

# Sustainability Report

Dated: March 2023



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# About This Report

This report dated March 2023 covers Spectrum Brands, Inc’s (“Spectrum Brands”, “our”, “we” or the “Company”) sustainability performance for the period starting on October 2020 to September 2021 (“Performance Period”) and beyond. This report also discusses our strategy, approach and targets for the coming years.

We intend to report on sustainability topics on a biennial basis to demonstrate our commitment to:

- (i) operating our businesses in a responsible, sustainable way; and
- (ii) outline the policies, processes and people in place to achieve these great success stories.

We have also included data and metrics throughout the report that support our sustainability topics and targets, but also paint a picture of our ongoing efforts in 2023, and beyond, to emphasize and prioritize sustainability across our trusted brands.

The data contained throughout this report reflects the Company’s efforts since October 2020. In many areas, the time period for the data is specifically identified in this report. In other areas where not specifically identified, the data contained in the following locations is from the period of October 2020 to September 2021 (“FY21”): (i) Carbon and energy intensity (pg. 24); (ii) greenhouse gas emissions (pg. 25); (iii) water consumption (pg. 29); (iv) waste reduction (pg. 30); and (v) Environmental, Health and Safety incident reporting (pg. 37). In addition to our biennial updates, we intend to publish statistical and data updates on an annual basis.

In this report, we have aligned our Environmental, Social & Governance (ESG) reporting metrics to the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) standards. An appendix of how we are reporting against each can be found on page 55. We do not seek third party assurance for this report.



# CEO Statement

CEO Statement

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**Welcome to Spectrum Brands’ 2021 Sustainability Report!**

Before I share with you our impressive highlights, I would like to start by thanking our employees around the globe. You have all overcome a lot in recent years, and we should all be proud of our progress, the confirmation of the durability of our business, and the people who develop market-leading products that make living better at home.

Our teams have embraced both our global operating model and our servant leadership culture. We persevered through a global pandemic to deliver excellent and consistent financial performance for our stakeholders. We also structured our organization for sustainable growth and efficiencies to better serve our consumers, customers and stakeholders. This report will showcase how we have refined and refocused our efforts in executing sustainable solutions in our products, for the benefit of people and our planet.

We are steadfast in our environmental sustainability commitment, as we invest in operational efficiencies to reduce the natural resources we use and protect and preserve

the environment for generations to come. During the performance period, we achieved an 18% reduction in energy and greenhouse gas (GHG) emissions normalized for our revenue, and a five percent (5%) reduction in water efficiency compared to levels just three years prior. Through innovative engineering solutions and capital investments in water saving projects at two of our largest and highest water consuming manufacturing sites, we have reduced 17 million gallons of water consumed annually.

Our commitment to clean water goes beyond our manufacturing sites, as we continue to support the Well Aware clean water initiative that provides sustainable water supply projects that will drive development and empower communities in developing countries. Spectrum Brands has helped Well Aware improve access to clean water by constructing sustainable water systems for thousands of people with annual fundraising efforts, including working in the communities the group serves and raising awareness of the need to help.

Not only are we improving sustainability in our operations and communities, but we are

also improving product sustainability in our designs and throughout the value chain. From reducing plastic use in product packaging, to innovating water saving features in our plumbing products, we understand sustainability goes well beyond our own direct operations and influences the products that we design and offer consumers.

During the pandemic, we further invested our attention on employee wellbeing and engagement and our people showed resilience and determination as they helped us maintain a safe work environment and continued to deliver on our strategic goals. We continue to invest in our people – supporting their development, protecting their health and wellbeing, and promoting diversity and inclusivity in our business.

In everything that we do, we are driven by our values of trust, accountability, and collaboration to serve our mission to make living better at home.

**David M. Maura**  
Executive Chairman and  
Chief Executive Officer



# About Spectrum Brands

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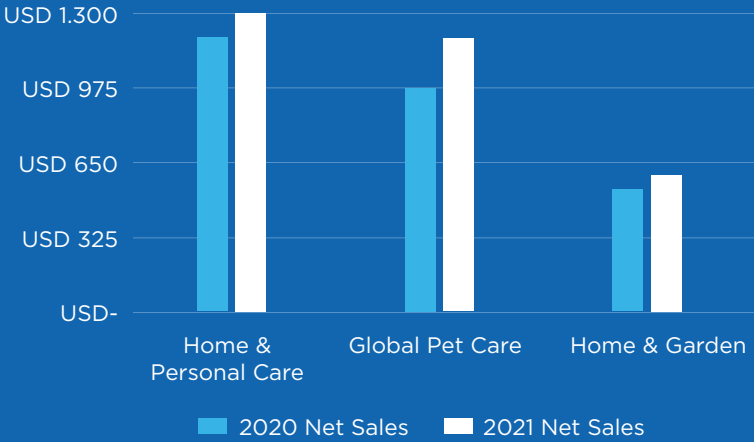
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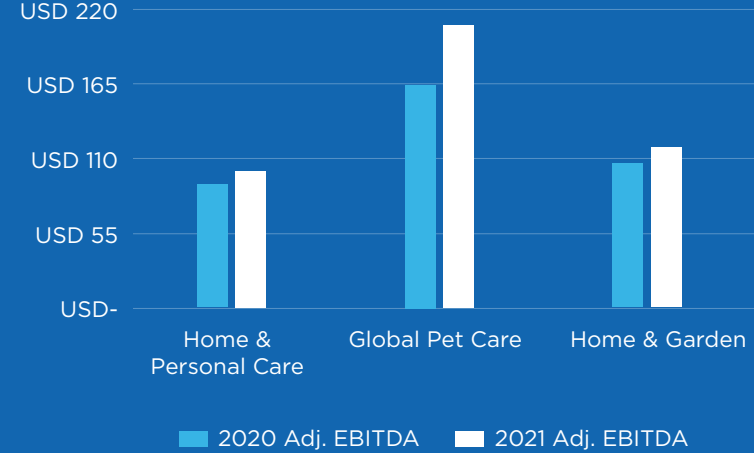
Spectrum Brands is a home essentials company trusted by millions of consumers throughout the world. Our brands improve the way people live life at home - from making their meals, looking their best, and caring for their pets to securing, enhancing, cleaning their homes, and freeing their space from unwanted weeds and pests. We focus on delivering innovative products and solutions to consumers for use in and around the home through our trusted brands.

We have over ~11,000 employees working in operations spanning well over 30 countries across the globe where we design, manufacture, distribute, sell, and service our products.

FY21 vs. FY20 Net Sales (\$ M) up 14%



Adjusted EBITDA up 16%



**Special note:** Spectrum Holdings, Inc. has entered into a definitive agreement to sell its Hardware & Home Improvement (“HHI”) segment to ASSA ABLOY. Sales and earnings reflected above for FY20 and FY21 are only for ongoing operations, and does not include discontinuing operations (HHI). However, this report does reflect non-financial contributions from HHI in the area of ESG.



Top Brands:



Our Strategy, Mission and Values

At Spectrum Brands, our mission is to **make living better at home**.

We use consumer insights to fuel innovation. Our trusted brands provide the newest solutions to improve the way people live life at home, ultimately exciting consumers.

Because we are structured for growth and efficiency, we can serve more consumers, customers, and stakeholders around the world every year.

WE SERVE OTHERS

Our ~11,000 employees work together to serve those who trust and use our products in their homes. We do this through our core values of:

**Trust:** We build trust through our integrity; we are honest, respectful, and inclusive.

**Accountability:** We value our work, and we hold ourselves and each other accountable.

**Collaboration:** We contribute our unique individual expertise and experience to achieve our unified goals.



## Sustainability Approach and Strategy

At Spectrum Brands, our vision as a home essentials company is to leverage our professional and talented people, trusted brands and innovative solutions to make living better at home. Supporting that strategy, our commitment to sustainability demonstrates our choices and investments to protect our planet. This includes responsibly managing our natural resources and supply chains, supporting our employees’ growth and ensuring their safety, and making a positive difference in the communities where we work.

We use environmental, health, and safety management systems (“EHSMS”) to measure our conformance with regulatory requirements as well as our own policies and standards. These EHSMS align closely to ISO 14001 and OSHA 18001. We create and build assurances that these management systems, policies, training, and procedures are being followed with periodic external and internal staff audits with the goal of continuous improvement.



To promote transparency on our sustainability performance, we report greenhouse gas emissions to the CDP (formerly known as the Carbon Disclosure Project). We also reported our water use and water efficiency through the Water Security CDP questionnaire, which we did for the first time in FY21. Additionally, we have aligned our sustainability reporting to the Sustainability Accounting Standards Board (SASB) and Global Reporting Initiative (GRI) reporting frameworks and are tracking our performance against these well-recognized standards. We will provide further transparency on our sustainability efforts through our filings for our future performance periods.

Spectrum Brands continues to outperform our peers with product sustainability scores in the widely recognized The Sustainability Insight System (THESIS) Index, created by The Sustainability Consortium (TSC), a performance assessment system that equips retailers and manufacturers to benchmark, quantify, and initiate action on critical sustainability issues within consumer products and their respective supply chains.

For more information about how our sustainability strategy is governed, see Governance on page 52 and our new [Environmental, Social and Governance \(ESG\) Governance Policy on our website](#), published in May 2021.



## Our Sustainability Priorities

We have also launched a process to further enhance our existing ESG efforts. We have invested substantial internal resources and engaged experienced and reputable outside advisors to assist us through this process and evaluate ESG trends, issues, and concerns that could affect the Company’s ongoing ESG and sustainability efforts consistent with our Company-wide mission statement: “We Make Living Better at Home.” In furtherance of this, we identified our ESG vision statement to be:

**“Committing to a process of continuous improvement for the benefit of our consumers, customers, employees, investors and the planet by integrating ESG into everything we do.”**

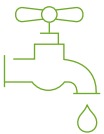
As a part of our process to evaluate and prioritize our ESG efforts, we conducted a detailed ESG materiality assessment. We conducted interviews, performed market research, and explored industry recognized ESG frameworks to determine the policies, priorities, metrics, and reporting plan. In furtherance of our ESG vision statement, we have identified four key sustainability pillars that comprise our ESG program moving forward:



## Sustainability Pillars



**Sustainable Products:**  
Creating products that will be more sustainable, for example, by reducing packaging waste and using more packaging capable of being recycled.



**Sustainable Operations:**  
Reducing waste, water, and energy used in our operations.



**Sustainable Communities:**  
Protecting employee wellness and health, supporting our communities where we do business, and fostering a workplace that embraces diversity, equity, and inclusion.



**Sustainable Supply Chain:**  
Treating people with fairness, dignity, and respect and operating ethically in our supply chain are part of our core values. We work so that all products are manufactured in safe and healthy environments and the human rights of workers in our supply chain are being respected.

To measure, track, and report our performance against these sustainability priorities, we have aligned our key performance indicators against three ESG industry frameworks, which help guide our metrics and future goals for our sustainability efforts: (i) SASB; (ii) GRI; and (iii) CDP. Please see the Appendix starting on page 55 to cross reference the SASB and GRI sustainability frameworks and for guidance and further disclosures and metrics, within this report.

Commencing in FY23, we intend to embed these priorities into each business unit to help us set long-term goals, establish key performance metrics, and define sustainability driven projects.



## Our Top 10 Sustainability Highlights in 2021

- 1 For the fifth consecutive year, we have improved our Sustainability Insight System (THESIS) survey score. In 2021, on average, we scored higher than our peers in the product categories we supply to our retail customers who participate in THESIS. Additionally, in 2022 we continued this trend, ranking top four in nearly all ranked categories.
- 2 Two of our largest water consuming facilities, Mexicali, Mexico and Subic Bay, Philippines, completed water efficiency projects in FY20, reducing up to 17 million gallons of water consumed annually. Company-wide, we reduced our normalized water use by five percent (5%) in FY21 compared to FY18, even despite our continued growth in sales and production.
- 3 We achieved an eighteen percent (18%) reduction in greenhouse gas (GHG) emissions in FY21 when normalized for revenue compared to FY18, despite tremendous business growth in this period. Our energy use has been reduced throughout our organization, normalized for revenue, by five percent (5%) per year from FY18 to FY21. This exceeds our three percent (3%) per year goal.
- 4 We continue to protect and keep our employees safe, with total recordable incident rates dropping for the fourth straight year in FY21. Our recordable and lost time incident rates are one-fifth of the industry rates for our market segments.
- 5 We continued our commitment to Diversity, Equity, & Inclusion (DEI) by engaging an outside consultant and advisor to help us create long-lasting change. We formed a U.S. DEI Advisory Council, began developing priorities, goals and a DEI program that includes educational content for all employees, and developed training to help leaders foster a more inclusive environment.
- 6 We published new Energy and Greenhouse Gas and ESG Governance policies, which outline the responsibilities, projects, and reporting objectives for ESG-related issues.
- 7 We aligned our sustainability metrics and tracking to three (3) industry and investor-recognized ESG frameworks: SASB, CDP, and GRI.
- 8 We performed more than 100 onsite social accountability audits on suppliers, ensuring that our suppliers adhere to high standards of safe working conditions, fair and respectful treatment of employees, and ethical practices, as laid out in our Supplier Code of Conduct. Furthermore, we engage over 200 suppliers per year in our Conflict Minerals due diligence efforts, confirming that responsible sourcing is conducted per our Conflict Minerals Policy.
- 9 Our new product development teams have made great strides in reducing packaging weight and plastic-based packaging materials. In our Home & Personal Care business, we removed over 30 tons of plastic by switching to paper-based packaging.
- 10 Last, but not least, we have developed long-term ESG goals and metrics to track our performance against the four pillars outlined above, namely:
  - (i) Sustainable Products
  - (ii) Sustainable Operations
  - (iii) Sustainable Communities
  - (iv) Sustainable Supply Chains



# Sustainable Products

We are committed to developing products that have lower environmental life-cycle impacts, require less packaging, and are made from responsibly sourced materials across many of our brands. Our wide product range provides us the unique opportunity to focus on different sustainable design opportunities that satisfy our consumers' desire to lower their environmental impact, such as:

- designing products that consume less water;
- refurbishing rather than disposing products;
- reducing plastics in packaging and
- creating refillable, reusable or recyclable packaging.

To explore more sustainable product attributes across our business portfolio, employees from our marketing and new product development teams have developed a three-year product roadmap, which includes sustainability as a key element in new product reviews.

**Goal: We are committed to creating sustainable products that reduce our environmental impacts, through design, sourcing, manufacturing, packaging, distribution and the lifecycle of the consumer.**



## New Product Development (NPD)

We understand and appreciate that decisions made during our design and development process will have a lasting impact throughout a product’s life. Accordingly, we evaluate opportunities to implement new materials, packaging and manufacturing processes to reduce environmental impacts, extend the life of our products, and reduce and eliminate product returns.

First and foremost, we want to develop products that meet our customers’ quality and functional needs. We use consumer insights as an input for new product design to improve customer satisfaction and extend the product life. Our NPD teams consider sustainability factors when developing ideas from concept through manufacturing and beyond.

Our NPD teams make informed design decisions, including the use of Life Cycle Analysis (LCA) tools to support selecting alternative material choices for products and packaging. Through our LCA tools, we are able to evaluate the energy and greenhouse gas impacts of making material substitutions, such as, using recycled materials, which have a far lower carbon footprint, for non-structural components and packaging. Because of these LCA tools, and by way of example, 40% of our plastic parts in our irons now contain recycled metal and plastic materials.



## Enhanced Packaging Design

Packaging is a highly engineered system that protects our products during shipping, enables consumers to see what they are buying, and provides shelf appeal. While packaging needs to be designed for these purposes, our packaging engineering team incorporates innovative opportunities to protect the product while reducing our environmental impact, such as, enhancing recycling opportunities, using recycled content and/or post-consumer materials, and reducing packaging weight.

### Home and Personal Care (HPC)

Demonstrating our success in packaging design, in our HPC business, all new product packaging using paper, corrugate, and/or fiberboard incorporates over 50% recycled content.

We use lower impact alternatives in our printing process, such as non-petroleum-based inks. We have eliminated the use of PVC and black plastics from the development of packaging components and have eliminated the use of EPS (expanded polystyrene) from all packaging components being developed in our European markets. Additionally, we have removed polybags from more than 80% of our product lines in Europe and continue to expand the effort to eliminate plastic bags globally.

Our HPC business has also moved most of our packaging structures from a see-through box with a plastic window to an entirely closed paper box, which has greatly reduced our plastic usage-especially in our shave and grooming product lines. For example, the updated packaging in our new Remington line of product's has resulted in a reduction of approximately 75 grams of plastic per package. Extrapolated for just two of our product lines, we estimate a total polymer-based material savings of approximately 90 tons per year.



### Home and Garden and Global Pet Care

In addition to packaging improvements, we have also reviewed our shipping methods to develop more sustainable processes. For example, in our Home & Garden business unit, we moved to generic shipping SKUs instead of unique printing. This project resulted in a 66% reduction in shipping SKUs, which saved over 500,000 square feet of corrugate per year.

We understand the value of being able to use our products multiple times before disposal. As our cross functional teams continue to develop new products, we are committed to expanding and incorporating more refillable options. For example, within our Global Pet Care (GPC) business, 35% of the Nature's Miracle brand portfolio are refillable options. Within our Home and Garden (H&G) business, 10% of the Spectracide brand portfolio is offered in concentrated and/or refillable bottles, reducing the need for new plastic bottles for many of our products.

CASE STUDY

Coronavirus (COVID) Response:

As countries, companies, and individuals were shaken by a global pandemic, we took numerous actions to contribute to our communities, families, friends, and co-workers.

We did this by offering innovative solutions that leveraged the strengths of our company in areas where we had experience, capacity, and solutions.

For instance, using the know-how from our Cutter® Insect Repellents, we moved rapidly to formulate hand sanitizer products and shifted production in our Blacksburg, Virginia manufacturing plant for that purpose. We achieved this result in just two short weeks.

With this new product, we contributed to the safety of our communities, friends, families and co-workers by donating nearly six tons of sanitizer in 2020 alone.

We also contributed to the safety our employees by providing them access to free hand sanitizer. For example, the team supplied hand sanitizer to all 15 Spectrum Brands facilities and offices across the U.S. to promote the health an safety of the organization’s employees. In addition, Cutter® donated hand sanitizer to local organizations across the communities in which Spectrum Brands has operations, including Carilion Clinic, a not-for-profit health care organization based in Roanoke, Virginia, and the St. Louis Area Foodbank.





CASE STUDY

**Reducing Water Use for Our Consumers**

Within our Hardware & Home Improvement (HHI) business, the Pfister brand has been a market leader in creating products that help customers use less water. Approximately 98% of Spectrum Brands’ plumbing category portfolio/sales conform to the stringent water conservation certification of the California Energy Commission (CEC) and EPA WaterSense programs. Our most recent innovation, ThermoForce™ Technology, has been incorporated in select showerheads, maximizing every water drop to create a richer, intense flow of water that heightens and enhances the user’s experience. Further, Pfister’s WaterSense certified faucets and showerheads are engineered to reduce water consumption by 30%. While standard bathroom faucets typically use 2.2 gallons/ minute, Pfister products use 1.5 gallons/ minute, helping households save up to \$200 annually.

CASE STUDY

Plastic Free Packs

Creating packaging from a single type of easily recyclable material is a simple way to increase recycling and reduce the impact of our products. With the Remington Personal Grooming Gift Box, we removed the PET (Polyethylene terephthalate) plastic insert from the box and replaced it with a corrugated board box with enhanced

visuals. Doing this for our shave/groom gift boxes will save 75 grams of plastic per box. In FY23 and in future years, we will be expanding this new packaging approach to additional product lines to reduce plastic waste.

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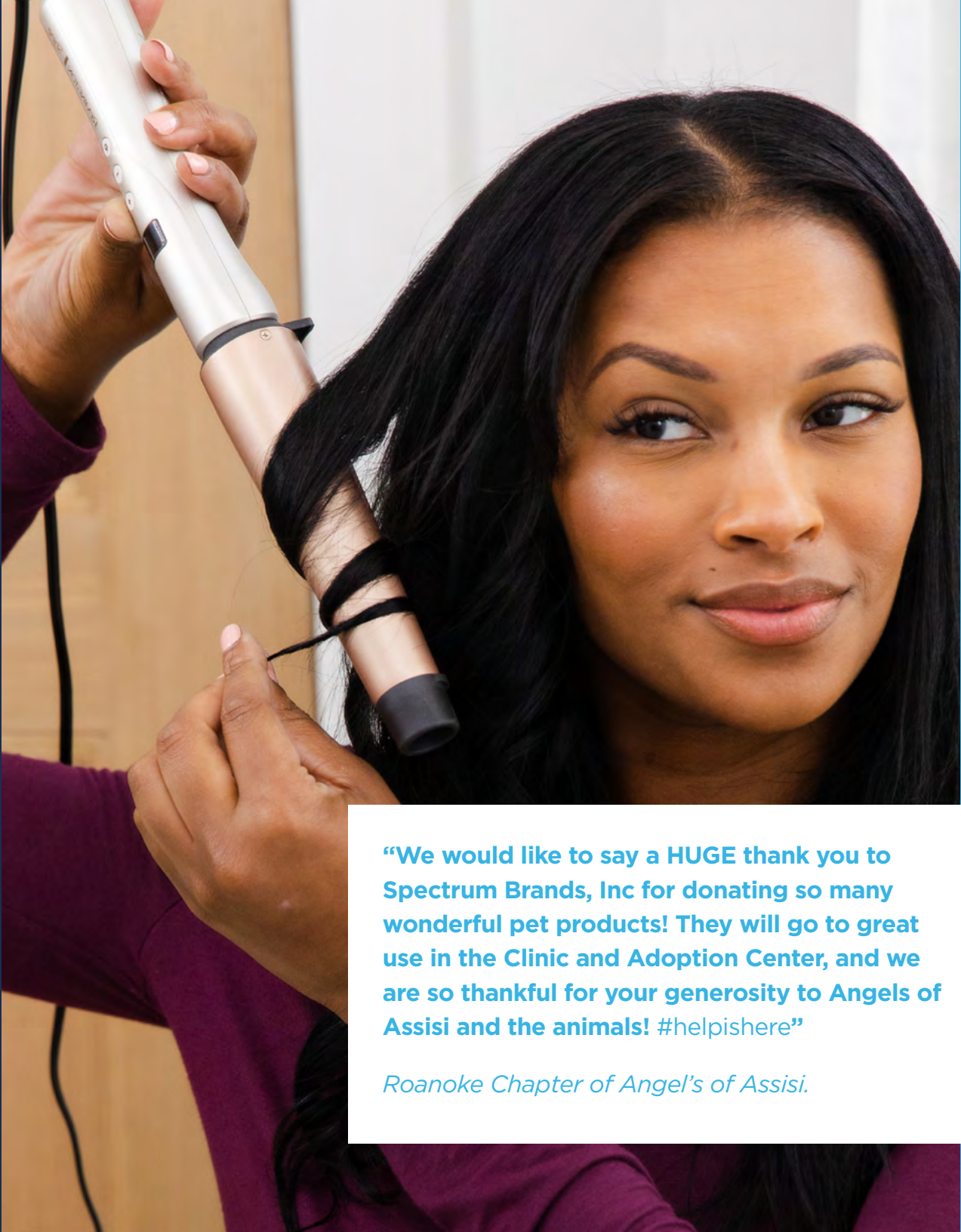


Old package with PET plastic insert



New corrugated board box package





**“We would like to say a HUGE thank you to Spectrum Brands, Inc for donating so many wonderful pet products! They will go to great use in the Clinic and Adoption Center, and we are so thankful for your generosity to Angels of Assisi and the animals! #helpishere”**

*Roanoke Chapter of Angel’s of Assisi.*

CASE STUDY

**Product Takeback, Recycling & Giving**

Whenever possible, we expand the life cycle of our products. Occasionally, our products and/or packaging become damaged in transit or may be returned by a customer. When possible, we create a second life for these products rather than send these returned products to a landfill. In most cases, we are able to refurbish and resell or donate these returned products. If these options are not feasible, we recycle the returned product to reduce as much waste as possible.

For example, in FY21, we inspected, refurbished, and sold more than 90% of returned personal care products and approximately 60% of returned small home appliances.

Within our GPC business unit, some of our excess, or unsellable pet care products are inspected, and, if determined to meet our specifications, distributed to animal shelters and rescue groups near our Blacksburg, Virginia and Edwardsville, Illinois facilities. In the first year of this program, nearly 30 pallets of products have been donated to 14 different groups and shelters. These donations not only help us better our communities, families, friends, and co-workers, but also reduce waste.

## Product Stewardship

At Spectrum Brands, we place a high emphasis on improving our environmental sustainability in our facility operations, supply chain, and products, while emphasizing product safety and product stewardship. Strong consideration is made throughout research and development to evaluate and minimize our impacts on the environment and protect the safety of humans and animals. Through the course of design and development, we review restricted and/or banned chemical substance regulations against our product formulations for compliance with government regulations

and achieve applicable product registrations, industry certifications, and listings. Furthermore, we work closely with our suppliers so that they understand that our regulatory expectations are met.

We also promote extensive product safety training at Spectrum Brands. Our employees are active in trade organizations and collaborate closely with government representatives to track regulatory revisions, prepare for future regulatory requirements, and discuss the latest research and science on ingredients that may be found in our

industry's products. Last, but not least, we are committed to communicating to our consumers via multiple forums, including, but not limited to, digital marketing and social media to provide information to guide consumers on how to safely use our products in accordance with the labels, instructions, and any other appropriate precautions.



## Sustainability Index Results

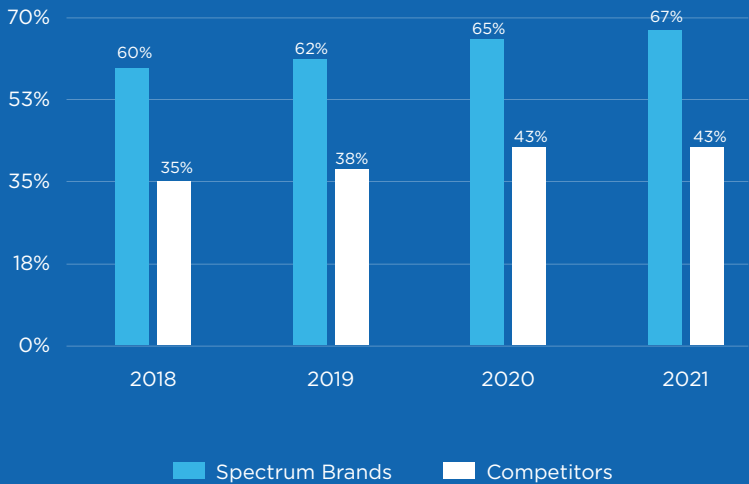
To measure our progress in creating products that use fewer resources, are sourced responsibly, and have a lower carbon footprint, we use The Sustainability Insight System (THESIS) Index. Developed by The Sustainability Consortium (TSC), THESIS is a performance assessment system that equips retailers, manufacturers, and suppliers to benchmark, quantify, and take action on critical sustainability issues within their consumer product supply chains.

Through THESIS, we track and report sustainability attributes of products and our progress towards product sustainability goals and benchmark the sustainability performance of our products against peers. THESIS also provides a key engagement point with our suppliers. For example, in 2021, we surveyed nearly 332 tier 1 and tier 2 suppliers associated with the manufacturing and sale of nearly 900 SKUs to get the data we needed to respond to the THESIS survey.

We have consistently improved our performance on THESIS and outperformed the average product category scores by 51%.

We are in the top five ranking for all five categories we reported into and scored 100% on 31% of the key performance indicators (KPIs).

The Sustainability (Thesis) Survey: Spectrum Brands Score



We outperform the average competitive product category scores by 20 percentage points.



# Sustainable Operations

With dozens of corporate and manufacturing sites across the globe, we have top management support, skilled professional Environmental, Health & Safety (EHS) staff, and trained employees so that our operations run safely and comply with local, state, and federal regulations. Supported by our Company’s EHS Management System, which incorporates elements of the ISO 1400, our teams work continuously to identify opportunities to use less energy and natural resources, conserve water, and generate less waste.

One of our primary sustainability goals is to reduce our energy and corresponding carbon footprint in our operations by 3% per year<sup>1</sup>

<sup>1</sup>Scope 1&2 carbon footprint. Target normalized for revenue



## Energy and Carbon

Our goal is to reduce our carbon footprint (Scope 1 and 2 market-based emissions) by 3% per year on a per revenue basis. Through FY21, we have achieved a 17% reduction in normalized carbon emissions versus FY18, well over our initial goal of 3% per year. These reductions are the result of over 25 energy efficiency projects (as reported in our annual CDP report) through which we eliminated over 1500 tons of CO<sub>2</sub> emissions in just the past two years.

In May 2021, we published our Energy and Greenhouse Gas (GHG) Emissions Policy, which outlines our commitment to the protection of the environment, preservation of natural resources, and the effective management and reduction of energy and GHGs. We recognize the growing concerns related to climate change and we are committed to addressing the challenges for the health of the planet. As such, we continually investigate and review opportunities to reduce the environmental impacts and carbon footprint associated with the company’s day-to-day operations and products. We have begun to initiate energy audits in our manufacturing facilities to identify both waste in energy use and capital improvement plans for energy efficient systems.

We are committed to finding energy saving measures within our operations. Currently, some of our manufacturing sites are certified to ISO 50001, a globally recognized standard developed for organizations committed to addressing their impact, conserving resources, and improving the bottom line through efficient energy management.

Even in our sites that are not ISO 50001 certified, we have implemented a number of energy efficiency measures within our buildings and throughout our production processes, such as:

- the installation of energy efficient motor drives;
- the conversion to LED lighting at multiple sites;
- improved factory generation and consumption of compressed air and motor improvements;
- reduced energy by making changes to our heating and ventilation air conditioning systems (HVAC);
- optimized boilers and implementation of energy control systems;
- re-used water where possible; and
- updated and replaced machines and equipment

For example, in FY20 and FY21, we successfully completed over 25 energy efficiency projects. We will continue to assess additional energy efficiency and renewable energy opportunities for our sites to drive down our carbon footprint.



**Supply Chain Engagement on Energy and Greenhouse Gas Emissions Improvements**

Spectrum Brands regularly engages our suppliers on climate-related risks and opportunities, collecting climate change and carbon information at least annually from suppliers to better understand their behavior and encourage emissions reductions. Engagement success is measured by high response rates to our supplier surveys, which has enabled us to improve performance of our CDP to a “B” score - above many peers. The intent of surveying suppliers is to extend beyond simply collecting data, and, instead, focus on increasing awareness. To educate our suppliers, we engage in regular dialogue on good sustainability practices and provide educational materials outlining the importance of evaluating, reporting, and improving on sustainability-related impacts. We also encourage our suppliers to deploy energy-efficient processes and implement renewable energy at their sites. For example, as a result of our efforts, one of our key suppliers installed solar panels to reduce their electrical demand from the non-renewable grid power, lowering their carbon footprint and, consequently, lowering Spectrum Brands’ Scope 3 emissions.

**We purchase nearly 6,000 MWh of green (hydro-power) electricity to run our Melle, Germany plant**

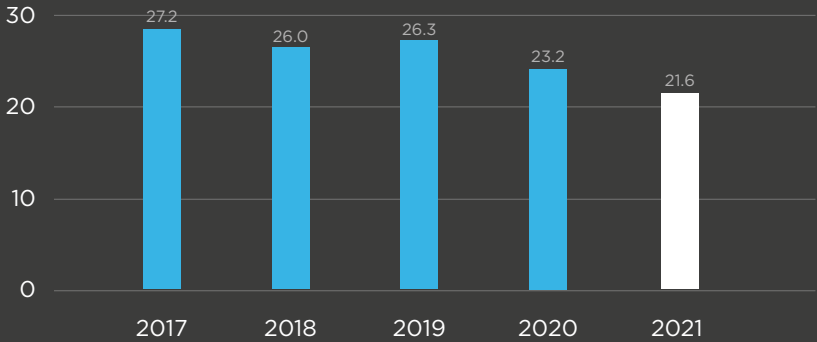
**We are a Walmart Project Gigaton participant (known as a “Giga-Guru”)**

**Over 25 energy efficiency projects have saved over 1500 tons of GHG emissions across our operations in just the last 2 years**

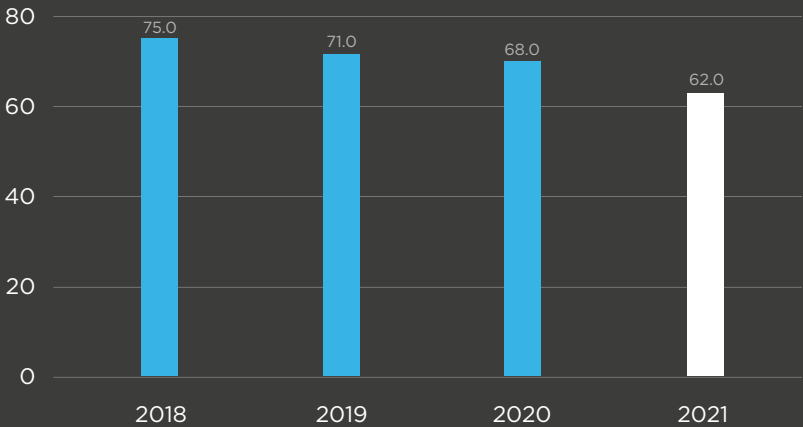




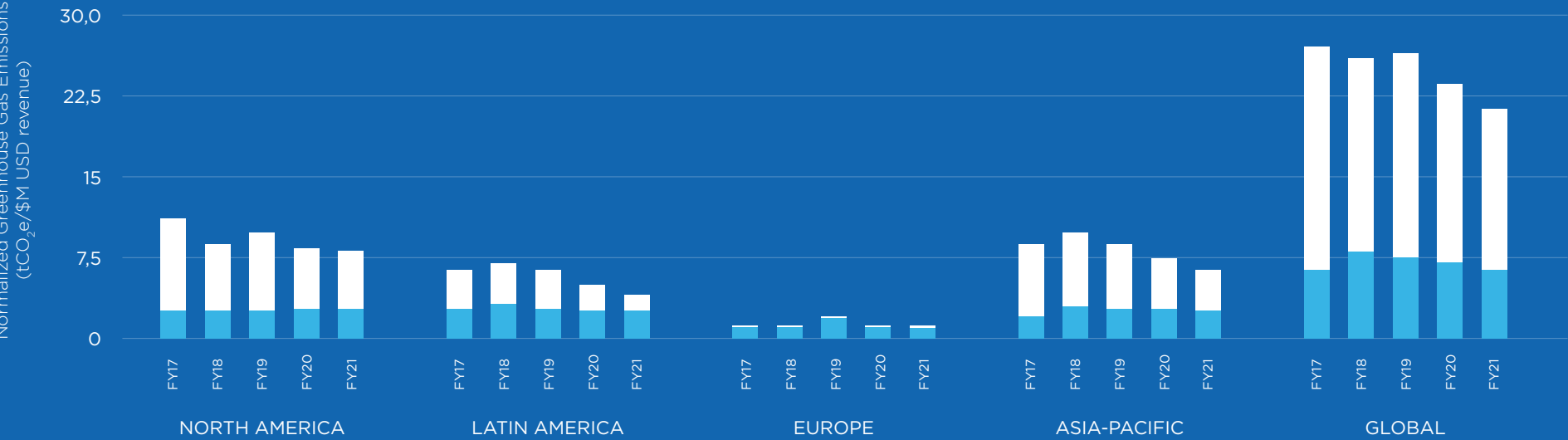
**Carbon Intensity**  
Scope 1 and 2 (market-based) emissions in metric tons CO<sub>2</sub>e per unit total revenue (per million \$)



**Energy Intensity**  
Energy Use (MWh/\$Million USD)



Greenhouse Gas Emissions



■ Scope 1    ■ Scope 2 (Market-based)



3 year total (FY19-FY21) Energy Conservation Metrics

	Amount	Unit
Total amount of energy conserved through energy conservation programs	8,484,609	kWh
Total investment in energy conservation programs	\$908,554	USD
Total savings achieved as a result of energy conservation programs	\$979,138	USD

Regional breakdown of energy conserved

North America	40	%
Europe	10	%
Asia-Pacific	50	%

FY21 Renewable and Non-renewable Energy Metrics

	Amount	Unit
Percentage of energy from the grid	96	%
Percentage of grid electricity derived from renewable sources	19	%
Percentage of grid electricity derived from non-renewable sources	81	%
Percentage of renewable electricity procured	4	%
Total electrical energy used from all sources	141,761	MWh
Total electrical energy used from non-renewable sources	109,353	MWh
Total electrical energy used from renewable sources	32,408	MWh
Actively procured electrical power from renewable sources	6,249	MWh
Grid electricity from renewable source	26,159	MWh



Water

Despite business growth and rising demands for our products during the COVID pandemic, from FY19 to FY21, our operations achieved an approximate 17% reduction in water efficiency on a per revenue basis -- exceeding our 3% goal per year. We continue to make improvements to our facilities to improve water efficiency and ensure the quality of the water we discharge from our sites meets local regulations and applicable standards. The emphasis we place on water conservation is important in all our locations, but, particularly, those in water stressed regions such as our Mexicali, Mexico location. In addition to increased water efficiency in our own operations, we also support consumers to reduce their water use with Pfister’s line of water saving faucets and other products (see page 16).

Wastewater and discharge savings:

Most of our manufacturing sites source their water from municipal supplies. However, two locations, Subic Bay in the Philippines, and our Riverview site in Florida, have private wells. All sites have water treatment in place, either through municipal, on-site or private wastewater treatment. Water quality is very important to our products, and our manufacturing sites work to ensure discharged water complies with federal and local standards. For example, our Vinita Park, Missouri facility does not discharge production wastewater to the sewers. The water used in this location is either used in the product or taken off-site as waste to be treated. Additionally, our Riverview, Florida site maintains a robust system of water quality

protection, as this site hosts the welfare and research of our unique GloFish® products. Most sites have taken direct action or have plans in place to reduce or reuse water, and significant investments are being made to support this, as described in our plants in Mexico and the Philippines.

Recognizing the importance of water to our operations and local communities, we responded to the Carbon Disclosure Project (CDP) Water Security Report for the first time in 2021 to complement our CDP-Climate Response. Responding to CDP on water enabled us to better understand our water risks, water reduction opportunities in our operations, and upstream/ downstream impacts, and present this CDP output to a wider audience, including our investors and customers.



CASE STUDY

Water Reductions in Action

Our Mexican and Subic Bay plants supply products to our HHI business unit. With these facilities situated in water-stressed areas, we recognize our increased responsibility to carefully use water to benefit not only our operations, but also our surrounding communities. As a result, we have invested in water infrastructure improvements at both sites.

At our Mexicali plant, we previously treated and discharged wastewater from the finishing process. In 2021, our Mexicali plant installed an advanced Ion Exchange System, which enables the facility to recover wastewater and return it back to our finishing system. By reusing this water, the plant saves 17 million gallons of water per year, which is equivalent to 465 people’s annual water use. The project estimates that 50% of the plant’s wastewater at the facility will be recycled, reducing the purchasing of water by a commensurate volume. See: [Mexican Water Recycling System](#).

Similarly, our HHI plant in Nogales, Mexico implemented a new water recycling system in our wastewater treatment plant, and, since June 2019, has recovered and reused 9 million gallons of water.

Our Subic Bay facility has also reduced its reliance on municipal water supplies by leveraging rainwater catchment. In 2021, the facility completed the installation of a rainwater collection initiative to capture and store rainwater from seasonal storms in an underground water reservoir. This collected water is then used as feedwater for the facility’s electroplating processes. The initiative reduces virgin water withdrawals by 5.6 million gallons per year at one of our most water-intensive production facilities. The success of this effort has spurred interest in similar rainwater collection systems across other HHI facilities, some of which are in the process of evaluating the water efficiency of their plating lines. [Subic Bay Rainwater Collection System](#)



Another example of water conservation is in our XiaoLan plant in China, where in 2019, we began reusing water used for cooling parts, reducing wastewater discharge by 4 million gallons.

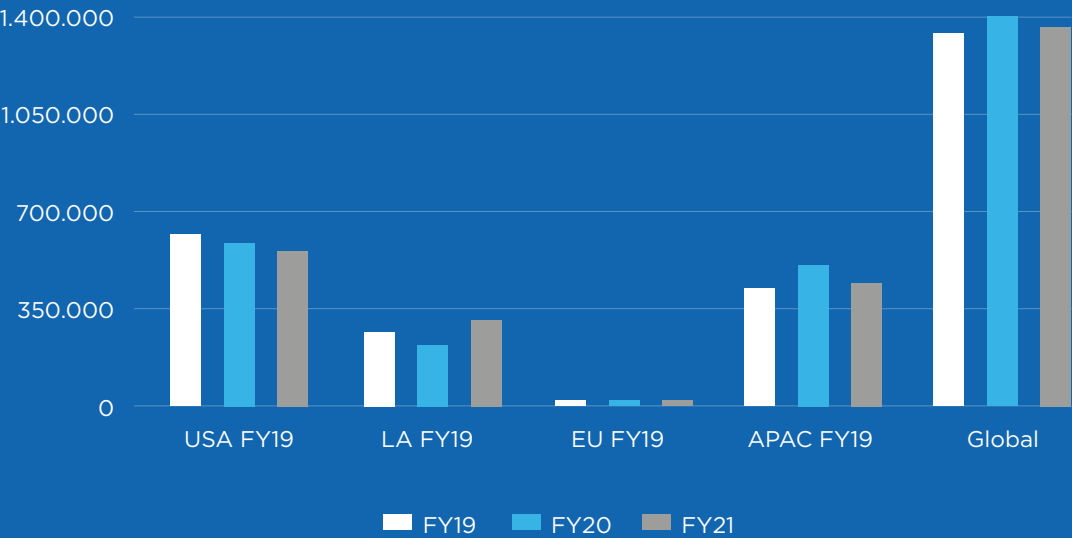
In FY20 and FY21, a total of 52 million gallons (nearly 200,000 m³) of water was conserved just in the last two fiscal years through water conservation programs!

Water intensity normalized for our growth has dropped by 17%

Water withdrawals (m³/\$Million USD)

FY19	362
FY20	352
FY21	300

Total Water Withdrawals in Manufacturing Sites  
(cubic meters)



FY20 and FY21 Water Conservation Metrics

	Amount	Unit
Total amount of water conserved through water conservation programs	52,443,146	Gallons
Total investment in water conservation programs	\$723,000	USD
Total savings achieved as a result of water conservation programs	\$556,000	USD

Regional breakdown of water conserved

Latin America	32,778,000	Gallons
Asia-Pacific	19,665,800	Gallons



Waste

We understand that our world has limited natural resources, and, consequently, we work hard to preserve these limited resources, eliminate waste, and build our high-quality products through efficient operations. Cutting waste and operating efficiently means managing the footprint of our natural resources, whether it is in the reduction of raw materials used to make products or packaging, identifying means to minimize waste, or finding new mechanisms to recycle and reuse. Waste elimination and enhanced recycling is paramount to running our operations and manufacturing facilities efficiently. For example, in FY21, Spectrum Brands recycled, reused or recovered more than 50% of our manufacturing waste -- a 2% increase compared to FY18. During this same three-year period:

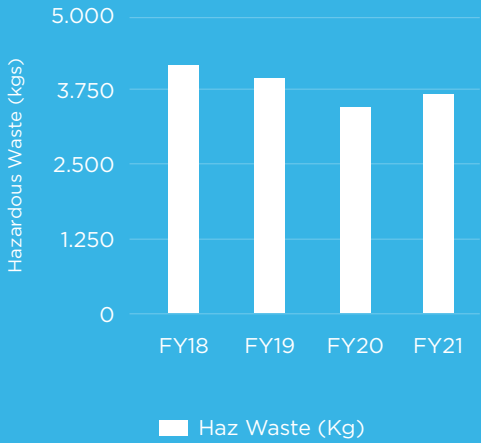
- we sent just over 25% of our waste to a landfill;
- the amount of hazardous waste produced dropped 13% and
- the amount of non-hazardous waste dropped nearly 25%.

CASE STUDY

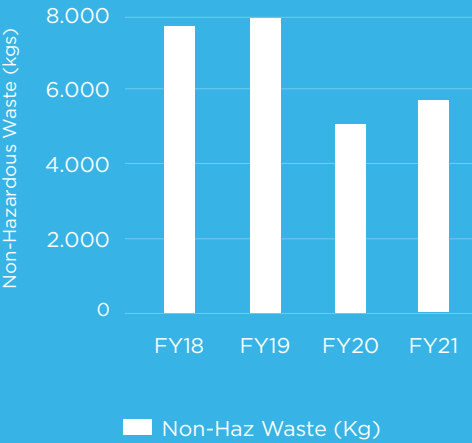
Making Target Practice Out of Waste

In 2019, we challenged employees in the GPC business unit to identify options to recycle process waste from producing aquarium filters. Previously, 25,000 pounds of filter media scrap was compacted and sent to a general refuse landfill as trash with no further beneficial reuse. After reaching out to a variety of local businesses, we began working with a major archery target manufacturer who found they could use the filter media waste as filling for their youth archery target line. This move saved 25,000 pounds of refuse per year from landfills and reduced the target manufacturer’s reliance on virgin materials.

Hazardous Waste Generation (kg) and normalized for business growth



Non-Hazardous Waste Generation (kg) and normalized for business growth



CASE STUDY

**Vinita Park, Missouri hazardous waste reduction project.**

In 2021, the Vinita Park, Missouri management team implemented a waste minimization, sampling, and source separation strategy to limit the amount of hazardous waste being shipped off-site. The project was designed to reduce and/or eliminate carryover of residual hazardous ingredients and reduce non-hazardous waste streams that were formerly contaminated by hazardous constituents during the maintenance and cleaning of product lines. A stringent sampling and analysis plan, with confirmatory samples, led to the waste management team creating a SOP to manage the cleaning process, which, in turn, significantly reduced hazardous waste being sent off-site to regulated waste treatment facilities.

In just two months, these actions resulted in a significant reduction of approximately 170,000 pounds (or 28% year-over-year) in hazardous waste - all while production volumes were growing. Our operations team's close attention to detail, assurance of product quality, and strict controls resulted in a successful reduction in hazardous waste at our Vinita Park location.



# Sustainable Communities

Our ~11,000 employees across the globe are our greatest asset. Without them, we would not be able to reach our level of success. One of our core responsibilities to our employees is to support them in maintaining their health, safety and wellbeing – not only in the workplace, but also in their personal lives. We also support our employees’ development and ensure we build a fair and inclusive working environment.

**Continue building a culture that includes safe working environments, a socially responsible supply chain, and strong community relationships.**



## Employee Health and Safety

We are committed to providing all of our employees a safe and healthy workplace. We continuously strive to maintain the strong safety performance we have today as we continue to grow our business around the globe. The keys to our Environmental Health and Safety (EHS) success are a workforce that is engaged, a management team who supports and invests in employee safety, and our skilled EHS team leadership.

Our EHS team is comprised of global EHS managers with significant experience in EHS, human resources, engineering, and operations management. Spectrum Brands continues to add dedicated EHS professionals to individual sites to achieve compliance with applicable safety standards, trainings, and regulations. This global EHS team hosts quarterly meetings to share information and discuss best practices across plants.

Through the EHS team’s leadership, Spectrum Brands has designed a safety awareness program, called EHS Destination Zero. While we realize zero safety incidents is a challenging goal to achieve, our company and team members are focused on developing and delivering a safe work culture throughout Spectrum Brands. The path to our continuous improvement journey involves identifying measurable performance metrics, setting goals for improvement, and holding ourselves accountable to those goals.





## Employee Health and Safety (cont.)

Our EHS efforts are forward-looking to prevent near misses or incidents from ever happening. We go beyond evaluating lagging indicators (things that have already happened) and, instead, focus on leading metrics, such as a near miss incidents and hazard risk assessments. This forward-looking and proactive approach provides the EHS team and plant employees assurance that we are working to improve our safety performance in the future.

Ultimately, to achieve Destination Zero, we have engaged our ~11,000 employees to be safety advocates, all of whom share responsibility for the safety of themselves and their colleagues. To establish that culture, we have implemented programs and performed safety training sessions to elevate employee engagement and safety awareness and decrease our injury rates.

We follow the applicable safety standards in the regions where we do business, and we strive to continuously improve our existing EHS Management Systems (EHSMS) based on globally recognized standards, including ISO 14001, OHSAS 18001, Life Safety Code, and ANSI.

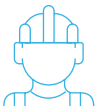
Compliance of these requirements is foundational to the success of Spectrum Brands’ global operations. We also have risk minimization strategies, including:



Training employees, supervisors, and managers to assess, design out, and/or provide protection from safety risks;



Worksite job safety analyses;



Hazard communications programs to ensure employees are equipped with the knowledge and resources to protect themselves and others from potential hazards;



Regular compliance audits performed at least every three years, as supported by senior management; and



A commitment from senior leadership to continuously improve the company’s EHS program, communicate our commitment to workers, and set up program expectations, training sessions, work instructions, and other applicable responsibilities to keep our workplace safe.



EHS Successes

Our EHS program is designed to protect our employees and to stimulate a positive safety culture and engaged workforce. For example, the company’s aquatic tank manufacturing facility recently implemented a new, automated glass cutting machine and deburring operation, which eliminated a manual sub-assembly process that will improve worker safety and increase productivity.

Additional examples of key EHS-related performance successes achieved during recent years include:

- 1,000 days without a recordable injury at the Xiamen, China manufacturing plant;
- 13 years without a lost time injury at the Charlotte, North Carolina manufacturing & distribution plant;
- Lost time injury rate better than industry average in the HHI business unit, resulting in a Platinum award offered by our insurance carrier;
- Zero lost time injury since January 2018 at the Subic Bay, Philippines manufacturing plant;
- One million hours without a single lost time injury at our Kwikset locks plant in Denison, Texas; and
- Denison, Texas is an OSHA Voluntary Protection Program (VPP) star site, recognized for implementing effective safety and health management systems and maintaining injury and illness rates below National Bureau of Labor Statistics averages for their respective industries.

**“Zero recordables and 13 years with no lost time accidents doesn’t happen by accident – it takes teamwork and a healthy safety culture”**

*Plant Manager at Charlotte Manufacturing Plant.*



## COVID RESPONSE

In response to COVID, Spectrum Brands took swift and effective action to protect the health and safety of our global employees, and, in turn their family members and our communities. The Company implemented robust COVID safety practices consistent with federal, state, and local requirements, including:

- Temperature screenings and mask requirements at all sites prior to admittance;
- Weekly audits to track the successful implementation of our safety requirements, including social distancing, personal protective equipment, sanitation, hygiene education, and more;
- Guidelines and procedures for the deep cleaning of our facilities and HVAC systems to prevent the spread of germs;
- Contact tracing practices with mandatory quarantine for individuals with confirmed and close contact cases;
- A requirement that all office-based employees work from home; and
- Suspension of non-critical business travel.

Our company also began producing and selling Cutter® Hand Sanitizer during the initial peak of the pandemic. In 2020, the Company provided employees and local health facilities with nearly six tons in hand sanitizer.

After employees returned to work at their respective job sites, our company continues to monitor and follow Centers for Disease Control (CDC) and World Health Organization (WHO) guidelines, as well as track and evaluate conditions for a safe return based on community health criteria, including COVID case rates, hospitalizations, and testing and vaccine access.

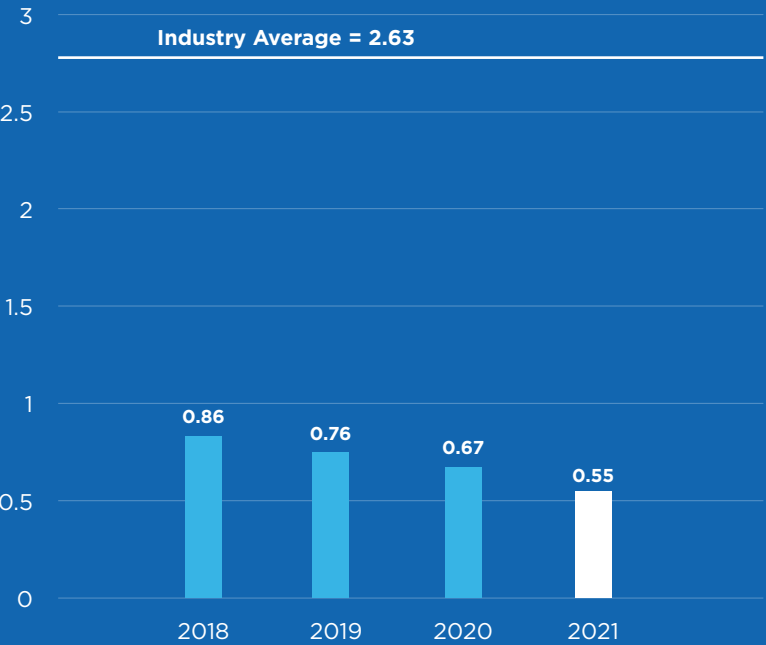
**“When we think about servant leadership, we frequently refer to the quote, ‘Nobody cares how much you know until they know how much you care.’ We passionately believe that providing our employees with a safe work environment is the best and most visible way to demonstrate that we genuinely care about them. We have no higher priority!”**

*Plant Manager, Global Pet Care in Blacksburg, Virginia.*

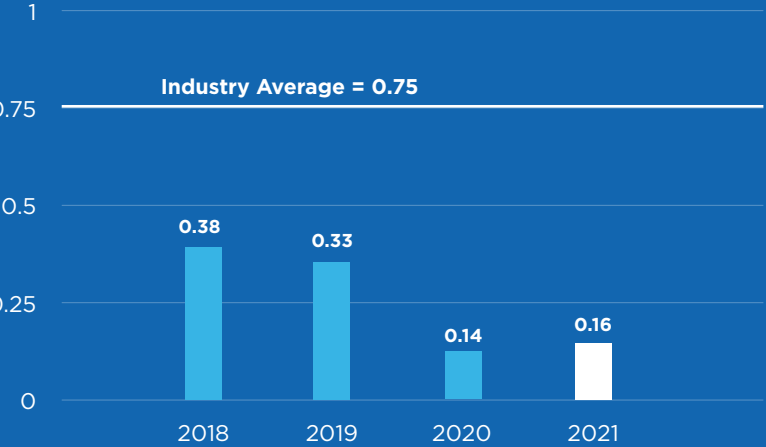




Total Recordable Global Incident Rate



Lost Time Global Incident Rate



Diversity, Equity  
and Inclusion (DEI)

We want our teams to reflect the diversity of our communities and feel respected and valued. All Spectrum Brands employees are expected to foster a work environment consistent with our values and commitment to treat all Spectrum Brands people, customers, suppliers, and others with respect and dignity, as enshrined in our Code of Business Conduct and Ethics.

Recognizing that our DEI journey can be challenging and requires outside expertise, we partnered with a third party consultant with expertise in the DEI area to assist with the change process. We worked with our consultant to conduct a thorough study, including surveys, focus groups, and one-to-one consultations.

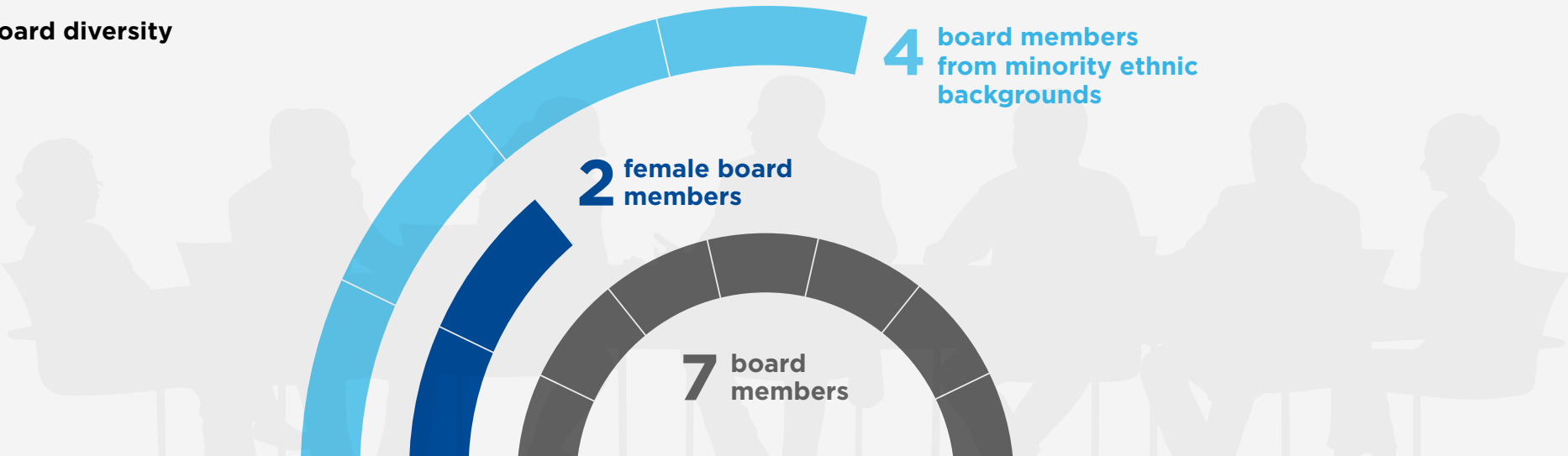
We listened to employees at all levels to learn how our organization can better reflect a diverse, equitable, and inclusive workplace. Based on that research, we formed a DEI Advisory Council that is representative of our employees of diverse backgrounds and experiences, and guided by our third party consultant.

The DEI Advisory Council is responsible for setting priorities and creating lasting, sustainable cultural change. We know those steps are just the beginning to creating a diverse, equitable, and inclusive workplace. We have made a long-term commitment to build the framework and processes needed so that the diversity of our employees and leaders reflects the diversity of the consumers and markets that we serve.

Spectrum Brands recognizes and embraces the importance and benefits of diversity on our Board of Directors and the positive impact this can have on corporate governance and board effectiveness.

Our Board Diversity Policy outlines our approach to find the appropriate balance of skills, experience, and diverse perspectives to enhance the efficacy of the Board. We are committed to ensuring that female and minority candidates are among the pool of individuals from which new Board nominees are selected. We have steadily advanced this objective by appointing a number of candidates from diverse backgrounds to our Board. As of the date of this report, we are proud to have the benefit of a Board, the majority of which is comprised of female and diverse background members.

Board diversity



# Learning and Development

Learning and development is a critical part of creating Spectrum Brands’ culture of high performance, innovation, and inclusion. As Spectrum Brands has transformed from a holding company model to a global operating model where we genuinely believe we are better, stronger, and faster – together, a unified learning and development approach is critical to creating qualified employees and future leaders.

## GLOBALLY ALIGNED TRAINING

Just months before the pandemic, in line with business transformation, employees were encouraged to think beyond the boundaries of their specific business or geography. Customized learning and development support included training on “Leading a Dispersed Team,” resources for communicating with different cultures, a clear process and expectations for translations, and a significant investment in Microsoft Teams collaboration tools. Our early preparation, technology investments, and paradigm shift positioned our employees and business to quickly pivot during the pandemic.

As the global crisis forced many office workers into their homes, our development efforts shifted. We focused on providing managers with practical resources to engage and communicate with remote teams. Popular leadership training programs were also redesigned and deployed for virtual delivery through Microsoft Teams, rather than face-to-face.

We audited the required learning for all employees globally, adding and consolidating training programs so employees can participate in consistent training plans and hold themselves – and each other – accountable to the same expectations. Globally, all employees are required to complete annual training on Workplace Harassment Prevention and our Code of Business Conduct and Ethics. Additionally, customized compliance training plans provide that employees receive training and direction appropriate to their role and level of authority, including on topics, such as Anti-Trust and Fair Competition, Bribery, Insider Trading, Global Data Protection, the California Consumer Protection Act, Data Privacy, Product Safety, and more.





MULTI-CHANNEL LEARNING

We believe on-the-job experience is an outstanding way to learn, and annual performance and development plans ensure that managers and employees have a formal and documented conversation about career aspirations, mobility, developmental goals, and interests. Employees and managers incorporate project experiences into annual goals and solicit stakeholder feedback regularly, so employees can use real-life projects to prove their capabilities and confirm their interests.

Employees and managers also have access to:

- Tuition reimbursement for external formal training;
- “Manager Success Series” of monthly live and recorded training;
- Workstyle and communication training programs for individuals and teams;
- Online and face-to-face facilitated leadership development for new/emerging people leaders, experienced people managers, and managers of managers;
- External professional development based on individual needs;
- A large online repository of training webinars, learning articles and resources; and
- COVID prevention training.



**GROWING FUTURE LEADERS**

Spectrum Brands is committed to developing our future leaders at every level. Our talent processes start with understanding what current and future talent is needed to deliver business goals, followed by an annual talent review process where all salaried and salaried non-exempt employees self-report their career aspirations and interests. In addition, in our talent planning processes, managers evaluate talent objectively with standard terminology and expectations for performance and behaviors. Intentional promotions, rotational assignments including expatriate assignments, and expanded roles give employees exposure to senior leaders, other businesses, and other functions so that they are continuously challenged, engaged and growing.

We invest in our next generation by providing internship opportunities in many functions across North America and Europe, with the goal of converting successful interns into full-time employees upon graduation. We advertise vacancies internally and encourage employees to network and explore other Spectrum Brands career opportunities, formally or informally, through our quarterly “Meet Five” internal networking effort. At the senior leadership level, we plan for the future with annual in-depth succession planning for more than 100 critical roles.



## Community Giving

We want our employees to feel valued, and we recognize their contributions go far beyond the walls of Spectrum Brands. In years where many of us had to remain physically apart, this became even more essential. This section of the report is designed to recognize and thank our employees who, despite facing these challenges, delivered on our values of trust, accountability, and collaboration to make living better at home.

We appreciate the communities where we live and work. Aligning with the philosophy of servant leadership, this section shares how Spectrum Brands supports causes connected to the brand purpose of our products. A few primary examples include providing our hardware products to be used in homes for injured veterans through Building Homes for Heroes, supporting clean water through Well Aware, and providing Cutter® Hand Sanitizer to U.S. employees and several local organizations in communities where the Company operates. In addition to financial contributions, we support charities with product donations and facilitate opportunities for our employees to volunteer each year in their communities.



### CASE STUDY

#### Building Homes for Heroes

For many years, our Kwikset residential lock business has partnered with Building Homes for Heroes, an organization that provides mortgage-free homes to injured veterans. Our Kwikset team provides smart locks and door hardware linked to automation hubs to help veterans to live their lives to the fullest. The team celebrated their seven-year anniversary in 2021 with a Zoom call to hear some of the veteran’s inspiring stories.

**“The Kwikset team has been an invaluable and dedicated partner that gets us our products on time and makes sure they get exactly where they need to be.”**

*James Rogers, Director of Development for Building Homes for Heroes.*





CASE STUDY

Well Aware

Well Aware is a 501(c)3 nonprofit that funds and implements sustainable clean water systems to drive economic development and empower communities in East Africa. Since the 2012 beginning of our partnership, we have helped fund more than 12 Well Aware projects and enabled more than 40,000 individuals to gain access to clean water. The campaign also challenges employees to skip showers or walk for water to raise money to build water projects to provide clean, safe water. More than 100 employees from across multiple business units and geographies have joined our annual Shower Strike campaign -- raising an astounding \$300,000 for Well Aware's mission over the past four years. Thanks to the dedication of Spectrum Brands employees, lives continue to improve every year through this incredible partnership!



CASE STUDY

Project K9 Hero

Project K9 Hero aims to ensure the best quality of life for retired U.S. military working dogs and police K-9 Heroes by providing assistance with medical costs, food, rehabilitation, adoption, and end of duty services. Our Global Pet Care team supports a local K9 Hero near our Edwardsville, Illinois facility by covering up to \$3,000 per year in medical costs. The team fulfills and ships orders for Project K9 Hero's online product offerings. Additionally, in 2019, the DreamBone team sponsored K9 Veteran's Day event in Kansas City, Kansas. In total, nearly \$300,000 has been donated to Project K9 Hero during the many years we have provided support.



CASE STUDY

Hand Sanitizer and All Purpose Cleaner  
Donations

Spectrum Brands developed a hand sanitizer under our Cutter® brand as a response to the growing demand due to the pandemic. The Company also developed an All-Purpose Cleaner under our Nature's Miracle Brand, a brand that has been trusted by consumers for more than 40 years. Given the brands' history, these donations were especially important to show our appreciation to those working to create a safe and engaging environment during these unique times. For example, donations of Nature's Miracle All-Purpose Cleaner were made specifically to The Scott Family Amazeum, which is a hands-on, interactive museum for children and families that helps foster an excitement for lifelong learning. More than 77,000 units of sanitizer were donated to organizations such as The Amazeum, Bentonville Schools, Northwest Arkansas Food Bank, and the St. Louis Area Food Bank.





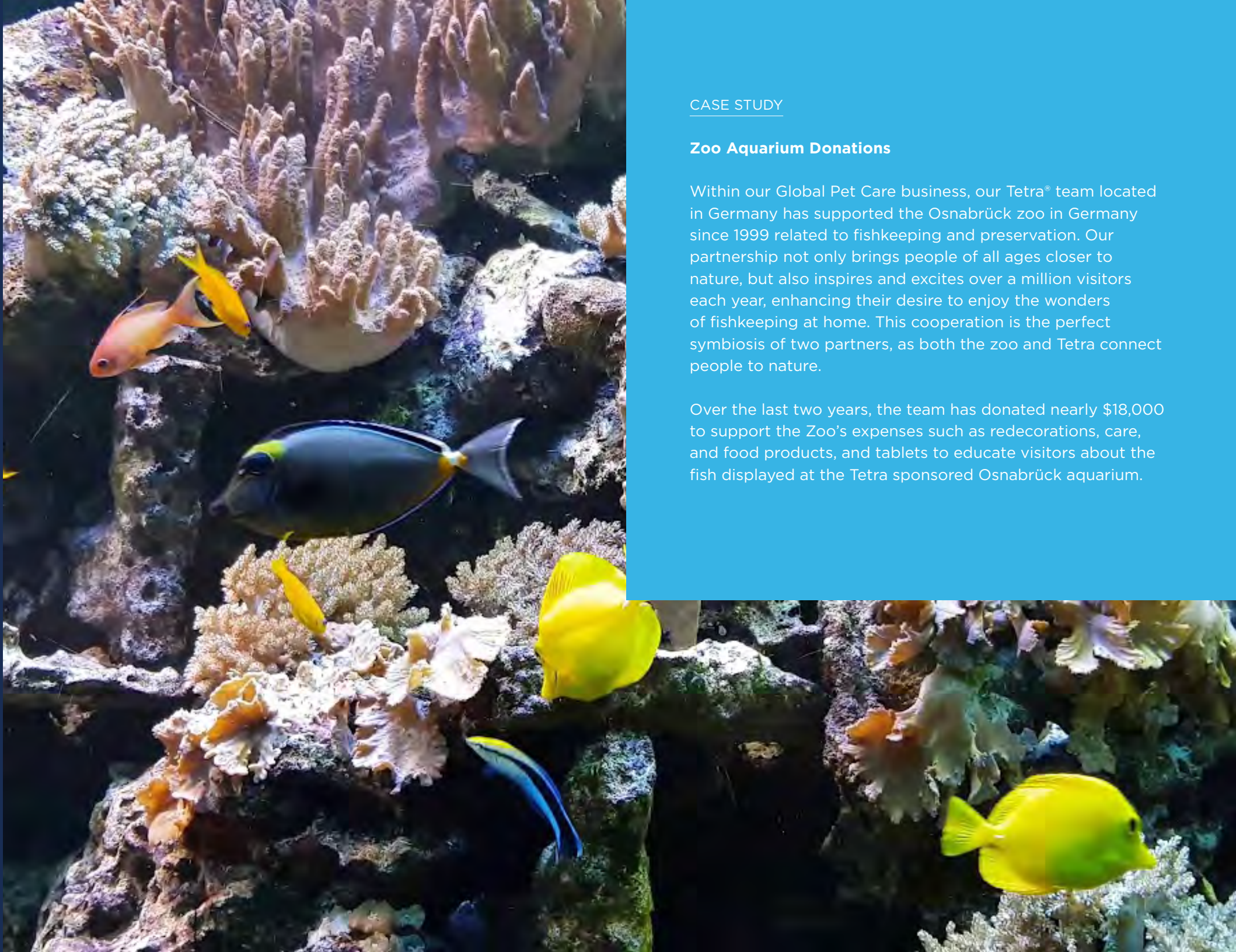
CASE STUDY

Giving in the Community

On Giving Tuesday, our Global Pet Care Team, through our brand teams Dingo®, Nature’s Miracle® and SmartBones®, matched up to \$25,000 for Pet Partners’ Therapy Animal Program. Pet Partners works to improve human health and well-being through the human-animal bond, which became particularly important during the pandemic.

The Walmart Team in Bentonville, Arkansas has supported several charities, including the Northwest Arkansas Food Bank, Scott Family Amazeum, The Jones Center, The Boys and Girls Club of Benton County, and the American Heart Association, equating to nearly \$200,000 donated.





CASE STUDY

**Zoo Aquarium Donations**

Within our Global Pet Care business, our Tetra® team located in Germany has supported the Osnabrück zoo in Germany since 1999 related to fishkeeping and preservation. Our partnership not only brings people of all ages closer to nature, but also inspires and excites over a million visitors each year, enhancing their desire to enjoy the wonders of fishkeeping at home. This cooperation is the perfect symbiosis of two partners, as both the zoo and Tetra connect people to nature.

Over the last two years, the team has donated nearly \$18,000 to support the Zoo's expenses such as redecorations, care, and food products, and tablets to educate visitors about the fish displayed at the Tetra sponsored Osnabrück aquarium.



CASE STUDY

I AM HOME (in the UK)

Our IAMS team located in the UK has been assisting small, local animal shelters and rescues in feeding pets and inspiring pet adoption and fostering. The IAMS team currently works with more than 40 small rescue centers and registered charities, delivering monthly food donations to their shelters. For example, The “I AM HOME” pet rescue and adoption feeding program donates more than **1 million** meals to homeless dogs and cats every year and provides partners with I AM HOME adoption kits, giving new adoptive pet parents a free bag of the same IAMS food offered in the shelter that they have become accustomed to during their stay in the re-homing shelter.

“Over 1 Million Meals Donated to Homeless Dogs and Cats”



CASE STUDY

**Aquariums for Kindergartens and Schools**

Various countries have started strategic initiatives to attract more families and children to the fun and beauty of fishkeeping at home.

Our Spectrum Brands employees based in Japan, for example, initiated the “Start Fishkeeping” campaign, under which aquariums are provided to kindergarten classrooms. Parents also received educational pamphlets that explain how fishkeeping can help children develop aesthetic sensitivity.

Our employees based in France have taken a similar approach by partnering with schools. Since 2018, the Spectrum Brands French marketing team has, annually, given approximately 100 tanks, equipment such as filters and pumps, and educational materials to schools.

The German Tetra team has always been focused on sparking children’s and the public’s interest in aquatics. The Tetra team has partnered with aquarium clubs and associations, including non-profit and charity organizations, as well as many classrooms across Germany.



## Responsible Sourcing

As a global operation, Spectrum Brands is committed to a high standard of business conduct in our business relationships. Our suppliers are vital business partners. Together, our company can meet our customers’ product quality expectations, while also ensuring our suppliers’ business conduct conforms with all applicable laws and regulations, follows the principles of business ethics and integrity, and adheres to our Supplier Code of Conduct.

Our primary focus is to ensure that workers in our supply chain are treated fairly, so we expect our suppliers to abide by our [Supplier Code of Conduct](#), and our [Human Rights Policy](#).

Spectrum Brands’ Supplier Code of Conduct (SCOC) articulates our commitment to ensuring that working conditions are safe, worker rights are protected, cultural and legal differences are respected, and manufacturing processes are environmentally and socially responsible. To these ends, our SCOC covers child labor; human rights; human trafficking; compulsory prison or slave labor and physical abuse; labor and employment standards; health, safety and housing standards; environmental standards; responsible sourcing of minerals; and many other governmental and business integrity expectations. The SCOC also includes expectations for a detailed review of records prior to the award of business, followed by social accountability audits to confirm that manufacturers are producing products in a manner consistent with Spectrum Brands’ SCOC.

### Responsible sourcing process

Our business approaches responsible sourcing in three primary steps:

- 1 Prior to the award of business, we screen and review new and potential suppliers;
- 2 We initiate social accountability audits using trained Spectrum Brands staff and/or third party audits, such as the Amfori Business Social Compliance Initiative (BSCI) approved auditors; and
- 3 Where known risks are observed or discovered in the auditing process, or where opportunities are presented to improve upon our suppliers’ performance, we initiate corrective action plans (CAPs) and require subsequent auditing be performed as warranted to ensure remediation and continuous improvement.



We have a dedicated team of trained and responsible sourcing employees who carry out a thorough assessment and detailed review of prospective supplier’s management procedures, human resource records, and environmental and safety performance. Our suppliers are trained so that they have a clear understanding of our expectations and our SCOC and how to operate in compliance with applicable local and government laws. Through our onboarding process, we assess supplier risk based on a range of factors, which may be followed by third party audits for any suppliers that are deemed high risk. In addition, existing suppliers continue to be audited as we seek continuous improvement and ongoing compliance to our SCOC. Material failures to comply with our SCOC are handled with due diligence and may result in the termination of the supplier relationship.

**Social Impact**

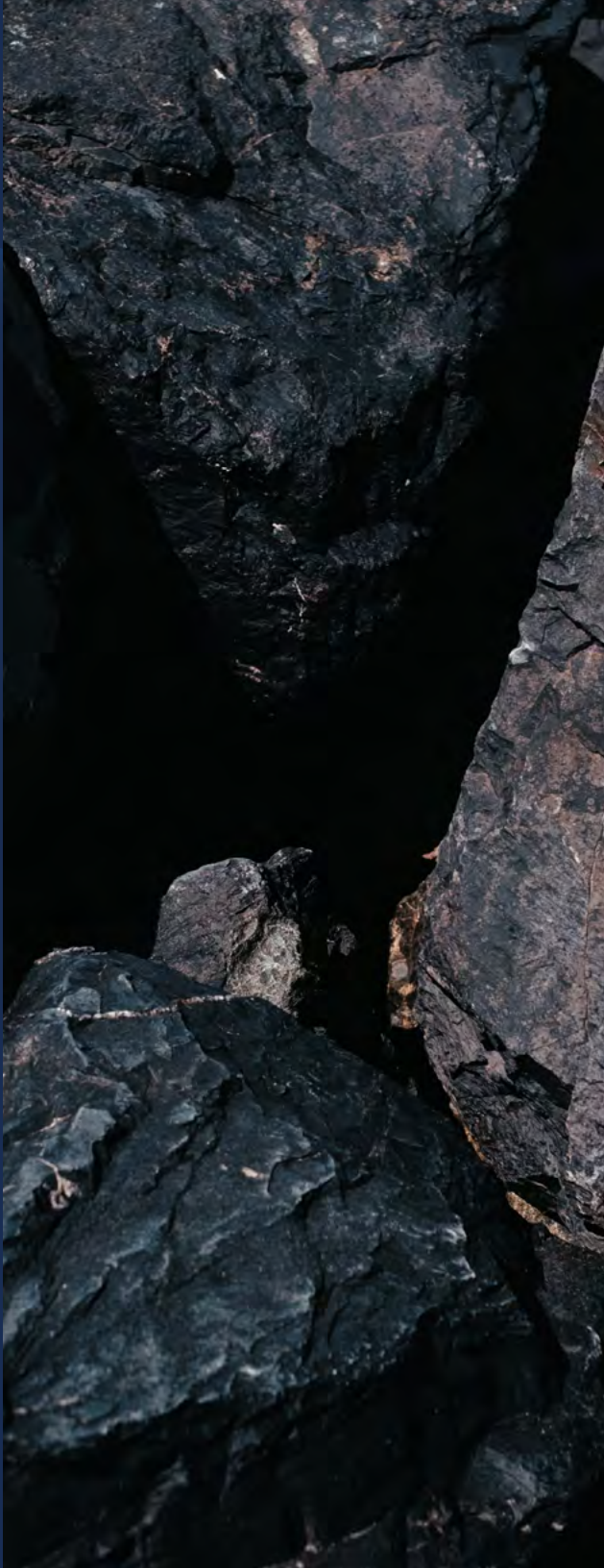
In 2021, we performed more than 100 social accountability audits. In cases where corrective action plans were put in place, we set expectations and remediation timelines for the remedy, review applicable documents and evidence, and follow through to confirm the corrective actions have been closed.

**Environmental Impact**

We also work with our suppliers to monitor and manage a range of environmental impacts, such as energy, CO<sub>2</sub> emissions, water and waste minimization, packaging reductions, transportation efficiency, and container optimization. Our goal is to improve the environmental impact of our own manufacturing operations and reduce impacts by our suppliers in manufacturing supplied components. As we work more closely to manage the sustainability in our supply chain, we encourage our suppliers to utilize renewable energy sources, deploy more energy efficient solutions in their operations, and lower environmental impacts created through manufacturing and transporting our products.

Recently, we developed an expanded Environmental and Greenhouse Gas Emissions supplier engagement program to improve our sustainability performance globally. This next step in our supplier engagement will help us establish our suppliers’ environmental footprint, quantify Scope 3 emissions, and, most importantly, cascade our expectation that suppliers will support us in our journey to reduce global emissions.





**Conflict Minerals**

We support responsible sourcing of conflict minerals and the goals of Section 1502 of the Dodd-Frank Wall Street Reform and the Consumer Protection Act, which require public companies to conduct supply chain due diligence regarding conflict minerals (tin, tungsten, tantalum and gold) that are necessary to the functionality or production of a product. The Act specifies that companies sourcing these minerals complete a reasonable country of origin inquiry to determine whether the Company’s conflict minerals originate in the covered countries or are from recycled or scrap resources. Our company discloses our reasonable country of origin inquiry process and due diligence efforts annually on our SEC Form SD, found on our public website.

We recognize the importance of ensuring our products do not contain conflict minerals used to finance armed conflict or armed groups within conflict-affected and high-risk regions. Spectrum Brands’ supplier and regulatory compliance teams comprised of individuals from our business units,

legal team, and corporate departments govern our compliance with the Security Exchange Commission’s (SEC) Conflict Minerals due diligence process and reporting requirements through our Conflict Minerals Policy. The Conflict Minerals Policy is updated regularly and must be approved by our Executive Vice President, General Counsel and Corporate Secretary.

The Conflict Minerals team works with applicable suppliers to perform due diligence to determine the potential for conflict minerals in their supply chain and products. We encourage our suppliers to source conflict minerals from smelters and refiners whose compliance with the Responsible Minerals Assurance Program has been verified. Our suppliers are also expected to establish their own conflict minerals policy and implement management systems to support policy compliance. For more information on our conflict minerals due diligence process, see our [Conflict Minerals Report](#).

# Governance

## ESG Governance Model

Spectrum Brands’ commitment towards Environmental, Social & Governance (ESG) is established by our Board of Directors, the highest governance body at our company. Our Executive Vice President and General Counsel has primary oversight over the ESG practices and policies within the business and is the key liaison between management at Spectrum Brands and the Board, reporting quarterly on relevant ESG matters. The Board oversees the management activities and are responsible for key ESG decisions, including but not limited to energy/climate issues, establishing ESG and sustainability goals, and creating implementing and monitoring our sustainability-related plans.

Senior leadership supports the implementation of our environmental and social policies, as articulated in, among others, our Code of Business Conduct and Ethics, Supplier Code of Conduct, Human Rights Policy, Sexual and Other Harassment Policy, Global Energy and Greenhouse Gas Policy, and environmental and safety policies.

We have re-established a cross-functional Sustainability Team, accountable to the Executive Vice President and General Counsel to further our ESG strategy.

The Team includes leaders from multiple business units and functions within Spectrum Brands. The Sustainability Team is responsible for identifying opportunities and assessing risks associated with ESG issues, establishing benchmarks, setting goals on ESG topics, and creating and monitoring plans.

For more information on our ESG Governance, please visit our [website](#).



Risk Management

In terms of risk management, we maintain formal oversight and dedicated management. As well as leading on sustainability efforts, our General Counsel leads the Legal & Risk Mitigation Department and our team. Our global Enterprise Risk Management (ERM) process supports us in identifying material risks to our business.

Risks that have the potential to be material are disclosed on Spectrum Brands’ public reports to the SEC and include statements associated with climate change risk. Risk in the supply chain is addressed by our sourcing risk management framework and includes assessing a supplier’s ability to perform in terms of quality, delivery, and sustainability issues.

Mechanisms for Advice and Concerns about Ethics

Our goal is to assure and enhance the integrity, people, processes, and assets needed by all stakeholders of Spectrum Brands.

We believe that Spectrum Brands’ viability and integrity depend on the protection of our critical assets, including our people, physical assets, and our information. We also believe that our communications, internal controls, and processes must constantly adapt to the changing needs and objectives of the Company, and the changing marketplace. As such, we maintain a 24-hour helpline and website, [Ethics hot line](#), which can be used to report anonymously any violations of Spectrum Brands’ policies or to seek further guidance and information on those policies. As well as the helpline, employees are also encouraged to report any suspected violations or misconduct to their supervisor or the General Counsel.





## Core Policies

We are committed to delivering the highest standards of integrity and business conduct in our relationships with employees, our customers, suppliers, and other stakeholders. We run our business in accordance with applicable laws and regulations and align our practices with the highest standards of business ethics. In some instances, this means going beyond requirements of the law. Our Code of Business Conduct and Ethics contains our fundamental principles, key policies, and procedures for maintaining an ethical and resilient business to which all employees are expected to adhere to.

Spectrum Brands upholds fair and honest employment practices, providing a safe, healthy, and productive work environment for all employees. We expect suppliers to deliver the same standards. We support universal human rights, the communities in which we operate, and the parties with whom we conduct business. Our Human Rights Policy and SCOC forbids the use of child, forced, or compulsory prison labor in any of our global operations or facilities and will not tolerate exploitation of children, physical punishment or abuse, or involuntary servitude.

Our Human Rights Policy demonstrates our commitment to respecting and promoting human rights, including the protection of minority groups and women’s rights. Through proactive due diligence, Spectrum Brands strives to identify, prevent, and prohibit human rights risks to people in our business and supply chain. We provide regular training to all employees on workplace practices, including non-harassment, equal opportunity, human rights, and safe workplace behaviors.

To read more about some of our core business policies in full, please visit our [website](#).

# Appendix

## GRI and SASB Index

As we formalize our approach to sustainability, we have begun to align to the best practice reporting standards including Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) standards. The report is aligned to GRI Standards: Core option. We have referenced KPIs from three relevant SASB Standards: Appliance Manufacturing, Building Products and Household Personal Products.

We are actively working to close any gaps and to continuously improve our reporting and transparency.



Number	Indicator	Location	Comment
GRI 2: GENERAL DISCLOSURES 2021			
102-1	Name of the organization	About Spectrum Brands	
102-2	Activities, brands, products, and services	About Spectrum Brands	
102-3	Location of headquarters	About Spectrum Brands	
102-4	Location of operations	About Spectrum Brands	
102-5	Ownership and legal form	<a href="#">10-k</a>	
102-6	Markets served	About Spectrum Brands	
102-7	Scale of the organization	About Spectrum Brands	
102-8	Information on employees and other workers	About Spectrum Brands	Partial
102-9	Supply chain	THESIS Sustainability Index results Responsible Sourcing	
102-10	Significant changes to the organization and its supply chain	<a href="#">10-k</a>	All significant changes to our business including acquisitions and divestitures are documented in corporate reporting
102-11	Precautionary principle or approach	Sustainable Operations, Energy and Carbon  Sustainable Operations, Water  Sustainable Products, Responsible Sourcing  CDP Climate and Water Response	We take a precautionary approach to our environmental strategy, working to reduce greenhouse gases in our operations, manage water resources responsibly and in our approach to supply chain management



Number	Indicator	Location	Comment
102-12	External initiatives	Sustainability approach and strategy	We collaborate with suppliers and offer results to our customers, through the completion of The Sustainability Insight System (THESIS). To promote transparency on our sustainability performance, we report greenhouse gas emissions and water management approach to CDP.
102-13	Membership of associations	GRI and SASB index	Membership of industry associations is managed at a business unit or brand level, based on the sector and industry or to support our sustainability goals. Associations include: Household & Commercial Products Association, Association of Home Appliance Manufacturers, Amfori, and National Safety Council.
102-14	Statement from senior decision-maker	CEO statement	
102-16	Values, principles, standards, and norms of behavior	Our strategy, mission, and values Governance	
102-18	Governance structure	Governance	
102-19	Delegating authority	Governance	
102-20	Executive-level responsibility for economic, environmental, and social topics	Governance	
102-22	Composition of the highest governance body and its committees	Governance	
102-32	Highest governance body's role in sustainability reporting	Governance	
102-41	Collective bargaining agreements	10-k	Approximately 35% of our total labor force is covered by collective bargaining agreements.



Number	Indicator	Location	Comment
102-40	List of stakeholder groups	Not reported	As we develop our sustainability strategy in the coming year, we will be working to identify and engage stakeholders and conduct a formal materiality process.
102-42	Identifying and selecting stakeholders		
102-43	Approach to stakeholder engagement		
102-44	Key topics and concerns raised		
102-46	Defining report content and topic Boundaries		
102-47	List of material topics	Throughout	Our sustainability report covers the same organizational footprint as our financial company reporting.
102-45	Entities included in the consolidated financial statements		
102-48	Restatements of information		
102-49	Changes in reporting	About this report	Our business has gone through organizational changes since our last full report in 2017. Where data has been restated to reflect this change in boundaries we have noted this in the footnotes.
102-50	Reporting period		
102-51	Date of most recent report		
102-52	Reporting cycle		
102-53	Contact point for questions regarding the report	About this report	
102-54	Claims of reporting in accordance with the GRI Standards		
102-55	GRI content index	GRI and SASB index	
102-56	External assurance		
201-1	Direct economic value generated and distributed	10-k	



Number	Indicator	Location	Comment
ENERGY AND CARBON			
103-1-3	Management approach	Sustainable Operations, Energy and Carbon	
302-1	Energy consumption within the organization	Sustainable Operations, Energy and Carbon	
302-3	Energy intensity	Sustainable Operations, Energy and Carbon	
302-4	Reduction of energy consumption	Sustainable Operations, Energy and Carbon	
CG-BF-130a.1.	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Sustainable Operations, Energy and Carbon	
305-1	Direct (Scope 1) GHG emissions	Sustainable Operations, Energy and Carbon	
305-2	Energy indirect (Scope 2) GHG emissions	Sustainable Operations, Energy and Carbon	
305-4	GHG emissions intensity	Sustainable Operations, Energy and Carbon	
WATER			
103-1-3	Management approach	Sustainable Operations, Water	
303-3	Water withdrawal	Sustainable Operations, Water	
CG-HP-140a.1.	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with high or extremely high baseline water stress	Sustainable Operations, Water	Partial – water discharged or consumed is managed by our sites and is currently not reported centrally.





Number	Indicator	Location	Comment
CG-HP-140a.2.	Description of water management risks and discussion of strategies and practices to mitigate those risks	Sustainable Operations, Water	Annual analysis includes an assessment of 100% of SBH's direct operations to determine which facilities are located in water-stressed areas and evaluate potential risk based on location, water withdrawal, production volume, and other key financial factors. Water efficiency projects are a strategic focus at water stressed and high-water-usage sites to mitigate these risks. We reduced water usage by 8% in 2020.
WASTE			
103-1-3	Management approach	Sustainable Operations, Waste	Detailed waste data is currently tracked and managed at a local level with high level information centrally
306-3	Waste generated	Sustainable Operations, Waste	
306-4	Waste diverted from disposal	Sustainable Operations, Waste	
PACKAGING LIFECYCLE MANAGEMENT			
103-1-3	Management approach	Sustainable Products, Enhanced packaging design	Detailed data on packaging weights and composition is tracked by our business units and brands. We are working to collect this data centrally to improve transparency in this area.
CG-HP-410a.1.	(1) Total weight of packaging, (2) percentage made from recycled and/or renewable materials, and (3) percentage that is recyclable, reusable, and/or compostable	Not reported	
CG-HP-410a.2.	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	Sustainable Products, Enhanced packaging design	
ESG GOVERNANCE			
103-1-3	Management Approach	Sustainable Operations Governance	We had no significant fines or sanctions for non-compliance with environmental laws/regulations in 2020
307-1	Non-compliance with environmental laws and regulations	Sustainable Operations	



Number	Indicator	Location	Comment
HEALTH AND SAFETY			
103-1-3	Management approach	Sustainable People, Destination Zero	
403-1	Occupational health and safety management system	Sustainable People, Destination Zero	
403-9	Work-related injuries	Sustainable People, Destination Zero	
TRAINING AND DEVELOPMENT			
103-1-3	Management approach	Sustainable People, Learning and Development	
404-3	Percentage of employees receiving regular performance and career development reviews	Sustainable People, Learning and Development	All employees received regular performance and development reviews.
404-2	Programs for upgrading employee skills and transition assistance programs	Sustainable People, Learning and Development	
DIVERSITY			
103-1-3	Management approach	Sustainable People, Diversity, Equity and Inclusion	We continue to improve upon and develop our approach to diversity and inclusion, ensuring we are recruiting a diverse workforce to create workplaces that support that diversity
405-1	Diversity of governance bodies and employees	Sustainable People, Diversity, Equity and Inclusion	Partial – employee diversity data is held by our individual business units. We are working to collect this data centrally to improve transparency in this area.
RESPONSIBLE SUPPLY CHAIN			
103-1-3	Management approach	Sustainable Products, Responsible Sourcing,	
414-2	Negative social impacts in the supply chain and actions taken	Sustainable Products, Responsible Sourcing, Social Impacts	

Number	Indicator	Location	Comment
COMMUNITY ENGAGEMENT			
103-1-3	Management approach	Sustainable People, Community Giving	
413-1	Operations with local community engagement, impact assessments, and development programs	Sustainable People, Community Giving	Partial - All our operations build relationships and donate to charities relevant to their business operation, to local community groups and to charities supported by their employees.
PRODUCT HEALTH AND SAFETY			
103-1-3	Management approach	Sustainable Products, Product Stewardship	
416-1	Assessment of the health and safety impacts of product and service categories	Sustainable Products, Product Stewardship	Partial - health and safety impacts are tracked by individual brands and business units but are not reported centrally
CG-HP-250a.1.	Revenue from products that contain REACH substances of very high concern (SVHC)	Not reported	
CG-HP-250a.2.	Revenue from products that contain substances on the California DTSC Candidate Chemicals List	Not reported	These aspects are tracked by individual brands and business units but are not reported centrally
CG-HP-250a.4.	Revenue from products designed with green chemistry principles	Not reported	
CG-BF-250a.2.	Percentage of eligible products meeting volatile organic compound (VOC) emissions and content standards	Not reported	



Number	Indicator	Location	Comment
CG-HP-250a.3.	Discussion of process to identify and manage emerging materials and chemicals of concern	Sustainable Products, Product Stewardship	
CG-BF-250a.1.	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	Sustainable Products, Product Stewardship	
PRODUCT LIFECYCLE ENVIRONMENTAL IMPACTS			
103-1-3	Management approach	Sustainable Products	
CG-BF-410a.1.	Description of efforts to manage product lifecycle impacts and meet demand for sustainable products	Sustainable Products, Product innovation and sustainability	
CG-BF-410a.2.	(1) Weight of end-of-life material recovered, (2) percentage of recovered materials recycled	Sustainable Products, Product Takeback	Partial - These aspects are tracked by some individual brands and business units but are not yet reported centrally
CG-AM-410a.1.	Percentage of eligible products by revenue certified to the ENERGY STAR® program	N/A	Our products are not eligible for the ENERGY STAR® program
CG-AM-410a.2.	Percentage of eligible products certified to an Association of Home Appliance Manufacturers (AHAM) sustainability standard	N/A	Our products are not eligible for the Association of Home Appliance Manufacturers (AHAM) sustainability standard



**Spectrum Brands**  
WE MAKE LIVING **BETTER** AT HOME™