensity Percent Change
TOTAL WATER USAGE	128,440,886	0.10253	156,656,520	0.10504	↑ 2%
Water Recycled or Reused	557	0	0	0.082	↓ - 100%
Wastewater (Used Water) Discharged to the Environment	104,645,114	0.08354	122,101,144	0.08187	↓ - 2%

* Measured using Revenue for FE Manufacturing Segment

**Our facilities consumed more water during 2020 as they adjusted production and operational activities to meet the health and safety demands of the COVID-19 pandemic.

Usage



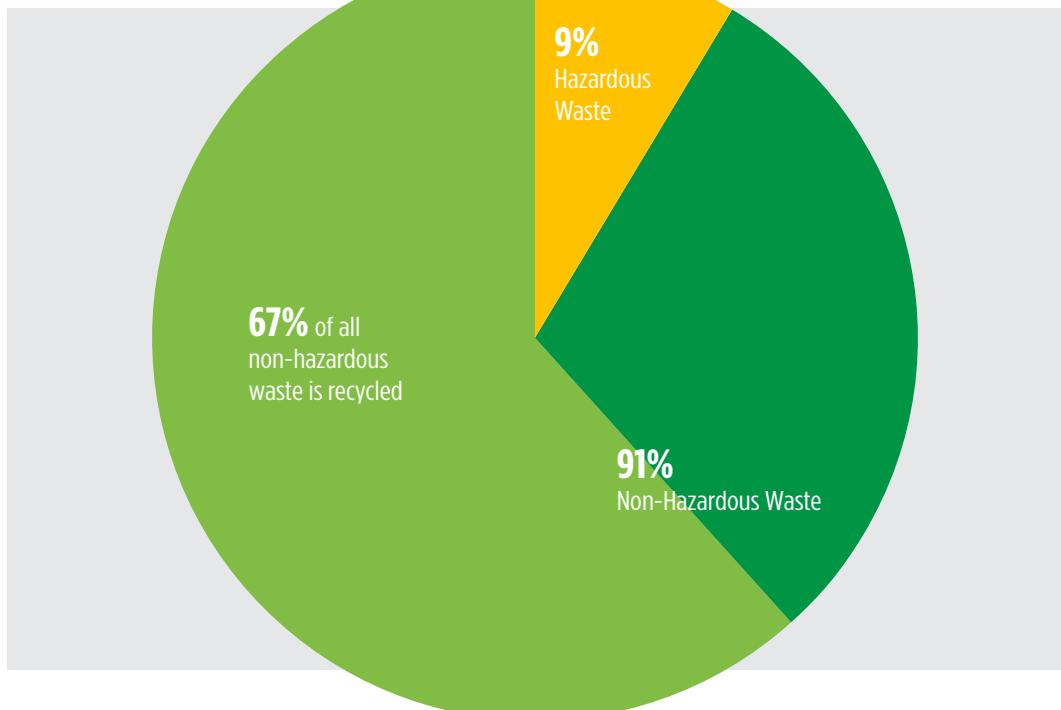
ENVIRONMENTAL IMPACT



Type	2021		2022		
	Metric Tons	Intensity* Metric Tons/\$USD	Metric Tons	Intensity* Metric Tons/\$USD	Intensity Percent Change
TOTAL WASTE GENERATED	14,187	0.00001133	12,805	0.00000859	↓ - 24%
Hazardous Waste Generated	2,337	0.00000187	1,126	0.00000075	↓ - 9%
Non-Hazardous Waste Generated	18,479	0.00001475	11,679	0.00000783	↓ - 25%
Non-Hazardous Waste Recycled	11,026	0.00000880	7,862	0.00000527	↑ 4%

* Measured using Revenue for FE Manufacturing Segment

Total Generated





Franklin Electric



PRODUCT SPOTLIGHTS

Franklin Electric invests heavily in innovative new products, meeting customer needs and solving industry challenges every day. We are driven to evaluate new technologies and develop new products, services and processes, often focused on energy efficiency and environmental protection. Our drive to innovate is at the core of what we do.



PRODUCT SPOTLIGHTS

High Efficiency Water System Solutions



In the early 1950s, Franklin Electric pioneered the development of fully submersible electric motors for water-well applications. The company continues to innovate to this day, recently expanding our portfolio of high efficiency water system solutions that prepare our customers for tomorrow's biggest challenges.

SubDrive QuickPAK powered by MagForce High Efficiency Motor

In 2022, Franklin Electric added new high efficiency SubDrive QuickPAK solutions to its lineup, giving professional installers an industry-leading, reliable constant water pressure solution that's ideal for jobs across a variety of systems, including residential, irrigation or geothermal.

Powered by a 4-inch MagForce High Efficiency Motor, the new SubDrive QuickPAKs deliver unparalleled performance and increased efficiency combined with the trusted reliability and seamless operation of the legendary Franklin Electric 4-inch, three-phase submersible motor.





MagForce™ High Efficiency System

Available for a wide range of application needs up to 300 horsepower, MagForce High Efficiency Systems are engineered for high performance, simple startup, and incredible long-term cost savings. Owners and operators benefit from electrical cost savings as a result of up to 94% efficiency rating in the motor for an investment payback of less than two years in typical duty rate applications.

Powered by permanent magnet technology and paired with an innovative Franklin Electric engineered drive, this motor allows users to achieve the same horsepower rating and pump output in a smaller, lighter and more powerful design, while performing with the least amount of electricity at any given operational point.

Lower electrical usage saves money for users, but there's another benefit: it also reduces the carbon footprint associated with the application. For example, in a 175-horsepower mining dewatering setting operating 12 hours per day, the mine site personnel observed an annual CO₂ reduction equivalent to 32.3 tons in a year – and avoided paying for nearly 42,000 additional kilowatt hours. The energy efficiency improvements obtained by switching to this technology would be equivalent to replacing more than 727 incandescent bulbs (60W) with LEDs every year. According to EPA data, it would take almost 35 acres of forest to sequester the added carbon dioxide every year if the mine would have used the traditional induction system.*



Benefits of High Efficiency

	Annual Kilowatt-Hours Avoided	168,624 kWh
	Motor Weight Reduction <i>Reduction 47.2%</i>	690 lbs
	Shipping Weight Reduction <i>Reduction 46.2%</i>	756 lbs

Other Annual Equivalencies

	Annual CO ₂ Reduction	131.7 tons
	Equivalent No. of 60W Incandescent Bulbs Switched to LED	2,961
	Acres of Forest Required to Sequester CO ₂	142

*www.epa.gov/energy/greenhouse-gas-equivalencies-calculator

PRODUCT SPOTLIGHTS

Pioneer Pump® ElectricPAK™



ElectricPAK

 PIONEER PUMP

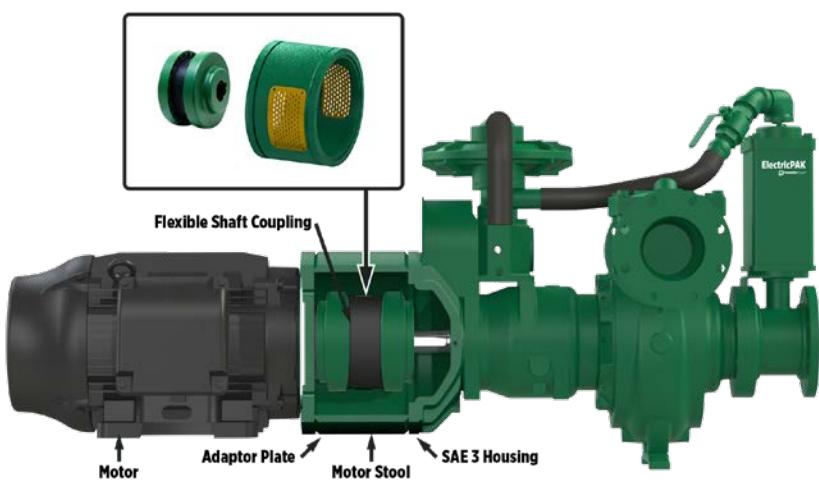
When pump owners and operators need to employ a surface pumping system for portable dewatering, they face numerous challenges: unforgiving environmental conditions, exposure to movement during transport, and limited resources for set-up and maintenance. Historically, diesel engines have been the primary source of energy for these applications. However, diesel continues to be costly and requires regular refueling and refilling of diesel exhaust fluid (DEF). Additionally, emissions control systems, while necessary, add complexity to operation and service causing higher equipment downtime.

Franklin Electric addressed these challenges with the introduction of the Pioneer Pump® ElectricPAK in 2022. The electric-driven pump packages offer a safer, cleaner and more efficient solution to portable dewatering. Electric motors eliminate emissions and mitigate hazardous waste cleanup from leaks. There are also financial benefits, with no risk of spills or the associated clean-up costs, as well as reduced service and maintenance needs.

The Pioneer Pump ElectricPAK features a modular design that can arrive on-site and startup quickly. The platform includes a rigid motor stool to keep the pump and motor permanently aligned, saving several hours of setup time. There's no need for time-consuming alignment work upon delivery or whenever the unit is moved. This feature sets ElectricPAK apart and is especially important for mobile dewatering.

From a sustainability standpoint, the packages utilize premium efficiency electric motors across a range of motor options to allow users to select the most efficient pump for their duty point. The electric operation eliminates complicated diesel engine aftertreatment systems and delivers quiet, reliable operation. Overall, users can spend significantly less on energy in continuous-run applications.

The Pioneer Pump ElectricPAK is innovative in not only the environmental benefits it provides, but also the overall operational challenges it overcomes. It's engineered to be durable, highly portable and low maintenance – offering a modern and sustainable solution for Franklin Electric customers.



PRODUCT SPOTLIGHTS

High-Efficiency SmartChoice™ Softener



In 2021, Franklin Electric acquired Aqua Systems and Hellenbrand as a part of the Water Treatment line of products. As is true for the rest of Franklin's catalog, the Water Treatment products are built around sustainability and efficiency. The Aqua Systems High-Efficiency SmartChoice water softening system reduces salt and water usage by 50% while also requiring less electricity due to quick regeneration times. Advanced electronics provide data insights into water usage, potential plumbing leaks, and provide historical information logs on water usage patterns.

In addition to efficiency benefits, all Aqua Systems SmartChoice softeners feature exchangeable components that are easily separated for replacement without requiring an entirely new softener system. This reduces waste associated with typical whole-system replacement. Also featured is a lithium battery backup, patented Vortech technology to extend life and performance of the media bed, and salt alerts. Non-corrosive materials are used on all parts for long-lasting durability.



NexPhase™ Smart EV Switchgear



The Bipartisan Infrastructure Law (BIL) is a significant piece of recent legislation that aims to address the United States' infrastructure needs and stimulate economic growth by allocating funds to various infrastructure initiatives. As part of the BIL, the National Electric Vehicle Infrastructure (NEVI) Formula Program was created to support the deployment of electric vehicle (EV) charging infrastructure across the United States and aims to accelerate the transition to EVs while reducing greenhouse gas emissions from the transportation sector. The NEVI Program provides \$5 billion in funding for States to build out the United States' alternative fuels corridor with Level 3 DC fast charging stations.

Franklin Electric's new EV Systems business segment looks to support the development and expansion of EV charging across the country with its innovative NexPhase™ solution for DC fast charging station infrastructure. Uniquely designed to support the NEVI funding program, NexPhase™ is an intelligent, turnkey solution that provides the entire electrical infrastructure needed to bridge the gap between utility power and DC fast chargers. NexPhase™ combines all switchgear equipment into a single enclosure, eliminating the lengthy design process of traditional post-and-frame systems, which would otherwise require additional costs to design and source a mixed-manufacturer panel system. By minimizing installation time and costs, NexPhase™ facilitates the rapid deployment of electric vehicle charging stations.

In order to receive NEVI funding, DC fast charging station ports are required to be operational 97% of the time compared to the national average today of approximately 75%. Unlike any other switchgear, NexPhase™ monitors and controls power before it reaches the chargers. This enables remote monitoring, troubleshooting and control to help identify outages, bring chargers back online faster, and ensure overall uptime. This advanced solution offers charge point operators (CPOs) enhanced remote monitoring and control capabilities. Through the embedded monitoring system, CPOs can access real-time health data with remote power cycling capabilities and automated alarms to facilitate condition-based maintenance planning and help achieve the 97% uptime requirement set by NEVI.

NexPhase™ represents the culmination of Franklin Electric's extensive experience in the vehicle refueling systems and utility asset monitoring sectors. Contributing to a greener and more sustainable future, Franklin Electric is poised to play a significant role in supporting the growth of EV charging infrastructure. As part of this, Franklin Electric has established a state-of-the-art research and development EV laboratory and testing facility at its Madison, Wisconsin facility aimed at driving future product development in the evolving EV sector with additional products to come on the heels of NexPhase™.



Franklin Electric



COMMITMENT TO OUR COMMUNITIES

Franklin Electric's efforts in the community are driven by our passion for service, one of our Key Factors for Success. Our employees answer the call to serve their communities, focusing on the causes that matter most to their families, customers and business partners. Our overall goal is to have a positive impact in the areas where we and our colleagues live and work.



COMMITMENT TO OUR COMMUNITIES

Franklin Wells for the World



Nearly one billion people in the world do not have access to safe, clean drinking water.

As a world leader in designing and manufacturing pumps and motors used to access groundwater, Franklin Electric is positioned to make a substantial impact on the availability of clean water in developing regions through our Franklin Wells for the World Foundation (FWWF). Founded in 2010, the FWWF has impacted the lives of over 284,000 people by bringing clean water to the surface in 12 different countries. Franklin Wells for the World is our tangible commitment to help alleviate the global water crisis, one well at a time.

A majority of the world's fresh water is buried, contained in aquifers, hundreds of feet below the ground. For most of the developed world, a drink of fresh, clean water is only a few feet away. However, in many developing regions, the nearest source of water is miles away from villages – and often, that water is not safe to drink. These potentially contaminated water sources may cause a host of illnesses, including cholera, diarrhea or dysentery, resulting in approximately 30,000 deaths per week, 90% of which are children under six. The lack of access to safe drinking water directly impacts the cycle of poverty in developing regions by contributing to illness and food scarcity and limiting educational opportunities, especially for young women.

Our Mission

FWWF was established to address the need for clean water systems and to provide long-term accessible and safe groundwater sources to at-risk communities in developing countries. FWWF will work with trusted local organizations and volunteers to provide the necessary equipment, expertise, training and technology to accomplish this mission.

The Foundation was established with the primary goal to serve populations on the African continent, but in 2023 we are broadening the mission. Our global leadership team is now encouraged to find projects in each of their communities, and we are excited to be able to serve populations in the Americas, EMEA and Asia Pacific regions. This is a significant enhancement in the scope of the Foundation, and our employees are fully engaged to bring all of Franklin's experience to bear on these new challenges. We look forward to reporting on these projects in future editions of this Report.

2022 Projects

2022 marked Franklin Wells for the World's 11th year in providing the equipment necessary to access clean water – which increases the overall quality of life for years to come. After completing each FWWF project, we check back with community leaders and residents to assess the project's impact. We often see tremendous growth and increased opportunities for communities – and primarily women and children. With another year of FWWF projects completed, the school children, their families, and the surrounding communities have all benefited from new water well installations.



COMMITMENT TO OUR COMMUNITIES

2022 Projects

Kenya



The **Moricho and Kelelwet communities** are some of the fastest growing population centers in Eastern and Central Africa. The little water that's available is hard to access, with women and children using much of their day to search for water. This has not only led to an increase in waterborne illnesses but has also affected education – since children must spend so much time in search of water. By installing a borehole in these communities, FWWF is helping with hygiene and health, as well as the communities' economic future.

Mozambique



About 1,500 people live in the **Zavora Community** and most must walk 8 kms (5 miles) for water from contaminated lakes. Some can capture water from rain, but severe drought has made this nearly impossible. As a result, children often suffer from health conditions like bilharzia and other gastrointestinal diseases.

The FWWF funded borehole project covered the drilling and testing of a well and the supply of all ancillary equipment, including an overhead storage tank with basic reticulation. The well will allow this poor area to access water more regularly, helping to improve the community's overall health.

South Africa



The **Rocklands Intermediate School** and **Ekuphumleni Satellite Clinic** in Gqeberha provide critical services in an area that faces poor socioeconomic conditions and malnutrition. Health conditions, like HIV/AIDS, pneumonia and other respiratory deceases overwhelm the already strained health care system. This becomes exponentially worse when people do not have access to potable water as the municipal supply often fails.

With the addition of the FWWF borehole, both the health facility and school can provide the water needed for proper hygiene. The school is now better able to prepare a daily meal for students, which is often the only decent food that some learners have for the day.

Kuyga Public Primary School in Gqeberha serves 1,012 learners and 22 teachers. The area suffers from extreme poverty, poor health and malnutrition, all of which are exasperated by the lack of clean water available.

A new FWWF-funded borehole can help alleviate some of these challenges. It is projected to provide 43,488 L of potable water a day (11,488 gallons) for use by the school and the surrounding community.

Masifunde Changemaker Academy is run by Masifunde Learner Development – a public benefit organization with over 15 years of experience. The school, and the surrounding community, encompass around 12,000 residents. With no potable water nearby, residents experience many health-related issues, including HIV/AIDS, pneumonia and other respiratory deceases, like tuberculosis.

With the addition of a FWWF-funded borehole, residents and students will have access to 52,128 L of water a day (13,770 gallons). This water can be a critical tool in helping improve hygiene and nutrition in the community.

COMMITMENT TO OUR COMMUNITIES

Franklin Electric Charitable and Educational Foundation

The Franklin Electric Charitable and Educational Foundation contributes to non-profit organizations that are primarily located in communities where we have a business presence. Through the Foundation, we support organizations such as United Way, Boys & Girls Clubs, Big Brothers/Big Sisters, and other charities. We also encourage employee giving by supporting the causes our employees support, and in many cases will provide matching funds to help our employees make a larger impact with their contributions.

New in 2022, the Foundation has tied a portion of its charitable giving to ongoing safety initiatives in the Company's facilities. Facilities that maintain exemplary safety records are recognized by allowing the employees of those facilities to designate safety-focused non-profit organizations to receive contributions. This allows all of our employees to celebrate the achievements of those facilities, and for the facilities themselves to extend the benefits of our focus on safety and security to their home communities.



Scholarships

Franklin Electric is committed not only to the wellbeing and development of its employees, but also of the families that make up our community. We believe that education plays an important role in preparing children for successful futures, so the Franklin Electric Charitable and Educational Foundation awards scholarships annually to college-bound high school seniors who have demonstrated outstanding scholastic ability and strength of character. In 2022, the Franklin Electric Charitable and Educational Foundation made contributions of approximately \$245,000, \$37,000 of which went to 22 scholarship recipients. The remainder of the contributions were provided to various education, community service, and arts and culture organizations in line with the mission of the Foundation.





Franklin Electric



COMMITMENT TO OUR EMPLOYEES

We want to attract, develop and retain talented employees who will drive performance of our strategic objectives and contribute to and share in the Company's success. We use learning and performance management platforms to engage and develop our employees to ensure we are focused on both individual and company performance.



COMMITMENT TO OUR EMPLOYEES

Diversity, Equity and Inclusion

Franklin Electric is committed to Diversity, Equity and Inclusion (DEI). We believe that everyone deserves to be treated fairly and respectfully, and that our diversity of thought, culture and experience makes us a stronger company. Our commitment to DEI goes beyond words; it is a part of our company culture and is reflected in our actions.

Franklin Electric and its employees respect people and their diverse backgrounds, knowledge, talents and perspectives. We are committed to fostering an inclusive culture, so everyone feels welcome, comfortable and safe, providing an effective work environment.

Recruiting, Developing and Promoting a Diverse Workforce

A diverse workforce and inclusive culture help drive our vision and deliver on our strategic objectives. Through development, training and hiring the best talent for the job, we continue to build a team that provides varied perspective and creativity in discussion and decision-making. We provide employee training to better understand diversity, unconscious biases, and how to be more inclusive in the workplace. In late 2020, we invested in a pilot program called United Front, offered through Fort Wayne United. During this year-long initiative in 2021, a group of employees, including U.S. Human Resources personnel, Executives and Managers, engaged with a keynote address and virtual discussion groups on topics such as bias, micro-aggressions, active allyship, and difficult conversations. Franklin Electric has now internalized these learnings into our employee training activities, and they inform the Company's manager training programs through our Learning Management System.

We are proud of the diversity of our workforce and the inclusiveness of our culture, but recognize that we can improve the quality of our employment offerings and the availability of opportunities for all of our employees. Our current workforce makeup is described on the next page, and for the first time we are pleased to increase transparency to our shareholders and other stakeholders by making public EEO-1 data about U.S. employees. The EEO-1 data presented on the next page is used to review the breakdown of racial and gender data across all levels of our U.S. organization in order to internally measure and report our progress against our DEI goals.

We use EEO-1 and workforce data to help our managers recognize potential recruitment opportunities in the communities where we do business. Managers are regularly informed about demographic data on their teams and potential inconsistencies with available talent in the applicable marketplace, and are actively encouraged to recruit and retain individuals from under-represented populations. We give managers tools to succeed in these efforts, including training described above regarding unconscious bias, and access to job boards and recruiters that specialize in placing under-represented populations.

2022 Global Workforce

Global Retention Rate: 74% in 2022

6,455
EMPLOYEES

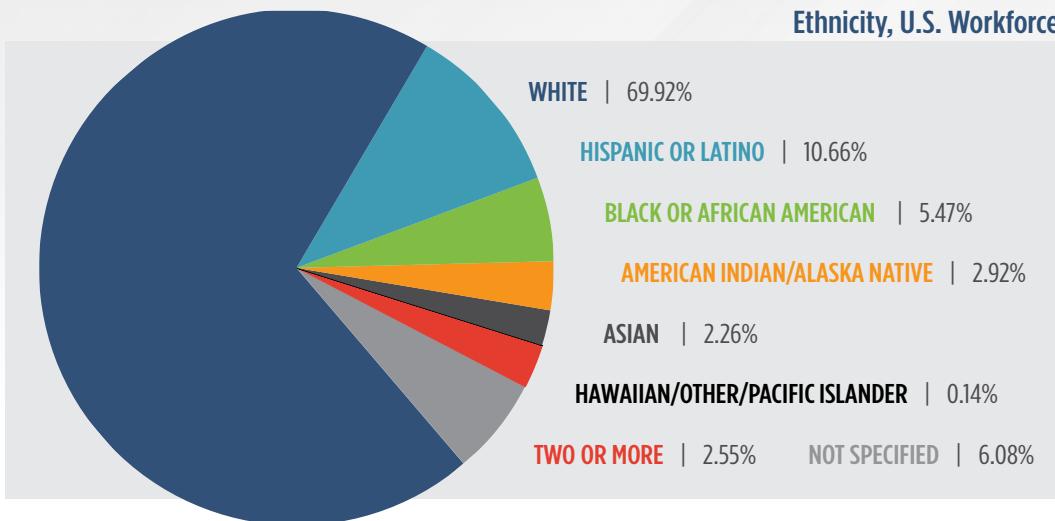
677
LEADERSHIP ROLES

2022 United States Workforce

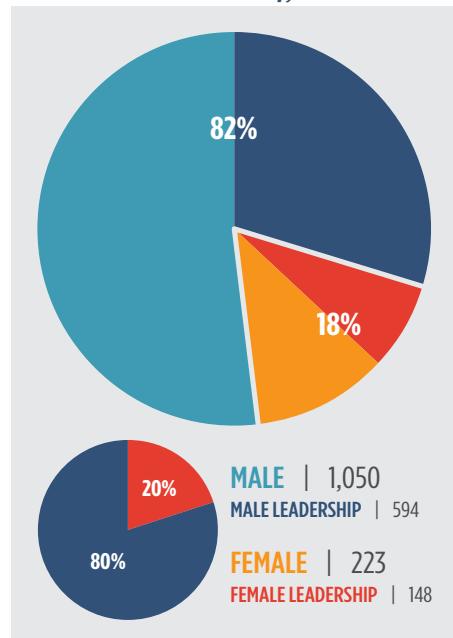
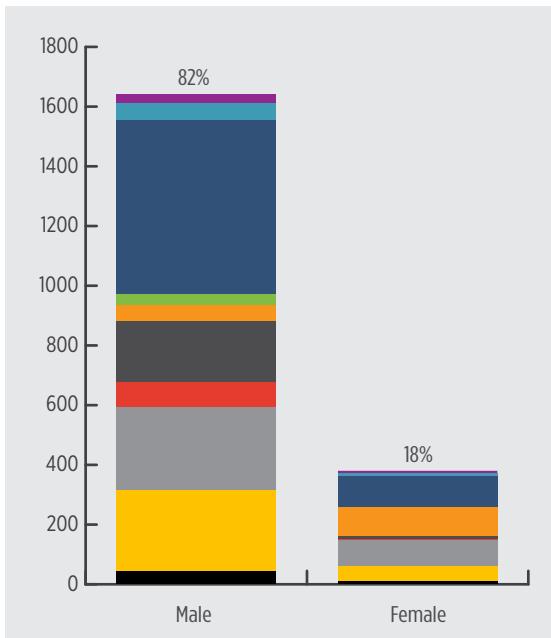
2,035
EMPLOYEES

428
LEADERSHIP ROLES

Ethnicity, U.S. Workforce



Gender Diversity, U.S. Workforce



Gender	Executive/Sr Off & Mgrs	First/Mid Off & Mgrs	Professionals	Technicians	Sales Workers	Administrative Support	Craft Workers	Operatives	Laborers & Helpers	Service Workers	Total
Male	43	272	279	82	205	53	37	584	54	35	1,644
Female	9	52	87	3	11	94	1	106	8	0	371
Total	52	324	366	85	216	147	38	690	62	35	2,015

The above information was reported on the Company's most recently submitted EEO-1 Report for the year 2021.

COMMITMENT TO OUR EMPLOYEES

Employee Engagement Survey

In October 2021, Franklin Electric launched its first Employee Engagement survey to its worldwide salaried employees, along with a pilot group of its hourly U.S. and Canada employees. The survey was launched using Qualtrics, a world-class survey tool scientifically proven to measure levels of employee engagement and satisfaction. Salaried employees received a personalized link sent to their company email inviting them to complete the engagement survey. Hourly employees included in the pilot program were able to use either a QR code to access the survey or go directly to the Qualtrics site.

Franklin Electric obtained an overall response rate of 76%, with 90% participation among its salaried employees. Of those employees who participated in the survey, 91% positively reported that “Franklin Electric is committed to employee safety,” reflecting our long-term investment in employee safety initiatives.

The Qualtrics Employee Engagement Survey comprises of three components – **Engagement Index**, **Equip Factors**, and **Manager Effectiveness**. The tool defines engagement as “the extent to which employees are motivated to contribute to organization success and are willing to apply discretionary effort to accomplishing tasks important to the achievement of organizational goals.”

Of the survey questions related to the **Engagement Index**, Franklin Electric received scores very consistent with industry averages within the Qualtrics system. Sample questions include, “Overall, I am extremely satisfied with Franklin Electric as a place to work,” and “I am proud to work for Franklin Electric.”

The tool defines **Equip Factors** as “the extent to which employees have the training, resources, and support to excel at their job.” Franklin Electric employees responded positive, above-industry-averages to the Equip Factors section, with sample questions such as “I have the training I need to do the job effectively,” and “Customer problems are dealt with quickly.”

In the **Manager Effectiveness** portion of the survey, Franklin Electric also received positive scores from the majority of respondents. Sample questions in this section were “My immediate supervisor/manager is an outstanding leader,” and “My immediate supervisor/manager does a great job at managing the work.”



The Franklin Electric Employee Engagement survey also included multiple free response questions. Some examples of these questions were “What is one suggestion you have to make Franklin Electric a better place to work?” and “What’s the one thing you would most like senior leadership to know?”

We believe that employees at Franklin Electric were excited to have their voices heard, and the leadership at Franklin is committed to actively reviewing and responding to employees’ comments and suggestions for improvements. Based on the feedback received in the survey, targeted action plans have been created and implemented and employees are already noticing the positive impacts of the process.

2022 Improvements

In the past year, Franklin Electric has expanded the use of the engagement survey tools offered by Qualtrics, and has sought and received employee input on a variety of topics including the competitiveness of our benefits offerings, the effectiveness of our employee recognition programs and the importance and success of our diversity, equity and inclusion initiatives.

Tangible improvements in our employment offerings that have directly resulted from these initiatives include increased use of flexible work arrangements, improved training programs, and increased opportunities for employee development through coaching and mentorship programs. For example, in late 2022, we established our first Employee Resource Group, the Franklin Women’s Network, which aims to improve the engagement of and opportunities for women in our workplaces.



COMMITMENT TO OUR EMPLOYEES

Franklin Women's Network

In January 2023, the company announced the formation of a new employee resource group (ERG), as part of its focus on Diversity, Equity and Inclusion, dedicated to providing an avenue for women to grow both professionally and personally through education, networking and advocacy. Known as Franklin Women's Network (FWN), the group's promise is to "build a welcoming, inclusive community, provide professional alliances, equip Franklin women with relevant development tools and resources, and guide Franklin women to identify and achieve career milestones."

The group's primary focus is to create a community where women can learn from one another, share experiences, and support each other's professional growth, by providing a range of development tools and resources, including workshops and mentorship opportunities. These resources will equip Franklin women with the necessary skills and knowledge to thrive and achieve career advancement and goals.

While the ERG is targeted towards women – who are often underrepresented in the industries Franklin Electric serves – the group has made it a point to invite all Franklin Electric employees to participate. In addition to professional development, the group promotes opportunities for networking and building professional relationships to share ideas and experiences while collaborating on projects throughout the organization.



"We wanted to kick the group off with a real community feel, and our first networking event accomplished that. Seeing everyone come together for this common goal of learning and advancement is so important to the future of our business, and really, the future of the industries we serve."

Amy Stauffer, Vice President of Business Operations



"When I first learned of the plans to form the Franklin Women's Network, I was excited about the benefits it could bring to our company. The strength of a company is in its people, and this initiative will help us demonstrate that we are a company that values diversity in its workforce, and diversity in the ideas of its people. The very existence of this group will help us retain the best women in our workforce, and – just as important – it will help us to recruit more women into our company."

Don Brown, Vice President of Global Water Engineering

Employee Training

In addition to safety training and training regarding data and network security, employees have the opportunity to utilize LinkedIn® Learning, Rosetta Stone®, and Diversity and Inclusion training to develop and apply skills that position them for future growth. The company invests in providing these opportunities because we believe that developing internal talent is an important factor in employee engagement and is a contributing factor in our success.

Tuition Assistance

Employees are also encouraged to continue their education through company-sponsored tuition assistance programs. In 2022, 13 employees took advantage of this program, with the company granting approximately \$82,000 in tuition assistance.

Launch and Learn

We want our employees to be knowledgeable about the products and services we provide, even those employees who work in functions with limited customer or market contact. We believe this strengthens employee engagement and fosters pride in the company's reputation for quality products. A deeper understanding of our products and the markets we serve also encourages innovative problem-solving, allowing us to operate more efficiently and serve our customers more effectively. To enhance our employees' knowledge base, in 2018 we began offering Launch and Learn sessions led by our product management and marketing teams. These sessions are designed to provide an understanding of some of our foundational products and markets. In 2020, we expanded these offerings to include an introduction to new products before they launch, and we continue to innovate our training programs to ensure that our employees have the knowledge they need to share their excitement in Franklin Electric's offerings.



Franklin Electric



EMPLOYEE HEALTH & WELLNESS

The wellbeing of our employees is vital to our continued success. We believe that the workplace can improve the wellbeing of employees, leading to greater fulfillment at work, at home, and in our communities. In addition to seeking opportunities to promote safe work environments for employees in every job, we support employee health by offering award-winning competitive health insurance benefits and promoting wellness programs.



EMPLOYEE HEALTH & WELLNESS



Health and Wellness Highlights

Franklin Electric is dedicated to providing a culture of health and wellness, and we are committed to offering both hourly and salaried employees a comprehensive benefit package at a competitive cost. We are proud recipients of the 2021 Cigna Well-Being Award in recognition of our Honorable Culture of Well-Being. Our employees have access to high quality healthcare coverage, either through state-sponsored programs in our international locations or through self-insured or fully insured medical plans in the United States. We offer a generous and expansive benefits program, including employer sponsored disability, life insurance, and medical and dental options. We see our benefits program as a reflection of Franklin Electric's dedication to its employees. As such, we assume significant costs as part of our commitment to providing a holistic benefit program.

In addition to a robust benefits package for hourly and salaried employees, direct labor force employees may receive any or all of the following, depending on their country of employment:

- Food coupons
- Holiday bonuses
- Heating benefits
- Pension plan
- Housing allowance
- Transportation allowance

New Benefits in 2023

- Global Wellness Perk: Free premium subscription to Calm App
- FamilyPath: Dedicated fertility advisor that walks members through their fertility journey from conception through birth

COVID-19 Pandemic Support

To mitigate the impact of the COVID-19 pandemic, in 2020 we created and implemented policies that enabled flexibility for employees:

- Remote work technology
- Flexible work schedule
- Additional safety measures
- Emergency paid time off (PTO) to care for self or family
- Emergency Sick Leave policy

Wellness Plans

We offer two competitive Cigna® medical plans: Preferred Provider Organization (PPO) and a High Deductible Health Plan (HDHP), both with access to a national network of physicians and medical providers.

- Health Savings Account (HSA) offered with HDHP
- Employer contribution to HSA
- Affordable vision and dental plans
- Telehealth options

Preventative Care

- 100% coverage of preventative care and premium discounts for completing preventative care items

Biometrics Screenings

- Offered through on-site events, Quest Diagnostics labs, or primary care physicians
- On-site events held at locations with a minimum of 25 employees
- Fort Wayne, IN; Madison, WI; Oklahoma City, OK; Wilburton, OK; Canby, OR; and Hillsboro, OR held events in 2022
- 382 employees participated in 2022

Employee Assistance Program

- Financial, legal, senior care, child or pet care, and mental health assistance; all U.S. employees and dependents are eligible at zero cost
- 24.3% of employees utilized program
- Stress/anxiety and depression were the top presenting topics in 2023
- Legal and financial concerns were the top work/life subjects

Childcare

- Seven weeks of paid maternity leave
- Two weeks of paid parental leave
- Dependent day care accounts

Zero-Cost Prescription Programs

- Rx 'n Go maintenance medication program

Cigna MotivateMe® Incentive Program

- Help employees with their health and wellness goals with wellness perks
- Incentive awards and premium reductions
- Cigna Fitness Challenge, local fitness program offerings and rewards

Omada Program

- Digital lifestyle change program that inspires lasting healthy habits, such as diabetes and heart disease prevention
- Includes a wireless smart scale, weekly online lessons, professional Omada health coach, and small group support

Other

- Sit-to-stand workstations
- 5K, 10K, 1/2 or full marathon reimbursement

Income Protection

- Life insurance
- Long- and short-term disability
- Accidental injury
- Critical illness

Retirement Plan (FERP)

Franklin Electric provides employees in the United States the opportunity to invest in the Company-sponsored 401(k) plan. If the employee elects to contribute to the plan, Franklin Electric will provide an annual Company Matching Contribution up to 3.5% on the first 5% the employee contributes. These employees are also eligible to receive an additional Company Service Contribution based on their years of credited service.

Employee Contribution	Company Match	Years of Credited Service	Percentage of Earnings Credited Annually
1%	1%	Less than 5	3%
2%	2%	5-9	4%
3%	2.5%	10-14	5%
4%	3%	15-19	7%
5%	3.5%	20 or more	9%



Franklin Electric



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This report was produced following the Global Reporting Initiative (GRI) standards and we aligned our reporting with the Sustainability Accounting Standards Board (SASB) and Institutional Shareholder Services Environmental and Social Disclosure QualityScore™ frameworks. This set of standards creates a common language for organizations to report on their sustainability impacts in a consistent and credible way.



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102-17	Mechanisms for advice and concerns about ethics	Pages 51-55
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102-18	Governance Structure	Pages 14-22 herein; and included in the Company's 2022 Definitive Proxy Statement, filed with the Securities and Exchange Commission on March 22, 2022 (2021 Proxy), pages 9-15
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102-20	Executive-level responsibility for economic, environmental, and social topics	Page 21 herein; and 2022 Proxy, page 14
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Indicator	Brief Description	Location of Information
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102-41	Collective bargaining agreements	None
102-44	Key topics and concerns raised	Pages 3-7
Reporting Practice		
102-45	Entities included in the consolidated financial statements	2022 Form 10-K, Exhibit 21
102-46	Defining report content and topic boundaries	Pages 3-7
102-47	List of material topics	Page 3
102-48	Restatements of information	None
102-49	Changes in reporting	None
102-50	Reporting period	Identified where data is disclosed throughout report
102-51	Date of most recent report	June 2022
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	Back Cover
102-54	Claims of reporting in accordance with GRI standards	Page 95
102-55	GRI content index	Pages 96-98
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103-2	The management approach and its components	Throughout the report

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Indicator	Brief Description	Location of Information
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302-3	Energy intensity	Page 60
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305-4	GHG emissions intensity	Page 61
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Indicator	Brief Description	Location of Information
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403-4	Worker participation, consultation, and communication on occupational health and safety	Pages 46-49
403-5	Worker training on occupational health and safety	Pages 46-49
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403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Pages 46-49
Training and Education		
404-2	Programs for upgrading employee skills and transition assistance programs	Pages 79, 87
Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees	Pages 14, 82-83
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407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	None
Child Labor		
408-1	Operations and suppliers at significant risk for incidents of child labor	None
Forced or Compulsory Labor		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	None
Human Rights Assessment		
412-1	Operations that have been subject to human rights reviews or impact assessments	None
Local Communities		
413-1	Operations with local community engagement, impact assessments, and development programs	Pages 73-79
413-2	Operations with significant actual and potential negative impacts on local communities	None
Public Policy		
415-1	Political Contributions	None
Customer Privacy		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	None

Sustainability Accounting Standards Board (SASB)

Accounting Metric	Category	Unit of Measure	Code	2022 Report Location or Direct Response
Energy Management				
(1) Total energy consumed	Quantitative	Gigajoules (GJ)	RT-IG-130a.1	186,615 GJ
(2) percentage grid electricity	Quantitative	Percentage (%)	RT-IG-130a.1	99.38% grid electricity
(3) percentage renewable	Quantitative	Percentage (%)	RT-IG-130a.1	0.62% of total electricity is renewable
Employee Health & Safety				
(1) Total recordable incident rate (TRIR) per 200,000 hours	Quantitative	Rate	RT-IG-320a.1	1.2
(2) fatality rate	Quantitative	Rate	RT-IG-320a.1	0
(3) near miss frequency rate (NMFR)	Quantitative	Rate	RT-IG-320a.1	NMFR is 2.7; 209 near miss events x 200000 / 15,280,479 hours
Fuel Economy & Emissions in Use-phase				
Sales-weighted fleet fuel efficiency for medium- and heavy-duty vehicles	Quantitative	Gallons per 1,000 ton-miles	RT-IG-410a.1	Franklin Electric does not manufacture medium- and heavy-duty vehicles.
Sales-weighted fuel efficiency for non-road equipment	Quantitative	Gallons per hour	RT-IG-410a.2	Franklin Electric does not manufacture non-road equipment.
Sales-weighted fuel efficiency for stationary generators	Quantitative	Watts per gallon	RT-IG-410a.3	Franklin Electric does not manufacture stationary generators.
Sales-weighted emissions of: (1) nitrogen oxides (NOx) and (2) particulate matter (PM) for: (a) marine diesel engines, (b) locomotive diesel engines, (c) on-road medium- and heavy-duty engines, and (d) other non-road diesel engines	Quantitative	Grams per kilowatt-hour	RT-IG-410a.4	Franklin Electric ensures that purchased diesel engines incorporated into our pumping systems meet the emissions standards of the regions into which they are sold.
Materials Sourcing				
Description of the management of risks associated with the use of critical materials	Discussion and Analysis	N/A	RT-IG-440a.1	Prohibition on Human Trafficking, Forced Labor and Child Labor - PDF Promoting a Sustainable Supply Chain
Remanufacturing Design & Services				
Revenue from remanufactured products and remanufacturing services	Quantitative	Reporting currency	RT-IG-440b.1	We do not presently report the individual or combined revenue from these specific activities. Review our efforts to promote a sustainable supply chain. Promoting a Sustainable Supply Chain
Data Security				
Description of approach to identifying and addressing data security risks in (1) company operations and (2) products	Discussion and Analysis	N/A	RT-AE-230a.2	Cybersecurity Risk Response - PDF
Activity Metrics				
Number of units produced by product category	Quantitative	Number	RT-IG-000.A	We consider this proprietary information.
Number of employees	Quantitative	Number	RT-IG-000.B	Approximately 6,500 as of December 31, 2022.

NOTICES

Safe Harbor Statement

“Safe Harbor” Statement under the Private Securities Litigation Reform Act of 1995. Any forward-looking statements contained herein, including those relating to market conditions or the Company’s financial results, costs, expenses or expense reductions, profit margins, inventory levels, foreign currency translation rates, liquidity expectations, business goals and sales growth, involve risks and uncertainties, including but not limited to, risks and uncertainties with respect to general economic and currency conditions, various conditions specific to the Company’s business and industry, weather conditions, new housing starts, market demand, competitive factors, changes in distribution channels, supply constraints, effect of price increases, raw material costs, technology factors, integration of acquisitions, litigation, government and regulatory actions, the Company’s accounting policies, future trends, epidemics and pandemics, and other risks which are detailed in the Company’s Securities and Exchange Commission filings, included in Item 1A of Part I of the Company’s Annual Report on Form 10-K for the fiscal year ending December 31, 2022, Exhibit 99.1 attached thereto and in Item 1A of Part II of the Company’s Quarterly Reports on Form 10-Q. These risks and uncertainties may cause actual results to differ materially from those indicated by the forward-looking statements. All forward-looking statements made herein are based on information currently available, and the Company assumes no obligation to update any forward-looking statements.





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