# Grove®

COLLABORATIVE



2022-23
PLASTIC SCORECARD

#### PROGRESS, NOT PERFECTION

### Moving the Needle

As we work to advance our industry toward a business model where home essentials are a force for regeneration, we're always considering the balance between individual and collective change. Questions come up.

How far can we go alone? Will others follow? Will our customers support these changes, or stick to conventional products? Is it more impactful to go slower/together, or faster/fewer?

If you want to go fast, go alone. If you want to go far, go together.

Reflecting on our progress in 2022, it's clear that we're making collective, ever-growing impact on Grove homes around the country. We think the best way to measure true progress is through plastic intensity — a metric that showcases our business' reliance on how much plastic it takes us to earn \$100 of revenue. As of this year, across the site, we ship just over one lb of plastic for every \$100 of revenue, and even less when considering our owned brands.

This progress is not ours — it's entirely from Grove homes, where people are ready and excited to take action and move away from single-use plastic. Our community continues to inspire us. Whether sharing eco-friendly cleaning tips or finding new ways to repurpose packaging and avoid waste, our customers are a force of nature!

While the national recycling rate post-pandemic dropped and larger brands double down on the false promise of recycled plastic, we remain optimistic about the future. We know firsthand the power of a passionate community to inspire change. We're proud to remain the destination for sustainable and safe home essentials.

Looking ahead, we remain focused on striving for progress while considering opportunities for greater impact. We want to change behavior and influence our broader industry to adopt better solutions. Thank you for your interest in our continued progress, however messy! We are inspired by our community of imperfect environmentalists, working toward sustainability in our homes, communities and our planet. It's your example that keeps us hopeful and working hard for change!



### Plastic-Free Revenue Growth

### We're working hard to separate plastic from profit.

#### A Broken System

In our industry, single-use plastic creates a host of what are called negative externalities — when something's use has a negative consequence for a third party. In this case, the third parties are the planet and its inhabitants.

Plastic requires fossil fuel extraction and manufacturing. This causes air, water and soil pollution — often in low-income areas and communities of color. Plastic's widespread use has health consequences, and at the end of its life, plastic can pollute land, oceans, and cause environmental contamination through microplastics.

While plastic does have many remarkable and life-saving applications, consumer goods and single-use packaging are simply not among them. Regardless of recyclability claims, single-use plastic packaging just isn't sustainable.

As we work to move away from plastic, we also recognize the limitations we face. This change can't happen overnight if we want to bring our customers and our industry along with us.

#### **Holding Ourselves Accountable**

As we consider the best way to communicate our progress out of plastic, we want to both hold ourselves accountable, and keep it simple — for us and our customers.

As a way to check both boxes, we landed on a metric called plastic intensity. Plastic intensity is a simple ratio of how much plastic we ship (in lbs.) per \$100 of revenue.

How much plastic do we "use" in order to earn \$100 of revenue?

As we reduce our use of plastic, this number will decrease. We aim to illustrate the decoupling of our revenue from our use of plastic, showing true separation of profit and plastic.

We're proud to publish the industry's first plastic intensity metric. Our hope is that other brands and retailers will follow suit. This is the most apples-to-apples way we've found to compare progress out of plastic across brands and industries. We recognize that inflation will impact this metric over time, so we will continue to explore ways to maintain our transparency in disclosure, including plastic per lb of product sold.

### Plastic Intensity

lbs. per \$100 revenue since 2020

GROVE-OWNED BRANDS (lbs.)



.07 1.12

U.87

2020

2021

2022

1

ALL BRANDS ON GROVE.COM (lbs.)



1.44 1.32 1.06

2020 2021 2022

THIRD-PARTY BRANDS\* (lbs.)



1.74 1

.51 1.24

2020

2021

2022

<sup>\*</sup>Products sold on grove.com from brands not owned by Grove Collaborative.

#### **OUR PROGRESS**

### Plastic Site-Wide

Originally published in 2020, Grove's Plastic Scorecard is the first of its kind to publicly report on our total plastic footprint.

We lead with transparency first. That's why we're using these disclosures to challenge our industry to track and publish their progress towards reducing their own plastic use.

Our goal is to decouple business growth from our plastic footprint. As we continue to reduce plastic within our assortment, these are the baseline totals for plastic used site-wide at <a href="grove.com">grove.com</a>, including all the brands we sell, as well as through our retail partners.

Based on data collected thus far, all numbers shown compare 2022 to 2021 and 2020.

PLASTIC FOOTPRINT

## 3,241,399 lbs total plastic footprint

→ progress: on track

2022: 3.2M LBS
2021: 4.9M LBS
2020: 5.IM LBS

Year over year we work to reduce our total plastic footprint by introducing more plastic-free or plastic-reducing products into our assortment.

PLASTIC INTENSITY

## 1.06 lbs plastic sold per\$100 revenue

2022: I.06 LBS 202I: I.32 LBS 2020: I.44 LBS

We aim to decouple our revenue from our use of plastic.

PLASTIC PER SHIPMENT

# 0.57 lbs plastic per customer shipment

2022: 0.57 LBS 2021: 0.71 LBS 2020: 0.72 LBS

progress: on track

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

RECYCLED CONTENT

## 18% post-consumer recycled content

→ progress: on track

2022: I8%
2021: I6%
2020: I5%

When no plastic-free alternatives exist, we aim to increase this metric by maximizing post-consumer recycled plastic whenever possible.

REFILLABLE OR RESUABLE

# 16% of products are refillable or reusable

2022: I6%
2021: I3%
2020: I2%

progress: on track

We seek to increase reusable or refillable products and packaging while reducing single-use plastic.

We're moving in the right direction on all our plastic metrics for 2022. Within our Grove Co. brands, we're at 71% Beyond Plastic™ by revenue and 76% by percent of SKUs sold (see page IO).

#### **OUR IMPACT**

One Grove home at a time, we continue to make a global impact.



workers supported through our plastic neutral program

## 7.8 million

lbs of plastic avoided by Grove customers since 2017 through plastic-reducing Grove Co. and Peach products







530,000

Ibs of plastic collected by rePurpose Global in 2022 funded by individual Grove customers through our Environmental Impact Shop

100%
Plastic Neutral

since 2020, meaning that for every pound of plastic we ship to customers, we collect the same amount of nature-bound plastic pollution through our partnership with rePurpose Global

#### THE EVOLUTION OF OUR STANDARD

### Beyond Plastic<sup>TM</sup>

# What does Grove's Beyond Plastic™ standard signify?

Beyond Plastic<sup>™</sup> is our plan to solve the single-use plastic crisis for home and personal care products. Our goals are, and always have been, to move our industry toward a world where home essentials are a force for positive impact, rather than a drain on our planet.

While we strive to avoid plastic altogether, we currently offer the best available solutions that help reduce and avoid single-use plastic and plastic waste. However, many of these solutions are not entirely plastic free. Solutions either don't yet exist, aren't cost competitive or aren't available at scale.

Beyond Plastic<sup>™</sup> is our effort to recognize progress and continue to push forward — while making sure our customers are joining us for the journey. We hope that the logo will become synonymous with the best available solutions.

We've also fine tuned our message so we can continue to set a high bar, increase transparency, and educate customers at the same time. Our path to Beyond Plastic™ recognizes the need for pragmatic progress. On the following page, we've

outlined the Beyond Plastic™ standard and how it applies to products. Our <u>Grove Reusable Cleaning</u> <u>Glass Spray Bottle</u> is an apt example.

A refillable, reusable bottle designed for use with a concentrated cleaner, our Grove Glass Spray Bottle helps avoid plastic use and carbon emissions from shipping.

However, the plastic sprayer remains until a feasible alternative emerges. Customers who use this cleaning system avoid emissions from shipping water and save costs — but it's not plastic free! Beyond Plastic™ is a way for us to acknowledge that progress, and help our customers identify the best available solutions that align with their sustainability values.



# Beyond Plastic<sup>TM</sup>

We identified 3 categories to define products free of plastic waste:







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### Grove Co. Beyond Plastic Badges



100% Plastic-Free



19%

No Single
Use Plastic\*
\*EPA defines durables
as lasting 3 years



95%+
Plastic-Free
By weight

No Claim

#### **OVERVIEW**

- √ The product is IOO% plastic-free and does not include any PVA or plastic lacquers, liners, or coatings.
- Grove Co. products that meet this standard include our wool dryer balls, candles, and bar soaps.
- ✓ The product contains durable, reusable plastic, <u>defined by the EPA</u> as lasting 3 years or more. There is no single-use plastic, such as polybags.
- Grove Co. products that meet this standard include our reusable hand and dish soap dispensers and glass spray bottles.
- ✓ The product contains no more than 5% plastic by total weight of the product. This includes products that are packaged in aluminum with a coating containing a very minimal amount of plastic that does not affect recyclability.
- ✓ Grove Co. products that meet this standard include our hand and dish soaps, cleaning concentrates, and laundry detergent pods.

- √ The product contains virgin, recycled, or compostable plastic and is not widely recyclable.
- ✓ Products that remain in this category are still required to meet a best-inclass standard, with an understanding that if Grove did not carry these better-than-conventional alternatives, our customers would seek out mass market products without the sustainability component we provide.
- ✓ Grove Co. products that do not meet any Beyond Plastic standard include our IOO% recycled plastic trash bags, compostable bags, sponges and wipes.

PERCENT GROVE CO. 2022 NET REVENUE

PERCENT GROVE CO. 2022 SKUS SOLD

24%		15%

32% 29%

40% 24%

**71%** BEYOND PLASTIC™

76%
BEYOND PLASTIC™

17%

### Our Plastic Reduction Roadmap

Here's how we're tackling challenges on the path to no plastic waste for our Owned Brands.



2021

STEP 1: STEP 2:

Strategic Start with lower effort items

STEP 3: STEP 4:

Kick off new Qualify, implement, and technology items launch new formats



#### PHASE I AVAILABLE ALTERNATIVES

Phase I requires transitioning all possible packaging out of plastic where solutions exist. If solutions don't currently exist, we will use post-consumer recycled (PCR) plastic as much as possible. In 2020, we launched our Plastic Working Group with participating third-party brands sold on our site.



### PHASE 2 NEW FORMATS & BEHAVIORS

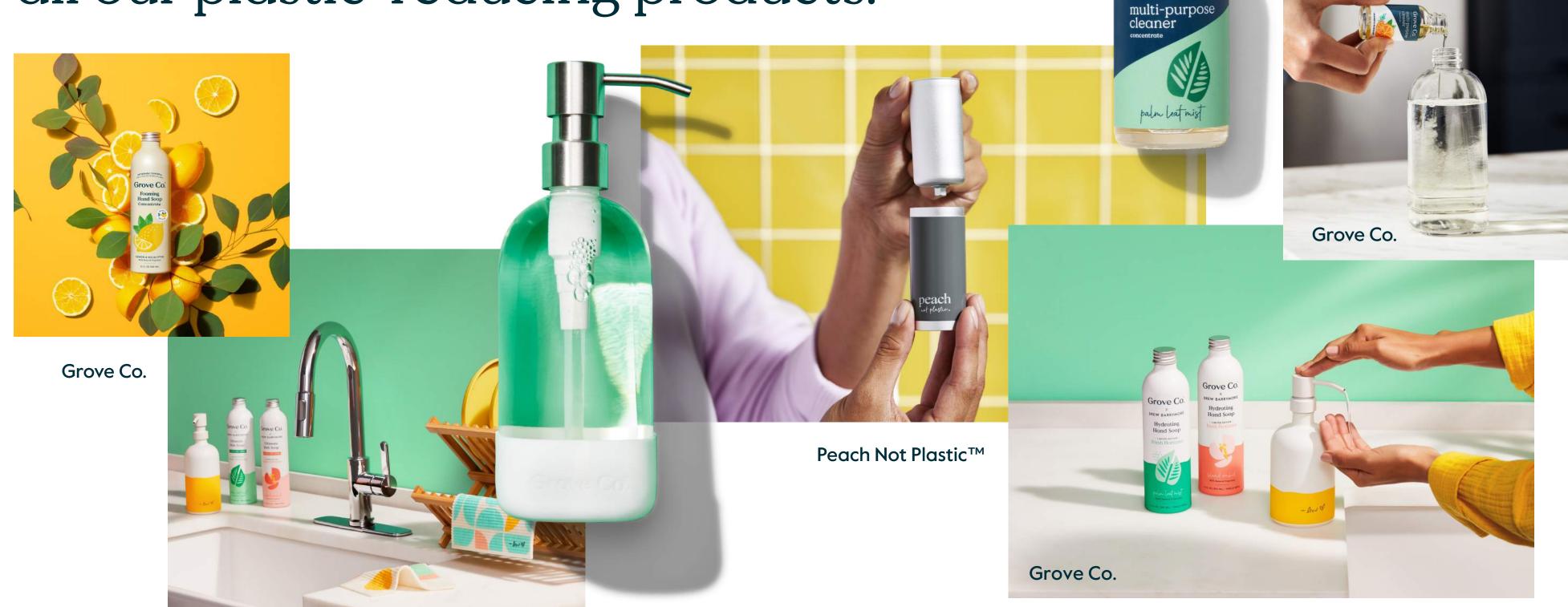
Moving into Phase 2 means expanding our resources and testing to find matches with existing products. Solution must-haves include product compatibility, packaging performance, and price. Changes in consumer behavior will support this transition.



### PHASE 3 INNOVATIONS & SOLUTIONS

While we have less visibility into this chapter, Phase 3 will be the final stretch of our journey. It depends on creating new materials, technologies, and logistics systems that enable us to reach a full assortment of no-plastic-waste products.

We've avoided 7,789,311\* lbs of plastic in all our plastic-reducing products.



<sup>\* 7,789,311</sup> lbs of plastic avoided from Grove-owned brands, Grove Co. and Peach from 2017-2022. Data does not include third-party brands or plastic collected through our plastic neutral program.

Grove Co.

#### **OUR PROGRESS**

### Sustainable Swaps

Designing for circularity means making more plastic-reducing, plastic-free, refillable, and reusable products. We're innovating out of products containing single-use plastic. One way we measure the impact of the plastic-free and plastic-reducing products we create and curate is through the amount of plastic they avoid compared to their conventional, mass market alternatives. Here are some of those statistics.



Conventional cleaning bottles and sprayers



#### Grove Co. Cleaner Concentrates

We transitioned out of plastic tubes into infinitely recyclable glass, shipped in FSC® certified, IOO% recycled paper packaging.



Conventional deodorant and shampoo



#### Peach Not Plastic™ Forever Cases

We launched Peach Not Plastic to show our consumers and the industry that it's possible to have an enjoyable, experiential and effective beauty and personal care routine without all the plastic packaging.



2,175,519

LBS AVOIDED FROM GROVE CO. CLEANER CONCENTRATES

181,893

LBS AVOIDED FROM PEACH
PLASTIC-FREE DEODORANT, HAIR
AND BODY CARE BARS

\*All plastic avoided metrics are since the launch of the product.

#### SUSTAINABLE SWAPS (CONTINUED)



Conventional hand soaps and dish soaps



Grove Co. Hand & Dish Soaps

We transitioned out of plastic pouches into infinitely recyclable and post-consumer recycled aluminum bottles.



Conventional snack and sandwich bags



Grove Co.
Reusable Snack
& Sandwich Bags

Each snack and sandwich bag is designed to replace hundreds of single-use plastic bags.



Conventional soaps and laundry detergent



Grove Co. Hand Soap & Laundry Detergent Sheets

We created laundry detergent sheets as a minimal waste alternative to conventional liquid laundry detergents and pods on the market.



882,210

LBS AVOIDED FROM GROVE CO.
HAND AND DISH SOAPS

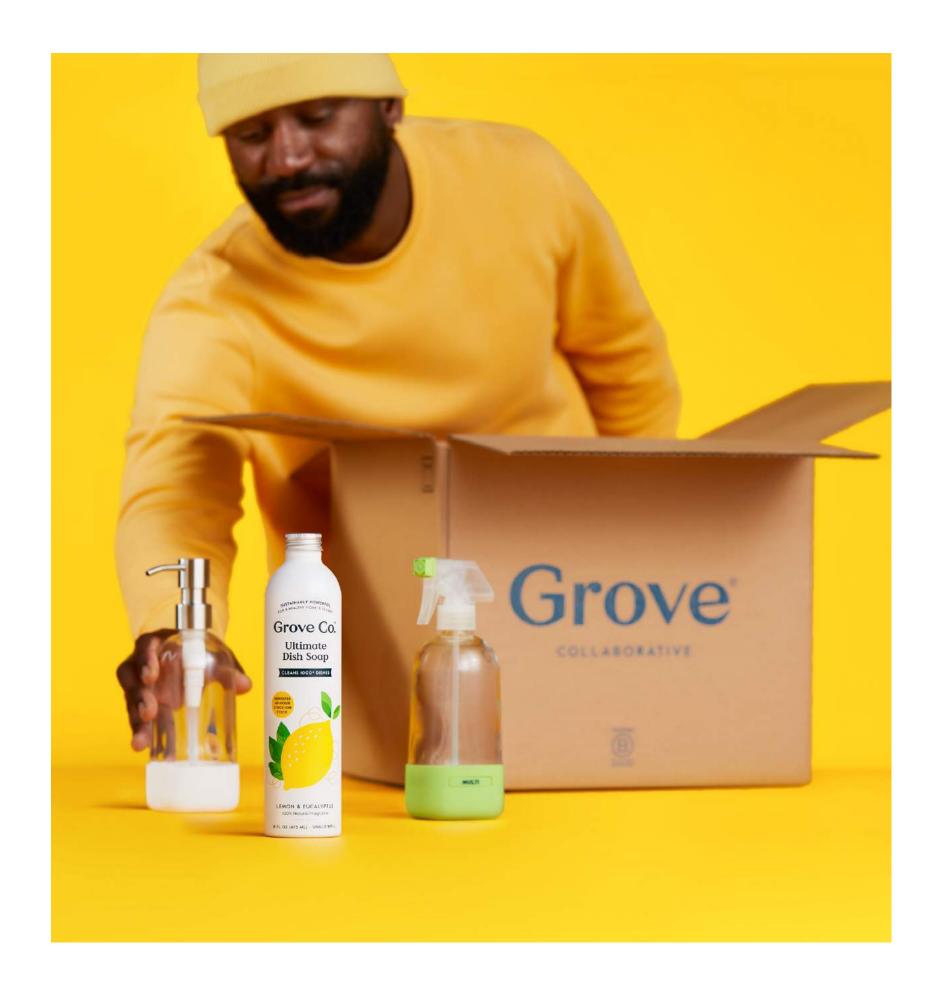
2,839,146

LBS AVOIDED FROM GROVE CO. SNACK AND SANDWICH BAGS

155,315

LBS AVOIDED FROM GROVE CO.
HAND SOAP AND LAUNDRY
DETERGENT SHEETS

\*All plastic avoided metrics are since the launch of the product.



### Moving Toward Circularity

# We believe that refill, reuse, and recovery are more practical alternatives to recycling.

Globally, and especially in the U.S., our current use of plastic is untenable. While barely 9% of plastic is recycled, over 20% is mismanaged towards pollution, and production continues at a breakneck pace — further flooding our oceans. In the U.S., each consumer generates over 480 lbs of plastic waste annually. Research affirms that we have pushed plastic pollution past the planetary boundary, overloading the earth far beyond what it can sustain.

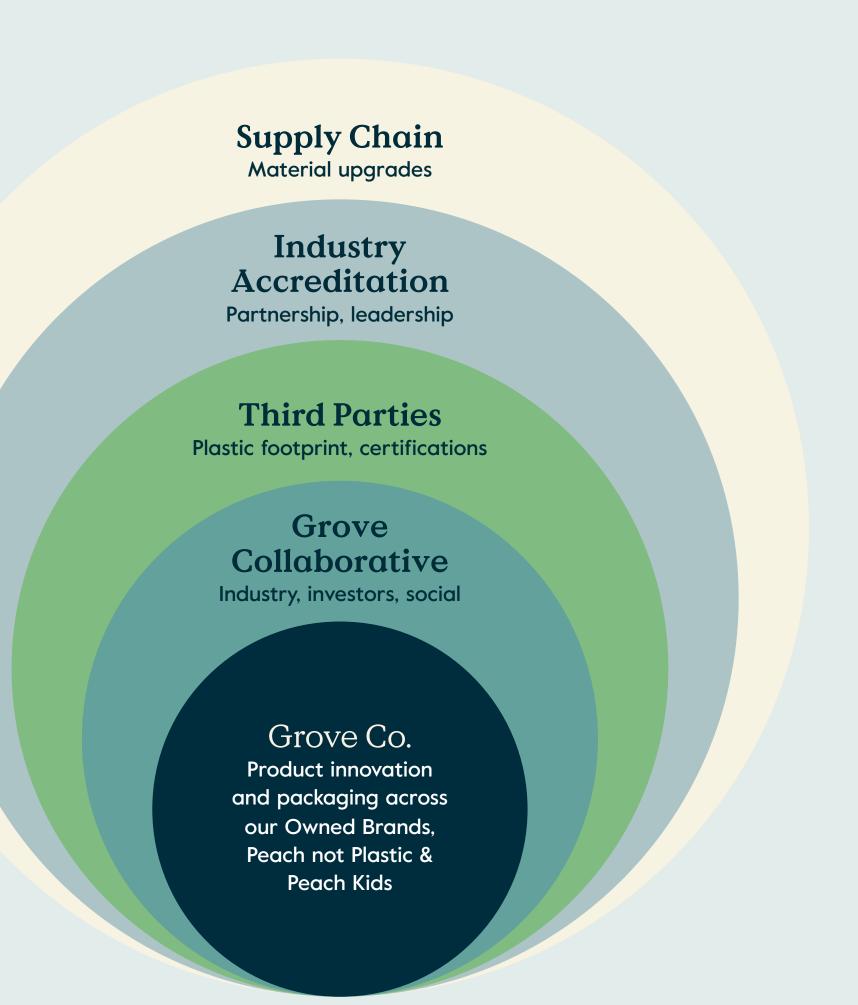
While global alarms are sounding, the consumer goods industry remains largely unconcerned — at least on the surface. Most major CPG brands have set unachievable goals to transition to recycled plastic content, yet their calculations are faulty. Doubling down on a single-use system that is already bursting at the seams won't solve the problem.

Plastic recycling remains a myth, and recovery of other materials is not much farther along. While aluminum and glass can be infinitely recycled without deteriorating, the main barrier to a functional materials recovery system is collection and recycling infrastructure.

Single-use packaging cannot remain our end state. Our goal is to keep packaging in rotation. Why would we recycle an aluminum bottle into the same aluminum bottle?

Identifying pragmatic solutions has been our biggest challenge. At our scale, we can't build out the logistics to make these systems affordable or accessible. Our initial experiments have tested consumer behavior and methods to transition to reuse models, but we have a long way to go.

In 2022, we actively supported CA legislation that included a requirement for extended producer responsibility (EPR), a cornerstone of transitioning away from single-use models. Looking ahead, our focus will remain on partnerships, legislation, and networks that we can participate in to scale circular solutions.



### Our Spheres Of Influence

Beyond Plastic<sup>™</sup> is at the heart of our sustainability mission at Grove and beyond.

We believe our industry has the power to change the world by removing plastic from the products we all use at home. But we can't do it alone.

Our spheres of influence ripple out, from our owned Grove Co. brand, to our website and digital channels, to third-party certifications and industry accreditation. Eventually, we hope to transform our industry's supply chain. We're a small but mighty brand that's part of a larger ecosystem.



#### PRODUCTS AND PACKAGING

# Our third-party brands are innovating new low-waste and plastic-reducing products.



Grab Green
mindful tablets in 100%
dissolvable paper packaging

**UpCircle** 

organic,



method
all purpose cleaner
concentrate starter kit

Wonderbelly – antacids packaged in 100% recyclable aluminum

Mrs. Meyer's foaming hand soap concentrates for refillable/reusable kits





Spinster Sisters low-waste bars for face, body, and hair in plastic-free packaging



**Dirty Labs** laundry & dish detergents free of dyes, sulfates, parabens, preservatives & single-use plastic

# Plastic Action in 2022 with rePurpose Global

rePurpose is dedicated to reducing waste, reviving lives, and restoring nature's balance. Our partnership with the world's leading plastic action platform has two goals:

1. Collect larger volumes of low-value plastic waste that is most likely to end up as pollution.

In partnership with rePurpose Global, we're scaling impact in India, Indonesia, and Colombia, where we're focused on the collection of hard-to-recycle, low-value plastics (such as candy wrappers or chip bags). Through the partnership, we are ensuring that every piece of plastic recovered is one that would otherwise end up in nature for centuries to come, ensuring additionality in our efforts.

2. Support the scaling of local plastic waste management value chains.

At the same time, we are enabling safer working conditions and dignified livelihoods for waste workers on the frontline of the plastic waste crisis. We see verified plastic removal as a realistic way to mitigate our plastic footprint. As a conscious brand, we see it as a critical step in the right direction to address the global plastic pollution crisis — and we only hope to do more.



3 Projects across the world

**3.4 million** lbs of additional plastic waste recovered

26,251 households with access to waste management

**490** workers provided with dignified livelihoods

### Why collect plastic waste?

To better answer this question, we visited waste collection sites in India and met project partners in person. We're excited to share these observations from the field.

Informal and unmanaged waste sites are growing throughout India and many other Asia-Pacific countries, due to underdeveloped or nonexistent public waste collection systems in communities. Poor incentives lead to neglect by local and regional governments, as well as the private sector. Without alternatives, many cities resort to an informal waste sector whose workers are pushed to society's fringes.

Compounding this problem, India is one of the leading recipients of waste exports — plastic and other waste streams sent from more developed economies abroad. Americans consume up to ten times more plastic than the average Indian, and a large amount of India's waste problem can be attributed to the U.S.

Witnessing this system in action, my understanding of the plastic problem changed. It's easy for American consumers to see plastic waste as an environmental issue (and of course, it is) but it's also a social and humanitarian crisis. In Chennai, I saw this firsthand.

Pickers typically come from marginalized groups (sometimes referred to as "untouchables" by their communities) and are often segregated from society, lacking access to upward mobility. Working conditions are notoriously unsafe, and workers almost invariably lack access to good healthcare and education. As we toured some of the largest plastic hotspots in Chennai, I heard tragic stories of child pickers who had been buried by trash or severely burned.

It was difficult not to retreat to a dark place when confronted with the human cost of daily plastic consumption. It became impossible to justify my own status quo for wasteful consumption when accounting for the full cost to nature and fellow humans. The next week, I would travel 8,000 miles back to my home in San Francisco, strolling the tree-lined streets past neighbors who have little or no concept of the crisis our planet and its people face as a result of our consumption habits.

As I reflected on my travels, I couldn't escape the realization that my industry — consumer packaged goods — is at the root of this global problem. We're primary stakeholders and contributors to the global plastic crisis, but we can also be impactful agents of change.





Images: Alex Bec

Alex Bede, Senior Manager, Sustainability, Grove

#### CASE STUDY 2022

### Real Impact in Kerala, India

We worked with rePurpose to bring formal waste management systems to five rural villages.



Kerala boasts a 588 km long pristine coastline, but it has also become increasingly vulnerable to rampant marine plastic pollution.

#### Intervention

We're financing verified plastic recovery with rePurpose impact project Hara Kal, which deploys a holistic waste management approach. This ensures regular collection and ethical disposal of neglected low-value plastic waste by creating an end-to-end waste management value chain for households in 5 rural villages: Anakkayam, Pulpatta, Morayur, Porur, and Chungathara.

#### People

Meet Nausiya, one of the many inspiring waste warriors at rePurpose Impact Project Hara Kal in Kerala. At I3, Nausiya miraculously survived a fire at her house. Soon after, she was forced to discontinue her studies. Married at 25, she was abandoned by her husband upon the birth of their daughter.



At first, finding work was challenging for Nausiya but she persevered and managed to secure a part-time job that paid her less than \$3 a day. It was in October 202I when the opportunity to work at Project Hara Kal came her way, assuring her a steady income and the means to support her family. In her words, "Joining Project Hara Kal transformed my life. It allows me to provide for my elderly parents and daughter. Working here fills me with pride and I finally feel like I belong." Like Nausiya, project Hara Kal supports I44 women waste workers with safe working conditions, steady and increased incomes and an opportunity to lead a dignified life.

Only 3% of plastic is waste managed.

~63% of households don't have access to formal waste collection.

### Our Impact

1.2M lbs

OF OCEAN-BOUND PLASTIC
RECOVERED FROM THE ENVIRONMENT

155

WASTE WORKERS PROVIDED
WITH STABLE INCOME STREAMS

26,251

RURAL HOUSEHOLDS PROVIDED
ACCESS TO PLASTIC WASTE MANAGEMENT

#### **MEMBERSHIPS & ADVOCACY**

### Amplifying our Efforts

Improving access to sustainable products requires advocacy. As a mission-driven retailer, it's our responsibility to participate in state and national dialogues around plastics, recycling and climate.

#### **Memberships**

Annually, Grove renews membership in groups of like-minded, action-oriented organizations. In 2022, we participated in:

- Ceres
- American Sustainable Business Council (ASBC)
- Ocean Plastics Leadership Network (OPLN)



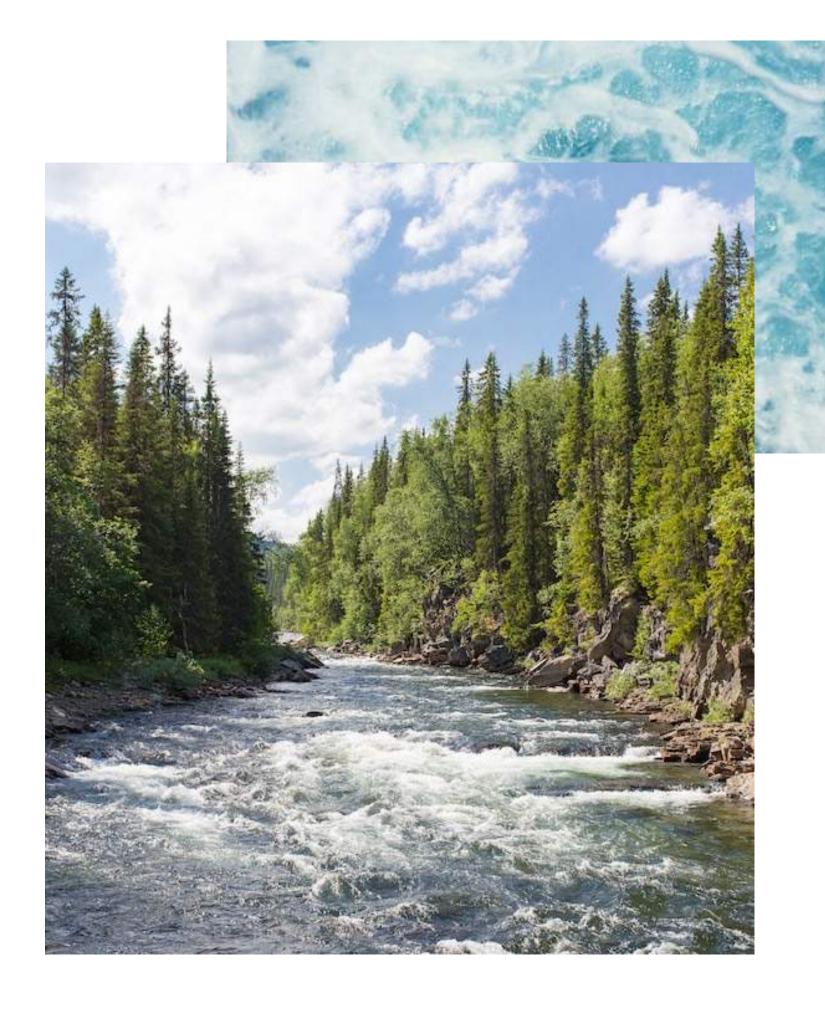




#### Advocacy

We were actively involved in conversations with legislators indicating our support for the proposed Build Back Better bill, which evolved into the historic Inflation Reduction Act.

We also supported around the transition to Clean Fleet and Vehicles (which would allow us to reduce our own carbon emissions associated with deliveries), and we advocated for increased climate-risk and ESG disclosures from companies, so that we (and other smaller companies) have access to reliable supply-chain information related to material business risks.



### Appendix: Plastic Collection Impact 2022

Project	Location	Plastic Collected*	Workers Impacted	Households Impacted	Socio-Economic Benefits
Sueño Azul	Bogota, Columbia	1,322,770 lbs.	IIO workers	34I people positively impact (assuming average family size of 3.I in Colombia)	<ul> <li>New job creation, ensures social safeguards</li> <li>Lifts waste workers to formal sector</li> </ul>
Hara Bhoomi	Kerala, India	1,201,520 lbs.	155 workers	26,251 households provided with waste management services	<ul> <li>New job creation, ensures social safeguards</li> <li>New uniforms, hats, raincoats, and shoes provided to workers</li> <li>First aid kits provided at all locations</li> </ul>
Laut Yang Tenang	Bekasi & Bandung, Indonesia	914,918 lbs.	225 workers	I,033 people positively impacted (assuming average family size of 3.3 in Indonesia)	<ul> <li>New job creation, ensures social safeguards</li> <li>Helmets, jackets, boots provided to workers</li> <li>First aid kids and fire extinguishers provided</li> </ul>
Totals		3,439,208 lbs.	490 workers		

<sup>\*</sup>Plastic waste collected and co-processed, totaling 3,306,935 lbs (1,510,000 kgs) in 2021.

### ESG Metrics: Plastic and Reforestation

PLASTIC INTENSITY (LBS OF PLASTIC PER \$100 NET REVENUE)	2022	2021	2020	2022 Δ vs. 202I
Grove.com + Retail	1.06	1.32	1.44	-20%
Grove Owned Brands	0.87	1.12	1.07	-22%
Grove Third Party Brands	1.24	1.51	1.74	-18%
PLASTIC METRICS (GROVE.COM + RETAIL)	2022	2021	2020	2022 Δ vs. 2021
Plastic Footprint (lbs)	3,241,399	4,926,659	5,119,887	-34%

0.71

13%

16%

0.57

16%

18%

REFORESTATION	2018 - 2022
Total Trees Planted	1,000,000*
Tons of CO2 Sequestered	568,518
Lbs Air Pollution Removed	568,518
Gallons of Runoff Avoided	55,422,214

BEYOND PLASTIC™ (GROVE CO.)	100% Plastic-Free	No Single Use Plastic	95%+ Plastic-Free	No Badge
% Net Revenue from Products that meets Beyond Plastic™	24%	15%	32%	29%
% of Products that meet Beyond Plastic™	17%	19%	40%	24%

0.72

12%

15%

-20%

23%

13%

PLASTIC METHODOLOGY: \*Grove.com only; \*\*Percent of total product count that is refillable or reusable

Average Plastic per

Customer Shipment (lbs)\*

% Refillable or Reusable\*\*

% PCR Content by Weight