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Hawkins thanks [Blue Key Media](#) for many of the images included throughout this report.



A Letter from our Chief Executive Officer



*Patrick H. Hawkins
CEO and President*

When my grandfather, Howard J. (“Curly”) Hawkins, founded Hawkins, Inc. with his brother in 1938, he built the business on the timeless ideals of customer service, honesty, high-quality products, and hard work. Those ideals remain entrenched in our company DNA and are the keys to our success and continued growth over time.

When we became a public company several decades later, we sought to maintain the collective spirit of a family business, while providing the financial infrastructure to allow our business to grow through strategic acquisitions and alliances, and expand into new industries, products and geographies. Our growth continues today - but always with a clear focus on supporting the people - the employees, customers and suppliers - who are the heart of our company. We seek to build loyalty, camaraderie and empowerment across our diverse team and network.

Our success has always been the result of the hard work of many. This collective spirit is never more visible than in the midst of a crisis. The COVID-19 pandemic has disrupted our global economy and our collective way of life. I am incredibly proud of how our team of more than 650 employees has stepped up to tackle this unprecedented challenge - their hard work has ensured the continued supply of products needed to keep our drinking water safe, our food supply secure, our crop production robust, and critical pharmaceutical and nutritional products available. We know the work we do is essential and are committed to going the extra mile to meet the needs of our customers and communities.

At Hawkins, our mission is to supply high quality products and innovative solutions with an exceptional level of customer service. We adapt quickly to the changing needs of our customers with a keen focus on technical expertise, teamwork, safety, and responsible

care of the environment and of our community - while maximizing long-term shareholder value. Our focus on sustainability is a natural extension of this long-range view.

Publishing our first Responsibility Report is an important moment in our company’s history. We are excited to share how we are working to provide sustainable solutions, while investing in our people, and giving back to the communities where we live and work. As we look ahead to the future, we remain firmly committed to providing products that reduce our customers’ overall footprint on the environment, and to supporting our employees, customers and communities. I hope you enjoy learning more about the company I am proud to lead.

Sincerely,



PATRICK H. HAWKINS
Chief Executive Officer and President

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About Us

Founded in 1938, Hawkins, Inc. manufactures and distributes bulk chemicals, blends, and specialty ingredients for customers in a wide variety of industries across the United States. Our products are key components for industrial, agricultural, pharmaceutical, water treatment, food, health and nutritional products. We create value for our customers through superb service and support, quality products, personalized applications, and the creativity and commitment of our unparalleled employees.

Our Reporting Segments

- **INDUSTRIAL:** Our Industrial Group supplies industrial chemicals, products and services to industries as varied as agriculture, energy and oil fields, food, pharmaceutical, and surface finishing.
- **WATER TREATMENT:** Our Water Treatment Group provides chemicals, equipment and solutions for potable water, municipal and industrial wastewater, industrial process water, and non-residential swimming pool water.
- **HEALTH & NUTRITION:** The Health & Nutrition Group provides ingredient distribution, processing, and formulation solutions to manufacturers of nutraceutical, functional food and beverage, personal care, dietary supplement and other nutritional food, health, and wellness products.

In

Industrial

Wt

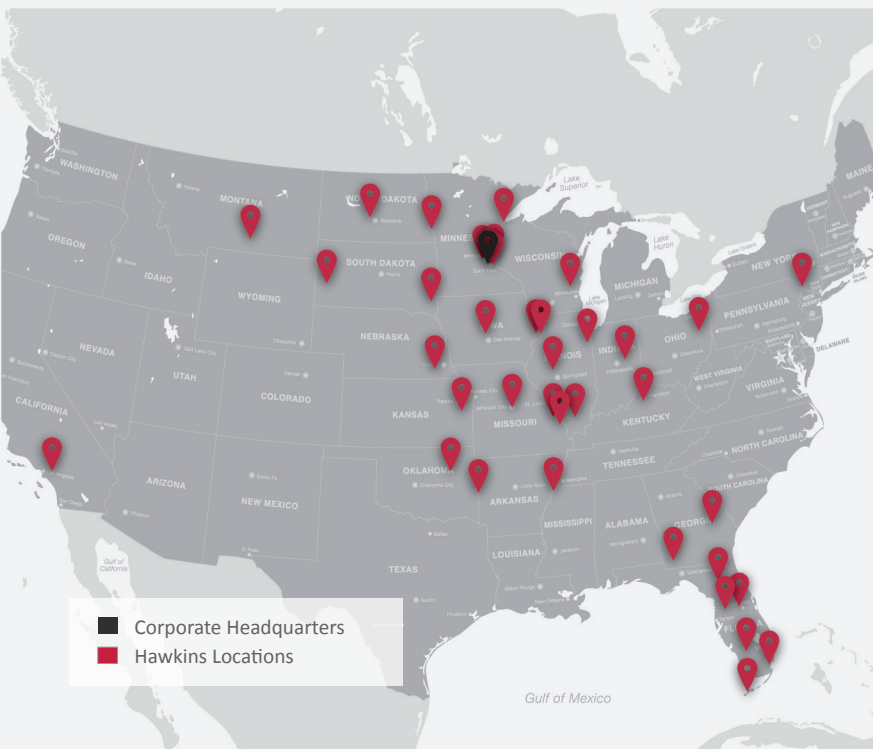
Water
Treatment

Hn

Health &
Nutrition

OUR MISSION is to supply high quality products and innovative solutions with an exceptional level of customer service. We will adapt quickly to the changing needs of our customers with a keen focus on technical expertise, teamwork, safety, and responsible care of the environment and of our community while striving to maximize long-term shareholder value.

CUSTOMER-FIRST COMMITMENT: Our long-term success has been the result of a relentless drive to deliver for our customers, 365 days of the year. While we serve diverse industries in different business units, our commitment to putting our customers first is unflinching. From the moment we make contact with a customer or potential customer, we work to provide the best service possible.



Geographic Reach

Headquartered in Roseville, Minnesota, Hawkins has 43 facilities in 20 states, with more than 650 employees.

Ethical Business Commitment

It is Hawkins' policy to comply with all applicable laws, rules and regulations. Broadly speaking, we are also committed to doing the right thing. It is the personal responsibility of each director, employee and representative of our company to adhere to the standards and restrictions imposed by such laws, rules and regulations, including laws preventing corruption, bribery or unfair competition.

All Hawkins employees are governed by our Code of Business Conduct and Ethics, available at www.hawkinsinc.com/investors.

Employees are encouraged to report any violation of the Code, openly or anonymously without fear of retaliation. Hawkins provides employees with a bilingual, third party-managed Employee Hotline to report any concerns. Hawkins will not discipline, discriminate against or retaliate against any person who reports such conduct in good faith.

At Hawkins, we view the diversity of our employees as a tremendous asset. Hawkins is firmly committed to providing equal opportunity in all aspects of employment and will not tolerate any discrimination or harassment of any kind.



The Heart of Hawkins

“I made it a point to treat everyone I encountered, whatever their role, with friendliness and respect I believe one human being naturally owes one another.” – **HOWARD J. (CURLY) HAWKINS**

Focus on Relationships

Relationships are at the heart of our business and one of the reasons for our long-term success. Our customers are our most important business partners, and we strive to meet their changing needs in an environment of continuous improvement. We have also built strong, long-lasting relationships with our suppliers - as we provide essential markets and support to distribute their products. But our relationships go beyond our customers and suppliers - the true core of our business is our employees.

Hawkins is a place where people want to be every day - where employee empowerment and connections matter. We embrace a culture that fosters professional development and achievement of goals for all employees. We operate on integrity - which means we strive to make hard decisions simply because it's the right thing to do. We rely on our employees to be honest, trustworthy and to demonstrate our principles throughout the supply chain.

Employee Benefits

Part of our commitment to our employees is providing a robust benefits package, including Medical, Dental, Life, and Disability insurance, as well as an Employee Assistance Program.



In addition, Hawkins provides a generous match on employee 401(k) contributions, and employees are encouraged to build ownership in the company through the Employee Stock Purchase Plan.

The average tenure of a Hawkins employee is seven years, and our average executive tenure is 15 years. We also work to support all employees with competitive wages. No one makes less than \$15/hour, our median employee compensation is \$91,452 and our CEO pay ratio is 20:1 - well below the national average.

EMPLOYEE DIVERSITY

22% WOMEN	21% MINORITIES
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AVERAGE EMPLOYEE TENURE:	7 Years
AVERAGE EXECUTIVE TENURE:	15 Years
MEDIAN EMPLOYEE COMPENSATION:	\$91,452
CEO PAY RATIO:	20:1



Training and Development

We believe that solid, successful leadership at the top filters down and results in a strong, supported workforce that is grounded on our company's values. In 2019, we identified core leadership competencies required for our managerial staff. We support our staff with training and development opportunities and regularly promote from within.

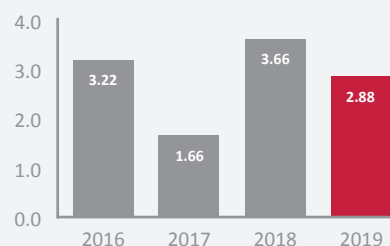
Employee Health and Safety

Safety is everyone's job at Hawkins. We strive to ensure our employees have a thorough understanding of health and safety measures throughout each step of our manufacturing process and within all business functions. We have established programs to ensure we are conducting business in a safe and responsible manner, in compliance with all applicable health, safety and environmental laws and regulations, and in a manner that promotes and protects the health and safety of our employees and customers, and the members of our communities. Our sites have well-established Risk Management Plans and site-specific emergency response plans. In addition, our health, safety and environmental professionals work closely with our operational units to continuously improve our HSE program. We encourage our employees to be actively engaged in our safety committees, training opportunities, facility audits, incident investigations and initiatives supported by trade groups, such as the National Association of Chemical Distributors.

FATALITY RATE OVER 4 YEARS*: 0%

**To our knowledge, the company has never experienced an employee fatality*

TOTAL RECORDABLE INCIDENT RATE (TRIR) OVER 4 YEARS



Commitment to Community

Our commitment to supporting people extends beyond our own walls to the communities where we live and work. We donate our time and talents to enhance quality of life, and to respond with urgency and resolve when we face a crisis.

We provide financial support to a variety of charitable organizations and encourage employee giving by providing an employer match for their contributions. We also offer paid time off for staff to dig in and give back with partners such as Kids in Need Foundation - packing backpacks with school supplies - and packing meals for Feed My Starving Children.

OUR FUNDING FOCUS AREAS INCLUDE:

- Water Conservation and Safety
- Environmental Stewardship
- Education Programming
- A Healthier and Safer World
- Community Support



Hawkins employees support Kids in Need Foundation



Hawkins employees volunteering with Feed My Starving Children



Donation to the Atlanta Community Food Bank

Water Safety

Hawkins provides water treatment supplies for many YMCA pools and, for more than a decade, has supported the YMCA Safety Around Water program that teaches kids how to stay safe in pools, lakes and rivers. The program teaches personal water safety techniques and what to do if children see someone else needing help around water. The program has a special focus on kids from low-income, immigrant and minority backgrounds, as studies show these groups are the most vulnerable and in need of water safety skills.

Crisis Response

Hawkins has a history of providing in-kind donations in times of crisis, such as natural disasters from floods and hurricanes. In early 2020, our nimble business structure led to several new relationships in response to the COVID-19 pandemic. For example, we worked with All Hands MN, a non-profit created by a collaboration of local distilleries. We donated products to support the creation and distribution of hand sanitizer to Minnesota's vital organizations and businesses on the front lines and provided several bleach donations to the State of Minnesota Emergency Operations Center to go directly to counties, tribes, and state agencies for use in childcare centers, homeless shelters, and other care facilities.

In a time of unprecedented need for our products, we were happy to provide a financial donation to the University of Minnesota Caregiver Emergency Fund for front-line doctors and nurses, and the Sheridan Story - who is partnering with the YMCA - to distribute food to school-aged kids facing hunger or food insecurity.



Superior Service in Action

Our commitment to environmental responsibility flows naturally from our paramount priority of providing customers with safe, high-quality products. Thousands of water treatment facilities, manufacturers, food and dairy producers, power producers, research labs and countless other organizations depend on us and the products we deliver.

We are proud to play an important role in keeping people and animals safe and healthy, and helping to reduce environmental impacts for our customers. In addition, we work with partners and customers across our value chain to ensure responsible sourcing and safe handling of our products.

Reducing Environmental Impacts in Our Operations

We are committed to demonstrating environmental responsibility in our own operations. Our facilities are supported by a team of trained environmental professionals who carefully manage environmental impacts and ensure regulatory compliance. We monitor and manage our air, water and ground impacts through proper containment and controls across all locations.

In addition, we have always focused on inorganic chemistry and have largely avoided chemicals such as solvents, which are much more likely to persist in the environment. This decision, which is a fundamental part of who we are, means that while our chemicals are reactive because they need to be to achieve our customers' performance expectations, nearly all of our hazardous materials can be neutralized to a safe pH balance when necessary without causing long-term environmental harm.



ENERGY EFFICIENCY: We have been working to improve energy efficiency in our facilities, including re-lighting many sites with LED technology.

RENEWABLE ENERGY: We installed solar arrays at one of our Minnesota facilities to produce clean energy and reduce emissions.

REDUCING AIR POLLUTANTS: Many of our facilities go above and beyond regulatory compliance to reduce air pollutants through the addition of scrubbers to reduce emissions and odor.

FLEET EFFICIENCY: We continue to upgrade our fleet with vehicles that have improved fuel efficiency. In addition, we are working to reduce vehicle idle times, and are using technology to track fuel usage and ensure proper maintenance.

EMPLOYEE ENGAGEMENT: At our headquarters, we offer electric car charging stations for employees and guests and have reduced waste through paperless storage systems, and the elimination of disposable dishes, cups and utensils.

WATER EFFICIENCY: We seek to reduce water impacts in our facilities. For example, we recently installed a system to reduce the amount of water used in our truck washouts.

We will continue to strive to identify additional operational efficiencies that also reduce environmental impacts.



Reducing Emissions for Customers

We also supply products that enable our customers to reduce exhaust stack emissions and improve their environmental footprints. For example, since 2015, Hawkins has partnered with Interlake Steamship Company, the largest privately held U.S. fleet on the Great Lakes. Interlake ships carry bulk cargo that, together with its predecessors, have fueled the region's economy for more than 100 years. When federal regulations changed the limit on sulfur emissions rates, Interlake added exhaust gas scrubbers (EGS), which require caustic soda in their operation, to several of its ships to bring their exhaust gas into compliance. Initially, Interlake could not find a supplier of sodium hydroxide (caustic soda) on the Great Lakes. The relationship they forged with Hawkins helped develop a supply network to cover the needs of their shipping system.

Hawkins now supplies sodium hydroxide for use in Interlake's exhaust gas scrubbers (EGS), which helps remove sulfur dioxide from their stack emissions, resulting in a clean, white plume of steam. Of the five ships using EGSs, Interlake now achieves emissions that are well below the 0.1% federal sulfur emissions requirement.

Hawkins also provided Interlake with resources and training to ensure safe handling and transferring procedures, which has resulted in zero spills during the transfer of nearly 1.5 million gallons of sodium hydroxide.



“Hawkins Customer Service team supports us tremendously – at times schedules can change daily, if not hourly, and Hawkins is always able to respond.”

- ED PRIEM, DIRECTOR OF ENERGY RESOURCES
Interlake Steamship Company



Providing Clean Water

The Hawkins Water Treatment Group supplies the products that keep water safe and clean for tens of millions of people throughout the United States. We help clean drinking water, treat municipal and industrial wastewater and process water, and treat non-residential swimming pools.

More than just supporting human health, we also clean water for healthy and humane livestock production. Our Agricultural Water Treatment process provides drinking water that reduces bacteria, viruses and biofilm - leading to healthier animals. Cleaner water also means the animals drink and eat more - resulting in higher feed conversion ratios and increased production levels. They are also less vulnerable to disease, which reduces mortality rates and increases yields for farmers. This process results in a higher quality food product distributed to the market.



Advancing Health and Nutrition

At Hawkins, we work with our customers to advance and support health and wellness through producing and distributing quality ingredients to the nutritional, food and beverage, pharmaceutical, cosmetic and pet care industries. We have high standards for sourcing and value responsible manufacturers producing quality products with traceability, clean labels and testing, and source extensively from the U.S.

Many of the products sold through our Stauber Performance Ingredients subsidiary exemplify our commitment to those high standards. For example, we have developed products using processes unique to the industry to reduce food waste from fruit processing, while also retaining vital nutrients of the U.S.-grown fruit, to be used by customers in the dietary supplement, nutritional and beauty products. This “upcycling” of the fruit waste helps us drive higher material utilization, as well as extract beneficial nutritional materials from the fruit. When we discovered that one of our large food customers was disposing of large quantities of spent waste product, we helped them find another use for that waste stream. As a result, last year we reclaimed and repurposed almost 350 metric tons of waste that the customer would otherwise had to pay to dispose of.

Product Safety and Quality

Ensuring product quality, safety and responsible distribution is core to our business as a chemical and specialty ingredient company. There is nothing more important to us than customer safety and satisfaction. Our systems ensure that every order is accompanied by labeling and safety data sheets that accurately describe the risks of the products and how to safely handle them.

Industry Collaboration and Support

Hawkins has long been committed to supporting responsible distribution of our products and research and education in our community and industry. Hawkins was a founding member of the National Association of Chemical Distributors and an early adopter of its tenants of Responsible Distribution almost 30 years ago. For 15 years, Hawkins has participated in a Cooperative Research and Development Agreement with the USDA Agricultural Research Service Food Safety and Intervention Research Unit to help promote and protect public health through food safety inventions and innovations. We also support advancements for animal safety and recently made a \$500,000 donation to help fund the construction of the new Meat Science & Animal Biologics Discovery Building at the University of Wisconsin-Madison, which will open in the fall of 2020.

Affiliations and Partnerships

Hawkins engages with a number of industry collaborations and trade associations to help enable the safe production, distribution and use of chemical products. We also collaborate with a number of colleges and universities to advance research and education.

Our professional affiliations and industry partnerships include active participation with the following groups:

- [The Chlorine Institute](#)
- [National Association of Chemical Distributors](#)
- [American Water Works Association](#)
- [Council for Responsible Nutrition](#)
- [American Meat Science Association](#)



a proud member of



National Association of
Chemical Distributors



American Water Works
Association



Metrics Highlights

The following table follows the guidance of the Sustainable Accounting Standards Board (SASB) disclosures for Chemicals and covers data for Hawkins, Inc. in calendar year 2019.

TOPIC	SASB CODE	ACCOUNTING METRIC	UNIT OF MEASURE	RESPONSE
GREENHOUSE GAS EMISSIONS	RT-CH-110a.1	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Metric tons (t) CO ₂ -e, Percentage	CO ₂ e = 19,294 0%
	RT-CH-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	n/a	Reference: Reducing Environmental Impacts in Our Operations (pg 10)
AIR QUALITY	RT-CH-120a.1	Air emissions of the following pollutants: (1) NO _x (excluding N ₂) (2) SO _x (3) volatile organic compounds (VOCs) (4) hazardous air pollutants (HAPs)	Metric tons (t)	NO _x = 10.45 SO _x = 2.57 VOCs = 1.501 HAPs = 2.85* *Combined HAPs Total
ENERGY MANAGEMENT	RT-CH-130a.1	(1) Total energy consumed (2) percentage grid electricity (3) percentage renewable (4) total self-generated energy	Gigajoules (GJ), Percentage	1) 309,111 2) 29% 3) 0 4) <1%* *Solar generation at Rosemount, MN plant Reference: Reducing Environmental Impacts in Our Operations (pg 10)
WATER MANAGEMENT	RT-CH-140a.1	(1) Total water withdrawn (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Thousand cubic meters (m ³), Percentage	1) 4010.56 2) High = 0.191% Extremely High = 0.041%
	RT-CH-140a.2	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	Number	2 Adding engineering controls to further manage incidents at relevant site location
	RT-CH-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	n/a	Limited risks identified. Ongoing reviews in place
HAZARDOUS WASTE MANAGEMENT	RT-CH-150a.1	Amount of hazardous waste generated, percentage recycled	Metric Ton percentage	217.49 metric tons per year 0% Recycled We work to reuse and repurpose chemicals within our operations as much as possible

TOPIC	SASB CODE	ACCOUNTING METRIC	UNIT OF MEASURE	RESPONSE
COMMUNITY RELATIONS	RT-CH-210a.1	Discussion of engagement processes to manage risks and opportunities associated with community interests	n/a	Reference: Commitment to Community (pg 8)
WORKFORCE HEALTH & SAFETY	RT-CH-320a.1	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (A) direct employees and (b) contract employees	Rate	1) 2.88 TRIR 2) Fatality rate 0% for both A and B
	RT-CH-320a.2	Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	n/a	We comply with all OSHA requirements and actively engage in industrial hygiene reviews where appropriate. With use of proper PPE, our employees are not exposed to the chemicals. In addition, most of our products do not have chronic health risks, and if they do, they are mitigated through engineering controls or the use of proper PPE Reference: Employee Health and Safety (pg 7)
PRODUCT DESIGN FOR USE-PHASE EFFICIENCY	RT-CH-410a.1	Revenue from products designed for use-phase resource efficiency	Reporting currency	Due to the nature of our business, usage rates are difficult to track in a meaningful way Reference: Reducing Emissions for our Customers (pg 11)
SAFETY & ENVIRONMENTAL STEWARDSHIP OF CHEMICALS	RT-CH-410b.1	(1) Percentage of products that contain Globally Harmonized System of Classification and Labeling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances (2) percentage of such products that have undergone a hazard assessment	Percentage by revenue, Percentage	1) 56%* 2) 100% *We are a chemical company and we sell, and our customers demand, reactive chemistry which is classified as GHS hazardous
	RT-CH-410b.2	Discussion of strategy to (1) manage chemicals of concern and (2) develop alternatives with reduced human and/or environmental impact	n/a	Reference: Employee Health and Safety (pg 7) , and Product Safety and Quality, and Affiliations and Partnerships (pg 13)
GENETICALLY MODIFIED ORGANISMS	RT-CH-410c.1	Percentage of products by revenue that contain genetically modified organisms (GMOs)	Percentage by revenue	<1%
MANAGEMENT OF THE LEGAL & REGULATORY ENVIRONMENT	RT-CH-530a.1	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	n/a	Reference: About Us (pg 4) , Reducing Environmental Impacts in Our Operations (pg 10) , and Affiliations and Partnerships (pg 13)
OPERATIONAL SAFETY, EMERGENCY PREPAREDNESS & RESPONSE	RT-CH-540a.1	Process Safety Incidents Count (PSIC), Process Safety Total Incident Rate (PSTIR), and Process Safety Incident Severity Rate (PSISR)	Number, Rate	PSIC - 5 PSTIR - 0.77 PSISR - 0.61
	RT-CH-540a.2	Number of transport incidents	Number	0

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