

### **Table of Contents**

### Who We Are

- About ScottsMiracle-Gro
- 5 How We GroMoreGood

#### 6 Our Approach to ESG

- 7 Governance
- 11 Stakeholder Engagement
- 13 Where We Stand on Important Issues
- 14 Materiality
- 16 ESG Focus Areas and Goals

#### 20 Innovative Products

- 21 Research and Development
- 23 Regulatory Oversight
- 23 Formulation
- 25 Packaging and Optimization
- 28 Consumer Education

### 31 Operating Sustainably

- 33 Health and Safety
- 35 Waste
- 36 Water
- 38 Energy and Emissions
- 40 Suppliers

### 42 Cultivating Strong Communities

- 43 The Foundation's Philanthropic Commitments
- 44 Community Enhancement Through Gardens
- 47 Environmental Improvement
- 48 Youth Empowerment
- 51 Social Justice
- 51 Company- and Associate-Driven Community Initiatives
- 54 Our Brands' Social Impact

### 56 Supporting Our People

- 57 Our Culture
- 57 Diversity and Human Rights
- 58 Associate Engagement
- 60 Associate Benefits and Live*Total* Health
- 61 Compensation Philosophy
- 63 Investing In Development
- 66 Appendix



### **About This Report**

The Scotts Miracle-Gro Company's 2025 Corporate Responsibility Report is our fourteenth report and includes data and disclosures covering our 2024 fiscal year (October 1, 2023 – September 30, 2024), unless noted. This report has been prepared in reference to the Global Reporting Initiative (GRI) Standards (2021) and with consideration of the Sustainability Accounting Standards Board's (SASB's) Chemicals industry standard, as well as the Task Force on Climate-related Financial Disclosures (TCFD) and the California SB 253 and SB 261 climate reporting requirements, as amended by SB 219. We also mapped our company's sustainability efforts to the United Nations Sustainable Development Goals (UN SDGs). Alignment with the UN SDGs is indicated by SDG icons.

We highlight our company's sustainability initiatives and contributions, which are aligned with the following <u>statement</u> from the U.S. Environmental Protection Agency (EPA): To pursue sustainability is to create and maintain the conditions under which humans and nature can exist in productive harmony to support present and future generations.

The content of this report reflects the best information available concerning facility operations of each subsidiary of The Scotts Miracle-Gro Company, including The Hawthorne Gardening Company, unless specifically identified. Please see the <u>Investor Relations</u> section of our website for consolidated financial statements.

Statements contained in this report, other than those of historical fact, addressing activities, events and developments that the company expects or anticipates will or may occur are "forward-looking statements" subject to risks and uncertainties. These include, but are not limited to, statements regarding our environmental, social and governance targets, goals, objectives, commitments, programs, business plans, initiatives and objectives. As such, important factors could cause actual results to differ materially from the forwardlooking information in this report, including, but not limited to, the precautionary statements included in this report as well as global sociodemographic and economic trends, climate-related conditions and weather events, energy prices, technological innovations, consumer and client behavior, data limitations and uncertainty, legislative and regulatory changes and other unforeseen events or conditions.

Where possible, we have made corrections to prior reports and identified risks to future goals. However, ScottsMiracle-Gro undertakes no obligation to publicly update or revise any forward-looking statements to reflect actual results, changes in expectations or events or circumstances after the date of this report.

Your input and feedback is important. Please contact <u>sustainability@scotts.com</u> with comments or questions.

### **Letter From Leadership**

To our stakeholders,

When I think of corporate responsibility, I often frame it within the context of this simple but very big question: What would a good company do?

There are many possible answers.

They can be about the products you bring to market, how you treat your associates, how you do business, where you focus your energy, or what you do for people, communities and the environment.

For us, the answer lies in all these things and more. And we bring it to life through our purpose To GroMoreGood, everywhere. GroMoreGood defines our obligation to our communities, planet, consumers and each other. It reflects who we are and what we stand for. These are among the themes explored in this report.

You will also see that we have delivered on many of the corporate responsibility goals that we set in 2020. We made significant progress and learned valuable lessons along the way that will inform our approach to establishing new goals for the 2026 through 2030 fiscal period. We'll share those publicly in the coming months.

Yes, we provide people with what they want and need to express themselves on their own piece of the Earth. And it's true thriving gardens and lawns foster environmental benefits. But when it comes right down to it, a good company strives to make the world a better place. That's the journey we're on, and I invite you to join us.



Sincerely, Jim Hagedorn

Jim HAGEDONN

Chairman and Chief Executive Officer The Scotts Miracle-Gro Company







































# Who We Are

The Scotts Miracle-Gro Company is North America's leading provider of lawn and garden products, serving consumers, retailers and cultivators with a variety of solutions for lawn, garden, controls and hydroponic growing products. Our vision is to help people of all ages express themselves on their own piece of the Earth. Our purpose is to GroMoreGood, everywhere. We fulfill these by serving as a trusted employer and solution provider, delivering significant benefits to our associates, communities, consumers, customers and the planet.

In this section:

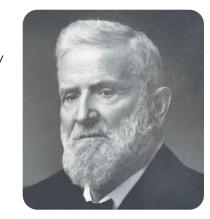
About ScottsMiracle-Gro How We GroMoreGood





### **About ScottsMiracle-Gro**

Our origins date to 1868, when our founder O.M. Scott opened a storefront in Marysville, Ohio to supply agricultural products to farmers. By the mid-20th century, The Scotts Company established a reputation for top-quality fertilizers and grass seeds for lawns. The 1990s saw a significant transformation when Scotts merged with Stern's Miracle-Gro Products, creating The Scotts Miracle-Gro



Company we know today. This merger, along with others, has enabled us to offer leading brands such as Scotts, Miracle-Gro, Tomcat and Ortho for consumers along with hydroponic brands such as Botanicare and Gavita for cultivators. Additionally, we are the exclusive agent of Bayer AG ("Bayer") for the marketing and distribution of consumer Roundup branded products in the United States and other specified countries. We also hold an equity interest in Bonnie Plants, LLC, a joint venture with Alabama Farmers Cooperative, Inc., dedicated to the planting, growing, developing, distributing, marketing and sale of live plants.

We have approximately 5,300 regular associates across our operations in the United States, Canada, Mexico, the Netherlands and China, where in fiscal 2024 we owned or leased 62 manufacturing, 17 distribution and six research and development properties.<sup>1</sup>

### **How We GroMoreGood**

**OUR APPROACH** 

**TO ESG** 

We're committed to a world in which we GroMoreGood, everywhere. We focus our efforts in the following ways:





### In our communities

We support the creation of gardens and green spaces to transform neighborhoods, get kids outdoors and bring people together. We support the communities where we work and live as well as develop programs that help kids from underserved communities meet their full potential to become the leaders of tomorrow.



### For consumers and customers

We provide consumers with products, knowledge and support to create their own gardens and green spaces, and through our Hawthorne Gardening subsidiary, we provide cultivators with solutions to support the efficiency and productivity of their indoor growing operations.



### For our associates

We put our people first by helping them to grow professionally and achieve their personal best, giving them paid time off to volunteer in their communities and taking a holistic approach to wellness and safety. We foster what we call a Live*TotalHealth* mindset.



### For the planet

We aim to design and manufacture our products to work in concert with the environment while supporting the work of our environmental partners and other nonprofit organizations. Through these efforts we hope to contribute to a more sustainable future and inspire younger generations to GroMoreGood.

<sup>&</sup>lt;sup>1</sup> The number of sites reported here reflects the information reported in the Company's 10K filing. The Company has opened and closed a number of sites throughout the year and continues to optimize its operational footprint.



# Our Approach to ESG

Our ESG efforts are driven by a leadership structure that ensures accountability and guides our strategy. This approach fosters continuous improvement across the business, aligning our values with our actions to GroMoreGood.

### In this section:

Governance
Stakeholder Engagement
Where We Stand On Important Issues
Materiality
ESG Focus Areas and Goals





TO ESG

**INNOVATIVE** 

**PRODUCTS** 

### Governance

### **Leadership Structure and Board of Directors**

ScottsMiracle-Gro's Board of Directors, our highest governing body, consists of 12 directors and five standing committees overseeing our business: Finance, Audit, Innovation & Technology, Compensation & Organization and Nominating & Governance. Each committee's charter is available on our website.

The Nominating & Governance Committee is responsible for the oversight of our environmental, social and governance (ESG) related policies, practices and goals. The Innovation and Technology Committee works closely with the Nominating & Governance Committee on product-related ESG policies and practices. The Nominating & Governance Committee chair serves as the ESG liaison between ScottsMiracle-Gro's management team and the Board to drive collaboration in identifying and managing our impacts on the economy, environment and people, including human rights and climate change. The committee chair provides quarterly updates to the Board regarding our sustainability strategy and progress towards our related initiatives. Though we do not explicitly link executive compensation with ESG performance, both the Board and management team are firmly invested in our progress towards our ESG goals.

Our company values inclusion and encourages our associates at all levels to leverage their varied life experiences in terms of gender, sexuality, race, thoughts, interests, languages, beliefs and much more. When evaluating candidates across the organization, we consider a combination of qualities such as independence, judgment, character, ethics, integrity, business and other relevant attributes, skills and knowledge to ensure the right balance of thought and perspective.

We believe that diversity of experience and thought within our Board of Directors fosters an effective decision-making environment while promoting our company culture and core values. In FY24, of the twelve Directors on the Board, two were women, two identified as Hispanic/Latino, one identified as Native American and one identified as a member of the LGBTQ community.

### **Climate and Sustainability Governance**

In 2024, we implemented a new ESG oversight structure, under which our Board of Directors continues to retain ultimate oversight for sustainability. The Board's Nominating and Governance Committee receives quarterly ESG briefings, while Christopher Hagedorn, executive vice president and chief of staff, chairs ESG at the executive level.

We also established an ESG Steering Committee responsible for setting and driving progress toward our sustainability goals. The committee meets quarterly to review progress, set new program goals, benchmark peers and review investor ESG assessments. The steering committee relies on support from a cross-functional ESG Team with representatives from Operations, Supply Chain, Environmental Health & Safety, Research and Development, Human Resources, Marketing, Sales, External Affairs, Regulatory and Finance teams. This support team drives ESG goals daily, and team members meet regularly to align on progress and deliver a quarterly update to the ESG Steering Committee.

The ESG Steering Committee contains two new specialized subcommittees: the Climate Subcommittee and the Customer Sustainability Subcommittee.



The Climate Subcommittee supports the ESG Steering Committee in managing our climate change-related impacts through:

- Understanding the drivers behind our Scope 1 and 2 emissions
- Exploring greenhouse gas emission reduction targets, beginning with a future Scope 1 and 2 reduction target
- Monitoring the company's voluntary measures to reduce our emissions
- Evaluating climate transition risks and opportunities that may impact SMG's business strategy
- Supporting additional initiatives related to climate change management as designated by the ESG Steering Committee.

"Our comprehensive ESG oversight is now bolstered by the Climate Subcommittee, enabling us to further address climate change risks and opportunities while driving sustainable practices," said Christopher Hagedorn, executive vice president and chief of staff. "This ultimately enhances our ability to build a more resilient supply chain and develop innovative products that align with the values of consumers."

The Customer Sustainability Subcommittee aligns customer sustainability-related requests or initiatives with our Corporate Responsibility (ESG) program goals and disclosures to assist our retail partners with their own sustainability goals and prepare for future reporting.

SMG also periodically performs materiality risk assessments focused on environmental, social and governance risk factors. This exercise is performed by a cross-functional team of leaders and is designed to identify and prioritize the organization's most significant ESG risks and opportunities. For more information please see the <u>Materiality section</u>.

Our sustainability and climate governance is directly informed by insights from the climate scenario analysis conducted this year. This exercise categorized and prioritized climate-related risks and opportunities based on their likelihood and potential financial impact. The results of this analysis guide leadership discussions on strategic planning, risk management and investment decisions. Scenario outcomes are also used to inform updates to our climate objectives, resilience strategies and oversight responsibilities at both the management and Board levels. For more information on climate-related risk assessments, please see the TCFD Index.



**OUR APPROACH** 

TO ESG

We recognize that our consumers, customers, partners, suppliers, associates and shareholders trust us to conduct business with integrity and respect for all. These values far outweigh any individual, personal or business goal. Our <u>Code of Business</u>

<u>Conduct and Ethics</u> guides our decision making and actions as a company and as individuals. Our Ethics and Compliance teams manage policies and procedures relating to business conduct and ethics. Everyone working for or with ScottsMiracle-Gro is expected to conduct business legally and in alignment with our Code of Business Conduct and Ethics and Supplier Code of Conduct.

We promote transparency of our standards and provide clear communication regarding our policies and compliance expectations. Our associates are obligated to protect the integrity of our business. We also expect our associates to be transparent with their communication, through asking questions, raising concerns and reporting issues via our internal reporting mechanisms without fear of reprisal. We provide multiple reporting channels for our associates to speak up, including talking with their direct supervisor or management, sending a confidential letter to the Audit Committee or using our anonymous 24/7 Ethics and Compliance Helpline to report concerns or violations of our Code.

Associates receive training and regular communication regarding our standards. The training requires associates to read, understand and agree to comply with the Code, which includes sections on preventing bribery and corruption. In addition, during exit interviews with departing employees, we provide the opportunity to raise concerns around unethical or unequal treatment. Voiced concerns are thoroughly investigated. If we conclude that a law, policy or expectation has been violated, we take

appropriate corrective action, which may include training, process improvements or discipline up to and including termination. We do not tolerate retaliation and investigate any allegations of such behavior.

The Ethics and Compliance Helpline is also available to external stakeholders, including contractors, vendors and the public, to report perceived ethical issues. Our <u>Code of Business Conduct and Ethics</u>, our <u>Environmental</u>, <u>Human Rights</u> and <u>Equal Employment Opportunity/ Anti-Discrimination</u> policies, which are regularly reviewed and updated, demonstrate our beliefs and explain how we do business throughout all our operations.

### **Supplier Code of Conduct**

Corporate integrity, responsible product sourcing and the safety and well-being of workers across the global supply chain are vitally important to us. As such, we work with our supply chain partners to help ensure they share our commitment to these principles. Our <u>Supplier Code of Conduct</u>, the foundation of our Supplier Engagement Program, sets minimum standards for any supplier that sells goods to or does business with us.

For example, every supplier is responsible for compliance throughout its own operations and entire supply chain. Further, we expect our suppliers to adopt a management system to comply with our standards and continuously improve on their objectives, targets and implementation plans, all in alignment with the Code. Our Supplier Engagement Program provides an avenue through which we collaborate with our suppliers to facilitate their management systems' compliance with our Supplier Code of Conduct.



### Driving ethical practices through our Supplier Engagement Program

Our Supplier Engagement Program is the tangible application of our Supplier Code of Conduct, serving to ensure our suppliers uphold the same ethical principles that define our company. This program proactively evaluates both current and potential vendors, providing critical insights into potential risks within our supply chain.

Last year, we reported on our enhanced third party onboarding process which seeks to identify and/or mitigate risks before a formal business relationship is established. We continue to assess our suppliers, both before and after commencing business. Through our regular vendor and customer monitoring process, we continually review and evaluate our suppliers to identify and mitigate the risks of forced labor and corruption within the supply chain and respond as appropriate.

In 2024, we successfully achieved our GroMoreGood objective by engaging our top 75 percent of suppliers, based on spending, in a comprehensive assurance assessment. This initiative evaluated suppliers' alignment with our Supplier Code of Conduct. While we are proud of reaching this initial milestone, our commitment to ethical sourcing is ongoing, and we will continue to explore opportunities to strengthen and expand this vital program.

### **Enterprise Risk Management**

We define risk as any event that may interfere with the company's ability to achieve its strategic objectives, uphold its core convictions or disrupt its operations. We understand that effective risk management is critical to the company's ability to successfully pursue its objectives and strategies.

The Enterprise Risk Management (ERM) program identifies, assesses and monitors enterprise-level risks. It embeds, sustains and supports a culture of responsible risk-taking and opportunity identification throughout the organization and strives to provide leadership with actionable risk intelligence to enhance decision making.

In order to meet the ERM program's objectives, each identified enterprise risk is organized into one of six categories (which includes an ESG risk category) and is mapped to at least one of the company's strategic objectives or core convictions. A cross-functional group of associates, organized by risk category, participates in an annual enterprise risk assessment. The assessment results are used to determine the significance of each enterprise risk and are reviewed with the executive team for alignment. The ERM team monitors enterprise risks determined to be most significant and their related risk management activities and provides periodic updates to the executive leadership team and Board of Directors and/or its committees.

The ERM program is a valuable tool in helping achieve strategic objectives, including those related to climate change and ESG. We continuously evaluate the ERM program and periodically identify and implement initiatives to improve its effectiveness and relevance. For more information on how we identify, assess and respond to climate-related risks and opportunities, please see our 2024 CDP climate change and water security response and TCFD Index.

### Compliance

Our Legal Department's Corporate Compliance team takes an enterprise-wide, risk-based approach for compliance across the local and global regulatory universe, helping to identify and prioritize compliance objectives and further integrate them into our business processes. We work alongside associates daily to enhance and execute on product, pesticide, cybersecurity, anti-bribery, anti-corruption and sanctions compliance programs. Further, the Board of Directors Audit Committee is apprised on compliance topics through a quarterly update.

Our Legal Department offers associates training to increase awareness and understanding of fundamental and emerging legal issues and to better manage risk. Education is provided to our associates on compliance-related topics, encouraging them to come forward with any and all compliance-related concerns and protecting our people from reprisal and retaliation.



**OUR APPROACH** 

TO ESG

### **Cybersecurity Awareness**

The increasing reliance on technology underscores the critical and growing importance of cybersecurity. ScottsMiracle-Gro considers the protection of its organization, associates, customers, consumers, vendors and other business relationships from cyber events a shared responsibility across all personnel. To this end, we prioritize the provision of tools that bolster our security practices and training programs designed to enhance awareness of cyber risks.

Annually, in October, we observe Cybersecurity Awareness Month to highlight these vital considerations and empower associates to prevent cyber attacks and data breaches. During this time, we host various events focused on cybersecurity best practices, and associates are encouraged to share their cybersecurity-related actions on our online associate community, The Vine, using the hashtag #BeCyberSmart.

As part of our commitment to safeguard our systems and people, our information security policies, standards and guidelines are reviewed on an annual basis. In FY24, this process yielded important updates intended to strengthen the protection afforded to associates, customers, consumers and the enterprise.

Notably, a new Cybersecurity Training and Awareness policy has been implemented to equip all employees with knowledge and skills to protect company data and maintain the security of work-related devices. Technology handling guidance for travel has been integrated into the Travel Risk Management Policy to provide a unified resource for travel-related security requirements.

### Strengthening ScottsMiracle-Gro's data foundation

In FY24, the Data Governance team was formed to ensure ScottsMiracle-Gro data is consistent, accurate and easily accessible. Its core mission is to manage data from creation through its entire lifespan, guaranteeing its quality and reliability to support informed business decisions.

"Without proper data governance, the quality of our business decisions will deteriorate or require significantly more effort," said Fausto Fleites, VP, Data Intelligence. "Data governance is crucial for better decision-making and reduced risks."



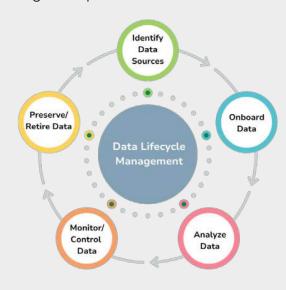
The team's work has yielded improvements in several areas. A new Data Governance Policy, drafted in 2024, establishes clear guidelines for the entire data life cycle—from collection and receipt to storage, access, usage, management and retention. To support compliance and underscore every associate's responsibility in maintaining data quality, training will be released in FY25.

Efforts are underway to simplify how teams interact with data by cleaning up outdated reports and dashboards. Additionally, "The Root," a central repository for reports, is being developed along with new reporting standards. These changes will make data reporting faster and more accessible.

In addition, the new Global Product Hierarchy in SAP offers a simpler structure, created collaboratively with various departments. This eliminates complex data mapping, resulting in faster, more consistent and adaptable reporting.

Using AI and Robotic Process Automation, marketing label data extraction is now automated. This saves significant time for Marketing and E-commerce teams by instantly pulling data from product labels into our systems, ensuring accuracy and consistency across all platforms.

Finally, the team monitors critical datasets within our systems to protect sensitive information crucial for business operations and compliance. It is also working with Information Security to optimize Google Drives, improving data organization and security through new procedures and educational resources.



### **Stakeholder Engagement**

Our diverse range of stakeholders - from associates to consumers and investors - will always be a priority. We engage them through a variety of means, from surveys to conversations, meetings and partnerships with local, state, national and international organizations and research collaborators.

### **Consumers:**

We actively communicate with consumers about key topics, including our business priorities, products and sustainability. To educate consumers about our ingredients and products, we use methods such as product labeling, advertising, social media, instore signage, websites and direct engagement through our field sales teams.

### **Customers:**

We collaborate closely with our retail partners to understand their corporate responsibility goals. Our participation in initiatives such as Walmart's Project Gigaton, The Home Depot's Eco Actions program and sustainability surveys from Costco and Lowe's demonstrates this commitment. Through this active communication and engagement, we build lasting partnerships aimed at serving business goals and the public good.

### **Suppliers:**

We maintain strong relationships with our key suppliers through our annual supplier conference and continuous communication, addressing issues as they emerge. We collaborate directly with them on priorities such as packaging and raw material sourcing. Governed by our <u>Supplier Code of Conduct</u>, we hold our suppliers accountable to the values we uphold, including commitment to human and labor rights across our supply chain. Find more details in <u>Our Position on Human Rights</u>.

### **Nonprofit Organizations:**

**OUR APPROACH** 

TO ESG

We actively engage with nonprofit organizations that support our commitment to GroMoreGood. Our partnerships often involve efforts to establish gardens, revitalize green spaces, empower youth and enhance water stewardship. For further information on these impactful nonprofits, refer to the <a href="Philanthropic Commitments">Philanthropic Commitments</a> section of our report.

### **Local Communities:**

We seek to maintain strong relationships with the communities where we live, work and operate. We strive to be a good neighbor, working in partnership with local authorities, industries and others to better our communities and our operations. Our Supply Chain Operations leaders, External Affairs team and our Environmental Health and Safety (EHS) representatives play a crucial role in helping address community concerns and engage proactively with stakeholders in local communities. We give back through The Scotts Miracle-Gro Foundation, community giving and associate volunteerism.





### Stakeholder Engagement (Continued)

### **Industry, Trade and Other Associations:**

We partner and engage with associations that represent our interests across different industries, including some focused on fertilizer, seed and pest control as well as organizations connected to cannabis, agriculture, compost and soil. Our partnerships also include manufacturing and consumer product associations across North America. Many of these groups are involved in environmental sustainability, packaging and water conservation, while others focus on advertising, compliance and industry standards. Together, these partnerships reflect the diverse sectors in which we work.

Some of the industry, trade and other associations that we engage with include:

- American Association of Plant Food Control Officials
- American Association of Pesticide Control Officials
- American Association of Seed Control Officials
- American Association of National Advertisers
- American Seed Trade Association
- Biological Products Industry Alliance
- Conseil patronal de l'environnement du Québec
- Council For Federal Cannabis Regulation
- CropLife America/CropLife Canada
- Household and Commercial Products Association
- Lawn and Horticulture Products Working Group
- Mulch and Soil Council
- US Compost Council
- Compost Council of Canada
- Canadian Consumer Specialty Products Association
- Fertilizer Canada
- National Association of State Departments of Agriculture
- Ohio Manufacturers Association
- Québec Mineral Exploration Association

- National Cannabis Industry Association
- The Fertilizer Institute
- U.S. Cannabis Council
- Resource Innovation Institute
- California Manufacturers Association
- Retail Council of Canada
- Society for Corporate Compliance and Ethics
- Southern California Water Coalition
- Sustainable Packaging Coalition

### **Professional Associations:**

We understand the benefits that our associates gain by participating in professional associations that relate to their disciplines, such as biology, chemistry, packaging, engineering, legal, compliance, risk, finance, audit, supply chain, marketing and communication. These engagements support career growth while providing access to resources and research to innovate and grow.

### **Policymakers, Regulators and Elected Officials:**

When it comes to advocacy for issues affecting our business, we participate in various ways. We help educate elected and appointed officials at all levels of government on public policy that is material to our company and build relationships through our External Affairs team.

We also support groups that facilitate conversations with government officials and other stakeholders to create informed and effective policy. Last year, we participated in events with the National Association of State Departments of Agriculture, CANNRA, Associated Industries of Florida-Water Forum, Democratic Governors Association and the Republican State Leadership Committee.

The Scotts Miracle-Gro Stewardship Political Action Committee (SPAC), supported by our associates, advances our interests through political engagement. To learn more about the SPAC, visit the Federal Elections Commission at <a href="https://www.fec.gov">www.fec.gov</a> and search for The Scotts Miracle-Gro Stewardship PAC (<a href="https://www.fec.gov/data/committee/C00365254/">https://www.fec.gov/data/committee/C00365254/</a>).

Under certain conditions and in accordance with laws, we donate corporate dollars to candidates from various political parties who share our views. Our contribution to the political process extends beyond SPAC membership and monetary donations. We work with groups to educate policymakers and the public, such as our support for the 501(c)(4), The Good Growth Alliance.



TO ESG

**PRODUCTS** 

### Where We Stand on Important Issues

### **Pesticide and Pollinator Stewardship:**



We are committed to providing pest control products that are effective, easy to use and safe when used as directed. This is why we advocate for scientifically-backed policies and regulations governing pest control, along with proper staffing and funding for those agencies to work

as efficiently as possible. We use clear communication, including detailed product labeling, to inform consumers and end-users. Our research and development process is driven by continuous improvement. An example is our efforts to protect essential pollinators, vital for global ecosystems and food production, given nearly 80 percent of the world's food and plant-based industrial crops rely on animal pollination.<sup>2</sup> Through The Pollinator Promise, we actively support and protect declining pollinator populations. This commitment extends to our products, where we have reformulated our outdoor controls to remove ingredients potentially harmful to pollinators. Our outdoor Ortho-branded formulations do not contain neonicotinoid-based insecticides ("neonics"), making good on our 2016 commitment and furthering our Pollinator Promise.3

### **Water Stewardship:**



We are committed to protecting and conserving water. Recognizing our role in addressing water scarcity and quality challenges, we also champion the immense benefits of green spaces. We develop products and solutions that empower people to create and enjoy

green spaces that work with nature, not against it, understanding that healthy lawns and green areas can conserve water, reduce

noise, lessen glare and dissipate heat. We offer formulations and application technologies that help consumers reduce water use, and our educational initiatives further support them in becoming responsible water stewards. Additionally, we support U.S. water protection efforts and advocate for funding to resolve critical water quality and scarcity issues.

### **Responsible Use of Peat:**



We understand the concerns surrounding peat as a valuable, yet limited, natural resource and the potential negative environmental impacts of certain removal practices. We're addressing these concerns through a three-pronged

approach, with a strong emphasis on certified responsible sourcing.

First and foremost, the sphagnum peat used in our products is certified according to the Veriflora® Responsibly Managed Peatlands standard. This certification provides consumers with confidence that our peat has been produced using best practices and management processes that significantly reduce environmental impacts. It also ensures the well-being of workers and neighboring communities. You can learn more about this commitment in the Responsible Peat Moss Sourcing section.

Second, we are continually seeking sustainable peat alternatives for our substrates. We're experimenting with materials such as wood fiber, rice hulls, sugar cane bagasse and composted dairy fiber. While many alternatives do not yet match peat's water retention and soil improvement benefits, and some present challenges related to increased water needs or contamination risks, we remain dedicated to innovation in our growing media. Our goal is to

mitigate the environmental impact of available ingredients while ensuring our finished products remain highly effective for plant nutrition.

Finally, we are actively reducing the overall peat content in our U.S. products. We limit its use to only those products where it is an absolutely necessary ingredient, primarily in our soils and potting mixes, where its unique properties are essential for performance.

### **Cannabis Legalization:**



Our products are used by some consumers to grow cannabis for their personal enjoyment and by professional cultivators in states where it has been legalized for medicinal or recreational purposes. As a leading provider of

nutrients, lighting and other products for hydroponic and indoor gardening, we help them produce cannabis as permitted by law and support federal and state efforts to create responsible and effective regulations governing legalized cannabis. We commit to working with legislative and government bodies across the U.S. to help achieve these goals. We also advocate for policies that create a more just and equitable society and cannabis industry, as reform measures must confront cannabis' complex legacy of racial, social and economic inequality tied to cannabis.

<sup>&</sup>lt;sup>2</sup> US Forest Service: Why is Pollination Important?

<sup>&</sup>lt;sup>3</sup> ScottsMiracle-Gro's purpose drives its commitment to protect pollinators

### **Materiality**

We align our company goals with ESG materiality, focusing on ESG issues that have the greatest potential and actual impact, risks and opportunities, both internally and externally.

### **Materiality Assessment**

This 2024 Corporate Responsibility Report aligns with the priority ESG topics identified in our 2019 ESG materiality assessment and associated ESG goals through 2025. The 15 most relevant ESG topics identified in that assessment are shown in the Materiality Topics table. We grouped these topics into our five strategic focus areas based on theme and operational boundaries: product stewardship and safety, operations and supply chain, associate engagement and wellness, community engagement and governance and transparency. We then grouped the topics using relative importance and impact across our internal and external stakeholders, the company's areas of focus, ongoing management and emerging significance, to help structure our ESG strategy. For more information on our 2019 materiality assessment, please see our 2020 Corporate Responsibility Report.

In 2024, ScottsMiracle-Gro completed an ESG double materiality assessment to determine our current most relevant ESG topics. ESG double materiality prioritizes topics based on their actual or potential risks or opportunities for our company and their actual or potential impacts on society, the environment and the economy. We began our double materiality journey in 2023 and completed our first ESG double materiality assessment in 2024, and we have begun using the results of this assessment to inform our corporate and ESG strategy going forward. We plan to disclose more on our double materiality process, updated topics and strategic priorities in next year's 2025 Corporate Responsibility Report, in alignment with our new set of ESG goals through 2030.

### **Materiality Prioritization Process**

RESEARCH and BENCHMARKING

**OUR APPROACH** 

TO ESG

Applied internal information, informed by external frameworks, to identify potentially relevant ESG topics.

- IMPACT MAPPING

  Brought together experts from across our company to identify impacts, risks and opportunities across our enterprise value chain for the relevant ESG topics.
- 3 STAKEHOLDER ENGAGEMENT
  Gathered perceptions of stakeholder priorities based on associated facts and evidence, including through interviews.
- Evaluated additional sources such as peer benchmarks, industry and global trends, relevant industry standards and applicable regulations and related studies, then ranked ESG topics in a materiality prioritization matrix.
- Confirmed the materiality prioritization matrix through discussion with key leaders about prioritized material topics and their associated boundaries and opportunities.
- Used materiality results to drive a sustainability goal-setting process and guide our strategy for the next several years.

INTEGRATION



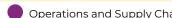
INTRODUCTION

### **Materiality Topics**

Торіс	Focus Area	Management	Emerging	Topic Definition	Relevant Stakeholder Group	s
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><li>Suppliers</li><li>Investors</li><li>Customers</li></ul>	<ul><li>Industry Associations</li><li>Partners</li><li>Media</li></ul>
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><li>Suppliers</li><li>Investors</li><li>Customers</li></ul>	<ul><li>Industry Associations</li><li>Partners</li><li>Media</li></ul>
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><li>Investors</li><li>Consumers</li></ul>	<ul><li>Media</li><li>Industry Associations</li></ul>
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><li>Suppliers</li><li>Consumers</li></ul>	<ul><li>Customers</li><li>Industry Associations</li></ul>
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><li>Customers</li><li>Consumers</li></ul>	<ul><li>Investors</li><li>Suppliers</li></ul>
Emissions	Х			Reducing total greenhouse gas and other emissions from operations and throughout the supply chain.	<ul><li>Customers</li><li>Suppliers</li></ul>	<ul><li>Investors</li><li>Partners</li></ul>
Energy	X			Reducing total energy use throughout operations and increasing the percentage of consumption that comes from renewable sources.	<ul><li>Customers</li><li>Suppliers</li></ul>	
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.	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><li>Customers</li><li>Suppliers</li></ul>	
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><li>Suppliers</li><li>Investors</li><li>Customers</li></ul>	<ul><li>Industry Associations</li><li>Associates</li></ul>
Talent attraction and retention	X			Providing competitive benefits and incentives to attract and retain associates.	Associates	
Local communities	X			Engaging with our communities through philanthropy and investment, evaluating the positive and negative impacts of operations and maintaining strong relationships.	• 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><li>Suppliers</li><li>Customers</li><li>Consumers</li></ul>	<ul><li>Partners</li><li>Investors</li><li>Associates</li></ul>
Responsible Cannabis			X	Promoting a socially and environmentally responsible and legitimate cannabis industry.	• 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><li>Investors</li><li>Industry</li><li>Associations</li></ul>	
Product Steward	Iship and	Safety	Operation	ons and Supply Chain Associate Engagement and Wellness Community Engagem	nent Governance	e & Transparency













WHO WE ARE

### **ESG Focus Areas and Goals**

To improve our ESG performance and evolve our ESG strategy, we engage, measure and benchmark with external ESG frameworks, raters and rankers, and other organizations. In 2024, we submitted our CDP Climate Change questionnaire for the fifth consecutive year and submitted the CDP Water Security questionnaire for the first time. We also participated in the Human Rights Campaign to support our participation in the Corporate Equality Index. Our ESG focus areas align with our company's purpose, To GroMoreGood, everywhere, and are manifested in these ways:



### **Product Stewardship and Safety**

Earning the trust of our consumers by designing high-quality products that not only are effective, but also support a more sustainable future.





### **Operations and Supply Chain**

Incorporating sustainability principles throughout our operations to increase efficiency and reduce resource use.







### **Associate Engagement and Wellness**

Fostering a healthy and inclusive workplace where all associates are able 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 green spaces.





### **Governance and Transparency**

Focusing on ESG governance for enhanced transparency, support and accountability across our company.



### **ESG Goals**<sup>4</sup>

### **Product Stewardship and Safety**

Goal	Milestone Target	Target Year	Progress Update
Assess all new ingredients using enhanced product design standards with emphasis on environmental and safety impacts.	Process fully Integrated	2022	In FY22, we met our goal to fully integrate a process to assess all new ingredients using enhanced product design standards with emphasis on environmental and safety impacts. We are reviewing all new raw materials using Green Screen criteria.
Baseline our active ingredient portfolio against a set of environmental and safety metrics to identify and evaluate priority ingredients in our formulas.	100 percent of branded product active ingredients assessed	2023	In FY22, we met this goal by assessing 100 percent of branded product active ingredients. Going forward, new ingredients, including active ingredients, will go through the process described above.
Optimize product application devices to ensure continuous improvement.	Ongoing	N/A	In FY24 we focused on enhancing product application devices, specifically through advancements in trigger applicators. The introduction of Quickhand™ addressed consumer demand for a trigger sprayer that offers precision spray and minimizes hand fatigue. Notably, this applicator is also designed for reuse by consumers.
Optimize packaging design: Redesign selected packaging to reduce the amount of plastic material used.	3 percent reduction	2025	In 2024 we launched the Ortho Home Defense Max 1.5L Flexible Refill pouch that uses an average of 90 percent less plastic than its Readyto-use counterpart. This package's sustainable design earned the 2025 Flexible Packaging Association Gold Standard award for expanding the use of flexible packaging into an uncommon category. This and prior year's efforts and initiatives to optimize packaging design through the reduction of plastic material have kept us on track to meet our total 3 percent material reduction goal by the end of calendar year 2025.
Source packaging sustainably: Triple the amount of recycled content in plastic packaging.	15 percent recycled content	2025	We've made significant strides in incorporating Post-Consumer Recycled (PCR) content into our packaging. Building on prior years' efforts, in FY24 we successfully qualified and integrated 10 percent PCR into our private label soil bags at Walmart. Currently, the PCR content across our total packaging portfolio remains at 6 percent. We're continuously evaluating the potential for PCR in our flexible bags and actively working to qualify higher PCR percentages for these packages. However, our progress reflects a broader, industry-wide reality. Like many other CPG companies, we face systemic challenges in scaling up PCR content. Achieving significantly higher PCR percentages is constrained by the limited supply and variable quality of PCR, a direct result of the current recycling infrastructure not yet being able to meet the collective demand. We are committed to expanding PCR integration and are actively collaborating with our suppliers to find solutions. We will continue working to achieve higher PCR inclusion across more product lines as the supply base and supporting infrastructure continue to scale up.







Goal complete

Goal	Milestone Target	Target Year	Progress Update
Support packaging recycling: Increase consumer brand packaging that can be recycled or reused.	50 percent achievement	2025	In FY24, we successfully developed and launched the O.M. Scott & Sons brand, which significantly advanced recyclable packaging through its 100 percent recyclable paper packaging. This innovative package achieves a How2Recycle designation, ensuring the bag can be curbside recycled by consumers alongside regular paper waste. These paper bags are currently limited to O.M. Scott & Sons products, but there is potential for broader application in the future.  While we are taking steps to move toward more recyclable packaging, many of our products are stored and sold outside, requiring packaging types that are not readily recyclable as the definition stands today.

### **Operations and Supply Chain**

Goal	Milestone Target	Target Year	Progress Update
Use established data collection processes for emissions and waste in all locations to establish baseline metrics and future improvement goals.	100 percent of locations	2022	For FY24, we successfully maintained our established data collection processes for emissions and waste across all locations. This continued effort allows us to inform our baseline metrics and future improvement goals. Our FY24 Scope I and 2 GHG emissions inventory once again captures data for 100 percent of our manufacturing locations, and we also collected available waste data from 100 percent of these locations. This comprehensive data remains crucial for identifying opportunities to lower our environmental impacts and establish meaningful future improvement goals.
Convert 20 percent of sales fleet to hybrid vehicles.	20 percent of sales fleet	2025	As we projected and reported last year, the company suspended efforts related to this goal due to a variety of market considerations over which we had little to no control. Despite this setback, we are looking forward and are actively working to set impactful emissions reduction targets, which we plan to share in upcoming reports.
Demonstrate improvement on identified "GroMoreGood" Goals among 75 percent of suppliers.	75 percent of suppliers	2025	In 2024, we successfully achieved our GroMoreGood objective by engaging our top 75 percent of direct suppliers, based on spending, in an assurance assessment. This initiative evaluated their alignment with our Supplier Code of Conduct. While this was an important milestone, our commitment to ethical sourcing is ongoing, and we will continue to explore opportunities to strengthen and build upon this work to engage with our supply chain in a meaningful and transparent manner.





<sup>&</sup>lt;sup>4</sup> All ESG goals use a 2020 baseline.

INNOVATIVE

PRODUCTS

### ESG Goals (Continued)



### **Associate Engagement and Wellness**

Goal	Milestone Target	Target Year	Progress Update
Foster a best-in-class associate experience where each associate feels welcomed, engaged and that their talents are used to the best of their abilities.	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.	Ongoing	The voice of the associate helps us understand where we stand and how to prioritize what matters most. We leverage a variety of touchpoints throughout the associate lifecycle to measure sentiment, including engagement surveys, exit interviews and round table discussions. In 2024, we conducted an Associate Experience Survey focused on enterprise wide initiatives and perceptions. The results of this survey provided actionable insights into areas we are doing well and what we need to do better. We remain committed to listening to and acting on associate feedback as we believe this leads to sustained engagement and organizational success.
Cultivate an inclusive work environment where everyone feels included and valued - a place where differences are welcomed, acknowledged and used to drive our business forward.	Develop an inclusive talent roadmap.	2022	The defined goal was attained and we continue to make progress each year. An inclusive work environment is important to both associate wellbeing and business success. To support this, we ensure our company policies and guidelines are equitable and promote acceptance for all. In FY24, we earned the 2025 Equality 100 Leader in LGBTQ+ Workplace Inclusion designation for the third straight year. In addition, our Employee Resource Groups (ERGs) provide community, support and a voice for our associates. Their collective efforts not only enrich the associate experience, but contribute the success of the business.
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.	Define the next generation of LiveTotal Health programming.	2022	We continue to introduce program enhancements, some of which are based on feedback from the 2024 Associate Experience Survey. Notably, we're upgraded our mental health support through a new provider who offers broader and quicker access to care. In addition to these improvements, we're launching programs aimed at enhancing physical health, including a digital physical therapy option for muscle and joint issues. Moreover, we remain committed to supporting the financial well-being of our associates by offering group preferred pricing on auto, home and pet insurance. In addition, we provide opportunities for refinancing, helping consolidate loans and potentially secure better interest rates and repayment terms for our associates with student loans.

this survey and what we nd acting on ngagement	er al st th
orogress each associate well- ir company ance for all. the Workplace n, our upport and enrich the isiness.	
of which are urvey. Notably, or provider to these noting physical cle and joint if financial ricing on portunities secure better a student	

Goal	Milestone Target	Target Year	Progress Update
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.	Identify enterprise critical roles, define what good looks like, assess talent, establish a roadmap for development and continually measure progress. Develop succession plans to support the growth and change in our business and ensure talent readiness for the future. Provide learning opportunities focused on enabling leaders to engage and motivate people, think like an enterprise leader, get results through others and develop talent.	2023	We believe a more deliberate focus on human-centered leadership is essential to our success. To accelerate the development of leadership skills in our people leaders, we provide core and individualized learning content to help them think and behave in ways that enable others to thrive. In 2024, we introduced a 10-week leadership development course to enhance critical leadership skills through an innovative, nontraditional digital format. Participants explored essential topics such as trust, communication, delegation and accountability. Multiple cohorts were completed in 2024 and continue in 2025. In addition, we provide a customized online course to educate our people leaders on their responsibilities throughout the associate lifecycle. In this interactive course, our people leaders learn what is expected, why it matters and how to be effective as they lead their functional area and support associates on their team. These tools help our people leaders continuously evolve their human-centered leadership skills.

Behind schedule Goal in progress

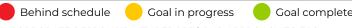
### ESG Goals (Continued)

### Community Engagement

Goal	Milestone Target	Target Year	Progress Update
Advance awareness and impact of associate volunteerism programs.	Gather baseline data	2021	We increased awareness of our associate volunteer programs, both for our associates and our communities. We used internal and external storytelling to promote our associates' dedication to volunteerism. Associate volunteerism is a key pillar of our ERGs and is one way that many of our associates Give Back to Gro. Volunteer events ranged from a Dress for Success clothing drive to volunteering at the Central Ohio Veterans Stand Down.
Connect 10 million children to the benefits of gardens and greenscapes.	10 million children	2023	After exceeding our goal to connect 10 million kids to the benefits of gardens and green spaces in 2022, we continued in 2024 to connect children and communities to the benefits of gardens and green spaces through various grant programs in the United States and the Scotts GroForGood Program in Canada.
Invest in criminal justice reform and economic inclusion initiatives within the cannabis space.	\$2.5 million invested	2023	In 2023, we met our goal to invest \$2.5 million in criminal justice reform and inclusion initiatives through the Hawthorne Social Justice Fund (HSJF).
Reach millions of Americans annually through environmental partnerships.	145 million Americans	2025	In FY2024, we exceeded our goal by reaching over 157.5 million Americans through environmental partnerships and programs. Our grant funding enabled nonprofits within our National Partner Network to advance environmental outreach, education, policy, advocacy and research in key areas like water quality, water conservation, pollinator habitat and land protection.

### Governance and Transparency

Goal	Milestone Target	Target Year	Progress Update
Engage all full-time associates in our company purpose and ESC priorities and management.	100 percent of associates engaged	2022	After meeting this goal in 2022, we continue to engage full-time associates in our company purpose and ESG priorities. We do this by educating and sharing our purpose and ESG priorities through our corporate communication channels, including leadership town hall meetings, internal articles, presentations, social media, podcasts, flow downs and our internal digital signage.
Publish an annual ESG report detailing performance and progress towards goals.	Annual ESG reporting with full goal achievement	2025	This report continues to represent one of many reports that we will publish to advance our disclosures and overall performance.
Involve stakeholders across our value chain in ESG purpose and priorities.	Engage all major stakeholders	2025	We continue to involve stakeholders across the value chain in our ESG purpose and priorities. Our team has also begun to hold sessions with ESG colleagues for key partners upstream and downstream to align ESG goals and strategies to improve efficiency. In 2024, we completed a double materiality assessment with many important internal and external stakeholders.





### Where We're Headed

Throughout FY25, we will refine our ESG goals based on the findings of the double materiality assessment completed in 2024. From the assessment results, we will develop a new set of targets through 2030 and determine the associated actions to guide our efforts moving forward. As always, our senior leadership will oversee this process and provide ongoing updates to our Board of Directors. We remain committed to transparency and will share our progress in future reports.





# Innovative Products

We are committed to creating high-performing and costeffective products that enable vibrant gardens, lawns, landscapes and indoor growing. We balance meeting consumer needs and aspirations with a commitment to environmental consciousness, striving to foster a more sustainable future.

### In this section:

Research & Development
Regulatory Oversight
Formulation
Packaging & Optimization
Consumer Education





Our research and development (R&D) team is made up of over 170 scientists and engineers specializing in a wide range of fields, including chemistry, soil science, molecular biology and mechanical engineering. This expertise, combined with collaborations with leading technology providers, plant breeders and agricultural companies, allows us to create efficient, high-performing products and solutions that meet consumer needs.

We are driven to create a better living environment through our products. Some of our products provide natural and/or organic ways to create lawns and gardens, while others protect biodiversity and water resources.

Quality ingredients form the foundation of product performance, functionality and efficacy. We prioritize product and ingredient safety using a science-based product review process and through consumer education. ScottsMiracle-Gro continues to explore new and improved ways to deliver products to our consumers by making sure that we use the lowest necessary ingredient rate to achieve desired efficacy while optimizing product design and packaging.



### **Research and Development**

**OUR APPROACH** 

TO ESG

In FY24 we invested nearly \$35 million to support informed product development and formulation decisions. Our rigorous product development process includes staged testing against specific criteria, such as market analysis, biological research, formulations and packaging. Between each phase, we employ technical and business vetting processes to confirm product concepts are viable and meet our standards of excellence. At a minimum, our products are designed to comply with local, state and federal regulations and are thoroughly reviewed and vetted by our regulatory team.

Our Good Research Practices (GRP) program guides the product development process and includes standard operating procedures, methods, reference documents and internal policies as well as establishment of benchmarks, monitoring of efficacy and performance and setting of critical standards and managing risk associated with misapplication. GRP encourages innovative thinking, problem solving and scientific excellence through an internal peer review process.

Through engagement with our consumers and customers, we seek to understand the issues they face, their needs and how they use our products to improve user experience. We analyze many aspects of product usage and test them across a range of environmental conditions, including heat, moisture, cold and sun exposure, to ensure our products can perform under many conditions. We assess product-related risks and investigate and implement corrective actions to mitigate risks to our consumers or the environment.

The following priorities are integrated into the product development process by our scientists and engineers:



Active ingredients: The active ingredients in our products are reviewed regularly to evaluate safety, efficacy and environmental impact. We use government standards and internal and industry best practices, such as GreenScreen® for Safer Chemicals, to guide our assessment and understand any potential ingredient hazards. We keep abreast of advancements in the green chemistry space and engage with our stakeholders to consider new actives to integrate into our products that also align with our product stewardship goals.



Material sourcing: When developing or improving products, we consider the potential risks and opportunities associated with raw material sources. Our goal is to increase the use of recycled, bio-based and/or sustainably sourced materials where possible.



**Product design:** We use life-cycle assessments (LCAs) to evaluate the potential to use more sustainable ingredients and components. LCAs help us mitigate environmental impacts, improve existing products and continuously drive innovation in new product design.

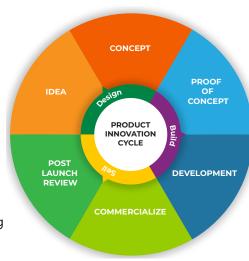


Packaging sustainability: While developing products and packaging design, we seek sustainably sourced content, eliminate unnecessary materials where possible and promote recycling, reuse and recovery. Several states are mandating and redefining industry best practices for source reductions, recyclability and recycling standards that may impact our packaging sustainability efforts. We are evaluating these developments and how we may need to adjust our packaging programs.

WHO WE ARE

### **Product Development Process**

I. Idea: We begin with the ideation stage where our Product Development Team, encompassing R&D, Marketing, Sales and other functions, collaborates on potential product offerings. Ideas are validated by asking: Is this viable? Is there a market opportunity or need? Is it worth exploring further?



- 2. Concept: During concepting, our scientists and engineers determine technical feasibility of the product, answering questions such as: Could this concept be achieved? What resources are needed?
- 3. Proof of Concept: In the proof of concept stage, we develop prototypes while Marketing tests consumer and grower interest and attitudes toward the potential product. Through a rigorous testing process, we determine how products perform in the real world. Our product developers seek to answer the questions: What will we prove? Can we accomplish it within a reasonable budget? Can we develop the necessary materials and manufacturing capacity?
- 4. **Development**: Development is the most rigorous stage, involving understanding the product's cost through testing complete prototypes, replicating trials, researching user experience and refining as needed. During this stage we also create product labels in accordance with regulatory standards, product claims and safety testing. Our product development 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.

- **5. Commercialize**: During the commercialization phase, we manufacture the product, conduct a retail line-review, train our field sales teams, execute in store placements and begin consumer promotion.
- 6. Post-Launch Review: Upon launch, we conduct a postlaunch review, where we analyze how the product sold against projections. We also evaluate the product's quality and consumer reviews to inform changes to be made for future production.

On average, our products are in development for two to three years from idea to commercialization, with new innovations taking up to five years to reach commercialization. During this time, more than 12 departments, such as Procurement, Manufacturing, Quality, Sales, Creative, Finance, Marketing and Legal, play a role in refining and improving the concept before bringing the product to life. We adhere to the high standards of our GRP program throughout the entire process.

# **Criteria Considered During Product Development Process**

Biology Formulation Packaging

Durables Regulatory Safety

Sourcing Manufacturing Quality

### **Market Opportunity**

Technical/Scientific

Consumer Research
Competitive Differentiation

Sales Channels Legal/Intellectual Property

### **Return on Investment**

Product Financials Resources and Complexity



# InnoSeed tool fosters innovation and provides a dedicated channel for associates to submit product ideas

Innovation is vital to our success, and every associate can contribute. We empower them to be "intrapreneurs", encouraging self-motivated, proactive employees to help drive innovative products or services. For nearly a decade, R&D and Marketing captured over 1,700 new product ideas through internal applications, some of which have led to successful launches. In FY24, R&D partnered with IT to create InnoSeed, an idea submission portal available to all associates.

Dr. Laura Allen Dillard, director, R&D, emphasized, "Ideation is a key component of product innovation. Our associates, as consumers across generations and lifestyles, provide crucial insights." The



InnoSeed portal centralized idea submission, viewing, voting, tracking and discussion. Ideas are routinely reviewed for desirability, feasibility and viability with selected ideas entering the product development process.

### **Regulatory Oversight**

A key part of product development is our comprehensive and rigorous regulatory review. To ensure compliance with all applicable regulations in the markets where we operate, our regulatory team provides oversight throughout the product life cycle. Our robust compliance system helps us stay current with evolving regulatory requirements, supported by document control protocols, multilevel reviews and cross-checking processes. We also benefit from the expertise of a former U.S. Environmental Protection Agency (EPA) administrator who serves on our Board of Directors and offers additional advisory oversight.

The regulatory process begins with evaluating raw materials to determine registration needs with agencies such as the U.S. EPA, relevant state authorities, Canada's Pest Management Regulatory Agency (PMRA) and the Canadian Food Inspection Agency (CFIA). We then assess product formulations, identify necessary testing and labeling requirements and develop product labels that inform consumers and meet regulatory standards. These labels are submitted to the appropriate state, provincial or federal agencies for approval as required. Every new product undergoes this detailed review, and registered products are regularly reassessed internally and by external regulatory bodies.

### **Formulation**

Across our product portfolio, we prioritize human and environmental health as well as product efficacy during formulation. We rely on scientific research to meet our stakeholders' interests and needs, considering:

**Efficacy** 

WHO WE ARE

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

We have continued to evaluate our active ingredient portfolio against environmental and safety metrics to identify and evaluate priority ingredients in our portfolio. In 2022, we began assessing new ingredients and formulas using enhanced product design standards that emphasize improvements in environmental and safety impacts. Fundamentally, our scientists seek to improve product effectiveness while adhering to regulatory standards and delivering on consumer needs and expectations.





TO ESG







### Clover and Drought-Tolerant Mix lead new low-maintenance offerings

Launched in 2024, O.M. Scott & Sons is an innovative brand designed to meet the needs of consumers who desire beautiful, easily maintained outdoor spaces with a focus on natural ingredients and sustainable packaging. The new brand's offering includes clover lawn seed as a low-maintenance alternative to traditional grass.

The O.M. Scott & Sons Clover Seed is crafted with premium strawberry clover designed to establish naturally low-maintenance and drought-tolerant green spaces. This clover lawn seed is formulated without added artificial or pest control ingredients, and is safe for use around people and pets when applied as directed.

Clover's inherent ability to self-fertilize is a significant advantage. It works in harmony with nitrogen-fixing bacteria to convert atmospheric nitrogen into usable plant fertilizer. This low-growing ground cover requires less mowing and significantly less water compared to most traditional turfgrass lawns, simplifying yard care.

Strawberry clover's deep taproot system allows it to access water reserves deep within the soil, enabling it to maintain its verdant appearance even during short dry spells. It provides a valuable natural food source for vital pollinators, such as bees and butterflies, contributing to a thriving ecosystem.

Complementing this water-wise approach, Scotts recently introduced the Scotts Grass Seed Drought Tolerant Mix. This blend strategically combines tall fescue, known for its root system that taps into deep soil moisture, and Kentucky bluegrass, which utilizes rhizomes for natural spreading and filling in bare areas.

Looking ahead, Scotts is poised to expand its offerings with the introduction of more native grass species, including buffalo grass, dichondra and sheep fescue a, further meeting the needs of environmentally conscious consumers seeking regionally adapted, low-maintenance solutions.

### **Animal Testing Policy Statement**

We do not, as a matter of regular practice, conduct product testing on animals. Our first priority is to use historical data and information from our suppliers to support the safety of our products. If additional information is needed to assess the safety of our formulas, then we engage third-party laboratories to conduct non-animal testing. If a regulatory body, such as the EPA, mandates animal testing or no viable non-animal method exists, we engage the services of an independent third party that is properly licensed and appropriately accredited to conduct such federally mandated testing.





Effective packaging is crucial to preserve product functionality and efficacy and to provide protection against indoor and outdoor conditions. Our engineers employ rigorous design, testing and qualification processes for packaging and application devices. We prioritize clear labeling and information on our packaging to maximize user outcomes and minimize errors or unintended exposure.

Like many consumers and other stakeholders, we are concerned about the environmental impact of plastic packaging. In addition to creating effective and durable packaging, our ongoing efforts focus on sustainable solutions. This includes minimizing our reliance on virgin plastics, maximizing post-consumer recycled materials and designing packaging for improved recyclability and longevity.

For heavy and bulky lawn and garden products such as fertilizer, soil and mulch, plastic remains the most effective packaging material because it excels at withstanding harsh outdoor conditions and ensuring product integrity. Notably, about two-thirds of our plastic packaging uses thin plastic films, an incredibly efficient system that allows a few grams of plastic to successfully carry up to 50 pounds of product in one bag through the entire supply chain. Although the majority of these bags are crafted from a technically recyclable mono-material plastic film, the current infrastructure for collecting and sorting post-consumer films for recycling simply doesn't exist. This challenge doesn't deter us, as we remain dedicated to exploring and implementing sustainable packaging solutions to achieve our ESG targets and reduce environmental impact.







### Miracle-Gro Organic expands line

The Miracle-Gro Organic line was first introduced in 2024 and featured Organic Raised Bed & Garden Soil and Organic All Natural Mulch. On average, the Miracle-Gro Organic Raised Bed & Garden Soil is crafted within 150 miles of its retail locations (excluding AK and HI) and, in lieu of peat, incorporates upcycled green waste. This innovative soil proudly features several first-time claims, resonating with environmentally conscious consumers: "Locally Crafted," "Peat Free," and "Upcycled Green Waste."

Miracle-Gro Organic All Natural Mulch is crafted from dye-free, sustainably sourced wood (including scrap wood from lumber processes). This mulch provides crucial support for plants by effectively retaining soil moisture, moderating soil temperature fluctuations, providing a natural barrier for weed suppression by blocking growth and access to sunlight and enriching the soil with nutrients as it naturally decomposes.

In FY25, we expanded the Miracle-Gro Organic portfolio to create a more robust organic offering for consumers. The

expanded line includes organic plant food, garden soil and indoor and outdoor potting mix. Our organic liquid plant food nourishes outdoor and indoor plants with 94 percent plant-based fertilizer ingredients that feed instantly for healthier, more resilient plants. The organic potting mixes feature naturally derived fertilizer for extended feeding, and the new garden soil includes organic compost. Miracle-Gro collaborates with green waste facilities nationwide to create this beneficial compost. Compost's ability to retain and efficiently distribute water throughout the soil allows surrounding plants to maximize hydration for robust growth, potentially reducing the frequency of needed irrigation.

"Organic compost does an excellent job of amending native soil and fostering biodiversity that boosts water and nutrient retention for plants. It's definitely a material we've been increasingly focused on," said Sam Stecher, brand director, Miracle-Gro.



### Our sustainable packaging strategy includes multiple initiatives:

### **Redesigning Packaging**

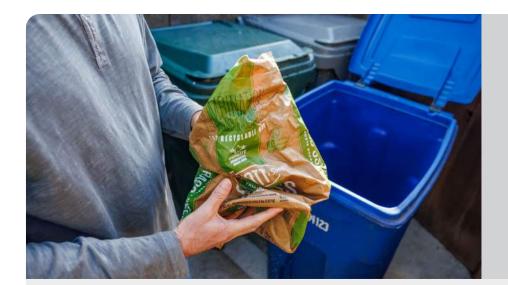
In 2024, SMG introduced a flexible refill pouch for the 1.5L Ortho Home Defense Max. The pouch's design aims to reduce virgin plastic consumption given the current lack of widespread recyclability for FIFRA regulated products.

Consumers are accustomed to refill options for cleaning or personal care products with packaging that is retained for long-term reuse. Our Ortho insect control brand commonly employs a rigid refill strategy for its large-volume Ready-To-Use (RTU) products, refilling of one rigid bottle from another via applicator transfer



or direct spout-to-spout pouring. The Ortho Home Defense Max 1.5L Refill Pouch represented new territory, as it minimizes virgin plastic usage in the Controls category where recycling is not currently viable. This earned Ortho the 2025 Flexible Packaging Association Gold Standard award for expanding the use of flexible packaging into an uncommon category.

This product allows consumers to use a flexible pouch to refill the Quickhand™ rigid bottle and applicator, which equates to an average 90 percent reduction in plastic by weight compared to the traditional RTU package. With 37,800 pouches produced in FY24, this refill option gave consumers looking to replace the RTU a more sustainable alternative, with potential to save over 22,000 pounds of plastic.





### Scotts sets new standard with 100 percent recyclable paper packaging

In 2024, Scotts R&D successfully launched 100 percent recyclable paper packaging for the new O.M Scott & Sons brand, meeting rigorous testing standards and achieving How2Recycle certification.

This innovative packaging had to meet both stringent recycling requirements and internal packaging guidelines applicable to other Scotts products to ensure premium quality and an exceptional consumer experience.

"We've been talking about doing paper bags for a couple of years, but once the business gave the green light, we set out to determine the structure, the material we needed and do all our due diligence testing because this had to go through a ton," said Ray Severa, manager, Packaging–Lawns. "We developed and had this ready for commercialization in about a year, which is extremely fast."



Beyond standard exposure, submersion and drop tests, Scotts R&D collaborated with ProAmpac, a global leader in flexible packaging, to conduct in-depth analysis confirming the recyclability of the paper bags. This paid off with the How2Recycle certification.

These innovative paper bags are one of a kind in the industry and are used for the O.M. Scott & Sons brand of tall fescue seed, Bermuda grass seed, clover seed and grass food. Consumers can conveniently recycle these bags curbside alongside regular paper waste. Looking ahead, Scotts is exploring the potential of paper bags for wider applications, such as sustainable refill options for products currently sold in rigid plastic jugs.

### **Increasing Recycled Content**

In prior years ScottsMiracle-Gro has made significant strides in incorporating post-consumer recycled material (PCR) into our rigid and flexible packages. Specifically, in 2022, the company introduced 25 percent PCR content into 1-gallon Controls category bottles. This was followed by the inclusion of 50 percent PCR content in Osmocote bottles in 2023. PCR integration efforts expanded in 2023, starting with the addition of 10 percent PCR content to its dye-free mulch products packaging.

Building on this momentum, we broadened the use of PCR in 2024 by incorporating 10 percent PCR content into our branded and private label soil bags at Walmart. This 10 percent increase resulted in a substantial reduction in virgin plastic consumption, with a total of 135,000 pounds of PCR material used across approximately 9 million bags. Flexible films, which account for two-thirds of SMG's plastic use, are difficult to produce with PCR content. This is because the flexible film industry lacks the technology and supply chain for PCR inclusion due to the lack of infrastructure capable of collecting or recycling these materials.

Our ongoing commitment to increasing PCR in spite of its challenges is grounded in our dedication to environmental responsibility and sustainable business practices. By actively incorporating recycled content in packaging, we strive to minimize waste, conserve resources and reduce our carbon footprint. This initiative aligns with our sustainability goals and addresses consumer demand for eco-friendly products and responsible corporate practices.

### **Redesigning Our Applicator Devices**

Our commitment to responsible product development extends beyond efficacy of our formulas to include superior user experiences. As such, we evaluate our applicator devices to ensure they are user-friendly, efficient and aligned with our sustainability goals. The indoor pest control space, for example, had opportunities for design improvements, including more precise spray patterns, reduced output volume for indoor use and elimination of a manual trigger for application.

In 2024, we introduced Ortho Home Defense Max Quickhand™ Indoor Insect Barrier. This ready-to-use product features a battery-powered, one-handed applicator with an ergonomic handle designed for indoor use. It sprays at multiple angles and is optimized for small spaces, offering

spot and barrier application settings. A wide spray setting ensures optimal linear coverage of the spray area when creating an indoor pest barrier, while its narrow setting focuses on precise, hard to reach places. This responds to consumer insights indicating the need for multiple spray options and helps prevent over-applying the product. An additional benefit is reduced hand fatigue.

Quickhand™ also advances our sustainability initiatives. The product can be refilled using the flexible pouch discussed earlier under "Redesigning Packaging" and promotes applicator reuse, reducing plastic and supporting package reuse.

### **Changes in the Recycling Regulatory Landscape**

State Extended Producer Responsibility (EPR) laws and our internal PCR policies guide our efforts to increase recycled material in packaging and expand reuse strategies. We design products to be compatible with today's recycling infrastructure and use the standardized labeling system How2Recycle® to help our consumers understand product recyclability and how to properly dispose of our packaging. We plan to continue to incorporate this standard into packaging that is not subject to other recycling communication standards, some of which may be required by specific regulations.

Five states and counting have enacted EPR legislation with differing definitions of recycling and material classifications. Due to the still

uncertain future definition of the term "recyclable," we did not assess the portfolio in 2024. Additionally, since setting the goal to achieve 50 percent recyclable packaging across the portfolio by 2025, How2Recycle has updated its guidelines several times, resulting in challenges in meeting our recycling goal. As we look forward to our next goal-setting exercise, we expect to incorporate new goals surrounding sustainable packaging and recycling.

As mentioned in the Packaging and Optimization section, flexible films (used to package mulch and soil) account for nearly two-thirds of our plastic usage and more than 60 percent of total packaging materials taken home by consumers. While legislative and agency efforts to update and address uses and recycling of plastic



packaging are well intentioned, without the standardization of terminology and guidelines along with private sector supply chain partnerships, these programs will continue to face significant challenges and implementation delays as the industry attempts to comply.

### Sustainable material sourcing

Approximately 90 percent of our paper-based packaging is certified by the Sustainable Forestry Initiatives (SFI) or Forest Stewardship Council (FSC). We aim to increase this quantity, ideally to 100 percent of our paper-based packaging.

As we explore more sustainable packaging options, we consider major market trends such as direct-to-consumer delivery as well as associated environmental and social challenges. We will continue to improve our packaging sustainability through a collaborative process, engaging with our customers, suppliers, consumers and industry trade groups. We strive to develop solutions for the fundamental issues within the circular economy, including addressing gaps in recycling infrastructure, diverting waste from landfills and extracting value from post-consumer packaging material.

WHO WE ARE

### **Consumer Education**

Beyond providing consumers and cultivators with products that are effective, simple and safe when used as directed, we provide them with resources for proper use and maximum benefits. Our product labels provide clear directions for use as well as precautionary and first-aid information. We also use technical bulletins, product labels, our websites and marketing campaigns to share product and ingredient information along with proper disposal and recycling instructions.

Our Bee Responsible program is a testament to how we advance education on multiple fronts. The program launched in retail stores nationwide in 2019 and continues to demonstrate our commitment to protecting pollinators. Pollinators such as bees and butterflies are critical to healthy and diverse ecosystems and are particularly important for the landscapes that people care for and care about. We engage experts in the field, including scientists, third-party experts, universities, research centers and nonprofit organizations, to determine the best ways to protect pollinators.

We share that knowledge through Bee Responsible, which provides consumers with clear and concise tips for responsibly using our outdoor garden control products to minimize impacts on pollinators. We also collaborate with a leading national pollinator nongovernmental organization to develop the following pollinator-protecting guidance printed 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

In 2024, we continued our partnership with the Central Ohio Beekeepers Association (COBA). COBA promotes bees and beekeeping through educational opportunities for new and advanced beekeepers. In collaboration with COBA, we established an apiary at our headquarters in Marysville, Ohio, which supported five colonies of bees in 2024. The apiary provides community education with COBA hosting weekly training sessions on bee keeping. We also welcomed various groups, such as the Union County Master Gardeners and The Scotts Miracle-Gro Foundation's National Partner Network members to the apiary to hear from COBA and our teams. In September, we harvested 148 three ounce jars of our first ScottsMiracle-Gro apiary honey.





## Helping consumers to 'Gro Like Martha'

In 2024, Miracle-Gro announced a partnership with gardening icon Martha Stewart to share her expertise and encourage Americans to spend more time in the garden. The collaboration included a new ad campaign, "Gro Like Martha," that aimed to shift the perceived complexity of gardening to a simple recipe for success, including one very important ingredient: the right dirt, such as Miracle-Gro's Organic Raised Bed & Garden Soil. Stewart shared her expertise with consumers through the "Ask Martha" newsletter, gardening videos featuring Miracle-Gro products and sponsorship of "Martha Gardens" on The Roku Channel.

Stewart also serves as our chief gardening officer, a role in which she provides strategic advice related to the future of the brand, drawing on her experience and acumen in both business and the garden. A new series, "Growing with Martha Stewart," features monthly videos, newsletters and a downloadable calendar offering product recommendations and gardening insights for all skill levels.

### Lawns Positive: 10 ways lawns offer a sustainable path forward

The need for climate-conscious landscaping practices has never been greater. Fortunately, nature offers resilient solutions. Drought-tolerant turfgrass such as clover and buffalo grass, when integrated with native plants, empower homeowners and communities to harness the vital environmental benefits of lawns and green spaces in our changing world. In response to this need, ScottsMiracle-Gro released a white paper in September 2024 titled, "The Truth About Lawns" outlining how lawns contribute to a sustainable future and enhanced well-being:

WHO WE ARE

- Sequestering carbon—Natural turfgrass plays a crucial role in mitigating climate change. Its extensive leaf surface area surpasses that of many other plants, making it a carbon sequestration powerhouse. A well-nourished lawn can capture twice the amount of carbon from the atmosphere in a single year compared to a tree over a decade.
- Minimizing flood risk—Natural turfgrass and other green elements act as natural buffers against heavy rainfall, reducing the strain on stormwater runoff systems and mitigating flooding. A 5,000-square-foot natural grass lawn on sandyloam soil can capture approximately 2,000 gallons of rainwater before runoff occurs, effectively slowing the flow of water during intense storms and preventing erosion.
- Fostering healthier communities—Green spaces are vital for promoting physical activity, relaxation and social interaction within communities. The decline or absence of robust green spaces can negatively impact productivity, increase susceptibility to anxiety and contribute to a decline in overall mental health.

- Combating urban heat islands—The increasing prevalence of heat-absorbing urban landscapes, dominated by concrete and asphalt, exacerbates rising temperatures, creating dangerous heat islands. In contrast, well-maintained lawns and landscapes act as natural cooling systems, reducing surface temperatures by 30-40 degrees Fahrenheit compared to bare soil, and 50-70 degrees Fahrenheit cooler than streets and driveways.
- Increasing oxygen production—Lawns are significant producers of life-sustaining oxygen through the process of photosynthesis. A 2,500-square-foot lawn generates enough oxygen to meet the daily needs of a family of four, while a single acre of natural turfgrass produces enough oxygen for 64 people every day.
- Providing safer playing surfaces—Natural turfgrass offers a softer and more shock-absorbent surface for recreational activities and sports compared to artificial turf. The NFL Players Association has recognized the lower incidence and severity of injuries on natural grass, advocating for the conversion of artificial practice and game fields.

- Mitigating drought—Lawns play an active role in drought mitigation by optimizing water infiltration and promoting water management. Integrating more green spaces with trees, native plants and natural turfgrass fosters the development of "sponge cities," which are better equipped to absorb rainfall and filter water efficiently, enhancing overall drought resilience.
- Improving air quality—Natural turfgrass acts as an air purifier, effectively trapping dirt and dust particles, leading to a cleaner environment and improved air quality. Airborne dust not only poses respiratory risks but can also reduce urban sunlight by up to 15 percent in the form of smog.
- Promoting biodiversity—Lawns and green spaces contribute to biodiversity by providing essential habitat for wildlife and plant species. Diverse green areas also attract crucial pollinators, and the natural decomposition of grass enriches the soil, adding over 6,500 pounds of organic matter annually to an area the size of a football field.
- **Reducing noise pollution**—Turfgrass, natural and acoustically absorbent, dampens sound waves interacting with the ground. Grassy slopes and greenbelts along roadways can reduce noise levels by a noticeable 8-10 decibels, providing significant relief for those living near busy traffic or in densely populated urban areas.



### **Two Decades of Water-Wise Solutions**

### 2005

The patented Deluxe EdgeGuard Broadcast Spreader is introduced with a key innovation designed to ensure accurate product application and prevent off-target spreading onto hardscapes and waterways.

### 2006

ScottsMiracle-Gro <u>features</u> "Scotts & Your Environment" tips on over 35 million Turf Builder fertilizer products, educating consumers on healthy turf benefits and how to prevent fertilizer runoff.

### 2015

ScottsMiracle-Gro establishes a partnership with the Alliance for Water Efficiency, a dedicated advocate for sustainable water use.

The EveryDrop product is <u>introduced</u> in California, helping drought-stricken homeowners improve soil absorption and reduce water evaporation.

The My Lawn mobile app is launched, providing homeowners with personalized, step-by-step guidance for water-wise lawn care.

### 2016

ScottsMiracle-Gro <u>partners</u> with the National Association of Conservation Districts to educate homeowners on water conservation strategies and minimizing nutrient runoff.

New 50 percent slow-release nitrogen lawn food products are <u>launched</u> across Florida to protect the state's water resources by promoting responsible lawn care and reducing nutrient runoff.

### 2019

The Scotts Miracle-Gro Foundation funds upgrades to the Alliance for Water Efficiency's Home Water Works water calculator, a tool designed to help consumers understand and reduce household water consumption.

### 2020

The partnership between the National Association of Conservation Districts and Scotts Miracle-Gro Foundation continues their collaborative efforts to enhance local natural resource management and educate Americans on water and land conservation.

### 2021

Turf Builder Long Island Lawn Food is <u>introduced</u> to help Long Island residents maintain healthy lawns sustainably while safeguarding local water quality.

The Scotts Miracle-Gro Foundation awards Water Stewardship Grants to support scientific innovation aimed at reducing harmful algal blooms in freshwater and marine ecosystems.

The Scotts Miracle-Gro Foundation funds the Alliance for Water Efficiency's Learning Landscape Grant Program, fostering hands-on education about water efficiency for school-age children in outdoor learning environments.

### 2023

The comprehensive #ThinkWaterPositive Initiative is unveiled, tackling water quantity and quality challenges through targeted research and development, strategic partnerships with environmental nonprofits and robust consumer education.

### 2024

Miracle-Gro Organic Raised Bed & Garden Soil is introduced with water-retentive and transfer capabilities of compost to help reduce irrigation needs.

ScottsMiracle-Gro joins the <u>Turfgrass</u>
Water Conservation Alliance as a
seed producer member, solidifying its
commitment to promoting scientifically
validated, water-saving turfgrass
varieties.

### 2025

ScottsMiracle-Gro launches <u>Turf Builder</u> <u>Grass Seed Drought Tolerant Mix</u>, an innovative product exclusive to Home Depot and Amazon. This mix features self-repairing rhizomes that naturally spread, effectively filling in bare spots even after extended dry periods (once established).

ScottsMiracle-Gro joins lawn and garden industry partners in establishing the Healthy Greenspaces Coalition, which serves to educate and advocate for green spaces and turfgrass particularly among state and local policymakers and local water utility managers.









# Operating Sustainably

We strive to operate safely, conserve resources and ensure our consumers receive trustworthy products, all in line with our company's purpose to GroMoreGood.

### In this section:

**Health And Safety** Waste Water **Energy and Emissions Suppliers** 





WHO WE ARE

We seek to implement sustainable practices to better conserve resources, improve efficiencies and produce trustworthy products that exceed consumer and customer expectations.

Scotts is committed to Environmental Health and Safety (EHS) excellence - putting our people and our communities at the top of our priority list. Our EHS teams provide continuous information and training on internal policies and standards, best management practices and news updates to keep associates safe at work and at home. Our electronic EHS system enables us to effectively monitor and manage compliance activities, track key EHS indicators and organize internal reports. We proactively conduct regular EHS audits through internal self assessments and third party audits that aim to evaluate environmental, health and safety impacts and safeguard compliance with regulations and our internal standards.

Using third-party external assessments and weekly internal reviews, we identify continuous improvement opportunities for our EHS practices to reduce and prevent environmental health and safety risks. Tracking performance indicators uncovers data-driven opportunities to enhance our management approach for waste, water, energy and occupational health and safety. In 2024, to set targets for future improvement, we maintained data collection for waste across our business and continue to look for ways to improve these processes in 2025.

### **Supply Chain delivering positive outcomes**

Our Supply Chain team has undertaken work to transform our manufacturing and distribution through increased use of automation and data intelligence. This has supported everything from demand planning to inventory management as well as ergonomic benefits for associates. Supply Chain leadership was empowered to take "intelligent risks" based upon their experience and data, which has led to AI, machine learning and automation upgrades. The following are a few examples.

### **Growing Media's time-saving inventory management**

In the past, the Growing Media plants took inventory measurements by walking the length of each pile of compost using the "stick and wheel" method. Then, the height of the pile was measured, and the handwritten assessments were used to calculate the volume of each pile.

Today, Growing Media facilities take volumetric measurements with aerial drones. Data is downloaded for calculation. Drone flights take less than 30 minutes, compared to hours under the previous method.

### **Automated packing in Marysville**

In our Marysville plant, individual EZ Seed cases had been packed by hand. Today, case packing is automated, which has eliminated ergonomic risk while increasing packing efficiency by 37 percent.

### Calibration reduced to seconds

Before upgrades at Marysville, associates had to manually remove and reconfigure different size bags for filling. This was a very laborintensive process that required an hour each time the bag size changed. Today, an associate simply enters the correct bag size, presses a button and the fill line updates in seconds.

### **Power of robotics in Temecula**

At our Temecula facility, the No. 1 SKU produced is our Scotts Mini Spreader. Vision systems and robotics perform stacking and assembly, which includes the cam, bushing and agitator assemblies. This has reduced ergonomic risk across three shifts and improved line efficiency.







WHO WE ARE

# Health and Safety

The safety and well-being of our team members is a top priority and everyone has a part to play. Associates, business partners and contractors are covered by our EHS system, which references ISO 45001 guidelines. Our "Plan-Do-Check-Act" strategy plays a key role in our EHS process, allowing us to quickly identify and address health and safety priorities. Our safety program encourages and enables associates at every level to submit concerns and share feedback when they encounter behaviors and conditions that they perceive to be unsafe. Our EHS process includes investigating and responding to associate concerns and incidents and mitigating risks to maintain and promote a safer workplace.

During new hire orientation, associates receive health and safety training, emphasizing the importance of safety while learning how to succeed in their roles. We customize safety training for each associate based on job type and level. Our Supervisor EHS training focuses on general knowledge of applicable regulations, knowledge of necessary systems and leadership training elements so that each shift has a well-informed, capable safety leader.



We encourage associates to participate in Safety Committees, which play a significant role in promoting safety awareness and engagement at local levels and provide a platform for associates to focus on best practices.

Our site leaders work to increase health and safety awareness through pre-shift meetings, which cover safe work tips, tools and standards. Through active participation and collaboration, these meetings provide an opportunity to voice and take ownership over health and safety concerns, encouraging each other to uphold a safe working environment.

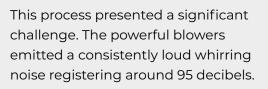
To further mitigate risks and align all team members to our EHS directives, we use compliance calendars that highlight important dates for EHS inspections and deadlines to meet voluntary and regulatory requirements. This is a valuable tool for site associates to track and complete critical tasks and self-evaluations.



# Safety in action: Taming noise pollution

An in-house solution has mitigated rice hull blower noise, creating a quieter workplace and community.

Rice hulls, the outer shell of rice kernels, play a crucial role in our Turf Builder lawn products, ensuring even nutrient distribution and ease of application. As part of the production process, these lightweight hulls are suctioned out of railcars and then blown into the plant for processing using two large blowers.







In 2024, our team mitigated this noise by designing an insulated damper box that essentially worked as a silencer, which reduced the noise from 95 decibels – comparable to the sound of a typical chainsaw – to a more comfortable ambient level of 55 decibels, similar to a household fan. This substantial improvement created a safer and significantly less noisy working environment for our associates and considerably lessened noise disturbance for the local community.

The benefits of noise reduction were extended to other areas of our production facility. Two additional silencers have been installed.

### **Our Vision for Associate Safety**

Our safety culture is grounded in our company-wide vision and values for safety. Created by cross-functional teams of associates, our vision and values aim to keep our associates safe every day and are reinforced throughout the year through initiatives such as sharing values of the week and values of the month, informing associates about safety best practices at work and at home, highlighting relevant areas of concern and providing education through monthly newsletters and other platforms. Each year during June National Safety Month, we create activities for our associates, corresponding with the weekly safety theme.

### **Safety Vision:**

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

### **Safety Values:**



Safety is and will always be a top priority, ahead of cost, production volume, sales or quality.

We believe work-related incidents and injuries can be prevented.

There is a combination of behaviors and environments that lead to accidents – our job is to proactively identify these factors, to the extent possible, and provide the tools and education to our associates to keep them safe.



**OUR APPROACH** 

TO ESG

Everyone needs to take responsibility and ownership for their own safety—only we can choose our behaviors and actions. We should all look out for each other and support our co-workers, friends and families to ensure their safety as well as our own.

4 We are all empowered to take action on safety.

All of us can take action on safety and in fact, 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 incidents and hazards.

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

6 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 hurt is too many. We commit to continuously improving our safety performance.

We assess our health and safety performance using an EHS Scorecard composed of leading and lagging indicators. Our evaluation includes progress measurements for safety training, behavioral-based safety observations, near-miss reporting, total recordable incident rate and lost time accident rate. Use of this tool drives accountability and provides the opportunity to set goals and monitor our progress.



# **Global Supply Chain Kickoff for Safety Campaign**

Our 2025 EHS Kickoff for Safety campaign exceeded all expectations and set a new benchmark for success in participation, engagement and impact. There was a 25 percent reduction in Supply Chain Total Recordable Incident Rate (TRIR), a testament to the unwavering commitment and enthusiasm by all participating associates who embraced safety awareness and a safety culture.

### Waste

Central to our efforts is a focus on the tried and true approach to waste prevention: reducing, recycling and reusing waste to minimize what is sent to landfills.



**Reduce.** We seek to minimize waste across our direct operations and throughout our value chain by identifying product circularity opportunities, such as recycling, reuse and material reduction. The recyclable

OM Scott & Sons paper bag, the Ortho refill flex pouch and our efforts to reduce plastic across the network are examples of our efforts come to life.



**Reuse.** Landfill diversion programs are also in place. Coir is an example. Some of our potting mixes use coir, a natural material obtained from coconut husks that can be processed into coir fibers, chunks or pith. We

use coir in potting mixes, growing media and lawn repair products for its high absorbency rate, which ultimately reduces frequency of watering and overall water use. Our Marysville manufacturing team collaborates with local landscape, renewable energy and organics management firms to reduce the waste sent to landfills resulting from coir manufacturing. Through these collaborations,

we find ways to beneficially reuse those waste materials into consumer goods and in other agricultural, municipal and industrial applications. In 2024, we diverted 1.76 million pounds of coir waste from landfills through these partnerships.

1.76

million pounds of coir waste diverted in 2024



**Recycle.** We recycle wooden pallets, cardboard and plastic and educate our associates on the benefits of recycling and reuse. Through engagement with take-

back partners, we directly recycle certain types of packaging waste. We also explore innovative ways to reduce packaging waste.

When necessary, we collaborate with third-party operators to transport and dispose of any remaining waste from our processes and to comply with applicable regulations.



# Waste reduction of coir and active ingredient process

Coir, a plant growing media made from the pith and fibers of coconut husks, is known for its ability to naturally retain moisture many times its own weight. As part of their dedication to sustainable practices and efficient resource management, engineers at the Marysville plant have been refining their coir processing to maximize this fully renewable and valuable resource.

When coir arrives at the plant, it's in compressed bricks that are then shredded for use in ScottsMiracle-Gro products. The traditional shredding process allowed larger particles to get into the manufacturing system, in turn leading to these particles having to be trashed because they were too large to use.

Our engineers refined this shredding process to minimize waste. By implementing several key adjustments, including tightening tolerances, improving maintenance and fine-tuning aspirators, engineers have successfully diverted coir from the waste stream.

"We're no longer sending anything too large for the system to handle," said Kevin Krabacher, senior process engineer. "We were disposing of good material because it wasn't shredded to a manageable size. Now, we're also working to track our waste much more effectively."



### Circular economy program

In Canada, we have implemented an initiative to increase recycled content incorporated into our plastic film packaging. We started a few years ago with our 55 c.f. peat bales, adding 25 percent post-consumer recycled resin from plastic recycled at one of our plants. With the positive results of this trial, we are extending the addition of PCR resin to the packaging of our products for professional growers and the retail market. The percentage of recycled content will vary depending on the composition and characteristics of each type of bag, but we have successfully tested a large part of our product portfolio. A progressive integration plan with annual targets is currently being developed to establish our recycled content goals for a five-year horizon, i.e., 2030.

Waste * <sup>5</sup>	FY2022	FY2023	FY2024
Total Hazardous and Non-Hazardous Waste Generated (Short Tons)	31,280.3	42,942.7	34,406.6
Total Non-Hazardous Waste Generated (Short Tons)	27,798.5	39,044.5	31,105.3
Waste to Landfill (Short Tons)	15,389.6	19,479.2	16,834.8
Waste Diverted from Landfills (Short Tons)	2,025.2	9,354.8	2,143.7
Total Waste Incinerated (Short Tons)	947.3	392.1	202.9
Hazardous Waste Generated (Short Tons)	3,481.8	3,898.2	3,301.3
Waste Intensity (Short Tons per Production Ton)	0.01	0.01	0.01
Recycled Green Waste into New Products (Lbs)	5,831,844,677	5,550,420,915	6,495,197,085

<sup>\*</sup> September 2025 Restatement: Due to a formula error, we corrected the following metrics from this report: "Total Hazardous and Non-Hazardous Waste Generated (Short Tons)," "Total Non-Hazardous Waste Generated (Short Tons)" and "Waste Intensity (Short Tons per Production Ton)" for FY2022, FY2023 and FY2024.



## Continuing to recycle plastic waste into Trex outdoor products

ScottsMiracle-Gro continues to expand its partnership with Trex to recycle plastic film waste from its production operations. Soil bag trimmings and bags scrapped due to quality checks or failures are diverted from landfill through the NexTrex commercial recycling program. Trex processes recovered plastic film into flakes, which are then combined with reclaimed lumber to make composite decking, railing and other outdoor items.

In FY24, more than 133 thousand pounds of plastic waste was sent to Trex from the Lawrenceville, Virginia growing media plant. At the start of FY25, the program was expanded to include the Carrollton, Kentucky site.



Protecting and conserving water quality and quantity remains a material focus for our company and our industry. We seek to be responsible water stewards both through our own operational use of water and through the use of our products.

Our goal is to minimize potential water-related risks, including fertilizer runoff. Fertilizer runoff into fresh and saltwater can increase aquatic nutrient concentrations, leading to harmful algal blooms (HABs). Increasing temperatures and fluctuating frequency and intensity of rainfall due to climate change can exacerbate these HABs across the U.S., harming ecosystems and creating aquatic dead zones.

Our company has an opportunity to make a positive impact on the relationships that our consumers have with water. We provide consumers with lawn and garden solutions that help them conserve water and minimize fertilizer overuse and runoff. We also partner with leading environmental organizations and provide them with crucial financial support, so they can drive scientific innovation, protect waterways and advocate for the universal right to safe and accessible water.

We also practice water stewardship in our own operations through manufacturing innovation. We explore ways to retool our manufacturing processes to consume less water from the source and generate less wastewater. At our two highest water-use plants, we reclaim wastewater and reintroduce it into the manufacturing process where possible to reduce our purchased water volumes and associated wastewater.

 $<sup>^{5}</sup>$  In FY2022, 91.9 percent of sites reported waste data. In FY2023, 100 percent of sites reported waste data. In FY2024, 100 percent of sites reported waste data.





## Innovative watering techniques reduce greenhouse water consumption

Traditional overhead boom irrigation in our climate-controlled greenhouses led to significant water waste and uneven distribution. A 2024 study by Marysville R&D field station specialist Samuel Bott and research station manager Matthew Rawlings revealed that up to 75% of water was lost to runoff or

evaporation, with foliage blocking water from reaching plants. "When that boom runs over them, maybe 50 percent of that water that goes over the plant is actually getting down to the soil surface," Bott explained. The boom system consumed 96 gallons of water per pod daily.



To boost water conservation, researchers evaluated AquaMat and drip irrigation systems. AquaMat, a capillary mat system, delivers water directly to roots, retaining 99% of water. "To do an entire pod, it only takes 27 gallons compared to 96... so it's about 70 percent less water usage," Bott stated. Drip irrigation precisely delivers water with emitters, using 33 gallons per pod

and offering flexibility for different plant sizes. "If you have larger plants... you can just simply put two emitters in those larger pots," Rawlings added.

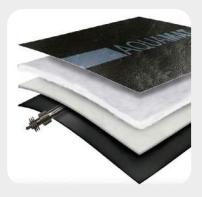
Both methods drastically reduced water runoff, minimizing the need for extensive greenhouse cleaning (from 2-3 times per year to just one) and associated water use. We've expanded AquaMat use to several pods, and teams like the Controlled Environment Center have adopted drip irrigation. Bott estimates a "nearly 50 percent reduction in overall water usage compared to the previous year."

Water Usage Per Pod/Day:

• Boom irrigation: 96 gal

AquaMat: 27 gal

• Drip irrigation: 33 gal





Water Use (Megaliters) <sup>6</sup>	FY2022	FY2023	FY2024
Purchased Water	618.6	487.8	474.4
Well Water	938.7	1,550.9	465.8
Total Water Withdrawals	1,557.3	2,038.7	940.1
Water Withdrawal Intensity (Megaliters per Production Ton)	0.00028	0.00044	0.00018
Treated Wastewater Discharged <sup>7</sup>	3.6	2.2	1.4
Water Recycled and Reused <sup>8</sup>	8.0	5.4	7.9
Total Water Consumption	1,553.7	2,036.5	938.8
Total Actual and Opportunity Costs from Water- Related Incidents (USD)	\$—	\$—	\$116,206.49

<sup>&</sup>lt;sup>6</sup> Organization-wide including corporate offices. In FY2024, 55.22 percent of sites reported purchased water data and 29.85 percent of sites reported well water data. In FY2023, 56.94 percent of sites reported purchased water data and 63.33 percent of sites reported well water data. In FY2022, 56.76 percent of sites reported purchased water data and 25.68 percent of sites reported well water data.

<sup>&</sup>lt;sup>7</sup> FY2022 includes data from the Ft. Madison, Santa Rosa and Marysville plants. FY2023 includes data from the Marysville plant. FY2024 includes data from the Marysville plant.

<sup>&</sup>lt;sup>8</sup> Includes data from the Marysville plant.



#### Deepening our water conservation commitment through the Turfgrass Water **Conservation Alliance**

Underscoring our dedication to water stewardship, we took a proactive step in October 2024 to join the Turfgrass Water Conservation Alliance (TWCA), which provides independent verification and certification of water-saving turfgrass varieties.

TWCA, a 501(c)(3) nonprofit committed to water conservation and preserving the ecological benefits of turfgrass in the managed environment, relies on the third-party peer review of objective data to qualify only those turfgrasses that demonstrate a statistically significant water-saving potential over conventional varieties of the same species. By testing with research collaborators in locations across North America, TWCA eliminates confounding factors such as soil type, heat and pest management from the results.

"Water conservation is the single most important challenge facing the lawn and landscape sector today," said Michael Diamond, ScottsMiracle-Gro's external affairs manager and new member of the TWCA Board of Directors. "We believe a

combination of good genetics and appropriate maintenance enables consumers and communities to conserve water while keeping beneficial living landscapes."

Turfgrass cultivars that achieve TWCA qualification must meet or exceed established standards for drought tolerance across all testing locations for a minimum of two years. Products seeking to carry the TWCA seal must contain at least 70 percent TWCAqualified material.

"As a member of TWCA, ScottsMiracle-Gro gains access to a broader portfolio of grasses, such as tall fescue, Kentucky bluegrass or Bermuda grass, that have been vetted through that organization as being more drought tolerant than other varieties of the same species of grass," said Lance Melnichenko, brand director of next-gen lawns.



# **Energy and Emissions**

We aim to reduce our operational energy use and increase energy efficiency to help reduce greenhouse gas emissions. To correctly represent our emissions, we work to accurately capture our energy footprint and data from all our emissions sources. In 2022 we established a greenhouse gas emissions inventory and baseline, giving us a deeper understanding of our energy and emissions impacts. We plan to report on our updated energy and emissions status and strategy in 2026.

Our primary sources of emissions come from electricity and natural gas to power our operations and sales team's vehicles. To reduce usage, we set a goal to convert 20 percent of our fleet to hybrid vehicles by 2025. While we have decided to suspend this goal, as discussed in the ESG Goals section, we have made progress in reducing emissions and gaining efficiencies in our operations in other ways. For example, capital investments in new palletizers, control upgrades, wrapper improvements and other equipment upgrades have contributed to efficiency gains at our plants and distribution sites. Specifically, FY24 investments in energy efficiency improvements included installation of a new vermeer grinder for a manufacturing site in Texas that increased fuel efficiency. Additionally, new colorizers, installed at mulch manufacturing sites in Jackson, Cresson and Groveland, increased electrical and water efficiency.

In 2023, we made a considerable investment in equipment to reduce ammonia emissions from the resin-making process at our Marysville location. This equipment, also known as a Sulfuric Acid Scrubber, reduces ammonia emissions and associated odors and put us on track to convert these emissions into an ammonium sulfate solution starting in late 2024. The ammonium sulfate solution from the scrubber will be marketed and sold for

agricultural and/or industrial uses. We look forward to reporting in the future the quantified waste diverted from landfills and net change in ammonia air emissions.

The following emissions and energy tables demonstrate our greenhouse gas emissions and energy consumption for the most recent three fiscal years. Data in these tables is enterprise-wide unless noted.

GHG EMISSIONS (MT CO2e) <sup>9,10</sup>	FY2022	FY2023	FY2024
Scope 1 (CO2e)	82,778	105,661	74,460
Scope 2, Location-Based (CO2e)	60,813	53,764	38,052
Scope 2, Market-Based (CO2e)	60,813	53,764	40,526
GHG Emissions Intensity (per Production Ton)	0.03	0.03	0.02

ENERGY USE (GJ)	FY2022	FY2023	FY2024
Total Energy Use	1,895,467	1,889,059	1,339,520
Energy Intensity (per Production Ton)	0.35	0.41	0.25

AIR EMISSIONS (kg) <sup>11</sup>	FY2022	FY2023	FY2024
Nitrogen Oxides (NOX)	12,503.4	10,215.1	10,759.0
Sulfur Oxides (SOX)	75.2	61.6	64.4
Particulate Matter (PM)	16,438.2	6,976.2	5,724.3
Volatile Organic Compounds (VOCs)	1,909.7	1,642.0	1,669.2

<sup>&</sup>lt;sup>9</sup> Totals may not equal sum of components due to independent rounding.





# Marysville Plant's landmark sustainability investment

Our Marysville East Plant reached a major milestone in 2024 with the installation of a state-of-the-art resin tower and air scrubbing system. This significant upgrade directly addresses ammonia emissions, a natural byproduct of the plant's Methylene Urea Resin Process (MURP) used in fertilizer manufacturing.

"The resin tower has been something we've been targeting and working toward for many years, and to finally get there has been a big win," said Phillip Buerk, senior manager, Environmental Health and Safety. "There were at least four different efforts to replace

that system, and we were never able to successfully land on a solution until this past year."

This project required a comprehensive overhaul, extending beyond emission controls to encompass a significant evolution of the production processes. The multi-year undertaking represents a considerable investment in the company's future and its commitment to sustainability.

"All of our ammonia emissions that we were sending through an antiquated scrubber are now going through a state-of-theart scrubber, and we've got a 99.9 percent removal efficiency," said Steven Kiracofe, lead engineer, projects. "So it's a win to the environment, our employees and to the local community."

The impact of the new system is plant-wide. Now, the ammonia processed through the scrubber system is captured and converted into ammonium sulfate, a valuable resource that is then sold for use in agriculture. This innovative circularity approach minimizes environmental impact and creates a beneficial byproduct.

<sup>&</sup>lt;sup>10</sup> Scope I and 2 emissions for FY2024 reflect a revised calculation methodology, which, following a detailed audit, corrected for previous overestimations. This update includes refined natural gas and electricity consumption data, as well as more accurate refrigerant emissions reporting.

 $<sup>^{11}</sup>$  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**

We earn trust by making ethical decisions and partnering with suppliers who share our values and uphold our high-quality standards. Our business relies on our suppliers to provide product components, including packaging and primary inputs such as active ingredients, bark, grass seed, composts, sphagnum peat, resins, urea and other fertilizer materials. Supplier collaboration helps to ensure continuous and predictable supply while minimizing costs. At our annual supplier conference, we engage with suppliers to share best practices and reinforce our expectations of corporate integrity, responsible product sourcing and the safety and well-being of workers across the global supply chain.

Our key supplier programs and policies include:

#### **Supplier Relations Policy**

This policy details our expectations and provides guidelines for our associates in their interactions with third parties, including our suppliers.

#### **Supplier Code of Conduct**

Our <u>Supplier Code of Conduct</u> outlines the values that we hold and the expectations that we have of our suppliers, particularly in the areas of environment, labor and social relations. It sets forth basic standards of safe, ethical and fair business practices that we expect throughout our supply chain. We communicate this Supplier Code of Conduct internally and externally, to transparently state our position on topics such as modern 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.

#### **Supplier Engagement Program**

Through this program, we engage with our suppliers to help ensure they understand our Supplier Code of Conduct and are meeting our expectations as a supplier. The Supplier Engagement Program enables transparency and goal setting around environmental stewardship and human rights with some of our most significant suppliers. Furthermore, many of our suppliers are actively undertaking their own sustainability initiatives, and our Supplier Engagement Program amplifies their efforts through measurement and accountability to increase our collective impact.

In 2024, we continued to make progress toward implementing our Supplier Engagement Program in several ways. Most notably, we successfully achieved our GroMoreGood objective by engaging our top 75 percent of direct suppliers, based on spending, in an assurance assessment. This initiative evaluated their alignment with our Supplier Code of Conduct. We also defined and implemented a process to address identified risks in a timely, effective and efficient manner.

Our commitment to ethical sourcing is ongoing, and we will continue to explore opportunities to strengthen and build upon this work to engage with our supply chain in a meaningful and transparent manner.



#### **Local Procurement**

We strive to source raw materials locally to support local economies, ensure product traceability and reduce environmental impacts from transportation.

For example, with our network of over 30 plants nationwide, we are able to manufacture the majority of our mulch and soil products within an average of 150 miles or less from the retail store where it ultimately reach the consumer. This sophisticated network approach leads to reduced shipping costs and fuel use.

## **Responsibly Sourcing Peat Moss**

Peat is a valuable ingredient in soil and potting mixes that home gardeners and commercial growers appreciate for its soil amendment properties, providing ideal soil consistency and moisture retention. Considering that peatlands, where horticultural peat is sourced, offer significant environmental benefits, including carbon sequestration and wildlife preservation, we prioritize responsible sourcing. The majority of our peat moss production sites in Canada are certified Veriflora® Responsibly Managed Peatlands, demonstrating our commitment to the preservation and restoration of these vital ecosystems. In Canada, where our peat is sourced, strict regulations control access to the territory and conservation of its resources.

Scotts Canada integrates peatland restoration techniques developed by the Peatland Ecology Research Group (PERG) into the operating cycle of its sphagnum peatlands harvesting sites in order to contribute to ecosystem restoration. PERG has developed a method for restoring those peatlands dominated by sphagnum mosses, the Moss Layer Transfer Technique (MLTT). This technique was developed through more than 30 years of research and is now widely used in North America and Europe.

The short-term objective of the MLTT is to restore vegetation cover typical of sphagnum peatlands, thereby restoring the peat accumulation function in the long term and, consequently, the carbon sequestration capacity.

Recent research has shown that:

- A plant cover, composed of typical bog species dominated by sphagnum mosses, can be re-established within three to five years.
- The productivity rate of sphagnum mosses and the accumulation of organic matter in restored bogs after eight years are comparable to those in pristine sites.
- The annual carbon balance of restored peatland sites returns to values comparable to those of the natural environment within 10 to 15 years of restoration practices.

Scotts monitors these restored sites to ensure the success of the work and contributes to research by supporting data collection at sites that are part of the national (Canada) peatland restoration database.

We are committed to developing and maintaining respectful and collaborative relationships with the Indigenous communities where we source sphagnum peat moss. For example, we supported a study on Indigenous knowledge aimed at documenting the historical use of a specific peatland environment in New Brunswick. A report compiling the results of interviews with community



Restoration - Year 1



Restoration - Year 2

Restoration - Year 20

members living near the peat extraction site was produced to establish the historical facts and Indigenous traditions associated with this site. The exercise of collecting data on Mi'gmaq land, water and resource use was carried out through hundreds of hours of recordings from interviews with community members of Esgenoôpetitj First Nation (local community near one of our operation). In addition, as part of our agreement, a resource commissioned by a group of Mi'kmag communities is conducting excavations to identify and preserve artifacts related to the use of peatlands.

## **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. It helps keep nutrients and water available for plant growth — two of the biggest success factors for gardeners. Its consistent quality also makes it a great ingredient in growing media mixes.

#### Q: Can peat harvesting be done responsibly?

A: Yes. The Veriflora certification assures consumers that peat producers have applied best management practices, managed by SCS Global Services, a sustainability service provider and thirdparty certifier. SCS' Responsibly Managed Peatlands program consists of an annual on-site audit, where SCS examines policies and procedures, conducts site visits and interviews workers to ensure conformance to the standard. Post-harvest restoration and rehabilitation of peatlands is a significant part of the certification process.

#### Q: What is peatland restoration?

**A:** Peatland restoration aims to restore and promote the return of the ecological functions of the peatland, including biodiversity, hydrological regulation and carbon sequestration.

#### Q: How does ScottsMiracle-Gro 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 the Canadian national database for restored peatlands, applies the Moss Layer Transfer Technique (MLTT) when closing its harvesting sites wherever possible and adopts alternative options such as tree planting when restoration is not appropriate.



Wild cranberries in a restored bog



# Cultivating Strong Communities

Our commitment to giving back is grounded in our GroMoreGood philosophy and comes to life in work undertaken by The Scotts Miracle-Gro Foundation, our brands, corporate campaigns and our associate volunteer program. Our collective support of communities and causes has led to the transformation of neighborhoods through gardens and green spaces, introduced children to gardening and outdoor activities, enhanced local environments and fostered holistic well-being.

#### In this section:

**Our Brands' Social Impact** 

The Foundation's Philanthropic Commitments
Community Enhancement
Environmental Improvement
Youth Empowerment
Social Justice
Company- and Associate-Driven Community Initiatives





# The Foundation's Philanthropic Commitments

The Scotts Miracle-Gro Foundation's philanthropy is focused on four pillars that complement our company's ESG strategy and connect to several material topics, including climate change, diversity and equal opportunity and local community support.

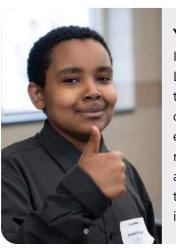


#### The Foundation's Four Pillars



#### **Community Enhancement Through Gardens**

We support partnerships with community-based organizations, schools, local governments and research institutions to increase access to public green spaces and bring more gardens to our communities.



#### **Youth Empowerment**

In partnership with The Hagedorn Legacy Foundation, we cultivate the intentional growth of "grit" characteristics in underserved youth, empowering them to achieve social mobility and a college education. We also award funding to organizations that provide youth educational tools, including for STEM learning.



#### **Environmental Improvement**

We partner with experts and environmental groups to help preserve access to a safe, abundant supply of water and protect pollinators. Our stewardship programs and initiatives drive positive contributions toward a healthier planet.



#### **Hawthorne Social Justice Fund**

We created the Hawthorne Social
Justice Fund to support organizations
committed to addressing long-standing
social injustices in the cannabis
industry and drive positive change in
communities.



# **Community Enhancement Through Gardens**

Gardens and green spaces bring many benefits, and through partnerships and garden grants, we are able to create more green spaces and expose kids to the power of growing gardens and their own food. In 2024, the foundation provided grants to local and national organizations, such as Columbus City Schools, Franklin Park Conservatory, KidsGardening, Memorial Health Foundation, Mid-Ohio Food Collective, National Head Start Association and The Columbus Foundation.

#### Nurturing growth in youth and communities

In 2024, The Scotts Miracle-Gro Foundation continued its commitment to fostering growth through its GroMoreGood Grassroots Grant and GroMoreGood Garden Grant programs, in partnership with KidsGardening and the National Head Start Association (NHSA). These initiatives connect the nation's youth to the benefits of gardening and outdoor play.

## **Growing with Head Start and Early Head Start Programs**







Since 2018, the foundation has partnered with the NHSA to offer grants and NATIONAL HEAD START ASSOCIATION gardening resources to Head Start and

Early Head Start programs nationwide. This collaboration empowers children and families to lead healthier, more fulfilling lives through comprehensive child, family and community support initiatives.

Our ongoing partnership provides Head Start and Early Head Start programs with access to educational garden curricula, including seasonal garden story time webinars. The foundation also provides GroMoreGood Garden Grants to establish new garden projects, expand existing ones or create outdoor green spaces. These grants promote experiential learning, cultivate curiosity and offer children and their families the advantages of healthy foods and access to nature.

In 2024, a total of 12 programs across the country each received \$5,000 grants to enhance or launch garden and outdoor green space projects.

Former grant winners highlight the impact of the program:

"The garden provides students with a calming change of scenery, and its structured layout allows them to experience the natural world in a way they can't in our classroom or on the playground."

"We utilized a therapeutic gardening approach to help children overcome negative childhood experiences."

"[The children] are truly absorbing the information and sharing what they've learned with their families."

Regarding a child who previously disliked vegetables: "His mom can't get him to stop eating vegetables, and this small success made all the effort worthwhile."





TO ESG

## Supporting educators and caregivers with KidsGardening



Our continued partnership with KidsGardening, a national nonprofit dedicated to bringing the life-changing

benefits of gardening to children, saw 170 programs receive GroMoreGood Grassroots Grants in 2024. These grants, ranging from \$500 to \$1,500, supported community-driven garden and green space projects that directly engage youth. This included school and community gardens, urban farms, pollinator gardens and outdoor playscapes, facilitating the creation of new projects and the expansion of existing ones.

#### 2024 GroMoreGood Grassroots Grants Highlights:

\$100,000

in grant funds distributed

170

programs awarded

51

locations represented (States and Territories)

54,095

youth and adults benefited from the gardens

15,317

pounds of garden harvest donated

#### Educators noted the top ten positive youth impacts:

- Team building
- Life skills
- Environmental literacy and attitudes towards nature
- Social skills
- Community service
- Fruit and vegetable consumption
- Community spirit
- Social-emotional learning
- Self-confidence
- Nutritional attitudes

The GroMoreGood Grassroots Grant significantly benefited Harmony Elementary's school garden, allowing it to flourish through strengthened community connections. As Toye Powell, a 2024 award winner from Harmony Elementary, shared: "The Harmony School Garden grew because we connected to the high school and student volunteers to help in the garden. We were able to update dilapidated raised beds, create a walkway and sitting area for students, and gain more volunteers from the conservation district in our area. Now we can serve all of the 743 youth in our area."











# Growing minds, communities and futures

At Columbus City Schools in Ohio, what began as a simple idea grew into a way to foster a lifelong connection to the earth in a new generation.

The inspiration struck early in teacher Katie Young's career. When she asked her students, "Do you know where food comes from?" not a single child mentioned the earth. Katie knew this had to change.

In 2018, the Columbus City Schools Farm to School program was established through a partnership with ScottsMiracle-Gro, The Scotts Miracle-Gro Foundation and The Ohio State University Extension. Teachers received tools and Miracle-Gro supplies to teach children to cultivate, nurture and harvest gardens.

The schools and students enthusiastically embraced the program, yielding results beyond expectations. Students experienced mental health benefits, and high schoolers found gardening therapeutic. Other students invited community participation. Elementary students discovered the deliciousness of fresh foods.

The foundation continued its support of the Columbus City Schools Farm to School program in 2024. Through a grant, the program acquired gardening materials to repair existing raised beds and construct new ones, expanding its reach. This initiative provides students with hands-on learning experiences in planting, harvesting and tasting produce, promoting cooperation and stewardship. The goals include improving access to fresh produce and educating students on food origins and nutrition through garden-based lessons. Learn more about the Farm to School Program.



# **Environmental Improvement**

The foundation partners with experts and environmental groups to help protect pollinators and preserve access to a safe, abundant supply of water.

#### **The National Partner Network**

The foundation formed and financially supports the National Partner Network (NPN), a group of environmental organizations dedicated to tackling a wide range of environmental issues, including improving waterways, conserving water and preserving and restoring pollinator habitats. The organizations within the National Partner Network reach millions of Americans, and together, we're working to solve the next generation of environmental challenges, from addressing over-nutrification through scientific research and innovation to protecting vital waterways and advocating for people's right to safe and accessible water.

#### National Partner Network members in 2024:

- Alliance for the Chesapeake Bay
- Alliance for the Great Lakes
- Alliance for Water Efficiency
- Galveston Bay Foundation
- National Association of Conservation Districts
- National Fish and Wildlife Foundation
- National Recreation and Parks Association
- New Jersey League of Conservation Voters
- New York League of Conservation Voters
- North Shore Land Alliance
- Ocean Research and Conservation Association
- Ohio Environmental Council
- Restore America's Estuaries
- Tampa Bay Watch
- The Nature Conservancy







## Behind the scenes at world headquarters

The 2024 National Partner Network Meeting took place in Marysville and Columbus, Ohio and was co-hosted by NPN member, the Ohio Environmental Council (OEC). After years of visiting locations across the country, the NPN specifically requested to hold the 2024 meeting in Ohio to visit ScottsMiracle-Gro headquarters and research and development facilities. Along with outings and programming planned by OEC, this was an opportunity to share insights, foster networking and deeper connections, and facilitate knowledge sharing among all partners. Our associates contributed with R&D teams presenting plans for drought-tolerant products, and the Lawns brand team outlining the "yard of the future." Activities included:

- A tour of R&D facilities
- An on-campus apiary presentation led by the Central Ohio Beekeepers Association
- A "Lunch 'n Learn" session on the Future of Landscapes, Turf and Groundcover
- A hike at Big Darby Creek Nature Preserve
- A kayak tour through downtown Columbus
- An H2Ohio Agency Leaders Panel hosted by OEC

One attendee shared, "...it was nice learning about the value ScottsMiracle-Gro places on sustainability and its efforts to advance that in a wide variety of different ways. In a general sense it's always interesting to learn more about Scotts and its business, but I think focusing on the sustainability aspects of your work made it particularly relevant. Plus the bugs were cool."



## **Securing healthy waters**

In 2024, The Scotts Miracle-Gro Foundation pledged \$400,000 over two years to The Nature Conservancy's (TNC) water quality initiatives in the Colorado River Basin, Ohio, and Long Island, New York. In turn, TNC advanced solutions for water scarcity in the Colorado River Basin by exploring alternative forage crops, enhancing natural infrastructure, collaborating with Tribal Nations and forging bipartisan water outcomes. On Long Island, TNC championed the Suffolk County Water Quality Restoration Act, allocating \$6.1 billion for projects, and is working to fund septic system upgrades in Nassau County. In Ohio, TNC secured longterm H2Ohio funding, benefiting over 53,500 people and restoring over 21,000 acres of wetlands. TNC also initiated the Central Ohio Water Program, securing an additional \$1.2 million, and completing 17 projects, revitalizing over seven miles of stream and 200 acres of wetlands with over 75 volunteers. The Scotts Miracle-Gro Foundation supports TNC's efforts to improve water quality, cultivate freshwater resilience, reduce pollution and co-create solutions.



The foundation empowers youth through two key initiatives: the Legacy Project, an educational and vocational program for high school students in central Ohio, and STEM-focused educational programming nationwide.

# The Legacy Project: Grit and career pathways

In partnership with The Hagedorn Legacy Foundation, the foundation helps students in central Ohio to achieve their educational and vocational goals and overcome obstacles to unlock their full potential. This initiative, known as The Legacy Project, relies on multi-disciplined curriculum that incorporates individualized coaching and mentoring, real-world career opportunities and immersive learning experiences.

Throughout the four-year program, high school students are challenged to adopt an entrepreneurial mindset, develop financial literacy and create customized goals. The Legacy Project provides each student a \$20,000 scholarship for post-secondary education to support their educational development.

Legacy Project students engage in immersive learning experiences to broaden their horizons and provide exposure to possible future careers. In 2024, students regularly attended workshops focused on entrepreneurship and career exploration, hearing from professionals across diverse sectors. They dedicated time to serving their community by volunteering for the Mid-Ohio Food Collective and assisting with a community event at the Franklin Park Conservatory.

A core component of The Legacy Project connects high school students with dedicated career mentors who provide invaluable advice, guidance and real-world coaching. Through an immersive learning experience, students engage with professionals from diverse companies and participate in specialized workshops that bring careers to life. These hands-on programs allow students to experience a "day in the life" of professionals in various fields, including STEM, medicine, law and many others.









# Supporting future leaders: Scotts Young Professionals and the Legacy Project

WHO WE ARE

Freshmen from The Legacy Project participated in an interactive career readiness workshop, connecting with associates from the Scotts Young Professionals (SYP) employee resource group. This initiative equipped the students with essential skills as they begin their journey toward securing their first jobs.

The workshop featured interactive stations focusing on a critical aspect of early job readiness:

**Resume Building:** Students learned to identify common resume errors and pinpoint key information that appeals to potential employers. They received resources for crafting their first resumes and worked with their coaches to develop these documents.

**Interviewing:** Students gained strategies for structuring interview responses in phone screenings, virtual interviews and in-person meetings. They also practiced navigating unexpected questions and learned the importance of asking thoughtful questions to interviewers.

**Social Media Etiquette:** Recognizing the significant role of social media, SYP associates guided students through a discussion on the lasting impact of their online presence. They explored the pros and cons of maintaining a positive or negative social media brand in personal and professional contexts, helping students understand how their digital footprint can affect their future.

"Mentorship provides development but also allows internal reflection on one's own journey, reinforcing understanding and often presenting new perspectives on familiar situations," said Chiara Brown, assistant brand manager and SYP member. "That is exactly what the SYP Legacy Project provides for the next set of kids that will change the world."





# Making math engaging for young learners

In 2024, The Scotts Miracle-Gro Foundation provided grant funding to Doodles & Digits to bring math to life for upper elementary students. <u>Doodles & Digits</u>, founded by former 4th-grade math teacher Caroline Farkas, creates fun and accessible educational math videos. Resources include standards-aligned, research-based videos that tackle challenging math concepts as well as a blog offering articles and tools, such as math coloring sheets. Doodles & Digits has been recognized by outlets such as U.S. News and World Report, USA Today and PBS.

Through its support of the Doodles & Digits show "How It's Math," the foundation helps inspire young learners to discover the fascinating connections between math and the natural world. The program aims to make math relatable for young learners by linking concepts such as fractions, geometry and decimals to real-world scenarios, showing students how math principles apply in everyday life. You can stream "Doodles & Digits" on pbs.org and the free PBS App.









## Uncovering the math behind ScottsMiracle-Gro

In addition to the foundation's support of the first season of "How It's Math," Doodles & Digits partnered with our R&D team to showcase how the company uses math every day. In the episode "From Gardens to Labs: Uncover the Math Behind ScottsMiracle-Gro," the collaboration offers viewers an exclusive, behind-the-scenes look at the vital STEM work conducted by ScottsMiracle-Gro researchers using fractions, decimals, area and perimeter as they develop lawn and garden products.

Abby Prickett, a senior engineer in process and formulations, expressed her enthusiasm for the initiative: "Coming from a long line of educators, I think there's nothing better that we can do than provide resources for kids to learn and get excited about math and science and STEM in general, and what they can do with those skills."



Ezekial Carl, a senior specialist in the analytical lab, added, "We were trying to be helpful and informative and educational. Everyone should learn math because of its value in learning systems. Every system is math, everything we deal with has a math application, from engineering to biology. Having a foundation of math helps to better understand the world around us."



**APPENDIX** 

# Social Justice

Our Hawthorne Gardening Company subsidiary is a leading provider of indoor growing and hydroponic products for growers, including those who cultivate



cannabis in compliance with applicable laws. While cannabis legalization is advancing across the U.S., federal and state laws vary. Complex racial, societal and economic inequalities tied to cannabis persist, including lack of access to representation in the social justice system, health care and re-entry support in the workforce for people with low-level cannabis convictions. We commit to fight for reforms to create a more just and equitable cannabis industry — one that addresses past injustices and provides all people with the opportunity to flourish.

The Scotts Miracle-Gro Foundation's Hawthorne Social Justice Fund is dedicated to tackling social injustice by supporting a diverse range of organizations. The fund has awarded \$2.5 million in grants to advance racial justice, promote social equity and elevate cannabis reform efforts at local and national levels.

The Hawthorne Social Justice Fund supports criminal justice reforms, aiding in the re-entry process for individuals with nonviolent, low-level cannabis convictions and fostering greater diversity within the legal cannabis industry. Grant recipients were chosen for their impactful work in these areas. The fund aims to empower minority entrepreneurs and boost investments in minority communities.

# **Company- and Associate-Driven Initiatives**

Through product donations, brand-led events and individual associate volunteer efforts, we support communities, encourage healthier lifestyles and create gardening, green spaces and beautification projects. On top of our larger, year-over-year partnerships, we invest in charities that align with our purpose.

In 2024, among our charitable investments were the YMCA, Make-A-Wish, Central Ohio Beekeepers' Association, the Richwood Independent Fair, American Red Cross, Friends of the (Franklin Park) Conservatory and others. What follows are examples of community involvement by our people and company.

#### **American Heart Association**

ScottsMiracle-Gro has been a supporter of the American Heart Association's Central Ohio Heart Walk since 2008, raising nearly \$3.28 million for cardiovascular disease and stroke research and advancing CPR readiness through education and training. In 2024, we were recognized as one of the top 10 fundraising companies nationwide for the Heart Walk.

Our commitment extends beyond fundraising, with over 6,000 associates, family members and friends participating in the walk over the years. We honor survivors, remember those we've lost and reinforce the profound importance of this mission.

Year round, we encourage healthy habits, including spending time outdoors and walking. As part of our broader wellness and education initiatives, we've established 10 teaching gardens across the Columbus community. These living classrooms provide handson learning about nutrition, sustainability and heart-healthy foods, fostering a deeper connection to nature and inspiring healthier lifestyles.

In 2024, 40 teams and 422 walkers participated in the annual Heart Walk to help save lives and fund research. While the main event was the Central Ohio Heart Walk in downtown Columbus, our Temecula and Pacific Junction locations also made significant contributions.



The Temecula Engagement Design Team (EDT) organized their own successful walk in Temecula, California. Over 200 associates participated, donating to the Central Ohio Heart Walk cause. The EDT team arrived at 6 a.m. to decorate, set up the sound system and hand out water, ensuring all three shifts could participate. Inspired by this effort, our Pacific Junction, Iowa, associates also held their own walk.



**Since 2008** 

**6,000** Participants

10 Gardens

\$3.2 Million+

TOP 10 ln 2024

ScottsMiracle-Gro was recognized as one of the top 10 fundraising companies nationwide for the Heart Walk.

TO ESG

#### **Pelotonia**



A team of associates and their immediate family members participate in Pelotonia, a Columbus, Ohio, nonprofit organization committed to ending cancer. Pelotonia participants set personal goals, volunteer or ride their bikes in one of seven routes (ranging from 24 to 190 miles) through central Ohio during the Ride Weekend event in August. Our team has been participating since 2010 and has raised over \$3.1 million for innovative cancer research at The Ohio State University Comprehensive Cancer Center - Arthur G. James Cancer Hospital. 100 percent of participant-raised funds go directly to cancer research.

#### ScottsMiracle-Gro's Associate Garden

Our Associate Garden originally served as a training ground for associates to learn how our products work and try out our innovations, but it quickly evolved into a way for our associates to give back. Since 2009, our associates have maintained raised bed vegetable gardens at our company headquarters in Marysville, Ohio. In these garden beds, we use our products to grow fresh produce. The harvested produce is donated to local food pantries and food rescues, such as the Marysville Food Pantry, Dublin Food Pantry and Columbus Food Rescue, allowing us to maximize the assistance

provided to food-insecure families in Central Ohio each week. In the 16 years of the Associates Garden's existence, our associates have produced close to 74,000 pounds of fruits and vegetables for neighbors in need.

#### **Green For Good**

The Green For Good program stands as a testament to our collective commitment to support our associates. Established in 2007, this program, supported by payroll deductions and various donations from associates, provides financial assistance to colleagues facing unforeseen hardships. Entirely sustained by the generosity of associate donations, 100 percent of the funds directly aid colleagues navigating unexpected financial burdens. The primary categories of assistance include medical expenses, family tragedy, home damage and personal hardship.







# Scotts Canada's Gro for Good Garden Grant Program

The Scotts Canada Gro for Good Grant Program supports the development and expansion of community and collective gardens across Canada. This program aims to enhance food security, promote urban agriculture education and encourage environmental sustainability. Annually, the program selects five finalists from more than 200 applications across Canada.

Projects are assessed based on the following criteria:

- **Community Impact**: Contribution to food security, nutrition and social cohesion.
- **Sustainability**: Environmentally sound practices, water management and biodiversity.
- **Innovation**: Unique concepts and integration of new technologies.
- **Project Viability**: Practicality and long-term sustainability.

The five selected finalists receive various forms of support, including:

- **Funding**: A direct grant of \$2,500 to cover project development, equipment and seed costs.
- **Supplemental Grant**: An additional \$2,000 in Scotts products to the video contest winner (via public vote on social media).
- **Visibility**: Nationwide promotion of their projects to inspire similar initiatives.

The Gro for Good Grant program fosters food, plants and resilient communities, underscoring the importance of local food systems and green spaces.



# Watch the 2024 Gro For Good Grant winners' videos:











# **Our Brands' Social Impact**

Our brands champion communities and causes that expand access to outdoor youth sports, support pollinator and beekeeping education, revitalize community spaces and forge impactful partnerships. We strive to embody the principles of a responsible company through our dedication to these initiatives.



## Scotts helps combat rising temperatures

In partnership with Project Evergreen, an organization nationally recognized for its dedication to creating healthy community green spaces, Scotts provided needed support - financial and physical - for the renovation of Barrios Unidos, a public park in Phoenix, Arizona, one of the nation's notably hottest cities. Climate change in the West has led to rising temperatures and drought, which continue to reshape states and cities - and Phoenix, where temperatures topped 100 degrees for 113 days in 2024, is no exception. Together with Project Evergreen, ScottsMiracle-Gro planted 50 young trees along sidewalks to create a community gathering place, cooled by growing trees and canopies, along with turfgrass, long known to reduce ambient temperatures in city "hot spots." ScottsMiracle-Gro looks forward to future efforts to address climate change, warming temperatures and drought.



# Ortho brings new apiary to world headquarters

Demonstrating its commitment to supporting pollinators, ScottsMiracle-Gro, along with its Ortho brand, established a partnership with the Central Ohio Beekeepers Association (COBA) in 2024. This collaboration resulted in the creation of an apiary on the company's campus in Marysville, Ohio.

COBA is promotes bees and beekeeping by providing educational opportunities for new beekeepers and continuing education for advanced beekeepers. This apiary and surrounding pollinator garden will serve as a hands-on laboratory where students can gain an understanding of the vital roles pollinators play in our world.

"We see this as a great way for the two organizations to work together and help educate beekeepers and the Union County community about the importance of honeybees for our ecosystem and food supply," said Rich Colvin of COBA. This Marysville apiary marks the fourth educational site for COBA, with a particular focus on advanced teaching methodologies involving five-frame hives

and providing essential support to bee colonies throughout the winter months.

"We are so excited to partner with COBA and establish meaningful local partnerships that align with our brand vision," said Jeremy Tiller, brand director for Ortho outdoor controls.

"Ortho is committed to purposefully providing pest solutions in and around the home with a commitment to allowing nature to be wild!"





# Miracle-Gro and our associates bring green space to Columbus

In May 2024, Miracle-Gro and our dedicated associates took the lead in establishing a vibrant community garden at The Ohio State University Wexner Medical Center Healthy Community Center in Columbus, Ohio. This initiative aimed to enrich the lives of local residents.

Brian Godfrey, Gardens brand manager, spearheaded the construction of several raised garden beds, including a specially designed ADA-compliant bed for accessibility. Chris Newell, the company associate store manager, was instrumental in transporting the organic soil, laying the foundation for a thriving garden.

With a donation of Miracle-Gro Organic Raised Bed and Garden Soil, a new community garden will flourish and be a welcoming hub for the neighborhood, fostering a sense of community, connecting residents with nature and enabling them to grow fresh produce.

The project culminated in a ribbon-cutting celebration for the Healthy Community Center. The event underscored the bright future of the facility and its positive impact on the community. Located on the east side of Columbus, the Healthy Community Center invites local residents to explore its offerings and enjoy the newly cultivated green space.



# Scotts partners with Every Kid Sports to increase youth access to grass sports

In 2024, Scotts partnered with Every Kid Sports, a national nonprofit, to increase youth access to natural green spaces by funding sports registration fees for income-restricted families through <a href="https://doi.org/10.2016/j.com/">The Every Kid Sports Pass</a>.

John Sass, senior vice president of Lawns and chief creative officer, emphasizes the company's long-standing dedication to connecting families with the outdoors: "Scotts believes in the power of the outdoors and connecting kids and their families to green spaces to play, thrive, learn and grow...

**OUR APPROACH** 

TO ESG



We're proud to be partnering with Every Kid Sports to help more kids enjoy youth sports because we are all mentally, physically and emotionally stronger when we are able to get outdoors and enjoy natural green spaces."

By 2026, Scotts will provide a grant of at least \$150,000, enabling approximately 800 children in areas such as Columbus, Phoenix and Philadelphia to participate in youth sports.

To highlight the joy of outdoor play on natural grass, Scotts hosted a Soccer Field Day in Columbus, Ohio, in 2024. This event, part of the Columbus Crew's Summer of Soccer Fan Fest, took place on the natural turf field at McFerson Commons. Scotts, alongside athletes from the Columbus Crew, welcomed Every Kid Sports families for a soccer clinic, allowing over 60 children to engage in active play with Crew 2 players.

In Fall 2024, 408 children from income-restricted families in Phoenix, Columbus and Philadelphia participated in various grass sports, including football, cheer, soccer, baseball, softball, track & field and flag football. The partnership has already made a significant difference for many families:





Tamara, mother of a participant, said, "This is my daughter's first year of cheerleading for football and she loves it. If it was not for this program, I don't know how I would have made my little girl's dreams come true. She is excited to try a new sport and dreams of being a doctor someday."

Jessica, another mom, added, "Both Marc's father and I were laid off in April of last year. This amazing program has given the opportunity to receive a grant. I know my son is grateful and keeping him out of the streets and focused on something he loves that helps him grow is more than I can dream. Thank you for this amazing opportunity!"

Azj, a mother, stated, "My 5-year-old has watched football since he was 3 years old and always wanted to play. Every Kid Sports made sure of that this year by paying half of his registration fee! We are forever grateful! He is excited to have fun and further his athletic ability and skills!"

The collaboration between Every Kid Sports and Scotts exemplifies our commitment to get more children outdoors and active in natural green spaces.









# Supporting Our People

Every associate within our company is important to our success. Our 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 encouraging them to achieve their personal best, taking a holistic approach to wellness and safety in order to encourage a LiveTotal Health mindset.

#### In this section:

Our Culture
Diversity and Human Rights
Associate Engagement
Associate Benefits and LiveTotal Health
Compensation Philosophy
Investing in Development
Associate Data





# **Our Culture**

At ScottsMiracle-Gro, we strive to create a work environment in which our associates feel safe and respected. We were founded as a family business, and that cultural attribute has stood the test of time, as generations of families have been part of our company. We expect associates at all levels and in all disciplines to contribute individually and collaboratively to our vision, purpose, business success and strategic priorities.

We create an environment in which associates can develop their careers by fostering opportunities to move into leadership positions, rotate throughout many areas of the business and advance into management roles.

We encourage all associates to participate in active discussions about our business and company culture to promote a workplace reflective of the consumers we serve.

GroMoreGood's pillar of giving back to communities extends to our associates through our Give Back to Gro Associate Community Service Program, under which all eligible associates are encouraged to take one paid day off every year to volunteer in their communities for causes that are important to them.





#### **Cultural Attributes**

#### Who We Are

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 and conviction.
- **Collaborative:** Involve others. Seek 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.

# Diversity and Human Rights

We value diversity and encourage associates to contribute their varied life experiences in terms of gender, sexuality, race, thoughts, interests, languages, beliefs and much more.

To further advance a diverse and inclusive culture outside of the workplace, we offer associates an additional paid day off to celebrate their own cultures.

We are committed to upholding human rights and operating all aspects of our business responsibly, honestly and ethically. We also expect this commitment from our suppliers and business partners. Our human rights commitments include:

- We respect all individuals and are committed to treating all associates with respect and dignity, regardless of race, religion, national origin, sexual orientation or gender identity or expression.
- We strive to treat people fairly and prohibit discrimination in our business and beyond.
- We do not tolerate intimidation or harassment.
- 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 local and national laws concerning freedom of association and collective bargaining agreements.
   We bargain in good faith with union representatives in cases where our associates are part of a legally recognized union.
   Currently, approximately 4 percent of our associates are covered by a collective bargaining agreement.
- We commit to "doing the right thing" for our people.

In operating ethically and leading with integrity, we have created global policies and practices to ensure the highest standards in this regard. We continually strive to provide associates with a safe workplace, free from harassment and discrimination. To help associates navigate our ethics resources and behavioral expectations, the Ethics Department shares a quarterly newsletter, The Perennial. This publication is geared toward helping our associates understand their role in protecting each other and the company.

# **Associate Engagement**

Our business success depends on the engagement of our associates. To drive engagement, we strive to enhance the employee experience, creating a positive workplace and increasing trust in leadership.

Two-way communication is important, as it builds trust and improves collaboration and overall engagement. To make sure we hear the voices of our associates, we gather formal and informal feedback through pulse surveys, leadership meetings and roundtable discussions. In 2024, we conducted a global engagement survey focused on the employee experience. With an overall completion rate of 72 percent, the results provided insights into both areas of opportunity and where we are doing well. This led to development of robust action plans to drive improvement. Another source of associate sentiment comes from exit interviews in which salaried associates who voluntarily leave our company are asked to provide ratings, rankings and feedback. These inputs are shared with senior leadership and integrated into practice as human capital initiatives are deployed.

An informed workforce contributes to an engaged workforce. As such, we ensure that our associates have access to the information they need to understand business decisions, the reasons behind them and how they may be impacted. Recognizing the value of hearing directly from our leadership team, we host Town Hall meetings each quarter to disseminate enterprise-wide information and allow for interactive communication.

Often times, an associate's direct manager is the best source for information. We provide managers with information toolkits to ensure messaging consistency. When a topic affects our associates and their families, such as health benefits, we use email and direct mail to ensure important messages reach associate homes. To

communicate positive associate stories, we rely on our intranet and location-based digital signage to share information in real time.

## **Employee Resource Groups**

TO ESG

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, cultivates relationships through networking and develops talent through experiences, programs and mentoring. Our ERGs include:

#### **Scotts Associate Board**



**MASSOCIATE** The Scotts Associate Board provides services, activities, education, social and volunteer opportunities. Additionally, it enables our

associates to extend and receive a helping hand by donating to causes and organizations.

This past year, members of the Associate Board established the Culture Support Committee to ensure every location is aware of company-wide associate events, while also providing direct support to local culture teams. The board seeks to ensure all associates have the means to participate in existing initiatives or facilitates new associate events, fundraisers and other site-specific activities that enhance local culture and engagement.

During the holiday season, the Associate Board partnered with Union County Child and Family Services where our headquarters is located to provide Christmas presents for families in need of assistance.

#### **Scotts Associates For A Greener Earth (SAGE)**



SAGE champions sustainable practices and programs across our company. The group spans corporate, R&D and plant operations, and its members work

with facilities to implement environmentally friendly projects and connect associates with environmental-focused volunteer opportunities at nature preserves and community gardens. The group also educates and helps associates develop sustainable living practices in their own lives.

In 2024, SAGE volunteered at Alum Creek State Park to clean up litter left by the influx of solar eclipse visitors in April. In addition, solar eclipse glasses were collected for reuse by schools in Latin America. SAGE members also supported the city of Marysville with a mulching project to beautify the American Legion Park and the police offices.

#### Scotts Black Employee Network (SBEN)

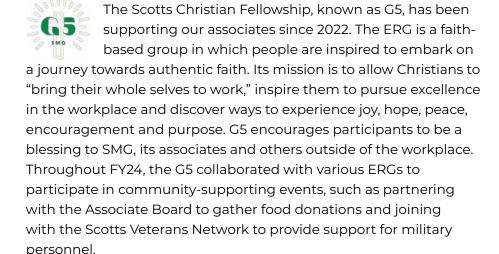


SBEN has helped support, develop, connect, empower, recruit and retain talented Black, African, African American and Caribbean associates

since 2015. 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. SBEN promotes awareness of Black cultures, shares knowledge and experiences and provides professional development and career advancement opportunities at all levels.

The group also supports education and engagement programming for associates throughout the year, such as instruction on topics of social justice, African American history, financial planning and contributions to society. SBEN celebrates Black History Month each year with social and educational events. In 2024, in partnership with the Associate Board, SBEN organized and hosted a successful blood drive in Marysville. Their collaborative approach helped to raise awareness surrounding Sickle Cell Anemia.

#### **Scotts Christian Fellowship "G5"**



#### **Scotts Gro-Masters**



The Gro-Masters Club (a chapter of Toastmasters International) supports associates on their journey to becoming a better speaker, evaluator, active listener and

leader. Gro-Masters establishes an environment in which feedback is constructive.

The club provides a supportive environment and fun atmosphere that serves as a positive learning experience leading to greater self-confidence and personal growth. During its signature month in January, Gro-Masters delivered a valuable and well-received presentation skills workshop titled "How to Give Better Presentations."

#### **Scotts GroPride**



GroPride fosters an inclusive network for associates and provides a forum for education and awareness

to support the professional growth of LGBTQ+ individuals. GroPride supports the Kaleidoscope Youth Center through volunteer, fundraising and educational opportunities. Kaleidoscope is a Columbus, Ohio, organization that stands for a world where everyone can be their most confident, authentic self.

GroPride has also worked with the Human Rights Campaign to support our company's participation in the Corporate Equality Index. In 2024, we earned the Equality 100 Leader in LGBTQ+ Workplace Inclusion designation. Amanda Rico, chief human resources officer, said, "Scoring a perfect 100 for the third year in a row shows just how much we can accomplish together. It's a reflection of our ongoing commitment to building a workplace where everyone can be themselves. Our benefit programs and policies reflect that commitment. From inclusive health benefits to flexible work arrangements and support for all employees' unique needs, we're continually evolving to ensure everyone feels supported. We're focused on driving this culture forward."

#### **Scotts Veterans Network (SVN)**



SVN recruits, develops, connects and empowers veterans by providing resources to enhance their professional development and business success. SVN is open to active

military members, veterans, associates with family members or friends serving in the military and those who want to support them.

SVN also supports a variety of causes, such as the Heroes for Heroes 5K Mud Run and the nonprofit Canine Companions for Independence, which trains and places service dogs with veterans experiencing post-traumatic stress disorder and other conditions. SVN partners with our recruiting team to provide guidance on how military skills transfer to the workplace. It also sponsors the Scotts Veterans Challenge Coin, presented to associate veterans in honor of their service.

In fall 2024, our associates volunteered at the Central Ohio Stand Down event, whose mission is to "improve the lives of Veterans by connecting them to social services and professional resources for success in their personal/professional lives." During the holiday season, the group collected over \$9,000 in gift cards for organizations such as the Union County Military Support Group.

#### Scotts Women's Network (SWN)



SWN has over 300 members and is dedicated to maximizing women's career potential and leadership skills as well as strengthening leadership diversity. SWN

hosts regular professional development, work-life and networking events and connects its members to volunteer opportunities.

Each year, SWN holds events throughout March to promote International Women's Month. Recent events included member takeover of our internal social media page and a panel discussion with female leaders from company suppliers. In February, in a collaborative effort to celebrate Black History Month, SWN joined with the SBEN to present a panel discussion on diverse perspectives, honoring the history, achievements and contributions of Black individuals. Annually, SWN hosts a Dress for Success clothing drive and volunteer opportunities at the Columbus chapter of Dress for Success.

#### **Scotts Young Professionals (SYP)**



SYP connects, grows and guides the next generation of leaders by fostering innovation, engagement and new ways of thinking. SYP members organize

regular networking and mentorship events, participate in charity fundraisers and volunteer to mentor central Ohio youth through The Legacy Project. In 2024, SYP volunteers worked with Legacy Project students to discuss career planning and conduct a career readiness workshop. In April 2024, SYP celebrated Young Professionals month and dedicated resources to help young professionals across our organization drive more impact in their communities, grow their financial prowess and lead others as they develop in their careers. These efforts support the SYP mission of embracing the evolving workplace and fostering our next generation of leaders.

# 3 MO WILL SHARE

# Associate Benefits and Live Total Health

We believe in providing opportunities that help our people live their best lives from a physical, financial and personal standpoint. This holistic approach to wellness is at the core of our Live Total Health program with flexible and inclusive benefits.



#### **Benefits Overview**

Our benefits are designed to support total well-being, with strong healthcare coverage, wellness resources, generous family leave and financial benefits.

Our comprehensive U.S. benefits package includes:

- Healthcare coverage (medical, prescription drugs, dental and vision)
- · Healthcare advocacy and support
- Retirement Savings Plan
- Discounted Stock Purchase Plan
- Domestic partner benefits
- Tax-advantaged accounts (FSAs and HSAs)
- Wellness programs
- Mental health support
- Financial protection (life and disability, supplemental medical insurance)
- Family planning support
- 100 percent paid maternity leave (medical recovery)
- Up to 10 weeks of parental leave for mothers and fathers
- Adoption, surrogacy and egg-freezing assistance (up to a \$30,000 lifetime benefit)

- Lifestyle benefits (pet healthcare insurance, auto and home insurance and student loan refinancing)
- Discount shopping suite
- Legal support
- Time off benefits (vacation, holidays, community volunteering and sick time)

Of special note are our retirement benefits, with a 7.5 percent company match on 401(k) contributions, and our discounted stock purchase plan that makes ownership of SMG stock more accessible, allowing associates to buy shares at a 15 percent discount.

To help navigate the complex world of healthcare, we partner with a top-tier advocacy provider to support associates and their families every step of the way.

We also know a growing a family looks different for everyone. That's why we offer inclusive support through fertility benefits, expert-led family planning resources and up to \$30,000 in lifetime reimbursement for adoption or surrogacy expenses. Our family leave benefits include eight weeks of fully paid maternity leave for medical recovery and up to 10 weeks of bonding leave for all new parents, regardless of gender, marital status or domestic partnership.

Wellness is a key part of our culture. At our Marysville campus, we offer onsite fitness classes, personal training and wellness events. Associates across our company have access to a \$600 annual wellness reimbursement for expenses tied to physical, mental or financial well-being.

In Canada, we provide a robust benefits program that includes health and dental coverage, life and disability insurance, vacation and sick time and a competitive retirement (RRSP) plan with a 6 percent company match. Associates not eligible for a bonus can also receive a profit-sharing match. Canadian associates are eligible for the discounted stock purchase and \$600 annually in wellness reimbursements.

In Mexico, we announced the expansion of our benefit offerings in 2024 to include major medical, dental, vision and permanent disability/life insurance coverage. These new benefits build on an already strong foundation that includes:

- A 5 percent company match to a savings fund
- A 5 percent monthly grocery voucher contribution
- 10 paid company holidays
- · A 500-peso monthly Work From Home Stipend
- A 30-day Christmas bonus
- A vacation bonus equal to 25 percent of salary
- Annual profit-sharing opportunities
- A 10,000-peso referral bonus for bringing in new talent

We remain focused on continually evolving our benefits to meet the needs of our workforce.



**OUR APPROACH** 

TO ESG

# 8 #110 WIN AM

# **Compensation Philosophy**

We are committed to ensuring we pay our associates fairly and competitively based on their roles. To do so, each year we conduct an analysis of our pay and compensation practices from an external market and internal consistency perspective to ensure pay decisions are fair and equitable, making adjustments as needed.

Taking care of our people also includes sharing our financial successes. This is reflected in our incentive plans for eligible participants and our profit sharing program for those who aren't incentive eligible. When the company does well financially, each full-time associate shares in the profit, from frontline hourly associates to our leadership team.

From a governance perspective, our internal compensation team provides regular updates to the Compensation & Organization Committee of the Board of Directors, which has oversight over the company's compensation and employee benefit plans and practices.

## **Talent Acquisition**

We engage our internal talent to support their career goals and aspirations while recruiting a diverse external candidate pool to build our talent base. Our Talent Acquisition (TA) team plays an integral role, continually uncovering additional channels to engage the external marketplace and present a diverse and high-caliber candidate pool.

As a majority of TA work focuses on hourly hiring, it is important to identify unique ways to attract the best talent for these positions. Working closely with our Supply Chain and Sales teams to understand their local markets, TA professionals connect with talent reflective of the local community and meeting the company's needs.

We recognize college is not for everyone and these individuals make up a significant portion of the job seeker marketplace. With that knowledge, we transitioned some roles that historically required a degree into skill-based job opportunities.

To improve opportunities for work life balance, we have broadened employment opportunities to include onsite, hybrid and remote options. This flexible approach also provides a much larger talent pool to consider.

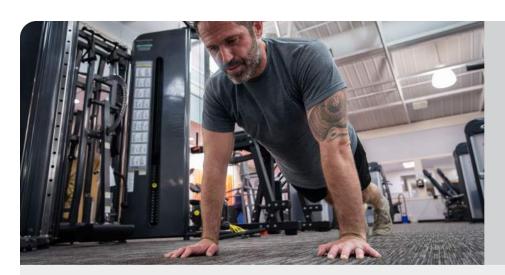
## **Onboarding**

The new hire onboarding program, Taking Root, acclimates associates to our business through an engaging, self-paced, online orientation experience. New hires are introduced to our company through the 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, managers provide new hires an onboarding plan specific to their role and level that is completed during their first year of employment. Additional training includes instruction on our ethical expectations, commitment to a workplace free of harassment and discrimination, environmental health and safety. People leaders are assigned an interactive learning curriculum to understand their role in the associate life cycle of attracting and recruiting talent, onboarding and developing associates, managing performance, rewarding contributions and off-boarding associates who leave the organization.











## **Wellness and Fitness Challenges**

Wellness is a core part of Live *Total Health* and something our CEO Jim Hagedorn is deeply passionate about. Throughout the year, he challenges all of us to stay active and go further than we thought possible.

In 2024, the Jim Hagedorn 10,000 Calorie Challenge brought that spirit to life. Associates across the company committed to burning 10,000 calories each month over a two-month stretch. The challenge wasn't just about fitness—it was about consistency, motivation and community.

One standout example of that spirit came from Quality Technician Jasmend Whitney-Brown, who shared a powerful message with colleagues to kick off the challenge.

"In honor of the fitness challenge, I want to kick it off with some motivation. I'm officially 140 pounds down. Last February I weighed 401 lbs—this February I weigh 261 lbs! Let's get active!!"



Jasmend's incredible transformation is a testament to what's possible with determination, support and the power of community.

Our fitness challenge concluded with a high-energy bonus event: a 10-mile walk that united associates around the globe.

Live Total Health is also about supporting individual journeys. For Plant Manager John Hooper, that journey meant continuing his recovery after physical therapy by taking advantage of our new musculoskeletal program, introduced in the fall of 2024 and managed by Hinge Health.

"Hinge Health has helped me continue my recovery on my own schedule," he shared.
"The workouts started out short—just 12 to 15 minutes—but even in that small amount of time, I started noticing improvements. I've since moved up to longer sessions and feel like I'm really gaining strength again. I have also benefited from the resistance bands, yoga mat and pain relief device."

Beyond Hinge Health, John is a big fan of our fitness membership reimbursement. "I appreciate that we offer so many ways to support wellness. There's something for everyone."

Mental wellness is an essential part of overall health. In 2024, we hosted mental health roundtables with associates across roles and regions to better understand the challenges they face. In response, we enhanced our mental health support and launched Lyra Health, offering accessible, confidential support for associates and their families.

Our Live Total Health program is more than a benefits package. It fosters a culture of well-being, where people are supported and encouraged to live a healthier life.

TO ESG

# Investing In Development

# **Growth and Development**

We create authentic learning opportunities for our associates to develop throughout their careers. Our blended development model consists of 70 percent experiential learning, 20 percent through exposure and 10 percent through formal education. By embedding learning in day-to-day work, we encourage associates to embrace a growth mindset to promote personal and professional growth.

Our managers support associates through cross-functional team assignments, expanded roles and rotational opportunities. Our ongoing development efforts expand knowledge, improve skills and capabilities and achieve competence in specific behaviors to meet performance expectations and prepare for future roles.

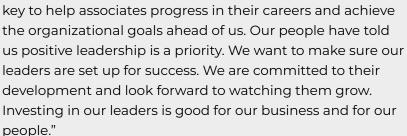
Annually, the leadership team establishes company-wide goals, and each associate is asked to identify individual goals and align them to enterprise goals. This goal-setting exercise ensures all associates are moving in the same direction and establishes a foundation for individual growth and development.





# **Leadership Essentials**

Nate Baxter, president and chief operating officer, sums up our approach to leadership development this way: "People leaders have a tremendous opportunity and responsibility to coach and lead teams. We take effective leadership seriously, and it is



In 2024, we launched a 10-week leadership development course, Leadership Essentials, to enhance critical leadership skills through an innovative, nontraditional, digital format. Each week, people leaders dedicated time to interactive workshops, engaging in virtual collaborative discussions and taking part in hands-on activities focused on key leadership competencies.

Throughout the course, participants explored essential topics such as trust, communication, delegation and accountability. Leaders connected with peers, shared best practices and gained insights from seasoned facilitators. Participants gained actionable strategies to cultivate, refine and sustain their leadership skills.

What participants are saying:

"This has helped me see myself in a different light. The different levels and types of leadership skills and categories are an eye opener."

"I definitely find a lot of the content pushing me to reflect back on how I tend to approach problems. This self reflection is creating an insight into my practices and is helping me identify better ways of working."

# **People Leader Development**

We believe that the challenges we face today require a more deliberate focus on human-centered leadership. To accelerate the development of leadership skills in our people leaders, we provide core and individualized learning content to help them think and behave in ways that enable others to thrive.

In addition to Leadership Essentials, we provide Cultivating Your Team, a customized online course to educate our people leaders on their responsibilities throughout the associate lifecycle. In this interactive course, our people leaders learn what is expected, why it matters and how to be effective as they lead their functional area and support associates on their team. These tools help our people leaders continuously evolve their human-centered leadership skills.



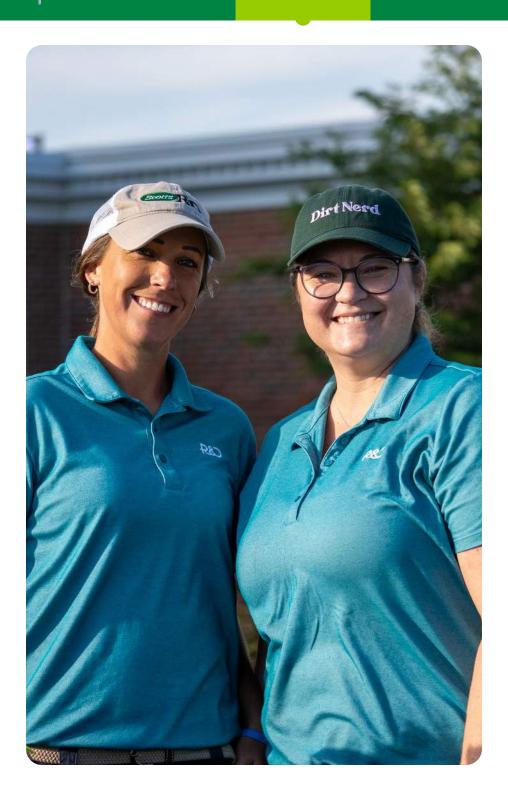
# **Performance Management**

Performance management is important to moving our business forward and retaining our people. We focus on performance activities that encourage important conversations and accountability. To build skills and drive behaviors, we launched a dashboard in Workday to make it easier for our associates and managers to access educational tools that support performance reviews, goals, development planning and ongoing conversations.

Our three-point performance rating scale measures performance through specific professional and leader behavior examples. This simplified approach is easily understood and can be consistently applied. As an outcome of the performance conversation, our associates gain clarity on goals as well as feedback to guide development planning. Progress check-ins ensure associates and managers stay connected and continuous feedback is happening throughout the year.

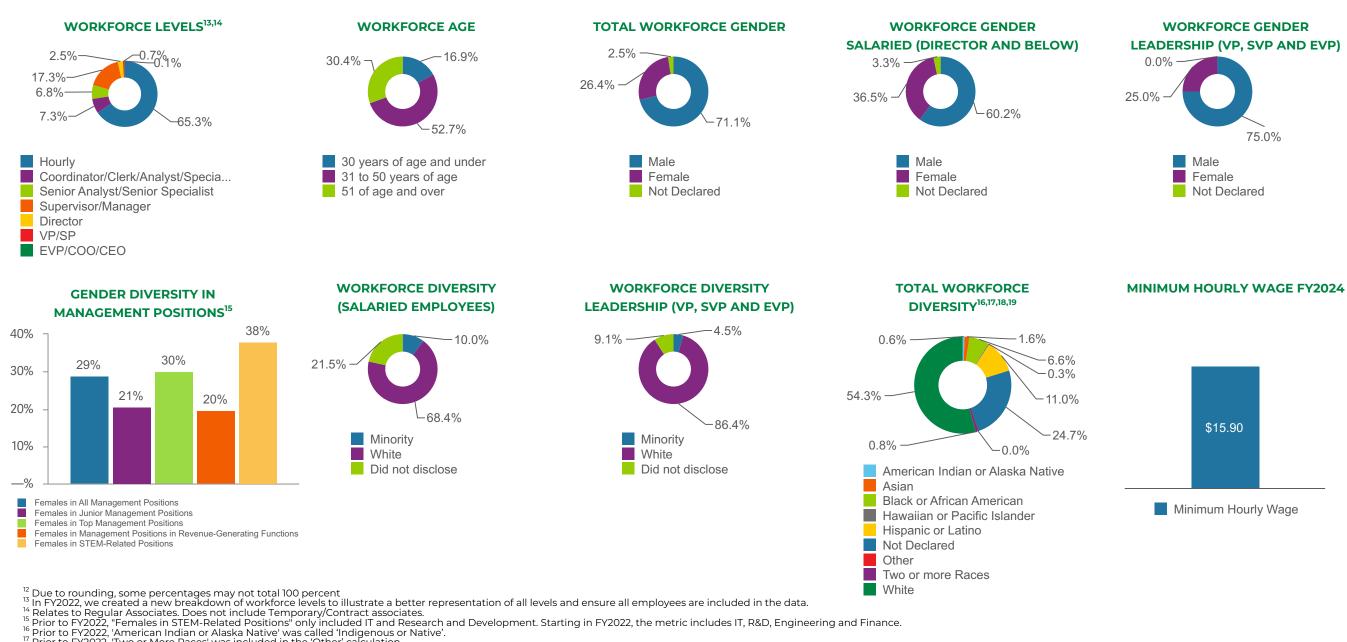
## **Talent Planning**

Having the right talent in the right roles is critical. To support professional growth and succession readiness, we assess and develop internal talent through a multi-phase talent planning process. The first stage identifies gaps between current talent and our business needs, using a standard methodology focused on learning agility and overall performance to evaluate skills. We also use formal assessments to identify individual 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 development plans that incorporate supportive tools and experiences, such as executive exposure, ongoing feedback and development discussions, intentional promotions, rotational assignments and expanded roles.



#### **Associate Data<sup>12</sup>**

As of December 2024, our workforce numbered 5,336 regular associates and 1,383 temporary workers.



Prior to FY2022, Two or More Races' was included in the 'Other' calculation.

18 In the 2022 Corporate Responsibility Report, the 'Other' calculation included 'Not Declared', 'Hawaiian or Pacific Islander' and 'Two or more Races'. In the 2023, 2024 and 2025 Corporate Responsibility Report, the 'Other' calculation with additional ethnicity workforce levels to illustrate a better representation of our workforce diversity. Prior to FY2022, 'Not Declared' was included in the 'Other' calculation.



# Appendix

#### In this section:

Environmental Fines & Settlements
Product Data
Environmental Data
Social Data
UN SDG Alignment
GRI Content Index
SASB Index
TCFD Index





#### **About Our Data**

The data in this report represents our most recent efforts at collecting our ESG data for FY24 (October 1, 2023 – September 30, 2024, unless noted). As we evolve our sustainability programs, we will continue to improve our data collection practices. We use widely accepted sustainability reporting standards to collect and analyze our environmental data. Primarily, we follow the recommendations of the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB). We follow the guidance of the GHG Protocol in preparing our Scope 1 and 2 greenhouse gas emissions calculations. This report includes Hawthorne and AeroGarden data, in addition to our North America consumer business, unless noted.

We use intensity metrics to 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 FY24. Where relevant, we note the percentage of site participation alongside data throughout the report. We continue to improve the quality and breadth of our environmental data collection, including the systems and processes for recording and analyzing this data.

#### **Environmental Fines and Settlements**

Issuing Agency	Location	Date	Amount of Fine	Description
California South Coast Air Quality Management District of the California Air Resources Board	California	September 2023	\$4,605	Settled claims regarding fugitive dust emissions at a growing media plant
Ohio Environmental Protection Agency	Ohio	March 2024	\$249,767	Settlement following voluntary disclosure regarding improper waste disposal from Ohio facility
United States Environmental Protection Agency Region V	United States	April 2024	\$100,000	Settlement of allegations regarding violations of NPDES permit from growing media facility in Ohio

#### **Product Data**

Product Name Recall	Reason for Recall	Date	Number of Units Recalled or Withdrawn
There were no product recal			

Products	FY2022	FY2023	FY2024
Total R&D Spend	45,300,000	35,700,000	34,585,178
Number of R&D Positions (FTEs)	215	179	173
Percent of Total Revenues from Climate-Friendly Products	0.12%	2.36%	3.28%

#### **Governance Data**

Board of Directors Composition	FY2022	FY2023	FY2024
Total Executive Members	1	1	1
Total Non-Executive Members	11	11	10
Independent Members (Percentage)	75%	75%	73%
Female	2	3	2
Male	10	9	9
Minority	2	3	3

Financial Assistance (USD) <sup>20</sup>	FY2022	FY2023	FY2024
Tax Relief and Tax Credits	-	\$3,053,792	\$305,730
Investment, R&D or Other Grants	-	\$20,310	\$115,645
Financial Assistance Received by the Government (United States)	-	\$2,762,830	\$421,375
Financial Assistance Received by the Government (Canada)	-	\$311,272	\$0

<sup>&</sup>lt;sup>20</sup> FY2023 is the first year where financial assistance (USD) information was reported.

**OUR APPROACH** 

**TO ESG** 

#### **Environmental Data**

Production (Short Tons)	FY2022	FY2023	FY2024
Production Volume	5,469,520	4,659,831	5,294,681
Production Volume (U.S. Consumer)	5,416,136	4,605,999	5,241,752
Production Volume (Hawthorne)	53,384	53,832	52,929

Waste * <sup>21</sup>	FY2022	FY2023	FY2024
Total Hazardous and Non-Hazardous Waste Generated (Short Tons)	31,280.3	42,942.7	34,406.6
Total Non-Hazardous Waste Generated (Short Tons)	27,798.5	39,044.5	31,105.3
Waste to Landfill (Short Tons)	15,389.6	19,479.2	16,834.8
Waste Diverted from Landfills (Short Tons)	2,025.2	9,354.8	2,143.7
Total Waste Incinerated (Short Tons)	947.3	392.1	202.9
Hazardous Waste Generated (Short Tons)	3,481.8	3,898.2	3,301.3
Waste Intensity (Short Tons per Production Ton)	0.01	0.01	0.01
Recycled Green Waste into New Products (Lbs)	5,831,844,677	5,550,420,915	6,495,197,085

<sup>\*</sup> September 2025 Restatement: Due to a formula error, we corrected the following metrics from this report: "Total Hazardous and Non-Hazardous Waste Generated (Short Tons)," "Total Non-Hazardous Waste Generated (Short Tons)" and "Waste Intensity (Short Tons per Production Ton)" for FY2022, FY2023 and FY2024.

Water Use (Megaliters) <sup>22</sup>	FY2022	FY2023	FY2024
Purchased Water	618.6	487.8	474.4
Well Water	938.7	1,550.9	465.8
Total Water Withdrawals	1,557.3	2,038.7	940.1
Water Withdrawal Intensity (Megaliters per Production Ton)	0.00028	0.00044	0.00018
Treated Wastewater Discharged <sup>23</sup>	3.6	2.2	1.4
Water Recycled and Reused <sup>24</sup>	8.0	5.4	7.9
Total Water Consumption	1,553.7	2,036.5	938.8
Total Actual and Opportunity Costs from Water- Related Incidents (USD)	\$—	\$—	\$116,206.49

 $<sup>^{21}</sup>$  In FY2022, 91.9 percent of sites reported waste data. In FY2023, 100 percent of sites reported waste data. In FY2024, 100 percent of sites reported waste data.

GHG Emissions (MT CO2e) <sup>25,26</sup>	FY2022	FY2023	FY2024
Total Scope 1 Emissions (CO2e)	82,778	105,661	74,460
Scope 1 CO2 Emissions	82,636	83,529	59,378
Scope 1 CH4 Emissions	70	701	454
Scope 1 N2O Emissions	149	6	8
Scope 1 HFCs Emissions	631	878	350
Scope 1 Coverage of SMG's Operations (Percentage)	100%	100%	100%
Scope 2, Location-Based (CO2e)	60,813	53,764	38,052
Scope 2, Market-Based (CO2e)	60,813	53,764	40,526
Scope 2 Location-Based Coverage of SMG's Operations (Percentage)	100%	100%	100%
GHG Emissions Intensity (MT CO2e per Production Ton)	0.03	0.03	0.02

Energy (GJ) <sup>27,28</sup>	FY2022	FY2023	FY2024
Total Energy Use	1,895,467	1,889,059	1,339,520
Energy Intensity (per Production Ton)	0.35	0.41	0.25
Energy Consumption from Renewable Sources (Enterprise Level)	0.00	0.00	0.00
Energy Consumption from Non-Renewable Sources (Enterprise Level)	1,895,467	1,899,059	1,339,520
Purchased Electricity	568,292	501,155	379,887
Total Fuel (excluding feedstock) Consumed from Renewable Sources	0	0	0
Total Fuel (excluding feedstock) Consumed from Non-Renewable Sources	1,327,175	1,387,904	959,633
Total Fuel Consumed (Sales Fleet)	315,106	293,516	301,932
Total Fuel Consumed (Trucking Fleet)	1,216,126	877,359	427,101
Total Fuel Consumed (Corporate Aircraft)	557,861	438,536	268,717

	FY2022		FY2023		FY2024	
Air Emissions (kg) <sup>29</sup>	Kilograms	Coverage of SMG's Operations (Percentage)	Kilograms	Coverage of SMG's Operations (Percentage)	Kilograms	Coverage of SMG's Operations (Percentage)
Nitrogen Oxides (NOX)	12,503.4	100%	10,215.1	100%	10,759.0	100%
Sulfur Oxides SOX)	75.2	100%	61.6	100%	64.4	100%
Particulate Matter (PM)	16,438.2	100%	6,976.2	100%	5,724.3	100%
Volatile Organic Compounds VOCs)	1,909.7	100%	1,642.0	100%	1,669.2	100%

Emissions Intensity (Tons per USD Million Sales)	FY2022	FY2023	FY2024
NOX Emissions Intensity	0.004	0.003	0.003
SOX Emissions Intensity	0.000	0.000	0.000
PM Intensity	0.005	0.002	0.002
VOC Intensity	0.001	0.001	0.001

Environmental Management System (EMS)	FY2022	FY2023	FY2024
Coverage of EMS Verified Through International Standards	0%	0%	0%
Coverage of EMS Verified by Third Party	33%	33%	33%
Coverage of EMS Verified by Internal Specialists	66%	66%	66%

<sup>&</sup>lt;sup>22</sup> Organization-wide including corporate offices. In FY2024, 55.22 percent of sites reported purchased water data and 29.85 percent of sites reported well water data. In FY2023, 56.94 percent of sites reported purchased water data and 63.33 percent of sites reported well water data. In FY2022, 56.76 percent of sites reported purchased water data and 25.68 percent of sites reported well water data.

 $<sup>^{23}</sup>$  FY2022 includes data from the Ft. Madison, Santa Rosa and Marysville plants. FY2023 includes data from the Marysville plant. FY2024 includes data from the Marysville plant.

<sup>&</sup>lt;sup>24</sup> Includes data from the Marysville plant.

<sup>&</sup>lt;sup>25</sup> Totals may not equal sum of components due to independent rounding.

<sup>&</sup>lt;sup>26</sup> Scope 1 and 2 emissions for FY2024 reflect a revised calculation methodology, which, following a detailed audit, corrected for previous overestimations. This update includes refined natural gas and electricity consumption data, as well as more accurate refrigerant emissions reporting.

<sup>&</sup>lt;sup>27</sup> Total Fuel Consumed (Sales Fleet), Total Fuel Consumed (Trucking Fleet) and Total Fuel Consumed (Corporate Aircraft) are in gallons.

<sup>&</sup>lt;sup>28</sup> FY2022 Purchased Electricity value is restated to include previously omitted data which resulted in underreporting. This restatement does not impact the FY2022 Total Energy Use value.

 $<sup>^{29}</sup>$  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.

#### **Social Data**

Health and Safety *	FY2022	FY2023	FY2024
Number of Lost Time Incidents	37	31	43
Total Number of Recordable Injuries	115	95	112
Total Number of Injuries	553	598	674
Total Number of Fatalities	0	0	0
Fatality Rate: Direct Employees	0%	0%	0%
Fatality Rate: Contract Employees	0%	0%	0%
Total Incident Rate	1.5	1.5	1.7
Total Lost Time Rate	0.5	0.5	0.7
Transport Incidents		2.00	2.00

<sup>\*</sup> September 2025 Restatement: Due to a data omission, we corrected the following metric in this report: "Total Number of Fatalities" for FY2024. The original blank cell has been updated to zero, reflecting that no fatalities occurred during this period.

People <sup>30</sup>	FY2022		FY2023		FY2024	
Headcount						
Total Regular Associates	6,094		5,533		5,336	
Temporary/Contract Associates			662		1,383	
Total Headcount			6,195		6,719	
Workforce Levels <sup>31,32</sup>	Number	Percent	Number	Percent	Number	Percent
Hourly	4,016	66%	3,637	66%	3,485	65%
Coordinator/Clerk/Analyst/ Specialist	452	7%	405	7%	389	7%
Senior Analyst/Senior Specialist	397	7%	377	7%	362	7%
Supervisor/Manager	1,017	17%	936	17%	922	17%
Director	153	3%	132	2%	134	3%
VP/SVP	53	1%	39	1%	39	1%
EVP/COO/CEO	6	0.10%	7	0.13%	5	0.09%
Workforce Age	Number	Percent	Number	Percent	Number	Percent
30 Years of Age and Under	1,307	21%	1,090	20%	718	17%
31-50 Years of Age	2,854	47%	2,612	47%	2,238	53%
51 Years of Age and Over	1,933	32%	1,831	33%	1,293	30%

People <sup>33</sup>	FY2022		FY2023		FY2024	
Total Workforce Gender	Number	Percent	Number	Percent	Number	Percent
Female	1,451	24%	1,354	24%	1,120	26%
Male	4,517	74%	4,045	73%	3,022	71%
Not Declared	126	2%	134	2.4%	107	3%
Workforce Gender: Salaried Employees	Number	Percent	Number	Percent	Number	Percent
Female	751	36%	719	38%	1,114	37%
Male	1,284	62%	1,134	60%	676	60%
Not Declared	43	2%	43	2%	61	3%
Workforce Gender: Salaried, Director and Below	Number	Percent	Number	Percent	Number	Percent
Female	732	36%	705	38%	313	28%
Male	1,246	62%	1,103	60%	763	69%
Not Declared	41	2%	42	2%	34	3%
Leadership Gender (VP, SVP and EVP)	Number	Percent	Number	Percent	Number	Percent
Female	19	32%	14	30%	11	25%
Male	38	64%	31	67%	33	75%
Not Declared	2	3%	1	2%	0	—%
Workforce Diversity: Salaried Employees	Number	Percent	Number	Percent	Number	Percent
Minority	198	12%	183	10%	186	10%
White	1,412	87%	1,290	68%	1,267	68.4%
Not Declared	5	0.3%	423	22%	398	21.5%
Workforce Diversity: LEADERSHIP (VP, SVP and EVP)	Number	Percent	Number	Percent	Number	Percent
Minority	4	7%	2	4%	2	5%
White	48	84%	40	87%	38	86%
Not Declared	5	9%	4	9%	4	9%

37%	Ро
60%	Fe Po Ge
3%	Ge
Percent	Fe Po
28%	Tot
69%	Mi
3%	Δ N
Percent	Δ
25%	Е
75%	H
—%	H
	Т
Percent	C
10%	Wł
68.4%	No
21.5%	
Percent	
E0/	

People <sup>33</sup>	FY2022	FY2023		FY2024		
Gender Diversity in Management Positions	Number	Percent	Number	Percent	Number	Percent
Females in All Management Positions	-	30%	-	29%	-	29%
Females in Junior Management Positions	-	20%	-	23%	-	21%
Females in Top Management Positions	-	31%	-	33%	-	30%
Females in Management Positions in Revenue- Generating Functions	-	23%	-	21%	-	20%
Females in STEM-related Positions	-	36%	-	39%	-	38%
Total Workforce Diversity	Number	Percent	Number	Percent	Number	Percent
Minority (Total)	1,266	21.0%	1,110	20.5%	1,119	21%
American Indian or Alaska Native		0.5%		0.5%	33	0.6%
Asian		1.8%		1.7%	84	1.6%
Black or African American		6.4%		6.7%	354	6.6%
Hawaiian or Pacific Islander		—%			18	0.3%
Hispanic or Latino		10.4%		9.8%	586	11.0%
Two or more Races		1.4%		1.0%	43	0.8%
Other <sup>34</sup>		0.3%		0.3%	1	0.02%
White	3,178	52.1%	2,973	53.7%	2,899	54.3%
Not Declared <sup>35</sup>	1,650	27.1%	1,450	26.2%	1,318	24.7%

 $<sup>^{30}</sup>$  Due to rounding, some percentages may not total 100 percent.

 $<sup>^{31}</sup>$  In FY2022, we created new breakdown workforce levels to illustrate a better representation of all levels and ensure all employees are included in the data.

<sup>&</sup>lt;sup>32</sup> Relates to Regular Associates. Does not include Temporary/Contract associates.

<sup>&</sup>lt;sup>33</sup> Due to rounding, some percentages may not total 100 percent.

<sup>&</sup>lt;sup>34</sup> In the 2022 Corporate Responsibility Report, the 'Other' calculation included 'Not Declared', 'Hawaiian or Pacific Islander' and 'Two or more Races'. In the 2023, 2024 and 2025 Corporate Responsibility reports we have replaced the 31.4 percent 'Other' calculation with additional ethnicity workforce levels to illustrate a better representation of our workforce diversity.

<sup>&</sup>lt;sup>35</sup> Prior to FY2022, 'Not Declared' was included in the 'Other' calculation.

# Social Data (Continued)

Regional People Data <sup>36</sup>	FY2022	FY2023	FY2024
Hourly Employees by Region	Number	Number	Number
Canada	462	447	463
China	0	0	0
Mexico		0	0
Netherlands	0	0	0
United Kingdom	0	0	0
United States of America	3,554	3,190	3,022
Salaried Employees by Region	Number	Number	Number
Canada	171	158	154
China	35	36	26
Mexico		37	43
Netherlands	65	37	32
United Kingdom	2	0	0
United States of America	1,805	1,628	1,596
VP and Above Employees by Region	Number	Number	Number
Canada	1	1	1
China	0	0	0
Mexico		0	0
Netherlands	1	1	0
United Kingdom	0	0	0
United States of America	57	44	43
Total Employees by Region	Number	Number	Number
Canada	633	605	617
China	35	36	26
Mexico		37	43
Netherlands	65	37	32
United Kingdom	2	0	0
United States of America	5,359	4,818	4,618

 $<sup>^{36}</sup>$  We began conducting business in Mexico in FY2023. We no longer conducted business in the United Kingdom in FY2023.

Human Capital Management	FY2022	FY2023	FY2024
Training and Development <sup>37</sup>	Hours	Hours	Hours
Average Hours per FTE of Training and Development	7.1	4.3	4.3
Average Hours per Female FTE of Training and Development	6.7	3.9	4.0
Average Hours per Male FTE of Training and Development	7.2	4.4	4.4
Collective Bargaining Agreements	Percent	Percent	Percent
Employees Covered by Collective Bargaining Agreements		3.6%	3.8%
Wage (USD/hour)			
Minimum Hourly Wage	\$15.00/hr	\$15.90/hr	\$15.90/hr
Average Hourly Wage	\$24.32/hr	\$25.92/hr	\$27.08/hr
Parental Leave (Weeks)			
Paid Maternity Leave <sup>38</sup>	8	8	8
Paid Parental Leave for Primary Caregiver <sup>39</sup>	4	4	4
Paid Parental Leave for Non-Primary Caregiver	4	4	4
Unpaid Parental Leave for Primary and Non-Primary Caregiver (Bonding Time) <sup>40</sup>	6	6	6
Number of Female Associates Entitled to Parental Leave		1,142	1,104
Number of Male Associates Entitled to Parental Leave		3002	2,976
Number of Female Associates That Took Parental Leave		29	36
Number of Male Associates That Took Parental Leave		140	141

Human Capital Management	FY2022		FY2023		FY2024	
Parental Leave	Number	Percent	Number	Percent	Number	Percent
Number of Female Associates That Returned to Work After Parental Leave Ended			24	83%	34	94%
Number of Male Associates That Returned to Work After Parental Leave Ended			139	99%	140	99%

 $<sup>^{39}</sup>$  Paid Parental Leave is for all parents to bond with their new baby, adopted child or fostered child.

Talent Attraction and Retention	FY2022		FY2023		FY2024	
Employee Hires	Number	Rate	Number	Rate	Number	Rate
Total New Employee Hires	2,460	-	2296	-	2,151	-
Total New Employee Hires – Female	544	-	530	-	469	-
Total New Employee Hires – Male	1,721	-	1598	-	1,490	-
Total New Employee Hires – Under 30	1,023	-	944	-	937	-
Total New Employee Hires – 30-50	862	-	816	-	754	-
Total New Employee Hires – Over 50	575	-	536	-	460	-
Total New Employee Hires – U.S.	2,138	-	1990	-	1,831	-
Total New Employee Hires – Canada	290	-	257	-	296	-
Percentage of Open Positions Filled by Internal Candidates (Internal Hires)	-	26.1%	-	27.5%	-	27.5%
Employee Turnover	Number	Rate	Number	Rate	Number	Rate
Total Employee Turnover	3,600	26.7%	1,397	28.8%	789	17.3%
Total Employee Turnover – Female	930	27.7%	288	23.2%	174	14.9%
Total Employee Turnover – Male	2,538	25.4%	1,065	30.4%	575	17.6%
Total Employee Turnover – Under 30	1,339	41.4%	383	42.7%	199	25.8%
Total Employee Turnover – 30- 50	1,392	22.2%	687	27.8%	373	16.0%
Total Employee Turnover – Over 50	869	21.3%	327	22.0%	217	14.8%
Total Employee Turnover – U.S.	3,215	26.8%	1,224	29.5%	626	16.3%
Total Employee Turnover – Canada	351	25.2%	134	22.7%	129	21.7%
Voluntary Employee Turnover Rate		12.9%		13.3%		11.0%

Suppliers	FY2022	FY2023	FY2024
Proportion of Spending on Local		10.6%	10.2%
Suppliers <sup>41</sup>			

 $<sup>^{37}</sup>$  We have updated our methodology for FY23 to more accurately reflect actual time spent on training and development. Previously, data was calculated based on learning application open time. Current data represents the entire length of the learning event.

 $<sup>^{38}</sup>$  Paid Maternity Leave (Short-term disability) is for mothers who have given birth for medical recovery.

 $<sup>^{40}</sup>$  Unpaid Parental Leave is for all parents to bond with their new baby, adopted child or fostered child.

 $<sup>^{41}</sup>$  This value takes into account the percentage of total procurement spend on suppliers in Ohio, USA.

# **GRI Content Index**

2021 GRI Standard and Title	Disclosure No. and Title	Location or Direct Response
GRI 2: General	Disclosures 2021	
The Organizati	on and its reporting praction	ces
GRI 2: General Disclosures 2021	2-1 Organizational Details	The Scotts Miracle-Gro Company Publicly traded company 14111 Scottslawn Road, Marysville, OH 43041 United States, Canada, the Netherlands and China
	2-2 Entities included in the organization's sustainability reporting	2024 Form 10-K, p. 2-8, 30-32, 71-72
	2-3 Reporting period, frequency and contact point	Sustainability Reporting Period: October 1, 2023 - September 30, 2024 Annual reporting cycle Financial Reporting Period: October 1, 2023 - September 30, 2024 Sustainability Report Publication Date: July 30, 2025 Katherine Dickens - Director, ESG and Social Impact (sustainability@scotts.com)
	2-4 Restatements of information	We identified an error in our FY2022 energy data which underreported the Purchased Electricity value. It has been corrected in this year's report. This restatement does not impact the FY2022 Total Energy Use value.
	2-5 External Assurance	The company is not seeking assurance for this year's sustainability report.
Activities and \	Workers	
	2-6 Activities, value chain and other business relationships	Retail, Cannabis, Consumer Goods, Chemical 2025 CR Report, Who We Are, About ScottsMiracle-Gro, p. 5 2024 Form 10-K, p. 2-8
	2-7 Employees	2025 CR Report, Appendix, Social Data, p. 69-70
	2-8 Workers who are not employees	2025 CR Report, Appendix, Social Data, p. 69

Statement of Use: ScottsMiracle-Gro has reported with reference to the GRI Standards for the period October 1, 2023– September 30, 2024.

2021 GRI Standard and Title	Disclosure No. and Title	Location or Direct Response
GRI 2: General	Disclosures 2021	
Governance		
GRI 2: General Disclosures	2-9 Governance structure and composition	2025 CR Report, Our Approach to ESG, Governance, p. 7 2024 Form DEF14A, p. 3-16
2021	2-10 Nomination and selection of the highest governance body	2024 Form DEF14A, p. 3-21
	2-11 Chair of the highest governance body	2025 CR Report, Our Approach to ESG, Governance, p. 7 2024 Form DEF14A, p. 3-7, 10
	2-12 Role of the highest governance body in overseeing the management of impacts	2025 CR Report, Our Approach to ESG, Governance, p. 7-8 Nominating and Governance Committee Charter Innovation and Technology Committee Charter
	2-13 Delegation of Responsibility for managing impacts	2025 CR Report, Our Approach to ESG, Governance, p. 7-8 Nominating and Governance Committee Charter Innovation and Technology Committee Charter
	2-14 Role of the highest governance body in sustainability reporting	2025 CR Report, Our Approach to ESG, Governance, p. 7-8 Nominating and Governance Committee Charter Innovation and Technology Committee Charter
	2-15 Conflicts of interest	2024 Form 10-K, p. 8-22 2024 Form DEF14A, p. 3-13 Code of Business Conduct and Ethics, p. 15
	2-16 Communication of critical concerns	2024 Form DEF14A, p. 18  Due to the sensitive nature of critical concerns, these figures are only for internal use (except where external reporting is legally required). The Company follows its internal escalation process as appropriate for communicating concerns to the appropriate committee(s) of the SMG Board of Directors.
	2-17 Collective knowledge of the highest governance body	2025 CR Report, Our Approach to ESG, Governance, p. 7-9

	•	, ,
2021 GRI Standard and Title	Disclosure No. and Title	Location or Direct Response
GRI 2: General	Disclosures 2021	
Governance		
GRI 2: General Disclosures 2021	2-18 Evaluation of the performance of the highest governance body	2025 CR Report, Our Approach to ESG, Governance, p. 7 Nominating and Governance Committee Charter Innovation and Technology Committee Charter
	2-19 Remuneration policies	2025 CR Report, Our Approach to ESG, Governance, p. 7 2024 Form DEF14A, p. 18-45
	2-20 Process to determine remuneration	2025 CR Report, Our Approach to ESG, Governance, p. 7 2025 CR Report, Supporting Our People, Compensation Philosophy, p. 61 2024 Form DEF14A, p. 18-45
	2-21 Annual total compensation ratio	2024 Form DEF14A, p. 56
Strategy, Polic	ies and Practices	
GRI 2: General Disclosures	2-22 Statement on sustainable development strategy	2025 CR Report, Introduction, Letter from Leadership, p. 3
2021	2-23 Policy Commitments	Our Position on Human Rights Code of Business Conduct and Ethics
	2-24 Embedding policy commitments	Our Position on Human Rights Code of Business Conduct and Ethics 2025 CR Report, Our Approach to ESG, Governance, p. 7-9
	2-25 Processes to remediate negative impacts	N/A
	2-26 Mechanisms for seeking advice and raising concerns	Our Position on Human Rights Code of Business Conduct and Ethics
	2-27 Compliance with laws and regulations	2024 Form 10-K, p. 6, 26, 46, 106-107
	2-28 Membership associations	2025 CR Report, Our Approach to ESG, Stakeholder Engagement, p. 12
Stakeholder Er	ngagement	
GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement	2025 CR Report, Our Approach to ESG, Stakeholder Engagement, p. 11-12
	2-30 Collective bargaining agreements	2025 CR Report, Supporting Our People, Associate Engagement, p. 58 2025 CR Report, Appendix, Social Data, p. 70

# **GRI Content Index** (Continued)

2021 GRI Standard and Title	Disclosure No. and Title	Location or Direct Response
GRI 2: Genera	al Disclosures 2021	
Stakeholder Er	ngagement	
GRI 3: Material	3-1 Process to determine material topics	2025 CR Report, Our Approach to ESG, Materiality, p. 14-16
Topics 2021	3-2 List of material topics	2025 CR Report, Our Approach to ESG, Materiality, p. 15
Strategic Fo	cus Area: Product Stew	ardship and Safety
Product Stewa	rdship	
GRI 3: Material Topics 2021	3-3 Management of material topics	2025 CR Report, Our Approach to ESG, p. 7-17 2025 CR Report, Innovative Products, p. 21-30
GRI 1: Foundation 2021		2025 CR Report, Our Approach to ESG, ESG Focus Areas and Goals, p. 17 2025 CR Report, Innovative Products, p. 21-30
Product Safety	and Performance	
GRI 3: Material Topics 2021	3-3 Management of material topics	2025 CR Report, Our Approach to ESG, p. 7-17 2025 CR Report, Innovative Products, p. 21-30
GRI 1: Foundation 2021		2025 CR Report, Our Approach to ESG, ESG Focus Areas and Goals, p. 17 2025 CR Report, Innovative Products, p. 21-30
Consumer Safe	ety	
GRI 3: Material Topics 2021	3-3 Management of material topics	2025 CR Report, Our Approach to ESG, p. 7-17 2025 CR Report, Innovative Products, p. 21-30 2025 CR Report, Appendix, Product Data, p. 67
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	2025 CR Report, Our Approach to ESG, p. 7-17 2025 CR Report, Innovative Products, p. 21-30 2025 CR Report, Appendix, Product Data, p. 67
	416-2 Incidents of non- compliance concerning the health and safety impacts of products and services	2025 CR Report, Appendix, Product Data, p. 67
Packaging		
GRI 3: Material Topics 2021	3-3 Management of material topics	2025 CR Report, Our Approach to ESG, p. 7-17 2025 CR Report, Innovative Products, Packaging & Optimization, p. 25-27 2025 CR Report, Operating Sustainably, Waste, p. 35-36

2021 GRI Standard and Title	Disclosure No. and Title	Location or Direct Response
Strategic Fo	cus Area: Product Stew	ardship and Safety
Packaging		
GRI 301: Materials 2016	301-1 Materials used by weight or volume	2025 CR Report, Appendix, Environmental Data, p. 68
	301-2 Recycled input materials used	2025 CR Report, Our Approach to ESG, ESG Focus Areas and Goals, p. 17 2025 CR Report, Innovative Products, Packaging & Optimization, p. 25-27
Strategic Fo	cus Area: Operations ar	nd Supply Chain
Supply Chain I	Management	
GRI 3: Material Topics 2021	3-3 Management of material topics	2025 CR Report, Our Approach to ESG, p. 7-17 2025 CR Report, Operating Sustainably, Suppliers, p. 40-41
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	2025 CR Report, Operating Sustainably, Suppliers, p. 40-41 2025 CR Report, Appendix, Social, p. 70
GRI 308: Supplier Environ- mental Assessment	308-1 New suppliers that were screened using environmental criteria	2025 CR Report, Operating Sustainably, Suppliers, p. 40-41
	308-2 Negative environmental impacts in the supply chain and actions taken	2025 CR Report, Operating Sustainably, Suppliers, p. 40-41 2025 CR Report, Our Approach to ESG, Governance, Supplier Code of Conduct, p. 8-9
GRI 414: Supplier Social	414-1 New suppliers that were screened using social criteria	2025 CR Report, Operating Sustainably, Suppliers, p. 40-41
Assessment 2016	414-2 Negative social impacts in the supply chain and actions taken	2025 CR Report, Operating Sustainably, Suppliers, p. 40-41 2025 CR Report, Our Approach to ESG, Governance, Supplier Code of Conduct, p. 8-9
Emissions		
GRI 3: Material Topics 2021	3-3 Management of material topics	2025 CR Report, Our Approach to ESG, p. 7-17 2025 CR Report, Operating Sustainably, Energy and Emissions, p. 38-39
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	2025 CR Report, Operating Sustainably, Energy and Emissions, p. 38-39 2025 CR Report, Appendix, Environmental Data, p. 68 2025 CR Report, Appendix, About Our Data, p. 67
	305-2 Energy indirect (Scope 2) GHG emissions	2025 CR Report, Operating Sustainably, Energy and Emissions, p. 38-39 2025 CR Report, Appendix, Environmental Data, p. 68 2025 CR Report, Appendix, About Our Data, p. 67

2021 GRI Standard and Title	Disclosure No. and Title	Location or Direct Response
Strategic Fo	cus Area: Operations ar	nd Supply Chain
Emissions		
GRI 305: Emissions 2016	305-4 GHG emissions intensity	2025 CR Report, Operating Sustainably, Energy and Emissions, p. 38-39 2025 CR Report, Appendix, Environmental Data, p. 68 2025 CR Report, Appendix, About Our Data, p. 67
	305-5 Reduction of GHG emissions	2025 CR Report, Appendix, Environmental Data, p. 68 2024 CDP Response, 7.55, p. 130-132
GRI 305: Emissions 2017	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX) and other significant air emissions	2025 CR Report, Operating Sustainably, Energy and Emissions, p. 38-39 2025 CR Report, Appendix, Environmental Data, p. 68 2025 CR Report, Appendix, About Our Data, p. 67
Energy		
GRI 3: Material Topics 2021	3-3 Management of material topics	2025 CR Report, Our Approach to ESG, p. 7-17 2025 CR Report, Operating Sustainably, Energy and Emissions, p. 38-39
GRI 302: Energy 2016	302-1 Energy consumption within the organization	2025 CR Report, Operating Sustainably, Energy and Emissions, p. 38-39 2025 CR Report, Appendix, Environmental Data, p. 68
	302-3 Energy intensity	2025 CR Report, Operating Sustainably, Energy and Emissions, p. 38-39 2025 CR Report, Appendix, Environmental Data, p. 68
	302-4 Reduction of energy consumption	2025 CR Report, Operating Sustainably, Energy and Emissions, p. 38-39
Climate Chang	ge	
GRI 3: Material Topics 2021	3-3 Management of material topics	2025 CR Report, Our Approach to ESG, p. 7-17 2024 CDP Response, 7, p. 58-73
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	2025 CR Report, Our Approach to ESG, Governance, Enterprise Risk Management, p. 9 2024 CDP Response, 2, 5, p. 9-27
Effluents and Waste		
GRI 3: Material Topics 2021	3-3 Management of material topics	2025 CR Report, Our Approach to ESG, p. 7-17 2025 CR Report, Innovative Products, Packaging & Optimization, p. 25-27 2025 CR Report, Operating Sustainably, p. 35-37 2025 CR Report, Appendix, Environmental Data, p. 68 2024 CDP Response, 2.5, 3.1-3.6, 4.11, 7.52, p. 21-28, 48-55, 127

# **GRI Content Index** (Continued)

2021 GRI Standard and Title	Disclosure No. and Title	Location or Direct Response	
Strategic Focus Area: Operations and Supply Chain			
Effluents and \	Waste		
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	2025 CR Report, Our Approach to ESG, p. 7-17 2025 CR Report, Operating Sustainably, Water, p. 36-38 2025 CR Report, Appendix, Environmental Data, p. 68 2024 CDP Response, 2.2.2, 2.5, 3.1, 3.6, p. 14-15, 20- 25, 28-30	
	303-2 Management of water discharge-related impacts	2025 CR Report, Our Approach to ESG, p. 7-17 2025 CR Report, Operating Sustainably, Water, p. 36-38 2025 CR Report, Appendix, Environmental Data, p. 68 2024 CDP Response, 2.2.2, 2.5, 3.1, 3.6, 4.11-4.6.1, 4.11.1, p. 14-15, 20-25, 28-30, 34-48, 50-55	
	303-3 Water withdrawal	2025 CR Report, Operating Sustainably, p. 36-38 2025 CR Report, Appendix, Environmental Data, p. 68 2024 CDP Response, 7.52, 9.2-9.5, p. 128, 137-143, 145-150	
	303-4 Water discharge	2025 CR Report, Operating Sustainably, p. 36-38 2025 CR Report, Appendix, Environmental Data, p. 68 2024 CDP Response, 7.52, 9.2, p. 138-140, 143-144	
	303-5 Water consumption	2025 CR Report, Operating Sustainably, p. 36-38 2025 CR Report, Appendix, Environmental Data, p. 68 2024 CDP Response, 9.2, p. 141, 144-145	
GRI 306: Waste 2020	306-1 Waste generation and significant waste related impacts	2025 CR Report, Operating Sustainably, Waste, p. 35-36 2025 CR Report, Appendix, Environmental Data, p. 68	
	306-2 Management of significant waste-related impacts	2025 CR Report, Operating Sustainably, Waste, p. 35-36 2025 CR Report, Appendix, Environmental Data, p. 68	
	306-3 Waste generated	2025 CR Report, Operating Sustainably, Waste, p. 35-36 2025 CR Report, Appendix, Environmental Data, p. 68 2024 CDP Response, 7.52, p. 127	
Strategic Fo	cus Area: Operations ar	nd Supply Chain	
Effluents and \	Waste		
GRI 306: Waste 2020	306-4 Waste diverted to disposal	2025 CR Report, Operating Sustainably, Waste, p. 35-36 2025 CR Report, Appendix, Environmental Data, p. 68	
	306-5 Waste directed to disposal	2025 CR Report, Operating Sustainably, Waste, p. 35-36 2025 CR Report, Appendix, Environmental Data, p. 68	

2021 GRI Standard and Title	Disclosure No. and Title	Location or Direct Response
Strategic Fo	cus Area: Associate Eng	gagement and Wellness
Diversity and	Equal Opportunity	
GRI 3: Material Topics 2021	3-3 Management of material topics	2024 Form 10-K, p. 6-7 2025 CR Report, Our Approach to ESG, p. 7-17 2025 CR Report, Supporting Our People, Diversity and Human Rights, p. 57
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	2025 CR Report, Supporting Our People, Diversity and Human Rights, p. 57 2025 CR Report, Supporting Our People, Associate Data, p. 65 2025 CR Report, Appendix, Social Data, p. 69-70 2024 Form DEF14A, p. 4-13
Talent Attracti	ion and Retention	
GRI 3: Material Topics 2021	3-3 Management of material topics	2024 Form 10-K, p. 6-8 2025 CR Report, Our Approach to ESG, p. 7-17 2025 CR Report, Supporting Our People, p. 57-64
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	2025 CR Report, Appendix, Social Data, p. 69-70
	401-2 Benefits provided to full time employees that are not provided to temporary or part-time employees	2025 CR Report, Supporting Our People, Associate Benefits and Live <i>Total Health</i> , p. 60 2024 Form 10-K, p. 6-8
	401-3 Parental leave	2025 CR Report, Appendix, Social Data, p. 70
GRI 403: Occupational Health and	403-1 Occupational health and safety management system	2025 CR Report, Operating Sustainably, Health and Safety, p. 33-34 2024 Form 10-K, p. 7
Safety 2018	403-2 Hazard identification, risk assessment and incident investigation	2025 CR Report, Operating Sustainably, Health and Safety, p. 33-34
	403-4 Worker participation, consultation and communication on occupational health and safety	2025 CR Report, Operating Sustainably, Health and Safety, p. 33-34

2021 GRI Standard and Title	Disclosure No. and Title	Location or Direct Response
Strategic Fo	cus Area: Associate Eng	gagement and Wellness
Talent Attraction	on and Retention	
GRI 403: Occupational Health and	403-5 Worker training on occupational health and safety	2025 CR Report, Operating Sustainably, Health and Safety, p. 33-34
Safety 2018	403-6 Promotion of worker health	2025 CR Report, Operating Sustainably, Health and Safety, p. 33-34 2025 CR Report, Supporting Our People, Associate Benefits and LiveTotal Health, p. 60
	403-8 Workers covered by an occupational health and safety management system	2025 CR Report, Operating Sustainably, Health and Safety, p. 33-34
	403-9 Work-related injuries	2025 CR Report, Operating Sustainably, Health and Safety, p. 33-34 2025 CR Report, Supporting Our People, Associate Benefits and LiveTotal Health, p. 60 2025 CR Report, Appendix, Social Data, p. 69
	403-10 Work-related ill health	2025 CR Report, Appendix, Social Data, p. 69
GRI 404: Training and Education	404-1 Average hours of training per year per employee	2025 CR Report, Supporting Our People, Investing in Development, p. 63-64 2025 CR Report, Appendix, Social Data, p. 69
2016	404-2 Programs for upgrading employee skills and transition assistance programs	2025 CR Report, Supporting Our People, Investing in Development, p. 63-64
	404-3 Percentage of new employees receiving regular performance and career development reviews	2025 CR Report, Supporting Our People, Investing in Development, p. 63-64
Strategic Fo	cus Area: Community E	ngagement
Local Commun	nities	
GRI 3: Material Topics 2021	3-3 Management of material topics	2025 CR Report, Our Approach to ESG, p. 7-17 2025 CR Report, Cultivating Strong Communities, p. 43-55
GRI 413: Local Commun- ities 2016	413-1 Operations with local community engagement, impact assessments and development programs	2025 CR Report, Cultivating Strong Communities, p. 43-55

# **GRI Content Index** (Continued)

2021 GRI Standard and Title	Disclosure No. and Title	Location or Direct Response								
Strategic Fo	Strategic Focus Area: Governance and Transparency									
Trust and Reputation										
GRI 3: Material Topics 2021	3-3 Management of material topics	2025 CR Report, Our Approach to ESG, p. 7-17 2025 CR Report, Supporting Our People, Our Culture, p. 57								
GRI 201: Economic Performance	201-1 Direct economic value generated and distributed	2024 Form 10-K, p. 30-52								
2016	201-2 Financial implications and other risks and opportunities due to climate change	2024 Form 10-K, p. 12 2024 CDP Response, 2-3, 5, p. 9-27								
	201-3 Defined benefit plan obligations and other retirement plans	2024 Form 10-K, p. 7, 20, 83-86								
	201-4 Financial assistance received from government	2024 Form 10-K, p. 32-50, 95-99								
Responsible C	annabis									
GRI 3: Material Topics 2021	3-3 Management of material topics	2025 CR Report, Our Approach to ESG, p. 7-17 2025 CR Report, Our Approach to ESG, Where We Stand on Important Issues, p. 13 2025 CR Report, Cultivating Strong Communities, The Foundation's Philanthropic Commitments, pg. 43 2025 CR Report, Cultivating Strong Communities, Social Justice, p. 51								
GRI 1: Foundation 2021		2025 CR Report, Our Approach to ESG, p. 7-17 2025 CR Report, Our Approach to ESG, Where We Stand on Important Issues, p. 13 2025 CR Report, Cultivating Strong Communities, The Foundation's Philanthropic Commitments, pg. 43 2025 CR Report, Cultivating Strong Communities, Social Justice, p. 51								
Public Policy										
GRI 3: Material Topics 2021	3-3 Management of material topics	2025 CR Report, Our Approach to ESG, Stakeholder Engagement, p. 12 2024 CDP Response, 4.11, p. 48-55								
GRI 415: Public Policy 2016	415-1 Political Contributions	2025 CR Report, Our Approach to ESG,, Stakeholder Engagement, p. 12 2024 CDP Response, 4.11, p. 48-55								

# **UN SDG Alignment**

In 2022, we mapped our company's sustainability efforts to the United Nations Sustainable Development Goals (UN SDGs). Throughout this report, we have added SDG icons to the sections where our SDGs align with our current actions. We look forward to identifying ways to further align with the UN SDGs in the future.



SDG	Goal	SMG's Current Alignment	Location
3 500 100.00	Ensure healthy lives and promote well- being for all at all ages	<ul> <li>Promotes mental and physical health and well-being of associates through the LiveTotal Health program</li> <li>Promotes mental and physical health and well-being of community members by encouraging healthier lifestyles, creating community gardens, greenspaces and beautification projects, and supporting Pelotonia and the American Heart Association</li> </ul>	2025 CR Report. Cultivating Strong Communities, p. 43-55
6 MANAGEMENT	Ensure availability and sustainable management of water and sanitation for all	<ul> <li>Engages in water stewardship, quality, quantity, conservation and protection efforts, supported by the National Partner Network</li> <li>Promotes scientific innovation to help protect vital waterways and advocate for all Americans' right to safe and accessible water</li> <li>Reduces and mitigates wastewater impacts, finds new ways to beneficially reuse wastewater</li> </ul>	2025 CR Report, Operating Sustainably, Water, p. 36-38
8 #####################################	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Promotes safe and secure working environments for all workers through occupational health and safety efforts outlined in the Health and Safety section of this report, Code of Business Conduct and Ethics, Supplier Code of Conduct and Human Rights Statement Invests in associate growth and development, talent acquisition and innovation through R&D	2025 CR Report, Our Approach to ESG, p. 7-17 2025 CR Report, Operating Sustainably, Health and Safety, p. 33-34 Supporting Our People, Investing in Development, p. 63-64

SDG	Goal	SMG's Current Alignment	Location
10 MONTH	Reduce inequality within and among countries	<ul> <li>Invests in fighting for reform to address complex racial, societal and economic inequalities tied to cannabis to create a more just and equitable industry</li> <li>Engages in public policy efforts through political and lobbying contributions that promote a more just and equitable society</li> </ul>	2025 CR Report, Cultivating Strong, Communities, Social Justice, p. 51-55
12 ************************************	Ensure sustainable consumption and production patterns	<ul> <li>Explores new and more sustainable ways to deliver products to customers through design optimization and improved packaging</li> <li>Explores sustainable sourcing and recycling options to reduce plastic used in packaging, increase consumer brand packaging that can be recycled or reused and increase recycled content in plastic packaging</li> </ul>	2025 CR Report, Innovative Products, Packaging & Optimization, p. 25-27, 2025 CR Report, Operating Sustainably, Waste, p. 35-36

## **SASB Index**

ScottsMiracle-Gro has reported with consideration of the Sustainability Accounting Standards Board's (SASB's) Chemicals industry standard for the period October 1, 2023– September 30, 2024.

SASB Standard Topic	Code	Accounting Metric	Unit of Measure	Page Number(s), URL(s)						
Table 1. Sustair	Table 1. Sustainability Disclosure Topics and Accounting Metrics									
Greenhouse Gas	Greenhouse Gas Emissions									
Greenhouse Gas Emissions	RT-CH- 110a.1	Gross global Scope 1 emissions	Metric tons (t) CO2-e,	2025 CR Report, Operating Sustainably, Energy and Emissions, p. 39 2025 CR Report, Appendix, Environmental Data, p. 68						
	RT-CH- 110a.2	Discussion of long- and short-term strategy or plan to manage Scope I emissions, emissions reduction targets and an analysis of performance against those targets	N/A	2024 CDP Response, C5, p. 58-73						
Air Quality										
Air Quality	RT-CH- 120a.1	Air emissions of the following pollutants: (1) NOX (excluding N2O), (2) SOX	Metric tons (t)	2025 CR Report, Operating Sustainably, Energy and Emissions, p. 39 2025 CR Report, Appendix, Environmental Data, p. 68						
Energy Management										
Energy Management	RT-CH- 130a.1	(1) Total energy consumed	Gigajoules (GJ),	2025 CR Report, Operating Sustainably, Energy and Emissions, p. 39 2025 CR Report, Appendix, Environmental Data, p. 68						

SASB Standard Topic	Code	Accounting Metric	Unit of Measure	Page Number(s), URL(s)
Table 1. Susta	inability D	isclosure Topics and	d Accounting	Metrics
Water Managen	nent			
Water Management	RT-CH- 140a.1	(1) Total water withdrawn	Thousand cubic meters (m3)	2025 CR Report, Operating Sustainably, Water, p. 36-38 2025 CR Report, Appendix, Environmenta Data, p. 68
	RT-CH- 140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	N/A	2025 CR Report, Operating Sustainably, Water, p. 36-38
Hazardous Wast	te Manager	nent		
Hazardous Waste Management	RT-CH- 150a.1	Amount of hazardous waste generated	Metric tons (t)	2025 CR Report, Operating Sustainably, Waste, p. 35-36 2025 CR Report, Append Environmental Data, p. 6
Community Rel	ations			
Community Relations	RT-CH- 210a.1	Discussion of engagement processes to manage risks and opportunities associated with community interests	N/A	2025 CR Report, Our Approach to ESG, Stakeholder Engagement, p. 11-12 2025 CR Report, Cultivating Strong Communities, p. 43-55
Workforce Healt	th and Safet	су		
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	2025 CR Report, Operating Sustainably, Health and Safety, p. 33-34 2025 CR Report, Appendix, Social Data, p. 69
	RT-CH- 320a.2	Description of efforts to assess, monitor and reduce exposure of employees and contract workers to long-term (chronic) health risks		2025 CR Report Operating Sustainably, Health and Safety, p. 33-34

SASB Standard Topic	Code	Accounting Metric	Unit of Measure	Page Number(s), URL(s)					
Table 1. Sustainability Disclosure Topics and Accounting Metrics									
Safety and Environmental Stewardship of Chemicals									
Safety and 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	2025 CR Report, Innovative Products, p. 21-24					
Management of t	the Legal a	nd Regulatory Environm	nent						
Management of the Legal and 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	2025 CR Report, Our Approach to ESG, Stakeholder Engagement, p. 11-12 2025 CR Report, Innovative Products, Regulatory Oversight, p. 23					
Operational Safe	ty, Emergei	ncy Preparedness and R	esponse						
Operational Safety, Emergency Preparedness and Response	RT-CH- 540a.2	Number of transport incidents	Number, Rate	2025 CR Report, Appendix, Social Data, p. 69					
Activity Metric	Activity Metric								
Production by reportable segment	RT-CH- 000.A	Production	Cubic meters (m3) and/ or metric tons (t)	2025 CR Report, Appendix, Environmental Data, p. 68					

#### **TCFD Index**

This report is intended to align with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), an international, multi-industry-led initiative launched to develop recommendations for voluntary disclosure of climate-related risk, and

to be in compliance with California SB 261. SMG conducted its first TCFD-aligned climate risk assessment in 2025, which informs the content of this index.

TCFD Category	Recommendation	Recommended Disclosures	Response	CDP Alignment (2024)	California SB 253/ SB261 Alignment
	Disclose the organization's	a. Describe the board's oversight of climate-related risks and opportunities.	2025 CR Report, Our Approach to ESG, Governance, Climate & Sustainability Governance, p. 7-8	4.1.2	
Govern- ance	governance around climate- related risks and opportunities.	b. Describe management's role in assessing and managing climate- related risks and opportunities.	2025 CR Report, Our Approach to ESG, Governance, Climate & Sustainability Governance, p. 7-8	4.3, 4.3.1	
	Disclose the actual and potential	a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.  See "Climate-Related Risks and Opportunities" table below		2.1, 2.2.2, 3.1, 3.1.1, 3.6, 3.6.1	CA SB 261 - Sec.2.b.1.A.i, Sec.2.b.1.A.ii
Strategy	impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	b. Describe the impact of climate- related risks and opportunities on the organization's businesses, strategy, and financial planning.	See "Climate-Related Risks and Opportunities" table below	3.1.1, 3.6.1, 5.1.2, 5.2, 5.3.1, 5.3.2	CA SB 261 - Sec.2.b.1.A.i, Sec.2.b.1.A.ii
	where such information is material.	c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	See "Climate-Related Risks and Opportunities" table below	5.1, 5.1.1, 5.1.2	CA SB 261 - Sec.2.b.1.A.i
		a. Describe the organization's processes for identifying and assessing climate- related risks.	We followed a structured process to identify and assess climate-related risks and opportunities in alignment with the TCFD framework. We conducted a systematic review of physical and transition climate factors that may drive both risks and opportunities, and evaluated each factor to determine relevance across our operations, products, and geographies. For each potential risk or opportunity, we applied predefined thresholds for impact and likelihood to prioritize issues based on their potential materiality. We then assessed how these risks and opportunities may vary across different climate scenarios, with particular attention to how the magnitude of financial impact may vary based on the pace of climate change. To understand financial implications, we mapped each high-priority risk and opportunity to potential impact pathways—such as cost increases or revenue decreases. Where feasible, we conducted quantitative analyses to estimate potential financial effects, such as scenario-based cost modeling or exposure quantification. This process enabled us to differentiate between short-, medium-, and long-term considerations and to highlight areas requiring mitigation or strategic response. The output provides a foundation for integrating climate considerations into business planning and resilience strategies.	2.1, 2.2.1, 2.2.2, 2.2.5, 2.2.6, 2.2.8, 2.2.9	CA SB 261 - Sec.2.b.1.A.i
Risk Manage- ment	Disclose how the organization identifies, assesses and manages climate-related risks.	b. Describe the organization's processes for managing climaterelated risks.	A cross-functional group of associates, organized by risk category, participates in an annual enterprise risk assessment. The results are used to determine the significance of each risk and are reviewed with the executive management team for alignment. The team works with responsible management to understand the activities in place to manage those enterprise risks determined to be most significant, monitors those risks and the related risk management activities and provides periodic updates to the executive leadership team and Board of Directors, as appropriate.  We also assess and evaluate short-, medium- and long-term climate risk to our business regularly, using software that looks at climate and weather impacts across regions and product categories. The software learns from data on weather patterns, forecasts and previous sales data to help us plan our production, marketing, supply chain and sales more accurately. The model is updated periodically to account for shifting patterns and trends that may impact its forecasting ability.	2.1, 2.2.1, 2.2.8, 2.2.9	CA SB 261 - Sec.2.b.1.A.ii
		c. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.	We define risk as any event that may interfere with the company's ability to achieve its strategic objectives, uphold its core convictions, or disrupt its operations. We understand that effective risk management is critical to the company's ability to successfully pursue its objectives and strategies. Our enterprise risk management (ERM) program is intended to identify, assess, and monitor enterprise-level risks. It embeds, sustains and supports a culture of responsible risk-taking and opportunity identification throughout the organization and strives to provide leadership with actionable risk intelligence that enhances organizational decision making. In order to meet the ERM program's objectives, each identified enterprise risk is organized into one of six categories (which includes an ESG risk category) and is mapped to at least one of the company's strategic objectives or core convictions. We consider impact, likelihood, vulnerability, and risk velocity when assessing risk magnitudes. A cross-functional group of associates, organized by risk category, participates in an annual enterprise risk assessment. The results are used to determine the significance of each risk and are reviewed with the executive management team for alignment. The team works with responsible management to understand the activities in place to manage those enterprise risks determined to be most significant, monitors those risks and the related risk management activities and provides periodic updates to the executive leadership team and Board of Directors, as appropriate. We view the ERM program as a valuable tool in assisting the organization with achieving its strategic objectives, including those related to climate change and other ESG topics. We continuously evaluate the adequacy of the ERM program and periodically identify and implement strategic initiatives to improve its effectiveness and organizational relevance.	2.1, 2.2.1, 2.2.2	CA SB 261 - Sec.2.b.1.A.i

# TCFD Index (Continued)

TCFD Category	Recommendation	Recommended Disclosures	Response		California SB 253/ SB261 Alignment
	nd relevant climate-related risks	a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	We calculate our greenhouse gas (GHG) emissions in accordance with the Greenhouse Gas Protocol, the internationally recognized standard for corporate GHG accounting. This includes Scope 1 (direct), Scope 2 (purchased energy) and, where applicable, relevant Scope 3 (value chain) emissions. Detailed information on our GHG calculation methodology, data sources, and boundary definitions is available in our emissions inventory disclosure, which is published separately.	7.52, 7.54, 7.54.1, 7.54.2	
Metrics and Targets		b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	2025 CR Report, Appendix, Environmental Data, p. 68	7.6, 7.7, 7.8, 7.8.1	CA SB 261 - Sec.2.b.5 CA SB 253 - Sec.2.c.1.A.i.I, Sec.2.c.1.A.i.II
		c. Describe the targets used by the organization to manage climaterelated risks and opportunities and performance against targets.	2025 CR Report, ESG Goals, p. 17-19; We are exploring greenhouse gas emissions reduction targets beginning with a future Scope 1 and 2 reduction target.	7.53, 7.53.1, 7.53.2, 7.53.4, 7.54, 7.54.1, 7.54.2	

#### **Climate-Related Risks and Opportunities**

SMG conducted scenario analysis<sup>42</sup> of the climate-related risks and opportunities most likely to result in a financial impact to our business. This process entailed the evaluation of climate scenario data relevant to our locations, products and businesses. Climate scenarios vary on assumptions about the trajectory of climate change and provide insight on how these risks and opportunities may unfold.

Risk Type	Category	Risk/Opportunity	Financial Impact <sup>43,44</sup>	Description of risk/opportunity	Time Horizon	Response/Strategy
Physical Risk	Chronic	Changing precipitation patterns and/or Increased water scarcity	Decreased revenue due to reduced demand for products and services Estimated financial impact of \$20-\$40 million in the short-, medium- and long- terms.	Sales and revenue of SMG's products could be negatively impacted by local or regional changes in precipitation patterns. Lawn care and home gardening are results-driven hobbies that depend on the natural balance of sun, shade and precipitation for performance. Although many of our products, such as our drought-resistant grass seed, are designed to provide consumers with resilience against volatile weather patterns, the overall market for our products may decline locally when weather conditions are particularly wet or dry, especially if some consumers begin to reduce or limit the quantity of green space on their properties.  Abnormally or chronically dry weather may reduce demand for lawn care and landscaping products such as grass seed, as consumers and municipalities reduce water usage. Local regulations intended to address water use in regions that face dwindling water supplies may outweigh our consumers' personal and hobbying preferences for landscaping and tending to their lawns. Once a lawn has dried out, consumers may be less likely to continue maintaining it by investing in grass seed, fertilizer or herbicides. Unusually heavy precipitation, storms or even extended cloudy conditions early in the lawn care and garden season may cause some of our consumers to limit their ambitions for their green spaces, further increasing the weather-related risks of our products.  Climate change and long-term changes in precipitation patterns may impede our ability to strategically position our products regionally and locally to meet consumer demand.	Short, Medium and Long Term	Many of SMG's products are designed to help consumers manage their lawns and gardens amid changing weather conditions, such as drought-resistant grass seed, moisture-control soils, fertilizers and herbicides. The most direct way in which we proactively manage weather-related exposure of our revenue is therefore to strategically position our products in markets based on how local weather conditions are changing in the short- and long-term. To address short-term weather patterns, SMG uses forecasting tools that provide weather-driven demand analytics. These analytics quantify weather's impact on sales for specific products at particular times and in different locations, allowing us to optimize our supply chain. The weather patterns considered include precipitation, essential soil moisture maps and drought outlooks. This data is compared against the previous year's figures to provide sales, business development and supply chain teams with a comprehensive understanding of business impact. For medium-term planning, we utilize forecasting tools that consider historical trends and seasonal outlooks. We are sufficiently nimble in our manufacturing and distribution processes that we can calibrate our product inventory as short-term weather patterns deviate from forecasts or long-term trends.
	Acute	Increased frequency of extreme weather events	Increased costs for repairs or due to delayed logistics	SMG's upstream value chain includes critical raw materials to our products including grass seed, peat moss, coconut coir, fertilizers and plastics. We source a significant proportion of our raw materials from North America, and some international suppliers, from areas such as the Netherlands and China. Our downstream value chain includes major brick and mortar and online retailers where consumers buy our products, as well as a logistics network of predominantly truck freight that delivers our product from manufacturing locations to stores and distribution centers. Worsening climate conditions may lead to an increased frequency, duration and intensity of natural disasters that impact all of these components of our value chain. For example, stockpiles of raw materials can be destroyed by severe storms, flooding or wildfires. Trucks can be delayed by storms, which can threaten our practice of strategically positioning products in regions based on local demand factors. Extreme heat episodes can negatively impact our temperature-sensitive products, such as liquid plant food that should be stored in a cool, dry place, or necessitate stop work conditions for our employees or logistics partners.	Short, Medium and Long Term	SMG conducts a loss control analysis at the vast majority of our operating locations on an annual basis, which includes a natural catastrophe analysis. These assessments provide the basis for our insurance providers to have an adequate understanding of the vulnerabilities and existing resilience measures against climate events at our facilities. Costs and revenue losses caused by weather events at individual facilities are further mitigated through our diverse geographic footprint.
Transition Risk	Policy	Increased regulations on products or facilities	Increased costs for taxes, reporting and fees or to comply with regulations on products	The procurement of raw materials and the production of the products SMG manufactures result in carbon emissions, and may therefore be subject to taxes and/or regulations intended to reduce the pace of global warming. For example, state or provincial level carbon taxes in jurisdictions such as California and Ontario already contribute to our energy costs in those locations. Enhanced regulations to limit peat harvesting may reduce our production quantities of products containing sphagnum peat moss, especially in Canada, which has a federal commitment to protect peatlands as part of a 2030 Emissions Reduction Plan. Some of our products such as fertilizers, plastic durables (e.g. grass seed spreaders), and the raw materials we procure to produce them, contain carbon in their value chains that ultimately may make them more expensive if carbon is assigned a higher price in the future and in more jurisdictions. Some of the most fundamental uses of our core products, such as watering of lawns and gardens, require household energy, implying some downstream risk if our products see some level of reduced demand in an environment of significantly higher energy prices or scarce energy resources. Many of these drivers are systemic and would unfold under pessimistic climate and macroeconomic assumptions.	Medium and Long Term	Regulations on peat harvesting are the most likely carbon-related regulation to directly influence our production and revenue in the near term. SMG ensures responsible use of peat through reducing peat content in products, seeking alternative replacement fibers, and using peat management best practices per industry standards. We are exploring greenhouse gas emissions reduction targets beginning with a future Scope I and 2 reduction target, which will correspondingly reduce our exposure to potential taxes on the energy sources of these emissions. SMG also proactively explores opportunities to reduce our carbon footprint at the facility level, further mitigating against potential costs associated with regulations intended to reduce emissions. For example, the cutting edge HVAC system at our Marysville, Ohio location monitors temperatures indoors and outdoors, and automatically opens vents to cool the facility without placing additional energy strain on the equipment.

**TO ESG** 

#### **Climate-Related Risks and Opportunities (Continued)**

Risk Type	Category	Risk/Opportunity	Financial Impact <sup>43,44</sup>	Description of risk/opportunity	Time Horizon	Response/Strategy
	Products and services	Development and/ or expansion of low emissions goods and services	Increased product revenue	We believe that our products offer consumers a strong sustainability profile, based on ingredients, product design and packaging. Many of our products will offer consumers further climate resilience benefits. One example is our ProVista turf grass, which is designed to require less water and has historically performed well in states that have encountered seasonal drought or water scarcity over the last several years, such as California, Arizona, New Mexico and Texas. ProVista turf grass also performs well in states such as Florida, where there are higher restrictions on nitrogen release, and offers energy savings in all regions, as it requires less mowing than traditional grass.  Abnormally wet or cloudy weather may increase demand for fertilizers in our Miracle-Gro segment to support grass and plant growth. Our Miracle-Gro seed starting mix may be more popular during persistently cloudy or rainy spring, when our consumers are nurturing seedlings indoors. Cloudy and damp weather or variations in temperatures may invite fungi onto consumers' lawns, increasing demand for products such as our Scotts DiseaseEx fungicide.	Medium and Long Term	While research and development of weather-resilient products is a critical component of our medium- and long-term strategy, we believe we already have a strong portfolio of products offering weather-resilience advantages to our consumers. Ensuring our products are on store shelves or available for delivery is essential if we are to capture these long-term increases in demand. For example, after periods of abnormal precipitation that may cause our consumers to invest in lawn care in specific regions, demand for some of our core products such as fertilizers and spreaders may increase. Several components of overall strategy relate directly to this long-term goal including hardening facilities and logistics networks against natural disasters, lowering energy costs, and enhancing the overall sustainability profile of our products. We also actively conduct research and development on sustainable products such as drought tolerant grass seed, that may appeal to our consumers who encounter increased volatility in local weather conditions.
Transition Opportunity	Energy Source	Procurement of retail renewable energy	Improved cost savings and reduction of exposure to transition risks	SMG intends to buy electricity in deregulated markets directly from suppliers of renewable energy, providing a cost-effective pathway to reduce our Scope 2 emissions, as we are able to leverage renewable electricity sources without investing in upfront physical infrastructure. This will reduce our risk associated with potential increases in energy costs, such as through carbon pricing. Retail purchases of renewable energy will complement SMG's efforts to reduce electricity use on site, such as by replacing palletizers with newer and more electricity-efficient models. The combined use of purchasing retail renewable energy and on-site reductions in non-renewable electricity use will gradually reduce SMG's exposure to climate-related transition risk over time.	Medium and Long Term	SMG intends to participate in Renewable Energy (RE) retail markets and unbundled Renewable Energy Credits (RECs) in deregulated markets. We estimate we have about 87,000 MWh and 52,000 MWh of applicable electricity loads for each of these markets.
	Resilience	Increased market value through resilience planning	Increased value of facilities and infrastructure	Strategic investments in our facilities that enhance their resilience against climate-related physical risks may increase the market value of our properties, particularly if weather conditions become adverse. Buildings that are built or retrofitted to withstand wildfires and other natural disasters may have higher appraisal values or more favorable insurance terms over time. In addition, resilient infrastructure can reduce the likelihood of costly operational disruptions, making these assets more attractive to investors, tenants, and other stakeholders. As regulatory expectations and buyer preferences evolve, climate-resilient properties may also benefit from stronger demand and improved long-term asset performance.	Long Term	SMG conducts a loss control analysis at the vast majority of our operating locations on an annual basis, which includes a natural catastrophe analysis. These assessments provide the basis for our insurance providers to have an adequate understanding of the vulnerabilities and existing resilience measures against climate events at our facilities. For example, we have conducted cost-benefit analyses of loss engineering control measures at some of our most critical facilities, such as sprinklers and fire partition walls, which reduce the risk of catastrophic damage during a fire.

<sup>&</sup>lt;sup>42</sup> Weather-related scenario indicators were obtained from Intergovernmental Panel on Climate Change (IPCC) and reflect a range of physical climate outcomes: 1) SSP1-RCP2.6, a relatively low-emissions scenario aligned with ambitious climate action and limited warming and 2) SSP3-RCP7.0, a relatively high-emissions scenario characterized by limited mitigation and high physical climate risk. Energy-related scenario indicators were obtained from the International Energy Agency's 2024 World Energy Outlook for the following two scenarios: 1) Stated Policies ("STEPS"), which reflects current policy intentions and announced targets and 2) Net-Zero, which

outlines a pathway for the global energy system to achieve net-zero  $CO_2$  emissions by 2050. The combination of IPCC and IEA scenarios provides coverage of a range of plausible futures, including a below  $2^{\circ}C$  pathway (SSP1-RCP2.6 and IEA Net-Zero), as well as a higher-risk scenario with limited mitigation (SSP3-RCP7.0 and IEA STEPS). This approach allows us to evaluate how climate change and the transition to a low-carbon economy could impact our business under varying policy, technological and environmental conditions.

<sup>&</sup>lt;sup>43</sup> While our comprehensive analysis includes detailed financial projections, specific risk and opportunity figures are undergoing further internal evaluation and refinement. We are committed to transparency and are determining the most appropriate methods for future public disclosure, balancing materiality and competitive considerations.

<sup>&</sup>lt;sup>44</sup> Financial impact calculations are targeted measurements and do not necessarily capture all elements of climate-related financial risk associated with the narrative description.

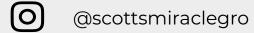


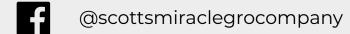
















14111 Scottslawn Road Marysville, OH 43041 scottsmiraclegro.com

sustainability@scotts.com

NYSE: SMG

