

Spectrum Brands Inc. - Climate Change 2018

C0. Introduction

C0.1

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

Spectrum Brands Holdings, a member of the Russell 2000 Index, is a global and diversified consumer products company and a leading supplier of consumer batteries, residential locksets, residential builders hardware, plumbing and accessories, shaving and grooming products, personal care products, small household appliances, specialty pet supplies, lawn and garden and home pest control products, personal insect repellents, and auto care products. Helping to meet the needs of consumers worldwide, our Company offers a broad portfolio of market-leading, well-known and widely trusted brands. Spectrum Brands' products are sold by the world's major retailers and are available in more than one million stores in approximately 160 countries. Based in Middleton, Wisconsin, Spectrum Brands Holdings has approximately 18,000 employees in 50 countries and generated net sales of approximately \$5.01 billion in fiscal 2017.

Please note that the following responses address our fiscal year: Oct 1, 2016 through Sept 30, 2017.

C0.2

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

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Row 1	October 1 2016	September 30 2017	No	<Not Applicable>
Row 2	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Row 3	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Row 4	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

C0.3

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

Australia
Brazil
Cambodia
Canada
China
Colombia
Ecuador
Germany
Guatemala
Mexico
Netherlands
Philippines
Taiwan (Province of China)
United Kingdom of Great Britain and Northern Ireland
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 consolidation approach to your Scope 1 and Scope 2 greenhouse gas inventory.

Operational control

C1. Governance

C1.1

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

Yes

C1.1a

(C1.1a) Identify the position(s) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Chief Executive Officer (CEO)	i) Description of the position(s)/committee(s) in the corporate structure and the level of responsibility they have towards climate-related issues: During the time period covered by this report, the CEO, a member of both our Board and Executive Advisory Board, led our sustainability governance efforts. ii) Rationale of why responsibilities for climate-related issues have been assigned to this/these position(s)/ committee(s): As a member of both the Board and Executive Advisory Board, the CEO provided oversight while demonstrating Spectrum Brands' high-level commitment to sustainability.

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	Please explain
Scheduled – some meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Setting performance objectives Monitoring implementation and performance of objectives Monitoring and overseeing progress against goals and targets for addressing climate-related issues	During the time period covered by this report, the CEO, a member of both our Board and Executive Advisory Board, led our sustainability governance efforts. The Board received quarterly updates regarding the company's sustainability efforts and progress.

C1.2

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

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Chief Sustainability Officer (CSO)	Both assessing and managing climate-related risks and opportunities	Quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored.

DVP, Chief Sustainability Officer (CSO):

i. The DVP, Chief Sustainability Officer (CSO) reports to Executive Leadership and has responsibility for the Spectrum Brands global sustainability program.

ii. Rationale: The CSO position allows for coordination of teams across the company to deliver a shared, consistent and best-practice approach for the continuous improvement of sustainability, i.e. safety, environmental, energy/climate change, social, and governance/compliance performance. The CSO also coordinates an annual global sustainability meeting that focuses on topics such as: sustainability initiatives/trends, regulatory strategy, responsible sourcing, and customer sustainability programs.

iii. The CSO oversees a committee-led approach that consists of senior leadership as well as dedicated cross-functional and cross-divisional teams. As part of our committee structure, we have established a sustainability committee, the Global Sustainability Council, to facilitate integration of sustainability across our company. The committee-led approach is coordinated by the CSO.

C1.3

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

Yes

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues.

Who is entitled to benefit from these incentives?

All employees

Types of incentives

Recognition (non-monetary)

Activity incentivized

Emissions reduction target

Comment

Spectrum Brands recognizes the individual efforts of any employee who contributes to the company's sustainability or reduces the energy-use (and, therefore, cost) of operations. Carbon footprint metrics are annually established for each facility and the progress is reported to the operations team during quarterly regional stakeholder calls, to which the leadership team is accountable.

Who is entitled to benefit from these incentives?

Other, please specify (Plant employees)

Types of incentives

Monetary reward

Activity incentivized

Efficiency project

Comment

Plant employees within the Pet Home & Garden division receive monetary bonuses in exchange for increasing changeover efficiency as well as for enacting behavioral and process changes that reduce energy use. Increased changeover efficiency leads to reduced energy and emissions intensities in operations.

Who is entitled to benefit from these incentives?

Facilities manager

Types of incentives

Monetary reward

Activity incentivized

Efficiency project

Comment

Facility managers within the Pet Home & Garden division receive monetary bonuses in exchange for increasing changeover efficiency as well as for enacting behavioral and process changes that reduce energy use. Increased changeover efficiency leads to reduced energy and emissions intensities in operations.

Who is entitled to benefit from these incentives?

Other, please specify (Operational sites)

Types of incentives

Other non-monetary reward

Activity incentivized

Efficiency project

Comment

Each operational site has performance goals for reaching scrap waste reduction goals. Reductions in scrap waste also reduce the company's scope 3 emissions.

C2. Risks and opportunities

C2.1

(C2.1) Describe what your organization considers to be short-, medium- and long-term horizons.

	From (years)	To (years)	Comment
Short-term	0	3	
Medium-term	3	5	
Long-term	5	10	

C2.2

(C2.2) Select the option that best describes how your organization's processes for identifying, assessing, and managing climate-related issues are integrated into your overall risk management.

Integrated into multi-disciplinary company-wide risk identification, assessment, and management processes

C2.2a

(C2.2a) Select the options that best describe your organization's frequency and time horizon for identifying and assessing climate-related risks.

	Frequency of monitoring	How far into the future are risks considered?	Comment
Row 1	Annually	1 to 3 years	At the company level, Spectrum Brands has a risk management process that identifies and prioritizes risks to the company. Risks that have the potential to be material are disclosed on the Spectrum Brands' 10k and include statements associated with climate change risk.

C2.2b

(C2.2b) Provide further details on your organization's process(es) for identifying and assessing climate-related risks.

i. Company level: An important component of the sustainability program is a materiality risk assessment process, facilitated by Spectrum Brands' implementation of the ISO 14001 Environmental Management System in 2005 at select sites. For climate change related risks, the sustainability committee identifies climate change risks associated with energy and water resource scarcity and extreme weather occurrences that have potential to disrupt operational and/or supply chain performance and impact product sales. The materiality risk assessment process also includes prioritization on addressing the risks that offer the greatest business value.

ii. Asset level: At the asset level, each of the divisional leadership is responsible for risk management within the operations. This involves identification and prioritization of risks to each facility. Sustainability data metrics that include safety, energy, waste and other information are collected and reviewed to identify risks and opportunities for continuous improvement at the facility level on a quarterly basis by the sustainability committee.

iii. Process for assessing potential size and scope of risks: Risk in the supply chain are addressed by a sourcing risk management framework and includes the assessing a supplier's ability to perform in terms of quality, delivery, and sustainability issues. This framework includes identifying the potential size and scope of the risks on the supply chain. Additionally, Spectrum Brands is starting to apply the sourcing risk management framework to the product design functions at the company, which will include product specific sustainability topics such as resource scarcity, and continuity of resources.

iv. Process for assessing relative significance of risks: The materiality risk assessment process also includes prioritization on addressing the risks that offer the greatest business value.

v. The definitions applicable to our risk terminologies are as described.

vi. Substantive impact is for Spectrum Brands is a qualitative determination that varies between divisions. Factors evaluated potential for impact on business continuity, size and number of business units affected, and the potential for shareholder, customer, and regulatory concern.

C2.2c

(C2.2c) Which of the following risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	At Spectrum Brands, our formal mechanism for assessing regulations is through the Regulatory Advisory Council. The Council is sponsored by a representative from Spectrum Brands' legal department and is global in scale. The Council is charged with identifying new/emerging requirements, predominantly associated with governmental, customer policy or internal initiatives that could affect plant or product, including current environmental regulations.
Emerging regulation	Relevant, always included	At Spectrum Brands, our formal mechanism for assessing regulations is through the Regulatory Advisory Council. The Council is sponsored by a representative from Spectrum Brands' legal department and is global in scale. The Council is charged with identifying new/emerging requirements, predominantly associated with governmental, customer policy or internal initiatives that could affect plant or product, including new and emerging environmental regulations.
Technology	Relevant, sometimes included	Our Regulatory Advisory Council is charged with identifying new/emerging requirements, predominantly associated with governmental, customer policy or internal initiatives that could affect plant or product. When appropriate, the Regulatory Advisory Council will engage divisional IT departments when technology is an affected element of the Council's assessment.
Legal	Relevant, always included	Regulatory, and thereby legal risks are consistently evaluated by the Regulatory Advisory Council and may be informed by climate-related issues.
Market	Relevant, sometimes included	Through the sourcing risk management framework described above in 2.2b, Spectrum Brands has added to the supplier procurement process an evaluation of EHS and social risk focused on mitigating risks to the business and market risk from supplier nonconformance.
Reputation	Relevant, always included	For Spectrum Brands, reputation is often tied to the use of our products. Our product teams are constantly innovating products to provide the quality, value, and performance our customers demand, while protecting health, safety, and wellness, and minimizing our environmental impacts.
Acute physical	Relevant, sometimes included	Operational risks at the plant level are consistently evaluated and may be informed by climate-related issues. For example, some Spectrum facilities are located in areas prone to extreme weather events such as flooding or ice storms. Our Divisional Operations team is an example of one risk owner that would consider these acute physical risks as they affect the division's daily operations and strategy to mitigate and manage extreme weather events.
Chronic physical	Relevant, sometimes included	Operational risks are consistently evaluated and may be informed by climate-related issues. For example, Spectrum facilities are located in areas prone to rising average temperatures. Our facility managers are an example of a risk owner that would consider these chronic physical risks as they affect the division's daily operations and strategy to manage for these rising temperatures.
Upstream	Relevant, always included	Spectrum's sourcing team evaluates risks related to suppliers upstream in the value chain through the sourcing risk management framework.
Downstream	Relevant, always included	Risks previously described, such as emerging regulation and reputation, can have an impact on Spectrum's stakeholders – in particular, our customers. Our product teams evaluate downstream impacts, and strive to develop safer products, eliminate unneeded chemicals, and improve cradle-to-grave management of products and packaging. Our approach focuses on both regulatory compliance and conformity with emerging customer and consumer requirements.

C2.2d

(C2.2d) Describe your process(es) for managing climate-related risks and opportunities.

i. How your organization makes decisions to mitigate, transfer, accept or control climate-related risks and to capitalize on opportunities: The implementation of measures to address climate change risks and capitalize on opportunities are the responsibility of the Global Steering Committee and Global Sustainability Council. The Global Steering Committee is tasked with setting the overall sustainability strategy and evaluating performance. Our Global Sustainability Council comprised of subject matter experts across the company oversees execution. The Council ensures Spectrum Brands is on track with regulatory requirements by interfacing with the Regulatory Advisory Council and facilities' EHS programs, coordinates the sharing of best practices, and drives the implementation of sustainable business practices at the operational level including energy efficiency and water conservation. In addition, Spectrum Brand's implementation of a global sourcing risk management framework (as described in 2.2b) added to the procurement process EHS as an evaluation tool focused on mitigating risks to the business and market risk from supplier nonconformance down to the raw material level. We also adopted the Spectrum Brands Code of Conduct, which was developed as a response to CSR commitments to customers and workforce as part of contractual and reputational obligations.

ii. Physical risk case study: Spectrum Brands has facilities located throughout the world, each with unique physical risks associated with climate change and extreme weather events. Through each facility's EHS program, risks are addressed through written policies and procedures designed to safe guard employees and allow business continuity. For example, one Spectrum Brands facility located in an area prone to typhoons has handled the risk of typhoons as follows: the EHS Coordinator is responsible for tracking the typhoon and local bridge closure and then working with the general manager to decide whether to stop plant production. When a shutdown is required, HR issues messages to departments and coordinates notices to employees for evacuation. The Facility Department shuts down unwanted power supplies and secures the department's valuables, chemicals, outdoor equipment / materials and ensures they are stored properly or moved to a safe place, away from doors and windows. As needed the IT department shuts down the servers. After the typhoon alarm is received, the facility department inspects the plant and equipment. A similar process is instituted based on relevant extreme weather risks at Spectrum facilities throughout the world.

iii. Transitional risk case study: To comply with the California Cleaning Product Right to Know Act, SB258, the Regulatory Advisory Council assessed for act for relevance and applicability down to the product level. The Council then reported on the impact to the business and the specific divisions and products in the company that would be affected. The identified divisions and divisional leaders are then responsible a variety of impacted areas such as management, marketing, supply chain and value chain, R&D (i.e formulating products), operations, labeling, quality, and customer service. The Council also reported the results of the risk analysis and plan to address the risks to the Spectrum Brand's legal department and Executive Advisory Board.

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

Transition risk

Primary climate-related risk driver

Policy and legal: Enhanced emissions-reporting obligations

Type of financial impact driver

Policy and legal: Increased operating costs (e.g., higher compliance costs, increased insurance premiums)

Company- specific description

Proposed international accords and treaties, as well as federal, state and local laws and regulations, may attempt to control or limit the causes of climate change in the future, including the effect of greenhouse gas emissions on the environment. In the event that the U.S. government or foreign governments enact new climate change laws or regulations or make changes to existing laws or regulations, compliance with applicable laws or regulations may result in increased manufacturing costs for our products, such as by requiring investment in new pollution control equipment or changing the ways in which certain of our products are made. Spectrum Brands may incur some of these costs directly and others may be passed on to us from our third-party suppliers.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Medium

Potential financial impact

Explanation of financial impact

The financial implications may be negative.

Management method

The sustainability committee and councils meet regularly to provide updates on incoming climate change-related requests and ongoing projects.

Cost of management

Comment

The costs associated with managing this risk are not significant and are part of existing operating costs. These costs include annual salaries of employees that manage operations.

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Supply chain

Risk type

Physical risk

Primary climate-related risk driver

Acute: Increased severity of extreme weather events such as cyclones and floods

Type of financial impact driver

Reduced revenue from decreased production capacity (e.g., transport difficulties, supply chain interruptions)

Company- specific description

Batteries and flashlights are essential in storm preparedness. Increasing cyclone occurrence rate, driven by climate change, forces Spectrum Brands to consider supply chain preparedness for these events.

Time horizon

Short-term

Likelihood

About as likely as not

Magnitude of impact

Medium

Potential financial impact

Explanation of financial impact

The financial implications may be negative.

Management method

Spectrum Brands is regularly assessing its supply chain to strengthen response to potential changes in climate.

Cost of management

Comment

The costs are related to assessments and logistical improvements.

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Customer

Risk type

Physical risk

Primary climate-related risk driver

Chronic: Changes in precipitation patterns and extreme variability in weather patterns

Type of financial impact driver

Reduced revenues from lower sales/output

Company- specific description

Increased global temperatures may cause regional ecological changes, such as unusual drought or precipitation patterns. These climate shifts may naturally prevent weed growth, which would reduce the demand for Spectrum Brands' herbicide products and present a financial risk to the company.

Time horizon

Unknown

Likelihood

Unlikely

Magnitude of impact

Low

Potential financial impact

Explanation of financial impact

The financial implications may be negative.

Management method

The sustainability committee and councils meet regularly to provide updates on incoming climate change-related requests and ongoing projects.

Cost of management

Comment

The costs associated with managing this risk are not significant and are part of existing operating costs. These costs include annual salaries of employees that manage operations.

Identifier

Risk 4

Where in the value chain does the risk driver occur?

Direct operations

Risk type

Transition risk

Primary climate-related risk driver

Reputation: Shifts in consumer preferences

Type of financial impact driver

Reputation: Reduced revenue from decreased demand for goods/services

Company- specific description

As more consumers choose to support brands with strong environmental credentials, there is a potential risk in the loss of market share to organizations that ignore sustainability initiatives. If Spectrum Brands does not maintain its commitment towards sustainability, the organization could incur negative impacts to its reputation.

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

Unknown

Potential financial impact

Explanation of financial impact

The financial implications may be negative.

Management method

The sustainability committee and councils meet regularly to provide updates on incoming climate change-related requests and ongoing projects. Furthermore, by reporting to CDP and the Walmart Sustainability Index, Spectrum Brands is showing its commitment to emissions reductions and climate change initiatives.

Cost of management

Comment

The costs associated with managing this risk are not significant and are part of existing operating costs. These costs include annual salaries of employees that manage operations. The company has also engaged a consultant firm to help with emissions calculations and reporting.

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?

Direct operations

Opportunity type

Energy source

Primary climate-related opportunity driver

Use of supportive policy incentives

Type of financial impact driver

Reduced operational costs (e.g., through use of lowest cost abatement)

Company- specific description

Spectrum Brands has identified an opportunity in the uncertainty surrounding the broad range of potential regulations relating to climate emissions. Agencies such as the Environmental Protection Agency and a host of other organizations at the local, state, national, and international level may implement a policy that directly or indirectly creates a price for greenhouse gas emissions. Spectrum Brands has identified an opportunity in pre-emptively measuring, managing, and reducing greenhouse gas emissions as it will be better positioned, relative to its peers, to adhere to future regulations. This may provide a competitive advantage through relatively lower operational costs.

Time horizon

Short-term

Likelihood

More likely than not

Magnitude of impact

Medium

Potential financial impact

Explanation of financial impact

The financial implications may be positive.

Strategy to realize opportunity

At the divisional level, the Program Manager and Director of Quality meet quarterly with senior leadership, which includes the Senior Vice President and General Manager, the Vice President of Research and Development, and the Sales and Operations team, to provide updates on incoming climate change-related requests and ongoing projects.

Cost to realize opportunity

Comment

The costs associated with managing this opportunity are not significant and are part of existing operating costs. These costs include annual salaries of employees that manage operations.

Identifier

Opp2

Where in the value chain does the opportunity occur?

Customer

Opportunity type

Products and services

Primary climate-related opportunity driver

Development of climate adaptation and insurance risk solutions

Type of financial impact driver

Increased revenue through new solutions to adaptation needs (e.g., insurance risk transfer products and services)

Company- specific description

In some areas, increased precipitation associated with climate change may cause pest population growth. This may increase the demand for Spectrum Brands' products.

Time horizon

Please select

Likelihood

Unlikely

Magnitude of impact

Low

Potential financial impact

Explanation of financial impact

The financial implications may be positive.

Strategy to realize opportunity

The sustainability committee and councils meet regularly to provide updates on incoming climate change-related requests and ongoing projects.

Cost to realize opportunity

Comment

The costs associated with managing this opportunity are not significant and are part of existing operating costs. These costs include annual salaries of employees on the committee and councils.

Identifier

Opp3

Where in the value chain does the opportunity occur?

Customer

Opportunity type

Products and services

Primary climate-related opportunity driver

Shift in consumer preferences

Type of financial impact driver

Better competitive position to reflect shifting consumer preferences, resulting in increased revenues

Company- specific description

Employee and customer awareness towards climate change continues to increase. Promoting environmental activities and more sustainable products may improve Spectrum Brands' image and potentially increase sales.

Time horizon

Current

Likelihood

Likely

Magnitude of impact

Medium-low

Potential financial impact**Explanation of financial impact**

A large number of consumers are environmentally-conscious. If sales increase due to gained consumers' support, estimated financial gains may be significant.

Strategy to realize opportunity

The sustainability committee and councils meet regularly to provide updates on incoming climate change-related requests and ongoing projects. Furthermore, by reporting to CDP and disclosing emissions, Spectrum Brands is showing its commitment to emissions reductions and climate change initiatives. Additionally, our sourcing, procurement, and product development teams are encouraged to move beyond compliance to improve product design and packaging from a sustainability perspective.

Cost to realize opportunity**Comment**

The costs associated with managing this opportunity are not significant and are part of existing operating costs. These costs include annual salaries of employees that manage operations, as well as engagement of a consulting firm to help with emissions calculations and reporting.

Identifier

Opp4

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Products and services

Primary climate-related opportunity driver

Shift in consumer preferences

Type of financial impact driver

Better competitive position to reflect shifting consumer preferences, resulting in increased revenues

Company- specific description

Major purchasing organizations are responding to the financial and regulatory risks associated with climate change by more closely monitoring their supply chains' greenhouse gas emissions. Many retailers have started to give preference to suppliers that measure, disclose, and reduce their impact. Spectrum Brands believes that monitoring and disclosing its emissions will give it a competitive advantage with buyers that prioritize transparency and compliance.

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

High

Potential financial impact

Explanation of financial impact

The financial implications may be positive.

Strategy to realize opportunity

The sustainability committee and councils meet regularly to provide updates on incoming climate change-related requests and ongoing projects. Furthermore, by reporting to CDP and disclosing emissions, Spectrum Brands is showing its commitment to emissions reductions and climate change initiatives.

Cost to realize opportunity

Comment

The costs associated with managing this opportunity are not significant and are part of existing operating costs. These costs include annual salaries of employees that manage operations, as well as engagement of a consulting firm to help with emissions calculations and reporting.

C2.5

(C2.5) Describe where and how the identified risks and opportunities have impacted your business.

	Impact	Description
Products and services	Impacted	i) The identified risks and opportunities reported in 2.3a and 2.4a have affected Spectrum Brands' approach to designing our products in that our sourcing, procurement, and product development teams are encouraged to move beyond compliance to improve product design and packaging from a sustainability perspective. ii) The magnitude of this impact is low, as these functions are part of day-to-day management and these activities are undertaken during the course of regular business.
Supply chain and/or value chain	Impacted	i) The risks and opportunities described in 2.3a/2.4a have affected our supply chain/value chain activities, particularly with regard to engaging our suppliers to achieve our sustainability goals related to performance on the Walmart Sustainability Index. In 2017, our teams worked alongside select suppliers to improve resource use efficiency and to reduce carbon footprints. ii) The magnitude of this impact is minimal, as these functions are part of day-to-day management and these activities are undertaken during the course of regular business.
Adaptation and mitigation activities	Impacted	i) Physical climate risks as described in 2.3a have affected our mitigation activities in that our facilities must appropriately respond to severe weather events to ensure interruptions to normal operations are not substantively impacted. ii) The magnitude of this impact in terms of costs is minimal, as these functions are part of day-to-day management and these activities are undertaken during the course of regular business.
Investment in R&D	Impacted	i) The identified risks and opportunities reported in 2.3a and 2.4a have affected Spectrum Brands' investment in R&D to design our products in that our sourcing, procurement, and product development teams are encouraged to move beyond compliance to improve product design and packaging from a sustainability perspective. ii) The magnitude of this impact is low, as these functions are part of day-to-day management and these activities are undertaken during the course of regular business.
Operations	Impacted	i) Physical and transitional climate risks and opportunities as described in 2.3a/2.4a have affected our operations, particularly with regard to implementing projects that support our progress toward achieving sustainability goals while saving on operational costs. ii) The magnitude of this impact is minimal, as these functions are part of day-to-day management and these activities are undertaken during the course of regular business.
Other, please specify	Please select	

C2.6

(C2.6) Describe where and how the identified risks and opportunities have factored into your financial planning process.

	Relevance	Description
Revenues	Impacted	i) The identified risks and opportunities reported in 2.3a and 2.4a have affected Spectrum Brands' revenues planning in that our ongoing investment toward more sustainable products and efficient facilities are incentivized by customer interest; responding to these customers support revenues. ii) The magnitude of this impact is low, as these functions are part of day-to-day management and these activities are undertaken during the course of regular business.
Operating costs	Impacted	i) The identified risks and opportunities reported in 2.3a and 2.4a have affected Spectrum Brands' operating costs in that our ongoing investment toward more sustainable products and efficient facilities to reduce our environmental impacts can require operating costs. ii) The magnitude of this impact is low, as these functions are part of day-to-day management and these activities are undertaken during the course of regular business.
Capital expenditures / capital allocation	Impacted	i) The identified risks and opportunities reported in 2.3a and 2.4a have affected Spectrum Brands' capital expenditures in that our ongoing investment toward more sustainable products and efficient facilities to reduce our impacts can require capital. ii) The magnitude of this impact is low, as these functions are part of day-to-day management and these activities are undertaken during the course of regular business.
Acquisitions and divestments	Not impacted	i) The identified risks and opportunities reported in 2.3a and 2.4a have not affected Spectrum Brands' approach to evaluating acquisitions and divestments.
Access to capital	Not impacted	i) The identified risks and opportunities reported in 2.3a and 2.4a have not affected Spectrum Brands' planning for access to capital.
Assets	Impacted	i) The identified risks and opportunities reported in 2.3a and 2.4a have affected Spectrum Brands' asset planning in that energy efficiency initiatives in their facilities could increase the value of owned assets. ii) The magnitude of this impact is low.
Liabilities	Impacted	i) The identified risks and opportunities reported in 2.3a and 2.4a have affected Spectrum Brands' liabilities in that the company works with contracted third-party vendors to support implementation of environmental objectives related to climate change. ii) The magnitude of this impact is low.
Other	Please select	

C3. Business Strategy

C3.1

(C3.1) Are climate-related issues integrated into your business strategy?

Yes

C3.1a

(C3.1a) Does your organization use climate-related scenario analysis to inform your business strategy?

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

C3.1c

(C3.1c) Explain how climate-related issues are integrated into your business objectives and strategy.

i) Spectrum Brands business objectives and strategy have been influenced in that we take a strategic approach to environmental management, which is an indispensable element of our overall business management. The company observes the whole value chain to find ways to improve its environmental performance and sets energy and waste reduction targets annually. Spectrum Brands has a mission to create and maintain a working environment that is safe for the employees, the communities in which it is involved, and the earth. Spectrum hosted our first internal sustainability conference in 2016, where senior management and representatives from all company divisions worked together to identify sustainability metrics data collection processes and implement changes to select products to address green chemistry concerns. Spectrum's sustainability council shares recommendations to address consistently throughout the company and sets targets for additional benchmarking. For example, Spectrum recently implemented a sustainability program that includes development of corporate level governance and a global sustainability metrics data collection process for our major operations and facilities to establish baseline greenhouse gas emissions and develop sustainability goals. The sustainability program has the support of our executive leadership team and engages all levels and divisions within the organization.

ii) Spectrum Brands' business strategy is linked to emissions and energy reduction targets in that we recently set corporate level sustainability performance improvement goals that include reductions in greenhouse gas emissions. To that end, we implemented a global data collection process for our major facilities to establish baseline greenhouse gas emissions. Our primary focus is on our most significant operations, namely facilities worth more than \$1 million in annual wages and product and equipment assets, which in 2017 included close to 60% of our employees. Within these facilities our intention is to reduce scope 1 (direct emissions from owned or controlled sources) and scope 2 market-based emissions (indirect emissions from the generation of purchased energy) by 3% on a per revenue basis each year from FY2017 through FY2022.

iii) The most substantial business decisions made during the reporting year involve the development of corporate level sustainability goals for the next five years. Spectrum also pursued a robust effort to engage both internal stakeholders and suppliers to comprehensively report to the Walmart Sustainability Index, with plans to expand the effort substantially in the coming years.

C3.1g

(C3.1g) Why does your organization not use climate-related scenario analysis to inform your business strategy?

Spectrum Brands does not currently utilize forward-looking scenario analyses associated with climate change to inform our strategy and financial planning; our current priority is to establish our sustainability programs and achieve specific environmental targets from facility and product perspectives. However, we continue to evaluate methodologies to enhance our current procedures.

C4. Targets and performance

C4.1

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

Intensity target

C4.1b

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

Target reference number

Int 1

Scope

Scope 1 +2 (market-based)

% emissions in Scope

100

% reduction from baseline year

3

Metric

Metric tons CO2e per unit revenue

Base year

2017

Start year

2017

Normalized baseline year emissions covered by target (metric tons CO2e)

Target year

2022

Is this a science-based target?

No, and we do not anticipate setting one in the next 2 years

% achieved (emissions)

0

Target status

New

Please explain

Years noted reflect Spectrum Brands' fiscal years.

% change anticipated in absolute Scope 1+2 emissions

% change anticipated in absolute Scope 3 emissions

C4.2

(C4.2) Provide details of other key climate-related targets not already reported in question C4.1/a/b.

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 projects at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	6	1175
To be implemented*	0	0
Implementation commenced*	3	792
Implemented*	5	364
Not to be implemented	0	0

C4.3b

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

Activity type

Energy efficiency: Building services

Description of activity

Lighting

Estimated annual CO2e savings (metric tonnes CO2e)

337

Scope

Scope 2 (location-based)

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in CC0.4)

49400

Investment required (unit currency – as specified in CC0.4)

272500

Payback period

4 - 10 years

Estimated lifetime of the initiative

11-15 years

Comment

Four facilities, including Bogota, Ellwangen, Xiamen and Chiayi, implemented energy efficient LED and T8 lighting placements.

Activity type

Energy efficiency: Building services

Description of activity

HVAC

Estimated annual CO2e savings (metric tonnes CO2e)

27

Scope

Scope 2 (location-based)

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in CC0.4)

4600

Investment required (unit currency – as specified in CC0.4)

0

Payback period

<1 year

Estimated lifetime of the initiative

<1 year

Comment

The Xiamen facility increased the temperature from 24 degrees to 25 degrees for the central air-conditioning system, resulting in energy savings.

C4.3c

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

Method	Comment
Compliance with regulatory requirements/standards	Spectrum Brands strives to be ahead of regulation changes and will always invest to remain compliant with current and future requirements.
Financial optimization calculations	Spectrum Brands constantly investigates and reviews opportunities to reduce the environmental impacts and carbon footprint associated with the company's day-to-day operations and products. When opportunities to reduce emissions and improve energy efficiency emerge, the company evaluates both the economic and environmental impacts of such projects, with the end goal of achieving year-on-year improvements.

C4.5

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

No

C5. Emissions methodology

C5.1

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

Scope 1

Base year start

October 1 2015

Base year end

September 30 2016

Base year emissions (metric tons CO2e)

40689

Comment

Scope 2 (location-based)

Base year start

October 1 2015

Base year end

September 30 2016

Base year emissions (metric tons CO2e)

111637

Comment

Scope 2 (market-based)

Base year start

October 1 2015

Base year end

September 30 2016

Base year emissions (metric tons CO2e)

112658

Comment

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions.

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

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

Row 1

Gross global Scope 1 emissions (metric tons CO2e)

40453

End-year of reporting period

<Not Applicable>

Comment

C6.2

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

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

C6.3

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

Row 1

Scope 2, location-based

111237

Scope 2, market-based (if applicable)

112060

End-year of reporting period

<Not Applicable>

Comment

C6.4

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

Yes

C6.4a

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

Source

Sales offices

Relevance of Scope 1 emissions from this source

Emissions are relevant but not yet calculated

Relevance of location-based Scope 2 emissions from this source

Emissions are relevant but not yet calculated

Relevance of market-based Scope 2 emissions from this source (if applicable)

Emissions are relevant but not yet calculated

Explain why the source is excluded

The logistics required and cost associated with collecting this data are prohibitive at this time.

Source

Individual fuels (i.e. propane, distillate fuel oil, etc.) used in vehicles and equipment

Relevance of Scope 1 emissions from this source

Emissions are relevant but not yet calculated

Relevance of location-based Scope 2 emissions from this source

No emissions from this source

Relevance of market-based Scope 2 emissions from this source (if applicable)

No emissions from this source

Explain why the source is excluded

The logistics required and cost associated with collecting this data are prohibitive at this time.

Source

Wastewater treatment plants under operational control

Relevance of Scope 1 emissions from this source

Emissions are relevant but not yet calculated

Relevance of location-based Scope 2 emissions from this source

Emissions are relevant but not yet calculated

Relevance of market-based Scope 2 emissions from this source (if applicable)

Emissions are relevant but not yet calculated

Explain why the source is excluded

The logistics required and cost associated with collecting this data are prohibitive at this time.

Source

Fugitive emissions including Garland, TX

Relevance of Scope 1 emissions from this source

Emissions are relevant but not yet calculated

Relevance of location-based Scope 2 emissions from this source

No emissions from this source

Relevance of market-based Scope 2 emissions from this source (if applicable)

No emissions from this source

Explain why the source is excluded

Production at the Garland A/C Pro facility was phased out beginning in 2016, and production was transitioned to a new facility in 2017. Due to the phased shutdown of operations at the facility and removal of the production line sources, Spectrum was not able to quantify fugitive emissions for this CDP submission.

(C6.5) Account for your organization's Scope 3 emissions, disclosing and explaining any exclusions.**Purchased goods and services****Evaluation status**

Relevant, not yet calculated

Metric tonnes CO2e**Emissions calculation methodology****Percentage of emissions calculated using data obtained from suppliers or value chain partners****Explanation****Capital goods****Evaluation status**

Relevant, not yet calculated

Metric tonnes CO2e**Emissions calculation methodology****Percentage of emissions calculated using data obtained from suppliers or value chain partners****Explanation****Fuel-and-energy-related activities (not included in Scope 1 or 2)****Evaluation status**

Relevant, calculated

Metric tonnes CO2e

7726

Emissions calculation methodology

Emissions from location-based electricity transmission and distribution (T&D) losses were calculated by multiplying electricity consumption by the T&D loss rate and appropriate emission factor (EF) and global warming potential (GWP) in accordance with the GHG Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) and the GHG Protocol Technical Guidance for Calculating Scope 3 Emissions (Version 1.0). T&D loss rates for the US are from US Energy Information Administration (EIA), "State Electricity Profiles," Table 10. Supply and disposition of electricity, 1990-2016 (megawatthours), Data for 2016, January 25, 2018 (<https://www.eia.gov/electricity/state/>), and international T&D loss rates are from the World Bank, "World Development Indicators: Electric power transmission and distribution losses (% of output)," last updated 7/28/15 (<http://data.worldbank.org/indicator/EG.ELC.LOSS.ZS/countries?display=default>). EFs for the US are from EPA eGRID2014 Version 1.0 (Year 2010 Data), and international CO2 EFs are from International Energy Agency (IEA), "CO2 Emissions from Fuel Combustion," 2014 Edition, Section II.61-63 CO2 emissions per kWh from electricity generation, Year 2012 Data (http://www.iea.org/textbase/nppdf/stat/14/co2_2014.pdf). International CH4 and N2O EFs are no longer being updated, and as such, are no longer included in the inventory: US EIA based on data from IEA, "Average 1999-2002 EFs," October 2007 (http://www.eia.doe.gov/oiaf/1605/excel/electricity_factors_99-02country.xls). GWPs from the IPCC Fifth Assessment Report (AR5 - 100 year) were applied.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Explanation

Upstream transportation and distribution

Evaluation status

Relevant, not yet calculated

Metric tonnes CO2e

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

Waste generated in operations

Evaluation status

Relevant, calculated

Metric tonnes CO2e

9452

Emissions calculation methodology

Waste emissions (hazardous and non-hazardous waste to landfill, recycling) were calculated by multiplying the mass of waste by the appropriate emission factor (EF) based on the waste treatment method and waste type. Non-hazardous waste to landfill was assumed to consist of mixed municipal solid waste (MSW), while the potential waste material recycled, reused, and recovered was assumed to be 100% mixed recyclables. Water-related emissions included in this category were calculated by deriving the CO2e factor from the EIO-LCA US 2002 Purchaser Price Model (<http://www.eiolca.net/cgi-bin/dft/use.pl?newmatrix=US428PURCH2002>) after discounting 2017 expenditures to 2002 dollars using the CPI Inflation Calculator (http://www.bls.gov/data/inflation_calculator.htm). GWPs from the IPCC Fifth Assessment Report (AR5 - 100 year) were applied.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Explanation

Business travel

Evaluation status

Relevant, not yet calculated

Metric tonnes CO2e

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

Employee commuting

Evaluation status

Relevant, calculated

Metric tonnes CO2e

46447

Emissions calculation methodology

Spectrum Brands collected commute data from employees via a commute and travel survey requesting distance traveled to and from work in an average week in 2017 for the following transport methods: public transit and alternative methods - walk/bike, transit rail, intercity rail, bus, and ferry/boat; vehicle transit - car, truck or SUV, and motorcycle (also requested fuel type for car, truck or SUV, and motorcycle transport). 1734 of 18079 employees responded to the survey with usable data. One-way commute distances as well as the number of commute days traveled in an average week were recorded. Distances traveled were multiplied by an assumed 50 weeks per year. Per person distances traveled by each transport method were calculated by division and applied to the 16345 employees that did not respond to the survey, with half the per person distances being applied to "Other" employee types (including temp, seasonal, intern, casual, contract, etc.). Employee commuting emissions were then calculated by multiplying total miles traveled by the appropriate emission factor and global warming potential in accordance with the GHG Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) and the GHG Protocol Technical Guidance for Calculating Scope 3 Emissions (Version 1.0). Emission factors from EPA, "Emission Factors for Greenhouse Gas Inventories," Table 2 Mobile Combustion CO2 Emission Factors, Table 3 Mobile Combustion CH4 and N2O Emission Factors for On-road Gasoline Vehicles, Table 4 Mobile Combustion CH4 and N2O Emission Factors for On-road Diesel and Alternative Fuel Vehicles, Table 7 Business Travel Emission Factors, April 4, 2014 (<http://www.epa.gov/climateleadership/documents/emission-factors.pdf>) and GWPs from the IPCC Fifth Assessment Report (AR5 - 100 year) were applied. Actual employee commute emissions for the 1734 employees that responded to the survey were 4784 t CO2e, and estimated employee commute emissions for the remaining 16345 employees were 41663 t CO2e.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Explanation

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

Spectrum Brands does not operate any leased facilities within the company's boundaries.

Downstream transportation and distribution

Evaluation status

Relevant, not yet calculated

Metric tonnes CO2e

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

Processing of sold products

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

Spectrum Brands products are finished goods and do not undergo further processing after point of sale.

Use of sold products

Evaluation status

Relevant, not yet calculated

Metric tonnes CO₂e

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

End of life treatment of sold products

Evaluation status

Relevant, not yet calculated

Metric tonnes CO₂e

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Metric tonnes CO₂e

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

Spectrum Brands does not operate any leased facilities within the company's boundaries.

Franchises

Evaluation status

Not relevant, explanation provided

Metric tonnes CO₂e

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

Spectrum Brands does not operate franchises.

Investments

Evaluation status

Not relevant, explanation provided

Metric tonnes CO₂e

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

Spectrum Brands did not make investments in the reporting year that could substantially impact the company's Scope 3 emissions.

Other (upstream)

Evaluation status

Metric tonnes CO2e

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

Other (downstream)

Evaluation status

Metric tonnes CO2e

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

C6.7

(C6.7) Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?

Yes

C6.7a

(C6.7a) Provide the emissions from biologically sequestered carbon relevant to your organization in metric tons CO2.

605

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

0.0000303

Metric numerator (Gross global combined Scope 1 and 2 emissions)

151690

Metric denominator

unit total revenue

Metric denominator: Unit total

5007000000

Scope 2 figure used

Location-based

% change from previous year

0.2

Direction of change

Increased

Reason for change

Spectrum Brands' revenue decreased by less than 0.7%, while emissions decreased by 0.4% Although emissions decreased in part due to having invested in emissions reduction activities as described in 4.3b, emissions decreased at a slower rate than revenue, resulting in an overall increase in this intensity figure.

Intensity figure

9.0292

Metric numerator (Gross global combined Scope 1 and 2 emissions)

151690

Metric denominator

full time equivalent (FTE) employee

Metric denominator: Unit total

16800

Scope 2 figure used

Location-based

% change from previous year

7

Direction of change

Decreased

Reason for change

Spectrum Brands' FTEs increased by 7%, while emissions decreased 0.4%. As emissions decreased despite an increase in FTEs, this resulted in an overall decrease in this intensity figure.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization have greenhouse gas emissions other than carbon dioxide?

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	40411	IPCC Fifth Assessment Report (AR5 – 100 year)
CH4	21	IPCC Fifth Assessment Report (AR5 – 100 year)
N2O	20	IPCC Fifth Assessment Report (AR5 – 100 year)

C7.2

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

Country/Region	Scope 1 emissions (metric tons CO2e)
United States of America	10222
Australia	0
Brazil	5617
Cambodia	5
Canada	164
China	78
Germany	2502
Guatemala	69
Mexico	10292
Philippines	3168
Taiwan (Province of China)	0.1
United Kingdom of Great Britain and Northern Ireland	156
Netherlands	7548
Colombia	137
Ecuador	496

C7.3

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

By business division

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
Global Auto Care	1026
Global Batteries & Appliances	9434
Hardware & Home Improvement	16474
Pet Home & Garden	13518

C7.5

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

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)
United States of America	52367	50643	88539	0
Australia	474	474	625	0
Brazil	347	347	2208	0
Cambodia	1286	1286	2249	0
China	10256	10256	1360	0
Germany	8004	9159	18328	5726
Guatemala	613	613	1404	0
Mexico	16320	16320	35400	0
Philippines	11456	11456	18572	0
Taiwan (Province of China)	1009	1009	1723	0
United Kingdom of Great Britain and Northern Ireland	1506	1718	4398	0
Netherlands	7073	8253	15287	0
Colombia	105	105	522	0
Ecuador	209	209	620	0

C7.6

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

By business division

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based emissions (metric tons CO2e)	Scope 2, market-based emissions (metric tons CO2e)
Global Auto Care	1477	1537
Global Batteries & Appliances	33774	34914
Hardware & Home Improvement	52019	55450
Pet Home & Garden	23967	20158

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?

Decreased

C7.9a

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

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption		<Not Applicable >		
Other emissions reduction activities	364	Decreased	0.2	Emissions reduction activities such as LED lighting replacement and behavioral changes implemented in FY2017 resulted in a minimum emissions reduction of 364 MT CO2e in total scope 1 and 2 emissions of during the year. The percentage change due to emissions reduction activities was therefore identified by the following formula calculated based on % change from last year's reported emissions: $(-364/(40689+111637))*100$.
Divestment		<Not Applicable >		
Acquisitions		<Not Applicable >		
Mergers		<Not Applicable >		
Change in output		<Not Applicable >		
Change in methodology		<Not Applicable >		
Change in boundary		<Not Applicable >		
Change in physical operating conditions		<Not Applicable >		
Unidentified	272	Decreased	0.2	Adding back the 364 MT CO2e emissions reduction from initiatives occurring at our tracked facilities, emissions decreased by an additional 272 MT $(151690-152326+364)$. The -0.002% change was calculated using the following formula: $(-272/(40689+111637))*100$.
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 undertakes this energy-related activity
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	Please select

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 MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	223207	223207
Consumption of purchased or acquired electricity	<Not Applicable>	5726	201053	206780
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>	5726	426150	429987

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 steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

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

Fuels (excluding feedstocks)

Natural Gas

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

223207

MWh fuel consumed for the self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

C8.2d

(C8.2d) List the average emission factors of the fuels reported in C8.2c.

Natural Gas

Emission factor

0.0531

Unit

metric tons CO2e per million Btu

Emission factor source

EPA, "Emission Factors for Greenhouse Gas Inventories," Table 1 Stationary Combustion Emission Factors, March 9, 2018 (<https://www.epa.gov/climateleadership/center-corporate-climate-leadership-ghg-emission-factors-hub>).

Comment

C8.2f

(C8.2f) Provide details on the electricity, heat, steam and/or cooling amounts that were accounted for at a low-carbon emission factor in the market-based Scope 2 figure reported in C6.3.

Basis for applying a low-carbon emission factor

Contract with suppliers or utilities (e.g. green tariff), supported by energy attribute certificates

Low-carbon technology type

Hydropower

MWh consumed associated with low-carbon electricity, heat, steam or cooling

5725

Emission factor (in units of metric tons CO2e per MWh)

0

Comment

Spectrum's Melle facility consumes 100% renewable energy purchased from the utility.

C9. Additional metrics

C9.1

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

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 third-party verification or assurance

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, but we are actively considering verifying within the next two years

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)?

Yes

C11.1a

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.

EU ETS

C11.1b

(C11.1b) Complete the following table for each of the emissions trading systems in which you participate.

EU ETS

% of Scope 1 emissions covered by the ETS

19

Period start date

January 1 2017

Period end date

December 31 2017

Allowances allocated

4140

Allowances purchased

1000

Verified emissions in metric tons CO2e

5969

Details of ownership

Facilities we own and operate

Comment

C11.1d

(C11.1d) What is your strategy for complying with the systems in which you participate or anticipate participating?

Spectrum Brands' strategy with regard to complying with schemes in which we participate is to adhere to European law according to the Energy Emissions Directive. This particular site is subject to the EU-ETC emission trading scheme via a separate CO2 emission trading permit, granted by the Dutch Emissions Authority dated January 2013.

C11.2

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

No

C11.3

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

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

C12. Engagement

C12.1

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

Yes, our suppliers

Yes, our customers

Yes, other partners in the value chain

C12.1a

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

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Collect climate change and carbon information at least annually from suppliers

% of suppliers by number

% total procurement spend (direct and indirect)

% Scope 3 emissions as reported in C6.5

0

Rationale for the coverage of your engagement

The coverage of our engagement prioritizes suppliers from whom we require data to respond to and achieve improved performance on the Walmart Sustainability Index. In 2017, we surveyed nearly 400 tier 1 and tier 2 suppliers to generate our responses to the WMSI surveys that include product category Key Performance Indicators (KPIs).

Impact of engagement, including measures of success

Spectrum Brands' engagement with suppliers is undertaken to evaluate the risks and opportunities presented by our upstream relationships. Measures of success include high response rates to supplier surveys, enabling us to improve performance with regard to CDP and the Walmart Sustainability Index and thereby leading to increased transparency within the supply chain. The intent of surveying suppliers is to go beyond collecting data to increasing awareness, which we facilitate by providing educational materials describing the importance of evaluating and reporting on sustainability-related impacts.

Comment

C12.1b

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

Type of engagement

Education/information sharing

Details of engagement

Share information about your products and relevant certification schemes (i.e. Energy STAR)

Size of engagement

% Scope 3 emissions as reported in C6.5

0

Please explain the rationale for selecting this group of customers and scope of engagement

Spectrum Brands reports to CDP as well as the Walmart Sustainability Index (WMSI). Our strategy for prioritizing engagement is based significantly on our customers' priorities, which also prompt us to measure greenhouse gas emissions and other climate change impacts beyond our standard organizational reporting.

Impact of engagement, including measures of success

Spectrum Brands reports to CDP as well as the Walmart Sustainability Index (WMSI). Our strategy for prioritizing engagement is based significantly on our customers' priorities, which also prompt us to measure greenhouse gas emissions and other climate change impacts beyond our standard organizational reporting. Success is measured by consistently improving sustainability performance across our product categories. In 2017, we earned a top 3 ranking for 8 out of 14 product categories. We also continued to increase our company-wide average, achieving a 49% average in 2017, up from 33% in 2016 and 26% in 2015.

C12.1c

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

Spectrum Brands employees volunteer thousands of service hours with dozens of community organizations around the world. Colleagues on the ground often initiate these programs, with "champions" taking the lead to organize employees and determine how best to focus efforts locally. Each spring since 2012, Spectrum Brands employees across our U.S. divisions unite for our annual day of service. Our corporate headquarters team often partners with the Clean Lakes Alliance to perform water quality and stewardship projects such as litter clean-up, tree planting, and invasive plant removal. These actions help educate our employees about how to improve the quality of nearby bodies of water, protect wildlife, and enrich life for nearby communities. The National Environmental Education Foundation (NEEF) is a non-profit creating a safer and healthier environment. In 2017, more than 300 Spectrum Brands employees dedicated over 750 volunteer hours in Middleton, WI; Lake Forest, CA; Dayton, OH; and St. Louis, MO. Spectrum Brands helped fund events hosted by local community groups, such as the Pheasant Branch Creek Corridor, Orchid Heights Park, Marshall Park, Five Rivers Metroparks, Irvine Conservancy, and Gateway Greening Urban Farm. Our support of volunteer projects and educational work allows employees to feel meaningfully engaged in their communities and offers us an opportunity to give back.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Trade associations
Other

C12.3b

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

Yes

C12.3c

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

Trade association

Clean Lakes Alliance

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

Clean Lakes Alliance (CLA) is a non-profit organization dedicated to the environment and protection of the lakes, streams and wetlands in the Yahara Watershed. Spectrum Brands is a Sustaining Founder of CLA, providing significant financial, staffing and other in-kind support each year. Partnering with CLA on hands-on educational volunteer opportunities for staff promotes informed stewardship of natural resources, aligning with Spectrum Brands' corporate philosophy.

How have you, or are you attempting to, influence the position?

Spectrum Brands is on the Board of CLA. Furthermore, over 100 Spectrum Brands employees are assisting with improvement projects, including invasive species removal, native plantings and trash pick-up annually.

Trade association

Consumer Specialty Products Association (CSPA)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The association's most recent annual report does not explicitly address climate change. However, the association encourages and supports members in their compliance with state and federal air quality regulations that, in some cases, include greenhouse gas emissions limits.

How have you, or are you attempting to, influence the position?

Spectrum Brands holds positions on the board of the CSPA. Through that involvement, Spectrum Brands influences the climate change-related policies and actions of this trade association, which is the premier organization of its kind in the United States. Examples include engaging on VOCs and ambient air quality. Spectrum Brands is also aligned with CSPA's position with regard to green chemistry, endocrine issues, environmental marketing claims, and hazardous waste.

C12.3e

(C12.3e) Provide details of the other engagement activities that you undertake.

Spectrum Brands is a member of the Alliance for Responsible Atmospheric Policy, an industry coalition organized to address the issue of stratospheric ozone depletion. Spectrum Brands sits on the Alliance Board. We maintain consistent views with regard to climate change as the Alliance, which coordinates industry participation in the development of economically and environmentally beneficial international and domestic policies at the nexus of ozone protection and climate change.

C12.3f

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

At Spectrum Brands, sustainability is a philosophy carried out to enhance the company's competitive edge while demonstrating commitment to the communities in which we live and work. While our climate change strategy is evolving, our sustainability program includes development of corporate level governance that will assist in our efforts to continuously evaluate activities around climate change policy and ensure consistency with our overall strategy.

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
Underway – this is our first year

Attach the document

Content elements
Governance
Strategy
Emissions figures
Emission targets
Other metrics

C14. 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.

C14.1

(C14.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	DVP, Chief Sustainability Officer	Chief Sustainability Officer (CSO)

SC. Supply chain module

SC0.0

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

SC0.1

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

	Annual Revenue
Row 1	5010000000

SC0.2

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

No

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

Target Corporation

Scope of emissions

Scope 1

Emissions in metric tonnes of CO₂e

809

Uncertainty (±%)

5

Major sources of emissions

Natural gas

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Spectrum Brands has engaged a third party consulting firm to identify the inventory boundaries, complete all calculations, and report emissions to CDP. The chosen allocation method is approximate.

Requesting member

Target Corporation

Scope of emissions

Scope 2

Emissions in metric tonnes of CO₂e

2225

Uncertainty (±%)

5

Major sources of emissions

Purchased electricity (location-based)

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Spectrum Brands has engaged a third party consulting firm to identify the inventory boundaries, complete all calculations, and report emissions to CDP. The chosen allocation method is approximate.

Requesting member

Target Corporation

Scope of emissions

Scope 3

Emissions in metric tonnes of CO₂e

1273

Uncertainty (±%)

5

Major sources of emissions

Transmission & distribution losses associated with purchased electricity (location-based), employee commute, waste and water consumption

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Spectrum Brands has engaged a third party consulting firm to identify the inventory boundaries, complete all calculations, and report emissions to CDP. The chosen allocation method is approximate.

Requesting member

Wal-Mart Stores, Inc.

Scope of emissions

Scope 1

Emissions in metric tonnes of CO₂e

6068

Uncertainty (±%)

5

Major sources of emissions

Natural gas

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Spectrum Brands has engaged a third party consulting firm to identify the inventory boundaries, complete all calculations, and report emissions to CDP. The chosen allocation method is approximate.

Requesting member

Wal-Mart Stores, Inc.

Scope of emissions

Scope 2

Emissions in metric tonnes of CO₂e

16686

Uncertainty (±%)

5

Major sources of emissions

Purchased electricity (location-based)

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Spectrum Brands has engaged a third party consulting firm to identify the inventory boundaries, complete all calculations, and report emissions to CDP. The chosen allocation method is approximate.

Requesting member

Wal-Mart Stores, Inc.

Scope of emissions

Scope 3

Emissions in metric tonnes of CO₂e

9544

Uncertainty (±%)

5

Major sources of emissions

Transmission & distribution losses associated with purchased electricity (location-based), employee commute, waste and water consumption

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Spectrum Brands has engaged a third party consulting firm to identify the inventory boundaries, complete all calculations, and report emissions to CDP. The chosen allocation method is approximate.

SC1.2

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

Not applicable

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
We face no challenges	

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.

Spectrum Brands does not face any challenges with emissions allocation at this time. The company is comfortable with its current strategy to allocate emissions.

SC2.1

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

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?

No

SC3.1

(SC3.1) Do you want to enroll in the 2018-2019 CDP Action Exchange initiative?

No

SC3.2

(SC3.2) Is your company a participating supplier in CDP's 2017-2018 Action Exchange initiative?

No

SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services, if so, what functionality will you be using?

No, I am not providing data

SC4.2d

(SC4.2d) Have any of the initiatives described in SC4.2c been driven by requesting CDP Supply Chain members?

No

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

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

Please confirm below

I have read and accept the applicable Terms