SUSTAINABILITY

TRACKING OUR PROGRESS: 2019-2020



Table of Contents

Chapter	Section	Page Number
Introduction	Our Values Our Goals	Page 3 Page 4
Beyond Plastic	Goals & Milestones Plastic Footprints Products & Packaging Roadmap to Plastic-Free Partners & Case Studies	Pages 5-6 Pages 7-9 Pages IO-I2 Pages I3-I6 Pages I7-2I
Reforestation	Goals & Milestones Strategy Products: Seedling Partners & Case Studies	Page 22 Page 23 Page 24 Pages 25-26
Healthier Homes	Goals & Milestones The Grove Standard Our Anti-Ingredient List Product Certifications Advocacy & Legislation	Pages 27-28 Page 29 Page 30 Page 31 Page 32
Carbon Footprint	Goals & Milestones 2019 Emissions by Source & Scope Science-Based Targets Shipping & Offsets Partners & Case Studies Packaging & Materials	Page 33 Pages 34-35 Page 36 Page 37 Pages 38-39 Pages 40-41
Equity & Inclusion	Goals & Milestones Ethical & Inclusive Products Teams & Initiatives Benefits & Career Development Social Compliance Policy Donations Giving & Volunteering	Page 42-43 Page 44 Page 45 Pages 46-47 Pages 48-50 Page 51 Page 52

Change starts at home — ours and yours.



While we release this report, the world continues to face unprecedented environmental and social challenges. The need for change intensifies as the limits and lapses of our current systems become clearer. This moment presents an opportunity to rethink consumer packaged goods by reducing our reliance on plastic, addressing deforestation, planting trees, taking meaningful action to lower emissions and making our industry more equitable.

As a <u>Certified B Corporation</u>, our values exist as actions, not words. In 2020, we were the first online retailer to become IOO% plastic neutral, and we're pledging to be plastic-free by 2025. We're also not stopping there. We're setting ambitious goals around reforestation, nontoxic ingredients, our carbon footprint, and equity within our industry. As we meet targets today, we're setting better goals for tomorrow — because we all deserve a healthier home.

We're meeting the need for change now.

Grove's Goals	Right Now	Up Next
Beyond	100% PLASTIC NEUTRAL	100% PLASTIC FREE BY 2025
Plastic	For every ounce of plastic we sell, we collect & recycle an ounce of ocean-bound plastic pollution.	We're working hard to remove plastic from everything we make and sell.
Reforestation	REFORESTATION WITH SEEDLING	I MILLION TREES BY 2022
	Every purchase of Seedling supports the Arbor Day Foundation in reforesting the U.S. We've planted over 365,000 trees to date!	We'll plant I million trees in the next two years, but we won't stop there. We're actively exploring new ways to support reforestation and regenerative agriculture.
Healthier	NO HARMFUL CHEMICALS	SAFER PRODUCTS EVERYWHERE
Homes	IOO% of our products meet the Grove Standard for nontoxic ingredients, IOO% are free of harsh chemicals, and IOO% of our Grove Brand fragrances will be transparent by the end of this year.	We advocate for legislation requiring ingredient transparency and increasing standards around chemical safety within consumer products and cosmetics.
Carbon Footprint	100% CARBON-NEUTRAL SHIPPING & FACILITIES	SETTING SCIENCE-BASED 2030 TARGETS
	As of 2019, all Grove shipments and facilities are carbon-neutral. Our carbon offset projects support reforestation, regenerative agriculture, and land conservation.	We're committed to taking meaningful climate action. We have set Science Based Targets for Scope I and Scope 2 (and are on track) and will set Scope 3 next year.
Equity & Inclusion	INCLUSIVE TEAMS & INITIATIVES	+\$250,000 TO BLACK-OWNED BUSINESSES
	Grove's Diversity & Inclusion Squad leads our equity and anti-racism initiatives, and our full team votes on donations to relevant organizations.	We can make a meaningful impact by engendering diversity in our industry. We're purchasing \$250,000 of products and goods from Black-owned businesses through 2021.

We're moving Beyond Plastic.

Grove exists to make products that are great for people and the planet. And plastic isn't part of that mission. <u>Beyond Plastic</u> is our five-year plan to solve the single-use plastic problem for home and personal care products. Today, we're IOO% plastic neutral. By 2025, we'll be plastic-free. Here's what our plastic-conscious products have done so far.*



Š

OUR PLASTIC-FREE PRODUCTS HAVE DIVERTED

GROVE'S CLEANING CONCENTRATES DIVERTED

1 million+ lbs

OF PLASTIC (OR THE WEIGHT OF 5 BLUE WHALES) FROM ENTERING LANDFILLS**

325,000 lbs

(OR I4 GARBAGE TRUCKS***) OF PLASTIC FROM ENTERING LANDFILLS



GROVE'S SOAP REFILLS HAVE DIVERTED

226,000 lbs

OF PLASTIC (OR A WEEK'S WORTH OF TRASH FOR 8,000 HOUSEHOLDS****) FROM LANDFILLS



GROVE'S REUSABLE BAGS HAVE DIVERTED

178,000 lbs

(OR 10,000,000 ZIPLOC GALLON BAGS) OF PLASTIC FROM LANDFILLS

Plastic Neutral

At Grove, our Plastic Neutral program ensures that for every ounce of plastic we sell, an ounce of ocean-bound plastic is recycled through our partnership with <u>Plastic Bank</u>®. When you choose Grove products, you're taking plastic out of waterways and sending it to be recycled — right where it belongs.



STEP I

Measure

We weigh and record the amount of plastic in every product. Using those numbers, we calculate how much plastic we're sending in each order.



STEP 2

Collect

In partnership with Plastic Bank, we collect and recycle an ounce of ocean-bound plastic for every ounce of plastic we sell.

UP NEXT

Plastic Free

Grove exists to make products that are great for people and the planet, and plastic isn't part of that mission. Beyond Plastic is our plan to solve the single-use plastic problem for home and personal care products. Today, we're 100% plastic neutral. By 2025, we'll be plastic-free.



PHASE I

Beyond Plastic

We're the first online retailer to be IOO% plastic neutral. For every ounce of plastic we sell, we collect and recycle an ounce of ocean-bound plastic.



PHASE 2

Beyond Plastic

We'll be plasticfree by 2025. We're working hard to remove plastic from everything we make and sell.

Total Plastic Footprint

This scorecard is the first of its kind to report exclusively on plastic at Grove, and we're using its publication to challenge our industry to track and publish their plastic use. As we work towards our 2025 goal of becoming plastic-free, these are the baseline totals* for plastic used site-wide, including all the brands we sell.

1,088,406 kg

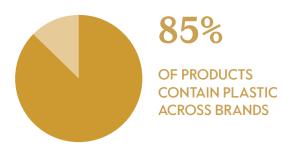
TOTAL PLASTIC WEIGHT

Total weight of plastic we've shipped to our customers from January I, 2020 through June 30, 2020, including every brand and every product that we sell at Grove.

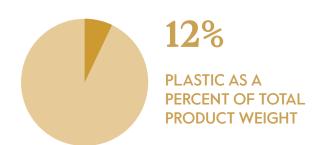
$0.31 \, \mathrm{kg}$

AVERAGE PLASTIC PER GROVE SHIPMENT

We hope to reduce this number through educating and engaging our community to adopt sustainable habits, like choosing plastic-free and plastic-reducing products.



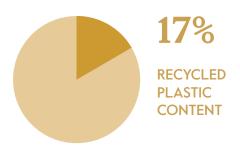
We continue to seek alternate product and packaging formats to reduce products in our assortment that contain plastic.



We aim to reduce this metric by reducing or eliminating unnecessary plastic packaging in products we sell.



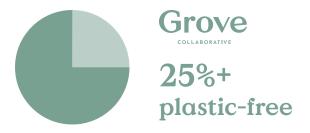
Across our assortment, we're seeking to increase reusable products and packaging while reducing single-use plastic.



We prioritize products that contain recycled plastic to increase circularity and demand for recycled plastic.

Portfolio of Owned Brands

Our six owned brands span home care, personal care, and wellness, offering healthy formulas and sustainable formats without sacrificing performance. Replacing single-use plastic is core to our cause of reducing waste, minimizing our carbon footprint, and moving beyond plastic all together. These 2020 numbers represent our baseline* as we work to remove all plastic from our products and packaging by 2025.



<u>Elevated home care essentials</u> designed with healthy ingredients and sustainable materials. Currently over 25% plastic-free (and growing)!



<u>Tree-free paper</u> made from strong, sustainable bamboo. Every purchase helps replant American forests. Packaging is plastic-free and recyclable.



<u>High-quality natural nutritional support</u> to help you noticeably improve your health and well-being. On our way to plastic-free packaging.



<u>Plant-based care</u> for skin, hair, and body made with potent antioxidants and other vital nutrients. **Post-consumer recycled content.



Shame-free, healthy period care and sexual wellness products with a mission to spread sex education. ***Plastic as a percent of total product weight.



Our newest brand offers 100% plasticfree hair, body, and facial cleansers that perform as well as conventional formulas.

Grove Collaborative Brand

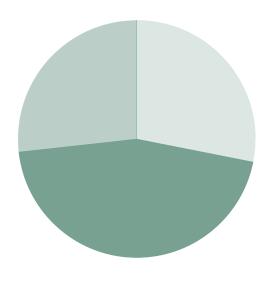
<u>Grove's products</u> are good for you, for your family, and for the world. Most plastic and packaging relies on fossil fuel-based energy,* but we design products to reduce reliance on fossil fuels. We weigh and record** materials to keep our ratio of plastic-to-product low, and we track** recycled and recyclable plastic in our products, supporting circular production and our plastic-neutral efforts.



Grove

301,762 kg total plastic footprint

Of the total number of Grove-branded products that we've shipped to our customers in 2020**, 72% of those products contained plastic, 27% of those plastic products were reusable, and 32% contained recycled plastic.



28% plastic-free

We continue to seek alternate product and packaging formats to reduce the number of Grove products that contain plastic.

27% reusable plastic

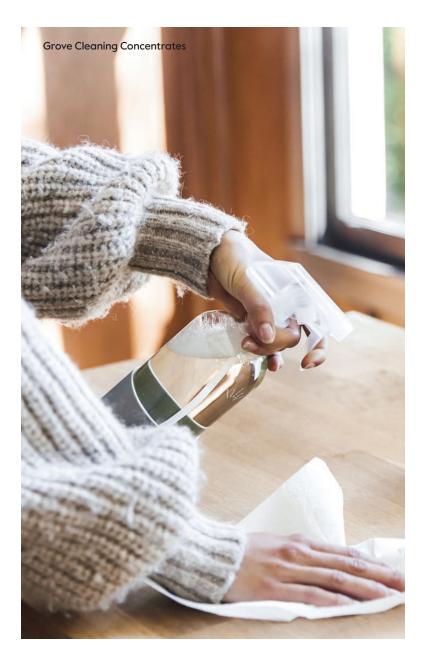
Percent of reusable Grove-branded products containing plastic.

45% single-use plastic

To reduce this metric, we will reduce or eliminate unnecessary plastic packaging in Grove products.

Reducing Plastic in Products

We're designing products to replace single-use plastics. For example, our concentrates and glass vessels save over 94% of plastic compared to a single-use alternative. Since concerns over COVID-I9 began in the U.S. in March of 2020, Grove's community has purchased over 250,000 concentrate refills, saving over 65,000 pounds of plastic or 500,000 plastic bottles.



Grove Concentrates & Refills

In 2020 Grove's naturally powerful <u>Cleaning</u>
<u>Concentrates</u> are moving to I00% plastic-free packaging. We are also launching <u>Hand and Dish Soap refills</u> in aluminum bottles. Both initiatives combined will divert more than 29.5 tons of plastic from landfills per year.*

By replacing single-use plastic spray bottles with concentrates, we've already diverted 325,000 lbs of plastic, equal to the weight of what 14 garbage trucks can hold.

Source: scdhec.gov

Reimagining Packaging

People are looking for more ways to eliminate plastic from their lives, and household essentials are a huge contributor to plastic waste. It is estimated that over half a trillion plastic bottles will be sold in 2020, yet 91% of all plastic is not recycled.* Our products aren't all <u>plastic-free</u> (yet!), but they use much less plastic than single-use choices. Plus, all Grove products are 100% plastic neutral.



Grove Laundry Vessel

Designed with a patentpending auto-measurement feature that eliminates the need to measure detergent, <u>Grove's Reusable Laundry</u> <u>Dispenser</u> and detergent pouches enable customers to cut laundry-related plastic waste by 60%.

Seedling

Made from IOO% responsibly-grown bamboo, Seedling's paper products are packaged in fully recyclable, plastic-free, IOO% recycled paperboard. Every Seedling purchase also supports reforestation through the Arbor Day Foundation.

Peach

Launching this fall, Grove's new personal care brand offers waterless, plastic-free and effective plant-based solutions. By replacing traditionally packaged products, each Peach customer can divert 4.44 pounds of plastic per year. In under a year, Peach is expected to divert an estimated 70,000 pounds of plastic that would otherwise enter the environment.

Plastic-Conscious Partners

We're committed to moving our industry forward, and we work with third-party brands to offer a wide range of plastic-conscious solutions to our community. Everything available at Grove has met our standards for non-toxicity, efficacy, cruelty-free production, and sustainability. We evaluate our partners' business practices for sustainability and ethics as well. This year, we're launching a plastic-free working group for industry collaboration, and we look forward to reporting on our progress.



Hello

Hello offers plastic-free toothpaste tabs to replace the millions of toothpaste tubes that end up in landfills every year. Easy and effective, these toothpaste tablets are thoughtfully formulated with natural peppermint, tea tree oil, and coconut oil.

Beeswrap

Did you know in 2018, 5.52 million Americans used 10 or more rolls of plastic wrap? That's 52 million rolls of plastic wrap making their way to a landfill in one year. Made in Vermont, Beeswrap offers a totally plastic-free solution and natural alternative to plastic wrap for food storage.

Preserve

These personal care and food storage solutions are made from recycled yogurt cups, take-out containers, and ocean-bound plastic. The Preserve Ocean Plastic Initiative (POPi) is helping to prevent plastic waste from getting into the ocean.

25% of proceeds

of POPi products sold are donated to non-profits that clean up oceans, support marine conservation and research plastic pollution.

Seventh Generation

Coming in September, Seventh
Generation will introduce a
line of Zero Plastic home care
and personal care products.
These liquid free, mineralbased, biodegradable cleaning
products are packaged in
steel — the most recyclable
and recycled material in the
world — along with No Synthetic
Fragrances, No Dyes, No Bleach,
No Wrappers, and certainly No
Plastic.

Roadmap to Plastic-Free

Plastic pollution is devastating our oceans and wildlife, and is severely problematic for human health. We believe that plastic isn't sustainable — period. While we don't have total visibility as to how we will get to zero plastic, we know that bold action is needed to move our industry forward. Here's how we're thinking about tackling these challenges.



Phase 1: Available Alternatives

Phase I requires transitioning all possible packaging out of plastic, where solutions exist. If solutions don't currently exist, we will use PCR recycled plastic as much as possible. On the collaboration front, we are launching our third-party brand working group and advocacy practice.

Phase 2: New Formats & Behaviors

Moving into Phase 2 means expanding our resources and testing to find matches with existing products. Solution must-haves include product compatibility, packaging performance, and price. Consumer behavior change is likely to support this transition.

Phase 3: Innovations & Solutions

While we have less visibility into this chapter of our work, Phase 3 will be the final stretch of our plastic-free journey. It depends on the creation of new materials, technologies and logistics systems that enable us to reach a full assortment of plastic-free products.

Phase 1: Available Alternatives



1. Design

We continue to seek alternate product and packaging formats to reduce the number of Grove products that contain plastic.

- a. Transition out of plastic wherever possible into aluminum and glass, which are infinitely recyclable, more commonly recycled in the U.S., and do not cause harmful environmental impact at end of life. For example, Grove concentrates will transition from plastic tubes to glass bottles.
- **b. For remaining plastics**: I) Increase PCR and recycled content wherever possible; 2) Evaluate materials to prioritize most commonly recyclable materials in place of those unlikely to be recycled. For example, Seedling paperboard boxes have replaced the need for non-recyclable plastic film packaging. We will also transition ABS bottles to polypropylene, a more commonly recyclable plastic type, or from polypropylene to metal.
- c. Reduce all unnecessary paper and plastic packaging. For example, we removed plastic air pillows from packing boxes in favor of recycled paper.



2. End of Life

Label all Grove packaging with <u>How2Recycle</u> instructions to maximize chances of it being recycled properly.



3. Industry Action

- a. Launch Grove plastic-free working group with all Grove brands to share best practices, our roadmap, and create a plan for industry action.
- **b.** Launch advocacy practice: Support legislation and working groups that advance both state and national legislation around increased recycling, disincentivizing single-use plastics and addressing plastic pollution.

Phase 2: New Formats & Behaviors



1. Design

- a. Develop new formats for packaging that prioritize refills, avoid single-use, and transition away from plastics. For example, Grove refillable deodorants.
- **b.** Innovate new products. For example, our Peach shampoo eschews a traditional bottle in favor of a plastic-free bar.
- c. Through testing, explore the role of consumer behavior changes. Examine consumer acceptance and adoption. Increase our focus on the measurement of average plastic in each Grove box, and design a path towards reduction through behavior change.



2. End of Life

Increase compostable packaging assortment. Ideally, make packaging compostable where possible.



3. Industry Action

a. Publish a list of aggregated packaging innovations through the Grove third-party brand plastic working group. Research innovations and changes required for an industry-wide transition to plastic-free packaging. Signal demand that consumer packaged goods, personal care, and the clean beauty industry are ready and eager to go plastic-free.

b. Pilot circularity programs to explore feasibility of long-term reuse addressing plastic pollution.

Phase 3: Innovations & Solutions



1. Design

- a. Integrate new innovations and materials such as bioplastics that are truly compostable.
- b. Make packaging a force for good. For example, explore the creation of new materials from waste and examine carbon capture and/or carbon-negative packaging. Explore the potential role for permanent durable plastic goods with demonstrated longevity.



2. End of Life

- a. Create scalable systems for circularity. Explore take-back models that avoid landfill waste.
- b. Prioritize longevity and re-use over recycling. We envision a world in which every Grove box leaves minimal materials in home recycling bins, and anything that goes into the bin is truly recyclable in the majority of U.S. households.



3. Industry Action

- a. Catalyze our industry to make bold commitments to plastic-free solutions. Participate in the creation of industry-wide goals.
- **b.** Partner with other retailers who share our commitment to avoid plastic and move towards circularity. Scale systems for packaging collection, takeback and/or refill.

Memberships & Advocacy

Grove is proud to support the <u>Plastics Free California Ballot Initiative</u>, the <u>Break Free from Plastic Pollution Bill</u>, and other state and national advocacy efforts to avoid single-use plastic, increase recycling, and address plastic pollution. Grove is also committed to industry collaboration and partnership with key non-profit and social enterprises. Below is a list of industry working groups and organizations that we are proud to be a member or signatory to, as well as our non-profit/social enterprise partners.



As a signatory to the Ellen MacArthur Foundation's New Plastics Economy, Grove has committed to supporting a circular plastics economy by eliminating unnecessary packaging, ensuring that all packaging is reusable, recyclable (by broad standards) or compostable by 2025.



<u>Plastic Bank®</u> is helping the world stop ocean plastic while improving the lives of collector communities. They're building recycling ecosystems in coastal communities and reprocessing the materials for reintroduction into the global supply chain as Social Plastic®.



By signing onto the <u>Climate Collaborative's</u>
<u>Packaging Commitment</u>, we have pledged to implement practices to reduce the GHG emissions associated with our packaging to the greatest degree possible.



<u>5 Gyres Institute</u> is a leading global nonprofit organization in the fight against plastic pollution, with over IO years of expertise in scientific research and engagement on plastic pollution issues.



As a member of the American Sustainable Business Council's <u>Sustainable Packaging Coalition</u>, we participate in a working group of leading businesses advocating for sustainable packaging via legislation and other engagement initiatives.



The <u>U.S. Plastics Pact</u> brings together businesses, government entities, NGOs, researchers and other stakeholders as part of the Ellen MacArthur Foundation's network of Plastics Pacts around the world. The U.S. Pact will work collectively towards a common vision of a circular economy for plastics.

Collecting & Recycling

<u>Plastic Bank</u> creates ethical recycling ecosystems in coastal communities across Haiti, Brazil, Indonesia and the Philippines. Through our partnership with them, we've helped to collect over 200,00 kilograms (the equivalent of more than IO million bottles) of plastic, employing I8I collectors in the Philippines across 20 community locations,* with more to come. Please note that there is a lag between when Grove ships plastic to customers and when it is collected, but I00% of the volume of plastic that Grove ships to customers in 2020 will be collected in the form of ocean-bound plastic as soon as collectors are able to do so.



PEOPLE IMPACTED

181 collectors

PLASTIC COLLECTED

204,905 kilograms

LOCATIONS IMPACTED

20 communities

EQUIVALENT TO RECYCLING

10,245,287 water bottles



A Collector's Story

To date, <u>Plastic Bank® members</u> have gathered over II million kg of ocean-bound plastic. Collectors receive a premium for the materials they collect, which helps them provide basic family necessities such as groceries, cooking fuel, school tuition, and health insurance. Plastic Bank's proprietary blockchain platform secures the entire transaction and enables full transparency, traceability, and rapid scalability.



When her recycling cooperative partnered with Plastic Bank, Marilyn gained access to additional income and financial literacy through Plastic Bank's digital platform.

Marilyn is a collector who lives in Manila, the second largest city in the Philippines. She is a single mother, working to support her family. She works with a recycling cooperative but she has another job peeling garlic for extra income. When her recycling cooperative partnered with Plastic Bank, Marilyn gained access to additional income and financial literacy through Plastic Bank's digital platform.

Grove Collaborative directly supports collector bonuses so that Marilyn receives a premium for the materials she collects. Marilyn has also attended trainings by Plastic Bank where she's learned about the negative impact plastic has on the environment. Marilyn says that she is fulfilled by her work as a collector because she's making a positive impact in her community by keeping it clean and healthy.

Fighting Plastic Pollution

As our dedicated non-profit partner in increasing education and awareness around plastic, Grove is proud to support the <u>5 Gyres Institute</u>, a leading global nonprofit organization in the fight against plastic pollution with expertise in scientific research and engagement on plastic pollution issues. With over IOOO+ Ambassadors in 66 countries, 5 Gyres supports community members with information, tools, and connections to help drive local change.

This case study shows how community engagement is a critical path to building grassroots support for new solutions and legislation that address local sources of pollution. In this example, in order to address the growing waste challenges in the city of Los Angeles (and nationwide), 5 Gyres joined 25 other LA-based environmental and community organizations to launch TrashBlitz LA (TBLA) in 2019.



About Trash Blitz

TrashBlitz is a community-based project designed to engage and empower local stakeholders in measuring plastic pollution and other trash across their city and utilize the data to generate a relevant action-plan for their city. They provide robust research protocols and a web-based app that both measures products and brands, and a platform

to bring diverse stakeholders together to co-create solutions, to stop plastic pollution at the source. The TrashBlitz data card and web-based app also aligns with global NGOs to measure plastic pollution and give municipalities, business leaders, and the public, the data they need to generate solutions based on their communities' key problems or pain points. This allows the scalability of TrashBlitz methods to any city and any watershed across the globe.

A TrashBlitz
app allows
community
data collection
methods to
scale to any
city or
watershed in
the world.

Trash Blitz LA

5 Gyres launched TrashBlitz across the LA watershed, mobilizing hundreds of Angelenos to collect information on urban waste categorized by type, material, and brand. The data provided critical insights and a convening platform for policymakers, business owners, urban planners, and community groups to continue exploring collaborative solutions to the growing issue of plastic pollution and waste.

Volunteers from neighborhoods across LA helped collect the data over the course of three weeks in IIO randomly selected sampling points in LA's 15 City Council districts. The top IO items found in Los Angeles were, in order of abundance: cigarette butts, misc. plastic fragments, food wrappers, bottle caps/rings, misc. plastic foam, cups, straws, misc. plastic film, lids, and bags.

Plastic made a majority of the trash surveyed, at over 70% of the total.

Looking at the brands that most contributed to pollution, six of the top IO brands were cigarette companies. These local findings strongly correlate with the top items found on global datasets as well as our BanList 2.0. This data highlights the interconnectedness of our watersheds and the importance of producer responsibility in creating an end-of-life plan for the plastic we use. The findings show a clear and immediate need to push for policy change that centers around source reduction, like AB IO80 and SB 54 legislation.

TrashBlitz LA gave everyday people an opportunity to join the plastic pollution movement. As the movement as a whole shifts its messaging to include the entire life cycle of plastic, these new partnerships will be key to make sure the solutions are inclusive of organizations and communities who are disproportionately impacted by the oftenhidden impacts of plastic.

While ample evidence of the global plastic pollution problem exists, having local data specific to neighborhoods is a powerful way to engage stakeholders and policymakers. The TrashBlitz platform helps to tell the story for local leaders of what's in their backyard, and how this data can be used to solve problems on a local level.



We're planting 1 million trees.

We believe that household essentials shouldn't come at the expense of the planet. Paper products are a stark example of our industry's contribution to deforestation, habitat loss, biodiversity loss, and climate change, but practical alternatives are feasible. Grove's reforestation strategy aims to align purpose with profit by the positive impact made through our Seedling line, through our non-profit partnerships, and with voluntary carbon offsets.

We are proud to work with the <u>Arbor Day Foundation</u> to restore areas of critical deforestation around the U.S. Upon maturity, 365,000 trees that we have planted to date will not only restore forests, but also provide ecosystem benefits to their communities on an annual basis.

WE'RE ON TRACK TO PLANT

1 million trees

IN THE U.S. BY 2022 WITH THE ARBOR DAY FOUNDATION

TO DATE* WE'VE PLANTED

365,000 trees

IN LOCATIONS ACROSS THE UNITED STATES

THOSE 365,000 TREES WILL SEQUESTER

66,662 tons

OF CO2 FROM THE ATMOSPHERE

THOSE 365,000 TREES WILL REMOVE

4,644 pounds

OF AIR POLLUTION



Protection & Conservation

Looking ahead, we're thinking bigger about protecting forests as a way to support planetary health from both a wildlife and climate standpoint. We're broadening our approach to ecosystem protection and conservation, keeping existing forests healthy, planting new trees, and actively aligning our reforestation strategy with carbon offsets and our supply chain.



Supply Chain

We're exploring ways to integrate regenerative agriculture into our supply chain, and we're committed to deforestation-free suppliers that mitigate the negative impacts of climate change associated with our raw materials. We require that all products that contain palm oil ensure that it is either RSPO (Roundtable on

Sustainable Palm Oil) certified or labeled with other verified standards of traceability, such as Dr. Bronner's Fair Trade partnership with small farms in Ghana.

Carbon Offsets

Since 2019, all Grove shipments and facilities are carbon neutral, part of which we achieve through purchasing carbon offsets. In determining the highest impact for our purchased carbon offset projects, we're supporting forests and natural habitats around the world that not only sequester carbon, but protect our wild places and critical habitats. These projects range from conservation of Canadian boreal forests to Montana ranchlands to the Amazon, and their stories are detailed in the carbon footprint section of this report.

Spotlight on Seedling

Seedling by Grove is the first and only tree-positive paper brand. Every Seedling purchase supports replanting forests across the U.S., making Seedling the first brand of paper to plant trees without ever cutting them down. If today every American switched one roll of toilet paper in their home to Seedling toilet paper, we'd shift enough demand to save one million trees.



Tree-Free Products

94,000+ trees are cut down every day for household paper. Besides devastating forests and habitats for endangered wildlife, this reduces forests' ability to store carbon. The Canadian Boreal forest — the source of many U.S. household brands' paper — holds nearly twice as much carbon as the Amazon.* A soft and sustainable alternative. bamboo makes great paper and regenerates much faster than trees.

On average, trees take 20 years to grow back after harvesting. Bamboo takes 3 months.

Seedling provides a sustainable alternative to conventional paper products. Our bamboo is all certified by the Forest Stewardship Council (FSC), the highest standard of forestry, which requires that ecosystems remain intact for truly sustainable methods of forest management.

365,000 Trees and Counting

Through our partnership with the <u>Arbor Day Foundation</u>, we've so far planted 97,750 long leaf pine trees in Florida, 75,000 long leaf pines in Georgia, 133,500 pines in Mississippi, 8,500 long leaf pines in North Carolina, and 20,000 pines in Texas. In Pennsylvania, we've planted 5,000 native trees including oak, hemlock, chestnut, cherry, locust, aspen, maple, walnut, and poplar; in Washington, we've planted 14,250 larches, pines, and fir trees; and in West Virginia, we've planted II,000 native spruce, chestnut, chokeberry, aspen, alder, and cherry. These trees will clean the air, protect drinking water, create healthy communities, and feed the soul.



FLORIDA

GEORGIA

MISSISSIPPI

NORTH CAROLINA

pines

97,750 75,000 pines

133,500 pines

8,500 pines

PENNSYLVANIA

TEXAS

WASHINGTON

WEST VIRGINIA

native trees

5,000 20,000 14,250 pines

pines & firs

11,000 native trees

Case Study: Econfina Creek

The <u>Arbor Day Foundation</u> is the largest nonprofit membership organization dedicated to planting trees, with more than one million members, supporters and valued partners. Their vision is to help others understand and use trees as a solution to the global issues we face today, including air quality, water quality, climate change, deforestation, and poverty.



Restoring a Florida Watershed

Econfina Creek is a springfed, primary potable watershed serving 200,000 Northwest Florida residents. Destroyed by Hurricane Michael, the site had no tree canopy or cover for wildlife, and was fairly inhospitable. By restoring Econfina Creek to its natural habitat, the area provides critical ecosystem services of water filtration, carbon sequestration, pollution mitigation, and habitat restoration supporting biodiversity. Restoration which includes reforestation with native longleaf pines, groundcover, and ongoing prescribed burning provides forage for game and promotes native groundcover, wildflowers, and other plants. Wildlife such as deer, turkey, quail, and gopher tortoise will benefit.

"Replanting trees is one of the best things we can do to protect water resources here in Florida."

TED EVERETT, DISTRICT GOVERNING BOARD, WASHINGTON COUNTY

Enlightened Home Essentials

Across Grove — from our own products to our carefully vetted third party brands — we offer what we want for our own homes, prioritizing the highest standards across ingredient quality, product development, and social welfare. We view human and environmental health as inextricably linked, and prioritize the wellbeing of both across our products.

Looking at our industry more broadly, testing and proving the safety of each new chemical is a herculean task that unfortunately leaves regulation far behind the science of toxicity, especially when causality linking chemical use to health issues can be nearly impossible to isolate and prove. This means that it can take decades to ban chemicals with known links to serious health issues, such as BPA.

Grove's approach is to raise the bar of safety based on science and decades of experience from our in-house industry experts. We do this by using the safest ingredients possible, avoiding chemicals known or suspected to be detrimental to human and environmental health, and prioritizing plant-based formulations whenever possible in place of petroleum-based chemicals.

We know that the health of our environment equates directly to the health of our communities. Safe products in our homes means safe products for our planet, and effective products do not have to go hand-in-hand with environmental toxicity!



No Harmful Chemicals

All Grove products will never include anything on our <u>anti-ingredients list</u>, and everything we carry will always meet our rigorous standards. By prioritizing plant-based ingredients, in 2019, the Grove Brand avoided over 760,000 pounds of synthetic ingredients across the laundry detergent, hand soap, and dish soap collections.



IN 2019, THE GROVE BRAND AVOIDED

760,000+ lbs

of synthetic ingredients across our laundry, hand soap, and dish soap collections



THE GROVE STANDARD LISTS ALL THE

antiingredients

you'll never find in our products, from parabens to phosphates and triclosan

UP NEXT

Safer Products Everywhere

IOO% of our fragrances will be transparent by the end of this year. We'd like to lead our industry to raise its standards as well. Through advocacy, we support legislation requiring ingredient transparency, and increasing standards around chemical safety within consumer products and cosmetics.



BY THE END OF THIS YEAR

100% of our fragrances

will be transparent, plus we never use synthetic fragrance, just essential oils and other botanicalbased ingredients



IN 2020, WE ADVOCATED FOR

ingredient transparency

by supporting three bills related to ingredient disclosure at the state (California) and federal (U.S.) levels

The Grove Standard

Our products are developed with careful consideration for efficacy and safety. All products meet <u>the Grove standard</u>, which means they prioritize plant-based ingredients, are cruelty free, and are free of synthetic colors, synthetic fragrances, parabens, phthalates, BPA, and toxic varnishes. We provide full ingredient transparency because we have nothing to hide.



WE'RE COMMITTED TO:

Plant-Based Formulas

We lead with <u>organic and</u> <u>plant-based ingredients</u> whenever they're available.

Ingredient Transparency

We never use synthetic fragrance or any other harmful ingredients.

100% Cruelty-Free

We work exclusively with <u>Leaping Bunny</u> certified manufacturers to ensure everything we offer is IOO% cruelty-free.

Sustainable Materials

We constantly seek ways to minimize plastic in our products and packaging.

Ethical Supply Chains

We review supplier factories for safety and well-being according to the international <u>Business Social</u> <u>Compliance Initiative</u>.

Industry Expertise

We're guided by <u>industry</u> <u>experts</u> with over IOO years of combined experience.

Our Anti-Ingredient List

Healthy products don't just work, they're also more enjoyable to use, but it's hard to know where to start and who to trust. Everything available at Grove has met our standards for non-toxicity, efficacy, and sustainability, and is cruelty-free. We also keep a <u>collection of components</u> you won't find in Grove Collaborative products.

Anti-ingredient	Why you won't find it in our products
Ammonia	A polishing agent found in glass cleaner, ammonia can cause irritation in skin and eyes as well asthma.
BHA/BHT	A preservative found in anti-aging skin care products known to be a carcinogen and skin irritant, as well as known aquatic toxicity.
Chlorine	A disinfectant found in household cleaners known to be a respiratory irritant and suspected to be a thyroid disruptor, forming carcinogenic byproducts.
Formaldehyde	A preservative found in personal care products known to be a carcinogen and skin irritant.
Cyclomethicones (D4/D5/D6)	A non-biodegradable emollient found in lotions, creams, and shampoos known to cause reproductive harm.
Octinoxate, Oxyben- zone, Sulisobenzone	A UV blocker found in chemical sunscreens that is a possible allergen and known to be toxic to coral reefs.
Parabens	A preservative found in fragrances and personal care products known to mimic estrogen and possibly be an endocrine disruptor.
Phosphates	A builder found in detergents and stain removal products known to be a skin irritant and to cause excessive algae growth in water, killing other organisms.
Phthalates	A group of chemicals found in personal care products known to be hormone disruptors and irritants.
Quaternium-15, DMDM Hydantoin	A preservative found in personal care products (such as shampoos, face cleansers, and body wash) which releases formaldehyde, a known carcinogen.
Triclosan	An antibacterial found in dish soaps, counter top cleaners, and hand sanitizers suspected to be a hormone disruptor and known to have aquatic toxicity.

Product Certifications

We proudly seek the most rigorous independent certifications to validate our commitment to human and environmental health, so you can trust each and every purchase made on our site.

Sustainable Products	Certification Definition	Metric
EPA Safer Choice	Cleaning products are formulated with the safest ingredients available for your family and the planet without sacrificing performance. Through our partnership with the EPA, a product's ingredients, performance, and packaging are assessed against robust health, safety, and efficacy standards, showcasing our shared commitment to advancing green chemistry and ingredient transparency.	IOO% of Grove's core Gel Hand Soap, Liquid Laundry, and Automatic Dish Pack collections are <u>Safer Choice</u> <u>Certified</u> . We are striving for IOO% of our concentrates and dish soap to be certified by the end of 2020.
USDA BioPreferred	Products are formulated from plants and other renewable materials, as opposed to conventional petroleum-derived sources. We voluntarily partner with the USDA to test and celebrate our products' high bio-based content.	IOO% of core cleaning product collections (hand, dish, concentrates, laundry) will be Certified Biopreferred by the end of 2020.
EWG Verified	The Environmental Working Group, a non-profit organization that champions environmental legislation, assesses our personal care products against the strictest international standards for human and environmental health risks. This means you will never find any ingredients of concern! You can find EWG Verified products within the Rooted Beauty skin and body collections.	Our goal is to certify 80% of our Rooted Beauty skin and body collections by the end of 2020. 75% of our Rooted Beauty products are EWG Verified.
Leaping Bunny	Our formulated products are always cruelty-free; we don't tolerate animal testing anywhere along our supply chain and will never collaborate with partners who don't share this commitment. At Grove we select brand partners that never test their products on animals and require IOO% of these brands to sign our Code of Conduct, stating they do not test on animals. While this is a great first step, the only way to verify that products are made without animal testing throughout the entire supply chain is through verification and certification.	We are codifying our cruelty free standards to require all brands to be certified cruelty free by the end of 2020. IOO% of Grove branded products are certified cruelty free by the Leaping Bunny Standard. 76% of other non-Grove branded products are certified cruelty free, with the goal of becoming IOO% certified by the end of 2020.

Advocacy & Legislation

In 2020, Grove opposed the misleadingly named Accurate Labels Act in a letter of opposition to the lawmakers and supported three bills related to ingredient disclosure and safety: the federal Safe Cosmetics and Personal Care Act (H.R. 4296), the California Cosmetic Fragrance and Flavor Right to Know Act (SB 312), and the California Cosmetic Fragrance and Flavor Right to Know Act (SB 312), and the California Toxic Free Cosmetics Act (CA AB 2761). These acts hold cosmetic companies accountable for the safety of their products and ingredients through various requirements including supply chain transparency, disclosure and banning of toxic chemicals, banning of animal testing, and addressing the over-exposure to toxic chemicals experienced by communities of color and professional salon workers.



Memberships

Grove lends its voice to efforts made by our industry and leading nonprofits, helping to advance legislation to improve ingredient transparency and chemical use requirements. We proudly work with:

- Breast Cancer Prevention Partners
- Women's Voices for the Earth
- Beautycounter
 Counteract Coalition

Chemical Footprint Project

Grove is planning to participate in the <u>Chemical</u> <u>Footprint Project</u> to disclose our management, practices, and chemical policies. Our results will be published on the Chemical Footprint Project site later in 2020.

Our Climate Strategy

We are committed to taking meaningful action on climate. Grove pledges to reduce emissions in alignment with SBTi I.5 degree scenario (I.5DS) — starting with Scope I and 2 as of 2019 as our baseline year, and using 2020 as a baseline year for Scope 3 emissions.

RIGHT NOW

100% Carbon-Neutral Shipping & Facilities

As of 2019, all Grove shipments and facilities are carbon neutral — and will continue to be. Our carefully vetted carbon offset projects support reforestation, regenerative agriculture, and land conservation.

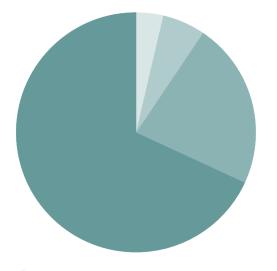
UP NEXT

Science-Based 2030 Targets

We have set <u>Science Based Targets</u> for Scope I and Scope 2 (and are on track to meet our 2030 goal) and plan to set Scope 3 targets in 2021.

Strategy	Details
Setting Milestones for Reduction	Establish emissions reduction goal based on SBTi I.5DS, with progress tracked and disclosed annually. By 2050, we will have achieved net zero emissions.
Reduction	Grove will seek out opportunities for emissions reduction within its operations and business activities
Tracking	Grove will collect resource consumption data and calculate emissions inventory on an ongoing basis as well as report annually on progress.
Industry Action	Grove will engage suppliers and third party brands around emissions reduction, data collection, and reporting. Grove plans to make setting and disclosing progress towards SBTs an eventual requirement for all suppliers.
Leadership	Grove will continue to neutralize portions of its business to make them carbon neutral.
Transparency	Grove has refined its approach around the purchases of Renewable Energy Credits and Carbon Offsets to align purchases with its methodology and sustainability objectives of reforestation and habitat protection.

Emissions by Source & Scope



- SCOPE I: NATURAL GAS 3%
- SCOPE 2: ELECTRICITY − 8%
- SCOPE 3: WASTE − 21%
- SCOPE 3: SHIPMENTS 68%

Scope	Emissions Source	2019 GHG Emission (mtCO2e)		Emissions
Scope 1	NATURAL GAS	334		
Scope 2	ELECTRICITY		790	
	COMPOST			1.1
Scope 3:	RECYCLE			140
Downstream Waste	TRASH			1,899
Scope 3: Transportation & Distribution	CUSTOMER SHIPMENTS			6,660**
	TOTAL	334	790	8,640

Emissions, Renewable Energy & Offsets

		2019 GHG Emissions (mtCO2e)			
Resource	Consumption	Location Based	Market- Based (No RECs)	Market- Based (RECs)	Scope 3 Emissions
NATURAL GAS	62,676 MMBtu	334	334	334	
ELECTRICITY	1,850,202 kWh	903	790	0	
WATER	1,280,812 Gallons				
WASTE	4,588 Short Tons				2,040
SHIPMENTS					6,600**
Total Scope 1 Emissions			334	334	
Total Scope 2 Emissions			790	0	6,660**
Total Scope 1+2 Emissions			1,124	334	8,640

2019 Renewable	Purchase Amount	Applied in 2019	Balance Remaining
	3,800 RECs	1,851 RECs	1,949 RECs

^{*} Grove purchased Renewable Energy Credits (RECs) equivalent to its non-renewable energy use.

^{**} Grove purchased carbon offsets equivalent to its shipment emissions.

Energy, Water & Waste

2019 Energy Use by Facility

	Electric (kWh)	Natural Gas (kWh)	Total (kWh)	GHG (mtCO2e)
FULFILLMENT CENTERS	1,378,10	1,406,995	2,785,098	1026
OFFICES (PAST & CURRENT)	466,523	429,406	2,175,480	96
STORE	5,577	1.26	5,578	1.3

2019 Waste Diversion by Facility

	Compost (Short Tons)	Recycling (Short Tons)	Landfill (Short Tons)	Diversion Rate
FULFILLMENT CENTERS	0	1,544	2,981	34%
OFFICES	2.1375	2.1625	4.625	45%
ROVEN STORE*	0	1.2	1.8	40%

2019 Water Use by Facility

	Water Use (Gallons)	Gallons Per Square Foot
FULFILLMENT CENTERS	434,326	1
OFFICES	841,687	26
ROVEN STORE*	4,798	7

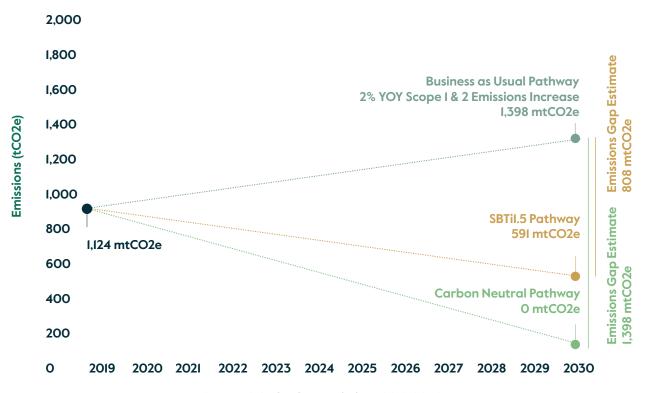
^{*} Roven store operations only ocurred in the last quarter of 2019, and data reflects Q4 2019 only.

Science-Based Targets

We have set <u>Science Based Targets</u> for Scope I and Scope 2, and are on track to lower emissions to 59I mtCO2e by 2030. Next year, we will set Scope 3 targets. Over the next few years, our efforts will focus on identifying opportunities for energy and emissions reductions through efficiency and renewables, where possible.

Our Target: <591 mtCO2e by 2030

Taking into consideration our purchase of Renewable Energy Credits (RECs) our total Scope I-2 emissions for 2019 was 334 mtCO2e, which puts us well below our 2030 goal of 591 mtCO2e.



Scope I & 2 Absolute Emissions 2019-2030

We completed this analysis with the support of POINT380, a specialized sustainability firm providing companies with integrated consulting and software services. Since 2006, POINT380 has been a leader in discovering, assessing, and implementing sustainability strategies for world-class companies. POINT380 is an accredited software and solutions provider with the Carbon Disclosure Project (CDP).

Carbon-Neutral Shipments & Facilities

Since 2019, all Grove shipments and facilities have been carbon-neutral through the purchase of renewable energy through our utility providers in all locations where such programs are available, as well as through the purchase of Renewable Energy Credits (RECs) and carbon offsets. We are committed to providing transparency around our methodology of these purchases, as well as regarding project detail — all provided in the pages that follow for the projects that we are currently supporting (although some will be allocated to 2020 offsets).

Sourcing Considerations for Offsets & Renewable Energy Credits

Methodology	Priority	Strategy
Carbon Offsets	Verifiability	Move toward third-party or global standard
	Methodology	Invest in projects with established, public methodologies
	Transparency	Invest in projects accounted for via a public registry to avoid double-counting
	Proximity	Invest within same state or country
Renewable Energy Credits (RECs)	Additionality	Add new renewable energy to the grid Maximize impact
		Move toward bundled RECs vs. unbundled (REIOO Buyers' Principles)
		Purchase from new generators within high-fossil-fuel grids
		Align purchases with broader SDGs and social impact
	Proximity	Procure from local grid within same state or country
	Load Match	Match REC purchases to consumption (REIOO Technical Criteria)

Case Study: Darkwoods

The <u>Canadian Boreal Forest</u> is one of the world's most important carbon sinks — which has tremendous value for the climate in addition to being a pristine wildlife corridor. However, in the absence of permanent protection, this region faces tremendous pressure from the logging industry — largely driven by demand for conventional paper products such as toilet paper — which have resulted in clear cutting up to I million acres each year.* Estimates show that the equivalent of a city block is clearcut every minute - releasing carbon stores that are locked up in trees, vegetation and slow-decaying soils.



Clearcutting and logging reduce the forest's ability to store carbon, which conservative estimates show is 26 million metric tons of carbon every year, equivalent to the emissions of 5.5 million passenger vehicles which can be avoided by simply keeping the forest intact." Replanting trees, as the logging industry suggests as a solution, does not return the equivalent carbon storage potential for about a half century, if not longer. Grove is proud to both source carbon offsets

that protect this region, while offering the industry a viable alternative made of fast regenerating bamboo that reduces demand for the paper products driving deforestation in this same region. The **Nature Conservancy of** Canada (NCC) acquired 54,792 hectares of land used for logging with the objective of managing the land for ecological conservation objectives. NCC has undertaken a 100-year improved forest management project with the primary objectives to

actively manage and protect the property to achieve climate benefits, biodiversity benefits, water benefits, and other ecosystem services benefits; while retaining substantial net benefits for local communities. The ecosystem services provided by the protected forest reduce soil erosion and regulate water flows, improving water quality. The forest is also a key habitat for iconic and threatened species such as Grizzly Bear and Mountain Caribou. In addition to the ecosystem services, local communities can visit and enjoy the protected forests.

^{*} Global Forest Watch, <u>World's Last Intact Forests Are Becoming Increasingly Fragmented</u>, Jan. 17, 2017. ** Axelrod, Pandora's Box. <u>Canada's 2017 Submission to the U.N. Framework Convention on Climate Change</u>, last revised Nov. 5, 2017

Case Studies: North & South America

In addition to Darkwoods in Canada, Grove's carbon offsets have supported grassland and forest protection throughout the North and South American continents, from the Amazon rainforest to wildlife corridors in the Western U.S.

Project	Location	Details
Amazon Acre Protection	Brazil, South America	Brazil has about one third of the world's remaining rainforests, including a majority of the Amazon rainforest; however, this region has been plagued by intense deforestation due to continued pressures from cattle ranching, agriculture, and logging. This project works with residents of an Amazonian state called Acre, in the depths of the Amazon and one of the world's most biologically diverse regions. By granting land tenure and developing alternatives to deforestation, this project aims to permanently protect IO5,000 hectares of pristine rainforest and protect biodiverse habitats.
Montana Grasslands	Northwest, North America	Two centuries of overgrazing in this region has led to an increase in bare ground, erosion, establishment of invasive species, loss of perennial grasses, reduced water holding capacity, and adverse impacts to the broader ecosystem and nearby Yellowstone wildlife corridors. The Montana Improved Grazing Project seeks to regenerate Western Grasslands in a 33,000 acre span located in the Sweet Grass and Musselshell counties of Montana. By restoring this ecosystem and its resilience, soil quality and carbon sequestration will be improved and wildlife corridors bordering Yellowstone will be protected.
Jagers Grazing Conservation	Southwest, North America	Grasslands store one-third of the Earth's carbon, and are under constant threat of conversion to agriculture. This project will acquire and conserve 6,900 acres of <u>Jagers Ranch</u> , avoiding conversion of the land to farming or development. This will prevent an estimated 190,000 tonnes of CO ₂ from entering the atmosphere over the next 50 years. It will also protect habitat where bison and black-tailed prairie dogs will thrive, helping to limit shrub and tree encroachment and preserve habitats for native animals such as owls, elks, birds, and antelope.

Sustainable Materials Strategy

In addition to moving out of plastic within our product assortment, we have been working hard at reducing the impact of our other materials by choosing the most sustainable materials possible, as well as validating the sources of our materials through independent, third-party certifications.

Although the carbon footprint of e-commerce is estimated to be 17% lower* than traditional brick and mortar, packaging is a significant portion of e-commerce carbon emissions contributing to landfill. By choosing carbon neutral shipments and recyclable materials, Grove is taking responsibility for our impact. We strongly believe that this is the point of entry for responsible retail, and urge other retailers to do the same.

Packaging Strategy

We are committed to efficient packaging, and are exploring long-term solutions that reduce waste, including the following material considerations.

Packaging Material	Details
Plastic-Conscious	All of our Grove boxes and packaging do not use plastic, styrofoam, bubble wrap, or any single-use plastics.
Recyclable	Our Grove boxes (including packing tape) are all recyclable through most curbside recycling programs.
Recycled Content	Grove boxes are over 35% recycled content, and we hope to increase that over time.
FSC-Certified	Any paper that you get in the mail from Grove is made with IOO% Forest Stewardship Council® Certified content.

Material Certifications

In designing our products, we carefully consider the impact of our decisions, and prioritize industry leading certifications and verified materials. We've broken them down by category:

Certification	Definition	Metric
Global Organic Textile Standard (GOTS)	Cotton is grown organically with rigorous environmental and social criteria. We source 100% certified organic cotton for Grove Collaborative textiles and Sustain period care.	IOO% of our textiles, cleaning and personal care tools, and Sustain period care that contains cotton is GOTS certified.
Forest Stewardship Council (FSC)	Wood and pulp is sourced from responsibly managed forests. Seedling paper products come from FSC certified farms, and we source FSC certified paper packaging, such as cartons and boxes, whenever possible.	In the last two years we have converted over 50 Grove products from virgin paper packaging to FSC certified paper packaging.
Fair Rubber Association	Rubber is sourced responsibly and at a premium to support smallholder farmers, while encouraging improved ecological and social standards within the natural rubber industry.	Our Sustain condoms are the 1st <u>Fair Trade</u> brand of condoms in the U.S.
Rainforest Alliance & Roundtable on Sustainable Palm Oil (RSPO)	The Rainforest Alliance & Roundtable on Sustainable Palm Oil (RSPO) verify that palm oil is sourced responsibly and sustainably to prevent deforestation, habitat loss, and hazardous working conditions.	IOO% of products sold at Grove that contain palm oil are responsibly and ethically sourced.
USDA Organic & Oregon Tilth Certified Organic (OTCO)	Ingredients are grown without pesticides and fertilizers. Sustain personal care products and Grove Hydrating Hand Soaps, Essential Oils, and Teas are certified organic.	Whenever possible, we source organic ingredients.
Recycling & Composting	Certification Definition	Metric
How2Recycle	Clear instructions on how to recycle our products and curb packaging reduce waste. Proper waste sorting can be confusing, so Grove implements this voluntary labeling system to educate consumers on how to recycle various materials.	IO0% of our new products with packaging will include a How2Recycle label, and we hope to retroactively cover 75% of our packaging by the end of 2020.
Biodegradable Products Institute (BPI)	Products have been tested and proven via a third- party lab to be compostable, meaning they break down naturally. Seedling wipes are <u>BPI certified</u> .	Whenever possible, we seek third party compostability testing for products.

People & Purpose

Grove is all about our people, and everyone is our people. We see our partners, customers, and teammates as one big community, committed to bettering life across the planet in ways that may feel small, but absolutely add up. We're always looking for people who share our passion. This section details our commitment to our teams and communities, as well as our goals for the future.

Our purpose is to make our workplace, products, services, and communities more equitable and inclusive. We engage Grove and the communities we touch through programs designed to eradicate barriers, encourage self-reflection and awareness, and celebrate different perspectives. We believe an inclusive culture contributes to Grove's success in spreading healthy habits. Looking at our impact, we strive towards inclusive teams, vendors and customers — and we believe that safe and sustainable natural products should be accessible to everyone.



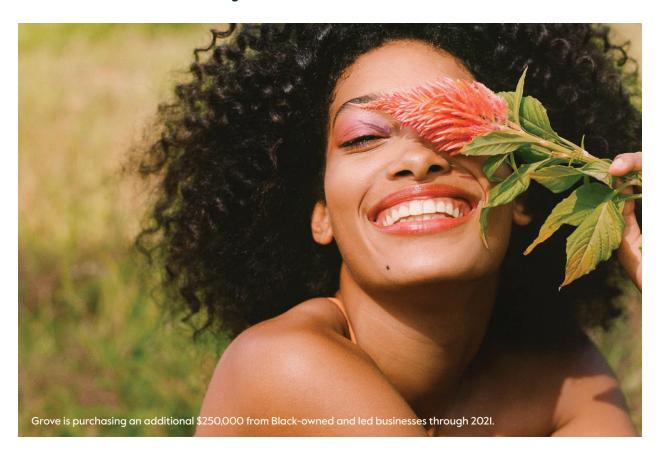
Inclusive Teams & Initiatives

Grove's Diversity & Inclusion Squad leads our equity and anti-racism initiatives. We have pledged donations to relevant organizations committed to change, voted on by our full Grove team. Additional details on charitable giving are included at the end of this report.

UP NEXT

+\$250,000 to Black-Owned and Led Businesses

We can make a meaningful impact by engendering diversity in the natural products industry. To this end, we've made a pledge to purchase \$250,000 of products and goods from Blackowned and led businesses through 2021.



Ethical & Inclusive Products

We want to contribute to positive progress. At Grove, we're finding ways to use our corporate platform to chip away at systemic injustice. While we're a small company, we see ourselves as a leading values-driven business in the natural products industry. We want to use that position to make our sector more equitable. We support Black-owned businesses, and commit to increasing our purchases from them by at least \$250,000 through 2021. If you have natural brands you love, feel free to share them with our team at <code>ideas@grove.co</code> and look out for new brands you can support at Grove in the coming year and beyond.

Vendors: Diversity & Inclusion

These are our baseline numbers. As of June 2020 we have also started tracking LGBTQIA+ owned businesses and will publicly report on these in our next Sustainability Report.

Voluntary disclosures	Women Owned	Minority Owned	Veteran Owned	% of Total Vendors WMV-Owned	% of Total Vendors Undisclosed
THIRD-PARTY BRANDS	40	9	3	43%	5%
GROVE SUPPLIERS	2	13	0	33%	50%

Vendors: Certified B Corporations

As part of a community of <u>Certified B Corporations</u>, we believe all business should be conducted as if people matter first and foremost. Through the B Corp community's products, practices, and profits, businesses should strive to do no harm and benefit all. Grove is proud to not only be a B Corp ourselves, but to have many vendors who are also B Corps.

All Vendors	B Corporations	% of Total Vendors
THIRD-PARTY BRANDS	40	9%
GROVE SUPPLIERS	2	13%

Teams & Initiatives

Grove has an active Diversity, Equity, & Inclusion squad, which is dedicated to making our workplace more equitable and inclusive. They engage Grove and the communities we touch through programs designed to eradicate barriers, encourage self-reflection and awareness, and celebrate different perspectives.

In June 2020 we made a financial grant to our Diversity, Equity and Inclusion squad to further initiatives that can help us drive change in our company and our industry. We are engaging our employees to participate and guide our financial contribution; based on their votes, we will donate at least \$10,000 to charities and organizations fighting racism.



Our Teams

We are taking a hard look at representation, and know we have work to do to support historically underrepresented and BIPOC communities. As a B-Corp in the 21st century, we have led the way in how we do business; from planting trees to breaking free of plastic before anybody else. We can break free from systemic barriers and be the leaders of culture and diversity — and look forward to sharing more on this at Grove.co/people later this year.

Women at Grove

53% of Grove employees are women, and we have launched an internal group dedicated to empowering women at Grove called the Women's Caucus. By providing access to mentoring, coaching, and sponsorship through executive leadership, we can increase alignment and social connectivity across teams, improve the talent development pipeline, and engage all members of the Grove community.

Benefits & Development

We're in this together and rely on each other to get things done. We work hard because we believe we'll leave a lasting impact, and we believe that a small group of people can change the world for the better. Here are some of the benefits and opportunities we provide to people who join our team.



Corporate & Customer Happiness Team Benefits

We are pleased to offer comprehensive Medical, Dental, Vision, Company Paid Life Insurance and Short Term Disability, 40I(k), and twelve weeks of paid parental leave.

Fulfillment Center Benefits

We are proud to pack and ship all Grove boxes in the U.S. at our three locations in Missouri, Nevada, and Pennsylvania. All full-time Grove employees are offered up to 17 days of paid time off, comprehensive Medical, Dental, Vision, Company Paid Life **Insurance and Short Term** Disability, 40I(k), EAP, and parental leave. For parttime employees, we offer Paid Time Off and a 401(k) program.

Career Development

We aim to create a culture where our employees can grow and advance. We have invested in initiatives such as "Lead in Training" and fulfillment center onboarding to help build a pipeline of growth. 90% of our Leads come from internal promotions from associate positions, providing them an opportunity to move into leadership roles and continue growing their careers.

Opportunities & Training

We are committed to providing training and tools to enable employees to succeed in their current roles, as well as develop new skills to further professional development. We value employee input as a way to preserve our culture, so we conduct annual employee engagement surveys (with over 80% participation) that hold our senior leadership team accountable to providing actionable plans for progress on any issues to be addressed.



Onboarding

Every employee goes through an onboarding session to learn about the history of the company, our priorities for the moment, and the future impact we hope to make on the planet.

Management

We offer training for managers on topics ranging from compliance to leadership skills, such as coaching and feedback.

Bootcamp

We are excited to launch a Manager Bootcamp — a rotating cadence of skillsbased training.

Vibe Squads

Corporate staff members have the opportunity to engage and lead resource groups we call "Vibe Squads," which focus on topics related to diversity, equity & inclusion, wellness, volunteering, and sustainability.

Social Compliance Policy

We take pride in providing products that are good for both human and environmental health. The area where we can make the greatest impact is in the production of our own Grove-branded products. When we evaluate prospective and existing producers to make our products, we value those who provide equitable, safe, and healthy working conditions for their workers. We strive to work with those who share our goals for transparency, sustainability, and accountability. We know we are a positive force for change when we make a positive impact in the communities where we operate.

We have producers all over the world — in the United States, Canada, China, and India. We require all our direct finished product producers who are located in a non-low-risk country (according to <u>Amorfi</u>) to be audited according to <u>Amorfi</u>'s <u>BSCI Standard</u>. We monitor for social compliance and continuous improvement in accordance to <u>Amorfi</u>'s <u>BSCI Code of Conduct</u>. We evaluate our producers on the following performance areas.

Compilative	Terrormance Area (rA) Evaluation
	The rights of Freedom of Association and Collective Bargaining
	No discrimination
	Fair remuneration
	Decent working hours
	Occupational health and safety
	No child labor
	Special protection for young workers
	No precarious employment
	No bonded labor
	Protection of the environment

000

Ethical business behavior

Compliance Performance Area (PA) Evaluation

Social Compliance (Cont.)

Our Process Steps

- I. For any prospective producer, we conduct a Workers Sentiment Survey and have them sign Grove's Code of Conduct.
- We request a semi-announced BSCI audit with a leading business risk and sustainability solutions provider. In a semi-announced audit, the producer is provided with a 4-week time frame in which the audit could take place, but not a specific date or time.
- 3. Once the audit takes place and the audit report is available for review, we share the details with our producer and put together a Corrective Action Plan.
- 4. We check in with our producer to ensure any trainings, corrective, and preventative actions are completed.
- 5. If required, follow-up audits are conducted within an appropriate time frame.

Audit Scores

Our producers' audit scores are determined by their scores in each performance area (PA).

Audit Score	A	B	C	D	E
	Very Good	Good	Acceptable	Insufficient	Unacceptable
Requirements	Min. 7 PAs rated A. No PA rated C, D, or E.	Max. 3 PAs rated C. No PA rated D or E.	Max. 2 PAs rated D. No PA rated E.	Max. 6 PAs rated E.	Min. 7 PAs rated E.
Corrective Action Plans	Not required	Required	Required	Required	Required
Audit	Next audit:	Next audit:	Next audit:	Next audit:	Next audit:
Schedule	24 months	24 months	12 months	6-12 months	3-6 months

Social Compliance (Cont.)

We recognize that no producer is perfect. Grove operates under a continuous improvement philosophy, meaning that we expect suppliers to make gradual progress towards compliance through plans that consider operational and economic realities.

Audit Score	Action
В	We work with the producer to develop a Corrective Action Plan, which aims to identify root causes and often includes in-person workshops and online trainings. We conduct a new audit within 2 years.
С	We work with the producer to develop a Corrective Action Plan and conduct a follow-up audit within I year to ensure improvements have been implemented.
D	In addition to implementing a Corrective Action Plan, we re-audit within 9-12 months. If the new audit's score does not improve, we allocate additional training or consulting resources through our business risk and sustainability solutions provider to ensure the producer can adequately improve.
Е	In addition to implementing a Corrective Action Plan, we re-audit within 6-I2 months and allocate any additional training or consulting resources. We also hold monthly calls to discuss progress with the Corrective Action Plan. Production may be put on hold until conditions improve.
Zero Tolerance Incidents	We consider these incidents to have no opportunity for remediation. They can include, but are not limited to: child labor, bonded labor, abuse, bribery, intentional misrepresentation, and health and safety violations that put a worker's life in danger. In the case of a zero tolerance incident, the relationship will be terminated and Grove will seek alternative sourcing. If we exit from a production partner, we explore resources to help its leadership address the issue that led to our exit.

\$1M+ Donated Annually

At Grove, we aim to make our business a force for positive impact. Our charitable giving is intended to provide additional support to our environmental sustainability pillars, such as reforestation and ocean health, as well as to more directly support the local communities where our facilities are located. The overall outcome is intended to support people and the planet. Grove's values guide us to donate where we can make a meaningful positive impact. As a mission-driven organization, we also seek to enrich the lives of our employees.

Grove Collaborative will donate the equivalent of a minimum of \$IM in cash and in-kind donations to select non-profit partners on an annual basis. These causes are primarily environmentally focused, intended to support healthy forests, oceans, and ecological health. We vet these groups for non-discrimination and inclusivity in their mission, where relevant. We plan to increase both our general giving and donations in conjunction with product sales as our assortment grows. In addition to corporate giving, we proudly support our communities through both customer donations and local office donations.

2018

\$1.5M Cash & In-Kind Donations

In 2018, we proudly donated over \$1.5 million in cash and in-kind donations to the following non-profit partners: <u>Arbor Day Foundation</u>, <u>Central Pennsylvania Food Bank</u>, <u>Food Bank of Saint Louis</u>, <u>Food Bank of Northern Nevada</u>, and the <u>Susan G. Komen Foundation</u>.

2019

\$3M Cash & In-Kind Donations

In 2019, our cash and in-kind donations more than doubled to \$3M based on significantly increased commitments to these groups as well as new contributions to brand philanthropic partners that align with our business. Honu vitamins pledged \$30,000 annually to <u>5 Gyres</u>, a group dedicated to ending plastic pollution and improving ocean health. We also launched a partnership with <u>Living Lands and Waters</u>, a nonprofit organization dedicated to U.S. river cleanups.

Giving & Volunteering

Grove encourages volunteering, advocacy, and giving within our community. In San Francisco, over the course of 2019, our employees participated in the global climate march, wrote holiday cards to foster children, donated to our local foodbanks and donated almost \$5k to employee directed causes. Next year, our report will detail our current responses to global crises, including over \$35k in cash and products donated to front-line and essential workers during the first few months of the Covid-19 response.



Our 2019 Partners	Details
The Arbor Day Foundation	<u>ADF</u> is the largest nonprofit membership organization dedicated to planting trees, with more than one million members, supporters, and valued partners. Their vision is to help others understand and use trees as a solution to many of the global issues we face today, including air quality, water quality, climate change, deforestation, and poverty.
5 Gyres Institute	<u>5 Gyres</u> is a leading global nonprofit organization in the fight against plastic pollution, with over IO years of expertise in scientific research and engagement on plastic pollution issues.
Women's Voices for the Earth	<u>WVE</u> was founded with the mission to amplify women's voices to eliminate the toxic chemicals that harm our health and communities. The group leads tens of thousands of advocates across the country in campaigns to increase corporate accountability and transparency, enact health-protective laws, and take steps to reduce toxic exposure in their lives.
Living Lands and Waters	<u>Living Lands and Waters'</u> mission is to aid in the protection, preservation and restoration of the natural environment of the nations' major rivers and their watersheds. Spending up to nine months a year living and traveling on the barge, the Living Lands & Waters crew hosts river cleanups, watershed conservation initiatives, workshops, tree plantings and other key conservation efforts and have collected over IO million pounds of trash out of US rivers to date.

GROVE.CO/SUSTAINABILITY





PREPARED BY clearercollective.com