

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. We divide our business into the following reportable segments: U.S. Consumer, Hawthorne, and Other. U.S. Consumer consists of our consumer lawn and garden business located in the geographic United States. 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. Other consists of our consumer lawn and garden business in geographies other than the United States and our product sales to commercial nurseries, greenhouses and other professional customers.

Energy, emissions, and climate change are material across our business, and we work to reduce the energy impact of our operations in order to reduce our greenhouse gas emissions (GHG). Our main energy use comes from electricity and natural gas use in our operations and fleet fuel. Emissions from our products are not a significant source of emissions for our business; rather, many of our products are used to grow plants, which are effective at removing carbon from the atmosphere. Our consumers expect us to help them reduce their emissions. We are looking at ways to reduce the impact of our energy use through initiatives such as efficiency projects and renewable energy.

For additional information, visit us at www.scottsmiraclegro.com.

Information regarding activities, events and developments that we expect or anticipate will or may occur in the future, including, but not limited to, information relating to our future growth and profitability targets and strategies designed to increase total shareholder value, are forward-looking statements based on management’s estimates, assumptions and projections. Actual results could differ materially from the forward-looking information in this 2021 CDP Response due to a variety of factors. We disclaim any obligation to update developments of these risk factors or to announce publicly any revisions to any of the forward-looking statements that we make, or to make corrections to reflect future events or developments, except as required by the federal securities laws.

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 2019	September 30 2020	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
Board-level committee	Our Board works with senior leadership to provide oversight of economic, environmental, social and governance (ESG) topics including climate change. In our 2020 and 2021 CSR reports, we list climate change as one of our material topics and prioritize climate change as an area of ongoing management. Our business and our products are directly related to climate. We design products to work in different climates, and under various conditions, to meet the needs and preferences of our customers. Therefore, oversight of our business and sustainability programs includes responsibility for our response to climate change. The Nominating and Governance Committee is responsible for oversight of the Company's corporate social responsibility programs and goals and the company's progress toward achieving these goals. In meeting this responsibility, the Committee shall: (i) oversee the Company's policies, practices and performance with respect to corporate social responsibility matters; (ii) oversee the Company's reporting standards in relation to corporate social responsibility matters; and (iii) take other actions related to corporate social responsibility as it deems appropriate. The chair of the Nominating and Governance Committee serves as the liaison between management and the Board of Directors on ESG issues. Board briefings may include updates on sustainability strategy development, setting and managing climate-related targets and measuring and managing the company's greenhouse gas (GHG) inventory. The Innovation and Technology Committee, in consultation with the Nominating and Governance, is responsible for providing guidance to the Board and management with regard to the Company's sustainability policies and practices as they relate to the Company's existing and new product technologies and its marketing and branding programs.

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 Reviewing and guiding risk management policies 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, and meets at least four times per year. The chair of the Nominating & Governance Committee, serves as the liaison between management and the Board of Directors on ESG issues. The Nominating and Governance Committee, which meets at least three times per year, is responsible for oversight of the Company's corporate social responsibility programs and goals and the company's progress toward achieving these goals. The Innovation and Technology Committee, in consultation with the Nominating and Governance, is responsible for providing guidance to the Board and management with regard to the Company's sustainability policies and practices as they relate to the Company's existing and new product technologies and its marketing and branding programs. Topics included in Board 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
Chief Operating Officer (COO)	<Not Applicable>	Managing climate-related risks and opportunities	<Not Applicable>	As important matters arise

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).

At ScottsMiracle-Gro, everything we do is related to the climate. We design products to work in different climates, and under various conditions, to meet the needs and preferences of our customers. Therefore, oversight of our business and sustainability programs includes responsibility for our response to climate change. The EVP/Chief Communications Officer is responsible for leading the company's investor relations, government relations, public affairs, corporate responsibility, and community relations activities. As part of this responsibility, this role also 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 & Chief Operating Officer 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 and Board committees on its 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, and we do not 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 (earnings before interest, taxes, depreciation, and amortization) impact above \$30M with a likelihood of occurring more than once in 5 years. For example, this could include certain acute physical risks, which could alter customer demand for our products or interrupt our operations and impact our capacity to deliver products and service our customers in a timely manner. This is especially true for those products that we manufacture at a limited number of facilities, such as our fertilizer and liquid products.

ScottsMiracle-Gro also assesses risk by assigning risks a score out of 5, with higher scores indicating a more critical risk, and lower scores indicating minor risks. Our scoring process considers impact, likelihood, vulnerability (current business capability), and risk velocity. 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) 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. The program seeks to annually collaboratively identify, evaluate and prioritize key risks for the organization. These key risks are used by the Company's leadership to align strategies, set organizational goals and allocate resources. The ERM life cycle consists of (1) the identification, review and update of the risk universe, (2) the evaluation and scoring of identified risks within that population, (3) the calibration with executive leadership on the most significant risks, (4) the memorialization of risk management plans for the key risks by the respective risk owners, and (5) the report out of these risk management plans by the risk owners to the Company's Board of Directors. ScottsMiracle-Gro assesses risks by assigning risks a score from 1 to 5, with 5 indicating the most critical risk, and 1 indicating minor risks. Our scoring process considers impact, likelihood, vulnerability (current business capability), and risk velocity. We constantly monitor climate and weather patterns on a regional basis and adapt our operations accordingly. 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. Our senior leadership actively engages with environmental and social risks and opportunities. In addition, 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.

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 annual ERM process examines risks to our direct operations, as well as to our supply chain and customers. The program seeks to annually collaboratively identify, evaluate and prioritize key risks for the organization. These key risks are used by the Company's leadership to align strategies, set organizational goals and allocate resources. The ERM life cycle consists of (1) the identification, review and update of the risk universe, (2) the evaluation and scoring of identified risks within that population, (3) the calibration with executive leadership on the most significant risks, (4) the memorialization of risk management plans for the key risks by the respective risk owners, and (5) the report out of these risk management plans by the risk owners to the Company's Board of Directors. ScottsMiracle-Gro assesses risks by assigning risks a score out of 5, with higher scores indicating a more critical risk, and lower scores indicating minor risks. Our scoring process considers impact, likelihood, vulnerability (current business capability), and risk velocity. ScottsMiracle-Gro evaluates short- and medium-term climate risk to our business regularly, including our upstream activities, 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. Our senior leadership actively engages with environmental and social policies, risks and opportunities. In addition, 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.

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 annual ERM process examines risks to our direct operations, as well as to our supply chain and customers. The program seeks to annually collaboratively identify, evaluate and prioritize key risks for the organization. These key risks are used by the Company's leadership to align strategies, set organizational goals and allocate resources. The ERM life cycle consists of (1) the identification, review and update of the risk universe, (2) the evaluation and scoring of identified risks within that population, (3) the calibration with executive leadership on the most significant risks, (4) the memorialization of risk management plans for the key risks by the respective risk owners, and (5) the report out of these risk management plans by the risk owners to the Company's Board of Directors. ScottsMiracle-Gro assesses risks by assigning risks a score out of 5, with higher scores indicating a more critical risk, and lower scores indicating minor risks. Our scoring process considers impact, likelihood, vulnerability (current business capability), and risk velocity.

ScottsMiracle-Gro evaluates short- and medium-term climate risk to our business regularly, including our downstream activities, 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. Our senior leadership actively engages with environmental and social policies, risks and opportunities. In addition, 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. (Sustainability Report, pg. 8)

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 included in our risk assessment process. Local, state, federal and foreign laws and regulations relating to environmental matters affect us in several ways. Such agencies regulate the disposal, transport, handling, and storage of waste, remediation of contaminated sites, and air and water discharges from our facilities. Our products and operations may be subject to increased regulatory and environmental scrutiny in jurisdictions in which we do business. For example, we are subject to regulations relating to our harvesting of peat for our growing media business which has come under increasing regulatory and environmental scrutiny. In the United States, state regulations frequently require us to limit our harvesting and to restore the property to an agreed-upon condition. In some locations, we have been required to create water retention ponds to control the sediment content of discharged water. In Canada, our peat extraction efforts are also the subject of regulation.
Emerging regulation	Relevant, always included	Because of the global scope of our supply chains, any number of 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. For example, we source many of our commodities and other raw materials on a global basis. The general availability and price of those raw materials can be affected by numerous forces beyond our control, including government regulations and weather.
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. Our proprietary technologies can limit our ability to locate or utilize alternative inputs for certain products. For certain inputs, new sources of supply may have to be qualified under regulatory standards, which can require additional investment and delay bringing a product to market.
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. Under certain environmental laws, we may be liable for the costs of investigation and remediation of the presence of certain regulated materials, as well as related costs of investigation and remediation of damage to natural resources, at various properties, including our current and former properties as well as off-site waste handling or disposal sites that we have used.
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. We make production decisions based on what weather and climate risks we see in the market. Chronic physical impacts of climate change such as changes in rainfall patterns, water shortages, changing storm patterns and intensities, and changing temperatures could adversely impact our costs, business activities and the supply and demand for our products. Climate change may make these variations more extreme and impede our ability to make these decisions in time to meet consumer demand. For example, climate change may impact the regions that certain species in the U.S inhabit. If these regions change due to climate change, we must review the regions in which we market and sell our products accordingly.
Reputation	Relevant, always included	There is an increasing focus from certain investors, customers, consumers, employees, and other stakeholders concerning corporate citizenship and sustainability matters. From time to time, we communicate certain initiatives, including goals, regarding environmental matters, responsible sourcing and social investments, including our Corporate Responsibility Report. We could fail, or be perceived to fail, in our achievement of such initiatives or goals, or we could fail in fully and accurately reporting our progress on such initiatives and goals. In addition, we could be criticized for the scope of such initiatives or goals or perceived as not acting responsibly in connection with these matters. Our business could be negatively impacted by such matters. Any such matters, or related corporate citizenship and sustainability matters, could have a material adverse effect on 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. Operations at our and our suppliers' facilities are also subject to disruption for a variety of reasons, including fire, flooding or other natural disasters. A significant interruption in the operation of our or our suppliers' facilities could significantly impact our capacity to produce products and service our customers in a timely manner, which could have a material adverse effect on our revenues, earnings and financial position. This is especially true for those products that we manufacture at a limited number of facilities, such as our fertilizer and liquid products. (10-K, pg. 15)
Chronic physical	Relevant, always included	Chronic physical impacts of climate change such as changes in rainfall patterns, water shortages, changing storm patterns and intensities, and changing temperatures could adversely impact our costs, business activities and the supply and demand for our products, such as fertilizer, garden soils and pesticide products. In addition, fluctuating climatic conditions may result in unpredictable 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, a "megadrought", fueled in part by human-caused climate change, is emerging as a risk for our business in the United States. A megadrought, defined as intense droughts that last for decades or longer, could mean that our consumers would be faced with increased pressure to reduce landscape water use, and may look for new/alternative solutions for their lawn and gardens.

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
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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, such as fertilizer, garden soils, and pesticide 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. In addition, fluctuating climatic conditions may result in unpredictable 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, a megadrought, which is defined as a drought lasting decades or more, could mean that our customers may be faced with increasing pressure to reduce landscape water use, and may look for new/alternative solutions for their lawns and gardens.

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)

300000000

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 modelling 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. We also utilize a working group that is focused specifically on the risk of a decades-long megadrought and how to best position our company and products to respond.

Comment

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
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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)

300000000

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 modelling 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

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
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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. Situation: 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. Task: More than a decade ago, we challenged ourselves to create a high-performance lawn fertilizer product that did not include phosphorus. Action: We made formulation changes that led to removal of more than 10,000 metric tons of phosphorus from all of our lawn maintenance fertilizers. Result: Today, we continue developing new slow-release nitrogen technologies and refining product formulations to meet the needs of sensitive ecosystems. For example, in 2020, we modified all of our Florida formulas to be 65% slow-release nitrogen to continue to be protective of Florida's critical ways. This achievement is part of our ongoing innovation work to expand our capabilities around slow-release nitrogen across product lines.

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™ turf grass is designed to require less frequent maintenance. While all lawns can reduce runoff and absorb carbon dioxide, our ProVista™ turf grass 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. Situation: With a changing climate, some of our customers may need different products in order to use resources more efficiently in their location. Task: Our customers expect us to help them reduce their emissions. Action: Our Scotts ProVista™ turf grass is designed to require less frequent maintenance. While all lawns can reduce runoff and absorb carbon dioxide, our Scotts ProVista™ turf grass requires less mowing and weed control treatments than conventional turf, reducing the resources needed by our customers to maintain their lawn. Result: By requiring 50% less mowing, Scotts ProVista™ can reduce related carbon emissions from traditional gas-powered lawn mowers. We estimate that our Scotts ProVista™ turf grass helps current customers to avoid a total of 16.09 metric tons emissions per year. It is important to note that these are only estimates based on our assumptions, including use of a gas-powered mower and average lawn size, as the actual avoided emissions are outside the scope of our control.

Comment

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, further 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. The savings are expected to be fully realized by 2024.

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. Situation: 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. Task: Our Packaging and Formulations teams drive new innovations that strive to maximize sustainably sourced content, eliminate unnecessary or problematic material and promote recovery, recycling and reuse. We explore new options to deliver our products to customers in ways that cut back on packaging and unnecessary waste and respond to our customers' needs. Action: In our 2021 CSR report, we announced a new goal to redesign selected to reduce the amount of plastic material used by 3% by 2025. Result: 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, further reducing the overall carbon footprint of our packaging. A life cycle assessment comparing the existing to the new design indicates the following anticipated reductions in key sustainability metrics: GHG Emissions: 1,886 MT CO2 Fossil Fuel Use: 42,790 GJ

Comment

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

Over the past eight years, our growing media procurement team has developed a network of hundreds of local suppliers across North America. This network, made up of many small and medium-sized businesses, provides the raw ingredients for our growing media products. This "growing local" strategy reduces the costs and emissions associated with shipping heavy organic materials over long distances. 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

C3.1b

(C3.1b) Does your organization intend to publish a low-carbon transition plan in the next two years?

	Intention to publish a low-carbon transition plan	Intention to include the transition plan as a scheduled resolution item at Annual General Meetings (AGMs)	Comment
Row 1	Yes, in the next two years	No, we do not intend to include it as a scheduled AGM resolution item	We are in the process of consolidating all of our data to establish baseline data by the end of FY22 across our operations. We are in the process of formulating a long-term emissions goal and interim targets.

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

Yes, qualitative

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenarios and models applied	Details
Other, please specify (Proprietary model)	At ScottsMiracle-Gro, everything we do is related to the climate. We design products to work in different climates, and under various conditions, to meet the needs and preferences of our customers. As weather and climate patterns shift and become more extreme, we establish cross-functional working groups to assess changing needs and ensure our messaging and product mixes align. Recent examples include drought working groups and working groups dedicated to addressing water quality issues in areas with episodic heavy rainfall. Inputs, Assumptions, and Analytical Methods Used: Our proprietary model is specific to our products and the regions in which we operate and sell our products. 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. 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. Time Horizon: ScottsMiracle-Gro evaluates short- and medium-term (as defined in question C2.1a) climate risk to our business regularly, using software that looks at climate and weather impacts across regions and product categories. We do not evaluate long-term climatic risks, as defined ub question C2.1a). Short- and medium- term time-horizons are most relevant to our business to consider how weather patterns and forecasts may impact our production, marketing, supply chain, and sales more accurately. We undergo this process on an annual basis. Coverage: The assessment includes our direct operations, as well as our upstream and downstream activities.

C3.3

(C3.3) 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	Risks related to potentially shifting demand due to chronic physical risks and changing climatic conditions (as reported in C2.3a) and opportunities related to developing and/or expanding low-emission goods and services (as reported in C2.4a) have influenced our strategies related to our products and services. The sales of our products and services are susceptible to climatic and weather conditions. For instance, periods of abnormally wet or dry weather can adversely impact the sale of certain products, while increasing demand for other products, such as fertilizer, garden soils, and pesticide products, or delay the timing of the provision of certain services. Fluctuating climate conditions may result in unpredictable 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. With a changing climate, some of our customers may need different products in order to use resources more efficiently in their location. 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. We consider these to be medium and long-term risks, covering a time horizon of months in the medium-term, and 1-10 years in the long-term. Our diversified business strategy and geographic distribution also helps reduce these risks. We invest in sophisticated software modelling 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.
Supply chain and/or value chain	Yes	Risks and opportunities related to our production and distribution processes (as reported in C2.3a and C2.4a) have influenced our strategies related to our supply chain and/or value chain. 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. We also prioritize local sourcing in our supply chain, and typically source materials for our growing media business within 120 miles of a plant. By sourcing more locally, we are able to save on transport costs on an annual basis and reduce transport emissions. There is also potential to expand this local sourcing strategy to other product lines. We consider this to be a medium-term opportunity, covering a time horizon of 1-12 months.
Investment in R&D	Yes	Risk and opportunities, specifically related to our products and services (as reported in C2.3a and C2.4a), have influenced our strategies related to our R&D investments. We invest nearly \$40 million in research, product development, and innovation each year, both in the laboratory and at the consumer level, to improve our products, manufacturing processes, packaging and delivery systems. Throughout our R&D process, we take into account risks that may occur years in the future and create products to address those future needs. We consider how future conditions, like climate change, 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. With a changing climate, some of our customers may also need different products in order to use resources more efficiently in their location. Our Scotts ProVista™ turf grass is designed to require less frequent maintenance, and can help reduce carbon emissions from traditional gas-powered lawn mowers in half by requiring 50% less mowing. We consider the development of our Scotts ProVista™ turf grass product to be a short-term opportunity.
Operations	Yes	Risks and opportunities related to chronic physical risks and resource efficiency (as reported in C2.3a and C2.4a) have influenced our operational strategies. 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. 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. 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. We consider these to be medium to long-term risks, covering time horizons of months to 1-10 years. We also see an opportunity for resource efficiency through design optimization of our liquid weed and insect control portfolio, which could help reduce the amount of plastic packaging entering the waste stream and reduce the overall carbon footprint of our packaging. We consider this to be a medium-term opportunity, covering a time horizon of months.

C3.4

(C3.4) 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. Our most significant risk is chronic physical risk, defined as changes in precipitation patterns and extreme variability in weather patterns. Decreased revenues due to reduced demand for products and services are the primary potential financial impact from this risk. We make production decisions based on what weather and climate risks we see in the market. We invest in sophisticated software modelling 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. Climatic factors influence our business decisions every day and we rely on our models to accurately predict customer and consumer behaviour and the need for appropriate products at appropriate times. 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. For example, in a region where we anticipate an upcoming drought, we plan to meet consumer demand for water efficient and drought-resistant products. This investment is an integral part of our operations budget. Capital allocation. For capital projects, risk factors related to climate are considered for investments, in addition to investments that yield a positive return. Most climate-related risk factors focus on increasing instances of extreme weather, including fire, flood, and extreme heat/cold. Capital projects that we have undertaken in the recent past include winterization investments in Canada and heat mitigation investments in the Southwest to protect our operations and our workers' health and safety, while also increasing efficiency and reducing energy consumption where possible. In addition, 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.

C3.4a

(C3.4a) 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 150 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.

To reduce the environmental impact of packaging, we have delivered and continue to drive multiple sustainable packaging initiatives, including the following: redesigning packaging. During the past few years we've completed numerous package redesign initiatives which resulted in significant material reduction. We are exploring ways to significantly reduce the size and weight of packages, such as selling more products in concentrated form. We continue to expand package refill offerings, which also reduces the amount of packaging produced. We continue to increase the amount of recycled material in plastic packaging, which significantly reduces petrochemical use and emissions. We have several initiatives underway to test and qualify the maximum possible recycled content for flexible packaging, including bags and pouches. Our goal is to triple the amount of recycled content in plastic packaging by 2025. We're increasing the amount of our packaging which is recyclable, reusable or compostable. For some packages we are transitioning to materials which are more compatible with today's recycling infrastructure. We have begun to utilize the standardized labelling system how2recycle® on our products to clearly communicate recycling and proper disposal instructions to the public. We plan to incorporate this standard into all of our packaging which is not subject to other recycling communication standards required by specific environmental regulations. The majority of our paper fiber-based packaging is certified sustainably sourced by the Sustainable Forestry initiative (SFi) or Forest Stewardship Council (FSC), and we are striving to increase this to 100%.

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. However, we may not be able to anticipate all factors that may lead to emissions increases. For example, in 2020 we saw an increased demand for many of our products due to the effects of the COVID-19 pandemic in the U.S. This drove an increase in sales and profits that were not previously projected for this fiscal year. Increased production may lead to increased emissions on a year-by-year basis.	Explanation: 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. In our 2021 CSR report, we established a goal to utilize established data collection processes for emissions and waste at 100% of our locations by 2022. We do not have an emissions target yet because we are in the process of streamlining all of our data to establish baseline data by the end of FY21 across our operations. We do not want to set a target before we fully understand our emissions inventory. Plans to Implement Target: As we continue to improve our data collection procedures, we are also in the process of formulating a long-term net zero emissions goal and interim targets for emissions reductions. Our formulation process includes (1) Defining a scope and boundary, (2) Measuring our baseline carbon footprint, (3) Defining our strategy and pathway to 1.5 degrees C, (4) Setting an ambitious goal with clear interim targets, and (5) Developing a program that is integrated into our business planning. Description of Timeline: We expect the target-setting and strategy development process to take several months, if not a year or more, to complete. We expect that we will have updated information by the time of the 2022 CDP report, including the scope and boundary of our target, our baseline carbon footprint, and more details about our strategy and pathway to 1.5 degrees C. We hope to announce an ambitious emissions target in 2022.

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

OurScotts ProVista™ turf grass is designed to require less frequent maintenance. While all lawns can reduce runoff and absorb carbon dioxide, our Scotts ProVista™ turf grass requires less mowing and weed control treatments than conventional turf, reducing the resources needed by our customers to maintain their lawn. Our Scotts ProVista™ turf grass was proven in studies to grow half as fast as comparable other grass. This requires half the inputs of other products and translates to half the carbon emissions from mowing. By requiring 50% less mowing, Scotts ProVista™ can reduce related carbon emissions from traditional gas-powered lawn mowers.

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 (Internal Methodology: We developed our own methodology to determine the estimated avoided emissions from our ProVista™ turf grass.)

% 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)

80740.1

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

47894.9

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

Facilities

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

We have incomplete information for the period in question. We are working to enhance our measuring capabilities to baseline and track our carbon footprint across our operations. By 2022, we hope to utilize established data collection process for emissions in all locations to establish baseline metrics and future improvement goals. We have demonstrated improvement in this area, with 89.66% of our sites reporting energy and emissions data in FY2020 compared to 70.69% in FY2019. We hope to continue improving our data coverage for energy and emissions data in future 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

0.00003

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

128634.99

Metric denominator

unit total revenue

Metric denominator: Unit total

4131600000

Scope 2 figure used

Location-based

% change from previous year

37.78

Direction of change

Decreased

Reason for change

In 2020 we saw an increased demand for many of our products due to the effects of the COVID-19 pandemic in the U.S. This drove an increase in sales and profits that were not previously projected for this fiscal year, leading to a larger denominator for intensity in 2020 than we saw in 2019, thereby reducing our overall intensity figure for scope 1 and 2 emissions.

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	79935.23	IPCC Fourth Assessment Report (AR4 - 100 year)
CH4	20.89	IPCC Fourth Assessment Report (AR4 - 100 year)
N2O	783.94	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	76069.9
Canada	4670.2

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	2611.07
Distribution	8570.11
Operations	69558.88

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	46826.69	0	111195.6	0
Canada	1068.23	0	8721.43	0

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	0
Distribution	0	0
Operations	47894.9	0

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?

Increased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	0	No change	0	We did not attribute any changes in emissions to a change in renewable energy consumption.
Other emissions reduction activities	0	No change	0	We did not attribute any changes in emissions to other emissions reductions activities.
Divestment	0	No change	0	We did not attribute any changes in emissions to divestments.
Acquisitions	0	No change	0	We did not attribute any changes in emissions to acquisitions.
Mergers	0	No change	0	We did not attribute any changes in emissions to mergers.
Change in output	5280	Increased	4.25	The gross global emissions (Scope 1+2) of SMG for this reporting year are 128,635.00 MT CO2e. The gross global emissions for the previous reporting year were 124,340.30 MT CO2e. The total change in emissions is 4,294.70, equal to a 3.45% increase in overall emissions. In 2020, our absolute GHG emissions and energy use rose slightly from 2019 levels due to increased production. However, our emissions intensity, normalized by production, declined in 2020 from 2019 levels.
Change in methodology	0	No change	0	We did not attribute any changes in emissions to methodology changes.
Change in boundary	0	No change	0	We did not attribute any changes in emissions to changes in boundary.
Change in physical operating conditions	0	No change	0	We did not attribute any changes in emissions to changes in physical operating conditions.
Unidentified	985.3	Decreased	0.79	We are not able to identify the source of these emissions reductions at this time.
Other	0	No change	0	We did not attribute any changes in emissions to other causes.

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

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	No

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	349705.93	349705.93
Consumption of purchased or acquired electricity	<Not Applicable>	0	119941.02	119941.02
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>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Total energy consumption	<Not Applicable>	0	469646.95	469646.95

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

95586.29

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

53.06

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

17.49

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

10.15

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

12399.85

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

5.72

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

117981.47

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

10.21

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

23430.29

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

8.78

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

100290.54

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

9.75

Unit

kg CO2e per gallon

Emissions factor source

EPA Emission Factors for GHG Inventories

Comment

C9. Additional metrics

C9.1

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

Description

Waste

Metric value

44654.3

Metric numerator

Short tons

Metric denominator (intensity metric only)

6,315,431 Short Tons

% change from previous year

42.28

Direction of change

Increased

Please explain

We are committed to eliminating unnecessary waste from our business, whether in our direct operations or beyond, across North America. In 2020, we prioritized setting goals and identifying further opportunities where ScottsMiracle-Gro can contribute to reducing waste. We work to reduce the amount of waste we send to landfills within our own operations. We aim to reduce our materials use, recycle or reuse materials as much as possible. Our plants have implemented a range of recycling initiatives, including wooden pallets, cardboard and plastic, and communicated with our associates how to reduce their impacts. We are working toward finding improved ways to measure and manage our waste and better understand how we can reduce, recycle and reuse waste streams in each of the unique manufacturing environments across our company. In 2020, we explored new partnerships to directly recycle some of the packaging waste from within our operations. We continue to seek out innovative opportunities to reduce our impacts.

Description

Other, please specify (Water Withdrawals)

Metric value

1071.8

Metric numerator

Megaliters

Metric denominator (intensity metric only)

6,315,431 Short Tons

% change from previous year

43.43

Direction of change

Decreased

Please explain

Water stewardship, including water quality and quantity, continues to be an area of focus for our company. As a responsible steward, we explore ways to reduce the amount of water we use in manufacturing and reduce our water-related impacts to communities. We continue to streamline and automate the collection and management of water data across all our operations. While we have made substantial progress, we see this as an area for continued growth. During the process of reviewing and preparing reporting, we learned that one manufacturing site recorded its purchased water data using an incorrect unit of measurement in FY2019. This resulted in an overstatement of our water withdrawals for last year, which has since been corrected in our records. We also discovered a conversion factor error in the third-party database used to collect and store this data, which we worked with the database manager to correct.

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. We began measuring after the 5th survey in 2018 by measuring proportion of suppliers who responded to questions above our thresholds (yes to more than 5 of our survey questions. We had more than 90% of our suppliers respond above our thresholds. This was up from 41% at the time of our first survey in 2010. In our 2021 CSR report, we announced a new goal to demonstrate improvement on identified "GroMoreGood" goals among 75% of suppliers by 2025. This will also serve as a measure of success for our climate-related supplier engagement strategy. As part of our Sustainable Suppliers program we will work with our most significant suppliers to increase transparency and set shared goals around environmental stewardship and emissions.

Comment

C12.1b

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

Type of engagement

Education/information sharing

Details of engagement

Run an engagement campaign to education 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 retail customers and engage with them through our sustainability report and through direct engagement initiatives.. We meet with our retail partners regularly to discuss and align our corporate responsibility programs with their ambitions and collaborate on sustainable product innovations that reduce waste and carbon footprints and help consumers conserve natural resources. We also engage with them through surveys or annual updates. We make information about who we are, our products, and our corporate social responsibility publicly available and accessible for consumers. We maintain open channels of communication with the people who use our products to discuss our company, products and responsibility efforts. For example, the GroMoreGood public outreach campaign we launched in 2020 continues to reach hundreds of thousands of people with messages about environmental stewardship. In May 2021, our Organic Product Innovation video garnered 741,000 online impressions, while our Water Product Innovation video generated 89% engagement with viewers online. To see these videos, follow these links: <https://www.youtube.com/watch?v=WlpcbT65PTM> <https://www.youtube.com/watch?v=vsd-CSZP89g>

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. We also offer products that may meet different customer needs to use resources more efficiently in their area. For example, our Scotts ProVista™ turf grass is designed to require less frequent maintenance. While all lawns can reduce runoff and absorb carbon dioxide, our Scotts ProVista™ turf grass requires less mowing and weed control treatments than conventional turf, reducing the resources needed by our customers to maintain their lawn. By requiring 50% less mowing, Scotts ProVista™ can reduce related carbon emissions from traditional gas-powered lawn mowers. Based on our calculations, we estimate the emissions that may be avoided through the use of our Scotts ProVista™ turf grass to be 16.09 metric tons per year. It is important to note that these are only estimates based on our assumptions, as the actual avoided emissions are outside the scope of our control. For example, we assume the use of a gas-powered mower and average lawn size (The United States Ranked by Yard Size - HomeAdvisor).

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

CropLife America

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

CropLife's stated 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. We also publicly disclose our Environmental Protection Policy and our Environmental, Health & Safety Policy on our website. Our ESG strategy, including climate-related commitments, is being integrated into our business plans and led by a cross-functional ESG team.

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

ScottsMiracle-Gro-2021-CSR.pdf

Page/Section reference

33

Content elements

Governance

Strategy

Risks & opportunities

Emissions figures

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	4131600000

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

5893.41

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

3495.96

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).

[ScottsMiracle-Gro-2021-CSR.pdf \(scottsmiraclegro.com\)](#) pg. 33

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

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 Customers	Public	Yes, I will submit the Supply Chain questions now

Please confirm below

I have read and accept the applicable Terms