

# RAVEN

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# IMPACT

MARKETS SERVED

COMMUNITY SUPPORT

TEAM MEMBERS

SUSTAINABILITY

RAVEN

2018 REPORT



“ Throughout the year,  
Raven strengthened its  
commitment to meet challenges  
— both small and great —  
within areas related to our  
communities, environment,  
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## SOLVING CHALLENGES THAT IMPROVE OUR WORLD

At Raven, we solve great challenges — a purpose that has served as our guiding point for over six decades. In fiscal year 2018, we witnessed that purpose in action when each of our business units rose to meet great challenges within their areas:

- Engineered Films met the unique challenge of providing necessary disaster recovery film to thousands that were impacted by devastating hurricane activity.
- Aerostar committed itself to advancing the capabilities and endurance of stratospheric platforms in order to provide connectivity and protection throughout our world.
- Applied Technology demonstrated an unwavering commitment to offer technically-advanced and sustainable solutions to the challenges put forth by a complex agricultural marketplace.

Raven takes that same attitude and approach with our corporate social responsibility. Throughout the year, Raven strengthened its commitment to meet challenges — both small and great — within areas related to our communities, environment, customers, and team members:

- Our approach to sustainability was demonstrated through continual improvement of our operations, products, and the actions of our team members. From reprocessing scrap product to participating in environmental cleanup activities within our communities, Raven continued its efforts to be a green leader and reduce our environmental impact.
- We provided new opportunities for our team members to improve themselves in Mind, Body, and Spirit. This included the introduction of a new leadership development program, continued education assistance, additions to our free onsite health resources, and a company-wide celebration of our cultural commitment to personal wellness.
- We invested in education at all levels; provided financial support to programs that promote STEM education for elementary, middle, and high school students; and invested \$5 million to establish a Precision Agriculture Facility at South Dakota State University.

The pages that follow showcase our commitment and work to solve great challenges in all our areas of our businesses and organization. Looking ahead, we will continue to find opportunities where we can make a positive impact — solving great challenges in order to improve ourselves, our communities, and our world.

Sincerely,



Chief Executive Officer & President

**DANIEL A. RYKHUS**

## BUSINESS PURPOSE, PRODUCTS & SERVICES DELIVERED, MARKETS SERVED

At Raven, our organizational purpose is to Solve Great Challenges. In seeking this purpose, we continue to design and produce technology that leaves a positive impact on people around the globe.

Our organizational purpose unites our businesses and drives the work of our team members every day. However, each business unit has its own purpose — a Great Challenge to solve — and each has provided solutions to the challenges that it has been presented with.

- Raven Engineered Films: Providing solutions that preserve and enhance customer investments while protecting Earth's resources.
- Raven Aerostar: Connecting, protecting, and saving lives.
- Raven Applied Technology: Feeding a growing world population by improving agricultural efficiency around the globe.

In fiscal year 2018, Raven delivered on its commitment to Solving Great Challenges by developing and introducing new products, responding to natural disasters and needs, and committing to the future by investing in education.

## RAVEN ENGINEERED FILMS

Providing solutions that preserve and enhance customer investments while protecting Earth's resources

### HURRICANE RELIEF FILM

Raven Engineered Films provided **over 440 million square feet of reinforced plastic sheeting** to the victims of Hurricane Maria, Hurricane Irma, and Hurricane Harvey. Our team members worked long hours and volunteered for overtime to respond to the demands in Texas, Florida, and the Caribbean. Used by the Army Corps of Engineers to provide temporary roofing to inhabitants of the affected areas, our plastic allowed for displaced homeowners to return to their homes.



### YUMA PROJECT

In spring 2017, Raven produced and supplied a 45-mil reinforced flexible polypropylene geomembrane to hold brine water for a solar pond application in Yuma, Arizona. The intent of the solar pond is to produce electricity, utilizing the thermo-gradient within the pond along with a low-pressure expander. Through a distillation process, pure water is also being extracted from the pond. It is estimated that a standard pond size of 60 acres can produce one megawatt of power and 62 million gallons of distilled water per year.

OVER 551,600 POUNDS

of Raven material was extruded through our manufacturing facilities

62 MILLION GALLONS

of distilled water will be generated by this project, impacting thousands of families



## RAVEN AEROSTAR

Shaping the stratospheric platform market with the world's most advanced and reliable lighter-than-air technologies

### PROJECT LOON: SERVING PERU + PUERTO RICO

Peru experienced disastrous flooding in the first part of 2017, leaving 94 dead, more than 700,000 homeless, and their infrastructure in shambles. Through Project Loon, our balloons have served the residents of Peru by providing a communications network and filling in gaps of coverage so that families could stay connected during this disaster.

Puerto Rico, too, was devastated by Hurricane Maria. Project Loon was able to step in and provide immediate assistance so that families and relief organizations could communicate.

*Throughout 2017, Project Loon served about 920 GB of data to an estimated 100,000 unique Telefonica users in Peru.*

*More than 1.6 TB of data was served to an estimated 200,000 unique users in Puerto Rico during the first six months Loon Balloons were deployed in Puerto Rico.*

### BALLOON DAY

On April 11, 2017, Raven hosted its second annual Raven Aerostar Balloon Day in Sioux Falls, SD. The event provided South Dakota students with the opportunity to learn about stratospheric balloon technology and manufacturing processes, participate in hands-on workshops, and engage with engineering team members. This event affirms Raven's commitment to fostering the importance of Science, Technology, Engineering, and Mathematics (STEM) education for young students.



**With 136 students and 10 educators in attendance, the event saw a 22% increase in attendance from the prior year.** Attendees included students and educators from Sioux Falls, Brandon, and Baltic school districts. As a world leader in lighter-than-air technologies, Raven showcased how its stratospheric balloon technologies are solving great challenges across the world.

## RAVEN APPLIED TECHNOLOGY

Feeding a growing population by improving agricultural efficiency around the world

### RS1™: INCREASING PRECISION

In 2017, Raven introduced the RS1™, a combination of autosteer, GPS, and Slingshot® into one intuitive, easy-to-use unit for navigation. RS1's incredible accuracy at both high and low speeds, along with quick line acquire, improves efficiency and allows customers to cover more ground in a day.



The RS1 helps farmers be more efficient with its GPS capabilities, ensuring that the right product or machine is in the right spot at the right time. In addition, its autosteering capability helps our customers save fuel by staying on a precise path and covering a precise area. Its superior connectivity allows for more efficient data transfers.

By increasing efficiency and precision, the RS1 helps farmers reduce costs and increase yields.

### ADVANCING THE FUTURE OF PRECISION AG: SOUTH DAKOTA STATE UNIVERSITY INVESTMENT

In January 2018, Raven Industries announced a gift of **\$5 million to South Dakota State University (SDSU)** for the establishment of its Precision Agriculture Facility within the College of Agriculture and Biological Sciences on its main campus in Brookings, SD.

As the single largest contribution investment made by Raven in its 62-year history, this gift will help pave the way for a facility that will house the country's first four-year precision ag program. This investment builds on previous gifts we've made to the Precision Ag program at SDSU when it was in its infancy. It is our hope that our investment will grow the program and the pool of precision ag candidates necessary to meet the growing demand for all in this industry.



# VOLUNTEERISM

## COMMITTED TO GIVING BACK OUR TIME

Raven has a long history of community support and an ongoing commitment to keep it strong. Throughout the year, several Raven team members gave back to their communities by volunteering their time and energy to various social organizations.

From cleaning up litter to stuffing backpacks for hungry children and mentoring students, Raven team members have the opportunity to make a significant impact in areas that align with their interests. We care about the communities where we live and work, and we believe we all benefit when we support one another.

“The Banquet is grateful to Raven for its commitment to serving hungry families in our community. Raven is a dedicated partner at The Banquet, providing food and fellowship to people who are at risk of going hungry, and through providing school supplies to children whose families have limited resources. The Banquet guests, staff, and donors are grateful to Raven for its vigilance in supporting the most vulnerable people living in our city.”

— Madeline Shields, Marketing and Development Director,  
The Banquet Sioux Falls



IN FY 2018:  
**166**  
**TEAM MEMBERS**

VOLUNTEERED THEIR TIME  
IN REGISTERED RAVEN  
VOLUNTEER OPPORTUNITIES\*

35 **TEAM MEMBERS**  
SERVED AS  
**STUDENT MENTORS**  
THROUGH JUNIOR ACHIEVEMENT  
AND LUTHERAN SOCIAL SERVICES  
SOUTH DAKOTA

**62**  
**TEAM MEMBERS**  
VOLUNTEERED AT  
**THE BANQUET**  
IN SIOUX FALLS

\*COUNTLESS VOLUNTEER EFFORTS  
ARE PUT FORTH BY RAVEN TEAM MEMBERS  
OUTSIDE OF COMPANY-SPONSORED EVENTS

# CORPORATE PHILANTHROPY

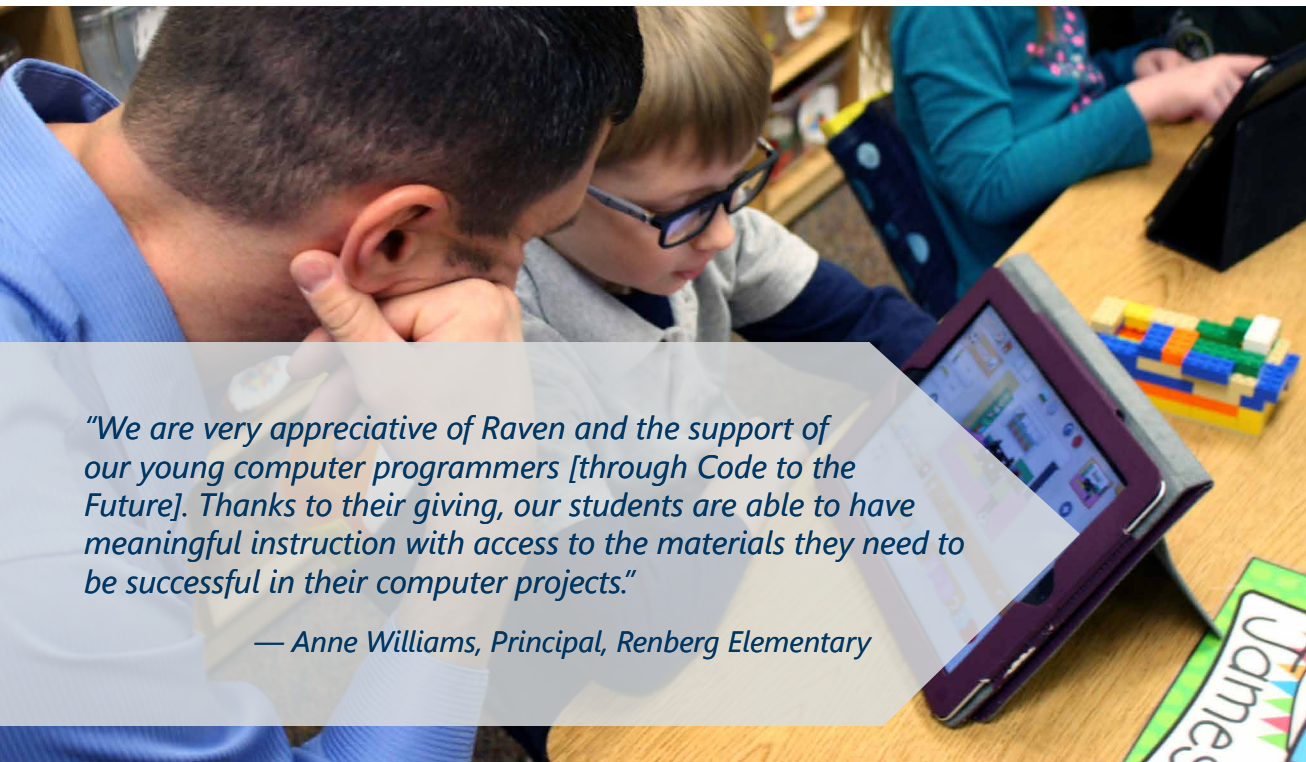
## COMMITTED TO STRENGTHENING OUR COMMUNITIES

Raven is committed to being an active and responsible corporate citizen by providing strategic investments to organizations who align with our business model and purpose.

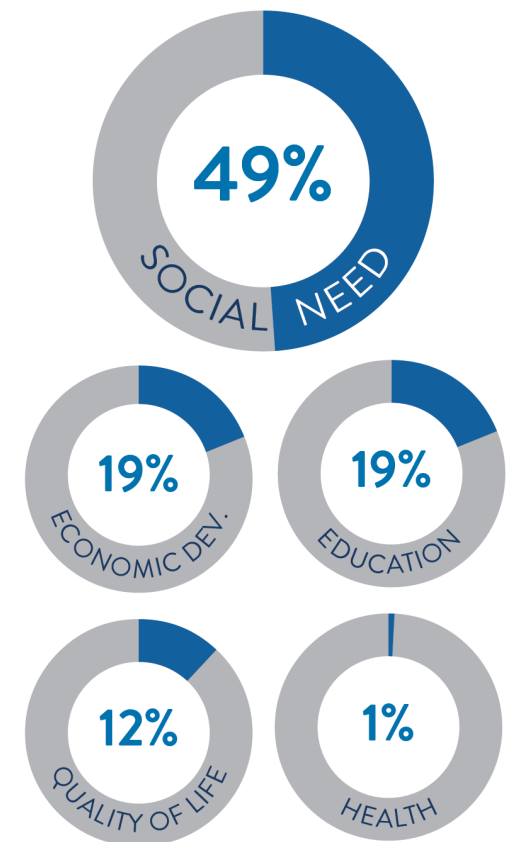
Our areas of focus include quality of life, education, social need, health, and economic development. We seek to make a positive impact by providing financial support to organizations that successfully and efficiently address each of our focus areas. In FY 2018, we supported 36 organizations.

*"We are very appreciative of Raven and the support of our young computer programmers [through Code to the Future]. Thanks to their giving, our students are able to have meaningful instruction with access to the materials they need to be successful in their computer projects."*

— Anne Williams, Principal, Renberg Elementary



## RAVEN GIVING IN FY 2018



# TEAM MEMBER DEVELOPMENT & TRAINING



## COMMITTED TO CONTINUOUS IMPROVEMENT

Raven employs a diverse and inclusive workforce that is committed to solving great challenges. Our team members are at the heart of the work we do, and we believe it vital to invest in their ongoing development and continuous improvement. In order for a company to grow and improve each year, individual team members must grow and improve each year.

## RAVEN U: PERSONAL & PROFESSIONAL DEVELOPMENT

Raven University continued to provide more new and exciting learning opportunities for team members in Fiscal Year 2018. Team members are given multiple weekly opportunities to engage in learning at Raven University.

One of the most notable changes was the addition of a **Bridge Program** to our existing portfolio of Leadership Development Programs. This program allows team members to more deeply develop their business understanding and professional effectiveness through a customized approach, with scalable requirements to accommodate a variety of expertise levels and future career goals.

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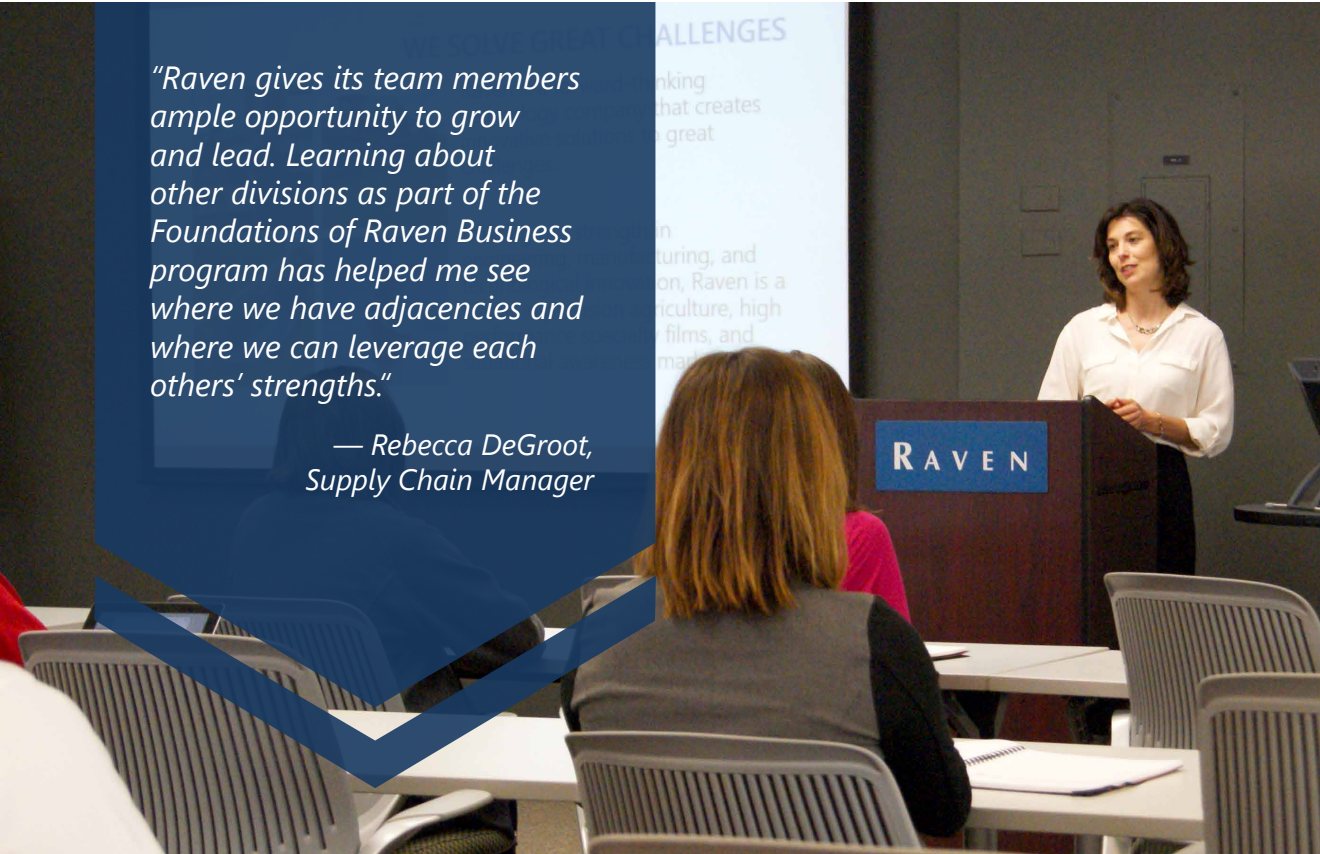
**In FY 2018, overall participation in our Leadership Development Programs increased. Two team members graduated from our Emerging Leaders Program, and seven team members graduated from our Leadership Immersion Program.**

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## EDUCATION ASSISTANCE & SCHOLARSHIP PROGRAMS

Beyond our own learning and development opportunities, Raven provides education assistance to many of our team members who are pursuing degrees in higher education. In FY 2018, 13 team members participated — two at the graduate level, 11 at the undergraduate — and Raven paid out \$46,562 in team member reimbursements.

Each year, Raven also awards scholarships to the children of our team members. The funds can be used for tuition, fees, or books at any accredited college or technical institute. In 2017, we continued this commitment, promoting educational attainment for the next generation. Fifteen \$500 scholarships were awarded to the dependent children of Raven team members.



*"Raven gives its team members ample opportunity to grow and lead. Learning about other divisions as part of the Foundations of Raven Business program has helped me see where we have adjacencies and where we can leverage each others' strengths."*

— Rebecca DeGroot,  
Supply Chain Manager

## PEAK PERFORMANCE

### WHAT IS PEAK PERFORMANCE?

Simply put, Peak Performance is our commitment to prepare ourselves as individuals, as well as a corporation, to be our best. Focusing on the wellness of mind, body, and spirit, Peak Performance is a reflection of our commitment to continual improvement. It is an enduring set of values that differentiates Raven from the competition.

### PEAK WEEK & PEAK CELEBRATION

Peak Week 2017, the second installment of Raven's week-long celebration of this important cultural dimension, took place in September 2017. Almost 200 team members participated in various intellectual, physical, and spiritual challenges, which was a 29% increase in participation from the year prior.

For the first time, Peak Week closed with a full celebration event, including a fun run/walk and prize drawings for our team members.

### PEAK TIME

Team members often cite time as a barrier to accomplishing personal wellbeing goals. In order to assist with and encourage an exploration of techniques to improve one's mind, body, and spirit, Raven offers its team members **12 hours of Peak Time per year** to work on personal Peak Performance aspirations.

## IN FY 2018,

RAVEN TEAM MEMBERS USED

OVER **5,000** HOURS OF PEAK TIME



## WELLNESS

One of the dimensions of Peak Performance involves the development of one's body. At Raven, we provide our team members with ample health and fitness resources, including the Raven Fitness Center, On-Site Clinic, and many others. In FY 2018, we expanded our fitness and wellness opportunities in a number of ways.

### NEW INDOOR CYCLING ROOM

In March 2017, Raven opened a new cycling room and began offering spin classes for its team members. The indoor cycling classes provide a high-intensity workout with low impact on one's joints. These classes also provide opportunities for Raven team members of all fitness levels to strive for their health goals together. They have brought team members across business units together to strive for Peak Performance.

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**In 2017, 62 team members attended the 150 spin classes offered, burning upwards of 221,200 calories.**

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### ON-SITE CLINIC

Raven re-opened its On-Site Clinic in its Sioux Falls Industrial Park in 2017. Open to team members twice a week, the On-Site Clinic is staffed by a Certified Nurse Practitioner, and the confidential visits are paid for by the company — regardless of participation in the company health plan.

The On-Site Clinic enables team members to see a medical professional during hours at their worksite. It allows them to take ownership of their health, free of charge, so they can focus on being productive contributors to their team and their community.

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**Since reopening the On-Site Clinic, the Certified Nurse Practitioner has hosted 307 office visits and saved countless hours of team member time.**

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# ENVIRONMENTAL SUSTAINABILITY



## COMMITTED TO PROTECTING EARTH'S RESOURCES

There are finite resources available on Earth, and we believe it is our responsibility, both as individuals and as an organization, to protect those resources to ensure a reliable and sustainable environment for future generations. Various Raven products contribute positively to the future of our planet, including precision ag technology, which aims to increase yields while protecting the land, and engineered film products that protect natural resources.

Our commitment to sustainability doesn't end there. Raven is dedicated to protecting our Earth in operations, and we are committed to our communities as a leader in green business.

*"Raven is truly a green trailblazer in our community. They truly understand the social component of sustainability and have integrated it throughout their company. They are excited and prepared to take even further steps to decrease their environmental impact. Raven truly demonstrates what it means to be a green leader."*

— Jessica Sexe, Sustainability Coordinator,  
City of Sioux Falls

## OPERATIONAL SUSTAINABILITY

At Raven, we understand that our business operations have the potential to profoundly affect our environment, and we aspire to solve great challenges without negative environmental impact. Raven Engineered Films' continuous operation of a state-of-the-art plastic reclaim center, which converts excess materials into reusable plastic resin, is a prime example of how our operational practices reduce environmental waste.

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**About 10.5 million pounds of engineered film were reclaimed in Fiscal Year 2018 — a 63% increase over the previous year.**

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The operation is currently utilizing the majority of these reprocessed resin pellets by reintroducing them into select finished film and sheeting products. The products made with these recycled materials are working to protect Earth's natural resources by containing potentially harmful chemicals and pollutants — while also eliminating waste.

Raven displays its commitment to environmental sustainability in other aspects of its operations, as well:

### FY 2018 HIGHLIGHTS

- Sioux Falls Downtown & Industrial Park locations **recycled 1,600 tons** of material in Fiscal Year 2018.
- Continuous commitments to sustainability, including: use of reusable items, safe electronics disposal, electronic billing and communication options to reduce paper use, energy-efficient windows, and more.

## SUSTAINABILITY IN OUR COMMUNITIES

Outside of our business operations, Raven displays its dedication to sustainability by supporting its surrounding environments and communities in many ways. The following external efforts supported the City of Sioux Falls, raising awareness and leading the community in sustainability.

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### 2017 – 2018 SIOUX FALLS GREEN LEADER AWARD

For the second year in a row, Raven Industries achieved certification as a Sioux Falls Green Leader. This shows that we are committed to sustainability in all areas of our business, making every effort to reduce our environmental impact on our community. Raven continues to engage in various sustainable initiatives, including everything from safe waste-disposal initiatives to the continued use of reusable coffee mugs for team members.



### 2017 BIG SIOUX RIVER GREENWAY CLEANUP

Raven Industries partnered with various other Sioux Falls organizations to support the Sioux Falls Leading Green 2017 Big Sioux River Greenway Cleanup. In addition, Raven Ambassadors volunteered time to help at the event on April 22, 2017. This cleanup is one of the Sioux Falls community's annual Earth Day events.



We Solve Great Challenges.

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