

# SOCIAL AND ENVIRONMENTAL IMPACT REPORT 2021-2022

SCOTT  
BROTHERS  
GLOBAL



*Welcome to our first Scott Brothers Global social and environmental impact report! As a company, we've always made it our mission to help people love where they live. We accomplish this through the thoughtful and innovative content and products we create and the innovative products we curate.*

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## LETTER FROM DREW AND JONATHAN SCOTT, FOUNDERS OF SCOTT BROTHERS GLOBAL

Welcome to our first Scott Brothers Global social and environmental impact report! As a company, we've always made it our mission to help people love where they live. We accomplish this through the thoughtful content we create and the innovative products we curate.

As successful as we've been in helping families realize their forever homes, we believe there is always room to learn and grow. And there's one place we ALL call home: our planet. We'd like to be a leader in our industry and show the world just how rewarding it can be if you do what's right for People... and what's right for the Planet.

Our passion for the planet is deep rooted. We were raised on a beautiful farm on the edge of the forestry in

Canada and taught to always be good stewards of the land. Mom and Dad said if we take care of the earth and the animals, then it will pay us back ten fold. We still believe that to this day, which is why we're always striving to learn and improve. We don't believe in shallow promises with superficial solutions. We want real impact and that of course takes time and dedication.

So what does that look like for Scott Brothers Global? Well, we're actively uncovering that. We've engaged in incredible conversations with every department to identify areas for improvement and built capacity among our teams to develop better practices that will benefit our people and our planet. We've continued our transition to a remote

company to reduce our emissions by traveling less, teleconferencing more, and giving our employees as much time and space as they need to perform their duties in an environment that helps them succeed.

On our product side, we have named a new brand director of sustainability, and we have started to explore new categories of eco-friendly products including fossil fuel-free cooking appliances and other green home technologies. We also have a heavy focus on cracking the sustainable packaging nut. This will be a monumental task, but it is definitely something we can accomplish.

At this point, you might be thinking to yourself, "We're still a small company—how could we have the kind of impact that is needed to make a real difference?" Well, we believe that what we put out into the world matters, whether that's a product or a kind word. Our consumers want to do right by the planet, and we have what it takes to show them the way. We always want to be positive and thoughtful in how we present new ideas and mindful that different families work with different budgets. Accessibility to our products is also important if we truly want to help as many people as possible.

If we wish to succeed in creating a positive impact in this world, these values cannot be dictated by the executive team, but must be embodied by every SBG employee. It's an ongoing conversation, and we are fortunate to have a platform and megaphone through our TV shows, social media and publications that gives us an outsized ability to talk the talk and walk the walk.

We want to learn as much as we can and put it all into practice. We are eager to continue this journey, as we believe it will lead to a better company, a happier workforce, and a healthier planet.

Sincerely,



Drew Scott



Jonathan Scott



## WHO WE ARE

At Scott Brothers Global (SBG) we create brands dedicated to inspiring and improving life at home. Why do we do it? Well that's simple: It ALL starts at home.

Our brands and content connect with millions of consumers, viewers and users spanning 160 countries, and our founders, Drew and Jonathan Scott, are the leading experts in home improvement and design. We're a company that values integrity, respect, innovation, collaboration, and optimism and together with our partners, we are committed to finding ways to bring health and happiness to our planet and people. Through expertise, home products, and entertaining content, we bring positive impact brands to households around the world.

SBG is headquartered in Nashville, TN.





The background of the entire page is a close-up photograph of several dandelion seed heads. The image is monochromatic, using various shades of teal and green. The seed heads are in various stages of focus, with some in sharp focus in the foreground and others blurred in the background, creating a sense of depth. The central text is overlaid on a dark teal horizontal band.

## **OUR TWO PRIORITIES: PEOPLE AND THE PLANET**

Attention and dedication to the wellbeing of our communities and our planet represents our impact strategy as we aim to foster happy and healthy homes for all.

We are dedicated to prioritizing actions that support the wellbeing of our Scott Brothers Global family, our consumers and audiences, our partners and communities, and our planet. Our hope is that these priorities inspire sustainable growth for our company, happy and healthy homes for all, and positive change in the industry.



## PEOPLE

- Diversity and Inclusion
- Employee and Consumer Wellbeing
- Philanthropy
- Communities



## PLANET

- Products
- Packaging
- Education
- Innovation





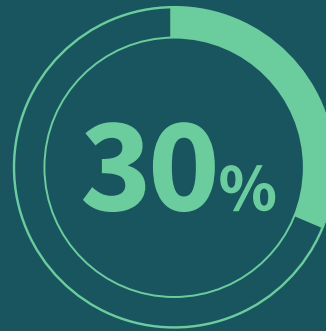
A close-up photograph of several large, vibrant green leaves, likely from a plant like a peace lily, filling the background. The leaves are layered and curved, creating a sense of depth and texture. The lighting is soft, highlighting the veins and edges of the leaves.

# PEOPLE

From our Scott Brothers Global family to the families who buy our products for their homes, we care deeply about the people and communities we impact.

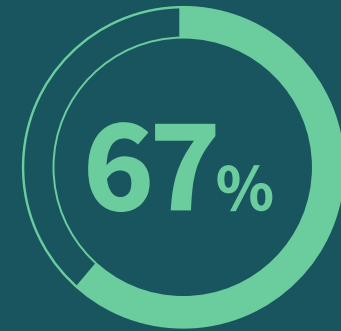


#### U.S. AVERAGE



In the US, women on average occupy only 30 percent of top leadership positions.

#### SCOTT BROTHERS GLOBAL



As of the end of 2021, women fill 67% of Scott Brothers Global executive leadership roles.

## DIVERSITY AND INCLUSION

We believe an integral component to prioritizing this core value is establishing a diverse and inclusive workforce that reflects our consumers, audiences, and communities.

We are proud to be an equal opportunity workplace and are committed to equal employment opportunity regardless of race, color, ancestry, religion, sex, national origin, sexual orientation, age, citizenship, marital status, disability, gender identity or Veteran status.

One thing we love to celebrate is our internal gender diversity. In the US, women on average occupy less than 30 percent of top leadership positions<sup>1</sup>. One of our company's

most unique qualities is the number of women we have in leadership roles across all departments. We are excited to share that as of the end of 2021, women fill 67% of our executive leadership roles. We love celebrating this gender diversity and will continue to elevate every voice of our company.

<sup>1</sup> Women in the Workplace 2021, McKinsey & Company



## EDUCATION: SPARC SERIES

Each quarter, every member of our company participates in an expert lecture and subsequent discussion on a chosen relevant topic as it relates to our business and our communities. These discussions, which are curated by an internal committee responsible for the SPARC series program, are in place to facilitate learning, growth, and open communication, and they take place to encourage reflection on wellbeing in our roles, our relationships, and our workplace dynamics at SBG and beyond. Previous SPARC series sessions include “Gender Dynamics with Betty-Ann

Heggie,” a widely recognized thought leader and author in gender dynamics and “Essentialism with Greg McKeown,” a celebrated New York Times bestselling author and public speaker who focuses on challenging core assumptions about achievement to get to the essence of what really drives success. During our most recent SPARC series session, led by Philippe and Ashlan Cousteau, our team reflected on our environmental progress and goals and discussed every day ways we can reduce our carbon footprint as individuals and as a community.



## SHARING OUR MESSAGE

A recent issue of Drew + Jonathan Reveal Magazine hit stands on Friday, January 7<sup>th</sup> with the Brilliant Home Issue. This is a “smart home” issue that focuses on having a home that simplifies everyday life while making the best use of our natural resources – saving money while helping our planet.



Since the beginning of Covid-19, home has become the first line of defense against the pandemic, so it's more important than ever to Drew and Jonathan and SBG that we do our part in making sure more families have access to safe and healthy housing.

## HABITAT FOR HUMANITY

Drew and Jonathan Scott started renovating houses as enterprising college students in the late 90s. As their business expanded, they often looked to their local Habitat for Humanity ReStore for budget-friendly home improvement materials to transform their projects into warm, welcoming homes. Along the way, they learned more about Habitat's mission and were inspired to get involved by participating in builds in the U.S. and Canada. After more than 15 years of volunteering for Habitat for Humanity, in 2017, Drew and Jonathan were awarded the honorable title of Habitat Humanitarians, the highest recognition offered by the organization. In this role, they volunteer on build sites, speak out for affordable housing, and help fundraise so that more families can achieve their dreams of homeownership. Since being named Habitat Humanitarians, they have

led builds in Nashville, Atlanta and Long Beach, among other activities to support the leading global housing nonprofit. As members of this group of recognized volunteers, they "serve as tireless champions, advocates and spokespeople to raise awareness of the need for decent, affordable shelter in the United States and around the world."

**"As Habitat Humanitarians, Drew and Jonathan have lent their home building skills to help dozens of Habitat for Humanity families achieve the dream of homeownership. The Scott brothers example has inspired hundreds of volunteers to grab a hammer and help build strength, stability and self reliance in their communities."**

*Erin Rank, President and CEO, Habitat for Humanity of Greater Los Angeles*

## CHARITIES WE PROUDLY PARTNER WITH

- World Vision
- Baby2Baby
- Turn Up! Fight Hunger
- St. Jude
- Artists for Peace and Justice
- We Day
- Habitat for Humanity
- Harlem Boys and Girls Club
- Kennedy Human Rights Foundation
- Communities in Schools
- Heart of America
- Charities Aid Foundation of America
- Rebuilding Together
- St Baldrick
- Big Green
- One Tree Planted
- American Home Furnishings Hall of Fame Foundation
- Boys and Girls Club
- EarthEcho International
- Valencia
- Jane Goodall Institute
- World Central Kitchen
- No Kid Hungry
- The Trevor Project
- Direct Relief
- Victoria's Foundation
- Just Giving
- Death Penalty Focus
- Project Heal
- NAACP
- Navajo Nation
- Feeding America
- Global Wildlife Conservation
- Nashville Rescue
- Tegan & Tegan
- Movember
- Environmental Media Association
- APJ Gala
- Navajo Tribal Utility Authority
- A Broader Way





# PLANET

One of our biggest responsibilities in business is resource management, so we must prioritize our two most critical resources—people and our planet.

## INTERNAL SUSTAINABILITY TEAM



**Isabelle Arnheim**  
*Environmental Sustainability Lead*

Isabelle Arnheim has joined SBG in the role of Environmental Sustainability lead. Arnheim will manage external sustainability and impact partnerships and opportunities, as well as internal sustainability and impact initiatives and operations, including the distribution of this report on an annual basis.



**Carla Cown**  
*Brand Director, Sustainability*

Carla Cown has moved into the role of Brand Director, Sustainability role after two years with the company as Brand Director. In her new role, Cown will explore new ways to bring products to market that are sustainable and affordable.

“I’ve seen sustainability rise in the customer decision-making process from “nice-to-have” to a core factor in brands they want to support.”

– Jason Jones, *Vice President, Creative*

“Our planet is the one thing we all share, so taking care of it, through individual and corporate action, means doing our part to preserve our common ground.”

– Isabelle Arnheim, *Environmental Sustainability Lead*

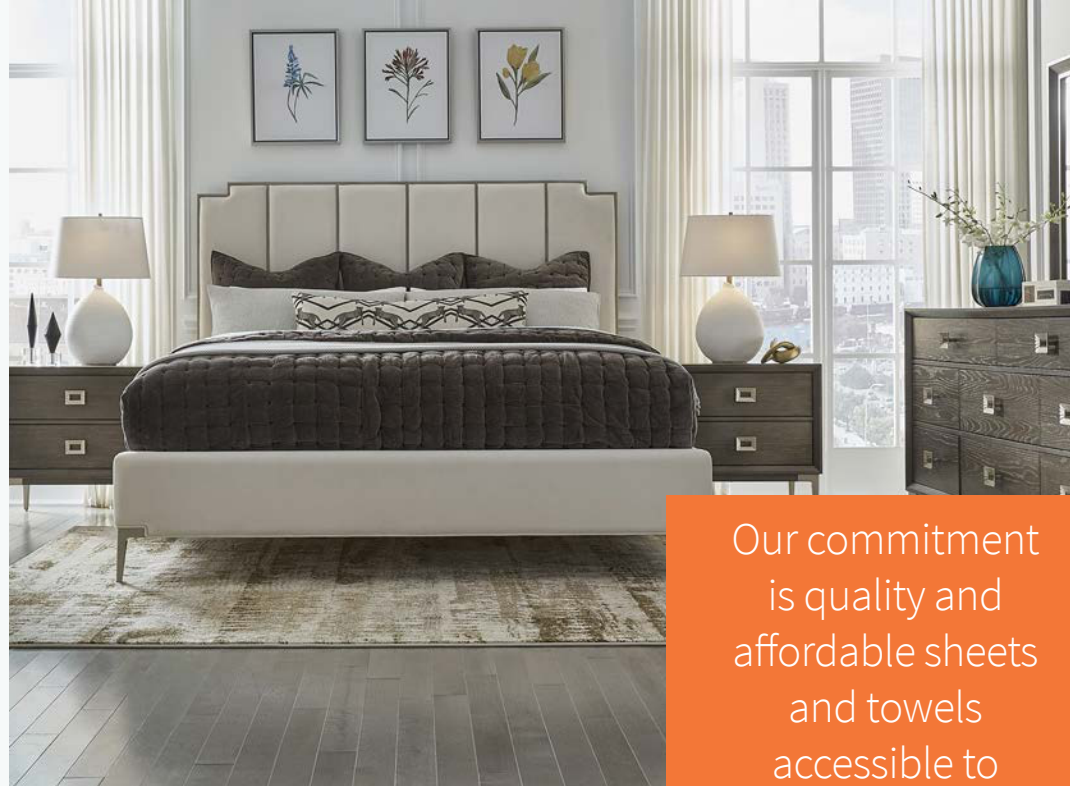
“Ultimately, choosing sustainability is choosing kindness—to yourself, to the world, and to future generations.”

– Carla Cown, *Brand Director, Sustainability*

“At its core, sustainability means health, success, and longevity. It’s an opportunity for leadership and positive impact.”

– Alina Duviner, *Vice President, Communications*





Our commitment is quality and affordable sheets and towels accessible to everyone.

In addition to quality and affordability, we care about the sustainability of our products. Creating eco-friendly products is a journey, and while we have plenty of room to grow, it is important to celebrate every small step we are taking to lower our environmental impact and continue to find ways to take incrementally bigger steps.

## PRODUCTS

We currently work with industry leading partners who help us drive forward our sustainability standards by using sustainable materials in their products and prioritizing environmental awareness.

We celebrate our partners' achievements and dedication to the planet, encourage others to follow, and seek new partners who will align with our sustainability goals.

Many of our partners show up when it comes to sustainability. Various initiatives by different partners include hiring third-party consultants to analyze where there are sustainability gaps in the supply chain, reducing waste by providing each employee a trash bin no larger than the size of a gallon jug to encourage more recycling practices, using 100% Styrofoam-free materials in packaging, and rethinking the process of sourcing materials in an eco-friendly but affordable and accessible way.

### Our goal:

Moving forward, we will actively encourage our partners to continue building out their sustainability initiatives. This report is the first step in our journey to celebrate our sustainability achievements thus far and uncover all the ways in which we must improve in the future. We are constantly educating ourselves on new sustainability practices and trends to ensure the initiatives we implement are innovative and relevant. We hope that, with every year this report is published, a larger percentage of the products we create are made with sustainable materials and packaged with sustainable packaging. We are working diligently to make this happen.





## PRODUCTS

One area of interest for us is efficient use of renewable energy and natural resources in our manufacturing processes.

Two partners in particular are prioritizing this issue area. One of our partners, South Bay International, who makes our adjustable bases and some of our utility bedding such as pillows, mattress protectors, and mattress toppers has reported that in their digital plants, 35% of their total energy consumption is driven by solar energy. Welspun, our partner focused on various textiles for our Scott Living by Drew & Jonathan and Drew & Jonathan Home collections have

guaranteed that our products are made with the lowest water consumption possible from start to finish and that 100% of these water needs for manufacturing are met with recycled waste water. We celebrate these initiatives and look forward to discovering where else alternative sources of renewable energy and water management can be utilized to reduce our manufacturing footprint.



**35%**

Our partner South Bay International's total energy consumption is driven by solar energy.



**100%**

of the water needed for manufacturing our products with Welspun are met with recycled waste water.





DREW & JONATHAN HOME AND  
SCOTT LIVING RUGS



**80M**

80m water bottles diverted  
from the landfills.



30 water bottles diverted from  
landfill per every pound of yarn  
used in our rugs.

## PRODUCTS

One company whose dedication to sustainability we are particularly excited to celebrate is Mohawk Home.

Through their proprietary process, they take recycled water bottles and convert polyester material into extruded yarn that is then used to manufacture area rugs, scatter rugs and broadloom carpet. Corporately across all the divisions of Mohawk they divert an estimated 6.7 Billion bottles annually from landfill and use that material to generate over 200 million pounds of carpet and rug fiber.

Since the beginning of our partnership to the end of 2021, we are very excited to announce that we have diverted approximately 80M water bottles from the landfills by products sold through the Scott Living by Drew & Jonathan brand.





## PRODUCTS

In our Fall 2021 Drew & Jonathan Home collection, many of our products with Smith & Noble use 15 new sustainable fabrics, including yarns that are produced reusing fibers obtained from recycling old clothing or knits and cuttings of new fabrics used in the garment industry. Many of these fabrics are made of 100% recycled yarn.







## CERTIFICATIONS



Environmental certifications are a great way for us to measure our sustainability achievements when it comes to the products we create. Several products in our Scott Living by Drew & Jonathan and Drew & Jonathan Home collections have received various certifications for the materials and processes used. The Global Recycled Standard certification awards companies for using recycled materials in their products and for upholding ethical and responsible production standards. Several products from our Scott Living by Drew & Jonathan and Drew & Jonathan home collections have been awarded this certification, including our rugs with Mohawk Home and our Smith and Noble recycled wool blend fabrics and linen fabrics in our current Drew & Jonathan Home assortment.

Other certifications that our products have received include SCS - Carbon Neutral Certified by SCS Global Services, which certifies that a product's carbon emissions have been measured and reduced, with any remaining emissions offset, as well as Made in Green by Oeko-Tex, which

certifies that a product is tested for harmful substances and made in safer workplaces with reduced environmental impacts. All our Scott Living by Drew & Jonathan and Drew & Jonathan Home fashion bedding and bath have been awarded at least one Oeko-Tex certification.

Our Scott Living by Drew & Jonathan duvets, comforters, quilts, bath rugs, and towels are Oeko-Tex Made In Green certified.

Our Scott Living by Drew & Jonathan sheets are Oeko-Tex Standard 100 and Made In Green certified.

Our Drew & Jonathan Home sheets are Oeko-Tex Standard 100 certified.

Our Drew & Jonathan Home comforters & quilts are Oeko-Tex Made In Green certified.







## PACKAGING



We are constantly working with our current partners to encourage the use of sustainable and recyclable packaging materials (and reducing packaging volume) when possible. Our goal is to eventually transition 100% of our packaging to eco-friendly materials. With this goal in mind, we are exploring every innovative option out there, including all packaging options made of recyclable, compostable, and biodegradable materials or those that can be recycled or composted themselves. We are especially passionate about moving away from the use of any polystyrene or other petroleum-based plastic packaging materials. Receiving a Scott Living or Drew & Jonathan Home package should represent taking a step toward a happier and healthier home. We are doing everything we can to guarantee that our products and the packaging they come in reflect that core value.

Currently, all paper inserts for our Drew & Jonathan Home bedding collection use FSC certified paper. Also Drew & Jonathan Home bedding packaging uses sustainable certified PEVA/EVA Bags instead of vinyl. These reusable and recyclable bags, chlorine-free & phthalate-free, are a less toxic alternative to vinyl.

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Drew & Jonathan Home collection use FSC certified paper.

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Drew & Jonathan Home packaging uses reusable and recyclable PEVA/EVA Bags, which are chlorine-free & phthalate-free.

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## EDUCATION AND ADVOCACY



It's important for everyone at Scott Brothers Global to understand why we are working so hard to prioritize taking care of our planet. Facilitating internal education on climate-related issues is one way we can achieve this. We look forward to offering every Scott Brothers Global employee the opportunity to participate in Climate Reality

Leadership Training to encourage active climate conversations with other professionals around the country and world. We are also in the process of establishing a quarterly sustainability task force with SBG executives and members of each team to streamline and organize our goals and to hold ourselves accountable.



## CONCLUDING THOUGHTS

We are very excited to share our first annual Social and Environmental Impact Report. We have learned a lot along the way and are just getting started. Achieving corporate sustainability is a big and difficult task. While transformation and restoration can't happen overnight, we know every small step we take will eventually allow us to achieve our long-term social and environmental goals.

Moving forward we will build on this report annually as we implement new solutions to minimize our impact, continuing to celebrate each small step and sharing our journey along the way.

We hope this report inspires our Scott Brothers Global family, current and future partners, and our consumers and communities to reflect on the impacts we make.

## JUST THE BEGINNING

As we look ahead at our environmental and social corporate strategy, we have identified four areas of focus for sustainable growth this coming year.

### Packaging

Transition to 100% eco-friendly packaging. Our packaging goals for this upcoming year are as follows:

- Smallest footprint possible to reduce carbon emissions and maximize shelf storage. Lightest weight is also preferred.
- Outer container is either post-consumer recycled cardboard or recyclable (with instructions). Design should consider minimal packaging needed for protection and brand design. E-commerce items are not double boxed.
- Inner protection is recyclable, compostable, or biodegradable (with instructions). Preferred interior packing is FSC-certified paper-based products (paperboard, formed pulp, or shredded/corrugated paper) or plant- or fungi-based foam. Phase out all polystyrene/CFC-based protectants and eliminate as much plastic as possible.

### Products

- Explore options for expanding sustainable product development.
- Innovate to incorporate new eco-friendly materials and processes in our supply chain.
- Establish sustainability standards for new partnerships and encourage new initiatives and third-party certification awards with current partners.

### Diversity and Inclusion

- Continue to enrich our workforce through active recruitment of individuals from diverse backgrounds.

### Industry Standards

Offsetting our Impact, Circular Economy, Renewable Energy Use

- Educate our team on industry standards for corporate emissions reduction processes. Calculate the environmental impact and greenhouse gas emissions of running our business and strategize to offset that impact accordingly.



- Explore ways to implement principles of the circular economy in our products so that we are minimizing consumption and supporting longer product lifetimes. For example, expand product donation and recycling programs with Habitat for Humanity Restore and re-examine our warranty policies.
- Continue to advocate for renewable energy. Encourage the switch from fossil fuels to renewable energy sources in factories and warehouses used by our partners and in Scott Brothers Global-owned buildings.

*We look forward to sharing our journey.*



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**SCOTT  
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