



STRONGER TOGETHER[®]

2021 ESG REPORT





A Letter from CEO Doug Black	3
Our Business and Our Approach.....	4-7
About Us	4-5
Our ESG Disclosures	5
Our Acquisition Strategy and Resulting ESG Benefits	6
ESG Oversight and Governance	7
Supporting Our People and Our Communities	8-15
Associate Health and Well-being – Safety.....	8
COVID-19 Workforce Initiatives.....	8
Safety Statistics.....	9
Benefits Overview	10
Engagement and Development	11
Workforce Diversity and Inclusion	12-14
Caring for Our Communities.....	15
Industry and Community Engagement	15
Operating Responsibly and Sustainably	16-22
Reducing Environmental Impact.....	16-22
Climate-Related Considerations	16-22
Protecting Our Assets – Data Security at SiteOne	23
Governance, Risk & Compliance.....	23
Data Protection	23
Vendor Security	23
Data Security & Privacy Awareness.....	23

Dear Stakeholders,

On behalf of our Board of Directors, I would like to express our sincere appreciation for your interest in our company. I am very proud of the entire SiteOne team for their passion, commitment and teamwork as they continue to take care of our customers and each other in the face of the challenges and uncertainties related to the pandemic. At SiteOne, we are committed to becoming a Company of Excellence. This obviously can have many interpretations, but we define this Vision using five objectives:

- Be a great place to work for our associates
- Deliver superior quality, service and value to our customers
- Be the distributor of choice for our suppliers
- Achieve industry-leading financial performance and growth for our stockholders
- Be a good neighbor in our communities

These five objectives provide our “True North” and guide us in the people that we hire, the decisions that we make and the capabilities that we build. To accomplish our Vision, we strive to consistently practice the following seven Values across all aspects of SiteOne:

- **Always Safe** – We take personal responsibility for our safety and for the safety of others.
- **Customer Obsessed** – We are passionate about making our customers successful.
- **Continuously Improving** – We quickly adapt best practices to drive growth and deliver world-class results.
- **Team Players** – We respect and support each other and put the team first.
- **Professional** – We do everything with quality and integrity...never cutting corners.
- **Talent Focused** – We recruit, develop, mentor and retain the best people.
- **Accountable** – We think and act like owners and leverage our resources to succeed.

We are pleased to share with you our 2021 ESG Report, which highlights our FY2020 initiatives that advanced our objectives and brought our Values to life. Safety remains our top priority, and we continue to focus on the safety and well-being of our associates and their families during the COVID-19 pandemic. At SiteOne, our operational initiatives both enhance stockholder value and have a positive impact on our associates, the communities in which we operate and the environment. We strongly believe that these two objectives are not mutually exclusive. And this year, we have added climate-related information to our Report in line with the recommendations of the Task Force on Climate-Related Financial Disclosures.

We hope that you find this year’s ESG Report useful and look forward to continuing to update you as we enhance our disclosures going forward.

Sincerely,



Doug Black
Chairman & CEO



“

At SiteOne, our operational initiatives both enhance shareholder value and have a positive impact on our associates, the communities in which we operate and the environment.

- Doug Black, Chairman & Chief Executive Officer

OUR BUSINESS AND OUR APPROACH



OPEN

575
branches



3
distribution centers



45
states



6
Canadian provinces

2020 HIGHLIGHTS



4,947
total number of
associates



8%
organic daily
sales growth
(increase from 2019)



2.7
BILLION
net sales
(up 15% from 2019)



\$260.2
MILLION
adjustable EBITDA
(up 29% from 2019)

NPS

75
net promoter score
(up 5% from 2019)

40%
IMPROVEMENT
in recordable
incident rate
(from 2019)



11 acquisitions in FY2020

ABOUT US

We are the largest and only national wholesale distributor of landscape supplies in the United States and have a growing presence in Canada. Our customers are primarily residential and commercial landscape professionals who specialize in the design, installation and maintenance of lawns, gardens, golf courses, and other outdoor spaces.

As of FYE 2020, we operated 575 branch locations in 45 U.S. states and six Canadian provinces. Virtually all of our branches are in leased premises. We also lease three facilities that are operated as our South, West and North Distribution Centers.

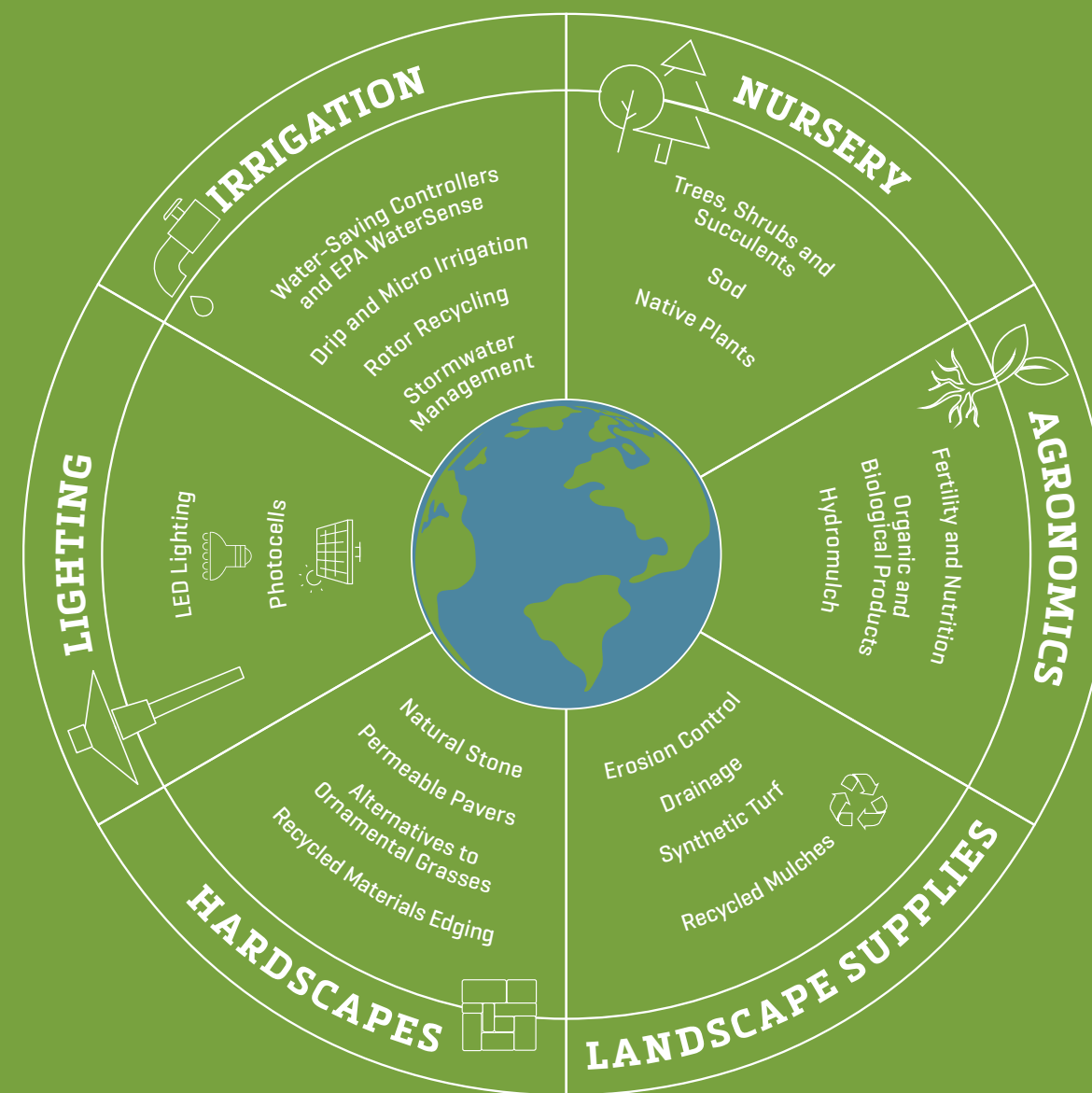
Through our expansive North American network, we offer a comprehensive selection of more than 130,000 products including irrigation supplies, fertilizer and control products, landscape accessories, nursery goods, hardscapes, outdoor lighting, and ice-melt products. Our broad product portfolio, convenient branch locations, and nationwide fleet of over 1,700 delivery vehicles position us well to meet the needs of our customers. We source our products from approximately 5,000 suppliers.

In striving to be a Company of Excellence, we continue to focus on our Vision, which includes the following elements:

- Be a great place to work for our associates
- Deliver superior quality, service and value to our customers
- Be the distributor of choice for our suppliers
- Achieve industry-leading financial performance and growth for our stockholders
- Be a good neighbor in our communities

In implementing our Vision, we have created tremendous opportunities for our associates, and our efforts have had a positive impact on the environment. We are pleased to share these accomplishments with you in this year's ESG Report. Given the nature of our business as a wholesale distributor, we believe that the most relevant ESG considerations to SiteOne are human capital management; safety; the nature of our lines of business and the products we sell; and fleet and supply chain efficiencies. And since acquisition growth is an important part of our strategy, we create value in all of these areas each time a new company joins the SiteOne family.

As the largest wholesale distributor in the Green Industry, we sell products and implement programs that are beneficial to the environment, including:



OUR ESG DISCLOSURES

For the first time, we are disclosing climate-related information following the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"). In addition, this Report discloses to the framework published by the Sustainability Accounting Standards Board ("SASB") for Multiline and Specialty Retailers & Distributors.

We anticipate using the insights gained in preparing this year's ESG Report, as well as feedback from stakeholders, to expand the ESG reporting scope in the coming years.

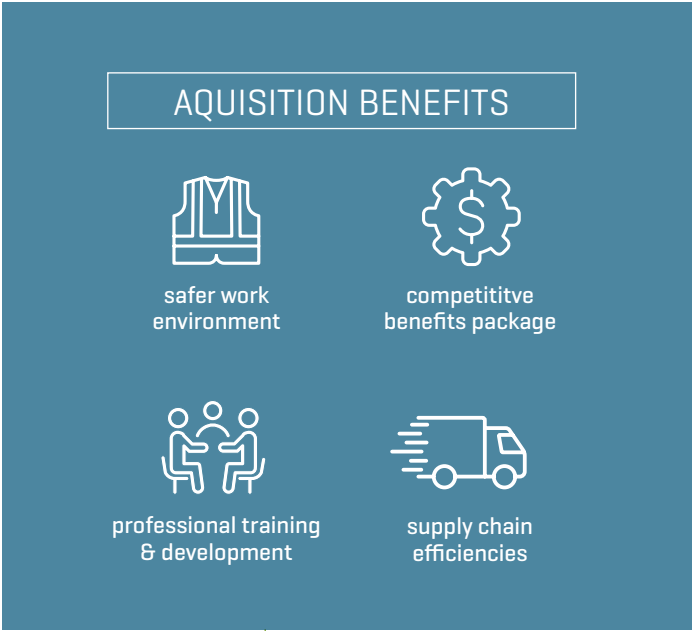
OUR ACQUISITION STRATEGY AND
RESULTING ESG BENEFITS

We continue to pursue value-enhancing strategic acquisitions as part of our growth strategy. During FY2020, we completed 11 acquisitions with approximately \$191 million in trailing twelve-month sales.

Through our acquisition strategy, we acquire successful companies and allow them to continue doing what they do best – providing an exceptional customer experience in their respective markets. In addition, we make many resources available to support newly acquired companies as they continue to improve, including:

- **Safer work environment:** With our dedicated safety team and fine-tuned safety protocols in place, new associates will find that SiteOne may provide a safer work environment
- Overall **benefits** package improves substantially in most cases:
 - Superior company-provided healthcare and associated costs
 - 401(k) plan matching
 - Paid time off and sick leave
 - Company-paid disability
 - Tuition reimbursement
 - Paid parental leave
 - Service credit given for time with the acquired company
 - Ability to request geographical relocation and mobility within the vast network of SiteOne branches, providing new associates with geographical flexibility
- Opportunities for **career development** and professional training:
 - Most companies that join the SiteOne family only have a single or dual product line focus, which limits their employees’ career and growth opportunities. By joining SiteOne, new associates gain opportunities across multiple product lines.
- Implementation of **supply chain and fleet efficiencies:** Our fleet refreshment program, particularly of those older vehicles we inherit as part of our acquisition strategy, results in an estimated 31%¹ less fuel consumption than the vehicles they replace
- Broader scope of **product offerings**, including eco-friendly products, for selection by our customers

¹ Calculated by comparing the average MPG of replacement vehicles against the average MPG of replaced vehicles



Through our acquisition strategy, we acquire successful companies and allow them to continue doing what they do best – providing an exceptional customer experience in their respective markets.



ESG OVERSIGHT AND GOVERNANCE

The SiteOne Board of Directors (the “Board”) is committed to strong corporate governance. We believe strong corporate governance promotes the long-term interests of stockholders, strengthens board and management accountability and helps build public trust in our company. The Board and its committees have adopted policies and processes that foster effective board oversight of critical matters such as strategy, risk management – including cybersecurity, financial and other controls – ESG considerations, compliance and management succession planning.

We are committed to environmental and social responsibility and work collaboratively with customers, associates, suppliers and other stakeholders to promote environmentally sustainable and socially responsible business practices. Our Board, specifically the Nominating and Corporate Governance Committee (“NCG Committee”), oversees our environmental stewardship and corporate responsibility initiatives, including policies and operational controls of environmental, health and safety, social risks, and climate-related risks and opportunities (collectively “ESG”) and is committed to supporting our efforts to operate as a good neighbor in our communities. The Board amended the NCG Committee Charter in May 2021 to document its delegation of ESG oversight. In furtherance of these responsibilities, the NCG Committee meets quarterly and receives routine reports on the company’s ESG strategy, initiatives and policies. The NCG Committee reports directly to the Board and met four times in the most recent fiscal year, 100% of the committee members attended all NCG Committee meetings.

Management also plays a key role in the company’s ESG strategy. The day-to-day implementation of our ESG strategy, including the production of our annual ESG Report and stockholder outreach program, is led by our Executive Vice President, General Counsel, who serves as the company’s environmental management system (“EMS”) lead and reports directly to the Chief Executive Officer. Our Executive Vice President, General Counsel, receives input on ESG and sustainability matters from a cross-functional working group as part of the EMS comprised of senior-level team members including our Executive Vice President of Operations. Our EMS also identifies risk and opportunities related to ESG, including climate change. The input received as part of the EMS is then integrated into our Enterprise Risk Management (“ERM”) process to communicate environmental risks, opportunities and progress to the Board.

Both our EMS and ERM processes include the use of internal strategy, stakeholder input, external research and other tools to identify and evaluate risks that could adversely affect our business. A materiality assessment of these risks is also part of our ERM process. Our Audit Committee oversees the ERM process, including the oversight of development of risk mitigation controls and procedures for the material risks we may identify.

click to view

Sustainability Accounting Standards Board (SASB) Disclosure Matrix

click to view

Task Force on Climate-Related Financial Disclosures (TCFD) Index



COVID-19 INITIATIVES



1,254

associates received quarantine pay



7,380

hours of PTO donated



\$1.9 MILLION

in payments to frontline workers

ASSOCIATE HEALTH AND WELL-BEING – SAFETY

We believe our employees – whom we call our associates – are our greatest asset. Their safety, health and wellness, as well as that of their families, is our top priority.

The support that we offer to our associates is an important part of our Vision to be a great place to work and the employer of choice in the Green Industry. In 2020, we put these values into action by implementing a comprehensive series of policies and practices to ensure the safety and well-being of our associates and their families during the COVID-19 pandemic. In addition, we provided meaningful bonuses to our frontline associates to recognize their outstanding contributions to our success in the face of unprecedented challenges.

SiteOne is committed to the pursuit of zero injury incidents and continues to invest in our people and operations to reduce our injury rate each year. Our highest priority at SiteOne is to ensure that our associates are safe and can go home to their family or friends every day in the same condition in which they came to work. This organizational commitment to safety has resulted in a 35 percent injury rate reduction in 2020 compared to 2017.

COVID-19 WORKFORCE INITIATIVES

Quarantine Leave Policy:

We created a new sick leave policy which allows associates who quarantine in compliance with CDC or local guidelines to stay home with pay. 1,254 associates received quarantine pay during FY2020.

PTO Donation Program:

We implemented a new PTO donation program which allows associates to donate PTO to other associates whose family members are impacted by COVID-19. 7,380 hours of PTO were donated to provide support for 74 associates who utilized the program during FY2020.

Special Payment for Frontline Associates:

To reward exceptional performance during the challenging circumstances created by the COVID-19 pandemic, we made a special “thank you” payment in August 2020 to frontline branch associates who serve our customers. The aggregate payment totaled approximately \$1.5 million. On March 5, 2021, we made a second special “thank you” payment to frontline branch associates to reward their ongoing work during the pandemic, as well as their contributions to our strong performance in Fiscal Year 2020. In the aggregate, this second payment totaled approximately \$400,000.

SAFETY STATISTICS

2020 marked the safest year in SiteOne history. In truly challenging times, our associates stepped up to the plate and hit a home run. COVID-19 and the global pandemic brought new obstacles not only for our business, but also for keeping our team safe. Through all the difficulties of 2020, we worked together to take care of each other and our customers and set records for being safe at work.

Safety Performance Metrics	Metric	Target	Actual Achieved
	Recordable Incident Rate	2.20	1.45
	Lost-time Incident Rate	0.45	0.23
	Work-related Fatalities	0	0

Safety Highlights



- Lowest calendar year Recordable Incident Rate in SiteOne history [1.45]
- Lost time incident rate of 0.23, also the lowest in SiteOne history
- Zero work-related fatalities
- 35% reduction in recordable incident rate compared to 2017
- Nine regions with recordable rates lower than 2019
- Reduced the number of OSHA recordable injuries to 70 in 2020, down from 115 in 2019
- Reduced the recordable incident rate from 2019 to 2020 by 40%
- Reduced the days-away case rate from 2019 to 2020 by 58%
- Four regions had zero associates with injuries requiring days away from work
- Zero OSHA recordable injuries from field support associates
- Although our operations are currently not certified to OSHAS 18001, recordable incident rate is consistently below the industry averages of 4.40 for Transportation and Warehousing and 2.70 for Wholesale Trade²

Specific Efforts to Reduce Injuries

COVID-19 Response Efforts

- Daily COVID-19 screenings at all branches
- Face covering requirements, daily sanitizing and disinfectant procedures at all branches and offices
- Completed 155 third-party branch sanitizing services

Implemented Regional Recordable Incident Investigations

- Led by Area Managers and findings discussed on regional call with Division President and Regional Vice Presidents
- Corrective actions shared company-wide
- 63 recordable incident investigations and 10 lost-time review calls during FY2020

Initiated Daily Safety Messages to Branch Safety Champions

- Kept safety top-of-mind through suggested safety topics in daily huddles

Enhanced Evaluation of SiteOne Safety Programs

- Hired New Sr. Director of Environmental, Health and Safety
- Included mulch operations and nursery handling equipment during Q4 2020
- Started Safety Incentive Program Award that encourages associates to submit detailed near-miss reports to elevate safety awareness and prevent injury across branches

² Source: Bureau of Labor Statistics, U.S. Department of Labor, Survey of Occupational Injuries and Illnesses, November 2020

BENEFITS OVERVIEW

Benefits Overview

At SiteOne, the health and wellness of our associates and their families is our top priority. The benefits we offer to our associates are an important part of our Vision to be the employer of choice in the Green Industry. We offer a competitive benefits package to enable our associates to get the most out of work and life. Some of these benefits include competitive compensation, paid holidays, opportunities for advancement, 401(k) company match, paid time off, tuition reimbursement and product discounts.



competitive compensation



paid holidays



opportunities for advancement



retirement savings with company match

COMPETITIVE BENEFITS



paid time off



medical, dental and life insurance



tuition reimbursement



product discounts

New Benefits for 2020

We introduced a new Paid Parental Leave Policy during 2020. The policy provides parents three weeks of time away from work within the first year of the birth or adoption of a child. During time away, associates receive 100 percent of their base pay, which we believe is a truly unique benefit compared to other companies in the Green Industry.

Equitable Compensation

We are committed to continually reviewing all our compensation and benefits programs for all associates, staying competitive and in alignment with market best practices.

SiteOne has established pay equity policies and procedures to ensure our associates are paid equitably across the organization. In addition to quarterly reviews and guidelines to ensure appropriate adjustments for internal movement, we have an established annual process to review pay equity. As a part of the annual process, compensation ratios are reviewed against guidelines by gender and ethnicity. Adjustments are made for any potential anomalies identified to ensure our associates are appropriately awarded based on the market pay for their role and their individual performance achieved.

Percentage of In-Store Employees Earning Minimum Wage

SASB: CG-MR-310a.1

We conducted an internal audit of our associate compensation to evaluate the percentage of in-branch associates receiving minimum wage pay. The audit determined that none of our associates are paid below minimum wage level, and only 0.07% of our associates are paid at minimum wage level for their respective jurisdiction.

ENGAGEMENT AND DEVELOPMENT

Associate Engagement



We aspire to be a great place to work for all our associates. The company monitors associate satisfaction by way of a biannual engagement survey sent to all SiteOne associates. In 2019, 71% of our associates participated in the engagement survey. Results from that survey indicated that 88% of our workforce would recommend SiteOne to their friends as a great place to work.

Additionally, our annual Talent Review process ensures development plans and career growth opportunities are discussed with the highest levels of leadership.

Associate Talent Development

Targeted Skill Development Training – This program is designed with the associate’s specific development and career interests in mind. Each certification program includes instructor-led training, online learning, in-field work and exit exams. Associates earn a base pay increase and other rewards when they earn these certifications:

- **SiteOne Irrigation Certification Program:**
Four-tier certification program to teach the core principles of irrigation up to mastery level.
- **SiteOne Agronomics Certification Program:**
Four-tier certification program to teach the core principles of agronomics up to mastery level.
- **SiteOne Lighting Certification Program:**
Single tier certification program including instructor-led training, online learning, in-field demo setup and exit exam.

Leadership Academy – SiteOne Leadership Academy has been designed by SiteOne for SiteOne and incorporates the very best practices across all industries. Leadership Academy is comprised of three, three-day modules:

- Building and Sustaining a Winning Team
- Achieving Customer Service Excellence and World-Class Sales Growth
- Achieving Operational and Financial Excellence

SiteOne University – We are proud to offer professional contractors and associates access to substantive training and informational seminars that will add directly to their bottom line. SiteOne University can help customers steer their business in the right – and profitable – direction.

Code of Conduct Training – We believe that a fundamental core value of Doing Business the Right Way is essential to creating a Great Place to Work – one with Integrity, Trust and Mutual Respect. This includes not only complying with laws and regulations, but also operating our business with the highest degree of ethical conduct with no shortcuts or exceptions. We ask that all associates, including management, review and acknowledge our code of conduct policy on an annual basis. This includes topics like conflicts of interest, relationships with customers and suppliers, gifts, antitrust competition, confidentiality, protecting company assets, insider trading, foreign corrupt practices and anti-bribery. We also provide internal training resources on code of conduct topics to help our associates comply with the policy.

[1] Voluntary and [2] Involuntary Turnover Rate

SASB: CG-MR-310a.2

TURNOVER FOR IN-BRANCH ASSOCIATES ³						
Year	Total Terminations	Total Turnover %	Voluntary Terminations	Voluntary Turnover %	Involuntary Terminations	Involuntary Turnover %
2018	485	18%	357	13%	128	5%
2019	577	26%	421	19%	156	7%
2020	539	23%	381	17%	158	7%

³ Calculated by assessing the employment status of associates with a selected group of job titles that we believe accurately captures our “in-branch” associates. Note that the historical numbers provided do not align with last year’s ESG Report due to a more narrowly tailored employee population considered “in-branch.” Last year’s ESG Report captured other field associates that are not in-branch day-to-day.

WORKFORCE DIVERSITY AND INCLUSION

Description of Diversity Initiatives



SiteOne is committed to providing a welcoming and inclusive environment for our associates, customers, suppliers and communities. Our diversity initiatives go beyond just legal compliance. Senior management is responsible for oversight of diversity initiatives and reports on progress regularly to the Board.

Targeted Recruitment: Spanish-Speaking Associate Initiative – To better serve our customers, we implemented a Spanish-speaking associate initiative to increase the number of bilingual associates across our branches. In 2020, we focused on local efforts to recruit bilingual talent and were able to increase our Spanish-speaking capabilities at the counter by 2% to 38%.

	2019	2020	YoY Increase	2020 Total Percentage
Spanish-Speaking Counter – Total Branches	215	220	2%	38%
Spanish-Speaking Capabilities – Total Branches	242	270	12%	46%

To accelerate this increase in 2021, we’ve implemented a Bilingual Referral Program to increase our recruitment of Spanish-speaking associates. SiteOne associates can earn incentives – up to \$1,500 – for referring prospective employees that speak fluent Spanish.

We also launched our Spanish-taught courses in the virtual SiteOne University. Spanish-language courses include basics of irrigation installation and proper water management, introduction to low-voltage lighting in the landscape, certified drainage contractor, and labeling and safety during application.

Enhanced Diversity Training – We implemented additional Diversity & Inclusion and Bias Training for leaders and associates and we are developing Teamwork & Collaboration training for all associates.

Senior Management Diversity Commitment – For Senior Management-level diversity strategy, our goal is to include diverse candidates in the interview process for every manager-level position and above.

Minorities in Agriculture, Natural Resources and Related Sciences (“MANRRS”) – SiteOne partnered with MANRRS to increase minority talent. MANRRS agreed to a mentorship program with us that has now expanded to all its sponsors, with SiteOne as the Title Sponsor to the mentorship curriculum. This program will reach approximately 100 student mentees and guide them through self-discovery as they prepare for their future careers. SiteOne and MANRRS are also partnering on a national intern-for-a-day program to provide high school students the opportunity to experience a day in the life at SiteOne. Students will shadow associates in branches, learn about our emphasis on customer focus and discuss their career interests and how that may fit into the green industry.

Sigma Alpha – SiteOne partners with Sigma Alpha to provide mentoring, internships and career opportunities to female talent. In three years, SiteOne associates have mentored 50 students with 39 unique mentors across the country. In less than one year of partnership, five Sigma Alpha sisters interned at SiteOne, with two of them converting to full-time associates.

High School Recruiting – While high school recruiting is severely limited due to impacts from COVID-19, we plan to reintroduce safely when the time is right, with a focus on recruitment of minority and female students.

HBCU Recruiting – SiteOne prioritizes recruitment with Historically Black Colleges and Universities in conjunction with our partnership with MANRRS.

Best Buddies – The Best Buddies Jobs Program secures jobs for people with intellectual and developmental disabilities, allowing them to earn an income, pay taxes, and continuously and independently support themselves. SiteOne is onboarding our first associate out of this initiative in Region 4. Our partnership with Best Buddies affords inclusive hiring of adults with developmental disabilities.

Associate Resource Groups

We support our associates and aim to foster a diverse, inclusive workplace through Associate Resource Groups (“ARGs”), voluntary, employee-led groups tied to an aspect of diversity. Membership in each ARG is open to all SiteOne associates and diverse representation is encouraged. ARGs support business objectives, create diversity awareness and offer one avenue of development for associates.

BR1DGE

Black Resource, Inclusion, and Diversity Group for Excellence (“BR1DGE”) – BR1DGE, our newest ARG established in late 2020, strives to establish connections, build transparency, promote alliances and provide support for Black associates at SiteOne.

- BR1DGE membership increased 100% since February 2021.
- BR1DGE established a mentoring program and partnership with MANNRS.
- “Connections” gatherings provide space to discuss the challenges facing Black associates and the Black community.

UN1DOS

Unidos – The Unidos, Latinos and Amigos United at SiteOne ARG, strives to be a collaborative and inclusive associate resource group that builds relationships, fosters an understanding of the Hispanic culture, and enriches the experience of our customers, communities, and associates. Recent highlights include:

- Unidos continues to grow membership each year at SiteOne, with a 32% increase after the 2020 Annual Hispanic Heritage Month Celebration. During the celebration, the group featured an interview between the Unidos Leadership team and a member of the SiteOne Board of Directors, Fred Diaz, to share his career advice and experience with Hispanic Heritage Month.
- Unidos partnered with the SiteOne Marketing and Recruiting teams to drive our bilingual marketing and recruiting campaigns and to further enhance associate knowledge of the Spanish language.

VETS1

VETS1 – VETS1 promotes an environment of diverse and engaged associates while developing SiteOne associates’ understanding of and relationships with Veteran associates, customers and communities. VETS1 looks for opportunities to support veterans and their unique needs as associates of SiteOne.

- VETS1 partnered with Human Resources and SiteOne executive leadership to offer more robust Paid Military Leave Benefits to associates who are U.S. military service members. New benefits take effect in 2021 and include Military Service Pay, Military Deployment Differential Pay and Military Deployment PTO Accrual.
- VETS1 hosts an annual Veterans Day virtual 5k run/walk in collaboration with vendor sponsors Hunter, Belgard and NDS and to support veterans’ organizations like Operation Homefront, the Gary Sinise Foundation and more.

W1GG

Women In the Green Growing (“W1GG”) – W1GG continues to promote an environment of diverse and engaged associates advocating for female growth within SiteOne and the Green Industry.

- W1GG is a key leader of the Women in the Green Industry event founded by SiteOne.
- Membership in W1GG increased 25% in 2021.
- W1GG Speaker Series exposes members to key leaders, including CEO Doug Black, CMO Shannon Versaggi, SiteOne Board Members Jeri Isbell and Larissa Drake and more.
- W1GG launched a mentorship program with more than 50 associates participating.

Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees

SASB: CG-MR-330a.1

		2018		2019		2020	
	Employee Category ⁴	Management	All Other Associates	Management	All Other Associates	Management	All Other Associates
Gender	Male	88%	85%	87%	85%	86%	84%
	Female	12%	15%	13%	15%	14%	16%
Race and Ethnicity	White	84%	67%	82%	63%	78%	60%
	Black African American	1%	6%	1%	6%	1%	6%
	Hispanic Latino	8%	20%	8%	20%	9%	21%
	Asian	1%	1%	1%	1%	1%	1%
	Other ⁵	2%	2%	2%	2%	6%	6%
	Didn't Self-Identify	4%	5%	7%	9%	5%	7%
Age	29 and Under	4%	20%	4%	18%	4%	17%
	30-39	29%	23%	24%	23%	24%	22%
	40-49	35%	24%	36%	23%	36%	22%
	50-59	26%	23%	28%	24%	30%	24%
	60 and Over	7%	10%	8%	2%	7%	14%

Board and Management Oversight of Diversity

Among other duties, the Human Resources and Compensation Committee (“HRC Committee”) reviews the Company’s diversity progress. In 2019, the Board adopted revisions to the HRC Committee’s charter, which memorialized the committee’s responsibility for oversight of the Company’s human capital metrics, including diversity, pay equity, promotions, turnover and other metrics. At each of its quarterly meetings, the HRC Committee reviews a number of human capital metrics, including metrics related to diversity, pay equity, associate development and associate turnover. In FY2020, the HRC Committee continued to enhance its emphasis on diversity and inclusion and associate engagement with the introduction of an associate resource group to support our Black associates and the formation of a Diversity and Inclusion Council to assist our executive leadership with the creation and execution of our diversity and inclusion strategy. In addition, the individual strategic goals used to determine executive compensation for our Chief Executive Officer and our Executive Vice President of Human Resources includes diversity improvement.

4 Management is classified as any associate with direct reports OR salary grade 12+
5 “Other” for “Race and Ethnicity” is American Indian/Alaska Native, Nat Hawaiian/Oth Pac Islander, Two or More Races, and other non-U.S. associates. Totals may not add to 100% due to rounding.

CARING FOR OUR COMMUNITIES

Industry and Community Engagement

Industry Engagement

SiteOne supports ongoing industry education and the ability to earn continuing education units by offering over 100 physical and virtual educational events through SiteOne University. More than 1,500 contractors participated in one of 10 virtual SiteOne University events during FY2020.

SiteOne hosted an Agronomics Summit for Landscape and Golf professionals, as well as our Women In The Green event, which provides education and networking opportunities for women in our industry.



Community Contributions

Our associates stepped in at a time when our communities needed support the most and supported many meaningful community organizations, including:

- Davis Street Family Resource Center
- Race Across America
- Habitat for Humanity
- Tito’s Park
- Growing Healthy Veterans
- Girl Scouts
- Boys & Girls Club of America
- Harry Chapin Foodbank
- City of Santa Maria Special Needs Playground
- CL Smith Children’s Garden
- Kearny Park
- Pro Bono Partnership of Atlanta
- Humane Society of North Texas
- Jackson High School in Ohio
- Inspiredu

- Billy Keith GoFundMe Campaign
- Women in Technology
- American Legion Post 235 Matthews-Veterans Memorial
- MUST Ministries
- Ebenezer Christian Children’s Home
- Boy Scouts
- Red Cross
- Forgotten Harvest
- Troy People Concerned
- Young Life
- St. Jude’s
- Champions Place
- Johnny Mac Soldiers Fund
- 4H Beekeeping Club
- Cal Poly Pomona National Collegiate Landscape Competition

Trade Groups

SiteOne participated in over 300 memberships and sponsorships with industry/trade organizations, including the National Association of Landscape Professionals, National Hispanic Landscape Alliance, Irrigation Association and local chapters of other national organizations.

Political Involvement

SiteOne is not affiliated with any political party, candidate or political action committee, and we do not utilize company funds for political contributions. However, we encourage our associates to take an active role in their communities, including taking part in the political process.

OPERATING RESPONSIBLY AND SUSTAINABLY

REDUCING ENVIRONMENTAL IMPACT

Climate-Related Considerations

Environmental Policy and Climate Considerations



click to view

Environmental Disclosure and Climate Considerations

Fleet and Supply Chain Efficiency Initiatives

We are committed to reducing our impact on the environment, and many of our fleet efficiency initiatives to date have had a positive effect. Read more about some of the steps we’ve undertaken to improve fleet efficiency and reduce the use of fossil fuels:

Telematics – Our investment in transportation management software helps us track fuel usage, reduce mileage due to overlapped deliveries and create efficiency in deliveries.

- **Targets / Metrics** – As of FYE2020, we’ve installed the Geotab fleet tracking telematics on 632 of our 1,781 fleet vehicles, with fuel usage data coming online at the end of FY2020.
- **Goal and Implementation Timeline** – Our goal and implementation timeline is to have telematics installed on over 90% of our vehicles before FYE2021.

Idle Time – Idle time wastes fuel while a vehicle is running but not actively working. In Q4 2020, we piloted tracking idle time.

- **Targets / Metrics** – Our tracking indicated an average idle time of 13.5 minutes per occurrence, resulting in approximately 17,000 gallons of wasted fuel.
- **Goal and Implementation Timeline** – Our goal – and thus our implementation timeline – is to reduce idle time by 5% per occurrence during 2021, which would save approximately 850 gallons of fuel.

Programmatic Fleet Refresh – On average, we estimate that the new vehicles in our fleet consume 31%⁶ less fuel than the vehicles they replaced. We are refreshing older vehicles on an ongoing basis, particularly older vehicles we acquire through our M&A activity.

- **Targets / Metrics** – In 2020, we replaced 115 vehicles, or 6.5% of our fleet with an average age of 14.7 years old. We anticipate saving an estimated 6,292 gallons per year based on our 2020 fleet replacements.
- **Goal and Implementation Timeline** – Continue ongoing fleet refresh in sync with M&A cadence and strategy.

Intermodal vs. Over-The-Road Shipping – We estimate that intermodal shipments are 207%⁷ more efficient than over-the-road delivery. Shipping intermodal instead of via truck leads to shipping efficiencies and takes trucks off the road.

- **Targets / Metrics** – During FY2020, we shipped 1,117 of all SiteOne managed loads [OTR and LTL] via intermodal, and we estimate a savings of approximately 7,900 gallons of fuel saved by shifting certain deliveries to intermodal. We also estimate that we saved approximately 2.8 million OTR miles by shipping intermodal instead of via truck during FY2020.
- **Goal and Implementation Timeline** – Ongoing, particularly where the opportunity to ship intermodal instead of OTR presents itself.

Investment in Distribution Network – Our distribution center network remains a critical part of our sales growth, margin expansion and cash flow efficiency strategies, specifically allowing us to drive down freight usage.

- **Goal and Implementation Timeline** – In Q4 2021, we will open our fourth and largest distribution center to date in Hutchins, Texas and will be expanding our distribution center footprint in the Atlanta market by over 50%.

⁶ Calculated by comparing the average MPG of replacement vehicles against the average MPG of replaced vehicles
⁷ Estimated using SiteOne actual shipment weights and transported miles compared against an average of 492 ton-miles per gallon for rail transportation [as calculated by CSX Corporation]

Greenhouse Gas Emissions – Fleet Fuel Consumption and Electricity / Water Usage

We anticipate having the capability to make more disclosures of fuel usage, mileage and other fleet-related statistics in future ESG Reports. Our investment in transportation management software, combined with better fuel usage information from our third-party transportation consultant, should lead us to better data and metrics for tracking.

We also began tracking electricity and water usage in our branches starting mid-2020. As a result of this timing, we do not yet have a full set of annual data for reporting on these metrics. We anticipate being able to generate disclosures on these metrics in the future.

Water Recycling and Rainwater Reuse Program

We use retention ponds located at certain branches to collect rainwater runoff that we can use around the branch as non-potable water. The most common use of the reclaimed water is for irrigation of our nursery live good products. This program saves us from having to rely exclusively on municipality-provided water.

Hazardous Waste Generation

We sell a variety of products, including certain products that are considered restricted-use products and/ or become a hazardous waste if spilled or become unsaleable. We have a hazardous waste management program to ensure our products are managed properly and disposed of in a way that complies with federal and state regulations. The program provides our branches and distribution centers with proper waste handling directions. We have also contracted with licensed hazardous waste vendors to ensure the safe transport and disposal of hazardous waste.

Non-Hazardous Waste Generation

We collect waste and recycling separately at virtually all of our U.S. branches. The statistics below do not capture our Canadian branches and an estimated 2% of our U.S. branches. We anticipate waste and recycling statistics for Canadian branches to be available in the future.

	FY2020
Waste	16,201 Tons
Recycling	2,424 Tons

Waste Management and Recycling Programs

We have engaged with an industry-leading waste and recycling service provider to properly recycle or dispose of waste products, in a compliant and sustainable manner.

Controller Recycling and Upgrade Program – Aims to decrease the number of inefficient irrigation controllers in the market. New Wi-Fi-enabled SMART controllers can use up to 30% less water than standard inefficient fixed-time controllers.

An estimated 20-30 million older controllers are being utilized in the market, this program incentivizes our customers – residential irrigation contractors – to work with homeowners and light commercial users to upgrade their controllers to more efficient units so they can both reduce water usage and save money.

SiteOne partnered with Rain Bird, Hunter and Irritrol/Toro to help support and fund this program. SiteOne also partnered with Blue Star Recyclers, which collects and recycles all old controllers through their employment program for adults with disabilities, saving these materials from landfills. Our goal was to collect over 5,000 controllers. We are projected to exceed that goal in 2021 by working with our contractor customers to replace over 7,000 controllers, saving more than 18,000 lbs. of discarded product from being sent directly to the landfill. In addition, the new controllers typically use up to 30% less water than the older devices, saving water across the US and Canada.

According to Blue Star Recyclers, less than 20% of electronic waste is recycled. Beyond reducing residential water use, a core component of the program is requiring that contractors recycle an older unit to get the discount on the new Wi-Fi-enabled SMART Controller. Rather than throwing the old product into a landfill, we are taking the product out of the landfill chain to recycle as much of the material as possible. This program also helps SiteOne learn and understand the logistics and costs of a recycling program to use this information in the future to look at other ways to better support our environment.

ECO-FRIENDLY PRODUCTS

Eco-Friendly Products – Nursery Category



Product Spotlight: Drought-Tolerant Landscaping

Drought-tolerant landscaping consists of live goods products specifically designed to use less supplemental water, making these products the best option for drought-prone areas. A well-planned drought-tolerant landscape can reduce water use by up to an estimated 50%. We currently offer more than 250 products classified as drought-tolerant selections and continue to see an increase in sales of these products:

- ▲ YTD FY2021 sales are up 28% compared to the same period of FY2020

Opportunities for Eco-Friendly Growth

Native Plants – Native plants create sustainable ecosystems perfectly matched to their location and the creatures that live within the ecosystem’s boundaries. Benefits to planting native plants:

- ▲ **Reduced Maintenance:**
Equipped with natural protections, native plants are resistant to disease, drought and pests and grow happily without the need of pesticides.
- ▲ **Soil and Water Conservation:**
Native plant growth habits keep soil in place, store water where it’s most needed, and stop stormwater from running off into waterways.
- ▲ **Refuge for Wildlife:**
Planting natives allows you to build natural habitats custom designed to accommodate local fauna.

We currently offer more than 250 items classified as native plants, and we’ve seen significant growth in this area over the past two years:

- ▲ YTD FY2021 Sales are up 29% compared to the same period of FY2020

While there are challenges in distributing native plants (what is native in one market may not be native in another), we are exploring ways to expand our footprint and offerings of native plants by stocking the right items in the right markets.

Eco-Friendly Products – Lighting Category



Product Spotlight: More Efficient Lighting – LED Lights

SiteOne is at the forefront of promoting innovative, environmentally friendly landscape lighting technologies, shifting the focus from traditional halogen and incandescent technologies to LED lighting and low-voltage systems. LED and low-voltage landscape lighting products use substantially less electricity than conventional and high voltage products – using approximately 90% less energy over the same time. These products are also significantly longer lasting, easier to install and maintain, and safer for use with a lifespan that is approximately 33 times longer than incandescent bulbs. The California Energy Commission’s recent update mandates that all residential new construction applications require high-efficacy lighting, making LEDs essential for hardscapes.

Opportunities for Eco-Friendly Growth

Run-Time Management Products – Lighting timers or photocells are devices that can turn off lighting after a particular amount of time has passed. According to the Department of Energy, timers are a great way to both automate lighting and conserve energy. Between timers, photocells and transformers that control run time, we estimate each of these saves 5-6 hours of run time on a daily basis.



Eco-Friendly Products – Irrigation Category



Product Spotlight: Water Savings Irrigation – Drip Irrigation Products

Drip irrigation is a type of micro-irrigation system that has the potential to save water and nutrients by allowing water to drip slowly to the roots of plants, either from above the soil surface or buried below the surface. The goal is to place water directly into the root zone and minimize evaporation. In the face of drought conditions, water restrictions and renewed calls for more intelligent watering practices, drip irrigation tackles those challenges of under- and over-watering by irrigating where turf and plants can efficiently uptake water, establishing thriving and lush landscape, while utilizing less water. Environmental benefits of these products include:

- Reduces water usage by directly targeting the root zone
- Drip irrigation approximately 90% efficient compared to only 50% efficiency from traditional irrigation systems
- Zero runoff, no misting vs conventional systems
- Prevents disease by minimizing water contact with the leaves

Product Spotlight: Stormwater Management Products

Stormwater management is an important element of reducing our footprint on the environment by capturing water and discharging it at the appropriate outlet area. This significantly reduces storm runoff and pollutants from entering municipal water treatment facilities, as well as local creeks and streams. Our stormwater suppliers are the industry’s primary source for solutions in stormwater management and these products can reduce soil erosion and surface runoff into creeks, streams and municipal stormwater collection inlets. The Environmental Protection Agency (“EPA”) and states implement government-mandated programs for controlling stormwater discharges from industrial facilities and municipalities. We’ve seen sales growth of catch basins, pop-up emitters, channel drains and other stormwater management products:

- FY2020 stormwater product sales increased 10% compared to FY2019

Opportunities for Eco-Friendly Product Growth:

Meeting Drip Irrigation Demand

We are putting an increased focus on drip irrigation products, starting with a re-merchandising initiative in several of our three largest markets to increase visibility of these products. Going forward, we expect to expand drip merchandising to our entire branch network. Demand for these products has continued to grow year over year.

- FY2020 drip irrigation product sales increased 9% compared to FY2019

Mandates for Pressure-Regulated Spray Bodies

Pressure-regulated sprinkler systems allow for precise operational pressure when compared to operating a traditional nonregulated system, which can help save water due to misting, evaporation, wind drift and poor uniformity. Six states have introduced pressure regulation requirements for irrigation spray bodies offered for sale that comply with the water efficiency and performance criteria of the EPA WaterSense specifications. We anticipate an increase in demand for these products – leaving SiteOne in a position to capitalize on the opportunity.

Smart Irrigation Month Promotional Circular Campaign

July has been tagged as Smart Irrigation Month by the irrigation industry to create public awareness on the value of using water-efficient products during the summer’s peak demand. Each year, SiteOne dedicates one of our four national promotional circulars to run in conjunction with Smart Irrigation Month, in which we promote savings on numerous water-efficient products to our customer base. Generally, these products contain additional engineering and technology that command higher selling prices than traditional products. In 2020, we offered promotions on water-efficient products, resulting in an average increase of 29% in sales compared to the same period in 2019.

EPA WaterSense Products

Finally, we continue to see sales growth for our EPA-certified WaterSense products. The WaterSense program is designed to encourage water efficiency by using a special label on consumer products. EPA statistics have shown that replacing a standard clock timer with a WaterSense-labeled irrigation controller can reduce an average home’s irrigation water use by 30% and can save an average home nearly 15,000 gallons of water annually.⁸

Year	WaterSense SKUs Offered	Annual Sales	YoY Sales Growth %
2017	280	\$23.4 million	-
2018	351	\$27.9 million	19%
2019	387	\$33.7 million	21%
2020	398	\$41.3 million	23%

Eco-Friendly Products – Hardscapes Category



Product Spotlight: Alternatives to Traditional Pavement – Permeable Pavers

Segmental permeable pavement system allows water to pass through the paving stone joints and seep into the ground naturally or to be retained in the base/subbase structure rather than turning into runoff headed directly into the sewer system. These products have been highlighted by the EPA and U.S. Geological Survey. Environmental benefits of these products include:

- Reduces surface runoff
- Traps suspended solids, which filters pollutants from stormwater
- Recharges the groundwater table
- Reduces erosion and flooding risks associated with high runoff volumes
- Absorbs less heat than asphalt in summer because of its lighter colors, thus cooling and humidifying the ambient air

From FY2019 to FY2020, permeable pavers sales increased 10%.

Opportunities for Eco-Friendly Product Growth: Tax Benefits for Permeable Pavements

Certain municipalities provide a tax benefit for installing permeable pavements, including certain cities requiring a percentage of ground area on properties to capture stormwater runoff via permeable pavement. We believe we can work with customers in these areas to meet the increased demand for permeable pavement products.

⁸ Source – EPA.gov: WaterSense Labeled Controllers

PROTECTING OUR ASSETS – DATA SECURITY

Increased Demand for Products from Recycled Materials

Certain products made from recycled materials have seen increased demand, most notably Benda Board. Benda Board is made exclusively with recycled plastic and provides a durable edging solution while retaining flexibility for creative landscape design. Benda Board has become one of the most preferred edging solutions for both professional landscapers and homeowners.

Eco-Friendly Products – Agronomics Category

Product Spotlight: LESCO® Efficiency Offerings

We have introduced new turf maintenance products under our LESCO® brand to help our customers maximize water and nutrient efficiency, improve soil conditions and minimize leaching of excess nitrogen into the surrounding environment. These products include industry-leading slow-release nitrogen fertilizers, nutrient-optimizing soil amendment technology for improved soil conditions requiring less nitrogen, and moisture-manager products to significantly reduce plant water consumption and improve overall plant health.

- ▲ LESCO® NOS and NOS+ is formulated with dicyandiamide (DCD) infused stabilized nitrogen to reduce leaching and denitrification. By reducing nitrogen loss for up to 72 days, NOS delivers up to a 60 percent increase in nitrogen uptake by the turf. This allows for more of the product to be absorbed by the target species and less product to be wasted into groundwater and atmosphere.
- ▲ LESCO® CarbonPro® is a revolutionary nutrient-optimizing technology. Emphasizing the science of ‘plant-microbe interactions,’ LESCO CarbonPro harnesses the power of carbon-based soil amendments [beneficial humic and fulvic acid], kelp extract and microbial metabolites to maximize plant health and nutrition and reduce water requirements.

Opportunities for Eco-Friendly Product Growth: New LESCO® Biologicals

Our LESCO® brand recently launched two biological products, LESCO® Mosquito Free and LESCO® Tick Free. These products are organic insecticides for customers looking for an alternative control solution.

Meet Growing Demand for Organic Products

We offer approximately 50 organic fertilizer SKUs to our customers. Our organic fertility lines have seen a CAGR growth rate of 12% since 2018 and we estimate \$27 million of organic fertilizer sales in 2020.



At SiteOne, we leverage a combination of security standards and frameworks to manage and measure our cybersecurity program. As the threat actors evolve their techniques and attack vectors change, we continually update our programs for confidentiality, data integrity and availability. We have invested – and will continue to invest in – protecting, monitoring, alerting and mitigating information security risks across the enterprise.

In the event of a security issue, we have an incident response plan used to quickly triage, contain and understand the issue, as well as how to protect against it going forward. Managing our daily security program is a team of information security engineers and analysts led by our Chief Information Security Officer.

Additionally, our Privacy and Security Statement provides information regarding how we collect, use and share information we collect from our customers. We explain the ways we use the information we collect, and how customers can find out more about the personal information we collect about them, on the Exercise My Privacy Rights page of our website.

GOVERNANCE, RISK & COMPLIANCE

Our information security and privacy policies are in place and regularly updated based on business, compliance and any other needs.

External and internal resources perform audits and penetration testing throughout the year on SiteOne applications, networks and environments. As a publicly traded company, SiteOne is audited annually from both a financial and Sarbanes-Oxley perspective. The results of these audits are presented to the SiteOne Board of Directors and any material weaknesses discovered would be disclosed to shareholders.

Additionally, an external qualified security assessor performs an annual review for compliance with the Payment Card Industries Data Security Standards. SiteOne is a “Merchant Level 2” under the Payment Card Industries Data Security Standards and, therefore, has a qualified security assessor perform our PCI assessment each year. We go an extra step by obtaining a report of compliance from our qualified security assessor even though this report is not a requirement of Merchant Level 2 companies.

DATA PROTECTION

We maintain both data classification and retention policies to reduce the exposure of unauthorized access of data and comply with regulatory requirements. We strive to minimize the customer data collected to limit the potential data exposure risks.

Data is continually scanned to identify sensitive data to determine whether it is properly protected and classified. SiteOne utilizes third parties specializing in vulnerability assessments and penetration testing to review our networks, systems and applications for patching and proper configuration. We also perform at least two disaster-recovery test exercises annually to validate and optimize our ability to recover technology at a secondary data center site in the event of a major incident or disaster event.

VENDOR SECURITY

We partner with our vendors to minimize the customer data needed to provide services and ensure compliance with regulations. Vendors are reviewed annually to identify any changes to services, data requirements and associated security and protections. Where applicable, vendors are contractually bound to protect customer data and support enforcement of all regulatory requirements.

DATA SECURITY & PRIVACY AWARENESS

We provide new-hire and annual security awareness and privacy training to all associates; targeted security training for key departments dealing with sensitive data types; and phisher training associated with our quarterly phisher assessment program.

All new hires are required to take the training when they start with SiteOne, and all existing associates complete the training at least once annually. Our security awareness partners provide this type of training as their core business service and update their program annually to address the latest trends and risks in the information security space. Training includes SiteOne Information Security follow-up questions to ensure every associate completes the training as part of our Sarbanes-Oxley and PCI compliance.

Targeted security training includes SiteOne payment device training to cover how to inspect payment devices for possible tampering, as well as proper credit card payment procedures. This training is required for all associates that use a payment device in their roles at SiteOne.

SiteOne also performs quarterly phishing assessment exercises to ensure associates are aware and educated about phishing threats. Any associates that click the link or attachment in the test phisher emails are assigned additional training, which is tracked to completion to help them identify and avoid phishers going forward.

