

Sun Gro Horticulture *and Sustainability*

Sun Gro's Commitment to Stakeholders and the Environment

At Sun Gro, we honor commitments to a number of groups that have a stake in our operations. These groups include professional growers, home consumers, the communities where we operate, the environment and our unit holders. As the leader in the growing media industry, we strive to provide exceptional products created and produced responsibly and sustainably.

Our Commitment to Professional Growers:

We provide products that are optimized for nursery and greenhouse operations, and that are formulated to meet the specific requirements of each crop. These mixes enable shorter growing cycles and provide superior yields, meaning less energy, fertilizer and water are needed. We produce products that include a variety of ingredients and offer a range of attributes depending on grower requirements. We carefully formulate mixes with ingredients such as:

- Peat moss which helps retain moisture and allows air to reach plant roots
- Locally available compost to enrich mixes with nutrients and organic material
- Organic and traditional plant foods to get plants off to the best possible start
- Materials once considered waste and often sent to landfills such as bark, rice hulls and coconut fiber that provide aeration, drainage and moisture retention
- Perlite and vermiculite, mineral products that provide aeration, as well as water and fertilizer holding capabilities



Our Commitment to Home Consumers:

The plants purchased from our grower partners at retail stores are well-prepared for healthy growth. The soil mix in that nursery container has been formulated to meet that plant's particular nutrient and pH requirements. The mix is also water-wise, holding on to moisture for your plant; you'll need to water less, reducing runoff into streams and aquifers.

While native soils were historically used for starting seedlings, research has shown that peat-based mixes such as those developed and tested at Cornell University are far superior for plants grown both commercially and in the home. We began producing peat based mixes in the 1980's, in response to concerns about depletion of native soils and erosion. You can rest assured that your greenhouse grown plant has gotten an optimal start.

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Our Commitment to Home Consumers *cont.*

Our packaged soil products sold under the Black Gold, Sunshine and Sunshine Advanced labels will help you enhance not only the attractiveness of your garden, but will help you create a more environmentally friendly space as well. You can conserve water by using mixes that contain water-holding ingredients such as peat moss and coconut fiber or mulches made of a variety of materials that reduce evaporation. Plants grown in a potting soil or amended garden soil establish more quickly. When you add plants to your landscape, you are also doing your part to help the environment. As plants grow, they consume carbon dioxide from the air; carbon dioxide is a compound believed by some to influence climate change.

Our Commitment to our Communities

Sun Gro operates in 26 separate locations, many of which are in small rural towns. We are committed to providing jobs that are safe and pay a fair wage. We employ over 900 people and contribute to the economic well-being of our communities. We are also committed to minimizing our impact on the local environment. We conduct environmental impact studies and make sure that our operations do not have an adverse affect on wildlife. When the time comes to cease operations, we take the lead in restoring harvested land to naturally functioning wetlands. We are a founding member of the Canadian Sphagnum Peat Moss Association and have been instrumental in developing best practices for peat land restoration so our communities continue to enjoy the original character of these

natural resources after our harvesting is complete. You can find more information about the Association and Canada's peatlands, at www.peatmoss.com.

Our Commitment to the Environment

At Sun Gro we take great pride in our stewardship of natural resources. Peat moss is a renewable resource, and we manage our bogs so that we harvest less peat moss in any given year than is being naturally replenished. In fact, it is being replenished 60 times faster than it is being harvested! (Each year, 70 million tons of Canadian peat moss accumulate, while only 1.3 million tons are harvested industry-wide.) Sun Gro sustainably harvests only a



very small amount of land, fewer than 10,000 acres, an area roughly the size of 24 typical farms. Much of the extensive surrounding acreage remains untouched, leaving hundreds of thousands of acres undisturbed for native plants and wildlife.

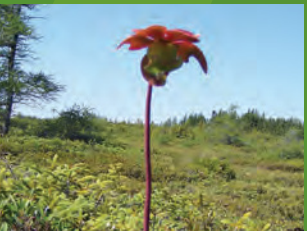
We locate our facilities strategically to minimize our use of trucking and fossil fuels. We work closely with trucking companies to fill trucks that would otherwise be on the road empty—especially trucks that deliver goods from the US to Canada and that would return empty if not for our products. We practice continuous improvement at our production facilities, always working to be energy smart in our operations, and we use innovative practices such as compressing products into tight bales to get more product into a shipment and minimize packaging waste. We source many of our ingredients locally to minimize the amount of shipping that we do.

Because plants grow more quickly in our scientifically formulated growing mixes, greenhouses require less energy, fertilizer and water to get them to market.

Our commitment to the environment goes well beyond our core business. It is reflected in everything we do. Our offices recycle paper and other waste. Many of our employees can telecommute to save gas. All of our locations are attuned to common-sense conservation practices such as turning off the lights if no one is in the room. Because even small efforts, when taken together, can have a positive impact on our environment now and for future generations.

Our Commitment to our Unit Holders

Our Canadian facilities are Veriflora® Certified. This certification program applies to all processes and inputs under the certified operation's management related to the harvesting and handling of peat moss, including facilities involved in the screening of peat materials and creation of peat mixes. The program assesses responsible peatland management practices that span bog opening, harvesting, and restoration or rehabilitation activities that occur after bog closing.



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Our Expertise is Growing®