Scotts Miracle-Gro Company - Climate Change 2023

C0. Introduction

C0.1

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

With approximately $3.785 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 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 issues 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. 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 2023 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 and indicate whether you will be providing emissions data for past reporting years.

Reporting year

Start date
October 1 2021

End date
September 30 2022

Indicate if you are providing emissions data for past reporting years
No

Select the number of past reporting years you will be providing Scope 1 emissions data for
<Not Applicable>

Select the number of past reporting years you will be providing Scope 2 emissions data for
<Not Applicable>

Select the number of past reporting years you will be providing Scope 3 emissions data for
<Not Applicable>

C0.3

(C0.3) Select the countries/areas in which you operate.

Canada
China
Netherlands
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

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, a Ticker symbol	NYSE: SMG

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 or committee	Responsibilities for climate-related issues
Board-level committee	Our Board works with our management team to provide oversight of economic, environmental, social and governance (ESG) topics including climate change. In our 2022 Corporate Responsibility (CR) report, 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 which sits on the Board is responsible for oversight of the Company's ESG 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 ESG 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, which also sits on the Board, in consultation with the Nominating and Governance Committee, 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 Overseeing the setting of corporate targets Monitoring progress towards corporate targets Reviewing and guiding the risk management process	<Not Applicable>	Our Board works with senior leadership to provide oversight of economic, environmental, social and governance (ESG) topics including climate change. 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 CSR programs and goals and the company's progress toward achieving these goals. The Innovation and Technology Committee, in consultation with the Nominating and Governance Committee, is responsible for providing guidance to the Board and management with regards 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.

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues	Primary reason for no board-level competence on climate-related issues	Explain why your organization does not have at least one board member with competence on climate-related issues and any plans to address board-level competence in the future
Row 1	Yes	One of our directors, who has been with the Company since 2010, and worked for the U.S Environmental Protection Agency (EPA) for 30 years. He became the first career employee and scientist to serve as EPA Administrator, a position he held from January 2005 through January 2009. As President and Chief Executive Officer of Johnson and Associates and the former Administrator of the U.S. Environmental Protection Agency, as well as a lifelong scientist, Mr. Johnson brings considerable leadership and innovation and technology experience to the Board and fulfills the Board's need for regulatory and environmental expertise as identified by the Governance Committee.	<Not Applicable>	<Not Applicable>

C1.2

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

Position or committee
Other C-Suite Officer, please specify (Chief Marketing Officer)

Climate-related responsibilities of this position
Integrating climate-related issues into the strategy
Monitoring progress against climate-related corporate targets
Assessing climate-related risks and opportunities
Managing climate-related risks and opportunities

Coverage of responsibilities
<Not Applicable>

Reporting line
Operations - COO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line
Quarterly

Please explain
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. Our Chief Marketing Officer, who reports to our COO, is responsible for leading the company's sustainability programs. 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 CMO 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 other 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. While we do not specifically link ESG performance to executive compensation, our Board and leadership team are invested in this process and updated quarterly on our progress toward ESG goals.

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 financial or strategic impact as something that would reduce our ability to deliver on our business strategy. 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 are considered substantive. This could include certain specific events, 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 from 1 to 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

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

Value chain stage(s) covered
Direct operations
Upstream
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 into our direct operations, supply chain and customers, including the risk of climate change, into our Enterprise Risk Management (ERM) program. The program seeks to collaboratively identify, evaluate and prioritize key risks for the organization on an annual basis. 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.

On an annual basis, 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. Once all identified risks are scored, we calibrate and align the most significant risks with our executive management team. ScottsMiracle-Gro also assesses and evaluates short-, medium- and long-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.

Once risks are identified and assessed, the owners of these top risks respond by memorializing and presenting their risk management plans to the various subcommittees of the Board of Directors. These risk owners proactively manage these risks throughout the fiscal year as a fluid response to the annual program.

Our senior leadership actively engages with the ESG team to evaluate environmental, social and governmental (ESG) risks and opportunities. In addition, our Board works with senior leadership to provide oversight of economic, environmental, social and governance topics including climate change. The chair of the Nominating & Governance Committee serves as the liaison between management and the Board of Directors on ESG issues. See 2023 Corporate Responsibility Report, pg 10.

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. Such 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.
Emerging regulation	Relevant, always included	Because of the global scope of 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 that we will be subjected to legal action. We are already 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. 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. 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, particularly climate change. 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.
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	Changing precipitation patterns and types (rain, hail, snow/ice)

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
One of our most significant risks is that our net sales and resulting revenue could be impacted by long-term climate conditions in the markets in which our products are sold and our services are offered. For instance, long 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 and long-term impacts on physical conditions may make these variations more extreme and impede our ability to make these decisions in time to meet consumer demand. In addition, long-term fluctuating climatic conditions may result in unpredictable modifications in the manner in which consumers garden or their attitudes towards gardening, making it difficult to predict the demand in products. 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, which may not align with our product line and availability at the time.

Time horizon
Long-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 modeling that uses data on weather patterns, forecasts and previous sales data to help us plan our production and sales more accurately across regions and product categories. Analysis from the software enables us to react quickly to changing weather patterns and adjust our sales planning accordingly to meet the needs of our customers and consumers in those regions.

This investment is an integral part of our operations budget and we are not able to separate the cost out for this questionnaire.

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
By investing in software modeling and analyzing weather and climate patterns, we are able to react to changing environmental patterns that may affect our product and sales strategy.

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 less mowing, Provista™ can reduce carbon emissions from traditional gas-powered lawn mowers by half. The majority of our Provista sales currently come from Florida, USA where there are higher restrictions on nitrogen release and this product fulfills this criteria and demand.

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)
230947000

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

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

Explanation of financial impact figure
In FY22, sales of this opportunity (ProVista) totaled approximately $230,947,000 as a potential financial impact figure. We anticipate increased consumer demand for this product due to their desire to have a green lawn with less inputs needed, e.g., feedings, water efficiency (utilizing and capturing water) and mowing.

Cost to realize opportunity
150375000

Strategy to realize opportunity and explanation of cost calculation
As of FY22, we have spent $150,375,000 to bring PV to market.

We realize that with a changing climate, some of our customers may need different products to use resources more efficiently in their location, and they expect us to help them reduce their emissions with our products.

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 less mowing, Provista can reduce carbon emissions from traditional gas-powered lawn mowers.

Comment
Through our Hawthorne segment, we also offer highly efficient LED light options, including fixtures that are listed & certified to the DesignLights Consortium, an energy efficiency program that rewards customers for purchasing energy efficient lighting products through rebates & other incentives.

C3. Business Strategy

C3.1

(C3.1) Does your organization's strategy include a climate transition plan that aligns with a 1.5°C world?

Row 1

Climate transition plan

No, our strategy has been influenced by climate-related risks and opportunities, but we do not plan to develop a climate transition plan within two years

Publicly available climate transition plan

<Not Applicable>

Mechanism by which feedback is collected from shareholders on your climate transition plan

<Not Applicable>

Description of feedback mechanism

<Not Applicable>

Frequency of feedback collection

<Not Applicable>

Attach any relevant documents which detail your climate transition plan (optional)

<Not Applicable>

Explain why your organization does not have a climate transition plan that aligns with a 1.5°C world and any plans to develop one in the future

We will continue to develop and implement action plans that advance our ESG goals. In 2021 and 2022, we made substantial progress towards understanding our energy and emissions impacts and began working with a third-party to establish a complete and robust greenhouse gas emissions inventory and baseline, that included Scope 1 2 and 3 emissions (Scope 3 inventory has not yet been publicly released). As a result of this work and the work we will continue to do in the future, our company hopes to establish an ambitious emissions reduction target and achievement strategy, which we plan to announce in the near future. This work will feed into our eventual climate transition plan which we hope to develop in the near future. Through this action plan, we will work to evaluate moving our operations and strategy towards a 1.5 degree trajectory, in line with the latest climate science recommendations.

Explain why climate-related risks and opportunities have not influenced your strategy

<Not Applicable>

C3.2

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

	Use of climate-related scenario analysis to inform strategy	Primary reason why your organization does not use climate-related scenario analysis to inform its strategy	Explain why your organization does not use climate-related scenario analysis to inform its strategy and any plans to use it in the future
Row 1	No, and we do not anticipate doing so in the next two years	Important but not an immediate priority	At ScottsMiracle-Gro, everything we do is related to the climate. We design products to work in different environments, 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 in sub 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. Alternatively they may delay timing of the provision of certain services. Fluctuating climate conditions may also 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 and changes 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 modeling that uses data on weather patterns, forecasts and previous sales data to help us plan our production and sales more accurately across regions and product categories. Analysis from the software enables us to react quickly to changing weather patterns and adjust our sales planning accordingly to meet the needs of our customers and consumers in those regions.
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, there are opportunities to save on transport costs, reduce the risk of transportation and logistical delays and decrease 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 ProVistaTM 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 less mowing. We consider the development of our Scotts ProVistaTM turf grass product to be good example of product innovation that evolved through an analysis of our physical risks.
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 patterns 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 long-term 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 modeling that uses data on weather patterns, forecasts and previous sales data to help us plan our production and sales more accurately across regions and product categories. Climatic factors influence our business decisions every day and we rely on our models to accurately predict customer and consumer behavior and the need for appropriate products at appropriate times. 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. Allocation of capital to R&D is directly related to product development. For example, in 2022, we invested in the expansion of our packaging collaboratory. This gave us a centralized location to design and test new and existing packaging and applicators. This integrated design environment enables acceleration of products we bring to market such as the Ortho flexible pouch - a pre-measured refill concentrate needed to make a half gallon of product. The refill pouches can be used in a tank sprayer or convenient Ortho reusable bottle so that ultimately, we ship less water and reduce waste. See: https://ortho.com/en-us/weed-control/learn-how-the-new-packaging-of-ortho-groundclear-super-flexi-ties-in-with-our-esg-goals.html We have also invested capital in a shelter designed to simulate drought-like conditions. While this facility is several years old, we use it consistently to evaluate potential drought tolerant grass types and fertilizer products, as well as our ProVista turfgrass. Additionally, as a leading North American manufacturer and provider of indoor growing and hydroponic products, we invest in the future of the industry through two unique research and development facilities that simulate real-world growing operations of indoor cultivators. The R&D facilities enable us to test products and solutions in a controlled environment to inform future innovation focused on efficiency, productivity, sustainability and improved yields. Our most recent location is the new Gavita Controlled Environment Center on the Marysville Campus, a 9,300 square-feet facility dedicated to lighting technology, nutrient and indoor growing advancement, using 12 indoor grow rooms. Here, we can grow hemp and other plants under controlled environmental conditions often using our own branded products, such as Gavita and Agrolux LED lighting technology along with nutrients and growing media. Together with the 40,000 square-feet facility in Kelowna, British Columbia, Canada, which houses state-of-the-art laboratories, indoor grow suites and training areas, we utilize these structures to look at energy efficiency in our lights and water use efficiency in pulse vs. continuous flow fertigation strategies.

C3.5

(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition	Indicate the level at which you identify the alignment of your spending/revenue with a sustainable finance taxonomy
Row 1	No, and we do not plan to in the next two years	<Not Applicable>

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	Important but not an immediate business priority	There are a number of factors that will impact the trajectory of our operational and value-chain 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 emissions both within our operations and our value chain, we will begin to evaluate measures to reduce emissions across the board. However, we may not be able to anticipate all factors that may lead to emissions increases or decreases. 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 Corporate Responsibility 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 CR report, we established a goal to utilize established data collection processes for emissions and waste at 100% of our locations by 2022. In 2021, we set out to streamline all of our data to establish baseline data across our operations. In FY2022 we made progress towards this goal, but due to reporting challenges we were unable to meet it in the target year. We encountered difficulties with a third party data collection partner and are seeking solutions to meet this goal in the future. We do not want to set a target before we fully understand our emissions inventory, including Scope 3 (Scope 3 inventory has not yet been publicly released). Plans to Implement Target: In 2022, we continued working with a third-party to establish a complete and robust greenhouse gas emissions inventory and baseline, including Scope 3 emissions (Scope 3 inventory has not yet been publicly released). Our company hopes to establish an ambitious emissions reduction target and achievement strategy, which we plan to announce in the near future. 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. In 2022, we continued our work with a third-party to establish a complete and robust greenhouse gas emissions inventory and baseline, including Scope 3 emissions (Scope 3 inventory has not yet been publicly released). As a result of this work, our company hopes to establish an ambitious emissions reduction target and achievement strategy. We are currently working to improve a data collection process for emissions and waste across our business in the near future.

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		
To be implemented*		
Implementation commenced*	1	125
Implemented*		
Not to be implemented		

C4.3b

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

Initiative category & Initiative type

Transportation	Company fleet vehicle replacement

Estimated annual CO2e savings (metric tonnes CO2e)
125

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 1

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
0

Investment required (unit currency – as specified in C0.4)
2439360

Payback period
<1 year

Estimated lifetime of the initiative
3-5 years

Comment
We have a goal to convert 20% of sales fleet to hybrid vehicles by 2025. In FY2022, although we continue to make progress towards this goal, inventory shortages for hybrid vehicles have created longer fulfillment times than initially expected. As a result, we have expanded our purchasing criteria to include additional manufacturers to help mitigate these challenges.

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. An example of an energy reduction project that would meet this 15% IRR hurdle rate could be a lighting project. By changing out older technology lighting (e.g. incandescent) with newer, energy efficient lighting (e.g. LEDs), we save on energy costs. If these savings are 15% rate of return (roughly save $1 per $3 investment) these would be considered cost return projects and likely get capital allocated.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?
Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products.

Level of aggregation
Group of products or services

Taxonomy used to classify product(s) or service(s) as low-carbon
Other, please specify (Internal Methodology: We use our own methodology.)

Type of product(s) or service(s)

Other	Other, please specify (ProVista™ Turf Grass and Gavita and Agrolux LED Lights)

Description of product(s) or service(s)
Scotts ProVista™ turf grass is designed to require less frequent maintenance. While all lawns can reduce runoff and absorb carbon dioxide, Scotts ProVistaTM 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. By requiring less mowing, ProVista™ can help reduce carbon emissions from traditional gas-powered lawn mowers.

Our LED lighting products can also help our customers reduce emissions by promoting energy efficiency. In 2022, we expanded the development of our industry-leading Hawthorne LED lighting technology for use in the North America cannabis industry as well as the professional horticulture sector in North America and Europe. Our Gavita and Agrolux Wega brands are highly efficient LED lights for indoor growing environments, producing energy savings of up to 30 to 40 percent to traditional high intensity discharge (HID) and high-pressure sodium (HPS) lighting technology (based on wattage comparison).

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)
No

Methodology used to calculate avoided emissions
<Not Applicable>

Life cycle stage(s) covered for the low-carbon product(s) or services(s)
<Not Applicable>

Functional unit used
<Not Applicable>

Reference product/service or baseline scenario used
<Not Applicable>

Life cycle stage(s) covered for the reference product/service or baseline scenario
<Not Applicable>

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario
<Not Applicable>

Explain your calculation of avoided emissions, including any assumptions
<Not Applicable>

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year
3.45

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?
No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?
No

Name of organization(s) acquired, divested from, or merged with
<Not Applicable>

Details of structural change(s), including completion dates
<Not Applicable>

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?	Details of methodology, boundary, and/or reporting year definition change(s)
Row 1	Yes, a change in boundary	We have increased the number of sites we are collecting data from.

C5.1c

(C5.1c) Have your organization's base year emissions and past years' emissions been recalculated as a result of any changes or errors reported in C5.1a and/or C5.1b?

	Base year recalculation	Scope(s) recalculated	Base year emissions recalculation policy, including significance threshold	Past years' recalculation
Row 1	No, because we have not evaluated whether the changes should trigger a base year recalculation	<Not Applicable>	We do not currently have a recalculation policy in place. We have been working to increase the amount of data collected from our facilities. We will evaluate in future if the base year should be recalculated and will determine at that point what our significance threshold should be.	No

C5.2

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start

October 1 2020

Base year end

September 30 2021

Base year emissions (metric tons CO2e)

57481

Comment

Scope 1 emissions sources include Stationary consumption, i.e. our facilities, (natural gas, diesel, gasoline, propane, and kerosene sources), our private truck fleet, sales fleet, corporate aircraft, and refrigerants.

Scope 2 (location-based)

Base year start

October 1 2020

Base year end

September 30 2021

Base year emissions (metric tons CO2e)

55018

Comment

Our scope 2 emissions includes our reported and estimated purchased electricity at our facilities. SMG does not purchase any market-based instruments and is only reporting location-based figures this year for the base year as well as reporting year.

Scope 2 (market-based)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

SMG does not purchase any market-based instruments and is only reporting location-based figures this year for the base year as well as reporting year.

Scope 3 category 1: Purchased goods and services

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

We are in the process of estimating our Scope 3 emissions

Scope 3 category 2: Capital goods

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

We are in the process of estimating our Scope 3 emissions

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

We are in the process of estimating our Scope 3 emissions

Scope 3 category 4: Upstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

We are in the process of estimating our Scope 3 emissions

Scope 3 category 5: Waste generated in operations

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

We are in the process of estimating our Scope 3 emissions

Scope 3 category 6: Business travel

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

We are in the process of estimating our Scope 3 emissions

Scope 3 category 7: Employee commuting

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

We are in the process of estimating our Scope 3 emissions

Scope 3 category 8: Upstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

We are in the process of estimating our Scope 3 emissions

Scope 3 category 9: Downstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

We are in the process of estimating our Scope 3 emissions

Scope 3 category 10: Processing of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

We are in the process of estimating our Scope 3 emissions

Scope 3 category 11: Use of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment
We are in the process of estimating our Scope 3 emissions

Scope 3 category 12: End of life treatment of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment
We are in the process of estimating our Scope 3 emissions

Scope 3 category 13: Downstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment
We are in the process of estimating our Scope 3 emissions

Scope 3 category 14: Franchises

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment
We are in the process of estimating our Scope 3 emissions.

Scope 3 category 15: Investments

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment
We are in the process of estimating our Scope 3 emissions

Scope 3: Other (upstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment
We are in the process of estimating our Scope 3 emissions

Scope 3: Other (downstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment
We are in the process of estimating our Scope 3 emissions

C5.3

(C5.3) 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)
The Greenhouse Gas Protocol: Scope 2 Guidance

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)
82778

Start date
<Not Applicable>

End date
<Not Applicable>

Comment
Scope 1 emissions sources include Stationary consumption, i.e. our facilities, (natural gas, diesel, gasoline, propane, and kerosene sources), our private truck fleet, sales fleet, corporate aircraft, and refrigerants.

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 no operations where we are able to access electricity supplier emission factors or residual emissions factors and are unable to report a Scope 2, market-based figure

Comment
Our Scope 2 emissions include our reported and estimated purchased electricity from our facilities.

C6.3

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

Reporting year

Scope 2, location-based
60813

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

Start date
<Not Applicable>

End date
<Not Applicable>

Comment
We do not purchase any market-based instruments and are only reporting location-based figures from our reported and estimated purchased electricity.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 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, Scope 2, or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure.

Source of excluded emissions
All sources of relevant Scope 3 emissions including purchased goods and services, capital goods, fuel and energy-related activities (not included in Scope 1 or 2), upstream transportation and distribution, waste generated in operations, business travel, employee commuting, use of sold products, end-of-life treatment of sold products, and investments.

Scope(s) or Scope 3 category(ies)
Scope 3: Purchased goods and services
Scope 3: Capital goods
Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)
Scope 3: Upstream transportation and distribution
Scope 3: Waste generated in operations

Scope 3: Business travel
Scope 3: Employee commuting
Scope 3: Use of sold products
Scope 3: End-of-life treatment of sold products
Scope 3: Investments

Relevance of Scope 1 emissions from this source
<Not Applicable>

Relevance of location-based Scope 2 emissions from this source
<Not Applicable>

Relevance of market-based Scope 2 emissions from this source
<Not Applicable>

Relevance of Scope 3 emissions from this source
Emissions are relevant but not yet calculated

Date of completion of acquisition or merger
<Not Applicable>

Estimated percentage of total Scope 1+2 emissions this excluded source represents
<Not Applicable>

Estimated percentage of total Scope 3 emissions this excluded source represents
100

Explain why this source is excluded
We are in the process of estimating our Scope 3 emissions.

Explain how you estimated the percentage of emissions this excluded source represents
These Scope 3 categories represent all of the relevant Scope 3 emissions for our business and therefore this source would represent 100% of our Scope 3 emissions.

Source of excluded emissions
All sources of Scope 3 emissions that are not relevant to our business including upstream leased assets, downstream transportation and distribution, processing of sold products, downstream leased assets, franchises.

Scope(s) or Scope 3 category(ies)
Scope 3: Upstream leased assets
Scope 3: Downstream transportation and distribution
Scope 3: Processing of sold products
Scope 3: Downstream leased assets
Scope 3: Franchises
Scope 3: Other (upstream)
Scope 3: Other (downstream)

Relevance of Scope 1 emissions from this source
<Not Applicable>

Relevance of location-based Scope 2 emissions from this source
<Not Applicable>

Relevance of market-based Scope 2 emissions from this source
<Not Applicable>

Relevance of Scope 3 emissions from this source
Emissions are not relevant

Date of completion of acquisition or merger
<Not Applicable>

Estimated percentage of total Scope 1+2 emissions this excluded source represents
<Not Applicable>

Estimated percentage of total Scope 3 emissions this excluded source represents
0

Explain why this source is excluded
Emissions from our leased assets are included in our Scope 1 and 2 emissions calculations, therefore emissions from upstream leased assets are not relevant.

All transportation and distribution emissions will be evaluated in category 4, and therefore these emissions are considered not relevant.

We do not sell any products that require further processing or transformation; therefore these emissions are considered not relevant.

We do not have any downstream leased assets; therefore these emissions are considered not relevant.

We do not operate any franchises; therefore these emissions are considered not relevant.

Explain how you estimated the percentage of emissions this excluded source represents
These Scope 3 emissions are not relevant for our business and therefore they would account for 0% of our total Scope 3 emissions.

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
Relevant, not yet calculated

Emissions in reporting year (metric tons 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
We are in the process of estimating Scope 3 emissions for our business. However, based on the WRI/WBCSD Corporate Value Chain Guidance to estimate emissions we expect that emissions from purchased goods and services may be relevant.

Capital goods

Evaluation status
Relevant, not yet calculated

Emissions in reporting year (metric tons 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
We are in the process of estimating Scope 3 emissions for our business. However, based on the WRI/WBCSD Corporate Value Chain Guidance to estimate emissions we expect that emissions from capital goods may be relevant.

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

Evaluation status
Relevant, not yet calculated

Emissions in reporting year (metric tons 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
We are in the process of estimating Scope 3 emissions for our business. However, based on the WRI/WBCSD Corporate Value Chain Guidance to estimate emissions we expect that emissions from fuel-and-energy-related activities may be relevant.

Upstream transportation and distribution

Evaluation status
Relevant, not yet calculated

Emissions in reporting year (metric tons 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
We are in the process of estimating scope 3 emissions for our business. However, based on the WRI/WBCSD Corporate Value Chain Guidance to estimate emissions we expect that emissions from upstream transportation and distribution may be relevant.

Waste generated in operations

Evaluation status
Relevant, not yet calculated

Emissions in reporting year (metric tons 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
We are in the process of estimating scope 3 emissions for our business. However, based on the WRI/WBCSD Corporate Value Chain Guidance to estimate emissions we expect that emissions from waste generated in operations may be relevant.

Business travel

Evaluation status
Relevant, not yet calculated

Emissions in reporting year (metric tons 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
We are in the process of estimating scope 3 emissions for our business. However, based on the WRI/WBCSD Corporate Value Chain Guidance to estimate emissions we expect that emissions from business travel may be relevant.

Employee commuting

Evaluation status
Relevant, not yet calculated

Emissions in reporting year (metric tons 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
We are in the process of estimating scope 3 emissions for our business. However, based on the WRI/WBCSD Corporate Value Chain Guidance to estimate emissions we expect that emissions from employee commuting may be relevant.

Upstream leased assets

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons 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
Emissions from our leased assets are included in our Scope 1 and 2 emissions calculations, therefore emissions from upstream leased assets are not relevant for our Scope 3 calculations.

Downstream transportation and distribution

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons 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
All transportation and distribution emissions will be evaluated in category 4, and therefore these emissions are considered not relevant.

Processing of sold products

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons 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
We do not sell any products that require further processing or transformation; therefore these emissions are considered not relevant.

Use of sold products

Evaluation status
Relevant, not yet calculated

Emissions in reporting year (metric tons 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
We are in the process of estimating Scope 3 emissions for our business. However, based on the WRI/WBCSD Corporate Value Chain Guidance to estimate emissions we expect that emissions from use of sold products may be relevant.

End of life treatment of sold products

Evaluation status
Relevant, not yet calculated

Emissions in reporting year (metric tons 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
We are in the process of estimating scope 3 emissions for our business. However, based on the WRI/WBCSD Corporate Value Chain Guidance to estimate emissions we expect that emissions from end of life treatment of sold products may be relevant.

Downstream leased assets

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons 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
We do not have any downstream leased assets; therefore these emissions are considered not relevant.

Franchises

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons 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
We do not operate any franchises; therefore these emissions are considered not relevant.

Investments

Evaluation status
Relevant, not yet calculated

Emissions in reporting year (metric tons 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
We are in the process of estimating scope 3 emissions for our business based on the WRI/WBCSD Corporate Value Chain Guidance to estimate emissions. Therefore, we expect that emissions from investments may be relevant.

Other (upstream)

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons 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 Scope 3 emissions will be captured within other categories and therefore there are no additional upstream emissions that are relevant.

Other (downstream)

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons 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 Scope 3 emissions will be captured within other categories and therefore there are no additional downstream emissions that are relevant.

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
0.00004

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
143591

Metric denominator
unit total revenue

Metric denominator: Unit total
3924100000

Scope 2 figure used
Location-based

% change from previous year
200

Direction of change
Increased

Reason(s) for change
Change in revenue

Please explain
Our scope 1 emissions in FY2022 increased from FY2021, while our revenue in FY2022 decreased from FY2021. This is, in part, is the result of the dynamics that occurred during the pandemic and the shift in consumer sentiment starting in 2022 as the pandemic eased. In FY2021 and FY2022 we were experiencing record demand and sales fueled by the pandemic. As more consumers hunkered down at home, they spent more on our products. We also were designated as an essential business during the pandemic, enabling us to continue to operate and produce. To respond to this record demand, we significantly built up our supply chain network and warehousing capabilities in addition to producing products at higher levels. In FY2022, as consumers shifted their spending habits in the post pandemic era to experiences, travel and the like, we saw a dramatic decline in our sales, however, the emissions attributable to this ramp up in production preceded this decline.

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	82636	IPCC Fourth Assessment Report (AR4 - 100 year)
CH4	69.75	IPCC Fourth Assessment Report (AR4 - 100 year)
N2O	149	IPCC Fourth Assessment Report (AR4 - 100 year)
HFCs	631	IPCC Fourth Assessment Report (AR4 - 100 year)

C7.2

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

Country/area/region	Scope 1 emissions (metric tons CO2e)
United States of America	69926
Canada	12845
Netherlands	4
China	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)
Stationary Combustion	61454
Private Truck Fleet	12458
Sales Fleet	2777
Corporate Aircraft	5458
Fugitive Emissions	631

C7.5

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

Country/area/region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
United States of America	57871	
Canada	2050	
Netherlands	247	
China	178	

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)
Distribution	30878	
Industrial	411	
Manufacturing	22745	
Office activities	602	
Operations	1983	
Research and Development	477	
Storage and Warehousing	3708	
Retail	16	

C7.7

(C7.7) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

Yes

C7.7a

(C7.7a) Break down your gross Scope 1 and Scope 2 emissions by subsidiary.

Subsidiary name
Hawthorne Gardening Company

Primary activity
Electrical equipment

Select the unique identifier(s) you are able to provide for this subsidiary
No unique identifier

ISIN code – bond
<Not Applicable>

ISIN code – equity
<Not Applicable>

CUSIP number
<Not Applicable>

Ticker symbol
<Not Applicable>

SEDOL code
<Not Applicable>

LEI number
<Not Applicable>

Other unique identifier
<Not Applicable>

Scope 1 emissions (metric tons CO2e)
3376.89

Scope 2, location-based emissions (metric tons CO2e)
5330

Scope 2, market-based emissions (metric tons CO2e)

Comment
Scope 1 emissions sources include Stationary consumption, i.e. our facilities, (natural gas, diesel, gasoline, propane, and kerosene sources), and refrigerants. Scope 2 emissions for our Hawthorne Gardening Company subsidiary are primarily from our purchased and estimated electricity data

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 in emissions	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption		<Not Applicable>		
Other emissions reduction activities		<Not Applicable>		
Divestment		<Not Applicable>		
Acquisitions		<Not Applicable>		
Mergers		<Not Applicable>		
Change in output		<Not Applicable>		
Change in methodology		<Not Applicable>		
Change in boundary	31799	Increased	28	Our gross Scope 1+2 emissions increased by 28% from last year's disclosure because we increased in part due to the number of sites we collected data from.
Change in physical operating conditions		<Not Applicable>		
Unidentified		<Not Applicable>		
Other		<Not Applicable>		

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 0% but less than or equal to 5%

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	368659.72	368659.72
Consumption of purchased or acquired electricity	<Not Applicable>	0	126310.75	126310.75
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>		494970.47	494970.47

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	No
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.

Sustainable biomass

Heating value

Total fuel MWh consumed by the organization
0

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

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

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

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

Comment
We do not consume sustainable biomass within our operations

Other biomass

Heating value

Total fuel MWh consumed by the organization
0

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

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

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

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

Comment
We do not consume other biomass within our operations

Other renewable fuels (e.g. renewable hydrogen)

Heating value

Total fuel MWh consumed by the organization
0

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

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

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

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

Comment
We do not consume other renewable fuels (e.g. renewable hydrogen) within our operations

Coal

Heating value

Total fuel MWh consumed by the organization
0

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

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

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

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

Comment
We do not consume coal within our operations

Oil

Heating value
HHV

Total fuel MWh consumed by the organization
210343.06

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

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

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

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

Comment

Gas

Heating value
HHV

Total fuel MWh consumed by the organization
158316.39

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

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

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

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

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

Other non-renewable fuels (e.g. non-renewable hydrogen)

Heating value

Total fuel MWh consumed by the organization
0

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

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

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

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

Comment
We do not consume other non-renewable fuels (e.g. non-renewable hydrogen) within our operations

Total fuel

Heating value
HHV

Total fuel MWh consumed by the organization
368659.45

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

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

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

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

Comment
Our total fuel is the total of our oil and gas consumption.

C8.2g

(C8.2g) Provide a breakdown by country/area of your non-fuel energy consumption in the reporting year.

Country/area
United States of America

Consumption of purchased electricity (MWh)
143993.21

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
<Not Applicable>

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
143993.21

Country/area
Canada

Consumption of purchased electricity (MWh)
12789.02

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
<Not Applicable>

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
12789.02

Country/area
Netherlands

Consumption of purchased electricity (MWh)
788.33

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
<Not Applicable>

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
788.33

Country/area
China

Consumption of purchased electricity (MWh)
287.4

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
<Not Applicable>

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
287.4

C9. Additional metrics

C9.1

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

Description
Waste

Metric value
31280.28

Metric numerator
Short tons

Metric denominator (intensity metric only)

% change from previous year
79.67

Direction of change
Decreased

Please explain

Description
Other, please specify (Water Withdrawals)

Metric value
1557.31

Metric numerator
Megaliters

Metric denominator (intensity metric only)

% change from previous year
48.69

Direction of change
Decreased

Please explain

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 canceled any project-based carbon credits within the reporting year?

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/clients
Yes, other partners in the value chain

C12.1a

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

Type of engagement

Other, please specify (We engage in collaborative dialogue with our suppliers to seek innovative ways to reduce plastic material used in packaging, increase recycled content in packaging and increase consumer brand packaging that can be recycled or reused.)

Details of engagement

Please select

% of suppliers by number

30

% total procurement spend (direct and indirect)

75

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

0

Rationale for the coverage of your engagement

These percentages represent key packaging suppliers to help us achieve our goals related to reduction of plastic material used in packaging, increased recycled content in packaging and increased consumer brand packaging that can be recycled or reused.

Impact of engagement, including measures of success

Through supplier engagement related to packaging innovation, we are able to measure success by measuring progress towards the following goals by 2025: 3% reduction in plastic material used in packaging; 50% increase in consumer brand packaging that can be recycled or reused; 15% recycled content in packaging.

Comment

In 2022, we introduced a Supplier Engagement Program to help ensure Supplier Code of Conduct expectations are being met. Through this program, we, or a third party on our behalf, conduct audits of our suppliers to verify conformity to the Code and identify improvement opportunities. A component of our assessment includes climate and environmental related questions.

C12.1b

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

Type of engagement & Details of engagement

Education/information sharing	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
0

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.

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.

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

In response to this question, “other partners in the value chain” constitutes our retailers, including Walmart, Lowe’s and Home Depot. We engage with our retailers to discuss our carbon footprint, potential emissions reductions initiatives and other climate change-related initiatives and goals. We also respond to the CDP Climate Change questionnaire to support Walmart’s Project Gigaton and Lowe’s sustainability initiatives.

C12.2

(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization’s purchasing process?
No, and we do not plan to introduce climate-related requirements within the next two years

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the climate
Yes, we engage directly with policy makers
Yes, our membership of/engagement with trade associations could influence policy, law, or regulation that may impact the climate
Yes, we fund organizations or individuals whose activities could influence policy, law, or regulation that may impact the climate

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?
No, and we do not plan to have one in the next two years

Attach commitment or position statement(s)
<Not Applicable>

Describe the process(es) your organization has in place to ensure that your external engagement activities are consistent with your climate commitments and/or climate transition plan
We disclose our positions on various related issues on our website and within our Corporate Responsibility Report. To ensure that all our 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.

Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate
<Not Applicable>

Explain why your organization does not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate
<Not Applicable>

C12.3a

(C12.3a) On what policy, law, or regulation that may impact the climate has your organization been engaging directly with policy makers in the reporting year?

Specify the policy, law, or regulation on which your organization is engaging with policy makers
As experts in consumer lawn and gardening we work to ensure policies that impact consumer practices constructively address water stewardship, including water quality and quantity. In addition, we also support policy to improve resource efficiency for sustainable indoor plant cultivation related to cannabis.

We are also reviewing proposals that would require reporting on climate related financial risk.

Category of policy, law, or regulation that may impact the climate
Climate change adaptation

Focus area of policy, law, or regulation that may impact the climate
Other, please specify (Climate data reporting)

Policy, law, or regulation geographic coverage
National

Country/area/region the policy, law, or regulation applies to
United States of America

Your organization's position on the policy, law, or regulation
Support with no exceptions

Description of engagement with policy makers
As a lawn and garden company, we look to support policy 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.

In addition to the investment community, federal and state governments are working to require climate related data disclosure, we are advocating for harmonization with independent raters and rankers to reduce burdens and increase compliance.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation
<Not Applicable>

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?
No, we have not evaluated

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?
<Not Applicable>

C12.3b

(C12.3b) Provide details of the trade associations your organization is a member of, or engages with, which are likely to take a position on any policy, law or regulation that may impact the climate.

Trade association
Other, please specify (CropLife America)

Is your organization's position on climate change policy consistent with theirs?
Consistent

Has your organization attempted to influence their position in the reporting year?
No, we did not attempt to influence their position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position
We participate in industry, trade and other professional associations that help represent our interests across diverse aspects of our business. CropLife America helps ensure growers and consumers have the technologies they need to protect crops, communities, and ecosystems from the threat of pests, weeds, and diseases in an environmentally sustainable way. https://www.croplifeamerica.org/about

CropLife America has released a statement on climate change which states "CropLife America recognizes the impacts of climate change and the crucial role pesticides play to address this challenge. Sustainable agriculture, made possible by pesticides, is essential to preventing deforestation, sequestering greenhouse gasses, and preserving native habitat. Innovative pesticide products are key to unlocking and expanding the enormous climate-mitigation potential of agriculture. We support efforts to develop the most effective and precise solutions to pest challenges while protecting our environment and biodiversity." As a lawn and garden company, we believe that our products contribute to sustainable agriculture and we support CropLife America's stance to develop solutions that address pest challenges in a way that protects the environment and biodiversity.

An example of Croplife America's activities to influence climate change includes providing comments on the SEC Proposed Rule on The Enhancement and Standardization of Climate Related Disclosures for Investors.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)
9000

Describe the aim of your organization's funding
Our funding is for general membership dues to support their outreach and education efforts on a variety of topics most of which are non-climate related. We also contribute an additional $10,000 annually for Pesticide Policy Coalition through CropLife America but this was paid after the reporting period this year.

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?
No, we have not evaluated

C12.3c

(C12.3c) Provide details of the funding you provided to other organizations or individuals in the reporting year whose activities could influence policy, law, or regulation that may impact the climate.

Type of organization or individual
Non-Governmental Organization (NGO) or charitable organization

State the organization or individual to which you provided funding
Resource Innovation Institute

Funding figure your organization provided to this organization or individual in the reporting year (currency as selected in C0.4)
50000

Describe the aim of this funding and how it could influence policy, law or regulation that may impact the climate
Resource Innovation Institute: RII is a non-profit organization. Contributions help bring together stakeholders to assess resource use in cultivation operations, set industry standards, convene best practices events and advocate for effective policies and incentives that drive conservation.

Have you evaluated whether this funding is aligned with the goals of the Paris Agreement?
No, we have not evaluated

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-2023-CR-Report.pdf

Page/Section reference
pg. 8, 32, 53

Content elements
Governance
Strategy
Emissions figures

Comment
Scotts Miracle- Gro's 2023 Corporate Responsibility Report details our sustainability data and disclosures and includes the details on some of the information including our governance of climate change and related emissions disclosures.

C12.5

(C12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.

	Environmental collaborative framework, initiative and/or commitment	Describe your organization's role within each framework, initiative and/or commitment
Row 1	Other, please specify (Alliance for Water Efficiency, National Association of Conservation Districts, National Fish and Wildlife Foundation, National Recreation and Parks Association, Ocean Research & Conservation Ass'n, Restore America's Estuaries, The Nature Conservancy)	At ScottsMiracle-Gro, we foster an internal dialogue regarding environmental stewardship with all our associates. Our stewardship programs and initiatives drive our positive contributions toward a healthier planet. To demonstrate our commitment to caring for the planet, we take action by investing in enhanced product formulations, e.g. introducing more water-efficient products, and increasing consumer education on safe and appropriate use of our products. Through corporate efforts and The Scotts Miracle-Gro Foundation, we partner with experts and environmental groups across the U.S. to help preserve access to a safe, abundant supply of water and protect pollinators. In FY2022, we reached 151.8 million Americans through our environmental partnerships surpassing our annual goal of 145 million Americans. We formed the National Partner Network, a network of environmental organizations at the forefront of change. The National Partner Network includes 18 organizations whose focus is to improve waterways and conserve water across the country and to improve pollinator habitat restoration and preservation.Together with our nonprofit partners, we're working toward a water- and pollinator- friendly future. https://scottsmiraclegro.com/responsibility/foundation/environment/

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity	Scope of board-level oversight
Row 1	No, and we do not plan to have both within the next two years	<Not Applicable>	<Not Applicable>

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments	Initiatives endorsed
Row 1	No, and we do not plan to do so within the next 2 years	<Not Applicable>	<Not Applicable>

C15.3

(C15.3) Does your organization assess the impacts and dependencies of its value chain on biodiversity?

Impacts on biodiversity

Indicate whether your organization undertakes this type of assessment
No and we don't plan to within the next two years

Value chain stage(s) covered
<Not Applicable>

Portfolio activity
<Not Applicable>

Tools and methods to assess impacts and/or dependencies on biodiversity
<Not Applicable>

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)
<Not Applicable>

Dependencies on biodiversity

Indicate whether your organization undertakes this type of assessment
No and we don't plan to within the next two years

Value chain stage(s) covered
<Not Applicable>

Portfolio activity
<Not Applicable>

Tools and methods to assess impacts and/or dependencies on biodiversity
<Not Applicable>

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)
<Not Applicable>

C15.4

(C15.4) Does your organization have activities located in or near to biodiversity- sensitive areas in the reporting year?
Not assessed

C15.5

(C15.5) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity- related commitments
Row 1	Yes, we are taking actions to progress our biodiversity-related commitments	Land/water management

C15.6

(C15.6) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	No	Please select

C15.7

(C15.7) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
In voluntary sustainability report or other voluntary communications	Impacts on biodiversity	P. 37-38 Pollinators protection and restoration through Pollinator Promise, support of the National Recreation and Park Association Parks for Pollinators Program and support of pollinator conservation with the National Fish and Wildlife Foundation. ScottsMiracle-Gro-2023-CR-Report.pdf

C16. 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.

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Mike Lukemire, President and Chief Operating Officer	Chief Operating Officer (COO)

SC. Supply chain module

SC0.0

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

With approximately $3.785 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 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 issues 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. 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 2023 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.

SC0.1

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

	Annual Revenue
Row 1	3785000000

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

Scope 2 accounting method
<Not Applicable>

Scope 3 category(ies)
<Not Applicable>

Allocation level
Company wide

Allocation level detail
<Not Applicable>

Emissions in metric tonnes of CO2e
6034.5162

Uncertainty (±%)
10

Major sources of emissions
Our Scope 1 emissions primarily come from our use of natural gas, propane, distillate fuel oil and mobile fleet.

Verified
No

Allocation method
Allocation based on the market value of products purchased

Market value or quantity of goods/services supplied to the requesting member

Unit for market value or quantity of goods/services supplied
Currency

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

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Requesting member
Walmart, Inc.

Scope of emissions
Scope 2

Scope 2 accounting method
Location-based

Scope 3 category(ies)
<Not Applicable>

Allocation level
Company wide

Allocation level detail
<Not Applicable>

Emissions in metric tonnes of CO2e
4433.2677

Uncertainty (±%)
10

Major sources of emissions
Our Scope 2 emissions primarily come from our reported and estimated data for purchased electricity.

Verified
No

Allocation method
Allocation based on the market value of products purchased

Market value or quantity of goods/services supplied to the requesting member

Unit for market value or quantity of goods/services supplied
Currency

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

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Requesting member
Lowe's Companies, Inc.

Scope of emissions
Scope 1

Scope 2 accounting method
<Not Applicable>

Scope 3 category(ies)
<Not Applicable>

Allocation level
Company wide

Allocation level detail
<Not Applicable>

Emissions in metric tonnes of CO2e
14610.317

Uncertainty (±%)
10

Major sources of emissions
Our Scope 1 emissions primarily come from our use of natural gas, propane, distillate fuel oil and mobile fleet

Verified
No

Allocation method
Allocation based on the market value of products purchased

Market value or quantity of goods/services supplied to the requesting member

Unit for market value or quantity of goods/services supplied
Currency

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

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Requesting member
Lowe's Companies, Inc.

Scope of emissions
Scope 2

Scope 2 accounting method
Location-based

Scope 3 category(ies)
<Not Applicable>

Allocation level
Company wide

Allocation level detail
<Not Applicable>

Emissions in metric tonnes of CO2e
10733.4945

Uncertainty (±%)
10

Major sources of emissions
Our Scope 2 emissions primarily come from our reported and estimated data for purchased electricity.

Verified
No

Allocation method
Allocation based on the market value of products purchased

Market value or quantity of goods/services supplied to the requesting member

Unit for market value or quantity of goods/services supplied
Currency

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

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Requesting member
Costco Wholesale Corporation

Scope of emissions
Scope 1

Scope 2 accounting method
<Not Applicable>

Scope 3 category(ies)
<Not Applicable>

Allocation level
Company wide

Allocation level detail
<Not Applicable>

Emissions in metric tonnes of CO2e
3567.7318

Uncertainty (±%)
10

Major sources of emissions
Our Scope 1 emissions primarily come from our use of natural gas, propane, distillate fuel oil and mobile fleet.

Verified
No

Allocation method
Allocation based on the market value of products purchased

Market value or quantity of goods/services supplied to the requesting member

Unit for market value or quantity of goods/services supplied
Currency

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

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Requesting member
Costco Wholesale Corporation

Scope of emissions
Scope 2

Scope 2 accounting method
Location-based

Scope 3 category(ies)
<Not Applicable>

Allocation level
Company wide

Allocation level detail
<Not Applicable>

Emissions in metric tonnes of CO2e
2621.0403

Uncertainty (±%)
10

Major sources of emissions
Our Scope 2 emissions primarily come from our reported and estimated data for purchased electricity.

Verified
No

Allocation method
Allocation based on the market value of products purchased

Market value or quantity of goods/services supplied to the requesting member

Unit for market value or quantity of goods/services supplied
Currency

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 emission

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SC1.2

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

The total Scope 1 and Scope 2 emissions published in the 2023 ScottsMiracle Gro Corporate Responsibility Report were used to determine the metric tonnes of CO2e allocated to our customers.

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
Other, please specify (Reduced Packaging)

Emissions targeted
Actions that would reduce our own supply chain emissions (our own scope 3)

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

Estimated lifetime CO2e savings

Estimated payback
Please select

Details of proposal
Formulating 7 Walmart Growing Media items to include 10% recycled material in the final packaging. Shipping all Miracle Gro and Expert Gardener 8qt bagged goods in full pallet quantities vs casegoods, thus saving an estimated 1M+ lbs of corrugate in 2024.

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 understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms