



**PRENTISS
SMITH & CO**

Sustainable Investment Report for:

Lindsay Corporation

Omaha, NE

Ticker: LNN US Equity

Website: www.lindsay.com

Last Updated: 09-27-2023

I. Exclusionary Screening

Does Lindsay Corporation appear on any of the following lists? In our exclusionary screening, a single appearance disqualifies an investment.

Fossil Fuels & Precious Metals Mining

- BICS - Oil, Gas & Coal Industries¹
- BICS - Precious Metals Mining¹
- CDP/CAI Carbon Majors Database²

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Defense & Retail Gun Sales

- BICS - Defense Primes¹
- SIPRI Arms Industry Database⁵
- NRA Industry Allies/Gun Retailers⁶

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Plastics Production

- Top 100 Plastic Polymer Producers³

Private Prisons

- BICS - Security Services¹

Agrochemicals & Animal Cruelty

- BICS - Crop Chemicals & Fertilizers¹
- Cruelty Free Investing Worst Companies for Animals⁴

Pornography, Gambling & Tobacco

- BICS - Casinos¹
- BICS - Tobacco¹
- BICS - Pornography¹

¹ BICS = [Bloomberg Industry Classification Systems](#)

² [CDP/CAI Carbon Majors](#)

³ [Minderoo Foundation Top 100 Plastic Polymer Producers](#)

⁴ [Cruelty Free Investing 10 Worst Companies for Animals](#)

⁵ SIPRI = [Stockholm International Peace Research Institute](#)

⁶ NRA = [National Rifle Association Top 10 Industry Allies](#)

⁷ Prentiss Smith & Company Internal Research

II. Further Research

What else has our research process told us about how Lindsay Corporation conducts business, in terms of its products and services, its environmental impact, and its approach to governance?

Summary

Lindsay Corporation is a relatively small, Nebraska-based manufacturer of large-scale irrigation systems for agricultural applications, and of infrastructure solutions, mainly for road safety and traffic management. Lindsay's irrigation systems target water savings through both their original, center pivot design as well as a more recent trend toward remote management, censoring, and other Industrial Internet of Things (IIoT) applications. The company says its infrastructure solutions also provide sustainability benefits, particularly its "Road Zipper System," used to reduce traffic congestion (and thereby emissions) by changing traffic flows without the need for new roads or other permanent infrastructure. Lindsay also has an active DEI program, and reports detailed statistics on the diversity of its workforce.

While Lindsay says that it tracks its Scope 1 and 2 emissions, the company does not publicly report those emissions, nor does it have specific goals for reducing them. Despite the company's adoption of a DE&I Council in 2019, the number of women in the company's workforce has remained largely unchanged, despite an increasing number of applicants.

Products & Services

Background

- *Brief description of products/services:*
Lindsay manufactures its center pivot irrigation solutions, lateral move irrigation systems, and irrigation controls in the U.S. and internationally under its Zimmatic® brand. It also manufactures and markets hose reel travelers under the Perrot™ brand. The company produces chemical injection systems, variable rate irrigation systems, flow meters, weather stations, soil moisture sensors, and remote monitoring and control systems. In addition to whole systems, Lindsay repairs and replaces parts for its irrigation systems, controls, and

large diameter steel tubing. The company manufactures road safety devices including guardrails, barrier systems and crash cushions, and its patented Road Zipper System. Lindsay also designs and manufactures innovative IIOT technology solutions, data acquisition and management systems, and custom electronic equipment for critical applications under its Elecsys™ brand.¹

- *Founding date:*

Founded in 1955, as was Snoline, which is still a part of Lindsay today.² The company says that its first center pivot irrigation system, developed in the 1960s, is still in use today.

- *Key historical changes to company structure (e.g. M&A):*

In 2001, Lindsay Europe was established with the acquisition of Perrot hose reel irrigation systems. In 2002, LNN moved into Brazil and South Africa. In 2006, LNN expanded into the infrastructure industry with the acquisition of Barrier Systems and Snoline. 2009 acquired Rail Structures & Signals and opened their China factory. In 2011, Lindsay acquired Precision Irrigation in New Zealand and IRZ Consulting.³

- *Key historical changes to products:*

In general, Lindsay's technology has become more automated, with remote control and monitoring aligning the company's irrigation and infrastructure solutions with the emerging trend of the Industrial Internet of Things (IIOT). The company's FieldNET technology, for example, has changed from a monitor only option with a pivot watch, to a FieldNET remote control, to a FieldNET Advisor. This provides a range of controls to help with irrigation control and monitoring and offers each one as a different option based on customer need.⁴ Lindsay has also built out its ImpactAlert telemetry hardware, which sends an alert when someone has hit a road safety device to improve safety for motorists.⁵

Product Detail

- *Current products/services detail, including social/environmental benefits:*

Zimmatic pivot irrigation systems and their FieldNET technology help with efficiency by conserving resources and increasing yields with less water and energy consumption.⁶ The company's Road Zipper System helps manage congestion and preserves resources by not requiring building new roads and bridges.⁷

- *Significant recent developments or new plans for products/services (in the context of industry developments if applicable):*

¹ <https://www.sec.gov/Archives/edgar/data/836157/000095017022019799/lnn-20220831.htm> pg 3

² <https://www.lindsay.com/usca/en/about/>

³ <https://www.lindsay.com/usca/en/about/>

⁴ <https://d2ghdaxqb194v2.cloudfront.net/1278/190965.pdf> pg 12

⁵ <https://d2ghdaxqb194v2.cloudfront.net/1278/190965.pdf> pg 14

⁶ <https://d2ghdaxqb194v2.cloudfront.net/1278/190965.pdf> pg 11

⁷ <https://d2ghdaxqb194v2.cloudfront.net/1278/190965.pdf> pg 12 & 14

In 2017, Lindsay launched FieldNET Advisor, the most advanced IoT application to date of its irrigation management tool.⁸

Landscape

- *Company size:*
1262 employees as of August 2022.⁹
- *Business segments and revenue:*
Lindsay Corp is in both the Irrigation Segment and the Infrastructure Segment. Operating revenue in 2022 was \$770.7 million, of which \$665.8 million came from irrigation and \$104.9 million came from infrastructure.¹⁰
- *Industry position/market share:*
Difficult to assess given the company's relatively small size and dual market segments.

Impact

- *Detail on additional social/environmental impacts of products:*
Besides water conservation via Lindsay's FieldNET technology, the Road Zipper System (a moveable road barrier) increases road capacity, reduces the carbon emissions caused by traffic congestion, and has also reduced road collisions and fatalities.¹¹

Environment

Goals & Disclosure

- Environmental Commitments
 - *CDP reporting and score:*
Lindsay has not reported to the CDP.
 - *Emissions target(s)? 1.5-degree SBTi target?*
No SBTi target. No emissions targets found. Aligned with the United Nations Sustainable Development Goals.¹²
 - *Scope 3 targets?*
No Scope 3 targets found.

⁸ <https://www.lindsay.com/usca/en/about/>

⁹ <https://www.sec.gov/Archives/edgar/data/836157/000095017022019799/inn-20220831.htm> pg 8

¹⁰ <https://www.sec.gov/Archives/edgar/data/836157/000095017022019799/inn-20220831.htm> pg 22

¹¹ <https://d2ghdaxqb194v2.cloudfront.net/1278/190965.pdf> pg 15

¹² <https://d2ghdaxqb194v2.cloudfront.net/1278/190965.pdf> pg 8

- *Water/waste/deforestation goals?*
General goal to “improve our operational footprint”.¹³ Help farmers save 700 billion gallons of water and one billion KWH of energy by the end of 2022.¹⁴
- Environmental Disclosures and Progress
 - *Emissions:*
Company emissions are not disclosed.
 - *Water:*
Company water usage not disclosed.
 - *Waste, including use of recyclable materials:*
Company waste production not disclosed. Focuses on building products to last. Conducted several kaizen events to increase materials efficiency and cost savings.¹⁵
 - *Deforestation:*
Nothing significant found or disclosed.

Product & Supply Chain Impacts

- *Further environmental benefits to using products:*
FieldNET technology saved growers more than 469 billion gallons of water.¹⁶
- *Significant environmental commitments in supply chain:*
Nothing significant was found.
- *Do products help customers reduce emissions? By how much?*
FieldNET energy savings could equate to the annual emissions of almost 240,000 vehicles.¹⁷
- *Intermediate scope 3 milestones and targets:*
No scope 3 information disclosed.
- *Significant environmental fines, remediation or controversy:*
Nothing significant was found.

Operational Initiatives

- *Are scope 1 and 2 commitments 1.5-aligned?*
No scope 1 and 2 commitments disclosed.
- *Intermediate scope 1/2 initiatives, milestones and targets:*
No intermediate targets disclosed.
- *Specific initiatives that could help achieve scope 1/2 targets, or lower emissions if no targets:*
“Our Scope 1 emissions remain the largest and most direct opportunity to reduce our

¹³ <https://d2ghdaxqb194v2.cloudfront.net/1278/190965.pdf> pg 7

¹⁴ <https://d2ghdaxqb194v2.cloudfront.net/1278/190965.pdf> pg 5

¹⁵ <https://d2ghdaxqb194v2.cloudfront.net/1278/190965.pdf> pg 17

¹⁶ <https://d2ghdaxqb194v2.cloudfront.net/1278/190965.pdf> pg 5

¹⁷ <https://d2ghdaxqb194v2.cloudfront.net/1278/190965.pdf> pf 13

environmental impact, which drive many of the activities mentioned in this report including exploring renewable energy installations at other facilities, transitioning handling equipment to electric over gas powered models and localizing production where feasible.”

¹⁸

- *Other specific, internal initiatives in service of water conservation, waste management, etc:* Enhancing the durability of steel structures by hot-dip galvanizing, which conserves raw materials and remains recyclable.¹⁹ FieldNET technology has also helped save more than 469 billion gallons of water and 1459 million KWH of energy.²⁰

Management Integrity and Ethics

Leadership & Diversity

- *Brief profile of CEO and any other notable leaders:*
Randy A. Wood, President and CEO, has held the position since January 2021. Was formerly the president of irrigation and served as COO. Has worked in several other leadership positions within the company since he joined in 2008.²¹
- Leadership Composition
 - *Executive team:*
10 people, 3 women, 7 men, races not disclosed.²²
 - *Board:*
8 people, 2 women, 6 men, 2 “minorities”, 7 of 8 are independent directors²³
- Employee/Management Composition and Pay Equity
 - *Employees:*
22% total global female employees, 26% US workforce diversity, 984 male employees, 278 female employees, 481 white, 107 hispanic, 24 african american, 38 asian, 3 native american, 5 two or more races, 607 undisclosed.²⁴
 - *Management:*
Not disclosed.
 - *Pay equity:*
Not disclosed.

¹⁸ <https://d2ghdaxqb194v2.cloudfront.net/1278/190965.pdf> pg 22

¹⁹ <https://d2ghdaxqb194v2.cloudfront.net/1278/190965.pdf> pg 17

²⁰ <https://d2ghdaxqb194v2.cloudfront.net/1278/190965.pdf> pg 12

²¹ <https://www.lindsay.com/usca/en/investor-relations/investor-information/>

²² <https://www.lindsay.com/usca/en/investor-relations/investor-information/>

²³ <https://d2ghdaxqb194v2.cloudfront.net/1278/190965.pdf> pg 39

²⁴ <https://d2ghdaxqb194v2.cloudfront.net/1278/190965.pdf> pg 33

Human & Labor Rights

- *Are clear policies in place on forced labor and supply chain monitoring?*
Lindsay Corporation does have clear policies against forced labor and conducts supply chain monitoring.²⁵
- *What % of the supply chain is covered?*
Lindsay expects all suppliers, domestic and international, to comply with their supplier code of conduct.²⁶
- *Supply chain enforcement mechanisms:*
No enforcement mechanisms found besides their written policies.
- *Employee safety metrics:*
FY22 Global Total Recordable Incident Rate= 2.3 the industry average was 4.7
0 Work related fatalities²⁷
- *Labor relations disputes or successful agreements:*
Nothing significant was found.
- *Employee satisfaction metrics:*
Employees rated working at LNN a 3.7 out of 5 average on Glassdoor with 104 reviews.²⁸
- *Programs requiring diverse hiring practices, professional training in underserved communities, or other equity-focused initiatives:*
No specific programs found for diverse hiring practices. Lindsay recently rolled out a new human rights policy, celebrated Black History month and Women's History month, increased parental leave to 4 weeks paid leave at 100% pay, and expanded their DE&I council to Olathe, Kansas and Brazil.²⁹

Political & Charitable Activity

- *Does the company have a policy not to spend anything on lobbying or political contributions?*
Employees have the right to participate in the political process but may never use company funds or the Lindsay name unless authorized by the CEO and legal department.³⁰
- *Federal lobbying expenditures and political donations:*
Lindsay Corp spent \$110,000 on lobbying in 2022; campaign donations were made by employees in small amounts.³¹

²⁵ <https://s3.amazonaws.com/b2icontent.irpass.cc/1278/186274.pdf>

²⁶ <https://s3.amazonaws.com/b2icontent.irpass.cc/1278/185324.pdf>

²⁷ <https://d2ghdaxqb194v2.cloudfront.net/1278/190965.pdf> pg 25

²⁸ <https://www.glassdoor.com/Reviews/Lindsay-Corporation-Reviews-E1597.htm>

²⁹ <https://d2ghdaxqb194v2.cloudfront.net/1278/190965.pdf> pg 32

³⁰ <https://s3.amazonaws.com/b2icontent.irpass.cc/1278/190892.pdf> pg 42

³¹ <https://www.opensecrets.org/orgs/lindsay-corp/summary?id=D000082333>

- *Is lobbying data voluntarily disclosed, including state and local contributions, trade association memberships, and PACs?*
Not disclosed in the sustainability report.
- *How much is spent annually on charitable contributions?*
In 2022, LNN spent \$381,000 on charitable contributions.³²
- *How much volunteer time do employees give annually?*
Total time/hours not found.
- *Major charitable or volunteer projects with meaningful long-term impact:*
Lindsay employees have participated in many charitable projects such as building for Habitat for Humanity, Food Bank of Hearland's Strike Out Hunger, and donating backpacks with school supplies to local Nebraska schools as well as Brazil.³³

Legal

- *Outstanding legal disputes with significant reputational and/or financial stakes (including shareholder lawsuits):*
There have been some reports of faulty X-Lite guardrails that Lindsay produces. There have been several automotive accidents that led to death involving these guardrails.^{34 35}
- *Significant fines paid or in dispute:*
Nothing significant was found.
- *Current or recent headline controversies involving the company or its management:*
Nothing significant was found.

³² <https://d2ghdaxqb194v2.cloudfront.net/1278/190965.pdf> pg 34

³³ <https://d2ghdaxqb194v2.cloudfront.net/1278/190965.pdf> pg 34-38

³⁴ <https://www.knoxnews.com/story/news/local/tennessee/2019/12/06/lindsay-x-lite-feds-investigate-maker-controversial-guardrail-after-deaths-tennessee-hannah-eimers/4358273002/>

³⁵ <https://guardrailinjurylawyer.com/mo-sues-defective-guardrail-manufacturer/>

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