# Scotts Miracle-Gro Company - Climate Change 2020

## C0. Introduction

### C0.1

**(C0.1) Give a general description and introduction to your organization.**

With approximately $3.5 billion in sales, The Scotts Miracle-Gro Company is one of the world's largest marketers of branded consumer products for lawn and garden care. The Company's brands are among the most recognized in the industry. The Company's Scotts®, Miracle-Gro® and Ortho® brands are market-leading in their categories. The Company's wholly-owned subsidiary, The Hawthorne Gardening Company, is a leading provider of nutrients, lighting and other materials used in the indoor and hydroponic growing segment. For additional information, visit us at www.scottsmiraclegro.com.

### C0.2

**(C0.2) State the start and end date of the year for which you are reporting data.**

| | Start date | End date | Indicate if you are providing emissions data for past reporting years | Select the number of past reporting years you will be providing emissions data for |
|---|---|---|---|---|
| Reporting year | October 1 2018 | September 30 2019 | No | <Not Applicable> |

### C0.3

**(C0.3) Select the countries/areas for which you will be supplying data.**

Canada
United States of America

### C0.4

**(C0.4) Select the currency used for all financial information disclosed throughout your response.**

USD

### C0.5

**(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.**

Operational control

## C1. Governance

### C1.1

**(C1.1) Is there board-level oversight of climate-related issues within your organization?**

Yes

### C1.1a

**(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.**

| Position of individual(s) | Please explain |
|---|---|
| Director on board | Our Board works with senior leadership to provide oversight of economic, environmental, social and governance (ESG) topics including climate change and human rights. The chair of the Nominating & Governance Committee serves as the liaison between management and the Board of Directors on ESG issues while also representing ESG topics, including climate change, on the Innovation and Technology Committee. This Board Committee oversees management's activities and processes related to the development of the Company's technology plans and commercial and technical innovation strategies. |

## C1.1b

**(C1.1b) Provide further details on the board's oversight of climate-related issues.**

| Frequency with which climate-related issues are a scheduled agenda item | Governance mechanisms into which climate-related issues are integrated | Scope of board-level oversight | Please explain |
|---|---|---|---|
| Scheduled – some meetings | Reviewing and guiding strategy<br>Reviewing and guiding risk management policies<br>Monitoring implementation and performance of objectives | <Not Applicable> | Our Board works with senior leadership to provide oversight of economic, environmental, social and governance (ESG) topics including climate change and human rights. The Audit Committee of our Board governs the process by which risk management (including ESG risk) is handled. The chair of the Nominating & Governance Committee, serves as the liaison between management and the Board of Directors on ESG issues. Topics included in these briefings may include updates on sustainability strategy development, setting and managing climate-related targets and measuring and managing the company's GHG inventory. This also includes discussion of how the possible effects of climate change could impact our business. |

## C1.2

**(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.**

| Name of the position(s) and/or committee(s) | Reporting line | Responsibility | Coverage of responsibility | Frequency of reporting to the board on climate-related issues |
|---|---|---|---|---|
| Other C-Suite Officer, please specify (EVP, Chief Communications Officer) | <Not Applicable> | Both assessing and managing climate-related risks and opportunities | <Not Applicable> | Quarterly |

## C1.2a

**(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).**

The EVP/Chief Communications Officer serves as the primary liaison between the staff and board on ESG topics, including climate change. As a member of the executive team, this role also briefs leadership on ongoing projects and disclosures. In addition, the President of the Company oversees a cross-functional sustainability team that meets monthly to further our ESG strategy, including climate-related issues. This team's mandate includes establishing benchmarks, setting goals on ESG topics and creating implementation and monitoring plans. Representing Supply Chain, R&D, Human Resources, Marketing and Corporate Affairs, this team is accountable to senior leadership, specifically our President. The team briefs senior leadership on priorities and plans regularly and communicates its work through our company structure from leaders to associates.

## C1.3

**(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?**

| | Provide incentives for the management of climate-related issues | Comment |
|---|---|---|
| Row 1 | No, not currently but we plan to introduce them in the next two years | Our ESG strategy, including climate-related commitments, is being integrated into our business plans and led by a cross-functional ESG team. Annual performance incentives are tied to achievement of business goals. Accordingly, progress toward ESG goals will be taken into account in annual evaluations and incentive awards going forward as they are integrated into the businesses operating plans. |

# C2. Risks and opportunities

## C2.1

**(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?**
Yes

## C2.1a

**(C2.1a) How does your organization define short-, medium- and long-term time horizons?**

| | From (years) | To (years) | Comment |
|---|---|---|---|
| Short-term | 0 | 0 | We define short-term risk as any risk that occurs without warning. |
| Medium-term | 0 | 1 | We define medium-term risk as any risk that is likely to occur over a timescale of months. |
| Long-term | 1 | 10 | We define long-term risk as any risk that is likely to occur in a year's time or more. |

## C2.1b

**(C2.1b) How does your organization define substantive financial or strategic impact on your business?**

ScottsMiracle-Gro defines a substantive impact as something that would reduce our ability to deliver on our business strategy within our core lawn and gardening business. ScottsMiracle-Gro has a low risk appetite for events and exposures that may result in a negative EBITDA impact above $30M with a likelihood of occurring more than once in 5 years. In addition, ScottsMiracle-Gro has a low risk appetite for events and exposures that compromise the Company's ability to:

· Help consumers through innovative solutions;

· Be responsible stewards to our planet;

· Provide a dynamic workplace for our employees to grow and succeed; and

· Improve market presence and profitable growth to enhance shareholder value.

## C2.2

**(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.**

**Value chain stage(s) covered**
Direct operations

**Risk management process**
Integrated into multi-disciplinary company-wide risk management process

**Frequency of assessment**
Annually

**Time horizon(s) covered**
Short-term
Medium-term
Long-term

**Description of process**
For our direct operations, we incorporate ESG risks, including the risk of climate change, into our Enterprise Risk Management (ERM) program. We constantly monitor climate and weather patterns on a regional basis and adapt our operations accordingly.

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**Value chain stage(s) covered**
Upstream

**Risk management process**
Integrated into multi-disciplinary company-wide risk management process

**Frequency of assessment**
Annually

**Time horizon(s) covered**
Short-term
Medium-term
Long-term

**Description of process**
We incorporate ESG risks, including the risk of climate change, into our Enterprise Risk Management (ERM) program. Our ERM process examines risks to our direct operations, as well as to our supply chain and customers.

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**Value chain stage(s) covered**
Downstream

**Risk management process**
Integrated into multi-disciplinary company-wide risk management process

**Frequency of assessment**
Annually

**Time horizon(s) covered**
Short-term
Medium-term
Long-term

**Description of process**
We incorporate ESG risks, including the risk of climate change, into our Enterprise Risk Management (ERM) program. Our ERM process examines risks to our direct operations, as well as to our supply chain and customers.

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## C2.2a

**(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?**

| | Relevance & inclusion | Please explain |
|---|---|---|
| Current regulation | Relevant, always included | Current regulations are always included in our risk assessment process. Local, state, federal and foreign laws and regulations relating to environmental matters affect us in several ways. Our products and operations may be subject to increased regulatory and environmental scrutiny in jurisdictions in which we do business. |
| Emerging regulation | Relevant, always included | Because of the global scope of our supply chains, any disruptions could adversely impact our business. These disruptions may, in the future, include climate change focused regulations, which would require us to adapt our raw material procurement strategies. |
| Technology | Relevant, always included | Technology is a factor included in our risk assessment process. We invest in new technology and R&D within our business to help our customers address climate mitigation and adaptation. |
| Legal | Relevant, always included | ScottsMiracle-Gro is subject to legal requirements and regulations (including those potentially related to climate change and our products) that could adversely affect our business and contribute to the risk we will be subjected to legal action. We are subject to the risk of new and different legal and regulatory requirements in different jurisdictions. As such, our legal team monitors pending legal and regulatory requirements continuously. |
| Market | Relevant, always included | Consumer attitudes and preferences towards gardening may be modified by climate change's effects and the ever-increasing worldwide attention the issue is receiving. These changes may increase the difficulty of providing appropriate products to appropriate markets in time to meet consumer demand. Further, increased commodity and raw materials prices, as a result of climate change impacts, could also adversely affect our business. |
| Reputation | Relevant, always included | There is ever-increasing focus on corporate citizenship and sustainability efforts. We could fail, or be perceived to fail, to fulfill our goals related to these efforts, or be perceived to as not doing enough to combat climate change. These issues could negatively affect our business. |
| Acute physical | Relevant, always included | Our business may be impacted by climate-influenced weather conditions. For example, an abnormal period of dry conditions could adversely impact the sale of certain products, while increasing demand for other products. Our diversified product line and geography helps to reduce this risk. We also believe that acute physical impacts do not materially affect longer-term growth trends. |
| Chronic physical | Relevant, always included | Chronic physical impacts of climate change such as changes in rainfall patterns, water shortages, changing storm pattern and intensities, and changing temperatures could adversely impact our costs, business activities and the supply and demand for our products. |

## C2.3

**(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes

## C2.3a

**(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.**

**Identifier**

Risk 1

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type & Primary climate-related risk driver**

| | |
|---|---|
| Chronic physical | Changes in precipitation patterns and extreme variability in weather patterns |

**Primary potential financial impact**

Decreased revenues due to reduced demand for products and services

**Climate risk type mapped to traditional financial services industry risk classification**

<Not Applicable>

**Company-specific description**

Our net sales could be impacted by weather conditions in the markets in which our products are sold and our services are offered. For instance, periods of abnormally wet or dry weather can adversely impact the sale of certain products, while increasing demand for other products, or delay the timing of the provision of certain services. We make production decisions based on what weather and climate risks we see in the market. Climate change may make these variations more extreme and impede our ability to make these decisions in time to meet consumer demand.

**Time horizon**

Medium-term

**Likelihood**

More likely than not

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

0

**Potential financial impact figure – maximum (currency)**

250000000

**Explanation of financial impact figure**
Because of the nature of our business, ScottsMiracle-Gro must deliver the specific products our customers and consumers require to address their lawn and garden needs. This figure represents the potential range of sales revenue that could be impacted negatively in a year if we do not deliver the right mix of products to the right places at the right time. For example, negative impacts could include misjudging when spring will start in a given year in a given region. In some cases, however, weather and climate have the potential to have a neutral or even positive effect on our business, especially because of our diverse product mix.

**Cost of response to risk**
0

**Description of response and explanation of cost calculation**
We invest in sophisticated software modeling that uses data on weather patterns, forecasts and previous sales data to help us plan our production and sales more accurately across regions and product categories. Analysis from the software enables us to react quickly to changing weather patterns and adjust our sales planning accordingly to meet the needs of our customers and consumers in those regions. This investment is an integral part of our operations budget and we are not able to separate the cost out for this questionnaire.

**Comment**

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**Identifier**
Risk 2

**Where in the value chain does the risk driver occur?**
Downstream

**Risk type & Primary climate-related risk driver**

| | |
|---|---|
| Chronic physical | Changes in precipitation patterns and extreme variability in weather patterns |

**Primary potential financial impact**
Decreased revenues due to reduced demand for products and services

**Climate risk type mapped to traditional financial services industry risk classification**
<Not Applicable>

**Company-specific description**
Fluctuating climatic conditions may result in modifications in the manner in which consumers garden, or their attitudes towards gardening, making it more difficult for us to provide appropriate products to appropriate markets in time to meet consumer demand. For example, our customers may shift away from consuming our lawn inputs as a result of drought in their region.

**Time horizon**
Long-term

**Likelihood**
Unlikely

**Magnitude of impact**
Medium-low

**Are you able to provide a potential financial impact figure?**
Yes, an estimated range

**Potential financial impact figure (currency)**
<Not Applicable>

**Potential financial impact figure – minimum (currency)**
0

**Potential financial impact figure – maximum (currency)**
250000000

**Explanation of financial impact figure**
Because of the nature of our business, ScottsMiracle-Gro must deliver the specific products our customers and consumers require to address their lawn and garden needs. This figure represents the potential range of sales revenue that could be impacted negatively in a year if customer preferences or behaviors change in a given year, and they do not purchase our products. For example, in a drought year, customers may not invest heavily in lawn products.

**Cost of response to risk**
0

**Description of response and explanation of cost calculation**
We invest in sophisticated software modeling that uses data on weather patterns, forecasts and previous sales data to help us plan our production and sales more accurately across regions and product categories. Analysis from the software enables us to react quickly to changing weather patterns and adjust our marketing and sales efforts accordingly to meet the needs of our customers and consumers in those regions. This investment is an integral part of our operations budget and we are not able to separate the cost out for this questionnaire.

**Comment**

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**Identifier**
Risk 3

**Where in the value chain does the risk driver occur?**
Downstream

**Risk type & Primary climate-related risk driver**

| | |
|---|---|
| Reputation | Shifts in consumer preferences |

**Primary potential financial impact**
Decreased revenues due to reduced demand for products and services

**Climate risk type mapped to traditional financial services industry risk classification**
<Not Applicable>

**Company-specific description**
Nutrient pollution, caused by excess amounts of phosphorus and nitrogen in freshwater, is one of the most critical threats to water quality today. Excess nutrients in water contribute to algal blooms that kill aquatic life, impair drinking water and can impact human health. Nearly a decade ago, we challenged ourselves to create a high-performance lawn maintenance fertilizer product that did not include phosphorus, a goal we achieved in 2013, removing 10,000 metric tons per year of phosphorus from our products. Changes in precipitation are a potential impact of climate change. Increased precipitation could worsen nutrient runoff. While not primarily driven by residential fertilizer usage, an increase in nutrient pollution could lead to damage to our reputation among stakeholders and customers. Ultimately, it could require us to reformulate our products, or modify directions for use (including when and where the product could be applied), in certain jurisdictions.

**Time horizon**
Long-term

**Likelihood**
Very unlikely

**Magnitude of impact**
Medium-high

**Are you able to provide a potential financial impact figure?**
Yes, an estimated range

**Potential financial impact figure (currency)**
<Not Applicable>

**Potential financial impact figure – minimum (currency)**
0

**Potential financial impact figure – maximum (currency)**
100000000

**Explanation of financial impact figure**
This cost represents a portion of our annual fertilizer business sales. It is unlikely that a potential impact would affect the entirety of this business sector, however we are not able to further break down the potential impact. Furthermore, ScottsMiracle-Gro engages with elected officials at all levels of government and understands future regulations that may impact our business. We have a strong R&D program that invests in diverse products that comply with regulatory requirements in numerous jurisdictions, and responds to potential future regulations. Because of these strong procedures, we estimate that the likelihood of this financial impact is extremely low.

**Cost of response to risk**
10

**Description of response and explanation of cost calculation**
This cost estimate represents approximately 10% of our Lawns R&D budget that is used to address forthcoming regulations. ScottsMiracle-Gro engages with elected officials at all levels of government and understands future regulations that may impact our business. We have a strong R&D program that invests in diverse products that comply with regulatory requirements in numerous jurisdictions, and responds to potential future regulations. Because of these strong procedures, we estimate that the likelihood of this financial impact is low.

**Comment**

## C2.4

**(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?**
Yes

## C2.4a

**(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.**

**Identifier**
Opp1

**Where in the value chain does the opportunity occur?**
Downstream

**Opportunity type**
Products and services

**Primary climate-related opportunity driver**
Development and/or expansion of low emission goods and services

**Primary potential financial impact**
Increased revenues resulting from increased demand for products and services

**Company-specific description**
With a changing climate, some of our customers may need different products in order to use resources more efficiently in their location. Our ProVista turfgrass is designed to require less frequent maintenance. While all lawns can reduce runoff and absorb carbon dioxide, our ProVista turfgrass requires less mowing, fertilizer and weed control treatments than conventional turf, reducing the resources needed by our customers to maintain their lawn. By requiring 50% less mowing, Provista can reduce carbon emissions from traditional gas-powered lawn mowers by half.

**Time horizon**

Short-term

**Likelihood**
More likely than not

**Magnitude of impact**
Medium

**Are you able to provide a potential financial impact figure?**
Yes, a single figure estimate

**Potential financial impact figure (currency)**
4000000

**Potential financial impact figure – minimum (currency)**
<Not Applicable>

**Potential financial impact figure – maximum (currency)**
<Not Applicable>

**Explanation of financial impact figure**
We project that the sales of this product line will grow to around $4 million annually over the coming years.

**Cost to realize opportunity**
12.5

**Strategy to realize opportunity and explanation of cost calculation**
This cost estimate represents approximately 12.5% of our Lawns R&D budget. We are not able to provide a more specific breakdown for this product line.

**Comment**

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**Identifier**
Opp2

**Where in the value chain does the opportunity occur?**
Direct operations

**Opportunity type**
Resource efficiency

**Primary climate-related opportunity driver**
Use of more efficient production and distribution processes

**Primary potential financial impact**
Reduced direct costs

**Company-specific description**
There is an opportunity to redesign a major packaging platform used across much of the liquid weed and insect control portfolio. The initiative includes design optimization of the primary container (bottle), which is expected to result in a 10% average material weight savings. Pending engineering analysis of the new design will ensure no compromise in product performance, quality, and other consumer satisfaction metrics. There is also a significant sustainability benefit, given that the total material savings is expected to reduce the amount of plastic packaging (high density polyethylene) entering the waste stream by approximately 1 million lbs./year, reducing the overall carbon footprint of our packaging.

**Time horizon**
Medium-term

**Likelihood**
Likely

**Magnitude of impact**
Medium

**Are you able to provide a potential financial impact figure?**
Yes, an estimated range

**Potential financial impact figure (currency)**
<Not Applicable>

**Potential financial impact figure – minimum (currency)**
500000

**Potential financial impact figure – maximum (currency)**
800000

**Explanation of financial impact figure**
Direct material savings across all applications using this shared packaging platform on an annual basis.

**Cost to realize opportunity**
1250000

**Strategy to realize opportunity and explanation of cost calculation**
This cost represents development and capital investment costs, e.g., R&D-based design and qualification expenses and manufacturing tooling required to produce the new design.

**Comment**

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**Identifier**
Opp3

**Where in the value chain does the opportunity occur?**

Direct operations

**Opportunity type**
Resource efficiency

**Primary climate-related opportunity driver**
Use of more efficient production and distribution processes

**Primary potential financial impact**
Reduced direct costs

**Company-specific description**
Local sourcing is an important aspect of our supply chain program. Especially for raw materials, we make every effort to source as locally as possible, both to sustain local economies and to ensure product traceability. For our growing media business, we typically source materials for compost and green waste products from within 120 miles of the plant. By improving local sourcing, we also reduce transport emissions.

**Time horizon**
Medium-term

**Likelihood**
Virtually certain

**Magnitude of impact**
Medium-low

**Are you able to provide a potential financial impact figure?**
Yes, an estimated range

**Potential financial impact figure (currency)**
<Not Applicable>

**Potential financial impact figure – minimum (currency)**
0

**Potential financial impact figure – maximum (currency)**
1000000

**Explanation of financial impact figure**
By sourcing more locally, we are able to save on transport costs on an annual basis. There is also potential to expand this local sourcing strategy to other product lines.

**Cost to realize opportunity**
0

**Strategy to realize opportunity and explanation of cost calculation**
Identifying cost-savings opportunities is a part of our business process. The cost to realize this opportunity is virtually 0.

**Comment**

## C3. Business Strategy

### C3.1

**(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?**
Yes

### C3.1a

**(C3.1a) Does your organization use climate-related scenario analysis to inform its strategy?**
Yes, qualitative

### C3.1b

**(C3.1b) Provide details of your organization's use of climate-related scenario analysis.**

| Climate-related scenarios and models applied | Details |
|---|---|
| Other, please specify (Proprietary model) | ScottsMiracle-Gro evaluates short- and medium-term climate risk to our business regularly, using software that looks at climate and weather impacts across regions and product categories. The software uses data on weather patterns, forecasts, and previous sales data to help us plan our production, marketing, supply chain and sales more accurately. The model is updated periodically to account for shifting patterns and trends that may impact its forecasting ability. |

### C3.1d

**(C3.1d) Describe where and how climate-related risks and opportunities have influenced your strategy.**

| | Have climate-related risks and opportunities influenced your strategy in this area? | Description of influence |
|---|---|---|
| Products and services | Yes | The sales of our products and services are susceptible to climatic and weather conditions. Abnormally dry or wet seasons or years can adversely impact the sale of certain products, while increasing demand for others. Recognizing this, our diversified business strategy and geographic distribution helps reduce these risks. We forecast climate and weather by region and plan our sales and products accordingly. |
| Supply chain and/or value chain | Yes | We source many of our commodities and other raw materials on a global basis, which can be affected by climatic and weather conditions. Any significant disruption in these could adversely impact our cost structure. Our suppliers and distribution centers are subject to disruption as a result of climate-driven events such as fires, flooding and other natural disasters. These interruptions can impact our capacity to produce and deliver products and services for our customers in a timely manner, which could adversely impact our business. We mitigate some of the potential impacts from climate change by diversifying our supply chain and building in lead-time where there is potential for business disruptions. |
| Investment in R&D | Yes | We invest in research and development, both in the laboratory and at the consumer level, to improve our products, manufacturing processes, packaging and delivery systems. Through our R&D process, we take into account risks that may occur years in the future and create products to address those future needs. This includes future conditions, such as climate change, that may impact how our consumers use our products in the future. For example, a future with more droughts means that our products must be created to help our customers address these conditions. |
| Operations | Yes | Our core business operations are driven by climate. We continuously monitor weather trends across the regions we operate and make business decisions based on what our models forecast for the season. This influences our investments and timing in production, sales, marketing and advertising. |

## C3.1e

**(C3.1e) Describe where and how climate-related risks and opportunities have influenced your financial planning.**

| | Financial planning elements that have been influenced | Description of influence |
|---|---|---|
| Row 1 | Revenues Capital allocation | Revenues. The sales of our products and services are susceptible to climatic and weather conditions. We use advanced climate and weather modeling to make decisions on our business. Climatic factors influence our business decisions every day and we rely on our models to accurately predict customer and consumer behavior and the need for appropriate products at appropriate times. For example, in a region where we anticipate an upcoming drought, we plan to meet consumer demand for water efficient and drought-resistant products. Capital allocation. Our investment in R&D relies on foreseeing future climate trends and creating new products to address future consumer needs for our lawn and gardening products in the future. We customize our product portfolio to a changing climate in North America, and target R&D investments that will adapt to these changes. |

## C3.1f

**(C3.1f) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).**

Water stewardship issues, including water quality and quantity, continue to be an area of focus for our company. Harmful algal blooms, driven by nutrient runoff, are exacerbated by climate change through increasing temperatures and increasing frequency and intensity of rainfall events, particularly in the eastern United States. In the American West, drought continues to drive urgency around conserving limited resources. We recognize these as both risks and opportunities for our business and continue to invest in developing products that enable consumers in these regions to care for their lawns and landscapes while protecting their water resources. In addition, we continue investing in partnerships with leading environmental organizations to tackle this issue head-on. With a combined reach of 142 million people, these organizations are at the forefront of change by driving scientific innovation, protecting vital waterways and advocating for all Americans' right to safe and accessible water.

# C4. Targets and performance

## C4.1

**(C4.1) Did you have an emissions target that was active in the reporting year?**

No target

## C4.1c

**(C4.1c) Explain why you did not have an emissions target, and forecast how your emissions will change over the next five years.**

| | Primary reason | Five-year forecast | Please explain |
|---|---|---|---|
| Row 1 | We are planning to introduce a target in the next two years | There are a number of factors that will impact the trajectory of our emissions over the next 5 years. For example, through 2019 and the beginning of 2020, we saw the rise of Direct-to-Consumer (DTC) shipping. We expect that this trend will continue, as a result of COVID-19 for at least the near term. The switch to DTC may increase our emissions. On the other hand, as we improve our understanding of our emissions, we will begin introducing measures to reduce emissions across the board. | In 2019, we underwent a materiality and goal setting process to better identify our impacts as a company. In our 2019 sustainability report, we published a qualitative goal to enhance our measuring capabilities to baseline and track our carbon footprint across operations and establish reduction targets in consideration of the risks associated with climate change. We are also working to develop and track sustainability goals with our suppliers related to emissions. Through 2020, we will continue improving our data collection procedures to better understand our GHG emissions, and will set a more quantitative goal when we have finished baselining. |

## C4.2

**(C4.2) Did you have any other climate-related targets that were active in the reporting year?**

No other climate-related targets

## C4.3

**(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.**

Yes

## C4.3a

**(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.**

| | Number of initiatives | Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *) |
|---|---|---|
| Under investigation | 0 | 0 |
| To be implemented* | 2 | 80.8 |
| Implementation commenced* | 0 | 0 |
| Implemented* | 2 | 151.6 |
| Not to be implemented | 0 | 0 |

## C4.3b

**(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.**

**Initiative category & Initiative type**

| | |
|---|---|
| Energy efficiency in buildings | Lighting |

**Estimated annual CO2e savings (metric tonnes CO2e)**
94.3

**Scope(s)**
Scope 2 (location-based)

**Voluntary/Mandatory**
Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**
20000

**Investment required (unit currency – as specified in C0.4)**
112000

**Payback period**
4-10 years

**Estimated lifetime of the initiative**
11-15 years

**Comment**

**Initiative category & Initiative type**

| | |
|---|---|
| Energy efficiency in buildings | Lighting |

**Estimated annual CO2e savings (metric tonnes CO2e)**
57.3

**Scope(s)**
Scope 2 (location-based)

**Voluntary/Mandatory**
Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**
9545

**Investment required (unit currency – as specified in C0.4)**
42000

**Payback period**
4-10 years

**Estimated lifetime of the initiative**
11-15 years

**Comment**

## C4.3c

**(C4.3c) What methods do you use to drive investment in emissions reduction activities?**

| Method | Comment |
|---|---|
| Financial optimization calculations | In order to drive emissions reduction investment, we calculate the return on investment of our initiatives. In order to invest in energy efficiency projects, the projects must meet a 15% threshold. |

## C4.5

**(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?**
Yes

## C4.5a

**(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.**

**Level of aggregation**
Product

**Description of product/Group of products**
Our ProVista turf grass was proven in studies to grow half as fast as comparable other grass. This requires half the inputs of other products, translating to half the carbon emissions from mowing.

**Are these low-carbon product(s) or do they enable avoided emissions?**
Avoided emissions

**Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions**
Other, please specify (Using various mechanisms, including standard calculations for gas usage of a lawn mower and established emissions factors for gasoline. Our studies show that this product grows half as fast as conventional grass, requiring half the mowing. )

**% revenue from low carbon product(s) in the reporting year**
0.02

**% of total portfolio value**
<Not Applicable>

**Asset classes/ product types**
<Not Applicable>

**Comment**

## C5. Emissions methodology

### C5.1

**(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).**

**Scope 1**

**Base year start**
October 1 2018

**Base year end**
September 30 2019

**Base year emissions (metric tons CO2e)**
75460.1

**Comment**

**Scope 2 (location-based)**

**Base year start**
October 1 2018

**Base year end**
September 30 2019

**Base year emissions (metric tons CO2e)**
48880.2

**Comment**

**Scope 2 (market-based)**

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

### C5.2

**(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.**
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

## C6. Emissions data

## C6.1

**(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?**

**Reporting year**

**Gross global Scope 1 emissions (metric tons CO2e)**
75460.1

**Start date**
<Not Applicable>

**End date**
<Not Applicable>

**Comment**

## C6.2

**(C6.2) Describe your organization's approach to reporting Scope 2 emissions.**

**Row 1**

**Scope 2, location-based**
We are reporting a Scope 2, location-based figure

**Scope 2, market-based**
We have operations where we are able to access electricity supplier emission factors or residual emissions factors, but are unable to report a Scope 2, market-based figure

**Comment**

## C6.3

**(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?**

**Reporting year**

**Scope 2, location-based**
48880.2

**Scope 2, market-based (if applicable)**
<Not Applicable>

**Start date**
<Not Applicable>

**End date**
<Not Applicable>

**Comment**

## C6.4

**(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?**
Yes

## C6.4a

**(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.**

**Source**
The Hawthorne Gardening Company

**Relevance of Scope 1 emissions from this source**
Emissions are relevant but not yet calculated

**Relevance of location-based Scope 2 emissions from this source**
Emissions are relevant but not yet calculated

**Relevance of market-based Scope 2 emissions from this source (if applicable)**
Emissions are relevant but not yet calculated

**Explain why this source is excluded**
The Hawthorne segment of our business has undergone a number of sizeable acquisitions over the past several years. Hawthorne represents 21% of our sales. We are working to develop a standardized process to collect relevant environmental data from this part of our business in the coming years.

## C6.5

**(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.**

### Purchased goods and services

**Evaluation status**
Not evaluated

**Metric tonnes CO2e**
<Not Applicable>

**Emissions calculation methodology**
<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
<Not Applicable>

**Please explain**

### Capital goods

**Evaluation status**
Not evaluated

**Metric tonnes CO2e**
<Not Applicable>

**Emissions calculation methodology**
<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
<Not Applicable>

**Please explain**

### Fuel-and-energy-related activities (not included in Scope 1 or 2)

**Evaluation status**
Not evaluated

**Metric tonnes CO2e**
<Not Applicable>

**Emissions calculation methodology**
<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
<Not Applicable>

**Please explain**

### Upstream transportation and distribution

**Evaluation status**
Not evaluated

**Metric tonnes CO2e**
<Not Applicable>

**Emissions calculation methodology**
<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
<Not Applicable>

**Please explain**

### Waste generated in operations

**Evaluation status**
Relevant, not yet calculated

**Metric tonnes CO2e**
<Not Applicable>

**Emissions calculation methodology**
<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
<Not Applicable>

**Please explain**

### Business travel

**Evaluation status**
Relevant, not yet calculated

**Metric tonnes CO2e**
<Not Applicable>

**Emissions calculation methodology**
<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
<Not Applicable>

**Please explain**

### Employee commuting

**Evaluation status**
Not evaluated

**Metric tonnes CO2e**
<Not Applicable>

**Emissions calculation methodology**
<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
<Not Applicable>

**Please explain**

### Upstream leased assets

**Evaluation status**
Not evaluated

**Metric tonnes CO2e**
<Not Applicable>

**Emissions calculation methodology**
<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
<Not Applicable>

**Please explain**

### Downstream transportation and distribution

**Evaluation status**
Relevant, not yet calculated

**Metric tonnes CO2e**
<Not Applicable>

**Emissions calculation methodology**
<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
<Not Applicable>

**Please explain**

### Processing of sold products

**Evaluation status**
Not evaluated

**Metric tonnes CO2e**
<Not Applicable>

**Emissions calculation methodology**
<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
<Not Applicable>

**Please explain**

### Use of sold products

**Evaluation status**
Not evaluated

**Metric tonnes CO2e**
<Not Applicable>

**Emissions calculation methodology**
<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
<Not Applicable>

**Please explain**

### End of life treatment of sold products

**Evaluation status**
Not evaluated

**Metric tonnes CO2e**
<Not Applicable>

**Emissions calculation methodology**
<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
<Not Applicable>

**Please explain**

### Downstream leased assets

**Evaluation status**
Not evaluated

**Metric tonnes CO2e**
<Not Applicable>

**Emissions calculation methodology**
<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
<Not Applicable>

**Please explain**

### Franchises

**Evaluation status**
Not evaluated

**Metric tonnes CO2e**
<Not Applicable>

**Emissions calculation methodology**
<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
<Not Applicable>

**Please explain**

### Investments

**Evaluation status**
Not evaluated

**Metric tonnes CO2e**
<Not Applicable>

**Emissions calculation methodology**
<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
<Not Applicable>

**Please explain**

**Other (upstream)**

**Evaluation status**
Not evaluated

**Metric tonnes CO2e**
<Not Applicable>

**Emissions calculation methodology**
<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
<Not Applicable>

**Please explain**

**Other (downstream)**

**Evaluation status**
Not evaluated

**Metric tonnes CO2e**
<Not Applicable>

**Emissions calculation methodology**
<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
<Not Applicable>

**Please explain**

## C6.7

**(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?**
No

## C6.10

**(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.**

**Intensity figure**
0.00005

**Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)**
124340.2

**Metric denominator**
unit total revenue

**Metric denominator: Unit total**
2484800000

**Scope 2 figure used**
Location-based

**% change from previous year**
0

**Direction of change**
No change

**Reason for change**
We are unable to determine trends based on previous year data. We will be able to better report this number in the future. The “Unit Total Revenue” figure represents the sales for our business in 2019, excluding The Hawthorne Gardening Company, as described in 6.4a.

# C7. Emissions breakdowns

## C7.1

**(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?**
Yes

## C7.1a

**(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).**

| Greenhouse gas | Scope 1 emissions (metric tons of CO2e) | GWP Reference |
|---|---|---|
| CO2 | 74698.66 | IPCC Fourth Assessment Report (AR4 - 100 year) |
| CH4 | 0.81 | IPCC Fourth Assessment Report (AR4 - 100 year) |
| N2O | 2.49 | IPCC Fourth Assessment Report (AR4 - 100 year) |

## C7.2

**(C7.2) Break down your total gross global Scope 1 emissions by country/region.**

| Country/Region | Scope 1 emissions (metric tons CO2e) |
|---|---|
| United States of America | 68403.9 |
| Canada | 7056.2 |

## C7.3

**(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.**

By activity

## C7.3c

**(C7.3c) Break down your total gross global Scope 1 emissions by business activity.**

| Activity | Scope 1 emissions (metric tons CO2e) |
|---|---|
| Sales | 2875.6 |
| Distribution | 3689.5 |
| Operations | 68895 |

## C7.5

**(C7.5) Break down your total gross global Scope 2 emissions by country/region.**

| Country/Region | Scope 2, location-based (metric tons CO2e) | Scope 2, market-based (metric tons CO2e) | Purchased and consumed electricity, heat, steam or cooling (MWh) | Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh) |
|---|---|---|---|---|
| United States of America | 47613.8 | | 102263.4 | |
| Canada | 1266.4 | | 12356.7 | |

## C7.6

**(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.**

By activity

## C7.6c

**(C7.6c) Break down your total gross global Scope 2 emissions by business activity.**

| Activity | Scope 2, location-based (metric tons CO2e) | Scope 2, market-based (metric tons CO2e) |
|---|---|---|
| Sales | 0 | |
| Distribution | 0 | |
| Operations | 48880.2 | |

## C7.9

**(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?**
This is our first year of reporting, so we cannot compare to last year

## C8. Energy

### C8.1

**(C8.1) What percentage of your total operational spend in the reporting year was on energy?**
More than 5% but less than or equal to 10%

### C8.2

**(C8.2) Select which energy-related activities your organization has undertaken.**

| | Indicate whether your organization undertook this energy-related activity in the reporting year |
|---|---|
| Consumption of fuel (excluding feedstocks) | Yes |
| Consumption of purchased or acquired electricity | Yes |
| Consumption of purchased or acquired heat | No |
| Consumption of purchased or acquired steam | No |
| Consumption of purchased or acquired cooling | No |
| Generation of electricity, heat, steam, or cooling | Yes |

### C8.2a

**(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.**

| | Heating value | MWh from renewable sources | MWh from non-renewable sources | Total (renewable and non-renewable) MWh |
|---|---|---|---|---|
| Consumption of fuel (excluding feedstock) | HHV (higher heating value) | 0 | 340298.92 | 340298.92 |
| Consumption of purchased or acquired electricity | <Not Applicable> | 0 | 114620.14 | 114620.14 |
| Consumption of purchased or acquired heat | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Consumption of purchased or acquired steam | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Consumption of purchased or acquired cooling | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Consumption of self-generated non-fuel renewable energy | <Not Applicable> | 0 | <Not Applicable> | 0 |
| Total energy consumption | <Not Applicable> | 0 | 454919.06 | 454919.06 |

### C8.2b

**(C8.2b) Select the applications of your organization's consumption of fuel.**

| | Indicate whether your organization undertakes this fuel application |
|---|---|
| Consumption of fuel for the generation of electricity | Yes |
| Consumption of fuel for the generation of heat | No |
| Consumption of fuel for the generation of steam | Yes |
| Consumption of fuel for the generation of cooling | No |
| Consumption of fuel for co-generation or tri-generation | No |

### C8.2c

**(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.**

**Fuels (excluding feedstocks)**
Natural Gas

**Heating value**
HHV (higher heating value)

**Total fuel MWh consumed by the organization**
99358.77

**MWh fuel consumed for self-generation of electricity**
0

**MWh fuel consumed for self-generation of heat**
0

**MWh fuel consumed for self-generation of steam**

**MWh fuel consumed for self-generation of cooling**
<Not Applicable>

**MWh fuel consumed for self-cogeneration or self-trigeneration**
<Not Applicable>

**Emission factor**
53.11

**Unit**
kg CO2 per million Btu

**Emissions factor source**
EPA Emission Factors for GHG Inventories

**Comment**
We consume some natural gas for the generation of steam in our operations; however, at this point we are unable to determine the amount used for steam vs. other applications.

---

**Fuels (excluding feedstocks)**
Kerosene

**Heating value**
HHV (higher heating value)

**Total fuel MWh consumed by the organization**
15.11

**MWh fuel consumed for self-generation of electricity**
0

**MWh fuel consumed for self-generation of heat**
0

**MWh fuel consumed for self-generation of steam**
0

**MWh fuel consumed for self-generation of cooling**
<Not Applicable>

**MWh fuel consumed for self-cogeneration or self-trigeneration**
<Not Applicable>

**Emission factor**
10.27

**Unit**
kg CO2 per gallon

**Emissions factor source**
EPA Emission Factors for GHG Inventories

**Comment**

---

**Fuels (excluding feedstocks)**
Propane Gas

**Heating value**
HHV (higher heating value)

**Total fuel MWh consumed by the organization**
95024.88

**MWh fuel consumed for self-generation of electricity**

**MWh fuel consumed for self-generation of heat**
0

**MWh fuel consumed for self-generation of steam**

**MWh fuel consumed for self-generation of cooling**
<Not Applicable>

**MWh fuel consumed for self-cogeneration or self-trigeneration**
<Not Applicable>

**Emission factor**
5.8

**Unit**
kg CO2e per gallon

**Emissions factor source**
EPA Emission Factors for GHG Inventories

**Comment**

We consume some propane for the generation of steam at one of our plants. We also use propane to fuel a back-up generator for electricity. At this point, we are unable to determine the amount used for steam vs. other applications.

**Fuels (excluding feedstocks)**
Distillate Oil

**Heating value**
HHV (higher heating value)

**Total fuel MWh consumed by the organization**
96099.26

**MWh fuel consumed for self-generation of electricity**
0

**MWh fuel consumed for self-generation of heat**
0

**MWh fuel consumed for self-generation of steam**
0

**MWh fuel consumed for self-generation of cooling**
<Not Applicable>

**MWh fuel consumed for self-cogeneration or self-trigeneration**
<Not Applicable>

**Emission factor**
10.33

**Unit**
kg CO2e per gallon

**Emissions factor source**
EPA Emission Factors for GHG Inventories

**Comment**

**Fuels (excluding feedstocks)**
Motor Gasoline

**Heating value**
HHV (higher heating value)

**Total fuel MWh consumed by the organization**
31244.08

**MWh fuel consumed for self-generation of electricity**
0

**MWh fuel consumed for self-generation of heat**
0

**MWh fuel consumed for self-generation of steam**
0

**MWh fuel consumed for self-generation of cooling**
<Not Applicable>

**MWh fuel consumed for self-cogeneration or self-trigeneration**
<Not Applicable>

**Emission factor**
8.9

**Unit**
kg CO2e per gallon

**Emissions factor source**
EPA Emission Factors for GHG Inventories

**Comment**

**Fuels (excluding feedstocks)**
Jet Kerosene

**Heating value**
HHV (higher heating value)

**Total fuel MWh consumed by the organization**
18556.82

**MWh fuel consumed for self-generation of electricity**
0

**MWh fuel consumed for self-generation of heat**
0

**MWh fuel consumed for self-generation of steam**
0

**MWh fuel consumed for self-generation of cooling**
<Not Applicable>

**MWh fuel consumed for self-cogeneration or self-trigeneration**
<Not Applicable>

**Emission factor**
9.87

**Unit**
kg CO2e per gallon

**Emissions factor source**
EPA Emission Factors for GHG Inventories

**Comment**

## C8.2d

**(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.**

| | Total Gross generation (MWh) | Generation that is consumed by the organization (MWh) | Gross generation from renewable sources (MWh) | Generation from renewable sources that is consumed by the organization (MWh) |
|---|---|---|---|---|
| Electricity | | | 0 | 0 |
| Heat | 0 | 0 | 0 | 0 |
| Steam | | | 0 | 0 |
| Cooling | 0 | 0 | 0 | 0 |

## C9. Additional metrics

## C9.1

**(C9.1) Provide any additional climate-related metrics relevant to your business.**

**Description**
Waste

**Metric value**
31385

**Metric numerator**
Short tons

**Metric denominator (intensity metric only)**

**% change from previous year**

**Direction of change**
<Not Applicable>

**Please explain**
We began reporting our waste in short tons in our 2019 Responsibility Report.

**Description**
Other, please specify (Water Withdrawals)

**Metric value**
17529.8

**Metric numerator**
Megaliters

**Metric denominator (intensity metric only)**

**% change from previous year**

**Direction of change**
<Not Applicable>

**Please explain**
We began reporting our water withdrawals in megaliters in our 2019 Responsibility Report.

## C10. Verification

## C10.1

**(C10.1) Indicate the verification/assurance status that applies to your reported emissions.**

| | Verification/assurance status |
|---|---|
| Scope 1 | No third-party verification or assurance |
| Scope 2 (location-based or market-based) | No third-party verification or assurance |
| Scope 3 | No emissions data provided |

## C10.2

**(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?**

No, we do not verify any other climate-related information reported in our CDP disclosure

# C11. Carbon pricing

## C11.1

**(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?**

No, and we do not anticipate being regulated in the next three years

## C11.2

**(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?**

No

## C11.3

**(C11.3) Does your organization use an internal price on carbon?**

No, and we do not currently anticipate doing so in the next two years

# C12. Engagement

## C12.1

**(C12.1) Do you engage with your value chain on climate-related issues?**

Yes, our suppliers

Yes, our customers

## C12.1a

**(C12.1a) Provide details of your climate-related supplier engagement strategy.**

**Type of engagement**
Information collection (understanding supplier behavior)

**Details of engagement**
Collect climate change and carbon information at least annually from suppliers

**% of suppliers by number**
3.6

**% total procurement spend (direct and indirect)**
47.2

**% of supplier-related Scope 3 emissions as reported in C6.5**

**Rationale for the coverage of your engagement**
While service suppliers (all indirect suppliers) play an important role in our value chain, their impact on the climate was deemed to be only a fraction of the impact of our direct materials suppliers. Therefore, we focused our efforts on our material suppliers for this initiative. We have 50+ manufacturing facilities in our supply chain and a significant amount of our materials are from small local suppliers; therefore, we decided to engage our key national suppliers in our survey and plans to make the most impact on our climate efforts.

**Impact of engagement, including measures of success**
As part of our supplier engagement, we asked suppliers to provide responses to questions related to their overall sustainability programs as well as more specific questions on CO2 emissions, climate targets, electricity and renewable energy use, and waste and water management initiatives. We began this survey in 2010 and repeated it every two years through 2018. After every survey, we categorized suppliers based on their responses and worked with them to make improvements to their programs. Success was measured after the 5th survey in 2018. We had more than 90% of our suppliers respond above our thresholds (yes to more than 5 of our survey questions). This was up from 41% at the time of our first survey in 2010.

**Comment**

## C12.1b

**(C12.1b) Give details of your climate-related engagement strategy with your customers.**

**Type of engagement**
Collaboration & innovation

**Details of engagement**
Other, please specify (Run an engagement campaign to educate customers about your climate change performance and strategy )

**% of customers by number**
100

**% of customer - related Scope 3 emissions as reported in C6.5**

**Portfolio coverage (total or outstanding)**
<Not Applicable>

**Please explain the rationale for selecting this group of customers and scope of engagement**
We share information with 100% of our major customers and engage with them through our sustainability report and through direct supplier engagement initiatives.

**Impact of engagement, including measures of success**
We share our climate performance with our customers through our sustainability reporting initiatives. We also participate in supplier initiatives with our customers. As we solidify our next emissions reduction commitment, we will align that with our customer goals and share that with them.

## C12.3

**(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?**
Direct engagement with policy makers
Trade associations
Funding research organizations

## C12.3a

**(C12.3a) On what issues have you been engaging directly with policy makers?**

| Focus of legislation | Corporate position | Details of engagement | Proposed legislative solution |
|---|---|---|---|
| Adaptation or resilience | Support | As a lawn and garden company, we look to support legislation and engage with policymakers on issues related to adaptation and resilience, particularly with regards to water. With the increasing frequency and severity of droughts, as a result of climate change, this engagement is important to us and the continued sustainability of our products. | We work to ensure water-related legislation includes language on lawn and garden products. As a company, we have worked to develop water efficient solutions to climate-related issues such as drought that increase adaptive capacity and resiliency in a world where rainfall is increasingly inconsistent. |

## C12.3b

**(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?**
Yes

## C12.3c

**(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.**

**Trade association**
Canadian Sphagnum Peat Moss Association (CSPMA)

**Is your position on climate change consistent with theirs?**
Consistent

**Please explain the trade association's position**
The CSPMA is committed to a sustainable management and development approach that provides environmental responsibility, economic viability and social accountability. The CSPMA works with its members to sustainably restore harvested peatlands. The future environmental value (including carbon sequestration) is safeguarded by the restoration and/or reclamation management practices in place today.

**How have you influenced, or are you attempting to influence their position?**
ScottsMiracle-Gro participates in this industry association. Our views are consistent with organization, and we sustainably restore peatlands that are impacted by our operations.

**Trade association**
CropLife America

**Is your position on climate change consistent with theirs?**
Consistent

**Please explain the trade association's position**
CropLife's objective related to sustainability is to continually improve their environmental outcomes through voluntary conservation measures and innovative technologies. CropLife uses the UN SDGs (including those related to climate change) and stakeholder input as a foundation to define environmental goals and outcomes that enhance farmer sustainability. They aim to increase the level of voluntary stewardship activity by engaging with member organizations to take at least one action to meet industry sustainability goals.

**How have you influenced, or are you attempting to influence their position?**
We engage with CropLIfe in both Canada and the United states. Through our engagement, we advocate for innovation, competitiveness and sustainability within our industry. We work with the organization to enhance the reputation of the plant science industry and advocate for advances that help mitigate and adapt to climate change.

## C12.3d

**(C12.3d) Do you publicly disclose a list of all research organizations that you fund?**
No

## C12.3f

**(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?**

We disclose our positions on various related issues on our website and within our Corporate Responsibility Report. To ensure that all our direct and indirect activities that influence policy are consistent with our climate change strategy. We participate in trade association meetings to discuss our mutual ESG goals and strategies. We engage directly with a number of trade associations on a variety of ESG issues.

## C12.4

**(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).**

**Publication**
In voluntary sustainability report

**Status**
Complete

**Attach the document**
CSR-ScottsMiracle-Gro-2020.pdf

**Page/Section reference**
31

**Content elements**
Governance
Emissions figures
Emission targets

**Comment**

## C15. Signoff

### C-FI

**(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.**

### C15.1

**(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.**

| | Job title | Corresponding job category |
|---|---|---|
| Row 1 | EVP, Chief Communications Officer | Other C-Suite Officer |

## SC. Supply chain module

### SC0.0

**(SC0.0) If you would like to do so, please provide a separate introduction to this module.**

### SC0.1

**(SC0.1) What is your company's annual revenue for the stated reporting period?**

| | Annual Revenue |
|---|---|
| Row 1 | 3156000000 |

### SC0.2

**(SC0.2) Do you have an ISIN for your company that you would be willing to share with CDP?**
Yes

### SC0.2a

**(SC0.2a) Please use the table below to share your ISIN.**

| | ISIN country code (2 letters) | ISIN numeric identifier and single check digit (10 numbers overall) |
|---|---|---|
| Row 1 | US | 8101861065 |

## SC1.1

**(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.**

**Requesting member**
Walmart, Inc.

**Scope of emissions**
Scope 1

**Allocation level**
Company wide

**Allocation level detail**
<Not Applicable>

**Emissions in metric tonnes of CO2e**
7546

**Uncertainty (±%)**
10

**Major sources of emissions**
Our Scope 1 emissions arise from our use of natural gas, propane and distillate oil.

**Verified**
No

**Allocation method**
Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**
ScottsMiracle-Gro has allocated emissions to customers using the fraction of our global sales to the customer applied to our total GHG emissions.

**Requesting member**
Walmart, Inc.

**Scope of emissions**
Scope 2

**Allocation level**
Company wide

**Allocation level detail**
<Not Applicable>

**Emissions in metric tonnes of CO2e**
4888

**Uncertainty (±%)**
10

**Major sources of emissions**
Our Scope 2 emissions arise from our use of purchased electricity.

**Verified**
No

**Allocation method**
Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**
ScottsMiracle-Gro has allocated emissions to customers using the fraction of our global sales to the customer applied to our total GHG emissions.

## SC1.2

**(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).**

## SC1.3

**(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?**

| Allocation challenges | Please explain what would help you overcome these challenges |
|---|---|
| Diversity of product lines makes accurately accounting for each product/product line cost ineffective | We continue to improve the quality and breadth of our environmental data collection, including the systems and processes for recording and analyzing this data. As we improve our data, we can begin to gain a better understanding of what our product emissions are. |

## SC1.4

**(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?**
No

## SC1.4b

**(SC1.4b) Explain why you do not plan to develop capabilities to allocate emissions to your customers.**

We are beginning to track our carbon emissions performance within our company. We do not anticipate having the capability to allocate emissions to customers.

## SC2.1

**(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.**

**Requesting member**
Walmart, Inc.

**Group type of project**
Change to provision of goods and services

**Type of project**
Reduced packaging weight

**Emissions targeted**
Actions that would reduce both our own and our customers' emissions

**Estimated timeframe for carbon reductions to be realized**
1-3 years

**Estimated lifetime CO2e savings**
2.96

**Estimated payback**
3-5 years

**Details of proposal**
ScottsMiracle-Gro sees an opportunity to redesign a major packaging platform to reduce plastic use, as described in question 2.4a above.

## SC2.2

**(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?**
No

## SC3.1

**(SC3.1) Do you want to enroll in the 2020-2021 CDP Action Exchange initiative?**
No

## SC3.2

**(SC3.2) Is your company a participating supplier in CDP's 2019-2020 Action Exchange initiative?**
No

## SC4.1

**(SC4.1) Are you providing product level data for your organization's goods or services?**
No, I am not providing data

## Submit your response

**In which language are you submitting your response?**

English

**Please confirm how your response should be handled by CDP**

| | I am submitting to | Public or Non-Public Submission | Are you ready to submit the additional Supply Chain Questions? |
|---|---|---|---|
| I am submitting my response | Investors<br>Customers | Public | Yes, submit Supply Chain Questions now |

**Please confirm below**

I have read and accept the applicable Terms