



CENTRAL
GARDEN & PET

IMPACT REPORT

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01
Overview



A Message from the CEO

Dear Stakeholders,

At Central Garden & Pet, we believe that home is central to life, and we strive to be central to home. This is why we are committed to helping lawns grow greener, gardens bloom bigger, pets live healthier and communities grow stronger. Because the Garden and Pet industries mean a great deal to so many, we understand that we have not only the opportunity but also the responsibility to make a difference and drive positive change.

The long-term profitability of our business requires us to do our part to protect the planet, care for the local areas we serve, and provide our Central employees a safe, healthy and rewarding workplace. Sustainability is embedded throughout our long-term enterprise roadmap, and brought to life through our Central Impact Strategy, which has three priorities:

- **Protecting our Planet:** focused on mitigating greenhouse gas emissions, reducing waste, increasing use of recycled or compostable material, reducing our water usage and helping our consumers do the same.
- **Cultivating our Communities:** dedicated to supporting the neighborhoods where our customers and employees live and work through philanthropy, volunteering and product stewardship.
- **Empowering our Employees:** committed to ensuring the well-being of our teams through our dedication to safety, diversity and inclusion and career development.

Because the Garden and Pet industries mean a great deal to so many, we have not only the opportunity but also the responsibility to make a difference and drive positive change.

In this inaugural report, we are pleased to share our progress and spotlight examples of our commitments in action. In 2021, we released Pennington Smart Seed, a drought-resistant, environmentally conscious seed that saves up to 30% more water annually versus traditional grass seed. We diverted millions of pounds of paper material from landfills when Kaytee creatively repurposed paper scraps into a superior bedding solution for small animals. We introduced the company's first enterprise-wide Mentorship Program focused on developing talent into future leaders. These examples, and many others, help bring to life our ongoing efforts and collective desire to make a difference. I'm also proud to showcase colleagues from across Central who have passionately championed innovation and demonstrated our ambition to create sustainable change.

While we acknowledge we are early in our journey, we are driven by our desire to do more and are invested in continuing to make meaningful advancements against our Central Impact Strategy. We will track our progress through goals that span ten critical areas, and they will be embedded into our daily operations to guide us through our next phase of growth.

Leading a company with values matters to me, and doing the right thing is embraced by everyone here at Central. We are inspired by what can be done to positively impact future generations, and we look forward to keeping you updated.

Thank you,

A handwritten signature in black ink, appearing to read 'Tim Cofer', written in a cursive style.

Tim Cofer
Chief Executive Officer
Central Garden & Pet



Central at a Glance

Who We Are

For more than 40 years, Central Garden & Pet has proudly nurtured happy and healthy homes by bringing innovative and trusted solutions to its consumers and customers. With more than 7,000 employees across our offices, distribution centers and manufacturing facilities, Central has a diverse portfolio of more than 65 beloved pet and garden brands. With strong manufacturing and distribution capabilities and a passionate, entrepreneurial culture, we are on a continual journey of growth — in our organization, industries and communities.

What We Believe

Home. A place of comfort, shelter and connection with the ones you love. No matter how big or small, home is at the center of our lives.

At Central, we provide quality products for anywhere you call home — from the house to the yard, from the stable to the city center. Our top consumer and professional brands include lawn and garden supplies like grass seed, fertilizers and weed and pest control as well as pet care like treats, toys and wellness products. We strive to offer forward thinking, innovative solutions to help gardens bloom bigger, pets live healthier, and communities grow stronger.

Home is central to life — we are central to home.



Central to Home Strategy

Our Purpose

To nurture happy and healthy homes.

Our Mission

Lead the future of the Garden and Pet industries... one blade of grass and one wagging tail at a time.

Our Values

We Do the Right Thing

- We are built on integrity, honesty and trust
- We treat everyone fairly and with respect
- We value safety, sustainability, community, diversity & inclusion

We Strive to Be the Best

- We lead our markets and measure ourselves internally and externally
- We are committed to operating excellence and continuous improvement
- We challenge the status quo and embrace change

We are Entrepreneurial

- We empower our people to run the business
- We are agile and prioritize progress over perfection
- We act like owners and hold ourselves accountable for our results

We Win Together

- We collaborate and have a “Best for Central” mindset
- We believe in competitive advantage and scale benefits as an enterprise
- We communicate openly and transparently

We Grow Every Day

- We invest in our people and encourage career development
- We innovate and grow our portfolio
- We focus on our consumer and customer

We are Passionate

- We love our garden and pet categories and our brands
- We show up every day to make a positive impact
- We care about our team and treat each other like family

Strategic Pillars

Our Central to Home Strategy focuses on five key pillars that help drive our business and institutionalize sustainability in a holistic way.



Consumer

Build and grow brands consumers love



Customer

Win with winning customers and channels



Central

Fortify the Central portfolio



Cost

Reduce costs to improve margins and fuel growth



Culture

Strengthen our entrepreneurial business unit-led growth culture



The Central pillar of our Central to Home Strategy focuses on strengthening our portfolio and ensuring a safe, responsible and sustainable future for all.

Embedded in this pillar is our Central Impact Strategy, which is our commitment and approach dedicated to corporate social responsibility.



Protecting our Planet



Cultivating our Communities



Empowering our Employees



Central Impact Strategy

Driving corporate social responsibility initiatives and using an environmental, social and corporate governance reporting construct are not only imperative to the future of Central, but integral to our operation. This report — our inaugural Central Impact Report — showcases our beliefs, actions and progress on a continuous journey of sustainability.

Although we have not formally reported on sustainability until now, corporate social responsibility has been a core part of our DNA since our founding 40 years ago. Grounded in our purpose to nurture happy and healthy homes, we are focused on working towards building stronger communities, a more diverse and well-rounded employee experience and a healthier, more sustainable operation.

As a part of our commitment to corporate stewardship, Central undertook an in-depth stakeholder assessment and conducted initiative scoping in 2020 to develop the Central Impact Strategy. This work highlighted what is most material and important to our long-term responsible growth and development. It serves as a framework to guide our ongoing efforts and as a structure for this report.

Through this work, we will positively impact:

- Our consumers, and where they live, through philanthropy and more sustainable products.
- Our customers, by ensuring supply chain security and health.
- Our operations, by reducing waste and our impact on the planet.
- Our employees, through diversity and inclusion initiatives and learning and development programs.

Fiscal Year 2021 Highlights

80
million

Pounds of **recycled or reused materials** in our products, including 29 million pounds of recycled plastic blowfill for our Central Home Brands outdoor cushions and 17 million pounds of paper material in our Kaytee small animal pet bedding.

3.8
thousand

MWh of **energy** conserved or diverted from greenhouse gas-emitting sources through greater energy efficiency and use of clean energy.

830
metric tons

Of **greenhouse gases mitigated** through the use of clean energy across several large manufacturing sites.

14
billion

Gallons of **water use avoided** through our Pennington Smart Seed grass seed, a product that is 30% more water efficient than traditional grass seed.

23
million

Pounds of **waste diverted from the landfill** to be sold and repurposed, such as 15 million pounds of husks and hulls sent to local feed operations.

800
million

Pollinators supported through our wildflower seeds, live goods and pest control products — a systems approach across our business supporting all kinds of pollinators, from honeybees to butterflies to hummingbirds.

1.7
million

Dollars in **monetary and product donations** to communities and charitable organizations, including Habitat for Humanity, Best Friends and local schools and hospitals across the country.

22
percent

Reduction in safety incidents in fiscal year 2022 due to improved safety measures at our sites, such as automating glass processing to reduce back and joint injuries at our Wisconsin facility, which manufactures tanks for fish and reptiles.

2.6
thousand

Educational courses taken by our employees, several of whom have earned their MBA and progressed from entry-level positions to Senior Director and Vice President positions at Central.



Our Goals

Protect our Planet by Embedding Sustainability in our Processes and Products:

Our business has a broad footprint across the value chain, from materials sourcing and manufacturing to our logistics network and consumer-facing packaging. Upstream, we continue to find ways to operate more efficiently and make use of waste and clean energy. Downstream, we support our customers and consumers in their journeys to help protect the planet.

Energy & Greenhouse Gases

Consistent with the Paris Agreement to aspire to net zero greenhouse gases by 2050, reduce our carbon footprint through increased use of clean energy and continued reduction of the energy we consume across our operation.

Water

Draw down the amount of wastewater our operation generates, but cannot reuse; drive other water conservation initiatives in our operation like recirculation and water efficiency.

Waste

Limit the waste generated through our operations and increase the use of recycled materials, either sourced from elsewhere or drawn from our own processes.

Biodiversity

Grow our support of pollinators — from providing wildflower seeds and the live plants upon which pollinators depend to distributing products and tools that aid in their protection, such as pest controls.



Cultivate our Communities by Giving Back and Providing Better Products

We support the communities where our consumers, customers and employees live and work — through philanthropy, volunteering and helping our customers be better community stewards.

Philanthropy

Evolve the way we contribute to maximize the impact of our donations.

Employee Volunteering

Promote and support ways for our employees to give back to the communities in which they and their families work and live.

Product Stewardship

Help our consumers and customers be better stewards of the environment with continuous enhancement of our brands and products, including sustainable packaging and socially responsible inputs.

Empower our Employees by Providing a Safe and Inclusive Workplace

We strive to provide a safe working environment, build a team based on diversity, and otherwise help our employees flourish and grow.

Health & Safety

Continue to enhance safety measures to bring our corporate total reportable incident rate down year-over-year.

Diversity & Inclusion

Make Central a more diverse and inclusive workplace, and increase the representation of women and people of color.

Learning & Development

Enhance the capabilities of our employees through growth of our education programs, leadership development opportunities and curricula and greater support for continuing education.

02

Protecting our Planet

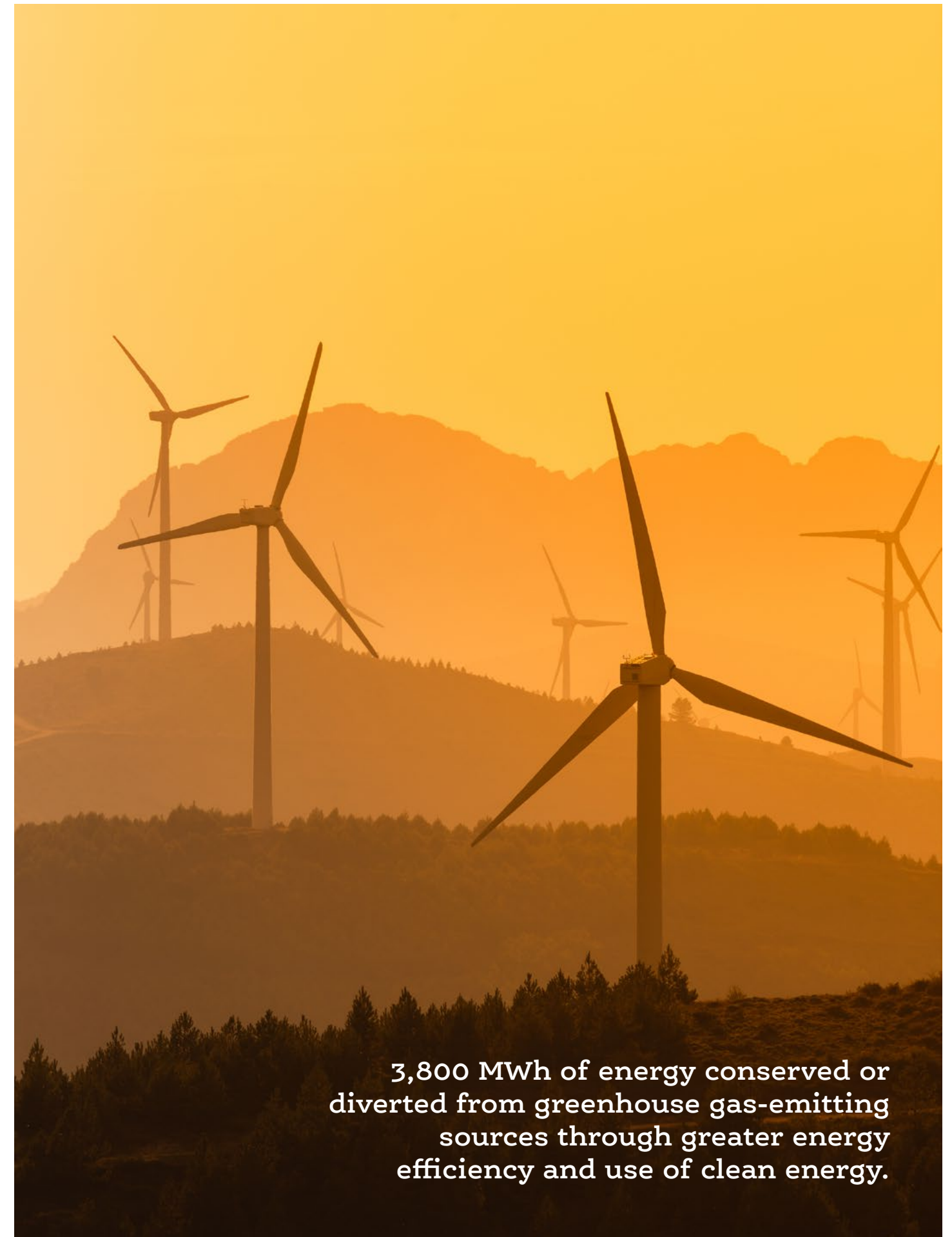
As a business leader in the Garden and Pet industries, we are deeply invested in terrestrial and aquatic ecosystems, and highly committed to helping our customers and consumers care for the environment. We have myriad opportunities to do good by doing right — making our business better as a result.

Environmental sustainability is an integral part of our business strategy and fundamental to supporting long-term growth. We address this through four focus areas: Energy & Greenhouse Gases, Water, Waste and Biodiversity. These four areas are supported through innovation, supply chain and facilities management and partnerships with forward-thinking organizations.

Energy & Greenhouse Gases

Central operates robust manufacturing and distribution networks across the United States to best serve our customers and consumers. In addition, we operate facilities in the United Kingdom, Canada and elsewhere outside of the United States. From our Garden businesses in Georgia, Missouri and Massachusetts to our Pet businesses in New Jersey, Wisconsin, Texas and beyond, we are continuously improving the quantity and quality of our energy consumption.

Many of our businesses have moved from incandescent lighting to LED, such as Pennington in Madison, Georgia, which saved 60,000 kWh in 2021 from the conversion. We have also taken great strides to make manufacturing lines more efficient and our expansive footprint provides many opportunities to do more.



3,800 MWh of energy conserved or diverted from greenhouse gas-emitting sources through greater energy efficiency and use of clean energy.



Nylabone Drives Energy Efficiency with Operational Solutions

Based in New Jersey, our Dog & Cat business is anchored by our flagship chew toy brand, Nylabone. Established in 1955, Nylabone offers the world's best chew toys, long-lasting edible chews and dental solutions for dogs of every age, breed, shape and size. Striving for more sustainable operations, Nylabone has been driving continuous improvement in its manufacturing process and within its facilities for years.

By upgrading the machinery at the heart of operations from fully hydraulic to hybrid electric-hydraulic molding machines, energy consumption was reduced by 70%. In addition to the cost savings, each hybrid machine in operation reduces the carbon footprint by 1.1 million pounds of greenhouse emissions per year.

Lighting was also improved in the plant and in the offices: the team replaced all incandescent and fluorescent lighting with LED fixtures and added motion sensors. Not only are the lights themselves more energy efficient, but also fewer of them are needed—halving the actual lights needed. Since 2017, the team has nearly tripled its production output as the business continues to grow, while still consuming roughly the same amount of energy.

Also in 2021, the Nylabone team commissioned a rooftop Green Energy Solar Production System which, in nine months of operation in the fiscal year, generated nearly 400,000 kWh of renewable energy, mitigating 550,000 pounds of greenhouse gases.



Terry Williams

SVP, Operations
Dog & Cat

Terry Williams has been with Central Garden & Pet for over eight years. As SVP of Operations, he focuses on continuous improvement and sustainability for the Dog & Cat business unit.

“Our team has a strong commitment to the environment and installed solar panels that helped us reduce our annual carbon footprint by 550,000 pounds. We also installed hybrid machines, reducing our electrical consumption by 70% and our carbon footprint by 1.1 million pounds per machine per year.”

The Dog & Cat business unit has several other initiatives underway to ensure we are doing our part to conserve water and energy for years to come.



Water

Groundwater resources supply 38% of the drinking water in the United States — and support the farms that feed us. But that's not all: Groundwater cools the data centers that keep the internet running and drives industries including energy, mining and manufacturing. Our businesses use water. Our businesses provide consumers with products that require water. We are addressing both, from our Pennington business to IT operations and beyond.

14 billion gallons of water use avoided through Pennington Smart Seed grass seed, which requires 30% less water than conventional grass seed.

Pennington Smart Seed Helps Consumers Avoid Excess Water Use

Landscape irrigation in the United States is estimated to account for nearly one-third of all residential water use, totaling almost 9 billion gallons per day. And the Environmental Protection Agency estimates that as much as 50% of the water used is wasted due to evaporation, wind, or runoff caused by inefficient irrigation methods and systems.

With water becoming an ever more critical resource, we are continually introducing innovative products that help our consumers use water efficiently and responsibly. Through our Pennington Smart Seed formulation, we developed a market-leading grass seed requiring far less water than ordinary grass seed. In 2021, lawns using Smart Seed would have only needed an estimated 33 billion gallons of water — 30% less than would otherwise have been used through traditional seed formulations.

To get there, we conducted years of research at our R&D facility in Oregon, where 60% of the world's cool-climate grass is grown. Working in concert with local farmers, we handpicked cultivars that are more disease-resistant, more drought-tolerant and require less water than traditional seed. The process — which can take up to seven years — involves testing the development of the seed at each step, looking at root depth and transpiration, among other variables. We then select the top 10% of those cultivars and germinate them for further testing.

Our sustainability mindset extends beyond our customers and consumers, it is embedded throughout the value chain — from industrial production and our facilities to the third-party providers we partner with.

Our seed is verified by the Turfgrass Water Conservation Alliance.



Mike Allen

SVP, Operations
Central Life Sciences

Mike Allen, a 45-year veteran of the company, has sought water-conservation solutions over the last 10 years. Due to the character of the products from our Central Life Sciences business — shampoos, sprays and dilutable formulations — it was difficult to find a single solution that provided the total environmental benefit we were seeking.

Our engineering team worked diligently to test a variety of solutions around the globe, eventually landing in Europe.

“We found a solution that reduces the impact on the environment over other recovery technologies, recovers 90% of our wastewater, and most importantly, reduces consumption of water, which is becoming a very valuable commodity to us all. We’re not stopping here and will now focus heavily on energy consumption.”



Data Centers Use a Lot of Water — We Use Less Than Many Others Use

Data processing and storage are notorious energy and water intensive operations. That's why we have moved much of our in-house data to Switch, a data center vendor with sustainability at the forefront.

Switch data centers in North America are run by 100% renewable energy. Driven to protect the planet, Switch applies sustainability initiatives to protecting the world's most precious resource: water. Through industry partnerships, Switch helped pioneer and develop proprietary technology that eliminates chemicals from cooling systems, while increasing efficiency by over 400% and saving more than 155 million gallons of water in just three years.

Making Every Drop Count

Our Professional business – a B2B operation that provides industrial solutions for mosquito control, livestock, agriculture and other end-markets – operates out of our Dallas, Texas manufacturing plant. The Liquids team there runs a wide range of formulations through shared equipment manufacturing products for dogs, cats, cattle and pest control. Each product requires a system-cleaning cycle using water in advance of commencing the run, with tight controls for cross-contamination to protect dogs, cats and the environment.

Annually, about 7.5 million pounds of wastewater is hauled offsite for disposal in EPA-approved landfills or deep well injection sites. It has been a challenge to find a holistic solution because of the complicated composition of the formulations involved. Saving every drop of water possible is our goal.

In 2022, we launched a \$1.5 million project to recover 90% of the cleaning-cycle water in the manufacturing process, making it a nearly closed-loop system. In addition, the project eliminates 100% of the associated freight costs and environmental impact of hauling the waste offsite.

We are excited to help preserve our local environment, sustain our economy and minimize the effects of drought and water shortages that we are facing today. Embedded in our purpose is sustainability – it is central to our core to positively impact the environment and all those around us.

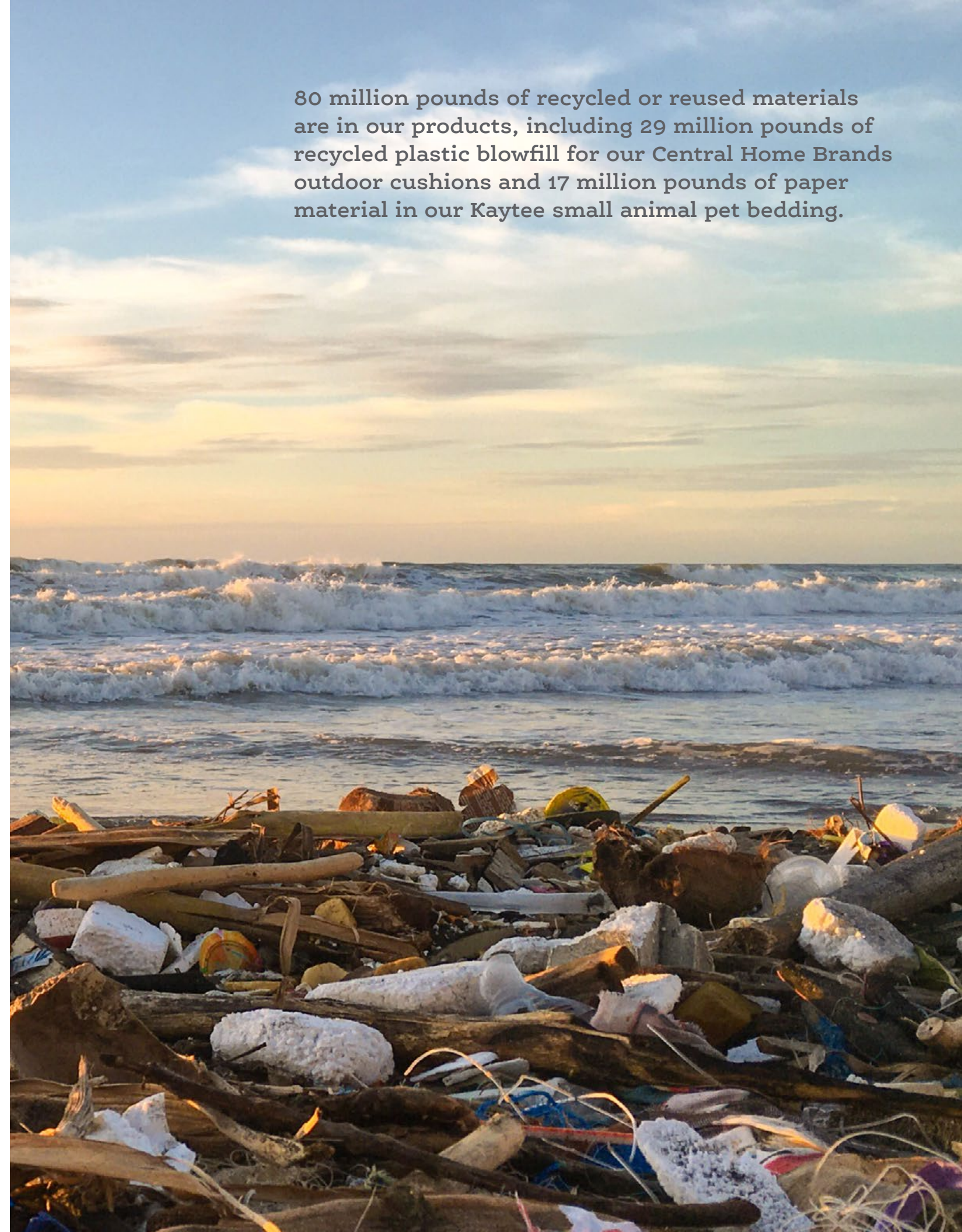
Waste

According to the EPA, the United States generated 292 million tons of municipal solid waste in 2018. Of that, 94 million tons were either composted or recycled. That is about 3.5 pounds of waste into landfills per person per day. There are three ways to tackle the problem: use more recycled material, find ways to use or sell the waste we generate, and produce less waste.

At Central, we do all three — using other manufacturers' waste to develop high-quality proprietary material in our Central Home Brands business, selling the waste produced by our Central Specialty Pet business and finding ways to generate less waste, as the Nylabone team has done.

The solutions these teams have come up with are socialized with other internal groups and brought into our R&D and operations processes.

80 million pounds of recycled or reused materials are in our products, including 29 million pounds of recycled plastic blowfill for our Central Home Brands outdoor cushions and 17 million pounds of paper material in our Kaytee small animal pet bedding.





Kristin Moerman

VP, Design
Product Development & Marketing
Central Home Brands

“The statistics around how much plastic enters our oceans each year, and the potential harm this plastic brings to marine animals and coral reefs, are astounding.

“After years of development, the Central Home Brands team was proud to launch Oceantex, a sustainable fabric offering for outdoor cushions and pillows. Every yard of Oceantex fabric produced is made from ocean-bound plastics, such as bottles and discarded fishing nets.

This is just the beginning of where we will be taking sustainable textiles in the future, and I’m excited to see how we can continue to make a difference.”



Oceantex™ Technology Turns Ocean Waste into Durable Fabric

Each year, more than 8 million tons of plastic enter our oceans. Inspired to create a product that makes a positive impact on our oceans, EverTru Fabrics, a member of the Central family, developed Oceantex™ materials for use in outdoor cushions, pillows and pet bedding. Created from ocean-bound plastics such as bottles and discarded fishing nets, manufacturing this innovative new fabric diverted over 2 million pounds of plastic waste during our 2021 and 2022 fiscal years.

Our Central Home Brands business not only uses recycled materials wherever it can, but also works to develop environmentally friendly treatments for its finished products. One important element to its patio cushions is having a water-repellent fabric that can stand up to outdoor elements. Traditional water-repellent fabrics feature chemicals called perfluorocarbons (PFCs) that take a long time to break down in the environment. Developing a perfluorocarbon-free treatment option is one way that Central Home Brands is doing its part to lessen the impact these chemicals have on our environment.

The Oceantex™ Process

- 1 Commercial fishing nets, plastic bottles and other ocean-bound plastics are collected through community collection programs mostly in the Asia-Pacific region.
- 2 The ocean-bound plastics are sorted, washed and turned into flakes used to create pellets.
- 3 These pellets are colored, extruded and spun into yarns to create our beautiful Oceantex fabrics.
- 4 One fishing net can make upwards of 100 cushions and pillows, or about 75 yards of fabric.
- 5 For the 2022 retail season, we produced roughly 65,000 yards of Oceantex fabrics and plan to double that for 2023 with the addition of retail programs and expanding into pet beds.



Kaytee Production Waste Becomes Input for Other Businesses

To ensure the best nutrition for small animal and birds, incoming grains are cleaned to remove any extraneous material. This process, called screening, produces a harvesting byproduct including cracked grains, husks, stems and light seeds. In 2021 alone, there were 3,600 tons of screenings that were repurposed by the Central Specialty Pet team as a nutritious additive farmers could use for livestock and farm animal feeding.

New Nylabone Offering Removes Plastic from Packaging

Nylabone, like most dog chew toys, is typically packaged in plastic. In a move to be more sustainable, the team developed a plan to convert PVC blister material into PET, a polyester material that can be fully recycled. Recently, the team went a step further to removing PVC and PET packaging: Nylabone Gourmet Style Chew Toys, recently launched, uses no plastic packaging at all.



Biodiversity

Biodiversity – the diversity within and between species and of ecosystems– is declining rapidly. People represent 0.01% of all living things by weight, but have caused the loss of 83% of all wild mammals and half of all plants.

Biodiversity is important for food security, disease prevention, economic growth and the climate overall. We help preserve biodiversity by supporting local farms across our business units by playing a role in water conservation and helping our customers plant flowers and vegetables. But our cross-company, systems approach to support pollinators might stand out the most for its impact.

Protecting Pollinators, Our Food and the Planet

Of the 1,400 crop plants grown around the world producing our food and plant-based industrial products, almost 80% require pollination by animals. Nature’s critical pollinators – like honeybees, hummingbirds and butterflies – transfer pollen from flower to flower, helping them reproduce.

Pollinators are one of the most critical classes of animals on the planet, laying the foundation for healthy ecologies from urban to rural, cold to hot, wet to dry and everything in between. Without them, we would have a gradual chain reaction resulting in a loss of animals, plants and ultimately food and a habitable planet. According to the BBC, of the 100 crop species that provide 90 percent of the world’s food, more than 70 are pollinated by bees.

Across Garden and Pet, we both directly and indirectly support pollinators. Whether it’s effective pest controls for mites destroying beehives, active beekeeping or cultivating and selling live plants that strengthen pollinator biomes, we pride ourselves on doing our part to stabilize and grow this important part of our ecosystem – helping our consumers and customers participate directly in the process.

A Systems Approach to Supporting Pollinators



Hummingbirds behave like insects: they fly flower-to-flower promoting the pollination processes. Our **Pennington** and **Kaytee** nectar concentrates support the growth of the population.



Live plants sold through **Bell Nursery**, including perennials, blooming tropicals, butterfly bush and beebalm, support a variety of pollinators.



Through our **Green Garden** business, we ship hundreds of thousands of wildflower seed packets that cater to pollinators, allowing our consumers to support bees, butterflies and hummingbirds in their own gardens.



Varroa mites attack and feed on honeybees and are now found in nearly every hive in the United States — our **Professional** business aids in protecting these hives by manufacturing Varroa mite control.



DoMyOwn, our newly acquired e-commerce platform, sells protective suits to those engaged in beekeeping.



Through brands such as **Amdro** and **Ironite**, we sell neonicotinoid-free controls that target pests that destroy beehives.

Bell Nursery is in the business of pollinator protection by growing millions of blooming plants each year, with several initiatives to protect this critical element of the ecosystem. Over the last 12 months, Bell has distributed 37 million plants, of which roughly 30 million are flowering.



Brett Guthrie

General Manager
Live Goods

As a market-leading supplier of a variety of live plants, Bell Nursery is committed to sustainability beyond supporting pollinators. Over the last five years, Bell has sold nearly 500,000 deciduous and more than 800,000 evergreen trees through The Home Depot alone. When planted in an urban environment and allowed to grow for 10 years, these trees can sequester an estimated 17,000 metric tons of greenhouse gases.

Brett Guthrie, General Manager of our Live Goods business, adds, “We constantly seek ways to drive sustainability through our operation. From our long-standing Veriflora Sustainably Grown certification, the gold standard in the floriculture and horticulture industries for agricultural sustainability, to reducing water usage by 100 million gallons by using drip irrigation at perennial farms in the past year.”

Bell Nursery
Burtonsville, MD



03

Cultivating our Communities

We are committed to supporting the communities where our customers and employees live, work and play through Philanthropy, Employee Volunteering and Product Stewardship.

Reinforced by our focus on the home, we continue to develop deep relationships with various organizations nationally and locally through funding, product donations and time. And through our approach to product stewardship, we strive to make our brands better for our consumers, customers and the environment.

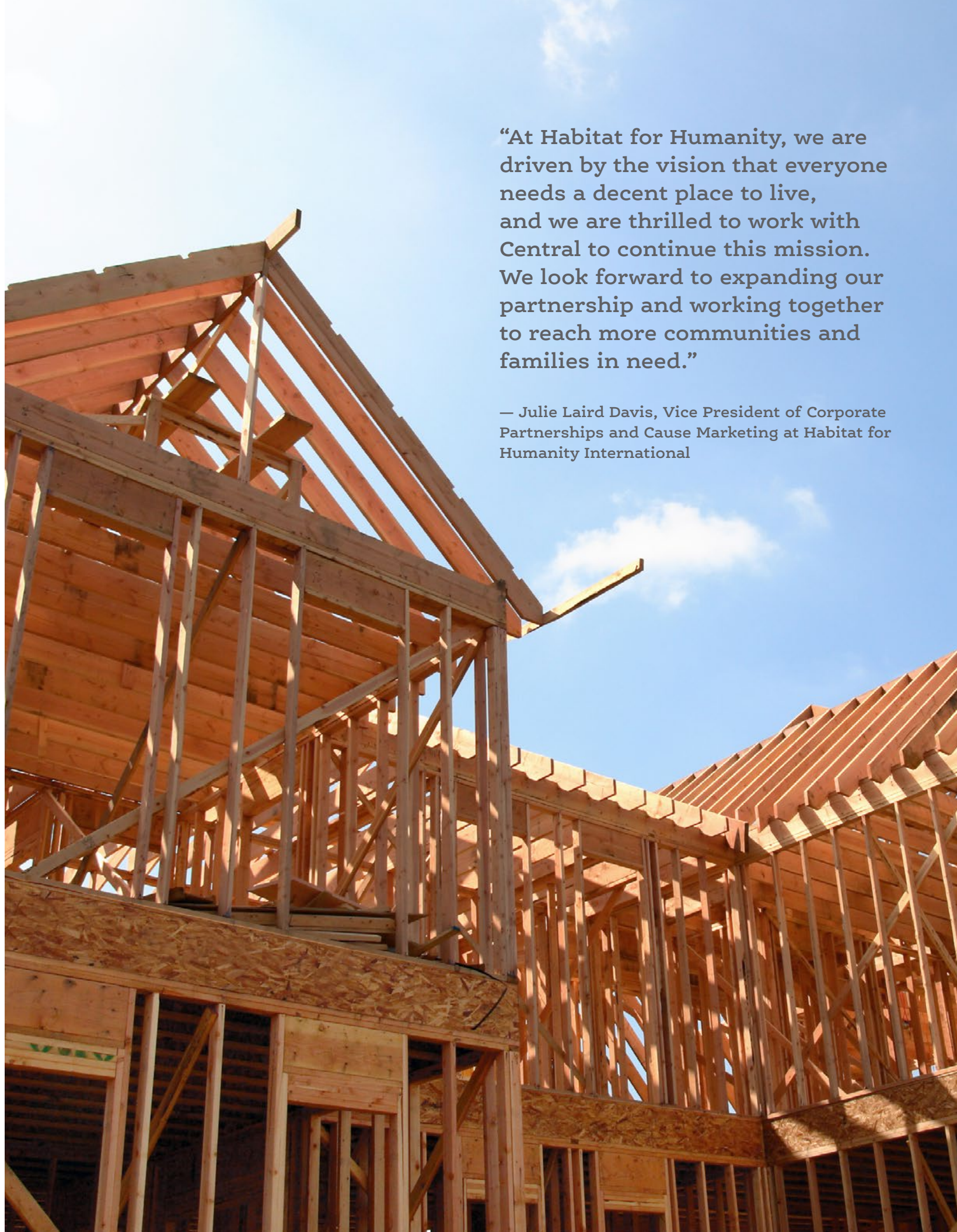
Philanthropy & Employee Volunteering

Charitable giving at Central is part of our company culture. In 2021, across both Garden and Pet, we donated either funds, in-kind products, or our time to various organizations, including Best Friends, the Animal Rescue Foundation, ASPCA, the National Animal Supplement Council and the Royal Society for the Protection of Animals. We also donated to children's organizations, including Make-A-Wish and the Children's Hospital of Michigan.

Pennington Partners with Habitat for Humanity

In 2020, Pennington partnered with Habitat for Humanity to build a home in Greene County, Georgia. Based in Madison, Georgia, Pennington also donated more than \$1 million in product to Habitat ReStores, a chain of discount home improvement stores.

The first partnership with Habitat for Humanity centered around local Greene County resident Candice and her family. Candice had been sharing a mobile home with her father and three children — Keiasia (14), Lavioris (13) and Kentavis (10) — for many years before deciding her family needed more space to grow and thrive. Applying to be a Habitat homeowner through Greene County Habitat in May 2018, she began putting in sweat equity and taking homeownership classes whenever she had a chance.



“At Habitat for Humanity, we are driven by the vision that everyone needs a decent place to live, and we are thrilled to work with Central to continue this mission. We look forward to expanding our partnership and working together to reach more communities and families in need.”

— Julie Laird Davis, Vice President of Corporate Partnerships and Cause Marketing at Habitat for Humanity International


When the COVID-19 pandemic struck in early 2020, the work on Candice’s new home was put on hold and she lost her job. In spite of these setbacks, she never gave up on her dream. The Habitat mentors who worked with Candice for nearly two years were amazed by her determination and enthusiasm — she fulfilled every homeownership requirement with pride, knowing she would provide her family with an improved quality of life.

“I do believe that a stable, loving environment is a must for any child to grow and have a healthy life,” Candice says. “I want to give my kids all the tools I believe will help them be successful adults. Receiving this home is such a blessing to me and my kids, and I promise that I’ll make Habitat, the city of Union Point and all the donors happy with the upkeep of my home. Thank you.”

\$1.7 million given in funding and in-kind products to communities and charitable organizations, including Habitat for Humanity, Best Friends, as well as local schools and hospitals across the country

Nylabone Partners with the Guide Dog Foundation and VetDogs

Every dog needs loving support, especially those training to improve the quality of lives for people with disabilities. In 2021, Nylabone partnered with the Guide Dog Foundation and America’s VetDogs to donate more than 900 chew toys for future service and guide dogs in training. The sister nonprofit organizations are dedicated to the well-being of both animals and people and through their rigorous service animal training program, they develop and place assistance dogs — preparing them to provide independence, enhanced mobility and companionship to individuals who are blind or have low vision, and to veterans and first responders with disabilities.



“We’re proud to give these hard-working assistance dogs a way to relax throughout training, and we’re just as proud to honor the Guide Dog Foundation for their long-standing dedication to these animals.”

— Glen S. Axelrod, SVP, Dog & Cat



Product Stewardship

As a producer of consumer packaged goods, we seek to minimize the environmental impact our products might have throughout all stages of the product's lifecycle.

Across our portfolio, that looks like: eliminating plastic packaging for our Nylabone Gourmet Style Chew Toys, developing a PFC-free water-repellent fabric treatment, ensuring chemicals don't wash off of into the groundwater, and making it easier for our customers to use less water with Pennington Smart Seed grass seed.

We're also continually sourcing ecologically friendly inputs for our products, be those recycled input streams or avoidance of ingredients in food products that either harm animals or the environment.



Kaytee Turns Landfill-bound Paper into a Superior Product

Small animals, such as hamsters, rabbits and guinea pigs, require many elements within their habitats to thrive. Bedding is one of them. Because bedding must be regularly changed, pet parents have traditionally relied on wood chips among other throwaway items.

Kaytee — our leading Small Animal, Wild Bird and Pet Bird brand — took it one step further: our team in Chilton, Wisconsin used paper scraps to develop a proprietary formula for Small Animal bedding. Using leftover paper scraps and excess production materials from the household cleaning industry, the team was creative in sourcing to produce a superior product. In 2021, the team diverted nearly 17 million pounds of paper material bound for landfill to use as a direct input to our products.

The results speak for themselves: Because of the product's absorbency and manageability, it has a springy characteristic, which means it won't stick to the bottom of the habitat and is easier to clean, a major pain point for small animal owners. The best part — the animals love it.



Interpet Introduces Fit & Wild, a Sustainable Choice in Fish Food

More than 18 million tons of fish were converted to fishmeal and fish oil in 2018, a significant contributor to overfishing and a strain on aquatic ecosystems. Ironically, fish is not the natural diet for aquarium or pond fish.

Interpet — our European business based in the United Kingdom — developed Fit & Wild, a more sustainable fish food. Instead of fishmeal, Fit & Wild uses four different types of insects and small crustaceans: black soldier fly, mealworm, daphnia and bloodworm, comprising almost half of the food's content and bound together by salmon oil from farmed fish filet waste. The product packaging is also 100% recyclable.

Not only is this what fish normally eat in the wild, it's highly nutritious while using organic waste and requiring very little land to produce.

Central Ventures Fund Invests in Start-ups at the Cutting Edge of Product Stewardship

As part of our Central Ventures Strategy, where we have made investments in a number of entrepreneurial start-ups that bring value to the Garden and Pet industries, we have placed minority investments in two that focus on sustainability — Jiminy's and Project Blu.

Based in Berkeley, California, Jiminy's is a pet food and treat business that uses insect protein as a core base. Insects, such as crickets and grubs, require far less feed and water compared to traditional protein sources like cows or pigs. For instance, the average cow requires five times more water than a cricket when normalized for weight and protein content. Additionally, insects are better for pets' health as a prebiotic and hypoallergenic food with three times as much protein than cow inputs and two times more iron than spinach.

Project Blu is a pet accessories company that converts material bound for landfill or discarded into our waterways into quality projects such as litter trays, leashes and pet beds. The inputs they use include ocean-bound plastic, recycled fishing nets, recycled clothing and discarded apple skins. Since its launch in 2019, Project Blu has converted 6 million plastic bottles into sustainable designs.



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Empowering our Employees

Employee well-being is a key part of creating a sustainable business and a sustainable culture. We strive to achieve this through a focus on: Health & Safety, Diversity & Inclusion and Learning & Development.

Creating a culture of safety enables us to deliver world-class results. These are not just words on a page, but something we take seriously and continually work to put into action. We encourage and drive high standards in our safety performance by recording, reporting and investigating all incidents to root cause. In the ongoing push for progress, we set new annual safety targets and invest in our operational capabilities.

Likewise, we are a better company when we can bring together diverse perspectives and backgrounds. We have created and expanded programs and opportunities to drive a more diverse workforce and support an inclusive environment across our business.

Finally, supporting our teams' ongoing education is not just good for the company, it's the right thing to do. Investing in employees' ongoing education is critical to our company's success, but also a way to demonstrate we believe that every employee has the potential to grow, whether enhancing current skills or preparing for the next step in their career.

Health & Safety

Automation Helps Mitigate Injury in Our Manufacturing of Glass Habitats

Improving safety can come in many forms, whether through updated procedures or modern technology. Our Specialty Pet business manufactures market-leading fish tanks and reptile habitats.

Much of the manufacturing process is manual and involves large sheets of glass, which increases the probability of strains and sprains among our teammates. While manual labor is necessary for some parts of the process, there are opportunities in the end-to-end process for automation, limiting the number of exposures for employees handling the glass.

In a multi-faceted approach, we invested in robotics, added Allen Bradley controls architecture to index conveyors, and redesigned the manufacturing flow to reduce opportunities for injury. The result: From 2020 to 2021, we halved our total safety incidents in Franklin, Wisconsin.

Central Comes Together for Robust COVID-19 Response

Throughout the pandemic, we focused on protecting the health and safety of our employees, while continuing to provide world-class brands to our consumers and pets. Our manufacturing and distribution facilities remained open and ensured products were available to consumers who needed to sustain their pets and gardens during a period of heightened uncertainty.

We established an internal COVID-19 Task Force to review CDC guidelines and provide guidance to all employees in English, Spanish and Haitian Creole, maintaining clear lines of communication throughout the organization.

To create a safer work environment, we partnered with CDC-certified cleaning companies to sanitize environments and disinfected high-touch areas with internally procured disinfecting foggers. Manufacturing lines were reviewed and restructured to provide a socially distanced work environment. We arranged mobile barriers in between line operators, established rotating meal and break schedules and organized workflow to maximize separations between workers. We also provided access to on-site testing to ensure swift detection, encouraged people to get vaccinated by bringing clinics to work locations and provided gift awards, and raffled prizes for those completing their vaccine regime.



22% reduction in safety incidents due to improved safety measures and better automation at our facilities.

Diversity & Inclusion

We believe diversity of backgrounds, experiences and thought — across gender, race, ethnicity and other orientations — is critical to a successful business. To activate this, we put several initiatives in place, including forming the company's first Diversity & Inclusion Council in 2020. Since being created, this group has established the foundation for operationalizing diversity and inclusion at Central, including defining responsibilities and communicating progress within the company.

Notably, the Council played a significant role in developing the four priorities of our Diversity and Inclusion Strategy: Recruitment, Education, Mentorship and Leadership.



Recruitment

We believe it is important to build a pipeline of diverse talent throughout our organization, starting with our outreach efforts at colleges with diverse populations through recruitment. We work with on-campus placement offices to build connections with affinity groups and form relationships with students through internships and post-graduation job offers. Watching the success of many of our previous hires serves as a great foundation to attract other prospective talent. Our recruiters work with hiring managers to ensure our job descriptions are attractive, inclusive and appeal to all applicants, and we cast a wide net when we post our positions with employment development centers. Through the coming years, we will continue to expand our internship and college recruitment footprint, bringing in students from all backgrounds and experiences to develop our pipeline of future talent.

Employee Education

We continue to invest in our team members and increase our understanding and appreciation for diversity and inclusion by expanding our learning and development programs. Learning Central, our virtual learning portal, provides a channel to facilitate education throughout the organization, featuring informational content around cultural moments such as Women’s History Month, Asian American Pacific Islander Heritage Month, Pride Month, Black History Month and National Hispanic Heritage Month.

One of our Central values is “We Grow Every Day” and we encourage our employees to expand their skills, knowledge and capabilities. To support continual learning, we offer company-paid tuition reimbursement where employees can participate in accredited bachelor’s and master’s programs, open to all levels in the organization. Since 2011, Central has supported more than 170 employees pursuing their academic degrees or professional certificates.

Mentorship

Over the course of the past year, we formalized our mentorship program, designed for mid- to senior-level leaders, with a focus on women and people of color who have a desire to build their career and leadership skills. The intent is to develop strong and diverse talent in our future leaders, while fostering cross-level relationships. Through an application process, we paired mentors and mentees who meet monthly on a variety of leadership development topics, with learning materials and discussion guides to make sure the program facilitates lasting connections.

Leadership Development

Central has consistently provided learning and training opportunities for employees who have moved into managerial positions. We recently developed three signature programs designed to cultivate stronger leaders inside our company, with an emphasis on women and people of color. The three programs are Basecamp – designed for supervisors and frontline managers, Ascent – designed for mid-level managers who aspire to lead individuals and teams, and Summit, designed for group leaders aiming for senior and executive roles. These programs are designed to invest in our future leaders, provide career experiences that will expand their sphere of responsibilities, and ready the next generation to help us lead our categories. Our goal is to bring over 100 Central people leaders through one of our programs each year.





Kristy Hengler

Director, Learning & Development
Corporate Human Resources

In 2020, Central embarked on its Diversity & Inclusion Strategy, focusing on key areas where the company could have meaningful impact. One of the key areas of focus was and continues to be mentorship.

“In 2021, Central launched its first enterprise-wide Mentorship Program. We are halfway through the first year of the program, and I constantly hear stories from mentors and mentees about how much of a difference participation has made on their Central experience. I’m thrilled to see new connections being built, new skills being learned and new doors being opened. This is just the beginning.”





Anwar Johnson

Manager, Health, Safety & Environmental
Central Life Sciences

Anwar is a respected, high potential manager who has been a valued member of the Central Life Sciences organization for five years. The Central Garden & Pet Mentorship Program connected him with a leader in the organization who could challenge him and provide new opportunities across the enterprise.

“Participating in the Central Mentorship Program has been an incredible experience. My mentor, Chief Supply Chain Officer Aron Kolosik, truly wants me to succeed and has helped me visualize and actualize a plan that will enable me to reach my personal and professional goals. I know Aron will be a lifelong connection and friend.”

Learning & Development

Growing as a Leader — and Teammate — Through Continued Education

When Jason Barnes started as an hourly territory manager with Pennington, he had no idea he'd find himself nearly 20 years later as SVP of Sales, with the support of a company continually encouraging long-term employee growth.

After several years within the organization taking on increasing responsibilities, Jason found himself in a leadership role running the Home Depot Business Development Team. Still, he strived for more.

“Central was in a period of growth, and though I had a strong foundational understanding of our business and what makes it work, I also knew I would benefit from further professional development — particularly related to business practices,” Jason remembers.

With strong encouragement and support from his boss at the time, Jason felt empowered to continue his education and apply to business school, starting the challenging journey of earning an MBA degree.

After being accepted into Emory University's business program, Jason navigated the difficulties of becoming a student again as well as managing his professional workload. He says, “The first term was easily the most difficult as I worked to manage the work that still had to get done, while hitting the deadlines and targets at school. One of the earliest leadership lessons was empowering others to step up and take on more responsibilities. Tasks that I would have typically taken and been either afraid or unwilling to delegate were areas where I was going to need others to step up on.”

In 2021, more than 40 employees of all levels were furthering their education with the support of Central.

And he couldn't have done it without the support of his colleagues. “I was incredibly fortunate to have a very talented team that was supportive of me and my own journey, while being willing and eager to do more. It helped me to understand how important prioritization is as a leader. So many of these lessons stay with me and make me a better leader, employee, husband and person.”

Jason's experience inspired him to pay it forward to other team members. “I will always encourage those that are interested to continue to grow their educational base, whether it's a bachelor's degree or professional certification. I believe my role as a leader is to understand what they are going through, offering support, and helping to share my own experiences.”

Reflecting on his career, he says, “I've been exceedingly fortunate to have had great leadership through the years supporting me both directly and indirectly and caring about my growth within the company and as a person. The people at Central are our greatest strength, there are so many throughout the entire organization that have supported me and helped me to grow and learn.”



Jason Barnes
SVP, Sales
Garden



2,600 courses taken by employees to further their education through the Learning Central offering.

Learning Central

We continue to invest in our team members by expanding our learning and development programs. In 2021, we launched Learning Central — a free online learning portal where all employees can access hundreds of courses centered around professional development.

Within Learning Central, employees can access self-paced, virtual and classroom-based courses specific to Central, compliance, or skill areas like leadership, software, soft skills and more. In the context of the pandemic, project management training became particularly important as people began working across business unit lines and needed a common language to effectively execute projects. The ability to automate and track training completion across the company was also crucial for locations that audit Standard Operating Procedures training, are ISO9002 certified, use Good Manufacturing Principles or have statutory requirements for training.

Wellness

In recognition of the enormous amount of stress that our team members were feeling due to the pandemic and other factors, we launched a wellness page within Learning Central that offers courses on stress management, movement and mindfulness. In addition, we added a number of learning assets focused on building a more inclusive work environment for all employees across the company.

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Our Business



Economic Performance

Our economic performance — the success of our business — is inherently linked to people, planet and profit.

As such, we believe in selling products with sustainable characteristics. Last year, we began to identify metrics to associate the profit we make with the measures we are taking to protect the planet and take care of people.

Reviewing participation in philanthropy and investment in energy reduction, we determined that 78% of our business met these sustainability criteria. Moving forward, we plan to further refine the criteria used to make this assessment, including strengthening our ties to industry-acknowledged sustainability certifications.

Corporate Governance

At Central, we believe effective corporate governance fosters an environment of business integrity and accountability, both of which are key to building sustainable long-term growth and maintaining the trust and confidence of our shareholders.

Our corporate governance practices are designed to provide a strong framework for the Board of Directors to fulfill its duties of care and loyalty to the shareholders and the company. As part of these duties, the Board exercises its business judgment in overseeing strategy, business performance, the integrity of its financial statements, risk management, compensation policies, succession planning and compliance with legal and regulatory requirements. The Board oversees corporate governance practices to help ensure that Central operates with integrity as it continues to grow and create shareholder value.

Our current corporate governance practices include:

- Annual election of all directors
- Having a majority of independent directors
- Separating the role of Chairman and CEO
- Having an independent Lead Director
- Regular executive sessions of the independent directors without management directors or management present
- Independence of all members of the Audit and Compensation Committees of the Board
- Commitment to bringing fresh perspectives and expertise to the Board, having added four new directors, including two additional female directors, in the last two years



Ethics & Compliance

Central has earned a reputation as an industry leader with outstanding service, quality products and strong corporate values. We have a commitment to excellence in what we do and how we treat people. In this competitive market, our reputation is one of our most valuable assets. The ability to maintain this reputation is a direct result of our employees and the choices they make every day. To maintain this reputation, every Central employee must live Central's six values: We do the right thing, we strive to be the best, we are entrepreneurial, we win together, we grow every day, and we are passionate.

Creating trusting relationships internally and externally is critical in building and sustaining our business. Actions must reflect uncompromising integrity, ethical decision-making and professional behavior to maintain the relationships we have worked so hard to develop. Anything less takes away our competitive edge and contradicts our core values.

Central's first value is "We Do the Right Thing." Ethical behavior by all employees is critical to Central's long-term sustainable success. This is foundational to the way we conduct ourselves in all of our business transactions and how we have built our reputation in the industry, with our customers and with our employees.

Central has adopted a Code of Ethics that applies to all of its directors, officers and employees. The Code of Ethics is available at Central's website. Titled "The Way We Do Business," the Code of Ethics is a statement of Central's values and expectations of appropriate behavior for all employees, officers and directors. Beyond clarifying gray areas and providing guidance on both simple and complex ethical dilemmas, it is intended to help:

- Build trust internally and externally
- Increase awareness and dialogue regarding key ethical issues
- Guide decision-making
- Provide employees resources to report concerns and seek guidance
- Encourage employees to speak up if they experience or witness suspected misconduct

Adherence to Central's Code of Ethics is a condition of employment. Employees must familiarize themselves with Central's Code of Ethics and periodically acknowledge in writing that they have reviewed and will comply with the Code of Ethics and will report any suspected unethical or illegal conduct of which they become aware.

Central maintains a 24/7 toll-free Alert Line and email for anyone to file an anonymous report of suspected unethical or illegal conduct. All reports are reviewed and investigated as appropriate. Every effort is made to maintain the confidentiality of such investigations, and the anonymity of the reporting person, if requested. If the allegation of unethical or illegal behavior is substantiated, appropriate disciplinary action and/or corrective action will be taken. Central strictly prohibits retaliation against any person reporting a concern in good faith, and anyone cooperating with an investigation.

Political Disclosures

As outlined in our Code of Ethics, “The Way We Do Business,” Central does not make political contributions.

Supply Chain

Our success is highly dependent upon the efforts and contributions of our suppliers who help us deliver value to our customers by providing the highest quality products, delivered on time and at the best value.

Our suppliers are our partners in this commitment, with proven capabilities and adherence to quality, cost and schedule commitments. We strongly believe that critical processes and product characteristics must be controlled statistically to produce repeatable products that consistently meet or exceed requirements at reduced cost.

We are committed to conducting business in an ethical manner and expect our suppliers to have the same level of commitment. Through our Central Supplier Social Responsibility Code, Purchasing Terms & Conditions and our Supply Chain Transparency Disclosure, we have created a system in which Central and our suppliers are expected to act with integrity in all facets of our business and supply chain management.

Central holds itself to the highest ethical standards and takes pride in a reputation of trust, integrity and accountability among key stakeholders, including employees, suppliers, agents, customers and shareholders. Our Code of Ethics, “The Way We Do Business,” outlines and reinforces our commitment to ethical behavior at every level and we strive to develop partnerships with suppliers that share our values.



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About This Report

Reporting Framework

We believe in the purpose and imperative of reporting on sustainability. As an industry leader, we are committed to sharing our progress in a transparent manner in order to continue to move the business forward.

Reporting Period

Unless otherwise specifically noted, this report focuses on corporate governance, reporting approach, and economic, social and environmental performance during fiscal year 2021 (September 26, 2020-September 25, 2021).

Date of Previous Report

This is the inaugural report.

Reporting Cycle

We plan to publish reports on a biennial basis, but also plan to provide interim updates and news.

Report Contact

Central welcomes feedback at impact@central.com. Additional information about Central, including our business segments, our brands and our 2021 Annual Report on form 10-K, is available at www.central.com.

Forward-looking Statements

The statements included in this report share our views on our CSR initiatives with our key stakeholders, and to further enhance our collective understanding of CSR issues.

Certain matters discussed in this report are “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements are based on information currently available to us and on management’s beliefs, assumptions, estimates, or projections and are not guarantees of future events or results. Because such forward-looking statements involve risks and uncertainties, changes in circumstances and assumptions that are difficult to predict and are often beyond our control, our actual results may differ materially from the predictions in these forward-looking statements.

All forward-looking statements are made as of the date of this report, and we assume no obligation to update such statements, whether as a result of new information, future events, or otherwise. You should not place undue reliance on any forward-looking statement. Factors that could cause actual results to differ materially from those described in forward-looking statements can be found in this report, in the company’s filings with the SEC, and disclosures available on our corporate website. The company does not undertake to update forward-looking statements to reflect the impact of circumstances or events that arise after the date the forward-looking statements were made.



Management Approach

Entities

All of our business units are wholly owned, directly or indirectly. Many are included in this Impact Report, and all are included in our financial reports.

Defining Report Content

To prioritize the issues of most importance to our stakeholders, we worked with our external sustainability strategy and technology partner Green Diamond to assess disclosure topics.

Our assessment focused on identifying, prioritizing and validating topics from sources such as our leadership team, working groups, at large staff, investors, customers and other external stakeholders; recognized industry organizations such as the Global Reporting Initiative (GRI), United Nations (UN), Sustainability Accounting Standards Board (SASB) and Task Force on Climate-related Financial Disclosure (TCFD); and findings from market research and peer benchmarking studies.

In determining the structure and content of this report, we focused on weighing the materiality, practicality and risk of disclosures. Finally, for each topic, we determined the boundary of applicability. For instance, our manufacturing, warehouse and distribution sites, which tend to have more physical area, more personnel and more intensive processes, reflect the material portion of our energy and water consumption.

Material Aspects & Boundaries

Though not necessarily all-inclusive, following is a list of select topics Central identified in the process of defining its report content, organized to align with the Global Reporting Initiative and other standards:

Corporate

Ethics and Integrity, Governance Structure, Brands, Products and Services, Markets Served, Facilities, Countries of Operation, Workforce, Collective Bargaining, Supply Chain, Stakeholder Engagement, Data Protection

Economic

Economic Performance, Revenue from Sustainable Products

Environmental

Energy & Greenhouse Gases, Water, Waste, Biodiversity

Social

Diversity & Equal Opportunity, Local Communities, Occupational Health and Safety, Training and Education, Employment, Non-Discrimination, Child Labor, Forced or Compulsory Labor, Freedom of Association

This report provides a summary of the sustainability performance and practices of Central and its consolidated operating businesses as of September 25, 2021.

Significant Changes

This report does not contain any significant changes in scope, boundary, or measurement method from the Central Annual Report on Form 10-K. It contains no restatements of information relating to major financial indicators or environmental data.

Continuous Improvement

Our business is centered on continuous improvement; we believe it drives sustainability. We tie this to people, planet and profit:

People

A culture of continuous improvement that incorporates, expects and empowers people to define and pursue achieving measurable improvement goals in their career plans, performance reviews and recognition and rewards.

Planet

An increasing focus on sustainability, one that continues to integrate both social and environmental aspects, into the operations of the business.

Profit

An obsession with continuous improvement across the rest of the value chain, from in-bound logistics and manufacturing to merchandising and sale effectiveness.

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In Conclusion

At Central, we are passionate about our purpose to nurture happy and healthy homes, and we've made it our mission to lead the future of the Garden and Pet industries. In order to deliver on these promises, we must embrace social responsibility – not only for the benefit of our stakeholders and business, but for the good of the planet. It's up to all of us to ensure that future generations have access to clean air, energy and water, which is why corporate social responsibility is integrated into our long-term Central to Home Strategy.

Looking ahead, we are committed to furthering efforts in our three key focus areas – Protecting our Planet, Cultivating our Communities and Empowering our Employees – to ensure we are doing our part to create change and build a more sustainable future for all. This is an exciting and important journey for our organization, industries and communities.

Together, we can make an impact.

Thank you,



Tim Cofer
Chief Executive Officer
Central Garden & Pet

