



Griffon Corporation FISCAL 2021 ESG REPORT

August 2022



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Letter from the CEO



Ronald J. Kramer
Chairman and CEO

While Environmental, Social, and Governance (ESG) matters have received heightened focus from investors in recent years, they have been an important part of Griffon's business for decades. Therefore, I am proud to present Griffon's inaugural ESG Report for Fiscal Year 2021. We are committed to continuing to communicate our progress annually, set additional goals, and collect important metrics to track our progress in these important areas.

I am pleased to confirm that Griffon Corporation reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment, and Anti-Corruption. In this report, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture, and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

This report is a continuation of the comprehensive ESG strategy we launched in FY2021 to codify our ESG priorities, including efforts to improve our practices across environmental, social capital, human capital, supply chain, and corporate governance. We are excited to be taking this first step and intend to continue making meaningful progress in advancing our efforts on ESG matters.

Amid the challenges presented by the pandemic, we remained committed to our employees, customers, suppliers, community members, investors, and other stakeholders, all while driving growth and enhancing efforts to establish ESG priorities, policies, and practices. This report serves as a baseline for our reporting, alongside our work to address internationally accepted standards. We have joined the globally recognized United Nations Global Compact (UNGC), the oldest and largest sustainability framework in the world. This report captures the following main themes:

Environmental Performance: While Griffon has limited exposure to environmental risks due to the nature of our businesses, we have begun to track metrics relating to the reduction of greenhouse gas emissions, energy conservation, and other initiatives that directly impact the people and communities where we live and operate. During fiscal years 2023 and 2024, we will set goals relating to these areas.

Social Responsibility: Griffon is committed to an inclusive workplace where everyone is respected, empowered, and supported. Furthermore, we are committed to recruiting diverse talent, expanding unconscious bias education, engaging all of our workforce, strengthening community outreach, and supporting supplier diversity. We recognize that our diverse, engaged workforce is an essential part of achieving success and creating shareholder and community value.

As we have said before, our workforce is our greatest asset, and we take great pride in our safe workplace culture. Over the last few years, Griffon has invested more than \$3 million into workplace safety improvements. We will continue to collect employee health and safety metrics and set goals.

Employee welfare and development also play a key role at Griffon. Griffon has a legacy of strong support for community and charitable initiatives. We always strive to be good corporate citizens and help those in need.

Governance: Our independent, diverse, qualified, and highly engaged Board of Directors plays an essential role in overseeing our ESG strategy, which includes documented guidelines for Griffon's corporate governance. Adherence to these guidelines promotes responsible business practices and good corporate citizenship.

Griffon Corporation recognizes there is still important work to be done and you can expect more goals and commitments from us in the future. We believe this report demonstrates that ESG factors are an important consideration in how we do business. We look forward to sharing our progress throughout the journey that lies ahead.

Yours sincerely,

Ronald J. Kramer
Chairman and CEO

OVERVIEW





About Griffon Corporation

Griffon Corporation is a diversified management and holding company that transacts business through wholly owned subsidiaries. Griffon oversees the operations of its subsidiaries, allocates resources among them and manages their capital structures. Griffon provides direction and assistance to its subsidiaries in connection with acquisition and growth opportunities, as well as divestitures. In order to further diversify, Griffon also seeks out, evaluates and, when appropriate, will acquire additional businesses that offer potentially attractive returns on capital. Griffon and its subsidiaries are located throughout the United States, Canada, United Kingdom, Ireland, Australia, New Zealand, Mexico, and China.

**1959**

Year Founded

**New York, NY**

Headquarters

**6,300**

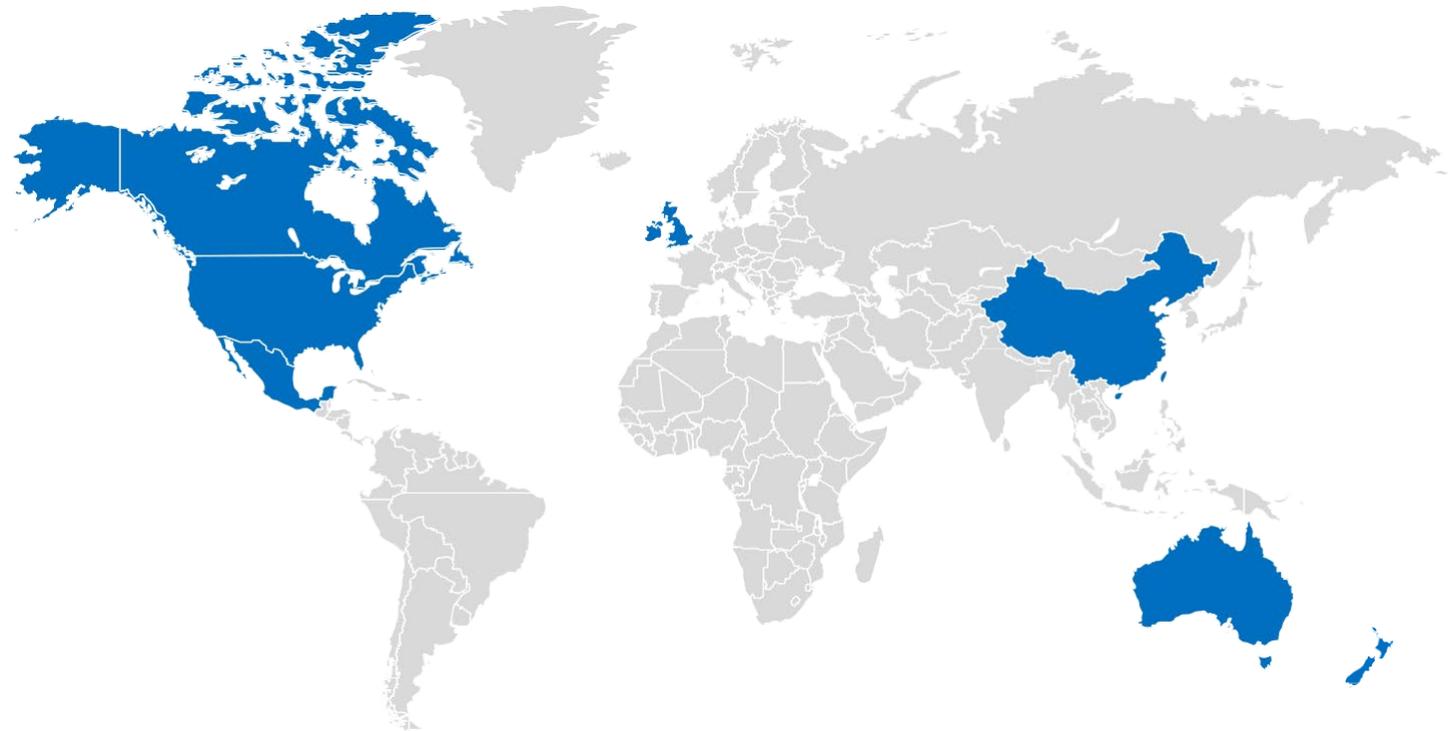
Employees Worldwide

**15**

Manufacturing Facilities

**GFF**

Publicly Traded on the NYSE





Consumer & Professional Products (CPP)

- CPP is a leading manufacturer and global provider of branded consumer and professional tools, home storage systems, and agricultural products. CPP's products enhance indoor and outdoor lifestyles
- CPP sells products globally through a portfolio of leading brands including AMES, True Temper, and ClosetMaid
- CPP now also includes Hunter Fan, a leading provider of residential and industrial fans, acquired after the close of FY2021
- 3,300 employees

Home & Building Products (HBP)

- HBP conducts its operations through Clopay Corporation (Clopay). Clopay is the largest manufacturer and marketer of garage doors and rolling steel doors in North America
- Residential and commercial sectional garage doors are sold through professional dealers and leading home center retailers throughout North America under the brands Clopay, Ideal, and Holmes
- Rolling steel door and grille products designed for commercial, industrial, and institutional use are sold under the CornellCookson brand
- 3,000 employees

Key Facts

Brands / Products





About this Report

We are pleased to be delivering our Inaugural ESG Report. As a sound practice of transparent reporting, we are committed to periodically sharing our progress against our goals and objectives. Griffon's Inaugural ESG Report covers Fiscal Year 2021, which started on October 1, 2020, and ended on September 30, 2021. As appropriate, significant developments that have occurred since the conclusion of FY2021 may be referenced and will be more fully developed in subsequent reports.

The report addresses Griffon Corporation and its wholly-owned subsidiaries (all companies controlled by Griffon).¹ Metrics were gathered from significant operating locations, defined as locations having 25 or more employees as of January 1 of each year.

This report is benchmarked against the United Nations Global Compact (UNGC) Sustainable Development Goals and the Sustainability Accounting Standards Board (SASB).



Significant Developments Since Conclusion of FY2021

Strategic Alternatives: On May 16, 2022, Griffon announced that its Board of Directors initiated a process to review a comprehensive range of strategic alternatives to maximize shareholder value.

Operating Segments: On June 27, 2022, the Company completed the sale of the Defense Electronics Segment's Telephonics Corporation.²

Board of Directors: Following the 2022 Annual Meeting of Shareholders in February, Michelle L. Taylor and H.C. Charles Diao were appointed to the Board; William F. Waldorf retired.

Acquisition of Hunter Fan Company: In December 2021, we announced that we reached an agreement to acquire Hunter Fan Company. The deal closed on January 24, 2022, and we are now working to integrate the business into our Consumer and Professional Products (CPP) segment.

Governance: Two amendments were approved at our 2022 Annual Meeting to enhance our corporate governance practices, which will further align our interests with those of our shareholders and contribute to increasing shareholder value.

- Phase out the classified structure of our Board of Directors as incumbents' terms expire
- Reduce percentage of shareholders required to call a special meeting to 25%



Approach to ESG

Commitment

In 2021, Griffon formalized its ESG commitment by subscribing to the [United Nations Global Compact](#), reinforcing our commitment to protecting the environment and our workers as well as to ethical and transparent behavior in our business relationships.



Monitoring & Review

ESG considerations are monitored in the same manner, and to the same extent, as financial considerations. Griffon operating companies periodically brief executive management on environmental and social metrics and each significant operating location must calculate and inform executive management of its score for environmental and social performance for that month and quarter.

Griffon has established an internal standard requiring that every new operating location, piece of equipment, chemical, or process change undergo review and approval by an Environmental, Health, and Safety (EHS) professional with at least five years of experience. This formal process, internally reviewed by ESG teams consisting of external and internal personnel, ensures that ESG considerations are incorporated into any change at a Griffon facility.



ESG Policy

Griffon is committed to operating its businesses in a manner that sustains the environment and protects the health and safety of its employees. Consistent with Griffon's business [interests and Code of Business Conduct and Ethics, all employees must comply with our ESG Policy, which commits to:](#)

- Sustainability
- A Focus on Our Employees
- Compliance
- Strong Governance Practices
- Integration of ESG Principles
- Collaboration with Customers, Suppliers and Contractors
- Support of Community and Government Initiatives
- Continuous Improvement

ACCOUNTABILITY

Our sustainability and ESG efforts are managed by our executive team, including our newly appointed Vice President, Sustainability, and the ESG Management Oversight Committee, which consists of the Griffon President and COO; Senior Vice President and CFO; Senior Vice President and General Counsel; Vice President, Corporate Strategy and Development; and Operating Company Presidents.

The Board of Directors Audit Committee oversees Griffon's ESG Program.

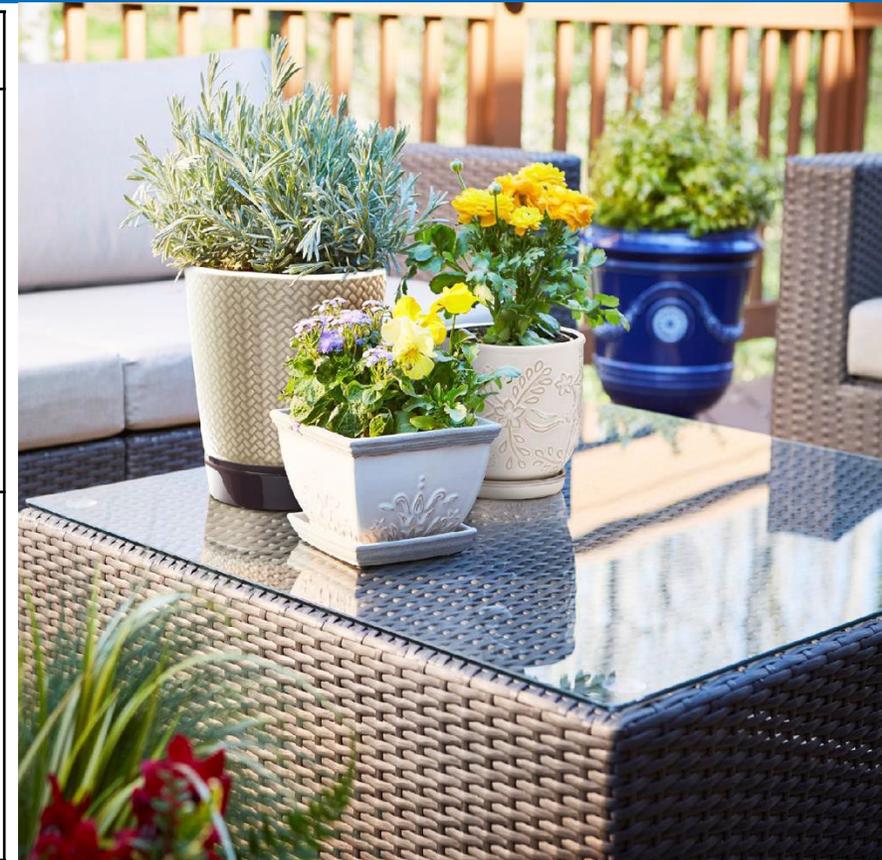




ESG Priorities

Griffon's ESG Priorities are based on material items that are of importance to our stakeholders and represent areas in which existing work has been accomplished and opportunity exists. In determining these priorities, we consulted stakeholder groups and relied heavily on the criteria established for our industries by the Sustainability Accounting Standards Board (SASB).

	Environmental Performance	Social Responsibility	Governance
Objectives	<ul style="list-style-type: none"> • Reduce CO2 footprint over time • Reduce environmental impact on the planet • Manage environmental impact from manufacturing • Encourage and facilitate recycling • Reduce waste 	<ul style="list-style-type: none"> • Keep workers safe • Ensure long-term viability and sustainability of the business • Provide tangible and outward support for the community • Sustain employee growth to support growth and success of the business • Develop better ideas and products with a diverse workforce 	<ul style="list-style-type: none"> • Protect interests of stakeholders • Protect employees, suppliers, customers, and community • Prevent risks and increase organizational sustainability • Ensure commitment to ESG principles extends through supplier/supply chain activities
Metrics	<ul style="list-style-type: none"> • Energy Consumed and Percent Renewable • Wood Supply Chain Impacts/Sustainable Forestry • Management of Chemicals and Wastes • Product Lifecycle Environmental Impacts • Water Consumption • Packaging 	<ul style="list-style-type: none"> • Mitigating COVID-19 Impact • Amount of Community Involvement • Amount of Charitable Giving • Employee Development • Diversity and Inclusion • Occupational Health and Safety Performance 	<ul style="list-style-type: none"> • Transparency and Board of Directors Activities/Independence • Business Conduct and Ethics • Enterprise Risk Management • Impact of Supply Chain



ENVIRONMENTAL PERFORMANCE





Environmental Priorities

We are focused on delivering to our customers environmentally sustainable products that will help future generations benefit from living on a better planet. Each Griffon operating company has strong environmental programs and is subject to a broad range of environmental requirements.

Oversight

Each significant operating location is evaluated monthly and must calculate a score, based on a combination of safety metrics and performance, as well as EHS site visits and progress against EHS goals. This score is then reported to the executive team alongside their financial performance reports. We also perform an on-site review of environmental systems management every 18 months.

In addition, environmental performance is an important factor in operating company executives' performance reviews.

Compliance

During FY2021, regulatory authority inspections of various Griffon operating company locations resulted in no alleged violations of environmental laws or regulations. Each of our significant operating locations has dedicated professional EHS staff to monitor compliance, train employees, and administer effective environmental programs.



GOALS

The Company will set goals in FY2023 and FY2024, demonstrating the firm's commitment to reduce energy consumption, increase the percentage of energy from renewable sources, reduce water consumption and discharge, reduce hazardous waste generation, and increase the percentage of non-hazardous waste that is reused or recycled.



Energy Efficiency

Griffon operating companies have been committed to funding projects to reduce energy consumption over the last decade. We remain focused on these efforts and continuously work to save energy and reduce our carbon emissions. The data collected this year will be used to establish trends and set goals for reduction in the amount consumed and for greenhouse gas emissions.

Did You Know?

Among the projects we implemented in FY2021 were machinery upgrades to improve efficiency and the removal of some welders and tumblers.

We also made LED lighting updates and upgrades to thousands of light fixtures across several of our operating locations, which will reduce annual energy consumption by more than 1 million kWh.

Electricity Consumed

FY2021
73.02
kWh
Total



Natural Gas Consumed

FY2021
1.94m
Therms
Total

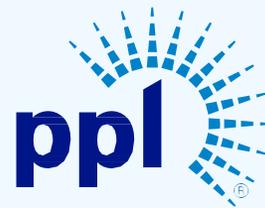




CPP Spotlight



The AMES Companies recently were recognized by PPL Electric Utilities for our Energy Efficient efforts. These efforts include re-lamping manufacturing areas with T8 fixtures, participating in Demand Response Programs, and installing VFDs on plastic injection molding hydraulic pumps.



HBP Spotlight



Our Clipay business helps customers reduce their own carbon footprints by providing garage doors that meet Leadership in Energy and Environmental Design (LEED) building construction standards. This counts toward LEED Material and Resource credit numbers 4 and 5.



Renewable Energy

As part of its ESG commitment to conserve resources and minimize adverse environmental impacts, Griffon is determining the proportion of supplied energy from renewable sources. Current metrics are contained in the table:

Percent Electricity from Renewable Sources ¹	
Consumer & Professional Products (CPP)	18%
Home & Building Products (HBP)	3%
Griffon	10%

GOALS

During FY2023 and FY2024, the Company plans to set goals for increasing the percentage of energy from renewable sources. Implementation of these goals will involve careful consideration of solar and other techniques in our new construction and reprogramming utility purchases to renewable sources.

Griffon has committed to evaluating renewable energy sources in connection with each newly leased or purchased building. This review is an integral part of capital project approval.



Water Consumption

Griffon facilities generally use low volumes of water for production. Small volumes of water are consumed in the manufacturing process, as most non-sanitary usage is cooling water.

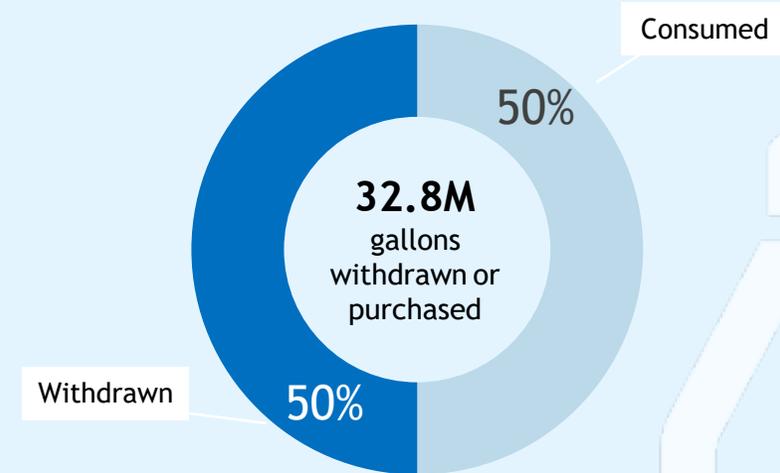
Our Approach

Griffon is determining whether water use is a material ESG factor for our organization. If so, Griffon will establish reduction goals over the next two fiscal years. Achievement of these goals may require additional recycling of cooling water, an examination of landscape watering practices, and other steps.

Our Commitment

Griffon is committed to evaluating the recycling and reuse of cooling water. Each significant operating location maintains a water balance calculation, showing where all water is used and the eventual disposition.

Water Consumed as a Percentage of Water Withdrawn or Purchased



Of the approximately 32.8 million gallons of water Griffon withdrew or purchased in FY2021, half, or approximately 16 million gallons, was consumed and half was discharged.

The vast majority of that water consumption was used by AMES, largely for cooling.

The data indicate that most of the water withdrawn or purchased by Clopay was discharged back into the environment and was not consumed by Clopay.



Waste Generation and Minimization

Our operations generate a small amount of total waste, which consists of both non-hazardous waste, ranging from discarded raw material packaging, office waste, cafeteria waste, and similar items to discarded foam products and off-specification materials, and a small amount of hazardous waste.



Our Approach

Over the last decade, our operating companies have invested significant time and resources in finding non-hazardous substitutions, such as water-based coatings, and in reducing the use of solvents. The data we have collected indicates that while we generate only a relatively small volume of hazardous waste, over 75% of that generation occurs at few facilities. Therefore, we are particularly focused on making headway in those facilities.

We have made concerted efforts over the last several years to encourage recycling, and these efforts have been successful as **approximately 90% of the non-hazardous waste generated by Griffon is recycled.**

Non-Hazardous Waste (Not Recycled)



Non-Hazardous Waste (Recycled)



GOALS

During FY2023 and FY2024, we will set specific goals focusing on reducing hazardous waste at the small handful of facilities that are responsible for the majority of waste generation.

During this time, we will also continue to reduce total non-hazardous waste, keeping in mind the percentage of non-hazardous waste that can be recycled or reused and considering measures to avoid creating waste. We will also consider measures to increase recycling and/or reuse of the waste materials.



Product Packaging - Increasing Recyclability

We place a strong focus on reducing the volume of packaging and, where packaging is necessary, ensuring we are using recyclable packaging materials whenever possible. We plan to set goals to further reduce the volume of packaging, particularly at our AMES facilities, and to increase recyclability.

Did You Know?

- On average, Clopay metal garage doors use more than 50% post-consumer recycled materials
- AMES sources 100% of its wood for particle board sold by its home organizer business from recycled or recovered sources
- ClosetMaid wire shelving systems are made from recycled steel as certified by SCS Global Services
- Recycled AMES and ClosetMaid tools and scrap materials were used in the construction of the new AMES headquarters facility in Orlando, Florida

AMES Australasia is a participant in the Australian Packaging Covenant Organization and has begun to implement key projects, including closed-loop packaging return from certain retailers, increasing labeling to promote consumer recycling, reviewing packaging to reduce volumes, and increasing the volume of purchased packaging. AMES Australasia has therefore committed to the following 2025 targets:

ALL

packaging will be recyclable,
reusable or compostable

70%

of all plastic packaging
actually recycled

50%

average recycled content
for all packaging

Efforts in Australia to improve the recyclability of packaging, use more recycled materials, and educate consumers are being shared with the other AMES Companies.



Product Packaging - Reducing our Footprint

While converting packaging to recyclable materials is a valuable ESG objective, our first choice is always to reduce or eliminate the amount of packaging sent with the product.

Percentage of Recyclable / Reclaimed Packaging Input		Percentage of Recyclable Packaging Materials Shipped	
CPP	37%	CPP	89%
HBP	63%	HBP	82%
Griffon	45%	Griffon	81%



Across our operating segments, several initiatives are underway to continue to reduce our packaging footprint:

- The AMES Companies have been working to reduce packaging volume through an innovative box-on-demand system that reduces packaging size
- Clopay sells its residential doors without only minimal packaging





Forestry

CPP Spotlight



AMES is a member of the Appalachian Hardwood Manufacturers, Inc. (AHMI), which provides sustainable hardwoods for AMES tools, and is committed to purchasing hardwoods through the Sustainable Forestry Initiative (SFI). AHMI retained Auditech to independently audit AMES and has determined that AMES's hardwoods are sustainable.

Additionally, AMES is committed to purchasing timber from vendors eligible for certification by the SFI. AMES uses approximately 50,000 metric tons of hardwoods in its tool production, of which 75% is purchased from sustainable sources.





Chemicals and Raw Materials

Chemical Usage Safety

Griffon companies are not large purchasers or users of chemicals. Our highest volume chemicals, the components of spray insulating materials, are reacted to form an inert compound and pose no risk to consumers. The next highest chemical volume consists of tiny percentages of lead and chromium in metals purchased to make our products. Nevertheless, Griffon requires each operating company to assess and manage risks associated with chemicals in products sold and those used in the workplace.

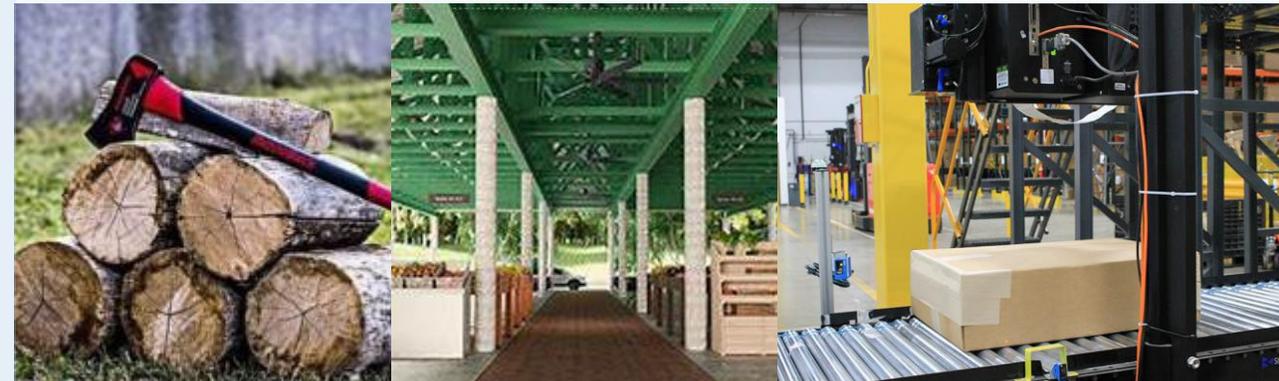
Griffon has rigorous processes in place to find lower-risk alternatives to every chemical used. New chemicals must undergo an intensive review.

All Griffon products meet applicable volatile organic compound standards. Most coatings used to make Griffon products are water-based and contain little or no volatile organic compounds.

Raw Materials

While Griffon focuses on recyclability and the life cycle of its products, we also consider whether the raw materials we use in production can be purchased as recycled materials.

Percentage of Key Materials (Steel and Wood) Input Recycled or Reclaimed	
CPP	29%
HBP	75%
Griffon	52%



SOCIAL RESPONSIBILITY





Health and Safety Overview

The safety and well-being of our employees is a cornerstone of our culture.

We encourage a high standard of safety in the workplace, and it is of the utmost importance to us to have every worker go home safely at the end of their workday.

Our global health and safety management system is grounded in the U.S. Environmental Protection Agency (EPA) and Occupational Safety and Health Administration (OSHA) requirements and incorporates protocols from other global regions.

Occupational Safety and Health

To ensure worker safety, Griffon uses a comprehensive, integrated operating discipline management system that includes policies, requirements, processes, best practices, and procedures related to our Environment, Health & Safety standards and related external standards. Through this system, we lay the foundational expectations of hazard assessment and risk mitigation.

We expect each operating company to implement and use health and safety programs to:

Identify, assess, eliminate or mitigate hazards

Prevent unsafe acts and conditions

Maintain and improve the health of personnel

Foster communication on health and safety issues



Health and Safety

Risk Assessment and Reporting

Hazard identification, risk assessment, and incident investigation

We employ leading occupational health and safety performance indicators to prevent injury and strengthen other safety and health outcomes. We then complement these global practices with locally defined leading indicators to ensure each of our facilities is safeguarding the health and safety of our people.

Globally applied leading indicators include:

- Non-injury (near-miss) situations with the potential to cause a life-altering impact or fatality had the situation been only slightly different (non-injury pLIFE event)
- Percent completion of training
- Internal EH&S Review results
- Management of change

Reporting and Investigating Safety Issues

Workers have a direct line of sight to potential hazards. They are expected, and encouraged, to identify, report, and intervene when unsafe or unhealthy work conditions are observed. Our people are also encouraged to celebrate and positively recognize their coworkers who make safe choices.

Worker input on hazards and solutions is part of local near-miss programs and leveraged where appropriate. We have a Griffon-wide Ethics Compliance hotline. Retaliation against anyone who raises or reports concerns about workplace safety is prohibited under the Griffon Code of Ethics and Business Conduct.

Root Cause Investigation methodology is used for all recordable injuries and near-miss situations where potential existed for a life-impacting injury. This approach ensures we understand the root cause of any incident and are able to take corrective actions.

Once hazards are identified, we determine feasible and effective solutions. The management system update requires the implementation of world-class controls to prevent accidents related to heavy equipment and reversing moving vehicles.



Health and Safety

By the Numbers

We are committed to continually improving occupational health and safety for our workers. In FY2021, we had 0 deaths and 2 reportable OSHA injuries. For reference, we have established a goal based on averages from comparable SIC/NAICs codes.

Our Approach

Currently, occupational safety and health performance at each significant operating location are benchmarked to averages established by the United States Bureau of Labor Statistics (BLS) every month.

	Lost Time Injuries	Lost Time Injury Rate	Goal	Recordable Injuries	Recordable Injury Rate	Goal
CPP	38	1.06	1.00	130	3.62	3.3
HBP	7	0.36	0.90	66	3.37	3.1
Griffon	45	0.81	0.90	196	3.53	3.2

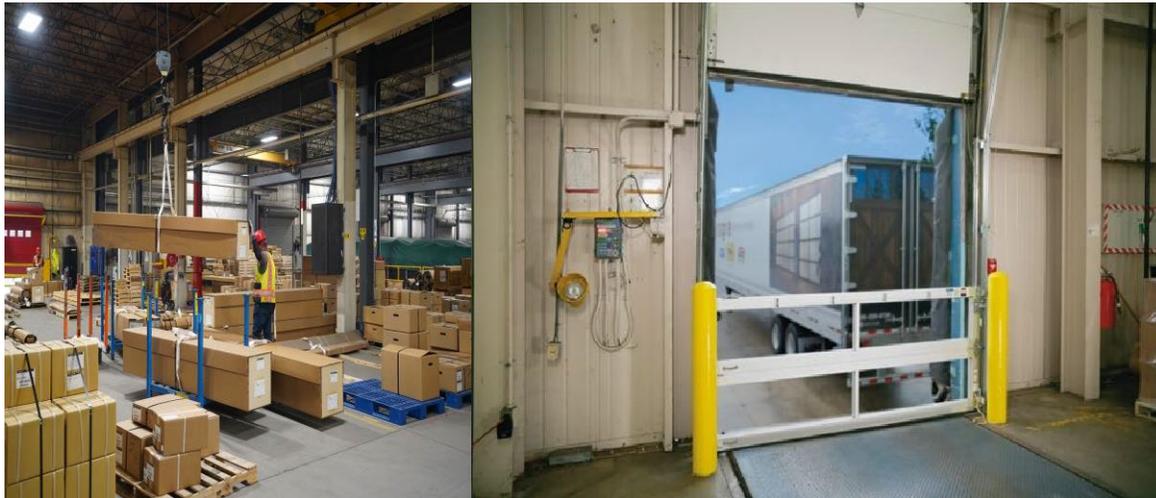
Our Commitment

We measured the following metrics against our goals in FY2021 and we will review these goals for improving our safety performance during each fiscal year.





Health and Safety By the Numbers



Mountain Top PA
Safe Material Movement

Safety risks create opportunities. Faced with an open loading dock door issue, Clopay invented and now sells a solution, protecting workers nationally.

Investments have been made to:

- Upgrade shipping and receiving operations to install devices preventing trucks from leaving prematurely
- Prevent employees from falling from elevated dock surfaces
- Ensure use of the highest quality jack stands during loading
- Upgrade lighting
- Upgrade forklifts

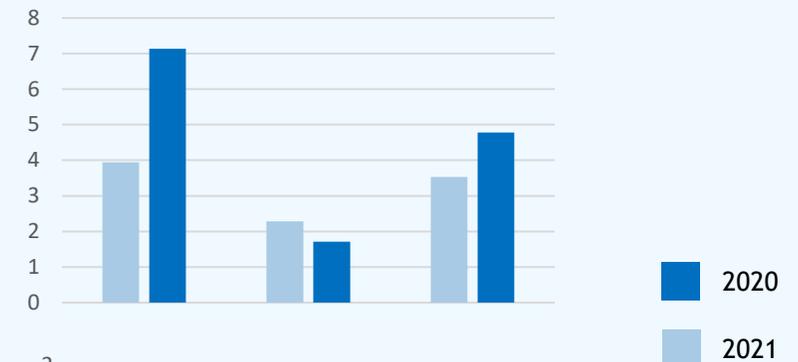
Investments in Occupational Safety and Health

\$3M

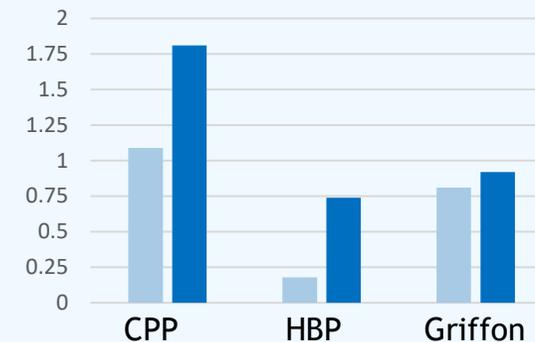
over the last three years in occupational health and safety improvements

We have implemented management programs and training and have invested in systems designed to prevent injuries and illnesses. These investments are yielding improvements in most of our Recordable Injury Rates and Days Away Case Rates, year-over-year. Total injuries across Griffon have dropped 29%, and serious injuries have also dropped over the last two years.

Recordable Injury Rates



Days Away Case Rates





Employee Welfare

Modifying our work environments for our employees' safety and well-being

Over the last few years, we have invested millions of dollars in improvements relating to employee safety and health. Major upgrades have been made to our loading and unloading operations, machine guarding, and elimination of certain high-risk repetitive jobs through the use of robotics. Griffon has also invested significant time and capital in ergonomic improvements, reducing ergonomic injuries through better work positioning and lifting improvements, which has directly correlated to reductions in the number and severity of employee injuries in recent years.

\$1M

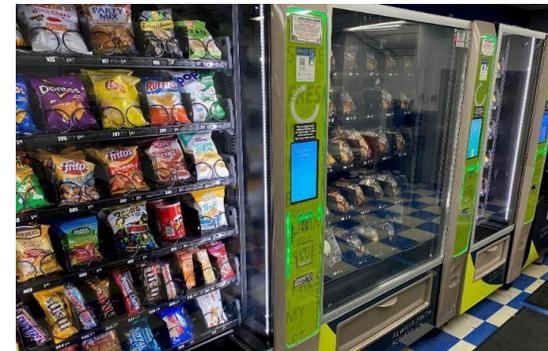
Invested in FY2021 to upgrade cafeterias, break areas, restrooms, and employee welfare and recreation facilities to improve the on-site experience for our employees



Harrisburg, PA:
Upgraded employee cafeteria with new vending machines and services



Ocala, FL:
New break area



Camp Hill, PA:
New vending machines and services



Mason, OH:
Remodeled restrooms



Our Response to COVID-19

"Since the onset of the COVID-19 pandemic in March 2020, ensuring the health and safety of our employees and our customers continues to be our top priority.

This pandemic has put a tremendous strain on our entire workforce, but they have done an exceptional job keeping our operations running smoothly while simultaneously keeping everyone safe.

We owe them our gratitude, not just for doing an outstanding job but also for supporting operations that are critical to our country."

Ronald J. Kramer
Chairman and CEO

Overview

At the onset of the pandemic, Griffon's Board and leadership team reacted immediately and decisively to navigate the most challenging operating environment we have ever faced as a company. We spared no expense dealing with the risks associated with the pandemic, and proactively implemented policies, procedures, and safety measures, which followed best practices from the World Health Organization (WHO), the Centers for Disease Control and Prevention (CDC), and all state and local laws.

These efforts allowed Griffon's facilities to remain open and fully operational during the pandemic, which was critical as our businesses were deemed essential. Subject to a few exceptions, all facilities have been open and operational throughout the COVID-19 crisis.

Employee Response

Due to a dynamic and comprehensive response, we significantly mitigated the risk to our employees of contracting COVID-19. We have had low rates of infection and fatalities, which we believe are an outgrowth of our disciplined safety measures.

We continued to adapt our workplace to protect the health and safety of our employees across the organization. Specific actions included:

- Enabling social distancing and installing barriers
- Enhancing cleaning protocols
- Providing masks and hand sanitizer as needed
- Utilizing temperature scanning
- Implementing staggered shifts
- Prohibiting or significantly restricting onsite visitors
- Providing targeted communications on the signs and symptoms of COVID-19, precautions to minimize the risk of contracting the virus, and emphasizing the importance of getting vaccinated
- Increasing benefits for employees to assist with family care issues
- Implementing new policies for COVID Vaccine, Flexible PTO, and Temporary Sick Time

During this time, we also made sure to invest in our people. We began an appreciation award program for hourly U.S. employees on the front lines, working at our manufacturing and distribution sites.





Employee Development

At Griffon, we understand that our growth and success is entirely dependent on the growth and success of our employees. In addition to advancement and education, each operating company places a high priority on developing employees into leaders and has implemented specific initiatives and practices focused on offering opportunities to support leadership skill development.

Learning & Development

We strive to create a collaborative, resilient, and skilled workforce and view learning and development as central to the success of our organization. We are committed to helping employees across our operating segments expand their knowledge and relevant technical competencies. We believe this helps to strengthen our organizational capacity and respond to change with agility and flexibility.

Leadership

Our goal is not only to help our people thrive in their current positions, but also to prepare them for their next roles with increased levels of responsibility. Our talent development programs increase employee engagement and foster important leadership skills at all levels of the organization. We are also committed to providing training and learning experiences to new and current managers to best enable them to support their teams and raise overall professional awareness.

For example, in 2021, AMES successfully completed a cross-functional leadership training program focused on front-line leaders to better support our core teams and launched the first foundations of our Learning Management System (LMS) Platform via our HRIS system and Open Sesame, an employee learning system.

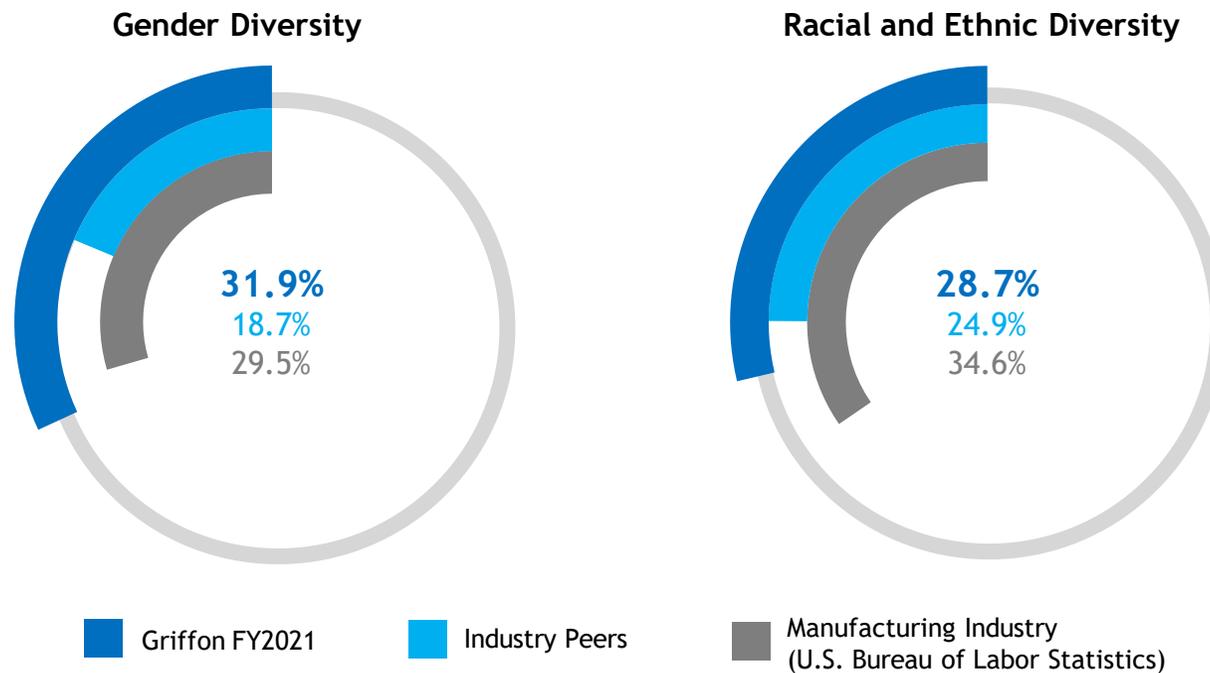




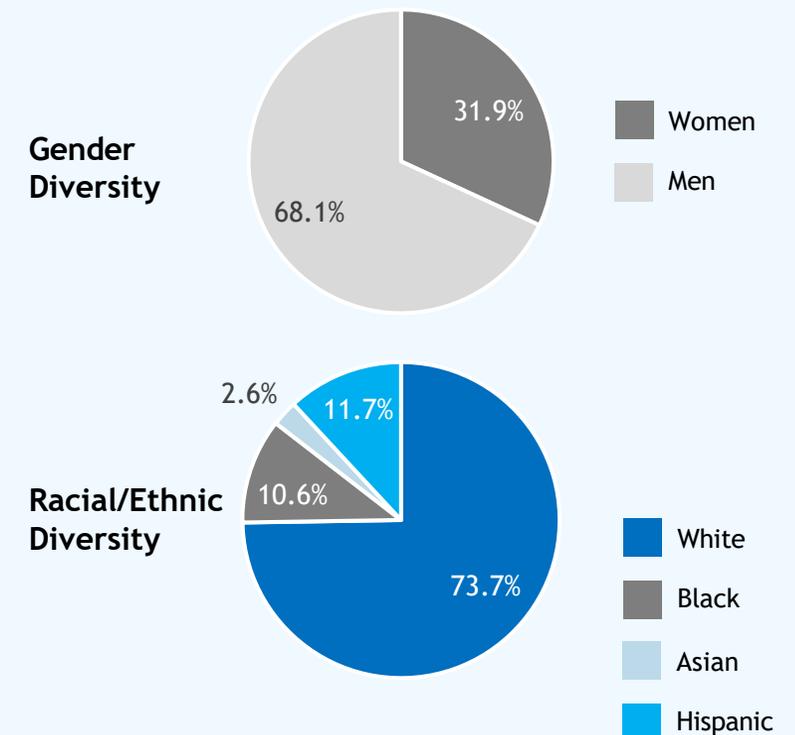
Diversity and Inclusion

At Griffon, we are committed to a globally inclusive workplace and actively incorporate diversity in our recruiting, hiring, promotion, and career development efforts. We recognize that a diverse, engaged workforce is imperative to achieve success and create shareholder and community value.

The charts below illustrate how Griffon’s diversity compares to other manufacturers¹



Our Workforce at a Glance²





Diversity and Inclusion

Diversity Training and Practices

We aim to attract a qualified workforce through an inclusive, accessible recruiting process that utilizes online recruiting platforms, campus outreach, internships, and job fairs to manage human capital resources.

Griffon and its businesses strictly comply with all applicable local, state, federal, and international laws governing nondiscrimination in employment in every location where Griffon and its businesses operate.

This applies to all terms and conditions of employment, including recruiting, hiring, placement, promotion, termination, layoff, recall, transfer, leaves of absence, compensation, and training. All applicants and employees are treated with the same high level of respect regardless of their gender, ethnicity, religion, national origin, age, marital status, political affiliation, sexual orientation, gender identity, disability, or protected veteran status.

Diversity and Inclusion Committee

During FY2021, Griffon formed a Diversity and Inclusion Committee comprised of senior operating company personnel from Operations, Human Resources, and Legal. The Committee was tasked with recommending initiatives designed to enhance the working experience for our diverse workforce.

The Diversity and Inclusion Committee proposed the following measures. The Committee will continue to meet over FY2023 and FY2024 to set new diversity and inclusion initiatives:

- Reinforce the availability of Employee Assistance Programs and other mental health resources
- Advocate for the consideration of establishing on-site medical facilities
- Increase training to supervisors in recognizing troubled employees
- Increase healthy food options to enhance physical and mental health
- Establish and upgrade facilities for working mothers and establish communication centers for workers to stay in touch with their families, many of whom were at home learning remotely
- Start round table discussions regarding the impact of COVID-19 and ensure that all employees, particularly minority employees and women, are part of the discussion



Compensation and Benefits

At Griffon, our employees are our greatest asset, so we strive to provide each of them with an individualized, comprehensive benefits package to promote physical, mental, and financial well-being.

Our benefits philosophy is simple: **CHOICE**. We provide our employees with a variety of benefits and enrollment options to fit their unique needs and well-being. The Company seeks to retain employees by offering competitive wages, benefits, and training opportunities, all while promoting a safe and healthy workplace. And our efforts are successful, with turnover across our operating companies on par with or below industry averages.

Among the programs offered to our employees:

- Broad set of insurance offerings:
 - Medical
 - Dental
 - Vision
 - Group life
 - Disability, Accidental Death and Dismemberment
- 401(k) savings plan with employer matching
- Access to telemedicine and caregiver support services
- Generous paid time off
- Onboarding programs
- On-site job training programs
- Leadership development programs
- Tuition reimbursement and education assistance policies to further the development and advancement of our employees

Did You Know?

In addition to these listed benefits, we have maintained an Employee Stock Ownership Plan (ESOP) for decades. Through our ESOP, U.S. employees own approximately 9% of Griffon stock. Under this plan, shares of Griffon stock are allocated each year to accounts for almost all of Griffon's U.S. employees - at no cost to the employees. We are one of few U.S. public companies with an ESOP that does not require employee contributions.

LABOR RELATIONS

Approximately 5% of employees are covered by collective bargaining agreements in the U.S. Additionally, approximately 200 employees in Canada are represented by the Trade Union Advisory Committee.



Community Relations and Charitable Giving

For decades, our operating companies have been integral to the local communities in which they operate. We have established strong partnerships and relationships, and we are involved in more than 100 charitable and community organizations.

CPP Spotlight



Annual Partnership with National Garden Clubs

The AMES Companies and The National Garden Clubs have been partners since 2014.

AMES donates tools to clubs across the U.S. for use in community projects to enhance food safety supply, education, and beautification. Projects include youth gardening, therapy gardening, food bank gardening, or community renovation projects.

The AMES Companies were a Diamond Sponsor supporting the Home Depot Foundation's 2021 fundraising efforts to serve communities in need.

At the Diamond level, our charitable gifts helped the Foundation raise more than \$34 million.



Harlem Grown

The AMES Companies donated garden tools, wheelbarrows, hoses, and watering cans to Harlem Grown to assist the organization in preparing, planting, and harvesting at over 13 local urban farms and gardens in New York City. Harlem Grown's mission is to engage and inspire youth to lead healthy and ambitious lives through mentorship and hands-on education in farming, sustainability, and nutrition.



Community Relations and Charitable Giving

HBP Spotlight



Habitat for Humanity

Clopay's long-standing support of and work with Habitat for Humanity makes a real impact - we have provided sponsorship funding for builds, in addition to donating our American-made Entry and Garage doors.

HBP sponsors a charity golf fundraiser event every year generating over \$100K annually for local and national charities.

Did You Know?

Clopay sponsored a Habitat for Humanity project, donating \$100,000, a carriage-house style garage door, and a fiberglass entry door for a three-bedroom, ADA-compliant home in Sidney, Ohio.

Subsequently, Clopay discovered that the new homeowner chosen by the charity was a member of the Clopay family.



“Our local communities have backed us for years by providing amazing employees and overall support. This project is a natural fit for us as a building products company to give back not only financially, but by donating our products as well.”

Steve Lynch, Former Clopay President

GOVERNANCE





Board of Directors

Our directors have a diverse mix of backgrounds, qualifications, skills, and experience that we believe contribute to a well-rounded Board that is positioned to effectively oversee our strategy.

Our Board of Directors maintains a leadership structure composed of a lead independent director and our Chief Executive Officer, Ron Kramer, who also serves as Chairman of the Board. Our lead independent director is selected by the independent Board directors and plays an active oversight role.

Our Board is currently comprised of 14 highly skilled and qualified members. 93% of our Board is independent.

Our highly engaged, committed Board of Directors has the skills and expertise necessary to continue to enhance oversight, support growth, deliver shareholder returns, and advance our diversity objectives.

We recognize that strong corporate governance contributes to long-term shareholder value. More information about Griffon's Board Members can be found on our website at www.griffon.com.

Director Tenure

5 Years

Median Term

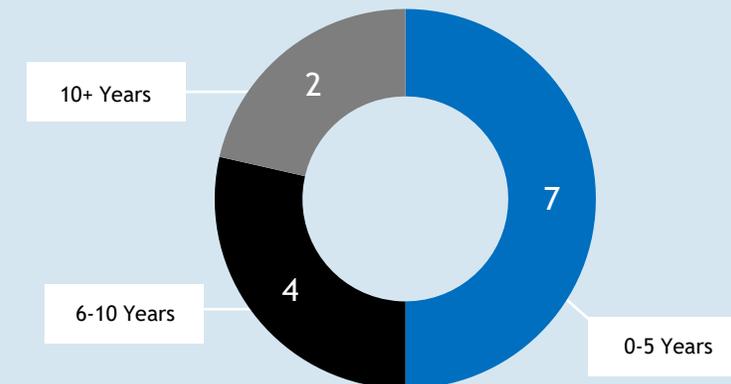
Director Independence

14

Total Number of Directors

93%

of our Directors are Independent





Board of Directors

Board Refreshment

Over the past five years, we have refreshed seven directors, adding relevant expertise and diversity to our Board.

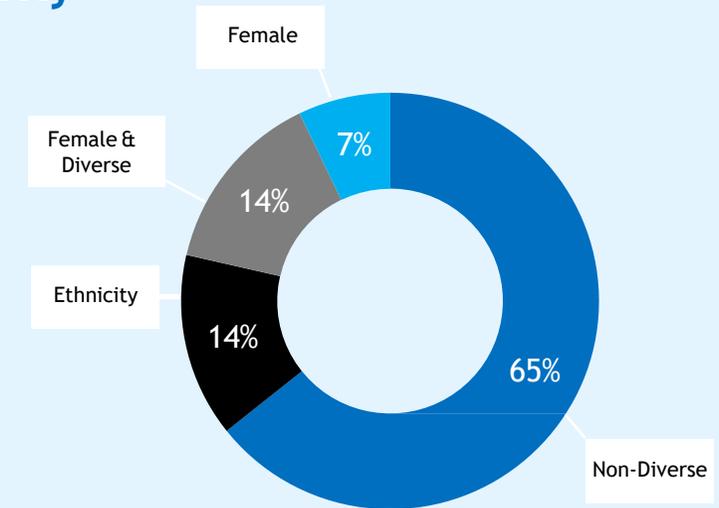
Michelle Taylor and H.C. Charles Diao joined our Board effective upon the conclusion of our 2022 Annual Meeting of Shareholders on February 17, 2022. Our newly elected directors bring unique perspectives and skills to our Board and further enhance our diversity.

Our commitment to enhancing the diversity of our Board aligns with [Nasdaq's](#) definition of “diverse,” which includes those who self-identify as female, an Underrepresented Minority, or LGBTQ+.

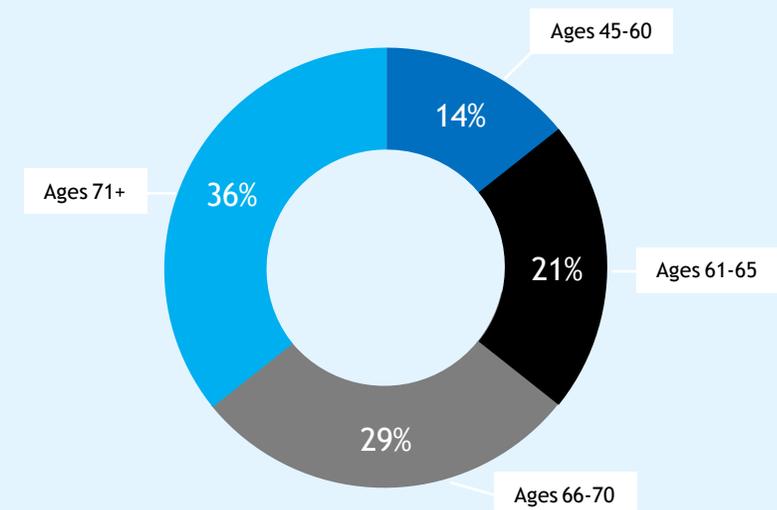
GOAL

We have committed to further diversify our Board with an objective that by 2025, at least 40% of our independent directors will be women or persons of color.

Director Diversity



Director Age





Key Governance Characteristics

We strive to ensure that our corporate governance reflects best practices tailored, as necessary, to support our culture, goals, and strategy.

Key corporate governance characteristics of our company include:

- Independent Lead Director
- Stock Ownership Guidelines for Directors and Executives
- Executive Sessions of Independent Directors
- Independent Compensation Consultant
- Annual Board and Board Committee Self Evaluations
- Code of Business Conduct and Ethics
- Annual Stock Grant to Non-Employee Directors
- Ethics Hotline, with Anonymous Reporting
- Related Party Transaction Policy
- Disclosure Committee for Financial Reporting
- Executive Compensation Proposed for Approval to Shareholders Annually
- Annual Shareholder Outreach to Solicit Input on Executive Compensation and Corporate Governance Matters

EXECUTIVE SESSIONS

Executive sessions are a particularly important feature of our Board to ensure transparency and independence. Independent directors meet in executive sessions without management present, as needed. Such executive sessions are generally chaired by the Independent Lead Director, Mr. Kevin F. Sullivan. The Audit Committee and Compensation Committee also meet regularly in executive sessions. During executive sessions, the independent directors may review CEO performance and compensation; succession planning, strategy, and risk; corporate governance matters; and any other matters of importance to the Company raised during a meeting or otherwise presented by the independent directors.



Board Committee Structure and Responsibilities

In addition to meeting as a whole, our Board Committees hold meetings to discuss subjects within their areas of responsibility. We currently have the following standing committees: Audit, Compensation, Finance, and Nominating and Corporate Governance. All the standing committees of the Board of Directors are composed entirely of independent directors.

Key Responsibilities

Audit

- Discuss financial reporting and internal accounting controls with management and our independent registered public accounting firm.
- Exercise sole authority and responsibility to select, evaluate, and replace our independent registered public accounting firm.
- Pre-approve all audit engagement fees and terms.
- Oversee compliance with our Code of Business Conduct and Ethics.
- Monitor ESG performance and reporting.

Compensation

- Determine and approve the compensation of our Chief Executive Officer.
- Review and approve all elements of compensation for our executive officers, as well as for the Presidents of our business units.
- Award restricted stock and other equity-based awards to officers and certain key employees.

Finance

- Review proposed transactions that will materially impact the Company's capital structure, as well as any material changes to the Company's capital structure, after which it shall make a non-binding recommendation to the full Board of Directors. This includes any offerings or sales of debt or equity securities of the Company, and material credit agreements or other material financing arrangements.

Nominating and Corporate Governance

- Identify individuals qualified to become Board members, and recommend to the Board the director nominees for each annual meeting of stockholders.
- Review suggestions of candidates for director.
- Recommend to the Board director nominees for each committee of the Board.
- Recommend to the Board the applicable corporate governance principles.
- Oversee the annual evaluation of the Board and management.



Ethics and Conduct

Our Board of Directors has adopted a [Code of Business Conduct and Ethics](#) (Code) applicable to all employees in performing their duties. The Code sets forth information and procedures for employees to report ethical or accounting concerns, misconduct, or violations of the Code in a confidential manner.

Honesty, transparency, and ethical practices have been ordinary course at Griffon for decades, and we continue to review and upgrade our programs in these areas. Our Code, to which every employee certifies annually, requires that each and every employee conduct business to the highest ethical standards.

The Code is wide-ranging in scope. Its sections cover not only legal requirements, such as insider trading, lobbying, anti-corruption, and import/export requirements, but creates expectations of respect and concern for others, and addresses avoiding conflicts of interest, acceptance of gratuities and business courtesies, use of company resources, and procurement integrity. It also sets forth information and procedures for employees to report ethical or accounting concerns, misconduct, or violations of the Code in a confidential manner.

If at any time employees have questions about the Code, they have been instructed to contact their supervisor, their local Human Resources representative, their Ethics Liaison Officer, or Griffon's Ethics Officer.

Griffon maintains an ethics hotline, with anonymous reporting, for its employees, suppliers, and others to use. Each reported ethics concern is investigated, with documented findings.

Our Board of Directors has also adopted [Corporate Governance Guidelines](#), as required by the New York Stock Exchange rules, to assist the Board in exercising its responsibilities to Griffon and its stockholders.

Ethical business is good business. Integrity is central to our identity.



Griffon Corporation is committed to maintaining the highest standards of conduct. Ethical behavior is morally right and legally required, and requires your personal commitment, the same kind of commitment that we believe you and your fellow employees expect for themselves and the Company from others.

The good name and reputation of Griffon and its businesses are fundamental to our continued success. Each one of us has a personal responsibility to ensure that this reputation remains unblemished by conducting our business in an honest and ethical manner in compliance with all applicable laws and regulations.

The *Code of Business Conduct and Ethics* cannot address every situation our personnel may encounter, nor is it a strict list of do's and don'ts. Rather, it is a basis for you to make sound moral and ethical judgments in business dealings. Other Company policies, practices and procedures, as well as sound common sense, also apply.

Attendance at periodic training on matters related to the *Code* will be required, and may be accomplished through live sessions or through an electronic, online portal. At the conclusion of these sessions, you will be required to certify in writing or electronically that you have reviewed the *Code* and that you have attended the training session. A copy of these certifications will be retained by human resources.

As a company, we are committed to the *Code*, and we require our personnel to adhere to it. Accordingly, we urge you to report suspected violations of the *Code* to your Ethics Liaison Officer, your supervisor or any of the officers responsible for your division. If you wish to report suspected violations anonymously, or if you feel that reports of suspected violations have been ineffective, we urge you to use the Ethics Compliance Line reporting process.

If at any time you have questions about the *Code*, contact your supervisor, your local Human Resources representative, your Ethics Liaison Officer, or Griffon's Ethics Officer.

Remember, ethical behavior is good businesses.



Risk Management

Risk Oversight

Management is responsible for the day-to-day management of risks for Griffon and its subsidiaries, while our Board of Directors, as a whole and through its committees, is responsible for the oversight of risk management. The Board sets the overall risk management strategy and risk appetite of the Company and ensures the implementation of our risk management framework.



Supply Chain Risk Management

As a global company, Griffon understands the need to flow down and make known our core values to our suppliers. Within the United States, each of our operating companies flows down labor standards, prohibitions on all forms of forced and involuntary labor, and mandated compliance with laws regarding purchasing conflict minerals. In China, where CPP conducts significant procurement activity, we employ dedicated compliance personnel, reporting to our legal department, to monitor our suppliers on many ESG issues.

Griffon is a member of the Responsible Minerals Initiative. Working together, we are evolving business practices to support responsible mineral production and sourcing globally, including but not limited to conflict-affected and high-risk areas, providing companies with tools and resources that improve regulatory compliance, align with international standards, and support industry and stakeholder expectations.



Risk Management

Griffon has established and maintains a risk management strategy. The purpose of our risk management strategy is to establish a culture that broadly considers risk in all significant decisions, creating dedicated risk prevention strategies for areas of vulnerability, and managing risk that cannot be prevented or shifted. Some specific areas of risk management include:



Identifying risk

Griffon identified a wide variety of risks in establishing its crisis management program. These include natural disasters, pandemics, health and security risks to travelers, physical security, and workplace violence. In addition, we identify and prioritize environmental, health, and safety risks.

Managing risk

Griffon has established comprehensive procedures for crisis notification and communication. We have established a crisis management manual instructing operating company site locations on how to respond to dozens of scenarios. Our environmental, health, and safety management systems take the risks prioritized through the identification process and implement control systems and company standards to minimize or eliminate those risks.

Use of partners

Griffon partners with risk control professionals from Factory Mutual, and our workers' compensation brokers and insurers, to focus capital resources and safety programs on mitigating identified risks.

Shifting risk

Where risks cannot be eliminated or minimized to immaterial levels, Griffon looks to shift or share risk through indemnification agreements. Where risks cannot feasibly be indemnified, Griffon creates financial reserves to address them.

APPENDIX





Appendix A: Griffon Corporation ESG Policy

Griffon will be a global leader in considering and implementing environmental, social, and governance (ESG) principles.

We collect metrics measuring our progress, set goals, and periodically report on our progress in meeting those goals. This is consistent with Griffon's business interests and code of conduct.

Specifically, we commit to the following:

Sustainability

We strive to conserve resources and minimize or eliminate adverse Environmental, Health, and Safety (EHS) aspects and hazards associated with our products, services, and operations, focusing on creating value for internal and external stakeholders.

Employees

Our goal is to provide a zero-harm workplace that prevents injuries and illnesses and promotes healthy lifestyles and respect for the environment. We ensure through training that our employees have the awareness, skills, and knowledge to carry out this policy. We recognize the value of diversity and inclusion and will strive to consider diversity and inclusion in our hiring and advancement decisions.

Compliance

We meet all applicable laws and Griffon requirements for ESG.

Business Integration We integrate ESG considerations into our business activities.

Customers

We work with our customers to help them address their ESG needs.

Suppliers and Contractors

We work with our suppliers and contractors to enhance ESG performance.

Community and Government

We participate in community and government ESG initiatives.

Continuous Improvement

We commit to continuous improvement in ESG performance.

Governance

Griffon considers ESG principles in its Board of Directors composition and functions, Code of Ethics, Code of Business Conduct, and risk evaluation.

United Nations Global Compact Sustainable Development Goals

We are a signatory to the United Nations Global Compact. We will consider the 17 Sustainable Development Goals as a part of our company's strategy, culture, and day-to-day operations.

The Sustainable Development Goals are:

[GOAL 1: No Poverty](#)

[GOAL 2: Zero Hunger](#)

[GOAL 3: Good Health and Well-being](#)

[GOAL 4: Quality Education](#)

[GOAL 5: Gender Equality](#)

[GOAL 6: Clean Water and Sanitation](#)

[GOAL 7: Affordable and Clean Energy](#)

[GOAL 8: Decent Work and Economic Growth](#)

[GOAL 9: Industry, Innovation and Infrastructure](#)

[GOAL 10: Reduced Inequality](#)

[GOAL 11: Sustainable Cities and Communities](#)

[GOAL 12: Responsible Consumption and Production](#)

[GOAL 13: Climate Action](#)

[GOAL 14: Life Below Water](#)

[GOAL 15: Life on Land](#)

[GOAL 16: Peace, Justice and Strong Institutions](#)

[GOAL 17: Partnerships to Achieve the Goals](#)

Griffon's ESG program is coordinated by the Griffon Vice President, Sustainability. Program oversight is provided by the ESG Management Oversight Committee, consisting of the Griffon President and Chief Operating Officer, Senior Vice President and Chief Financial Officer, Senior Vice President and General Counsel, and VP, Corporate Strategy and Development. The ESG Management Oversight Committee reports to the Board of Directors' audit Committee, who oversees the Griffon ESG Program.



Appendix B: SASB Sustainability Disclosure Topics & Accounting Metrics

Building Products and Furnishings

Topic	Accounting Metric	Code	Data	Reference
Energy Management in Manufacturing	(1) Total energy consumed (2) Percentage renewable	CG-BF-130a.1	2.78 million GJ or 77 million kWh. Ten percent renewable	Energy
Management of Chemicals in Products	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	CG-BF-250a.1	Griffon uses very low volumes of chemicals and manages risk	Environmental Priorities, Chemicals and Raw Materials
	Percentage of eligible products meeting volatile organic compound (VOC) emissions and content standards	CG-BF-250.a.2	100 Percent	There are no VOC content standards applicable to Griffon products
Product Lifestyle Environmental Impacts	Description of efforts to manage product lifestyle impacts and meet demand for sustainable products	CG-BF-410a.1	Griffon has focused on use of sustainable or recycled materials in its key raw materials, steel and wood	Forestry, Chemicals and Raw Materials
	(1) Weight of end of life material recovered (2) Percentage of recovered materials recycled	CG-BF-410a.2	There are no established programs for product recovery. Focus is on non-hazardous waste. Approximately 90 percent of non-hazardous waste is recycled or reused	Waste Generation and Minimization
Wood Supply Chain Management	(1) Total weight of wood fiber materials purchased (2) Percentage from third-party certified forest lands (3) Percentage by standard (4) Percentage certified to other wood fiber standards (5) Percentage by standard	CG-BF-430a.1	Approximately 50,000 metric tons purchased for tools. Percent from sustainable sources: 75 percent	Forestry



Appendix C: United Nations Global Compact Sustainable Development Goals

The table below indicates where information that corresponds to the UN Global Compact's Sustainable Development Goals can be found in Griffon's FY2021 ESG Report. Our commitment to these goals is also outlined in our ESG Policy, found in Appendix A of this report.

FY2021 ESG Report	UN Goals	FY2021 ESG Report	UN Goals	FY2021 ESG Report	UN Goals	FY2021 ESG Report	UN Goals
Employee Welfare	 No Poverty  Good Health and Well-being  Decent Work and Economic Growth	Diversity and Inclusion	 Gender Equality  Reduced Inequalities	Energy Efficiency	 Affordable and Clean Energy  Climate Action	ESG Goals	 Peace Justice and Strong Institutions  Partnerships for the Goals
Community Relations and Charitable Giving	 Zero Hunger  Good Health and Well-being  Sustainable Cities and Communities	Water Consumption	 Clean Water and Sanitation  Life Below Water	Waste Generation and Minimization	 Responsible Production and Consumption  Life on Land	Chemicals and Raw Materials	 Responsible Production and Consumption
Employee Development	 Quality Education	Health and Safety	 Decent Work and Economic Growth	Environmental Priorities	 Sustainable Cities and Communities	ESG Priorities	 Industry, Innovation and Infrastructure



Links to Supporting Materials

-  [Annual Report](#)
-  [ESG Policy](#)
-  [Code of Business Conduct & Ethics \(English\)](#)
-  [Code of Business Conduct & Ethics \(Multi-language\)](#)
-  [Corporate Governance Guidelines](#)
-  [Board Committee Charters](#)
-  [Proxy Statement](#)
-  [Conflict Minerals Policy](#)

