



2022 CORPORATE RESPONSIBILITY REPORT

GroMoreGood,TM Together.

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ABOUT THIS REPORT

Our 2022 Corporate Responsibility Report, our eleventh report, represents sustainability data and disclosures covering our 2021 fiscal year unless otherwise noted. This report has been prepared in accordance with the GRI Standards (2016): Core option and with consideration for the Sustainability Accounting Standards Board's (SASB's) Chemicals industry standard. The content of this report reflects all of The Scotts Miracle-Gro Company, including The Hawthorne Gardening Company's operations and AeroGarden, unless specifically identified. Please see our company's [Investor Relations](#) page for consolidated financial statements. Your input and feedback is important—please contact sustainability@scotts.com with any comments or questions.

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 @Scotts_Mgro

 @scottsmiraclegrocompany

 @scottsmiraclegro

Scotts Miracle-Gro

14111 Scottslawn Road
Marysville, OH 43041

sustainability@scotts.com



JIM HAGEDORN
*Chief Executive Officer
and Chairman of the Board
The Scotts Miracle-Gro Company*

CEO Letter:

A purpose to GroMoreGood, together.

LETTER FROM LEADERSHIP

Let's GroMoreGood, together.

Springtime is a big deal in our business. It's the time of year when homeowners start itching to get outside and reconnect with their outdoor spaces. They dust off their lawn mowers and garden tools. They say hello to their neighbors across the fence. They dig their hands into the soil.

It's the time of year when the natural world wakes up and reinvigorates after a long cold winter. It's the ultimate comeback.

As I write this letter, I can't help but feel that the world is beginning to open back up again. Families and friends are reuniting. Communities are gathering again. And our associates are collaborating safely in person. While the last few years have been challenging unlike anything we could have imagined, we are emerging and returning to the things that make us great. We have found renewed strength together, and I am amazed by the resiliency of our communities and our people.

The world will continue to face challenges, and there are many today - from social to environmental to economic. Our company is not immune to these challenges. In fact, we've had to make difficult decisions this year to operate our business more efficiently. However, just like in gardening, a temporary setback will not deter us from believing in what is possible for the future. We are confident in our long term vision, which has enabled us to support gardeners and growers for more than 154 years.

We will address these challenges, as we always have, by keeping our responsibility to those that depend on us at the forefront of our decision-making. This is what drives our purpose to GroMoreGood everywhere, every day, for our associates, our communities, our planet and each of you.

In 2022, as we work together to GroMoreGood and address the emerging needs in our communities, in our country and across the globe, this will continue to be the story we write together. In fact, it has been the story we've been living throughout our entire history.

Founded in 1868 in Marysville, Ohio, The Scotts Miracle-Gro Company name is synonymous with America's love for lawns and gardens and continues to be headquartered in the same small town where we were established over a century ago. We have grown to become a leader in the evolution and emergence of indoor gardening through our subsidiary, The Hawthorne Gardening Company. Throughout our company's history, we have worked to always do the right thing for our associates and our consumers by providing products and resources that enable people to come together and find joy at times when they are needed the most.

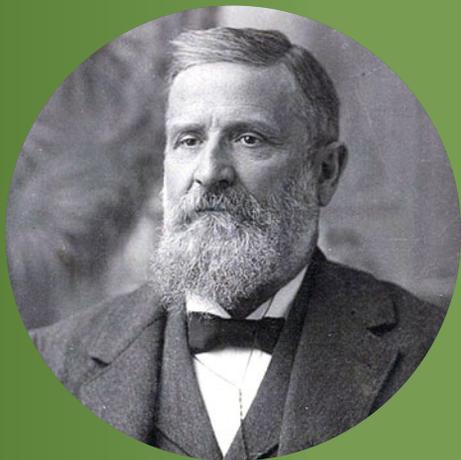
Throughout this 2022 Corporate Responsibility Report, you'll see how we bring our GroMoreGood purpose to life together. We'll share our continuing efforts on our sustainability journey and outline our environmental, social and governance (ESG) strategy that will guide us over the next several years. We'll also provide updates on how we continue to foster a safe, healthy and inclusive workplace as we near closer to what we hope is the end of the pandemic.

As we enter the next chapter of our history, I am more confident than ever in our future. I know we will rise to any challenge and achieve progress and lasting positive change. And through it all we will remain committed to our long-term purpose to GroMoreGood. Together.

Thank you,



JIM HAGEDORN
*Chief Executive Officer
and Chairman of the Board
The Scotts Miracle-Gro Company*



O.M. SCOTT
Founder

Who We Are

As a lawn, garden and growing company, we're in the business of growing great things. Since 1868, we've been helping gardeners and growers transform their own piece of the Earth.

ABOUT SCOTTMIRACLE-GRO

Few companies have roots as deep as ours. We've grown from a family general store to North America's leader in lawn and garden as well as indoor and hydroponic growing products. We're headquartered in Marysville, Ohio, only five miles from where our company was founded by a Civil War veteran more than 150 years ago.

As one of America's most trusted companies—one deeply rooted for generations in a sense of family—we embrace our responsibility to create a better life for our associates and our consumers. We recognize our role in protecting the planet. And we see the importance in investing in tomorrow's leaders. We do these things because, at our core, we believe good can grow anywhere.

Throughout this report, you will see the ways in which we live our corporate purpose to GroMoreGood everywhere. This report demonstrates our commitment to a world in which we GroMoreGood, together—for our communities, our planet, our consumers, our business partners and each other.

Our more than 7,000 regular associates form the heart and soul of our company, making GroMoreGood a reality by delivering products and solutions that help our consumers create beautiful gardens, indoor growing environments and landscapes that thrive. Our legacy is rooted in trust, innovation and doing the right thing—for today's gardeners and growers and the ones who will come tomorrow.

In our fiscal 2021, we owned or leased 94 manufacturing properties, 28 distribution properties and 4 research and development properties in the United States, Canada, the

Netherlands and China. Most of the manufacturing properties have production lines, warehouses, offices and field processing areas.

Our key consumer lawn and garden brands include Scotts® and Turf Builder® lawn and grass seed products; Miracle-Gro® gardening and landscape products; Ortho® and Home Defense® insect control and weed control products; and Tomcat® branded rodent control products. We are the owner of AeroGarden®, a company that manufactures hydroponic gardening products for consumers. Through our Hawthorne Gardening Company subsidiary, we are a leading manufacturer, marketer and distributor of nutrients, growing media, advanced indoor growing products, lighting and ventilation systems and accessories for hydroponic gardening. Our key brands include General Hydroponics®, Gavita®, Botanicare®, Agrolux®, Can-Filters®, Sun System®, Luxx Lighting®, Gro Pro®, Mother Earth®, Hurricane®, Grower's Edge® and Hydro-Logic®. Through a joint venture with Alabama Farmers Cooperative, we provide services to The Bonnie Plants business of planting, growing, developing, manufacturing, distributing, marketing and selling to retail stores throughout the U.S.

Our company traces our founding back to O.M. Scott when, in 1868, he opened a storefront in Marysville, Ohio. In the



The Marysville, Ohio, R&D facility employs more than 100 research scientists, specialists and engineers collaborating to innovate, design and rigorously test our products.

early 1900s, we began selling grass seed to consumers and, in the late 1920s, developed and sold high-quality fertilizers specifically designed for consumers to use on their lawns.

In the 1990s, we significantly expanded our product offering with three powerful leading brands in the U.S. home lawn and garden industry. In fiscal 1995, through a merger with Stern's Miracle-Gro Products, Inc., which was founded by Horace Hagedorn and Otto Stern in Long Island, New York, in 1951, we acquired the Miracle-Gro® brand, the industry

leader in water-soluble garden plant foods. In fiscal 1999, we acquired the Ortho® brand in the U.S. and obtained exclusive rights to market Monsanto's consumer Roundup® brand within the United States and other contractually specified countries, thereby adding industry-leading weed, pest and disease control products to our portfolio. Beginning in 2015, we made a series of key acquisitions and investments to grow and position our Hawthorne subsidiary as the leading manufacturer, marketer and distributor of indoor and hydroponic gardening products in North America.

PURPOSE, VISION AND VALUES

Our purpose: To GroMoreGood everywhere. We believe that everyone can grow more good, not only in their own backyards, but in the greater world around them. Our company invests in the potential of this belief across all the people we serve, both inside and outside of the company.

Our vision: To help people of all ages express themselves on their own piece of the Earth.

Our actions as a company, and as individuals, are guided by our cultural attributes.

Every day, we ask ourselves what a good company would do, and then we set out and do it.



For Our Communities

By supporting the creation of gardens and greenspaces that transform neighborhoods, get kids outdoors and bring people together. And by developing programs that help kids from underserved communities understand and meet their full potential to become the leaders of tomorrow.



For Our Consumers

By providing them the products, knowledge and support that allow them to express themselves on their own piece of the Earth. By celebrating their accomplishments and allowing their stories to shine as living examples of the true power of gardens and greenspaces.



For The Planet

By designing our products to work in concert with the environment and supporting the work of our environmental partners, both of which will help provide for a sustainable future and inspire a new generation of associates and gardeners to GroMoreGood in ways that are good for the Earth.



For Our Associates

By putting our associates first. Helping to grow professionally and achieve their personal best. Providing paid time off to volunteer in the community. And by taking a holistic approach to wellness and safety in order to support a **LiveTotal Health** mindset.



Our Approach to ESG

We strive for continuous improvement in our strategy and leadership that advances sustainability and demonstrates how we are growing more good in our corner of the world.

GOVERNANCE

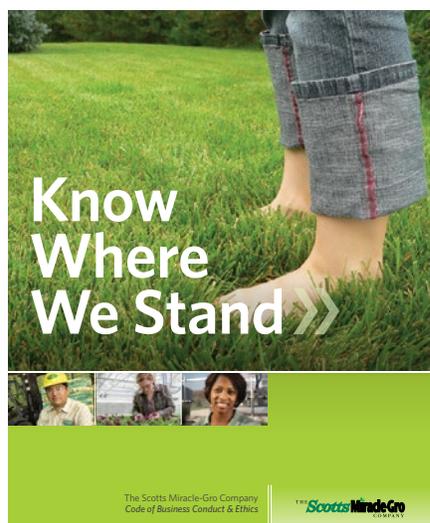
Leadership Structure and Board of Directors

Our commitment to GroMoreGood starts with our leadership team. Our Board of Directors, the highest governance body at our company, has five standing committees to assist with oversight responsibilities: Finance, Audit, Innovation & Technology, Compensation & Organization and Nominating & Governance. Each committee's charter can be found on our [website](#).

Our management team and Board of Directors work together to engage with and oversee environmental, social and governance (ESG) topics, as well as related risks and opportunities, including climate change and human rights. The Board's Nominating & Governance Committee oversees our company's ESG-related policies, practices, performance, reporting and goals. In consultation with the Nominating & Governance Committee, the Innovation and Technology Committee is responsible for our company's product-related ESG policies and practices. The chair of the Nominating & Governance Committee serves as the primary ESG liaison between management and the Board of Directors, and, with the support of management, briefs the Board on sustainability strategy development, setting and managing climate-related targets and measuring and managing our company's greenhouse gas (GHG) inventory.

Our leadership's annual performance incentives are tied to achievement of business goals. Accordingly, progress toward ESG goals is taken into account during annual evaluations, but we do not specifically link ESG performance to executive compensation.

We believe that diversity is one of many important considerations in Board composition. The Nominating & Governance Committee evaluates the entirety of each candidate's credentials, including factors such as experience, skill, age, diversity of background, race and gender, as well as each candidate's judgment, strength of character and specialized knowledge. Our company's current Directors, as a group, reflect a mix of skills, experience, backgrounds and opinions that foster an effective decision-making environment and promote our company's culture. Currently, two of our ten Directors are women.



Business Ethics and Code of Conduct

ScottsMiracle-Gro believes that there is no personal or business goal worth compromising our integrity and commitment to ethics. We are guided by our cultural attributes: passion, ethics and respect. They are the principles that have made us successful and will continue to steer us in the future.

Our decisions, both small and large, contribute to the trust and respect that consumers place in us. Our [Code of Business Conduct and Ethics](#) guides our actions as a company, from our associates to our Board of Directors, and advances our commitment to operating ethically and leading with integrity. We expect everyone working for ScottsMiracle-Gro or on our behalf to conduct business legally and ethically. This includes associates, suppliers and other business partners. Ethics training for associates may include a number of policies and compliance areas, including our commitment to anti-bribery.

Our aim is to empower each associate to contribute to a culture in which our associates can ask questions, raise concerns and report issues without fear of reprisal. We also encourage our associates to share concerns, and they can do so through multiple avenues, including speaking with their direct supervisor or sending a confidential letter to the Audit Committee. In addition, our 24/7 Ethics and Compliance Helpline provides an anonymous method for anyone to report possible violations of our Code of Business Conduct and Ethics. Every matter is investigated to the extent possible. We do not tolerate retaliation, and all reports of retaliation are investigated. Furthermore, we

commit to reviewing any reported incident or violation. Along with our Code of Business Conduct and Ethics, our Environmental, Human Rights and Equal Employment Opportunity/Anti-Discrimination policies guide our decision-making and activities. These policies are informed by best practices and standards where we operate, and are periodically reviewed and updated to include emerging issues of concern for our business.

We provide suppliers and business partners with our policies and standards in writing concerning ethical business and human rights practices. All these steps are taken to ensure that we are fully transparent with our associates, partners, suppliers, consultants and others with whom we do business regarding our expectation that they conduct business according to our ethical standards.



WHERE WE STAND, AND WHAT WE STAND FOR:

- » **WE STAND** with our consumers, helping them to enjoy the benefits of their lawns, indoor and outdoor gardens, and plants.
- » **WE STAND** together as associates to grow our business, protect the legacy of our Company and create a respectful and collaborative workplace, regardless of race, religion, national origin, sexual orientation or gender identity or expression.
- » **WE STAND** with our suppliers and retail partners, dealing fairly with them, listening carefully to their needs and supporting their business.
- » **WE STAND** for our shareholders by striving to enhance the value of their investment.
- » **WE STAND** for an ethical, competitive marketplace.
- » **WE STAND** for doing the right things in the countries and communities where we live and work.

Supplier Code of Conduct

Our commitment to high-quality products is unwavering, and we are supported by supply chain partners that are also dedicated to quality, safety, security and the rights of its workforce. Our commitment to Human Rights is exemplified by our audit program, run by our quality group both here and abroad. To reinforce this commitment to our suppliers, we will be issuing a Supplier Code of Conduct and implementing a third-party audit program to support it, in the fall of 2022.

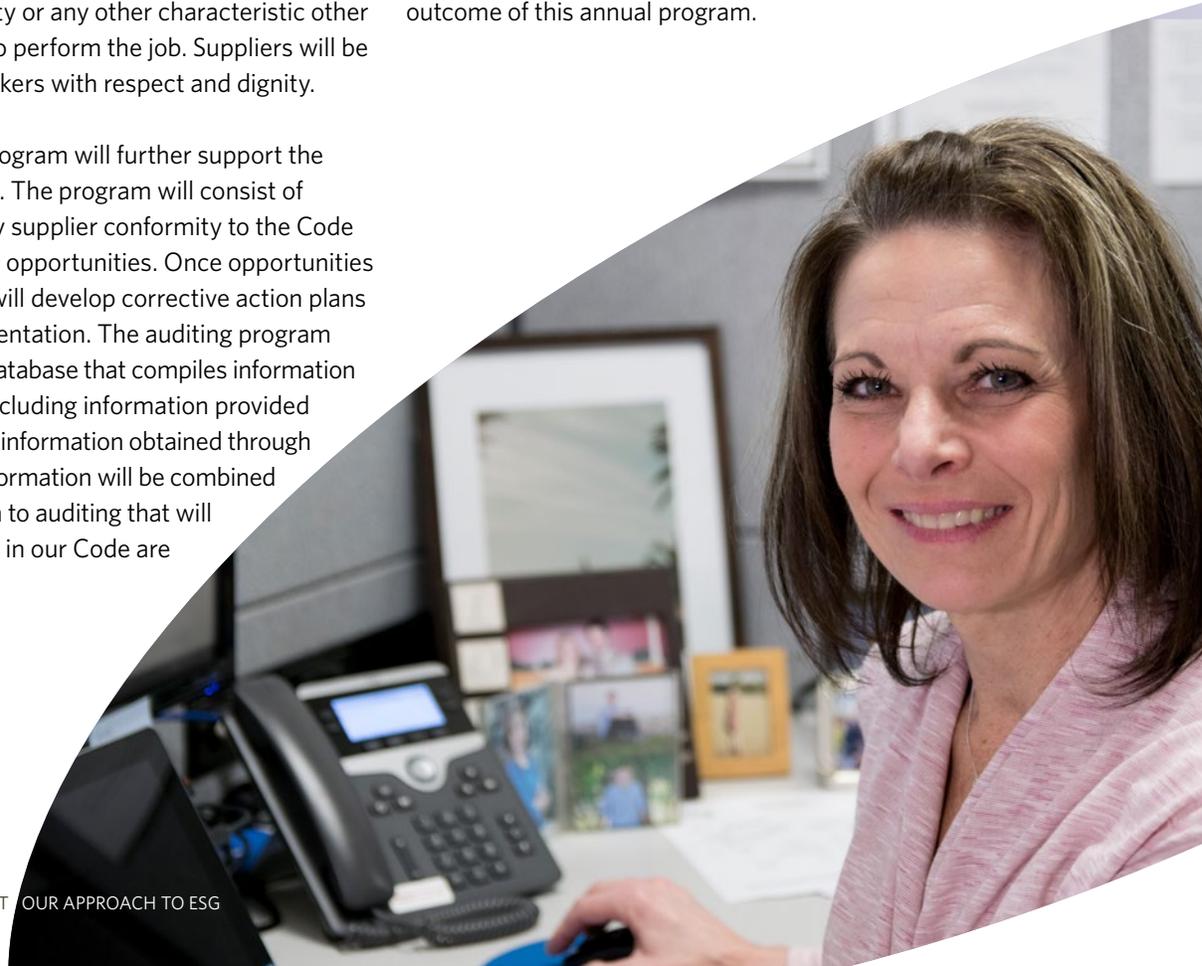
Under the Supplier Code of Conduct, ScottsMiracle-Gro will mandate that all labor must be voluntary, and no supplier shall support or engage in slavery or human trafficking in any part of its supply chain, which includes no child labor. The Code will also require Suppliers to maintain a safe work environment and to refrain from practices that may be coercive, such as requiring employees to surrender their identification papers, incur debt, or otherwise hinder their workers' freedom of movement and/or ability to terminate their employment. The Code will set forth expectations to compensate its workers fairly and to establish humane work hours. Additionally, the Code will prevent Suppliers from discriminating, abusing or harassing employees based on race, color, national origin, gender, gender identity, sexual orientation, military status, religion, age, marital or pregnancy status, disability or any other characteristic other than the worker's ability to perform the job. Suppliers will be required to treat their workers with respect and dignity.

A new, on-site auditing program will further support the Supplier Code of Conduct. The program will consist of third-party audits to verify supplier conformity to the Code and identify improvement opportunities. Once opportunities have been identified, we will develop corrective action plans and oversee their implementation. The auditing program will rely on a proprietary database that compiles information about our supply chain, including information provided by ScottsMiracle-Gro and information obtained through third-party audits. This information will be combined into a risk-based approach to auditing that will ensure that the objectives in our Code are being achieved.

Enterprise Risk Management

We define risk as potential future events that may disrupt our global operations, goals, business objectives and related strategic initiatives. Proper enterprise risk management, including our ability to identify material risks and appropriately mitigate and manage those risks, allows us to effectively pursue our business objectives and related strategies which is critical to the success of our business.

On an annual basis, a cross-functional group of leaders across our business participate in our risk identification process. As a part of this process, we seek to identify the total universe of potential risks to our business and consider how we define those risks, how our business may be affected by those risks and what individuals and teams should be responsible for responding to and mitigating those risks. Pertinent members within this cross-functional group score the applicable risks based on four categories: impact, likelihood, business capability to mitigate and velocity. Once all identified risks are scored, we calibrate and align the most significant risks with our executive management team. The owners of these top risks then memorialize and present their risk management plans to the various subcommittees of the Board of Directors. These risk owners proactively manage these risks throughout the fiscal year as a fluid outcome of this annual program.





EVERYONE HAS A RESPONSIBILITY FOR CYBERSECURITY

We understand each of our associates can play a role in keeping our corporate data safe. As part of our enterprise-wide risk mitigation, we educate all associates about how they can best protect data and reduce the risk of a cyber attack. During Cybersecurity Awareness Month in October, our Information Security team hosted company-wide lunch and learns, published weekly articles and provided tips on mobile security habits and ransomware. The team also instituted Phish Alarm, which enables all associates to report suspicious email messages to the Cybersecurity team, and provided detailed training on how to use it.

“Our cybersecurity teams are in place, in part, to assist our associates and provide them with the proper guidance and support they need to make sure we’re all protecting the company from a security perspective.”

– Ricardo Bartra, Chief Information Officer

The Cybersecurity team partners with a managed security services provider to implement a security operations center. This partnership significantly enhanced the cybersecurity of our organization with 24/7 monitoring, threat intel and threat hunting, alert and security incident management, security incident remediation and more. Last year, our Identity and Access Management team transitioned associates across our company to a new multi-factor authentication tool that offered improved security, a better user experience and tighter integration with our existing single sign-on (SSO) solution.

Compliance

Our Corporate Compliance team uses an enterprise-wide, risk-based approach to identify and prioritize compliance objectives across our business. This team, which operates within and with our Legal Department, focuses on integrating compliance objectives into our business processes for a variety of topics, including product and pesticide compliance, cybersecurity, enterprise risk management and anti-corruption.

STAKEHOLDER ENGAGEMENT

Stakeholder engagement is an important way we advocate for the needs of our consumers, our industry and our business. We engage with local, state, national and international organizations that align with our strategic and ESG-related priorities. These stakeholders include shareholders, associates, customers, consumers, suppliers and elected officials. We also engage with partners through research collaborations and nonprofit partnerships.

Industry, trade and other associations. We participate in industry, trade and other professional associations that help represent our interests across diverse aspects of our business. Some of the organizations we engage with include the following:

- American Association of Plant Food Control Officials (AAPFCO)
- American Association of Pesticide Control Officials (AAPCO)
- American Association of Seed Control Officials (AASCO)
- American Association of National Advertisers (ANA)
- American Seed Trade Association
- Ameripen
- BIO
- Biological Products Industry Alliance (BPIA)
- Coalition for Sustainable Organics
- CropLife America/CropLife Canada (CLA)
- Household and Commercial Products Association (HCPA)
 - Lawn and Horticulture Products Working Group
- Mulch & Soil Council (MSC)
- US Compost Council (USCC)
- Compost Council of Canada
- Canadian Consumer Specialty Products Association (CCSPA)
- Fertilizer Canada
- Canadian Chamber of Commerce
- Electro-Fed Canada
- Cannabis Trade Federation
- National Cannabis Industry Association
- The Fertilizer Institute (TFI)
- U.S. Cannabis Council
- Society for Corporate Compliance and Ethics
- Sustainable Packaging Coalition

Professional associations. We encourage our associates to be active in professional associations related to their scientific or other professional disciplines, including biology, chemistry, packaging, engineering, legal, compliance, risk, finance, audit, supply chain, and marketing and communications. Memberships in professional associations not only support career development and advancement, but also provide access to new innovations, resources and research that enhance the work our associates do.

Political and lobbying contributions. We engage in public policy that affects our company. Our advocacy includes educating and lobbying elected and appointed officials at all levels of government and focuses on a wide variety of issues that affect our company. In some cases, we build these relationships directly between our Government Relations team and our leadership and officials. At other times, we leverage state and federal trade associations to create these connections.

We also support groups that facilitate conversations among government officials on policy. We are a member of the Council of State Governments (CSG), State and Agriculture Rural Leaders (SARL) and National Association of State Departments of Agriculture (NASDA).

ScottsMiracle-Gro also operates The ScottsMiracle-Gro Stewardship Political Action Committee (SPAC). The ScottsMiracle-Gro SPAC was created in 2001 and is supported by our associates and members of our Board of Directors. To learn more about the donations of the ScottsMiracle-Gro SPAC, please visit the Federal Elections Committee website at www.fec.gov.

Under certain conditions and in accordance with applicable laws, ScottsMiracle-Gro will donate corporate dollars to support candidates from either political party who support our freedom to operate and share our views on important business issues.

In addition to these activities, our company also works with groups to educate policymakers and the public on issues that are of importance to our company. This support includes providing consistent, sustained support to a 501(c)(4), The Good Growth Alliance, to advance policy and educational efforts related to a variety of issues that impact society, our business and our customers and consumers.

Where we stand on policy issues

Pesticide stewardship. As the industry leader in lawn and garden products, we have a clear responsibility: to provide consumers with effective pest control products that are easy to use and safe when used as directed. It is a role that we embrace and take seriously. Carrying out this responsibility requires us to advocate in support of a scientifically-based regulatory system, provide effective consumer education through communication tools across multiple mediums and product labeling, and commit to an innovation process that always seeks a better solution.

Water stewardship. Helping our consumers protect and conserve water has been a consistent company priority for nearly two decades. We are focused on continuously evolving our formulations, application devices and education for consumers to make them better stewards of the environment. We consider it a priority to support efforts promoting water protection across the U.S., advocate for increased participation and funding to solve water quality and scarcity problems, and to create a sustained dialogue on this topic. Our advocacy is designed to ensure that future generations can enjoy the essential benefits derived from clean, fresh water. It is our role to maintain this momentum by continuing to commit time, money and resources to ensure water stewardship remains a primary focus, for our company and the world.

Cannabis legalization. The products our company designs and sells help people express themselves by growing and gardening. We understand that expression is deeply personal. Indeed, we know that some of our consumers use products to legally grow cannabis where regulated for their personal enjoyment or for the plant's medical benefits. As the leading provider of nutrients, plant supplements, growing media, air filtration and lighting used for hydroponic and indoor gardening, our company is unique in its ability to help people who choose to produce cannabis under authorized state law.

We support states' efforts to develop responsible and effective regulation governing legalized cannabis. This support includes engaging with state and federal lobbying consultants and providing consistent, sustaining support to a 501(c)(4), The Good Growth Alliance, to advance policy and educational efforts related to a variety of issues that impact society, our business and our customers and consumers; including legalization efforts. We are committed to working with legislative and regulatory bodies at all levels of



government to help achieve these goals. We are equally committed to fighting for the policies needed to create a more just and equitable society and **industry** as reform measures advance and states confront the complex legacy of racial, social and economic inequality tied to cannabis.

Nonprofit organizations. We engage with nonprofit organizations, especially with those that align with our priorities. Our company works most directly with organizations that enable gardens and greenspaces, engage youth, protect water quality and advance social justice.

Customers. We meet with our retail partners regularly to discuss and align our corporate responsibility programs. We also engage with them through surveys or annual updates.

Consumers. We maintain open channels of communication with our consumers to discuss our company, products and sustainability efforts. We use various communication channels to educate consumers on our ingredients and our products, including how to use them safely in accordance with their labels and instructions.

Suppliers. Our suppliers play an important role in our operations. We engage with our suppliers annually through our supplier conference and throughout the year as issues may arise. We work directly with suppliers on priority issues for us, such as packaging, raw material sourcing and carbon emissions.

Local communities. We actively work to foster good relationships with the communities in which we live, work and operate by following applicable regulations and prioritizing the health and safety of our associates and neighbors. We are committed to upholding human rights across our value chain, especially for members of vulnerable

groups, as outlined in our human rights statement. Plant managers, with support from environmental health and safety (EHS) representatives as well as government relations and public affairs team members, address community concerns and communicate proactively with local stakeholders. We also give back to hundreds of local communities every year through our community giving and associate volunteerism programs.

MATERIALITY AND GOALS

Our purpose, to GroMoreGood everywhere, guides our efforts to create a sustainable future for all of us. This means working together—across our organization and with key stakeholders—to create products that work for people, pets and the environment, while investing in our associates and our local communities.

ESG TEAM

Our cross-functional ESG team meets regularly to advance our environmental, social and governance (ESG) strategy. This team's mandate includes establishing and reporting on benchmarks, setting new goals and making progress toward established goals on ESG topics and creating implementation and monitoring plans. Representatives from Operations, Supply Chain, Environmental Health & Safety, Research and Development (R&D), Human Resources, Marketing, Corporate Affairs, Regulatory and Finance work together to implement our short-, medium- and long-term ESG programs and initiatives. Accountable to senior leadership, the team communicates priorities and plans throughout our company structure from leaders to associates and provides updates at Board meetings.

ESG EFFORTS

As part of our ESG strategy, we engage with external raters, rankers and other organizations to measure, benchmark and improve our ESG performance. For example, 2021 marked our second year submitting a response to the CDP Climate Change questionnaire and working with the Human Rights Campaign (HRC) to disclose our ESG performance, achieving respective scores of B- and 100/100. Our company also responded to S&P Global’s Corporate Sustainability Assessment for the first time in 2021. We earned scores above the industry averages across the environmental, social and governance score dimensions. We will continue to engage with external partners on our ESG disclosures and performance.

MATERIALITY ASSESSMENT

In 2019, we retained the services of an outside consulting firm specializing in ESG to help prioritize our most important ESG opportunities and risks through a robust, third-party materiality assessment. Following the guidelines of the Global Reporting Initiative (GRI), a leading sustainability reporting framework, the team identified relevant topics, prioritized the most material ones and validated these findings with senior leaders. Through this process, we also developed topic definitions and boundaries, as well as ranked material topics based on their relative importance to our stakeholders and to our company.

Our top 15 material ESG topics are shown in the Materiality Results table. Topics with significant overlap in theme and operational boundaries were further grouped into five strategic focus areas: product stewardship and safety, operations and supply chain, associate engagement and wellness, community engagement and governance and transparency. We also examined how the material topics emerged in relative importance and potential impact between our internal and external stakeholders and prioritized them as areas of focus, ongoing management and emerging significance.

For more information on our 2019 materiality assessment, please see our [2020 Corporate Responsibility Report](#). In the near future, we will conduct a materiality assessment update to help ensure our material topics align with our current business and stakeholder priorities.

Prioritization Process

RESEARCH & BENCHMARKING

Applied internal information and external frameworks to identify potentially relevant ESG topics.

IMPACT MAPPING

Brought together experts from across our company to identify ESG impacts, risks and opportunities across our value chain.

STAKEHOLDER ENGAGEMENT

Gathered perceptions of stakeholder priorities based on associated facts and evidence, including interviews.

SYNTHESIS & ANALYSIS

Evaluated additional sources, including benchmarking, industry and global trends, relevant industry standards, regulations and studies.

VALIDATION

Solidified the materiality matrix through discussion with key leaders about prioritized material topics, associated boundaries and opportunities.

INTEGRATION

Used materiality results to drive a sustainability goal-setting process and guide our strategy for the next several years.

Materiality Topics

TOPIC	FOCUS AREA	MANAGEMENT	EMERGING	TOPIC DEFINITION	RELEVANT STAKEHOLDER GROUPS
PRODUCT STEWARDSHIP	X			Developing products, packaging and dispensing solutions that have improved impacts on humans and the environment and promote sustainability performance throughout their lifecycle.	<ul style="list-style-type: none"> Suppliers Investors Customers Industry Associations Partners Media
PRODUCT SAFETY AND PERFORMANCE	X			Managing emerging materials and ingredients and using Green Chemistry* principles while maintaining a high level of performance and meeting consumer expectations.	<ul style="list-style-type: none"> Suppliers Investors Customers Industry Associations Partners Media
CONSUMER SAFETY	X			Further assessing products for health and safety impacts and compliance with regulations to support safe consumer use of products and services.	<ul style="list-style-type: none"> Investors Consumers Media Industry Associations
PACKAGING	X			Reducing the overall environmental impacts of packaging by monitoring and improving the materials used, the percentage of packaging made from recycled or renewable materials and the percentage that can be recycled, reused or composted post consumer use.	<ul style="list-style-type: none"> Suppliers Consumers Customers Industry Associations
SUPPLY CHAIN MANAGEMENT	X			Engaging with suppliers to improve environmental and social performance and management practices, while ensuring business continuity and increasing the diversity of suppliers.	<ul style="list-style-type: none"> Customers Consumers Investors Suppliers
EMISSIONS	X			Reducing total greenhouse gas and other emissions from operations and throughout the supply chain.	<ul style="list-style-type: none"> Customers Suppliers Investors Partners
ENERGY	X			Reducing total energy use throughout operations and increasing the percentage of consumption that comes from renewable sources.	<ul style="list-style-type: none"> Customers Suppliers
CLIMATE CHANGE		X		Evaluating impacts, risks and opportunities due to climate change that could cause changes in supply and demand for products, operations, revenue or expenditure and helping customers address climate change impacts.	<ul style="list-style-type: none"> Customers
EFFLUENTS AND WASTE		X		Disposing properly of hazardous and non-hazardous waste through appropriate methods; seeking to minimize landfill use through alternative methods, such as reuse, recycling, composting, recovery and incineration; and responding appropriately to account for impacts of any significant spills.	<ul style="list-style-type: none"> Customers Suppliers

● Product Stewardship and Safety

● Associate Engagement and Wellness

● Governance & Transparency

● Operations and Supply Chain

● Community Engagement

*EPA, Environmental Protection Agency, <https://www.epa.gov/greenchemistry/basics-green-chemistry>.

Materiality Topics *Continued from previous page*

TOPIC	FOCUS AREA	MANAGEMENT	EMERGING	TOPIC DEFINITION	RELEVANT STAKEHOLDER GROUPS
DIVERSITY AND EQUAL OPPORTUNITY		X		Promoting an inclusive environment and increasing diversity among all levels within our organization while ensuring equal treatment of associates and instilling a culture of non-discrimination.	<ul style="list-style-type: none"> Suppliers Investors Customers Industry Associations
TALENT ATTRACTION AND RETENTION	X			Providing competitive benefits and incentives to attract and retain associates.	<ul style="list-style-type: none"> Employees
LOCAL COMMUNITIES	X			Engaging with our communities through philanthropy and investment, evaluating the positive and negative impacts of operations and maintaining strong relationships.	<ul style="list-style-type: none"> Customers
TRUST AND REPUTATION		X		Maintaining the strong reputation of our company and brands along with our products and the products we market, while establishing principles of behavior and disclosing the values of our company to build trust between our company and consumers.	<ul style="list-style-type: none"> Suppliers Customers Consumers Partners Investors
RESPONSIBLE CANNABIS			X	Promoting a socially and environmentally responsible and legitimate cannabis industry.	<ul style="list-style-type: none"> Customers
PUBLIC POLICY		X		Engaging with regulators, publicly disclosing a position on policy topics and advocating for the production, enactment, execution and clear interpretation of legislation.	<ul style="list-style-type: none"> Investors Industry Associations

● Product Stewardship and Safety
● Operations and Supply Chain

● Associate Engagement and Wellness
● Community Engagement

● Governance & Transparency

ESG FOCUS AREAS AND GOALS

Our ESG commitments demonstrate how we live out our purpose to GroMoreGood everywhere. We do this by aligning our business practices in ways that are good for our planet, people and communities



PRODUCT STEWARDSHIP & SAFETY

CONTINUING TO EARN THE TRUST OF OUR CONSUMERS BY DESIGNING HIGH-QUALITY PRODUCTS THAT SHOW OUR COMMITMENT TO A SUSTAINABLE FUTURE.



OPERATIONS & SUPPLY CHAIN

INCORPORATING SUSTAINABILITY PRINCIPLES THROUGHOUT OUR OPERATIONS BY STRIVING FOR EFFICIENCY, USING FEWER RESOURCES AND CREATING PRODUCTS THAT OUR CONSUMERS CAN TRUST.



ASSOCIATE ENGAGEMENT & WELLNESS

FOSTERING A HEALTHY AND INCLUSIVE WORKPLACE CULTURE WHERE ALL ASSOCIATES ARE ENGAGED TO GROW AND THRIVE.



COMMUNITY ENGAGEMENT

GIVING BACK TO THE LOCAL COMMUNITY, CARING FOR THE ENVIRONMENT AND CONNECTING CURRENT AND FUTURE GENERATIONS WITH GARDENS AND GREENSPACES.



GOVERNANCE & TRANSPARENCY

FOCUSING ON ESG GOVERNANCE TO PROVIDE ENHANCED TRANSPARENCY, SUPPORT AND ACCOUNTABILITY TO OUR EFFORTS ACROSS OUR COMPANY.

ESG GOALS

**PRODUCT STEWARDSHIP
& SAFETY**

GOAL	MILESTONE TARGET	TARGET YEAR	PROGRESS UPDATE
<ul style="list-style-type: none"> Assess all new ingredients using enhanced product design standards with emphasis on environmental and safety impacts. 	PROCESS FULLY INTEGRATED	2022	In FY2021, we developed an assessment tool that will be used in our product development process. In FY2022, we will focus on incorporating this tool into robust design standards that emphasize environmental and safety impacts, against which new ingredients will be assessed.
<ul style="list-style-type: none"> Baseline our active ingredient portfolio against a set of environmental and safety metrics to identify and evaluate priority ingredients in our formulas. 	100% OF BRANDED PRODUCT ACTIVE INGREDIENTS ASSESSED	2023	Since establishing this goal in FY2021, we completed reviews of top tier, priority active ingredients. By the end of FY2021, more than 35% of our total active ingredient portfolio was assessed.
<ul style="list-style-type: none"> Optimize product application devices to ensure continuous improvement. 	ONGOING		In FY2022, we plan to introduce an improved power wand sprayer, with a redesigned pump to improve performance and durability. We also plan to introduce improved spreaders that increase accuracy and durability.
<ul style="list-style-type: none"> Optimize packaging design: Redesign selected packaging to reduce the amount of plastic material used. 	3% REDUCTION	2025	In FY2021 and into FY2022, we began making progress towards our 3% reduction goal through multiple redesign projects. In FY2022 we will introduce new, flexible packaging that uses less plastic material. We also have multiple bottle redesign projects planned for multi-year market introduction after FY2022.
<ul style="list-style-type: none"> Source packaging sustainably: Triple the amount of recycled content in plastic packaging. 	15% RECYCLED CONTENT	2025	Due to supply chain shortages in FY2021, we faced some challenges to increasing the recycled content of our packaging. We are currently in the process of engaging with teams across our business to approve and commercialize packaging options with increased recycled content. We hope to overcome these challenges to incorporate packaging options with increased recycled content across our business in the years to come.
<ul style="list-style-type: none"> Support packaging recycling: Increase consumer brand packaging that can be recycled or reused. 	50% ACHIEVEMENT	2025	In FY2021, we added the How2Recycle label to more than 100 products to optimize recycling communications with our consumers. We are also looking to expand our refill models across a number of products in the years ahead.
<ul style="list-style-type: none"> Use established data collection processes for emissions and waste in all locations to establish baseline metrics and future improvement goals. 	100% OF LOCATIONS	2022	In FY2021 and into FY2022, we engaged in a number of efforts to advance our emissions and waste data collection processes and establish baseline metrics. We are well-positioned to achieve this goal on target.
<ul style="list-style-type: none"> Convert 20% of sales fleet to hybrid vehicles. 	20% OF SALES FLEET	2025	We are currently working with our fleet management team and automobile suppliers to begin replacing the vehicles in our current fleet with hybrid vehicles in FY2023.
<ul style="list-style-type: none"> Demonstrate improvement on identified "GroMoreGood" Goals among 75% of suppliers. 	75% OF SUPPLIERS	2025	We are in the process of determining which suppliers will be included in this goal and how we will measure improvement.

**OPERATIONS &
SUPPLY CHAIN**

ESG GOALS

ASSOCIATE ENGAGEMENT & WELLNESS

GOAL	MILESTONE TARGET	TARGET YEAR	PROGRESS UPDATE
<ul style="list-style-type: none"> Foster a best-in-class associate experience where each associate feels welcome and engaged and their talents are used to the best of their abilities. 	<p>CREATE PLATFORMS WHERE ASSOCIATES HAVE A VOICE TO TRACK SENTIMENT AND ENGAGEMENT. DEVELOP AND DELIVER ON ACTION PLANS TO ENSURE HIGH LEVELS OF ENGAGEMENT ARE MAINTAINED.</p>	ONGOING	<p>In FY2021, we fulfilled our goal by conducting associate pulse surveys and engagement surveys for DE&I, COVID-19, hybrid-working, return-to-office and Hawthorne. We are leveraging the results of these annual surveys, tailored by topic and associate base, to listen to our associates, better understand the associate mindset and provide action plans.</p>
<ul style="list-style-type: none"> Cultivate an inclusive work environment where everyone feels included and valued. A place where our differences are welcomed, acknowledged and used to drive our business forward. 	<p>DEVELOP AN INCLUSIVE TALENT ROADMAP</p>	2022	<p>We are developing and improving the associate experience as a whole by using associate survey data and listening to our associates. We are accomplishing this goal by creating a positive workplace where all associates understand their role in conducting meaningful work and have growth opportunities within an organization they trust. We are working to ensure associates feel a sense of trust, community and belonging in the workplace.</p>
<ul style="list-style-type: none"> Continue to provide holistic health and wellness programs to help people through their best and most challenging times, with the goal of enhancing their health, happiness and longevity. 	<p>DEFINE THE NEXT GENERATION OF LIVETOTAL HEALTH PROGRAMMING.</p>	2022	<p>In FY2021, we announced 2022 enhancements to our U.S. benefits programs to continue prioritizing health, safety and well-being, while creating more inclusivity and support for our associates' families. Enhancements include additional sick time benefits, increasing inclusivity and benefits offered to our associates families, expanded parental leave benefits and programs for our associates to get back on track with their wellness after the pandemic.</p>
<ul style="list-style-type: none"> Continue to invest in talent growth by determining what talent we need, what talent we have and ensuring people plans align to business strategies to address the gaps. 	<p>IDENTIFY ENTERPRISE CRITICAL ROLES, DEFINE WHAT SUCCESS CRITERIA LOOKS LIKE, ASSESS TALENT, ESTABLISH A ROADMAP FOR DEVELOPMENT AND CONTINUALLY MEASURE PROGRESS.</p> <p>DEVELOP SUCCESSION PLANS TO SUPPORT THE GROWTH AND CHANGE IN OUR BUSINESS AND ENSURE TALENT READINESS FOR THE FUTURE.</p> <p>PROVIDE LEARNING OPPORTUNITIES FOCUSED ON ENABLING LEADERS TO ENGAGE AND MOTIVATE PEOPLE, THINK LIKE AN ENTERPRISE LEADER, GET RESULTS THROUGH OTHERS AND DEVELOP TALENT.</p>	2023	<p>In FY2021, we introduced Project Overdrive, our five year strategic plan, and cascaded these goals and objectives throughout the organization. Where necessary, we realigned talent to support this strategy and overall business growth. We established an objective approach to assessing our talent, leveraging success profiles to illustrate a holistic picture of job success. We provided our Board of Directors quarterly updates on talent plans. To bolster our talent commitments, we required individual development plans for all Director level and above associates. Additionally, we deployed talent bios, leveraging our human capital system, to provide broader and deeper awareness of our current talent. We enhanced our learning offerings to align with development needs and provide optionality on how an individual learns and develops.</p>

ESG GOALS

GOAL	MILESTONE TARGET	TARGET YEAR	PROGRESS UPDATE
<ul style="list-style-type: none"> Advance awareness and impact of associate volunteerism program. 	GATHER BASELINE DATA	2021	We launched a number of efforts to increase awareness of our associate volunteer programs, both for our associates and for our communities. Associate volunteerism is a key pillar of our ERGs and is one way that many of our associates Give Back to Gro. In FY2021, we updated our Volunteer Policy to highlight new ways associates can volunteer and how to get involved with different groups, including virtual volunteering. We also updated language about our volunteer programs for new hires, increased awareness of our programs at the Board level and promoted our programs to external stakeholders.
<ul style="list-style-type: none"> Connect 10 million children to the benefits of gardens and greenscapes. 	10 MILLION CHILDREN	2023	In FY2021, we announced that we connected 5 million children to the benefits of gardens and greenscapes. We are well positioned to meet this goal in the years to come.
<ul style="list-style-type: none"> Invest in criminal justice reform and economic inclusion initiatives within the cannabis space. 	\$2.5 MILLION INVESTED	2023	In FY2021, we announced our first Hawthorne Social Justice Fund Grantees. Our grantees include racial justice and social equity projects that are doing powerful work to elevate cannabis reform as a civil rights issue on a local and national level. Our largest single grant will support four John R. Lewis Social Justice Fellows within the Congressional Black Caucus Foundation. The Fund is providing \$600,000 over two years to support research related to cannabis policy and social justice reform and to propose solutions to Congress.
<ul style="list-style-type: none"> Reach millions of Americans annually through environmental partnerships. 	145 MILLION AMERICANS	2025	We are on track to achieve our goal and reach 145 million Americans through environmental partnerships by 2025.
<ul style="list-style-type: none"> Engage all full-time associates in our company purpose and ESG priorities and management. 	100% OF ASSOCIATES ENGAGED	2022	We are on track to meet this goal of enterprise-wide engagement in 2022. We are educating and sharing our purpose and ESG priorities through our corporate communication channels, which include leadership town hall meetings, internal articles, social media, flow downs and our internal "SMGTV" programming.
<ul style="list-style-type: none"> Publish an annual ESG report detailing performance and progress towards goals. 	ANNUAL ESG REPORTING WITH FULL GOAL ACHIEVEMENT	2025	This report represents one of many reports that we will publish to advance our disclosures and overall performance.
<ul style="list-style-type: none"> Involve stakeholders across our value chain in ESG purpose and priorities. 	ENGAGE ALL MAJOR STAKEHOLDERS	2025	To involve stakeholders across the value chain in 2022, we issued a Supplier Code of Conduct and implemented a third-party audit program to support it.



COMMUNITY
ENGAGEMENT



GOVERNANCE &
TRANSPARENCY

Where We're Headed

We will continue to develop and implement action plans that advance our ESG goals. For example, in 2021, we began working with a third-party to establish a complete and robust greenhouse gas emissions inventory and baseline, including Scope 3 emissions. As a result of this work, our company hopes to establish an ambitious emissions reduction target and achievement strategy, which we plan to announce in the near future.

A number of associates across our business work with our ESG team to contribute to our efforts. Our senior leadership continues to oversee this process and provides ongoing updates to our Board of Directors. We will continue to share progress in future reports and on our website.





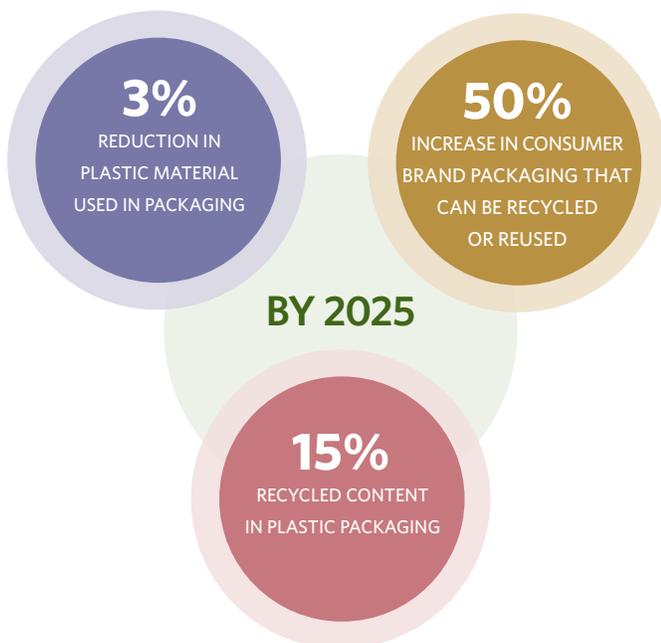
Innovative Products

As a lawn, garden and growing company, we design our products to meet our consumers' and cultivators' needs, habits and interests while stewarding the environment and supporting a sustainable future. We GroMoreGood by creating high-quality, innovative products that enable gardens, lawns, landscapes and indoor growing operations of all sizes to thrive.

Annually, we significantly invest in product research and development (R&D). With more than 100 on-staff research scientists, specialists and engineers, as well as leading academic partners, our distinguished R&D team is committed to providing innovative and sustainable product solutions. In pursuit of that goal, we leverage scientific expertise from leading natural and organic technology providers, plant breeders and agricultural companies.

Our family-focused culture is matched through our product portfolio, which includes a variety of products that create a better environment for people and the planet. For example, some products help control pests and diseases to protect environmentally favorable plants and landscapes. Other products equip gardeners and growers with natural and organic ways to garden. We also offer technologies that provide our consumers with smarter, quicker ways to grow that save time and natural resources.

Safety and performance are our top priority throughout the product development process, and this includes ingredient selection. We are committed to high-quality solutions that are appropriate for residential and commercial environments. This is accomplished by supporting a scientifically based regulatory system, educating consumers through communications and product labels and innovating to seek better solutions. We also closely monitor our active ingredients and seek to use the lowest necessary ingredient rate while optimizing product effectiveness. Additionally, our company continuously explores new and more sustainable ways to deliver products to our customers through improved packaging, design optimization, sustainable packaging sourcing and packaging recycling, with these goals in mind:



RESEARCH & DEVELOPMENT

To achieve product innovations that GroMoreGood for our consumers and the planet, we invest approximately \$40 million annually in R&D. Our robust product development process requires rigorous testing at each stage of the operation against specific criteria, such as biological research, formulations, packaging development and marketing analysis, before advancing to the next stage. Product development teams consider sustainability priorities during formulation and packaging development. Between each stage, we incorporate technical and business vetting processes to help confirm that the product concept is viable and meets our high standards.

As part of our sustainability strategy, a cross-functional team of R&D scientists and engineers integrates the following priorities into the product development process:

Active ingredients. Our regular active ingredient reviews balance priorities of safety, effectiveness and environmental impacts. We reference well-recognized industry and scientific standards to guide our assessment of potential hazards and their severity. Engaging with our consumers and reviewing advancements in green chemistry drive opportunities to introduce new active ingredients that align with our product stewardship goals. We promote transparency by publishing a list of ingredients and their descriptions on our [website](#).

Material sourcing. When identifying raw materials, we consider potential risks and opportunities associated with each material source. Our goal is to increase the use of recycled, bio-based and/or sustainably sourced materials.

Product design. Life-cycle assessment tools help evaluate sustainability opportunities and impacts, optimize our existing products and spur innovation in new product design.

Packaging sustainability. Throughout the product development process, including product packaging, we seek to maximize sustainably sourced content, eliminate unnecessary or problematic material and promote recovery, recycling and reuse.

1. IDEA

In the idea stage, the product development team, representing R&D, Marketing and other functions, engages to ideate a new product. They seek to validate the product idea by asking, "Is this viable," "Is there a market opportunity or need for it," and "Is it worth exploring further?"

2. CONCEPT

In the concept stage, R&D scientists and engineers determine whether the project idea is technically feasible. They seek to answer the questions, "Could this concept be achieved" and "What resources are needed?"

4. DEVELOPMENT

The final and most rigorous stage involves understanding the product's cost. Here, we develop and test complete prototypes, research users' experiences and refine the design accordingly. We create labels in accordance with regulatory standards, test product claims and perform all indicated safety testing. The team seeks to answer the question, "Is this product ready for market?" Only when the answer is a resounding "yes" does the new product make its way to store shelves.

3. PROOF

In the proof stage, a product advances closer to reality. Here, we may develop rough prototypes, and marketers begin to test consumer and grower interest and attitudes. This stage also marks rigorous screening, testing and refining to determine how the product would perform in the real world. Product developers seek to answer the questions: "What will we prove," "Can we accomplish it within a reasonable budget," and "Can we develop the necessary materials and manufacturing capacity?"



PRODUCT DEVELOPMENT PROCESS

CRITERIA CONSIDERED DURING PRODUCT DEVELOPMENT PROCESS

TECHNICAL/SCIENTIFIC	MARKET OPPORTUNITY	RETURN ON INVESTMENT
<ul style="list-style-type: none"> BIOLOGY FORMULATION PACKAGING DURABLES REGULATORY HUMAN AND ENVIRONMENTAL SAFETY SOURCING MANUFACTURING QUALITY 	<ul style="list-style-type: none"> CONSUMER RESEARCH COMPETITIVE DIFFERENTIATION SALES CHANNELS LEGAL/INTELLECTUAL PROPERTY 	<ul style="list-style-type: none"> PRODUCT FINANCIALS RESOURCES AND COMPLEXITY

We frequently engage with our customers and consumers to better understand how they use our products and the ways in which our products can improve the growing experience. For example, we analyze product usage to inform innovation that is focused on products that are applied at the right rate, at the right time and to the right location. We leverage this analysis to improve our product applicators, designed to reduce the risks of misapplication and unintended contact with the product. Additionally, we plan and test our products against varied environmental conditions, such as heat, cold and sun exposure, to help ensure that our products can still perform to a high standard under such conditions.

To flawlessly execute and deliver a new product, we leverage the processes and frameworks outlined in our Good Research Practices (GRP) program. The program sets benchmarks to measure efficacy, product performance and claims development while setting critical standards to manage the potential risk of under- or over-application. At a minimum, our products comply with local, state and federal regulations and are thoroughly reviewed and vetted by our regulatory team.



REGULATORY OVERSIGHT

Our Regulatory Team provides rigorous, end-to-end oversight of the product development process to assure ScottsMiracle-Gro products meet applicable regulatory requirements in each jurisdiction our products are sold. Our company uses multiple internal compliance monitoring steps and checkpoints throughout the product development process. Our Board of Directors includes a former U.S. Environmental Protection Agency Administrator who further advises our team.

At the beginning of the regulatory process, we evaluate the raw materials that are used in our products to determine whether they need to be registered with government agencies, such as the Environmental Protection Agency (EPA) in the United States and the Pest Management Regulatory Agency (PMRA) and Canadian Food Inspection Agency (CFIA) in Canada. Next, an on-staff toxicologist reviews the formulations to identify applicable safety testing and label requirements. Based on these and other evaluations, the Regulatory Team proposes text for labels that meet corresponding regulations, guides consumers on usage and provides any appropriate precautions. After finalizing a product label, the Regulatory Team submits it to the applicable state, province and/or federal regulatory agencies for approval. Robust document control protocols and multiple levels of review and cross-checking help to ensure our products remain in compliance and achieve proper registrations. We only release new products to market after this rigorous process.

FORMULATION

When formulating our products, we prioritize human health, the environment and product efficacy. We also leverage the most up-to-date scientific research to meet our consumers' emerging interests and needs. When selecting ingredients for our products, the following are considered:

- Efficacy
- Safety to humans
- Safety to animals
- Environmental impact
- Interaction with other ingredients
- Interaction with the product packaging
- Lowest active ingredient rate necessary to maintain effectiveness

In 2022, our company aims to begin assessing new ingredients and formulas using enhanced product design standards that emphasize environmental and safety impacts and to baseline our active ingredient portfolio against a set of environmental and safety metrics to identify and evaluate priority ingredients in our formulas by 2023. Our R&D investments enable and encourage our scientists to conduct rigorous research that drives informed product development and formulation decisions. Fundamentally, our scientists seek to improve product effectiveness while continuing to meet regulatory standards.

Our commitment to careful formulation, rigorous testing and comprehensive regulatory compliance means that a product may be in development for months or years before it lands on store shelves. On average, a product requires two to three years to develop from idea to commercialization. Sometimes, particularly when a new active ingredient or packaging solution must undergo development, it may take up to five years for a product to reach commercialization. During this time, more than 12 departments, including Procurement, Manufacturing, Quality, Sales, Creative, Finance and Legal, will play a role in refining and improving the concept, bringing the product to life. Throughout the product formulation process, we adhere to the high standards of our GRP program.

We recognize that cannabis cultivators in state authorized markets may have additional considerations regarding the performance and safety of the products within our Hawthorne business. As the leading North American manufacturer and provider of indoor growing and hydroponic products, we make bold investments in the future of the industry. In January 2021, Hawthorne Canada Limited announced the completion of North America's first licensed cannabis research and development facility. This 40,000 square-foot facility in Kelowna, British Columbia, Canada, houses state-of-the-art laboratories, indoor grow suites and training areas to simulate the real-world growing operations of cultivators, enabling us to test products and solutions in a controlled environment to inform future innovation focused on efficiency, productivity and sustainability.

Animal Testing Policy Statement

We do not conduct any animal testing for our products. Where possible we engage third-party support for non-animal testing methods to support the safety of our products, including historical data, data from our suppliers, waivers and other non-animal testing methods. Where a regulatory body, such as the Environmental Protection Agency (EPA), mandates animal testing we engage the services of an independent, third party that is properly licensed and appropriately accredited to conduct such federal testing requirements.



1868 VENTURES

From our beginnings in 1868, we have evolved from a small family general store to North America’s leader in lawn and garden, as well as indoor and hydroponic growing solutions. Our legacy is rooted in trust, innovation and doing the right thing.

In 2020, we launched 1868 Ventures to advance our commitment to finding innovative ways to meet and exceed the evolving needs of gardeners and growers. The fund invests in companies that may be a logical customer or future partner and, as such, can realize value from the expertise of our team of professionals in retail distribution, product formulation and development, marketing and branding and indoor growing products. 1868 Ventures invests in companies in the following areas:



Controlled Environment Agriculture.

Environmental controls and software that help automate processes in a controlled growing environment.



Direct to Consumer. Lawn and garden brands, services and platforms that can help us learn about consumer preferences and changing purchase behavior.



Natural & Organic. Natural and organic active ingredients to add to our portfolio of pest controls and fertilizers..



Plant Genetics. Tools and techniques that make genetics research and development more efficient and effective.



Sustainability & Packaging. Solutions that reduce waste in packaging or reduce the environmental impact of nutrient application or water use.

The fund emphasizes early and growth stage companies in North America with demonstrated traction in the market and revenue generation. For more information about 1868 Ventures, please see our [press release](#).



PACKAGING

Packaging is a critical component of our products and business. Packaging must be durable to uphold our high product safety and quality standards and withstand exposure to a wide range of indoor and outdoor environments. We recognize that durable packaging is also an important component of the customer and consumer experience. We work hard to provide clear labels, optimize the ease of product use and prevent misapplication or off-target contact through our packaging. Our specialized packaging engineers apply rigorous, standardized methods to design, test and qualify our packaging and application devices.

Beyond product safety, quality and user experience, our company prioritizes sustainability in packaging. We recognize that many customers, consumers and other stakeholders are concerned about the environmental impact of plastic packaging. Although we often use plastic because of its durability, we put great focus on reducing material usage, increasing recycled content and supporting increased recycling rates in alignment with our ESG goals.

To reduce the environmental impact of packaging, we have delivered and continue to drive multiple sustainable packaging initiatives, including:

Redesigning packaging. We continue to execute package redesign initiatives that are resulting in significant material reduction. We are exploring ways to substantially reduce the size and weight of packages, such as selling more products in concentrated form. Our company continues to expand package refill offerings to reduce the overall amount of packaging produced and used.

Increasing recycled content. We continue to increase the amount of recycled material in plastic packaging, which significantly reduces petrochemical use and emissions. In fact, every pound of recycled plastic used results in production-related savings of approximately 88% in energy use and 71% in greenhouse gas emissions (GHG) compared to using virgin (new) material*. During the past year, we've made significant progress toward qualifying increased amounts of recycled content in both our rigid and flexible plastic packaging. This testing phase is the critical first step in meeting our goal of tripling the amount of recycled content in plastic packaging by 2025.

Supporting recyclability. We're increasing the amount of recyclable, reusable or compostable packaging. For some packages, we are transitioning to materials that are more compatible with today's recycling infrastructure. We continue to use the standardized labeling system How2Recycle® on our products to communicate recycling and proper disposal instructions to the public. We plan to incorporate this standard into all packaging that is not subject to other recycling communication standards, some of which may be required by specific environmental regulations.

Sustainable material sourcing. The majority of our paper fiber-based packaging is certified as sustainably sourced by the Sustainable Forestry Initiative (SFI) or Forest Stewardship Council (FSC), and we strive to increase this quantity to 100%.

As our company explores packaging changes, we prioritize consumer and environmental safety. We focus on major market trends, including the shift toward direct-to-consumer delivery, while addressing the unique sustainability challenges such shifts bring.

Through collaborative partnerships, we engage customers, suppliers and industry trade groups to address the systemic challenges of sustainable packaging. It is our hope that

*Franklin Associates, A Division of Eastern Research Group (ERG). "LIFE CYCLE IMPACTS FOR POSTCONSUMER RECYCLED RESINS: PET, HDPE, AND PP."

together we can develop lasting solutions to fundamental circular economy challenges, such as recycling infrastructure gaps, landfill diversion and extracting value from post-consumer packaging material.

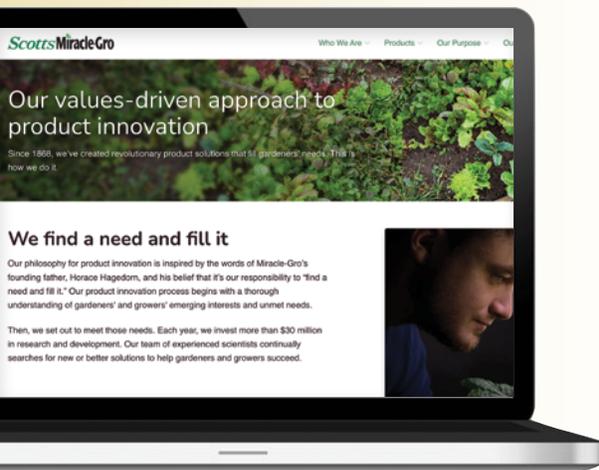
For more information about our packaging and recycling efforts, please see our highlight story about the post-industrial plastic film scrap recycling program in the Operating Sustainably section of this report.

BONNIE PLANTS® RECYCLABLE CLEAR CUP LEADS INDUSTRY

Every one of Bonnie** Plants is expertly nurtured and cared for by a local Bonnie grower. Our plants are produced with a quality we're proud to let consumers see. That's why Bonnie Plants will transition its traditional 4.5-inch black plastic cup to a new and highly sustainable clear container in spring 2022. The transparent nature of this "grow cup" allows consumers to see the robust roots of our plants clearly. It's made from 100% recycled PET beverage bottles. In addition, we've maximized the cup's recyclability by achieving an industry-first "How2Recycle®" certification, which allows curbside recycling in many locations and provides information on how consumers can recycle the pot.

**Through a joint venture with Alabama Farmers Cooperative, we provide services to Bonnie's business of planting, growing, developing, manufacturing, distributing, marketing and selling to retail stores throughout the U.S.





CONSUMER EDUCATION

As the leader in the lawn and garden industry, it is essential that we provide consumers with products that are simple, effective and safe when used as directed. We rigorously research ingredients and test our products to ensure they meet regulations and can be safely used around people and animals and in the environment. The labels on all of our products contain clear directions for use and when necessary, precautionary information and first aid instructions. Our company also shares product and ingredient processes and facts to our consumers through technical bulletins, our labels and marketing campaigns. We know our consumers value accurate and current information on our products, which is why we also dedicate space on our websites for sharing this information, along with additional information, such as instructions on disposal and recycling.

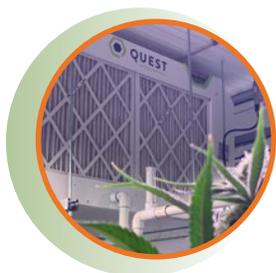
We also partner with external experts, including universities, research centers and non-profit organizations to further promote the responsible use of our products. Pollinator protection is one example of our engagement in consumer education. Pollinators, such as bees and butterflies, are crucial to the environment and need more habitat. We recognize that our business has a significant role in protecting these species and their contribution to our ecosystem. By educating consumers about how they can create pollinator-friendly spaces in their own backyards and enabling them to effectively and safely use pest control products, we help these essential creatures flourish.

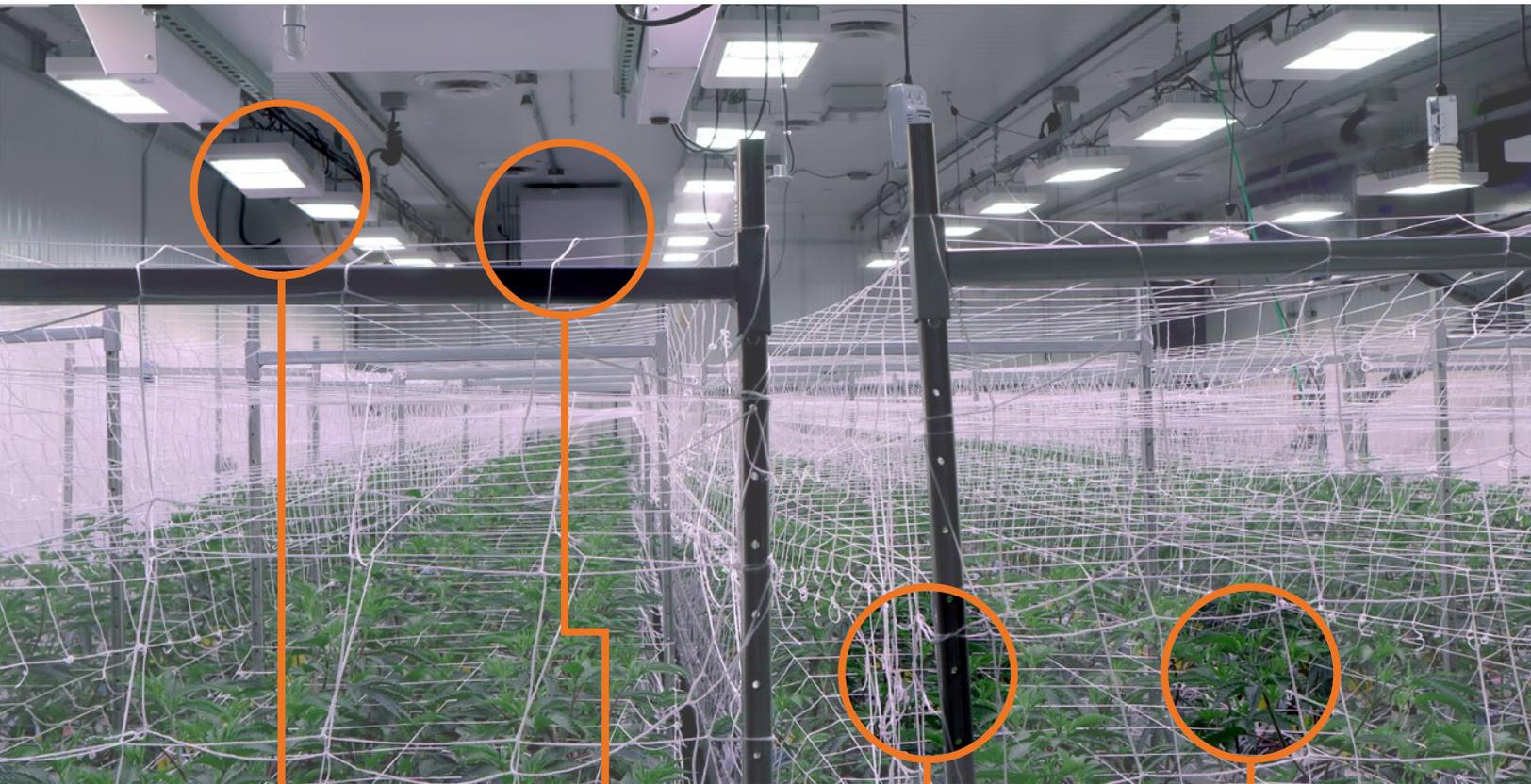
Our Bee Responsible program rolled out in U.S. retail stores nationwide in 2019 to advance consumer education. This program offers consumers clear, concise tips for using Ortho® products responsibly to reduce impact on pollinators. In alignment with this initiative, we completely removed neonicotinoids from Ortho® brand outdoor garden control products in 2019, a full two years ahead of schedule. We also collaborated with a leading national pollinator non-governmental organization (NGO) and developed the following guidance to print on displays and bottles:

- Plant pollinator-attractive plants
- Always use products as directed
- Spray on foliage to avoid blooms
- Spray when air is calm to avoid drift
- Apply at dusk and dawn when bees are less active
- Do NOT spray when bees are visiting the treated area



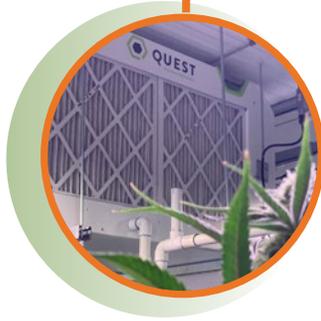
Building a More Sustainable Cannabis Industry





LIGHTING

LED lights - coupled with smart controllers and sensors - reduce energy costs and bolster performance. Our Gavita CT1930e generates 5 percent more light output than our high-pressure sodium lights while using 20 percent less energy.



GROWING ENVIRONMENT

Air flow, filtration, humidity and ventilation are controlled in the indoor grow. Hawthorne solutions include products and partnerships, such as the exclusive Quest dehumidifier with the industry's highest energy efficiency.



WATER SYSTEMS

Our Hydro-Logic system reduces water use and nutrient-rich water disposal. It purifies water before nutrients are added for irrigation and then captures surplus nutrient-rich water along with water from the dehumidification process for reuse.



GROWING MEDIA

Botanicare CocoPro is a new line of products that enables growers to efficiently manage water use. The substrate material is made from compostable coconut coir in compressed form, which expands to retain water and nutrients.

ACQUISITION OF HYDRO-LOGIC

In 2021, we acquired Hydro-Logic Purification Systems, a leading provider of products, accessories and systems for water filtration and purification in the cannabis industry. Based in Santa Cruz, California, Hydro-Logic expanded the Hawthorne signature brand portfolio with water filtration and purification products. Commercial growers comprise approximately half of Hydro-Logic sales and typically require custom builds for their water purification and filtration needs.

Why growing is important

There is a place for indoor and outdoor growing of cannabis. Estimates vary as to just how much cannabis is grown indoors compared with outdoor cultivation. Hawthorne estimates about half of cannabis yields are grown indoors with many growers operating a mixture of indoor and outdoor growing operations. Determining which method is best depends on a host of factors, ranging from local weather and farming considerations in different states to the desired quality of the end product for use by consumers and medical patients. Some regions, such as northern California, have a climate that is conducive to growing quality cannabis outdoors virtually year round, but also face drought conditions in some areas. Other regions and states, like Michigan, have less than ideal outdoor growing conditions. Indoor growing extends the growing season in such areas, giving all states the opportunity to realize the economic benefits of year-round, locally grown cannabis. Year-round cultivation translates into more consistent yields and greater positive economic impact.

Additionally, indoor cultivation provides control over the growing environment, which can enhance the quality of the cannabis product and reduce potential exposure to pesticides, runoff and other outdoor contaminants. Indoor growing also enables growth of the product with certain cannabinoid content, tinctures and flavonoid profiles that are important in medical-grade cannabis.

Consistent sustainability standards

Because innovation is advancing, the cannabis industry has an opportunity to work with regulators and government leaders at state and federal levels to develop consistent standards and approaches that foster sustainable cannabis cultivation. This is critical because until cannabis is legal at the federal level, the industry does not have access to research and development resources available to other industries, nor is there a centralized way of gathering data on the environmental impact of various growing methods to inform consistent sustainability standards.

Hawthorne, through its Government Relations team, regularly communicates with regulators and elected officials to educate them on the advancements that the industry itself is making. We also share data and other insights obtained through Hawthorne's R&D activities at the first licensed cannabis research facility in North America, located in Kelowna, B.C. Here, Hawthorne has created grow rooms that simulate cannabis growing operations in the real world. Scientists and researchers test products, solutions and innovations to determine the impact on yield, quality and sustainability.



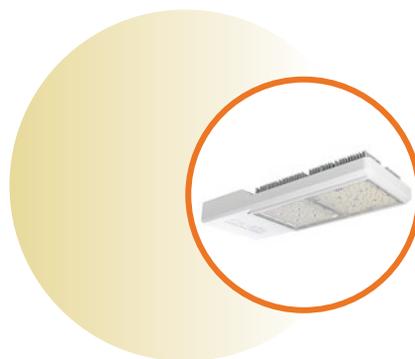
We also advocate for incentives that help growers offset the cost of employing more efficient technologies. For example, energy utilities in many states where cannabis is regulated have now made energy rebates available to cannabis cultivators who invest in replacing High-Intensity Discharge (HID) lights with more efficient LED lights. We support creating a broader application of utility rebates and tax incentives to foster a greater push by cultivators to retrofit existing indoor grows or outfit new builds with LEDs, water-efficient systems and more. For example, Arizona is one of the first Western states to begin offering water rebates for cannabis cultivation operations that use water-efficient systems.

The transition to a regulated market

Indoor growing is a critical policy consideration as states move to legalize cannabis. Because some growers in the illicit market prefer to grow indoors and have been for years, it is key to address this in cannabis policy going forward. If cannabis policy is created without an option for legal indoor cultivation, it may undermine efforts not only to reduce illicit cannabis, but may also hinder efforts to create a more sustainable cannabis cultivation industry.

Regulated cannabis cultivation is a relatively new industry, having moved from illegal and inefficient grows to more efficient, purpose-built commercial growing operations in a very short timeframe. Seinerger, a Hawthorne partner, estimates that the transition to the legal market alone will produce at least a 5,000 GWh savings annually when compared to traditional, illicit cannabis production. This is the equivalent of converting 1.5 million homes to solar power.

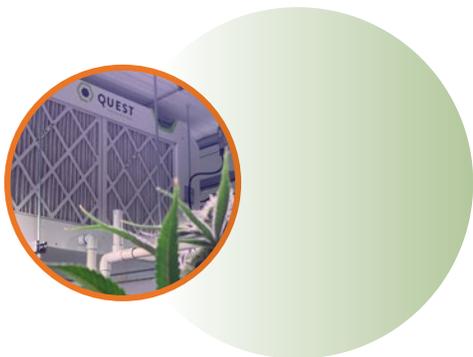
Because growing indoors requires energy to power grow lights, ventilation, cooling systems, irrigation and fertigation, Hawthorne's R&D, product development and scientist teams are addressing energy consumption as well as overall sustainability. Research and development is conducted daily, and innovative growing products are launched every year.



Indoor lighting and energy use

Hawthorne is the leader in LED lighting technology which, although decades old for consumers, is relatively new to cannabis cultivation. HID lights, including high-pressure sodium and ceramic metal halide, are an older technology that has been the norm. But in the past three years, more efficient LED lighting, specially developed to provide the spectrums of light cannabis needs to grow, has been made available. Our patented Gavita CT1930e LED fixture generates 5% more light output than traditional HID lights, enhancing the quality of the cannabis plant and increasing grower yields while using 20% less energy. Hawthorne research engineers are developing even more efficient LED lighting systems to achieve greater savings and outcomes.

Hawthorne strives to make the conversion to LEDs as cost competitive and seamless as possible. The CT1930e, for example, is a 1-to-1 replacement for existing HIDs. Our technical services team assists growers in identifying products to use in their indoor grows to maximize energy savings through use of LEDs, and our Seinerger partner helps growers obtain energy rebates from utility providers where available.



Sustainability is also a consideration in Hawthorne’s development of control systems to ensure lights and fans are run most efficiently for the plants, the environment and even the local utility grid. Through strategic partnerships, such as with the exclusive Quest dehumidifier with the highest energy efficiency in the industry at up to 9.3 pints of water removed per kWh, Hawthorne further provides grower efficiency solutions.

Water filtration and consumption

Water shortages and wastewater quality concerns are becoming commonplace in many states as are corresponding conservation requirements. Outdoor grows require significant irrigation, lose water to evaporation and cannot reliably capture runoff. In contrast, indoor grows provide the ability to control water use, but excess nutrient-rich water from the irrigation process often needs to be hauled to appropriate disposal locations.

Hawthorne’s Hydro-Logic water filtration technology is evolving to the point where water coming into the grow can be purified before nutrients are added for the irrigation



process. The more pure the water, the less nutrients are required to feed the plants. As a result, any surplus nutrient-rich water can be purified for reuse in the same fertigation system. Even water that is pulled from an indoor grow’s dehumidification system can be captured for use in irrigation. This reduces total water use and helps reduce nutrient-rich water disposal. Hydro-Logic’s technology achieves all this with significantly – as much as 75% – less waste than commercial alternatives commonly used for reverse-osmosis and advanced water filtration.

Additionally, Hawthorne control and sensor systems enable precision irrigation based on indoor environmental conditions, ensuring water use is tied to when plants need it, rather than relying on timers or guesswork, which also enhances water efficiency. This Hydro-Logic technology for indoor growing is being adopted for outdoor growing, too, such as an application at a California winery that relies on underground wells to irrigate its vineyards.



Growing media

The Hawthorne team is continuously engaged in research research within the field of growing media to determine more sustainable systems for cannabis cultivation, all while improving overall performance. This work has led to the development and launch of Botanicare CocoPro, a new line of products used to grow plants in controlled environments. The substrate material within CocoPro is made from renewable coconut coir in a compressed form. When watered, the coconut coir expands to the designed volume and is able to retain water and nutrients. As a result, growers can more efficiently manage their water usage. Additionally, the coconut coir is compostable into soil, further reducing waste for growers. The dry compressed form in which CocoPro is delivered leads to a more efficient use of storage and lowers freight density, both of which can have a positive environmental impact.



Operating Sustainably

We're committed to operations and supply chain activities that align with our company's purpose and values. Within our business, we work to GroMoreGood by incorporating sustainability principles across our operations. This may include increasing efficiencies, reducing or conserving resources and ultimately creating products that our customers trust. We also emphasize sustainability principles within our world-class supply chain, from raw material purchases to manufacturing and distributing finished goods.

To manage our operational impacts, our company uses a robust Environmental Health and Safety (EHS) management system to schedule compliance activities, track key EHS indicators and maintain investigative and incident reports. We also have a robust EHS audit program to safeguard compliance with environmental, health and safety regulations and our internal standards.

Additionally, third-party external assessments and quarterly internal reviews identify areas of opportunity and continuous improvement for our EHS practices and performance. Performance indicators drive data-led enhancements in areas such as waste, water, energy and health and safety. To advance this process and establish future improvement goals, we are working to establish a data collection process for emissions and waste across our business by the end of 2022.

HEALTH AND SAFETY

Our first and foremost priority is the health and safety of our associates. Over the last three years, we have realized significant growth across our business. As we continue to grow and see an increase in employees we continue to prioritize health and safety for all.

Our company uses a number of health and safety programs to protect our team members, including our comprehensive EHS management system. All associates and business partners, including contractors, are covered by our EHS management system. As part of this system, we have adopted the “Plan-Do-Check-Act” strategy. Influenced by ISO 45001 guidelines, this approach allows us to continuously pinpoint and act on important focus areas. Further, our behavior-based safety program enables associates to submit concerns and share feedback when they encounter work behaviors and conditions that they perceive to be unsafe. We respond to associate concerns and feedback in real time and swiftly address issues raised. Throughout the COVID-19 pandemic, health and safety policies, programs and management systems enabled us to respond effectively to changing pandemic conditions.

Across our operational sites and sales teams, our associates participate in Safety Committees to spur associate engagement with safety on a local and national level. For locations where participation in the Safety Committee program is not required by law, we strongly encourage associates to create Safety Committees at their own worksites.

We also increase health and safety awareness and engagement through our pre-shift safety meetings, in which associates align on their approach and plans for the shift and can voice any health and safety concerns. This active participation drives ownership and collaboration, ultimately leading to a safer working environment for all.

To further mitigate health and safety risks, we develop *Compliance Calendars* that highlight dates for health and safety inspections and deadlines to meet voluntary and regulatory requirements. Available for all associates, the calendars are a valuable tool to track internal deadlines and complete self-evaluations. Our company is committed to upgrading our facilities where needed to further protect the health and safety of our frontline associates.

To evaluate our health and safety performance, we use an EHS Scorecard composed of leading and lagging indicators, such as progress measurements for safety training, behavioral-based safety observations, near-miss reporting, total recordable incident rate and lost time accident rate.



SAFE EACH AND EVERY DAY: OUR VISION FOR ASSOCIATE SAFETY

The health and safety of our associates is at the forefront of our decision making. In 2016, we partnered with DuPont® to assess the culture of safety. Based on our learnings, we formed cross-functional teams of associates across the business who were pivotal in creating a new company-wide vision and values for safety. Focus group sessions were employed for associate feedback and input that helped refine our safety vision and values in 2021. Our vision and values are grounded in keeping our associates safe each and every day.

Safety Vision:

To help all associates live their life to the fullest by fostering safety at work and at home.

Health and Safety*	FY2019	FY2020	FY2021
Number of Lost Time Incidents	38	52	80
Total Number of Recordable Injuries	120	114	182
Total Number of Injuries	591	430	547
Total Number of Fatalities	0	0	0
Total Incident Rate	2.2	1.7	2.28
Total Lost Time Rate	0.6	0.8	1

*Organization-wide including Hawthorne, AeroGarden and corporate offices. As a result of a number of different factors, including growth in our workforce and COVID-19, our business saw an increase in the number of safety incidents in 2021 compared to 2020. As we continue to grow and see an increase in employees we continue to prioritize health and safety for all.

Safety Values

We value safety and well-being above all else.

Safety is and will always be our first priority, ahead of cost, production, sales, or quality. No bag or bottle of product is worth someone getting hurt.

We believe all incidents and injuries can be prevented at work and at home.

Incidents can be prevented. Nearly every situation provides an opportunity to identify how an incident could have been prevented if we dig deep enough. Things don't just "happen". There is a combination of behaviors and environment that lead to accidents.

We are personally accountable for our own and collectively responsible for each other's safety.

Everyone needs to take responsibility and ownership for his or her own safety—only we can choose our behavior and actions. We should all look out for each other and support our co-workers, friends and families in ensuring their safety as well as our own. We should never let anyone take unsafe actions.

We are all empowered to take action on safety.

All of us can take action relative to safety and are expected to do so. Each associate has the power and responsibility to identify and help resolve any unsafe act or condition.

We will learn and improve by reporting all incidents and hazards.

In order to improve we have to report all accidents or near misses. We will perform robust root cause investigations to ensure that we can learn from each and every incident. We will share these lessons broadly so we can prevent reoccurrence.

We will celebrate our safety successes.

We will focus on our opportunities for improvement and share best practices. We will also take the time to stop and celebrate our safety accomplishments.

We should never be satisfied or complacent with our safety performance and culture.

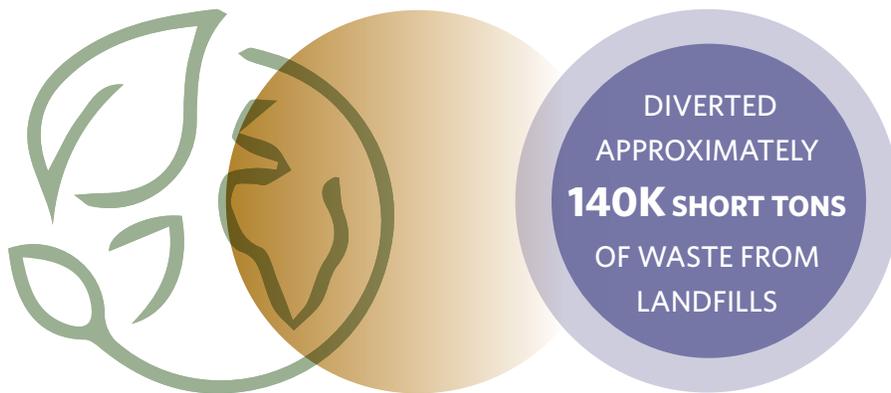
Regardless of how we perform in safety, we will be relentless in our pursuit of zero injuries. Even one associate being hurt is too many. We will continuously drive to improve our safety performance.

OHIO EPA'S ENCOURAGING ENVIRONMENTAL EXCELLENCE (E3) PROGRAM PLATINUM AWARD



In 2021, the Ohio Environmental Protection Agency (EPA) recognized our company with their highest environmental stewardship honor, an E3 Platinum Award that highlighted our focus on sustainability and national leadership in environmental stewardship. Ohio EPA's E3 program recognizes businesses and other organizations for completing environmentally beneficial activities

and serves as an incentive for organizations to commit to ongoing environmental stewardship. Platinum level organizations are recognized for expanding their environmental efforts beyond their facilities and demonstrating how their environmental stewardship efforts benefit the local community, region or larger geographic area. Our company previously earned "Gold" level E3 recognition in 2016.



WASTE

As part of our commitment to eliminating unnecessary waste across our North American direct operations and business, in 2021 we prioritized goal setting and identified waste reduction opportunities.

Our company works to reduce waste sent to landfills and material use by recycling and reusing materials as much as possible. For example, we implement and focus on a number of recycling initiatives for wooden pallets, cardboard and plastic and proactively communicate with our associates about how they can reduce their impacts. We are also in the process of developing a new food waste composting program at our headquarters in Marysville, Ohio. Across our operations, we diverted approximately 140,100 short tons of waste from landfills in 2021.

We further seek to understand how we can reduce, recycle and reuse waste streams in each of the unique manufacturing environments across our company. In 2020, we began to explore new partnerships to directly recycle certain packaging waste. Our company also works with third-party operators to transport and dispose of the small amount of hazardous waste we produce in some of our processes and comply with laws in North America.

We continue to explore innovative ways to reduce packaging waste impacts while prioritizing consumer safety and product quality. For more information about our packaging waste reduction efforts, please refer to the Innovative Products section of this report.

Giving Waste a New Life, Locally

We have long embraced our unique ability to support circularity and benefit our environment. As the leading recycler of compost in North America, we redirect green waste into our products. This prevents green waste, such as grass and tree trimmings, waste from commercial landscaping, tree cultivation and agriculture, from ending up in landfills. Instead of taking up valuable landfill space and contributing to methane emissions, these waste products re-enter the growing cycle as soils, growing amendments and mulches, all an important contribution to the circular economy.

Not only does our company recycle roughly 9 billion pounds of green waste each year, but we do it locally. Over the past nine years, our growing media procurement team has developed a network of hundreds of local suppliers across North America. This network of many small and medium-sized businesses provides the raw ingredients for our growing media products. This “growing local” strategy reduces costs and emissions associated with shipping heavy organic materials over long distances and contributes to high-quality product blends that meet the needs of each area. Because we operate dozens of growing media facilities across North America, a bag of our soil is sourced, produced and used within a 120-mile radius on average.



Waste Short Tons*	FY2019	FY2020	FY2021
Total Waste Generated	31,385.1	44,654.3	153,758.44
Waste to Landfill	12,223.6	17,700.9	5,378.17
Waste Diverted from Landfills	17,216.1	23,593.7	140,510.89
Hazardous Waste Generated	1,945.4	3,359.7	3,648.76
Waste Intensity	-	-	0.02

*FY2021 data includes additional site data that was previously unavailable. FY2021 data now includes greater than 95% of all sites reporting waste data, including Hawthorne. In FY2020, 95% of sites reported waste data.

POST-INDUSTRIAL PLASTIC FILM SCRAP RECYCLING PROGRAM

Our manufacturing plants generate a significant amount of mixed plastic film scrap. This includes raw material packaging as well as production bag scrap. Packaging material variety and the presence of product residue make this scrap incompatible with traditional recycling methods. Flexible film packaging is a significant recycling challenge because it is difficult to sort

and clean to a standard that supports its use in new products.

However, we're making progress in this challenging area through a developing partnership with Brightmark LLC, an advanced recycling solutions company. Their pyrolysis-based process efficiently converts the mixed film scrap to valuable outputs including low sulfur

diesel fuel and naphtha, which can be used as a feedstock to produce new plastics. Our partnership focuses on a program in the final planning stage which targets the recycling of up to 2,100 tons of scrap per year.



WATER

Water stewardship, including water quality and quantity, is a material focus for our company. Harmful algal blooms (HABs), which affect freshwater and marine waters in over 50% of U.S. states every year, are driven by nutrient runoff and exacerbated by climate change through temperature increases and accelerating frequency and intensity of rainfall events, particularly in the eastern United States. In the American West, drought drives urgent water conservation. We recognize these water use issues as risks, as well as opportunities to continue investing in products that enable consumers to care for their lawns and landscapes while protecting their water resources. Our company also financially supports partnerships with leading environmental organizations to tackle water use issues directly. With a combined reach of more than 150 million people, these organizations are driving scientific innovation, protecting vital waterways and advocating for everyone's right to safe and accessible water.

As a responsible steward, we explore ways to reduce the amount of water we use in manufacturing and reduce our water-related impacts on communities where we live and work. While our manufacturing processes generate wastewater, we do not discharge untreated process wastewater.

At two plants where most of our water use occurs, we've developed successful programs to reduce wastewater and mitigate wastewater impact by reclaiming water from our manufacturing processes. For example, because the water used in fertilizer production at our Marysville manufacturing plant is nutrient-rich, we have found ways to beneficially reuse it once it is no longer suitable for the manufacturing process. Rather, we remove and reuse this water consistent with regulations and best practices for wastewater treatment.

Protecting the waterways around our Marysville plant is a top priority. That's why we participate in an advisory committee with American Farmland Trust (AFT) for its Upper Scioto Watershed Project aimed at reducing runoff and protecting surface waters in this critical watershed. As some of the Midwest's most fertile farmland, the Upper Scioto is one of the largest nutrient contributors to the Ohio River to date. Our company is actively working with the AFT and other area stakeholders to protect this vital watershed, now and for future generations.

WATER CONSIDERATIONS FOR PRODUCT DESIGN

Lawn and garden products can require residential water usage. By creating products that protect against inadvertent runoff during product use, we're able to help consumers conserve water. We partner with several environmental groups to inform and advance our approach. These partnerships enable us to make product enhancements, including changes to our product formulations and improved application devices. For example, many of our soil products contain coconut coir. This super-absorbent natural fiber helps our products retain water and make it available to plants when they need it. We also produce spreaders with Edgeguard® and liquid products with precision wand applicators that are easy to use and designed to keep the product where it belongs and out of waterways.

We share concerns about the potential for over fertilization, as HABs, fed by excess nutrients like nitrogen and phosphorus, threaten our waterways. Over 10 years ago, we challenged ourselves to create a phosphorus-free high-performance lawn fertilizer, leading to the removal of over 10,000 metric tons of phosphorus across our lawn maintenance fertilizers.

Today, we continue improving and adding to our line of slow-release nitrogen technologies. We modified the composition of our Florida formulas, including 65% slow-release nitrogen, to help protect Florida's critical waterways from nutrient pollution. Similarly, we recently launched Scotts® Turf Builder™ Long Island Lawn Food™ designed in collaboration with local regulatory and environmental groups. These achievements are part of our ongoing work to expand our capabilities to meet the

needs of sensitive ecosystems. In concert with our partners, these efforts work to minimize the potential of losing access to clean water, a fundamental human right.

Concentrates that can be dispensed safely at the point of use are an emerging area of focus in our product design. We believe that the use of concentrated versions of our products will help lower our water use in manufacturing processes and decrease our emissions through shipping lighter products.

Finally, we innovate the indoor growing and hydroponic product landscape through our Hawthorne business. Hydroponic growing has many benefits, including the ability to reduce water use in growing plants and require less fertilizer and space inputs. It also enables food to be grown closer to the source, potentially cutting down transport distance, cost and emissions.

We actively work to reduce the impacts of our products, and carefully balance the need to reduce water and maintain a high level of consumer safety. We will continue to engage with our customers and consumers to find innovative ways to deliver our products in a safe but less impactful way.

Our Edgeguard spreader is designed to help protect water sources.



REMOVED
10K TONS
OF PHOSPHORUS IN
LAWN FERTILIZERS





SCOTSMIRACLE-GRO PRODUCTS PROMOTE CLEAN WATER IN LONG ISLAND

Water quality is one of the most critical issues facing Long Island. Homeowners want to do their part by caring for their lawns and gardens sustainably, and we know it's our responsibility to help them achieve their goals. With a unique geography, consumers on Long Island may need different products to help use water resources more

efficiently in their area. Our Scotts® Turf Builder® Long Island Long Food is a new product designed specifically for Long Island's climate and soil. Each bag has 50% less nitrogen and a 50% slow-release formula to prevent nutrients from overwhelming the plant and seeping into the groundwater. In addition to changes to product

formulation, we're investing in the community infrastructure and educating homeowners on sustainable lawn and garden care. During April 2021, our Long Island page, which housed tips for responsible lawn care in that region, was the most visited on the corporate website.

WATER STEWARDSHIP GRANT

In 2021, The ScottsMiracle-Gro Foundation issued the *Water Stewardship Grant* to scientific innovators working to advance solutions to reduce HABs that threaten freshwater and marine waters in over 50% of U.S. states every year. We hope that by providing critical funding, we will enable nonprofit organizations to advance research and scientific solutions to address the negative impacts of HABs.

In March 2021, The Foundation announced the first recipients of the Water Stewardship Grant—The Nature Conservancy's New York Chapter and The Everglades Foundation, which were carefully selected based on their work to battle the effects of HABs. Funding for the Nature Conservancy will support the upgrade of residential septic systems on Long Island to diminish nitrogen pollution from sewage and to provide assistance to low-to-moderate income families looking to make septic system

improvements. This grant aligns with our company's broader initiative to help protect the Long Island Sound as well as bays and estuaries.

Funding for The Everglades Foundation will further science, advocacy, environmental policy and programming to restore the Everglades in South Florida, one of the world's largest and most endangered wetlands. Grant funding will support on-the-ground research and public awareness for Everglades restoration. Previously, The Scotts Miracle-Gro Foundation was the presenting sponsor for The Everglades Foundation's George Barley Water Prize, a \$10 million global competition to discover a solution for removing phosphorus from freshwater. During the competition, groundbreaking scientific innovations came to fruition that are still being developed today.





After receiving 275 inquiries in 2021, eight organizations were awarded grants to apply their awarded funds towards this important endeavor. Grant winners received \$5,000 each to execute projects that include elements of efficient water management, an outdoor educational space and a plan for ongoing maintenance of the garden or greenspace beyond the project. One grantee in the Denver area will use the funds to create an outdoor garden as an educational space and food source for local children.

ALLIANCE FOR WATER EFFICIENCY

As part of our commitment to GroMoreGood, we partner with the Alliance for Water Efficiency (AWE). Dedicated to the efficient and sustainable use of water, this nonprofit organization educates the next generation of consumers on the importance of water conservation. While our partnership with AWE dates to 2015, this year we added our support to AWE’s new Learning Landscapes Grant Program, which provides funding and educational resources to create and improve educational outdoor gardens and greenspaces. These spaces enable students in grades 3 through 8 to experience hands-on learning about the water our communities consume and how to best manage these precious resources.

Each grantee will incorporate a different aspect of water conservation education into their outdoor space, including lesson plans on water distribution, how water is affected by climate and weather and water’s impact on plants and wildlife. The **lessons** developed by AWE are in alignment with The Next Generation Science Standards (NGSS). With accessibility in mind, we have made these lesson plans available to everyone. Our support for AWE’s Learning Landscapes grant program continues in 2022 to reach more students with critical water stewardship education.

Water Use (Megaliters) ¹	FY2019	FY2020	FY2021
Purchased Water	324.1	234.7	606.89
Well Water	1,570.5	837.1	2,591.07
Total Water Withdrawals	1,894.7	1,071.8	3,197.95
Water Withdrawal Intensity (Megaliters per Production Ton)	0.00034	0.00017	0.00043
Treated Wastewater Discharged	1.7 ²	2.7 ³	243.2 ⁴
Water Recycled and Reused	5.0 ⁵	25.8 ⁶	16.53

¹ Organization-wide including Hawthorne and corporate offices. In FY21, 52.7% of sites reported purchased water data and 17.6% of sites using well water reported data. This represents 60.8% of sites reporting water data in FY21. In FY20, 50% of sites reported purchased water data and 46.6% of sites using well water reported data. This represents 72.4% of sites reporting water data in FY20. In FY19, 44% of sites reported purchased water data and 49% of sites using well water reported data based on site meter readings.

² Covers data from Marysville and Ft. Madison plants

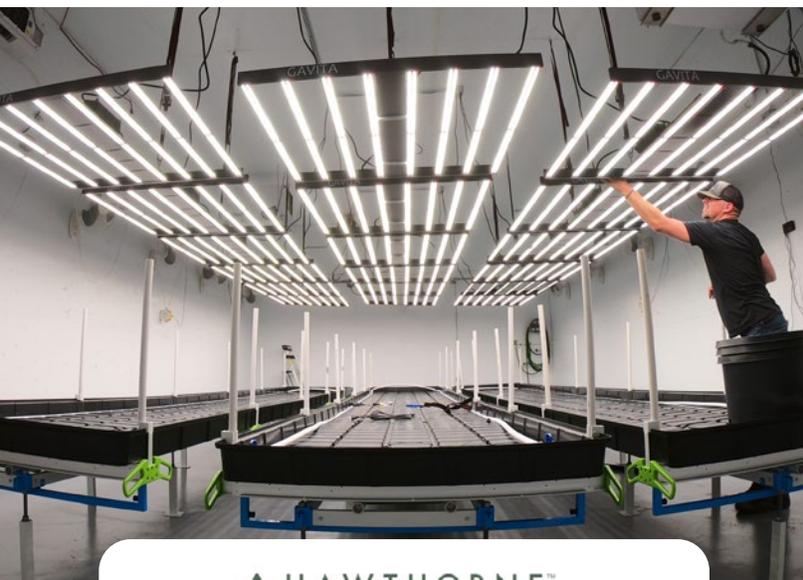
³ Covers data from Marysville plant, Pine Grove

⁴ Covers data from Marysville plant

⁵ Covers data from Marysville and Ft. Madison plants

⁶ Covers data from Marysville stormwater runoff basins and nutrient Water, Jackson, Fort Madison plants, and Covanta

⁷ Air emissions are collected and reported on a calendar year basis. Scotts is sharing the air emissions from our Marysville, Ohio, Title V facility. The total air emissions disclosed in this report do not rise to the level of reportability for the USEPA, but represent our company’s tracking and estimation of this data.



 HAWTHORNE™

ENERGY AND EMISSIONS

We recognize that by reducing our energy use and increasing our energy efficiency, our company can reduce greenhouse gas (GHG) emissions from our operations. To correctly represent our emissions, we must accurately capture our energy footprint and data from all of our emissions sources. In 2020 and 2021, we made substantial progress in understanding our energy and emissions impacts, including working with a third-party to establish and complete a robust GHG emissions inventory and baseline. Over the next year, we intend to gather the information required to develop an emissions reduction goal, including benchmarking scope 3 emissions, with the hope of publishing this information in future reporting. For more information on our climate and GHG impacts, please see our [CDP climate responses](#).

Our primary energy use comes from electricity and natural gas used to power our operations, as well as fleet fuel for our sales team. We seek to convert 20% of our field sales fleet to hybrid vehicles by 2025 to reduce energy from one of our primary uses, and subsequently also reduce emissions. This is part of an ongoing effort to look for ways to reduce the impact of our energy usage.



Scotts
provista

**120.7
METRIC TONS**
OF AVOIDED
EMISSIONS

Our products also help our customers reduce emissions. Many of our products help grow living plants, which remove carbon dioxide from the atmosphere. In addition, our products help promote energy efficiency. For example, as one of the largest producers of horticulture lights in the world, our Hawthorne business offers energy-efficient and patented lighting options for end users. In 2020, Hawthorne introduced the Gavita 1700e, a highly efficient LED light option for indoor growing systems. This product offers growers a Design Lighting Consortium certified energy efficient LED light to seek energy efficiency rebates and incentives from utility companies.

We also recognize that with a changing climate, some customers may need different products to enable resource efficiency in their area. We designed our ProVista™ turfgrass to require less frequent maintenance, reducing the typical resources necessary to maintain a lawn, including water and energy. While all yards can minimize and absorb carbon dioxide, ProVista™ turfgrass requires less mowing and weed control treatments than conventional turf. By requiring 50% less mowing, ProVista™ can help reduce carbon emissions from traditional gas-powered lawn mowers.

The emissions and energy tables, below, provide data on our impacts and consumption for the previous three fiscal years. Data in these tables is organization-wide including Hawthorne and corporate offices. Due to improved data quality for our 2020 calculations, our FY2020 emissions and energy consumption data is restated.

GHG Emissions (MT CO2e)	FY2019	FY2020	FY2021
Scope 1 (CO2e)	75,460.1	63,048	57,481
Scope 2 Location-based (CO2e)	48,880.2	47,895	55,018
Emissions Intensity (MT CO2e per Production Ton)	0.02198	0.02	0.02

Energy Use (GJ)	FY2019	FY2020	FY2021
Total Energy Use	1,637,708.6	1,435,015	1,465,221
Energy Intensity (GJ per Production Ton)	0.28954	0.23	0.20

Air Emissions (kg)	FY2019	FY2020*	FY2021
NOx	11,158.4	11,412.3	13,798.3
SOx	90.7	72.6	81.6
Particulate Matter (PM)	17,699.2	20,130.3	21,944.8
Volatile Organic Compounds (VOCs)	-	-	2,068.4

*Air emissions are collected and reported on a calendar year basis. ScottsMiracle-Gro is sharing the air emissions from our Marysville, Ohio, Title V facility. The total air emissions disclosed in this report do not rise to the level of reportability for the U.S. EPA, but represent our company's tracking and estimation of this data.

SUPPLIERS

Our business relies on our suppliers to provide raw materials, product components and other necessary supplies, including certain active ingredients used in our products. Our primary inputs include product ingredients, bark and grass seed, sphagnum peat, natural gas, diesel fuel, gasoline fuel, resins, urea and other fertilizer inputs. When procuring these materials, we work with our suppliers to help safeguard continuous supply, minimize costs and improve supply predictability.

As outlined in our [Code of Business Conduct and Ethics](#), we stand with our suppliers and retail partners, dealing fairly with them, listening carefully to their needs and supporting their businesses. In turn, we expect our supplier partners to conduct business in alignment with the values discussed in our Code of Business Conduct and Ethics. Through our supplier standards, our Code of Business Conduct and Ethics and other guiding policies, we work to mitigate risk within our supply chain in areas such as slavery and human

trafficking, compensation and benefits, working hours, health and safety, freedom of association and collective bargaining, environmental protection and anti-bribery and corruption. While we currently do not calculate and report the number of suppliers assessed for ESG impacts, we are in the process of working with third-party consultants and software to update and more formally evaluate our suppliers on ESG metrics. We also engage our suppliers annually through a supplier conference, where we share best practices and reinforce our expectations.

Our new Supplier Code of Conduct, to be implemented in fall 2022, aligns with internationally recognized frameworks such as the Responsible Business Alliance, U.N. Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work, and more. Aligning with these frameworks will set clear and consistent responsible business conduct guidelines for suppliers globally. Failure to comply with our new Supplier Code of Conduct will result in corrective action up to and potentially including termination of the business relationship.



We are also developing our Organization for Economic Co-operation and Development (OECD) due diligence program for Transparency in Supply Chains. This will include scoping of our suppliers based on financial, geographic and industry risks through supplier self-assessment questionnaires. Based on survey responses, we will identify high-risk suppliers, who we will work with to develop their auditing program as well to ensure implementation of corrective measures. While we currently do not calculate and report the number of suppliers assessed for environmental impacts, we are in the process of working with third-party consultants and software to disseminate a self-assessment questionnaire that will formally evaluate our suppliers on ESG metrics.

In 2021, our company also launched our Sustainable Suppliers Program, increasing transparency and setting shared goals around environmental stewardship, emissions and human rights with some of our most significant suppliers. We will prioritize which suppliers to engage and create a tiered program to achieve higher levels of recognition as they progress in making more commitments and demonstrating results. We recognize many of our suppliers are actively undertaking their own sustainability initiatives now, and through the Sustainable Suppliers Program, we can amplify their efforts and increase our collective impact. Our goal is to demonstrate improvement on identified GroMoreGood goals among 75% of our suppliers by 2025. To reach this goal, we have a strategic partnership with a third-party platform to conduct a benchmarking assessment that identifies our current performance and addresses corrective actions for forward-looking plans.

To provide additional guidance to our associates, our Supplier Relations Policy outlines how we uphold the appropriate standards of business ethics, professional courtesy and competence in all dealings with our suppliers. This policy directs our associates in procurement roles to provide equal opportunity for all capable suppliers, including Minority Business Enterprises.

Local Procurement

Local sourcing is an essential aspect of our supply chain program. Our company makes every effort to source as locally as possible, especially for raw materials, to help sustain local economies, ensure product traceability and reduce impacts from transportation. For our growing media business, we typically source materials for compost and green waste products within 120 miles of the plant on average. For more information about our local procurement efforts, please see the Innovative Products section of this report.



Responsibly Sourcing Peat Moss

Peat is a valuable ingredient in soil and potting mixes. In addition to providing an ideal soil consistency to support successful plant growth, it also has important environmental benefits, including trapping carbon and supporting wildlife. We recognize that, given these benefits, many have concerns about harvesting peat. We understand this concern, and that is why we take steps to source peat responsibly. We are proud to state that many of our peat moss production sites in Canada are Veriflora® Responsibly Managed Peatlands certified. The certification criteria seeks to ensure that certified companies apply measures to achieve sustainable objectives to preserve and restore these vital ecosystems while minimizing the environmental impact.

Where peat is sourced is another important consideration. Canada, our source of peat, applies strict regulatory control in terms of access to the territory and conservation of its resources. Peatland management has been well documented and supported by scientific research for over 20 years.

Scotts Canada participates in a national research program with the Peatland Ecology Resource Group (PERG) to learn more about peatlands and continuously improve our peatland management.

FREQUENTLY ASKED QUESTIONS ABOUT PEAT SOURCING

Q: Why is peat moss a staple for so many gardeners?

A: Peat Moss has a unique ability to support healthy, thriving plants. This lightweight material is naturally weed free. It helps keep both nutrients and water available for plant growth — two of the biggest success factors for gardeners.

Peat is pest-, weed- and pollutant-free, and will not tie up the nutrients that plants need to grow strong roots and leaves. Its consistent quality also makes it a great ingredient in growing media mixes.

Q: Can peat harvesting be done responsibly?

A: Yes. SCS Global Services, a third party sustainability service provider and certifier of *Veriflora® Responsibly Managed Peatlands*, has established standards for responsible horticultural peat moss production¹. Key principles for responsible peat sourcing include:

- Creating a long-term plan from site opening to closing
- Restoring as you go, to accelerate the return to a natural environment
- Calculating GHGs and establishing an emissions reduction plan
- Establishing a water quality management plan
- Involving area communities in the site planning

¹“Responsibly Managed Peatlands - SCS Global Services.” Responsibly Managed Peatlands, SCS Global Services, Aug. 2017, https://cdn.scsglobalservices.com/files/program_documents/scs_stn_responsiblymanagedpeatlands_v1-0_080217_new.pdf.

Q: What is peatland restoration?

A: Peatland restoration aims to restore and replenish the bog ecosystem, including its biodiversity, hydrology and ability to accumulate peat moss vegetation. Steps to source peat responsibly are taken.

Q: How does SMG support responsible peat harvesting?

A: In addition to adhering to the *Veriflora®* standards necessary for certification and being subject to strict governmental regulations and policies aimed to support the conservation of peatlands, Scotts Canada participates in a national research program with the Peatland Ecology Resource Group (PERG) whose main objective is “to ensure integrated and sustainable management of Canadian peatlands.”²

² “Welcome in the Website of the Peatland Ecology Research Group!” Peatland Ecology Research Group (PERG), 2009, https://www.gret-perg.ulaval.ca/no_cache/en/home/.





Cultivating Strong Communities

We set out to GroMoreGood in our communities by supporting the creation of gardens and greenspaces that transform neighborhoods, get kids outdoors and bring people together. We commit to supporting social justice, protecting environmental resources and developing programs that help kids understand and meet their full potential to become the leaders of tomorrow.



FOUNDATION COMMITMENTS

Since founding The Scotts Miracle-Gro Foundation five years ago, we have focused our philanthropic efforts on challenges where we can have the most impact as a company. This includes improving and protecting the environment, expanding community access to gardens and greenspaces and empowering youth, especially in underserved communities. In 2020, we expanded these efforts to include social justice in the cannabis industry, and we continued to make this important topic a priority in our philanthropic efforts in 2021. These commitments complement our ongoing ESG strategy in the areas of environmental and water quality issues, diversity and inclusion, and local community engagement.

Environmental Stewardship

We continue to implement programs and initiatives that foster an internal dialogue regarding environmental stewardship. Our commitment to care for the planet has resulted in multiple actions and investments over the years, including changes in some of our product formulations, the introduction of more water-efficient products and increased consumer education on safe and appropriate use of our products. Through The Scotts Miracle-Gro Foundation, we partner with experts and environmental groups across the U.S. to preserve Americans' access to a safe, abundant supply of water and protect pollinators. Our goal is to reach 145 million Americans annually through environmental partnerships by 2025, and with our progress in 2021, we are confident in our ability to reach that goal.

Safe and Accessible Water

As a resource critical to all living things, including lawns and gardens, protecting water is our top environmental priority. Nutrient pollution is one of the most critical threats to water quality today. Excess amounts of phosphorus and nitrogen in water contribute to algal blooms that kill aquatic life, impair drinking water and can impact human health. That's why we formed a national network of environmental organizations to tackle this issue head-on. With a combined reach of millions of Americans, these organizations are at the forefront of change by driving scientific innovation, protecting vital waterways and advocating for all Americans' right to safe and accessible water. Together with our nonprofit partners, we're working toward a water friendly future. Collectively, their impact is improving waterways across the country.



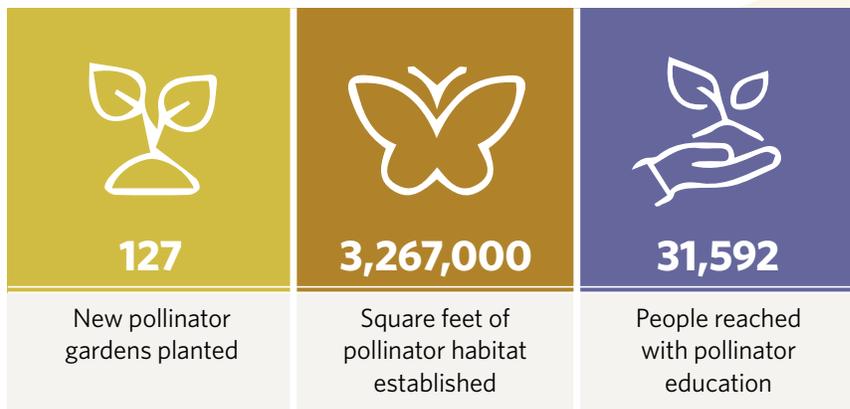
Protecting Pollinators

Another way we live out our purpose to GroMoreGood for the environment is through the protection of pollinators, such as bees and butterflies, and the habitats they need to thrive. Pollinators play a critical role in maintaining the health of our ecosystem and the world’s food production. With pollinator populations declining around the world, our company is dedicated to protecting these essential creatures that help our gardens and communities thrive. We dedicate grant funding and pollinator education resources to support pollinator gardens across North America.



The Pollinator Promise is our enterprise-wide commitment to support and protect pollinators. Our company fulfills this promise by creating our outdoor Ortho branded products without neonics and through consumer education. In partnership with the National Recreation and Park Association (NRPA), we launched the Parks for Pollinators program in 2017. The program establishes pollinator habitats in local parks and connects people to resources to better understand pollinators and how to protect them.

To help protect local pollinators that are critical to our ecosystems and food supply, we joined forces with the NRPA in 2021 to host the third annual Parks for Pollinators BioBlitz during the month of September. The Parks for Pollinators BioBlitz is a nationwide campaign to engage ordinary people in observing and documenting the animal or plant species in a certain area and time period. This creates a snapshot of an area’s biodiversity, adds to the scientific knowledge of a place and helps scientists and land managers plan for the future. Participants in the BioBlitz program in September 2021 used the iNaturalist mobile app to learn about pollinators. Users took photos of the biodiversity they came across in the park—animals, plants, insects, etc.—and automatically uploaded their photos to an international database for scientific research. Our 2021 Parks for Pollinators BioBlitz engaged 220 park professionals and 74 organizations’ host projects in 25 states, engaging 3,000 people in collecting observations. In total, our annual BioBlitz campaigns have resulted in the following:



Connecting Communities to the Benefits of Gardens and Greenspaces

Children, families and communities across the country need the positive experiences that gardening provides. Gardening helps children understand where their food comes from,

“This collaboration brings the powerful benefits of gardens to the one million at-risk Head Start children and families served by NHTA. Our efforts to bring gardens to more people is never more important than when it serves our youngest gardeners with hands-on education and experiences. We are thankful to the amazing teams at Head Starts across the country bringing edible gardens to life in their own classrooms and outdoor spaces.”

- Brian Herrington, VP, External Affairs



engages them in hands-on learning about the natural world, and provides therapeutic and physical activity benefits. That’s why we’ve been committed to connecting people to the benefits of gardens and greenspaces for decades.

Our 10 Million Kids Commitment

We aim to connect 10 million young people with the benefits of gardens and greenspaces by the end of 2023. In 2021, we hit the halfway milestone and reached over 5 million kids. We launched this goal in 2019 as a way to bring more healthy food and safe outdoor play spaces to kids and families in need. Our enterprise-wide commitment, supported by our foundation, company and brands, continues to GroMoreGood in children’s lives.

2021 Impacts:

	
250+	1,240,000
Gardens supported	Youth reached
1,500,000	25
Healthy meals provided	Hydroponic gardens established

The ongoing COVID-19 pandemic disrupted the lives of millions of children and their families. It also had a compounding effect on those who already struggle with food insecurity and lack of access to fresh food and safe outdoor greenspaces. Now more than ever, we want to bring the power of gardening and the outdoors to as many kids as possible.

Through partnerships with leading nonprofit organizations and other partners across the U.S. we are able to bring this commitment to life. Our partners include:

- Franklin Park Conservatory and Botanical Gardens
- KidsGardening
- Major League Baseball™
- National Farm to School Network
- National Head Start Association
- National Recreation and Park Association
- No Kid Hungry

For example, our foundation funds 175 grassroots grants annually with KidsGardening to support nonprofit organizations across the U.S. that create or enhance youth garden programs in their local communities. From pollinator gardens to outdoor play spaces, edible gardens to therapeutic greenspaces, the Grassroots Grant funds all types of community-driven projects that engage youth.

Additionally, our work with the National Head Start Association (NHTA) brings more edible gardens to Head Start programs across the country, teaching the most at-risk children, families and communities how to grow their own fresh produce. This program provides garden grants, garden kits, educational resources and garden training to all Head Start programs.

In addition to fresh food, hands-on experience in the garden provides Head Start children with many benefits. These benefits include increased physical activity, improved behavior, decreased stress and anxiety, positive social integration, greater engagement with learning, and creative ways to move through curriculum and learning materials.

We encourage all families to GroMoreGood in their own backyards and gardens, and we provide free GroMoreGood learning activities for children and their families on our [website](#).

"After the success of the initial launch of the project, we're thrilled to bring gardening, learning experiences and fresh vegetables to even more classrooms with the continuation of our partnership with National Farm to School Network. Our hydroponic kits allow educational growing experiences to occur indoors, regardless of the time of year and harvest season."

- Tina Edwards, Brand Manager, AeroGarden



"Thanks to the Scotts Field Refurbishment Program, our revitalized field has become a source of pride for our entire community. The field is now a staple in the neighborhood and plays host to community events and programming beyond its original intention for sports, increasing the impact the refurbishment has had."

- Steve Blitzer, Athletics, DREAM Charter School

Encouraging STEM Education in Schools

Many schools are establishing indoor and hydroponic gardens to complement their traditional outdoor garden programs. This allows schools in colder climates to grow plants in the winter months and integrate gardening into year-round learning. It is also an opportunity for students to learn about the growing field of hydroponics careers, many for the first time.

With the goal of connecting more students to the wonders and science of hydroponic gardening, AeroGarden helped to expand the GroMoreGood Hydroponic Garden Project, completing its third iteration. As part of this project, The Scotts Miracle-Gro Foundation and Hawthorne Gardening Company collaborated with the National Farm to School Network to integrate indoor growing systems into elementary schools across the country. The partnership provides teachers with hydroponic growing devices, next-gen science standards-aligned hydroponic curriculum and support from gardening experts. It aims to spark a passion for gardening and increase hands-on science experiences for students who otherwise might not have had the opportunity. In 2021, the schools we partnered with span five states: Arizona, California, Florida, Oregon and Washington.

Partnership: Major League Baseball™*

Creating access to play safely outdoors and to greenspaces for youth is a priority for our company, as part of our GroMoreGood initiative. We partner with Major League Baseball to sponsor the Scotts® Field Refurbishment Program. Grants are awarded to youth-focused community organizations to give kids modern, playable ball fields. To date, nearly \$2 million has been invested, and over 31 fields across 18 different states have been revitalized. This has created greenspaces where kids can get outside, get active and enjoy activities such as baseball and softball.

Two hurricanes destroyed much of the Lake Charles, Louisiana, community in the fall of 2020. Many homes, businesses, and community recreation spaces were demolished. Thanks to our partnership with Major League Baseball, the College Oaks Softball Complex was restored. We leveled and regraded the field; and we added new dirt and sod, bases, pitcher's mound, home plate and batter's box. In addition, we donated equipment, including new gloves, bats, balls and batting helmets. Most importantly, we provided a beautiful new outdoor space where hundreds of young girls and their families will come together to play, spend time outside and enjoy the game they love.

*Major League Baseball trademarks and copyrights are used with permission of Major League Baseball. Visit MLB.com.

Sharing the Benefits of Edible Gardening: No Kid Hungry and the GroMoreGood Harvest Donation Bag

Each year, The ScottsMiracle-Gro Foundation and No Kid Hungry team up to provide 1.5 million healthy meals to the children who need them most.* To expand these efforts and continue to spread the joy of gardening and providing access to healthy meals, Miracle-Gro launched our GroMoreGood Harvest Donation Bag in 2021. The limited edition bag, available on our [website](#), encourages kids and families to garden at home and donate the extra harvest to those in need. For every bag sold, Miracle-Gro donated a portion of the proceeds to No Kid Hungry, which provided up to 20 meals for kids living with hunger.* Artwork featured on the bag was designed by Randy Perez-Lopez, a student from Tapestry Public Charter School in Atlanta, Georgia.

*\$1 can provide up to 10 meals. Meal equivalency varied during COVID-19 relief. Learn more at NoKidHungry.org/OneDollar

Scotts Canada Gro for Good

With urban and economic development at an all-time high, we desperately need to protect and grow our collective connection to nature, environment and each other. Such efforts come to life in Canada through the Gro for Good initiative, our effort to keep the spirit of community and connection to nature alive.

We commit to supporting greenspaces that improve communities across Canada. Each year, the Gro for Good initiative provides annual grants to deserving communities, schools and nonprofit civic organizations to develop community gardens and greenspaces. Successful projects demonstrate an ability to engage youth, address health and wellness needs and/or enhance the environment while engaging the local community. For example, we awarded the CBS Community Gardens of Conception Bay South, Newfoundland with a \$2,500 grant to further develop their greenspace.

“As most gardeners know, a well-maintained edible garden can easily deliver an abundance of produce. And yet, a recent survey by ScottsMiracle-Gro found that more than half of gardeners (56%) report having unused food from the garden that they give to family or friends. With our new Harvest Donation Bag, we hope to inspire families to share what they grow with loved ones, neighbors, teachers and food banks, all while providing food to the children who need it the most through No Kid Hungry.”

**- Sara Gordon, Vice President, Gardens
ScottsMiracle-Gro**

“I see hungry people outside, and it makes me sad. I wanted to do something to help. I’ve always liked to draw. So I thought I could draw a picture and do something good for other people.”

**- Randy Perez-Lopez
Harvest Bag youth artist**



Hydroponic Greenhouse in Vancouver

Our subsidiary Hawthorne Gardening Company opened the doors to a 4,000 square-foot hydroponic greenhouse on its grounds in Vancouver, Washington, in July 2021. The greenhouse serves two purposes: to grow healthy food year round that can be donated and to provide our associates with an opportunity to give back to the community. Produce grown in the greenhouse by our associates is donated to local hunger-relief organizations in Clark County.

The greenhouse is operated by a team of associates, which set a goal to grow, harvest and donate 5,000 pounds of produce in the first year. In less than five months, they exceeded that initial projection. More than 100 associates have volunteered their time to help provide fresh produce to the Clark County Food Bank and the League of United Latin American Citizens; volunteering over 350 hours collectively. The greenhouse builds on Hawthorne and ScottsMiracle-Gro's long-standing commitment to GroMoreGood by investing in local communities and bettering people's lives through gardening and growing.

Education

We are committed to empowering the next generation of gardeners, growers and entrepreneurs in our communities. Every person deserves the chance to reach their full potential with a nurturing community to support them.

The Legacy Project

The Scotts Miracle-Gro Foundation, in partnership with The Hagedorn Legacy Foundation, is helping central Ohio area students unlock their full potential and achieve their educational and vocational goals through The Legacy Project. The program's mission is to empower high-school aged students by helping them realize that possibilities are everywhere and that goals can be achieved through grit—the ability and tenacity to overcome obstacles on the way to achieving goals.

Through individualized coaching and mentoring, real-world career opportunities and immersive learning experiences, The Legacy Project develops students through a multi-discipline curriculum. During their four years in the program, students are challenged through character strength and entrepreneurial mindset development, financial literacy management and customized goal pursuit. The program also provides a \$20,000 scholarship to each student to be used for post-secondary education. Originating from the desire to help students grow their "grit"—that strength of character so vital to success—the legacy project is designed to help students become their best selves and succeed both in and after high school.

The first class of Legacy Project graduates celebrate their achievements at Franklin Park Conservatory in Columbus, Ohio. These program alumni are now pursuing post-secondary education endeavors, career pathways and mentorship of current Legacy program students.



Our associates volunteer to mentor program participants, and the students benefit from visits to our Marysville, Ohio, campus to meet with leaders in Marketing, R&D, Finance and other departments. The program fosters the growth of key character traits while supporting developmental life skills and entrepreneurial thinking that enable students to achieve short- and long-term career objectives. These goals include higher education, technical and vocational education, or entrepreneurial pathways to move into the workforce.

Students are provided with the following:

- **Individualized coaching**
- **Tuition toward post-secondary education**
- **Identification and setting of educational and career goals**
- **Opportunity to learn from area entrepreneurs and business leaders in order to develop their own entrepreneurial thinking skills**
- **Career exposure opportunities**
- **Community mentors to identify with and learn from**

We celebrated our first class of graduates from The Legacy Project in May 2021 at The Scotts Miracle-Gro Foundation Children’s Garden at Franklin Park Conservatory. Students from the graduating class have detailed plans to continue their education with nearly half attending The Ohio State University. One graduate was accepted into the U.S. Army. Others will start their college careers at traditional four-year universities across Ohio. And one Legacy graduate will travel to San Francisco to begin her education in art design.

In June, we welcomed our third student cohort into the Legacy community. There are currently 39 students in the program from Metro Early College High School and Whitehall Yearling High School. The Legacy staff learned a great deal from the pilot class and will use what they learned to help improve the program experience for future students.

2017-2021 Legacy Project Initial Class Results

17	1
Program graduates	U.S. Army enlistment

14 SECONDARY EDUCATION ENROLLEES:
7 pursuing B.A. programs, 7 pursuing B.S. programs, 3 working and taking a gap year

1,428 HRS	106 HRS
Of coaching sessions	Of group facilitation programming

17 PERSONAL VENTURE PROJECTS COMPLETED
Impacting 100+ community members

16 PROGRAM LABS AND WORKSHOPS
Over 256 hours for each student

Part of the Krew

In our Northeast region, we partnered with Ken’s Krew, an organization created by parents who were seeking a post-high school path to employment for their children with developmental disabilities. The approach to working with our Ken’s Krew associates focuses on structuring a daily routine in order to create the perfect environment for participants to thrive personally and professionally. The high level of interaction and collaboration between our sales managers and the program’s job coaches has been critical to the associates’ success.

In October 2021, as part of National Disability Employment Awareness Month (NDEAM), our company was recognized by the New York State Department of Education for our inclusive hiring practices and diversity in the workplace. More importantly, two of our associates, who are also participants in this program, experienced a big confidence boost since starting with the program. With the help of full-time associates who coach Ken’s Krew team members, they are equipped with product knowledge so that they can answer consumer questions on how to improve their lawn and garden. We look forward to expanding our participation in the Ken’s Krew program in 2022.

The Hawthorne Social Justice Fund

Our Hawthorne Gardening Company subsidiary is North America’s largest distributor of indoor growing and hydroponic products. Hawthorne’s products serve growers of all types and sizes, including those in the U.S. who may grow cannabis in compliance with state law. Cannabis legalization is advancing across the U.S., but a confusing patchwork of federal and state laws persist, which exacerbates the complex legacy of racial, social and economic inequality tied to cannabis. We stand behind our purpose to GroMoreGood and commit to fighting for the reforms needed to create a more just and equitable industry—one that addresses past injustices and provides all people in the U.S. with the opportunity to flourish.

One channel through which we advance this commitment is the Hawthorne Social Justice Fund of The Scotts Miracle-Gro Foundation. This fund drives positive changes in our communities by supporting organizations that commit to addressing social injustice. For example, some of the organizations that the fund supports may advocate for criminal justice reforms, assist in reentry for people with nonviolent, low-level cannabis convictions and increase diversity in the legal cannabis industry.

In 2021, the Hawthorne Social Justice Fund announced its first grantees. Grantees were selected because of the powerful work they’re doing to address the negative impacts caused by the disproportionate number of cannabis-related arrests and incarcerations involving persons of color, to support minority entrepreneurs and to increase investments in minority communities. The work of the Fund’s grantees includes:

Last Prisoner Project. Dedicated to cannabis criminal justice reform, the Last Prisoner Project is working to release people with low-level cannabis convictions from prison in states where it is now legal and to provide pathways to employment.

Marijuana Policy Project Foundation. A racial justice and social equity project seeking to elevate cannabis reform as a civil rights issue at the national level and increase diverse representation within the legal cannabis industry.



Minorities for Medical Marijuana. Provides advocacy, outreach, research and training as it relates to the business, social reform, public policy and health/wellness in the cannabis industry. Its Project Clean Slate program offers expungement clinics and wraparound services nationwide for those affected by past marijuana possession charges, while Project Safe Access NV assists members of the Latino community in accessing medical marijuana.

Mission Green. The Mission Green initiative works to secure the release of those serving time for cannabis-related offenses and create pathways to expungement or pardons so that those impacted may go on to live meaningful lives. The Mission Green campaign is led by leaders who have been impacted by the social justice system and have lived through the issues the organization is working to address. Those most harmed by the system are uniquely qualified to create and champion the solutions that will begin to transform it.

NuLeaf Project. Working to build intergenerational wealth via the legal cannabis industry for the communities disproportionately harmed by cannabis criminalization—including Black and Brown communities. Hawthorne is a corporate sponsor for the Nu School Accelerator Program, which offers financial support and technical expertise on cannabis startup financing and operating an ancillary business.

United Returning Citizens. Provides job search and training, life and financial literacy skills and transitional and stable housing primarily for citizens reentering society from correctional facilities. This partnership focuses on workforce development, helping people with cannabis convictions in a high-unemployment area (e.g. Youngstown, Ohio) find employment and start businesses in hemp and indoor cultivation.

Supernova Women. Founded in 2015 by Black and Brown women, Supernova Women is a 501(c)3 nonprofit organization that works to empower Black and Brown people to become self-sufficient shareholders in the cannabis and natural plant medicine space through education, advocacy and network building. Based in Oakland, CA, we are also working with Supernova Women to provide assistance to the mostly minority owned cannabis businesses that have fallen victim to a very well organized and violent crime spree targeting these businesses for their cannabis products and California excise tax receipts.

Congressional Black Caucus Foundation

The largest single grant to date of The Scotts Miracle-Gro Foundation's Hawthorne Social Justice Fund will support four John R. Lewis Social Justice Fellows within the Congressional Black Caucus Foundation. The Fund is providing \$600,000 over two years for the fellows to focus on research related to cannabis policy and social justice reform and to propose solutions to Congress. These are the first John R. Lewis fellows dedicated to cannabis issues.

"There is no doubt that cannabis laws have led to systemic racial and social inequities, and we are grateful to be able to join with the Congressional Black Caucus Foundation in finding ways to address this critical issue," said Chris Hagedorn, division president of Hawthorne Gardening Company and executive vice president of ScottsMiracle-Gro. "We're also proud to be affiliated with a program named for John Lewis, whose lifelong commitment to social justice continues to inspire millions of Americans. It is our hope the four John Lewis fellows will inform the debate related to cannabis reform and work directly with policy makers in establishing a framework for impactful and positive change in Black communities."

As North America's leader in indoor and hydroponic growing products, Hawthorne Gardening has sought to use its influence and resources to help shape criminal justice reform related to cannabis prohibition and create a more equitable post-prohibition cannabis industry. The effort with the Congressional Black Caucus Foundation is the latest commitment of the Hawthorne Social Justice Fund, created in 2021 to support nonprofits devoted to social justice.

Helping to Empower People of Color in the Cannabis Industry

In 2021, Hawthorne hosted a panel discussion centered on bringing reform in criminal marijuana laws and driving change to empower people of color to capitalize on economic opportunities in the cannabis industry. Held at the MJBizCon conference, the well-attended event's panel included influential leaders with social justice organizations that are supported by The Scotts Miracle-Gro Foundation's Hawthorne Social Justice Fund. It was an opportunity to share with people in the industry the importance for social justice and what businesses involved in the cannabis space can do to help bring about change.

The prevailing themes centered on the need to address disparities in penalties handed down for cannabis possession—as Blacks and minorities have been disproportionately given heavier sentences than whites, the need for expungement and working with businesses to play a role in providing opportunities for the minority community that go beyond jobs to include business support and partnerships. In addition, equal playing fields can be created when it comes to regulation, licensing and legalization to ensure access for minority entrepreneurs to small business and commercial ownership. There is much more work to be done, but forums such as this help bring attention to critical issues of reform in criminal marijuana laws and change in the cannabis industry.





800 PEOPLE
VACCINATED
IN VOLUNTEER
DRIVE-THROUGH
VACCINATION CLINICS
IN 2 DAYS



\$2.6 MILLION
FUNDS FOR CANCER
RESEARCH RAISED BY
THE SCOTTMIRACLE-GRO
PELTONIA TEAM
SINCE 2010



\$2 MILLION
FUNDS RAISED FOR
AMERICAN HEART
ASSOCIATION
SINCE 2008

Other Community Investments and Initiatives

We support various other community initiatives and ways to give back to our communities. One way we do this is by providing product donations to local communities and organizations to help them get started on gardening, greenspace and beautification projects.

SMG Partners with Local Health Department for Vaccination Clinics

Throughout the pandemic, we worked with many local and state elected and appointed officials, and kept them updated on our operations. Specifically, we sought to learn where we could donate personal protective equipment (PPE) we were producing to help communities. Keeping these lines of communication open are always important, but they have become a new priority throughout the pandemic. In March 2021, the local health department of Marysville, Ohio, reached out to ScottsMiracle-Gro to help support drive-through vaccination clinics for local citizens. With a cross-functional team of associates, we worked with members of the Union County Health Department and Union County EMA to align our efforts to ensure a successful clinic in our community.

During the two days of drive-through vaccination clinics, almost 800 individuals were vaccinated. Thanks to our team of volunteer associates the event was a success, and we were able to live out our mission to GroMoreGood in our hometown community.

Pelotonia

Since 2010, a team of associates has participated in Pelotonia, a three-day experience that raises awareness and funds for innovative cancer research. The grassroots nonprofit organization, located in Columbus, Ohio, has one goal: to end cancer. Funds are raised year-round, and Ride Weekend is a three-day experience in August that includes cycling and volunteerism.

After a one-year hiatus due to the pandemic, the bike tour took place in person in 2021. Associates and their immediate family members set personal goals to raise awareness and rode one of eight routes through central Ohio that ranged from 20 to 200 miles. Our team has raised over \$2.6 million since joining the annual event. 100% of all participant-raised funds raised go directly to life-saving cancer research at The Ohio State University Comprehensive Cancer Center—Arthur G. James Cancer Hospital and Richard J. Solove Research Institute in Columbus, Ohio.

American Heart Association

Our company has participated in the American Heart Association Central Ohio Heart Walk since 2008. Over the last 13 years, we have raised nearly \$2 million for cardiovascular disease research. Along with financial support, our company has engaged more than 4,900 associates, family and friends to participate in the Walk. In addition, our team encourages associates to get outside and walk for better health throughout the year. The virtual walk experience also engages associates from across our company to participate and share their personal stories as to why they walk to end heart disease and stroke. Through the dedicated support from our associates and the commitment of leadership, our company was the No. 1 fundraising company for the Central Ohio Walk in 2021.



Supporting Our People

Every associate and every job is important to our success. This high-energy, high-performance culture is the hallmark of how we GroMoreGood for and with our associates. We support our associates by helping them grow professionally and achieve their personal best, taking a holistic approach to wellness and safety in order to support a LiveTotal Health mindset.

OUR CULTURE

Our culture and commitment to our associates sets our company apart. We are dedicated to doing our best for each other, our customers and our communities. We strive to create an environment that values the health, safety and wellness of our associates, and we work to equip them with the knowledge and skills to serve our business and develop in their careers.

For over 150 years, our company has been headquartered in Marysville, Ohio. Today, we are only five miles from the original site of our founding, and we are proud that generations of families have worked for us. All parts of our business play a

role in our success, from our supply chain, sales team, marketing experts and R&D scientists to our strategic support functions such as tax, finance, human resources and legal. Collaboration throughout our business allows us to deliver our strategic priorities.

We provide many opportunities for our associates to grow and develop. In fact, several members of our current leadership team started their careers as merchandisers supporting our in-store consumers; others have rotated or held multiple positions through their long tenure. Our associates are able to build and develop careers everywhere we operate across a vast array of job functions and responsibilities.

WHO WE ARE

ACCOUNTABLE

Own results. Learn from your mistakes. Stand up for your team. Improve continuously.

EMPOWERED

Give authority. Make decisions. Move forward with courage of conviction.

COLLABORATIVE

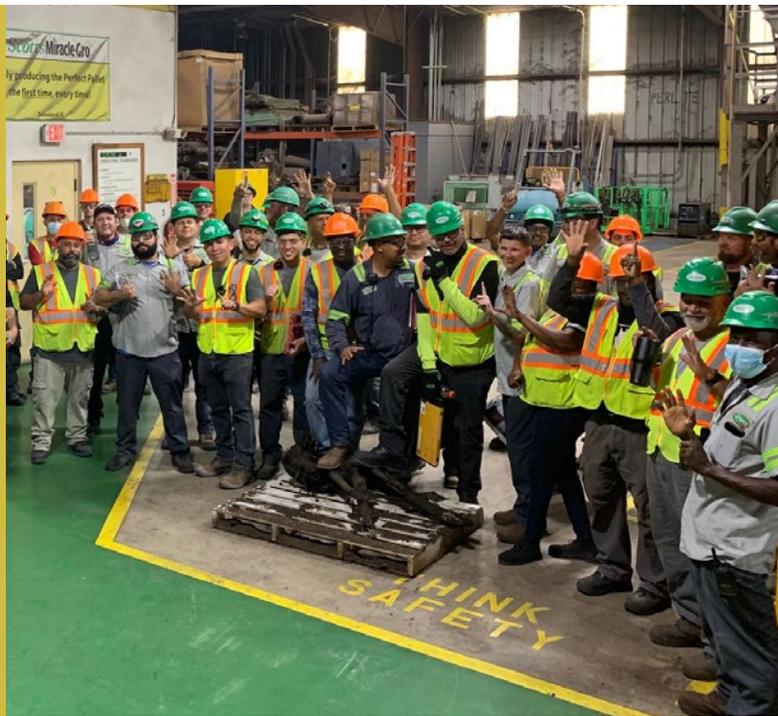
Involve others. Seek out additional knowledge and expertise. Work towards mutual solutions.

FLEXIBLE

React quickly and thoughtfully to changes. Adapt. Accept new challenges and assignments.

ETHICAL

Always strive to do the right thing and act with integrity. When in doubt, reach out.



HOW WE GROW

INNOVATE

Challenge conventional thinking. Bring solutions. View change as an opportunity.

RESPECT DIVERSITY

Value the unique thoughts and opinions of others. Work together with mutual respect.

BE ENTREPRENEURIAL

Be committed. Take calculated risks.



Through our employee resource groups (ERGs), we encourage associates to take an active role in leading our business and our culture. With volunteer opportunities and cross-functional projects, we foster a workplace where everyone feels included as a part of our family. Our leadership engages in periodic initiatives to actively listen to associates and encourage dialogue on important topics. This work allows us to cultivate a diverse and inclusive workplace that reflects the values of the communities in which we operate.

Our company and our associates embrace Miracle-Gro founder Horace Hagedorn's maxim that "You can't always take from the earth. You have to give something back." To support our associates in their desire to give back to their communities, we provide our Give Back to Gro Associate Community Service Program, providing two paid days off per year to all eligible associates in order to serve the causes that they are passionate about. Give Back to Gro is an irreplaceable element of our corporate culture. For more information about the support we provide to our communities, please refer to the Cultivating Strong Communities section of this report.

Associate Garden

Our Associate Garden originally served as a training ground for associates to learn first-hand how our products work and try out our innovations, but it quickly evolved into a way for our associates to get their hands dirty and give back to our local communities. Since 2009, our associates have maintained these vegetable gardens at our company headquarters in Marysville, Ohio. In these spaces, we use our products to grow fresh produce. Once harvested, all produce is donated to several local food pantries to serve food-insecure families in central Ohio, such as the Marysville Food Pantry, which services approximately 75 food-insecure families a week. To date, our associates have produced over 41,000 pounds of fruits and vegetables for neighbors in need.



41,000 LBS
PRODUCE GROWN
DONATED TO LOCAL
FOOD BANKS

Associate Boards

To improve overall morale and enrich our work environment, we implemented the Scotts Associate Board, which provides services, activities, education, social and volunteer opportunities to our associates. Additionally, the Scotts Associate Board provides support services that enable our associates to both extend and receive a helping hand when needed. Since its inception, the Scotts Associate Board has supported more than 250 associates and generated more than \$430,000 in associate contributions.

In 2021, our Hawthorne subsidiary launched its own Hawthorne Associate Board. Composed of approximately 30 Hawthorne associate volunteers, the Hawthorne Associate Board works closely with the Scotts Associate Board and its leaders to coordinate, plan and execute company-wide events. The Hawthorne Associate Board strives to provide our associates with opportunities for fun and exciting community engagement, morale-building and team-building experiences with friends, families and fellow associates. Hawthorne's Associate Board also contributes community donations to causes and organizations across the country.

DIVERSITY AND HUMAN RIGHTS

We value our associates' diversity and encourage them to leverage their varied life experiences at our company. This includes diversity in terms of gender, sexuality, race, thoughts, interests, languages, beliefs and much more. Having a diverse workforce allows us to build an even stronger organization.

To strengthen our organization and inform our diversity, equity and inclusion (DE&I) priorities, we have conducted various diagnostic exercises to identify and understand our gaps and future opportunities in this area. The tools used in these exercises included surveys, executive interviews, conversation series, focus groups and audits of current initiatives. We also led a company-wide series on unconscious bias discussion groups and created a library of internal DE&I resources. To further advance a diverse and inclusive culture outside of the workplace, we also offer associates an additional paid day off to celebrate their culture.



Project Spectrum Helps Associates Bring Their Whole Self to Work

Our company understands the value of measurable data to glean insights from a human capital perspective. We have invested in a cloud-based human capital management (HCM) software solution that unifies our wide range of HR functionality into one single platform. This allows us to support the entire enterprise with qualitative and quantitative analytics specific to associate lifecycle transactions, processes and programs. We leverage this system to capture our associate's full story, providing us information to create programs and offerings that resonate with our people.

In 2021, we launched Project Spectrum, a new way to create a welcoming and supporting environment for all of our associates. Our internal information system, Workday, is our One Place for All People, where we capture the associate's information. Through this platform, we ask associates to voluntarily disclose their sexual orientation, gender identity and preferred gender pronouns, and use that information to indicate preferred pronouns on our internal People Finder directory. To accompany this new feature, we also shared resources on "How to be an LGBTQ Ally" with our associates, to serve as a helpful guide for navigating and understanding gender identity and expression.

Additionally, we are making changes in Workday to allow our associates to tell us more about what makes them unique. Associates are now able to share which ERGs they participate in, demonstrating their commitment to our organization and contributing to the development and socialization of our associates. Workday also allows for the collection of identifiable information that is used by our company to help create programs and report progress on recruiting, retention, professional development and other employee satisfaction measurements. These updates will allow us to continue to create a more inclusive environment for all associates.

Associate Engagement

Our business is directly impacted by the level of engagement created through our associate experience. Engagement is what drives our associates to persevere through hard work and change. It makes the difference between simply doing the job and doing the job to the best of their abilities. Now more than ever, as we embrace a hybrid work model, it is important that our associates are connected to our values and purpose and that they do not feel isolated or distanced from our organization.

To advance engagement, we are working to enhance our continuous listening strategy to gather feedback across the entire employee lifecycle. This helps us create a sustainable and meaningful model for onboarding our new associates, and provides insight and perspective on career direction and development. We have also worked to optimize our employee resource groups through awareness, education and business sponsorship, and through additional focus on emotional well-being support programs.

Employee Resource Groups

Our employee resource groups (ERGs) are voluntary, associate-led groups that are typically formed by people with a common affinity, such as gender, race, national origin, sexual orientation, military status or other attribute. Each ERG establishes a mission to positively impact the business by cultivating relationships through networking and developing talent through experiences, programs and mentoring. Our ERGs drive continuous improvement of our inclusive work environment and are open to all associates, regardless of the business department, location or management level.

In 2021, we launched two new ERGs: Scotts Family TREE and Scotts Associates for a Greener Earth (SAGE). We look forward to watching these groups act as change agents and support our business initiatives.



Scotts Family TREE. Family is at the root of our culture, and it's just one of the reasons we created our employee resource group: Scotts Family TREE - Together Respecting, Empowering and Encouraging Families. Newly formed in 2021, the ERG's mission is to nurture associates by providing the education, resources and community that their family needs to grow at work and at home.

Scotts Family TREE is open to all associates and includes every associate's definition of family. The ERG is currently made up of 84 members from 18 different states. It is dedicated to empowering associates with information and tools in support of a healthy work-life balance, supporting associates with access to information relevant to their specific circumstances, and resources they need to live their best lives. It connects associates with other associates who have shared life experiences and builds a community through volunteerism.

In 2021, Scotts Family TREE welcomed Daisy Dowling for a virtual educational session that supported working parents. As the Founder and CEO of the training and coaching firm Workparent, Daisy led an interactive event and covered topics such as how to build an effective working parent operating system, tips for performing to a high standard as a professional and parent, as well as understanding how to communicate effectively when work and home responsibilities overlap. The session concluded with a live Q&A where associates were able to ask Daisy about how to succeed when balancing today's unique working-parent circumstances.

Scotts Family TREE also started hosting "tea time" conversations with our associates. These sessions facilitate discussions between parents that are in similar family situations and create community through shared experiences. For example, tea time may include conversations for single parents or parents with children under the age of one to parents of college-aged children.



Scotts Associates for a Greener Earth (SAGE). SAGE is one of our newest employee resource groups and is a modern take on our former Scotts Green Team, which was founded more than 10 years ago. SAGE is a dedicated group of individuals who champion sustainable practices and programs across our company. The group has more than 40 active members spanning corporate, R&D and plant operations throughout North America. Vital to many of our sustainability initiatives, including promoting an onsite food composting program, SAGE members are working with facilities to implement several environmentally friendly projects and connecting associates with environmental volunteering opportunities at nature preserves and community gardens. In addition to driving key sustainable initiatives that support our company's purpose, the group also aims to help associates develop sustainable living practices in their own lives.

The vision of SAGE is to support the company in fulfilling its GroMoreGood purpose in the following ways:

- **To our associates:** Building a community of associates that live sustainable lives and serve as ambassadors within the workplace and beyond.
- **To our consumers:** Collaborating with the business to inspire sustainability awareness and innovation.
- **To our communities:** Fostering sustainability in the larger community by supporting environmental partners and increasing participation in the Give Back to Gro volunteer program.
- **For the planet:** Reducing waste and improving our environmental footprint to create a more sustainable world for everyone.

"Given the amount of time we spend at home and at work, it is important to cultivate both families. The passion shown by the team in establishing TREE is a reason why the Scotts family is so great!"

- Cory Miller, CFO & Scotts Family TREE Executive Sponsor



SAGE Glove Recycling Program

SAGE helps our company live out our purpose to GroMoreGood by engaging associates in our sustainability efforts in a hands-on way. One small example of this is the nitrile glove recycling pilot program at our research and development facilities in Marysville, Ohio. Many of our R&D associates wear nitrile gloves on a regular basis while they work. Glove usage expanded greatly during the early stages of the pandemic. By using TerraCycle® zero-waste boxes suggested by the SAGE team, associates are now able to recycle their gloves in a quick and easy manner, keeping them out of landfills. The SAGE team is helping to assess the current program and determine its feasibility at more of our locations.

“When you think about how many gloves you use and throw away, you feel bad. But this pilot program is an easy way to contribute and make a difference.”

- Sam Luers, process and formulations engineer and SAGE member

The group held a virtual event featuring Kathryn Kellogg, founder of goingzerowaste.com and author of “101 Ways to Go Zero Waste.” Kellogg offered fun, positive and accessible ways to help our associates live a more sustainable life through the fundamentals of zero-waste living and easy actionable tips.

In recognition of America Recycles Day on November 15, SAGE participated in a Material Recovery Facility tour by Rumpke. The tour provided SAGE members with the opportunity to better understand the sophisticated technology and manual sorting that goes into the recycling process. This allowed associates to be more mindful about what they consume, how items can be reused or repurposed and where to properly recycle various items.

“I relish the chance to share my passion for the Earth and sustainability with people throughout the organization. It’s really important to me. We are a group that is making a difference and helping improve the sustainability of the company. I’m proud of what we currently do and excited about all of the things we will do in the future.”

- Julian Stapleton, Assistant Product Manager and Vice President of SAGE



Scotts Women’s Network. Scotts Women’s Network (SWN) is made up of nearly 500 members that are dedicated to maximizing women’s career potential and leadership skills and to strengthen our leadership diversity. SWN hosts regular professional development and networking events and connects its members to meaningful volunteer opportunities with organizations including Dress for Success, Meals on Wheels, Girl Scouts of Ohio Heartland and Freedom a la Cart.

For more than a decade, SWN has hosted STEM-themed camps as a way to help young girls explore careers in the sciences. In 2020, in partnership with the Girl Scouts of Ohio, SWN hosted the first virtual “Scotts How Does Your Garden Grow” camp program for Junior Cadets in the 4th, 5th and 6th grades. The camp program gives young girls the chance to learn about pollinators, plant biology and garden design, while taking steps to earning Girl Scouts “Flowers” and “Gardeners” badges.

SWN hosts events throughout the year, such as “The Balancing Act: Advice from Associates on Making Life Work during a Pandemic.” For this event, SWN assembled a group of associates from across the company to talk about their personal experiences, how they tackled changes during the pandemic and practical advice for everyone on how to survive and thrive during changing times. The Balancing Act panel was facilitated by Maureen Metcalf of the Innovative Leadership Institute, a contributor to Forbes.com, author of an award-winning book series on leadership and host of the NPR Podcast “Innovating Leadership, Co-Creating Our Future.”

SWN Virtual Visits are held quarterly and hosted by a SWN Steering Committee member and a female leader. They are one of the group’s most attended activities. The “visit” is intended to feel like catching up with a friend over coffee and covers a wide variety of topics. It provides an opportunity for SWN members to meet leaders, understand their journey and gain insights. Members can submit their own questions as well. Female ScottsMiracle-Gro executives as well as female board members have been featured.

In honor of Human Trafficking Awareness Month in January 2022, SWN hosted a lunch-and-learn event with Freedom a la Cart. **Freedom a la Cart** is a nonprofit organization in central Ohio that operates a catering social enterprise as a tool to empower and employ survivors of human trafficking. The CEO of Freedom a la Cart, Paula Haines, spoke to our associates about the organization and offered associates the chance to gain a better understanding of human trafficking and how they can become advocates in their communities.

SWN honored Women’s History Month and International Women’s Day by hosting a session of our Real Talk series with Audra Bohannon, an expert on diversity, equity and inclusion. Audra’s Real Talk session featured a thought-provoking discussion centered around Choose to Challenge, the theme of the 2021 International Women’s Day. SWN also honored International Women’s Day with a full month of events to drive awareness and support in accelerating gender parity. This included a strong call to motivate and unite friends, colleagues and whole communities to think, act and be gender inclusive, keeping with the theme of #choosetochallenge.



Scotts Black Employees Network. The Scotts Black Employees Network (SBEN) has helped support, develop, connect, empower, recruit and retain talented Black, African, African American and Caribbean associates since 2015. With 110 members, SBEN’s vision is to promote a culture of inclusion, engagement and equity by fostering supportive environments, developing greater understanding and promoting more leadership opportunities for employees of the African diaspora at our company. SBEN fosters relationships—within our organization and with surrounding communities—to promote awareness of Black cultures, share knowledge and experiences, and provide professional development and career advancement opportunities at all levels. The group also sponsors and facilitates a range of education and engagement programming for associates throughout the year, such as instruction on topics of racial disparity, African American history, and contributions to society. They’ve also held mental health events such as art therapy, meditation classes and drumming circles.

SBEN provides focused communication to the leadership of ScottsMiracle-Gro on the challenges, learnings and successes on the path to achieving a workforce culture that values cultural diversity and inclusion. SBEN supports our global diversity strategy, aimed at increasing representation, inclusion and development of associates with diverse backgrounds.

In partnership with SBEN, we celebrate Black History Month with events such as Dinner and a Movie and Supporting Black owned businesses. Throughout Black History Month, associates are encouraged to order dinner from Black-owned businesses in their community and watch the documentary *13th*, named after the Thirteenth Amendment of the constitution, which explores justice, race and mass incarceration throughout the US. Following Dinner and a Movie, associates were invited to a dialogue about the movie with members of one of our Hawthorne Social Justice Fund partners, Minorities for Medical Marijuana.

For Black History Month and beyond, SBEN sends associates local business listings that highlight black-owned businesses in Columbus, OH, Vancouver, WA, and beyond. Members also give back to the community through activities like preparing blessing bags for the local YWCA shelter to support survivors of domestic violence.



Scotts Veterans Network. Scotts Veterans Network (SVN) exists to recruit, develop, connect, empower and retain veterans through increased opportunities and resources to enhance their professional development and business success within our company. SVN is open to currently active military members, veterans, associates with family members or friends serving in the military and those who want to support them.

SVN supports a variety of causes, such as the Heroes for Heroes 5K Mud Run and the nonprofit organization Canine Companions for Independence, which trains and places service dogs with veterans experiencing post-traumatic stress disorder (PTSD) and other disabilities. The group partners with our recruiting team to translate military resumes and provide guidance on how candidate skills translate in the workplace. They also sponsor the Scotts Veterans Challenge Coin, which is presented to associate veterans in honor of their service.

In alignment with our initiatives around Responsible Cannabis, Hawthorne and SVN partnered with the Helmand Valley Growers Company and their Battle Brothers Foundation, a nonprofit devoted to providing medical cannabis as an alternative treatment for PTSD and other disorders. Hawthorne supported Battle Brothers Foundation by donating products such as grow lights and nutrients for veterans to use in R&D to test cannabis pursuant to their California cultivation license. Recently, Helmand Valley Growers Company received institutional review board (IRB) approval under U.S. Food and Drug Administration requirements to study cannabis treatment for PTSD in veterans. The study will be conducted with doctor oversight.

We also recognize Veterans Day at our company as a time to honor the brave men and women who have served our country. Many associates throughout our company have served or have family members who have served. We are proud to be united by our support, respect and gratitude for those who have enabled us to enjoy freedom.



Scotts Young Professionals. Scotts Young Professionals (SYP) is dedicated to connecting, growing and guiding the next generation of leaders by fostering innovation, engagement and new ways of thinking at our company. SYP members organize regular networking and mentorship events, participate in charity fundraisers and volunteer to mentor central Ohio youth through The Legacy Project. For example, SYP volunteers worked with Legacy Project students to talk about future career planning and conduct a “Learn ‘n Grow” workshop.

In April, we celebrate Young Professionals month and dedicate resources to helping young professionals across our organization grow in a variety of ways. We support our associates to drive more impact in their communities, grow more financial prowess and health, and grow in leading others as they develop in their careers. These efforts lean into the SYP mission of embracing the evolving workplace and fostering the next generation of leaders at our company. In fact, the Columbus Young Professionals Club nominated our company as a wonderful workplace for young professionals for the third year in a row.



Scotts GroPride. Formed in 2020, GroPride is dedicated to fostering an inclusive, supportive global network for associates and provides a forum for education and awareness in support of the professional growth of LGBTQ+ individuals. Shortly after its launch, GroPride sponsored a Pride Month article series for associates and hosted a virtual fundraiser to benefit the Kaleidoscope Youth Center. GroPride has also worked with the Human Rights Campaign to support our company in participating in the Corporate Equality Index for the second consecutive year.

To celebrate Pride Month in June, GroPride hosted a Real Talk session facilitated by James Grace, a diversity and inclusion expert who is passionate about LGBTQ+ history, representation and education. James helped our associates understand the breadth of diversity within the LGBTQ+ community, identified what it means to be an ally, and showed how our associates can be stronger change agents to the community and culture.

Power of Change Circles

Recently, our associates mobilized a grassroots movement called the Power of Change Circles whose purpose is to engage diverse audiences across our company and expand important DE&I dialogue. As associates strive to be change agents, Power of Change Circles provides a place for them to learn, discuss and become empowered authentically. This forum leverages a variety of resources, including our Real Talk series of virtual conversations supported by our leadership to increasing DE&I awareness and dialogue.

In 2021, our Real Talk discussions covered the following topics:

- **Increasing awareness of social challenges**
- **The importance of inclusion**
- **Headwinds and tailwinds diverse talent may face in the workplace**
- **The impact of cross-cultural differences on workplace behavior**
- **The breadth of diversity within the LGBTQ+ community**
- **What it means to be an ally**
- **How we can be change agents for our communities and our company culture**
- **The need for solutions**

The Power of Change Circles, in addition to the Real Talk series, created a place in which associates can learn, discuss and empower each other as change agents in a safe, open, collaborative and honest environment.

“For me, it’s always been important for all kinds of people to feel represented. To feel comfortable where we work. We should have the opportunity to explain how we think and to understand the other side of things.”

– Alyah Dean, Senior Analyst, Strategy, SBEN President and Power of Change Circle Leader



HUMAN RIGHTS

In addition to our DE&I efforts, we are committed to upholding human rights. We seek to operate all aspects of our business responsibly, honestly and ethically. This commitment is not only to our associates, but extends to our customers and suppliers.

Our human rights commitments include the following:

- We respect all individuals and are committed to treating all our associates with respect and dignity, regardless of any characteristic such as race, religion, national origin, sexual orientation or gender identity or expression. We also expect the same of our suppliers and business partners.
- We strive to treat people fairly and prohibit discrimination in our business and beyond.
- We do not tolerate intimidation or harassment.
- We have processes in place to help ensure we comply with voluntary employment and minimum working age legal requirements.
- We respect our associates’ rights to form and join a labor union, and we comply with all applicable local and national laws concerning freedom of association and collective bargaining agreements, which cover approximately 4% of our associates. We bargain in good faith with union representatives in cases where our associates are part of a legally recognized union.
- We have a strong track record as a company of treating our associates like family and “doing the right thing” for our people with or without representation.

SCOTSMIRACLE-GRO EARNS A PERFECT SCORE ON THE HUMAN RIGHTS CAMPAIGN CORPORATE EQUALITY INDEX

ScottsMiracle-Gro is proud to announce that we received a score of 100/100 on the Human Rights Campaign Foundation's 2022 Corporate Equality Index, the nation's foremost benchmarking survey and report measuring corporate policies and practices related to LGBTQ+ workplace equality. This score designates ScottsMiracle-Gro as one of the "Best Places to Work for LGBTQ Equality" and recognizes our commitment to human rights. Our efforts include:

- **An Equal Employment Opportunity policy that provides protections against discrimination on associates' sexual orientation and gender identity**
- **Benefits coverage for same-sex and opposite-sex spouses and domestic partners**
- **Our LGBTQ employee resource group, GroPride**
- **Distinct efforts of outreach and external engagement with the LGBTQ community**
- **Guidelines that prohibit philanthropic support to any non-religious organizations that have a written policy of discrimination against LGBTQ people**
- **Hosting Real Talk series**
- **Updates to our Human Resource Information System (HRIS) to be more inclusive**

TRAINING AND PROFESSIONAL DEVELOPMENT

Training

We believe the new hire onboarding experience is pivotal in shaping an associate's acclimation to our business. To that end, new associates take part in a customized onboarding program to help them succeed. In 2021, we made adjustments and updates to our new hire orientation program, Taking Root, to meet the needs of our global associates. Our fresh approach provides new hires with an engaging, self-paced, online orientation experience that facilitates their journey to learn about essential company information and initiatives. Through this program, all associates are introduced to our company through the global lens of Who We Are, Where We've Been and How We Work. Associates are also introduced to our [Code of Business Conduct and Ethics](#) and are guided through content covering our commitment to leadership, ethics and core values.

In addition to orientation, new hires receive a welcome package and an onboarding plan specific to their role and level within our organization that they complete during their first year of employment. Additional training programs include instruction on our ethical expectations and commitment to a workplace free of harassment and discrimination. Important environmental health and safety topics also ensure we protect both our people and the environment in our operations.

We view training as invaluable to the development and retention of our associates, as well as the creation of a culture of leadership throughout our company. We partner with industry experts to ensure our training

When the Human Rights Campaign Foundation created the Corporate Equality Index 20 years ago, we dreamed that LGBTQ+ workers—from the factory floor to corporate headquarters, in big cities and small towns—could have access to the policies and benefits needed to thrive and live life authentically. We are proud that the Corporate Equality Index paved the way to that reality for countless LGBTQ+ workers in America and abroad. But there is still more to do, which is why we are raising the bar yet again to create more equitable workplaces and a better tomorrow for LGBTQ+ workers everywhere."

- Jay Brown, Human Rights Campaign Senior Vice President of Programs, Research and Training

catalog offers both live and on-demand learning content that accelerates the development of practical application of skills and competences. Content is hand-selected and updated frequently to align to the development needs of our associates and address trending topics. In 2021, our associates completed over 40,000 hours of learning virtually, in-person and online. These formal learning opportunities are intended to accelerate on-the-job development based on the individualized needs of our associates.

Professional Development

Developing all associates is a critical part of our internal efforts to support both the current and long-term success of our company and our people. Regardless of role all associates have the opportunity to learn new skills through exposure and involvement in business challenges. Our managers support associates as development happens on the job through cross-functional team assignments, expanded roles and rotational assignments.

Our development philosophy invites everyone to collect skills and experiences through exploration, exposure and education, rather than career paths that are predictable or linear. We provide a variety of best-in-class learning tools and experiences to our associates to help them embrace a growth mindset that leads to higher levels of achievement and personal satisfaction. Continuous learning that is embedded in the day-to-day is supported by onsite and virtual classroom events, online courses, external training programs based on individual needs, professional development events and our tuition assistance program.



Our ongoing development processes are designed to grow knowledge, improve skills and capabilities, and achieve competence in specific behaviors to meet performance expectations and prepare for potential future roles within our company. We highly value associate growth and are committed to the cultivation and development of our next generation of leaders.

“When I started out, I was quiet, reserved and didn’t have much confidence, but learning out in the field really helped my confidence grow. I really became passionate about grass and seed. I enjoyed talking about the benefits of our products to store managers and gaining space in the stores.”

**- Taylor Elms, Sales Manager,
ScottsMiracle-Gro**

“I wouldn’t have gone back to school if it wasn’t for the Tuition Assistance Program. It’s a major opportunity, and it shows how much the company is willing to invest in my success.”

**- Kristin Patterson,
Human Resources Manager,
Hawthorne Gardening Company**



Talent Planning and Acquisition

We believe providing an enriching and engaging associate experience is what sets us apart from other organizations. We recognize that our associates are much more than just their job title, so we offer programs and benefits that support them in all aspects of their lives. We pride ourselves on looking at career growth that matches an individual's ability and desired path, as well as offering a more diverse path of opportunities and experiences.

To guide our talent acquisition strategies, we listen to our associates to determine benefits and total compensation that are attractive to talent. We also highlight service and community efforts as key factors in our recruiting story. Total compensation, culture and providing our associates with paid time off to give back to their local communities all contribute to differentiating our business when attracting talent to our company.

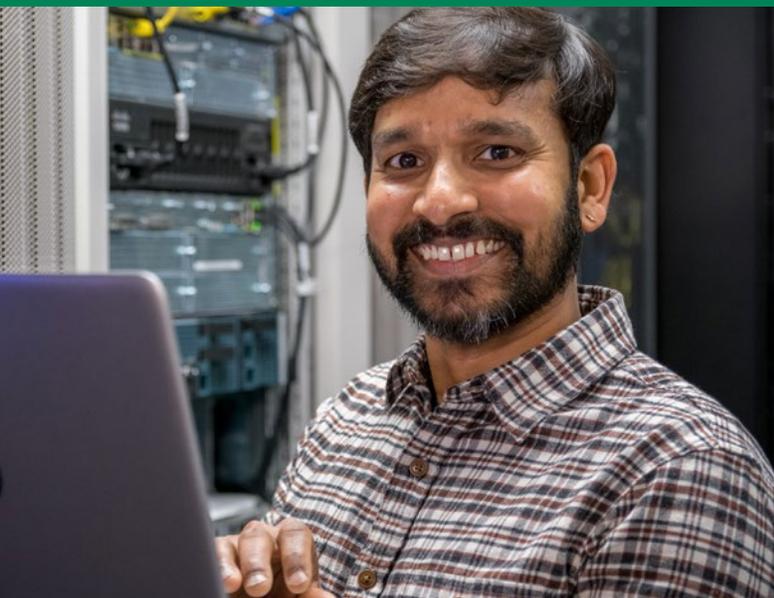
To support our business priorities, having the right talent in the right roles is critical. To ensure professional growth and succession readiness, we commit to assessing and developing our internal talent. The first stage of the talent planning process focuses on finding gaps between current talent and our business needs. We seek to develop talent internally or acquire talent externally. As we evaluate talent, we use a standard methodology focused on learning agility and overall performance to objectively evaluate skills. We also use formal assessments to identify a person's strengths,

development areas, readiness and fit for future roles. We then compare these evaluations to our definition of top talent for each role. Based on the gaps between our evaluations and talent needs, we establish appropriate hiring and development plans. Development plans may include tools and experiences such as executive exposure, ongoing feedback and development discussions, intentional promotions, rotational assignments and expanded roles.

In addition, we invest in our next generation of potential associates through internship opportunities across North America. These internship programs support our business strategies by integrating interns into our organization while simultaneously developing future enterprise leaders. The mission and goal of our internships are to cultivate the professional growth of students through a dynamic work environment and to convert rising seniors and graduate students into full-time roles upon their graduation.

Continuous Feedback and Listening

To support our talent growth strategy, we emphasize continuous feedback and listening to all associates through our Let'sChat! philosophy. This philosophy promotes continuous dialogue at all levels of our organization. It is designed to instill trust, increase transparency, and help associates learn and grow through proactive and ongoing communication about leadership behaviors, goals, development plans and growth areas. To support our goals and deliver results, we focus on engagement, building



stronger relationships, improved productivity, encouragement of new ideas and increased associate satisfaction and retention. We use the insights gained from ongoing dialogue to build on what is strong, identify gaps and take fast, meaningful actions to better support our employees and craft the path forward from overarching strategy down to specific actions.

Continuous listening is carried out through our Let'sChat! philosophy through multiple communication channels, such as surveys and focus groups. In 2021, we completed an enterprise engagement survey, global supply chain and Hawthorne business unit employee experience survey, multiple COVID-19 support and response surveys covering safety, remote work environment, communication and leadership, exit interviews, new hire round tables and business unit focus groups.

Our formal year-end review process is an important two-way dialogue between an associate and their manager to share simple and transparent feedback. This feedback is given to associates in conjunction with coaching, based on their contribution toward annual performance goals. These goals focus on enterprise leadership, business projects and primary job responsibilities, and they are assessed annually in a formal year-end performance management activity. In this event, associates and managers have a formal conversation around performance, accomplishments, development opportunities and career aspirations. They then select an overall performance rating. This is followed by a conversation focused on successes, improvement areas, development plans and future goals.

Compensation Philosophy

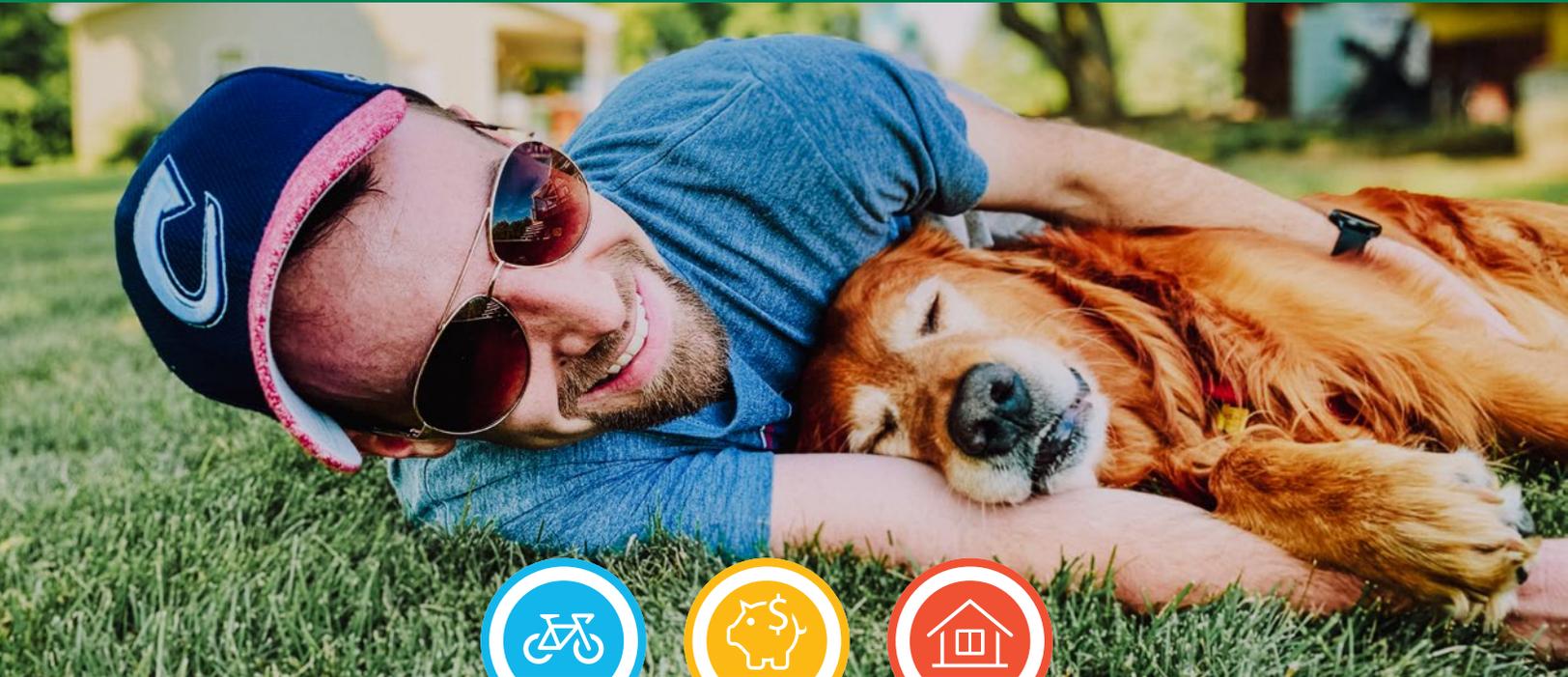
Our compensation practices are competitive when compared with our compensation peer group and reflect fair pay relative to our company's financial performance. Our compensation programs align our executive team's interests with those of our shareholders by rewarding performance that meets or exceeds the targets the Compensation Committee establishes with the objective of increasing shareholder value.

The culture of our company is based on a strong bias for action aimed at delivering sustainable results. Our compensation programs are structured to promote accountability and to promote our business objectives. To ensure we recognize and reward desired behaviors and not just financial results, our Management and Executive incentive plans include a discretionary Personal Performance Factor (PPF). PPF ensures we are recognizing and rewarding associates not only for what they do, but how they do it, with the goal of providing meaningful differentiation to top performers.

CARING FOR OUR ASSOCIATES

In 2006, we launched **LiveTotal Health**, an innovative and transformative initiative aimed at helping our associates and their families optimize their overall health and well-being. It is our goal to empower and motivate our associates to achieve health success, however they choose to define it. By providing tools, resources, encouragement and support, participants can attain their personal best physical, financial and/or emotional wellness. Since its creation, **LiveTotal Health** has transformed our culture and is emulated by other companies today.

Benefits and compensation programs that value our associates' contributions and offer physical, financial and personal health programs are the first step toward caring for our associates and their families. Financial stability is a crucial component to overall well-being, which is why our company offers competitive pay, an industry-leading retirement plan match and other performance- or incentive-based financial programs. Along with other personal benefits, like paid time off for volunteerism and adoption assistance, these programs help to foster the culture of family and community we have at ScottsMiracle-Gro.



PHYSICAL



FINANCIAL



PERSONAL

In regard to physical health programs, our medical and dental coverage help our associates to feel their best, whether they are on the job or at home. In previous years, we have provided a wellness center at our Marysville location for our associates and their families and reimburse associates' fitness club memberships at other locations. With the COVID-19 pandemic, our Fitness Services created a website that supports our associates through virtual training sessions, classes and fitness challenge events. We also provide a cancer support program that gives associates and their families access to resources to help them through the cancer experience as a patient or caregiver. Resources include a dedicated, licensed social worker for personalized navigation and resource referrals, individualized one-on-one counseling and family sessions and educational material covering a broad range of cancer topics.

In 2021, we continued to address the needs of our associates and their families during the pandemic, through 100% coverage in our benefits plans for COVID-19-related treatment and testing, as well as expanded sick and leave programs. Our focus also shifted to getting a high number of our associates vaccinated. Our company educated our associates on the importance of the COVID-19 vaccines and provided resources and information throughout the year on how to get vaccinated. We provided paid time off for associates to get vaccinated and to stay home if they had side effects. When possible, we made it easy for associates to get vaccinated by holding vaccination clinics at our work sites across the country and at our Marysville wellness

center. In the parking lot of our world headquarters, our company partnered with the local county health department to hold two drive-through vaccination clinics that were open to the community. We also provided a cash incentive for hourly associates to get vaccinated and gave away two cars via a drawing for frontline associates who got vaccinated. As COVID-19 testing solutions evolved, our company made sure that our associates had and continue to have convenient access to testing when needed, by providing at-home rapid tests at worksites and to associates who were working remotely.

During our 2022 open enrollment, we raised the bar on the programs and support our company offers to associates, announcing enhancements to our U.S. benefit programs that continue to prioritize health, safety and well-being, while also creating more inclusiveness and support for families. Some highlights include:

- We enhanced our Sick Time benefits (increased from 24 hours to 56 hours a year) for our hourly workforce to enable our associates to take care of themselves and their loved ones.
- Recognizing that a life partner can be someone other than a married spouse, we expanded all of our benefit programs and policies to include same-sex and opposite-sex domestic partner coverage.



LiveTotal Health
In Everything I Do

- Knowing that their families at home are the top priority for our associates, we made several enhancements to expand support families.
 - We expanded our Parental Leave benefit to give parents more time to bond with new family members. Now, new parents can receive up to 10 weeks of Parental Leave (in addition to 8 weeks of paid Maternity Leave for new mothers).
 - We introduced a new benefit called Maven to provide support and advice related to pathways to parenthood, including pregnancy, fertility, adoption and surrogacy. Maven is the largest virtual clinic for women’s and family health and will provide our associates and their partners with unlimited virtual access to specialists and their own care advocate, among many other services.
 - We increased our financial benefits for adoption, surrogacy and fertility and also added coverage for Applied Behavioral Analysis (ABA) therapy for Autism Spectrum Disorders.
- We encouraged associates to get back on track with their wellness after the long pandemic by holding health screening events at our U.S. worksites. We also re-introduced Wellness Incentives, rewarding healthy metrics for those enrolled in our group health plan. Nearly 75% of our eligible associates completed a screening.
- We built financial incentives into our group health plan to encourage associates to get the COVID-19 vaccine and their annual flu shot. We also held onsite flu shot clinics, resulting in 80% of eligible associates in our group health plan receiving a flu shot.
- We want to make ownership of ScottsMiracle-Gro stock a reality for as many of our associates as possible. We do this through our Discounted Stock Purchase Plan (DSPP), which provides a unique opportunity for our associates to buy our Common Shares at a 15% discount. In 2021, we also offered our DSPP plan to Canadian associates for the first time.



Cancer Support Community: Outstanding Corporate Community Award

Many in our ScottsMiracle-Gro family have been affected by cancer in some way, and our program, When Cancer Comes to Work, delivers crucial cancer support resources for our associates in the U.S. and Canada. By offering this program, we are letting our associates know we are with them if cancer affects their lives, and like the Cancer Support Community, we too believe that community is stronger than cancer. In 2021, Cancer Support Community honored ScottsMiracle-Gro with the Outstanding Corporate Community Award.

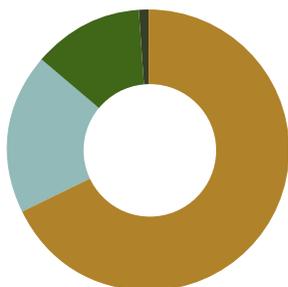
Here are some additional highlights of our various efforts:

- In recent years, we established an annual 401(k) profit-sharing matching program whereby if we reach or exceed profitability targets in a given year, certain U.S. associates not eligible for an annual bonus will receive a 401(k) profit-sharing matching contribution the following year. Profit-sharing contributions were paid out in 2021 to over 2,500 associates, and will also be paid out in early 2022 based on our FY2021 performance.
- We also took steps to strengthen our retirement plan for our Canadian associates by increasing our company matching contribution in 2021. We added a profit-sharing matching program, similar to the U.S. program, and profit-sharing contributions were paid out for the first time in early 2022.

ASSOCIATE DATA

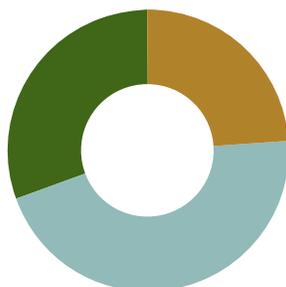
As of December 2021, our workforce numbered 7,245 regular associates as well as 691 temporary workers.

Workforce Levels



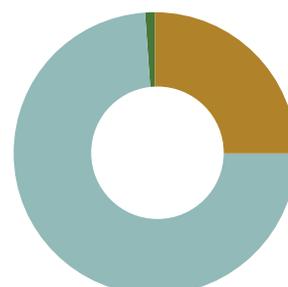
- 67% Hourly
- 18% Manager and Director
- 14% Analyst/Sr Analyst
- 1% VP, Senior VP and Executive VP

Workforce Age*



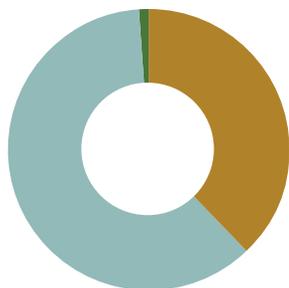
- 25% 30 years of age and under
- 46% 31 to 50 years of age
- 29% 51 years of age and over

Total Workforce Gender



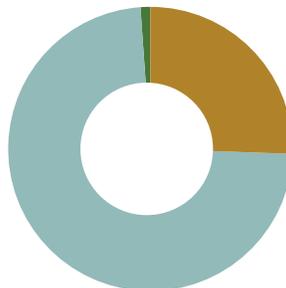
- 25% Female
- 74% Male
- 1% Not Declared

Salaried Workforce Gender (Director and below)



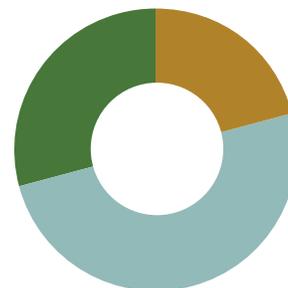
- 38% Female
- 61% Male
- 1% Not Declared

Leadership Gender (VP, SVP and EVP)



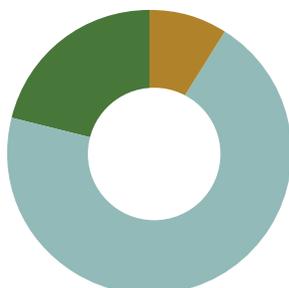
- 26% Female
- 72% Male
- 1% Not Declared

Workforce Diversity



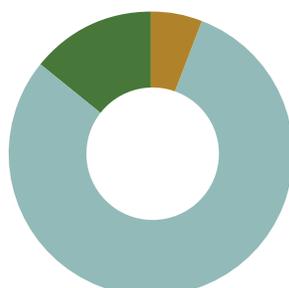
- 21% Minority
- 50% White
- 29% Did not disclose

Salaried Workforce Diversity



- 9% Minority
- 70% White
- 21% Not Declared

Leadership Workforce Diversity* (VP, SVP and EVP)



- 6% Minority
- 79% White
- 14% Not Declared

Minimum Hourly Wage FY2021



APPENDIX

ENVIRONMENTAL FINES AND SETTLEMENTS

ISSUING AGENCY	LOCATION	DATE	AMOUNT OF FINE	DESCRIPTION
Michigan Department of Agriculture & Rural Development, Laboratory Division, Weights and Measures Section	Michigan	May 21, 2021	\$98,900	The Michigan Department of Rural Development and Agriculture collected samples of certain soil products found in retail stores for testing and alleged violations of statutory requirements relating to stated net quantities. Scotts maintained the position that our testing, performed in connection with the manufacturing processes and other analysis, showed different results. Specifically, Scotts contended that the products at issue complied with Michigan's requirements at the time of manufacturing, and that a multitude of factors - including environmental factors beyond our control - could have contributed to the testing results.
Michigan Department of Agriculture & Rural Development	Michigan	September 1, 2021	\$3,000	The Michigan Department of Agriculture and Rural Development, Agriculture Development Division, alleged that certain soil products were found to contain foreign materials, such as plastic, fabric, metal, glass, ceramic, rubber or styrofoam. Scotts' investigation into the matter determined that a limited production could have led to higher levels of foreign material that do not align with the Company's internal standards and, in response, voluntarily withdrew them from the marketplace. Importantly, Scotts asserted that the products were in compliance with applicable regulations - including regulations and industry standards that allow for low levels of such incidental recycled debris in compost.

PRODUCT RECALLS OR WITHDRAWALS

PRODUCT NAME	REASON FOR RECALL OR WITHDRAWAL	DATE	NUMBER OF UNITS RECALLED OR WITHDRAWN
Certain Miracle-Gro® Raised Bed Soil, Nature's Care® Raised Bed Soil, and Miracle-Gro® Performance Organics® In-Ground Soil	The Michigan Department of Agriculture and Rural Development, Agriculture Development Division, alleged that certain soil products were found to contain foreign materials, such as plastic, fabric, metal, glass, ceramic, rubber or styrofoam. Scotts' investigation into the matter determined that a limited production could have led to higher levels of foreign material that do not align with the Company's internal standards and, in response, voluntarily withdrew them from the marketplace. Importantly, Scotts asserted that the products were in compliance with applicable regulations - including regulations and industry standards that allow for low levels of such incidental recycled debris in compost.	January 29, 2021	Approximately 40,700 units

ENVIRONMENTAL DATA

PRODUCTION (Short Tons)	FY2019	FY2020	FY2021
Production Volume	5,199,251	6,315,431	7,390,438

WASTE (Short Tons)	FY2019	FY2020	FY2021 ¹
Total Waste Generated	31,385.1	44,654.3	153,758.44
Waste to Landfill	12,223.6	17,700.9	5,378.17
Waste Diverted From Landfills	17,216.1	23,593.7	140,510.89
Hazardous Waste Generated	1,945.4	3,359.7	3,648.76
Waste Intensity	-	-	0.02

WATER (Megaliters) ¹	FY2019	FY2020	FY2021
Purchased Water	324.1	234.7	606.89
Well Water	1,570.5	837.1	2,591.07
Total Water Withdrawals	1,894.7	1,071.8	3,197.95
Water Withdrawal Intensity (Megaliters per Production Ton)	0.00034	0.00017	0.00043
Treated Wastewater Discharged	1.7 ²	2.7 ³	243.2 ⁴
Water Recycled and Reused	5.0 ⁵	25.8 ⁶	16.53

GHG EMISSIONS (MT CO ₂ e)	FY2019	FY2020	FY2021
Scope 1 (CO ₂ e)	75,460.1	63,048	57,481
Scope 2, Location-Based (CO ₂ e)	48,880.2	47,895	55,018
Emissions Intensity (MT CO ₂ e per Production Ton)	0.02198	0.02	0.02

ENERGY (GJ)	FY2019	FY2020	FY2021
Total Energy Use	1,637,708.6	1,435,015	1,465,221
Energy Intensity (GJ per Production Ton)	0.28954	0.23	0.20

AIR EMISSIONS ⁷ (kg)	FY2019	FY2020*	FY2021
NO _x	11,158.4	11,412.3	13,798.3
SO _x	90.7	72.6	81.6
Particulate Matter (PM)	17,699.2	20,130.3	21,944.8
Volatile Organic Compounds (VOCs)	-	-	2,068.4

¹ Organization-wide including Hawthorne and corporate offices. In FY21, 52.7% of sites reported purchased water data and 17.6% of sites using well water reported data. This represents 60.8% of sites reporting water data in FY21. In FY20, 50% of sites reported purchased water data and 46.6% of sites using well water reported data. This represents 72.4% of sites reporting water data in FY20. In FY19, 44% of sites reported purchased water data and 49% of sites using well water reported data based on site meter readings.

² Covers data from Marysville and Ft. Madison Plants

³ Covers data from Marysville plant, Pine Grove

⁴ Increase in year over year treated wastewater discharge can be attributed to expanded automated data collection

⁵ Covers data from Marysville plant

⁶ Covers data from Marysville stormwater runoff basins and nutrient Water, Jackson, Fort Madison plants, and Covanta

⁷ Air emissions are collected and reported on a calendar year basis. Scotts is sharing the air emissions from our Marysville, Ohio, Title V facility. The total air emissions disclosed in this report do not rise to the level of reportability for the USEPA, but represent our company's tracking and estimation of this data.

SOCIAL DATA

HEALTH AND SAFETY	FY2019	FY2020	FY2021
Number of Lost Time Incidents	38	52	80
Total Number of Recordable Injuries	120	114	182
Total Number of Injuries	591	430	547
Total Number of Fatalities	0	0	0
Total Incident Rate	2.2	1.7	2.28
Total Lost Time Rate	0.6	0.8	1

PEOPLE ⁷	FY2019	FY2020	FY2021
HEADCOUNT			
Total Regular Associates	5,635	5,925	7,245

WORKFORCE LEVELS	Number	Percent	Number	Percent	Number	Percent
Hourly	3,822	68%	4,029	68%	4,883	67%
Analyst/Sr. Analyst	1,089	19%	1,128	19%	1,004	14%
Manager and Director	661	12%	699	12%	1,278	18%
VP, Senior VP, and Executive VP	63	1%	69	1%	80	1%

WORKFORCE AGE	Number	Percent	Number	Percent	Number	Percent
30 Years of Age and Under	1,269	23%	1,337	23%	1,809	25%
31-50 Years of Age	2,584	46%	2,734	46%	3,345	46%
51 Years of Age and Over	1,782	32%	1,854	31%	2,091	29%

WORKFORCE GENDER	Number	Percent	Number	Percent	Number	Percent
Female	1,299	23%	1,398	24%	1,839	25%
Male	4,333	77%	4,522	76%	5,340	74%
Not Declared	3	0%	5	0%	66	1%

WORKFORCE GENDER: SALARIED EMPLOYEES	Number	Percent	Number	Percent	Number	Percent
Female	586	34%	639	34%	886	38%
Male	1,158	66%	1,255	66%	1,450	61%
Not Declared	0	0%	2	0%	26	1%

⁷Due to rounding, some percentages may not total 100%.

SOCIAL DATA Continued

PEOPLE ⁷	FY2019		FY2020		FY2021	
	Number	Percent	Number	Percent	Number	Percent
LEADERSHIP GENDER (VP, SVP, AND EVP)						
Female	15	24%	16	23%	21	26%
Male	48	76%	53	77%	56	72%
Not Declared	0	0%	0	0%	1	1%

WORKFORCE DIVERSITY	Number	Percent	Number	Percent	Number	Percent
Minority	645	11%	850	14%	1,501	21%
White	3,045	54%	3,144	53%	3,642	50%
Not Declared	1,945	35%	1,931	33%	2,101	29%

WORKFORCE DIVERSITY: SALARIED EMPLOYEES	Number	Percent	Number	Percent	Number	Percent
Minority	134	7%	148	8%	213	9%
White	1,296	71%	1,370	72%	1,645	70%
Not Declared	383	21%	378	20%	491	21%

LEADERSHIP DIVERSITY	Number	Percent	Number	Percent	Number	Percent
Minority	3	5%	4	6%	5	6%
White	56	89%	59	86%	62	79%
Not Declared	4	6%	6	9%	11	14%

GENDER DIVERSITY IN MANAGEMENT POSITIONS	Number	Percent	Number	Percent	Number	Percent
Females in All Management Positions	-	-	-	-	-	30%
Females in Top Management Positions	-	-	-	-	-	20%
Females in Management Positions in Revenue-Generating Functions	-	-	-	-	-	15.24%
Females in STEM-related Positions	-	-	-	-	-	26.85%

WORKFORCE DIVERSITY	Number	Percent	Number	Percent	Number	Percent
Asian	-	-	-	-	-	2.39%
Black or African American	-	-	-	-	-	6.25%
Hispanic or Latino	-	-	-	-	-	9.14%
White	-	-	-	-	-	50.27%
Indigenous or Native	-	-	-	-	-	0.59%
Other	-	-	-	-	-	31.36%

⁷Due to rounding, some percentages may not total 100%.

SOCIAL DATA Continued

HUMAN CAPITAL MANAGEMENT	FY2019	FY2020	FY2021
TRAINING AND DEVELOPMENT	Hours	Hours	Hours
Average Hours per FTE of Training and Development	-	-	65.72
Average Hours per Female FTE of Training and Development	-	-	69.47
Average Hours per Male FTE of Training and Development	-	-	64.47

COLLECTIVE BARGAINING AGREEMENTS	Percent	Percent	Percent
Employees covered by Collective Bargaining Agreements	-	-	4%

MINIMUM HOURLY WAGE			
	-	\$15/HOUR	\$15/HOUR

TALENT ATTRACTION & RETENTION	FY2019		FY2020		FY2021	
EMPLOYEE HIRES	Number	Rate	Number	Rate	Number	Rate
Total New Employee Hires	-	-	-	-	4,076	-
Total New Employee Hires - Female	-	-	-	-	1,078	-
Total New Employee Hires - Male	-	-	-	-	2,921	-
Total New Employee Hires - Under 30	-	-	-	-	1,891	-
Total New Employee Hires - 30-50	-	-	-	-	1,528	-
Total New Employee Hires - Over 50	-	-	-	-	657	-
Total New Employee Hires - U.S	-	-	-	-	3,707	-
Total New Employee Hires - Canada	-	-	-	-	335	-
Percentage of Open Positions Filled by Internal Candidates (Internal Hires)	-	-	-	-	-	18.72%

EMPLOYEE TURNOVERS	Number	Rate	Number	Rate	Number	Rate
Total New Employee Turnovers	-	-	-	-	2,762	20.68%
Total New Employee Turnovers - Female	-	-	-	-	640	19.47%
Total New Employee Turnovers - Male	-	-	-	-	2,104	21.03%
Total New Employee Turnovers - Under 30	-	-	-	-	1,242	38.55%
Total New Employee Turnovers - 30-50	-	-	-	-	945	15.42%
Total New Employee Turnovers - Over 50	-	-	-	-	575	14.23%
Total New Employee Turnovers - U.S	-	-	-	-	2,462	20.97%
Total New Employee Turnovers - Canada	-	-	-	-	277	19.83%
Voluntary Employee Turnover Rate	-	-	-	-	-	12.20%

ABOUT OUR DATA

The data in this report represents our most recent efforts at collecting our ESG data for our FY2021. As we evolve our sustainability programs, our goal is to continue improving our data collection practices. In this report, we include data from the operations of our North American consumer products businesses, the Hawthorne Gardening Company and AeroGarden.

We use widely accepted sustainability reporting standards to collect and analyze our environmental data. Primarily, we follow the recommendations of GRI in preparing this report. We follow the guidance of the [GHG Protocol](#) in preparing our Scope 1 and 2 greenhouse gas emissions calculations.

In FY2020, we fully integrated Hawthorne into our operations and supply chain data collection processes. This report included Hawthorne and AeroGarden data, in addition to our North America consumer business, unless otherwise noted. In 2021, we chose to remove normalization metrics in favor of intensity metrics for our Water, Energy and Emissions data. Our intensity metrics demonstrate performance with consideration for production volume, which allows for a more complete view of our Water, Energy and Emissions data despite any changes in our operations on a year-by-year basis.

While we have made every effort to collect data from all of our sites, in some cases, we were not able to obtain data for our FY2020. Where relevant, we note the percentage of site participation alongside data throughout the report, and this was generally higher than in previous years due to ongoing efforts. We continue to improve the quality and breadth of our environmental data collection, including the systems and processes for recording and analyzing this data.

As a result of a number of different factors, including growth in our workforce and COVID-19, our business saw an increase in the number of safety incidents in 2021 compared to 2020. As our business grows and our employees increase in number, we will continue to prioritize health and safety for all.

WATER DATA

As described in the Operating Sustainably section of this report, our manufacturing process is designed to reuse water as many times as possible before it is discharged. Because the water used in fertilizer production at our Marysville manufacturing plant is nutrient-rich, it is ultimately drawn off and sent to a local farmer for beneficial reuse. Last year our wastewater stewardship efforts resulted in 25.8 megaliters of water recycled. In FY2020, we also shipped process water offsite, of which 99% was treated by a third-party and discharged to a local water treatment facility. This is equivalent to 2.7 megaliters of water discharge for FY2020. The remaining 1% is reflected in our hazardous waste totals.

GRI CONTENT INDEX

Note: Black text indicates a disclosure within the index. Underline text indicates a link out to another section of the report or elsewhere on the website.

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), URL(S), AND/OR DIRECT RESPONSE
GRI 102: General Disclosures		
ORGANIZATIONAL PROFILE		
GRI 102: General Disclosures 2016	102-1 Name of the organization	The Scotts Miracle-Gro Company
	102-2 Activities, brands, products, and services	Who We Are - About ScottsMiracle-Gro, p. 6-7; 2021 Form 10-K, p. 2-9
	102-3 Location of headquarters	14111 Scottslawn Road, Marysville, Ohio 43041
	102-4 Location of operations	Who We Are - About ScottsMiracle-Gro, p. 6-7; 2021 Form 10-K, p. 22
	102-5 Ownership and legal form	Publicly traded company
	102-6 Markets served	Who We Are - About ScottsMiracle-Gro, p. 6-7; 2021 Form 10-K, p. 2-9
	102-7 Scale of the organization	Who We Are - About ScottsMiracle-Gro, p. 6-7; Appendix - Environmental Data, p. 78; 2021 Form 10-K, p. 2-9, 21, 29-31
	102-8 Information on employees and other workers	Associate Data, p. 76; 2021 Form 10-K, p. 7 We report on the total number of employees by hourly employees and salaried employees, and include a breakdown of our our salaried employees by gender and race/ethnicity.
	102-9 Supply chain	Operating Sustainably - Suppliers, p. 46-49
	102-10 Significant changes to the organization and supply chain	About This Report, p. 2; 2021 Form 10-K, p. 2-9
	102-11 Precautionary principle or approach	Although ScottsMiracle-Gro does not formally follow the precautionary principle, we assess risks across our operations.
	102-12 External initiatives	About This Report, p. 2
	102-13 Memberships of associations	Our Approach to ESG - Stakeholder Engagement, p. 12-14
STRATEGY		
GRI 102: General Disclosures 2016	102-14 Statement from senior decision-maker	CEO Letter, p. 3-5
	102-15 Key impacts, risks, and opportunities	Our Approach to ESG- Governance, p. 9-12, Materiality and Goals, p. 14; 2021 Form 10-K, p. 10-21
ETHICS AND INTEGRITY		
GRI 102: General Disclosures 2016	102-16 Values, principles, standards, and norms of behavior	Who We Are - Purpose, Vision and Values, p. 7-8
	102-17 Mechanisms for advice and concerns about ethics	Our Approach to ESG - Ethics and Code of Conduct, p. 9-10; Code of Business Conduct and Ethics, p. 7-11, 16, 19

GRI CONTENT INDEX Continued

Note: Black text indicates a disclosure within the index. Underline text indicates a link out to another section of the report or elsewhere on the website.

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), URL(S), AND/OR DIRECT RESPONSE
GRI 102: General Disclosures		
GOVERNANCE STRUCTURE		
GRI 102: General Disclosures 2016	102-18 Governance structure	Our Approach to ESG - Governance, p. 9-12
	102-20 Executive-level responsibility for economic, environmental, and social topics	Our Approach to ESG - Governance, p. 9-12
	102-21 Consulting stakeholders on economic, environmental, and social topics	Our Approach to ESG - Governance, p. 9-12; Stakeholder Engagement, p. 12-14, Materiality and Goals, p. 14
	102-22 Composition of the highest governance body and its committees	Our Approach to ESG - Governance, p. 9-12; 2022 Form DEF14A, p. 3-15
	102-23 Chair of the highest governance body	Our Approach to ESG - Governance, p. 9-12; 2022 Form DEF14A, p. 3-5
	102-24 Nominating and selecting the highest governance body	2022 Form DEF14A, p. 3-16
	102-25 Conflicts of interest	2021 Form 10-K, p. 10-21; 2022 Form DEF14A, p. 3-12; Code of Business Conduct & Ethics, p. 15
	102-26 Role of highest governance body in setting purpose, values, and strategy	Our Approach to ESG - Governance, p. 9-12; Nominating and Governance Committee Charter; Innovation and Technology Committee Charter
	102-27 Collective knowledge of highest governance body	Our Approach to ESG - Governance, p. 9-12
	102-28 Evaluating the highest governance body's performance	Our Approach to ESG - Governance, p. 9-12; Nominating and Governance Committee Charter; Corporate Governance Guidelines
	102-29 Identifying and managing economic, environmental, and social impacts	Our Approach to ESG - Governance, p. 9-12
	102-32 Role of highest governance body in sustainability reporting	Our Approach to ESG - Governance, p. 9-12; Nominating and Governance Committee Charter; Innovation and Technology Committee Charter
	102-33 Communicating critical concerns	2022 Form DEF14A, p. 17
	102-35 Remuneration policies	Our Approach to ESG - Governance, p. 9-12; 2022 Form DEF14A, p. 17-40
	102-36 Process for determining remuneration	2022 Form DEF14A, p. 17-40
102-37 Stakeholders' involvement in remuneration	2022 Form DEF14A, p. 17-40	
102-38 Annual total compensation ratio	2021 Form DEF14A, p. 50	

GRI CONTENT INDEX Continued

Note: Black text indicates a disclosure within the index. Underline text indicates a link out to another section of the report or elsewhere on the website.

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), URL(S), AND/OR DIRECT RESPONSE
GRI 102: General Disclosures		
STAKEHOLDER ENGAGEMENT		
GRI 102: General Disclosures	102-40 List of stakeholder groups	Our Approach to ESG - Stakeholder Engagement, p. 12-14
	102-41 Collective bargaining agreements	Supporting Our People - Diversity and Human Rights, p. 62-70
	102-42 Identifying and selecting stakeholders	Our Approach to ESG - Stakeholder Engagement, p. 12-14, Materiality and Goals, p. 14
	102-43 Approach to stakeholder engagement	Our Approach to ESG - Stakeholder Engagement, p. 12-14, Materiality and Goals, p. 14
	102-44 Key topics and concerns raised	Our Approach to ESG - Stakeholder Engagement, p. 12-14, Materiality and Goals, p. 14
REPORTING PRACTICES		
GRI 102: General Disclosures 2016	102-45 Entities included in the consolidated financial statements	2021 Form 10-K, p. 2-9, 32-33, 69
	102-46 Defining report content and topic Boundaries	Our Approach to ESG - Materiality and Goals, p. 14
	102-47 List of material topics	Our Approach to ESG - Materiality and Goals, p. 14
	102-48 Restatements of information	Report Overview - About This Report, p. 2; About Our Data, p. 82
	102-49 Changes in reporting	This report represents the company's continued use of the GRI Standards reporting framework, Core option.
	102-50 Reporting period	October 1, 2020, through September 30, 2021
	102-51 Date of most recent report	2021
	102-52 Reporting cycle	Annual
	102-53 Contact point for questions regarding the report	Katherine Dickens, Manager, Corporate Social Responsibility; sustainability@scotts.com .
	102-54 Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option.
	102-55 GRI content index	GRI Content Index, p. 83
	102-56 Policy/practice for external assurance	The company is not seeking assurance for this year's sustainability report.

GRI CONTENT INDEX Continued

Note: Black text indicates a disclosure within the index. Underline text indicates a link out to another section of the report or elsewhere on the website.

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), URL(S), AND/OR DIRECT RESPONSE
GRI 200: Economic Disclosures		
ECONOMIC PERFORMANCE		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	2021 Form 10-K, p. 2-50
	103-2 The management approach and its components	2021 Form 10-K, p. 2-50
	103-3 Evaluation of the management approach	2021 Form 10-K, p. 2-50
GRI 201: Economic Performance	201-1 Direct economic value generated and distributed	2021 Form 10-K, p. 29-50
	201-2 Financial implications and other risks and opportunities due to climate change	2021 10-K, p. 14; Our Approach to ESG - Materiality and Goals, p. 14; Operating Sustainably - Energy and Emissions, p. 45-46
	201-3 Defined benefit plan obligations and other retirement plans	2021 10-K, p. 8, 19, 83-88
	201-4 Financial assistance received from government	2021 Form 10-K, p. 29-50, 95-98
PROCUREMENT PRACTICES		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	2021 Form 10-K, p. 5, 13; Operating Sustainably - Suppliers, p. 46-49
	103-2 The management approach and its components	2021 Form 10-K, p. 5, 13; Operating Sustainably - Suppliers, p. 46-49
	103-3 Evaluation of the management approach	2021 Form 10-K, p. 5, 13; Operating Sustainably - Suppliers, p. 46-49
GRI 204: Procurement Practices	204-1 Proportion of spending on local suppliers	Operating Sustainably - Suppliers, p. 46-49

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GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), URL(S), AND/OR DIRECT RESPONSE
GRI 300: Environmental Disclosures		
MATERIALS		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	2021 Form 10-K, p. 5; Innovative Products, p. 23-36; Operating Sustainably - Waste, p. 39-41, Suppliers, p. 46-49
	103-2 The management approach and its components	2021 Form 10-K, p. 5; Innovative Products, p. 23-36; Operating Sustainably - Waste, p. 39-41, Suppliers, p. 46-49
	103-3 Evaluation of the management approach	2021 Form 10-K, p. 5; Innovative Products, p. 23-36; Operating Sustainably - Waste, p. 39-41, Suppliers, p. 46-49
GRI 301: Materials	301-1: Materials used by weight or volume	Appendix - Environmental Data, p. 78
	301-2: Recycled input materials used	Our Approach to ESG - Materiality and Goals, p. 19; Innovative Products - Packaging, p. 28-30
ENERGY		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	Operating Sustainably - Energy and Emissions, p. 45-46
	103-2 The management approach and its components	Operating Sustainably - Energy and Emissions, p. 45-46
	103-3 Evaluation of the management approach	Operating Sustainably - Energy and Emissions, p. 45-46
GRI 302: Energy	302-1 Energy consumption within the organization	Operating Sustainably - Energy and Emissions, p. 45-46; Appendix - Environmental Data, p. 78
	302-3 Energy intensity	Operating Sustainably - Energy and Emissions, p. 45-46; Appendix - Environmental Data, p. 78

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GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), URL(S), AND/OR DIRECT RESPONSE
GRI 300: Environmental Disclosures		
WATER AND EFFLUENTS		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	Operating Sustainably - Water, p. 41-45
	103-2 The management approach and its components	Operating Sustainably - Water, p. 41-45
	103-3 Evaluation of the management approach	Operating Sustainably - Water, p. 41-45
GRI 303: Water	303-1 Interactions with water as a shared resource	Operating Sustainably - Water, p. 41-45
	303-2 Management of water discharge-related impacts	Operating Sustainably - Water, p. 41-45; Appendix - Environmental Data, p. 78
	303-3 Water withdrawal	Operating Sustainably - Water, p. 41-45; Appendix - Environmental Data, p. 78
	303-4 Water discharge	Operating Sustainably - Water, p. 41-45; Appendix - Environmental Data, p. 78
	303-5 Water consumption	Operating Sustainably - Water, p. 41-45; Appendix - Environmental Data, p. 78
EMISSIONS		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	Operating Sustainably - Energy and Emissions, p. 45-46
	103-2 The management approach and its components	Operating Sustainably - Energy and Emissions, p. 45-46
	103-3 Evaluation of the management approach	Operating Sustainably - Energy and Emissions, p. 45-46
GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions	Operating Sustainably - Energy and Emissions, p. 45-46; Appendix - Environmental Data, p. 78
	305-2 Energy indirect (Scope 2) GHG emissions	Operating Sustainably - Energy and Emissions, p. 45-46; Appendix - Environmental Data, p. 78
	305-4 GHG emissions intensity	Operating Sustainably - Energy and Emissions, p. 45-46; Appendix - Environmental Data, p. 78
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Operating Sustainably - Energy and Emissions, p. 45-46; Appendix - Environmental Data, p. 78
WASTE		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	Innovative Products - Packaging, p. 28-30; Operating Sustainably - Waste, p. 39-41
	103-2 The management approach and its components	Innovative Products - Packaging, p. 28-30; Operating Sustainably - Waste, p. 39-41
	103-3 Evaluation of the management approach	Innovative Products - Packaging, p. 28-30; Operating Sustainably - Waste, p. 39-41
GRI 306: Waste	306-1 Waste generation and significant waste-related impacts	Innovative Products - Packaging, p. 28-30; Operating Sustainably - Waste, p. 39-41
	306-3 Waste generated	Operating Sustainably - Waste, p. 39-41; Appendix - Environmental Data, p. 78

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GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), URL(S), AND/OR DIRECT RESPONSE
GRI 300: Environmental Disclosures		
ENVIRONMENTAL COMPLIANCE		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	2021 Form 10-K, p. 6-7, 19-20; Innovative Products - Regulatory Oversight, p. 26; Operating Sustainably, p. 36-49
	103-2 The management approach and its components	2021 Form 10-K, p. 6-7, 19-20; Innovative Products - Regulatory Oversight, p. 26; Operating Sustainably, p. 36-49
	103-3 Evaluation of the management approach	2021 Form 10-K, p. 6-7, 19-20; Innovative Products - Regulatory Oversight, p. 26; Operating Sustainably, p. 36-49
GRI 307: Environmental Compliance	307-1 Non-compliance with environmental laws and regulations	Appendix, p.77
SUPPLIER ENVIRONMENTAL ASSESSMENT		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	Operating Sustainably - Suppliers, p. 46-49
	103-2 The management approach and its components	Operating Sustainably - Suppliers, p. 46-49
	103-3 Evaluation of the management approach	Operating Sustainably - Suppliers, p. 46-49
GRI 308: Supplier Environmental Assessment	308-1: New suppliers that were screened using environmental criteria	Operating Sustainably - Suppliers, p. 46-49
	308-2: Negative environmental impacts in the supply chain and actions taken	Operating Sustainably - Suppliers, p. 46-49

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GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), URL(S), AND/OR DIRECT RESPONSE
GRI 400: Social Disclosures		
EMPLOYMENT		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	2021 Form 10-K, p. 7-8; Supporting Our People, p. 60-77
	103-2 The management approach and its components	2021 Form 10-K, p. 7-8; Supporting Our People, p. 60-77
	103-3 Evaluation of the management approach	2021 Form 10-K, p. 7-8; Supporting Our People, p. 60-77
GRI 401: Employment	401-1 New employee hires and employee turnover	Appendix - Social Data, p. 79-82
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Supporting Our People - Caring for our Associates, p. 73-77
OCCUPATIONAL HEALTH AND SAFETY		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	2021 Form 10-K, p. 8; Operating Sustainably - Health and Safety, p. 37-39
	103-2 The management approach and its components	2021 Form 10-K, p. 8; Operating Sustainably - Health and Safety, p. 37-39
	103-3 Evaluation of the management approach	2021 Form 10-K, p. 8; Operating Sustainably - Health and Safety, p. 37-39
GRI 403: Occupational Health and Safety	403-1: Occupational health and safety management program	Operating Sustainably - Health and Safety, p. 37-39
	403-2: Hazard identification, risk assessment, and incident investigation	Operating Sustainably - Health and Safety, p. 37-39
	403-4: Worker participation, consultation, and communication on occupational health and safety	Operating Sustainably - Health and Safety, p. 37-39
	403-6: Promotion of worker health	Operating Sustainably - Health and Safety, p. 37-39; Supporting Our People - Caring for our Associates, p. 73-77
	403-8: Workers covered by an occupational health and safety management system	Operating Sustainably - Health and Safety, p. 37-39
	403-9: Work-related injuries	Operating Sustainably - Health and Safety, p. 37-39; Appendix - Social Data, p. 79-82

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GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), URL(S), AND/OR DIRECT RESPONSE
GRI 400: Social Disclosures		
TRAINING AND EDUCATION		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	2021 Form 10-K, p. 8; Supporting Our People - Training and Professional Development, p. 70-73
	103-2 The management approach and its components	2021 Form 10-K, p. 8; Supporting Our People - Training and Professional Development, p. 70-73
	103-3 Evaluation of the management approach	2021 Form 10-K, p. 8; Supporting Our People - Training and Professional Development, p. 70-73
GRI 404: Training and Education	404-1 Average hours of training per year per employee	Supporting Our People - Training and Professional Development, p. 70-73; Appendix - Social Data, p. 79-82
	404-2 Programs for upgrading employee skills and transition assistance programs	Supporting Our People - Training and Professional Development, p. 70-73
	404-3 Percentage of employees receiving regular performance and career development reviews	Supporting Our People - Training and Professional Development, p. 70-73
DIVERSITY AND EQUAL OPPORTUNITY		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	2021 Form 10-K, p. 8; Supporting Our People - Diversity and Human Rights, p. 62-70
	103-2 The management approach and its components	2021 Form 10-K, p. 8; Supporting Our People - Diversity and Human Rights, p. 62-70
	103-3 Evaluation of the management approach	2021 Form 10-K, p. 8; Supporting Our People - Diversity and Human Rights, p. 62-70
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	Supporting Our People - Diversity and Human Rights, p. 62-70; Associate Data, p. 76; Appendix - Social Data, p. 79-82; 2 2021 Proxy Statement, p. 4-12
LOCAL COMMUNITIES		
GRI 103: Management Approach	103-1 Explanation of the material topic and its boundary	Cultivating Strong Communities, p. 49-60
	103-2 The management approach and its components	Cultivating Strong Communities, p. 49-60
	103-3 Evaluation of the management approach	Cultivating Strong Communities, p. 49-60
GRI 413: Local Communities	413-1: Operations with local community engagement, impact assessments, and development programs	Cultivating Strong Communities, p. 49-60

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GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), URL(S), AND/OR DIRECT RESPONSE
GRI 400: Social Disclosures		
SUPPLIER SOCIAL ASSESSMENT		
GRI 103: Management Approach	103-1 Explanation of the material topic and its boundary	<u>Operating Sustainably - Suppliers, p. 46-49</u>
	103-2 The management approach and its components	<u>Operating Sustainably - Suppliers, p. 46-49</u>
	103-3 Evaluation of the management approach	<u>Operating Sustainably - Suppliers, p. 46-49</u>
GRI 414: Supplier Social Assessment	414-1: New suppliers that were screened using social criteria	<u>Operating Sustainably - Suppliers, p. 46-49</u>
	414-2: Negative social impacts in the supply chain and actions taken	<u>Operating Sustainably - Suppliers, p. 46-49</u>
PUBLIC POLICY		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	<u>Our Approach to ESG - Stakeholder Engagement, p. 12-14</u>
	103-2 The management approach and its components	<u>Our Approach to ESG - Stakeholder Engagement, p. 12-14</u>
	103-3 Evaluation of the management approach	<u>Our Approach to ESG - Stakeholder Engagement, p. 12-14</u>
GRI 415: Public Policy	GRI 415-1: Political Contributions	<u>Our Approach to ESG - Stakeholder Engagement, p. 12-14;</u> <u>https://www.fec.gov/</u>
CUSTOMER HEALTH AND SAFETY		
GRI 103: Management Approach	103-1 Explanation of the material topic and its boundary	<u>Innovative Products, p. 23-36; Consumer Education, p. 30-36</u>
	103-2 The management approach and its components	<u>Innovative Products, p. 23-36; Consumer Education, p. 30-36</u>
	103-3 Evaluation of the management approach	<u>Innovative Products, p. 23-36; Consumer Education, p. 30-36</u>
GRI 416: Customer Health And Safety	416-1 Assessment of the health and safety impacts of product and service categories	<u>Innovative Products, p. 23-36; Consumer Education, p. 30-36</u>
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	<u>Appendix, p.77</u>

SASB INDEX

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SASB STANDARD TOPIC	CODE	ACCOUNTING METRIC	UNIT OF MEASURE	PAGE NUMBER(S), URL(S)
Table 1. Sustainability Disclosure Topics & Accounting Metrics				
GREENHOUSE GAS EMISSIONS				
Greenhouse Gas Emissions	RT-CH-110a.1	Gross global Scope 1 emissions	Metric tons (t) CO ₂ -e,	Operating Sustainably - Energy and Emissions, p. 45-46; Appendix - Environmental Data, p. 78
AIR QUALITY				
Air Quality	RT-CH-120a.1	Air emissions of the following pollutants: (1) NO _x (excluding N ₂ O), (2) SO _x	Metric tons (t)	Operating Sustainably - Energy and Emissions, p. 45-46; Appendix - Environmental Data, p. 78
ENERGY MANAGEMENT				
Energy Management	RT-CH-130a.1	1) Total energy consumed	Gigajoules (GJ),	Operating Sustainably - Energy and Emissions, p. 45-46; Appendix - Environmental Data, p. 78
WATER MANAGEMENT				
Water Management	RT-CH-140a.1	(1) Total water withdrawn	Thousand cubic meters (m ³)	Operating Sustainably - Water, p. 41-45; Appendix - Environmental Data, p. 78
	RT-CH-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	N/A	Operating Sustainably - Water, p. 41-45
HAZARDOUS WASTE MANAGEMENT				
Hazardous Waste Management	RT-CH-150a.1	Amount of hazardous waste generated	Metric tons (t)	Operating Sustainably - Energy and Emissions, p. 45-46; Appendix - Environmental Data, p. 78
COMMUNITY RELATIONS				
Community Relations	RT-CH-210a.1	Discussion of engagement processes to manage risks and opportunities associated with community interests	N/A	Our Approach to ESG - Stakeholder Engagement, p. 12-14; Cultivating Strong Communities, p.54-66
WORKFORCE HEALTH AND SAFETY				
Workforce Health and Safety	RT-CH-320a.1	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	Rate	Operating Sustainably - Health and Safety, p. 37-39; Appendix - Social Data, p. 79-82

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SASB STANDARD TOPIC	CODE	ACCOUNTING METRIC	UNIT OF MEASURE	PAGE NUMBER(S), URL(S)
Table 1. Sustainability Disclosure Topics & Accounting Metrics				
SAFETY & ENVIRONMENTAL STEWARDSHIP OF CHEMICALS				
Safety & Environmental Stewardship of Chemicals	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	Innovative Products, p. 23-36
MANAGEMENT OF THE LEGAL & REGULATORY ENVIRONMENT				
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	Operating Sustainably - Energy and Emissions, p. 45-46; Appendix - Environmental Data, p. 78
ACTIVITY METRIC				
Production	RT-CH-000.A	Production	Cubic meters (m ³) and/or metric tons (t)	Appendix - Environmental Data, p. 78