



Northeast Midwest Institute Panel Briefing
June 17, 2013
U.S. Capitol Building - SVC 202
10:30 a.m.

Scotts Miracle-Gro: One of America's oldest companies – a committed and trusted friend of gardeners worldwide

Steeped in history ...

- Founded 1868 in Marysville, Ohio
- America's largest marketer of lawn and garden products
- 40 facilities in 23 states; 11 international facilities



1868



2013

Our founders

OM Scott:
Shop keeper and
Civil War veteran



Horace Hagedorn:
Advertising and
marketing innovator



Chesapeake Bay: Sparking Water Quality Action

CBP looking for solutions

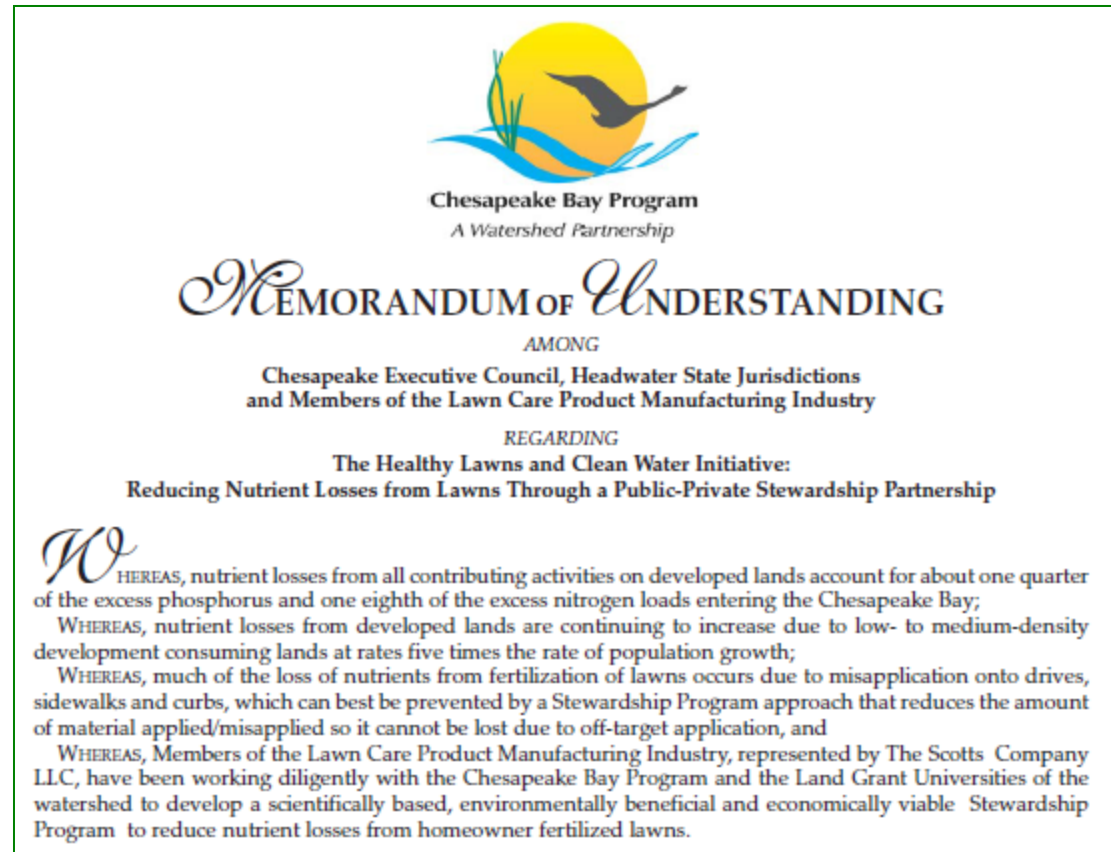
- Residential fertilizer less than 2% of U.S. fertilizer use
- Low runoff / seep rates
- While not significant, it is not zero
- Opportunities exist to help address overall nutrient load

2006 MOU

- SMG committed to a 50% P reduction over 3 years
- Develop residential stewardship program

Chesapeake MOU Response

- Consumers favorable
- Science based: sufficient phosphorus on lawns
- Techniques to retain phosphorus on lawns



Taking Local Action to National Scale

2011 World Water Day

- SMG committed to phosphorus free lawn products by 2013

P-Free Commitment Met

- Reformulated products
- Market leading TurfBuilder
- Remains in starter & organic



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Scotts drops phosphorus from lawn fertilizer

Marysville company acts to reduce risk of runoff feeding toxic-algae blooms in lakes; competitors likely to follow its lead

RELATED ITEMS

- » Scotts subsidiary invests in indoor-gardening company
- » Heavy rains grow toxic blooms
- » Gypsum on fields may cut runoff of phosphorus

ENVIRONMENT BLOG

OSU says research is 'one giant leap' in answering 'one small step' question



It is something everyone has heard -



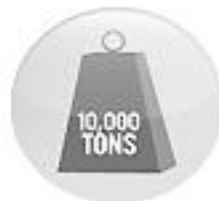
CHRIS RUSSELL | DISPATCH

Scotts Miracle-Gro employee Chris Riehl fertilizes a lawn in Powell. The lawn-care industry accounts for less than 10 percent of the phosphorus dissolved in U.S. waterways.

On the Ground Results



As consumers feed their lawns this spring, they should know they can get great results from our products while also protecting and preserving our water resources



2003

Scott's conventional lawn food products contained over ten thousand tons of phosphorus.



**TO HELP PEOPLE OF ALL AGES EXPRESS THEMSELVES
ON THEIR OWN PIECE OF THE EARTH**

Beyond Phosphorus: Proactive Integrated Approach



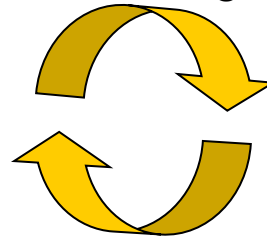
Tips for Lawncare Success:

- **Mow your lawn high.** Mowing high allows the grass to develop a deep root system & helps your lawn use water more effectively.
- **Leave the grass clippings on your lawn.** This recycles the plant nutrients back into the soil.
- **Conserve water.** Your lawn will begin to wilt when water is needed. As much as possible, take advantage of nature's sprinkler and rely on the rain to water your lawn.



Phosphorus

Labeling



Product Development

Outreach & Education



Educating Beyond Traditional Company Channels

BACKYARD CONSERVATION: *Lawns and the Environment*



*How proper lawn care can help
protect our natural resources*



WORKING TOGETHER

FOR THE GREAT LAKES REGION

ALLIANCE FOR THE GREAT LAKES
ENSURING A LIVING RESOURCE FOR ALL GENERATIONS

ScottsMiracleGro

www.lawnsandlakes.com



Key Consumer Messaging

- ✓ **Mow High:** Longer grass grows deeper roots, making the lawn better at absorbing water, controlling storm water runoff and managing erosion.
- ✓ **Recycle Grass Clippings and Leaves:** Clippings and leaves left on the lawn provide a natural way of feeding the lawn.
- ✓ **Clean Up:** Sweep fertilizers, grass clippings and other materials from hard surfaces back on to the lawn. This keeps nutrients from entering the storm sewers and waterways.
- ✓ **Choose a Phosphorus-free Fertilizer:** Unless a soil test shows that this nutrient is needed or a new lawn is being planted.

Maximize Water Quality Benefits of Healthy Turf Grass



Aerial photography of downtown Portland, ME, classified into open space (greens), impervious surfaces (pink), and water (blue)

Consider residential lawns as green infrastructure to buffer impervious surfaces and improve water quality:

- ✓ Reduces stormwater runoff
- ✓ Reduces soil erosion (sediment)
- ✓ Reduces nutrient losses
- ✓ Increases groundwater recharge

Building a Corporate-wide Sustainability Initiative

Products – continuously strive to develop products that are simple, sustainable and significant

Operations – reduce the Company's environmental footprint, with a focus on reducing waste going to landfills and carbon emissions



Outreach – educate consumers about the proper ways to care for lawns and gardens to protect the environment

Associates – leverage the talents, skills and interests of associates to bring sustainability ideas to life in their work, at home and in their communities

Community – support the creation of public and private gardens and green spaces



Products: Scotts Miracle-Gro is Largest Naturals & Organics Marketer



2014 Relaunch

Test markets: FL, IL, OH, TX
May need Congressional help
bringing products to market

UC-Davis / Marrone Bio

New research agreements in place to develop residential consumer natural pesticides



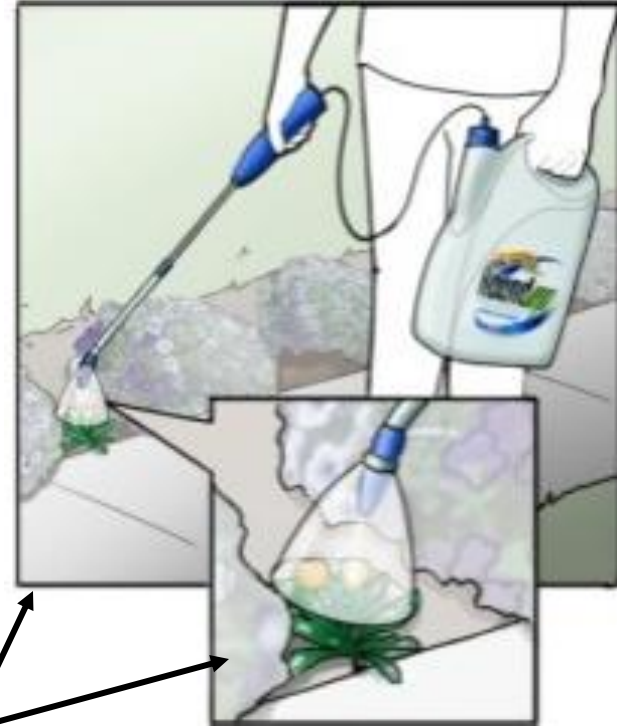
Extended Wand Applicator for Round Up

Provides highly controlled application for use in gardens & landscape

Protective cone – focuses spray into defined area, no drift or over-spray



Extendable wand-gets closer to the work, reduces drift



Safely and confidently apply in tight areas with no off-target damage

Launching in 2015 on Round Up

Growing Media Products: Largest Recycler of Green Waste

Annually Scotts recycles 5 billion pounds of green waste into our products



Implementing

Woody biomass/natural materials: offset 30% of Canadian sphagnum peat moss

Eucalyptus plantation source to compete with use of cypress in Florida mulch market

Testing

Variety of pelletized agricultural wastes

Operations: Reducing Our Environmental Footprint

Measuring from 2010 baseline, operational goals targeted to 2018 –
Company's 150th anniversary

Goal: 20% reduction in Green House Gas emissions

Status: 5% reduction

First Solar Array: Jackson, GA



Goal: 50% reduction in waste to landfill

Status: 16% reduction



Removing Trash Compactor:
Marysville, OH

Operations: Reducing Our Environmental Footprint

Measuring from 2010 baseline, operational goals targeted to 2018 –
Company's 150th anniversary

Goal: 90% of suppliers meet sustainability thresholds

Status: 41% of suppliers meet thresholds

Goal: 30% PCR/FSC content

Status: 28% PCR/FSC content

Removed almost 4 million pounds of material (mostly plastic and paper) from product production in 2012 – saving \$1.6 million

Supplier Sustainability Scorecard		The Scotts Miracle-Gro Company			
Overall Rating:	General	Water	Waste	Energy	Emissions
53.85					
General					
Do you have an environmental policy and/or EMS in place?					Yes
Do you report your environmental / sustainability performance to a public organization? (e.g. CDPP)					No
Are your sustainability practices certified by any public 3rd party organization? (e.g. ISO 14001 for certification, ISO 19001 for audit requirements)					Yes
2/3					
Water					
Do you measure & track your annual water use and waste water generation?					No
Do you have an annual improvement target for water consumption?					No
0/2					
Waste					
Do you measure & track your waste generation?					Yes
Do you have an annual improvement target for waste generation?					No
Do you have any recycling/ reuse program established/ underway?					Yes
2/3					
Emissions					
Do you measure & track your annual CO2 equivalent?					Yes
Do you have an annual improvement target for CO2 equivalent generation?					Yes
2/2					
Energy					
Do you measure & track your annual electricity use?					No
Do you have an annual improvement target for electricity use?					Yes
Do you procure renewable energy?					No
1/3					
Prepared by: Tim Schilling Sustainability Data Analyst The Scotts Miracle-Gro Company		Phone: (937) 645-2780 E-mail: tim.schilling@scotts.com		Scotts... dedicated to a beautiful world.	

Outreach: Address Critical Issues Through Partnerships

2012 PROGRAM RESULTS

- Founded public-private coalition in response to water crisis in Texas.
- Consumer insights drove messaging.
- Media & PR/Press Coverage in 5 priority DMAs.
 - Launched *TexasWaterSmart.com*



RESULTS WERE POSITIVE:

- ✓ **80%+** awareness of conservation campaign
- ✓ **81% met or exceeded** 10% water reduction goal*
- ✓ Built relationships between key influencers in TX



* Among those who used less

Community: Establish 1,000 Community Gardens & Greenspaces by 2018 Help Communities Grow Healthy Foods and Outdoor Activities



GRO1000™

Large Grant Program

5 Showcase Grants annually

\$25,000 in funding and product

Apply through U.S. Conference of Mayors

Small Grant Program

130 Grassroots Grants annually

\$500 - \$1,500 in funding

Apply online through Scotts:
www.grogood.com/givebacktogro/gro1000

Farm Bill

Continue incentives to reduce nutrients, establish whole farm plans

Encourage community/urban gardening efforts:

- Health benefits: fresh food
- Landscape restoration

Advance alternative uses of agricultural waste:

- Technology advancement/investment
- Regional scale

TSCA

Maintain science-based review process

Protect innovation / route to market with new materials

Prioritize review of submissions intended to replace existing technology

Obtain More Information and Share Your Feedback

Visit **GroGood.com**

- Corporate Responsibility Reports.
- GRO1000 grant applications
- Quarterly e-newsletter sign-up



@SMG_GroGood for updates on Sustainability and Corporate Responsibility efforts

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For lawn care best management practices to protect water quality:

- Great Lakes focus:
www.lawnsandlakes.com
- NACD landowner contact education materials:
www.ofswcd.org/BackyardConservation

THE **Scotts Miracle-Gro** COMPANY

Contact Us | PDF/Downloads | Our Brands

CORPORATE RESPONSIBILITY REPORT | GIVE BACK TO GRO | FEATURES AND MULTIMEDIA | RESOURCES

GroGood >>

2011 Corporate Responsibility Report

- About SMG
- CEO Message
- Sustainability Priorities
- Mission & Values
- Engagement & Outreach
- Partnerships
- Community
- Product Responsibility
- Operational Footprint
- Workplace & Culture
- Corporate Governance
- Scotts LawnService
- Summary Data Tables
- GRI Index

ScottsMiracleGro.com

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Engagement & Outreach

Partnerships

Message from Our CEO
JIM HAGEDORN

Product Responsibility

Workplace & Culture